

METROPOLITAN KNOXVILLE AIRPORT AUTHORITY

Minutes of the Board of Commissioners

Date: September 22, 2021

Place: Cascade Room, Airport Hilton
McGhee Tyson Airport

The Board of Commissioners of the Metropolitan Knoxville Airport Authority met pursuant to notice at 4:05 p.m. on Wednesday, September 22, in the Cascade Room at the Airport Hilton with the Board Chairman, Brian Simmons, presiding.

Roll call developed that Board members present, in addition to Chairman Simmons, were Ursula Bailey, Charlie Harr, Maribel Koella, 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. Minutes. Chairman Simmons noted that the minutes of the regular meeting of August 18, 2021, had been distributed with the agenda materials. Upon motion duly seconded, the minutes were approved as presented by unanimous voice vote.

II. Announcements. Chairman Simmons 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.

III. President's Report and Financial Review. President Patrick Wilson provided the President's report and highlights of the activity report, the project report and financial information that was included with the agenda materials. In particular, Mr. Wilson noted that the combination of the coronavirus delta variant and the end of summer created a reduction in passenger traffic in the last month.

Mr. Wilson then explained that the Knoxville Chamber met with the Island Home Association and surveyed various user groups of the Knoxville Downtown Island Airport (DKX) as part of the DKX Visioning Process. The next step of this process is to meet with Ijams Nature Center, Visit Knoxville, and other business partners. Mr. Wilson added that the comments received from the user groups would be provided to the Board along with other information.

Finally, Mr. Wilson called on Mr. Todd Simmons, the President of Customer Experience at Cirrus Aircraft, to present to the Board regarding the status of Cirrus' operations at McGhee Tyson Airport (TYS).

IV. Consent Calendar. The Chairman noted that the Consent Calendar for September 22, 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 voice vote, and a copy will be filed with these minutes.

V. Governance Items.

A. Consideration of Approval of the Amended and Restated Bylaws – First Reading. Mr. Wilson explained that any amendments to the Bylaws must be passed at two successive meetings of the Board. The Airport Authority's staff recommended an initial approval of the amendment of the current Bylaws of the Airport Authority through the adoption of the Amended and Restated Bylaws presented to

the Board. It was moved by Mr. Vogel, seconded by Ms. Koella, that the Amended and Restated Bylaws be approved as presented. The motion was unanimously approved by a voice vote.

B. Consideration of Approval of the Amended and Restated Ethics Policy. The Airport Authority's staff recommended that the current Code of Ethics for the Airport Authority be amended and restated as an Ethics Policy. Mr. Wilson explained that the primary purpose of this amendment is to align the terminology used for this policy with other policies of the Board. The updated Ethics Policy also includes some minor changes and clarifications. It was moved by Mr. Vogel, seconded by Ms. Bailey, that the Amended and Restated Ethics Policy be approved as presented. The motion was unanimously approved by a voice vote.

C. Consideration of Approval of Policy Relating to Contracting and Purchasing Authority of the President. The Airport Authority's staff recommended the adoption of a Policy Relating to Contracting and Purchasing Authority of the President. Mr. Wilson explained that, under the Airport Authority's current Bylaws, there is considerable ambiguity relating to the authority of the President to purchase goods and services on behalf of the Airport Authority and to execute agreements on behalf of the Airport Authority. The purpose of this policy is to delineate the matters that are appropriate for the President, as the chief executive officer of the Airport Authority, to address without specific authorization of the Board of Commissioners in order to provide for the efficient operation of the Airport Authority's business. This policy is complementary to the Amended and Restated Bylaws and the Procurement Policy, and staff and legal counsel requested that approval of this policy be contingent upon the approval of the Amended and Restated Bylaws and Procurement Policy. It was moved by Ms. Koella, seconded by Mr. Vogel, that the Policy Relating to Contracting and Purchasing Authority of the President be approved contingent upon the approval of the Amended and Restated Bylaws and the Procurement Policy. The motion was unanimously approved by a voice vote.

