

## Agenda of the MNAA Management Committee



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Date/Time: Wednesday, January 11, 2022, at 10:00 a.m.  
Place: Nashville International Airport - Tennessee Board Room  
Committee Members: Joycelyn Stevenson, Committee Chair  
Jimmy Granbery, Committee Vice Chair  
Bill Freeman

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- I. CALL TO ORDER
- II. APPROVAL OF MINUTES  
[November 9, 2022 Minutes of the MNAA Management Committee Meeting](#)
- III. CHAIR'S REPORT
- IV. ITEMS FOR APPROVAL
  1. [Naming Policy, Resolution 2023-01](#)
- V. INFORMATION ITEMS
  1. [Ethics Policy / Bylaws Status Update](#)
  2. [Board Officer Discussion](#)
  3. [Executive Session - Litigation](#)
- VI. ADJOURN

# Minutes of the MNAA Management, Audit & Compliance Committee



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Date: November 9, 2022

Location: Metropolitan Nashville Airport Authority  
Tennessee Boardroom

Time: 10:28 a.m.

Committee Members Present:

Joycelyn Stevenson, Chair  
Jimmy Granbery, Vice Chair

Committee Members Absent:

Bill Freeman, Board Chair

Others Present:

Nancy Sullivan, Andrew Byrd, Dr. Glenda Glover, Bobby Joslin,  
Doug Kreulen Lisa Lankford, Neale Bedrock, Rachel Moore and  
Trish Saxman

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I. CALL TO ORDER

Chair Stevenson called the meeting of the MNAA Management Committee to order at 10:28 a.m. pursuant to Public Notice dated November 4, 2022.

II. APPROVAL OF MINUTES

Chair Stevenson asked for a motion to approve the minutes of the September 7, 2022 MNAA Management Committee. Vice Chair Granbery made a motion and Chair Stevenson seconded the motion. The motion carried by vote of 2 to 0.

III. CHAIR'S REPORT

Chair Stevenson had no Chair's Report.

IV. ITEMS FOR APPROVAL

No items for approval were presented.

V. INFORMATION ITEMS

**1. FY22 External Audit Update**

Doug Kreulen, President and CEO, introduced Ali H. Hijazi, Principal at Plante Moran and one of the Leaders of the FY22 External Audit. Mr. Hijazi reported an audit process requires the following: year-round

communication; planning 1 - 2 months before year-end close; a week of fieldwork in July; wrap-up and reporting in September and October; and audit issuance in late October. The Audit program consists of three audits – 1) Financial Statement Audit; 2) Single Audit of the Airport Improvement Program (AIP) to assure compliance with the major federal grant programs, and also this year Federal Emergency Management Agency (FEMA) total expenditures of \$850K, related to funding received for tornado damage sustained at John C. Tune was included; and 3) Compliance of the Passenger Facility Charge (“PFC”). Mr. Hijazi stated on the Financial Statement Audit, Plante Moran issued an Unmodified Opinion dated October 26, 2022, which is the highest level of assurance they can issue. The numbers that are reported and the disclosures are in accordance with all of the accounting rules, and they can identify any materials departures from those requirements.

During the planning process Plante Moran conducts a Financial Statement Audit Risk Assessment which results in identifying specific areas to address during audit procedures. This was included in a preauthorization letter that was distributed to the Board of Commissioners prior to the start of the audit. Additional procedures performed around various risks of misstatement; appropriate accounting for new sources of federal funding received; capital and infrastructure assets; revenue diversion; and implementation of new accounting standards that brought most of the MNAA leases on to the balance sheet this year. Plante Moran did not identify any issues in these audit areas.

One of Plante Moran’s deliverables in addition to the 150-page document is the letter that was provided to the Board of Commissioners. Plante Moran’s responsibility is to express an opinion on the fairness of the financial statements; the timing of the audit; and if there were transactions that lacked authoritative guidance or recognized in a period different than when the transaction occurred. Plante Moran did not identify any of those items.

Mr. Hijazi reported that GASB Statement 87, Leases and GASB Statement 96, Subscription-Based IT Arrangements, were implemented this year. This brought most of the leases onto the balance sheet. Mr. Hijazi complimented MNAA staff for having the foresight to go ahead and implement these at the same time, and thanked the team for their work. Essentially certain leases resulted in the recognition of lease receivables and deferred inflows of \$119M. Approximately 250 agreements were gathered and reviewed. Significant accounting estimates, such as pension and OPEB liabilities, are required to be disclosed, and Plante Moran performed procedures to make sure estimates are reasonable. No audit adjustments or

difficulties, or disagreement with management related to any of the audit procedures were encountered in performing the audit. Mr. Hijazi noted that having no audit findings is a result of the ongoing communication to make sure issues do not become a finding when audited. Also, cybersecurity and information technology controls are included in every exit meeting agenda to share with clients to identify any concerns.

