



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

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April 9, 2025

# Call to Order

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April 9, 2025

# Public Comment

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

MNAA Policy ID: 33-007, Public Comment Policy, effective November 27, 2024

No Public Comment Requests Received by Monday, April 7, 2025, 9:00 am

# Approval of Minutes

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

March 12, 2025

# Chair's Report

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Andrew Byrd

Finance Committee Chair

# Items for Approval

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April 9, 2025

### FY25 Amended Budgets:

- FY25 BNA CIP Budget Amendment, **MNAA Resolution #2025-02**
- FY25 BNA Amended O&M Budget, **MNAA Resolution #2025-03**

### FY26 Budgets:

- FY26 BNA O&M Budget, **MNAA Resolution #2025-04**
- FY26 BNA Capital Improvements Budget & FY26-30 Capital Improvements Plan, **MNAA Resolution #2025-05**
- FY26 JWN O&M Budget, **MNAA Resolution #2025-06**
- FY26 JWN Capital Improvements Budget & FY26-30 Capital Improvements Plan, **MNAA Resolution #2025-07**
- FY26 MPC O&M Budget, **MPC Resolution #2025-01**
- FY26 MPC Special Projects Budget & FY26-30 Special Projects Plan, **MPC Resolution #2025-02**

## Items for Approval

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

# Amended BNA FY25 Budgets

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# FY25 BNA Amended Capital Improvements Budget

Project	Project Cost ('000)	Funding Source ('000)				
		Grants	Authority	Airline	Other	Bond
<b>Original Approved FY25 BNA CIP</b>	<b>\$ 1,267,984</b>	<b>\$ 71,918</b>	<b>\$ 25,750</b>	<b>\$ 14,555</b>	<b>\$ 10,485</b>	<b>\$ 1,145,276</b>
<u>Changes to FY25 BNA CIP:</u>						
Westside Development Study	(500)	-	(500)	-	-	-
Snow Equipment Building	(10,500)	-	-	-	-	(10,500)
Gassaway Parking Lot Rehab	(1,000)	-	(1,000)	-	-	-
TARI Phase II & Phase III	133,500	(37,448)	-	-	-	170,948
Deicing Storage Modifications	-	-	-	2,000	-	(2,000)
Airport Master Plan	-	5,250	(2,625)	(2,625)	-	-
Rehabilitate Taxiway S/S6/S7/T4	-	2,282	-	(2,282)	-	-
Central Ramp Expansion	88,100	-	-	-	-	88,100
Administration Building Reconfiguration	1,300	-	(600)	-	-	1,900
Gassaway Roof Replacement	1,000	-	1,000	-	-	-
ADG 5/TGD6 (RW 2L/20R)	14,000	10,500			3,500	
<b>Amended FY25 BNA CIP*</b>	<b>\$ 1,493,884</b>	<b>\$ 52,502</b>	<b>\$ 22,025</b>	<b>\$ 11,648</b>	<b>\$ 13,985</b>	<b>\$ 1,393,724</b>

\* Net increase of \$225.9M

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

**Recommendation:**

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

- 1) approve the amended FY25-FY29 BNA Capital Improvement Plan, and
- 2) approve the amended FY25 BNA Capital Improvement Budget, and
- 3) authorize the Chair and President & CEO to execute **MNAA Resolution No. 2025-02.**

**Total FY25 CIP Budget:**

\$1,493,884,000

**Budget Period:**

July 1, 2024 – June 30, 2025

BNA Summary (\$000)	FY25	FY26	FY27	FY28	FY29	Total
Terminal & Landside	\$1,153,240	\$191,220	\$56,520	\$395,420	\$500	\$1,796,900
Vehicles & Equipment	\$4,399	\$4,483	\$2,140	\$2,165	\$1,645	\$14,832
Airside Improvements	\$335,730	\$55,450	\$85,100	\$68,000	\$18,000	\$562,280
AULA – Airport Reliever	\$515	\$530	\$546	\$563	\$580	\$2,734
Total	\$1,493,884	\$251,683	\$144,306	\$466,148	\$20,725	\$2,376,746

- **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)

	Approved April 2024	Amended April 2025
– Senior	5.34	4.38
– Senior/Subordinate	3.11	2.55

- Signatory Landing Fee

Approved April 2024	Amended April 2025
\$3.75	\$3.38

- Cost per Enplanement (CPE)

