

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

**June 10, 2019 - 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 and 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:*

- April 2019 Financial Statements*
- April 2019 Financial Statement Variance Analysis*
- April 30, 2019 Accounts Receivable Aged Invoice Report*
- Fiscal Year 2019 Capital Budget Amendment - Resolution 1750*
- Fiscal Year 2020 Operating and Capital Budgets*

**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 April 30, 2019*

*April 2019 combined airport operating revenues are \$839.4K which is \$97.1K (11.6%) higher than budget (\$752.3K), and FYTD revenues are \$7.83M which is \$407.8K (5.5%) higher than budget (\$7.427M). The April favorable revenue variance is primarily attributed to 26 new American Airlines Dallas flights that started April 2. Additionally, TNCs, concessions, rental car and parking revenues followed the increase in flights and enplanements.*

*April operating expenses are under budget by \$63.9K (8.8%).*

*April's net favorable expenses variance resulted from the following: Salary & Wage and Employer Payroll Tax Expenses are \$0.3K slightly lower than budget, Employer Benefit Expenses are lower than budget by \$5.7K, Personnel Related Expenses are lower than budget by \$8.9K, Business Related Expenses are slightly lower than budget \$2.5K, Expendable / Consumable Supplies & Materials expenses are lower than budget by \$6.0K, Repair & Maintenance expenses are over budget by \$26.1K, Outside Services are under budget by \$3.9K, Professional Services are under budget \$62.5K. Marketing related expenses are higher than budget \$7.5K, Utilities expenses are under budget \$7.7K.*

*Most of the April favorable expense variances relates to District Counsel invoices for expenses incurred to support a land acquisition project by the District. These invoices were reclassified to capital projects after the Board of Directors approved moving forward with the land purchase.*

April FYTD Operating Expenses are \$6.80M which is \$281.9K lower than budget (\$7.08M). This favorable variance is attributed to lower expenses in most expense categories except Marketing.

With the continued higher than budget operating revenues and lower operating expenses the April Operating Income is \$178.7K which is \$150.9K higher than budget (\$27.7K). FYTD operating income is \$1.03M which is \$689.7K or 200.6% higher than budget (\$343.9K).

Review 2. April 2019 Financial Statement Variance Analysis

**Revenues:**

- Landing Fees
- Apron Fees
- Commercial Fuel Flowage Fees
- TNC Permits & Trip Fees
- Rental Car Concessions
- Parking Concession
- GA Fuel Flowage Fees
- R V Storage
- Self-Storage Concession
- Miscellaneous Other Operating Revenue

**Expenses:**

**Finance & Administration:**

- Dues & Subscriptions
- Business Travel & Entertainment
- Administrative Meetings / Employee Relations
- Other / Contract Services
- District Legal Counsel

Includes \$60.4K credit for District Counsel invoices for expenses incurred to support the potential land acquisition by the District. These invoices were reclassified to capital projects after the Board of Directors move forward with the land purchase.

- Public Relations
- Utilities - Electricity

Monthly PG&E expenses for all Airport owned 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 will probably be reversed when the error is corrected.

**Planning & Development:**

- Architect & Engineer

**Maintenance & Custodial Services:**

*District Vehicle Fuel  
Airfield Repair & Maintenance  
Terminal Repair & Maintenance  
Rental Space Repair & Maintenance  
Landscape & Grounds Repair & Maintenance  
District Vehicle Repair & Maintenance*

**Airport Operations:**

*None*

**Police Department:**

*None*

**ARFF / Fire Services:**

*General Repairs & Maintenance*

*District Vehicle Repair & Maintenance*

*Rosenbauer Minnesota, LLC invoiced for repairs to the ARFF truck pumping system \$25K.*

**Board of Directors:**

*Business Travel & Entertainment Expense*

*The April Business Travel & Entertainment expense budget included travel for Directors to attend ACI NA/AAAE Airport Board and Commissioners conference. Actual expenses will be incurred in May.*

**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 April 30, 2019 is \$483K. This balance is 10.8% higher than the March 31, 2019 balance and 72.9% higher than the balance on April 30, 2018. This increase in accounts receivables is attributed to timing of collections.*

*The net accounts receivable balance over 60 days old on April 30, 2019 is a credit of \$3,295. The outstanding April accounts receivable balance on May 26, 2019 is \$101.9K. Included in this balance are airline and rental car related invoices totaling approximately \$70.1K. The remaining balance consists of smaller invoices which are offset by small customer prepayments.*

Discussion 4. Fiscal Year 2019 Capital Budget Amendment 1750

*Presented Resolution No. 1750, A Resolution Authorizing and Approving the Amendment of Resolutions 1711, 1727 and 1739 Fiscal Year 2019 Capital Budget of the Monterey Peninsula Airport District. The amendment included the land acquisition and the purchase of a related business.*

Discussion 5. Fiscal Year 2020 Budget Update and Binder Review

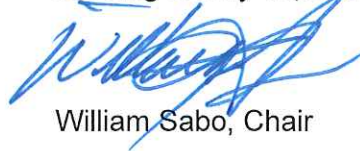
*Presented the FY 2020 Operating and Capital budget binder for review and discussion with the Finance Committee members.*

*The next meeting is scheduled for July 8, 2019 at 10:00 AM*

**E. ADJOURNMENT**

*The meeting adjourned at 12:30 PM.*

Minutes Approved at the  
Meeting of July 10, 2019



William Sabo, Chair

ATTEST



Michael La Pier, AAE  
District Secretary