

**Chattanooga Metropolitan Airport Authority
Board of Commissioners Meeting Minutes
January 25, 2016**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in open meeting Monday, January 25, 2016 at 2:00 p.m. Chairman Jacobson, Commissioners Barnett, Conn, Lytle, and Mallen 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 Lytle, seconded by Commissioner Conn, the minutes of the December 7, 2015 meeting were approved.

President's Report

President Hart addressed the Board and thanked them for their attendance.

He began by updating the Board on various projects around the airfield. First, on the west side, the new hangar construction continues. The concrete has been poured for the slab, and the steel is beginning to be erected. That project is anticipated to be completed towards the end of April. Next, the first phase of the project replacing pavement along the east ramp is complete. Lastly, the canopy project in the short term and long term parking lots is complete. In addition to the canopies, about 100 short term and 200 long term parking spaces were added.

Next, President Hart took a moment to commend all airport operating departments for no recordable employee injuries for the third time in five years.

He continued by giving a brief update on West Star Aviation. Work is underway at West Star's hangar. Some changes are being completed including: painting the facility, improving the ramp, and modifying the interior. They have begun moving deliveries and operations from Columbia, SC to Chattanooga. The first aircraft is scheduled to arrive February 1.

President Hart updated the Board on current and future air service. CMAA is continuing discussions with carriers about adding service. Blake Poole had a recent meeting with Delta. Additionally, CMAA has spoken with American. According to the American planners, two or three larger aircraft should soon be brought in for their Charlotte service. President Hart said there will be further dialogue with Allegiant at an upcoming conference in April. In previous conversations, Allegiant has expressed their happiness with their current Orlando and St. Petersburg operations. CMAA has reengaged with United and has invited them to visit Chattanooga.

Finally, President Hart ended his report with an update on operational statistics for 2015. At the end of December, enplanement totals were 392,139 surpassing the record set last year. Total enplanements for 2015 increased 11.25% over last year.

Commissioner Barnett asked if CMAA has had any dialogue with Frontier Airlines, Spirit Airlines or JetBlue regarding service. President Hart says he has reached out to all three airlines to speak with them, but they have not accepted his invitation. He said all three airlines tend to target larger markets than Chattanooga. However, he said he will continue to reach out to them.

Board Action

Bylaws Modification

President Hart introduced Yousef Hamadeh of Chambliss, Bahner & Stophel to the Board to present the resolution.

CMAA RESOLUTION NUMBER 76

WHEREAS the Chattanooga Metropolitan Airport Authority ("CMAA") is a metropolitan airport authority created under the authority of the Tennessee Metropolitan Airport Authority Act, T.C.A. § 42-4-101, et seq., and

WHEREAS the Board of Commissioners of CMAA ("Board") is expressly granted the authority to operate, have control of, and to manage CMAA (T.C.A. §§ 42-4-105, 42-4-107), and

WHEREAS the Board operates pursuant to Bylaws originally adopted in 1985, and subsequently amended a number of times, and

WHEREAS after a thorough review, staff, along with legal counsel, recommends that the Bylaws be amended, as follows:

100.05 - Committees. Specified committees will be updated to include:

- Finance and Insurance Committee
- Marketing Committee
- Personnel and Legal Committee

100.06 – Meetings. (A) Special meetings have been updated to allow for notification to Board members via electronic (email) means.

(B) Tennessee state law has changed which requires a modification to the requirements of a quorum. In the past, the requirements of a quorum would be satisfied if the required number of Board members were present physically or by phone at the beginning of the Board meeting. The new law requires that a physical quorum of Board members must be present at the location specified in the notice of the meeting.

100.07 – Records and Minutes. This section is modified to state that the official minutes will be prepared by staff and approved by the Secretary and also that the minutes will be made available on the website.

100.08 – Officers. This section is updated to require that the annual audit report will be submitted to the Board within 180 days following the close of each fiscal year.

200.01 – Personnel Administration. The Bylaws currently state that temporary employments may not exceed six months without Board approval. This has been changed to allow the President the ability to approve temporary work assignments.

200.02 – Purchasing. Purchasing requirements for any single items, contracts for services, and purchase contracts having an aggregate or annual cost has been increased to \$15,000.

Three bids are required for any purchase in excess of \$10,000 and allow for solicitation via electronic methods.

200.03 – Budgets and Fiscal Affairs. This section is updated to require the annual audit report be submitted to the Board within 180 days following the close of each fiscal year and requires that an Annual Capital Plan be prepared annually.

200.04 – Contracts, Leases, and Agreements. The current Bylaws require that all leases receive Board approval. The new Bylaws state, “Any lease for a term of more than one year not otherwise included in the approved Operating Budget requires Board approval. All other leases may be authorized by the President with concurrence by the Chairman.” Therefore, only leases longer than one year that were not included in the annual budget process require Board approval.

Attached to this Resolution as Exhibit 1 is a black-lined copy of the current Bylaws, indicating all proposed changes. Attached to this Resolution as Exhibit 2 is a copy of the proposed amended Bylaws.

RESOLVED by this Board of Commissioners of January 25, 2016.

Chairman

Attest:

Vice-Chairman

CMAA Legal Counsel

Commissioner Conn asked if there were any changes Mr. Hamadeh would characterize as substantial. Mr. Hamadeh said the most substantial change was to section 100.06 where the quorum requirements were changed to meet the new state law. Previously, a quorum could be met if the required number of commissioners were present physically or by phone. The new law states that a physical quorum must be present.

Board Action: CMAA requests Board approval of Resolution 76.

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

Runway Surface Condition Sensor (RSCS) Replacement

Maurice Songy addressed the Board. During the winter season, it is vital for an airport to have runway surface and atmospheric condition information available. With this information, our maintenance team can accurately plan when to begin snow removal and/or surface deicing operations. These sensors and instruments known as Runway Surface Condition Sensors (RSCS) include pavement and air temperature sensors, precipitation sensors, wind sensors, and other related instruments. The existing RSCS system was installed in 1990 and after numerous updates has reached its useful life. The manufacturer of the existing system, Vaisala, Inc., quoted a price of \$49,758.78 to replace and upgrade the system.

The scope of this project includes:

1. Purchase and installation of Field Processing Unit
2. Purchase and installation of Surface, Sub-surface, and Atmospheric Sensors
3. Onsite Training
4. System hosting for a period of three years

During the recent Passenger Facility Charge (PFC) application process, the FAA approved funding of \$38,685.55 for this project. CMAA will be responsible for the remaining cost of \$11,073.23. Once approved, the project will be completed within ninety days.

Commissioner Mallen asked if these sensors are used by meteorologists to determine weather conditions at the airport. Mr. Songy said no, the National Weather Service uses a different system. CMAA has direct access to the RSCS system and receives information regarding the surface temperature rather than the air temperature. Commissioner Barnett asked if this was put out to bid. Mr. Songy said he had researched, but Vaisala, Inc. was the only vendor who had every component available.

Board Action: CMAA requests Board approval to purchase a Runway Surface Condition Sensor (RSCS) system from Vaisala, Inc. for a total cost of \$49,758.78.

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

Snow Removal Equipment Purchase

Mr. Songy continued, during the recent Passenger Facility Charge (PFC) application process, CMAA requested and received FAA approval to purchase certain pieces of equipment to support the snow removal activities on our runways, taxiways, aprons, and land side areas. This equipment included a 4 wheel drive tractor with snow plow attachment, a self-propelled broom sweeper, and a skid-steer loader with bucket and snow plow attachments. Requests for Bids (RFB's) were solicited for each individual piece of equipment including attachments and numerous bids were received.

The scope of the purchases and lowest responsive bidders were:

One Skid Steer Loader with attachments from Chattanooga Tractor and Equipment- \$40,000
One 4 Wheel Drive Tractor with attachments from Chattanooga Tractor and Equipment- \$44,500
One Self-Propelled Broom Sweeper from Mid-South Equipment- \$46,400

As indicated above, the equipment purchase will be 100% funded through FAA approved Passenger Facility Charges (PFC's).

Commissioner Mallen asked if this was a budgeted item. April Cameron said it was not a specific line item, but it was a planned project once the PFC was approved. CMAA received PFC approval in August.

Board Action: CMAA requests Board approval to purchase a skid steer loader with attachments and a 4 wheel drive tractor with attachments from Chattanooga Tractor and Equipment for a total cost of \$84,500, and a self-propelled broom sweeper from Mid-South Equipment for \$46,400.

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

Other Business

Commissioner Barnett asked if the February Board Meeting would be changed to not fall on President's Day.

Commissioner Mallen said he has had four separate conversations with customers over the last month regarding long wait times at the baggage claim. He asked if there was a way to monitor the time it takes for baggage to reach the carousels. President Hart said he knows Delta scans each bag as it is taken off the aircraft, and they should have data available which he will gather and present to the Board.

Public Comment

None

Closing Comment

Chairman Jacobson began by thanking everyone in attendance. He thanked President Hart and the airport team for another record breaking year. He congratulated the airport staff for another year with zero recordable injuries. In closing, he shared a quote from Albert Einstein.

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

Adjourn

Minutes approved by:

Minutes approved by:

Mike Mallen
CMAA Secretary

Daniel R. Jacobson
CMAA Chairman

Corporate Secretary:

Minutes Recorded by:

April Cameron

Erin Riley

**Chattanooga Metropolitan Airport Authority
Board of Commissioners Meeting Minutes
March 21, 2016**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in open meeting Monday, March 21, 2016 at 9:00 a.m. Chairman Jacobson, Vice Chairman Hall, Commissioners Barnett, Conn, Mitchell, Snow and Lytle 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 Mitchell, seconded by Commissioner Snow, the minutes of the January 25, 2016 meeting were approved.

President's Report

President Hart addressed the Board and thanked them for their attendance.

He began by updating the Board on the monthly statistics for January and February. Enplanements in January increased 4% over the same period in 2015. Similarly, deplanements, cargo and landing weights were up. However, operations were down in January. In February, enplanements saw a nearly 9% increase over February 2015 with all the carriers showing positive increases. In the first two months, Delta has increased 5%, American 3.5%, and Allegiant 30%. President Hart said the increase in Allegiant's numbers is due to more scheduled flights in January and February as well as added charter flights. Operations saw a 23% increase in February over the previous year. Year to date, cargo is up 8% over last year.

Next, President Hart updated the Board on air service and equipment changes. Delta has continued with mainline aircraft out of Chattanooga. Currently, Delta is operating two mainline aircraft a day, but that will increase to three as the Airport gets busier. Recently Blake Poole spoke with Delta regarding Detroit. Delta has been watching the Detroit market, and they may introduce a larger regional jet to service that market. In addition, American has added two larger regional jets to Charlotte. President Hart recently spoke to an American planner who said they would possibly operate a larger 75 seat, two class regional jet to Dallas in the summer.

President Hart plans on attending a number of upcoming conferences in order to speak with airlines and share Chattanooga's story. Allegiant will hold its annual conference in April which CMAA will be attending to further discussions. President Hart said he would focus on the Airport's ability to attract customers from the Atlanta area. Also, ACI North America is having their annual Jump Start conference in June. CMAA has requested meetings with United, Delta, American, Southwest, JetBlue, Spirit, and Frontier. Finally, CMAA is going to file a grant request with the Department of Transportation for a Small Community Air Service Development Grant. This grant will be used to help stimulate air service to the New York market.

