

Minutes of the MNAA Board of Commissioners and MPC Board of Directors



Date: April 17, 2019

Place: Nashville International Airport
Nashville, Tennessee

Time: 1:00 p.m.

Board Members Present:

A. Dexter Samuels, Chair; Trey Harwell, Vice Chair;
Amanda Farnsworth, Secretary; John Doerge, Bill
Freeman, Bobby Joslin, Christy Smith, Nancy Sullivan,
Jimmy Granbery and Mayor's Representative, Jamari
Brown

Board Members Absent:

None

Others Present:

Doug Kreulen, Cindy Barnett, and Angela Edwards

I. Call to Order

Chair Samuels called the MNAA Board of Commissioners and MPC Board of Directors meetings to order at 1:03 p.m., pursuant to the Public Notice dated April 12, 2019.

II. Approval of Minutes

Upon motion made by Commissioner Granbery and seconded by Commissioner Freeman, the Board voted to approve the Minutes of the March 20, 2019 Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors. The motion carried by a vote of 10 to 0.

III. Chair's Report

Chair Samuels introduced and welcomed Mr. Jamari Brown to the Board of Commissioners as the Mayor's Representative. Mr. Brown comes highly regarded and has spent ten plus years with State of Tennessee Department of Economic and Community Development and is now serving as the New Director of Economic & Community Development in the Mayor's Office.

IV. President's Report

President Kreulen introduced Mr. Edward McDonald as the new Assistant Vice President for Risk Management with MNAA. He comes to Nashville from the airport in Portland, Oregon. Mr. McDonald served in the United States Marine Corp and he is a welcome addition to the legal team at MNAA.

President Kreulen stated there was another very busy month at the airport. On April 6, the airport hosted BNA 5k on the Runway. Approximately \$75K was raised and will go to the very worthy cause, K9s for Warriors Program. The money raised will purchase approximately 3 canines along with all the training for the canines for veterans dealing with PTSD. A short video was presented of the 5K on the Runway in action. President Kreulen thanked Shannon Sumrall and the entire staff for a very successful fundraiser.

Passenger traffic is up 15% over this time last year. FY19 is 1.5M FYTD. Southwest Airlines forecasts the number of seats is scheduled to increase by the end of the year by 20%. March was also a good month with concessions sales and news and gifts with all the traffic coming through the airport. Rental car sales were up for March, although not as robust.

V. Items for Approval:

A. Approval of FY20 O&M and Capital Budgets – BNA, MNAA Resolution No. 2019-03 and MNAA Resolution No. 2019-04

Staff provided the Board a staff analysis for the FY20 O&M Budget for BNA and MNAA Resolution No. 2019-03 prior to the meeting.

Staff requested that the Board of Commissioners approve the proposed operating budget for Nashville International Airport (BNA) for fiscal year 2020 (FY20) and authorize the Chair and President and CEO to execute MNAA Resolution No. 2019-03.

Ms. Marge Basrai, Chief Financial Officer, briefed the Board on this item. She reminded the Board they had approved the FY20 capital budget for John C. Tune Airport, therefore it would not be a part of the presentation. Ms. Basrai reported on the FY20 Operating Budget for BNA. Total operating revenue increased \$8.4M. This includes two categories of revenue. The first is non-airline revenue which increased \$7.3M. This includes a parking increase of \$7.2M to more accurately reflect current year actuals and to include an estimate for a rate increase. Also included is a concession increase of \$3M. All offset by a \$1.8M decrease in Space Rental due to a miscalculation in the prior year. Signatory Airline Revenue increased \$1.1M for 3 primary reasons. Landing fees revenue increased by

approximately \$4 million mainly due to an increase in operating expenses directly charged or allocated to the Airfield cost center; Terminal rent increased by approximately \$1.4 million due to the contractual annual rate increase 2.5% and an increase in the signatory leased space mainly due to Allegiant expecting to become a signatory airline; These were offset by a decrease in baggage fees of \$4.5 million. The FY19 \$5M baggage handling project was removed. Total operating expenses increased \$10.3M. Half of that is the increase in salary and wages attributable to the full year impact of the compensation study and an increase in budgeted positions of 42. Parking lot expenses increased by \$1.3M for various parking expenses including 15 additional valet and 12 additional Express Park staff. Other contractual services and materials and supplies increased by \$1.6M for janitorial services and supplies, shuttle bus service, security services, and utilities due to passenger growth. Approximately \$1.1M increase is due to new technology needs and support.

