



2018 Board Meeting Minutes

Chattanooga, Tennessee

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**Chattanooga Metropolitan Airport Authority
Board of Commissioners Meeting Minutes
February 19, 2018**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in open meeting Monday, February 19, 2018 at 2 P.M. Chairman Jacobson, Vice Chairman Hall, Commissioners Travis Lytle, Donna Roddy, Warren Barnett, and Tom Snow were in attendance.

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 Snow, seconded by Commissioner Lytle, the minutes of the December 18, 2017, meeting were approved.

President's Report:

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

President Hart began with the statistics for the month of December. This is our 4th year in a row of record enplanements at the airport, with our annual enplanement totals for 2017 at 484,517. Over one million customers came in and out of this airport in 2017. All carriers showed a positive increase in 2017. Delta had almost an 8% increase on enplanements in 2017, American followed at 7%, Allegiant at 2%. United was not in the market most of 2016 so those numbers are a little skewed. All numbers were positive. Landings were up by 8% for the year and operations were up by 2%. Overall a good year for 2017. We are looking forward to another good year in 2018.

President Hart noted that Mike Pare's stories are picked up by other trade publications which is nice to see. President Hart thanked Mike for his work.

January 2018 started off by surpassing January 2017, but it was a much smaller percentage increase, only about 1% increase on enplanements over 2017. A lot of that was caused by weather events taking place throughout the country. We had a number of those events in Chicago, New York, and Charlotte that impacted our numbers.

February, to date, appears to be alright. Again, we attribute that to customers that choose Chattanooga to originate from. We continue to see customers come from Knoxville and from Atlanta to originate out of Chattanooga. The fares remain very competitive in the market which is very helpful. We will start to see growth in our seats in March.

In early 2018, the State of Tennessee notified the airport that it had been selected to receive grant funding through a state economic development fund. The fund provides grants to facilitate job creation and investment opportunity in Tennessee aviation industries. Our proposal included the

redevelopment of the site where the Air National Guard was located for many years. In the last Masterplan, the site was proposed as a maintenance facility. With the growth that is taken place with West Star here at the airport we wanted to continue to build on that. As such, we brought them over and showed them the site. A lot of airports will put in a request and try to build something and hope that it will attract new business. We have someone here that is growing and wants to continue to grow, so that was a good thing for us. The total request was around \$10 million to rework the site and build more ramps. We did our estimate and submitted our grant application. Although we did not receive all the money requested we did receive approximately \$4 million.

President Hart provided an update of our backup power system and how it would work in the event of a major power outage.

President Hart then provided an update of our Storm Water System and how the pumps on the West Side of the airfield facilitate water on the field.

Review of Written Consents:

In January, three items were sent out through written consent. We received approval of all three requests from Chairman Jacobson and Commissioners Snow, Roddy, Barnett, Conn and Lytle. As required, those items were presented to the Board for any questions.

Electric Ground Support Equipment

In July 2015, the Tennessee Department of Transportation, (TDOT) announced an upcoming Congestion Mitigation and Air Quality (CMAQ) Grant Opportunity. The purpose of the grant was to reduce emissions and improve air quality in the state. The Chattanooga Airport submitted a Letter of Intent that outlined the replacement of two old pushback tractors and two old belt loaders with new electric zero emission equipment. TDOT determined that our project was eligible and we applied. In November 2017, we were notified of the award. The equipment was competitively bid and 2 bids were received. K2EQ Inc. provided the lowest most responsive bid. The equipment purchase price is \$431,781.

The Chattanooga Metropolitan Airport Authority (CMAA) is seeking board approval to purchase the following Electric Ground Support Equipment (GSE).

1. Lektro model AP8850SDA – towbarless pushback tractor

Description: Electric battery powered tractor rated for moving 120,000 lbs of aircraft

Equipment Cost - \$99,977

2. Lektro model AP8950SDA – towbarless pushback tractor

Description: Electric battery powered tractor rated for moving 210,000 lbs of aircraft
Equipment Cost - \$198,828

3. TUG model 660E – Belt Loader – 2 each

Description: Electric battery powered Belt Loader for servicing up to B757 aircraft

Equipment Cost - \$120,876

4. Multi Voltage Battery Charger – 2 each

Description: Charger that will charge all GSE Equipment 72V and 80V

Equipment Cost - \$12,100

As our enplanements continue to grow and as the airlines continue to upgrade their aircraft it is necessary to provide the equipment to properly service our customers. The equipment will be utilized to service aircraft up to the size of a B757. Electric GSE will enable the airport to continue its sustainability commitment and improve the air quality in the region.

The Tennessee Department of Transportation is providing CMAA a federal Congestion Mitigation and Air Quality (CMAQ) Improvement Program Grant in the amount of \$353,907. CMAA will be responsible for \$77,874.

Board Action:

The CMAA requests approval to enter into a contract with K2EQ Inc. in the amount of \$431,781 for the purchase of Electric GSE for use at the Chattanooga Airport.

Motion to approve made by Commissioner Roddy, seconded by Commissioner Barnett.

Motion Approved.

Allen and Hoshall Task Order # 19

This request is to enter into Task Order # 19 with Allen & Hoshall, CMAA's Engineer of Record, for the engineering services associated with site preparation for Phase III of the Solar Farm. The engineering services will include Design, Bid, Award and Construction Administration. The site needs to be leveled and brought to an elevation of 672'. The contract amount is \$62,300.

Solar Farm Phase III Site Work

The following is a distribution of Allen & Hoshall's fee for engineering services.

Design, Bid, and Award

Preparation of plans and specifications - 8 plan sheets anticipated \$24,000

Bid and Award \$3,000

Geotechnical \$1,750

Design Survey \$2,500

Construction Administration - 4 weeks construction

CA - 110 hours anticipated \$12,500

Submittals/Shop Drawings \$500

Final Survey	\$1,000
As-built Drawings - 8 hours anticipated	\$1,000
Quality Assurance	\$2,000
Permits - 35 hours anticipated	\$4,500
Inspection – 140 hours anticipated	\$9,390
Expenses – 4 weeks anticipated	\$160
Total	\$62,300

The engineering services will be funded through an AIP Grant with 90% Federal. CMAA will be responsible for the remaining 10%. This project is included in our approved 2017-2018 Capital Budget.

Board Action

CMAA requests Board approval of Task Order 19 with Allen & Hoshall in the amount of \$62,300 for the engineering services associated with the site preparation for Phase III of the Solar Farm.

Motion to approve made by Commissioner Lytle, seconded by Commissioner Hall.

Motion Approved.

Access Control Service Agreement

The Transportation Security Administration regulation Part 1542 requires each airport operator to establish a secured area and air operations area and to prevent and detect the unauthorized entry, presence, and movement of individuals and vehicles into these areas.

As such, our current Access Control and CCTV platform to support this requirement was developed and installed in 2009 by I-Sys Corporation. Over the next three years, the coverage grew from the terminal building to encompass the entire perimeter fence line. The system provides the necessary hardware and automation to verify and control access to the airfield, as mandated.

In late 2014, I-Sys Corporation was acquired by SDI Solutions of Chicago. Recently, the Integrated Security Systems division of SDI Solutions was purchased by Convergent Technologies, a worldwide company specializing in integrated technology systems. We are pleased with this development and look forward to our continued good relationship with our security partners.

From the beginning, a service agreement has been in place that supports all the hardware and software associated with the entire system. Currently, the system now supports over 102 cameras, 16 gates, 48 doors, and a recently updated robust network. Our current agreement has expired, however Convergent is still supplying coverage, at no cost, until a new agreement is in place. We requested a proposal covering three years, providing the same level of service we receive today. After review and negotiation, staff recommends acceptance of the following annual rates.

Year 1	\$103,319
Year 2	\$108,485

Year 3 \$113,909

These costs have been and will continue to be included in our annual operating budget.

Board Action:

CMAA requests approval to enter into a contract with Convergent Technologies to maintain the access control system in the amount of \$325,713 for a period of three years beginning January 1, 2018.

Motion to approve made by Commissioner Snow, seconded by Commissioner Roddy.

Motion Approved.

Board Action Item:

North Ramp Reconstruction Design

CMAA requests Board approval to enter into Task Order # 20 with Allen & Hoshall, CMAA's Engineer of Record, for the engineering services associated with the North Ramp Reconstruction - Design. The Task Order includes geotechnical investigation, preparation of electrical and civil plans and specifications, bid and award of the project, and assistance in obtaining all permits. The fee for Task Order 20 is \$212,300.

All contracts for construction will be submitted for Board approval once the design is complete and all costs are determined.

The following is a distribution of Allen & Hoshall's fee for Task Order 20 to the Master Agreement:

Design, Bid & Award

Survey	\$ 5,000
Geotechnical Investigation	\$ 18,500
Preparation of plans & specifications	\$175,000
Construction Budget - \$4,000,000	
1300 man hours budgeted	
Bid and award	\$ 10,800
80 man hours anticipated	
Permitting fees	\$ 3,000

Direct labor – 16 hours

TOTAL

\$ 212,300

The engineering services will be funded through an AIP Grant with 90% Federal, CMAA will be responsible for the remaining 10%.

Board Action

CMAA requests Board approval for Task Order 20 with Allen & Hoshall for the North Ramp Reconstruction - Design in the amount of \$212,300.

Motion to approve made by Commissioner Roddy, seconded by Commissioner Barnett.

Motion approved.

Other Business:

None.

Public Comment:

None.

Closing comments:

Chairman Jacobson, thanked everyone for being here and for their support of the airport. Another record year of enplanements, 4th in a row, with a total of enplanements of 484,517. Chairman Jacobson, thanked Mike Pare for his outstanding support and Terry and his staff, for their dedication.

Chairman Jacobson asked for a motion to adjourn.

Commissioner Snow motioned to adjourn.

Motion seconded by Commissioner Roddy.

Motion approved, meeting adjourned.

Minutes approved by:

Mike Mallen
CMAA Secretary

Corporate Secretary:

April Cameron

Minutes approved by:

Daniel R. Jacobson
CMAA Chairman

Minutes Recorded by:

Sybil Cline

**Chattanooga Metropolitan Airport Authority
Board of Commissioners Meeting Minutes
March 19, 2018**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in open meeting Monday, March 19, 2018 at 2 P.M. Chairman Jacobson, Vice Chairman Hall, Commissioners Tom Snow, Michael Mallen, and Travis Lytle were present.

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

Minutes:

On motion of Commissioner Snow, seconded by Commissioner Lytle, the minutes of the February 19, 2018, meeting were approved.

President's Report:

President Hart mentioned that the bulk of the meeting would be dedicated to the Master Plan. Mr. Hart thanked everyone for being there for the presentation that InterVistas was going to present.

As a follow up from last month's meeting, our Chairman asked about our West Star project. President Hart presented pictures of the project and its progression. Two hangers are underway. Both are approximately 40,000 square foot hangars. One will be a paint facility and the other will be a maintenance facility. The progress has been going very well. The steel is erected and sides are on the buildings. Once the paint building gets its roof, a system that is required for painting aircraft will be installed. The maintenance hangar is well underway with support space being constructed.

President Hart noted that he met last week with Mr. Raspberry, West Star's CEO. Mr. Raspberry was here to check on the progress that West Star has made and also to talk about where to go next. West Star anticipates having the project completed in September. They have aircraft lined up to go into the paint facility thereafter. Once they are done with the paint facility they will be adding 100 more jobs to the 70 they currently have. Growth continues for them. As mentioned in the last meeting, the airport received a grant from the State of Tennessee to get started on the site where the Air National Guard previously was located. This project will support West Star's growth.

Moving on, President Hart detailed our operational stats for February. Although it is positive, it's not as much as thought. Enplanements were up by 0.3%. January and February are slower months with less business travelers. In addition, another weather event impacted the Northeast. Airlines cancelled ahead of the event that reduced some of our enplanements. Year to date, we are at almost 1% above our previous year enplanements. Operations were up by 5% in February, almost 5% for the year. Much of that is being driven by military traffic coming into the airport.

A few recent announcements that have been made are going to drive more enplanements and some changes in our air service. Allegiant is adding another daily round trip to Tampa/St. Pete in June and July for two months. This is an additional eight round trips in the summer. In July, American is going to put back their Chicago overnight aircraft and last week we learned that they are going to load a third round trip to Dallas/Fort Worth out of Chattanooga. There will be a morning departure kick off, a midday around 12 or 12:30 and later in the day around 4:30 going to DFW. That helps the west coast traffic. The plan is to start the service in mid June.