President Hart continued by updating the Board on projects around the airfield. First, on the west side, the new hangar construction continues. That facility is anticipated to be completed

around early May. Next, President Hart presented the Board with an overview of the east side ramp project. The first phase has been completed, and CMAA plans to bring forward the request for phase two at the next Board Meeting provided the funding is received.

President Hart reported the data Commissioner Mallen requested regarding baggage delivery to the claim devices. President Hart examined the data of 50 Delta flights spread out over various dates in February and March. Only one flight was not scanned within Delta's guaranteed 20 minute window, but it was delivered within 24 minutes. He said he will continue to look at the airlines' baggage delivering data and report back to the Board. Commissioner Barnett asked what the consequence is for not delivery baggage within the 20 minute guarantee. President Hart said Delta will usually go back to the customers and give them airline miles. Commissioner Conn said he believes the problem is more with American than Delta. He said he recently flew American, and the airline serviced the outbound flight before bringing bags in. President Hart said the regional manager for Envoy was recently in Chattanooga, and he did discuss the baggage issue with her. Commissioner Barnett suggested adding TVs to the baggage claim to make the wait seem shorter for passengers. Vice Chairman Hall said the seating in the baggage claim is not adequate.

Next, the Airport will introduce Parkmobile on April 1. This amenity will allow customers to manage their own parking. Customers can download the Parkmobile app, create an account with payment information, and use their phones to scan in and out of the parking lots. President Hart said this new feature should be very helpful for frequent flyers and younger travelers.

President Hart gave a brief update on West Star Aviation. The improvements needed to the facility have been completed. The FAA has finished the necessary inspections, and West Star has successfully moved their operating certificate from Columbia, SC to Chattanooga. They have a staff of approximately 30, and have already started to bring in aircraft. They plan on having an event once they have everything in place, and President Hart said he would keep the Board updated.

Finally, CMAA has brought the Aquarium to the airport. The Airport has partnered with EPB and the Aquarium to show a live stream of the alligator exhibit in the airport. The live stream is being shown on a large flat screen monitor in the dome. There will be signage added around the monitor to tell the story. In addition, there will be an unveiling event on March 29.

Board Action

Parking Lot Exit Canopy Rehabilitation

John Naylor addressed the Board. Over the last several months, the airport has installed new pedestrian walkways and covered canopies throughout the parking lots to enhance the customer experience. Now that the work is complete, CMAA will move forward rehabilitating the short term and long term exit plaza canopy which is in desperate need of rehabilitation. The project includes:

- Demo existing canopy structure
- Install new canopy sheeting

- Install new lighting
- Install new roof to match covered walkways
- Remove debris

All work will be performed with no impact to passenger traffic flow. CMAA received a quote from Danny Pack Construction, Inc. to rehab the exit plaza in the amount of \$33,500.00. The project will be funded 100% through the PFC program.

Commissioner Mitchell asked if Danny Pack Construction, Inc. did the work on the other canopies. Mr. Naylor said no, Danny Pack Construction, Inc. has done other work on the airport, but they were not involved with the other canopies. Danny Pack Construction, Inc. submitted the lower bid. The new exit canopy will be consistent with the other new canopies in the parking lots. Chairman Jacobson asked about the anticipated timeframe for the project. Mr. Naylor said the project is expected to take three weeks to complete.

Commissioner Conn requested that the number of bids received be included in the Board Actions in the future.

Board Action: CMAA requests approval of a contract with Danny Pack Construction, Inc. to rehabilitate the parking lot exit plaza in the amount of \$33,500.00.

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

ARFF Vehicle Replacement

Maurice Songy addressed the Board. The Federal Aviation Administration requires that the Chattanooga Airport follow the guidelines of Federal Aviation Regulation (FAR) Part 139, The Certification of Airports. FAR Part 139 assigns airports an Airport Rescue and Firefighting Index, or ARFF Index, according to the longest air carrier aircraft with 5 daily departures. The Chattanooga Airport's Index, an Index "B", requires an ARFF vehicle capable of carrying at least 1,500 gallons of water with the commensurate quantity of firefighting foam and 500 lbs. of a dry chemical firefighting agent. This vehicle must be operational during air carrier operations.

CMAA currently operates a 1999 Oshkosh Airport Rescue and Firefighting vehicle. The vehicle has reached the end of its useful life and is slated for replacement. Escalating maintenance costs and the unavailability of parts have led CMAA to request replacement of the truck by the Federal Aviation Administration.

The scope of this project includes the purchase of one Airport Rescue and Firefighting vehicle.

Bids were solicited and two bids were received. After reviewing the bids, Oshkosh Airport Products, LLC was the only qualified responsive bidder with a bid of \$767,079. The total cost of the project is \$767,079 with Passenger Facility Charges (PFC) providing 100% funding of the vehicle. This item is included in CMAA's 2016-2017 capital budget.

Vice Chairman Hall asked what the disposition of the current vehicle is. Mr. Songy said CMAA will advertise the vehicle and accept bids for it. Commissioner Conn asked who receives the surplus funds from selling the old vehicle. Mr. Songy said the funds for selling the vehicle will go into CMAA's operating budget.

Board Action: CMAA requests Board approval to purchase one 2016 Oshkosh Airport Rescue and Firefighting vehicle from Oshkosh Airport Products, LLC at a total cost of \$767,079.

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

Hangar 7 Security Contract

President Hart addressed the Board. In order for Hangar 7 to function effectively for its business purposes, West Star Aviation requires that changes be made to the airport's security system currently installed at and around their facilities. Given that CMAA owns and maintains the security system at the airport, CMAA will fund the cost of the necessary alterations and will invoice the entire expense to West Star for reimbursement. As a result, CMAA solicited a quote from SDI to make the required modifications. The scope of work includes the following additions at Hangar 7.

- Provide and install a card access panel in the building to support security network.
- Provide and install access control on three (3) interior doors, five (5) exterior doors, and one (1) rollup freight door.
- Provide and install three (3) interior fixed IP cameras for the Video Management System.
- Provide necessary cabling and programming for all devices.

SDI will provide a one-year warranty on all materials and labor for the work performed. The total fee for the project is \$43,881.39 which will be paid by CMAA and reimbursed by West Star Aviation.

Commissioner Barnett asked who determines security procedures. President Hart said TSA has to approve the Airport's security plan.

Board Action: CMAA requests approval of an agreement with SDI to modify the security system located at Hangar 7 in the amount of \$43,881.39. The total amount will be reimbursed by West Star Aviation.

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

Wilson Air Center 2nd Amendment

President Hart continued. The initial term of CMAA's General Aviation Facilities Management Agreement with Wilson Air Center is set to expire on June 30, 2016. Over the past five years, Wilson Air Center has been a great partner to the Airport and CMAA is very pleased with the level of service they have provided since their opening in 2011. The Airport's entire general

aviation community has enjoyed the award winning service they deliver and which CMAA has come to expect. As a result of their service, CMAA would like to exercise the 5 year option specified in the agreement as well as amend the agreement to include two additional items.

The two changes include:

- A second 5-year renewal term upon the same terms and conditions; and
- A Service Incentive Fee of 0.5% of the Operating Surplus to promote superior customer service.

President Hart introduced Mr. Wilson and Dave Ivey of Wilson Air Center to the Board. Mr. Wilson addressed the Board, and expressed his happiness with the partnership between CMAA and Wilson Air Center. Vice Chairman Hall praised Wilson Air Center for the quality service they provide to the general aviation community in Chattanooga. Commissioner Mitchell also commended Wilson for their service and encouraged President Hart to continue having meetings with the pilots to receive their feedback on how to further improve service.

Board Action: CMAA requests Board approval to amend the General Aviation Facilities Management Agreement dated December 20, 2010 between CMAA and Wilson Air Center – Chattanooga, LLC as outlined above.

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

Other Business

Vice Chairman Hall asked about acquiring new jet bridges. President Hart said purchasing two additional jet bridges is in the upcoming capital budget. CMAA will soon begin the process of putting new jet bridges out for bid. Once the bids are returned, it will be brought forward to the Board. Commissioner Snow asked if Allegiant can be made to pull to a jet bridge. President Hart said because there are currently only three jet bridges, the airlines operate on a first come first serve basis.

Commissioner Barnett requested the airline affiliations be included on the monthly statistics.

Public Comment

None

Closing Comment

Chairman Jacobson began by thanking everyone in attendance. He expressed his encouragement by the continued increase in enplanement numbers. He thanked Mr. Wilson and Dave Ivey for attending the Board Meeting and Wilson Air Center for their positive partnership with the Airport. He said he looked forward to celebrating the grand opening of Hangar 13 in a few months. Finally, he noted that March 21 is National Renewable Energy Day. He highlighted the Airport's continuous efforts to remain one of the most sustainable mid-sized airports in the world. He closed with a quote from anthropologist Margaret Mead.

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

Adjourn

Minutes approved by:

Minutes approved by:

Mike Mallen
CMAA Secretary

Daniel R. Jacobson
CMAA Chairman

Corporate Secretary:

Minutes Recorded by:

April Cameron

Erin Riley

**Chattanooga Metropolitan Airport Authority
Board of Commissioners Meeting Minutes
April 18, 2016**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in open meeting Monday, April 18, 2016 at 2:00 p.m. Vice Chairman Hall, Commissioners Barnett, Mitchell, Mallen, Snow and Lytle were present.

Vice Chairman Hall 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 Snow, the minutes of the March 21, 2016 meeting were approved.

President's Report

President Hart addressed the Board and thanked them for their attendance.

First, President Hart updated the Board on a number of projects underway. The Hangar 13 project is nearing completion; Wilson Construction predicts completion in mid to late May. Phase 2 of the East Ramp project will be coming to the Board for approval. CMAA is currently waiting on a FAA grant for the project. However, President Hart said CMAA does plan to bring that project to the Board at the next Board meeting. The Exit Plaza Canopy project is nearing completion with an estimated 10 days of work left. After receiving approval during the last Board meeting, CMAA has put in an order with OshKosh for a new ARFF vehicle. CMAA expects that project to be complete in about 9 months.

Next, President Hart announced that West Star Aviation would be hosting an open house on May 16 which members of the Board are invited to attend.

President Hart presented the Board with a survey that was conducted by Aviation International News. This survey asked pilots to score FBOs across the United States in 5 categories: Line Service, Customer Service Representatives, Passenger Amenities, Pilot Amenities, and Facilities. There are around 3,000 FBOs across the United States; Aviation International News' survey consists of the 156 FBOs that received the required number of votes to be recognized. As a result, Wilson Air Center in Chattanooga placed number 26 and scored in the top 20% of FBOs. President Hart commended Glenn Rivenbark and the Wilson Air team for their work and customer service.

Lastly, President Hart updated the Board on monthly statistics and air service. Year to date, enplanements are up 3% but were slightly off in the month of March. President Hart attributed this to lower gas prices which resulted in many spring break travelers opting to drive rather than fly. Next, President Hart announced that United Airlines will begin service to Chicago O'Hare and Newark Liberty on September, 7 2016. There will be two departures a day to each destination.

