

# METROPOLITAN KNOXVILLE AIRPORT AUTHORITY

## Minutes of the Board of Commissioners

Date: December 19, 2018

Place: Henrietta Grant Board Room  
McGhee Tyson Airport

The Board of Commissioners of the Metropolitan Knoxville Airport Authority met pursuant to notice at 4:00 p.m. on Wednesday, December 19, in the Henrietta Grant Board Room at McGhee Tyson Airport with the Board Chairman, Eddie Mannis, presiding.

Roll call developed that Board members present, in addition to Chairman Mannis, were Julia Bentley, Joe Dawson, Charles Harr, Maribel Koella, Brian Simmons, Jeff Smith, and Howard Vogel. Also present were Patrick Wilson, President of the Airport Authority, and members of his staff; Mark Mamantov, legal counsel; and other visitors.

### BUSINESS AGENDA

I. Announcements. Chairman Mannis reminded those in attendance that a sign-up sheet was available for members of the audience who would like to address the Board of Commissioners. The time for presentation would be limited to three minutes and then only if time permits.

Chairman Mannis announced that the Airport Authority was awarded the J. Carroll Bateman Best of Show Award by the Volunteer Chapter of the Public Relations Society of America on October 30, 2018. Mr. Mannis explained that this award is a result of the work with Santa's Sky Lounge, and he recognized the members of the facility maintenance department who helped build the sky lounge. During the same awards presentation, Ms. Caitlin Darras, the Airport Authority's Senior Public Relations Specialist, was awarded the Ellen Liston Rising Young Professional Award. This award recognizes individuals who have demonstrated leadership potential and proven accelerated progression in the public relations field.

Chairman Mannis also announced that the Airport Authority received the first place award in the social media category at the 2018 ACI-NA Marketing and Communications Conference Awards Gala, for the Airport Authority's podcast "From the Runway Up."

Next, Mr. Mannis explained that on November 20, 2018, Consul-General Hiroyuki Kobayashi hosted a reception at his Nashville home to recognize sponsors and organizers for the 5th Annual Knoxville Asian Festival, which was held on August 26, 2018, at Market Square in Knoxville, Tennessee. During this reception, the Airport Authority received an appreciation plaque for sponsoring the event through our Disadvantaged Business Enterprises outreach efforts to promote minority inclusion and diversity in our region.

Finally, the Chairman announced that everyone was invited to attend the annual Christmas party following the meeting.

II. Minutes. The Chairman noted that the minutes of the regular meeting of November 14, 2018, had been distributed with the agenda materials. Upon motion duly seconded, the minutes were approved as presented by unanimous voice vote.

III. Consent Calendar. The Chairman noted that the Consent Calendar for December 19, 2018, had been included with the agenda materials, and he requested that Mr. Wilson review it with the

Board. Following the review of the Consent Calendar, the Chairman inquired whether any Commissioner wished to move an item to the regular agenda. There being no such request, upon motion duly seconded, the Consent Calendar was approved by unanimous voice vote, and a copy will be filed with these minutes.

IV. President's Report and Financial Review. President Patrick Wilson advised the Board that his written report was included with the agenda materials, that the financial report was also included with the agenda materials, and that both reports would be on file in the administrative offices of the Airport Authority. Mr. Wilson then reported that the Airport's five air carriers flew more passengers in October 2018 than in any other single month in the Airport's 81-year history. The Airport served 215,929 travelers in October, an increase of 8% compared to the same month in 2017. The previous record of 212,023 passengers was just set in July 2018.

Next, Mr. Wilson recognized Ms. Becky Huckaby, the Vice President of Public Relations, for being named the Public Relations Alumna of the Year for the University of Tennessee's School of Advertising and Public Relations. Ms. Huckaby was presented with this accolade on November 9, 2018.

