



DULUTH AIRPORT AUTHORITY

Duluth Airport Authority

Meeting Minutes

June 26, 2025

MEETING LOCATION: Sky Harbor Airport

DIRECTORS PRESENT: Kevin O'Brien, President
Michael Henderson, Vice President
Jason Crawford
Briana Johnson

DIRECTORS PARTICIPATING VIA ELECTRONIC MEANS:

Sandy Hoff (not voting)

DIRECTORS ABSENT: Jeff Anderson, Secretary
Elissa Hansen

OTHERS PRESENT:

Tom Werner, DAA Executive Director
Ryan Welch, DAA Interim Dir. of Operations
Jana Kayser, DAA Dir. of Business Development
Joelle Bodin, DAA Dir. of Finance and Administration
Natalie Baker, DAA Dir. of Communications and Marketing
Tristan Durfee, DAA Sky Harbor Manager
Jenny Delnay, DAA Finance Technician
Aimee Bone, DAA Administrative Coordinator
Trevor Wills, Lake Superior College
Rob Missinne, Monaco Air Duluth
Shawn McMahon, SEH
Kaci Nowicki, SEH

OTHERS PARTICIPATING VIA ELECTRONIC MEANS:

Horeya Czaplewski, EXP
Phillip Scott, EXP
Paul Huston, HNTB

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

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.
 - i. Mr. Werner presented year-to-date numbers:



- Year-to-date enplanements total passengers increase of 21% compared to 2024 YTD, May enplanements up 24% compared to May 2024. Strong spring break travel and heading into a projected strong summer travel season. Delta passengers went up 39% compared to May 2024 and United down 7% compared to May 2024. Load factors for both airlines in the high 80s to low 90% for May 2025, and these are numbers that we need for growth. Delta captured 67% of the passenger May 2025 market share, United 33%. Delta seat capacity up 30% compared to May 2024, and United down 14% compared to May 2024. Delta seat capacity up 33% compared to YTD and United down 1% YTD.
- Mr. Werner compared passenger numbers from May 2019 to May 2025. Numbers post-pandemic have recovered strongly, seat count is close to where we were in 2019. Mr. Werner shared that it's promising to see the data track in this direction.
- Mr. Werner shared that due to several factors related to economic uncertainty, many airlines around the nation are pulling back a bit on their capacity. This hasn't impacted DLH yet, and United has added seats in the local region.
- Mr. Werner shared that he met with several airlines at the recent JumpStart Conference in Indianapolis. Those airlines included American, Delta, and Sun Country. Spring 2026 Sun Country flights to DLH are still to be determined. Mr. Werner also mentioned that Sun Country is growing its fleet portfolio to include Amazon cargo flights with a reduction in commercial flights at about 10%. Mr. Werner also shared that there is ongoing discussion including a board-approved incentive, about increased capacity with United Chicago flights. The route does very well, and hopeful to see more E175s in the DLH market as fleet becomes available. There is still interest in a flight to Denver but to be determined. There was also discussion of American Airline's return to Duluth, but not in the immediate future. Delta acknowledges they could use more seats in the DLH market but will determine after 2025 market performance. Several other seasonal flight markets are possible but that remains to be determined.
- ii. ATCT: Mr. Werner shared that the tower has been included in the Transportation Omnibus Bill for \$10 million in the special legislative session. DAA has also submitted a capital funding request for 2026 for \$4 million in bonding with the opportunity to amend the amount this fall and will submit upcoming ATP grant for federal funding.

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

- Planning:
 - New Air Traffic Control Tower (ATCT) Update:
 - Mr. Welch shared that funding continues to be acquired, and the team is exploring phasing for the tower. Phase One is the base and foundation, and Phase Two is the tower structure and FAA occupation guidelines.
 - Mr. Welch also shared that the DAA continues to work with the FAA to inform and update the reimbursable equipment agreement.
- ii. Operations:
 - Triennial: The team, partner agencies, and volunteers executed a successful exercise on June 5th. Mr. Welch stated that Mr. Snell did an excellent job coordinating the event.
- iii. Construction:
 - Taxiway Phase 5: The construction project is moving along well, and weather conditions have been very conducive to stay on schedule. Phase 5A-0 is completed and Phase 5A is underway. The contractors plan to wrap-up pre-



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Airshow on July 2nd. Post Airshow, there will be some impacts on the primary runway, but DAA staff will continue to work with the engineering construction teams to limit the impact on tenants and the flying public.