Commissioner Mitchell asked what the Airport plans to do to advertise and market United's presence in Chattanooga. President Hart said he has already reached out to the Chattanooga, Cleveland and Dalton Chambers of Commerce to push the message to all the members of the various chambers. CMAA is working with United to determine the best way to approach advertising the new service through print, digital and social media.

Commissioner Barnett asked if it was premature to discuss added service to any other cities such as Denver or Houston. President Hart said he will continue reaching out to all the airlines about added service. He said he plans on attending Allegiant's annual conference and speaking to them about additional destinations. Also, in June, CMAA will be attending the JumpStart convention, and President Hart has requested to speak with 8 airlines during that event.

Board Action

Budget Fiscal Year 2017

April Cameron addressed the Board. CMAA requests approval of the Fiscal Year 2017 Budget for the Chattanooga Metropolitan Airport Authority (CMAA) which has been developed in coordination with the Finance Committee.

Operating revenues for FY 2017 are budgeted at \$18 million, which is 2% above the FY 2016 forecast. This overall increase in revenues for the upcoming year is primarily due to growth in passenger traffic that CMAA is experiencing. Landing fees and terminal rental rates will remain the same. The only fee adjustment to airport tenants is a small increase in the airline security fee. The current parking rate structure will also remain the same with a short term rate of \$16.00 and a long term rate of \$9.00 per day. Rental car and restaurant revenues continue to rise with increasing passenger enplanements. FBO revenues from fuel sales, ground rent, ground handling operations, and other services such as catering and line services are budgeted to be \$7.5 million which is up 1% from the FY 2016 forecast. This increase is driven by increased operations on the field.

General operating expenses for the year are budgeted at \$12 million, an increase of 2% over current year forecast. The increase is primarily the result of additional costs necessary to support increased passenger traffic. The budget includes a 2% increase in employee salaries, a 4% forecasted increase in employee benefits as well as additional funds for project planning and preparation and promotion of the airport. FBO expenses are budgeted to be \$6.3 million of the total \$12 million budgeted for FY 2017.

Capital investments are expected to exceed \$14 million for FY 2017. New projects include acquisition of a new Airfield Rescue and Firefighting Vehicle, continued rehabilitation of the east public ramp, installing a new pavement management system, expanding customer parking, developing new facilities, purchasing two passenger loading bridges, and exploring the possibility of a 3rd phase to our solar farm project. Funding for these projects will come from FAA, State and PFC funds. CMAA will be responsible for 30% or approximately \$4.4 million of the total cost.

From a debt service perspective, as of July 1, 2016, CMAA will have a current bond balance of \$10.6 million. The debt requirement for FY 2017 is valued at \$1 million.

CMAA expects to have net operating revenues of nearly \$5.9 million for FY 2017. After deducting CMAA's capital expenditures, debt service, and reserve requirements, CMAA expects to have a balanced budget for FY 2017.



Mission

To provide for the safe, secure, efficient and economically sound operation of the airport while achieving an unprecedented customer service experience for all passengers – parking lot to plane.



Goals & Objectives

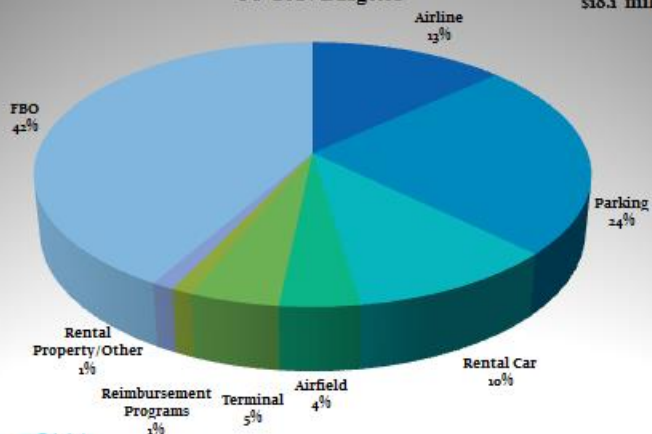
- Maintain a Safe and Secure Operation
- Improve Service to Our Customers
- Improve Financial Performance



Operating Revenues

FY 2017 Budgeted

Total Revenues
\$18.1 million



Operating Revenues

FY 2017 Budgeted

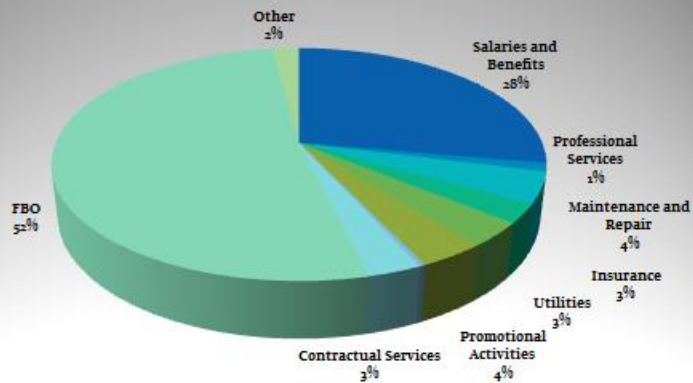
Revenues	FY 2016 Forecast	FY 2017 Budget	Variance
Airline	\$2,312,323	\$2,397,768	4%
Parking	\$4,199,188	\$4,346,576	4%
Rental Car	\$1,853,630	\$1,880,149	1%
Airfield	\$709,689	\$727,779	3%
Terminal	\$757,830	\$809,976	7%
Reimbursement Programs	\$180,986	\$187,726	4%
Rental Property/Other	\$200,969	\$204,894	2%
FBO	\$7,500,000	\$7,555,057	1%
Total	\$17,769,672	\$18,109,924	2%



Operating Expenses

FY 2017 Budgeted

Total Expenses
\$12.2 million



Operating Expenses

FY 2017 Budgeted

Expenses	FY 2016 Forecast	FY 2017 Budget	Variance
Salaries and Benefits	\$3,268,195	\$3,381,010	(3%)
Professional Services	\$122,531	\$138,960	(13%)
Maintenance & Repair	\$534,435	\$535,143	0%
Insurance	\$338,481	\$314,891	7%
Utilities	\$398,153	\$408,153	(3%)
Promotional Activities	\$377,815	\$450,365	(19%)
Supplies	\$41,477	\$41,477	0%
Contractual Services	\$358,263	\$355,328	1%
Miscellaneous	\$247,241	\$253,252	(2%)
FBO	\$6,308,028	6,308,028	0%
Total	\$11,994,619	\$12,186,605	(2%)



Net Operating Balance

FY 2017 Budgeted

	FY 2016 Forecast	FY 2017 Budget	Variance
Revenues	\$17,714,615	\$18,109,924	2%
Expenses	(\$11,994,618)	(\$12,186,605)	(2%)
Net Operating Revenues	\$5,719,997	\$5,923,319	4%



Capital Investments

FY 2017 Budgeted

- **Maintain a Safe and Secure Operation**
 - Acquire Airfield Rescue and Firefighting Vehicle
 - East Public Ramp Rehabilitation Continues
 - Pavement Management System
- **Improve Service to Customers**
 - Purchase two new loading bridges
 - Purchase ADA Ramp
 - Terminal Entry Signage
- **Improve Financial Performance**
 - Parking lot expansion
 - West Star Aviation Expansion
 - Solar Farm - Phase 3

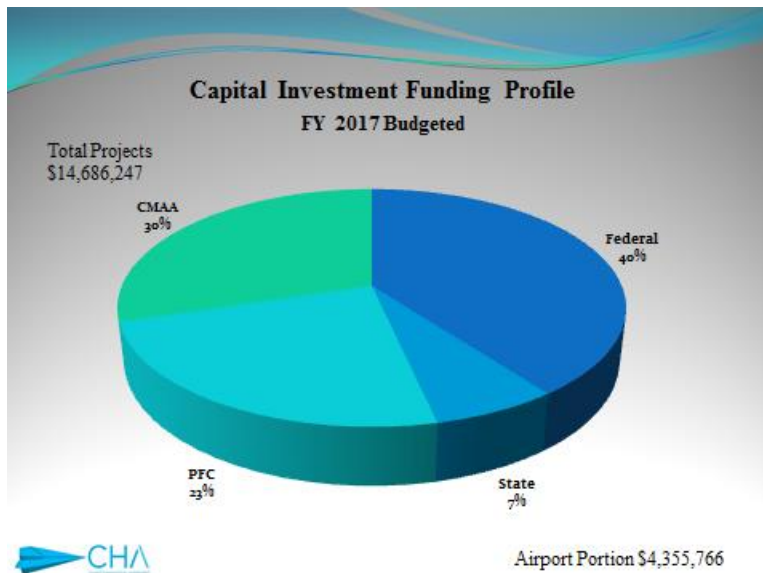


Capital Investments

FY 2017 Budgeted

Project	Total Cost	Federal	State	PFC	CMAA
Safety and Security	\$4,239,443	\$2,250,000	\$0	\$1,558,750	\$430,693
Customer Service	\$2,439,801	\$0	\$0	\$1,921,731	\$518,070
Financial Performance	\$8,007,003	\$3,600,000	\$1,000,000	\$0	\$3,407,003
Total	\$14,686,247	\$5,850,000	\$1,000,000	\$3,480,481	\$4,355,766





Debt Service
FY 2017 Budgeted

Bonds	Beginning Balance July 1, 2016	FY 2017 Principle and Interest	Ending Balance June 30, 2017
2009 Taxable Bond (2.95%)	\$3,992,668	\$560,247	\$3,545,760
2014 Taxable Bond (4.03%)	\$3,754,288	\$297,936	\$3,607,022
2014 Tax-Exempt Bond (2.67%)	\$2,940,700	\$209,369	\$2,809,321
Total Debt	\$10,687,656	\$1,067,552	\$9,962,103

CHA (Total Principle Reduction \$775,553)

FY 2017 Budget

	FY 2016 Forecast	FY 2017 Budget
Revenues	\$17,174,615	\$18,109,924
Expenses	<u>\$(11,994,618)</u>	<u>\$(12,186,605)</u>
Net Operating Revenues	\$5,719,997	\$5,923,319
Debt Service	<u>\$(1,067,553)</u>	<u>\$(1,067,553)</u>
Cash Flow before Capital	\$4,652,444	\$4,855,766
Capital Investments	\$(486,446)	\$(4,355,766)
Transfer to Reserves	\$(4,288,994)	\$(500,000)
Net Revenues	\$0	\$0



Commissioner Barnett asked if there has been an impact on rental car revenue from rideshare services. Ms. Cameron said there has been no impact on rental car revenue. Commissioner Barnett then asked how CMAA's landing fees compare to other airports in the area. Ms. Cameron said it has always been the Airport's strategy to not raise fees for the carriers in order to remain competitive. Commissioner Mitchell asked what CMAA's cash position is. Ms. Cameron said CMAA has about \$6.5 million unrestricted. Commissioner Mitchell asked if spending \$4.3 million on projects would greatly deplete CMAA's reserves. Ms. Cameron said the \$4.3 million being spent on projects in 2017 will come from operations of next year. Commissioner Barnett asked if anything has been budgeted for United's presence. Ms. Cameron said the budget was put together before United announced service in Chattanooga. CMAA does have some incentives being provided to United next year, so CMAA won't receive all of that benefit in the 1st year. CMAA plans to add that to the top.

