



2020 Board Meeting Minutes

Chattanooga, Tennessee

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**NO BOARD OF
COMMISSIONERS
MEETING
JANUARY, 2020**

**Chattanooga Metropolitan Airport Authority
Board of Commissioners Meeting Minutes
February 28, 2020**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in open meeting Friday, February 28th, at 2:00 p.m. Chairman Jacobson, Vice Chairman Hall, Commissioners Barnett, Lytle, Conn, Mallen, and Roddy were present.

Chairman Jacobson verified a quorum was present and April Cameron verified the requirements of the Sunshine Law had been met.

Minutes:

On motion of Commissioner Barnett, seconded by Commissioner Roddy, the minutes of the December 16, 2019 meeting were approved.

President's Report:

President Hart addressed the Board and thanked them for their attendance and for accommodating the changes in the schedule for this meeting.

First, President Hart covered the statistics with the group and the end of the year numbers. The enplanements were up over 12% for the month. Landing weights and operations are up. Looking at our year to date numbers, enplanements are up over 10% and another record year for the airport. Total enplanements were 554,050 for the year. In recognition of this, the airport once again marked this milestone with cookies with the enplanement numbers. This number equates to over 1.1 million passengers in and out of the airport. This continues the trend of five years in a row with record enplanements for the airport.

For the past few months, Mr. Hart has spoken about the number of operations that are growing at the airport with landings and takeoffs. That number is approaching 10% up for the year over last year. All of the different categories are up. Carrier, and military operations are up, along with general aviation. The big driver is general aviation and is attributed to West Star Aviation. West Star's growth is apparent in those operations. The amount of aircraft coming in to West Star is driving the operation number. It is pleasing to see the way December finished and we want that to continue.

January 2020 is up 4% for the month compared to January of last year. All carriers with the exception of United are up. United, in December, suspended operation to Dulles for the winter. Landing weights were down slightly, contributing mostly to the suspended flights by United. Operations were up 6%, and of course General Aviation and West Star. Seat capacity will increase in the next few months about 4-5%.

Mr. Hart continued, and discussed projects that we have been working on. First, the East Ramp Expansion started last December. The \$9,000,000 expansion by Talley Construction is nearing completion. This project will allow the airport more hangars and airplane activity and should be completed in the next few weeks.

Hangar 20 is getting ready to start. The 25,000 square foot hanger will be built by Wilson Construction. FAA and City approvals are finished, and Wilson anticipates they will begin work in the next two weeks. This will be an 8-month project from start to finish.

The next project is the East Fuel Farm. This was a project that we are working on with Titan Aviation, our aviation fuel supplier. We needed to add more fuel storage, and needed to close the North underground fuel storage facility. This allows us to grow 20,000 gallons of fuel, and provides room for additional fuel in the future. This is a project funded by Titan Aviation and will be repaid with collections of 1-2 cents per gallon.

Continuing, the new roof project is underway with MRB Contractors. They arrived on site last Friday and have started the work. This will be a 40-45 day process and they will be on site every day, weather permitting, until completion. This will not be a copper roof, but will be metal of a copper color and will look how it was intended to look when it was originally designed.

Another project is the Shepherd Road improvement. The City is funding this project. Yesterday was ground breaking for this development. This is the primary entryway into the airport and will make a good impression on all who enter and do business in the area. The work should begin next week and should last approximately 180 days.

Every 4 years, the airport does a market retention study with our air service consultant Volaire. This shows how our market is doing compared to some of the other airports around us. The origin and destination passenger market consists of 184 zip codes. From 2011 until 2019 the passenger number grew over 700,000. Additionally, the total passengers daily each way increased from 2,175 in 2011 to 3,056 in 2019. When you compare to the different airports in the survey, Chattanooga captured 46% of the market compared to 35% back in 2011. Our goal is to continue to see more people arriving and departing out of Chattanooga.

President Hart discussed the top origin and destination markets as well. The trend continues in 2019 with New York/Newark, Orlando/Sanford once again as the top two markets. South Florida/Miami continues to be one of the top destinations of 2019. Another piece of information that we look at is the market shares. Delta remains the top carrier with the largest market share. American has grown over the last 8-year period. Average air fare in 2011 was \$197, in 2019 it is still only \$215. With all the changes and growth, it is good to see that the fares are staying very competitive. Ultimately this study gives us all of the information needed to take to the carriers to tell the stories; whether it is American with Miami, or the other carriers to discuss Houston or Denver.

Board Action Items:**Parking Deck Construction**

The word growth best describes each piece of our business at the airport. Whether it is sustainability, cargo, corporate/general aviation, or commercial aviation, each has shown an improved trend reflecting on our success. All of this points back to the strong economic performance that has and continues to occur in this region.

Realizing this positive outlook, two years ago we embarked on a project that would look ahead twenty years and plan for the necessary infrastructure that is required for growth while most importantly meeting the needs of our customers. The FAA approved plan outlined specific projects, at identified times, to accommodate our growth. That plan has been implemented, with a number of projects either completed or underway.

One specific project is the construction of a parking deck to support the current and growing needs of our commercial customers. As outlined in our plan, a four-level, 1,300 space structure, built in the existing short term/long term parking area will meet and provide the necessary capacity over the approved plan timeline.

In preparation for this, the necessary financial support was secured to fund this endeavor through an open RFP process. Pinnacle Financial Services was selected and all the requirements have been finalized.

A design/build project was identified as the preferred method to move forward. Six entities submitted proposals for our review and consideration. The review committee, which included our Chairman, Vice Chairman, President/CEO, Vice President of Finance, Airport Planner, and Engineer, evaluated and scored the submittals utilizing the identified matrix in our RFP:

- 1) Experience
- 2) Construction Type
- 3) Maintenance Requirements
- 4) Schedule
- 5) Cost

The resulting decision identified two firms for interviews. That process was completed on February 5, 2020 when each team presented and reviewed their proposals. After careful consideration, the committee recommends the Hoar Construction team to construct our parking deck. We felt they offered the best solution for the airport and our customers. Their submitted cost including requested alternates, additions, and deletions is \$23,166,751 which is well within our budget of \$25,000,000.

This is another exciting time for the airport, especially when we have an opportunity to meet the needs of our customers and provide the necessary infrastructure to support our continuing growth.

Board Action:

CMAA requests Board approval of a contract with Hoar Construction in an amount not to exceed \$24,360,000 which includes contingency funding of 5%.

Motion for approval by Commissioner Mallen, seconded by Commissioner Lytle. Motion approved.

Allen & Hoshall Task Order #3

This request is to enter into Task Order #3 with Allen & Hoshall, CMAA's Engineer of Record, for the professional services associated with the parking deck construction.

On September 16, 2019, Resolution #78 was approved by the Board for the Authority to borrow up to twenty-five million dollars (\$25,000,000) from Pinnacle Financial Partners in order to build a new parking deck. CMAA is now bringing forth Task Order #3 for the professional services, construction administration, related to the owner's representation for the construction of the parking deck.

Professional Services Fee Distribution – Parking Deck

The following is a distribution of Allen & Hoshall's fee for Task Order #3.

Study and Report (Survey, Geotechnical)	\$32,120
Owner's Representation (Preliminary & Final Design)	\$34,250
Construction Administration (56 weeks, 1605 man-hours)	\$276,500
Resident Project representative (inspection, 2616 man-hours)	\$216,500
Q/A Testing	<u>\$80,500</u>
GRAND TOTAL	\$639,870

This project will be funded through the twenty-five million-dollar parking deck loan.

Board Action:

CMAA requests Board approval to enter into Task Order #3 with Allen & Hoshall for the professional services associated with the construction of a parking deck. The fee for this project is \$639,870.

