

# Minutes of the Special Meeting of the MNAA Board of Commissioners



Date: April 7, 2023

Location: Metropolitan Nashville Airport Authority  
Tennessee Boardroom

Time: 10:00 AM

Board Members Present:

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

Board Members Absent:

Others Present:

Doug Kreulen, Neale Bedrock, Lisa Lankford, Trish Saxman and  
Rachel Moore

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## I. CALL TO ORDER

In accordance with the 3<sup>rd</sup> Amended and Restated Bylaws of the MNAA Board of Commissioners, Section 2.3, Chair Stevenson called the Special Meeting of the MNAA Board of Commissioners to order at 10:00 AM, pursuant to Public Notice dated April 4, 2023.

Chair Stevenson asked for a moment of silence for the victims of Covenant School.

Chair Stevenson thanked all Board Members for attending the Special Meeting. Chair Stevenson also thanked President Kreulen and his team for scheduling and attending the Special Meeting. Chair Stevenson stated that the purpose of the meeting is to discuss the appointment of Commissioners to this Board and that there have been two Executive Sessions in the past several months where the Board has have talked with counsel regarding potential litigation related to the legislation. This will be the first public meeting where we will discuss it. Chair Stevenson stated she is very proud to serve on this Board as Chair and that the airport has operated for 53 years very effectively and efficiently and it has become one of the best airports in the world due in part to the hard work of the prior Boards, and all the hard work this Board is currently doing. Chair Stevenson acknowledged the staff and thanked them for the work that they do daily.

Chair Stevenson asked President Kreulen to give a brief overview of where we are with the legislation, the discussions to date, and the communications with the FAA. Chair Stevenson asked Mr. Bedrock, Executive Vice President, General Counsel & Chief Compliance, to go into executive session to discuss the potential litigation related to the legislation. Chair Stevenson said that after President Kreulen's remarks, she would then open the floor up to the full Board to ask questions or make comments. Chair Stevenson asked the Board to reserve questions related to potential litigation for Mr. Bedrock for executive session and asked for respectful dialogue. Chair Stevenson noted that there are 380 authorized positions here at this airport, that almost 400 people day in and day out are doing a lot of hard work, and 10K people carry badges allowing them to be here to provide services. Many lives are affected every day, she stated, from what the Commissioners decide here at this table and that is always at the top of her mind. Let us honor their hard work, Chair Stevenson said in closing her opening remarks, and all the work they have been doing to help navigate this meeting today and the executive session. Chair Stevenson then turned the floor over to President Kreulen.

## II. INFORMATION ITEM

President Kreulen presented the information item and provided a handout of the timeline of activities. Since the legislation was filed on January 31, 2023, we have been meeting with lawmakers from both sides of the aisle throughout this entire process and we have also engaged the Board. February 8, 2023 was our first Executive Session at the Management Committee meeting, and we received our first Bond Counsel Opinion and the Airport Compliance Counsel Opinion on Legislation on February 10, 2023 and March 8, 2023, respectively. We had another Executive Session at the Management Committee meeting on March 15, 2023, and on March 20, 2023 received the External Auditor Review of Legislation. Today April 7, 2023, a Special Meeting of the Board has been called. President Kreulen stated since January 31, 2023, he has sent 11 different emails sent to the Commissioners updating them on where we are at with the legislation. President Kreulen stated that he did not take time to go through a call log, but spoke with the Commissioners many times over the last couple of months regarding the legislation. This has been a very busy two and a half months to this point trying to keep track of what the legislation is doing and what its impact will be. A number of different statements have gone on about who is supporting this, or who is against this, but the airport authority staff has been neutral. We brag about our 53 year history of success and regardless of who sits on the Board, current Board or new Board, afterwards, President Kreulen stated, he hoped that there is another 53 years of success for Nashville.

