



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

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June 12, 2024



# Call to Order

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June 12, 2024

# Public Comment

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Tennessee Code Annotated, Title 8, Chapter 44, Part 1

MNAA Policy ID: 33-007, Public Comment Policy, effective July 13, 2023

No Requests for Public Comment Received by Tuesday, June 11, at 1:00 am

# Approval of Minutes

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May 15, 2024, Joint Meeting of the MNAA Board of Commissioners & MPC Board of Directors

# Chair's Report

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Joycelyn Stevenson, Board Chair

# President's Report

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Douglas E. Kreulen, A.A.E.

President and CEO



Grand Lobby Preview, January 19, 2023



Secretary Buttigieg Visit, March 3, 2023



Delta Sigma Theta Southern Region TN Cluster, March 17, 2023



BNA 5K on the Runway  
May 20, 2023



AMAC Conference  
June 10-14, 2023



Business Taking Off  
February 9, 2024



Hilton BNA Grand Opening  
April 3, 2024



Thank you,  
Chair Stevenson

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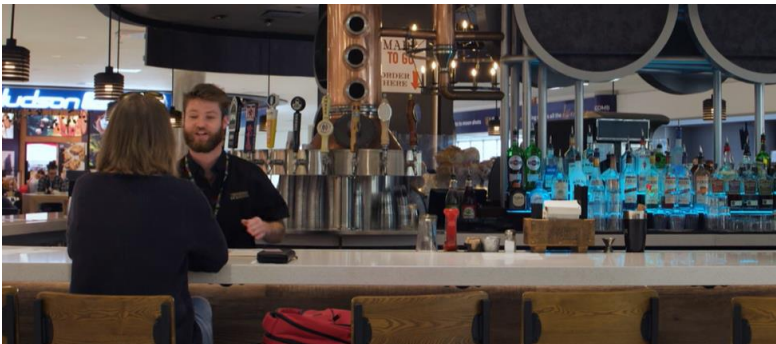


- Inspected Runway, Taxiways, Apron, Navaids & Infrastructure
  - Section 1 – No immediate discrepancies
  - Section 2 – 1 recommendation (not out of compliance)
    - Recommend rubber removal
      - Operations will evaluate
- Received TN Airport License, valid until 12/31/2025

# TDOT Annual JWN Inspection

- Inspection: May 13, 2024
- Report: May 16, 2024





# BNA Recognition

- May 16, 2024
  - Big Edition Far & Wide
  - 3<sup>rd</sup> Best Airport for Food & Restaurants
- May 21, 2024
  - Business Insider
  - 1 of 7 Coolest Airports in US
- May 22, 2024
  - Forbes
  - 1 of 4 Best Airports for Beer Lovers

YOUR SECURE PASS to SHOPS and GATES at BNA®



**BNA**  
PASSport

A NON-TICKETED  
POST SECURITY PASS TO:

- Shop
- Dine
- Enjoy plane watching
- Meet loved ones at the gate
- View art exhibits


# BNA PASSport Update

- May 22, 2024
  - TSA approved Airport Security Program (ASP) Amendment
- Phase II Testing Underway
- Go Live ~ June 24 – July 1, 2024

**BNA** | PASSport

NAME: MATTHEW CUSHING  
VALID ON: 23-Jan-2024

NASHVILLE INTERNATIONAL AIRPORT  
**NOT VALID FOR TRAVEL**



*Mobile Pass*

**BNA** | PASSport PASSport NUMBER 0001

FIRST NAME \_\_\_\_\_  
LAST NAME \_\_\_\_\_

CHECK ONE: VERIFIED ID  OR MINOR

APPROVAL DATE \_\_\_\_\_ APPROVED BY \_\_\_\_\_  
Initials Required

**NOT VALID FOR TRAVEL**

Please proceed to the Security Checkpoint lanes on Level 3 to enjoy your visit.

*Documentation from Information Desk to show that individual has been vetted against the daily report of approved guest passes.*



# Japan-America Society of Tennessee

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- May 24, 2024
- 2024 JAST Annual Meeting
- Ambassador of Japan Shigeo Yamada
- Consul-General of Japan Shinji Watanabe
  - Tennessee
  - Kentucky
  - Arkansas
  - Louisiana
  - Mississippi



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Metropolitan Nashville Airport Authority  
Tennessee**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

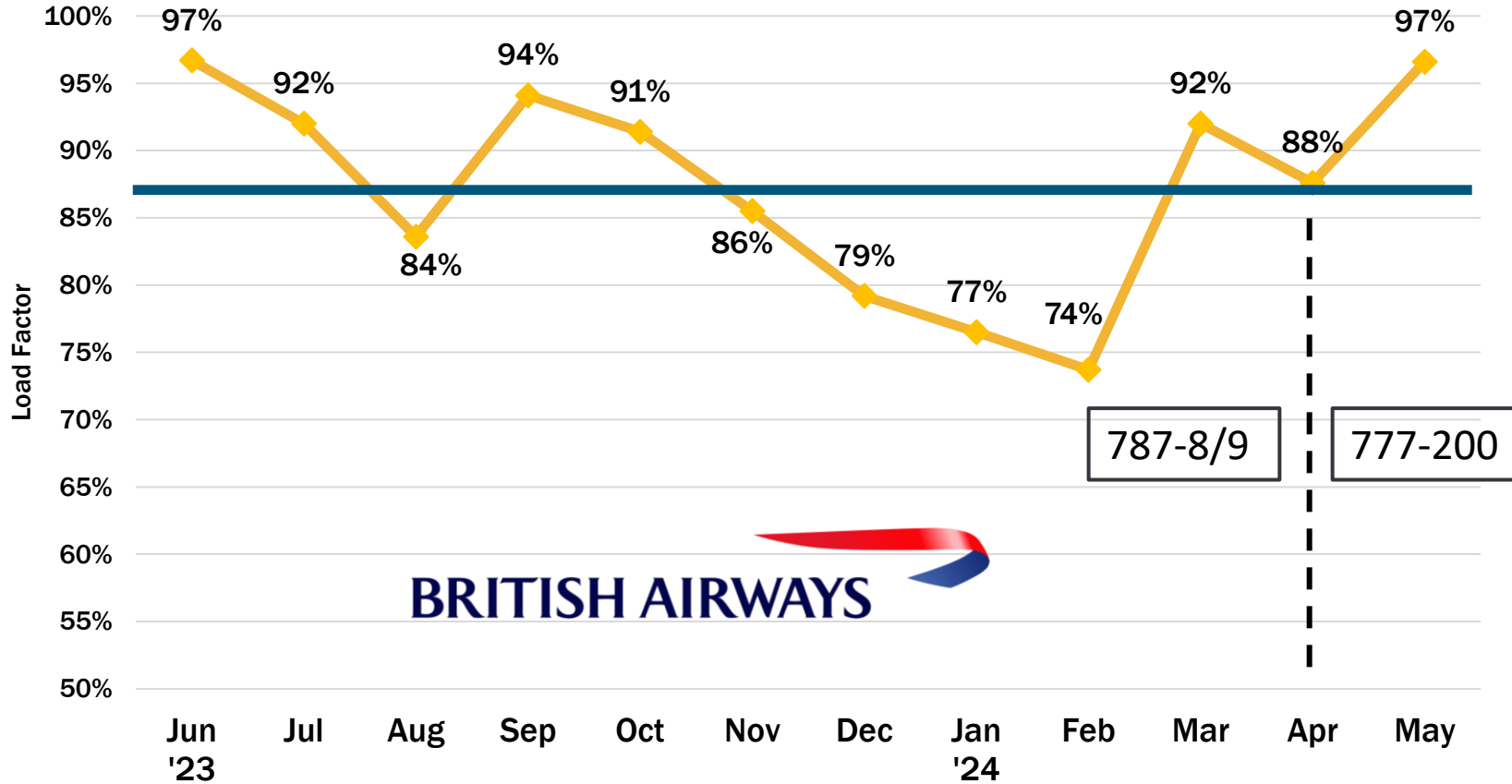
*Christopher P. Morill*

Executive Director/CEO

# GFOA Certificate of Achievement for Excellence in Financial Reporting

- May 29, 2024
- Awarded by the Government Finance Officers Association (GFOA) for the FYE June 30, 2023, Annual Comprehensive Financial Report (ACFR)
- 23<sup>rd</sup> consecutive year MNAA earned award
- Highest form of recognition in governmental accounting and financial reporting

