

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



Date: March 19, 2025

Location: Metropolitan Nashville Airport Authority
Tennessee Boardroom

Time: 1:00 p.m.

Board Members Present: Nancy Sullivan, Chair; Jimmy Granbery, Vice Chair; Andrew Byrd, Secretary; Bobby Joslin; Joycelyn Stevenson; Glenda Glover, and Glenn Farner

Board Members Absent: None

MNAA Staff & Guests Present: Doug Kreulen, Cindy Barnett, Lisa Lankford, Trish Saxman, Marge Basrai, John Cooper, Kristen Deuben, Chief Findlen, Aaron Flake, Adam Floyd, Traci Holton, Eric Johnson, Lisa Leyva, Carrie Logan, Rachel Moore, Ted Morrissey, Greg Patterson, Stacey Nickens, Brandi Porter, Josh Powell, Robert Ramsey, and Puneet VEDI

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 March 14, 2025.

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 February 19, 2025 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 Joslin.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Vice Chair Granbery – Yes

Secretary Byrd – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 7 to 0.

IV. CHAIR'S REPORT

Chair Sullivan thanked MNAA staff for the successful operations of BNA.

V. PRESIDENT'S REPORT

President Kreulen reported on February 21, 2025, S&P affirmed MNAA's Senior Bond Rating of AA-/stable outlook. Strengths noted by S&P include MNAA's finance team and the Board's proactive leadership with safeguards in place to ensure we are maintaining a strong and healthy airport.

President Kreulen stated on February 26, 2025, Resonance Consultancy rated Nashville #22 of top 100 cities for nightlife, shopping, sports, and culture. In the sub-category ratings, Nashville was rated in the top 10 for nightlife and #13 for culture. It is another tribute to where we are as we continue to grow.

President Kreulen reported 4 airlines have new and returning air service to BNA. Avelo Airlines, Frontier Airlines, Southwest Airlines and Spirit Airlines. He presented a slide listing the 18 flights between March and May that will be growing our network even bigger. This is a great credit to our city and our state. Commissioner Glover asked when the nonstop flight from Jackson, MS starts. Mr. Josh Powell, VP, Airline Affairs, responded it will start April 8, 2025.

President Kreulen reported that TDOT completed its annual JWN inspection on March 18, 2025. TDOT inspected runway, taxiways, apron, nav aids and infrastructure and reported no immediate discrepancies and recommended BNA continue to look at trees and the ends of the approach and departure paths of R/W02 and R/W20. MNAA recently purchased Wingra drones that have the capability to identify which specific trees need to be addressed. The State of Tennessee also has a drone that they recently flew out at JWN. Chair Sullivan asked if there are any issues off the property that we must address. President Kreulen replied yes, most likely these trees are off our

property, and we will have to contact the landowner to make sure we have the ability to top them, and it may also involve Metro. Vice Chair Granbery asked if there is an update on the upgrades to tower radar at JWN. President Kreulen replied he will take that as an action item. He stated it has been discussed and there is now a direct connection between the two airports.

President Kreulen reported that FY25 BNA passengers show passenger growth back up to 5% - 6% through March. We believe by June 30, 2025 BNA may hit 25.1M. Right now, we are at 69.6K daily passengers. Vice Chair Granbery asked if there is an increase with the 16 teams coming in for the SEC, coming from as far away as Texas and Oklahoma. President Kreulen replied when Nashville hosts a big event like the SEC tournament, we see passengers come in and they are wearing their jerseys. Vice Chair Granbery asked which schools came in, and who was the farthest away. President Kreulen stated he would see if he could get a break down on that information.

President Kreulen stated the Central Ramp Expansion Update was presented in the Operations Committee, and he wanted to review again with the full Board as we reprogram the New Horizon I budget to take care of the Central Ramp Expansion. The Concourse D Extension budget is \$287M and MNAA will complete at \$247M with a contingency of \$40M. President Kreulen stated that under the program contingency MNAA has \$75M available, of which \$48.1M will be moved into Central Ramp Expansion. Those two moves will give us the funds that we planned on. The bottom line for New Horizon has not changed; we are still at \$1.62M. Commissioner Farner asked if the central ramp expansion's extra cost is for fill dirt. President Kreulen replied that out of the \$88M, there is drainage, fill material volume and cost increases, concrete cost increases, and ADG V/TDG 6 improvements. Commissioner Farner asked what the \$40M savings consists of. Ms. Traci Holton, VP, New Horizon, responded it was not a reduction in scope, it was projections of when we programmed the project and now that we are close to the end realize we will not use all of it. President Kreulen stated even when we take out \$48.1M, leaving \$26.9 in program contingency, these projects individually have \$108M in contingencies to cover us from now until 2028. He concluded that he would reprogram the New Horizon I budget as presented.

