

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



Date: February 16, 2022

Place: Nashville Airport – Tennessee Boardroom

Time: 1:00 p.m.

Board Members Present:

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

Board Members Absent:

Others Present:

Doug Kreulen, Neale Bedrock, Lisa Lankford, and Ginger Cork

## I. Call to Order

Chairman Freeman called the MNAA Board of Commissioners and MPC Board of Directors meeting to order at 1:00 p.m., pursuant to the Public Notice dated February 11, 2022.

## II. Approval of Minutes

Chairman Freeman called for a motion to approve the Minutes of the January 19, 2022 Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors. A motion was made by Commissioner Glover and seconded by Commissioner Granbery to approve the minutes. The motion carried by vote of 7 to 0.

## III. Chair's Report

Chairman Freeman acknowledged and thanked Mr. Jamie Isabel for his attendance and for all that he does for our city. Chairman Freeman also thanked the outstanding staff and Board Members who have contributed in so many ways like Commissioner Byrd stepping in with little notice and getting up to speed on a complicated committee and he appreciates his assistance.

## IV. President's Report

Mr. Doug Kreulen, President and CEO, congratulated Commissioner Glover for her leadership on the Board as well as her leadership with Tennessee State University (TSU). Commissioner Glover has had some remarkable press lately with regards to the TSU band participating in the 133<sup>rd</sup> Rose Bowl Parade; joining FedEx to ring the closing bell at NY Stock Exchange for the FedEx HBCU Student

Ambassador program; as well as her efforts with the state budgets that resulted in TSU receiving \$250M in Governor's Lee budget proposal. Commissioner Glover thanked everyone for their continued support.

President Kreulen congratulated Commissioner Joycelyn Stevenson on recently being named one of the Nashville Business Journal's - 2022 Women of Influence.

President Kreulen recognized Chief David Griswold, AVP of Public Safety, and Mr. Adam Floyd, AVP of Operations, for the recent reaccreditation and awards received from the Commission on Accreditation for Law Enforcement Agencies (CALEA). This is the 9<sup>th</sup> reaccreditation for the Department of Public Safety, and they received the Excellence Award which only 1% of police departments in the nation hold this honor. The Airport Communications Center received their 6<sup>th</sup> reaccreditation and were awarded the Meritorious Certification.

President Kreulen reported that Allegiant announced new nonstop service to Washington Dulles, Providence, RI and Roanoke, VA. These new routes will begin April 21, 2022 and operate twice weekly.

President Kreulen reported that Flair Airlines, which is a Canadian ultra-low-cost carrier, will launch nonstop service to Toronto and Edmonton. This service will begin April 14, 2022 and will operate twice weekly.

President Kreulen reported that Swoop Airlines, another Canadian ultra-low-cost carrier, will launch nonstop service to Toronto 4 times weekly starting May 26, 2022, and Edmonton 2 times weekly starting June 19, 2022.

President Kreulen reported that Avelo Airlines will launch their first nonstop service to Tennessee from Southern Connecticut's Tweed-New Haven Airport, 4 times weekly starting May 6, 2022.

President Kreulen added that we are excited about the growth coming into the Nashville Airport and these new airlines underscore the work the teams of Mr. Robert Ramsey, EVP, Chief Operating Officer, and Ms. Marge Basrai, EVP, Chief Financial Officer, have been working on with regards to funding and implementing common use at both the gates and ticket counters so we can move these airlines around as we have space available.

President Kreulen reported on the 2022 Business Taking Off event on April 1, 2022 at the Renaissance Hotel. This is a great opportunity for our Business Diversity Department to bring vendors and contractors together for them to meet and mingle. In years past we've had about 300 to 400 different entities at this event and with 45 days to go, we already have 113 registrants. The timing of the event is great because we will be coming to the Board in April for approval of the budget, and we will layout to all the vendors that want to participate what we think is happening at both airports for the next 12 months. This is a great time for them to see future opportunities they would be able to participate in.

President Kreulen briefed the Board on FY22 BNA Enplanements. February YTD is averaging 23,684 daily enplanements, and the fiscal year is expected to finish at a record level approximately 6-7% over FY19.

President Kreulen reported on the 120-day outlook. March will be a busy month with a lot of information items in both Operations and Finance. Approval items on the Finance side include approval of Flair Airlines Incentive Agreement and Valet Services Contract. April 2022 also shows to be a busy month because we look to approve our budgets 60 days prior to the end of the fiscal year.

President Kreulen briefed the Board on the Valet Services RFP. The RFP proposals are being evaluated. Two companies provided us with acceptable proposals, LAZ Parking and Parking Systems of American LP. We will come back to the Board for review and approval in March 2022.

President Kreulen briefed the Board on the Contour Hangers at JWN. Feedback on design of the hangers 1, 2 and 3 was provided to Contour on February 15, 2022. Contour's estimate for completion is April 2023.

