



# Meeting of the MNAA Management, Audit & Compliance (“Management”) Committee

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July 10, 2024

# Call to Order

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July 10, 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 Public Comment Requests Received by Monday, July 8, 2024, 9:00 pm

# Approval of Minutes

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Meeting of the MNAA Management, Audit & Compliance (“Management”)

May 8, 2024

# Chair's Report

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Joycelyn Stevenson

Management Committee Chair

# Items for Approval

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July 10, 2024 – None



# Information Items

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July 10, 2024

- Annual Review of FY24 Strategic Accomplishments
- CEO FY24 Key Performance Indicator's (Preliminary)

## Information Item

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



# FY24 Strategic Accomplishments

## FY24 Strategic Goals & Objectives



Invest in BNA/JWN

Plan for the Future

Prepare for the Unexpected

### 1. Airline Use & Lease Agreement

- ✓ Obtain approval (either AULA or AOA) of all airlines and implement requirements in new Agreement

### 2. Financial Commitments

- ✓ Ensure MNAA is following obligations in the Official Statement and Debt Management Policy
- ✓ Hire a consultant with expertise in hotel lease management and performance to ensure compliance prior to December 2023 opening
- ✓ Extend the Short Term Credit Facility by January 2024 and prepare a new Short Term Credit Facility in 2025

### 3. BNA Concessions Program

- ✓ Open 15 locations in the Grand Hall by September 25, 2023
- ✓ Open 7 locations in the satellite concourse by October 20, 2023
- ✓ Implement program to allow non-ticketed passengers to shop and dine in the concourses prior to December 2023

### 4. Staffing and Employee Satisfaction

- ✓ Complete hiring of all prioritized FY24 positions
- ! Achieve and maintain 95% staffing level by December 31, 2023
- ✓ Solicit contractor and conduct 2023 Employee and Augmented Staff Surveys by October 2023, and respond to results

### 5. Data Driven Business Decisions

- X Establish plan for improving data driven decisions and process controls, including CEO briefings
- ! Implement plan to respond to evaluation of insourcing/outsourcing of janitorial, shuttle, parking/valet, landscaping, and overall maintenance contracts

### 6. Procurement & Contracts

- X Implement new credit card program to support corporate credit card/p-card policy by December 2023
- X Complete comprehensive review of Procurement Policy, including benchmarking trips to large hub airports
- ! Implement Contract Management Program in Procurement to improve contract compliance and monitoring, and publish and implement revised Procurement Policy
- ✓ Implement Project Management Tracking Program to improve financial reporting, tasks and special project schedules & compliance
- ✓ Implement improvements to real estate management, and transition real estate to Chief Revenue Officer

### 7. BNA Vision and New Horizon

- ✓ Open Marketplace and International Arrivals Facility (IAF) (September 25, 2023)
- ✓ Open Satellite Concourse and Shuttle Station (October 20, 2023)
- ! Complete TARI Phase I Road-Widening (May 2024)
- ✓ Open hotel (February 20, 2024)
- ✓ Complete 30% Baggage Handling System design and 70% facility design for BHS Improvements to 40 MAP
- ✓ Complete relocation of tenants to Multi-Purpose Building & demo Air Freight Building
- R/W 2L Proposed Extension
  - ✓ Award contract for Environmental Impact Statement (EIS)
  - Award contract for Uniform Relocation Act (URA) requirements, appraisals, surveys and environment assessments

### 8. Permit Boundaries

- ✓ Implement BNA and JWN Permit Boundaries with Metro Codes/Planning

### 9. Tune Taking Off

- ✓ Complete leases & construction of MNAA North Development area by Nov 30, 2023
- ✓ Ensure FBO tenant rebuilds Hangars 1, 2 and 3
- ! Develop and release RFP for 2<sup>nd</sup> FBO

### 10. Complete Strategic Studies with coordinated long-range phasing plans for implementation

- ! Finalize Curbside and Roadway Access Plan for 35M passengers
- ! Finalize Future Parking/Garage(s) Plan
- ✓ Develop Plan for Opening Virtual Tower and Additional RGN/Deice Pads
- ✓ Begin Environmental Impact Statement Process for Runway Extension
- ! Identify Future Rental Car Facility Location and Sizing
  - Identify Site and Program for ARFF Station(s)
  - Publish Plan to Expand Fuel Farm Capacity
  - ✓ Initiate Multi-Concourse Terminal Siting Study for 70M passengers
  - Complete Logistics/Transportation Study for Future Warehousing & Distribution

### 11. International Air Service

- ✓ Continue to pursue Europe and Asia air service

### 12. State/Federal Government Affairs

- ! Update BNA/JWN Economic Impact to demonstrate airports value to Middle TN and quantify benefit of funding; Coordinate with State
- ✓ Obtain approval of the 5-year State Funding Proposal in coordination with TAACA

