Minutes of the Joint Meeting of the MNAA and MPC Finance Committee

BNA Nashville International Airport

Date: August 6, 2025	Location: Metropolitan Nashville Airport Authority Tennessee Boardroom
Time: 9:40 a.m.	
Committee Members Present:	Andrew Byrd, Committee Chair; Glenda Glover, Committee Vice Chair; Glenn Farner
Committee Members Absent:	None
Other Board Members Present:	Nancy Sullivan, Jimmy Granbery, and Bobby Joslin
MNAA Staff & Guests Present:	Doug Kreulen, Cindy Barnett, Lisa Lankford, Trish Saxman, Marge Basrai, Kristy Bork, John Cooper, Adam Floyd, Eric Johnson, Lisa Leyva, Carrie Logan, Rachel Moore, Ted Morrissey, Stacey Nickens, Brandi Porter, Josh Powell, and Robert Ramsey

I. CALL TO ORDER

Chair Byrd called the Joint Meeting of the MNAA and MPC Finance Committee to order at 9:40 a.m. pursuant to Public Notice dated August 3, 2025.

II. PUBLIC COMMENT

Chair Byrd stated there were no public comment requests received.

III. APPROVAL OF MINUTES

Chair Byrd asked for a motion to approve the July 9, 2025, Minutes of the Joint Meeting of the MNAA & MPC Finance Committee. Vice Chair Glover made a motion, and Commissioner Farner seconded the motion.

Chair Byrd asked Ms. Saxman for a roll call:

Chair Byrd – Yes

Vice Chair Glover – Yes

Commissioner Farner – Yes

The motion passed with a vote of 3 to 0.

IV. CHAIR'S REPORT

Chair Byrd no Chair's report.

President Kreulen presented a photograph of Chair Byrd and his wife Marianne Byrd. He congratulated Chair Byrd on their Golden Wedding Anniversary, 50 years. Big round of applause.

V. ITEMS FOR APPROVAL

1. None.

VI. INFORMATION ITEMS

1. Quarterly Retirement/OPEB/Treasury Investment Reports

President Kreulen introduced Kristy Bork, VP, Finance, to brief the Commissioners on the Quarterly Retirement/OPEB/Treasury Investment Reports. Ms. Bork presented the 4th Quarter of FY25 update for the quarter ended June 30, 2025. The Retirement Plan market value was $88.5M, which is an increase of $4.1M over the prior quarter. The Other Post Employment Benefits ("OPEB") market value was $46.3M, which is an increase of $2.4M over the prior quarter. We report funded status on an actuarial basis for the Retirement Plan and on a Market Value basis for the OPEB plan. As of June 30, 2025 the Retirement plan is funded at 105.2% on an Actuarial basis and the OPEB Plan is 196.9% funded on a Market Value basis. Chair Byrd stated he would like to point out what a great job Commissioner Joslin and predecessors have done with this Board to make sure these plans are fully funded.

Ms. Bork stated the Historical Retirement Plan Funding percentages for Pension/Retirement are based on Actuarial value not market value. Ms. Bork shared a historical chart with added FY25. This year actual funding was $821K for the Retirement Plan. Historical Funding percentages for OPEB are based on market value funding as is required by GASB. FY2017-2021, contribution amounts include employer contributions, OPEB participant contributions, and OPEB expenses paid by the MNAA revenue fund. Starting in FY2022 all expenses were paid by the OPEB trust, so FY2022-2025 contribution amounts include both employer contribution and OPEB participant contributions. These deposits are from the premiums the retirees pay.

The 4Q24 Treasury combined yield was at 3.73%. We had 99.3% invested and the portfolio is in compliance and meeting policy objectives. Total cash and investment earnings was $12.5M compared to $12.9M from previous quarter. Even though we had more available funds we are starting to see the interest rates drop and so that is affecting our returns and we are still making good returns on the deposits that we do have. Commissioner Granbery stated compared to where we were, it is commendable.

2. BNA Concessions Program Quarterly Update and Sales Report

President Kreulen introduced Lisa Leyva, VP, Concessions, to brief the Committee on the BNA Concessions Program Quarterly Update and Sales Report. Ms. Leyva stated she will give the Sales Report for the 2nd quarter of Calendar Year 2025 ("Q2 2025") and she has expanded her report this quarter to include rental cars and advertising. She stated this quarter, concession sales are up 7% over Q2 2024. Total calendar year-to-date sales are $100M, we have $16.70 sales per enplanement and that increased 5% over 2024. Fraport is doing really well, their total sales are $96.78M and sales per enplanement are $16.15 and increased 6% over 2024. Paradies is still struggling; their sales are $3.4M and sales per enplanement are $7.66 and sales decreased 16% over 2024.

