

**Minutes of the MNAA
Management Committee**



Date: January 12, 2022 Nashville International Airport Boardroom

Time: 11:00 a.m.

Committee Members Present: Bill Freeman, Chairman; Nancy Sullivan, Vice Chair; Joycelyn Stevenson, Secretary; Bobby Joslin and Jimmy Granbery

Committee Members Absent: None

Others Present: Doug Kreulen; Andrew Byrd; Dr. Glenda Glover; Neale Bedrock; Lisa Lankford and Ginger Cork

I. CALL TO ORDER

Chairman Freeman called the meeting of the Metropolitan Nashville Airport Authority Management Committee to order at 11:09 a.m. pursuant to Public Notice dated January 7, 2022.

II. APPROVAL OF MINUTES

Chairman Freeman made a motion to approve the minutes of the November 10, 2021 MNAA Management Committee, and Secretary Stevenson seconded the motion. The motion carried by vote of 5 to 0.

III. CHAIR'S REPORT

Chairman Freeman did not have a Chair's Report.

IV. ITEMS FOR APPROVAL

Doug Kreulen, President and CEO, introduced Marge Basrai, EVP, Chief Financial Officer, to brief the Feasibility & Recommendation of COLA to Retirees & Beneficiaries - Resolution #2022-01.

Ms. Basrai briefed the Finance Committee on this item. The MNAA Retirement Plan (the Plan) is a closed plan that closed on 6/27/2003. We have 183 active participants in the Plan, 61 active employees and 53 previous employees with deferred benefits in the Plan. MNAA Resolution 2019-02 requires review of the feasibility of a COLA and recommendation to the Board every two years.

MNAA's Goals for the Plan are to protect assets and remain close to 100% funded (106% funded as of 7/1/21).

COLA History

7/2002: 4% COLA, \$435,200 increase in liability

7/2004: 2% COLA, \$289,838 increase in liability

7/2007: 5% COLA, \$845,402 increase in liability

Ms. Basrai was asked by President Kreulen to review the feasibility of a COLA and examine the policy to review every two years. After research and input from Findley (MNAA's Actuary), the considerations for recommendations are:

- Given market volatility, any COLA approved would increase liability to MNAA and reduce funding status
 - 3% annual COLA increases cost of benefit 26%
- Traditional businesses (non-governmental) generally do not offer COLAs
 - 75% of governments offer COLAs, however, this has caused significant underfunding and requires the need to increase tax revenues
 - MNAA operates as a business
- The Plan does not provide a guaranteed COLA to participants as a benefit
- There is no implied perception that MNAA will provide a COLA based on historical pattern
 - 14 years since last COLA
- Majority of MNAA employees (262 out of 323) are not in the Plan and will not receive any additional payment once they retire
 - Concern with creating disparity between old and new employees

Ms. Basrai requested that the Management Committee recommend to the Board of Commissioners that it:

1. Approve the staff recommendation declining to initiate a COLA for retirees and beneficiaries in the MNAA Retirement Plan, and
2. Authorize the Chair and President and CEO to execute MNAA Resolution No. 2022-01 rescinding MNAA Resolution No. 2019-02 which required periodic reviews of the feasibility of initiating a COLA to retirees and beneficiaries in the MNAA Retirement Plan.

Commissioner Byrd inquired about the scope of benefits paid out. Ms. Basrai stated it was dependent on the participant's years of service and other factors such as average pay for the last 5 years.

Commissioner Glover asked if this has affected morale in any way. President Kreulen stated he is very open at the Quarterly meeting with the employees, and this is discussed at those meetings.

Commissioner Byrd asked what type of plan is available now for employees. President Kreulen explained the MNAA benefit package.

Commissioner Granbery made a motion to approve as presented and Secretary Stevenson seconded the motion. The motion carried by a 5 to 0 vote.

V. INFORMATION ITEMS

A. Red Flag Update

President Kreulen introduced Ms. Lisa Lankford, VP, Strategic Advisor to the President. Ms. Lankford provided a Red Flag Update.

The Red Flag report received on December 13, 2021 from an anonymous report from a passenger who observed two concessions employees on Concourse B not wearing masks, and reportedly stated they did not have to. On December 13, 2021 Fraport issued "Operational Standards Improvement Notification" to responsible tenant. The tenant responded immediately with disciplinary action to the employee in the photo. The tenant posted a memo in each location reminding all the staff that it is a Federal Mandate to wear masks at all times, this is non-negotiable and failure to wear properly or at all may result in immediate termination. The report was administratively closed on January 5, 2022 with no evidence of fraud.

VI. ADJOURN

There being no further business brought before the Management Committee, Chairman Freeman thanked the Commissioners for their participation and adjourned the meeting at 11:20 a.m.


Joycelyn Stevenson, Board Secretary