



DULUTH AIRPORT AUTHORITY

Duluth Airport Authority

Meeting Minutes

February 18, 2025

MEETING LOCATION: Amatuzio Conference Room, Duluth International Airport

DIRECTORS PRESENT: Kevin O'Brien, President
Jason Crawford
Sany Hoff
Briana Johnson

DIRECTORS PARTICIPATING VIA ELECTRONIC MEANS:
Jeff Anderson, Secretary

DIRECTORS ABSENT: Elissa Hansen
Michael Henderson, Vice President

OTHERS PRESENT: Tom Werner, DAA Executive Director
Mark Papko, DAA Dir. of Operations
Jana Kayser, DAA Dir. of Business Development
Joelle Bodin, DAA Dir. of Finance and Administration
Jenny Delnay, DAA Finance Technician
Aimee Bone, DAA Administrative Coordinator
Rob Missinne, Monaco Air Duluth

OTHERS PARTICIPATING VIA ELECTRONIC MEANS:
Ian Young, Duluth City Attorney
Horeya Czaplewski, EXP
Phillip Scott, EXP
Paul Huston, HNTB
John Uhlhorn, H+U Construction
Shawn McMahon, SEH
Kaci Nowicki, SEH

CALL TO ORDER: Dir. O'Brien called the DAA board meeting to order at 8:00 a.m. Roll call.

Dir. O'Brien invited Mr. Tom Werner to provide the Executive Director's Review

I. *EXECUTIVE DIRECTOR'S REVIEW

- A. **Air Service:** Mr. Werner provided an update on the current air service with a presentation.
- Mr. Werner presented year-to-date numbers:
 - Year-to-date enplanements are up 30%, Delta up 34%, and United up 18% compared to 2024. Mr. Werner shared that the month of January was the strongest one since 2020.



DULUTH AIRPORT AUTHORITY

- Load factors very strong all three carriers (Delta, United, and Sun Country), with a limited sample size for Sun Country, having started seasonal direct flights to Fort Myers again in January.
- Regarding market share, Delta dominates currently with many seats in the market, and a modest increase for United and less seats available. Delta up 30% and United up 16% compared to January 2024.
- Air service and fares will depend on fuel prices and other factors.
- National note: A4A (coalition that represents most of the major U.S. airlines) has sued the State of Minnesota for sick and safe time law. No air service disruptions are expected.
- Local note: DLH submitted a request to repurpose the SCASD grant and is still pending DOT review in Washington, D.C.
- Four daily airline frequencies are common with Delta currently, and three with United.

B. Operations/Construction/Planning: Mr. Papko provided the following updates:

- Construction:
 - Customs and Border Protection Federal Inspection Services Construction Update:
 - Mr. Papko shared that the CBP project has started, confident to get done for less than \$50,000. There is a good partnership between DAA and CBP and the local communication is very strong. DAA has a strong relationship with the Duluth port and will be touring the cruise terminal to model a modification at DLH after. The IT team is working on their ends of the project, and all is moving forward.
- Planning:
 - New Air Traffic Control Tower (ATCT) Update:
 - Mr. Papko is working with the project team for tower funding options at the state and federal level. The grant application is well vetted to create flexibility and multiple funding sources, H&U giving revised pricing to navigate scenarios with funding, making progress on FAA reimbursement agreement, will remain flexible. Mr. Werner shared that in April, he and Mr. Papko are going to bring a proposal to the board that would phase the project, resolutions will be later in the spring for time to review.
 - Funding has been received for Phase 5 Reconstruction for this summer, about 2,000 feet of Taxiway Alpha, reconstruct Connector Taxiway Alpha 3 to comply with current standards, reconstruct connectors to the Midfield Ramp, replace taxiway lighting and shoulders, and improve surface and subsurface drainage. The plan is to start in late May 2025, depending on the weather. There will be one main work phase with a stoppage during the week of the air show.
 - The runway magnetic FOD sweeper was approved for a state grant. DAA signed a purchase agreement to purchase a new one, and production model has started and MNDOT has been supportive. The equipment is starting to get quite a bit of visibility after DLH having helped to create a prototype and MNDOT/aeronautics support is helpful.
 - Runway 27 outer marker is out of service and DLH is not planning on having it return (the markers are being decommissioned at a federal level). This was communicated to tenants and users and no concerns were



expressed. The markers are being replaced by technology such as GPS, waypoints, etc. DLH still has an outer and inner marker for runway 9.

C. Business/Property Development: Ms. Kayser provided an update on the following:

- LifeLink III Project Update: Ms. Kayser shared that there was a pre-bid meeting on February 11th with strong attendance. Bid opening for the project is on February 25th, and funding is anticipated to be by FAA at 95%, MNDOT at 2.5%, and the DAA at 2.5%. MNDOT is anticipated to fund ineligible portions (mainly crew quarters area) at 70%.
- Summer intern: Interviews in progress with strong candidates from a broad geographic range and varying stages of academic careers.
- Hangar Inspection Update: There is one tenant not in compliance, Ms. Kayser sent a certified letter that the tenant must have their annual complete within 6 months or termination of lease agreement.
- Vending Request for Proposal: This is a program to make sure that DAA is providing a fair playing field for all participants to enter the market is to issue RFP for concession items. The current vending operator at DLH is doing fine, but Ms. Kayser is creating the RFP for Sky Harbor with the new terminal.
- Mr. Werner shared that since the last board meeting, DAA met with Vantage Aviation, the prospective buyer of Monaco Air and the meeting went well. Mr. Werner also shared that there should be an agreement for the board to review prior to the March board meeting and that Vantage Air will present their vision at that board meeting.

