

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

**April 8, 2020 - 10:00 AM**

**SPECIAL AND URGENT NOTICE ELIMINATING IN-PERSON PUBLIC PARTICIPATION AT MONTEREY PENINSULA AIRPORT DISTRICT BOARD MEETINGS**

Due to the directives contained in the Governor's Declarations of Emergency for the State of California (Executive Orders N-25-20 and N-29-20) and the Governor's Stay at Home Order (Executive Order N-33-20), the Board of Directors of the Monterey Peninsula Airport District is required to limit in-person attendance at the upcoming Board Committee meeting. Members of the public may utilize alternative measures established by the Monterey Peninsula Airport District to listen to Board meeting and/or to communicate your opinions to the Board Members. To participate in the Board meeting via Zoom video conference, please visit [www.zoom.us/join](http://www.zoom.us/join) and enter the following Meeting ID: 216-114-781. The password for this meeting is: 20200408. If you do not have access to the internet, you may also participate telephonically by calling (253) 215-8782 and entering the same Meeting ID and password.

Members of the public who wish to provide comment on an item on the agenda may do so during the meeting prior to the item being considered by the Board.

**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.*

*Various members of the public attended the Finance Committee meeting via Zoom video conference.*

*The following documents were presented to the Budget and Finance Committee members:*

- February 2020 Financial Statements*
- February 2020 Financial Statement Variance Analysis*
- February 29, 2020 Accounts Receivable Aged Invoice Report*
- Fiscal Year 2019 Del Rey Oaks Police Department True Up 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 February 29, 2020*

*February 2020 combined airport operating revenues are \$798.3K which is \$27.0K (3.5%) higher than budget (\$771.4K), and FYTD revenues are \$6.89M which is \$470.5 (7.3%) higher than budget (\$6.41M). The February favorable revenue variance is attributed to the following:*

- *Commercial Aviation (CA) fees in February are over budget (\$73.0K actual vs \$68.8K budget) by \$4.2K or 6.1%. Aircraft landing volumes (352) are over budget (325) by 27 landings.*

- *General Aviation (GA) operating revenues for February (\$158.7K) are \$6.6K or -4.0% lower than budget (\$165.3K). This unfavorable GA revenue variance resulted from lower GA Landing and Fuel Flowage fees.*
- *Combined TCP permits, Taxi Permits/Trips, TNC Trips, Terminal Concessions, Rental Car and Parking Concessions fees (Concessions) are \$218.3K, which is \$21.3K or 10.8% higher than budget (\$197.0K).*
- *February Non-Aviation Tenant revenues (\$185.4K) are higher than budget (\$175.3) by \$10.1K or 5.8%.*
- *Other Operating Revenues (\$14.9K) are lower than budget (\$17.8K) by \$2.9K or 16.6%.*

*February operating expenses (\$699.8K) are under budget (\$706.7K) by \$6.9K or 1.1%. The expense variance came from the following:*

- *Salary & Wages and Employer Payroll Tax (Wages) Expenses (\$175.6K) for February are lower than budget (\$183.5K) by \$7.7K or 4.21%.*
- *Employer Benefit Expenses (\$119.0K) for February are higher than budget (\$117.5K) by \$1.5K or 1.3%.*
- *Personnel Related Expenses (\$11.7K) for February were slightly over budget (\$9.8K) by \$866 or 8.8%.*
- *Business Related Expenses (\$23.0K) for February were over budget (\$22.9K) by \$901K or 4.1%.*
- *Expendable/Consumable Supplies & Materials expenses (\$4.7K) for February are lower than budget (\$11.3K) by \$6.6K or 58.6%.*
- *Repair & Maintenance expenses (\$42.6K) for February are over budget (\$41.6K) by \$1.0K or 2.4%.*
- *Outside Services expenses (\$227.5K) for February are under budget (\$237.1K) by \$9.5K or 4.0%.*
- *Professional Service expenses (\$31.2K) for February are materially on budget (\$32.0K).*
- *Marketing related expenses (\$27.5K) for February were over budget (\$18.1K) by \$9.4K or 52.2%.*
- *Combined Utilities expenses for February (\$32.4K) are over budget (\$28.4K) \$4.1K or 14.3%.*

*Higher than budget operating revenues and lower operating expenses resulted in an operating income of \$98.5K for February which is \$33.9K higher than budget (\$64.6K). FYTD operating income is \$1.19M which is \$908.2K or 317.7% higher than budget (\$285.9K).*

**Revenues:**

*CA Landing Fee*

*In February changes in flight schedules and aircraft types by both American and United resulted in a favorable landing fees variance. American exceeded budgeted landings/flights (85) by 29 or \$5.5K and United missed budgeted landings/flights (203) by 4 or -\$1.1K.*

*CA RON Fees*

*Terminal Concessions  
TNC Permits & Trip Fees  
Rental Car Concessions  
Parking Concession  
GA Fuel Flowage Fees  
Self-Storage Concession*

*In February MHSS had a significant increase in Phase III storage locker fees which resulted in a favorable variance.*

*Office Space Rental Revenue  
Utility Charges*

**Expenses:**

***Finance & Administration:***

*Salaries & Wages  
CalPERS Health Insurance*

*In February, the Airport received a CalPERS healthcare coverage adjustment for an employee who added dependent coverage. The adjustment was for 4 months of additional premiums.*

*Temporary Personnel  
Dues & Subscriptions  
Business Travel & Entertainment  
District Legal Counsel  
Marketing*

***Planning & Development:***

*Architect & Engineer  
Environmental*

***Maintenance & Custodial Services:***

*Airfield Repair & Maintenance  
Terminal Repair & Maintenance  
General Repair & Maintenance*

**Airport Operations:**

*Other / Contract Services*

**Police Department:**

*None*

**ARFF / Fire Services:**

*District Vehicle Repair & Maintenance*

**Board of Directors:**

*None*

**Office Rental Property**

**Other Income and Expense:**

*Grants – FAA  
Passenger Facility Charges*

*No additional questions on revenues or expenses.*

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

*The accounts receivable balance on February 29, 2020 is \$452K. This balance is 15.6% higher than January 31, 2020 balance and 9.7% higher than the balance on February 28, 2019. This increase 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 January 31, 2020 is a credit of \$2.4K.*

*The unrestricted cash and investments balance on February 29, 2020 is \$5.38M and the unrestricted cash and investments balance on January 31, 2020 was \$5.28M, an increase of \$95.6K. The increase in unrestricted cash and investments resulted from transferring of prepaid UAL (\$61.5K), SDRMA worker's comp (\$15.5K) and business insurance amortization amounts (\$17.3K) to the reserve account monthly. The District also recognized interest from investments (\$1.3K) that was moved to the unrestricted cash account.*

Review 4. Fiscal Year 2019 Del Rey Oaks Police Department True Up Report

*Staff presented the City of Del Rey Oaks Law Enforcement (City) 2019 True Up report and a brief analysis of the information as compared to the contract. In summary the Law Enforcement expenses appear reasonable based on the terms of the contract.*

**E. ADJOURNMENT**

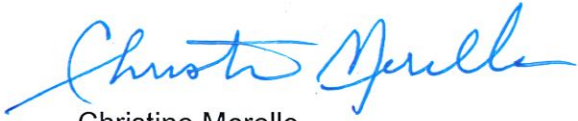
*The meeting adjourned at 12:15 PM.*

Minutes Approved at the  
Meeting of May 13, 2020



Mary Ann Leffel, Chair

ATTEST



Christine Morello  
Acting District Secretary