



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

April 10, 2024

BNA

Call to Order

April 10, 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, April 8, 2024, 9:00 pm

Approval of Minutes

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

March 13, 2024

Chair's Report

Andrew Byrd

Finance Committee Chair

Items for Approval

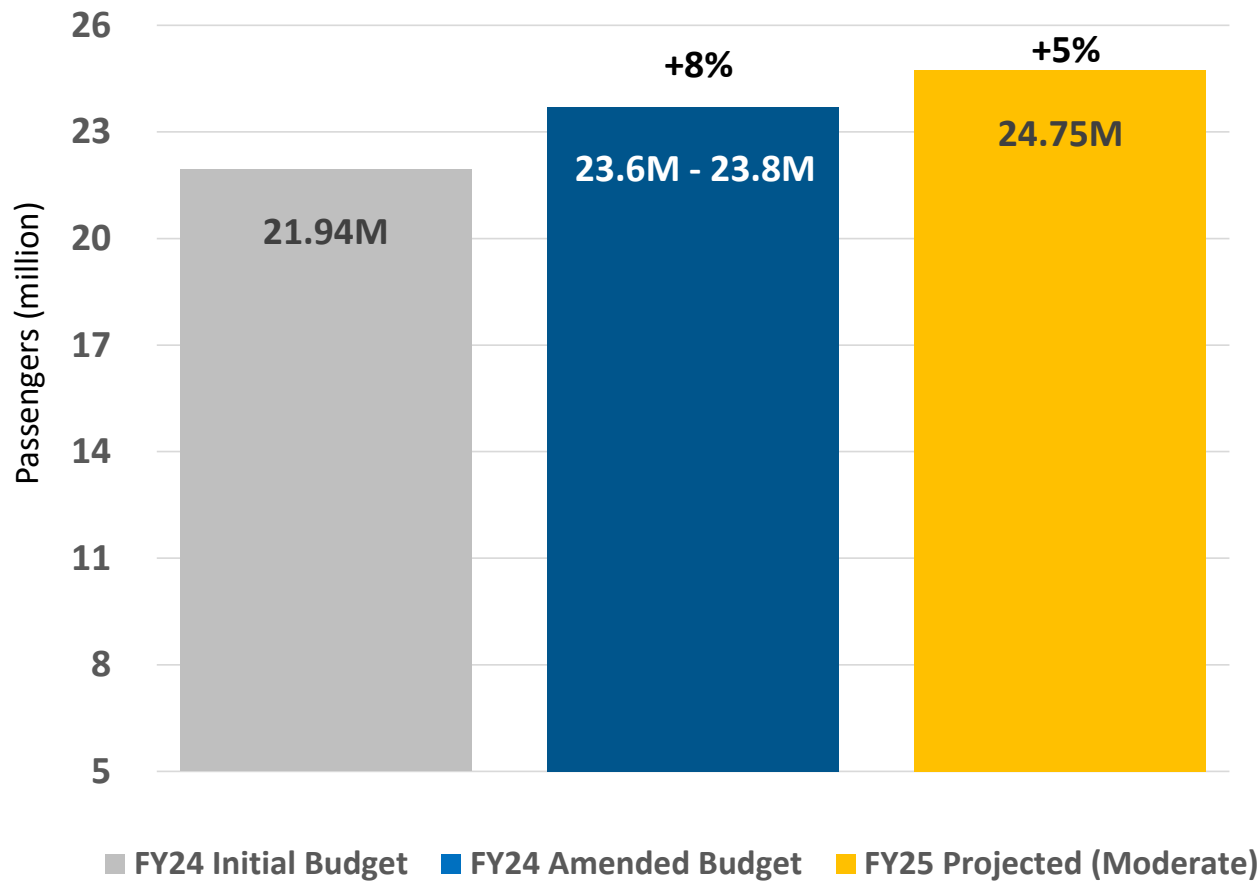
April 10, 2024

- FY25 BNA O&M Budget, **MNAA Resolution #2024-04**
- FY25 BNA Capital Improvements Budget & FY25-29 Capital Improvements Plan, **MNAA Resolution #2024-05**
- FY25 JWN O&M Budget, **MNAA Resolution #2024-06**
- FY25 JWN Capital Improvements Budget & FY25-29 Capital Improvements Plan, **MNAA Resolution #2024-07**
- FY25 MPC O&M Budget, **MPC Resolution #2024-01**
- FY25 MPC Special Projects Budget & FY25-29 Special Projects Plan, **MPC Resolution #2024-02**

Items for Approval

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

BNA FY25 Passenger Projections



FY25 BNA Passenger Projections

- FY24 Year-End Projection
 - 23.6M – 23.8M
- FY25 Passenger Projections
 - Moderate (5%): 24,752,000
 - Strategic (7%): 25,194,000
 - Aggressive (9%): 25,652,000

