



## **2017 Board Meeting Minutes**

**Chattanooga, Tennessee**

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**Chattanooga Metropolitan Airport Authority  
Board of Commissioners Meeting Minutes  
February 20, 2017**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in open meeting Monday, February 20<sup>th</sup>, at 2:00 p.m. Chairman Jacobson, Vice Chairman Hall, Commissioners Barnett, Lytle, Conn, Khaleel, Mallen, and Roddy were present.

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

Chairman Jacobson introduced the newest board member Donna Roddy and welcomed her to the Chattanooga Airport Authority Board.

**Minutes:**

**On motion of Commissioner Lytle, seconded by Commissioner Barnett, the minutes of the December 19, 2016 meeting were approved.**

**President's Report:**

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

First, President Hart welcomed new board member Donna Roddy.

2017 has had a busy start, however, Mr. Hart mentioned the statistics of 2016 and the resulting 419,059 enplanements. This number produced another record year and a huge milestone for the Chattanooga Airport. This was the first time that the airport has gone above 400,000 enplanements. Over the last 4 years, the airport has seen record enplanements and this number did not disappoint, and will certainly continue to grow. The airlines involved have been up year after year. Delta is up 1.5% from last year, and American was up almost 6% for the year. United added a huge increase as they were not here in 2015, however, the numbers for enplanements are up over 7% for the year overall. Landing weights have increased 11%, Operations are up 11% YTD, and cargo poundage was up 17% for the year. Albert Waterhouse and his marketing team were an integral part of the enplanement announcement by reaching upwards of 18 million people with the advertising and media relations.

President Hart reported that 2017 has started off on the right track. January enplanements have increased 16% over January 2016, however, this number is with the understanding that United was not here in 2015. Taking out United, numbers still show an increase 5-6% overall. Landing weights are up, operations are up, and cargo is relatively flat, but that is typical for the month of January.

President Hart discussed the continuing economic development in the region, and the Chattanooga airport is a big recipient of that economic development. The rising enplanement numbers will get the attention of the air carriers. This will result in further destinations, bigger airplanes, and will allow us to continue the dialogue with the carriers. Forecasting ahead,

including the United carrier being here for a full year, we should be able to hit 450,000 enplanements without a problem.

Continuing, President Hart mentioned the increasing popularity of the airport which leads to the hosting of events. Wilson Air is the primary location for charity events, which included Hullabowloo, on Saturday February 18, 2017. At the end of April, Erlanger will have their annual Believe Gala aviation themed event here at the airport, in the new hangar with an anticipation of 750 in attendance. October 2017, the American Cancer Society will hold their event here at the airport as well.

There are a few projects that the airport has been working on. The two new jet bridges at gate 2 and gate 5 are complete and operational. There is also a new fire truck that just arrived last week.

Lastly, things happen from time to time operationally that need to be discussed. Occasionally, diversions operate into Chattanooga due to weather. January 22<sup>nd</sup>, Aircraft going into Atlanta had to be diverted due to severe weather in the area. The unique thing about this diversion is the capacity of the aircraft and the amount of people that had to deplane and enter the airport. Delta in Atlanta was overwhelmed and had Chattanooga hold the airplanes here on the ground longer than anticipated. Delta had to arrange to send new crews from Atlanta due to crews timing out on their duty day. Our job was to take care of the customers during the delays. Tailwind Concessions, TSA, Wilson Air, Airport Police, and the airport staff worked together and diligently during the diversion to keep the passengers updated, fed and comfortable. Many of the planes had been on the ground since 6:00 P.M. The last departure to Atlanta left at 1:45 A.M., all while the other airlines were still operating their regular schedule. President Hart read a letter from one of the diverted passengers that praised the airport and staff for a job well done.

## **Board Action Items:**

### **Airport Shuttle Services**

In January, CMAA issued a Request for Proposal (RFP) to provide shuttle services for both employees and passengers to and from the airport terminal building and the overflow parking lot located off of Airport Road, during arriving and departing airline operations.

We received three proposals from interested parties which are outlined below.

Company	Year 1 Cost	Year 2 Cost	Year 3 Cost
Republic Parking Systems	\$177,176	\$177,438	\$180,318
RTW Management	\$300,000	\$300,000	\$300,000
Tennessee Carriers	\$321,200	\$321,200	\$321,200

Each proposal was reviewed and evaluated based on the following criteria: 1) Experience & Qualifications, 2) Project Management & Scope, and 3) Pricing. The selection committee was comprised of representatives from both Operations and Finance.

After evaluating each of the proposals based on the established criteria, we concluded that the proposal that best met the needs of the airport was submitted by Republic Parking System in the amount of \$177,176 for the first year, \$177,438 for the second year, and \$180,318 for the third year.

Not only was the pricing competitive, Republic's proposal included detailed information regarding the type of shuttles to be utilized in the operation, staffing requirements, and training programs. In addition, each shuttle will be outfitted with Drive Cam video surveillance to monitor driver activity and enhance customer safety.

After contacting several other airports to inquire about the services and pricing provided by Republic, we learned that the pricing provided to CMAA is approximately 38% lower than the average of other airports surveyed. Based on their pricing and the experience they provide, we believe Republic will bring great benefit not only to our airport tenants but also to our customers.

**Board Action:** CMAA requests Board approval to accept the proposal submitted by Republic Parking System to provide shuttle services for both employees and passengers to and from the airport terminal and the overflow parking lot.

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

### **West Star Aviation Lease**

#### **Background**

In 2015, West Star Aviation opened a new Maintenance, Repair, and Overhaul (MRO) operation in Hangar 7 at the Airport. They invested over \$3M and produced 55 new jobs through this initial development. Based on its significant growth at their new Chattanooga location, West Star has decided to expand its operations here and reached out to the airport to find the best location for a larger development. After much time and consideration, CMAA and West Star have determined that the best location for a new facility is on the East Ramp in the location of our former cargo facilities. The first phase of the new development will encompass 293,260 square feet of land on which West Star will build a 40,800 square foot paint facility, a 40,000 square foot maintenance hangar, 32,000 square feet in associated support space, and parking areas. Based on West Star's estimate, their investment in these new facilities is expected to be \$20M and produce 100 new jobs. As part of the proposed lease agreement, CMAA will use existing resources to prepare the site for development at a cost that has been factored into the proposed lease rate. This development cost was included in our approved capital plan.

## **Contract Terms**

- 20 year Initial Term
- Two 10-year Renewal Options
- Rent Structure
  - Years 1-5                      \$150,131.85 / year
  - Years 6-10                    \$165,145.04 / year
  - Years 11-15                  \$181,659.54 / year
  - Years 16-20                  \$199,825.49 / year
  - Years 21-25                  \$219,808.04 / year
  - Years 26-30                  \$241,788.85 / year
  - Years 31-35                  \$253,878.29 / year
  - Years 36-40                  \$266,572.20 / year
- Improvements revert to CMAA at the end of the lease
- CMAA may relocate West Star to a comparable location if current location is needed for other Airport purposes
- CMAA will prepare the site in an amount not to exceed \$2.7M
- West Star will invest no less than \$20M in facilities and infrastructure with approval of CMAA
- Wilson Air Center will continue to provide fuel
- West Star responsible to maintain the premises
- Subleasing allowed with CMAA approval
- Assignment allowed with CMAA approval and fee

## **Justification**

### **Airport Comparisons**

- Knoxville – Cirrus Development
- Charleston – Boeing Development
- Airports typically have very little negotiating power through deals like these

### **Direct Benefits**

- Rent Revenue                                      \$3.5M over 20 years; average \$175,000 annually
  - Additional enplanements (2% or 8,380 annually)
    - FAA Airport Improvement Funds                      \$100,000 annually
    - PFC Revenue (2%)                                      \$36,788 annually
    - Concession Revenue (1%)                              \$2,400 annually
    - Car Rentals (1%)                                      \$20,000 annually
    - CFC Revenues (1%)                                      \$6,700 annually
  - Increased Airport Operations (1% or 588 annually)
    - Fuel Sales    \$180,000 annually
    - WAC Activity Fees (1%)                              \$500 annually
- \$346,388 annually

## **Financial Overview**

- Rate of Return including Rent and estimated Direct Benefits = 25%
- Payback Period = 4.03 years
  
- Rate of Return including Rent and 50% of estimated Direct Benefits = 16%
- Payback Period = 6.13 years

## **Indirect Benefits**

- Community Economic Development
  - New Job Creation
    - Direct Jobs – 100 (\$5,250,000)
    - Indirect Jobs – 40 (\$1,925,360)
    - Induced Jobs – 34 (\$1,538,908)
    - \$8,714,268 economic impact
    - \$741,768 increased state and local taxes
- Additional Cargo
  - Shipping of parts and supplies
- Potential New Tenants
  - New companies selecting CHA to relocate due to an MRO presence
- Benefit to Local Tenants
  - Cost savings / time efficiencies on aircraft maintenance

**Board Action:** CMAA requests board approval to enter into a ground lease with West Star Aviation as outlined above.

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

### **Allen and Hoshall Task Order # 16**

This request is to enter into Task Order # 16 with Allen & Hoshall, CMAA's Engineer of Record, for the Engineering Services associated with both the design and construction administration for the West/Star Aviation Phase II site preparation project. The site will be prepared for the construction of two hangars and associated support space to be constructed by West/Star Aviation. The development of this site is to provide for the growth of West/Star Aviation.

