

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



Date: September 8, 2021

Place: Nashville Airport Boardroom

Time: 9:00 a.m.

Board Members Present:

Bill Freeman, Chairman; Nancy Sullivan, Vice Chair; Joycelyn Stevenson, Secretary; Andrew Byrd, Bobby Joslin, Dr. Glenda Glover

Board Members Absent:

Jimmy Granbery

Others Present:

Doug Kreulen, Cindy Barnett, Lisa Lankford and Sabrina Troy

I. Call to Order

Chairman Freeman called the MNAA Board of Commissioners and MPC Board of Directors meetings to order at 9:00 a.m., pursuant to the Public Notice dated September 3, 2021.

Chairman Freeman asked President Kreulen if he had any initial remarks. President Kreulen advised that we were in for an active day. Following the Board meeting, available Board members will head to the hotel garage worksite for an 11:00 am groundbreaking. After that, we'll leave for John C. Tune Airport for the Air Traffic Control Tower (ATCT) ceremonial ribbon cutting to open the Tune control tower.

II. Approval of Minutes

Chairman Freeman called for a motion to approve the Minutes of the August 18, 2021 Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors; August 11, 2021 Joint Meeting of the MNAA General Aviation/Operations/Planning & Engineering and MPC Engineering & Planning Committees; August 11, 2021 Joint Meeting of the MNAA and MPC Finance/Administration/Properties Committees; August 11, 2021 Meeting of the BNA Vision Committee; and the August 11, 2021 Meeting of the Audit and Compliance Committee. A motion was made by Commissioner Joslin and seconded by Commissioner Stevenson to approve all of the Minutes. The motion carried by vote of 5 to 0 as Commissioner Glover abstained.

IV. Chair's Report

Chairman Freeman had no Chairman's report.

V. President's Report

President Kreulen updated the Board by commending Chief David Griswold, AVP, Chief of Police, for running our Department of Public Safety (DPS) and for being recognized statewide. He is a member of the Tennessee Association of Chiefs of Police. He was recently elected as 2nd Vice President and in August of 2023 he will take over as the 1st Vice President. We anticipate that he will likely head the association in years to come. Chief Griswold was also appointed by Speaker of the House, Cameron Sexton, to serve on the Tennessee Medical Cannabis Commission.

Our most recent K-9 Certifications are Power and Peggy. Detective Lueders and Detective Swisher just recently completed training with both dogs, now certified in narcotics.

President Kreulen advised that on September 13, 2021, MNAA has been invited to address the Minority Council Caucus. A binder with the presentation was provided to the Commissioners; it gives details of all the minority businesses working at the airport and provides copies of the recent newspaper ads promoting our business diversity program. President Kreulen expects the meeting to go very well.

He stated BNA held the BNA 5K on runway 2R/20L with the runway opening on August 30, 2021. At 10:08 am, BNA welcomed the first landing, Southwest 1540 from Baltimore.

Air Service Updates included: Vacation Express' Seasonal Non-Stop Service to Cancun and Punta Cana resumes summer 2022; on August 31, 2021 Air Canada flights resumed at BNA and all carriers previously operating at BNA pre-pandemic have resumed flights, except British Airways. We are in constant communication with British Airways, and they are hoping to resume non-stop service to Heathrow in late October or early November 2021.

President Kreulen also advised that FY22 Enplanements are significantly recovering as July, August and September, our first quarter in this fiscal year, have continued to grow larger than our FY19 statistics and we look forward to continuing that growth. Updates will continue monthly. He also provided Committee schedule details for the next 30 and 60 days.

Proposed Board Committee appointments were provided by President Kreulen and at this time Chairman Freeman stated that the assignments were provided prior to the Board meeting. Commissioner Joslin made a motion for approval and Vice-Chair Sullivan seconded the motion. The motion passed by vote of 6 to 0.

