

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



Date: June 18, 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; and Glenda Glover, and Glenn Farner

Board Members Absent: Jimmy Granbery, Vice Chair

MNAA Staff & Guests Present: Doug Kreulen, Cindy Barnett, Lisa Lankford, Trish Saxman, Marge Basrai, Adam Bouchard, John Cooper, Kristen Deuben, Traci Holton, Eric Johnson, Roman Keselman, Lisa Leyva, Carrie Logan, Rachel Moore, Ted Morrissey, Stacey Nickens, Brandi Porter, Josh Powell, Robert Ramsey, and Steven Woods

Guest Speaker: Stephanie Coleman (Nashville Area Chamber of Commerce)

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 June 13, 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 May 21, 2025 Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors. A motion to approve was made by Secretary Byrd and seconded by Commissioner Stevenson.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Secretary Byrd – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 6 to 0.

IV. CHAIR'S REPORT

Chair Sullivan congratulated President Kreulen and the MNAA Staff on receiving certifications and awards and thanked them for all their hard work.

President Kreulen introduced guest speaker, Stephanie Coleman, President & CEO of Nashville Area Chamber of Commerce. Ms. Coleman thanked President Kreulen, the Commissioners and MNAA Staff for inviting her to speak and share. She stated she cannot say enough about how important our airport is for the region, for economic prosperity and for what the Chamber does every day. She stated she moved into the President and CEO role just over 4 months ago. She took the place of Ralph Schultz, whom she worked with for 17 years and learned a lot from him through his leadership and now in this role, the airport is truly the most critical economic competitive advantage that we have in Middle Tennessee. When they are looking to recruit businesses one of the first things that they ask is how we are connected both within the country and globally and the airport has made them look much better when answering that question. The incredible increase in direct flights as well as international service has been a real boom to our economic prosperity. And where they see the airport has the biggest impact is bringing more awareness to Nashville, to our vibrant city and to the opportunities we have in our region. And that is both from an investment standpoint and a workforce standpoint.

Ms. Coleman stated when you look at how economic development works and how projects come into play, oftentimes it is individuals who may not come to Nashville for leisure or pleasure and then they really understand and feel the vibrancy of the community and then they think about potentially making business investments here as well. There is a lot of synergies with building out more direct flights particularly those international flights that are a huge win for the region. She tells folks when she is out in the community talking about the assets that we have, or talking to them about who they need to talk with next. On multiple occasions, she has heard Doug present the expansion plans here at BNA and the investment that the airport is making is unparalleled. She believes in what this Board is doing because they are focusing not on just the here and now, but on generations to come and all of us will be gone but you are laying the groundwork on where we are going to be in 20 - 30 years down the road. She wants to say that the Board is setting an example for how planning should take place.

Ms. Coleman stated she will bring it back to their partnership with the airport over many years, and for those who are familiar with the Chamber, and there are several here who have deep familiarity with the Chamber, they have led the public private initiative partnership for the past 25 - 30 years and just watched the next 5 years iteration. She thanked Commissioner Byrd and Mr. Josh Powell for joining them for the launch yesterday. The airport and the Board have been deeply involved in investing in the economic development plan for the region, as well as showing up to help make sure that what is in that 5-year plan matches the needs of the broader community and actively engaging to help shape that plan. That plan, if you have seen it, or read about it, it is really focused on people. Economic development is not just about building buildings it is about how that serves the people of Middle Tennessee. It is about community vitality, community mobility and community character. And each of those aspects of the upcoming plan have elements that connect back to the airport and to the service that you are providing to the community.

