



Joint Meeting of the MNAA and MPC Finance Committee

September 10, 2025

BNA®

Call to Order

September 10, 2025

Public Comment

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, September 8, 2025, 9:00 am

Approval of Minutes

Joint Meeting of the MNAA & MPC Finance Committee

August 6, 2025

Chair's Report

Andrew Byrd

Finance Committee Chair

Items for Approval

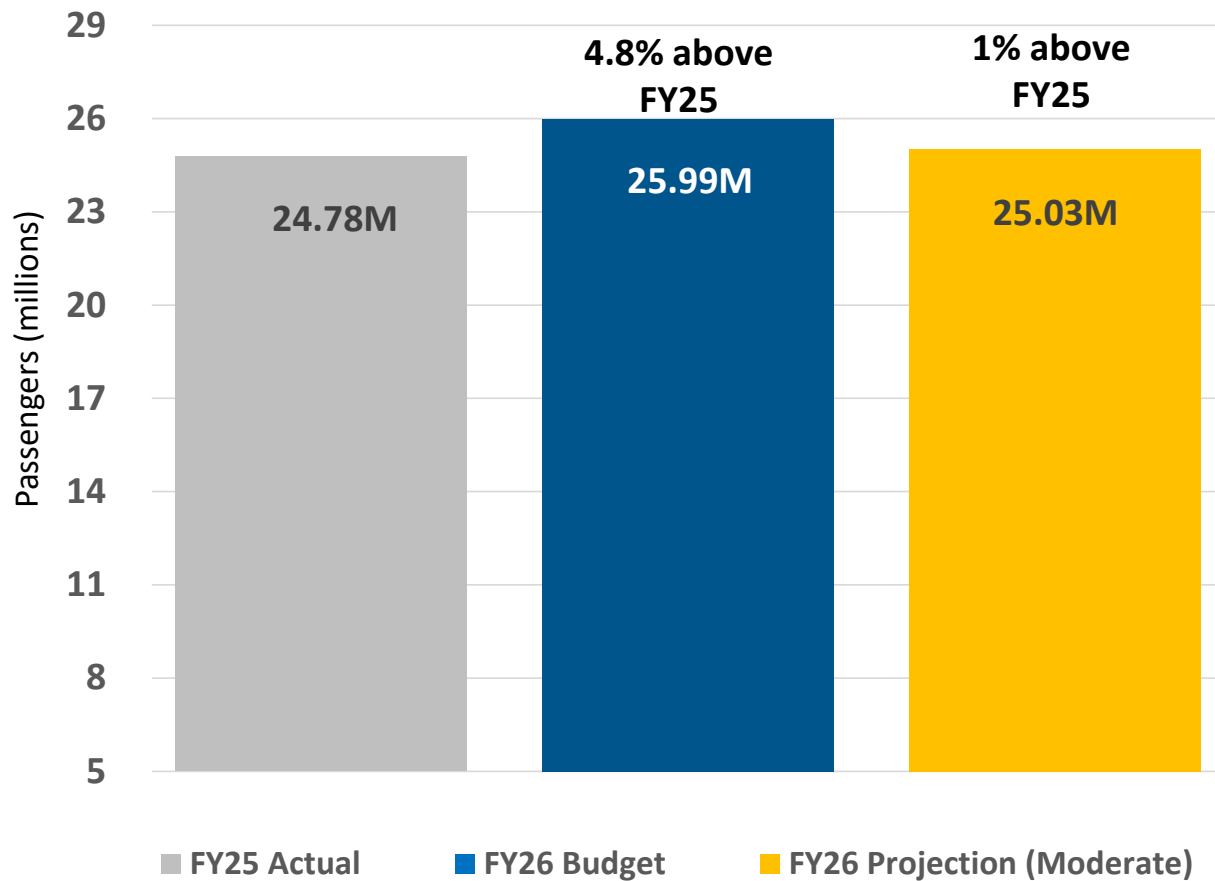
September 10, 2025

- Amended FY26 BNA O&M Budget
 - **MNAA Resolution #2025-14**

Item for Approval

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

BNA FY26 Passenger Projections



FY26 BNA Passenger Projections

- FY25 Actual
 - 24,778,943
- FY26 Budget
 - 25,990,000
 - 4.8% above FY25
- New FY26 Passenger Projections
 - Moderate (~1%): 25,026,700
 - Strategic (~3%): 25,522,400
 - Aggressive (~5%): 26,018,000

- **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)

	Approved Apr 2025	Amended Sep 2025
- Senior	3.11	3.11
- Senior/Subordinate	2.03	2.03

- Signatory Landing Fee

Approved Apr 2025	Amended Sep 2025
\$3.50	\$3.47

- Cost per Enplanement (CPE)

Approved Apr 2025	Amended Sep 2025
\$10.76	\$11.07

- Days Cash on Hand

Board Requirements	550-650 days
Days Cash on Hand	1,123 days*

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

Amended FY26 BNA O&M Budget Summary Metrics

- Financial metrics exceed Board Approved requirements

Amended FY26 BNA O&M Budget

Operating Revenue:

- Decreased \$3.5M

Approved Budget FY26 ('000)	Amended Budget FY26 ('000)	Variance ('000)
\$358,620	\$355,120	(\$3,500)

I. Non-Airline Revenue:

- Parking and Concessions revenue decreased \$2.5M
 - Reduction in forecasted passengers
 - Revenue generated per passenger decreased

Approved Budget FY26 ('000)	Amended Budget FY26 ('000)	Variance ('000)
\$224,322	\$221,822	(\$2,500)

II. Signatory Airline Revenue:

- Operating expense budget reduced by \$3.5M
- Effect on airline rates and charges is a reduction of \$1M of Signatory Airline Fees due to MNAA