**Professional Services Fee Distribution  
Site Preparation Design and Construction Administration**

The following is a distribution of Allen & Hoshall's fee for Engineering Services associated with the preparation of this site.

**DESIGN/BID AND AWARD PHASE**

Sub-consultants – Hazardous materials testing, Waters of US	\$8,470
Design, Bid & Award – 515 hours anticipated	\$64,500
Permitting – 38 hours anticipated plus permitting fees	\$7,100
<b>TOTAL – DESIGN BID AND AWARD</b>	<b>\$80,070</b>

**CONSTRUCTION PHASE**

Construction Administration – 14 weeks, 680 hours anticipated	\$65,000
Submittals / shop drawings – 20 hours anticipated	\$2,150
Resident project representative – 14 weeks, 416 hours anticipated	\$30,850
Miscellaneous & Final Survey	\$1,500
Survey for Geo-piers – 18 days field, 2 days office	\$23,100
As-built drawings – 45 hours anticipated	\$4,000
Reimbursable Expenses / QA Testing	\$ 25,000
<b>TOTAL - CONSTRUCTION PHASE</b>	<b>\$151,600</b>

<b>GRAND TOTAL</b>	<b>\$231,670</b>
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The Engineering Services will be funded by CMAA. This project was included in our approved 2016-2017 Capital Budget.

**Board Action:** CMAA requests Board approval to enter into Task Order # 16 with Allen & Hoshall for the Engineering Services associated with the West/Star Aviation Phase II site preparation project. The amount of the contract is \$231,670.

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

**Other Business**

None

**Public Comment**

None

**Closing Comment**

Chairman Jacobson once again wanted to recognize new Commissioner Donna Roddy and appreciates her willingness to step up and serve. Mr. Jacobson gave accolades to President Hart and his team for the record number of enplanements and is looking forward to the growth of the airport and the community and the region and recognized West Star for being a part of that as well. Chairman Jacobson is looking forward to the rest of 2017.

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

Adjourn

Minutes approved by:

Mike Mallen  
CMAA Secretary

Corporate Secretary:

April Cameron

Minutes approved by:

Daniel R. Jacobson  
CMAA Chairman

Minutes Recorded by:

Kimberly Randle



**Chattanooga Metropolitan Airport Authority  
Board of Commissioners Meeting Minutes  
April 17, 2017**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in open meeting Monday, April 17th, at 12:00 p.m. Chairman Jacobson, Vice Chairman Hall, Commissioners Barnett, Lytle, Khaleel, Snow, and Roddy were present.

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

**Minutes:**

**On motion of Commissioner Khaleel, seconded by Commissioner Snow, the minutes of the February 20<sup>th</sup>, 2017 meeting were approved.**

**President's Report:**

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

President Hart began with a follow up from the last meeting regarding Tailwind. Overall, Tailwind Concession has been on a continuous upward trend since 2014. Revenue was \$1.5 million in 2014 and reached \$2.0 million in 2016. The previous concession vendor brought in revenues of only \$800,000 on a good year. Revenue continues to grow with Tailwind taking over. The customers are satisfied with the product and service, both pre and post security.

A topic that often comes up in the airline industry is pilots, and pilot shortages. 2017 is the year that things will happen with regard to this. In the next few years, a lot of mainline pilots will be retiring and the regional partners and military will be required to back fill. There will be less people coming out of the military and into the commercial realm. We are in a good position with our area because of the region that we are in. American made a change to the Charlotte schedule during the summer; pulled the larger planes and changed to the 50 seat jets and added another flight to Charlotte, which helped back fill some of the lost seats. However, the fall schedule has the larger regional jets returning to Chattanooga from Charlotte. The pilot shortage is a big topic all over the industry and will continue to be a problem.

President Hart stated that he is pleased with the continued growth and the ability to discuss the next master plan. The last master plan process was completed in 2010 and has surpassed the numbers outlined therein. An RFQ went out a few weeks ago with a due date of 4/17/17. The bids will be evaluated and will have an interview process in May to negotiate fees and have someone on board and decide where we need to be on the planning side. CMAA will keep the board updated throughout the process.

President Hart discussed the bill that was introduced and went forward by the State Legislature three years ago regarding Tennessee Transportation Equity Fund. The fund was put together through the sales of aviation fuel. The money was disbursed back into the airports for

infrastructure projects. The bill (FedEx bill) capped any one entity in the state from paying no more than \$10.5 million per year into the fund. This year, another bill was introduced (Southwest bill) capping any commercial aircraft company from paying more than \$5 million per year. As of last week, the bill is not getting much traction and it puts pressure on funding for the airports. Mr. Hart is not sure how the bill will proceed but is hopeful that the bill will not pass. CMAA will keep the board updated.

President Hart presented an article from Aviation International News. 2017 survey results from FBO's around the world were evaluated in 5 categories; line service, pilot amenities, passenger amenities, facilities, and customer service. It was nice to see that in the top 20% of the list, three of the four Wilson Air Centers are on the list. One of those on the list was Wilson Air Chattanooga. There are hundreds of FBO's across the country, and for Wilson Air Chattanooga to be rated amongst the pilots into the top 35 is outstanding. President Hart and the Board gave accolades to the staff and services of Wilson Air for a job well done.

Continuing, January was a very good month for enplanements; February and March followed, and have reported outstanding numbers for both months. Enplanements in February 2017 have increased 23% over February of last year. Landing weights are up 17%, operations are up almost 5%, cargo poundage up 13%. All of the carriers have shown an increase from last year. Delta was up almost 6%, American up 25%, Allegiant up 2%, and United, of course due to not being in this market as of February last year. March numbers surpassed February with an enplanement increase of almost 28% over March of last year. Year to date we are almost 23% above the first quarter of last year. Enplanements in the month of March were just a couple hundred short of 41,000. All of the carriers showed improvement. The first quarter has been very busy and Mr. Hart is extremely pleased with the numbers across the board. Additionally, there are marketing, and social media items in place to push the United markets (Chicago and Newark) in an effort to keep them in the 70% or higher load factors consistently. Waterhouse PR and Maycreate are working with CMAA on those items.

## **Board Action Items:**

### **Budget Fiscal Year 2018**

CMAA requests approval of the Fiscal Year 2018 Budget for the Chattanooga Metropolitan Airport Authority (CMAA) which has been developed in coordination with the Finance Committee.

Operating revenues for FY 2018 are budgeted at \$21 million, which is 4% above the FY 2017 forecast. This overall increase in revenues for the upcoming year is primarily due to growth in passenger traffic that we are experiencing as well as the addition of United Airlines providing nonstop service to Newark and Chicago. Landing fees and terminal rental rates will remain the same. The only fee adjustment to our 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, and ground

handling operations, and other services such as catering and line services are budgeted to be \$9.6 million which is up 5% from the FY 2017 forecast. This increase is due to new contract fueling rates.

General operating expenses for the year are budgeted at \$14 million, an increase of 5% 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 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 \$8 million of the total \$14 million budgeted for FY 2018 and relates primarily to the cost of fuel.

Capital investments are expected to reach almost \$13 million for FY 2018. New projects include acquisition of a second new Airfield Rescue and Firefighting Vehicle, continued rehabilitation of the east public ramp, updating our Master Plan, expanding West Star's operations, constructing office space for Hangar 13, clearing trees, and exploring the possibility of a 3<sup>rd</sup> phase to our solar farm project. Funding for these projects will come from FAA, State and PFC funds. CMAA will be responsible for 32% or approximately \$4.1 million of the total cost.

From a debt service perspective, as of July 1, 2017, CMAA will have a current bond balance of \$9.9 million. The debt requirement for FY 2018 is valued at \$1 million.

CMAA expects to have net operating revenues of nearly \$6.8 million for FY 2018. After deducting our capital expenditures, debt service, and reserve requirements, we will have a balanced budget for FY 2018.

**Board Action:** Request Board approval of the Fiscal Year 2018 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.**

### **West Side - Hangar 13, Alternate 3, Construction**

On September 21, 2015, a construction contract was awarded to Wilson Construction Group, LLC for construction of a new community hangar. The project was bid as a base bid with three alternates. Due to funding constraints only the base bid was awarded at that time. The Base Bid was to construct the hangar only. Today, CMAA requests approval to award Alternate III to Wilson Construction Group, LLC for the construction of the Office Addition. Wilson Construction Group's fee for this work is \$676,024.60.

With current demand for hangars with office and shop space, it has become necessary to develop additional aviation facilities on the west general aviation campus. The introduction of new aircraft on the field and a rapidly improving economy within the region has created this need. In an effort to better serve our community, CMAA plans to construct this infrastructure.

Wilson Construction Group had the lowest and best bid for this project and alternate. Allen & Hoshall's review and evaluation found Wilson Construction Group, LLC 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 Wilson Construction Group, LLC. CMAA has reviewed the Engineer's recommendation and is in agreement. The bid price was \$676,024.60.

The project is funded at the 95% State and 5% CMAA level. This is a budgeted item. This project is included in our approved 2017-2018 Capital Budget.

**Board Action:**

CMAA requests Board approval to enter into a construction contract with Wilson Construction Group, LLC for the construction of Alternate III (Office/Shop Space) to Hangar 13. Wilson Construction Group, LLC's fee for this work is \$676,024.60.

