

METROPOLITAN KNOXVILLE AIRPORT AUTHORITY

Minutes of the Board of Commissioners

Date: January 22, 2020

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, January 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, Charles Harr, 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.

II. Minutes. The Chairman noted that the minutes of the regular meeting of December 18, 2019, had been distributed with the agenda materials. Upon motion duly seconded, the minutes were approved as presented by unanimous voice vote.

III. President's Report and Financial Report. 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 served 2,355,795 passengers during the first 11 months of 2019, an increase of over 16% from the same period in 2018. Additionally, the Airport handled over 78 million pounds of cargo during the first 11 months of 2019. The Airport also reached its 43rd consecutive month of year-over-year passenger traffic growth, serving 212,375 passengers in the month of November.

Mr. Wilson also mentioned that Allegiant Air, LLC has announced new seasonal non-stop flights to Austin, Boston, Chicago, Houston, and Myrtle Beach. These new flights will run twice weekly.

Finally, Mr. Wilson recognized Ms. Becky Huckaby, Vice President of Public Relations, Ms. Caitlin Darras, Senior Public Relations Specialist, and Mr. Justin McClure, Airport Systems Technician, for hosting a webinar on airport podcasting for the American Association of Airport Executives. The Airport's podcast, "From the Runway Up," has been a huge success with over 20,000 downloads and over 250 listeners each month. Mr. Wilson thanked Ms. Huckaby, Ms. Darras, and Mr. McClure for their hard work on the podcast.

IV. New Business.

A. Consideration of Approval of Federal Express Corporation Airport Operating Agreement. Mr. Wilson explained to the Board that the operating agreement with Federal Express Corporation is for a five-year term through July 1, 2023. He noted that the methodology for calculating the rates and

charges is the same. The remainder of the operating agreement has been updated to be consistent with the most recent lease and use agreements with the airlines. Mr. Wilson explained that the lease addendum was prepared and approved by the Airport Authority's legal counsel. It was moved by Ms. Bentley, seconded by Ms. Bailey, that the operating agreement with Federal Express Corporation be approved. The motion was unanimously approved by a voice vote.

B. Consideration of Approval of Purchase of Airfield Maintenance Equipment and Authorization to Accept a Grant from the Tennessee Department of Transportation Aeronautics Division for Airfield Equipment Replacements Project for McGhee Tyson Airport. Mr. Wilson explained to the Board that the presented agenda item requests approval of the acquisition of the following equipment: a tractor, a flail mower attachment, three zero-turn mowers, and associated markings, lights, and radios. The proposed equipment will be purchased through a statewide contract. Additionally, Mr. Wilson explained that the agenda item proposes the acceptance of a related grant from the Tennessee Department of Transportation ("TDOT") Aeronautics Division to cover 95% of the equipment cost. The total cost of the equipment is \$172,748.82. It was moved by Mr. Harr, seconded by Ms. Bailey, that the purchase of airfield maintenance equipment be approved and that the Airport Authority be authorized to accept a related grant from TDOT Aeronautics Division. The motion was unanimously approved by a voice vote.

C. Consideration of Approval of Change Order Number 6 to the Contract with The Harper Company, Inc. for Runway 5L/23R Reconstruction, Taxiway G Lighting System. Mr. Wilson explained to the Board that the proposed change order replaces "TDOT Type A, Grade D, Aggregate Base" with "P-219 Recycled Aggregate Base." The change order will also include additional steel reinforcement on project "Manhole #41." Mr. Wilson explained that the contract days are not being extended due to the change order and that the change order will result in a decrease in cost of \$282,178.77. The Tennessee Air National Guard has reviewed and approved these changes. It was moved by Mr. Vogel, seconded by Mr. Smith, that Change Order Number 6 with The Harper Company, Inc. for Runway 5L/23R Reconstruction and Taxiway G Lighting System be approved. The motion was unanimously approved by a voice vote.

D. Consideration of Approval of Final Balance Change Order Number 7 to the Contract with The Harper Company, Inc. for Runway 5L/23R Reconstruction, Project 3. Mr. Wilson advised the Board that the next agenda item was a final balance change order for the Runway 5L/23R Reconstruction Project 3. The change order is for a total decrease in cost of \$1,276,046.65. It was moved by Ms. Bentley, seconded by Mr. Simmons, that Change Order Number 7 with The Harper Company for Runway 5L/23R Reconstruction, Project 3 be approved. The motion was unanimously approved by a voice vote.

E. Consideration of Approval of Change Order Number 3 to the Contract with The Harper Company, Inc. for Runway 5L/23R Reconstruction, Project 4. Mr. Wilson explained to the Board that the change order replaces "TDOT Type A, Grade D, Aggregate Base" with "P-219 Recycled Aggregate Base." The change order will also include lighted Xs and construction fallout repair. Mr. Wilson explained that the contract days are not being extended due to the change order, and the change order will result in a decrease in cost of \$410,308.22. It was moved by Ms. Bailey, seconded by Mr. Vogel, that Change Order Number 3 with The Harper Company, Inc. for Runway 5L/23R Reconstruction, Project 4 be approved. The motion was unanimously approved by a voice vote.

