



Metropolitan Airports Commission

TO: Operations, Finance and Administration Committee

FROM: Kathy Fisher, Manager - Budget (612-726-8158)

SUBJECT: **Budget Variance Report – February 2024**

DATE: March 27, 2024

FOR ACTION

Summary

The Metropolitan Airports Commission (MAC) Commission Bylaws and Rules of Procedure indicate that staff would provide monthly Variance Reports to the Operations, Finance and Administration Committee for review/ratification.

Action Requested

Recommend that the full Commission accept the Budget Variance Report and authorize expenditures in these categories up to the budgeted or forecasted budget amounts.

Report

The February 2024 Budget Variance Report is attached, which summarizes year-to-date operating and non-operating revenue and expenses and variances from budgeted amounts.

**Metropolitan Airports Commission
Budget Variance Report - February 2024
Operating Revenue**

	2023		2024			Total 2024 Budget
	Year to Date Actual		Year To Date Actual	Budget	Dollar Variance	
OPERATING REVENUE						
Airline Rates & Charges						
Airline Agreement						
Landing Fees	\$ 12,524,492	\$ 14,245,098	\$ 14,711,981	\$ (466,883)	-3.2%	\$ 105,085,577
Ramp Fees	1,315,493	1,611,581	1,611,568	13	0.0%	9,669,451
Airline R & R	941,802	962,038	966,786	(4,748)	-0.5%	5,800,743
Terminal 1 Rentals	8,484,437	9,627,830	9,608,946	18,884	0.2%	57,653,908
Terminal 1 Other Rentals	1,189,152	1,276,535	1,156,954	119,581	10.3%	9,936,241
Concessions Rebate	-	-	-	-		(23,154,590)
Total Airline Agreement	24,455,376	27,723,082	28,056,235	(333,153)	-1.2%	164,991,330
Terminal 2 Lobby Fees	1,650,809	2,510,471	2,194,752	315,719	14.4%	15,180,930
Terminal 2 Other/Passenger Fees	1,082,465	777,402	674,939	102,463	15.2%	5,414,860
Total Airline Rates & Charges	\$ 27,188,650	\$ 31,010,955	\$ 30,925,926	\$ 85,029	0.3%	\$ 185,587,120
Concessions						
Terminal/Other						
Food & Beverage	\$ 3,643,336	\$ 3,582,672	\$ 3,757,559	\$ (174,887)	-4.7%	\$ 33,431,918
News	563,839	579,122	576,311	2,811	0.5%	5,930,482
Retail	691,509	703,325	702,507	818	0.1%	5,420,964
Passenger Services	1,692,235	1,957,921	1,774,261	183,660	10.4%	8,847,529
Total Terminal/Other	\$ 6,590,919	\$ 6,823,040	\$ 6,810,638	\$ 12,402	0.2%	\$ 53,630,893
Parking/Ground Transportation						
Parking	\$ 20,639,804	\$ 23,194,438	\$ 21,702,943	\$ 1,491,495	6.9%	\$ 131,481,962
Ground Transportation Fees	1,242,212	1,423,879	1,317,091	106,788	8.1%	16,720,497
Auto Rental-On Airport	3,234,504	3,237,924	3,237,391	533	0.0%	25,382,062
Total Parking/Ground Transportation	25,116,520	27,856,241	26,257,425	1,598,816	6.1%	173,584,521
Other Concessions	414,116	434,627	418,691	15,936	3.8%	2,989,302
Total Concessions	\$ 32,121,555	\$ 35,113,908	\$ 33,486,754	\$ 1,627,154	4.9%	\$ 230,204,716
Rentals/Fees						
Buildings & Facilities	\$ 2,745,639	\$ 2,859,038	\$ 2,884,983	\$ (25,945)	-0.9%	\$ 17,863,813
Building Auto - CFCs	995,820	1,079,470	1,012,096	67,374	6.7%	21,085,326
Ground Rentals	2,090,827	2,851,880	2,842,496	9,384	0.3%	17,065,602
Reliever Airports	1,381,244	1,510,070	1,413,381	96,689	6.8%	10,519,812
Total Rentals/Fees	\$ 7,213,530	\$ 8,300,458	\$ 8,152,956	\$ 147,502	1.8%	\$ 66,534,553
Utilities and Other Revenue						
Utilities	\$ 719,252	\$ 700,342	\$ 699,204	\$ 1,138	0.2%	\$ 6,913,292
GA/Airside Fees	846,167	798,314	775,385	22,929	3.0%	7,402,399
MCD Fees	334,324	359,256	360,181	(925)	-0.3%	4,942,698
Other Revenues	386,923	406,611	436,759	(30,148)	-6.9%	2,426,819
Reimbursed Expense	674,720	471,121	531,152	(60,031)	-11.3%	3,786,940
Total Utilities and Other Revenue	\$ 2,961,386	\$ 2,735,644	\$ 2,802,681	\$ (67,037)	-2.4%	\$ 25,472,148
Total Operating Revenue	\$ 69,485,121	\$ 77,160,965	\$ 75,368,317	\$ 1,792,648	2.4%	\$ 507,798,537

