



Meeting of the MNAA Management Committee

November 12, 2025

BNA®

Call to Order

November 12, 2025

Public Comment

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

MNAA Policy ID: 33-007, Public Comment Policy, effective September 8, 2025

No Public Comment Requests Received by Monday, November 10, 2025, 9:00 am

Approval of Minutes

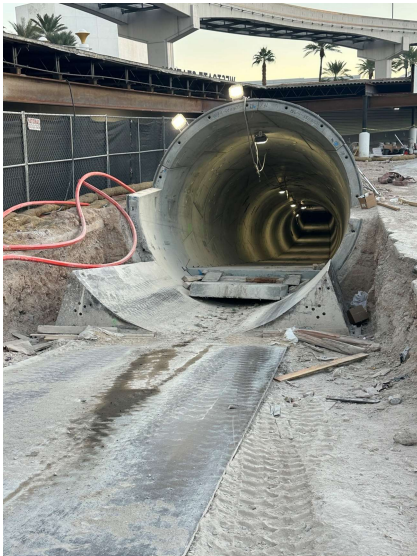
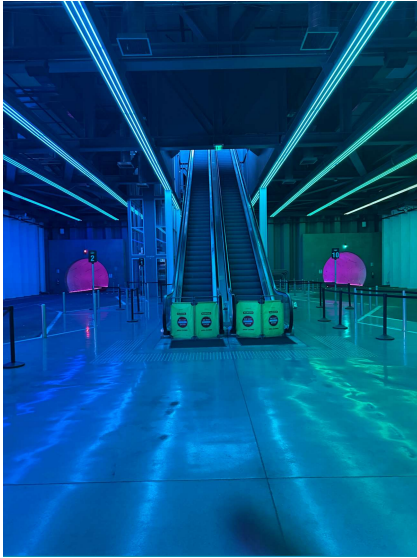
Meeting of the MNAA Management Committee

September 10, 2025

Chair's Report

Nancy Sullivan, P.E.

Management Committee Chair



Vegas Loop

Joycelyn Stevenson, Esq.

Management Committee Vice Chair

November 9, 2025

Items for Approval

November 12, 2025

- FY26 CEO Performance Key Performance Indicators (KPIs)

Item for Approval

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

- Background
 - CEO KPIs provide objective criteria for the Board in determining CEO's eligibility for an annual bonus
 - KPIs were initially established and approved by the Board in FY23, and have been updated annually
 - On August 6, 2025, the Management Committee requested the FY26 CEO KPIs be amended to:
 - Incorporate a graduated scale for KPI ratings that fall within lower and upper limits, and
 - Change the lower limit for revenue to allow a graduated scale for less than 100%
- Amended FY26 CEO KPIs
 - The CEO, CFO and CSO incorporated the Management Committee amendments, including:
 - Created graduated scales for all criteria
 - Revised lower limit for revenue and upper limit for expenses
 - Added Operating Income and Passenger criteria

FY26 CEO Key Performance Indicators (KPIs)

FY26 CEO Key Performance Indicators (KPIs)

Amended - For Management Committee Review: November 12, 2025

KPI Evaluation Criteria	90 - 99% Eligibility	100% Eligibility	101 - 110% Eligibility
Financial (50%)			
<u>Operating Income: BNA+JWN+MPC (25%)</u>			
Operating Revenue (5%)	0.1% - 10% under budget: \$327,610,800 - \$363,647,988	Meets budget: \$364,012,000 \$363,647,989 - \$367,652,119	1% - 10% over budget: \$367,652,120 - \$400,413,200
Operating Expense (5%)	0.1% - 10% over budget: \$199,779,580 - \$219,538,000	Meets budget: \$199,580,000 \$197,584,201 - \$199,779,579	1% - 10% under budget: \$179,622,000 - \$197,584,200
Operating Income (15%)	n/a	Meets budget: \$164,432,000 \$164,267,568 - \$166,076,319	1% - 10% over budget: \$166,076,320 - \$180,875,200
<u>Fiscal Responsibility / Strength (25%)</u>			
Senior Debt Coverage (5%)	1.3 - 1.49 coverage	1.5 - 1.7 coverage	1.71 - 2.0 coverage
Sr/Subordinate Debt Coverage (5%)	1.15 - 1.24 coverage	1.3 - 1.45 coverage	1.46 - 1.75 coverage
Days Cash on Hand (5%)	500 - 549 days	550 - 650 days (Board Policy)	651 - 700 days
Pension Funding (5%)	80% - 89.9% funded	90% - 100% funded	100.1% - 110% funded
OPEB Funding (5%)	80% - 89.9% funded	90% - 100% funded	100.1% - 110% funded
Operational (50%)			
<u>Strategic Goals (25%)</u>	70% - 79.9% completion	80% - 90% completion	90.1% - 100% completion
<u>Overall Airport Satisfaction (10%)</u>	80% - 84.9% top 2 box	85% - 90% top 2 box	90.1% - 95% top 2 box
<u>Average Employee Satisfaction (10%)</u>	3.0 - 3.59 rating	3.6 - 4.0 rating	4.01 - 4.5 rating
<u>BNA Passengers (5%)</u>	Meets moderate: 25,026,700 25,026,700 - 25,522,399	Meets strategic: 25,522,400 25,522,400 - 25,777,624	Meets aggressive: 26,018,000 25,777,625 - 26,018,000

