METROPOLITAN KNOXVILLE AIRPORT AUTHORITY

Minutes of the Board of Commissioners

Date: July 18, 2018  Place: Henrietta Grant Board Room
McGhee Tyson Airport

The Board of Commissioners of the Metropolitan Knoxville Airport Authority met pursuant to notice at 4:00 p.m. on Wednesday, July 18, 2018 in the Henrietta Grant Board Room at McGhee Tyson Airport with the Board Chairman, Eddie Mannis, presiding.

Roll call developed that Board members present, in addition to Chairman Mannis, were Ursula Bailey, Joe Dawson, Charles Harr, Maribel Koella, Brian Simmons, and Howard Vogel. Also present were William F. Marrison, President of the Airport Authority, and members of his staff; Mark Mamantov, legal counsel; and other visitors.

BUSINESS AGENDA

I. Announcements. Chairman Mannis 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.

Chairman Mannis then recognized Becky Huckaby, Vice President of Public Relations for the Authority, for receiving the distinction of Accredited Airport Executive by the American Association of Airport Executives (AAAЕ). To earn this award, Ms. Huckaby passed a written examination, fulfilled a writing requirement, and successfully completed a panel interview demonstrating her knowledge of airport management, business administration, and general transportation economics. Ms. Huckaby is part of a select group of airport executive to receive this designation. The Chairman presented Ms. Huckaby with a plaque from the Airport Authority to acknowledge this accomplishment.

II. Minutes. The Chairman noted that the minutes of the regular meeting of June 20, 2018, had been distributed with the agenda materials. Upon motion duly seconded, the minutes were approved as presented by unanimous voice vote.

III. Consent Calendar. The Chairman noted that the Consent Calendar for July 18, 2018, had been included with the agenda materials, and he requested that Mr. Marrison 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.

IV. President's Report and Financial Review. President Bill Marrison advised the Board that his written report was included with the agenda materials, that the financial report was also included with the agenda materials, and that both reports would be on file in the administrative offices of the Airport Authority. Mr. Marrison then reported the Airport had a record-setting May by serving 202,122 passengers, breaking the previous record set in May 2017, of 178,810 passengers. May makes the 25th consecutive month of year-over-year traffic increases at the Airport. The May combined load factor was a strong 84%, and the Airport transported 7.2 million pounds of air cargo and mail in May.
Next, Mr. Marrison announced that the Airport was recently recognized in Congressman John Duncan’s Washington Report as being the “cleanest airport in the United States.”

Then, Mr. Marrison introduced Becky Huckaby, Vice President of Public Relations, to provide a Milestone Moment in connection with the celebration of McGhee Tyson Airport’s 80th anniversary. As that Milestone Moment, Ms. Huckaby explained the Airport Authority itself will turn 40 this month, having been formed in July 1978. She also noted that a local corn maze will feature the Airport as part of the anniversary celebration. Also, Ms. Huckaby highlighted one of the Airport Authority’s new sponsorships with WBIR that would feature various upbeat short videos with ties to aviation. Finally, Ms. Huckaby showed the video of the Airport’s Public Safety Department participating in an online lip sync challenge. Ms. Huckaby explained that this fun activity was another way to get involved in the local community and to provide media content on a daily basis.

V. Committee Reports.

A. 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 with Cumberland Securities to discuss the Airport Authority’s debt. Currently, the Airport Authority has a letter of credit with BB&T to back its Series V-A-I Bonds that expires on November 30, 2018. BB&T has agreed to extend this letter of credit until June 1, 2021, with the letter of credit fee decreasing from .53% to .40%. Mr. Harr then stated that, based on the Committee’s review, the Committee recommends the renewal of the letter of credit with BB&T, subject to review by legal counsel. Mr. Harr then, on behalf of the Committee, moved for approval of the Committee’s recommendation, which motion required no second. The motion was unanimously approved by a voice vote.

Mr. Harr noted that while this extension will avoid any short-term pressure to refinance the Series V-A-1 Bonds, the Airport Authority should evaluate more permanent refinancing options. Therefore, the Committee recommends that Cumberland Securities and the appropriate officers and staff be authorized to distribute a request for proposals for refinancing that debt. Mr. Harr then, on behalf of the Committee, moved for approval of the Committee’s recommendation, which motion required no second. The motion was unanimously approved by a voice vote.

VI. New Business.

A. Consideration of Award of a Purchase Agreement to Service One, Inc. for the Allegiant Base Build Out Project at McGhee Tyson Airport. Mr. Marrison advised the Board that this purchase agreement will allow for 5,400 square feet of space modifications, data services and ramp renovations for the Allegiant operations scheduled to begin November 2018. Mr. Marrison explained that Service One, Inc. is the current contractor for the Airport Authority’s electrical and mechanical services. The total project cost is estimated to be $280,920.00. It was moved by Mr. Dawson, seconded by Mr. Harr, that the award of a purchase agreement to Service One, Inc. for the Allegiant base build out project be adopted, subject to approval by legal counsel. Following discussion, the motion was unanimously approved by a voice vote.

B. Consideration of Award of a Contract Extension to Service One, Inc. for the Electrical and Mechanical Contracting Maintenance Agreement at McGhee Tyson Airport. Mr. Marrison explained that Service One, Inc.’s contract is up for renewal. He advised the Board after a competitive bidding process in 2014, Service One, Inc. was approved as the current electrical and mechanical contractor. Mr. Marrison reports that during its contract period, Service One, Inc. has provided excellence service and provided necessary training for Airport Authority’s staff. Service One, Inc. has already been selected by the vendor for the boarding bridges to provide warranty repairs, and it has been instrumental throughout
the installation process for the boarding bridges. The two-year extension on the contract will provide the opportunity to gather preventive maintenance and breakdown history on the new passenger boarding bridges’ equipment, which will allow the scope to be adjusted for future service agreements. The contract extension will contain a 4.5% increase to not-to-exceed $23,000.00 per month or $276,000.00 annually for the agreement. It was moved by Ms. Bailey, seconded by Mr. Dawson, that the extension to Service One, Inc. for the electrical and mechanical contracting maintenance at the Airport be approved. The motion was unanimously approved by a voice vote.

C. Consideration of Approval of Change Order Number 3 to the Contract with The Harper Company, Inc. for Runway 5L/23R Reconstruction Project 3. Mr. Marrison advised the Board that this change order is a result of the receipt of additional federal funding allowing the Airport Authority to include the remaining additive bids for the Runway Project 3. This change order will add Taxiway B3 connector to The Harper Company’s contract, change the permanent seeding mixture, and provide a more cost effective pavement tie-in along Taxiways G and B. Additionally, the contract time will be extended by 118 days for a total of 452 days. It was moved by Mr. Vogel, seconded by Mr. Simmons, that Change Order Number 3 with The Harper Company, Inc. for Runway 5L/23R Reconstruction Project 3 be approved. The motion was unanimously approved by a voice vote.

The Chairman 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 4:31 p.m.

[Signature]
Secretary