Approved April 2024	Amended April 2025
\$10.39	\$9.96

- Days Cash on Hand

Board Requirements	550-650 days
Days Cash on Hand 3/31/25	939 days*

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

# FY25 BNA Amended O&M Budget Summary Metrics

- Financial metrics exceed Board Approved requirements

# FY25 Amended BNA O&M Budget

## Operating Revenue:

- Decreased \$17M

Approved Budget FY25 ('000)	Amended Budget FY25 ('000)	Variance ('000)
\$341,655	\$324,668	(\$16,987)

## I. Signatory Airline Revenue:

- Signatory landing fees decreased \$7.3M:
  - Decrease in both the CIP projects allocated to the Airlines and in projected landed weights
- Other Signatory fees decreased \$1.7M:
  - Due to projected airline refund at year-end

Approved Budget FY25 ('000)	Amended Budget FY25 ('000)	Variance ('000)
\$124,575	\$115,543	(\$9,032)

## II. Non-Airline Revenue:

- Concessions decreased \$7.7M:
  - Reclassification of revenue to non-operating revenue due to anticipated receipt of Federal Relief Concession Funds
- Non-signatory landing fees decreased \$300K:
  - Decrease of CIP projects allocated to the Airlines

Approved Budget FY25 ('000)	Amended Budget FY25 ('000)	Variance ('000)
\$217,080	\$209,125	(\$7,955)

# FY25 Amended BNA O&M Budget

**Net Non-Operating Revenue:** Increased \$7.7M

- Reclassification of revenue from Concessions Revenue due to anticipated receipt of Federal Relief Concession Funds

Approved Budget FY25 (‘000)	Amended Budget FY25 (‘000)	Variance (‘000)
\$4,938	\$12,593	\$7,655

# Amended FY25 BNA O&M Budget

**Recommendation:**

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

- 1) approve the proposed amended FY25 BNA operating budget and
- 2) authorize the Chair and President & CEO to execute **MNAA Resolution No. 2025-03.**

