

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



Date: May 22, 2019

Place: Nashville International Airport

Time: 1:00 p.m.

Board Members Present:

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

Board Members Absent:

Bobby Joslin

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 1:01 p.m., pursuant to the Public Notice dated May 17, 2019.

II. Approval of Minutes

Upon motion made by Commissioner Granbery and seconded by Vice-Chair Harwell, the Board voted to approve the Minutes of the April 17, 2019 Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors. The motion carried by a vote of 9 to 0.

III. Chair's Report

Chair Samuels thanked the employees of the airport for all they do. BNA had a record breaking day and the employees should be applauded for their work and understand they are creating a legacy effect on Nashville and beyond for generations to come.

At that time, Chair Samuels turned the meeting over to Commissioner Farnsworth.

Commissioner Farnsworth recognized guest speaker, Jim Gingrich, COO of AllianceBernstein (AB) and gave a background of his career accomplishments and education. Mr. Gingrich reported AB is a global

asset management firm providing investment management and research services worldwide to institutional, high-net-worth and retail investors. AB recently moved their headquarters to Nashville from New York City. Mr. Gingrich spoke about the decision to move the company to Nashville. There were three things that stood out about Nashville. The first was the quantitative things such as fiscal policies of the city and state, business friendliness, economy, universities, affordability of the city, creativity and culture, infrastructure and air service. Secondly, the people in Nashville are very friendly and Nashville is a very welcoming place. Mr. Gingrich feels there is a level of spirit here to collaborate and cooperate to always keep moving the city forward. The third thing was a vibrant downtown which is where AB chose to locate.

Mayor's Representative, Jamari Brown asked Mr. Gingrich to speak on the company's dedication to diversity. Mr. Gingrich stated that AB wants to be able to access and attract talent from around the globe and diversity can be measured in many ways. It's about making people feel that they can succeed.

Chair Samuels stated that he understood one of the contributing factors in coming to Nashville was the direct flight to London. Mr. Gingrich stated having the direct London flight was good because they have an office in London. He stated his next wish would be a direct flight to Tokyo.

The Board members thanked Mr. Gingrich for his presentation.

IV. President's Report

President Kreulen recognized the staff for their work on the record breaking day of May 5, 2019. 29,731 passengers were screened. President Kreulen thanked Mr. Steve Wood, Federal Security Director, and his team for everything they do. President Kreulen reported BNA Vision is focused on this growth.

BNA had a memorial service during National Police Week recognizing one of MNAA's officers that passed away in retirement, one that passed away during active duty, and a couple of K-9 officers that passed due to health reasons. President Kreulen stated Chief Griswold and his team did a great job during the memorial service.

Mr. Robert Ramsey, VP and Chief Operating Officer, and the operations and maintenance teams did a great job working with the city for an e-cycling day. Over 16K pounds were received, about 3K pounds more than last year.

President Kreulen recognized Tom Jurkovich, VP, Communications and Public Affairs, Shannon Sumrall, AVP, Communications, Marketing and Customer Experience, and Jared Porter, Manager, Corporate Communications. They won six awards recently for their public communication skills. Those awards included Media Relations/News Conferences Category for British Airways' inaugural flight, Annual Report Category for BNA's Annual Report, Video Program for Terminal Garage sustainability, Public Relations Campaigns Category for BNA Vision, Communications Category for BNA Vision, and Special Events Category for British Airways' inaugural flight. President Kreulen stated they had done a great job and congratulated them.

President Kreulen congratulated the employees of the quarter in each department, Sargent Marc Christian for Public Safety, Rachel Moore of the Facilities Maintenance Department and Terry Steele, Accountant for the Finance Department. President Kreulen stated employees and supervisors nominate outstanding performers they work with on a day-to-day basis, not only within their own departments.

The NFL Draft was celebrated downtown, but the airport was the first stop for many. President Kreulen reported that the Titans Cheerleaders were on hand to greet visitors and a couple of MNAA's K-9s were on duty downtown to provide security assistance.

President Kreulen then reported on total passengers and stated BNA is projected to hit 15% this year over last year. In April 2019, passengers were up 14.7% over April 2018.

