

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



Date: May 17, 2023

Location: Metropolitan Nashville Airport Authority
Tennessee Boardroom

Time: 1:00 PM

Board Members Present:

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

Board Members Absent:

Bill Freeman; Nancy Sullivan

Others Present:

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

I. CALL TO ORDER

In accordance with the 3rd Amended and Restated Bylaws of the MNAA Board of Commissioners, Section 2.3, Vice Chair Stevenson called the MNAA Board of Commissioners and MPC Board of Directors Meeting to order at 1:00 PM, pursuant to Public Notice dated May 12, 2023.

II. APPROVAL OF MINUTES

Vice Chair Stevenson called for a motion to approve the Minutes and seconded by Vice Chair Granbery. The motion carried by vote of 5 to 0.

III. CHAIRMAN'S REPORT

Chair Stevenson thanked everyone for attending and stated she is excited to attend the upcoming BNA 5K on the Runway with Vice Chair Granbery and Commissioner Sullivan.

IV. PRESIDENT'S REPORT

President Kreulen stated MNAA has a lot of great information for the Board. On April 20, 2023, BNA celebrated an Honor Flight to Washington, D.C. with 31 Middle Tennessee veterans including several from WWII, Korean, and Vietnam. It is a great event and is always interesting to interact with the veterans. Southwest sponsors the Honor Flight and Tennessee One was here at BNA that day. President Kreulen

spoke with several veterans, one from the Korean War and another from WWII who was in North Africa, Italy. Thanks to the staff for supporting this great event.

President Kreulen stated Avelo Airlines announced new air service beginning June 22, 2023 to Wilmington, DE, 30 miles Southwest of Philadelphia. Avelo will be the only airline flying between Tennessee and Delaware to Wilmington which is conveniently located a short drive south of Philadelphia and adjacent to multiple major highways. This is Avelo's second nonstop serving Connecticut now.

President Kreulen stated the Nashville Post "In Charge 2023" recognized four of our Commissioners as most influential people who "push the city toward a brighter future" - Chair Stevenson, Legal Sector, Vice Chair Granbery, Real Estate, Commissioner Freeman, Real Estate, Commissioner Glover, Education. President Kreulen congratulated and thanked them for all they do.

President Kreulen stated on April 29, 2023, several MNAA Officers, Sgt. Page and Lt. DiPietro, participated in the 2023 Women in Law Enforcement Conference. Coming out of Covid, the staff supports training and traveling again and supports opportunity to enhance skills.

President Kreulen stated BNA had a surprise visit with Blake Shelton arriving on April 29, 2023 and stopped and performed at Ole Red. Ole Red was packed, and it was a great surprise for the passengers. On the outside of the restaurant and around Concourse C, a lot of passengers were assembled trying to get pictures. It was really exciting for everyone. It would be great if we could get more artists to stop by BNA. He thanked Fraport for supporting the event.

President Kreulen stated Robert Ramsey, COO, accepted the AAAE Southeast Chapter Project of the Year award at the annual Southeast Chapter Conference. The John C. Tune ("JWN") Redevelopment was selected as the Project of the Year in the General Aviation Architectural Category for Airport Recovery and development. When the attendees saw the damage of JWN, everyone was gasping and what we lived through on March 3, 2020 has been recognized. President Kreulen congratulated and thanked the Operations and all BNA teams for 100 new leases, \$40M in construction and now we are over on the North side of JWN. Vice Chair Granbery challenged the staff to do a photo album of the day before the tornado, the day of the tornado, the day after the tornado and up to completion so everyone could see how quickly it was cleaned up and the process.

President Kreulen reported on May 6, 2023 Tennessee State University had their graduation and Oprah Winfrey returned to her alma mater to deliver the commencement address to the Class of 2023. This speech marked the first time Oprah returned to TSU since 1987. It looked like a beautiful commencement and great pictures.