Lastly, I am very pleased to announce that we received a call from Delta that they are going to start service to LaGuardia beginning July 9th. One daily trip, a morning kickoff to LaGuardia and then an evening arrival back into Chattanooga. To do business in New York, a passenger can get up and back in one day. This complements the already great service we have with United going to their Newark hub.

President Hart thanked Mike Pare although he was not present for the coverage on the front page at the top of the fold. The airport has received a lot of positive feedback from passengers and the community about the changes that are taken place at the airport. He also thanked the Board Members for helping staff to keep focus on the right things and for their support.

Board Action:

Rental Car Contracts

In December, CMAA issued an Invitation for Bids for rental car concessions at the Chattanooga Airport. The process included a mandatory pre-bid meeting, issuance of addendums 1, 2, and 3, and concluded with bid submission on February 23, 2018. CMAA received five bid submissions from Avis Budget Car Rental, The Hertz Corporation, Alamo Rental Car, Enterprise/National Car Rental, and GSP Transportation DBA Dollar/Thrifty Car Rental. The bid specified that five rental car companies would be awarded the privilege of providing full service on-airport rental car services at the Airport.

The proposed term of the new agreement is five years and will commence on April 1, 2018. CMAA's strategy to increase revenues during this Invitation for Bids was similar to the previous model used during the preceding agreement:

- 1) Each bidder was required to specify a Minimum Annual Guarantee (MAG) for of the first year of the agreement
- 2) Priority spots for the ready return lot is based on the total of the MAG for the first year of the Agreement

Throughout the term of the agreement each company will pay CMAA for a lease of their terminal space and ready spaces as well as a concession equal to the greater of their MAG or 10% of gross receipts.

	2018	2019	2020	2021	2022	TOTAL
Enterprise/National	\$ 676,433.65	\$ 676,433.65	\$ 676,433.65	\$ 676,433.65	\$ 676,433.65	\$3,382,168.25
Avis/Budget	\$ 457,232.00	\$ 457,232.00	\$ 457,232.00	\$ 457,232.00	\$ 457,232.00	\$2,286,160.00
Hertz	\$ 456,507.00	\$ 456,507.00	\$ 456,507.00	\$ 456,507.00	\$ 456,507.00	\$2,282,535.00
Alamo	\$ 210,602.11	\$ 210,602.11	\$ 210,602.11	\$ 210,602.11	\$ 210,602.11	\$1,053,010.55
GSP	\$ 165,000.00	\$ 165,000.00	\$ 165,000.00	\$ 165,000.00	\$ 165,000.00	\$825,000.00

Based on the top five bids, the minimum concession to be paid to CMAA for the five year term of the agreement is equal to \$9,828,873 which represents a 53% increase in the minimum annual guaranteed revenue over the previous five year term.

Board Action

CMAA requests board approval to enter into a lease and concession agreement with the following car rental companies for a five year term commencing April 1, 2018.

- Avis Budget Car Rental, LLC
- EAN Holdings, LLC d/b/a Alamo Rent A Car
- EAN Holdings, LLC d/b/a Enterprise and National
- GSP Transportation Inc.
- The Hertz Corporation

Motion to approve made by Commissioner Mallen seconded by Commissioner Lytle
Motion approved.

Master Plan Update

Brian Mohr and Josh Cohn from InterVistas attended the meeting and briefed the Board on the status of the Master Plan. They noted that two stakeholder meetings are planned for March 20.

As an update, Brian and Josh presented several terminal gate expansion options and three different location options for a parking deck. The proposed deck will have four levels, with the first level dedicated to the rental car companies. This allows their customers to have covered parking and allows the Airport to utilize the customer facility charges (CFC's) as a revenue stream to help fund the construction of the deck.

Other Business:

None.

Public Comment:

None.

Closing comments:

Chairman Jacobson, thanked everyone for being present and for their support of the airport. He reiterated the importance of the announcements and the excitement and buzz about the flight to LaGuardia. Chairman Jacobson thanked Brian and Josh from InterVistas for their presentation and hard work.

Chairman Jacobson asked for a motion to adjourn.

Commissioner Snow motioned to adjourn.

Motion seconded by Commissioner Lytle.

Motion approved, meeting adjourned.

Minutes approved by:

Mike Mallen
CMAA Secretary

Corporate Secretary:

April Cameron

Minutes approved by:

Daniel R. Jacobson
CMAA Chairman

Minutes Recorded by:

Sybil Cline

**Chattanooga Metropolitan Airport Authority
Board of Commissioners Meeting Minutes
April 16, 2018**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in an open meeting Monday, April 16, 2018, at 2 P.M. Chairman Jacobson, Vice Chairman Hall, Commissioners Tom Snow, Donna Roddy, Farzana Khaleel, Michael Mallen, Travis Lytle, and Warren Barnett were present.

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

Minutes:

On motion of Commissioner Barnett, seconded by Commissioner Mallen, the minutes of the March 19, 2018, meeting were approved.

President's Report:

President Hart welcomed everyone and thanked them for being here on this beautiful spring day.

Mr. Hart started with the stats for March. Our streak of 18 months in a row of month-over-month improvement came to a stop in March. Our enplanements were down by 2% and year-to-date we are at 0.5 % below the first three months of 2017. Looking at the numbers in the first quarter, our scheduled seats were down about 2% year over year. We had a few more weather events contributing to cancellations which caused our enplanements to be off a little bit but we anticipate seats will rebound the next few months. We will start seeing increases in seats in May and June, July, and August will average a 2% increase compared to the same months last year. Operations, driven by a lot of military and general aviation flying, was up by 10.5 % compared to last year.

Also, just a couple of updates on projects that the Board has approved. First, is our east ramp project. It was a three-year project in which the east ramp was rehabilitated and all the asphalt replaced. There was also an amendment approved to repair some haul routes. That project has started and it's going to replace South Perimeter Road from Jubilee Drive up to the south cargo ramp. The silt fencing is up and weather-permitting we should get started soon. In addition, there is a small piece of asphalt between Hanger 21 and 22 that is targeted to be replaced. When the road is completed, we will switch over to the new project. We will coordinate with both tenants to make sure they are aware of changes there.

Another change that has been made is replacement of a pump motor on the west side of the retention pond. We have four pumps that can run at the same time to disperse storm water from the north side of the airport. We haven't had to use those yet. When we get lots of rain and the pond fills, it will start discharging water. Everything is functioning like it should and the project has been completed.

Next, our second fire vehicle came in a couple of weeks ago. The total cost was \$1.5 million dollars for both vehicles. Both fire vehicles are identical in terms of the operations of the equipment. The first vehicle was paid for by PFC dollars. Our plan is to go forward with our next PFC application to include the second vehicle for reimbursement by PFC dollars.

Moving on, there are a couple of different FBO publications that have been rating companies around the country and around the world. One of those is Aviation International News. I'm very pleased to say our operation here at the Chattanooga Airport, Wilson Air, finished in the top 20 percent this year. I would like to send accolades to Glenn for all his hard work.

Another thing we completed this last Saturday was in giving back to the community. This was our second year to host the Erlanger Believe Bash, which was a huge hit. The event took place Saturday evening. There was around 1,200 people in the hangar. The doors opened around 5:00 and they finished around 11:30. We were pleased to support their endeavor with the new Children's Hospital. Mr. Hart thanked Glenn for all his hard work.

Lastly, is the redevelopment of our website. We have been working with Albert Waterhouse and Brian May with Maycreate on the website. Our previous website was not user-friendly with mobile apps. Brian and his team have been involved in many different website redevelopments. This new website is user-friendly for our customers. We have been working on this for nine months, and we will go live on Friday, although tweaks will be made as we go along. With the feedback we have received from our customers, we have added information on the airport's parking as well as information on places to stay and things to do in Chattanooga. We have provided a place on the website for customer feedback. We also have software to track the comments 24/7 so way we will know if there is something going on in the middle of the night that needs addressed.

Board Action:

Airfield Re-Marking

According to Federal Aviation Regulation Part 139 "Certification of Airports," an air carrier airport must clean or replace any airfield marking to make it clearly visible and provide an accurate reference to the airport user. There are numerous airfield markings that have faded over time and are in need of replacement to keep the airfield to FAR Part 139 standards.

In March, CMAA issued a Request for Proposals for a project to have the airfield markings re-marked. Five proposals were received, with Hi-Lite Airfield Services, LLC being the most qualified responsive bidder at a total cost of \$436,717.70.

The scope of this project will include pressure washing to prep the markings, and the materials and labor to re-mark all the markings on the airfield. The project is expected to start in mid-May and take 8-10 days. This is not a budgeted item, but we plan to use reallocated funds to complete this project and will submit an application to the FAA to get Passenger Facility Charge (PFC) funds to reimburse us for the cost of the project.

Board Action: CMAA requests Board approval to enter into a contract with Hi-Lite Airfield Services, LLC to re-mark the airfield at a cost of \$436,717.70.

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

Motion approved.

Terminal Floor Cleaning Services

The carpet and tile in the airport terminal require nightly cleaning to keep the floors looking as clean as possible for the traveling public. In March, a Request for Proposals was issued for services for the cleaning of the carpet and tile in the airport terminal.

Four proposals were received and reviewed with Superior Cleaning Services, LLC being the lowest qualified bidder with a bid of \$80,854.00 per year. The term of the contract will be for three (3) years with two (2) twelve-month renewal options commencing May 1, 2018 and ending April 30, 2021.

The scope of this contract will include:

1. Cleaning of at least one of the carpeted zones in the terminal nightly for 5 nights per week.
2. Cleaning of at least one of the tiled zones in the terminal nightly for 5 nights per week.
3. Quarterly degreasing and scrubbing of the tile in the terminal.

Board Action: CMAA requests Board approval to enter into a contract with Superior Cleaning Services, LLC to provide carpet cleaning services for a yearly contracted amount of \$80,854.80.

Motion to approve made by Commissioner Mallen seconded by Commissioner Lytle.

Motion approved.

Budget Fiscal Year 2019

CMAA requests approval of the Fiscal Year 2019 Budget for the Chattanooga Metropolitan Airport Authority (CMAA) which has been developed in coordination with the Finance Committee.

Operating revenues for FY 2019 are budgeted at \$22.8 million, which is 3% above the FY 2018 forecast. This overall increase in revenues for the upcoming year is primarily due to growth in passenger traffic that continues at CHA. Landing fees and terminal rental rates will remain the same. The only fee adjustment to our tenants is a small increase in the airline security fee with the inclusion of the CT80 Room into the functional rent calculation. The current parking rate structure will also remain the same with a short term rate of \$16.00 and a long term rate of \$9.00 per day. Rental car and restaurant revenues continue to rise with increasing passenger enplanements. FBO revenues from fuel sales, ground rent, ground handling operations, and other services such as

catering and line services are budgeted to be \$10.4 million which is up 2% from the FY 2018 forecast.

General operating expenses for the year are budgeted at \$15.8 million, an increase of 3% over current year forecast. The increase is primarily the result of additional costs necessary to support increased passenger traffic. The budget includes a 2% increase in employee salaries, a forecasted increase in employee benefits as well as an additional employee in the Planning & Development Department to support our succession planning goals. FBO expenses are budgeted to be \$8.9 million of the total \$15.8 million budgeted for FY 2019 and relates primarily to the cost of fuel.

Capital investments are expected to be \$16.5 million for FY 2019. Projects include completion of our Master Plan, continued expansion of West Star's operations, constructing a new hangar, constructing the 3rd phase of our solar farm project and installation of digital advertising in the airport terminal. Funding for these projects will come from FAA, State and PFC funds. CMAA will be responsible for 17% or approximately \$2.8 million of the total cost.

From a debt service perspective, as of July 1, 2018, CMAA will have a current bond balance of \$9.2 million. During FY 2019, CMAA will make the final payment of the 2009 Taxable Bond. The debt requirement for FY 2019 is valued at \$3.6 million and will be completely funded through current year operating revenues.

CMAA expects to have net operating revenues of nearly \$7 million for FY 2019. After deducting our capital expenditures, debt service, and reserve requirements, we will have a balanced budget for FY 2019.

