



# Meeting of the MNAA Management Committee

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August 6, 2025

**BNA**®

# Call to Order

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August 6, 2025

# Public Comment

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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, August 4, 2025, 9:00 am

# Approval of Minutes

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Meeting of the MNAA Management, Audit & Compliance (“Management”)

May 14, 2025

# Chair's Report

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Nancy Sullivan, P.E.

Management Committee Chair

# Items for Approval

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August 6, 2025

- Small Business Program
  - MNAA Resolution 2025-13

## Item for Approval

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Douglas E. Kreulen, A.A.E.  
President and CEO

- April 17, 2025: FAA designated current list of Required Federal Contract Provisions as “historical”
- April 24, 2025: Secretary of Transportation issued letter “to clarify & reaffirm pertinent legal requirements, outline DOT’s expectations, and provide reminder of responsibilities & consequences of noncompliance with Federal law and terms of financial assistance agreements”
  - Prohibit programs based on race, color, national origin, sex or religion
  - Failure to cooperate will jeopardize continued receipt of Federal financial assistance from DOT
- April 25, 2025: FAA issued notice of modification of Airport Improvement Program (AIP) grant assurances effective April 25, 2025
  - Prohibit programs based on race, color, national origin, sex or religion
- April 28, 2025: FAA published 2025 Grant Agreement template, including
  - Certification that sponsors do not “operate any programs promoting diversity, equity & inclusion initiatives that violate applicable Federal anti-discrimination laws”
- May 15, 2025: Board approved Resolution 2025-12
  - No goal for the DBE, ACDBE & SMWBE programs in both solicitations & contracts
  - No scoring criteria related to any of the above programs

## MNAA DBE, ACDBE & SMWBE Program History

- DBE: Disadvantaged Business Enterprise (Federal, 49 CFR 23)
- ACDBE: Airport Concessions Disadvantaged Business Enterprise (Federal, 49 CFR 26)
- SMWBE: Small, Minority & Woman-Owned Business Enterprise (Local, 2020 Disparity Study)

# Small Business Program (SBP), Resolution 2025-13

- **Purpose:** To ensure MNAA has a program that supports small businesses and maintains compliance with Executive Order 14173, the Letter to Grant Applicants, and the updated Grant Assurances, MNAA's SMWBE Program must avoid the presumption of race-and-gender preferences
- **Resolution Content:**
  - 1) Affirms Board's commitment of encouraging the use of small businesses & creating opportunities for small businesses to successfully participate in MNAA contracts
  - 2) Discontinues MNAA's SMWBE Program including ceasing enforcement of prior race-and-gender commitments
  - 3) Creates MNAA's Small Business Program (SBP), with the following participation requirements for businesses to qualify:
    - Meet U.S. Small Business Administration (SBA) size standards appropriate to the primary industry classification (North American Industry Classification System "NAICS Code"), including average gross receipts over the previous five fiscal years and/or number of employees; and,
    - Have a personal net worth of less than \$2.047M, or as updated by the U.S. Department of Transportation (DOT); and,
    - Be located in the State of Tennessee
  - 4) Staff will develop the SBP with full deployment by the end of Fiscal Year 2026
  - 5) Staff will continue to monitor and respond as further Federal guidance is received

- Staff requests the Management Committee recommend to the Board of Commissioners that it:
  - Authorize the President and CEO to:
    - Discontinue MNAA’s SMWBE Program including ceasing enforcement of prior race-and-gender commitments, and
    - Create MNAA’s Small Business Program (SBP), in accordance with Resolution 2025-13; and
  - Authorize the Chair and President and CEO to execute MNAA Resolution No. 2025-13.