President Kreulen stated JSX Airlines will offer semi-private jet service starting June 22, 2023 with 2 flights daily to Dallas, TX and Westchester County, NY, and seasonal service through September 4, 2023 to Destin, FL, 5 days a week. Today JSX serves Orlando, Miami, Houston, Austin, Reno, Oakland, Monterey, and several others. Flights start at \$300 each, and staff will confirm if that is roundtrip.

President Kreulen reported Silver Airways announced new nonstop service to Greensboro, NC beginning Summer 2023. This is our first introduction to them, and they are now trying to get into some of the larger hubs.

President Kreulen stated on May 15, 2023 we celebrated National Peace Officers Memorial Day started by President Kennedy in 1962. It is also Police Week and BNA has an annual ceremony. On April 29, 1999, 24 years ago one of our canine officers was killed in a car accident on way home and May 15th is his birthday, so for the last 24 years we have been recognizing him. We lay a wreath and invite back all of our retired police officers. Chief Griswold and his team does an excellent job of honoring Officer Richardson. To understand the challenges for our police officers, we lost 120 police officers last year in the US, and in 2023 we have lost 39 officers, 2 from the State of Tennessee. We are always trying to do what is best to protect our officers.

President Kreulen reported that the FY23 BNA Enplanements report averages 33,289 passengers every day in May, and if the trend continues, May will have higher enplanements than our highest month, October, and if we keep up the trend, we will be 21.7M passengers. Last year we were at 18.4M, if June goes up a little, we will get to 22M passengers; that is 3.6M more passengers in a given year, 19% over previous year and 9,800 more people flying every day of the year. It is remarkable how much Nashville and Tennessee are continuing to demand how BNA grows. Commissioner Glover asked what 2024 looks like. President Kreulen replied when we presented the budget, MNAAB anticipated 22M passengers and this coming December we will do another budget adjustment. We have been averaging 7% for the last 10 years, but FY24 could be 24M - 25M passengers. Commissioner Glover asked if you could figure out how entertainers like Taylor Swift contributes to passengers? President Kreulen replied we saw records for

Thursday, Friday and Sunday. We set a new record of 39,745 on Sunday and Monday was another large day. There were several big events going on that weekend. Chair Stevenson thanked BNA for social media updates with what is going on in Nashville and also what to expect at BNA. President Kreulen stated through social media we give passengers updates on traffic, parking, new garage, and cell phone lots.

President Kreulen reported for the 30-day Outlook there will not be a Committee Meeting due to two conferences happening -- 2023 AAAE Conference in Denver, CO and the 2023 AMAC Business Diversity Conference in San Antonio, Texas. President Kreulen will be participating in both and Chair Steven will also attend the 2023 AMAC conference in San Antonio, TX. MNAA will be hosting both of those conferences in 2024 here in Nashville. MNAA will have a couple of approvals in Operations and several approvals in Finance and the Board meeting may run a little longer than normal. Ms. Trish Saxman., Executive Assistant to the President & CEO and Board Staff Secretary, will finalize and provide more details.

President Kreulen stated for the 60-day Outlook there will be several approvals forth both Operations and Finance and the most important one will be FY24 Strategic Goals to make sure the staff is in alignment with the Board's expectations.

President Kreulen stated the Board Appointment Legislation signed by the Senate and House was transmitted to Governor Lee on May 9, 2023 and there is a 10-day clock to either approve or veto legislation. When an action comes out of the Governor's office, MNAA will report back to the Board.

President Kreulen presented the upcoming events. He reported that the WestJet Inaugural Flight to Vancouver may be a TBD, as WestJet and Swoop Airlines pilot unions in Canada voted yesterday and provided notice to airlines that they may strike. In Canada they must give 72 hour notice, and we received communications from the airlines that they will let us know as soon as they know if traffic to Canada will be disrupted. There are several speaking engagements and presentations, as well as the AAAE and AMAC conferences. The FAA Part 139 Annual Inspection comes up on June 12-16. FAA will bring inspectors out of Atlanta and will be here for four days inspecting all of our records, runways, paint, markings, and firefighting capabilities. MNAA has been working hard to prepare for inspection. June 19th is a holiday for BNA, and we will have several communications for the public recognizing the day.

