

**Minutes of the Meeting of the MNAA
Board of Commissioners and MPC Board of Directors**



Date: August 21, 2024

Location: Metropolitan Nashville Airport Authority
Tennessee Boardroom

Time: 1:00 p.m.

Board Members Present: Nancy Sullivan, Chair; Jimmy Granbery, Vice Chair; Bobby Joslin, Joycelyn Stevenson, and Glenn Farner

Board Members Absent: Andrew Byrd, Secretary and Glenda Glover

MNAA Staff & Guests Present: Doug Kreulen, Neale Bedrock, Lisa Lankford, Trish Saxman, Marge Basrai, Adam Bouchard, John Cooper, Kristen Deuben, Chris Fieburg, Adam Floyd, Tre Hardin, Traci Holton, Eric Johnson, Carrie Logan, Rachel Moore, Ted Morrissey, Stacey Nickens, Brandi Porter, Josh Powell, Robert Ramsey, and Davita Taylor

I. CALL TO ORDER

In accordance with the 3rd Amended and Restated Bylaws of the MNAA Board of Commissioners, Section 2.4, Chair Sullivan called the MNAA Board of Commissioners and MPC Board of Directors Meeting to order at 1:00 p.m., pursuant to Public Notice dated August 16, 2024.

II. PUBLIC COMMENTS

Chair Sullivan stated there were no public comment requests received.

III. APPROVAL OF MINUTES

Chair Sullivan called for a motion to approve the Minutes of the July 17, 2024 Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors. A motion to approve was made by Vice Chair Granbery and seconded by Commissioner Stevenson.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Vice Chair Granbery – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Farner – Yes

The motion passed with a vote of 5 to 0.

IV. CHAIR'S REPORT

Chair Sullivan thanked President Kreulen and the MNAA Staff for all their hard work for the operations and growth of the airport and stated the Board is here if they need any assistance.

V. PRESIDENT'S REPORT

President Kreulen reported the Flying Solo Series Summer Installment will be displayed at BNA for approximately 90 days. The Flying Solo series is a rotating art exhibit and he presented some of the paintings and the artists that are exhibited. President Kreulen stated various students are in an initiative sponsored by Southwest Airlines. *Repurpose With Purpose Goes to School: The Sky is the Limit!* was founded in 2014 with more than 12K students participating, more than \$2M in grants and 1.4M pieces of leather donated from aircraft seats which students design art with. MNAA is very proud of our art program at BNA.

President Kreulen stated BNA has several charities, one of which is the BNA Aviation Golf Classic. On July 30, 2024 Tennessee State University Engineering Department received \$15K, Operation Stand Down Tennessee received \$15K, and the Mental Health Cooperative received \$10K. The Mental Health Cooperative is an organization that our Department of Public Safety Officers deal with a couple of times a week. If there is someone dealing with a stressful situation needing mental health assistance, instead of arresting them at BNA, our Officers will call mobile crisis and they will assess them and make the decision if they need to go to the hospital.

President Kreulen stated BNA continues to be recognized and out of 120 projects submitted, BNA received the Engineering News Record (ENR) Award of Merit on August 2, 2024 for the Terminal Lobby/International Arrivals Facility ("IAF"). Judges also nominated three projects as finalists for the ENR Southeast 2024 Project of the Year which will be announced in Orlando later this year.

President Kreulen congratulated Ms. Davita Taylor, VP, Business Diversity Development and Procurement, on receiving the Local Industry Icon Award for her unwavering dedication to enhancing diversity and business development. President Kreulen stated he was awarded the Chairman's Award. President Kreulen thanked the Commissioners for supporting the conference

and also thanked Ms. Stacey Nickens, VP, Corporate Communications and Marketing, and Mr. Franklin Carver, Director, Community Affairs and Communications, and all 60 MNAA volunteers. President Kreulen stated MNAA spent approximately \$1.4M to host the Airport Minority Advisory Council ("AMAC") Conference, which had a record attendance of over 1,800 professionals. The average spend of a visitor in Nashville that attends a conference is \$3,600, so our investment is on travel, and our investment resulted in economic development downtown, as those 1,800 professionals may have spent \$6M in downtown Nashville, generating taxes, hotel revenue and visiting other businesses. MNAA hosted a celebration lunch for all volunteers and those that participated.

