



Joint Meeting of the MNAA and MPC Finance, Diversity & Workforce Development ("Finance") Committees

March 13, 2024

BNA

Call to Order

March 13, 2024

Public Comment

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

MNAA Policy ID: 33-007, Public Comment Policy, effective July 13, 2023

No Public Comment Requests Received by Monday, March 11, 2024, 9:00 pm

Approval of Minutes

Joint Meeting of the MNAA & MPC Finance, Diversity & Workforce Development (“Finance”) Committees

February 14, 2024

Chair's Report

Andrew Byrd

Finance Committee Chair

Items for Approval

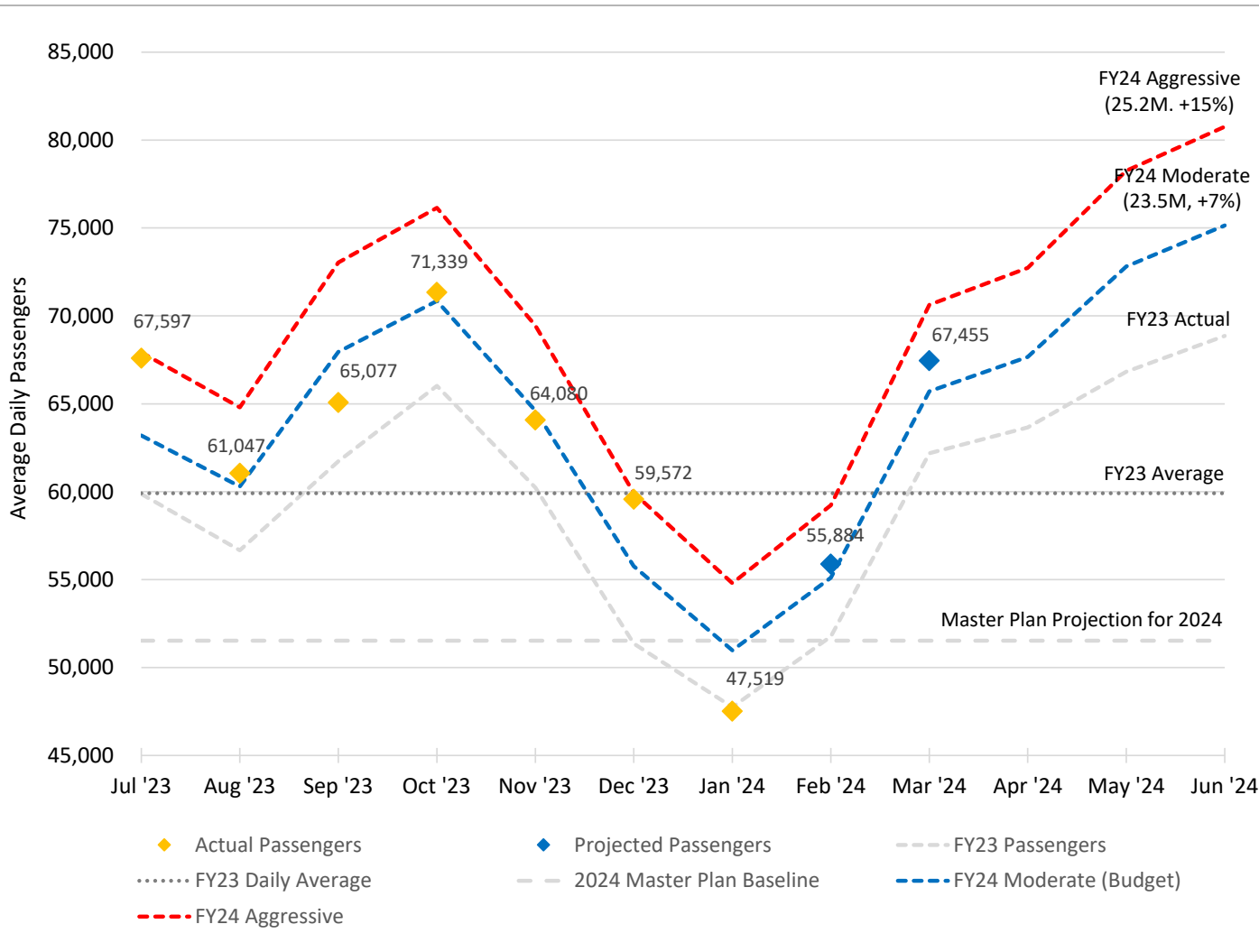
March 13, 2024

- FY24 BNA O&M Budget Amendment, MNAA Resolution #2024-01
- FY24 BNA CIP Budget Amendment, MNAA Resolution #2024-02
- FY24 JWN O&M Budget Amendment, MNAA Resolution #2024-03

