

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



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Date: November 20, 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, Nancy Sullivan, Jimmy Granbery, Bobby Joslin; and Kevin Crumbo

Board Members Absent:

Christy Smith

Others Present:

Doug Kreulen, Cindy Barnett, and Angela Edwards

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I. Call to Order

Chair Samuels called the MNAA Board of Commissioners and MPC Board of Directors meetings to order at 1:00 p.m., pursuant to the Public Notice dated November 15, 2019.

II. Approval of Minutes

Upon motion made by Commissioner Joslin and seconded by Commissioner Freeman, the Board voted to approve the Minutes of the October 16, 2019 Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors. The motion carried by vote of 9 to 0.

Upon motion made by Commissioner Farnsworth and seconded by Commissioner Joslin, the Board voted to approve the Minutes of the October 9, 2019 Joint Meeting of the MNAA and MPC Finance/Administration/Properties Committees. The motion carried by vote of 9 to 0.

III. Chair's Report

Chair Samuels welcomed new Board member, Kevin Crumbo. Commissioner Crumbo is Metro's new Finance Director and Mayor John Cooper's representative on the Board. Commissioner Crumbo has a wealth of knowledge in finance and the Board is blessed to have him serve.

#### IV. President's Report

President Kreulen thanked the Board of Commissioners for their support during the recent loss of his father. President Kreulen introduced new employee John Corbitt, AVP, Real Estate. Mr. Corbitt has 18 years of experience, is also a lawyer, and comes to MNAA from Kroger Company. President Kreulen thanked him for joining the MNAA team.

President Kreulen reported the construction launch for the new concessions program on Concourse C was held October 25, 2019. A total of six locations were under construction in Concourse C.

Allegiant Airlines announced it was making Nashville an aircraft base. Allegiant currently offers 12 non-stop routes from Nashville. January 2019 to date, Allegiant has flown more than 177K passengers through Nashville.

Sun Country Airlines announced a new seasonal service to Madison, Wisconsin beginning in May 2020.

President Kreulen reported that BNA launched its maintenance apprenticeship program at the beginning of November. There are five positions open and so far, there were 63 applicants. BNA will cover the cost of tuition and books for students wanting to become an electrician, carpenter, plumber or HVAC Technician.

President Kreulen congratulated Ms. Marge Basrai, VP, Chief Financial Officer, and her team, for a job well done on getting the rating agencies ratings. Kroll, Moody's, and Fitch all gave MNAA's Subordinate Airport Revenue Bonds strong ratings which should help with selling the bonds in December 2019.

BNA has sponsored a balloon in the Nashville Christmas Parade set for Saturday, December 7, 2019. Twenty-six employees and family members will walk with a giant Christmas Tree balloon and sponsorship banner.

The *Wall Street Journal* ranked BNA #4 of 20 in its list of The Best Midsize U.S. Airports. BNA ranked behind Tampa, Portland and Austin.

President Kreulen gave a Regulatory Update. Dixon Hughes Goodman, LLP (DHG) completed its FY19 audit and there were no significant deficiencies or findings during the audit. CompliancePoint finished its audit of MNAA's PCI (payment card industry) compliance and determined that MNAA was compliant with payment card industry data security standards. Both DHG and CompliancePoint will present their reports to the Audit and Compliance Committee on December 11, 2019. President Kreulen recognized

IT staff for their hard work, including Vanessa Hickman, Kevin McHale, KC Hampton, Joe Dyer, Brittany Reeves and Jennifer Watts. MNAA had not passed the PCI audit since 2007. President Kreulen congratulated the team on a job well done.

October 2019 was the busiest month in the history of the airport with 1,750,866 total passengers. October 2019 was up 13.81% over October 2018 and was up FYTD 13.84% over FY19.

V. Items for Approval:

A. Approval of Construction Contract for Multipurpose Building Roof Replacement and MPC Resolution No. 2019-03

Staff provided the Board a staff analysis of the Construction Contract for Multipurpose Building Roof Replacement and a copy of MPC Resolution No. 2019-03 prior to the meeting.

