

## Agenda of the MNAA Management, Audit & Compliance Committee



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Date/Time: Wednesday, July 10, 2024, at 10:30 a.m.

Place: Nashville International Airport – Tennessee Board Room

Management Committee Members: Joycelyn Stevenson, Committee Chair  
Jimmy Granbery, Vice Chair

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I. CALL TO ORDER

II. PUBLIC COMMENTS

No requests for public comment received to date. Deadline is July 8, 2024 at 9:00 p.m.

III. APPROVAL OF MINUTES

May 8, 2024 Minutes of the MNAA Management, Audit & Compliance Committee Meeting

IV. CHAIR'S REPORT

V. ITEMS FOR APPROVAL

None

VI. INFORMATION ITEMS

1. Annual Review of FY24 Strategic Accomplishments
2. CEO FY24 Key Performance Indicators Preliminary
3. Executive Session – Discussion with Outside Legal Counsel

VII. ADJOURN

# Minutes of the MNAA Management, Audit & Compliance Committee



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Date: May 8, 2024

Location: Metropolitan Nashville Airport Authority  
Tennessee Boardroom

Time: 9:59 a.m.

Committee Members Present:

Joycelyn Stevenson, Committee Chair; Jimmy Granbery,  
Committee Vice Chair

Committee Members Absent:

None

Others Board Members Present:

Andrew Byrd, Bobby Joslin, Nancy Sullivan, Glenda Glover

MNAA Staff & Guests Present:

Doug Kreulen, Neale Bedrock, Lisa Lankford, Trish Saxman  
Randy Dorsten, Rachel Moore

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I. CALL TO ORDER

Chair Stevenson called the meeting of the MNAA Management Committee to order at 9:59 a.m. pursuant to Public Notice dated May 3, 2024.

II. PUBLIC COMMENTS

Chair Stevenson stated there were no public comment requests received.

III. APPROVAL OF MINUTES

Chair Stevenson asked for a motion to approve the April 10, 2024 Minutes of the Management, Audit & Compliance Committee meeting. Vice Chair Granbery made a motion and Chair Stevenson seconded the motion.

Chair Stevenson asked Ms. Saxman for a roll call:

Chair Stevenson – Yes

Vice Chair Granbery – Yes

The motion was passed with a vote of 2 to 0.

IV. BOARD CHAIR'S STATUS REPORT

Chair Stevenson had no Chair's report.

V. ITEMS FOR APPROVAL

1. None

VI. INFORMATION ITEMS

1. 2024 Affirmative Action Program (AAP) Update

President Kreulen introduced Randy Dorsten, AVP, Human Resources to update the Commissioners on the 2024 Affirmative Action Program (AAP) Update. Mr. Dorsten stated each year we are required by FAA and other governmental authorities require MNAA to prepare a Minorities and Women Affirmative Action Program (AAP) and Individuals with Disabilities and Protected Veterans AAP. This year Ogletree Deakins prepared the 2024 AAP report. The good news is each year they give us a number of goals to work on and the only goal where MNAA was found deficient in is the Minority goal: Service Workers (Police). These goals move every year and this year the goal was at 50.7% and we are currently at 40%. MNAA did have improvement over last year. There are no findings on hiring promotions or terminations that would suggest that we are discriminatory in any practice there. From an Individuals with Disabilities perspective, we are currently at 3.1%, there is hiring goal of 7%; however, it is more about how much you tried, versus strict adherence to the goal. MNAA is required to survey our current employees where we think we are a little deficient in people identifying themselves with a disability, typically that occurs when hired and then we have to do a survey every 5 years and plan to do one this summer to hopefully identify employees who didn't originally identify.

Commissioner Glover asked is it because MNAA does not have enough applicants or do we have the applicants and they are not qualified? Mr. Dorsten stated MNAA numbers are pretty favorable, we believe it is more that people are not identifying themselves with a disability, and that stigma is lowering in the macro market, but still people do not want to say they have a disability when applying for a job. President Kreulen added he is very pleased with the results of this year, and if you look at our trend over the last 5 years, we continue to get stronger and the number of issues or concerns that we have are less. You always learn something new and this time with Ogletree Deakins we learned it is a common practice to recommend that you go back and survey your existing workers and see if they have chosen to change and identify their disabilities. It is not attribution, and that is one of the tasks we have taken. President Kreulen stated he realizes several people, himself included, have service-connected disabilities that may not be reported at the time they are hired, but now that they have a job and are working, there may not be a stigma attached. We took this as an assignment to see where we really are at.

Commissioner Granbery asked if it is confidential. President Kreulen replied yes, it is. Chair Stevenson stated regarding the Minority Service Worker Police goals and Individuals with Disability, part of the issue is increasing the pool of applicants, and asked what some of the outreach activities are that MNAA is thinking about doing. Mr. Dorsten replied that is on the next slide and MNAA does outreach to the local community, universities, as well as Ft. Campbell. MNAA is always open to find other ways to reach out to different communities to ensure we get the strongest possible applicants.

Mr. Dorsten stated the Protected Veterans goal of 5.4% was far exceeded by 14.6%. Commissioner Granbery asked what expertise most veterans bring to MNAA. Mr. Dorsten replied a large percentage are with DPS, some on the maintenance side and other roles as well. President Kreulen replied yes, DPS is the largest one and maintenance is another department too, where employees who worked in military on Humvees are now maintaining our fire trucks or other vehicles.

Mr. Dorsten presented several photographs of the MNAA team at several job fairs in and around Nashville. President Kreulen stated jobs are very competitive and when our Human Resources team finds about career fairs, they try to get involved, especially with the police department positions. MNAA has been adjusting salaries to try to stay competitive and recently Williamson County/Franklin police added another 5K jobs so you will see police officers start moving again. Chair Stevenson mentioned she notices TSU on the photograph. Commissioner Granbery asked what the two lines in the circle represented. Mr. Dorsten replied, the LGBTQ community.

