Tri-Cities Airport Authority Board Meeting
April 23, 2026, at 10:00 a.m.
Held in the TCAA Boardroom

Board Members	**Staff**	**Others**
Mr. Parker Smith	Gene Cossey	Stephen Darden - HS&D Attorney
Mr. Mark Ireson	Trevor Rice	Clay Walker - NETWORKS
Mr. Ken Huffine	Chris Stipo	John Rose – BRIDGE
Mr. Todd Hensley	Rachel Squibb	Allison Winters – Six Rivers Media
Mr. John Hunter	Rebecca O'Quinn	
Mr. Zane Vanover	Jennifer Solorio	
Ms. Cathy Ball	Dan Martin	
	Jason Arnold	
	Gabe Sherrill	
	Kylie Toler	

With a quorum present, the meeting was called to order at 10:00 a.m., by TCAA Chair Parker Smith.

The board members not in attendance were Mr. Chris McCartt, Mr. Lewis Wexler, Ms. Kelli Bourgeois, Mr. Jeff Bedard, and Ms. Tamrya Spradlin.

INTRODUCTIONS:

Mr. Gene Cossey started by introducing our new board member, Tamrya Spradlin from Bristol, Tennessee. He then also introduced our new Director of Public Safety, Jason Arnold. Mr. Gene Cossey stated that Jason has both police and fire background and has been helping balancing things well already.

CONSIDER: Minutes from February 26, 2026, TCAA Board Meeting

TCAA 02/26/2026 – 1 Upon a motion made by Mr. Mark Ireson and seconded by Ms. Cathy Ball, the following was adopted: BE IT RESOLVED the Minutes from February 26, 2026, TCAA Board Meeting was approved as presented.

The motion passed unanimously.

REPORT: Committee Updates

Mr. Mark Ireson stated that both the Administration and Operations and Economic Development Committee meetings went very well. There were not a lot of major voting items but there was a lot of good discussion and feedback given. He also stated that David Lotterer with JLL spoke with the Economic Development Committee explaining the details of what they have been accomplishing. Mr. Gene Cossey then gave an update regarding the Airfield Development Committee stating that it was a good preliminary meeting since everything in that meeting is being brought to the Board.

REPORT: CIP Update

Staff have begun developing the CIP for the next five years with a heavy focus on the next two years. While funding plans are still in development. Some anticipated projects over the next two years include runway 5/23 Restriping, airfield pavement rehab., air handler replacement, roof replacement, new fuel farm, new fire station, parking garage, concourse expansion, access control upgrades, ARFF truck replacement, property acquisition, and avigation easement acquisitions. The CIP is being prepared for the June Board Meeting.

REPORT: By-Laws Update, First Reading

To remain compliant and ensure our operations align with the updated legal framework, we are amending our by-laws to reflect new statutory requirements for board composition, officer roles, and term limits. These amendments will ensure the TCAA Board operates within the current legal framework, maintains good standing and continues to serve our mission effectively. The TCAA by-laws require a minimum 30-day notice for presenting amendments to the by-laws. This report and discussion will serve as notice with the following action being recommended for the June 2026 Board Meeting.

REPORT: FY2026 Projected Operating Budget
FY2027 Proposed Operating Budget

The Projected FY2026 operating results have been developed using the most current actual financial data available. The forecast begins with actual operating results for the six months ending December 31, 2025, and projects the remaining six months using a proportionate allocation of the approved FY2026 budget, adjusted to reflect current trends, operational statistics and economic conditions observed during the fiscal year. Passenger Traffic trends remain strong, with enplanements increasing 10.8% compared to the same period in the prior fiscal year. Rental car activity has also demonstrated favorable performance, with on-airport car rentals increasing 9.5% over the prior fiscal year. Parking trends show modest growth of 1.1% in the number of cars from July through February as compared to the previous year, during this time of construction and rehab of the parking system. Projected expenditures for FY2026 are estimated to exceed the approved budget by $136,507 or 1.4%. The proposed FY2027 operating budget has been developed using the most current financial data and reflects a conservative approach based on current operational trends. Total revenues for FY2027 are budgeted to increase approximately 10% compared to the FY2026 budget. Total operating expenses are projected to increase 12.5%, primarily due to the addition of new positions required to support expanded airline service and cost / pricing increases in the goods and services. There are several factors which the staff is monitoring closely that will have an impact on the proposed FY2027 operating budget.