	<u>CARES</u>	<u>CRRSAA</u>	<u>ARPA</u>	<u>Total</u>
Total Award	\$ 54,963,454	\$ 15,113,525	\$ 56,375,239	\$ 126,452,218
Used for Op Exp FY20	2,925,517	-	-	2,925,517
Used for DS FY20	3,383,901	-	-	3,383,901
Remaining Funds as of 6/30/20	48,654,036	15,113,525	56,375,239	120,142,800
Used for Op Exp FY21	3,919,211	-	-	3,919,211
Used for DS FY21	26,175,119	-	-	26,175,119
Remaining Funds as of 6/30/21	18,559,706	15,113,525	56,375,239	90,048,470
Used for Op Exp FY22	2,026,935	-	-	2,026,935
Used for DS FY22	16,532,771	6,505,818	-	23,038,589
Remaining Funds as of 6/30/22	0	8,607,707	56,375,239	64,982,946
Used for Op Exp FY23	-	-	3,075,617	3,075,617
Used for DS FY23	-	8,607,707	15,375,857	23,983,564
Remaining Funds as of 6/30/23	-	0	37,923,765	37,923,765
Used for Op Exp FY24	-	-	-	-
Used for DS FY24	-	-	31,369,043	31,369,043
Remaining Funds as of 6/30/24	-	-	6,554,722	6,554,722
Used for Op Exp FY25	-	-	-	-
Used for DS FY25	-	-	6,554,722	6,554,722
Remaining Funds as of 6/30/25	-	-	0	0

FY25 BNA Relief Funds Summary

- Use of Federal Relief Funds – Operating Expense and Debt Service
- \$126,452,218 Total Award
 - \$6.6M planned use in FY25
 - Balance of \$0 at 6/30/25

- 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)

	Amended FY2024	FY2025
- Senior	11.18	5.34
- Senior/Subordinate	6.95	3.11

- | | Amended
FY2024 | FY2025 |
|------------------------------|-------------------|--------|
| Signatory Landing Fee | \$3.13 | \$3.75 |

- | | Amended
FY2024 | FY2025 |
|-----------------------------------|-------------------|---------|
| Cost per Enplanement (CPE) | \$9.05 | \$10.39 |

- Days Cash on Hand**

Board Requirements 550-650 days
 Days Cash on Hand 3/31/24 896 days*

* Calculated using 4 main reserve funds only (NAE, Revenue Fund, O&M Fund, R&R Fund)

FY25 BNA Budget Summary Metrics

- All financial metrics exceed projections in the 2022 Official Statement (OS)

FY25 BNA O&M Budget

Operating Revenue:

- Increased \$45.8M

Amended Budget FY24 ('000)	Budget FY25 ('000)	Variance ('000)
\$295,852	\$341,655	\$45,803

I. Non-Airline Revenue:

- Parking increased \$11.8M:
 - Increase in passengers
 - Parking rate increase effective 12/1/23
- Concessions increased \$10.2M: (increase in passengers)
 - Food & Retail concessions \$6.6M
 - Rental car \$1.2M
 - TNCs (Uber and Lyft) \$2.4M
- Space Rent & Other Operating Revenue increased \$1.6M:
 - Higher non-signatory per use fees and increased rental rates

Amended Budget FY24 ('000)	Budget FY25 ('000)	Variance ('000)
\$193,447	\$217,080	\$23,633

FY25 BNA O&M Budget

Operating Revenue (continued):

II. Signatory Airline Revenue:

- Terminal space rent increased \$8.2M:
 - Increase in the rate in the terminal cost center
 - Increase in both rentable and leased space
- Baggage fees increased \$2.6M:
 - Increase in terminal rental rates to cover capital and maintenance costs of baggage handling system
- Landing fees increased \$11.1M:
 - Rate increase from \$3.13 to \$3.75
 - Higher forecasted landed weights
- Passenger boarding bridges increased \$300K:
 - Added 4 new bridges

Amended Budget FY24 ('000)	Budget FY25 ('000)	Variance ('000)
\$102,405	\$124,575	\$22,170

FY25 BNA O&M Budget

Operating Expenses:

- Increased \$22.2M

Amended Budget FY24 (\$000)	Budget FY25 (\$000)	Variance (\$000)
\$173,515	\$195,705	\$22,190