President Kreulen attended the Williamson County Fair where local veterans were honored including U.S. Army Veteran Sergeant, Harvey Chrisman; U.S. Air Force Veteran Staff Sergeant Rich Krejsa; and U.S. Army Veteran West Point Graduate Lt. Col. Greg Hoover. President Kreulen presented several photographs of the honored veterans and Mayor Rogers Anderson.

President Kreulen welcomed new MNAA Leadership, Chief Brian Findlen, AVP, Department of Public Safety. Chief Findlen's Oath of Office and Commissioning Ceremony was held on August 14, 2024 surrounded by family, friends and new colleagues. Chief Findlen has a BA in Economics from California State University and also served at the Modesto Police Department and the Williamson County Schools. President Kreulen thanked him and stated it was nice to meet his family as well.

President Kreulen stated each year MNAA stays involved in the community with the Leadership programs. This year, Robert Ramsey, EVP, Chief Development Officer, was selected for Leadership Nashville; Randy Dorsten, AVP, Human Resources was selected for Leadership Brentwood; and Aaron Flake, Director, Parking and Ground Transportation - Business Strategy, was selected for L'Evate. This is the second year MNAA leadership has served in Leadership Brentwood and the 3rd year for Leadership Nashville. Leadership has served in L'Evate for the past 10-12 years.

President Kreulen reported that MNAA completed the TSA Annual Inspection with 295 Security Requirements inspected with 100% pass. During the 60 day inspection, 81 tests were performed and MNAA passed 93.82%. Out of the 6 findings, 4 have already been resolved. As an example, the first finding was for Improper ID Display - all employees have badges and all badges should state BNA. Some TSA employees were wearing a CHA Badge and that is a write up for MNAA if it

is not detected. The second finding for piggybacking was on a secure elevator and employees should make sure that anyone getting on has proper badge and if not should challenge that person. The third finding was for AOA Challenge Procedures. MNAA has a 4,600 acre campus that we secure, and Sky Harbour, located off Murfreesboro Road, let someone walk through without being challenged. Sky Harbour should be written up for that, but it comes back on to us because it is within the BNA perimeter. MNAA did get some notable observations for ASC collaboration/partnership, law enforcement response times, and badging office inspection performance. Future Security Enhancements are things that the Chief Operating Officer reviews such as fence line security.

President Kreulen stated in terms of enplanements, 11 years in a row, BNA has had greater than 10% growth. Last year was our 12th year at 8.3% growth and this year July FY25 was 13% bigger than the previous year. There were 76,000 people a day going through BNA in July. This month in August we are up 8%. Two years ago, in FY22, BNA averaged 50,500 passengers a day, one year later averaged 60,000 passengers a day, and last year averaged 64,800 passengers. The airport is averaging adding 4,000 - 5,000 passengers a day in and out of BNA, and if this continues for an entire year, MNAA is forecasting 7 - 9% growth for FY25.

President Kreulen presented the Committee 30-day Outlook for September will have 5 items for approval. He recommended the Board Workshop not be scheduled in September, and the MNAA Staff use that time for an internal workshop. The Committee 60-Day Outlook for October includes the Board Retreat from 9:00 a.m. – 3:00 p.m. The Board meeting will be held at 9:00 a.m., then lunch and then the Board Retreat in the afternoon to discuss New Horizon II, enabling projects and Terminal II.

President Kreulen concluded the President's update.

VI. ITEMS FOR APPROVAL

1. New Horizon I Program Scope and Budget (Operations)

President Kreulen presented the Board with the New Horizon I Program Scope and Budget. MNAA has done a great job for the past 7 years with BNA Vision and now we have New Horizon I and New Horizon II which are almost twice that size. We are asking the Board to approve the first phase, New Horizon I. It is a \$1.62B program that will accomplish Baggage

Handling System Improvements; Concourse D Extension opening July 2, 2025; Concourse A demo and reconstruction opening July 3, 2028; and Central Ramp Expansion with approval today.