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

**Allen and Hoshall Task Order # 17**

This request is to enter into Task Order # 17 with Allen & Hoshall, CMAA's Engineer of Record, for the Engineering Services associated with both the Design and Construction Administration associated with Hangar 13, Alternate 3 (Office and Shop space) project. Alternate 3 will provide for office and shop spaces for the hangar tenants.

**Professional Services Fee Distribution**

**Hangar 13, Alternate 3 Design and Construction Administration**

The following is a distribution of Allen & Hoshall's fee for Engineering Services associated with the design and construction of Alternate 3.

**DESIGN PHASE**

Design, Bid & Award – 271 hours anticipated	\$20,000
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**CONSTRUCTION PHASE**

Construction Administration – 16 weeks, 290 hours anticipated	\$33,000
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Submittals / shop drawings – 50 hours anticipated	\$ 5,000
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Resident project representative – 16 weeks, 188 hours anticipated	\$13,800
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As-built drawings – 30 hours anticipated	\$ 3,000
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Reimbursable Expenses	\$ 200
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QA Testing	\$ 5,000
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<b>GRAND TOTAL</b>	<b>\$80,000</b>
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The Engineering Services will be funded through a State Grant at the 95% level. This project is included in our approved 2017-2018 Capital Budget.

**Board Action:**

CMAA requests Board approval to enter into Task Order # 17 with Allen & Hoshall for the Engineering Services associated with the Design and Construction of Hangar 13, Alternate 3 project. The amount of the contract is \$80,000.

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

**West Star Phase II Site Preparation Project**

At our last meeting, the Board approved a ground lease with West Star Aviation which included CMAA preparing the site for an amount not to exceed \$2,700,000.

This request is to enter into a construction contract with Talley Construction for the site preparation associated with the West Star Aviation Phase II project. The fee for this project is \$2,226,105.17. The development of this site is to provide for the growth of West Star Aviation. The site will be prepared for two hangars and associated support space to be constructed by West Star Aviation.

Site demolition includes the removal of one building and approximately 16,650 SY of existing pavement. The relocation of utilities will include electric, gas, storm water, fiber, and sanitary sewer. All of the power lines in this location will be put underground. Utilities will be installed to within 5 feet of proposed buildings. The project includes the installation of approximately 1,145 linear feet of new 18" sanitary sewer pipe with manholes, 1,800 feet of storm water pipe with manholes, 1,200 feet of waterline and fire hydrants, and 2 water quality units.

This project will also include earthwork to prepare the parking lots and hangar building pads. The earthwork will include the removal of unsuitable material and bring in approximately 50,000 cubic yards of select borrow (fill material). Select borrow will be required to raise the building site above the 100 year flood elevation. The amount of fill varies from roughly 2 to 7 feet. Approximately 2,255 Aggregate Piers will be installed as part of this project to stabilize and support the building sites.

A Request for Proposals was submitted for the site preparation and CMAA received 4 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 site preparation will be funded by CMAA and was included in our approved Capital Budget.

**Board Action:**

CMAA requests Board approval to enter into a construction contract with Talley Construction for the work associated with the West Star Aviation Phase II site preparation project. The amount of the contract is \$2,226,105.17.

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

**Other Business**

None

**Public Comment**

None

**Closing Comment**

Chairman Jacobson thanked Tailwind Concession for the job that they are doing. Their services are much appreciated, and gave kudos to the entire CMAA team. Thank you to the community and their support.

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

Adjourn

Minutes approved by:

Minutes approved by:

Mike Mallen  
CMAA Secretary

Daniel R. Jacobson  
CMAA Chairman

Corporate Secretary:

Minutes Recorded by:

April Cameron

Kimberly Randle

**Chattanooga Metropolitan Airport Authority  
Board of Commissioners Meeting Minutes  
June 19th, 2017**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in open meeting Monday, June 19<sup>th</sup>, 2017 at 2 P.M. Chairman Jacobson, Vice Chairman Hall, Commissioners Mallen, Barnett, Snow, Conn, and Roddy were present.

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

**Minutes:**

**On motion of Commissioner Roddy, seconded by Commissioner Snow, the minutes of the April 17, 2017 meeting were approved.**

**President's Report:**

President Hart addressed the Board and thanked them, and the audience for their attendance. Six months in to the fiscal year and it has been a busy start so far.

President Hart and Blake Poole had the pleasure of attending the Jump Start Conference in Providence, RI. This conference had 202 Airports talking to 29 airlines pitching their reasons to service specific markets. We made 8 requests, and 4 were approved to discuss with the airlines during what could be considered the airline version of "speed dating" This allowed 20 minute intervals to discuss our pitch to the different carriers. It was more of a means to educate the carriers, and discuss what is happening in Chattanooga. This was a very busy, yet interesting event.

United is doing a big push on domestic growth this year. We should see more things with United this year, and this is very good to hear. Delta is pleased with the flow to Atlanta. In the fall, they are discussing an additional main line as well as up gauging equipment to Detroit. American is pleased with all of our routes. Dallas is doing well with their larger regional jet. Charlotte will see larger RJ's from Chattanooga. Chicago is presenting an over 80% load factor, as well as Newark at 75% so that is very encouraging to hear. Two additional markets: Houston as well as Washington Dulles, are potential markets and we will keep the board updated as that happens.

Continuing, as our enplanements go up, that is what brings the interest of the carriers. They are not going to add routes or put something into Chattanooga without showing the increase of enplanements. In the month of April, enplanements were at a 12% increase over April of 2016. All of our carriers are showing increases this year so far. Enplanements are up nearly 18% in May over 2016 and YTD, enplanements show a 19.3% increase over the same time frame last year. Looking forward, our enplanements for 2017 at an average of a 10% increase, we should see 460,000, but if we can produce a 15% increase over last year, our enplanements will be nearly 482,000 for the year. We are looking forward to another record enplanement year. There are more passengers choosing to fly out of Chattanooga and it is exciting to see the growth.

Moving on, Mr. Hart reminded the Board that they approved the construction contract with Talley Construction to start the work for West Star and preparing the land for the two hangers. That plan is well under way.

Another project that has been going on for a couple of months, is the re-write of Chapter 8 of the city code as it relates to zoning. Chapter 8 is centered around aviation. Mr. Hart read the zoning requirements from the city code, but it dates back to January, 1950. This code is extremely out dated. Things have changed over the last number of years, so this needs to be updated. John Naylor has been working on this with our attorney and the city. Commissioner Hall asked Hugh Moore to complete a draft of the new Chapter 8 city code for the Board to review.

Last week, Rotary International held their annual meeting in Atlanta, bringing in thousands from all over the world. From that, CMAA and Wilson Air Center hosted a Rotary Fly In event. Basically, many flew in from around the country here to Chattanooga. Marshal Mize and Tom Snow were integral in putting that event together. We had at least 50+ in attendance. We hosted lunch and Morty Lloyd gave a presentation on the history of aviation in Chattanooga dating back to 1900. It was great to host the travelers as they flew through our city.

In conclusion, Mr. Hart introduced a new member of the CMAA team to the Board. Alex Nutt is the new Operations and Safety Supervisor. Alex graduated from Eastern Kentucky University in 2013 and had been working for the Operations group at Bluegrass Airport in Lexington, KY and we are happy to have him here to help grow the operations department here at the Chattanooga Airport.

## **Board Action Items:**

### **Inbound Baggage Conveyor System Refurbishment**

The two inbound baggage conveyors at the Chattanooga Airport are twenty-plus years old and are showing signs of wear and tear on the drive chains, rollers, motors, and other components. Although the baggage system has been very reliable over the years, refurbishment of the conveyors is required to provide on-time baggage service to travelers coming into the Chattanooga Airport.

In April, CMAA issued a Request for Bid (RFB) for a project to refurbish both of the inbound baggage conveyors. This project will include:

- o The installation of new steel plates, sprockets, chains, rollers, and all electrical motors and electrical components.
- o The removal and disposal of all discarded parts and equipment.
- o Post-installation testing and calibrating of both units.



The contractor will also return in 60-90 days after a “break-in period” to readjust both units.

We received 3 bids with ERM Facility Asset Services being the lowest qualified bidder with a bid of \$239,616.91. The remaining bids were:

Thyssenkrupp Airport Systems- \$436,061.98

JSM and Associates- \$450,000

The refurbishment of the conveyors was included in the Passenger Facility Charge (PFC) application with the FAA and will be funded 100% with PFC funds.

**Board Action:** CMAA requests Board approval to enter into a contract with ERM Facility Asset Services to refurbish the inbound baggage conveyor system for a total cost of \$239,616.91.

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

### **East Ramp Rehabilitation – Phase III**

On August 17, 2015, the Board of Commissioners approved Phase I of construction of the East Ramp Rehabilitation Project. The construction contract was with Talley Construction in the amount of \$2,310,853.60. On May 16, 2016, the Board of Commissioners approved Phase II of this project. The contract was awarded to Talley Construction in the amount of \$2,405,414.75.