- Salaries & benefits increased \$15.6M:
 - 22 new FY25 positions and 16 contractors converted to full time staff
 - 48 additional positions added mid-FY24
 - Increase in benefit rates and cost of living adjustment
- Contractual services increased \$6.4M:
 - Shuttle bus services increased \$4M
 - Janitorial services increased \$1M
 - Elevator and Escalator Maintenance services increased \$1.5M
 - Contract Services decreased \$300K
 - Increases \$4.6M
 - Staffing of new Virtual Control Ramp Tower; Passenger Boarding Bridge & Baggage Handling System
 - Offset by decreases (\$4.85M) in:
 - FY24 Snow removal, contract staff converted to employees, concession contract costs

FY25 BNA O&M Budget

Operating Expenses (continued):

- Material and Supplies decreased \$400K:
 - Equipment, radios, uniforms for employees decreased (\$250K)
 - Decrease (\$1M) for expenses from FY24 – snow supplies and tasers
 - Janitorial/maintenance supplies and IT hardware increased \$850K
- Utilities decreased \$600K:
 - Estimated rate increases, but offset by reduced usage
- Other Operating Expense increased \$1.1M:
 - Special events - hosting AMAC conference \$600K increase
 - Property insurance increased \$550K
 - Advertising increased \$350K
 - Staff Travel and Training increased \$300K
 - (\$700K) decreased due to the reclassification of expenses to Non-Operating Income

Amended Budget FY24 (\$000)	Budget FY25 (\$000)	Variance (\$000)
\$173,515	\$195,705	\$22,190

FY25 BNA O&M Budget

Net Non-Operating Income:

- Decreased \$11.7M

Amended Budget FY24 ('000)	Budget FY25 ('000)	Variance ('000)
\$16,683	\$4,938	(\$11,745)

- Relief funds receipts decreased (\$24.8M):
 - Remaining \$6.6M to be used in FY25
- Interest income increased \$11M:
 - Increases in cash balances and interest rates
- Increase in passenger facility charges of \$3.1M; customer facility charges of \$3.5M due to higher passengers
- Bond issuance costs increased \$3M
 - Anticipated bond issuance end of FY25
- Interest Expense increased \$2.4M
 - Anticipated higher balance/use of short-term credit facility
- Inter-Company Expense increased \$700K due to reclassification from Other Operating Expense

FY25 BNA O&M Budget

Recommendation:

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

- 1) approve the proposed FY25 BNA operating budget and
- 2) authorize the Chair and President & CEO to execute **MNAA Resolution No. 2024-04**.

Total Operating Revenue:

\$341,655,000

Total Operating Expense:

\$195,705,000

Income before Depreciation & Grants:

\$150,888,000

Budget Period:

July 1, 2024 – June 30, 2025

BNA Summary (\$000)	Amended Budget FY24	Budget FY25
Non-Airline Revenue	\$193,447	\$217,080
Signatory Airline Revenue	\$102,405	\$124,575
Total Operating Revenue	\$295,852	\$341,655
Operating Expense	(\$173,515)	(\$195,705)
Net Non-Operating Income	\$16,683	\$4,938
Income before Depreciation & Grants	\$139,020	\$150,888

FY25 BNA Capital Improvement Budget & FY25-FY29 Capital Improvement Plan

Recommendation:

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

- 1) approve the proposed FY25-FY29 BNA Capital Improvement Plan, and
- 2) approve the proposed FY25 BNA Capital Improvement Budget, and
- 3) authorize MNAA to apply for and 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. 2024-05**.

Total FY25 CIP Budget:

\$1,267,984,000

Budget Period:

July 1, 2024 – June 30, 2025

FY25 Major Projects:

1) Concourse A Expansion - \$798.5M, 2) TARI Phase II and III - \$166.5M, 3) Central Apron Parking Phase I - \$154.3M

BNA Summary (\$000)	FY25	FY26	FY27	FY28	FY29	Total
Terminal & Landside	\$1,018,940	\$191,220	\$57,520	\$395,420	\$500	\$1,663,600
Vehicles & Equipment	\$4,399	\$4,483	\$2,140	\$2,165	\$1,645	\$14,832
Airside Improvements	\$244,130	\$55,450	\$85,100	\$68,000	\$18,000	\$470,680
AULA - Airport Reliever	\$515	\$530	\$546	\$563	\$580	\$2,734
Total	\$1,267,984	\$251,683	\$145,306	\$466,148	\$20,725	\$2,151,846

FY25 JWN O&M Budget

Operating Revenue: Increased \$207K

- Land & Hangar rental increased \$163K
 - Full Year of North Development leases
 - Increase in Hangar rents effective 7/1/24
- Flowage Fees increased \$13K
- Reimbursable expenses increased \$31K

Amended Budget FY24	Budget FY25	Variance
\$2,804,000	\$3,011,000	\$207,000

Operating Expenses: Decreased \$161K

- Salaries & benefits decreased \$30K
- Contractual services decreased \$98K
- Materials & supplies decreased \$3K
- Utilities increased \$9K
- Other operating expenses decreased \$39K

Amended Budget FY24	Budget FY25	Variance
\$2,457,000	\$2,296,000	(\$161,000)

Non-Operating Revenue: Increased \$102K

- Interest Income increased \$102K

Amended Budget FY24	Budget FY25	Variance
\$76,000	\$178,000	\$102,000

FY25 JWN O&M Budget

Recommendation:

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

- 1) approve the proposed FY25 JWN operating budget and
- 2) authorize the Chair and President & CEO to execute **MNAA Resolution No. 2024-06**.