In the community vitality area, they are focused on how they can continue to support key target sectors that specifically focus on technology and innovation within those key target sectors. Ms. Coleman stated any way that we can continue to attract tech workers that we can continue to build that from within and being able to have that connectivity with the rest of the world is so

critical to building that capability here. And being able to have the access of companies for supply chain, workforce, investment, and moving around easily in the country and the world. The other piece of vitality is housing. Housing has risen as a key priority for the workforce and a competitive area that we have to focus on, how do we increase supply. In the community mobility area, they are focused on workforce and how to expand our transportation focus regionally. Thinking about the referendum that passed in Davidson County, what the next steps are for regional connectivity and where we might work with regional mayors and others to make sure we are serving that broader 10-county area. In the community character a lot of that is focused on what makes us unique as a region, it is our service leadership. The corporate community has long had this identity to really give back and not just commit financially but to put in time and effort and roll up their sleeves and focus on how we can improve the community and continue to build ways for corporations to plug into and understand. That is what we do here in Nashville, as well as understand our creative culture, our music city culture and how we can continue to be a place where creative individuals and companies want to invest.

And finally, community character is about safety and maintaining our reputation as a welcoming environment. Each of those aspects are connectivity points that you are making with the plans you are making long term and the fact that this is a 5-year plan, which we have kept focused and flexible, and know that we have to overlay that with long term vision. There are so many opportunities that come from the work that you are doing in bringing additional flights to Nashville. One example, with the Aer Lingus flight, she was able to sit down with the Consul General Frank Groome and talk about where there might be business opportunities and synergies between Ireland and Nashville and those types of opportunities would not have happened had he not been here because of that inaugural direct flight. Being able to facilitate those types of connection points is really critical to how we take advantage of opportunities that we do not even know exist. She knows she does not have a lot of time and that the Board has a lot on the agenda, so she wants to stop and see if there are any questions. She thanked the Board for the opportunity address them today.

Round of applause. President Kreulen thanked Ms. Coleman for attending and speaking and stated the two of them know that each will be in their audience when they are presenting and stated it is a good partnership. He also thanked her for everything that she has been able to do

for the staff through BNA Vision. New Horizon and Terminal II looking 30 – 40 years out, and what is in the best interest of Nashville.

V. PRESIDENT'S REPORT

President Kreulen stated on June 17, 2025, at the All Team Meeting, we presented four quarterly awards and also celebrated Puneet Vedi on earning his A.A.E. and had 10 others that achieved their Certified Member (C.M.) status with AAAE.

President Kreulen stated on April 9, 2025 MNAA Finance Staff received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting. This is the 24th consecutive year MNAA earned the award. It is the highest form of recognition in governmental accounting and financial reporting.

Commissioner Glover asked who else is in Finance. President Kreulen stated there is Kristen Deuben, VP and Finance Deputy, and also Kristy Bork, AVP, Finance, along with a great team of others.

President Kreulen stated on June 10, 2025, Stacey Nickens and Erin Thomas went to New York to accept the Prestigious Stevie Award for Public Relations (Government) Bronze Award for FY24 Annual Report video – The Story of Nashville International Airport: People, Growth and Future.

President Kreulen stated on June 12, 2025, the MNAA staff celebrated the BNA's 88th Birthday showing their spirit by sporting their best blue, yellow, white and BNA-branded gear. Today we will be sharing sweets to celebrate the 55th Anniversary of the Airport Authority and the 88th Birthday of BNA. Mayor Hilary Ewing Howse was the Mayor of Nashville from 1924 – 1938.

President Kreulen announced there are several of the MNAA Staff that are selected as Leaders for Leadership Programs. Ms. Nickens was selected for Leadership Tennessee, Class of 2026 and Franklin, Carver, Director, Community Affairs was selected in L'Evate Class of 2026. We are awaiting responses regarding Leadership Middle TN, Leadership Nashville and Leadership Brentwood.

President Kreulen stated the FY25 BNA Passengers will set another record for passengers for FY25 with 24.7M, a little over 900K more passengers have used BNA in FY25 than in FY24. The month of June 2025 is projected to have 2.4M total passengers with 79K daily passengers.