On May 23, 2017, CMAA solicited a Request for Proposals for the construction of Phase III. CMAA received two 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. Talley 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, Talley Construction. CMAA has reviewed the Engineer’s recommendation and is in agreement. The bid price was \$3,081,254.06. This project will rehabilitate the remaining portion of the East Ramp, relocate the south taxiway connector, 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 East Ramp Rehabilitation project was a multi-year project with construction being completed in phases as funding became available.

The project will be funded with a Federal Airport Improvement Grant at 90% with CMAA being responsible for the remaining 10%. This project was included in our approved FY 2018 Capital Budget.

**Board Action:** CMAA requests Board approval to enter into a construction contract with Talley Construction for the East Ramp Rehabilitation Project, Phase III. Talley Construction's fee for this work is \$3,081,254.06.

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

### **Allen and Hoshall Task Order # 18**

This request is to enter into Task Order # 18 with Allen & Hoshall, CMAA's Engineer of Record, for the continued Engineering Services associated with the East Ramp Rehabilitation project.

Task Order # 18 is for the Construction Administration of the East Ramp Rehabilitation Project – Phase III. The project will complete the East Ramp Project and relocate the taxiway connector at the south end of the ramp. The project will include the relocation of the taxiway connector as required by current FAA design standards.

#### **Construction Administration**

21 weeks, 919 man hours anticipated	\$119,100
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#### **Submittals / shop drawings**

40 man hours anticipated	\$5,500
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#### **Resident project representative**

Inspection – 1450 man hours anticipated	\$111,050
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Expenses – 21 weeks anticipated	\$ 550
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#### **Miscellaneous & Final Survey**

	\$ 3,000
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Field Verification Survey	
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As-Built Drawings	
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#### **As-built drawings**

	\$5,000
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45 man hours anticipated	
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#### **Q/A – Testing**

	<u>\$ \$35,000</u>
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<b>GRAND TOTAL</b>	<b>\$279,200</b>
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The project will be funded with a Federal Airport Improvement Grant at 90% with CMAA being responsible for the remaining 10%. This project is included in the 2017 - 2018 Capital Budget.

**Board Action:** CMAA requests Board approval to enter into Task Order # 18 with Allen & Hoshall for the engineering services associated with the Phase III construction of the East Ramp Rehabilitation project. The amount of the contract is \$279,200.

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

### **Insurance Broker Services 2017**

In 2012, CMAA issued a Request for Proposals for Insurance Broker Services. During that process, CMAA selected Wells Fargo Insurance Services who has worked diligently for us over the past five years. Wells Fargo has not only increased our insurance coverages and significantly reduced our premiums, they have also provided exceptional customer service to the airport.

Even though we have been extremely satisfied with the work of Wells Fargo and the relationship that we have developed over the last five years, their contract term is coming to an end. In an effort to be good stewards, we once again solicited proposals for Insurance Broker Services. These services include providing broker services for the following policies:

Airport Liability	Property including Boiler and Machinery
Automobile	Inland Marine
Workers Compensation	Director's and Officer's Liability

After receiving notices of intent to participate from five different firms, we had two firms contact us notifying that they would not be participating. After reviewing our current insurance program including coverages and premiums, both believed that the airports current program was strong and they did not believe they could add additional value and therefore declined to participate in the process.

As a result, we received three proposals from Wells Fargo, Willis Towers Watson, and BB&T. Each of the three proposals were reviewed by an evaluation team composed of Terry Hart, April Cameron, Tena Keith (Director of Finance), and Dannielle Vicars (Contract Administrator). The proposals were scored on the following criteria and weights:

Broker Firm's Qualifications and Experience	25%
Account Manager's Qualifications and Experience	25%
Methodology and Approach	20%
Proposed Fees	20%
Interviews and/or References	10%

After a thorough review, evaluation, and discussion, the committee has determined that the best proposal was presented by the incumbent Wells Fargo Insurance Services with the following fee structure:

Year 1	\$37,000
Year 2	\$37,740
Year 3	\$38,495
Year 4	\$39,265
Year 5	\$40,050

**Board Action:** CMAA requests approval of a five-year contract with Wells Fargo Insurance Services as specified.

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

### **West Star Aviation Expansion Lease Amendment**

Earlier this year, CMAA approved a new lease with West Star Aviation to expand its operations in Chattanooga by leasing 293,260 square feet of land on which to build a 34,000-square foot paint facility, a 40,000-square foot maintenance hangar, and associated support space and parking areas. The approved lease included a 20-year initial term with two 10-year renewal options. In order to best amortize their \$20M investment, West Star has requested an amendment to the lease to include one additional 10-year renewal option. During the additional term the rental rate for the land lease will be:

- Years 41-45                      \$279,900 / year
- Years 46-50                      \$293,896/ year

All of the other terms and conditions will remain the same.

**Board Action:** CMAA requests approval of a lease amendment with West Star Aviation to add one additional 10-year renewal option.

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

### **Airport Master Plan - 2017**

The last Airport Master Plan conducted by RS&H was completed in July of 2010. The FAA recommends that an Airport Master Plan Update be completed every ten years. While it has only been seven years since completion of the last Airport Master Plan the Airport has surpassed each of the forecasted goals. Our enplanements have exceeded the FY 2027 forecast and we have completed the majority of the Recommended Alternative projects during this same time period. We have been very aggressive in working toward the success of this airport, which has been witnessed by our amazing growth.

The Chattanooga Airport with the support and encouragement of the Federal Aviation Administration, issued a Request for Qualifications from firms interested in preparing an Airport Master Plan for the Fiscal Years 2017 – 2037. The process began in December 2016 with the development of the Airport Capital Improvement Plan. On March 24, 2017, a Request for Qualifications was released in accordance with U.S. Department of Transportation, Federal

Aviation Administration, AC 150/5100-14, Architectural, Engineering, and Planning Consultant Services for Airport Grant Projects.

Five firms replied to our request and submitted a Statement of Qualifications on April 17, 2017. A committee that consisted of the President, Vice President of Finance, Vice President of Air Service and Economic Development, Vice President of Operations, and the Vice President of Planning and Development was formed to evaluate each of the submissions and two firms were selected for further discussion. Interviews were conducted with the top two firms on May 9, 2017. At the conclusion of this process the committee determined that InterVISTAS was the most qualified firm.

On May 10, 2017, the Scope of Work and Fee Negotiations began with InterVISTAS. On May 18, 2017, the proposed Scope of Work and Fees were forwarded to Parrish and Partners to conduct an Independent Fee Analysis. Parrish and Partners determined that the fees were fair and equitable. The Scope of Work and Negotiated Fees were reviewed and approved by the Federal Aviation Administration.

CMAA requests Board approval to enter into a contract with InterVISTAS for the 2017 -2037 Airport Master Plan Update. The amount of the contract is \$1,159,313.00. The Pavement Management Plan Update is funded at \$110,000.00 through the Passenger Facility Charge Program at 100%. The remaining contract amount of \$1,049,313 will be funded by the FAA at 90% (\$944,381.70) and CMAA at 10% (\$104,931.30). This project was included in our approved FY 2018 Capital Budget.

**Board Action:** CMAA requests Board approval to enter into a contract with InterVISTAS for the 2017 - 2037 Airport Master Plan Update. The amount of the contract is \$1,159,313.00.

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

### **Waterhouse Public Relations Agreement**

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

- Media relations, including but not limited to crisis communications
- Media clips, including sending monthly copies of all print, online and broadcast coverage of the airport
- In-terminal advertising support
- Special projects
- Event management and miscellaneous public relations support

- Social media monitoring and administration, including notifying CMAA as required for reputation management

Due to the relationship that we have built with the team at Waterhouse, the airport staff recommends renewing our contract. The term of the new agreement will begin on July 1, 2017 and extends through June 30, 2020. The contract is valued at \$60,000 annually based on the number of man hours required to support the Airport's activities. This expense was included in our approved operating budget.

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

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

### **Maycreate Contract Amendment**

Last year, CMAA bid out our creative services to see what new organizations in the region might be interested in the contract. During that process, we received ten bids. After a thorough review of the bids, CMAA entered into a contract with Maycreate, a local creative firm.

Over the past year, the team at Maycreate has worked diligently to utilize our limited funding to further expand our positive message and promote all that the Chattanooga airport has to offer our community and surrounding region.

The contract that we entered into last year was a two-year agreement that extends until June 30, 2018. Our request is simply to approve the funding for Maycreate for FY 2018. The scope of their services remains the same and includes:

- Develop an annual Advertising Plan in support of our existing brand by creating strategies for reaching business and leisure travelers.
- Make recommendations as to the types and locations of airport advertising in the region which will support the airport's brand and reach the evolving airport and community demographic.
- Develop advertising creative graphics as needed for approved locations which support CMAA's brand.
- Negotiate rates and place media buys for approved CMAA advertising purchases.
- Report quarterly on marketing activities and consumer research.
- Other advertising and creative consulting services, as required.

The FY 2018 contract will be in the amount of \$279,500 with \$231,500 towards media buying and \$48,000 for creative services and account management. This expense was included in our approved operating budget.

**Board Action:** CMAA requests Board approval of an amendment to our marketing and media placement contract with Maycreate in the amount of \$279,500.

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

**Other Business**

None

**Public Comment**

None

**Closing Comment**

Chairman Jacobson commented on the increase in enplanements and is happy to see another banner year. The air carriers are very pleased with our performance and great to see good things on the horizon from all of them. Thank you to Terry Hart and the CMAA staff for the dedication and continuing a job well done. One final closing comment as Mr. Jacobson asked for a moment of silence for a friend that passed away unexpectedly. He was also a great friend of the airport, Mr. Tom Ed Wilson. Thank you.

