

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



Date: March 17, 2021

Place: Nashville Airport Boardroom / Electronic Meeting

Time: 1:00 p.m.

Board Members Present:

Aubrey B. Harwell III, Board Chair; Amanda Farnsworth, Vice Chair; Bill Freeman, Secretary; John Doerge; Bobby Joslin; Nancy Sullivan; Jimmy Granbery; Christy Smith; and Joycelyn Stevenson; and Kevin Crumbo

Board Members Absent:

None

Others Present:

Doug Kreulen; Cindy Barnett; Lisa Lankford; and Angela Edwards

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## I. Call to Order

Chair Harwell 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 March 12, 2021.

## II. Roll Call and Open Meetings Act Announcement

Ms. Angela Edwards, Staff Secretary, called roll of the MNAA Board of Commissioners and MPC Board of Directors and asked for a vote on the approval of holding the meeting electronically and a waiver of reading of the Open Meetings Act Announcement. All members were present and the approval of holding the meeting electronically and waiver of reading the Open Meetings Act Announcement passed by vote of 8 to 0. Commissioner Crumbo's vote and Commissioner Smith's vote could not be heard and therefore, were not recorded. The reading of the Open Meetings Act Announcement was waived, but is included in the Minutes as follows:

The Meeting of the MNAA Board of Commissioners and MPC Board of Directors will be held in accordance with Executive Order No. 16, signed by Governor Bill Lee on March 20, 2020, which allowed governing bodies to meet electronically regarding essential business in light of Coronavirus Disease (COVID-19), and that order was extended by Executive Order Nos. 34, 51, 60, 65, 71, and 78. All votes taken during this meeting will be by roll call vote.

## III. Approval of Minutes

Upon motion by Commissioner Granbery and seconded by Commissioner Joslin, the Board voted to approve the Minutes of the February 17, 2021 Joint Meeting of the MNAA Board of Commissioners and MPC Board of

Directors. Ms. Edwards took a roll call vote and the motion carried by vote of 8 to 0. Commissioner Crumbo's vote and Commissioner Smith's vote could not be heard and therefore, were not recorded.

IV. Chair's Report

Chair Harwell had no Chair's Report.

V. President's Report

President Kreulen reported that Southwest Airlines had added new nonstop service to Destin/Ft. Walton Beach beginning May 6, 2021 and will run 3 times daily. Spirit Airlines added daily service from LaGuardia beginning in May 2021. American Airlines had also added nonstop service to Austin, Texas to begin in May 2021.

400 Degrees opened on March 6, 2021 on Concourse C. This is a local concept operating under Air Ventures, LLC.

President Kreulen reported there will be a full-scale emergency drill on March 26, 2021 and encouraged Board members to attend. This timed response drill is part of a Federal Aviation Administration (FAA) annual inspection to maintain Part 139 Certification.

Enplanements for March are increasing and averaging 14,342 per day (through March 14, 2021). The FY21 projected year end is approximately 4-4.3M passengers which equates to approximately 50% of FY19 total.

President Kreulen addressed items coming before the Committees and Board in April and May 2021.

After questions from Commissioner Crumbo regarding the increase in passenger traffic, President Kreulen informed the Board that industry data suggests the driving factor is spring travel season and more confidence in the COVID-19 vaccines. Staff will keep the Board updated on where the data is coming from in the future.

VI. Items for Approval

A. Approval of JWN Construction Redevelopment Site Layout Options

Ms. Traci Holton, AVP, Chief Engineer, briefed the Board on this item. Staff requested the Board of Commissioners approve Area B, layout option 4, (removal of a perimeter taxiway adjacent to existing T-hangars) and Area C, layout option 3, (construct (5) 8-bay, 42-ft t-hangars to achieve the minimum 40-unit requirement).

Staff provided the Board a staff analysis of the JWN Construction Redevelopment Site Layout Options prior to the meeting.

Ms. Holton presented an updated redevelopment schedule due to the receipt of the Environmental Determination on March 9, 2021. This allows Board approval of CGMP 2 (Phase 2 Hangars) in May 2021 which moved up from June 2021.