Staff requested that the MPC Board of Directors:

- 1) accept the proposal by Maxwell Roofing + Sheet Metal for the Multipurpose Building Roof Replacement project at Nashville International Airport (BNA), and
- 2) authorize the Chair and President & CEO to execute the construction contract, and
- 3) approve the Amended FY20 MPC Special Project Budget, and
- 4) authorize the Chair and President & CEO to execute MPC Resolution No. 2019-03 amending the FY20 MPC Special Project Budget for the Multipurpose Building Roof Replacement Project from \$990,000 to \$1,200,000.

Ms. Traci Holton, AVP, Chief Engineer, briefed the Board on this item. The work will consist of retrofitting the existing metal roof which was constructed in 1987 with new PVC membrane, coverboard and insulation on top of the existing metal roof.

The project was procured through RoofConnect which has contracted with various cooperative agencies to provide national roofing services to all public entities. RoofConnect has a pre-procured contract with two local companies, Collier Roofing Co., Inc. (Collier) and Maxwell Roofing + Sheet Metal (Maxwell). On October 22, 2019, RoofConnect provided bids from each firm. Maxwell was the lowest bidder at \$1,099,092. Staff evaluated the bids and determined the bid from Maxwell to be responsive

and responsible and recommends award of the Construction Contract to Maxwell Roofing + Sheet Metal for the base bid, alternates 1, 2 and 3.

This is a 130-calendar day project funded 100% by the MPC Fund. This project was approved in the FY20 MPC Special Project Budget for \$990K. This requires a resolution amending the FY20 MPC Special Project Budget from \$990K to \$1.2M.

Committee Review:

Ms. Holton reported this item was not presented to the General Aviation/Operations/Planning/Engineering Committee. The GAOPE Committee did not have a quorum of voting members on November 13, 2019, therefore no meeting was held. GAOPE Committee Chair, Bill Freeman, turned the vote over to the full Board.

After further discussion, a motion was made by Commissioner Granbery and seconded by Commissioner Doerge to:

- 1) accept the proposal by Maxwell Roofing + Sheet Metal for the Multipurpose Building Roof Replacement project at Nashville International Airport (BNA), and
- 2) authorize the Chair and President & CEO to execute the construction contract, and
- 3) approve the Amended FY20 MPC Special Project Budget, and
- 4) authorize the Chair and President & CEO to execute MPC Resolution No. 2019-03 amending the FY20 MPC Special Project Budget for the Multipurpose Building Roof Replacement Project from \$990,000 to \$1,200,000.

The motion carried by vote of 9 to 0.

B. Approval of Construction Contract for Joint Information/Training Center

Staff provided the Board a staff analysis for the Joint Information/Training Center prior to the meeting.

Staff requested that the Board of Commissioners accept the proposal by Dowdle Construction Group (Dowdle) for the Joint Information & Training Center project at Nashville International Airport (BNA) and authorize the Chair and President & CEO to execute the construction contract.

Ms. Holton briefed the Board on this item. The Airport Communications Center (ACC) was completed in 2016 and the Emergency Operations Center (EOC) was completed 2018. The Joint Information Center (JIC) will be located adjacent to the EOC and ACC where critical emergency information functions, crisis communications and public affairs functions will be serviced. During normal times, the JIC will be used as a training center. This project also includes restrooms and a fitness center.

In August 2019, a Request for Proposals (RFP) was advertised. Five proposals were received. The selection committee short-listed two of the firms to be highest qualified. Those firms were Baron Construction LLC (Baron) and Dowdle. Phone interviews were conducted with the short-listed firms asking additional questions on SMWBE, team experience, subcontractor management, quality and safety. Dowdle was found to be most qualified for the project. The MNAA SMWBE goal was 8.4% MBE and/or WBE. Dowdle was able to obtain 23.86% MBE and WBE. This is a 120-calendar day project at a cost of approximately \$2.2M.