President Kreulen stated the FAA created the Taxiway Design Group (TDG) Standard in March 2022. As Nashville continues to grow, the largest jets today at BNA hold 214 seats on the 787-8 and 272 seats on the 777-200, which are TDG 5 airplanes and BNA wants to move to TDG 6. Air service demand requires the airfield to be updated to accommodate larger aircraft. TDG 6 airplanes are longer and have wider main gears. For a TDG 5 (787-8), the main gear width is 38.1'

with distance from nose gear to main gear of 83.4'; for the TDG 6 (777-300ER), the main gear width is 42.3' with distance from nose gear to main gear of 114.4'. President Kreulen presented a diagram showing fillet widening of T/W Bravo 1, T/W Bravo/Kilo, T/W Alpha/Kilo, T/W Bravo/Lima, and T/W Kilo/T4 to improve radiuses. The cost is \$14M out of the FY25 CIP Amendment scheduled for April Committee/Board. It is scheduled to be operational in April 2026. President Kreulen presented another diagram showing the runway capability status as of April 2026. R/W 2L/20R will be ADG V/TDG 6; R/W 2C/20C will be ADG III/TDG 3; R/W 13/31 will be ADG V/TDG 5; and R/W 2R/20L will be ADG V/TDG 5. President Kreulen stated this is a good stop gap for BNA, but if a runway is out of commission, you always want to have a backup. President Kreulen stated the annual economic impact of larger aircraft would be approximately \$734K to \$1.7M increase, depending on aircraft. President Kreulen stated we will solve this problem first. The deadline is March 31, 2026 because next year British Airways wants to bring in a larger aircraft.

Commissioner Byrd asked when MNAA will make the move to expand from TDG 5 to TDG 6. President Kreulen replied we are working on that plan now and debating on phases. The bigger challenge is that we have two bridges that need to be widened, and that amount is approximately \$100M. Those bridges will need to hold 500K pound airplanes. Commissioner Glover asked if there were any requests for larger planes to land here. President Kreulen replied yes, British Airways started with 4 days a week and now at 10 flights a week beginning April 2026 and want to bring in a bigger aircraft.

President Kreulen stated the Capital Financial Strategy was presented at the March 12, 2025 Finance Committee. In October 2024, financial strength was assessed through Vision 1, Vision 2 and New Horizon 1 (airside), with a \$3.4B total project cost. On January 15, 2025 the Board approved New Horizon II (landside) program scope and budget for \$1.34B. The MNAA finance team reviewed the impact of adding an additional \$1.3B to the \$3.4B project cost, and assessed the impact to our overall financials. President Kreulen presented a chart showing the financial results of the \$4.7B capital funding, using the strategic forecast. He stated this is a 10-year planning document. With the MNAA Board Policy, which established a 1.5 senior debt service coverage (DSC) target and a 1.25 senior and subordinate DSC target, Landrum and Brown's model shows the lowest year is 1.60 DSC, and we are significantly above those minimum requirements. President Kreulen stated Days Cash on Hand continues to grow and in 2035 should be about 1,012 days and the Finance team plans to use some to fund projects so we do not have to borrow as

much. In 2035, we are looking at 36 million annual passengers (MAP) to 37 MAP, and we should get New Horizon done by 2028 to hold 40 MAP. CCommissioner Byrd asked for an explanation of 18 million enplanements to 40 MAP. President Kreulen replied 18 million enplanements will be how many people get on an airplane and normally that same number will be arriving at BNA. Of those, 20% are transfers passengers.

President Kreulen presented the Committee 30-day Outlook for April, stating there will be a couple of items for approval in the Operations Committee and a very busy Finance Committee with budget approvals. The Management Committee has no agenda items at this time. President Kreulen stated MNAA Business Taking Off will be held March 28, 2025. The Committee 60-Day Outlook for May plans for 7 items for approval in the Operations Committee. The Finance Committee will have a couple of approvals. There is 1 item planned for the Management Committee.

Commissioner Byrd asked what the earliest time is when they will be able to review the budgets. President Kreulen replied two weeks prior to the Committee meeting.

