DULUTH AIRPORT AUTHORITY

Duluth Airport Authority
Meeting Minutes
September 15, 2026

MEETING LOCATION: Amatuzio 3rd Floor Conference Room

DIRECTORS PRESENT:
Jason Crawford, President
Sandy Hoff, Vice President
Briana Johnson, Secretary
Pat deGrood
Michael Henderson
Kevin O'Brien

DIRECTORS PARTICIPATING VIA ELECTRONIC MEANS:
Gary Black (Traveling)

OTHERS PRESENT:
Tom Werner, DAA Executive Director
Ryan Welch, DAA Dir. of Operations, Planning, and Construction
Jana Kayser, DAA Dir. of Business Development
Elizabeth Schelde, DAA Accountant
Aimee Bone, DAA Administrative Coordinator
Jaimie Domagala, Fraction, LLC
Shawn McMahon, SEH
Rob Missinne, Vantage Aviation
Barry Sinex

OTHERS PARTICIPATING VIA ELECTRONIC MEANS:
Horeya Czaplewski, EXP
Lydia deGrood, Giant
Nathan Niemann, H+U

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

Dir. Crawford 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.
- Year-to-date enplanements continue to have modest growth over 2025. Delta was flat at 0% change, and United was up 18% compared to August 2025. Enplanements were up 8% compared to August 2025.
- Load factors remain strong, with Delta in the low 90s% and United in the mid-80s%.
- Delta capacity continues at a 1% increase year to date in terms of seats, with monthly increase of 2% compared to August 2025. United has had a year-to-date increase of 25% and a 31% increase for the month of August.

- Market share data shows United with 42% of total seats in the market and Delta at 58%.
- On-Time Performance: Mr. Werner shared graphics of DLH on-time flight performance, as he did at last month's board meeting. Comparables were shared between DLH and ORD with SkyWest, a third-party regional carrier for United and Delta Airlines. Other similar sized regional airports as DLH that operate via SkyWest to ORD (Cedar Rapids, IA and Appleton, WI, and several others) were similar in on-time rates with the June 2026 snapshot. The on-time rate nationally is about 85%. For Delta flights, DLH to MSP is 80.5%, and MSP to DLH is 79.8%. For United flights, DLH to ORD is 65.5%, and ORD to DLH is 61.8%, and the ORD flights are well below the national average. Contributing to this are issues such as flight cancellations due to weather, etc. There is also a great deal of construction going on at ORD. There is little room for disruption, and when delays occur, it can take days to resolve.
  - Dir. O'Brien asked if some of the issues can be mechanically related, and Mr. Werner said that's possible, and it can also include other factors such as crew time-out.
- Next, Mr. Werner discussed On-Time Performance with Delta flights between DLH and MSP. Those numbers were at about 80%, so much closer to the national average.
  - Dir. Hoff inquired about the duration of the construction at ORD, and Mr. Werner stated that he's unsure of the timeline, but knows that there is a lot of construction. Speculative that it'll be completed in 2027.
  - Dir. Black mentioned that his wife's Delta connection from MSP to DLH was canceled. She took Groome Transportation to get back to Duluth in a more timely manner, but had to get dropped off at UMD. Dir. Black asked if it would be possible for Groome pick up and drop off directly at DLH. Mr. Werner shared that any commercial vehicle operator is welcome to apply and operate at DLH.

- National Air Service News: Mr. Werner shared that Sun Country is cutting 40% of their fall MSP routes due to pilot shortage. The shortage is largely due to the Sun Country acquisition by Allegiant Air. This also affects the local air service market. As a result of the Sun Country flight cutbacks, Landline has paused operations here at DLH for the time being.

