

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



Date: September 20, 2023

Location: Metropolitan Nashville Airport Authority
Tennessee Boardroom

Time: 1:01 p.m.

Board Members Present:

Jimmy Granbery, Chair; Bobby Joslin, Vice Chair; Masami Tyson, Secretary; Tony Giarratana; Jack Johnson, and Stuart McWhorter

Board Members Absent:

None

MNAA Staff Present:

Doug Kreulen, Neale Bedrock, Lisa Lankford, Trish Saxman
Marge Basrai, Chris Davidson, Adam Floyd, David Griswold, Traci
Holton, Ijeoma Ike, Alyssa Kontos, Carrie Logan, Rachel Moore, Ted
Morrisey, Floyd Munn, Stacey Nickens, Olivia Parven, Robert
Ramsey, Davita Taylor, Erin Thomas, Melissa Ting, Destiney
Williams, and Colleen Von Hoene

I. CALL TO ORDER

In accordance with the 3rd Amended and Restated Bylaws of the MNAA Board of Commissioners, Section 2.3, Chair Granbery called the MNAA Board of Commissioners and MPC Board of Directors Meeting to order at 1:01 p.m., pursuant to Public Notice posted to the MNAA website September 15, 2023.

II. PUBLIC COMMENTS

Chair Granbery stated there were no public comment requests received.

III. APPROVAL OF MINUTES

Chair Granbery called for a motion to approve the August 16, 2023 Minutes of the Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors. A motion to approve was made by Vice Chair Joslin and seconded by Commissioner Giarratana. Chair Granbery asked Ms. Saxman for a roll call:

Chair Granbery – Yes

Vice Chair Joslin – Yes

Commissioner Tyson –Yes

Commissioner Giarratana – Yes

Commissioner Johnson – Yes

Commissioner McWhorter – Yes

The motion was passed with a vote of 6 to 0.

IV. CHAIR'S REPORT

Chair Granbery congratulated the MNAA Team on the IAF + Marketplace. He stated the MNAA Team should be proud, and he cannot wait to attend the IAF + Marketplace Reception on Monday, September 25, 2023 with the guests to see all that has been accomplished.

V. PRESIDENT'S REPORT

President Kreulen introduced and welcomed several new employees who joined the MNAA Leadership Team - Floyd Munn, Director, Business Diversity Development; and Destiney Williams, Director, Procurement and Inventory. President Kreulen also congratulated Melissa Ting on her promotion to Director, Maintenance Services, Environmental and Safety.

President Kreulen stated MNAA has a strong Communications Team and congratulated team members Allyssa Kontos, Erin Thomas, and Oliva Parven for receiving a 2023 Public Relations Society of America ("PRSA") Nashville Parthenon Award and two 2023 Awards of Merit. President Kreulen thanked them for the great job they are doing.

President Kreulen reported that the Delegation from Erbil, Iraq visited on September 4, 2023. Sister Cities of Nashville helped coordinate and welcomed the Governor of Kurdistan and Mayor of Erbil. Mayor Cooper also joined the tour. The MNAA Community Affairs team members who participated were Franklin Carver and Celia Jackson. MNAA is proud to coordinate with the Sister Cities of Nashville for the BNA visit.

President Kreulen reported that on September 5, 2023, Chief David Griswold became the President of the Tennessee Association of Chiefs of Police ("TACP"). The TACP board consists of more than 1,000 members and is the largest law enforcement leadership organization in Tennessee. President Kreulen thanked Chief Griswold for his service.

President Kreulen announced BNA has new voices to make public service over the PA System. The first iteration of speakers will make announcements on location of baggage claim, rental cars and checking in for flights. The list of new voices include: <insert list of voice talent>

President Kreulen stated TSA issued a Notice of Informed Compliance on September 6, 2023 regarding aviation worker screening. President Kreulen introduced Mr. Steve Wood, the Transportation Security Administration's ("TSA") Federal Security Director ("FSD") for the State of Tennessee. The Informed Compliance allows airport additional time to develop screening plans and address hiring and budget challenges. There are three phases of compliance - Phase 1, all badged employees must go through Employee Lane to access the secure area from 3:30 a.m. to 11:00 p.m; Phase 2, Explosive Detection Screening Equipment Implementation ("EDSE") Plan; Phase 3, EDSE Screening incorporated into Aviation Worker Screening Protocols. MNAA will provide more updates as we continue to move forward.

