

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

June 21, 2023

BNA

Call to Order

June 21, 2023

Approval of Minutes

- May 10, 2023, Minutes of the Joint Meeting of the MNAA and MPC Operations, Engineering & Strategic Planning Committees
- May 10, 2023, Minutes of the Joint Meeting of the MNAA and MPC Finance, Diversity & Workforce Development Committees
- May 10, 2023, Minutes of the MNAA Management, Audit and Compliance Committee
- May 17, 2023, Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors

Chair's Report

Joycelyn Stevenson, Chair



AMAC Conference

- June 10 – 14, 2023
- San Antonio, TX

FY23 In Review

July 1, 2022 – June 30, 2023



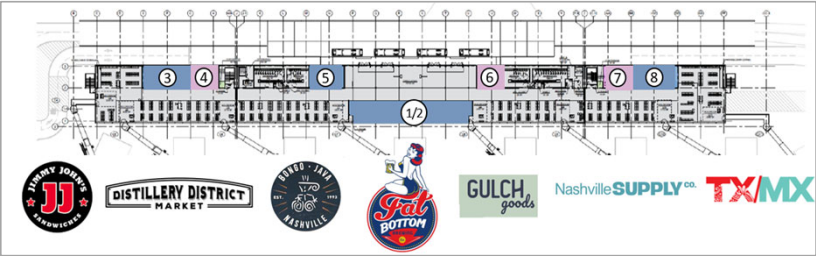
Purchased ARFF Vehicle



Awarded Concourse D Extension



Unveiled BNA Monument



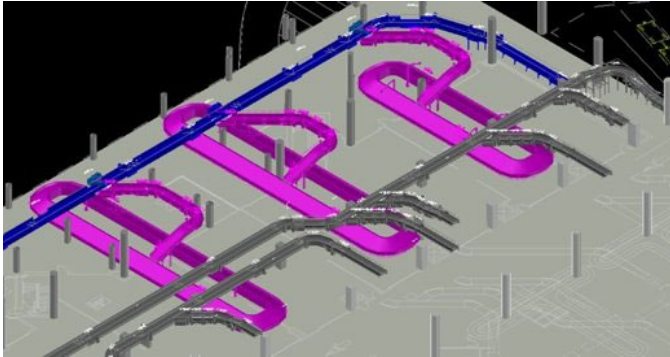
Awarded Satellite Concessions Contract



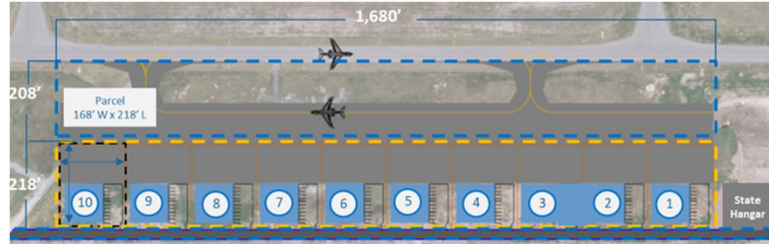
Awarded Terminal Apron & Taxilane Expansion Contract

FY23 In Review

- Jul – Sep 2022
- FY23 Actions
 - 65 approvals
 - 62 info items
 - 1 Retreat



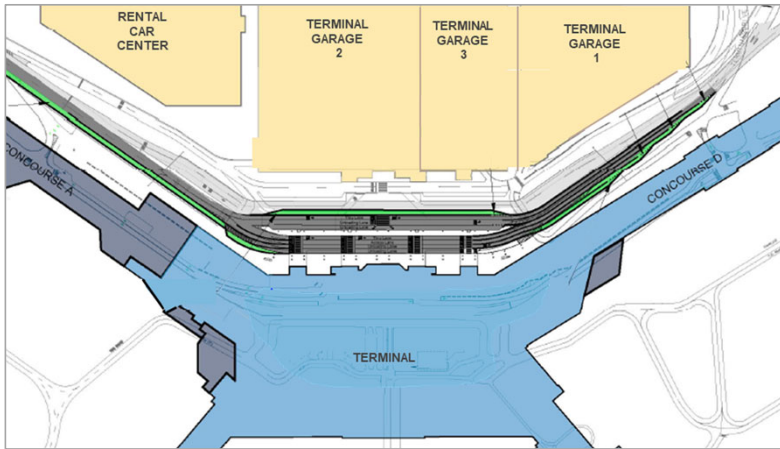
Awarded Baggage Handling System Improvements



Released NOA for JWN North Development & Awarded Contract for infrastructure & R3 Apron Expansion



Sold \$596M Airport Revenue Bonds



Launched Curbfront & Roadways Improvement Project



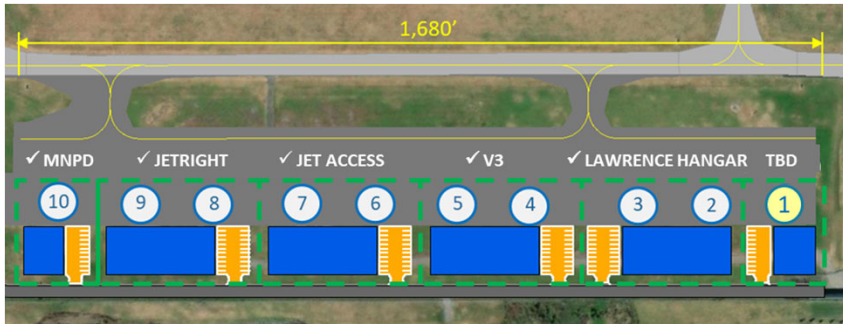
Achieved PCI Attestation of Compliance

FY23 In Review

- Oct – Dec 2022
- FY23 Actions
 - 65 approvals
 - 62 info items
 - 1 Retreat



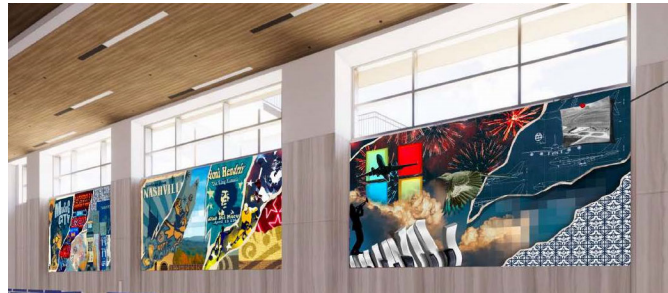
Opened Pedestrian Bridge, Grand Lobby and 12 New Concessions Locations



Began Executing Leases for JWN North Development (9 of 10 Leased)

S&P Global

Upgraded to AA -



Awarded IAF Mural

FY23 In Review

- Jan – Mar 2023
- FY23 Actions
 - 65 approvals
 - 62 info items
 - 1 Retreat



Approved Airline Use & Lease Agreement



Opened Garage B



Recognized Food & Wine 10 Best US Airports for Food



Awarded AAAE Southeast Chapter Project of the Year



Prepared for September, October & December Grand Openings

FY23 In Review

- Apr – Jun 2023
- FY23 Actions
 - 65 approvals
 - 62 info items
 - 1 Retreat

President's Report

Douglas E. Kreulen, A.A.E.

President and CEO



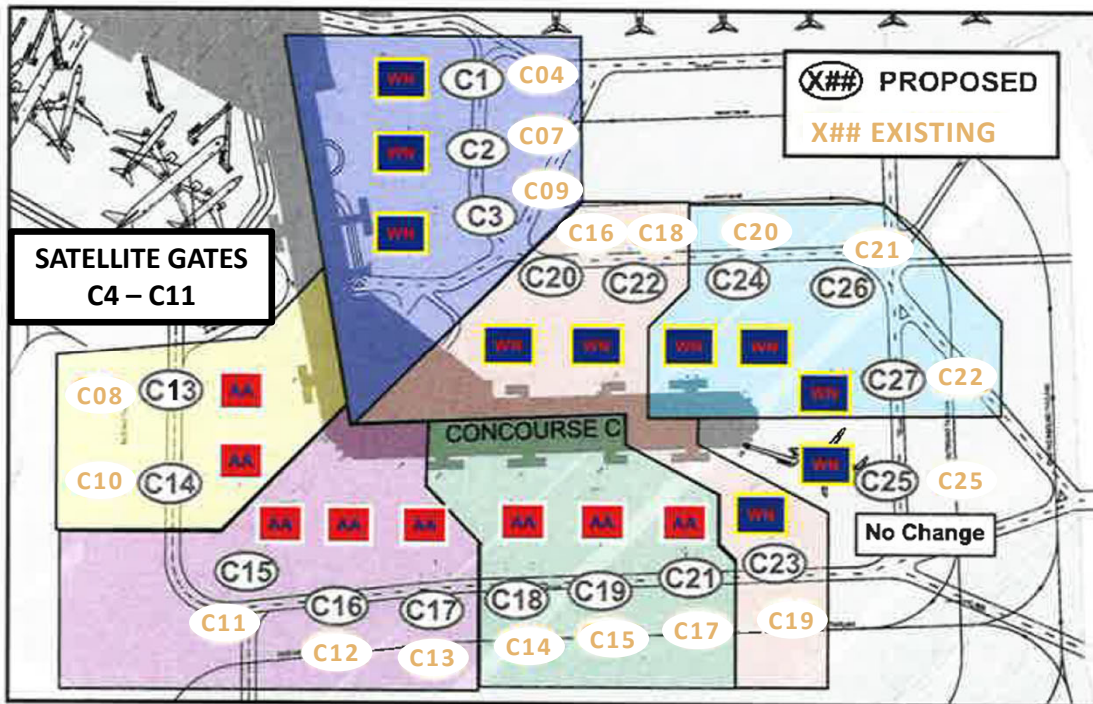
US Congressional Leaders Tour BNA

- May 23, 2023
 - Nick Kistenmacher, State Director, Senator Blackburn
 - Ray Render, Deputy State Director, Congressman Rose
 - Sam Nienow, District Director, Congressman Green
 - Patti Carroll, Special Projects Director, Congressman Green
 - Becky Moon, District Director, Congressman DesJarlais



