

**Chattanooga Metropolitan Airport Authority  
Chattanooga, Tennessee  
February 16, 2009**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in open session on Monday, February 16, 2009 at 2:00 p.m. Chairman Jacobson, Vice Chairman Hall and Commissioners Freeman and Lloyd were present. Commissioner Griffin joined by telephone.

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 Freeman, seconded by Commissioner Lloyd, the minutes of the December 15, 2008 meeting were approved.**

**President's Report**

President Landguth reported that CMAA broke 300,000 boardings for the second year in a row. Total boardings were 301,338 – just 2% off of last years 307,000. The national average for airports in the US was a loss of more than 5%. Given the turmoil in the national economy, CMAA is pleased with the strong passenger numbers, and the great support seen from the community. Everyone in Chattanooga is still very excited about the VW announcement, and the many businesses that are working smart and still thriving in this worldwide economic downturn. Although 2009 is extremely difficult to predict, like all businesses, CMAA is consistently evaluating every area of operations and, based on long term indicators, we feel very good about the future of the region.

**Allegiant Recognition**

President Landguth presented the Board with an award received from Allegiant recognizing CMAA for their partnership in controlling costs. He thanked the staff and Board for their contributions.

**Written Consents**

President Landguth reviewed the five written consents since December's meeting.

- CMAA requested approval for a contract with Chambliss Bahner & Stophel to advertise in the airport. The ad is a corporate display to be located in the concourse. The term of the agreement is for 12 months, beginning on March 1, 2009, at a monthly rate of \$800, or \$9,600 annually.
- CMAA requested approval for a contract with Tennessee American Water Company to continue to advertise in the airport. The water company will be sponsoring the airport's water fountains, with poster ads located over each of the terminal's three water fountain locations. The term of the agreement is for 12 months, beginning on February 1, 2009, at a monthly rate of \$800, or \$9,600 annually.

- CMAA requested approval to extend the service facility lease with Avis Rent a Car, LLC for nine years in the amount of \$43,200 per year commencing on February 1, 2009. These three requests were approved through written consent by Vice Chair Hall and Commissioners Griffin, Kilbride, Lloyd and Wells.
- CMAA requested approval for a contract with Construction Consultants in the amount of \$699,000 for the facility modification associated with the installation of three CT-80 baggage screening systems. In conjunction with this project, CMAA also requested approval for Task Order 17 with Allen & Hoshall in the amount of \$129,995 for the engineering services on the CT-80 project. This request was approved through written consent by Chairman Jacobson and Commissioners Griffin, Kilbride, Lloyd and Wells.
- Finally, CMAA requested approval to accept Workers Compensation Insurance with Key Risk in the amount of \$89,915 for a term commencing January 17, 2009 through January 31, 2010. This request was approved through written consent by Chairman Jacobson, Vice Chair Hall, and Commissioners Freeman, Griffin, Kilbride, Lloyd, Veazey and Wells.

## **Board Action**

### **Taxiway Alpha Contract 5**

John Naylor requested approval for the demolition and relocation of Taxiways A, B, and C and the associated connectors to Runway 15/33, which would complete the Taxiway A Relocation Project. The relocation of Taxiway A will meet current FAA design standards.

CMAA received two bids on this project. After meeting all of the bid requirements, Allen and Hoshall has recommended awarding the construction contract to the low bidder, Talley Construction. CMAA has reviewed the Engineer's recommendation and is in agreement. The bid price was \$2,425,547.

The first request is for approval to award a construction contract to Talley Construction for this work. This project will be a multi-phase project.

The second request is to approve Task Order 20 with Allen and Hoshall in the amount of \$398,100.00 for engineering services associated with the Taxiway "A" Relocation project. The project will be a multi-phase project. The request is for the performance of all engineering services to include:

- Bid and Award
- Construction Administration/Management
- On-site Inspection Services
- Submittals/shop drawings/as built drawings
- Survey
- Quality Assurance Testing

Funding for the engineering services and construction work is as follows 95% federal funding, 2.5% state funding, with the remaining 2.5% balance to be paid by CMAA.

Commissioner Lloyd asked if Talley did the previous work on taxiway "A". Mr. Naylor replied that Highways did that work, but their bid for this phase came in higher than Talley.

**Board Action:** CMAA requested Board approval for a contract with Talley Construction in the amount of \$2,425,547 for the demolition and relocation of Taxiway A.

**Motion for approval by Commissioner Freeman. Second by Commissioner Lloyd. Motion is approved.**

Commissioner Lloyd asked when the work would begin. Mr. Naylor replied that work would start in March and be completed in the fall.

Vice Chairman Hall asked if the original project was completed within budget. Mr. Naylor replied that it had been finished within budget.

**Board Action:** Mr. Naylor requested Board approval for Task Order 20 with Allen and Hoshall in the amount of \$398,100 for the engineering services associated with the Taxiway "A" Contract 5 relocation project.

**Motion for approval by Commissioner Lloyd. Second by Commissioner Griffin. Motion is approved.**

### **CT-80 Baggage Belt System**

Mr. Naylor then presented a request for the design, construction, and installation of three baggage belt systems to be used in conjunction with the three CT-80 Explosive Detection Systems being installed in the Ticketing Concourse.

CMAA received three responses to our request for proposal. After meeting all of the bid requirements, Allen and Hoshall has recommended awarding the contract to the apparent low bidder, Construction Consultants. CMAA has reviewed the Engineer's recommendation and is in agreement. The bid price was \$145,500.

Funding for this project is 90% state funding (\$130,950), with the remaining 10% balance (\$14,550) to be paid by CMAA. This is a budgeted amount.

Vice Chairman Hall asked who designed the baggage system. Mr. Naylor replied JSM and Associates in Boca Raton, FL.

**Board action:** Mr. Naylor requested Board approval to enter into a contract with Construction Consultants in the amount of \$145,500 for the design, construction, and installation of three baggage belt systems to be used in conjunction the three CT-80 Explosive Detection Systems being installed in the Ticketing Concourse.

**Motion for approval by Commissioner Griffin. Second by Commissioner Freeman. Motion is approved.**

#### **Security Point Media Contract**

April Cameron said in accordance with the requirements of the Memorandum of Understanding concerning the use of security screening checkpoint furnishings entered into with the TSA, the Chattanooga Metropolitan Airport Authority issued a Request for Proposals for a third party vendor to provide bins, bin carts, and divestiture tables at security checkpoint in return for the right to advertise inside the bins. The RFP was issued on CMAA's website, [www.chattairport.com](http://www.chattairport.com), on January 9, 2009 with a proposal due date of February 6, 2009.

CMAA received only one bid through the process. Security Point Media, CMAA's current provider, proposed to provide the checkpoint furnishings as specified in the MOA as well as provide CMAA with guaranteed revenue of \$1,000 per month.

**Board Action:** Ms. Cameron requested Board approval to enter into a three year agreement with Security Point Media to provide checkpoint furnishings and \$1,000 monthly in return for the ability to advertise inside the bins at security checkpoint.

**Motion for approval by Vice Chairman Hall. Second by Commissioner Lloyd. Motion is approved.**

#### **Barnett & Company Advertising Contract**

Christina Siebold requested approval for a contract with Barnett & Company to advertise in the airport in two locations. One is a large backlit in the baggage claim and one is a poster ad in the US Airways' gate area. The advertiser is responsible for providing the creative graphics to be approved by CMAA before production. Once produced, CMAA will install the creative into the space. The term of the agreement is for 12 months, beginning on April 1, 2009, at a monthly rate of \$600 for the backlit and \$200 for the poster, or \$9,600 annually.

**Board Action:** Ms. Siebold requested Board approval for a contract with Barnett & Company in the amount of \$9,600 annually for a large backlit ad and a poster.

**Motion for approval by Commissioner Lloyd. Second by Commissioner Griffin. Motion is approved.**

Hugh Moore then gave the Board an update on the amendment on the lease for Choo Choo Aero. The Amendment is similar to the structure of other leases on the airport. Mr. Moore stated that an agreement had been reached in principle, however, he had not received a copy of the amendment and he would hopefully be sending those out this week.

Commissioner Freeman asked if the details would be in the written consent. Mr. Moore replied that yes, they would be, and he would include an email that would explain the changes.

Commissioner Freeman asked if CMAA was going to ask for stimulus dollars. President Landguth replied that yes, CMAA was working with the Airport's District Office in Memphis on securing stimulus funds and he would keep the board posted on any progress.

Commissioner Lloyd recognized President Landguth for bringing a tanker base to the Chattanooga Airport and introduced a pilot who would be working at the base.

Chairman Jacobson then thanked the Commissioners and staff for their contributions. He commended everyone involved on the recognition from Allegiant, saying that cost is a driving factor for nearly every business, and the airlines are no exception. He thanked the staff for doing a good job of controlling costs and coming up with innovative solutions for the airlines, and encouraged them to continue finding ways to help the airlines succeed.

#### **Adjourn**

**Commissioner Freeman made a motion for adjournment. Second by Commissioner Lloyd. The Chattanooga Metropolitan Airport Authority board meeting adjourned.**

**Chattanooga Metropolitan Airport Authority**  
**Chattanooga, Tennessee**  
**March 16, 2009**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in open meeting Monday, March 16, 2009 at 2:05 p.m. Commissioners Jacobson, Kilbride, Freeman, Veazey, and Lloyd, 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 Lloyd, seconded by Commissioner Freeman, the minutes of the February 16, 2009 meeting were approved.**

**President's Report**

President Landguth discussed some of the projects CMAA will be tackling over the next few months.

First, the budget process will continue. This is an inclusive exercise, includes CMAA staff, managers and the Finance Committee before bringing the recommendations to the full board of commissioners. Over the next 60 days CMAA will be scheduling meetings with the Finance Committee, as well as the Marketing Committee to review the specifics of our strategies as they are developed. As with all businesses, this year will present some unique challenges with the state of the economy but CMAA has an incredibly resourceful team of staff members, and a Board and Finance Committee that have faced similar challenges in their own businesses, and I'm confident that we will have a workable plan to present to the Board in the next few months.

Second, the Tabletop Exercise will be held at the end of March. The Federal Aviation Administration requires that airports conduct a tabletop exercise annually and a full-scale exercise every three years. CMAA looks at its emergency plan and ensure that it has what is need to respond in case of emergency – both from an operational and safety perspective, and also coordinating with the airlines on family assistance and communications. More than a dozen local agencies are invited to participate in the exercise, and it includes CMAA operations, communications, security, fire, maintenance and police departments. Exercises like this one help prepare the airport, as well as the community partners, to respond to an emergency and CMAA is grateful for the continued support of those partners

CMAA has several construction projects ongoing. The build-out downstairs is nearly completed. This area will now house our dispatch office, police, operations and security as well as some of the admin staff. The Taxiway Alpha project will restart at the end of the month. This is a high priority project to bring the taxiway into full compliance with FAA regulations and the CT-80 installation will begin at the end of March. This project

will involve moving each airline temporarily in order to install the explosive detection systems and rework the back office areas. CMAA will be working with the airlines and the passengers to ensure the airport has good signage pointing the customers to the right area. CMAA will also be posting information on its website and encouraging passengers to add a couple of extra minutes onto their commute time to ensure they locate the correct ticket counter.

The Master Plan process continues. Within the next 60 days CMAA anticipates holding a public meeting to discuss our progress to date. Lay out the goals for the airport, and seek public input on where to go from here. The planning team has done a great job developing alternative plans for the airport property and facilities. I'm excited to hear what the community thinks of those options, as well as getting feedback on new ideas they may have.

That gives a quick overview on some of the major projects over the next few months. We will keep you posted on the progress of each.

## **Board Action**

### **Personnel Plan Revisions**

April Cameron informed the Board that due to the addition of new departments within the Airport Authority CMAA has found it necessary to make modifications to its personnel plan. In order to address these new departments, CMAA has worked with both staff and the Personnel Committee to amend its Personnel Management Plan. This is the first update to the Plan in several years and incorporates the following changes.

