

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

February 11, 2019 - 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 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:

*December 2018 Financial Statements
December 2018 Financial Statement Variance Analysis
December 31, 2018 Accounts Receivable Aged Invoice Report
Resolution No. 1739, A Resolution Approving the Amended Capital Budget of the Monterey Peninsula Airport District for Fiscal Year Ending 2019
Resolution No. 1740, A Resolution Authorizing a Contract with JP Morgan Investment Services*

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 December 31, 2018

December 2018 combined airport operating revenues are \$784.8K which is \$15.7K (2.0%) higher than budget (\$769.1K) and FYTD revenues are \$4.78M which is \$167.7K (3.6%) higher than budget (\$4.61M). The December favorable revenue variance is attributed to higher Commercial Aviation, Non-Aviation and Interest Revenues. These higher revenues offset lower Terminal Concessions, General Aviation and Miscellaneous Other Operating Revenues.

December operating expenses are under budget by \$33.9K (5.1%).

December's net favorable expenses variance resulted from the following: Salary & Wage and Employer Payroll Tax Expenses are \$11.0K lower than budget, Employer Benefit Expenses are lower than budget by \$9.1K, Personnel Related Expenses are over budget by \$3.5K, Business Related Expenses are lower than budget \$3.7K, Expendable / Consumable Supplies & Materials expenses are lower than budget by \$8.0K, Repair & Maintenance expenses are over budget by \$24.0K, Outside Services are over budget by \$2.9K, Professional Services are lower than budget \$8.5K. Marketing related expenses are lower than budget \$5.7K, Utilities expenses are over budget \$2.0K.

December FYTD Operating Expenses are \$4.06M which is \$246.0K lower than budget (\$4.31M). This favorable variance is attributed to lower expenses in most all expense categories.

With higher than budget operating revenues and lower operating expenses, the December Operating Income is \$151.1K which is \$49.7K higher than budget (\$101.4K). FYTD operating income is \$675.0K which is \$413.4K or 158.0% higher than budget (\$261.6K).

Review 2. December 2018 Financial Statement Variance Analysis

Revenues:

- Commercial Fuel Flowage Fees
- Taxi Operator Permits & Trip Fees
- Rental Car Concessions
- Parking Concession
- Self-Storage
- Property Taxes

Expenses:

Finance & Administration:

- CalPERS Retirement
- District Legal Counsel
- Human Resources
- Marketing
- Air Service Development
- Utilities - Water

Year over Year water prices have decreased in most categories. FY 18 water prices were \$1.5105 per cubic foot and in FY 19 water prices were \$1.5065 per cubic foot. All the increase in expenses is volume related.

Utilities - Gas

Natural gas prices have changed slightly from FY18 to FY19. The FYTD unfavorable variances has occurred from increased natural gas usage which started earlier in FY 19.

Planning & Development:

- Salary & Wage Reimbursement

Maintenance & Custodial Services:

- Custodial Supplies & Materials
- District Vehicle Fuel
- Airfield Repair & Maintenance
- Landscape & Grounds Repair & Maintenance
- General Repair & Maintenance
- Other / Contract Services

Airport Operations:

- Salaries & Wages

Police Department:

CalPERS Health Insurance

ARFF / Fire Services:

None

Board of Directors:

Business Travel & Entertainment Expense

Other Income and Expense:

Grants – FAA
Passenger Facility Charges
Interest Income - L.A.I.F.
Interest Income - MPAD Investments
Depreciation and Amortization Expense

Cash Flows:

DRO RV Storage revenues and expenses are recognized in one account. The positive DRO RV Storage cashflow represents MPAD's net income or positive cashflow from netting tenant payments less MPAD's monthly property rental fee and commissions, and fees paid to DRO. FYTD MPAD has recognized \$1,009 in revenues from the DRO RV Storage lot.

No additional questions on revenues or expenses.

Review 3. Accounts Receivable Aged Invoice Report / Cash Position Updated

The accounts receivable balance on December 30, 2018 is \$245K. This balance is 40.4% lower than the November 30, 2018 balance and 13.6% lower than the balance on December 31, 2017. The net accounts receivable balance over 60 days old on December 31, 2018 is a -\$1,427. This decrease in accounts receivables is simply attributed to timing of collections.

The outstanding December accounts receivable invoices on January 25, 2018 total is \$124.5K. Included in this balance are five airline and rental car related invoices totaling approximately \$84.4K, GSA/TSA invoice for \$9.9K, two rental car company invoices (\$18.2K) and several small invoices which are offset by several small customer prepayments.

Discussion 4. Resolution No. 1739, A Resolution Approving the Amended Capital Budget of the Monterey Peninsula Airport District for Fiscal Year Ending 2019.

Discussion 5. Resolution No. 1740, A Resolution Authorizing a Contract with JP Morgan Investment Services

Discussion 6. Finance Committee Schedule

The next meeting was scheduled for March 11, 2019 at 10:00 AM in the Administration Office Conference Room.

E. ADJOURNMENT

The meeting adjourned at 12:15 PM.

Minutes Approved at the
Meeting of March 13, 2018



William Sabo, Chair

ATTEST



Michael La Pier, AAE
District Secretary