

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



Date: June 16, 2021

Place: Nashville Airport Boardroom

Time: 1:00 p.m.

Board Members Present: Aubrey B. Harwell III, Board Chair; Amanda Farnsworth, Vice Chair; Bill Freeman, Secretary; Bobby Joslin; Nancy Sullivan; Jimmy Granbery; Christy Smith; and Kevin Crumbo

Board Members Absent: John Doerge and Joycelyn Stevenson

Others Present: Courtney Pogue; Doug Kreulen; Cindy Barnett; Lisa Lankford; Sabrina Troy; and Angela Edwards

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 June 11, 2021.

II. Approval of Minutes

Chair Harwell called for a motion to approve the Minutes of the May 19, 2021 Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors. A motion was made by Commissioner Joslin and seconded by Commissioner Granbery. The motion carried by vote of 8 to 0.

IV. Chair's Report

Chair Harwell had no Chair's Report but welcomed Metro's ECD Director and the new Mayor's Representative, Mr. Courtney Pogue, effective July 1, 2021, to the Board of Commissioners.

V. President's Report

President Kreulen reported that MNAA staff hosted the Disparity Study Community Meetings via Zoom on May 24, 2021 and an in-person meeting on May 25, 2021. Ms. Davita Taylor, VP, Procurement and Business Diversity, and her team are working on stakeholder meetings with ethnic chambers and the Nashville Minority Caucus to discuss the successes of MNAA's DBE, ACDBE and SMWBE programs. President Kreulen thanked Ms. Taylor and her team for their leadership in that area.

President Kreulen congratulated Commissioner Joslin for receiving the Metropolitan Nashville Police Department's Community Service Award. Commissioner Joslin led the effort to raise more than \$50k in reward money that led to arrests in last December's murder of nurse, Caitlyn Kaufman. The award was presented by Chief Drake and Chris Dickerson, Homicide Detective.

American Airlines added nonstop service to Tampa, Florida. Service begins November 2, 2021 and will run twice daily.

President Kreulen discussed FY21 BNA Enplanements and reported that the FY21 projected year end is 5.1M passengers, 59% of FY19 and 92% of budget.

President Kreulen addressed items coming before the Committees and Board in July 2021 and August 2021 and provided the Board members with a 120-Day Outlook Calendar.

VI. Items for Approval

A. JWN Construction Redevelopment Component Guaranteed Maximum Price #3, (CGMP3) (Paving, Tie-downs, Plane Ports)

Ms. Traci Holton, VP, Chief Engineer & Deputy COO, briefed the Board on this item. Staff requested that the Board of Commissioners authorize the Chair and President and CEO to execute the JWN Hangar Redevelopment CGMP3. Staff provided the Board with a staff analysis of the JWN Construction Redevelopment CGMP3 of 4 prior to the meeting.

Ms. Holton gave an update on the JWN Construction schedule. All items were still on schedule. There was a Metro Code comment on the restroom requirements and staff is taking that to the Variance Committee.

CGMP3 had a total contract cost of approximately \$13.9M. The remaining scope to complete apron and hangar redevelopment includes asphalt paving, mechanical electrical plumbing, tie-downs, and fabrication and erection of plane ports. There was no change to the schedule or the SMWBE participation.

Committee Review

Commissioner Freeman stated this item was presented to the GAOPE Committee on June 9, 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 to authorize the Chair and President and CEO to execute the JWN Hangar Redevelopment CGMP3 of 4. Commissioner Joslin seconded the motion. The motion passed by vote of 8 to 0.

B. FY22 Commercial Insurance Policies

Ms. Kristen Deuben, VP Finance & Deputy CFO, briefed the Board on this item. Staff requested that the Board of Commissioners approve the FY22 Commercial Insurance policies at a Not-To-Exceed (“NTE”) amount of \$2,177,222 and authorize the Chair and President and CEO to execute the FY22 Commercial Insurance policies.

Staff provided the Board with a staff analysis of the FY22 Commercial Insurance Policies prior to the meeting.

MNAA contracted with Davidson Risk Consulting to review the current insurance policies and assist in the renewal process. Marsh Inc. marketed all lines of coverage except primary aviation general liability, special crime, pollution liability & contractor's pollution liability.

