

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



Date/Time: Wednesday, February 21, 2024, 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 February 20, 2024 at 1:00 a.m.

III. APPROVAL OF MINUTES

1. December 20, 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 APPROVAL

1. Construction Contract for BNA Landscaping (Operations)
2. Construction Contract for Part 139 RSA Improvements (Operations)
3. Amendment to Air Service Incentive Policy (Finance)
4. FAA Contract Weather Observer (CWO) Lease Agreements (Finance)
5. Subleases for Concourse D Extension Concessions (7)
6. Amendment 9 to Fraport Concessions Agreement (Exhibit G Updates) (Finance)
7. Amendment 2 to the Boingo Concessions Agreement for Cellular Distributed Antenna System (DAS) and Wi-Fi Service (Finance)

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

VII. INFORMATION ITEMS

1. Board Counsel Engagement Discussion
2. Donelson Pike Early Completion Initiative (Operations)
3. Roadway Improvements – Discrete Widening & Proposed TDOT 216A Widening (Operations)
4. Terminal II Siting Study Update 2 of 8 (Operations)
5. BNA Development Update (Operations)
6. JWN Development Update (including RFI / RFP update) (Operations)
7. BNA Concessions Program Update (Quarterly Update, Sales Report and BNA PASSport Update) (Finance)
8. FY24 BNA and JWN O&M Budget Updates (Finance)
9. Quarterly Retirement/OPEB/Treasury Investment Reports (Finance)

VIII. ADJOURN

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



Date: December 20, 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, Nancy Sullivan; and Dr. Glenda Glover

Board Members Absent: Bill Freeman

MNAA Staff Present: Doug Kreulen, Neale Bedrock, Lisa Lankford, Trish Saxman, Marge Basraj, Daniel B. Brown, Chris Davidson, Kristen Deuben, David Griswold, Traci Holton, Ijeoma Ike, Carrie Logan, Rachel Moore, Olivia Parven, Josh Powell, 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 Stevenson called the MNAA Board of Commissioners and MPC Board of Directors Meeting to order at 1:00 p.m., pursuant to Public Notice dated December 15, 2023.

II. PUBLIC COMMENTS

Chair Stevenson stated there were no public comment requests received.

III. APPROVAL OF MINUTES

Chair Stevenson called for a motion to approve the Minutes of the October 18, 2023 Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors. Chair Stevenson asked that in the motion to approve the minutes, the Commissioner making such motion should state on the record that per Adams and Reese, the prior minutes are approved solely for the purpose of documenting the records of MNAA, including the date, time, location, attendance, and actions that occurred on the relevant meeting dates by the relevant body, and per Adams and Reese, such approval does not in any way comment on the legality or substance of the proceedings and actions taken or any contract considered with any such actions. Chair Stevenson asked that the motion also include affidavits from the minute taker and preparer of the prior minutes, certifying that the prior minutes were taken and

prepared in accordance with MNAA's standard meeting procedures for the creation of meeting minutes of MNAA's Board of Commissioners and its committees and are an accurate record of the same. This has been provided to each Commissioner and will be included in the December Committee and Board minutes. A motion to approve was made by Vice Chair Granbery and seconded by Commissioner Byrd.

Chair Stevenson asked Ms. Saxman for a roll call:

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

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

Chair Stevenson asked for a motion to approve the November 6, 2023 Minutes of the Special Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors and November 15, 2023 Minutes of the Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors. A motion to approve was made by Commissioner Byrd and seconded by Commissioner Glover.

Chair Stevenson asked Ms. Saxman for a roll call:

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

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

Commissioner Byrd stated that at some point he believes the Board needs to take a look at the July minutes of the group that met at the Metro courthouse, there were minutes that were recorded at that meeting and this Board should take that up at some point. Commissioner Glover asked what minutes, to which Commissioner Byrd replied minutes of the meeting they went to at the Metro courthouse. He stated that he would like those minutes that were circulated and

approved in connection with that meeting to be considered by this Board and made part of the record of this organization. Vice Chair Granbery stated he would like Adams and Reese LLP to weigh in on that as Board counsel. Chair Stevenson stated that between now and the next Board meeting, Board counsel will confer with General Counsel and provide advice regarding this issue. Commissioner Byrd stated he does not think it absolutely needs to be done, but he thinks it is appropriate to be done.

Vice Chair Granbery asked if based on our engagement letter with Adams and Reese LLP, if there is a need for a motion for the Board to approve that review. Chair Stevenson replied no because the engagement letter is broad enough to incorporate the original task and whatever else as needed, so this will fit into that category.

IV. CHAIR'S REPORT

Chair Stevenson acknowledged that this was the last meeting for 2023 and thanked everyone for their hard work, particularly President Kreulen and his staff, those that were present and those that were not. She stated that she realizes that there is a lot that happens at the airport every day, a lot behind the scenes. A lot of fires that staff puts out that not everyone knows about and a lot of things not within their control that they deal with. Chair Stevenson stated that she would like to give a round of applause to President Kreulen and his staff. Chair Stevenson also thanked the Board for their diligence and taking their role seriously and coming in here and doing the work. Chair Stevenson stated that everyone knows how important that is, that she enjoys working with all members of the Board and wants to continue the work that the Board is doing. Chair Stevenson said that there are a lot of important decisions to make in the next year. A lot of great things are happening at this airport, she said, and there is a lot of preparation for the next 10 - 15 years, which is a lot of responsibility. Chair Stevenson stated President Kreulen is anxious to talk to us about the strategic planning MNAA needs to do and she wants to go into the new year thinking about that as well.

Chair Stevenson mentioned the devastating tornado that struck two weeks ago and that there are people who are still dealing with the aftermath. There are also people dealing with other things around the holidays, she said. As she mentioned previously around Thanksgiving, the holidays can be a very joyful time but also a time of sorrow and there are people who are experiencing loss. She extended her heartfelt thoughts to those who are dealing with any of those situations. And she hopes that in the next year, we can come together as we always have to do the great

work of this airport and figure out how to meet challenges head on and she wants everyone to have a wonderful holiday with family and friends.

V. PRESIDENT'S REPORT

President Kreulen thanked Chair Stevenson. President Kreulen informed the Board that he attended the Metro Council meeting where Commissioner Freeman was reappointed. There were discussions regarding the tornado, and how everyone has been responding to the devastation. President Kreulen stated Oliva Parven, here today, and Corey King helped raise approximately \$34K for our Give-Back campaign and a lot of that money went to United Way, one of the organizations commended last night for their work on the tornado damage. President Kreulen thanked Ms. Parven for helping raise money with the staff at the airport for this type of event.

President Kreulen stated MNAA had the first Tree Lighting Celebration on November 30, 2023. The tree has been very popular with our passengers, and lots of families have been taking pictures around it as they travel in and out of the airport.

President Kreulen reported that the Hilton BNA Tour on December 13, 2023 was a success. It has a great view from the top floor and is beautiful inside. Contractually they are scheduled to open December 31, 2023, but it may open sometime between December 31st and February 1st. They are getting into the hiring of staff and final cleaning, and it will be a very nice amenity. We hope to have lunch there sometime in the month of February, he said.

President Kreulen announced that Vice Chair Granbery's 4th grandchild was born on December 13, 2023. Several pictures of the beautiful family with baby Bowen Treanor Granbery was presented. President Kreulen stated that Commissioner Freeman has 7 grandchildren and said that staff could keep track of all the Commissioners' grandchildren if they wished. Vice Chair Granbery announced that Commissioner Joslin has another grandchild coming in 17 days.

President Kreulen presented several pictures of Commissioner Glover at the White House and at a Texans game and stated that she is non-stop with her movements. President Kreulen congratulated Commissioner Glover and thanked her for representing MNAA.

President Kreulen congratulated Commissioner Freeman on his reappointment to the Board on December 19, 2023. His new term expires on January 1, 2031. President Kreulen stated Commissioner Freeman looked great last night at his reappointment and presented a few pictures of Commissioner Freeman and his wife, Bab's, White House tour.

President Kreulen reported that Business Taking Off will be held on Friday, February 9, 2024 at the Music City Center, in the Davidson Ballroom. Normally there are 300 attendees, and now there are approximately 400. MNAA eventually plans to host the Business Taking Off at the Hilton BNA, which will hold 600 attendees. Business Taking Off is an annual event where MNAA invites businesses that want to do business here at the airport, or are already doing business at the airport, and MNAA provides attendees with its capital plan for the next 12 months, showing what kinds of projects are at the airport, how to participate, how to bid and how to put in a proposal. It has been well received. MNAA provides breakfast and the businesses have an opportunity to hear about what is coming up at BNA and John C. Tune Airport (JWN).

President Kreulen presented a slide showing the FY24 BNA enplanements. For the month of December, BNA is plus 14% over last year, and for this year BNA is plus 9%. MNAA's fiscal year will end June 30, 2024 and BNA is above the line and is about to hit its low for the year but will start to peak for the summer and head up to 11% which will end us at 24M passengers. That will make it 11 years in a row that BNA has been able to achieve that.

President Kreulen reported the Committee 60-Day Outlook has 2 approvals in the Operations Committee and 3 approvals in the Finance Committee, which several of these are tentative. Staff plans to update the Operations Committee on strategic issues, the acceleration of Donelson Pike with TDOT, Terminal II Siting Study, and MNAA is with that the next steps for BNA and JWN development. The Finance Committee will be updated on adjustments to the FY24 budget that may be needed based on that 11% growth, and also MNAA's ability to take over and manage the Distributed Antenna System ("DAS") and Wi-Fi improvements which has been a challenge MNAA. There are a lot of outside experts helping staff with these business decisions. For the January Committee meetings, even if there no approvals, it is still critical to have the Operations and Finance Committee meetings to update Commissioners on long-range strategic decisions that staff will be recommended to the Commissioners.

President Kreulen stated the Committee 60-Day Outlook has approvals in both Operations and Finance Committees in February, and the staff will get ready for March and April for approval of the FY25 budgets. There are lots of challenges ahead.

President Kreulen turned the meeting over to turned Chair Stevenson for the Items for Ratification.

Vice Chair Granbery stated he attended the JWN airport pilots meeting and Mr. Robert Ramsey was filling in for Mr. Chris Davidson and it was the first meeting he has been to in years where it was nothing but accolades for the staff and all their great work. It was almost a standing ovation to the team, he said, and there were no complaints, which is a milestone. Vice Chair Granbery stated the work out at JWN is progressing and looks great. And although there may be some bumps in the road with rerouting during the building of the pipes under the taxiways, it is pretty amazing.

VI. ITEMS FOR RATIFICATION

Chair Stevenson stated that at each Committee meeting last week, each Committee discussed the July – October 2023 Board action items. There were 19 items total: 12 from Operations Committee, 5 from Finance Committee and 2 from Management Committee. All 3 Committees recommended ratification by the Board and asked for a motion. Vice Chair Granbery motioned to approve, and Commissioner Glover seconded the motion.

Chair Stevenson asked Ms. Saxman for a roll call:

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

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

The items ratified included:

- 1) Professional Services Contract for Executive Program Management (Operations)

- 2) Professional Services Contract for Terminal II Siting Study (Operations)
- 3) Professional Services Contract for On Call Engineering Services (Operations)
- 4) TARI -Telecommunication Provider License and Access Fees Agreement - Crown Castle (Operations)
- 5) Professional Services Contract for Commercial Trash, Recycled Materials and Electronics Disposal (Operations)
- 6) Amendment to Professional Services Contract for Custodial Services – Satellite Concourse (Operations)
- 7) Design, Build, Operate and Maintain Virtual Ramp Control System (Operations)
- 8) Construction Contract for TARI Phase 2 (Operations)
- 9) Construction Contract for Bravo/Kilo Intersection (Operations)
- 10) Professional Services Contract for Staff Augmentation (3) (Operations)
- 11) Professional Services (Design) Contract for Concourse A (Operations)
- 12) Construction Contract for JWN Terminal Parking Lot Expansion (Operations)
- 13) JWN North Development LOI/Lease Terms – Parcel 1 (Finance)
- 14) Amendment to Fraport Subleases (Finance)
- 15) BNA Westside Development LOI/Lease Terms (Finance)
- 16) Amendment to British Airways Incentive Agreement (London) (Finance)
- 17) Trademark License Agreement (Finance)
- 18) CEO Employment Agreement (Management)
- 19) CEO FY24 Performance Evaluation Key Performance Indicators (KPI's) (Management)

VII. ITEMS FOR APPROVAL

1. Amendment to Contract for On Call Snow & Ice Removal Services (Operations)

President Kreulen introduced Daniel B. Brown, AVP, Maintenance, Environmental and Safety, to brief the Board on the Amendment to Contract for On Call Snow & Ice Removal Services. Mr. Brown stated that this amendment is for this winter season for the contract that was awarded to Grade A Construction in the amount of \$1.63M NTE for the 1st contract year

(FY23). The SMWBE goal is 9.55% MBE and/or WBE and Grade A Construction, a certified DBE, is utilizing Archangel and Jerry B Young for this contract.

This was presented to the Operations Committee on December 13, 2023, and the Operations Committee recommended Board approval by a vote of 3 to 0. Mr. Brown requested that the Board of Commissioners accept the proposed amendment to the contract with Grade A Construction for on-call snow and ice removal services and authorize the Chair and President to execute the proposed amendment for \$1.5M NTE.

Commissioner Joslin stated the Operations Committee voted 3-0 to recommend approval by the Board. Commissioner Joslin made a motion for approval and Commissioner Sullivan seconded the motion.

Chair Stevenson asked Ms. Saxman for a roll call:

Chair Stevenson – Yes

Vice Chair Granbery – Yes

Commissioner Byrd -Yes

Commissioner Joslin – Yes

Commissioner Sullivan – Yes

Commissioner Glover – Yes

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

2. Professional Services Contract for Runway 2L Extension Environmental Impact Statement (EIS) (Operations)

President Kreulen introduced Traci Holton, VP, Chief Engineer, to brief the Board on the Professional Services Contract for Runway 2L Extension Environmental Impact Statement (“EIS”). Ms. Holton stated this is Phase 1 of 2 to provide analysis and assist the FAA to prepare the Environmental Impact Statement (“EIS”) to assess and disclose the potential environmental impacts and reasonable alternatives. Ms. Holton stated Landrum & Brown, Inc. was selected at a cost of \$3.5M NTE for Phase 1. The DBE goal was 7.98% and Landrum & Brown, Inc. committed to 8%.

This was presented to the Operations Committee on December 13, 2023. Ms. Holton recommended the Board authorize the Chair and President and CEO to execute the proposed

Professional Services Contract for the Runway 2L Extension EIS with Landrum & Brown, Inc. for \$3.5M NTE.