## **Small Business Program (SBP)**

### **Resolution 2025-13**

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- Staff Recommendation

# Information Items

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August 6, 2025

- FY25 Strategic Goals Accomplishments
- FY26 Strategic Goals & Objectives
- FY26 CEO Performance Key Performance Indicators (KPIs)
- Plante Moran FY25 Pre-Audit Letter

## Information Item

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Douglas E. Kreulen, A.A.E.  
President and CEO

## FY25 Strategic Goals & Objectives



Invest in BNA/JWN

Plan for the Future

Prepare for the Unexpected

1. **Achieve Financial Commitments** (Basrai)
  - ✓ Issue a new Short Term Credit Facility by December 31, 2024, and prepare for a FY25 or early FY26 bond issuance
  - ✓ Ensure debt service coverage and days cash on hand are maintained above policy requirements
  - ✓ Continually update funding model to ensure adequate access to capital
2. **Continue to Develop BNA Concessions Program** (Johnson)
  - ✓ Complete 8 concessions in Concourse D by July 2, 2025
  - ✓ Develop and issue concessions solicitation for Concourse A
  - ✓ Develop and issue solicitation for Mezzanine Lounge(s)
  - ✓ Develop plan to increase advertising revenue by December 15, 2024
3. **Organizational Review** (Cooper, Lankford)
  - ✓ Complete comprehensive review of Human Resources, Business Diversity Development and Procurement and develop plan to continue improvement of long range department performance (Cooper)
  - ✓ Develop requirements, including recommended roles and required resources, for analytical data center by January 31, 2025 (Lankford)
4. **Improve Procurement Efficiency and Service** (Cooper)
  - ✓ Complete comprehensive review of Procurement Program, including verification of compliance with all local, state and federal requirements, benchmarking against other large hub airports, and evaluation of efficiency and transparency
  - Update Procurement Policy and Procedure Manual and implement updates
  - Implement new credit card program to support corporate credit card/p-card policy by December 31, 2024
5. **Continue Advocacy of State Support for Long-range Capital Funding** (Lankford)
  - ✓ Complete BNA/JWN Economic Impact Study and coordinate with State of Tennessee and TAACA
6. **Attract and Retain the Best Employees** (Cooper)
  - ✓ Complete compensation survey, specialty/shift differential pay, and provide recommendations to CEO by January 31, 2025
  - ✓ Evaluate and develop proposal for improvements to supplemental benefits
  - ✓ Conduct recruiting outreach with industry professional organizations and institutions to establish a pipeline of critical skill needs
7. **Sponsorships and Marketing** (Lankford)
  - ✓ Implement Sponsorship Portal and develop reporting for sponsorship spend
  - ✓ Determine effectiveness of sponsorship and marketing spend
8. **Improve Customer Experience** (Floyd)
  - ✓ Develop plan that merges customer service and customer experience to provide proactive and urgent response to all facets of customer journey, including required roles and resources by December 15, 2024
9. **Improve Airport Access** (Ramsey)
  - ✓ Complete, manage and maintain Roadway/Traffic Management Model
  - ✓ Finalize Future Parking/Garage(s) Plan for 70M passengers
10. **Enhance Airline Efficiency** (Ramsey, Floyd, Johnson)
  - ✓ Complete design and begin construction of improvements to Baggage Handling System (Ramsey)
  - ✓ Complete construction of Concourse D Extension by July 2, 2025 (Ramsey)