Motion for approval by Commissioner Hall, seconded by Commissioner Conn. Motion approved.

Other Business:

No other business

Public Comment:

No public comment

Closing Comment:

Chairman Jacobson closed the meeting with a few remarks. The first board meeting and the first meeting of the new decade warrants a reflection on the amazing past year, 2019. While we enjoyed record-breaking growth, we are set to make 2020 one of our most significant years in Chattanooga Airport history.

As we prepare for our largest expansion yet, more travelers are choosing to fly in and out of Chattanooga for the reliability, convenience and amenities we offer. Mr. Jacobson thanked Mr. Hart and his staff, review committee and the Board for their hard work and shared vision for the parking garage. This is the first significant milestone in the overall expansion of the airport. This structure will offer a total of 1,309 parking spaces, and will be both functional and attractive. Thanks to the Hoar Construction team. It is obvious that much preparation and work went into the presentation and our entire team looks forward to working with you.

Commissioner Mallen made a motion for adjournment. The motion was seconded by Commissioner Conn. Motion is approved. The Board is adjourned.

Adjourn

Minutes approved by:

Mike Mallen
CMAA Secretary

Corporate Secretary:

April Cameron

Minutes approved by:

Daniel R. Jacobson
CMAA Chairman

Minutes Recorded by:

Kimberly Randle



**NO BOARD OF
COMMISSIONERS
MEETING
MARCH, 2020**



**NO BOARD OF
COMMISSIONERS
MEETING
APRIL, 2020**

**Chattanooga Metropolitan Airport Authority
Board of Commissioners Meeting Minutes
May 18, 2020**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in open meeting, and video conference, Monday, May 18th, at 2:00 p.m. Chairman Jacobson, Vice Chairman Hall, Commissioners Lytle, Conn, Mallen, Snow, Stokes, and Roddy were present in person and video.

Chairman Jacobson verified a quorum was present and April Cameron verified the requirements of the Sunshine Law had been met.

Minutes:

On motion of Commissioner Hall, seconded by Commissioner Roddy, the minutes of the February 28th, 2020 meeting were approved.

President's Report:

President Hart began by discussing the statistics for February 2020. Of course, these stats were before all of the economic impact of the virus were felt. Enplanements and deplanements were up about 3% over February of 2019. Landing weights were on track for what they were last year. General Aviation operations were up as well. Comparatively, February is a shorter month, but was still a good month for us. March of 2020 is when the impact began. Total enplanements were 20,954 compared to March of 2019 at 46,794. This is a 55% reduction in enplanements and 51% lower in deplanements. Landing weights and operations were also down. Air carriers began the reduction in flights and obviously we were feeling the impact of the virus. April was significantly more impacted as a result of what is going on in the country. Enplanements for the entire month of April 2020 were 2,589. This is nearly a 95% reduction vs. April of 2019 at 47,417. Deplanements were in line with that and we saw a reduction in general aviation as well. This should remain the same moving forward for the next couple months; at least through May and June.

Continuing, our East Ramp expansion project is complete. This was a terrific project and we are ready for future expansion with this site. Great job to Talley Construction on this. Hangar 20 is still progressing. Wilson Construction is a bit ahead of schedule, doing an amazing job, with projected completion at the end of the year.

MRB Contractors finished the roof replacement project that was damaged in a storm. This project returned the look of the original terminal when it was built back in 1991.

Hoar Construction is underway with the parking garage project. The first phase is the build out of the short term parking lot. They are waiting for permits and should start construction this week. The duration of phase one will take until the middle of July to be finished and opened. Once that is complete, they will move to the actual structure and should start in the middle of July for a 12-month process from start to finish.

Another project underway is to replace the three older jet bridges. Two of the three have arrived and are being installed at gates 1 and 3. Those bridges should be finished, accepted and turned over to the airlines for their use. Once complete, the installers will move over to gate 4.

Mr. Hart shared that Wilson Air Center Chattanooga was ranked the best FBO in the country. Glenn Rivenbark and his team have worked hard over the past nine years to achieve this recognition. All four Wilson Air Centers have been ranked in the top 25 FBO's in the country. For 13 years they have accomplished this task. They continue to do what we ask them to do and provide excellent customer service and ensure that we are competitive with pricing.

President Hart then addressed the current situation. Here at the airport, we have had no personnel that have been impacted with the COVID-19 virus. Extra cleaning measures are in place in high traffic, high touch areas. There are also more hand sanitizing stations throughout the terminal. We will continue to move forward with health and safety for employees and customers as this pandemic continues to ensure that the airport is a safe place to be. Additionally, Easter Sunday two of our employees, and one at Wilson were impacted. Nobody was hurt, but they are continuing to work through all of the other issues.

On the commercial side, our business has been greatly impacted. We would normally see 28 departures per day. Now we are seeing anywhere from 5-7 departures per day. Flight schedules have been greatly reduced. Air carriers are certainly struggling. American is serving DFW, and Charlotte with 3 departures each day, Delta serving the Atlanta hub with 2 departures each day, and United is serving Chicago O'Hare, not daily, but three times per week. Allegiant took a 6-week hiatus and have resumed last week with service to Tampa/St. Pete. We will continue to monitor the Orlando flights, but it is nice to see them back up and running. Seat capacity in March was down 10%, and 58% down in April. These numbers are compared to the same time last year. Right now, for the month of May, seat capacity is down 73%. We plan to see a similar impact for June. Although we have not yet seen the schedules for July and August, we predict to see a similar reduction in seat capacity as a result of what is going on right now. The airlines have talked about retiring some of their aircraft in order to downsize. Some of the smaller carriers and charters have closed their doors, and the trend will probably continue into the foreseeable future.

There has been a lot of furloughs here at the airport with most of the vendors. For example, Tailwind has furloughed their entire workforce with the exception of two of their salaried employees. General Aviation and Wilson Air are feeling the same impact with the amount of aircraft and the amount of fuel being sold. They are watching spending vs. revenue, and have also furloughed some of their work force.

Fed Ex is still operating at full capacity, but the AD-HOC charters are down. Most of that is auto parts, and with Volkswagen closed for a number of weeks, this impacts those parts and charters coming in. All phases of solar are up and running and looking forward to the sunny days in order to keep that solar meter spinning.

Financially, based on what has happened, we have seen a 70% reduction in revenues each month. Some of the big drivers such as parking, landing weights, etc. have had a big impact on us. A number of things were put in place to reduce monthly expenses. We have looked at utilities,

advertising, phone expenses, maintenance contracts, shuttles, parking expenses, etc. At the end of the day, expenses still had a negative impact. With that being said, 3 things took place with payroll and the impacts that has on expenses. CEO pay was reduced by 10%, all other employees were reduced in pay by 5%, and eliminated the Vice President of Operations position. With those in place, we are meeting expenses with revenue at this time. Additionally, the government implemented a Cares Act. Chattanooga Airport is going to receive \$5,747,955.00 in grant funding to continue operation costs. We are just waiting for approval to call upon that grant. We are holding off on the budget and will bring it forward at the June 15th board meeting. We are waiting as long as possible with this in order to give a more accurate prediction with everything happening right now. Mr. Hart predicts an impact from this for quite some time. Not months, but unfortunately years.