President Kreulen presented the Committee 30-day Outlook for July, stating there are 4 items for approval planned in the Operations Committee and 3 items for approval in the Finance Committee. The Management Committee has nothing scheduled at this time. Senator Pody will present two resolutions recognizing the BNA & JWN employees and the CEO Recognition. On July 1, 2025 MNAA will host the Concourse D Extension Reception. The Committee 60-Day Outlook for August plans for 3 items for approval in the Operations Committee. The Finance Committee will have 1 item for approval. No items are currently planned for the Management Committee. We moved the August Committee and Board dates to August 6th and 13th. Commissioner Stevenson will be promoting our international travel and unavailable for the August Committee and Board meetings.

President Kreulen concluded the President's update.

VI. ITEMS FOR APPROVAL

1. New Horizon NES Invoices (Concourse A & TARI) (Operations)

President Kreulen introduced Traci Holton, VP, New Horizon, to brief the Commissioners on the New Horizon NES Invoices. Ms. Holton stated the future New Horizon Nashville Electric System (NES) Invoices are for the Concourse A and TARI projects. She presented a diagram showing the existing NES service to the airport which runs from the pole farm, next to old Cell Lot, and needs to be relocated to make way for the new parking Lot B, as well as the existing transformers that feed Concourse A are in the footprint of the future Concourse A so those will have to be relocated. Ms. Holton stated we are asking for approval for NTE \$11.6M, \$1.6M for Concourse A and \$10M for TARI. Prepayment to NES is required so there will not be a delay.

This was presented to the Operations Committee on June 11, 2025, which recommended approval by the Board. Ms. Holton requested that the Board of Commissioners authorize the Chair and President & CEO to pay multiple NES invoices impacted by the New Horizon I and II programs for \$11,600,000 NTE.

Commissioner Joslin stated the Operations Committee met on June 11, 2025 and voted 3 to 0 to recommend approval by the Board. Commissioner Joslin made a motion for approval and Commissioner Glover seconded the motion.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Secretary Byrd – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 6 to 0.

2. Concourse A Builder's Risk Insurance (Operations)

President Kreulen introduced Kristen Deuben, VP, Finance, to brief the Commissioners on the Concourse A Builder's Risk Insurance. Ms. Deuben stated as a reminder, Builder's risk insurance protects owners and contractors in the event of a direct physical loss or damage to a project. Builder's risk policies are purchased on a project-specific basis. The estimated cost of the Builder's risk policy for the reconstruction of Concourse A is 0.48% of the contract value (\$855M) estimated about \$4.1M. The proposed premiums will be paid by the individual projects.

This was presented to the Operations Committee on June 11, 2025, which recommended approval by the Board. Ms. Deuben requested the Board of Commissioners approve the Builder's Risk policy for the Reconstruction of Concourse A at \$4,100,000 NTE, and authorize the President & CEO to execute Builder's Risk policy through Marsh.

Commissioner Joslin stated the Operations Committee met on June 11, 2025 and voted 3 to 0 to recommend approval by the Board. Commissioner Joslin made a motion for approval and Secretary Byrd seconded the motion.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Secretary Byrd – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 6 to 0.

3. First Amendment to JWN North Development Leases (DN, LLC (parcel 1); Jet Access (parcels 6 & 7) JetRight (parcels 8 & 9) (Finance)

President Kreulen introduced Roman Keselman, AVP, Real Estate, to brief the Committee on the three Amendments to JWN North Development Leases, DN, LLC (parcel 1), Jet Access (parcels 6 & 7), JetRight (parcels 8 & 9). Mr. Keselman stated on August 16, 2023, the Board approved the lease terms between MNAA and DN LLC. On October 1, 2023, the lease was executed, which included 0.84 acres of unimproved land at JWN on North Parcel #1. The lease required DN LLC to complete improvements within 18 months, concluding on April 1, 2025. Due to DN LLC terminating their relationship with their design/build firm six months into the process and starting over, construction commenced in February of 2025 and is still ongoing.

