

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



Date: February 21, 2024

Location: Metropolitan Nashville Airport Authority  
Tennessee Boardroom

Time: 1:00 p.m.

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

Board Members Absent: None

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

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## I. CALL TO ORDER

In accordance with the 3<sup>rd</sup> Amended and Restated Bylaws of the MNAA Board of Commissioners, Section 2.3, Chair Stevenson called the MNAA Board of Commissioners and MPC Board of Directors Meeting to order at 1:00 p.m., pursuant to Public Notice dated February 16, 2024.

## 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 December 13, 2023 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 Freeman – Yes

Commissioner Sullivan – Yes

Commissioner Glover – Yes

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

IV. CHAIR'S REPORT

Chair Stevenson stated that the Board was not able to meet in January due to the weather and today the weather is much better. Chair Stevenson wished everyone a Happy New Year and stated that she looks forward to working with all Commissioners to get work done.

V. PRESIDENT'S REPORT

President Kreulen thanked Chair Stevenson and reported that BNA received a nice report from The Tennessean on December 26, 2023 regarding the MarketWatch report that BNA is ranked number 8 of top 15 airports for layovers based on 16 key factors. That is great news for the airport construction side of the house and also speaks volumes for the Concessions Program team and what we have been building at BNA. On January 3, 2024, Simple Flying ranked BNA number 13 of 20 top airports in the US for on-time performance at 79.30%. This includes data for the year of Southwest's big meltdown due to their scheduling problems. We may see better performance as we go forward, he said. Commissioner Glover asked who was number 1 in the top airports. President Kreulen replied number 1 is Minneapolis-St. Paul International Airport with 84.44%. Commissioner Byrd asked who Simple Flying is, to which President Kreulen replied a blog with content focused on the aviation industry. Commissioner Glover asked why are we happy. We are not number 1 and yet we are praising ourselves for being number 8. President Kreulen replied MarketWatch ranked San Diego number 1, and your point is well taken Commissioner Glover. In the Simple Flying acknowledgement, we are in the top 20 and there is always room for improvement, President Kreulen.

President Kreulen reported that MNAAB was awarded the 2024 Innovative Design in Engineering & Architecture with Structural Steel (IDEAS2) by the American Institute of Steel Construction ("AISC") for the new canopy. They recognized MNAAB, Fentress Architects, TMPartners, Corgan Associates and engineers, Prime Structural Engineer, and Magnusson Klemencic Associates.

President Kreulen stated another place we are number 1 is our Board of Commissioners. Commissioner Glover was recognized in December 2023 as one of Tennessee Tribune's People of the Year. On January 12, 2024, the Nashville Business Journal recognized Chair Stevenson as one of the top 10 people to watch in Nashville Business in 2024. On February 2, 2024, the Tennessean recognized both Chair Stevenson and Commissioner Glover as one of the 24 leaders making a difference in Nashville for Black History Month. On February 15, 2024, the Nashville Smart Business Network selected Commissioner Byrd as a "Dealmakers Hall of Fame Class for 2024" honoree. On February 16, 2024, the Tennessee Wildlife Resource Agency elected Vice Chair Granbery as its Chairman to serve for the 2024-25 term.

President Kreulen congratulated Commissioner Joslin on the arrival of his new granddaughter. Commissioner Freeman represented MNAA at a White House visit and Commissioner Glover attended the Superbowl. Commissioner Byrd stated he was the photographer for Commissioner Freeman's White House picture.

President Kreulen stated in celebration of Black History Month, BNA is showcasing Black musicians through our Arts at the Airport program. Joe West performed on February 13, 2024 and has another performance scheduled for February 28, 2024. Mr. West also performed at the Satellite Concourse ribbon cutting. BNA has received positive press regarding Black History Month.

President Kreulen stated he would like to take a moment and remember Nathaniel "Nate" Harris who passed away on Sunday, February 4, 2024. Mr. Harris' funeral was held Thursday, February 15, 2024. Mr. Harris was the first Board Chair for the Arts at the Airport Board and the Tennessean commented, "He is remembered for his love of art, entrepreneurial spirit and dedication to his community." President Kreulen stated we wish his family well.