Concessions sales are growing in April along with passenger traffic. President Kreulen stated it was amazing how many people are here later at night and it is showing in concessions sales.

President Kreulen presented a chart of Fraport revenue and the amount Fraport is paying BNA each month for the minimum annual guarantee. Sales are rising. He stated as construction starts as we move forward, sales will probably go down a bit while switching out businesses. This issue will be addressed at future Committee meetings as things progress.

Rental car sales are up for March 2019 by 10% over March 2018 and 9.3% for FY19. This will be addressed later in the meeting by Ms. Margaret Martin when she presents an information item regarding rental car reallocation of space.

V. Items for Approval:

A. Approval of Construction Contract for Terminal Apron Stormwater Pipe Repairs (Phase 5 of 8)

Staff provided the Board a staff analysis for the Construction Contract for Terminal Apron Stormwater Pipe Repairs (Phase 5 of 8) prior to the meeting.

Staff requested that the Board of Commissioners accept the Bid Schedule 2 by Blakley Construction Services, LLC (Blakley) for the Terminal Apron Stormwater Pipe Repairs project at Nashville International Airport (BNA) and authorize the Chair and President & CEO to execute the construction contract.

Ms. Traci Holton, AVP, Chief Engineer, briefed the Board on this item. This item is for cured-in-place pipe lining (CIPP) for approximately 1,000 linear feet of apron stormwater pipe that is used in the collection of stormwater containing deicing fluid. Ms. Holton reported work is being done on the stormwater infrastructure and presented a picture showing where work has been completed, where work is currently being done and where future work will need to be completed. An invitation to bid (ITB) on the project was advertised in late March. On April 22, 2019 two bids were received. One from Blakley and one from Kiewit. Blakley was the lowest bid. The bid included two bid schedules. Schedule 1 was for approximately 500 linear feet of CIPP which was about half of the project. Schedule 2 included additional CIPP work for a total of 1,000 linear feet. The SMWBE goal established for the project was 5.39% MBE and 7.83% WBE. Blakley was able to obtain 5.39% MBE and 7.85% WBE for Bid Schedule 2. Blakley's SMWBE subcontractors include Archangel Protective Services, Jen-Hill Construction Materials and Jerry B Young. Blakley's bid was approximately 1.5% less than the Engineer of Record, AECOM's estimate. MNAA staff evaluated the bids and determined the bid from Blakley to be responsive and responsible and recommend award to Blakley for \$2.1M for the scope of work.

Committee Review:

Commissioner Freeman reported this item was presented to the General Aviation/Operations/Planning/Engineering Committee on May 15, 2019. The GAOPE Committee voted 3 to 0 to recommend approval to the Board of Commissioners.

Chairman Samuels took Commissioner Freeman's statement as a motion and Commissioner Doerge seconded the motion to accept the Bid Schedule 2 by Blakley Construction Services, LLC (Blakley) for the Terminal Apron Stormwater Pipe Repairs project at Nashville International Airport (BNA) and to authorize the Chair and President & CEO to execute the construction contract. The motion carried by vote of 9 to 0.

B. Approval of Construction Contract to Rehabilitate T4, Lima & Juliet (T4 to T5)

Staff provided the Board a staff analysis for the Construction Contract to Rehabilitate Taxiways T4, Lima & Juliet, (T-4 to T-5) prior to the meeting.

Staff requested that the Board of Commissioners accept the bid by Eutaw Construction Company, Inc. (Eutaw), for the Rehabilitation of Taxiways T4, L and J (T4 to T5) project at Nashville International Airport (BNA) and to authorize the Chair and President & CEO to execute the construction contract.

Ms. Holton briefed the Board on this item. The project consists of an asphalt mill and overlay of Taxiway T4 between the terminal apron and Taxiway Lima, and Taxiways Lima and Juliet between Taxiways T4 and T5. An ITB was advertised on March 25, 2019. One bid was received on April 24, 2019 from Eutaw Construction Company, Inc. (Eutaw). The SMWBE goal established for the project was to obtain 8.90% MBE and/or WBE. Eutaw was able to obtain 9.01% MBE participation slightly exceeding the goal. Eutaw's SMWBE subcontractors include Jerry B. Young Construction and Archangel Protective Services.

