

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



Date: June 21, 2023

Location: Metropolitan Nashville Airport Authority  
Tennessee Boardroom

Time: 1:00 p.m.

Board Members Present: Joycelyn Stevenson, Esq, Chair; Jimmy Granbery, Vice Chair; Andrew Byrd, Secretary; Bobby Joslin; Bill Freeman; Nancy Sullivan; and Dr. Glenda Glover

Board Members Absent: None

MNAA Staff Present: Doug Kreulen, Neale Bedrock, Lisa Lankford, Trish Saxman, Rachel Moore, Robert Ramsey, Marge Basrai, Stacey Nickens, Davita Taylor, Carrie Logan, Ted Morrissey, Ijeoma Ike, Daniel B. Brown, Kristen Deuben, Josh Powell, Jeff Wooden, Chris Davidson, Randy Dorsten, Colleen Von Hoene and David Griswold

## I. CALL TO ORDER

In accordance with the 3<sup>rd</sup> Amended and Restated Bylaws of the MNAA Board of Commissioners, Section 2.3, Chair Stevenson called the MNAA Board of Commissioners and MPC Board of Directors Meeting to order at 1:00 p.m., pursuant to Public Notice dated June 16, 2023.

## II. APPROVAL OF MINUTES

Chair Stevenson called for approval of the following 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 & Compliance Committee

May 17, 2023 Minutes of the Joint Meeting of the MNAA Board of Commissioners & MPC Board of Directors

Secretary Byrd moved for a Motion to approve all four Minutes and Vice Chair Granbery seconded the motion. The motion carried by vote of 7 to 0.

### III. CHAIRMAN'S REPORT

Chair Stevenson thanked everyone for attending and stated that today's meeting would be longer than usual as Committees did not meet this month and because this would be the last Board meeting of the fiscal year. Chair Stevenson thanked the Board for all of the work they performed over the past year and also thanked President Kreulen and the BNA and JWN teams. Chair Stevenson previously requested the staff to put together some slides to review all the accomplishments that have happened and that will set us up for the future. Chair Stevenson stated MNAA is very kind to let her work in an office at the administrative building and she was able to observe the inner workings of BNA. Chair Stevenson reported that it was really great to see how the team manages a crisis, guests, speakers, events, all while also managing phone calls, media, emails and all the other day to day things.

Chair Stevenson stated the Airline Minority Advisory Council "AMAC" conference took place last week in San Antonio, Texas and the American Association of Airport Executives "AAAE" conference was held in Denver was the first week of June. She shared that President Kreulen would give updates on both conferences. Both conferences will be here in Nashville in 2024. Chair Stevenson stated she attended the AMAC conference with approximately 20 BNA staff and it was a great experience. There were about 1,000 attendees, one of the biggest conferences she has attended since the pandemic. Chair Stevenson reported that it was wonderful to see our team interacting with other airport personnel and that they all did a tremendous job. BNA hosted the end of the conference event with a Nashville Preview Reception to raise excitement for 2024. MNAA's special guest was GRAMMY Award-winning singer, songwriter, Anthony Hamilton and from Nashville, R&B artist, Will Davenport—both of whom performed for a large audience. Chair Stevenson stated that she heard lots of talk from other guests excited about Nashville's hosting the conference next year. President Kreulen spoke on a panel with leaders from other airports and Chair Stevenson thanked President Kreulen for allowing her to attend the conference.

Chair Stevenson thanked everyone for letting her serve as Chair and she gave special thanks to the consultants and business partners, and everyone else that makes BNA run, the 400 employees and 10K badge holders. It takes a lot of people to make things go well, she said. Chair Stevenson stated at this time she would like to turn it over to President Kreulen for the FY23 Year in Review. Commissioner Glover suggested all give our Chair a round of applause.

#### IV. PRESIDENT'S REPORT

President Kreulen stated that we have a great Board and a great Chair, and it was a pleasure to attend the AMAC conference with her. We are very proud of what the Board has done to support MNAA staff, and it all shows in the FY23 Year in Review. President Kreulen reported there were 65 approvals and 62 information items for the fiscal year, and then reviewed key accomplishments by quarters.