Mr. Keselman stated the Amendment extends the construction term by 12 months, to allow the Tenant to continue building the improvements which will vest with MNAA on April 1, 2055. Apart from fuel flowage fees, this amendment will not impact revenue to MNAA. DN, LLC has been paying rents. Tenant will be granted 12 months to complete all proposed construction. The 12-month extension includes contractual milestones - five months to complete site work; two months to complete framing; and five months to complete interior work. The 12-month extensions have corresponding contract penalties in the amount of \$150

per day until the contractual milestone is complete. The 12-month extensions do not extend the lease term. If the hangar is not complete after the 12-month extensions, the provisions of the executed lease will include the following: Invest \$2.5M by the Construction Deadline or pay the difference between \$2.5M and the amount spent, not to exceed 25% soft costs, and complete the improvements unless otherwise approved in writing by the Authority.

Mr. Keselman stated the First Amendment to JWN North Development Lease for Jet Access for Parcels 6 & 7 is similar to DN, LLC. On March 15, 2023, the Board approved the lease terms between MNAA and Jet Access and on June 15, 2023, the lease was executed, which included 1.68 acres of unimproved land at JWN on North Parcels #6 and #7. The lease required Jet Access to complete improvements within 18 months, concluding on December 15, 2024. Due to a lengthy general contractor selection process, several iterations of hangar designs, and an extended FAA 7460 review, Jet Access has been unable to commence construction.

Mr. Keselman stated as of the date of Board approval on June 18, 2025, Tenant will have 60 days and extends the construction term by 12 months to build the improvements, which will vest with MNAA on December 15, 2024. Similar to DN, LLC apart from fuel flow fees, this amendment does not impact revenue to the Authority and Jet Access has been paying rent payments this entire time.

Mr. Keselman stated regarding amendment terms, again similar to DN, LLC, starting today, June 18, 2025, Jet Access will have 60 days to obtain all necessary permits from the Metropolitan Government of Nashville and Davidson County. At the earlier of the 61st day of the date Tenant obtains all necessary permits, Tenant will be granted 12 months to complete all proposed construction.

Mr. Keselman stated the First Amendment to JWN North Development Lease for Jet Access for Parcels 6 & 7 is similar to DN, LLC. On March 15, 2023, the Board approved the lease terms between MNAA and Jet Access and on June 15, 2023, the lease was executed, which included 1.68 acres of unimproved land at JWN on North Parcels #6 and #7. The lease required Jet Access to complete improvements within 18 months, concluding on December 15, 2024. Due to a lengthy general contractor selection process, several iterations of hangar designs, and an extended FAA 7460 review, Jet Access has been unable to commence construction.

Mr. Keselman stated as of the date of Board approval on June 18, 2025, Tenant will have 60 days and extends the construction term by 12 months to build the improvements, which will vest with MNAA on December 15, 2054. Similar to DN, LLC apart from fuel flow fees, this amendment does not impact revenue to the Authority and Jet Access has been paying rent payments this entire time.

Mr. Keselman stated again similar to DN, LLC, JetRight on March 15, 2023, the Board approved the lease terms between MNAA and JetRight Properties LLC. On June 15, 2023, the lease was executed, which included 1.68 acres of unimproved land at JWN on North Parcels 8 and 9. The lease required JetRight to complete improvements within 18 months, concluding on December 15, 2024. Multiple designs iterations were required to resolve line-of-sight issues identified in the 7460 process, which prevented JetRight to commence construction.

Mr. Keselman stated upon completion of the 7460 process, this Amendment allows JetRight 90 days to continue designing the hangar to meet FAA guidance, 60 days to submit their designs to MNAA, and 12 months to build the improvements, which will vest with MNAA on December 15, 2054. Similar to the other two amendments, apart from fuel flowage fees, this amendment will not impact revenue to MNAA as JetRight has been paying rent this entire time.