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

- Mr. Welch shared that Taxiway Alpha Phase 7 will be paused for 2027 due to a $9 million FAA discretionary grant being delayed, which has not happened since Mr. Welch started working with the DAA. As a result, priorities have changed and the DAA is working with the city to shift gears.
  - Mr. Werner added that the broader view is that it is highly unusual to not get the discretionary grant and thus sets the capital improvement plan back by a year. This has a ripple effect on the DAA 5-year plan. DAA is analyzing what will be done regarding maintaining safety, etc.
- Midfield Ramp: Mr. Welch shared that the DAA is competing for a $12 million grant to compete for project funding. He anticipates a status update by end of the month.
- ATCT Enabling Project: Mr. Welch shared that the project continues and getting dates aligned in the different steps of the new air traffic control tower. None of the taxiway Alpha project and funding aspects are related to the ATCT project.

- Cash Flow: Mr. Welch shared that cash flow continues to be front of mind and is monitored daily. He added that Ms. Domagala will discuss it further at today's meeting, as she did at the previous board meeting.
- Mr. Welch reiterated that collaboration with the DAA's stakeholder continues via methods of communication such as meetings, e-mails, newsletters, etc. as the various construction projects continue. This includes continued communication and coordination with the 148th.
- Next, Mr. Welch shared photos of the ATCT construction updates.
    - Dir. Hoff asked what the goal is with the project by winter. Mr. Welch shared that he will give an update at next month's board meeting. Mr. Werner added that the intent is to have all of the casts in place, so 100+ feet by end of the year.
- Taxiway Alpha: Mr. Welch shared that during the recent 60-hour closure of 9/27, there were some flight delays due to low cloud ceiling and requirements on 3/21. There will be another 60-hour closure coming up on Friday, September 25th. Currently, the weather looks favorable for the closure. Mr. Welch shared that the in-person bi-weekly tenant meetings continue to keep information flowing. This has been a challenging project which has also included a large amount of organic soil correction.
    - Dir. O'Brien asked when the runway concrete needs to be replaced in 40-50 years, will it just be tearing out the old concrete and putting the new concrete in? Mr. Welch answered that this should be the case and the base should be good.
    - Dir. Hoff asked Mr. Welch if one of the large amounts of soil he was referring to was the large pile that was next to the Cirrus Innovation Center? Mr. Welch answered yes, and that it used to be another 40-50 feet tall across its entirety.
- DLH Fuel Replacement System: Mr. Welch shared that groundbreaking on this project started in the past couple of weeks. The dirt work, all underground utilities, and paving will be done around the end of October if things stay on schedule. After that, there will be a little bit of a pause while the tanks are being manufactured, with an expectation of arrival around December 1st. Substantial completion of the project and system operation is expected by end of year.
- Mr. Welch shared that the DAA recently received two pieces of equipment, a snowblower and de-ice truck. There are a lot more freezing rain and icing events than there used to be at DLH.
    - Dir. Hoff asked if DLH pre-treats the runways and Mr. Welch answered yes, and every day the team does a cost-risk benefit analysis daily in an effort to make the correct calls for treating the runways.
- Mr. Welch next discussed the labor staffing for the team. There are several employees out or soon to be on leave, but pleased to announced that the DAA has hired its new Public Safety Manager. His name is Mr. Brandon Conklin, and he will start on Wednesday, September 23rd. Mr. Conklin has been working at the Dane County Airport in Madison, WI, for the past several years. Prior to that time, he was an intern at the DAA.
- Sky Harbor Airport: Mr. Welch shared several updates.
    - The bollard and drive hydrant will be done this week.
    - There will be a rental car available at Sky Harbor soon.
        - Dir. Hoff asked if it will be a courtesy car, and Mr. Welch replied that it will be a revenue-generating rental car from Avis. The courtesy car will remain at DYT, this is just an additional option.
    - The stormwater treatment project at DYT will be discussed further during the New Business part of today's meeting and has the potential to reduce the DAA's stormwater fees by 90%.