President Kreulen updated the Board on several significant events happening over the next few months. These events include Middle TN Economic Development Tours on February 15 & March 1; TN (House & Senate) Transportation Committee Tour on March 14; and Federal Airport Regulations "FAR" Part 139 inspection taking place between April 18 – 22. Commissioner Glover inquired about the Tennessee Aviation Association (TAA) conference, and President Kreulen reported that it would be held March 28 – 30.

V. Items for Approval

A. JWN Administrative /Maintenance Facility CGMP 5 of 5 & Laydown Yard Amendment

President Kreulen introduced Ms. Traci Holton, VP, Chief Engineer. Mr. Holton briefed the Board of Commissioners on the JWN administrative and maintenance building CGMP 5 of 5, the Romeo 3 taxiway and the conversion of the laydown yard to aircraft parking. The amount for CGMP #5 is \$3,902,886 to bring the total GMP to \$38,800,000. This was presented to the Operations Committee last Wednesday.

Ms. Holton requested that the Board of Commissioners authorize the Chair President & CEO to execute CGMP 5 for \$3,902,886 and the GMP for \$38,800,000 with Messer Construction.

Commissioner Joslin made a motion to approve as presented and Commissioner Granbery seconded the motion. The motion carried by a 7 to 0 vote.

Commissioner Granbery asked for clarification on the GMP of \$38,800,000 and asked for the original number we were working from. Ms. Holton stated the original total budget for the hanger redevelopment was \$38.5M and the estimated GMP to be about \$37.5M. The GMP, if you take out the additional scope of the administrative building and the hanger redevelopment would be at \$37.6M, so it increased \$100,000. We added in the \$1.2M for the laydown area and R3, bringing the total GMP to \$38.8M.

B. Construction Contract for Runway 2C Tunnel Repairs (MEP)

Ms. Holton briefed the Board of Commissioners on the construction contract for the Runway 2C tunnel repairs. This contract is to address the mechanical and electrical discrepancies found during TDOT/FHWA (Federal Highway Administration) Inspection to include lighting fixtures, conduit, wiring, fan power drives, and backup emergency power units. We received 2 bids in response to our RFP and Harlan Electric was the lowest responsive and responsible bidder at \$1,079,645 with 4.63% MBE. This item was presented to the Operations Committee last Wednesday.

Ms. Holton requested that the Board of Commissioners authorize the Chair and President and CEO to execute construction contract to Harlan Electric Co., Inc. for \$1,079,645.

Commissioner Joslin made a motion to approve as presented and Secretary Stevenson seconded the motion. The motion carried by a 7 to 0 vote.

C. Arts at the Airport Board Member Appointments

President Kreulen introduced Ms. Stacey Nickens, AVP, Corporate Communications. Ms. Nickens briefed the Board of Commissioners on the appointment of four members to the 15-member Arts at the Airport (AaA) Board of Directors, filling four vacancies previously held by Kim Hawkins, Charlie Cook, Alex Macias and Janice Zeitlin. Ms. Nickens clarified that the AaA has a 15-member board correcting the statement that it was a 10-member board at the Operations Committee last week. Their term would start March 1, 2022 and end December 31, 2024.

Ms. Nickens requested that the Board of Commissioners accept the recommendation of and appoint four new AaA Board members for a term from March 1, 2022 ending December 31, 2024.

Commissioner Glover made a motion to approve as presented and Commissioner Joslin seconded the motion. The motion passed with a vote of 7 to 0.

D. Insurance Premiums / Policies

President Kreulen introduced Ms. Kristen Deuben, VP, Finance. Ms. Deuben briefed the Board of Commissioners on this item. MNAA contracted with Davidson Risk Consulting to review the current insurance policies and assist in the renewal process. One recommendation was to move our premiums back to March 1st cycle. Based on market conditions, Marsh, MNAA's insurance broker, recommended several policies remain on the 12-month cycle of 7/1/21-7/1/22. On June 16, 2021, the Board of Commissioners authorized the renewal of the Authority's FY22 Commercial Insurance policies in the amount not to exceed \$2,177,222. The actual amount of the FY22 policy premiums executed was \$2,137,288. The FY22 authorization remaining was \$39,934. The automobile and fine art policies expiration dates were changed to March 1, 2022. The renewal amount would result in FY22 policies exceeding the amount approved in June.

The FY22/FY23 auto/fine arts insurance policy annualized premium is estimated at \$105,747. Adding an additional \$10,575 for estimate of additional fees/taxes/premiums brings the total FY22/FY23 Proposed Premiums to \$116,322.

The FY22 policy premiums executed was at \$2,137,288. Adding the FY22/FY23 proposed auto/fine arts premiums of \$116,322 brings the total policy premiums to \$2,253,610.

Ms. Deuben requested that the Board of Commissioners:

1. Approve the FY22/FY23 Automobile and Fine Arts insurance policies at a Not-to-Exceed amount of \$116,322, bringing the total policy premiums to \$2,253,610, and
2. Authorize the Chair and President and CEO to execute the FY22/FY23 Automobile and Fine Arts insurance policies

Commissioner Byrd made a motion to approve as presented and Secretary Stevenson seconded the motion. The motion passed with a vote of 7 to 0.

