

## 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 2950 Airfield Service Drive, Alcoa, Tennessee, pursuant to notice at 3:30 p.m. on Wednesday, May 17, 2023.

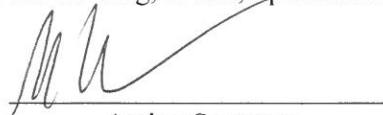
Commissioner Charlie Harr, Chair of the Committee, presided and other members present were Ursula Bailey, Julia Bentley, Howard Vogel, and Brian Simmons, Board Chairman, as an ex officio member of the Committee. Also attending were Patrick Wilson, President of the Airport Authority; other members of the Airport Authority's 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 April 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.

The first order of business was consideration of property and automobile insurance policy renewals for the fiscal year ending June 30, 2024. Dave Schroth, the Director of Properties and Risk Management at the Airport Authority, advised the Committee that Allianz provided the most competitive quote for property insurance, with a rate increase of 7%. This increase is largely due to the increase in property valuations resulting from the full property appraisal completed last year. Allianz's policy premium would be \$286,947, based on a total insured value of \$353,067,092. The Airport Authority's rate remains well below the industry average, and the increase from the prior year is well below what the industry is experiencing. The Airport Authority's agent, Shafer Insurance, obtained a quote from Cincinnati Insurance Company of \$57,069 for automobile liability and uninsured motorist insurance. This renewal premium covers the current fleet of 69 vehicles and reflects a rate increase of \$9,823. Upon motion duly made and seconded, the Committee recommended to the Board that the insurance policies with Allianz and Cincinnati Insurance Company be approved as presented.

The second order of business was consideration of the proposed operating budget and airline rates and charges for the fiscal year ending June 30, 2024. A copy of the proposed budget was provided to the Committee at its April meeting, and Susan Gennoe, Vice President of Finance at the Airport Authority, provided a summary of changes from the presentation in April to the Committee. The budget anticipates total estimated income to be \$10.7M, operating revenues to be \$41.6M, and operating expenses to be \$35M. The budget proposes approximately \$6.6M to be used from operating income to fund capital projects. Upon motion duly made and seconded, the Committee recommended to the Board that the operating budget and associated airline rates and charges for the fiscal year ending June 30, 2024 be approved as proposed.

There being no further business to come before the meeting, it was, upon motion duly seconded and unanimously approved, adjourned at 3:55 p.m.

  
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Acting Secretary