METROPOLITAN KNOXVILLE AIRPORT AUTHORITY

Minutes of the Board of Commissioners

Date: April 22, 2020  Place: Electronic Audio Conference

The Board of Commissioners of the Metropolitan Knoxville Airport Authority met pursuant to notice at 4:10 p.m. on Wednesday, April 22, electronically with the Board Chairman, Eddie Mannis, presiding.

Roll call developed that Board members present, in addition to Chairman Mannis, were Ursula Bailey, Julia Bentley, Joe Dawson, Charles 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 Mamontov, legal counsel; and other visitors.

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 moved by Ms. Bentley and seconded by Ms. Koella. 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@tys.org, pursuant 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 19, 2020, had been distributed with the agenda materials. Upon motion duly seconded, the minutes were approved as presented by unanimous roll call vote.

IV. President’s Report and Financial Report. President Patrick Wilson 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. Wilson thanked his staff and legal counsel for all of their hard work in preparation of the electronic meeting. Mr. Wilson reported that the McGhee Tyson Airport and Knoxville Downtown Island Airport were still open and operational, and the building services and custodial team have implemented additional measures to ensure cleanliness and safety.

The McGhee Tyson Airport reached its 46th consecutive month of year-over-year passenger traffic growth, serving 177,669 passengers in the month of February. This was a 13.7% increase compared to February 2019. While the total passenger numbers for March are unavailable, due to the COVID-19 pandemic, the McGhee Tyson Airport’s “streak” of monthly airline passenger gains unfortunately will certainly end at just short of four years for the month of March. While the McGhee Tyson Airport’s passenger traffic is drastically down, the cargo airline travel is still going strong.

Mr. Wilson announced that the Airport Authority’s staff is working diligently to reduce its operating expenses and will save over $5,000,000.00 during the months of April and May. The Airport
Authority staff will continue to monitor the potential impacts of the pandemic and take precautionary measures to bolster the Airport Authority’s financial position.

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 electronically. The first item discussed was the revised budget schedule. Due to the impact the COVID-19 pandemic will have on the fiscal year ending June 30, 2021 budget, the Airport Authority staff is revising the budget to present at the May Committee meeting. The entire Board will then vote on the budget at the June board meeting.

The Committee then discussed the renewal of the employee’s health, dental, vision, life, AD&D and disability insurance policies. Mr. Chris Wampler with Carriage Hill Insurance, as the Airport Authority’s insurance broker, negotiated a rate pass or a 0% increase for the health, dental and vision plan with CIGNA. The Airport Authority would also receive its life, AD&D, and disability insurance with a rate pass or 0% increase from last year with UNUM. Commissioner Harr moved on behalf of the Committee that the renewal of the employee health, dental, and vision insurance plans with CIGNA and the policies with UNUM on life, AD&D, and disability insurance as presented be accepted by the Board, a motion which required no second. The motion was unanimously approved by roll call vote.

Then, Mr. Harr explained that the Committee discussed the hiring of BGT Recruiting and Consulting Services (BGT) to assist the Airport Authority in its search for a controller. BGT would advertise the position, manage and filter applications, schedule interviews and handle communication with the candidates. Mr. Harr noted that the total cost of the services, including any direct placement fees, would not exceed $25,000.00. Mr. Harr then, on behalf of the Committee, moved for approval of the agreement with BGT, subject to legal counsel’s review, which motion required no second. The motion was unanimously approved by roll call vote.

Finally, the Committee discussed the redemption of bonds or other indebtedness of the Airport Authority to protect and bolster the Airport Authority’s financial position for the fiscal year ending June 30, 2021. In order to preserve financial flexibility, the Airport Authority’s staff recommended that the President be authorized to cause the redemption of up to $6,000,000.00 of bonds or other indebtedness of the Airport Authority prior to June 30, 2020, if the President, in consultation with the Board Chairman and the Vice President of Finance, determines that such redemption will assist the Airport Authority in complying with the financial covenants in the Airport Authority’s bond resolution in the upcoming fiscal year. Mr. Harr then, on behalf of the Committee, moved for authorization of the President to redeem the Airport Authority’s debt as presented to the Committee, which motion required no second. The motion was unanimously approved by roll call vote.