President Kreulen stated the Operations Committee voted 3 to 0 to recommend approval on August 14, 2024. He recommended that the Board of Commissioners accept the proposed New Horizon I Program Scope and Budget of \$1.62B and authorize the President and CEO to proceed with New Horizon I program execution.

Vice Chair Granbery made a motion to approve and Commissioner Joslin seconded the motion.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Vice Chair Granbery – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Farner – Yes

The motion passed with a vote of 5 to 0.

2. Progressive Design-Build Contract for Central Ramp Expansion (Operations)

President Kreulen introduced Ms. Traci Holton, VP, New Horizon, to brief the Committee on the Professional Services Contract for Central Ramp Expansion. Ms. Holton stated that this contract is to expand the terminal apron to provide 7 Remain Overnight (“RON”) and de-icing positions for the airlines. Ms. Holton stated MNAA advertised a Request for Proposal (“RFP”) on June 3, 2024 and on July 17, 2024 received 2 proposals from Kiewit and Sundt Construction. Those proposals were reviewed and Kiewit was the highest rated proposer. The SMWBE goal for the project is 7.65% MBE and 5.51% WBE and Kiewit committed to meeting that goal. The deadline for the end of this contract is September 30, 2027 with a no-excuse incentive to complete early, if 30 days early it is a \$1.5M payout, or 60 days early it is \$4.5M payout.

Ms. Holton stated the Operations Committee voted 3 to 0 to recommend approval on August 14, 2024. She recommended the Board of Commissioners accept the proposal by Kiewit for

the Central Ramp Expansion and authorize the Chair and President and CEO to execute CGMP1 for \$28,821,386.

Ms. Holton introduced Chris Fieburg, VP Operations and Tennessee Area Manager, with Kiewit Infrastructure South Co. Vice Chair Granbery asked how many yards of material. Ms. Holton replied 1.1M cubic yards, or 110,000 dump trucks.

Vice Chair Granbery made a motion to approve and Commissioner Stevenson seconded the motion.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Vice Chair Granbery – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Farner – Yes

The motion passed with a vote of 5 to 0.

3. Art Selection for Concourse A Extension – Circular Node (Operations)

President Kreulen introduced Stacey Nickens, VP, Corporate Communications & Marketing, to brief the Committee on two Art Selections for Concourse D Extension. Ms. Nickens stated the Art Selection for Concourse D Circular Node is for the terrazzo floor art that is a circular floor space in the middle of a round area with 360-degree views of parked aircraft. The 6-member Arts of the Airport (“AaA”) selection committee selected Brenda Stein’s concept design. At the Operations Committee Meeting last week, a question was asked about the durability and longevity of the terrazzo. According to the terrazzo experts at Life of Terrazzo – terrazzco.com, the terrazzo will last between 40 to 100 years, even longer with proper care.

Ms. Nickens stated the Operations Committee voted 3 to 0 to recommend approval on August 14, 2024. She recommended the Board of Commissioners accept the recommendation of the AaA Foundation Board public art selection committee and the President and CEO to commission Brenda Stein to design the work for the Concourse D Extension terrazzo circular node and authorize the Chair and President and CEO to execute the 1% Public Art Contract for \$75,000.

Commissioner Byrd asked about the size of this art piece and President Kreulen stated it is 96 feet across, the walk path is 20 feet wide, and the middle is 56 feet. The Martini Bar is in that circle so it is pretty big.

Vice Chair Granbery made a motion to approve as presented and Commissioner Stevenson seconded the motion.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Vice Chair Granbery – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Farner – Yes

The motion passed with a vote of 5 to 0.