President Kreulen stated Chair Stevenson and the Procurement and Business Diversity Teams did an excellent job with the 2024 Business Taking Off Conference. MNAA had 488 attendees for this conference at the Music City Center. President Kreulen presented several pictures, one of which being of the Hispanic Chamber of Nashville and stated they may have had the largest participation. Business Taking Off was a great opportunity for us to show the community what projects we have coming up over the next 365 days, he said.

President Kreulen reported on February 16, 2024, the Metro Council of Nashville visited BNA and on February 20, 2024 Mayor O'Connell visited BNA. MNAA reviewed the business, the finances, the future of BNA, MNAA challenges and MNAA support to Metro. They all toured the Emergency Operations Center (EOC) and Airport communications Center (ACC). Metro Council also toured the airside, mezzanine, IAF, GTC, and Plaza. Both Metro Council and Mayor O'Connell toured the Hilton BNA hotel to see the beautiful facility that just opened.

President Kreulen reported one of MNAA's challenges is the Runway 2L Extension. MNAA has negotiated with the FAA for 3 years now and has executed a Memorandum of Understanding ("MOU") with the FAA. In September 2023, MNAA advertised a Request for Qualifications ("RFQ") for the Environmental Impact Statement ("EIS"). MNAA came back to the Board in December 2023 with the intent to award. The Board has approved funding for this survey, but we still have to follow the FAA process. President Kreulen presented a chart showing what has been completed and items and where we are at today. Once the scope is finalized, it will cover 8 milestones we have to hit over the next couple of years. The first is the Runway Length Justification. Runway 2L is at 8,000 feet today. To cross Murfreesboro Road it must be a minimum of 10,000 feet. The extension may end up closer to 11,000 feet or 12,000 feet. MNAA is mandated to have public meetings, so once staff has the roadmap approved by the FAA, steps will be outlined, and staff will notify the Board know when the public meetings will be held. Metro Council and Mayor O'Connell saw this and are 100% supportive.

President Kreulen then reported on the Genesco building. It was built in the 1960's and vacated by Genesco in 2022, when they moved to the Bridgestone building. MNAA has done engineering and broker assessments and determined it was not commercially viable to renovate and restore. The Genesco building has had unforeseen issues such as the water line rupture last winter. The Genesco building is being demolished in sections.

President Kreulen reported the 1400 Murfreesboro Pike's (Monell's) lease holder was officially provided with a six-month expiration notice on September 29, 2023 and did not request an extension or provide alternate courses of action regarding the lease expiration. FAA guidance recommends that property inside the Airport Operating Area support aeronautical activity. The property is in poor condition with structural, fire safety and ADA concerns. President Kreulen stated he was really happy to talk with Metro Council and Mayor O'Connell about this, so we could set the record straight and gain their support.

President Kreulen reported FY24 BNA Passengers are up after a low month in January, lower than anticipated due to the 8-day snow period. Many airlines cancelled flights to stay out of the Tennessee winter weather. BNA is back up to our normal passenger enplanements that we are forecasting. BNA is at 8% growth and will finish this year strong and may end up somewhere just under the 24M passengers. We are doing well and continue to grow.

President Kreulen reported March will have 4 approvals in the Operations Committee and 4 approvals in the Finance Committee, which several are tentative. Vice Chair Granbery asked about the items identified in red on the slide, and if those are the tentative items. President Kreulen replied yes. The Finance Committee has FY24 adjusted budgets for approval.

President Kreulen stated the Committee 60-Day Outlook has approvals in both Operations and Finance Committees in April. The Finance Committee has approval of the FY25 budgets.

## VI. ITEMS FOR APPROVAL

### 1. Contract Extension for BNA Landscaping (Operations)

President Kreulen introduced Daniel B. Brown, AVP, Maintenance, Environmental and Safety, to brief the Board on the Contract Extension for BNA Landscaping. Mr. Brown stated this contract is to continue landscaping services for the exterior of the terminal, some outlying buildings, parking lots, garages, and roadways to ensure the best customer experience and assist in MNAA's vision to be known as the premier airport for all travelers. Mr. Brown stated this extension is for 1 year in the amount of \$958,465.98, the same cost as last year, and will come out of the O&M Budget. The SMWBE participation is 10.2%.

This was presented to the Operations Committee on February 14, 2024, 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 contract extension term with Bradshaw Landscape and Maintenance, LLC; and authorize the Chair and President & CEO to execute the proposed amendment for \$958,465.98.