Commissioner Joslin stated the Operations Committee voted 3-0 to recommend approval by the Board. Commissioner Joslin made a motion for approval and Commissioner Sullivan seconded the motion.

Chair Stevenson asked Ms. Saxman for a roll call:

Chair Stevenson – Yes

Vice Chair Granbery – Yes

Commissioner Byrd -Yes

Commissioner Joslin – Yes

Commissioner Sullivan – Yes

Commissioner Glover – Yes

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

3. Professional Services Contract for On Call Architectural Services (Operations)

Ms. Holton stated that the Professional Services Contract for On Call Architectural Services is to provide architectural design services for all capital projects for the next 3 years. The selection committee selected Gresham Smith through a competitive process. This contract is for 1 year with two 1-year renewal options in the amount of \$5M NTE per year. The SMWBE goal was 6% MBE/WBE and Gresham Smith committed to 6% MBE/WBE.

This was presented to the Operations Committee on December 13, 2023. Staff recommended that Ms. Holton recommended the Board authorize the Chair and President and CEO to execute the On Call Architecture Professional Services Contract with Gresham Smith for \$5M NTE per year.

Commissioner Joslin stated that the Operations Committee voted 3-0 to recommend approval by the Board. Commissioner Joslin made a motion for approval and Commissioner Byrd seconded the motion.

Vice Chair Granbery asked Ms. Holton to please give an example of what type of architecture design will be used. Ms. Holton replied MNAA has a FY24 project that has not started yet to

design a canopy over the sky pass on the curve and will hand to them and issue a task order to design to be implemented through construction. Commissioner Glover asked if cost was a factor. Ms. Holton replied, it cannot be in professional services, it is always by qualifications by state law.

Chair Stevenson asked Ms. Saxman for a roll call:

Chair Stevenson – Yes

Vice Chair Granbery – Yes

Commissioner Byrd -Yes

Commissioner Joslin – Yes

Commissioner Sullivan – Recused

Commissioner Glover – Yes

The motion was passed with a vote of 5/0/1.

4. Construction Contract for Taxiway Bravo 5 (Operations)

Ms. Holton stated that the Construction Contract for Taxiway Bravo 5 is for the replacement of asphalt at Taxiway Bravo 5 with full depth and full-strength concrete. MNAA received 2 bids and the selection committee selected Hi-way Paving as the low bidder with total contract cost of \$970,100. This contract will start in March 2024 and end April 2024, 30 days. The SMWBE goal was 8.17% MBE and 7.15% WBE and Hi-Way Paving committed to 8.25% MBE and 7.19% WBE.

This was presented to the Operations Committee on December 13, 2023. Ms. Holton recommended the Board authorize the Chair and President and CEO to execute the proposed contract with Hi-Way Paving, Inc. in the amount of \$970,100.

Commissioner Joslin stated the Operations Committee voted 3-0 to recommend approval by the Board. Commissioner Joslin made a motion for approval and Commissioner Glover seconded the motion.

Commissioner Glover asked if this is an aggressive schedule of 1 month. Ms. Holton replied no, 30 days for this amount of concrete is ok and the runway will be shut down.

Chair Stevenson asked Ms. Saxman for a roll call:

Chair Stevenson – Yes

Vice Chair Granbery – Yes

Commissioner Byrd -Yes

Commissioner Joslin – Yes

Commissioner Sullivan – Yes

Commissioner Glover – Yes

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

5. Design-Build Contract for Virtual Ramp Control Implementation CGMP 1 of 2 (Operations)

Ms. Holton stated the Board on the Design-Build Contract for Virtual Ramp Control Implementation CGMP 1 of 2 will provide structural, mechanical and communications infrastructure. The selection committee selected Hensel Phelps for CGMP1 in the amount of \$5M and future CGMP 2 in the amount of approximately \$1M. The contract will start as soon as the Board signs the contracts. The SMWBE goal was 5.33% MBE/WBE and Hensel Phelps committed to 5.33% MBE/WBE.

This was presented to the Operations Committee on December 13, 2023. Ms. Holton recommended the Board authorize the Chair and President and CEO to execute the proposed contract with Hensel Phelps for the Component Guaranteed Maximum Price #1 of \$5M.

Commissioner Joslin stated the Operations Committee voted 3-0 to recommend approval by the Board. Commissioner Sullivan made a motion for approval and Commissioner Joslin seconded the motion.

Chair Stevenson asked Ms. Saxman for a roll call:

Chair Stevenson – Yes

Vice Chair Granbery – Yes

Commissioner Byrd -Yes

Commissioner Joslin – Yes

Commissioner Sullivan – Yes

Commissioner Glover – Yes

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

6. Short Term Credit Facility – Third Amendment to Note Purchase Agreement with Bank of America, N.A. – Resolution 2023-12 (Finance)

President Kreulen introduced Marge Basrai, EVP, Chief Financial Officer to brief the Board on the Short-Term Credit Facility, Third Amendment. Ms. Basrai provided background on the Note Purchase Agreement (“NPA”). On January 7, 2019, the MNAA entered into a NPA with Bank of America (“BofA”) to provide short-term cash flow funding for MNAA’s capital projects during early stages of construction in the amount of \$300M with variable interest rates based on LIBOR, 5-year commitment with 15 bps. On November 26, 2019, MNAA executed the First Amendment to the NPA with BofA and increased commitment amount to \$400M and added accordion feature. On December 1, 2021, MNAA executed the Second Amendment to the NPA with BofA and decreased commitment to \$300M, removed the accordion feature that was added in the First Amendment, with a maturity date of January 7, 2024, with new interest indices with LIBOR publication ceasing on June 30, 2023 and increased MNAA’s fee of 20bps.

MNAA is now asking for a Third Amendment to the NPA. With the term date of January 7, 2024 fast approaching, MNAA began discussion on a new NPA with PFM, MNAA’s financial advisors. The recommendation is to begin negotiations with BofA for a new NPA and this will be a new issuance of debt, which is time consuming to execute and Bond Counsel did not believe this could get done by January 7, 2024. In order to not lose the ability to use credit facility, both MNAA and BofA have agreed to an extension of the maturity of the notes and the commitment expiration date not to exceed one year to January 7, 2025 with all other terms of the NPA to remain the same and will give time to complete negotiations, prepare all the documents and resolution and obtain Board approval. Ms. Basrai presented the terms under the Third Amendment stating the only thing that changes is highlighted in yellow, the Maturity Date/Mandatory Tender Date of January 7, 2025. Per Bond Counsel no new TEFRA hearing or Authorizing Resolution is required for the Third Amendment.

This was presented to the Finance Committee on December 13, 2023, and voted 3 to 0 to recommend approval of Board. Staff recommended the Board 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 NPA with BofA and authorize the President and CEO to execute the Third Amendment to the NPA with BofA.

Commissioner Byrd stated the Finance Committee voted 3-0 and recommended approval by the Board. Commissioner Byrd made a motion for approval and Commissioner Glover seconded the motion.

Chair Stevenson asked Ms. Saxman for a roll call:

Chair Stevenson – Yes

Vice Chair Granbery – Yes

Commissioner Byrd -Yes

Commissioner Joslin – Yes

Commissioner Sullivan – Yes

Commissioner Glover – Yes

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

7. Amendment to Fraport Sublease – Pyramids of Nashville, LLC Extension (Finance)

President Kreulen introduced Colleen Von Hoene, Associate Principal, The Paslay Group, to brief the Commissioners on the Amendment to Fraport Sublease. Ms. Von Hoene stated the term of the Lease and Concessions Agreement with Fraport Tennessee, Inc. commenced on February 1, 2019 and expires January 31, 2029. For sublease terms that extend beyond January 31, 2029, MNA must become a party to the sublease. Fraport has a sublease with Pyramids of Nashville, Inc. for a restaurant that opened on June 5, 2021, with a term that expires on January 31, 2029.

This was presented to the Finance Committee on December 13, 2023. Ms. Basrai requested that the Board approve the sublease amendment between Fraport, Pyramids of Nashville, Inc. and MNA and authorize the Chair and President and CEO to execute the sublease amendment.

Commissioner Byrd stated the Finance Committee voted 3-0 to recommend approval by the Board. Commissioner Byrd made a motion for approval and Vice Chair Granbery seconded the motion.

Vice Chair Granbery asked for the restaurant name, to which Ms. Von Hoene responded Pyramids in Concourse C. Commissioner Glover asked if 10 years is a normal term. President Kreulen responded yes, the Concessions team, Finance team and Fraport helped gather

information and MNAA has a matrix evaluating square footage, investment and if invested so much there is a likelihood staff will recommend a 10-year term versus 7-year term. MNAA previously had 7-year terms and was in a different position with the concessions program and at that time MNAA had to execute leases and get going. This was staff's promise to go back with both the owner of Pyramids and Fraport and evaluate the term. They have performed very well, and that is the basis for the recommendation.

Chair Stevenson asked Ms. Saxman for a roll call:

Chair Stevenson – Yes

Vice Chair Granbery – Yes

Commissioner Byrd -Yes

Commissioner Joslin – Yes

Commissioner Sullivan – Yes

Commissioner Glover – Yes

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

8. BNA West Development – Revised LOIs

President Kreulen introduced Carrie Logan, VP, Deputy General Counsel, to brief the Commissioners on the West Side Development. Ms. Logan presented a diagram showing Concourse C and Satellite Concourse on the top right and on bottom left the intersection of Briley Parkway. Ms. Logan stated the image on the right side shows how the property will be split between HCA Management Services, L.P. ("HCA") and SF Aviation, LLC ("SFA"). These are MNAA's standard LOI and lease terms with the addition of easement fees which are unique to these properties. The space will be divided between these two tenants with the base rent \$2.40/sf, 3% escalation and FMRV adjustments in year 10 and 20 of initial term. The easement fee will be shared between the 2 tenants and other tenants in this area for Taxilane A and B and SF Aviation, LLC will be paying the easement fee for the Taxilane B extension, which will then be split between the parties. Each is required to make minimum improvements within 18 months and do have their rights to lease to any other affiliate or successor organization with notice to MNAA; however, any other assignments require the prior written consent from MNAA. This is an immediate combined revenue source of almost \$580k and new assets will vest in 31.5 – 36.5 years. 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.

This was presented to the Finance Committee on December 13, 2023. Ms. Logan requested the Board approve the terms negotiated between MNAA and SF Aviation, LLC via Letter of Intent; and authorize the Chair and President and CEO to execute a lease agreement with SF Aviation, LLC consistent with lease terms. Staff requested the Board to approve the terms negotiated between MNAA and HCA Management Services L.P. via Letter of Intent; and authorize the Chair and President and CEO to execute a lease agreement with HCA Management Services, L.P. consistent with lease terms.

Commissioner Byrd stated the Finance Committee voted 3-0 to recommend approval by the Board. Commissioner Byrd made a motion for approval and Vice Chair Granbery seconded the motion.

Vice Chair Granbery asked the \$.50/sf easement fee is that on the area of easement or total area of the parcel. Ms. Logan responded it is in the area of easement for the extension. Taxilane A is divided among 4 tenants because they share that portion of it, and each pay \$.50/sf and Taxilane B is shared amongst 2 tenants one of which is paying \$.50/sf and since the parcel will be split, they are each paying \$.25/sf. The Taxilane extension is 50% of the entirety of the extension area which does have a 3% annual escalation.

Chair Stevenson asked Ms. Saxman for a roll call:

Chair Stevenson – Yes

Vice Chair Granbery – Yes

Commissioner Byrd -Yes

Commissioner Joslin – Yes

Commissioner Sullivan – Yes

Commissioner Glover – Yes

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

VIII. INFORMATON ITEMS

1. Satellite Concourse Performance Update (Operations)

President Kreulen stated the Satellite Concourse is an 8-gate facility, with 5 preferential to Allegiant (3) and Spirit, (2) with the other 3 for common use. It has only been open for less than 2 months and has had over 2,200 operations as of December 1, 2023. There have been over

33,000 bags checked, and over 98,400 shuttle trips to make sure we meet the customer expectations and can carry on. President Kreulen stated he and the executive team went out there last Friday just to take a look at it and the good news is Fat Bottom is opening today as a test. Fat Bottom is the biggest restaurant there and will open to passengers tomorrow morning.

Commissioner Byrd asked how MNAA maintains proper supervision of this separate facility, and if there is someone out there who is in charge of the maintenance and care of that facility or is it part of the overall program. President Kreulen responded that there is an office in the bottom floor on the ramp level for the cleaning crew, an office for MNAA's public safety team and another office for the bus drivers. As needed, in case of a surge in aircraft or for other reasons, the buses are called from right here and they pull up to the door. In addition to those, the 7 retail and food and beverage places also have offices that they use and each of the airlines that operate out of there also have offices. The Communications team has an information desk between the drop-off doors and departure doors. If there is something not going well, they are the ones that most likely will call someone to respond.

2. 2023 – 2024 Snow and Ice Control Plan (Operations)

President Kreulen stated MNAA has a nice fleet of snow and ice equipment. Some of it is on order, and it is very expensive, and can take over a year to build. MNAA begins in August with its team and in October, meets with all the tenants. President Kreulen stated he is very happy to report the weather on Christmas will be a high of 58 degrees. MNAA does not anticipate having any winter weather on the horizon, but staff is prepared and has procedures in place.

3. BWN Development Update: Visual Arts (Operations)

President Kreulen stated MNAA has executed a contract with the Don Hardin Group for its visual arts consulting services to prepare Arts at the Airport, grant proposals and required annual government forms. MNAA is really proud of its arts program, and it gets a lot of positive press.

4. BNA Development Update (Operations)

Roadways & Parking

President Kreulen reported that parking continues to be positive for BNA. MNAA has 17 ongoing initiatives and has updated the Metro Council, TDOT and the media. MNAA is working with TDOT on the Donelson Pike acceleration and will have more information at the January Committee or Board meeting. The widening of the 1,700 feet off of 216A is almost finished. There is excess

capacity right now in the garage and parking areas and staff feels well prepared for the holiday time period.

BNA Development Update: December 4th Visit to Southwest

President Kreulen stated that the visit to Southwest on December 4, 2023 was very positive. Out in the center part of the airfield is a large catch basin where storm water runs and all of the deicing material goes before it gets treated at MNAA's treatment plants. Southwest is looking as they grow for MNAA to build them a Centralized Ramp for aircraft to Remain Over Night (RON) in that area. After the first of the year, the Multi-purpose Building will be demolished. Then on Donelson Pike all the rock will have to be removed and brought down about 30/40 feet, and then a combined Multi-purpose/Air Freight facility will be built. MNAA continues to move pieces around to support this future growth.