Net Non-Operating Income Expense increased by \$15.2M. Interest income increased by \$4.6 million due to the investment strategy MNAA now has in place, an increase in Passenger Facility Charges of \$4.5M and Customer Facility Charges of \$700k, based on passenger growth, and a decrease in interest expense due to the 2008A and 2009A bonds being paid off in July 2019 offset by an increase for the short-term credit facility borrowing related to the BNA Vision projects. Ms. Basrai presented a graph of how operating revenue and operating expenses have grown since 2016 as landed weights and enplanements have increased.

Ms. Basrai reported a goal MNAA has as it continues on BNA Vision is to keep costs to the airlines low. MNAA wants to stay in the bottom 1/3 of peers. A chart of peer airports was presented with projected FY20 cost per enplanement (CPE). For FY20, BNA CPE is projected to be \$6.46. The projected 2020 CPE numbers for peer airports were obtained through various Airport Bond Official Statements from 2017. BNA is still competitive with our peers and expects to continue to be competitive after BNA Vision. BNA CPE for FY24 is projected to be between \$9 and \$10. Many of the other peer airports are also doing large capital projects so CPE numbers for those airports are expected to rise as well.

Committee Review:

Commissioner Smith reported this item was presented to the Finance/Administration/Properties Committee on April 10, 2019. The FAP Committee voted 4 to 0 to recommend approval to the Board of Commissioners.

Chairman Samuels took Commissioner Smith's statement as a motion and Commissioner Doerge seconded the motion to approve the proposed operating budget for Nashville International Airport (BNA) for fiscal year 2020 (FY20) and authorize the Chair and President and CEO to execute MNAA Resolution No. 2019-03. The motion carried by vote of 10 to 0.

Approval of FY20 Capital Improvement Budget and Plan – BNA, MNAA Resolution No. 2019-04

Staff provided the Board a staff analysis for the FY20 Capital Budget and MNAA Resolution No. 2019-04 prior to the meeting. Staff also provided a staff analysis for the Capital Improvement Plan for BNA for fiscal years 2021–2024 for informational purposes only.

Staff requested that the Board of Commissioners approve the proposed Capital Improvement Budget and Plan for BNA for fiscal year 2020 (FY20) (July 1, 2019 through June 30, 2020), authorize the Chair and President and CEO to execute MNAA Resolution No. 2019-04, and authorize and resolve that MNAA accept the grant(s) from the Federal Aviation Administration (FAA) for Federally funded projects.

Ms. Marge Basrai briefed the Board on this item. BNA FY20 CIP is \$238M which is the actual year presented for approval. Of that \$238M, the largest projects included are:

- Terminal Roadway Improvements Phase 2 Design/Build of \$100M
- Reconstruct Runway 2R/20L, Taxiway H & Connectors (Construction) of \$90M
- Runway 2L Extension – Environmental assessment; Preliminary Design and Begin Land Acquisition of \$15M
- A-Concourse Expansion Phase 1 Environmental assessment, engineered fill, stream mitigation design for \$5M

Of the total FY20 projects, \$186M is projected to be bond funded, \$20M in federal grants, \$16.8M in airport investment funds and \$13.5M in airline investment funds.

