

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

April 3, 2017 - 10:30 AM - Board Room

A. CALL TO ORDER

Director Sabo called to order the Special Meeting of the Board of Directors at 10:30 AM. Director Leffel, Director Sabo, Executive Director La Pier, and Deputy Executive Director Bergholz were present.

A visitor from California State University Monterey Bay also attended the meeting.

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

February 2017 Financial Statements

February 2017 Financial Statement Variance Analysis

February 31, 2017 Accounts Receivable Aged Invoice Report

B. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

Discussion about Fiscal Year 2018 budget process and status. Preliminary Fiscal Year 2018 revenue and employee compensation projections have been completed and are in review. Department expense budgets were delivered by managers on March 31 and reviews will begin in early April. First draft income statement and department budget presentations are scheduled for late April.

Discussion about required implementation of GASB 74 and 75 and other post-employment benefits (OPEB) disclosures are in process.

Rabobank services and fees were discussed during the meeting. The Airport may be issuing a request for quote/proposal for banking services. Further information and follow up discussions are required.

C. PUBLIC COMMENTS

None.

D. REGULAR AGENDA – ACTION ITEMS

Review 1. FYTD 2017 Financial Statements

Reviewed overall financial performance of the Airport as of February 28, 2017.

February 2017 combined Airport operating revenues (\$709.5K) are \$7.5K (-1%) lower than plan and FYTD (\$5.96M) is 175.9K (3%) higher than plan. Part of the lower revenues is attributed to lower than expect attendance at the AT&T golf tournament. February operating expenses (\$608.6K) are lower than plan by \$87.6K (13%) and FYTD operating expenses (\$5.042M) are \$433.7K (8.0%) lower than plan. February operating income is \$101.9K which is \$80.1K or 384% higher than plan (\$20.8K). FYTD operating income is \$915.8K which is \$609.5K or 199% higher than plan (\$306.3K).

Review 2. January 2017 Financial Statement Variance Analysis

Reviewed **Revenues:**

CA Landing Fee
Terminal Concessions
Taxi Operator Permits and Trip fess
TNC Permits and Trip Fees
Rental Car Concessions
Parking Concession
Fuel Flowage Fees*

* Both Monterey Jet Center and Del Monte Aviation missed budgeted Jet A and LL 100 fuel sales by approximately 43.3K gallons.

Facility / Space Rents
Tenant Plan Reviews, Checks & Inspection**

** In February P&D completed plan checks for Tioga Land Company (aka Sky Park Self Storage) \$8K and Johnson Electronics \$300.

Expenses:

Finance and Administration

Umbrella Liability Insurance Expense
Telephone *

* In February the Airport purchased new VOIP telephone equipment from Ring Central and incurred VOIP consulting services from Alvarez Technologies. These expenses were unbudgeted.

District Legal Counsel **

** Legal fees paid to Cota and Cole LLP for tenant evictions.

Marketing
Public Relations
Utilities - Sewage / Waste Water

Planning & Development:

Salaries & Wages *

* One staff member is on maternity leave. This favorable variance will continue as the staff member continues maternity leave past the SDI coverage period.
Salary & Wage Reimbursement

Computer / LAN & IT **

** Timing difference for server conversion work that will be completed and billed in March.

Environmental

Maintenance & Custodial Services:

*CalPERS Health Insurance
Airfield Repair & Maintenance **

** Blue Globe LLC LED light services schedule for February will be completed in March.*

*Terminal Repairs & Maintenance
Rental Space Repairs*

Airport Operations:

*Salaries & Wages **

** In February an employee resigned received terminal vacation pay.*

Police Department:

*Salaries & Wages
CalPERS Retirement
CalPERS Health Insurance*

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

Review of accounts over 60 days past due were reviewed. Three RV tenants are significantly past due and staff is in the eviction process. Staff continues to apply revised collections and tracking processes that should improve collections and communications.

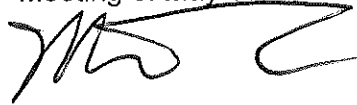
Discussion 4. Future Agenda Items/Finance Committee Schedule

The next meeting was scheduled for May 8, 2017 at 10:00am in the Board Room.

E. ADJOURNMENT

The meeting adjourned at 12:30pm.

Minutes Approved at the Regular
Meeting of May 10, 2017



Matthew Nelson, Chair

ATTEST



Michael La Pier, AAE
District Secretary