Commissioner Byrd asked how the cell phone parking area and the 30-minute free parking is working out. President Kreulen replied that one of the 17 initiatives was to change parking to the first 30 minutes free, and then go up in \$5 increments to the full day rate. In the first 10 days of this program about 2,200 more people parked inside the 2-hour limit. It is being used and that is taking off a lot of pressure off the roads. There is not a big use of the cell phone lot on Murfreesboro Rd., but staff has pointed out that if cars are circling three times, it is the same distance as going to the cell phone lot. MNAA continues to push that message out and as you are driving on I-40 or I-65 look for the billboards and you will see BNA ads educating people about the options available. Staff will continue to monitor the data and keep the Board updated.

5. JWN Development Update (Operations)

President Kreulen stated that JWN continues to be successful. On the North Development, two areas are being built out. Contour is currently ahead of schedule on rebuilding the three hangars, and MNAA continues to work on the new R3 Ramp expansion. The good news is that the Request for Information ("RFI") was sent out to industry experts on FBOs on December 15, 2023, and their feedback is due by January 15, 2024. This feedback will be analyzed and that will determine the final Request for Proposal ("RFP") that goes out in February/March 2024. The goal is to get someone awarded with that program so that they can build out before the expiration of the existing FBO in the 2027 time period.

6. BNA Concessions Program Update (Finance)

President Kreulen stated that the terminal concessions program has 2 food and beverage locations under construction and scheduled to open in April 2024: Prince's Hot Chicken and Half Moon Empanadas. That will finish out the Fraport program and tomorrow morning Paradies will finish their construction program in the satellite concourse.

President Kreulen wished everyone a very Merry Christmas, Happy Holidays, and for no snow.

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 6 to 0. Chair Stevenson adjourned the meeting at 1:42 p.m.

Andrew Byrd, Board Secretary

STAFF ANALYSIS

Board of Commissioners

Date: February 21, 2024
Facility: Nashville International Airport
Subject: Exterior Terminal Landscaping Contract Extension

I. Recommendation

Staff requests that the Board of Commissioners:

- 1) Accept the proposed contract extension to the contractor, Bradshaw Landscape and Maintenance LLC, awarded for the Exterior Terminal Landscaping Contract, for \$958,465.98
- 2) Authorize the Chair and President and CEO to execute the proposed amendment to extend the current Contract for Exterior Terminal Landscaping for 12 months

II. Analysis

A. Background

The contract for Exterior Terminal Landscaping was approved by the Board and awarded to Bradshaw Landscape and Maintenance, LLC (Bradshaw) in January 2019, for three years plus two optional years. The contract was amended in March 2022 and in March 2023, adding landscape services to the Employee expansion lot, Long Term B / Economy Lot B, Garage 1 Landscaping, Garage Plaza Landscaping, New Mobile Equipment Building and CUP / D Concourse Landscaping. The current annual contract budget is \$958,465.98 (or \$79,872.16 per month) The contract is set to expire 29 February 2024.

Maintenance Services and Procurement initially planned to extend the current contract by four (4) months covering the time period 01 March 2024 – 30 June 2024. After inquiries were made if Bradshaw would consider extending the expiration date of their Contract by four (4) months to 30 June 2024, Maintenance Services received a quote (based on the same pricing provided in the current contract) of \$476,749.18 (or \$119,187.30 per month).

Considering that the four (4) month extension period incorporates those months when the majority of the Exterior Terminal Landscaping services are normally rendered, the extended monthly contract rate is significantly higher when compared to the cost of services if amortized over a 12-month period as done during a normal contract year. Extending the current contract term date by 12 months, instead of four (4), would provide the best financial option for MNAA.

Staff requests the Operations Committee recommend to the Board of Commissioners to approve the 12-month contract extension request. The contract cost would increase to the following listed below:

B. Impact/Findings

Exterior Terminal Landscape:

SMWBE Goal:	10.1955%
Contract Extension Start Date:	01 March 2024
Duration of Contract:	12 months
Contract Completion Date:	28 February 2025

	Original Contract Cost:	Amended Contract Cost:
Contract Cost Year 1	\$ 649,995.00	\$ 649,995.00
Contract Cost Year 2	\$ 669,494.85	\$ 669,494.85
Contract Cost Year 3	\$ 689,579.70	\$ 689,579.70
Contract Cost Year 4 (Op Yr. 1)	\$ 710,267.10	\$ 897,601.40
Contract Cost Year 5 (Op Yr. 2)	\$ 731,575.12	\$ 958,465.98
Extension – 1 year		\$ 958,465.98

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 result in the inability to provide the main focus point of BNA to go without services that are a need and will ultimately reduce the overall customer experience.
2. Use current exterior terminal landscape services contractor: This approach will provide the best financial option for MNAA. Granting the request to extend the Contract by a full 12 months would also assist in preventing potential issues at the start of a new contract when determining cost of services that usually commence during the Spring months.

III. Committee Review

This item was presented to the Operations Committee on February 14, 2024. The Operations Committee voted 3 to 0 to recommend approval to the Board of Commissioners.

STAFF ANALYSIS

Board of Commissioners

Date: February 21, 2024
Facility: Nashville International Airport (BNA)
Subject: Construction Contract for Part 139 RSA Improvements
Project No. 2409

I. Recommendation

Staff requests that the Board of Commissioners:

- 1) Accept the bid by Hi-Way Paving, Inc. (Hi-Way Paving) for Part 139 RSA Improvements 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**

During the annual Part 139 Inspection in 2023, Federal Aviation Administration (FAA) inspectors reported one (1) finding of a noncompliant Runway Safety Area (RSA) at BNA. Since then, the Engineering and Operations teams proactively located several minor deficiencies in other RSAs that can be addressed concurrently. In addition, the shoulders and blast pads on Runway 2L-20R are not currently sized for Group V operations.

The project scope includes grading the extended Runway Safety Areas (beyond the thresholds) on runways 2L, 20R, 2C, 20C, and 20L; reconstruction and expansion of the blast pads on Runway 2L-20R, and paved shoulder widening on Runway 2L-20R.

An Invitation to Bid was advertised on December 11, 2023, and consisted of two (2) bid schedules. Bid Schedule 1 used concrete as the paving material, while Bid Schedule 2 used asphalt for the paving material. Contractors were allowed to submit a bid on either or both bid schedules.

On January 18, 2024, two (2) bids were received. Below is a tabulation of those bids:

Contractor	Schedule 1 (Concrete)	Schedule 2 (Asphalt)
Hi-Way Paving, Inc.	\$7,898,324.50	N/A
Jones Bros. LLC	\$15,714,300.00	\$11,740,062.50

The DBE participation goal established for the project was 15.56% DBE. Hi-Way Paving committed to obtaining a 15.57% DBE goal by utilizing Archangel Protective Services Inc., Gibco Construction, LLC, E3 Construction Company, Inc., Kimberly, Inc., and Rutherford Contracting, Inc.

Hi-Way Paving’s Bid is 20.9% lower than the Engineer of Record’s (Garver) opinion of probable construction cost of \$9,990,015.00. This distinction is likely attributed to the fact that Hi-Way Paving is currently performing work of similar scope at BNA, allowing for reduced mobilization cost. All items of their unit pricing were found to be balanced and reasonable, with many items being less than the average escalated unit cost of construction in today’s market.

The Metropolitan Nashville Airport Authority (MNA) and 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.

B. Impact/Findings

MNA DBE Goal:	15.56%
Contractor DBE Participation:	15.57%
Anticipated Contract Start Date:	March 2024
Duration of Contract:	182 Calendar Days
Contract Completion Date:	September 2024
Contract Cost:	\$7,898,324.50
Funding Source:	100% MNA

C. Strategic Priorities

- Invest in BNA
- Plan for the future

D. Options/Alternatives

Do Nothing: The “Do Nothing” option will result in no improvements to the Runway Safety Areas and result in the Nashville International Airport being flagged by the FAA in the 2024 inspection for continued noncompliance with safety standards.

III. Committee Review

This item was presented to the Operations Committee on February 14, 2024. The Operations Committee voted 3 to 0 to recommend approval to the Board of Commissioners.

STAFF ANALYSIS

Board of Commissioners

Date: February 21, 2024
Facility: Nashville International Airport
Subject: Air Service Incentive Policy 2024

I. Recommendation

Staff requests that the Board of Commissioners:

- 1) Approve the Air Service Incentive Policy (ASIP); and
- 2) Authorize the President and CEO to execute the policy.

II. Analysis

A. Background

The Metropolitan Airport Authority's (MNA) ASIP, approved by the Board of Commissioners on November 16, 2022, is scheduled to expire on December 31, 2024. However, the FAA recently published new guidelines, "FAA Policy Regarding Air Carrier Incentive Program", that outlined new criteria for airport incentive programs. This updated policy is presented to align with these new criteria and applies to new air service that is announced between February 21, 2024 and December 31, 2025.

An ASIP is important to remain competitive with other US airports in our efforts to attract additional non-stop international and domestic service. This policy outlines marketing funds, other marketing initiatives, and landing fee & facility fee abatements available to carriers who meet the required criteria. This policy applies to all passenger airlines servicing BNA.

This policy is consistent with the new FAA Policy Regarding Air Carrier Incentive Program, the FAA Air Carrier Incentive Program Guidebook; FAA Policy and Procedures Concerning the Use of Airport Revenue 64 Fed. Reg 7696, 49 USC §§ 7107(b), 47133 Revenue Use Policy; and the FAA Policy Regarding Airport Rates and Charges.

An airline / route specific Letter of Agreement (LOA) will be executed outlining the specifics of the incentive agreement between MNA and the carrier. All proposed marketing incentives and landing fee and facility abatements, outside of the Domestic Market Agreements, require approval of the Board of Commissioners.

B. Overview

Tiers and Types of Incentives

- 3 tiers of incentives **(no change)**
 - Domestic Markets
 - Other Americas Markets
 - Includes any city in the Americas (Canada, Mexico, the Caribbean, the Bahamas, Bermuda, Central America, South America, etc.), to also include Alaska, Puerto Rico, and Guam.
 - Trans-Oceanic Markets (includes Hawaii)
- Types of incentives **(no change)**
 - Landing Fees
 - Facility Fees
 - Includes ticket counters, gate, ramp, baggage claim, baggage make-up, Federal Inspection Station (FIS) fees, common use fees.
 - Does not include any leased space
 - Marketing Funds
 - Marketing Initiatives
 - Includes up to press release/conference, website, billboards, and gate events

Funding

The marketing incentive, and the landing fee and facility fee abatement will be funded from the NAE Incentive Fund. All proposed marketing incentives and landing fee and facility abatements, outside of the Domestic Market Agreements, require a separate approval of the Board of Commissioners.

The current planned deposits into the Nashville Airport Experience (NAE) Incentive Fund account are \$2 million per year. The balance as of February 5, 2024, is \$8.28 million.

A year-end summary for each route receiving incentive money will be provided to the Chief Financial Officer each year within 60 days of the end of the fiscal year.

Air Service Incentive Policy Public Postings

The Air Service Incentive Policy, as well as a fiscal year-end annual summary of incentivized routes, airlines, and the total incentive amount will be posted online at flynashville.com.

Summary of Changes from Existing Policy

- Revised effective period – New service announced from 2/21/2024 – 12/31/2025
- Stated the NAE Incentive Fund has no impact to Airline Rates, Fees, and Charges
- Added required language regarding seasonal service to be less than 7 months
- Reduced Year-Round Domestic Service threshold weekly frequency from 5 to 4
- Removed language regarding the ability to pause the incentive if another is awarded
- Added a public posting requirement
- Added a third year of incentives for certain seasonal routes
- Increased Seasonal Transoceanic % abatement to 100% for each year, adjusted marketing funds

The Incentive Plan Matrix from the policy is included as an attachment to this document.

C. Strategic Priorities

- Invest in BNA/JWN
- Plan for the Future

D. Options/Alternatives

- Do not approve the ASIP update and potentially open the Authority up to challenges from air carriers or the FAA on compliance with the new guidelines.

III. Committee Review

This item was presented to the Finance Committee on February 14, 2024. The Finance Committee voted 3 to 0 to recommend approval to the Board of Commissioners.

Incentive Plan Matrix

Year-Round Service

Type of Service	Landing Fees – Year 1	Landing Fees – Year 2	Facility Fees – Year 1	Facility Fees – Year 2	Marketing Incentive – Year 1	Marketing Incentive – Year 2	Marketing Initiatives
New Scheduled Service to Domestic Markets:	None	None	None	None	up to \$25,000	None	Press release, website splash page - up to 4 week run, Air Service Billboard - up to 4 week run
New Scheduled Service to Other Americas Markets (Canada, Mexico, the Caribbean, the Bahamas, Bermuda, Central America, South America, Alaska, and Puerto Rico)	100% abatement	50% abatement	None	None	up to \$150,000	up to – \$100,000	Press release, website splash page - up to 4 week run, Air Service Billboard - up to 6 week run Gate Event for inaugural flight
New Scheduled Service to Trans-Oceanic Markets (Includes Hawaii)	100% abatement	Year round service – 100% abatement	Year round service – 100% abatement	Year round service – 100% abatement	Year round service – Up to \$500,000	Year round service – Up to \$500,000	Press release, website splash page - up to 6 week run, Air Service Billboard - up to 8 week run Gate Event for inaugural flight

Seasonal Service

Type of Service	Landing Fees – Year 1	Landing Fees – Years 2&3	Facility Fees – Year 1	Facility Fees – Years 2&3	Marketing Incentive – Year 1	Marketing Incentive – Years 2&3	Marketing Initiatives
New Scheduled Service to Other Americas Markets (Canada, Mexico, the Caribbean, the Bahamas, Bermuda, Central America, South America, Alaska, and Puerto Rico)	75% abatement	50% abatement	None	None	up to \$75,000	up to \$15,000 / year	Press release, website splash page - up to 4 week run, Air Service Billboard - up to 6 week run Gate Event for inaugural flight
New Scheduled Service to Trans-Oceanic Markets (Includes Hawaii)	100% abatement	100% abatement	100% abatement	100% abatement	Up to \$400,000	Up to \$300,000 / year	Press release, website splash page - up to 6 week run, Air Service Billboard - up to 8 week run Gate Event for inaugural flight

STAFF ANALYSIS

Board of Commissioners

Date: February 21, 2024

Facility: Harvey P. Gassaway Building

Subject: FAA (CWO) Supplemental Agreement No. 3 to Lease Agreement No. DTFAEN-11-L-00047

I. Recommendation

Staff requests that the Board of Commissioners:

- 1) approve the Supplemental Lease Agreement No. 3 between MNAA and U.S Department of Transportation Federal Aviation Administration Contract Weather Observer (the "Tenant") for Suite 110 consisting of 385 square feet.
- 2) Authorize the Chair and President and CEO to execute a Supplemental Lease Agreement No. 3 between MNAA and Tenant.