Then, Mr. Wilson congratulated Trevis Gardner, Senior Vice President of Operations, for his completion of the East Tennessee Regional Leadership Program for 2018. This program is a collaboration with Leadership Knox, Leadership Blount, and various community leadership programs of 17-member counties and communities in East Tennessee. The program participants are comprised of 40 business and industry leaders that invest a year engaged in programming and activities that takes a regional approach in addressing key regional issues vital to all East Tennesseans.

Finally, Mr. Wilson recognized Ms. Jennifer Giffin, the Operations Manager, for her completion of her bachelor's degree from Tusculum University during her employment. Mr. Wilson explained that, since joining the Airport Authority in 2013, Ms. Giffin has also earned an associate's degree and completed the certified member program with the American Association of Airport Executives.

V. Committee Reports.

A. Report of the General Aviation Committee. Commissioner Smith, Chair of General Aviation Committee, advised the Board that the Committee had met prior to the Board meeting to first discuss the status of the Oak Ridge Airport project with Mr. Bill Barley from CHA, Inc. and Mr. Mike Reiter from Michael Baker International. Mr. Smith noted that the Airport Authority was currently waiting on final comments from the Federal Aviation Administration (FAA) and should receive a response next month. Second, Mr. Smith explained that the Committee discussed an agreement for continued professional services with Stair Public Affairs, LLC, for continued support for the Oak Ridge Airport project in the amount of \$62,400.00. The services provided will generally include coordination and communication among a large number of stakeholders, including a variety of federal, state and local government agencies, and development and execution of funding strategies for the airport among federal, state and local entities. Mr. Smith then, on behalf of the Committee, moved for approval of the agreement for professional services with Stair Public Affairs, LLC, which motion required no second. The motion was also unanimously approved by a voice vote.

B. Report of the Finance, Personnel, and Insurance Committee. Commissioner Harr, Chair of the Finance, Personnel and Insurance Committee, advised the Board that the Committee had met prior to the Board meeting to discuss renewal of the Airport Authority's Public Officials and Employment Practices Liability Insurance. Mr. Harr explained that our current provider, Chubb, has agreed to renew our policy with no rate increase, for a proposed premium of \$35,409.00. Mr. Harr further noted that the only other response to the request for bids was for a premium of over \$70,000.00. Commissioner Harr moved on behalf of the Committee that the renewal of the Public Official and Employment Practices Liability

Insurance with Chubb be accepted by the Board, a motion which required no second. The motion was unanimously approved by voice vote.

VI. New Business.

A. Consideration of Approval to Participate in Settlement Relating to London Inter-bank Offered Rate ("LIBOR") Antitrust Litigation Initiated by State Attorney Generals. Mr. Wilson asked Mr. Mamantov to speak to the Board regarding this agenda item. Mr. Mamantov explained that the Attorney Generals in 45 states, including Tennessee, have entered into a settlement with Deutsche Bank AG ("Deutsche") relating to Deutsche's participation in manipulating the LIBOR between January 1, 2005 until December 31, 2010. Further, the Airport Authority entered into an interest rate swap agreement through Deutsche that was in effect during that period and was therefore affected by Deutsche's conduct. As a result, the Airport Authority has been identified by the claims' administrator as a party entitled to funds under the settlement. Mr. Mamantov explained that the amount that the Airport Authority would be entitled to was yet to be determined. If the Airport Authority does not accept the settlement, the Airport Authority would have to institute its own litigation against Deutsche or hope to receive funds in class action lawsuits that have been brought by private litigants. It was moved by Mr. Vogel, seconded by Ms. Koella, that authorization for President Patrick Wilson, at his sole discretion, to participate in the settlement relating to LIBOR antitrust and to execute any necessary documents to participate, subject to prior approval by legal counsel, be approved. Following discussion, the motion was unanimously approved by a voice vote.