Mr. Keselman stated once 7460 determination is received from the FAA, Tenant will have 90 days to submit plans to MNAA and receive approval through the AIR process. At the earlier of the 61st day or the date Tenant obtains all necessary permits, Tenant will be granted 12 months to complete construction. The 12-month extension includes contractual milestones. The 90-day, 60-day and 12-month extensions have corresponding contract penalties in the amount of \$150 per day until the contractual milestone is complete. The 90-day, 60-day or 12-month extensions do not extend the lease term. If the hangar is not complete after the 90-day, 60-day and 12-month extensions, the executed lease includes the following: Invest \$5M by the Construction Deadline, or pay the difference between \$5M and the amount spent, not to exceed 25% soft costs, and Complete the improvements unless otherwise approved in writing by the Authority.

This was presented to the Finance Committee on June 11, 2025, which recommended approval by the Board. Mr. Kesselman requested the Board of Commissioners to 1) accept the First Amendment to the lease agreement between MNAA and DN LLC, extending the construction term; 2) accept the First Amendment to the lease agreement between MNAA and Aero Management Group LLC D/B/A Jet Access, extending the permitting and construction term; and 3) accept the First Amendment to the lease agreement between MNAA and JetRight Properties LLC, extending the design, permitting and construction term, and authorize Chair and President and CEO to execute the First Amendments.

Commissioner Glover stated the Finance Committee met on June 11, 2025 and voted 2 to 0 to recommend approval by the Board. Commissioner Glover made a motion for approval and Commissioner Farner seconded the motion.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Secretary Byrd – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 6 to 0.

4. Air Service Incentive Policy (Finance)

President Kreulen introduced Josh Powell, AVP, Airline and Government Relations, to brief the Commissioners on the Air Service Incentive Policy. The Air Service Incentive Policy (ASIP) helps BNA remain competitive with other US airports trying to attract additional non-stop international and domestic service. The ASIP is in accordance with the FAA Policy Regarding Air Carrier Incentive Program; FAA Air Carrier Incentive Program Guidebook; FAA Policy and Procedures Concerning the Use of Airport Revenue (64 Fed. Reg 7696, 49 USC SS 7107(b), and 47133 Revenue Use Policy); and, FAA Policy Regarding Airport Rates & Charges.

The ASIP was last approved by the Board on February 21, 2024, effective through December 31, 2025. This policy is reviewed annually, and updates are recommended to strengthen our incentives to “New Scheduled Service to Other Americas Markets”

Mr. Powell stated as a reminder, all proposed marketing incentives and landing fee and facility abatements, outside of the Domestic Market Agreements, require Board of Commissioner approval to execute any Letter of Agreement (LOA), like you saw with Aer Lingus and Icelandair last year. Mr. Powell stated the balance of this fund is \$10M and the three types of incentives are landing fees, facility fees and marketing funds and initiatives, and the three tiers are Domestic, Other Americas and Trans-Oceanic. It should be noted there is no recommended update to the Trans-Oceanic at this time.

Mr. Powell stated we are making our Other Americas a little more competitive with what we have seen in the industry and what we have heard from our airlines. He stated for year round service, there is no change to Domestic or Trans-Oceanic markets. And the changes to Other Americas Markets are Landing Fee Abatement: Year 1 – No change; Year 2 – from 50% to 75%; Facility Fee Abatement: Year 1 – from 0% to 100%; Year 2 – from 0% to 75%; Marketing Incentive: Year 1 – from \$150K to \$250K; Year 2 – from \$100K to \$250K.

Mr. Powell stated for Seasonal Service, there is no change to trans-Oceanic markets and the changes that we are requesting are for the Other Americas Markets including: Landing Fee Abatement: No Change; Facility Fee Abatement: Year 1 – from 0% to 75%; Years 2 – 3 from 0% to 50%; and Marketing Incentive: Year 1 – from \$75K to \$150K; Year 2 – 3 from \$15K/year to \$50K/year.

This was presented by Lisa Lankford to the Finance Committee on June 11, 2025, which recommended approval by the Board. Mr. Powell requested the Board of Commissioners approve the Air Service Incentive Policy (ASIP), effective for new service announced June 18, 2025 – December 31, 2026; and authorize the President and CEO to execute the policy.