II. Analysis

A. **Background**

The FAA Weather Observation (CWO) operates 24/7 and is responsible for providing critical operational data to the Air Traffic Control Tower. The critical operational data includes information from the Aviation Surface Weather Observation Network, the Next Generation Weather Radar, the Terminal Doppler Weather Radar and the Wind Shear Detection Services.

Lease Agreement No. DTFAEN-11-L-00047 (the "Lease") was executed on October 1, 2010, and options were exercised to extend the Lease until September 30, 2015. On September 10, 2015 the parties entered into Supplemental Lease Agreement No. 1 to the Lease extending the term to commence on October 1, 2015 continuing through April 30, 2016. Then on May 1, 2016 the parties entered into Supplemental Lease Agreement No. 2 to the Lease extending the term to commence on May 1, 2016 continuing through September 30, 2017.

In 2018, the FAA sent MNAA a new lease agreement for the FAA CWO at the Gassaway Building. MNAA executed this agreement and returned it to the FAA for final execution. Upon receiving the executed lease, the FAA stated that it had provided an incorrect lease template and that a new agreement would be forthcoming. MNAA diligently pursued completion of the second agreement with the FAA for this suite, going as far as sending a notice of default to the FAA in January of 2020 due to a lack of cooperation on their part.

The parties had a lease agreement ready for execution in March of 2021 until the FAA changed course and determined the parties need to execute a supplemental lease agreement, prior to a new lease agreement, to bring the Lease up to date. This Supplemental Lease Agreement No. 3 will cover the term of the lease from September 30, 2017 through September 30, 2022.

Because Supplemental Lease Agreement No. 3 will effectively extend the lease term past 8 years, it requires Board approval.

B. Lease Terms

1. Tenant leases 385 SF in the Harvey P. Gassaway Building. This suite is depicted in yellow on the attached exhibit.
2. Supplemental Lease Agreement No. 3 will cover the dates of October 1, 2017 through September 30, 2022.
3. Tenant will pay rent of \$575.60 (\$17.94 PSF) per month from October 1, 2017 through September 30, 2018. The rent will increase to \$628.84 (\$19.60 PSF) per month for the time period of October 1, 2018 through September 30, 2021. Rent will increase to \$647.70 (\$20.19 PSF) per month for the final year of the Supplemental Lease Agreement ending on September 30, 2022.

C. Impact/Findings

The Lease is currently in holdover and requires Supplemental Lease Agreement No. 3 and a new lease agreement to bring the tenant into compliance.

D. Strategic Priorities

- Plan for the Future

E. Options/Alternatives

The Board of Commissioners could decline to approve the proposed Supplemental Lease Agreement and Real Estate could proceed in negotiating only a new lease agreement, subject to the agreement of the FAA.

III. Committee Review

This item was presented to the Finance Committee on February 14, 2024. The Finance Committee voted 3 to 0 to recommend approval to the Board of Commissioners.

STAFF ANALYSIS

Board of Commissioners

Date: February 21, 2024
 Facility: Nashville International Airport
 Subject: Fraport Subleases for Concourse D extension locations

Recommendation

Staff requests that the Board of Commissioners:

- 1) approve seven (7) subleases for eight (8) locations in the future Concourse D extension and
- 2) authorize the Chair and President & CEO to execute the subleases.

Analysis

A. Background

MNAA has a Lease and Concession Agreement (Agreement) with Fraport, Tennessee, Inc. (Fraport) pursuant to which Fraport is authorized and obligated to develop a terminal-wide concessions program, including food, beverage, services, retail, and vending offerings. The term of the agreement commenced on February 1, 2019, and will expire on January 31, 2029. Amendment 8 of the Agreement offered Fraport rights to develop future Concourse D extension concession locations.

Fraport negotiated subleases with seven subtenants to operate eight concession locations in the Concourse D extension for terms that extend beyond the expiration of the Fraport Agreement. To permit this, MNAA must become a party to the subleases and consent to the sublease terms extending beyond January 2029, and all rights and obligations of the subleases to attorn to MNAA at the expiration of Fraport’s Lease and Concession Agreement.

The Concourse D extension subleases include the following locations:

Subtenant	Concept	Space Number	Required Opening Date	End Date
Dalmation Creative Agency, Inc.	3 rd & Broadway	Dx.01	7/2/2025	7/1/2032
3BG, LLC	Sandella’s Flatbread Café Flytes - Virtual Dining Hall	Dx.02 Dx.05	7/2/2025	7/1/2032

Subtenant	Concept	Space Number	Required Opening Date	End Date
Newslink of Nashville, LLC.	The Castle	Dx.03	7/2/2025	7/1/2035
ASG Nashville, LLC.	New Heights Cantina & Taqueria	Dx.04	7/2/2025	7/1/2035
Daniel Diamond LLC.	Daniel X Diamond	Dx.06	7/2/2025	7/1/2032
Nashville Tracks JV	Nashville Tracks by Hudson	Dx.07	7/2/2025	7/1/2032
Air Ventures Nashville, LLC.	Martini	Dx.10	7/2/2025	7/1/2035

B. Impact/Findings

Staff is requesting that the Board of Commissioners of the above subleases.

C. Strategic Priorities

- Invest in BNA/JWN
- Plan for the Future

D. Options/Alternatives

The Board of Commissioners could decline to approve the above subleases, which could impact the timing of development of the Concourse D extension concession program.

I. Committee Review

This item was presented to the Finance Committee on February 14, 2024. The Finance Committee voted 3 to 0 to recommend approval to the Board of Commissioners.

STAFF ANALYSIS

Board of Commissioners

Date: February 21, 2024

Facility: Nashville International Airport

Subject: Ninth Amendment to the Lease and Concession Agreement with Fraport Tennessee, Inc.

I. Recommendation

Staff requests that the Board of Commissioners:

- 1) Amend the Lease and Concession Agreement between MNA and Fraport Tennessee, Inc., for the BNA concession program; and
- 2) Authorize the Chairman and President & CEO to execute the Amendment.

II. Analysis

A. Background

MNA (the Authority) has a Lease and Concession Agreement (Agreement) with Fraport Tennessee, Inc. (Fraport), pursuant to which Fraport is authorized and obligated to develop a terminal-wide concessions program, including food, beverage, services, retail, and vending offerings. The term of the Agreement commenced on February 1, 2019, and expires on January 31, 2029. The Agreement has been amended eight times. The Eighth Amendment to the Agreement provided for Fraport to develop future Phase 4 concessions in the Concourse D Extension, identified in Sixth Amended Exhibit G.

B. Impact/Findings

Staff is recommending approval of the Ninth Amendment to the Agreement which includes the following key provisions:

- Updates Sixth Amended Exhibit G to incorporate subtenant names and operating concepts for eight (8) concession locations in future Concourse D, scheduled to open July 2, 2025.
- Extends the deadline for expenditure of the \$13 million Contractor Capital Investment Obligation under Section 4.2 of the Agreement, to allow for completion of projects that could not be completed by the original July 31, 2023 deadline. Fraport will have until May 31, 2024 to complete all work funded by the Capital Investment Obligation, and until July 30, 2024 to expend the remaining balance. Fraport must pay the Authority any remaining balance, plus an additional ten percent, for any Capital Investment Obligation funds remaining after the July 30, 2024 deadline.

Staff is requesting that the Board of Commissioners approve the Ninth Amendment to the Lease and Concession Agreement, which also requires the signature of Fraport USA Inc. as Guarantor. The Ninth

Amendment includes a Sixth Amended Exhibit G, which documents sublease entities and concession names for future Concourse D concession locations and provides additional time for Fraport to expend capital improvement funds in support of the concession program.

C. Strategic Priorities

Plan for the future

Invest in BNA/JWN

D. Options/Alternatives

The Board of Commissioners could decline to approve the Ninth Amendment, which could impact the timing of the concession program development in the new Concourse D extension.

III. Committee Review

This item was presented to the Finance Committee on February 14, 2024. The Finance Committee voted 3 to 0 to recommend approval to the Board of Commissioners.

STAFF ANALYSIS

Board of Commissioners

Date: February 21, 2024

Facility: Nashville International Airport

Subject: Second Amendment to the Concession Agreement with Boingo Wireless (Boingo).

I. Recommendation

Staff requests that the Board of Commissioners:

- 1) Amend the Concession Agreement between MNA and Boingo for public cellular and WiFi service at BNA, and
- 2) Authorize the Chairman and President & CEO to execute the Amendment.

II. Analysis

A. Background

MNA (the Authority) has a Concession Agreement (Agreement) with Boingo (formerly Concourse Communications), which authorizes and obligates Boingo to provide public cellular and WiFi service. The term of the Agreement commenced on December 16, 2010 and expires on February 28, 2024. The Agreement has been amended once to add rent to the Authority from Boingo's cellular carrier agreements and extend the term. Revenue from the Boingo Agreement for 2023 was \$180,259.

B. Impact/Findings

Staff is recommending approval of the Second Amendment to the Agreement to facilitate an orderly transition to a new business structure for cellular and WiFi service. Under the new business structure, the Authority will directly negotiate license agreements with the cellular providers, and solicit the services of a contractor to manage, monitor and maintain the cellular and Wi-Fi infrastructure that conveys to MNA at the expiration of the Agreement.

The Second Amendment includes the following key provisions:

- Extends the term to December 31, 2024.
- Amends Assigned Premises to include recently installed cellular and WiFi infrastructure

Staff is requesting that the Board of Commissioners approve the Second Amendment to the Boingo Concession Agreement

C. Strategic Priorities

Plan for the future

Invest in BNA/JWN

D. Options/Alternatives

The Board of Commissioners could decline to approve the Second Amendment, which could disrupt continuation of public cellular and WiFi service during the transition to a new business structure.

III. Committee Review

This item was presented to the Finance Committee on February 14, 2024. The Finance Committee voted 3 to 0 to recommend approval to the Board of Commissioners.

STAFF ANALYSIS

" "

(Information Only)

Date: February 21, 2024
 Facility: Nashville International Airport
 Subject: FY 2024 – 2nd Quarter – Treasury Investment Report (12/31/2023)

I. Reports

The following Treasury Investment Report covers the period from 10/01/2023 through 12/31/2023.

II. Analysis

A. Summary

For FY 2024, the focus remains on minimizing cash in Demand Deposit Bank accounts. MNAA invests excess cash in authorized investments to maximize interest earnings. Funds are invested by MNAA Staff as well as by PFM Asset Management LLC (“PFMAM”). MNAA staff invests funds primarily in Treasury Money Market Funds and TN LGIP. PFMAM invests funds on MNAA’s behalf in the MNAA Operating CORE Portfolio, the MNAA Common Debt Service Reserve Portfolio, the MNAA 2022A&B Construction Funds Portfolio, and the MNAA 2022A&B Capitalized Interest Portfolio.

The fund allocation for cash and investments (not including accrued interest) at the Authority for the quarters ending September 30, 2023, and December 31, 2023, was as follows:

	9/30/2023		12/31/2023		\$ Change	% Change
NAE Fund	\$ 203,649,715	\$	203,702,685	\$	52,970	0.03%
Operating Cash	205,374,482		239,797,806		34,423,324	16.76%
Construction Accounts	401,262,996		342,346,608		(58,916,388)	-14.68%
Debt Service Accounts	180,118,017		198,687,677		18,569,660	10.31%
PFC Accounts	170,839,296		175,966,364		5,127,068	3.00%
CONRAC Accounts	63,986,541		68,884,725		4,898,184	7.66%
Total Funds	\$ 1,225,231,047	\$	1,229,385,865	\$	4,154,818	0.34%

The asset allocation for cash and investments (not including accrued interest) at the Authority for the quarters ending September 30, 2023, and December 31, 2023, was as follows:

	9/30/2023	12/31/2023	\$ Change	% Change
U.S. Treasuries	\$ 540,440,572	\$ 372,339,736	\$ (168,100,836)	-31.10%
Federal Agency	35,275,542	142,061,971	106,786,429	302.72%
Agency Mortgage-Backed Securities	19,891,025	24,733,024	4,841,999	24.34%
Certificates of Deposit	1,006,804	1,006,804	-	0.00%
Commercial Paper	43,460,459	130,221,755	86,761,296	199.63%
Money Market Mutual Funds	363,884,908	323,777,914	(40,106,994)	-11.02%
Tennessee Local Government Investment Pool	214,593,378	229,747,577	15,154,199	7.06%
Cash in Demand Deposit Accounts	6,678,359	5,497,084	(1,181,275)	-17.69%
Total Funds	\$ 1,225,231,047	\$ 1,229,385,865	\$ 4,154,818	0.34%

The listing of accounts on December 31, 2023, is shown in Attachment 1, which also shows the ending balances for each month in the quarter. PFMAM's Investment Performance Review Report for the quarter ended December 31, 2023, is also attached. Note the difference between these reports is due to Attachment 1 reporting investments on an accrual basis and the PFMAM report showing market values.

PFMAM portfolio yields for the quarter were 3.95% for the CORE Portfolio, 3.13% for the Common Debt Service Reserve Portfolio (DSR), 4.41% for the 2022A&B Capitalized Interest Portfolio, and 5.10% for the 2022A&B Construction Funds Portfolio.

The PFMAM CORE Portfolio benchmark yield, the ICE BofAML 1-3 Year U.S. Treasury Index Benchmark, was 4.75%. The PFMAM Common DSR, Construction Funds, and CAP-I benchmark, the ICE BofAML 3mo T-Bill, was 5.33%. The MNAA managed funds yield was 5.32% as compared to the benchmark S&P Rated GIP All Index yield of 5.39%. The combined yield for the MNAA managed and PFMAM Managed Portfolios was 4.86%.

The actual yields on the investments with PFMAM are underperforming to the benchmarks due to increases in interest rates in the last 18 months. The rate for a 1-year treasury note is up approximately 210bps (basis points) between 6/30/2022 to 12/31/2023, whereas the CORE portfolio performance over the past 18 months has started to outpace this growth. The CORE portfolio yield at 6/30/2022 was 0.89% compared to the 12/31/2023 yield of 3.95%, an increase of 306bps. As investments mature, we continue to reinvest at higher yields to continue to maximize our returns, however, we have started to see a cooling of interest rate hikes by the Federal Reserve and expect yields to decrease¹ approximately 89 to 108bps in the next 12 months.

The Authority earned a total of \$13,196,572 on cash and investments for the second quarter of FY 2024. In comparison, the income received on cash and investments for the second quarter ended December 31, 2022, was \$3,431,946. Total available funds for the second quarter of 2024 were \$1.23B vs \$1.27B for second quarter 2023 (\$40M less).

