

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



Date: August 28, 2019

Place: Nashville International Airport

Time: 1:00 p.m.

Board Members Present:

A. Dexter Samuels, Chair; Amanda Farnsworth, Secretary; John Doerge, Bill Freeman, Nancy Sullivan, Jimmy Granbery, Bobby Joslin and Christy Smith

Board Members Absent:

Trey Harwell, Vice Chair; Mayor's Representative Jamari Brown

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 August 23, 2019.

II. Approval of Minutes

Upon motion made by Commissioner Granbery and seconded by Commissioner Doerge, the Board voted to approve the Minutes of the June 26, 2019 Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors. The motion carried by vote of 8 to 0.

Upon motion made by Commissioner Joslin and seconded by Commissioner Sullivan, the Board voted to approve the Minutes of the June 12, 2019 Joint Meeting of the MNAA GAOPE and MPC Engineering and Planning Committees. The motion carried by vote of 8 to 0.

Upon motion made by Commissioner Farnsworth and seconded by Commissioner Freeman, the Board voted to approve the Minutes of the July 10, 2019 Joint Meeting of the MNAA and MPC FAP Committees. The motion carried by vote of 8 to 0.

III. Chair's Report

Chair Samuels spoke to the Board about a personal and heartwarming experience with Columbia/HCA years ago and thanked Mr. Hazen and HCA for keeping the same values today. Commissioner Farnsworth introduced guest speaker, Sam Hazen, CEO of Healthcare Corporations of America (HCA) and gave a brief biography of Mr. Hazen and his history with HCA. Mr. Hazen spoke about the similar struggles HCA and BNA face such as infrastructure, construction, capital and improvements in technology. He stated HCA's employees use BNA quite a bit with approximately 90K flights through BNA last year. HCA continues to grow in Nashville with approximately 25K employees in Nashville. 10K-15K are in the corporate and support areas while others are in hospitals.

Mr. Hazen reported that HCA is in forty-three markets across the country. In the last five to seven years, Nashville has been in the top three or four as far as growth and population. He commended BNA on its great work.

IV. President's Report

President Kreulen welcomed new employees Linda Macey, AVP, Revenue Development and Director of Planning and Analysis in Data, John Luis. He then recognized 2019 RISE Recipients, Dalton Engstrom, Sergeant, DPS, and Janet McReynolds, Manager, Payroll. The RISE Recipients were each presented a \$1K check for their achievement.

President Kreulen then recognized BNA Employees of the Quarter. Those employees included Greg Patterson in Public Safety, Bobby Reynolds in Maintenance, and Chandra Starks in Human Resources. Each employee was awarded a check for \$250.00. Employees of the Year were then recognized. They include Caleb Gearing of the Airport Communications Center, Stan East in Maintenance, and Janet McReynolds in Finance.

President Kreulen presented a slide with pictures from BNA's Pencil Partner's first day of school. MNAA employees Keniel Williams, Kia Lewis and Chris Patterson participated. The Quarterly Aces Appreciation Luncheon was held August 9, 2019. Jerry Gulledege and Daisy Hughes were recognized for volunteering over 7.2K hours. Their service to the airport is very much appreciated.

The airport hosted "Love on a Leash" on August 15, 2019. This was a program in which pets were brought into the ticketing areas to help alleviate stress on travelers by offering furry comfort. It was a huge success with the passengers, and BNA will start doing this on a reoccurring basis.

National Aviation Day Celebration was August 19, 2019. BNA celebrated by having a paper airplane flight contest for passengers. BNA received some of the largest volumes of pictures for Facebook and Twitter for this celebration.

President Kreulen reported on total passengers and stated BNA had another record month in July 2019. This makes the third month in a row BNA has broken the passenger record. There were \$1.678M passengers in July. Overall, Fiscal Year 2019 growth was up 15.1% over FY18. Total passengers in July 2019 was up 16% over July 2018.