VI. New Business.

A. Consideration of Approval of Work Authorization Number 18-121C to CHA Consulting, Inc. and Authorization to Submit and Accept a Grant Amendment from the Tennessee Department of Transportation Aeronautics Division for the DKX Runway 8/26 and Taxiway Reconstruction Project, Environmental Scoping and Coordination for Knoxville Downtown Island Airport. Mr. Wilson advised the Board that the presented work authorization with CHA Consulting, Inc. will provide for coordination with the Federal Aviation Administration (FAA), the City of Knoxville, the Tennessee Valley Authority, the United States Army Corps of Engineers, the Tennessee Department of Environment and Conservation, the Tennessee State Historic Preservation Office, the United States Fish and Wildlife Service, and any relevant Indian Tribes to determine the appropriate level of environmental
documentation to address the National Environmental Protection Act (NEPA) requirements for the proposed runway and taxiway reconstruction project at Knoxville Downtown Island Airport. The total cost of the work authorization is $12,444.00, and the staff is also requesting that the Airport Authority’s staff be authorized to accept a grant from the Tennessee Department of Transportation Aeronautics Division in the same amount. It was moved by Ms. Bentley, seconded by Mr. Dawson, that the work authorization with CHA Consulting, Inc. to determine the appropriate level of environmental documentation to address the NEPA requirements for the proposed runway and taxiway reconstruction project be approved and that the staff be authorized to accept a grant from the Tennessee Department of Transportation Aeronautics Division. Following discussion, the motion was unanimously approved by a roll call vote.

B. Consideration of Approval of Change Order Number 4 to the Contract with The Harper Company, Inc. for Runway 5L/23R Reconstruction Project 4 at McGhee Tyson Airport. Mr. Wilson advised the Board that the presented change order with The Harper Company, Inc. adds the reconstruction of approximately 900 linear-feet of Taxiway G shoulder, vertical adjustment of three airfield storm sewer inlets, construction of approximately 3,000 linear-feet of airfield access road, and the milling and resurfacing of approximately 2,500 linear-feet of asphalt on the existing south perimeter access road. The FAA has reviewed and approved these changes, and the change order will add 49 days to the contract. The total cost of the change order is $1,496,957.46.00. It was moved by Ms. Bailey, seconded by Ms. Koella, that the change order with The Harper Company, Inc. related to Runway 5L/23R Reconstruction Project 4 be approved. The motion was unanimously approved by a roll call vote.

C. Consideration of Approval of Work Authorization Number 18-124B with CHA Consulting, Inc. for Redesign and Rebid Services for the Airfield Modernization Program Runway 5L/23R Reconstruction Projects 5 and 6 at McGhee Tyson Airport. Mr. Wilson advised the Board that the presented work authorization with CHA Consulting, Inc. will provide for redesign efforts as a result of local government review related to Runway 5L/23R Reconstruction Project 5 and the rebid services related to Runway 5L/23R Reconstruction Project 6. Runway 5L/23R Reconstruction Project 6 was originally bid in February, and no qualifying bid was received. Both projects will be funded with federal and state grants. The total cost of the work authorization is $79,960.00. It was moved by Mr. Vogel, seconded by Mr. Dawson, that the work authorization with CHA Consulting, Inc. for redesign and rebid services related to Runway 5L/23R Reconstruction Projects 5 and 6 be approved. The motion was unanimously approved by a roll call vote.

D. Consideration of Approval of 2020 Annual Dues with the Knoxville Chamber of Commerce. Mr. Wilson advised the Board that the Airport Authority has previously paid dues to both the Knoxville Chamber of Commerce and Innovation Valley, Inc. to aid in marketing and promotion of the airport and public and industry awareness of the McGhee Tyson Airport’s facilities and services. Both organizations are now in a state of transition, so the decision has been made to consolidate the Airport Authority's annual contribution to the Knoxville Chamber. The Airport Authority is recommending a payment of $50,000.00 for the year 2020, which is an overall reduction in the combined amount previously paid to both organizations. It was moved by Ms. Bentley, seconded by Ms. Koella, that annual dues for 2020 to the Knoxville Chamber of Commerce be approved. The motion was unanimously approved by a roll call vote.

E. Consideration of Approval of Purchase for a Vehicle for the Public Safety Department. Mr. Wilson advised the Board that the Public Safety Department needs to purchase a new vehicle. The proposed purchase is a 2020 Ford Explorer all-wheel drive (police utility package) from Ted Russell Ford. The purchase is through the State of Tennessee's General Services Division statewide contract #664473 (K8D-200A). Mr. Wilson noted the total purchase price is $34,031.00, and this purchase is eligible to use Commercial Transportation Interdiction Unit funds. It was moved by Mr. Dawson,
seconded by Mr. Simmons, that the vehicle purchase for the public safety department be approved. The motion was unanimously approved by a roll call vote.

