



Commissioner McWhorter – Yes

The motion was passed with a vote of 6 to 0.

IV. CHAIR'S REPORT

Chair Granbery stated that it is an honor to serve as Chair of the Board with President Kreulen's leadership and great hardworking staff. Chair Granbery promised to always give 100% and continue to move the fastest growing airport forward and noted that BNA was number 1 in pandemic recovery for the past two years.

V. PRESIDENT'S REPORT

President Kreulen thanked the staff for their diligence. The airport is a 24/7 operation, he said, and the last few months have been challenging. President Kreulen stated that he would show the Commissioners later in the meeting how well MNAA has done in 2023 and where we are headed in 2024. President Kreulen expressed his pride for how well staff and the Commissioners serve the airport, which is a great asset for Nashville and State of Tennessee.

President Kreulen presented a slide of FY24 enplanements. He reported that BNA set a record in FY23 and as discussed in committee meetings, adjustments were necessary in order to be more aggressive on the forecast. For the last 10 years, BNA has ,on average, grown 10% per year, and is not slowing down. This year, when staff was conducting forecasting, we increased the growth rate to better represent recent activity. President Kreulen explained that the slide depicted the historical pattern of passengers coming through BNA and that BNA ended the year above the forecast at 18.9% growth. In the first weeks of July 2023, BNA is at 15% growth. We are going to continue moving forward, he said, and enplanement activity will be presented each month. As we are tracking our progress through the October fall break, we will be more informed of where the year will finish and the Finance team will make any adjustments to budgets to keep up with the larger growth.

President Kreulen presented a short 2023 year-in-review video and acknowledged Commissioners and staff for all that they achieved over the past year.

President Kreulen introduced Mr. Steve Wood, the Transportation Security Administration's Federal Security Director for the State of Tennessee. President Kreulen thanked him for his leadership and said that without Mr. Wood, the airport would not be able to efficiently send passengers through the security checkpoint.

President Kreulen shared that Allegiant Air announced a new nonstop service from Nashville to Ft. Lauderdale beginning November 16, 2023. The new service will operate twice weekly. Ft. Lauderdale's existing service is six times daily– 3 times with Southwest, 2 times with Spirit and once a day with JetBlue.

President Kreulen presented the 30-day Outlook for Committee and Board meetings, which includes 6 approvals for Operations Committee, 2 approvals for Finance Committee, and no approvals for the Management Committee, at this time. In the next few weeks, he said, staff packets will be sent to Commissioners in preparation for August meetings. The 60-day Outlook for Committees and Board meetings includes 4 approvals for Operations Committee, no approvals for Finance Committee, and 1 approval for Management Committee, which is the CEO FY 23 Performance Evaluation.

## VI. ITEMS FOR APPROVAL

### 1. Professional Services Contract for Executive Program Management (Operations)

President Kreulen introduced Traci Holton, VP, Chief Engineer, to brief the Board on the Professional Services Contract for Executive Program Management Services for airport planning and capital improvement projects at BNA and JWN. The solicitation was advertised on April 24, 2023 with a Request for Qualifications, and on May 24, 2023, one Statement of Qualifications ("SOQ") was received from Paslay Group ("PG"). The term is one year with six one-year options to renew. The evaluation committee determined PG met all requirements and will be immediately providing the following staffing positions: Executive Program Management, Deputy Chief Engineer, Senior Project Manager and Program Manager. Ms. Holton introduced Clay Paslay, the CEO and Managing Partner of the PG. Ms. Holton requested the Board accept the SOQ from PG for executive program management services and authorize the Chair and President & CEO to execute the contract for \$6.5M NTE annually.

Vice Chair Joslin stated that he has great respect for Mr. Paslay and his leadership, guidance and unbelievable vision.

Vice Chair Joslin made a motion to approve as presented and seconded by Commissioner Tyson.

Chair Granbery asked Ms. Saxman for a roll call:

Chair Granbery – Yes

Commissioner Joslin – Yes

Commissioner Tyson –Yes

Commissioner Giarratana – Yes

Commissioner Johnson –Yes

Commissioner McWhorter – Yes

The motion was passed with a vote of 6 to 0.

VII. INFORMATION ITEMS

President Kreulen presented several information items. BNA Development Update has two Save the Dates, September 25, 2023 and October 9, 2023, he reported. He acknowledged the new President of Fraport USA, Ms. Sabine Trenk, who was a guest at the Board meeting. The September 25<sup>th</sup> reception will be for distinguished guests to tour the International Arrivals Facility (“IAF”) and Marketplace. October 19, 2023 is planned for the Satellite Concourse Reception. More details will follow.

President Kreulen presented pictures of the new Dormakaba security doors that were installed on June 11, 2023. On August 13, 2023, all lanes will be completely installed, with 4 lanes on north side and 5 lanes on south side.

President Kreulen reported on the discrete roadway widening project, which will widen the inbound roads from I-40, Exit 216A to two lanes. Substantial completion is planned for January 2024.

President Kreulen showed a picture of the new electric buses that are built in Europe by Cobus Industries, and currently being shipped to BNA. MNA is receiving 9 electric buses that will run around the clock with three-minute spacings between buses from Concourse C to the Satellite Concourse.

President Kreulen stated that JWN Development had blasting and on the north side to make way for the 10 new corporate hangars. He introduced Carrie Logan, Vice President, Associate General Counsel, who has been integral in getting 9 of those 10 leased and is working on getting the last parcel leased. The north development will be a huge revenue generator for JWN that will allow for expansion in other places. Contour, the Fixed Base Operator at JWN, is busy replacing the 3 hangars that were destroyed by the tornado in 2020.