President Kreulen announced that all 9 of the Satellite Concourse electric shuttles have arrived. Driver training begins on October 9, 2023 and the Satellite will open on October 21, 2023. MNAA staff will begin taking rides on the shuttles to acclimate the aircraft to seeing the vehicles on the dedicated vehicle service roads. MNAA Operations Team has done a great job of procurement and getting the contract in place. Average travel time from terminal to Satellite is 2.5 minutes and from Satellite to Terminal is 4.5 minutes. Chair Granbery asked if the shuttles will have graphics. President Kreulen replied the shuttles have beautiful window views, and he will get renderings of any logos that may be added.

President Kreulen stated that the Life Saving Award goes to 6 MNAA officers. On August 25, 2023 at approximately 0900 hours, officers responded to a medical assistance call where a passenger was complaining of an asthma attack. The patient lost consciousness and MNAA officers provided 17 rounds of CPR, or 510 individual compressions, before Nashville Fire Department personnel arrived and took over patient care. Ultimately, the patient was transported to Summit Medical Center where her condition continued to improve until she was discharged from the hospital. On a regular basis we see passengers that will have medical issues and all of our officers are trained in Basic First Aid and do a really great job of assisting passengers until an ambulance arrives. President Kreulen asked Chief Griswold to please pass on to the officers that the Board and the team thanks them for their service.

President Kreulen stated the owner of the Tennessee Titans, Amy Adams Strunk, Burke Nihill, President & Chief Executive Officer, and Max and Ben Goldberg, Strategic Hospitality, toured the IAF/Marketplace on September 15, 2023. It was great to have leadership of the Titans at BNA because they saw the video of the Titans on the jumbo screen and got to go behind the scenes. Mr. Nihill plans to attend the celebration on September 25, 2023. The owner and the CEO of the Titans came out to see how what we are doing will translate into the new stadium.

President Kreulen stated Northern Pacific Airlines, an Alaskan based airline, announced service to Ontario, CA. Northern Pacific is changing their name to New Pacific. Service begins November 17, 2023, 2 times weekly service with 207 seats. This is the first non-stop to Ontario since February 2010.

President Kreulen stated FY24 BNA enplanements continue to grow. The FY24 forecast uses projected increases of 7% for the moderate model, 11% for the strategic model, and 15% for the aggressive model. BNA is still within that forecast and fiscal year to date is at 9%, which is over the 18.9% growth from last year.

The October Committees will have 7 approvals. The Operations Committee will not have a quorum and Commissioner Joslin would like to go forward with the meeting to prepare for the Board meeting. The Management Committee will have an executive session.

The November Operations Committee has 4 approvals planned. The Management Committee has 4 information items, including the FY23 External Audit Update and the Ethics and Bylaws recommendations. At the Board Retreat, it is planned for the Board to provide feedback on the Ethics and Bylaws.

VI. ITEMS FOR APPROVAL

1. Design, Build, Operate and Maintain Virtual Ramp Control System (Operations)

President Kreulen introduced Adam Floyd, VP, Operations, who briefed the Board on the Design, Build, Operate and Maintain Virtual Ramp Control System. The Virtual Ramp Control System will be located in the Consolidated Services Facility ("CSF") with hours of operations of 4:00 a.m. to 12:00 a.m., 7 days a week, and a proposed number of 20 contracted staff. Of note, MNAA will incur additional costs for design and construction of camera array structural

supports, control room white box and communications infrastructure (currently being estimated). These components will be competitively solicited, procured and Board approval obtained as required. Mr. Floyd visited the recently built Virtual Ramp Control System in Kansas City Airport. A Request for Proposal (“RFP”) was published July 28, 2023 and MNAA received one proposal from SAAB Sensis. The selection committee determined SAAB Sensis to be qualified based on program management, technical approach, past technical experience and VRC operations approach. Mr. Floyd addressed two questions from the Operations Committee- 1) backup power, a generator at the CSF will provide adequate backup power for the system; and 2) space lease, we do intend to lease the space at the CSF at a fair market value and to lease IT closets in the terminal at the current terminal rental rate.

Mr. Floyd recommended that the Board of Commissioners accept the proposal by SAAB Sensis for the design, build, operations and maintenance of a Remote Virtual Ramp Control System and authorize the Chair and President and CEO to execute the proposed contract for \$37.9M NTE for 3 years (*with 2 renewal options). This was presented to the Operations Committee on September 13, 2023.

