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

BNA Nashville International Airport

Date: February 17, 2021	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; Christy Smith; and Joycelyn Stevenson
Board Members Absent:	Kevin Crumbo
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 February 12, 2021.

II. Roll Call and Open Meetings Act Announcement

Ms. Angela Edwards, Staff Secretary, called roll of the MNAA Board of Commissioners and MPC Board of Directors and asked for a vote on the approval of holding the meeting electronically and a waiver of reading of the Open Meetings Act Announcement. All members were present, except Commissioner Crumbo, and the approval of holding the meeting electronically and waiver of reading the Open Meetings Act Announcement passed by vote of 9 to 0. The reading of the Open Meetings Act Announcement was waived, but is included in the Minutes as follows:

The 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, which allowed governing bodies to meet electronically regarding essential business in light of Coronavirus Disease (COVID-19), and that order was extended by Executive Order Nos. 34, 51, 60, 65, and 71. All votes taken during this meeting will be by roll call vote.

III. Approval of Minutes

Upon motion made by Commissioner Granbery and seconded by Secretary Freeman, the Board voted to approve the Minutes of the December 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 but thanked President Kreulen and his team for their work in dealing with weather-related issues the last several days and thanked Commissioners, President Kreulen, and staff for their work on the John C. Tune Airport (JWN) redevelopment matters.

V. President's Report

President Kreulen thanked the Chairman and Commissioners for their support and help on JWN issues. President Kreulen then thanked Operations, Maintenance, Public Safety, Procurement, and the Environmental team that have been at BNA since Sunday morning to help clear the runways and roads of snow and ice.

President Kreulen reported that Allegiant Airlines had added new nonstop service to 5 cities, with Albany, NY, McAllen, TX, Portsmouth, NH and Boise, ID beginning in May 2021. The Rapid City, South Dakota route is for the Sturgis Motorcycle Rally, limited to August 2021 only.

President Kreulen discussed enplanement numbers for January and projections through the end of FY21. The FY21 projected year end is approximately 4-4.1M passengers which equates to approximately 48% of FY19 total.

President Kreulen went on to discuss air passenger traffic recovery and federal and state support for airports.

President Kreulen then addressed items coming before the Committees and Board in March and April 2021 and upcoming events.

VI. Items for Approval

A. Approval of On-Call Airfield Pavement Marking Services

Ms. Traci Holton, AVP, Chief Engineer, briefed the Board on this item. Staff requested the Board of Commissioners accept the proposal by Marking Impressions, Corporation d/b/a Pope Striping and American Water Blasting (Pope Striping) for On-Call Airfield Marking, Rubber and Marking Removal Services at BNA and JWN, and authorize the Chair and President and CEO to execute the Purchased Goods and Services Contract.

Staff provided the Board a staff analysis of the on-call airfield pavement marking services prior to the meeting.

The Request for Proposals (RFP) was issued late October 2020. On November 25, 2020 three proposals were received. One firm was deemed non-responsive for failure to meet the SMWBE goal or provide acceptable good faith efforts. The proposals were evaluated on experience and qualifications, key personnel, SMWBE participation, and price.

The selection committee determined Pope Striping to be the best value for the scope of services.

The SMWBE participation level set by MNAA for this project was 10% SMWBE. Pope Striping is a certified SBE but will also utilize SMWBE firms Sign Central and Archangel Protective Services.

The duration of the contract is for 1 year with 4 one-year renewal options with a not to exceed amount of $1.150M annually.

Committee Review

Commissioner Freeman stated this item was presented to the GAOPE Committee on February 10, 2021. 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 Sullivan to accept the proposal by Pope Striping for On-Call Airfield Marking, Rubber and Marking Removal Services at BNA and JWN, and authorize the Chair and President and CEO to execute the Purchased Goods and Services Contract. Ms. Edwards took a roll call vote and the motion passed by vote of 9 to 0.