In Q1 (July through September 2022), MNAA purchased an ARFF Vehicle for \$1M; installed and unveiled the BNA Monument that is now well known off of I-40; awarded a few hundred million dollars for the Concourse D Extension and the Satellite Concessions Concourse, with 7 different food, beverage and retail operations; and what was known as Murton's hole was filled in and is in the process of being paved over so that international jets can park there by the end of the year.

In Q2 (October through December 2022), MNAA awarded the contract for Baggage Handling System Improvements; released Notices of Availability "NOAs" for JWN North Development and awarded a contract for its infrastructure and R3 Apron Expansion; launched the Curbfront & Roadways Improvement Project; the Finance Team sold \$596M Airport Revenue Bonds; and we received the Payment Card Industry "PCI" Attestation of Compliance.

In Q3 (January through March 2023), MNAA opened the new Grand Lobby, with 12 new concession locations; S&P Global upgraded MNAA to AA-; awarded the International Arrivals Facility "IAF" Mural contract; and began executing leases for JWN North Development (9 of 10 leased).

In Q4 (April through June 2023), MNAA approved the Airline Use & Lease Agreement; opened Garage B; received recognition by Food & Wine 10 Best US Airports for food; was awarded AAAE Southwest Chapter Project of the Year for JWN South redevelopment; and prepared for Grand Openings of the IAF in September, Satellite in October and Hotel in December.

It has been a very busy FY23, President Kreulen stated, and he thanked the Board for its support and Committee Chairs for getting MNAA where it is today.

President Kreulen stated on May 23, 2023, several US Congressional leader toured BNA to understand what is happening at BNA and how they could better support us. On June 1, 2023, the Structural Engineer

Association awarded BNA the Best Project Award over \$150M for the Terminal Lobby/IAF, this is a very prestigious award for structural engineers from around the country. MNAA completed the Concourse C Gate renumbering a few days ahead of schedule, and it all happened without disruption.

President Kreulen reported BNA staff attended the AAAE Conference in Denver, Colorado June 2<sup>nd</sup> – 6<sup>th</sup> and AMAC in San Antonio, Texas June 10<sup>th</sup> – 14<sup>th</sup>. Both events were impressive with great attendance. MNAA looks forward to Nashville hosting in 2024. AMAC representatives will be here next week to visit available sites in Nashville.

The Bonnaroo 10<sup>th</sup> Annual Skylight Exhibition was installed on June 12, 2023, with the art suspended from the ceiling in four skylights located in Concourse B and C. BNA receives positive reviews when passengers see the different art hanging in the skylights.

American Airlines announced nonstop service to Cancun starting December 9, 2023. This is another example of how confidence in the Nashville market remains strong as we emerge from the pandemic.

FAA conducted the Part 139 Annual Inspection June 12 – 16, 2023, and we made huge improvements from last year. Some of improvements noted by FAA included teamwork shining through and high morale; excellent records management in Operations Maintenance and ARFF; no issues with any airfield signs; and one of the best fuel programs in the U.S. The inspectors did record one light out on the entire airfield which was fixed onsite and torqued appropriately with new bolts and washers. Findings include loose aggregate not properly removed; surface variations identified on R/W 2R-20L safety area and R/W 2L departure end; and operational safety during construction. Congratulations to Robert Ramsey, EVP, Chief Operating Officer, Adam Floyd, AVP, Operations, Daniel Brown, AVP, Maintenance, Environmental and Safety, Chief David Griswold and the rest of MNAA Teams.

TSU's Aristocrat of Bands performed at the White House at the first ever Juneteenth concert. President Kreulen congratulated Commissioner Glover.

MNAA conducted the quarterly customer experience survey administered by Phoenix Marketing. MNAA had high ratings, with passengers most satisfied with the check-in process, security and terminal facilities. Our Concessions Program went down during the pandemic and with Fraport we are +10% higher with food, beverage and retail. Overall experience at the airport is at 93% satisfaction.