  - ✓ Complete design of Concourse A and award CMAR contract for enabling to begin July 3, 2025 (Ramsey)
  - ✓ Award design/build contract for Central Ramp (Ramsey)
  - ✓ R/W 2L Proposed Extension (Ramsey, Johnson)
  - ✓ Develop real estate acquisition plan for the R/W 2L proposed extension (Johnson)
  - ✓ Respond to FAA Agency Review decision (Continue EIS or begin EA) (Ramsey)
  - ✓ Coordinate improvements to Air Traffic Control Procedures (Floyd)
11. **Expand Air Service** (Powell, Floyd)
  - ✓ Continue to pursue International Air Service and obtain at least one new transoceanic route (Lankford)
  - ✓ Develop Corporate Engagement plan for each airline at BNA (Lankford)
  - ✓ Facilitate improvements to Customs and Border Protection service (Floyd)
12. **Create Terminal II Strategic Plan** (Ramsey, Basrai, Lankford)
  - ✓ Refine preferred site concepts for Terminal II and CONRAC (Ramsey)
  - ✓ Develop Terminal II Tenant Relocation Plan (Ramsey)
  - ✓ Obtain Board approval to raise Customer Facility Charges (CFCs) to support financing of new Consolidated Rental Car Center (CONRAC) at BNA (Basrai)
  - ✓ Develop plan for the funding of New Horizon and Terminal II (Basrai)
  - ✓ Develop/produce community storyline for New Horizon and Terminal II Plans (Lankford)
13. **Airport Authority Long-Range Planning** (Ramsey, Johnson)
  - ✓ Create an Airport Authority Long-Range Facility/Campus Plan (Ramsey)
  - ✓ Initiate and manage development of a new Airport Master Plan (Critical Facilities: Centralized Receiving & Distribution, Air Freight, ARFF Stations, Fuel Storage, Future Airfield) (Ramsey)
  - ✓ Develop plan to purchase additional real estate (Johnson)
14. **Expand John C. Tune Airport** (Floyd, Johnson)
  - ✓ Complete solicitation and execute lease for 2nd FBO
  - ✓ Complete solicitation and execute lease or contract for Midfield Development (Johnson)
15. **Succession Planning** (Cooper, Floyd)
  - ✓ Complete solicitation for Human Resources Information System (HRIS), including Performance Management, and develop plan for funding and implementation (Cooper)
  - ✓ Begin development of comprehensive plan for organizational development, including training for new managers and defining requirements for leadership positions (Cooper)
  - ✓ Develop & publish Talent, Excellence, and Diversity Plan (Cooper)
  - ✓ Develop 24/7 duty roster (Floyd)
16. **Business Diversity Leadership** (Cooper)
  - ✓ Publish certified SMMWE, DBE and ACDBE Performance for community distribution
  - ✓ Complete actions in response to five 2021 Disparity Study findings, including 82Gnow enhancements
17. **2nd Water Line to Airport** (Ramsey)
  - ✓ Complete construction of redundant water line by June 30, 2025
18. **Compliance** (Legal)
  - ✓ Develop recommendation for updated Board and Staff Ethics policies by October 15, 2024
  - ✓ Develop recommendation for updated Board bylaws by December 15, 2024
  - X Develop recommendation for comprehensive Compliance Program by March 15, 2025
  - ✓ Provide quarterly updates and recommendations to executive staff on legal issues and challenges impacting airports
19. **Operational Excellence** (Floyd)
  - ✓ Develop FAR 139 program to be used as benchmark for large hub airport performance for annual preparation
  - ✓ Develop TSA 1542 program to be used as benchmark for large hub airport performance for annual preparation
20. **Media Response Plan** (Lankford)
  - ✓ Develop real-time Media Response Plan to improve media accuracy