Board Action: CMAA requests Board approval of the Fiscal Year 2019 Budget with updated organizational structure, pay plan, and Rates and Charges and Insurance Policy.

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

Motion approved.

2018 Audit Contract

CMAA is requesting Board approval for a contract with Elliott Davis to perform an annual audit of financial statements for the year ending June 30, 2018. The objective of the audit is to express an opinion as to whether our financial statements are presented fairly in conformity with accounting principles and to report on the fairness of the supplementary information including: 1) federal awards; 2) state awards; and 3) Passenger facility charges. In addition, this audit includes an evaluation of internal controls in place.

Although we have utilized Elliott Davis for several years, we have opted to renew our agreement because we believe they provide the best option for the airport. Their firm provides a consistent leadership structure with a deep understanding of the business and all of the unique requirements of an airport and our various funding sources. This leadership structure is complemented by a rotating on-site audit team that provides us with a fresh perspective every year.

The firm has provided us with a flat fee of \$37,000 plus expenses (such as report reproduction, typing, postage, travel, copies, telephone, etc.) per year for a three year term.

Board Action: CMAA requests Board approval of a three year contract totaling \$111,000 plus expenses with Elliot Davis to conduct an annual financial audit of the Chattanooga Airport Authority.

Motion to approve made by Commissioner Lytle seconded by Commissioner Roddy.

Motion approved.

Solar Farm Site Work Construction Contract

CMAA is requesting Board approval to enter into a contract with Dillard Construction for the site work associated with the installation of Phase III of the Solar Farm located on the southwest corner of the airfield. The project will decrease the elevation of the site approximately 9 feet.

CMAA received 3 bids on this project. After meeting all of the bid requirements, Allen & Hoshall recommends and staff concurs that the construction contract should be awarded to the lowest and most responsive bidder, Dillard Construction. Dillard Construction's fee for the site work is \$634,355.56.

The construction contract will be awarded pending receipt of the AIP Grant. The project will be funded through an AIP Discretionary Grant at the 90% federal level with CMAA responsible for the remaining 10%. This project is included in our approved 2017-2018 Capital Budget.

Board Action: CMAA requests Board approval to enter into a contract with Dillard Construction for the site work associated with Phase III of the Solar Farm in the amount of \$634,355.56 pending receipt of the AIP Discretionary Grant.

Motion to approve made by Commissioner Snow seconded by Commissioner Lytle.

Motion approved.

Other Business:

None.

Public Comment:

None.

Closing comments:

Chairman Jacobson, recognized the Finance Committee and each of the Board members for being present and for all the hard work that was put into the Budget. The Budget was completed a month early, which is great to see. The Chairman said he felt good about the numbers and the projects in place. Additionally, on April 1, 2019, he noted the airport will pay off its debt associated with the

original construction of the terminal. He also noted a great job on the website preview. It more accurately reflects the Chattanooga brand and commitment to our customers. Lastly, he congratulated Wilson Air Center on gaining national accolades. He added that we are glad to have Wilson as a partner.

Chairman Jacobson asked for a motion to adjourn.

Commissioner Snow motioned to adjourn.

Motion seconded by Commissioner Lytle.

Motion approved, meeting adjourned.

Minutes approved by:

Mike Mallen
CMAA Secretary

Corporate Secretary:

April Cameron

Minutes approved by:

Daniel R. Jacobson
CMAA Chairman

Minutes Recorded by:

Sybil Cline

**Chattanooga Metropolitan Airport Authority
Board of Commissioners Meeting Minutes
June 18, 2018**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in an open meeting Monday, June 18, 2018 at 2 P.M. Chairman Jacobson, Vice Chairman Jim Hall, Commissioners Tom Snow, Donna Roddy and Michael Mallen were present.

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

Minutes:

On motion of Commissioner Mallen, seconded by Commissioner Roddy, the minutes of the April 16, 2018 meeting were approved.

President's Report:

President Hart welcomed everyone to the June 2018 Board Meeting.

He noted that staff has been very busy which would be reflected in our Board Action Items. He apologized in advance for the full agenda.

First, President Hart reviewed the April and May operational Statistics. He was pleased that in the month of April our enplanements returned to a very positive number. They are up by almost 8% for the month compared to April of 2017. Landing weights are also up over 8.5%, while operations at the airport are up by almost 14%. A very busy April was great to see. In May, the numbers again are up but not quite as much as in April. The airport saw a 2% increase in enplanements compared to May 2017. Year to date enplanements are up almost 2%. Deplanements are tracking in line with that number as well. Landing weights are up again for the year. Operations are down slightly in the month of May because of less military traffic coming to Chattanooga. Year to date operations are up about 6% at the Airport.

Next, President Hart presented a graph outlining changes in seat capacity from 2017 vs 2018. He noted the negative seats comparing early 2017 to early 2018. We start realizing growth in seats from June through October which will help enplanements throughout the year. He added that a new flight to Dallas and another Chicago departure as well as Delta adding the LaGuardia service will help. An upgrade in equipment to larger regional jets will cause an increase in seats. The increase of 11% to 12% in seats in those months will help grow enplanements for the end of the year. He remains confident that the trend will continue to rise for the remainder of the year.

President Hart noted that a couple of weeks ago, he and Blake Poole attended an ACI jumpstart conference. They spoke to five airlines at that conference. Three of those were incumbent carriers: American, Delta and United. Each were pleased with the level of service that has taken place here at the airport and President Hart was pleased to have them as our partners.

Next President Hart provided an update of our projects. The first was the East Ramp he noted that the paving is complete and the ramp is open again. The service road on the south end of the airfield from the cargo ramp down to Jubilee Drive is 90 to 95 percent complete and the road will be open soon. Additionally, President Hart provided an update about West Star's project. Phase 2 of the West Star project is constructing two new hangers on the east side of the airfield in front of the air traffic control tower. They anticipate completion by the end of September. As a note 75 to 80% of the West Star project is being done by local contractors in the Chattanooga area.

At this point President Hart talked about community involvement. Mr. Hart feels it's very important to give back to the community with the things we are doing in Chattanooga. An event took place in late April at Wilson Air Center. Glenn Rivenbark and all his staff did a great job. An organization called Challenge Air was created in 1993. It was created to change the perception of children with special needs through the gift of flight. Across the country they have about 3500 volunteers that offer up their services or aircraft to work with special needs kids. This is the second year of participation here at the airport. Many of the local tenants offered up their time and aircraft. Several kids flew that day, and the message that was being taught was that they can do anything they want to do and do not have to fear the challenges in front of them. It was a great day. Glenn Rivenbark and his people did a great job putting it together and hopefully Challenge Air will want to come back again next year.

The next topic was our partnership with Hamilton County Department of Education. President Hart stated we are very pleased to participate through Brainerd High School but specifically through the future ready institutes. The future ready institute challenges the traditional approach to education and high schools by developing career themed small learning communities. At Brainerd, the focus is on Aviation and a lot of the things that will be talked through will be on Aviation and all the different studies they do. About two weeks ago the teachers came through who will be instructing the students. They spent a couple of days here at the airport and went around to the different departments to see the different things that are done at the airport. The teachers spent time at the fire station and with one of our tenants, Crystal Aviation, talking about what they do and how that impacts others. It was a success. Mr. Hart thanked John Naylor because he has spent a lot of time with students and teachers at Brainerd High School.

Board Action Items:

City Property Transfer

In connection with the title and survey work the City has conducted as part of its City-wide sewer-repair project, the City discovered some errors the City made in the legal description in the 1986 deed from the City to CMAA, which transferred the property to the airport. Because the City had acquired the airport property in bits and pieces from a large number of different sellers over time, the deed from the City to CMAA contained an enormously long legal description, describing the property lot-by-lot. With much better satellite technology available now, it was easier for the City to identify the errors while working in connection with the sewer project. Because the errors affect the property boundary, the City has requested that it and CMAA sign a "Deed of Correction" to clarify the legal description. The City consulted with Bill Jones from Jones Raulston Title Insurance Agency to review and assist with finalizing the corrected legal description. Bill Jones

feels comfortable that the Deed of Correction will fix the errors so that the property boundary is what both the City and CMAA have always intended.

Board Action:

CMAA requests Board approval to execute the “Deed of Correction” provided by the City to clarify the airport legal description.

Motion to approve made by Commissioner Roddy, seconded by Commissioner Snow.

Motion approved.

Maycreate Advertising Agreement

In 2016, CMAA entered into a contract with Maycreate, a local creative firm. Over the past two years, the team at Maycreate has worked diligently to utilize our funding to further expand our positive message and promote all that the Chattanooga airport has to offer our community and surrounding region. The contract that we entered into in 2016 was a two-year agreement that extends until June 30, 2018. Our request is to approve the funding for Maycreate for two additional years: FY 2019 and FY 2020.

The scope of their services remains the same and includes:

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

The FY 2019 contract will be in the amount of \$279,500 with \$231,500 towards media buying and \$48,000 for creative services and account management. This expense was included in our approved operating budget.

Board Action:

CMAA requests Board approval to renew our marketing and media placement contract with Maycreate in the amount of \$279,500 per year for two years.

Motion to approve made by Commissioner Snow, seconded by Commissioner Hall, Commissioner Mallen Abstains.

Motion approved.

Perimeter Fence Replacement

To meet the requirements of Federal Regulation CFR 1542, the TSA requires that the Chattanooga Airport provide perimeter fencing for the safety and security of the airport. This fencing prevents access by both trespassers and wildlife. Over time, the fence has required replacement because of rusting and sagging. With airport expansion and construction, most of the perimeter fence has been replaced in previous projects. This section is the final section of fence that needs replacing.

This project will consist of the replacement of approximately 2,800' of fence and 2 sets of gates on the north side of the airport. The project will include the demolition of the existing fence and gates, removal and disposal of old materials, and the labor and materials for the replacement fence.

CMAA issued a Request for Bids for the fence replacement and received 2 bids with Hi-Tech Gate Systems being the lowest qualified bidder for 2,800' of fence and 2 sets of gates for \$138,640.00. The only other bidder, McCall Fencing, submitted a bid of \$168,250.00. This project has been approved on the Chattanooga Airport's FAA Passenger Facility Charge application and will be funded at 100%.

Board Action:

CMAA requests Board approval to enter into a contract with Hi-Tech Gate Systems to replace a section of the perimeter fence for a cost not to exceed \$150,000.

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

North Ramp Construction Contract

On February 19, 2018, Task Order # 20 with Allen & Hoshall was approved for the design of the North Ramp - Phase I Rehabilitation Project. Today, CMAA is requesting Board approval to enter into a construction contract with Talley Construction for the North Ramp Rehabilitation.

The project is for the reconstruction of public infrastructure, specifically, to reconstruct the ramp that runs in front of Hangar 4, 5, and 6. The project encompasses all sub-grade work, erosion control, drainage, asphalt milling and placement, and other related work. The current ramp has exceeded its lifespan and was designated for replacement.

CMAA solicited a Request for Proposals in May for the construction. CMAA received two bids on the project.

Contractor	Base Bid
Talley Construction Company	\$2,668,016.74
Thomas Brothers Construction Company	\$2,730,683.45

Allen & Hoshall's review and evaluation found the low bidder, Talley Construction, properly licensed by the State of Tennessee, experienced in the type of work required by this project, and in possession of sufficient equipment and financial resources to perform the work. Talley

Construction has pledged to meet or exceed the set DBE goal for this contract. After meeting all of the bid requirements, Allen and Hoshall has recommended awarding the construction contract to the apparent low bidder. CMAA has reviewed the Engineer's recommendation and is in agreement. The bid price was \$2,668,016.74.

The project will be funded with a Federal Airport Improvement Grant at 90% with CMAA being responsible for the remaining 10%. This project is included in our approved capital budget.

Board Action:

CMAA requests Board approval to enter into a construction contract with Talley Construction for the North Ramp Rehabilitation Phase I Project (contingent on the receipt of AIP funding). The fee for this work is \$2,668,016.74.

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

North Ramp Rehabilitation, Phase I – Construction Administration

CMAA requests Board approval to enter into Task Order # 21 with Allen & Hoshall, CMAA's Engineer of Record, for the Engineering Services associated with the North Ramp Rehabilitation, Phase I - Construction Administration. The fee for Task Order 21 is \$235,200.