Commissioner Glover stated the Finance Committee met on June 11, 2025 and voted 2 to 0 to recommend approval by the Board. Commissioner Glover made a motion for approval and Secretary Byrd seconded the motion.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Secretary Byrd – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 6 to 0.

5. Amendment (Finance)

President Kreulen introduced Lisa Leyva, VP, Concessions, to brief the Commissioners on the Third Amendment to Paradies Lease & Concession Agreement. Ms. Leyva stated MNAA has a Lease and Concession Agreement (Agreement) with Paradies Lagardère @ Nashville, LLC (Paradies) to develop and operate a concessions program for the Satellite Concourse. At the time Paradies based their RFP proposal on 1.65M enplanements, or 70% of the stated capacity, however enplanements have not reached anticipated levels.

MNAA and Paradies entered into a First Amendment, effective September 18, 2024, in which the Minimum Annual Guarantee (MAG) was reduced from \$2.4M to \$1.775M for calendar year 2024 and \$2.067M for 2025. MNAA and Paradies entered into a Second Amendment, effective December 18, 2024, in which “Street Price” and “Street Pricing” were replaced with “Acceptable Concession Price” and “Acceptable Concession Pricing” and allowed for the price of a good or service to be no more than 110% of the regular price of the good or service charged at an off Airport comparable location. On March 21, 2025, MNAA allowed 4 Satellite concessions locations to close temporarily on March 21, 2025 to right size the program based on the decline of enplaned passengers.

The proposed Third Amendment will provide further relief to Paradies and its ACDBE partners, as follows: Delete Minimum Annual Guarantee (MAG); Redefine “Percentage Rent” to mean 7% of gross receipts from all sales commencing as of the Effective Date of the Third Amendment until certain triggers are met. At which time Paradies and MNAA will enter into

a 50/50 Profit Share agreement. The triggers are the earlier of 1.76M annual enplanements, or financial recovery, or the date of July 1, 2031. We are also define Financial Recovery as the date at which Paradise recuperates its Initial Capital Improvements \$12.5M. We are also proposing to extend the Lease Term up to 10 years which shall commence at the earlier of July 1, 2031, or when Profit Share has been attained; Year 6 of extension MNAA will receive 60% of gross profits. Years 1 – 5 we will be 50% profit shares and years 6 – 10 we will be at 60% profit shares.

Ms. Leyva stated the reopening of closed concessions will be the sooner of: Profit Share is achieved, July 1, 2031, OR at the discretion of MNAA. Lease Term “Reinvestment Improvements” are up to \$3.78M after Profit Share is achieved, as compared to the prior midterm investment requirement of \$934,950. Payment of outstanding Contract Penalties of \$970,000 are to be paid in monthly installments over a 5-year period.

Ms. Leyva stated this was presented to the Finance Committee on June 11, 2025, which recommended approval by the Board. Ms. Leyva requested the Board of Commissioners accept the Third Amendment to the Agreement; and authorize the Chair and President & CEO to execute the Third Amendment.

Commissioner Joslin stated this will ensure we do not receive bad publicity down the road, and he believes it is important to support small businesses in the Satellite Concourse. Unfortunately, it has not taken off like we thought it would.

Commissioner Glover stated the Finance Committee met on June 11, 2025 and voted 2 to 0 to recommend approval by the Board. Commissioner Glover made a motion for approval and Commissioner Stevenson seconded the motion.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Secretary Byrd – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 6 to 0.

6. Purchase of Equipment (Infrastructure) & Maintenance Services Agreement for Parking and Revenue Control System (PARCS) Upgrade (Finance)

President Kreulen introduced Adam Bouchard, VP, Operations, to brief the Committee on the Purchase of Equipment & Maintenance Services Agreement for the Parking Access and Revenue Control System (PARCS) upgrade. Mr. Bouchard stated this Purchase Agreement with Scheidt & Bachmann (S&B) is to upgrade the Parking Access Revenue Control System (PARCS), which includes equipment, hardware, and software, and Maintenance Services and Extended Vehicle Recognition Software License Agreements with S&B, which includes all software and licensing fees.