F. Consideration of Authorization to Execute the United Parcel Service Company Airport Operating Agreement. Mr. Wilson advised the Board that it previously approved the operating agreement with Federal Express Corporation at the January Board meeting. Due to additional negotiations with the United Parcel Service (UPS), the presentation of the operating agreement with UPS was delayed. Mr. Wilson noted that the methodology for calculating the rates and charges is the same. The remainder of the operating agreement has been updated to be consistent with the most recent lease and use agreements with the airlines. Mr. Wilson explained that the lease addendum was prepared and approved by the Airport Authority's legal counsel. It was moved by Ms. Bailey, seconded by Ms. Koella, that the operating agreement with UPS be approved. The motion was unanimously approved by a roll call vote.

G. Consideration of Award of a Contract to Ardour Enterprises, LLC for the Ground Transportation Lot Taxi Drivers' Break Area Sanitary Sewer Rehabilitation Project at McGhee Tyson Airport. Mr. Wilson explained to the Board that Ardour Enterprises, LLC will repair the sanitary sewer lines and install a new grinder pump that services the taxi drivers' break area in the ground transportation lot. This project was advertised with a mandatory pre-bid conference held on March 5. Mr. Wilson noted that two bids were submitted and Ardour Enterprises, LLC submitted the lowest responsive bid. The amount of the contract award is $37,661.00, and the project is expected to be completed in 90 days from the notice to proceed. It was moved by Ms. Koella, seconded by Mr. Vogel, that the contract with Ardour Enterprises, LLC for the sanitary sewer rehabilitation project be approved. The motion was unanimously approved by a roll call vote.

H. Consideration of Award to OAG Aviation Worldwide for Flight Status Data at McGhee Tyson Airport. Mr. Wilson advised the Board that the proposed contract will provide flight status information in the passenger terminal and on the Airport Authority's website. The current vendor no longer supports the information feeds required, and they recommended OAG Aviation Worldwide. OAG Aviation Worldwide is the leading global provider for this service, and the staff recommends a one-year contract with a one-year renewal. The annual cost of this contract is $17,700.00. It was moved by Ms. Bentley, seconded by Mr. Vogel, that the contract with OAG Aviation Worldwide for flight status data be approved. The motion was unanimously approved by a roll call vote.

I. Consideration of Approval of a Contract with Justin McClure for Information Technology Professional Services to Support the Metropolitan Knoxville Airport Authority. Mr. Wilson advised the Board that the Airport Authority's technology department staff has decreased due to staff attrition and military reservice obligations. Further, the COVID-19 pandemic creates increased demands for dispersed and remote capabilities. The presented agreement with Justin McClure will allow the Airport Authority to provide technology and business support services as needed. Mr. Wilson explained that the consultant contract was prepared and approved by the Airport Authority's legal counsel, and the annual cost of the contract will not exceed $9,600.00. It was moved by Ms. Bentley, seconded by Mr. Dawson, that consulting contract with Justin McClure for information technology services be approved. Following discussion, the motion was unanimously approved by a roll call vote.

J. Consideration of Authorization of the President to Negotiate and Execute Rent Deferral Arrangements with the Airport Authority's Commercial Airline Tenants During the COVID-19 Pandemic. Mr. Wilson advised the Board that the COVID-19 pandemic continues to disrupt and reduce travel globally, placing financial restraints on many of the Airport Authority's tenants, especially the commercial airlines that serve East Tennessee. The full extent of financial impact to the commercial airlines of this pandemic remains largely unknown because of the uncertainty as to when the traveling public will be able to resume travel. The FAA issued "Information for Airport Sponsors Considering
COVID-19 Restrictions or Accommodations" on March 28, 2020, contemplating that the Airport Authority, along with other airport sponsors, "may need to defer the collection of rents and/or fees if the circumstances warrant." In a later release, the FAA has also stated that even the abatement of rent may be appropriate and was a local decision, but the Airport Authority's staff is not recommending abatement of any rentals at this point. Due to the constantly changing environment created by this pandemic, the Airport Authority's staff requests that the President be authorized to negotiate and execute rent deferral arrangements with the Airport Authority's airline tenants as he deems necessary and appropriate in light of the pandemic. The requested authorization would only apply to deferrals of fixed rental payments and not variable rental payments tied to the actual use of the airport, such as landing fees. The maximum period of deferral as to any airlines would be six (6) months. These deferred rental amounts would be repaid to the Airport Authority during the next fiscal year. It was moved by Ms. Koella, seconded by Mr. Dawson, that the President be authorized to negotiate and execute rent deferral arrangements with the Airport Authority's airline tenants as presented. The motion was unanimously approved by a roll call vote.

