

# METROPOLITAN KNOXVILLE AIRPORT AUTHORITY

## Minutes of the Board of Commissioners

Date: November 15, 2023

Place: Airport Operations Center  
McGhee Tyson Airport

The Board of Commissioners of the Metropolitan Knoxville Airport Authority met pursuant to notice at 4:00 p.m. on Wednesday, November 15, 2023, at the Airport Operations Center, located at 100 Cirrus Landing, Alcoa, Tennessee, 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, Caryn Hawthorne, Maribel Koella, Wes Stowers 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 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 as to an item on the agenda or to speak during the public forum at the conclusion of the meeting.

II. Minutes. The minutes of the regular meeting of October 18, 2023 had been distributed with the agenda materials. Upon motion duly seconded, the minutes were approved as presented by a unanimous voice vote.

III. Standing Committee Charters. Chairman Simmons explained that the current charters of the Airport Authority's standing committees require review every other year and the current charters had been distributed with the agenda materials. After receiving no comments or changes from the Commissioners, it was moved by Mr. Harr, seconded by Ms. Bentley, that the current charters of the standing committees be approved.

IV. President's Report and Financial Report. President Wilson provided highlights of the activity report, the project report, and financial information that was included with the agenda materials. Mr. Wilson also announced that Stephen Van Beek will be meeting with the Airport Authority's leadership team and staff the next day to discuss the strategic plan.

V. Report of the Administration and Finance Committee. Commissioner Harr, Chair of the Administration and Finance 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, and received a report that the auditor was prepared to deliver a clean, unmodified audit opinion. Mr. Harr complimented Susan Gennoe, the Vice President of Finance at the Airport Authority, and her team for their excellent work in connection with the audit process. Mr. Harr moved on behalf of the Committee that the audit report be received by the Board and that the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023 be accepted by the Board, a motion which required no second. The motion was unanimously approved by voice vote.

Mr. Harr explained that the Committee considered the selection of an underwriting syndicate to market and sell bonds for the upcoming public debt issuances. After reviewing responses to a request for proposals and interviewing the top three candidates, the Airport Authority's staff and the Airport Authority's financial advisor, PFM Financial Advisors, LLC, recommend the underwriting syndicate of Bank of America, as Senior Managing Underwriter, along with J.P. Morgan, Siebert Williams Shank &

Company, and Loop Capital Markets as Co-Managers. On behalf of the Committee, Mr. Harr moved for approval of the underwriting syndicate as presented, which motion required no second. The motion was unanimously approved by a voice vote.

Mr. Harr advised the Board that the Committee also considered Resolution No. 23-04, designating certain institutions for deposits, authorizing investment of the Airport Authority's funds, and designating authorized signatories. On behalf of the Committee, Mr. Harr moved for approval of Resolution No. 23-04, which motion required no second. The motion was unanimously approved by a voice vote.

Finally, Mr. Harr explained that the Committee considered the renewal of the Airport Authority's public officials and employment practices liability insurance policy with Chubb. The total premium cost is approximately \$69,000 plus the policy fee of \$150. On behalf of the Committee, Mr. Harr moved for approval of the renewal of the public officials and employment practices liability insurance policy with Chubb, which motion required no second. The motion was unanimously approved by a voice vote.

#### VI. New Business.

A. Consideration of Award with Rogers Group, Inc. (Rogers Group) for Roadway Repairs at McGhee Tyson Airport (TYS). Eric Williamson, the Director of Design and Construction at the Airport Authority, explained to the Board that the proposed project will provide for repair of one sunken manhole, five areas of failing pavement and nine areas of broken curbs that have been identified along McGhee Place. The repairs will include the removal of old pavement and curbing and the application of new pavement and curbing. Following a request for proposals issued on October 1, 2023, Rogers Group was identified as the low-cost bidder. The cost of the award is \$299,000. It was moved by Mr. Vogel, seconded by Ms. Bentley, that the award to Rogers Group for roadway repairs at TYS be approved as presented. Commissioner Stowers recused himself from the vote due to a potential, indirect conflict of interest. The remaining Commissioners unanimously approved the motion by a voice vote.

B. Consideration of Approval of Work Authorization Number 22-149C to CHA Consulting, Inc. (CHA) for Planning and Engineering Support Services at TYS. Jason Bennett, the Director of Planning at the Airport Authority, explained to the Board that the proposed work authorization provided for professional planning and engineering support services for the Airport Authority's staff on an hourly as-needed basis. The proposed work authorization would cover various small-scale projects throughout the year, such as direct inquiries from the Federal Aviation Administration or Tennessee Department of Transportation (TDOT) or requests from local agencies on proposed projects. The cost of the proposed work authorization is \$100,000. It was moved by Mr. Stowers, seconded by Mr. Vogel that Work Authorization Number 22-149C to CHA for planning and engineering support services at TYS be approved as presented. Following discussion, the motion was unanimously approved by a voice vote.

