

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



Date: August 14, 2024

Location: Metropolitan Nashville Airport Authority  
Tennessee Boardroom

Time: 9:56 a.m.

Committee Members Present:

Andrew Byrd, Committee Chair; Glenda Glover,  
Committee Vice Chair

Committee Members Absent:

Glenn Farner

Others Board Members Present:

Nancy Sullivan, Jimmy Granbery, Bobby Joslin, and  
Joycelyn Stevenson

MNAA Staff & Guests Present:

Doug Kreulen, Neale Bedrock, Lisa Lankford, Trish Saxman  
Marge Basrai, Adam Bouchard, Kristy Bork, John Cooper,  
Capt. Brian Findlen, Adam Floyd, Tre Hardin, Eric Johnson,  
Carrie Logan, Rachel Moore, Ted Morrissey, Stacey Nickens,  
Olivia Parven, Brandi Porter, Robert Ramsey, Davita Taylor,  
Adam Wolf, 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 9:56 a.m. pursuant to Public Notice dated August 9, 2024.

II. PUBLIC COMMENT

Chair Byrd stated there were no public comment requests received.

III. APPROVAL OF MINUTES

Chair Byrd asked for a motion to approve the July 10, 2024 Minutes of the Joint Meeting of the MNAA & MPC Finance Committees. Vice Chair Glover made a motion and Chair Byrd seconded the motion.

Chair Byrd asked Ms. Saxman for a roll call:

Chair Byrd – Yes

Vice Chair Glover – Yes

The motion passed with a vote of 2 to 0.

#### IV. CHAIR'S REPORT

Chair Byrd had no Chair's report, and stated Vice Chair Glover would like to say a few things. Vice Chair Glover stated in front of her is the Chairman's Award that President Kreulen received at the Airport Minority Advisory Council ("AMAC") Conference. AMAC Board Chair Ricky Smith presented President Kreulen with the prestigious Chairman's Award in a sold-out audience. Big round of applause. Vice Chair Glover stated the AMAC conference was very well run and Ms. Davita Taylor also received an award, the Local Icon Industry Award. Big round of applause. Commissioner Stevenson thanked President Kreulen and MNAA for the opportunity to attend the AMAC Conference and recognized how much work the entire team worked nonstop Saturday through Wednesday. Commissioner Stevenson stated she, Vice Chair Glover and Commissioner Sullivan all attended and had a wonderful time. She and Vice Chair Glover marched with the band and had a great time at all of the events. Big round of applause. Commissioner Sullivan added Ms. Stacey Nickens also did an amazing job and also deserves a round of applause. Big round of applause. Chair Byrd stated it is a lot of hard work and takes years of effort, way to go team.

#### V. ITEMS FOR APPROVAL

##### 1. 2<sup>nd</sup> Amendment to Professional Services Contract for Cellular DAS and Wi-Fi Consulting

President Kreulen introduced Eric Johnson, SVP, Chief Revenue Officer, to brief the Committee on the 2<sup>nd</sup> Amendment to Professional Services Contract for Cellular DAS and Wi-Fi Consulting. Mr. Johnson stated that Cell Site Capital provides technical consulting services to support the Authority's transition from third-party owned and managed Cellular DAS and Wi-Fi infrastructure to a system owned by the airport. Cell Site Capital will assist the Authority in negotiating license agreements with the three cellular carriers. In September 2023, MNAA put out a Request For Proposal ("RFP") for the consulting services and received 3 bids. Two of those bids were considered non-responsive due to not being licensed to do business in the State of Tennessee. On June 1, 2023 the selection committee selected Cell Site Capital for this project.

Mr. Johnson stated as the project moved forward, the scope changed when MNAA decided to make a shift from hiring another 3rd party operator and owner of the system to MNAA owning the network system for this service provided. In March 2024, MNAA issued the 1<sup>st</sup> amendment for additional funding to help Cell Site Capital go through the process of the RFP selection of a service provider, which the Board approved Boldyn as the manager of that system. Today we are here for the 2<sup>nd</sup> amendment to that the Cell Site Capital contract which provides additional funding to lead negotiation services for cell carrier license agreements and extends term to June 30, 2025 for transitional and post-transition support. The SMWBE goal is race and gender neutral. The funding source for this project is 100% Concessions O&M Budget.

Mr. Johnson recommended that the Finance Committee recommend to the Board of Commissioners that it accept the 2nd amendment to the consulting contract between MNAA and Cell Site Capital, LLC, and authorize the Chair and President and CEO to execute the 2nd contract amendment for \$750,000.

Chair Byrd asked for a motion to approve as presented. Vice Chair Glover made a motion and Chair Byrd seconded the motion.