President Kreulen announced that Randy Dorsten, AVP Human Resources joined our team on May 8, 2023. Chris Davidson will start next Monday as our AVP, JWN Airport Manager and comes from Salisbury

Regional Airport, MD. Also joining us is Jeff Wooden, Director, Emergency Management in June, who previously served as Sr. Manager in Aviation Security in Wilmington Ohio. All three are highly qualified individuals and MNAA looks forward to having them and making BNA airport better.

V. ITEMS FOR APPROVAL

1. Design Build Contract for Genesco Building Demolition (Operations)

President Kreulen introduced Traci Holton, VP, Deputy COO & Chief Engineer, to brief the Board on the Design Build Contract for the Genesco Building Demolition. The Genesco Building is a 315,000 sq ft, six-story concrete structure, built in the 1960's, and has exceeded usable life and functionality. MNAA secured this contract through a Request for Proposal ("RFP") with Renascent being the highest proposer. The SMWBE goal for this project was 9.85% MBE and 4.28%WBE, and Renascent exceed that with 9.95% MBE and 4.47% WBE. This is a 492 calendar day-project at \$4.875M. This was presented to the Operations Committee on May 10, 2023, who voted 3 to 0 to recommend approval. Ms. Holton requested the Board of Commissioners authorize the Chair and President and CEO to execute the proposed Design-Build Contract with Renascent for the Guaranteed Maximum Price (GMP) of \$4,875,000.

Commissioner Joslin made a motion to approve as presented and Vice Chair Granbery seconded the motion. The motion passed with a vote of 5 to 0.

Following approval, Ms. Holton presented a map showing the areas to be demolished and the areas to remain.

2. Amendment 3 to On Call Planning Contract (Operations)

Ms. Holton presented the Amendment 3 to On Call Planning Contract with Ricondo and Associates. This contract was awarded in January 2022 with a term of one year with a 4 one-year renewal options. Services provided from January 2021 to date include BNA Line of Sight Study, Supplement EA for Concourse D Extension, Parking and Curbside Studies. Amendment 3 provides an additional \$1.5M per year for on call planning services for 10% concept documents for future parking garage, as well FY23/FY24 Safety Management System (SMS) and others presented. This will be the 3rd Amendment of \$1.5M for a total Option Year 1 of \$2,975,000 per year. This was presented to the Operations Committee on May 10, 2023, who voted 3 to 0 to recommend approval. Ms. Holton requested the Board of Commissioners authorize the Chair and President

and CEO to execute Amendment 3 to the On Call Planning Professional Services Contract with Ricondo for an additional \$1.5M for Option Year 1 (2023).

Commissioner Joslin made a motion to approve as presented and Commissioner Glover seconded the motion. The motion passed with a vote of 5 to 0.

3. Change Order 2 Increasing Terminal Lobby/IAF GMP by Replenishing Owner Contingency (Operations)

Ms. Holton presented the Change Order 2 Increasing Terminal Lobby/IAF GMP by replenishing Owner Contingency for construction of the Terminal Lobby and IAF with Hensel Phelps (“HP) in the amount of \$5M which will increase their GMP to \$445M. This \$5M will go into the Owner’s Contingency to replenish what has been spent so far and address any remaining unforeseen conditions and scope changes to the contract. From a holistic approach to the vision program summary, it will reduce the project reserve for the Terminal Lobby/IAF by \$5M and reducing it down to \$1.5M. This does not change the project budget and it does not change the program or contingency budgets for BNA Vision 1.0. This was presented to the Operations Committee on May 10, 2023, who voted 3 to 0 to recommend approval. Ms. Holton requested the Board of Commissioners authorize the Chair and President and CEO to deduct \$5,000,000 from existing project reserve to replenish owner’s contingency for the Terminal Lobby/IAF contract with HP, thereby increasing the GMP to \$445,020,331.

