

METROPOLITAN KNOXVILLE AIRPORT AUTHORITY

Minutes of the Board of Commissioners

Date: April 17, 2019

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, April 17, 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 Ursula Bailey, 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 then called on Mr. Mamantov to read Resolution 19-01, in honor of the memory of Arthur G. Seymour Jr., a former Commissioner of the Board. After Mr. Mamantov read the Resolution, upon joint motion by all the Board members in attendance, Resolution No. 19-01, A Resolution to Honor the Memory of Arthur G. Seymour Jr., was approved by unanimous voice vote and a copy will be filed with these minutes. Mrs. Susan Seymour, the wife of Arthur Seymour Jr. of over 50 years, was present at the meeting and asked to be recognized to speak to the Board. Mrs. Seymour then stated how much the McGhee Tyson Airport, Knoxville Downtown Island Airport, and the Airport Authority had meant to Commissioner Seymour and how much he enjoyed his service on the Board. She thanked the entire Board and the Airport Authority for their support and friendship over the years.

Finally, the Chairman announced that the Airport Academy for the spring was set to commence later that evening.

II. Minutes. The Chairman noted that the minutes of the regular meeting of March 27, 2019, 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 April 17, 2019, 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 has now achieved 34 consecutive months of

year-over-year passenger traffic increases at the Airport. This February was the busiest February in Airport history, serving 155,183 passengers, which is an increase of 11% from last year. Mr. Wilson also announced that Allegiant Air will launch its new non-stop flights to Pittsburgh and Denver starting in May.

Mr. Wilson then announced that the Airport Authority's staff recently showed incredible efficiency in its response to a runway incident that occurred. He added that we also received generous support from TAC Air in this operation. Mr. Wilson was happy to report that no one was harmed in the incident or in the clearing operation.

V. Committee Reports.

A. Report of the Capital Improvements Committee. Commissioner Koella, Chair of the Capital Improvements Committee, advised the Board that the Committee had met prior to the Board meeting to first discuss the Master Plan forecast and different facility requirements for the future. Ms. Koella explained that this portion of the meeting was informational only and no action is required by the Board.

Then, Ms. Koella explained that the Committee discussed the relocation of the employee parking lot due to the growth at the airport and the Alcoa Highway project. Ms. Koella then, on behalf of the Committee, moved for approval of the Committee's recommendation to approve (i) Work Authorization No. 19-246 with C2RL, Inc. in the amount of \$51,680.00 for the design and the contract award of the relocated employee parking lot and (ii) the award of contract to Pavement Restorations of East Tennessee, Inc. in the amount of \$887,000.00 for the construction of the relocated employee parking lot, which motion required no second. The motion was 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 the budget for the fiscal year ending June 30, 2020. Mr. Harr explained that this was the initial overview and the budget would be presented for approval at the June Board meeting. Therefore, no action is required by the Board.

Then, Mr. Harr explained that the Committee, like the Capital Improvements Committee, also reviewed the relocation of the employee parking lot due to the growth at the airport and the Alcoa Highway project. Specifically, the Committee discussed that the fiscal year ending June 30, 2019 capital improvements budget would have to be amended as a result of this project. Mr. Harr then, on behalf of the Committee, moved for approval of the Committee's recommendation to amend the fiscal year ending June 30, 2019 capital improvements budget for costs associated with the relocation of the employee parking lot, which motion required no second. The motion was unanimously approved by a voice vote.

VI. New Business.

A. Consideration of Approval of the Airport Lease and Use Agreements. Mr. Wilson advised the Board that the Airport Authority has negotiated leases with Delta Air Lines, Inc., American Airlines, Inc., Allegiant Air, LLC, and Frontier Airlines, Inc. This lease is for the period of July 1, 2018 through June 30, 2023. Mr. Wilson explained that the procedure for calculating rates and charges has not changed in the new agreements, but the method of scheduling the priority of the terminal gates has been adapted to address the growth at the Airport. Mr. Wilson then explained that Frontier Airlines has an addendum to its agreement, due to the fact that Frontier Airlines does not have an exclusive-use gate at this time. Additionally, American Airlines also has an addendum to address the baggage chutes installed for its exclusive use on the passenger boarding bridges. It was moved by Ms. Bentley, seconded by Mr.