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 Freeman – Yes

Commissioner Sullivan – Yes

Commissioner Glover – Yes

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

2. Construction Contract for Part 139 RSA Improvements (Operations)

President Kreulen introduced Robert Ramsey, EVP, Chief Development Officer, to brief the Board on the Construction Contract for Part 139 RSA Improvements. Mr. Ramsey stated this contract addresses deficiencies identified by lidar survey following 2023 Part 139 inspection, including grading the extended Runway Safety Areas and will also address the blast pads and paved shoulder widening. Mr. Ramsey presented a diagram showing areas marked in red that identify those various areas. On December 11, 2023, MNAA advertised an Invitation To Bid (“ITB”) and received 2 bids. Hi-Way Paving, Inc. was the low bidder. They were approximately half the price of the next low bidder, Jones Bros, LLC. The DBE goal was 15.56% and Hi-Way Paving, Inc. committed to 15.57%. The construction will start in March with completion in September. The approximate construction value is \$7,898,324.50 with funding through MNAA airline investment fund.

This was presented to the Operations Committee on February 14, 2024, and the Operations Committee recommended Board approval by a vote of 3 to 0. Mr. Ramsey requested that the Board of Commissioners accept the bid by Hi-Way Paving, Inc. for Part 139 RSA Improvements at BNA; and authorize the Chair and President & CEO to execute the proposed contract in the amount of \$7,898,325.

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.

Chair Stevenson asked Ms. Saxman for a roll call:

Chair Stevenson – Yes

Vice Chair Granbery – Yes

Commissioner Byrd -Yes

Commissioner Joslin – Yes

Commissioner Freeman – Yes

Commissioner Sullivan – Yes

Commissioner Glover – Yes

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

3. Amendment to Air Service Incentive Policy (Finance)

President Kreulen introduced Josh Powell, AVP, Airline Affairs and Air Service Development, to brief the Board on the Amendment to Air Service Incentive Policy (“ASIP”). Mr. Powell stated the ASIP helps BNA remain competitive with other US airports trying to attract additional non-stop international/domestic service. On December 7, 2023, the FAA released the following notice: “FAA Policy Regarding Air Carrier Incentive Program”. The proposed amendment implements the above referenced directive, allowing the airport authority to take advantage of a key change regarding seasonal incentives and adding an optional third year to the program. If approved, the effective period of the amended ASIP will be February 21, 2024 – December 31, 2025. As a reminder, any specific agreement with a carrier for marketing incentives and landing fee and facility abatements, outside of the Domestic Market Agreements, require Board of Commissioner approval to execute any Letter of Agreement (“LOA”). The types and tiers of incentives are the same as the previous policy. There is no change to Year-Round Service and New Seasonal Service adds a third year and increases the Landing Fee & Facility Fee Abatement for Transoceanic flights to 100%. The balance of this fund on February 5, 2024 was \$8.28M.

This was presented to the Operations Committee on February 14, 2024, and the Operations Committee recommended Board approval by a vote of 3 to 0. Mr. Brown requested that the

Board of Commissioners approve the Air Service Incentive Policy; and authorize the Chair and President & CEO to execute the policy.

Vice Chair Granbery asked what commitments MNAA currently has. Mr. Powell replied our current largest commitment is to British Airways which expires at the end of this month for that incentive. MNAA has a couple of smaller Canadian incentives, including Montreal and Vancouver service, both in their second years.

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.

Chair Stevenson asked Ms. Saxman for a roll call:

Chair Stevenson – Yes

Vice Chair Granbery – Yes

Commissioner Byrd -Yes

Commissioner Joslin – Yes

Commissioner Freeman – Yes

Commissioner Sullivan – Yes

Commissioner Glover – Yes

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

4. FAA Contract Weather Observer (CWO) Lease Agreements (Finance)

President Kreulen introduced Carrie Logan, VP, Deputy General Counsel, to brief the Board on the FAA Contract Weather Observer (CWO) Lease Agreements. Ms. Logan stated this is a request for approval of a Lease Agreement with the FAA CWO for 385 SF in the Harvey P. Gassaway Building. As a reminder, MNAA is leasing to the federal government and is subject to their terms, lease forms and their timeline. The current proposal from the FAA consists of two documents. The Supplemental Lease Agreement No. 3 will extend the previous lease from September 30, 2017 to September 30, 2022. And a New Lease Agreement, with a 10-year lease term, will be backdated to begin on October 1, 2022 and will expire on September 30, 2032.