Concessions sales were up 13.6% for FY19 over FY18. July 2019 concession sales were up 15.2% over July 2018. President Kreulen presented a chart of Fraport revenue. Sales took a slight dip in July 2019 due to BNA taking up more space for construction that used to be concession space.

Rental car sales were up in FY19 by 9.2% over FY18. Rental car sales were up 10% for July 2019 over July 2018.

V. Items for Approval:

A. Approval of Revision of the Investment Policy for the Retirement Plan for Employees of MNAA and the MNAA OPEB Plan, MNAA Resolution No. 2019-10

Staff provided the Board a staff analysis of the revision of MNAA Policy 41-011, Investment Policy for the Retirement Plan for Employees of the Metropolitan Nashville Airport Authority and the Metropolitan Nashville Airport Authority Other Post-Employment Benefits Plan, and MNAA Resolution No. 2019-10 prior to the meeting.

Staff requested that the Board of Commissioners approve the revision of MNAA Policy 41-011, Investment Policy for the Retirement Plan for Employees of the Metropolitan Nashville Airport Authority and the Metropolitan Nashville Airport Authority Other Post-Employment Benefits Plan, and authorize the Chair and President & CEO to execute MNAA Resolution No. 2019-10.

Ms. Marge Basrai, VP, Chief Financial Officer, briefed the Board on this item. On May 14, 2019, the Retirement Committee met with MNAA's Investment Advisor, Wells Fargo, and Actuary, Findley, to discuss risk reduction, asset allocation, and the discount rate used on the retirement and OPEB plans. Based on those discussions, the Retirement Committee approved the following ongoing regular maintenance changes:

1. Change the Retirement Plan's portfolio asset allocation from 60/40 (60% Equities / 40% Fixed Income) to a 50/50 asset allocation (50% Equities / 50% Fixed Income). This recommendation came from Wells Fargo. The Plan has become fully funded in the past few years. Therefore, it was prudent to consider a more conservative asset allocation in order to minimize loss in case of market volatility. Last year, the Retirement Committee and Board approved the first change in the allocation from 65/35 to 60/40. This is the second phase in the reduction.
2. Reduce the Retirement Plan's current discount rate from 7.0% to 6.0% and increase the OPEB Plan's current discount rate from 4.0% to 5.0%. A reduction in the discount rate increases liabilities. With the change to the 6.0% discount rate along with the remaining losses from the 2Q FY19, the Retirement Plan was projected to have a shortfall of \$11.9M (to be 100% funded) at 6/30/19. An additional \$8.9M was contributed to plan at year-end to compensate for this shortfall to be approximately 96-97% funded.
3. Increase the OPEB discount rate from 4.0% to 5.0% to more closely reflect the expected long-term rate of return based on the asset allocation. When the plan was not funded (41.3% funded as of 6/30/17), the municipal bond rate was required for the calculation. Now that the plan's funded status has improved (70.1% as of 6/30/18), a blended municipal bond rate is not projected to be needed. An increase in the discount rate decreases liabilities. With the change to the 5.0% discount rate offset with the remaining losses from the 2Q FY19, the OPEB plan was projected to have a shortfall of \$7.3M (to be 100% funded) at 6/30/19. MNAA made an additional contribution of \$2M to the plan at year-end to be approximately 84-85% funded as of 06/30/19.

A summary of revisions to MNAA Policy 41-011 were:

1. Two new tables were added to show the Asset Allocation category and subcategory ranges and Composite Benchmark for the Retirement Plan and OPEB Plan. The Retirement Plan now has a 50/50 asset allocation. The OPEB Table remained at a 65/35 asset allocation. The tables also incorporated the Investment Advisor recommended reduction in the allocation for international equities in each plan.
2. Two minor wording changes were added to the Policy. "CFO" was updated to "Chief Financial Officer" to be consistent throughout and the Policy was updated to reflect the proper name of "Finance, Administration, & Properties Committee."