¹ Source: Bloomberg, as of December 2023.

B. Investment Program Review

- DDA cash in 2Q FY 2024 was 0.4% of total cash, which outperforms our goal to minimize cash in Demand Deposit Accounts to no more than 8% of total funds.
- As of 2Q FY 2024, per the investment policy, the investment portfolio complies and is meeting the investment policy objectives in all areas.

C. Impact/Findings

No action is required by the Board as this staff analysis is presented for informational purposes.

D. Strategic Priorities

- Supports the strategic priority of maximizing financial assets while protecting invested principal and minimizing uninvested cash
- Invest in BNA/JWN
- Plan for the Future
- Prepare for the Unexpected

Attachments:

Attachment 1 - Listing of accounts and month-end balances for October 2023, November 2023, and December 2023

Attachment 2 – PFMAM Investment Performance Review as of December 31, 2023

Cash and Investment Balances 2Q24

Bank	AccountName	Cash Balances as of 10/31/2023	% of Total Cash	Monthly Interest earned	Cash Balances as of 11/30/2023	% of Total Cash	Monthly Interest earned	Cash Balances as of 12/31/2023	% of Total Cash	Monthly Interest earned
TRUIST	Tune Operation	379,084.68	0%	3.63	266,683.85	0%	3.07	476,673.00	0%	3.66
TRUIST	Operating Fund	195,447.73	0%	4.51	953,947.31	0%	5.44	376,687.48	0%	4.66
TRUIST	Capital Improvement	9,329.14	0%	0.08	198.35	0%	-	198.35	0%	-
TRUIST	Revenue Account	1,802,415.33	0%	-	556,768.96	0%	-	921,443.92	0%	-
TRUIST	PFC Revenue	480.87	0%	1.16	359.69	0%	0.62	386.37	0%	0.06
TRUIST	Benefit Bd Fund	22,690.08	0%	-	22,642.75	0%	-	22,596.22	0%	-
TRUIST	Payroll	492.85	0%	2.97	494.71	0%	1.86	19,333.18	0%	2.78
TRUIST	John C. Tune Airport CPR	-	0%	-	-	0%	-	-	0%	-
TRUIST	Operating Fd CPR	-	0%	-	-	0%	-	-	0%	-
TRUIST	International Plaza CPR Acct	-	0%	-	-	0%	-	-	0%	-
TRUIST	MP Building CPR Acct	-	0%	-	-	0%	-	-	0%	-
TRUIST	CIP - Construction Payment ZBA	-	0%	-	-	0%	-	-	0%	-
TRUIST	Arts at the Airport	62,074.85	0%	0.53	61,945.26	0%	0.51	61,815.71	0%	0.53
TRUIST	MPC Holdings LLC	-	0%	-	-	0%	-	-	0%	-
TRUIST	MNAA Properties Corp (Parent)	18,762.57	0%	0.16	18,762.72	0%	0.15	18,762.88	0%	0.16
TRUIST	MPC Global Tire	43,310.50	0%	-	512.22	0%	-	4,837.12	0%	-
TRUIST	International Plaza Operating Acct	301,594.25	0%	1.76	59,322.42	0%	1.23	84,970.80	0%	1.57
TRUIST	MP Building Operating Acct	269,325.25	0%	2.21	66,972.36	0%	0.90	45,094.51	0%	0.88
TRUIST	CON CFC Operating Acct	1,476,714.08	0%	7.59	1,666,500.17	0%	9.19	1,408,084.52	0%	7.95
TRUIST	MNAA DOJ	394,043.87	0%	3.47	401,994.69	0%	3.26	400,723.08	0%	3.30
TRUIST	CONRAC Discretionary Account	-	0%	-	-	0%	-	-	0%	-
TRUIST	CONRAC Excess CFC	75.41	0%	0.32	82.15	0%	0.32	91.04	0%	1.47
TRUIST	DEA - State	572,572.52	0%	4.88	519,809.92	0%	4.54	467,699.29	0%	4.37
TRUIST	1% ARTS Fund	14.58	0%	-	-	0%	-	-	0%	-
TRUIST	Authority Facility Investment Fund	333.60	0%	-	-	0%	-	-	0%	-
TRUIST	NAE Cash Reserve Fund	24.21	0%	0.73	24.94	0%	0.73	24.94	0%	-
TRUIST	Airline Facility Investment Fund	40.43	0%	-	-	0%	-	-	0%	-
TRUIST	Construction Payment Account	281,568.90	0%	8.38	748,441.52	0%	6.29	245,849.17	0%	8.01
TRUIST	DPS Seized Funds	912,562.01	0%	7.70	912,569.51	0%	7.50	912,577.26	0%	7.75
TRUIST	Parking Rev Credit Card Account	-	0%	-	-	0%	-	-	0%	-
TRUIST	Parking Rev Account	467,508.47	0%	-	215,656.79	0%	-	29,235.00	0%	-
Truist Bank Cash Balances		7,210,466.18	1%	50.08	6,473,690.29	1%	45.61	5,497,083.84	0%	47.15
US Bank	Series 2010/2018 Rental Payment Fund	97,206.86	0%	204.17	131,822.32	0%	324.43	166,400.64	0%	425.43
US Bank	Series 2010/2018 Bond Fund Interest Account	208,027.84	0%	526.57	260,034.77	0%	719.64	312,041.70	0%	865.92
US Bank	Series 2010/2018 Bond Fund Serial Bond Principal	1,117,135.52	0%	2,827.92	1,396,368.40	0%	3,864.59	1,675,601.28	0%	4,649.92
US Bank	Series 2010/2018 Bond Reserve Fund	1,814,346.60	0%	6,097.89	1,820,671.39	0%	6,324.79	1,826,814.73	0%	6,143.34
US Bank	Series 2010/2018 Coverage Fund	992,871.80	0%	3,350.95	992,871.80	0%	3,462.64	992,871.80	0%	3,350.94
US Bank	Series 2010/2018 Operation & Maintenance Reserve Fund	915,098.00	0%	3,088.46	915,098.00	0%	3,191.41	915,098.00	0%	3,088.46
US Bank	Series 2010/2018 Renewal & Replacement Fund	3,351,567.85	0%	11,311.54	3,351,567.85	0%	11,688.59	3,351,567.85	0%	11,311.54
US Bank	Series 2010/2018 Discretionary Fund Major Maint Acct	3,351,567.85	0%	11,311.54	3,351,567.85	0%	11,688.59	3,351,567.85	0%	11,311.54
US Bank	Series Excess CFC Funds	-	0%	-	-	0%	-	-	0%	-
US Bank	2003B P & I (Pd BNA; Mat 7/1/33)	494,246.93	0%	1,105.70	608,677.26	0%	1,571.33	723,400.09	0%	1,863.83
US Bank	2019 A Debt Service Account	4,090,192.78	0%	8,733.45	5,121,561.39	0%	12,889.61	6,155,606.97	1%	15,566.58
US Bank	2019 B Debt Service Account	10,759,960.55	1%	22,982.65	13,471,579.01	1%	33,910.46	16,190,234.96	1%	40,947.95
US Bank	2015 A Debt Service Account	2,151,508.46	0%	4,724.77	2,667,541.41	0%	6,815.95	3,184,902.06	0%	8,143.65
US Bank	2015 B Debt Service Account	2,475,772.70	0%	5,356.63	3,085,819.94	0%	7,821.24	3,697,444.32	0%	9,398.38
US Bank	MNAA AIRPORT IMP BDS SRS 2022A	1,599,537.82	0%	3,414.75	2,002,996.35	0%	5,040.53	2,407,502.14	0%	6,087.79
US Bank	MNAA AIRPORT IMP BDS SRS 2022B	8,945,896.71	1%	19,098.59	11,202,239.52	1%	28,190.81	13,464,440.07	1%	34,047.55
US Bank Cash Balances		42,364,938.27	3%	104,135.58	50,380,417.26	4%	137,504.61	58,415,494.46	5%	157,202.82
Goldman	1% Arts Fund GS 465	202,137.86	0%	896.00	203,010.31	0%	872.45	203,913.74	0%	903.43
Goldman	Airline Facility Investment Fund GS 465	2,104,971.19	0%	12,457.47	554,242.43	0%	6,087.58	207,678.20	0%	2,011.94
Goldman	Authority Facility Investment Fund GS 465	12,497,162.82	1%	56,487.25	11,698,678.03	1%	52,666.94	11,750,373.61	1%	52,059.58
Goldman	Conrac Excess CFC GS 465	36,903,430.12	3%	163,254.20	38,212,783.48	3%	164,053.36	38,382,831.94	3%	170,048.46
Goldman	NAE Cash Reserve GS 465	4,350,778.47	0%	17,392.45	4,364,596.34	0%	13,817.87	4,381,357.98	0%	16,761.64
Goldman	Nashville Airport Experience GS 465	4,713,171.43	0%	20,892.09	4,733,513.42	0%	20,341.99	4,754,577.79	0%	21,064.37
Goldman	PFC Revenue GS 465	24,769,933.48	2%	94,635.61	24,612,240.74	2%	105,047.26	24,520,545.67	2%	106,144.93
Goldman	Revenue Account GS 465	119,942,425.83	10%	524,176.87	129,173,481.11	10%	531,055.28	132,256,920.78	11%	583,439.67
Goldman	Sub Debt Construction Funds GS 465	13,395,813.39	1%	60,241.21	12,987,109.99	1%	56,576.89	12,197,028.64	1%	56,636.30
Goldman	Joint Marketing Fund	2,185,709.10	0%	9,688.60	2,195,142.62	0%	9,433.52	2,204,911.10	0%	9,768.48
Goldman	NAE Cash Reserve GS 468	377,775.22	0%	1,674.18	379,407.80	0%	1,632.58	381,096.35	0%	1,687.68
Goldman Sachs Investment Balances		221,443,308.91	18%	961,795.93	229,114,206.27	19%	961,585.72	231,241,599.80	19%	1,020,522.48
TN LGIP	LGIP - Tune	8,453,313.96	1%	38,352.68	8,281,638.49	1%	36,787.72	8,437,410.37	1%	37,722.50
TN LGIP	LGIP - PFC	25,554,261.22	2%	119,209.51	25,915,714.06	2%	113,452.84	27,833,541.47	2%	124,827.41
TN LGIP	LGIP - Revenue	28,993,481.94	2%	730,196.15	28,871,456.62	2%	731,881.69	35,541,669.62	3%	770,982.63
TN LGIP	LGIP - Nashville Airport Experience	3,232,160.92	0%	-	3,263,317.16	0%	-	3,340,064.84	0%	-
TN LGIP	LGIP - Renewal and Replacement	418,887.44	0%	-	523,057.44	0%	-	627,227.44	0%	-
TN LGIP	LGIP - Operations & Maintenance	6,239,302.77	1%	-	6,931,987.77	1%	-	7,624,672.77	1%	-
TN LGIP	LGIP - Airline Facility	13,245,897.35	1%	-	14,127,918.81	1%	-	14,019,632.11	1%	-
TN LGIP	LGIP - Authority Facility	33,218,561.89	3%	-	34,466,959.55	3%	-	30,950,292.40	3%	-
TN LGIP	LGIP - NAE Cash Reserve	74,014,411.49	6%	-	74,014,411.49	6%	-	74,014,411.49	6%	-
TN LGIP	LGIP - Capital Improvement	4,210,968.55	0%	-	4,082,968.55	0%	-	4,082,968.55	0%	-
TN LGIP	LGIP - CONRAC Excess CFC	6,189,710.32	1%	28,765.10	6,078,933.80	0%	27,451.02	7,309,126.75	1%	33,070.49
TN LGIP	LGIP - Multi-Purpose Building	2,584,001.82	0%	11,819.25	2,585,468.78	0%	11,466.96	2,587,281.12	0%	11,812.34
TN LGIP	LGIP - MPC Global Tire	2,337,759.44	0%	10,668.78	2,585,867.16	0%	11,126.32	2,659,016.82	0%	11,842.74
TN LGIP	LGIP - International Plaza Building	437,328.75	0%	1,992.88	486,415.74	0%	2,086.99	488,638.32	0%	2,222.58
TN LGIP	LGIP - CONRAC Discretionary	9,787,867.75	1%	44,693.39	10,061,223.90	1%	44,244.42	10,231,622.62	1%	46,027.86
TN LGIP BALANCE		218,917,915.61	18%	985,697.74	222,277,339.32	18%	978,497.96	229,747,576.69	19%	1,038,508.55
CDARS	CITIZENS BANK CDARS - PFC	1,006,804.32	0%	3,485.46	1,006,804.32	0%	3,384.31	1,006,804.32	0%	3,508.83
CITIZENS BANK CDARS BALANCE		1,006,804.32	0%	3,485.46	1,006,804.32	0%	3,384.31	1,006,804.32	0%	3,508.83
PFMAM	PFMAM CORE Portfolio	280,927,442.34	23%	527,434.24	281,312,473.06	23%	442,901.20	281,941,127.35	23%	821,206.55
PFMAM	PFMAM COMMON DEBT RESERVE Portfolio	130,469,330.12	11%	314,672.60	130,560,881.21	11%	332,828.49	132,131,278.27	11%	339,483.73
PFMAM	PFMAM 2019 A&B CAP I Portfolio	3,056,547.16	0%	8,509.74	3,076,695.90	0%	10,418.34	3,087,110.94	0%	10,415.04
PFMAM	PFMAM 2019A&B Construction Portfolio	4,950,328.94	0%	13,698.33	4,966,843.54	0%	15,651.60	4,984,376.26	0%	17,059.43
PFMAM	PFMAM 2022A&B CAP I Portfolio	21,676,151.67	2%	81,675.63	19,684,146.15	2%	82,800.43	17,645,757.69	1%	72,842.97
PFMAM	PFMAM 2022A&B Construction Portfolio	295,546,519.41	24%	1,112,662.47	283,736,098.54	23%	1,477,729.25	263,687,655.20	21%	1,158,605.18
PFMAM EON Investment Balance		736,626,319.64	60%	2,058,653.01	723,337,138.40	59%	2,362,329.31	703,477,305.71	57%	2,419,612.90
Total MNAA Cash/Cash Equivalents in all categories		1,227,569,752.93	100%	4,113,817.80	1,232,589,595.86	100%	4,443,347.52	1,229,385,864.82	100%	4,639,406.73

Total Interest Received for Q2 2024 **13,196,572.05**



METROPOLITAN NASHVILLE AIRPORT AUTHORITY

Investment Performance Review For the Quarter Ended December 31, 2023

Client Management Team

Scott Sweeten, BCM, CFS, Sr. Managing Consultant
Richard Pengelly, CFA, CIMA, CTP, Managing Director
Sean Gannon, Senior Managing Consultant