Chair Byrd asked Ms. Saxman for a roll call:

Chair Byrd – Yes

Commissioner Glover – Yes

The motion passed with a vote of 2 to 0.

## VI. INFORMATION ITEMS

### 1. Quarterly Retirement/OPEB Treasury Investment Reports

President Kreulen introduced Ms. Kristy Bork, AVP, Finance, to brief the Committee on the Quarterly Retirement/OPEB Treasury Investment Reports. Ms. Bork stated this is for the quarter ending June 30, 2024, and as a reminder we do our actuarial reports at the end of the fiscal year so we will also be reporting on those today. For the quarter that ended June 30, 2024, the Retirement Plan market value was up to \$84.8M, which is an increase of \$1.3M over the prior quarter. The OPEB market value was \$43.2M, which is an increase of \$0.3M over the prior quarter. The Retirement Plan is 95% funded

and that is based on an actuarial basis and for the OPEB we were at 169.3% funded which is based off of market value. MNAA reports funded status on an actuarial basis for the retirement plan which is smoothing on 3 years. If reported on a Market Value basis at year end, we would be at 99.7%. We do feel comfortable with this and there were some really big swings in the market between 2021 and 2022 which is leading that downward trend, but we still feel it is healthy and the market value is good at this point. The OPEB plan is doing really well and the funding percentage is very healthy.

Ms. Bork reported for the MNAA investments for the quarter ending June 30, 2024, our total available funds were \$1.2B and we made just over \$13.8M with 99.6% of funds invested. The investment portfolio is in compliance and meeting its objectives.

2. BNA Concession Program Update and Sales Report

President Kreulen introduced Coleen Von Hoene, Associate Principal with Paslay Group. Ms. Von Hoene stated she will give an update on three topics, Quarterly Sales Report 2024 CYTD Q2, Concourse D Extension Concessions and the BNA PASSport Program. Ms. Von Hoene stated that concessions continue to grow, and sales growth has exceeded enplanement growth. For the year to date, January through June 2024, sales are up 13%, airport wide representing both Fraport and Paradies together. Fraport sales were \$91.6M in the first 6 months of the year, with sales per enplanement at \$17.16, which is healthy for the airport industry. Paradies year to date sales were \$4.1M with sales per enplanement at \$7.49. The Paslay Group is working with Paradies to try to improve their sales.

Commissioner Granbery asked if that reflects that some were not open the full time. Ms. Von Hoene replied no, all concessions were open by January. January and February are slow months and a couple days of the week traffic is a little lower. Chair Byrd asked what the difference is between sales and sales per enplanement. Ms. Von Hoene replied sales is the total sales generated by all of them collectively, and the sales per enplanement is total sales divided by enplanements which is a typical productivity measurement in the airport industry. If you allocated all those sales across the enplanements it shows how productive you are. The higher that number is the more sales you are generating per enplaned passenger. Commissioner Sullivan asked is there a breakeven point. Ms. Von Hoene replied no, that is just sales, not revenue. Commissioner Sullivan asked if there is a goal for industry standards. Ms. Von Hoene replied that there is not an industry standard but when we

looked at industry data over the past several years, \$17.16 is great. President Kreulen stated the Staff have attended conferences and meetings with other airports and we see they are selling at \$11.50 per enplanement, and some of the other industry data you see shows Fraport is now pretty healthy. If you are an airport where you are seeing the data that the other airports put out and you are below that average, you figure out what to do to freshen up the program and get additional sales. It is helpful for us to know. Ms. Von Hoene stated this is quarter 1 and 2 data and combined from 2022 to 2024 you can see substantial growth, even from 2023 to 2024, so by the end of 2023 we were pretty much a stabilized program. There is a significant increase from \$84M in 2023 up to almost \$95M in 2024. President Kreulen stated when you go back to 2022 data, we might have had 60 to 70 businesses open and MNAA is now at our full complement of businesses being built out, so 2024 should be the best year we have ever had.

Ms. Von Hoene reported that there are 8 new locations for the Concourse D extension, including 5 food and beverage and 3 retail. All locations met 30% design approval deadline. All locations have submitted 95% designs for code approval with Metro. Seven locations have been approved to code and one location was reviewed and asked to revise and resubmit. Based on the fact that everything has been cleared to code and the construction deadline in the contract is March 2025, we have a very good cushion to get through Metro. Vice Chair Glover asked if Metro requires plans to be submitted before starting the project, and what the time period is like for the inspections. Ms. Von Hoene stated the permit is issued by Metro and no one can start without a permit, and the second answer as to how long it takes depends on Metro's workload and how much we are sending to them at the same time. She has seen it go from 60 -120 days and some of the factors are clean drawings, if drawings have comments, and if they have questions that they identify on what needs to be addressed, then that takes some time. Vice Chair Glover asked if MNAA has to have everything completed with Metro before starting. Ms. Von Hoene replied yes, they have to have the permit in hand.

