
Date: September 11, 2019 Nashville International Airport Boardroom

Time: 11:00 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: 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 11:00 a.m. pursuant to Public Notice dated September 6, 2019.

II. Approval of Minutes

Chair Samuels called for a motion for approval of the September 4, 2019 Management Committee meeting minutes. A motion was made by Vice Chair Harwell and seconded by Commissioner Doerge. 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. Authorize Release of iRFQ for CEO Compensation Study

President Kreulen briefed the Committee on this item. MNAA's Procurement Policy requires anything costing more than \$10K must be sent out for bid by issuing a Request for Qualifications (RFQ). If approved by the Management Committee, MNAA would issue an RFQ for a 3rd party/independent consulting firm to conduct a compensation study for the President & CEO position to ensure the pay

package for this position is competitive with similarly situated airports within the U.S. BNA will provide 22 similarly situated airports to be included in the study. Quotations should include:

1. Summary of research methodology, including:
 - Data collection, including survey and interviews
 - Job evaluation
 - Benchmarking
 - Gap analysis
 - Report of findings and recommendations
2. Anticipated start and completion date;
3. Brief biography for the resource(s) to be assigned to the project;
4. References related to 2 similar projects completed within the past 3 years, preferably in aviation; and
5. Itemized fees and expenses to complete the scope of services

President Kreulen presented each member of the Management Committee a chart of Benchmark Airports. Twenty-two airports were selected. Seventeen of those twenty-two benchmark airports were selected based on enplanements (5 up/5 down) and airports experiencing similar growth. Cleveland, Cincinnati and Columbus were added to the list since the last report to the Management Committee. Chair Samuels added Las Vegas, Indianapolis and Memphis as Peer/Aspirant airports. Salt Lake City and Kansas City were also added as comparable revenue/expense airports.

President Kreulen stated the winning bidder of the iRFQ might consider other airports not on this benchmark list but that would be up to them.

President Kreulen stated he and Commissioner Doerge had been in contact regarding the process for putting out the iRFQ. Commissioner Doerge stated it would not take long to get responses back. Lisa Lankford stated this would be an informal Request for Qualifications (iRFQ) and informal requests do not take as long as regular RFQs. If the Management Committee approves the solicitation of the iRFQ, Commissioner Doerge will receive the iRFQ for review and approval of the language. Bids would be due by the end of September 2019. Commissioner Doerge stated most of the firms probably already have this information and should not take long to gather the responsive information to this iRFQ and asked if the local economy should be included in the iRFQ as a benchmark. President Kreulen stated he

received a copy of the compensation study done by Korn Ferry from Rhode Island and it did include the cost of living factor. He stated that could be specifically asked for on the iRFQ.

Commissioner Doerge asked if the Management Committee thought a compensation study for the Executive team should also be done. It would be more affordable to do it now as opposed to later. President Kreulen stated a compensation study was conducted for everyone below him two years ago. When this was done, it was communicated to the employees that a study would be conducted every three years.

Vice Chair Harwell stated BNA is a unique airport and was surprised if there were not overlaps in the different categories of benchmark airports. Vice Chair Harwell stated he thought it was important for the companies solicited during the iRFQ to look at the responsibilities and duties of other CEOs at other airports to compare to the responsibilities and duties of President Kreulen. Once again, Nashville is unique and he stated with all of the work going on with Vision, President Kreulen's responsibilities may be greater than other CEOs at other airports.

Chair Samuels asked if the data collection will include benchmarks and metrics. President Kreulen stated in his discussions with Korn Ferry, Dallas/Ft. Worth had developed their own CEO metrics and goals and asked Korn Ferry to validate their process to make sure it was a fair way of evaluating the CEO. President Kreulen stated he and Ms. Lankford are working on a way of evaluating the CEO with data metrics that mimics Dallas, and that future efforts with Korn Ferry may be solicited.

Chair Samuels inquired as to the process of approving the iRFQ that will go out for solicitation. After discussions, Ms. Cindy Barnett, Board Counsel, stated she agreed the final iRFQ should go to Commissioner Doerge for final approval. At that time, she and Commissioner Doerge could review it and if he had questions or needed input, Ms. Barnett could reach out to individual committee members instead of waiting for the next Management Committee meeting.

President Kreulen stated when the responses to the iRFQ are received and the decision is made on the winning bidder, Commissioner Doerge will inform President Kreulen of the winning bidder and MNAA staff will take action to officially hire that company. If the company chosen has any questions, it will direct those questions directly to Commissioner Doerge and Board Counsel. If the company needs staff help, Ms. Lankford will be the contact person for that.

Chair Samuels stated he wanted the language in the iRFQ to relay the benchmarks submitted are aspirational and if the company would like to use other airports, let it be known that they are not limited to just the benchmark airports submitted with the iRFQ.

Commissioner Doerge made a motion and Vice Chair Harwell seconded the motion to authorize the Release of an iRFQ for CEO Compensation Study. The motion carried by vote of 3 to 0.

V. Information Items

A. CEO Evaluation

Chair Samuels excused President Kreulen, Angela Edwards, and Lisa Lankford from the meeting at 11:20 a.m. Chair Samuels reviewed the CEO evaluation process with the Management Committee and led a discussion with the Management Committee regarding the annual CEO evaluation and their formal documentation of same. The Management Committee members shared their responses and feedback for the CEO evaluation categories and agreed on a composite rating for each category and an overall composite score for the CEO. The Management Committee also discussed additional data points for the Management Committee's consideration in future evaluations, the appropriate level of the CEO bonus, and separating the CEO's bonus from consideration of any compensation adjustment at this time, pending the CEO compensation survey, other than providing the CEO with the same cost of living adjustment received by MNAA employees.

President Kreulen rejoined the meeting at 12:25 p.m. Chair Samuels provided President Kreulen a summary of the results of the Management Committee's CEO evaluation and thanked him for his efforts to move MNAA forward by managing it during a time of accelerated change and being a great advocate for aviation. President Kreulen expressed his appreciation for the support and confidence the Board of Commissioners has given him.

Angela Edwards and Lisa Lankford rejoined the meeting at 12:45 p.m.

Chair Samuels stated President Kreulen had made great progress and is doing an excellent job in terms of leadership and positioning the airport for long range planning. Chair Samuels thanked President Kreulen for a job well done.

Chair Samuels recommended that President Kreulen receive a 3% Cost of Living Adjustment (COLA) and recommended a 12.5% bonus. Commissioner Doerge made a motion and Vice Chair Harwell seconded the motion to recommend to the Board of Commissioners that President Kreulen receive a 3% COLA

and a 12.5% bonus. The motion carried by vote of 3 to 0. President Kreulen thanked the members of the Management Committee.

B. CEO Employment Agreement

This item was deferred to the next meeting of the Management Committee.

VI. Adjourn

There being no further business brought before the Management Committee, Chair Samuels thanked the Commissioners for their participation and adjourned the meeting at 12:50 p.m.



Amanda Farnsworth, Board Secretary