- Plan's applicability to part-time employees is detailed in section 1.04 and 2.12 (3).
- Changes made to the drug testing policy which includes random drug testing.
- The work hours for Regular Employees have been modified since every department works different hours (i.e. Admin 5/8; Maintenance 4/10; Police 12 hours; Fire 24 hours; and Ops and Ground handling vary). Section 5.05 A.
- Any overtime, whether paid as overtime or compensatory time, must receive prior approval by the Airport president or his/her designee. Section 5.05 (B)(1).
- Employees classified as Pay Grade 5, 6, and 7 will not be eligible for overtime pay. Section 5.05 (B)(2).
- Each employee will be required to accrue a minimum of 80 hours of leave prior to use for any reason other than sickness. Section 5.05 (C).
- Unscheduled Leave approved only by Departmental VP. Section 5.05 (C)(6).
- Holiday Leave has been modified to include operations and Ground Handling personnel. Both departments will receive eight hours of holiday pay for the nine specified holidays providing a total of 72 hours. Since these departments are required to be manned on holidays, each employee is able to use the 72 hours of holiday leave at their discretion with supervisor approval. The 10 hour shifts currently worked by the maintenance Department has also been addressed in the

- revised plan. Maintenance will be paid straight time and provided eight hours of holiday leave for working on a designated holiday. The additional eight hours will be taken at the employee's discretion with approval by the supervisor. Page 22.
- Sections detailing work hours, overtime, and personal leave/vacation have been included for the operations, Ground Handling, and Maintenance Departments.

CMAA held departmental and managerial meetings to address the changes with the staff and a special meeting was held with Personnel Committee to explain the proposed changes. The final document was also provided to the staff for review and received no comments.

### **Board Action**

Ms. Cameron requested Board approval of the Personnel Management Plan which incorporates the changes detailed above.

Motion for approval by Commissioner Freeman, seconded by Commissioner Veazey. Motion approved.

### **Chamber Ad Contract**

Christina Siebold stated that CMAA is requesting approval for a contract with the Chattanooga Chamber of Commerce to advertise in the airport with a corporate display in the concourse. The advertiser is responsible for providing the display to be approved by CMAA before production. Once produced, CMAA will install the creative into the space. The term of the agreement is for 12 months, beginning on May 1, 2009, at a monthly rate of \$600 or \$7,200 annually.

### **Board Action**

Ms. Siebold requested Board approval for a contract with Chattanooga Chamber of Commerce in the amount of \$7,200 annually for a corporate display.

Motion for approval by Commissioner Kilbride, seconded by Commissioner Lloyd. Motion approved.

### **Public Comment**

Firefighter Bill Roper and Captain JD Donahue of CMAA's fire department, along with Talley Glover, a representative of the local firefighters union expressed disagreement with CMAA's policy regarding overtime.

Commissioner Freeman asked if we are in violation of FAA rules or regulations. President Landguth said no, the airport was in compliance.

Commissioner Freeman said that Airport Authority employees should follow the chain of command and if they have objections, they should notify staff and eventually it would come to the Board through committee and it would be handled properly. But he said that



dealing with subjects of this nature in a public meeting was not the right way to do business.

Chairman Jacobson encouraged the firefighters to work through the chain of command, expressing any concerns to Mr. Hart and President Landguth before bringing them to the Personnel Committee.

Chairman Jacobson closed by saying he appreciated the update on the airport's ongoing projects. He said the Board is looking forward to participating in the planning and budgeting process for next year. He said every organization that he knew of in the region and around the world was looking for ways to do their work better and smarter, and the airport is no different. The airport has worked hard to gain efficiencies over the last few years, and the Chairman said he was confident that it can and will continue to grow those efficiencies without compromising our strategic goals.

### **Adjourn**

**Commissioner Kilbride made a motion for adjournment. Commissioner Lloyd seconded. The Chattanooga Metropolitan Airport Authority board meeting adjourned.**

**Chattanooga Metropolitan Airport Authority**  
**April 20, 2009**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in open meeting Monday, April 20, 2009 at 2:00 p.m. Chairman Jacobson and Commissioner Griffin, Wells, Freeman, and Lloyd, were present with Commissioner Kilbride joining by phone.

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 Freeman, seconded by Commissioner Lloyd, the minutes of the March 16, 2009 meeting were approved.**

**President's Report**

President Mike Landguth welcomed the Board, then reported that there was good news on the March enplanements. CMAA saw more than 4% growth in airport boardings last month. Most of the airlines saw growth over last year's numbers, load factors remain strong – Allegiant had 88% of their seats filled. CMAA looks forward to another busy summer travel season and he encouraged regional travelers to check Chattanooga first when making their vacation plans this summer

**139 Inspection**

In March, the Chattanooga Airport had its annual inspection by the Federal Aviation Administration. This inspection ensures that the airport operates in compliance with the Federal Aviation Administrations Part 139 regulation, which governs commercial service airports. The inspector checks for compliance on numerous issues, including training records, lighting, fueling operations, construction, wildlife hazards and self-inspections. The inspector, Ms. Linda Berkowitz, cited no discrepancies, and said, "You are to be commended for the procedures that you are using in the day-to-day operation of the airport. The appearance of the airport indicates that they are effective."

President Landguth thanked Terry Hart and all the staff, including Operations, Maintenance, Security, Fire and Police for their great work in keeping the airport operating at such a high level. He especially recognized Jack McAfee, Operations Supervisor, and his ops specialists Will Green and Chris Saunders. Jack and his staff did a great job preparing for the inspection and ensuring the airport remains in compliance throughout the year.

**Written Consent**

This month, CMAA requested board approval through written consent to accept the proposal submitted by First Tennessee Bank and to execute a letter of commitment to begin the process of refinancing CMAA's debt through a loan agreement in an amount not to exceed \$8.5 million with a fixed interest rate of 5.41% with an amortization of 15 years that matures after 10 years. This is a much needed win for us, as it reduced our total debt service from \$12.5 million to \$7 million. This will help mitigate, though not

eliminate, our short-term economic challenges. This request was approved through written consent by Chairman Jacobson and Commissioners Freeman, Lloyd, Veazey, and Wells.

### **Community Kitchen**

Finally, the airport authority was recently recognized in the Community Kitchen's newsletter. For the president and chairman's holiday gifts, the staff adopted two families in the housing shelter and purchased gifts for the single mothers and their children – including school clothes, coats, shoes, and even a few toys. Then for the president's birthday last month, they did the same thing, choosing a family that was just transitioning from a shelter into permanent housing through a Community Kitchen program. Staff purchased a month's worth of groceries, along with dishes, silverware, pots, pans and utensils as housewarming gifts. President Landguth said that while everyone is impacted by the tough economy right now, he was so proud of the airport staff and their outreach to those who are less fortunate in the community. Work like this helps keep daily struggles in perspective

### **Board Action**

#### **Roof Replacement**

John Naylor then requested approval to enter into a construction contract with Elite Roofing for the removal, disposal, and replacement of the roof on the ticketing Concourse. Elite Roofing will design, install and remove the existing roof down to the deck and dispose of all materials. The contract amount is \$262,900.

A GAF Materials Corporation White Reflective Thermoplastic Polyolefin Single-ply Membrane (TPO) roof system that is fully adhered was the selected system. The roof material thickness will be 80 millimeters and carry a 100% No Dollar Limit 30 year warranty. All seams will be heat welded with no VOC's. The roofing material meets Energy Star criteria and qualifies for LEED points. Additionally, Elite Roofing will recycle all roofing materials removed from the Ticketing Concourse.

Mr. Naylor indicated that Elite Roofing is a certified Disadvantaged Business Enterprise with the Tennessee Uniform Certification Program. This project will utilize State funding, and therefore requires a minimum 10% Disadvantage Business Enterprise involvement. The pricing includes all of the following costs:

- Roof Product Cost
- Transportation Cost
- Installation Cost
- Tear-off Cost
- Disposal Cost
- Ancillary Costs

CMAA received five bids on the project. Firms interested submitted a Bid Form along with a one page cover letter describing the roofing system. The letter listed the reasons that their roofing solution best addressed the needs of the airport. The letter also documented the firm's ability and experience in installing the roofing system. A team consisting of the Vice President of Operations, Vice President of Planning and

Development, Director of Maintenance, and the Terminal Manager rated each of the submissions utilizing the following criteria:

- 25% Cost
- 25% Warranty
- 20% Installation Disruption
- 10% Environmental/Energy efficiency
- 10% Maintenance/Durability
- 10% Overall evaluation and opinion of the firm's capability to provide the required services

The team selected Elite Roofing and the proposed GAF TPO roofing system as the one that best met the needs of the airport. This construction is part of the CT-80 Project. The contract amount is \$262,900. The funding will be 90% State and 10% CMAA.

Commissioner Freeman asked if the disruption would be on the back side or the front of the terminal. Glenn Conway with the roofing company answered that he would like to have it out front, but he needed get the roof off as expediently as possible. There will be some disruption at the front of the building, but they will carry the materials along the front of the building, and dispose of them at the side, so they will not disrupt the front of the building.

Chairman Jacobson asked if the roofers were removing the old roof and what value was it. Mr. Conway replied that it could not be reused.

#### **Board Action**

CMAA requests Board approval to enter into a construction contract with Elite Roofing in the amount of \$262,900 for the removal and replacement of the Ticketing Concourse Roof. **Motion for approval by Commissioner Griffin. Second by Commissioner Freeman. Motion is approved.**

#### **CT-80 Contract Modification**

Mr. Naylor requested for approval of a change order to the Construction Consultants contract. The change order covers the following items:

1. Computer Cabinets - Installation of two new free standing computer cabinets for use by the airlines to install their computer systems in one centrally located area. \$11,665
2. Extension of Brick Wall - Original plans called for an opening between the exterior wall and a column. By extending the exterior wall it will allow for the airline tenant to have a good area to place shelving and exterior finish will be more aesthetically pleasing \$500
3. Floor leveling - The floor under the old conference room was previously overlaid with grout to level the floor prior to placement of a glued carpet. When the carpet was removed, large areas of this grout were removed, leaving the floor in need of repair prior to installation of new carpet. \$1,500
4. Ticket Counter Relocation - Initial design showed replacement of the ticket counters. The decision has been made not to replace the counters. The

counters previously utilized by Northwest will be relocated to provide counters at the temporary locations. In addition it was decided that two additional counters will need to be moved to open up the area in front of the new CT-80 machines to allow for easier access and queuing for baggage. \$13,835

5. Initial design had one data and one voice line at every outlet in the remodeled areas. The airlines are now requesting two voice and two data lines at every jack. This will result in one additional cable being pulled to every jack and the jack will change from a two port to a four port jack. One extra cable will be required as this line will be split into two phone lines. \$12,500

The amount of the change order is \$40,000. The new contract amount is \$739,000. The change order is funded 90% state and 10% CMAA.

Commissioner Freeman asked if this was the only change order on the project. Mr. Naylor reported that it was the only change order to date.

#### **Board Action**

CMAA requests Board approval of the change order with Construction Consultants in the amount of \$40,000. **Motion for approval by Commissioner Wells. Second by Commissioner Lloyd. Motion is approved.**

#### **Terminal Window Repair**

Terry Hart stated that the skylight window assembly, which rests atop the terminal dome, has begun to leak. The structure has been in place for 17 years and the material around the window panes has deteriorated from age and exposure to the elements. To prevent further damage and stop water intrusion into the building, CMAA staff recommends immediate attention be taken to repair the window assembly.

The airport has received and reviewed three bids to complete the required repairs. CMAA staff recommends acceptance of a contract with Total Building Maintenance, Inc. in the amount of \$17,904 to complete the required work. This budgeted project will be 90% state funded, with the remaining 10% CMAA responsibility.

#### **Board Action**

CMAA requests Board Approval, contingent upon an amendment approval from the State, for a contract with Total Building Maintenance, Inc. in the amount of \$17,904 for the repair of the Terminal Dome Skylight. **Motion for approval by Commissioner Lloyd. Second by Commissioner Griffin. Motion is approved.**

Commissioner Freeman then addressed the Board, saying that the Personnel Committee had been working with the Chairman to develop a new contract with President Landguth due to his strength of performance. Commissioner Freeman said President Landguth's first contract was expiring shortly, so the Personnel Committee and Chairman reviewed his performance, and felt there was a lot of momentum under Mike's leadership, and staff morale, as well as the airport's position in the community was improved. He indicated that financially, the airport was in a good position. Commissioner Freeman asked legal counsel Hugh Moore to review the terms of the new contract.

Mr. Moore said the new contract was very similar to the old contract. The contract would be from June 2009 to June 2014 with a two year extension. He said President Landguth would be entitled to bonuses for meeting certain benchmarks that are income related, so if he meets the bonus mark, the income will be available to pay the bonus. For the first time, there's a provision that allows the Board to set benchmarks or goals and then to allow bonuses to be paid during the term of the contract. Either party can terminate the contract with 30 days notice. If the termination is without cause, then Mr. Landguth is entitled to receive one year's salary.