President Kreulen concluded the President's update.

VI. ITEMS FOR APPROVAL

1. CGMP3 for Baggage Handling System (BHS Construction) (Operations)

President Kreulen introduced Ms. Traci Holton, VP, New Horizon, to brief the Board on the Component Guaranteed Maximum Price (CGMP) 3 for the Baggage Handling System. Ms. Holton stated the project will expand the outbound baggage handling system to increase capacity and meet future enplanement projections; CGMP3 consists primarily of the construction of the baggage handling system. Ms. Holton stated this is the final bid package for this project in the amount of \$130M NTE, which will be used to determine the GMP price for the project of \$227,882,475.

This was presented to the Operations Committee which voted 3 to 0 to recommend approval on March 12, 2025. Ms. Holton requested the Board of Commissioners authorize the Chair and President and CEO to execute CGMP3 for the BHS Expansion contract with Messer Construction for \$130,005,000 NTE and a GMP of \$227,882,475.

Vice Chair Granbery asked for clarification that this is 100% funded by the airline agreement. President Kreulen replied yes, we will pay and then the Finance team bills the airlines back through rates and charges for their usage of the equipment.

Vice Chair Granbery stated the Operations Committee voted 3 to 0 to recommend approval on March 12, 2025. Chair Sullivan asked for a motion to approve as presented. Vice Chair Granbery made a motion and Commissioner Stevenson seconded the motion.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Vice Chair Granbery – Yes

Secretary Byrd – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 7 to 0.

2. Construction Contract for Part 139 Runway Safety Area Improvements R/W 20L (Operations)

President Kreulen introduced Mr. Puneet Vedi, VP, Airport Capital Development, to present the Construction Contract for Part 139 Runway Safety Area Improvements R/W 20L to the Board. Mr. Vedi stated that this project is for improvements to the extended Runway Safety Areas (RSAs) of Runway (R/W) 20L (North end of R/W 2R/20L), to fully comply with BNA grading standards for runway safety areas. On January 8, 2025 MNAA issued an Invitation to Bid (ITB) and on February 20, 2025 received 3 bids. Civil Constructors LLC had the lowest bid of \$777,470.00.

This was presented to the Operations Committee which voted 3 to 0 to recommend approval on March 12, 2025. Mr. Vedi recommended the Board of Commissioners authorize the Chair and President & CEO to execute the proposed contract with Civil Constructors, LLC in the amount of \$777,470.

Vice Chair Granbery stated the Operations Committee voted 3 to 0 to recommend approval on March 12, 2025. Chair Sullivan asked for a motion to approve as presented. Vice Chair Granbery made a motion and Commissioner Stevenson seconded the motion.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Vice Chair Granbery – Yes

Secretary Byrd – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 7 to 0.

3. Task Order for Terminal Ramp Reconstruction (Operations)

Mr. Vedi presented the Task Order for Terminal Ramp Reconstruction to the Board. Mr. Vedi stated that this will utilize our On-Call Airfield Pavement Repairs Contract with Hi-Way Paving, Inc., approved by the Board on November 20, 2024, we will remove and replace 12,750 SY of Terminal Apron pavement with 17" FAA specified P-501 concrete. The Task Order start date is April 2025 in the amount of \$6.2M out of a total of \$10M NTE for the on-call contract.

This was presented to the Operations Committee and voted 3 to 0 to recommend approval on March 12, 2025. Mr. Vedi recommended the Board of Commissioners authorize the Chair and President & CEO to execute the proposed Task Order with Hi-Way Paving, Inc. in an amount of \$6,200,000 NTE.

Vice Chair Granbery asked if MNAA anticipates any other big items throughout the remainder of the year. President Kreulen replied he is not aware of any other items. MNAA has committed \$6.4M of the \$10M NTE and is doing this in chunks so no more than one gate is closed at a time. Mr. Vedi stated MNAA established it this on call to have the flexibility to tackle any additional projects.

Vice Chair Granbery stated the Operations Committee voted 3 to 0 to recommend approval on March 12, 2025. Chair Sullivan asked for a motion to approve as presented. Vice Chair Granbery made a motion and Commissioner Stevenson seconded the motion.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Vice Chair Granbery – Yes

Secretary Byrd – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 7 to 0.

