

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

April 9, 2018 - 10:00 AM - Board Room

A. CALL TO ORDER

Director Sabo called to order the Finance Committee Meeting of the Board of Directors at 10:00 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:

February 2018 Financial Statements

February 2018 Financial Statement Variance Analysis

February 31, 2018 Accounts Receivable Aged Invoice Report

B. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

Presentation of Fiscal Year 2019 draft budget is scheduled for Special Finance Committee on April 25, 2018 at 1:00 pm.

C. PUBLIC COMMENTS

None.

D. REGULAR AGENDA – ACTION ITEMS

Reviewed 1. FYTD 2018 Financial Statements

Reviewed overall financial performance of the airport as of February 31, 2018

February 2018 combined airport operating revenues are \$734.2K which is \$22.9K (3.2%) higher than budget (\$711.3K) and FYTD revenues are \$6.18M which is \$289.9.0K (4.9%) higher than budget (\$5.89M). The February favorable revenue variance is attributed to higher GA Landing and Fuel Fees, Terminal Concessions, TNC fees, outside-storage rents and miscellaneous other operating revenues. These higher revenues offset a decrease in commercial aviation fees and rental car revenues.

February operating expenses are lower than budget by \$46.3K (-7.0%). February's net favorable expenses variance resulted from the following: lower Employee Salaries, Benefits, Related Personnel expenses, Business Related expenses and Professional Services (\$15.9K), Repairs and Maintenance expenses (\$29.2K) and lower Expendable / Consumable Supplies & materials (\$1.1K)

February FYTD Operating Expenses are \$5.33M which is \$151.8K lower than budget (\$5.48M). This favorable variance is attributed to lower Employee and Related expenses (\$133.7K), Business Related expenses (\$20.9K), Supplies and Materials (\$5.5K) and Repairs and Maintenance (\$114.3K). The favorable FYTD expense variances are offset by unfavorable variances in Outside Services (\$2.3K), Professional Services (-\$15.1K), Marketing (-\$11.1K) and Utilities (-\$94.1K).

With higher than budget operating revenues and lower operating expenses, February's Operating Income is \$121.7K which is \$69.1K higher than budget (\$52.5K). FYTD operating income is \$783.1K which is \$448.2K or 133.8% higher than budget (\$335.0K).

Reviewed 2. February 2018 Financial Statement Variance Analysis

Revenues:

CA Landing Fee
Apron Fees
GA Landing Fees
Terminal Concessions*

* Terminal Concessions in February continue to exceed budget with the return of Gifts and More (\$1.9K) and Lamar (formerly Corey) exceeded budget by \$3.4K.

Taxi Operators Permits and Trip Fees
TNC Permit and Trip Fees
Rental Car Concessions**

** In February Rental Car concessions were under budget (\$4.5K). Avis and Budget are below budget (-\$6.9K), Enterprise and National are over budget (\$4.6K) and Hertz is under budget by (-\$2.2K).

Fuel Flow
Facility / Space Rents
Outside Storage***

*** Robert Talbott cancelled their parking lot lease in December. This reduction in Facility/Space Rents will continue through the remainder FY 18.

Self-Storage
Utility Charges
Miscellaneous Other Operating Revenue

Expenses:

Finance & Administration:

Business Travel & Entertainment
District Legal Counsel~

~ Travel for MCCVB pop up events and other planned trips budgeted in February didn't occur. Some of these expenses will shift to March with the ACI-NA/AAAE Washington Legislative conference scheduled for the week of March 20.

Utilities – Water ~~

~~ Water expense variance resulted from continued higher than budget QTA water usage. QTA is billed for this overage.

Planning & Development:

Professional Development & Education+

+ Variance represents unbudgeted fees for a leadership training series attended by C. Morello.

*Architect & Engineer
Computer / LAN & IT
Environmental*

Maintenance & Custodial Services:

Airfield Repair & Maintenance^

^ Airfield Repair & Maintenance favorable expense variance resulted from a timing difference. Budgeted expenses for Green Line grease trap cleaning and Russell Auria Pest Control were not spent in February.

Terminal Repairs & Maintenance^^

^^ The February terminal maintenance budget included carpet and other small repairs that were moved to March.

Airport Operations:

CalPERS Health Insurance

Police Department:

Computer / LAN & IT+

+ The variance in police Computer / LAN & IT expenses represents a timing difference. Services for online records management and report writing was budgeted for January but billed in February.

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

The Accounts Receivable balance on February 28, 2018, is \$419K. This balance is 42.6% higher than the January 31, 2018 balance and 14.5% higher than the balance on February 31, 2017. This significant increase in Accounts Receivables is attributed to timing of collections and delayed recognition of Passenger Facilities Charges received in March but recognized in February.

The net Accounts Receivable balance over 60 days old on February 31, 2018 is -\$4.4K. The outstanding February accounts receivable invoices on March 25, 2018 total \$49K. Included in this balance are two airline invoices totaling approximately \$39K. The remaining balance is a mix of small accounts.

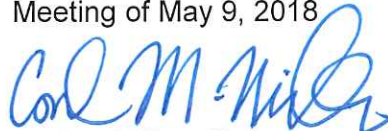
Discussion 4. Future Agenda Items/Finance Committee Schedule

The next meeting was scheduled for May 4, 2018 at 2:00 pm in the Board Room.

E. ADJOURNMENT

The meeting adjourned at 12:30 pm.

Minutes Approved at the
Meeting of May 9, 2018



Carl M. Miller, Chair

ATTEST



Michael La Pier, AAE
District Secretary