The legislators have drafted this legislation about the appointments, and we have had no opinion on the appointments. We started in 2022 with some land use issues that we wanted to take to the legislature. We

have a requirement by the FAA to put overlays over Nashville and John C. Tune Airports so we protect the airspace for the planes to arrive and depart. On any roads inside the airport authority's property, we want the ability to close the street or turn the road into a parking lot or whatever we need to do. The only comment that was made on the legislation to legislators that are proposing the bill is that you cannot eliminate one Board today and have the new Board start that same day. You need to have some sort of sunset provision so that is why you see the July date. That is in there so if they pass this then there is time for the new Board to go through orientation to assume their positions. If the Legislation does not pass it, then we continue to move forward. President Kreulen stated he wants the Board to have this legislative history, an overview of staff outreach, and a summary of Board engagement. The official statement that we provided to The Tennessean that we issued to them was after the March 31, 2023 FAA letter. This was sent electronically on April 3, 2023 and it basically says we are proud of our 53-year history, that we are not into the legislative side of the house and have served as an educational resource to all parties involved to provide insight into airport operations, and we are working to grow all of Tennessee's airports.

President Kreulen stated it has been an exhausting process to this point, we have been working hard and he believes we have done our best to communicate with Commissioners of the status and what we are doing either by these meetings or by the email updates from him.

President Kreulen then updated the Board on the Zoom call with the FAA. President Kreulen reminded the Board that Mr. Willis is the Director of Airport Compliance and Management Analysis at the FAA who sent the airport a letter on March 31, 2023 and basically extending his hand to say we would like to talk to the authority regarding the proposed bill. President Kreulen reached back out to Mr. Willis and stated we would be glad to have a call with him and his legal team. A Zoom call was set up for April 4, 2023. We spent 45 minutes speaking with him on April 4, 2023. Overall, Mr. Willis and his legal team asked us questions and following that meeting I wrote him a letter back to confirm what was said and to confirm what we think the process is going forward. Mr. Bedrock, our General Counsel, did the same thing with the legal counsel at FAA who had one request – to please send them a copy of the Bond Opinion that explained that the Bonds would not be impacted by the current legislation. Their lawyers have that and I reaffirmed the discussion with an April 5, 2023 letter back to Mr. Willis. President Kreulen provided the Board with a copy of that letter. Now the FAA has a much better understanding of the legislation and understand that as the legislation is currently written, it does not impact our Bonds, our sponsorships or our Federal obligations. The only request that the FAA has at this point is if the legislation passes, they would like the airport authority to develop a transition plan to go from one Board to the other. They asked on the phone call if we have a transition plan, and President Kreulen replied no, because

we are in the middle of this and MNAA does not need a transition plan because we have a Board. If the State of Tennessee passes legislation that would change who appoints the Board, MNAA would then have to provide the FAA with some documents showing how the future Board would come onboard and we would resume operations. Overall, it was a very good call with the FAA and they now have a very good understanding.

President Kreulen stated regarding the CEO/FAA call, Mr. Willis called him this morning around 8:36 am. President Kreulen asked if there is anything the FAA needs from the airport authority or any of us as of today and the answer was no. He reiterated again, that if the legislation is passed, we owe them a transition plan. Mr. Willis and his legal team are comfortable with where we are at this point. Mr. Willis made several comments in the first Zoom call that were important, that his sole focus is the business of the airport authority and as a staff member that is what we have been trying to do. With all of this going on, we continue to run the airport, keep paying the bills and do the right thing.

President Kreulen stated that on Tuesday, April 11, 2023 at 3:00 PM, the House Finance Committee will hold their next hearing. As the agenda looks today, the airport authority bill is the first item on the agenda and noted this has been the last Bill for the last several weeks. We do not know if it will be delayed or passed, but it is back on for the third time in the House Finance Committee and we will monitor to see what happens on Tuesday and report back that evening or at the Committee meeting. Commissioner Sullivan asked which Bill is that. President Kreulen replied, that is House Bill 1176, and that the Senate Bill 1326 has made it through the Senate Until the House Bill makes it through the House, there is nothing for the two different sides of the Government to resolve in a conference meeting. If it passes on Tuesday afternoon, it will go to calendar and rules, which means it gets scheduled for a floor vote and discussion. If it passes that then the House and Senate have to get together and discuss the number of appointments by elected officials. That is the status of the airport authority with regards to legislation and with regards to the FAA.