CONSIDER: Paid Time-off Policy

TCAA staff provides the following recommendations move from the current vacation and time off policy to a Paid Time Off (PTO) benefit program. Staff have designed the PTO program, described in the attached policy, to provide a more attractive time off benefit that will assist in retaining and attracting employees while also streamlining the program and correcting current policy discrepancies. This includes the change made in the last Administration and Operations Committee Meeting of changing the Paid Time Off allotments for exempt employees, the “80 hours in addition to the listed times” be changed to “40 hours in addition to the listed times. This will be effective January 1st, 2027.

TCAA 02/26/2026 – 2 Upon the motion made by Mr. Todd Hensley, seconded by Mr. Kenneth Huffine, the following was adopted: BE IT RESOLVED the TCAA approved the Paid Time-Off Policy effective January 1st, 2027.

The motion passed unanimously.

CONSIDER: Employee Evaluation and Bonus Policy

All full and part-time employees are provided with an annual review and consideration for merit pay increases, salary adjustments, promotions, transfers, and bonuses as warranted. To be eligible an employee must receive a satisfactory employee review, have made satisfactory progress on all assigned goals, and must be employed as of June 30th of the bonus plan year. Salary increase requests must be supported by a satisfactory review for salary change processing. Supervisors may not discuss any proposed action with the employee until all written approvals are obtained. Ms. Cathy Ball made the recommendation to eliminate the first sentence under the "Plan Modifications" sections stating "The President/CEO has the right to change, modify or approve exceptions to this policy at any time with or without notice." Therefore, any modifications will be brought to the board for approval.

TCAA 02/26/2026 – 3 Upon the motion made by Ms. Cathy Ball, and seconded by Mr. Mark Ireson, the following was adopted: BE IT RESOLVED the TCAA approved the proposed Employee Evaluation and Bonus Policy with the amended wording.

The motion passed unanimously.

CONSIDER: Continuation of JLL Contracts to Market Aerospace Park

The prior agreement with JLL for marketing Aerospace Park expired in December 2025. Following expiration, JLL provided an amendment to extend the term of the agreement for an additional year. To ensure continuity of marketing and brokerage services and to formally authorize the contractual relationship going forward, Board approval is requested. The rates from the prior agreement will remain the same. The agreement will have a one-year term commencing upon execution. Ms. Cathy Ball made the recommendation to change the term from one year to 60 days and to adjust the Exclusivity Clause. Mr. Gene Cossey then made the recommendation to just table this completely and allow him and Clay Walker to meet with David Lotterer to negotiate any changes to this that reflect to what the Board has expressed. Then it will be brought back to the June Board Meeting. Ms. Cathy Ball then tabled her motion by changing the one-year term to just a shorter term and still adjusting the Exclusivity Clause.

TCAA 02/26/2026 – 4 Upon a motion made by Ms. Cathy Ball and seconded by Mr. Kenneth Huffine, the following was adopted: BE IT RESOLVED the TCAA approved the Continuation of JLL Contract to Market Aerospace Park with the amendment to change the contract from one year to a shorter term and adjust the exclusivity clause.

The motion passed unanimously.

CONSIDER: Uniform Rental Program

Airport Operations and Ground Handling spend a vast amount of time interacting with the public while also completing tasks that can affect their appearance, such as fueling and wildlife mitigation. UniFirst submitted a bid for a program that includes weekly pickups for uniform laundering and repairs. The initial price includes uniforms for 4 Airport Operations and 16 Ground Handling personnel, with the ability to increase and decrease as needed. The agreement is in the amount of $308.72 per week over a five-year period. The agreement includes a two-year rate lock and an up to five percent increase in each of the final three years. The uniform rental program will be funded through a mix of Operations Expense and Ground Handling Expense funds.

