

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



Date: June 22, 2022

Place: Nashville Airport – Tennessee Boardroom

Time: 1:00 p.m.

Board Members Present:

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

Board Members Absent:

Joycelyn Stevenson, Secretary

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 June 17, 2022.

## II. Approval of Minutes

Chairman Freeman called for a motion to approve the Minutes of the May 11, 2022 Special Meeting of the MNAA Board of Commissioners and MPC Board of Directors and to also approve the Minutes of the May 18, 2022 Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors. A motion was made by Commissioner Granbery and seconded by Commissioner Glover to approve the minutes. The motion carried by vote of 6 to 0.

## III. Chair's Report

Chairman Freeman congratulated Commissioner Nancy Sullivan on her reappointment to the MNAA Board of Commissioners by Mayor John Cooper. Metro Council confirmed the appointment on June 21, 2022. Commissioner Sullivan will serve a 7-year term.

Chairman Freeman also congratulated MNAA's newly elected Board Officers which go into effect on July 1, 2022. Those elected officers include Mr. Bill Freeman, Chairman; Ms. Joycelyn Stevenson, Vice Chair; and Mr. Jimmy Granbery, Secretary.

IV. President's Report

President Kreulen reported MNAA received the Medium Hub Inclusion Award from the Airports Council International-North America (ACI-NA) conference on June 9, 2022. To date, over \$217M in contracts have been awarded to SMWBE-certified firms. Our goal when we started this in 2017 was \$265M and we are on track to exceed that goal by 2023.

President Kreulen reported on the Arts at the Airport Bonnaroo-Themed Skylight Exhibit. The exhibition is funded by Arts at the Airport and Bonnaroo Works Fund and each winning artist received a \$4,500 honorarium. The 4 works of art will be exhibited in Concourses B and C through April 9, 2023. Winning entries were selected by members of the Bonnaroo team and the Arts at the Airport Board of Directors, and include Cara Lynch, Nico Meyer, Alyssa Polizzi, Scott Wilson, Cassie Maylee, Jessica Eichman, and Sarah Dark.

President Kreulen reported on the recent John C. Tune ribbon cutting for the opening of 100 hangars and plane ports. Special tribute was paid to the Tune Family and Senator Brenda Gilmore. Ms. Carolyn Tune, the wife of the late John C. Tune, and Ms. Tune's grandson, John C. Tune, II, as well as Mr. David Tune, the son of Ms. Carolyn and John C. Tune, were in attendance. Senator Gilmore was also in attendance, and she has always been involved at our events during her time as State Senator and we are very proud of her participation. Hatch prints were presented to Ms. Carolyn Tune and Senator Gilmore.

President Kreulen briefed the Board on FY22 BNA Enplanements. June FYTD is averaging 29,464 daily enplanements, and the fiscal year is expected to finish at a record level approximately 7% over FY19.

President Kreulen reported on the 30 and 60-day outlook. July will be a busy month and we have a special guest; Mayor Cooper will be in attendance at the July Board meeting. We have several approval items planned for July including Nashville Electric Service (NES) Transmission Relocation (Donelson Pike); Fraport Exhibit G Updates (Amendment 7); Aircraft Rescue & Fire Fighting (ARFF) Vehicle Purchase; and Airfield Sweeper and Deicing Vehicles. On the 60-day outlook for August 2022 we are looking to approve several items in Operations. Those items include Terminal Apron Taxilane Expansion (TATE) Phase 2; Design Build Contract for Concourse D Extension; and Design Contract for Terminal Area Roadway Improvements (TARI) Phases 2 & 3 (tentative). On the Finance side of the house, we look to approve Satellite Concessions Contract and Fraport Sublease Approvals (tentative).

V. Items for Approval

**1. Construction Contract for Reconstruct Taxiway Bravo South**

President Kreulen introduced Ms. Traci Holton, VP, Engineering and Chief Engineer, to discuss the Construction Contract for Reconstruct Taxiway Bravo South.

Ms. Holton briefed the Board on the Reconstruct Taxiway Bravo South from the Bravo/Kilo intersection to Runway 2L end. This project was bid in May 2022 with six bid schedules, and we received three bids from Hi-Way Paving; three bids from Superior; and 2 bids from Kiewit. Staff recommended awarding the project to Hi-Way Paving because their bid was the lowest responsive bid which came in at 22% lower than Engineer of Record. The duration of this project is 185 calendar days with a total contract value of \$18.75M. The DBE goal for the project is 16.48% and Hi-Way paving participation is at 16.53% DBE. Their DBE sub-contractors include Gibco Construction, Archangel Protective Services, Kimberly Inc., and Rutherford Contracting. This was presented to the Operations Committee last Wednesday and the motion passed with a vote of 3 to 0.