## British Airways BNA-LHR Load Factor, June 2023 – May 2024



# British Airways Sets a New Record

- June 5, 2024
- 16,284 passengers on London flight in May 2024
  - 96.6% load factor
  - 99.5% enplaned
  - 93.6% deplaned



# Celebrating Former Chair Freeman's Service at MNAA

- June 6, 2024
  - Board Resolution
  - Taxiway Light – 2R/20L
  - P-51 Silhouette

# Federal Update

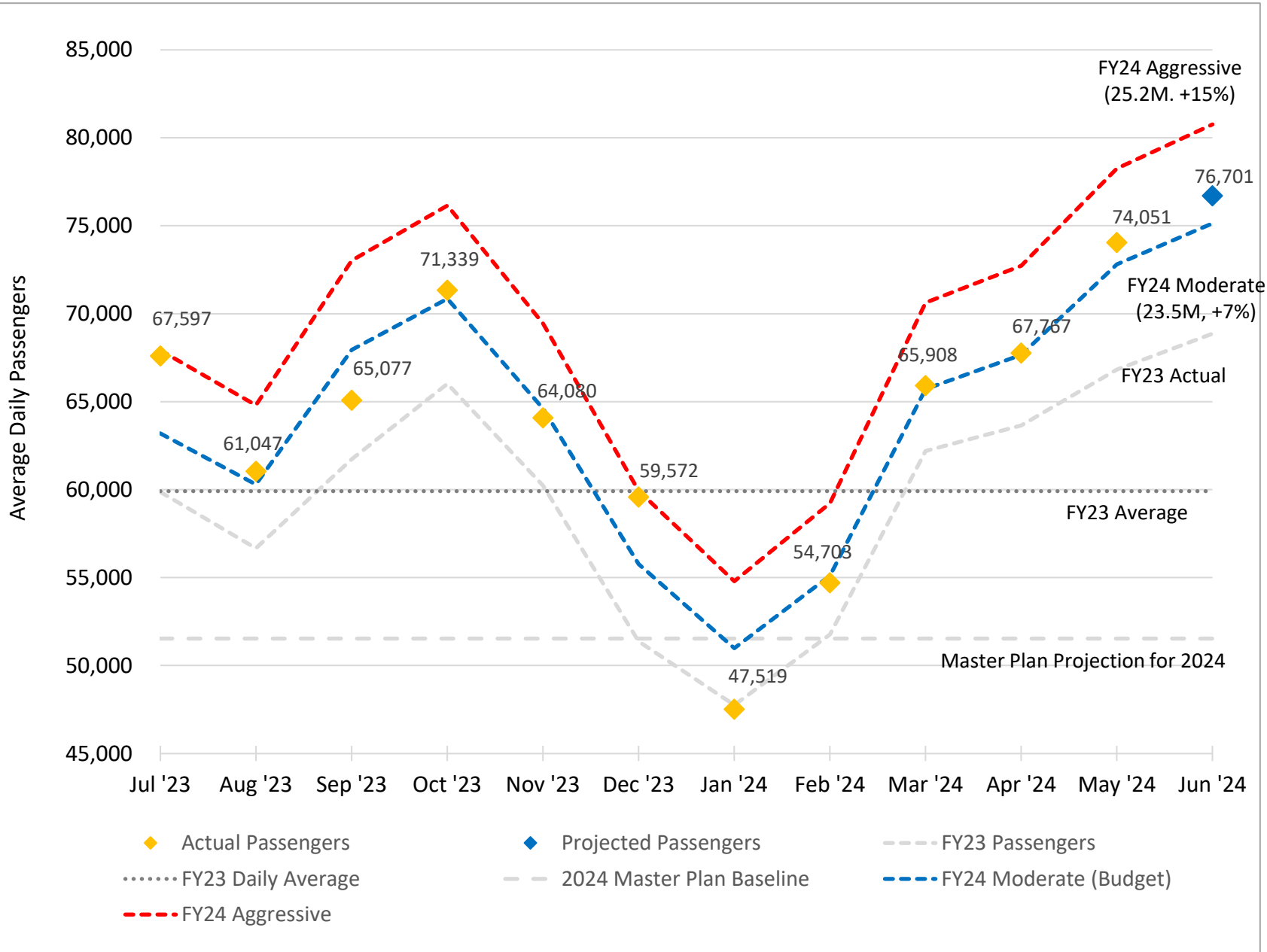
June 2024

- Federal Aviation Administration (FAA)
  - June 10 – 13: FAA Part 139 Annual Inspection
- Transportation Security Administration (TSA)
  - June 4 ~ 30: TSA Comprehensive Annual Audit
  - June 8 – 10: TSA K9 Annual Evaluation
    - Both Officer Green (Jack Jack) & Officer Beard (Freddie) passed
- Custom and Border Protection (CBP) Challenges
  - June 2 – Sep 30:
    - Consolidated shift operating 3 pm – 11 pm daily
    - NOTAM published showing BNA is closed to unscheduled international flights except for emergencies or with 4-hour notification





# FY24 BNA Passengers



- FY24 Forecast: 7%, 11%, 15%
- May FY24 Passenger Record
  - 2,295,580 passengers
  - 10.8% over May 2023
- June FY24 Projected (+11%)
  - 2.3M total passengers
  - 76,701 daily passengers
- FY24 Year-to-Date (+8%)
  - 23.7M total passengers
  - 64,672 daily passengers

\*June projections based on TSA data through June 10, 2024

## Operations

- Approvals
  - 1) Purchase of Airfield Deicing Equipment
  - 2) Purchase of Runway Rubber Removal Equipment
  - 3) Professional Services Contract for Engineering Staff Augmentation (SMWBE)
  - 4) Construction Contract for Trench Drain Replacement on Arrival & Departures
  - 5) Construction Contract for Curbside Ticket Counter Weather Protection
  - 6) Selection of CONRAC Preferred Site (*Board Only – following Workshop*)
  - 7) New Horizon Program Scope and Budget
  - 8) Purchase of Stream Mitigation Credits (Yrs 1, 2 & 1st Right of Refusal Future Yrs)
- Information
  - 1) Central Ramp Expansion; 2) 2<sup>nd</sup> JWN FBO Solicitation; 3) JWN Midfield Solicitation

## Finance

- Approvals
  - 1) Rental Car Lease Agreement Terms
  - 2) Amendment to Consulting Contract for Cell/DAS/Wi-Fi
  - 3) 3<sup>rd</sup> Party Management & Maintenance Contract for DAS/Wi-Fi

## Management

- Information - FY24 Strategic Goals Accomplishments

# Committee 30-day Outlook

- July 10 & 17, 2024
- Board Workshop
  - July 17, 9:30 – 11:30 am
  - CONRAC Site Selection

## Operations

- Approvals
  - 1) Contract Renewal for Radio Communication Services
  - 2) Construction Contract for Mobile Equipment Covered Storage
  - 3) Progressive Design-Build Contract for Central Ramp Expansion
- Information
  - 1) Terminal II Siting Study Update 6 of 13
  - 2) BNA Development Update
  - 3) JWN Development Update

## Finance

- Approvals - None
- Information
  - 1) Quarterly Retirement/OPEB/Treasury Investment Reports
  - 2) BNA Concessions Program Update and Sales Report
  - 3) Procurement Policy (Annual Review)

## Management

- 1) Approval: CEO FY24 Performance Evaluation
- 2) Information: FY25 Strategic Goals

# Committee 60-day Outlook

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- August 14 & 21, 2024

# Items for Approval

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June 12, 2024

- Construction Contract for Demolition of Selected Buildings (Operations)

## Items for Approval

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Robert Ramsey, PE, AAE, IAP  
EVP & Chief Development Officer

# Construction Contract for Demolition of Selected Buildings

**Project Description:** Demolition of certain buildings in the footprint of the proposed Air Traffic Control Tower. This project also includes an alternate for the demolition of a secondary commercial building at a separate site.

