

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

July 7, 2017 - 10:00 AM - Board Room

A. CALL TO ORDER

Director Sabo called to order the Committee Meeting of the Board of Directors at 10:05 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:

May 2017 Financial Statements

May 2017 Financial Statement Variance Analysis

May 31, 2017 Accounts Receivable Aged Invoice Report

B. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

Discussions:

New Board of Directors new check signature process/policy that improves communication.

Status update for the Airfield Lighting and Vault Upgrades project bids.

Discussed the interim audit, audit plan presentation, audit field work and MGO auditors reporting schedules.

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

May combined airport operating revenues are \$68.4 (10.1%) higher than budget and \$320.2K (4%) higher than budget FYTD. The higher revenues are partially attributed to higher enplanements, a return of strong fuel sales and another exceptional month for parking, rental cars and self-storage services.

May operating expenses are lower than budget by \$7.2K (1%) and May FYTD operating expenses are \$492.4 (7.0%) lower than budget. The May favorable expense variance was the result of a variety of factors including: lower headcount and fewer maintenance projects.

Because of higher than budget operating revenues and lower operating expenses, May's operating income is \$102.6K which is \$61.2K or 148% higher than budget (\$41.8K). FYTD operating income is \$1.296M which is \$812.6K or 168% higher than budget (\$482.8K).

Revenues:

CA Landing Fee
GA Landing Fee
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**

***Parking concessions continue to exceed budget with longer parking durations in both long and short-term lots. Average revenue per vehicle is \$8.40 per vs. budget of \$6.70.*

Fuel Flowage Fees***

**** Combined Monterey Jet Center and Del Monte Aviation exceeded budget by selling an additional 49,671 gallons of Jet A and LL 100 fuel.*

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

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

+ n March AT&T Centrex discount program was cancelled resulting in a 300% increase in telephone line services. We have applied for a discount and are waiting for AT&T to apply the adjustments. The credits are expected in June.

District Legal Counsel++

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

Marketing
Air Service Development
Public Relations
Utilities – Water +++

+++ Variance relates to one meter on Sky Park drive that's indicates a 300K gallon increase in water usage. We have contacted Cal Am and Airport Maintenance is investigated. A broken 2" water line was discovered on the north side of the airport.

Utilities - Sewage / Waste Water

Planning & Development:

Computer / LAN & IT
Environmental

Maintenance & Custodial Services:

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

Airport Operations:

Salaries & Wages
Other / Contract Services +

+ In May IntrerVISTA Consulting prepared and presented an analysis of the proposed taxi beacon tracking system-- total cost \$12.1K. The taxi beacon tracking system project was approved by the BOD during the June 14 meeting.

Police Department:

Salaries & Wages
Salary Wage Reimbursement~

~ TSA suspended LEO reimbursements in February. We received notice that the LEO payment will resume in June.

LC 4850 Wages~~

~~ One officer on worker's comp leave will receive 4850 pay through at least October 18, 2017. In FY 18 4850 expense will increase as worker's comp payments are reconciled.

Employer SSI
CalPERS Retirement
CalPERS Health Insurance
General Supplies & Materials
Telephone

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 May 31, 2017, is \$462.1K. On June 30, the accounts receivable balance is \$9.8K. Most of the accounts receivables have been collected.

Discussion 4. Future Agenda Items/Finance Committee Schedule

The next meeting was scheduled for August 4, 2017 at 1:30 pm. In the Board Room.

E. ADJOURNMENT

The meeting adjourned at 12:30 PM.

Minutes Approved at the Regular
Meeting of August 9, 2017



Matthew Nelson, Chair

ATTEST



Michael La Pier, AAE
District Secretary