Items for Approval

Marge Basrai, CPA, CGMA, CM
EVP, Chief Financial Officer

FY24 BNA Passengers



*February & March projections based on TSA data through March 10, 2024

- Original FY24 Forecast (4/23):
 - 21.9M total passengers
- Current FY24 Forecast (7/23):
 - Moderate Forecast 7%
 - 23.48M total passengers
- FY24 Year-to-Date (+8%)
 - 17.1M total passengers
- FY24 Year-End Projection (3/24):
 - 23.6M – 23.8M total passengers

- Debt Service Coverage

Minimum (Board) Coverage Requirements (Net Revenues Only)

- Senior 1.5 (legal requirement 1.25)
- Senior/Subordinate 1.25 (legal requirement 1.10)

	<u>Approved (4/23)</u>	<u>Amended (3/24)</u>
- Senior	9.99	11.18
- Senior/Subordinate	6.40	6.95

- | <u>Landing Fee</u> | <u>Approved (4/23)</u> | <u>Amended (3/24)</u> |
|--------------------|------------------------|-----------------------|
| | \$2.88 | \$3.13 |

- | <u>Cost per Enplanement (CPE)</u> | <u>Approved (4/23)</u> | <u>Amended (3/24)</u> |
|-----------------------------------|------------------------|-----------------------|
| | \$8.94 | \$9.05 |

FY24 BNA Amended Budget Summary Metrics

FY24 Amended BNA O&M Budget

Operating Revenue:

- Increased \$13.5M

Approved Budget FY24 ('000)	Amended Budget FY24 ('000)	Variance ('000)
\$282,308	\$295,852	\$13,544

I. Non-Airline Revenue:

- Concessions increased \$4.5M: (higher enplanements)
 - Food/retail \$2.5M, TNC \$1M, Rental car \$1M
- Space rent increased \$1.6M:
 - Additional concession storage space leased
- Non-signatory landing fees increased \$1.6M:
 - Increased landing fee: snow event, virtual ramp tower, and increase in landed weights

Approved Budget FY24 ('000)	Amended Budget FY24 ('000)	Variance ('000)
\$185,757	\$193,447	\$7,690

II. Signatory Airline Revenue:

- Signatory landing fees increased \$5.8M:
 - Increased landing fee: snow event, virtual ramp tower, and increase in landed weights

Approved Budget FY24 ('000)	Amended Budget FY24 ('000)	Variance ('000)
\$96,551	\$102,405	\$5,854

FY24 Amended BNA O&M Budget

Operating Expenses:

- Contractual services increased \$5.7M:
 - Snow removal services \$2.1M, Parking lot operations \$1.3M, Concessions \$1M, other \$1.3M
- Material and supplies increased \$1.6M:
 - Snow removal supplies \$731K, new tasers \$350K, reclass of gas/diesel \$507K
- Other operating expense increased \$378K:
 - Travel/Training \$288K, conference sponsorship \$250K, reclass of intercompany rev/exp \$347K and gas/diesel (\$507K)

Net Non-Operating Income:

- Decreased \$347K due to a reclass of intercompany revenue/expense

Approved Budget FY24 (\$000)	Amended Budget FY24 (\$000)	Variance (\$000)
\$165,870	\$173,515	\$7,645

Approved Budget FY24 ('000)	Amended Budget FY24 ('000)	Variance ('000)
\$17,030	\$16,683	(\$347)

Amended FY2 BNA O&M Budget

Staff Recommendation:

Staff requests the Finance Committee recommend to the Board of Commissioners that it:

- 1) approve the proposed amended FY24 BNA operating budget and
- 2) authorize the Chair and President & CEO to execute **MNAA Resolution No. 2024-01**.