TCAA 02/26/2026 – 5 Upon a motion made by Mr. Todd Hensley, and seconded by Mr. Kenneth Huffine, the following was adopted: BE IT RESOLVED the TCAA authorized the Chair to execute an agreement with Unifirst over a five year period for $85,083.23.

The motion passed unanimously.

CONSIDER: Gate Management Software

Staff presented the Airline Improvements Project at the February board meeting. As part of board approval, items over $25,000 would be approved by the President/CEO and come to the board for retroactive approval. The recent announcement of new airlines and routes will result in six Remain Overnight (RON) aircraft occupying the airport's six usable gates each night. To assist with gate management a software was sought to automate the process. A Request for Proposals (RFP) was advertised to provide a gate management software with an initial award of a two-year agreement with one possible three-year extension. Four proposals we received with GoApron, Inc. providing the most responsive proposal in the amount of $107,500 over a five-year period. The software will be funded through Terminal Expense funds.

TCAA 02/26/2026 – 6 Upon a motion made by Mr. Mark Ireson and seconded by Mr. John Hunter, the following as adopted: BE IT RESOLVED the TCAA authorized the Chair to execute contract with GoApron, Inc. for Gate Management Software for an initial award of a two-year agreement with one possible three-year extension in the amount of $107,500.

The motion passed unanimously.

CONSIDER: Terminal Ramp Marking Rehab

Staff presented the Airline Improvements Project at the February board meeting. As part of board approval, items over $25,000 would be approved by the President/CEO and come to the board for retroactive approval. The recent announcement of new airlines and routes will result in six Remain Overnight (RON) aircraft occupying the airport's six usable gates each night. To ensure space for each aircraft, the ramp will be remarked to accommodate eight aircraft in a push back configuration. The project was advertised with the TCAA receiving two bids on March 27th with Hasco Inc. having the lowest and most responsive bid in the amount of $126,890. The project will be funded through Passenger Facility Charge (PFC) funds.

TCAA 02/26/2026 – 7 Upon a motion made by Mr. Kenneth Huffine and seconded by Mr. Todd Hensley, the following as adopted: BE IT RESOLVED the TCAA authorized the Chair to execute a construction contract with Hasco Inc. for the Terminal Ramp Marking Rehab in the amount of $126,890.

The motion passed unanimously.

CONSIDER: Ticket Counter Internet Installation

Staff presented the Airline Improvements Project at the February board meeting. As part of board approval, items over $25,000 would be approved by the President/CEO and come to the board for retroactive approval. The unoccupied ticket counters were without readily available internet connections. With the recent announcement of United Airlines, internet connections were needed at additional ticket counters to support the expansion of the airport's Common Use Passenger Processing System (CUPPS) to accommodate United. Internet was run to all unoccupied ticket counters to save on future costs and prepare the airport for any future airline expansions. As the TCAA's contracted Information Technology (IT) services provider, Tele-Optics provided a quote for the work in the amount of $47,129.41. The work will be funded through airport funds.

TCAA 02/26/2026– 8 Upon a motion made by Mr. Mark Ireson and seconded by Mr. John Hunter, the following as adopted: BE IT RESOLVED TCAA approved the Chair to retroactively approve the Ticket Counter Internet Installation agreement with Tele-Optics in the amount of $47,129.41.

The motion passed unanimously.

CONSIDER: Gate D Emergency Repairs

On March 13, 2026, a Tri-City Aviation Employee struck Vehicle Gate D with an air stair causing significant damage to the gate and rendering it unusable. TCAA Maintenance inspected the gate and determined that based on the damage the gate would need to be replaced. Due to the operational importance of the gate and long lead times, a new gate was ordered soon after the damage occurred. Ideal Manufacturing Inc. will provide a new gate in the amount of $35,134.97 with a separate contractor needed for installation once the gate arrives. Tri-City Aviation will be responsible for covering the cost of the new gate.