Ms. Basrai then presented FY20-24 Capital Improvement Plan but reminded the Board these numbers are for informational purposes only and could change from year to year. BNA FY21 for \$62M will consist of reconstruction of Bravo South for \$15M and A Concourse Expansion Phase 2 for \$15M. BNA FY22 for \$127M. This would consist of Terminal Apron & Taxi lane Expansion Phase 2 Construction for \$29M, Runway 2L-20R Extension Design of \$30M and A Concourse Phase 3

Engineered Fill Construction for \$20M. BNA FY23 consisting of reconstruction of Taxiways T1 and T2 for \$44M and A Concourse Expansion Phase 4 Engineered Fill Construction for \$15M for a total of \$55M for build ready site. BNA FY24 for \$348M to include Runway 2L/20R Extension Construction for \$300M and new Westside ARFF Building for \$20M.

Committee Review:

Commissioner Smith reported this item was presented to the Finance/Administration/Properties Committee on April 10, 2019. The FAP Committee voted 4 to 0 to recommend approval to the Board of Commissioners.

Chairman Samuels took Commissioner Smith's statement as a motion and Commissioner Farnsworth seconded the motion to approve the proposed Capital Improvement Budget and Plan for BNA for fiscal year 2020 (FY20), authorize the Chair and President and CEO to execute MNAA Resolution No. 2019-04, and authorize and resolve that MNAA accept the grant(s) from the Federal Aviation Administration (FAA) for Federally funded projects. The motion carried by vote of 10 to 0.

B. Approval of FY20 O&M Budget – JWN, MNAA Resolution No. 2019-05

Staff provided the Board a staff analysis for approval of FY20 O&M Budget for JWN and MNAA Resolution No. 2019-05 prior to the meeting.

Staff requested that the Board of Commissioners approve the proposed operating budget for John C. Tune Airport (JWN) for fiscal year 2020 (FY20) and authorize the Chair and President and CEO to execute MNAA Resolution No. 2019-05.

Ms. Marge Basrai briefed the Board on this item. Budgeted operating revenue increased by \$101K. Space rental, including hangar and land rent, increased \$46,000 and fuel flowage fees increased by \$51K. Overall operating expense was projected to remain flat. Interest income budget was increased by \$28.8K due to investment strategy.

Committee Review:

Commissioner Smith reported this item was presented to the Finance/Administration/Properties Committee on April 10, 2019. The FAP Committee voted 4 to 0 to recommend approval to the Board of Commissioners.

Chairman Samuels took Commissioner Smith's statement as a motion and Commissioner Doerge seconded the motion to approve the proposed operating budget for John C. Tune Airport (JWN) for fiscal year 2020 (FY20) and authorize the Chair and President and CEO to execute MNAA Resolution No. 2019-05. Commissioner Granbery asked if there was money set aside for JWN. Ms. Basrai replied that JWN has its own cash accounts. Chairman Samuels announced the motion carried by vote of 10 to 0.

C. Approval of FY20 O&M and Capital Budgets – MPC, MPC Resolution No. 2019-01 and MPC Resolution No. 2019-02.

Staff provided the Board a staff analysis for the FY20 O&M Budget for MPC and MPC Resolution No. 2019-01 prior to the meeting.

Staff requested that the MPC Board of Directors approve the proposed operating budget for MNAA Properties Corporation (MPC) for fiscal year 2020 (FY20) and authorize the Chair and President and CEO to execute MPC Resolution No. 2019-01.

Ms. Marge Basrai briefed the Board on this item. Operating revenue increased by \$175K due to rental income from the Multi-Purpose Building and International Plaza. Operating expenses decreased by \$75K, which is driven by a decrease at the International Plaza of \$44K in contract services, Multi-Purpose Building of \$25K in utilities related to vacant space, and \$6K at Global Tire for building maintenance. Non-operating income consisting of interest income increased by \$21K due to the Authority investment strategy. Non-operating expense (interest expense) decreased due to two bank loans being paid off in the prior year.

Committee Review:

Commissioner Smith reported this item was presented to the Finance/Administration/Properties Committee on April 10, 2019. The FAP Committee voted 4 to 0 to recommend approval to the Board of Directors.