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

- Intersection Control Study: Ms. Kayser shared that the intersection control study is now completed. As she had mentioned at the previous board meeting, a roundabout will be the most effective solution. The DAA will work with the county to work on its design and the project and some of the pre-work has been completed. Ms. Kayser shared that the DAA will be exploring funding opportunities for its share of the cost. The DAA is responsible for its connection to the airport, as well as ancillary costs such as a DLH sign that will be on the center portion of the roundabout. The county will pay for the roundabout itself.
    - Mr. Werner shared that the entrance sign in the roundabout will be an opportunity for the board to help envision a design as well as fundraise for it. Construction is anticipated in 2029. Mr. Werner also shared that because it is an entrance to a public airport terminal, it may also be eligible for federal funding as well. Funding strategy will be included in the CIP.
    - Ms. Kayser shared that the intersection will be part of the entire airport road reconstruction project and will require coordination of traffic control and maintaining access to the airport. The DAA will continue to give updates along the way.
- Hangar 103 Project: Ms. Kayser shared photos of progress on the hangar entrance protection project, which is nearing completion.
- LifeLink III Project Update: Ms. Kayser shared that the hangar tenants moved in on September 9th and that same day one of the aircraft went out for a call. The ribbon cutting for the hangar is taking place on October 13th. The hangar is near completion, with a few final small tasks to be completed.
    - Dir. Hoff asked why the address is on the airport side of the building (facing the airfield) and Ms. Kayser shared that it's for emergency purposes. Ms. Kayser shared that with the ranch hangars, a new hangar naming process was implemented to be named after their address so that they are easily identifiable.
- Landline: Ms. Kayser confirmed the news that Mr. Werner shared that the Landline has paused service starting on September 2nd. They have shared that they plan to return in early 2027. Since their lease was on a month-to-month, it was terminated and a new lease will be created when/if they return in 2027 when the pilot shortage for Allegiant/Sun Country stabilizes. It was also noted that the suspension of service has very little impact on their customers, with a limited number of passengers affected.
- General Aviation Inspections: Ms. Kayser shared that this year's inspections have been delayed until October so that Mr. Conklin can be a part of the process.
- DAA Intern: Ms. Kayser shared that Mr. Pettit has been sent overseas for deployment, and the DAA informed him that he will have an open internship when he returns and is ready and thanked him for his service.

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

- Finance Department HR Updates: Ms. Domagala shared that the current employees in the department are scheduled to return in December.
- LEO Grant: Ms. Domagala shared that the DAA was awarded approximately $130,000.
- 2027 Budget Process: Ms. Domagala shared that she is working with the DAA directors to have a budget draft to present at October's board meeting.
- Project Cash Flow:
    - Ms. Domagala shared that the current line of credit balance is approximately $2.2 million, and the DAA expects to utilize an extra $3.2 million for partial construction

payments in October. Ms. Domagala also noted that there is $7 million in outstanding grant receivables in various stages of being processed.
    - Mr. Werner added that the AR report in the board packet has total receivables at around $8 million currently; the bulk is waiting on reimbursement from state and federal reimbursement. It is all related to construction.
  - Ms. Domagala then presented a new slide with a 6-month overview of the construction cashflow graph to compare a 14-day versus 30-day reimbursement cycle.
    - Mr. Werner shared that the data remains very dynamic and acknowledged the diligence of Ms. Domagala, Ms. Schelde, and Mr. Welch. Mr. Werner also shared that MnDOT continues to adjust their processes and will keep sharing updates.
    - Ms. Domagala shared several challenges, which include delays with their new Blackcat system and local share under calculations that are being corrected with the state.
      - Mr. Werner added that a member of the state's Blackcat leadership team is now the DAA's regional engineer and is assisting with application and reimbursement review.
    - Ms. Domagala discussed the $3.5 million in closeout dollars to finalize that are with the state and FAA. SEH is assisting the DAA in resolving this.
      - Mr. Werner shared that he invited the MnDOT director of aeronautics to today's board meeting. The director had a prior commitment but may be at the October board meeting.
    - Ms. Domagala opened the floor to questions.
      - Directors Hoff and Johnson complemented Ms. Domagala on her work and Dir. Crawford asked if there's any risk of going beyond a 30-day window. Ms. Domagala said that as it is now, a 30-day window is a worst-case scenario. Mr. Werner added that in a recent discussion with MnDOT leadership, it was noted that MnDOT is statutorily obligated to reimburse airports within 30 days.
      -

E. **Marketing/Communications:** Mr. Werner shared updates on Ms. Baker's behalf:
  - The Lifelink ribbon cutting is on October 13th at 10 AM.
  - Ms. Baker will be back from leave at the end of September.
    - Dir. Hoff asked if an email had been sent out about the ribbon cutting, and Mr. Werner confirmed that one had been sent.

