

Minutes of the Joint Meeting of MNAA and MPC  
Finance/Administration/Properties Committees



---

Date: November 11, 2020 Place: Nashville International Airport Board Room / Electronic Meeting

Time: 9:45 a.m.

Committee Members Present: Amanda Farnsworth, Chair; Bill Freeman, Vice Chair; Bobby Joslin; and John Doerge; and Kevin Crumbo (joined meeting at 10:20 a.m.)

Committee Members Absent: None

Others Present: Aubrey B. Harwell III; Jimmy Granbery; Nancy Sullivan; Christy Smith; Joycelyn Stevenson; Doug Kreulen; Cindy Barnett; Lisa Lankford; and Angela Edwards

---

I. Call to Order

Chair Farnsworth called the meeting of the MNAA and MPC Finance, Administration, and Properties (FAP) Committee to order at 10:05 a.m., pursuant to Public Notice dated November 6, 2020.

II. Roll Call and Open Meetings Act Announcement

Ms. Angela Edwards, Staff Secretary, read the Open Meetings Act Announcement as follows:

The Joint Meeting of the MNAA and MPC Finance/Administration/Properties Committees will be held in accordance with Executive Order No. 16, signed by Governor Bill Lee on March 20, 2020, as amended by Executive Order No. 34, as amended by Executive Order No. 60, and as amended by Executive Order No. 65, signed by Governor Bill Lee on October 28, 2020, allowing a governing body to hold meetings by electronic or other means of communication without a quorum being physically present if the governing body determines that meeting by electronic means is necessary to prevent the spread of COVID-19 or other related epidemics to protect the health, safety and welfare of the public and members of the governing body. All votes taken during this meeting will be by roll call vote.

Ms. Edwards called roll of the members of the Joint Meeting of the MNAA and MPC Finance/Administration/Properties Committees. All members were present, excluding Commissioner Crumbo.

III. Approval of Minutes

Chair Farnsworth called for a motion to approve the October 14, 2020 Minutes of the FAP Committee meeting. A motion was made by Vice Chair Freeman and seconded by Commissioner Doerge. Ms. Edwards took a roll call vote and the motion carried by vote of 4 to 0.

IV. Chair's Report

Chair Farnsworth had no Chair's Report but thanked all veterans for their service to our country.

V. Items for Approval

A. Approval of Advantage/Orlando Lease Agreement

Ms. Margaret Martin, VP, Chief Development Officer, briefed the Committee on this item. Staff requested that the FAP Committee recommend to the MNAA Board of Commissioners and MPC Board of Directors that they ratify the Assignment and Assumption Agreement by and between Orlando Rentco, LLC (Rentco), the Metropolitan Nashville Airport Authority ("MNAA"), MPC CONRAC LLC (MPC CONRAC) and MVI Facility Services – Nashville, LLC (MVI) executed by the President & CEO on behalf of MNAA and MPC CONRAC LLC, and the Consolidated Rental Car Facility Lease Agreement between Orlando Rentco, LLC (Rentco), the Metropolitan Nashville Airport Authority (MNAA), and MPC CONRAC LLC (MPC CONRAC LLC) executed by the President & CEO on behalf of MNAA and MPC CONRAC LLC.

Staff provided the Board with a staff analysis of the Assignment and Assumption Agreement and the CONRAC Lease Agreement prior to the meeting.

Ms. Martin explained that Advantage filed for relief under Chapter 11 bankruptcy on March 26, 2020. On June 28, 2020, Advantage and Rentco executed an Asset Purchase Agreement, which was approved by the United States Bankruptcy Court on July 1, 2020. Pursuant to § 4.4.1.8 of the Bylaws of the MNAA Board of Commissioners, as the execution of these agreements was required by law (by order of the Bankruptcy Court), the President and CEO had executed these agreements on behalf of MNAA and MPC after consultation with the Chair.

Ms. Martin presented a summary of the Assignment and Assumption Agreement along with a Future Agreement summary.

