

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



Date/Time: Wednesday, December 20, 2023, at 1:00 p.m.
Place: Nashville International Airport – Tennessee Board Room
Board Members: Joycelyn Stevenson, Esq., Chair
Jimmy Granbery, Vice Chair
Andrew Byrd, Secretary
Bobby Joslin
Bill Freeman
Nancy Sullivan, P.E.
Dr. Glenda Glover

I. CALL TO ORDER

II. PUBLIC COMMENTS

No requests for public comments received to date. Deadline is December 19, 2023 at 1:00 a.m.

III. APPROVAL OF MINUTES

1. October 18, 2023 Minutes of the Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors
– Reference Adams & Reese LLP memo dated December 5, 2023
2. November 6, 2023 Minutes of the Special Joint Meeting of the MNAA Board of Commissioners & MPC Board of Directors
3. November 15, 2023 Minutes of the Joint Meeting of the MNAA Board of Commissioners & MPC Board of Directors

IV. CHAIR'S REPORT

V. PRESIDENT'S REPORT

VI. ITEMS FOR RATIFICATION

July – October 2023 Board Actions – 19 items

VII. ITEMS FOR APPROVAL

1. Amendment to Contract for On-Call Snow & Ice Removal (Operations)
2. Professional Services Contract for Runway 2L Extension EIS (Operations)
3. Professional Services Contract for On Call Architectural Services (Operations)

Agenda of the MNAA Board of Commissioners and MPC Board of Directors

4. Construction Contract for Taxiway Bravo 5 (Operations)
5. Progressive Design Build Contract for Infrastructure for Virtual Ramp Control (Operations)
6. Short Term Credit Facility 1-Year Extension, MNAA Resolution #2023-12 (Finance)
7. Pyramids Concessions Sublease Extension (Finance)
8. BNA West Development - Revised LOIs (Finance)
 - SF Aviation, LLC
 - HCA Management Services, L.P.

VIII. INFORMATION ITEMS

1. Satellite Concourse Performance Update (Operations)
2. 2023-2024 Snow and Ice Control Plan (Operations)
3. BNA Development Update (including TDOT/Roadways Update) (Operations)
4. JWN Development Update (Operations)
5. BNA Concessions Program Update (Finance)

IX. ADJOURN

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



Date: October 18, 2023

Location: Gaylord Springs Golf Links
18 Springhouse Lane, Nashville, TN 37214

Time: 8:00 a.m.

Board Members Present: Jimmy Granbery, Chair; Bobby Joslin, Vice Chair; Masami Tyson, Secretary; Tony Giarratana; Jack Johnson, and Stuart McWhorter

Board Members Absent: None

MNAA Staff Present: Doug Kreulen, Neale Bedrock, Lisa Lankford, Trish Saxman
Marge Basrai, Chris Davidson, Kristen Deuben, Adam Floyd, Traci Holton, Rick Jones, Carrie Logan, Rachel Moore, Stacey Nickens, Robert Ramsey, Davita Taylor, and Colleen Von Hoene

I. CALL TO ORDER

In accordance with the 3rd Amended and Restated Bylaws of the MNAA Board of Commissioners, Section 2.3, Chair Granbery called the MNAA Board of Commissioners and MPC Board of Directors Meeting to order at 9:00 a.m., pursuant to Public Notice posted to the MNAA website October 13, 2023.

II. PUBLIC COMMENTS

Chair Granbery stated there were no public comment requests received.

III. APPROVAL OF MINUTES

1. September 20, 2023 Minutes of the Joint Meeting of the MNAA Board of Commissioners & MPC Board of Directors

Chair Granbery called for a motion to approve the September 20, 2023 Minutes of the Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors. A motion to approve was made by Vice Chair Joslin and seconded by Commissioner Giarratana. Chair Granbery asked Ms. Saxman for a roll call:

Chair Granbery - Yes

Vice Chair Joslin - Yes

Secretary Tyson -Yes

Commissioner Giarratana - Yes

Commissioner Johnson - Yes

Commissioner McWhorter - Yes

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

2. September 13, 2023 Minutes of the Joint Meeting of the MNAA and MPC Operations, Engineering & Strategic Planning Committee (No quorum at Operations Committee Meeting)

Chair Granbery called for a motion to approve the September 13, 2023 Minutes of the Joint Meeting of the MNAA and MPC Operations, Engineering & Strategic Planning Committee. A motion to approve was made by Vice Chair Joslin and seconded by Secretary Tyson. Chair Granbery asked Ms. Saxman for a roll call:

Chair Granbery - Yes

Vice Chair Joslin - Yes

Secretary Tyson -Yes

Commissioner Giarratana - Yes

Commissioner Johnson - Yes

Commissioner McWhorter - Yes

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

IV. CHAIR'S REPORT

Chair Granbery stated MNAA staff did a wonderful job of planning this Board meeting and Retreat. He thanked the MNAA staff, stated the venue was wonderful, and expressed his appreciation for the partnership with Gaylord. President Kreulen presented Chair Granbery with a commemorative gift/canvas photo of the IAF + Marketplace reception and stated all of the Board members will receive the same gift marking such a great event.

V. PRESIDENT'S REPORT

President Kreulen informed the Board that the J.D. Powers 2023 North America Airport Satisfaction Study ranked BNA #11 among large airport category, with BNA scoring 799 points on a 1,000-point scale. This news was reported in the Tennessean. BNA trailed behind Calgary International Airport and San Antonio International Airport in the Study.

President Kreulen reported that BNA received several awards from the 2023 USA Today Best Readers' Choice Travel Awards. BNA was voted #1 in Airport for Shopping; #1 Best Airport Grab-and-Go Food (400 Degrees); #3 Best Airport Bar (Tootsie's); and #5 Best Large Airport. MNAA is proud of the results and the enormous growth BNA has experienced, and this confirms how we are doing. President Kreulen thanked Fraport.

President Kreulen stated FY24 BNA enplanements continue to grow. Fall break has been huge, and the last few Sundays in October BNA set new records. In November, BNA will see a little bit of a downward trend until January. Currently, BNA is at 10% average growth over last year, which ended at 21.9M passengers. It is projected that BNA will be somewhere between 24-25M passengers on June 30, 2024.

The Committee 30-Day Outlook shows November Committees will have 3 approvals in the Operations Committee and the Management Committee will have several information items. President Kreulen announced that on November 4, 2023, Vice Chair Joslin will be inducted into the Tennessee Aviation Hall of Fame and stated that MNAA is proud that he has been selected for this honor. He congratulated Vice Chair Joslin.

The 60-Day Committee Outlook reflects that December Committees will have several approvals and information items right before the holidays.

VI. ITEMS FOR APPROVAL

1. Construction Contract for Terminal Access Roadway Improvements Phase 2 (Operations)

President Kreulen introduced Traci Holton, VP, Chief Engineer, to brief the Committee on the Construction Contract for Terminal Access Roadway Improvements ("TARI") Phase 2. This will be primarily grading and drainage removal of all that rock we will have on Donelson Pike once TDOT opens the connector roadway, between Donelson Pike, Terminal Drive, and the Taxiway Bridges and Construction of a new Airport Service Road. An Invitation to Bid ("ITB") was advertised on June 20, 2023. MNAA received four bids on August 24, 2023 from Cleary Construction, Jones Bros, Superior Construction, and 1 non-response (DBE). The lowest bidder was Jones Bros at \$23.8M. The DBE goal established for the project was 15.5% participation and Jones Bros was able to meet that goal. The bid was determined to be responsive and responsible.

The Operations Committee reviewed this item on October 11, 2023; however, there was not a quorum to vote on the item. Ms. Holton recommended the Board of Commissioners authorize the Chair and President and CEO to execute the proposed contract with Jones Bros. Contractors, LLC in the amount of \$23,759,322.50.

Chair Granbery asked President Kreulen to please comment on the meetings that took place working towards these roadway improvements. President Kreulen replied that he received great advice from Commissioner McWhorter and Lisa Lankford, Deputy CEO and Chief Strategy Officer, and last week he met with Commissioner Bryson in Finance, Deputy Governor Eley, and TDOT. It was a good meeting, starting with a discussion about all 5 airports in Tennessee having a 550% Return on Investment to the State. He also spoke with TDOT about relocating Donelson Pike and the capability to start moving rock, and if TDOT will negotiate with the contractor to do additional shifts and a year's time could be shaved off the schedule. If TDOT finishes sooner, that allows MNAA to get in and widen the road from today's 1 mile oval with 2 lanes to a 2 mile oval with 6 lanes wide. TDOT seemed encouraged to be able to do that. If MNAA would pay that overtime delta, it could cut a year off the schedule and alleviate some traffic congestion. The Communications team started recent text notifications to passengers to provide guidance during congested periods. The 2nd initiative relates to MNAA's capability to monitor the same cameras that TDOT is using on the highway, for the backups on I-40, and we have the ability to text message that out. There are over 2,000 people who signed up for the text service at this time. The 3rd initiative is to get TDOT approval for MNAA to widen Exit 216 A to two lanes, from MNAA property to the Interstate. MNAA is working hard to reach a business deal with TDOT.

Vice Chair Joslin asked about the TDOT dates. President Kreulen responded they are not scheduled to finish until sometime in the 2026 time period, and MNAA believes they can finish ahead in the 2025 time period and knock 365 days off. Commissioner Eley and TDOT were very receptive. Vice Chair Joslin said it would be worth the expense to MNAA to knock off 1 year. Chair Granbery commended staff for bringing new ideas

Vice Chair Joslin made a motion to approve as presented which was seconded by Commissioner Giarratana. Chair Granbery asked Ms. Saxman for a roll call:

Chair Granbery - Yes

Vice Chair Joslin - Yes

Secretary Tyson -Yes

Commissioner Giarratana - Yes

Commissioner Johnson - Yes

Commissioner McWhorter – Yes

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

2. Construction Contract for Taxiway Bravo/Kilo Intersection Reconstruction (Operations)

Ms. Holton briefed this item. The Construction Contract for Taxiway Bravo/Kilo Intersection Reconstruction is for the reconstruction of the intersection of Taxiway Bravo and Taxiway Kilo and removal of Taxiway Tango 3. MNAA pavement has met its useful life and has been identified as a hot spot by FAA. An ITB was advertised on May 22, 2023 and MNAA received one bid, from Hi-Way Paving, Inc. The DBE participation goal was 18.78%, which Hi-Way Paving, Inc. has met. This is a 270 calendar day project. The bid was deemed responsive and responsible by the staff, however the amount of \$16,483,880 was over the capital improvement budget. An amended FY24 Capital Improvement Plan (“CIP”) will be brought back to the Board in January.

The Operations Committee reviewed this item on October 11, 2023; however, there was not a quorum to vote on the item. Ms. Holton requested the Operations Committee recommend to the Board of Commissioners that it authorize the Chair and President and CEO to execute the proposed contract with Hi-Way Paving, Inc. in the amount of \$16,483,880.60.

Chair Granbery asked if the overage adjustment tracks with federal grants. Ms. Holton replied yes, a \$6.4M discretionary federal grant was awarded, and it is 75% federally funded and 25% MNAA funded.

Vice Chair Joslin made a motion to approve as presented which was seconded by Secretary Tyson. Chair Granbery asked Ms. Saxman for a roll call:

Chair Granbery - Yes

Vice Chair Joslin - Yes

Secretary Tyson -Yes

Commissioner Giarratana - Yes

Commissioner Johnson - Yes

Commissioner McWhorter – Yes

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

3. Professional Services Contracts for Staff Augmentation – BNA Vision/New Horizon (Operations)

Ms. Holton stated the Professional Services Contracts for Staff Augmentation will be utilized to provide supplemental staffing to the Engineering Department to support the capital improvement programs including BNA Vision and New Horizon. A Request for Qualifications (“RFQ”) was issued on August 8, 2023, with two primary categories, Project Management and Project Controls, and each had a solicitation for a majority firm and a small business target market, making 4 solicitations that companies could respond to. MNAA received 16 Statements of Qualifications (“SOQ”). The selection company analyzed and recommended Innova Solutions for Project Controls, majority firm; WPUSA, Inc., for Project Management, majority firm; and Accura Engineering and Consulting Services, Inc. for Project Management, small business target. MNAA received 1 solicitation for the Project Controls, small business target market, and it was deemed nonresponsive. That solicitation will be cancelled and rebid in the future. These will be 1-year contracts with 6 one-year renewal options with NTE \$8.7M for all four contracts including the future one.

The Operations Committee reviewed this item on October 11, 2023; however, there was not a quorum to vote on the item. Ms. Holton recommended that the Board of Commissioners accept the statements of qualifications by Innova Solutions, Accura Engineering and Consulting Services, Inc. and WSP USA Inc. to provide staff augmentation services at Nashville International Airport (BNA); and authorize the Chair and President and CEO to execute the Staff Augmentation Professional Services Contracts for an annual not-to-exceed aggregate contract value of \$8.7M annually; and authorize the President and CEO to execute any amendments for the Staff Augmentation Professional Services contracts as long as the total value of the contracts does not exceed the \$8.7M annual not-to-exceed amount.

Commissioner McWhorter asked if the \$8.7M was aggregate. Ms. Holton responded yes, and the staff analysis includes history of how we got to the \$8.7M for the contracts that we have in place today and MNAA feels that is sufficient. Chair Granbery asked of the companies

selected, how many are currently working at MNAA, to which Ms. Holton responded that Innova and WSP are both currently under contract.

Vice Chair Joslin made a motion to approve as presented which was seconded by Commissioner Giarratana. Chair Granbery asked Ms. Saxman for a roll call:

Chair Granbery - Yes

Vice Chair Joslin - Yes

Secretary Tyson -Yes

Commissioner Giarratana - Yes

Commissioner Johnson - Yes

Commissioner McWhorter – Yes

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

4. Professional Services (Design) Contract for Concourse A Reconstruction (Operations)

Ms. Holton stated at the Operations Committee meeting, Chair Granbery asked the team to provide a quick overview of how Concourse A fits into MNAA's overall plans before approval of the design contract. The Concourse D extension will add 5 gates that will serve as an empty chair so that we are able to demolish the existing Concourse A and build back the new Concourse A with 16 gates. The airlines currently residing on Concourse A will shift around, Southwest will move to the new Concourse D extension and the other will shift to those gates that they currently occupy. Chair Granbery asked if Concourse D has potential for additional gates. Ms. Holton stated yes, this layout does not represent what the design team developed for Concourse D extension. They recommend a record node and once BNA has a new air freight building and if the Multi-Purpose Building is torn down in the future, 2 more gates can be added, which will get us from 69 to 71 at the end of New Horizon.

President Kreulen stated we will talk about it soon and showed on the presentation slide where the extension for Concourse D there is an air freight building. MNAA is in the design phase of the extension now and once the tenants vacate the building and move into the multipurpose building, demo of the air freight building will begin. When demo is complete, the extended concourse goes on top. When Concourse A shuts down for demo, those airlines will be redistributed. President Kreulen showed on the presentation slide where all the construction is on I-40, and the ramp that was built, requiring a 95 foot raise, to get ready to

bring airplanes on both sides of the terminal. The ground is now settling, and a concrete cap will be put on top of it while Concourse A is being built. There are a lot of things required to put the puzzle together.

Ms. Holton stated the Professional Services Contract for Concourse A Reconstruction is for design and consulting services to relocate airlines and demolish and rebuild a 16-gate concourse. On June 8, 2023, MNAA issued an RFQ and received 4 proposals from Corgan, Fentress, HOK and KPK. The Selection Committee evaluated the responses on organization and personnel; project approach; and SMWBE participation and determined Corgan, Fentress, and HOK to be shortlisted. Interviews were conducted on July 27, 2023 and Fentress was the highest rated firm. The SMWBE goal participation was 9.62% MBE and/or WBE and Fentress committed to 14.75% participation. This will be approximately a 5 year project that will start as soon as the contract is executed. It was presented to Committee with a value of \$50M NTE, and MNAA has finalized the negotiated amount to \$47.1M.

The Operations Committee reviewed this item on October 11, 2023; however, there was not a quorum to vote on the item. Ms. Holton recommended that the Board of Commissioners authorize the Chair and President and CEO to execute the Professional Services Contract to Fentress Architects in the amount not-to-exceed \$47.1M.

Vice Chair Joslin made a motion to approve as presented which was seconded by Commissioner Giarratana. Chair Granbery asked Ms. Saxman for a roll call:

Chair Granbery - Yes

Vice Chair Joslin - Yes

Secretary Tyson -Yes

Commissioner Giarratana - Yes

Commissioner Johnson - Yes

Commissioner McWhorter – Yes

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

5. Construction Contract for JWN Terminal Parking Lot Expansion (Operations)

Ms. Holton reported the Construction Contract for JWN Terminal Parking Lot Expansion is to construct additional vehicular parking near the terminal building and re-pave a part of Tune Airport Drive. On August 21, 2023, an ITB was advertised with 3 bid schedules and 1 add

alternate. MNAA received 2 bids on September 21, 2023 from Civil Constructors and Rogers Group, Inc., with Rogers Group, Inc. being the lowest bidder. Based on availability of funding and needs of the airport, schedule 3 with add alternate 1 was selected for \$1.58M, which was 6% lower than Engineer of Record. The DBE goal was 19.87% and DBE participation is 16.39%. Business Diversity Development determined the contractor demonstrated good faith efforts. Funding is federal 48%, state (federal pass-through) 42% and MNAA 52%.

The Operations Committee reviewed this item on October 11, 2023; however, there was not a quorum to vote on the item. Ms. Holton recommended that the Board of Commissioners authorize the Chair and President and CEO to execute the construction contract with Rogers Group, Inc. in the amount of \$1,582,781.25.

Vice Chair Joslin made a motion to approve as presented which was seconded by Commissioner Giarratana. Chair Granbery asked Ms. Saxman for a roll call:

Chair Granbery - Yes

Vice Chair Joslin - Yes

Secretary Tyson -Yes

Commissioner Giarratana - Yes

Commissioner Johnson - Yes

Commissioner McWhorter – Yes

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

6. Amendment to British Airways Incentive Agreement (London) (Finance)

President Kreulen introduced Josh Powell, AVP, Airline Affairs & Air Service Development, who briefed the Committee on the Amendment to British Airways Incentive Agreement (London). British Airways is currently serving London daily. On June 16, 2021 the Board approved a 2-year incentive for British Airways to be effective from December 9, 2021 to December 8, 2023. Mr. Powell recommended amending this incentive to change the expiration date from December 8, 2023 to February 29, 2024 to recognize the period in which no flights occurred due to a surge in COVID-19 cases and subsequent related pause of service. Flights ceased January 2022 and did not resume until May 2022. Mr. Powell also recommended the maximum available incentive be raised from \$2M to \$2.5M, due to increase in flight frequency, increase in airport rates-and-charges from original approval, and extension months are at higher rates and charges than the pause in service period.

The Finance Committee voted 3 to 0 to recommend approval on October 11, 2023. Mr. Powell requested the Board of Commissioners: 1) approve funding for the proposed amendment to British Airways Letter of Agreement (“LOA”), including extending the term to February 29, 2024 and increasing the cap of landing and facility fee abatement to \$2.5M; and 2) authorize the Chair and President & CEO to execute the LOA Amendment by and between MNAA and British Airways outlining the specific terms of the proposed incentive amendment.

Vice Chair Joslin asked who is using the \$7.5M kitchen, to which Mr. Powell replied British Airways primarily uses it, along with American Airlines, Alaska Airlines and JetBlue. President Kreulen stated the kitchen will reach capacity as BNA gets more international flights, and a new international kitchen will have to be built. Chair Granbery asked if Flair, Air Canada and WestJet are giving any feedback on their performance. Mr. Powell replied yes, the feedback has been positive. Commissioner McWhorter asked what happens at the end of the incentive term, to which President Kreulen replied, then the airline starts paying MNAA. MNAA updates the Air Service Incentive Plan (“ASIP”) every few years. Secretary Tyson asked if MNAA paid British Airways during the pause. Mr. Powell replied the incentive is an abatement of fees, and there were no landing fees and facility fees during that time because British Airways was not operating. Chair Granbery asked if the incentives are just for international flights. Mr. Powell replied correct, it is international flights and Hawaii. MNAA has a domestic incentive policy up to \$25K, but they are such small amounts Board approval is not required.

Commissioner Johnson made a motion to approve as presented which was seconded by Commissioner McWhorter. Chair Granbery asked Ms. Saxman for a roll call:

Chair Granbery - Yes

Vice Chair Joslin - Yes

Secretary Tyson -Yes

Commissioner Giarratana - Yes

Commissioner Johnson - Yes

Commissioner McWhorter – Yes

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

President Kreulen informed the Board that Mr. Powell just landed last night from Turkey where he represented MNAA in the World Routes Conference. President Kreulen asked Mr.

Powell to please comment on British Airways so the Commissioners can understand how competitive Nashville is with regard to the population, where BNA stands on routes, and how we compare on load factor. Mr. Powell stated British Airways currently serves 26 US Markets and BNA is 24th in population of those 26 markets that they are serving and is third in load factor. For the size of the city we have, British Airways is doing very well.

7. Trademark License Agreement (Hilton BNA) (Finance)

President Kreulen introduced Carrie R. Logan, VP, Associate General Counsel, who briefed the Committee on the Trademark License Agreement. Ms. Logan stated this is a Trademark License Agreement between MNAA and Nashville Airport Hotel Partners, LLC., which is a special purpose entity for Chartwell Hospitality (“Chartwell”) building the hotel across the plaza and MNAA’s Administrative Building. The Project Lease Agreement contemplates the use of BNA in the name of the hotel and restaurant concept. The hotel’s official name will be “Hilton BNA Nashville Airport Terminal” and there are certain instances where MNAA can shorten the name to “Hilton BNA”. The Hilton also has a restaurant concept that will be “BNA Sky Pavilion”. The Trademark License Agreement terms include: 1) Gratis license, based on the provisions of the existing Project Lease Agreement; 2) Seven-year terms, which auto renew; and 3) Tenant is required to follow MNAA quality and brand standards. This Trademark License Agreement will allow MNAA to file additional trademark applications and continue to build the BNA brand.

The Finance Committee voted 3 to 0 to recommend approval on October 11, 2023. Ms. Logan requested the Board of Commissioners that it: 1) Approve the terms negotiated between MNAA and Nashville Airport Hotel Partners, LLC (the “Tenant”) via the trademark license agreement; and 2) Authorize MNAA Staff and the Board of Commissioners to execute a trademark license agreement between MNAA and Tenant.

Commissioner Johnson made a motion to approve as presented which was seconded by Commissioner McWhorter. Commissioner Johnson asked Ms. Saxman for a roll call:

Chair Granbery - Abstained (Recused himself from vote)

Vice Chair Joslin - Yes

Secretary Tyson -Yes

Commissioner Giarratana - Yes

Commissioner Johnson - Yes

Commissioner McWhorter – Yes

The motion was passed with a vote of 5 to 0.

I. INFORMATION ITEMS

1. BNA Concessions Program Update (Finance)

President Kreulen stated that the Fraport Terminal Concessions Program has done a great job with 8 concessions locations opened on September 25, 2023 and 2 locations scheduled to start construction on December 1, 2023. Fraport has also been working had on Concourse D extension with 7 Letters of Intent to be executed mid-October and will require Board approval.

President Kreulen reported that Paradies Satellite Concourse Concession Program has 7 locations under construction. Three are expected to open on October 21, 2023 and four will open late (Fat Bottom, Jimmy Johns, Bongo Java and TX MX). The 3 travel essentials stores will provide temporary cold food and coffee, and Distillery District & Gulch Goods will provide hot sandwiches. BNA has a good contingency plan for now and President Kreulen spoke directly with the CEO of Paradies. The concessions team meets daily with Paradies. Paradies understands they are going to be fined \$10K per day per location. Allegiant and Spirit will move over to the Satellite Terminal and operate over there. Secretary Tyson asked if there is a reason for the delay. President Kreulen replied the Program Manager needed to be an assertive leader.

2. FAA DBE/ACDBE Mini-Compliance Review (Management)

President Kreulen stated FAA staff evaluated MNAA for compliance with specific elements of ACDBE/DBE requirements and noted some areas that we did well on and focused on several areas that we need to take corrective action. President Kreulen stated FAA found that BNA performed well at monitoring of prompt payment, certification, outreach efforts, and general support for ACDBE firms. The areas for correction action are: 1) update and sign DBE Policy; 2) update and sign ACDBE Policy Statement; 3) submit DBE goal methodology for FY23-FY25; and 4) develop/update procedures for reviewing prime and subcontracts. FAA changes required contract provisions frequently and it is very difficult for Procurement team to keep up with the changes. Staff will follow up with the FAA to verify. Overall, it was a good audit, with no findings of significance. President Kreulen complimented Davita Taylor, Vice President, Procurement and Business Diversity, and her Procurement team on the great job that they have done. He informed

the Board that with these types of programs, it takes months to get the report back and staff just received it in late September.

Chair Granbery stated that he would like to take the time to compliment President Kreulen and staff on the grand opening of the IAF + Marketplace and the management of the airport, all while having a billion-dollar construction project, with so many moving parts, in progress.

VII. ADJOURN

There being no further business brought before the Board, Chair Granbery 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 9:48 a.m.

Andrew Byrd , Board Secretary

The following Affidavits are to address the recommendation in the Memo from Adams and Reese, LLP dated December 5, 2023.

AFFIDAVIT OF DOUGLAS E. KREULEN

STATE OF TENNESSEE)
)
COUNTY OF DAVIDSON)

I, Douglas E. Kreulen, having first been duly sworn, state the following:

1. I am over 18 years of age, am of sound mind, and am competent to make this affidavit.

This affidavit is based upon my own personal knowledge of the production of minutes for both Committee and Board meetings of the Board of Commissioners.

2. I am the President and Chief Executive Officer for the Metropolitan Nashville Airport Authority (MNA).

3. I established MNA's standard operating procedures for the creation of meeting minutes related to both Committee and Board meetings of MNA's Board of Commissioners. These procedures have been consistently followed since I assumed the position of President and CEO in December of 2017.

4. My role in that process is to ensure that the Staff Secretary produces the minutes by listening to the audio recordings of the committee/board meetings. While listening to the audio recording the Staff Secretary transcribes the recordings into a word document. The word document is then reviewed by a Staff Attorney and the Deputy Chief Executive Officer for accuracy. Once the Staff Attorney and Deputy Chief Executive Officer complete their review they are provided to the President & CEO for a final review. Once the President and CEO finished the review the final document is sent to the Board of Commissioners for their review. Meeting minutes are then reviewed and approved at the next Committee and/or Board meeting.

5. The staff of the Airport Authority should be commended for their professionalism, their commitment to ethical business practices, their integrity, and their conduct.

6. The October 11, 2023, Operations, Finance and Management Committee minutes and October 18, 2023, Board minutes are an accurate record of those meetings and they were taken and prepared in accordance with MNAA's standard meeting procedures outlines above.

Further, affiant sayeth not.



Douglas E. Kreulen, A.A.E.
President and Chief Executive Officer
Metropolitan Nashville Airport Authority

Sworn to and subscribed before me, the undersigned notary public, on this the 11th day of December 2023.



Notary Public

My Commission Expires: 11/06/2024

AFFIDAVIT OF LISA K. LANKFORD

STATE OF TENNESSEE)
)
COUNTY OF DAVIDSON)

I, Lisa K. Lankford, having first been duly sworn, state as follow:

1. I am over 18 years of age, am of sound mind, and am competent to make this affidavit.

This affidavit is based upon my own personal knowledge of the production of minutes for both Committee and Board meetings of the Board of Commissioners.

2. I am the Deputy Chief Executive Officer and Chief Strategy Officer at the Metropolitan Nashville Airport Authority (MNAA).

3. I am familiar with MNAA’s standard meeting procedures for the creation of meeting minutes of MNAA’s Board of Commissioners and its committees. I have consistently followed these procedures since they were established by the President and CEO in December of 2017.

4. My role in that process is to oversee the Staff Secretary in the production of the minutes by listening to the audio recordings of the Committee/Board meetings and transcribing them into a word document. The word document is then reviewed by a Staff Attorney and the Deputy Chief Executive Officer for accuracy. Once the Staff Attorney and Deputy Chief Executive Officer complete their review they are provided to the President & CEO for a final review. Once the President and CEO finished the review the final document is sent to the Board of Commissioners for their review. Meeting minutes are then reviewed and approved at the next Committee and/or Board meeting.

5. The October 11, 2023, Operations, Finance and Management Committee minutes and October 18, 2023, Board minutes are an accurate record of those meetings and they were prepared in accordance with MNAA’s standard meeting procedures outlined above.

Further, affiant sayeth not.