The following is a distribution of Allen & Hoshall's fee for Task Order 21 to the Master Agreement:

Construction Administration	\$96,100
21 weeks construction anticipated	
702 hours anticipated	
Submittals / shop drawings	\$ 5,500
40 hours anticipated	
Resident project representative	
Inspection – 1200 hours anticipated	\$90,050
Expenses – 21 weeks anticipated	\$ 550
Miscellaneous & Final Survey	\$ 3,000
Budget for field verification as required and as-built survey	
As-built drawings	\$ 5,000
40 hours anticipated	
Q/A – Testing	\$ 35,000
GRAND TOTAL	\$235,200

The Engineering Services will be funded through an AIP Grant at 90% Federal and CMAA will be responsible for the remaining 10%.

Board Action:

CMAA requests Board approval for Task Order 21 with Allen & Hoshall for the North Ramp Rehabilitation – Construction Administration in the amount of \$235,200 contingent upon the receipt of AIP Funding.

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

Motion approved.

Tennessee Air National Guard Building Demolition

In 1957, a ground lease was executed between the City of Chattanooga and the United States of America for a piece of property located on the airport. Numerous support buildings were constructed on the site to support the Tennessee Air National Guard operations. That entity vacated the property in 2013, completed the required environmental work and terminated the lease in 2016. CMAA has identified the site for future aviation development.

A Request for Proposals was submitted for the work associated with the demolition of the former Tennessee Air National Guard Site. CMAA received three bids on this project.

Contractor	Base Bid
Complete Demolition Services	\$468,768.91
TOA LLC	\$544,549.50
Talley Construction Company	\$763,358.20

A review and evaluation found the apparent low bidder, Complete Demolition Services, properly licensed by the State of Tennessee, experienced in the type of work required by this project, and in possession of sufficient equipment and financial resources to perform the work. After meeting all of the bid requirements, Allen & Hoshall has recommended awarding the demolition contract to the apparent low bidder, Complete Demolition Services. The bid price was \$468,768.91.

The Chattanooga Airport is seeking Board approval to enter into a demolition contract with Complete Demolition Services to remove the buildings on the identified site to prepare for future development. The site will be developed for the future construction of an Aviation Maintenance Facility.

The project will be funded by a State Airport Economic Development Grant at the 90% level with CMAA providing a 10% match. This project was included in our approved capital budget.

Board Action:

CMAA requests Board approval to enter into a contract with Complete Demolition Services for the demolition of the identified buildings. The amount of the contract is \$468,768.91.

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

Tennessee Air National Guard Demo – A & H

CMAA requests Board approval to enter into Task Order # 22 with Allen & Hoshall, CMAA's Engineer of Record, for the Engineering Services associated with the Demolition Design, Survey, Geotechnical, Environmental Assessment and Construction Administration associated with the redevelopment of the Tennessee Air National Guard site. The fee for Task Order 22 is \$103,210. The following is a distribution of Allen & Hoshall's proposed fee for Task Order 22 to the Master Agreement.

Design, Bid & Award Phases

Preparation of plans & specifications	\$ 18,000
6 plan sheets anticipated	
Bid and award	\$ 3,000
25 hours anticipated	
Geotechnical	\$ 44,000
Design Survey	\$ 11,440
Hazard Material Survey - ARFF	\$ 3,740
Phase 1 ESA	\$ 2,420

Construction Administration

Construction Administration	\$ 9,500
11 weeks construction anticipated	
78 hours anticipated	
Resident project representative	
Inspection – 93 hours anticipated	\$ 6,500
Expenses – 11 weeks anticipated	\$ 110
Reimbursable Expenses	
Assistance in securing permits	
Direct labor – 35 hours anticipated	\$ 4,500

Grand Total **\$ 103,210**

The Engineering Services will be funded through a State Airport Economic Development Grant with 90% State and CMAA responsible for the remaining 10%.

Board Action:

CMAA requests Board approval for Task Order # 22 with Allen & Hoshall for the Tennessee Air National Guard Site Demolition – Construction Administration in the amount of \$103,210.

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

Solar Farm, Phase III Design/Build Contract

CMAA is requesting Board approval to enter into a Design/Build contract with Inman Solar for the construction of Phase III of the Solar Farm. Phase III is a 640.86 kW Solar (PV) Array located north of Phase I and II on the Southwest corner of the airfield.

Three bids to complete the work were received on this project.

Contractor	Bid
EETN	\$1,053,307
Inman Solar	\$1,076,680
Lightwave Solar	\$1,091,689

Each bid was scored based on the following criteria:

- System requirement – 20%
- Experience – 20%
- Job Creation/Buy American – 20%
- Warranty – 10%
- License and Certification – 10%
- Capability – 10%
- Environment – 10%

After reviewing all of the bid requirements including DBE participation, staff recommends that the Design/Build contract should be awarded to the most responsive bidder, Inman Solar for the contract amount is \$1,076,680.00

The Inman Solar team consists of the following firms: Inman Solar, Young Electric, Earthworx, and David Barrueta Associates. This is the same team that installed Phase I and II. Inman Solar brings a great deal of experience to this project.

Combined, all three phases will offset 100% of the airports electric requirements. The Solar Farm benefits the community and state through improved air quality. Solar power produces zero emissions and is carbon neutral. The application of solar technology at this location is in keeping with the airport's commitment to improving the air quality of the region.

The project will be funded through a Federal Aviation Administration, Section 512, Energy Efficiency Grant Program. The project will be funded at 90% Federal with 10% CMAA matching funds which we plan to request reimbursement for in a future PFC Application. This project was included in our approved capital budget.

Board Action:

CMAA requests Board approval to enter into a Design/Build contract with Inman Solar in the amount of \$1,076,680.00 for the construction of a 640.86 kW Solar (PV) Farm contingent on receiving FAA funding.

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

Convergent Security Contract – West Star Expansion Project

In order for West Star Aviation's new facilities to function effectively for its business purposes while maintaining compliance with the airport's security system, specific security requirements must be installed at and around their facilities. Given that CMAA owns and maintains the security system at the airport, CMAA will fund the cost of the necessary installation and will invoice the entire expense to West Star for reimbursement. As a result, CMAA solicited a quote from Convergent to install the required equipment. The scope of work includes the following additions at Hangars 24 and 25.

- Provide and install a card access panel in building to support security network.
- Provide and install access controls on six (6) portals, three (3) hangar doors, two (2) hangar personnel doors, and one (1) sliding vehicle gate.
- Provide and install one (1) interior fixed IP camera and four (4) exterior PTZ IP cameras for the existing Video Management System.
- Provide necessary cabling and programming for all devices.

Convergent will provide a one-year warranty on all materials and labor for the work performed. The total fee for the project is \$75,736.22 which will be paid by CMAA and reimbursed by West Star Aviation.

Board Action:

CMAA requests approval of an agreement with Convergent to install the security system located at Hangars 24 and 25 in the amount of \$75,736.22. The total amount will be reimbursed by West Star Aviation.

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

Other Business:

None.

Public Comment:

None.

Closing comments:

Chairman Jacobson noted that even though enplanements across the country often trend down at this time of the year, he is encouraged about the positive growth in April & May. Chairman Jacobson stated that recently there has been a lot of buzz and excitement about Delta's new service to LaGuardia. He noted there is a lot of buzz and excitement in New York and other places about Chattanooga. Not only does this open another option for travel to New York but it also makes it much easier for people in New York to come see our great wonderful city and region. So, this again is a very powerful addition to our economic development efforts. Chairman Jacobson thanked Delta and the team here on the ground for this great news and said he is sure there will be

more to come. He also stated he's excited about West Star being on schedule to open two new hangers in September as that will add another 100 new jobs once the facilities are open. He added that he is very excited about phase 3 of our solar farm. Our partnership with EPB was recognized in a trade magazine called Microgrid Knowledge. Completion of this phase will help the airport and EPB and propel us toward our goal of becoming self-sufficient.

Chairman Jacobson asked for a motion to adjourn.

Commissioner Roddy motioned to adjourn.

Motion seconded by Commissioner Snow.

Motion approved, meeting adjourned.

Minutes approved by:

Mike Mallen
CMAA Secretary

Corporate Secretary:

April Cameron

Minutes approved by:

Daniel R. Jacobson
CMAA Chairman

Minutes Recorded by:

Sybil Cline

**Chattanooga Metropolitan Airport Authority
Board of Commissioners Meeting Minutes
August 20, 2018**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in an open meeting Monday, August 20, 2018 at 2 P.M. Chairman Jacobson, Vice Chairman Jim Hall, Commissioners Tom Snow, Donna Roddy, Farzana Khaleel, Michael Mallen, Travis Lytle, and Paul Conn 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 Snow, seconded by Commissioner Roddy, the minutes of the June 18, 2018 meeting were approved.

President's Report:

President Hart welcomed everyone to the June 2018 Board Meeting.

President Hart began by updating the Board on current projects. The first project President Hart addressed was the West Star project. President Hart stated that West Star is currently on schedule and anticipate opening on October 1st. As a reminder, the two buildings will add 100 additional employees once they are open. Coupled with the 75 that they have on staff today we are looking forward to continuing growth at West Star. All is going quite well with them. They are anxious to get into those facilities as they have a number of airplanes already targeted for paint.

Another project that the Board approved is the demo of the Air National Guard site. As you recall, that area on the eastside of the airfield encompasses a lot of buildings that were constructed back in the 1950's. The work is going well and Complete Demolition Services, the contractor on the project, anticipates the work to be completed around October 1st. Once demo is complete we will move forward to prepare the land for future use.

The third project is our Solar farm Phase III project. The Board approved a contract with Dillard Construction to prepare the land, getting it ready for Inman Solar to install the solar panels. We did receive our Federal AIP grant on August 7th of this year. That grant was for \$1,684,202. Dillard started today preparing that site and we anticipate they should have their work done in October and then turn it over to Inman to install the solar panels.

The fourth project underway is our North Ramp project that started today with Talley Construction. Again, we received a federal grant on August 7th, for \$2,976,698 and work is underway. The work will renovate the entire North Ramp on the corner of the airfield in front of Hangars 4, 5 and 6. We have coordinated with the tenants in those hangars and they are excited about getting the ramp replaced. We anticipate being complete with that project in February. It is great to see those projects underway.

President Hart updated the Board on a couple of recent events that took place. On July 21st we had a visit from the Vice President of the United States who was in town for the day. All went well when the plane was on the westside of the airfield. Thanks to Glenn and his staff at Wilson. And a special thanks to the operations group for preparing for that visit.

As you know, every year, CMAA has our annual inspection from the FAA. The inspector out of the Southern Region came up and was here for a couple of days to go through that inspection. There is a lot that goes into the 139 inspection. It includes looking at our certification manual or ACM, a lot of our records, personal training records, paved areas on the airfield, safety areas, the master control plans, all operations, the fire department, our markings, and signs. It's quite an in-depth process. I am pleased to report there were no findings and no recommendations as a result of the inspection. Great job Maurice and the operation group for a lot of prep work to get ready for them.

Next President Hart addressed the operational stats for June and July. In the month of June our enplanements were relatively flat compared to June of 2017. Year to date, we are up by 1.5% on enplanements. One of the impacts that we had on enplanements in the month of June was a result of an operational problem with one of the regional operators for American, PSA Airlines. There was an IT issue that caused some crew scheduling issues so they had approximately six days of cancellations in their system. A lot of their flying is out of Washington DC and Charlotte. Those cancellations did have an impact on enplanements for the month of June. Landing weights were up for the month which was great. Operations were still up for the month.

President Hart stated there was a rebound in July. It was a record July with nearly 44,000 enplanements in the month. We were up almost 11% compared to July 2017. Year to date enplanements are up by 3% compared to the first seven months of 2017. Deplanements are tracking in line with that also. Landing weights again rebounded up almost 11%, Operations up by 2% over the previous July and year to date we are up almost 5% on Operations for the airport. In numbers that equates to 1,600 additional operations in the first seven months, we had a great July. Also, in July the La Guardia service kicked off and its doing very well. The ridership has been growing and the load factors are in the 80% range. We expected it would do well. The flight leaves around 6:30 in the morning and returns that evening. A lot of premium Delta customers look forward to that as it has a First Class cabin and a lot of upgrades. As we go forward throughout the rest of the year, the one thing I have looked at is seat growth. From August to December we see a 12% increase in seats compared to the same period last year. It's close to 1,000 additional seats each day that will be leaving between August and the end of the year. In September, Delta is offering two or three departures to Atlanta with the MD80. They have put a lot more seats in the market during that month. Traditionally October is one of our busiest months so they are starting to ramp up for that. We are working very hard to see 500,000 enplanements for the year. It will help to have the high percentage of seats available to book.