Ms. Logan stated this was presented to the Finance Committee on February 14, 2024, and the Finance Committee recommended Board approval by a vote of 3 to 0. Ms. Logan requested that the Board of Commissioners approve the terms negotiated between MNAA and the Department of Transportation Federal Aviation Administration (FAA); and authorize the Chair and President & CEO to execute the Supplemental Agreement No. 3 and the New Lease Agreement with the FAA, consistent with these terms.

Commissioner Byrd stated the Finance Committee voted 3-0 to recommend 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 Freeman – Yes

Commissioner Sullivan – Yes

Commissioner Glover – Yes

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

President Kreulen thanked the Board for their approval and stated the CEO could not approve the \$667 per month because the term is longer than 8 years.

5. Subleases for Concourse D Extension Concessions (7) (Finance)

President Kreulen introduced Colleen Von Hoene, Associate Principal with Paslay Group. Ms. Von Hoene stated she has 3 items for approval. There are 7 subleases for the new Concourse D extension concession program. Ms. Von Hoene reminded the Board that MNAA provided Fraport the rights to develop the future Concourse D extension concession program under Amendment 8 to the Fraport Concessions Agreement. Fraport has negotiated 7 subleases for 8 concession locations, which are scheduled to open in July 2025. The sublease terms extend beyond the expiration of the Fraport Agreement and MNAA is therefore a party to the subleases and consent to the sublease terms.

Ms. Von Hoene presented a diagram of the concession locations for the Concourse D extension with 5 food and beverage and 3 retail locations. Some of the 7 subleases expire in 2032 and some a little later than that.

Ms. Von Hoene stated this was presented to the Finance Committee on February 14, 2024, and the Finance Committee recommended Board approval by a vote of 3 to 0. Ms. Von Hoene requested that the Board of Commissioners approve the 7 subleases for 8 locations in the future Concourse D extension and authorize the Chair and President & CEO to execute the subleases.

President Kreulen stated the July 2<sup>nd</sup> date is the opening of Concourse D extension so Fraport will have all of these open at 6:00 AM for both the facilities and concessions. Commissioner Glover asked what happens if a concession cannot open on that date. President Kreulen replied there will be liquidated damages for not opening on time, which Fraport has established for their subleases, and MNAA has similar liquidated damages to Fraport. Ms. Von Hoene replied this is consistent with what we have done in the past. President Kreulen replied yes, since 2019 that is how we have operated to get everything open on time.

Commissioner Byrd stated the Finance Committee voted 3-0 to recommend approval by the Board. Commissioner Byrd 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 Freeman – Yes

Commissioner Sullivan – Yes

Commissioner Glover – Yes

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

6. Amendment 9 to Fraport Concessions Agreement (Exhibit G Updates) (Finance)

Ms. Von Hoene recommended approval of Amendment 9 to the Fraport Concessions Agreement with 2 key provisions: (1) Updates Exhibit G which to incorporate subtenant entities and operating names for 8 concession locations; and (2) Extends the deadline for expenditure of the \$13M Contractor Capital Investment Obligation to allow for the completion of projects that could not be completed by the original contract deadline of July 31, 2023. Under this Amendment Fraport will have until May 31, 2024 to complete work and must submit proof of payment by July 30, 2024.

Ms. Von Hoene stated this was presented to the Finance Committee on February 14, 2024, and the Finance Committee recommended Board approval by a vote of 3 to 0. Ms. Von Hoene requested that the Board of Commissioners approve the 7 subleases for 8 locations in the future Concourse D extension and authorize the Chair and President & CEO to execute the subleases.

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.