Chairman Jacobson reviewed some of President Landguth's achievements over the last five years, including:

**Improve Financial Performance**

- Increase airport assets by \$22 million
- Consistently clean audit opinions
- Secured over \$36 million in state and federal funding since 2004  
    \$2.2 million is entitlement, so averaging \$7.5 million discretionary funding each year, without assistance of a lobbyist
- Increased unrestricted assets by \$5 million (to the level recommended by rating agencies)
- Gained additional \$2.4 million in funding through new PFC application
- Developed airport ground handling venture which allowed CMAA to secure Allegiant and Skybus service, increasing revenue by \$920,000 over two years
- Recognized by Allegiant as a leader in airport ground handling customer service, on-time performance, safety and baggage handling
- Developed detailed annual budget process including final budget book for distribution to the Board
- Renegotiated Republic contract from concession to management agreement, reducing expenses more than \$40,000 per year and increasing revenue \$1.3 million over four years
- Renegotiated rental car contracts, increasing revenue \$2 million over five years
- Developed Operating Permit program, ensuring a system for all businesses working on the airfield to be permitted and pay the airport for what they use
- Passed resolution 51 requiring parking fees on all CMAA ramps to ensure we have the funds to maintain the areas - gaining over \$200,000 over four years
- Significant development on the West Side, including building the Forest Service ramp, developing the new ARFF station and further development of the GA ramp for future use
- Negotiated transaction fee for Coke hangar transfer - gaining \$25,000 annually
- Brought security dispatch program in-house, saving \$20,000 in the first year
- Promoted sponsorship of business center, gaining \$22,000 over the life of the contract
- Developed in-terminal advertising program to improve revenue and service to community stakeholders
- Developed new structure for all airport lease agreements

## **Maintain Safe and Secure Operation**

- Zero discrepancies on the annual FAA inspection
- Received the FAA's Safety Mark of Distinction Award
- Recognized by TSA with Partnership Award
- Managed numerous aircraft incidents, including the Brainerd Road crash, Katrina evacuees and Beech aircraft gear collapse
- Updated Ground Transportation Rules and Regulations
- Updated Ground Vehicle Operations Program for airfield drivers
- Developed Notice of Violation Program
- Complete rehabilitation of runway 15/33
- Airport Master Plan update underway
- Development and installation of new access control, perimeter detection system and in-line baggage screening system underway
- Developed new electrical vault, securing it away from the railroad tracks in event of a derailment

## **Improve Service to key Stakeholders**

### **Air Service**

- 30% increase in passenger traffic (CY 2003-CY 2007)
- Secured low cost carrier Allegiant Air
  - 3-5 weekly flights of Orlando/Sanford
  - 2-4 weekly flights to St. Pete/Clearwater
  - 2-3 weekly flights to Ft. Lauderdale
- Secured nonstop service Washington DC
- Secured nonstop flight to Dallas/Ft. Worth
  - Added second nonstop flight to DFW
- Secured \$750,000 Small community Air Service Development grant and raised \$325,000 in community funding to secure Continental Airlines nonstop service to Houston

### **Relationships with Stakeholders**

- Community outreach - hosted hundreds of meetings with business leaders, civic groups, travel agent and frequent flyers through the Let's Go program
- Communications - hundreds of positive media stories in print, broadcast and online
- Airline outreach - developed strong relationships with airline planners leading to additional air service opportunities
- Government outreach - built valuable partnerships with elected officials and their staffers leading to additional funding for airport infrastructure and support for air service initiatives
- Passenger profile development - developed formal and informal survey programs to track passenger needs and better respond to concern
- Board communication - monthly status reports on all major projects, president's report covering major industry news and impact to CHA, crisis communication on urgent issues
- Conducted Economic Impact Analysis
- Developed Recycling Center for the City of Chattanooga

### **Social Responsibility and Community Involvement**

- Changed the annual golf tournament to a charitable event benefiting the Community Kitchen and Chambliss Children's Home (approximately \$25,000 proceeds over the last three years)
- Annual Toys for Tots drive with CHA tenants and employees benefiting local needy families
- Annual volunteer event at Community Kitchen where CMAA employees cook, clean and stock shelves
- Volunteer event at Ronald McDonald House where CMAA employees cook dinner and serve the families staying in the home
- Annual school supplies drive for Chambliss Children's Home to ensure the kids living there have the resources they need to support their education
- Sock drive for the Community Kitchen's homeless shelter which supplied over 300 pairs of socks for distribution
- For the last two years, CMAA staff has adopted a family living in the Community Kitchen's transitional housing shelter and purchased Christmas gifts for all the children.

### **Community and Industry Leadership**

- Board of Directors, Chattanooga Area Convention and Visitors' Bureau
- Vice Chairman Tennessee Multicultural Chamber of Commerce
- Hamilton County Industrial Development Board
- Board of Directors, Children's home/ Chambliss Shelter
- Board of Directors, Southeast Chapter of the American Association of Airport Executives
- Airport Ground Service Association
- Airports Council International Energy Crisis Committee

Commissioner Freeman read the following resolution:

WHEREAS, Michael J. Landguth has served as Interim President and President and Chief Executive Officer of the Chattanooga Metropolitan Airport Authority since February 16, 2004; and WHEREAS, Michael J. Landguth has been serving as President and Chief Executive Officer of the Chattanooga Metropolitan Airport Authority pursuant to an Employment Agreement, the five-year term of which began on July 1, 2004 and will terminate on June 30, 2009; and WHEREAS, the Chattanooga Metropolitan Airport Authority wishes to continue to employ Michael J. Landguth as President and Chief Executive Officer; THEREFORE, BE IT RESOLVED that the Chattanooga Metropolitan Airport Authority Board of Commissioners authorizes its Chairman of the Board, Dan Jacobson, to negotiate, enter into, and execute on behalf of the Board of Commissioners a new Employment Agreement between the Chattanooga Metropolitan Airport Authority and Michael J. Landguth for the position of President and Chief Executive Officer.

**Commissioner Freeman moved to approve the resolution. Second by Commissioner Wells. Motion is approved.**



President Landguth thanked the Board and said he was pleased with the success the airport had seen over the last five years. But he said the airport's growth would not have been possible without the vision and leadership of the Board. He said he was grateful for our staff and their professionalism and dedication. They are the ones who put their boots on the ground every day and make air transportation a reality in this city. President Landguth said he appreciated the widespread support of our elected officials and community leaders who recognize the critical role that the airport plays in the region's economic development. President Landguth pledged to continue focusing on the airport's priorities of:

- Diversifying revenue streams
- Building partnerships in the community
- Strengthening our airline relationships

President Landguth closed by thanking the Board for their expression of confidence in him, and said he looked forward to working with the Board and the great staff in the years to come

Chairman Jacobson thanked President Landguth for his hard work and dedication.

### **Adjourn**

**Commissioner Griffin made a motion for adjournment. Commissioner Freeman seconded. The Chattanooga Metropolitan Airport Authority board meeting adjourned.**

**Chattanooga Metropolitan Airport Authority**  
**Chattanooga, Tennessee**  
**May 18, 2009**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in open meeting Monday, May 18, 2009 at 2:00 p.m. Chairman Jacobson and Commissioners Kilbride, Freeman, Griffin, Veazey, and Lloyd, 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 Freeman, seconded by Commissioner Lloyd, the minutes of the April 20, 2009 meeting were approved.**

**President's Report**

President Landguth reported that passenger boardings increased 6% in April over the same month last year. The last several months have shown strong traffic, and President Landguth said he believed this was a reflection of the great work of local economic development partners as well as very competitive fares. Given the fragile state of the national economy, as well as the airline industry, there could still be struggles ahead, but CMAA is excited about the long-term prospects for growth

**Master Plan Update**

President Landguth reported that the master plan process continued in April with the second round of advisory group meetings, and the first public workshop. The Users Group – made up of major stakeholders – and the Technical Advisory Committee – made up of technical experts – met on Monday, May 11 to review the options that the planners had developed. Then that evening, CMAA held the first public workshop, where the airport invited the community to come in and see what kind of options are being explored, and take their feedback on what they would like to see. There was very positive input on the greenspaces and CMAA also heard some suggestions on t-hangars and reworking the entrance road system. Overall, great feedback through personal conversations had there at the meeting, as well as through written comments from participants. The next step for the planners is to compile the feedback from each of these groups and start narrowing down the options. Then they will run the preferred alternative through a schedule and financial model to find out when CMAA should develop each component, and how it will be funded. CMAA will then take that information to the public for one last round of feedback before submitting the plan for Board approval. President Landguth said CMAA was grateful for the support and input they received from the community.

**SEC Officers Election**

President Landguth reported that he has been elected as an officer in the Southeast Chapter of the American Association of Airport Executives. He will serve for one year as

secretary / treasurer, one year as President-elect and one year as President of the chapter. He said he looks forward to representing airports across the southeast and the country as AAAE works to educate all major stakeholders on the importance of airports in the nation's economic development.

### **Ground Transportation Rules and Regulations Update**

President Landguth reported on two minor changes to the Ground Transportation Rules and Regulation. One is simply changing the wording in the regulations to reflect the city's governing board for transportation. Previously, it had been called the "taxi board." They have recently changed that to the "transportation board." CMAA has modified the written plan to reflect that change. Secondly, CMAA has reshuffled three spaces on the parking diagram to include bus parking, when necessary. Those are the only two changes, and the Board will be informed if and when CMAA updates it further.

### **Written Consent**

President Landguth reported that earlier this month, CMAA requested Board approval for change order number two with Construction Consultants in the amount of \$24,589.10 for the relocation and replacement of water lines and a pressure reducer valve / backflow preventer system on the CT-80 project. This request was approved in writing by Chairman Jacobson and Commissioners Griffin, Kilbride, Lloyd and Wells.

### **June Board Meeting**

President Landguth concluded by saying that CMAA has a schedule conflict with the June board meeting, so staff will be sending out some alternate dates for the board's review.

### **Board Action**

#### **2009 Debt Refinancing**

April Cameron reported that in an effort to stabilize the volatility of the variable rate bonds currently in place, CMAA issued a request for proposals for banking services to refinance the outstanding debt of \$12,625,000. CMAA requested banks propose the best refinancing options to include refunding the outstanding bonds, providing a fixed interest rate, and extend the term of the debt. These requirements allow the airport to accomplish its primary objectives which include:

- Eliminating the restrictive covenants associated with the outstanding bonds which will free up over \$4.6 million in restricted funds. These funds will be used with PFC revenues to refund outstanding bonds and allow for reduction of the overall debt from \$12,625,000 to approximately \$6,600,000 million.
- Amortizing the term for 15 years will allow CMAA to reduce its annual debt service requirements which will free up additional cash for operational purposes.
- Eliminating the required letter of credit which costs CMAA 1% of outstanding debt (currently \$120,000 per year).

CMAA received four proposals to refinance the debt with four very different types of refinancing structures. Proposers included SunTrust, First Tennessee, BB&T and USBank. CMAA worked diligently with Newton & Associates, our aviation financial consultant, to evaluate each of the proposals. After initial review, staff met with the Finance Committee to outline the proposals. A recommendation to execute a Letter of Commitment with First Tennessee was made and approved by the Board via written consent in April 2009.

After several weeks, CMAA has now met all of the requirements of the Tennessee Code Annotated to issue a \$6.6 million Revenue Refunding Bond. The bond includes a fixed interest rate of 5.41% for a term of 15 years with a 10 year maturity. The refinancing process included:

- Notification of the current bondholders
- Submitting a refunding plan to the State of Tennessee Director of Local Finance
- Obtain letter of receipt from the State Director of Local Finance
- New Airport Operation Service Agreement with the City of Chattanooga
- Opinion Letter from the City Attorney
- Opinion Letter from CMAA legal counsel

Mr. Hugh Moore then read the entire resolution number 55 (see attached).

Commissioner Kilbride, also Finance Committee Member, briefly discussed his committee's involvement in the refinancing process. He noted that the airport had received healthy interest in the refinancing of its debt, which Mr. Kilbride said was a good sign. He also praised the foresight of the board and staff in pursuing the refinancing in a timely fashion. Mr. Kilbride noted that the airport authority is a business and must run on the revenue it creates, so actions such as this one positively impact the operating budget and allow CMAA to remain self-sustaining.

Commissioner Freeman asked if the \$6.6 million reflected the total debt for the Airport Authority?

Ms. Cameron replied that when CMAA pays down the \$12.6 million to \$6.6 million, that will be the total debt service owed by CMAA.

