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

BNA Nashville International Airport

Date: November 18, 2020	Place: Nashville Airport Boardroom / Electronic Meeting
Time: 1:00 p.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; Christy Smith; and Joycelyn Stevenson
Board Members Absent:	None
Others Present:	Doug Kreulen; Cindy Barnett; Lisa Lankford; and Angela Edwards

I. Call to Order

Chair Harwell called the MNAA Board of Commissioners and MPC Board of Directors meetings to order at 1:00 p.m., pursuant to the Public Notice dated November 13, 2020.

II. Roll Call and Open Meetings Act Announcement

Chair Harwell called for a motion to waive the reading of the Open Meetings Act Announcement, but include the announcement in the Minutes 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.

A motion was made by Commissioner Granbery and seconded by Secretary Freeman. Ms. Angela Edwards, Staff Secretary, called roll and took a roll call vote on waiving the reading of the Open Meetings Act Announcement.

All members were present excluding Commissioner Joslin. The motion passed by vote of 8 to 0. Due to technical difficulties, Commissioner Smith's vote could not be heard and was therefore, not recorded.

III. Approval of Minutes

Upon motion made by Secretary Freeman and second by Commissioner Granbery, the Board voted to approve the Minutes of the October 21, 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 thanked the members of the Board, President Kreulen, and staff for all the hard work everyone had done over the course of the year. Chair Harwell recognized and congratulated Ms. Marge Basrai, VP, Chief Financial Officer, for being named a 2020 Trailblazing Women in Finance for the public sector by the Bond Buyer. Chair Harwell also recognized Chief Griswold, AVP, Chief of Police, and Officers Brennan, Redifer, Greene, Delheimer, and Gregory for working quickly to save two lives on November 8, 2020.

Commissioner Joslin joined the meeting at 1:10 p.m.

V. President's Report

President Kreulen thanked Mr. Franklin Carver, Ms. Stacey Nickens, and Ms. Shannon Sumrall of the Brand Experience team for conducting a virtual 5K with donations going to Safe Haven Family Shelter and Monroe Harding. Each charity received $28,862.56.

President Kreulen congratulated Sargent Marc Christian for completing the AAAE Airport Fire Officer (A.F.O.) designation and Mr. Paul Martinez for completing his AAAE Airport Certified Employee (A.C.E.) designation in airfield operations.

President Kreulen went on to congratulate Ms. Basrai for being named one of six Bond Buyer 2020 Trailblazing Women in Finance and DPS officers for saving two lives on November 8, 2020. The officers will be recognized at the All Teams Meeting and will receive Lifesaver Award pins and certificates.

The Narcotics team had been recognized by the State of Tennessee Narcotics Officers Association for winning Interdiction Unit of the Year (DEA Group 2, and DPS Criminal Investigations Division). Officer Brad Kessler was awarded K9 Officer of the Year.

Ms. Margaret Martin, VP, Chief Development Officer, and her team brought Avail, a peer-to-peer car-share service to BNA. BNA is the first airport in Tennessee to feature Avail and the 11th airport in the U.S.

Minutes Suites had opened a location in Concourse D. Minute Suites offers 5 private rooms with beds, couches, and televisions that can be rented by weary passengers for up to an hour.

President Kreulen presented a chart comparing enplanement performance to budget and InterVistas forecast. President Kreulen updated the Board on October performance and stated seat sales are improving for November indicating people are planning to travel for the Thanksgiving holiday.

VI. Items for Approval

A. Approval of Professional Services Contract to Reconstruct Taxiway Kilo West

Ms. Traci Holton, AVP, Chief Engineer, briefed the Board on this item. Staff requested that the Board of Commissioners accept the statement of qualification by Garver, LLC (Garver) to provide engineering consulting services for the design of the Reconstruct Taxiway Kilo West project at Nashville International Airport (BNA) and authorize the Chair and President and CEO to execute the professional services contract.

Staff provided the Board a staff analysis of the Professional Services Contract prior to the meeting.