Vice Chairman Hall commended CMAA's finance department and the finance committee for their work in putting together a balanced budget. The other members of the Board echoed his sentiments and expressed their happiness with the Fiscal Year 2017 Budget.

Board Action: Request Board approval of the Fiscal Year 2017 Budget with updated organizational structure, pay plan, and Rates and Charges and Insurance Policy.

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

Allen and Hoshall Task Order # 12

John Naylor addressed the Board. This request is to enter into Task Order # 12 with Allen & Hoshall, CMAA's Engineer of Record, for the Design Services associated with the development of Phase I and II of the Satellite Parking Lot. In response to increased seats available in CHA's market and the growth in enplanements, it is vital that CMAA expands its vehicle parking to meet the needs of customers.

The Satellite Parking Lot will be located across from the Greyhound Bus Station on the location of the current stone parking area. The lot will be expanded and will provide approximately 232 additional parking spaces. The lot will be paved, marked, fenced, and lighted. Access Control will be installed.

**Professional Services Fee Distribution - Task Order 12
Satellite Parking Lot Phase 1 and 2 Design**

The following is a distribution of Allen & Hoshall's fee for Task Order 12 to the Master Agreement.

Design, Bid & Award

Survey	\$2,200
Preparation of plans & specifications	\$ 59,800
Construction Budget \$1,192,740	
520 man hours budgeted	
Bid and award	\$ 8,000
70 man hours anticipated	

Permitting fees

Stormwater (budgeted amounts)	\$ 2,000
Direct labor – 12 hours	

DESIGN TOTAL \$ 72,000

The design will be funded with a State Grant at the 95% level with CMAA being responsible for the remaining 5%. This project is included in the 2016-2017 Capital Budget.

Commissioner Mallen asked how soon this project could be completed if started in a month, and will there be space left for additional parking in the future after phases 1 and 2. Mr. Naylor said his goal is to complete the project before United begins operations. Phase 1 and 2 will create 232 of the total 735 possible spaces. Vice Chairman Hall asked how many airport employees will be relocated to the new parking lot. President Hart estimated 100 employees parking in Long Term 2 will be moved to the satellite lot after completion.

Commissioner Barnett asked if operation of a shuttle from the satellite lot to the terminal has been budgeted. Ms. Cameron said it has not been budgeted. CMAA estimates operating a shuttle will cost \$200,000 to \$300,000 a year. CMAA is currently evaluating how best to operate the shuttle. Commissioner Barnett asked if CMAA has looked into federal grants for a people mover system. Mr. Naylor said the Airport has looked at people mover systems, but CMAA would not be able to recoup the cost at this point in time.

Board Action: CMAA requests Board approval to enter into Task Order # 12 with Allen & Hoshall for the design of Phase I and II of the Satellite Parking Lot project. The amount of the contract is \$72,000.

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

Other Business

Hugh Moore with Chambliss, Bahner & Stophel informed the Board that a letter has been issued to the Air National Guard terminating their lease.

Public Comment

Glen Heath with Allen & Hoshall addressed the Board and assured Commissioner Mallen that his organization will move to complete the satellite parking lot as quickly as possible.

Closing Comment

Vice Chairman Hall thanked the Board and those in attendance. He expressed his excitement for the continued growth of the Airport.

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

Adjourn

Minutes approved by:

Minutes approved by:

Mike Mallen
CMAA Secretary

Daniel R. Jacobson
CMAA Chairman

Corporate Secretary:

Minutes Recorded by:

April Cameron

Erin Riley

**Chattanooga Metropolitan Airport Authority
Board of Commissioners Meeting Minutes
May 25, 2016**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in open meeting Wednesday, May 25, 2016 at 2:00 p.m. Chairman Jacobson, Vice Chairman Hall, Commissioners Barnett, Lytle, and Snow 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 Snow, the minutes of the April 18, 2016 meeting were approved.

President's Report

President Hart addressed the Board and thanked them for their attendance.

First, President Hart updated the Board on monthly statistics and air service. Enplanements were fairly flat compared to April of 2015. Allegiant decreased slightly while American and Delta were up approximately 1.5% over last year. Year to date, enplanements are up 2% over 2015. Deplanements fall in line with enplanements, landing weights are up, and operations have increased 26% over April of 2015 and 14% year to date.

Secondly, President Hart updated the Board on a number of completed projects. The Hangar 13 project is complete. In addition, CMAA is moving forward and trying to attain LEED Gold on that project. Hangar 13 should be turned over to Wilson Air Center soon. The Exit Plaza Canopy project has been completed.

Next, the Air National Guard site has been officially returned to the Airport. The site had been vacant for quite some time, and President Hart said CMAA is very pleased to have that property back.

Lastly, President Hart and John Naylor attended the BRIC Awards. CMAA was recognized for its sustainability efforts in the Terminal Renovation project. President Hart thanked DH&W for their work on the Terminal Renovation project and said the BRIC Award would not have been possible without their assistance. Ashley Elliot of DH&W addressed the Board. She showed the award to the Board and explained that the BRIC Awards honor local building projects. The Airport was awarded the Sustainable Project of the Year.

Board Action

East Ramp Rehabilitation – Phase II

John Naylor addressed the Board. Phase 1 of a multi-year project to rehabilitate the East Ramp was completed on January 18, 2016. That work was accomplished by Talley Construction at a cost of \$2,310,853.60. The funding of Phase I also included the design work of Phase II, which was completed by Allen & Hoshall.

CMAA solicited a Request for Proposals in February for the construction of Phase II. CMAA received 3 bids on the project. Allen & Hoshall's review and evaluation found the low bidder, Talley Construction, properly licensed by the State of Tennessee, experienced in the type of work required by this project, and in possession of sufficient equipment and financial resources to perform the work. After meeting all of the bid requirements, Allen and Hoshall has recommended awarding the construction contract to the apparent low bidder, Talley Construction. CMAA has reviewed the Engineer's recommendation and is in agreement. The bid price was \$2,405,414.75.

Phase II will rehabilitate the East Ramp north of the Phase I limits and correct drainage issues in the area. The current ramp has exceeded its lifespan and is in poor condition. Additionally, it will not support the size and weight of today's aircraft.

The project will be funded with a Federal Airport Improvement Grant at 90% with the remaining 10% funded through the PFC program. This project was included in the approved 2016-2017 Capital Budget.

Mr. Naylor introduced Mike Rose of Talley Construction to the Board. Mr. Rose said he appreciates the continued business with the Airport, and Talley Construction has successfully completed Phase 1 of the East Ramp Rehabilitation Project.

Vice Chairman Hall asked if this project meets the minority participation requirements. Mr. Naylor confirmed the projects meets the 10% requirement.

	Phase I	Phase II	Phase III
Design	June 15, 2015	June 15, 2015	For approval TO #11
Construction Admin	June 15, 2015	For approval TO #10	
Construction	August 17, 2015	For approval	

Board Action: CMAA requests Board approval to enter into a construction contract with Talley Construction for the East Ramp Rehabilitation Project Phase II as FAA funding becomes available. Talley Construction's fee for this work is \$2,405,414.75.

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

Allen and Hoshall Task Order # 10 and # 11

Mr. Naylor continued. This request is to enter into Task Order #10 and #11 with Allen & Hoshall, CMAA's Engineer of Record, for the Engineering Services associated with the East Ramp Rehabilitation project.

Task Order #10 is for the engineering services associated with the construction of Phase II of the East Ramp Rehabilitation.

Bid and Award	
90 man hours anticipated	\$10,800
Construction Administration	
23 weeks construction	
781 man hours	\$99,950
Submittals/Shop Drawings	
40 man hours	\$5,000
Resident project representative	
Inspection – 1379 man hours	\$105,500
Expenses – 23 weeks anticipated	\$575
Miscellaneous & Final Survey	
Budget for field verification and	
As-built survey	\$2,000
As-built drawings	
45 man hours	\$4,000
Q/A-Testing	\$30,000
GRAND TOTAL	\$257,825

Task Order #11 is to design Phase III, the rehabilitation of the remainder of the East Ramp south of Phase I. The Phase III design project will include the relocation of the taxiway connector at the south end of the ramp.

The following is a distribution of Allen & Hoshall's fee for Task Order #11 to the Master Agreement.

Design, Bid & Award	
Survey	\$3,960
Geotechnical Investigation	\$7,000
Preparation of plans & specifications	\$143,000
Construction Budget \$4,000,000	
1132 man hours budgeted	
Bid and Award	\$10,800
Permitting Fees	
Stormwater (budgeted amount)	\$3,000
Direct labor – 16 hours	
GRAND TOTAL	\$167,760

The project will be funded with a Federal Airport Improvement Grant at 90% with the remaining 10% funded through the PFC program. This project was included in the approved 2016-2017 Capital Budget.

Board Action: CMAA requests Board approval to enter into Task Order # 10 with Allen & Hoshall for the engineering services associated with the Phase II construction of the East Ramp Rehabilitation project as FAA funding becomes available. The amount of the contract is \$257,825.

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

CMAA requests Board approval to enter into Task Order # 11 with Allen & Hoshall for the design of Phase III of the East Ramp Rehabilitation project as FAA funding becomes available. The amount of the contract is \$167,760.

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

CARTA Electric Vehicle Charging Stations

Mr. Naylor continued. The Chattanooga Metropolitan Airport Authority (CMAA) in partnership with the Chattanooga Area Regional Transportation Authority (CARTA) and the Tennessee Valley Authority (TVA) is seeking board approval to provide the ability for customers to recharge their electric vehicles in the Long-term 2 Parking Lot. Six solar powered electric vehicle (EV) charging stations will be placed along the curb on the south side of and adjacent to the entrance of the lot. The stations will be powered by a solar canopy. The canopy will not only provide power but also protection for customers and their vehicles as they recharge in the lot. The equipment is being provided, installed, and maintained at no cost to the airport.

The installation of these EV charging stations will be in addition to the six Tesla Superchargers already located in the Long-term 2 parking Lot. The Chattanooga Airport will be able to provide charging to all electric vehicles on the market. CARTA and CMAA are pleased to be able to provide this added amenity for customers.

Mr. Naylor introduced Philip Pugliese of CARTA to the Board. Mr. Pugliese said he and his organization are excited to partner with CMAA to provide an expanded range of transportation solutions for the community. Vice Chairman Hall asked how the project is being funded. Mr. Pugliese said this project is a partnership agreement with TVA. This project was originally developed by TVA with the partnership of the Environmental Protection Agency to promote renewable energy transportation.

Board Action: CMAA requests approval to enter into a contract with CARTA for the placement of six solar powered electric vehicle (EV) charging stations in the Long Term 2 Parking Lot.

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

Passenger Boarding Bridge Purchase

Maurice Songy addressed the Board. The Chattanooga Airport currently operates over 40 inbound and outbound flights a day using three passenger boarding bridges and ground boarding. The addition of United Airlines and the need to better serve customers has led CMAA to purchase and install two new passenger boarding bridges.