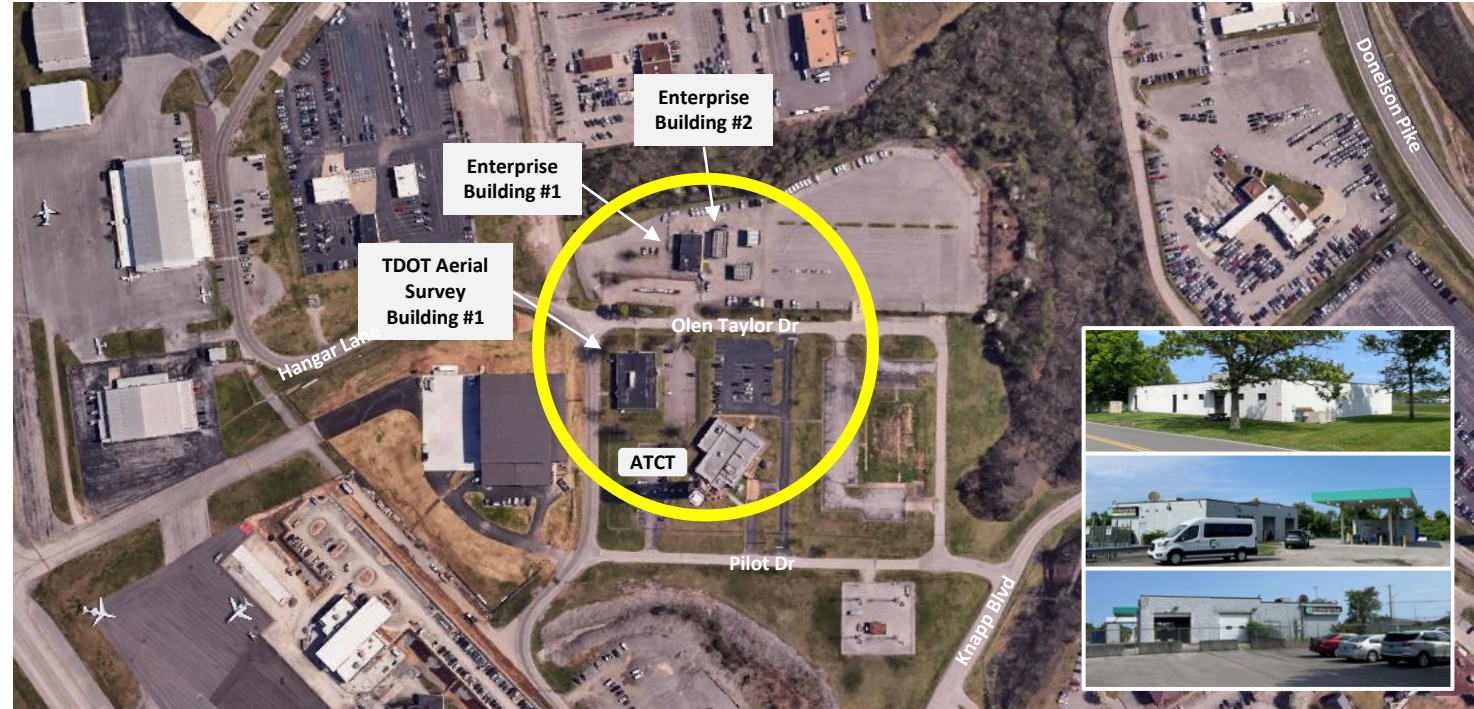
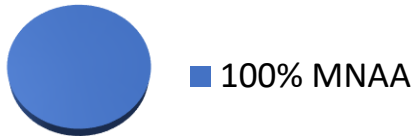
**Contractor:** Renascent

**Total Contract Cost:** \$1,014,800

**Schedule:** Contract Start: July 2024  
Contract End : October 2024

**SMWBE:** Goal – 9.48% MBE and 4.83% WBE  
Participation – 11.61% MBE & 8.61% WBE

**Funding Sources:**



**Committee Review:** Operations Committee voted 2 to 0 to recommend approval on June 5, 2024.

**Staff Recommendation:** Board of Commissioners authorize the Chair and President and CEO to execute the proposed contract with Renascent for \$1,014,800.

- FY25 Commercial Insurance Policies  
Renewal (Finance)

## Item for Approval

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Kristen Deuben, CPA  
VP, Finance, Deputy CFO

# FY25 Commercial Insurance Policies Renewal

## Background:

- All insurance policies are now on a 7/1/24 – 7/1/25 cycle
- MNAA plans to renew all policies effective July 1<sup>st</sup> going forward
- Marsh conducted targeted marketing on select lines of coverage as they performed extensive marketing in the previous year

## Impact/Findings:

- FY25 Renewal Not to Exceed (NTE) Value:

FY24 Total Policy Premiums Executed	\$ 5,092,003
Projected Annual Premium Increase	\$ <u>246,845</u> (+4.8%)
<b>FY25 Proposed Program Premium</b>	<b>\$ 5,338,848 NTE</b>

- Willis Towers Watson
  - Predecessor
- Marsh awarded contract in February 2021
  - 3-year contract expired February 2024
  - Amended contract March 2024
    - Expanded Lines of Coverage
    - Extended term to April 2026



# FY25 Commercial Insurance Policies Renewal

## Key Reasons for 4.8% increase over FY24:

- **Property Insurance increased to \$3.5M (+7.3%)**
  - Total insured value of assets increased from \$2.51B to \$2.99B due to increase in replacement values on current assets, as well as the addition of the Grand Lobby/IAF and Satellite Concourse.
    - Coverage = \$1.625B, based on Marsh modeling
- **Worker's Compensation increased to \$273K (+27.2%)**
  - Projected wages increased from \$39.4M to \$50M
  - Experience modification factor increased from 0.69 to 0.77 due to increasing trend in average cost per claim over past 5 years
- **Automobile increased to \$196K (+30.5%)**
  - Number of vehicles increased from 152 to 158
  - Cost of vehicles increased from \$9.25M to \$10.5M (+\$1.25M)
- **Special Crime, Pollution Legal Liability, and Contractors Pollution Liability decreased to \$0 (-100%)**
  - These are multi-year policies paid in advance in FY24

Committee Review: Finance Committee voted 2 to 0 to recommend approval on June 5, 2024.

Staff Recommendation: Board of Commissioners to approve the FY25 commercial insurance policies renewal at a NTE amount of \$5,338,848 and authorize the President and CEO to execute the FY25 policies.