TCAA 02/26/2026 – 9 Upon a motion made by Mr. Todd Hensley and seconded by Mr. John Hunter, the following as adopted: BE IT RESOLVED the TCAA authorized the Chair to retroactively approve the purchase of a new vehicle gate from Ideal Manufacturing Inc. in the amount of $35,134.97.

The motion passed unanimously.

CONSIDER: Consent Agenda Items

a. CUPPS/FIDS Change Order #1

TCAA 02/26/2026 – 10 Upon the motion made by Mr. Todd Hensley, and seconded by Mr. Kenneth Huffine, the following was adopted: BE IT RESOLVED the TCAA approved consent item ratifications.

The motion passed unanimously.

STAFF REPORTS:

Legal Counsel, Stephen Darden – He stated he had no updates to give to the Board.

Director of Finance, Rachel Squibb – She went over the Financial Summary ending February 28, 2026. For the fiscal year to date as of February 28, 2026, the Authority achieved an approximate Net Operating Income of $525,771, exceeding the approved budget by $548,194. Operating expenses overall were managed in line with budget expectations. While cost results were mixed across categories, the primary negative variance occurred within the Airfield Area cost center, reflecting necessary expenditures for terminal apron markings and increase in snow/ice control activity. Snow/Ice removal costs are trending significantly higher than prior years due to severe winter conditions. These expenditures, while unplanned, are operationally necessary and inherent in maintaining airfield safety and regulations. Another cost center we are monitoring closely is Ground Handling Services. Expenses associated with servicing the new Breeze flights were not known at the time the FY2026 budget was prepared. As a result, this area will exceed budget; however, the overage is directly tied to new service growth and corresponding revenue generation. The Terminal Area cost center also reflects negative variances due to costs associated with installing the common uses system (CUPPS software). While certain variances are above budget, they are largely growth-driven or safety-related in nature and consistent with the operational demands of an airport. Eight months of the fiscal year, FY2026, closed with results exceeding expectations. As of February 28, 2026, we are yielding net operating income of $525,771, which exceeds the budget and demonstrates growth across core revenue streams. Each department continues to focus on operational efficiency while strategically investing in equipment needs and readiness efforts necessary to support new routes and airline growth in 2026.

Director of Marketing and Air Service, Trevor Rice – Trevor gave some traffic and capacity updates showing that the passengers ad seats are both up 17.7% year over year. He then presented the airline schedules for May-October 2026. He also noted that the Chicago morning banks were overscheduled beyond operational capacity, and the airlines are not required to shift flights out of peak periods, prioritizing reliability over bank density. The summer Chicago operations are capped at 2,708 a day from May 17, 2026, to October 24, 2026. Therefor the original American Airlines flight to Chicago on May 21 with a 6:24 a.m. departure has been moved to May 22 with a 7:29 a.m. departure. Finally, he went over the different events he has attended such as thew Meade & Hunt Conference, Allegiant Airports Conference, ETSU Distinguished Presidents Trust Dinner, and the NETTA Legislative Day on the Hill. Ms. Kylie Toler then went over the new service campaign strategy for four separate campaigns including Breeze (new airline/service), United (new airline/service), American Airlines (new service), and the Fly Local brand campaign. The goals for the Breeze Airways campaign are to build brand awareness, promote new routes, drive bookings, and to attract new leisure-focused travelers. The run time for this campaign will be from January 2026 to December 2027. The goals for the American Chicago campaign are to promote the new nonstop flights to Chicago and to drive bookings. The run time for this campaign will be from April 2026 to May 2027. The goals of the United Chicago campaign are to build brand awareness for United to TRI, promote additional service to Chicago, and to emphasize increase options from flying local. The run time for this campaign will be from May 2026 to August 2026. Finally, the goals of the Fly Local campaign are to build brand awareness for TRI, shift traveler behavior towards flying TRI, and to emphasize time savings and convince. The run time for this campaign is from February 2024 to August 2026.