Regarding Federal grant audits in the two programs, Plante Moran did not identify any issues in relation to federal programs, and issued an Unmodified Opinion dated October 26, 2022. No deficiencies or non-compliance items in internal control were identified. Regarding the PFC audit, no instances of non-compliance or deficiencies in internal control. In FY21, there was a compliance item identified for notification of PFC application, and it has been fully rectified. Mr. Hijazi thanked the finance team and department heads for providing all the requested information and being very professional.

Commissioner Glover asked about the annual report filming, and President Kreulen stated in addition to the Annual Comprehensive Financial Report (“ACFR”), MNAA does an annual report. Commissioner Glover asked if there were any areas found to be aggressive revenue recognition. Mr. Hijazi responded no, and noted that the accounting rules related to when revenue is recognized are very clear for when the airport recognizes and for the federal grants. Because of the new funding sources Plante Moran collaborated early on to ask when revenue was recognized for this grant funding and worked all of that out prior to the audit. President Kreulen thanked Mr. Hijazi and Plante Moran and also Ms. Basrai and the Finance Team for their hand work. Audits are never easy, but less contentious because the auditors are involved with the Finance Team year-round which is a really big help to Plante Moran. At the next Board meeting will have ACFR’s will be available.

## **2. FY22 Payment Card Industry (PCI) Audit Update**

President Kreulen introduced Lisa Lankford, VP, Strategic Advisor to the President. Ms. Lankford reported on the FY22 Payment Card Industry (“PCI”) and Data Security Standard (“DSS”) Compliance Assessment, which is required for organizations that accept credit card payments, such as those in our parking systems and valet. MNAA’s audit was conducted by Plante Moran who was selected through competitive solicitation in the spring. MNAA first became PCI DSS compliant in FY19. Ms. Lankford thanked KC Hampton, AVP, Information Technology (“IT”), the IT staff, and the Internal Audit team who got us to this point in FY19 and now to our 4th Annual PCI Compliance assessment. The assessment was performed

June 2022 through October 2022 and noted 10 findings. All compliance findings were remediated during the assessment. MNAA received an Attestation of Compliance (“AOC”) which means MNAA has validated secure system configurations, validated PCI segmentation; standardized policy and procedures, clean vulnerability scans and passing penetration test. President Kreulen complimented Mr. Hampton and the IT and Internal Audit teams for their hard work and making PCI compliance a priority. President Kreulen stated we spent a lot of money, but we were at risk of being fined by the credit card companies. To get to this point is a very big deal.

### **3. 2023 Board Calendar Discussion**

President Kreulen stated there are two additional informational items – 2023 Board Calendar and Ethics & Bylaws Discussion. The 2023 Board Calendar has the Committee and Board meetings on the 2nd and 3rd Wednesday of each month. President Kreulen stated with everything going on for airport industry events, it appears MNAA Committee and Board can have meetings all year with the exception of June 2023, when the Airport Minority Advisory Council (“AMAC”) and the American Association of Airport Executives (“AAAE”) Conferences will be held. Nashville will host both conferences in 2024. President Kreulen also noted that the December 2023 meeting may need to be moved up one week.

Commissioner Joslin suggested the dates be left the same, 2nd and 3rd Wednesday, and discuss again in March 2023.

President Kreulen stated he would like to go to the AMAC since Nashville is hosting it in 2024, and the last night of the conference the next city that hosts will get the gavel. President Kreulen stated if any Commissioner would like to attend, please let Ms. Saxman know so she can book hotel, travel and register for event. Chair Stevenson stated she would like to attend the AMAC conference, and stated it is important to make sure these are on our calendars to figure out if we have a quorum. Vice Chair Granbery asked what is discussed at the AAAE conferences and President Kreulen replied there will be several sections, including legal, finance, operations and engineering.

President Kreulen confirmed that the Committee agreed to keep all dates the same and will review next year. Ms. Saxman will send out calendar invites for all 2023 dates with a one-page document attached with all dates.