### **Board Action**

Ms. Cameron requested Board approval for Resolution 55 for the refinancing of the airport's debt. **Motion for approval by Commissioner Kilbride, seconded by Commissioner Veazey. Motion approved.**

### **FY 2010 Budget**

Ms. Cameron continued to say that CMAA requests Board approval of the Fiscal Year 2010 Budget which has been developed in coordination with the Finance, Marketing and Personnel and Legal Committees.

FY 2010 revenues are budgeted at \$6.7 million, which is 7% below FY 2009 budget. This decrease is driven by the current economic climate. Airline mergers and acquisitions coupled with overall reduction in air service have affected every airport in the country and Chattanooga is no exception. CMAA has experienced flight reductions in the Memphis and Dallas markets and is budgeting a loss of Cincinnati as a result of the Delta/ Northwest merger. Overall activity reductions have resulted in decreases in revenue including ground handling, concessions and parking. One area that has not been affected is rental car revenue which has annually increasing minimum guarantees in place through 2013.

Budgeted expenses for the year have decreased 7% from prior year. This decrease in expenditures is driven primarily by a reduction in forecasted enplanements.

Capital Investments are expected to grow to over \$17 million for FY 2010 with CMAA responsible for only 7% or \$1.2 million. The remaining balance will be funded through federal and state funds. Two significant reasons for the growth in capital is the \$3 million CMAA received in stimulus funds with no local contribution requirement plus our ability to secured additional discretionary funding where CMAA is only responsible for 2.5%.

Finally, CMAA has bonds of \$12.625 million remaining on the series 2002 bond issue. The bonds were non taxable variable rate bonds (with no cap), providing very low interest rates during strong economic times. However, rising fuel costs, along with the worldwide recession, caused a shift in the traditionally low interest rate, which peaked at 6.35% in the Fall of 2008. As a result of the instability provided by the variable rate, CMAA reevaluated the debt service and considered alternative refunding options. After receiving four proposals, the airport revised its current debt structure and issued a 2009 Series Revenue Refunding Bond with First Tennessee. This plan allows CMAA to refund the Series 2002 bonds which will release approximately \$5 million in restricted fund balances that will be used to reduce the outstanding balance to \$6.6 million. The plan also allows CMAA to eliminate several restrictive covenants including the 1% letter of credit requirement. The new bond will have a fixed rate of 5.41%, amortized over 15 years with a 10 year maturity.

Ms. Cameron closed by thanking the Board, and especially the finance, marketing and personnel, legal and insurance committees for their contribution in developing the budget.

Commissioner Kilbride noted that the landing fees to the airlines remain constant for another year – a fact that is not lost on the airlines. He said the airport is doing everything it can to support the growth of the city of Chattanooga and Hamilton County. Commissioner Kilbride also noted that the airport is hoping for the best, but planning for the tightest possible budget year. He said all of the easy fixes have been exercised, and only difficult decisions remained. Commissioner Kilbride closed by thanking Ms. Cameron for her hard work and complemented her on an excellent budget.

Commissioner Griffin also complemented the finance committee and staff on the budget, saying it was something they could all be proud of.

#### **Board Action**

CMAA requested approval for the FY 2010 budget with associated organizational structure and pay plan. **Motion for approval by Commissioner Lloyd, seconded by Commissioner Freeman. Motion approved.**

#### **West Area Apron Development**

John Naylor reported that in April, CMAA received notification of the award of a \$3 million American Recovery and Reinvestment Act Grant. The grant will complete the construction of the general aviation apron on the west side of the airport. This ramp will support the continued development of the airport and reinforce our ability to provide for regional aviation demand. The airport is thrilled to be a part of putting Tennesseans back to work. We're grateful for the support of our elected officials and partners in the Federal Aviation Administration, as well as for the foresight of President Obama in allocating funds for transportation infrastructure. We anticipate the project will employ approximately 45 people.

The first request is for approval of a contract with Talley Construction Company in the amount of \$3,211,282.85, which includes site preparation, asphalt paving, electrical lighting, markings and construction of approximately 500 feet of additional ramp with two taxiway connectors. CMAA will execute on \$2,634,200 for phase one, two, and a portion of phase three until additional funding becomes available. Funding for the construction is 100% federal funding.

The second request is for approval of Task Order 21 with Allen and Hoshall in the amount of \$308,800 for all engineering, construction management, quality assurance, and design services associated with this project. Funding for the engineering and design services is 100% federal funding.

Commissioner Kilbride asked how long the project would take to complete. Mr. Naylor indicated that CMAA hopes to complete the project before the winter construction shut down.

#### **Board Action**

Mr. Naylor requested Board approval for a Construction Contract with Talley Construction in the amount of \$3,211,282.85, which includes site preparation, asphalt paving, electrical lighting, markings and construction of approximately 500 feet of additional ramp with two taxiway connectors. CMAA will execute on \$2,634,200 for phase one, two, and a portion of phase three until additional funding becomes available. Mr. Naylor further requested Board approval for Task Order 21 with Allen and Hoshall in the amount of \$308,800 for the engineering and design services for the West Apron development on the west side of the airfield. **Motion for approval by Commissioner Freeman and seconded by Commissioner Veazey. Motion approved.**

**Other Business** – None.

**Public Comment** – None.

Chairman Jacobson closed the meeting by saying that the Chattanooga Metropolitan airport would continue to pursue opportunities for growth and development. He said these are challenging times for the airlines and their partners in the airport industry. As the Chairman looks at airports across the country, and their struggles to balance their budgets, he said he is encouraged by the leadership of this board, and the hard work and resourcefulness of the staff, who have once again brought forward a balanced budget. This was due in no small part to the work of Mike Landguth and April Cameron and the Finance Committee on the refinancing of CMAA's debt. He thanked the various Committees for their time and hard work, and the passengers for their continued support.

**Adjourn**

**Commissioner Lloyd made a motion for adjournment. Commissioner Freeman seconded. The Chattanooga Metropolitan Airport Authority board meeting adjourned.**

**Chattanooga Metropolitan Airport Authority**  
**Chattanooga, Tennessee**  
**June 29, 2009**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in open meeting Monday, June 29, 2009 at 2:05 p.m. Commissioners Jacobson, Vice Chairman Hall, Griffin, Veazey, and Lloyd, 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 Lloyd, seconded by Commissioner Griffin, the minutes of the May 18, 2009 meeting were approved.**

**President's Report**

President Landguth reported that CMAA saw 6% growth in airport boardings last month. This is the third consecutive month of enplanement growth. This is great news given the state of the national economy and the health of the airline industry. CMAA appreciates the support received from local travelers who continue to choose Chattanooga for their travel needs.

**Industry Update**

President Landguth had just returned from AAAE's annual conference, where AAAE members heard from industry leaders like Doug Parker (CEO for US Airways) and Gary Kelly (CEO for Southwest Airlines). These experts discussed an interesting phenomenon within the industry right now – one that is impacting everyone. Short-term, the airlines are seeing fairly stable traffic, due to fares which have been in a free fall for several months. So business travel is down, and instead of making a significant adjustment in the supply of seats to better fit the lower levels of demand, the airlines are filling seats with low-cost, low yield passengers. However, this trend is unsustainable long term. So short-term, passengers are seeing a great value in flying, but airlines are continuing to lose money.

The second complicating factor is the economy and its impact on fuel prices. The Nation is in the midst of a deep recession, and oil is trading at \$70 a barrel. When the economy begins to recover, those prices will likely go much higher, significantly raising the cost to the airlines to operate. Traditionally when the airlines have faced this kind of challenge, they look for an injection of capital, however that easy money is long gone. The airlines will have to sink or stand on their own. So in order to cover their own costs, the airlines will have to raise fares, which will decrease demand, and leave predominantly business and high-end leisure passengers flying. The exception to that rule is Allegiant and their business model that they have in and out of Chattanooga, which CMAA is very thankful for them to be here and they've done quite well.



These factors (the economy and fuel) will force the legacy airlines to cut down capacity in their local markets to ensure they have the right number of flights to meet the decreasing demand. So these airline CEO's predicted that this long term need to raise fares to cover the cost of flying, combined with continued industry consolidation, will hold service levels flat, or a little bit lower, in most US markets over the next several years. Here in Chattanooga, Delta and Northwest's recent merger have brought changes to CMAA's own air service landscape. The new Delta Air Lines has indicated that they are reallocating flights within their system, so Cincinnati will no longer be served nonstop from Chattanooga, but the airline has added additional flights to their Atlanta service, bringing the total to 10 daily flights. While CMAA is disappointed to see those flights moved from CVG to ATL, the new Atlanta schedule gives local travelers excellent connectivity through Delta's largest hub. Remember when Delta and Northwest talked about the "network synergies" they would create with this merger? This is that network synergy in action – give a little and gain a little.

So big picture, the airlines are once again trying to find their way in a dynamic economic environment. The airline CEO's pressed the point that they don't see growth within the industry for several years – most airport service will be flat or a little down. The Chattanooga market has seen a 10% reduction in the seat capacity this year. Usually, there is a corresponding decrease in enplanements – so the airport would be down 10% in overall enplanements. The airport saw that trend early in the year, when it was down double digits in monthly enplanements but the last three months have shown a turnaround, with boardings up 5% every month. As a result, the airport is tracking even with last year's boardings, while most airports this size are down 10% or more for overall enplanements. Pretty good news considering where the economy is. And the great news that CMAA is seeing out of the Chattanooga business community about growth and expansion will only help CMAA to sell the region to the airlines. It's important CMAA continues to sell what is going on in the community because Chattanooga is an anomaly across the country in terms of what the city is experiencing. CMAA is working to get all this great news out to airline partners to ensure that CMAA is included in that national recession decline story that they are communicating to their other markets.

President Landguth referenced an interesting analogy that Commissioner Kilbride shared with the Board last month regarding the airport's efforts to generate revenue; he said 'All the slow rabbits are dead.' The Airlines are feeling this way about their networks. They believe the airline industry is mature at this point in time. There are no significant broad based growth opportunities left in the domestic market as they communicated. CMAA is working diligently to change their minds. CMAA believes there are still opportunities for partnership to ensure the right schedules, aircraft, level of customer service to meet travelers' needs, and will continue to work with CMAA's Airline partners to do just that.

Commissioner Griffin asked if there was any talk of growing the Delta flight schedule to Memphis. President Landguth replied yes, CMAA did talk to Delta about that. It makes sense to have a second hub to relieve Atlanta and they are looking at their schedule.

Chairman Jacobson asked with the merger if all of Delta and Northwest's hubs were expected to survive and if the airline was giving any indication of their intention. President Landguth replied that they are keeping that close to the vest. Some hubs are seeing double digit losses and others are experiencing growth. The airline executives are in a wait and see mode.

#### **Board Action**

##### **2009 Audit Contract**

April Cameron requested approval for a contract with Joseph Decosimo and Company to perform an annual audit of financial statements for the year ending June 30, 2009. The objective of the audit is to express an opinion as to whether the financial statements are presented fairly, in all material aspects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the supplementary information which includes: 1) Expenditures of federal awards; 2) Expenditures of state awards; and 3) Passenger facility charges, interests and related expenditures. This audit does not include an audit of internal control but simply evaluates controls in place to provide a reasonable, not absolute, opinion of the financial statements. The contract fee for these services will be \$32,450.00 plus expenses (such as report reproduction, typing, postage, travel, copies, telephone, etc.) The contract fee represents no increase in fees from last year.

#### **Board Action**

Ms. Cameron requested Board approval for a contract in the amount of \$32,450.00 with Joseph Decosimo and Company to perform the airport's annual audit. **Motion for approval by Vice Chairman Hall. Seconded by Commissioner Veazey. Motion is approved.**

##### **ABG Caulking Lease**

Ms. Cameron then requested approval to execute a Lease Agreement with ABG Caulking for approximately 1,701 square feet of building space located at 5904 Pinehurst Avenue. ABG Caulking has occupied the premises since 2003 where the facility has been used solely for the purpose of operating a caulking contractor business. The Premises are leased in an "AS IS" condition whereas ABG Caulking bears sole responsibility for all maintenance, routine upkeep, and repair of the building. The term of the agreement is for one year with rent paid in advance on the first day of each month. Based on a fair market value appraisal conducted of the facility last year, the rent is set at \$1,026.56 per month.

