



Joint Meeting of the MNAA and MPC Finance, Diversity & Workforce Development (“Finance”) Committees

February 8, 2023

Call to Order

February 8, 2023

Approval of Minutes

Joint Meeting of MNAA and MPC Finance, Diversity & Workforce Development Committees
January 11, 2023

Chair's Report

Andrew Byrd

Finance Committee Chair

Items for Approval

None

Information Items

February 8, 2023

- Quarterly Retirement/OPEB/Treasury Investment Reports

Information Item

Kristen Deuben, CPA

VP, Finance & Deputy CFO

Retirement Plan

- **FY23-Q2 Market Value: \$74.7M (+\$3.1M)**
- Gross Return
 - FY23 Q2: 6.05%
Net of fees 5.99%; Composite benchmark 5.74%
 - FY23-YTD: 0.98%
Net of fees 0.88%; Composite benchmark 0.61%

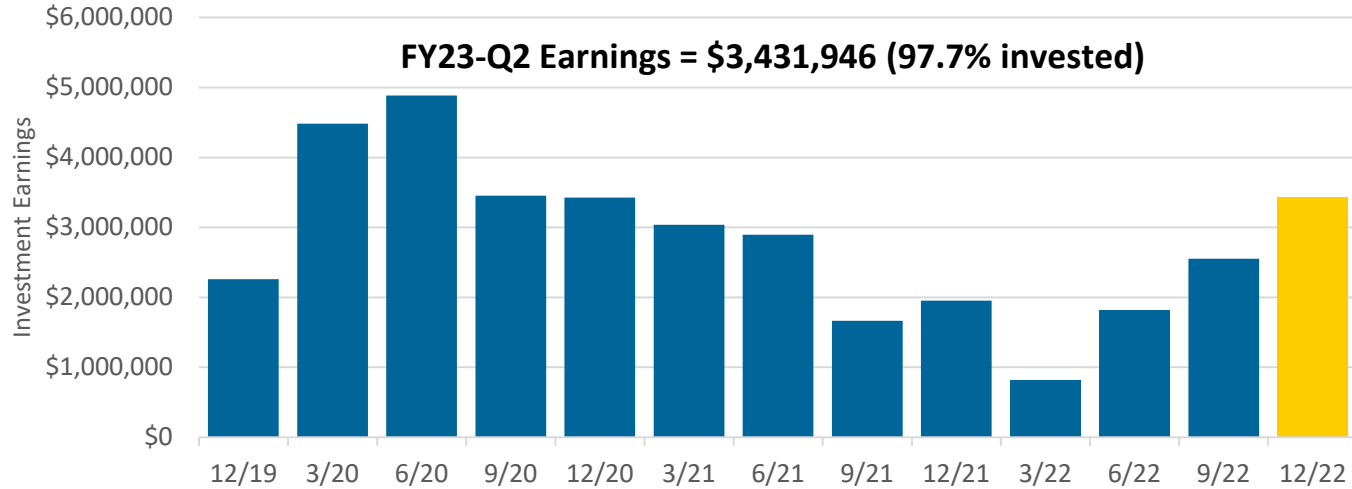
OPEB

- **FY23-Q2 Market Value \$36.7M (+\$2.1M)**
- Gross Return
 - FY23 Q2: 6.78%
Net of fees 6.72%; Composite benchmark 6.04%
 - FY23-YTD: 1.50%
Net of fees 1.40%; Composite benchmark 0.92%