#### 4. Ethics & Bylaws Discussion

President Kreulen reported that MNAA received 6 of the 7 disclosures, and that we are only missing Chairman Freeman's due to his being out. President Kreulen stated he and Mr. Bedrock will discuss with Commissioners to confirm that any necessary conflicts are annotated. Chair Stevenson clarified that it is the Committee members responsibility to recuse from voting if there is a conflict annotated. President Kreulen stated yes. President Kreulen stated that based on discussion at the October Board Retreat, he and Mr. Bedrock would start working to update the Ethics policy from a 2004 document to a 2022/2023 document and Bylaws from a 2016 document to a 2022/2023 document. He presented a proposed schedule for Commissioner to review the documents and provide comments. Mr. Bedrock will procure outside counsel to review both documents and bring recommendations to February 2023 Committee. MNAA would like to have a deadline of March.

Vice Chair Granbery asked if the proposed firm, Jenner and Block, are recognized as airport authority legal counsel. Mr. Bedrock stated they are a corporate law firm that primarily represents public and private corporations. Vice Chair Granbery stated the Authority needs to have protection for the full Board of Commissioners to do business. The Commissioners discussed various attendance policies from the other Boards they serve on. President Kreulen explained how attendance is tracked.

The Commissioners discussed challenges with Committee size and quorums. Chair Stevenson recapped that there are two issues for Jenner to review - Board service and recommendations regarding absences, and best practices for Board officers. President Kreulen agreed and explained that on the prior bylaw update under Commissioner Joslin, it was changed to voting for officers in May of even numbered years. The Bylaws have always stated that the Chair can establish Committees and select Commissioners for each Committee, and the Board votes on it. Commissioner Byrd suggested having a Bylaws subcommittee that can address the Bylaws and meet with Jenner & Block. He emphasized the importance of bylaws while at the same time maintaining flexibility, or you become hamstrung as an organization. Mr. Bedrock reminded the Committee that if you create committees of more than one Board member, any meetings will be subject to public meetings. President Kreulen said the Committee did not have to decide today, but as Mr. Bedrock starts his outreach, and we begin benchmarking our bylaws against other Boards, we will come back to the Board. Chair Stevenson stated she believes it would be a good starting point to review their recommendations, and the Board can always add and/or revise. Commissioner Joslin stated issues have

not surfaced in two years, and we don't want to exaggerate this. Vice Chair Granbery stated when we accepted this assignment, we make our best efforts to be here, and we must set the template for this authority to survive all of us. President Kreulen stated he thinks we can come up with some best practices and discuss, and the Board can determine what goes into the bylaws

VI. ADJOURN

There being no further business brought before the Management Committee, Chair Stevenson adjourned the meeting at 11:17 a.m.

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Jimmy Granbery, Board Secretary

# STAFF ANALYSIS

## Management Committee

Date: January 11, 2023  
Facility: BNA & JWN Owned Buildings, Spaces, Facilities, and Streets  
Subject: Amended MNAA Naming Policy (33-006 (formerly Policy 1-200))

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### I. Recommendation

Staff requests that the Management Committee recommend to the Board of Commissioners that it:

- 1) Approve the amended Naming Policy;
- 2) Authorize the Chair and President and CEO to execute Resolution 2023-01; and
- 3) Authorize the President and CEO to execute the amended MNAA Naming Policy.

### II. Analysis

#### A. Background

In March 2010, the Board of Commissioners adopted a Naming Policy for naming buildings, spaces, facilities, or streets owned by MNAA or located on MNAA property. The Board adopted the policy to provide guidance by establishing the criteria and process for naming buildings, spaces, facilities, and streets owned by or located on MNAA property.

The existing Naming Policy requires that any naming for an individual may only be allowed if the individual has been deceased for two years by the time of the proposed naming. Additionally, the policy requires that any naming may only be allowed if the individual has made a substantial personal contribution to MNAA and/or the field of aviation in Middle Tennessee. The policy also allows for naming rights for corporations or other entities in exchange for monetary consideration.

#### B. Impact

The revisions to the policy increase the length of time required for an individual to be deceased before being eligible for any naming rights from two years to ten years and updates the policy to current MNAA format.

#### C. Strategic Priorities

- Plan for the Future

#### D. Options/Alternatives

Reject the amended policy and leave the existing policy in place.



**MNAA RESOLUTION NO. 2023-01**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY APPROVING A REVISED NAMING POLICY FOR MNAA BUILDINGS, SPACES, FACILITIES, AND STREETS**

WHEREAS, the Board of Commissioners previously approved a Naming Policy on March 17, 2010 which policy allowed for amendment by resolution of the Board; and,

WHEREAS, the Board now desires to amend the Naming Policy and brings forth this Resolution for that purpose.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY AS FOLLOWS:

Section 1. That the Naming Policy adopted by the Board of Commissioners on March 17, 2010 and made effective on April 1, 2010 is hereby amended and is attached hereto and incorporated herein.

Section 2. This Resolution shall take effect from and after its adoption and be made a part of the Board of Commissioners official Minutes of Record.