Lisa K. Lankford

Lisa K. Lankford, A.A.E.
Deputy Chief Executive Officer & Chief Strategy Officer
Metropolitan Nashville Airport Authority

Sworn to and subscribed before me, the undersigned notary public, on this the 11th day of December, 2023.



Carol Lecian

Notary Public

My Commission Expires: 11/06/2024

Further, affiant sayeth not.

Patricia Saxman

Patricia "Trish" Saxman
Staff Secretary and Executive Assistant to the President and CEO
Metropolitan Nashville Airport Authority

Sworn to and subscribed before me, the undersigned notary public, on this the 11th day of December, 2023.



Carol Lecian

Notary Public

My Commission Expires: 11/06/2024

AFFIDAVIT OF IJEOMA IKE

STATE OF TENNESSEE)
)
COUNTY OF DAVIDSON)

I, Ijeoma Ike having first been duly sworn, state as follow:

1. I am over 18 years of age, am of sound mind, and am competent to make this affidavit.

This affidavit is based upon my own personal knowledge.

2. I am Senior Counsel at the Metropolitan Nashville Airport Authority (MNA).

3. I am familiar with MNA's standard meeting procedures for the creation of meeting minutes of MNA's Board of Commissioners and its committees, and I have followed these procedures consistently.

4. My role in that process is to review for accuracy, the draft minutes prepared by the Executive Assistant to the President & CEO. Once the Deputy Chief Executive Officer and I complete our review, we provide them to the President & CEO for a final review. Once the President and CEO completes the review, the final document is sent to the Board of Commissioners for their review. Meeting minutes are then reviewed and approved at the next Committee and/or Board meeting.

5. The October 11, 2023, Operations, Finance and Management Committee minutes and October 18, 2023, Board minutes were taken and prepared in accordance with MNA's standard meeting procedures and are an accurate record of those meetings.

Further, affiant sayeth not.



Ijeoma Ike
Senior Counsel
Metropolitan Nashville Airport Authority

Sworn to and subscribed before me, the undersigned notary public, on this the 11th day of December, 2023.



Carol Lecian

Notary Public

My Commission Expires: 11/06/2024

AFFIDAVIT OF DOUGLAS E. KREULEN

STATE OF TENNESSEE)
)
COUNTY OF DAVIDSON)

I, Douglas E. Kreulen, having first been duly sworn, state the following:

1. I am over 18 years of age, am of sound mind, and am competent to make this affidavit.

This affidavit is based upon my own personal knowledge of the solicitation, procurement, authorization and execution of all contracts, leases, agreements, amendments and supplemental agreements for goods, services and capital outlay items for the Metropolitan Nashville Airport Authority.

2. I am the President and Chief Executive Officer for the Metropolitan Nashville Airport Authority (MNA).

3. Procedures for the solicitation, procurement, authorization and execution of all contracts, leases, agreements, amendments and supplemental agreements for goods, services and capital outlay for the Metropolitan Nashville Airport Authority are in accordance with the 3rd Amended and Restated Bylaws of the Board of Commissioners of the Metropolitan Nashville Airport Authority, the Procurement Policy of the Metropolitan Nashville Airport Authority, and all applicable rules and regulations. These procedures have been consistently followed since I assumed the position of President and CEO in December of 2017.

4. My role in that process is to ensure that Procurement, Business Diversity Development, Operations, Maintenance, Engineering, Public Safety, Finance and the Law Department solicit, procure, review, and execute all contracts, leases, agreements, amendments and supplemental agreements for goods, services and capital outlay in accordance with these procedures, and that Board approval is

obtained in accordance with Section 4.4, Contracting Matters, of the 3rd Amended and Restated Bylaws of the Board of Commissioners of the Metropolitan Nashville Airport Authority.

5. All contracts approved and/or executed from July 1, 2023 – October 31, 2023 were prepared in accordance with the procedures and policies outlined above.

Further, affiant sayeth not.



Douglas E. Kreulen, A.A.E.
President and Chief Executive Officer
Metropolitan Nashville Airport Authority

Sworn to and subscribed before me, the undersigned notary public, on this the 13th day of December 2023.



Notary Public

My Commission Expires
January 4, 2027
My Commission Expires: _____

AFFIDAVIT OF MARGARET “MARGE” BASRAI

STATE OF TENNESSEE)
)
COUNTY OF DAVIDSON)

I, Margaret “Marge” Basrai, having first been duly sworn, state the following:

1. I am over 18 years of age, am of sound mind, and am competent to make this affidavit.

This affidavit is based upon my own personal knowledge of the solicitation, procurement, authorization and execution of all contracts, leases, agreements, amendments and supplemental agreements for goods, services and capital outlay items for the Metropolitan Nashville Airport Authority.

2. I am the Chief Financial Officer for the Metropolitan Nashville Airport Authority (MNA).

3. Procedures for the solicitation, procurement, authorization and execution of all contracts, leases, agreements, amendments and supplemental agreements for goods, services and capital outlay for the Metropolitan Nashville Airport Authority are in accordance with the 3rd Amended and Restated Bylaws of the Board of Commissioners of the Metropolitan Nashville Airport Authority, the Procurement Policy of the Metropolitan Nashville Airport Authority, and all applicable rules and regulations. These procedures have been consistently followed since I assumed the position of Chief Financial Officer in January of 2018.

4. My role in that process is to ensure that Finance accounts for receipts and disbursements related to all contracts, leases, agreements, amendments and supplemental agreements for goods, services and capital outlay in accordance with these procedures, that Board approval is obtained in accordance with Section 4.4, Contracting Matters, of the 3rd Amended and Restated Bylaws of the Board of Commissioners of the Metropolitan Nashville Airport Authority, and that these duties

are performed in accordance with Section 3.3.5, Treasurer, of the 3rd Amended and Restated Bylaws of the Board of Commissioners of the Metropolitan Nashville Airport Authority.

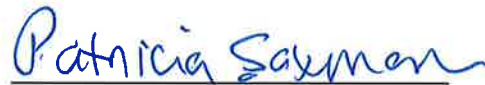
5. All contracts approved and/or executed from July 1, 2023 – October 31, 2023 were prepared in accordance with the procedures and policies outlined above.

Further, affiant sayeth not.



Margaret "Marge" Basrai, CPA, CGMA, C.M.
EVP & Chief Financial Officer
Metropolitan Nashville Airport Authority

Sworn to and subscribed before me, the undersigned notary public, on this the 13th day of December 2023.



Notary Public

My Commission Expires
January 4, 2027

My Commission Expires: _____

AFFIDAVIT OF ROBERT L. RAMSEY

STATE OF TENNESSEE)
)
COUNTY OF DAVIDSON)

I, Robert L. Ramsey, having first been duly sworn, state the following:

1. I am over 18 years of age, am of sound mind, and am competent to make this affidavit.

This affidavit is based upon my own personal knowledge of the solicitation, procurement, authorization and execution of all contracts, leases, agreements, amendments and supplemental agreements for goods, services and capital outlay items for the Metropolitan Nashville Airport Authority.

2. I am the Chief Operating Officer for the Metropolitan Nashville Airport Authority (MNAA).

3. Procedures for the solicitation, procurement, authorization and execution of all contracts, leases, agreements, amendments and supplemental agreements for goods, services and capital outlay for the Metropolitan Nashville Airport Authority are in accordance with the 3rd Amended and Restated Bylaws of the Board of Commissioners of the Metropolitan Nashville Airport Authority, the Procurement Policy of the Metropolitan Nashville Airport Authority, and all applicable rules and regulations. These procedures have been consistently followed since I assumed the position of Chief Operating Officer in December of 2017.

4. My role in that process is to ensure that Operations, Maintenance, Engineering and Public Safety solicit, procure, review, and execute all contracts, leases, agreements, amendments and supplemental agreements for goods, services and capital outlay in accordance with these procedures, that Board approval is obtained in accordance with Section 4.4, Contracting Matters, of the 3rd Amended and Restated Bylaws of the Board of Commissioners of the Metropolitan Nashville Airport Authority,

and that these duties are performed in accordance with Section 3.3.6, Chief Engineer, of the 3^d Amended and Restated Bylaws of the Board of Commissioners of the Metropolitan Nashville Airport Authority.

5. All contracts approved and/or executed from July 1, 2023 – October 31, 2023 were prepared in accordance with the procedures and policies outlined above.


Further, affiant sayeth not.



Robert L. Ramsey, P.E., A.A.E., I.A.P.
EVP & Chief Operating Officer
Metropolitan Nashville Airport Authority

Sworn to and subscribed before me, the undersigned notary public, on this the 13th day of December 2023.





Notary Public

My Commission Expires: January 4, 2027

AFFIDAVIT OF NEALE R. BEDROCK

STATE OF TENNESSEE)
)
COUNTY OF DAVIDSON)

I, Neale R. Bedrock, having first been duly sworn, state the following:

1. I am over 18 years of age, am of sound mind, and am competent to make this affidavit.

This affidavit is based upon my own personal knowledge of the solicitation, procurement, authorization and execution of all contracts, leases, agreements, amendments and supplemental agreements for goods, services and capital outlay items for the Metropolitan Nashville Airport Authority.

2. I am the General Counsel and Chief Compliance Officer for the Metropolitan Nashville Airport Authority (MNAA).

3. Procedures for the solicitation, procurement, authorization and execution of all contracts, leases, agreements, amendments and supplemental agreements for goods, services and capital outlay for the Metropolitan Nashville Airport Authority are in accordance with the 3rd Amended and Restated Bylaws of the Board of Commissioners of the Metropolitan Nashville Airport Authority, the Procurement Policy of the Metropolitan Nashville Airport Authority, and all applicable rules and regulations. These procedures have been consistently followed since I assumed the position of General Counsel and Chief Compliance Officer in March of 2021.

4. My role in that process is to ensure that Procurement, Business Diversity Development, and the Law Department solicit, procure, review, and execute all contracts, leases, agreements, amendments and supplemental agreements for goods, services and capital outlay in accordance with these procedures, that Board approval is obtained in accordance with Section 4.4, Contracting Matters, of the 3rd Amended and Restated Bylaws of the Board of Commissioners of the Metropolitan Nashville

Airport Authority, and that these duties are performed in accordance with Sections 3.3.4, Legal Counsel, and 4.4.3, Procurement Procedures, of the 3rd Amended and Restated Bylaws of the Board of Commissioners of the Metropolitan Nashville Airport Authority.

5. All contracts approved and/or executed from July 1, 2023 – October 31, 2023 were prepared in accordance with the procedures and policies outlined above.

Further, affiant sayeth not.



Neale R. Bedrock, Esq.
EVP, General Counsel & Chief Compliance Officer
Metropolitan Nashville Airport Authority

Sworn to and subscribed before me, the undersigned notary public, on this the 13th day of December 2023.



Notary Public

My Commission Expires
January 4, 2027
My Commission Expires: _____

Minutes of the Special Meeting of the MNAA Board of Commissioners and MPC Board of Directors



Date: November 6, 2023

Location: Metropolitan Nashville Airport Authority
Tennessee Boardroom

Time: 3:00 p.m.

Board Members Present: Joycelyn Stevenson, Chair; Andrew Byrd, Secretary; Bill Freeman; Nancy Sullivan; and Dr. Glenda Glover

Board Members Absent: Jimmy Granbery, Vice Chair; Bobby Joslin

MNAA Staff Present: Doug Kreulen, Neale Bedrock, Lisa Lankford, Trish Saxman, Marge Basrai, Daniel B. Brown, Chris Davidson, Kristen Deuben, Adam Floyd, Traci Holton, Ijeoma Ike, Carrie Logan, Ted Morrissey, Rachel Moore, Stacey Nickens, Olivia Parven, Josh Powell, Robert Ramsey, Erin Thomas, and Destiney Williams

I. CALL TO ORDER

In accordance with the 3rd 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 Special Meeting to order at 3:00 p.m., pursuant to Public Notice posted to the MNAA website November 2, 2023.

II. PUBLIC COMMENTS

Chair Stevenson stated there were no public comment requests received.

III. CHAIR'S REPORT

Chair Stevenson stated it is good to see everyone at the table again and that she will keep her remarks short because there is a lot to cover. There are a lot of important issues going on with our city and our state and all around the world and she realizes it is a privilege to sit here and to be able to be here and talk today. Chair Stevenson stated she knows the impact that we all have, and that the airport has on our city and those who utilize it, she stated. The important thing for her to keep in mind as Chair is that we are here to do work. We are here to fulfill our responsibilities as Board members, and we are also human, and we are navigating some circumstances that none of us envisioned a year ago. But here we are, and we will do our jobs

diligently, respectfully and thoughtfully. She informed the Board that they have several meetings coming up in the next couple of weeks. Wednesday the regularly scheduled Committee meetings will be held and we will commit to keeping them, and the regularly scheduled Board meeting will be November 15, 2023. Today's agenda has been streamlined so the Board can focus on some important updates and summaries of actions taken over the last four months. She stated she had asked President Kreulen to provide information on all action items and all votes and to provide the Board a chance to ask questions to get a better understanding of the support behind the decisions and any consequences this Board needs to consider.

She said that she hopes to have a productive and respectful discussion today because at the end of the day all of us care about the airport and the 387 employees that work here, the 11K badge holders that come in and out every day, and the 22M passengers who expect us to be functioning, competent, compassionate and committed to serving their needs. Chair Stevenson asked President Kreulen to give a brief President's report and then to do a deep dive into all the actions since July. She encouraged the Board members to ask questions and figure out if more information or clarification is needed. And lastly at the end, she will provide all the Board members an opportunity to give any additional feedback, thoughts, issues or concerns they may have.

IV. PRESIDENT'S REPORT

President Kreulen thanked Chair Stevenson, welcomed back all the Board members, and stated it is good to see friends and business partners that have helped us run the airport for many years and he looks forward to updating the Board on the activity that has transpired over the last four months. President Kreulen stated for the big picture, MNAA is on budget and on schedule and, the passenger growth rate in the four months since the new fiscal year started is plus 9% above last year's record of 18.9%. BNA continues to grow and expand, and we are very thankful for Mayor O'Connell's outreach and willingness to meet yesterday. We had a very productive session with him, Wally Dietz and our legal counsel, and we appreciate what he is trying to do for the city and to move forward. President Kreulen stated he would proceed with the updates.

V. SPECIAL MEETING TOPICS

President Kreulen stated the topics today are to inform the Board about the activities of the July through October Board meetings. In the discussion yesterday Mayor O'Connell stated the key

questions that he is receiving from Commissioners and the concern received from the Chair are “what has been going on” and “how to bring the Board up to speed”. President Kreulen said he would start with 12 items from Operations, then 5 items from Finance and finish up with 2 items from Management that were discussed with the previous Commissioners and acted upon by them. President Kreulen and the legal team discussed the appropriate state law that governs these types of decisions with the Mayor and Mr. Dietz yesterday, and the de facto officer doctrine, which indicates that approvals by this Board through this time period are deemed constitutional, but he would like to give the Board an update on where we are at and what decisions were made so that they will feel comfortable with these decisions.

Commissioner Glover asked if those items are the entirety of the approved items, to which President Kreulen replied these are the 12 approved items from the Operations Committee, and the normal informal informational updates on construction at JWN and BNA are not on here, but what he is covering will demonstrate to the Board that MNAA is on time and on par budget-wise on all of those projects. One of the challenges that the Chair and he discussed earlier today, is how to move forward with the Commissioners regarding the Board Retreat. The Board Retreat is not on here, and it included a lot of information that focused on what is coming in the next 10 - 20 years at the Airport Authority. President Kreulen said he would try to give the Board an update at Wednesday’s Committee meetings. And then at that time, the Board will need to decide if a more in depth review is required. It would be a 5 - 6 hour session to go through all of the details from the Board Retreat and that that he would defer to the Board’s decision and guidance.

Commissioner Byrd asked if the three Committees should revisit each of these items individually and see whether they think they are a good idea and if they should ratify the actions. President Kreulen reminded the Board that per the de facto officer doctrine all decisions made by the duly empowered constitutionally seated between July 1, 2023 and October 31, 2023 at 3:23 PM are deemed to be correct and in the best interest of the Airport Authority. President Kreulen stated as we continue to go through the items, he believes the Board will feel comfortable that the previous Board was doing normal business operations. Commissioner Byrd agreed and stated he does not doubt that and the Board was a very qualified group, but he also thinks this Board should review these actions, should make sure these actions are satisfactory to this Board, and should determine if we step up and ratify those decisions if that is the appropriate legal step to take.

Chair Stevenson stated as a follow up to Commissioner Byrd's concern, this is the reason that the Board is having a Special Board Meeting today, so that we are not just jumping into the Committee meetings on Wednesday as if nothing happened, and we want to make sure we have a full accounting of everything that has happened since the State Board was seated in July. Chair Stevenson asked the Board members to speak up if they had any questions or concerns and noted that items can be revisited on Wednesday if the Board feels there is a need to ratify, provide additional scrutiny, or take a look at again from a legal perspective

Commissioner Glover stated that she believes today the Board should be listening to what has happened the past 4 months, and if the Board thinks some prior approvals need to be ratified, the Board can do that on Wednesday. Commissioner Byrd stated he would like to further investigate what the correct legal treatment is, whether it is the de facto office doctrine or whatever the appropriate approach, just to make sure that the people and citizens of Nashville know that this Board sat down and reviewed these actions and made sure that they are in the best interest of the Metropolitan Government of Nashville and Davidson County.

President Kreulen replied that he thinks the Board will feel comfortable as we review these items, and that this Board would have supported the same decisions that were made. Today's presentation includes the actual slides that were presented when the items were approved by the State Board. Chair Stevenson stated if this Board has additional questions that may not have been asked by the other Board, then those can be discussed today and brought to the Committee meetings. Chair Stevenson asked President Kreulen to present the items.

1. Professional Services Contract for Executive Program Management (July)

President Kreulen stated this contract is to provide an additional 7 years of Executive Program Management Services. The contract was approved for Paslay Group. As the Commissioners are aware, he said, the Paslay Group has been a participant with us from 2017 through 2023. Paslay Group helped MNAA successfully build the BNA Vision program. This is a new contract for one year, with 6 one-year renewals, and was approved to get MNAA through the New Horizon program and the beginning of whatever comes out of Terminal 2. The annual cost is \$6.5M NTE and \$45.5M if granted all of the renewals.

Staff and the Operations Committee recommended approval to the full Board on July 19, 2023. The Board of Commissioners voted 6 to 0 to accept the Statement of Qualifications by

Paslay Group to provide executive program management services and authorize the Chair and President & CEO to execute the contract for \$6.5M NTE annually.

President Kreulen stated he has one comment, as the Board looks at this and considers ratification, the biggest challenge is that these were acted by the Commission at the time and that triggered staff to move forward with the contracts and execute those contracts and those contracts are moving forward at this point.

2. Professional Services Contract for Terminal 2 Siting Study (August)

President Kreulen stated this contract is a Professional Services Contract for Terminal 2 Siting Study and was awarded to Strategic Planning Services, Inc. (“SPS”). MNAA had multiple contractors submit and the selection committee chose SPS as the most qualified team. The term is a 1-year contract for \$3.5M NTE to help us determine location of Terminal 2. The current BNA terminal today has a capacity of north of 35M passengers, being at 22M today, we need to start looking towards the future. The master plan shows 2 possible locations, to the east of Donelson and to the south of our midfield runway. SPS is still negotiating the fees and contract to stay within the budget and are proposing to look at 6 sites and narrow it down to 2 and with Board’s approval further narrow it down to where a future terminal would go.

Staff and the Operations Committee recommended approval to the full Board on August 16, 2023. The Board of Commissioners voted 5 to 0 to authorize the Chair and President and CEO to execute the Professional Services Contract with SPS for a not-to-exceed contract value of \$3,500,000.

Chair Stevenson asked if President Kreulen recalls the rationale for selecting SPS. President Kreulen responded yes, SPS was evaluated on 9 different subjects: situational assessment, existing conditions evaluation, terminal sizing, terminal siting, terminal access and connection, preliminary engineering, environmental and geotechnical feasibility, preferred alternatives selection, financial and implementation feasibility, and final documentation to include future CONRAC. Three companies provided the Statement of Qualifications (“SOQ”): SPS, HOK and Jacobsen Daniels, with SPS scoring the highest at 503, HOK was 366 and Jacobsen Daniels was 434. The contract was awarded to SPS based on the evaluation.

Commissioner Byrd stated obviously the Terminal 2 is a huge issue and a huge opportunity for our airport and that it is one the Operations Committee needs to sit down and get fully aware of in terms of our current developments as we move forward to getting this contract executed with the proposed broker. President Kreulen stated to that point, we will have another 12 months to engage with SPS to determine where that is. Another compliment to Mayor O'Connell, he asked at the conclusion of our meeting yesterday that he would like to get together with him in the future. President Kreulen stated he was on a leadership Nashville panel this past Thursday on transportation with NDOT and the challenge for us today is we built the facilities to get up to 35M passengers, but in order to get to 70M passengers for the city, we must determine where this next terminal is going, and how to get 70M people in and out on an annual basis. President Kreulen stated he accepts that challenge.

Commissioner Glover requested that as the items are presented, to list the minority participation. President Kreulen apologized and stated yes—regarding the first item, it was race and gender neutral and on the Terminal 2 Siting Study the SMWBE Goal was 6.51% which SPS met with 7% WBE participation using Civil Infrastructure Associates and Presentation & Design. Commissioner Sullivan requested the item be flagged to send the Staff Analysis. President Kreulen replied yes, it would be sent.

3. Professional Services Contract for On Call Engineering Services (August)

President Kreulen stated the Professional Services Contract for On Call Professional Engineering Services is for professional engineering design services for all engineering-led capital projects for the next 3 years. Garver LLC was selected for a 1-year contract with two 1-year renewal options at \$5M NTE. The SMWBE goal was 10% and Garver bid 10% WBE or MBE participation using Civil Infrastructure Associates and Shrewsberry.

President Kreulen stated that as a point to how important these contracts are, we are now using Garver, as previously mentioned in a recent update to Commissioners, on efforts to improve traffic with TDOT, Garver is going to help us design the widening of I-40 to 2 lanes exiting as it hits BNA. This requires permission to make it wider and Robert Ramsey, EVP, Chief Operating Officer, and his team is working on getting permission, and Garver is providing us with these on call services that we need some help with. Commissioner Glover inquired if the SMWBE participation is MBE. President Kreulen replied it will be any combination of WBE and

MBE, with Civil Infrastructure Associates as the WBE and the Shrewsbury is MBE to meet their 10% participation.

Staff and the Operations Committee recommended approval to the full Board on August 16, 2023. The Board of Commissioners voted 5 to 0 to authorize the Chair and President and CEO to execute the On Call Engineering Professional Services Contract with Garver for an annual not-to-exceed contract value of \$5,000,000.

Commissioner Byrd stated on Wednesday he would like to understand better who Garver is. President Kreulen replied that we use Garver often, and he would provide additional information on Garver.

4. TARI -Telecommunication Provider License and Access Fees Agreement - Crown Castle (August)

President Kreulen stated the telecommunication lines are moving through a bank that we built, and we are leasing space for access to that duct bank. Today AT&T, Lumen, Comcast and Verizon rent space and now Crown Castle is paying MNAA \$343,639 for their share of the cost to build that duct bank and they pay MNAA a prorated amount of conduit length and total space they occupy. To date AT&T, Lumen, Comcast and Verizon and now Crown Castle will have paid MNAA \$3,191,860.

Staff and the Operations Committee recommended approval to the full Board on August 16, 2023. The Board of Commissioners voted 5 to 0 to authorize the Chair and President and CEO to execute the license and receive \$343,639 in fees from Crown Castle.

5. Professional Services Contract for Commercial Trash, Recycled Materials and Electronics Disposal (August)

President Kreulen stated the Professional Services Contract for Commercial Trash, Recycled Materials and Electronics Disposal went to Waste Management, Inc. for 3 years plus two 1-year renewal options and the cost per year adds up to \$4M. This contract was race and gender neutral, with no SMWBE goal and Commissioner Glover asked why. Ms. Destiney Williams, Director, Procurement, replied that she will find out and get back with the information.

President Kreulen committed to give an update on Wednesday. Commissioner Glover replied with these big dollars going out, minority participation should be the first thing we think about. President Kreulen replied all contracts require evaluation for a goal, and the Board will see bigger numbers coming in on some of the other contracts.

Waste Management, Inc. will provide 4 recycling containers, 2 recycling compactors and 13 trash containers around the campus with the estimated tonnage of 4,026 tons and the recycling compactors was 325.8 tons.

Staff and the Operations Committee recommended approval to the full Board on August 16, 2023. The Board of Commissioners voted 5 to 0 to accept the proposal by Waste Management, Inc. for Trash Removal Services for BNA and Outlying Properties and authorize the Chair and President and CEO to execute the proposed contract for \$4M NTE.

6. Amendment to Professional Services Contract for Custodial Services – Satellite Concourse (August)

President Kreulen stated the Amendment to Professional Services Contract for Custodial Services is for the Satellite Concourse that is now open. The Commissioners previously approved the construction of the satellite concourse, which is now open, and this contract was added to Bestway Services, Inc. Bestway is a 100% minority owned firm and has an additional SMWBE goal of 18.11% participation to continue to expand minority opportunities within their own company. This contract has a total value is over \$9M. Commissioner Byrd stated that he imagines this was bid out, to which, President Kreulen replied, yes.

Staff and the Operations Committee recommended approval to the full Board on August 16, 2023. The Board of Commissioners voted 5 to 0 to accept the proposal by Bestway Services, Inc. for Professional (Custodial) Services for the Satellite Concourse and authorize the Chair and President and CEO to execute the proposed contract amendment for \$2.6M.

7. Design, Build, Operate and Maintain Virtual Ramp Control System (September)

President Kreulen stated the Design, Build, Operate and Maintain Virtual Ramp Control System is for remote virtual ramp control services for the BNA ramp. As BNA continues to grow in volume, we have so many commercial jets moving in and out of the concourses that we need a way to flow them out to the taxiways and runways that are controlled by the FAA.

This was a request prior to the enactment of the Board legislation and to keep the airlines in a workable business framework, the airlines are renting space on top of Concourse C for an interim ramp control. They are looking out the windows and directing jets to move to the runways. This is our commitment to the airlines to build a virtual ramp control system, which will be located in a room in the Consolidated Services Facility (“CSF”) maintenance building. It will be a room with all displays to be able to control the airplanes pushing back and which gates they go to from that center. This is due to open October 30, 2023. The Operations team worked with the Procurement team to put this together. MNAA had industry days here so potential contractors could see the challenges and everything we were trying to put together. We had 4 attendees for the pre-proposal meetings, DSI, Frequentis, SAAB and Garver. The Selection Committee evaluated the proposal on program management, technical approach, past technical experience (specifically Kansas City and Orlando airports) and VRC operations approach.

The selection committee recommended to SAAB Sensis to build it, because of the rapid pace of the airlines who want it operational by October of 2024. It includes design, build and operation. MNAA will roll the \$37M cost the airline rate model, and it is not something that MNAA funds. This is a service the airlines asked us to build. It came up after the airline agreement negotiations were complete, and because the volume continues to build so fast at Nashville, the airlines believe they need it for safety. The FAA was involved and will continue to be involved. Overall, this was a smart move on the airlines to start an interim tower, which the Operations team came up with good operational procedures for. This will be the permanent home for how we will control the volume of what is going in and out of the ramp.

Commissioner Glover asked if any part of this will use artificial intelligence. President Kreulen replied he has been to a few seminars lately discussing artificial intelligence and it really depends on how the question is asked. President Kreulen explained the way we use our scheduling and gate management tools now we try to best schedule which gates to use, so there may be a little bit of artificial intelligence. MNAA has a pretty sophisticated team in Operations that knows when the aircraft arrives and how long they can stay before being billed for being there too long. Due to the technical nature of this and the speed of which delivery was required, there was not a SMWBE goal. President Kreulen asked that the Commissioners also take into consideration that \$37M is something that is going to be billed directly to the airlines. Commissioner Glover asked if there is no goal at all for \$37M. President

Kreulen confirmed that the contract was race and gender neutral and had a goal of 0%, and he offered to flag this one if she further wishes to discuss. Commissioner Sullivan asked for the Staff Analysis as well.

Staff and the Operations Committee recommended approval to the full Board on September 20, 2023. The Board of Commissioners voted 6 to 0 to accept the proposal by SAAB Sensis for the design, build, operation & maintenance of a Remote Virtual Ramp Control System and authorize the Chair and President and CEO to execute the proposed contract for \$37.9M NTE (w/2 renewal options).