D. Financial Update: Ms. Bodin provided an update on the following:

- Stormwater Update: Ms. Bodin shared that stormwater update has had a couple of meetings and is making progress for accuracy. A formal memo was received back from Kaplan & Kirsch about areas of water flow and the city stormwater system.
- Cost Allocation Update: Ms. Bodin had a meeting last week with city staff and is waiting for their response on a couple of questions.
- Audit: Auditors will be in town next week and in the office with initial walkthroughs. The audit is expected to be completed mid-to-end of March 2025.

E. Marketing/Communications: Mr. Werner provided an update on Ms. Baker's behalf on the following:

- Duluth and St. Louis County Days: Mr. Werner shared that Duluth Days went well, a lot of visitor traffic, and a success.
- Commercial Vehicle Lane Stakeholder Engagement: Mr. Werner shared that DLH is shifting all commercial traffic to one lane and updating fee structures. There will be a public information session on March 5th at 1:00 PM and will gather feedback and present the plan for the new policy. Additionally, the March DAA board meeting will open up with a quick public hearing regarding policy regarding concerns, etc.
- Economic Impact Study: Mr. Werner shared that he reviewed the preliminary results, and results, and it shows growth. Ms. Baker is putting together a press event for mid-March for the public, and several strategic messages tied to growth such as strong infrastructure (i.e. ATCT), Cirrus, and other examples.
- TSA Pre-Check Event: Mr. Werner shared that on April 1-4th, there will be a TSA contractor at DLH to set up a mobile event for passengers to obtain Pre-Check status. Mr. Werner shared that this event is always very popular.



F. Legislative Update: Mr. Werner provided an update on the following:

- ATCT Funding Advocacy: Mr. Werner shared updates about numerous legislative and stakeholder meetings the DAA has had over the past month at the local and state levels. This included a meeting that Mr. Werner and Dir. Anderson had with Governor Walz's office and emphasize the regional nature of the project. Mr. Werner also shared that the building trades are a huge supporter of the ATCT project. Mr. Werner also spoke at the last St. Louis County Board Meeting, and DAA has received letters of support from city and county staff to support the project. APEX staff have also assisted with letters of support. The MNDOT Director of Aeronautics, Mr. Ryan Gaug, is very supportive of the project and understands its importance. Mr. Werner shared that Mr. Gaug is asked to report on every aviation project that goes before the legislature, so having his support is extremely important. Mr. Werner also shared that senior DAA staff and accompanying DAA board members lobbied at Duluth and St. Louis County Days in St. Paul, and Mr. Papko shared that feedback from the time in St. Paul indicates that there is strong bipartisan support for the project. Dir. Johnson shared those legislatures also mentioned the importance of getting support from other regional airports for the new tower. The smaller airports in the region also depend on services from the tower. Mr. Werner shared that several smaller regional airports have expressed their support of the tower project. Mr. Werner shared that Mr. Papko testified on behalf of the project in front of the House Transportation Committee. Mr. Papko shared that legislators were supportive and there is some concern about Executive Orders and federal funding. Mr. Werner will be back at the Capitol for the next couple of days with Dir. Anderson. Mr. Werner will also be testifying at the Tax Committee on behalf of the Airport Property Tax Exemption and meeting with Rep. Liish Kozlowski. Mr. Werner shared updates on a senate bill funding that will have bi-partisan support and will share updates at the March board meeting. Dir. Anderson reiterated the concerns by legislators mentioned by Mr. Papko about funding uncertainties at the federal level and its impact on state level funding support.
- Mr. Werner shared that he has stepped down as the Local Air Service Action Committee (LASAC) Chair. Bill Towle, the Executive Director at the St. Cloud Airport, is the new LASAC Chair. The committee represents all nine air service airports in the state, sets statewide legislative priorities, and helps to advance industry items at the state and federal level.

G. Presentations/Tours/Travel Recap: Mr. Werner provided an update on the following:

- NSR

H. Other: Mr. Werner provided an update on the following:

- NSR

- Dir. O'Brien thanked everyone for their reviews and moved to item II of the agenda.

II. *APPROVAL OF PREVIOUS MEETING MINUTES & OTHER CONSENT AGENDA ITEMS AS INDICATED BY *:

A. Approval of January 21, 2025 Meeting Minutes

- Dir. O'Brien entertained questions or a motion.
 - Motion: Dir. Crawford
 - Second: Dir. Johnson



DULUTH AIRPORT AUTHORITY

- Abstain: None
- Result: This resolution was adopted unanimously by roll call.