Initial review of the redevelopment concepts identified 2 immediate issues:

- Area B taxiway could not be constructed without retaining wall; and
- Area C 10-bay t-hangar extended to roadway pavement

Staff evaluated multiple options and recommended:

- Area B, Option 4: Removes the perimeter taxiway (eliminates need for retaining wall); no schedule impact; saves approximately \$800k; continues taxiing operations similar to today; and preserves T/W R1 & the hold pad

- Area C, Option 3: Utilizes (5) 8-bay t-hangars at the southeast corner of the project to meet the 40-bay minimum requirement; no schedule impact; has the lowest cost impact at approximately \$700k; and allows for preservation of the existing underground utilities, existing entry road, and landscaping

If approved, the total net savings would be approximately \$100k. After questions and discussions, Ms. Holton concluded her presentation.

#### Committee Review

Commissioner Freeman stated this item was presented to the GAOPE Committee on March 10, 2021. The GAOPE Committee voted 4 to 0 to recommend approval to the Board of Commissioners.

Commissioner Freeman then made a motion to approve as presented and Commissioner Granbery seconded the motion. Ms. Edwards took a roll call vote and the motion passed by vote of 10 to 0.

#### B. Approval of JWN Storage Agreement Framework

Ms. Margaret Martin, VP, Chief Development Officer, briefed the Board on this item. Staff requested that the Board of Commissioners approve the JWN Hangar Storage Agreement Framework.

Staff provided the Board a staff analysis of the JWN Storage Agreement Framework prior to the meeting.

The current hangar storage agreement in use for the MNAA-owned hangars has been utilized since approximately 2012, and as part of the upcoming rent increase in July 2021, MNAA will be updating the storage agreement. Notice will be sent to operators who currently rent a hangar via email and certified mail by May 1, 2021.

Ms. Martin presented four key pieces of information contained in the Notice and required documentation needed. Ms. Martin also discussed key terms of the agreement such as term, monthly rent, security deposit, and guidelines for assignment and subleasing, as discussed in the FAP Committee meeting on March 10, 2021.

#### Committee Review

Commissioner Freeman stated this item was presented to the GAOPE Committee on March 10, 2021. The GAOPE Committee voted 4 to 0 to recommend approval to the Board of Commissioners. Chair Harwell took

Commissioner Freeman's statement as a motion, seconded by Commissioner Doerge to approve as presented.  
Ms. Edwards took a roll call vote and the motion carried by vote of 10 to 0.

C. Approval of Newslink Sublease with Fraport

Ms. Linda Macey, AVP, Revenue Development, briefed the Board on this item. Staff requested that the Board of Commissioners approve the Newslink of Nashville, LLC sublease for the terminal concessions program, so that all rights and obligations pertain to MNAA at the expiration of Fraport's master agreement and authorize the Chair and President & CEO to execute the sublease agreement

Staff provided the Board a staff analysis of the Newslink Sublease with Fraport prior to the meeting.

The MNAA Board of Commissioners previously approved a sublease for Nashville BNA Partners, LLC, with Newslink of Nashville, LLC as the operating entity, at the October 2019 Board meeting. Since that time, Nashville BNA Partners, LLC has dissolved, and Newslink of Nashville, LLC has become both the tenant and the operating entity. Board approval is required as the term of the sublease exceeds the term of the Master Concessions Agreement which expires January 31, 2029.

ACDBE participation is 30% which includes 1 local brand and 3 national/regional brands operated by a majority national joint venture.

Committee Review

Commissioner Farnsworth stated this item was presented to the FAP Committee on March 10, 2021. The FAP Committee voted 5 to 0 to recommend approval to the Board of Commissioners. Chair Harwell took Commissioner Farnsworth's statement as a motion, seconded by Commissioner Joslin. Ms. Edwards took a roll call vote and the motion carried by vote of 9 to 0. Commissioner Crumbo's vote could not be heard and therefore, was not recorded.

D. Approval of Real Property Acquisition & URA Broker Services

Mr. John Corbitt, AVP, Real Estate, briefed the Board on this item. Staff requested that the Board of Commissioners approve award of the contract for Real Property Acquisitions and URA Broker Services and authorize the Chair and President and CEO to execute the contract.