To compare FY21 to FY22 policies, staff annualized the policies to a 12-month cycle. FY22 policies are expected to increase approximately \$427k or 24.8%. The largest increases were property, cyber, and management liability.

Committee Review

Vice Chair Farnsworth stated this item was presented to the FAP Committee on June 9, 2021. The FAP Committee voted 5 to 0 to recommend approval to the Board of Commissioners. Vice Chair Farnsworth made a motion to approve the FY22 Commercial Insurance policies at a NTE amount of \$2,177,222 and to authorize the Chair and President and CEO to execute the FY22 Commercial Insurance policies. Commissioner Crumbo seconded the motion. The motion passed by vote of 8 to 0.

C. British Airways Incentives

Ms. Linda Macey, AVP, Revenue Development, briefed the Board on this item. Staff requested that the Board of Commissioners:

- 1) approve the funding for the proposed marketing incentives and landing fee and facility abatements for the nonstop BNA – London Heathrow Route operated by British Airways (BA), up to \$2M, and
- 2) authorize the Chair and President and CEO to execute the Letter of Agreement (LOA) by and between MNAA and BA outlining the specific terms of the proposed incentive with BA for their BNA-LHR route, to begin between July 2021 and December 2021, effective two years from the first flight.

Staff provided the Board with a staff analysis of the BA incentives prior to the meeting.

Due to the pandemic, BA stopped service to BNA on March 17, 2020. BA is targeting to resume the BNA to London Heathrow (LHR) flight 5 times per week beginning July 19, 2021 pending government approvals.

The total estimated incentive value is \$2M. Ms. Macey went on to break that number down to landing and facility fee abatement for FY22 & FY23 and the marketing fee abatement.

Committee Review

Vice Chair Farnsworth stated this item was presented to the FAP Committee on June 9, 2021. The FAP Committee voted 5 to 0 to recommend approval to the Board of Commissioners. Vice Chair Farnsworth made a motion to approve the funding for the proposed marketing incentives and landing fee and facility abatements for the nonstop BNA – London Heathrow Route operated by BA, up to \$2M, and authorize the Chair and President and CEO to execute the LOA by and between MNAA and BA outlining the specific terms of the proposed incentive with BA for their BNA-LHR route, to begin between July 2021 and December 2021, effective two years from the first flight. Commissioner Granbery seconded the motion. The motion passed by vote of 8 to 0.

VII. Informational Items

A. BNA Concessions Program Update

President Kreulen reported he had a conference call with Fraport USA/AG Executives on June 4, 2021 and discussed 2021 performance and the 2022 transition plan. Fraport will present a revised 2022 plan to staff on June 30, 2021 to guarantee future performance. Another Fraport Executive update is scheduled for July 7, 2021. Staff will update the FAP Committee in July 2021, and plans for the Fraport USA CEO to attend the July 2021 Board meeting to address the transition plan and answer questions from the Board members.

Pyramids Café and District News opened on June 5, 2021. Urban Juicer opened this morning, along with Music Row Supply. Several more openings are coming at the end of June 2021 through July 2021.

B. BNA Valet Parking Contract

President Kreulen gave a brief background of the BNA Valet Parking Contract. After issuing a request for information and a request for proposals, the evaluation committee scored LAZ Parking as the highest proposer based on experience & qualifications, financial responsibility, management & operation plan, customer service and ACDBE participation. In accordance with the 3rd Amended & Restated Bylaws, Section 4.4.1.8, the President approved and Board Chair authorized award of the Valet Parking Contract to LAZ Parking. The contract duration is for 1-year and expires on June 30, 2022. A longer-term contract will be competed prior to the end of this contract.

C. Procurement Policy (Annual Review)

President Kreulen reported that Ms. Taylor reviewed the Procurement Policy with the FAP Committee last week. There were no recommended changes to the policy this year. A copy of the Procurement Policy was provided to the Board prior to the meeting.

Commissioner Joslin expressed his disappointment to Fraport's representative in attendance at the meeting regarding Fraport's delivery to the airport.

President Kreulen thanked Ms. Angela Edwards for her service to the Board of Commissioners as she embarks on a new position at a law firm downtown.

VIII. Adjourn

There being no further business brought before the Board, Chair Harwell thanked the Commissioners for their participation and adjourned the meeting at 1:19 p.m.



William H. Freeman, Board Secretary