Committee Review:

Ms. Holton reported this item was not presented to the General Aviation/Operations/Planning/Engineering Committee. The GAOPE Committee did not have a quorum of voting members on November 13, 2019, therefore no meeting was held. GAOPE Committee Chair, Bill Freeman, turned the vote over to the full Board.

After further discussion, a motion was made by Commissioner Joslin and seconded by Commissioner Granbery to accept the proposal by Dowdle for the Joint Information & Training Center project at Nashville International Airport (BNA) and authorize the Chair and President & CEO to execute the construction contract. The motion carried by vote of 9 to 0.

C. Approval of Aircraft Rescue and Fire Fighting Vehicle Purchase

Staff provided the Board a staff analysis for the Aircraft Rescue and Fire Fighting Vehicle purchase prior to the meeting.

Staff requested that the Board of Commissioners accept the proposal by Rosenbauer for the purchase of a new Airport Rescue and Fire Fighting (ARFF) Vehicle and authorize the Chair and President & CEO to execute the purchase.

Chief David Griswold, AVP, Chief of Police, briefed the Board on this item. The ARFF vehicle carries 3,170 gallons of water, 420 gallons of foam and 500 lbs. of dry chemical. The truck will be equipped with

hands-free radio operations, a tablet, ladders, medical supplies and all the equipment necessary to fight exterior and interior fires. The truck will also be equipped with heavy rescue equipment, wreckage stabilization equipment, and non-sparking tools for use in fuel related incidents. The manufacturer is Rosenbauer. The total purchase cost is \$1,031,307. This total amount is within the approved CIP budget amount of \$1.3M. The FY20 CIP was approved by the Board of Commissioners on April 17, 2019. The contract start date is November 2019 and the anticipated receipt date is November 2020. The funding source is 100% MNAA Airline Investment Fund. This truck will be replacing the 2001 Oshkosh truck, Foxtrot 3, which is currently still in use at DPS. Disposition of the Oshkosh truck will be evaluated, and it may either be held as an additional resource or sold.

Committee Review:

Chief Griswold reported this item was not presented to the General Aviation/Operations/Planning/Engineering Committee. The GAOPE Committee did not have a quorum of voting members on November 13, 2019, therefore no meeting was held. GAOPE Committee Chair, Bill Freeman, turned the vote over to the full Board.

After further discussion, a motion was made by Commissioner Joslin and seconded by Commissioner Freeman to accept the proposal by Rosenbauer for the purchase of a new Airport Rescue and Fire Fighting (ARFF) Vehicle and authorize the Chair and President & CEO to execute the purchase. The motion carried by vote of 9 to 0.

D. Approval of Amendment 1 to Fraport Agreement

Staff provided the Board a staff analysis for Amendment 1 to Fraport Agreement prior to the meeting.

Staff requested that the Board of Commissioners approve Amendment 1 to the Lease and Concession Agreement between MNAA and Fraport Tennessee, Inc. for the terminal concessions program.

Ms. Margaret Martin, VP, Chief Development Officer, briefed the Board on this item. In order to provide Fraport and subtenants some flexibility in what must be reported in sales by product type, staff is recommending that the Agreement be amended to provide MNAA the authority to approve case-by-case exceptions to the prescribed template upon request by Fraport.

Commissioner Granbery asked that staff provide a summary of the Fraport deal that highlights the percentages and benchmarks. Staff agreed to provide that information at a future meeting.

Committee Review:

Ms. Martin reported this item was not presented to the Finance/Administration/Properties Committee. The FAP Committee did not have a quorum of voting members on November 13, 2019, therefore no meeting was held. Committee Chair, Amanda Farnsworth, turned the vote over to the full Board.

After further discussions, a motion was made by Commissioner Farnsworth and seconded by Commissioner Freeman to approve Amendment 1 to the Lease and Concession Agreement between MNAA and Fraport Tennessee, Inc. for the terminal concessions program. The motion carried by vote of 9 to 0.

E. Approval of TNC Drop-Off Fee

Staff provided the Board a staff analysis of TNC Drop-Off Fee prior to the meeting.