**Commissioner Roddy 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

Kimberly Randle

**Chattanooga Metropolitan Airport Authority  
Board of Commissioners Meeting Minutes  
August 21, 2017**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in open meeting Monday, August 21, 2017 at 10 A.M. Chairman Jacobson, Vice Chairman Hall, Commissioners Mallen, Barnett, Snow, Conn, Lytle, Khaleel and Roddy were present.

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

**Minutes:**

**On motion of Commissioner Mallen, seconded by Commissioner Conn, the minutes of the June 19, 2017 meeting were approved.**

**President's Report:**

President Hart addressed the Board and thanked them for attending and for their flexibility to allow for the meeting time change this month. Mr. Hart was pleased to see that all 9 board members were in attendance. He was not sure what all of the excitement is regarding the solar eclipse that happened 100 years ago, or that our record enplanements have never been seen before.

Our impressive enplanement numbers continue in June. We are up 22% compared to June 2016. All of the carriers are showing positive increases. Landing weights, operations at the airport, and cargo are all up over June of last year. June was a very busy month for us. Enplanements are nearly 42,500 for the month.

Continuing, July was also a very good month. Enplanements up 15.5% from July of last year. To date, we are still holding about 19% up for the first 7 months of this year. All of the carriers have increased; Delta almost 5%, American up 8%, Allegiant 5% up for the year. United was not in the market in July of last year, but are showing an increase over the year so far. There were also more charters operating this year to date. Landing weights, operations, cargo are up for the first 7 months of the year. Very positive June and July. August is off to a great start, although typically August tends to drop off a bit due to school returns. September should see a rise, and October is generally our best month of the year.

The air carriers recognize some of our peak times. Delta will have more seats built into the schedule in October. Some larger regional jets will also be added at peak times. At some point, Delta will replace the 50 seat RJ to Detroit to the larger CRJ700 or CRJ900. We will update you as soon as more information comes our way. On the American front, Dallas will have larger regional jet. They are going back and forth between the CRJ700 and the Embraer 175. Charlotte will have some larger regional jets in the market as well. We had a call with United on Friday and they are very optimistic moving forward. They feel that the fares are very competitive especially with the Newark market, and they are very pleased with the progress. Newark cracked



the 80% load factor and the key will be to sustain that during the slower winter months. Additionally, either this afternoon or tomorrow, we will be providing Allegiant with information they have requested about seasonal service next summer to Destin, FL.

Continuing on with air service, Mr. Hart put in front of the board a report about improving air service to small communities. He asked them to read it at their leisure and he would be available for any questions. The documents tell the story about air service and recommendations as such.

Commissioner Khaleel asked if we could possibly have customer satisfaction surveys implemented somehow to make sure the customers are satisfied with the airport and carriers in general. She would like to see that monitored on a quarterly, or semi-annual basis to ensure customer satisfaction with the airlines. Customer service is very important to the board members. Mr. Hart responded that the airlines have their own program, but it could be possible to start a program like that at the airport level. One of the primary goals of the airport is the customer experience.

We have been very busy with current projects. The first project Mr. Hart mentioned was Hanger 13 on the west side of the airfield. The new hangar was completed last year, but the office and support space was not built at that time, however, we were able to secure funding from the state to complete that project and construction is under way. We are looking forward to filling that space with a tenant soon. Also, another project that will be under way is Phase III of the east ramp project. We have received grant funding from the FAA and are ready to proceed. Talley Construction will begin that project this week. We have been meeting with our tenants on that side of the air field and working with them on the phasing, to make sure we are not intrusive on their operations. The West Star site work adjacent to the east ramp is well under way. The pads for the hangars have been brought to the levels required, and utilities are being installed. This project should be completed in the next 2-3 months. Once the hangars are built, that is 100 more jobs created as a result.

Lastly, Mr. Hart provided an update on the Master Plan. InterVistas has been moving forward with the Master plan. There was a week of a pavement survey work on our runways, taxiways, and ramps. There were engineers and architects here last week for assessments of our facilities including the terminal and other selected structures around the airfield. InterVistas have completed the enplanement and operations forecast for the next 20 years. Wednesday morning, we will meet at the Board retreat to discuss more of the Master plan and review where InterVistas is up to at this point. Beginning tonight and tomorrow, there will be stakeholder meetings with our employees, volunteers, airport and terminal tenants, FAA and other regulatory groups to discuss the Master plan process.

## **Board Action Items:**

### **ARFF Vehicle Purchase**

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 2016 Oshkosh and a 1999 E-One Airport Rescue and Firefighting vehicle. A secondary vehicle is required to maintain our "B" ARFF index in case the primary vehicle has to be taken out of service due to maintenance, etc. The 1999 vehicle has reached the end of its useful life and has become unreliable as a secondary ARFF vehicle. Escalating maintenance costs and the unavailability of parts have led us to require replacement of that truck.

To continue providing reliable ARFF services to the traveling public, CMAA has decided to purchase the replacement ARFF vehicle.

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

Bids were solicited and 3 bids were received. After reviewing the bids, Oshkosh Airport Products, LLC was the only qualified responsive bidder with a bid of \$629,046. CMAA will provide 100% funding of the vehicle and this item is included in our approved 2017-2018 capital budget.

**Board Action:** CMAA requests Board approval to purchase one 2017 Oshkosh Airport Rescue and Firefighting vehicle from Oshkosh Airport Products, LLC at a total cost of \$629,046.

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

### **Airport Website Redesign and Hosting Contract**

In April of this year, CMAA issued a Request for Proposals (RFP) to redesign, host, and maintain the Airport's website. The website was last redesigned in May 2010 and has become outdated and is not compatible with today's increased usage of mobile technology to access the internet. From the RFP, CMAA received 15 proposals from companies all over the US interested in redesigning our website. CMAA put together an assessment team consisting of the President, VP Finance and Administration, VP Air Service & Economic Development, and the Contracts Administrator. This team evaluated the submitted proposals based on the following criteria:

- 30% Demonstrated experience and success in designing, developing, and maintaining state-of-the-art websites which are customer-friendly and creative.
- 25% Qualifications of staff to be assigned to the CMAA account.
- 25% Demonstrated understanding of the Chattanooga Airport and the demographic profile of the customers we serve.
- 20% Demonstrated ability to provide services on time and within budget.

The assessment team along with our IT consultant, Networks Inc., conducted interviews of the top two finalists. Based on the interviews, the team selected Maycreate.

CMAA is requesting Board approval for a contract with Maycreate for the complete redesign and hosting of the Airport website. The term of the Agreement will be for 24 months with two 12-month renewal options at the sole discretion of CMAA. The redesign fee is \$20,200 and the hosting fee is \$55 per month (\$1,320). This project was included in the approved budget.

**Board Action:** CMAA requests Board approval for a contract with Maycreate in the amount of \$20,200 plus a monthly hosting fee of \$55 per month.

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

### **President & CEO Employment Contract.**

The personnel and legal committees have met to discuss the employment contract of Mr. Terry Hart. They have deliberated at length. Hugh Moore with the legal committee has been involved as well. The committees have decided unanimously to extend Mr. Hart's employment contract. There has been a tremendous amount of work associated with the airport over the last 5 years. Chairman Jacobson commented that Terry and his team have been working diligently to improve the airport over the last few years and the contract extension is well deserved.

Hugh Moore spoke about the new contract for Mr. Hart. The new contract runs 6 years and will go through September 1, 2023. This is Terry's projected date of retirement. The contract also includes a two-year extension in the event that Mr. Hart has a desire to stay beyond 2023. The salary will be the same as it is today, but can increase 2-3% each year. The board will perform performance reviews in July of each year.

**Board Action:** The personnel committee of the CMAA met on Thursday August, 3<sup>rd</sup>, 2017. The personnel committee without resolve recommends and confirms that Terry L. Hart shall remain as President and CEO of the Chattanooga Metropolitan Airport Authority. This contract is a six-year term, ending September 1, 2023 pursuant to the terms and conditions of the employment agreement which will be presented to the board.

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

**Other Business**

None

**Public Comment**

None

**Closing Comment**

Chairman Jacobson commented on the total solar eclipse of today, August, 21, 2017, and mentioned how rare this occurrence is. This is the 107<sup>th</sup> eclipse in the United States, viewable from 14 states, some parts of Africa, South America and Europe. The earliest recorded eclipse was documented on October 21, 2134 BC. The next total solar eclipse in the US will occur in April, 2024. Thank you all for attending.

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

Adjourn

Minutes approved by:

Mike Mallen  
CMAA Secretary

Corporate Secretary:

April Cameron

Minutes approved by:

Daniel R. Jacobson  
CMAA Chairman

Minutes Recorded by:

Kimberly Randle

**Chattanooga Metropolitan Airport Authority  
Board of Commissioners Meeting Minutes  
October 17, 2017**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in open meeting Tuesday, October 17, 2017 at 2 P.M. Chairman Jacobson, Vice Chairman Hall, Commissioners Mallen, Snow, Conn, Khaleel, Roddy, 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 Khaleel, seconded by Commissioner Conn, the minutes of the August 17, 2017 meeting were approved.**

**President's Report:**

President Hart began with the operations stats of August and September. Operations and landing weights were up and it was a very busy August for us. September came along and is generally down, however, we were up 5% over September 2016 and up 18% for the same 9 months compared to last year. The hurricane had an impact on the Chattanooga area and caused cancellations resulting in a slightly lower number than expected. However, the good news is all of the carriers have positive increases year to date. All in all, our numbers have remained strong and we are pleased to see our increasing enplanement numbers, and should be reporting a strong October. The airport will set another record for enplanements this year.