#### **Board Action**

Ms. Cameron requested Board approval for a one year lease agreement with ABG Caulking in the amount of \$1,026.56 per month. **Motion for approval by Commissioner Griffin. Seconded by Commissioner Lloyd. Motion is approved.**

##### **Copy Machine Lease and Maintenance Agreement**

Ms. Cameron said that CMAA recently issued a Request for Bids (RFB) for a three year copy machine lease and associated maintenance agreement to support the administrative functions of the airport authority. The RFB produced four bids to provide a base copy

machine lease with hole punch function, staple function, and a network function which will provide CMAA the ability to scan and email documents directly to our PCs. In addition, the bid required a quote for a maintenance agreement which provided for 7,000 black and white copies and 200 color copies per month.

Based on the four bids provided, Duplicator Supply provided the lowest copy machine lease, which combined with the cost of the maintenance agreement results in the lowest total monthly charge of \$321.16 per month. CMAA has worked with Duplicator Supply since 2005 and have found that their maintenance support provided to be prompt and efficient. Therefore, based on the total charge of the maintenance support, CMAA recommends entering into a lease agreement with De Lage Landen Leasing Company for a copy machine lease in the amount of \$239.16 per month for a term of three years beginning July 1, 2009, for a total lease cost of \$8,609.76. In addition, CMAA also recommends entering into a maintenance agreement with Duplicator Supply in the amount of \$82.00 per month for a one year term commencing on July 1, 2009.

#### **Board Action**

Ms. Cameron requested Board approval for a three year lease agreement with De Lage Landen Leasing Company for a copy machine in the amount of \$239.16 per month for a term of three years beginning July 1, 2009, for a total lease cost of \$8,609.76. **Motion for approval by Commissioner Veazey. Seconded by Commissioner Lloyd. Motion is approved**

Ms. Cameron also requested Board approval for a maintenance agreement with Duplicator Supply in the amount of \$82.00 per month for a one year term beginning July 1, 2009. **Motion for approval by Commissioner Lloyd. Seconded by Commissioner Griffin. Motion is approved.**

#### **Alexian Village Advertising Contract**

Christina Siebold requested approval for a contract with Alexian Village to advertise in the airport. The ad is a small backlit ad in the baggage claim concourse. The advertiser is responsible for providing the creative graphics to be approved by CMAA before production. Once produced, CMAA will install the creative into the space. The term of the agreement is for 6 months, beginning on July 1, 2009, at a monthly rate of \$400, or \$2,400 total.

#### **Board Action**

Ms. Siebold requested Board approval for a six-month advertising contract with Alexian Village in the amount of \$2,400. **Motion for approval by Commissioner Griffin. Seconded by Vice Chairman Hall. Motion is approved.**

#### **Waterhouse Public Relations**

Ms. Siebold requested approval for a contract with Waterhouse Public Relations in the amount of \$35,000. Waterhouse will provide public relations and advertising creative support in the following areas:

- creative services, including developing and coordinating advertising graphics

- media relations and crisis communication support
- public relations planning, including scheduling Airport Speakers' Bureau
- media clips
- special projects
- miscellaneous public relations support

The term of the contract begins on July 1, 2009 and extends through June 30, 2010.

#### **Board Action**

Ms. Siebold requested Board approval for a one year contract with Waterhouse Public Relations in the amount \$35,000. **Motion for approval by Vice Chairman Hall. Seconded by Commissioner Veazey. Motion is approved.**

#### **Spots Media Placement and Management**

Ms. Siebold then requested Board approval for a contract with Spots Media Placement and Management in the amount of \$32,000. Total contract for media placement will be:

Regional print	\$17,000
Radio	\$15,000
Total	\$32,000

The standard commission for placing broadcast advertising is 15%. Ramona Nicholson has agreed to refund 5% of that commission to the Airport Authority to be reinvested back in airport advertising. The term of the contract begins on July 1, 2009 and extends through June 30, 2010.

#### **Board Action**

Ms. Siebold requested Board approval for a one year contract with Spots Media Placement and Management in the amount of \$32,000. **Motion for approval by Commissioner Veazey. Seconded by Commissioner Lloyd. Motion is approved.**

#### **Chattanooga Times Free Press**

Ms. Siebold requested Board approval for an advertising contract with the Chattanooga Times Free Press in the amount of \$18,300. \$11,000 will be spent on print ads in the Times Free Press, with the other \$7,300 for advertising on the paper's website-timesfreepress.com. The Times Free Press website has seen solid growth in traffic over the last year, and should be a good channel for CMAA's message. The advertising schedule is built around two major campaigns in the fall (leading up to holiday travel) and in the spring and summer. The creative for these outlets will reflect the airport's current route map and airline options.

#### **Board Action**

CMAA requests Board approval for a one year advertising contract with the Chattanooga Times Free Press in the amount of \$18,300. **Motion for approval by Commissioner Griffin. Seconded by Commissioner Lloyd. Motion is approved.**

### **Other Business**

Hugh Moore presented a lease amendment to the Board on the Choo Choo Aero lease. He said that previously this lease required that all the aircraft that were housed in the leased hangar be owned by the LLC in full or had a substantial ownership interest itself in all the aircraft hangared there. CMAA worked for several months to try to negotiate a lease amendment that would be beneficial to the Airport Authority and satisfactory to the tenant. It will now allow aircraft that are owned or operated by a member of the LLC to be stored in the hangar. This new lease amendment provides a framework for the Board's approval for any new members of the LLC. New members would have to be approved by the Board. This transaction requires the payment of a transaction fee of \$176,720.00 paid as a fee for this change. CMAA does allow the LLC to offset the payments by increases in fuel flowage fees, the airport staff determined the flowage fees for that hangar in the past, it set a base level. Increased fuel flowage fees may be offset against these required payments of \$176,000. It requires a letter of credit and fueling is limited to approved members of the LLC and the aircraft that have been approved. Mr. Moore said that CMAA has required substantial documentation from the LLC on that fueling operation and they are prohibited from operating as a FBO in any way. Mr. Moore recommended adopting the lease agreement, stating that he thinks it's good for the Authority.

Commissioner Veazey asked if they have a new member who wants to come into the LLC, do they notify the Board and then the Board reacts. Mr. Moore replied if they want to bring in a new member they need to provide specific financial information, information about the specific aircraft to be housed, the hangar floor plan showing how that aircraft will be housed.

President Landguth said there isn't an endless supply of people who can sign up for this. They have to have a parking plan to show how those aircraft will fit into their leased hangar.

**Motion for approval by Commissioner Veazey. Seconded by Commissioner Lloyd. Motion is approved.**

Chairman Jacobson asked about the construction outside and Vice Chair Hall asked about the construction downstairs. Mr. Naylor replied on the taxiway alpha project, as well as the installation of the CT-80 baggage screeners in the ticketing concourse.

Commissioner Lloyd asked if the CT 80s are helping with the flow of passengers and luggage. Mr. Naylor replied that the airlines and TSA have been pleased with the flow of the baggage through the machines.

### **Public Comment**

None

### **Closing Comment**

Chairman Jacobson then said that the Chattanooga Metropolitan Airport Authority was recognized by the Tennessee Multicultural Chamber of Commerce as one of their

businesses of the year during their annual meeting. The Chamber praised the Authority for the critical role it plays in developing and awarding contracts to minority businesses in the area. Chairman Jacobson accepted this on behalf of the Authority and reiterated to those present it has always been a top priority for the airport to support minority businesses in every area of CMAA's operations whether buying a product or securing a professional service. One example, of the last five years of construction projects alone CMAA awarded 4.2 million dollars or 15% to DBE businesses. Already for 2009 CMAA is up to 20% in minority participation. Chairman Jacobson thanked President Landguth and the airport staff for their leadership in this important part of CMAA's mission and extended the Board's thanks to the Tennessee Multicultural Chamber. He said they have been a strategic partner of the Airport for many years and congratulated them on their 10th anniversary.

### **Adjourn**

**Commissioner Griffin made a motion for adjournment. Commissioner Lloyd seconded. The Chattanooga Metropolitan Airport Authority board meeting adjourned.**

**Chattanooga Metropolitan Airport Authority**  
**August 17, 2009**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in open meeting Monday, August 17, 2009 at 2:00 p.m. Commissioners Freeman, Griffin, Kilbride, Veazey, and Lloyd were present.

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

**Minutes**

**On motion of Commissioner Lloyd, seconded by Commissioner Griffin, the minutes of the June 29, 2009 meeting were approved.**

President Landguth welcomed members of the Board.

**President's Report**

President Landguth reported to the Board that the enplanements are up 12% in the last month. The national average was a 3.5% decline. This is the fifth consecutive month of growth. CMAA appreciates the support of local travelers who continue to use Chattanooga when they make their travel plans.

**Written Consents**

President Landguth reported to the Board on several written consent requests that had been approved since the last meeting. The first was a request to approve a contract with I-sys for construction and installation of perimeter access control project at a cost of \$1,213,708.00. Also in this item, a request to approve a contract with Faith Group in the amount of \$91,290.00 to provide engineering services for the perimeter access control project.

The second item was a request to approve a change order with Construction Consultants for remodeling the ticketing concourse in preparation for installing the CT 80's. The total change order value was \$12,053.99.

The third item was a request for approval for an advertising agreement with Country Inn and Suites for a backlit ad to be placed in the baggage concourse at a value of \$300 per month for 12 months for a total of \$3,600.

These three requests were approved in writing by Chairman Jacobson, Vice Chair Hall and Commissioners Freeman, Griffin, Kilbride, Wells and Veazy.

The final item was a request for approval to accept US Xpress as an initial additional member of the Choo Choo Aero, LLC. This request was approved in writing by Chairman Jacobson, Commissioners Griffin, Kilbride, Lloyd and Wells.

President Landguth reported a scheduling conflict with the September Board meeting and said the staff will be sending out alternative dates for the September meeting.

### **Board Action**

April Cameron then stated to the Board that BB&T Huffaker & Trimble had solicited quotes from five insurance providers including Cincinnati, CNA, Affiliated FM, Hartford and the incumbent, Travelers, for renewal of CMAA's commercial property policy. Four of the five declined to quote due to the class of business as well as their inability to compete with the incumbent's current program and pricing. Travelers quoted a flat renewal price for the same coverage as last year. Because CMAA is adding the new vault to the policy with a value of \$2.2 million, the premium will increase to \$53,916 for coverage of all airport property valued a little over \$46 million. If approved, this policy will become effective September 1, 2009 and includes coverage for property damage of airport owned buildings as well as business personal property, business income, and rental income with a deductible of \$10,000.

**Board Action:** Ms. Cameron requested board approval to accept the renewal of property insurance coverage valued at \$46,174,000 with Travelers in the amount of \$53,916 for a term of one year commencing on September 1, 2009. **Motion for approval by Commissioner Kilbride, seconded by Commissioner Lloyd. Motion approved.**

### **Flood Policy**

Ms. Cameron then relayed that BB&T Huffaker & Trimble received a renewal quote from The Hartford in the amount of \$10,764 for CMAA's Flood Policy. This amount represents no increase from last year's premium. The policy covers only the terminal building in the event of a flood with building and contents coverage of \$500,000 each with deductibles set at \$5,000.

**Board Action:** Ms. Cameron requested board approval to accept the renewal of flood coverage valued at \$500,000 building and contents with The Hartford in the amount of \$10,764 for a term of one year commencing on September 1, 2009. **Motion for approval by Commissioner Kilbride, seconded by Commissioner Griffin. Motion approved.**

### **Commercial Automobile**

Ms. Cameron informed the board that BB&T Huffaker & Trimble received a bid to renew CMAA's Commercial Automobile policy effective September 1, 2009 in the amount of \$22,251. The automobile policy covers the actual cash value of 19 CMAA vehicles that are driven both on and off airport property. The coverage includes general liability, medical payments, uninsured motorists, and comprehensive and collision damage.

Comprehensive deductible is set at \$250 with collision at \$500. Although others were solicited, including CNA, Hartford, Cincinnati, Affiliated FM, the incumbent, Travelers, was the only quote on the automobile policy since other companies will not write a monoline business auto policy without also writing the property or general liability policy.



**Board Action:** Ms. Cameron requested board approval to accept the renewal of the Commercial Automobile policy with Travelers in the amount of \$22,251 for a one year term commencing on September 1, 2009. **Motion for approval by Commissioner Kilbride, seconded by Commissioner Lloyd. Motion approved.**

#### **Allen & Hoshall**

John Naylor stated that CMAA was requesting board approval to enter into an Architectural and Engineering Services contract with Allen & Hoshall, Inc. The duration of the contract will be for three years with an option at the owner's discretion for two one year extensions. The base contract will expire on August 16, 2012. The bid process began in February 2009 with a Request for Qualifications. Chattanooga Metropolitan Airport received a Statement of Qualifications from 14 firms. A committee was formed to rate each of the submissions and four firms were selected for further discussion. The committee members were Mike Landguth, Terry Hart and John Naylor. Interviews were conducted with the top four firms. At the conclusion of the interviews it was decided to tour some of the projects of these firms. At the conclusion of this process the committee rated each of the top four firms and it was unanimously determined that Allen & Hoshall was the most qualified firm.

