

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 3:08 p.m. on Wednesday, April 17, 2024.

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'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 March 20, 2024, 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 the consideration of updates to the employee handbook. Adrienne Washington, the Vice President of Human Resources, explained to the Committee that the handbook has not been updated since its adoption in April 2018. The first proposed update is the addition of Juneteenth as an observed holiday beginning in the fiscal year ending June 30, 2025. Ms. Washington explained the addition of this holiday aligns the Airport Authority more closely to regional organizations and airports in its number of total holidays observed. The second proposed update is to pay uniformed employees working on a holiday in the pay period of observance rather than delaying the holiday payout. The third proposed update is to add an additional certification to the Safety Department Career Advancement Program for aircraft rescue and firefighting. The final proposed update is a pay increase for each certification in the Safety Department Career Advancement Program to maintain competitive pay for the public safety staff effective for the fiscal year ending June 30, 2025. Ms. Washington recommends that the Safety Department Career Advancement Program remain in the handbook to explain the program, while the certification amounts be documented outside of the handbook and reviewed periodically as part of the Airport Authority's compensation program to ensure market competitiveness. Following discussion and upon motion duly made and seconded, the Committee recommended to the Board the updates to the employee handbook as presented.

The second order of business was an overview of the personnel program for the fiscal year ending June 30, 2025. Ms. Washington explained that a 4.25% salary increase is currently budgeted to better reflect annual employer spending for wages and salaries, to offset some of the increasing inflation, and to assist with recruiting and retaining a qualified workforce. The salary ranges in the Airport Authority's staffing plan are budgeted to increase by 3.5%. Ms. Washington told the Committee that the personnel program and the budget include seven new full-time positions and two fewer part-time positions and adjustments in other areas that will net a five-position increase for the fiscal year. The estimated cost associated with these new positions is \$433,300. Ms. Washington explained that the personnel program and the budget also includes \$48,423 for promotions of current personnel within the current position and grade structure and \$74,600 for the pay increase associated with the Safety Department Career Advancement Program certifications. The personnel program will be presented as a final recommendation at the Committee meeting in May. This report was informational only.

The final order of business was an overview of the operating budget for the fiscal year ending June 30, 2025, provided by Susan Gennoe, the Vice President of Finance at the Airport Authority. The proposed budget anticipates \$48,700,000 in operating revenue and \$41,500,000 in operating expenses and debt

service. Ms. Gennoe explained that an estimated \$7,200,000 of operating income will be used to fund capital projects. McGhee Tyson Airport is budgeted to produce a net income of \$14,615,043 and Knoxville Downtown Island Airport is budgeted to produce a net loss of \$333,011. Ms. Gennoe noted that the budgeted cost per enplanement is \$8.29, or a decrease of approximately 5.2% from the previous fiscal year, due to an increase in projected enplanements and costs. This report was informational only.

There being no further business to come before the meeting, it was, upon motion duly seconded and unanimously approved, adjourned at 3:47 p.m.



Acting Secretary