Total Operating Revenue:

\$3,011,000

Total Operating Expense:

\$2,296,000

Income before Depreciation, Grants and Transfers from MNAA:

\$893,000

JWN Summary	Amended Budget FY24	Budget FY25
Operating Revenue	\$2,804,000	\$3,011,000
Operating Expense	(\$2,457,000)	(\$2,296,000)
Non-Operating Revenue	\$76,000	\$178,000
Income before Depreciation, Grants and Transfers from MNAA	\$423,000	\$893,000

Budget Period:

July 1, 2024 – June 30, 2025

FY25 JWN Capital Improvement Budget & FY25-FY29 Capital Improvement Plan

Recommendation:

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

- 1) approve the proposed FY25-FY29 JWN Capital Improvement Plan, and
- 2) approve the proposed FY25 JWN Capital Improvement Budget, and
- 3) authorize MNAA to apply for and 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. 2024-07**.

Total FY25 CIP Budget:

\$930,000

Budget Period:

July 1, 2024 – June 30, 2025

FY25 Major Projects:

Resurfacing Projects: 1) Parking Lot \$400K; 2) Airport Drive \$530K

JWN Summary (\$000)	FY25	FY26	FY27	FY28	FY29	Total
Terminal & Landside	\$930	\$0	\$0	\$6,700	\$0	\$7,630
Vehicles & Equipment	\$0	\$200	\$330	\$40	\$0	\$570
Airside Improvements	\$0	\$2,900	\$3,400	\$225	\$2,700	\$9,225
Total	\$930	\$3,100	\$3,730	\$6,965	\$2,700	\$17,425

FY25 MPC O&M Budget

Operating Revenue: Increased \$1.6M

- Increase in rent per lease agreements and a full year effect for transfer of Air Freight tenants to the Multi-Purpose Building

Budget FY24	Budget FY25	Variance
\$3,711,000	\$5,345,000	\$1,634,000

Operating Expenses: Increased \$164K

- Contractual services increased \$75K
- Materials and supplies increased \$8K
- Utilities increased \$73K
- Other operating expenses increased \$8K

Budget FY24	Budget FY25	Variance
\$1,681,000	\$1,845,000	\$164,000

Non-Operating Income: Increased \$17K

- Interest income increased \$258K
- Inter-Company expense increased \$241K

Budget FY24	Budget FY25	Variance
(\$89,000)	(\$72,000)	\$17,000

FY25 MPC O&M Budget

Recommendation:

Staff requests the MPC Finance Committee recommend to the MPC Board of Directors:

- 1) approve the proposed FY25 MPC operating budget and
- 2) authorize the Chair and President & CEO to execute **MPC Resolution No. 2024-01.**

Total Operating Revenue:

\$5,345,000

Total Operating Expense:

\$1,845,000

Income before Depreciation:

\$3,428,000

Budget Period:

July 1, 2024 – June 30, 2025

MPC Summary	Budget FY24	Budget FY25
Operating Revenue	\$3,711,000	\$5,345,000
Operating Expense	(\$1,681,000)	(\$1,845,000)
Non-Operating Revenue	\$258,000	\$516,000
Non-Operating Expense	(\$347,000)	(\$588,000)
Income before Depreciation	\$1,941,000	\$3,428,000

FY25 MPC Special Projects Budget & FY25-FY29 MPC Special Projects Plan

Recommendation:

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

- 1) approve the proposed FY25-FY29 MPC Special Projects Plan, and
- 2) approve the proposed FY25 MPC Special Projects Budget, and
- 3) authorize MNAA to apply for and 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 **MPC Resolution No. 2024-02**.

Total FY25 CIP Budget:

\$1,100,000

Budget Period:

July 1, 2024 – June 30, 2025

FY25 Major Projects:

- 1) IPB Roof Replacement – \$1M; 2) Demo of Café - \$100K

MPC Summary (\$000)	FY25	FY26	FY27	FY28	FY29	Total
Total	\$1,100	\$0	\$0	\$0	\$0	\$1,100

Information Items

April 10, 2024 – None



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Meeting Adjourned