

**Chattanooga Metropolitan Airport Authority**  
**Board of Commissioners Meeting Minutes**  
**February 5, 2024**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in an open meeting, Monday, February 5, 2024 at 2:00 p.m. Chairman Hall, Commissioners Baker, LittleJohn, Snow, Stokes and Sugden were present.

Tena Keith verified that a quorum was present and the requirements of the Sunshine Law had been met.

**Minutes:**

On motion of Commissioner LittleJohn, seconded by Commissioner Stokes, the minutes of the December 18, 2023 meeting were approved.

**President's Report:**

President Cameron began by wishing the board a Happy New Year and thanking them for their time to attend the meeting. With a great deal of information to cover, she began her report, by going over the statistics for December.

**Statistics**

Enplanements for December were 39,310 which resulted in ending 2023 strong, and with a total of 487,829 enplanements. This is 13% over 2022 and only 13.5% below our record year of 2019. Total deplanements for December were 38,605, to finish the year of 2023 with 484,406, up 13% over 2022 and only 13.5% below 2019. Landed weights were up 12% over last year and Operations were up 2%.

In December, load factors averaged 88% for all carriers which continues to send a strong message to the air carriers about our seat capacity.

**Seat Capacity**

Ms. Cameron continued with a review of CHA's seat capacity. She compared 2019, 2023 and the planned 2024 through June. This comparison reflects that we are expecting to surpass the number of seats in the market in 2019 in May and June, which is a great sign for our market.

The factors contributing to the additional capacity include more seats from Delta, Allegiant beginning new service to Las Vegas in May, and American bringing back its seasonal flight to Miami in June. We continue to be very optimistic that our seat capacity will continue to increase throughout 2024.

**West Side General Aviation Development**

This project has officially shutdown for the winter. This site is being prepared to house two additional 20,000 sq ft hangars which are currently being designed. At this point, all primary dirt work has been completed; all storm drainage is complete, minus a dual culvert system on the west edge of the project. When work picks back up in the spring, base layer material will be laid in preparation for paving, electrical infrastructure will be laid out and set, and paving will begin.

### **T Hangar Development Project**

The new T Hangar Development and Taxiway A South Design continues and is expected to be complete in the spring.

### **Terminal Expansion Project**

The terminal expansion project punch list is underway. Jet bridge installation will be complete next week and furniture will be delivered the following week. The date for the grand opening is set for March 2, 2024. Invitations to the event have been sent and Ms. Cameron asked the board to let her know if anyone had not received their invitation.

Cameron invited any questions or comments from the Board regarding projects. There was a question on the new gates, and it was confirmed that Delta will be occupying gates seven and eight. A second question asked, was how does Ms. Cameron believe Allegiant defines success and she responded, that to Allegiant the load factors are so important.

### **Leakage Study**

Ms. Cameron introduced Mike Lum with Volaire, who presented the results of the leakage study. Mr. Lum greeted all Commissioners and management and began by highlighting the results of the leakage study, using traffic and revenue data from the Department of Transportation, for the time period of first quarter of 2021 through second quarter of 2023. Mr. Lum defined leakage as the amount of traffic we captured in our catchment area (177 zip codes in the region around Chattanooga), that go to airports other than our primary airport. The Chattanooga Airport retains about 58% of the traffic from Hamilton County, and for zip codes associated with the city of Chattanooga the capture is about 61%. The areas farther away from the primary airport area result in lower percentages. Overall the leakage study shows that Chattanooga Metropolitan Airport captures 38.9% of the total catchment area, as compared to the last leakage study which used year end fourth quarter 2019 information which reflected a capture rate of 44.9%. This current study reflects that Atlanta captured 32% of our traffic, Nashville 23%, while Knoxville, Huntsville, and Birmingham all captured less than 5%. Since the last study, Nashville's leakage came way up primarily due to their gaining of so much air service in the last four years. After COVID, airlines flocked to the big leisure destinations, and Nashville is considered to be a destination city.

There was data presented on the number of passengers captured domestically and internationally. Large hub airports with a lot of international service are able to pull traffic out of a capture area simply because they have so much international service and people are willing to drive to those locations for that reason. Nashville captured more domestic traffic than Atlanta.

Mr. Lum discussed average airfares. Domestically the average airfares from Chattanooga were \$252, when they leak to Atlanta \$195, and when they leak to Nashville \$178. Chattanooga leaks 79% of traffic to Las Vegas, 72% to New York, 71% to South Florida market, 43% to Orlando, 44% to Dallas Ft. Worth, 40% to Chicago, and 30% Tampa and St. Petersburg. Where Chattanooga Airport has direct flights, the leakage is significantly less. Gaining the Allegiant flight to Las Vegas should help decrease this leakage percentage.