8. Construction Contract for Terminal Access Roadway Improvements Phase 2 (Operations)

President Kreulen briefed the Board on the Construction Contract for Terminal Access Roadway Improvements (“TARI”) Phase 2. This will be primarily grading, drainage and removal of all the rock on Donelson Pike. Once TDOT opens the connector roadway between Donelson Pike, Terminal Drive, and the Taxiway Bridges, construction of a new Airport Service Road will begin. TDOT has been moving Donelson Pike out of the way and they are about ready to connect the temporary connection to Donelson Pike and once that connection is made here in a few days that will allow us to begin demolishing the old Donelson Pike and lowering the road by 30-40 feet. The Commissioners participated in the federal part, where Secretary Buttigieg presented a \$7M check. The overall contract is \$23M awarded to Jones Brothers. MNAA received 4 bids, Cleary Construction, Jones Brothers, Superior and 1 bid was deemed as non-responsive because they did not meet the Disadvantaged Business Enterprise (“DBE”) goal. The DBE goal established for the project was 15.5% participation and Jones Bros was able to meet that goal. The bid was determined to be responsive and responsible.

Staff and the Operations Committee recommended approval to the full Board on October 18, 2023. The Board of Commissioners voted 6 to 0 to authorize the Chair and President and CEO to execute the proposed contract with Jones Bros. Contractors, LLC in the amount of \$23,759,322.50.

9. Construction Contract for Taxiway Bravo/Kilo Intersection Reconstruction (Operations)

President Kreulen stated the Construction Contract for Taxiway Bravo/Kilo Intersection Reconstruction has been discussed with the Commissioners and has been on the agenda for many years. This contract is for the reconstruction of the intersection of Taxiway Bravo and

Taxiway Kilo and removal of Taxiway Tango 3. MNAA pavement has met its useful life and has been identified as a hot spot by FAA. An Invitation to Bid (“ITB”) was advertised on May 22, 2023 and MNAA received one bid, from Hi-Way Paving, Inc. who is already doing work at BNA. The DBE participation goal was 18.78%, which Hi-Way Paving, Inc. met using Rutherford Contracting, Kimberly, Archangel, SB Johnson Construction, E3 Materials & Logistics, AH & Son Hauling and Gibco Construction. This is a 270 calendar day project. The bid was deemed responsive and responsible by the staff, however the amount of \$16,483,880 was over the capital improvement budget and after reviewing and analyzing it is our belief that we were just low on our engineering estimate. An amended FY24 Capital Improvement Plan (“CIP”) will be brought back to the Board in January.

Staff and the Operations Committee recommended approval to the full Board on October 18, 2023. The Board of Commissioners voted 6 to 0 to authorize the Chair and President and CEO to execute the proposed contract with Hi-Way Paving, Inc. in the amount \$16,483,880.

10. Professional Services Contracts for Staff Augmentation – BNA Vision/New Horizon (Operations)

President Kreulen stated the Professional Services Contracts for Staff Augmentation will be utilized to provide supplemental staffing to the Engineering Department to support the capital improvement programs including BNA Vision and New Horizon. The first 6 years was done with BNA Vision, and this is the group that is going to come in and help MNAA build the New Horizon Program. A Request for Qualifications (“RFQ”) was issued on August 8, 2023, with two primary categories, Project Management and Project Controls, and each had a solicitation for a majority firm and a small business target market, making it possible for a company to respond to 4 solicitations. MNAA received 16 Statements of Qualifications (“SOQ”). The selection company analyzed and recommended Innova Solutions for Project Controls, majority firm; WPUSA, Inc., for Project Management, majority firm; and Accura Engineering and Consulting Services, Inc. for Project Management, small business target. MNAA received 1 solicitation for the Project Controls, small business target market, and it was deemed nonresponsive. That solicitation will be cancelled and rebid in the future. The total for all 4 companies is \$8.7M NTE and this is designed to give us continuity for the building of the next 6-7 years for the New Horizon program.

Staff and the Operations Committee recommended approval to the full Board on October 18, 2023. The Board of Commissioners voted 6 to 0 to:

- 1) Accept the statements of qualifications by Innova Solutions, Accura Engineering and Consulting Services, Inc., and WSP USA Inc. to provide staff augmentation services at Nashville International Airport (BNA); and
- 2) Authorize the Chair and President and CEO to execute the Staff Augmentation Professional Services Contract(s) for an annual not-to-exceed aggregate contract value of \$8.7 Million annually; and,
- 3) Authorize the President and CEO to execute any amendments for the Staff Augmentation Professional Services Contracts as long as the total value of the contracts does not exceed the \$8.7M annual NTE amount.

Commissioner Glover asked if the work had already started. President Kreulen replied yes, they are scheduled to start on November 1, 2023, and Ms. Holton clarified MNAA is working on the contract to be signed. Commissioner Sullivan asked for Ms. Holton's definition of project controls. Ms. Holton replied they oversee the scheduling, change orders, all the pay outs that come in to make sure they do not run over budget. All the vision books the Commissioners receive each month are produced by the project controls. President Kreulen replied we have a 3 inch set of documents that comes out of project controls showing every spend, we call it the red slide to show us how we are doing to help us track all monies and they are the ones dealing directly with the contractor if there is a discrepancy to what they are invoicing us and the work that is done.

11. Professional Services (Design) Contract for Concourse A Reconstruction (Operations)

President Kreulen stated the Professional Services (Design) Contract for Concourse A Reconstruction is for demolition of the 7 gates on the existing Concourse A and reconstruction of 16 gates for a net of 10. The Commissioners previously awarded the contract for Concourse D and the extension of Concourse D, we are about to get into the demolition phase in the very near future to move the air freight building out of the way. Once that opens up in July 2025, then immediately this concourse will be closed within 30 – 60 days and it will get demolished over the time period and we are waiting for the roadwork that this Board previously approved, where we built the ramp up 95B, to finish settling before we put the

contract cap over the top of it. This is the company that will design that new concourse and as we will be bringing back the renderings of the space and how everything will fit together. Fentress has already been a partner out here and Corrigan was our architect for BNA Vision and Fentress will now be doing the building for this new concourse here. The SMWBE goal participation was 9.62% MBE and/or WBE and Fentress committed to 14.75% participation with a combination of WBE and MBE with CSBD, EOA Architects, Logan Patri, IES, CIA and Connico.

Staff and the Operations Committee recommended approval to the full Board on October 18, 2023. The Board of Commissioners voted 6 to 0 to authorize the Chair and President and CEO to execute the professional service contract to Fentress Architects in the amount of \$47,126,684.

12. Construction Contract for JWN Terminal Parking Lot Expansion (Operations)

President Kreulen stated the Construction Contract for JWN Terminal Parking Lot Expansion is to construct additional vehicular parking near the terminal building and repave a part of JWN Airport Drive. In October, Rogers Group, Inc. was awarded this contract, being the lowest bidder, with a 6-0 vote for \$1.58M. This will add 60 spaces maximizing the roadway and rebuilding a section shown on the slide. The DBE goal was 19.87% and DBE participation was 16.39%. Business Diversity Development determined the contractor demonstrated good faith efforts.

Staff and the Operations Committee recommended approval to the full Board on October 18, 2023. The Board of Commissioners voted 6 to 0 to authorize the Chair and President and CEO to execute the construction contract with Rogers Group, Inc. in the amount of \$1,582,781.25.

President Kreulen stated that the Operations Committee review was complete.

Chair Stevenson asked if President Kreulen and the team can create a list of the items approved by the prior Board and email all Commissioners so everyone can review, be on the same page and make any additions if needed.

Commissioner Byrd proposed taking these various items to the Committees and having them reviewed by the Committees to give everyone a chance to ask any questions they have in the Committees, because some Commissioner may have questions that have not been brought up at this point. Commissioner Byrd stated that he thinks that a review by the Committees and then further discuss ratification by the Board would be entirely appropriate. President Kreulen replied ratification is not a requirement by law, but he will defer to the Chair. Chair Stevenson asked Commissioner Glover for her thoughts regarding how the Board should handle this situation, and then to think through her thoughts on Wednesday from a Committee standpoint. Commissioner Glover asked Commissioner Sullivan if she would like to go first. Commissioner Sullivan stated she thinks there are a couple that she has some questions on, but does not believe that the Board has to review every one of them, but if that gave everyone comfort, she does not have any issues reviewing every item. Commissioner Byrd stated some of them will be really fast. Commissioner Glover stated for those contracts pursuant to which performance has begun, she would not like to upend those, but expressed concerned that for an airport this size, an engine of economic growth, the minority participation almost does not exist on quite a few of these contracts and she believes that the Committees should review those. She also stated she doesn't mind ratifying the approvals of the prior Board.

President Kreulen stated that the Board can review the list at the end of the meeting today, or can review Operations list now, whichever the Board chooses, or add to the Committee meetings this Wednesday, which will make the meeting longer. Chair Stevenson stated that the review of some items may be quick, and asked if the staff could tell the Board which contracts are already in place. Commissioner Byrd stated that maybe the Board can get an understanding of these items and then discuss them next time. Chair Stevenson stated if that is the case, then we can probably agree that with respect to some of those contracts that would not be appropriate and may affect us negatively at this point but if there are some that we have additional questions, then we will give Commissioners a chance and an opportunity to talk those through. Chair Stevenson stated that meetings are already set for Wednesday, which President Kreulen confirmed. Chair Stevenson stated if the Board has to be here longer, then it has to be here a little bit longer. This Board has returned after four months and can have a special meeting, if necessary, she said. She stated that she would like everyone to feel comfortable with where the Board is and that the Board has a lot to do currently and moving forward with the airport and that she wants the Board to be in a position to keep things moving.

President Kreulen stated that everyone is moving forward and that he wants to provide the Board with the information it needs to make them feel comfortable with moving forward. The biggest challenge from the President and CEO side of the house is the exposure to litigation if MNAA reverses the awarding of contracts. Commissioner Glover stated that the Board understands that and does not want to upend anything. Chair Stevenson stated she certainly wants to make sure we have those discussions as necessary and to let us know when there are issues. Commissioner Byrd stated that he wants this Board to have input. Commissioner Glover stated that the Board has an obligation to understand each and every one of these projects and to ask questions about them and if those questions result in further work being done, then so be it. Commissioner Glover likes the idea that some of the contracts were great but has questions on some of them. Chair Stevenson replied that the Board will work through them. President Kreulen asked if the Board would like to review now or at the end. Chair Stevenson replied at the end. Commissioner Glover replied she wanted confirmation that these were the only 12 items approved. Chair Stevenson stated these were all the approved items. President Kreulen replied yes, these are the 12 items that were brought forward to the Board of Commissioners from the Operations Committee for approval, and they were approved by the previous Board as indicated by the slide.

President Kreulen then stated that he would now run through the items presented to the Finance Committee.

1. JWN North Development Parcel 1 – Future SPE for Steve Smith

President Kreulen stated this is for one of the 10 parcels we had subdivided out of the northern section of JWN. The Special Purpose Entity (“SPE”) created by Mr. Smith, submitted a Letter of Intent for that parcel. You can see the base rent is at the average of all of the parcels together. Mr. Smith agreed to all of the previous terms that the other tenants agreed to that this Board previously approved.

Commissioner Byrd asked who Steve Smith was. President Kreulen replied he is a local business owner who does work on Broadway, and also a participant of Tootsie’s at BNA, and has a license agreement with the owner. Commissioner Byrd asked what he agreed to do. President Kreulen replied he is going to invest his capital to build a hangar on Parcel 1 and he

is going to begin paying MNAA with rent. It is a 30-year term with a 5-year option. President Kreulen reminded Commissioner Byrd that rates were determined when the Notice of Availability was issued, and that this was the last parcel. Tennessee Highway Patrol and TBI were interested in the parcel at one time, but they declined. MNAA went back out to all the participants that had previously submitted offers, and he got this parcel at the established \$2.70/sf rate. These are the terms that the other entities agreed to, except the slight differences in the cost per square foot. President Kreulen pointed out that on parcel 10, MNAA took on that effort awhile back to work a deal with Metro to build them a hangar for their police department. It is now in the design phase and Metro has agreed for MNAA to spend \$1.5M to design a hangar for their police department. MNAA is getting close to finishing that design and then will bid that design out. When bids are received, that dollar amount will be given to Metro and Metro council will have to ratify that number going into the lease. If they do so, then we build Metro a hangar on Parcel 10 for a 30-year commitment on JWN, he said. If Metro chooses not to, then MNAA will go back out and bid that space again.

Staff and the Finance Committee recommended approval to the full Board on August 16, 2023. The Board of Commissioners voted 5 to 0 to approve the terms negotiated between MNAA & future Special Purpose Entity for Steve Smith via Letter of Intent; and authorize the Chair and President and CEO to execute a lease agreement with future special purpose entity for Steve Smith, consistent with these terms

Commissioner Byrd asked if this lease had been executed. President Kreulen replied it had been executed by both parties. Commissioner Byrd expressed concern regarding the constitutionality of the previous airport authority Board's power to execute that contract. President Kreulen replied that the plan is to discuss in Executive Session next Wednesday at the Management Committee meeting. Per the documents MNAA received from the three Judge panel, from July 1, 2023 to October 31, 2023 the prior Board was a constitutionally seated Board. Commissioner Glover stated in reading the Order, they had the authority to act during those 4 months, but if this Board feels more comfortable ratifying the acts of the prior Board, then this Board should. She stated that that she does not know that by not ratifying the approved items, that it cancels out what the prior Board did because they had the authority to act during those 4 months.

President Kreulen informed the Board that if they chose to ratify the acts of the prior Board, that is great, and if they did not ratify them for whatever reasons, then the lease would still be in place. If the Board directs staff to break the lease, MNAA could be in litigation for a long time. Commissioner Byrd stated one of the things he would like to discuss is the Board having independent counsel to determine about what is in the Board's best interest and what is in MNAA's best interest. This is often times done with publicly traded companies, he said, they have Board counsel that independently represents the Board. He stated that is something that the Board needs to consider at some point in time, but particularly with respect to contracts that have been entered into and leases that have been entered into, those are questions he would like answered. Chair Steven stated we will have an Executive Session on Wednesday and she understands there are some Board members that have raised that issue of having outside counsel and she also would like to get into that as she does have some thoughts on it herself, having served on Boards who had outside counsel and having been outside counsel for Boards and she has some perspective on that as well. Chair Stevenson stated that she wanted the Board members to be thoughtful about retaining independent Board counsel and understand what their role would be with respect to the Board. Commissioner Byrd stated that is fine with him. Commissioner Glover stated she was going to say the same thing, and asked him to hold his thoughts because we have thoughts on it and she does not disagree with him, but that the discussion should probably happen in a different setting.

2. Amendment 1 to Fraport Subleases with Ferncroft Airport LLC

President Kreulen stated MNAA has been working very hard with Fraport since 2019 and they did a very good job of getting MNAA to the opening with the 15 stores and a couple of their stores wanted to change their names from Nashville Music City to The Music City Shop; The All Day to Kitty Hawk Eat and Drink; and Titans Sports Bar to The Titans Press Box. Those name changes required a change in the lease and that was brought back to the Board for approval.

Staff and the Finance Committee recommended approval to the full Board on August 16, 2023. The Board of Commissioners voted 5 to 0 to accept and authorize the Chair and President and CEO to execute the amendments to the subleases between Fraport, Ferncroft Airport, LLC and MNAA.

3. BNA Westside Development – Future SPE for Scott Sohr

President Kreulen stated the BNA Westside Development is a Special Purpose Entity for Scott Sohr, it is a 5.15 acres parcel of that 5.97 acre on the west side of BNA. We have discussed this many times. This first came to us at \$1.20/sf and MNAA looked at the lease parameters and went back to Mr. Sohr, who now will be paying \$2.40/sf. In addition he will pay \$.50/sf for the easement fee to the taxiway that connects that area. Mr. Sohr will make a minimum of \$14M investment hangar facilities that will total around 66,000/sf, the same terms the Board came up with previously. President Kreulen stated he is thankful for everything this Board previously did when we started making business decisions and setting standardized templates because that has helped a great deal with negotiations. This is what MNAA came up with for this portion of this lease.

Staff and the Finance Committee recommended approval to the full Board on September 20, 2023. The Board of Commissioners voted 6 to 0 to: Approve the terms negotiated between MNAA and future Special Purpose Entity for Scott Sohr, via Letter of Intent; and Authorize the Chair and President and CEO to execute a lease agreement with future special purpose entity for Scott Sohr, consistent with these terms.

President Kreulen informed the Board that they stated you all will see this again because Mr. Sohr is building two hangars, one for his company and one for HCA and it is possible they want to split those two leases for each to have their own section. MNAA is trying to figure out how to do that lease and carve up the 5.15 acres so that the two entities can still build the same size facilities and make that same investment.

Commissioner Glover asked if this one is signed. President Kreulen replied Mr. Sohr has executed a Letter of Intent and pointed out that Mr. Sohr was in the audience, and that he will not be let out of that Letter of Intent, until we get a Letter of Intent from him and HCA and we can split this up from one lease to two.

4. British Airways Incentive Agreement (London) (Finance)

President Kreulen stated this is an Amendment to British Airways Incentive Agreement (London) that the Board previously approved in November 2020 for \$2.2M. In the February to May time period, British Airways stopped flying from England to the United States due to

the emergence of a new variant of the COVID-19 virus. British Airways had 2 other airports offer to extend their existing agreement by the 4 months that they missed and that is what we recommended and also increased the dollar amount from \$2.2M to \$5M because they are now flying 7 days a week. When we initially did the estimate, it was 5 days a week. February 29, 2024 is the last day they fly for free. As of now it has been paid out of the incentive account.

Staff & the Finance Committee recommended approval to the full Board on October 18, 2023. The Board of Commissioners voted 6 to 0 to approve funding for the proposed amendment to the British Airways Letter of Agreement (LOA) including extending the term to February 29, 2024 and increasing the cap of landing and facility fee abatements to \$2.5M; and authorize the Chair and President & CEO to execute the Letter of Agreement (LOA) Amendment by and between MNAA and British Airways outlining the specific terms of the proposed incentive amendment.

Commissioner Byrd asked if British Airways is talking about increasing their service. President Kreulen replied yes. Mr. Powell stated there is a planned gauge increase that has not been published yet, to go to a larger aircraft and that schedule has not been finalized but that is the plan. With the incentive there are maximum incentives daily so if they were to increase the number of flights for this, that would not qualify for the incentive. Commissioner Byrd asked if they would be able to handle their luggage properly. President Kreulen replied yes with the new International Arrivals Facility there should not be any issues, but to his point, MNAA does not know when British Airways will make its announcement, but they fly a 787 with 216 seats and the next aircraft that is close to 300 and we have 567 passengers going daily from Nashville to Europe. Commissioner Byrd asked if it is 2 flights per day. President Kreulen stated may be 2 flights a day, or it could be to another destination, which will be discussed with Commissioners. Commissioner Glover asked if it is only 1 flight, to which President Kreulen replied, yes, he that he thinks there will be added competition coming to another country to gobble up those 300 passengers going through Atlanta or Charlotte or some other way to Europe.

5. Trademark License Agreement (Hilton BNA) (Finance)

President Kreulen stated the Trademark License Agreement between MNAA and Nashville Airport Hotel Partners, LLC., which is a special purpose entity for Chartwell Hospitality

("Chartwell") building the hotel across the plaza and MNAA's Administrative Building. When MNAA started this trademark of BNA many years ago in early 2017 time period, MNAA always had to prove to the trademark office that we are using our license agreement and we are selling merchandise and things are being used to be named after us beyond just our hats, t-shirts, and socks, he said. This is MNAA's first hotel that will have, the Hilton BNA and on the top floor will be the BNA Sky Pavilion. This is a gratis license based on the provision of the existing Project Lease Agreement.

Staff and the Finance Committee recommended approval to the full Board on October 18, 2023. The Board of Commissioners voted 5 to 0 (1 abstention) to approve the terms negotiated between MNAA and Nashville Airport Hotel Partners, LLC (the "Tenant") via the trademark license agreement and authorize MNAA Staff and the Board of Commissioners to execute a trademark license agreement between MNAA and Tenant.

Commissioner Glover asked if MNAA had a trademark attorney. Mr. Bedrock replied yes, we had outside counsel.

President Kreulen then stated that he would run through the following items presented to the Management Committee:

1. CEO Employment Agreement (September)
2. CEO FY24 Performance Evaluation Key Performance Indicators (KPI') (September)

President Kreulen stated that those 2 items were discussed at the Management Committee meetings. Commissioner Glover asked to hold this discussion for the Executive Session. Mr. Bedrock stated the Executive Session is limited to litigation items and at this point he does not believe that the Board can discuss this item in Executive Session. Chair Stevenson asked if it could be discussed in Management Committee. Mr. Bedrock replied that would be more appropriate. President Kreulen stated it will still be an open session. Chair Stevenson asked Commissioner Glover if she had any concerns about discussing it today. Commissioner Glover stated we can wait until Wednesday. Commissioner Byrd stated the Board can still defer to Executive Session when the Board meets on Wednesday. President Kreulen stated he is prepared to discuss but if the Commissioners would like to wait until Wednesday's Management Committee meeting, he is

prepared to do it then as well. Chair Stevenson expressed her agreement with waiting until Wednesday.

VI. APPROVAL ITEMS

President Kreulen stated there were no approval items.

VII. INFORMATION ITEMS

President Kreulen stated there were no information items.

President Kreulen recapped the action items from the review.

1. Operations Committee - Send out the Staff Analysis for the Terminal 2 Siting
2. Operations Committee - Send out the Staff Analysis for the Garver's On Call Engineering Contract. Chair Stevenson stated Commissioner Byrd wanted more information on Garver. Commissioner Byrd replied yes, just to understand a little better of who they are.
3. Operations Committee – Provide details on how procurement came up with 0% SMWBE goal on the Waste Management Contract for Commercial Trash, Recycled Materials and Electronics Disposal. Commissioner Glover was dismayed with the 0% goal.
4. Operations Committee - Send out the Staff Analysis for the Design, Build, Operate & Maintain Remote Virtual Control System, and provide details on how the 0% SMWBE goal was established.
5. Finance Committee - Send Staff Analysis for the JWN North Development Parcel 1 – Future SPE for Steve Smith. Commissioner Byrd stated he would like to understand exactly how that decision was reached, what the history has been for that lease, and when was it approved. President Kreulen replied it was approved on August 16, 2023 by a 5-0 vote.
6. Management Committee - Defer the discussion of the CEO Employment Agreement and CEO FY242 Performance Evaluation Key Performance Indicators (KPIs) to the next Management Committee meeting.

Commissioner Glover asked if it is possible for all contracts over a certain amount, that the Board ensures they have some type of minority goal, because 0% is embarrassing, and if there is some kind of policy that can put together regarding that. President Kreulen replied this needs to be

discussed with our Procurement team, as this program is directed by our Disparity Study, and because we have to comply with all the federal requirements for the DBE program. MNAA also gets evaluated on the SMWBE program and staff are currently working through audit findings with the FAA. We cannot arbitrarily come up with a number, we must have a systematic way that we can defend ourselves, he said. Commissioner Glover stated yes, Ms. Davita Taylor, VP, Procurement and Business Diversity, does that. President Kreulen stated it was Ms. Taylor's birthday and she was not present at the meeting today. Commissioner Byrd stated he does think it is important and he appreciated the review today. From a process standpoint, these things can be discussed relatively quickly, but as a Board, they must assume the responsibility of evaluating these actions that were taken while this Board was not here, and then ratify those actions. Commissioner Byrd stated the Board should proceed with evaluation of Board counsel.

Chair Stevenson asked Commissioner Byrd and other Board members if they had any other feedback or concerns for consideration for today's meeting. Commissioner Byrd replied, no and that this meeting had been very professional, that MNAA staff had done a very good job in addressing these issues, and that he is appreciative. Commissioner Glover stated that people have been coming up to her and saying how beautiful the airport is. Commissioner Byrd stated it reflects 53 years of good work building this airport, building this terminal, and building this place. This Board approved the artwork that is going down the escalator, approved the entire layout and a lot of hard work had been put forth by everyone concerned. He expressed his deep appreciation and this certainly enables us to be one of the outstanding airports in the country, he said.

President Kreulen stated he appreciates the Commissioners support and passion for the airport, and he completely understands the history of 53 years. As Commissioner Byrd described it, we have done a really good job of getting to this point, and now we have to figure out how to get to 70M passengers. It is a challenge for MNAA and President Kreulen believes the Mayor accepts it as a challenge. President Kreulen stated that these action items will be reviewed by staff and brought back to the Board on Wednesday and thinks the Board will feel comfortable, move forward and keep making the airport better. Chair Stevenson commended President Kreulen and the staff for all of their hard work in keeping the airport moving forward and for what is happening in the future. Chair Stevenson stated she would like to talk about Board Retreat and how to handle that review. Chair Stevenson stated there would be many more meetings over the next few weeks.

Commissioner Glover asked if President Kreulen could schedule a tour to see the new additions to the airport. President Kreulen offered to schedule a tour or go now. Commissioner Glover and Chair Stevenson replied they would like to tour now.

President Kreulen stated the staff retreat was a very good retreat and all worked very hard. No business decisions were made at the staff retreat, but that it was more of the team having the ability to explain to the Commissioners the challenges ahead and he wants the Commissioners to understand those challenges. There are a lot of big challenges out there, he said, we are moving fast as possible.

VIII. ADJOURN

There being no further business brought before the Board, Chair Stevenson made the motion to adjourn, and seconded the motion, which carried by a vote of 5 to 0. Chair Stevenson adjourned the meeting at 4:22 p.m.

Andrew Byrd , Board Secretary

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



Date: November 15, 2023

Location: Metropolitan Nashville Airport Authority
Tennessee Boardroom

Time: 1:00 p.m.

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

Board Members Absent:

MNAA Staff Present: Doug Kreulen, Neale Bedrock, Lisa Lankford, Trish Saxman, Marge Basrai, Daniel B. Brown, Chris Davidson, Kristen Deuben, Adam Floyd, Traci Holton, Ijeoma Ike, Carrie Logan, Ted Morrissey, Rachel Moore, Floyd Munn, Stacey Nickens, Olivia Parven, Josh Powell, Cindy Reynolds, Robert Ramsey, Erin Thomas, Tiffany Underwood, and Destiney Williams

I. CALL TO ORDER

In accordance with the 3rd 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 Special Meeting to order at 1:00 p.m., pursuant to Public Notice dated November 10, 2023.

II. PUBLIC COMMENTS

Chair Stevenson stated there were no public comment requests received.

III. APPROVAL OF MINUTES

The first item on the agenda was the approval of the October 18, 2023 Minutes of the Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors. Chair Stevenson stated that at last week's Committee meetings, because there were some questions from the Commissioners about the ability to approve those minutes since this Board did not participate in those meetings, the approval of those minutes was deferred. There were also some concerns that the Board wanted to have addressed, particularly regarding the outside counsel issue, that the Board deferred approval of the minutes of the Committee meetings until next month.

A motion to approve was made by Commissioner Byrd and seconded by Commissioner Freeman. Commissioner Glover asked what the motion was for. Chair Stevenson replied the motion was to defer approval of the minutes.

Chair Stevenson asked Ms. Saxman for a roll call:

Chair Stevenson – Yes

Vice Chair Granbery – Recused

Commissioner Byrd –Yes

Commissioner Joslin – Recused

Commissioner Freeman – Yes

Commissioner Sullivan – Yes

Commissioner Glover – Yes

The motion was passed with a vote of 5/0/2 (Recused).

IV. CHAIR'S REPORT

Chair Stevenson stated that she has had the privilege of working at the airport the last several days she wished President Kreulen a Happy Birthday. Veteran's Day was November 11, 2023 and Chair Stevenson gave special thanks to all who have served, and those who are currently serving our country and fighting for our freedom each and every day. She extended her thanks to every veteran in the room. She stated that she understands President Kreulen and MNAA put out some great messaging on Veteran's Day last week and over the weekend and also highlighted MNAA employees who are veterans. Chair Stevenson stated we would not have the privilege of sitting here and having these robust discussions without the sacrifice of our veterans and the sacrifice of their families. She thanked the veterans again.

Chair Stevenson final comments were regarding Thanksgiving next week. Typically, Thanksgiving is a time of reflection, she said, expression of gratitude and thanks for what we have and things we are grateful for, and it can also be a time of sadness and about loss. Chair Stevenson stated to her, Thanksgiving is very sweet. It is her favorite holiday and was also her mother's favorite holiday and she thinks about her mother every year. It is an occasion that makes her happy thinking about her mother, but also somewhat sad. Chair Stevenson stated that she wants everyone to be mindful, about the impact the holidays have on so many and particularly those

traveling through this airport who are coming here for their final destination or those who are traveling through to other places. We want them to have a good experience and we want them to know we care about them and that we care about people who are utilizing our services. She expressed her appreciation and stated that it is important that we have a strong airport and a Board committed to doing the work. Chair Stevenson stated last week in the Committee meetings that it is the Board's job to fulfill their duties as Board members and the Board is going to do that, in what she hopes is the most respectful and thoughtful way possible.