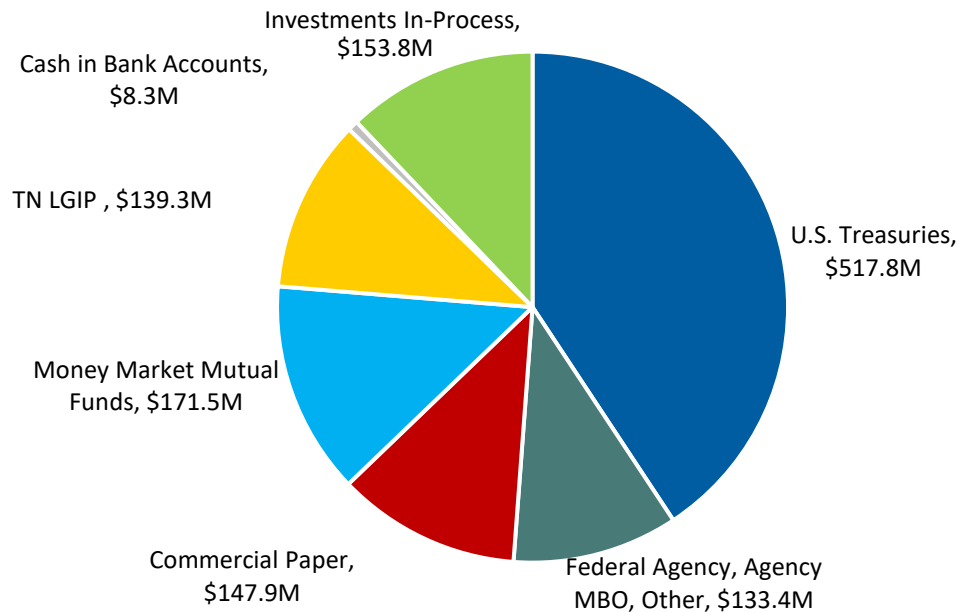
Quarterly Retirement/ OPEB Investment Report

Quarter ending December 31, 2022

Investment Earnings and % Invested



Investment Accounts



Quarterly Treasury Investment Report

Quarter ending December 31, 2022

- Total available funds: \$1.272B
- Funds invested: 97.7%
- Investment portfolio in compliance and meeting policy objectives
- 2Q23 combined yield: 2.73%
- Total cash & investment earnings
 - 2Q23: \$3,431,946
 - 2Q22: \$1,953,812
 - 2Q23 had \$455M more available funds than 2Q22

- BNA Concessions Program Update

Information Item

Colleen Von Hoene
Associate Principal, Paslay Group

Fraport Terminal Concessions opening in 2023:

- 12 Locations opened on January 24, 2023
- 15 Locations scheduled to open in September 2023
 - All have executed subleases and 30% design reviews
 - 9 of the 15 locations have been approved to Code

Paradies Satellite Concourse Concessions opening in October 2023:

- 7 locations scheduled to open October 2023
 - All locations have achieved 30% design approval
 - 95% drawings expected by the end of February 2023

Concession Activity 2023 Locations



January 2023 Concessions



January 2023 Concessions

- Airline Use & Lease Agreement (AULA) Update

Information Item

Marge Basrai, CPA, CGMA, CM
EVP, Chief Financial Officer

Timeline of AULA Negotiations

- Summer 2018
 - Initial airline discussions
 - Business deal discussions/negotiations
 - Discussions ended as airlines unwilling to amend the current agreement
- 2020 – Early 2021
 - COVID-19 pandemic and response (no discussions took place)
- Jul 29, 2021
 - AULA kick-off meeting with Airline Airport Affairs Committee (“AAAC”)
- Sep – Dec 2021
 - Negotiated 1-year extension to current AULA (expires June 30, 2023)
- Jan – Sep 2022
 - Resumed negotiations of new AULA
- Sep – Oct 2022
 - Reached agreement on material elements of a new AULA
 - Oct 17, 2022: Southwest signed Memorandum of Understanding on material terms
 - Oct 19, 2022: Board approved these terms for preparation of FY24 Budget/Official Statement

Timeline of AULA Negotiations

- Nov – Dec 2022
 - Additional Airline Negotiation meetings
 - Negotiated smaller, non-material terms
 - Reviewed first draft of new lease agreement
- January 11, 2023
 - Negotiations completed with Airlines
- February 3, 2023
 - Final Legal reviews and Airline comments received
- March 2023
 - Airlines to return executed lease agreements (anticipate some will take longer)
- April 19, 2023
 - Board approval of new AULA
- May – June 2023
 - Any remaining executed AULAs to be received by MNAA
- July 1, 2023
 - Implement FY24 airline rates and charges per the new AULA

