

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

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

**A. CALL TO ORDER**

*Finance Committee Meeting of the Board of Directors was called to order at 10:00 AM. Director Leffel, Director Cursio, Deputy Director Strategy and Planning Morello 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:*

*December 2019 Financial Statements  
December 2019 Financial Statement Variance Analysis  
December 31, 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 December 31, 2019*

*December 2019 combined airport operating revenues are \$865.6K which is \$45.4K (5.5%) higher than budget (\$820.2K), and FYTD revenues are \$5.33M which is \$416.9K (8.5%) higher than budget (\$4.91M). The December favorable revenue variance is attributed to the following:*

- Commercial Aviation (CA) fees in December are under budget (\$76.7K actual vs \$79.8K budget) by \$3.8K or 3.1% but included in this total is a favorable CA fuel sales variance of \$4.5K.*
- General Aviation (GA) operating revenues for December (\$142.7K) are \$6.7K or 5.0% higher than budget (\$135.9K).*
- Combined TCP permits, Taxi Permits/Trips, TNC Trips, Terminal Concessions, Rental Car and Parking Concessions fees (Concessions) are \$200.7K, which is \$27.1K or 15.6% higher than budget (\$173.6K).*
- Non-Aviation Tenant revenues (\$185.8K) are higher than budget (\$179.3) by \$6.4K or 3.61%.*
- Other Operating Revenues (\$95.9K) are higher than budget (\$92.7K) by \$3.2K or 3.4%.*

*December operating expenses (\$700.2K) are under budget (\$862.0K) by \$161.8K or 18.8%. The December favorable expenses variance resulted from following:*

- Salary & Wages and Employer Payroll Tax (Wages) Expenses (\$170.0K) for December are lower than budget (\$183.0K) by \$13.0K or 7.1%.,*

- *Employer Benefit Expenses (\$110.2K) for December are lower than budget (\$116.1K) by \$6.0K or 5.2%.*
- *Personnel Related Expenses (\$10.6K) for December were over budget (\$9.6K) by \$1.0K or 10.2%.*
- *Business Related Expenses (\$26.8K) for December were over budget (\$24.9K) by \$1.9K or 7.7%.*
- *Expendable/Consumable Supplies & Materials expenses (\$3.8K) for December are lower than budget (\$13.5K) by \$9.7K or 72.1%.*
- *Repair & Maintenance expenses (\$34.8K) for December are under budget (\$42.8K) by \$8.0K or 18.8%.*
- *Outside Services expenses (\$249.6K) for December are under budget (\$394.1K) by \$144.5K or 36.7%. Most of the favorable variance comes from a timing difference in the budgeted demolition of the 2801 Monterey Salinas Highway building on Lot C (\$150.0K).*
- *Professional Service expenses (\$51.2K) for December are over budget (\$27.9K) by \$23.2K or 83.2%.*
- *Marketing related expenses (\$10.8K) for December were under budget (\$16.5K) by \$5.7K or 34.6%.*
- *Combined Utilities expenses for December (\$26.2K) are lower than budget (\$27.1K) by \$900 or 3.6%.*

*December FYTD Operating Expenses are \$4.24M which is \$442.7K lower than budget (\$4.69M). This favorable variance is attributed to lower expenses in all expense categories.*

*Higher than budget operating revenues and lower operating expenses resulted in an operating income of \$165.4K for December which is \$207.2K higher than budget (-\$41.8K). FYTD operating income is \$1.09M which is \$859.5K or 379.1% higher than budget (\$226.7K).*

*Reviewed 2. December 2019 Financial Statement Variance Analysis*

**Revenues:**

- CA Landing Fee*
- CA RON Fees*
- CA Fuel Flowage Fees*
- GA Landing Fee*
- TNC Permits & Trip Fees*
- Rental Car Concessions*
- Parking Concession*
- GA Fuel Flowage Fees*
- Self-Storage Concession*
- Office Space Rental Revenue*

**Expenses:**

**Finance & Administration:**

- CalPERS Retirement*
- Temporary Personnel*
- Dues & Subscriptions*
- Annual Audit / Accounting*
- District Legal Counsel*
- Other Legal Services*

*Marketing*  
*Air Service Development*  
*Utilities - Solid Waste Disposal*

**Planning & Development:**

*None*

**Maintenance & Custodial Services:**

*Salaries & Wages*  
*Overtime (OT) Pay*  
*Custodial Supplies & Materials*  
*District Vehicle Fuel*  
*Airfield Repair & Maintenance*  
*Terminal Repair & Maintenance*  
*Other / Contract Services*

**Airport Operations:**

*Other / Contract Services*  
*Computer / LAN & IT*

**Police Department:**

*None*

**ARFF / Fire Services:**

*District Vehicle Repair & Maintenance*

**Board of Directors:**

*Seminars & Conferences*

**Office Rental Property**

*Rental Space Repair & Maintenance*  
*Other / Contract Services*

*The Airport budgeted \$150K for demolition of the 2801 Monterey Salinas Highway Lot C building in December. No demolition date has been set for the Lot C building.*

**Other Income and Expense:**

*Grants – FAA*  
*Passenger Facility Charges*  
*Interest Income - L.A.I.F.*  
*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 December 31, 2019 is \$440K. This balance is 19.4% lower than November 30, 2019 balance and 79.9% higher than the balance on December 31, 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 December 31, 2019 is a credit of \$1.2K.

The unrestricted cash and investments balance on December 31, 2019 is \$5.19M and the unrestricted cash and investments balance on November 30, 2019 was \$5.07M, an increase of \$119.9K. 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 include FY21 CalPERS UAL (\$61.5K), FY21 prepaid SDRMA workers comp insurance (\$15.5K), prepaid business insurance (\$14.6K) plus interest from investments (\$28.2K).

The next Finance Committee meeting was scheduled for March 9, 2020 at 10:00 AM in the Administration Office Conference Room.

**E. ADJOURNMENT**

The meeting adjourned at 12:00 PM.

Minutes Approved at the  
Meeting of March 11, 2020



Mary Ann Leffel, Chair

ATTEST



Michael La Pier, AAE  
District Secretary