

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

September 11, 2017 - 2:00 PM - Board Room

A. CALL TO ORDER

Director Sabo called to order the Special Meeting of the Board of Directors at 2:00 PM. Director Leffel, Director Sabo, Executive Director La Pier, and Deputy Executive Director Bergholz were present.

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

July 2017 Financial Statements

July 2017 Financial Statement Variance Analysis

July 31, 2017 Accounts Receivable Aged Invoice Report

B. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

None.

C. PUBLIC COMMENTS

None.

D. REGULAR AGENDA – ACTION ITEMS

Review 1. FYTD 2017 Financial Statements

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

July 2017 combined airport operating revenues are \$797.1K which is \$50.2K (6.7%) higher than budget (\$746.9K). The higher revenues are attributed to continued higher enplanements, TNC, parking, rental cars and self-storage service revenues.

July operating expenses of \$632.3K are lower than budget by \$122.4K (16.2%). The July favorable expense variance was the result of a variety of factors including timing differences in expenses, lower headcount.

Because of higher than budget operating revenues and lower operating expenses, July's operating income is \$164.9K which is \$172.6K or 2235% higher than budget (-\$7.7K).

Review 2. July 2017 Financial Statement Variance Analysis

Revenues:

CA Landing Fee

GA Landing Fee

Revenues (Continued):

*Taxi Operators Permits and Trip Fees **

** In July, United Airlines continued a fifth flight to Los Angeles and exceeded budget by approximately \$5.1K. The remaining \$2K favorable variance came from American Airlines (\$1.5K) and an unscheduled flight by Elite \$0.5K.*

*TNC Permit and Trip Fees ***

*** FY 18 TNC fees were expected to significantly decrease with Uber's planned cancellation of service to the Airport, and Lyft's increase in operations. In July, Uber continues to operate at the Airport and Lyft has not provided its current reports for July.*

Rental Car Concessions

Parking Concession

Fuel Flowage Fees

*Outside Storage ****

**** VAL STROUGH Honda leased space to temporarily store cars while their dealership building is under construction.*

Self-Storage Concession

Tenant Employee Parking, Decals & Badges

Utility Charges

Expenses:

Finance & Administration:

Salaries & Wages ^

^ The budgeted Confidential Assistant hasn't been hired and budgeted FY 18 payroll increases haven't occurred. The FY 18 budget includes step increases for eligible employees plus a 2% merit increase for all employees.

CalPERS Retirement

CalPERS Health Insurance

Dues & Subscriptions

LAFCO Expense^^

^^ LAFCO didn't issue its invoice until August 2017. The actual LAFCO fees is \$15,835.00

Umbrella Liability Insurance Expense

Marketing ^^

^^ Budgeted \$15K Digital Deployment and estimated new Airport logo expenses have not been received. Invoice expected in August.

Utilities - Electricity

Planning & Development:

Architect & Engineer

Maintenance & Custodial Services:

Terminal Repairs & Maintenance
District Vehicle Repair & Maintenance +

+ Delay in replacing police vehicle tires planned for July.

Airport Operations:

Salaries & Wages
CalPERS Health Insurance \$

\$ Health insurance variance is the result of two factors. The new Operations Manager elected lower coverage than budget. Also in early drafts of the FY 18 budget an Operations Supervisor was included in the plan. The position was later removed but the healthcare expense was not reduced. This will result in a continuing variance.

Other / Contract Services

Police Department:

Salaries & Wages #

Continued savings from 1 vacant part-time officer position.

Overtime (OT) Pay

ARFF / Fire Services:

None

Board of Directors:

Business Travel & Entertainment Expense

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 July 31, 2017, is \$501.3K. This balance is 12.7% higher than the June 30, 2017 balance and 18.3% lower than the balance on July 31, 2016.

The net accounts receivable balance over 60 days old at July 31, 2017 is \$30.5K. Included in the over 60-day balance are two United Airlines invoice totaling \$29.3K that are unpaid. We have contact United's accounting department and are waiting for an update. On August 26, 2017, the accounts receivable balance is \$95.1K. Included in the \$95.1K are five invoices from American, Alaska and United totaling \$93.5K.

Discussion 4. Future Agenda Items/Finance Committee Schedule

The next meeting was scheduled for October 9, 2017 at 10:30 AM. In the Board of Directors Conference Room.

E. ADJOURNMENT

The meeting adjourned at 12:30 PM.

Minutes Approved at the Regular Meeting of October 11, 2017



Matthew Nelson, Chair

ATTEST



Michael La Pier, AAE
District Secretary