In summary, what is causing the majority of leakage to Nashville and Atlanta is the availability of non-stop flights and lower fares.

Mr. Lum opened the floor up for questions throughout his presentation. The question that ended the presentation was asked by Chairman Hall. The question was: having done this study three times what is its purpose, why is it useful, what kind of tool does this provide for the board and management? Mr. Lum's responded that when meeting with airlines it shows that the size of the Chattanooga market is 4,000 passengers per day not 1,200. This study will be instrumental in recruiting new air service. A question to Mr. Lum was, what was his conclusion/recommendation from this study? Mr. Lum's response was that there would be discussions with airlines about non-stop flights to some of the locations on the top ten list such as Los Angeles, Denver and Miami. Mr. Lum says he can see us getting to 14-15 non-stop flights within the next four years, as compared to the eleven Chattanooga will have this summer.

Chairman Hall asked how Mr. Lum would describe the Chattanooga Metropolitan Airport, and he responded by saying that he felt the airport has pretty good air service and is primarily a business market rather than a leisure one. Mr. Lum suggested to do as much marketing in the core catchment area as is economically possible. Chairman Hall asked how the future looked for growth at the Chattanooga Airport and Mr. Lum stated that the Chattanooga population is growing and a lot of economic development projects are bringing people into Chattanooga. He feels that as airlines become more profitable in Chattanooga, they will add more service. Mr. Lum said the most effective way to market currently, is internet-based advertising, he also feels that billboards are somewhat effective.

The board asked for a copy of the complete report, as they wanted to review in depth, and thanked Mr. Lum for this study and the help it will provide as the airport moves forward.

After some more catchment area questions by the Board, Mr. Lum clarified how the initial catchment area was defined and why the catchment area definition remains consistent. The Board questioned if costs are taken into consideration when defining the cost to the passenger of using the Chattanooga airport verses another airport. Mr. Lum reflected that some airports use cost calculators to help determine the true cost of using another airport.

Mr. Lum covered the broad differences in the type of travel that led to the growth in Asheville, NC, Knoxville and Nashville. Also, the general competitiveness of the airlines at these airports were also covered. The Board also discussed the differences in the study between the flights the airport ran during the study period and the flights we currently have. Discussions also circled around the quantification of business and leisure passengers at the airport and the industry in general.

The Board, Management, and Mr. Lum discussed how the conclusions of the Leakage study are informing the airport on the next steps to achieve new air service.

Mr. Cameron wrapped it by saying that this information is very important for us to determine how to go out and try to recruit new air services, but also how to market to this community to get them to use the services we already have.

**Board Action Items:**

**Acquire Air Compressor and Cascade System**

When responding to the various potential scenes, firefighters frequently enter smoke-filled structures, vehicles, or environments that are dangerous to their lives and health. This is why breathing apparatuses are required for all fire fighters when arriving at an emergency scene. These self-contained air bottles must be re-filled after each use to a high pressure (4500 PSI).

CMAA currently does not have an air compressor and cascade system. At present, we have to notify the Chattanooga Fire Department or Hamilton County Fire Training and request that they bring out an air trailer. Or, CMAA will take empty bottles back to their maintenance facility to re-fill. This can cause equipment downtime and unusable resources during an emergency. Most fire departments have this sort of equipment on site.

CMAA received three quotes for this equipment:

<b>Proposer</b>	<b>Cost</b>
Breathing Air Systems	\$47,057.36
Safe Industries	\$53,600.00
TN Fire Equipment	\$49,371.84

After reviewing these quotes, CMAA is recommending the purchase of Air Compressor and Cascade System through Breathing Air Systems.

This project was approved and will be funded through PFC Application No. 8.

**Board Action:** CMAA is requesting the purchase of Air Compressors and Cascade System through Breathing Air Systems in the amount of \$47,057.36.

Motion for approval was made by Commissioner Baker, seconded by Commissioner Stokes. Motion approved.

**Terrazzo and Carpet Cleaning Contract**

Back in 2020 when the airport was forced to reduce a number of services due to events at the time, carpet cleaning was one of those services. Since then, we have gone through a number of contractors to bring this service back up to the levels expected in 2019 and before. Bringing the airport back up to par with carpet restoration – combined with the addition of new carpet and terrazzo in the expansion, required us to find a top-notch cleaning company. Of note, this cleaning is separate from our custodial contract, which at present we are very happy with.

CMAA solicited a number of cleaning companies both in Chattanooga and the surrounding areas to find a replacement.