Chair Stevenson asked Ms. Saxman for a roll call:

Chair Stevenson – Yes

Vice Chair Granbery – Yes

Commissioner Byrd -Yes

Commissioner Joslin – Yes

Commissioner Freeman – Yes

Commissioner Sullivan – Yes

Commissioner Glover – Yes

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

7. Amendment 2 to the Boingo Concessions Agreement for Cellular Distributed Antenna System (DAS) and Wi-Fi Service (Finance)

Ms. Colleen Von Hoene stated the last approval is Amendment 2 to the existing Boingo Concession Agreement. Since 2010, MNAA has provided Cellular Distributed Antenna System (DAS) and Wi-Fi services for the public through a concessions contract with Boingo, which expires February 28, 2024. MNAA retained a technical consultant to conduct industry

research and identify airport business models to determine the best approach. The technical consultant identified the following 3 models: 1) Airport owned infrastructure, management and maintained by third-party contractor; 2) Cell carrier owned and managed infrastructure; and 3) Third-party owned and managed infrastructure (current Boingo model). Management recommends MNAA utilize the model providing for direct airport-owned infrastructure, utilizing a third-party contractor to manage and maintain. This structure provides MNAA several benefits such as enables MNAA to control and coordinate expansion of DAS/Wi-Fi infrastructure with future MNAA facility development to meet passenger growth needs; estimated to increase MNAA gross revenue through direct contracts with cell carriers, eliminating sharing revenues with a third-party Concessionaire; and capital contribution can be negotiated with cell carriers and used to fund future capital investments. To facilitate transition to this new business model, a short-term extension of the existing Boingo contract is required through the end of this year.

Commissioner Sullivan asked if MNAA knows of other airports that have been successful utilizing direct airport owned infrastructure model. Ms. Von Hoene responded yes, there are a couple of different airports that we identified and that is what led us in this. Ms. Von Hoene believes Pittsburgh was one of them but will confirm and let the Board know.

This was presented to the Finance Committee on February 14, 2024. Ms. Von Hoene requested that the Board approve Amendment 2 to the Boingo Concession Agreement and authorize the Chair and President & CEO to execute the amendment to agreement between Boingo & MNAA for term February 29, 2024 through February 28, 2025.

Commissioner Byrd stated the Finance Committee voted 3-0 to recommend approval by the Board. Commissioner Byrd 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 Freeman – Yes

Commissioner Sullivan – Yes

Commissioner Glover – Yes

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

## VII. INFORMATON ITEMS

### 1. Board Counsel Engagement Discussion

Chair Stevenson stated that three months ago the Board approved outside counsel, Adams & Reese, for a limited engagement of 3 months, with a not to exceed of \$25K without prior Board approval. That agreement expires this month. Pursuant to that engagement agreement, the Board will need to determine if it wants to continue its engagement and what the parameters will be. Chair Stevenson stated she would like to put it out for discussion if the Board 1) still wants outside counsel; 2) wants to continue this engagement with same fee cap without prior approval; and 3) depending on the answer on the first two, continue with same outside counsel, Adams & Reese, or move to a different firm. Chair Stevenson stated that the Board can discuss today, or if the Board needs more time they can take time as well. Because the engagement agreement is expiring this month, she did not want the month to go by without discussion by the Board.

Commissioner Glover stated that since we are still in the middle of the legislative session, she would suggest, and maybe motion later, that the Board continue until the end of the fiscal year. Commissioner Glover asked Chair Stevenson if she would like to do a motion now or wait until the discussion is over. Chair Stevenson replied that it would be up to her. Commissioner Glover stated she would like to make a motion now. Commissioner Sullivan seconded. Chair Stevenson stated there is a motion to retain engagement with Adams & Reese for a limited scope through the end of the fiscal year, which is June 30, 2024. Chair Stevenson asked Commissioner Glover for clarification that the motion includes the same cap and not to exceed without Board approval language. Commissioner Glover responded, yes.

Commissioner Joslin asked what happens if we do not need any services from Adams & Reese through June 30, 2024, and if the Board will still be charged \$7,500 a month. Chair Stevenson replied, no, Adams & Reese will only charge us for work performed. Commissioner Joslin asked for confirmation that if Adams & Reese does no work, then there is no fee. Vice Chair Granbery asked if Chair Stevenson's definition of limited scope is "as needed." Chair Stevenson replied, yes. Vice Chair Granbery stated that in the original engagement, there was a defined scope and a

defined fee. Chair Stevenson stated the scope was defined from the original standpoint of those minutes but was broad enough that if the Board needed other things, we did not have to get a new engagement agreement. Vice Chair Granbery stated that it was capped. Chair Stevenson replied, yes, it was capped at \$25K NTE without prior Board authorization. Vice Chair Granbery asked if it should be different now because there is no scope and it is as needed and if there should be a set fee. Chair Stevenson stated that she thinks that it should be a NTE dollar amount. Vice Chair Granbery asked at what rate, to which Chair Stevenson replied she is not sure the rate matters since there will be a capped fee. The Board did not receive the rates last time, it was mostly that they did not exceed. Adams & Reese will bill up to that line and if there is more work to be done, then the Board will then need to approve.