# Information Items

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June 12, 2024

- BNA Development Update (Operations)
- JWN Development Update (Operations)

## Information Items

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Douglas E. Kreulen, A.A.E.  
President and CEO

Discrete Widening  
June 11, 2024



Concourse D Extension  
June 11, 2024



# BNA Development Update

- Discrete Inbound Widening
  - Final 200 LF paving by June 30
  - 3,500 cars/hour
- Concourse D
  - In construction
  - Complete July 2, 2025
- Concourse A
  - Design complete May 2025
- TARI Ph II
  - Blasting Zone B begins June 17

Bridge Removal  
Tentatively (July)

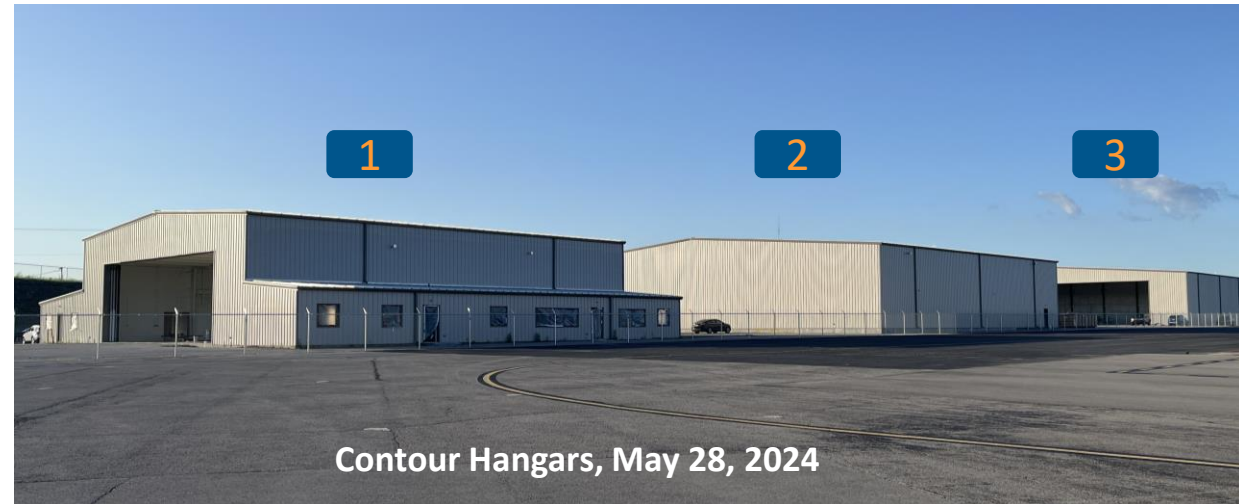


Blasting - Zone B  
Upcoming

# JWN Development Update



- May 2024
  - Record fuel sales – 325,796 gallons (+16.6%)
- June 2024
  - Phases 1 and 2 of apron sealing/ marking project completed June 7<sup>th</sup>
  - MNP Hangar Lease Amendment 1 approved by Mayor on June 7, 2024
    - Next step: To be filed with Metro Clerk
- July 2024
  - Midfield NOA and 2<sup>nd</sup> FBO RFP informational update to Board





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

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Meeting Adjourned

# Staff Reports

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June 12, 2024

Provided for Information Only

# Operations Report

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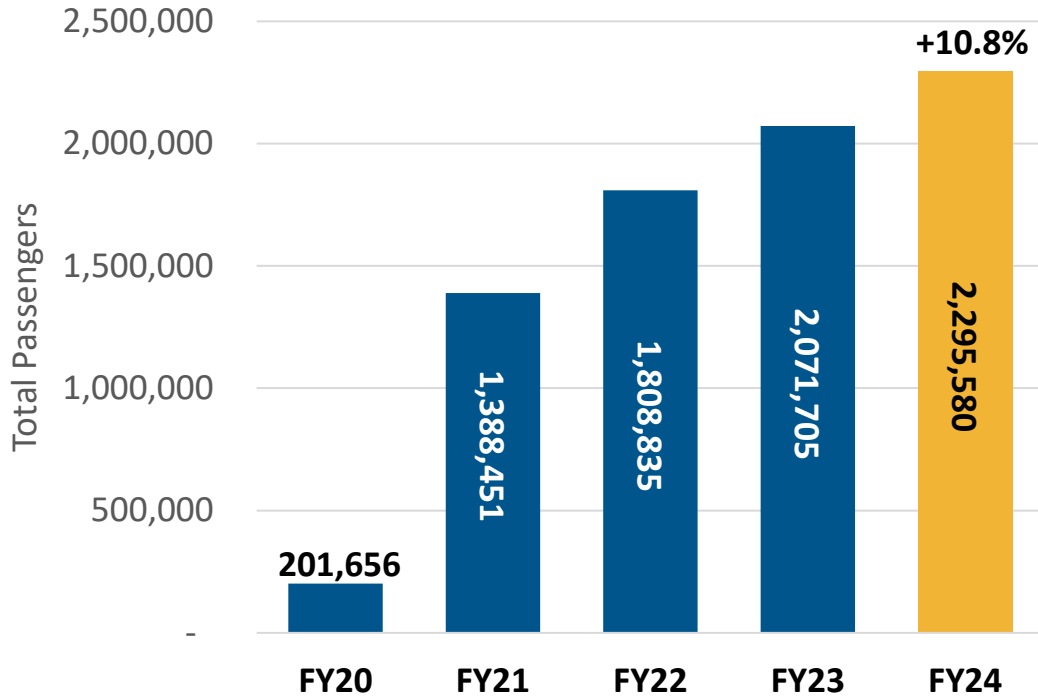
Adam Floyd, C.M.