Finally, President Hart recognized the American Heart Association Annual Tennessee Valley Heart Walk which will be held on October 27th. Our goal is \$20,000 and we are currently at \$15,000, with four commitments which brings us to \$19,000. If we reach our \$20,000 goal, Mr. Naylor has agreed to shave his beard of 30 years. It's a great cause. This year's goal for the

American Heart Association is \$650,000, we are approaching that number. As always, it's great to participate with them.

Board Action Items:

Traffic Associated Marking Systems

ACTION BY WRITTEN CONSENT:

Commissioners Roddy, Conn, Mallen, Khaleel, Jacobson, and Lytle by signature vote in favor of such action.

With the increase in passenger traffic and the number of commercial aircraft that remain overnight around the terminal, the Chattanooga Airport is in need of restriping the area around the terminal to accommodate more aircraft. The project will include the removal of existing markings, new marking layout, and the application of the new markings for the aircraft parking area around the terminal.

CMAA received four bids with Traffic Associated Marking Systems being the best qualified bidder with a bid of \$49,620. Traffic Associated Marking Systems has performed work at the Chattanooga Airport in the past with excellent results.

The project will be paid with reallocated capital funds and submitted for reimbursement through the next Passenger Facility Charge application later this year.

This request was approved via written consent in July 2018.

Board Action: CMAA requests to confirm Board approval to enter into a contract with Traffic Associated Marking Systems in an amount of \$49,620 for labor and materials to re-stripe the identified terminal aircraft parking areas.

Motion to confirm approval made by Commissioner Mallen, seconded by Commissioner Lytle. Motion approved.

Marie Cook Settlement Agreement

ACTION BY WRITTEN CONSENT:

Commissioners Roddy, Conn, Mallen, Khaleel, Jacobson, and Lytle by signature vote in favor of such action.

On or about January 7, 2014, Marie R. Cook ("Cook") allegedly fell while on the premises of CMAA located at 1001 Airport Road, Chattanooga, Tennessee. Cook subsequently filed a lawsuit against CMAA in the Circuit Court of Hamilton County, Tennessee, in which CMAA filed an Answer to Cook's Complaint denying any liability.

CMAA has been afforded coverage for this claim through its liability insurer, Ace Property and Casualty Insurance Company (now Chubb), with a deductible in the amount of five thousand and 00/100 Dollars (\$5,000.00).

CMAA and Cook have agreed to compromise and settle the claims set forth above (subject to Board approval) for a payment of Thirty Thousand and 00/100 Dollars (\$30,000.00) due within thirty (30) days of the execution of the Settlement Agreement. Ace Property and Casualty Insurance Company (now Chubb) has agreed to settlement on this basis, and will fund the entire settlement, subject to the policy deductible.

The settlement is contingent on the following factors:

It is subject to approval by CMAA's Board of Commissioners as set forth in Section 100.06 of the Bylaws.

The amount and terms of the settlement are confidential to the extent allowed under Tennessee law.

Cook will execute full release in favor of CMAA, and her lawsuit against CMAA will be dismissed with prejudice.

Cook will indemnify CMAA for any claims from any subrogation entity.

This request was approved via written consent in July 2018.

Board Action: CMAA requests to confirm Board approval to (i) accept the settlement with Marie Cook as outlined above in the amount of Thirty Thousand and 00/100 Dollars (\$30,000.00), of which the entire portion of said settlement (subject to the deductible) will be funded by CMAA's liability carrier; and (ii) authorize Terry Hart, President and CEO, to sign the Settlement Agreement with Cook.

Motion to confirm approval made by Commissioner Khaleel, seconded by Commissioner Roddy. Motion approved.

East Ramp Expansion – Allen & Hoshall Engineering Services

CMAA requests Board approval to enter into Task Order 23 with Allen & Hoshall, for the Engineering Services, Design, Bid, Award, and Construction Administration, associated with the East Ramp Expansion Project. The scope of the project takes the site from demolition to a site prepared for development of hangars with a finished ramp/apron. The following is a distribution of fees for Task Order 23:

Design, Bid & Award

Survey	\$ 6,000
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Geotechnical Investigation	\$ 8,500
Cat Ex	\$ 3,400
Preparation of plans & specifications	\$ 349,000
Construction Budget \$9,000,000	
2450 hours budgeted	
Bid and award	\$ 10,800
80 hours anticipated	
Permitting fees	\$ 16,250
Construction Administration	
52 weeks construction anticipated	\$ 243,600
1675 hours anticipated	
Submittals / shop drawings (lump sum fee)	
60 hours anticipated	\$ 9,000
Resident project representative	
Inspection – 3020 hours anticipated	\$ 237,500
Expenses – 52 weeks anticipated	\$ 1,425
Miscellaneous & Final Survey	
Budget for field verification as required	\$ 5,000
As-built drawings	
40 hours anticipated	\$ 6,000
Storm water Survey	\$ 3,300
As-built Certification Fee	\$ 740
Q/A – Testing	\$ 66,000
GRAND TOTAL	\$ 966,515

The fee for Task Order 23 is \$966,515. The Engineering Services will be funded through an AIP Grant at the 90% Federal, and CMAA will be responsible for the remaining 10%. The project will be awarded as funding becomes available.

Board Action

CMAA requests Board approval for Task Order 23 with Allen & Hoshall for the East Ramp Expansion project in the amount of \$966,515 awarded as funding becomes available.

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

Other Business:

None.

Public Comment:

None.

Closing comments:

Chairman Jacobson, closed with a few remarks. He said that he was excited about our record July enplanement month being up by almost 11% over July of 2017. Enplanement's overall for the year are up almost 3% making great progress in reaching our 500,000 goal for 2018. He recognized our carriers for their participation and Terry and his team for their perseverance and keeping everything operating smoothly. He said he was glad to see West Star on track for a timely completion of their two hangars, and the addition of 100 well-paying jobs to our regional economy. This will bring their total new jobs to 175.

Chairman Jacobson stated that he recently received excellent feedback from business and other travelers about our flight to LaGuardia. Its success will result in more services and destinations in the future. He is also excited about the Phase III Solar Farm. Once complete we will be 100% self-sufficient sustainable energy and we will be the only airport in the country that has reached this innovative benchmark. He finished by thanking InterVistas for their presentation.

Chairman Jacobson asked for a motion to adjourn.

Commissioner Roddy motioned to adjourn.

Motion seconded by Commissioner Snow.

Motion approved, meeting adjourned.

Minutes approved by:

Mike Mallen
CMAA Secretary

Corporate Secretary:

April Cameron

Minutes approved by:

Daniel R. Jacobson
CMAA Chairman

Minutes Recorded by:

Sybil Cline

**Chattanooga Metropolitan Airport Authority
Board of Commissioners Meeting Minutes
September 17, 2018**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in an open meeting Monday, September 17, 2018 at 2 P.M. Chairman Jacobson, Vice Chairman Jim Hall, Commissioners Tom Snow, Donna Roddy, Travis Lytle, and Warren Barnett were present.

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

Minutes:

On motion of Commissioner Roddy, seconded by Commissioner Snow, the minutes of the August 20, 2018 meeting were approved.

President's Report:

President Hart welcomed everyone to the September 2018 Board Meeting.

President Hart began with the operational statistics report for the month of August. The airport experienced a record 44,454 customers boarding flights in Chattanooga in August. That is a 6% increase over August of 2017. Year to date we are approaching a 3.5% increase for the first eight months of 2018. Deplanements are also up over last year. The airport experienced a new landing weight record for the month of August, up almost 4% year to date. Much of that has come from additional aircraft and some larger equipment that has recently come to Chattanooga.

Going forward, seat capacity is up for the rest of the year. In September, seats are up 13% compared to September 2017. October is up by 15%, November is up 12%, and December is up 9%. Delta is operating four MD80s to Atlanta most days. This brings about 600 additional seats. American has been very strong except for the five round trip cancellations we experienced as a result of Hurricane Florence. United and Allegiant have done very well. We look forward to a positive September.

President Hart updated the Board on projects that are underway. Complete Demolition has started the project to take down the former National Guard Site. The material on the inside of the building has been removed and demolition of the actual buildings will begin soon. The project should be complete in a month or two.

Next, he discussed the North Ramp Project. The project includes rehabilitating the ramp on the north side in front of hangars 4, 5 and 6. Talley Construction has worked feverishly and has done a good job. We anticipate somewhere around the end of the year to be complete with the entire project.

The third project that is underway on the airfield is our Solar Farm Phase 3. Dillard Construction has removed approximately nine feet of dirt and installed a new fence. We anticipate Dillard will

be finished with that project by the end of the month. Inman Solar will then come on site and install the panels.

Another project that is moving fast toward completion is the West Star Project Phase 2. In the last two weeks there has been numerous contractors on site to help complete the work. This is a 45,000 square foot paint facility and an adjacent 45,000 square feet maintenance facility. They anticipate completion at the end of September. In the first week of October, West Star has an airplane scheduled to go through their new paint facility. We expect another 100 jobs associated with those two hangars.

Another project underway is an FAA project. The FAA has contracted with Parsons to work in the runway safety areas. The FAA identified several pieces of equipment and structures located in the runway safety areas that are required to have frangible couplings so if an aircraft exits the runway and comes in contact with these structures, the structures will break off to prevent damage to the aircraft. Several of the FAA structures were not frangible. The FAA has replaced a visual approach slope indicator (VASI), with a new precision approach path indicator (PAPI) and will relocate several buildings on the airfield. All work is expected to be complete by September 30.

President Hart indicated November 7 was the best date for the majority to attend a board retreat. He noted that consultants, InterVistas and Newton & Associates, would be attending to talk about the master plan and the associated financial plan.

Lastly, President Hart mentioned our participation with the American Heart Association and its annual Heart Walk coming up at the end of October. He added that the Airport has met its goal of raising \$20,000 and he thanked all our partners for their participation.

Board Action Items:

Airport District Master Plan Study

ACTION BY WRITTEN CONSENT:

Commissioners, Barnett, Conn, Mallen, Snow, Roddy and Khaleel by signature vote in favor of such action.

With tremendous growth in passenger traffic and all other areas of the airport, the City of Chattanooga has appropriated \$150,000 to the Airport to contract with a consultant to develop a master plan of the areas surrounding the airport (the “Airport District”). The goal of this project is:

- To provide a comprehensive planning study of the Airport area that will recommend actions to enhance the Airport District as a key gateway to the City of Chattanooga.
- To generate recommendations for feasible capital projects to improve roads and other public infrastructure (sidewalks, streetscape, stormwater, multi-use paths, and bicycle networks) that will serve as an appropriate gateway to the Airport and enhance the quality and marketability of the surrounding land uses.

- To assess compatible land uses within the study area within a well-balanced framework of employment centers, housing, and commercial/retail.
- To provide a market study that will inform land use decisions and support the recruiting of appropriate new development.
- To prepare a masterplan that incorporates stormwater, transportation, and land uses in an illustrative document that depicts the desired development patterns and land use character for two to three focus areas.

CMAA issued a Request for Proposals in late July and received four bids. An evaluation team, including staff from the Airport Authority, City of Chattanooga Mayor's Office, and the Regional Planning Agency has selected the team of Stantec and MXD Development Strategies for the project.

The value of the contract will be \$150,000 paid through an appropriation from the City of Chattanooga. The project will be complete by March 2019.

Board Action:

CMAA requests Board approval to enter into a contract with Stantec in the amount of \$150,000 to complete an Airport District Master Plan Study.

Motion to confirm approval made by Commissioner Barnett, seconded by Commissioner Lytle. Motion approved.