## 2. Board Officers Discussion

Chair Stevenson stated as a reminder pursuant to Section 2.3.1 of the 3<sup>rd</sup> Amended & Restated Bylaws of the MNAA Board of Commissioners, at the May meeting of the Board in years ending in even numbers, the Board, shall elect from among its members a Chair, a Vice Chair and a Secretary, each shall serve for a term of two years each beginning July 1, 2024. This will take place at the May 15, 2024 Board meeting.

President Kreulen stated next Wednesday, May 15, 2024, the Board will meet here in the MNAA Tennessee Boardroom from 8:00 – 11:00 a.m. for the Board Workshop and then walk over to the hotel for lunch and return for the Board meeting at 1:00 p.m. We have another 2 or 3 sessions to prepare for the Board Workshop for the Commissioners, Terminal II is a multi-billion dollar effort that has a lot of challenges, and we would like to get the Board's feedback. Chair Stevenson inquired as to receiving and reviewing any information before the Board Workshop. President Kreulen replied, no. Commissioner Sullivan asked if this is 1 of 3 sessions. President Kreulen replied we have presented 3 informal updates at

the past Board meetings, and this will be the 1<sup>st</sup> Workshop. Based on the feedback from the Commissioners, and we will decide how many more will be needed. After every Board Workshop we will have homework and then decide on having another Board Workshop. President Kreulen stated that there is just so much we want to show and share. When you have to move 340 acres of people out of the way to build another terminal, there are a lot of challenges.

Commissioner Granbery asked what the drop dead date is for a decision. President Kreulen replied, the staff a year or so ago argued based on historical United States averages, it takes approximately 10 years to build a new terminal. So we thought by 2035, we will reach 35M and if Nashville does not slow down, we will get to 35M by 2034. The first 12 months of the 10-year process is to scope it, understand the challenges, and try to bucket what you are going to do over the next 9 years to meet that goal. What the team hopes will happen out of the Board Workshop is that the Board understands where we are going and what the challenges are because one of the next steps is for the team to start talking with the airlines and rental cars. President Kreulen stated he had to formally discuss with Southwest executives because someone was leaking information to them and let them know that we are not there yet because we do not have the MNA Board's decisions. We need the Board's support and blessings before we share any information.

Commissioner Joslin asked what was leaked to them. President Kreulen gave a couple of examples, i.e., "I hear you are going to build it over here." And he replied, we have not decided yet, or "I heard you are moving rental cars to Murfreesboro." And he replied that is not true, and asked where they heard that from. Until we make decisions internally we are not going outside the airport to start sharing what we are doing. Commissioner Granbery stated our meetings are public, so they can see information there. President Kreulen yes, our slides are always posted, but there has not been any definitive decisions. President Kreulen stated that if you have a good story someone will pick up.

Commissioner Granbery suggested we put a big disclaimer on all of the slides. Commissioner Byrd asked if we have been in communication with the Metro Department of Transportation regarding our plans, or with the Tennessee Department of Transportation ("TDOT"), as there will be a huge impact. President Kreulen replied Commissioner Eley is knowledgeable that we are growing and the State has not done anything to try to figure out the road situation. On the Metro side, President Kreulen met with Mayor O'Connell, Nashville Department of Transportation ("NDOT") (Diane Alcon) and WeGo (Steve Bland). All politics aside, the airport has plans going through 2035, and the city and state need to also be planning to ensure that the roads can handle 35M passengers and up to 50M passengers. BNA is busy at 24M

passengers, and the city and state should be focusing on how a massive number, such as 70M passengers, will get out here. Commissioner Joslin stated they do not work that way.

President Kreulen replied right, but we need to see models that will be able to fit 30M passengers and then 40M passengers or 70M passengers and see the symbols change from green to red, and that is the kind of level that we are doing and assuming that passengers can get here.

Commissioner Granbery asked if the current road network right now is only designed to 35M passengers. President Kreulen replied there are grades A through F for roads. Our road network will do approximately 35M passengers, but at 35M to 40M passengers, we start getting down to a grade C. The biggest one is if you go on Murfreesboro, it is 6 lanes, until you get to where Genesco was, then it narrows down to two lanes. It will need to be widened, but we do not own it. Donelson also needs to be 6 lanes, which we also do not own. President Kreulen stated his feedback to the staff is do not build where Donelson may have to go. Commissioner Sullivan asked if the city already has the right of way to do the expansion. President Kreulen replied that is up to the State, for the current Donelson expansion, they are only building 2 lanes, but they bought the right of way for 4 lanes. Commissioner Sullivan asked if the MNAA consultants are ready. President Kreulen replied, yes, that will give us permission to talk with the airlines, rental cars and the State and get them all fired up. Commissioner Byrd stated we do not want to have too much enthusiasm too fast and then suddenly end up disappointed because of our expectations. This is going to build a heck of a build out, he stated. In the next 15 years, in 2040, this should be a 2.5M person town, and you cannot even get around today. President Kreulen replied Commissioner Joslin stated the Harding Place extension has been on the books since the '70s-- that is your relief valve here. President Kreulen stated if they are going to build that and be ready to go when we open up something, they need to be open in 2034.

#### ADJOURN

There being no further business brought before the Management Committee, Chair Stevenson adjourned the meeting at 10:18 a.m.

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Andrew W. Byrd, Board Secretary

# FY24 Strategic Goals & Objectives

Invest in BNA/JWN

## 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

Plan for the Future

## 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 RON/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)

Prepare for the Unexpected

## 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