

METROPOLITAN KNOXVILLE AIRPORT AUTHORITY

Minutes of the Finance, Personnel, and Insurance Committee

The Finance, Personnel, and Insurance Committee of the Board of Commissioners of the Metropolitan Knoxville Airport Authority met electronically pursuant to notice at 3:45 p.m. on Wednesday, April 22, 2020. Commissioner Charles Harr, Chairman of the Committee, presided and other members present were Julia Bentley, Joe Dawson, Jeff Smith, and Eddie Mannis, Board Chairman, as an ex officio member of the Committee. Also attending were Ursula Bailey, Maribel Koella, Brian Simmons, and Howard Vogel, members of the Board of Commissioners, Patrick Wilson, President of the Airport Authority, Nancy White, Vice President of Finance of the Airport Authority and other members of the Airport Authority's staff; Mark Mamantov, legal counsel, who acted as secretary at the request of the Chair. Members of the public were permitted to join the meeting by conference call pursuant to instructions posted on the Airport Authority's website.

The Chair first asked for a motion for the Committee to agree that this Finance, Personnel, and Insurance Committee meeting be held electronically as it is necessary to protect the health, safety and welfare of the citizens of Tennessee. Mr. Mannis made the motion, and Mr. Dawson seconded the motion. The motion was then approved by an unanimous roll call vote of the members of the Committee.

The Chair noted that the minutes of the last meeting of the Finance, Personnel, and Insurance Committee held on November 20, 2019, had been distributed with the agenda materials, and upon motion duly made and seconded, the minutes were approved by unanimous roll call vote.

The first order of business was a report from staff regarding a revised schedule to consider the budget for the upcoming fiscal year. A draft of that budget was originally completed by staff in early March, but due to the COVID-19 pandemic, the budget must be revised to reflect the impact of the pandemic. The budget will now be presented to the Committee for its review prior to the May Board meeting, and then the budget will be considered by the entire Board of Commissioners at the June Board meeting.

The second order of business was a review of the employees' health, dental, vision, life, AD&D, and disability insurance policies. Mr. Chris Wampler with Carriage Hill Insurance, as the Airport Authority's insurance broker, explained that he had undertaken difficult negotiations with CIGNA on behalf of the Airport Authority and was ultimately able to negotiate a renewal of the employees' health insurance with no rate increase. The dental plan and vision plan with CIGNA will also have no increase in premiums for the year, and the benefits received under both the dental and vision plans were unchanged. Finally, Mr. Wampler explained that the premiums for life, AD&D and disability insurance policies with UNUM would remain unchanged from the previous year. Upon a motion duly made and seconded, the Committee recommended to the Board that the employees' health, dental, and vision insurance policy renewals with CIGNA Health Care Group and the life, AD&D and disability insurance coverage with UNUM be approved as presented by unanimous roll call vote.

The third order of business was the consideration of the agreement with BGT Recruiting and Consulting Services (BGT) to assist the Airport Authority in hiring a controller. Due to the specialization and importance of this position, the staff recommends procuring assistance from BGT to advertise the position, manage and filter applications, schedule interviews and handle communications with the candidates. Ultimately, BGT would recommend the qualified applicants to the Airport Authority for interview and selection. In the event the Airport Authority selects a BGT recruit, a direct placement fee would be paid to BGT. The costs associated with the proposed services and any direct placement fee will not exceed

\$25,000.00. Upon motion duly made and seconded, the Committee recommended to the Board that the agreement with BGT to assist in the search for a controller be approved by unanimous roll call vote.

The final order of business was the authorization of the President, in consultation with the Board Chairman, to cause the redemption of bonds or other indebtedness of the Airport Authority before June 30, 2020. Ms. Nancy White, the Vice President of Finance, explained that the financial turmoil caused by the COVID-19 pandemic is causing the Airport Authority's staff to review all potential measures to protect and bolster its financial position for the fiscal year ending June 30, 2021. One of those measures is evaluating whether the Airport Authority should redeem outstanding bonds or other indebtedness to reduce the Airport Authority's debt service for the upcoming fiscal year. Ms. White explained that to redeem certain debt the Airport Authority would have to give notice by early May. In order to preserve financial flexibility, the Airport Authority's staff recommended that the President be authorized to cause the redemption of up to \$6,000,000.00 of bonds or other indebtedness of the Airport Authority prior to June 30, 2020, if the President, in consultation with the Board Chairman and the Vice President of Finance, determines that such redemption will assist the Airport Authority in complying with the financial covenants in the Airport Authority's bond resolution in the upcoming fiscal year. Upon a motion duly made and seconded, the Committee recommended to the Board that the President be authorized to redeem up to \$6,000,000.00 of bonds or other indebtedness of the Airport Authority as presented by unanimous roll call vote.

There being no further business to come before the meeting, it was, upon motion duly seconded and unanimously approved, adjourned at 4:10 p.m.


Acting Secretary

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