**FY25 Year-End Rating: 92.8%**

- ✓ Met Goal
- ! Partially Met Goal
- Did not Meet Goal
- Partially Met Goal/Re-Evaluate
- X Hold / Stop / Re-evaluate

Issued: July 8, 2024  
Updated with scoring: July 8, 2025

# FY25 Strategic Goals Accomplishments

- Key Accomplishments (92.8%)
  - Opened Concourse D Extension with 8 new Concessions
  - Completed design of Concourse A
  - Completed Long-Range BNA Facility Plan and Terminal II Siting Study
  - Obtained two new transoceanic routes
  - Executed lease for 2<sup>nd</sup> JWN Fixed Base Operator
  - Issued new Short Term Credit Facility and preparing for next bond issuance
  - Completed compensation study
  - Implemented improvements in customer service to provide proactive and urgent response to all facets of customer journey
  - Started Economic Impact Study and Master Plan

# FY26 Strategic Goals & Objectives



Invest in BNA/JWN

1. **Achieve Financial Commitments** (Basrai, Johnson, Floyd, Lankford)
  - Complete New Horizon Bond Offering/Financing with rating agencies & investor relations (Basrai)
  - Continually update 10-year funding model to ensure adequate access to capital (Basrai)
  - Develop and execute plan to increase existing and new revenue sources (Johnson, Basrai)
  - Create improved process for review, prioritization and recommendation of initiatives, staffing and promotions (Basrai, Lankford, Cooper)
2. **Continue to Develop BNA Concessions Program** (Johnson)
  - Issue solicitation and award contract for Concourse A and expiring BNA Concessions (Johnson)
  - Issue solicitation and award contract for North Mezzanine 3<sup>rd</sup> Party Lounge (Johnson)
  - Negotiate business terms with rental car companies for the new Rental Car Complex (Johnson)
3. **Further Develop Data-Driven Decisions** (All)
  - Finalize requirements and develop proposal for creating an Analytical Data Center (Lankford)
  - Develop and incorporate operational, financial and compliance metrics into executive/senior staff meetings for all departments (All)
4. **Improve Procurement Efficiency and Service** (Cooper, Basrai)
  - Correct deficiencies identified in compliance review of Procurement Program, update Policy and Procedures, and obtain external validation of compliance (Cooper)
  - Implement new credit card program to support corporate credit card/p-card policy (Basrai, Cooper)
5. **Continue Advocacy of State Support for Long-range Capital Funding**
  - Publish BNA/JWN Economic Impact Study and coordinate with State of Tennessee and TAACA (Lankford, Powell)
6. **Attract and Retain the Best Employees** (All)
  - Develop department level, employee centric, engagement plans designed to improve the results of the FY26 employee survey (All)
  - Finalize recommendation for Internship and Apprenticeship Program, including costs, time and resources required (Cooper)
7. **Sponsorships and Marketing** (Lankford)
  - Evaluate effectiveness of sponsorship and marketing spend and prepare for lottery system in FY27 (Lankford)
8. **Enhance Customer Experience** (Floyd, Lankford)
  - Expand customer service to support 24/7 operations and develop proposal to increase customer satisfaction through recurring programs (Floyd)
  - Issue solicitation, award contract and begin development of new MNAA website (Lankford)
  - Issue solicitation and award contract for refresh of large screens (Lankford)
  - Develop, install and maintain replacement hand-dryers to meet customer expectations (Ramsey, Floyd)

Plan for the Future

9. **Improve Airport Access** (Ramsey, Floyd, Lankford)
  - Complete New Horizon II Landside Programs (Ramsey)
    - Award contract & begin design of TARI Phase 3.2 & Parking & Rental Car Complex (Ramsey)
    - Complete design and begin construction of new employee/valet surface parking lot for December 2026 completion (Ramsey)
  - Develop community storyline for New Horizon II to assure customer expectations are met throughout construction (Lankford)
  - Complete implementation of new Parking Revenue & Control System by June 2026 (Ramsey, Floyd)
10. **Enhance Airline Efficiency** (Ramsey, Floyd, Powell)
  - Complete New Horizon I Airside Programs
    - Open Concourse A Ramp Expansion for RON positions for 2026 de-icing season (Ramsey)
    - Complete airline moves and enabling construction for demo of Concourse A by November 2025 and maintain schedule for July 2028 opening of new Concourse A, to include new escalator core design. (Ramsey, Powell)
    - Complete design and maintain construction schedule for August/September 2027 opening of Central Ramp (Ramsey)
    - Continue expansion of Baggage Handling System Expansion (Ramsey)
  - Complete design and construction of airfield improvements to allow for ADG V/DTG 6 aircraft operations prior to April 2026 (Ramsey)
  - Facilitate improvements to Customs and Border Protection service, including implementation of Enhanced Passenger Processing (EPP) by August 31, 2025 (Floyd)
  - Maintain strategic alliance with FAA for siting of new Air Traffic Control Tower, implementation of Performance Based Navigation (PBN) Procedures & possible closure of Runway 13/31 (Floyd)
11. **Expand Air Service** (Powell, Ramsey, Johnson)
  - Continue to pursue International Air Service and obtain at least one new Latin/Central/ South America or transoceanic route (Powell)
  - Secure agreements for South Mezzanine and Concourse A Airline Lounges (Powell)
  - Respond to FAA Agency Review decision for R/W 2L Proposed Extension (Continue EIS or begin EA) (Ramsey)
  - Begin real estate acquisition for the R/W 2L proposed extension, pending FAA approval, if required (Johnson)
12. **Plan for Airport Long-Range Development** (Ramsey, Lankford, Basrai)
  - Manage Airport Master Plan process and provide quarterly Board updates (Ramsey)
  - Complete development of MNAA Long-Range/TII Master Schedule (Ramsey)
  - Develop community storyline for MNAA Long-Range/TII Development & release video (Lankford)
  - Complete environmental review (CATEX) for future MNAA, Industrial Development and BNA General Aviation Campuses (Ramsey)
  - Develop financial strategy for future MNAA, Industrial Development and BNA General Aviation Campuses (Basrai)
13. **Expand John C. Tune Airport** (Johnson, Ramsey)
  - Complete design of 2<sup>nd</sup> FBO & continue development of North Development hangars (Johnson)
  - Issue solicitation/negotiation & execute contract for Midfield Aircraft Parking Apron (Johnson)
  - Begin Westside Development by updating Engineering drawings and developing solicitation for road to Westside (Ramsey)
  - Begin development of JWN Long Range/Master Plan Update (Ramsey)