President Kreulen reported that FY23 BNA enplanements are up from last year. BNA was number one in recovery coming out of the pandemic at +27% over FY19 and this year we are at +19% over last year. That is what is going to take us from 18.4M passengers in FY22 to approximately 22M passengers in FY23. We will have grown by 3.6M passengers in a 12 month period.

President Kreulen reported for the 30-day Outlook there is one approval needed for the Professional Services Contract for Executive Program Management Contract. The 60-day Outlook will have several approvals for Operations and one for Finance and Management. MNAA does not plan on slowing down, and we will keep working towards our goals and long- range features.

President Kreulen stated at this time we are still undergoing our TSA Audit, which is normally a 30-day audit . On June 8, 2023 we had Bob Jordan, CEO of Southwest visit BNA. On June 14, 2023, Ms. Lankford spoke at District 13 Town Hall Meeting with Council Member Bradford, with lots of questions starting to come up in the community about the future proposed runway extension for the Asia service. Mr. Josh Powell and his team have done an excellent job with Air Service Development. At the end of June is the Delta Airlines meeting and also Bradford Airport Logistics will visit and tour BNA. Bradford specializes in moving materials around airports, and we have to figure out what facilities we may need in the future.

President Kreulen introduced Chris Davidson, MNAA's new AVP Airport Manager at JWN and Jeff Wooden, Director of Emergency Management. Both gentlemen are veterans of the US Military, and we are proud of their service and the expertise they bring with them to help us continue to raise the bar.

President Kreulen reported that MNAA has three leaders selected for Leadership Programs - Ms. Lankford, VP, Strategic Advisor to the President with Leadership Nashville; Daniel B. Brown, AVP, Maintenance, Environmental and Safety with Leadership Brentwood; and Josh Powell, Director, Airline Affairs & Air Service Development with L'Evate Donelson. All three leaders will benefit from these programs and the community will also benefit from having them attend.

#### V. ITEMS FOR APPROVAL

##### 1. MB Companies Multi-Purpose Tasking Airfield Snow Removal Sweepers (2) (Operations)

President Kreulen introduced Daniel B. Brown, AVP, Maintenance, Environmental and Safety, to brief the Board on the purchase of two airfield snow removal sweepers. Mr. Brown stated MB

Companies, Inc. will provide two MSBC 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. These will replace one piece of equipment that is outdated and will also save man hours. There is currently two other pieces of equipment for the airfield and one for the ramp. Three of these units will clear a runway in approximately 20 minutes. These will be purchased through a national cooperative agreement, with anticipated receipt in September 2024. The funding source is 100% MNAA Airline Investment Fund and the project was approved in the FY24 CIP Budget. Mr. Brown recommended the Board of Commissioners accept the proposal by MB Companies, Inc. for the purchase of the two airfield snow removal sweepers for \$2,198,462.24 and authorize the chair and President & CEO to execute the purchase.

Vice Chair Granbery asked if the old equipment could be used at JWN. President Kreulen stated a couple of years ago, it was decided that we would engage an outside contractor to plow snow at JWN instead of hiring someone to drive an outdated snowplow at JWN. Secretary Byrd asked if MNAA ordered new pieces of firefighting equipment last year. President Kreulen replied yes, this is the 2<sup>nd</sup> year in a row we ordered a new firetruck, for about \$1.3M each. Mr. Brown stated we ordered two new snow brooms last year and are waiting on their delivery, and also ordered a spray rig as well. President Kreulen stated this request is in addition to those items and takes about 13 months to build them and it will be amazing to clean a runway in 30-45 minutes.

Secretary Byrd made a motion to approve as presented and Commissioner Freeman seconded the motion. The motion passed with a vote of 7 to 0.