Chairman Samuels took Commissioner Smith's statement as a motion and Commissioner Sullivan seconded the motion to approve the proposed operating budget for MNAA Properties Corporation (MPC) for fiscal year 2020 (FY20) and authorize the Chair and President and CEO to execute MPC Resolution No. 2019-01. The motion carried by vote of 10 to 0.

Approval of FY20 Capital Improvement Budget and Plan – MPC, MPC Resolution No. 2019-02

Staff provided the Board a staff analysis for the FY20 Capital Budget for MPC and MPC Resolution No. 2019-02 prior to the meeting. Staff also provided a staff analysis for the Capital Improvement Plan for MPC for fiscal years 2021–2024 for informational purposes only.

Staff requested that the Board of Directors approve the proposed Capital Improvement Budget and Plan for MPC for fiscal year 2020 (FY20), authorize the Chair and President and CEO to execute MPC Resolution No. 2019-02.

Ms. Marge Basrai briefed the Board on this item. FY20 Capital Improvement Plan’s largest project is \$950K for roof replacement for the Multi-Purpose Building, depending upon finding funding. This project has been pushed out each year and the roof is currently undergoing repairs.

FY21, FY22, and FY23 Capital Improvement Plan numbers were presented for informational purposes only. Each year would consist of \$2M for International Plaza Window Replacement, again, based on finding funding or loans. This project continues to be pushed out.

Committee Review:

Commissioner Smith reported this item was presented to the Finance/Administration/Properties Committee on April 10, 2019. The FAP Committee voted 4 to 0 to recommend approval to the Board of Directors.

Chairman Samuels took Commissioner Smith’s statement as a motion and Commissioner Freeman seconded the motion to approve the proposed Capital Improvement Budget and Plan for MPC for fiscal year 2020 (FY20) and authorize the Chair and President and CEO to execute MPC Resolution No. 2019-02. The motion carried by vote of 10 to 0.

D. Approval of Gassaway Telecommunications Antenna License Agreement

Staff provided the Board a staff analysis for approval of Gassaway Telecommunications Antenna License Agreement prior to the meeting.

Staff requested that the Board of Commissioners accept the telecommunications lease agreement between Metropolitan Nashville Airport Authority (MNAA) and Verizon Wireless Tennessee Partnership d/b/a Verizon Wireless (Verizon), that authorizes Verizon to utilize a portion of the

rooftop and a portion of land at the Gassaway Building for telecom equipment and authorize the President & CEO to execute the proposed agreement.

Ms. Margaret Martin, Chief Development Officer, briefed the Board on this item. This project is for installation of an antenna by Verizon on a portion of land and a portion of the rooftop of the Gassaway Building to improve wireless reception to the tenants and users located on the southside of airport property. The reason this item is coming before the Board is because of the length of the term. There is a 5 year initial term and three automatic 5-year renewal options unless either party terminates with at least three months written notice. This contract can be terminated at any time by Board action if needed for development purposes. The total initial lease term value is \$140K. There is an escalation of ten percent every five years. The initial term is to commence the first day of the month after Verizon begins installation or June 1, 2020 whichever occurs first. There was a signing bonus of \$5K.

Committee Review:

Commissioner Smith reported this item was presented to the Finance/Administration/Properties Committee on April 10, 2019. The FAP Committee voted 4 to 0 to recommend approval to the Board of Commissioners.

Chairman Samuels took Commissioner Smith's statement as a motion and Commissioner Sullivan seconded the motion to accept the telecommunications lease agreement between MNAA and Verizon that authorizes Verizon to utilize a portion of the rooftop and a portion of land at the Gassaway Building for telecom equipment and authorize the President & CEO to execute the proposed agreement. Commissioner Granbery asked if the option for the Board to terminate is only for development purposes. Ms. Martin responded that there is an option to terminate every five years with 3 months written notice or upon Board action for any purpose. This motion carried by vote of 10 to 0.