Committee Review:

Ms. Basrai reported this item was presented to the Finance/Administration/Properties Committee on August 14, 2019. The FAP Committee did not have a quorum of voting members in attendance, therefore no vote was taken.

Commissioner Freeman inquired as to the reasoning behind moving more money into fixed income investments. He stated that as of today, the ten-year T-Bill rate tied the all-time record low of 1.49%. Ms. Basrai stated that since the retirement plan was 100% funded, MNAA is trying to protect its assets. The Plan suffered some great losses in the past year which is why MNAA had to contribute \$7.3M to try to compensate for some of those losses. The goal now is to maintain the assets with little volatility.

Commissioner Smith stated it is more about risk mitigation than growth of asset base. Commissioner Smith agreed with the allocation since the plan was so highly funded. Neutralizing the risk is best for the entity especially since there has been an inverted yield curve and there is potential for a recession. MNAA does not want to have to write a big check and this action helps mitigate that.

Commissioner Farnsworth stated she was glad to see the discount rate being taken down. Ms. Basrai stated MNAA is where it wants to be with the Retirement Plan and staff will probably make the same recommendation on the OPEB next year depending on how the market plays out this year. Commissioner Farnsworth stated there is a lot of pressure on the equity portfolio if the average bond rate is 2.5%.

A motion was made by Commissioner Farnsworth and seconded by Commissioner Smith to approve the revision of MNAA Policy 41-011, Investment Policy for the Retirement Plan for Employees of the Metropolitan Nashville Airport Authority and the Metropolitan Nashville Airport Authority Other Post-Employment Benefits Plan, and authorize the Chair and President & CEO to execute MNAA Resolution No. 2019-10. The motion carried by vote of 8 to 0.

B. Approval of Delta Air Lines Sky Club Expansion

Staff provided the Board a staff analysis for the Delta Air Lines Sky Club Expansion prior to the meeting. Staff requested that the Board of Commissioners approve the following items regarding the proposed expansion of the Delta Sky Club at BNA:

- Reimbursable Agreement between Delta Air Lines and MNAA
- Space Lease Letter of Agreement
- Approval to proceed to the bond market for financing of the MNAA portion

Ms. Margaret Martin, VP, Chief Development Officer, briefed the Board on this item. Delta Air Lines (Delta) has requested to expand the passenger club, known as the Sky Club, from the current size of 3K sq. ft. to approximately 15K sq. ft. MNAA is excited about this because it shows Delta's commitment to the airport and Delta's belief in BNA's continued growth.

The term would be for ten years. MNAA will fund \$11M of the project costs to build out the shell space. This amount would be reimbursed to MNAA over the next ten years through the space lease letter of agreement or signatory agreement. MNAA and Delta are entering into a Space Lease Letter of Agreement in case there is a lapse in the signatory agreement. This will guarantee that MNAA will be entirely reimbursed for the total cost of the \$11M expenditure, plus interest and fees. The total project cost for the expansion is approximately \$24M. MNAA will own the shell once Delta pays back the reimbursement. Upon Board approval, this project will be added to the FY20 CIP.

Chair Samuels inquired as to provisions in the contract to protect the Authority should Delta elect to opt-out. Ms. Martin stated Delta is bound to reimburse the \$11M expenditure, plus interest and fees during the ten year period. If not, it would constitute a breach of contract.

Committee Review:

Ms. Martin reported this item was presented to the Finance/Administration/Properties Committee on August 14, 2019. The FAP Committee did not have a quorum of voting members in attendance, therefore no vote was taken.

A motion was made by Commissioner Farnsworth and seconded by Commissioner Doerge to approve the Reimbursable Agreement between Delta Air Lines and MNAA, approve the Space Lease Letter of Agreement, and approve the Staff to proceed to the bond market for financing of the MNAA portion. The motion carried by vote of 8 to 0.

C. Approval of Customs and Border Protection Lease Agreement (Gassaway)

Staff provided the Board a staff analysis for the Customs and Border Protection Lease Agreement prior to the meeting.