2. Design Build Contract for Concourse D Extension CGMP 3 of 4 (Operations)

President Kreulen introduced Traci Holton, VP, Deputy COO & Chief Engineer, to brief the Board on the Design Build Contract for Concourse D Extension Component Guaranteed Maximum Price "CGMP" 3 of 4. Ms. Holton stated the Concourse D Extension project will be an extension to existing D Concourse and include jet bridges, inground aircraft fueling system, utility and paving infrastructure, core and shell, and passenger boarding bridges. Ms. Holton stated that the value of CGMP 3, for civil, foundations, core/shell and PBB's, is \$88.9M, and the NTE for the project amount is \$250,000,000. Ms. Holton requested the Board of Commissioners to authorize the Chair and President and CEO to execute the proposed Amendment 2 for the CGMP #3 with Hensel Phelps for \$88,937,434.

Vice Chair Granbery asked if we add 2 extra gates if that will take us to 71 total gates. President Kreulen replied yes, we are at 69 gates when New Horizon is complete, and if we add the two additional gates on Concourse D it will be 71 gates. In the near future, Fraport will help us with the amendment that will allow us to move CRDC out of the way so we can add two more gates in the future. Secretary Byrd asked if we are happy with the passenger transportation situation. He believes it may be a little choppy, his wife has trouble getting down the long hallways to gates. President Kreulen stated our first step is adding a new moving sidewalk where it connects to the old part of Concourse D, which will get passengers down to the Concourse D Extension. When Concourse A is demolished, there will be two different sets of moving sidewalks, one to get passengers to the first half of their journeys and another at the elbow of the new Concourse A. It is all about that amenity and we can build wide enough for passengers to walk and/or to use the moving sidewalk. Additionally, we have expanded the restroom facilities.

Secretary Byrd made a motion to approve as presented and Vice Chair Granbery seconded the motion. The motion passed with a vote of 7 to 0.

3. FY24 Commercial Insurance Policies Renewal (Finance)

President Kreulen introduced Kristen Deuben, VP, Finance & Deputy CFO, to brief the Board on the FY24 Commercial Insurance Policies Renewal. Ms. Deuben stated the FY24 Proposed Program Premium is \$5,522,535 NTE, an increase of \$2,137,170 from the prior year. Marsh was hired in 2020 to market all lines of coverage including special crime, pollution liability and contractor's pollution liability. All 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 1<sup>st</sup> renewal date would be advantageous to the authority. Property insurance increased by approximately \$1.3M to \$3.4M on premiums. This is caused by total insurance value of assets increasing from 2.1B to \$2.5B, due to the completion of the Grand Lobby and Garage B, as well as increase of replacement values of our current assets. Because total insured value was increased it is recommended that we market an additional \$250M in property coverage taking our limit from last year at \$1.25B to \$1.5B. Ms. Deuben recommended the 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.

Secretary Byrd stated that it seemed like a very large increase, that is a 60% increase in insurance premium in one year. Ms. Deuben agreed and stated that the insurance market is tight, and each year we are adding a lot of assets and with inflation we are taking our replacement values up each year to make sure we right side up. One of the things we plan to do in this current FY24 is bring a company in to make sure all of our older assets have the correct replacement values. Commissioner Glover asked for the name of our insurance company. Ms. Deuben replied AFM Global currently covers our insurance and Marsh is our insurance broker. President Kreulen stated the Board recognized that we were previously underinsured and had almost no coverage of \$1B plus assets, and now the Finance team has taken us from \$500M to \$1.25B and moving now to \$1.5B. MNAA is trying to get the right amount of insurance and hired Davidson Risk Consulting firm who has saved us a lot of time and analysis. Secretary Byrd asked if we are insured for replacement value or a fixed dollar amount. Ms. Deuben replied we are insured for replacement value up to \$1.5B. President Kreulen stated we raised our limit as more assets have been added and we hired an outside law firm to verify that the policies we are signing are adequately covering us and we are not having the same problems we had for the JWN tornado at replacement value.