GSE Equipment Purchase

The airport, through Wilson Air Center, currently provides ground handling services for Allegiant Airlines as well as various charter operations. We currently have two tow tractors that are used for towing aircraft, in addition to aircraft support equipment. Given the age of the current equipment that was acquired during the TACAir transaction, and the escalating maintenance costs, CMAA has decided to replace the two tractors to support the FBO operation. CMAA solicited quotes and received three responses. TUG Technologies provided the airport with the best bid. TUG proposed a Textron TUG M1A which is rated for medium-duty cargo and baggage applications. The tractor has 5,000 lb. drawbar capacity, which allows for medium sized corporate aircraft towing. The tow tractors will be equipped with E-hitches on both the front and rear of the tug allowing the operator to tow aircraft and ground servicing equipment from either end of the tractor. The TUG's are outfitted with an 8,200 lb. load capacity heavy-duty drive axle, a Ford 2.5L Tier III engine, and GM4L70 3 speed automatic transmission. The cost of the two replacement tow tractors is \$87,206 and will be paid through reallocated capital funds.

Harlan / Global	\$76,900
Charlatte America	\$79,774
Tug Technologies	\$87,206

Board Action:

CMAA requests board approval to purchase the proposed tow tractors from TUG Technologies in the amount of \$87,206.

Motion to confirm approval made by Commissioner Hall, seconded by Commissioner Roddy. Motion approved.

Passenger Facility Charge Application and Amendment 2018

CMAA is requesting Board approval to enter into a contract with Newton and Associates, Inc., (NAI) to assist us with Passenger Facility Charge (PFC) strategic planning, developing multiple amendments to CMAA's existing PFC Program, and development of a new PFC application for submission to the FAA.

The Passenger Facility Charge (PFC) Program allows the collection of PFC fees up to \$4.50 for every enplaned passenger at commercial airports controlled by public agencies. Airports use these fees to fund FAA-approved projects that enhance safety, security, or capacity; reduce noise; or increase air carrier competition.

The specific tasks included in this project include:

- Task 1. Information Gathering, Fact Finding and PFC/CIP Review:** Newton will meet with us to collect, review and analyze the airport's existing PFC Program and current Capital Improvement Program ("CIP") funding plan for project eligibility.
- Task 2. Amendment of PFC Application No. 5 and Application No. 6:** Newton will assist the Authority in preparing an amendment for two active PFC applications.
- Task 3. PFC Program Development – New PFC Application:** Newton will develop a new PFC funding plan and assist the Authority in describing, justifying and identifying the objectives for each project. Newton will also coordinate and facilitate all aspects of the air carrier consultation, public notification, and FAA coordination and submission. This PFC Application value is expected to exceed \$10,000,000.

Newton has submitted a not to exceed budget of \$100,000 to complete the project although the cost of the work described above will be performed on an hourly basis following the fee schedule below:

Principal Consultant	\$200
VP / Project Manager	\$175
Senior Consultant	\$160
Consultant	\$145
Support Staff	\$75

Please note that all fees associated with the project are 100% reimbursable through the PFC program.

Board Action:

CMAA requests Board approval of a contract with Newton and Associates in the not to exceed amount of \$100,000 to perform the work as outlined.

Motion to confirm approval made by Commissioner Snow, seconded by Commissioner Barnett. Motion approved.

East Ramp Expansion

On August 20, 2018, Task Order # 23 with Allen & Hoshall was approved for the Engineering Services, Design, Bid, Award, and Construction Administration, associated with the East Ramp Expansion Project. At that time, the Board was told that all construction contracts would be brought to the Board for approval. Today, CMAA is requesting Board approval to enter into a construction contract with Talley Construction for the East Ramp Expansion Project.

The project is for the construction of public infrastructure, specifically, to develop the former Tennessee Air National Guard site. The project encompasses sub-grade work, erosion control, drainage, utilities, ramp lighting, ramp marking, asphalt placement, and other related work. The scope of the project takes the site from demolition to a site prepared for development of hangars with a finished ramp/apron.

CMAA solicited a Request for Proposals in late July for the construction. CMAA received two bids on the project. Allen & Hoshall's review and evaluation found the low bidder, Talley Construction, properly licensed by the State of Tennessee, experienced in the type of work required by this project, and in possession of sufficient equipment and financial resources to perform the work. Talley Construction has pledged to meet or exceed the set DBE goal for this contract. After meeting all of the bid requirements, Allen and Hoshall has recommended awarding the construction contract to the apparent low bidder. CMAA has reviewed the Engineer's recommendation and in agreement. The bid price was \$9,138,931.57.

The project will be funded with a Federal Airport Improvement and an Economic Development Grant at 90% with CMAA being responsible for the remaining 10%. This project is included in our capital budget.

Board Action:

CMAA requests Board approval to enter into a construction contract with Talley Construction for the East Ramp Expansion Project as funding becomes available. The fee for this work is \$9,138,931.57.

Motion to confirm approval made by Commissioner Barnett, seconded by Commissioner Roddy. Motion approved.

Elevator and Escalator Systems Maintenance

The elevators and escalators at the Chattanooga Airport require inspections and maintenance to keep them operating safely and properly for the travelers coming through the airport. The current contract is expiring so a Request for Bids was issued for Elevator and Escalator Systems Maintenance Services for the two elevators and two escalators at the Chattanooga Airport. Four bids were received with Oracle Elevator, the current service provider, being the lowest qualified bidder with a bid of \$11,820.00 for year one, \$12,411.00 for year two, and \$12,783.36 for year three, for a total bid of \$37,014.36 for three years. Their previous contract was for \$39,014.36, which is a \$2,705.64 savings over the previous contract amount.

The three other submitted bids were Schindler Elevator Corporation- \$42,654.00, Kone, Inc.- \$46,101.00, and Thyssenkrupp Elevator Corporation- \$47,607.95.

The scope of this contract will include all inspections, testing, lubrication, adjustment, and maintenance of the elevator and escalator systems.

Board Action:

CMAA requests Board approval to enter into a contract with Oracle Elevator D.B.A. Chattanooga Elevator, Inc. for the Elevator and Escalator Systems Maintenance for a contracted total amount of \$37,014.36 for three years.

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

Police Vehicle Replacement

The CMAA Airport Police are required to patrol the airport multiple times a day to meet TSA regulations and also respond to any emergencies on the airfield and vicinity of the airport. Reliable vehicles are needed to meet this requirement. CMAA is requesting Board approval to replace two Airport Police vehicles that have reached the end of their useful life and are in need of replacement. The vehicles being replaced are a 2011 Ford Expedition and a 2008 Ford Explorer. Both vehicles have recently begun developing mechanical issues and it is recommended that we replace them for the security and safety of the airport.

The scope of this project includes the purchase of a 2019 Ford Explorer and a 2019 Ford F-150 4-door pickup. These vehicles will be outfitted from the dealer with complete police packages and that cost is included in the cost of the vehicle.

Three quotes were solicited for the purchase of the vehicles with Marshall Mize Ford submitting the lowest quotes of \$33,887.88 for the 2019 Explorer and \$34,709.36 for the 2019 F-150 for a total cost of \$68,597.24. These items were included in our approved capital budget. A request for reimbursement for 100% of the cost will be submitted in our Passenger Facility Charge (PFC) application to the FAA for the 2019 F-150. Only one vehicle is eligible for PFC funding.

Only one other dealership responded, Ford of Dalton, with a quote of \$72,043.00.

Board Action:

CMAA requests Board approval to purchase a 2019 Ford Explorer and a 2019 Ford F-150 at a total cost of \$68,597.24 from Marshall Mize Ford.

Motion to confirm approval made by Commissioner Roddy, seconded by Commissioner Lytle. Motion approved.

Other Business:

None.

Public Comment:

None.

Closing comments:

Chairman Jacobson, closed by stating that he is excited about our growth with a 6% increase over August of last year and a 3.5% increase year to date. He added that the Washington Dulles flights beginning in October will add more seats to the market and create more growth in the fourth quarter. He noted that it is great to see that West Star is on schedule with completing its expansion by October 1st- adding another 100 high paying jobs to our economy.

He has stated that the airport received national media coverage on the Phase 3 solar farm, making CHA the only airport in the country that is 100% energy self-sufficient. He added that 20% of the cars parked at the Chattanooga airport are from another state, confirming that we are attracting more passengers that may have flown from other airports in the past.

Lastly, he thanked Terry, his team and Wilson Air for the additional work to accommodate those planes, helicopters and pilots that flew inland because of the hurricane.

Chairman Jacobson asked for a motion to adjourn.

Commissioner Barnett motioned to adjourn.

Motion seconded by Commissioner Snow.

Motion approved, meeting adjourned.

Minutes approved by:

Mike Mallen
CMAA Secretary

Corporate Secretary:

April Cameron

Minutes approved by:

Daniel R. Jacobson
CMAA Chairman

Minutes Recorded by:

Sybil Cline

**Chattanooga Metropolitan Airport Authority
Board of Commissioners Meeting Minutes
October 15, 2018**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in an open meeting Monday, October 15, 2018 at 2 P.M. Chairman Jacobson, Vice Chairman Jim Hall, Commissioners Tom Snow, Donna Roddy, Farzana Khaleel, Travis Lytle, Paul Conn, and Commissioner Warren Barnett were in attendance.

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

Minutes:

On motion of Commissioner Lytle, seconded by Commissioner Snow, the minutes of the September 17, 2018 meeting were approved.

President's Report:

President Hart welcomed everyone and thanked them for attending the meeting.

President Hart stated that September was a very busy month for the airport, however October is turning out to be our busiest month of the year as it always is. September was another record month with enplanements just short of 44,000. Overall enplanements are up by 9% over September of 2017, and up by 4% for the first nine months of the year. All our carriers showed positive enplanement numbers except for United because of the changes made to Newark and Dulles. Once United announced that the Newark service was going to stop, we started to see a reduced number of reservations. The remaining carriers were up with very positive numbers in September.

Landing weights were also up again due to additional departures and larger MD80 aircraft Delta deployed to Atlanta. Operations were flat for the month but overall September was great month.

Next, President Hart updated the Board on some of the projects that they had approved noting that several of the projects are complete. First, the additional work that West Star has completed on the two new hangars on the eastside of the airfield. That work was finished this past weekend. The first aircraft is in the hanger going through a stripping process to be repainted. West Star anticipates somewhere in early to mid November to host an open house and invite the Board and people in the community to come out and see their new facilities which was a \$20 million dollar investment. West Star has hired several new employees but they are not quite at the 100 employee mark yet but they expect to reach that point as they grow.

Another project is the north ramp replacement project. It includes removing a lot of old pavement and replacing that pavement in front of hangars 4, 5 and 6. Phase I is complete and has reopened and Talley Construction has started on Phase II and Phase III. By working with the tenants, we were able to combine two phases which will speed up the process. Talley is well under way and they anticipate having the work completed by Christmas, weather permitting.

The third project is the FAA project. The FAA has replaced or relocated a lot of navigational equipment in many of the safety areas around the airport. Parson was the contractor and they have finished that work. They will be back this week to do some local testing of the localizer and there is a flight check that must take place once all testing is done. We anticipate they will be done with the project next week.

The next project is the Solar Farm Phase III. Dillard Construction prepared the land to get ready for the installation. Inman Solar who installed the other two phases of solar panels will be here on or around November 1 to start work on the installation. Completion is anticipated to be at the end of the year.

The final project is the demolition of the former Tennessee Air National Guard site. The old buildings that were there for over 50 or 60 years including our old fire station have been demolished. Complete Demolition Services will be coming in to remove the debris that will allow us to continue our progress in developing that site for future aviation use. The project should be completed by the end of the year.

Next, President Hart provided an update on Tailwind Concession. He stated that when we began the renovation on this building, we knew we would need to change our concessionaire. We were successful in selecting Tailwind concessions. They are great and they work well with small airports. As a comparison annual revenue in 2014 was \$1.5 million. In 2017, we surpassed \$2.5 million dollars in sales and we are on track to end 2018 around \$2.7 million dollars in revenue. The revenue is very important to us, however the most important thing is their focus on our customers. We are very pleased that Jeff Switzer and his team are here. Tailwind has a good staff here and they do a good job with our customers. President Hart again thanked Jeff Switzer for their relationship with CMAA.

Next, President Hart updated on the American Heart Association Heart Walk. To date we have raised \$22,000 with another vendor committing to a \$1,000 to bring the total to \$23,000.