C. Consideration of Approval of Work Authorization Number 23-602 to Internetwork Engineering for the Terminal Phone System Modernization and Associated Professional Services in Support of the Common/Shared Use Initiative for TYS. Brian Elton, the Director of Technology at the Airport Authority, informed the Board that the proposed work authorization would modernize the existing phone system and integrate the phone system into the paging platform as part of the passenger processing systems/common use initiative. Mr. Elton explained that the work authorization would improve the cybersecurity posture of the phone network. Funding for this project will be obtained from TDOT Aeronautics Division. The cost of this work authorization is \$266,953.34, plus a 20% contingency of \$53,390.67 due to the unpredictable cost of information technology equipment, for a total cost of \$320,344.01. It was moved by Ms. Bailey, seconded by Ms. Bentley, that Work Authorization Number 23-602 to Internetwork Engineering for the terminal phone system modernization and the acceptance of a future grant from TDOT be approved as presented. Following discussion, the motion was unanimously approved by a voice vote.

D. Consideration of Approval of Work Authorization Number 23-603 to Internetwork Engineering for Cybersecurity Initiatives for TYS and Knoxville Downtown Island Airport (DKX). Mr. Elton explained that the proposed work authorization includes the installation of next generation firewall security enhancements, domain name system security and web content filtering services. This work authorization expands on existing cybersecurity measures. The cost of the proposed work authorization is \$79,954.25. It was moved by Ms. Bailey, seconded by Mr. Dawson, that Work Authorization Number 23-603 to Internetwork Engineering for Cybersecurity Initiatives for TYS and DKX be approved as presented. The motion was unanimously approved by a voice vote.

E. Consideration of Approval of Award of Contract to M3 Technology Group for Audio-Visual and Public Address Systems Maintenance, Support, and Future Design Initiatives at TYS and DKX. Mr. Elton informed the Board that the audio-visual and public address system is being installed in the terminal and concourse over the next several months to replace the system installed in 1999. The proposed contract will provide for maintenance, support and future design initiatives of the audio-visual and public address system. After issuing a request for proposals for these services and reviewing two qualified responses, the Airport Authority recommends M3 Technology Group. Mr. Elton explained that this agenda item awards M3 Technology Group as the preferred provider, and specific work authorizations would be presented to the Board in accordance with the Airport Authority's policies. It was moved by Ms. Bentley, seconded by Mr. Dawson, that the award to M3 Technology Group for audio-visual and public address systems maintenance, support and future design initiatives be approved as presented. The motion was unanimously approved by a voice vote.

F. Consideration of Approval of Contract with Preferred Tank & Tower, Inc. for the FN 7510 Fire Suppression Tank Maintenance Project. Trey Meadows, the Senior Director of Facilities at the Airport Authority, informed the Board that the proposed project provides for maintenance on two 115,000-gallon fire suppression tanks located at FN 7510 (formerly known as the Endeavor Maintenance Hangar). Mr. Meadows explained that these tanks were installed when the hangar was built, and this project includes removal of the foam coating on the outside of the tanks, prepping the surface, painting the tanks, and repairing a host of other discrepancies that were found during the last few tank inspections. Following a request for bids, Preferred Tank & Tower, Inc. was identified as the low-cost bidder. The cost of the proposed contract is \$220,440. It was moved by Ms. Bailey, seconded by Mr. Stowers, that the contract with Preferred Tank & Tower, Inc. for the fire suppression tank maintenance project be approved as presented. The motion was unanimously approved by a voice vote.

G. Consideration of Approval of a Contract with Service One, Inc. for the East Concourse Breezeway Ceiling Repairs at TYS. Mr. Meadows informed the Board that the Airport Authority's staff issued a request for proposals for the repair of the east concourse breezeway ceiling and did not receive a response. In order to complete this project before the winter, the President waived competitive selection in accordance with the Airport Authority's procurement policy and authorized the use of Service One, Inc., an approved contractor of the Airport Authority. Mr. Meadows explained that the damage is a result of a weather event from December 2022, and the repairs will be funded using insurance proceeds. The cost of the repairs is \$81,460. It was moved by Ms. Koella, seconded by Ms. Bailey, that the contract with Service One, Inc. for the east concourse breezeway ceiling repairs at TYS be approved as presented. Following discussion, the motion was unanimously approved by a voice vote.