- Parking Rate Adjustment

Information Item

Douglas E. Kreulen, A.A.E.
President and CEO

- Current rates implemented February 1, 2022
 - Hired Ricondo to conduct independent rate analysis
- Findings:
 - Garages, Lot A and Valet operating at or near capacity
 - MNAA parking rates below average of benchmark airports
 - MNAA parking rates below average of Top 20 US airports, and much lower in Garages and Lot A
 - MNAA parking rates below off-airport competitors', including taxes & fees

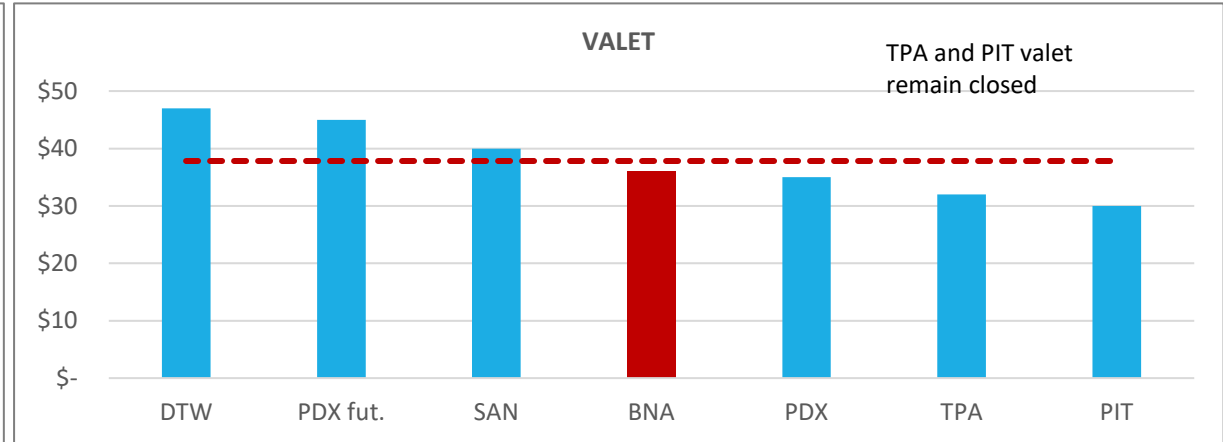
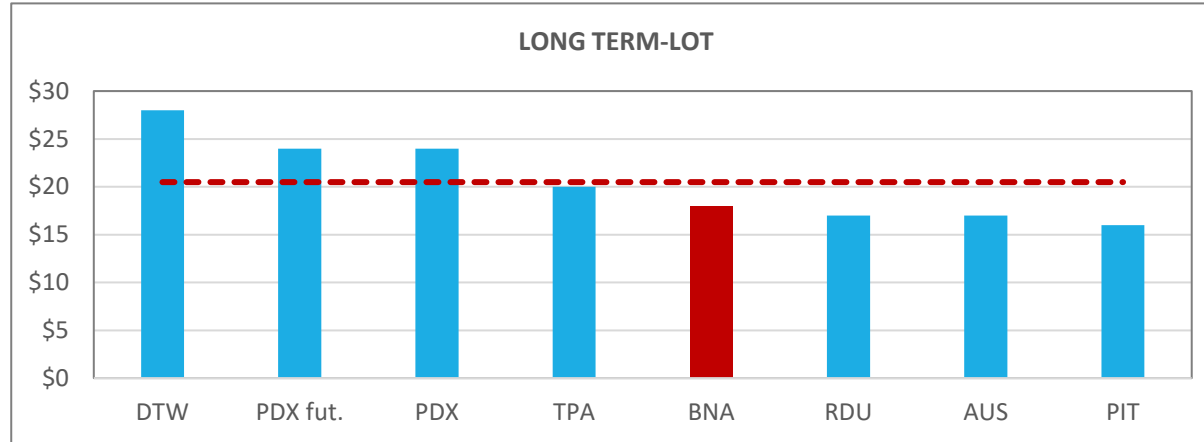
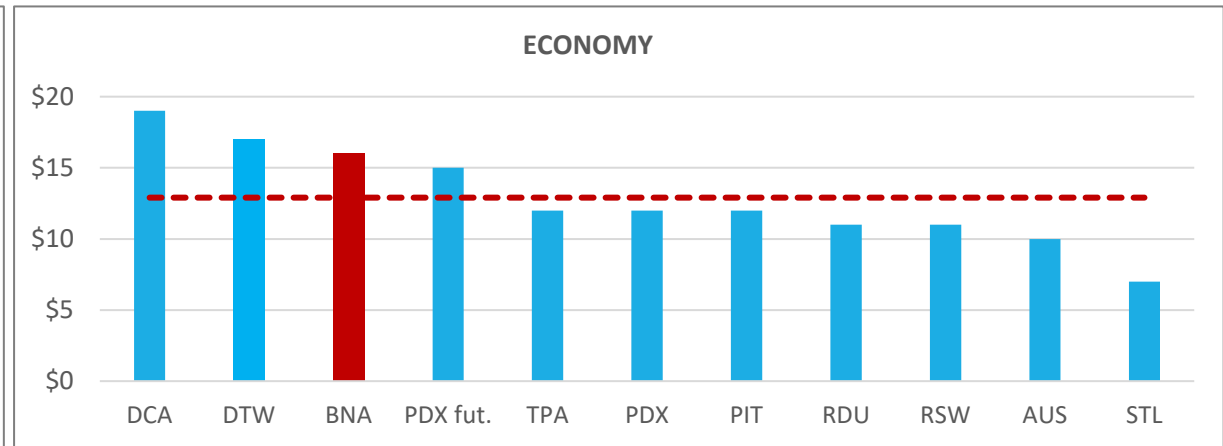
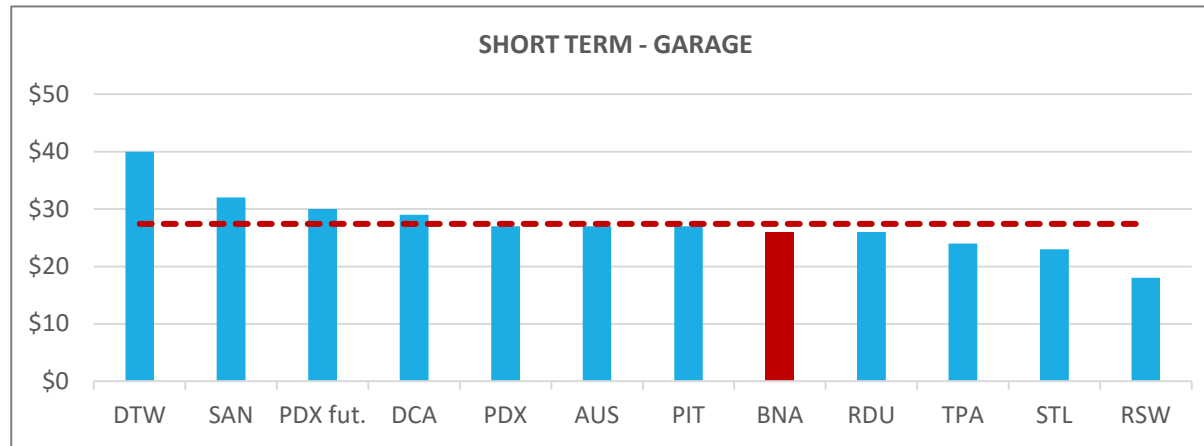
Lot	Current Rate	Increase	New Rate
Valet	\$36	+ \$2	\$38
Garages	\$26	+ \$2	\$28
Walk (A)	\$18	+ \$2	\$20
Economy (B & C)	\$16	+ \$2	\$18