SVP, Chief Operating Officer

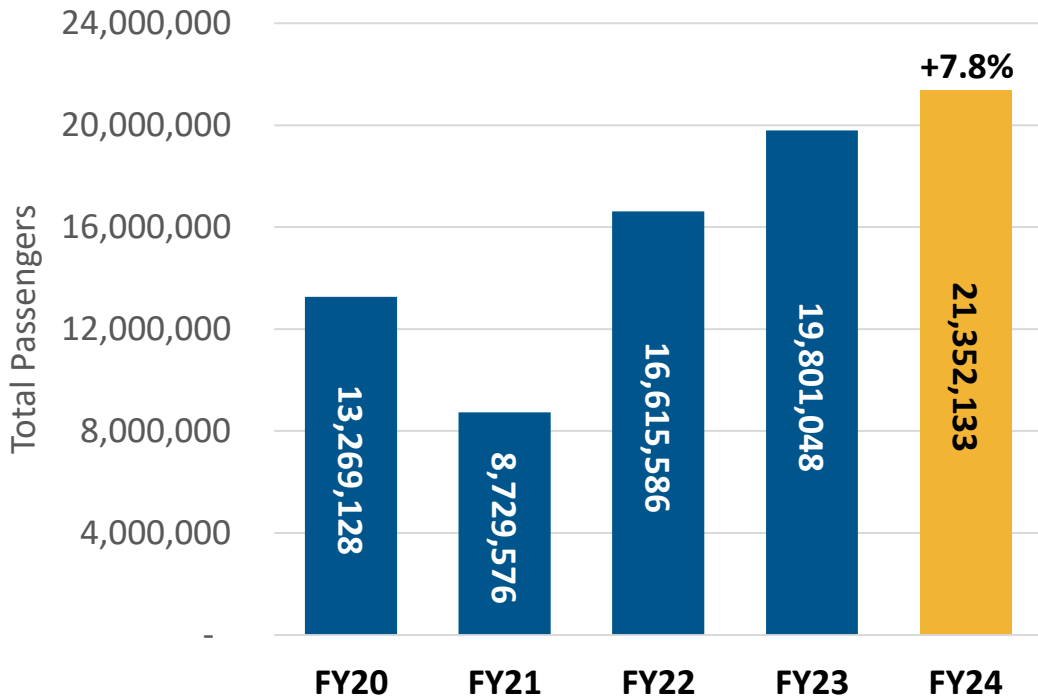


# BNA Total Passengers

## May

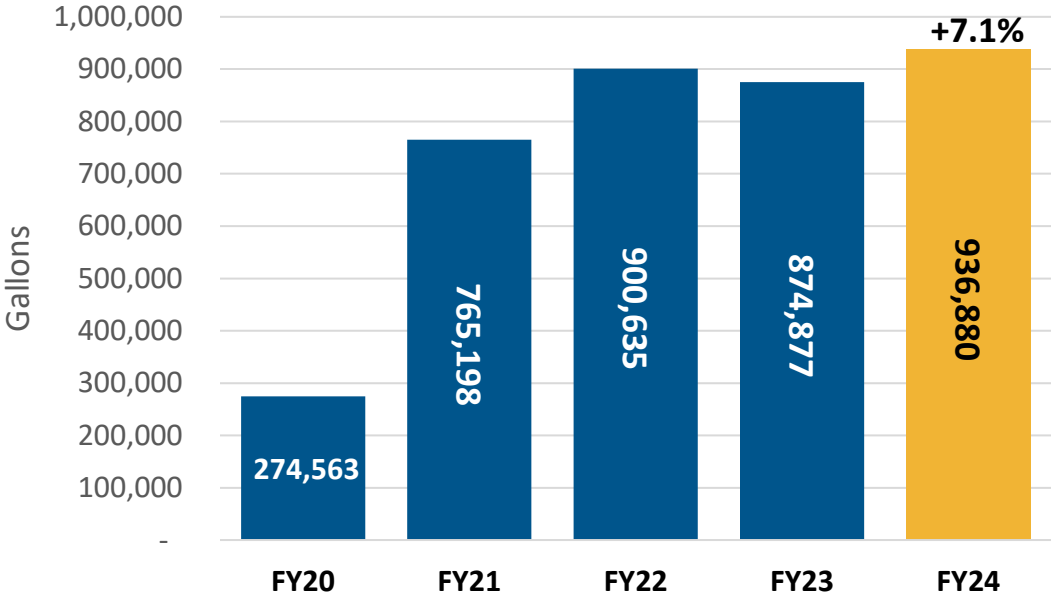


## Fiscal Year to Date

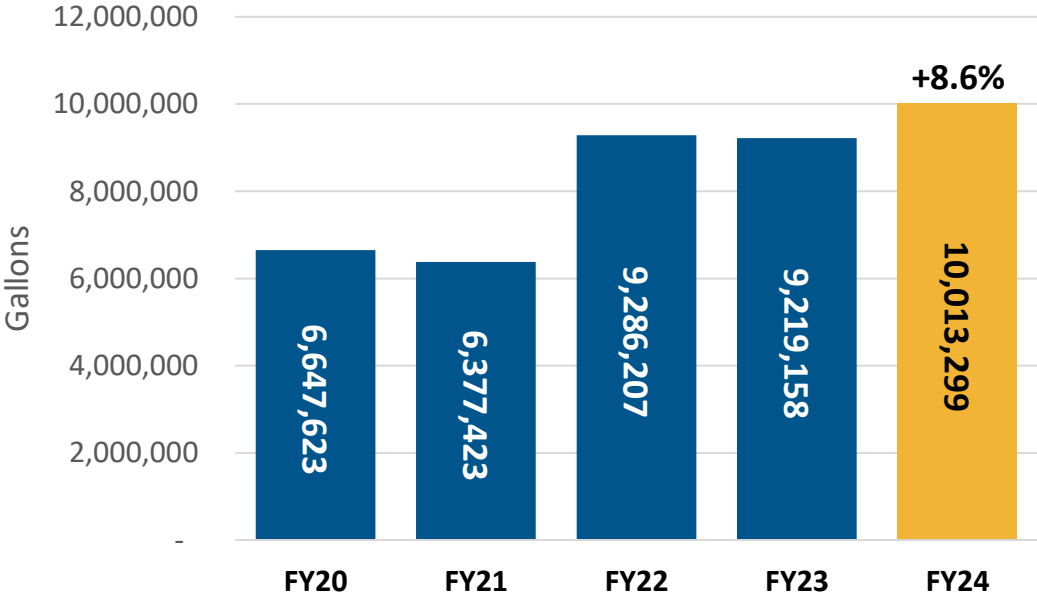


# BNA Fuel Sales

## May

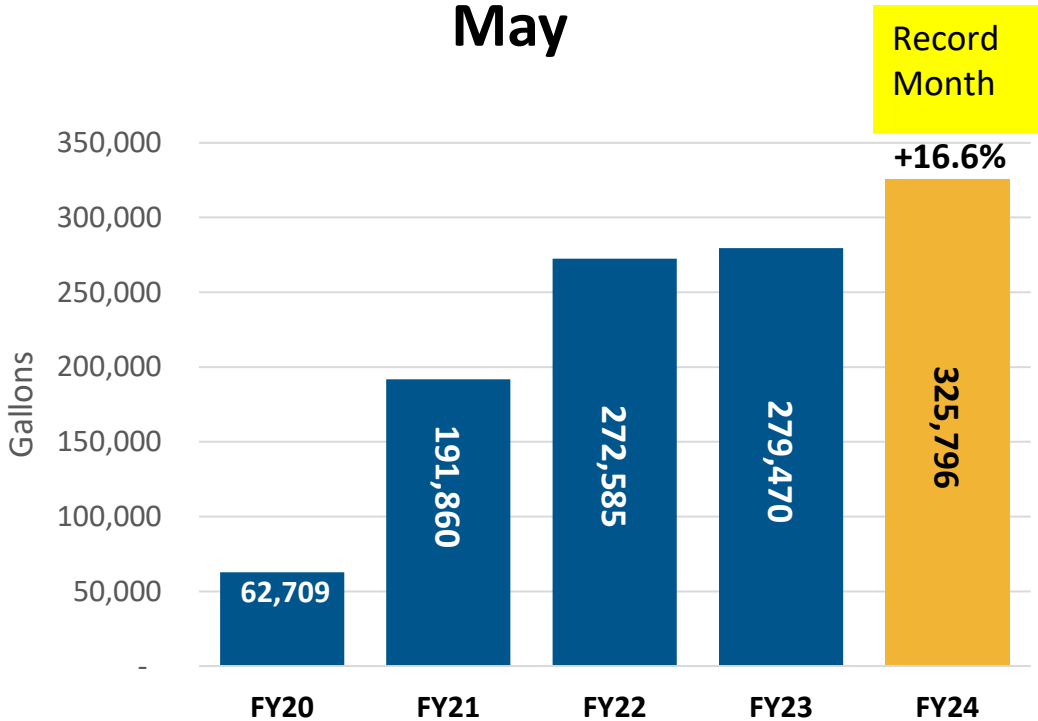


## Fiscal Year to Date

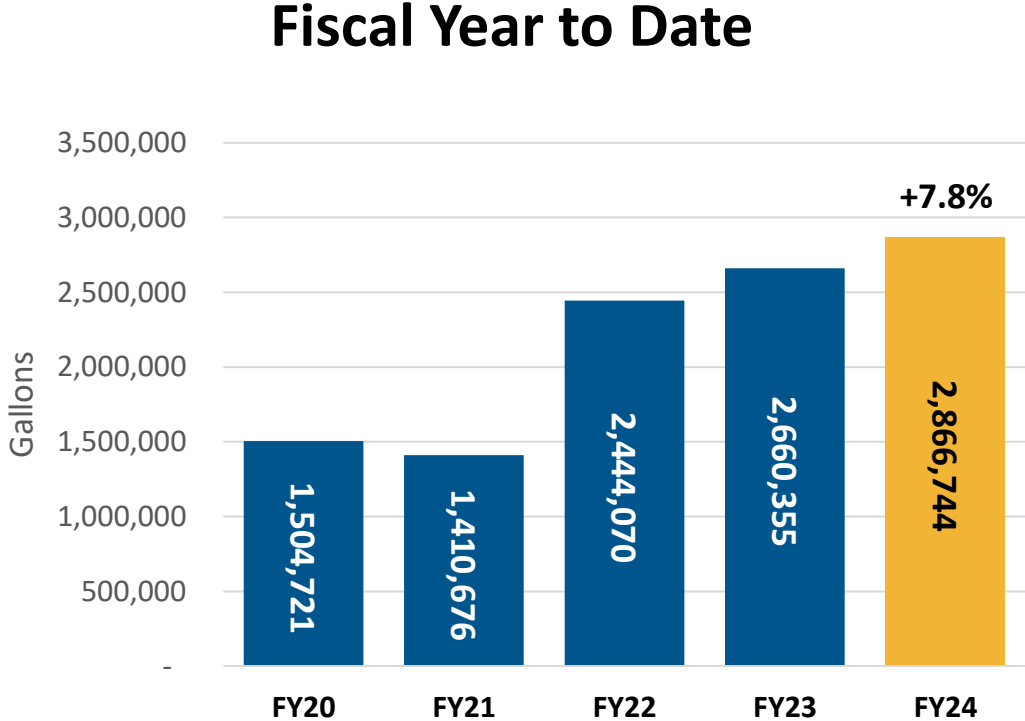


# JWN Fuel Sales

## May



## Fiscal Year to Date



# Development Report

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Robert Ramsey, P.E., A.A.E., I.A.P.

EVP, Chief Development Officer

- *Due to timing of June Board meeting, June development reports will not be available until after the Board meeting.*

# Vision 1.0 Program Budget Update: May 2024

Project Name	Current Budget	Estimate at Completion (EAC)	Budget Variance	Budget Reserve: Original/Balance
<b>VISION PROJECTS</b>	\$ 1,224,563,416	\$ 1,217,438,246	\$ 7,125,170	\$121,290,987 / \$90,501
Parking and Transportation Center	\$ 112,565,500	\$ 112,565,500	\$ -	\$5,100,000 / \$0
Concourse D & Terminal Wings	\$ 287,637,753	\$ 287,637,753	\$ -	\$33,964,557 / \$0
Garage C & Airport Administration Building	\$ 180,995,368	\$ 180,995,368	\$ -	\$20,341,202 / \$0
Garage B	\$ 97,428,000	\$ 90,302,830	\$ 7,125,170	\$2,700,000 / \$0
Terminal Lobby & IAF	\$ 480,436,795	\$ 480,436,795		\$54,865,228 / \$90,501
