

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

July 8, 2019 - 10:00 AM - Administration Office Conference Room

A. CALL TO ORDER

Finance Committee Meeting of the Board of Directors was called to order at 10:00 AM. Director Sawhney, Executive Director La Pier and Deputy Executive Director of Finance and Administration Bergholz were present. Director Leffel was absent.

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

*May 2019 Financial Statements
May 2019 Financial Statement Variance Analysis
May 31, 2019 Accounts Receivable Aged Invoice Report*

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 May 31, 2019

May 2019 combined airport operating revenues are \$827.3K which is \$115.1K (16.2%) higher than budget (\$712.2K), and FYTD revenues are \$8.66M which is \$522.9K (6.4%) higher than budget (\$8.13M). The May favorable revenue variance is primarily attributed to the American Airlines Monterey to Dallas flights that started in April and are not included in the FY19 budget. Additionally, TNCs, concessions, rental car and parking revenues followed the increase in flights and enplanements.

May operating expenses (\$671.1K) are over budget (\$655.2K) by \$15.9K or 2.4%.

May's net unfavorable expenses variance resulted from the following: Salary & Wage and Employer Payroll Tax Expenses (\$167.8K) are \$4.0K lower than budget (\$171.8K), Employer Benefit Expenses (\$98.1K) are lower than budget (\$104.0K) by \$5.9K, Personnel Related Expenses (\$9.8K) are higher than budget (\$5.8) by \$4.0K, Business Related Expenses (\$20.3K) are lower than budget (\$21.3K) by \$1.0K, Expendable / Consumable Supplies & Materials expenses (\$9.1K) are lower than budget (\$10.2K) by \$1.2K, Repair & Maintenance expenses (\$42.2K) are over budget (\$29.5K) by \$12.7K, Outside Services expenses (\$244.4K) are materially on budget (\$245.1K), Marketing related expenses (\$8.5K) were lower than budget (\$10.5K) by \$2.0K and Combined Utilities expenses (\$24.0K) are under budget (27.0K) by \$3.0K or 11.0%

May FYTD Operating Expenses are \$7.47M which is \$266.0K lower than budget (\$7.73M). This favorable variance is attributed to lower expenses in most expense categories except Marketing.

For May continued higher than budget operating revenues and slightly higher operating expenses resulted in an operating income of \$156.2K which is \$99.1K higher than budget (\$57.0K). FYTD operating income is \$1.19M which is \$788.9K or 196.8% higher than budget (\$400.9K).

Review 2. May 2019 Financial Statement Variance Analysis

Revenues:

- Commercial Landing Fees*
- Apron Fees*
- Commercial Fuel Flowage Fees*
- General Aviation Landing Fee*
- Terminal Concessions*
- TNC Permits & Trip Fees*
- Rental Car Concessions*
- Parking Concession*
- General Aviation Fuel Flowage Fees*
- Self-Storage Concession*

Expenses:

Finance & Administration:

- Salaries & Wages*
- Business Travel & Entertainment*
- Annual Audit / Accounting*
- Utilities - Electricity*

May PG&E expenses for all Airport owned electrical meters are budgeted at \$2,500 per month. Included in the consolidated April bill were service credits for the beacon light parking lot and other meters totaling \$8,070. These credits resulted from a processing error by Monterey Bay Community Power. These credits reversed in May when the error was corrected.

Planning & Development:

- Computer / LAN & IT*

The May Computer / LAN & IT expense variance came from the purchase and installation of a new laptop computer.

Maintenance & Custodial Services:

- Custodial Supplies & Materials*
- Airfield Repair & Maintenance*
- Terminal Repair & Maintenance*
- Computer / LAN & IT*

Airport Operations:

- Salaries & Wages*
- Environmental*

The May Environmental expense comes from fees paid to Wood Environment & Infrastructure for developing a plan to test for PFAS contamination on Airport Property.

Police Department:

None

ARFF / Fire Services:

None

Board of Directors:

Business Travel & Entertainment Expense

The actual May Business Travel & Entertainment expenses included charges for the Directors to attend ACI NA/AAAE Airport Board and Commissioners conference in San Francisco. These expenses were budgeted in April.

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 May 31, 2019 is \$532K. This balance is 9.98% higher than the April 30, 2019 balance and 64.1% higher than the balance on May 31, 2018. This increase in accounts receivables is attributed to timing of collections.

The net accounts receivable balance over 60 days old on May 31, 2019 is \$18.1K. This over 60 day balance was caused by an outstanding \$26.7K United Airlines invoice.

The next meeting was scheduled for August 12, 2019 at 10:00 AM in the Administration Office Conference Room.

E. ADJOURNMENT

The meeting adjourned at 12:00 PM.

Minutes Approved at the
Meeting of August 12, 2019



William Sabo, Chair

ATTEST

A handwritten signature in black ink, appearing to read "Michael La Pier". The signature is stylized with a prominent horizontal line at the top and a vertical line on the right side.

Michael La Pier, AAE
District Secretary