E. Approval of Terminal Garage/Admin Building CGMP 3 of 3 (Admin Building)

Staff provided the Board a staff analysis for approval of Terminal Garage/Admin Building CGMP 3 of 3 (Admin Building) prior to the meeting.

Staff requested that the Board of Commissioners authorize the Chair and President & CEO to execute the proposed Amendment 2 for Component Guaranteed Maximum Price #3 (CGMP 3) and the

Guaranteed Maximum Price (GMP) that includes structure, core & shell, finishes and landscaping for the Terminal Garage and Airport Administration Building project at Nashville International Airport Progressive Design-Build contract.

Ms. Traci Holton, AVP, Chief Engineer, briefed the Board on this item. The scope of this CGMP which is approximately \$44.8M is primarily the administration building, structures and finishes, and also includes fire alarms, low voltage, asphalt, roadway work and signage. No change to the SMWBE amount which is 8.69% MBE and 12.62% WBE and 4% SBE. The Guaranteed Maximum Price is \$173.2M. There was no change to the schedule. The contract end is November of 2020 and that includes the sixty day executed extension to the initial contract due to the delay in opening of Garage A. There could be more changes to that date due to unforeseen conditions.

Committee Review:

Commissioner Joslin reported that this item was presented to the BNA Vision Committee on April 10, 2019. The BNA Vision Committee voted 4 to 0 to recommend approval to the Board of Commissioners.

Chairman Samuels took Commissioner Joslin's statement as a motion and Commissioner Granbery seconded the motion to authorize the Chair and President & CEO to execute the proposed Amendment 2 for Component Guaranteed Maximum Price #3 (CGMP 3) and the Guaranteed Maximum Price (GMP) that includes structure, core & shell, finishes and landscaping for the Terminal Garage and Airport Administration Building project at Nashville International Airport Progressive Design-Build contract. The motion carried by vote of 10 to 0.

F. Approval of Terminal Lobby/IAF CGMP 2 of 6 (Design Assist – Core & Specialty Trades)

Staff provided the Board a staff analysis approval for of Terminal Lobby/IAF CGMP 2 of 6 (Design Assist – Core & Specialty Trades).

Staff recommended that the Board of Commissioners authorize the Chair and President & CEO to execute the proposed Amendment 2 for Component Guaranteed Maximum Price 2 for design-assist services, purchasing of long lead items, and general requirements related to the Terminal Lobby and International Arrivals Facility (IAF) for the Progressive Design-Build contract at the Nashville International Airport.

Ms. Holton briefed the Board on this item. This project consists of design-assist and purchasing of long lead items and general items for the project. There were no changes to SMWBE and no changes to the schedule. The Component Guaranteed Maximum Price is \$34.7M.

Committee Review:

Commissioner Joslin reported that this item was presented to the BNA Vision Committee on April 10, 2019. The BNA Vision Committee voted 4 to 0 to recommend approval to the Board of Commissioners.

Chairman Samuels took Commissioner Joslin's statement as a motion and Commissioner Sullivan seconded the motion to authorize the Chair and President & CEO to execute the proposed Amendment 2 for Component Guaranteed Maximum Price 2 for design-assist services, purchasing of long lead items, and general requirements related to the Terminal Lobby and International Arrivals Facility (IAF) for the Progressive Design-Build contract at the Nashville International Airport. The motion carried by vote of 10 to 0.

VI. Staff Reports

Operations Report

Mr. Robert Ramsey, COO briefed the Board on this item.

Mr. Ramsey reported that parking revenue was up 2.1% for the month of Month and FY19 YTD was up 5.3%, largely due to capacity. Long Term A is full a couple days a week, Long Term B is full three days a week and the garage is full three to four days a week. As we near capacity and bring on Garage C, there will be an additional 3K spaces. Air cargo tonnage for March increased 9.5% and 5.7% FY19 YTD.

BNA fuel sales for March were up 16.1% from last year largely due to better flying weather this March over March of last year. FY19 YTD was down slightly to approximately 1% for a difference of approximately 54K gallons. John C. Tune fuel sales were up 12.5% in March, and FY19 YTD was up 19.4%.