Eutaw's Bid was 12% higher than the Engineer of Record, CMT's estimate at \$1.2M. It is a 22 day contract and staff recommended award to Eutaw. Despite the one bid, Eutaw has an adjacent project. They are already mobilized in the area which lends itself to not having many bidders.

Committee Review:

Commissioner Freeman reported this item was presented to the General Aviation/Operations/Planning/Engineering Committee on May 15, 2019. The GAOPE Committee voted 3 to 0 to recommend approval to the Board of Commissioners.

Chairman Samuels took Commissioner Freeman's statement as a motion and Commissioner Doerge seconded the motion to accept the bid by Eutaw Construction Company, Inc (Eutaw), for the Rehabilitation of Taxiways T4, L and J (T4 to T5) project at Nashville International Airport (BNA) and to authorize the Chair and President & CEO to execute the construction contract.

Commissioner Granbery inquired as to why the bid was so much higher than what was expected. Ms. Holton stated this was not an attractive project, so it was no surprise an adjacent contractor went for it. There are only two firms in town that can provide the asphalt, those are Jones Brothers and Vulcan. Vulcan is providing the asphalt on this project for Eutaw and Jones Brothers is milling the project for Eutaw. The motion carried by vote of 9 to 0.

C. Approval of Contract for On Call Field and Laboratory Testing Services

Staff provided the Board a staff analysis for the Contract for On Call Field and Laboratory Testing Services prior to the meeting.

Staff requested that the Board of Commissioners accept the proposals by Terracon Consultants, Inc. (Terracon), TTL Inc. (TTL) and ECS Southeast (ECS) for the On Call Field and Laboratory Testing Services Contract at Nashville International Airport (BNA) and John C. Tune Airport (JWN) and authorize the Chair and President & CEO to execute contracts to Terracon, TTL and ECS.

Ms. Holton briefed the Board on this item. To ensure the contractors are meeting the minimum specification requirements, MNAAB Design & Engineering utilizes on call field and laboratory testing firms to support quality assurance efforts for construction projects. There are currently two existing contracts that expire in July. A request for proposals was advertised in late February 2019. The proposals were evaluated on mandatory requirements, experience & qualifications, SMWBE/DBE participation, as well as unit prices for specific items. The selection committee determined Terracon, TTL and ECS Southeast to be the highest rated proposers. All three firms committed to meet or exceed SMWBE and DBE goals set for the project. Staff recommends approval of three contracts, not to exceed \$750K per year, per contract, with four 1 year renewals for each of the three companies. The cost for each of these are built into each project budget.

Committee Review:

Commissioner Freeman reported this item was presented to the General Aviation/Operations/Planning/Engineering Committee on May 15, 2019. The GAOPE Committee voted 3 to 0 to recommend approval to the Board of Commissioners.

Chairman Samuels took Commissioner Freeman's statement as a motion and Commissioner Doerge seconded the motion to accept the proposals by Terracon, TTL and ECS for the On Call Field and Laboratory Testing Services Contract at Nashville International Airport (BNA) and John C. Tune Airport (JWN) and to authorize the Chair and President & CEO to execute contracts to Terracon, TTL and ECS. The motion carried by vote of 9 to 0.

D. Approval of Allegiant Signatory Use and Lease Agreement

Staff provided the Board a staff analysis for the Allegiant Signatory Use and Lease Agreement prior to the meeting.

Staff requested that the Board of Commissioners approve a Signatory Airline Use and Lease Agreement with Allegiant Air at Nashville International Airport (BNA) and authorize the Chair and President and CEO to execute a Signatory Airline Use and Lease Agreement with Allegiant Air.