Staff requested that the Board of Commissioners approve revisions to the Ground Transportation Policy, adding an escalating charge to TNCs (Class 11).

President Kreulen previously briefed the Board on this item at the October Board meeting. President Kreulen stated that staff had proposed an updated pick-up and drop-off fee to the TNCs (Uber and Lyft). MNAA already has a \$4 pick-up fee. TNCs make approximately 2.5M trips to the airport per year versus approximately 60K when they first started. The rates for TNCs have not increased since implementation five years ago. MNAA is investing \$350M to improve transportation systems that directly benefit commercial operators on BNA property. In order to pay for those improvements, MNAA had proposed a \$4 pick-up fee and a \$4 drop-off fee to the TNCs. That fee structure was based on comparisons with peer airports whose charges range from \$6 to \$10. With a \$4 drop-off fee and \$4 pick-up fee, the total charge of \$8 would be in the middle range of what BNA's peer airports charge.

The Board previously recommended staff conduct additional analysis, including an escalating charge, and bring back to the FAP Committee and the Board. On November 14, 2019, Chair Samuels requested this be an approval item for the FAP Committee and the Board.

Discussions and negotiations had been ongoing with Uber and Lyft since August 2019 to the present. Through these negotiations, the proposed revisions were:

- January 1, 2020: Drop-off fee of \$2
- January 1, 2021: Drop-off fee of \$3

- January 1, 2022: Drop-off fee of \$4
- January 1, 2020 – June 30, 2023: Pick-up fee remains at \$4

Lyft signed its updated permit with the above rate structure on Tuesday, November 19, 2019. Uber has committed to signing its updated permit with the above rate structure by Thanksgiving. President Kreulen thanked Linda Macey, AVP, Revenue Development, and her team for their hard work on the negotiations with the TNCs. This will help MNAA generate necessary revenue for the debt it will take on with the upcoming bond issue.

Commissioner Joslin asked if there were dedicated drop offs for the TNCs. President Kreulen stated there are dedicated lanes in the ground transportation center to control the volume. Uber is 60% of the TNC population so they are getting the first two lanes; Lyft is 40% so they are getting the third lane. It is all based on the number of trips and money produced. There are plans through the Master Plan to add additional curbside lanes in the future.

Commissioner Joslin stated he was glad staff had engaged in the escalation of fees. He thought the escalating fee was a good compromise.

Committee Review:

Committee Chair, Amanda Farnsworth stated this item was discussed robustly at the October 16, 2019 Board Meeting and Retreat. Chair Samuels opened the item up for discussion by the Board. There being no questions or comments from the Board members, Commissioner Farnsworth made a motion and Commissioner Sullivan seconded the motion to approve revisions to the Ground Transportation Policy, adding an escalating charge TNCs (Class 11). This motion carried by vote of 9 to 0.

F. Approval of Design Contract for Structural Fill Requirements for Concourse A Ramp Expansion

Staff provided the Board a staff analysis for Structural Fill Requirements for Concourse A Ramp Expansion prior to the meeting.

Staff requested that the Board of Commissioners approve the contract for Design for Structural Fill Requirements for Concourse A Ramp Expansion and authorize the Chair and President & CEO to execute the professional services contract.

Ms. Holton briefed the Board on this item. The ramp expansion area will require approximately 600K cubic yards of engineered structural fill before the new ramp may be paved with concrete. The scope of this design includes evaluation and modeling blue line streams as well. MNAA utilized Garver's on-



call services to begin the design, environmental permitting and provide construction services of the site preparation project as quickly as possible in order to meet deadlines for the construction of Concourse A to begin. The SMWBE participation level was set for 7.55% MBE and/or WBE. Garver was able to obtain 9.0% WBE by utilizing Civil Infrastructure Associates, Inc. The duration of the contract is 720 calendar days and includes construction services. Design services will take approximately 6 months. The contract cost is \$980,513.