4. Contract for LiDAR (Light Detection & Ranging) for Apron Intrusion Detection (Operations)

President Kreulen introduced Brian Findlen, AVP, Chief of Police, DPS, to brief the Board on the Contract for LiDAR (Light Detection & Ranging) for Apron Intrusion Detection. Mr. Findlen stated that this contract is for the purchase of the LiDAR solution to replace the existing perimeter intrusion detection system on the apron. The LiDAR system consists of 26 sensors that will be mounted strategically around the area that is shown in red primarily on our concourses to provide not only . The LiDAR system technology will provide not only perimeter anomaly protection but also focus on perimeter intrusion. LiDAR is better described as light detection and ranging technology, and it uses remote sensing and lasers to build 3D models of living and nonliving objects, allowing us to discern where risks and issues are on our perimeter.

The contract will begin May 2025 with a 5-year contract with InDoor Lab, LLC. for service and maintenance to cover the term of the contract. This contract is race and gender-neutral because the quote that is currently presented was obtained through Incite Coop. Mr. Findlen stated this is an expansion of existing technology that we are currently utilizing inside the Satellite Concourse and Shuttle Station. The funding source for this project will come from the FY24 CIP project with year 1 cost of \$1.3M, of which a portion will go to InDoor Lab and the other portion will go to Simino Electric, LLC. The remaining funding of \$864,126 will be to InDoor Lab for software and maintenance for the remainder of that period. Mr. Findlen stated

the additional costs anticipated for the project of \$727,900 will go to electrical foundation work, IT related costs at MNAA, contingencies and staff costs.

This was presented to the Operations Committee and voted 3 to 0 to recommend approval on March 12, 2025. Mr. Findlen requested the Board of Commissioners that it authorize the Chair and President and CEO to execute the contract with The InDoor Lab, Inc. for the LiDAR Apron Intrusion Detection for \$1,436,226.

Vice Chair Granbery stated the Operations Committee voted 3 to 0 to recommend approval on March 12, 2025. Chair Sullivan asked for a motion to approve as presented. Vice Chair Granbery made a motion and Commissioner Stevenson seconded the motion.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Vice Chair Granbery – Yes

Secretary Byrd – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 7 to 0.

5. Rental Car Service Site Lease (Avis/Budget/Payless, Sixt) (Finance)

President Kreulen introduced Mr. Aaron Flake, Director, Operations Business Strategy, to brief the Committee on the Rental Car Site Lease (Avis/Budget/Payless, Sixt). Mr. Flake stated on July 17, 2024, the Board accepted the realignment and new lease terms for the rental car service sites and authorized the Chair and President and CEO to execute lease agreements for each site within these terms. Mr. Flake stated the lease limited operations airport business and provided for rent escalations. The realignment of the property is determined based on the market share of each rental car business and future airport growth. Mr. Flake stated this site was reserved for MNAA parking will no longer be used for that purpose and staff is proposing re-leasing the property back to the Rental Car Agencies, Avis, Budget, Payless and Sixt.

Mr. Flake stated MNAA the new agreement has the same terms, 3% annual escalation, 5-year term, cancellation clause and no non-airport business prohibited on premises. The new rates were based on Fair Market Value (FMV) appraisal conducted by Airport Business Solutions (ABS) in March 2024. Mr. Flake presented a diagram showing the locations of the tracts, lease Tract 1 to Avis/Budget/Payless and Tract 2 to Sixt. Currently, MNAA receives \$143K for entire property and we will break that down into 2 tracts with new rates the annual income will increase to \$771,535 with net increase first year of \$628,335 to MNAA.

This was presented to the Finance Committee which voted 2 to 0 to recommend approval on March 12, 2025. Mr. Flake recommended the Board of Commissioners authorize the Chair and President and CEO to execute lease agreements between MNAA and Avis/Budget/Payless for Tract 1 and Sixt for Tract 2 of the Rental Car Service Site.

Commissioner Byrd stated the Finance Committee voted 2 to 0 to recommend approval on March 12, 2025. Chair Sullivan asked for a motion to approve as presented. Commissioner Byrd made a motion and Commissioner Farner seconded the motion.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Vice Chair Granbery – Yes

Secretary Byrd – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 7 to 0.