V. PRESIDENT'S REPORT

President Kreulen thanked Chair Stevenson for sharing her thoughts on her mom, and stated he misses his mom as well at Thanksgiving. President Kreulen stated he is very proud of the MNAA staff. The 27th Annual Aviation Golf Classic was held on October 12, 2023. MNAA had 4 charity beneficiaries: Nashville Cherry Blossom Festival, the BNA Historically Black Colleges and Universities *Give Back Initiative* in support of Tennessee State University, Mental Health Cooperative of Nashville, and Operation Stand Down Tennessee. President Kreulen stated he recently had the opportunity to host Operation Stand Down Tennessee with MNAA veterans and got to interact with other veterans.

President Kreulen reported that Mr. Josh Powell, AVP, Air Service Development and Airline Affairs had the opportunity on October 23, 2023 to participate in the International Business Council Meeting with the British Ambassador, Her Excellency Dame Karen Pierce. One of the success stories that was shared was the outstanding success that British Airways has had with the growth of their business model in Nashville with nonstop to London. There are 216 seats on the British Airways airplane, which flies nonstop on this route every day of the year and there are a little over 560 people going to Europe every day from Nashville, so BNA's future looks positive for adding additional flights to Europe in the near future.

President Kreulen stated the Nashville Area Chamber of Commerce (NACC) and Mayor O'Connell recognized MNAA with the Spirit of the Region Award. This is the first time MNAA has won this award based on business excellence, inspired leadership, and the advancement of Middle Tennessee prosperity. It was a great honor to win, he said

President Kreulen stated when we started BNA Vision Program 6 years ago, one of the challenges the Board wanted staff to tackle was how to get more environmentally friendly and enhance our sustainability posture. Concourse D was opened a couple of years ago and was BNA's first Leadership in Energy and Environmental ("LEED") Silver. Both parking garages are Park Smart certified and the Administration Building recently received LEED Gold certification. President Kreulen gave special thanks to Ms. Melissa Smith, AIR Coordinator, and Ms. Angie Cotter, Manager, Logistics & Facilities Transition, for accepting that designation on behalf of MNAA.

President Kreulen stated Corey King, Manager, Customer Experience, and Oliva Parven, Manager, Corporate Communications, co-chaired the Metro Makes A Difference Campaign which raised a little over \$37K. Employees can direct donations to specific organizations or give directly to United Way.

President Kreulen congratulated Ms. Marge Basrai, EVP, Chief Financial Officer, and the Finance team for the great work they are doing. Kroll Bond Rating Agency ("KBRA") affirmed MNAA's Senior Lien Airport Revenue Bonds as AA- with stable outlook and our Subordinate Airport Revenue Bonds as A+ with stable outlook. President Kreulen stated that MNAA is doing a great job of running the business side of the house, and because we are in the great city of Nashville and great state of Tennessee, the growing population and expanding economy, large institutional presence (state capital, higher education, health care) and significant private sector investment and corporate relocations all add to why BNA continues to grow. President Kreulen stated that with \$3B plus of improvements coming, they are still affirming MNAA's credit ratings and we are very thankful to our Finance team for everything they do.

President Kreulen reported Allegiant Airlines, now operating out of the Satellite Concourse, announced nonstop service to Ft. Lauderdale beginning on November 16, 2023. Allegiant Airlines will join Jet Blue, Spirit, and Southwest as the 4th airline with service to Ft. Lauderdale.

President Kreulen reported WestJet announced adding additional service to Edmonton beginning summer 2024. WestJet announced 4 new flights: Vancouver to Detroit, Edmonton to Atlanta, Edmonton to Nashville and Edmonton to San Francisco.

President Kreulen reported that Alaska Airlines added service to Portland. Portland was the largest destination without nonstop service from BNA. Every year 93,607 passengers travelled to

Portland but did not go nonstop. There are 128 passengers every day going and coming, and it is the 42nd biggest destination for BNA.

President Kreulen stated we have been waiting for 6 years for the Holiday Tree to arrive. The ceilings in the Grand Lobby and Marketplace are tall purposefully because we want to be able to bring the holiday season to Nashville. It took a little over a day to put the tree together, and it is 38 feet tall with 33,650 lights. MNAA will have a tree lighting ceremony on November 30, 2023 at 5:00 p.m. and may have a special guest.

President Kreulen stated MNAA hosted the Airport Concessions Disadvantaged Business Enterprise (“ACDBE”) Institute on November 14 – 15, 2023 at the Joint Information Center (“JIC”) with 18 participants. This is another way to build new business and give these businesses the opportunity to participate in airport programs as we go forward. President Kreulen thanked Ms. Davita Taylor, VP, Procurement and Business Diversity, and the Business Diversity Development team.

President Kreulen reported for this year’s FY24, BNA enplanements are 8% over FY23, and we have already served 10M plus passengers in just the first few months of FY24. If this trend continues, it is expected by June 30, 2024 there will be 24M passengers, possibly above that. Last year we ended at 21,9M passengers. For the last 10 plus years we have been adding over 1M passengers per year, with last year having a 2M increase.

President Kreulen stated the Committee 30-day Outlook shows a busy agenda coming up for the Committee Meetings on December 13, 2023 and Board Meeting on December 20, 2023. There are 4 approvals for Operations Committee and 3 for the Finance Committee with the BNA Westside Development being tentative.

President Kreulen stated the Committee 60-day Outlook also shows a busy agenda coming up for the Committee Meetings on January 10, 2024 and Board Meeting on January 17, 2024. There is 1 approval for Operations Committee and 2 tentative approvals for the Finance Committee. For the Finance Committee, if any adjustments are made to the capital or O&M budgets, it would normally be done in the January time period. The details are not finalized and will be brought to the Finance Committee for discussion. The Operations Committee approval for the Virtual Ramp Control contract was awarded for building the software and for the staffing of the Virtual Ramp

Control system that will be located in maintenance facility (“CSF”), and this is actually for building out the shell space that the computers will be placed.

Commissioner Glover asked President Kreulen to please go back to December Outlook to review the Snow & Ice Removal item. Commissioner Glover referenced last year’s challenges with Southwest and asked if there is a plan to prevent that happening again this year. President Kreulen replied yes, we have a Snow and Ice Control Plan (“SICP”) that MNAA is responsible for. Each October the Operations team hosts their kickoff meeting for all the airlines. He received an update the other day, and 90K gallons of E36 are in inventory to keep the runways and taxiways deiced. The airlines have to make sure their inventory is up, and everybody starts going through preventive maintenance inspections to make sure MNAA’s snow and ice machines are ready for removing snow and ice and the airlines sprayers are ready for deicing the airplanes. MNAA has a really good plan, he said. Southwest, after their December challenges where their scheduling system went down, is fully committed to ensuring it does not happen again. That is one reason he will be traveling to Dallas to make sure the airport and Southwest are all on the same sheet of music before the holiday season. Commissioner Glover asked if there are penalties that we can impose on the airlines if they are disruptive for this year. President Kreulen replied no, the Airline Agreement does not have any penalties to the airlines for cancellations or bad weather; however, the federal government has the passenger bill of rights, and they have the ability to fine the airlines if they have a major meltdown. President Kreulen stated he will provide a brief update on the SICP and the inventory MNAA manages.

President Kreulen reported the FY24 Payment Card Industry (PCI) Program was assessed by Plante Moran. The assessment resulted in an Attestation of Compliance (AOC), which is a significant priority for MNAA. This is the 5th year in a row MNAA was compliant, and FY19 was the first time MNAA passed. This is huge to MNAA because of all of the credit card services used throughout the airport system. This assessment is very thorough to make sure the airport can protect the data and this is a big accomplishment. He thanked the IT team, that worked really hard to make sure MNAA is compliant. Five years ago, the airport was at risk of being fined because we were not able to pass these audits.

President Kreulen introduced Ali Hijazi, Partner with Plante Moran. Mr. Hijazi worked closely with the finance team. Mr. Hijazi went through MNAA’s audit process and the results of the June 30, 2023 audit. The process involves communication throughout the year, and includes planning for

the audit, conducting year-end field work where the entire team is onsite for a couple of weeks, and wrap up and reporting in October of each year. Plante Moran does 3 audits every year: Financial Statements Audit, Single Audit and Passenger Facility Charge Compliance Audit. Audit standards require Plante Moran to take a risk-based approach to the financial statement audit. Two significant risks of misstatement were identified - management override of controls and property measurement and recognition of revenue. No issues were identified in these areas. At the conclusion of audit, Plante Moran issued an independent auditors' report on the financial statements of an Unmodified Opinion. That is essentially accounting speak for a clean opinion. It is the highest level of assurance that an auditor can render on a set of financial statements. It means the financial statements are stated in conjunction with all of the requirements.

Mr. Hijazi explained that associated with the Financial Statement Audit Plante Moran was required to provide additional communication to the Board which came in the form a letter and he highlighted a couple of items they would report if there had been any issues identified. Mr. Hijazi stated as he previously mentioned they stay in year-round contact with MNAA, but the audit kicks off in late spring, with field work in early summer and wrap up in September and October. Mr. Hijazi stated they did not identify any journal entries or adjustments that were required to be posted to the financial records as part of the audit procedures. No issues were identified. This year there was a new accounting standard that MNAA was required to evaluate related to public and private partnerships, GASB94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. MNAA went through the population of agreements where this could apply and ultimately proved this did not result in any changes to the 2023 financial statements. There could possibly be an impact in the fiscal year 2024 with the opening of Hilton BNA, and MNAA management is evaluating the implications of the standard of that arrangement.

Mr. Hijazi stated there are some significant estimates in the financial statements, including Pension and Other Postemployment Benefit ("OPEB") Liabilities, depreciation expense, aviation easements and lease receivables and liabilities, that require some assumptions to be made and no issues were identified related to those assumptions. Mr. Hijazi stated there were no difficulties in performing the audit, and no disagreements with management regarding accounting or auditing matters.

Relative to the compliance audit of the Authority's Major Federal Program, the Airport Improvement Program ("AIP"), and the compliance audit of the Authority's Passenger Facility

Charge (“PFC”) Program, Plante Moran’s opinions are clean opinions, which means MNAA has complied with all the provisions of those programs and no issues were found with internal controls or the process related to the management of those programs. Related to upcoming accounting standards, next year there will be new Upcoming Account Standard in terms of accounting for Governmental Accounting Standards Board (“GASB”) 101, Compensated Absences, which is sick pay and vacation pay for the employees, and how this will reflect in the financial records and Planet Moran is working with management to see how that will be. Mr. Hijazi summarized that the Compliance Audits of the AIP and PFC Programs did not identify any instances of non-compliance or deficiencies in internal control.

Mr. Hijazi thanked Ms. Basrai and the finance team for help with the audit. He stated there were many requests that come up as part of this audit and MNAA staff do a great job of being prepared throughout the process, and the collaboration with all of the departments - internal audit, legal, CEO’s office and all of the department heads that Plante Moran worked with to conduct this audit efficiently. Plante Moran is very pleased with the results and appreciates the partnership with MNAA.

Commissioner Glover asked Mr. Hijazi to elaborate more on how the hotel could impact MNAA. Mr. Hijazi replied it is related to a new accounting rule. Prior to this new accounting rule, when a 3rd party builds a significant new capital asset, MNAA would recognize it on the balance sheet at the time they took control of it. Now the accounting rule says you may have to consider putting it on your balance sheet when it opens and is in service. It is not anything that is going to significantly change MNAA’s income statement, revenue, or how rating agencies see MNAA, but it is the timing of when that asset will be put on the balance sheet. Commissioner Glover asked if MNAA has any off-balance sheet items. Mr. Hijazi replied no, nothing significant would be off-balance sheet, and all liabilities and assets were reported. The folks that made the accounting rules state this is one area where organizations could do a little bit better and the change just happens to be implemented around the time MNAA is opening the hotel. Commissioner Glover asked if Plante Moran found any items in the financial statements such as revenue recognition considered to be aggressive. Mr. Hijazi replied no, there were no issues identified where the accounting was not in line with the requirements under the accounting rules. Commissioner Byrd stated the only thing he would point out for the Board of Commissioners, is that as total airport revenue bond obligations increase year over year, and as the Board executes its responsibilities

and follow up on what we are responsible for, it is important the Board recognize the importance of maintaining cash flow of this airport for the entirety of those bonds.

President Kreulen stated the first bond sell was approximately \$900M and the second one was \$600M, and there is another \$1.5B remaining costs to be funded. MNAA needs to have the revenue to be able to pay it off to keep the bond ratings high. Commissioner Byrd stated there is a certain amount of risk operating the airport but those risks can be mitigated by our growth and success. Chair Stevenson thanked Mr. Hijazi for all the hard work.

President Kreulen gave his compliments to Ms. Basrai, the finance team and Plante Moran and asked Ms. Basrai if she would like to say anything. Ms. Basrai stated that the document the Commissioners had in front of them is the FY23 Annual Comprehensive Financial Report (“ACFR”) prepared by the staff and then authorized by Planet Moran. Staff and Plante Moran put a lot of time into it. Commissioner Byrd asked if it needs to be approved. Ms. Basrai replied no, that is not required. President Kreulen replied no, MNAA is required to report it to the Board and this document is required to be provided to the Metro and State. Both agencies have copies to verify MNAA is following the appropriate standards. Commissioner Glover stated she noticed that MNAA has a big cash balance and asked if that cash is equivalent. She stated it is so much more than last year, and asked if it is a timing difference or if we have that much cash on hand. Ms. Basrai stated all the cash is invested, and this was presented at the Finance Committee meeting on the Treasury Reports. When MNAA issued bonds in December of last year that also increased our cash by about \$500 – \$600M. Commissioner Byrd asked what unrestricted cash is available. President Kreulen asked Commissioner Byrd if he is referring to the NAE account. Commissioner Byrd asked what NAE is. Ms. Basrai stated that is the National Airport Experience and is basically the end of the year excess of revenues and expenses, and that monies flow into the NAE account, based on the Airline Use and Lease Agreement.

President Kreulen stated when MNAA went from a residual airline agreement in 2015 to compensatory agreements today, the NAE account was established for money in savings. In 2017 MNAA started saving money and by January 2014 will have accumulated a little over \$300M in reserve. Commissioner Joslin stated MNAA uses that money to offset service agreements too. President Kreulen stated we could, for example, if we build hangars at John C. Tune, Ms. Basrai has the ability to borrow from the NAE account and it gives the Authority flexibility.

VI. TEMS FOR APPROVAL

1. Design Build Contract for Concourse D Extension CGMP 4 of 4 (GMP)

President Kreulen introduced Traci Holton, VP, Chief Engineer, to brief the Board on the Design Build Contract for Concourse D Extension Component Guaranteed Maximum Price (“CGMP”) 4 of 4 and the final Guaranteed Maximum Price (“GMP”). Ms. Holton stated CGMP 4 is for the interior finishes, interior buildout, IT, and electronics for the Concourse D Extension, with Hensel Phelps. The CGMP 4 is \$75.371M NTE and the final GMP is \$235M NTE. The SMWBE goal was 6.9% MBE, 6.77% WBE and 4.28% SBE target, and Hensel Phelps committed to meet the goal. This was presented to the Operations Committee on November 8, 2023. Commissioner Sullivan stated the Committee voted 2-0 to recommend approval.

Chair Stevenson asked Ms. Saxman for a roll call:

Chair Stevenson – Yes

Vice Chair Granbery – Yes

Commissioner Byrd –Yes

Commissioner Joslin – Yes

Commissioner Freeman – Yes

Commissioner Sullivan – Yes

Commissioner Glover – Yes

The motion was passed with a vote of 7 to 0.

2. Construction Contract for Concourse B & C Upgrades

Ms. Holton presented the Construction Contract for Concourse B & C Upgrades. Ms. Holton stated this contract will upgrade finishes on B&C Concourses to match BNA Vision including corridor walls, column wraps, ceiling, LED lighting and signage. A Request for Proposals (“RFP”) was advertised at the end of July and on September 14, 2023 two proposals were received. Whiting-Turner Contracting Company was the highest rated firm. The SMWBE goal participation was 8.86% MBE and/or WBE, which Whiting-Turner exceeded by achieving 21.71% MBE and/or WBE participation by utilizing Cleaning Leaders and John Curry Electric. This was presented to the Operations Committee on November 8, 2023. Commissioner Sullivan stated the Committee voted 2-0 to recommend approval.

Commissioner Byrd stated he wanted to bring up a matter of some concern about the new remote concourse and the electric buses and stated that he is sure that President Kreulen is actively addressing access to the terminal with the surge of traffic existing with the buses. President Kreulen replied yes, he was out there when he had a tour with Chair Stevenson and Commissioner Glover after last week's Committee meetings, and the Operations team and concessions teams are out there regularly as well. It is a new service for the airport and staff is working with ABM, who runs the shuttle buses, and there are also customer service representatives at the satellite operation. BNA has ability to track the buses in real time to make sure we are moving people expeditiously and within the 3 minute time line. As soon as Paradies opens the last 2 restaurants, the satellite will be full and have all the amenities available. Chair Stevenson stated she appreciated the tour and said the bus was kind of high getting on/off the buses and referenced the surge that occurred. President Kreulen stated at the time of the tour with Chair Stevenson and Commissioner Glover, 7 of the 8 gates were operating and there was a little bit of backup to get on. ABM brought extra buses and the backup was gone. This happens about 4 or 5 times a day for a very short period of time, and staff has the ability to track all 9 buses. Staff has worked with ABM, and at the time of the tour they were not lowering the shuttles. That has since been corrected and we should see improvements on that issue.

Chair Stevenson asked Ms. Saxman for a roll call:

- Chair Stevenson – Yes
- Vice Chair Granbery – Yes
- Commissioner Byrd –Yes
- Commissioner Joslin – Yes
- Commissioner Freman – Yes
- Commissioner Sullivan – Yes
- Commissioner Glover – Yes

The motion was passed with a vote of 7 to 0.

3. Independent Board Counsel

Chair Stevenson stated the Management Committee had discussed obtaining outside independent counsel. There has been a 4-month gap for this Board coming back, and the Board understands its rights and responsibilities related to that gap and the decisions that

were made. Also, the independent counsel would be an independent voice that can speak to the Board and address concerns as the Board navigates some of these uncharted territories and waters. This was presented to the Management Committee on November 8, 2023. The Management Committee voted 2-0 to move for approval to the Board to obtain outside counsel.

Chair Stevenson stated there will be 3 votes:

1. Take up the Management Committee's recommendation for outside counsel.
2. If approved by Board, there would be discussion regarding which counsel to obtain, followed by a separate vote.
3. If approved by Board, there would be a vote to authorize the scope with respect to the engagement. Chair Stevenson stated the Board wants to move quickly and there is the opportunity in the future to have a longer-term engagement in more detail. For the purpose of moving this along, the Board may want to think about something that is really quick that allows some authorization to get somebody on board.

Chair Stevenson walked through what had happened so far – the Management Committee voted 2-0 to move for approval to the Board to obtain outside independent counsel.

Vice Chair Granbery asked Chair Stevenson to please articulate the purpose of the outside counsel. Chair Stevenson stated it is her understanding that in the past the Board has had outside counsel and the Board and Committee that met last week discussed that there are Board members that have concerns about what the Board should be doing regarding the de facto officer doctrine and if there is a need to ratify decisions that were made during that 4-month period. There is a comfort level in having an independent person or firm that can, as necessary, provide guidance to the Board where there may be some issues that come down the line. That was her understanding of the rationale, and she said that the Commissioners can speak for themselves if there is something else.

Vice Chair Granbery asked if it is strictly for the 4-month period and nothing else. Chair Stevenson replied she did not say it was strictly for the 4 months and nothing else, but that the point of it is having that counsel as an outside independent voice for the Board. The Board will determine the scope, the limitations, and how long the engagement will last. These are

things the Board can discuss from the engagement perspective once the Board retains counsel. There are items that Commissioners have concerns about with respect to approvals during this gap and they want to have some comfort level that the Board is doing what they are supposed to be doing, and having independent counsel is not going to hurt the Board or hurt the Airport Authority. Chair Stevenson said she wants to keep things moving smoothly, and for her, if this gives people comfort to do that, she is in support of it.

Commissioner Joslin asked if there is a time limit on this, and if this is strictly to review the State Board's decisions. Chair Stevenson stated that was originally the point of it, but she is not saying that is the only point of it. The Board can determine if they need additional input or if there are other issues that come up that warrant an outside counsel review. Chair Stevenson said she thinks that if that outside counsel can provide some comfort to the Board as a whole for them to do their jobs better, then it is fine and that is where she is with it. Chair Stevenson said that after the Board's approval of the Management Committee's recommendation to obtain independent counsel, firms and next steps can be discussed. Commissioner Glover moved for approval of the Management Committee's recommendation for outside independent counsel.

Vice Chair Granbery asked if the vote includes scope. Chair Stevenson stated the Board is voting 1st on obtaining outside counsel, 2nd would be firms and 3rd would be scope. Vice Chair Granbery stated we just saw beautiful presentations by Ms. Holton with significant dollar amounts and those approvals included very defined scope, plans and drawings, and now the Board is being asked to vote on something and discuss it later. Chair Stevenson stated it will be discussed in a few minutes and that he did not have to vote on it. The Management Committee voted to recommend approval that the Board obtain outside counsel, and that is what this vote is, she explained.

Chair Stevenson asked Ms. Saxman for a roll call:

Chair Stevenson – Yes

Vice Chair Granbery – No

Commissioner Byrd –Yes

Commissioner Joslin – No

Commissioner Freeman – Yes

Commissioner Sullivan – Yes

Commissioner Glover – Yes

The motion was passed with a vote of 5 to 2.

Chair Stevenson stated the Board has approved obtaining outside independent counsel and now the 2nd part is to discuss firms. On November 8, 2023 MNAA issued a Request For Qualifications (“RFQ”) to 11 of the 20 largest firms in Nashville. The RFQ defined scope of services, submission requirements and selection criteria. The scope of services was for the law firm to offer legal services related to board matters, on a case-by-case basis, including but not limited to review and analysis of legal documents, legal advice on regulatory compliance, and legal opinions on specific matters as requested. MNAA sent the RFQ to 11 firms because 5 of the firms have conflicts with MNAA and 4 of the firms currently represent MNAA. MNAA also sent the RFQ to the Board so the Board could network and send it to firms as well, and to make sure that the Board had the broad scope. Of the 11 submissions, 4 of the firms sent proposals, including Butler Snow, GSM Law, Neal & Harwell, and Adams & Reese. Butler & Snow disclosure stated they have an existing relationship with one of the Commissioners that is not related to MNAA, they represent with respect to private business. Adams & Reese currently has 4 open engagements with MNAA where they are currently doing MNAA work. The other 2 firms do not have relationships.

Chair Stevenson stated she asked at the last Management Committee meeting for Commissioners to bring their top 3 firms for discussion, and she started with Commissioner Glover. Commissioner Glover asked her to please come back to her. Commissioner Sullivan stated based on what she reviewed and what was submitted, she feels like Adams & Reese would probably be able to fulfill what the Board is looking for better, as they have experience in the past and have represented MNAA. Chair Stevenson asked if she had a number 2. Commissioner Sullivan replied it was probably Neal & Harwell.

Chair Stevenson called on Commissioner Byrd. Commissioner Byrd stated his top pick would be Adams & Reese because they have 50 years of experience with MNAA and they originally drew up the law that allowed MNAA to be organized back in 1970. They have served as Board counsel with individuals like Sam Bartholemew for numerous years, and there is nothing about this that they do not understand, no education required, no need to bring them up to speed, and they are willing to work on a retainer basis for the first 3 months for \$7,500 a

month and willing to step up here and to work. He thinks there will possibly be quite a bit of work to do during the first few months. Commissioner Byrd said that they know business law, they know Tennessee law, and they understand everything that has to do with this airport, having been involved with it for years. He thinks Gif Thornton does a good job, Cindy Barnett does a good job, and they have a strong depth in practice in all areas here in Nashville. They were out here at the airport during the pandemic, during 9/11, and during the tornado that hit John C. Tune. They have a lot of experience. Commissioner Byrd's 2nd choice, pretty far down, would be Neal & Harwell. He has a lot of respect for the individuals at Neal & Harwell and thinks they are an excellent litigation firm. They represent the finest in the city of Nashville and he has no complaints with them at all. They had somewhat of a relationship with George Cate. He thinks George Cate worked there for 28 years and so he has a lot of experience with Neal & Harwell firm. He thinks we could bring them in as litigation counsel for the benefit of the airport which he thinks they would do an excellent job doing. They would be his 2nd choice and he is very familiar with the other law firms, and has all respect in the world for them.

Chair Stevenson called on Commissioner Freeman. Commissioner Freeman stated he agreed with everything that Commissioner Byrd just said and his 1st choice would be Adams & Reese and Neal & Harwell is his 2nd choice.

Chair Stevenson called on Commissioner Joslin. Commissioner Joslin stated Adams & Reese has been around a long time and believes they already have 3 or 4 contracts with MNAA. He knows all the individuals at every one of these firms and he thinks MNAA has done enough business with Adams & Reese to be able to move some of this business to another firm. Commissioner Joslin's stated his first choice would be Neal & Harwell. Trey Harwell did an excellent job here as a Chair and Board member, he said. He went through the pandemic with MNAA. He stated that he knows the attorneys at Butler & Snow. Neal & Harwell was his 1st choice and Butler & Snow as his 2nd choice.

Chair Stevenson called on Vice Chair Granbery. Vice Chair Granbery stated he did not really have a vote one way or another, he believes they are all wonderful law firms, and he thinks he made his point clear that MNAA has wonderful in-house counsel with Neale Bedrock and his staff. He stated that he is not sure that we need further outside counsel to increase the budget. Vice Chair Granbery asked Commissioner Byrd about his statements on Adams &

Reese and said they did not draw up the original papers, and asked if it was Sam Bartholemew. Commissioner Byrd asked if it was their successor firm. Vice Chair Granbery stated he was not sure what year, but Gif Thornton moved here from New Orleans after Katrina, so he was not here in the 1950s when the documents were drafted.

Commissioner Joslin asked Commissioner Byrd if he worked for Adams & Reese. Commissioner Byrd responded, yes, 30 years ago. Commissioner Joslin asked Commissioner Byrd if he saw that as a conflict. Commissioner Byrd replied no, he really does not work with them, they are not his law firm. He just has a lot of respect for them and they understand this airport and they do not need to be educated about what goes on here.

Chair Stevenson asked Vice Chair Granbery if he would like to submit any names. Vice Chair Granbery replied no, he thinks they are all wonderful law firms. Chair Stevenson replied that she understands and appreciated it. Chair Stevenson called on Commissioner Glover. Commissioner Glover stated she does not have a top firm picked. She sees some good firms and likes the Butler & Snow firm because they have a Black attorney that they are going to share with us. Commissioner Glover stated she thinks this airport is too large and too significant, to not to have minority representation. She said that she does not mind going along with Adams & Reese, who seems to be the preference. Commissioner Glover said she can support that as long as the Board has the option of talking to the person, or helping to decide who is going to be the person representing us out here. Two firms listed the person up front, and she would like the Board to have a little more input. Chair Stevenson stated so essentially, Commissioner Glover likes Neal & Hartwell, Butler & Snow, and Adams & Reese, and if any of these firms were chosen, Commissioner Glover would like the Board to have a say in who the relationship person is. Commissioner Glover replied yes. Chair Stevenson asked Commissioner Glover if Neal & Hartwell and Butler & Snow are her top two. Commissioner Glover replied she does not have a top 2.

Vice Chair Granbery stated for the record, he was listed as a client with Butler & Snow, in an unrelated TDA easement where they are suing him – TDA is suing Kinder Morgan for running a gas line. Commissioner Glover asked why they are suing him, to which he replied that he happens to own some land in the wrong place. He retained Butler & Snow and the former TDOT Commissioner to represent him and they have the law on their side. He just wanted to be protected in how they run, the damage they do, the trees they cut, where they run it and

that is the relationship. Kinder Morgan is the gas line company, and they are running the gas line for TDA. Vice Chair Granbery stated he has a client confidentiality agreement.