Chair Stevenson asked President Kreulen if there were any fees on the invoices. President Kreulen replied, no. His clarification was the way the last engagement agreement read was \$25K for the first 90 days; \$7,500 month one; \$7,500 month two; and \$10,000 month three. MNAA will soon receive the final \$10K invoice from Adams & Reese. President Kreulen stated he understands the motion now to be: Extend Adams & Reese engagement agreement through the end of the fiscal year, June 30, 2024, keep the \$25K cap, and Adams & Reese will bill at an hourly rate for the jobs the Board gives them to do.

Vice Chair Granbery asked what is included in the scope. Chair Stevenson replied that the scope will be as needed and as far as the \$25K cap is concerned Adams & Reese will now bill at an hourly rate. Vice Chair Granbery asked if we do not give them a task, then there will be no bill. Chair Stevenson replied, correct. President Kreulen asked for clarification on who will give Adams & Reese the tasks. Chair Stevenson stated she has been giving Adams & Reese the tasks. Commissioner Byrd stated he thinks there are letters written where Adams & Reese can consult with Board members on matters that are on their minds, and that he does not think it necessarily needs to be just the Chairman. Chair Stevenson stated she has made it very clear that counsel has had access to the entire Board, the entire time, but for purposes of keeping things in order, she has been a point person. Chair Stevenson stated we are talking about the new engagement, deciding if the Board wants to keep the engagement agreement, and that some of the Board members are concerned about the spend and also about having the agreement to the end of the fiscal year. We can put together an engagement agreement that addresses those concerns where the Board will be billed for the work Adams & Reese does, up to a certain amount. And if it gets

to a point where we are just paying bills, or a point where the Board needs to intervene and needs to talk about authorizing more money, the Board can.

President Kreulen stated what he is hearing, the Board wishes to keep the same cap of \$25K, unless amended by the Board, and that the Board is now going from a flat fee to the hourly rate for consultations. For example, when MNAA receives the bill, it will state who Adams & Reese spoke with, the number of hours, and the hourly rate. When the bills are submitted to MNAA, they go to President Kreulen and Lisa Lankford, Deputy Chief Executive Officer and Chief Strategy Officer, because the Board's budget is under the Executive Office's budget. President Kreulen will inform the Board each month what amount the Board was billed and the total amount left.

Chair Stevenson stated that between now and June, we can gauge it and see if the amount is too low, but this gives us a starting point. Commissioner Glover stated her concern is that we are in a legislative session, and we do not know what is going to happen. She realizes the day to file bills has already passed, but amendments can come a day before and she does not want to be in the same position the Board was in last year. There was no legal counsel for the Board. There were lots of lawyers, but no Board counsel. She stated that the Board should at least keep things as are until June 30, 2024.

President Kreulen stated he believes the legislative sessions should be done by May. Chair Stevenson stated we are continuing to keep Board counsel, and we are now discussing the billing. Commissioner Glover stated yes, we do not have specific tasks right now to hand over. Chair Stevenson stated the NTE from her perspective does not mean that the Board cannot exceed that amount. She is also a lawyer and depending on what needs to be done for the Board will get done. This is for the Board to maintain responsibility and oversight. If the Board gets to a point where the amount will go over the \$25K we will come back and approve it as a Board. Commissioner Sullivan stated other than individual consultation, there is a task and the Board will approve it and the tasks will go through Chair Stevenson.

Commissioner Byrd stated that he would like to have all Board materials provided to Adams & Reese, like agendas and minutes. Chair Stevenson replied if there are any items that the Board counsel needs to review, she will give Adams & Reese the documents. When they have asked her for minutes or whatever, she has done that in the past and has worked with counsel to do that. Chair Stevenson stated she wants to make sure from a billing standpoint that we are not just

giving them stuff to read. To the extent that there is a task that requires them to review, and monitor and read documents, she will agree and provide the documents. But just by giving Adams & Reese documents for reviewing, the Board will reach the \$25K NTE very quickly.