Terminal Access Roadway Improvements Ph 1	\$ 65,500,000	\$ 65,500,000	\$ -	\$4,320,000 / \$0
<b>VISION ENABLING PROJECTS</b>	\$ 62,390,352	\$ 62,390,351	\$ -	\$1,408,000 / \$1,080,362
ART	\$ 5,112,550	\$ 5,112,550	\$ -	
PROGRAM CONTINGENCY	\$ 12,941,682	*\$ 20,066,852	\$ (7,125,170)	
<b>Total</b>	\$ 1,305,008,000	\$ 1,305,008,000	\$ -	\$122,698,987 / \$1,170,863*

**Total Contingency Remaining = \$20.1M program + \$1.2M project ~ \$21.3M**

# Vision 2.0 Program Budget Update: May 2024

Project Name	Current Budget	Estimate at Completion (EAC)	Budget Variance	Budget Reserve: Original/Balance
<b>VISION 2.0 PROJECTS</b>	\$ 229,500,000	\$ 204,508,110	\$ 24,991,890	\$12,392,941 / \$1,440,000
Satellite Concourse	\$ 134,500,000	\$ 127,283,207	\$ 7,217,889	\$8,952,941 / \$0
Runway 2L/20R Extension EA/Preliminary Design/Property Acquisition	\$ 15,000,000	\$ 15,000,000	\$ -	\$0 / \$0
Concourse A Site Prep / Fill / EA	\$ 49,000,000	\$ 31,224,903	\$ 17,775,097	\$2,000,000 / \$0
Concourse A Ramp Paving	\$ 31,000,000	\$ 31,000,000	\$ -	\$1,440,000 / \$1,440,000
<b>PROGRAM CONTINGENCY</b>	\$ -	\$ 24,991,891	\$ (24,991,891)	
<b>Total</b>	\$ 229,500,000	\$ 229,500,001	\$ (7,216,794)	\$12,392,941 / \$1,440,000

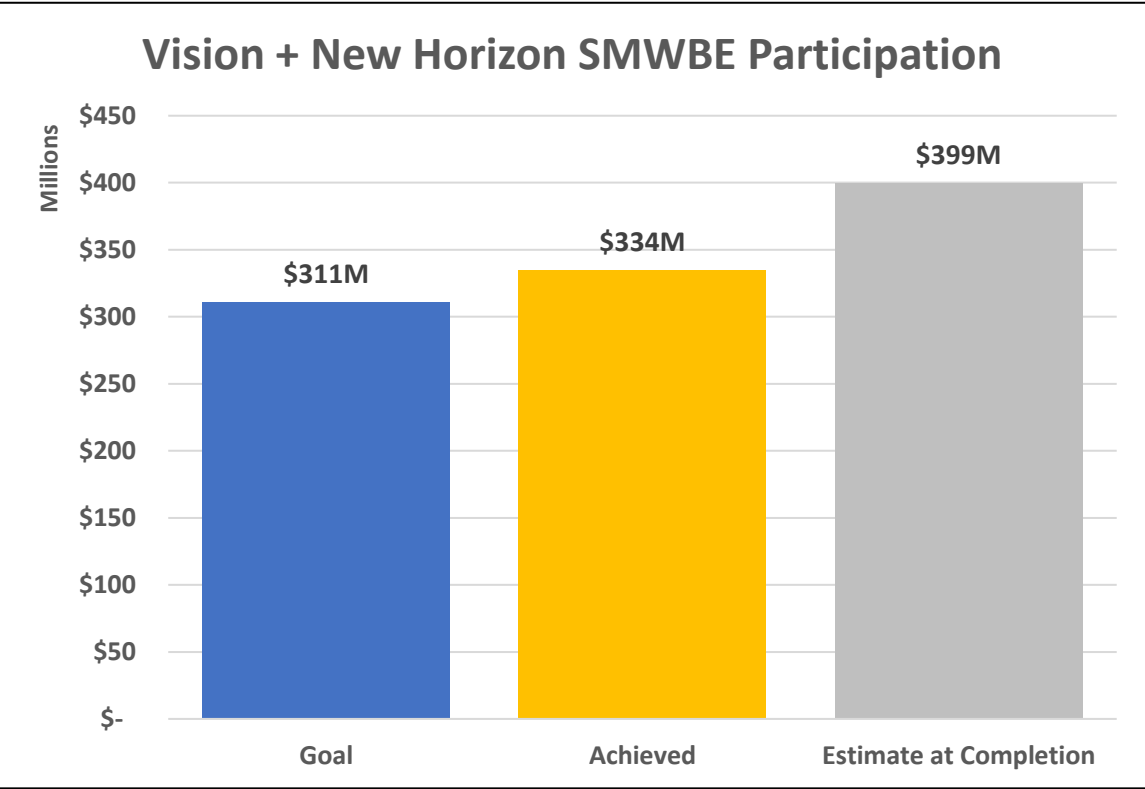
**Total Contingency Remaining = \$25M program + \$1.4M project ~ \$26.4M**