The service provided by Allen and Hoshall, Inc., has been exceptional throughout the previous contract period. Mr. Glen Heath makes himself available 24 hours a day, seven days a week. He can be contacted at any time, day or night, to discuss concerns or ideas. The ability to have such direct access to the primary engineer is extremely rare. A local full-time Resident Inspector is provided for each project. Allen and Hoshall's local office employs 3 full time employees, and subcontracts with several local firms. All special services are subcontracted to local firms which amount to approximately 30% of the total funds paid to Allen and Hoshall. The local office conducts 100% of our civil design and the design work for an additional 4 airports. Out of every dollar this airport spends with Allen and Hoshall, 74% of it remains in the local community. The firm of Allen & Hoshall and Mr. Glen Heath has always been extremely loyal to this airport and has always protected our best interest. Chattanooga Metropolitan Airport has experienced approximately \$1,000,000 in savings during this contract period due to the direct efforts of Mr. Glen Heath of Allen & Hoshall. Mr. Naylor introduced the President and Vice President of Marketing for Allen & Hoshall who thanked CMAA for its support of their company.

**Board Action:** Mr. Naylor requested Board approval to enter into a contract with Allen & Hoshall, Inc., for three years with an option for two - one year extensions. The contract will expire on July 19, 2012. **Motion for approval by Commissioner Kilbride, seconded by Commissioner Lloyd. Motion approved.**

#### **Taxiway Hotel North**

Mr. Naylor then stated that CMAA was requesting board approval for Task Order 1 with Allen and Hoshall for the design of Taxiway "H" North of Runway 15/33. Taxiway "H" will be extended to the approach end of Runway 20. This will decrease the number of

runway crossings from aircraft based on the west side of the airport. The cost of this design project is not expected to exceed \$253,400.

This project will include geotechnical, electrical, survey, preparation of plans and specifications, bid and award, securing permits, and examination of storm water drainage pipes between Runway 15/33 and Runway 02/20. The design will be capable of supporting Design Group IV aircraft with appropriate runway/taxiway separation.

Funding for the design services is 95% federal, 2.5% state, with the remaining 2.5% balance to be paid by CMAA.

**Board Action:** Mr. Naylor requested contingent board approval for Task Order 1 with Allen and Hoshall for the design of Taxiway “H” North of Runway 15/33 in the amount of \$253,400. Approval is contingent on securing funding. **Motion for approval by Commissioner Griffin, seconded by Commissioner Kilbride. Motion is approved.**

### **Air Service Master Plan**

President Landguth then stated that CMAA was requesting Board approval to enter into a professional services agreement with the Boyd Group International to develop an Air Service Master Plan. The Boyd Group has worked with CMAA for many years, including on projects such as the Small Community Air Service Development Grant and on airline relations and JumpStart presentations. Michael Boyd is a nationally recognized expert on the aviation industry, and has been a valuable advisor to the airport.

The scope of services for the air service master plan includes:

- A detailed analysis of our air service market, including an assessment of the US airline industry, as well as a comparison of Chattanooga’s local market and opportunities.
- An analysis of all incumbent carriers and their outlook for the next five years, identifying potential opportunities for growth or expansion as they align with airline strategies.
- Forecast projections on potential air service needs of the new Volkswagen facility and their supplier base, as well as other corollary demand.

The plan will be completed by January 31, 2010 at a cost of \$19,250 plus fees for printing and shipping which will be billed at cost and not to exceed \$50.

**Board Action:** President Landguth requested Board approval to enter into a professional services agreement with the Boyd Group International to develop an Air Service Master Plan by January 31, 2010 at a cost of \$19,250. **Motion for approval by Commissioner Lloyd, seconded by Commissioner Kilbride. Motion is approved.**

### **Other Business**

CMAA’s legal counsel Hugh Moore then informed the Board that two lawsuits have been resolved. One requires no Board action, both are personal injury cases. One has been resolved through the insurance carrier. The other case, the Zinkowitz case, was a personal

injury case that involved a fall in a loading bridge. CMAA worked with Allegiant Airlines, and had it mediated. CMAA reached a settlement, with the Airport's portion of this settlement coming in under \$13,000.

**Board Action:** Mr. Moore than asked for up to \$13,000 for settlement of this case.  
**Motion for approval by Commissioner Kilbride, seconded by Commissioner Griffin.**  
**Motion approved.**

**Public Comment**

None.

**Adjourn**

Commissioner Freeman then thanked everyone for their attendance and thanked the public for their use of the Airport. He then declared the meeting adjourned.

**Chattanooga Metropolitan Airport Authority  
Board Meeting Minutes  
September 18, 2009**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in open meeting Monday, September 18, 2009 at 2:00 p.m. Chairman Jacobson, Commissioners Freeman, Griffin, Kilbride, Veazey, Wells and Lloyd, were present.

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

**Minutes**

The minutes from the August 17, 2009 meeting were corrected to show that Commissioner Wells was present by phone for that meeting.

**On motion of Commissioner Kilbride, seconded by Commissioner Freeman, the minutes of the August 17, 2009 meeting were approved as corrected.**

President Landguth welcomed members of the Board.

**President's Report**

President Landguth reported on the August enplanements – CMAA saw a 3.5% increase in airport boardings last month. CMAA is also up over 3% for the year – again, a reflection of the growth in the community and the competitive fares in the market. This continues to be a challenging national economic environment for the airlines and business travelers in general so it's great to see growth in the market. CMAA appreciates the support received from the local travelers who continue to choose Chattanooga for their travel needs.

**Industry Update**

CMAA's friend and industry expert Michael Boyd delivered a briefing to airports this week, with some interesting and timely perspective on the state of the industry and what airports should be doing to position themselves for the future. Mr. Boyd said that it is time for airports and airlines to monitor where businesses from the rest of the world are investing in the U.S., because those are the regions that will see growth. Clearly, Chattanooga and the surrounding area is seeing significant investment from foreign businesses, with VW and Wacker both coming to the region and with international business comes the demand for international connectivity. Mr. Boyd encourages airports to worry less about enplanements and more about connectivity and access to world markets. He cited an airport in the Midwest that is seeing record boardings this year due to discount carrier service to vacation destinations in the U.S., but their network carrier service is plummeting nearly 20%, so while there are more passengers enplaning at the airport, Mr. Boyd says there are fewer opportunities for the rest of the world to get to the community. By contrast, here in Chattanooga, CMAA has seen solid growth in boardings this year, due more to the increases in flights to worldwide hubs like Atlanta. These are

the markets that add incremental traffic increases, but enormous access benefits to travelers – both inbound and outbound. So CMAA is focused on the future – mindful of the growing and changing community, and working to ensure that businesses have the access they need to succeed around the world.

### **Written Consents**

CMAA had one written consent since the last meeting in August. CMAA requested approval to add Crusader Air, LLC as an Initial Additional Member of Choo Choo Aero, LLC. This request was approved in writing by Chairman Jacobson and Commissioners Griffin, Kilbride, Lloyd and Wells.

### **Board Action**

#### **Averitt Air, Inc.**

Ms. April Cameron then addressed the Board. CMAA is requesting board approval for an operating permit for Averitt Air, Inc. The permit would give Averitt Air the privilege and right to operate an On Demand Air Taxi service at the Chattanooga Metropolitan Airport. The term of this permit begins September 18, 2009 for one year. It may be renewed for an additional year only if approved by CMAA. Either party may terminate on 14 days written notice.

Averitt Air will pay CMAA in accordance with Section 3 of the Minimum Standards for sales and service on the airport premises. In addition, Averitt Air has provided to CMAA proof of adequate insurance.

By accepting the rights and privileges granted by this permit, Averitt Air, Inc., agrees to pay the rates specified, as well as follow all the generally applicable rules and regulations that are set forth in CMAA's Minimum Standards.

Ms Cameron then introduced Jay Garret with Averitt Air, who gave the Board a brief history of Averitt Air and thanked them for the opportunity to do business at the Chattanooga Airport.

**Board Action:** Ms. Cameron requested Board approval for an operating permit with Averitt Air. **Motion for approval by Commissioner Veazey, seconded by Commissioner Kilbride. Motion approved.**

### **Compensation Plan Revisions**

Ms. Cameron then continued to report that in May 2009, CMAA proposed a new compensation plan as part of the 2009/2010 budget. The original plan was developed with the position of Safety Training Supervisor listed as a Pay Grade 4 based on the fact the person holding the position was also a Captain in the Operational Fire and Safety Department. After several interviews, the Safety Training Supervisor was promoted to the Manager of Operational Fire and Safety Department leaving the Safety Training Supervisor position open.

Based on the position being vacant, CMAA analyzed the position again and determined that since the job description no longer requires a Captain title, CMAA is recommending that the position be reclassified as a Pay Grade 3. With this revision, CMAA is establishing a threshold of at least 5 years of service in the position before being classified as a Pay Grade 4.

Because the position remains vacant, no CMAA employee will be affected by this Pay Grade modification. Potential candidates for the position will be made aware of the change prior to accepting this position.

**Board Action:** Ms. Cameron requested approval to modify the 2009/2010 Compensation Plan as outlined. **Motion for approval by Commissioner Kilbride, seconded by Commissioner Wells. Motion approved.**

### **West Area Development Design**

John Naylor then spoke to the Board, saying that CMAA has been developing infrastructure on the west side of the airport for 7 years now.

- Roadways for vehicle access
- Taxiways and ramps for access to the runways
- Grading and utilities

CMAA has spent over \$21 million on preparing the infrastructure to date, and that work continues. CMAA is requesting board approval to enter into a contract, Task Order 2, with Allen & Hoshall for \$280,657. The project is for the design of aviation facilities and infrastructure for the west area development.

Commissioner Griffin asked if this was local funding.

Mr. Naylor replied that funding is 90% state and 10% local.

**Board Action:** Mr. Naylor requested board approval to enter into a contract, Task Order 2, with Allen & Hoshall for the design associated with Phase 1 of the West Area Development. The total cost for the design work is \$280,657. **Motion for approval by Commissioner Freeman, seconded by Commissioner Kilbride. Motion approved.**

### **Jet Bridge Mechanical Refurbishments**

Mr. Terry Hart then addressed the Board to review three items with them. In order to provide a level of customer service consistent with established objectives, he said it is essential that the airport facilities and equipment be maintained in a manner to meet the expectations of the customers. Currently the airport owns and provides the airlines three jet bridges for the boarding of aircraft. All three jet bridges were manufactured by FMC Jetway and vary in age from 18-38 years old.

After completing a thorough inspection of all three jet bridges, CMAA staff recommends certain repairs and modifications be made to improve the customer experience and extend the useful life of the equipment. This project will include mechanical service repairs on each jet bridge. Wooden cab floors, fabric canopies and service entry doors will all be

replaced. The realignment of all tunnel rollers and a complete manufacturer preventative maintenance check will be accomplished.

CMAA staff solicited and received two bids to complete the required work. After reviewing the submitted bids, CMAA's recommendation is to award the contract to ERMCI, LP for a bid price of \$84,940. This is a budgeted project and will be 90% state funded with the remaining 10% locally funded.

Mr. Hart introduced Jeff Brewer, who briefly introduced his company and expressed excitement for this opportunity.

**Board Action:** Mr. Hart requested Board approval for a contract with ERMCI, LP in the amount of \$84,940 for the mechanical refurbishment of the three CMAA owned jet bridges. **Motion for approval by Commissioner Kilbride, seconded by Commissioner Griffin. Motion approved.**

#### **Terminal Building Exterior Trim Painting**

Mr. Hart then continued by saying that over the 17 years since the current terminal was reconstructed, time, weather, and exterior conditions have eroded the buildings façade. Specifically, the teal green exterior trim paint has significantly faded.

In an effort to improve the overall appearance of the facility, CMAA staff recommended the exterior trim of the building be restored to its original color. The first phase of work was completed in August and included the canopies, supports, and light bollards along the front of the building. R. Johnson Painting, the low bidder of three received, was awarded the contract in the amount of \$9,800.