President Kreulen replied that Adams & Reese has full access, just like the public does, to get the agendas, minutes, and other documents that are posted online. Commissioner Byrd stated they are our Board counsel, not just third party, and they are representing this Board. Chair Stevenson stated she is committed to working with Adams & Reese and will get them anything they need. (She knows that Adams & Reese communicate with MNAA's counsel on all these issues, as the Board's counsel, and she strongly encourages that.) Commissioner Joslin stated that he would like to receive a report on who makes the calls to Adams & Reese, and what the agenda was for that phone call. President Kreulen replied that it should be in their invoice. Commissioner Joslin stated he does not want to see a bill come in for \$800 - \$900 and nobody knows who made the calls. Chair Stevenson stated she will commit to handling this because she thinks there are limited ways for the Board to talk about these things outside of this meeting. To the extent that she is trusted to be the point person with Adams & Reese, to help monitor these things, she will be happy to do that and if she sees something that needs to be flagged to President Kreulen or the Board during our meetings in the public forum, she will do so. She does not want to make it harder for people who work for us, but she understands the concerns and as a lawyer who understands how billing works as well, she will do her best to make sure we are not getting overbilled, and asked the Commissioners to trust her to do that.

Chair Stevenson stated Commissioner Glover motioned and Commissioner Sullivan seconded the motion to keep the engagement agreement with Adams & Reese. Chair Stevenson will draft an engagement agreement with Adams & Reese and will get it back to the Board for approval before it is signed.

Vice Chair Granbery stated he has full confidence in Ms. Logan on the real estate side and Mr. Bedrock on the airport side and that he thinks this is a total waste of money. The prior engagement agreement solved the problem and the Board is now on a pretty good slope and is moving forward. Commissioner Glover stated that we do not know what is going to happen, it is like an insurance policy. Chair Stevenson stated every Board member gets one vote and she understands the Board members' concerns, and she has spent a lot of time with Mr. Bedrock over the past year. It has been an unusual year, and we are trying to get back on track and are moving



in a positive direction, she said. For her purposes, as she mentioned before, whatever makes the Board members feel the most comfortable to move forward, she is for that. But also, being responsible regarding those things. Chair Stevenson stated that it is a reasonable motion to get to the end of the fiscal year and get us through the end of this interesting year we have had. Chair Stevenson stated to the extent that there are opportunities to talk with the Board members about what makes them feel comfortable or what things have changed or how we can communicate better from MNAA's standpoint to the Board about issues related to legal things, that is also something we can talk about.

Commissioner Glover 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 – No

Commissioner Byrd -Yes

Commissioner Joslin – No

Commissioner Freeman – Yes

Commissioner Sullivan – Yes

Commissioner Glover – Yes

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

2. Donelson Pike Early Completion Initiative (Operations)

President Kreulen reported MNAA received a proposal on Monday, February 19, 2024 for the Donelson Pike Early Completion Incentive and found it to be unacceptable. MNAA and TDOT met and had a subsequent call with Superior and we are inching closer to an agreement. MNAA pulled it off the approval items and owe an update to the Board next month. It is not as easy a process as we initially thought, he said.

3. Terminal II Siting Study Update 2 of 8 (Operations)

President Kreulen presented a diagram referencing our future and growth that will be used in community presentations. At the end of the fiscal year, we are going to hit approximately 24M passengers. MNAA finished BNA Vision and are now in New Horizon, opening in 2025 and 2028, so the airport can handle up to 35M passengers. We need to monitor Nashville's growth to know

when the Phase 1 will open and subsequently Phase 2, and Nashville must have the roadways to support Terminal II. As you can see, the diagram shows a roadmap of Nashville to 42M – 54M passengers. MNAA is truly laying the foundation as we have in the past for the future of BNA and Nashville. Metro Council and Mayor O’Connell really appreciated the long-term vision that we have been sharing. MNAA has evaluated Terminal II sites and we have meetings coming up with the Board every other month for updates.

President Kreulen stated the same thing is true for the CONRAC. MNAA is evaluating and may have some possible selections for a future CONRAC.

4. Roadway Access Improvements

President Kreulen stated the Operations team is already working to widen BNA property at the Exit 216A entrance; the first 1,700 feet is complete. Staff is now doing some studies on widening TDOT roads, getting off of I-40 into BNA. The widening is an added capital project and MNAA does not at this time know the cost, but we are working our way towards it.