The scope of this project includes the purchase and installation of two new passenger boarding bridges and all training associated with the operation.

In April, a Request for Proposals (RFP) was issued with two vendors submitting proposals. Each proposal was reviewed and evaluated by a selection committee which included representatives from Operations, Maintenance, Finance, and Planning and Development. The selection was based on the following factors:

Experience, Background, & Qualifications	Max Possible Points	20
Proposed Solution	Max Possible Points	30
Project Management	Max Possible Points	20
<u>Pricing</u>	<u>Max Possible Points</u>	<u>30</u>
Total Points		100

After reviewing the proposals, the vendor and solution that best met the needs of the airport was JBT AeroTech Jetway Systems with a proposal of \$1,283,964.

The cost of the passenger boarding bridges will be funded 100% through PFC funds.

Notice to Proceed will be given after commencement of the contract with the first bridge being installed and operational at Gate 2 by September 2nd and the second bridge at Gate 5 to follow.

Mr. Songy introduced John Thompson of JBT AeroTech Jetway Systems to the Board. Mr. Thompson expressed his excitement to be working with the Airport on this project. Commissioner Lytle asked if the contract was awarded based on the point structure outlined in the narrative. Mr. Songy said yes; JBT AeroTech Jetway Systems had a score of 94.5 while ThyssenKrupp had a score of 83.2.

Board Action: CMAA requests Board approval to purchase and install two new Passenger Boarding Bridges from JBT AeroTech Jetway Systems at a total cost of \$1,283,964.

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

Bid Tab	
Vendor	Price
JBT AeroTech Jetway Systems (Solution #1)	\$1,132,779
JBT AeroTech Jetway Systems (Solution #2)	\$1,431,310
JBT AeroTech Jetway Systems (Solution #3)	\$1,283,964
Thyssenkrupp	\$1,093,365

Passenger Boarding Bridge Drive Conversions

Mr. Songy continued. The passenger boarding bridges at the Chattanooga Airport use outdated DC (direct current) technology to mobilize the bridges. Parts for these outdated drives are limited and the manufacturer has discontinued production of replacement parts. To keep the bridges operational, the bridges will have to be converted to AC (alternating current) drives.

This project will include:

The purchase and installation of 3 DC to AC horizontal drive conversion kits for Passenger Boarding Bridges on Gates 1, 3, and 4.

The purchase and installation of a DC to AC vertical drive conversion kit for a Passenger Boarding Bridge on Gate 4.

Quotes were solicited from three vendors with JBT AeroTech Jetway Systems submitting the lowest quote of \$119,673. This is a budgeted item that was included in CMAA's 2016-2017 budget.

Commissioner Barnett asked when the work will be performed. Mr. Songy said it will be done during the day but with minimal impact to the airlines and customers.

Board Action: CMAA requests Board approval to purchase and install three DC to AC horizontal drive kits and one DC to AC vertical drive kit from JBT AeroTech Jetway Systems at a total cost of \$119,673.

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

Bid Tab	
Vendor	Price
JBT AeroTech Jetway Systems	\$119,673
ERMC	\$149,855
Vanderlande	\$184,373

Transportation Security Administration (TSA) Facility Lease

April Cameron addressed the Board. CMAA requests Board approval to execute an amendment to the lease agreement with the TSA for terminal space consisting of 1,882 square feet. This amendment will include the costs of two vehicle parking passes at the Chattanooga Airport. The annual cost for the two parking passes is \$480.00 which increases the annual lease rate to \$62,153.65. Payments will be paid in monthly installments of \$5,179.47.

Chairman Jacobson asked which parking lot the passes will be for. They will be for the Long Term 2 lot.

Board Action: CMAA requests Board approval to amend the lease with the Transportation Security Administration in the annual amount of \$480.00.

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

Friends of the Library Lease

Ms. Cameron continued. In an effort to continue adding customer amenities and improving their experience while at the airport, CMAA requests Board approval to execute a new lease agreement with the Friends of the Library for terminal space consisting of 750 square feet. The leasehold will include space located on the lower level of the terminal building adjacent to ticketing to be used for an honor book store. This lease covers a period of one year with the term ending on May 31, 2017. The annual lease rate of the space is \$1,800.00. Payments will be paid in monthly installments of \$150.00.

Friends of the Library will be responsible for all facility enhancements and ongoing upkeep of the leased space.

Ms. Cameron introduced William Sundquist the Chairman of the Friends of the Library Executive Board. Mr. Sundquist thanked the Board and expressed his excitement to bring the public library into the Airport. Commissioner Lytle asked about the operation of the space. Mr. Sundquist said there will be shelving installed and the Friends of the Library will stock the space on a weekly basis. Payment for the books will be on an honor system with customers paying with either cash or credit card. Mr. Sundquist said all the proceeds will go to the Chattanooga Public Library to enhance services for the community.

Board Action: CMAA requests Board approval of a one year lease with the Friends of the Library in the annual amount of \$1,800.00 ending on May 31, 2017.

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

Other Business

None

Public Comment

None

Closing Comment

Chairman Jacobson thanked everyone in attendance. He welcomed West Star to the airfield. He thanked President Hart for the project updates and the ongoing improvements to the Airport. He was happy with the Airport's continued achievements in sustainability with both the partnership with CARTA on electric charging stations and the BRIC Award. He said he was very excited with the new partnership with Friends of the Library. In closing, he informed those in attendance that May 25 is the anniversary of the launch of NASA's first manned mission to Skylab in 1973. He then read a quote from American astronaut Michael Collins.

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

Adjourn

Minutes approved by:

Minutes approved by:

Mike Mallen
CMAA Secretary

Daniel R. Jacobson
CMAA Chairman

Corporate Secretary:

Minutes Recorded by:

April Cameron

Erin Riley

**Chattanooga Metropolitan Airport Authority
Board of Commissioners Meeting Minutes
June 20, 2016**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in open meeting Monday, June 20, 2016 at 2:00 p.m. Chairman Jacobson, Commissioners Barnett, Conn, Lytle, Mallen, Mitchell, and Snow 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 Conn, seconded by Commissioner Snow, the minutes of the April 18, 2016 meeting were approved.

President's Report

President Hart addressed the Board and thanked them for their attendance.

First, President Hart updated the Board on the East Ramp project. Last month the Board approved the construction on the second phase of the East Ramp project. The permit was issued by the City of Chattanooga and received on June 20th, 2016. The contractor is ready to begin construction. The Airport will be following up with the City regarding minor details.

Secondly, President Hart updated the Board on the installation of two new jet bridges. Last month the Board approved the purchase and installation of two new jet bridges. Contract with JBT is complete and the process is well underway. The first jet bridge will be operational on Gate 2 by September 2nd, 2016. The contract states the second bridge will be installed and operational by December 31, 2016 at Gate 5. President Hart is very pleased the project is underway and is confident the jet bridges will be completed within the time frame.

Next, President Hart updated the Board on the upcoming United Airlines startup. The organization that will be handling United Airlines at the Chattanooga Airport is United Ground Express. They have been onsite three times and will be responsible for the training portion, IT requirements, and space requirements. They are on target for the first flight on September 7th, 2016.

Continuing, President Hart relayed statistics for May. Enplanements for May are up 7% as compared to May of 2015. There is a year to date increase of 3.5% for enplanements. On a general basis airline carriers are showing a positive increase in enplanements from 3-5%. Statistics are showing a positive growth trend for operations as well.

Next, President Hart attended ACI's Jump Start conference last month. President Hart requested a meeting with nine carriers and four accepted: United, American, Southwest and VIA Air. Slides from the presentation were shared with the board. Slides highlighted growth of the Chattanooga Area, comparable economies and positive retainment of generated traffic. President Hart pitched the possibility of capturing the growth of Miami or Houston to American Airlines

and United Airlines respectively. At this time neither hub is growing. Chattanooga is very competitive with comparable markets. Commissioner Mitchell inquired as to what may be a possible reason people continue to choose to fly out of Atlanta. President Hart responded that many customers have a desire to fly nonstop to desired destinations. Secondly, international travelers hesitate in making a connecting flight out of concern with missed connections or delays. Discussion continued regarding highlighting the convenience of flying through Chattanooga Airport. Chattanooga is also unique in that carriers will travel to six hubs beginning in September. By October of 2016 there will be an increase of up to 29% on the number of seats flying out of the Airport.

Lastly, President Hart shared advertising and marketing currently occurring in print to reach a varied market. Advertisement highlighted the flight to New York starting in September. President Hart recognized Mr. Germ's recent picture in *The Rotarian* with the Airport in the background. This magazine has international distribution.

Board Action

Satellite Parking Lot Construction – Phase I

On April 18, 2016, Task Order # 12 with Allen & Hoshall was approved for the design of Phase I of the Satellite Parking Lot project. In response to increased seats available in our market and the growth in enplanements, it is necessary that we expand our vehicle parking to meet the needs of our customers.

The Satellite Parking Lot will be located on Airport Road, south of the terminal, on the location of the current stone parking area. The lot will be expanded and will provide approximately 230 additional parking spaces. It will be paved, marked, fenced, and lighted. Revenue Control, as well as security monitoring, will be installed.

CMAA solicited a Request for Proposals in May for the construction of Phase I of the Satellite Parking Lot and two bids were received. Allen & Hoshall's review and evaluation found the low bidder, Dillard Construction, properly licensed by the State of Tennessee, experienced in the type of work required by this project, and in possession of sufficient equipment and financial resources to perform the work. Dillard Construction has also pledged to meet or exceed the set DBE goal for this contract. After meeting all of the bid requirements, Allen and Hoshall has recommended awarding the construction contract to the apparent low bidder, Dillard Construction. CMAA has reviewed the Engineer's recommendation and is in agreement. The bid price was \$1,102,368.00.

The project will be funded through our state funding allocation received for FY 2017 and CMAA budgeted funds. This project is included in the approved 2016-2017 Capital Budget.

Board Action: CMAA requests Board approval to enter into a construction contract with Dillard Construction for \$1,102,368.00.

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

Allen and Hoshall Task Order # 14

This request is to enter into Task Order # 14 with Allen & Hoshall, CMAA's Engineer of Record, for the Engineering Services associated with the construction of Phase I of the Satellite Parking Lot. The outlined services will oversee, support, and document the work being completed by the contractor, Dillard Construction.

Professional Services Fee Distribution - Task Order 14 Satellite Parking Lot Phase 1 Construction Administration

Construction Administration	\$40,000
8.5 weeks construction anticipated	
333 man hours anticipated	
Submittals / shop drawings	\$2,500
20 man hours anticipated	
Resident project representative	
Inspection – 512 man hours anticipated	\$38,750
Expenses – 9 weeks anticipated	\$ 250
Miscellaneous & Final Survey	\$ 3,000
Budget for field verification as required and as-built survey	
As-built drawings	\$2,500
45 man hours anticipated	
Q/A – Testing	\$ 18,000

GRAND TOTAL \$105,000

The Engineering Services will be funded through our state funding allocation received for FY 2017 and CMAA budgeted funds. This project is included in the approved 2016-2017 Capital Budget.