4. Art Selection for Concourse D Extension – Connector (Operations)

Ms. Nickens briefed the Commissioners on the art selection for the Concourse D Extension Connector. The public artwork is integrated into six expansive wall sections that bridge the existing concourse to the new Concourse D Extension. This art piece will be 177 feet long and 8 feet high and the moving walk path will be 150 feet long. This proposed art piece will be longer than the walkway. AaA received over 103 applications and selected New Hat. New Hat takes these simple wrist bands and creates this art piece based off the Tennessee textiles history.

Ms. Nickens stated the Operations Committee voted 3 to 0 to recommend approval on August 14, 2024. She recommended the Board of Commissioners accept the recommendation of the AaA Foundation Board public art selection committee and the President and CEO to commission New Hat to design and install the work for the Concourse D Extension connector and authorize the Chair and President & CEO to execute the 1% Public Art Contract for \$200,000.

Vice Chair Granbery made a motion to approve as presented and Commissioner Stevenson seconded the motion.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Vice Chair Granbery – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Farner – Yes

The motion passed with a vote of 5 to 0.

5. Contract Renewal for Radio Communication Services (Operations)

President Kreulen introduced Adam Bouchard, VP, Operations, to brief the Committee on the Contract Renewal for Radio Communication Services. Mr. Bouchard stated this is to approve the Service Agreement with Motorola Solutions to provide maintenance and support for MNAA's radio system which includes more than 300 handheld radios. The system has a range of nearly 3 miles from the midpoint of BNA and is used to communicate and manage the day-to-day business of the Airport across Airport Operations, Maintenance, the Airport Communications Center, and the Department of Public Safety. MNAA has maintained a decades long partnership with Motorola Solutions who has supported and maintained our radio systems since the late 1980s. Additionally Motorola Solutions is the primary radio service provider for surrounding mutual aid agencies affording critical interoperability in the event of a large scale event that involves BNA. Further with this interoperability in the event our radio system were to experience an outage our radio system can and does fall over to Metro's radio network. MNAA staff also can switch to joint radio frequencies with other agencies or vice versa and is regularly tested. Because the system is digital it does ensure that our radio traffic is encrypted for security.

Mr. Bouchard stated the new Service Agreement will commence on September 15, 2024 and is for a 6 year agreement with no renewal options. The total not to exceed amount is \$3,536,857 and the cost is carried in our O&M Budget and is allocated to the airlines partners for reimbursement.

Mr. Bouchard stated the Operations Committee voted 3 to 0 to recommend approval on August 14, 2024. He recommended that the Board of Commissioners accept the Service

Agreement with Motorola Solutions for radio system maintenance and support and authorize the Chair and President & CEO to execute the proposed contract for \$3,536,857.

Vice Chair Granbery made a motion to approve as presented and Commissioner Stevenson seconded the motion.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Vice Chair Granbery – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Farner – Yes

The motion passed with a vote of 5 to 0.

6. 2nd Amendment to Professional Services Contract for Cellular DAS and Wi-Fi Consulting (Finance)

President Kreulen introduced Eric Johnson, SVP, Chief Revenue Officer, to brief the Committee on the 2nd 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. The 2nd amendment will add \$750K to the service contract and in addition extends the term of the agreement to June 30, 2025. The funding source will be 100% from the Concessions O&M Budget.

Mr. Johnson stated the Operations Committee voted 3 to 0 to recommend approval on August 14, 2024. He recommended that Board of Commissioners 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 Sullivan asked Commissioner Farner if he had any questions. Commissioner Farner asked for an explanation of the amendment. Mr. Johnson stated when this contract was first let, MNAA was going down the path of going to another 3rd party of owner/operator of the

system, and midstream of that work MNAA made the decision to switch to an ownership model and the Airport taking over ownership. If the whole process had been done with that mindset to begin with, the whole thing probably could have been lumped as one project cost, but because of how it played out it is backing it into the process.

Commissioner Farner made a motion to approve as presented and Vice Chair Granbery seconded the motion.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Vice Chair Granbery – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Farner – Yes

The motion passed with a vote of 5 to 0.