Staff requested that the Board of Commissioners accept the lease agreement between MNAA and the United States Government, Customs and Border Protection (CBP) that authorizes CBP to maintain their leased space at the Gassaway Building under a new lease for a term of five years, and renewal option

term of five years, and authorize the Board Chair and the President & CEO to execute the proposed agreement.

Ms. Martin briefed the Board on this item. The CBP currently leases space from MNAA at the Gassaway Building. The CBP has asked to enter into a new five-year agreement to lease the same space with one five-year option. Annual revenue to MNAA for this lease in the first five years would be approximately \$77K. The five-year renewal option rate would be approximately \$81K. These amounts include operation costs. This item was brought before the Board because there is a potential lease option past eight years.

Commissioner Granbery asked if there was a pass through if utility rates rise. Ms. Martin replied there is no pass through. Commissioner Joslin asked what the price was per square foot. Commissioner Granbery stated it was approximately \$14.60.

Committee Review:

Ms. Martin reported this item was presented to the Finance/Administration/Properties Committee on August 14, 2019. The FAP Committee did not have a quorum of voting members in attendance, therefore no vote was taken.

A motion was made by Commissioner Farnsworth and seconded by Commissioner Doerge to approve the lease agreement between MNAA and the United States Government, CBP that authorizes CBP to maintain their leased space at the Gassaway Building under a new lease for a term of five years, and a renewal option term of five years, and authorize the Board Chair and the President & CEO to execute the proposed agreement. The motion carried by vote of 8 to 0.

D. Approval of Fraport Subleases

Staff provided the Board a staff analysis for the Fraport subleases prior to the meeting.

Staff requested that the Board of Commissioners approve five subleases for the terminal concessions program, so that all rights and obligations atturn to MNAA at the expiration of Fraport's master agreement.

Ms. Martin briefed the Board on this item. As Fraport has begun to negotiate with potential concession tenants, several tenants have requested that locations have an operational term that extends past Fraport's master agreement expiration date. In order to permit this, MNAA must become a party to

the sublease so that MNA consents to this sublease term, and so that all rights and obligations of that sublease attorn to MNA at the expiration of Fraport's master agreement.

Commissioner Joslin asked if any of the subleases have been executed. Ms. Martin replied no; these particular subleases are still in the review process due to business items. Commissioner Joslin asked when there would be signed leases. President Kreulen stated there are already twelve locations with subleases and the five subleases before the Board are for twenty-five additional locations.

Committee Review:

Ms. Martin reported this item was presented to the Finance/Administration/Properties Committee on August 14, 2019. The FAP Committee did not have a quorum of voting members in attendance, therefore no vote was taken.

A motion was made by Commissioner Farnsworth and seconded by Commissioner Freeman to approve the five subleases for the terminal concessions program, so that all rights and obligations attorn to MNA at the expiration of Fraport's master agreement. The motion carried by vote of 8 to 0.

Chair Samuels acknowledged the Fraport team and concessionaires that were present at the meeting and thanked them for their attendance.

E. Approval of Concourse D & Terminal Wings CGMP 7 of 7

Staff provided the Board a staff analysis for Concourse D & Terminal Wings, Design-Build CGMP 7 of 7, CIP 1803 prior to the meeting.

Staff requested that the Board of Commissioners authorize the Chair and President & CEO to execute the proposed Amendment 6 for Component Guaranteed Maximum Price (CGMP) 7 and the Guaranteed Maximum Price (GMP) for the Concourse D & Terminal Wings project at Nashville International Airport Progressive Design-Build contract with Hensel Phelps (HP).