Board Action Items:

Refueler Lease Written Consent

In 2011, CMAA opened its Fixed Based Operations which are managed by Wilson Air Center. To support the FBO operations, CMAA entered into a lease agreement with Titan Aviation (formerly Eastern Aviation) to lease fuel trucks for use in the operation. Payment for those trucks is made through a fuel flowage fee of \$0.08 per gallon of fuel purchased at the Chattanooga Airport. After nine years of operation, those trucks are in need of replacement. Titan Aviation has provided a quote to replace our trucks with the following:

Two (2) – Ford F450 1,000 gallon Avgas Refuelers at \$900 per month - \$1,800 total

Three (3) – Ford F750 3,000 gallon Jet Refuelers at \$1,600 per month - \$4,800 total

Three (3) – International HV607 5,000 gallon Jet Refuelers at \$2,800 per month - \$8,400
total

The term of the lease for these replacement trucks will be five years and will be paid in the same manner as before with a flowage fee at \$0.095 per gallon of fuel purchased. Any shortfall in collections will be billed to CMAA, any overages collected will be returned to CMAA.

This request was approved via written consent by Chairman Jacobson, Commissioners Barnett, Hall, Lytle, Mallen, Snow, and Roddy.

Board Action:

The CMAA requests approval to enter into a lease agreement with Titan Aviation in the amount of \$15,000 per month for a term of five (5) years for new fuel trucks to be used by Wilson Air Center – Chattanooga.

Motion for approval by Commissioner Conn, seconded by Commissioner Lytle. Motion approved.

Rubber Removal Written Consent

Upon landing, heavy aircraft leave rubber build-up on the runway surface that obliterates the runway markings and also causes less friction for landing and stopping aircraft. Due to the size and the amount of aircraft using the Chattanooga Airport, a recurring project to remove built-up rubber from the runway will have to be done.

There are three types of rubber removal methods available to airports. Those methods include water blasting, bead blasting, and chemical removal. Due to the invasive nature of water and bead blasting, the Chattanooga Airport has decided to use the chemical removal method.

The chemical method is conducted using an environmentally friendly detergent applied to the runway surface and then agitated repeatedly using several sweeper type machines. The runway surface is then washed clean using fresh water.

There are two chemical rubber removal products available for use at airports. Last year, Airport Operations conducted a test for the effectiveness of the two products available. One product proved to be ineffective for our use, so the manufacturer of the other product, Chemtek, Inc. completed this project in 2019. Chemtek was contacted again to submit a quote to provide the materials, machinery, and labor to clean the built-up rubber from the runway.

Chemtek, Inc. submitted a quote of \$.18 per square foot with 204,660 square feet of runway to be cleaned for a total of \$36,838.80. This is the same rate as last year.

This request was approved via written consent by Chairman Jacobson, Commissioners Conn, Lytle, Mallen, Snow, and Roddy.

Board Action: CMAA requests Board approval to enter into a contract with Chemtek, Inc. to provide the material, machinery, and labor to remove built-up rubber on the runway for a contracted rate of \$36,838.80.

Motion for approval by Commissioner Snow, seconded by Commissioner Mallen. Motion approved.

Property Acquisition - 5707 Lee Highway

Earlier this year, CMAA was contacted by the owner of the property located at 5707 Lee Highway of her intent to sell. The property is approximately 1.04 acres and is located adjacent to airport

owned property on Lee Highway. It is currently under a long-term lease with RAC Dealership, LLC DBA American Car Center which will expire on September 30, 2030. The current tenant pays monthly rent of \$6,000 which escalates 5% every three years.

CMAA is requesting the Board's approval to purchase and acquire certain real property located at 5707 Lee Highway, Chattanooga, TN for the purchase price of \$710,000. In addition, CMAA will assume the lease agreement currently in place with RAC Dealership, LLC DBA American Car Center. We believe that this property is important for future growth and development of airport property on Lee Highway. In addition, the rent revenue to be earned over the life of the lease will cover the acquisition costs of the property.

The property will be funded by reallocated capital funds.

Board Action:

CMAA requests approval to acquire the property located at 5707 Lee Highway and assume the current lease agreement with RAC Dealership, LLC DBA American Car Center.

Motion for approval by Commissioner Hall, seconded by Commissioner Conn. Motion approved.

Other Business:

No other business

Public Comment:

No public comment

Closing Comment:

Chairman Jacobson closed the meeting with a few remarks along with a warm welcome to the newest Board Member, Commissioner Harriette Stokes. Ms. Stokes comes to the board from Georgia and the North Georgia EMC. He also welcomed Commissioner Travis Lytle to the finance committee. Thanks to all of the board members for participating the way they have as a result of the pandemic, and their unwavering dedication to the Chattanooga Airport. Thanks to Terry Hart and his team for their steadfast leadership in these difficult times. The airline industry is among the most impacted by the circumstances. Although air travel is down 90%, Mr. Jacobson is encouraged with the financial standing of the airport.

This has been a difficult journey for Chattanooga, our nation, and the rest of the world. It is important to recognize those on the front lines working around the clock to keep us safe. Our nation

has faced many obstacles over the past decades, and this too shall pass. We need to lean on and support each other in the community. Help those in need whenever and wherever you can.

Commissioner Snow made a motion for adjournment. The motion was seconded by Commissioner Roddy. Motion is approved. The Board is adjourned.

Adjourn

Minutes approved by:

Mike Mallen
CMAA Secretary

Minutes approved by:

Daniel R. Jacobson
CMAA Chairman

Corporate Secretary:

April Cameron

Minutes Recorded by:

Kimberly Randle

**Chattanooga Metropolitan Airport Authority
Board of Commissioners Meeting Minutes
June 15, 2020**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in open meeting, and Zoom video conference, Monday, June 16, 2020 at 2:00 p.m. Chairman Jacobson, Vice Chairman Hall, Commissioners Conn, Lytle, Mallen, Snow, and Stokes, were present in person and video.

Chairman Jacobson verified a quorum was present and April Cameron verified the requirements of the Sunshine Law had been met.

Minutes:

On motion of Commissioner Lytle, seconded by Commissioner Conn, the minutes of the May 18, 2020 meeting were approved.

President's Report:

President Hart began his report with the month of May operation statistics. Enplanements have improved 60% over the month of April. We are on an upward trend and hopeful that trend will continue throughout the coming weeks. All of the numbers are in line with this trend. Enplanements and deplanements, landing weights, as well as operations are up over the month of April. Each of the categories are well below what they were last year. But the ascending trend is encouraging.

Continuing, Hangar 20 has been in construction on the east side of the airfield. This project has 25,000 square feet of hangar space as well as 4,000 square feet of office space. Wilson Construction is the contractor on this project and are well under way. It appears that they are on track with an anticipated completion date in November of this year.

Next, the board approved three new passenger boarding bridges, manufactured by JBT, to replace the existing jet bridges that have been here for many years. All three have arrived, been installed in place, and are operational with the air carriers utilizing them. The project was funded by PFC and a very nice upgrade for passengers as well as the employees using them. With these new bridges, and the two others replaced five years ago, all of our passenger bridges are new.

Additionally, after approval from the board, the rubber removal project has been completed. CMAA is pleased with the result of this project and the condition of the runway.

The terminal expansion design was a project that was identified during the master plan process. We have targeted in the coming fiscal year 2021 to do the environmental and design work. The early stages of this project has begun and the FAA has signed off on their piece of that project and subsequently anticipate the grant on this project any day.

The parking garage project is currently underway. Hoar Construction is the contractor. They are well into the first phase, and anticipate a mid-July completion that will allow the new short term

parking lot to open with approximately 115 spaces. In order to speed up the construction process, we have the ability to move customers to the Long-Term 2 parking lot. Subsequently, Mr. Hart reached out to Intervistas regarding the master plan, and had a long discussion with Brian about the need for a parking garage. None of us know what will happen tomorrow, however, what has happened the last three months will be completely different a few years down the road. We will see the rebound and will be back where we were. Given our financial situation, the smart move is to continue as planned with the parking garage and be ready for the future. Mr. Hart is very confident that we are doing the right thing with the expansion and has confirmed that during the conversation with Intervistas.