Board Action: CMAA requests Board approval to enter into Task Order # 14 with Allen & Hoshall for the Engineering Services associated with the construction of Phase I of the Satellite Parking Lot. The amount of the contract is \$105,000.

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

Amano McGann Contract

Necessary parking control measures will be required in the new Satellite Parking Lot being constructed along Airport Road. To support this need, CMAA is requesting to enter into a contract for a new Parking Access and Revenue Control System from Amano McGann. Amano McGann recently completed the installation of a new system in our other terminal parking lots. Both systems will be integrated with the same equipment being provided. The contract will cover the purchase, shipping charges, and installation of equipment for two entrance and exit lanes. The amount of this contract is \$66,338.60.

The purchase, shipping charges, and installation of the equipment will be funded through our state funding allocation received for FY 2017 and CMAA budgeted funds. This project is included in the approved 2016-2017 Capital Budget.

Board Action: CMAA requests Board approval to enter into a contract with Amano McGann for the purchase, shipping charges, and installation of a Parking Access and Revenue Control System associated with Phase I of the Satellite Parking Lot. The amount of the contract is \$66,338.60.

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

Waterhouse Public Relations

CMAA requests Board approval for a contract with Waterhouse Public Relations in the amount of \$45,000. Waterhouse will provide 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, as needed
- Special projects, as needed
- Event management and miscellaneous public relations support, as needed
- Social media monitoring, including notifying CMAA as needed for reputation management

The term of the contract begins on July 1, 2015 and extends through June 30, 2016. This item was included in our approved operating budget.

Board Action: CMAA requests Board approval for a one year contract with Waterhouse Public Relations in the amount of \$45,000.

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

Marketing/Media Placement Contract FY 2017

In 2011, CMAA began a rebranding process which created a new logo and the “Get on Board” messaging. That brand and messaging has been well-received by our community and continues to serve us well. TwoxFour has served as the airport’s creative agency and media placement buyers for the last three years, helping to bring the strategic direction of our airport to life through ads. As their contract came to a close, CMAA once again bid out creative services to see what new organizations in the region might be interested in the contract. We received ten bids. After a thorough review of the bids, CMAA recommends that we move forward with a contract with Maycreate, a local creative firm.

The team at Maycreate brings years of experience to the table working with many diverse industries, as well as extensive experience with other organizations right here in Chattanooga. Again, the strategy is not changing, but Maycreate will help us fine tune the messages that are currently in the market, and further expand our positive message and reach into digital media.

Their scope of services 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.
- Other advertising and creative consulting services, as required.

The annual contract cost will be \$140,000 with \$100,000 towards media buying and \$40,000 for creative services and account management. This expense was included in our approved operating budget. The term of the agreement will be for two years beginning July 1, 2016, with two twelve month renewal options at the sole discretion of CMAA.

Board Action: CMAA requests Board approval for a marketing and media placement contract with Maycreate in the amount of \$140,000.

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

Next Board of Directors meeting will be on August 15, 2016.

Other Business

None

Public Comment

None

Closing Comment

Chairman Jacobson thanked everyone for their attendance. Chairman Jacobson is pleased to see the increase in enplanements year to date and confidence airline carriers place in the Airport. He emphasized the importance of the community to unify and support the new air service opportunities. He thanked everyone for assisting in moving the Chattanooga Metropolitan Airport Authority forward.

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

Adjourn

Minutes approved by:

Minutes approved by:

Mike Mallen
CMAA Secretary

Daniel R. Jacobson
CMAA Chairman

Corporate Secretary:

Minutes Recorded by:

April Cameron

Victoria Overholser

**Chattanooga Metropolitan Airport Authority
Board of Commissioners Meeting Minutes
August 15, 2016**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in open meeting Monday, August 15, 2016 at 2:00 p.m. Chairman Jacobson, Vice Chairman Hall, Commissioners Barnett, Lytle, and Snow 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 Snow, the minutes of the June 20, 2016 meeting were approved.

President's Report

President Hart addressed the Board and thanked them for their attendance.

First, President Hart updated the Board on operational statistics for June and July. Enplanements for June were increased by just over 1% comparing 2016 to 2015. Total operations are up for June at the airfield, showing a positive trend for the middle of summer and ending the fiscal year. July operating statistics show enplanements are increased by 0.5% for 2016. All carriers except for Allegiant Air are showing a year over year increase in enplanements. The number of seats available remained steady for the first half of the year. A steady growth in seats will be seen in the second half due to American substituting aircraft for the Dallas route and the startup of United Airlines in September. Landing weights have increased year to date over 8% and operations showing a 10% increase as well. Also, FedEx corrected their reporting structure and are showing an increase of 13.7% in total cargo poundage for July and YTD up 11% in total cargo poundage.

Secondly, President Hart updated several projects approved by the Board in previous meetings. The East Ramp Project Phase II is underway and proceeding well. Talley Construction is anticipating a November finish date of the project. The last piece of the FAA/AIP grant will complete the funding mechanism and will trigger the funding for Phase III design by Allen & Hoshall.

Next, President Hart updated the Board on the progress of the Satellite Parking Lot construction. Completion of the project is projected for the end of September.

Continuing, the third project underway is the Electric Vehicle Charging Stations and partnership with CARTA. The project is in the Long Term 2 parking lot and will provide six parking spaces for electric vehicles to park and charge. This is in addition to the Tesla charging stations in the same lot. The project should be completed by mid-September.

President Hart shared an update on the United Airlines startup on September 7, 2016 with two daily departures to both Chicago and Newark. United has a great deal of behind the scenes

training, corporate real estate, ground equipment, and manpower in preparation for the startup. In addition, one new jet bridge will be installed and completed by September 2nd to allow for training on the bridges.

Continuing, President Hart spoke of community outreach events and projects. Airport Night at the Chattanooga Lookouts in July was a fun success. The partnership has been very beneficial for both parties. The winner of the paper airplane contest won two free tickets on Allegiant Air. The second event was a speaking invitation to Erlanger Hospital's Annual Medical Staff Meeting in response to the letter from Chattanooga Airport regarding United Airlines. There were approximately 300 attendees at the event. President Hart also spoke to the Civitan Club with an update of the Chattanooga Airport. The Chattanooga Airport participated in the Chattanooga Chamber's Diversity Marketplace in June. Finally, on October 29th the Chattanooga Airport will be participating in the Heart Walk of which President Hart chairs the event. Chattanooga Airport will also join the Shepherd Community celebration of the completion of the bridge on Shepherd Road.

Lastly, President Hart updated the Board on the marketing campaign with Maycreate. The strategy plan was shared with the Board. The theme of the campaign is "I Heart Non-stop" which will allow for continuing marketing past the United Airlines campaign. The marketing campaign includes print, social media, digital, radio and outdoor advertisement. Branding campaign includes Chamber Annual Meeting, website marketing, personal engagement activities, and branding opportunities at multiple events in Chattanooga. Branding is continued throughout the Airport utilizing the non-stop theme.

Board Action Items

Tennant Floor Scrubber Purchase

It is mandatory that the hangar floors on the west side development be scrubbed periodically to keep them clean and dust free. This work is currently being done with a small walk-behind floor scrubber. With the continuous expansion of hangar space, it is necessary to purchase a larger ride-on type floor scrubber. Quotes were solicited from two vendors for the purchase of a riding floor scrubber. Six different quotes were received from the two vendors.

After reviewing the quotes and using several criteria including runtime on a single charge, warranty, reputation, and cost, it was decided to purchase a Tennant T17 Battery Powered Rider-Scrubber from the Tennant Company for a cost of \$29,800.

This purchase was included in the approved 2016/2017 budget.

Board Action: CMAA requests Board approval to purchase a Tennant T17 Battery Powered Rider-Scrubber from the Tennant Company for \$29,800.

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

Aircraft Deice Truck Purchase

During the winters in Chattanooga frost can build-up on aircraft surfaces overnight when the temperature drops below 36 degrees. Frost build-up on aircraft disrupts the smooth airflow on the wings and can cause serious unsafe control issues. This requires aircraft to be “deiced” before departing. Although the airlines are responsible for deicing their own aircraft, frequent break downs of airline equipment have urged CMAA to purchase a new deice truck to act as a back-up. This purchase will prevent delays due to equipment malfunctions with the airlines. The truck will also be used to deice transient aircraft.

CMAA issued an invitation for bid for the purchase of a new deice vehicle. We received 3 bids with Tug Technologies Corporation being the lowest qualified bidder with a bid of \$231,900. This vehicle purchase was included in the Passenger Facility Charge (PFC) application with the FAA. It was approved by the FAA and will be purchased using 100% Passenger Facility Charge funds.

Board Action: CMAA requests Board approval to purchase a 2016 Premier Model MT35P12 Aircraft Deice Truck from Tug Technologies Corporation for a total cost of \$231,900.

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

FedEx Facility Lease Amendment

On October 1, 2011, CMAA entered into a five-year lease with FedEx for the facility located at 150 Honest Street. That lease expires on September 30. FedEx has requested to exercise the renewal option specified in the agreement. As a result, CMAA has developed a lease amendment to the original agreement. The amendment includes:

- Extending the term for ten years until September 30, 2026.
- CMAA will construct a parking lot for the facility at a cost not to exceed \$50,000. The total cost will include a 10% administrative fee and will be amortized over the term of the lease and billed back to FedEx on a monthly basis.
- The facility rental rate will increase to \$5,653.60 per month for the first five year period (2016-2021). This rate will increase by 10% for the second five year period (2021-2026).
- The Ground Rental rate will be \$3,321.62 per month (\$0.35 per square foot for the 113,884 square feet of land occupied by the facility). This rate will increase 2% every year after.
- The Preferential Aircraft Parking Area rate will be \$749.37 per month (\$0.35 per square foot for 25, 692.75 square feet of land). This rate will also increase 2% every year after.

Board Action: CMAA requests to extend the lease agreement with FedEx until 2026 under the terms outlined.

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

FedEx Parking Lot

As a condition of the new FedEx lease, a request was made by FedEx to improve the parking lot for their employees. Currently, FedEx employees park along an unimproved road behind the hangar. This area is insufficient for the number of employees at this location.

The new parking area will also be located behind the FedEx facility, adjacent to the road, and will provide approximately 20 parking spaces.

CMAA solicited quotes in July for the improvement of the FedEx Parking Lot. CMAA received 2 quotes on the project. Allen & Hoshall's review and evaluation found that the low bid which was received from Talley Construction who is properly licensed by the State of Tennessee, experienced in the type of work required by this project, and in possession of sufficient equipment and financial resources to perform the work. After meeting all of the requirements, Allen and Hoshall has recommended awarding the construction contract to Talley Construction. CMAA has reviewed the Engineer's recommendation and is in agreement. The quote was \$32,250.00.

The cost of the project will be paid by CMAA and reimbursed by FedEx as part of their lease agreement.

Board Action: CMAA requests Board approval to enter into a construction contract with Talley Construction for the FedEx Parking Lot Project. Talley Construction's fee for this work is \$32,250.00.

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

Next Board of Directors meeting will be on September 19, 2016.