Ms. Traci Holton, AVP, Chief Engineer briefed the Board on this item. CGMP 7 has a cost of \$54,063,075 which brings the GMP to \$275M. CGMP 7 consists of all remaining trades, remainder of partial trade contracts, general requirements and all other associated services for contract completion. HP's schedule submitted with the GMP reflects the following milestones and completion schedule:

Operational Concourse D	July 2020
Ticket Counter Relocation Completion	January 2021

Substantial Completion

April 2021

HP will exceed SMWBE goals set by MNAA. The last report showed HP will exceed all three goals by approximately \$5M or more. Ms. Holton introduced Mr. Scott Shelby, Operations Manager of HP.

Committee Review:

Commissioner Joslin reported this item was presented to the BNA Vision Committee on August 14, 2019. The BNA Vision Committee voted 4 to 0 to recommend approval to the Board of Commissioners.

Chair 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 6 for CGMP 7 and the GMP 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 8 to 0.

F. Approval of Professional Services Contract for BNA Vision Design Support

Staff provided the Board a staff analysis for Professional Services Contract for BNA Vision Design Support prior to the meeting.

Staff requested that the Board of Commissioners authorize the Chair and President & CEO to execute the proposed professional services contract for continued design support for the BNA Vision.

Ms. Holton briefed the Board on this item. The initial solicitation was a one-year contract for completion of programming and initial design. Additionally, contracts would be awarded over the next six years for review of designs on the subsequent projects to ensure conformity to the design intent with BNA Vision. On September 13, 2017 the Board approved a two-year contract for support of BNA Vision. This contract is for continued support by Corgan. The contract cost was \$3M for three years.

Committee Review:

Commissioner Joslin reported this item was presented to the BNA Vision Committee on August 14, 2019. The BNA Vision Committee voted 4 to 0 to recommend approval to the Board of Commissioners. Commissioner Joslin stated Corgan was a great company and have more than delivered.

Chair 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 professional services contract for continued design support for the BNA Vision. The motion carried by vote of 8 to 0.

G. Approval of Severance Process – MNAA Resolution No. 2019-09

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

Staff requested that the Board of Commissioners approve MNAA Resolution No. 2019-09 authorizing the Management Committee to approve all severance agreements on behalf of the Board of Commissioners.

President Kreulen briefed the Board on this item. On August 16, 2017, the Board of Commissioners voted to require all severance packages executed by MNAA to be approved by the Management Committee. This vote was recorded in the Minutes of that meeting however, a Resolution was not signed at that time. President Kreulen stated this Resolution is to memorialize the Board's action.

President Kreulen reported this item was presented to the Management Committee on August 14, 2019. The Management Committee voted 3 to 0 to recommend approval to the Board of Commissioners. Commissioner Doerge made a motion and Commissioner Farnsworth seconded the motion for approval of MNAA Resolution No. 2019-09 authorizing the Management Committee to approve all severance agreements on behalf of the Board of Commissioners. The motion carried by vote of 8 to 0.

VI. Staff Reports

A. Operations Report

Mr. Robert Ramsey, SVP, COO, briefed the Board on this item. Mr. Ramsey reported that parking revenue was up for the month of July 2019 approximately 12.1% over July 2018. FY19 YTD was up 5.7% over FY18. This amount includes the rate increase that went into effect May 2019. Air cargo tonnage was up in July 2019 6.3% versus July 2018 and FY19 was up 5.6% over FY18.

BNA fuel sales for FY19 were relatively flat, however July 2019 was up 22.8% over July 2018. John C. Tune fuel sales were up 27.6% in July 2019 over July 2018, and FY19 YTD was up 19.8%.

Mr. Ramsey presented each member of the Board with books containing July and August 2019 BNA Vision monthly updates for their reference.

B. Financial Report

Ms. Basrai gave an update on the FY19 External Audit. Dixon Hughes Goodman, LLP (DHG) completed their interim field work in June. Year-end field work is currently underway. DHG is scheduled to have a

meeting with the Chair of the Audit and Compliance Committee on September 4, 2019. By the end of September, all draft financials and single audit are due to Metro. At the end of October 2019, the audit will be closed and the Comprehensive Annual Financial Report (CAFR) will be issued. The June 30, 2019 preliminary numbers will be available at next month's Board meeting along with July and August FY20 financial updates.

