

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

May 4, 2018 - 2:00 PM - Board Room

A. CALL TO ORDER

Director Sabo called to order the Finance Committee Meeting of the Board of Directors at 2:00 pm. Director Leffel, Director Sabo and Deputy Executive Director of Finance and Administration Bergholz were present. District Legal Counsel Huber was present for the meeting by telephone.

Executive Director La Pier was absent.

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

March 2018 Financial Statements

March 2018 Financial Statement Variance Analysis

March 31, 2018 Accounts Receivable Aged Invoice Report

B. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

Discussion about board of directors and a motion for changing banking services.

Reviewed draft Purchasing and Purchase Order Policy to be presented to the board of directors.

C. PUBLIC COMMENTS

None.

D. REGULAR AGENDA – ACTION ITEMS

Reviewed 1. FYTD 2018 Financial Statements

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

March 2018 combined airport operating revenues are \$736.1K which is \$31.5K (4.5%) higher than budget (\$704.5K) and FYTD revenues are \$6.91M which is \$324.0K (4.9%) higher than budget (\$6.59M). The March 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 and rental car fees.

March operating expenses are slightly over budget by \$35.8K (6.5%). March's net unfavorable expenses variance resulted from the following: Salary & Wage and Employer Payroll Tax Expenses are under budget (\$8.6K), Employer Benefit Expenses are under budget by \$6.1K, Personnel Related Expenses are over budget (\$8.4K), Business Related Expenses are under budget (\$3.8K), Expendable / Consumable Supplies & Materials are under budget (\$1.3K), Repair & Maintenance expenses are over budget (\$35.1K), Professional Services are over budget (\$17.7K), Marketing related expenses are under budget (\$4.0K) and Utilities expenses are under budget (\$1.2K).

March FYTD Operating Expenses are \$5.996M which is \$116.1K lower than budget (\$6.113M). This favorable variance is attributed to lower Employee and Related expenses (\$140.1K), Business Related expenses (\$24.8K), Supplies and Materials (\$6.9K) and Repairs and Maintenance (\$79.2K). The favorable FYTD expense variances are offset by unfavorable variances in Outside Services (-\$2.1K), Professional Services (-\$32.8K), Marketing (-\$1.1K) and Utilities (-\$92.9K).

With higher than budget operating revenues and slightly higher operating expenses, March's Operating Income is \$62.6K which is \$4.3K lower than budget (\$66.9K). FYTD operating income is \$848.1K which is \$446.3K or 111.1% higher than budget (\$401.8.0K).

Reviewed 2. March 2018 Financial Statement Variance Analysis

Revenues:

CA Landing Fee*

* Landing Fees for March are under budget by \$10.4K. The March 2018 budget includes a daily American flight to Dallas and a second daily Alaska flight to San Diego. Both of these flights have not occurred and this variance is expected to continue through FY 2018

Apron Fees
Terminal Concessions
Taxi Operators Permits and Trip Fees
TNC Permit and Trip Fees
Rental Car Concessions
Fuel Flow**

** Monterey Jet Center and Del Monte Aviation exceeded budgeted fuel sales by selling an additional 75,800 gallons of Jet A and L 100 fuel in March.

Outside Storage
Self-Storage
Utility Charges
Miscellaneous Other Operating Revenue

Expenses:

Finance & Administration:

District Legal Counsel
Human Resources
Air Service Development
Utilities – Water

Planning & Development:

Salary & Wage Reimbursement~
~ Planning submitted for more capitalized labor for AIP 64, 65 and 66 projects in March.
Architect & Engineer

Maintenance & Custodial Services:

Airfield Repair & Maintenance^

^ Timing differences in budget vs actual expenses resulted in an unfavorable variance in Airfield Repair & Maintenance for March. Expenses driving the variance include: Val's Plumbing replacement of the 10" back flow device on Sky Park Drive (\$16.3K), Urban Lumber Jacks' removal of trees (\$12.9K) and additional paint for AOA repairs (\$9.3K).

Terminal Repairs & Maintenance^^

^^ The March Terminal Maintenance budget to actual variance includes American Floor carpet repairs (\$6.3) and other small expenses (\$2.9K).

Airport Operations:

CalPERS Health Insurance

Police Department:

Overtime (OT) Pay+

+ The Overtime Pay favorable variance in March is the result of a disabled officer who is using sick time (\$7.3K per month) before his IDR separation from the district in July. Actual Overtime Pay for March is \$3.8K.

ARFF / Fire Services:

None.

Board of Directors:

Seminars & Conferences#

The March Seminars & Conferences variance is for three BODs to attend ACI's Las Vegas conference.

Other Meetings / Workshops##

The March Other Meetings / Workshops variances include fees for three BODs to attend the Monterey Chamber (\$2.38K) and MCBC meetings (\$1.2K). Sponsorship for the MCHA annual dinner (\$2.4K).

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 March 31, 2018, is \$344K. This balance is 17.95% lower than the February 28, 2018 balance and 10.6% lower than the balance on March 31, 2017. This decrease in

accounts receivables is attributed to timing of collections from February and recognition of Passenger Facilities Charges received in March but recognized in February.

The net accounts receivable balance over 60 days old on March 31, 2018 is \$797. The outstanding March accounts receivable invoices on April 25, 2018 total \$83.4K. Included in this balance are two airline invoices totaling approximately \$55K. The remaining balance is a mix of small accounts.

Discussion 4. Future Agenda Items/Finance Committee Schedule

The next meeting was scheduled for June 11, 2018 at 10:00 pm. In the Board of Directors Conference Room.

E. ADJOURNMENT

The meeting adjourned at 5:30 pm.

Minutes Approved at the
Meeting of June 13, 2018


Carl M. Miller, Chair

ATTEST



Michael La Pier, AAE
District Secretary