VI. Informational Items

A. JWN Redevelopment Update

President Kreulen briefed the Board of Commissioners on JWN construction and stated the construction continues to grow at JWN. As of February 15, 2022 another building was turned over. We are on track to get to our goal of late March / early April for opening the remaining hangers and plane ports. We will then transition to turning the laydown yard into an aircraft parking area. We expect to open the newly approved administrative / maintenance building by the end of the year. We will then move into apron expansion that Ms. Holton just reported on. We originally thought the budget would be about \$3.4M but with additional engineering analysis we raised it to \$3.65M. Atkins is working on the design, and we look to seek Board approval and start construction in June 2022 and expect to be complete by December 2022, weather permitting.

These items were presented for informational purposes only, and no action was required.

B. BNA Vision Update (Terminal Access Roadway Improvements (TARI) Sequencing)

President Kreulen briefed the Board of Commissioners on the TARI project and discussed the proposed change for delivery method from a progressive design build to a design bid build due to the time that was added to the project from the Colonial Pipeline lawsuit - we feel that it would save money by resequencing it. President Kreulen then presented slides showing the existing conditions of Donelson Pike and Terminal Drive. With the existing TARI project, it will allow us to cut this contract off after phase one, which consists of construction of the monument sign; widening the road coming off I-40; and the redundant water, power, and sewer lines. After this phase, we would get into the design bid-build phase. Overview of the future phases is listed below:

TDOT Phase 1: (July 2022 – July 2023)

- Construction of the Southern portion of Donelson Pike and the temporary crossover

TARI Phase 2: (July 2023 – Dec 2024)

- Construction to include grading, drainage, and utilities only; Terminal Dr/ Parking - not Operational; and Service Rd – Operational

TDOT Phase 2: (July 2023 – Dec 2024)

- Construction of remainder of TDOT project

TARI Phase 3: (Dec 2024 – Dec 2026)

- Construction of remainder of TARI project

President Kreulen presented slides showing the construction phases and stated Ms. Holton and her team is organizing and finding the best sequence of phases and timelines. President Kreulen added this will be a very successful program that will take us multiple years but, in the end, this will allow us to accommodate 30M passengers in 2040.

These items were presented for informational purposes only, and no action was required.

C. Satellite Concourse Shuttle Update

President Kreulen briefed the Commissioners on the RFP for the shuttle service for the satellite concourse and passenger assistance services. The current shuttle operations contract for public and employee lots expires December 2023. We advertised the RFP on January 31, 2022 and conducted a site visit on February 15, 2022 with eleven different shuttle companies. President Kreulen praised Mr. Floyd, AVP of Operations, and his team for all their hard work getting us to this point. We look to come back in the April 2022 time frame for Board Approval of the shuttle contract. The operational schedule for the new shuttles is to train shuttle drivers in August 2023; go live (satellite concourse only) in October 2023 and to have all shuttles operational in December 2023. President Kreulen added that with this new shuttle contract we will do much better in the customer service area with clearly defined times and limits they have to make to judge the success of that program.

These items were presented for informational purposes only, and no action was required.

D. BNA Concessions Program Update (Including Satellite Concessions RFP Terms)

President Kreulen briefed the Commissioner's on the concessions program and stated overall we finished 2021 as a big success and for 2022 we already have 5 of the 20 locations opened and 5 locations are in

construction. We are working on multiple leases to continue the remaining 10 locations. PMG and our finance team are working together on the satellite concessions RFP that goes out May 2022. Industry day will be scheduled in late March / early April. We plan to have Board review and approval of the RFP no later than August 2022 which allows them to have 12 months to get their team in and finish building out the locations. The satellite concourse will have 8 concessions with a 10-year lease – 5 of which will be food and beverage locations and 3 will be convenience / retail locations.

These items were presented for informational purposes only, and no action was required.

E. Quarterly Retirement/OPEB/Treasury Investment Reports

President Kreulen briefed the Board on the Quarterly Retirement / OPEB & Treasury Investment Reports. Our Retirement Plan has a little over \$92M and made \$1.47M over the last quarter. Our OPEB has a little over \$44M and made \$1.2M last quarter. The treasury accounts have a \$817M and the key part is that we are 99% invested and no longer in cash and it is making a good return. President Kreulen thanked Ms. Sepik, Directory of Treasury, for all her hard work and leadership in the area.

These items were presented for informational purposes only, and no action was required.

VII. Adjourn

There being no further business brought before the Board, Chairman Freeman asked for a motion to adjourn. Commissioner Byrd made the motion, and Secretary Stevenson seconded the motion. The motion carried with a vote of 7 to 0, and the meeting adjourned at 1:30 p.m.

  
Joycelyn Stevenson, Board Secretary