Chair Stevenson asked the Board if they had any questions or comments for President Kreulen and requested that the Board members wait to be recognized instead of crossing each other. Chair Stevenson recognized Vice Chair Granbery and then Secretary Byrd.

Vice Chair Granbery asked what the difference is between the Senate and House Bills. President responded that the Senate Bill is four two's: two appointments for the Governor, two appointments for the Speaker, two appointments for the Lieutenant Governor and two appointments for the Mayor of Nashville. The House Bill is three/three/three/one: three appointments for the Governor, three appointments for the Speaker,

three appointments for Lieutenant Governor and one non-voting appointment for the Mayor of Nashville. Secretary Byrd asked to introduce a Motion to be able to address this transfer and he would like to pass out his Resolution. Commissioner Joslin asked Chair Stevenson if the Board could halt going down that path, as they were still in the information stage. Commissioner Joslin stated that Secretary Byrd's Motion was premature. Chair Stevenson asked Secretary Byrd if he could wait until all Board members had an opportunity to ask President Kreulen questions before he presented his Resolution. Secretary Byrd stated he is very flexible, but would like to see it entered. Chair Stevenson asked if any other Board Member had a question for President Kreulen.

Commissioner Joslin stated that he did. Commissioner Joslin pointed out that the FAA letter stated that the proposed bill "could" impact governance and that has triggered all of this. He wondered if someone had contacted the FAA for purposes of slowing the proposed bill down. Commissioner Joslin stated that Secretary Byrd received the letter before any of the Board Members and that the letter should have been directed to the Chair or sent to the Board. Commissioner Joslin asked Secretary Byrd if Wally Dietz sent him the letter and Secretary Byrd confirmed that Mr. Dietz had, but not by mail. President Kreulen stated in reference to the letter, it came in Friday afternoon via email. Mr. Bedrock, Ms. Lankford and himself reviewed the letter, and drafted a response letter back to the FAA on Sunday, April 2, 2023. Then we requested a Zoom call which took place on April 4, 2023. The letter stated "could" and asked what the ramifications are, and they said let us clear it up in a Zoom call. On that call, the team went through FAA Grant Assurances, Airport Improvement Program ("AIP") applications, and all documents that President Kreulen has to sign as President and CEO to include the Bonds and that is where the FAA is comfortable that the authority's business model would not change. The Zoom call was very productive and the follow up email today reconfirmed what was said on the April 4, 2023 Zoom call. On the Zoom call, we found out from the FAA that the Mayor's General Counsel had previously made a trip to Washington DC to talk with them and some concerns were raised there. Both the FAA at Washington DC and the FAA at Memphis District Office in Tennessee that runs the Southeast airports have known about this legislation since early March time period. They have seen it in the media and know what is going on and may have had a visit by Metro staff, but now they talked with the experts that run the airport and are satisfied.

Commissioner Joslin questioned how The Tennessean got a copy of the FAA letter before the rest of the Board. Chair Stevenson asked Commissioner Joslin if he had any more questions, to which Commissioner Joslin replied no. Chair Stevenson asked Secretary Byrd to continue with his document. Secretary Byrd stated the document he has is a Resolution and he believes the Board of this organization needs to be involved directly in the policies

that are being pursued with respect to this legislation and the potential replacement of the entire Board by the State appointed Board and that Board would be able to be replaced at will as the legislation is currently drawn. Secretary Byrd stated that his Resolution is as follows:

“Whereas, the Board of Commissioners was surprised by the letter of March 31, 2023, from the Federal Aviation Administration, Office of Airport Compliance, to Doug Kreulen, our MNAA President and CEO; and

Whereas this puts the MNAA Board in a regrettable position to be told, apparently months late, that the issuer of our “airport operating certificate” will not approve any governance changes if it is not satisfied “well before” any state legislation is advanced; and

Whereas we, as responsible Board members, should have been told about this potential problem months ago. This is not an everyday problem but possibly a fundamental issue for the continued smooth operation of the airport since the FAA is the airport’s most important relationship; and

NOW, THEREFORE, the PREMISES being considered,

RESOLVED, that the Board of Commissioners ask for a delay in the consideration of the pending legislation of the Tennessee State Legislature, particularly House Bill 1176 and Senate Bill 1328, until the FAA can be adequately informed of such legislation and proper consultation take place between all parties.”