### 13. Board Management Policy Updates

- Implement Board Transition Plan
- Publish Board approved enhancements to Corporate Governance (Ethics/Bylaws)

### 14. Business Diversity Leadership

- ! Complete actions in response to five 2021 Disparity Study findings, including B2Gnow enhancements
- X Publish certified SMWBE, DBE and ACDBE Performance for community distribution
- X Develop & publish CEO approved Business Plan to enhance Diversity and Inclusion

### 15. 24/7 Operations

- ✓ Evaluate options/contingency plans for ensuring 24/7 elevator and escalator continuous operation
- ✓ Enhance Terrazzo and Restroom Cleaning

### 16. Succession Planning

- X FY24 Performance Management Program
  - Improve evaluation system to better measure performance and reward high performance
  - Procure and implement system for managing Performance Management process
- ! Organizational Development
  - Develop comprehensive plan for organizational development, including talent acquisition, onboarding, individual development and succession planning
  - Evaluate and implement improvements to recognition of exceptional performers and specialty/shift differential pay

### 17. Building & Property Appraisals

- ✓ Develop and implement program to get appraisals done on building and infrastructure to ensure we reflect total insurable value for property insurance

### 18. 2nd Water Line to Airport (TARI)

- ✓ Begin construction of the redundant line

### 19. Airfield Design Standards

- ✓ Develop and publish CEO approved Airfield Engineering Design and Compliance Standards Manual

### 20. Internal Department Business Continuity Plans

- ! Implement internal procurement processes to ensure business continuity in times of emergencies
- ! Implement plans for critical business finance processes in case of outages

<b>FY24 Year-End Rating: 86.4%</b>	
✓ Met Goal	X Behind Goal
! Partially Met Goal	- Hold/Re-Evaluate

Issued: June 26, 2023  
Updated: June 3, 2024

- Key Accomplishments (86.4%)
  - Executed Airline Use & Lease Agreement with all signatory airlines and Airline Operating Agreements with all non-signatory airlines
  - Opened Marketplace, IAF, Satellite Concourse, Hotel and 24 concessions locations
  - Began Concourse D Extension and 2<sup>nd</sup> water line construction, Concourse A design and Terminal II/CONRAC siting study
  - Executed 6 leases for 10 parcels & completed MNAA construction of ramp, road, water, and power for JWN North Development area
  - Met or exceeded all financial obligations
  - Hired 100% of FY24 priority positions
  - 55 employees earned AAE Certified Member (C.M.) accreditation

CEO FY24 Key Performance Indicators (KPI's)  
Performance Inputs  
Preliminary Projections through May 31, 2024

KPI Evaluation Criteria	90% Eligibility	100% Eligibility	110%+ Eligibility
<b>Financial (50%)</b>			
<b>Operating Income (BNA+JWN+MPC) (25%)</b>			
Operating Revenue	Meets budget: \$302.4M	5% over budget: \$317.5M	10% over budget: \$332.6M
Operating Expense	Meets budget: \$178.0M	5% under budget: \$169.1M	10% under budget: \$160.2M
<b>Fiscal Responsibility / Strength (25%)</b>			
Senior Debt Coverage	1.25	1.3 - 1.5	Greater than 1.5
Sr/Subordinate Debt Coverage	1.1	1.2 - 1.25	Greater than 1.25
Days Cash on Hand	500 days (OS)	550 - 650 day (Policy)	Greater than 650 days
Pension Funding	80% - 89%	90% - 100%	Greater than 100%
OPEB Funding	80% - 89%	90% - 100%	Greater than 100%
<b>Operational (50%)</b>			
<b>Overall Airport Satisfaction (25%)</b>	80% - 84% top 2 box	85% - 90% top 2 box	Greater than 90% top 2 box
<b>Strategic Goals (25%)</b>			
Invest in BNA/JWN	Meets expectations: 70% - 79%	Exceeds expectations: 80% - 90%	Outstanding: Greater than 90%
Plan for the Future			
Prepare for the Unexpected			

**Preliminary Results – CFO/CSO to provide in August**

# CEO FY24 Key Performance Indicator's (Preliminary Results)

- Operating Income/Revenue
  - FY24 - ~ \$302M (~ +\$50M)
- Fiscal Responsibility
  - Cash on Hand – ~ 896-days
- Airport Satisfaction
  - 94% (March 31, 2024 Survey)
- Strategic Goals
  - 86.4%

# Executive Session / Discussion with Outside Legal Counsel

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July 10, 2024





# Meeting of the MNAA Management, Audit & Compliance (“Management”) Committee

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Meeting Adjourned