

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 3:06 p.m. on Wednesday, May 22, 2024.

Commissioner Charlie Harr presided, and other members present were 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 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 17, 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 adjustments to the public safety officer salary and structure. Adrienne Washington, Vice President of Human Resources, explained that the City of Knoxville, Blount County, and other regional airports have increased their levels of pay in order to retain current public safety officers. Ms. Washington recommended a revised salary structure to provide for more promotions and growth and to increase all salaries to align with the new structure. Ms. Washington further recommended that the certification pay adjustments approved by the Committee at the April meeting and the planned promotions outlined in the budget for the fiscal year ending June 30, 2025 apply to the current fiscal year. Upon motion duly made and seconded, the Committee recommended to the Board that the expedited certification adjustments, new salary grade structure, and additional pay adjustments/promotions in the current fiscal year be approved as presented.

The second order of business was the consideration of the personnel program for the fiscal year ending June 30, 2025. The Committee previously reviewed the program at the April Committee meeting, and Adrienne Washington, the Vice President of Human Resources at the Airport Authority, highlighted updates to the program since April. Ms. Washington explained that the program is included in the operating budget for the fiscal year ending June 30, 2025. Upon motion duly made and seconded, the Committee recommended to the Board the approval of the personnel program for the fiscal year ending June 30, 2025 as presented.

The third order of business was consideration of the proposed operating budget and airline rates and charges for the fiscal year ending June 30, 2025. 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 \$48,600,000 in operating revenue and \$41,700,000 in operating expenses and debt service. The budget proposes approximately \$6,900,000 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, 2025 be approved as proposed.

The final order of business was consideration of property, workers' compensation and automobile insurance policy renewals for the fiscal year ending June 30, 2025. 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 7.5%. Allianz's policy premium would be \$326,325, based on a total insured value of \$386,773,372. 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, D.R. Cox and Company, recommends renewing the Airport Authority's workers' compensation insurance with Beacon Aviation Insurance Services for the fiscal year ending June 30, 2025. Beacon Aviation Insurance Services has agreed to a premium of \$105,658, an increase of 7.5% from the previous year due to a payroll increase at the Airport Authority of 8.9%. The Airport Authority's agent, Shafer Insurance, obtained a quote from Cincinnati Insurance Company of \$63,984 for automobile liability and uninsured motorist insurance. This renewal premium covers the current fleet of 71 vehicles and reflects a rate increase of \$6,294. Upon motion duly made and seconded, the Committee recommended to the Board that the insurance policies with Allianz, Beacon Aviation Insurance Services, and Cincinnati Insurance Company be approved as presented.

There being no further business to come before the meeting, it was, upon motion duly seconded and unanimously approved, adjourned at 3:39 p.m.

A handwritten signature in black ink, consisting of several stylized, overlapping loops and a long horizontal stroke extending to the right, positioned above a solid horizontal line.

Acting Secretary