President Kreulen then referred to the 30-day Committee/Board Outlook calendar to address the 25th Annual MNAA Golf Tournament to be held on October 14. Also discussed was the CEO/Board Retreat scheduled for October 20 at Nelson Andrews Leadership Center which will include a normal Board

meeting with Ethics and Conflict of Interest training followed by our strategic planning for the years ahead. The 60-day outlook includes a potential Satellite Concourse Groundbreaking event on November 17. This would be held on the airfield and specific details will be confirmed closer to the event.

President Kreulen also advised that an additional copy of the 2022 Committee/Board calendar for future planning will be provided. He also noted that April, June and September 2022 are non-standard meeting dates to possibly allow Commissioners to attend one of the industry conferences in person if interested. President Kreulen elaborated that the ACI/AAAE Board and Commissioner Conference is scheduled for April 24-26, 2022, and will be held in Louisville, Kentucky. Also, later in the year the 94th Annual AAAE Conference and Exposition is planned for June 5-8, 2022 held in Seattle, Washington and the ACI NA Annual Conference and Exposition on September 18-20, 2022 in Minneapolis, Minnesota. Another date noted is June 12, 2022, which will be BNA's 85th Birthday.

VI. Approval Items

A. Board Committee Appointments

See information above.

B. Board Resolutions Honoring Former Commissioners

President Kreulen recommended to the Chairman and the Board that we recognize the three outgoing Commissioners.

Commissioner Smith, Resolution 2021-11

Commissioner Farnsworth, Resolution 2021-12

Commissioner Doerge, Resolution 2021-13

Chairman Freeman asked if there was a motion to approve these three resolutions. Commissioner Byrd so moved, and Secretary Stevenson seconded the motion. The motion carried by vote of 6 to 0.

C. CEO FY21 Performance Evaluation

Chairman Freeman elaborated on the past couple of years at the airport with the pandemic loss of passengers and loss of flights, and was congratulatory on not missing a beat with the staff and stated that this likely caused subsequently a lot of additional work. This required the Authority to immediately cut the budget by \$58M to ensure the health and strength of the airport which in turn removed any chance of an annual bonus. Commissioner Joslin commended President Kreulen for his work since his appointment as CEO and recommended a 20% bonus for President Kreulen, especially

in light of the dedicated work he provided during the pandemic. Commissioner Joslin motioned and Commissioner Byrd seconded the motion. The motion carried by vote of 6 to 0. Chairman Freeman then thanked President Kreulen for a job well done.

D. Fraport Sublease with Ole Red Nashville Airport, LLC dba The Opry Shop

President Kreulen introduced Martha Hernandez, Associate Principal PMG Advisory Services. Ms. Hernandez requested the Board approve of the sublease between Fraport and Ole Red Nashville Airport, LLC, dba The Opry Shop, so that all rights and obligations attach to MNAA at the expiration of Fraport’s Lease and Concession Agreement and authorize the Chair and President & CEO to execute the sublease.

The term of the Master Lease and Concession Agreement in place with Fraport, Tennessee is February 1, 2019 through January 31, 2029. If terms extend beyond January 31, 2029, MNAA must become a party to the sublease so that all rights and obligations of the sublease attach to MNAA at the expiration of Fraport’s Lease and Concession Agreement. MNAA has the option to approve an extension to term from 1-5 years at our sole discretion.

Sublease Agreement	ACDBE	Location	Concept	Operating Entity	Required Opening	End Date
Fraport, Ole Red Nashville Airport, LLC & MNAA	0%	Ct.07	The Opry Shop	Ryman Hospitality	2/15/22	2/14/32

Chairman Freeman asked for a motion to approve. Commissioner Joslin so moved, and Commissioner Byrd seconded the motion. The motion carried by vote of 6 to 0.

VI. Informational Items

A. JWN Construction Redevelopment Update

President Kreulen stated that construction continues everywhere at John C. Tune in the March 3, 2020 tornado-damaged area. He advised that Mr. Jeff Roach, AVP and Executive Director JWN, is maintaining communication with tenants to secure their deposits and storage agreements in the very near future.