D. Consideration of Approval of the Procurement Policy. The Airport Authority presently does not have a separate policy relating to procurement, as the Airport Authority's current Bylaws address procurement in some detail. The procurement provisions in the Bylaws contain a number of ambiguities and are somewhat outdated, and staff and legal counsel recommended that the Airport Authority adopt a separate policy relating to procurement, which is typical for governmental organizations of the Airport Authority's size. The proposed Procurement Policy is complementary to the Amended and Restated Bylaws and the Policy Relating to Contracting and Purchasing Authority of the President, and staff and legal counsel requested that approval of the Procurement Policy be contingent upon the approval of the Amended and Restated Bylaws. It was moved by Ms. Bailey, seconded by Mr. Vogel, that the Procurement Policy be approved contingent upon the approval of the Amended and Restated Bylaws. The motion was unanimously approved by a voice vote.

VI. New Business.

A. Consideration of Approval of Amended and Restated Ground Lease Agreement between the Metropolitan Knoxville Airport Authority and Massey Properties, LLC at McGhee Tyson Airport and Ground Lease Agreement between the Metropolitan Knoxville Airport Authority and Cirrus Design Corporation and Related Operating Agreements. Mr. Wilson informed the Board that Massey Properties, LLC (Massey) has been the developer for multiple Cirrus Design Corporation (Cirrus) projects at TYS. The original lease and operating agreements with Massey contemplated two phases of construction for Cirrus, but Cirrus desires to move forward with the construction of phase two as the developer. Mr. Wilson explained that the proposed amended and restated lease and operating agreement with Massey will remove all references to phase two, and the proposed lease and operating agreement with Cirrus for phase two will be on the same terms as the original lease and operating agreement. The phase two project will include three additional hangars. It was moved by Mr. Harr, seconded by Mr. Vogel, that the Amended and Restated Ground Lease Agreement with Massey and the Ground Lease Agreement with Cirrus and the

related operating agreements be approved as presented. The motion was unanimously approved by a voice vote.

B. Consideration of Approval of Human Resources Consulting Services for a Job Classification Analysis and Compensation Market Study. Mr. Wilson informed the Board that the last comprehensive review of the compensation program occurred in 1999. The proposed analysis and study will allow the Airport Authority to address current needs and future growth and to recruit, retain, and develop high-performing, diverse staff. Four human resource consultants responded to the Airport Authority's request for qualifications, and the Airport Authority's staff recommends The Segal Group for this project. The Airport Authority's staff requests that Mr. Wilson be authorized to enter into a professional agreement with The Segal Group for an in-depth job classification analysis and compensation market survey and related consulting services in an amount not-to-exceed \$190,000. It was moved by Ms. Koella, seconded by Mr. Vogel, that the consulting services with The Segal Group be approved as presented. The motion was unanimously approved by a voice vote.

C. Consideration of Approval of Aviation Financial Consulting Work Authorization for Passenger Facility Charge Services. Mr. Wilson explained to the Board that the Airport Authority recently underwent a review and reconciliation of its current Passenger Facility Charge (PFC) applications, resulting in an amendment to the current PFC application. During the process, staff identified that the Airport Authority anticipates being fully collected under the current Federal Aviation Administration's (FAA) authorized collection amount by June 30, 2024. To avoid a lapse in the collection period, it is necessary for the Airport Authority to begin the process for the next PFC application. The Airport Authority's staff recommends engaging Ricondo & Associates, Inc. (Ricondo). Ricondo will work with the Airport Authority's staff to develop a PFC strategy, assist in identifying PFC eligible projects, gauge the capacity of the Airport Authority to generate sufficient PFC revenue to fund desired projects, create the PFC application in accordance with the FAA's standards, engage with the FAA to navigate the submittal process and assist the Airport Authority's staff with required air carrier consultation, public notice and correspondence. The cost for the proposed work authorization will not exceed \$40,102. It was moved by Mr. Vogel, seconded by Ms. Bailey, that the work authorization with Ricondo for PFC services be approved as presented. The motion was unanimously approved by a voice vote.