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Current Market Themes



- ▶ The U.S. economy is characterized by:
 - ▷ Economic resilience but expectations for a slowdown
 - ▷ Cooling inflation that still remains above the Federal Reserve's ("Fed") target
 - ▷ The labor market coming into better balance
 - ▷ Consumers that continue to support growth through spending

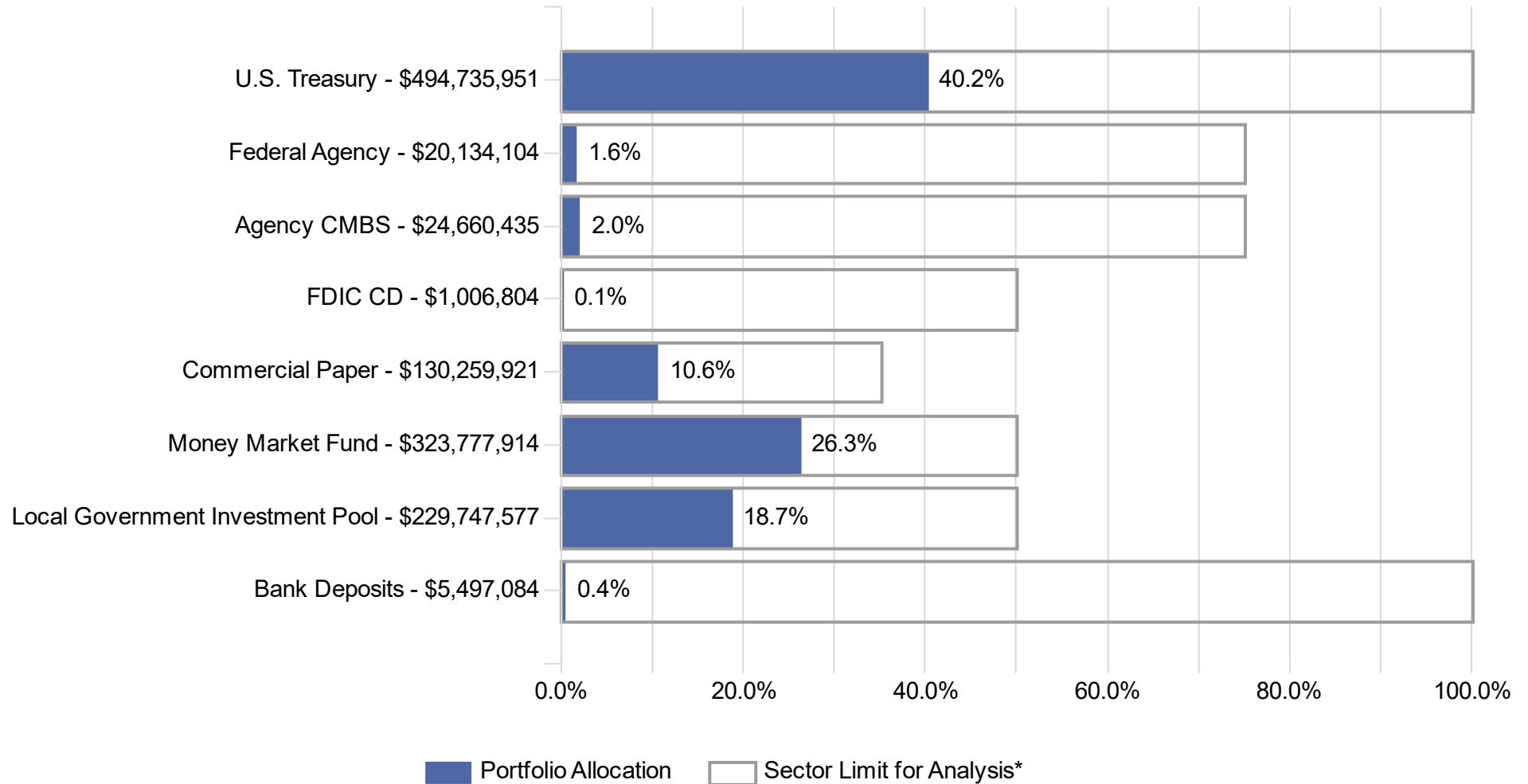


- ▶ Federal Reserve signals end to rate hiking cycle
 - ▷ Fed projected to cut the short-term Fed funds rate by 75 basis points by December 2024, with the overnight rate falling to 4.50% to 4.75%
 - ▷ Markets are pricing a more aggressive 6 rate cuts by year end
 - ▷ Fed officials reaffirm that restoring price stability is the priority



- ▶ Treasury yields ended the quarter materially lower
 - ▷ After peaking in October, yields reversed course on dovish Fed pivot
 - ▷ Yield curve inversion persisted throughout the rally
 - ▷ Credit spreads narrowed sharply on increased expectations for a soft landing

Sector Allocation Analytics



For informational/analytical purposes only and is not provided for compliance assurance. Includes accrued interest.

**Sector Limit for Analysis is as derived from our interpretation of your most recent Investment Policy as provided.*

Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	80.9%	
UNITED STATES TREASURY	80.9%	AA / Aaa / AA
Federal Agency	3.3%	
FEDERAL HOME LOAN BANKS	3.3%	AA / Aaa / NR
Agency CMBS	4.0%	
FANNIE MAE	0.5%	AA / Aaa / AA
FREDDIE MAC	3.5%	AA / Aaa / AA
Commercial Paper	11.8%	
ABN AMRO BANK	1.4%	A / Aa / A
CREDIT AGRICOLE SA	1.4%	A / Aa / AA
FAIRWAY FINANCE COMPANY LLC	1.4%	A / Aa / NR
ING GROEP NV	1.4%	A / Aa / NR
LIBERTY STREET FUNDING LLC	1.4%	A / Aa / NR
MITSUBISHI UFJ FINANCIAL GROUP INC	1.4%	A / Aa / A
NATIXIS NY BRANCH	1.4%	A / Aa / A
RABOBANK NEDERLAND	0.3%	A / Aa / AA
ROYAL BANK OF CANADA	1.5%	AA / Aa / AA
Total	100.0%	

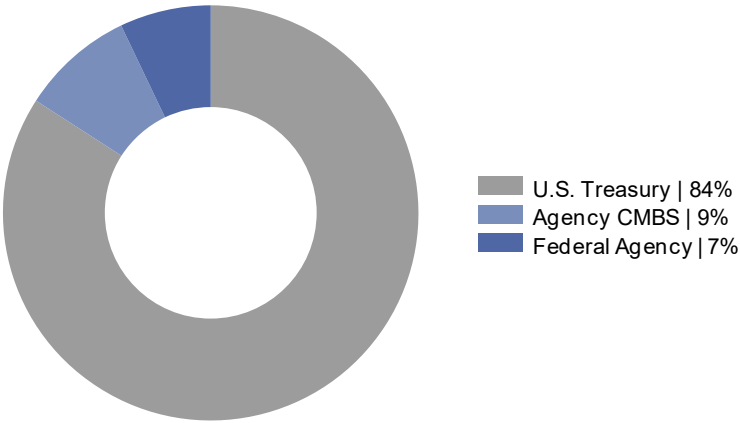
Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Includes accrued interest and excludes balances invested in overnight funds.

Portfolio Snapshot - MNAA OPERATING CORE PORTFOLIO¹

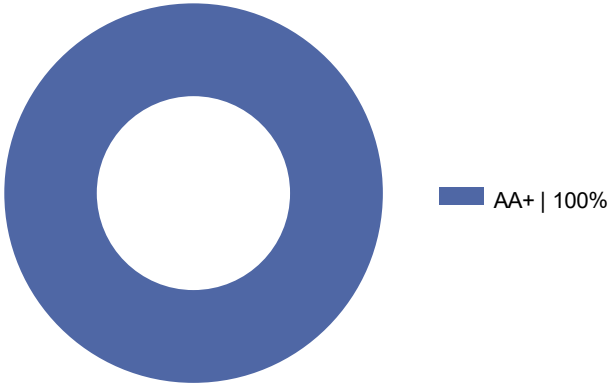
Portfolio Statistics

Total Market Value	\$283,079,621.35
<i>Securities Sub-Total</i>	\$280,052,177.04
<i>Accrued Interest</i>	\$2,192,301.44
<i>Cash</i>	\$835,142.87
Portfolio Effective Duration	1.70 years
Benchmark Effective Duration	1.76 years
Yield At Cost	3.95%
Yield At Market	4.44%
Portfolio Credit Quality	AA

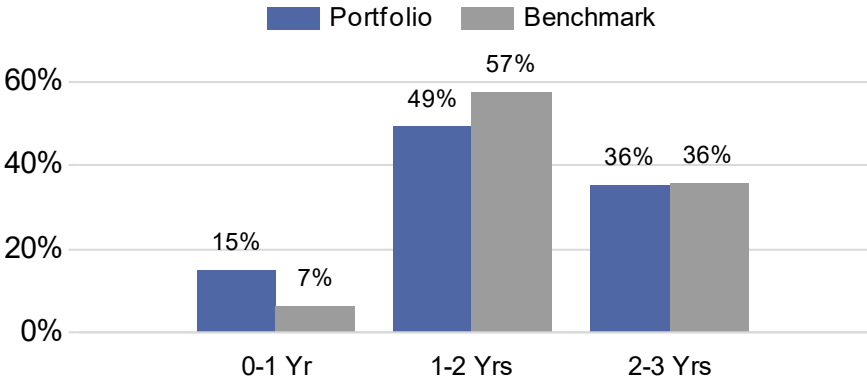
Sector Allocation



Credit Quality - S&P

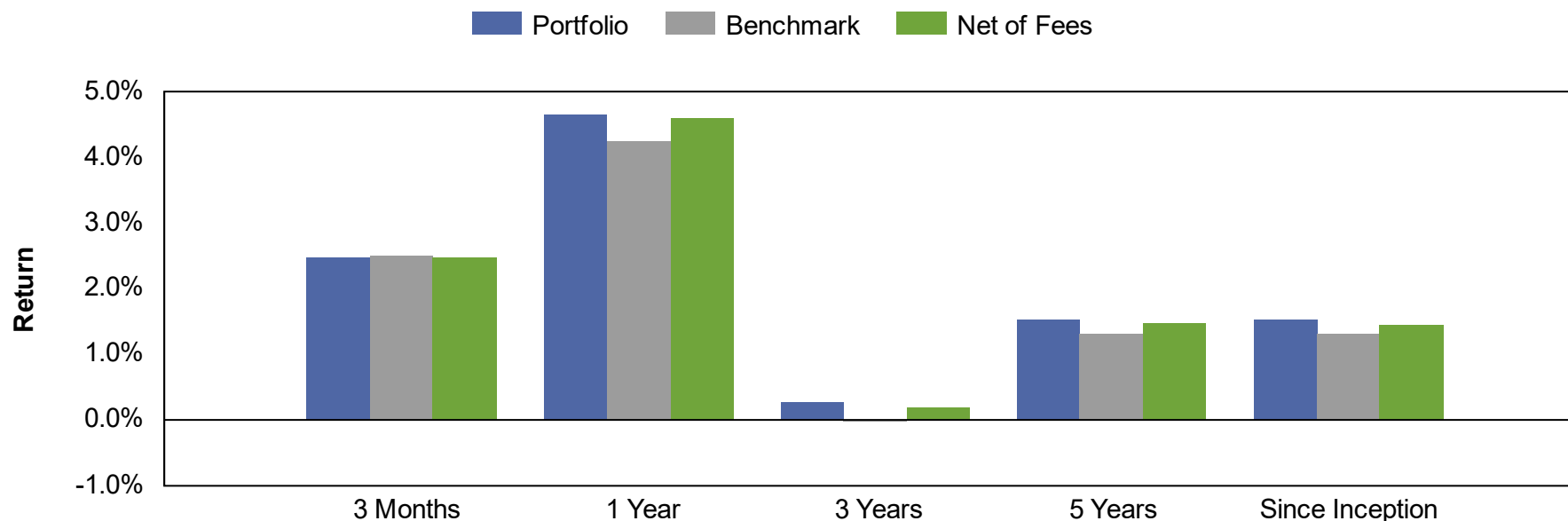


Duration Distribution



1. Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interest. The portfolio's benchmark is the ICE BofA 1-3 Year U.S. Treasury Index. Source: Bloomberg. An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

Portfolio Performance



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	Since Inception ¹
Interest Earned ²	\$2,265,704	\$7,572,413	\$11,295,721	\$15,617,808	\$15,617,808
Change in Market Value	\$4,580,922	\$5,000,358	(\$3,711,308)	\$764,327	\$764,327
Total Dollar Return	\$6,846,626	\$12,572,771	\$7,584,413	\$16,382,135	\$16,382,135
Total Return³					
Portfolio	2.48%	4.65%	0.26%	1.52%	1.52%
Benchmark ⁴	2.49%	4.26%	-0.04%	1.30%	1.30%
Basis Point Fee	0.02%	0.06%	0.06%	0.07%	0.07%
Net of Fee Return	2.46%	4.59%	0.20%	1.46%	1.46%

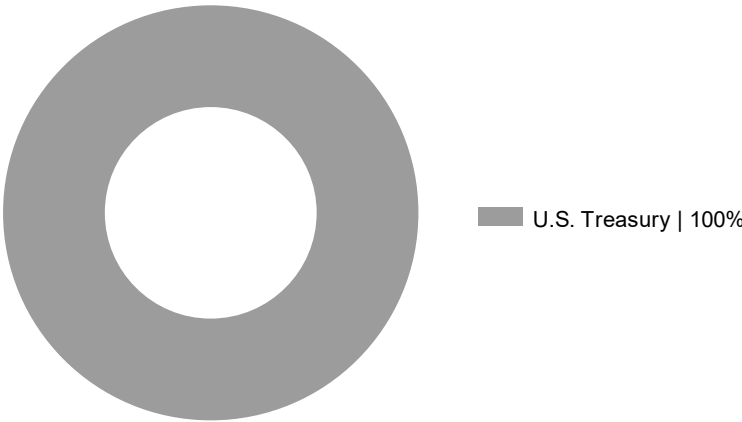
1. The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is December 31, 2018.
 2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.
 3. Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.
 4. The portfolio's benchmark is the ICE BofA 1-3 Year U.S. Treasury Index. Source: Bloomberg.