Approved Budget FY26 ('000)	Amended Budget FY26 ('000)	Variance ('000)
\$134,298	\$133,298	(\$1,000)

Amended FY26 BNA O&M Budget

Operating Expenses:

- **Decreased \$3.5M**
 - Salaries & Benefits decreased \$2M:
 - Reduction in anticipated salaries and benefits
 - Removal of budgeted Pension/OPEB contribution
 - Contract Services and Material & Supplies decreased \$1.5M:
 - Cancellation/reduction in cost of several department initiatives as well as other identified areas of savings

Approved Budget FY26 (\$000)	Amended Budget FY26 (\$000)	Variance (\$000)
\$198,766	\$195,229	(\$3,537)

Net Non-Operating Expense: **Increased \$3.7M**

- Passenger Facility Charges (\$1.7M) and Customer Facility Charges (\$2M) reduced due to decrease in passengers

Approved Budget FY26 ('000)	Amended Budget FY26 ('000)	Variance ('000)
\$27,126	\$30,826	\$3,700

Amended FY26 BNA O&M Budget

Recommendation:

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

- 1) approve the proposed amended FY26 BNA O&M budget and
- 2) authorize the Chair and President & CEO to execute **MNAA Resolution No. 2025-14.**

Total Operating Revenue:

\$355,120,000

Total Operating Expense:

\$195,229,000

Income before Depreciation & Grants:

\$129,065,000

Budget Period:

July 1, 2025 – June 30, 2026

BNA Summary (\$000)	Approved Budget FY26	Amended Budget FY26
Non-Airline Revenue	\$224,322	\$221,822
Signatory Airline Revenue	\$134,298	\$133,298
Total Operating Revenue	\$358,620	\$355,120
Operating Expense	(\$198,766)	(\$195,229)
Net Non-Operating Expense	(\$27,126)	(\$30,826)
Income before Depreciation & Grants	\$132,728	\$129,065

Information Items

September 10, 2025

- 11th Amendment to Fraport Lease & Concession Agreement

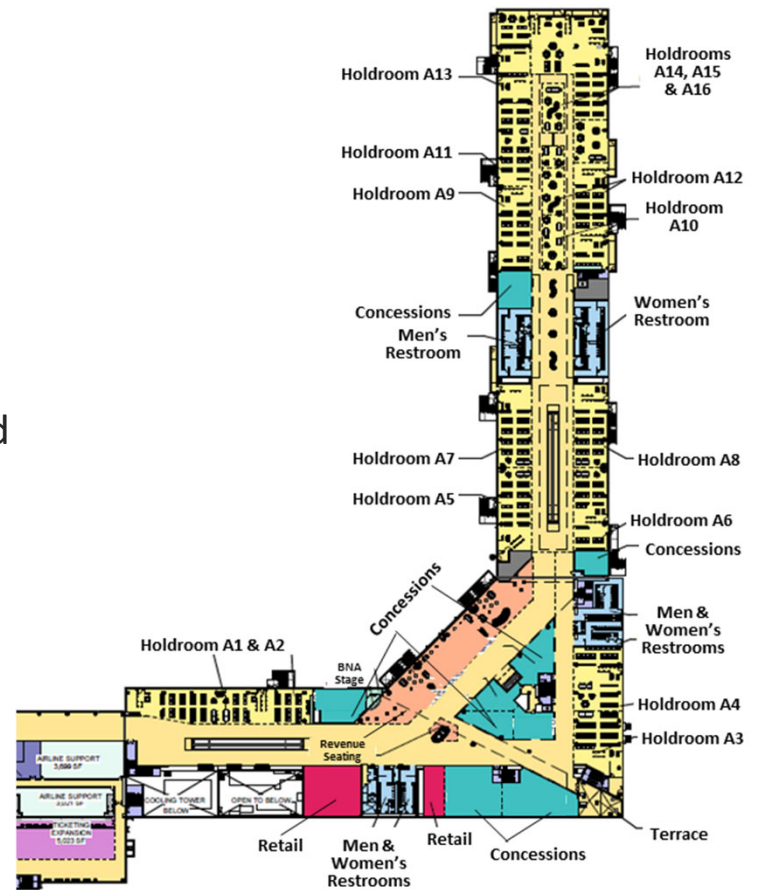
Information Item

Lisa Leyva, C.M.
VP, Concessions

11th Amendment to Fraport Lease and Concession Agreement

Background:

- MNAA has a Lease and Concession Agreement (Agreement) with Fraport Nashville, LLC to develop and operate a concessions program, including food and beverage, services and retail and vending offerings in the main terminal.
- The agreement has a term of ten years expiring January 31, 2029, with two 5-year options to extend the agreement beyond 2029, should the Authority choose to do so.
- Contract must be negotiated for:
 - 8 Concourse A locations opening July 11, 2028
 - 45 locations expiring 2027 - 2029



11th Amendment to Fraport Lease and Concession Agreement

Committee Review:

- July Committee Recommendation: Negotiate a more favorable revenue split with Fraport
 - If unsuccessful by August Committee, pivot to next option to recompute developer model
- August Committee Update: Negotiations with Fraport for more favorable revenue split successful, MNAA has reached a tentative deal:
 - Fraport will be granted the development rights for Concourse A 2028 locations
 - 85% revenue split beginning January 1, 2029
 - 5-Year extension from February 1, 2029 – January 31, 2034, without capital investment
- September Committee Update: Staff initially planned for Board approval of 11th amendment in September 2025, however on September 8, 2025, Fraport submitted revisions to terms.
 - If negotiations unsuccessful by October Committee (analysis due by September 22, 2025), pivot to next option to recompute developer model



aerial
innovations
SOUTHEAST

Joint Meeting of the MNAA and MPC Finance Committee

Meeting Adjourned