

MINUTES OF THE BUDGET & FINANCE COMMITTEE MEETING OF THE MONTEREY PENINSULA AIRPORT DISTRICT BOARD OF DIRECTORS

March 11, 2019 - 8:30 AM - Administration Office Conference Room

A. CALL TO ORDER

Finance Committee Meeting of the Board of Directors was called to order at 8:30 AM. Director Leffel, Director Sabo and Executive Director La Pier and Deputy Executive Director of Finance and Administration Bergholz were present.

Presented the following documents to the Budget and Finance Committee members:

*January 2019 Financial Statements
January 2019 Financial Statement Variance Analysis
January 31, 2019 Accounts Receivable Aged Invoice Report
Professional Audit Services Request for Proposal Submissions*

B. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

None.

C. PUBLIC COMMENTS

None.

D. REGULAR AGENDA – ACTION ITEMS

Review 1. FYTD 2019 Financial Statements

Reviewed overall financial performance of the airport as of January 31, 2019

January 2019 combined airport operating revenues are \$697.4K which is \$22.2K (3.3%) higher than budget (\$675.2K), and FYTD revenues are \$5.48M which is \$189.9K (3.6%) higher than budget (\$5.29M). The January favorable revenue variance is attributed to higher Terminal Concessions, Non-Aviation and Miscellaneous Other Operating revenues which offset lower Heavy General Aviation revenues. Commercial Aviation, General Aviation Landing Fees and Light General Aviation Rental revenues were materially on budget.

January operating expenses are under budget by \$4.3K (0.6%).

January's net favorable expenses variance resulted from the following: Salary & Wage and Employer Payroll Tax Expenses are \$1.6K higher than budget, Employer Benefit Expenses are lower than budget by \$4.7K, Personnel Related Expenses are lower than budget by \$1.0K, Business Related Expenses are lower than budget \$1.9K, Expendable / Consumable Supplies & Materials expenses are lower than budget by \$5.1K, Repair & Maintenance expenses are under budget by \$10.8K, Outside Services are under budget by \$3.4K, Professional Services are higher than budget \$9.2K. Marketing related expenses are higher than budget \$9.7K, Utilities expenses are over budget \$1.7K.

January FYTD Operating Expenses are \$4.72M which is \$250.9K lower than budget (\$4.97M). This favorable variance is attributed to lower expenses in most expense categories.

With higher than budget operating revenues and lower operating expenses, the January Operating Income is \$32.2K which is \$26.4K higher than budget (\$5.8K). FYTD operating income is \$707.2K which is \$439.8K or 164.5% higher than budget (\$267.4K).

Review 2. January 2019 Financial Statement Variance Analysis

Revenues:

*Landing Fees
Commercial Fuel Flowage Fees
Taxi Operator Permits & Trip Fees
TNC Permits & Trip Fees
Parking Concession
GA Fuel Flowage Fees
Miscellaneous Other Operating Revenue*

Expenses:

Finance & Administration:

*Art Program
District Legal Counsel
Human Resources
Marketing
Air Service Development
Utilities - Water*

Planning & Development:

Salary & Wage Reimbursement

Maintenance & Custodial Services:

*Salaries & Wages
Custodial Supplies & Materials
Airfield Repair & Maintenance
Landscape & Grounds Repair & Maintenance
Other / Contract Services*

Airport Operations:

None

Police Department:

Personnel Recruitment & Pre-Employment Expense

The Airport received a \$400 invoice from Cordico Psychological Corp for services related to an officer involved case occurring in September.

Dental, Vision and Life

Final adjustments to officer Dental, Vision and Life insurance were processed by the insurance provided.

ARFF / Fire Services:

None

Board of Directors:

Seminars & Conferences

Other Income and Expense:

*Grants – FAA
Passenger Facility Charges
Depreciation and Amortization Expense*

No additional questions on revenues or expenses.

Review 3. Accounts Receivable Aged Invoice Report / Cash Position Updated

The accounts receivable balance on January 31, 2019 is \$358K. This balance is 46.5% higher than the December 31, 2018 balance and 21.9% higher than the balance on January 31, 2018. The net accounts receivable balance over 60 days old on January 31, 2019 is a credit of \$2,213. This increase in accounts receivables is simply attributed to timing of collections.

The outstanding January accounts receivable balance on February 27, 2019 is \$113.4K. Included in this balance are airline and rental car related invoices totaling approximately \$45.4K, GSA/TSA invoice for \$9.9K, and several small invoices which are offset by several small customer prepayments.

Discussion 4. Audit RFP Responses

The Airport received 9 Professional Audit Services Request for Proposal (RFP) submissions and delivered them to the Finance Committee. Directors Leffel and Sabo scheduled a meeting on March 14, 2019 to review the RFP's and select firms for interviews. Audit firms will be notified, and interviews will be scheduled for March 28.

Review 5. City of Monterey Fire Contract and Staff Report

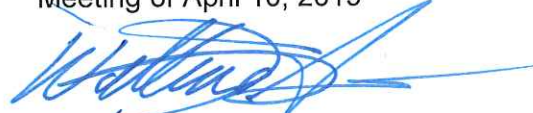
The City of Monterey Fire Contract and Staff Report were reviewed.

The next meeting was scheduled for April 8, 2019 at 10:00 AM. In the Administrative Conference Room.

E. ADJOURNMENT


The meeting adjourned at 12:15 PM.

Minutes Approved at the
Meeting of April 10, 2019



William Sabo, Chair

ATTEST

A handwritten signature in black ink, appearing to read 'm. la pier', with a horizontal line drawn through the middle of the signature.

Michael La Pier, AAE
District Secretary