

# METROPOLITAN KNOXVILLE AIRPORT AUTHORITY

## Minutes of the Board of Commissioners

Date: May 22, 2019

Place: Henrietta Grant Board Room  
McGhee Tyson Airport

The Board of Commissioners of the Metropolitan Knoxville Airport Authority met pursuant to notice at 4:10 p.m. on Wednesday, May 22, 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, and Jeff Smith. 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 received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for the Comprehensive Annual Financial Report for the fiscal year ending June 30, 2018. The Chairman noted that this certificate is the highest form of recognition in the area of governmental accounting and financial reporting and that the Airport Authority has received this award for 26 consecutive years. The Chairman congratulated Nancy White, Vice President of Finance, and her team for their excellent work. Specifically, Jennifer Whitaker, Controller, received an award for financial reporting achievement, being designated as instrumental and primarily responsible for the award-winning Comprehensive Annual Financial Report.

The Chairman then announced that Caitlin Darras, the Airport Authority's Senior Public Relations Specialist, received her Master's in Business Administration from the University of Memphis Fogelman College of Business and Economics on May 4, 2019. He congratulated Ms. Darras on her hard work.

Finally, Chairman Mannis then held a moment of silence in honor of William Pierce Newkirk, a member of the first Board of Commissioners of the Airport Authority, who passed away on May 14, 2019.

II. Minutes. The Chairman noted that the minutes of the regular meeting of April 17, 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 May 22, 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 35 consecutive months of year-over-year passenger traffic increases at the Airport. This was the first March in Airport history to serve over 200,000 passengers, serving 204,579 passengers, which is an increase of 19.6% from last year. Mr. Wilson also announced that American Airlines will add additional service to Dallas/Fort Worth and Charlotte, and Allegiant Air will resume its seasonal service to Destin/Fort Walton Beach and Baltimore/Washington later in May.

Mr. Wilson then called on Todd Simmons, President of Customer Experience at Cirrus Design Corporation, to provide an update on Cirrus' operations at the Airport to the Board. Mr. Simmons provided the Board with an overview of Cirrus' product line and noted that Cirrus was the market leader for single-piston engine planes. Mr. Simmons explained how Cirrus' operations at the Airport were essential to Cirrus' growth and that the new Cirrus location in McKinney, Texas would complement, and not replace, operations in Knoxville. Additionally, Mr. Simmons stated that Cirrus projects will increase its employees based in Knoxville from 115 to 163 by the end of 2019, and in just the last year, there were 380 planes delivered from the Knoxville location.

V. Committee Reports.

A. 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 and first discussed the renewal of the employee health, dental, and vision insurance with CIGNA and switching insurance carriers on life, AD&D, and disability insurance to UNUM. Mr. Chris Wampler with Carriage Hill Insurance, as the Authority's insurance broker, had negotiated a 5% increase for the health insurance plan and no increase on the dental and vision plans. The Authority would also receive a 4.8% decrease in cost on life, AD&D, and disability insurance by switching from CIGNA to UNUM. Commissioner Harr moved on behalf of the Committee that the renewal of the employee health, dental, and vision insurance plans with CIGNA and the policies with UNUM on life, AD&D, and disability insurance as presented be accepted by the Board, a motion which required no second. The motion was unanimously approved by voice vote.

Then, Mr. Harr explained that the Committee discussed a proposed amendment of the capital budget for the current fiscal year due to the expansion of the security screening checkpoint lanes. The scope of work on this project must be modified to include the demolition and installation of a barrier wall for safety, in the amount of \$115,232.00. Mr. Harr then, on behalf of the Committee, moved for approval of the Committee's recommendation to amend the budget for the expansion of the Transportation Security Administration screening lane, which motion required no second. The motion was unanimously approved by a voice vote.

Finally, Mr. Harr explained that the Committee discussed the adjustment in parking rates at the Airport Authority. Mr. Harr noted that the short-term parking rates have not been adjusted in over ten years and that after a review of peer airport parking rates, this adjustment would bring the Airport Authority in line with those airports. Mr. Harr then, on behalf of the Committee, moved for approval of the Committee's recommendation to adjust the parking rates by \$2.00 for both short-term and long-term parking, which motion required no second. The motion was unanimously approved by a voice vote.

VI. Budget Presentation for the Fiscal Year End June 30, 2020. Chairman Mannis then called on Ms. White to present the budget for the fiscal year ending on June 30, 2020. After the

presentation, Ms. White explained that the budget will be voted on at the June Board meeting and no action is required at this time.

VII. New Business.

A. Consideration of Approval of Parking Access Control 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, the Airport Authority needs to purchase entry and exit gates, AVI readers, controllers, intercoms, and associated equipment from HUB Parking Technology USA, Inc., our current provider of this equipment. The cost of this equipment is estimated to be \$70,920.61. 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. It was moved by Ms. Bentley, seconded by Ms. Bailey, that the Parking Access Control Equipment purchase be approved as presented. The motion was unanimously approved by a voice vote.

