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

BNA Nashville International Airport

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| Date: | October 21, 2020 | Place: | Consolidated Services Facility / Electronic Meeting |
| Time: | 9:00 a.m. | | |

Board Members Present: Aubrey B. Harwell III, Board Chair; Amanda Farnsworth, Vice Chair; Bill Freeman, Secretary; John Doerge; Bobby Joslin; Nancy Sullivan; Jimmy Granbery; Kevin Crumbo; and Joycelyn Stevenson

Board Members Absent: Christy Smith

Others Present: Doug Kreulen; Cindy Barnett; Lisa Lankford; Robert Ramsey; Marge Basrai; Margaret Martin; Gale LaRoche; Tom Jurkovich; and Angela Edwards

I. Call to Order

Chair Harwell called the MNAA Board of Commissioners and MPC Board of Directors meetings to order at 9:03 a.m., pursuant to the Public Notice dated October 16, 2020.

II. Roll Call and Open Meetings Act Announcement

Ms. Angela Edwards, Staff Secretary, read the Open Meetings Act Announcement as follows:

The Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors will be held in accordance with Executive Order No. 16, signed by Governor Bill Lee on March 20, 2020, as amended by Executive Order No. 34, signed by Governor Bill Lee on May 6, 2020, as amended by Executive Order No. 51, signed by Governor Bill Lee on June 29, 2020, and as amended by Executive Order No. 60, signed by Governor Bill Lee on August 28, 2020, allowing a governing body to hold meetings by electronic or other means of communication without a quorum being physically present if the governing body determines that meeting by electronic means is necessary to prevent the spread of COVID-19 or other related epidemics to protect the health, safety and welfare of the public and members of the governing body. All votes taken during this meeting will be by roll call vote.

Ms. Edwards called roll of the members of the MNAA Board of Commissioners and MPC Board of Directors. All members were present, excluding Commissioner Smith.

III. Approval of Minutes

Upon motion made by Commissioner Granbery and seconded by Commissioner Joslin, the Board voted to approve the Minutes of the September 16, 2020 Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors. Ms. Edwards took a roll call vote and the motion carried by vote of 9 to 0.

IV. Chair's Report

Chair Harwell had no Chair's Report.

V. President's Report

President Kreulen congratulated Ms. Marge Basrai, VP and Chief Financial Officer, and her team for receiving a Certificate of Achievement for Excellence in Financial Reporting for FYE 2019 by the Government Finance Officers Association.

Southwest Airlines announced its non-stop service from Nashville to Cancun will resume November 7, 2020. Service will be once a week on Saturdays. Southwest will re-evaluate to determine if the service will continue into its January 2021 schedule. This is the first international service from BNA since the pandemic started.

Southwest also announced a new non-stop service to Hartford, Connecticut beginning March 2021. President Kreulen thanked Ms. Margaret Martin, VP and Chief Development Officer, and her team for working hard to get this opportunity for BNA. This will be the first non-stop flight to Bradley International Airport from BNA in approximately 9 years.

President Kreulen presented a chart comparing enplanement performance to budget and InterVistas forecast. BNA is currently averaging 12,993 enplanements per day and the budget was based on approximately 15K enplanements per day. Pre-pandemic, BNA was the 31st biggest airport in the U.S. for enplanements. BNA ranks 23rd in weekly TSA throughput compared to other U.S. airports. BNA is outperforming some of the bigger airports in the country. After questions and discussion, President Kreulen concluded his presentation.

VI. Items for Approval

A. Approval of Parking Garage & Hotel Development Recommendation

Ms. Martin briefed the Board on this item. Staff requested that the Board of Commissioners approve the award and execution of the Project Lease Agreement and Component Guaranteed Maximum Price (CGMP) #1 for the Hotel and Parking Development.

Staff provided the Board a staff analysis of the Project Lease Agreement for the hotel and parking development and CGMP #1 for Garage B prior to the meeting.

Ms. Martin introduced the Vice President of Acquisition for Chartwell Hospitality (Chartwell) and the lead consultants that assisted MNAA in this project. Ms. Martin presented hotel highlights and renderings of views from different areas of the airport. Ms. Martin then presented the key Lease Agreement terms.

Chartwell is responsible for building the garage under the hotel and MNAA will reimburse Chartwell for the cost of building the garage. Chartwell had selected Messer Construction as the garage contractor. The total contract cost had been broken into two CGMPs. The first CGMP, before the Board for approval today, was not to exceed $47,620,040 and the total estimated contract cost for the garage was approximately $82M. The contract start date is November 2020 and the contract end date is December 2023. The hotel is funded by Chartwell. The garage is funded by MNAA bonds.

Committee Review

Commissioner Joslin stated this item was presented to the BNA Vision Committee on October 14, 2020. The BNA Vision Committee voted 3 to 0 to recommend approval to the Board of Commissioners. Chair Harwell took Commissioner Joslin's statement as a motion, seconded by Chair Harwell to approve the award and execution of the Project Lease Agreement and CGMP #1 for the Hotel and Parking Development. Ms. Edwards took a roll call vote, Commissioner Granbery recused himself, and the motion carried by vote of 8 to 0.