B. Approval of On-Call Low Voltage Services

Ms. Holton briefed the Board on this item. Staff requested that the Board of Commissioners approve the proposal by Simino Electric, LLC (Simino Electric) for On-Call Low Voltage Communication and Power - Equipment, Cabling, and Conduit Services at Nashville International Airport (BNA), John C. Tune Airport (JWN), and International Plaza (IP), and authorize the Chair and President and CEO to execute the purchased goods and services contract.

Staff provided the Board a staff analysis of the On-Call Low Voltage Services prior to the meeting.

Ms. Holton explained the on-call contract was for low voltage communication and power services to maintain the various power, lighting, and communication systems throughout BNA, JWN, and MNAA Properties Corporation (MPC). An RFP was issued in late November 2020 and one proposal was received on December 23, 2020 by Simino Electric. Staff had evaluated the proposal and determined the proposal from Simino Electric to be responsive and responsible. The MNAA SMWBE goal was 4.30%. Simino Electric is a certified SBE and has partnered with EJO Ventures and Utopia Building Group.

The contract is for 1 year with 4 one-year renewal options with a total contract cost of not to exceed $750K annually.

Committee Review

This item was presented to the GAOPE Committee on February 10, 2021. 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, seconded by Commissioner Granbery to approve the proposal by Simino Electric for On-Call Low Voltage Communication and Power - Equipment, Cabling, and Conduit Services at BNA, JWN, and IP, and authorize the Chair and President and CEO to execute the purchased goods and services contract. Ms. Edwards took a roll call vote and the motion carried by vote of 9 to 0.

C. Approval of JWN Hangar Redevelopment CGMP #1

Ms. Holton briefed the Board on this item. Staff requested that the Board of Commissioners approve the proposal by Messer Construction Co. (Messer) for the Progressive Design-Build Contract for the JWN Hangar Redevelopment project at JWN and authorize the Chair and President and CEO to execute the Component Guaranteed Maximum Price #1 (CGMP1 of 3).

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

A Request for Proposals was advertised on November 30, 2020. On January 22, 2021, ten (10) proposals were received. The proposals were evaluated on mandatory requirements, team/individual qualifications and experience, technical approach, DBE participation, and price. The selection committee determined the Messer team to be the most qualified for the project.

Messer's subcontracting team as presented for CGMP1 consists of Garver (civil & architectural Design), Barge Cauthen (stormwater design), Logan Patri Engineering (structural engineering), KS Ware (geotechnical) and CIA (survey). All these firms are local and have experience working with MNAA. The MNAA DBE participation level for this project was 13.9%. Messer committed to meeting or exceeding that goal. The CGMP #1 amount is for $11,766,778 and includes all of the design for the entire MNAA funded portion of the JWN Redevelopment concept, construction of ten 42-ft t-hangars, ten 48-ft t-hangars, three 60 x 60 box hangars, and apron expansion.

Ms. Holton explained there will be two more CGMPs and discussed construction schedules.

Committee Review

GAOPE Committee Chair Freeman reported this item was not presented to the GAOPE Committee. To expedite the schedule, this item was brought directly to the Board for approval. GAOPE Committee Chair Freeman called for a motion to approve. Upon motion by Commissioner Granbery, seconded by Commissioner Farnsworth, Ms. Edwards took a roll call vote and the motion carried by vote of 9 to 0.

D. Approval of JWN Business Model and Rent Implementation

President Kreulen briefed the Board on this item. Staff requested that the Board of Commissioners:

1. Approve the following business model to determine appropriate rents for all MNAA funded developments:
    - Direct Costs + Operating Costs = Breakeven Rent
    - Breakeven Rent + ROI (for new construction) = Total Rent
    - Annual review and escalation based on O&M and CPI-U index; and
2. Authorize the President and CEO to implement the business model for all existing hangars effective July 1, 2021, and new MNAA funded T-Hangars, using the following guidelines:
    - Direct facility costs amortized:
        - New construction is a 40-year life

  - Existing hangars (45) are a 30-year remaining life
- 30% pro rata share of JWN operating costs for T-Hangars
- Return on Investment:
  - New construction at bond rate (cost of debt service)
  - Existing hangars (45) at 0%
- 12-month lease term; rent adjusted annually based on total operating expenditures and CPI-U index

President Kreulen explained the business model decision and presented a background of calculations.