Ms. Holton stated the contract is for the design to reconstruct approximately 450K sf of Taxiway Kilo west of the intersection with Taxiway Alpha. In early August, the Authority published a Request for Qualifications. In early September, 10 Statements of Qualifications (SOQ) were received. The selection committee evaluated the SOQs and shortlisted 5 firms. All firms were well qualified, but the team from Garver demonstrated the best understanding of the needs of the project as well as experience with projects of similar scope. The DBE Participation Level set by MNAA for this project was 8.69%. Garver had committed to meet this goal. The contract cost is not to exceed $725K.

Committee Review

Commissioner Freeman stated this item was presented to the GAOPE Committee on November 11, 2020. The GAOPE Committee voted 4 to 0 to recommend approval to the Board of Commissioners. Chair Harwell took Commissioner Freeman's statement as a motion, which was seconded by Commissioner Granbery to accept the statement of qualification by Garver to provide engineering consulting services for the design of the Reconstruct Taxiway Kilo West project at BNA and authorize the Chair and President and CEO to execute the professional services contract. Ms. Edwards took a roll call vote and the motion carried by vote of 10 to 0.

B. Approval of JWN Redevelopment Plan

Mr. Jeff Roach, AVP, Executive Director at JWN, briefed the Board on this item. Staff requested that the Board of Commissioners approve the John C. Tune (JWN) redevelopment plan. With approval of this concept, the staff will develop and issue the RFP to begin implementation.

Staff provided the Board a staff analysis of the JWN Redevelopment Plan prior to the meeting.

Mr. Roach briefly discussed the background of the JWN Redevelopment Plan and development concepts. Mr. Roach presented a summary of RFP options. The lease and rental structure will be presented at the December/January GAOPE Committee and Board meetings. The goal is to adopt a business model by the Board to identify how to move forward with a lease and rental structure for JWN.

Committee Review

Commissioner Freeman stated this item was presented to the GAOPE Committee on November 11, 2020. The GAOPE Committee voted 4 to 0 to recommend approval to the Board of Commissioners. Chair Harwell took Commissioner Freeman's statement as a motion, which was seconded by Commissioner Granbery to approve the JWN redevelopment plan. Commissioner Joslin made a motion to reduce the scope of the RFP to area 1B for 42 ft. hangars, evaluate the demand, then move to area 1A, evaluate the demand, remove the administration building, and operate the administration from one of the 42 ft. hangars. Commissioner Joslin's motion failed for lack of a second. After questions and discussions among the Commissioners and staff, Ms. Edwards took a roll call vote and Commissioner Freeman's motion carried by vote of 10 to 0.

Commissioner Joslin exited the meeting at 1:38 p.m.

C. Approval of Advantage/Orlando Rentco Lease Assignment

Ms. Martin briefed the Board on this item. Staff requested that the MNAA Board of Commissioners and the MPC Board of Directors ratify the Assignment and Assumption Agreement by and between Orlando Rentco, LLC (Rentco),the Metropolitan Nashville Airport Authority (MNAA), MPC CONRAC LLC (MPC CONRAC) and MVI Facility Services – Nashville, LLC (MVI) executed by the President & CEO on behalf of MNAA and MPC CONRAC LLC, and the Consolidated Rental Car Facility (CONRAC) Lease Agreement between Rentco, MNAA, and MPC CONRAC LLC executed by the President & CEO on behalf of MNAA and MPC CONRAC LLC.

Staff provided the Boards a staff analysis of the Lease Assignment prior to the meeting.

Advantage filed for relief under Chapter 11 bankruptcy in May 2020. Advantage and Rentco executed an Asset Purchase Agreement in June 2020. The Agreement was approved by the U.S. Bankruptcy Court in July 2020. Pursuant to § 4.4.1.8 of the Bylaws of the MNAA Board of Commissioners, as the execution of these agreements was required by law (by order of the Bankruptcy Court), the President and CEO executed the Assignment and Assumption Agreement and the CONRAC Lease Agreement on behalf of MNAA and MPC after consultation with the Chair.

Committee Review

Commissioner Farnsworth stated this item was presented to the FAP Committee on November 11, 2020. The FAP Committee voted 5 to 0 to recommend approval to the Board of Commissioners. Chair Harwell took Commissioner Farnsworth's statement as a motion, which was seconded by Commissioner Doerge to ratify the

Assignment and Assumption Agreement and the CONRAC Lease Agreement executed by the President and CEO. Ms. Edwards took a roll call vote and the motion carried by vote of 9 to 0.