III. *DAA CASH DISBURSEMENTS

- A. Operating Check Registers #1-#3-2025; Operating ACH Payment Register #2-#3-2025; Construction ACH Register #1-2025.

IV. *CORRESPONDENCE

- A. January 22, 2025: Letter to Representative Mary Franson for Support of DLH ATCT Replacement. Annie Harala, St. Louis County Board of Commissioners and City of Duluth Mayor Roger J. Reinert. Letter.
- B. January 22, 2025: Letter to Representative Fue Lee for Support of DLH ATCT Replacement. Annie Harala, St. Louis County Board of Commissioners and City of Duluth Mayor Roger J. Reinert. Letter.
- C. January 22, 2025: Letter to Senators Sandy Pappas and Karin Housley for Support of DLH ATCT Replacement. Annie Harala, St. Louis County Board of Commissioners and City of Duluth Mayor Roger J. Reinert. Letter.
- D. January 30, 2025: Letter to Mr. Thomas Werner, DAA Executive Director from E. Lindsay Terry, Manager, U.S. Department of Transportation Federal Aviation Administration, Airport Division, Great Lakes Region - PFC Application Number 25-15-C-00-DLH Acknowledgement Letter.
- E. February 4, 2025: Construction at Duluth International Airport Impacts Local Economy. NNN.
- F. February 10, 2025: Letter to Senator Amy Klobuchar RE: Airport Legislative Priorities Spring 2025. DAA. Letter.
- G. February 10, 2025: Letter to Congressman Pete Stauber RE: Airport Legislative Priorities Spring 2025. DAA. Letter.
- H. February 10, 2025: Letter to Senator Tina Smith RE: Airport Legislative Priorities Spring 2025. DAA. Letter.

V. OPPORTUNITY FOR PERSONS TO BE HEARD

- A. None.

VI. OLD BUSINESS

- A. None.

VII. NEW BUSINESS

- A. Resolution to Resolution to Approve the Creation of a Duluth Airport Authority Task Force on Review of Board of Director Attendance Policies.
 - Mr. Werner shared that the resolution will allow the task force to review rules of attendance. The committee will be able to operate in an ad hoc nature and report back to the board with any recommendations needed. Dir. O'Brien added that the task force committee members will consist of Directors Johnson, Crawford, and Hansen.
 - Dir. O'Brien entertained questions or a motion.
 - Motion: Dir. Hoff
 - Second: Dir. Johnson



DULUTH AIRPORT AUTHORITY

- Abstain: None
- Result: This resolution was adopted unanimously by roll call.

B. Resolution to Approve Work Order 2025 - 2 between Short Elliot Hendrickson, Inc., and the Duluth Airport Authority for Expanded Project Scope / Supplemental Agreement for Preliminary and Final Design for the Taxiway A Reconstruction – Phase 6 Project at the Duluth International Airport

- Mr. Papko shared that as a part of Phase 6, there is an additional 800-foot portion of Taxiway A, with the construction of 75-foot taxiways. This is due to the anticipated availability of FAA funds.
- Dir. O'Brien entertained questions or a motion.
 - Motion: Dir. Johnson
 - Second: Dir. Crawford
 - Abstain: Anderson
 - Result: This resolution was adopted unanimously by roll call.

C. Resolution to Approve an Employee Incentive Award for Ryan Welch in the Amount of \$3000 in Accordance with Operating Policy #5.

- Mr. shared that Mr. Welch's performance in 2024 was above standards, and there was a large dollar amount of projects that Mr. Welch's team was an integral part of and keep the runway open. Mr. Welch managed and coordinated the team to make it seamless.
- Dir. O'Brien entertained questions or a motion.
 - Motion: Dir. Hoff
 - Second: Dir. Johnson
 - Abstain: None
 - Result: This resolution was adopted unanimously by roll call.

D. Resolution to Approve Installation of Luminary Art by Leonarda Boughton.

- Mr. Werner shared that the board will not take a vote on this resolution today. There is some work to be completed on it by staff and plan is to bring it to vote at the next board meeting.
- Dir. O'Brien entertained a motion to table Resolution D.
 - Motion: Dir. Johnson
 - Second: Dir. Crawford
 - Abstain: None
 - Result: This resolution was adopted unanimously by roll call.

E. *December 2024 Financial Reports

F. *February 2025 Accounts Receivable

G. *January 2025 Airline Statistics, Landline Statistics

VIII. DIRECTOR'S REPORTS

- A. Dir. Johnson asked if recent cuts to FAA have affected any DLH operations. Mr. Papko and Mr. Werner shared that the cuts have had no local impacts. Mr. Werner reminded the board there are three lines of business from the federal side that could have an impact. Those include the technical operations staff, who take care of federally owned navigation aids, Air Traffic Controllers, and the staff from the airport's district ops in Minneapolis on the development side.



DULUTH AIRPORT AUTHORITY

ADJOURN: The meeting was adjourned at 8:51 a.m.

Respectfully submitted,

Aimee Bone
Administrative Coordinator

Tom
Werner

Digitally signed by
Tom Werner
Date: 2025.03.03
10:48:29 -06'00'

Approved: _____

DAA Executive Director