

## Minutes of the MNAA Management Committee



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Date: July 13, 2022 Nashville International Airport Board Room

Time: 10:00 a.m.

Committee Members Present: Bill Freeman, Chairman; Nancy Sullivan, Vice Chair; Joycelyn Stevenson, Secretary; Bobby Joslin and Jimmy Granbery

Committee Members Absent: None

Others Present: Doug Kreulen; Andrew Byrd; Neale Bedrock; Lisa Lankford and Rachel Moore

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### I. CALL TO ORDER

Chairman Freeman called the meeting of the Metropolitan Nashville Airport Authority Management Committee to order at 10:04 a.m. pursuant to Public Notice dated July 8, 2022.

### II. APPROVAL OF MINUTES

Commissioner Joslin made a motion to approve the minutes of the June 15, 2022 MNAA Management Committee, and Vice Chair Sullivan seconded the motion. The motion carried by vote of 5 to 0.

### III. CHAIR'S REPORT

NONE

### IV. ITEMS FOR APPROVAL

#### A. CEO Contract

Chairman Freeman acknowledged and thanked Commissioner Stevenson for her work on the CEO Contract and for representing us during this process. Commissioner Stevenson briefed the Management Committee on the CEO contract and thanked Mr. Neale Bedrock, EVP and General Counsel, for all of his help and working with me to get this contract presented to the Board. The proposed agreement replaces the existing agreement. Commissioner Stevenson and Mr. Bedrock recommended a more structured/formal contract and utilized outside counsel, Jenner & Block, to

assist in this process. Jenner & Block helped create a draft term sheet, reviewed benchmark studies, and created a draft CEO contract template which adds more protection for the Authority and provides the Board with more control and flexibility and this contract will become a template for future CEO's. The key terms of the contract provide a 3-year term of employment, with auto 1-year renewals; base salary and bonus adjusted; incentive for continuous employment through initial term; and termination for cause & resignation for good reason. Commissioner Stevenson, along with Mr. Bedrock, recommended that the Management Committee recommend approval of the agreement to the Board of Commissioners.

Mr. Bedrock added that as he and Commissioner Stevenson went through this process, the focus was putting together an agreement that is protective of the authority, for now and in the future. This agreement should serve as a template going forward. The other issue was Board flexibility and Mr. Bedrock, stated this contract will give us flexibility that we did not have under the prior agreement.

Chairman Freeman asked if any of the Commissioners had any questions or comments. Commissioners shared their thoughts on the contract terms, including the bonus structure and commented on President Kreulen's performance, how the Board can evaluate and rate his performance, and whether the new contract structure allows for flexibility in this regard. President Kreulen and Mr. Bedrock responded to the Commissioners' questions.

Commissioner Byrd asked for clarification on the bonus structure, and Commissioner Stevenson clarified there would be an annual evaluation period with analysis based on meeting milestones. The agreement itself allows the ceiling to be raised, depending on what the Board wants to do at the time of evaluation. Mr. Bedrock stated that the Board sets the goals and determines if the goals have been reached or exceeded, and it's entirely within the Board's control.

Commissioner Stevenson recommended establishing an agreed upon standard. President Kreulen offered to submit a proposal for Key Performance Indicators (KPI) within the next 30 days.

Commissioners discussed the competitiveness of the contract and Commissioner Stevenson asked Mr. Bedrock to address their questions. Mr. Bedrock stated that comparisons were made to other airports, rather than to the private sector which has a host of benefits that do not apply to airports. He explained that with regards to KPI's, most are focused on revenue, expenses, airport projects and customer experience. Chairman Freeman requested that the Management Committee

recommend the CEO Contract to the Board of Commissioners. Commissioner Granbery asked for a motion to approve as presented and Vice Chair Sullivan seconded the motion. The motion carried by a 5 to 0 vote.

Chairman Freeman opened the floor to President Kreulen. President Kreulen responded to the Commissioners' motion and approval, stated that the contract terms were acceptable and thanked the Commissioners.

Chairman Freeman and others thanked President Kreulen for the wonderful job he has done.

#### B. Committee Assignments

Chairman Freeman discussed Committee Assignments and recommended that Commissioner Byrd serve as the Chair of the Finance Committee. Commissioner Byrd said he would be pleased to serve. President Kreulen stated that Chairman Freeman spoke with him about the committee assignments, starting with a new term of elections for our Board this past May, and July 1, 2022 starts with the Chairman, Vice Chair Stevenson and Secretary Granbery. The Bylaws authorize the Chairman to set the committees. These changes will require a Board vote and will be done next week at the July 20, 2022 Board Meeting.

Chairman Freeman proposed committees as follows:

- Management
  - Joycelyn Stevenson, Chair
  - Jimmy Granbery, Vice Chair
  - Bill Freeman, Member
- Operations
  - Bobby Joslin, Chair
  - Nancy Sullivan, Vice Chair
  - Dr. Glenda Glover, Member
- Finance
  - Andrew Byrd, Chair
  - Dr. Glenda Glover, Vice Chair
  - Jimmy Granbery, Member

Commissioners asked questions on the size of the committees and number required for a quorum.

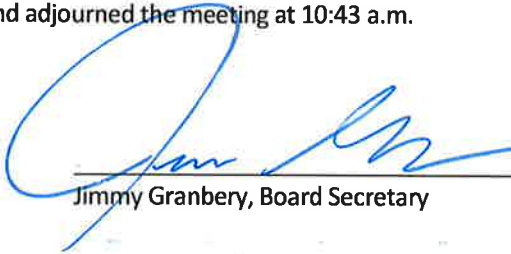
President Kreulen responded to the questions.

V. INFORMATION ITEMS

NONE

VI. ADJOURN

There being no further business brought before the Management Committee, Chairman Freeman thanked the Commissioners for their participation and adjourned the meeting at 10:43 a.m.



Jimmy Granbery, Board Secretary