Mr. Ramsey gave an update on the Colonial Pipeline Fuel Spill. TDOT geotechnical crews surveying for the Donelson Pike relocation hit the Colonial Pipeline at approximately 11:00 a.m. on April 9, 2019. Approximately 14K gallons of fuel were released prior to the closure of the pipeline. The

airport, Colonial Pipeline, TDOT, TDEC and EPA personnel all responded and were able to contain it and are treating the area. The pipeline was repaired and fully operational by Friday, April 11, 2019. Soil remediation efforts are ongoing. The fuel was prevented from entering McCrory Creek and will require long-term monitoring. In the meantime, initial conversations have included installing at least four monitoring wells. Colonial Pipeline closed their Incident Command Center on April 15, 2019 as they focus on long term remediation. Runway 2R/20L will close at night for the 24/7 clean-up operations.

Commissioner Sullivan inquired as to how much fuel has been recovered. Mr. Ramsey reported approximately one thousand gallons have been recovered so far. The rest has been retained but not yet recovered and he did not have an estimate of how much might be recovered.

Commissioner Freeman thanked the staff for great communications and frequent updates on this matter and stated it was much appreciated.

Mr. Ramsey presented each member of the Board with a book containing BNA Vision monthly updates for their reference. President Kreulen stated Mr. Ramsey will be briefing from this booklet at the meeting next month.

Financial Report

Ms. Marge Basrai, Chief Financial Officer, gave an update on financials as of March 31, 2019.

BNA operating revenues were \$122.1M FY19 YTD; \$6.4M above budget and \$11.4M over the prior year. The majority of the revenue comes from Signatory airlines being approximately \$824K above budget and \$4.9M over prior year. Parking revenue was \$4.2M above budget, and \$3.8M over the prior year. Concessions revenue was above budget by \$3.2M and \$3.8M over last year, which was mainly driven by in-terminal concession, ground transportation and rental car revenue all driven by passenger growth.

BNA operating expenses were \$63.9M FY19 YTD; \$9.8M below budget projections and \$4.7M over the prior year. \$3.6M of the budget variance was in Salaries & Benefits due to open budgeted positions that are still open and the increase in the budget for the salary and compensation study. The salary survey results were implemented in January 2019. Benefits as it relates to salaries are trending about 7% lower than budget. \$3.9M below budget in Contractual services, which is mainly driven by timing of various services. The variance is expected to be offset by additional legal and PCI

consulting services as well as the additional shuttle bus services. \$1M of the budget variance is in utilities specifically electricity due to a contract change, the demolition of the short term garage and Concourse D. The new garage is more energy efficient. FY19 Operating expenses were \$4.7M more than the prior year mainly in contractual services such as parking lot operations, shuttle bus services, and janitorial services because of growth. \$1.8M in personnel costs due to a 3% cost of living increase given last July and compensation study results implemented in January.

JWN operating revenues were \$667K FY19 YTD; \$36K above budget and \$15K more than the prior year. \$21K was fuel flowage fees due to a larger than expected increase and a hangar that is renting more per month than budgeted.

JWN operating expenses were \$395K FY19; \$90K below budget and \$137K below last year. Almost \$70K of that has been in contract services related to various projects that were delayed and planned to be completed later this year and about \$10K less in materials and supplies that have not been replenished.

MPC operating revenues were \$2.3M FY19 YTD; \$3K below budget and \$26K less than the last year. This was primarily due to a tenant defaulting on their lease last year. Two new tenants have been found for this space.

MPC operating expenses were \$994K FY19 YTD; \$307K below budget projections and \$57K less than the last year. Variance with budget is attributable to \$225K in contract services due to \$137K in the Multipurpose Building for planned improvements. \$24K in Janitorial services relating to vacant spaces that did not require cleaning. \$22K in Commissions and Tenant improvements because new leases have been structured with tenant being responsible for improvements. Another variance is materials and supplies that have not been needed yet but have been budgeted. Approximately \$50K in utilities because of the installation of new thermostats and timers last year to help control energy costs.