During the last board meeting, CMAA received approval to purchase the property at 5707 Lee Highway. We closed on that property and will assume the lease for American Car Center. Additionally, American Car Center wants to lease the property between their location and Sky Zoo. That piece of property is not currently being used, so we will work with them regarding that additional space.

A few weeks ago, the City of Chattanooga repaved Airport Road. That road was in desperate need of repair. The recent repaving is a nice amenity to the area and to everyone that utilizes that road. Furthermore, the City funded Shepard Road project is well underway. They are approximately 50% complete and still have a few more months to go before that project is finished.

The next topic is the current situation and the impact of Covid-19. CMAA received from the FAA, face coverings to supply to all the tenants in the building, as well as passengers that may need one. They have been distributed around the airfield. CMAA employees are now required to wear face coverings in the public areas of the building. Daily cleaning and sanitizing has continued. Hand Sanitizer stations are placed throughout the terminal as a means to promote cleanliness, washing of hands and social distancing.

The commercial side of business has shown an increase in operations as well as enplanements. We can also judge that by the number of cars in the parking lot and the number of people coming in to the building. When we look at the bookings from the air carriers, each week is higher than the previous week. July schedules for the air carriers have been put in place. We will see additional departures for July which will help our enplanement numbers. Delta is going to add two more flights to Atlanta, American will add another Dallas flight as well as a couple more flights to Charlotte. On any normal day, we were at approximately twelve to thirteen departures, down to six or seven in recent days. Allegiant schedule is back on track to four flights a week. TSA is also showing an increase in passengers. This is another indicator of an upward trend.

General aviation at Wilson Air Center has seen more activity. Arrivals to the FBO have increased from 70 per week in April to approximately 150 per week for the month of May. This is evident by the number of gallons of fuel being used.

It will be a number of months, if not years to recover from the impact of the Covid-19 virus. It may not ever be back to the way it was, but there will be a number of changes along the way. The grant from the CARES Act has been received, and we will be making our first withdrawal in the next couple days.

Additionally, in July, United will temporarily suspend service from Chattanooga that will run through at least September. Mr. Hart has had conversations with United, and they feel this will only be temporary and we will continue to have dialogue regarding this.

NOTE: During the Board Action items, the Zoom video call was hacked. The meeting immediately shut down and switched to a phone only conference call.

Board Action Items:

Budget Fiscal Year 2021

CMAA requests approval of the Fiscal Year 2021 Budget for the Chattanooga Metropolitan Airport Authority (CMAA) which has been developed in coordination with the Finance Committee.

Operating revenues for FY 2021 are budgeted at \$13.1 million, which is 38% below the FY 2020 forecast. This overall decrease in revenues for the upcoming year is a direct result of the impact that COVID has had on airport operations. Landing fees will remain the same at \$2.07 per 1,000 pounds of landed weight and terminal rental rates will remain the same at \$32.92 per square foot. The current parking rate structure will remain the same for FY 2021 with a short term rate of \$20.00, long term rate of \$12.00 per day, and an economy rate of \$9.00 per day. Currently the economy lot is closed but will be reopened when passenger traffic increases. FBO income from fuel sales, ground rent, ground handling operations, and other services such as catering and line services are budgeted to be \$5.9 million which is down 34% from the FY 2020 forecast.

General operating expenses for the year are budgeted at \$11.5 million, a decrease of 21% over current year forecast. The decrease is primarily the result of cost cutting measures necessary to offset reduced operations and passenger traffic. The budget includes the elimination of 6 open positions and no increase in employee salaries. FBO expenses are budgeted to be \$5.4 million which is a decrease of 29%.

Capital investments are expected to be \$32 million for FY 2021. Projects include continued construction of the new parking garage, completion of a new hangar, acquiring a hangar that is soon to be vacated, and design for a terminal expansion. Funding for these projects will come from FAA and State funds as well as proceeds from a loan. CMAA will be responsible for approximately \$3 million of the total cost.

In reference to debt, CMAA paid off its entire debt balances in September 2019. Subsequently, in December 2019, CMAA entered into a Tax Exempt and Taxable Loan to fund the construction of the new parking garage. The loan requires interest only payments for the first 18 months of the loan. These interest payments are calculated based on the total amount of funding that been drawn down on the loan. CMAA is budgeting interest payments of \$623,250 for FY 2021.

CMAA expects to have net operating revenues of nearly \$1.7 million for FY 2021. After deducting our capital expenditures and debt service, we will cover any shortfall with our CARES Act Grant in order to have a balanced budget.

Board Action: CMAA requests Board approval of the Fiscal Year 2021 Budget with updated organizational structure, pay plan, and Rates and Charges and Insurance Policy.

Motion for approval by Commissioner Snow, seconded by Commissioner Lytle.
Motion approved.

Underground Storage Tank Removal

This request is to enter into a contract with HEPACO to remove four underground storage tanks (USTs) from the north fuel farm. These tanks include two 20,000 gallon JET A tanks, one 15,000 gallon AVGAS tank, and one 10,000 gallon gasoline tank. HEPACO's total cost for this removal is \$26,250.00

These underground storage tanks were installed in the early 1990s by Krystal Air. They are nearly 30 years old, which is beyond the useful lifespan according to industry experts. At this age, they are more susceptible to ruptures and leaks, which could lead to costly environmental damages and cleanup. Presently, these tanks have been emptied and are temporarily closed. Terracon has begun the closure application process, and will conduct the soil sampling immediately after their removal.

The following will be completed by HEPACO:

- Crews will dismantle the piping / pumps / and other associated items set for removal. All dismantled items will be placed into the roll-off boxes and transported to a HEPACO approved metal recycle facility for metal reclaim.
- Utilizing an excavator and/or backhoe equipped with a demolition hammer and an excavator equipped with a thumb attachment, crews will break the overlaying concrete into manageable sections. Concrete sections will be removed and staged next to the excavation area.
- Upon the removal of the overburden and fill material, the tank's hold down straps (if applicable) will be removed to allow the tanks to be removed from the excavation. Tanks will be removed from the excavation and placed on poly sheeting.
- Crew will cut access holes into each tank. Tanks will be loaded onto flatbed trailers and transported to a HEPACO approved metal recycle facility for metal reclaim.

Board Action:

CMAA requests Board approval to enter into a contract in the amount of \$26,250 with HEPACO.

Motion for approval by Commissioner Mallen, seconded by Commissioner Hall.
Motion approved.

Waterhouse Public Relations Agreement

As many of you know, Waterhouse Public Relations has provided public relations support to the Chattanooga Airport since 2003. During that time, Albert Waterhouse and his team has assisted the airport through many transitions. As part of the agreement, Waterhouse provides public relations support in the following areas:

- Media relations, including but not limited to crisis communications
- Media clips, including sending monthly copies of all print, online and broadcast coverage of the airport
- In-terminal advertising support
- Special projects
- Event management and miscellaneous public relations support
- Social media monitoring and administration, including notifying CMAA as required for reputation management

Due to the relationship that we have built with the team at Waterhouse, the airport staff recommends renewing our contract. The term of the new agreement will begin on July 1, 2020 and extends through June 30, 2023. The contract is valued at \$60,000 annually based on the number of man hours required to support the Airport's activities. This expense was included in our approved operating budget.

Board Action: CMAA requests Board approval for a three year contract with Waterhouse Public Relations in the annual amount of \$60,000.

Motion for approval by Commissioner Hall, seconded by Commissioner Lytle.
Motion approved.