In reference to the slide presented, Commissioner Glover asked about the asterisk designation on two firms, and if Neal & Harwell previously represented the Authority. Chair Stevenson replied that the asterisks on Butler Snow and Adams & Reese indicate they disclosed current representation of either MNAA or a Board member. Commissioner Glover asked if Harwell previously served on the Board. Commissioner Sullivan replied he was a volunteer. President Kreulen said Butler & Snow has the connection that Vice Chair Granberry just mentioned, and Adams & Reese already have 4 other engagements with the MNAA. GSRM and Neal Harwell do not have any ties or perceived conflicts with the MNAA at this time. Commissioner Glover stated she thought it was prior representation. President Kreulen replied no, and the two firms without an asterisk have no business for or against MNAA, or with a Commissioner to our knowledge. Commissioner Glover stated she would like to make clear that we are getting a firm for the Board and not for management, and she wants to make sure the Board does not put management in a position where they cannot perform their duties on a daily basis.

Chair Stevenson stated she would go into her list of thoughts as well, because that may feed into some of her comments. Chair Stevenson stated she knows all of the firms very well. They are excellent law firms and there are excellent lawyers at these firms. As a lawyer and as President of the National Bar Association and Executive Director of the Tennessee Bar Association, and she has worked with a lot of these lawyers and she knows them very well. Chair Stevenson stated it is a weird position weighing people, but we have to get to the right person. With that said, her top second choice based on the comments from the Board particularly related to independent thought, independent outlook for the Board itself, and because the airport has a lot of lawyers and a lot of people representing it including one of the firms on this list, her thought particularly is giving this fresh start we are trying to have, and making sure we are all going in the same direction, but having fresh perspective and people who may not have had an opportunity to work for the airport may be a good option. Chair Stevenson's first choice was Neal & Harwell, she said, in part because they are a great firm, and they also have represented the TBA Board, and she knows a lot of lawyers there, but also a former Chair of the Board being at that firm and being a relationship person for the

Board would be a good fit for her as Chair to talk with a former Chair and as well would be a good fit as we are trying to do right now with this bridging.

Chair Stevenson stated she understands the Board can also change lawyers, as people do it all the time. The Board can have an engagement for a limited period of time and if it does not work, the Board can find someone else, which is why she wants the engagement to be limited. It should be limited in time for the initial engagement, and limited in how much the Board is willing to spend for a period of time to get it through the next few months. Neal & Harwell was her 1st choice and Butler & Snow is her 2nd choice, she said partly because of the independent piece of it and not having the existing tie to the airport. Adams & Reese is a great firm, and they have represented the airport for a number of years, but they still have existing retention agreements with the airport and she does not perceive a circumstance where this Board is at an adversarial posture to the management team. She does not know what will happen in the future and she does not want to choose a firm that has ties with the Authority and is also advising the Board on things relating to the Authority. She can see where that could potentially pose an impact or conflict down the road, and that is the only reason they are not in her top 2. It is not because she does not think they are a great firm, which they certainly are. She stated that if the Board is talking about an independent firm, then to go independent, but whatever firm the Board chooses is going to be a good choice.

Chair Stevenson stated not every Commissioner rated the firms, but Neal & Harwell showed up on at least 5 Commissioner's list and Adams & Reese was number 1 for at least 2 Commissioners. She asked if there were any thoughts given that information. Commissioner Byrd stated he thinks Adams & Reese will do a good job, and he thinks Neal & Harwell knows a lot about litigation, and as he is looking at this he thinks Adams & Reese for a limited engagement, since they do not have to be educated, they can move pretty quickly to get this work done, and they are willing to work for a limited amount of money for several months. Commissioner Byrd stated that they would be an excellent choice for Board counsel. Neal & Harwell would be a solid choice for litigation counsel. Commissioner Glover asked Commissioner Byrd to please repeat what he said. Commissioner Byrd replied he recommends Adams & Reese for Board counsel and Neal & Harwell for litigation counsel. Commissioner Glover asked who represented MNAA in the Board litigation? Commissioner Byrd replied George Cate represented MNAA and obviously there is a potential for George to have conflicts being involved with litigation in Chancery court representing the Defendants

intervening in that case. Chair Stevenson stated she thinks that Commissioners are getting far ahead talking about litigation counsel and going into other things. The discussion right now is independent Board counsel, and who Commissioners think will do the best job. Chair Stevenson stated that the Board will use the Board counsel to discuss other things that people may have opinions about. She stated that she thinks that Commissioner Byrd has picked Adams & Reese, her 1st choice is Neal & Harwell, and asked if the Board was ready to vote on one or wanted to keep going through the list.

Commissioner Joslin stated Commissioner Glover may have already answered the question - Adams & Reese is already working with the Authority, which would become a conflict with management on items that are separate from the Board action, so the Board may be creating a situation where Adams & Reese is supporting the Board and supporting management. He asked if that made sense. Commissioner Glover clarified that her question was to make sure Adams & Reese would be Board counsel, not management counsel. Chair Stevenson stated that is what this vote is for. Commissioner Glover stated Neale Bedrock is management counsel, in her mind.

President Kreulen stated Neale Bedrock is General Counsel for the Authority and the Board per the Bylaws of the Board of Commissioners. At the last Management Committee meeting the Board chose to get Board counsel, so if the Board selects an independent Board counsel, he said, the Bylaws will need to be modified to say that the Board counsel has this specific role and to define that scope. Chair Stevenson stated to Commissioner Glover's earlier point regarding potential conflict of interest with management and outside Board counsel, those are legitimate concerns, and she thinks the Board can choose to consider it, she said. She is not saying that it is a conflict, but that it could be a conflict, and that would be the reason she would choose Neal & Harwell. Chair Stevenson said she respects the fact that if the majority of the Board feels differently and votes in a different direction. Commissioner Glover asked if 2 firms are being taken out of consideration. Chair Stevenson replied that there needs to be a consensus on at least on 2 firms. Commissioner Byrd stated he would rather just vote for the top 1 firm.

Chair Stevenson stated she would go down the line and ask each Commissioner what they thought. Chair Stevenson called on Commissioner Glover. Commissioner Glover stated she can go along with Adams & Reese as long as the Board has a say on who the person is assigned

to the Board. Chair Stevenson called on Commissioner Sullivan. Commissioner Sullivan replied that she thinks from a financial standpoint that Adams & Reese is probably the best choice on a temporary basis, but she also likes Neal & Harwell. Chair Stevenson called on Commissioner Byrd. Commissioner Byrd stated voted for Adams & Reese.

Vice Chair Granbery asked if the Board is voting on a counsel that is in contradiction with the Bylaws, if the Bylaws should be changed first. Chair Stevenson replied she does not think we need to change the Bylaws, and the Board can vote for its own Board counsel. President Kreulen stated to be historically correct, the Bylaws should be modified to reflect what we are actually doing. This will be a deviation so it is very important if this gets approved that the Chair has the ability to narrow what the scope is. As long as Mr. Bedrock knows what the scope is, and he as President and CEO knows what the scope is, staff can carry out the wishes of the Board. Commissioner Byrd stated this counsel will act as representation for the Board. Chair Stevenson stated correct.

Commissioner Joslin stated Commissioner Glover would also have access to whoever was picked at Neal & Harwell, whether it is Trey Harwell, or one of his counterparts. She would get that with whichever firm is chosen. Chair Stevenson called on Commissioner Freeman. Commissioner Freeman replied his vote was for Adams & Reese.

Chair Stevenson asked for a motion. Commissioner Byrd motioned to retain Adams & Reese as Board counsel. Chair Stevenson asked if there should be a stipulation that the Board gets to choose who the relationship person is. Commissioner Byrd stated he thinks we should have a thorough review of who they are selecting. Commissioner Glover asked if this should be part of the motion. Commissioner Byrd motioned to retain Adams & Reese with the ability to have thorough review of who the representatives are in representation of this Board. Chair Stevenson asked for a second Commissioner Glover seconded the motion.

Commissioner Joslin restated that Adams & Reese already has 4 contracts with this Authority and asked why the Board would not support another law firm. All 4 of the firms have been in Nashville since the beginning of time, he said, and he would not zero in on Adams & Reese when they already have a very lucrative contract with the Authority and have in the past. He stated that Adams & Reese billed MNAA \$700K - \$800K in one year and asked what the fee is for what the Board is talking about, and if it is just the retainer or if it includes hourly billing.

Commissioner Byrd replied just the retainer. Commissioner Joslin stated Gif bills at \$700 an hour and then Trey and other attorneys are at \$500 an hour. Neal & Harwell are top notch in this city. Commissioner Freeman said no question about it. Commissioner Joslin stated that he likes the thought of passing the business around a little bit outside of just the same people that get it over and over again.

Commissioner Glover stated she did not get a phone call from any of them through this process. Chair Stevenson stated she cannot speak to that. Commissioner Glover stated she was not comfortable not hearing from them at all during the litigation, not that we were a party to it, but just out of courtesy, but she moved past that. Chair Stevenson stated she understands and appreciates Commissioner Glover's comments on that and is hopeful as we go through this process of finding Board counsel. Commissioner Byrd interjected and stated Adams & Reese was not retained during that period. Commissioner Glover stated she was talking about Neale & Harwell. Chair Stevenson stated Neale & Harwell was not representing us with respect to the litigation. Commissioner Byrd stated it would have been our internal counsel. Chair Stevenson stated we should vote and move forward with a limited engagement and having ability to change if we need to. Chair Stevenson stated all these firms are great, she has no issue with any of them on a personal level, but she does like the idea of giving this business to firms that are not already doing business with the Authority. She thinks it is important and shows transparency on the Board's part to bring others into the fold. She also likes the idea of Neal & Harwell having a former Chair that is also a lawyer. She voted for Neal & Harwell. Chair Stevenson asked if there was any other discussion or comments before they voted on Adams & Reese as the firm with the contingency that we choose outside counsel. Commissioner Freeman asked if the Board could vote on litigation counsel in addition to Adams & Reese. Chair Stevenson replied no, they were not going to vote on litigation counsel, and that the Board is voting on independent counsel to advise the Board. After the Board gets that counsel, she said, the Board can then talk about everything else the Board wants to talk about with that counsel. Chair Stevenson told the Board that a motion to second is on the floor and it is going to be Adams & Reese. Commissioner Glover asked if the motion could please be repeated.

Chair Stevenson stated the Board has approved outside counsel pursuant to the Management Committee's recommendation. The motion is for Adams & Reese to serve as that outside counsel with the scope to be determined at the next vote that we are about to have with the

contingency that the Board have final say on who the relationship person will be. Commissioner Byrd stated it should be the right to review who that person is. Chair Stevenson stated she thinks Commissioner Glover wants to approve it. Commissioner Glover responded she can say right to review. Chair Stevenson stated right to review. Commissioner Glover asked right to review what. Chair Stevenson stated the right to review their suggestion or recommendation for the relationship person or persons and to provide feedback on that. Chair Stevenson stated that right to review is one thing, but if the Commissioners do not like that person, then they can do something about that, to provide feedback before that person is designated. Commissioner Byrd stated he thinks it will be person or persons. Commissioner Glover stated she has one more question and asked if Adams & Reese or Neal & Harwell have any Black lawyers. Chair Stevenson replied she does not know, but she can find out. Commissioner Glover stated she is so tired of giving all this work to firms without minority participation. Chair Stevenson stated no matter which firm is chosen; we can make it a limited engagement so we always have an option to terminate. Chair Stevenson recommended a 3-month check in, and then have an opportunity to choose to give business to somebody else if they like. Commissioner Glover replied that is fair. As there were no further comments or questions, the Board voted.

Chair Stevenson asked Ms. Saxman for a roll call:

Chair Stevenson – No

Vice Chair Granbery – No

Commissioner Byrd – Yes

Commissioner Joslin – No

Commissioner Freeman – Yes

Commissioner Sullivan – Yes

Commissioner Glover – Yes

The motion was passed with a vote of 4 to 3.

The next discussion was the authorization of the Chair and General Counsel to finalize the Letter of Engagement. Chair Stevenson stated that this process is moving quickly, and the Board wants to make sure it has somebody in place to address some immediate concerns particularly related to the de facto officer doctrine, which is the biggest issue right now that

the Board we would like to get resolved so that the Board can move forward with business of the airport.

Chair Stevenson proposed that the Board engage Adams & Reese for a 3-month period to be reassessed every 3 months. The firms have provided a monthly retainer and she thinks the engagement letter should have an hourly rate and have a cap on fees that will require additional approval by the Board. She put in her notes \$25K and the Board could debate if that is good or bad for 3 months. Commissioner Glover asked what \$7,500 is for. Commissioner Byrd stated the \$7,500 was per month. Chair Stevenson stated that an engagement letter needs to be signed quickly so the Board can get a person or persons to start representing the Board immediately, and then the Board can get into a longer engagement or may decide on another firm. Chair Stevenson proposed authorizing the Chair to execute in an engagement letter with a firm to have a limited engagement of 3 months, based on hourly rates, not to exceed \$25K in fees in that 3-month period without prior approval of the Board, with an opportunity for reassessment, and with a termination clause. Commissioner Glover asked if there is a flat fee arrangement of \$25K. Chair Stevenson replied there is a flat fee of \$25K for the 3 months, not to exceed, and that that is fair without having to get into all the nuts and bolts of hourly rates.

Commissioner Joslin asked if Adams & Reese would be taking on this Board's work and delivering whatever the Board asks them to do for \$25K. Chair Stevenson stated she is saying that for the 3-month period of engagement that would be the cap of what they can bill the Authority. Vice Chair Granbery stated that is not what she said, she said go ahead and do a flat fee. Chair Stevenson reiterated that a decision has to be made and she thinks that a not to exceed is fair and hopefully addresses some of the concerns related to cost and allows her to make an engagement quickly. Commissioner Glover asked for clarification that it is a flat fee not to exceed \$25K. Chair Stevenson asked if the Board is fine with a not to exceed. Commissioner Joslin asked for clarification if it is \$550 an hour up to \$25K, and requested they know it upfront. Chair Stevenson stated that is why she is asking for authorization and that is what she will put into the engagement letter. Commissioner Joslin said it is fair enough. Chair Stevenson stated if they cannot meet those terms then it is a whole different discussion.

Chair Stevenson asked for a motion for the Chair to engage Adams and Reese for this Board for 3 months and not to exceed \$25K. Vice Chair Granbery motioned as presented and Commissioner Joslin seconded.

Chair Stevenson asked Ms. Saxman for a roll call:

Chair Stevenson – Yes

Vice Chair Granbery – Yes

Commissioner Byrd – Yes

Commissioner Joslin – Yes

Commissioner Freeman – Yes

Commissioner Sullivan – Yes

Commissioner Glover – Yes

The motion was passed with a vote of 7 to 0.

Commissioner Byrd stated that because MNAA has been engaged in a good bit of litigation over the last 5 months, the Board should consider retaining new litigation counsel. He stated that he thinks that George Cate has done a great job as litigation counsel, but he thinks it is time for the Board to get somebody new representing MNAA which is an agency and instrumentality of Metropolitan Government of Davidson County. Chair Stevenson replied that she appreciates his comments on that, and asked the Commissioner if there was any other feedback on that. Chair Stevenson stated she would engage counsel and then the Board can continue this discussion of more counsel, but today is not the day to take that up. Chair Stevenson asked President Kreulen if a break was needed. President Kreulen replied he can keep going but if the Board would like to take a break, that is fine. He estimated there was about an hour to go.

The Board took a break at 2:21 p.m. The Board resumed at 2:27 p.m.

President Kreulen stated that there were several information items that he wanted to run through with Commissioners and that his presentation will catch up the Commissioners on final materials that have been reviewed from July 1, 2023 to today.

VII. INFORMATON ITEMS

1. BNA Roadways and Parking Update (Operations)

President Kreulen stated there had been recent discussions about working with TDOT to improve the roadways. Staff is working to modify short-term parking rates to basically create cell phone lots in the garage to remove traffic off the roadways. The goal is for people not to arrive early, but to be able to park for free. Staff recommended 20-minute free parking and the Commissioners asked staff to look at a 30-minute level. There are 233K transactions on an annual basis that are here less than 30 minutes, which is \$1.2M in revenue loss. MNAA hopes that we will be able to pull people off of the road, but 30 minutes free is about \$1.2M revenue loss and staff still recommends going forward with this pricing model. Short-term parking is not that expensive but if you are staying here 120 minutes or more then you will get to the full rate of \$30. We are keeping the \$10 increments between parking options, which is industry standard between the other large hubs. It is still cheaper to park in our valet than it is to park downtown Nashville for 3 hours.

Improvements include our parking pricing, and improvements through working with TDOT to accelerate Donelson Pike, widen 216A and having a relationship with TDOT on what their electronic messaging signs say. That is a big initiative that we are working on right now. The top 2 items, accelerating Donelson Pike and widening 216A on nonairport property, require us to do studies and once we have those studies analyzed and complete, we will come back to the Board of Commissioners with recommendations and costs for those improvements. These new rates will be effective December 1, 2023. Commissioner Freeman asked if it is 30 minutes free. President Kreulen stated we were at 20 and the recommendation came back at 30 minutes. From 0 to 30 minutes free is about \$1.2M revenue loss, and from 0 to 20 is about half of that. The 10-minute increment really does give them a break but if it helps to get cars off the road it may be worth it.

This is something our team can analyze as we go forward, and expenses are something we want to watch because we want to generate the revenue to pay bonds back. President Kreulen stated this is a suitable area for MNAA to work on, but we will come back to Commissioners if the analysis indicates a problem. Commissioner Byrd stated he thinks that we made about \$160M last year based on the income statements, and he does not want to be frivolous with expenses, but if you come here to the airport to pick someone up, your ability to get in that parking lot, park, wait for somebody to get in your car, and get you out of there, 20 minutes is not long enough. Very

few people will qualify for that, and 30 minutes gives people a good shot before they start paying \$5. Commissioner Freeman agreed with Commissioner Byrd. Commissioner Sullivan stated she thinks the only negative would be that if everything started backing up to get into the garage because so many people would be using it as a cell phone lot.

President Kreulen stated she was 100% correct, and it is a possibility that so many people come in to do that and we may have a backup. That is why you price yourself to push them to go somewhere else, but this is a good alternative for us to try at this point. We are space constrained right now with the rapid growth that we are continuing to see. Commissioner Joslin requested staff watch for people using the designated spots for 3 or 4 days. President Kreulen stated if you stay longer in the designated spots, you will be paying the full rate. It is worth it, with as many studies as have been done, to try to make roadway improvements to make some other changes in the parking management system. This is at least a good shot, and he just wants the Commissioners to be cognizant that we are making a business decision and we need to track the data over the next several months. Vice Chair Granbery thanked President Kreulen for his efforts and stated he thinks the Board has to trust his professional judgement and the MNAA team's professional judgment to do the right thing moving forward. It is not the Commissioners place to micromanage the day-to-day operations, or President Kreulen will never get past the finish line. President Kreulen thanked Vice Chair Granbery, and stated he appreciates that and he knows the Commissioners are the first to get the phone calls when passengers are backed up. Everyone needs to understand that we are working 24/7 every day of the year to try to make BNA the greatest airport, and we are committed to that.

2. BNA Development Update (Operations)

President Kreulen reported that the electric buses do lower 3.5 inches to make a smaller step, and that has been implemented. Holder Construction did a good job constructing the concourse and had \$19.8M SMWBE participation. It has been open less than one month and already goes to 40 different cities across the United States, and tomorrow, Ft. Lauderdale with Allegiant will be added.

3. JWN Development Update (Operations)

President Kreulen stated JWN is making some really good progress. Hangar 1 is skinned out, hangar 2 steel arrives in the next couple of weeks, and hangar 3 steel comes in the first of the year. All 3 of the hangars should be completed by July 2024. President Kreulen presented a slide

picturing the North side showing the new access road to the 10 parcels, with the ramp already built for the tenants that build their hangars and ramp to connect to ours. He is excited to see the progress. Vice Chair Granbery stated he believes somebody is under construction on the North end. Ms. Carrie Logan, VP, Deputy General Counsel, confirmed that is correct.

4. BNA Concessions Program Update (including Quarterly Sales Report) (Finance)

President Kreulen reported that Fraport has done really good work, with revenue up with the Terminal Concessions Program. They have a couple more stores that will be under construction. The Paradies Satellite Concourse Concession Program has 2 more locations open. Jimmy John's and Fat Bottom Brewery are under construction and will open in late November and December. He provided a diagram showing the locations. Paradies is a little over \$600K in penalties as of now for being late.

President Kreulen stated Fraport has done a great job running an RFP for the new concessions program coming with Concourse D Extension. They received multiple responses and have done a deep dive into what they think the restaurant and retail spaces should be in Concourse D. MNAA will share pictures as soon as all Letters of Intent are executed and ready to go with leases.

President Kreulen stated the Fraport Concessions Sales YTD 2023 sales are 31.75% higher than YTD 2022. The low in 2019 was \$40M, up to \$58M in 2021, up to almost \$100M in 2022, and now at \$130M. A lot of the stores are doing very well and provided a list of the top performing units in September.

5. Air Service Incentive Fund Capacity (Finance)

President Kreulen stated he mentioned having an opportunity to speak with Mayor O'Connell about future international service in the very near future. The Board and staff have done a really great job, he said and gave special thanks to Ms. Basrai for the Airline Agreement and Mr. Josh Powell, AVP, Airline Affairs and Air Service Development. MNAA manages a fund that has just under \$8M, and we put in \$2M per year. He provided an analysis showing how much it will cost MNAA if it gets a wide body to Europe, a narrow body to Europe or something else in there. MNAA could use that money over a within a couple of years, so we recommend continuing to invest \$2M per year into the account. There is currently not a cap on it, but Ms. Basrai is able to move money as necessary. Assuming MNAA is going to get a few big wins over the next 12 months, we are

adequately positioned to provide incentives to go to Germany, Ireland, or other locations. Hawaii would be a wonderful opportunity. President Kreulen presented amounts that we are paying right now and how much we have remaining to pay for these flights to London and also through Canada. He reiterated that this account has a good balance and we do not expect any financial challenges with providing air service incentives.

6. Quarterly Retirement/OPEB/Treasury Investment Reports (Finance)

President Kreulen stated Ms. Kristy Bork did a great job presenting how MNAA did at our last quarter. MNAA's Retirement Plan is almost 100% funded as of June 30, 2023. The OPEB is overfunded at 145% as of June 30, 2023. We lost a little bit in those accounts due to the markets recently. The Commissioners asked at last week's Committee meeting how many people are in the programs right now. The Retirement Plan Participants include 43 active employees and 244 former employees with a total of 287 participants. The OPEB Plan Participants include 75 active employees and 247 former employees with a total of 322 participants. MNAA's program is well funded right now and we intend to keep it that way.

President Kreulen stated Ms. Basrai mentioned earlier about our investments, so we do have a lot of funds available to us. We have over \$1.2B available funds, and 99.5% of that money is invested and the other 0.5% is what Ms. Basrai uses to pay the bills day in and day out. Ms. Basrai pulls out of investments as she has to pay big bills. When you look at our investment earnings in the last quarter, it was the best quarter we have ever had, earning \$12.5M.

7. 2023 Board Retreat Review

President Kreulen presented the slides from the 2023 Board Retreat held October 18, 2023. He stated this is the key for the city and for the Board. This is the big business for the airport and where we need to go in the future.

1. JWN Development

President Kreulen stated at John C. Tune there are 6 projects: 1. Existing FBO; 2. North Development; 3. 2nd FOB; 4. Box Hangar Area; 5. Corporate Hangar Area and 6. Westside Development. MNAA's goal is for Contour, the existing FBO, to complete building back the 3 hangars that were destroyed during the tornado. They are on track to build those out and be up and running by July 2024. We are in the development phase of a new FBO Request for Proposal and looking into a Request for Information where we go out to industry and ask what

you think about our future proposal. This is where we talk about the bigger terminal and restaurants that would go into spot 3. We have already shown a picture of where we have gone into the leasing and executing those leases in the North Development, so number 2 is to construct those different facilities. Numbers 4 and 5 are two spaces on the other side of the airfield, one is called Box Hangar Area Midfield and the other is Corporate Hangar Area Southside. We have a little bit of money that was left in the rebuilding of these hangars and we are trying to design a layout to bring back to Commissioners for what might fit in that space and what will provide the biggest return for us. If we are able to accomplish everything in these areas over the next few years, then we will need to turn our attention to Westside Development. We have already designed a road to get into this area but we would have to carve out part of that hill to build a future ramp. As Commissioners have suggested a couple of times, possibly a parallel taxiway would be included. We already know how to offload some of our traffic on this side, and the big challenge that we owe the Commissioners going forward is how to pay for it and how do we charge to recoup that type of investment.

Vice Chair Granbery asked what the time frame is for the city moving forward on the hangar for the helicopter for MNP. Ms. Holton replied we should have an Invitation to Bid ready in March or April 2024. President Kreulen stated we had to finalize their design, as they got a little ambitious and then we had to work with MNP on the scope of the design. We will put it out and when we get a price in the March time period, that is when Metro will give us a thumbs up or thumbs down. It is coming soon, and we will be well into construction on the other spaces. We owe the Board an answer in the March or April, 2024 time period.

2. BNA Overview

President Kreulen stated that a normal airport grows about 3% a year, and we have not seen that in the last 11-12 years. We have been averaging 10% per year for 10-plus years. If we look at the last 10 years, even including the pandemic, we added over 1M passengers every year. Staff came up with 5 different scenarios for growth that Ms. Basrai and the Finance team have been modeling. President Kreulen presented a graph showing growth as low as 3%, at or our normal growth of +1.18M passengers/year and at an aggressive rate. If Nashville stays hot, we could be hitting 35M passengers in the 2028/2029 time period, which is concerning to us if we will be able to build it all. We must get ready to be at 35M in 10 years, which is about the time that a normal airport takes to build a new terminal. We have a 10-year head start and are trying to get that study off the ground so that we can analyze what would be required for that.

President Kreulen presented a graphic showing BNA's runway system capacity. The FAA says that our airport can go at 495,300 operations – take-off and landing is an operation. This is defined as the Annual Service Volume ("ASV"). Today BNA is at 52% of that, 257K annual operations. Once we go north of 297K annual operations, which is where BNA was in 1992 when United Airlines bailed out, the ASV will be at 60% which FAA recommends is the point to be planning for the next runway. If we keep growing to get to 80%, 396K annual operations or 80% ASV, FAA recommends being in development of the next runway or you will start seeing degradation in service, long lines of jets waiting to take off and all that. We are tracking our runway use so that we can make good business decisions on a runway extension or 5th runway, or both. Runways are what we need for nonstop service to different places.

President Kreulen presented a chart slide, which was the exact slide used at Retreat, of domestic nonstops. Earlier in the meeting, it was reported service to Portland was announced starting next March. We are trying to reach the average the top large hubs, and we are at 99 nonstops in the summer and some large hubs bigger than us are averaging about 120-127 nonstops. With the New Horizon Program, we are already at 500-600 daily operations and by the time we get to 2028 and open Concourse A, we will be at 800 operations per day.

President Kreulen stated he discussed with Lisa Lankford, Deputy CEO and Chief Strategy Officer, Mr. Powell, and the team, that we need to view International Air Service with a new perspective. This is what he wants to share with Mayor O'Connell in the next few days. With our 4 runways, 3 being north/south and about 8K feet, you can see London is 4,182 miles away. We can make it 4K miles with a 787-900 like we are doing today without any issues. Getting to these other hubs in Europe is not a problem and is all doable. Everyone keeps saying we want to get to Asia, which is 9K miles away. Mr. Powell went to Istanbul and has been courting Hawaiian Airlines out of Honolulu. We can go nonstop if we get the right jet from BNA to Honolulu, which is halfway to Sydney or halfway to Japan. If you look at Japan and if you analyze Asia, the number 1 destination out of Japan and Asia for vacation leisure is Honolulu. If we can seal a deal with Hawaiian Airlines, we would be able to go nonstop to Hawaii and then go to Japan. We have the ability to get to Asia, but we have to make a stop. Commissioner Glover asked President Kreulen to define our service from BNA to Europe as a nonstop, as some airlines define nonstop as no change of planes. President Kreulen replied we do not want to go to Philly and stay on the same plane to get to Paris, we want to go to

from Nashville directly to Paris. We do not want to go from Nashville to Chicago to get to Seoul or Tokyo. The vision for the city and state and for the future is nonstop service.

President Kreulen showed several graphs from the air service consultant and engineering team validating what he just reported. We have the runway length today to handle these airlines to capture these, especially now that we have a new International Arrivals Facility ("IAF") and instead of doing one jet at a time, we can do 6. If we go West, you can see we have the runway length for Honolulu today and the runway is lengthened you can get to Japan or Seoul. If you do a midway stop in Honolulu, you can go to Tokyo by Hawaiian Airways, Japan Airlines or Al Nippon Airlines. We can get you to Sydney from Honolulu with Quantas or Hawaiian Airlines. These are the targets we have given to Mr. Powell and his team to figure out how to build the right business case to get service in both directions.