Vice Chair Joslin made a motion to approve as presented which was seconded by Commissioner Giarratana. Chair Granbery asked Ms. Saxman for a roll call:

Chair Granbery – Yes

Vice Chair Joslin - Yes

Commissioner Tyson -Yes

Commissioner Giarratana - Yes

Commissioner Johnson - Yes

Commissioner McWhorter - Yes

The motion was passed with a vote of 6 to 0.

2. BNA Westside Development – Future SPE for Scott Sohr (Finance)

President Kreulen introduced Carrie R. Logan, VP, Associate General Counsel, to brief the Board on the BNA Westside Development – Future Special Purpose Entity for Scott Sohr. Ms. Logan stated that this is approval of the lease terms for development on the westside of BNA for a future Special Purpose Entity (“SPE”) for Scott Sohr. This development is approximately 5.15 acres of the 5.97-acre parcel of land and the extension of Taxilane B. The effective date

would be by January 15, 2024 and rent commences upon execution of the lease. The term is an 18-month construction term and a 30-year initial term with one 5-year renewal option with total potential of 36.5 years. The base rent is \$2.40/sf with a 3% annual escalation and FMRV adjustments in year 10 and 20 of initial term. In this particular area there is also an easement fee of \$.50/sf beginning on the effective date of the lease for the Taxilane B extension and this tract's share of Taxilane A & B. The easement fee includes a 3% annual escalation. The minimum investment is \$14M for construction of hangar facilities, approximately 66,000 sf. The tenant will complete Taxilane B extension and the first hangar within the first 18 months of the effective date and the second hangar within 30 months. This is a triple net lease with property and condition and pavement condition assessments every 5 years.

President Kreulen stated the Finance Committee asked if MNAA could present the layout of BNA property. There are three sections to BNA property, the commercial operations, general aviation, and the cargo side of the house.

Ms. Logan recommended the Board of Commissioners approve the terms negotiated between MNAA and the future SPE for Scott Sohr via Letter of Intent; and authorize the Chair and President and CEO to execute the lease agreement with the future SPE for Scott Sohr, consistent with these terms. This was presented to the Finance Committee on September 13, 2023.

Commissioner McWhorter made a motion to approve as presented which was seconded by Commissioner Tyson. Chair Granbery asked Ms. Saxman for a roll call:

Chair Granbery – Yes

Vice Chair Joslin – Yes

Commissioner Tyson – Yes

Commissioner Giarratana – Yes

Commissioner Johnson – Yes

Commissioner McWhorter – Yes

The motion was passed with a vote of 6 to 0.

3. CEO Employment Agreement (Management)

Chair Granbery stated that the Management Committee met and discussed the CEO Employment Agreement and voted 3 to 0 recommend approval to the Board. Chair Granbery recommended the Board of Commissioners approve the following, as presented to the Management Committee: Revisions to the CEO's employment contract; Increase to CEO's annual base salary; and Authorize Chair to execute the amendment to existing CEO contract, consistent with terms presented to the Management Committee.

Chair Granbery made a motion to approve as presented and seconded by Commissioner McWhorter. Chair Granbery asked Ms. Saxman for a roll call:

Chair Granbery – Yes

Vice Chair Joslin – Yes

Commissioner Tyson –Yes

Commissioner Giarratana – Yes

Commissioner Johnson – Yes

Commissioner McWhorter – Yes

The motion was passed with a vote of 6 to 0.

4. CEO FY24 Performance Evaluation Key Performance Indicators (KPI's) (Management)

President Kreulen stated the CEO FY24 Performance Evaluation Key Performance Indicators (KPI's) were discussed at the Management Committee meeting on September 13, 2023 and there are no changes to the parameters. As a highlight, FY23 Revenue goal was \$231.3M and the FY24 Revenue goal is \$288.4M; the FY23 Expenses Goal was \$143.3M and the FY24 Expenses Goal is \$170.2M. President Kreulen stated the Pension and OPEB funding is now at a higher percentage to drive the CFO and CEO to make sure the Pension and OPEB stay fully funded. The FY24 100% eligibility increased from 80-90% funded to 90-100% funded.