Chair Farnsworth called for a motion to recommend that the Board ratify the Assignment and Assumption Agreement and the Consolidated Rental Car Facility Lease Agreement executed by the CEO to effect the transition from Advantage to Rentco as a result of bankruptcy. A motion was made by Vice

Chair Freeman and seconded by Commissioner Joslin. President Kreulen took a roll call vote and the motion carried by vote of 4 to 0.

B. Approval of the Fourth Amendment to the Lease and Concession Agreement with Fraport TN

Ms. Martin briefed the Committee on this item. Staff requested that the FAP Committee recommend to the Board of Commissioners that it amend the Lease and Concession Agreement between MNAA and Fraport Tennessee, Inc., for the BNA concession program, and authorize the President & CEO and Board Chair and Secretary to execute the Fourth Amendment.

Staff provided the Board with a staff analysis of the Fourth Amendment prior to the meeting.

Ms. Martin presented a Notice of Default and Resolution timeline and key terms of Amendment #4. The Fourth Amendment to the Fraport Agreement provides a framework of additional incentives for Fraport performance, additional financial investment in BNA concessions program and financial securities to ensure performance.

Chair Farnsworth called for a motion to recommend approval to amend the Lease and Concession Agreement between MNAA and Fraport Tennessee, Inc., for the BNA concession program, and authorize the President & CEO and Board Chair and Secretary to execute the Fourth Amendment. A motion was made by Vice Chair Freeman and seconded by Commissioner Joslin. Ms. Edwards took a roll call vote and the motion passed by vote of 4 to 0.

Commissioner Crumbo joined the meeting at 10:20 a.m.

C. Approval of Acquisition of Future Aeronautical Land

Mr. John Corbitt, AVP, Real Estate, briefed the Committee on this item. Staff requested that the FAP Committee recommend to the Board of Commissioners that it approve the purchase of 3 acres of property just east of runway 2R/20L for \$415K.

Staff provided the Board with a staff analysis on the acquisition of land prior to the meeting.

Mr. Corbitt explained the property consists of 3 acres and the Airport Layout Plan shows a future runway to the east of runway 2R/20L and Strategic Planning agrees that the acquisition of the 3 acres is necessary to construct the future runway. The initial asking price for the property was \$450K. Commercial Development ordered an appraisal on the property and the fair market value was \$415K. Mr. Corbitt gave a background of negotiations between the Authority and the seller. After questions and discussions, Chair Farnsworth called for a motion to approve the purchase of the 3 acres of property for fair market value of \$415K to close by December 15, 2020. A motion was made by Vice Chair Freeman and seconded by

Commissioner Joslin. Ms. Edwards took a roll call vote and the motion passed by vote of 5 to 0.

VI. Information Items

A. Quarterly Retirement/OPEB Investment Report

Ms. Sharon Sepik, Director, Treasury, briefed the Committee on this item. For the quarter ending September 30, 2020, the Retirement Plan had a gross return of 4.12% and the plan was 104% funded. The OPEB had a gross return of 4.61% and was 106% funded.

This item was provided for informational purposes only with no action required.

B. Quarterly Treasury Investment Report

Ms. Sepik briefed the Committee on this item. For the quarter ending September 30, 2020, total available funds were \$935.8M. Funds were 99.2% invested. Ms. Sepik gave a brief overview of how the funds were invested and the amount invested in each account. Ms. Sepik then briefed the Committee on yields and benchmarks. Cash in demand deposit accounts was 0.8% of total available funds. The investment portfolio was in compliance and meeting policy objectives.

This item was provided for informational purposes only with no action required.

Chair Farnsworth commended Ms. Sepik, Ms. Marge Basrai, VP, Chief Financial Officer, and the finance team for an excellent job of keeping funds invested. Commissioner Smith congratulated Ms. Basrai on receiving the Bond Buyer's 2020 Trailblazing Women in Finance Award.

VII. Adjourn

There being no further business brought before the FAP Committee, Chair Farnsworth adjourned the meeting at 10:36 a.m.

 / Staff Secretary  
William H. Freeman, Board Secretary