I. INFORMATION ITEMS

1. BNA Development Update (Operations)

President Kreulen presented renderings of the new Concourse A, stating the Board will be seeing this in the September Board meeting where MNAA will look to award a contract to demo the existing Concourse A and build it back twice as big. President Kreulen presented renderings showing several views of Concourse A design, with the entry views, concessions node and mezzanine terraces. There will be two 120' moving walkways, dual loaded concourse, and the same wood trims that you have seen from the Vision design standards. When you get into the large concessions node you will see high ceilings and on the floor above will be the lounges, with outside areas. In the middle of Concourse A will be restrooms, 3 times the size of the existing restrooms we now have. It will be an increase of over 400K SF and will cost approximately \$855M from the New Horizon budget with 16 gates, 2 moving sidewalks and a space for 2 club lounges and 28K SF of concessions space.

Vice Chair Granbery asked how many gates we will lose when we close Concourse A. President Kreulen replied maybe 1 with adding 5 on Concourse D. Concourse A has 6 gates, in the end we are going from 54 gates today to 70 gates by July 3, 2028. Vice Chair Granbery stated that depending on what happens on the South end of Concourse D, we may add a few more gates.

President Kreulen replied yes, when the Board gets a chance for a construction tour, they will be able to see that we may get to 71 or 72 gates. Commissioner Joslin asked about the FAA 7460 on these construction projects. President Kreulen stated whoever wins the award will be putting in for it when the design is finishing, and they will have to do it a minimum of 60 days prior. Commissioner Farner asked if the airlines in Concourse A now will move to that node. President Kreulen replied Southwest likes to have continuous gates, and United who is primarily on A may move to B. Our Operations team calls it a skittles chart that shows where we are moving the airlines around.

President Kreulen presented a slide showing the layout of the New Horizon I projects, the Central Ramp Extension, Baggage Handling System, New Concourse A and Concourse D Extension. President Kreulen stated other expansion includes Future R/W Extension, and who knows how long FAA will study the runway extension. Concourse A Ramp Expansion is money reserved out of BNA Vision. Coming up in September, New Horizon II will include future parking, a new CONRAC and Terminal Roadway improvements. The Terminal II siting study will be complete by the end of the year. Commissioner Joslin asked if Runway 1331 is still relevant and if it would be closed. President Kreulen stated we talked about it internally but if it is closed, then we could connect the two, but it puts pressure on your 3 North/South runways but we have land down here to the East for the 4th parallel runway. We will evaluate over the next couple of years. The FAA recommends when the runways are at 60% capacity you need to start planning for the next runway, and when you get to 80% you need to know how you are going to grow your runways.

2. JWN Development Update (Operations)

President Kreulen presented a panoramic photograph of the JWN North Development area with the parcels identified. President Kreulen pointed out that Parcel 1 is 30% design and just sent in their 7460 to the FAA. Jet Access and Jet Right are both close, one is at 95% and one is 100% design. They are waiting for their 7460 so they can start construction. The MNPD hangar has already been approved and we designed for Metro and in October they plan to start construction. It is all a huge change to John C. Tune. Reference the FBO, it is an active solicitation. We received 102 questions and have received multiple requests to delay the proposal due date by a couple of weeks, so we may give a 3 week extension. 20 firms showed up to the pre-bid meeting.

3. Quarterly Retirement/OPEB Treasury Investment Reports (Finance)

President Kreulen reported 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. For the MNAA Treasury Investments for the quarter ending June 30, 2024, our total available funds were \$1.23B and we made just over \$13.8M with 99.6% of funds invested. The investment portfolio is in compliance and meeting its objectives. President Kreulen presented a graphic showing how our funding is for our Retirement Plan and how much we have been investing internally to stay at that level. We are in a really strong position.

4. BNA Concession Program Update and Sales Report (Finance)

President Kreulen that concessions continue to grow, and sales growth has exceeded enplanement growth. For the calendar year to date, January through June 2024, sales are up 13%, a little ahead of our enplanements. Fraport is doing well and we are working with Paradies with some options to try to improve their sales.

