

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

**August 4, 2017 - 1:30 PM - Board Room**

**A. CALL TO ORDER**

*Director Sabo called to order the Finance Committee Meeting of the Board of Directors at 1:30 PM. Director Leffel, Director Sabo, Executive Director La Pier, and Deputy Executive Director of Finance and Administration Bergholz were present.*

*Macias Gini and O'Connell Audit Partner Eugene Ma and Senior Associate Auditor Dominic Jaranilla were present for part of the meeting.*

*Presented the following documents to the Budget and Finance committee members:*

*June 2017 Financial Statements*

*June 2017 Financial Statement Variance Analysis*

*June 30, 2017 Accounts Receivable Aged Invoice Report*

**B. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS**

*Discussions:*

*Macias Gini and O'Connell audit partner Eugene Ma presented the fiscal year 17 audit plan to Directors Leffel and Sabo in closed session. Field work will begin on August 14, 2017.*

*Briefed Directors Leffel and Sabo on California Energy Commission loan timing and potential cash flow issues.*

**C. PUBLIC COMMENTS**

*None.*

**D. REGULAR AGENDA – ACTION ITEMS**

Review 1. FYTD 2017 Financial Statements

*Reviewed overall financial performance of the airport as of May 30, 2017*

*June 2017 combined airport operating revenues for June (\$777.3K) are \$75.9K (10.8%) higher than budget and (\$9.033M actual YTD) \$396.1K (4.6%) higher than budget FYTD. The higher revenues are attributed to continued higher enplanements, TNC, parking, rental cars and self-storage service revenues.*

*June operating expenses (\$593.6K) are lower than budget by \$65.7K (10%). The June favorable expense variance was the result of a variety of factors including: LEO and workers comp reimbursements (\$44.8K), lower headcount and AT&T telephone reimbursements (\$15K) and overall lower cost centers expenses when compared to budget.*

Because of higher than budget operating revenues and lower operating expenses, June's operating income is \$183.7K which is \$141.6K or 336% higher than budget (\$42.1K). FYTD operating income is \$1.479M which is \$954.1K or 181% higher than budget (\$524.9K).

Reviewed 2. June 2017 Financial Statement Variance Analysis

**Revenues:**

CA Landing Fee  
GA Landing Fee  
Terminal Space Rent  
Terminal Concessions  
Taxi Operator Permits and Trip fees  
TNC Permits and Trip Fees\*

*\*Uber continues to operate without a contract which is still in legal review, and Lyft has signed their contract. Both continue to provide services to airport contract and are paying the normal rates and charges.*

Rental Car Concessions  
Parking Concession  
Fuel Flowage Fees\*\*

*\*\* Combined Monterey Jet Center and Del Monte Aviation exceeded budget by selling an additional 83,564 gallons of Jet A and LL 100 fuel.*

Outside Storage\*\*\*

*\*\*\* Val Strough Honda leased space to temporarily store cars while their dealership building is being rebuilt.*

Self-Storage Concession  
Utility Charges \*\*\*\*

*\*\*\*\*On March 31, 2017 as part of the Solar Array project Opterra recommended that the Airport request removal of the PG&E's discounted electrical rate (E19) and instead request a change to the standard undiscounted electrical rate (A6). Once the Solar Array is operational PG&E will use the higher undiscounted rate to calculate the rebate for power provided by the Solar Array. As a result of using standard undiscounted electrical rate electrical expenses charged back to tenants increased.*

**Expenses:**

**Finance and Administration**

CalPERS Health Insurance  
Umbrella Liability Insurance Expense  
Business Travel & Entertainment  
Telephone+

+ In March AT&T Centrex discount program was cancelled resulting in a 300% increase in telephone expenses. In June, the Airport received and applied a \$14.6K credit/refund. The Centrex discounted rates were reinstated and will continue for 12 months. We will reapply for the discounts again in the fall.

District Legal Counsel++

++ Legal fees paid to Cota and Cole LLP for tenant evictions and MOU negotiations.

Marketing  
Utilities – Water  
Utilities - Sewage / Waste Water

**Planning & Development:**

Salary & Wage Reimbursement  
Architect & Engineer  
Computer / LAN & IT

**Maintenance & Custodial Services:**

CalPERS Health Insurance  
Custodial Supplies & Materials  
Airfield Repair & Maintenance  
Terminal Repairs & Maintenance  
General Repair & Maintenance

**Airport Operations:**

None

**Police Department:**

Salaries & Wages  
Salary Wage Reimbursement~

~ TSA reinstated LEO reimbursements and made payments for March to June 2017.

LC 4850 Wages~~

~~ Continuing expenses for one officer on worker's comp leave will receive 4850 payments through at least October 18, 2017

CalPERS Retirement  
CalPERS Health Insurance  
General Supplies & Materials

**ARFF / Fire Services:**

None

**Board of Directors:**

None

**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 June 30, 2017, is \$445.7K. This balance is 3.7% lower than the May 31, 2017 balance and 7.9% lower than the balance on June 30, 2016. The modest increase in accounts receivables is attributed to timing of collections.

Discussion 4. Future Agenda Items/Finance Committee Schedule

The next meeting was scheduled for September 11, 2017 at 2:00 pm in the Board Room.

**E. ADJOURNMENT**

The meeting adjourned at 12:30 PM.

Minutes Approved at the Regular  
Meeting of September 13, 2017



Matthew Nelson, Chair

ATTEST

Michael La Pier, AAE  
District Secretary