Maycreate Advertising Agreement

In 2016, CMAA entered into our initial contract with Maycreate, a local creative firm. Over the past four years, the team at Maycreate has worked diligently to utilize our funding to further expand our positive message and promote all that the Chattanooga airport has to offer our community and surrounding region. The contract that we entered into in 2016 was a two-year agreement and we subsequently renewed that in 2018 for two additional years, which extended it until June 30, 2020. Our request is to approve the funding for Maycreate for three additional years: FY 2021, FY 2022 and FY 2023.

The scope of their services remains the same and includes:

- Develop an annual Advertising Plan in support of our existing brand by creating strategies for reaching business and leisure travelers.
- Make recommendations as to the types and locations of airport advertising in the region which will support the airport's brand and reach the evolving airport and community demographic.
- Develop advertising creative graphics as needed for approved locations which support CMAA's brand.
- Negotiate rates and place media buys for approved CMAA advertising purchases.
- Report quarterly on marketing activities and consumer research. Maycreate provides a real time dashboard that measures all digital channels, site actions and conversions to find the visitors most likely to help CHA meet its objectives. Also, CHA can have a true picture of its digital performance and the performance of the advertising campaigns.
- Other advertising and creative consulting services, as required.

The FY 2021 contract will be in the amount of \$140,000 with \$92,000 towards media buying and \$48,000 for creative services and account management. This expense was included in our approved operating budget.

Board Action:

CMAA requests Board approval to renew our marketing and media placement contract with Maycreate for a three year term with the FY 2021 contract valued at \$140,000. The two subsequent years will be determined through the budget process.

Motion for approval by Commissioner Lytle, seconded by Commissioner Mallen.

Motion approved.

Airfield Lighting Vault Upgrade

The current computer controlling the airfield electrical system was installed when the vault was constructed in 2006. Two weeks ago, during a severe thunderstorm, the system was struck by lightning causing the automated system connected to the runway lights to be out of service. This requires that the runway lights be manually turned on and off. The parts needed to replace the damaged parts were installed but due to the system being older and in need of replacement, the system is not communicating properly. We are asking for approval for a contract to complete this replacement in order to get the system operating as it should.

The project includes:

- Upgrade all of the communication components on 15 regulators that control the electrical lighting system.
- Replacement of two computers
- Replacement of the backup battery system

The airfield lighting system is a proprietary system, therefore, CMAA is requesting a contract with ADB Safegate to complete the project. The cost to upgrade the vault is expected not to exceed \$100,000 and has been included in the FY 2021 Capital Budget.

Board Action:

CMAA requests approval of a contract with ADB Safegate in an amount not to exceed \$100,000 to upgrade the airfield lighting vault.

Motion for approval by Commissioner Hall, seconded by Commissioner Snow.

Motion approved.

Allen & Hoshall Task Order #4 – Terminal Expansion Design

This request is to enter into Task Order #4 with Allen & Hoshall, CMAA's Engineer of Record, for the Professional Services associated with the Terminal Expansion Design.

The 2019 Airport Master Plan calls for a concourse expansion to provide additional holdroom, concession space, restrooms, and circulation space. There will be three additional positions for remain overnight parking which will require the demolition of Hangars 1 and 2. Lastly, the security checkpoint will be reconfigured to provide three lanes and additional queueing area. The following is a distribution of Allen & Hoshall's fee for Task Order #4 to the Master Agreement.

Professional Services Fee Distribution – Terminal Expansion Design
The following is a distribution of Allen & Hoshall's fee for Task Order #4

Study and Report (Survey, Geotechnical Investigation)	\$40,370
Professional Services (Allen & Hoshall Design)	\$1,263,000
Permitting (City of Chattanooga)	<u>\$39,977</u>
GRAND TOTAL	<u>\$1,343,347</u>

The project will be 100% funded through AIP Funds. The 10% airport match was waived under the CARES Act. The project is contingent on receipt of the AIP grant.

Board Action:

CMAA requests Board approval to enter into Task Order #4 with Allen & Hoshall for the engineering services associated with the terminal expansion design. The fee for this project is \$1,343,347.

**Motion for approval by Commissioner Lytle, seconded by Commissioner Mallen.
Motion approved.**

Other Business:

No other business

Public Comment:

No public comment

Closing Comment:

Chairman Jacobson closed the meeting with a few brief comments. Thank you for your patience through the travails of this meeting today. We will take steps in finding the perpetrators of the hack and do more than just a cursory effort. Thank you to the airport team that works hard every day to successfully overcome the challenges of the pandemic. This has not only had a tremendous effect on the travel industry, but airports around the world have paused on projects. The Chattanooga airport has been fortunate enough to keep projects on track and to complete a 2021 budget with no fee increases. That is a phenomenal feat and one that certainly takes a tremendous amount of thought and ingenuity as well as outstanding leadership. Thanks to all of our partners for this shared success. Chairman Jacobson is optimistic that this rebound can continue on the local and national levels. Despite the recent economic challenges, economic development in the region has continued to be strong. The Greater Chattanooga Area Chamber of Commerce announced that upcoming projects will create more than \$1.6 billion in new investment and more than 3,500 new jobs. Mr. Jacobson addressed the unrest and discord in the country today. As our nation peruses meaningful change, he wanted to share his gratitude, appreciation and honor to work alongside each of you as we collectively move toward a more united community and nation.

Commissioner Snow made a motion for adjournment. The motion was seconded by Commissioner Lytle. Motion is approved. The Board is adjourned.

Adjourn

Minutes approved by:

Mike Mallen
CMAA Secretary

Minutes approved by:

Daniel R. Jacobson
CMAA Chairman

Corporate Secretary:

April Cameron

Minutes Recorded by:

Kimberly Randle



**NO BOARD OF
COMMISSIONERS
MEETING
JULY, 2020**

**Chattanooga Metropolitan Airport Authority
Board of Commissioners Meeting Minutes
August 17, 2020**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in open meeting, and Zoom video conference, Monday, August 17, 2020 at 2:00 p.m. Chairman Jacobson, Vice Chairman Hall, Commissioners Conn, Lytle, Mallen, Snow, Roddy, Barnett, and Stokes, were present in person and video.

Chairman Jacobson verified a quorum was present and April Cameron verified the requirements of the Sunshine Law had been met.

Minutes:

On motion of Commissioner Barnett, seconded by Commissioner Conn, the minutes of the June 15, 2020 meeting were approved.

President's Report:

President Hart began with an update on the stats for the months of June and July. In the month of June, we are back to an upward trend with enplanements. There is a 30% improvement from the month of May. Deplanements are in line with that as well for both June and July. General Aviation is up 100 additional arrivals and take-offs from June of 2019. Additionally, FedEx has increased their cargo poundage about 20% from June of 2019. In July, enplanements were 14,370, which is a 65% increase over June's numbers. Military and FedEx are also up in July over 2019. We will continue to see this upward trend and consistently move in the right direction.

Next, Mr. Hart provided an update on some of the current projects. First, Hoar Construction is well under way with the new parking garage. We opened the short term parking lot last month and have consistently seen an uptick in parking in that area. All of the demolition work has been completed and they are currently working on the utilities on site. There are 91 foundations that will be needed for the garage. We anticipate in mid to late September to see pieces that will begin the vertical construction. We are still on pace for completion of the project in July of 2021.

Another project under way is the corporate hanger on the airfield. Wilson Construction is the contractor for this project. The roof is completed and drywall has been started for the offices. The completion of this project will be in October.

Continuing, the first phase of the terminal expansion project is proceeding. This project will have added concession space, an additional set of restrooms, two more gates, as well as another TSA screening lane. The future of this expansion will allow more room for aircraft and more jet bridges. We did receive the grant from the FAA which will go to the first phase design work. Glen with Allen & Hoshall anticipates anywhere from 10-12 months to complete the overall work, and once complete, we will review again and move forward.