Committee Review

This item was presented to the GAOPE Committee on February 10, 2021. The GAOPE Committee voted 4 to 0 to recommend approval to the Board of Commissioners. GAOPE Committee Chair Freeman made a motion to approve as presented and Commissioner Granbery seconded the motion. Commissioner Farnsworth and Chair Harwell thanked the Commissioners and staff for all their hard work on this matter. Ms. Edwards took a roll call vote and the motion carried by vote of 9 to 0.

President Kreulen reported the market valuation analysis is ongoing and will report back to the Board once the information is final. Discussions regarding hangars and schedules followed.

E. Approval of BNA Vision 2.0 Program and BNA CIP Budget Amendment, MNAA Resolution No. 2021-01

Mr. Robert Ramsey, SVP, Chief Operating Officer, briefed the Board on this item. Staff requested that the Board of Commissioners:

1. Approve BNA Vision 2.0 projects and their associated budgets as follows:
   - Runway 2L/20R Extension EA/Preliminary Design/Property Acquisition (FY20 CIP) $ 15M
   - Concourse A – Site Prep/Fill (FY20/22 CIP) $ 49M
   - Concourse A – Ramp Paving (FY21/22 CIP) $ 31M
   - Satellite Concourse w/Fueling System (FY21 CIP) $ 89M
   - Total Vision 2.0 (FY20/21/22 CIP) $184M;
2. Approve MNAA Resolution 2021-01 amending the FY 2021 BNA Capital Improvement Budget to add the Satellite Concourse Project; and
3. Authorize the Chair and President & CEO to execute MNAA Resolution 2021-01

Mr. Ramsey discussed projects included in BNA Vision 2.0 and explained the new Concourse A construction and R/W 2L/20R Extension will not be funded at this time in order to meet requirements for Debt Service Coverage and Days Cash on Hand.

Committee Review

This item was presented to the BNA Vision Committee on February 10, 2021. The BNA Vision Committee voted 5 to 0 to recommend approval to the Board of Commissioners. Chair Harwell took Commissioner Joslin's statement as a motion, which was seconded by Commissioner Granbery to approve BNA Vision 2.0 projects and their associated budgets as presented, approve MNAA Resolution 2021-01 amending the FY 2021 BNA Capital Improvement Budget to add the Satellite Concourse Project, and authorize the Chair and President & CEO to execute MNAA Resolution 2021-01. Ms. Edwards took a roll call vote and the motion carried by vote of 9 to 0.

VII. Informational Items

A. Parking Facilities/Valet Services RFP Update

President Kreulen gave a brief background of the RFP issued for parking facilities/valet services. The current contract expires June 30, 2021. A Notice of Intent to Award was issued to LAZ Parking. Final contract negotiations are ongoing and staff will bring this item before the Board to ask for approval in April 2021.

B. BNA Concessions Program Update

President Kreulen discussed the status of items required by the Fraport 4th Amendment and the progress on Exhibit G concepts required through May 31, 2021. Most concepts for April and May have fallen behind a couple of weeks. Due to the ice and snow, there were problems with getting food and beverage to the airport to serve passengers.

C. Quarterly Retirement/OPEB/Treasury Investment Reports

President Kreulen reported that as of December 31, 2020, the Retirement Plan and OPEB Plan had higher gross returns as compared to the benchmarks. As of June 30, 2020, the Retirement Plan was 104% funded and the OPEB Plan was 106% funded. As of December 31, 2020, cash was 99.3% invested.

VIII. Adjourn

There being no further business brought before the Board, Chair Harwell thanked the Commissioners for their participation and adjourned the meeting at 1:50 p.m.

William H. Freeman, Board Secretary