Ms. Holton requested the Board of Commissioners to:

1. authorize the Chair and President and CEO to execute the construction contract with Hi-Way Paving for \$18,750,200

Commissioner Joslin made a motion to approve as presented and Commissioner Granbery seconded the motion. The motion carried by a 6 to 0 vote.

**2. FY23 Commercial Insurance Policies Renewal**

President Kreulen introduced Ms. Kristen Deuben, VP, Finance and Deputy CFO, to brief the Board on the FY23 Commercial Insurance Policies Renewal. Ms. Deuben stated the FY23 Proposed Program Premium is at a NTE \$4,001,026 which is a 77.5% increase over FY22. The key reasons for the increase over FY22 include:

- Property Insurance increased to \$2.56M (+80.5%)
- Aviation General Liability increased to \$194k (+40%)
- Cyber Liability/Network Security increased to \$143k (+60%-100%)
- Law Enforcement Professional increased to \$200k

Ms. Deuben added that staff will engage a legal review of current and proposed policies as well as evaluate deductibles, self-insurance opportunities and umbrella policy. This was presented to the Finance Committee last Wednesday and the motion passed with a vote of 4 to 0.

Ms. Deuben requested the Board of Commissioners to:

1. approve the FY23 Commercial Insurance Policies at a NTE amount of \$4,001,026; and
2. authorize the Chair and President & CEO to execute the FY23 Commercial Insurance Policies

Commissioner Granbery made a motion to approve as presented and Commissioner Byrd seconded the motion. The motion carried by a 6 to 0 vote.

### **3. Board Resolution No. 2022-09 for 85<sup>th</sup> Anniversary of BNA**

President Kreulen presented the Board Resolution for 85<sup>th</sup> Anniversary of the Nashville International Airport to the Board. This Resolution celebrates and honors the 85<sup>th</sup> Anniversary of BNA. This was presented to the Management Committee last Wednesday and the motion passed with a vote of 5 to 0.

Mr. Kreulen requested the Board of Commissioners to approve MNAA Resolution 2022-09. Commissioner Byrd made a motion to approve as presented and Commissioner Glover seconded the motion. The motion passed with a vote of 6 to 0.

## **VI. Information Items**

### **A. BNA Vision Update (Operations)**

President Kreulen provided a brief update on BNA Vision and discussed the photos that Ms. Holton shared at last week's Operations Committee meeting on the terminal lobby, International Arrivals Facility (IAF) and garage structure. It is exciting to know that on January 17, 2023 we will open the center and where we had 10 security lanes, there will be 24 security lanes. We will also have 2 large jumbotrons that will direct passengers with information on arrivals, departures, and interesting ads related to Nashville and the Airport Authority. The IAF is also progressing, and we expect completion in September 2023. President Kreulen discussed progress on Garage B which will also be the host to the hotel. Starting in July 2022 we will begin to see the erection of the 9-story hotel. We are continuing to work with Chartwell Hospitality on the hotel agreement, and we don't see anything that would prevent them from closing. President Kreulen stated that a press release was recently issued on New

Horizon by our Corporate Communications Team. Solicitations for Concourse D extension and Terminal Apron & Taxilane Expansion (TATE) Phase 2 are due July 14, 2022. President Kreulen added that staff is developing comprehensive financial and engineering contingency plans, based on current and future US economic outlook.

This item was presented for informational purposes only, and no action was required.

B. JWN Development Update (Operations)

President Kreulen briefed the Board on the JWN Northside Development. President Kreulen stated our real estate team is working to secure the Letters of Intent (LOI) for the first 8 parcels. The 9<sup>th</sup> parcel will go back on the market at some point. For #10 we are continuing to work with Metro Police Department and the City of Nashville to secure a reimbursable agreement so that we are able to help build an aviation hangar for Metro Police Department. There is still some homework to be done on parcels 9 & 10, and once we get the 8 LOI's signed, we will negotiate a lease and hopefully be ready for all leases to be executed before the end of this calendar year.