Terminal Lobby/IAF Structural Engineer's Association

- Best Project Award over \$150M
 - June 1, 2023
 - Magnusson Klemenc Associates



Concourse C Gate Renumbering

- June 4 – 14, 2023

Industry Conferences



June 2 – 6, 2023: AAE Conference, Denver
April 28 – May 1, 2024: Hosted in Nashville



June 10 – 14: AMAC Conference, San Antonio
June 2024: Hosted in Nashville

Bonnaroo 10th Annual Skylight Exhibition

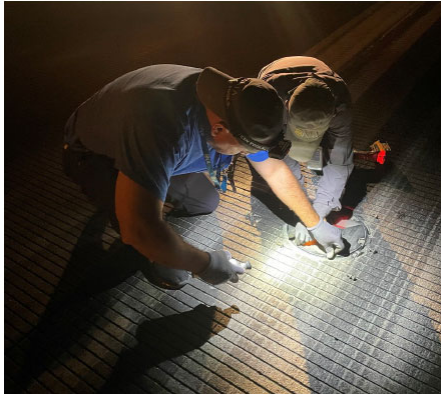
- June 12, 2023
- Concourse B & C
- Display through April 2024





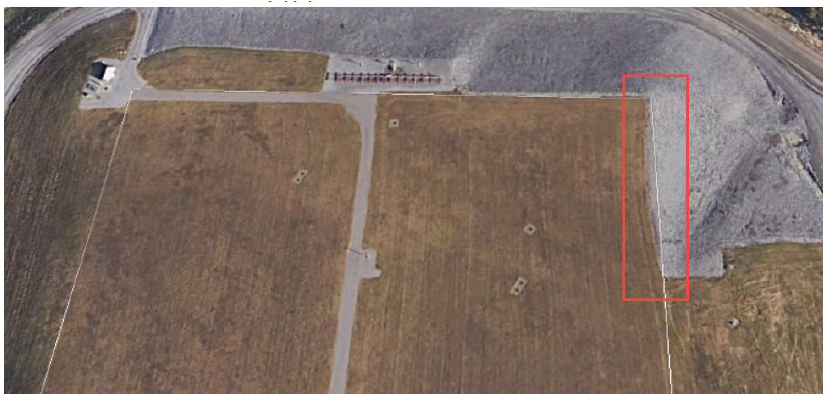
American Airlines Announces Nonstop Service to Cancun

- Press Release June 14, 2022
- Starting December 9, 2023
- Saturdays through March 2024



Part 139 Annual Inspection

- June 12 – 16, 2023
 - Huge improvement from last year
 - Teamwork shined through, high morale
 - Young Operations Specialists were extremely knowledgeable, hungry to learn and committed to safety
 - Excellent records management – Operations, Maintenance and ARFF
 - No issues with any airfield signs, very impressed
 - Only 1 light was out on the entire airfield and was fixed onsite and torqued appropriately with new bolts and washers
 - Best fuel program in United States



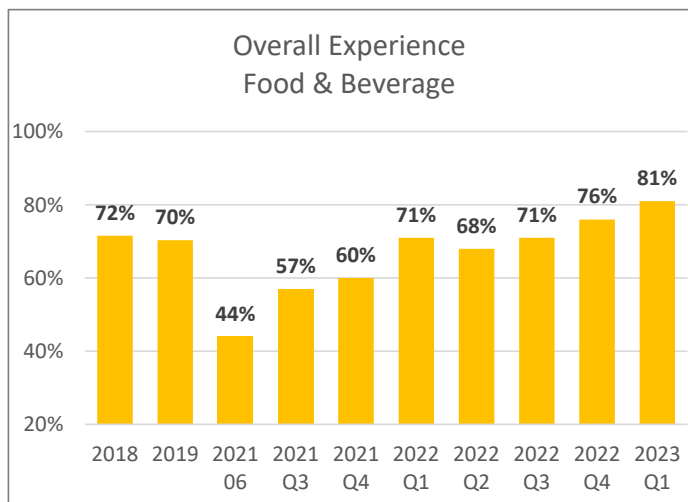
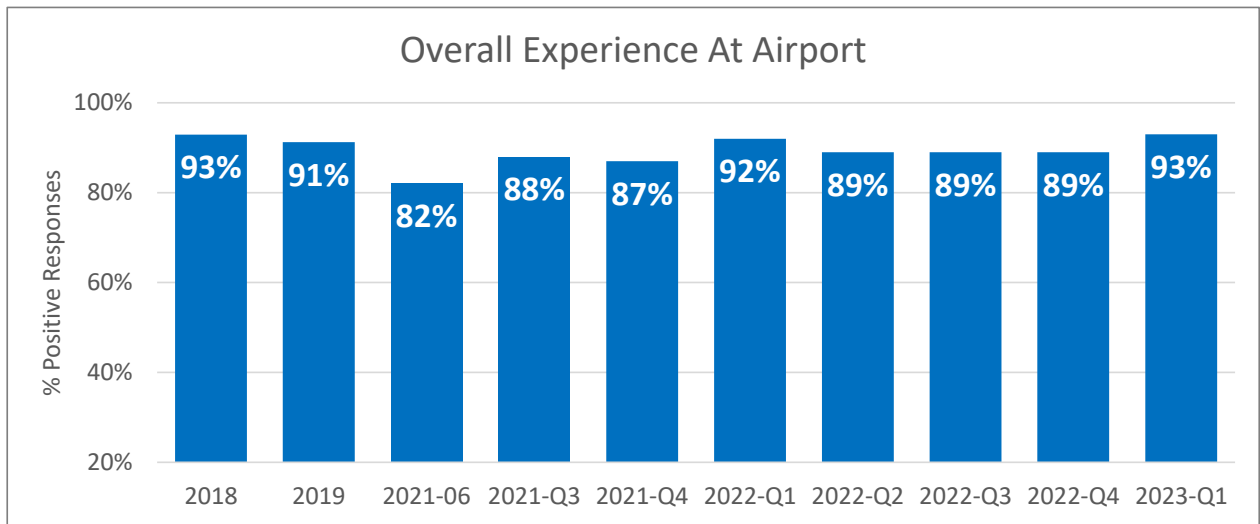
Part 139 Annual Inspection

- June 12 – 16, 2023
- Findings
 1. Loose aggregate not properly removed at T/W J, L, B3 and B4
 2. Surface variations identified at:
 - R/W 2R-20L safety area at 240' adjacent to quarry
 - R/W 2L departure end east side at 245' between 800' – 1,000'
 3. Operational safety during construction
 - Closure markers not deployed on closed T/W B1 and B2
 - Vehicles not marked or lighted



TSU's Aristocrat of Bands Performs at White House

- June 17, 2023

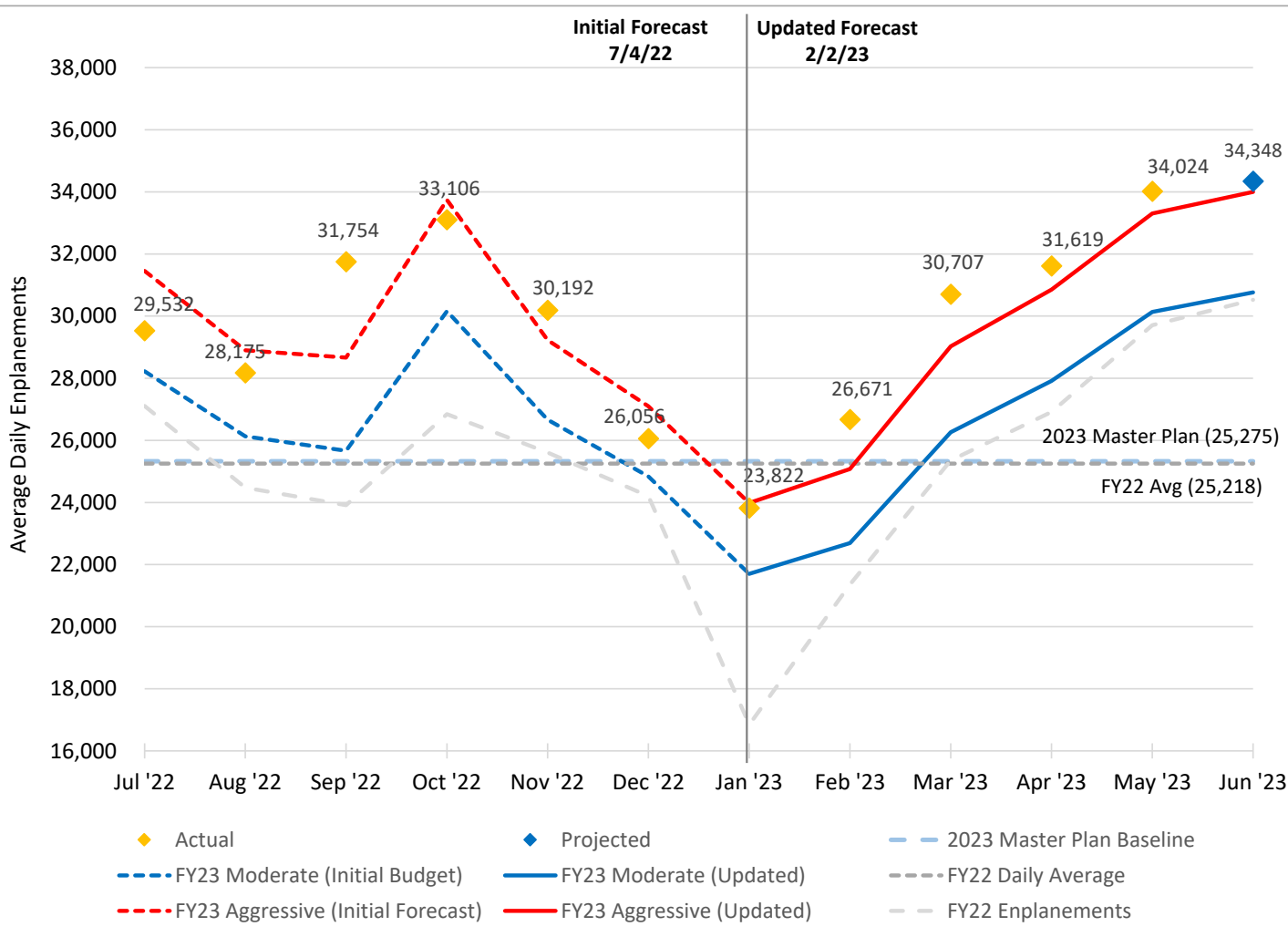


Customer Experience

- Passengers most satisfied with check-in, security and terminal facilities
- Record performance and significant improvement, compared to same quarter last year, for
 - Food & Beverage (+10%)
 - Shopping/Retail (+12%)
 - Other Services (+7%)

