



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

October 9, 2024



Call to Order

October 9, 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, October 7, 2024, 9:00 pm

Approval of Minutes

Joint Meeting of the MNAA & MPC Finance, Diversity & Workforce Development (“Finance”) Committees
September 11, 2024

Chair's Report

Andrew Byrd

Finance Committee Chair

Items for Approval

October 9, 2024

- Amended and Restated Note Purchase Agreement with Bank of America, N.A.
 - MNAA Resolution 2024-09, Initial Resolution
 - MNAA Resolution 2024-10, Authorizing Resolution

Item for Approval

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

Note Purchase Agreement Background

- On January 7, 2019, MNAA entered into a Note Purchase Agreement (NPA) with Bank of America (BofA) to provide short-term cash flow funding for MNAA's capital projects during early states of construction:
 - Commitment amount of \$300 million for five years at variable interest rates using LIBOR
- On November 26, 2019, MNAA executed the First Amendment of the NPA with BofA:
 - Increased commitment amount to \$400 million and added an accordion feature
- On December 1, 2021, MNAA executed the Second Amendment of the NPA with BofA:
 - Reduced commitment amount to \$300 million, removed accordion feature, updated interest rate index to BSBY (LIBOR publication ceased June 30, 2023)
- On December 20, 2023, MNAA executed the Third Amendment of the NPA with BofA:
 - Extended maturity of the notes for a period not to exceed one year to allow additional time to negotiate a new NPA and prepare documents

Amended and Restated Note Purchase Agreement

- MNAA discussed a new short-term credit facility with PFM, Financial Advisors
- Recommendation to begin negotiations directly with BofA for a new NPA given current market conditions and excellent results/flexibility from BofA
- MNAA completed negotiations in August 2024 for the Amended and Restated NPA for a three-year period
- PFM compared the proposed pricing and terms to similar type short-term financing programs recently completed:
 - The pricing and terms are comparable and/or favorable to other recent programs and recommend proceeding with the NPA with BofA

Note Purchase Agreements – Comparison of Terms

Terms	Current NPA	Amended & Restated NPA
Available Commitment	\$300,000,000	\$400,000,000
Maturity Date/Mandatory Tender Date	November 15, 2024	November 5, 2027
Initial Commitment Amount	\$300,000,000	\$200,000,000
Accordion Feature	N/A	Request increases to Commitment Amount in increments up to \$400M
Tax-Exempt Interest Rate	80% of BSBY + 42 bps (0.42%) Rate as of 9/23/24: 4.328%	80% of Daily SOFR + 57 bps (0.57%) Rate as of 9/23/24: 4.434%
Taxable Interest Rate	BSBY + 52 bps (0.52%) Rate as of 9/23/24: 5.405%	Daily SOFR + 85 bps (0.85%) Rate as of 9/23/24: 5.68%
Commitment Fee	Available Commitment < 50% drawn = 20 bps (0.20%) Available Commitment > 50% drawn = 0 bps (0.00%)	Available Commitment < 50% drawn = 31 bps (0.31%) Available Commitment > 50% drawn = 0 bps (0.00%)

BSBY: Bloomberg Short-Term Bank Yield
SOFR: Secured Overnight Financing Rate

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

- 1) Approve MNAA Resolution No. 2024-09, Initial Resolution, pertaining to an additional issuance under the Authority's Amended and Restated NPA to finance a portion of the Authority's Capital Improvement Program not to exceed \$400 million; and
- 2) Approve MNAA Resolution 2024-10, Authorizing Resolution, for an Amended and Restated NPA to finance a portion of the Authority's Capital Improvement Program, to consolidate the NPAs into a single document, and establish an initial available commitment of \$200 million; and
- 3) Authorize the President and CEO to execute the Amended and Restated NPA with BofA

Staff Recommendation

- Contract for Human Capital Management System

Item for Approval

Randy Dorsten, MBA, SPHR
AVP, Human Resources

Contract for Human Capital Management System (“HCMS”)

- **Project Description:** Replacement of current UKG HCMS (Human Resources and Payroll System)
- **Background:**
 - MNAA has been on UKG for ~ 20 years
 - UKG is planning to sunset their current system and would become unsupported in the next few years
 - Through a Request for Information (“RFI”), MNAA identified and evaluated 2 systems (ADP and Workday) on Cooperative Contracts, and selected ADP
- **Schedule:** Contract Start: October 2024; Go Live: December 2025
- **Contract Cost:**

– Implementation:	\$ 100,000
– Year 1 – 2026:	\$ 385,000
– Year 2 – 2027:	\$ 402,000
– Year 3 – 2028:	\$ 443,000
– Year 4 – 2029:	\$ 468,000
– <u>Year 5 – 2030:</u>	<u>\$ 495,000</u>
– Total:	\$2,293,000
- **Staff Recommendation:** Finance Committee recommend to the Board of Commissioners that it accept the proposal by ADP for Workforce Now and authorize the Chair and President and CEO to execute the contract for \$2,300,000 NTE.

Information Items

October 9, 2024 - None



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Meeting Adjourned