Secretary Byrd asked if there is an umbrella policy. Ms. Deuben replied there is a general liability that is an umbrella policy. Vice Chair Granbery asked if we work with Davidson on the JWN claim. President Kreulen replied we have our appraiser, they have their appraiser, and then we have another company ruling on the value and we think they owe us a few million dollars more and we think it will be solved to our favor. Secretary Byrd asked what the scope of deductible is. Ms. Deuben replied it varies by policies and President Kreulen stated we can provide deductible and umbrella information. President Kreulen states from what he sees it is \$100K to \$250K and before we hired our new risk team to come in, we allowed the law enforcement policy to go to zero coverage which was an omission on our part and now we are covered up to \$10M. Commissioner Glover asked if there is a separate risk management department. President Kreulen replied yes, internally, and we also have an outside risk management company.

Secretary Byrd made a motion to approve as presented and Vice Chair Granbery seconded the motion. The motion passed with a vote of 7 to 0.



4. Funding Policy of the Retirement Plan for Employees of MNAA (Finance)

President Kreulen introduced Marge Basrai, EVP, Chief Financial Officer, who briefed the Board on the Funding Policy of the Retirement Plan for Employees of MNAA. Ms. Basrai stated on May 22, 2014, the Public Acts of the Tennessee General Assembly was enacted into law creating the Public Employee Defined Benefit Financial Security Act of 2014 Funding Policy which established funding requirements for defined benefit pension plans that did not participate in the Tennessee Consolidated Retirement System (TCRS) and requirement to pay 100% of the actuarially determined contribution (ADC). On September 16, 2015, the Board of Commissioners adopted the Funding Policy of the Retirement Plan for Employees of MNAA (MNAA Resolution 2015-09) that followed template from TCRS and was reviewed by MNAA's actuary as well as outside counsel and 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 Tennessee Department of Treasury annually. MNAA is recommending four updates to the current Funding Policy, based on recommendation from 1) Tennessee Department of Treasury, and 2) MNAA CEO and CFO.

Update #1 – Tennessee Department of Treasury Recommendation – On December 15, 2022, the State of Tennessee Department of Treasury completed their annual review of MNAA's compliance with the Financial Security Act of 2014. The review was based on our June 30, 2021 actuarial evaluation report and the overall result was adopted Funding Policy meets the minimum requirements and one suggested "best practice" update to provide clear direction to the Actuary, amortization of unfunded liability. Level dollar amortization must be used no later than plan fiscal year beginning after June 15, 2020. MNAA's Actuary, Laura Stewart with USI, indicated that the Retirement Plan is already using the level dollar amortization, however, it is not specifically mentioned in the Funding Policy. She recommended the following change: Add "Unfunded liabilities should be amortized utilizing the level dollar amortization method over a closed period not to exceed 30 years."

Update #2 – MNAA Recommendation – As required by Financial Security Act of 2014, MNAA has been contributing at or above the Actuarially Determined Contribution "" minimum annually to the Retirement Plan. MNAA has contributed since 2014 a total of \$48.1M to our Retirement Plan and we work very hard to get ourselves to what we consider a healthy funded balance. The CEO

and Finance Team want to ensure that our Retirement Plan is adequately funded in the future, and we plan to do this by funding the baseline requirements in the Funding Policy. To accomplish this, MNAA's Actuary conducted research and as of 2022 the average public plan is funded at 74% and common with public plans to view a funded status of over 80% as acceptable, but 90% is generally accepted as a healthy funded ratio and MNAA's plan has been funded above 90% since 2016. MNAA wants to reflect the goal of maintaining a healthy funded status in the Retirement Plan above 90% and the Actuary recommended the following update in our Funding the ADC: Add "If the funded ration (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."

Updates 3 & 4 were minor updates recommended by staff, , including reformatting the document to comply with MNAA's current policy template and combining two sections to better align with the TRCS funding policy.

Ms. Basrai recommended 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.

Commissioner Glover asked if this audit review is conducted every year. Ms. Basrai replied it is reviewed every year to see how much we are funded, and we exceeded the baseline requirement since she joined the Authority. Commissioner Glover asked what the source is to say average. Ms. Basrai replied there is not a law or report to call to, and the Actuary looked back to see what is done in average and what is a reasonably funded plan. President Kreulen stated it is a recommendation by our Actuary.