Commissioner Granbery stated on July 1, 2024 a new law went to effect that if Metro does not issue a permit, we can hire a 3<sup>rd</sup> party to do it for us. Ms. Von Hoene replied they are aware of that, but hopefully we do not have to go to it at this time. Commissioner Granbery stated but then it would take 30 days, that would be the max. Ms. Von Hoene stated then they would have to find someone else to do it. Commissioner Granbery stated they could do that in advance. Ms. Von Hoene stated concessions is aware of it, but has not used it yet. Commissioner Granbery stated it is a really good

tool for the construction industry. President Kreulen stated over the many years Fraport has refined their model and used their lessons learned over the last 3 plus years and are months ahead of schedule now, and if there is a problem area, we will have time to get that cleaned up. We do not want to miss this deadline and in our New Horizon meetings, we do not want to miss the date and on March 4, 2025, we turn it over to the people who are going to build it. Commissioner Granbery agreed and stated ultimately that hurts us because with the Satellite Concourse we had several lagging way behind opening and the terminal was already open. Vice Chair Glover stated she has heard passengers that are excited to be in Terminal D, they like it.

Ms. Von Hoene presented a couple of renderings of the new concessions showing the Martini Bar, New Heights Cantina and The Castle. Commissioner Granbery asked if The Castle is part of the Nashville soccer team. Ms. Von Hoene replied yes, they have a license agreement with them. President Kreulen stated and that is a huge win for BNA, we were able to get the Titans and the Preds and now the Nashville Soccer Club. Vice Chair Glover asked if Martini is a national brand. Ms. Von Hoene replied she does not believe so.

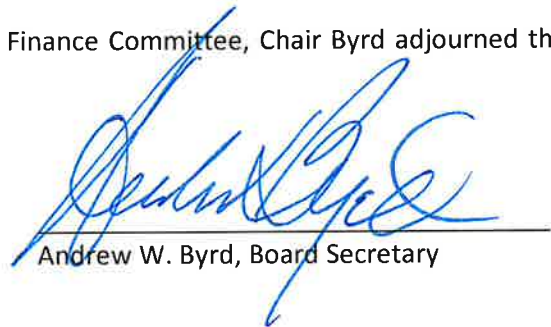
Ms. Von Hoene stated that BNA PASSport went live on July 1, 2024 and we have received 2,419 applications with 1,099 passes issued. Not everyone who puts in the application actually shows up. Also, when they submit their application we ask them the purpose of their visit to get a sense of why people are coming. The majority are greeters or well wishers and 18.3% are coming to shop and dine. We received some initial good press, and a positive article from "The Points Guy". There has been positive social media feedback, such as "We had a great time last Wednesday! Visited @voodoodoughnut, @eighthandroast, most of the gates, saw @bnacarpets, ran into a friend who was flying, and went up to the roof of the @hiltonbnanashvilleairport". All in all, this is a good sales opportunity for BNA. Commissioner Sullivan asked how easy is it to get a BNA PASSport, sometimes they sell out so quick. Ms. Von Hoene replied we limited the number of passes. Initially we did not want it to have it open to everyone because we had to fully test it and make sure that we did not overwhelm the TSA checkpoints. We hit the max passes on a couple of occasions and had the opportunity to work with the vendor of this solution to ratch it up in number of passes. President Kreulen stated we were worried about in the peak periods, we may not have available parking or something like that, and today we still have the opportunity for 75 people to sign up. Vice Chair Glover stated we got some good press. Commissioner Stevenson stated she used it and it worked

well, she and her sister came out and since then her sister has visited several times by herself. She stated that applicants do not know if approved until midnight or until the morning of, and asked if it will that continue to stay that way. Ms. Von Hoene stated it is her understanding that is the way the system is set up but she will go back and see if there is an opportunity to change that. Commissioner Granbery asked if an exit survey is done, and stated his daughter came out with her two children to greet someone but ended up eating lunch. Ms. Von Hoene stated the question is asked on the application. We may have an ability to do a follow-up survey, this has not been started but we can look into it. Commissioner Granbery stated he believes it will be a high number for shopping. President Kreulen stated yes, 81% come to greet but they also may buy something. Vice Chair Glover asked if we will have a chance to see the revenue. President Kreulen stated until we do surveys, it is hard because we are not tracking by credit card and once through security, they go wherever they want.

President Kreulen concluded the presentation of the informational items.

VII. ADJOURN

There being no further business brought before the Finance Committee, Chair Byrd adjourned the meeting at 10:23 a.m.

  
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Andrew W. Byrd, Board Secretary