This item was presented for informational purposes only, and no action was required.

C. BNA Westside Hangar Development Notice of Availability (Finance)

President Kreulen briefed the Board on the BNA Westside Hangar Development and shared a photo of the parcel. The site previously was used by MNAA as a maintenance yard and those facilities have been demolished and maintenance is now in the Consolidated Services Facility and in the Mobile Equipment Building which services all our vehicles. President Kreulen reported that the Finance Committee did not recommend accepting an unsolicited proposal, and we are going to go out on the market for that. A Notice of Availability should be complete in about 30 days, and it will be similar to how we did it at John C. Tune.

This item was presented for informational purposes only, and no action was required.

D. BNA Concessions Program Update (Main Terminal and Satellite) (Finance)

President Kreulen reported that a lot of construction is going on but we are slightly behind on the Arrington Wine Bar for Concourse A. Everything else is proceeding as expected with regards to their opening dates. As we look to TN Rickhouse, we have had a lease concern but this seems to be moving forward now. As for the Titans Sports Bar area that is not expected to open until next year, we are working with Fraport to resolve some issues. Mr. Kreulen discussed the RFP schedule for the Satellite Concourse, and we expect the proposals to come in the end of this week and will take us about 30 days

to finish that evaluation. We expect to have the evaluations complete and ready for Board review at the August 2022 Board meeting.

This item was presented for informational purposes only, and no action was required.

E. Compensation Study Implementation

President Kreulen stated that as we have discussed in the Finance and Management Committee meetings, one of the goals of the Commission has always been to make sure that the Airport Authority promotes and maintains a workforce that is compensated at or above market. We started 5 years ago with a compensation study in 2019, and we made a commitment to do this every 3 to 4 years. This is the 2<sup>nd</sup> study since I've been CEO. I will meet with all the employees tomorrow at our All-Team Meetings to share the results of the study, which basically shows \$3.4M additional salary investment to make sure we are compensating our employees at market rates to keep up with our fast-growing city that we are in. Grade assignments of 154 positions were evaluated, representing 380 employees.

This item was presented for informational purposes only, and no action was required.

F. FY22 Strategic Goals Completion

President Kreulen reported that all staff are working on their performance reviews for FY22, and the executive team and senior staff have evaluated the goals we set for 2022. We assessed the goals in March 2022 and received a score of 85%. A lot of work has happened in 2022 and we had a very aggressive list of goals so this by no means is a failure on our part. The 15% that was not accomplished will flow into FY23 Strategic Goals.

G. FY23 Strategic Goals

President Kreulen reported that FY23 Goals and Objectives are a combination of the carry over from FY22, feedback from Commissioners and the goals that were established at the October Board Retreat. Everyone's appraisals for FY23 will be based on these goals. These will be discussed with the staff so they can develop the individual goals and objectives so they can achieve these strategic objectives.

H. Additional CEO Updates

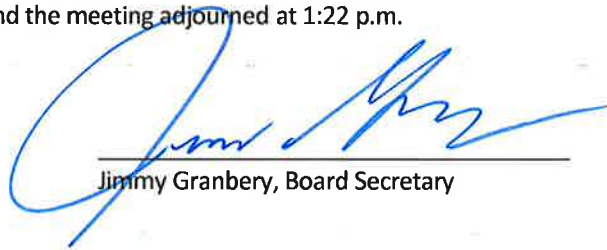
President Kreulen reported the external audit of FY22 has started with Plante Moran and we are actively providing the outside independent auditor with documents they are needing. We expect the preliminary results of this audit to be available 1st Quarter, FY23. President Kreulen also reported that we are continuing to monitor the US economic outlook. Lastly, President Kreulen

said Commissioner Stevenson is working with Mr. Neale Bedrock, EVP, General Counsel and Chief Compliance Officer, as well as all the Commissioners, over the next 30 days on the CEO Contract review and recommendation.

Prior to adjourning, Commissioner Byrd congratulated staff on the minority program and the ACI Inclusion Award. He stated that it is pretty remarkable that we have managed to award that many contracts and have the prospects to award that many more. That is a great reflection on the quality of the organization.

VI. Adjourn

There being no further business brought before the Board, Chairman Freeman asked to adjourn the meeting which carried with a vote of 6 to 0, and the meeting adjourned at 1:22 p.m.



Jimmy Granbery, Board Secretary