FY23 BNA Enplanements

- June FY23 Projection
 - 1,030,000 enplanements
 - 23% over June FY19
 - 13% over May FY22
- FY23 YTD Projection
 - 11M enplanements
 - 22M passengers
 - 27% over FY19
 - 19% over FY22



*June projections based on TSA data through June 19, 2023

Operations

- Approvals (1)
 - Professional Services Contract for Executive Program Management
- Information (2)
 - BNA and JWN Development Updates

Finance

- Information (1)
 - BNA Concessions Program Update

Management

- Information (1)
 - FY24 Strategic Goals

Committee 30-day Outlook

- July 12 & 19, 2023

Operations

- Approvals (7)
 - Construction Contract for Cargo Apron Ph 7 of 14
 - Construction Contract for Bravo/Kilo Intersection
 - Professional Services Contract for Terminal 2 Siting Study
 - Telecom License Agreement (Crown Castle)
 - Professional Services Contract for Commercial Trash Recycled Materials & Electronics Disposal
 - Amendment to Professional Services Contract for Janitorial Satellite Concourse
- Information (3)
 - BNA and JWN Development Updates
 - BNA Westside Development NOA (*tentative*)

Finance

- Approval (1)
 - Amendment to Fraport Subleases (Titans and Music City) (*tentative*)
- Information (2)
 - BNA Concessions Program Update
 - Quarterly Retirement/OPEB/Treasury Investment Reports

Management

- Approval (1)
 - CEO FY23 Performance Evaluation
- Information (2)
 - Ethics Policy & Bylaws Staff Recommendations

Committee 60-day Outlook

- August 9 and 16, 2023

- June – Year-end evaluations for all employees (due July 7)
- June 8 – TSA Annual audit (still in-process)
- June 8 – Southwest Leadership Visit
- June 14 – District 13 Town Hall Meeting
 - Proposed R/W Extension Education
- June 23 – Air Service Development Quarterly Update
 - International
- June 26 – Delta Airlines Meeting
- June 30 – Bradford Airport Logistics
 - Strategic Review Centralized Receiving & Distribution
- July 4 – Independence Day Holiday

Additional CEO Updates

- Upcoming Events



Chris Davidson
AVP, JWN Airport Manager
May 22, 2023



Jeff Wooden
Director, Emergency Management
June 5, 2023

Welcome New Leadership

MNAA Leaders Selected for Leadership Programs



Lisa Lankford
Leadership Nashville
Class of 2023-2024



Daniel B. Brown
Leadership Brentwood
Class of 2023-2024



Josh Powell
L'Evate
Class of 2023-2024

Items for Approval

June 21, 2023

- MB Companies Multi-Purpose Tasking Airfield Snow Removal Sweepers (2)

Item for Approval

Daniel B. Brown, C.M., CSSBB, MAS
AVP, Maintenance, Environmental
& Safety

MB Companies Multi-Tasking Airfield Snow Removal Sweepers

Project Description: Purchase of 2 MB Companies MB5C Multi-Tasking Snow Removal Sweepers with front mount plow, 22' snow broom, rear-engine powered ultra-high-capacity blower with dual chutes, and Driver Assist System

Contractor: MB Companies, Inc.

Total Purchase Cost:

\$1,099,231.12 each x 2 = \$2,198,462.24

Schedule:

Anticipated Purchase June 2023

Anticipated Receipt September 2024

Funding Source: 100% MNAA Airline Investment Fund
Approved in FY24 CIP budget



Staff Recommendation: Board of Commissioners accept the proposal by MB Companies, Inc. for \$2,198,462.24 and authorize the Chair and President & CEO to execute the purchase

- Design Build Contract for Concourse D Extension
CGMP 3 of 4

Item for Approval

Traci Holton, P.E., C.M.
VP, Deputy COO & Chief Engineer

Design Build Contract for Concourse D Extension CGMP 3 of 4

Project Description: The Concourse D Extension project will be an extension in all similarities to existing D Concourse and include jet bridges, inground aircraft fueling system, utility and paving infrastructure.

Contractor: Hensel Phelps

Total Contract Cost:

CGMP 1	\$ 36,950,795 (Design & General Conditions)
CGMP 2	\$ 49,338,990 (General Req, Bldg Reno, Utilities, Demo)
CGMP 3	\$ 88,937,434 (Civil, Foundations, Core/Shell, PBBs)
CGMP 4	TBD (Finishes, Interior Buildout, IT, Electronics)
Est. Contract Total	\$250,000,000 NTE

Schedule:

Contract Start	September 2022
Contract End	July 2025

Funding Source:



■ 100% Bonds

Staff Recommendation:

Board of Commissioners authorize the Chair and President and CEO to execute the proposed Amendment 2 for the Component Guaranteed Maximum Price #3 (CGMP) with Hensel Phelps for \$88,937,434.



- FY24 Commercial Insurance Policies Renewal

Item for Approval

Kristen Deuben, CPA
VP, Finance & Deputy CFO

Background:

- Marsh hired in 2020 to market all lines of coverage, including special crime, pollution liability & contractor's pollution liability
- MNAA contracted with Davidson Risk Consulting (DRC) in 2021, to review the current insurance policies and assist in the renewal process
- All insurance policies are on 7/1/23-7/1/24 cycle for another year including the multi-year policies.
- MNAA will evaluate on an annual basis if moving the property insurance to a March 1st renewal date would be advantageous to the authority.

Impact/Findings:

- FY24 Renewal Not to Exceed (NTE) Value
 - FY23 Total Policy Premiums Executed \$ 3,385,365
 - Projected Annual Premium Increase \$ 2,137,170 (+63.1%)
 - FY24 Proposed Program Premium \$ 5,522,535 NTE**

FY24 Commercial Insurance Policies Renewal

Key Reasons for 63.1% increase over FY23:

- **Property Insurance increased to \$3.4M (+60.2%)**
 - Total insured value of assets increased from \$2.10B to \$2.51B due to increase in replacement values as well as the addition of the Grand Lobby and Garage B.
 - Coverage increased from \$1.25B to \$1.5B (+\$250M)
- **Law Enforcement Professional increased to \$256k (+121.3%)**
 - Policy was added in FY22 with \$1M of coverage
 - Coverage was increased to \$4M in FY23
 - Quoted price for FY24 reflects an increased coverage to \$10M
- **Pollution Legal Liability increased to \$98k (+5.8% for 1 yr. contract)**
 - Three-year policy
 - Retention decreased from \$1M to \$500k
- **Contractors Pollution Liability increased to \$252k (+9.1%)**
 - Five-year policy similar to the Rolling OCIP program

Staff Recommendation:

- Board of Commissioners approve the FY24 Commercial Insurance Policies at a NTE amount of \$5,522,535, and authorize the President & CEO to execute the FY24 Commercial Insurance Policies

FY24 Commercial Insurance Policies Renewal

- Funding Policy of the Retirement Plan for Employees of MNAA
 - MNAA Resolution 2023-10

Item for Approval

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

Background on Funding Policy

- May 22, 2014, Chapter 990 of the 2014 Public Acts of the TN General Assembly was enacted into law creating the Public Employee Defined Benefit Financial Security Act of 2014:
 - Established funding requirements for defined benefit pension plans that did not participate in the Tennessee Consolidated Retirement System (TCRS)
 - Requirement to pay 100% of the actuarially determined contribution (ADC)
- September 16, 2015, the Board of Commissioners adopted the Funding Policy of the Retirement Plan for Employees of MNAA (MNAA Resolution 2015-09)
 - Followed template from TCRS and was reviewed by MNAA's actuary as well as outside counsel
 - Submitted to the Comptroller of the Treasury within 30 days, as required by law
- This Funding Policy remains in effect until amended by MNAA or preempted by State Law
- As part of the ongoing monitoring to determine compliance with the Financial Security Act of 2014, MNAA submits the actuarial funding valuation report to the TN Department of Treasury annually
- MNAA is recommending four updates to the current Funding Policy:
 - (1) Based on recommendation from TN Department of Treasury
 - (3) Based on recommendation from MNAA (CEO and CFO)

Update #1 - TN Department of Treasury Recommendation

- On December 15, 2022, the State of TN Department of Treasury completed their annual review of MNAA's compliance (as of 6/30/21) with the Financial Security Act of 2014:
 - Overall result: Adopted Funding Policy meets the minimum requirements
 - One suggested “best practice” update to provide clear direction to the Actuary:
 - Amortization of unfunded liabilities. Level dollar amortization must be used no later than plan fiscal year beginning after June 15, 2020.
- MNAA's Actuary (Laura Stewart, USI) indicated that the Retirement Plan is already using level dollar amortization, however, it is not specifically mentioned in the Funding Policy. She recommends the following change (highlighted in yellow):
 - *Amortization methodology for actuarial gains and losses.* Unfunded liabilities should be amortized utilizing the level dollar amortization method over a closed period not to exceed 30 years. A tier approach may be utilized with new actuarial gains and losses from each actuarial valuation. Each tier shall be amortized over a closed period not to exceed 30 years. Tiers may be combined, but the resulting amortization period may not be less than 5 years nor exceed the lowest amortization period of the combined tiers.