President Kreulen presented some photographs showing the Concourse D Extension concessions which will have 5 food and beverage and 3 retail locations. All locations met 30% design approval and have a construction start date of March 4, 2025 with tenant opening date of July 2, 2025.

President Kreulen reported the BNA PASSport continues to boom, with 2,419 applications and 1,099 passes issued. The BNA PASSport has been positive and BNA has received media and customer responses.

5. FY24 CEO Key Performance Indicators (KPIs) (Management)

President Kreulen stated for the FY24 CEO Key Performance Indicators are in the binder each Commissioner received and they can review over the next 30 days. He highlighted the CFO's and CSO's best projection of where we will be in terms of revenue and coverages and where we are in terms of passengers and strategic goal accomplishments. If the Commissioners have any questions, he is available to answer at any time and also at the September Management Committee meeting. President Kreulen stated MNAA has significant accomplishments including: Operating Revenue increased \$50M annually for the past 3 years; FY24 Treasury Investments

earned \$52.6M a positive trend for the past 7 years; and NAE Fund cash reserve is \$310.7M and projected to increase \$56.6M to \$367.3M. The authority is very strong financially and continues to increase as we grow. Operationally, the overall airport satisfaction is 92% with a positive trend for the past 4 years with 7 areas showing significant improvement in satisfaction. The FY24 Strategic Goals & Objectives score is 86.4%. President Kreulen stated the next steps will be for the Board of Commissioners to review and evaluate results presented and the Board of Commissioners at their sole discretion will determine the bonus to award CEO.

6. FY24 CEO Compensation Benchmarking (Management)

President Kreulen stated the CEO Employment Agreement requires the CEO to do a benchmarking compensation study and the MNAA CEO salary falls between average and high for Large & Medium Hub Airports and the MNAA CEO salary falls below average for Chief Executive Officers of all Industries in Nashville, TN generating \$350M in revenue per year.

7. FY25 Strategic Goals (Management)

President Kreulen presented the FY25 Strategic Goals that were developed by MNAA Executive and Senior Staff and progress will be reviewed at the September Off Site Business Meeting. These are provided in the Management Committee packet, as well as handouts at Committee and today's Board meeting. The goals are posted on the website and this year one improvement was made where each objective is assigned to the executive staff member with primary responsibility.

8. FY25 CEO KPIs (Management)

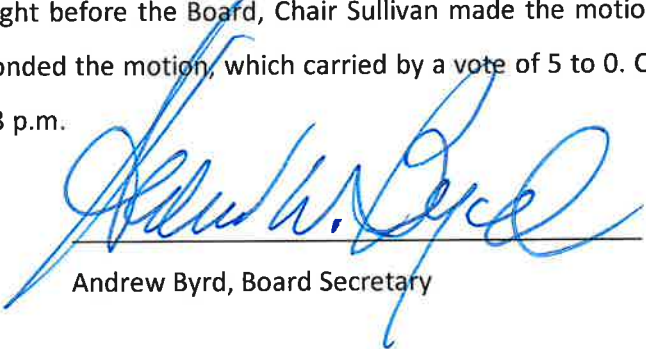
President Kreulen stated Chair Sullivan discussed that the Board may want to evaluate and decide to change the criteria on the FY25 KPIs. He provided a copy and presented the FY25 KPIs, with the only thing to change from the FY24 to FY25 are the new budget numbers. President Kreulen stated that if a change needs to be made, he will need to know the inputs from the Management Committee on what they want to revise or reevaluate.

President Kreulen stated the new monthly aerial now shows the old Donelson Pike curving away and the new Donelson Pike coming straight ahead to this new intersection on I-40 and now you can see where MNAA now has room to make that new big loop road.

President Kreulen concluded the presentation of the informational items.

I. ADJOURN

There being no further business brought before the Board, Chair Sullivan made the motion to adjourn, and Vice Chair Granbery seconded the motion, which carried by a vote of 5 to 0. Chair Sullivan adjourned the meeting at 1:43 p.m.



Andrew Byrd, Board Secretary