- Customs and Border Protection Federal Inspection Services Construction Update: Mr. Welch shared that the team is working on the final punch list and will meet one more time with CBP to ensure the facility meets their design standard.
- Hangar 103 Roof: The project is moving forward with the insurance claim to repair damage done over the winter and work should start in the next two weeks.
- 139 Annual Inspection: Mr. Welch shared that the inspection went well overall. DAA received several minor corrective actions which have been completed, just waiting for certification. Mr. Werner thanked Mr. Welch and his team for their daily efforts to keep the airfield safe.
- Sky Harbor: The terminal has new vending machines, and Mr. Durfee will monitor performance with the public and make necessary adjustments.

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

- i. LifeLink III Project Update: Ms. Kayser shared that the temporary fence installation has been completed, and the metal building structure is on schedule to start construction in late September 2025 with anticipated completion in late January or early February 2026.
- ii. Great Lakes Cruising: The cruising season started in Duluth on June 3rd, and Unifi staff has a large ground handling role in the process. The cruise season has a strong economic impact on DLH and the region.
- iii. AIG Funding: Ms. Kayser shared that the existing grant was used for several projects at DLH (the funds must be used towards a revenue-generating project) and there are remaining funds available. The DAA will be using the leftover funds towards another potential airport partner and is working on an RFI to eventually have an RFP.
 - Dir O'Brien asked if any potential tenants must be aviation-related and Ms. Kayser confirmed yes, must be aeronautical.

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

- i. Stormwater Update: Ms. Bodin shared that the reduction rate requested to the city, initial request was denied, so an appeal was filed with more to follow.
- ii. Concessionaire Audit: Ms. Delnay has been working on the Tailwinds audit diligently, making good progress, and will report once results are completed.
- iii. Line of Credit: Ms. Bodin discussed the line of credit with the City of Duluth, which hasn't been used since 2019, and expires on 12/31/25. Ms. Bodin shared that with the large amount of construction at DLH, it would be wise to maintain a line of credit in case it is necessary to cashflow until reimbursements are received. Ms. Bodin and team are currently researching extension options and the appropriate amount.
 - Mr. Werner added that when DAA sent the initial claim letter to the city, there was the issue of the stormwater compliance and to reconcile with the city what their role was as the airport's sponsor. DAA is currently working with the city's administration to get leadership acknowledgement in their role as the airport's sponsor and welcomed the board to be a part of the process if they wish to do so.



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E. **Marketing/Communications:** Ms. Baker shared the following updates:

- i. Advertising:
 - o Ms. Baker shared that there will be a new advertiser in the terminal starting in July with a one-year term. The company is Compeer Financial and their advertising space will be located at Baggage Claim One.
 - o Twin Ports Dermatology will also be renewing a one-year term.
 - o Ms. Baker is working with the Minnesota Lottery on their two-year renewal and in the process of some additional negotiations.
- ii. The Lifelink groundbreaking event will take place on July 1st.
- iii. MnDOT Air Service Marketing Grant: Baker shared that DAA will be receiving \$84,303.00 from the state for FY2026, which is a \$4,147.36 increase from last year. DAA is responsible for 30%, which is \$36,129.86 for a total of \$120,432.86 for the project.

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

- i. Airport Property Tax Bill: The bill did not pass, and the existing tax rules remain in place. Mr. Werner state that it is unclear if legislators will take it up next session.

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

- i. Mr. Werner shared that he recently participated in an airport cooperative research program panel in Washington D.C. The panel's findings on various research projects result in published products that will be used as airport manuals.
- ii. Vantage Air will share their presentation at July's board meeting.

H. **Other:** None.

- i. 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 May 20, 2025 Meeting Minutes

- i. Dir. O'Brien entertained questions or a motion.
 - o Motion: Dir. Johnson
 - o Second: Dir. Henderson
 - o Abstain: None
 - o Result: This resolution was adopted unanimously.

III. ***DAA CASH DISBURSEMENTS**

- A. Operating Check Registers #10-14, 2025; Operating ACH Payment Register #10-15, 2025; Construction ACH Register #6, 2025.

IV. ***CORRESPONDENCE**

A. DLH Construction Newsletter

- i. May 16, 2025
- ii. May 23, 2025



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- iii. May 30, 2025
- iv. June 6, 2025
- v. June 13, 2025

- B. May 15, 2025: United Airlines to Add New Flight from Duluth. Fox21online.
- C. May 16, 2025: Thank You Letter to Tom Werner, DAA Executive Director, from Senator Amy Klobuchar. Letter.
- D. June 5, 2025: Duluth Airport Authority Runs Triennial Full Scale Emergency Drill. WDIO.
- E. June 10, 2025: Northland Lawmakers Prioritize Northern Minnesota After Passing of Budget. NNN.
- F. June 12, 2025: Front Row Seat: What I Learned on My First Duluth Helicopter Ride. DNT.