Secretary Byrd stated the State Legislature which is passing this legislation is not the MNAA, it is not our organization that is pursuing this. He said that the State Legislature and their representatives should be in touch with the FAA in order for there to be adequate consultation before there is a change in governance. With that, Secretary Byrd made a Motion to approve the Resolution that the Board of Commissioners seek a delay. Chair Stevenson asked Secretary Byrd to clarify if he is making a Motion to adopt the Resolution he has written. Chair Stevenson asked for a second and Commissioner Freeman seconded the Motion.

Commissioner Glover questioned the accuracy of the Resolution’s language, specifically, she stated, the Board was aware of the proposed bill on January 31, 2023. Secretary Byrd replied maybe Commissioner Glover did know about the bill, but he did not. Commissioner Glover stated that the FAA should be the entity to argue this if there is an issue and go to the General Assembly, and not the Board. She stated that she does not have a problem with a Resolution of the Board, but asked what would become of the Resolution.

Secretary Byrd replied that apparently there has been no contact between the State Legislature, the Attorney General, or anyone with the FAA and two individuals in the State Legislature are going to take over the appointment process of virtually the entire Board. Commissioner Glover stated that if we are going to have a Resolution, it should be palatable to the Board and it should be accurate. Commissioner Glover stated that if there is an issue, then that is a fight between the FAA and the General Assembly. Secretary Byrd stated and that is why we are requesting a delay of the State Legislature. Commissioner Glover inquired if FAA asked for that delay. Secretary Byrd replied, they did ask for that delay, they informed President Kreulen that they had not been consulted and should have been consulted and unless they are consulted, they will not approve this transfer.

Chair Stevenson thanked Secretary Byrd and asked Mr. Bedrock to interject if the Board was inching towards discussions related to litigation and needed to go into Executive Session. She then allowed Commissioner Joslin to speak.

Commissioner Joslin stated that MNAA engaged two outside law firms to review this legislation, and one handles the Charlotte lawsuit. Mr. Bedrock interrupted Commissioner Joslin, stating we are getting close to having to go into Executive Session. Commissioner Joslin continuing stated that the legal opinions that President Kreulen had obtained did not give the Board reason to believe that the proposed bill would jeopardize our funding. Secretary Byrd stated the FAA sent us a letter that basically said they have not adequately been consulted and want to be consulted before any of this legislation is adopted. Commissioner Joslin replied that they now have, to which Secretary Byrd stated by us, but not by the State. Commissioner Joslin stated he doesn't believe the State has any reason to go down that path. Secretary Byrd stated the State is basically assuming the governance of this Board going forward, they are going to be consolidated with the Metro Council Board and will have a direct control over capital expenditures, approval of the budget and the ability to replace any member of the Board as appointed by the three individuals that are involved. MNAA today is controlled by Metro, i.e., they appoint the Board members. Secretary Byrd reiterated his request that the Board ask for a delay in the legislation. Chair Byrd then made remarks regarding recent events taking place on the Hill. Chair Stevenson thanked Secretary Byrd for what he had to say and asked if Commissioner Joslin had any other comments. Commissioner Joslin expressed his displeasure with the Resolution. Secretary Byrd stated it is a policy determination. Chair Stevenson asked if anyone else had any questions or comments Vice Chair Granbery replied that he did and stated the following:

“Throughout MNAA’s history, Metro government, according to state statute, has appointed community and civic leaders to this Board. I am forever grateful to both Mayor Briley for my original appointment and to Mayor Cooper for my reappointment three years ago. My role as a Commissioner is to act according to our Bylaws to support President Kreulen and his wonderful team and not get into the middle of political debates. If I am fortunate to continue to serve the Authority beyond my current tenure, I will continue to give 110 percent regardless of who appoints me. This airport is one of the best in the nation and I am happy to play a small part in support of its management and success. It is enjoyable for me to brag about it when friends come through. However, I cannot vote for any resolution that is being generated by individuals and not fully vetted by President Kreulen and his legal team. Anything to the contrary is not good policy now or in the future.” Vice Chair Granbery stated he would like to put his statement in the minutes.