5. BNA Development Update (Operations)

President Kreulen stated when Metro Council came to visit, they toured where the Air Freight Building used to be located. We discussed with them the future of Concourse A. President Kreulen presented a photograph of the progress of the demolition of Genesco.

6. JWN Development Update (Operations)

President Kreulen stated John C. Tune work never stops. President Kreulen presented several pictures showing Parcels 2 and 3, near the Governor’s hangars, that have the hangar coming up and parcels 4 and 5 are almost finished with the foundation and steel will be coming up soon. Contour is working hard on hangar number 2 and steel for number 3 is getting very close. MNAA has received good feedback on our Request for Information (“RFI”) on our next FBO. President Kreulen has meetings with the staff to tweak what feedback we got from all of these vendors on putting out the solicitation on the next FBO.

President Kreulen stated on the JWN Midfield Development, MNAA is running our final analysis and will come back to the Operations Committee on which of the two versions we think will be the most cost effective. Vice Chair Granbery asked how many are on the waitlist. President Kreulen replied that the waitlist for box hangars is 13. If MNAA built those, all 13 will rent, and

there are 11 requests for 42s and 20 requests for 48s. If we focus on boxes here, you use the south area and maximize your 48s closer to the maintenance building. The plan is to get the final build to you.

7. BNA Concessions Program Update (Quarterly Update, Sales Report and BNA PASSport Update) (Finance)

President Kreulen stated the Finance and Concessions teams have done a great job on concessions. Fraport is to be commended on how they have ramped up MNAA's program and now have 95 plus businesses now running and MNAA revenue continue to grow. BNA has some high performers. Paradies has done a great job at the Satellite Concourse and it is now fully outfitted. President Kreulen stated with the Board's approval a few minutes ago, we now know what the next 7 concepts will be in the Concourse D extension.

8. FY24 BNA and JWN O&M Budget Updates (Finance)

President Kreulen stated the Finance Committee saw a little bit on where our concerns are based on our rapid growth and how it might impact our budgets. MNAA will go back to the Finance Committee to readjust the budgets for BNA and JWN.

9. Quarterly Retirement/OPEB/Treasury Investments Reports (Finance)

President Kreulen stated the Finance team updated the Commissioners at the Finance Committee on the Retirement Plan, OPEB and Treasury Investments. The FY24 Q2 Retirement Plan market value was \$81.4M. The OPEB market value was \$41M. The MNAA Quarterly Treasury Investment Report for the quarter ending December 31, 2023, showed MNAA had total available funds of \$1.229B with 99.6% of the funds invested. President Kreulen stated he agrees with Ms. Kristy Bork, AVP, Finance, it was a great quarter overall.

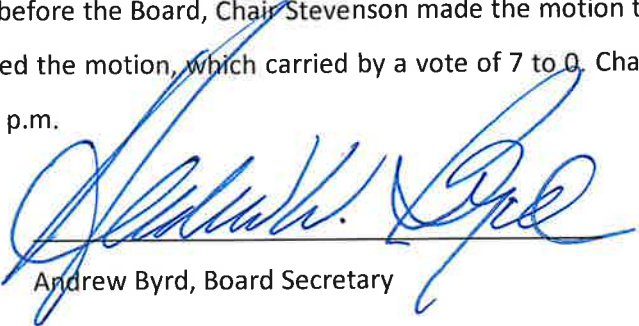
President Kreulen presented the last slide showing the Donelson Pike area and all the rock that will have to be removed. MNAA received \$7M from Secretary Buttigieg and another \$5M is coming our way for this \$30M project to bring down to this grade and start the roadwork to handle our future roads.

Vice Chair Granbery asked with respect to fuel revenue at JWN, what percentage of fuel sales are shared. President Kreulen replied he will verify, and we will know once we do the calculation for

the rents, but last year the renters received a \$180K credit on their rent for fuel sales. MNAA will know the FY25 rates soon.

I. ADJOURN

There being no further business brought before the Board, Chair Stevenson made the motion to adjourn, and Vice Chair Granbery seconded the motion, which carried by a vote of 7 to 0. Chair Stevenson adjourned the meeting at 1:53 p.m.



Andrew Byrd, Board Secretary