F. **Legislative Update:** Mr. Werner provided an update on the following:
  - On the national side, there are discussions at the end of the year but no significant updates for this month.

G. **Presentations/Tours/Travel Recap:**
  - NSR

H. **Other:**
  - DLH Rules and Standards Review: Mr. Werner shared that the second public comment period was finished on September 8, 2026. Several comments were received during that time and are included in the board packet. The DAA was able to take some of the

comments and incorporate it into the latest draft. The draft for public viewing will be published on the website, possibly by the end of the week. There will be a presentation at the October board meeting by the project team about what's being proposed, and an opportunity for the board to ask questions. Mr. Werner anticipates that the board will have consideration of the new standards and take a vote on it at the November board meeting. If the board determines that they would like to see something different in the proposal, the timeline can be adjusted. The method for feedback on the upcoming draft will be open for written feedback as well as opportunity to be heard at the upcoming board meetings, as is the usual process.

- Mr. Werner then invited Mr. Barry Sinex to preview his business application for a new FBO at DLH. Mr. Sinex thanked the board for their work on the airport's minimum standards and asked whether a limited FBO would be permitted. Mr. Sinex is considering a business focused on general aviation aircraft services and 100 low lead fuel, and possibly other new fuels coming to the market. Mr. Sinex also discussed the possibility of offering additional services if a full-service FBO is required. He explained that this clarification would help guide his business plan and determine whether to pursue general aviation services or explore maintenance and fueling opportunities with airlines and airport tenants. Mr. Sinex shared that he is not seeking an immediate decision, but rather discussion and clarification from the board.
    - Dir. Hoff asked Mr. Sinex to repeat the portion of what he said after mentioning the low lead fuel, and Mr. Sinex said he had mentioned the maintenance aspect, and what the minimum standards require. Mr. Sinex shared that he cares about general aviation and has been at DLH for fifty years and that he cares about what happens to the airport in general. He would like to pursue general aviation if he can.
    - Mr. Werner shared that whatever minimum rules and standards are eventually approved, the DAA will recommend that they be consistent with the DAA's obligation to the federal government with regards to minimum standards. Mr. Werner and Mr. Sinex briefly discussed general aviation waivers and Mr. Werner shared that the current minimum standards are in full force until the new ones are established. Mr. Werner also shared that he is not in favor of waivers because they create a lot of enforcement and perception of fairness issues. Mr. Sinex thanked the board for their time and concluded his time addressing the board.
- Mr. Werner next shared that there will be a DAA board retreat on October 21st, and it will take place in the 3rd floor conference room at the DAA office. Topics at the retreat will include a focus on air service, the state of the industry, and emerging opportunities. Mr. Werner shared that he will also do his annual report on the strategic plan process, and it will be noticeably different than last year's. Mr. Werner added that there will also be some updates on cashflow.

- Dir. Crawford 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 August 18, 2026 Meeting Minutes

- Dir. Crawford entertained questions or a motion.

- Motion: Dir. Johnson
- Second: Dir. O'Brien
- Abstain: None
- Result: This resolution was adopted unanimously by roll call.

III. *DAA CASH DISBURSEMENTS

A. Operating Check Registers #21-22, 2026; Operating ACH Payment Registers #21-23, 2026; Construction ACH Payment Register #13, 2026.