Proposer	Cost
DPM Surface Care	\$81,666.11
Xtreme Clean	\$122,964.00
Xtrax	\$115,337.98

CMAA requests approval of a contract with DPM Surface Care to complete the continuous deep cleaning of all terrazzo and carpet in the airport. The annual cost for this work is \$81,666.11 and is included in the airport's operating budget.

**Board Action:** CMAA requests Board approval to enter into a contract with DPM Surface Care for Cleaning Services for a term of three years in the amount of \$81,666.11 annually.

Motion for approval was made by Commissioner Snow, seconded by Commissioner Sugden. Motion approved.

### **Access Control Maintenance Contract**

Convergent Technologies, our security service consultant, is currently responsible for maintaining our access control system and just last year replaced our aging system with the more modern Genetec Synergis Access Control System. This new system was fully integrated to create an environment to protect the Airport's critical assets in support of the Airport Security Program, as well as maintaining compliance with DHS, TSA, and FAA rules and regulations.

Physical security, for the purpose of this contract, means controlling physical access so that only specifically authorized individuals may enter those parts of the airport property that are not public spaces. This is accomplished in part through the use of a Physical Access Control System. Critical aspects of providing security are:

1. Controlling access at all points of entry between public, sterile, SIDA, and AOA spaces.
2. Creating and maintaining information on all persons given access to sterile and SIDA spaces.
3. Creating and printing identification badges.
4. Monitoring and recording alarms, both via text-based and videos-based records.
5. Generating reports as required by local, state, and federal authorities.

Services that will be required for the Access Control System will include software installation, systems integration, troubleshooting, and configuration.

Because of our recent Genetec access control upgrade with Convergent Technologies, CMAA requests approval of a contract with Convergent Technologies to complete the continuous maintenance of the Genetec security system in the airport. The annual cost for this work is \$30,720.

The contract amount was included in our approved operating budget.

**Board Action:** CMAA requests Board approval to enter into a contract with Convergent Technologies for maintenance of our security access control for a term of three years in the amount of \$30,720 annually.

Motion for approval was made by Commissioner LittleJohn, seconded by Commissioner Stokes. Motion approved.

### **Video Monitoring System Maintenance Contract**

Currently, our video monitoring system is managed under our access control system and maintained by Convergent Technologies. At present, our server is at capacity to manage both a video monitoring and access control system. In the coming months, CMAA will be upgrading our server to separately manage our access control and video monitoring. As a result of this, CMAA felt that splitting the maintenance contract up into two parts would be best from both a cost and efficiency standpoint.

CMAA solicited a number of video monitoring companies both in Chattanooga and the surrounding areas to find a replacement. This contract will be for a minimum number of hours each month, with additional charges incurred at an hourly rate.

<b>Proposer</b>	<b>Cost</b>	<b>Hours Rate</b>
Convergent Technologies	\$32,640.00	\$150
Integrated Networking Technologies	\$7,758.00	\$75
Southwestern Communications	\$12,000.00	\$125

CMAA requests approval of a contract with Integrated Networking Technologies to complete the routine maintenance on our video monitoring system. As a local company, we feel that both their proximity to the airport and their lower cost of operation is to CMAA's best interest.

The contract amount was included in our operating budget.

**Board Action:** CMAA requests Board approval to enter into a contract with Integrated Networking Technologies for monitoring and maintenance services for a term of three years in the amount of \$7,758 annually.

Motion for approval was made by Commissioner Stokes, seconded by Commissioner Sugden. 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 current maintenance contract expires on February 28, 2024. A quote was solicited and provided by Amano McGann for a one-year

maintenance contract in the amount of the \$34,158, with (two) one year renewal options. 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
- Hosted Cloud Solution

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 one-year maintenance contract in the amount of the \$34,158, with (two) one year renewal options.

Motion for approval was made by Commissioner Stokes, seconded by Commissioner Sugden.  
Motion approved.

#### **Other Business:**

#### **Committee Appointments**

The Chairman appointed the following for the coming year:

Marketing Committee - Commissioners Baker, Littlejohn, and Sankar

Personnel Committee – Commissioners Conn, Snow, and Sugden

Finance Committee – Chairman Hall, Vice Chairman Jacobson, Commissioner Stokes

Planning Committee – Chairman Hall, Vice Chairman Jacobson, Commissioner Snow

Chairman Hall informed the Board that the budget is currently being assembled by Management. He asked Management to keep all Board members informed on the budget.

**Public Comment:** None

**Meeting was adjourned.**

Minutes approved by:

Harriette Stokes  
CMAA Secretary

Corporate Secretary:

Tena Keith

Minutes approved by:

James E. Hall  
CMAA Chairman

Minutes Recorded by:

Tena Keith