METROPOLITAN KNOXVILLE AIRPORT AUTHORITY

Minutes of the Board of Commissioners

Date: April 21, 2021 Place: Electronic Audio Conference

The Board of Commissioners of the Metropolitan Knoxville Airport Authority met pursuant to notice at 4:00 p.m. on Wednesday, April 21, 2021, electronically 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. Patrick Wilson, President of the Airport Authority, and members of his staff, Mark Mamantov, legal counsel; and visitors attended the meeting 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 Ms. Bentley. 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 March 17, 2021, 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 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 recognized Adrienne Washington, the new director of human resources at the Airport Authority. Ms. Washington comes to the Airport Authority after 20 years of experience in human resources at Lockheed Martin Corporation.

Next, Mr. Wilson noted that today was National Administrative Professionals Day. Mr. Wilson thanked Ms. Treva Best, Senior Executive Assistant at the Airport Authority, and her team for all their hard work.

Additionally, Mr. Wilson explained that he just returned from the Airports Council International – North America's 2021 CEO Forum. Trends reported from such forum were employee shortages for concessionaires and airlines and fleet shortages for rental car companies.

Then, Mr. Wilson noted that the next strategic planning meeting will be on Friday, April 23, and the Airport Authority is still on track to complete the strategic plan in July.
Finally, Mr. Wilson reported that the next step in the policy updating process is the procurement policy. Mr. Wilson hopes to present the entire package of policies in July.

V. Consent Calendar. The Chairman noted that the Consent Calendar for April 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.

VI. 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 and considered the redemption of a portion of the indebtedness of the Airport Authority in an amount not-to-exceed $5,300,000. The prepayment of this indebtedness should create interest savings of approximately $134,000. Mr. Harr, on behalf of the Committee, moved for the authorization of the President, in consultation with the Chairman, the Airport Authority's financial advisor and legal counsel, to cause the redemption of a portion of the indebtedness of the Airport Authority in an amount not-to-exceed $5,300,000 prior to June 30, 2021, which motion required no second. The motion was unanimously approved by a roll call vote.

Mr. Harr then reported that the Committee considered the selection of the providers for the Airport Authority's employee health, death, vision, life, AD&D, and disability insurance policies. The primary highlight relating to these policies is that the Airport Authority's insurance broker had mitigated a substantial proposed increase in health insurance cost with the Airport Authority's existing insurance provider by negotiating a 6.75% increase by changing the provider to United Health Care with a credit of $100,000 being given to the Airport Authority to offset the costs of changing carriers. Mr. Harr, on behalf of the Committee, moved for the approval of the selection of the providers for the Airport Authority's employee health, death, vision, life, AD&D, and disability insurance policies as recommended by 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 the personnel program budget for the fiscal year ending June 30, 2022. This program includes a 2.5% increase in salaries. Mr. Harr, on behalf of the Committee, moved for approval of the personnel program budget, as presented to the Committee, which motion required no second. The motion was unanimously approved by a roll call vote.

B. Report of the Capital Improvements Committee. Commissioner Koella, Chair of the Capital Improvements Committee, advised the Board that the Committee met last month to review the capital improvement program for the fiscal years ending June 30, 2022 through 2026. The Committee revisited and approved the program at its meeting prior to the Board meeting today. Ms. Koella, on behalf of the Committee, moved for approval of the capital improvement program for the fiscal years ending June 30, 2022 through 2026, as presented to the Board, which motion required no second. The motion was unanimously approved by a roll call vote.

VII. Discussion on Knoxville Downtown Island Airport Visioning

At the request of Commissioner Smith, the Board discussed whether to engage in a visioning process for Knoxville Downtown Island Airport prior to completion of the strategic plan. Mr. Smith shared a note from Mike Odom, the President and CEO of the Knoxville Chamber, citing the Knoxville
Chamber’s support and willingness to participate in such a visioning exercise for Knoxville Downtown Island Airport.

VIII. New Business. Prior to new business, Mr. Wilson and Chairman Simmons determined that, in the interest of time, the Board would discuss each new business item and then take a roll call vote at the end to approve all new business items at once, provided that a separate vote would be held on any item if requested by any Commissioner.