President Kreulen presented a slide from the October 2023 retreat summarizing Mr. Powell's recent visit to Istanbul for the World Routes 2023. He noted that Discover Airlines has changed from an FY24 opportunity to an FY25-FY26 opportunity. Discover took 3 jets out of the mix, and this shows how closely the airlines manage the airplanes. They just took 3 Airbuses out of the mix to reconfigure seats on the jets, so that went from possibly getting an early summer flight to Germany or early fall, to pushing it to 2025. We talked to Hawaiian Airlines and they are waiting on the delivery of a Dreamliner jet that would make it all the way to Nashville with our given runway capability. President Kreulen stated he wanted to show Commissioners that we are out advertising to come to Nashville and Tennessee. We are trying to sell Ireland right now, and it appears to be between Raleigh Durham or us. We have a better business case than Raleigh Durham, although we are 300 miles further distance. Raleigh Durham can get a nonstop flight to Dublin out of Charlotte, we would have to drive to Atlanta. There are a lot of other business reasons why Aer Lingus should come to Nashville vs. Raleigh. Commissioner Byrd stated Atlanta has a direct flight to Tokyo, and it has the runway and big jets to make that flight. President Kreulen replied, he is not sure if they do.

Commissioner Glover stated she read somewhere that the number 2 reason an individual chooses a city is because of the airport. President Kreulen replied when you talk to anyone, whether it is the city doing economic development or the state doing economic development, number 2 is where does your airport go. And they are trying to find out if it goes to the headquarters that they are trying to hit. Commissioner Byrd asked if it revolves around the

price of the flights. President Kreulen replied eventually, but really it is the business case if you can fill the airplane. With British Airways, people will talk about the prices being high but with 600 people going every day, and they only need 200 to fill the jet, it will take competition in there for the prices to drop. As soon as we win the 2nd or 3rd European destination, our prices will get cheaper. Right now, customers will have to pay if they want to go nonstop.

Commissioner Joslin stated he was analyzing this and years ago we were 2 or 3 years behind in preparations for what was to come. We can't spend months discussing little things like a \$68M parking garage. We need to get out in front of this or we are going to be behind again. It is coming and we need to accelerate whatever these contracts, and if we need to pay TDOT to get I-40 done and accelerate Donelson Pike. President Kreulen stated the BNA Vision Program has been a huge success thanks to the team behind him that made it all happen and the challenge is as we continue to grow and accelerate even faster and that is why the New Horizon Program and the future is so important to us now because there are some big decisions. Terminal 2 is a big decision and as we get done studying that over the next year. That will also have a profound impact on Nashville and roads. Commissioner Joslin asked if 20R was the runway planned to be extended. President Kreulen replied yes, 20R. Commissioner Joslin asked about the status of the environmental work required by the FAA. President Kreulen stated we were ready but had to get the FAA to agree. We just recently signed a Memorandum of Understanding ("MOU") with them. Commissioner Joslin stated we need to figure out Terminal II quickly. President Kreulen replied that 12 months from the time the Board approves the contract, in the October/November 2024 timeframe, we should have identified the most economic place to put it and then you have 9 years to build it.

Commissioner Glover asked when in 2024 BNA would have direct service to Germany or Hawaii. President Kreulen stated we thought Discover Airlines was very hot, and we gave them another presentation, but then they made the decision to take 3 jets out of the mix, so it is not a 2024, it is now 2025/2026. Regarding Hawaiian Airlines, we are still waiting to see if there is a possibility for 2024, and if not, we will be changing that one too. President Kreulen stated 2024 past July 1st, somewhere in there we are going to start hitting some homeruns.

President Kreulen stated Financial Strength was already mentioned with a great audit. He shared that we have \$3.2B to almost \$3.3B in plans right now. We did a great job with BNA

Vision 1 and 2. We are on New Horizon now and this does not include the second terminal. Borrowed to date, which was discussed earlier today, is \$1.6B (\$900M and \$600M). He showed what is remaining to be funded. Ms. Basrai plans that based on cash flow and what we know today, she would go back to the market in 2025 for another \$500M and then in 2027 for another \$800M to pull all this off. We have an 11 X 17 spreadsheet that goes through 5 different growth scenarios. We have the Hybrid Scenario, which forecasts aggressive growth for 3 more years and then tapering off, and Scenarios 2-5 which show what we would look like if we were growing at 3%, 7%, 10% or 15%. Ms. Basrai has run all the models and calculations, and determined we can pay for all this, what our debt service would be, and how our bond ratings would look. He presented the results of the Hybrid model. We are very affordable for the airlines at only \$13 Cost per Enplanement ("CPE") when it is \$50 or more at other airports. Our debt service coverage requirements are 1.25 senior and 1.10 subordinate, but our policy says we have to do better than that 1.5 and 1.25. We are both great at senior and subordinate coverage. He showed healthy cash on hand levels. When you see \$1.2B that does not mean there will be \$1.2B sitting in the bank, that means there is \$1.2B available to cash fund a lot of this infrastructure. Our team feels very comfortable that if the economy drops and we are at slower growth, and has models built to continually monitor. We can do \$3.3B worth of work and maintain our credit ratings for the next 10 plus years. This does not have Terminal II in it, which we will need to figure out as we go. From a Board perspective, Commissioners should see that MNAA is in a really strong financial position to move forward with what we are talking about.

Vice Chair Granbery asked President Kreulen to go back 2 slides. In the remaining cost of the funding, the \$855M for Concourse A reconstruction is obviously the biggest chunk of the \$1.5M remaining to be funded. He asked at what point we will be committed to building Concourse A. He stated when New Horizon was approved, building the Satellite Concourse and Concourse D Extension were part of the project, and asked when a decision would be made on the demolition of Concourse A. President Kreulen stated on July 3, 2025, we are going to open up the extension to Concourse D and when that opens, or 60 days later, we will close A for good and the demo is on. That contract is with the Board now for \$47M to design a new Concourse A. Vice Chair Granbery clarified that contract was to design it, and not to build it. President Kreulen stated we would not have built it, but come July 3, 2025, we will have vacated everybody out plus or minus. The reason we did it is because Ms. Holton guaranteed it is cheaper to do it all at once rather than phases. The Board should feel good

about that with the Satellite just opening, we are at 54 gates. Ms. Basrai and the finance team just negotiated a new airline agreement through 2033 that has this in it and airlines want all 70 gates already. They are already fighting over who gets the gates. It is almost like it is not an off ramp anymore, as the airlines see Nashville's future is that building. It is not expected there be a need to exercise the off-ramp on this project.

President Kreulen presented the BNA Key Processors, which is the analysis of terminal capacity and constraints up to 35M passengers. He stepped through 13 key processors and showed where there are challenges, where solutions are in-process and where studies are underway. We have some homework on the bag makeup area and for a bigger rental car facility and will bring results of the studies back to the Board. We need to do some roadwork which we are talking with Commissioners about. We were at 22M passengers last year, we are expecting 24M passengers this year. He showed that there are days, such as October 7th and October 15th, where the airport is so busy that on an individual day, we are already at 36M or more passengers. The 35M passenger capacity number is an average for 365 days a year. On a normal day BNA 60K passengers go in and out of here, and on peak days there are 80K passengers moving through. Commissioner Byrd asked if he could have a copy of these slides to review. President Kreulen replied yes.

President Kreulen presented the New Horizon Projects & Adjustments to the next \$1.5B. The Board approved today the CGMP number 4 of 4 to extend Concourse D. When this opens on July 3, 2025, we are within 60 days of deciding if the demolition of Concourse A will start. He presented the work that had been done on the Concourse A ramp, which had been filled over the past year to raise the ground 95 feet, so Concourse A can park itself on top of that once it is paved. What makes this Concourse better than the existing Concourse A is that you can load from both sides, get in and out efficiently, have 2 taxilanes on either side, and has 16 gates.

President Kreulen presented the Terminal Access Roadway Improvements ("TARI") and showed where we were delayed due to the pipeline strike that put us behind due to litigation for a couple of years. As previously discussed, we have asked TDOT about a plan to accelerate Donelson Pike to widen 216 on federal land. He detailed the areas MNA is working on.

President Kreulen presented a graphic for the new Air Freight Building and potential Multi-Purpose Building. Demolition of the existing Air Freight Building will start in January, and a decision must be made if the Multi-Purpose Building will also be demolished and incorporated into that facility. This would allow for 2 additional gates in Concourse D. Strategically we believe this makes sense, and staff must come back to the Commissioners to change the budget on this building from \$25M to \$125M for the increased square footage, roads, ramps, gates, and international cargo. Eventually if we keep building where the existing police station is, we will probably expand our fuel farm because we will eventually need to store more than 8M gallons of fuel.

President Kreulen provided an overview of ongoing studies including the Runway 2L Extension, Terminal II site selection, Central Ramp, and other critical requirements. The Board approved these studies 12 plus months ago. We are just moving out on the MOU with the FAA and we hope to get a company selected and come back to the Board for approval. This study includes a runway length justification and agency review, and then will do 2 years of environmental work. Commissioner Byrd asked what he thought the runway length would be. President Kreulen stated we think is 12K feet long, the FAA thinks it is 10,600K, and once they agree on the length that determines how much of an environmental area we need to study. Commissioner Byrd asked where this runway is located. President Kreulen stated it is the closest one to the Genesco Building, which is the most cost effective one to extend, but the challenge is that Murfreesboro Road must be lowered by 50 or 60 feet.

President Kreulen stated the Terminal II Site Selection is the study that we want to award to Strategic Planning Services. This is a 12-month study and he wanted to give comfort to the Board that we do not do anything without coming back and updating the Board. When we execute this contract, we are going to come back 4 times to give updates as we go into different phases within the next 12 months. We actually have the 1st update on the calendar, but you might see a slip if the contract is not executed. Steve Smith with Paslay Group has been selected as the Program Manager. Commissioner Joslin stated he is a big fan of Paslay Group and everything they have done with this airport.

President Kreulen presented a graphic of the proposed central ramp, which is now one big hole. He explained that he is showing this because MNA does not have a dollar amount yet, but the trip to Southwest on December 4, 2023 is important because as they build a crew

base here, they want 4 extra places to park jets. We need to get to an agreement if they are paying for it. Commissioner Byrd asked why the hole needs to be filled. President Kreulen stated he has asked Mr. Ramsey and Ms. Holton to determine if we need to fill the whole hole or fill in 1/3 at this time. Southwest has all of Concourse C and Concourse D and this is the closest we can give them for Remain Over Night (“RON”) or deicing path, and so this will be a discussion and of course will have to come back to the Board for approval. This is 3.2M cubic yards to fill this entire hole. We will meet with Southwest and figure out who will pay for this.

President Kreulen stated this is the last slide, Critical Requirements, showing the Commissioners the 11 studies that are ongoing. The 1st 5 are in the New Horizon Program and the other 6 are in the Terminal II Program, but he does not have the dollar amounts yet. New Horizon is \$1.5B today but if we do all this it is now approximately \$2B. We do not know the dollar amount for Terminal II but we need to find a way to bundle these things so we can figure out how to design, develop, and get ready to build for the future. We have big challenges ahead. It is a good problem to have and if anyone asks what's new at the airport, Commissioners can report that we are working on things for 2030 and trying to figure out what we have to do to do the right thing.

I. ADJOURN

There being no further business brought before the Board, Chair Stevenson made the motion to adjourn, and Commissioner Joslin seconded the motion, which carried by a vote of 7 to 0. Chair Stevenson adjourned the meeting at 3:18 p.m.

Andrew Byrd, Board Secretary

STAFF ANALYSIS

Board of Commissioners

Date: December 20, 2023
Facility: Nashville International Airport
Subject: Amendment to Contract for On-Call Snow Removal Services

I. Recommendation

Staff requests that the Board of Commissioners:

- 1) Accept the proposed amendment to the contract with Grade A Construction for On-Call Snow Removal Services
- 2) Authorize the Chair and President and CEO to execute the proposed amendment to the contract for On-Call Snow Removal Services with Grade A Construction, for \$1.5M NTE in the current optional year.

II. Analysis

A. Background

The Maintenance Department is responsible for providing on-call snow removal services across the airport campus. These services include multiple outlying buildings, roadways, garage entrances, parking lots and aircraft ramp areas. With the expansion of BNA Vision, these services are necessary as these services directly affect passenger and employee flow and safety in adverse weather conditions. The awarded contract allows MNAA to continue to serve the community as it gives the vendor opportunities to join our team and participate in the success of BNA. The areas of service for this contract total over 1,794,282 sq ft of payment at the outlying buildings, roadways, garage entrances, and parking lots. The contractor also aids with clearing the terminal ramps and common use gates as needed.

On September 26, 2022 an Invitation to Bid ("ITB") for the On-Call Snow and Ice Removal Services was published. On October 14, 2022 the Maintenance department was notified that one bid had been received from Grade A Construction. Procurement worked to procure another vendor to assist MNAA during the events. In FY23 it was determined that an additional vendor was not needed for these services. The current contract was set at \$450,000 per event for these services.

Last year (FY2023), snow events occurred on December 22, 2022 and December 26, 2022. We experienced seven (7) events in FY2022. With MNAA experiencing these recent weather events, the not to exceed (NTE) contract amount should be increased to ensure the airport is able to supply these services to all customers. As weather events are unpredictable, maintenance advises and requests to set the contract to a limit of \$1.5M as a drawdown.

The ability to move snow and ice within the ramp has been limited and with current construction, all accumulations of snow must be completely removed from the ramp area to be treated properly. This has caused an increase in snow removal services that the Maintenance department is unable to complete due to current staffing and equipment constraints. Without these contracted services, Maintenance is not able to provide a safe ramp for taxing aircraft and parking lots for entering and exiting passengers.

Staff requests the Operations Committee recommend to the Board to approve the amendment price increase for On-Call Snow and Ice Removal Services. The contract cost would increase as shown below:

B. Impact/Findings

On-Call Snow and Ice Removal Services:

SMWBE Goal:	9.55% MBE or WBE (Archangel and Jerry B Young)
Contract Start Date:	October 1, 2023
Duration of Contract:	One (1) six (6) month term with one (1) six (6) month option term
Contract Completion Date:	March 31, 2024
Contract Cost Year 1 (FY23)	\$1,300,000
Optional Contract Cost Year 2 (FY24)	<u>\$1,500,000 NTE</u> (depends on number of events)
Estimated Contract Cost 2 years:	\$2,800,000.00
Funding Source:	Operations and Maintenance (O&M)

C. Strategic Priorities

- Invest in BNA
- Plan for the Future
- Prepare for the Unexpected

D. Options/Alternatives

1. Do Nothing: The “Do Nothing” option will produce a decline in overall customer experience and cause ramp operations to halt causing great delay in flight operations.
2. Use current maintenance employees: This approach will produce little results as the current maintenance department lacks the necessary employees and equipment to meet these adverse weather requirements to maintain proper flight operations.

III. Committee Review

This item was presented to the Operations Committee on December 13, 2023. The Operations Committee voted 3 to 0 to recommend approval to the Board of Commissioners.

STAFF ANALYSIS

Board of Commissioners

Date: December 20, 2023

Facility: Nashville International Airport

Subject: Professional Services Contract for 2002C 2L Extension Environmental Impact Statement

I. Recommendation

Staff requests that the Board of Commissioners:

- 1) accept the statement of qualifications by Landrum & Brown, Inc. to provide a comprehensive analysis of the impact that the 2L runway extension and enabling actions will have on the environment; and
- 2) authorize the Chair and President and CEO to execute the 2002C 2L Extension Environmental Impact Statement Professional Services Contract for a not-to-exceed contract value of \$3.5 Million.

II. Analysis

A. Background

Runway 2L/20R is 7,703ft long and 1,450ft wide with two full-length parallel taxiways on either side of the runway. As the western-most runway in north/south orientation with Category II and Category III approaches, 2L/20R sees more than a third of all aircraft operations at BNA. None of the existing runways at BNA have the length needed to serve potential international destinations beyond 4,000 nautical miles (nm). Current analyses for the 2017 BNA Master Plan update indicate that the projected aircraft fleet mix serving the most likely international destinations from BNA will require a runway length of 12,000ft.

The scope of this project is to assist the Federal Aviation Administration (FAA) in preparing an Environmental Impact Statement (EIS) to assess and disclose the potential environmental impacts of the Runway 2L Extension and alternatives in accordance with the requirements of the National Environmental Policy Act (NEPA). Phase I of the EIS will include:

1. Project Definition, Purpose and Need
2. Runway Length Justification
3. Environmental Screening

At the conclusion of Phase I, the FAA will determine whether it is necessary to proceed with an EIS or to downgrade to an Environmental Assessment (EA). A future amendment will be necessary to include scope items to complete the EIS or EA, based on the FAA's decision.

On September 25, 2023, the MNAA published a Request for Qualifications (RFQ) for professional

services related to developing an EIS analysis performed in accordance with NEPA requirements. On October 25, 2023, three (3) Statements of Qualifications (SOQ) were received from the following firms:

1. Harris Miller Miller & Hanson (“HMMH”)
2. Landrum & Brown, Inc.
3. TTL USA, Inc.

The selection committee evaluated the SOQ based on the criteria below:

1. Experience on similar projects
2. Key Personnel Qualifications
3. Subconsultant Qualifications
4. Approach to potential challenges
5. DBE participation

The selection committee determined the following firms to be the best qualified: HMMH and Landrum & Brown, Inc.

On November 17, 2023, the selection committee conducted interviews of these top candidates and their scores are listed below:

Firm	HMMH	Landrum & Brown
Score	353	384

The selection committee determined Landrum & Brown, Inc. to be the most qualified firm for the project based on their responses to the following questions:

1. What are your current policies and procedures for mentoring and developing relationships with DBEs and how long have those policies been implemented?
2. Based on your knowledge of the project, what do you think is the probability of this EIS being downgraded to an EA? Explain.
3. Identify and describe the biggest challenge for this project and how will you address it?

The SMWBE participation level established by MNAA for this contract is 7.98% DBE. Landrum & Brown, Inc. has committed to obtaining 8.00% DBE goal utilizing duGuard Communications and LTL-Schock Group.

B. Impact/Findings

MNAA DBE Goal:	7.98%
Landrum & Brown’s DBE Goal:	8.00%
Anticipated Contract Start Date:	January 2024
Duration of Phase I:	6 months
Contract Completion Date:	June 2024
Contract Cost:	\$3,500,000 NTE
Funding Source:	100% MNAA

C. Strategic Priorities

- Plan for the Future

D. Options/Alternatives

Do Nothing: The “Do Nothing” option will result in the inability to extend runway 2L, which will prevent access for BNA to have flight options greater than 4,000 nautical miles.

III. Committee Review

This item was presented to the Operations Committee on December 13, 2023. The Operations Committee voted 3 to 0 to recommend approval to the Board of Commissioners.

STAFF ANALYSIS

Board of Commissioners

Date: December 20, 2023
Facility: Nashville International Airport and John C. Tune Airport
Subject: Professional Services Contract for On Call Architecture Services

I. Recommendation

Staff requests that the Board of Commissioners:

- 1) accept the statement of qualifications by Gresham Smith to provide on call architectural services at Nashville International Airport (BNA) and John C. Tune Airport (JWN); and
- 2) authorize the Chair and President and CEO to execute the On Call Architecture Professional Services Contract for an annual not-to-exceed contract value of \$5 Million, with two (2) one-year renewal options.

II. Analysis

A. **Background**

The MNAA relies on professional architectural services to execute the Capital Improvement Plans for BNA and JWN each year. Historically a separate procurement was solicited for each project, taking up to four (4) months to execute a contract and begin work. With the utilization of an on call professional services contract, MNAA will be able to mobilize the consultant and begin work quickly. With the current growth that MNAA is experiencing and the need to expedite projects, this contract is critical for the Engineering Department to meet expectations and deliver the capital program on schedule.

It is intended for the selected team to provide architectural design services for all capital projects for the next three (3) years. Execution of projects will be via task order issued under this contract, which consists of a one-year term with two (2) one-year renewals, at an amount not-to-exceed \$5M. Additionally, supplemental, project-specific contracts, with separate terms, fees, and SMWBE participation levels, will be executed for scopes that start during this on-call architectural contract, but extend beyond its term.

Anticipated projects for FY 24 are as follows:

- Curbside Environmental Protection
- Backup ACC Upgrade
- Mobile Equipment Additional Covered Storage
- Consolidated Services Facility Build Out (Concourse A Enabling)
- AIR Manual Update and Development Standards Guidelines

On August 28, 2023, the MNAA published a Request for Qualifications (RFQ) for on call architectural services.

On September 27, 2023, eight (8) Statement of Qualifications (SOQ) were received from the following firms:

1. Community Solutions By Design (“CSBD”)
2. Draw architecture + urban design (“Draw”)
3. Gensler
4. GHP, Inc.
5. Gresham Smith (“GS”)
6. Nelson
7. Ross Witt
8. TM Partners (“TMP”)

The selection committee evaluated the SOQ based on the criteria below:

1. Team Structure
2. Key Personnel Qualifications
3. Experience on similar projects
4. Approach to address the variety of tasks/projects requested
5. SMWBE participation

The selection committee determined the following firms to be the best qualified: Gresham Smith and TM Partners.

On October 25, 2023, the selection committee conducted interviews of these top candidates and their scores are listed below:

Firm	Gresham Smith	TM Partners
Score	385	360

The selection committee determined Gresham Smith to be the most qualified firm for the project based on their responses to the following questions:

1. Describe your internal policies and procedures for mentoring and developing relationships with SMWBE firms.
2. Explain your process for executing a task order, including owner and team interactions and specific personnel performing execution of the process.
3. Provide your approach to performing a task with a construction value of less than \$100,000 and more than \$25,000,000.

All teams were qualified, but Gresham Smith presented a comprehensive and well qualified team with the experience and capabilities to perform the tasks.

The SMWBE participation level established by MNAA for this contract is 6% MBE and/or WBE. Gresham Smith has committed to meet this participation level utilizing Connico, Inc., (MBE) Shrewsbury (WBE), and Logan Patri Engineering Co (MBE).

B. Impact/Findings

MNAA SMWBE Participation Level:	6% MBE and/or WBE
Gresham Smith’s SMWBE Participation Level:	6% MBE and WBE
Anticipated Contract Start Date:	December 21, 2023
Duration of Contract:	1 year, with two (2) one-year renewal options
Contract Completion Date:	December 21, 2026
Contract Cost:	\$5,000,000 NTE (per year)
Funding Source:	Determined on a task-by-task basis

C. Strategic Priorities

- Invest in BNA and JWN
- Plan for the Future
- Prepare for the Unexpected

D. Options/Alternatives

Do Nothing: The “Do Nothing” option will result in the inability to use On Call Architecture Professional Services, requiring MNAA to procure these services for individual projects, adding months to each project delivery schedule, reducing staff’s ability to respond to needs efficiently, and eliminating the ability to cost-effectively execute small-scale project work.

III. Committee Review

This item was presented to the Operations Committee on December 13, 2023. The Operations Committee voted 3 to 0 to recommend approval to the Board of Commissioners.

STAFF ANALYSIS

Board of Commissioners

Date: December 20, 2023
Facility: Nashville International Airport (BNA)
Subject: Construction Contract for Taxiway B5 Repairs
Project No. 2409A

I. Recommendation

Staff requests that the Board of Commissioners:

- 1) Accept the bid by Hi-Way Paving, Inc. (Hi-Way Paving) for Taxiway B5 Repairs at BNA and;
- 2) authorize the Chair and President and CEO to execute the proposed contract for the amount contained herein.

II. Analysis

A. Background

Taxiway B5 is at the northern end of T/W Bravo, connecting T/W Bravo to R/W 2L/20R. Due to its location, it is one of the most heavily used taxiways on the airfield, serving as the primary access to R/W 2L/20R for flights departing this runway to the south. Due to the increased frequency and weight of aircraft using this taxiway, the existing asphalt pavement has significantly rutted and resulted in some aircraft getting stuck. This area has been repaired with asphalt patches twice in the last ten years but continues to deteriorate.

The scope of this project includes the removal of the existing asphalt at T/W B5 and replacing it with Portland Cement Concrete. The project scope will include re-marking as required.

An Invitation to Bid for the project was advertised on October 16, 2023.

On November 16, 2023, two (2) bids were received. Below is a tabulation of those bids:

Contractor	Schedule 1
Hi-Way Paving, Inc.	\$970,100.00
The Harper Company	\$981,164.39

The SMWBE participation level established for the project was 8.17% MBE and 7.15% WBE. Hi-Way Paving was able to obtain 8.25% MBE and 7.19% WBE participation by utilizing Archangel Protective Services Inc., E3 Materials and Logistics, LLC, and Gibco Construction, LLC.

Hi-Way Paving’s Bid is 24% higher than the Engineer of Record’s (Garver) opinion of probable construction cost of \$782,000.00. This distinction can be primarily attributed to the small quantity of concrete, safety and security costs and continuing increase in concrete material costs.

The Metropolitan Nashville Airport Authority (MNAA) and Engineer of Record, Garver, have evaluated the bids and determined the bid from Hi-Way Paving to be responsive and responsible and recommend award to Hi-Way Paving, Inc.

B. Impact/Findings

MNAA SMWBE Level:	8.17% MBE and 7.15% WBE
Hi-Way Paving, Inc.’s SMWBE Level:	8.25% MBE and 7.19% WBE
Anticipated Contract Start Date:	March 2024
Duration of Contract:	30 Calendar Days
Contract Completion Date:	April 2024
Contract Cost:	\$970,100.00
Funding Source:	100% Airlines

C. Strategic Priorities

- Invest in BNA
- Plan for the future

D. Options/Alternatives

Do Nothing: The “Do Nothing” option will result in the continued deterioration of T/W B5, potentially to the point where it will no longer be useable pavement.

III. Committee Review

This item was presented to the Operations Committee on December 13, 2023. The Operations Committee voted 3 to 0 to recommend approval to the Board of Commissioners.

STAFF ANALYSIS

Board of Commissioners

Date: December 20, 2023
Facility: Nashville International Airport
Subject: Virtual Ramp Control Implementation
Progressive Design-Build CGMP 1 of 2 (2462)

I. Recommendation

Staff requests that the Board of Commissioners:

- 1) authorize the Chair and President and CEO to execute the proposed contract for Component Guaranteed Maximum Price #1 (CGMP1) for design, pre-construction services, and early construction activities related to the Virtual Ramp Control for the Progressive Design-Build contract at Nashville International Airport (BNA).

II. Analysis

A. Background

Currently, Nashville International Airport's (BNA) terminal ramp is uncontrolled and shared by all airlines. Pilots use a common radio frequency to be aware of each other's movements, however, the system lacks efficiency and can create delays during times of peak use.

In September 2023, the airlines utilizing BNA's terminal ramp decided to implement Virtual Ramp Control (VRC) to improve ramp safety and efficiency. The strategy will help airlines to reduce fuel consumption, taxiing time, and gate congestion. VRC will use a range of cameras and sensors mounted to the terminal building and/or structural supports in the area. Controllers will operate remotely from the Consolidated Services Facility (CSF) on MNA A property. The MNA A and the airlines recommended Saab, Inc. (Saab) for the design, building, operation and maintenance of the VRC system at BNA. In September 2023, the Board of Commissioners approved and executed the contract for the design, build, operate and maintenance with Saab of the Virtual Ramp Control system.

The VRC Implementation project is to provide structural infrastructure for the cameras and sensors, communications routing, and construction of the VRC room in the Consolidated Services Facility. The Progressive Design-Build contract is anticipated to consist of two (2) component guaranteed maximum prices (CGMP). CGMP1 consists of the design phase, preconstruction services, and construction activities including long lead time items. CGMP2 will consist of remaining construction phase items.

On October 16, 2023, the MNA A published a Request for Proposals (RFP) for Progressive Design-Build contract for Virtual Ramp Control Implementation at BNA.

On November 15, 2023, one (1) Proposal was received from Hensel Phelps, Inc. (HP).

The selection committee evaluated the Proposal based on the criteria below:

- a. Team/Individual Qualifications and Experience
- b. Technical Approach
- c. SMWBE Participation
- d. Price

The selection committee determined that Hensel Phelps was qualified to complete the project based on their qualifications, relevant project experience, and proposed project schedule. Their score is listed below:

Firm	Hensel Phelps
Score	260

Impact/Findings

MNAA SMWBE Participation Level:	5.33% MBE and/or WBE
Hensel Phelps SMWBE Participation Level:	5.33% MBE and/or WBE
Anticipated Contract Start Date:	January 2024
Duration of Contract:	229 Calendar Days
Contract Completion Date:	August 30, 2024
Component Guaranteed Maximum Price 1	\$5,000,000
Funding Source:	100% Airlines

B. Strategic Priorities

- Invest in BNA

C. Options/Alternatives

Do Nothing: The “Do Nothing” option will result in the inability to implement the Virtual Ramp Control system.