FY26 CEO Key Performance Indicators (KPIs)

- CEO Recommendation:
 - Review and evaluate the amended FY26 CEO Key Performance Indicators (KPIs), and
 - Recommend approval to the Board for the FY26 CEO KPIs
- NOTE: Employee criteria will be updated following Board approval

Information Items

November 12, 2025

- FY25 MNAA Payment Card Industry (PCI) Compliance Assessment

Information Item

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

- Payment Card Industry (PCI) Data Security Standard (DSS) Compliance Assessment (300+ security control requirements)
 - Security standard for organizations that handle branded payment cards
 - Applies to companies of any size that store, process or transmit cardholder data
- MNAA 1st became PCI DSS compliant in FY19 (7th year of success)
- **New PCI DSS 4.0.1 Requirements increased** testing inside and outside the Authority's credit card environment
- Assessment performed by Plante Moran July 2025 – October 2025
 - Noted 4 findings and 1 observation
 - **All remediated**
- **Assessment resulted in a compliant Attestation of Compliance (AOC)**

FY25 Payment Card Industry (PCI) Compliance Assessment



- FY25 MNAA External Audit Update
 - Executive Summary
 - Required Communications
 - Other Informational Items

Information Item

Ali Hijazi, Partner, Plante Moran

Veronica Tuazon, Senior Manager,
Plante Moran

Executive Summary

1. Financial Statement Audit
2. Federal Expenditures Audit
3. Passenger Facility Charge (PFC) Audit

- Unmodified (clean) opinion
- No reportable internal control deficiencies identified

1. Financial Statement Audit

- Executive Summary

- Unmodified (clean) opinion on compliance with federal awards
- No internal control deficiencies or non-compliance matters identified
- One major program
 - Airport Improvement Program
 - \$23.7 million of expenditures during FY2025

2. Federal Expenditures Audit

- Executive Summary

- Unmodified (clean) opinion on compliance with the PFC program
- No internal control deficiencies or non-compliance matters identified
- During FY2025, \$47.3 million PFC's collected and \$32.5 million PFC's expended

3. Passenger Facility Charge (PFC) Audit

- Executive Summary

Required Communications

Post-Audit Letter

Required Communications - Financial Statement Audit Results

- Conclusion regarding risks discussed in pre-audit communication
 - Management override of controls
 - Proper measurement and recognition of revenue under significant new grants or arrangements
 - Management's valuation of the total pension and other postemployment benefit (OPEB)

No issues identified in these areas

Required Communications - Financial Statement Audit Results

Plante Moran's Responsibility Under Professional Standards

- Express an opinion on the fairness of the financial statements by obtaining sufficient evidential matter to provide a reasonable basis for forming our opinion

Planned Scope and Timing of the Audit

- Planning, Risk Assessment, and Rest of Audit Procedures conducted in phases from June 2025 – October 2025

Significant Accounting Policies and Practices

- We noted no transactions during the year lacking authoritative guidance or consensus, and no transactions recognized in a period different than when the transaction occurred.

Required Communications - Financial Statement Audit Results

Significant Accounting Estimates

- Pension and OPEB (Other Postemployment Benefit)

Other Required Communications

- No uncorrected misstatements
- No difficulties encountered in performing the audit
- No disagreements with management regarding accounting or auditing matters
- Management representation letter obtained

Other Informational Items

Other Additional Information

- Upcoming Accounting Standards
 - Implementing in Fiscal Year 2026
 - GASB 103, *Financial Reporting Model Improvements*
 - Implementing in Fiscal Year 2026
 - GASB 104, *Disclosure of Certain Capital Assets*



Thank you for the opportunity to serve as auditors for the Metropolitan Nashville Airport Authority

*For more information contact: Ali H. Hijazi, Partner
586.416.4975
Ali.Hijazi@plantemoran.com*

*Veronica Tuazon, Senior Manager
586.416.4907
Veronica.Tuazon@plantemoran.com*





Meeting of the MNAA Management Committee

Meeting Adjourned

Baggage Handling System Tour

November 12, 2025