As a result of the work they completed on the front of the terminal, CMAA would like to continue with the remainder of the building and issue a change order in the amount of \$7,248. This will include painting the remaining light bollards, ramp light poles, and painted metal flashing around the terminal concourse. The total value of the contract will be \$17,048.

**Board Action:** Mr. Hart requested Board approval for a change order with R. Johnson Painting in the amount of \$7,248.00 for the painting of the remaining terminal exterior trim. **Motion for approval by Commissioner Lloyd, seconded by Commissioner Veazey. Motion approved.**

#### **Wildlife Hazard Assessment**

Mr. Hart then reported that during the year 2000, a Wildlife Hazard Management Program was developed by staff outlining ways to identify and mitigate wildlife hazards at the Chattanooga Airport. The program is ongoing and the Federal Aviation Administration (FAA) noted earlier this year that CMAA's Wildlife Hazard Management Program is "quite impressive".

The next step is to conduct a wildlife hazard assessment. Federal Aviation Regulations (FAR) 139.337, Wildlife Hazard Management, indicates that each airport certificate holder must ensure that a wildlife hazard assessment be conducted by a certified wildlife biologist. The purpose of the assessment is:

1. Identification of the species, numbers, locations, local movements, and daily and seasonal occurrences of wildlife observed
2. Identification and location of features on or near the airport that attract wildlife
3. Description of the wildlife hazard to air carrier operations

Six proposals were received to conduct the Wildlife Hazard Assessment and associated Wildlife Management Plan, if required. It is anticipated that the assessment will take 14 months to complete. After reviewing each proposal and receiving guidance from the F.A.A., CMAA recommends acceptance of a contract with Aerostar Environmental Services, Inc., in the amount of \$65,000 to conduct a Wildlife Hazard Assessment and associated Wildlife Management Plan at Lovell Field. Funding for this project will be 95% federal and 5% local.

**Board Action:** Mr. Hart requested Board approval for a contract with Aerostar Environmental Services, Inc., in the amount of \$65,000 to complete a Wildlife Hazard Assessment and associated Wildlife Management Plan, if required. **Motion for approval by Commissioner Kilbride, seconded by Commissioner Freeman. Motion approved.**

#### **Engineering Services Agreement for Construction Specifications and Bidding Documents for Demolition of the Former Target Property**

President Landguth informed the Board that this request is for engineering services between Advanced Energy Engineering & Design, Inc. (AEED, Inc.) and the CMAA. Advanced Energy Engineering & Design, Inc., (AEED, Inc.) is located in Chattanooga. Established in 2001, AEED, Inc., provides mechanical, electrical, plumbing and fire protection engineering design and consulting services to the commercial, industrial and municipal sectors of business. AEED has evolved into a multi-disciplined engineering consulting firm serving a diverse clientele throughout the southeastern United States. Their engineers are nationally registered through the National Council of Engineering Examiners and currently hold registrations in numerous Southern and Midwestern states.

President Landguth then introduced Allen Jennings from AEED, Inc., who gave a brief history of the company.

The scope of the project is as follows:

- Provide a site survey to locate utilities and property boundaries
- Provide construction specifications and drawings related to demolition of the building
- Provide construction specifications and drawings related to the installation of a new security fence
- Coordination of bid opening and bid tabulation



- Supervision of the demolition contractor to ensure compliance with project specifications
- Provide Airport Authority all required contracts and documentation for the successful bidder
- Provide input to the owner on pay request

The fee for this service is a lump sum contract not to exceed \$15,000. Similar projects with the Engineer of record (Allen & Hoshall) show that the proposal is within an acceptable range of this figure. In selecting this firm the airport has recently sought out local engineering and architectural firms for a variety of small projects. The purpose of that effort was to provide opportunities for several small A&E firms to gain experience in performing work at the airport. AEED Inc., experience and background are well suited for this kind of work.

**Board Action:** Mr. Hart requested Board approval for a contract with Advance Energy Engineering & Design, Inc., in the amount of \$15,000 to develop construction specifications for the demolition of the Target building. Funding for this project will be 90% state and 10% local. **Motion for approval by Commissioner Kilbride, seconded by Commissioner Lloyd. Motion approved.**

**Other Business - None**

**Public Comment - None**

#### **Closing Comment**

Chairman Jacobson then expressed that he thinks it is important to think about the future and to meet the changing needs of the community and the continued growth. He also thanked everyone for their attendance and thanked the public for their use of the Airport.

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

**Chattanooga Metropolitan Airport Authority  
Board Meeting Minutes  
October 19, 2009**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in open meeting Monday, October 19, 2009 at 2:00 p.m. Chairman Jacobson, Commissioners Freeman, Kilbride, Veazey, and Wells, were present and Commissioner Griffin attended by phone.

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 Veazey, seconded by Commissioner Kilbride, the minutes of the September 18, 2009 meeting were approved.**

**President's Report**

President Landguth informed the Board about the September enplanements - CMAA saw an 8% increase in airport boardings last month. CMAA is also up almost 4% for the year – again, a reflection of the growth in the community and the competitive fares in the market.

**Written Consent**

CMAA had one written consent request since the September meeting. CMAA requested a change order with Construction Consultants in the amount of \$63,463 for the installation of laminate doors, and of an impact resistant wall covering on the back wall of the ticketing area and in the two corridors, replacement of all ceiling tiles in the ticketing concourse, repair of the soffit and installation of a chair rail. CMAA also requested approval for a contract with Derthick, Henley, and Wilkerson for \$15,000 to design and write specifications to bid and award new ticket counters, back wall logo, and carpeting in the ticketing concourse. This request was approved in writing by Chairman Jacobson and Commissioners Freeman, Griffin, Kilbride, Lloyd and Wells.

**Audit Report**

April Cameron then stated to the Board that CMAA would provide a break down of the annual audit. Joseph Decosimo, and Company recently completed the 2009 annual audit of financial statements for the Airport Authority. The audit was performed August 17<sup>th</sup> through the 26<sup>th</sup> and included a review of all financial records and associated documents. Mr. Robert Belcher, a partner with Decosimo, has provided a draft of the final report to the finance committee prior to this meeting, and is here to present the results to the Board.

Mr. Belcher then reported to the Board that the audit was complete and he had nothing negative to say. The audit went well, there were no difficulties, the timing and scope was in line with expectations, and it is a clean audit opinion. Financial statements are

consistent with what has been prepared in prior years. He pointed out that there were a lot of positive things to highlight. From 2008 to 2009 total assets increased by about \$2.4 million even after the pay down of the debt, the equity of the Airport Authority increased by about \$8.2 million this year as a result of Operations and long-term debt went down by about \$6 million. As of June 30, current assets exceeded current liabilities by approximately \$7 million. He said management should be commended for the financial position.

Commission Kilbride said that the finance committee reviewed the audit and agreed with Mr. Belcher. Decosimo uses a very thorough and consistent process. The Commissioner thanked Mr. Belcher and his team. He also praised Ms. Cameron for her and her department's hard work and congratulated them on their clean audit.

## **Board Action**

### **Directors and Officers Liability Insurance**

Ms. Cameron then stated to the Board that CMAA's current Directors and Officers Liability Insurance expires on October 30, 2009. The policy limits are currently \$10 million for the Directors and Officers Policy as well as Employment Practices Liability with deductibles set at \$30,000. \$1 million in Fiduciary Liability coverage is also maintained with a deductible of \$2,500.

BB&T Huffaker and Trimble solicited quotes from Travelers, Chubb, The Hartford, Philadelphia, Cincinnati Insurance Company and ACE USA on CMAA's behalf for renewal of these policies with the same limits and deductibles. Five of the six carriers declined to quote the primary coverage due to the class of business. The incumbent, Cincinnati Insurance Company provided a quote for the \$10 million limit but required an increase in the deductible to \$50,000 due to the high liability limits coupled with their Reinsurance Treaties. Therefore, based on the quote received, BB&T recommends renewal of CMAA's D&O Policy with Cincinnati Insurance Company.

**Board Action:** Ms. Cameron requested Board approval for the renewal of CMAA's Directors and Officers insurance with Cincinnati Insurance Company for a one year term commencing October 30, 2009 in the amount of \$22,446.

**Motion for approval by Commissioner Kilbride, seconded by Commissioner Freeman. Motion approved.**

### **I-Sys Change Order**

John Naylor then stated to the Board that the CT-80/Ticketing Concourse renovation was designed after the access control design was complete. The secure area line moved from the original back wall locations to the exterior walls. The CT-80 rooms were put in the secure area. Several doors were eliminated. The relocation of the secure doors created the need for five additional cameras. These doors were previously covered by two cameras that were located in the ticketing lobby. I-Sys will install two Pan/Tilt/Zoom (PTZ) and three fixed cameras. Line item prices established in the original contract are being

utilized. The cost of the five cameras is \$28,450. The original grant amount will not be exceeded due to the savings achieved throughout the project. The FAA approved the transfer of funds.

**Board Action:** Mr. Naylor requested Board approval for a change order to the I-Sys contract in the amount of \$28,450 for the installation of five additional cameras.

**Motion for approval by Commissioner Wells, seconded by Commissioner Griffin. Motion approved.**

#### **Allen & Hoshall-Change Order to Task Order 17**

Mr. Naylor continued by saying that CMAA determined that capacity existed in the CT-80 Installation/Ticketing Concourse Renovation budget to accomplish some needed facility improvements. The concept is to develop a clean uniform appearance, upgrade the facility to better serve CMAA's customers and represent the community.

This change order is for the design and construction administration associated with the installation of laminate doors with a stainless steel kick plate, installation of an impact resistant wall covering on the back wall and in the two corridors, replacement of all ceiling tiles in the ticketing concourse, repair of the soffit above the ticket counters to include the removal of the Visitron signage, and installation of a chair rail on the ticketing concourse back wall. The work will extend the project by a total of eight weeks. A fee of \$27,268 is required for this additional design and construction administration time. The breakdown of fees is as follows:

\$ 5,000	Design for back wall
\$16,768	Contract administration for back wall
\$ 5,500	Contract administration bag belt installation

Funding for this work is 90% state funding (\$24,541.20) with the remaining 10% balance (\$2,726.80) to be paid by CMAA.

**Board Action:** Mr. Naylor requested Board approval for a Change Order to Task Order 17 with Allen & Hoshall in the amount of \$27,268 for the design and construction administration associated with the additional work.

**Motion for approval by Commissioner Veazey, seconded by Commissioner Freeman. Motion approved.**

#### **Concourse and Baggage Roof Repair**

Terry Hart then addressed the Board, regarding his request for the acceptance of a contract for the roof repair on the concourse and baggage claim terminal buildings. Work will include repairing all open laps, seams and flashings where water is entering the building. The roof on both the concourse and baggage areas was originally installed in 1992 and minor repairs have occurred since that time. Due to age and weather conditions, seams have begun to separate and flashings are pulling apart. Moisture can enter at these

points, further degrading the seams and eventually entering the roof system. If allowed to continue, damage to the facility will result.

Upon evaluation of the 3 submitted bids, CMAA staff recommends the bid be awarded to Elite Roofing Company in the amount of \$58,650, of which, \$37,800 will be state funded while the remaining \$20,850 is CMAA's responsibility. This is a budgeted expense.

**Board Action:** Mr. Hart requested Board approval of a contract with Elite Roofing Company in the amount of \$58,650 for the roof repair on the concourse and baggage claim terminal buildings.

**Motion for approval by Commissioner Freeman, seconded by Commissioner Kilbride. Motion approved.**

### **Jet Bridge Cosmetic Refurbishments**

Mr. Hart said that in an effort to improve the overall appearance of the facility and enhance the customer experience, CMAA staff recommended that each of CMAA's three jet bridges be repainted after the completion of the required mechanical refurbishments. Over the past 18 years, weather and exterior conditions have caused the paint to fade.

CMAA staff solicited and received two bids to paint the exteriors and metal interior portions of each jet bridge. After reviewing the submitted bids, CMAA recommended the contract be awarded to R. Johnson Painting for a bid price of \$16,500. This is a budgeted project and will be 90% state funded and 10% local.

**Board Action:** Mr. Hart requested Board approval for a contract with R. Johnson Painting in the amount of \$16,500 for the painting of the three CMAA owned jet bridges.

**Motion for approval by Commissioner Kilbride, seconded by Commissioner Griffin. Motion approved.**

### **Computer Network Upgrade**

Mr. Hart then reported that CMAA's computer network was reviewed during the fraud risk assessment conducted by Decosimo. A number of best practices were recommended to improve the security and operation of the network. As a result, CMAA entered into an agreement with Networks, Inc., to complete a thorough assessment of our computer network and offer suggestions which addressed Decosimo's recommendations and future improvement requirements.