Other Business

None

Public Comment

None

Closing Comment

Chairman Jacobson thanked all for attending and thanked President Hart, staff and airline carriers for continued growth of the Chattanooga Airport. Chairman Jacobson spoke favorably of the marketing campaign and urged all in attendance to support the campaign and attend the christening of the inaugural flight on September 7, 2016. Chairman Jacobson closed with a historical reference to the Trans Continental Railroad and the continued importance of growth in transportation.

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:

Minutes approved by:

Mike Mallen
CMAA Secretary

Daniel R. Jacobson
CMAA Chairman

Corporate Secretary:

Minutes Recorded by:

April Cameron

Victoria Overholser

**Chattanooga Metropolitan Airport Authority
Board of Commissioners Meeting Minutes
October 17, 2016**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in open meeting Monday, October 17, 2016 at 2:00 p.m. Chairman Jacobson, Commissioners Barnett, Conn, Lytle, and Snow 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 Lytle, the minutes of the August 15, 2016 meeting were approved.

President's Report

President Hart addressed the Board and thanked them for their attendance.

First, President Hart and several others attended an event on September 30th at Lee University dedicating the new School of Nursing, completion of the fundraising campaign, and honoring Dr. Conn's 30 years with Lee University. The event was moving, impressive and inspirational. President Hart and all attended gained insight from Dr. Conn's remarks and the growth of CMAA. President Hart borrowed from Dr. Conn and focused on three words of inspiration. He spoke of surviving through difficult years involving challenging changes for a thriving future. Succeeding was the second word that resonated with him. The Airport has shown success through positive growth in record setting commercial aviation enplanements over the last couple of years and is on track for another record setting year. Air cargo continues to grow through economic development in Chattanooga. Corporate aviation as well as private tenants grows each year. The FBO continues to be recognized in customer satisfaction. Sustainability efforts continue to thrive.

Secondly, operational statistics show a flat enplanement growth for August with a continued 2% growth year to date. Landing weights and operations also increased; cargo weight showing a 22% increase compared to August of 2015 cargo weight numbers. September statistics are showing positive growth for all airline carriers; year to date a 4% increase for enplanements during the first nine months. October is trending for positive growth. An increase in landing rates shows larger planes landing. Operations are showing a growth of 20% for the month of September, with a year to date increase of almost 13%. Overall the trend is predicting a record year for 2016.

Continuing, President Hart updated the Board on the commercial airline carriers. Discussions with Allegiant regarding a potential additional destination have not yielded an additional flight at this time. They are planning on continuing service to Sanford/Orlando and Tampa/St. Pete next year. American Airlines has up-gauged airplanes to larger regional jets. The flights to Dallas and Charlotte are operating with larger airplanes. Delta Airlines have shown success with placing main line airplanes back in Chattanooga. Delta has replaced three flights with MD 80's with 150

seats departing on each of those flights. United Airlines began service on September 7th to Newark and Chicago with two flights a day to both of those locations. In the month of September, the planning group was very pleased with progress on those flights. The Chicago flights showing at flight load factors approaching 80% and Newark flights showing 50-60% flight loads and trending upwards.

The United service launch was very successful. The success of the campaign is in large part to the work of Maycreate and Waterhouse Public Relations. The message reached large audiences through multiple media sources including radio, television, print, and social media platforms. The “I Heart Non-stop” message was pushed out with positive response from individuals and general public. Personal messages were received from passengers on both Newark and Chicago flights noting the ease and competitive pricing.

President Hart touched on pilot availability and its effect on the industry moving forward. The FAA put new standards for commercial pilots and as a result there are fewer new pilots. In turn this is applying pressure on airline carriers to meet the demand for pilots and it is predicted that these effects will be felt in 2017. CMAA is participating with Intervista consulting group. The map shows states predicted to be at a higher risk of being affected by pilot shortage. CMAA will keep the Board updated as more information is available.

President Hart discussed community outreach by CMAA. Shepherd Community is hosting a parade and celebration this Saturday and CMAA is proud to participate in the celebration. The midTown Festival took place in September and the Airport played a part. Lastly, CMAA has partnered with the Boy Scouts of America and Grassroots midTown to serve Brainerd High School Students in the Exploring Program. The Aviation Group has twelve students working with CMAA to learn about different aspects of the aviation industry.

Continuing with an update on current projects, the overflow parking lot is complete. It is currently being used as employee parking with a shuttle service from the lot to the terminal. This will continue through the month of October. The next project is Phase II of the East Ramp is complete. Allen & Hoshall is currently working on the design of Phase III and construction will begin in the spring of 2017. The Vehicle Charging Stations are complete and in regular use. Finally, the first of two new jet bridges has arrived and is at Gate 2 for United Airlines. The jet bridge for Gate 5 will be discussed later in the meeting.

Finally, the last word that Dr. Conn used in his remarks was Significant. President Hart believes that we can fulfill Significance at the Airport by following three main directives: maintaining the safety and security of the airport for tenants, employees and customers; focus on providing great service everywhere from parking lot to plane; and a long term look at financial growth. What makes it easy for the staff to do their jobs is due to a strong Board and your leadership.

Audit

Robert Belcher addressed the Board regarding the CMAA audit. The annual audit is complete and financial statements are in draft form. There are a few housekeeping items to wrap up before finalization of audit. The draft in front of the Board will not change in final audit. The audit

process went smoothly this year. Mr. Belcher recognized April Cameron, Tena Keith and their team for assisting in the process. The audit is clean with no exceptions as has been the case since Decosimo has been doing the audit. There were no difficulties or disagreements. Financial statements were prepared in consistent manner as they had been in the past. There were no changes in policy or unusual transactions. Mr. Belcher feels that all estimates are appropriate, policies are appropriate and no concern for anything from a financial importance. Mr. Belcher highlighted the strong financial position of the CMAA with total assets increased by \$9.5 million with capital improvements of approximately \$10 million this year. The equity of the airport increased by about \$9 million this year and long term debt decreased by about \$700,000, placing the airport in a strong position. The cash flow for operation is about \$6 million for annual operations. The revenues are strong at \$18 million with the balance sheet showing current assets over current liability with current assets exceeding liabilities by \$13 million. The final audit will show the Airport in a strong position.

Board Action Items

Terminal Modification – Gate 5

On May 25, 2016, the CMAA Board of Commissioners approved the purchase and installation of two new Passenger Boarding Bridges. The first Passenger Boarding Bridge has been installed at Gate # 2. The second bridge is to be complete, installed and operational by December 31, 2016.

In our continuing effort to better serve our customers, CMAA must complete terminal modifications at Gate # 5 prior to the installation of this Passenger Boarding Bridge and walkway. It is our goal to provide our customers the ability to board and de-plane aircraft through a Passenger Boarding Bridge eliminating exposure to the elements.

CMAA solicited a Request for Proposals on September 22, 2016 for the Terminal Modification. CMAA received 2 bids on the project. Allen & Hoshall's review and evaluation found the apparent low bidder, Wilson Construction Group, LLC, is properly licensed by the State of Tennessee, experienced in the type of work required by this project, and in possession of sufficient equipment and financial resources to perform the work. After meeting all of the bid requirements, Allen and Hoshall has recommended awarding the construction contract to the apparent low bidder, Wilson Construction Group, LLC. CMAA has reviewed the Engineer's recommendation and is in agreement. The bid price was \$69,278.00.

The project will be funded by CMAA and was approved in the FY 2017 Capital Budget.

Board Action: CMAA requests Board approval to enter into a construction contract with Wilson Construction Group, LLC for the work associated with the Gate # 5 Terminal Modification. Wilson Construction Group's fee for this work is \$69,278.00.

Motion for approval by Commissioner Barnett, seconded by Commissioner Conn and Commissioner Snow. Motion approved.

Insurance Renewal

CMAA has partnered with Wells Fargo Insurance Services over the last five years to ensure that the airport has the best coverage at the most competitive pricing. The 2016 proposal continues to show rate reductions even with the growth that we continue to see.

Given the favorable loss environment overall and the lack of multiple catastrophic property losses, the aviation insurance market appears to be on track for a profitable year. This will provide for surplus to remain high and allows the opportunity for new coverage options and more mergers and acquisitions.

A summary of their efforts, which reflects an overall 1% decrease in the annual premium, is highlighted below.

Commercial Property

Since last year, property values have increased from \$106 million to \$109 million with the addition of Hangar 13 on the west side of the airfield. Wells Fargo worked diligently to negotiate a reduction in rates to offset our increased exposures. CNA, our incumbent carrier provided a 5% reduction in the overall rate for a total premium of \$89,131 for coverage of \$109 million with a \$10,000 deductible except for flood claims that have a deductible of \$50,000 and those locations considered in a Flood Zone A that have a \$500,000 NFIP deductible. A thorough review of the policy's sublimits and exclusions by Wells Fargo and CMAA show that CNA has provided a competitive proposal. Wells Fargo agrees that we should remain with CNA for the upcoming term effective October 31, 2016.

Board Action: CMAA requests approval for commercial property insurance through CNA effective October 31, 2016.

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

Inland Marine

CMAA's inland marine policy provides coverage for equipment used on the airfield including two fire trucks. The coverage provides actual cash value or replacement cost of equipment older than 5 years. CMAA increased its policy limits to \$2,930,855 to reflect new snow equipment purchased during the year. Wells Fargo received a quote from CNA to renew the coverage for the upcoming term for \$10,038 which is a 5% rate reduction over last year in spite of the increased exposure. The total value of the policy is \$2,930,855 with deductibles set at \$1,000 per occurrence with the exception of a \$10,000 deductible per occurrence for each of the fire trucks. Wells Fargo recommends acceptance of the quote from CNA for the term beginning October 31, 2016.

Board Action: CMAA requests approval for inland marine policy renewal through CNA effective October 21, 2016.

Motion for approval by Commissioner Barnett, second by Commissioner Conn. Motion approved.

Commercial Automobile

Wells Fargo also negotiated rates for our commercial automobile policy effective October 31, 2016. Wells Fargo received a quote from AIG in the amount of \$17,065 which is a 3% overall rate increase. The automobile policy covers the actual cash value of 17 CMAA vehicles that are driven both on and off airport property. The coverage includes auto liability, medical payments, uninsured motorists, and comprehensive and collision damage with deductibles set at \$500.

Board Action: CMAA requests approval for commercial automobile insurance renewal through AIG effective October 31, 2016.

Motion for approval by Commissioner Barnett, second by Commissioner Snow. Motion approved.

Executive Liability

CMAA's Executive Liability includes Directors and Officers, Employment Practices and Fiduciary Liability coverage for the Airport Authority. Premiums are based on the total assets of the organization which increased 5% over last year from \$125 million to \$131 million. CMAA currently maintains a primary management liability policy in the amount of \$5 million and a fiduciary policy in the amount of \$1 million. Additionally, CMAA maintains four \$5 million excess policies for total coverage of \$25 million. After negotiating, Wells Fargo has recommended the following primary and excess policies:

<u>Coverage</u>	<u>Value</u>	<u>Carrier</u>	<u>Premium</u>	<u>Rate Increase/(Decrease)</u>
Primary	\$5 million	Atlantic Specialty	\$21,120	4% Decrease
1 st Excess	\$5 million	Ironshore	\$12,500	Flat
2 nd Excess	\$5 million	RSUI	\$9,500	Flat
3 rd Excess	\$5 million	Hiscox	\$7,130	Flat
4 th Excess	\$5 million	Starr Indemnity	\$7,200	Flat
Total	\$25 million		\$57,450	

The total premium for the \$25 million executive liability coverage will cost \$57,450.