Ms. Margaret Martin, VP, Commercial Development, briefed the Board on this item. Allegiant began operation at BNA in June 2018 with fourteen weekly departures. In June 2019, they will have twenty-nine weekly departures. Allegiant is requesting the change from non-signatory status to signatory status. The key difference is non-signatory is a per use, month-to-month agreement and the airline can leave at any time. A signatory airline is committed to be at the airport the remainder of the term of the signatory agreement. The current signatory agreement expires June 30, 2022. Upon the effective date of this agreement, June 1, 2019, Allegiant would be a signatory airline for the remainder of that agreement. This provides preferential space and some exclusive use space, as well as some shared space at baggage claim level.

Committee Review:

Commissioner Smith reported this item was presented to the Finance/Administration/Properties Committee on May 15, 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 a Signatory Airline Use and Lease Agreement with Allegiant Air at BNA and to authorize the Chair and President and CEO to execute a Signatory Airline Use and Lease Agreement with Allegiant Air. The motion carried by vote of 9 to 0.

E. Approval of Concourse D & Terminal Wings CGMP 6 of 7 (Finishes and Fire Alarms)

Staff provided the Board a staff analysis for Concourse D & Terminal Wings CGMP 6 of 7 (Finishes and Fire Alarms) prior to the meeting.

Staff requested that the Board of Commissioners authorize the Chair and President & CEO to execute the proposed Amendment 5 for Component Guaranteed Maximum Price (CGMP) #6 for the Concourse D & Terminal Wings project at Nashville International Airport Progressive Design-Build contract with Hensel Phelps (HP).

Ms. Holton briefed the Board on this item. The scope of this CGMP includes apron concrete, fire alarm, additional design services, general requirements and partial trade contracts related to finishes and other associated building work. There are no changes to the contract schedule. HP remains committed to meeting or exceeding the SMWBE goal.

Committee Review:

Commissioner Sullivan reported this item was presented to the BNA Vision Committee on May 15, 2019. The BNA Vision Committee voted 3 to 0 to recommend approval to the Board of Commissioners.

Chairman Samuels took Commissioner Sullivan's statement as a motion and Commissioner Freeman seconded the motion to authorize the Chair and President & CEO to execute the proposed Amendment 5 for Component Guaranteed Maximum Price (CGMP) #6 for the Concourse D & Terminal Wings project at Nashville International Airport Progressive Design-Build contract with Hensel Phelps (HP). This motion carried by vote of 9 to 0.

F. Approval of Mediation Representatives

Trey Harwell, Vice Chair of the Management Committee briefed the Board on this item. Vice Chair Harwell reported the Management Committee met on May 15, 2019 and the Committee approved Commissioner Freeman to act as the MNAA Board Representative for the mediation in the Wigington litigation and President Kreulen to act as MNAA corporate representative in this mediation.

Chairman Samuels took Vice Chair Harwell's statement as a motion and Commissioner Farnsworth seconded the motion to approve Commissioner Freeman to act as the MNAA Board Representative for the mediation in the Wigington litigation and President Kreulen to act as MNAA corporate representative in this mediation. The motion carried by vote of 9 to 0.

VI. Staff Reports

A. Operations Report

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

Mr. Ramsey reported that parking revenue was down for the month of April approximately 3.5% over April 2018 due to the number of spaces in Long Term A being depleted due to construction impacts. Starting in April and continuing through the summer that lot is usually at full capacity. The rate

adjustment went into effect this month. FY19 YTD was up 4.4%. Air cargo tonnage was up 18% in April 2019 over April 2018 and FY19 YTD is up approximately 7%.

BNA fuel sales for April were relatively flat increasing only 1.3% over April 2018. FY19 YTD was down slightly by approximately 0.7%. John C. Tune fuel sales were up 25% in April, and FY19 YTD was up 20%. John C. Tune is a much busier place than last year with fuel sales of 170K gallons FY19 YTD.