Portfolio Snapshot - MNAA COMMON DSRF¹

Portfolio Statistics

Total Market Value	\$131,257,274.90
<i>Securities Sub-Total</i>	\$121,246,544.63
<i>Accrued Interest</i>	\$7,987.40
<i>Cash</i>	\$10,002,742.87
Portfolio Effective Duration	1.83 years
Benchmark Effective Duration	0.16 years
Yield At Cost	3.13%
Yield At Market	4.44%
Portfolio Credit Quality	AA

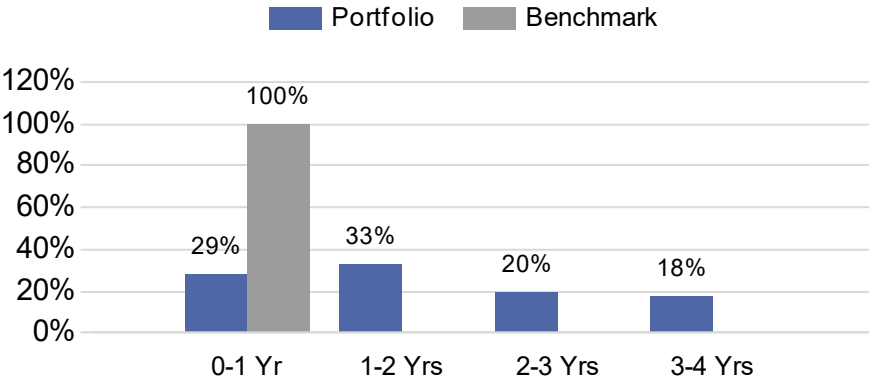
Sector Allocation



Credit Quality - S&P



Duration Distribution



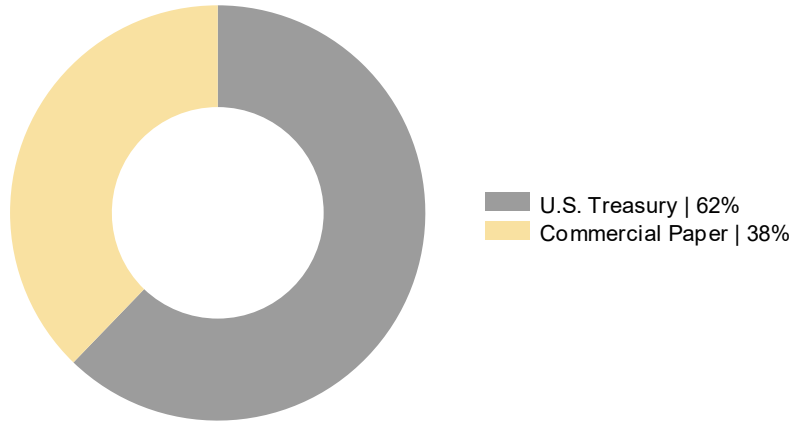
1. Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interest. The portfolio's benchmark is the ICE BofA 3 Month U.S. Treasury Index. Source: Bloomberg. An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

Portfolio Snapshot - MNAA SERIES 2022 REVENUE BONDS¹

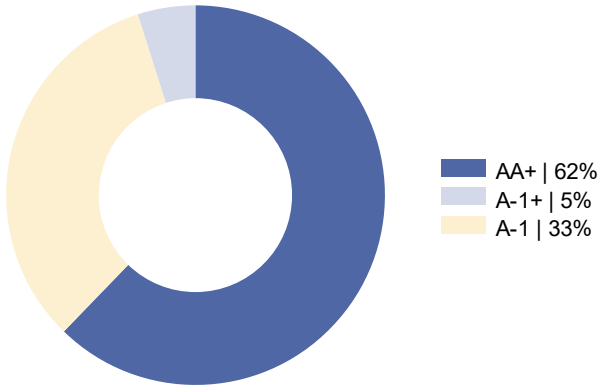
Portfolio Statistics

Total Market Value	\$263,889,197.25
<i>Securities Sub-Total</i>	\$190,296,381.98
<i>Accrued Interest</i>	\$160,116.46
<i>Cash</i>	\$73,432,698.81
Portfolio Effective Duration	0.45 years
Yield At Cost	5.10%
Yield At Market	5.11%
Portfolio Credit Quality	AA

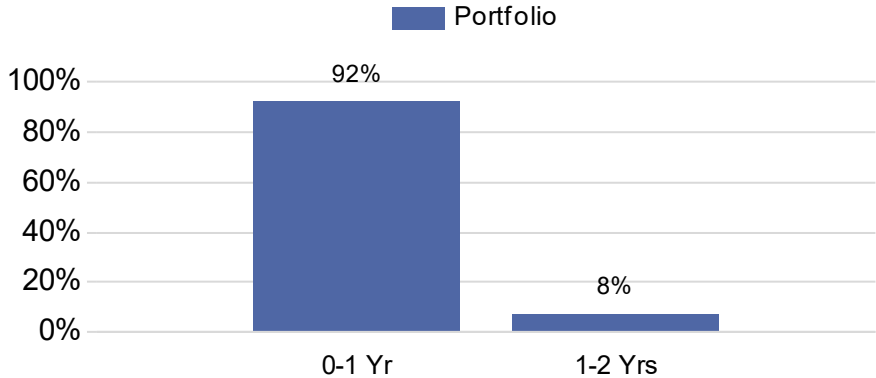
Sector Allocation



Credit Quality - S&P



Duration Distribution



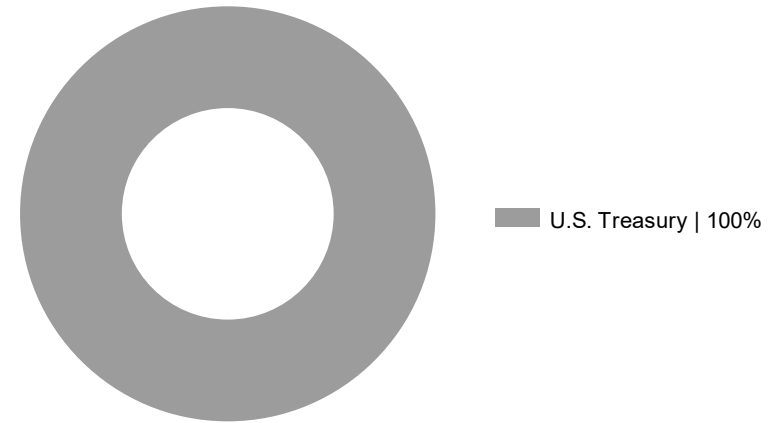
1. Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interest. An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

Portfolio Snapshot - MNAA SERIES 2022 CAP I¹

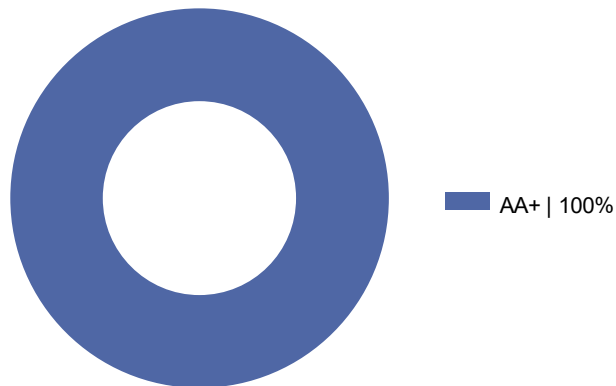
Portfolio Statistics

Total Market Value	\$17,613,737.06
<i>Securities Sub-Total</i>	\$17,382,798.55
<i>Accrued Interest</i>	\$36,608.61
<i>Cash</i>	\$194,329.90
Portfolio Effective Duration	0.61 years
Yield At Cost	4.41%
Yield At Market	4.91%
Portfolio Credit Quality	AA

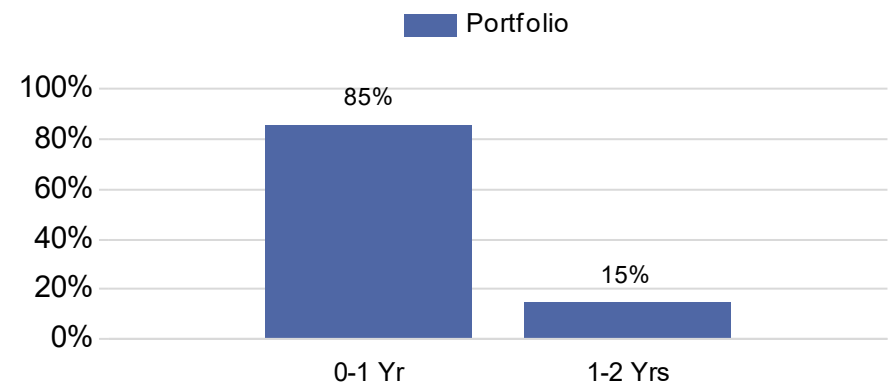
Sector Allocation



Credit Quality - S&P



Duration Distribution



1. Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interest. An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

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It is not possible to invest directly in an index. The index returns shown throughout this material do not represent the results of actual trading of investor assets. Third-party providers maintain the indices shown and calculate the index levels and performance shown or discussed. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.

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Important Disclosures

- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Refinitiv, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

Glossary

- **Accrued Interest:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **Agencies:** Federal agency securities and/or Government-sponsored enterprises.
- **Amortized Cost:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **Asset-Backed Security:** A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- **Bankers' Acceptance:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **Commercial Paper:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **Contribution to Total Return:** The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- **Effective Duration:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **Effective Yield:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **Interest Rate:** Interest per year divided by principal amount and expressed as a percentage.
- **Market Value:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.
- **Negotiable Certificates of Deposit:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **Par Value:** The nominal dollar face amount of a security.
- **Pass-through Security:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

Glossary

- Repurchase Agreements: A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- Settle Date: The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- Supranational: A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- Trade Date: The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- Unsettled Trade: A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- U.S. Treasury: The department of the U.S. government that issues Treasury securities.
- Yield: The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- YTM at Cost: The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- YTM at Market: The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.

STAFF ANALYSIS

Board of Commissioners

(Information Only)

Date: February 21, 2024

Facility: Nashville International Airport

Subject: FY2024 – 2nd Quarter – MNAA Employee Retirement Plan and Other Post-Employment Benefits (OPEB) Investment Report

I. Reports

Attached is the Performance Report prepared by Principal for the 2nd Quarter of FY2024. The Principal report covers the period from October 1, 2023 through December 31, 2023.

II. Analysis

A. Summary

MNAA Retirement Plan

The quarter (three months) total portfolio return gross of fees was 9.10% compared to the designated Composite Benchmark of 9.02%. The three-month total portfolio return net of fees was 9.04%.

The fiscal year-to-date (six months) total portfolio return gross of fees was 5.54% compared to the designated Composite Benchmark of 5.48%. The year-to-date total portfolio return net of fees was 5.43%.

Asset Allocation Summaries – Retirement Plan

Principal resets the asset allocations mid-month. As a result, market fluctuations may result in month-end allocations being temporarily and slightly outside of the limits established in the policy. On the next month's reset date, Principal brings all asset classes back into compliance with the stated policy. All exceptions occurring during any quarter are reviewed by the Retirement Committee and additional action is taken, if needed.

As of October 31, 2023, all asset classes are in compliance with the Retirement Plan Investment Policy 41-011, effective July 22, 2021.

Pension - Asset Allocation as of 10/31/2023 (based on market values)

Category	Balance	Allocation*	Policy dated 7/22/21 Changes implemented 7/31/21 - Present Min-Target-Max	Compliance	Max Allocation	Allocation Variance
Cash and Cash Equivalents	\$ 2,206,447.42	3.00%	0%-3%-100%	Yes	100.00%	97.00%
Bonds and Notes	\$ 35,140,834.43	47.73%	0%-47%-57%	Yes	57.00%	9.27%
Equities - Large Cap ^(a)	\$ 5,894,847.21	8.01%	0%-8%-10.40%	Yes	10.40%	2.39%
Equities - S&P 500 Funds ^(a)	\$ 7,596,993.62	10.32%	0%-10.5%-17.40%	Yes	17.40%	7.08%
Equities - Large Cap Growth ^(a)	\$ 5,818,190.92	7.90%	0%-8%-10.40%	Yes	10.40%	2.50%
Equities - Mid Cap ^(a)	\$ 5,023,691.47	6.82%	0%-7.00%-9.10%	Yes	9.10%	2.28%
Equities - Small Cap ^(a)	\$ 2,872,036.69	3.90%	0%-4.00%-5.20%	Yes	5.20%	1.30%
Equities - International ^(a)	\$ 9,075,564.99	12.33%	0%-12.50%-16.10%	Yes	16.10%	3.77%
Total	\$ 73,628,606.75	100.00%				
(a) Total Equities	\$ 36,281,324.90	49.28%	0%-50%-60%	Yes	60.00%	10.72%

*Total Allocation Percentage may not equal 100% due to rounding

As of November 30, 2023, all asset classes are in compliance with the Retirement Plan Investment Policy 41-011, effective July 22, 2021.

Pension - Asset Allocation as of 11/30/2023 (based on market values)

Category	Balance	Allocation*	Policy dated 7/22/21 Changes implemented 7/31/21 - Present Min-Target-Max	Compliance	Max Allocation	Allocation Variance
Cash and Cash Equivalents	\$ 2,081,088.02	2.67%	0%-3%-100%	Yes	100.00%	97.33%
Bonds and Notes	\$ 36,850,522.03	47.22%	0%-47%-57%	Yes	57.00%	9.78%
Equities - Large Cap ^(a)	\$ 6,312,190.48	8.09%	0%-8%-10.40%	Yes	10.40%	2.31%
Equities - S&P 500 Funds ^(a)	\$ 8,185,275.79	10.49%	0%-10.5%-17.40%	Yes	17.40%	6.91%
Equities - Large Cap Growth ^(a)	\$ 6,291,302.00	8.06%	0%-8%-10.40%	Yes	10.40%	2.34%
Equities - Mid Cap ^(a)	\$ 5,450,097.59	6.98%	0%-7.00%-9.10%	Yes	9.10%	2.12%
Equities - Small Cap ^(a)	\$ 3,129,590.43	4.01%	0%-4.00%-5.20%	Yes	5.20%	1.19%
Equities - International ^(a)	\$ 9,741,086.27	12.48%	0%-12.50%-16.10%	Yes	16.10%	3.62%
Total	\$ 78,041,152.61	100.00%				
(a) Total Equities	\$ 39,109,542.56	50.11%	0%-50%-60%	Yes	60.00%	9.89%

*Total Allocation Percentage may not equal 100% due to rounding

As of December 31, 2023, all asset classes are in compliance with the Retirement Plan Investment Policy 41-011, effective July 22, 2021.