Commissioner Glover made a motion to approve as presented and Secretary Byrd seconded the motion. The motion passed with a vote of 7 to 0.

5. Non-Signatory Airline Operating Agreement (AOA) (Finance)

President Kreulen introduced Josh Powell, Director, Airline Affairs and Air Service Development, to brief the Board on Non-Signatory Airline Operating Agreement. Mr. Powell stated 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 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. Additionally, 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.

Mr. Powell briefed a few of the business terms of AOA: Term is up to 10 years, co-Terminus with the option period of the Signatory AULA, June 30, 2033 and 30-day cancellation by either party; Non-Signatory Airlines pay a per-use fee to utilize facilities and any leased space is covered under a separate space lease agreement; Non-Signatory Landing Fee is a 25% premium of Signatory Landing Fee and per-use fees based on their operations which covers everything outside of their Landing Fees and a 25% premium as well; Security Deposit is required and estimated 3 months of all airline rates, fees and charges; Miscellaneous includes insurance, indemnification, compliance, maintenance, gate scheduling, environmental, and other boilerplate provisions were updated to match the new AULA.

Mr. Powell recommended that the Board of Commissioners approve the updated and improved AOA document and approve MNAAB 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.

Chair Stevenson asked if 30 Non-Signatory AOAs is on average what we expected. President Kreulen replied yes for an airport our size, and Mr. Powell agreed stating it includes both cargo airlines, affiliates of signatory airlines, as well as traditional non-signatory airlines that are not part of the AULA. President Kreulen stated it also includes low cost carriers that are committed to Nashville with 1 or 2 routes. The signatory airlines want them to pay 25% motivational clause to get them to commit to full term.

Vice Chair Granbery made a motion to approve as presented and Secretary Byrd seconded the motion. The motion passed with a vote of 7 to 0.

6. Amendment 8 to Fraport Lease and Concession Agreement and Amendment 1 to Fraport Sublease Agreement for Consolidated Receiving and Distribution Center (CRDC)(Finance)

President Kreulen introduced Colleen Von Hoene, Associate Principal, Paslay Group, to brief the Committee on Fraport Amendments. Ms. Von Hoene stated the two Fraport Amendments are Amendment 8 to the Agreement between MNAA and Fraport Tennessee, Inc. and Amendment 1 to the Sub-Lease between MPC Holdings and Fraport USA, Inc. Fraport failed to open five locations in 2022 which constitutes an event of default, to cure which, has agreed to the following terms:

- Increase MNAA’s share of sublease rent to 70% from the original 60%
- Facilitates BNA growth, by
  - If offered additional concession locations in 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) and
  - 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 of 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 and add a cross-default provision, whereby default in the Agreement results in default in the Sub-Lease.

Ms. Von Hoene requested 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 requested 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 MPAC Holdings and Fraport USA, Inc.

Commissioner Glover asked if Fraport has asked for an amendment before. President Kreulen stated Fraport took over in 2019 with a 10-year agreement to 2029 so these amendments have

always been to approve and continue to have Fraport investing and producing the results we want. Fraport is approaching the end of year 4, which is about half-way through their contract, he continued, and this is positioning Fraport for success through 2029. Commissioner Glover asked MNAAB to monitor Fraport and President Kreulen stated we will continue to watch Fraport and always look for ways to improve. Vice Chair Granbery asked how many spots are available in Concourse D. Ms. Von Hoene replied about 15-16 square feet. President Kreulen stated for Concourse D, MNAAB will build out the shelf spaces for everything but that food court, so power, water and utilities are all there.

Secretary Byrd made a motion to approve as presented and Commissioner Sullivan seconded the motion. The motion passed with a vote of 7 to 0.

I. INFORMATION ITEMS

1. BNA Development Update

President Kreulen presented the updated chart, which reflects changes from May 2023 Board Approval. There were no changes to the overall program budget.

