

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

**January 6, 2020 - 10:00 AM - Administration Office Conference Room**

**A. CALL TO ORDER**

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

*The following documents were presented to the Budget and Finance Committee members:*

*November 2019 Financial Statements  
November 2019 Financial Statement Variance Analysis  
November 30, 2019 Accounts Receivable Aged Invoice Report*

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

*None.*

**C. PUBLIC COMMENTS**

*None.*

**D. REGULAR AGENDA – ACTION ITEMS**

Review 1. FYTD 2020 Financial Statements

*Reviewed overall financial performance of the Airport as of November 30, 2019*

*November 2019 combined airport operating revenues are \$809.4K which is \$32.6K (4.2%) higher than budget (\$776.8K), and FYTD revenues are \$4.46M which is \$371.5K (9.1%) higher than budget (\$4.09M). The November favorable revenue variance is attributed higher TNCs, concessions, rental car, parking, non-aviation and other operating revenues.*

*November operating expenses (\$774.0K) are under budget (\$851.7K) by \$77.6K or 9.1%. November's net favorable expenses variance resulted from the following:*

- Salary & Wages and Employer Payroll Tax (Wages) Expenses (\$175.2K) are lower than budget (\$183.5K) by \$8.3K or 4.5%.,*
- Employer Benefit Expenses (\$110.2K) for November are lower than budget (\$116.2K) by \$6.0K or 5.2%,*
- Personnel Related Expenses (\$20.1K) for November were over budget (\$15.7K) by \$4.3K or 27.8%,*
- Business Related Expenses (\$93.7K) for November were under budget (\$100.4K) by \$6.7K or 6.7%,*
- Expendable/Consumable Supplies & Materials expenses (\$5.0K) for November are lower than budget (\$9.1K) by \$4.1K or 45.0%,*
- Repair & Maintenance expenses (\$24.9K) for November are under budget (\$57.1K) by \$32.1K or 56.3%,*
- Outside Services expenses (\$238.5K) for November are under budget (\$242.8K) by \$3.8K or 1.6%,*

- Professional Service expenses (\$32.6K) for November are under budget (\$45.0K) by \$12.3K or 34.2%,
- Marketing related expenses (\$8.5K) for November were materially on budget (\$8.8K) and
- Combined Utilities expenses for November (\$59.9K) are lower than budget (\$67.3K) by \$8.3K or 12.3%.

November FYTD Operating Expenses are \$3.51M which is \$280.1K lower than budget (\$3.79M). This favorable variance is attributed to lower expenses in all expense categories except personnel related expenses.

Higher than budget operating revenues and lower operating expenses resulted in an operating income of \$35.4K for November which is \$110.2K higher than budget (-\$74.9K). FYTD operating income is \$920.9K which is \$653.2K or 243.0% higher than budget (\$268.5K).

Review 2. November 2019 Financial Statement Variance Analysis

**Revenues:**

*CA Landing Fee*

*In November flight cancellations (American-8 and United-16) resulted in an unfavorable landing fees variance which impacts other revenues. Depending on aircraft model/weight each landing generates between \$120 and \$160 per landing. The average landing fees in November were at the higher end of that range.*

*CA RON Fees  
Commercial Fuel Flowage Fees  
GA Landing Fee*

*Terminal Concessions*

*In November Golden Tee (4 Locals & MRY Hospitality LLC combined) were under budget \$800, Gifts & More exceeded budget by \$821 and Lamar Advertising exceeded budget by \$3.8K resulting in a favorable variance.*

*TNC Permits & Trip Fees  
Rental Car Concessions  
Parking Concession  
Self-Storage Concession  
Office Space Rental Revenue  
Miscellaneous Other Operating Revenue*

**Expenses:**

**Finance & Administration:**

*Salaries & Wages  
CalPERS Retirement*

*In November the favorable CalPERS retirement variance comes from two employees who reached their PEPRA contribution and match limits.  
Temporary Personnel*

*Other / Contract Services  
Annual Audit / Accounting  
District Legal Counsel*

*Beginning October, the FY20 budget includes \$45K at \$5K per month for various projects that would require District counsel legal services. No legal expenses for administrative projects were incurred in November.*

*Human Resources  
Utilities - Electricity  
Utilities - Water  
Utilities - Solid Waste Disposal*

***Planning & Development:***

*Salary & Wage Reimbursement*

***Maintenance & Custodial Services:***

*Overtime (OT) Pay  
Custodial Supplies & Materials  
Airfield Repair & Maintenance  
Terminal Repair & Maintenance  
District Vehicle Repair & Maintenance*

***Airport Operations:***

*Computer / LAN & IT  
Environmental*

***Police Department:***

*None*

***ARFF / Fire Services:***

*District Vehicle Repair & Maintenance*

***Board of Directors:***

*Other Meetings / Workshops*

***Office Rental Property***

*Rental Space Repair & Maintenance  
Property Tax & Assessments*

*The Airport pays its property taxes in late November of each year to ensure that the December filing deadline is not missed. Property taxes were projected to be \$77K for the 2801 Monterey Salinas Highway properties. Actual property taxes billed were approximately \$68K.*

**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 November 30, 2019 is \$546K. This balance is 14.7% lower than October 31, 2019 balance and 33.0% higher than the balance on November 30, 2018. This decrease in accounts receivables is attributed to changes in the pattern of customer payments and collections. The net accounts receivable balance over 60 days old on November 30, 2019 is \$890.

The unrestricted cash and investments balance on November 30, 2019 is \$5.07M and the unrestricted cash and investments balance on October 31, 2019 was \$4.98M, an increase of \$91.9K. The increase in unrestricted cash and investments resulted from transferring of prepaid UAL, worker's comp and business insurance amortization amounts to the reserve account monthly. These transfers are estimated FY21 CalPERS UAL (\$61.5K), FY21 prepaid SDRMA workers comp insurance (\$15.5K), prepaid business insurance (\$14.6K) plus interest from investments (\$270).

The next Finance Committee meeting is scheduled for February 10, 2020 at 10:00 AM in the Administration Office Conference Room.

**E. ADJOURNMENT**

The meeting adjourned at 12:30 PM.

Minutes Approved at the  
Meeting of February 12, 2020

  
Mary Ann Leffel, Chair

ATTEST



Michael La Pier, AAE  
District Secretary