



Joint Meeting of the MNAA and MPC Finance, Diversity & Workforce Development (“Finance”) Committees

May 14, 2025

BNA®

Call to Order

May 14, 2025 - No quorum – Items will be presented at the May Board Meeting for approval

Public Comment

Tennessee Code Annotated, Title 8, Chapter 44, Part 1

MNAA Policy ID: 33-007, Public Comment Policy, effective November 27, 2024

No Public Comment Requests Received by Monday, May 12, 2025, 9:00 am

Approval of Minutes

Joint Meeting of the MNAA & MPC Finance, Diversity & Workforce Development (“Finance”) Committees

April 9, 2025 – No quorum – **Defer to next Finance Committee**

Chair's Report

Andrew Byrd

Finance Committee Chair

Items for Approval

May 14, 2025 – No quorum at Committee (info only)

- Revision of the Investment Policy for the Retirement Plan for Employees of MNAA and the MNAA Other Post Employment Benefits (“OPEB”) Plan
 - Policy 41-011
 - MNAA Resolution No 2025-08

Item for Approval

Marge Basrai, CPA, CGMA, C.M.
EVP, Chief Financial Officer

Note: Item will not be voted on in Committee due to lack of quorum

Background

- On February 5, 2025, the MNAA Retirement Committee met with its Investment Advisor, Principal Asset Management (“Principal”) and Actuary, USI Consulting Group (“USI”), to discuss risk reduction, asset allocation, and the discount rate used on the Retirement and OPEB Plans.
- USI provided the current asset allocations and the long-term rate of return (discount rate):

Retirement Plan:	OPEB:
50% Equity/50% Fixed Income	60% Equity/40% Fixed Income
5.5% Discount Rate	6% Discount Rate

- USI and Principal indicated that future asset return expectations have increased over recent years. The new long-term rate of return (discount rate) for equity allocations ranging from 50-65% are as follows:

Equity Allocation	Discount Rate
65%	6.28%
60%	6.21%
50%	6.07%

Retirement and OPEB Plan Recommended Adjustments

Based on recommendations by Principal and USI, the Retirement Committee approved the following changes:

- Increase the Retirement Plan's current discount rate from 5.5% to 6%
 - To align with the new long-term rate of return on the Plan's 50/50 asset allocation (50% equities/50% fixed income).
- Change the OPEB Plan's portfolio asset allocation from 60/40 (60% equities/40% fixed income) to a 50/50 asset allocation (50% equities/50% fixed income)
 - The OPEB Plan is fully funded, so it is prudent to consider a more conservative asset allocation to help reduce the volatility of market returns. Similar approach was taken with the Retirement Plan.
 - No change in the discount rate is needed as the current discount rate aligns with the long-term rate of return on a 50/50 portfolio asset allocation.

Revision of the Investment Policy for the Retirement Plan for Employees of MNAA and the MNAA OPEB Plan

The following revisions to MNAA Policy 41-011 are suggested based on the changes approved by the Retirement Committee and from annual review of the Policy:

- Add table to show the Asset Allocation category and subcategory ranges and Composite Benchmark for the OPEB Plan:
 - The OPEB table will reflect the new 50/50 asset allocation (50% Equities/50% Fixed Income)
- Make the following other minor wording changes based on annual review:
 - Changed “Director of Treasury” to “Finance Designee” and “Treasury Staff” to “Finance Staff” to update assignments of staff
 - Updated name of MNAA Finance Committee to: “Finance, Diversity & Workforce Development Committee”
 - Deleted a duplicate sentence on the first page of the Policy

Staff requests the Finance Committee recommend to the Board of Commissioners that it:

- Approve the revisions to the MNAA Investment Policy for the Retirement Plan and OPEB, Policy 41-011, and
- Authorize the Chair and President and CEO to execute MNAA Resolution No. 2025-08

Staff Recommendation

- **Note:** Item will not be voted on in Committee due to lack of quorum

Information Items

May 14, 2025

- Quarterly Retirement/OPEB/Treasury Investment Reports

Information Item

Kristy Bork, CPA, AAE
AVP, Finance

Retirement Plan

- **FY25-Q3 Market Value: \$84.4M (-\$0.9M)**
- Gross Return
 - FY25 Q3: 0.55%
Net of fees 0.50%; Composite benchmark 0.10%
 - FY25 YTD: 4.24%
Net of fees 4.09%; Composite benchmark 4.46%