III. Committee Review

This item was presented to the Operations Committee on December 13, 2023. The Operations Committee voted 3 to 0 to recommend approval to the Board of Commissioners.

STAFF ANALYSIS

Board of Commissioners

Date: December 20, 2023

Facility: MNAA

Subject: Short Term Credit Facility – Third Amendment to the Note Purchase Agreement with Bank of America, N.A.

I. Recommendation

Staff requests that the Board of Commissioners:

- 1) approve MNAA Resolution No. 2023-12, which authorizes both the extension of the maturity of the notes and the commitment expiration date for a period not to exceed one year, in the Note Purchase Agreement with Bank of America, N.A.; and
- 2) authorize the President and CEO to execute the Third Amendment to the Note Purchase Agreement with Bank of America, N.A.

II. Analysis

A. Background

- I. On January 7, 2019, the Authority entered into a Note Purchase Agreement (“NPA”) with Bank of America, N.A. (“BofA”) in the aggregate amount of not to exceed \$300 million. Prior to execution and delivery of the NPA, the Authority approved the issuance of up to \$300 million in revenue notes under the NPA and held a public hearing in connection with this approval. The NPA provides short-term cash flow funding for the Authority’s capital projects during the early stages of construction. The funds drawn on the NPA are expected to be refinanced through the issuance of long-term revenue bonds. As a reminder, the list of the high-level terms of the NPA executed in January 2019 are summarized below:
 - Commitment to make advances of \$300 million
 - Variable rate interest rate based on LIBOR or its successor index
 - Commitment term of 5 years – commitment terminates on the second anniversary date of the agreement (or each anniversary date thereafter) unless the Authority requests and is granted a waiver by BofA
 - Initial maturity date of notes is 3 years
 - Second lien on net revenues of the Authority behind senior lien bondholders
 - Interest only for up to 3 years, principal of advances will be taken out with long-term bonds
 - 15 bps or 0.15% commitment fee until 50% (\$150 million) is drawn

- II. On November 26, 2019, the Authority entered into the First Amendment of the NPA with BofA. Prior to execution and delivery of the amendment, the Authority approved the issuance of up to \$500 million in revenue notes under the NPA and held a public hearing in connection with this approval. The amendment included the following:
- Increased the aggregate not to exceed commitment amount by \$100 million resulting in a NPA in an aggregate amount of not to exceed \$400 million
 - Added an accordion feature such that the Authority only pays a commitment fee on the base amount of \$100 million plus any additional commitment amount, as such amount changes from time to time, resulting in reduced fees charged on any unused portion of the NPA
 - Added a trigger to further subordinate the pledge of net airport revenues securing the NPA to certain other obligations of the Authority, including any Subordinate Airport Revenue Bonds that the Authority may issue from time to time
- III. In late December 2019, after the MNAA bond issue, the Authority reduced the available commitment to \$100 million as allowed in the First Amendment. This was done to save on fees charged on the unused portion of the NPA. The accordion feature would allow the Authority to add available commitment when needed.
- IV. In March 2020, given the credit pressures associated with the COVID-19 pandemic, BofA increased the available commitment (internally) to the maximum amount of \$400 million to ensure the Authority had flexibility within the NPA. BofA did not, however, apply the commitment fee to the full amount since the increase was not formally requested by MNAA. The commitment fee was charged only on the unused portion of the \$100 million. This saved the Authority approximately \$660,000 in unused fees.
- V. In September 2021, MNAA and BofA negotiated the terms for the next two years to complete the overall 5-year commitment on the NPA. At the time of negotiations, the key terms of the amended NPA were in effect:

Available Commitment	\$400,000,000
Maturity Date/Mandatory Tender Date	January 7, 2022
Tax-Exempt Interest Rate	80% of 1 Month LIBOR + 33 bps (0.33%)
Taxable Interest Rate	1 Month LIBOR + 40 bps (0.40%)
Commitment Fee	Available Commitment > 50% = 15 bps (0.15%) Available Commitment ≤ 50% = 0 bps (0.00%)

As a result of the negotiations, on December 1, 2021, MNAA entered into the Second Amendment to the NPA with BofA. The adjusted terms for the Second Amendment that were approved by the Board of Commissioners were as follows:

- Available commitment was reduced by \$100 million to an aggregate amount not to exceed \$300 million
- The accordion feature added in the First Amendment was removed to ensure capital was available when needed
- The new maturity date of the NPA was January 7, 2024
- With the LIBOR publication ceasing on June 30, 2023 and due to current market conditions, the interest rates and indices were updated as noted below:

Tax-Exempt Interest Rate	80% of BSBY + 42 bps (0.42%)
Taxable Interest Rate	BSBY + 52 bps (0.52%)

- Unused commitment fee increased to 20bps based on the unused portion of \$150 million. (50% of available commitment)

Prior to the execution of the Second Amendment to the NPA, the Board of Commissioners also authorized additional borrowing on the NPA at an amount not to exceed \$300,000,000.

- VI. In September 2023, with the maturity date of January 7, 2024 approaching, and the five-year commitment term from BofA ending, MNAA began discussions with its Financial Advisors, PFM, on a new short-term credit facility. Given current market conditions (limited commercial banks willing to lend at the \$300M+ without other business relationships) and the valuable relationship MNAA has had with BofA over the past five years, the recommendation from PFM was to enter into negotiations directly with BofA for a new credit facility.

MNAA has currently been negotiating with BofA on a new NPA, however, this new NPA will be treated as a new issuance of debt and the preparation of the documents required to enter into this agreement will be time consuming. MNAA’s Bond Counsel (Hawkins Delafield & Wood) and PFM indicated it would be very difficult to get this completed before the NPA maturity date of January 7, 2024. Based on this, BofA agreed to an extension of the maturity of the notes and the commitment expiration date for a period not to exceed one year, January 7, 2025 (all other terms remain the same). This extension will allow MNAA and BofA to finalize negotiations and prepare all the legal documents for a new NPA. The extension of the maturity of the notes and the commitment expiration date will be done through a Third Amendment to the NPA.

Once the negotiations are finalized and the documents are drafted, the new NPA will be brought to the Board of Commissioners for approval in calendar year 2024.

B. Impact/Findings

To summarize, MNAA staff is requesting the Finance Committee recommend to the Board of Commissioners that it approve MNAA Resolution 2023-12 and authorize the President and CEO to execute the Third Amendment to the NPA with BofA. This amendment will extend the maturity of the notes and the commitment expiration date for a period not to exceed one year, January 7, 2025 (all other terms remain the same). As a reminder, the terms of the NPA under the Third Amendment will be as follows:

Available Commitment	\$300,000,000
Maturity Date/Mandatory Tender Date	January 7, 2025
Tax-Exempt Interest Rate	80% of BSBY + 42 bps (0.42%)
Taxable Interest Rate	BSBY + 52 bps (0.52%)
Commitment Fee	Available Commitment > 50% = 20 bps (0.20%) Available Commitment ≤ 50% = 0 bps (0.00%)

MNAA staff also consulted with Bond Counsel to determine if a new authorization to spend on this NPA or a TEFRA hearing would be required.

- Spending Authorization: While the NPA is a revolving credit facility, the State of TN does not allow governmental entities to incur debt on a revolving basis. In order to be compliant with the State requirement, the Board of Commissioners authorizes a certain dollar amount of spending on the credit facility. When that amount has been reached, a new authorizing resolution must be approved. In discussions with PFM and Bond Counsel, the Board of Commissioners authorized additional borrowing on the NPA not to exceed \$300,000,000 on November 17, 2021. As of the current date, approximately \$162M has been spent on the NPA since this authorization. This leaves approximately \$138M left to be spent on this authorization. Based on project cash flows, this authorization will last through calendar year 2024, therefore, no new authorization resolution is required for this amendment. When the new NPA is brought to the Board for approval, a new authorizing resolution will also be prepared and presented for approval.
- TEFRA Hearing: The last TEFRA hearing on debt issuance was held on October 28, 2022. A TEFRA hearing is valid for 3 years. The amount of debt published in the hearing was \$1.25 billion. After the issuance of bonds in 2022 and spending on the NPA to date, there is still \$502 million of debt that can be issued without a new TEFRA hearing. Based on these two items, a new TEFRA hearing will not be required for this amendment.

C. Strategic Priorities

- Invest in BNA/JWN
- Plan for the Future
- Prepare for the Unexpected

D. Options/Alternatives

If extension is not approved, the amount outstanding on the NPA of \$14.3 million would immediately be due on 1/7/24 to BofA. In addition, the ability to use the credit facility for upcoming construction payments would be unavailable. MNAA would need to cash fund construction projects until a new NPA is in place.

I. **Committee Review**

This item was presented to the Finance Committee on December 13, 2023. The Finance Committee voted 3 to 0 to recommend approval to the Board of Commissioners.

MNAA RESOLUTION 2023-12

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY AUTHORIZING THE EXTENSION OF THE COMMITMENT EXPIRATION DATE IN A CERTAIN NOTE PURCHASE AGREEMENT AND THE MATURITY OF CERTAIN NOTES FOR A PERIOD NOT TO EXCEED ONE YEAR

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY (THE "AUTHORITY") AS FOLLOWS:

SECTION 1. The Commitment Expiration Date as defined in the Note Purchase Agreement, dated January 7, 2019, as amended by the First Amendment to Note Purchase Agreement, dated November 26, 2019 and the Second Amendment to Note Purchase Agreement, December 1, 2021, each between the Authority and the Bank of America, N.A. (collectively, the "Note Purchase Agreement") shall be amended and extended for a period not to exceed one year.

SECTION 2. The maturity date of the 2021 Tax-Exempt Note and the 2021 Taxable Note as defined in the Note Purchase Agreement shall be amended and extended for an additional period not to exceed one year.

Approved this 20th day of December, 2023.

RECOMMENDED:

ADOPTED:

Douglas E. Kreulen, President & CEO

Joycelyn A. Stevenson, Board Chair

APPROVED AS TO FORM AND LEGALITY:

ATTEST:

Neale R. Bedrock, EVP, General Counsel & CCO

Andrew W. Byrd, Board Secretary

STAFF ANALYSIS

Board of Commissioners

Date: December 20, 2023

Facility: Nashville International Airport

Subject: Amendment to Fraport Sublease with Pyramids of Nashville, Inc. ("Pyramids")

I. Recommendation

Staff requests that the Board of Commissioners:

- 1) approve an amendment to the sublease between Fraport and Pyramids of Nashville, Inc. for the terminal concessions program, and
- 2) authorize the Chair and President & CEO to execute the sublease amendment.

II. Analysis

A. Background

MNAA has a Lease and Concession Agreement (Agreement) with Fraport, Tennessee, Inc. (Fraport) to develop and manage a terminal-wide concessions program. The term of the agreement commenced on February 1, 2019, and expires on January 31, 2029. In 2021, Fraport negotiated a sublease with Pyramids of Nashville, Inc. ("Pyramids") for one concession location for a term that expires on January 31, 2029. The sublease includes a provision whereby Fraport will request MNAA's approval of an Amendment to extend the term to a full ten years from the Date of Beneficial Occupancy (approximately 2 additional years).

Fraport has requested MNAA approval of an amendment to extend the Pyramids sublease. The tenant's cost of construction on a per square foot basis was among the highest for food & beverage facilities at BNA. The extension provides a full ten-year term for the tenant to amortize its investment, which is consistent with industry standards for food and beverage operations. Since the amended sublease term extends beyond the expiration of Fraport's agreement, MNAA must become a party to the sublease, with all rights and obligations of the subleases to accrue to MNAA at the expiration of Fraport's Lease and Concession Agreement.

B. Impact/Findings

Staff requests that the Finance Committee recommend approval of the amendment to the Pyramids sublease.

C. Strategic Priorities

- Invest in BNA/JWN
- Plan for the Future

D. Options/Alternatives

The Finance Committee could decline to recommend approval of the above sublease amendment.

III. Committee Review

This item was presented to the Finance Committee on December 13, 2023. The Finance Committee voted 3 to 0 to recommend approval to the Board of Commissioners.

STAFF ANALYSIS

Board of Commissioners

Date: December 20, 2023

Facility: West Side Private or Corporate Space

Subject: SF AVIATION, LLC Letter of Intent/Lease Terms for West Side Hangar Development

I. Recommendation

Staff requests that the Board of Commissioners:

- 1) approve the terms negotiated between MNAA and a future Special Purpose Entity for SF AVIATION, LLC (the "Tenant") via Letter of Intent (LOI).
- 2) authorize the Chair and President and CEO to execute a lease agreement between MNAA and Tenant that is consistent with the LOI terms.

II. Analysis

A. Background

On September 20, 2023, the Board approved the LOI terms for the remaining 5.97 acre tract of land in the private/corporate aeronautical are on the westside of BNA. MNAA has received two unsolicited LOIs to divide the 5.97 acre tract into two tracts. This LOI is from SF AVIATION, LLC which desires to construct a new hangar and fuel facility on the Premises to serve as a private hangar for Tenant and its Affiliates' and Subtenants personal aircraft, as well as the Taxilane B Extension (the "Project"). The new hangar shall be approximately 41,000 SF and shall include space for aircraft storage, ground equipment, office space, and restrooms. The remainder of the Premises will be utilized for fuel facilities, for use by Tenant, Affiliates and Subtenants at cost, vehicle parking, aircraft parking, stormwater facilities and landscaping. Fuel facilities must be constructed in compliance with Nashville International Airport's Minimum Standards for Aeronautical Service Operators. Pavement improvements made by Tenant for the aircraft parking areas/apron must be sufficient to accommodate at least Aircraft Design Group (ADG) III aircraft or the maximum take-off weight for the aircraft using the hangar, whichever is greater.

The tenants in this area, of which this is apportion of the last available tract, also construct and maintain Taxilanes A and B, as well as pay an easement fee for these Taxilanes. In this case, this tenant is obligated to pay 100% of both the construction costs and easement fee for the entire Taxilane B extension, in addition to a portion of the easement fee for the existing Taxilanes A and B.

SF AVIATION, LLC has committed to executing a lease for the entire 5.97 acre tract should the other tenant not execute a lease by January 15, 2024.

B. Lease Terms

1. Tenant will lease approximately 2.79 acres (121,492 SF) of the 5.97 acre tract of land and extend Taxilane B for the remainder of the tract. This parcel is highlighted on the attached exhibit.
2. Tenant will have an 18 month Construction Term, 30 year initial term, and one 5 year renewal option for a total potential term of 36.5 years.
3. Tenant will pay rent at \$2.40 p/sf beginning on the effective date of the lease. Rent will increase each year by 3% except for in years 10 and 20 of the initial term, upon which rent will be increased based on an appraisal. In no event will rent increase by more than 110% of the immediately prior year, nor will rent decrease. Tenant will pay an easement fee of \$0.50 beginning on the effective date of the lease for the Taxilane B extension, and \$0.25 of this tract's share of Taxilanes A and B. The easement fee will increase each year by 3%.
4. Tenant will pay a monthly fuel flowage fee for all fuels dispensed and the current rate is \$0.08 per gallon.
5. During construction, the Tenant will invest a minimum of \$9M for construction of a hangar facility, ramp/apron space and a fuel farm which will be for exclusive use of the tenant, its subtenants and its affiliates. The hangars will be a total of approximately 41,000 SF.
6. Tenant will complete the Taxilane B extension and hangar within 18 months of the effective date.
7. Tenant is responsible for obtaining all necessary permits to complete the project, including compliance with MNAA's AIR process.
8. The lease is a triple net lease; therefore, Tenant will be responsible for all costs associated with the property during the term of the lease including maintenance, insurance, and taxes.
9. Tenant will be responsible for completing property condition and pavement condition assessments every 5 years. These assessments will be submitted to MNAA with a report from the Tenant setting forth any deficiencies that have been repaired in the prior 5 year period and a plan for the repairs needed during the following 5 year period.
10. Tenant holds the right to assign the lease to an affiliate or successor organization of Tenant with notice to MNAA. Any other assignment or transfer must be approved by MNAA and will include payment to MNAA of a percentage of the gross transaction value minus the unamortized amount of the total Capital Investment made by Tenant to the Premises. MNAA's percentage of the proceeds is based on scale dependent upon how far along in the term such assignment or transfer is done. MNAA will receive 20% of the transaction value if there are 10 or more years remaining on the term, 15% if there are less than 10 years remaining but more than 5 years, and 10% if there are less than 5 years remaining.

11. Tenant is permitted to use the property for commercial operations under 14 CFR Part 91 and 14 CFR Part 135. This includes managing, maintaining, fueling, and otherwise supporting the aeronautical activities of individuals or entities who have an ownership interest in aircraft stored on the leasehold who are under a written contract with Tenant to provide such services.

C. Impact/Findings

This lease will provide MNAA with an immediate revenue source of \$318,758.30, including both the rent and easement fee, in year one and a new asset that will vest in 31.5-36.5 years.

D. Strategic Priorities

- Invest in BNA
- Plan for the future

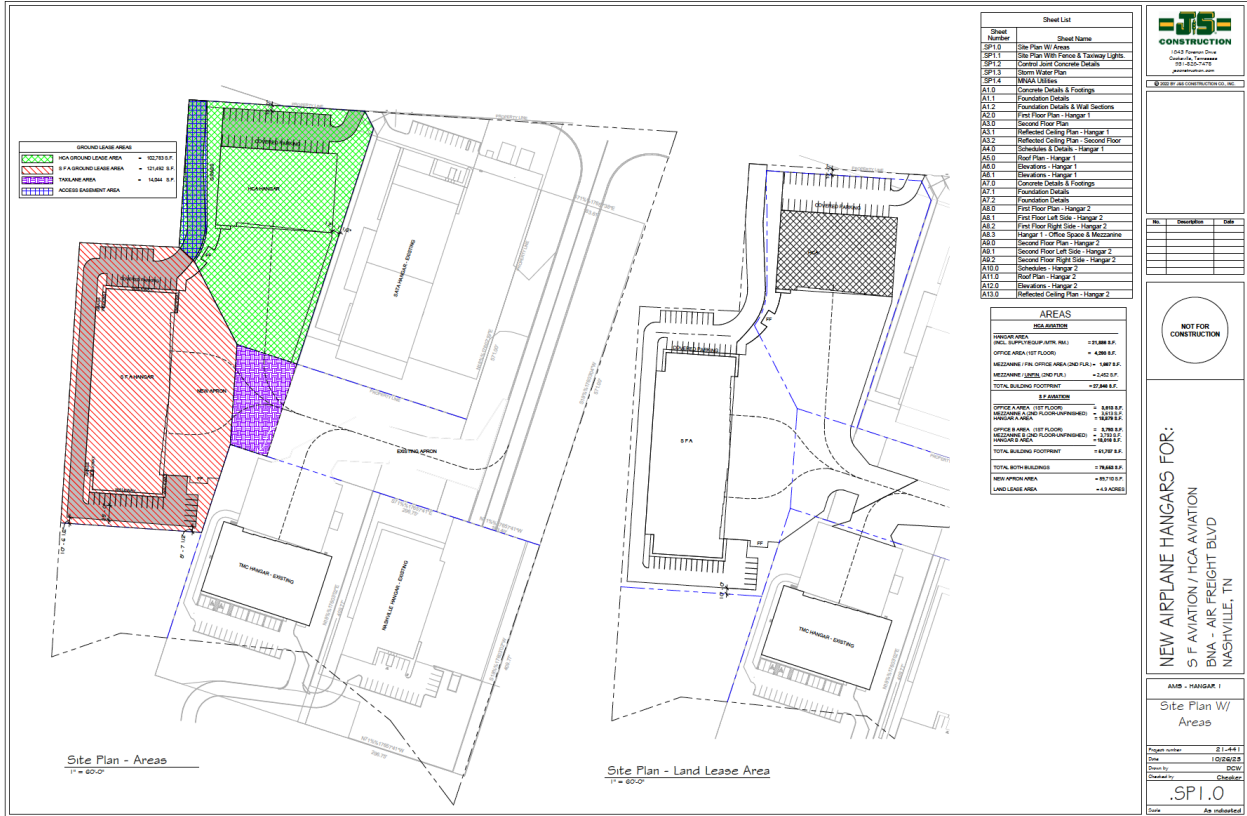
E. Options/Alternatives

The Finance Committee could decline to recommend approval of the proposed Tenant and Real Estate could release an NOA.

I. Committee Review

This item was presented to the Finance Committee on December 13, 2023. The Finance Committee voted 3 to 0 to recommend approval to the Board of Commissioners.

EXHIBIT



STAFF ANALYSIS

Board of Commissioners

Date: December 20, 2023

Facility: West Side Private or Corporate Space

Subject: HCA Management Service, L.P. Letter of Intent/Lease Terms for West Side Hangar Development

I. Recommendation

Staff requests that the Board of Commissioners:

- 1) approve the terms negotiated between MNAA and a future Special Purpose Entity for HCA Management Service, L.P. (the "Tenant") via Letter of Intent (LOI).
- 2) authorize the Chair and President and CEO to execute a lease agreement between MNAA and Tenant that is consistent with the LOI terms.

II. Analysis

A. Background

On September 20, 2023, the Board approved the LOI terms for the remaining 5.97 acre tract of land in the private/corporate aeronautical are on the westside of BNA. MNAA has received two unsolicited LOIs to divide the 5.97 acre tract into two tracts. This LOI is from HCA Management Service, L.P. which desires to construct a new hangar and fuel facility on the approximately 2.36 acres of the 5.97 acre tract to serve as a private hangar for Tenant and its Affiliates' and Subtenants aircraft. The new hangar will be approximately 25,000 SF and shall include space for aircraft storage, ground equipment, office space, and restrooms. The remainder of the Premises will be utilized for fuel facilities, for use by Tenant, Affiliates and Subtenants at cost, vehicle parking, aircraft parking, stormwater facilities and landscaping. Fuel facilities must be constructed in compliance with Nashville International Airport's Minimum Standards for Aeronautical Service Operators. Pavement improvements made by Tenant for the aircraft parking areas/apron must be sufficient to accommodate at least Aircraft Design Group (ADG) III aircraft or the maximum take-off weight for the aircraft using the hangar, whichever is greater.

The tenants in this area, of which this is a portion of the last available tract, also construct and maintain Taxilanes A and B, as well as pay an easement fee for these Taxilanes. In this case, the proposed tenant for the remainder of the 5.97 acre tract is obligated to pay 100% of both the construction costs and easement fee for the Taxilane B extension. HCA will pay a portion of the easement fee for the existing Taxilanes A and B.

B. Lease Terms

1. Tenant will lease approximately 2.36 acres (102,783 SF) of the 5.97 acre tract of land. This parcel is highlighted on the attached exhibit.
2. Tenant will have an 18 month Construction Term, 30 year initial term, and one 5 year renewal option for a total potential term of 36.5 years.
3. Tenant will pay rent at \$2.40 p/sf beginning on the effective date of the lease. Rent will increase each year by 3% except for in years 10 and 20 of the initial term, upon which rent will be increased based on an appraisal. In no event will rent increase by more than 110% of the immediately prior year, nor will rent decrease.
4. Tenant will pay a monthly fuel flowage fee for all fuels dispensed and the current rate is \$0.08 per gallon.
5. During construction, the Tenant will invest a minimum of \$5M for construction of a hangar facility, ramp/apron space and a fuel farm which will be for exclusive use of the tenant, its subtenants and its affiliates. The hangar will be a total of approximately 25,000 SF.
6. Tenant is responsible for obtaining all necessary permits to complete the project, including compliance with MNAA's AIR process.
7. The lease is a triple net lease; therefore, Tenant will be responsible for all costs associated with the property during the term of the lease including maintenance, insurance, and taxes.
8. Tenant will be responsible for completing property condition and pavement condition assessments every 5 years. These assessments will be submitted to MNAA with a report from the Tenant setting forth any deficiencies that have been repaired in the prior 5 year period and a plan for the repairs needed during the following 5 year period.
9. Tenant holds the right to assign the lease to an affiliate or successor organization of Tenant with notice to MNAA. Any other assignment or transfer must be approved by MNAA and will include payment to MNAA of a percentage of the gross transaction value minus the unamortized amount of the total Capital Investment made by Tenant to the Premises. MNAA's percentage of the proceeds is based on scale dependent upon how far along in the term such assignment or transfer is done. MNAA will receive 20% of the transaction value if there are 10 or more years remaining on the term, 15% if there are less than 10 years remaining but more than 5 years, and 10% if there are less than 5 years remaining.
10. Tenant is permitted to use the property for commercial operations under 14 CFR Part 91 and 14 CFR Part 135. This includes managing, maintaining, fueling, and otherwise supporting the aeronautical activities of individuals or entities who have an ownership interest in aircraft stored on the leasehold who are under a written contract with Tenant to provide such services.

C. Impact/Findings

This lease will provide MNAA with an immediate revenue source of \$260,831.70 including both the rent and easement fee, in year one and a new asset that will vest in 31.5-36.5 years.

D. Strategic Priorities

- Invest in BNA
- Plan for the future

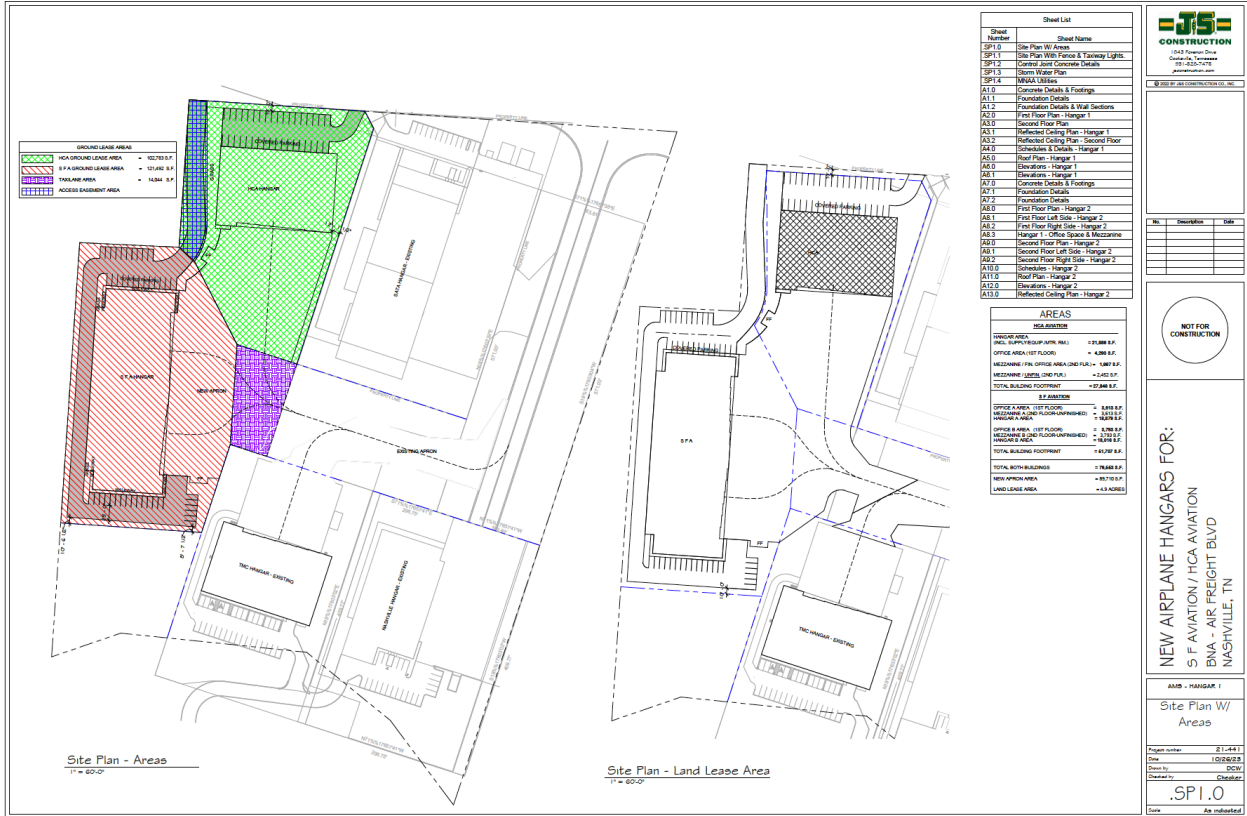
E. Options/Alternatives

The Finance Committee could decline to recommend approval of the proposed Tenant and Real Estate could release an NOA.

III. Committee Review

This item was presented to the Finance Committee on December 13, 2023. The Finance Committee voted 3 to 0 to recommend approval to the Board of Commissioners.