Background to Update #2 - MNAA Recommendation

- As required by Financial Security Act of 2014, MNAA has been contributing at or above the ADC minimum annually to the Retirement Plan:

Fiscal Year	Contributions	Funding % (Actuarial Value Basis)
6/30/2014	\$ 8,000,000	70.0%
6/30/2015	\$ 8,000,000	80.9%
6/30/2016	\$ 11,951,995	94.0%
6/30/2017	\$ 5,160,905	102.4%
6/30/2018	\$ 2,000,000	98.9%
6/30/2019	\$ 8,900,000	98.8%
6/30/2020	\$ 3,450,000	104.6%
6/30/2021	\$ 417,321	106.5%
6/30/2022	\$ 250,000	101.9%

- MNAA's CEO and CFO want to ensure that the Retirement Plan remains adequately funded by formally establishing a baseline requirement in the Funding Policy

Update #2 – MNAA Recommendation

- MNAA’s Actuary provided the following research to the CEO & CFO:
 - Average public plan is funded at 74% as of 2022
 - Common with public plans to view a funded status of over 80% as acceptable, but 90% is generally accepted as a healthy funded ratio
 - MNAA’s plan has been funded above 90% since 2016
- To reflect goal of maintaining a healthy funded status in the Plan (above 90%), the Actuary recommends the following update to the Funding Policy (updates highlighted in yellow):

Funding the ADC. The ADC, as determined by an actuarial valuation, shall target funding at a level of no less than 100%. With respect to the obligations of the Plan, the Airport Authority shall budget at least 100% of the ADC.

If the funded ratio (Actuarial Value of Assets / Actuarial Accrued Liability) falls below 90%, MNAA will make additional contributions above the ADC to improve the funded status of the Plan. These contributions will be calculated in a manner that is projected to be sufficient to fund the plan to 90% over a 5-year period.

Update 3 & 4 - Minor Updates Recommended by Staff:

- Reformat the document to comply with MNAA's current policy template
- Combine two sections to better align with the TCRS funding policy

Staff Recommendation:

- Staff recommends the Board of Commissioners:
 - Approve the updated Funding Policy of the Retirement Plan for Employees of MNAA, and
 - Authorize the Chair and President and CEO to execute MNAA Resolution No. 2023-10 adopting the updated policy

Other Minor Updates and Staff Recommendation

- Non-Signatory Airline Operating Agreement (AOA)
 - MNAA Resolution 2023-08

Item for Approval

Josh Powell, C.M.
Director, Airline Affairs and Air
Service Development

Background

- On April 19, 2023, the Board approved the Signatory Airline Use and Lease Agreement (AULA) and the Signatory Cargo Use Agreement.
- Airlines who have not signed an AULA (referred to as Non-Signatory Airlines) sign an Airline Operating Agreement (AOA). The previous AOAs needed to be updated to better match the provisions of the new AULA.
- Historically the operations of many Non-Signatory Airlines do not reach the \$500,000 annual threshold requiring Board approval, however, since operations can vary, there are no firm amounts associated with these agreements.
- The new AOA will be co-terminus with the option period of the AULA (June 30, 2033), which would exceed the 8-year threshold, thus requiring Board approval.
- Currently there are 30 Non-Signatory AOAs.

Business Terms of AOA

Item	Business Term
Term	<ul style="list-style-type: none"> • Up to 10 years: Co-Terminus with the option period of the Signatory AULA - June 30, 2033 • 30-day cancellation by either party
Premises	<ul style="list-style-type: none"> • Non-Signatory Airlines pay a per-use fee to utilize facilities • Any leased space is covered under a separate space lease agreement
Financial Impact	<ul style="list-style-type: none"> • Non-Signatory Landing Fee -- +25% of Signatory Landing Fee • Per use fee (per departing seat of aircraft) for use of ticket counter, bag make-up, bag claim, ramp, and gate. On average this is a 25% premium to an equivalent Signatory fee. (except for Affiliates of Signatory Airlines)
Security Deposit	<ul style="list-style-type: none"> • Required (except for Affiliates of Signatory Airlines) • Estimated 3 months of all airline rates, fees, and charges
Miscellaneous	<ul style="list-style-type: none"> • Insurance, Indemnification, Compliance, Maintenance, Gate Scheduling, Environmental, and other boilerplate provisions were updated to match the new AULA

Staff requests that the Board of Commissioners:

- Approve the updated/improved AOA document
- Approve MNAA Resolution No. 2023-08, which authorizes the President and CEO to execute the Airline Operating Agreements (AOAs), which may exceed the annual threshold of \$500,000 and/or the length of term threshold of eight (8) years

Staff Recommendation

- Fraport Amendments
 - Amendment 8 to the Agreement between MNAA and Fraport Tennessee, Inc.
 - Amendment 1 to the Sub-Lease between MPC Holdings and Fraport USA, Inc.

Items for Approval

Colleen Von Hoene
Associate Principal, Paslay Group

Background

- Fraport failed to open five 2022 concessions locations by the opening performance date, an event of default. To cure the default, Fraport has agreed to the following terms:
- **Amendment 8 to the Agreement**
 - Increases MNAA's share of sublessee rent to 70%, from the original 60%
 - Facilitates BNA growth:
 - If offered additional concession locations in the Concourse D extension, Fraport agrees to develop the new space, provide up to \$500,000 in capital investment, and waives reimbursement of unamortized capital investment in Concourse A facilities (due to future replacement of Concourse A)
 - Agrees to an amendment to the MPC Sub-Lease to add a Termination for Convenience clause
- **Amendment 1 to the MPC Sub-Lease**
 - Adds a Termination for Convenience clause, allowing MNAA to close or relocate the CRDC to enable gate expansion
 - Allows other airport tenants to use the CRDC and delivery service
 - Adds a cross-default provision, whereby default in the Agreement results in default in the Sub-Lease

- Staff requests the Board of Commissioners accept and authorize the Chair and President and CEO to execute:
 - Amendment 8 to the Agreement between MNAA and Fraport Tennessee, LLC, and
- Staff requests the MPC Board of Directors agree to accept and authorize the Chair and President and CEO to execute:
 - Amendment 1 to the Sub-Lease between MPC Holdings and Fraport USA, Inc.

Staff Recommendation

Information Items

June 21, 2023

- BNA Development Update
- JWN North Development Update
- BNA Concessions Program Update
- Procurement Policy Annual Review
- FY23 Strategic Goals Accomplishments
- 2023 Affirmative Action Program (AAP) Update
- Metropolitan Government of Nashville & Davidson County Litigation Update

Information Items

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

BNA Vision Update

- Reflects changes from May 2023 Board Approval
- Increased TARI Ph 1 budget from \$49M to \$65.5M
- Reduced Terminal Lobby/IAF budget reserve from \$6.5M to \$1.5M
- Decreased program contingency from \$29,441,682 to \$12,941,682
- No change to overall program budget

Project Name	Current Budget	Estimate at Completion (EAC)	Budget Variance	Budget Reserve: Original/Balance
VISION PROJECTS	\$ 1,224,563,416	\$ 1,224,563,416	\$ -	\$121,290,987 / \$4,200,000
Parking and Transportation Center	\$ 112,565,500	\$ 112,565,500	\$ -	\$5,100,000 / \$0
Concourse D & Terminal Wings	\$ 287,637,753	\$ 287,637,753	\$ -	\$33,964,557 / \$0
Garage C & Airport Administration Building	\$ 180,995,368	\$ 180,995,368	\$ -	\$20,341,202 / \$0
Garage B	\$ 97,428,000	\$ 97,428,000	\$ -	\$2,700,000 / \$2,700,000
Terminal Lobby & IAF	\$ 480,436,795	\$ 480,436,795	\$ -	\$54,865,228 / \$1,500,000
Terminal Access Roadway Improvements Ph 1	\$ 65,500,000	\$ 65,500,000	\$ -	\$4,320,000 / \$0
VISION ENABLING PROJECTS	\$ 62,390,352	\$ 62,390,352	\$ -	\$1,408,000 / \$396,695
ART	\$ 5,112,550	\$ 5,112,550	\$ -	
PROGRAM CONTINGENCY	\$ 12,941,682	\$ 12,941,682	\$ -	
Total	\$ 1,305,008,000	\$ 1,305,008,000	\$ -	\$122,698,987 / \$4,596,695

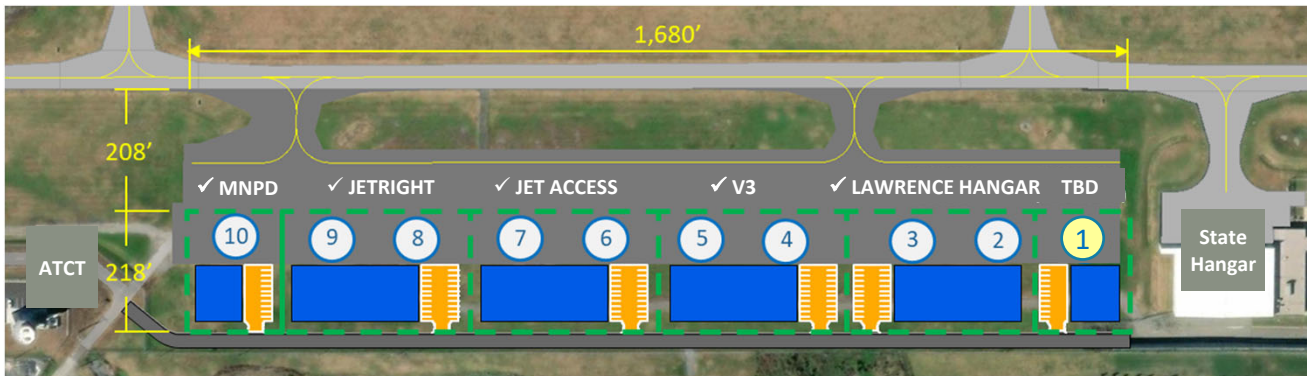


JWN Construction Progress

- Blasting in tenant area
- Mass grading site
- Excavating for retaining wall construction
- Installing sanitary sewer