# New Horizon Program Budget Update: May 2024

Project Name	Current Budget	Estimate at Completion (EAC)	Budget Variance	Budget Reserve: Original/Balance
New Horizon Projects	\$ 1,458,500,000	\$ 1,458,500,000	\$ -	\$117,671,573 / \$117,671,573
Baggage Handling System Improvements	\$ 125,000,000	\$ 125,000,000	\$ -	\$11,329,600 / \$11,329,600
Concourse D Extension	\$ 287,000,000	\$ 287,000,000	\$ -	\$26,138,432 / \$26,138,432
Concourse A Expansion	\$ 855,000,000	\$ 855,000,000	\$ -	\$77,939,456 / \$77,939,456
Future Air Freight Building	\$ 25,000,000	\$ 25,000,000	\$ -	\$2,264,085 / \$2,264,085
Terminal Access Roadway Improvements Ph 2 & Ph 3	\$ 166,500,000	\$ 166,500,000	\$ -	\$ -
ART	\$ 4,000,000	\$ 4,000,000	\$ -	
PROGRAM CONTINGENCY	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 1,462,500,000</b>	<b>\$ 1,462,500,000</b>	<b>\$ -</b>	<b>\$117,671,573 / \$117,671,573</b>

**NOTE: "Proposed" New Horizon Program Scope & Budget introduced as Information Item at April Committee/Board.  
This will be presented as approval item at July Committee/Board.**

# SMWBE Participation – BNA Vision & New Horizon – May 2024



*Includes MBE, WBE, SBE & DBE*

	Vision 1 & 2	New Horizon	Total
Contract Amount	\$1,380.2M	\$309.3M	\$1,689.4M
Goal	\$273.6M	\$36.9M	\$310.5M
Achieved	\$329.1M	\$5.3M	\$334.4M
<b>Estimate at Completion</b>	<b>\$338.2M</b>	<b>\$60.9M</b>	<b>\$399.1M</b>

Source: Vision Project Controls – Pending validation by BDD



# Finance Report

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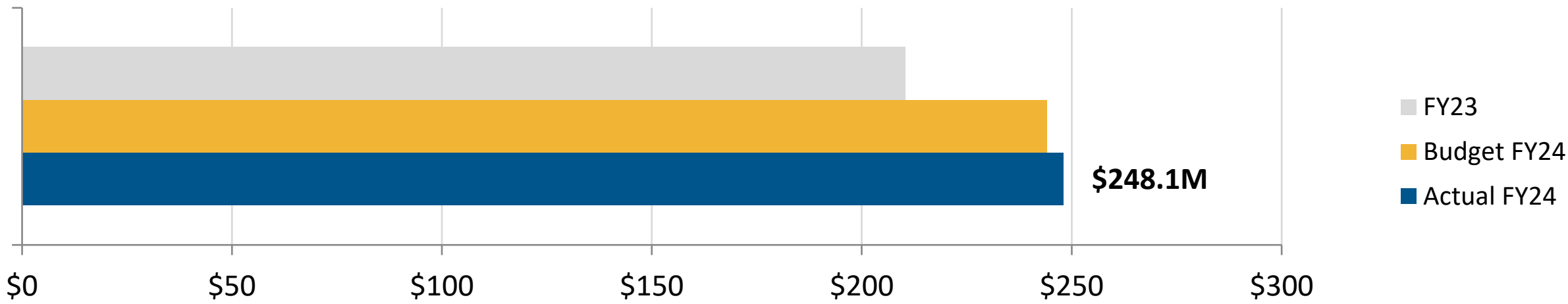
Marge Basrai, CPA, CGMA, CM

EVP, Chief Financial Officer

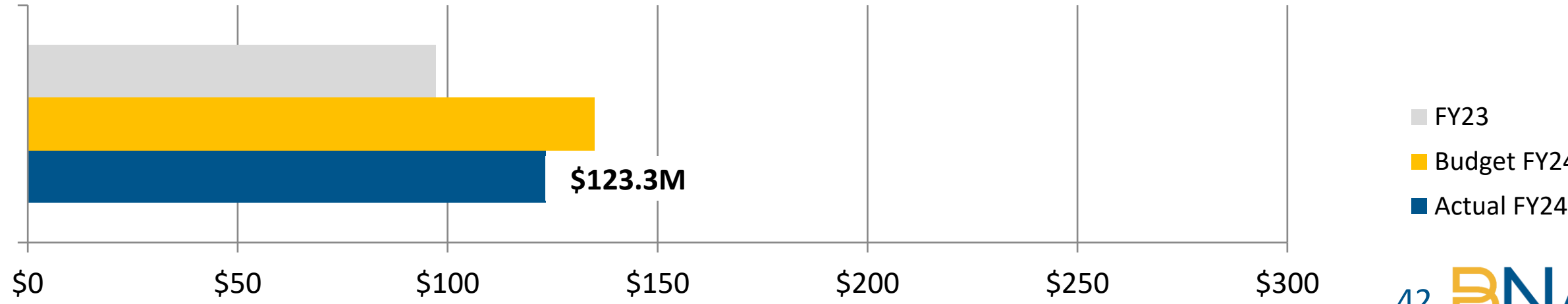
- *Due to timing of June Board meeting, May financial reports will not be available until after the Board meeting.*