Continuing, Mr. Hart mentioned current projects beginning with the ongoing East Ramp Phase III project. Talley Construction is well under way and moving forward. The next section of this project will be the new connector to taxiway Alpha. We have received grant funding from the FAA for the additional work on this development.

The next ongoing project Mr. Hart mentioned is the opening of Hangar 13 additional support and office space. That project is nearing completion and is ahead of schedule. Based on occupancy, that hangar will be completely full. We will be nearing 100% occupancy of all our owned hangars.

Finally, West Star site work is well under way. Talley Construction, once again, has been doing a great job on that project. The sites are ready and should be completed in a couple weeks, and will then be turned over to West Star. The total project will go on for about one year.

Two months ago, we began our annual financial audit. Robert Belcher was here from Elliott Davis Decosimo to discuss the results. Mr. Belcher stated that the audit, although a lot of work, went very smoothly and efficiently. The audit was done in a consistent way from prior years. No changes in accounting policies or procedures and there were no difficulties, or no inaccuracies. It was a clean audit opinion as it was in the past. It was a very good year financially for the Airport

Authority. The net position increased by about \$4 million dollars in equity this year, revenue is up and debt was decreased. To summarize, as of June 30, 2017, the financial condition of the Authority is very good with a positive financial statement.

Mr. Hart updated the Board with information regarding the Chapter 8 City Code for Airport Zoning. He was pleased to announce that the ordinance has been passed at the City Council meetings and has been adopted. This was very important for us as we move forward. Kirby Yost with Chambliss, Bahner & Stophel, P.C., was here to explain more about the ordinance. Ms. Yost explained that this ordinance has not been touched since the 1950's, and it was important to have an updated and current version. The major bullet points that the Chapter 8 revision accomplished are as follows. First, the statement that the airport is governed by federal law and that the city does not have the capability to contradict that federal law. Second, it clarified the height restrictions around the airport. This should help to educate the general public and land owners near the airport property as to what the requirements and restrictions are. The third item, an airport overlay district, means that the Authority will not have to go through a rezoning process in the event of more land acquisition in the area for the future. Finally, landscaping has had issues with permitting in the past, so instead, the Airport Authority will now deal with landscaping requirements and will not be obligated to follow Chapter 38, and will now fall into the FAA requirements as well as Tennessee wildlife guidelines.

Intervistas consultants, Brian Mohr and Josh Cohn, are here today to discuss the progress of the Master Plan. Brian and Josh presented slides and more details on some of the findings. With recent technologies, Uber and Lyft are taking more people to the airport. With that, parking revenues and rental car revenues are down at most airports and the relationship between enplanements and parking is changing. We need to take that into account and make sure we don't over build and over plan as well as making sure we are up to date on all emerging technologies. There will be conversation with regional stakeholders to discuss access to and from the airport, as well as airlines, and car rental companies. Part of what the master plan will provide will include transportation pricing trends (Uber, Lyft and Taxi), parking impacts, geographical restraints, and other growth issues including passenger terminals and concourses. The building conditions assessment and pavement assessments have been completed. The documentation is in draft form for the airport layout drawing. These form the basis of the capital improvement plan. There is a long lead time for the review process with the FAA on the airport layout drawing so that process has begun.

Additionally, there was an article in the Chattanooga paper regarding a high-speed rail system from the Atlanta area. We are looking out 20 years and to have a rail system in place will be a long drawn out process. We are looking at the possibility of this for the future. Can we plan for this? Is this going to become reality? These and many other questions are being asked during this Master Plan process.

## **Board Action Items:**

### **East Ramp Additional Construction**

On June 19, 2017, the Board of Commissioners approved a construction contract with Talley Construction in the amount of \$3,081,254.06 for Phase III of the East Ramp project. The project was to rehabilitate the remaining portion of the East Ramp, relocate the south taxiway connector, and correct drainage issues in the area.

On August 4, 2017, the FAA awarded the Chattanooga Metropolitan Airport Authority a grant for Phase III as well as additional work. The additional scope included the rehabilitation of the ramp between Hangars 21 and 22 and the Perimeter Road from the FedEx Ramp to Gate 18. The change in scope was requested and approved to correct any damage related to the movement of heavy equipment and materials.

Today, CMAA is seeking Board approval to award this additional work in the amount of \$618,558.16 to Talley Construction. The original contract unit prices are being utilized. Talley Construction has also pledged to meet or exceed the set DBE goal for this additional work. The East Ramp Rehabilitation project was a multi-year project with construction being completed in phases as funding became available.

The project is funded with a 90% Airport Improvement Program Grant and 10% Passenger Facility Charge Funds. This project was included in our approved FY 2018 Capital Budget.

**Board Action:** CMAA requests Board approval to amend the construction contract with Talley Construction for the East Ramp Rehabilitation Project, Phase III. Talley Construction's fee for this additional work is \$618,558.16.

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

### **Solar Consultant Agreement**

In preparation of our final phase of the Solar Farm Project, this request is to enter into a consulting contract with Haley & Aldrich Inc. The contract will be for the consulting services associated with the execution of a Section 512, Energy Efficiency Grant for a 645 kW Solar Farm. We will be using the same consultants that prepared our two previous applications. The application will be for Phase III, bringing the total power production to 2.745 Mega Watts and will enable Chattanooga Airport to become energy self-sufficient.

In addition, Chattanooga Airport has partnered with EPB to establish a Micro-Grid as part of this project. The establishment of a Micro-Grid will enable EPB to island the airport enabling us to continue operation even if the national power grid goes down.

The Scope of Services includes the following tasks:

Task 1 – Project Description	\$ 8,500
Task 2 – Data Collection and Processing	\$ 7,000
Task 3 – Preliminary Ocular Glint and Glare Hazard Assessment	\$ 5,000
Task 4 – Energy Review	\$12,500
Task 5 – Financial Analysis	\$12,000
Task 6 – Prepare Section 512 Program Application	\$30,000
<b>Total</b>	<b>\$75,000</b>

The fee for these services is \$75,000.00. The project will be funded with a FAA Section 512, Energy Efficiency Grant at 90% with CMAA being responsible for the remaining 10%. This project is included in the approved 2017 - 2018 Capital Budget.

**Board Action:** CMAA requests Board approval to enter into a consulting contract with Haley & Aldrich Inc. for the services associated with obtaining a Section 512, Energy Efficiency Grant for Phase III of the Solar Farm project. The fee for these services is \$75,000.00.

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

### **Building Demolition Contract**

The Chattanooga Airport acquired the former Bell South Building located at 5960 Pinehurst Avenue in August 1995 and the former Weather Service Building located at 101 Cedar Lane in 1979. Both buildings are vacant and not serviceable/habitable.

A Phase I Environmental Site Assessment and a Hazardous Materials Survey were conducted for each building. As would be expected in buildings of this age both contain some asbestos and lead paint. The Demolition Contractor will be required to remediate both and provide documentation of such.

A Request for Proposals was submitted for the work associated with the demolition and CMAA received 4 bids on the project. A review and evaluation found the low bidder, Complete Demolition Services 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, Staff has recommended awarding the demolition contract to the apparent low bidder, Complete Demolition Services. The bid price was \$122,000.

The Chattanooga Airport is seeking Board approval to remove these two buildings for safety reasons and to prepare for future development. The Bell South site will be returned to a green grass site. The site of the Weather Service building will be graveled as it sits between the Maintenance Building and the Electrical Vault.

The project will be funded by CMAA and was included in our approved capital budget.

**Board Action:** CMAA requests Board approval to enter into a contract with Complete Demolition Services. The amount of the contract is \$122,000.

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

### **Personnel Plan Revision**

The current version of our Personnel Management Plan has not been updated in many years. Over the past few months, staff has worked with legal counsel at Chambliss, Bahner, & Stophel to update information as well as outline important new information in the plan. The Personnel/Legal Committee and the Finance Committee have both reviewed the changes and recommended them for approval.

Highlights of the changes include:

- **2.08 Garnishments.** This section has been added to outline that CMAA is required by Federal and State law to withhold garnishments from an employee's pay. We have also specified that repeated garnishments could result in disciplinary action.
- **3.06 Health and Background Examinations.** All new hires, including administrative staff, will be required to undergo a pre-employment examination and drug testing.
- **3.09 Work Performance.** This new section outlines the basic requirements for work performance. Poor performance resulting in disciplinary action is also addressed.
- **3.10 Employee Reviews.** This new section details the purpose and intent of employee reviews.
- **3.11 Insubordination.** New section added to outline the results of insubordination.
- **3.12 Code of Conduct.** New section addresses CMAA's expectation for employees to conduct themselves in a professional manner.
- **3.13 Dress Code.** This new section outlines the basic requirement of personal hygiene and professional dress.
- **5.04 (E and F) Final Paycheck and Exit Interview.** These new sections outline the process for an employee's final pay and exit from the organization.