Prepare for the Unexpected

14. **Succession Planning** (Cooper, Basrai, Floyd, Lankford)
  - Launch Human Resources Information System (HRIS) by October 1, 2025 (Cooper)
  - Launch Performance Management using HRIS by December 31, 2025 (Cooper, Lankford)
  - To ensure operational resilience during economic uncertainty, evaluate and conduct cost benefit analysis of insourcing/outsourcing of labor-intensive and under-performing functions (Cooper, Basrai, Floyd, Lankford)
  - Develop plan for staff and leadership development, including timeline, calendar, projected hours/budget and prioritization process, for executive staff and CEO approval (Cooper)
15. **Small Business Program** (Cooper)
  - Define, obtain Board approval and execute Small Business Program (Cooper)
16. **Compliance** (Floyd)
  - Establish a formalized process to assess, monitor, and manage risks associated with third-party Information Technology vendors, to ensure vendors align with MNAA's operational and regulatory requirements (Floyd)
  - Implement a data classification framework to categorize information based on sensitivity and criticality, to improve data security and ensure appropriate handling and access controls across the organization (Floyd)
17. **Organizational Excellence** (All)
  - Develop TSA 1542 program to be used as benchmark for large hub airport performance for annual preparation (Floyd)
  - Develop sustainability program/management plan to include identification of program administrators and goals and objectives (Ramsey, Floyd)
  - Identify and implement best practices to benefit BNA and JWN, through active participation by all MNAA leaders in AAAE / AC/NA Committees (All)

Issued: July 16, 2025

# FY26 Strategic Goals & Objectives

- Published July 16, 2025
- Guides FY26 employee objectives

| KPI Evaluation Criteria                              | 90% Eligibility        | 100% Eligibility          | 110%+ Eligibility          |
|--|------------------------|---------------------------|----------------------------|
| <b>Financial (50%)</b>                               |                        |                           |                            |
| <b><u>Operating Income (BNA+JWN+MPC) (25%)</u></b>   |                        |                           |                            |
| Operating Revenue                                    | Meets budget: \$367.5M | 5% over budget: \$385.9M  | 10% over budget: \$404.3M  |
| Operating Expense                                    | Meets budget: \$203.1M | 5% under budget: \$192.9M | 10% under budget: \$182.8M |
| <b><u>Fiscal Responsibility / Strength (25%)</u></b> |                        |                           |                            |
| Senior Debt Coverage                                 | 1.25                   | 1.3 - 1.5                 | Greater than 1.5           |
| Sr/Subordinate Debt Coverage                         | 1.1                    | 1.2 - 1.25                | Greater than 1.25          |
| Days Cash on Hand                                    | 500 days (OS)          | 550 - 650 day (Policy)    | Greater than 650 days      |
| Pension Funding                                      | 80% - 89%              | 90% - 100%                | Greater than 100%          |
| OPEB Funding   | 80% - 89%              | 90% - 100%                | Greater than 100%          |
| <b>Operational (50%)</b>                             |                        |                           |                            |
| <b><u>Overall Airport Satisfaction (15%)</u></b>     | 80% - 84% top 2 box    | 85% - 90% top 2 box       | Greater than 90% top 2 box |
| <b><u>Overall Employee Satisfaction (10%)</u></b>    | 3.0 – 3.5 rating       | 3.6 – 4.0 rating          | Greater than 4.0 rating    |
| <b><u>Strategic Goals (25%)</u></b>                  | Meets expectations:    | Exceeds expectations:     | Outstanding:               |
| Invest in BNA/JWN                                    | 70% - 79%              | 80% - 90%                 | Greater than 90%           |
| Plan for the Future                                  |                        |                           |                            |
| Prepare for the Unexpected                           |                        |                           |                            |