Parking Rate Adjustment

- Effective Date: March 1, 2023

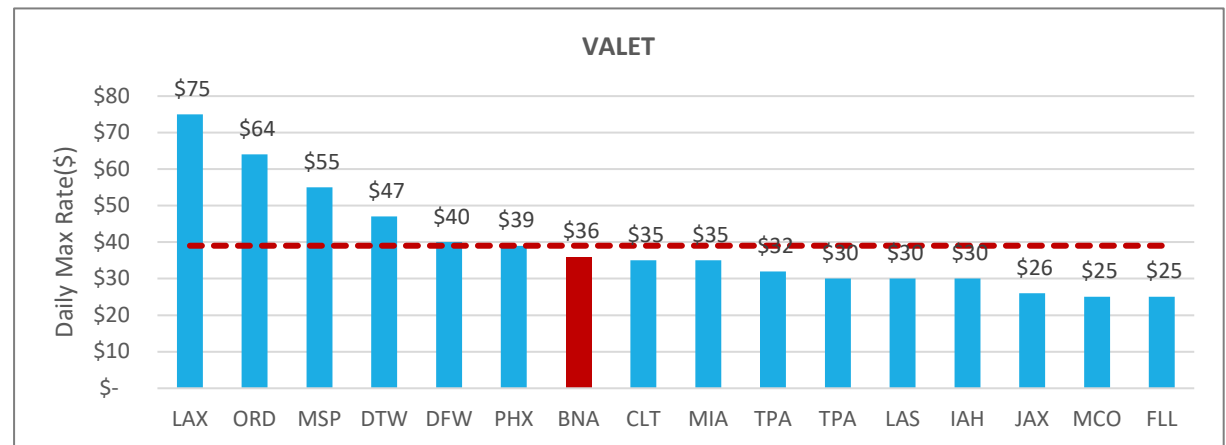
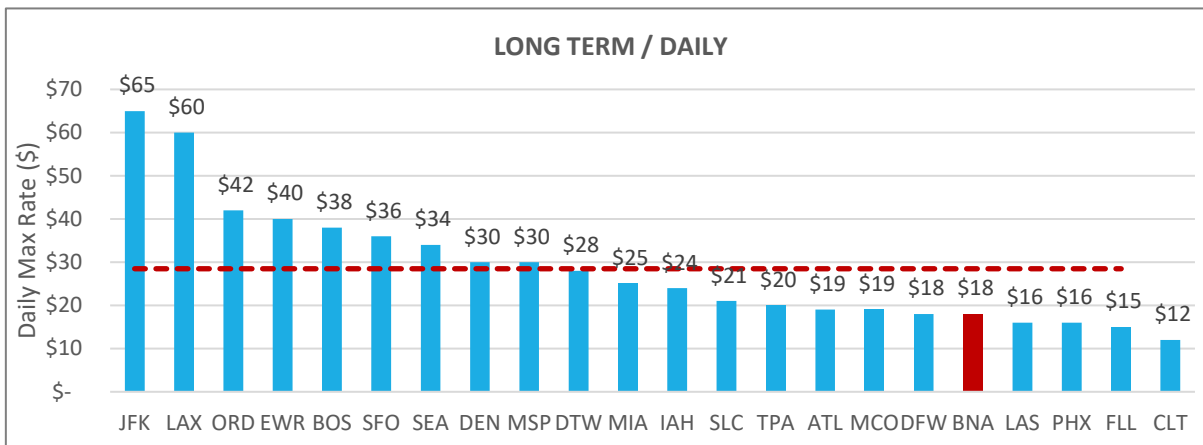