- **5.05 (C) Hours of Work and Overtime.** The requirement for employees to accrue and maintain at least 80 hours of leave has been removed.
- **5.05 (H) Family Medical Leave Act.** This section has been increased to include more detail of the Family Medical Leave Act.
- **5.06 (C) Personal Leave.** Each employee will now be required to submit personal leave requests for the year by January 31. Although we understand that unplanned events are likely to occur, by planning ahead, we hope to prevent understaffing at the end of the year.

**Board Action:** CMAA requests approval to modify the Personnel Management Plan as outlined.

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

### **Insurance Renewal**

Several months ago, CMAA issued a Request for Proposals for Insurance Broker services to handle the airport's insurance requirements. During that process, we received three proposals and after thorough review, made the decision to remain with Wells Fargo Insurance Services. Our team at Wells Fargo went to work right away to secure quotes for the 2017 renewal. From their hard work, we are able to once again see rate reductions even though the airport continues to grow.

A summary of their efforts, which reflects an equivalent overall 1% rate decrease, is highlighted below.

Line of Coverage/ Carrier			2017/18 Exposure	2017/18 Premium/ rate	Comments
Property/C.N.A.			\$111,229,385 per \$100 values	\$90,578 0.08143	Flat renewal rate; includes \$3,000 for TRIPRA
Inland Marine/C.N.A.			\$4,090,126 Per \$100 values	\$13,478 0.3295	4% rate decrease; includes \$21 for TRIPRA
Airport Liability- \$300 mil/AIG			Guaranteed rate	\$51,559	Flat renewal
Workers' Compensation/ Old Republic			\$2,411,995 Per \$100 payroll	\$36,346 1.507	2% rate decrease

<b>Automobile/New Hampshire (AIG)</b>	<b>18 Per auto</b>	<b>\$17,958 \$998</b>	<b>1% rate decrease</b>
<b>Directors &amp; Officers Liability/ Employment Practices - \$5 mil/Atlantic Specialty Ins. Co.</b>	<b>\$136,088,225 Per \$1,000 assets</b>	<b>\$21,290 0.156</b>	<b>7% rate decrease</b>
<b>Excess D&amp;O/EPLI - \$5 mil xs \$5 mil/ Ironshore</b>	<b>Follow lead</b>	<b>\$12,500</b>	<b>Flat renewal</b>
<b>Excess D&amp;O only - \$5 mil xs \$10 mil/ RSUI</b>	<b>Follow lead</b>	<b>\$9,500</b>	<b>Flat renewal</b>
<b>Excess D&amp;O only - \$5 mil xs \$15 mil/ Hiscox</b>	<b>Follow lead</b>	<b>\$7,130</b>	<b>Flat renewal</b>
<b>Excess D&amp;O only - \$5 mil xs \$20 mil/ Starr Indemnity</b>	<b>Follow lead</b>	<b>\$7,000</b>	<b>3% premium decrease</b>
<b>Line of Coverage/ Carrier</b>	<b>2017/18 Exposure</b>	<b>2017/18 Premium/ rate</b>	<b>Comments</b>
<b>Crime - \$500,000 Travelers Casualty &amp; Surety</b>	<b>46 Per employee</b>	<b>\$2,296 \$49.91</b>	<b>3% rate increase</b>
<b>Fiduciary - \$1 mil Travelers Casualty &amp; Surety</b>	<b>46 Per employee</b>	<b>\$807 \$17.54</b>	<b>4% rate decrease</b>
<b>Standalone Terrorism – Lloyd’s of London</b>	<b>Limit \$115,319,511</b>	<b>\$10,255</b>	<b>New Policy</b>
<b>Cyber Liability Axis</b>	<b>\$2 million</b>	<b>\$9,351</b>	<b>New Policy</b>
<b>TOTAL PREMIUM</b>		<b>\$290,048</b>	<b>Overall equivalent 1% rate decrease</b>

**Board Action:** CMAA requests approval of the insurance policies in the total amount of \$290,048 effective October 31, 2017 as outlined.

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

### **Nokian Tyres Advertising**

In September, Nokian Tyres Inc. reached out to the airport in hopes of securing advertising space in the terminal building to promote their new facility in the region. Given their eagerness to advertise in advance of their groundbreaking event, CMAA requested approval via written consent in order to meet their timeline. A majority of the board members approved the written consent and the agreement was executed. The advertising was installed on three of the upper front window panels in the rotunda. Nokian was responsible for developing, producing, and installing the creative graphics. The initial term of the agreement is for 15 months, beginning on September 15, 2017 at a monthly rate of \$1,000. The total value of the contract amount is \$15,000.

**Board Action:** CMAA, once again, requests Board approval for a contract with Nokian Tyres Inc. in the amount of \$15,000 for a corporate advertising display through December 2018.

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

### **Verizon Wireless Service Enhancement Contract**

In October of last year, a representative of Verizon Wireless approached the airport with a proposal to install antennas in the airport terminal to enhance Verizon Wireless's signal for future cellular service technology and to improve customer reception. This enhancement will prevent disruption of service to their wireless customers in the terminal as wireless technology progresses.

Verizon Wireless will be responsible for the installation and maintenance of the equipment throughout the term of the contract. The term of the agreement is for 5 years at \$3,000 per year, beginning with commencement, with 4 5-year renewals. The contract will also include a one-time lump sum signing bonus of \$2,000.

CMAA will have the right to terminate the contract after the initial 5-year term provided a prior 6-month notice is given to Verizon.

**Board Action:** CMAA requests Board approval for a contract with Verizon Wireless Tennessee Partnership, d/b/a Verizon Wireless in the amount of \$3,000 per year plus a one-time lump sum signing bonus of \$2,000.

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

### **Other Business**

Commissioner Mallen commented on an article from The Wall Street Journal about the Pittsburgh Airport. They recently completed a project which now allows the non-traveling public

to enter the post security area. Staff will evaluate and try to formulate the concept into our future terminal plans.

### **Public Comment**

Desia Lewis from X-MARX addressed the Board regarding emerging wayfinding technology. Staff will follow up with her to discuss further.

### **Closing Comment**

Chairman Jacobson closed with a few remarks. The enplanement numbers continue to be strong and we are up almost 18% over last year, well on the way to another record year. He is very pleased with the performance of both Chicago and New York flights. In addition, we see more and more license plates from Southeast Tennessee, Northwest Georgia and even Alabama, which shows that we are delivering on convenience, comparable fares and exceptional customer service.

Chairman Jacobson thanked Terry and the staff for continually doing a great job. He is pleased to see the Master Plan process on schedule and excited to see the outcome and recommendation of the final plan. He encourages all of the stakeholders to continue to stay heavily invested in the process.

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

**Chattanooga Metropolitan Airport Authority  
Board of Commissioners Meeting Minutes  
December 18, 2017**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in open meeting Monday, December 18, 2017 at 2 P.M. Chairman Jacobson, Vice Chairman Hall, Commissioners Mallen, Snow, Khaleel, Roddy, Lytle, and Barnett 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 Mallen, seconded by Commissioner Lytle, the minutes of the October 17, 2017, meeting were approved.**

**President's Report:**

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

President Hart began by stating that he had a couple of items to review. In the essence of time, we would quickly move to the board action items, allowing adequate time for Brian and Josh from InterVistas to update the Board on the Master Plan. He began with very good news. After reviewing enplanement data for the last two months, October was a very strong month. Enplanements were up to almost 48,000 for the month of October. An increase of 11% over the previous year. All air carrier's enplanements were up in October, all numbers were very positive. Enplanements also finished strong in November. Enplanements were up almost 14% over the same month last year, and a record for enplanements in the month of November. Currently, year to date we are at 446,203 enplanements, surpassing our 419,059 for last year. We are looking forward to a strong December. Even with two events in Atlanta impacting our enplanements, we still anticipate being around 485,000 enplanements for 2017. All the carriers were up this year. Delta was up 9%, American up 7%, Allegiant up 2.5%, and United up 300%.

Continuing, Mr. Hart reviewed current completed projects beginning with the Hanger 13 office build out. This has been completed and the tenants have moved in. Total hanger occupancy is at 98% on the field. Next the third phase of the East Ramp Project is complete. We are very pleased that the pavement on the East Side of the airfield has been redeveloped and improved for our tenants.

Lastly, Mr. Hart gave an update on the West Star site work project. Site preparation work has been completed and the project has been turned over to West Star's contractors. They are pushing to get the paint facility done by the end of September. It's a good project for the airport and once completed it will produce 100 new jobs for West Star here in Chattanooga.

**Questions** Vice Chairman Hall asked Mr. Hart if he could address the backup plan for any power outages at the Chattanooga Airport. Mr. Hart agreed to provide an update at the next board meeting. Mr. Hart spoke about the impact the Atlanta Airport power outage had on the Chattanooga Airport. All the departures and arrivals to Atlanta were canceled on Sunday after 1:00 pm. There was one diversion that arrived from Flint, Michigan with 150 passengers on it. The departure was canceled Sunday about 8:00 pm and passengers were put in hotels for the night.