Mr. Ramsey presented each member of the Board with a book containing BNA Vision monthly updates for their reference. He also presented a slide regarding the Vision Program Budget Summary as of April 2019, including the original budget, current budget and an estimate at completion. As the projects are being worked on, the budgets vary. Two years ago the original budget was a concept. Design started a little over a year ago and there have been a few changes and refinements along with a change in the market conditions. On the Concourse D and Terminal Wings project, the contingency has been used. The Ground Transportation project had approximately \$10M in savings that will largely go to offset Garage C and the Administrative Building that is currently showing a budget variance overage of approximately \$8M. There is still approximately \$1.4M in the budget for the Vision Enabling Projects and staff expects to yield savings of approximately \$4M. This money will be used to offset other remaining Vision projects. The Vision program estimate at completion remains at \$1.2B.

Mr. Ramsey went on to present a slide with information regarding the Vision Program Schedule. Concourse D is still on track to open the additional 6 gates in July 2020. Terminal Wings has slipped from July 2020 to December 2020. Garage C (floors 1-4) was projected to have a contract completion date of February 2020 but the contractors have encountered much more rock than anticipated, pushing out the projected completion date to April 2020. The remaining floors in Garage C (5 & 6) along with the administrative building have been pushed back to a contract completion date of November 2020, although Messer is trying to improve that schedule. The Terminal Lobby/IAF and Garage B/Hotel projects are still tracking for completion in September 2023. Terminal Roadway Improvements are projected to be completed in November 2024. However, that date could easily shift because the airport will be working closely with TDOT on that project and are very early in discussions in coordinating construction details.

Commissioner Granbery inquired as to the stormwater harvesting being done in one of the projects and asked if those tanks were in place. Mr. Ramsey stated that project was located in Garage C and had been sized to encapsulate Garage C and Garage B. It is a very large structure and is built around

the foundations for the columns. Commissioner Farnsworth asked if the Board could see a picture of that. Mr. Ramsey stated staff will add pictures to the slides for the next update. Commissioner Farnsworth stated she was sure other projects would get pushed out as well but the staff has done an excellent job at getting the terminal wings in by December 2020.

B. Financial Report

Ms. Marge Basrai, VP, Chief Financial Officer, gave an update on financials as of April 30, 2019.

BNA operating revenues were \$136.4M FY19 YTD; \$7.3M above budget and \$12.7M over the prior year. Signatory airline revenue is approximately \$1M above budget and \$5.4M over prior year. Landing fees keep going up due to the growth BNA has experienced. Terminal rents are higher this year due to the baggage handling project airlines are paying for this year.

Parking revenue was \$4.1M above budget, and \$1.8M over the prior year. The parking revenue budget was conservative due to construction. Concessions revenue (meaning in-terminal concessions and rental car revenue) was above budget by \$3.6M and \$4.2M over last year, driven by passenger growth.

BNA operating expenses were \$71.6M FY19 YTD; \$9.9M below budget and \$5.1M over the prior year. \$3.8M 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 which was budgeted for the full year although it was implemented in January 2019. Contractual Services were \$3.9M below budget, mainly driven by timing of services such as shuttle buses, legal, PCI consulting services and maintenance. There are contingencies built into the budget that have not been spent. The variance is expected to be offset by year end but probably not all of it. Utilities were \$1.1M under budget due to a contract change and the demolition of the short term garage and Concourse D. The new garage is more energy efficient. FY19 operating expenses were \$5.1M more than the prior year. Salaries & Benefits were \$2.4M over prior year due to a 3% cost of living increase given last year and compensation study adjustments implemented in January. Contractual services were \$2.5M over prior year due to BNA's growth for parking lot operations, shuttle bus services, janitorial services and security services.

JWN operating revenues through April 30, 2019 were \$744K FY19 YTD; \$44K above budget and \$21K more than the prior year. \$23K was fuel flowage fees due to a larger than expected increase and a

hangar that is renting more per month than budgeted. There were also new T hangars that were leased.

JWN operating expenses were \$447K FY19; \$88K below budget and \$125K below last year. Almost \$58K of that was in contract services related to projects that were delayed but planned to be completed by the end of the year. Approximately \$22K was in material and supplies and travel that has not been spent yet.

MPC operating revenues were \$2.6M FY19 YTD; \$19K above budget and \$3K above the last year. In previous months revenue had been trending under budget due to a tenant that had defaulted on their lease. That has now been made up by two new leases as well as normal rent increases.