JWN North Development Lease Progress

Parcel	Tenant	Rate per SF	Year 1 Rent	Investment	Status
1	TBD	\$2.21	\$80,939*	TBD	In discussion
2 & 3	Lawrence Hangar	\$3.05	\$223,406	\$5M	Lease executed
4 & 5	V3 Realty	\$2.00	\$146,496	\$5M	Lease executed
6 & 7	Jet Access	\$2.75	\$201,432	\$6M	Lease executed
8 & 9	JetRight	\$3.00	\$219,744	\$5M	Lease executed
10	MNPD	\$2.21	\$80,939	TBD	April design approval
		\$2.60 average	\$952,956		
		\$2.70 commercial		<i>*Estimated Minimum</i>	



Fraport Terminal Concessions Program

- All 15 locations scheduled to open in September 2023 met the Construction Start deadline of June 1, 2023

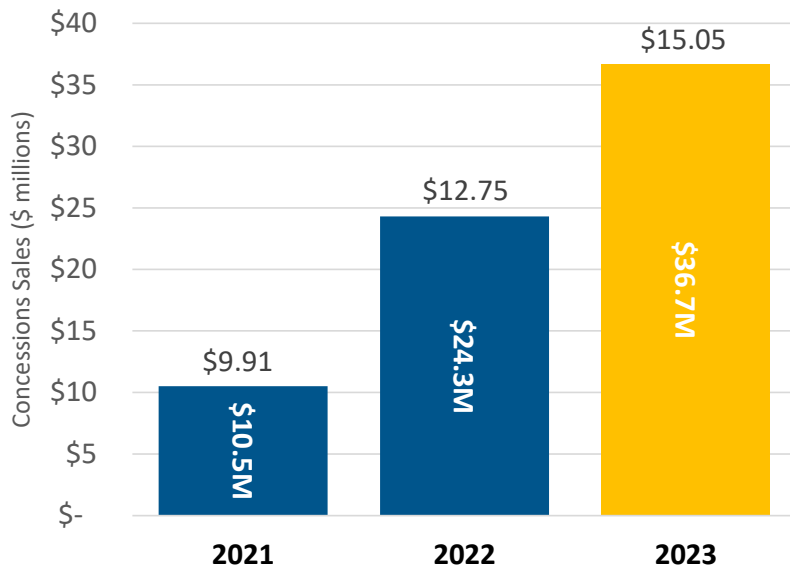
Paradies Satellite Concourse Concessions Program

- All 7 locations scheduled to open October 2023 have been approved to Code
 - Space turnover scheduled for June 21, 2023

Concessions Activity 2023 Locations

Concessions Sales

March CYTD Concessions Sales (Sales per Enplanement)



2021 Benchmark = \$11.00 average

- Highest Average Food & Beverage Monthly Sales

- Ole Red \$648.6K
- Tootsies \$578.9K
- Chick-Fil-A \$434.9K
- Southern Steak \$412.7K
- Puckett's \$331.7K
- Pyramids \$321.1K

- Highest Average News, Gift & Retail Monthly Sales

- Evolve \$698.8K
- Tennessee Trading Post \$678.7K
- West End News \$436.8K
- District News \$423.8K
- True to Tennessee \$318.7K

- Highest Average Coffee Monthly Sales

- Starbucks \$270.1K
- 8th & Roast \$239.25K (ct.10) & \$2204.4K (d.08)
- Bongo Java \$183.7K
- Barista Parlor \$139.6K

- 3rd Amended & Restated Bylaws, Section 4.4.3
 - The President shall issue procedures governing the procurement of goods and services; provided, however, that on an annual basis, the President shall provide the Board with a copy of such procedures and any amendment thereto, and the Board shall have the right to rescind or modify such procedures or any amendment to the same.
- No changes to the current policy dated July 15, 2020
 - Copy provided in Board packet

Procurement Policy (Annual Review)

FY23 Strategic Goals & Objectives



- 1. Airline Use & Lease Agreement**
- Complete negotiations and obtain Board approval of new agreement or rates by ordinance methodology
- 2. Financial Commitments**
- Maximize use of CARES, CRRSA and ARPA Funding
 - Ensure MNAA is following obligations in the Official Statement and Debt Management Policy (debt service coverage, days cash on hand)
- 3. BNA Concessions Program**
- Complete execution of CY2022 Transition Plan
 - Execute CY2023 Transition Plan to ensure openings in the Grand Hall by September 25, 2023
 - Award and execute contract for Satellite Concourse Concessions and ensure 7 locations are on track to open by October 2023
 - Restart ACDBE institute
- 4. Satellite Concourse Shuttles**
- Procure electric shuttles and ensure satellite concourse shuttle operations are on track for October 2023 execution
- 5. Staffing and Employee Satisfaction**
- Complete hiring of all FY23 positions
 - Implement staffing level metric of 95% and achieve at end of FY23
 - Conduct 2022 Employee and Augmented Staff surveys by October 2022, and respond to results
 - Implement 12-hour shift in Department of Public Safety
- 6. Data Driven Business Decisions**
- Evaluate and establish plan for improving data driven decisions and process controls
 - Evaluate insourcing/outourcing of janitorial, shuttle, parking/valet, landscaping, and overall maintenance contracts
- 7. Procurement & Contracts**
- Evaluate and implement a corporate credit card program and improve the p-card program
 - Initiate comprehensive review of Procurement Policy
 - Implement Contract Management Program to improve contract compliance and monitoring
 - Evaluate and implement improvements to real estate management

Plan for the Future

- 8. BNA Vision and New Horizon**
- Complete BNA Vision Bond Offering/Financing with rating agencies and investor relations
 - Continue execution of BNA Vision
 - Security Checkpoint (January 2023)
 - Garage B (July 2023)
 - Concourse A Site Fill (June 2023)
 - Terminal Access Roadway Improvements Phase 1 (June 2023)
 - Central Terminal and Grand Hall (September 25, 2023)
 - Satellite Concourse (October 2023)
 - Begin execution of New Horizon – Design beginning August 2022
 - Develop plan for Environmental Assessment (EA) for R/W 2L Extension
 - Meet FY23 hotel contractual requirements
 - Continue to build Common Use Gate Capability
- 9. Tune Taking Off**
- Introduce JWN Overlay District Concept
 - Execute North Development Plan
 - Manage FBO Lease in support of JWN redevelopment
- 10. International Air Service**
- Develop plan to manage and deliver quality customer service to International Arrival Facility users
 - Continue to pursue Asia air service
- 11. State/Federal Government Affairs**
- Create, manage and implement the 2023 legislative strategy, including reviewing and tracking any local, state or federal legislation that could impact MNAA
 - Create a 5-year State Funding Proposal in coordination with TAACA
- 12. Board Management Policy Updates**
- Review and facilitate enhancements to Corporate Governance
- 13. Diversity and Inclusion Policy**
- Finalize and publish Diversity and Inclusion Policy
 - Implement actions in response to five 2021 Disparity Study findings, including 82G enhancements and revised MWBE goals

Prepare for the Unexpected

- 14. Situational Awareness**
- Implement Executive Daily Brief
- 15. Succession Planning**
- FY24 Performance Management Program
 - Improve evaluation system to better measure performance and reward high performance
 - Integrate Performance Management process into existing HR systems
 - Organizational Development
 - Develop comprehensive plan for organizational development, including talent acquisition, onboarding, individual development and succession planning
 - Evaluate and implement improvements to incentive programs and specialty/shift differential pay
- 16. Insurance Policy Review**
- Implement process to coordinate Finance, Law Department and Commercial Development review of insurance policies
- 17. 2nd Water Line to Airport (TARI)**
- Begin design and award construction contract for redundant water feed
- 18. Internal Department Business Continuity Plans**
- Develop internal procurement processes to ensure business continuity in times of emergencies
 - Identify critical business finance processes and begin to develop plan in case of outages
 - Implement staffing plan for Emergency Operations Center (EOC) and Family Assistance Plan (FAP) activation

Issued: Jun 23, 2022
Updated: Feb 23, 2023

FY23 Strategic Goals Accomplishments

- Key Accomplishments (89%)
 - Approved AULA
 - Exceeded OS requirements
 - Hired 92% of FY23 positions
 - Opened all 2022/23 concessions locations and awarded satellite concessions contract
 - Completed BNA Vision Bond Offering
 - Opened Grand Lobby, Security checkpoint and Garage B
 - Began New Horizon
 - Executed 9 JWN North Leases

- **2023 AAP prepared by Ogletree Deakins**
 - Data Jan 1 – Dec 31, 2022
 - Compared to Davidson County 2018 census

- **Results**

- 1. Minorities and Women AAP**

- Availability
 - Minority goal: Craft Workers (Maintenance) & Service Workers (Police)
 - Continue outreach activities
- Employment Activity
 - Hiring: No findings
 - Promotions: No findings
 - Terminations: No findings

- 2. Protected Veterans**

- 10.8%: Exceeded 5.5/5.4% hiring goal

- 3. Individuals with Disabilities (IWD's)**

- 4.4%: Did not meet 7% hiring goal
- Positive trend from 2020 – 2022; Continue outreach activities