Board Action: CMAA requests approval for executive liability renewal effective October 31, 2016.

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

Workers' Compensation

Wells Fargo received a quote from Phoenix Aviation/ Old Republic to renew CMAA's workers' compensation insurance in the amount of \$35,632 which represents a 2% decrease in premium while maintaining all of the statutory limits required by the State of Tennessee. As a result of this reduction, Wells Fargo recommends accepting the proposal from Phoenix Aviation for workers compensation coverage.

Board action: CMAA requests approval for workers' compensation renewal through Phoenix Aviation.

Motion for approval by Commissioner Barnett, second by Commissioner Snow. Motion approved.

Aviation Liability

If you will recall, last year, Wells Fargo marketed CMAA's aviation liability and received three quotes from ACE, AIG and Starr Aviation. Although ACE had held CMAA's aviation liability for many years and proposed a 5% reduction in premium, we received a 47% reduced quote from AIG. CMAA selected AIG given that they provided all of the same coverages maintained in our current policy, including the entire \$300 million coverage (which eliminated the need for an excess policy), included terrorism coverage, and was offered with a price guarantee for two years if claims do not exceed 50% of the previous year's premium. As a result, CMAA is requesting approval to exercise the second year guaranteed rate provided in the AIG policy for CMAA's aviation liability in the amount of \$51,559.

Board Action: CMAA is requesting approval to exercise the second year guaranteed rate provided in the AIG policy for CMAA's aviation liability in the amount of \$51,559.

Motion to approve by Commissioner Lytle, second by Commissioner Barnett. Motion approved.

Motion by Commissioner Barnett prior to the renewals that the finance committee look at the possibility of self-insuring the fixed asset part of the insurance. Commissioner Snow seconded. Motion approve

Acquire Property at Lee Highway

For several years, the airport has wanted to acquire 4.44 acres of land adjacent to the airport located off of Lee Highway and Honest Street (shown below) that is necessary for long term growth of air cargo operations at CHA. The owner of the property, Suzan and Dana Robinette, Co Trustees for Herbert Adcox, has accepted an offer to sell the property to CMAA in the amount of \$346,320. This offer is contingent on the results of a Phase I Environmental Site Assessment that is currently underway. If approved, closing is set to occur on or before November 30, 2016.

Board Action: CMAA requests approval to purchase a 4.44 acre parcel located off of Lee Highway and Honest Street in the amount of \$346,320.

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

-

Next Board of Directors meeting will be on November 21, 2016.

Other Business

None

Public Comment

None

Closing Comment

Chairman Jacobson thanked all for attending. The Chairman praised the United Airlines campaign and the obvious success in Chattanooga and surrounding area. Chairman Jacobson complimented CMAA's lead in environmental sustainability. Chairman Jacobson thanked President Hart and staff for their leadership and success. The Chairman also thanked the public for their support of the Chattanooga Airport.

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

Adjourn

Minutes approved by:

Minutes approved by:

Mike Mallen
CMAA Secretary

Daniel R. Jacobson
CMAA Chairman

Corporate Secretary:

Minutes Recorded by:

April Cameron

Victoria Overholser

**Chattanooga Metropolitan Airport Authority
Board of Commissioners Meeting Minutes
December 19, 2016**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in open meeting Monday, December 19th, 2016 at 2:00 p.m. Chairman Jacobson, Vice Chairman Hall, Commissioners Barnett, Lytle, Khaleel and Snow 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 Lytle, seconded by Commissioner Snow, the minutes of the October 16th, 2016 meeting were approved.

President's Report:

President Hart addressed the Board and thanked them for their attendance.

First, President Hart reflected on the accomplishments of 2016. It has been a very good year with continued growth in enplanements. President Hart presented the stat sheets for October and November. October was a very good month with nearly 43,000 enplanements and was the largest month to date. The airport is up 15% on enplanements for November and up nearly 6% over last year. The encouraging thing to see was that operations were up 31%. Much of the increase in November was due to the US Forestry Service and the fire fighting in the area. However, it is great to see operations continuing to increase year after year. Cargo weights have also increased in the month of November almost 22% and 16% year to date. Those numbers are expected to increase. President Hart reiterated that the year started out celebrating the enplanement growth and is certain to finish out the year on a positive note.

A parking lot project was also completed in the early part of the year that included an additional 300 spaces and provided covered walkways throughout the parking lots. The parking project was accomplished and then we proceeded to fill those additional spaces. There has since been an addition of a remote lot that grew another 240 spaces, now being used as an employee parking lot and shuttling the employees back and forth. The addition of the remote log brings our current parking space count to approximately 2000 parking spaces. The airport was able to purchase the 4.4 acres of land on the east side of the airfield. Nothing is proposed for the property as of now, but is good for the airport to have for future use.

President Hart discussed the continued progress of improving ramps on the airfield. Phases one and two were completed in 2016. Additionally, a new 28,500 square foot hanger opened on the west side of the airfield. Wilson Air is actively pursuing interested parties to go into that facility.

In addition, we are also very pleased that West Star Aviation chose to come to Chattanooga for their operations in 2016. They are extremely busy every day and currently have 55 full time employees.

The airport has purchased some new equipment including a de ice truck, snow equipment, two new jet bridges, and a new fire truck is on order that will be here in Spring, 2017.

United Airlines came on board in Chattanooga on September, 7th with two flights a day to their Chicago and Newark hubs and will continue to bring new growth to the airport.

In closing, President Hart wanted to thank the airport partners, Wilson Air, Republic Parking, Chambliss, Waterhouse PR, Maycreate, and to the airport staff for the amazing job that has been done this year, contributing greatly to the success of the entire facility. Looking ahead, President Hart predicts another record year for enplanements for 2016. Discussions for another master plan of growth and improvements are coming, and will be presented to the Board at a later date. Finally, President Hart gave a big thank you to the Board for all of the time and support that has been given to the airport over the years.

Board Action Items:

Fire Suppression Contract

The Chattanooga Airport is required to have quarterly and annual inspection and testing of our fire alarm and suppression systems, portable fire extinguishers, and fire hydrants located at the airport facilities. A request for bids was issued and CMAA received four bids.

Bidder	Annual Price
International Fire Protection	\$ 14,940.00
Simplex Grinnell	\$ 9,600.95
Century Fire Protection	\$ 8,538.00
Building Systems Technology	\$ 8,815.00

Based on the bids received, the lowest responsive bid came from Century Fire Protection, LLC at a cost of \$8,538.00 per year. The scope of this contract will include the quarterly and annual testing and inspection of the:

- Terminal Building Fire Alarm and Suppression Systems
- ARFF Building Fire Alarm System
- FBO Terminal Fire Alarm System
- West Side Hangars Fire Alarm Systems
- Portable Fire Extinguishers
- Fire Hydrants

The term of this contract will be for three years beginning on January 1, 2017 and ending on December 31, 2020. This expense was included in the approved annual budget.

Board Action: CMAA requests Board approval to approve a contract with Century Fire Protection to test and inspect the fire alarm and suppression system and associated items at the Chattanooga Airport in the amount of \$8,538.00 per year for a three year term beginning January 1, 2017.

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

Wide Body Passenger Boarding Ramp Purchase

Periodically, during diversions and charters, the Chattanooga Airport will have wide body aircraft that need passenger service. Currently, we do not have an ADA compatible passenger boarding ramp large enough to serve 757 and 767 sized aircraft.

Research was done and only one manufacturer of ADA compatible ramps of the required size could be found. CMAA solicited a quote from that manufacturer, Keith Consolidated Industries, Inc (KCI GSE) for the purchase of a BAR3040 Passenger Boarding Ramp. A quote of \$54,300 was received and included the ramp, freight, setup, and training. This ramp will be paid for with Passenger Facility Charge (PFC) funds and was included in our approved capital budget.

Board Action: CMAA requests Board approval to purchase a BAR3040 Passenger Boarding Ramp from Keith Consolidated Industries, (KCI GSE) for a total cost of \$54,300.

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

Republic Parking Contract Extension

CMAA's current management agreement with Republic Parking for parking management services at the airport is ready for renewal. As you may know, Republic has managed the parking operations at the Chattanooga Airport since 1974 during which time they have continually went above and beyond to provide support to the airport and the traveling public. Republic has accommodated our requests to improve the operation including reorganizing staffing levels to accommodate peak traffic times, assisted passengers to locate available parking when our lots have reached capacity, and provided insight and recommendations to assist passengers as the airport continues to grow. Having a company with roots in our community that specializes in the management of airport parking operations at over 70 airports has proven to be a significant benefit for the Chattanooga Airport. Given the strong partnership that we have developed over the years, the Chattanooga Metropolitan Airport Authority is requesting approval to extend the contract with Republic Parking for an additional three years. Along with the proposed extension, CMAA is requesting approval of an amendment to the agreement which establishes a 3% annual

increase to the management fee. A quick survey of several small airports such as Knoxville, Augusta, Gulfport, and Lexington prove that this annual incremental increase that has been recommended is reasonable and consistent with other airports our size.

Board Action: CMAA requests approval to extend the agreement with Republic Parking for an additional three years with a 3% annual increase in the management fee for the term of the extension.

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

Erlanger Advertising

CMAA is requesting Board approval for a contract with Erlanger Health Systems for their advertising in the airport rotunda on the welcome murals leading into both ticketing and baggage claim. The advertiser is responsible for providing the creative graphics to be approved by CMAA before production. Once produced, Erlanger will be responsible for installing the creative into the space. The initial term of the agreement is for 6 months, beginning on December 19, 2016 at a monthly rate of \$4,000. The total six month contract amount will be \$24,000.

Board Action: CMAA requests Board approval for a contract with Erlanger Health Systems in the amount of \$24,000 for six months for a corporate display.

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

Next Board of Commissioners meeting will be determined and schedules will be sent to all of the Board Members and Staff.

Other Business

Commissioner Hall read a letter that he received from Mr. Bill Chimley, General Manager Supply Chain Division, Kumatsu of America Corporation. This letter commended our employee Phillip Ross with Dispatch, for locating a missing lap top. He wanted to praise employee and the airport and thank them for a job well done.

Public Comment

None

Closing Comment

Chairman Jacobson wanted to reflect back on 2016 and the stellar year as a whole. He mentioned the airlines and their potential growth, positive feedback from passengers that are using this airport regularly and appreciate all of the hard work that has gone into making the year successful. Chairman Jacobson is thrilled with current business partners, and the new business partnership with West Star Aviation, pleased with the audit and potential for 415,000 enplanements for the year. Chairman Jacobson thanked Terry and his staff, elected officials, and the board and wished everyone a Happy Holiday.

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

Adjourn

Minutes approved by:

Minutes approved by:

Mike Mallen
CMAA Secretary

Daniel R. Jacobson
CMAA Chairman

Corporate Secretary:

Minutes Recorded by:

April Cameron

Kimberly Randle