Pension - Asset Allocation as of 12/31/2023 (based on market values)

Category	Balance	Allocation*	Policy dated 7/22/21 Changes implemented 7/31/21 - Present Min-Target-Max	Compliance	Max Allocation	Allocation Variance
Cash and Cash Equivalents	\$ 2,251,404.36	2.77%	0%-3%-100%	Yes	100.00%	97.23%
Bonds and Notes	\$ 38,108,572.73	46.84%	0%-47%-57%	Yes	57.00%	10.16%
Equities - Large Cap ^(a)	\$ 6,643,756.85	8.17%	0%-8%-10.40%	Yes	10.40%	2.23%
Equities - S&P 500 Funds ^(a)	\$ 8,556,844.95	10.52%	0%-10.5%-17.40%	Yes	17.40%	6.88%
Equities - Large Cap Growth ^(a)	\$ 6,576,899.82	8.08%	0%-8%-10.40%	Yes	10.40%	2.32%
Equities - Mid Cap ^(a)	\$ 5,713,529.67	7.02%	0%-7.00%-9.10%	Yes	9.10%	2.08%
Equities - Small Cap ^(a)	\$ 3,283,000.48	4.04%	0%-4.00%-5.20%	Yes	5.20%	1.16%
Equities - International ^(a)	\$ 10,221,591.57	12.56%	0%-12.50%-16.10%	Yes	16.10%	3.54%
Total	\$ 81,355,600.43	100.00%				
(a) Total Equities	\$ 40,995,623.34	50.39%	0%-50%-60%	Yes	60.00%	9.61%

*Total Allocation Percentage may not equal 100% due to rounding

Asset Valuation Summaries – Retirement Plan

Below are the Asset Valuation Summaries for the second quarter of fiscal year 2024.

Asset Valuation Summary Pension Plan

Month	Cost	Market	Unrealized Gain/Loss
10/31/2023	\$ 68,388,406.72	\$ 73,628,606.75	\$ 5,240,200.03
11/30/2023	\$ 68,119,883.78	\$ 78,041,152.61	\$ 9,921,268.83
12/31/2023	\$ 68,050,252.37	\$ 81,355,600.43	\$ 13,305,348.06

Reconciliation Summary – Retirement Plan

Below is the Pension Reconciliation Summary for the second quarter of fiscal year 2024.

Pension Summary 2nd QTR FY 2024 (market value)

	10/31/2023	11/30/2023	12/31/2023	2Q FY-to-Date
Beginning Market Value	75,797,506.56	73,628,606.75	78,041,152.61	75,797,506.56
Total Cash Receipts	141,978.22	129,455.29	332,125.90	603,559.41
Total Cash Disbursements	(441,613.58)	(397,978.23)	(401,757.31)	(1,241,349.12)
Change in Fair Market Value	(1,869,264.45)	4,681,068.80	3,384,079.23	6,195,883.58
Ending Market Value	73,628,606.75	78,041,152.61	81,355,600.43	81,355,600.43

MNAA OPEB

The quarter (three months) total portfolio return gross of fees was 9.50% compared to the designated Composite Benchmark of 9.72%. The three-month total portfolio return net of fees was 9.44%.

The fiscal year-to-date (six months) total portfolio return gross of fees was 5.87% compared to the designated Composite Benchmark of 6.12%. The year-to-date total portfolio return net of fees was 5.76%.

Asset Allocation Summaries – OPEB

Principal resets the asset allocations mid-month. As a result, market fluctuations may result in month-end allocations being temporarily and slightly outside of the limits established in the policy. On the next month's reset date, Principal brings all asset classes back into compliance with the stated policy. All exceptions occurring during any quarter are reviewed by the Retirement Committee and additional action is taken, if needed.

As of October 31, 2023, all asset classes are in compliance with the Retirement Plan Investment Policy, 41-011, effective July 22, 2021.

OPEB - Asset Allocation as of 10/31/2023 (based on market values)

Category	Balance	Allocation*	Policy dated 7/22/21 Changes implemented 7/31/21 - Present Min-Target-Max	Compliance	Max Allocation	Allocation Variance
Cash and Cash Equivalents	\$ 971,443.15	2.64%	0%-3%-100%	Yes	100.00%	97.36%
Bonds and Notes	\$ 13,973,140.89	37.98%	0%-37%-42%	Yes	42.00%	4.02%
Equities - Large Cap Value ^(a)	\$ 3,589,409.04	9.76%	0%-9.6%-10.80%	Yes	10.80%	1.04%
Equities - S&P 500 Funds ^(a)	\$ 4,612,816.51	12.54%	0%-12.60%-14.20%	Yes	14.20%	1.66%
Equities - Large Cap Growth ^(a)	\$ 3,511,202.36	9.54%	0%-9.60%-10.80%	Yes	10.80%	1.26%
Equities - Mid Cap ^(a)	\$ 3,015,800.22	8.20%	0%-8.40%-9.50%	Yes	9.50%	1.30%
Equities - Small Cap ^(a)	\$ 1,650,676.09	4.49%	0%-4.80%-5.40%	Yes	5.40%	0.91%
Equities - International ^(a)	\$ 5,470,254.06	14.87%	0%-15%-16.80%	Yes	16.80%	1.93%
Total	\$ 36,794,742.32	100.00%				
(a) Total Equities	\$ 21,850,158.28	59.38%	0%-60%-65%	Yes	65.00%	5.62%

*Total Allocation Percentage may not equal 100% due to rounding

As of November 30, 2023, all asset classes are in compliance with the Retirement Plan Investment Policy, 41-011, effective July 22, 2021.

OPEB - Asset Allocation as of 11/30/2023 (based on market values)

Category	Balance	Allocation*	Policy dated 7/22/21 Changes implemented 7/31/21 - Present Min-Target-Max	Compliance	Max Allocation	Allocation Variance
Cash and Cash Equivalents	\$ 950,692.16	2.43%	0%-3%-100%	Yes	100.00%	97.57%
Bonds and Notes	\$ 14,654,302.79	37.41%	0%-37%-42%	Yes	42.00%	4.59%
Equities - Large Cap Value ^(a)	\$ 3,843,425.72	9.81%	0%-9.6%-10.80%	Yes	10.80%	0.99%
Equities - S&P 500 Funds ^(a)	\$ 4,938,453.53	12.61%	0%-12.60%-14.20%	Yes	14.20%	1.59%
Equities - Large Cap Growth ^(a)	\$ 3,795,527.48	9.69%	0%-9.60%-10.80%	Yes	10.80%	1.11%
Equities - Mid Cap ^(a)	\$ 3,271,516.32	8.35%	0%-8.40%-9.50%	Yes	9.50%	1.15%
Equities - Small Cap ^(a)	\$ 1,800,669.90	4.60%	0%-4.80%-5.40%	Yes	5.40%	0.80%
Equities - International ^(a)	\$ 5,914,783.70	15.10%	0%-15%-16.80%	Yes	16.80%	1.70%
Total	\$ 39,169,371.60	100.00%				
(a) Total Equities	\$ 23,564,376.65	60.16%	0%-60%-65%	Yes	65.00%	4.84%

*Total Allocation Percentage may not equal 100% due to rounding

As of December 31, 2023, all asset classes are in compliance with the Retirement Plan Investment Policy, 41-011, effective July 22, 2021.

OPEB - Asset Allocation as of 12/31/2023 (based on market values)

Category	Balance	Allocation*	Policy dated 7/22/21 Changes implemented 7/31/21 - Present Min-Target-Max	Compliance	Max Allocation	Allocation Variance
Cash and Cash Equivalents	\$ 1,058,951.07	2.58%	0%-3%-100%	Yes	100.00%	97.42%
Bonds and Notes	\$ 15,185,897.07	37.02%	0%-37%-42%	Yes	42.00%	4.98%
Equities - Large Cap Value ^(a)	\$ 3,951,282.30	9.63%	0%-9.6%-10.80%	Yes	10.80%	1.17%
Equities - S&P 500 Funds ^(a)	\$ 5,162,667.98	12.59%	0%-12.60%-14.20%	Yes	14.20%	1.61%
Equities - Large Cap Growth ^(a)	\$ 4,023,018.17	9.81%	0%-9.60%-10.80%	Yes	10.80%	0.99%
Equities - Mid Cap ^(a)	\$ 3,453,419.39	8.42%	0%-8.40%-9.50%	Yes	9.50%	1.08%
Equities - Small Cap ^(a)	\$ 1,975,919.94	4.82%	0%-4.80%-5.40%	Yes	5.40%	0.58%
Equities - International ^(a)	\$ 6,207,444.75	15.13%	0%-15%-16.80%	Yes	16.80%	1.67%
Total	\$ 41,018,600.67	100.00%				
(a) Total Equities	\$ 24,773,752.53	60.40%	0%-60%-65%	Yes	65.00%	4.60%

*Total Allocation Percentage may not equal 100% due to rounding

Asset Valuation Summaries - OPEB

Below are the Asset Valuation Summaries for the second quarter of fiscal year 2024.

Asset Valuation Summary OPEB

Month	Cost	Market	Unrealized Gain/Loss
10/31/2023	\$ 38,131,677.26	\$ 36,794,742.32	\$ (1,336,934.94)
11/30/2023	\$ 38,059,443.83	\$ 39,169,371.60	\$ 1,109,927.77
12/31/2023	\$ 38,873,501.66	\$ 41,018,600.67	\$ 2,145,099.01

Reconciliation Summary - OPEB

Below is the OPEB Reconciliation Summary for the second quarter of fiscal year 2024.

OPEB Summary 2nd QTR FY 2024 (market value)

	10/31/2023	11/30/2023	12/31/2023	2Q FY-to-Date
Beginning Market Value	37,839,924.53	36,794,742.32	39,169,371.60	37,839,924.53
Total Cash Receipts	42,145.11	45,055.06	328,265.35	415,465.52
Realized Gain/(Loss)	23,854.09	48,779.35	565,049.22	637,682.66
Total Cash Disbursements	(142,419.18)	(166,067.84)	(79,256.74)	(387,743.76)
Change in Fair Market Value	(968,762.23)	2,446,862.71	1,035,171.24	2,513,271.72
Ending Market Value	36,794,742.32	39,169,371.60	41,018,600.67	41,018,600.67

B. Impact/Findings

No action is required by the Board as this staff analysis is presented for informational purposes.

C. Strategic Priorities

- Supports the strategic priority of investing assets in the Pension and OPEB plans without undue risk while focusing on the total growth of capital and capital preservation while protecting against negative results.
- Invest in BNA/JWN
- Plan for the Future
- Prepare for the Unexpected

Metro Nashville Airport Authority

MONTHLY CLIENT REPORT

As of December 31, 2023

Portfolio Reporting

AS OF DECEMBER 31, 2023

Retirement Plan for Employees of MNAA

Return Type	Return Duration								
	MTD	3Mo	FYTD	YTD	1Yr	3Yr*	5Yr*	10Yr*	SI*
Gross Return	4.78	9.10	5.54	14.09	14.09	2.10	7.76	6.23	8.77
Net Return	4.78	9.04	5.43	13.86	13.86	1.90	7.53	5.97	8.56
BM Return	4.82	9.02	5.48	13.56	13.56	2.17	7.25	6.11	8.50
Gross Excess Return	-0.04	0.08	0.06	0.52	0.52	-0.06	0.51	0.12	0.27
Net Excess Return	-0.04	0.02	-0.04	0.30	0.30	-0.27	0.28	-0.14	0.06

SI = 4/30/2009

MNAA OPEB

Return Type	Return Duration								
	MTD	3Mo	FYTD	YTD	1Yr	3Yr*	5Yr*	10Yr*	SI*
Gross Return	4.92	9.50	5.87	15.49	15.49	3.12	8.73	6.59	7.57
Net Return	4.92	9.44	5.76	15.26	15.26	2.91	8.52	6.37	7.37
BM Return	4.98	9.72	6.12	16.59	16.59	3.53	8.75	6.76	7.76
Gross Excess Return	-0.06	-0.22	-0.25	-1.10	-1.10	-0.41	-0.02	-0.17	-0.18
Net Excess Return	-0.06	-0.28	-0.36	-1.33	-1.33	-0.61	-0.23	-0.39	-0.39

SI = 11/30/2010

Review standard quarterly report for benchmark composition and portfolio makeup.

Net return - includes investment option fees and could include investment management and custodial service fees.

*Returns are annualized

Important information

Important information

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Business Diversity Development, January FY'2024 Certification Report as of February FY'2024

Total Certified firms:	New Certified firms: 7/1/2024 - YTD	Totals	Firms Certified in January 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
138 Firms	Construction:	12	Construction:	1	Construction:	28	Construction:	2	Construction:	69	Construction:	6	15
198 Firms	Professional Svcs:	19	Professional Svcs:	4	Professional Svcs:	31	Professional Svcs:	12	Professional Svcs:	99		15	15
	professional	17	professional	3	professional	23	professional	11	professional	80	professional	15	14
	security	0	security	0	security	0	security	0	security	3	security	0	0
	janitorial	2	janitorial	1	janitorial	8	janitorial	1	janitorial	13	janitorial	0	1
	landscaping	0	landscaping	0	landscaping	0	landscaping	0	landscaping	3	landscaping	0	0
151 Firms	Goods/Svcs:	8	Goods/Svcs:	1	Goods/Svcs:	11	Goods/Svcs:	6	Goods/Svcs:	26	Goods/Svcs:	3	2
	printing/signage	0	printing/signage	0	printing/signage	0	printing/signage	0	printing/signage	1	printing/signage	0	0
	supplier	2	supplier	0	supplier	0	supplier	1	supplier	3	supplier	1	1
	miscellaneous	0	miscellaneous	0	miscellaneous	0	miscellaneous	0	miscellaneous	0	miscellaneous	0	0
	concessions	6	concessions	1	concessions	11	concessions	5	concessions	22	concessions	3	1
487 Total		39 Total		6 Total		70 Total		20 Total		194 Total		24 Total	32 Total

Certification Inquiries (phone, email, meet & greets)

Monthly Inquires: 117

Total Inquires YTD: 427

Report Date: 2/13/2024

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, 2023	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	June 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	July 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	August 14, & August 15, 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 organization.
2023 TDOT DBE Small Business Annual Meeting	August 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	November 14 & November 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.
BDD Presents "How to Do Business With BNA"	December 8, 2023	Business Diversity Development (BDD) hosted a 1 day Event training session for interested firms seeking to do business with BNA, BDD Team covered Outreach initiatives Certification & Updates, Compliance Helpful Hints, Procurement Processes and Bidding Instructions.
MNAA/BDD Presents "Business Taking Off"	February 9, 2024	Business Diversity Development (BDD) & BNA Departments hosted a 1 day Outreach & Networking Event to introduce BNA's upcoming 2024-2025 Business Projects and Opportunities.