

METROPOLITAN KNOXVILLE AIRPORT AUTHORITY

Minutes of the Board of Commissioners

Date: March 17, 2021

Place: Electronic Audio Conference

The Board of Commissioners of the Metropolitan Knoxville Airport Authority met electronically pursuant to notice at 4:20 p.m. on Wednesday, March 17, 2021, with the Board Chairman, Brian Simmons, presiding.

Roll call developed that Board members present, in addition to Chairman Simmons, were Ursula Bailey, Julia Bentley, Joe Dawson, Charlie Harr, Maribel Koella, Eddie Mannis, 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 Simmons 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 Ms. Koella and seconded by Mr. Vogel. The motion was unanimously approved by a roll call vote.

II. Announcements. Chairman Simmons 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@tys.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 February 17, 2021, had been distributed with the agenda materials. Upon motion duly seconded, the minutes were approved as presented by unanimous roll call vote.

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 then provided brief updates on the 2022 Smoky Mountain Air Show, the status of the strategic plan development, and the ongoing project to update the bylaws and other governance documents.

VI. Report of American Airlines

Mr. Wilson introduced the representatives of American Airlines, including Tracy Montross, the Regional Director of Government Affairs, and Monica Coney from the Mid-Atlantic Sales Group. Ms. Montross presented to the Board on the impacts of the pandemic on American Airlines. She further explained initiatives to ensure the safety and cleanliness of the American Airlines' aircrafts and discussed the airline's involvement in transportation of the vaccine.

VII. Consent Calendar. The Chairman noted that the Consent Calendar for March 17, 2021, 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.

VIII. 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 review the capital improvement program for the fiscal years ending June 30, 2022 through 2026. Bryan White, Vice President of Engineering and Planning of the Airport Authority, had provided an overview of the program to the Committee and provided a brief summary to the Board. Commissioner Koella reported that the Capital Improvements Committee would review the program and had agreed to hold a joint meeting with the General Aviation Committee to discuss the program. No action is required by the Board at this time.

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 an adjustment to the health insurance premium cost-sharing program. Based on a market survey and analysis, the Airport Authority's staff recommended a gradual increase in the cost share paid by employees. Mr. Harr, on behalf of the Committee, moved for the approval of adjustments to the health insurance premium cost-sharing program, as presented to the Committee, which motion required no second. The motion was unanimously approved by a roll call vote.

Mr. Harr then explained that the Committee considered a one-time discretionary bonus payment in recognition of employee performance and a 2.5% increase in base pay going forward, effective on March 29, 2021. The total increase to the operating budget as a result of the bonus and salary increase is approximately \$179,000. Mr. Harr, on behalf of the Committee, moved for the approval of bonus and salary increase, which motion required no second. The motion was unanimously approved by a roll call vote.

C. Report of the General Aviation Committee. Commissioner Smith, Chair of the General Aviation Committee, advised the Board that the Committee had met prior to the Board meeting to discuss a potential hangar development at the Knoxville Downtown Island Airport. Todd Simmons, who is one of the developers of the proposed project, has provided the Committee with a presentation relating to this matter. No action is required by the Board relating to this matter.

IX. New Business.

A. Consideration of Approval of a Letter of Intent to the Tennessee Air National Guard to Enter into Negotiations on a Term Extension of Land Lease No. DACA01-5-11-621 between the Metropolitan Knoxville Airport Authority and United States of America at McGhee Tyson Airport. Mr. Wilson advised the Board that the Tennessee Air National Guard ("TNANG") has requested a letter of intent from the Airport Authority to negotiate an extension to their main base lease (Lease No. DACA01-5-11-621), containing 294.74 acres. The current lease term expires on September 30, 2061, and TNANG desires to extend the term of the lease through September 30, 2110. This letter of intent has been approved by the Airport Authority's legal counsel. It was moved by Mr. Dawson, seconded by Ms. Koella, that the Airport Authority's staff be authorized to provide an executed letter of intent to TNANG and to negotiate with TNANG on the term extension to the lease. Following discussion, the motion was unanimously approved by roll call vote.

