

METROPOLITAN KNOXVILLE AIRPORT AUTHORITY

Minutes of the Board of Commissioners

Date: November 18, 2020

Place: 510 Center

The Board of Commissioners of the Metropolitan Knoxville Airport Authority met pursuant to notice at 4:00 p.m. on Wednesday, November 18, 2020, at the 510 Center located at 2950 Airfield Service Drive, Alcoa, Tennessee, with the Board Chairman, Eddie Mannis, presiding. Commissioners had the option to attend the meeting electronically due to the COVID-19 pandemic.

Roll call developed that Board members present in person or electronically, in addition to Chairman Mannis, were Ursula Bailey, Julia Bentley, Joe Dawson, Charlie 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 attended electronically.

BUSINESS AGENDA

I. Procedure for Conducting Business. Chairman Mannis first asked for a motion for the Board to agree that this meeting be held electronically as it is necessary to protect the health, safety, and welfare of the citizens of Tennessee. It was so moved by Mr. Smith and seconded by Mr. Vogel. The motion was unanimously approved by a roll call vote.

II. Announcements. Chairman Mannis explained that members of the public were given the option to submit written comments to the Board of Commissioners and were given the option to sign up to speak during the public forum at the end of the meeting by emailing info@tvs.org, pursuant to the meeting notice. The Chairman noted that the Board of Commissioners did not receive any written comments or requests to address the Board of Commissioners.

III. Minutes. The Chairman noted that the minutes of the regular meeting of October 21, 2020, had been distributed with the agenda materials. Upon motion duly seconded, the minutes were approved as presented by unanimous roll call vote.

IV. Consent Calendar. The Chairman noted that the Consent Calendar for November 18, 2020, 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 roll call vote, and a copy will be filed with these minutes.

V. President's Report and Financial Report. President Patrick Wilson provided his President's report and noted that the financial report was included with the agenda materials. In his President's report, Mr. Wilson referred the Board to the activity reports included in the agenda. Mr. Wilson announced that, as the number of COVID-19 cases increase, the Airport Authority's employees are diligently ensuring that the facilities are clean and safe for the traveling public. He specifically thanked the building services department for its hard work and dedication. Mr. Wilson noted that passenger bookings have increased as news of the effectiveness of the vaccine for COVID-19 have been released.

VI. Committee Reports.

A. Report of the Audit Committee. Commissioner Bentley, Chair of the Audit Committee, advised the Board that the Committee had met prior to the Board meeting for a presentation from Coulter & Justus, P.C., the Airport Authority's external auditors, without the Airport Authority's staff being present, and received a report that the auditors were prepared to deliver a clean, unmodified audit opinion. The issuance of the audit is conditioned upon receiving guidance regarding federal program compliance from the Office of Management and Budget, which guidance is not expected to affect the audit as presented. Ms. Bentley moved on behalf of the Committee that the audit report be received by the Board and that the Comprehensive Annual Financial Report for the fiscal year ending June 30, 2020 be accepted by the Board, a motion which required no second. The motion was unanimously approved by roll call 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 and considered a one-time performance recognition payment of \$500 to full-time employees and \$250 to part-time employees for their significant efforts to keep the Airport safe and operational during the challenges presented by the COVID-19 pandemic. In addition, the Committee considered an annual longevity bonus that will cost \$75,000 in the aggregate. Mr. Harr explained that, even with the addition of the recognition payment and the longevity bonus, the budget will remain on track or exceed the original expectations. Mr. Harr, on behalf of the Committee, moved for the approval of the one-time recognition payment and the longevity bonus program, which motion required no second. The motion was unanimously approved by a roll call vote.

Mr. Harr then explained that the Committee considered a change to the Public Officials and Employment Practices Liability Insurance that was voted on at the previous Board meeting. After further consideration, the Committee recommends that the policy include defense costs outside of the policy limits. This change will increase the premium by \$13,286. Mr. Harr, on behalf of the Committee, moved for the approval of the Public Officials and Employment Practices Liability Insurance with the inclusion of defense limits outside of the policy limits, which motion required no second. The motion was unanimously approved by a roll call vote.

C. 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 and considered the purchase of the property located at 1919 and 1923 Airbase Road, in an amount not to exceed \$725,000 plus closing costs. Ms. Koella, on behalf of the Committee, moved for the approval of (i) the purchase of the property in an amount not to exceed \$725,000 plus closing costs, and (ii) the selection and award of professional services for an additional investigation of the property in an amount not to exceed \$75,000, and the authorization for the President and legal counsel to negotiate the terms of the final purchase and sale agreement, which motion required no second. The motion was unanimously approved by a roll call vote.

VII. Strategic Planning Initiative. Commissioner Vogel advised the Board that he and Mr. Wilson have been communicating with Mr. Stephen Van Beek at Steer to discuss the procedure and scope of the strategic planning initiative. Mr. Vogel noted that this process will be invaluable to the McGhee Tyson Airport and the Knoxville Downtown Island Airport, and this process will include each member of the Board, the Airport Authority's staff and the community at large. Mr. Wilson then introduced Mr. Van Beek to the Board and shared his background and expertise in the airport industry.

Mr. Van Beek presented to the Board on the scope and timeline of the strategic planning services. Mr. Van Beek anticipates the strategic plan will be presented for approval at the April 2021 Board meeting.