K. Consideration of Authorization of the President to Negotiate and Execute Rent Deferral Arrangements with the Airport Authority's Car Rental Company Tenants During the COVID-19 Pandemic. Mr. Wilson advised the Board that, much like the airline tenants, the Airport Authority's car rental company tenants are experiencing financial restraints. Therefore, the Airport Authority's staff requests that the President also be authorized to negotiate and execute rent deferral arrangements with the Airport Authority's car rental company tenants as he deems necessary and appropriate in light of the pandemic. The requested authorization would only apply to deferrals of fixed rental payments and not variable rental payments tied to the actual car rentals. The maximum period of deferral as to any car rental company would be six (6) months. These deferred rental amounts would be repaid to the Airport Authority during the next fiscal year. It was moved by Ms. Bailey, seconded by Mr. Smith, that the President be authorized to negotiate and execute rent deferral arrangements with the Airport Authority's car rental company tenants as presented. The motion was unanimously approved by a roll call vote.

L. Consideration of Approval of Temporary Parking License Agreements with EAN Holdings, LLC d/b/a Enterprise Rent-A-Car and Other Rental Car Companies During the COVID-19 Pandemic. Mr. Wilson explained to the Board that EAN Holdings, LLC d/b/a Enterprise Rent-a-Car (Enterprise) approached the Airport Authority about the use of parking spaces at the McGhee Tyson Airport in mid-March. Enterprise was faced with a sudden plunge in business due to the COVID-19 pandemic and had nowhere to relocate its now unused fleet of vehicles. The President, after consultation with the Board Chairman and legal counsel, and as an exigent matter, provided Enterprise with a short-term temporary parking license for a period of three weeks at no cost to Enterprise. This license granted Enterprise the ability to use 174 parking spaces in an economy lot, which would have otherwise gone unused. Enterprise has requested an extension of the license through April 30, 2020 and will likely need to request additional extensions in the near-term future. Other rental car companies may ask for similar assistance. The Airport Authority's staff recommends that the license to Enterprise be extended, in one or more extensions, during the pandemic to a date not later than June 30, 2020. Other rental car companies may request similar assistance, and staff recommends that the President be also authorized to grant temporary parking license agreements to such rental car companies on the same terms as are granted to Enterprise. Such license agreements will not be granted or extended unless the President determines that the parking spaces being used by the rental car companies would not be used by the McGhee Tyson Airport passengers. It was moved by Mr. Simmons, seconded by Ms. Bailey that temporary parking license agreements with Enterprise and other rental car companies during the COVID-19 pandemic be approved. The motion was unanimously approved by a roll call vote.

M. Consideration of Authorization to Apply and Accept Grants from the Federal Aviation Administration and the Tennessee Department of Transportation Division of Aeronautics Associated with
the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Mr. Wilson advised the Board that
the Airport Authority expects to receive $25,830,652.00 from the federal grant under the Coronavirus
Aid, Relief, and Economic Security Act (CARES), and $69,000.00 from the state grant. The presented
agenda item requests that the appropriate officers of the Airport Authority be authorized to apply for and
accept grants from the FAA and the Tennessee Department of Transportation Division of Aeronautics that
are associated with the CARES Act. It was moved by Ms. Bentley, seconded by Mr. Dawson, that the
Airport Authority’s staff be authorized to apply for and accept grants from the FAA and the Tennessee
Department of Transportation Division of Aeronautics that are associated with the CARES Act. The
motion was unanimously approved by a roll call vote.

VII. Staff Reports.

Mr. Jim Evans, the Vice President of Marketing and Air Service Development, reported to the
Board regarding the immediate impacts of the COVID-19 pandemic on the Airport Authority and the air
travel industry as a whole.

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 5:14 p.m.

[Signature]
Asst. Secretary

28220698.2