METROPOLITAN KNOXVILLE AIRPORT AUTHORITY

Minutes of the Board of Commissioners

Date: June 17, 2026 Place: Henrietta Grant Board Room
McGhee Tyson Airport

The Board of Commissioners of the Metropolitan Knoxville Airport Authority met pursuant to notice at 4:00 p.m. on Wednesday, June 17, 2026, in the Henrietta Grant Board Room at McGhee Tyson Airport (TYS) with the Board Chairman, Howard Vogel, presiding.

Roll call developed that Board members present, in addition to Chairman Vogel, were Ursula Bailey, Markus Chady, Joe Dawson, Caryn Hawthorne, Maribel Koella, Allison Page, and Wes Stowers. Also present were Patrick Wilson, President of the Airport Authority, and members of his staff; Mark Mamantov, legal counsel; and other visitors.

BUSINESS AGENDA

I. Announcements. Chairman Vogel reminded those in attendance that a sign-up sheet was available for members of the audience who would like to address the Board of Commissioners as to an item on the agenda or speak during the public forum at the conclusion of the meeting.

II. Minutes. Chairman Vogel noted that the minutes of the regular meeting of May 20, 2026, had been distributed with the agenda materials. Upon motion by Ms. Page, seconded by Ms. Bailey, the minutes were approved as presented by a unanimous voice vote.

III. Report of President's Report and Financial Report. President Wilson provided the Board with highlights of the activity report, the project report, and financial information that were included with the agenda materials.

IV. New Business.

A. Consideration of Approval to Accept Two Federal Grants for the Runway 5R/23L Rehabilitation Project at McGhee Tyson Airport. Bryan White, the Vice President of Planning and Development at the Airport Authority, advised that two grant applications were submitted in June 2026 to the Federal Aviation Administration ("FAA") in support of the 5R/23L Runway Rehabilitation project. The Airport Authority's staff expects to receive an Infrastructure Investment and Jobs Act ("IIJA") grant in the approximate amount of $516,392 in support of design work and an Airport Improvement Program ("AIP") grant in the approximate amount of $16,290,221 in support of construction. The exact grant amounts will be determined by the FAA and may vary from the amounts requested. A funding plan for the project was provided for the Board's review. Mr. White stated that the Airport Authority's staff recommends the acceptance of the two grants from the FAA and that the President be authorized to execute said grants consistent with such terms, subject to review by the Airport Authority's legal counsel. It was moved by Mr. Dawson, and seconded by Ms. Koella, that the Airport Authority's staff recommendation be approved as presented. The motion was unanimously approved by a voice vote.

B. Consideration of Approval to Accept Federal Grant for the Terminal Area Development Program at McGhee Tyson Airport. Mr. White explained that a grant application was submitted in January 2026 to the Federal Aviation Administration in support of the Terminal Area Development Program, Security Screening Checkpoint ("SSCP") construction. We have received notice of an award of an IIJA grant in the amount of $10,000,000 in support of construction. This grant will require a 5% local match that will be funded using Passenger Facility Charges ("PFC") funds. A preliminary funding plan was provided

for the Board's review. Mr. White stated that the Airport Authority's staff recommends the acceptance of a grant from the FAA be approved and that the President be authorized to execute said grant consistent with such terms, subject to review by the Airport Authority's legal counsel. It was moved by Ms. Bailey, and seconded by Mr. Stowers, that the Airport Authority's recommendation be approved as presented. The motion was unanimously approved by a voice vote.

C. Consideration of FY 2027 Property Liability, Workers' Compensation, Automobile, and General Liability Insurance Policy Renewals. Dave Schroth, the Director of Properties and Risk Management at the Airport Authority, informed the Board that the Airport Authority engaged TIS Insurance Services to solicit and negotiate renewal of the Airport Authority's property insurance policy. Mr. Schroth stated that TIS recommended the Airport Authority renew the property insurance policy with Arch Insurance, which is an A.M. Best "A+" superior rated company, at a rate of .08875 per $100 of insured value. The amount represents no increase in the rate over the prior year. By purchasing a policy through Arch, the policy premium would be $368,471 based on total insured value of $415,214,690, which includes property replacement values and projected revenues for business interruption. This is a 2.9% increase in total insured value. The policy also covers terrorism and inland marine coverage. Mr. Schroth stated that the Airport Authority's rate increase is in line with industry average, and all policy deductibles remain unchanged.

Second, Mr. Schroth also informed the Board that the Airport Authority engaged D.R. Cox and Company ("D.R. Cox") to solicit and negotiate renewal of the Airport Authority's workers' compensation insurance. Mr. Schroth stated that D.R. Cox recommended the Airport Authority remain with and bind a renewal policy with Beacon Aviation Insurance Services. Beacon has provided a quote of $195,029. This represents an increase of $64,078 or 48% from the prior year. The increase in premium is driven by payroll increases of approximately 22% in "All Other Airport Employees" and 7% in "Clerical" along with the loss of a 10% policy discount that was removed as the insurer hedged against several outstanding unsettled claims. The rates for Clerical reduced from 0.07 to 0.064, and the rate for All Other Airport Employees reduced from 2.39 to 2.372. The Experience Mod is 0.62, representing an approximate discount of 38% (anything under 1.0 represents a credit). Beacon is backed by the third largest workers' compensation insurer in the U.S., AmTrust who has an A.M. Best rating of "A-" (Excellent), and the insurer has its own in-house claims department and claims adjusters.