IV. *CORRESPONDENCE

A. DLH Airport Construction Update Newsletters. Email.
   i. August 14, 2026
   ii. August 21, 2026
   iii. August 28, 2026
   iv. September 4, 2026
B. August 21, 2026: DLH Air Traffic Control Tower Construction Newsletter. Email.
C. August 17, 2026: Letter from DAA to Stakeholders and Public RE: Proposed Rules and Standards Available for Public Review.
D. August 19, 2026: Letter from Mr. Derrick Denny, Delta Airlines, to DAA RE: DAA Rules & Standards.
E. August 19, 2026: Letter of Correspondence between DAA and Mr. Eric Monson, Ascent Aviation/Lake Superior Helicopters RE: DAA Proposed Rules & Standards.
F. August 24, 2026: TSA to Replace Gold+ in Privatization Push. Federal News Network.
G. August 27, 2026: Letter from Mr. Barry Sinex to DAA RE: Formal Objection to Proposed August 15, 2026: DLH Rules and Minimum Standards.
H. August 31, 2026: Duluth Airport Authority Breaks Ground on New Air Traffic Control Tower. August/September 2026 Airport Magazine.
I. September 1, 2026: Letter from Mr. Ryan Maxfield, Vantage Aviation, to DAA RE: Invitation to Review the Updated Proposed Rules and Standards.
J. September 2, 2026: Letter from DAA to DLH Stakeholders RE: DLH Rules and Standards Project Update.

V. OPPORTUNITY FOR PERSONS TO BE HEARD

None.

VI. OLD BUSINESS

None.

VII. NEW BUSINESS

A. Resolution to Approve a $900 Employee Incentive Award for Ms. Aimee Bone in Accordance with Operating Policy #5.

- Mr. Werner shared that this incentive is for helping out in the badging office during the search and hiring of a new Public Safety Manager and other tasks while staff has been on leave.

Dir. Crawford entertained questions or a motion.

- Motion: Dir. Johnson
- Second: Dir. deGrood

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

B. Resolution to Approve Work Order 2026-06 between the Duluth Airport Authority and Short Elliot Hendrickson, Inc. for the Design of Stormwater Mitigations at DYT.
   - Mr. Welch shared that the work order includes the final design, plan, and spec development as well as solicitation quotes for the proposed stormwater infrastructure at Sky Harbor Airport. It's funded with 70% MnDOT, 30% DAA grant. The contract provisions include the master agreement signed between the DAA and SEH back in 2023, and a lump sum of $24,900.
     - Dir. O'Brien asked if this will help the DAA save financially, and Mr. Welch estimated about a two-year return on investment and a reduction of 90% in stormwater costs, about $12,000.
   - Dir. Crawford entertained questions or a motion.
   - Motion: Dir. Hoff
   - Second: Dir. Henderson
   - Abstain: None.
     Result: This resolution was adopted unanimously by roll call.

C. Resolution to Approve an Increase in the Cost of a Project Already Approved in the Capital Improvement Plan.
   - Ms. Kayser shared that when the board approved the CIP, it approved the Hangar 101 site development. The cost was just over $900,000. Since that was approved, the DAA received an EDA grant as well as the MnDOT supplemental grant to complete the former site of hangar 101 taxilane as well as the hangar 104 rehab. This resolution is to approve the increase. The grants total $2.6 million, so the project increased about two million. This resolution will also improve the new project name and in addition to the increase of the cost.
     - Dir. Crawford entertained questions or a motion.
     - Motion: Dir. Hoff
     - Second: Dir. Johnson
     - Abstain: None.
       Result: This resolution was adopted unanimously by roll call.

D. *July 2026 Financial Reports
E. *September 2026 Accounts Receivable
F. *August 2026 Airline Statistics, Landline Statistics *(to be distributed at or prior to meeting)*

VIII. DIRECTOR'S REPORTS

ADJOURN: Dir. Crawford requested a motion to adjourn the meeting.
- Motion: Dir. Henderson
- Second: Dir. Hoff
- Abstain: None.
- Result: The meeting was adjourned at 9:07 a.m. unanimously by roll call.

DULUTH AIRPORT AUTHORITY

Respectfully submitted,

Aimee Bone
Administrative Coordinator

Approved: Tom Werner Digitally signed by Tom Werner Date: 2026.10.13 07:18:26 -05'00'

DAA Executive Director