F. Consideration of Approval of Purchases from Trimble Security Integrations, Matrix Systems, and Crossmatch and Authorization to Accept a Grant from the Tennessee Department of Transportation Aeronautics Division for the Access Control Upgrade 2020 Project. Mr. Wilson advised the Board that the presented agenda item provides for the acquisition of new access control equipment including an access control server, building controllers, alarm workstations, badging enrollment workstation, software and hardware upgrade to CCTV, and fingerprint enrollment workstation. The

purchase will be from existing service vendors. The Airport Authority is also requesting that the Board authorize the acceptance of a related grant from TDOT Aeronautics Division. The total cost of the equipment is expected to be \$132,700.00. It was moved by Mr. Vogel, seconded by Mr. Harr, that the purchase of access control equipment be approved and that the Airport Authority be authorized to accept a related grant from TDOT Aeronautics Division. Following discussion, the motion was unanimously approved by a voice vote.

G. Consideration of Approval of Contract with Service One, Approval of Purchase to Southwest Microwave and Authorization to Accept a Grant from the Tennessee Department of Transportation Aeronautics Division Relating to the Access Control Equipment Replacements Project for McGhee Tyson Airport. Mr. Wilson advised the Board that the installation of boring holes would provide an unobstructed and maintainable path for the intrusion detection system and communication infrastructure. The Airport Authority solicited bids for the boring, and Service One was the lowest responsive bidder. The presented agenda item would also include approval of the purchase of equipment from Southwest Microwave, the Airport Authority's current provider for the intrusion detection system. The Airport Authority will install the equipment, and Southwest Microwave will certify the system upon completion. Finally, the Airport Authority is also requesting that the Board authorize the acceptance of a related grant from TDOT Aeronautics Division. The cost of the contract with Service One is \$35,840.00 and the cost of the equipment from Southwest Microwave is \$46,990.00. It was moved by Ms. Bentley, seconded by Mr. Simmons, that the contract with Service One and the purchase from Southwest Microwave be approved and that the Airport Authority be authorized to accept a related grant from TDOT Aeronautics Division. The motion was unanimously approved by a voice vote.

H. Consideration of Award of Purchase to Tennessee Fence Systems and Authorization to Accept a Grant for the Access Control Gate Replacements Project for McGhee Tyson Airport. Mr. Wilson advised the Board that this agenda item provides for the replacement of several access control gates, including gate lifts, operators, and control circuits. The existing gates are reaching the end of their service life and, as a result, service calls continue to increase. The Airport Authority is further requesting that the Board authorize the acceptance of a related grant from TDOT Aeronautics Division. The total cost of the purchase is \$81,754.00. It was moved by Mr. Harr, seconded by Mr. Simmons, that the purchase of access control gate replacements from Tennessee Fence Systems be approved and that the Airport Authority be authorized to accept a related grant from TDOT Aeronautics Division. The motion was unanimously approved by a voice vote.

I. Consideration of Approval of Work Authorization Number 20-311 under the General Consultant Agreement with Gresham Smith for Environmental Compliance Assistance for McGhee Tyson Airport and Knoxville Downtown Island Airport. Mr. Wilson advised the Board that the presented work authorization with Gresham Smith will provide for quarterly inspections of exterior areas and immediately adjacent interior areas of all facilities on McGhee Tyson Airport and Knoxville Downtown Island Airport property. The fourth quarter inspection will also include the annual comprehensive site compliance evaluation and the preparation of updates to the Stormwater Pollution Prevention Plan. Gresham Smith will also provide the annual environmental training to comply with the stormwater permit for McGhee Tyson Airport and Knoxville Downtown Island Airport, and it will provide environmental support for any compliance issues that arise with the upcoming changes to the stormwater permit. The total cost of the work authorization is \$44,876.00. It was moved by Ms. Bailey, seconded by Mr. Vogel, that the work authorization with Gresham Smith for environmental compliance assistance for McGhee Tyson Airport and Knoxville Downtown Island Airport be approved. The motion was unanimously approved by a voice vote.

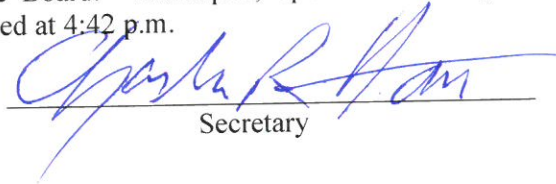
V. Staff Reports.

Ms. Bailey Highland, Senior Marketing Specialist for the Airport Authority, reported to the Board regarding Allegiant's announcement of five new seasonal non-stop flights starting in May. The new flights include Austin, Boston, Chicago, Houston, and Myrtle Beach, with all markets being served twice-weekly.

Ms. Nancy White, Vice President of Finance, reported to the Board regarding the Moody's Investors Service press release, upgrading the Airport Authority's bonds from Baa1 to A3. Moody's Investor Service cited increased enplanements, conservative budgeting and management practices, and the reduction of variable rate exposure for the rating increase.

Finally, Mr. Wilson reported to the Board regarding the current legislative session. Mr. Wilson discussed the impact certain federal and state legislation may have on the Airport Authority and, specifically, the impact on the Airport Authority's needed funding for capital improvements.

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 4:42 p.m.


Secretary