Business Diversity Development Report

Ms. Donzaleigh Powell, Director, of Business Diversity Development, presented a report on MWBE participation in March 2019. Professional Services aspirational goal was 12.44%, actual was 3.73%, Goods and Services aspirational goal was 6.49%, actual was 0.76%; Construction (non-federal) goal was 10.49%, actual was 14.52%; Construction Federal aspirational goal 9.28%, actual was 32.98%. The combined YTD MWBE total was 12%.

Ms. Powell stated on March 22, 2019 MNAA held its annual Business Taking Off event which was a huge success. There was record attendance of 371. BNA showcased its upcoming projects through presentations. BNA occupied the ballroom and foyer with vendor booths for large and small businesses as well as community partners. Ms. Powell shared a couple of photos of the Internal Advocate of the Year, Ms. Cathy Holland. She has consistently worked to find new small firms to utilize and has encouraged businesses to seek certification. BNA hosted a Japanese Cherry Blossom event in the terminal and Ms. Holland utilized one of the small firms, "Taste for Perfection" for refreshments.

Ms. Powell reported that she attended the Hispanic Chamber Business Leaders Roundtable in March. Ms. Powell participated on the Certification Panel along with TDOT, MDHA and SBA. The Mayor provided opening remarks and they had a great question and answer session on the different types of certification and were able to answer a lot of questions that came from the audience.

Turner Construction Company recently had their 50th Graduation from their six week Turner School of Construction Management Class. MNAA has been working with their new community and citizenship manager, Treyvon Keith regarding small business and workforce development and were asked to speak on the impact of some of these programs and the support that can be provided. Four of MNAA's current SMWBE firms were in this graduating class.

MNAA participated in the 2019 East Tennessee Business Growth Conference as a vendor held last week in Clinton, Tennessee which is located outside of Knoxville. They had a diversity and inclusion session, a panel discussion, and vendor expo.

MNAA participated in the quarterly luncheon of Cane Ridge Women in Construction. They hosted the 8th graders from Thurgood Marshall and the Antioch and Cambridge high school students. They had large contractors there to answer any questions the students had. A current concrete management student at MTSU scheduled to graduate this May spoke to the audience about travel, internships and job offers she has already received and encouraged those young ladies to seek those types of opportunities.

VII. Information Items

A. Economic Impact Study Update

President Kreulen gave an update on the Economic Impact Study. He presented a chart of preliminary results. He reported that MNAA hopes to have a final draft in April and ready for presentation to the FAP Committee and Board in May. There was a miscalculation on cargo, instead of 50K pounds of cargo it was actually 50 tons of cargo and there were some outstanding surveys to four or five different companies. President Kreulen stated he thinks MNAA will grow the jobs from 2012 at 37K to greater than 70K and economic impact to the community and middle Tennessee will be greater than \$7B. That will go a long way in future funding from the state.

B. Parking Rate Adjustment

President Kreulen reported that parking rates were discussed in the April FAP Committee meeting. He presented a chart of parking supply, demand and design forecast. Once Garage C is open with an additional 3,000 parking spaces next year, BNA will be on a great trajectory for the latest forecast received from AECOM and the new Master Plan. MNAA does not want to overbuild. MNAA will build Garage C, then Garage B and once Donelson Pike is straightened, MNAA will extend Lot A and B and will probably be set for a 15 year time period.