Committee Review:

Commissioner Joslin reported this item was presented to the BNA Vision Committee on November 13, 2019. The BNA Vision Committee voted 3 to 0 to recommend approval to the Board of Commissioners. Commissioner Joslin also stated the Committee would like to pursue issuing a bonus to expedite this project as BNA has 5 to 6 years worth of work that needs to be done in 4 years.

Chair Samuels took Commissioner Joslin's statement as a motion and Commissioner Granbery seconded the motion to approve the contract for Design for Structural Fill Requirements for Concourse A Ramp Expansion and authorize the Chair and President & CEO to execute the professional services contract. After further questions and discussions by the members of the Board, the motion carried by vote of 9 to 0.

VI. Staff Reports

A. Operations Report

Mr. Robert Ramsey, SVP, Chief Operating Officer, briefed the Board on this item. Mr. Ramsey reported that parking revenue was up for the month of October 2019 approximately 9.9% over October 2018. FY20 YTD was up 10.9% over FY19. Air cargo tonnage for October 2019 is 1.3% below October 2018. FYTD is also slightly down at 2.7% less than FYTD19.

BNA fuel sales for October 2019 were up 8.7% over October 2018 and up 13.7% FYTD over FY19. John C. Tune fuel sales were up 14.4% FYTD over FY19 and up 6% in October 2019 over October 2018.

Mr. Ramsey presented each member of the Board with a book containing November 2019 BNA Vision monthly updates for their reference. President Kreulen stated there was also a one-page hand out on MNAA's BDD program through the BNA Vision. Since starting BNA Vision, SMWBE programs have benefitted \$71.95M.

B. Financial Report

Ms. Marge Basrai, VP, Chief Financial Officer, briefed the Board on this item. As of October 2019, BNA's Operating Revenues were \$58.4M, which were above budget by \$4.4M and \$1.8M over the prior year amount. Signatory airline revenue was above budget \$1.4M and \$0.6M under the prior year. Landing fees are above budget \$1.0M due to the landed weights being 9% higher than budget – actual growth experienced is more than was budgeted. Also, Spirit Airlines started service at BNA in October which was not calculated in the current year budget. Baggage fees are on budget but \$1.6M below prior year due primarily to the removal of the \$5M baggage handling project from prior year. Parking revenue is \$1.0M above budget and \$2M over the prior year due to being conservative when budgeting the rate increase that became effective in May 2019. Concessions revenue is above budget by \$1.9M, due to rental car revenues and ground transportation, which is driven by passenger growth.

BNA Operating Expenses as of October 2019 were \$30.6M, which was \$5.6M below budget projections, and \$3.5M over the prior year.

Salaries and benefits were \$2M below budget due to FY20 new budgeted positions that had not been filled. Contractual services were below budget \$2.1M due to timing variances (services and repairs that had not been performed yet). Other expenses were under budget by \$900K due to special events/travel and training that was budgeted but not yet spent.

JWN YTD Operating Revenues as of October 2019 were \$320K, which was \$5K above budget and \$25K more than the prior year. The primary variance was due to an increase in rent from 6 new t-hangers.

JWN YTD Operating Expenses as of October 2019 were \$202K, which was \$32K below budget and \$23K above the prior year. Contract services were \$30K below budget due to timing variances with building maintenance and landscaping that had not been spent yet.

MPC YTD Operating Revenues as of October 2019 were \$1.2M, which was \$50K above budget projections and \$205K above the last year. International Plaza was above budget due to a new tenant that started in July that was not budgeted for, offset by another tenant who unexpectedly vacated in August. Total rent is above prior year due to the new tenant just mentioned, regular rent escalations, and the building rental of the CRDC to Fraport in the Multi-purpose building.

MPC YTD Operating Expenses as of October 2019 were \$437K, which was \$238K below budget projections and \$15K above the prior year. The majority of the variance with budget is attributable to

a delay of various maintenance projects due to a tenant not yet moving out. Also, repairs were budgeted for the roof on the Multi-Purpose Building, but due to the condition of the roof, a complete replacement of the roof was needed which was approved earlier in the meeting. That expense will be shifted to CIP instead of O&M.