V. OPPORTUNITY FOR PERSONS TO BE HEARD

- A. None.

VI. OLD BUSINESS

None.

VII. NEW BUSINESS

- A. Resolution to Approve Employee Incentive Award for Jenny Delnay in the Amount of \$500.
 - i. Ms. Bodin shared that Ms. Delnay reorganized the DAA common drive and has also been diligently working on the concessionaire audit. Ms. Delnay has exemplified executing both large tasks in a timely, efficient, and precise manner. Mr. Werner agreed with Ms. Bodin's statements about Ms. Delnay's outstanding work with the projects.
 - ii. Dir. O'Brien entertained questions or a motion.
 - o Motion: Dir. Henderson
 - o Second: Dir. Crawford
 - o Abstain: None.
 - o Result: This resolution was adopted unanimously.
- B. Resolution of Support of the Air Traffic Control Tower Replacement Project.
 - i. Ms. Bodin shared that DAA submitted the state request of \$4 million with updated information from a previous submission in 2023.
 - ii. Dir. O'Brien entertained questions or a motion.
 - o Motion: Dir. Crawford
 - o Second: Dir. Johnson
 - o Abstain: None
 - o Result: This resolution was adopted unanimously.
- C. Resolution to Approve the Duluth Airport Authority Commercial Vehicle Policy.
 - i. Ms. Kayser shared that the policy was last updated in 2018. The updated policy includes several goals such as increasing ground transportation options and customer satisfaction, reducing curbside congestion, commercial drop-off and pick-up in the new commercial vehicle lane, and implementing updated technology. The commercial vehicle lane aids to address safety concerns and obstructed views, and all drivers need to be permitted. All permitted commercial drivers will pay \$1.50 for each pick-up and drop-off, and the yearly permit will be reduced from \$200 to \$25. This also helps to reduce the barrier to entry for commercial vehicle drivers, and drivers only pay the



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airport when they are transporting a customer. The DAA is also in the process of implementing a citation fee structure. Ms. Kayser also shared that Ms. Baker coordinated the policy update public hearing and feedback. Ms. Kayser will send out update notifications to all operators whether they've operated at DLH or not.

- Dir O'Brien asked if the \$1.50 was similar to comparable airports and if data was researched. Ms. Kayser confirmed that the fee is similar and that research was done with comparable airports.
- ii. Dir. O'Brien entertained questions or a motion.
 - Motion: Dir. Johnson
 - Second: Dir. Henderson
 - Abstain: None
 - Result: This resolution was adopted unanimously.

D. Resolution to Approve Amendment No. 2 to the Hangar 103 Lease Agreement between the Duluth Airport Authority and State of Minnesota, by and through the Board of Trustees of Minnesota State Colleges and Universities on behalf of Lake Superior College.

- i. Ms. Kayser shared that the lease of Hangar 103 was set to expire at end of June 2025; DAA wanted to make sure the extension of the term captured the debt service term to 2030. Ms. Kayser also shared that rent will increase 5% this year and 3% annually in subsequent years.
- ii. Dir. O'Brien entertained questions or a motion.
 - Motion: Dir. Crawford
 - Second: Dir. Johnson
 - Abstain: None
 - Result: This resolution was adopted unanimously.

E. Resolution to Approve the Updated 2025 DLH Capital Improvement Plan.

- i. Mr. Welch shared that since the CIP was approved in November 2024, there were alternatives added to Phase 6 Construction and Construction Administration, Phase 7 Design, Midfield Phase 3 Repair, as well as snow removal equipment added onto a multi-year grant.
- ii. Dir. O'Brien entertained questions or a motion.
 - Motion: Dir. Henderson
 - Second: Dir. Crawford
 - Abstain: None
 - Result: This resolution was adopted unanimously.

F. Resolution to Award Construction Contract in the Amount of \$12,254,234.55 to Shafer Contracting Co for the Construction of Taxiway A – Phase 6 and associated Alternate Schedules.

- i. Mr. Welch shared that Taxiway Alpha projects continue to move forward, and received great bids again for the project, and the Shafer came in at the lowest bid.
 - Dir. Henderson asked if Shafer has worked on projects here at DLH, and Mr. Werner shared that Shafer has worked on several projects at DLH.
 - Dir. O'Brien asked about factors that enabled the bids to lower than what was projected, such as decreased price of concrete or labor stabilized, etc. Mr. Welch noted that two of the close bids to each other were by contractors that have worked with DAA for a number of years, and they accurately estimated based on realistic costs.



- ii. Dir. O'Brien entertained questions or a motion.
 - o Motion: Dir. Henderson
 - o Second: Dir. Johnson
 - o Abstain: None
 - o Result: This resolution was adopted unanimously.