B. Consideration of Approval of Work Authorization Number 21-313 under the General Consultant Agreement with Gresham Smith for General Secondary Containment Evaluation at Knoxville Downtown Island Airport. Mr. Wilson explained to the Board that the proposed work authorization will provide planning assistance with the environmental compliance obligations at Knoxville Downtown

Island Airport (DKX) related to the spill prevention, control, and countermeasure rules. Gresham Smith will evaluate and study various locations where adequate general secondary containment can be installed or constructed to ensure that any discharge volumes from three mobile refuelers will be contained. As part of this work authorization, Gresham Smith will provide three viable, commercially available, location-specific spill containment passive technologies that will not require Airport Authority's personnel to intervene to provide initial spill containment. The cost of the proposed work authorization is \$15,000. It was moved by Mr. Vogel, seconded by Mr. Smith, that Work Authorization Number 21-313 with Gresham Smith to provide a secondary containment evaluation at DKX be approved. The motion was unanimously approved by a roll call vote.

C. Consideration of Approval of Terminal Modernization Project Rain Screen Color Selection for the Front of the Terminal Facility for McGhee Tyson Airport. Mr. Wilson reminded the Board that the project design team for the terminal modernization project had been requested by the Board to provide for consideration two colors for the rain screen feature that would be included on the exterior of the terminal. The colors presented were oxidized brown color and stainless-steel color. It was moved by Mr. Vogel, seconded by Ms. Bentley, that the stainless-steel color for the rain screen feature be approved. The motion was unanimously approved by a roll call vote.

D. Consideration Approval of Contract with Crawford, Murphy, and Tilly to Provide an Independent Fee Estimate for the Runway 5R/23L ALP Update and Reconstruction Programming. Mr. Wilson advised the Board that the Federal Aviation Administration ("FAA") requires the Airport Authority to obtain an independent fee estimate for certain consultant services. The proposed contract would approve Crawford, Murphy, and Tilly to provide the estimate for the Runway 5R/23L Airport Layout Plan update and reconstruction programming. The cost of the estimate is \$6,840. It was moved by Mr. Harr, seconded by Ms. Bailey, that the contract with Crawford, Murphy, and Tilly to provide an independent fee estimate be approved. The motion was unanimously approved by a roll call vote.

E. Consideration of Approval of Work Authorization for IT Consulting Services including a Land Mobile Radio Project and Ad-Hoc Services. Mr. Wilson advised the Board that the Airport Authority's staff has identified the need to replace the land mobile radio system, the primary method of communication for airport security, law enforcement, fire protection, aircraft rescue and airport operations. This project was included in the current capital project budget. The first proposed work authorization with the Faith Group would provide the consulting and advisory services needed to support the acquisition and implementation of the land mobile radio system, and the cost of this work authorization is \$56,004.24. In addition, Mr. Wilson explained that the Airport Authority's staff frequently has the need for consulting expertise and advisory services for short-term IT issues. The second proposed work authorization with the Faith Group will provide for general consulting and advisory services, not-to-exceed \$20,000. It was moved by Mr. Vogel, seconded by Mr. Harr, that the work authorizations with the Faith Group for a land mobile radio project and ad-hoc services be approved. The motion was unanimously approved by a roll call vote.

F. Consideration of Approval of Construction Contract with Service One and Approval of Work Authorization Number 21-142 with CHA Consulting, Inc. for Terminal Lobby and Operational Space Improvements Project at McGhee Tyson Airport. Mr. Wilson advised the Board that the ticket lobby and operation spaces have been identified as areas that require improvements to increase their overall functionality. CHA Consulting, Inc. has coordinated with the Airport Authority's staff to develop an engineering cost opinion to provide the basis for the contract with Service One. The cost of contract is estimated to be \$735,000. The proposed work authorization with CHA Consulting, Inc. will provide for professional services related to the design and construction administration in support of the improvements. The cost of the work authorization is \$150,000. In addition, an allowance of \$185,000 is included in this agenda item to provide for the potential relocation of the TSA baggage screening device

and for other associated expenditures. It was moved by Ms. Bailey, seconded by Ms. Koella, that the contract with Service One and the work authorization with CHA Consulting, Inc. be approved, and that the President be authorized to expend the \$185,000 allowance as presented. Following discussion, the motion was unanimously approved by a roll call vote.