Networks, Inc., performed a thorough inventory of all hardware and software which makes up our local area network. A network diagram was created which depicts all components and their locations. After analyzing all the collected information, networks, Inc., reviewed the results with CMAA staff. Upon evaluation of their review, CMAA recommends awarding a contract to Networks, Inc., in an amount not to exceed \$48,200. The work will include upgrades to the network infrastructure, specifically firewalls, switches, back up servers, anti-virus and spam filters, and select work station

replacements. Mr. Hart introduced Jim Wells and several associates from Networks to give some history on their company.

**Board Action:** Mr. Hart requested Board approval for a contract with Networks, Inc., in an amount not to exceed \$48,200 to upgrade CMAA's computer network infrastructure.

**Motion for approval by Commissioner Kilbride, seconded by Commissioner Freeman. Motion approved.**

**Other Business**

None

**Public Comment**

None

**Closing Comment**

Chairman Jacobson thanked the Commissioners for their contribution and congratulated the airport staff for the growth in passengers.

**Commissioner Freeman made a motion for adjournment. Seconded by Commissioner Griffin. Motion approved.**

**Chattanooga Metropolitan Airport Authority**  
**Chattanooga, Tennessee**  
**November 16, 2009**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in open meeting Monday, November 16, 2009 at 2:00 p.m. Chairman Jacobson, Vice Chairman Hall, Commissioners Freeman, Lloyd, and Veazey, were present. Commissioners Griffin and Wells attended by phone.

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 Veazey, seconded by Commissioner Lloyd, the minutes of the October 19, 2009 meeting were approved.**

**President's Report**

President Landguth that CMAA saw a 5% increase in airport boardings in October. CMAA is also up almost 4% for the year – again, a reflection of the growth in the community and the competitive fares in the market. CMAA is on course to have a strong year of growth in boardings, thanks to the community and the regional travelers who continue to support local air service.

**Master Plan Update**

After several years of work, CMAA is closing in on the final months of the master plan update process. Within the last few weeks the Airport Layout Plan reflecting the preferred alternative was submitted to the FAA for review. In the coming weeks, the master planners will be working with CMAA's financial consultants, Newton & Associates, to develop the financial feasibility plan which will outline scope, schedule and budget for the preferred alternative. Once that information is complete, the planners will hold one final public workshop. This event will give the community a look at the preferred alternative (which was built with their input from the first round of meetings) and take any final comments on the strategy. The board will then have the opportunity to review the draft final plan, and then CMAA anticipates that in the first quarter of 2010 the plan will go to the full Board for approval. As has been said all year-this is an ideal time to be updating the master plan, the exciting economic development initiatives throughout this region make it even more important for CMAA to understand the coming demand for aviation services and prepare to meet that demand. This plan should do just that.

**Board Action**

**Parking Lot System Canopy Purchase and Installation**

Terry Hart addressed the Board to say the Chattanooga Airport's current automated parking system located in each of the lots relies on equipment which is exposed to the

weather. Since its installation in 2004, several outages have occurred directly associated with water intrusion into the units. This drives customer inconvenience and added costs to the airport. CMAA staff explored possible solutions with the equipment manufacturer and discovered that the installation of protective devices over the units will help to alleviate this issue, thus improving the customer experience and reducing CMAA's overall expenses.

After reviewing the seven submitted bids for this project, CMAA staff recommends purchasing the protective shelter devices from ITR of Georgia, Inc., for \$59,225 and entering into a contract with J & J Contractors, Inc., a local company, in the amount of \$15,596 for the installation of the units over each exposed parking lot device. \$54,000 will be state funded while the remaining \$20,821 being CMAA's responsibility. This is a budgeted expense.

**Board Action:** Mr. Hart requested Board approval for the purchase of nine protective parking lot system shelters and fifteen fabricated covers from ITR of Georgia, Inc., in the amount of \$59,225.

**Motion for approval by Commissioner Freeman, seconded by Commissioner Lloyd. Motion approved.**

Mr. Hart requested Board approval for a contract with J & J Contractors in the amount of \$15,596 for the installation of the devices parking cover.

**Motion for approval by Commissioner Freeman, seconded by Commissioner Veazey. Motion approved.**

#### **Runway Painting Contract**

Mr. Hart then stated to the Board that the edge markings on Runway 2/20 have been identified as requiring attention. Specifically, they are in the early stages of fading and losing their reflectivity. The Federal Aviation Administration requires each certificate holder to maintain runway markings that meet minimum takeoff and landing specifications.

Peek Pavement Markings, LLC will be onsite beginning November 18, 2009 to complete the required airfield markings associated with Taxiway Alpha, Phase 5 project. In accordance with the bylaws, CMAA requested and received from Peek a quote of \$22,200 to paint the edge markings on Runway 2/20. Their unit pricing to accomplish this task is comparable with previous marking projects completed on the airfield. CMAA staff recommends acceptance of a contract with Peek Pavement Markings, LLC to paint the edge markings on Runway 2/20. This is a budgeted item.

**Board Action:** Mr. Hart requested Board approval for a contract with Peek Pavement Markings, LLC in the amount of \$22,200 for painting edge markings on Runway 2/20.



**Motion for approval by Commissioner Griffin, seconded by Commissioner Freeman. Motion approved.**

**Transportation Security Administration (TSA) Facility Lease**

April Cameron then requested Board approval to execute Supplemental Lease Agreement #4 with the TSA for terminal space consisting of 3,172 square feet. The leasehold currently includes space located in both the secured and unsecured areas of the terminal building and are used for office, training and break room facilities. This supplemental lease agreement is the fourth extension to the original lease dated November 1, 2002 and covers an additional six month period with the term ending on May 31, 2010. The annual lease rate of the space is \$83,550.48 to be paid in monthly installments of \$6,962.54.

**Board Action:** Ms. Cameron requested Board approval for a six month lease extension with the Transportation Security Administration for terminal space in the amount of \$6,962.54 with the term ending on May 31, 2010.

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

**Crystal Air Operating Permit**

Ms. Cameron then stated that CMAA was requesting Board approval for renewal of an operating permit with TNT Leasing Company, Inc., doing business as Crystal Air. The permit will continue to allow Crystal Air the privilege and right to operate a charter and air taxi operation at the airport. The term of the renewal permit begins December 1, 2009 and will last for one year. It may be renewed for an additional year only if approved by CMAA. Either party may terminate on 14 days written notice.

Crystal Air will continue to pay CMAA in accordance with Section 3 of the Minimum Standards for sales and service on the airport premises. In addition, Crystal Air has provided to CMAA proof of adequate insurance.

Crystal Air has requested an extension of the waiver granted in the original term regarding Section 11 (b) of the Airport Minimum Standards. Section 11(b) regarding aircraft charter and air taxi services requires that the operator must occupy a minimum of 200 square feet of properly lighted, heated and air conditioned space on the Airport for office and public use areas. Crystal Air is an affiliate of TNT Leasing which currently occupies only hangar space from TAC Air. Section 16 allows the waiver of any of the Minimum Standards where it deems to be in the best interest of the Airport's operation and the public good.

By accepting the rights and privileges granted by this permit, Crystal Air agrees to continue to pay the rates specified, as well as follow the generally applicable rules and regulations that are set forth in CMAA's Minimum Standards.

**Board Action:** Ms. Cameron requested Board approval to renew an operating permit with TNT Leasing Company, Inc., doing business as Crystal Air contingent on receiving an updated insurance certificate prior to December 1, 2009.

**Motion for approval by Commissioner Lloyd, seconded by Commissioner Griffin. Motion approved.**

#### **General Liability Insurance**

Ms. Cameron then informed the Board that BB&T Huffaker & Trimble solicited quotes on behalf of CMAA for renewal of CMAA's general liability and excess liability policies set to expire on December 1, 2009. General Liability Insurance includes bodily injury and property damage, personal and advertising injury liability, medical payments, hangarkeepers liability, and non-owned aircraft liability. In addition to the standard policy, CMAA's policy contains general liability coverage for Ground Handling Operations which is currently provided to Allegiant Airlines. Quotes were requested from three providers, Phoenix Aviation, ACE USA, and AIG.

<b>Insurance Provider</b>	<b>2008 Quote</b>	<b>2009 Quote</b>
Chartis (formerly AIG)	\$246,696	\$131,830
ACE USA	212,669	\$130,663
Phoenix Aviation	Declined	Declined

ACE USA, the incumbent, provided a quote of \$130,663 for the same coverage as expiring. Chartis, formerly AIG, provided a quote of \$131,830 for the same coverage. Chartis never submitted the necessary documents to confirm coverage for ground handling activities and therefore their bid was considered incomplete. The significant reduction in this year's premium is reflective of the competition realized by Chartis' desire to obtain new business. ACE USA dropped the premium in an effort to maintain CMAA's business. This competitive environment resulted in the same liability coverage with a savings of \$80,000.

**Board Action:** Ms. Cameron requested Board approval to accept the renewal of CMAA's General Liability coverage of \$100 million with ACE USA and Excess Liability insurance coverage of \$100 million with Underwriters @ Lloyd's of London for a total premium of \$130,663 for a term of one year commencing on December 1, 2009.

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

#### **Blue Cross Blue Shield of Tennessee Advertising Contract**

Chairman Jacobson recused himself from this Board action item because he is an employee of Blue Cross Blue Shield of Tennessee.

Christina Siebold then addressed the Board and said CMAA is requesting Board approval for a contract with Blue Cross Blue Shield of Tennessee to advertise in the airport with an escalator / stair display sponsorship in the rotunda. The advertiser is responsible for

providing the creative graphics to be approved by CMAA before production. Once produced, BCBS will install the creative into the space with the assistance of maintenance. The term of the agreement is for 12 months, beginning on December 15, 2009, at a monthly rate of \$1,500 or \$18,000 annually.

**Board Action:** Ms. Siebold requested Board approval for a contract with Blue Cross Blue Shield of Tennessee in the amount of \$18,000 annually for a corporate display.

**Motion for approval by Commissioner Griffin, seconded by Commissioner Lloyd. Motion approved.**

#### **Former Target Facility Demolition**

President Landguth requested Board approval for the demolition of the former Target facility. The project was bid out with a base bid and one alternate. The scope of the base bid was the removal of the building from the site. The alternate included the removal of the slab. Based on the initial engineering estimate for the project, it was anticipated that there would be insufficient funds for performing both the removal of the building and the slab.

CMAA received 14 bids on this demolition project. CMAA's engineering firm has reviewed the bids of the apparent low bidder and is satisfied that the bidder is qualified to perform the work. The low bidder was Tristar of America, Inc. Tristar is a demolition, grading, and site construction contractor. The base bid was \$120,000 and the alternate was \$83,600 for a total contract price of \$203,600. The bid amount falls within the budget for this project. CMAA would like to enter into a contract with Tristar of America for \$120,000 for conducting Phase 1 of this project which is removal of the building. On Phase 2 of the project, CMAA is currently negotiating a slight modification to the scope of the project. The original scope was to remove the slab and back-fill up to six inches of the existing grade with stone. CMAA is currently negotiating to get a credit for the stone and replace it with top soil to grade and seed the area. CMAA is requesting authority to negotiate this amended scope at the existing bid price. If there is any increase as a result of the change in scope CMAA will request Board approval for any value exceeding the authority of the President.

**Board Action:** President Landguth requested Board approval for a demolition contract with Tristar of America, Inc., in the amount of \$203,600 for the demolition of the former Target facility.

**Motion for approval by Commissioner Lloyd, seconded by Commissioner Freeman. Motion approved.**

#### **Other Business**

Chairman Jacobson asked Mr. Naylor if construction was on schedule.

Mr. Naylor replied that taxiway alpha is close to the original schedule. The west side project has been delayed by the rain. CMAA is not planning on closing the project, but it

is hampered. The terminal project is finished behind the wall with the airline offices. The back wall is the last of the project to complete and once the materials are in, it will be finished.

**Public Comment**

None

**Closing Comment**

Chairman Jacobson thanked everyone for their attendance. He thanked the airport staff for the growth in airport usage, and congratulated them for their hard work. Thanked the public for their use of the Airport. He wished everyone a Happy Thanksgiving. He and the other Commissioners also expressed appreciation for the Airport Ambassadors and recommended CMAA recognize them for their contributions to the airport. He then declared the meeting adjourned.

**Adjourn**

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