Another completed project was the removal of four underground storage tanks on the North side of the airport. Hepaco was the contractor that completed the work along with Terracon. There was

no soil contamination and the land will soon be back to normal. With the completion of this project, there are no longer any underground storage tanks here at the airport.

The City of Chattanooga development on Shepherd Rd. is under construction and nearing completion. This project added curbs, gutters, and additional landscaping and will complete the esthetics on the approach to the airport. Our work and relationship with the Shepherd Community will continue. With that being said, we had four shuttle busses that operated from the overflow/employee lot to the terminal. Obviously, with Covid-19 this has changed and the lot is closed at this time. One of the shuttle busses was not needed and we worked with the Shepherd Community and Republic Parking who donated that shuttle bus to them through the Church of Christ and the Shepherd Youth Center

Each year we have our FAA Part-139 inspection. This year was a little different because they were unable to do an in person inspection. A virtual review, consisted of all of our training records, airfield inspections, and different accounts that we keep. These documents were uploaded and sent to the inspector. We had no findings and received all of our certificates with no issues. There is a lot of work that goes into this each year and the hard work of everyone involved was very much appreciated. We do not anticipate any in person inspections until possibly July of next year.

Finally, with commercial aviation, June and July have been increasing despite Covid-19. Seat availability will slowly get back to normal. United is returning to the market starting October 1st, with two daily nonstop flights to Chicago. Additionally, they will start service to Houston, to the George Bush Intercontinental Airport. On the General Aviation side of things, the numbers have been improving with arrivals and the number of gallons of fuel pumped. Our arrivals last week were the same as they were in August of last year as well as the last three weeks of gallons pumped. The numbers are going up 1% each week. Thanks to Wilson Air for taking care of our customers.

Operations has continued to clean, disinfect, and encourage people to follow the directives outlined by the State and the CDC. CMAA is giving out masks to any passengers that need them. First Responders have the PPE that is needed to keep them safe. Also, we have been experimenting with some different filters in the HVAC system as well as changing them more frequently to maximize their efficiency and will continue to evaluate the system. We will do what we can to continue to keep our employees and passengers safe.

Board Action Items:

Terminal Roof Caulking Repairs

CMAA recently completed the new metal roof installation on the dome of the terminal building. The flat portions of the roof are covered with a white roof material that was installed in 2009. After ten years in place, the caulking on the seams of the roof where the white roof meets the building has deteriorated and is in need of replacement. We solicited quotes to replace all of the caulking and make permanent repairs to identified areas of the white roof.

Company	Quote
MRB Construction Company	\$48,440.34
Atlas Roofing	\$38,940.00
JD Helton	No response

Based on the quotes received, CMAA recommends approval of a contract with Atlas Roofing in the amount of \$38,940.00. The project will begin with the issuance of a notice to proceed and is expected to take 10 days to complete. This project was included in the approved FY 2021 Capital Budget.

Board Action:

CMAA requests Board approval of a contract with Atlas Roofing in the amount of \$38,940.00.

Motion for approval by Vice Chairman Hall, seconded by Commissioner Barnett.

Motion approved.

American Car Center Lease

CMAA is requesting approval to enter into a lease agreement with RAC Dealership, LLC dba American Car Center for approximately 18,872 square feet of land to be used as additional vehicle parking to support American Car Center's business operation located at 5707 Lee Highway. The term of the agreement shall commence on August 18, 2020 and extend through September 30, 2021. The lease may be renewed for three additional periods of three (3) years. CMAA may within 90 days written notice terminate the lease with or without cause.

Rent in the amount of \$600.00 per month will be payable to the Authority in advance of the month that rent is due.

Board Action:

Request Board approval of a lease agreement with RAC Dealership, LLC dba American Car Center for approximately 18,872 square feet of land payable in monthly installments of \$600.00.

Motion for approval by Commissioner Mallen, seconded by Commissioner Snow.

Motion approved.

Other Business:

No other business

Public Comment:

No public comment

Closing Comment:

Chairman Jacobson closed the meeting with a few comments. As everyone is aware, we were unable to do a formal ground breaking event for the new parking garage due to the pandemic. However, Terry Hart and Hoar Construction did a tremendous job highlighting the convenience and accessibility the garage will offer. The Chattanooga Times Free Press gave us a Sunday front page story with an audience of one million print and online readers. In addition, we continue to have positive national media outlets citing us as one of the airports that continues to grow and expand despite our challenging economy.

Mr. Jacobson is pleased to see the service of United Airlines returning to the George Bush Intercontinental Airport. This service will be an important option for our travelers who follow the adage “Go West”, along with the addition of the two nonstop flights to Chicago. Thank you to United for these services.

The feedback from business and leisure travelers has been positive. The helpfulness of airport associates, airline partners, vendors, and TSA have all been shared with us over the last few weeks. Thanks to everyone involved with keeping the airport running smoothly and as efficiently as possible during these unprecedented times.

Commissioner Mallen made a motion for adjournment. The motion was seconded by Commissioner Roddy. Motion is approved. The Board is adjourned.

Adjourn

Minutes approved by:

Mike Mallen
CMAA Secretary

Minutes approved by:

Daniel R. Jacobson
CMAA Chairman

Corporate Secretary:

April Cameron

Minutes Recorded by:

Kimberly Randle



**NO BOARD OF
COMMISSIONERS
MEETING
SEPTEMBER, 2020**

**Chattanooga Metropolitan Airport Authority
Board of Commissioners Meeting Minutes
October 19, 2020**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in open meeting, and Zoom video conference, Monday, October 19, 2020 at 2:00 p.m. Chairman Jacobson, Commissioners Barnett, Conn, Lytle, Roddy, Snow and Stokes were present in person and video.

Chairman Jacobson verified a quorum was present and April Cameron verified the requirements of the Sunshine Law had been met.

Minutes:

On motion of Commissioner Conn, seconded by Commissioner Roddy, the minutes of the August 17, 2020 meeting were approved.

President's Report:

President Hart began with the stats from July and August. August enplanements were up 11% over July, and September was up 11% over August. September operations were up almost 10% over last year. Cargo had a strong month, up 65% over September 2019.

Next, Mr. Hart provided an update on some of the current projects. First, Hoar Construction is well under way with the new parking garage. All of the foundation work has been completed and vertical construction is taking place. All of the structural pieces should be in place by Thanksgiving. We are still on pace for completion of the project in July of 2021.

Another project nearing completion is the corporate Hanger 20 on the airfield. Wilson Construction is the contractor for this project. They are working on all the final touches and finish work such as tile, painting, etc. They are still on track for an October 31st completion date.

Continuing, we have been in meetings with Allen & Hoshall and DH&W to discuss the design for the terminal expansion. We have met with tenants including TSA, Tailwind, and the Airlines as well as our Maintenance Department to solicit feedback for the design. This project will continue through next summer.

The Shepherd Road project is complete with the exception of some final tree planting which is expected in the coming weeks. Thanks to the City of Chattanooga and Allen & Hoshall for all of their hard work on this project.

On August 24, 2020, CMAA had an FAA required Part-139 Full Scale Drill that involved City first responders as well as Airport Fire and Police. The drill was a success and we were able to accomplish the drill even with the threat of Covid-19. All of the volunteers and staff were safe with the practice of social distancing and the wearing of masks throughout the process. Thank you to all involved in making this happen, especially to the Operations and Fire Departments.

On the commercial side of things, despite the effects of Covid-19, United Airlines is back in operation and is doing well with the new Houston and the return of the Chicago flights. Delta will be increasing their flight operations during the Thanksgiving holiday. Corporate and General Aviation are up 13% and 25% for August and September respectively. Fuel is also up 11% and 27% from August and September and we expect October numbers to be up as well.

