



Meeting of the MNAA Management Committee

September 10, 2025

BNA®

Call to Order

September 10, 2025

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, September 8, 2025, 9:00 am

Approval of Minutes

Meeting of the MNAA Management Committee

August 6, 2025

Chair's Report

Nancy Sullivan, P.E.

Management Committee Chair

Items for Approval

September 10, 2025

- FY25 CEO Performance Evaluation

Item for Approval

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

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

Lisa Lankford, A.A.E.
EVP, Chief Strategy Officer

FY25 CEO Performance Evaluation

- **CEO Employment Agreement (Effective 9/20/23)**
 - Board of Commissioners, at their sole discretion:
 - May increase salary based on annual compensation survey
 - Will determine eligibility for target bonus payout level, based on CEO's ability to meet or exceed targeted expectations applicable to his position, in accordance with and subject to the terms of any applicable performance-based metrics, compensation plan or program
- **Background**
 - September 20, 2023: Board approved CEO's annual base salary
 - Review & Deliberate in Information Items
 - October 16, 2024: Board approved FY25 CEO Key Performance Indicators (KPIs)
 - August 6 – September 3, 2025: CEO/CFO/CSO provided FY25 performance summary:
 - FY25 Key Performance Indicator Results
 - USI Consulting Group June 30, 2025, Pension/OPEB Valuation Report
 - ACI ASQ April - June 2025 Customer Satisfaction Results
 - Flex Surveys FY25 Employee Satisfaction Results
 - FY25 Strategic Goals & Objectives Accomplishments
 - ADK Consulting & Executive Search 2025 CEO Compensation Study Report

FY25 CEO Key Performance Indicators (KPIs)

KPI Evaluation Criteria	90% Eligibility	100% Eligibility	110%+ Eligibility	Actual	Results
Financial (50%)				Financial	
<u>Operating Income (BNA+JWN+MPC) (25%)</u>				Projected \$325,931,975 Projected \$180,083,266	0% 110%
Operating Revenue	Meets budget: \$333.0M	5% over budget: \$349.7M	10% over budget: \$366.3M		
Operating Expense	Meets budget: \$199.8M	5% under budget: \$189.8M	10% under budget: \$179.8M		
<u>Fiscal Responsibility / Strength (25%)</u>				5.08 2.82 1,262 days 105.2% 196.9%	110% 110% 110% 110% 110%
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%		
Operational (50%)				Operational	
<u>Overall Airport Satisfaction (15%)</u>	80% - 84% top 2 box	85% - 90% top 2 box	Greater than 90% top 2 box	87%	100%
<u>Average Employee Satisfaction (10%)</u>	3.0 - 3.5 rating	3.6 - 4.0 rating	Greater than 4.0 rating	3.8	100%
<u>Strategic Goals & Objectives (25%)</u>	Meets expectations:	Exceeds expectations:	Outstanding:	92.8%	110%
Invest in BNA/JWN	70% - 79%	80% - 90%	Greater than 90%		
Plan for the Future					
Prepare for the Unexpected					
				Total	93.75%

CFO Input

CSO Input

- **Operating Income (25%)**

- Operating Revenue
 - \$325,931,975 projected (2% below budget)
 - Increased ~ \$23.5M over FY24 (+7%)
 - Revenue exceeds expenses by \$146M
- Operating Expenses
 - \$180,083,266 projected (10% below budget)
 - Approximately \$19M below budget

- **Fiscal Responsibility/Strength (25%)**

- Senior Debt Coverage: 5.08
- Senior/Subordinate Debt Coverage: 2.82
- Days Cash on Hand: 1,262 days
- Pension Funding: 105.2%
- OPEB Funding: 196.9%

FY25 CEO Performance Evaluation: Financial (50%)

- Marge Basrai, CFO

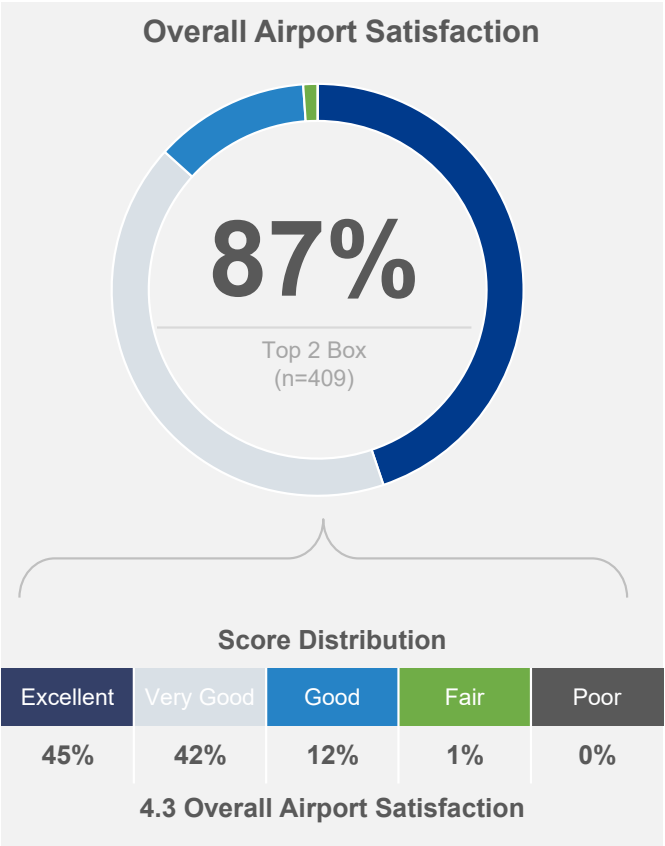
- Overall Airport Satisfaction (15%)
 - 87% Top 2 Box
- Average Employee Satisfaction (10%)
 - 3.8 (5 pt scale)
- Strategic Goals and Objectives (25%)
 - 92.8%
- See performance details on following slides