Director of Business Development, Mark Canty – Mr. Mark Canty was not at the board meeting since he was attending the MRO Americas Conference, so Mr. Gene Cossey presented his report. TCAA submitted a letter of support to the Department of Commerce Foreign-Trade Zones Board for Eastman Chemical Company's application to expand the types and number of products it may enter into its FTZ site as foreign-status goods. Several additional local and regional entities also submitted letters of support. We received a proposal from J.A. Street and Associates to construct a speculative hangar adjacent to the ramp in Aerospace Park. The proposal is

under review, and a feasibility analysis is underway to determine whether the lease rate aligns with our market. Mark Canty submitted the FTZ annual report to the Department of Commerce Foreign-Trade Zones Board before the March 31 deadline. Extensive activity was reported by Eastman Chemical Company, and GSM Filtration's previous approval expired due to lack of activity under the sunset clause. Finally, Mike Michalski of MSC Solutions will be at Turtleson on April 27 to conduct in-person Foreign-Trade Zone training as their activation with U.S. Customs and Border Protection wraps up. This is the final step before the company may begin entering foreign-status merchandise into its facility.

Director of Operations, Chris Stipo– He discussed the following with the Board:

CAPITAL PROJECTS

1. **Airport Master Plan Update Project (FAA Review)**
   a. Project Amount $ 1,432,847.00
   b. Estimated Project Percent Completion 90%

2. **Sound System Improvements (Design/Bid)**
   a. Project Amount $ 141,070.00
   b. Estimated Project Percent Completion 80%

3. **Airport - Public Parking Lot Expansion (Construction)**
   a. Project Amount $ 2,684,006.50
   b. Estimated Project Percent Completion 90%

4. **Airport - TWY A Extension, TWY C Removal West of RWY 23 and RWY 5 RSA Improvements (Construction)**
   a. Project Amount $ 7,375,279.00
   b. Estimated Project Percent Completion 90%

5. **Airport – Parking and Revenue Control System (PARCS) (Construction)**
   a. Project Amount $ 806,792.00
   b. Estimated Project Percent Completion 60%

6. **Airport – LT Parking Rehab/Exit Plaza Replacement/Cell Phone Lot Expansion (Construction)**
   a. Project Amount $ 3,047,200.00
   b. Estimated Project Percent Completion 10%

7. **Airport – Terminal/Concourse – Passenger Check Point Expansion (Construction)**
   a. Project Amount $ 9,434,527.51.00
   b. Estimated Project Percent Completion 5%

8. **Airport – TWY A Bank Slide Rehabilitation (Closeout)**
   a. Project Amount $ 268,496.90
   b. Estimated Project Percent Completion 95%

9. **Airport – TWY R1 Corporate Hangar Expansion Project (Construction)**

a. Project Amount $ 4,229,200.00
b. Estimated Project Percent Completion 5%

10. Airport – Terminal Ramp Markings (Design/Bid)
a. Project Amount $ 24,862.00
b. Estimated Project Percent Completion 50%

11. Airport – Fuel Farm Expansion (Design/Bid)
a. Project Amount $ 376,136.00
b. Estimated Project Percent Completion 20%

President/CEO, Gene Cossey – Mr. Gene Cossey gave a reminder that we have food trucks in site for lunch. He then thanked everyone for attending the meeting.

The meeting was adjourned at 12:12 p.m.

Respectfully submitted,

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Parker Smith, TCAA Chair

_____
Chris McCartt, TCAA Secretary/Treasurer

Minutes taken by: Gracie Beach
NOTE: The Minutes are intended to reflect the general account of the events of the meeting and are not a verbatim transcription.