Finally, the annual audit review has been completed. Robert Belcher with Elliott Davis was present and made a few comments about the Audit. A clean audit opinion was issued and there were no findings. The airport remains strong financially. Thank you to April and Tena and their team for all their hard work on this.

Board Action Items:

Hangar 18 Purchase – Written Consent

One year ago, CMAA signed a Letter of Intent with Executive Flight owner, Forrest Preston, to acquire Hangar 18 and its improvements located at the Chattanooga Airport in the amount of \$2,150,000. Executive Flight made the decision to relocate its corporate flight department to Cleveland, TN where its company's headquarters are located, and agreed that when their new facility was completed, they would sell the hangar at the Chattanooga Airport to CMAA. Due to unforeseen circumstances, Executive Flight's new hangar construction has been delayed. In the meantime, the parties, Executive Flight and CMAA, have agreed to move forward with the purchase and lease back of the hangar to Executive Flight for the next twelve months to allow time for its new facility to be completed.

CMAA requested approval for the sale and purchase and lease back of Hangar 18. Acquisition of this hangar was included in the airport's approved FY2021 capital budget.

This request was approved via written consent by Chairman Jacobson, Commissioners Barnett, Conn, Lytle, Mallen, Snow, and Roddy.

**Motion for approval by Commissioner Lytle, seconded by Commissioner Conn.
Motion approved.**

FAA Weather Observer Lease Renewal – Written Consent

CMAA requested approval to renew the lease with the Federal Aviation Administration for 619 square feet of space located below the concourse area of the terminal building. The term of the lease shall commence on October 1, 2020 and extend through September 30, 2025, provided that adequate federal appropriations are available from year to year for the payment of rent. At the end of the lease term, the lease will continue on a month-to-month basis unless and until the Government signs a new lease with the Authority or vacates the premises.

Rent in the amount of \$1,366.96 per month will be payable to the Authority in arrears and will be due on the first workday of each subsequent month without the submission of an invoice.

This request was approved via written consent by Chairman Jacobson, Commissioners Barnett, Conn, Lytle, Mallen, Snow, Roddy, and Stokes.

Motion for approval by Commissioner Snow, seconded by Commissioner Conn.

Motion approved.

Insurance Renewal

CMAA has partnered with USI Insurance Services over the last eight years to ensure that the airport has the best insurance coverage at the most competitive pricing. The insurance marketplace continues to harden due to unfavorable loss experience in general by the carriers in addition to claims experienced by the airport. With all that being said, we are pleased with the work that USI has done on our behalf to keep our premium as low as possible. Staff has reviewed the proposal with the Finance Committee and has received their concurrence to request approval at the October Board Meeting.

A summary of USI's proposal is provided below.

Line of Coverage/Limit	10/31/2019-20 Expiring Program		10/31/2020-21 Recommended Program		
	Insurance Carrier	Premium	Insurance Carrier	Premium	Premium change over Expiring
Airport Liability/\$300M	Commerce & Industry (AIG)	\$72,500	Commerce & Industry (AIG)	\$75,395	3.99%
Workers' Compensation/ Statutory/\$1M EL	Old Republic	\$35,124	Old Republic	\$27,023	-23.06%
Automobile/\$1M	New Hampshire (AIG)	\$21,682	New Hampshire (AIG)	\$29,139	34.39%
Property/\$16M	CNA	\$94,092	CNA	\$112,601	19.67%
Terrorism*	Lloyds	\$10,809	Lloyds	\$10,518	-2.7%
Inland Marine/\$4.9M	CNA	\$15,798	CNA	\$13,796	-12.67%
Network Security/\$2M	Hudson Excess Ins.	\$5,589	Hudson Excess Ins.	\$7,002	25.28%
Fiduciary Liability/\$1M	Travelers Casualty & Surety	\$807	Travelers Casualty & Surety	\$845	4.71%
Crime/\$1M	Travelers Casualty & Surety	\$3,140	Travelers Casualty & Surety	\$3,289	4.75%
Directors & Officers/EPLI/\$5M	Atlantic Specialty	\$27,500	Atlantic Specialty	\$30,302	10.19%
Excess D&O/EPLI/\$5M xs \$5M	Ironshore Indemnity	\$14,850	Ironshore Indemnity	\$16,970	14.28%
Excess D&O/EPLI/\$5M xs \$10M	RSUI Indemnity	\$11,280	RSUI Indemnity	\$12,897	14.34%
Excess D&O/\$5M xs \$15M	Starr Indemnity	\$8,460	Starr Indemnity	\$9,672	14.33%
Excess D&O/\$5M xs \$20M	RSUI Indemnity	\$7,000	RSUI Indemnity	\$8,057	15.10%
Total		\$328,631		\$357,506	8.78%

Motion for approval by Commissioner Conn, seconded by Commissioner Lytle.

Motion approved.

Other Business:

No other business

Public Comment:

No public comment

Closing Comment:

Chairman Jacobson closed the meeting with a few comments.

In closing, though the pandemic continues to threaten the economy and air travel industry, it's very encouraging to see our enplanements, General Aviation, and cargo were up. The new nonstop service to Houston and the return of service to Chicago were both integral to our rising enplanements. The business community has been incredibly appreciative of these services.

As the air travel industry rebounds, progress on the new parking facility is also taking shape. The first structural support beam weighing 48,000 pounds was brought onto the site a few weeks ago. The design-build team hopes to have all of the structural pieces in place by Thanksgiving. I want to thank Terry, Jack and the rest of your team for keeping this massive project on schedule and within budget.

We also look forward to hearing more ideas for the terminal expansion and other future projects. For many of you who have been to the airport lately, you've noticed progress on Shepherd Road. Those improvements are almost complete. I want to thank the City and Allen Hoshall for their partnership and timely progress on our gateway.

In closing, October marks seven months since the beginning of the pandemic. Many aspects of our lives have been majorly affected by this challenging time including air service. I want to thank each of you for your partnership and dedication to supporting the airport during this time. I also wish a speedy recovery to those currently fighting Covid-19. As we enter the holiday season, I wish you and your families continued health and safety as we navigate this pandemic together.

Commissioner Roddy made a motion for adjournment. The motion was seconded by Commissioner Conn. Motion is approved. The Board is adjourned.

Adjourn

Minutes approved by:

Mike Mallen
CMAA Secretary

Minutes approved by:

Daniel R. Jacobson
CMAA Chairman

Corporate Secretary:

April Cameron

Minutes Recorded by:

Kimberly Randle



CHATTANOOGA AIRPORT

**NO BOARD OF
COMMISSIONERS
MEETING
NOVEMBER, 2020**

**Chattanooga Metropolitan Airport Authority
Board of Commissioners Meeting Minutes
December 21, 2020**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in open meeting, and Zoom video conference, Monday, December 21, 2020 at 2:00 p.m. Chairman Jacobson, Vice Chairman Hall, Commissioners Mallen, Snow, and Roddy were present in person and video.

Chairman Jacobson verified a quorum was present and Terry Hart verified the requirements of the Sunshine Law had been met.

Minutes:

On motion of Vice Chairman Hall, seconded by Commissioner Roddy, the minutes of the October 19, 2020 meeting were approved.

President's Report:

President Hart began with the statistics for the months of October and November. Even with the Covid-19 virus, we are still showing an upward trend. Our enplanements for the month of October were 22,559 and deplanements were at 22,504. Operations for the month were down only 3% compared to October 2019, and were driven primarily by general aviation and military. Cargo is up almost 30% compared to the same period last year. The airlines are producing about 1200 seats per day, down about 43% from October 2019. All things considered October was a good month.