Commissioner Joslin made a motion to approve as presented and Vice Chair Granbery seconded the motion. The motion passed with a vote of 5 to 0.

4. Design Build Contract for TARI Phase 1 CGMP 3 of 3 (Operations)

President Kreulen stated that regarding the Design Build Contract for TARI Phase 1 – CGMP 3 of 3 at the Committee meeting there were several Board members had questions regarding this contract. After each Committee and Board meeting the Staff does an in depth analysis, reviews the questions and if there is something that was not clear. We reviewed the \$16.5M that we need to widen the inbound road off of I-40 and add the new water line and pumping station is an accurate cost estimate and we would like the Board to approve that \$16.5M. MNAA should have gone back in and adjusted that budget for the TARI project up by that \$16.5M, so the Staff spent

some time reviewing multiple years to track the dollar amounts to make sure we have not made an error or mistake and the only mistake was that I missed adjusting that budget. Ms. Holton will present today and instead of asking for one approval for \$16.5M, it will be one approval of \$16.5M plus the adjustment of the budget. President Kreulen sincerely apologized for missing that adjustment.

Ms. Holton stated the original program budget for BNA Vision 1.0 is \$1.4M, after the two year delay for the Colonial Pipeline litigation, MNAA determined and the Board approved to split the TARI project into three phases. TARI Phase 1 will remain in BNA Vision 1.0 and will be for the widening of the utility work as well as the redundant water main, and TARI Phases 2 and 3 will remain moved into New Horizon. MNAA took the original \$163.5M budget, reduced it by \$114.5M down to \$49M and that reduced the BNA project budget from \$1.4M to \$1.3M and was approved by the Board last April. The TARI Budget breakdown is CGMP #1 is \$18.4 for design, pre-construction, contingencies; CGMP #2 is \$20.5 and a lot of soft costs for OSHEA, staffing, testing, design, built into the design for \$10.1 which gets us to our \$49M budget. MNAA is asking for \$16.5 NTE for CGMP #3 for the redundant water main, terminal water main, and discrete widening, which brings us to the revised project budget of \$65.5M. The CGMP3 cost summary is redundant water main using the 24" estimate which will be reimbursed by Metro \$7.5M, discrete access widening \$7.1 and terminal water main installation is \$1.8. All of these numbers are estimates because they are being bid right now. President Kreulen stated this expansion was based on feedback we received from Commissioners and the public as well, MNAA was not going to start widening the road until near the valet area, but we decided to back it up to the property line of where I-40 and TDOT maintains that exit. Ms. Holton explained the BNA Vision Program Summary -- increase TARI project budget from \$49M to \$65.5M; decrease program contingency from \$26.5M to \$10M; and no change to the overall Project Budget.

Ms. Holton requested the Board of Commissioners:

- 1) authorize the Chair and President & CEO to execute the proposed Amendment 3 for Component Guaranteed Maximum Price 3 (CGMP) for \$16,500,000 NTE and Guaranteed Maximum Price (GMP) for \$55,418,494 NTE for the Progressive Design-Build contract with Superior Construction, and
- 2) authorize \$65,500,000 for TARI Ph 1 budget, an increase of \$16,500,000, transferred from program contingency.

Commissioner Joslin made a motion to approve as presented and Vice Chair Granbery seconded the motion. The motion passed with a vote of 5 to 0.