FY25 CEO Performance Evaluation: Operational (50%)

- Lisa Lankford, CSO

FY25 CEO Performance Evaluation: Airport Customer Satisfaction (15%)

- Survey conducted by ACI Airport Service Quality (ASQ)

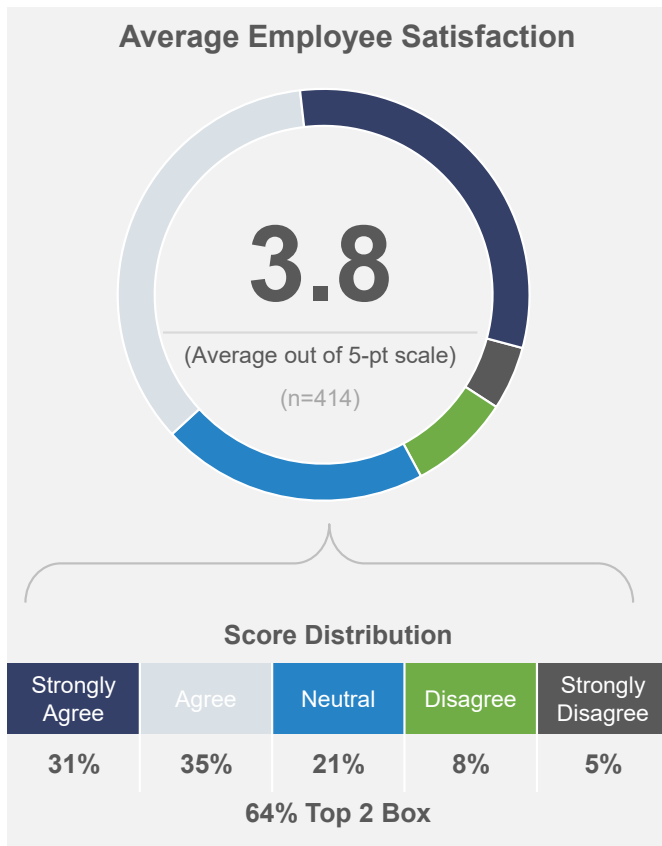


Overall Airport Satisfaction Benchmarks		BNA Score
ASQ Global Average	4.34	4.3
North America Average	4.22	4.3
Custom Panel Average	4.22	4.3
15 - 25M Average	4.35	4.3

Overall Satisfaction		
	Arrival at the Airport	4.08
	Check-in	4.33
	Security Screening	4.39
	Shopping / Dining	3.70
	Gate Areas	3.95
	Throughout the Airport	4.16
	Airport Atmosphere	4.20

FY25 CEO Performance Evaluation: Employee Satisfaction (10%)

- Survey conducted by Flex Surveys



Employee Satisfaction 75 th Percentile Benchmarks		BNA Score
Participation	85%	92%
Overall Average Satisfaction		3.8
Engagement	82%	70%
Endorsement	87%	85%

Employee Satisfaction		Vs. Industry Avg
Overall Satisfaction	3.8	+0.2
Workplace Satisfaction	3.7	+0.1
Company Culture	3.8	0.0
President & CEO	4.0	+0.5
Executive Staff	3.7	+0.2
Staffing & Co-workers	3.5	+0.2
Communication & Teamwork	3.7	+0.2
Job/Role Clarity	3.9	+0.2
Feedback & Recognition	3.7	+0.2
Training & Development	3.7	0.0
My Immediate Supervisor	4.2	+0.2
Pay & Benefits	3.6	+0.2
Job Satisfaction & Commitment	3.8	+0.1

- FY25 Year-End Rating: 92.8%

FY25 Strategic Goals & Objectives



- 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
 - o Update Procurement Policy and Procedure Manual and implement updates
 - o 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

Plan for the Future

- 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 1, 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)