- Revenue and Expense budgets for BNA, JWN and MPC approved by Board April 16, 2025
- Pension Funding based on 3-yr smoothed actuarial basis; OPEB funding based on market basis
- Customer Satisfaction survey conducted by independent consultant (quarterly through fiscal year)
- Employee Satisfaction survey conducted by independent consultant (planned for March 2026)

## FY26 CEO Key Performance Indicators

- Next Steps
  - Board of Commissioners review and approve or revise CEO FY26 KPIs
  - Board Approval: Planned for September 17, 2025



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July 25, 2025

Board of Commissioners  
Metropolitan Nashville Airport Authority  
140 BNA Park Drive, Suite 520  
Nashville, TN 37214

Dear Board of Commissioners:

We are in the process of planning for the audit of the financial statements of Metropolitan Nashville Airport Authority ("the Authority") for the year ended June 30, 2025. An important aspect of planning for the audit is communication with those who have responsibility for overseeing the strategic direction of the Authority and obligations related to the accountability of the Authority. At the Authority, these responsibilities and obligations are held by the Board of Commissioners, collectively and individually; therefore, it is important for us to communicate with each of you in your role as a member of the Board of Commissioners.

As part of this communication process, we have spoken at length with Ms. Nancy Sullivan, Chair of the Board of Commissioners regarding our responsibilities under generally accepted auditing standards and the planned scope and timing of our audit. The purpose of this letter is to provide each of you with a summary of those discussions and to provide you with the opportunity to communicate with us on matters that may impact our audit.

#### Our Responsibility Under Generally Accepted Auditing Standards and Generally Accepted Government Auditing Standards

As stated in our engagement letter addressed to Mr. Douglas E. Kreulen and dated June 19, 2025, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In accordance with Generally Accepted Government Auditing Standards (GAO Standards), we are required to communicate all noncompliance with provisions of laws, regulations, contracts, or grants that have a material effect on the financial statements that comes to our attention. GAO Standards also require that we report any instances of abuse identified during that audit that could be quantitatively or qualitatively material to the financial statements.

#### Overview of the Planned Scope and Timing of the Audit

Ali H. Hijazi is the engagement partner responsible for supervising our services performed as part of this engagement. Our audit fieldwork will include three phases. The planning, preliminary information-gathering and the risk assessment phase will occur during June and July and the rest of our audit procedures will be performed during August and September.

To plan an effective audit, we must identify significant risks of misstatement in the financial statements, including those related to changes in the financial reporting framework or changes in the entity's environment, financial condition, or activities, and design procedures to address those risks.

Because management is in a unique position to perpetrate fraud due to its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be

# Plante Moran FY25 Pre-Audit Letter

- Included in Management Committee packet
- Plante Moran met with Chair Sullivan regarding Plante Moran's responsibilities under generally accepted auditing standards and planned scope & timing of the audit
  - Express opinion about whether the financial statements prepared by management with the Board's oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting standards
- Results will be presented at the October/November Management Committee meeting



## Meeting of the MNAA Management Committee

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Meeting Adjourned