B. Consideration of Award of Agreement to Eastern Aviation Fuels, Inc. for Providing Aviation Fuel and Refueling Equipment at Knoxville Downtown Island Airport. Mr. Wilson advised the Board that the proposed agenda item is a contract for aviation fuel and refueling equipment with Eastern Aviation, Inc. Mr. Wilson explained that Eastern Aviation, Inc. was selected as the competitive bidder, based on service requirements and delivery price, after an invitation to bid was advertised in October 2018. The proposed lease is for five years with one-year renewals. It was moved by Ms. Koella, seconded by Mr. Harr, that the award of contract to Eastern Aviation Fuels, Inc., for providing aviation fuel and refueling equipment at the Knoxville Downtown Island Airport, be approved. The motion was unanimously approved by a voice vote.

C. Consideration of Approval of Work Authorization No. 13-207D with C2RL Engineers, Inc. for Construction and Planning Support Services at McGhee Tyson Airport. Mr. Wilson advised the Board that the proposed agenda item would allow C2RL Engineers, Inc. to coordinate with the Tennessee Department of Transportation (TDOT) on the construction of the State Route 115/US 129 Interchange at Tyson Boulevard and Hunt Road. The services would include coordination with TDOT on technical issues, evaluation of temporary traffic control, construction phasing, and other items that may result from TDOT's construction. Mr. Wilson explained that Authority funds would be used initially, but the cost will ultimately be reimbursed from funds received from the sale of land to TDOT. It was moved by Ms. Bentley, seconded by Mr. Dawson, that Work Authorization No. 13-207D with C2RL Engineers, Inc. in the amount of \$74,800.00 for construction and planning support services at the Airport be approved. Following discussion, the motion was unanimously approved by a voice vote.

D. Consideration of Approval of Change Order No. 1 to Service One, Inc. for the Terminal Envelope Modernization Stone Stabilization Project at McGhee Tyson Airport. Mr. Wilson advised the Board that the proposed change order is for the construction contract with Service One, Inc. for the terminal envelope modernization. The change order is an additional cost of \$36,150.00. Mr. Wilson explained the change order covers additional construction methods to meet an updated stabilization design, additional material, additional roofing membrane, membrane reattachment, insulation, and covering board installation. It was moved by Mr. Vogel, seconded by Ms. Bentley, that the Change Order Number 1 to the

contract with Service One, Inc. for the terminal envelope modernization stone stabilization project be approved. The motion was unanimously approved by a voice vote.

E. Consideration of Award of a Contract to Pullman SST, Inc. for the Terminal Envelope Modernization Stone Stabilization Project at McGhee Tyson Airport. Mr. Wilson advised the Board that the proposed agenda item is stone stabilization for the terminal envelope modernization project. The project will provide temporary stabilization to the terminal and gate exterior stone façade. The designer for the terminal envelope modernization project recommended SST, Inc. based on its qualifications, scope of the project, availability, and timeliness to perform the work. It was moved by Mr. Vogel, seconded by Mr. Harr, that award of the contract to Pullman SST, Inc. in the amount of \$467,000.00 for the terminal envelope modernization stone stabilization project be approved. The motion was unanimously approved by a voice vote.

F. Consideration of Approval of Sponsorship Renewal with WBIR "Big Ideas, Hometown Roots." Mr. Wilson advised the Board that the proposed agenda item is for a sponsorship renewal with WBIR, for the program "Big Ideas, Hometown Roots." Over the last six months of the sponsorship, the content has received over three million impressions through the development of quality video content that focuses upon how the airport contributes to the region's economic growth. The renewal period is for January 1, 2019 to July 31, 2019, and the cost of the renewal is \$21,000.00. It was moved by Ms. Koella, seconded by Mr. Simmons, that the approval of sponsorship renewal with WBIR be approved. The motion was unanimously approved by a voice vote.

The Chairman announced that the business agenda had been completed and that there were no requests by individuals wishing to address the Board. Thereupon, upon motion duly seconded and unanimously approved, the meeting was adjourned at 4:30 p.m.



Secretary

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