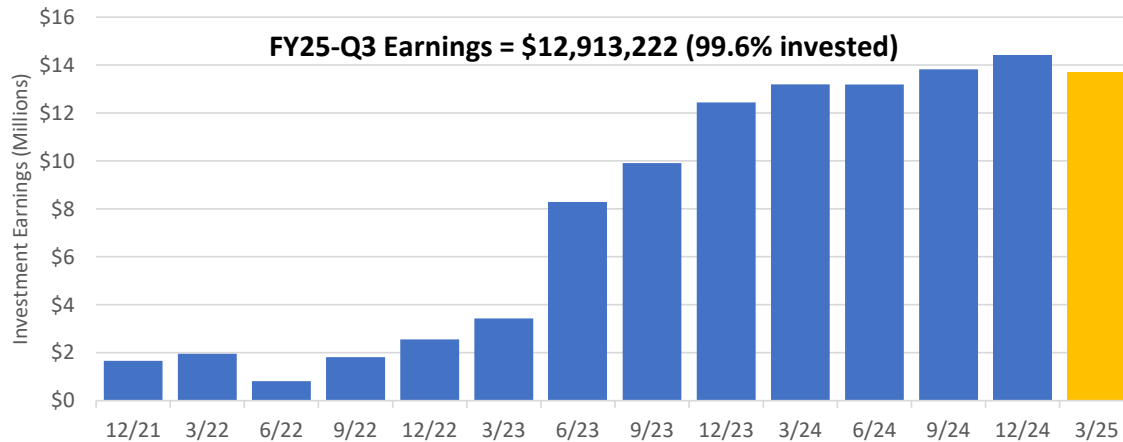
OPEB

- **FY25-Q3 Market Value \$43.9M (-\$0.3M)**
- Gross Return
 - FY25 Q3: 0.13%
Net of fees 0.08%; Composite benchmark -0.43%
 - FY25 YTD: 3.97%
Net of fees 3.82%; Composite benchmark 4.36%

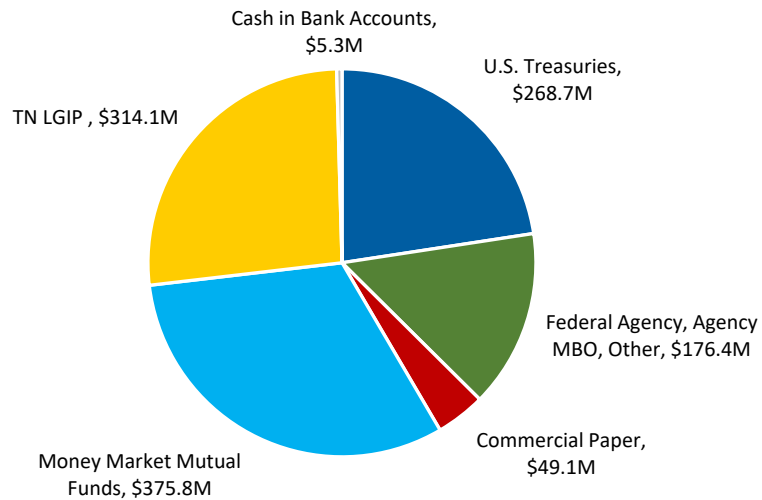
Quarterly Retirement/ OPEB Investment Report

Quarter ending March 31, 2025

Investment Earnings and % Invested



Investment Accounts



Quarterly Treasury Investment Report

Quarter ending March 31, 2025

- Total available funds: \$1.189B
- Funds invested: 99.6%
- Investment portfolio in compliance and meeting policy objectives
- 3Q25 combined yield: 4.15%
- Total cash & investment earnings
 - 3Q25: \$12,913,222
 - 2Q25: \$13,697,566
 - 3Q25 had \$51M less available funds than 2Q25