6. Long-Term Financing Underwriter Pool (Finance)

President Kreulen introduced Marge Basrai, EVP, Chief Financial Officer, to brief the Committee on the Long-Term Financing Underwriter Pool. Ms. Basrai stated on December 18, 2024, PFM (financial advisors) sent a Request for Qualifications (RFQ) for Bond Underwriting Services to twenty-eight (28) investment banks. The RFQ process was intended to select a Pool of Underwriters that demonstrates strong airport experience along with local, regional, and diversified experience. The Pool will consist of firms deemed the most (and best) qualified to serve as a Senior Managing Underwriter and/or as a Co-Manager for a period of

five years (2025-2030). The RFQ requested the following information: Information on the firm; Airport underwriting experience; Personnel and resources; Debt structuring considerations; and Municipal market and airport/airline considerations.

Ms. Basrai stated in January we closed the RFQ and received twenty-four (24) Statement of Qualifications. MNAA received 14 National/Regional Firms as well Minority as Non-Minority/Disabled Veteran firms and 10 Minority/Disabled Veteran Firms. Ms. Basrai presented a chart with 14 firms highlighted in yellow and stated they met the minimum requirements to be considered for the Senior Managing Underwriter Pool. The Statement of Qualifications were reviewed and compared against each other to determine the most (and best) qualified with airport experience, team assigned to MNAA, thoroughness of response to debt structure and airport/airline risk considerations, other relevant regional and other diversified experience, and firsthand experience. Based on these reviews, the following Pool of 10 firms is recommended: 6 Senior Managing Underwriters: BofA Securities, Jeffries, JP Morgan Securities; Loop Capital Markets, Samuel A Ramirez & Co. Siebert Williams Shank and 4 Co-Managing Underwriters: National/Regional (non-minority) FHN Financial Capital Markets and Morgan Stanley and Minority/Disabled Veteran: Academy Securities and Cabrera Capital Markets.

Ms. Basrai stated for each bond issuance, a team of Underwriters (Underwriting Syndicate) will be selected from the Pool. Selection will be made through an RFP in which only the Pool will participate. CFO and other members of the Financing Team will review the RFP responses and select (with concurrence from the President & CEO) the Underwriting Syndicate for that issuance. The Underwriting Syndicate for similar transactions typically consists of 1-2 Senior Managing Underwriters and 3-5 Co-Managers. Firms in the Senior Managing Pool may serve as a Co-Manager; however, firms in the Co-Manager Pool cannot serve as a Senior Managing Underwriter. Any changes to the Underwriter Pool will be presented to the Board.

Ms. Basrai requested the Board of Commissioners approve the Long-Term Financing Underwriter Pool for the Authority for five years (2025-2030) and authorize the Chief Financial Officer and the Financing Team, with concurrence from the President and CEO, to select the Underwriter Syndicate from the Pool for each bond issuance.

Commissioner Glover inquired if there are some who were in the senior managers' underwriters pool and this time are co-managers, and if they elected not to be senior

managers. Ms. Basrai replied they elected not to be in the senior managers' pool, some moved from firm to firm and did not meet our qualifications so were put in to be the co-managers. Commissioner Glover asked if this would be for the entire 5-year period. Ms. Basrai replied yes, unless there is a need, for example if in 2 years half of the underwriters in the senior managers pool decided not to do municipal bonds anymore, then MNAA would go out and get a new pool at that time. Ms. Basrai stated if there needs to be a change, she would come back to the Board. It really depends on what happens with the market.

Commissioner Byrd stated the Finance Committee voted 2 to 0 to recommend approval on March 12, 2025. Chair Sullivan asked for a motion to approve as presented. Commissioner Byrd made a motion and Commissioner Glover seconded the motion.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Vice Chair Granbery – Yes

Secretary Byrd – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 7 to 0.

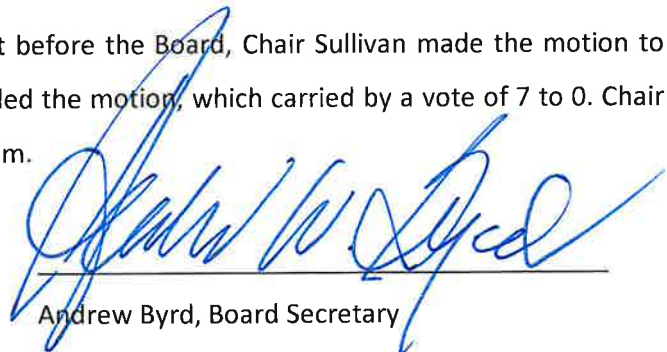
VII. INFORMATION ITEMS

1. None

President Kreulen concluded the presentation.

VIII. 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 7 to 0. Chair Sullivan adjourned the meeting at 1:41 p.m.



Andrew Byrd, Board Secretary