B. Approval of Committee Assignments

Chair Harwell appointed Commissioner Joslin to the Management Committee and Commissioner Granbery to the GAOPE Committee. Chair Harwell also appointed Joycelyn Stevenson to the BNA Vision Committee and to the Diversity and Workforce Development Committee as Vice Chair.

Chair Harwell made a motion to approve the Committee appointments and Secretary Freeman seconded the motion. Ms. Edwards took a roll call vote and the motion carried by vote of 9 to 0.

VII. Informational Items

A. Review of JWN Redevelopment

President Kreulen briefed the Board on this item. The Financial Workshop will take place on November 5, 2020 from 10:00 a.m. to 12:00 p.m. President Kreulen briefly discussed projects going on at JWN.

B. BNA Concessions Program Update

President Kreulen briefed the Board on this item. Sales had increased slightly. Three new concepts had opened. President Kreulen had been working with staff and outside counsel regarding a notice of default sent to Fraport.

C. Parking Facilities/Valet Services RFP Release

President Kreulen briefed the Board on this item. MNAA is ready to release a Request for Proposals (RFP) for professional services contract for the operation of parking facilities and valet services. The current contract expires June 20, 2021. Proposers can submit bids on one or both services. Staff will come back to the Committee and Board in February 2021 with a recommendation and the contract start date would be July 2021.

D. Procore PM/CM Software Contract

President Kreulen briefed the Board on this item. MNAA renewed its contract to maintain its subscription to Procore suites and modules currently utilized by Design & Engineering. The current contract expires December 2020. The contract was renewed for 3 years. The annual contract cost did not meet the Board approval threshold.

E. Strategic Planning

President Kreulen stated the Senior and Executive Staff Retreats were held on September 28 and 29, 2020. The information obtained from those retreats will be shared later in the afternoon during the Strategic Planning portion of the Board Retreat.

President Kreulen presented a detailed timeline of communications with Fraport and next steps. After questions and discussions regarding insurance at JWN, President Kreulen concluded his presentation.

VIII. Adjourn

Chair Harwell thanked the Commissioners for their participation and adjourned the meeting at 9:54 a.m.

Chair Harwell announced the Board would break until approximately 10:10 a.m. at which time the ethics training session would begin.

IX. Board Retreat

A. Annual Code of Conduct, Ethics and Conflict of Interest Training

Chair Harwell called the MNAA Board of Commissioners and MPC Board of Directors ethics training session to order at 10:15 a.m., pursuant to the Public Notice dated October 16, 2020. Commissioner Smith joined the Retreat at 10:15 a.m.

Ms. Edwards called roll of the members of the MNAA Board of Commissioners and MPC Board of Directors. All members were present, excluding Commissioner Joslin.

Ms. Edwards read the Open Meetings Act Announcement as follows:

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Chair Harwell turned the meeting over to Mr. Lucian T. Pera, Partner at Adams and Reese LLP. Mr. Pera conducted the annual code of conduct, ethics, and conflict of interest training for the members of the Board.

Upon conclusion at 11:05 a.m., Chair Harwell thanked Mr. Pera for his instruction and announced the next session of the Board Retreat would begin at approximately 11:15 a.m.

B. CEO Strategic Review

Chair Harwell called the MNAA Board of Commissioners and MPC Board of Directors FY21 Strategic Review session to order at 11:15 a.m., pursuant to the Public Notice dated October 16, 2020.

Ms. Edwards called roll of the members of the MNAA Board of Commissioners and MPC Board of Directors. All members were present, excluding Commissioner Joslin.

Ms. Edwards read the Open Meetings Act Announcement as follows:

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President Kreulen reported on FY21 enplanements. BNA currently averages just under 13K enplanements per day making the number of people in and out of BNA each day approximately 26K. Pre-COVID, there were approximately 50K in and out of BNA per day, on average.

President Kreulen presented the FY21 Rate Model Based Budget/Forecast comparing 3 scenarios of enplanement projections and showing revenues and expenses for each. The same rate model was presented for FY22 with preliminary numbers and increase in enplanements.

After questions and discussion, President Kreulen concluded his presentation.

Mr. Robert Ramsey, SVP, Chief Operating Officer, presented BNA Vision 2.0 Requirements. Mr. Ramsey presented a timeline of projects included in Vision 2.0 and discussed each project in detail. All projects discussed would ultimately be determined by customer volume and financial ability.

Ms. Marge Basrai, VP, Chief Financial Officer, presented the capital program financial analysis. Ms. Basrai discussed key assumptions and funding requirements for projects associated with BNA Vision 2.0. Based on key assumptions, debt service coverage and days cash on hand requirements, Ms. Basrai determined not all projects included in BNA Vision 2.0 were affordable, however, a phased Vision 2.0 would be affordable.

President Kreulen discussed additional considerations including JWN Redevelopment and Runway 2L Extension for service to China and the Middle East. After questions and discussions, President Kreulen went on to discuss rebuilding of the BNA concessions program.

President Kreulen presented the 2020 employee survey findings including participation, overall satisfaction, top performing areas and bottom performing areas. An executive summary will be sent to Commissioners after the meeting.

X. Adjourn

There being no further business brought before the Board, Chair Harwell thanked the Commissioners for their participation and adjourned the meeting at 12:24 p.m.

Angela Edwards /Staff Secretary
William H. Freeman, Board Secretary