- G. Resolution to Approve Work Order 2025-9 between the Duluth Airport Authority and Short Elliot Hendrickson, Inc. for the Construction Administration of Taxiway A – Phase 6.
 - i. Mr. Welch shared that this is for construction administration oversight in closeouts, and independent fee estimate was conducted and came in within 10%.
 - ii. Dir. O'Brien entertained questions or a motion.
 - o Motion: Dir. Crawford
 - o Second: Dir. Johnson
 - o Abstain: None
 - o Result: This resolution was adopted unanimously.

- H. Resolution to Approve Work Order 2025-11 between the Duluth Airport Authority and Short Elliot Hendrickson, Inc. for the Construction Administration of Midfield Ramp – Phase 3.
 - i. Mr. Welch shared that the same service that was approved in the previous resolution will be needed for Phase 3. An independent fee estimate was also conducted on this phase and was within 10%.
 - ii. Dir. O'Brien entertained questions or a motion.
 - o Motion: Dir. Johnson
 - o Second: Dir. Henderson
 - o Abstain: None
 - o Result: This resolution was adopted unanimously.

- I. Resolution to Approve Work Order 2025-10 between the Duluth Airport Authority and Short Elliot Hendrickson, Inc. for the Design of Taxiway A – Phase 7.
 - i. Mr. Welch shared that bids on the construction project allow DAA to work on the design for Phase 7. Design work will begin now to facilitate bidding, followed by construction with a projected start date to be summer of 2027.
 - ii. Dir. O'Brien entertained questions or a motion.
 - o Motion: Dir. Johnson
 - o Second: Dir. Crawford
 - o Abstain: None
 - o Result: This resolution was adopted unanimously.

- J. Resolution to Accept and Approve the MnDOT Grant Agreement No. 1056458 for Air Service Marketing State Project No. A6901-SM033 in the Amount of \$120,435.86 and to Authorize the Duluth Airport Authority's President and Secretary to Execute the Grant and Any Amendments.
 - i. Ms. Baker shared that the FY2026 term is from July 1st, 2025 to June 30th, 2026. There will be an increase in grant funds of \$4,147.36 from last year.
 - ii. Dir. O'Brien entertained questions or a motion.
 - o Motion: Dir. Johnson
 - o Second: Dir. Henderson
 - o Abstain: None



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- Result: This resolution was adopted unanimously.

K. Resolution to Approve FY26 Media Plan and to Authorize Giant to Place Media on Behalf of the DAA.

- i. Ms. Baker shared that this will be valid from July 1st, 2025 through June 30th, 2026. This resolution will authorize Giant to sign contracts to place planned media for the specified period (any contract over \$25,000 will be brought to the board for approval). Giant will be working through more traditional media approaches through radio, television, and digital placements as well. Ms. Baker shared that DAA will also be able to gain specific insight on demographics and utilize customer survey data for planning.
 - Dir O'Brien asked if the media approach is for the DAA in general for the "Fly Local" communication or if it could be directed towards other entities, such as specific airline brand like Sun Country, for example? Ms. Baker said that if it's beyond the initial 2-year timeline that an airline has been operating at DLH, then all commercial airline operators at DLH must be included. Mr. Werner added that the DAA has marketing investments to be allocated towards new routes through its air carrier incentive program. If an airline such as Sun Country was to launch a new route, funds between \$30,000-\$50,000 could be spent to market that route, in accordance with the FAA.
- ii. Dir. O'Brien entertained questions or a motion.
 - Motion: Dir. Henderson
 - Second: Dir. Johnson
 - Abstain: None
 - Result: This resolution was adopted unanimously.

L. Resolution to Approve the Selection of Duluth Airport Authority Officers effective July 1, 2025.

- i. Mr. O'Brien shared the proposal of Dir. Henderson for President, Dir. Crawford for Vice President, and Dir. Hansen for Secretary.
- ii. Dir. O'Brien entertained questions or a motion.
 - Motion: Dir. Johnson
 - Second: Dir. Crawford
 - Abstain: None
 - Result: This resolution was adopted unanimously.

M. *April 2025 Financial Reports

N. *June 2025 Accounts Receivable

O. *May 2025 Airline Statistics, Landline Statistics

VIII. DIRECTOR'S REPORTS

- A. None.

ADJOURN: The meeting was adjourned at 9:03 a.m.

Respectfully submitted,



DULUTH AIRPORT AUTHORITY

Aimee Bone
Administrative Coordinator

Tom
Werner

Digitally signed
by Tom Werner
Date: 2025.07.14
14:39:55 -05'00'

Approved: _____
DAA Executive Director