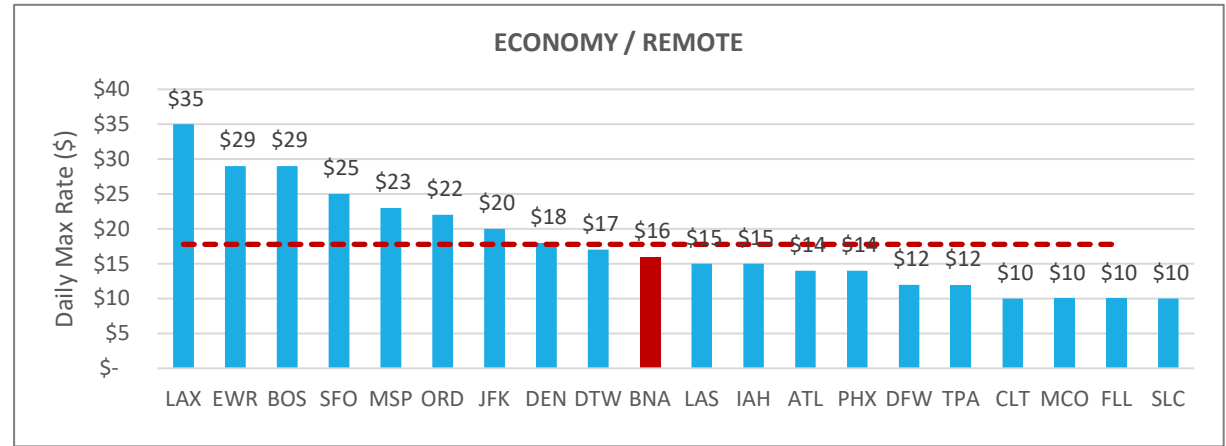
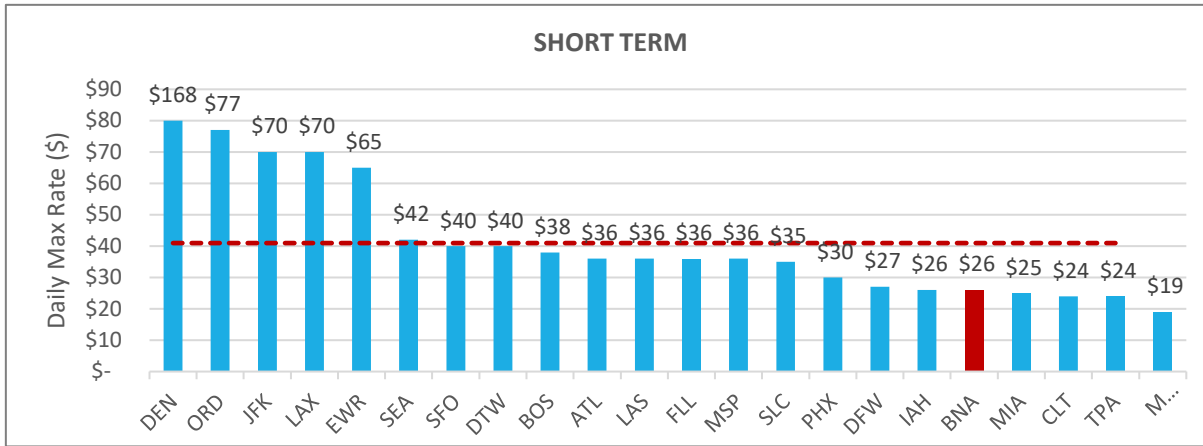
Price Benchmarking – Peer Airports