2. JWN North Development Update

President Kreulen stated JWN Construction Progress continues with blasting in the tenant area, mass grading site, excavating for retaining wall construction and installing sanitary sewer. He complimented Ms. Carrie Logan, MNAAB Associate General Counsel, for the JWN North Development Leases stating we have 9 of the 10 spaces secured and hopefully will have the last one leased soon.

3. BNA Concessions Program Update

President Kreulen stated that the Fraport Terminal Concessions Program has all 15 locations scheduled to open in September 2023 and a lot of progress has been made. Paradise Satellite Concourse has 7 locations scheduled to open October 2023 and with those we are just short of 100 spaces. He stated that today we are at the highest average food and beverage monthly sales with approximately \$15 spending per passenger. Ole Red is doing \$648K in sales every month and 8<sup>th</sup> & Roast is doing well and won The Coffee Guy's Best Coffee at Airports award.

4. Procurement Policy Annual Review

President Kreulen stated that MNAA has a requirement in our Bylaws that we perform an annual review of our Procurement Policy, and there are no changes to the current policy dated July 15, 2020. There is a trip planned to large hub airports with the Procurement, Finance, and Engineering teams to see if there is anything we can do to improve our system as we continue to move forward.

5. FY23 Strategic Goals Accomplishments

President Kreulen stated that the FY23 Strategic Goals Accomplishments are provided each year to the Board, and we grade ourselves twice a year. This year our overall score was 89%. These are goals above and beyond and what the Board gives us in October and President Kreulen is very proud of the MNAA team.

6. 2023 Affirmative Action Program (AAP) Update

President Kreulen stated that the 2023 Affirmative Action Program was prepared by the law firm Ogletree, Deakins, Nash, Smoak & Steward, P.C. MNAA is still working to improve the availability of minorities and the maintenance and service workers we are making progress. We had no findings relative to hiring, promotions and terminations. This year we exceeded the goal that was set for hiring protected veterans. Regarding our Individuals with Disability goal, we made a huge improvement to get to 4.4%, which is a positive trend from 2020. We will continue our outreach activities.

Secretary Byrd asked about customer satisfaction surveys and how we are doing. President Kreulen replied that staff would pull the same quarterly review and get that information. Secretary Byrd asked about cell phone lot utilization. President Kreulen replied that staff is working on a new communications plan. President Kreulen relayed that we have 60K vehicles a day, 3K vehicles an hour, and we need to keep the cars moving. Secretary Byrd asked if we have a night mayor. President Kreulen replied we are on our third traffic enforcement contractor, and we have hired airport duty managers that are here 24 hours a day. Secretary Byrd asked what the grace period is for free parking. President Kreulen replied 20 minutes. If a guest is in the garage for an hour, they only pay for 30 minutes of parking.

7. Executive Session

Chair Stevenson asked for a motion to suspend the public portion of this meeting to enter into executive session to discuss Authority litigation. Following the executive session, she stated, we will

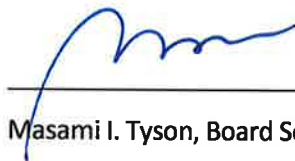
reconvene the public portion of the meeting. Vice Chair Granbery made a motion to enter executive session and Secretary Byrd seconded the motion. The motion passed with a vote of 7 to 0.

The Executive Session began at 2:08 p.m.

Once discussions regarding Authority litigation concluded, Chair Stevenson asked for a motion to exit Executive Session and return to the public portion of the meeting. Secretary Byrd made a motion, which Commissioner Freeman seconded. The motion passed with a vote of 7 to 0.

## VII. ADJOURN

There being no further business brought before the Board, Chair Stevenson thanked the Commissioners for their participation and asked for a motion to adjourn. Commissioner Glover made a motion and Commissioner Joslin seconded the motion, which carried by a vote of 7 to 0. Chair Stevenson adjourned the meeting at 2:45 p.m.



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Masami I. Tyson, Board Secretary