Staff provided the Board a staff analysis of the Real Property Acquisition & URA Broker Services prior to the meeting.

MNAA has begun the early stages of its projects to extend Runway 2L/20R. Currently, MNAA does not own all the property required to perform this expansion and therefore must acquire them. These properties include approximately 19 single family residential properties, the majority of which are landlord owned, and 1 commercial property which will require an avigation easement.

MNAA released a Request for Qualifications (RFQ) in October 2020 and two responsive proposals were received. The selection committee recommends award of the contract to O.R. Colan Associates, LLC (ORC) based on their extensive background and experience with similar projects in addition to their innovative tracking software and project management skills.

ORC will be responsible for the complete oversight and management of the acquisitions and relocation functions including community outreach, negotiations, appraisals, surveying, and other directly related services. The duration of the contract is for 3 years with (2) 1-year renewal options. The anticipated start date is 1<sup>st</sup> quarter of 2022. The total contract cost is not to exceed \$571,935.00. If the (2) 1-year renewal options are exercised, the not to exceed amount would remain \$571,935.00.

The SMWBE goal was 1% and ORC committed to 8% participation.

#### Committee Review

Commissioner Farnsworth stated this item was presented to the FAP Committee on March 10, 2021. The FAP Committee voted 5 to 0 to recommend approval to the Board of Commissioners. Commissioner Farnsworth made a motion to approve as presented. Commissioner Granbery seconded the motion. Ms. Edwards took a roll call vote and the motion carried by vote of 9 to 0. Commissioner Doerge's vote could not be heard and therefore, was not recorded.

#### E. Approval of Terminal Lobby/IAF CGMP 6 of 6

Ms. Holton briefed the Board on this item. Staff requested that the Board of Commissioners authorize the Chair and President and CEO to execute the proposed Amendment 5 for Component Guaranteed Maximum Price #6 (CGMP 6) and the Guaranteed Maximum Price (GMP) that includes interior finishes for the Terminal Lobby and International Arrivals Facility (IAF) Project at Nashville International Airport (BNA) Progressive Design-Build contract.

Staff provided the Board a staff analysis of the Terminal Lobby/IAF CGMP 6 and final GMP prior to the meeting.

CGMP 6 consists of interior finishes and all remaining scopes of work. The CGMP 6 contract cost was approximately \$55M which is approximately a \$1.7M increase since the BNA Vision Committee meeting on March 10, 2021 due to steel prices. The total contract cost is approximately \$436.5M which is under the total construction budget of \$444M.

#### Committee Review

Commissioner Joslin stated this item was presented to the BNA Vision Committee on March 10, 2021. The BNA Vision Committee voted 5 to 0 to recommend approval to the Board of Commissioners. Chair Harwell took Commissioner Joslin's statement as a motion, which was seconded by Commissioner Freeman. Ms. Edwards took

a roll call vote and the motion carried by vote of 9 to 0. Commissioner Doerge's vote could not be heard and therefore, was not recorded.

F. Approval of Personnel Management Plan (PMP), MNAA Resolution No. 2021-02

Ms. Gale LaRoche, VP, Chief Administrative Officer, briefed the Board on this item. Staff requested that the Board of Commissioners approve the changes made to update the PMP, approve MNAA Resolution No. 2021-02, and authorize the Board Chair and President and CEO to execute Resolution No. 2021-02 and the PMP.

Staff provided the Board a staff analysis of the PMP updates and copies of the updated PMP and MNAA Resolution 2021-02.

Ms. LaRoche gave a brief history of the PMP and discussed current updates. The updated PMP was reviewed by outside counsel, Keith Frazier of Ogletree Deakins, in-house counsel Carrie Logan, and the Human Resources team.

Committee Review

Commissioner Smith stated this item was presented to the Diversity and Workforce Development Committee on March 10, 2021. The Diversity and Workforce Development Committee voted 3 to 0 to recommend approval to the Board of Commissioners. Chair Harwell took Commissioner Smith's statement as a motion, which was seconded by Commissioner Freeman. Ms. Edwards took a roll call vote and the motion carried by vote of 10 to 0.