**RECOMMENDED:**

**ADOPTED:**

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Douglas E. Kreulen, President & CEO

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Board Chair

**APPROVED AS TO FORM AND LEGALITY:**

**ATTEST:**

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Neale R. Bedrock, EVP, General Counsel & CCO

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Jimmy Granbery, Board Secretary

This 18<sup>th</sup> day of January 2023

**Policy ID:** 33-006  
**Title:** Naming Policy and Procedure  
**Effective Date:** January 18, 2023  
**Purpose:** This policy establishes the criteria and process for naming buildings, spaces, facilities, or streets owned by the Metropolitan Nashville Airport Authority (MNAА) or located on MNAА property.  
**Scope:** This policy applies to all MNAА buildings, spaces, facilities, and streets.  
**Responsibility:** Legal Counsel will administer this policy on behalf of the Board of Commissioners.

**Approvals:**

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Neale Bedrock, General Counsel & CCO      Date

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Douglas E. Kreulen, President & CEO      Date

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I. Naming Policy

- A. If buildings, spaces, facilities, or streets owned by the MNAА or located on MNAА property are to be named, they may only be named for:
  - 1. Individuals who have been deceased at least ten years by the time of the proposed naming and who have made a substantial personal contribution to the MNAА and/or the field of aviation in Middle Tennessee ("Naming Rights in Recognition"); or
  - 2. Corporations or other entities that desire to receive naming rights to buildings, spaces, facilities, or streets owned by the MNAА in exchange for monetary consideration ("Naming Rights in Consideration").
- B. Granting of naming rights shall take into consideration the mission, vision, core values, and strategic objectives of the MNAА, and the long-term effects of any selected name.

II. Monetary Consideration

- A. Monetary valuations may be pre-assigned to naming rights possibilities, or the MNAА may choose to advertise a naming rights opportunity and award the naming rights to the highest and most qualified bidder who best exemplifies the mission, vision, and values of the MNAА.
- B. Monetary consideration shall include the monetary value of the provision or supply of equipment, materials, land, or services.

**Naming Policy and Procedure**  
**Policy 33-006, Effective January 18, 2023**

III. Naming Rights Agreement and Design

- A. Naming rights shall not be permanent rights, and shall be of such duration as is determined by the Board to be in the best interest of the MNAA, or as set forth in an applicable Naming Rights Agreement.
- B. Any building, space, facility or street named pursuant to this policy shall be identified by a plaque or sign, as appropriate, and as addressed in the MNAA's Design Standards or as otherwise set forth in an applicable Naming Rights Agreement.
- C. Naming rights shall not confer any authority or rights regarding the purpose of the building, space, facility, or street being named nor shall they be interpreted to limit in any way the mission, purpose, or vision of the MNAA.

IV. Procedure

- A. The Board of Commissioners for the MNAA shall approve by resolution the naming of any building, space, facility or street after consultation with legal counsel.
  - B. Prior to conferring any naming rights, the Board shall receive the following information:
    - 1. The proposed name;
    - 2. A drawing of the building, space, facility or street to be named;
    - 3. The proposed term or duration of the naming right;
    - 4. For Naming Rights in Recognition:
      - a. a thorough description of the individual's or entity's contribution to the MNAA and/or the field of aviation in Middle Tennessee;
    - 5. For Naming Rights in Consideration:
      - a. An explanation of the monetary consideration and the process undertaken by the MNAA to select and secure that monetary consideration;
      - b. The proposed Naming Rights Agreement;
    - 6. Description of how the naming right being conferred exemplifies the mission, vision, and values of the MNAA; and
    - 7. The estimated cost of conferring the naming rights, such as signage or any other related costs.
  - C. The approval of any Naming Rights Agreements shall comply with other policies and procedures of the MNAA regarding Board approval of contracts.
  - D. Naming of streets shall be coordinated with the United States Postal Service and The Metropolitan Government of Nashville and Davidson County, as appropriate.
  - E. The Board has sole authority regarding any change in name to a named building, space, facility or street or any changes in a Naming Rights Agreement, if applicable.
- V. This policy may be amended from time to time by resolution of the MNAA Board of Commissioners.

**Naming Policy and Procedure**  
**Policy 33-006, Effective January 18, 2023**

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**References:**

MNAA Resolution 23-001

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**Revision History:**

: 4/1/2010: MNAA Policy No. 1-200 effective April 1, 2010 (original issue)

: 1/18/2023: Updated format and policy number; modified “two years” to “ten years” for requirement of naming a building, space, facility, or street after a deceased individual; Approved by Board of Commissioners via Resolution 2023-01