B. Consideration of Approval of Addendum Number Three to the Host International, Inc. Food and Beverage Concession Agreement at McGhee Tyson Airport. Mr. Wilson advised the Board that the Authority has negotiated an addendum to the lease agreement with the Host International, Inc. (Host). The addendum extends the term with Host for another 19 months, through January 1, 2021. Additionally, the addendum provides for the expansion of the security checkpoint area, which will remove the seating area in the Starbucks. Mr. Wilson explained that during this extension, both parties will evaluate the need, if any, for additional food and beverage space in the terminal. It was moved by Ms. Bailey, seconded by Mr. Harr, that the addendum to the lease with Host be approved. The motion was unanimously approved by a voice vote.

C. Consideration of Approval of Change Order Number 2 to the Contract with The Harper Company, Inc. for Runway 5L/23R Reconstruction Taxiway G Lighting System. Mr. Wilson explained that the change order being presented provided for the expansion of the lower ramp and increased quantities of asphalt and lighting. Additionally, the change order extends the contract from 105 days to 290 days. Mr. Wilson reminded the Board that this contract was funded by the Tennessee Air National Guard (TNANG), and the TNANG has approved these changes. The total amount of the change order is \$5,843,789.85. It was moved by Mr. Harr, seconded by Mr. Dawson, that Change Order Number 2 to the contract with The Harper Company, Inc. for Runway 5L/23R Reconstruction Taxiway G lighting system be approved. The motion was unanimously approved by a voice vote.

D. Consideration of Award of a Contract to Rebel Services, LLC and Authorization to Accept a Grant for the Fueling Station and Fuel Storage Rehabilitation Project for Knoxville Downtown Island Airport. Mr. Wilson advised the Board that the agenda item provides for rehabilitation of the two fuel-storage tanks, dispensing equipment and the supplemental filtration equipment at the Knoxville Downtown Island Airport. Earlier in March, the Airport Authority solicited bids and directly asked one company for an estimate for this project, but ultimately Rebel Services, LLC provided the lowest cost bid. Further, Mr. Wilson explained the agenda item allows the officers at the Airport Authority to accept a grant from the Tennessee Department of Transportation Aeronautics Division for the project. The total cost of this project is estimated to be \$153,000.00. It was moved by Ms. Bentley, seconded by Ms. Koella, that the contract with Rebel Services, LLC be approved and that the appropriate officers at the Airport Authority be authorized to accept a grant for the fueling station and fuel storage rehabilitation project for Knoxville Downtown Island Airport. The motion was unanimously approved by a voice vote.

E. Consideration of Approval of Preferred Vendors for Graphic Design and Production Services at McGhee Tyson Airport. Mr. Wilson explained to the Board that the Airport Authority often needs specialized graphic design and production services for internal projects. Additionally, customers of

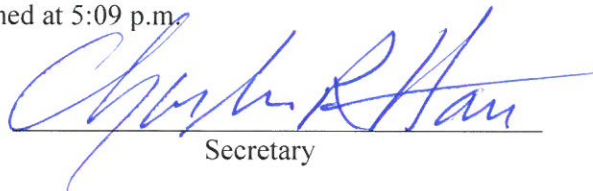


the Airport Authority that desire to advertise at the Airport often ask for a recommendation for assistance in graphic design and production for those advertisements. Therefore, the Airport Authority advertised a request for qualifications in March and received seven responses. The Airport Authority's staff is recommending that ADS Phoenix Marketing Communications, Moxley Carmichael, and Horton Group be on the list of approved vendors at the Airport Authority as future needs arise, with ADS Phoenix Marketing Communications being listed as the primary provider. It was moved by Ms. Koella, seconded by Ms. Bailey, that the list of preferred vendors for graphic design and production services be approved. The motion was unanimously approved by a voice vote.

F. Consideration of Approval of Preferred Vendors for Printing Production Services at McGhee Tyson Airport. Mr. Wilson explained to the Board that the Airport Authority has an ongoing need to produce a variety of printed materials, such as stationary, signs, and banners. Similar to the graphic design and production services, the Airport Authority sent out a request for qualifications in March and received seven responses. The Airport Authority's staff is recommending that Applical Company, ADS Phoenix Marketing Communications, and Byron's Printing be on the list of approved vendors at the Airport Authority as future needs arise, with Applical Company being listed as the primary provider. It was moved by Ms. Bentley, seconded by Ms. Koella, that the list of preferred vendors for printing production services be approved. The motion was unanimously approved by a voice vote.

G. Consideration of Approval of Service Contract for Website Development and Maintenance at McGhee Tyson Airport. Mr. Wilson called on Ms. Becky Huckaby, Vice President of Public Relations, to discuss the final new business item. Ms. Huckaby explained to the Board that the website needs to be updated to comply with various Americans with Disabilities Act's requirements and to help with growth initiatives. The Airport Authority's staff advertised a request for proposals in March and evaluated submissions based on the following criteria: overall proposal, quality of project approach, quality of key personnel, availability of key personnel, experience, references, budget, timeline, and sample website redesign. The Airport Authority's staff recommends that Moxley Carmichael be awarded a one-year contract with the option of a two-year extension based upon performance. It was moved by Mr. Harr, seconded by Ms. Koella, that the contract with Moxley Carmichael for website development and maintenance be approved, subject to legal counsel's review. 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 5:09 p.m.

  
Secretary

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