As a final note, President Hart reminded that we would not have a normal Board Meeting in the month November. A Board Retreat would be held November 7 at 2:00. The purpose of that meeting is focused around the Master Plan. The InterVistas team Brian, Josh, and Tamas will be here to provide the final update of their work. He added that Frank Newton from Newton and Associates would be here.

Board Action Items:

Insurance Renewal

CMAA has partnered with USI Insurance Services (formerly Wells Fargo Insurance Services) over the last six years to ensure that the airport has the best coverage at the most competitive pricing. Our team at USI went to work right away to secure quotes for the 2018 renewal. From their hard work, we are able to once again see competitive renewal rates even as the airport continues to grow.

A summary of their efforts, which reflects an equivalent overall 2.8% rate increase, is highlighted below.

Line of Coverage/ Carrier	2018/19 Exposure	2018/19 Premium/ rate	Comments
Property/C.N.A.	\$113,105,100 Per \$100 values	\$89,055 0.07874	Flat renewal rate; excludes terrorism covered by a separate policy.
Inland Marine/C.N.A.	\$4,696,853 Per \$100 values	\$15,297 0.3257	1% rate decrease; excludes terrorism covered by a separate policy.
Airport Liability- \$300 mil AIG	493,708 Per 1,000 enplanements	\$61,247 \$124	
Workers' Compensation/ Old Republic	\$2,573,397 Per \$100 payroll	\$36,445 1.416	6% equivalent overall rate decrease
Automobile/New Hampshire (AIG)	18 Per auto	\$18,809 \$1,045	18% premium increase
Directors & Officers Liability/ Employment Practices - \$5 mil/Atlantic Specialty Ins. Co.	\$143,231,405 Per \$1,000 assets	\$23,550 0.1644	7% rate increase
Excess D&O/EPLI - \$5 mil xs \$5 mil/ Ironshore	Follow lead	\$12,875	3% premium increase
Excess D&O only - \$5 mil xs \$10 mil/ RSUI	Follow lead	\$9,500	Flat renewal
Excess D&O only - \$5 mil xs \$15 mil/ Hiscox	Follow lead	\$7,130	Flat renewal
Excess D&O only - \$5 mil xs \$20 mil/ Starr Indemnity	Follow lead	\$7,000	Flat renewal

Line of Coverage/ Carrier	2018/19 Exposure	2018/19 Premium/ rate	Comments
Crime - \$500,000 Travelers Casualty & Surety	48 Per employee	\$2,320 \$48.33	1% rate decrease
Fiduciary - \$1 mil Travelers Casualty & Surety	48 Per employee	\$807 \$16.81	2% rate decrease
Standalone Terrorism – \$117.8 mil/Lloyd's of London	\$117,801,953	\$10,492	Flat renewal rate
Cyber Liability-\$2 mil Axis	\$22,825,157 Per \$1,000 revenue	\$9,350 \$.4096	7% rate decrease
TOTAL PREMIUM		\$303,877	Overall equivalent 2.8% rate increase

Board Action: CMAA requests approval of the insurance policies in the total amount of \$303,877 effective October 31, 2018 as outlined.

Motion to confirm approval made by Commissioner Barnett, seconded by Commissioner Lytle. Motion approved.

Board Action:

Satellite Parking Lot – Phase III

This request is to enter into Task Order # 24 with Allen & Hoshall, CMAA's Engineer of Record, for the Engineering Services associated with the design and construction of Phase II of the Satellite Parking Lot.

As we continue to grow it is vital that we expand our vehicle parking to meet the needs of our current and future customers. The lot will be expanded and will provide approximately 230 additional parking spaces. The lot will be paved, marked, fenced, and lighted. Access/Revenue Control will be installed. The following is a distribution of Allen & Hoshall's fee for Task Order 24.

Design, Bid and Award

Sub- Consultants	\$ 8,850
Plans/Bid & Award	\$ 59,750
Budget \$1,100,000	
520 hours	
Permitting	\$ 2,550

Construction Administration (lump sum fee)	\$ 29,950
238 hours / 8 weeks construction anticipated	
Submittals / shop drawings	\$ 2,500
20 hours anticipated	
Resident project representative	
Inspection – 432 hours anticipated	\$ 31,600
Expenses – 8 weeks anticipated	\$ 225
Miscellaneous & Final Survey	\$ 3,000
Field verification as required / as-built survey	
As-built drawings	\$ 2,500
45-man hours anticipated	
Q/A – Testing	\$ 15,000
GRAND TOTAL	\$ 155,925

The Satellite Parking Lot will be located across the street from our current Overflow Lot. The site is owned by the airport and is currently vacant. Republic Parking will provide service to both lots.

The project will be funded out of cash reserves.

Board Action:

CMAA requests Board approval to enter into Task Order 24 with Allen & Hoshall for the engineering services required for the engineering services associated with the construction of a 230-space satellite parking lot. The fee for this project is \$155,925.

Motion to confirm approval made by Commissioner Snow, seconded by Commissioner Conn. Motion approved.

Other Business:

None.

Public Comment:

None.

Closing comments:

Chairman Jacobson, first recognized two partners from USI Insurance Services to the Board meeting. Mr. Jacobson indicated he was excited about the growth, with a 6% increase over August of last year and a 3.5% increase year to date. He added that the Washington Dulles flights beginning in October will add more seats to the market and create more growth in the fourth quarter. He noted that it is great to see that West Star is on schedule to complete its expansion by October 1 adding another 100 high paying jobs to our economy.

Chairman Jacobson stated that the CHA airport received national media coverage on the Phase 3 Solar Farm, making CHA the only airport in the country that is 100% energy self-sufficient. He added that 20% of the cars parked at the Chattanooga airport are from another state, confirming that we are attracting more passengers that may have flown from other airports in the past.

Chairman Jacobson asked for a motion to adjourn.

Commissioner Barnett motioned to adjourn.

Motion seconded by Commissioner Snow.

Motion approved, meeting adjourned.

Minutes approved by:

Mike Mallen
CMAA Secretary

Corporate Secretary:

April Cameron

Minutes approved by:

Daniel R. Jacobson
CMAA Chairman

Minutes Recorded by:

Sybil Cline

**Chattanooga Metropolitan Airport Authority
Board of Commissioners Meeting Minutes
December 17, 2018**

The Board of Commissioners of the Chattanooga Metropolitan Airport Authority met in open meeting Monday, December 17, 2018 at 2 P.M. Chairman Jacobson, Vice Chairman Jim Hall, Commissioners Donna Roddy, Farzana Khaleel, Michael Mallen, Travis Lytle, and Warren Barnett were in attendance.

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

Minutes:

On motion of Commissioner Barnett, seconded by Commissioner Roddy, the minutes of the October 15, 2018, meeting were approved.

President's Report:

President Hart welcomed the Board to the last Board Meeting of 2018.

President Hart stated that 2018 was a very busy year and continues to be. The first topic discussed were activity reports for both October and November. President Hart noted that October was the first month ever for the airport to surpass 50,000 enplanements. October finished with 50,907 enplanements, a 6.5% increase over October 2017. Deplanements tracked in line with enplanements. Landing weights were up over 14% compared to the previous October and operations were up by almost 8% above last October.

November finished with enplanements exceeding 45,000, up almost 2% from November 2017. Year to date enplanements are up almost 4% over the same first eleven months of 2017. President Hart noted that he expects the airport to go over 500,000 annual enplanements at the airport for the first time. Deplanements fell in line again with enplanements in November. Landing weights were up 6% year to date. Operations were down slightly due to a decrease in military traffic in and out of the airport during the month of November. Year to date, operations are still up by 2% over the same period as last year.

Next President Hart updated the Board on different projects. He began with Solar Farm Phase III. Dillard Construction has prepared the site which is ready for Inman Solar. Inman has been on site surveying and supplies are starting to arrive. The work should start the first of January with completion toward the end of January or first of February.

The airport received a lot of great press when John Naylor was interviewed by Bloomberg several months ago about the Solar Farm. We received a lot of feedback not just in the United States but from countries around the world talking about the Chattanooga Airport. Mr. Hart thanked John Naylor for doing the interview with Bloomberg.

Mr. Hart discussed the Tennessee Air National Guard site. Complete Demolition has finished their work and have left the site which will allow Talley Construction to continue work on that site. Talley Construction has their equipment on site and will get started soon.

The next project is the north ramp replacement project located in front of Hangars 4, 5 and 6. That work is complete except for adding sod in some areas. Talley Construction completed that project ahead of schedule so we are very pleased with that. Thank you to Allen and Hoshall for the work you have done on that project.

Also, on the north side, we have a fence replacement project that is still going on. The fence is probably 40 years old. Hi-Tech Gates Systems was awarded that contract and they are about 70% complete with replacing the fence from Hangar 6 to Hangar 7. We anticipate they will be finished with that work in February.

Another project at the airport was an FAA project. The FAA relocated their equipment out of the safety area and upgraded some of their equipment. That project is complete and all the nav aids have been recommissioned. We are pleased to have those items moved out of the safety area.

President Hart pointed out that the new aerial map is complete.

He then provided an update on our police officer body cameras. Airport staff has been in contact with four different manufacturers and they are evaluating those options. President Hart anticipates a decision within the next 30 to 45 days.

Lastly, keeping with the spirit of Christmas as we have done for the last several years, we held a luncheon with the entire staff at the airport. It included the airlines, TSA, rental cars, and everyone that is a tenant here in the terminal. We asked that everyone bring a gift for the Shepherd Community Center. We received four large boxes full of toys and gifts which was great to see. We want to be good neighbors and a good partner to the community.

Next, Mr. Hart introduced Allen Doak, senior manager with Elliott Davis to provide the audit report as of June 30, 2018. Mr. Doak reported that the audit process went very smoothly, the airport staff was great to work with and very knowledgeable, competent, and responsive. He did not identify anything significant enough to report to the Board. The biggest change in these financial statements from last year is the change in accounting policy for OPEB, other post-employment benefits. OPEB is now reported as a liability however it did not have a huge impact on the balance sheet. Assets increased by \$5 million to \$145 million and equity increased by \$6.5 million from the previous year. The balance sheet is still very strong. Long term debt decreased by \$700,000 which is consistent with previous years. Cash flow from operations was positive at about \$6 million. The audit process went smoothly and we were pleased with how it went. Mr. Hart thanked Allen and everyone at Elliott Davis for their work. Also Mr. Hart thanked April Cameron and her team for all their hard work.

Satellite Parking Lot – Phase III

On October 15, 2018, Task Order # 24 with Allen & Hoshall was approved for the design of Phase III of the Satellite Parking Lot Project. As we continue to grow it is vital that we expand our vehicle parking to meet the needs of our current and future customers. Staff listened to what the

Board said at the October Board Meeting and again at the November Board Retreat. The lot will be expanded and will provide approximately 520 additional parking spaces. The lot will be paved, marked, fenced, and lighted. Access/Revenue Control will be installed.

The Satellite Parking Lot will be located across the street from our current Overflow Lot. The site is owned by the airport and is currently vacant. Republic Parking will provide shuttle service to both lots.

CMAA solicited a Request for Proposals in November for the construction of Phase III of the Satellite Parking Lot. The RFP closed on December 6th and CMAA received 3 bids on the project. The bidders were Dillard Construction, Talley Construction, and Thomas Brothers Construction. Bids were evaluated based on the following criteria:

Price – 35%

Schedule – 30%

Experience – 25%

DBE participation – 10%

Allen & Hoshall's review and evaluation found Thomas Brothers Construction Company Inc., properly licensed by the State of Tennessee, experienced in the type of work required by this project, and in possession of sufficient equipment and financial resources to perform the work. After meeting all of the bid requirements, Allen and Hoshall has recommended awarding the construction contract to the most responsive bidder, Thomas Brothers Construction Company Inc. CMAA has reviewed the Engineer's recommendation and is in agreement. The bid price was \$2,640,769.75.

The project will be funded out of CMAA reserve funds.

Board Action:

CMAA requests Board approval to enter into a construction contract with Thomas Brothers Construction Company Inc. for the Satellite Parking Lot Project. The fee for this work is \$2,640,769.75.

Motion to approve made by Commissioner Hall, seconded by Commissioner Lytle.

Motion Approved.

