

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

**May 4, 2017 - 10:00 AM - Board Room**

**A. CALL TO ORDER**

*Director Sabo called to order the Special Meeting of the Board of Directors at 10:30 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:*

*March 2017 Financial Statements*

*March 2017 Financial Statement Variance Analysis*

*March 31, 2017 Accounts Receivable Aged Invoice Report*

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

*Discussion about Fiscal Year 2018 budget process and status. Fiscal Year 2018 revenue, employee compensation projections and department expense budgets are complete. Draft operating and capital budgets have been prepared and will be presented to the Finance Committee on May 12 at 2:00 PM. Operations, Police and Maintenance department managers will present their department plans for FY 18.*

*FY 17 Capital Budget amendment will be requested at the May 10 Board meeting. Two emergency projects for roof repair to building 514 and road repair to Fred Kane Drive are needed and will fund by delaying the Automated Taxi Starter project until FY 18.*

*Finance Committee Board Members shared information Caltrust as a possible short investment option for excess PFC funds currently on deposit at Rabobank.*

**C. PUBLIC COMMENTS**

*None.*

**D. REGULAR AGENDA – ACTION ITEMS**

Review            1.    FYTD 2017 Financial Statements

*Reviewed overall financial performance of the airport as of March 31, 2017.*

*March 2017 combined airport operating revenues are \$43.2K (6.3%) higher than plan and 219.2K (3%) higher than plan FYTD. The higher revenues are partially attributed to a new Los Angeles flight added by United, a return of strong fuel sales and an exceptional month for parking services. March operating expenses (\$642.5K) are lower than plan by \$19.1K (3%). March FYTD operating expenses (\$5.683M) are \$453.4K (8.0%) lower than plan. March operating income is \$91.8K which is \$62.3K or 211% higher*

than plan (\$20.8K). FYTD operating income is \$1.008M which is \$672.2K or 200% higher than plan (\$335.9K).

Review 2. March 2017 Financial Statement Variance Analysis

Reviewed **Revenues:**

CA Landing Fee  
GA Landing Fee  
Taxi Operator Permits and Trip fess  
TNC Permits and Trip Fees  
Rental Car Concessions  
Parking Concession  
Fuel Flowage Fees\*

\* Combined Monterey Jet Center and Del Monte Aviation exceeded budget by selling an additional 28,500 gallons of Jet A and LL 100 fuel

Facility / Space Rents  
Self-Storage Concession \*\*

\*\* March MHSS concession payments include short term prepayments. In April, the Airport should expect lower concession. MHSS has also reached 99% occupancy.

**Expenses:**

**Finance and Administration**

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

+ In March AT&T Centrix discount program was cancelled resulting in a 200% increase in telephone line services. We have applied for a discount and are waiting for AT&T to provide the new contract.

District Legal Counsel++

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

Marketing  
Public Relations  
Utilities - Sewage / Waste Water

**Planning & Development:**

Salaries & Wages ^

^ One staff member is on maternity leave. This favorable variance will continue as the staff member continues maternity leave past the SDI coverage period.

Salary & Wage Reimbursement  
Computer / LAN & IT^^

^^ Timing difference for server conversion work that was completed and billed in March and budgeted in February.

Environmental^^^

^^^ Timing difference for SWCA consulting services for projects originally budgeted in February but completed in March.

**Maintenance & Custodial Services:**

CalPERS Health Insurance  
Airfield Repair & Maintenance #

# Airfield vault repairs scheduled for March where delayed and will be completed in April or May.

Terminal Repairs & Maintenance

**Airport Operations:**

Salaries & Wages

**Police Department:**

Salaries & Wages  
Salary Wage Reimbursement~

~ TSA has suspended all reimbursements until further notice.

CalPERS Retirement  
CalPERS Health Insurance  
General Supplies & Materials~~

~~ Unfavorable variance resulted from purchasing new AR-15 rifles in March. The YTD variance will be reduced by fiscal year end.

**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

*Reviewed March accounts receivable is one RV storage tenant account and one outside storage tenant account that are in the process of being evicted (total exposure ~\$1.0K). Tom Sullivan declared bankruptcy and his account will be written off as a bad debt (exposure ~\$600).*

Discussion 4. Future Agenda Items/Finance Committee Schedule

*The next meeting was scheduled for June 12, 2017 at 10:00am. In the Board of Directors Conference Room.*

**E. ADJOURNMENT**

*The meeting adjourned at 12:30 PM.*

Minutes Approved at the Regular  
Meeting of June 14, 2017



Matthew Nelson, Chair

ATTEST



Michael La Pier, AAE  
District Secretary