Ms. Leyva stated the Q2 2025 Rental Car Sales are down 6% over Q2 2024 although the deplanement numbers are up and the total transactions are up; however, the transaction days are down. We are seeing a decrease in about 100K transactions which is correlating to the decrease in sales. We are seeing a lot of passengers taking shorter vacations. She will continue to report on this. The total calendar sales are at $108M versus last year Q2 2024 sales at $114M which is a decrease of 4.7%. President Kreulen stated before we move from this slide, he stated we will be able to show Commissioners every movement in a transaction. Ms. Leyva mentioned the shorter vacations, and for the most part the same number of rental cars are being rented and instead of 4 day trips, it is 3 day trips - just smaller trips so that is the kind of level analysis that we are trying to get. We have always had that data and now we are trying to align that more and make better educated decisions.

Ms. Leyva stated the Q2 2025 advertising sales are up 30% over Q2 2024. A lot of people want to know how hot this market is and are putting their money in advertising at BNA. The 2025 calendar year to date is at $2.8M up from $2.1M in 2024 . Advertising is doing really well.

3. Future BNA Concessions Development Update

President Kreulen introduced Lisa Leyva, VP, Concessions, to brief the Committee on the Concessions Program Update. Ms. Leyva stated last month the Committee recommendation was to negotiate a more favorable revenue split with Fraport. She is pleased to report that MNAA has reached a tentative deal and our negotiations were successful. Fraport will be granted the development rights for Concourse A 2028 locations, in exchange for an 85% revenue split beginning January 1, 2029, and they will receive a 5-Year extension from February 1, 2029 – January 31, 2034. We are very pleased that we were able to reach favorable negotiations. She stated the Fraport partners are with us today.

Commissioner Joslin asked Sabine Trenk, President and CEO, Fraport USA, how she is doing in German. Ms. Trenk stated after the extension very good. Commissioner Farner asked for an explanation of the 85% revenue split. Ms. Leyva replied it is the blended rate that we get from the concessions program that are sales percentage about 16.6% and the blended rate is that we will start receiving 85% of that and Fraport will receive 15%. As of now our split is 70%/30% so we will go up 15% of that. Chair Byrd asked if the 5 year extension is on their entire contract. Ms. Leyva replied yes, that is correct. Ms. Leyva stated she will be coming to the Commissioners in September with the amendment for approval.

President Kreulen stated that is the biggest challenge between now and the September Finance Committee and Board meeting to complete the negotiations and present for approval. Chair Byrd asked if the new revenue split will be on all the concessions. President Kreulen replied yes. Commissioner Granbery stated except Paradies and stated the new concessions locations in Concourse A will only be a 5 year contract. Ms. Leyva replied yes. President Kreulen replied Concourse A will open in 2028 and Fraport's contract goes to January 2034 and when they are negotiating with different vendors, they may want a 7 year term or longer and then MNAA becomes a party to that agreement. Fraport's agreement is to 2034 with this amendment, and today it is to 2029. Chair Byrd asked what happens to the vendors in Concourse A. Ms. Leyva replied they have all been notified that they will no longer be there beginning October 2025. Chair Byrd asked if their lease was terminated. Ms. Leyva replied yes. President Kreulen replied Fraport has handled that and we have not heard any problems with that.

Commissioner Joslin stated he would like to commend Fraport for their deliverables and the last few years everyone knows that he was not a fan of these guys, but Fraport has come full circle and he is proud they are here and they have worked a lot of difficulties to get to this point and they have survived it and will continue great service. Ms. Trenk replied that it is their intention and they want to continue the partnership and are grateful for the opportunity to continue developing Concourse A for MNAA. She thanked President Kreulen and the Commissioners for trusting in their ability. They will deliver as in the past and make it even better. Fraport is very proud that the contract of the program was recognized with a Concessions Excellence award from the ACI and also testament to the work that they put in. She thanked very much for the continued trust in their abilities and Fraport is looking forward to making improvements wherever they go.

President Kreulen concluded the presentation.

1) ADJOURN

There being no further business brought before the Finance Committee, Chair Byrd adjourned the meeting at 9:54 a.m.

Andrew W. Byrd, Board Secretary