Amano McGann Contract

Parking control measures will be required in the new Satellite Parking Lot just approved for construction. As such, CMAA is requesting to enter into a contract to purchase additional Parking Access and Revenue Control System equipment from Amano McGann. Amano McGann completed the installation of a new system in our other terminal parking lots. This new equipment will be integrated with the same equipment being provided. The contract will cover the purchase, shipping charges, and installation of equipment for one entrance and exit lane. The amount of this contract is \$33,492.64.

The purchase, shipping charges, and installation of the equipment will be paid by CMAA reserve funds.

Board Action:

CMAA requests Board approval to enter into a contract with Amano McGann for the purchase, shipping charges, and installation of Parking Access and Revenue Control System equipment associated with Phase III of the Satellite Parking Lot. The amount of the contract is \$33,492.64.

Motion to approve made by Commissioner Mallen, seconded by Commissioner Barnett.

Motion Approved.

Republic Parking Amendments

In May 2017, CMAA entered into an agreement with Republic Parking Inc. to provide shuttle services from the terminal building to an offsite satellite parking lot located off of Airport Road. As part of the agreement, Republic would alternate between one new shuttle bus and one used shuttle bus to transfer both airport employees and passengers to the terminal building. Since that time, we have encountered several mechanical issues with the used bus and our growth has prompted the need for an additional bus to be operated simultaneously. As such, CMAA has requested that Republic Parking replace the used shuttle and acquire a third new shuttle for the operation. Republic has agreed to make these acquisitions and in return has requested additional time to both their shuttle services and parking management contracts to allow time to amortize the acquisitions. The used bus will be replaced in the month of December and the third shuttle will arrive in May 2019. CMAA is requesting to modify Republic Parking's current agreements to extend the terms for two years with the following shuttle rates.

2020 – 2021	\$23.13 per hour
2021 – 2022	\$23.83 per hour

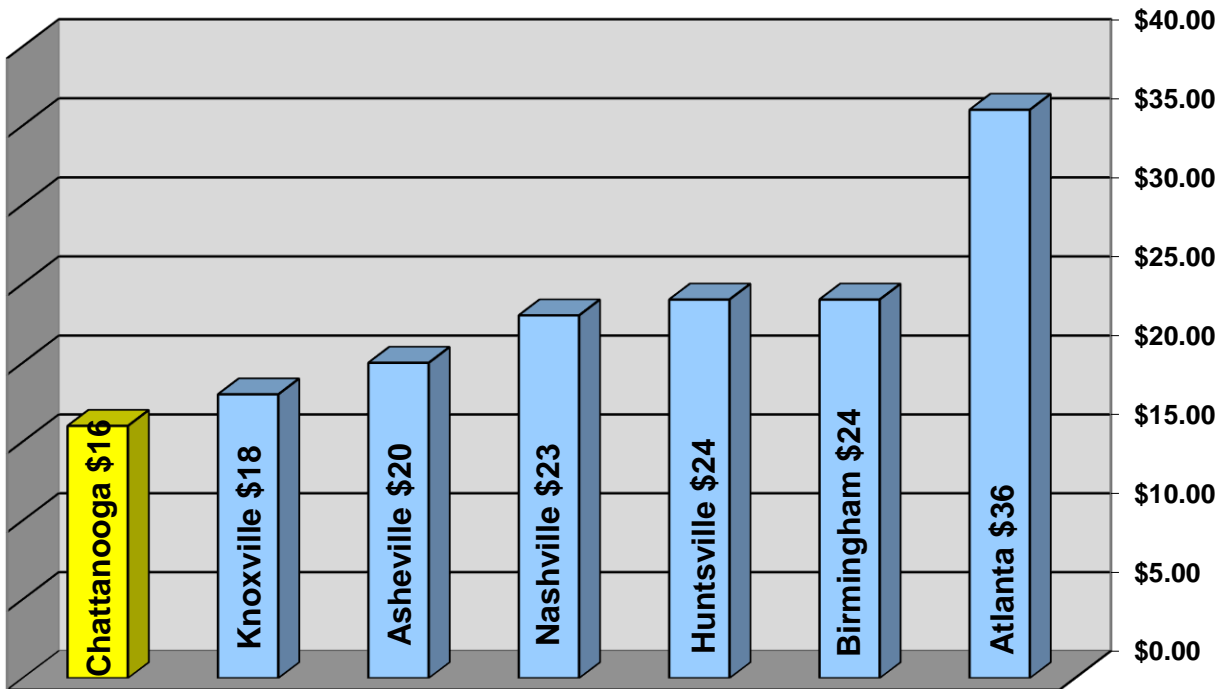
Board Action: CMAA requests approval to extend the Shuttle Services Agreement and the Parking Management Contract with Republic Parking for two years as outlined above.

Commissioner Khaleel requested additional information in reference to the amendments. The Board directed staff to provide additional information and request approval via written consent.

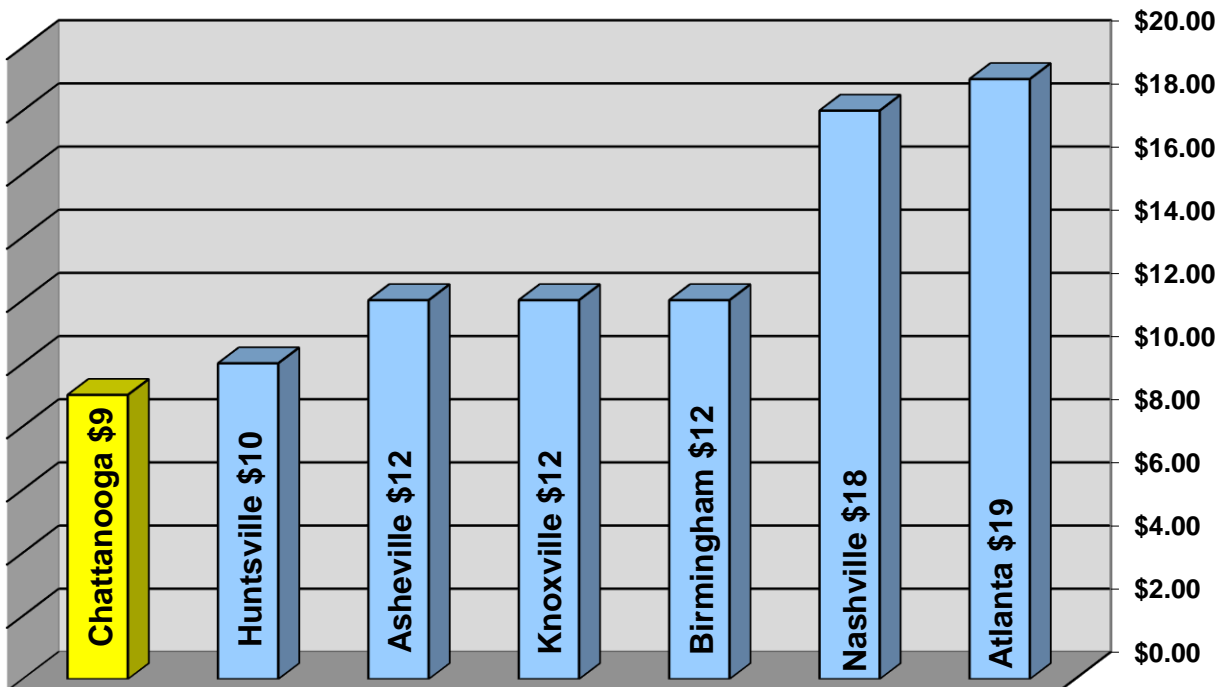
Parking Rate Change

As many of you know, the public parking lots at the airport are near capacity most weeks which has prompted the need for an additional overflow lot. You also are aware that we work very hard to keep rates low at the airport, and parking rates have not increased in 6½ years. After much consideration, we have determined that a fee increase is required to fund the additional infrastructure needed to meet our customers parking needs. To find the best rate, we evaluated competing airports in the region to determine how our parking prices compared. This comparison revealed that our parking fees are significantly lower than other airports, which provides an opportunity for the airport. A detail of the rate comparison for each lot is outlined below.

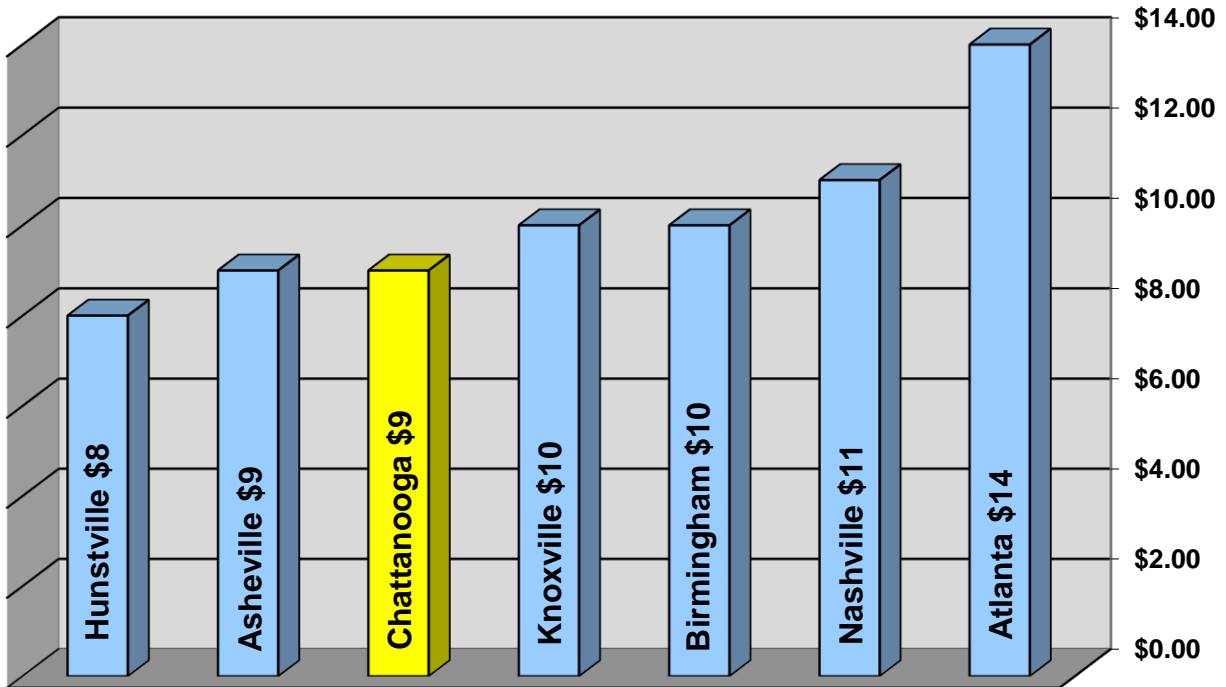
Short Term Parking Rates



Long Term Parking Rates



Economy Parking Rates



Based on our evaluation, we have determined that an increase to our parking rates is necessary to meet the needs of both the airport and our customers. As such, we propose to increase our rates to the following:

Short Term Daily Rate: \$20
 Long Term Daily Rate: \$12
 Economy Daily Rate: \$9

Board Action: CMAA requests approval to increase the parking rates as outlined.

Motion to approve made by Commissioner Kahleel, seconded by Commissioner Lytle.

Motion Approved

Other Business:

None

Public Comment

Closing comments

Chairman Jacobson stated it was a great way to end the year with enplanements up an additional 4% over last year. October was another benchmark for this airport exceeding 50,000 enplanements

in a single month. Lots of progress and improvements heading in the upward direction and we are very appreciative to our airline partners and their expressed confidence in us. Once again, another clean audit report. I would like to recognize April and her team. I would like to mention the continued interest in our solar farm and thank John for your continue leadership. It's great to see our brand receive recognition. I would like to thank each of you, Commissioners, for your dedication and hard work and being here when we need you and getting the job done. Also, I would like to thank Terry and his staff for his continue leadership and day to day management knowing what needs to be done and getting it done. Lastly, I wish everyone a Happy Holiday season and a prosperous New Year.

Chairman Jacobson asked for a motion to adjourn.

Commissioner Snow motioned to adjourn.

Motion seconded by Commissioner Roddy.

Motion approved, meeting adjourned.

Minutes approved by:

Mike Mallen
CMAA Secretary

Corporate Secretary:

April Cameron

Minutes approved by:

Daniel R. Jacobson
CMAA Chairman

Minutes Recorded by:

Sybil Cline