Timeline:

- 11/17/21: Phase 1 Hangars Complete (4 buildings)
- 12/24/21: Phase 2 Hangars Complete (6 buildings)
- 4/23/22: Phase 2 Hangars (6 buildings) & Phase 3 Complete

B. BNA Concessions Program Update

President Kreulen stated that Martha, Colleen, and Margaret of PMG Advisory Services have an excellent BNA Concessions 2021 Stoplight Chart to track the existing 30 concession venues that are

either in construction or open.

- 15 locations opened for business (16,932 sq ft)
- 6 locations in construction (5,887 sq ft): 5 progressing for September opening and 1 progressing for November opening
- 9 locations at risk (12,827 sq ft): 3 in construction, 2 received Metro permits and 4 in permitting, design or issues resolution

President Kreulen provided an update on his meeting with Fraport Germany/US Executives on September 7, 2021. They discussed the proposed 5th Amendment and terminal marketplace/central plaza. The 5th Amendment, which includes the CY 2022 transition plan, is planned for October 2021 Committee review and Board approval.

C. FY21 Employee Performance Incentive

President Kreulen advised that he and Ms. Marge Basrai, CFO, planned and budgeted for employee performance incentives for FY21 and FY22. Since the dollar amount is in the budget but exceeds President Kreulen's approval limit, this is being brought back to the Board as an informational item as presented. FY21 Discretionary Employee Performance Incentive payout is planned for September/October 2021.

The employee performance incentives are based on MNAA financial performance, individual job performance, completion of strategic goals and personal objectives, and values (RISE). For informational purposes, BNA did not meet the FY21 enplanement target (Target: 5.6M Actual: 5.2M). 290 employees qualify for Performance Incentive FY21 Performance Incentive payout totaling approximately \$1.64M, including taxes.

Commissioner Byrd asked about our fiscal year and President Kreulen advised it was July 1 through June 30 and we were currently auditing last fiscal year's numbers. He also advised that no bonuses would be paid until the independent auditor confirmed that there were no significant findings that impacted our FY21 financial statements. Commissioner Glover asked if incentives were given last year. President Kreulen confirmed that no incentives were provided last year, and that the budget was trimmed due to the pandemic to a survival budget as \$58M was cut to insure the health and strength of the airport. President Kreulen strongly recommended we move forward as budgeted.

D. Terrazzo Art Medallion at BNA

President Kreulen advised that the purpose of art in the airport is it generates revenue; it relaxes our customers; and it serves as placemaking. He presented images of the initial designs that were selected

by a committee of the Arts at the Airport Board of Directors from among more than 80 entries. Matt Goad's "Across Country for BNA", which is 16' diameter, will be in the nodes of Concourses C and D. Jairo Prado's "I'll Fly Away", which is 23' in diameter, will be in the nodes of Concourses A and B.

E. Terminal Marketplace - Central Plaza

President Kreulen advised that the original concept approved four years ago was to create a grand public space, maintain views to the airfield, reinforce a sense of place and the spirit of Nashville, and create a commercially successful space. He stated that for budget purposes, he considered removing the mezzanine level in the central plaza and the Board of Commissioners rejected that idea. We did adjust the budget for those levels will be included in the design. As per our Fraport contract, we are able to pull up to 15% of the retail or food offerings, therefore the kiosks have been removed from the concept and a more open area will allow two restaurants on each side. Future retail or food and beverage space can be determined in the future, if needed, depending on the weight on the floor of the build-out.

VII. Executive Session

Chairman Freeman asked for a motion to move into executive session. Commissioner Stevenson motioned and Commissioner Byrd seconded the motion. The motion passed by vote of 6 to 0. Chairman Freeman began the executive session at 9:38 a.m.

The Chairman ended the executive session, and the Chairman reopened the meeting to the public at 10:38 a.m.

VIII. Adjourn

There being no further business brought before the Board, Chairman Freeman asked for a motion to adjourn. Commissioner Joslin motioned and Commissioner Byrd seconded the motion. The motion carried with a vote of 6 to 0, and the meeting adjourned at 10:39 a.m.


Joycelyn Stevenson, Board Secretary