

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

**November 9, 2018 - 10:00 AM - Board Room**

**A. CALL TO ORDER**

*Finance Committee Meeting of the Board of Directors was called to order at 10:00 AM. Director Leffel, Director Sabo, 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:*

*September 2018 Financial Statements  
September 2018 Financial Statement Variance Analysis  
September 30, 2018 Accounts Receivable Aged Invoice Report  
FY19 Amended Operating and Capital Budgets*

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

*None.*

**C. PUBLIC COMMENTS**

*None.*

**D. REGULAR AGENDA – ACTION ITEMS**

Review            1.    FYTD 2018 Financial Statements

*Reviewed overall financial performance of the airport as of September 30, 2018*

*September 2018 combined airport operating revenues are \$792.8K which is \$59.8K (8.2%) higher than budget (\$733.1K) and FYTD revenues are \$2.44M which is \$115.9K (5.0%) higher than budget (\$2.32M). The September favorable revenue variance is attributed to higher Terminal Concessions, General Aviation Fees, Non-Aviation Tenant Fees and Miscellaneous Other Operating Revenues. These higher revenues offset lower Rental Car and Parking fees.*

*September operating expenses are under budget by \$64.1K (9.3%).*

*September's net favorable expenses variance resulted from the following: Salary & Wage and Employer Payroll Tax Expenses are \$59.3K higher than budget, Employer Benefit Expenses under budget by \$9.5K, Personnel Related Expenses are over budget by \$1.0K, Business Related Expenses are materially on budget, Expendable / Consumable Supplies & Materials expenses are under by \$3.5K, Repair & Maintenance expenses are over budget by \$4.8K, Outside Services are materially on budget, Professional Services are under budget \$11.4K. Marketing related expenses are over budget \$24.8K, Outside Services and Utilities expenses for are materially on budget.*

*September FYTD Operating Expenses are \$2.04M which is \$79.5K lower than budget (\$2.11M). This favorable variance is attributed to lower expenses in most all expense categories except Police salaries and wages.*

*With higher than budget operating revenues and lower operating expenses, the September Operating Income is \$42.3K which is \$4.3K lower than budget (\$46.6K). FYTD operating income is \$404.3K which is \$195.4K or 93.5% higher than budget (\$208.9K).*

Review 2. September 2018 Financial Statement Variance Analysis

**Revenues:**

*GA Landing Fee  
Terminal Concessions  
TNC Permit and Trip Fees*

*In September Uber and Lyft exceeded budgeted TNC fares by 1,810 which resulted in a favorable fees variance (\$5.4K). In FY18 approximately 12% of all passengers traveling through the Airport used TNC transportation. In September 17.2% of all passengers used TNC transportation.*

*Rental Car Concessions  
Parking Concession*

*In September parking concessions vehicle counts were over budget by 444 cars with a daily unfavorable rate variance of \$0.48 per car (\$6.14 Bud vs \$5.66 Act). A reduction in long term parking stays are driving most of the unfavorable variance but short-term parking under 30 minutes are increasing.*

*General Aviation Fuel Flowage Fees  
Outside Storage  
Self-Storage  
Tenant Employee Parking, Decals & Badges  
Miscellaneous Other Operating Revenue*

*The September Miscellaneous Other Operating Revenue comes from 4850/Disability workers comp payments received from SDRMA (\$4.5K), a federal employee tax refund adjustment (\$4.8 for Church) and a \$11.1K worker's comp insurance rebate from FY18. In September the Airport has one officer on 4850/Disability and the SDRMA payments offsets salaries paid to that officer.*

**Expenses:**

**Finance & Administration:**

*Salaries & Wages  
Business Travel & Entertainment  
Art Program  
District Legal Counsel*

**Marketing**

*The September Marketing budget included fees to Chidlaw Marketing (\$5.0K) and MISC fees (\$130). Chidlaw expense of \$29.3K and Salinas International Airshow expenses of \$4.0K were recognized in September. The Salinas International Airshow sponsorship of \$5.0K was budgeted in August and Chidlaw*

*Marketing expenses were for the United Airlines Denver and advertising celebration.*

*Public Relations*

*Public Relations budget was \$1.3K and actual expenses were for \$6.4K. All of the variance relates to the United Airlines Denver launch celebration. Vendors included Tarpys and other local suppliers.*

*Air Service Development  
Utilities - Water*

**Planning & Development:**

*Salary & Wage Reimbursement  
Architect & Engineer*

**Maintenance & Custodial Services:**

*Custodial Supplies & Materials  
Airfield Repair & Maintenance*

*Airfield Repairs and Maintenance were over budget and included removal of trees (\$12.0K) and repairs to a water main on the northside of the airport (\$8.7K)*

**Airport Operations:**

*None*

**Police Department:**

*Salaries & Wages*

*The \$66.4K unfavorable variance in Police Salaries & Wages expense resulted from the payment of or transfer of vacation, comp time and sick time for officers transferred to DRO.*

*Overtime (OT) Pay  
CalPERS Health Insurance  
General Supplies & Materials*

**ARFF / Fire Services:**

*District Vehicle Repair & Maintenance*

**Board of Directors:**

*None*

**Other Income and Expense:**

*Grants – FAA  
Passenger Facility Charges*

*Interest Income - L.A.I.F.  
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 September 20, 2018 is \$399K. This balance is 18.8% lower than the August 31, 2018 balance and 8.2% higher than the balance on September 30, 2017. The net accounts receivable balance over 60 days old on September 30, 2018 is \$1.2K. This decrease in accounts receivables is attributed to timing of collections from September.*

*The outstanding September accounts receivable invoices on October 26, 2018 total is \$74.1K. Included in this October 26 balance is seven airline related invoices totaling approximately \$60.6K, City of Del Rey Oaks invoice \$9.2K and several small invoices which are offset by several small customer prepayments.*

Review 4. FY19 Amended Operating and Capital Budgets

*FY19 Amended Operating and Capital budgets were presented to the Finance Committee for review and comments. Amendments to the FY19 Operating budget were summarized by revenue category and expenses by department. Amendments for the Capital budget are summarized by project. For details see the staff report prepared for the November 14, 2018 Board of Directors meeting.*

Discussion 5. Future Agenda Items/Finance Committee Schedule

*The next meeting was scheduled for December 10, 2018 at 10:00 AM in the Board Room.*

**E. ADJOURNMENT**

*The meeting adjourned at 1:00 PM.*

Minutes Approved at the  
Meeting of December 12, 2018



Carl M. Miller, Chair

ATTEST



Michael La Pier, AAE  
District Secretary