Ms. Basrai presented a chart of MNAA FY20 Operating Revenues and Operating Expenses requested by Chair Samuels at the October 16, 2019 Board Meeting. The total FY20 revenue budget for MNAA was \$164.6M. 97% of that revenue was BNA. JWN makes up approximately 1% of that revenue and MPC accounts for approximately 2% of that revenue. The biggest revenue generators are parking and passenger airline fees.

The FY20 operating expenses were budgeted at \$102.2M. 98.6% was BNA. The biggest expenses were personnel cost and purchased or contract services such as janitorial and maintenance.

Chair Samuels inquired as to what staff is doing in case of a downturn and mitigating effects. Ms. Basrai stated a stress test analysis was done when pursuing the bond issuance. Staff used actual operating expense numbers with 1% to 2% growth. The results showed that MNAA would be able to meet its debt requirements for the next few years. If the economy continued to get worse, staff would need to find ways to cut expenses whether it be in personnel, travel, training, or other areas of expense.

Commissioner Crumbo asked if MNAA had a cash management policy in place in case of an economic downturn or catastrophic event. Ms. Basrai stated MNAA does not have a written policy at this time, but the guideline has been to have at least 365 days of cash on hand. Right now, MNAA has just over 600 days of cash on hand. MNAA does have funds in reserve it is required to keep. Commissioner Crumbo stated he thought it would be a good idea for the Board to adopt a policy for cash on hand.

C. Commercial Development Report

Ms. Margaret Martin, VP, Chief Development Officer, briefed the Board on this item. Rental car sales were reflected in the numbers that Ms. Basrai reported to the Board in her financial presentation as well as the concession sales. Concession sales are starting to flatten out as locations are closed for construction. Staff had been expecting this to happen during this transition period.

D. Business Diversity Development

Ms. Gale LaRoche, VP, Chief Administrative Officer, briefed the Board on this item. Ms. LaRoche stated she is restructuring the Business Diversity Development (BDD) Department so that there is a Manager of Certification with one person reporting to that Manager, a Manager of Compliance with two people reporting to that role, so there is a clear line of sight as to Compliance and Certification. The two Managers will report to an AVP of BDD. Staff is actively recruiting for that role and have some promising candidates in the pipeline.

In addition, MNAA is utilizing Ken Wheaten and Associates in the interim. Ms. LaRoche introduced Michael McCoy, acting BDD leader from Ken Wheaten and Associates. Mr. McCoy is a seasoned BDD professional in the transportation area both in airports and other modes of transportation. President Kreulen welcomed him to the team. Ms. LaRoche stated he and Ken Wheaten will be reviewing policies and procedures and ensuring MNAA has best practices in the area of BDD.

Ms. LaRoche reported on MWBE Participation for the month of October 2019. In Professional Services, the aspirational goal was 12.4% while actual participation was 12.6%. In Goods and Services, the aspirational goal was 6.5% and actual participation was 0.40%. In Construction Non-Federal CIP, the aspirational goal was 10.5% with the actual participation coming in over the goal at 17.4%. In Construction Federal CIP, the aspirational goal was 9.3% while the actual participation was 16.5%. The combined MWBE YTD aspirational goal was 10.6% and actual spend was 16.4%.

VII. Information Items

A. BNA Master Plan Update

President Kreulen reported staff is continuing to work on the BNA Master Plan. The next public meeting is set for Thursday, November 21, 2019. This is the second public meeting held along with technical committee meetings. President Kreulen presented a slide with three phases of work staff will be focusing on. In Phase 2, rental car companies would like to see a bigger CONRAC to hold rental cars at the airport. An airport deicing ramp is also included in Phase 2. Phase 3 (2020-2037) is preparing for the long-range future such as plans for a future terminal and a future runway and how to connect those to the existing facilities. President Kreulen presented a map of where the future terminal and new runway would be located. The BNA Master Plan will be submitted to the FAA in early 2020.