2023 Affirmative Action Program (AAP)

- Required by:
 - FAA regulations require MNAA to prepare a Minorities and Women Affirmative Action Program (AAP)
 - Governmental Authorities are required to prepare Section 503 (Individuals with Disabilities (IWD's)) and VEVRAA (Protected Veterans) AAP's

- May 19, 2023: HB1176/SB1326 signed into law by Governor Lee
- June 12, 2023: Complaint filed by Metro Government of Nashville & Davidson County
- June 15, 2023: Motion to Intervene filed by MNAA
 - 9 days remaining for the court to intervene, or the new board will be seated
- June 16, 2023: Governor Lee advised MNAA of the appointment of 2 Board members

Metro/State Litigation

Executive Session

June 21, 2023



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

Meeting Adjourned

Staff Reports

June 21, 2023

Provided for Information Only

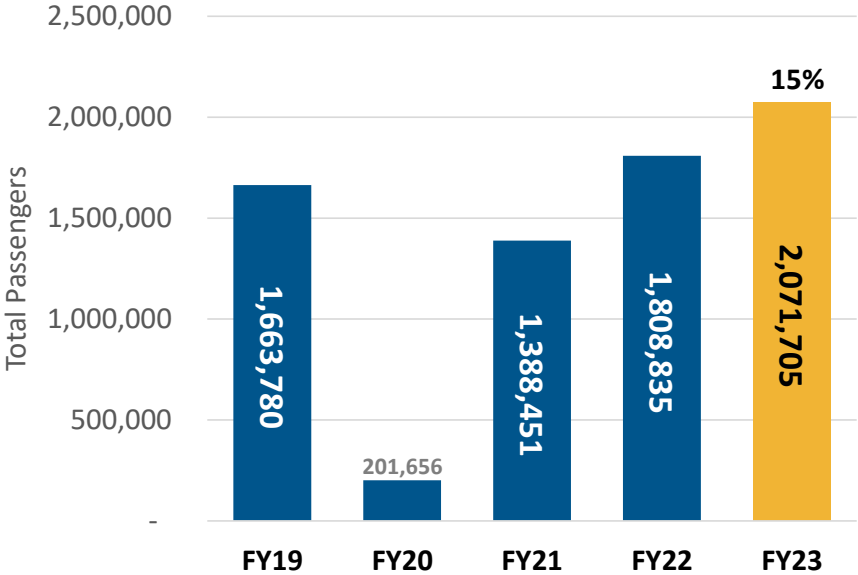
Operations Report

Robert Ramsey, P.E., A.A.E., I.A.P.