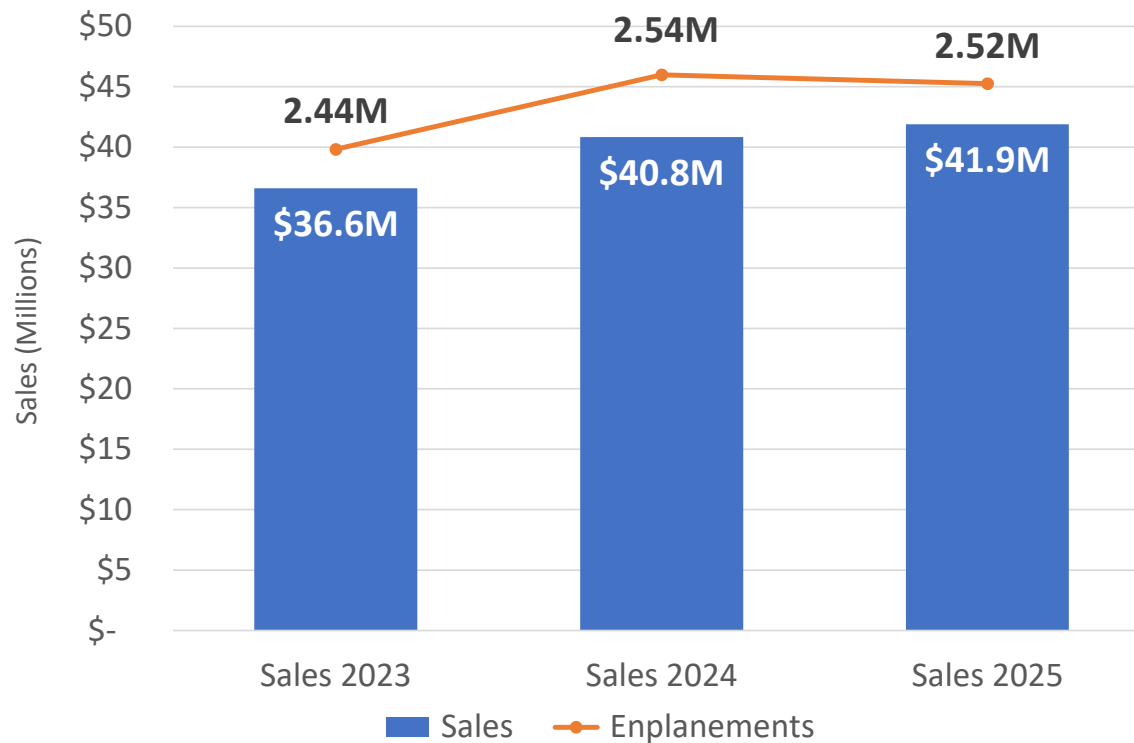
- BNA Concessions Program Update
 - Quarterly Sales Report, 2025-Q1
 - Concourse D Extension Update

Information Item

Lisa Leyva
VP Concessions

2025 Q1 Sales are up 2.6% over Q1 2024 (Enplanements are down 0.4% over Q1 2024)

January - March Concession Sales & Enplanements



2025 Q1 Concession Sales

Fraport:

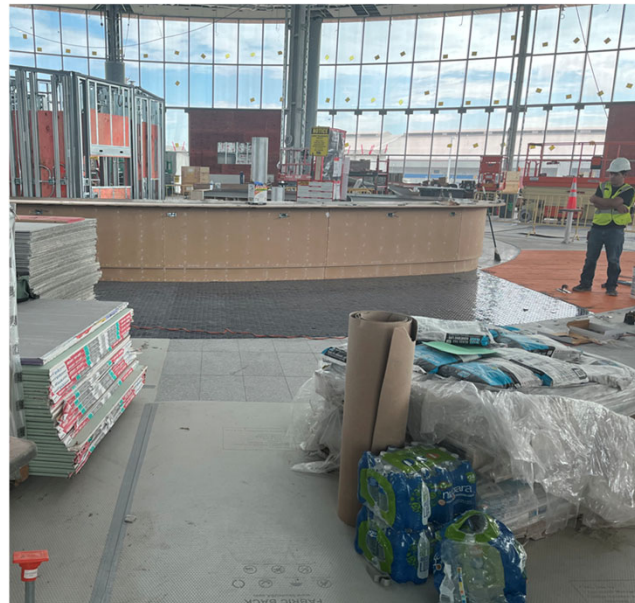
- Sales: \$40.6M
- Sales/Enplanement: \$16.08
- Sales up 3.7% Q1 2024

Paradies (Satellite Concourse):

- Sales: \$1.27M
- Sales/Enplanement: \$7.90
- Sales down 23% Q1 2024

- **Status of new Concourse D Extension locations**

- 8 new concession locations – 5 Food & Beverage; 3 Retail
- 3 new advertising locations – installed 4/23/2025
- All locations on schedule for on-time completion



BNA Concessions Program Update

- Construction Start Date:
 - 3/4/25
- Tenant Opening Date:
 - 7/2/25



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Meeting Adjourned