VIII. New Business.

A. Consideration of Approval of the Lease Agreement Between Metropolitan Knoxville Airport Authority and United Parcel Service, Inc. at McGhee Tyson Airport. Mr. Wilson advised the Board that the United Parcel Service, Inc. (UPS) has requested a seasonal lease agreement for the building located at 2085 Airbase Road to be used as a package facility. Mr. Wilson explained that the term would be for a maximum of three months, and the rental rate would be \$9,000 per month. It was moved by Ms. Bentley, seconded by Mr. Dawson, that the President, in consultation with legal counsel, have the authority to negotiate the lease agreement with UPS and to execute the same. The motion was unanimously approved by a roll call vote.

B. Consideration of Approval of Change Order Number 7 to the Contract with The Harper Company, Inc. for Runway 5L/23R Reconstruction Project 4. Mr. Wilson advised the Board that this was the final balancing change order for the Runway 5L/23R Reconstruction Project 4 and reflects an overall decrease to the contract amount. The primary decreases are associated with quantities for excavation, taxiway concrete pavement, base course, lime treatment, and asphalt shoulder pavement. Mr. Wilson explained that the change order has been reviewed and approved by the funding agencies. It was moved by Ms. Bailey, seconded by Mr. Vogel, that Change Order Number 7 with The Harper Company, Inc. be approved. The motion was unanimously approved by a roll call vote.

C. Consideration of Approval of Professional Services Purchase to McCarty Holsaple McCarty, Inc. for Assistance with Selection of a Landscape Architect for McGhee Tyson and Knoxville Downtown Island Airports. Mr. Wilson advised the Board that a landscaping plan for McGhee Tyson Airport was formulated during the terminal expansion project in 1999. Most of the plantings associated with this landscaping plan have reached maturity and have become overgrown. In order to have a unified theme and approach on campus, the Airport Authority's staff will select a landscape architectural firm to provide guidance and design for a new plan at McGhee Tyson Airport, and to provide professional support for Knoxville Downtown Island Airport. McCarty Holsaple McCarty, Inc. will provide assistance to the Airport Authority's staff by developing a request of qualifications, providing advertising assistance, reviewing responses to the request for qualifications for compliance, and coordinating interviews with qualified firms to select a landscape architectural firm. The cost of these professional services will be \$7,500. It was moved by Ms. Bentley, seconded by Ms. Koella, that the Airport Authority be authorized to engage McCarty Holsaple McCarty, Inc. for assistance with the selection of a landscape architect. The motion was unanimously approved by a roll call vote.

D. Consideration of Approval of Work Authorization No. 20-129A with CHA Consulting, Inc. for Planning and Programming Services Related to the Combined Rental Car Service Facility Project at McGhee Tyson Airport. Mr. Wilson explained that the proposed work authorization with CHA Consulting, Inc. will provide for planning and programming services related to the combined rental car service facility at the McGhee Tyson Airport. Specifically, the work authorization will provide for meetings with the Airport Authority's staff, development of multiple facility concepts, development of alternative funding options, definition of required supporting infrastructure, demolition concept development for the existing rental facilities, exploration of potential business relationships associated with the construction and/or operation of the combined facility, visitation of similar facilities with the Airport Authority's staff, and development of opinions of cost. The amount of this work authorization is \$110,573. It was moved by Mr. Harr, seconded by Ms. Koella, that Work Authorization No. 20-129A

with CHA Consulting, Inc. related to the combined rental car service facility be approved. The motion was unanimously approved by a roll call vote.

E. Consideration of Award of a Contract to East Tennessee Paving Company for Parking Lot Pavement Rehabilitation at McGhee Tyson Airport. Mr. Wilson explained that the proposed contract with East Tennessee Paving Company will provide for pavement repairs, asphalt overlay, crack and seal repairs, and markings for the long-term overflow surface parking lot. East Tennessee Paving Company was the lowest bidder in response to a request for bids issued in October 2020. Due to likely opportunities to correct drainage issues and other paving system deficiencies, and the desirability of taking proactive measures to extend the useful life of the lot during this current period of low parking demand, the Airport Authority's staff recommends pre-approval of up to a 15% contingency above the quoted amount of \$249,320 to correct any potential issues during renovation. The total amount of this award will not exceed \$286,718. It was moved by Mr. Dawson, seconded by Mr. Simmons, that the award to East Tennessee Paving Company for parking lot pavement rehabilitation be approved. The motion was unanimously approved by a roll call vote.

IX. Miscellaneous. Chairman Mannis announced that he will be stepping down in his role as Chairman due to his election to the Tennessee House of Representatives. Mr. Mannis stated that it has been a pleasure to serve as Chairman to the Board. In order to fill the position of Chairman, Mr. Mannis is creating an Ad Hoc Nominating Committee. Mr. Mannis has requested that Commissioners Bailey, Dawson and Vogel serve on the Nominating Committee, with Commissioner Bailey serving as the Chair of such committee. The Nominating Committee will report to the Board at the December Board meeting.

X. Staff Reports.

Nicholas Haan, from Crawford, Murphy & Tilly, the Airport Authority's air service development consultants, updated the Board on the current state of the airline industry. Mr. Jim Evans, the Vice President of Marketing and Air Service Development, presented to the Board on the impacts of the airline industry on the Airport Authority.

The Chairman announced that the business agenda had been completed and that no requests had been received by individuals wishing to address the Board. Thereupon, upon motion duly seconded and unanimously approved, the meeting was adjourned at 5:30 p.m.


Assistant Secretary