President Kreulen reported that BNA's concessions program with Fraport has 15 new locations, including Acme Feed & Seed, The Titans Press Box, and Slim & Husky's, are on track to open September 25, 2023. Paradies, BNA's business partner for the Satellite Concourse, has 7 locations scheduled to open October 19, 2023.

President Kreulen reported that the Airline Use & Lease Agreement ("AULA") was implemented on July 1, 2023. MNAA has been very successful due to the growth of Nashville and continues to balance its revenue generation between parking and concessions, but one-third of that revenue is generated by our airline partners. Ms. Basrai and the Finance team did a great job of developing and negotiating a new AULA. President Kreulen presented a chart that showed the airlines that have already provided MNAA with the signed documents and stated the 4 that have not signed, have provided an extension letter. Though these airlines are operating pursuant to the new AULA, their Boards have not yet met to approve the new AULA. For example, American Airlines' Board meets quarterly. MNAA is not concerned that these four airlines will not execute the AULA as it is financially beneficial to them. The AULA gives MNAA the security that they will be here 8-10 years from now.

President Kreulen stated that the FY24 BNA O&M and Capital Budgets were approved by the Board on April 19, 2023. Last year's revenue target was \$226M and BNA will exceed that with the new budgeted FY24 goal of \$282M. BNA's O&M expenses are moving up and staff tracks to the Official Statement to ensure MNAA stays in good standing with its rating agencies, he stated. JWN's budget for FY24 revenue and expenses is about \$2.4M, and we are doing a good job in that area and staying balanced. The \$42M of capital is for the Metropolitan Nashville Police Department ("MNP") hangar and building ramps. Parcel 1 of the north development was previously going to be for state officials, but is now turning to be private. JWN is in an even stronger position than what is shown in the budget. The Multipurpose Corporation ("MPC"), is doing well and generates positive cash flow from the International Plaza ("Gold Building").

On investments, the Finance team tracks the different funds we have - the Retirement Plan, OPEB Plan and Treasury Investments. MNAA's performance is something that is not typical in terms of benchmarks. MNAA's actuary measures the level of funding in the accounts. The Retirement Plan is 102% funded and the OPEB is \$113% funded. \$1.226B funds were on hand, and 99.4% is invested, which is in compliance with policy objectives, and has earned \$8.274M in the third quarter. These funds pay for additional capital budgets.

President Kreulen asked the Board to review FY24 Strategic Goals & Objectives and provide him with feedback over the next couple of weeks. FY23 performance reviews for the staff are complete by this point, he stated, and all the staff will receive their new goals and objectives by July 28, 2023. The Board Retreat is October 18, 2023, and will start with the Board meeting at 9:00 a.m. Once the Board meeting adjourns, the Ethics & Compliance Training will commence, then lunch, and the Retreat will then follow.

Chair Granbery asked President Kreulen about the statistics on the slide showing FY24 passengers (24.4M) > 2037 Master Plan (23.8M), and New Horizon capacity at 35M passengers. President Kreulen explained that these are the growth rates that staff is preparing for with the strategic plan, and staff continues to discuss with community and business leaders. Nashville provides a lot of opportunity and as Nashville and the surrounding counties of Nashville are successful, the number of people flying in and out of the airport increases. In June of FY24, BNA will likely reach 24M passengers, which is bigger than the master plan forecast for 2037. BNA is now 13 years ahead of schedule and is expanding to accommodate 35M passengers. The siting of Terminal 2 will be discussed at the Board Retreat, along with how the city and State prepares for the increase to passenger volume from 35M to 70M. Staff has work to do to figure this all out, and MNAAB has the capability and team to do it and will also bring on additional team members. It is a good challenge for MNAAB. Chair Granbery said fantastic. President Kreulen stated that FAA wants airports to do a Master Plan approximately every 5 years, and they do not anticipate this growth rate will continue. MNAAB can demonstrate to FAA that with this chart alone, that in 7 years, we outgrew the 20-year Master Plan and therefore, a new Master Plan is needed. The Board will get a head start on this at the Retreat, which is where the guidance will be given to start budgeting FY25 in December 2023.

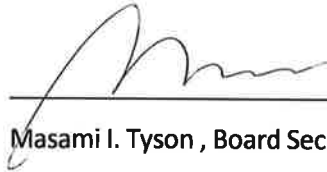
President Kreulen stated regarding the CEO FY23 Performance Evaluation, the Board previously approved key performance indicators and criteria that they want him to accomplish. MNAAB exceeded its financial and customer satisfaction goals and met its strategic goals. Updates will be provided to the Board between the months of August and September once the financial audits are completed. Additionally, new KPI's will need to be adopted for the FY24 scorecard.

Vice Chair Joslin thanked President Kreulen and expressed his gratitude for all he has done for MNAAB through difficult times in Nashville over the last several years. Chair Granbery shared Vice Chair Joslin's sentiments regarding President Kreulen and applauded the staff too. Chair Granbery welcomed

Commissioner Tyson to her first Board meeting. President Kreulen thanked the staff, and stated they are the ones that make it happen.

VIII. ADJOURN

There being no further business brought before the Board, Chair Granbery thanked the Commissioners for their participation and asked for a motion to adjourn. Commissioner McWhorter made the motion to adjourn, and Vice Chair Joslin seconded the motion, which carried by a vote of 6 to 0. Chair Granbery adjourned the meeting at 1:25 p.m.



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Masami I. Tyson , Board Secretary