G. Consideration of Authorization of Contracts to Provide Passenger Processing Systems and Terminal Airline Information Systems at McGhee Tyson Airport. Mr. Wilson advised the Board that the Airport Authority operates and provides various technology and information systems to support airline partners and passengers, including flight and baggage information displays, ticket counter and gate systems and gate assignment and scheduling. The majority of these systems were procured with the previous terminal rehabilitation program in 1999-2001, and these systems are reaching the end of their useful lives and no longer provide baggage delivery services that are typical for a modern airport. To procure new systems, the proposed cost is not-to-exceed \$2,480,000. In addition, the proposed work authorization with the Faith Group will provide for the procurement and deployment of these systems. The cost of this work authorization is \$30,000. It was moved by Mr. Dawson, seconded by Mr. Harr, that the President be authorized to award contracts to various system vendors and service providers to procure the necessary passenger processing systems and terminal airline information systems, with such contracts being subject to the review and approval of legal counsel, and that the associated work authorization with the Faith Group be approved. The motion was unanimously approved by a roll call vote.

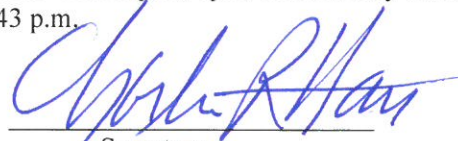
H. Consideration of Approval of Construction Contract with Service One and Approval of Work Authorization Number 21-143 with CHA Consulting, Inc. for a Third Baggage Claim Device at McGhee Tyson Airport. Mr. Wilson advised the Board that both the existing baggage claim devices have been in service over 20 years, and the frequency of maintenance has increased over such time. A third baggage claim device would provide operational flexibility in the event another device needs maintenance, enhance customer service, and support future operational growth. The Airport Authority's staff has worked with CHA Consulting, Inc. to develop an engineering opinion of cost for the basis of the award with Service One for the construction aspects of the project and for the cost to purchase the third baggage claim device. The contract award is in the amount of \$2,100,000. The proposed work authorization with CHA Consulting, Inc. is for design and construction administration support. The amount of the work authorization is \$315,000. It was moved by Ms. Koella, seconded by Mr. Vogel, that the construction contract with Service One and Work Authorization 21-143 with CHA Consulting, Inc. for the third baggage claim device be approved. The motion was unanimously approved by a roll call vote.

I. Consideration of Addendum Number One to the Airport Lease and Use Agreement between the Metropolitan Knoxville Airport Authority and American Airlines, Inc. at McGhee Tyson Airport. Mr. Wilson advised the Board that American Airlines desires to relocate their ticket counter and reduce their footprint by 726 square feet. In addition, American Airlines desires to install baggage chutes on the passenger boarding bridge adjoining their preferential use area. The baggage chutes will be acquired, installed, and maintained by American Airlines. The amendment of the Airport Lease and Use Agreement to accomplish the foregoing was prepared by legal counsel. It was moved by Ms. Bailey, seconded by Ms. Koella, that the amendment with American Airlines be approved. The motion was unanimously approved by a roll call vote.

J. Consideration of Approval of Work Authorization Number 15-218C with C2RL, Inc. for the Terminal Modernization Project at McGhee Tyson Airport. Mr. Wilson advised the Board that the proposed work authorization relating to the terminal modernization project would include adding an electrical consultant specializing in lighting design, additional architectural design services, an increased budget for materials testing, additional design services, and additional project management. In connection with describing the proposed work authorization, Mr. Wilson reported that the design team is

developing a two-step selection process to determine the best qualified contractor, with the first step being used to identify qualified contractors. The cost of the proposed work authorization being presented is \$129,680. It was moved by Mr. Dawson, seconded by Mr. Harr, that Work Authorization 15-218C with C2RL, Inc. be approved. The motion was unanimously approved by a roll call vote.

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 5:43 p.m.


Secretary

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