

Minutes of the MNA Management Committee



Date: August 14, 2019 Nashville, Tennessee

Time: 10:30 a.m.

Committee Members Present: A. Dexter Samuels, Board Chair; Trey Harwell, Board Vice Chair; and John Doerge

Committee Members Absent: Amanda Farnsworth, Board Secretary; and Bill Freeman

Others Present: Mayor's Representative Jamari Brown; Douglas E. Kreulen; Cindy Barnett; Lisa Lankford; and Angela Edwards

I. Call to Order

Chair Samuels called the meeting of the Metropolitan Nashville Airport Authority Management Committee to order at 10:45 a.m. pursuant to Public Notice dated August 9, 2019.

II. Approval of Minutes

Chair Samuels called for a motion for approval of the July 10, 2019 Management Committee meeting minutes. A motion was made by Commissioner Doerge and seconded by Vice Chair Harwell. The motion carried by vote of 3 to 0.

III. Chair's Report

Chair Samuels had no Chair's Report.

IV. Items for Approval

A. Severance Agreements – MNA Resolution No. 2019-09

President Kreulen briefed the Committee on this item. Staff requested that the MNA Management Committee recommend to the Board of Commissioners that it authorize the Chair and President & CEO to execute the proposed MNA Resolution No. 2019-09 memorializing the Board of Commissioner's

previous vote to require all severance agreements executed by MNAA to be approved by the Management Committee.

Staff provided the Management Committee a copy of MNAA Resolution No. 2019-09 prior to the meeting.

This approval item memorializes the action taken by the Board of Commissioners in its August 2017 meeting in which the Board of Commissioners voted to have all severance agreements approved by the Management Committee. This approval was reflected in the Minutes of that meeting; however, a Resolution was not signed at that time.

After questions and discussions by the members of the Management Committee, a motion was made by Vice Chair Harwell and seconded by Commissioner Doerge to recommend approval to the Board of Commissioners that it authorize the Chair and President & CEO to execute the proposed MNAA Resolution No. 2019-09 memorializing the Board of Commissioner's previous vote to require all severance agreements executed by MNAA to be approved by the Management Committee.

VI. Information Items

A. Personnel Matter

President Kreulen stated he wanted to be sure he was on the same page as the Management Committee regarding the classification of a contract agreement versus a severance agreement as discussed earlier in the meeting. The Management Committee members in attendance concurred.

B. CEO Evaluation/Compensation/Contract

President Kreulen presented the Board members in attendance a new CEO Evaluation Notebook with new information since the previous CEO Evaluation Notebook had been distributed. Chair Samuels stated that he would like to have a special Management Committee meeting in order to move forward with the CEO's Evaluation, possibly after the August Board meeting but before the September Committee meetings on September 11. Ms. Barnett stated the Management Committee could begin conversations before the Board meeting on August 28 at 11:00 a.m. Chair Samuels asked that the necessary information be sent to the Management Committee as early as possible to begin the evaluations.

President Kreulen stated October 16, 2019 is the Board Meeting/Retreat which will begin at 9:00 a.m. and will be held at the Nelson Andrews Leadership Center. This meeting will be open to the public as all

Board meetings are and will be publicly noticed at such date, time and place. He then provided a proposed Agenda for that meeting to the Board members in attendance. President Kreulen stated the Board meeting will begin at 9:00 a.m. until adjourned. After adjournment, the Board members will begin their annual business conduct and ethics training, followed by conflict of interest training, any discussion the Board members would like to have regarding the Bylaws, then go into a working lunch. The staff will then join in and assist in discussions regarding long term growth and forecast, master plan, financial strength and bonding, future air service developments, and possibly a discussion on state and federal lobbying efforts. The meeting should adjourn by 3:00 p.m. Any suggestions or changes to the agenda are welcome.

President Kreulen then presented an updated organizational chart and went through the different job classifications and discussed all changes and/or updates that have been made since the last organizational chart was distributed. The job description and resume of the Chief Administrative Officer, Gale LaRoche, was also presented for the Board members' review. Ms. LaRoche is joining the MNAA team in September.

Chair Samuels inquired as to where the compliance oversight would fall in the updated chart as well as enterprise risk management. President Kreulen stated the enterprise risk management would be under Ed McDonald, AVP, Risk Management. Mr. McDonald is ready and willing to take this task on but President Kreulen stated the immediate focus needs to be on insurance, brokerage services and claims at this time.

Vice Chair Harwell stated the Chief Compliance Officer should be under General Counsel's job title. President Kreulen asked Vice Chair Harwell if the role of Chief Compliance Officer had been adequately addressed in the job description for General Counsel. Vice Chair Harwell stated he would have to review the job description. President Kreulen asked if the job title should be General Counsel and Chief Compliance Officer and Vice Chair Harwell replied yes. President Kreulen stated he would go back and update the General Counsel's job title to include Chief Compliance Officer and include enterprise risk management on the organizational chart.

Commissioner Doerge asked if the Vice President titles were needed or if that was an industry standard. President Kreulen stated the titles were used as a benchmark to promote worthy individuals in terms of salary. In terms of succession planning, this allows opportunities as Vice Presidents become Senior Vice Presidents, to move the AVPs up to VPs as warranted.

President Kreulen distributed a compensation study prepared by Korn Ferry for the Greenburg/Spartanburg airport as a reference/informational item to give the Board an idea of what is being done in peer airports to evaluate the CEO. In the past, the Board has not had a formal process for evaluating the CEO. President Kreulen stated he had been in conversations with Chair Samuels and some of the other Commissioners regarding a uniform standard of evaluation for the CEO. President Kreulen told the Management Committee he could reach out to Korn Ferry to conduct a compensation study or employ other firms to help develop the metrics for evaluation of the CEO. Chair Samuels stated it is important to have a set standard of evaluation of compensation and metrics for performance management and to look at what other airports are doing to evaluate the CEO.


President Kreulen stated he would be glad to do whatever the Management Committee deems appropriate whether it be employing Korn Ferry or keep working internally to develop a standard of evaluation.

Chair Samuels asked for any thoughts or comments. Commissioner Doerge stated his employer uses Korn Ferry and has had great success with that company. President Kreulen stated he could reach out to Korn Ferry if the Management Committee wanted him to do that. Vice Chair Harwell stated he thought it was a good idea in light of the growth, enplanements, and added responsibilities.

President Kreulen then provided the debt service analysis to the Board members in attendance. This will be discussed at the Board Retreat in October. It covers the airport's financial strength, what the needs are, and what the costs will be. Financial advisors will attend the Board Retreat to discuss strategies for financing future development.

VII. Adjourn

There being no further business brought before the Management Committee, Chair Samuels thanked the Commissioners for their participation and adjourned the meeting at 11:20 a.m.



Amanda Farnsworth, Board Secretary