Chair Granbery asked how the Key Performance Indicators arrived. President Kreulen answered the CEO is evaluated based on Key Performance Indicators that the Board approves. The Board wanted it to be more objective. The Board arrived at the decision of the CFO and CSO gives 50% of the evaluation, so there are two independent inputs to CEO evaluation.

Chair Granbery made a motion to approve as presented and seconded by Vice Chair Joslin.

Chair Granbery asked Ms. Saxman for a roll call:

Chair Granbery – Yes

Vice Chair Joslin – Yes

Commissioner Tyson –Yes

Commissioner Giarratana – Yes

Commissioner Johnson – Yes

Commissioner McWhorter – Yes

The motion was passed with a vote of 6 to 0.

VII. INFORMATION ITEMS

BNA Development Update

President Kreulen presented several information items for the BNA Development Update. The Commissioners asked for renderings of where the airlines will be parked as we open the new phases, and a handout was provided. MNAA will open the center section with the first flight on September 27, 2023. The Satellite Concourse is our new 8 gate concourse and we will be ready to go on October 19, 2023 with the first flight out on October 21, 2023. Airlines are looking to lease space and will need to turn gates 6.5 times a day. Common Use Gates will be used by different airlines. The number one priority for gates T1-T6 will be for international jets. As we extend Concourse D and add 5 more gates it will give us the ability to close existing Concourse A and more than double its size.

International Arrivals Facility & Marketplace Reception

BNA IAF & Marketplace reception is September 25, 2023 and invitations for the event went out to approximately 709 recipients with 300 RSVPs to date and 74 staff members serving as hosts.

Terminal Apron & Taxilane Expansion (TATE)

President Kreulen presented a graphic showing where the international jets will park, push back and deice. There are 16 acres of concrete with 78,200 square yards of concrete. As of today, we need the center poured which must cure for 7 days. It is currently 96% complete.

JWN Development Update

President Kreulen stated JWN North Development grading and draining continue with mass grading 86% complete and drainage 60% complete. Taxiway Alpha Closures between A3 and A4 are scheduled September 5 through October 10, 2023. Chair Granbery asked President Kreulen to show where the State hangar is located on the photograph he presented. President Kreulen replied the photograph is taken from the location of the new control tower, and on the other end is the TDOT Aeronautics hanger. Vice Chair Joslin stated he would like to compliment Chris Davidson, JWN Airport Manager, who is doing a great job at JWN, and his office is always open, and people feel free to go in and see him.

BNA Concessions Update

Fraport has opened 7 locations in the Terminal Concessions Program in September. Eight food and beverage locations remain under construction and are scheduled to open September 25, 2023. Fraport has done a great job of getting us on time and on budget. President Kreulen met with Paradies CEO regarding the Satellite concessions, where 7 locations are under construction and 4 are on time and scheduled to open October 21, 2023.

BNA PASSport

President Kreulen stated MNAAB is planning a new program to provide access passes for non-ticketed customers and planned to go live in November 2023. BNA PASSport program will offer a one-day pass that can be used by those wishing to shop or dine at BNA, as well as by meeter/greeters and well-wishers. Customers apply for the pass via a link on the BNA website and receive the pass via email. Customers can use that pass to transit through security. The question has been asked if customers are allowed to go to the Satellite and the answer is yes.


Commissioner McWhorter asked if the hotel is on schedule. President Kreulen replied yes, the contract date is December 31, 2023. President Kreulen stated the MNAAB team toured it a couple of weeks ago and it is beautiful, and includes a ballroom that will hold 600 people and 298 guest rooms. It will be a first-class hotel and should be easy to fill with BNA passengers.

Commissioner Johnson asked if a customer can use TSA precheck with the BNA PASSport program. Mr. Wood replied customers will go through standard screening and to keep in mind that those customers will not have any bags with them to clear so it should go pretty fast. Mr. Wood also stated TSA checks customers to make sure they are not on the watch list.

Chair Granbery stated once again he would like to state he is really looking forward to Monday, September 25, 2023, and thanks to all the MNAA team for all they have done.

VIII. ADJOURN

There being no further business brought before the Board, Chair Granbery asked for a motion to adjourn. Vice Chair Joslin made the motion to adjourn, and Commissioner Giarratana seconded the motion, which carried by a vote of 6 to 0. Chair Granbery adjourned the meeting at 1:40 p.m.



Masami I. Tyson , Board Secretary