Chair Stevenson thanked Vice Chair Granbery and told Secretary Byrd that she appreciated his Resolution and comments. One of the reasons she asked President Kreulen to speak about the FAA today is because we received this letter and it is important to know what this letter means. Chair Stevenson asked President Kreulen how many people were on the FAA call. President Kreulen relayed that there were two FAA lawyers, the FAA’s Director of Compliance, himself, Mr. Bedrock, Carrie Logan, Associate General Counsel, Stacey Nickens, Assistant Vice President of Communications and Lisa Lankford, Vice President, Strategic Advisor to the President. Chair Stevenson stated she trusts people in MNAA management and does not have any doubts what President Kreulen told them earlier is true and accurate.

Chair Stevenson stated generally as a lawyer, getting something at 7:00 PM at night and being expected to vote on the next day with no vetting, is not something she does. Chair Stevenson agreed with Commissioner Glover that there are some things she does not agree with in the Resolution that need to be changed and does not believe it is necessary. If the FAA feels like it needs to jump in and get more information from the General Assembly, the FAA could have told President Kreulen that. She stated that she also understands Secretary Byrd’s point, that they do need to communicate, but she does not know that it is our responsibility to get in the middle of that. She stated that she was unsure of the effect the Resolution would have. Secretary Byrd again stated but they have sent a letter to President Kreulen and alerted us to this issue. Chair Stevenson replied yes, and there was a communication with them since that letter was sent. Now that we have talked with them multiple times, we know what those concerns are and the last information we received from them was, if it passes, let them know. Chair Stevenson said she is one vote out of 7. A lot goes into Resolutions and she wants to make sure if a Resolution goes forward it is supported by the entire Board.



Commissioner Glover stated that so the Board did not lose the spirit of what they are trying to do, she would like the Board to support something, but that it would need to be accurate. The Board discussed reframing the Resolution.

Chair Stevenson stated that we have a potential new Motion and an actual Motion that is pending, she told Secretary Byrd that he could withdraw his Motion if he wished. Mr. Bedrock stated we are getting close to the line of Executive Session and expressed concern about the accuracy of the characterizations of what the FAA policy is and what is in the FAA letter of March 31, 2023. The FAA simply asked questions about the operation of the authority and asked questions about potential litigation, which will be discussed during the Executive Session. As the legislation is currently written, Mr. Bedrock stated, he does not believe it triggers the FAA policy and he has not been privy to any conversation with any member of the FAA's legal team in which they have told him that it does. Secretary Byrd stated again that they have communicated with us in a letter. At that time Chair Stevenson said that the Board needed to enter Executive Session.

Commissioner Joslin asked if he could say one more thing before Executive Session, and Chair Stevenson granted his request. Commissioner Joslin reiterated that the FAA is satisfied at this time. Secretary Byrd stated that is true, but it is the State moving ahead.

#### Executive Session

Chair Stevenson then asked for a motion to suspend the public portion of this meeting and enter into Executive Session to discuss litigation. Following Executive Session, she stated the public portion of the meeting would resume. Vice Chair Granbery made a motion to enter Executive Session and Commissioner Glover seconded the motion.

The Board entered into Executive Session at 10:45 AM and the Executive Session concluded at 11:18 AM.

At the end of the Executive Session, Chair Stevenson asked for a motion to exit the Executive Session and return to the public portion of the meeting. Vice Chair Granbery made a motion to exit Executive Session and Commissioner Freeman seconded the motion.

When the public portion of the meeting resumed, Secretary Byrd stated that he would like to yield to Commissioner Sullivan and Commissioner Glover related to his Motion that was still pending. Commissioner Sullivan stated she would propose to amend the Motion as follows:

“It is a consensus of the Board of Commissioners of the Metropolitan Nashville Airport Authority that the General Assembly take the time to communicate with the FAA on House Bill 1176 and Senate Bill 1328 to address FAA concerns.”