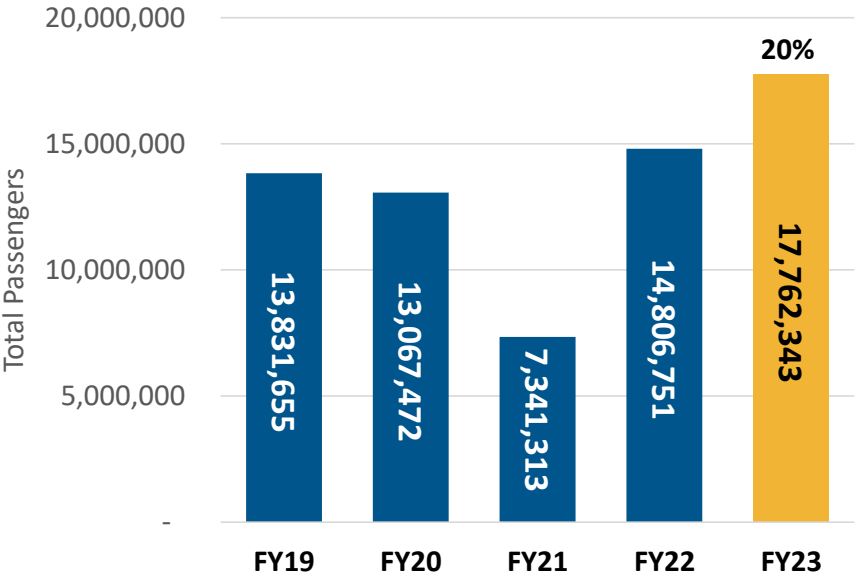
EVP, Chief Operating Officer

BNA Total Passengers

May

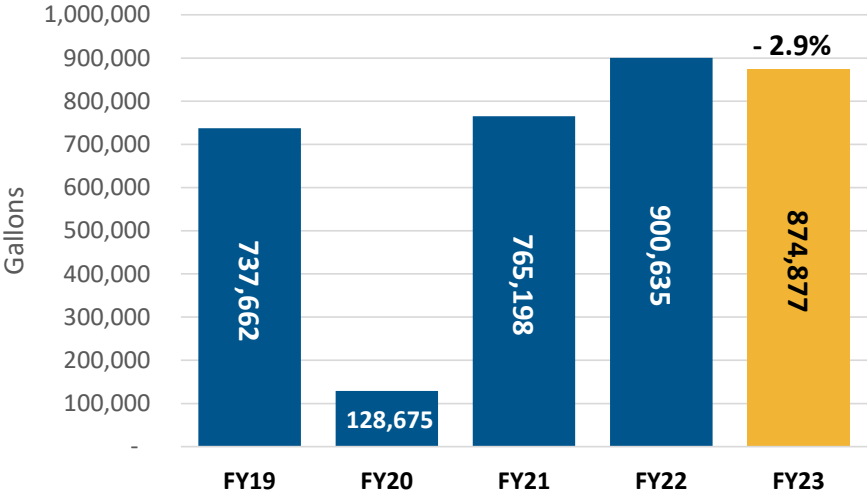


Fiscal Year-to-Date May

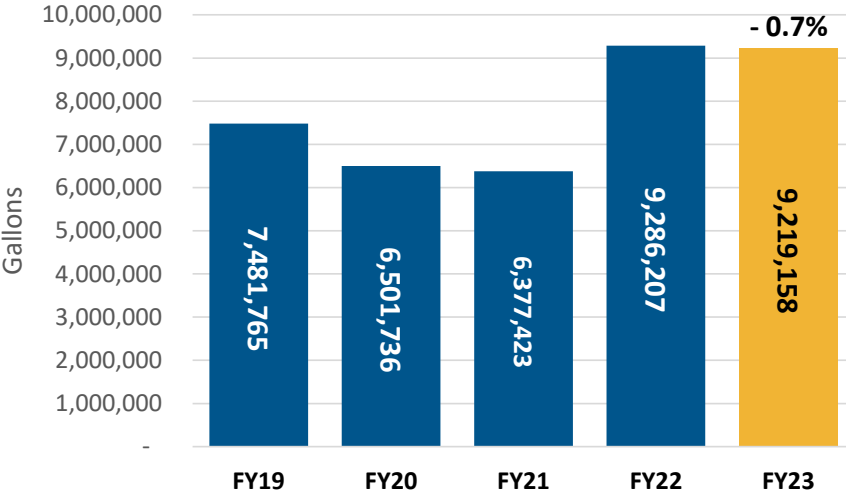


BNA Fuel Sales

May

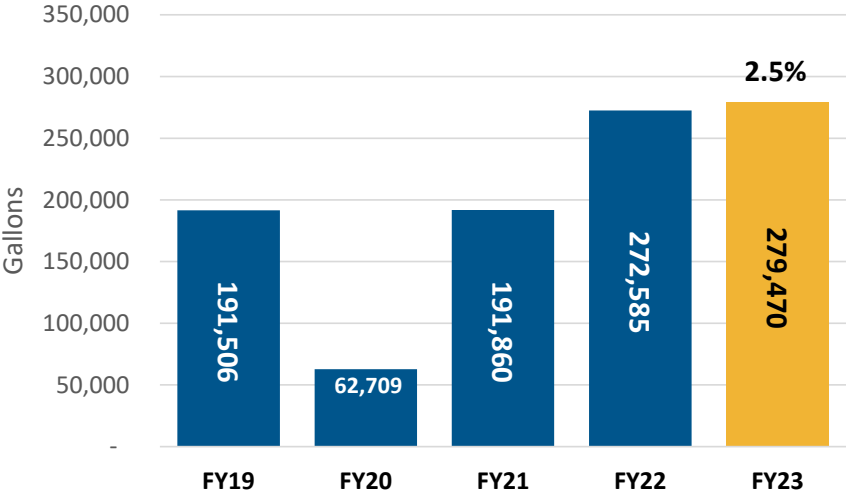


Fiscal Year-to-Date May

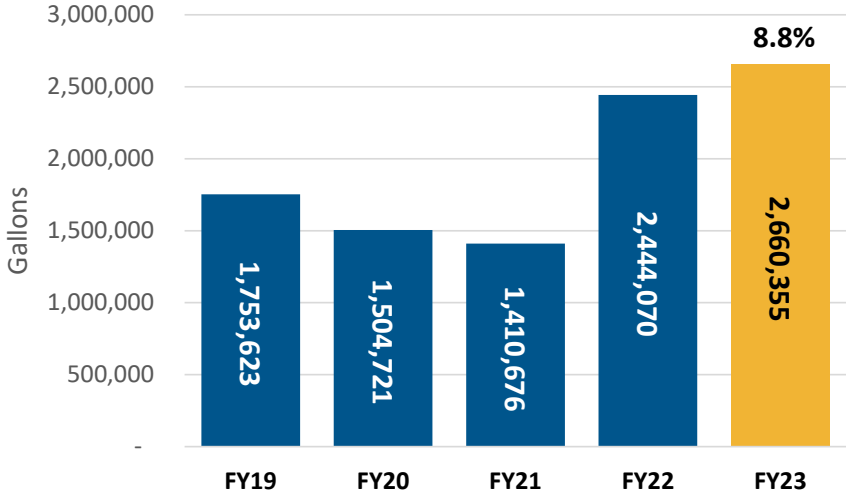


JWN Fuel Sales

May



Fiscal Year-to-Date May



Vision 1.0 Program Budget Update: June 2023

Project Name	Current Budget	Estimate at Completion (EAC)	Budget Variance	Budget Reserve: Original/Balance
VISION PROJECTS	\$ 1,224,563,416	\$ 1,224,563,416	\$ -	\$121,290,987 / \$4,200,000
Parking and Transportation Center	\$ 112,565,500	\$ 112,565,500	\$ -	\$5,100,000 / \$0
Concourse D & Terminal Wings	\$ 287,637,753	\$ 287,637,753	\$ -	\$33,964,557 / \$0
Garage C & Airport Administration Building	\$ 180,995,368	\$ 180,995,368	\$ -	\$20,341,202 / \$0
Garage B	\$ 97,428,000	\$ 97,428,000	\$ -	\$2,700,000 / \$2,700,000
Terminal Lobby & IAF	\$ 480,436,795	\$ 480,436,795	\$ -	\$54,865,228 / \$1,500,000
Terminal Access Roadway Improvements Ph 1	\$ 65,500,000	\$ 65,500,000	\$ -	\$4,320,000 / \$0
VISION ENABLING PROJECTS	\$ 62,390,352	\$ 62,390,352	\$ -	\$1,408,000 / \$396,695
ART	\$ 5,112,550*	\$ 5,112,550	\$ -	
PROGRAM CONTINGENCY	\$ 12,941,682	\$ 12,941,682	\$ -	
Total	\$ 1,305,008,000	\$ 1,305,008,000	\$ -	\$122,698,987 / \$4,596,695

Total Contingency Remaining = \$12.9M program + \$4.6M project ~ \$17.5M

Vision 2.0 Program Budget Update: June 2023

Project Name	Current Budget	Estimate at Completion (EAC)	Budget Variance	Budget Reserve: Original/Balance
VISION 2.0 PROJECTS	\$ 229,500,000	\$ 229,500,000	\$ -	\$12,392,941 / \$6,492,941
Satellite Concourse	\$ 134,500,000	\$ 134,500,000	\$ -	\$8,952,941 / \$3,052,941
Runway 2L/20R Extension EA/Preliminary Design/Property Acquisition	\$ 15,000,000	\$ 15,000,000	\$ -	\$0 / \$0
Concourse A Site Prep / Fill / EA	\$ 49,000,000	\$ 49,000,000	\$ -	\$2,000,000 / \$2,000,000
Concourse A Ramp Paving	\$ 31,000,000	\$ 31,000,000	\$ -	\$1,440,000 / \$1,440,000
Total	\$ 229,500,000	\$ 229,500,000	\$ -	\$12,392,941 / \$6,492,941

New Horizon Program Budget Update: June 2023

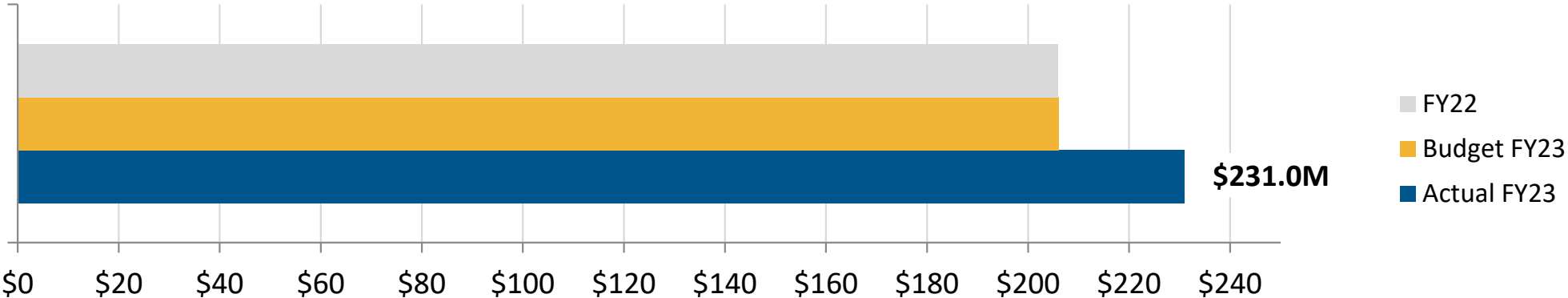
Project Name	Current Budget	Estimate at Completion (EAC)	Budget Variance	Budget Reserve: Original/Balance
New Horizon Projects	\$ 1,458,500,000	\$ 1,458,500,000	\$ -	\$117,671,573 / \$117,671,573
Baggage Handling System Improvements	\$ 125,000,000	\$ 125,000,000	\$ -	\$11,329,600 / \$11,329,600
Concourse D Extension	\$ 287,000,000	\$ 287,000,000	\$ -	\$26,138,432 / \$26,138,432
Concourse A Expansion	\$ 855,000,000	\$ 855,000,000	\$ -	\$77,939,456 / \$77,939,456
Future Air Freight Building	\$ 25,000,000	\$ 25,000,000		\$2,264,085 / \$2,264,085
Terminal Access Roadway Improvements Ph 2 & 3	\$ 166,500,000	\$ 166,500,000		\$ -
ART	\$ 4,000,000	\$ 4,000,000	\$ -	
PROGRAM CONTINGENCY	\$ -	\$ -	\$ -	\$ -
Total	\$ 1,462,500,000	\$ 1,462,500,000		\$117,671,573 / \$117,671,573

Finance Report

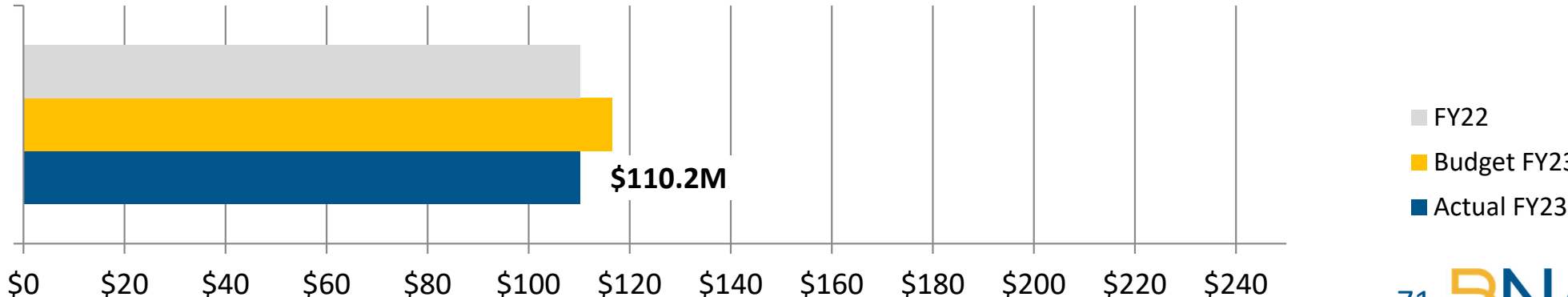
Marge Basrai, CPA, CGMA, CM
EVP, Chief Financial Officer

BNA – Revenues and Expenses YTD May 2023

Operating Revenues (\$ millions)

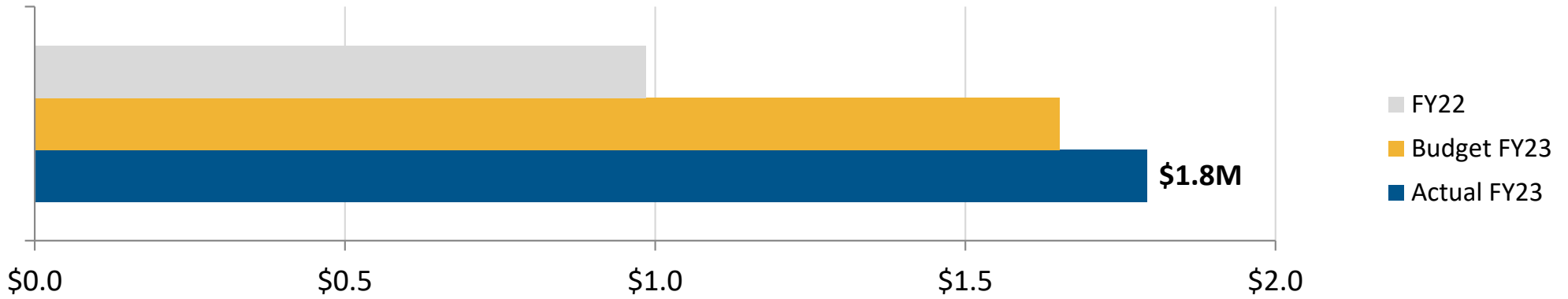


Operating Expenses (\$ millions)

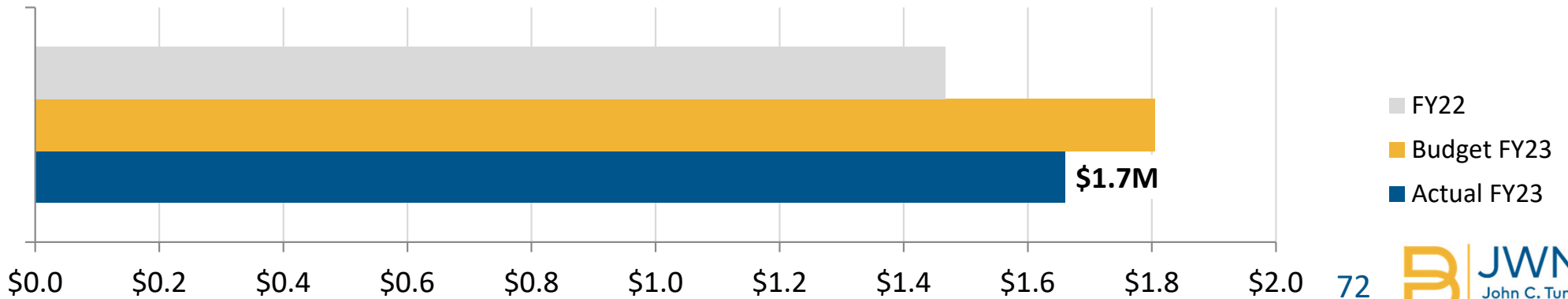


JWN – Revenues and Expenses YTD May 2023

Operating Revenues (\$ millions)