D. Approval of Amendment #4 to Fraport Concessions Contract

Ms. Martin briefed the Board on this item. Staff requested that the Board of Commissioners amend the Lease and Concession Agreement between MNAA and Fraport Tennessee, Inc., for the BNA concession program and authorize the President & CEO and Board Chair to execute the Fourth Amendment.

Staff provided the Board a staff analysis of Amendment #4 prior to the meeting.

Ms. Martin presented a timeline of the Notice of Default and resolution with Fraport and key terms of Amendment #4. The Fourth Amendment increases Fraport's obligations under the Guaranty of Performance and addresses items critical to the successful future performance of Fraport and protection of MNAA.

Committee Review

Commissioner Farnsworth stated this item was presented to the FAP Committee on November 11, 2020. The FAP Committee voted 5 to 0 to recommend approval to the Board of Commissioners. Chair Harwell took Commissioner Farnsworth's statement as a motion, which was seconded by Commissioner Stevenson to amend the Lease and Concession Agreement between MNAA and Fraport Tennessee, Inc., and authorize the President & CEO and Board Chair to execute the Fourth Amendment. Ms. Edwards took a roll call vote and the motion carried by vote of 9 to 0.

E. Approval of Acquisition of Future Aeronautical Land

Mr. John Corbitt, AVP, Real Estate, briefed the Board on this item. Staff requested that the Board of Commissioners approve the purchase of 3 acres of property just east of runway 2R/20L for $415K.

Staff provided the Board a staff analysis for the acquisition of the future aeronautical land prior to the Board meeting.

Mr. Corbitt explained that the 3 acres are located on the south side of Pulley Road, just east of Runway 2R/20L. The property is located in the Airport Overlay and identified in the Airport Master Plan for future acquisition. The appraisal value was $415K and MNAA successfully negotiated a purchase price of $415K. The only contingencies are clean title, clean survey, clean environmental, and Board approval. The estimated closing date was December 15, 2020.

Committee Review

Commissioner Farnsworth stated this item was presented to the FAP Committee on November 11, 2020. The FAP Committee voted 5 to 0 to recommend approval to the Board of Commissioners. Chair Harwell took Commissioner Farnsworth's statement as a motion, which was seconded by Commissioner Granbery to approve

the purchase of 3 acres of property just east of runway 2R/20L for $415K. Ms. Edwards took a roll call vote and the motion carried by vote of 9 to 0.

VII. Informational Items

A. Quarterly Retirement/OPEB & Treasury Investment Report

President Kreulen briefed the Board on this item. Funds are 99.2% invested. The retirement plan and OPEB were over funded as of September 30, 2020.

B. Fraud Reporting & Internal Audit Update

President Kreulen briefed the Board on this item. There were no new reports submitted to the red flag reporting. The 1Q21 internal audits were conducted, and there were 28 remaining open findings. MNAA passed the Payment Card Industry (PCI) Compliance Assessment performed by CompliancePoint from August 25 – October 31, 2020.

C. External Audit Update

President Kreulen briefed the Board on this item. Plante Moran conducted an external audit of FY20 Financial Statements and issued an unmodified opinion which is the best an organization can receive. Plante Moran also conducted a FY20 Single Audit and FY20 Passenger Facility Charges audit and found the Authority complied in all material respects with requirements. President Kreulen stated all Commissioners would receive a copy of the Comprehensive Financial Report (CAFR) by mail.

D. Air Service Incentive Plan Update

President Kreulen briefed the Board on this item. The Commercial Development staff updated the Air Service Incentive Plan. The previous plan had expired, and the new plan had been signed. All proposed incentives will be brought before the Board for approval, if any. The Air Service Incentive Plan is funded from the NAE fund (cash reserve). An additional $12M was contributed to the fund in FY20 due to the cutting of budgets in various departments.

E. CEO Update

President Kreulen updated the Board on this item. President Kreulen updated the Board on topics covered in the Management Committee meeting on November 11, 2020.

VIII. Adjourn

There being no further business brought before the Board, Chair Harwell thanked the Commissioners for their participation and adjourned the meeting at 2:01 p.m.

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