For automobile liability insurance, Mr. Schroth informed the Board that the Airport Authority engaged Shafer Insurance to solicit and negotiate renewal of the Airport Authority's policy. Mr. Schroth stated that Shafer Insurance provided a renewal quote and recommends renewal for the Airport Authority's automobile liability insurance from the current insurer, the Cincinnati Insurance Company. The quoted renewal premium is $131,989 on the $1,000,000 automobile liability, uninsured motorist, and comprehensive and collision insurance policy. The renewal premium covers our current fleet of 83 vehicles. The rate increase is $2,351 over the expiring premium of $129,638. The annual increase is caused by the Airport Authority adding seven additional vehicles, and a slight increase in the per unit cost of insuring the vehicles. The per unit rate went from $1,565 in FY 2026 to $1,590 in FY 2027.

Mr. Schroth also informed the Board that the Airport Authority engaged D.R. Cox to solicit and negotiate renewal of the Airport Authority's airport liability insurance. Mr. Schroth stated that D.R. Cox recommended the Airport Authority renew the airport liability insurance policy with Chubb, an A.M. Best "A++" rated company. Chubb has agreed to renew our $200 million policy with a total premium of $208,643. This represents an increase in premium of 22.5% from the prior year. Rate increases are due to increased operations and enplanements at the airport along with increased claim ratios. D.R. Cox has advised that the increase is reasonable and very competitive in the current market coverage for excess auto liability, which is included with the liability coverage provided by Chubb and has reduced from $50 million to $25 million. This decrease is across the board with all Chubb policies. The Airport Authority has not had a loss or claim in this area.

Finally, Mr. Schroth informed the Board that the Airport Authority engaged D.R. Cox to solicit and negotiate renewal of the Airport Authority's crime protection insurance policies. Mr. Schroth stated that D.R. Cox recommended the Airport Authority renew its crime protection policy with Great American Insurance Group, who is an A+ rated company, at a premium of $4,835. This represents an increase of $225 or 5% from the prior year.

Mr. Schroth stated that staff recommends the Board approve the renewal of the above-referenced insurance policies on the terms and with the insurers as outlined and that the appropriate Airport Authority officers be authorized to proceed with such renewals on behalf of the Airport Authority. It was moved by Mr. Stowers, and seconded by Ms. Page, that the Airport Authority's staff recommendation be approved as presented. The motion was unanimously approved by a voice vote.

D. Consideration of Adoption of the Revised MKAA New Air Service Partnership Incentive Program. Jim Evans, Vice President of Marketing and Air Service Development, presented a revised New Air Service Partnership Program. Mr. Evans stated that given the current air service environment at TYS, staff felt an update to the program was needed. After a thorough review of the current program, a new air service incentive plan was crafted that will continue to offer marketing and fee waiver incentives for new air service but at a more limited level than what is offered under the Airport Authority's current program. Mr. Evans stated that this new program continues to comply with all federal requirements relating to such incentive programs and that it is similar to its predecessor in that it provides marketing assistance and airport fee waivers to help launch new air service to new airline destinations. The proposed revised program streamlines the incentive amounts as a total figure instead of incremental amounts based on passengers and gate turns, and the incentive period of the proposed revised program is reduced from twenty-four (24) months to twelve (12) months for qualifying airlines in Category II. Mr. Evans also shared that the proposed revised program allows for termination of an incentive agreement for failure to comply with the program. Mr. Evans stated that the Airport Authority's staff recommends the approval of the revised New Air Service Partnership Program effective July 1, 2026, with an expiration of June 30, 2031. It was moved by Ms. Bailey, seconded by Mr. Dawson, that an amendment to the New Air Service Partnership Program be approved as presented. The motion was unanimously approved by a voice vote.

V. Staff Reports. Becky Huckaby, the Vice President of Public Relations at the Airport Authority, provided the Board with an update on check point lines during the summer peak travel season and the up-gauging of airlines to accommodate those travelers. Ms. Huckaby also summarized ongoing conversations with the Transportation Security Administration's staff at McGhee Tyson Airport to assist with improving wait times and service.

Mr. Wilson thanked the Board for their support in creating the Terminal Operations Team and stated that this team was formed just in time for the increase in terminal needs. Mr. Wilson stated that the Authority is in process of adding equipment to TSA equipment with a target installation date of July 13, 2026, and the new equipment will help in expansion of the checkpoint.

Blythe Blaser, who is the MKAA Intern and a rising junior at Auburn University majoring in Aviation Management and Communications and minoring in Business and Sport Coaching, provided an internship report. Ms. Blaser shared her numerous experiences thus far with the Airport Authority's staff, including participating in a Federal Aviation Administration inspection and presentation of findings and filming of the anniversary videos.

VI. Public Forum. Chairman Vogel announced that the business agenda had been completed and that one individual wished to address the Board. Alexander Steel, Executive Vice President of the American Federation of Government Employees, Local Chapter 0555, shared concerns of privatization of airports in other states and asked questions of the Board. Mr. Wilson invited Mr. Steel to submit questions to the Airport Authority's staff for response.

VII. Adjournment. Thereupon, upon motion duly seconded and unanimously approved, the meeting was adjourned at 4:31 p.m.

Secretary