C. Business Diversity Development Report

Ms. Donzaleigh Powell, Director, Business Diversity Development, briefed the Board on this item. Ms. Powell reported on MWBE Participation for the month of June 2019. In Professional Services, the aspirational goal was 12.44% while actual participation was 10.22%. In Goods and Services, the aspirational goal was 6.49% and actual participation was 0.40%. In Construction Non-Federal CIP, the aspirational goal was 10.49% with the actual participation coming in over the goal at 18.32%. In Construction Federal CIP, the aspirational goal was 9.28% while the actual participation was 5.56%. The combined MWBE YTD total was 13.7%. President Kreulen thanked Ms. Powell and Ms. Davita Taylor, AVP, Procurement and Diversity, for their hard work.

VII. Information Items

A. Alpha South Construction Contract Change Order

President Kreulen reported there is active construction on Taxiway Alpha south. There was insufficient pavement found in the C1 area which produced a \$103K change order. Change orders for this contract now total \$488K. This amount is within the President's authority, but this item was brought before the Board as an information item for transparency. Staff does not expect any other change orders to complete the contract. The revised project amount is \$10.3M and the budget is approximately \$13M. This project was well under budget.

B. Results of JWN Customer Satisfaction Survey

Staff provided the Board a report for the JWN Customer Satisfaction Survey prior to the meeting. President Kreulen reported on the results of the JWN Customer Satisfaction Survey. 113 responses were received. There was very strong support for the JWN Airport staff. Contour's staff was rated a little lower than the airport staff. The services provided by Contour were rated the lowest.

C. JWN Ground Incident Update

President Kreulen reported on a ground incident that occurred in June 2019 at JWN. Mr. Ramsey led his team into an investigation. There were no weather conditions that contributed to this incident and there were no injuries. The plane taxied out of the hangar and hit a helicopter dolly. MNAA staff has now gone out to JWN and painted taxilanes. The dollies have been painted a more fluorescent color as well. Commissioner Farnsworth stated this information should be communicated to the tenants at JWN.

D. Fraport Transition Update

President Kreulen stated eight subleases have been fully executed and cover fourteen locations. With the Board's approval of the five subleases earlier in the meeting, that will bring on an additional 25 locations for a total of 39 locations approved of the 87. The tenants are working on 30% and 95% drawings for design. Construction on C Triangle will begin in October 2019. Chair Samuels inquired as to pouring rights. President Kreulen stated MNAA staff has looked at the economic value of doing pouring rights versus the economic value of not doing pouring rights. MNAA staff has not been able to prove or disprove the economic value of pouring rights with certainty. Pouring rights was put into the RFP and documents submitted as part of the concessions program. MNAA has remained non-committal on the subject of pouring rights in the subleases. MNAA has decided not to pursue pouring rights at this time. If MNAA ever does to decide it would be financially beneficial to enter into a pouring rights agreement, it will negotiate with Fraport and concessionaires.

Chair Samuels acknowledged Ms. Martin and Ms. Vivica Brown of Fraport for their hard work and time spent on negotiations of the subleases. President Kreulen presented a slide showing local involvement and participation for the 87 locations.

President Kreulen thanked Fraport for its efforts to help minority and small businesses participation. Fraport has partnered with Renasant Bank and fronted \$1M to assist these businesses in taking out loans. Fraport has also held supplier diversity meetings. Fraport has also helped operations by making sure businesses are open and operational for passengers coming through the airport at all hours of the day.

E. Land Development Update

President Kreulen reported that Tennessee Department of Transportation (TDOT) has agreed to vacate the TN Aeronautic Administration Building upon completion of a new JWN facility. Until that time, TDOT will continue to lease the building at BNA. TDOT and MNAA have entered into a new three-year lease for continued use of the Hangar facility at BNA until the Air Traffic Control Tower is completed at JWN.