A. Consideration of Approval of a Memorandum of Agreement with the Tennessee Air National Guard (TNANG) for a 2022 Smoky Mountain Air Show. Mr. Wilson advised the Board that the Airport Authority has worked with the TNANG’s 134th Air Refueling Group for the last 40 years to host public air shows at the McGhee Tyson Airport. The United States Navy Blue Angels, a military demonstration act, provided notice of an opportunity to schedule an air show in September 2022. The proposed memorandum of understanding with TNANG would allow the Airport Authority to work with TNANG to contract for performers, vendors, contractors, and insurance and would also allow the Airport Authority to collect and disburse revenues. Mr. Wilson noted that the Airport Authority’s staff has tried to obtain event cancellation insurance, but due to the COVID-19 pandemic, the market for event cancellation insurance is currently tumultuous. The Airport Authority’s staff will continue to evaluate options to mitigate the financial risk between now and the proposed event. The Airport Authority’s staff recommends approval of the proposed memorandum of understanding with TNANG.

B. Consideration of Authorization to Apply and Accept Grants from the Federal Aviation Administration (FAA) and the State of Tennessee Associated with the 2021 American Rescue Plan Act (ARPA). Mr. Wilson explained to the Board that the proposed authorization would allow for the Airport Authority’s staff to apply and accept grants from the FAA and the State of Tennessee associated with ARPA. The estimated amount for the grants is approximately $11 million for the McGhee Tyson Airport, and the amount for Knoxville Downtown Island Airport is still unknown. The Airport Authority’s staff recommends that the appropriate staff be authorized to apply for and accept such grants.

C. Consideration of Addendum Number Two to Space Lease between Metropolitan Knoxville Airport Authority and Aircraft Technicians, Inc. at McGhee Tyson Airport. Mr. Wilson explained to the Board that the proposed addendum with Aircraft Technicians, Inc. relocates their leased premises and provides for additional fire safety requirements. The new leased premises provides for an expansion of 855 square feet. The transition to the new leased premises is set to occur on May 1, 2021. Mr. Wilson noted that the addendum was prepared and reviewed by legal counsel. The Airport Authority’s staff recommends approval of the addendum with Aircraft Technicians, Inc. as presented.

D. Consideration of Lease and License Agreement Between Metropolitan Knoxville Airport Authority and East Tennessee Natural Gas, LLC (ETNG). Mr. Wilson advised the Board that a portion of natural gas pipeline owned by ETNG must be relocated over a portion of the Airport Authority’s property due to the Tennessee Department of Transportation (TDOT) Alcoa Highway project. In addition, ETNG has requested an area to install a launcher system that allows the lines to be tested for leaks. The proposed agreement grants ETNG a license for the pipeline and a lease for the launcher system. The term of the lease and license will be for 30 years, and the rental rate will be $1,393.92 with increases every ten years. The lease covers 1,307 square feet and the license covers 2,178 square feet. Mr. Wilson explained that the proposed lease and license agreement was prepared and reviewed by legal counsel. The Airport Authority’s staff recommends approval of the lease and license agreement with ETNG.

E. Consideration of Selection of GASB 87 Consulting Services. Mr. Wilson reminded the Board that the Airport Authority’s staff is subject to a new accounting standard known as Government Accounting Standards Board 87 (GASB 87) regarding the treatment of leases. In order to assist with the
implementation of GASB 87, the Airport Authority’s staff issued a request for proposals and received
eight responses. After internal staff evaluations and reference checks, Plante & Moran, PLLC (Plante)
was selected. The Airport Authority’s staff recommends the selection of Plante and requests that the
appropriate Airport Authority’s staff be authorized to execute an agreement with Plante in an amount not
to-exceed $55,000, after legal counsel’s review and approval.