# BNA – Revenues and Expenses YTD April 2024

### Operating Revenues (\$ millions)

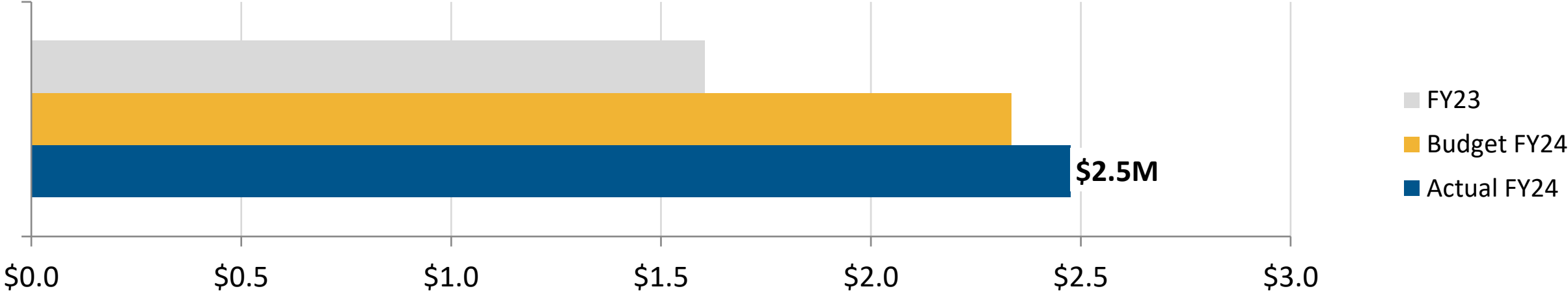


### Operating Expenses (\$ millions)

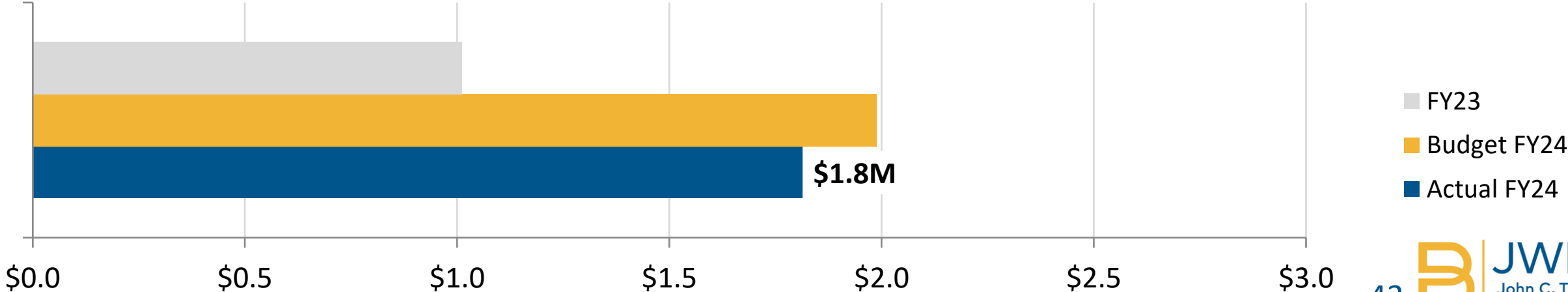


# JWN – Revenues and Expenses YTD April 2024

### Operating Revenues (\$ millions)

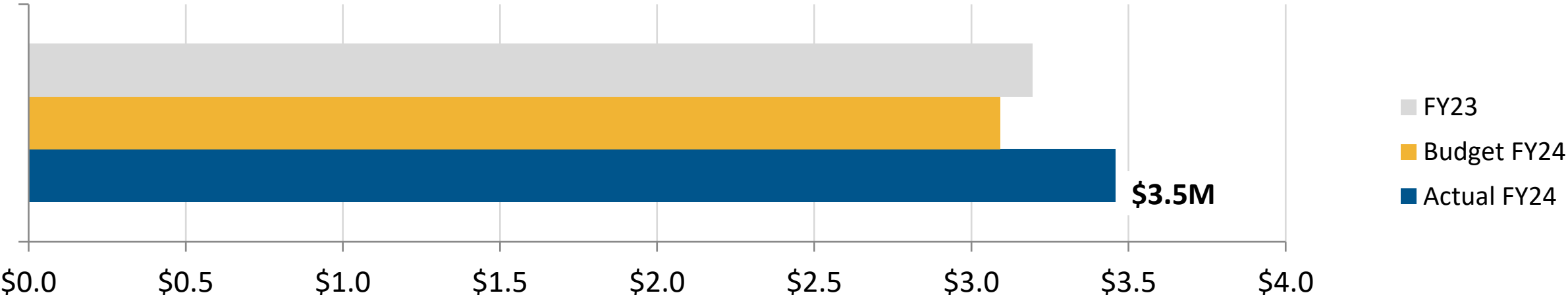


### Operating Expenses (\$ millions)



# MPC – Revenues and Expenses YTD April 2024

### Operating Revenues (\$ millions)



### Operating Expenses (\$ millions)



# Commercial Development Report

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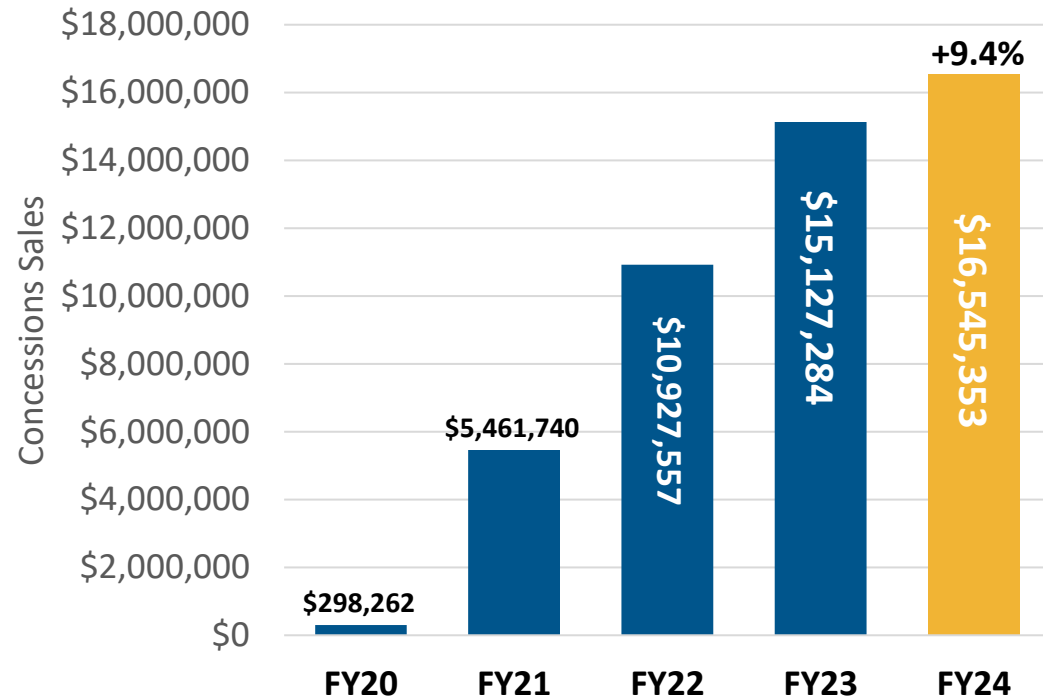
Eric Johnson, CCIM, CM

SVP, Chief Revenue Officer

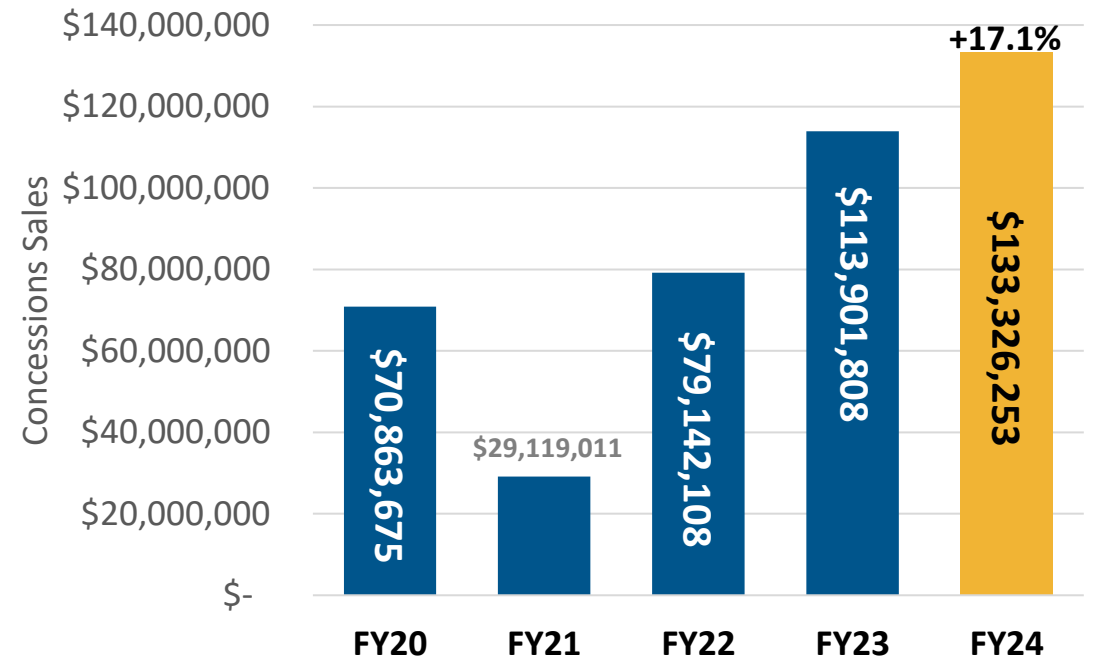
- *Due to timing of June Board meeting, May concession sales will not be available until after the Board meeting.*

# Concession Sales

## April



## Fiscal Year to Date



### Sales per Enplaned Passenger

April 2023: \$15.95

April 2024: \$16.41

\*includes Fraport & Paradis