Mr. Bouchard stated MNAA generates more than \$100M annually from parking across all the Airport's parking products. A PARCS is mission critical to our parking operation, as it includes ticketing devices, gate arms, revenue management systems and tools, license plate readers, etc., all of which are critical to running our parking operations. The airport last updated our parking structure with S&B was implemented in 2017. The system has served us well however considering the expected overall expected life span the airport needed to start planning for the future of this system. Beginning in late 2023, the airport in partnership with our partner, CK Consulting, undertook a robust study of alternative PARC systems on the market and engaged with several airports across the country. That assessment led to the recommendation before you this afternoon which is to upgrade the existing system with S&B.

Mr. Bouchard stated the Equipment Purchase cost is \$3.6M and this cost is carried in our capital budget with a purchase date of July 2025; the Maintenance Services Agreement Start Date is 2 years after conclusion of warranty period for hardware and 1 year after hardware acceptance for software; and the Maintenance Services Agreement Duration is 5 years, with 2, one-year renewal Options.

Mr. Bouchard requested that the Board of Commissioners approve the purchase agreement and maintenance services agreement with S&B, and authorize the Chair and President & CEO to execute proposed contract amount of \$9,100,000.

Commissioner Joslin asked who the previous vendor was that was overcharging. President Kreulen replied it may have been Central Parking Services or McGann. Now we have a fresh look with new technology with S&B. We have better support with the new system and our Operations team states this is the way to go.

Commissioner Glover stated the Finance Committee met on June 11, 2025 and voted 2 to 0 to recommend approval by the Board. Commissioner Glover made a motion for approval and Commissioner Farner seconded the motion.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Secretary Byrd – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 6 to 0.

7. Purchase of Network Equipment for Parking and Revenue Control System (PARCS) Upgrade

President Kreulen introduced Steven Woods, VP, Information Technology, to brief the Board on the Purchase of Network Equipment for Parking and Revenue Control System (PARCS) Upgrade. Mr. Woods stated the networking equipment that facilitates secure, real-time communication between the PARCS system components was installed in 2017 and has reached or soon will reach end-of-service-life which means the manufacturer no longer sells nor provides maintenance for these items. This contract includes the purchase of forty-four (44) new network switches (including peripherals) to replace end-of-service-life equipment

for the purpose of supporting the PARCS upgrade. The contractor for this project is Trace 3 with an anticipated start date is June 23, 2025 with completion June 22, 2026. The contract cost is \$568,236.56.

Commissioner Joslin asked if Trace 3 is local. Mr. Bouchard replied they are regional.

Commissioner Glover stated the Finance Committee met on June 11, 2025 and voted 2 to 0 to recommend approval by the Board. Commissioner Glover made a motion for approval and Secretary Byrd seconded the motion.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Secretary Byrd – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 6 to 0.

8. Contract for Renewal of Microsoft Licensing

Mr. Woods stated this is the contract for the Renewal of Microsoft Enterprise Agreement (EA) to license essential software and cloud services used across the organization. The Microsoft EA consolidates licensing under a single contract, offering cost savings through volume discounts, simplified licensing management, and predictable annual pricing. This contract is with Insight Public Sector for a 3-year term beginning June 1, 2025 and ending May 31, 2028. The total contract cost is \$1,631,935.50. Mr. Woods noted that factors influencing the increase in cost of this renewal are an increase in user licenses, two price increases by Microsoft over the last three years, and an increase in Windows Server licenses to support additional applications/services. The cost is carried in the O&M budget.

Mr. Woods requested the Board of Commissioners accept the renewal of the Microsoft Enterprise Agreement and authorize the Chair and President and CEO to execute the proposed contract with Insight for the total contract value of \$1,631,935.50.

Chair Sullivan asked what other options exist. Mr. Woods replied there really are not many other options, besides Google, which would be a very heavy lift and time and resources.