Secretary Byrd asked what the budget change of \$114M was, where that money went. Ms. Holton replied Finance put that aside. Secretary Byrd asked why. Ms. Holton replied we were reducing the overall budget for the BNA Vision and that money was to be held so it could be used for future New Horizon put forth for Phase 2 and 3. Secretary Byrd asked if it is moved between one program and another. President Kreulen explained today we have BNA Vision 2017-2023 which Ms. Holton said was reduced to \$1.305 by pulling that \$114M out. In the middle of that first six year program, TDOT hit the jet fuel pipeline and we went into litigation and could not get all of the roadwork done by the end of this year. President Kreulen stated because TDOT is two years behind on moving Donelson Pike, we moved it over and it is now sitting over in the New Horizon Program. Secretary Byrd stated we deferred the expenditure. President Kreulen stated yes, it is ready to be used for the next six year program and we have the assets on hand \$114M plus the Bond that Finance has already acquired. Vice Chair Granbery said not to confuse things, but also discussed taking some things out and asked about the mezzanine. Commissioner Joslin asked how much the mezzanine was. Ms. Holton replied \$10M-\$15M. President Kreulen stated it is \$15M now, but would be a lot more later.

I. INFORMATION ITEMS

1. BNA Development Update

President Kreulen stated the Terminal Garage B opened on April 27, 2023 with up to 1,606 spaces. Commissioner Glover asked if all vehicles have to back in. President Kreulen replied, no it is just easier to get out. Chair Stevenson asked how the cell phone lot is going. President Kreulen replied we have security, cameras and all the digital flight data, and as of now we are still in an education process to let people know it is available. Some people choose to go across I-40 to Panera and then come over and pick up passengers. TDOT is less than 30 days away from new signs on the interstate to try to direct the flow of traffic. It may take through the end of the year for customers to understand the new flow of traffic. President Kreulen stated the biggest struggle is to change habit patterns.

President Kreulen stated the BNA Vision International Arrivals Facility will open September 25, 2023 and will have 6 gates, for 6 narrow body jets or 3 wide body jets, and this is where we believe our

nonstop flights to Amsterdam, Rome, Paris or and British Airways will begin parking here once we open up.

President Kreulen stated the BNA Vision Hotel is finalizing pre-cast installation and the hotel is topped out. We hope to have it all dried in in the very near future.

President Kreulen reported the JWN Construction Progress will have a tenant meeting on May 23, 2023 at the TDOT Hangar. JWN is almost all leased and he presented a picture with the road access and future parking.

2. Concessions Program Update

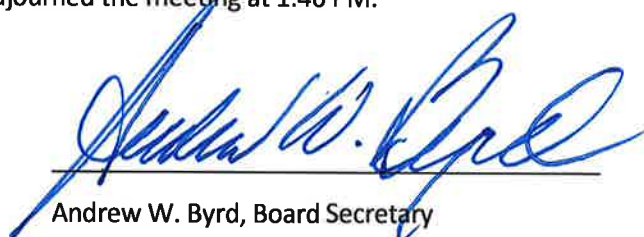
President Kreulen reported 15 concessions locations are scheduled to open in September 2023 and the Satellite Concourse 7 locations are scheduled to open October 2023 by Paradies with space turnover scheduled for June 21, 2023. Secretary Byrd asked if Fraport controlled Paradies. President Kreulen stated no, that Paradies was selected through a competitive solicitation.

3. Quarterly Retirement/OPEB Investment Report/Quarterly Treasury Investment Report

President Kreulen stated Ms. Deuben did a great job at the Finance Committee reporting on the Quarterly and OPEB Investment Reports. The FY23-Q3 Retirement Plan Market Value is \$77.3M (+\$2.6M) and the OPEB Plan FY23-Q3 Market Value is \$38.3M (+1.6M). The Quarterly Treasury Investment Report FY23-Q3 Earnings are \$8.2M (99.4% invested). Historically, some of the Commissioners mentioned when we made a leadership change in 2017 and none of our funds invested.

VII. ADJOURN

There being no further business brought before the Board, Chair Stevenson thanked the Commissioners for their participation and made a motion to adjourn. Secretary Granbery seconded the motion, which carried by a vote of 5 to 0. Chair Stevenson adjourned the meeting at 1:46 PM.



Andrew W. Byrd, Board Secretary