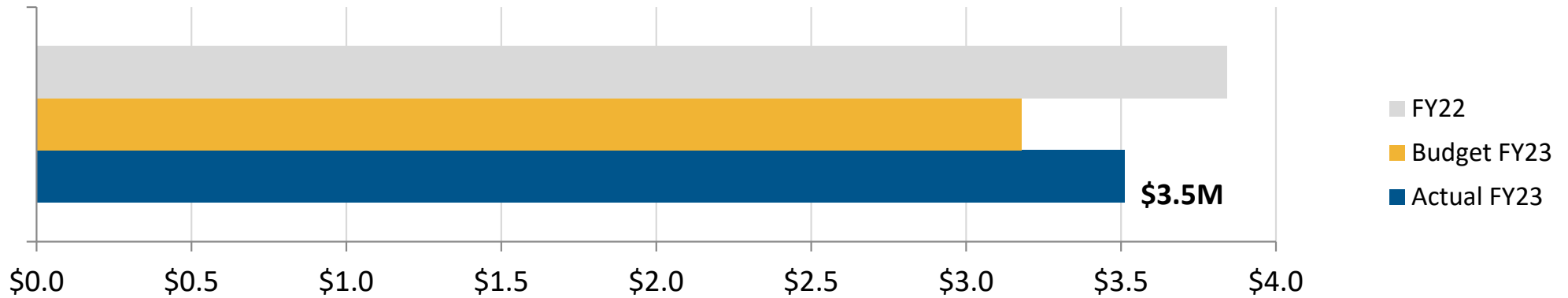


Operating Expenses (\$ millions)



MPC – Revenues and Expenses YTD May 2023

Operating Revenues (\$ millions)



Operating Expenses (\$ millions)

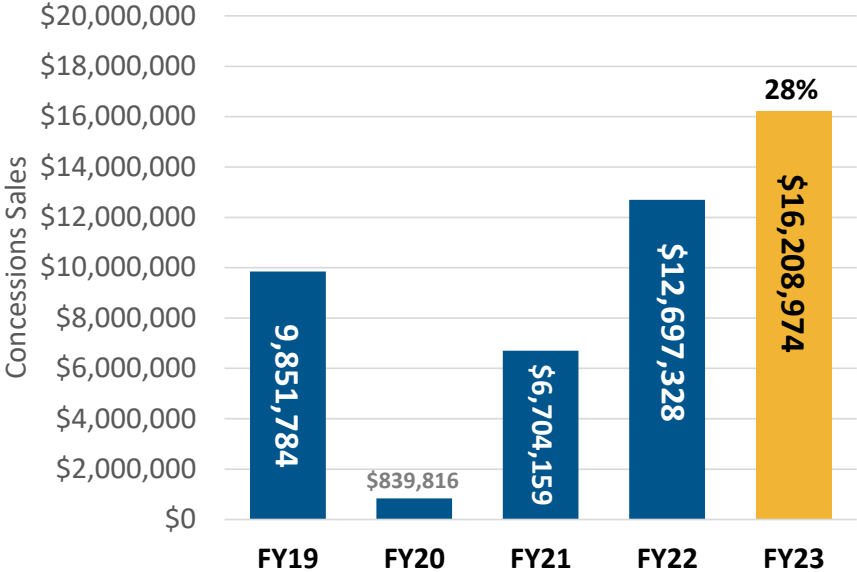


Commercial Development Report

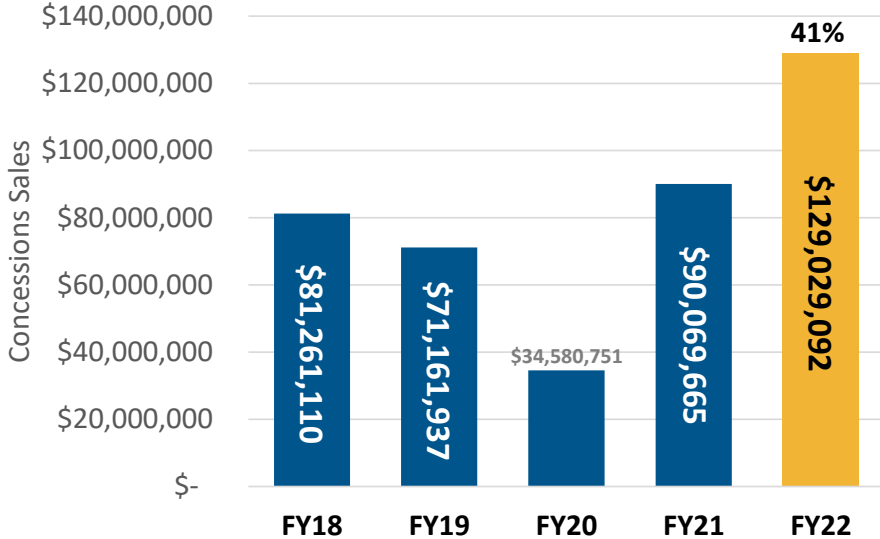
Marge Basrai, CPA, CGMA, CM
EVP, Chief Financial Officer

Concession Sales

May



Fiscal Year to Date - May



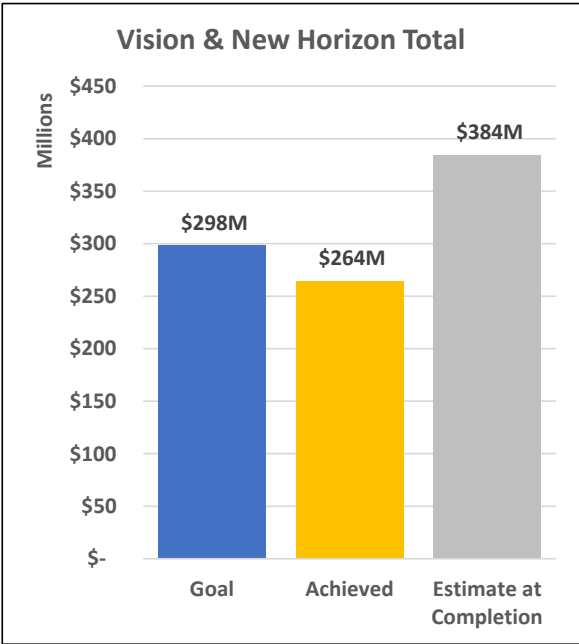
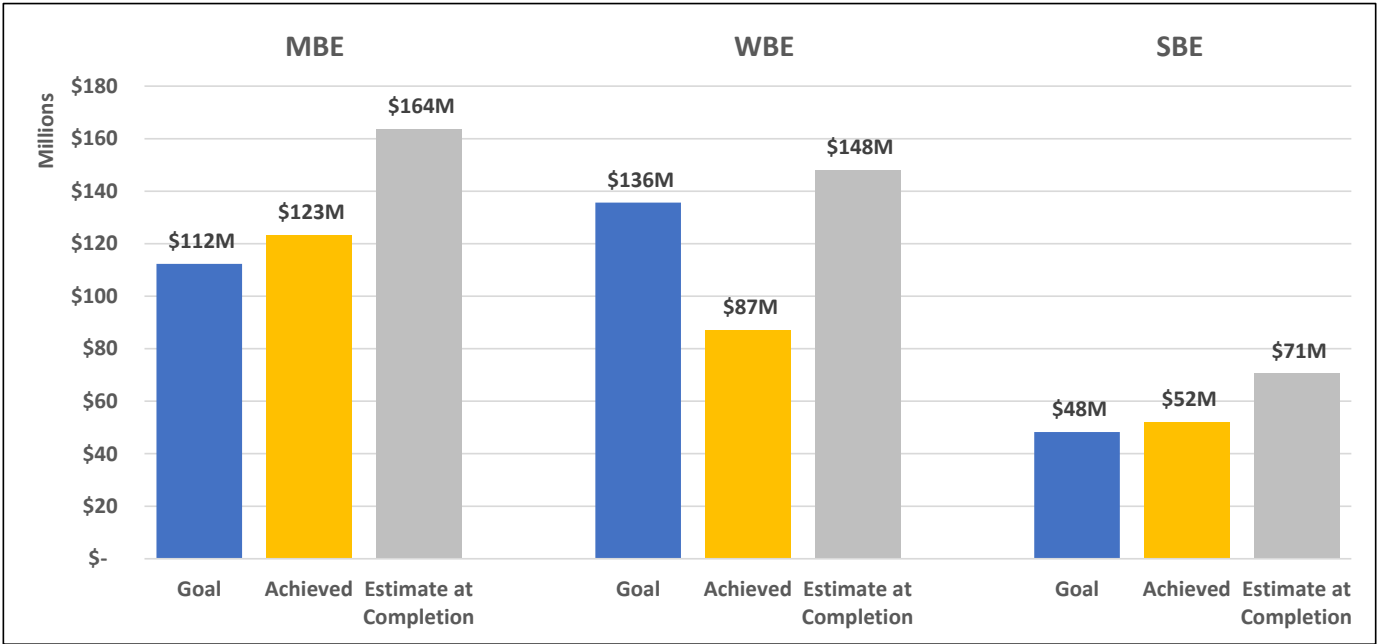
Sales per Enplaned Passenger
 May 2022: \$13.79, May 2023: \$15.37

Business Diversity Development Report

Davita Taylor

VP, Procurement & Business Diversity

SMWBE Participation – BNA Vision & New Horizon



Includes MBE, WBE, SBE & DBE

Source: Vision Project Controls – June 2023