Commissioner Glover stated the Finance Committee met on June 11, 2025 and voted 2 to 0 to recommend approval by the Board. Commissioner Glover made a motion for approval and Commissioner Farner seconded the motion.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Secretary Byrd – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 6 to 0.

9. FY26 Commercial Insurance Policies Renewal (Finance)

President Kreulen introduced Kristen Deuben, VP, Finance, to brief the Board on the FY26 Commercial Insurance Policies Renewal. Ms. Deuben stated that the current insurance policies are on a 7/1/24 – 7/1/25 cycle. All policies will be renewed effective July 1, 2025. At our annual insurance renewal planning strategy meeting, Marsh indicated that our overall market conditions were favorable with adequate capacity and no need for coverage restrictions. Marsh negotiated with the incumbent carriers on select lines of coverage as they performed extensive marketing in the previous years.

Ms. Deuben stated the FY26 proposed policy premiums increased 4.9% from the prior year to a value of \$5,759,071 NTE and is within the FY26 budgeted insurance amounts for BNA, JWN, and MPC. The key reasons for the 4.9% increase over FY25 is the Property Insurance increased

to \$3.9M (+1.0%). This is due to our total insured value of assets increased from \$3.0B to \$3.1B. Ms. Deuben stated the Aviation General Liability increased to \$270K (+6.3%) due to a projected 5% enplanement increase and the projected 11% revenue growth. The Worker's Compensation increased to \$295K (+17.8%) due to our projected wages increased from \$50M to \$52M. Our experience modification factor increased from 0.77 to 0.83 due to an increase in number and severity of claims. The Cyber Liability/Network Security increased to \$207K (+36.6%) due to the increase in coverage from \$10M to \$15M.

Ms. Deuben requested the Board of Commissioners that it approve the FY26 commercial insurance policies renewal at a NTE amount of \$5,759,071 and authorize the President and CEO to execute the FY26 policies through Marsh.

Commissioner Joslin asked why the workers' compensation is up, and if we have a lot of claims. Ms. Deuben replied ending FY23 was the last time they looked at it, we had 10 additional claims, but we had one large claim that they reserved about \$190K, one staff member went to look for a water leak, got out of his truck, fell and fractured his hip. Right now, the claim is close, and we do not have the whole amount, but based off what they reserved and what they think it will be caused the modification. President Kreulen stated this happened during our snow event, there was a busted pipe he went to check on, got out of his truck, fell and fractured his hip.

Secretary Byrd asked what is the budget amount. Ms. Deuben replied she does not have that and will get back with the amount.

Commissioner Glover stated the Finance Committee met on June 11, 2025 and voted 2 to 0 to recommend approval by the Board. Commissioner Glover made a motion for approval and Secretary Byrd seconded the motion.

Chair Sullivan asked Ms. Saxman for a roll call:

Chair Sullivan – Yes

Secretary Byrd – Yes

Commissioner Joslin – Yes

Commissioner Stevenson – Yes

Commissioner Glover – Yes

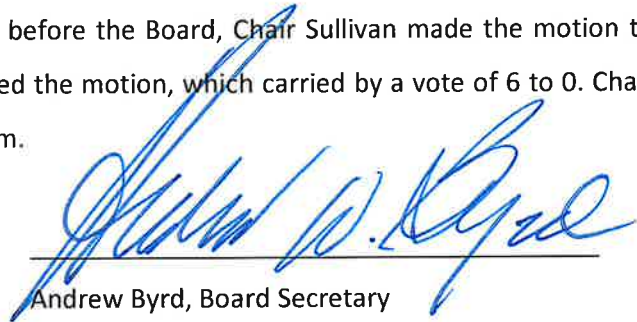
Commissioner Farner – Yes

The motion passed with a vote of 6 to 0.

President Kreulen concluded the presentation.

VII. 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 6 to 0. Chair Sullivan adjourned the meeting at 1:49 p.m.



Andrew Byrd, Board Secretary