- Nashville parking rates are below the average of comparable airports in the U.S., but near the midpoint of absolute prices in most products except Economy
- Prices are generally higher in airports experiencing high demand and some of these airports have announced or are considering rate increases (e.g. PDX, TPA) as well as additional capacity (e.g. TPA, RDU, PIT with new terminal)

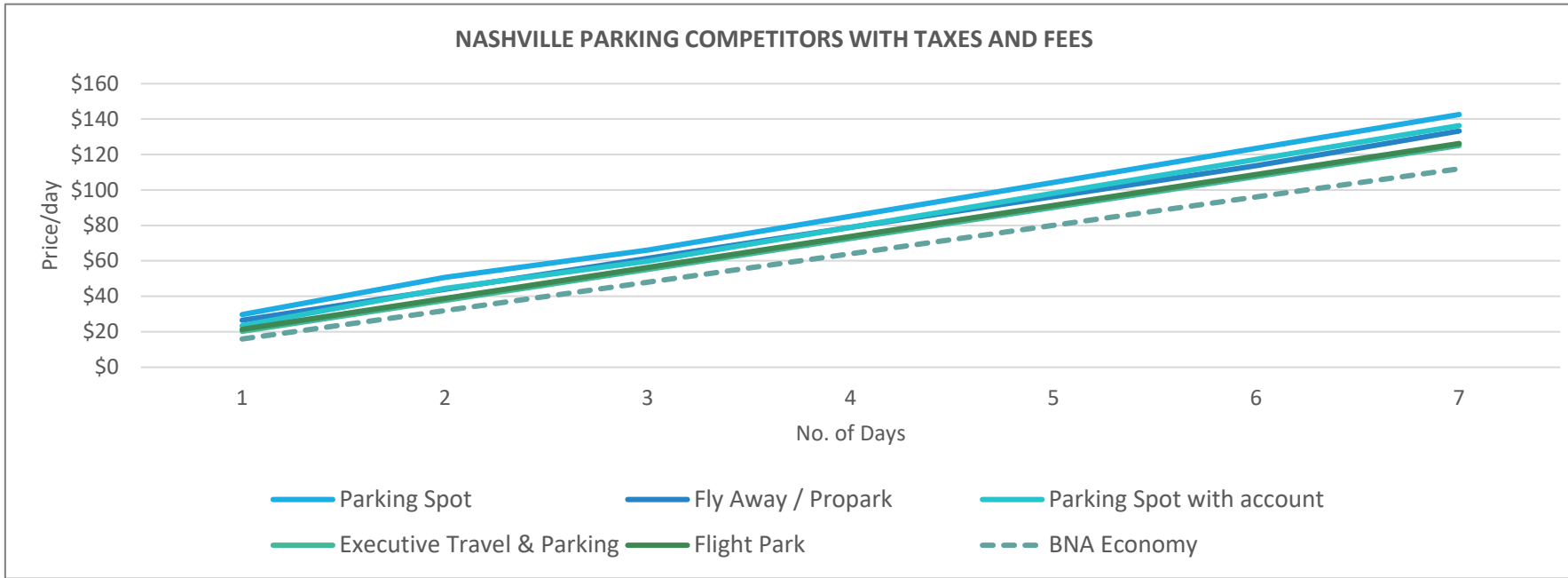


Price Benchmarking – Top 20 Airports

- Nashville parking rates are below the average of the Top 20 U.S. airports, and in absolute terms, much lower in walk-in self-park products. They are at the mid-point in Economy and slightly higher in Valet.



Price Benchmarking - Off-Airport Competitors



- Including taxes and fees, all off-airport competitors' rates are **above BNA's Lot A walk in product, as well as all Economy products**
- Rate Survey done on 12/20/2023

DAYS	1	2	3	4	5	6	7
Parking Spot	\$29.70	\$50.74	\$66.04	\$85.16	\$104.28	\$123.39	\$142.51
Fly Away / Propark	\$26.56	\$43.99	\$61.41	\$78.84	\$96.26	\$113.69	\$133.3
Parking Spot with account	\$23.49	\$44.53	\$59.83	\$78.95	\$98.07	\$117.18	\$136.3
Executive Travel & Parking	\$20.21	\$37.69	\$55.17	\$72.65	\$90.13	\$107.61	\$125.09
Flight Park	\$21.3	\$38.78	\$56.26	\$73.74	\$91.22	\$108.7	\$126.18
BNA Economy (Lot B)	\$16	\$32	\$48	\$64	\$80	\$96	\$112



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Meeting Adjourned