Mr. Bedrock stated to confirm, Commissioner Sullivan has made a Motion to essentially replace the entire Resolution that Secretary Byrd presented and strike everything and replace it with the language above. Mr. Bedrock recommended that Secretary Byrd withdraw his Motion and Commissioner Sullivan make her Motion for a Resolution. Chair Stevenson agreed. Secretary Byrd withdrew his Motion. Commissioner Sullivan made her Motion as follows:

“It is a consensus of the Board of Commissioners of the Metropolitan Nashville Airport Authority that the General Assembly take the time to communicate with the FAA on House Bill 1176 and Senate Bill 1328 to address FAA concerns.” Secretary Byrd seconded the motion.

President Kreulen stated that the Senate Bill is 1326, not 1328. President Kreulen corrected the Motion as follows:

“It is a consensus of the Board of Commissioners of the Metropolitan Nashville Airport Authority that the General Assembly take the time to communicate with the FAA on House Bill 1176 and Senate Bill 1326 to address FAA concerns.”

President Kreulen stated there is no action for MNAAB. The Board is requesting the General Assembly to communicate with the FAA and if the FAA does not have any concerns there is nothing that will happen.

Chair Stevenson asked if there are any other comments or questions. Vice Chair Granbery asked if President Kreulen and Mr. Bedrock were comfortable with the Motion and wondered whether what was requested in the Motion could be accomplished by a phone call. Secretary Byrd stated they work for us, we set the policies.

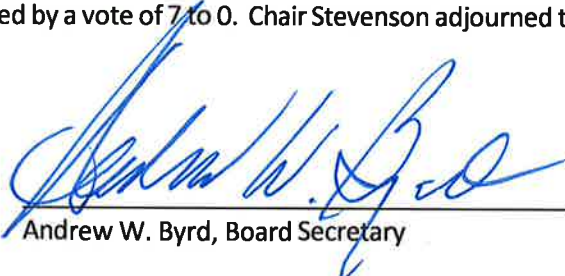
Chair Stevenson asked Mr. Bedrock, if there was anything from a legal standpoint that needed to be discussed before the vote, to which Mr. Bedrock replied, no. Chair Stevenson asked President Kreulen if he had any other comments. President Kreulen stated in regard to Vice Chair Granbery’s question, this Resolution by Secretary Byrd has been withdrawn and now the Board has a Motion by Commissioner Sullivan that the Board will vote on, but there is no action required by the Tennessee General Assembly or the FAA. It is just a Motion. Secretary Byrd stated it is an expression of direction that we want to pursue and a policy of the Board for the Board’s employees. President Kreulen asked what he was being directed to do. This Motion states that the Board wants the General Assembly to take time to communicate with the FAA. Vice Chair Granbery stated that is his concern, and questioned what exactly the Board was doing. President Kreulen stated he can call

the Sponsors and read this and they will say "Thank you Doug" He stated there is no win for him as President/CEO, or Mr. Bedrock, or the staff and we do not want to be in this position with the Commissioners on what action to take. Secretary Byrd directed President Kreulen to relay the Motion to the Bill's Sponsors. President Kreulen stated that can be done. Commissioner Joslin agreed, instructing President Kreulen to send the Bill's Sponsors a letter and copy the entire Board.

The Board was then ready to vote on the Motion. President Kreulen instructed Ms. Saxman to take the Board Members' vote by roll call. Ms. Saxman called Chair Stevenson, she replied yes, Vice Chair Granbery, yes, Secretary Byrd, yes, Commissioner Joslin, yes, Commissioner Freeman, yes, Commissioner Sullivan, yes and Commissioner Glover, yes. The Motion passed.

VII. ADJOURN

There being no further business brought before the Board, Chair Stevenson thanked the Commissioners for their participation and asked for a Motion to adjourn. Vice Chair Granbery made the motion to adjourn and Secretary Byrd seconded the motion, which carried by a vote of 7 to 0. Chair Stevenson adjourned the meeting at 11:37 AM.



Andrew W. Byrd, Board Secretary