**Total Operating Revenue:**

\$324,668,000

**Total Operating Expense:**

\$195,705,000

**Income before Depreciation & Grants:**

\$141,556,000

**Budget Period:**

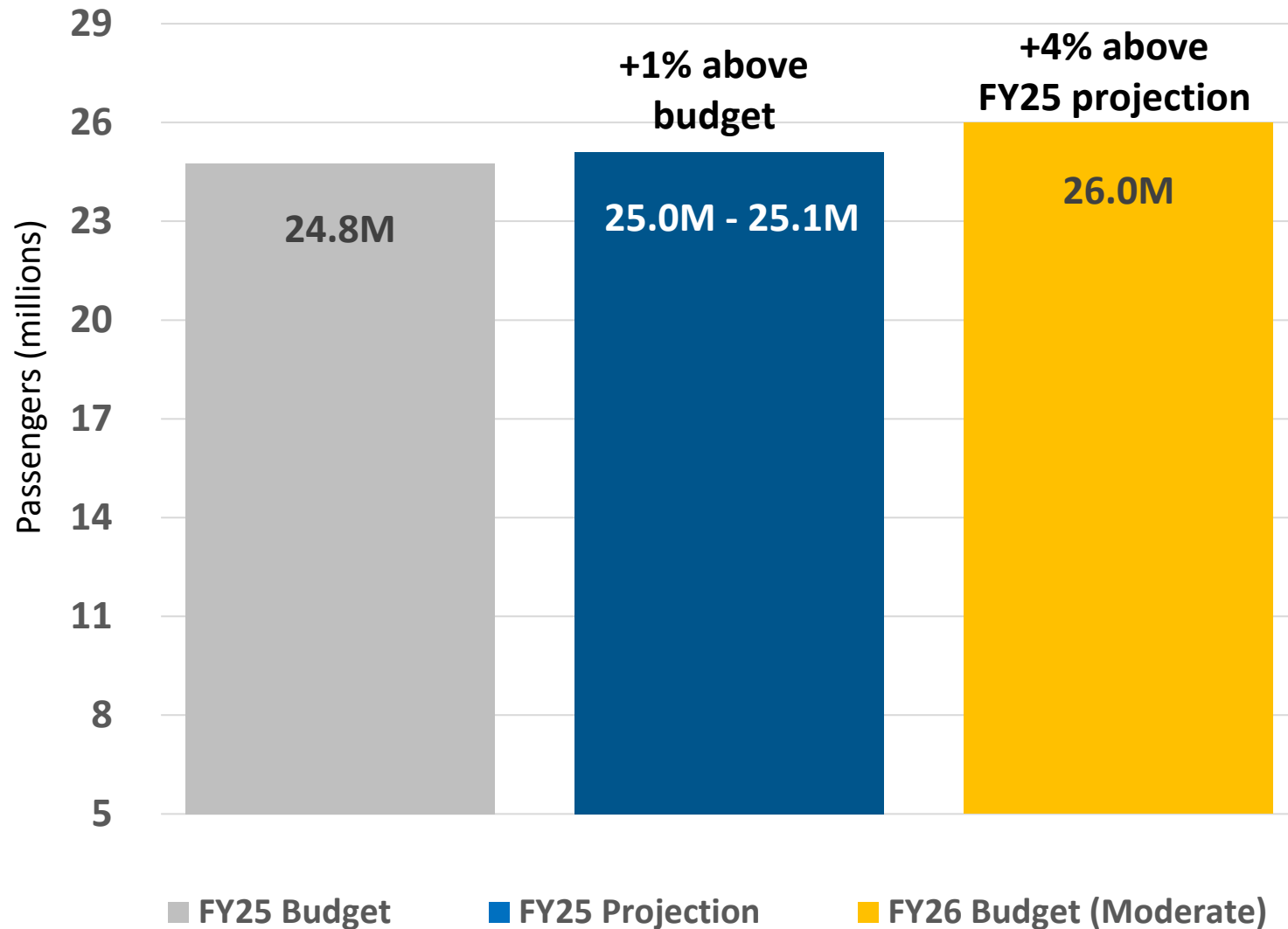
July 1, 2024 – June 30, 2025

BNA Summary (\$000)	Approved Budget FY25	Amended Budget FY25
Non-Airline Revenue	\$217,080	\$209,125
Signatory Airline Revenue	\$124,575	\$115,543
Total Operating Revenue	\$341,655	\$324,668
Operating Expense	(\$195,705)	(\$195,705)
Net Non-Operating Revenue	\$4,938	\$12,593
Income before Depreciation & Grants	\$150,888	\$141,556

# FY26 Budget Intro & Approval

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## BNA FY26 Passenger Projections



## FY26 BNA Passenger Projections

- FY25 Budget
  - 24.8M
- FY25 Year-End Projection
  - 25.0M – 25.1M
  - +5% to FY24 (23.7M)
- FY26 Passenger Projections
  - Moderate (~5%): 25,990,000
  - Strategic (~7%): 26,480,000
  - Aggressive (~9%): 27,230,000

- **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 FY2025	FY2026
– Senior	4.38	3.11
– Senior/Subordinate	2.55	2.03

- | <u>Landing Fee</u> | Amended<br>FY2025 | FY2026 |
|--------------------|-------------------|--------|
|                    | \$3.38            | \$3.50 |

- | <u>Cost per Enplanement (CPE)</u> | Amended<br>FY2025 | FY2026  |
|-----------------------------------|-------------------|---------|
|                                   | \$9.96            | \$10.76 |

- **Days Cash on Hand**

Board Requirements	550-650 days
Days Cash on Hand 3/31/25	939 days*

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

# FY26 BNA Budget Summary Metrics

- Financial metrics exceed Board Approved requirements

# FY26 BNA O&M Budget

**Operating Revenue:**

- Increased \$34M

Amended Budget FY25 ('000)	Budget FY26 ('000)	Variance ('000)
\$324,668	\$358,620	\$33,952

I. Non-Airline Revenue:

- Concessions increased \$11.3M:
  - Food & Retail concessions \$8.0M:
    - Reversal of federal relief funds reclassification (\$7.7M) and increased passengers (\$300K)
  - Rental Car \$2.1M
  - TNCs & Ground Transportation \$700K
  - Advertising \$500K
- Space Rent & Other Operating Revenue increased \$3.8M:
  - Higher non-signatory per use fees, increased rental rates and reimbursable services (utilities)

Amended Budget FY25 ('000)	Budget FY26 ('000)	Variance ('000)
\$209,125	\$224,322	\$15,197

# FY26 BNA O&M Budget

## Operating Revenue (continued):

### II. Signatory Airline Revenue:

- Terminal space rent increased \$8.8M:
  - Rental rate increased ~ \$27 per sq ft
  - Increase in debt service (completion of Concourse D)
- Baggage fees increased \$3M
  - Terminal rental rate increase allocated to baggage system
- Landing fees increased \$4.5M:
  - Rate increase from \$3.38 to \$3.50
  - Increase in debt service and capital projects allocated to airfield cost center
- Terminal Ramp Fees, Signatory Per Use Fees, and Passenger Boarding Bridges increased combined \$1.4M:
  - Increase in O&M expenses & debt service
- Airline Revenue Sharing Credit decreased \$900K
  - AULA contractual decrease in calculation

Amended Budget FY25 ('000)	Budget FY26 ('000)	Variance ('000)
\$115,543	\$134,298	\$18,755