President Kreulen stated they also discussed with Commissioners the challenges with capacity with the 18% passenger increase since the last rate increase. Discussions included different models that had been analyzed and who was benchmarked to try to make some assessments to parking fees. Once the FAP Committee gave its feedback, staff went back and tweaked some numbers. BNA is trying to stay competitive with other off-site parking lots. The following represents the parking rate adjustment that will be implemented on May 6, 2019:

Lot	Daily Rate	Bands (up to daily max)
Terminal Garage	\$24	\$4 every 20 minutes
Terminal Lot A	\$18	\$4 every 20 minutes
Economy B	\$12	\$4 every 20 minutes
Economy C	\$12	\$4 every 20 minutes
Express	\$12	None
Valet	\$34	None

President Kreulen reported that the bottom floor of the new Garage C will be dedicated to Valet operations. There will be 500 Valet parking spaces, and a customer facility offering restrooms, water,

newspapers and magazines and hope in the future to check bags and deliver boarding passes. Tom Jurkovich and his team are working on the communications plan similar to what was used in the past and BNA received positive feedback. Once these implementations have been made, staff will come back to the Board on a monthly basis to report on how the price changes are affecting the parking.

C. Hotel Solicitation Update

President Kreulen then updated the Board on Hotel Solicitation efforts. Currently, BNA has an RFQ on the street, those submissions come in on May 2, 2019. In May Committee and Board meetings, staff will report on those submissions and then come back to Committee and Board in June with recommendations. BNA is looking for greater than 20% SMWBE participation. Chair Samuels stated he thought it would be a good idea to look at what other airports such as JFK, Miami and others have done with their P3 Plans. If the Board decides to go out with the RFP, staff will come back to the Board in November. March and May in 2020 will be the final Board decision on Garage B and the hotel.

Commissioner Freeman asked if BNA is sharing the record setting numbers it has been hitting with these potential vendors. President Kreulen stated that has been a request with hotel vendors, concessions, and anyone looking to do business with the airport. They are asking about the current numbers and current forecasts. These vendors are watching and keep coming back wanting current numbers and information.

D. BNA Marketing Update

President Kreulen made a commitment to the Commissioners and BNA Vision Committee to do a better job updating and communicating these ideals as they progress. The BNA Vision Committee gave their blessing to go ahead with the proposed marketing. Any time MNAA is working on branding and marketing and communications, it will be communicated clearly and timely with the Commissioners and BNA Vision Committee.

President Kreulen stated that BNA is still working on the application for the trademark of the stylized "B." MNNA is getting prepared to award a contract to update the website. As the work progresses on this initiative, staff will come back to the Commissioners to show them how it will transition from what it is today to the final product by Christmas. There are two planned updates to the Commissioners between now and Christmas on this item.

E. Strategic Planning Calendar

The Board of Commissioners were provided with a draft of the strategic planning calendar before the Board meeting. President Kreulen stated if there was any feedback to please let him know. A Board Retreat is planned in October on Board day. This is when the Commissioners will give the staff their direction for the next fiscal year. Staff will begin the planning cycle in October to bring the budget to the Board in April of next year.

F. Update on FY19 Accomplishments

President Kreulen presented a chart of accomplishments made in FY19 under three priorities – Invest, Plan and Prepare. There will be some other things added before the Fiscal Year ends on June 30 and stated he and the staff were proud of what has been accomplished so far and there will be another update in June.

G. Update on FY20 Goals

President Kreulen presented a chart of FY20 Organizational Goals under the three priority themes – Invest in BNA/JWN, Plan for the Future, and Prepare for the Unexpected. The Senior Staff and Executive Staff came up with the objectives. These goals will be given to the staff. The staff will come up with their own objectives to turn these items into reality.

Commissioner Freeman requested an executive session of the Management Committee for the purpose of privileged communications with legal counsel Zan Blue. Commissioner Farnsworth seconded the motion. The motion carried by vote of 10-0. Commissioner Farnsworth excused herself from the meeting. Chair Samuels began the executive session at 2:00 p.m. Chair Samuels reopened the meeting to the public at 3:05 p.m. Vice Chair Harwell made a motion that Zan Blue be given authority to pursue mediation, seconded by Commissioner Granbery. The motion carried by vote of 9 to 0.

VIII. Adjourn

There being no further business brought before the Board, Chair Samuels adjourned the meeting at 3:06 p.m.



Amanda C. Farnsworth, Board Secretary