G. Approval of President's Recommendation for General Counsel

President Kreulen gave a brief background of the search for the position of Executive Vice President, General Counsel and Chief Compliance Officer. Following multiple interviews with several finalists, President Kreulen found Mr. Neale Bedrock to be the most qualified based on his extensive legal experience, extensive business experience, work ethic, and interview performance.

Chair Harwell, Commissioner Stevenson, and Board Counsel, Cindy Barnett interviewed Mr. Bedrock on February 24, 2021. Mr. Bedrock attended and participated in an Executive Retreat with Robert Ramsey, COO and Marge Basrai, CFO, on March 4, 2021.

Chair Harwell commented that Mr. Bedrock has 15 years of commercial transaction experience with the top 100 airports in the United States and thinks Mr. Bedrock will be a good fit.

Committee Review

Chair Harwell stated this item was presented to the Management Committee on March 10, 2021. The Management Committee voted 4 to 0 to recommend approval to the Board of Commissioners.

Chair Harwell then made a motion to approve President Kreulen's recommendation to hire Mr. Bedrock as General Counsel and Chief Compliance Officer. Commissioner Stevenson seconded the motion. Ms. Edwards took a roll call vote and the motion passed by vote of 10 to 0.

VII. Informational Items

A. BNA 10-acre Non-Aviation Development

President Kreulen briefed the Board on this item. A letter of intent was signed in October 2020 for a proposed ground lease to allow a high-end automobile dealership development on a 10-acre parcel of vacant land owned by MNAA located at the northeast corner of Briley Parkway and Knights of Columbus Boulevard. The automobile dealership in Germany insisted on fee simple ownership and was unwilling to move forward with the ground lease. The letter of intent was terminated. There is other interest in this parcel and staff will continue to market the property.

B. HR Policy Manual Update

President Kreulen briefed the Board on this item. The HR Policy Manual was last updated on October 26, 2011. The document was updated to ensure consistency with current policies, reflect current employment laws, and maintain uniformity with the updated PMP approved earlier in the meeting.

C. Affirmative Action Plan Update

President Kreulen reported that outside counsel, Jay Patton of Ogletree Deakins, reviewed MNAA's Affirmative Action Plan and updated the Board on the results. In the minorities and females category, there were no placement goals for 2021, signaling no areas of underutilization. A compensation analysis was conducted and there was a disparity in compensation for females and black or African Americans by EEO group. Further analysis was conducted and there was no disparity by job title. There were no findings in the areas of promotions and involuntary terminations. There was a disparity in hiring males for the professional job group, and a disparity for voluntary terminations for females and black or African Americans. This could be explained by recent retirements and employees choosing to leave MNAA to take a job elsewhere.

MNAA exceeded the goal of 5.7% for hiring protected veterans. The individuals with disabilities goal of 7% was not met, however there was a positive trend from 2017-2020.

D. Workforce Development and Business Diversity Update

President Kreulen reported on MNAA Workforce Diversity and how it compares to the 2019 ACS Davidson County Labor Force and the 2019 ACS Nashville MSA Labor Force. MNAA is continually monitoring the statistics to closely align with the community it serves. SMWBE spend from FY16 through January 31, 2021 of FY21 was approximately \$231.6M. Before the BNA Vision program, SMWBE spend from FY11-FY15 was approximately \$46.8M.

E. Disparity Study Update

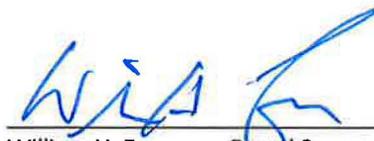
President Kreulen gave a brief background of the Disparity Study and updated the Board on next steps. In the May 2021 timeframe, staff hopes to submit the final study and goals to the Diversity and Workforce Development Committee.

F. CEO Updates (Severance and Compensation)

President Kreulen updated the Board on next steps for the Severance policy and informed the Board that the CEO compensation is currently being evaluated by the Management Committee.

VIII. Adjourn

There being no further business brought before the Board, Chair Harwell thanked the Commissioners for their participation and adjourned the meeting at 1:52 p.m.



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William H. Freeman, Board Secretary