EXHIBIT



Business Diversity Development, November FY'2024 Certification Report as of December FY'2024

Total Certified firms:	New Certified firms: 7/1/2024 - YTD	Totals	Firms Certified in November FY'24	Totals	New Applications Received: 7/1/2024 -YTD	Totals	New Interstate Apps Received: 7/1/2024 -YTD	Totals	Renewals Received: 7/1/2024 -YTD	Totals	Denials, Delist & Withdrawals 7/1/2024 -YTD	Totals	Monthly OnSite's Completed 7/1/2024 -YTD
137 Firms	Construction:	10	Construction:	0	Construction:	22	Construction:	2	Construction:	45	Construction:	5	14
198 Firms	Professional Svcs:	13	Professional Svcs:	2	Professional Svcs:	24	Professional Svcs:	9	Professional Svcs:	69	Professional Svcs:	9	11
	professional	12	professional	2	professional	17	professional	8	professional	59	professional	9	10
	security	0	security	0	security	0	security	0	security	2	security	0	0
	janitorial	1	janitorial	0	janitorial	7	janitorial	1	janitorial	6	janitorial	0	1
	landscaping	0	landscaping	0	landscaping	0	landscaping	0	landscaping	2	landscaping	0	0
150 Firms	Goods/Svcs:	7	Goods/Svcs:	1	Goods/Svcs:	10	Goods/Svcs:	6	Goods/Svcs:	18	Goods/Svcs:	3	2
	printing/signage	0	printing/signage	0	printing/signage	0	printing/signage	0	printing/signage	0	printing/signage	0	0
	supplier	2	supplier	0	supplier	0	supplier	1	supplier	2	supplier	1	1
	miscellaneous	0	miscellaneous	0	miscellaneous	0	miscellaneous	0	miscellaneous	0	miscellaneous	0	0
	concessions	5	concessions	1	concessions	10	concessions	5	concessions	16	concessions	2	1
485 Total		30 Total		3 Total		56 Total		17 Total		132 Total		17 Total	27 Total

Certification Inquiries (phone, email, meet & greets)

Monthly Inquires: 38

Total Inquires YTD: 257

Report Date: 12/11/2024

BDD Educational Outreach, Technical Assistance, and Program Development Activities

FY '2024	Date of Event	BDD Outreach Engagement Events
AMAC Booth and Outreach Event - SAN ANTONIO, TX	June 12-June 13th	The BDD Team attended the AMAC training event in San Antonio, hosted a booth encouraging the benefits of certification for upcoming BNA projects and solicitations in Nashville.
Metro Business Development Partners Luncheon-2023 Nashville Disparity Study	7/17/2023	The BDD Team (Davita Taylor, Kebbyn Connell & Floyd Munn) attended the Metro Business BAO Department and Staff to review and discuss the 2023 Metro Nashville Disparity Study Results.
Hensel Phelps - Project 2311 - CGMP4 Outreach Event	7/18/2023	The BDD Team (Kevin Crampton & Floyd Munn) attended and supported The Outreach Efforts with local vendors
ACCA 2023 National Training Institute: August 13-19, 2023 - Memphis, Tennessee	8/14/2023 - 8/18/2023	The BDD Team (Kebbyn Connell ELI certification, Kevin Crampton MCA certification & Azad Saeed CCA certification) attended with The American Contract Compliance Association. ACCA is the nation's preeminent compliance and certification training
2023 TDOT DBE Small Business Annual Meeting	8/28/2023	The BDD Team (Kebbyn Connell) This event is part of our continuing effort to provide DBEs a venue to learn about transportation-related contract opportunities here at TDOT and with other state of Tennessee Departments. The theme of this year's meeting is "Growing Your Business the Public Infrastructure Market." organization.
MNAA 2-day ACDBE Institute Training provided by LeMonica Hakeem and the CONEKT HOSPITALITY GROUP	11/14 & 11/15/2023	Business Diversity Development (BDD) hosted a 2 days ACDBE Institute training session for interested ACDBE's, potential ACDBE's and all those who have an interest in retail, news and gifts or food & beverage businesses and understanding Airport Concessions.

Metropolitan Nashville Airport Authority
Statement of Net Position
November 30, 2023

	November 2023	June 2023	June 2022
ASSETS			
CURRENT ASSETS			
Unrestricted assets:			
Cash, cash equivalents, and investments	710,201,504	631,027,635	468,997,743
Accounts receivable net of ADA	20,679,263	21,288,309	14,122,772
Lease receivables	9,100,425	9,100,425	10,841,469
Due from governmental agencies	2,672,996	6,679,433	5,036,705
Prepaid expenses and other	6,635,011	3,866,276	1,747,956
Total current unrestricted assets	<u>749,289,198</u>	<u>671,962,078</u>	<u>500,746,646</u>
Restricted assets:			
Cash and cash equivalents	508,525,505	628,288,824	334,637,897
Total current assets	<u>1,257,814,703</u>	<u>1,300,250,902</u>	<u>835,384,543</u>
NON-CURRENT ASSETS			
Capital assets:			
Land and nondepreciable assets	111,226,324	111,226,324	108,112,922
Construction in progress	427,657,816	358,877,117	448,196,054
Buildings and buildings improvements	952,350,603	952,350,603	764,568,968
Equipment, furniture, and fixtures	571,875,662	569,889,092	393,141,964
Infrastructure	728,661,124	728,661,124	693,670,380
Total capital assets	<u>2,791,771,528</u>	<u>2,721,004,259</u>	<u>2,407,690,288</u>
Less accumulated depreciation	<u>(928,316,272)</u>	<u>(880,733,537)</u>	<u>(795,262,079)</u>
Total capital assets (net of A/D)	<u>1,863,455,256</u>	<u>1,840,270,722</u>	<u>1,612,428,209</u>
Other assets			
Accounts receivable, net	1,110,000	1,110,000	1,110,000
Lease receivables	129,959,021	129,959,021	99,139,433
Net OPEB asset	12,286,395	12,286,395	4,257,108
Prepaid and deposits	-	-	85,566
Total non-current assets	<u>2,006,810,672</u>	<u>1,983,626,138</u>	<u>1,717,020,316</u>
TOTAL ASSETS	<u>3,264,625,375</u>	<u>3,283,877,040</u>	<u>2,552,404,859</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows from OPEB	624,787	624,787	1,999,656
Deferred outflows from Pension	3,355,166	3,355,166	6,473,537
Deferred amount on refunding	1,659,046	1,807,176	2,162,686
Total Deferred Outflows	<u>5,638,999</u>	<u>5,787,129</u>	<u>10,635,879</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>3,270,264,374</u>	<u>3,289,664,168</u>	<u>2,563,040,738</u>
LIABILITIES			
CURRENT LIABILITIES			
<i>Payable from unrestricted assets:</i>			
Accounts payable	23,611,036	70,420,331	75,798,926
Accrued payroll and related items	5,673,591	7,918,571	6,065,683
Advance billings and payments received in advance	2,426,101	2,994,064	2,514,716
Current maturities of notes payable	309,136	303,474	453,087
Accrued Interest Payable	96,906	107,286	136,710
Total current liabilities	<u>32,116,771</u>	<u>81,743,726</u>	<u>84,969,122</u>
NONCURRENT LIABILITIES			
<i>Payable from restricted assets:</i>			
Subscription lease liability	657,752	657,752	508,601
Accrued interest payable	35,674,500	45,086,495	27,404,329
Current maturities of airport revenue bonds	8,920,795	8,560,774	8,212,780
Deferred revenue from seized funds	911,864	890,301	1,244,141
Notes payable, less current maturities	644,877,272	645,652,835	99,555,535
Net pension liability	4,208,378	4,208,378	5,633,292
Airport revenue bonds, less current maturities	1,303,453,196	1,315,020,204	1,329,931,889
Total noncurrent liabilities	<u>1,998,703,756</u>	<u>2,020,076,738</u>	<u>1,472,490,567</u>
Total liabilities	<u>2,030,820,527</u>	<u>2,101,820,463</u>	<u>1,557,459,689</u>
DEFERRED INFLOWS OF RESOURCES			
Total deferred inflows from leases	130,776,747	130,776,747	107,153,558
NET POSITION			
Total net position	<u>1,108,667,100</u>	<u>1,057,066,958</u>	<u>898,427,491</u>
TOTAL LIABILITIES AND NET POSITION	<u>3,270,264,374</u>	<u>3,289,664,168</u>	<u>2,563,040,738</u>

Metropolitan Nashville Airport Authority
Statement of Revenues, Expenses, and Changes in Net Position
For the Five Months Ending November 30, 2023

	Actual YTD 11/30/2023	Board Budget 11/30/2023	Actual Vs Budget		Actual PY YTD 11/30/2022	Actual Vs. PY	
			Variance (\$)	(%)		Variance (\$)	(%)
OPERATING REVENUES							
Signatory airline	39,127,472	40,450,559	(1,323,087)	-3.27%	29,582,535	9,544,937	32.27%
Parking	45,122,571	45,307,489	(184,918)	-0.41%	39,546,200	5,576,370	14.10%
Concession	30,605,891	25,542,752	5,063,139	19.82%	25,767,783	4,838,108	18.78%
Space rental	9,280,995	8,137,530	1,143,465	14.05%	7,966,085	1,314,911	16.51%
Other	5,953,834	3,811,658	2,142,176	56.20%	7,221,652	(1,267,818)	-17.56%
Total Operating Revenue	130,090,763	123,249,988	6,840,775	5.6%	110,084,256	20,006,508	18.2%
OPERATING EXPENSES							
Salaries and wages	18,432,939	21,744,231	(3,311,292)	-15.23%	16,248,457	2,184,482	13.44%
Contractual services	28,273,115	32,679,928	(4,406,813)	-13.48%	21,424,477	6,848,638	31.97%
Materials and supplies	2,823,130	3,389,015	(565,885)	-16.70%	2,754,837	68,293	2.48%
Utilities	3,270,739	3,892,493	(621,754)	-15.97%	3,468,133	(197,394)	-5.69%
Other	3,960,044	4,101,412	(141,367)	-3.45%	2,091,171	1,868,873	89.37%
Total Operating Expenses	56,759,967	65,807,079	(9,047,112)	-13.75%	45,987,075	10,772,892	23.43%
OPERATING INCOME BEFORE PROVISION FOR DEPRECIATION	73,330,797	57,442,909	15,887,887	27.66%	64,097,180	9,233,616	14.41%
PROVISION FOR DEPRECIATION	47,746,673	45,511,565	2,235,108	4.91%	34,361,571	13,385,101	38.95%
OPERATING INCOME	25,584,124	11,931,344	13,652,780	114.43%	29,735,609	(4,151,485)	-13.96%
NON-OPERATING REVENUES							
Interest Income	21,031,044	7,503,745	13,527,299	180.27%	4,329,183	16,701,861	385.80%
Passenger facility charges	16,495,248	18,436,062	(1,940,814)	-10.53%	17,563,596	(1,068,347)	-6.08%
Customer facility charges	7,844,607	6,787,586	1,057,021	15.57%	6,721,560	1,123,047	16.71%
Other non-operating revenue	12,763,534	248,465	12,515,069	5036.95%	18,336,868	(5,573,335)	-30.39%
Total Non-operating Revenue	58,134,433	32,975,858	25,158,575	76.29%	46,951,207	11,183,226	23.82%
NON-OPERATING EXPENSES							
Interest Expense	33,086,889	36,782,930	(3,696,041)	-10.05%	21,343,206	11,743,683	55.02%
G/L on disposal of property and equipment	(14,147)	-	(14,147)	-	(227,417)	213,270	-93.78%
Other non-operating expense	11,500	-	11,500	-	873,691	(862,191)	-98.68%
Total Non-operating Expenses	33,084,242	36,782,930	(3,698,688)	-10.06%	21,989,480	11,094,762	50.45%
Income before Capital Contributions	50,634,315	8,124,272	42,510,042	523.25%	54,697,336	(4,063,022)	-7.43%
Capital Contributions	960,580	8,320,000	(7,359,420)	-88.45%	5,517,003	(4,556,423)	-82.59%
CHANGES IN NET POSITION							
Increase (decrease) in net position	51,594,895	16,444,272	35,150,622	213.76%	60,214,339	(8,619,444)	-14.31%

Nashville International Airport (BNA)
Statement of Net Position
November 30, 2023

	November 2023	June 2023	June 2022
ASSETS			
CURRENT ASSETS			
Unrestricted assets:			
Cash, cash equivalents, and investments	688,630,384	615,253,541	456,741,178
Accounts receivable net of ADA	20,426,873	16,520,896	13,871,727
Lease receivables	6,320,328	6,320,328	7,982,788
Due from governmental agencies	2,672,829	6,572,451	631,064
Due from (to) other funds	6,613,635	2,481,731	12,434
Prepaid expenses and other	6,574,239	3,866,276	1,682,347
Total current unrestricted assets	<u>731,238,289</u>	<u>651,015,223</u>	<u>480,921,538</u>
Restricted assets:			
Cash and cash equivalents	508,525,505	628,288,824	334,637,897
Total current assets	<u>1,239,763,794</u>	<u>1,279,304,047</u>	<u>815,559,435</u>
NON-CURRENT ASSETS			
Capital assets:			
Land and nondepreciable assets	107,811,202	107,811,202	104,697,800
Construction in progress	421,039,868	354,262,793	447,525,053
Buildings and buildings improvements	893,742,667	893,742,667	709,135,053
Equipment, furniture, and fixtures	566,268,523	564,281,952	387,431,450
Infrastructure	668,570,669	668,570,669	635,844,670
Total capital assets	<u>2,657,432,928</u>	<u>2,588,669,283</u>	<u>2,284,634,026</u>
Less accumulated depreciation	<u>(884,920,747)</u>	<u>(839,874,479)</u>	<u>(758,632,959)</u>
Total capital assets (net of A/D)	<u>1,772,512,181</u>	<u>1,748,794,804</u>	<u>1,526,001,067</u>
Other assets			
Accounts receivable, net	1,110,000	1,110,000	1,110,000
Lease receivables	120,011,644	120,011,644	89,416,723
Net OPEB asset	12,286,395	12,286,395	4,257,108
Prepaid and deposits	-	-	85,566
Total non-current assets	<u>1,905,920,220</u>	<u>1,882,202,843</u>	<u>1,620,870,464</u>
TOTAL ASSETS	<u>3,145,684,014</u>	<u>3,161,506,891</u>	<u>2,436,429,899</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows from OPEB	624,787	624,787	1,999,656
Deferred outflows from Pension	3,355,166	3,355,166	6,473,537
Deferred amount on refunding	1,659,046	1,807,176	2,162,686
Total Deferred Outflows	<u>5,638,999</u>	<u>5,787,129</u>	<u>10,635,879</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>3,151,323,014</u>	<u>3,167,294,019</u>	<u>2,447,065,778</u>
LIABILITIES			
CURRENT LIABILITIES			
<i>Payable from unrestricted assets:</i>			
Accounts payable	22,869,551	66,996,979	71,427,620
Accrued payroll and related items	5,525,027	7,737,205	5,991,004
Advance billings and payments received in advance	2,287,198	2,813,940	2,411,563
Current maturities of notes payable	309,136	303,474	453,087
Accrued Interest Payable	96,906	107,286	136,710
Total current liabilities	<u>31,087,819</u>	<u>77,958,883</u>	<u>80,419,984</u>
NONCURRENT LIABILITIES			
<i>Payable from restricted assets:</i>			
Subscription lease liability	657,752	657,752	508,601
Accrued interest payable	35,674,500	45,086,495	27,404,329
Current maturities of airport revenue bonds	8,920,795	8,560,774	8,212,780
Deferred revenue from seized funds	911,864	890,301	1,244,141
Notes payable, less current maturities	644,877,272	645,652,835	99,555,535
Net pension liability	4,208,378	4,208,378	5,633,292
Airport revenue bonds, less current maturities	1,303,453,196	1,315,020,204	1,329,931,889
Total noncurrent liabilities	<u>1,998,703,756</u>	<u>2,020,076,738</u>	<u>1,472,490,567</u>
Total liabilities	<u>2,029,791,575</u>	<u>2,098,035,621</u>	<u>1,552,910,551</u>
DEFERRED INFLOWS OF RESOURCES			
Total deferred inflows from leases	119,389,235	119,389,235	94,760,064
NET POSITION			
Total net position	<u>1,002,142,204</u>	<u>949,869,163</u>	<u>799,395,162</u>
TOTAL LIABILITIES AND NET POSITION	<u>3,151,323,014</u>	<u>3,167,294,019</u>	<u>2,447,065,778</u>

Nashville International Airport (BNA)
Statement of Revenues, Expenses, and Changes in Net Position
For the Five Months Ending November 30, 2023

	Actual YTD 11/30/2023	Board Budget 11/30/2023	Actual Vs Budget		Actual PY YTD 11/30/2022	Actual Vs. PY	
			Variance (\$)	(%)		Variance (\$)	(%)
OPERATING REVENUES							
Signatory airline	39,127,472	40,450,559	(1,323,087)	-3.27%	29,582,535	9,544,937	32.27%
Parking	45,122,571	45,307,489	(184,918)	-0.41%	39,546,200	5,576,370	14.10%
Concession	30,605,891	25,542,752	5,063,139	19.82%	25,767,783	4,838,108	18.78%
Space rental	6,636,458	5,695,475	940,983	16.52%	5,830,592	805,866	13.82%
Other	5,801,828	3,709,266	2,092,562	56.41%	7,069,325	(1,267,497)	-17.93%
Total Operating Revenue	127,294,220	120,705,541	6,588,679	5.5%	107,796,435	19,497,784	18.1%
OPERATING EXPENSES							
Salaries and wages	18,106,019	21,400,141	(3,294,122)	-15.39%	15,968,371	2,137,648	13.39%
Contractual services	27,784,798	32,155,959	(4,371,161)	-13.59%	21,201,811	6,582,987	31.05%
Materials and supplies	2,774,387	3,322,520	(548,133)	-16.50%	2,701,653	72,734	2.69%
Utilities	3,067,667	3,577,122	(509,455)	-14.24%	3,224,613	(156,946)	-4.87%
Other	3,910,468	4,029,122	(118,654)	-2.94%	2,049,160	1,861,308	90.83%
Total Operating Expenses	55,643,339	64,484,864	(8,841,525)	-13.71%	45,145,607	10,497,731	23.25%
OPERATING INCOME BEFORE PROVISION FOR DEPRECIATION	71,650,881	56,220,677	15,430,204	27.45%	62,650,828	9,000,053	14.37%
PROVISION FOR DEPRECIATION	45,210,206	43,902,795	1,307,411	2.98%	32,751,833	12,458,372	38.04%
OPERATING INCOME	26,440,676	12,317,882	14,122,793	114.65%	29,898,995	(3,458,319)	-11.57%
NON-OPERATING REVENUES							
Interest Income	20,608,337	7,379,080	13,229,257	179.28%	4,246,893	16,361,443	385.26%
Passenger facility charges	16,495,248	18,436,062	(1,940,814)	-10.53%	17,563,596	(1,068,347)	-6.08%
Customer facility charges	7,844,607	6,787,586	1,057,021	15.57%	6,721,560	1,123,047	16.71%
Other non-operating revenue	12,763,534	234,400	12,529,134	5345.19%	18,236,868	(5,473,335)	-30.01%
Total Non-operating Revenue	57,711,726	32,837,128	24,874,598	75.75%	46,768,917	10,942,808	23.40%
NON-OPERATING EXPENSES							
Interest Expense	33,086,889	36,782,930	(3,696,041)	-10.05%	21,343,206	11,743,683	55.02%
G/L on disposal of property and equipment	(14,147)	-	(14,147)	-	(227,417)	213,270	-93.78%
Other non-operating expense	(227,554)	(231,780)	4,226	-	832,101	(1,059,655)	-127.35%
Total Non-operating Expenses	32,845,188	36,551,150	(3,705,962)	-10.14%	21,947,890	10,897,298	49.65%
Income before Capital Contributions	51,307,213	8,603,860	42,703,352	496.33%	54,720,022	(3,412,809)	-6.24%
Capital Contributions	960,580	7,872,915	(6,912,335)	-87.80%	2,824,974	(1,864,394)	-66.00%
CHANGES IN NET POSITION							
Increase (decrease) in net position	52,267,793	16,476,775	35,791,017	217.22%	57,544,996	(5,277,203)	-9.17%

John C Tune Airport
Statement of Net Position
November 30, 2023

	November 2023	June 2023	June 2022
ASSETS			
CURRENT ASSETS			
Unrestricted assets:			
Cash, cash equivalents, and investments	8,323,635	3,677,455	3,124,429
Accounts receivable net of ADA	139,576	4,608,748	13,169
Lease receivables	6,459	6,459	6,200
Due from governmental agencies	167	106,983	4,405,641
Due from (to) other funds	(6,596,613)	(2,458,235)	1,714
Prepaid expenses and other	30,555	-	-
Total current unrestricted assets	1,903,779	5,941,410	7,551,153
NON-CURRENT ASSETS			
Capital assets:			
Land and nondepreciable assets	3,214,304	3,214,304	3,214,304
Construction in progress	6,617,948	4,614,324	671,002
Buildings and buildings improvements	44,843,034	44,843,034	41,669,012
Equipment, furniture, and fixtures	3,951,949	3,951,949	4,055,324
Infrastructure	60,090,455	60,090,455	57,825,711
Total capital assets	118,717,691	116,714,066	107,435,352
Less accumulated depreciation	(32,363,385)	(30,107,986)	(26,553,525)
Total capital assets (net of A/D)	86,354,306	86,606,081	80,881,827
Other assets			
Lease receivables	44,211	44,211	50,670
Total non-current assets	86,398,517	86,650,292	80,932,497
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	88,302,296	92,591,701	88,483,650
LIABILITIES			
CURRENT LIABILITIES			
<i>Payable from unrestricted assets:</i>			
Accounts payable	509,893	3,103,493	4,123,021
Accrued payroll and related items	148,564	181,366	74,679
Advance billings and payments received in advance	44,263	109,837	62,221
Total current liabilities	702,720	3,394,696	4,259,921
DEFERRED INFLOWS OF RESOURCES			
Total deferred inflows from leases	49,529	49,529	56,477
NET POSITION			
Total net position	87,550,047	89,147,476	84,167,252
TOTAL LIABILITIES AND NET POSITION	88,302,296	92,591,701	88,483,650

John C Tune Airport
Statement of Revenues, Expenses, and Changes in Net Position
For the Five Months Ending November 30, 2023

	Actual YTD 11/30/2023	Board Budget 11/30/2023	Actual Vs Budget		Actual PY YTD 11/30/2022	Actual Vs. PY	
			Variance (\$)	(%)		Variance (\$)	(%)
OPERATING REVENUES							
Space rental	1,125,989	920,670	205,319	22.30%	632,448	493,541	78.04%
Other	95,096	77,517	17,579	22.68%	95,859	(763)	-0.80%
Total Operating Revenue	1,221,085	998,187	222,898	22.33%	728,307	492,778	67.66%
OPERATING EXPENSES							
Salaries and wages	326,920	344,090	(17,170)	-4.99%	280,086	46,834	16.72%
Contractual services	191,259	123,969	67,290	54.28%	134,825	56,434	41.86%
Materials and supplies	43,872	46,380	(2,508)	-5.41%	37,607	6,265	16.66%
Utilities	35,275	87,450	(52,175)	-59.66%	49,990	(14,715)	-29.44%
Other	27,789	37,300	(9,511)	-25.50%	21,687	6,103	28.14%
Total Operating Expenses	625,115	639,189	(14,074)	-2.20%	524,195	100,920	19.25%
OPERATING INCOME BEFORE PROVISION FOR DEPRECIATION	595,970	358,998	236,972	66.01%	204,112	391,858	191.98%
PROVISION FOR DEPRECIATION	2,255,399	1,327,880	927,519	69.85%	1,328,289	927,110	69.80%
OPERATING INCOME	(1,659,429)	(968,882)	(690,547)	71.27%	(1,124,177)	(535,252)	47.61%
NON-OPERATING REVENUES							
Interest Income	149,339	17,415	131,924	757.53%	13,166	136,173	1034.24%
Other non-operating revenue	-	14,065	(14,065)	-100.00%	100,000	(100,000)	-100.00%
Total Non-operating Revenue	149,339	31,480	117,859	374.39%	113,166	36,173	31.96%
NON-OPERATING EXPENSES							
Total Non-operating Expenses	87,339	87,340	(1)	0.00%	(111,655)	198,994	-178.22%
Income before Capital Contributions	(1,597,429)	(1,024,742)	(572,687)	55.89%	(899,356)	(698,073)	77.62%
Capital Contributions	-	447,085	(447,085)	-100.00%	2,692,029	(2,692,029)	-100.00%
CHANGES IN NET POSITION							
Increase (decrease) in net position	(1,597,429)	(577,657)	(1,019,772)	176.54%	1,792,673	(3,390,102)	-189.11%

MNAA Properties Corporation
Statement of Net Position
November 30, 2023

	November 2023	June 2023	June 2022
ASSETS			
CURRENT ASSETS			
Unrestricted assets:			
Cash, cash equivalents, and investments	13,247,485	12,096,639	9,132,136
Accounts receivable net of ADA	112,814	158,665	237,876
Lease receivables	2,773,638	2,773,638	2,852,482
Due from (to) other funds	(17,022)	(23,496)	(14,148)
Prepaid expenses and other	30,217	-	65,609
Total current assets	16,147,130	15,005,445	12,273,955
NON-CURRENT ASSETS			
Capital assets:			
Land and nondepreciable assets	200,817	200,817	200,817
Buildings and buildings improvements	13,764,903	13,764,903	13,764,903
Equipment, furniture, and fixtures	1,655,190	1,655,190	1,655,190
Total capital assets	15,620,910	15,620,910	15,620,910
Less accumulated depreciation	(11,032,140)	(10,751,072)	(10,075,595)
Total capital assets (net of A/D)	4,588,769	4,869,837	5,545,315
Other assets			
Lease receivables	9,903,165	9,903,165	9,672,040
Total non-current assets	14,491,934	14,773,003	15,217,355
TOTAL ASSETS	30,639,065	29,778,448	27,491,310
LIABILITIES			
CURRENT LIABILITIES			
<i>Payable from unrestricted assets:</i>			
Accounts payable	231,592	319,859	248,285
Advance billings and payments received in advance	94,640	70,287	40,932
Total current liabilities	326,232	390,146	289,218
DEFERRED INFLOWS OF RESOURCES			
Total deferred inflows from leases	11,337,983	11,337,983	12,337,016
NET POSITION			
Total net position	18,974,849	18,050,319	14,865,076
TOTAL LIABILITIES AND NET POSITION	30,639,065	29,778,448	27,491,310

MNAA Properties Corporation
Statement of Revenues, Expenses, and Changes in Net Position
For the Five Months Ending November 30, 2023

	Actual YTD	Board Budget	Actual Vs Budget		Actual PY YTD	Actual Vs. PY	
	11/30/2023	11/30/2023	Variance (\$)	(%)	11/30/2022	Variance (\$)	(%)
OPERATING REVENUES							
Space rental	1,518,548	1,521,385	(2,837)	-0.19%	1,503,044	15,504	1.03%
Other	56,911	24,875	32,036	128.79%	56,469	442	0.78%
Total Operating Revenue	1,575,459	1,546,260	29,199	1.89%	1,559,513	15,946	1.02%
OPERATING EXPENSES							
Contractual services	297,058	400,000	(102,942)	-25.74%	87,841	209,217	238.18%
Materials and supplies	4,871	20,115	(15,244)	-75.78%	15,577	(10,706)	-68.73%
Utilities	167,797	227,921	(60,124)	-26.38%	193,530	(25,733)	-13.30%
Other	21,787	34,990	(13,203)	-37.73%	20,325	1,462	7.19%
Total Operating Expenses	491,513	683,026	(191,513)	-28.04%	317,273	174,240	54.92%
OPERATING INCOME BEFORE PROVISION FOR DEPRECIATION	1,083,945	863,234	220,711	25.57%	1,242,240	(158,295)	-12.74%
PROVISION FOR DEPRECIATION	281,068	280,890	178	0.06%	281,449	(381)	-0.14%
OPERATING INCOME	802,877	582,344	220,533	37.87%	960,791	(157,914)	-16.44%
NON-OPERATING REVENUES							
Interest Income	273,368	107,250	166,118	154.89%	69,123	204,245	295.48%
Total Non-operating Revenue	273,368	107,250	166,118	154.89%	69,123	204,245	295.48%
NON-OPERATING EXPENSES							
Other non-operating expense	151,715	144,440	7,275	5.04%	153,245	(1,530)	-1.00%
Total Non-operating Expenses	151,715	144,440	7,275	5.04%	153,245	(1,530)	-1.00%
CHANGES IN NET POSITION							
Increase (decrease) in net position	924,531	545,154	379,377	69.59%	876,670	47,861	5.46%