F. Consideration of Amendment to the Resolution that Implemented Regulations and Fees
for Transportation Network Companies Operating at McGhee Tyson Airport (Resolution No. 16-01) to
Provide for the Collection of Drop-Off Fees. Mr. Wilson advised the Board that the proposed amendment
to Resolution No. 16-01 allows the Airport Authority to collect drop-off fees from transportation network
companies. The Airport Authority was previously limited to the collection of pick-up fees. The fees
collected from transportation network companies are used to defray the cost of airport facilities and
operations and to improve the financial stability and welfare of the Airport Authority. The Airport
Authority’s staff recommends the approval of Resolution No. 21-1, providing for the collection of drop-
off fees from Transportation Network Companies.

G. Consideration of Approval of a Contract with ERMC Aviation to Refurbish the Inbound
Conveyor System #1B1 in the McGhee Tyson Airport Passenger Terminal. Mr. Wilson explained to the
Board that the inbound conveyor system that is part of the baggage claim system, was originally installed
in 1999. The belt on the inbound conveyor system needs to be refurbished to restore normal levels of
service and to extend the life of the system. The Airport Authority’s staff solicited quotes for this project
and selected ERMC Aviation as the low bidder. The proposed cost of the project is $263,990, and the
Airport Authority’s staff recommends contingency funding of $65,000 to address unforeseen conditions
or out-of-scope work items. The Airport Authority’s staff recommends approval of a contract with ERMC
Aviation.

H. Consideration of Approval of Work Authorization No. 21-137 with CHA Consulting, Inc.
(CHA) for Terminal Apron Expansion Programming and Environmental at McGhee Tyson Airport. Mr.
Wilson informed the Board that the Terminal Area Plan completed in 2020 requires the expansion of the
terminal apron for additional remain overnight aircraft parking. The proposed work authorization with
CHA will consider all planned expansion areas, will include identifying a relocation site for certain
equipment and a glycol storage tank farm that will be displaced by the expansion, and will document any
environmental features and impacts of the project area. This project will be funded in part by grants from
the FAA. The Airport Authority’s staff recommends that Work Authorization No. 21-137 with CHA in
the amount of $236,842 be approved for execution.

I. Consideration of Approval of Work Authorization No. 21-144 with CHA Consulting, Inc.
(CHA) for Runway 5R/23L Airport Layout Plan Update and Reconstruction Programming at McGhee
Tyson Airport. Mr. Wilson reminded the Board that Runway 5R/23L has been the sole runway at
McGhee Tyson Airport since construction on Runway 5L/23R commenced in 2016. Previous
rehabilitation of Runway 5R/23L was completed in 2000, and the runway is reaching the end of its life.
The proposed work authorization with CHA would provide for planning and engineering services
necessary to address the reconstruction of Runway 5R/23L and its associated taxiway system. In
addition, this work authorization would include necessary updates to the Airport Layout Plan. This
project will be funded in part by grants from FAA. The Airport Authority’s staff recommends that Work
Authorization No. 21-144 with CHA in the amount of $929,670 be approved for execution.

J. Consideration of Approval to Submit and Accept a Grant Amendment from the
Tennessee Department of Transportation Aeronautics Division (TDOT) for the Runway 5L/23R
Reconstruction Project 5. Mr. Wilson advised the Board that the proposed grant amendment includes
funds for the construction of the new airfield lighting control vault, the construction administration for
this work, additional utility infrastructure and airfield sign replacements. This project will be funded in part by grants from the FAA and TDOT. The Airport Authority’s staff recommends approval of the proposed grant amendment.

K. Consideration of Approval of Work Authorization Number 21-141 to CHA Consulting, Inc. (CHA) for the Parking Planning and Programming at McGhee Tyson Airport. Mr. Wilson explained to the Board that throughout 2019 and up until March 2020 that surface parking lots and the parking garage were operating at full capacity during peak travel periods. The proposed work authorization will provide for data gathering and analysis, surveying passengers, developing of options, reviewing smart-parking technologies, reviewing current operational processes and revenue control systems and rates. The Airport Authority’s staff recommends that Work Authorization No. 21-141 with CHA in the amount of $62,774 be approved for execution.