H. Consideration of Fire Equipment Services and Equipment Upgrades to Gallaher and Associates. Tom Aiken, the Director of Public Safety at the Airport Authority, explained to the Board that the current fire alarm system requires upgrades due to the age of equipment and code requirement changes. The President waived competitive selection in accordance with the Airport Authority's procurement policy and authorized the use of Gallaher and Associates. Gallaher and Associates is already contracted to service and maintain the fire alarm equipment and is the preferred provider due to their experience and expertise. The award cost is \$150,000. It was moved by Mr. Dawson, seconded by Mr. Stowers, that the award to

Gallaher and Associates for fire equipment services and equipment upgrades be approved as presented. The motion was unanimously approved by a voice vote.

I. Consideration of Award of a Waste Removal Service Maintenance Agreement for TYS and DKX. Michael Giles, the Procurement Manager at the Airport Authority, explained to the Board that, following a request for proposals for waste removal services, the Airport Authority's staff recommends an award to Waste Industries of Tennessee d/b/a GFL Environmental. The proposed term would be for three years with two additional one-year terms at the discretion of the Airport Authority. The proposed monthly cost is fixed at \$7,992 based on current demand and roll-off charges include \$247.59 per haul and \$50 per ton disposal fee. It was moved by Mr. Stowers, seconded by Mr. Vogel, that the award to Waste Industries of Tennessee dba GFL Environmental for waste removal services be approved as presented. The motion was unanimously approved by a voice vote.

J. Consideration of Acceptance of a State of Tennessee Grant for the Purchase of De-Icing Equipment from Eagle & Myslik, Inc. for TYS. Mr. Giles explained to the Board that the Airport Authority identified the need for a new de-icing truck in its capital improvement program. The low bidder was Eagle & Myslik, Inc. for a base price of \$566,500. The Airport Authority's staff recommends the acceptance of a grant from TDOT Aeronautics Division to fund this project. It was moved by Ms. Bentley, seconded by Ms. Bailey, that the acceptance of a grant from TDOT Aeronautics Division for the purchase of de-icing truck from Eagle & Myslik, Inc. be approved. Following discussion, the motion was unanimously approved by a voice vote.

K. Consideration of Purchase of Mowing Equipment to Chattanooga Tractor and Equipment for TYS. Mr. Giles explained to the Board that the Airport Authority identified the need for a flail mower in its capital improvement program. The one bidder was Chattanooga Tractor and Equipment for a base price of \$83,544.48 and a delivery and training fee of \$2,000. It was moved by Ms. Bentley, seconded by Ms. Bailey, that the purchase of mowing equipment to Chattanooga Tractor and Equipment be approved as presented. The motion was unanimously approved by a voice vote.

L. Consideration of Approval of Master Services Agreement of Website Development and Maintenance. Becky Huckaby, the Vice President of Public Relations at the Airport Authority, explained to the Board that the Airport Authority's staff advertised a request for proposals for website development and maintenance in August. After reviewing proposals, the Airport Authority's staff recommends Designsensory. The proposed agreement is for a term of five years with two additional one-year terms at the discretion of the Airport Authority. Ms. Huckaby explained that the initial projects presented under this agreement include a re-design of FlyKnoxville.com, site migration, and maintenance for a cost not to exceed \$100,000 and an annual hosting fee of \$3,000. It was moved by Ms. Hawthorne, seconded by Mr. Dawson, that the agreement with Designsensory be approved and the initial projects for website development and maintenance for a cost not-to-exceed \$103,000 be approved as presented. Following discussion, the motion was unanimously approved by a voice vote.

VII. Staff Reports. Ms. Huckaby reported to the Board that the first annual "Hallowings" event at DKX on October 22 welcomed over 1,200 attendees. The event was also featured in *Flying Magazine* and *Plane and Pilot Magazine* on October 27. The tenants at DKX and the Airport Authority already look forward to next year's event.

Ms. Huckaby also reported that this holiday season was expected to be the busiest season in history, and the Airport Authority will continue to advertise the need for passengers to arrive early for their flights, along with other helpful holiday travel information.

Jim Evans, the Vice President of Air Service and Marketing at the Airport Authority, provided an update to the Board on airline service. Mr. Evans explained that a direct flight to Minneapolis/St. Paul,

Minnesota was announced by Delta to begin on June 7, 2024. Mr. Evans also noted that another, new direct flight would be announced the following day.

VIII. Public Forum. Chairman Simmons announced that the business agenda had been completed and that there were no requests by individuals wishing to address the Board.