B. JWN Air Traffic Control Tower Update

President Kreulen presented a map of the selected site for the Air Traffic Control Tower. Staff will come to the Board in the January 2020 timeframe for approval to start construction. President Kreulen then presented a rendering of what the tower will look like including proposed elevations. Staff is anticipating an answer from the Federal Contract Tower Program on approval into the program very soon. The construction is scheduled to be completed December 2020. There were questions and discussions among board members and staff regarding this project and the JWN Master Plan. President Kreulen stated the anticipated cost of construction is \$8.96M, the grant from TDOT was \$4.25M, and Ms. Basrai will supply the difference of \$4.71M out of the proceeds of the bond issuance.

C. JWN TDOT Hangar Update

President Kreulen stated a TDOT inspection was completed in August 2019. A potential structural issue was identified. MNAA and TDOT agreed to hire Rinks/EMC to conduct an assessment. Their final report was received and identified insufficient column footing reinforcement. The structural engineers could not agree. MNAA placed Michael Baker, Architect of Record, on notice to reserve right to pursue damages. MNAA hired Rinks/EMC to design the repair. The estimated completion is January 2020. The estimated cost is between \$100K to \$200K.

D. Fuel Services Contract for Vehicles and Equipment

President Kreulen reported that MNAA bids out who it purchases its vehicle and equipment fuel from for BNA and JWN. A request for proposal was sent out and two bids were received; one from Kimbro Oil and the other from Petroleum Traders Corp. Staff selected Kimbro Oil over the next five years. This cost is funded out of O&M. This contract does not require Board approval; however, in the pursuit of transparency, it is being presented to the Board because total contract cost over 5 years exceeds \$500K.

E. Custodial Services Contract RFP

President Kreulen gave an update on the custodial services contract RFP. The RFP was released for three separate contracts:

- Contract A for Terminal and Concourse and Support Areas
- Contract B for Parking Garages and Plaza Area, and
- Contract C for Outlying Buildings and Remote Locations

Contract A received 12 proposals and was shortlisted to 4 and staff selected Premier Building Maintenance Corporation. Contract B received 3 proposals and staff selected Bestway Services, Inc. Package C received 5 proposals and staff selected Bestway Services, Inc. This item will come to the Committee and Board for approval in December 2020. April 1, 2020 will be the transition date.

F. Fraport Transition Update

President Kreulen stated lease negotiations and design are still in progress for the new concessions program. Of the approximately 90 locations, there are 18 executed subleases representing 61 locations. Fraport has sent 13 subleases to subtenants for final execution. Metro Codes has done a good job with getting the approvals needed to start construction. There are 7 at 95% design with Metro Codes currently.

G. Quarterly Retirement/OPEB Investment Report

President Kreulen reported that the Retirement Plan is 98% funded and OPEB is 86% funded.

H. Quarterly Treasury Investment Report

President Kreulen reported funds invested are at 96.1%. Total cash and investment earnings for 1Q20 was \$1.8M compared to 1Q19 earnings of \$1.1M. Public Financial Management (PFM) is managing some of the funds while MNAA is managing the other.

I. BNA Vision Program Budget & Schedule Summary

President Kreulen presented a chart with updated amounts for program contingency and budget reserve balance with the additional money added to the budget approved by the Board a couple of months ago for a total amount of \$1.383B. There were no significant changes to the BNA Vision Program Schedule.

J. BNA Vision 2.0 Scope

President Kreulen stated staff made some recommendations for BNA Vision 2.0 at the October 2019 Board meeting to build a Concourse E and a new Concourse A. In November, the BNA Vision Committee recommended the staff present alternatives for passenger connection to Concourse E and that staff proceed with planning for expediting the new Concourse A and a hardstand boarding of passengers to address the gate shortfall. Staff is performing further analysis on expediting construction on Concourse

A and a temporary hardstand operation. Recommendations will be provided at the December Committee and Board meetings.

VIII. Adjourn

There being no further business brought before the Board, Chair Samuels thanked the Commissioners for their participation and adjourned the meeting at 2:11 p.m.



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Amanda C. Farnsworth, Board Secretary