L. Consideration of Award of Contract to Knoxville’s Community Development Corporation (KCDC) for the Timber-Frame Hangar Demolition and Site Restoration Project at Knoxville Downtown Island Airport. Mr. Wilson advised the Board that KCDC previously met with prospective contractors and solicited bids related to the demolition and removal of a timber-frame aircraft hangar and asphalt pavement at Knoxville Downtown Island Airport and restoration of the site for proper drainage and vegetation. The lowest responsive bid was from Environmental Abatement, Inc. (EAI). KCDC will manage the project through completion and will make payment to the contractor. The Airport Authority’s staff recommends that the contract to KCDC for the timber-frame hangar demolition and site restoration project at Knoxville Downtown Island Airport be approved.

M. Consideration of Approval of Work Authorization No. 21-140 to CHA Consulting, Inc. (CHA) and Authorization to Submit and Accept a Grant from TDOT Aeronautics Division for the Runway 8/26 and Taxiway System Sealcoat and Restriping Design Project for Knoxville Downtown Island Airport. Mr. Wilson reminded the Board that major reconstruction of the existing runways, taxiways and runway safety areas for Knoxville Downtown Island Airport is programmed for funding by TDOT Aeronautics Division for 2025. The pavement surface conditions continue to degrade and the proposed sealcoat project will provide the needed maintenance to maintain a safe environment for aircraft operations. The proposed work authorization will provide for geotechnical samples to evaluate existing pavement conditions and develop specifications for sealcoating, pavement patch repairs and restriping of the runway and taxiway markings. This project will be funded in part by grants from the FAA and TDOT. The Airport Authority’s staff recommends that Work Authorization No. 21-140 with CHA in the amount of $73,768 be approved for execution.

N. Consideration of Approval of Work Authorization No. 18-121E to CHA Consulting, Inc. (CHA) and Authorization to Submit and Accept a Grant from TDOT Aeronautics Division for the Environmental Assessment for the Runway 8/26, Parallel Taxiway, and Runway Safety Area Project for Knoxville Downtown Island Airport. Mr. Wilson advised the Board that the proposed work authorization will provide for an environmental assessment on the overall runway reconstruction program at Knoxville Downtown Island Airport, as required by the National Environmental Policy Act. The work authorization will include data collection, mapping, coordination with applicable regulatory agencies, environmental field work, assessment of construction and alternatives, identification of any environmental impacts, and preparation of the environmental assessment and review of same with applicable regulatory agencies. This project will be funded in part by grants from FAA and TDOT. The Airport Authority’s staff recommends that Work Authorization No. 18-121E with CHA in the amount of $238,602 be approved for execution and that the Airport Authority’s staff be authorized to file and accept the State grant, upon receipt and review by legal counsel.
O. Consideration of Approval of Work Authorization No. 18-121D to CHA Consulting, Inc. (CHA) for the 30% Preliminary Design of Parallel Taxiway and Runway Safety Area Project for Knoxville Downtown Island Airport. Mr. Wilson advised the Board that FAA has determined the existing runway safety areas at Knoxville Downtown Island Airport are not compliant with current standards. To comply with current standards, construction of the runway safety areas will extend into the Tennessee River. In addition, the existing taxiway connector does not meet current FAA geometric design standards, and a new parallel taxiway must be designed to meet such design standards. The proposed work authorization will provide for design up to 30% for a new parallel taxiway and fully compliant runway safety areas. This project will be funded in part by grants from the FAA and TDOT. The Airport Authority’s staff recommends that Work Authorization No. 18-121D with CHA in the amount of $382,528 be approved for execution.

P. Consideration of Approval of Work Authorization No. 21-145 to CHA Consulting, Inc. (CHA) for Support and Design Review Verification for a Proposed Hangar Development Project at Knoxville Downtown Island Airport. Mr. Wilson advised the Board that the proposed work authorization will provide for professional planning support for the Airport Authority’s staff on the proposed hangar development at Knoxville Downtown Island Airport. The Airport Authority’s staff recommends that Work Authorization No. 21-145 with CHA in the amount of $50,000 be approved for execution, and that the budget be amended to reflect this amount.

It was moved by Ms. Koella, seconded by Ms. Bentley, that the foregoing items of new business 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 5:26 p.m.

[Signature]
Secretary