# FY26 BNA O&M Budget

## Operating Expenses:

- Increased \$3.1M

Amended Budget FY25 (\$000)	Budget FY26 (\$000)	Variance (\$000)
\$195,705	\$198,766	\$3,061

- Salaries & benefits increased \$616K:
  - 10-15 potential new positions/conversions
  - Cost-of-living and compensation study implementation
  - Offset by creation of a vacancy allowance of 6%
- Contractual services decreased (\$860K):
  - Shuttle bus services decreased (\$1.7M)
  - Elevator and Escalator Maintenance increased \$400K
  - Landscaping services increased \$300K

**Operating Expenses (continued):**

- Material and Supplies increased \$370K:
  - Snow and Ice Removal supplies \$250K
  - Passenger Boarding Bridge and Baggage Handling Supplies \$100K
  
- Utilities increased \$1.9M:
  - Estimated increases in usage and rates
  
- Other Operating Expense increased \$1M:
  - Airport Promotions and Memberships \$700K
  - Insurance \$300K

Amended Budget FY25 (\$000)	Budget FY26 (\$000)	Variance (\$000)
\$195,705	\$198,766	\$3,061

# FY26 BNA O&M Budget

**Net Non-Operating Revenue/(Expense):**

- Decreased \$39.7M

Amended Budget FY25 ('000)	Budget FY26 ('000)	Variance ('000)
\$12,593	(\$27,126)	(\$39,719)

- Non-Operating Revenue increased \$12.9M:
  - Customer Facility Charges increased \$21.9M due to CFC rate increase
  - Passenger Facility Charges increased \$4.6M due to increased passengers
  - Interest Income increased \$800K due to higher expected rates
  - Other Non-Operating Revenues decreased (\$14.2M) - all federal relief funds used by 6/30/25
- Non-Operating Expense increased \$52.6M:
  - Interest Expense increased \$50M due to expected bond issuance of \$1.3B in December 2025
  - Bond Issuance Costs increased \$3M

# FY26 BNA O&M Budget

**Recommendation:**

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

- 1) approve the proposed FY26 BNA operating budget and
- 2) authorize the Chair and President & CEO to execute **MNAA Resolution No. 2025-04.**

**Total Operating Revenue:**

\$358,620,000

**Total Operating Expense:**

\$198,766,000

**Income before Depreciation & Grants:**

\$132,728,000

**Budget Period:**

July 1, 2025 – June 30, 2026

BNA Summary (\$000)	Amended Budget FY25	Budget FY26
Non-Airline Revenue	\$209,125	\$224,322
Signatory Airline Revenue	\$115,543	\$134,298
Total Operating Revenue	\$324,668	\$358,620
Operating Expense	(\$195,705)	(\$198,766)
Net Non-Operating Revenue (Expense)	\$12,593	(\$27,126)
Income before Depreciation & Grants	\$141,556	\$132,728

# FY26 BNA Capital Improvement Budget & FY26-FY30 Capital Improvement Plan

**Recommendation:**

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

- 1) approve the proposed FY26-FY30 BNA Capital Improvement Plan, and
- 2) approve the proposed FY26 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. 2025-05.**

**Total FY26 CIP Budget:**

\$1,073,360,000

**Budget Period:**

July 1, 2025 – June 30, 2026

**FY26 Major Projects:**

1) CONRAC/Public Parking Garage - \$877.5M, 2) Surface Parking - \$95M, 3) Taxiway T4/T5 Reconstruction - \$30M

BNA Summary (\$000)	FY26	FY27	FY28	FY29	FY30	Total
Terminal & Landside	\$994,860	\$60,030	\$88,875	\$2,300	\$759,580	\$1,905,645
Vehicles & Equipment	\$5,955	\$5,390	\$2,475	\$1,645	\$1,415	\$16,880
Airside Improvements	\$72,015	\$107,720	\$100,050	\$64,550	\$54,050	\$398,385
AULA - Airport Reliever	\$530	\$546	\$563	\$580	\$597	\$2,816
Total	\$1,073,360	\$173,686	\$191,963	\$69,075	\$815,642	\$2,323,726

# FY26 JWN O&M Budget

## Operating Revenue: Increased \$918K

- Land & Hangar rental increased \$902K:
  - MNPD annual rent added
  - Increase in Hangar rents effective 7/1/25
- Space rent increased - \$6K
- Flowage Fees increased \$10K

Budget FY25	Budget FY26	Variance
\$3,011,000	\$3,929,000	\$918,000

## Operating Expenses: Increased \$219K

- Salaries & benefits increased \$106K:
  - Compensation study and cost-of-living adjustment
- Contractual services decreased (\$3K)
- Materials & supplies increased \$35K
- Other operating expenses increased \$80K:

Budget FY25	Budget FY26	Variance
\$2,296,000	\$2,515,000	\$219,000

## Non-operating revenue: Increased \$156K

- Interest Income increased \$169K
- Grant revenue decreased (\$13K)

Budget FY25	Budget FY26	Variance
\$178,000	\$334,000	\$156,000

# FY26 JWN O&M Budget

**Recommendation:**

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

- 1) approve the proposed FY26 JWN operating budget and
- 2) authorize the Chair and President & CEO to execute **MNAA Resolution No. 2025-06.**

**Total Operating Revenue:**

\$3,929,000

**Total Operating Expense:**

\$2,515,000

**Income before Depreciation, Grants and Transfers to/from MNAA:**

\$1,748,000

**Budget Period:**

July 1, 2025 – June 30, 2026

JWN Summary	Budget FY25	Budget FY26
Operating Revenue	\$3,011,000	\$3,929,000
Operating Expense	(\$2,296,000)	(\$2,515,000)
Non-Operating Revenue	\$178,000	\$334,000
Income before Depreciation, Grants and Transfers to/from MNAA	\$893,000	\$1,748,000

# FY26 JWN Capital Improvement Budget & FY26-FY30 Capital Improvement Plan

**Recommendation:**

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

- 1) approve the proposed FY26-FY30 JWN Capital Improvement Plan, and
- 2) approve the proposed FY26 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. 2025-07**.

**Total FY26 CIP Budget:**

\$3,330,000

**Budget Period:**

July 1, 2025 – June 30, 2026

**FY26 Major Projects:**

- 1) Apron Rehab - \$2.1M; 2) EMAS Rehab - \$300K; 3) PAPI Replacement - \$500K

JWN Summary (\$000)	FY26	FY27	FY28	FY29	FY30	Total
Terminal & Landside	\$190	\$1,200	\$6,700	\$0	\$0	\$8,090
Vehicles & Equipment	\$240	\$600	\$135	\$0	\$0	\$975
Airside Improvements	\$2,900	\$3,400	\$0	\$2,700	\$900	\$9,900
Total	\$3,330	\$5,200	\$6,835	\$2,700	\$900	\$18,965

# FY26 MPC O&M Budget

**Operating Revenue:** Decreased \$382K

- Revisions to prior-year revenue assumptions for space rent

Budget FY25	Budget FY26	Variance
\$5,345,000	\$4,963,000	(\$382,000)

**Operating Expenses:** Decreased (\$9K)

- Utilities decreased (\$15K)
- Contractual services increased \$6K

Budget FY25	Budget FY26	Variance
\$1,845,000	\$1,836,000	(\$9,000)

**Non-Operating Revenue:** Increased \$5K

- Additional interest income

Budget FY25	Budget FY26	Variance
\$516,000	\$521,000	\$5,000

**Non-Operating Expenses:** Decreased (\$206K)

- Decrease in Inter-Company expense

Budget FY25	Budget FY26	Variance
\$588,000	\$382,000	(\$206,000)

# FY26 MPC O&M Budget

**Recommendation:**

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

- 1) approve the proposed FY26 MPC operating budget and
- 2) authorize the Chair and President & CEO to execute **MPC Resolution No. 2025-01**.

**Total Operating Revenue:**

\$4,963,000

**Total Operating Expense:**

\$1,836,000

**Income before Depreciation:**

\$3,266,000

**Budget Period:**

July 1, 2025 – June 30, 2026

MPC Summary	Budget FY25	Budget FY26
Operating Revenue	\$5,345,000	\$4,963,000
Operating Expense	(\$1,845,000)	(\$1,836,000)
Non-Operating Income	\$516,000	\$521,000
Non-Operating Expense	(\$588,000)	(\$382,000)
Income before Depreciation	\$3,428,000	\$3,266,000

# FY26 MPC Special Projects Budget & FY26-FY30 MPC Special Projects Plan

**Recommendation:**

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

- 1) approve the proposed FY26-FY30 MPC Special Projects Plan, and
- 2) approve the proposed FY26 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. 2025-02.**

**Total FY26 CIP Budget:**

\$800,000

**Budget Period:**

July 1, 2025 – June 30, 2026

**FY26 Project:**

Tenant Improvements - \$800K

MPC Summary (\$000)	FY26	FY27	FY28	FY29	FY30	Total
Total	\$800	\$1,925	\$605	\$800	\$0	\$4,130

# Information Items

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April 9, 2025

None



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

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Meeting Adjourned