November enplanements were at 19,904, and deplanements at 19,483. Operations were at a positive number as compared to the same period last year, up almost 2%. For the first 11 months, enplanements are at 203,161, and operations just shy of 54,000. November was a strong month as well. The slight downward trend in November were the warnings from the CDC to not travel during the holiday season. Passengers took that into consideration. Bookings for Christmas seem to be up as of now, but we will see what happens with that.

Continuing, the parking garage construction project is ongoing. The first piece was put in place on October 7th and the last piece went in on December 10th. There were 43 working days to erect the 530 pieces of this garage structure. The next phase is the pouring of the concrete. The concrete schedule takes them through early March and still on schedule with completion in July.

The Hangar 20 project began in mid-March and finished in mid-November. This included hangar and office space. This eight month project was on schedule and was within budget. We are very pleased with the project and Wilson Construction and look forward to filling the hangar.

Next, Allen & Hoshall has partnered with DH&W for work on the terminal expansion with design work to be completed by summer. The highlights of the expansion include increased space at the security checkpoint, two additional gates, more concession space, more restrooms, and more room in general post security for our customers.

Another complete project is Shepherd Road. We worked with Allen & Hoshall to design the project with funding and construction from the City of Chattanooga. The final element was the planting of trees, and that piece is also complete.

For the 8th year in a row, we have partnered with the Shepherd community group. Our tenants and employees donated gifts for the children in the Shepherd community. Even with the pandemic, people were very gracious and we collected and delivered over 50 gifts for the community center.

An additional completed project was to prepare for winter operations. Back in early October, we had a meeting with all the tenants and the FAA to review our plans for winter. Alex Nutt and our operations team are ready to perform when and if the winter weather comes in. On November 12th, our team had all the equipment ready and was practiced and performed as planned.

Because of COVID, our airline seat count is down across the board from 2019. May is down 73%, 75% down in June. July was down from last year 60%, August 47%, and September and October 53% and 43% respectively. November is down 39% from last year, and December is in line to November based on the numbers we have coming in. This was the downward trend on the commercial side, but appreciate the commitment from the airline partners. We hope to see these numbers continue to improve over the coming months. General Aviation compared to the last two months, we have only been down 10% over last year. West Star aviation has been busy and the facilities are full. The future growth is strong here at the Chattanooga Airport.

Board Action Items:

Access Control Maintenance Contract

The Chattanooga Airport has a TSA approved access control system that consists of many components such as servers, cameras and door access systems. A three-year contract with Convergint Technologies to maintain the airport's access control system will expire December 31, 2020. A maintenance contract is required to have prompt maintenance in the event that a malfunction should occur and covers maintenance support for all security and camera hardware and software. To maintain the system, Convergint has quoted another three-year contract in the following annual amounts.

Year One - \$142,036.08

Year Two - \$142,036.08

Year Three - \$150,896.84

The contract includes:

- Planned maintenance of the system
- Remote support
- All parts, material, and labor
- Extended warranty of components with 24-hour emergency service
- Software upgrades

Convergint has maintained the system since it was originally installed in 2007 and this contract was included in the approved operating budget.

Board Action:

CMAA requests Board approval to enter into a contract with Convergint Technologies to maintain the access control system for a three-year term.

Motion for approval by Commissioner Snow, seconded by Vice Chairman Hall.

Motion approved.

Perimeter Security Upgrade

CMAA continually works with our security consultant, Convergint, to evaluate our security system and determine areas that need to be updated or upgraded to ensure that our system remains compliant with federal security standards. After a review of the system, Convergint and our staff determined that required upgrades were necessary to the perimeter security from Hangar 18 to Hangar 21 and included the following.

- Provide and install custom Access Control System panels to support the addition of seventeen Access Control System doors
- Provide and install all cabling, components, and door hardware to integrate
 - seven Access Control System strike doors
 - one Access Control System slider door
 - four Access Control System maglock doors
 - five Access Control System monitor only doors
- Provide and install five Avigilon cameras

The total cost of these upgrades is \$114,476.00 and was included and approved in the FY 2021 Capital Budget.

Board Action:

CMAA requests board approval of the security upgrades outlined above in the amount of \$114,476.00.

Motion for approval by Commissioner Mallen, seconded by Commissioner Roddy.

Motion approved.

Acquire Revenue Control Parking Equipment

In July 2021, CMAA will open the new parking garage for use by the traveling public. In order to accommodate those passengers parking in the garage, CMAA will need to acquire an additional pay on foot machine to allow passengers the ability to pay prior to exiting the garage. The machine will be identical to the two currently located in the terminal building and will be located on the lowest level of the garage next to the elevators to ensure convenience for the customer. Amano McGann, our parking equipment supplier, has provided a quote for the pay on foot machine, including freight, in the amount of \$33,300.00. In addition, Amano McGann provided a quote to re-install existing equipment to make the new parking garage fully functional. This work includes:

- Relocating parking equipment to (3) new entrances that will have ticket dispensers, gate arms, and hangtag readers
- Relocating the current short-term exit equipment to the main plaza
- Relocating 3 gate arms to the entrance of the rental car area

The cost for the additional work is \$3,720.00.

The total cost for the new equipment and the additional work is quoted at \$37,020.00 and was included in the approved FY 2021 Capital Budget.

Board Action:

CMAA requests approval of an agreement with Amano McGann to acquire a new pay on foot machine and relocate current parking equipment to the new garage in the total amount of \$37,020.00.

**Motion for approval by Commissioner Roddy, seconded by Commissioner Snow.
Motion approved.**

Revenue Control Parking Equipment Maintenance Contract

In January 2015, CMAA acquired new revenue control equipment for each parking lot at the Chattanooga Airport. We also purchased an extended maintenance contract to guarantee the equipment was serviced and maintained as required. The maintenance contract expires on February 28, 2021. A quote was solicited and provided by Amano McGann for a three-year maintenance contract in the amount of the \$31,800.00 per year. This represents an increase of less than 1% from our current contract amount and remains the same for three years. The contract includes:

- Software Upgrades and Updates
- Online and Remote Telephone Technical Support
- Priority Status for Service and Support
- Business Alerts and Notifications

- Online System Check-up
- Training Services
- Replacement Parts and Labor
- Regularly Scheduled Preventative Maintenance
- Access to e-Learning

This contract was included in the approved operating budget.

Board Action:

Based on the services included and our past experience with Amano McGann, CMAA is requesting a three-year contract with Amano McGann in the amount of \$31,800.00 per year.

**Motion for approval by Commissioner Roddy, seconded by Vice Chairman Hall.
Motion approved.**

Other Business:

No other business

Public Comment:

No public comment

Closing Comment:

Chairman Jacobson ended the meeting with a few comments. He was encouraged with the increase in October enplanements and the General Aviation business remaining very strong. He is optimistic of the rebound of airline traffic. The design and build team have made tremendous progress with the new parking deck. Thanks to Terry, Jack and the design and build team for keeping this massive project on schedule and within budget.

Thanks to the City of Chattanooga, Allen & Hoshall and the contractor, Integrated Properties, LLC for their partnership on the completion of the Shepherd Road project. It is the gateway to our airport.

In closing, 2020 has had a tremendous impact on all of our lives. He thanked the airport team, and his fellow board members, airline partners, civic leaders, and elected officials for their service and commitment. Continued health and safety to everyone as we celebrate this holiday season and look forward to a safe and prosperous 2021.

Commissioner Mallen made a motion for adjournment. The motion was seconded by Commissioner Roddy. Motion is approved. The Board is adjourned.

Adjourn

Minutes approved by:

Mike Mallen
CMAA Secretary

Minutes approved by:

Daniel R. Jacobson
CMAA Chairman

Corporate Secretary:

April Cameron

Minutes Recorded by:

Kimberly Randle