**Board Action:**

**SkyWest Airlines Lease**

The Chattanooga Metropolitan Airport Authority requests approval to execute a lease agreement with SkyWest Airlines (SkyWest) for approximately 1,157 square feet of space located in the lower level of the terminal building. SkyWest will use the premises as administration offices for a maintenance team that will be located in Chattanooga to perform aircraft maintenance. The Premises are leased in an “AS IS” condition whereas SkyWest bears sole responsibility for all janitorial, maintenance, and routine upkeep of the premises. The term of the agreement is for three years with two one-year options at a rate of \$2,884.19 paid in advance on the first day of each month. The rental rate will increase 2% annually for the entire term of the agreement.

**Board Action:**

CMAA requests board approval for a three-year lease agreement with two one-year options with SkyWest Airlines in the amount of \$2,884.19 per month commencing January 1, 2018.

**Motion to approve made by Commissioner Khaleel seconded by Commissioner Barnett.  
Motion approved.**

**DAL Global Services Lease**

The Chattanooga Metropolitan Airport Authority requests approval to execute a Lease Agreement with DAL Global Services (DAL) for approximately 900 square feet of space located at T hangar #23. DAL will use the premises as a ground support equipment maintenance location. The Premises are leased in an “AS IS” condition whereas DAL bears sole responsibility for all janitorial, maintenance, and routine upkeep of the premises. The term of the agreement is for one year with monthly rent of \$487.50 paid in advance on the first day of each month.

**Board Action:**

CMAA requests board approval for a one-year lease agreement with DAL Global Services in the amount of \$487.50 per month commencing January 1, 2018.

**Motion to approve made by Commissioner Snow, seconded by Commissioner Lytle.  
Motion approved.**

## **Pump Motor Replacement**

During times of heavy rains, a majority of the precipitation that falls on the airport drains to a detention pond on the west side of the airfield. When a prescribed level of water gathers in the detention pond, a series of pumps engages and are responsible for pumping the water over the levee and into Chickamauga Creek. One of the four pump motors have malfunctioned and needs replacement.

CMAA solicited quotes from 3 firms, with only 1 firm submitting a quote. R and R Electric Motor Service of Chattanooga submitted a quote of \$39,044 plus freight.

The scope of the work includes:

1. The replacement of the pump motor
2. All labor and electrical services
3. Crane and rigging
4. Inspection and calibration of the remaining pumps

This project was included in our approved capital budget for \$30,000 and the remaining \$9,044 plus freight will be from reallocated capital funds.

### **Board Action:**

CMAA requests Board approval to enter into a contract with R and R Electrical Service to replace a flood pump motor and associated work for a total cost of \$39,044 plus freight.

**Motion to approve made by Commissioner Lytle, seconded by Commissioner Roddy.  
Motion approved.**

## **Vehicle Replacement**

CMAA is requesting Board approval to replace two vehicles that have reached the end of their useful life and are fully depreciated. The vehicles being replaced are a 2008 Ford Explorer and a 1997 Chevrolet 1500 pickup. The 2008 Explorer's engine malfunctioned and the cost to replace the engine exceeded the value of the vehicle. The 1997 Chevrolet was scheduled for replacement this year.

The scope of this project includes the purchase of a 2018 Ford Explorer and a 2018 Ford F-150 pickup.

Three quotes were solicited for the purchase of the vehicles with Marshal Mize Ford submitting the lowest quote of \$31,086.46 for the 2018 Explorer and \$23,689.92 for the F-150. The total cost of the project is \$54,776.38. These items were included in our approved capital budget.



**Board Action:**

CMAA requests Board approval to purchase a 2018 Ford Explorer and a 2018 Ford F-150 at a total cost not to exceed \$60,000 from Marshall Mize Ford.

**Motion to approve made by Commissioner Hall seconded by Commissioner Snow.**

**Motion approved.**

**Tree Clearing Project**

In 2015, an aerial survey of the area surrounding the airport was conducted by Woolpert, Inc to identify penetrations to the approach and departure surfaces to the runways at the Chattanooga Airport. Woolpert then entered the elevation and location of all the trees and obstructions into an FAA database. In mid-2017, using this database, the FAA Terminal Procedures section identified approximately 37 trees in the vicinity of the airport that penetrated the approach and departure surfaces. All but 3 of the trees were in the Runway 20 approach.

The options presented to us were to either “top” the individual trees, remove the individual trees, or to clear the entire area. If only topping or removing the individual trees, the toppled trees could again become penetrations or the trees surrounding the current penetrations could become penetrations themselves in a short period due to the tree’s growth. Due to this fact, we have elected to clear the property of all existing and future possible penetrations to this approach.

The work will consist of cutting the trees at ground level, grinding all limbs and trunks into chips, and spreading the chips over the property. CMAA will then be able to maintain the property to prevent the trees from growing back.

To somewhat offset the cutting of the trees, CMAA will plant “airport friendly” trees on identified CMAA properties.

Research identified all the landowners of the effected property and they were then contacted for approval to clear their portion of the property. A Bat Habitat Assessment was then done by an ecological consulting firm to meet the environmental requirements for this type of work.

Five firms were contacted to submit quotes to perform the work, with Westco Land Services, LLC providing the lowest quote of \$170,580 to clear 32.68 acres of land and \$450 to remove 3 additional trees on the south end of the airfield for a total cost of \$171,030.

The removal of the trees was included in the approved capital budget for \$75,000 and the remaining \$96,030 will be from reallocated capital funds.

**Board Action:**

CMAA requests Board approval to enter into a contract with Westco Land Services, LLC to clear 32.68 acres of land and remove 3 additional trees for a total cost of \$171,030.

**Motion to approve made by Commissioner Mallen, subject to approval by landowners, seconded by Commissioner Barnett.**

**Motion approved.**

### **Contract Amendment**

In August the Board approved a new Employment Contract with Terry Hart. As part of the agreement, Section 3.02(b) remained open to be added at a future time. After much time and consideration by the Personnel and Finance Committees, the following amendment will be made to the Employment Contract.

(b) **Bonus.** The Personnel/Legal Committee shall recommend to the Finance/Insurance Committee, and the Finance/Insurance Committee shall approve and adopt, a President & CEO Annual Review Process and Incentive Plan, subject to amendment from time to time as recommended by the Personnel/Legal Committee and approved by the Finance/Insurance Committee (the "Review Plan"). On an annual basis in addition to the salary described in Section 3.02(a), **Hart** shall be entitled to any incentive payout, pursuant to the Review Plan, in an amount as recommended by the Personnel/Legal Committee, and as approved by the Finance/Insurance Committee, to be paid within 90 days after the end of the applicable fiscal year.

**Motion to approve made by Commissioner Mallen seconded by Commissioner Snow.**

**Motion approved.**

### **Master Plan Update**

InterVistas consultants, Brian Mohr and Josh Cohn discussed the progress of the Master Plan. Brian and Josh presented slides and more details on some of the findings. Brian reminded the Board that they currently are still in the exploratory phase, and that they would only focus on the terminal during their review. InterVistas developed multiple terminal options. The options addressed some of the airport's future needs, including concourse expansion, security checkpoints, baggage claim devices, ticketing, and parking. InterVistas indicated the changes would take place over a 20 year period. Currently the FAA is coordinating with FAA headquarters on the Master Plan forecast which is slightly different than the last version of the FAA forecast. If the forecast is approved in late December, early January or February we have a two-year window to use it for planning purposes. If they delay until April or May it would give time to tighten up our number and provide flexibility to the airport. Their next goal is to refine the plans. InterVistas, it will be back early February or March to present again. They will be back in January to talk to the stakeholders about other aspects of the project.

Mr. Hart, thanked Brian and Josh for their hard work, and stated that the purpose was to show the Board what they have been working on and to get feedback from the board. It's important to stay focused on what our primary goals are and how to enhance the customer experience.

President Hart updated the Board on our Christmas partnership with the Shepherd Community. Our event produced five large boxes of gifts for the community children. A \$150.00 check, on behalf of the Board, was also provided.

Finally, the January Board meeting is scheduled for January 15th which is Martin Luther King Day. A proposal was made to move it to Tuesday, January 16<sup>th</sup>.

**Other Business:**

None

**Public Comment**

Bob Linehart, Republic Parking System, asked InterVistas to consider the need for doubling rental car space with people now using TNC's.

**Closing comments**

Chairman Jacobson thanked Brian and Josh for the update on the Master Plan. He is pleased to see West Star's continued investment in our airport and our economy. He is also excited about the additional 100 jobs West Star will bring to the local and regional economy and thanked them for their dedication. Chairman Jacobson acknowledged the great enplanement numbers. The year to date total stands at 446,203 with all airlines showing an increase this year. Chairman Jacobson thanked Terry and the staff on behalf of the Board, for continually doing a great job. He encouraged all the stakeholders to continue to stay heavily invested in the process, thanked the commissioners for their time dedication and leadership to the Board. Finally, he thanked our customers, for helping us reach these new heights.

**Chairman Jacobson asked for a motion to adjourn.**

**Commissioner Snow motioned to adjourn.**

**Motion seconded by Commissioner Mallen.**

**Motion approved, meeting adjourned.**

Minutes approved by:

Mike Mallen  
CMAA Secretary

Corporate Secretary:

April Cameron

Minutes approved by:

Daniel R. Jacobson  
CMAA Chairman

Minutes Recorded by:

Sybil Cline