D. Consideration of Approval of Work Authorization Number 21-314 under the General Consultant Agreement with Gresham Smith for Environmental Compliance Assistance for TYS and DKX. Mr. Wilson explained that the proposed work authorization will provide both the third and fourth quarter inspections of exterior areas and immediately adjacent interior areas of all facilities at TYS and DKX. The fourth quarter inspection will also encompass the annual comprehensive site compliance evaluation in conjunction with the preparation of the stormwater pollution prevention plan updates as required with new facilities. Additionally, Gresham Smith will provide the annual environmental training, as required by the Tennessee Stormwater Multi-Sector General Permit for TYS and DKX. The cost of this work authorization is \$16,436. It was moved by Ms. Koella, seconded by Mr. Vogel, that the work authorization with Gresham Smith for environmental compliance assistance be approved. The motion was unanimously approved by a voice vote.

E. Consideration of Ratification of Change Order Number 10 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 includes the addition of dowel bars for load transfer between the existing Tennessee Air National Guard Air Rescue and Fire Fighting Facility existing floor-slab and the new apron, as well as the repair of block foundations, at the overhead door separations/dividers. These items were discovered during demolition and in locations that would significantly delay the construction project schedule if not immediately and properly addressed. The cost of the change order is \$17,290.90, and the change order has been approved by the Tennessee Air National Guard. It was moved by Ms. Bailey, seconded by Ms. Koella, that the change order with The Harper Company, Inc. be approved as presented. The motion was unanimously approved by a voice vote.

F. Consideration of Approval of Information Technology Consulting Services. Mr. Wilson informed the Board that the proposed addendum and two work authorizations with The Faith Group will allow the Airport Authority to continue to modernize and update the Airport Authority's technology systems and to conduct an analysis of resources. The first proposed work authorization is for consulting services and support for acquisition and implementation of the terminal airline passenger technology systems. This work authorization shall not exceed \$177,962. The second proposed work authorization is for consulting and advisory services and support for an analysis and study of the existing and projected utilization of current passenger terminal airline resources. This work authorization shall not exceed \$37,716.47. It was moved by Ms. Koella, seconded by Mr. Vogel, that the addendum and two work authorizations with The Faith Group be approved as presented. The motion was unanimously approved by a voice vote.

G. Consideration of Approval of Purchase of Property Located at 745 Holloway Street. Mr. Wilson informed the Board that the residential lot at 745 Holloway Street is adjacent to Airport Authority owned property and important to the Airport Authority's future expansion and development. The property is approximately 1.31 acres and is comprised of an approximately 4,070 square foot house with multiple outbuildings. The cost of the property is \$559,000 plus closing costs, and the purchase is contingent on an appraisal, title report, and home inspection. It was moved by Ms. Koella, seconded by Mr. Vogel, that the purchase of 745 Holloway Street be approved as presented. The motion was unanimously approved by a voice vote.

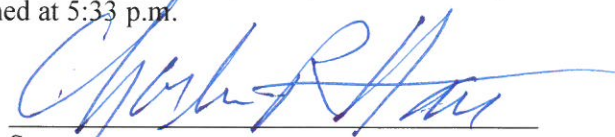
VII. Staff Reports.

Becky Huckaby, Vice President of Public Relations of the Airport Authority, reported to the Board that the job fair held at the Airport Hilton on August 25, 2021 was a great success with over 200 attendees. Ms. Huckaby also mentioned that the Aviation Academy was on its third night and would continue through October 6, 2021.

Brian Shutt, the Manager of DKX, reported to the Board on the Tuskegee Next Program that was hosted at DKX on August 28, 2021. Over 60 local youth were introduced to aviation, and many of them were given an opportunity to take a flight by volunteer pilots.

Tom Aiken, the Director of Public Safety of the Airport Authority, reminded the Board that the full scale emergency exercise would take place on October 2, 2021.

Chairman Simmons 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 5:33 p.m.


Secretary