MPC operating expenses were \$1.1M FY19 YTD; \$358K below budget and \$100K less than the last year. Variance with budget were attributable to \$270K in contract services such as maintenance and repairs, \$78K for elevator repair, security services and janitorial services that were not needed. \$161K was budgeted for planned improvements in the Multipurpose building but that is not going to happen this year. Additional scope needs to be added to the project so it will be pushed to a future year. There were approximately \$64K in utilities savings because of the installation of new thermostats and timers last year to help control energy costs.

C. Workforce Development Report

Ms. Karisse Spray, AVP, Human Resources (HR), briefed the Board on this item. Twenty-two new employees have been hired since January 2019 which brings the number of new employees to forty-nine, FY19 YTD. Eleven positions are currently advertised although there are forty-eight open positions that were in the talent acquisition process. That includes two new positions for HR. One is a director level position for succession planning purposes and the other is to help with talent acquisition.

Ms. Spray presented a slide to inform the Board of the talent outreach HR has participated in. BNA took part in the Nashville Area Career Fair held at Titans Stadium. Delphia Murphy from Public Safety and Eddie Ray from the Maintenance Department were on hand to talk to candidates and explain what it is like to work at the airport. Two officers went with HR to Nashville State Community College. They spoke to a class of criminal justice majors and one of the students from that class was hired for a traffic enforcement officer position.

Chair Samuels stated he thought HR had done a great job of bringing on new talent and inquired as to how these new employees affect the affirmative action plan in place. Ms. Spray replied that her department will give the update for the EEO in June. Ms. Spray stated her department is always conscious of making sure the airport is being reflective of the Nashville Metropolitan Statistical Area and when the information comes to the Board next month, everyone should be pleased with the progress made.

D. Business Diversity Development Report

Ms. Donzaleigh Powell, Director, Business Diversity Development, presented a report on MWBE participation in April 2019. Professional Services aspirational goal was 12.44%, actual was 8.98%, Goods and Services aspirational goal was 6.49%, actual was 0.70%; Construction (non-federal) goal was 10.49%, actual was 35.49%; Construction Federal aspirational goal 9.28%, actual was 31.3%. The combined YTD MWBE total was 12.9%.

Ms. Powell stated on April 15, 2019 BNA attended the Bordeaux Business Coalition collaboration meeting where economic opportunities and impacts of BNA's projects were discussed. There were approximately forty attendees with most being small businesses interested in participating with BNA's growth. President Kreulen provided a wonderful presentation that was very detailed and explained BNA Vision and future projects. There were questions regarding current practices for contract compliance with workforce development which BNA was able to answer.

Ms. Powell reported BNA was invited to attend a small meet and greet with one of its SMWBE firms, Jerry B Young Construction, Inc. They were the recipient of BNA's annual small business award at the Business Taking Off event back in March. The meet and greet provided the opportunity to learn more about some of their ongoing and new services, and gave BNA staff a chance to tour their facility located in Lebanon.

Hensel Phelps held a SMWBE Vision Outreach event for Project 3 which BNA participated in. In addition to this outreach, they will also host a smaller event after the bid is put out to make sure they are available to answer any questions from small businesses and help them with the process. There were one hundred fifteen RSVPs.

VII. Information Items

A. Hangar 14 Development – Long Term

President Kreulen reported that Margaret Martin's team is still working on the long term development of Hangar 14. The short term ITB went out and that space is currently being rented to Jet Linx. Long Term Notice of Availability went out and three proposals were received. Sky Harbour looks to be the most favorable as they want to develop the entire site, including pavement and thirteen large corporate hangars built in that area. Staff is in the process of negotiation with Sky Harbour and will update the Committee in August.

B. Fraport Transition Update

President Kreulen reported Fraport has had some successes since they took over the contract in February 2019. They have developed some processes with MNAA, launched the Centralized Receiving and Distribution Center, and initiated a street pricing audit. They have also had a few challenges with the transition. A lot of those issues had to do with MNAA making design changes as development of the new concourses and the new central hall continues. Commercial Development and Fraport have improved communications. There is a one to five month delay but there is another meeting with staff and Fraport coming up in May. Staff will come back to the Committee and Board in June with an update. Exhibit G is the key document that has to be solidified and tenants will sign leases off that document and then the schedule goes forward.