Harr, that the Airport Lease and Use Agreements and the related addendums with the airlines be approved as presented. The motion was unanimously approved by a voice vote.

B. Consideration of Approval of Addendum Number Three to the United Parcel Service Air Cargo Lease Agreement at McGhee Tyson Airport. Mr. Wilson advised the Board that the Authority has negotiated an addendum to the lease agreement with the United Parcel Service (UPS). The addendum extends the term with UPS for another five years, through June 30, 2023. As set forth in the original air cargo lease with UPS, the rental rates will continue to increase at 2% per year. It was moved by Ms. Bailey, seconded by Ms. Koella, that the addendum to the lease with UPS be approved. The motion was unanimously approved by a voice vote.

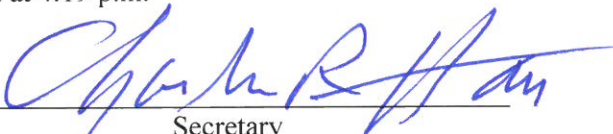
C. Consideration of Approval of Additional Parking Access and Revenue Control System Equipment Purchase. Mr. Wilson explained to the Board that due to the significant passenger growth, the current employee lot needs to be converted into a paid public parking lot. In order to convert the parking lot, one entry lane machine and two exit lane machines, known as "Parking Access and Revenue Control Systems" or PARCS, will need to be purchased from HUB Parking Technology USA, Inc., our current provider of this equipment. The cost of this equipment is estimated to be \$50,000.00. It was moved by Mr. Dawson, seconded by Ms. Koella, that the purchase of additional equipment for PARCS be approved. The motion was unanimously approved by a voice vote.

D. Consideration of Award of a Contract to First Place Finish, Inc. and Professional Services to Knoxville Community Development Corporation for the Demolition and Removal of the Structures on MKAA Property at Louisville Road. Mr. Wilson advised the Board that the property at Louisville Road was previously purchased by the Airport Authority and that this agenda item provides for the demolition and removal of the structures on the property. The Airport Authority's consultant, Knoxville Community Development Corporation (KCDC), obtained bids for the project, and First Place Finish, Inc. provided the lowest bid. The total cost of this project is estimated to be \$32,490.00. It was moved by Ms. Bentley, seconded by Mr. Vogel, that the contract with First Place Finish, Inc. in the amount of \$24,990.00 and the accompanying professional services from KCDC for the demolition and removal at Louisville Road not-to-exceed \$7,500.00 be approved. The motion was unanimously approved by a voice vote.

E. Consideration of Approval of Work Authorization Number 19-246 to C2RL, Inc. for Design and Award to Pavement Restorations of East TN, Inc. for Construction of the Relocated Employee Parking at McGhee Tyson Airport. Mr. Wilson explained to the Board that this agenda item was previously approved during the report for the Capital Improvements Committee and the Finance, Personnel, and Insurance Committee, and no further action is needed by the Board.

F. Consideration of Approval of Work Authorization Number 18-125B to CHA Consulting, Inc. and Approval of Purchase to Service One, Inc. for the TSA Inspection Checkpoint Expansion Final Design for McGhee Tyson Airport. Mr. Wilson explained to the Board that CHA Consulting, Inc. (CHA) previously worked with Airport Authority staff to evaluate existing facilities and capacity demands on the Transportation Security Administration (TSA) screening lanes. The result of this evaluation was a conceptual layout and plan requiring an addition of one screening lane to allow for the increasing demand. At this time, the conceptual plans have been approved by the TSA. Mr. Wilson explained that this work authorization would allow CHA to provide final design plans, specifications and closeouts. Further, the Airport Authority is recommending that Service One, Inc. provide electrical and mechanical support, along with field verification support during the final design process. The total cost of this work is approximately \$115,232.00. It was moved by Ms. Bailey, seconded by Mr. Simmons, that Work Authorization No. 18-125B with CHA in the amount of \$95,232.00 and the approval of purchase to Service One in the amount of \$20,000.00 for the TSA inspection checkpoint expansion final design 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 4:19 p.m.


Secretary

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