Total Operating Revenue:

\$295,852,000

Total Operating Expense:

\$173,515,000

Income before Depreciation & Grants:

\$139,020,000

Budget Period:

July 1, 2023 – June 30, 2024

BNA Summary (\$000)	Approved Budget FY24	Amended Budget FY24
Non-Airline Revenue	\$185,757	\$193,447
Signatory Airline Revenue	\$96,551	\$102,405
Total Operating Revenue	\$282,308	\$295,852
Operating Expense	(\$165,870)	(\$173,515)
Net Non-Operating Income	\$17,030	\$16,683
Income before Depreciation & Grants	\$133,468	\$139,020

FY24 BNA Amended Capital Improvements Budget

Additions (+\$44.6M):

- Concourse A (Design) - \$20M
- Virtual Ramp Control Tower - \$14.3M
- Reconstruct Bravo/Kilo Intersection - \$3.4M
- Restriping Discrete/Lot A/Employee Lot - \$2.1M
- Concourse B&C Upgrades - \$2M
- Future RON/Deicing Ramp Plan - \$1.7M
- Terminal II Siting Study - \$1.1M

Reductions (-\$78.3M):

- Apron Dual Taxilanes - \$70M
- Parking Study/Bridging Documents - \$8M
- Other - \$250K

BNA Summary (\$000)	Approved FY24	Amended FY24	Variance
Terminal & Landside	\$71,450	\$90,959	\$19,509
Vehicles & Equipment	\$6,915	\$5,715	(\$1,200)
Airside Improvements	\$110,200	\$58,352	(\$51,848)
Total	\$188,565	\$155,026	(\$33,539)

FY24 BNA Amended Capital Improvement Budget & FY24-FY28 Amended Capital Improvement Plan

Recommendation:

Staff requests the Finance Committee recommend to the Board of Commissioners that it:

- 1) approve the amended FY24-FY28 BNA Capital Improvement Plan, and
- 2) approve the amended FY24 BNA Capital Improvement Budget, and
- 3) authorize MNAA to accept all grant(s) from the Federal Aviation Administration (FAA) and from the State of Tennessee, and designate the President & CEO, or designee, as the authorized representative of the Authority, and
- 4) authorize the Chair and President & CEO to execute **MNAA Resolution No. 2024-02**.

Total FY24 CIP Budget:

\$155,025,537

Budget Period:

July 1, 2023 – June 30, 2024

BNA Summary (\$000)	FY24	FY25	FY26	FY27	FY28	Total
Terminal & Landside	\$90,959	\$881,860	\$31,000	\$207,500	\$500	\$1,211,819
Vehicles & Equipment	\$5,715	\$9,465	\$1,280	\$735	\$735	\$17,930
Airside Improvements	\$58,352	\$90,815	\$124,007	\$70,268	\$36,063	\$379,505
Total	\$155,026	\$982,140	\$156,287	\$278,503	\$37,298	\$1,609,254

Amended FY24 JWN O&M Budget

Operating Revenue:

- Space rent increased \$420K
 - Execution of three leases (5 parcels)

Approved Budget FY24	Amended Budget FY24	Variance
\$2,384,000	\$2,804,000	\$420,000

Operating Expense:

- Salaries and Benefits increased \$13K
 - Overtime from snow event in January 2024
- Contractual Services increased \$110K
 - Additional studies
 - Equipment/hangar repairs
- Materials and supplies increased \$31K
 - Snow removal supplies
 - New administration/maintenance building set-up

Approved Budget FY24	Amended Budget FY24	Variance
\$2,303,000	\$2,457,000	\$154,000

FY24 JWN Amended O&M Budget

Staff Recommendation:

Staff requests the Finance Committee recommend to the Board of Commissioners that it:

- 1) approve the proposed amended FY24 JWN operating budget and
- 2) authorize the Chair and President & CEO to execute **MNAA Resolution No. 2024-03**.

Total Operating Revenue:

\$2,804,000

Total Operating Expense:

\$2,457,000

Income before Depreciation, Grants and Transfers from MNAA:

\$423,000

JWN Summary	Approved Budget FY24	Amended Budget FY24
Operating Revenue	\$2,384,000	\$2,804,000
Operating Expense	(\$2,303,000)	(\$2,457,000)
Non-Operating Revenue	\$76,000	\$76,000
Income before Depreciation, Grants and Transfers from MNAA	\$157,000	\$423,000

Budget Period:

July 1, 2023 – June 30, 2024

Information Items

March 13, 2024 - None



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Meeting Adjourned