Chair Samuels requested staff lay out a timeline for future vendors that want to do business in the airport such as review of design, signing the lease and steps going forward. President Kreulen stated the vendors will be provided with a checklist to guide them through the process.

C. CONRAC Update

President Kreulen reported that CONRAC is overall up 10% with Enterprise Holdings growing greater than 10%. This growth has driven a space re-allocation. The maintenance contract for the rental car facility was about to expire so MNAA staff conducted a competitive solicitation with MVI becoming the selected vendor. The rental car companies pay for the facility operator, and MNAA just assisted with the procurement process.

D. Air Service Development Update

President Kreulen stated InterVISTAS is MNAA's air service development consultant. They are currently working on three documents the Board has requested, a domestic air service plan, a European air service plan and an Asian air service plan. This will be a five year strategic plan. BNA is

hosting ACI Jumpstart on June 3-5. There are twenty-nine airlines coming in to meet with one hundred ninety-six airports. MNAA has multiple meetings with airlines that it wants to talk to and meetings with airlines that want to talk to MNAA. There is a reception hosted by BNA on Tuesday, June 4th. Board members should have received an invitation to come out and enjoy the evening.

E. Quarterly Retirement/OPEB Investment Report

Staff provided the Board a staff analysis for the Quarterly Retirement/OPEB Investment Report prior to the meeting.

President Kreulen started by thanking Ms. Basrai, Ms. Sepik and Ms. Deuben for their work. MNAA's retirement plan is 99% funded. Other post-employment benefits (OPEB) is 70.1% funded and MNAA continues to invest in that area.

F. Quarterly Treasury Investment Report

Staff provided the Board a staff analysis for the Quarterly Treasury Investment Report prior to the meeting.

President Kreulen reported 93.8% of funds are invested as of March 31, 2019. Quarterly return was \$1.5M in the third quarter versus 3Q18 earnings of \$780K. Cash in Demand Deposit Accounts continues to go down with more money being invested. Nine bank accounts were closed 3Q19. President Kreulen thanked the commissioners for the motivation to hire someone with experience to invest these funds.

G. Economic Impact Study Update

President Kreulen reported that the Economic Impact Study is in the process of being finalized. In June 2019 staff will come back to the Board with a finalized published report. President Kreulen stated that the airport had a \$7B impact on the local economy and 67K jobs, and that is a great thing for the State of Tennessee.

H. Hotel RFQ Initial Review and Next Steps

President Kreulen stated the Board approved issuance of the RFQ in December 2018. Five submissions have been received. Staff is currently evaluating those proposals and will come back to the Commissioners in June with a list of the top three and will ask permission to approve an RFP and

will discuss the issue of a stipend to encourage those firms to continue to work with BNA. President Kreulen presented the future hotel schedule, if the Board decides to proceed with that project.

I. Results of Employee and Passenger Survey

The results of the Employee Survey are good. MNAA was up slightly with an overall rating of 3.9 and an eight point jump on the number of employees willing to promote the airport as a good place to work. President Kreulen stated the numbers for 2019 were at or above the numbers for 2018. Staff is working on the bottom performing areas such as staffing, retention and better communications between departments.

President Kreulen went on to report Passenger Survey results. Passengers are rating BNA at 94% overall satisfaction. The number of people likely to promote BNA has risen from 60% in 2018 to 68% in 2019. MNAA's goal is to continue to work on these items.

J. AMAC and ACI Registration

President Kreulen presented two conferences the Commissioners might be interested in attending. AMAC 2019 Airport Diversity Conference is being held in Los Angeles in August. ACI's Annual Conference & Exhibition is in September 2019 in Tampa. President Kreulen encouraged all Board members interested in either or both conferences to attend.

VIII. Adjourn

There being no further business brought before the Board, Chair Samuels adjourned the meeting at 2:11 p.m.


Amanda C. Farnsworth, Board Secretary