An RFQ has been released for On Call Commercial Real Estate Consultant Services. Statements of Qualifications are due in October 2019.

There has been interest in the eight acres located on Briley Parkway. Ms. Martin's team will continue to work on the lease potential of this parcel. Negotiations with Sky Harbor continue on the Hangar 14 Site. Three preliminary concepts are under internal review at this time.

MNAA is waiting on proposals for the 32-acre site south of Murfreesboro Pike. The 75-acre site located west of Donelson and North of Harding had great participation at two pre-proposal meetings with nine developers attending. Proposals are due at the end of October 2019.

President Kreulen presented a slide showing the different parcels at JWN that will be released in a Notice of Availability (NOA) in October 2019. Chair Samuels asked if these were sales of parcels or leases of parcels. President Kreulen stated these parcels are for lease only. Revenue share will be negotiated. Commissioner Freeman inquired as to lease term. President Kreulen stated a 30-year term was most popular for hangars. A bigger development would like to see 40 or 50 years. MNAA has to be sure the terms are agreeable with the FAA in order to legally enter into an agreement. MNAA's hope is that the asset will revert to MNAA at the end of each term.

Commissioner Granbery inquired as to the JWN tower. Mr. Ramsey stated construction advertisements will go out in December. President Kreulen stated design has begun. Mr. Ramsey pointed out the proposed location of the tower on the slide. MNAA staff is working with TDOT on an agreement to access the roads to get in and out so that MNAA does not have to build its own roads.

Commissioner Farnsworth inquired as to the utilities for the parcels that will go out for NOA. Ms. Holton stated the TDOT Hangar project has an infrastructure pathway in place which will be helpful for the 3 parcels located beside it, however, the 5 parcels in the middle do not.

F. Quarterly Retirement/OPEB Investment Report

President Kreulen stated the three-month return on the Retirement Plan was 3.28%. The three-month return on the OPEB was 3.26%. The Retirement Plan was 99% funded. OPEB was 70.1% funded.

G. Quarterly Treasury Investment Report

President Kreulen gave an update on the Quarterly Treasury Investment Report. 92.1% of funds were invested as of June 30, 2019. Total earnings from cash and investments was up approximately \$800K for 4Q19 versus 4Q18 earnings. FY19 earnings almost doubled FY18 earnings.

H. FY19 Employee Performance Incentive

President Kreulen stated employee performance evaluations have been completed. 298 employees will receive a performance incentive payout. This payout was approved by the Board of Commissioners as part of the FY19 budget. President Kreulen stated the performance incentive is a morale booster and thanked the Board of Commissioners for their support.

I. BNA Vision Program Budget and Schedule Summary

President Kreulen reported there were minor changes to the calendar on two of the projects' projected completion dates. The BNA Program Budget is on track and has not changed since the July Vision Committee Meeting. In September, staff will give the Commissioners a detailed breakdown of BNA Vision 1.0. In October, staff will present plans for the next Vision.

J. Website Redesign Update

President Kreulen stated MNAA received a great local response from the RFP to update the airport's website. Horton Group was selected and staff have been very happy with their performance. One of the key features will be "mobile first" because that is how most everyone is accessing the website now. Staff hopes to have graphics to show the Board in the October timeframe.

K. Arts at the Airport Update

President Kreulen gave a brief background of the Arts at the Airport. It is largely funded by BNA and through grants from Metro and the State. The Arts at the Airport Foundation is led by a 15-member Board of Directors. MNAA dedicates 1% of its local construction dollars to fund public art. The airport's

appearance is a way to enhance customer travel experience. In September 2019, staff will request Board approval of Concourse D Suspended Sculpture Artist.

VIII. Adjourn

There being no further business brought before the Board, Chair Samuels thanked the Commissioners for their participation and adjourned the meeting at 2:13 p.m.



Amanda C. Farnsworth, Board Secretary