

**Minutes of the Joint Meeting of the MNAA and MPC  
Finance, Diversity & Workforce Development Committees**



Date: June 5, 2024

Location: Metropolitan Nashville Airport Authority  
Tennessee Boardroom

Time: 9:21 a.m.

Committee Members Present:

Andrew Byrd, Committee Chair; Jimmy Granbery

Committee Members Absent:

Glenda Glover, Committee Vice Chair

Others Board Members Present:

Bobby Joslin, and Nancy Sullivan

MNAA Staff & Guests Present:

Doug Kreulen, Neale Bedrock, Lisa Lankford, Trish Saxman  
Marge Basrai, Kristy Bork, Kristen Deuben, Randy Dorsten  
Adam Floyd, Ijeoma Ike, Eric Johnson, Carrie Logan, Rachel  
Moore, Ted Morrissey, Stacey Nickens, Josh Powell, Robert  
Ramsey, Davita Taylor, and Colleen Von Hoene

I. CALL TO ORDER

Chair Byrd called the Joint Meeting of the MNAA and MPC Finance, Diversity & Workforce Development (“Finance”) Committees to order at 9:21 a.m. pursuant to Public Notice dated May 31, 2024.

II. PUBLIC COMMENTS

Chair Byrd stated there were no public comment requests received.

III. APPROVAL OF MINUTES

Chair Byrd asked for a motion to approve the May 8, 2024 Minutes of the Joint Meeting of the MNAA & MPC Finance Committees. Commissioner Granbery made a motion and Chair Byrd seconded the motion.

Chair Byrd asked Ms. Saxman for a roll call:

Chair Byrd – Yes

Commissioner Granbery – Yes

The motion passed with a vote of 2 to 0.

IV. CHAIR'S REPORT

Chair Byrd had no Chair's report.

V. ITEMS FOR APPROVAL

1. FY25 Commercial Insurance Policies Renewal

President Kreulen introduced Kristen Deuben, VP, Finance, to update the Commissioners on the FY25 Commercial Insurance Policies Renewal. Ms. Deuben reported that all commercial insurance policies for renewal in FY25 are effective on a July 1, 2024 through July 1, 2025 cycle. This year MNAA's broker, Marsh, conducted targeted marketing on select lines of coverage as they performed extensive marketing in the previous year. The total Not to Exceed ("NTE") value for FY25 is \$5,338,848, which is a 4.8% increase from the prior year.

The key reasons for the 7.3% increase in property insurance are due the total insured value of assets which 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.

Ms. Deuben stated that the cost for worker's compensation coverage increased 27.2% due to projected wages increasing from \$39.4M to \$50M, in addition to experience modification factor increasing from 0.69 to 0.77 due to an increasing trend in average cost per claim. Automobile insurance costs increased 30.55% due to an increase in cost of vehicles and increase in the number of vehicles that need to be insured. Special crime, pollution legal liability and contractors' pollution liability coverages offset some of the increases since these are multi-year policies that were paid in advance in FY24.

Ms. Deuben requested the Finance Committee recommend to the Board of Commissioners that it 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.

Commissioner Joslin asked about the experience modification factor and if there was an increase in claims, and if these were large or small claims. Ms. Deuben replied there were a lot of small claims, some covering medical. President Kreulen stated staff would provide a breakdown for the Board meeting. For example, recently there was a police vehicle that was parked when the officer was directing traffic, and it was totaled by a car slamming into it. Commissioner Joslin stated he has the same issue at his office, paying small claims and they pay their own claims up to a certain amount and did not know if MNAA was paying any out of pocket. President Kreulen stated MNAA is trying to do the same thing.

Chair Byrd stated insurance has been something that is widely in the news and there have been a lot of increases. He thinks this is a remarkably small increase, and stated his office recently went through a program of reevaluating their insurance agent. Chair Byrd said he thinks Marsh is an excellent insurance broker but at the same time, sometimes it makes sense to shop broker and pricing. Ms. Deuben stated the airport moved to Marsh in FY21, we had a 3 year contract, with one 2-year renewal option, which was just exercised. Chair Byrd asked if it is two 1-year options or a 1 2-year renewal option. Ms. Deuben stated she would double check. Chair Byrd stated MNAA knows from their own experience how good a job Marsh is doing on any insurance claims that come up and at some point, we bumped Willis Towers Watson because they were not doing that good of a job, and he thinks occasionally it makes sense to get other potentials.

President Kreulen stated this is one of the challenges MNAA took on, the Board had raised similar concerns in the past, and Chair Byrd's question was great. MNAA had Willis Towers Watson forever and made a business decision for procurement to go back out and rebid. A competitive solicitation is planned again in 2026. Chair Byrd stated when his company's operational people got him to shop the various insurance agents that he was shocked about the results. President Kreulen stated we have gotten a better understanding of our policies since hiring a risk manager, and with all the enhancements to our insurance program over the last couple of years and going with a competitive broker. Commissioner Granbery stated Bob Davidson has been a big help. President Kreulen stated yes, Bob Davidson is still on contract with MNAA to evaluate all of our insurance policies to make sure we have the right business terms and coverages to protect the airport. President Kreulen stated he will get additional details for the Board meeting.

Commissioner Granbery asked if we could back to the slide with property insurance, and asked what the coverage number is and what percentage of the \$2.99B are assets at John C. Tune. President Kreulen replied John C. Tune is about 1/100<sup>th</sup> of what you see at BNA, and stated he would provide the actual number.

Chair Byrd asked for a motion to approve as presented. Commissioner Granbery made a motion and Chair Byrd seconded the motion.

Chair Byrd asked Ms. Saxman for a roll call:

Chair Byrd – Yes

Commissioner Granbery – Yes

The motion passed with a vote of 2 to 0.

VI. INFORMATION ITEMS

1. None.

VII. ADJOURN

There being no further business brought before the Finance Committee, Chair Byrd adjourned the meeting at 9:33 a.m.



Andrew W. Byrd, Board Secretary