IX. Adjournment. Thereupon, upon motion duly seconded and unanimously approved, the meeting was adjourned at 4:52 p.m.

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Secretary



## **METROPOLITAN KNOXVILLE AIRPORT AUTHORITY**

### **Minutes of the Administration and Finance Committee**

The Administration and Finance Committee of the Metropolitan Knoxville Airport Authority met at the Airport Operations Center, located at 100 Cirrus Landing, Alcoa, Tennessee, pursuant to notice at 3:15 p.m. on Wednesday, November 15, 2023.

Commissioner Charlie Harr, Chair of the Committee, presided and other members present were Julia Bentley, Caryn Hawthorne, Howard Vogel, and Brian Simmons, Board Chairman, as an ex officio member of the Committee. Also attending were Patrick Wilson, President of the Airport Authority; other members of the Airport Authority staff; and Mark Mamantov, legal counsel, who acted as secretary at the request of the Chair.

The Chair noted that the minutes of the last meeting of the Administration and Finance Committee held on July 19, 2023, had been distributed with the agenda materials, and upon motion duly made and seconded, the minutes were approved by a unanimous voice vote.

As the first order of business, Susan Gennoe, the Vice President of Finance of the Airport Authority, and Susan Beavers, a Principal with Coulter & Justus, P.C., the Airport Authority's external auditors, presented the Annual Comprehensive Financial Report (ACFR) and the audit for the fiscal year ended June 30, 2023 to the Committee. Ms. Beavers reported that one internal control deficiency was identified during the audit related to a fraudulent wire transfer previously reported to the Board, and the Airport Authority has established a new electronic payment procedure to prevent future deficiencies. Ms. Beavers explained that they are prepared to issue a clean, unmodified opinion. Finally, Ms. Beavers complimented the Airport Authority's staff on its preparation of the financial reports and its communication with the auditors. Upon motion duly made and seconded, the Committee recommended to the Board the approval of the ACFR and the audit for the fiscal year ended June 30, 2023 by unanimous voice vote.

The second order of business was the selection of an underwriting syndicate for the upcoming public debt issuances. The Airport Authority expects to make major capital improvements at McGhee Tyson Airport in the next five years and expects to incur a substantial amount of debt to finance those improvements. In connection with the expected issuance of debt, the Airport Authority is legally required to retain an underwriter to assist the Airport Authority with public debt issuances. The underwriter is responsible for marketing and selling of bonds, including opining on credit expectations, educating investors on the sale, and working with rating agencies. The Airport Authority's financial advisor, PFM Financial Advisors, LLC (PFM), issued a request for proposals for underwriting services on July 10, 2023, and received 15 responses. After reviewing responses and interviewing the top three candidates, the Airport Authority staff along with PFM, recommends the engagement of Bank of America for senior underwriter management services. PFM additionally advises the creation of a syndicate that creates healthy competition as well as prepares the Airport Authority for success; and recommends J.P. Morgan, Loop Capital Markets, and Siebert Williams Shank & Company as Co-Managers. Following discussion and upon motion duly made and seconded, the Committee recommended to the Board the approval of the underwriting syndicate of Bank of America, as Senior Managing Underwriter, along with J.P. Morgan, Siebert Williams Shank & Company, and Loop Capital Markets as Co-Managers, as presented, by unanimous voice vote.

The third order of business was consideration of Resolution No. 23-04, designating certain institutions for deposits, authorizing investment of the Airport Authority's funds, and designating authorized signatories. Ms. Gennoe explained that this resolution implements the following changes: (1)

provides greater flexibility by referencing position titles instead of individual names; (2) provides that the Vice President of Planning and Development may sign checks in the absence of the President or the Vice President of Finance; (3) removes the requirement of a Commissioner to sign checks; (4) increases the limit from \$10,000 to \$50,000 for electronic signatures to accommodate both inflation and business needs; and (5) facilitates electronic means of payment where an authorizing signature is not available on the face of the disbursement. Following discussions and upon motion duly made and seconded, the Committee recommended to the Board the approval of Resolution No. 23-04 by unanimous voice vote.

The final order of business was consideration of the renewal of the public officials and employment practices liability insurance policy. Dave Schroth, the Director of Properties and Risk Management at the Airport Authority, explained that Donnaud-Clay Aviation Insurance, the Airport Authority's insurance agent, recommended the renewal of the policy with Chubb. The proposed renewal is a 12% increase in the premium over the prior year for a cost of approximately \$69,000 plus the policy fee of \$150. The policy is effective on December 1, 2023. Upon motion duly made and seconded, the Committee recommended to the Board the renewal of the public officials and employment practices liability insurance with Chubb by unanimous voice vote.

There being no further business to come before the meeting, it was, upon motion duly seconded and unanimously approved, adjourned at 3:59 p.m.



Acting Secretary