Prepare for the Unexpected

- 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 SMMBE, 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
 - ✓ 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 PAR 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 - Partially Met Goal/Re-Evaluate
- o Did not Meet Goal X Hold / Stop / Re-evaluate

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

FY25 Strategic Goals Accomplishments (25%)

- 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 2nd 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

- CFO & CSO Recommendation:
 - Based on the data provided and at the Management Committee's sole discretion, evaluate and determine the CEO's FY25 performance and award, and
 - Recommend approval to the Board

CFO & CSO Recommendation

- Key Performance Indicator Score
 - Revenue/Expense: 55%
 - Fiscal Responsibility: 110%
 - Customer: 100%
 - Employee: 100%
 - Strategic Goals: 110%
- 93.75%

- FY26 CEO Performance Key Performance Indicators (KPIs)

Item for Approval

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

KPI Evaluation Criteria	90% Eligibility	100% Eligibility	110%+ Eligibility
Financial (50%)			
<u>Operating Income (BNA+JWN+MPC) (25%)</u>			
Operating Revenue	Meets budget: \$364.0M	5% over budget: \$382.2M	10% over budget: \$400.4M
Operating Expense	Meets budget: \$199.6M	5% under budget: \$189.6M	10% under budget: \$179.6M
<u>Fiscal Responsibility / Strength (25%)</u>			
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<u>Strategic Goals (25%)</u>	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; BNA amended September 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

- CEO Recommendation:
 - Review and evaluate the proposed FY26 CEO Key Performance Indicators (KPIs), and
 - Recommend approval to the Board for the FY26 CEO KPIs

Information Items

September 10, 2025

- 2025 CEO Compensation Benchmarking Study – Review & Deliberate

Information Item

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

CEO Compensation Strategy – 2023 Large Hub Authority Benchmarking

- September 20, 2023: Board approved CEO annual base salary

	Base Salary						Total Cash Compensation					
	P10	P25	P50	P75	P90	P99	P10	P25	P50	P75	P90	P99
Large Hubs	\$218,808	\$360,538	\$487,542	\$671,880	\$813,610	\$1,057,572	\$291,872	\$542,325	\$757,725	\$1,092,500	\$1,342,953	\$1,774,060
CEO 7/2023		\$409,500 (P33)					\$421,500 - \$585,300 (P18 - P29)					
CEO 9/2023			\$600,000 (P65)						\$612,000 - \$852,000 (P30 - P53)			

P25, P50 & P75 provided by Korn Ferry, November 2022; P10, P90 & P99 calculated based on normal distribution

CEO Total Cash Compensation = FY24 Base Salary + Car Allowance + FY24 Bonus (0 – 40% eligibility)

CEO Compensation – 2025 Large Hub Authority Benchmarking

- September 2025: ADK Consulting & Executive Search
- November 2024: Korn Ferry

	Base Salary						Total Cash Compensation					
	P10	P25	P50	P75	P90	P99	P10	P25	P50	P75	P90	P99
Large Hubs	\$385,173	\$432,486	\$574,281	\$651,500	\$783,350	\$827,870	\$393,573	\$444,486	\$656,481	\$781,200	\$1,042,330	\$1,119,966
CEO 9/2023 – 10/2025			\$600,000 (P57)						\$612,000 - \$837,000 (P41-P82)			

*Large hub provided by ADK, 9/2025 and Korn Ferry, 11/2024; Percentiles calculated based on data provided
 CEO Total Cash Compensation = FY25 Base Salary + Car Allowance + FY25 Bonus (0 – 40% eligibility; KPI score=93.75%)*

- **Summary**

- September 2023 Salary
 - Base salary: 65th percentile
 - Total compensation: 30th – 53rd percentile
- No change 2024
- September 2025 benchmarking (ADK + Korn Ferry)
 - Base salary: 57th percentile
 - Total compensation: 41st – 82nd percentile

- **Review & Deliberate**

2025 CEO Compensation Benchmarking Study

- CEO Succession Manual

Information Item

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

Succession Planning Responsibilities:

- President and CEO
 - Recommend Interim President and CEO
- Board of Commissioners
 - Appoint interim CEO, if required, at Board's discretion
 - May be CEO recommended interim CEO or alternate interim CEO
 - Execute CEO Succession Plan, taking into consideration CEO's Initial Term and subsequent Renewal Terms
 - Determine recruiting and selection approach
 - Competitively select new CEO
 - Establish conditions of employment, including salary and term
 - Onboard new CEO
- MNAA Senior Leadership
 - Provide support to Board and CEO for Succession Plan
 - Communications Plan
 - Procurement & Human Resources Services
 - Finance Support, Administrative & Legal Support

CEO Succession Manual

CEO Employment Agreement:

- Term ends December 31, 2026
- Term automatically extends for successive one-year periods following expiration of Initial Term, unless written notice of non-renewal at least 12 months prior to date of expiration of Initial Term or any Renewal Term



Meeting of the MNAA Management Committee

Meeting Adjourned