Brackets () Represent Revenue Items under Budget and Expense Items over Budget

Budget Variance Report - February 2024
Operating Expense
Non-Operating Revenue & Expense

	2023		2024			Total 2024 Budget
	Year to Date	Year To Date		Dollar	%	
	Actual	Actual	Budget	Variance	Variance	
<i>Total Operating Revenue</i>	\$ 69,485,121	\$ 77,160,965	\$ 75,368,317	\$ 1,792,648	2.4%	\$ 507,798,537
OPERATING EXPENSE						
Personnel	\$ 15,767,353	\$ 17,815,131	\$ 17,942,784	\$ 127,653	0.7%	\$ 123,531,811
Administrative Expenses	237,943	236,075	230,268	(5,807)	-2.5%	2,276,841
Professional Services	546,989	286,329	328,034	41,705	12.7%	14,638,437
Utilities	1,007,929	1,344,232	1,442,581	98,349	6.8%	24,939,663
Operating Services/Expenses	5,765,720	6,557,818	6,603,739	45,921	0.7%	40,290,401
Maintenance	5,955,746	6,778,865	7,989,254	1,210,389	15.2%	67,035,005
Other	1,953,886	2,713,396	2,778,506	65,110	2.3%	12,435,044
Total Operating Expense	\$ 31,235,566	\$ 35,731,846	\$ 37,315,166	\$ 1,583,320	4.2%	\$ 285,147,202
<i>(excludes depreciation and noise amortization)</i>						

Net Operating Revenue	\$ 38,249,555	\$ 41,429,119	\$ 38,053,151	\$ 3,375,968	8.9%	\$ 222,651,335
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NON-OPERATING REVENUE (EXPENSE)

	2023		2024			Total 2024 Budget
	Year to Date	Year To Date		Dollar	%	
	Actual	Actual	Budget	Variance	Variance	
Other Non-Operating Revenue						
Interest Income	\$ 1,146,760	\$ 1,636,763	\$ 1,536,424	\$ 100,339	6.5%	\$ 9,218,000
Unrealized Gain/Loss-Investments	(206,809)	(273,614)	-	(273,614)	-	-
Self-Liquidating Income	97,947	103,610	103,610	-	0.0%	621,658
	\$ 1,037,898	\$ 1,466,759	\$ 1,640,034	\$ (173,275)	-10.6%	\$ 9,839,658
Debt Service						
Short Term Financing	\$ (210,009)	\$ (687,297)	\$ (687,297)	\$ -	0.0%	\$ (4,811,757)
Bond Principal & Interest	-	-	-	-	0.0%	(129,519,339)
Equipment Financing Principal & Interest	(863,255)	(900,885)	(900,885)	-	0.0%	(7,813,877)
	\$ (1,073,264)	\$ (1,588,182)	\$ (1,588,182)	\$ -	0.0%	\$ (142,144,973)
Equipment						
Capital Expenditures	\$ (211,341)	\$ (253,025)	\$ (286,768)	\$ 33,743	-11.8%	\$ (1,702,609)
Equipment Purchases	(596,023)	(2,393,586)	(2,393,586)	-	0.0%	(34,450,053)
Equipment Financing	-	-	-	-	0.0%	19,000,000
	\$ (807,364)	\$ (2,646,611)	\$ (2,680,354)	\$ 33,743	-1.3%	\$ (17,152,662)
Other						
Six Month Reserve Transfer	\$ (13,332,917)	\$ (21,754,094)	\$ (21,754,094)	\$ -	0.0%	\$ (21,649,164)
Grant Reimbursements	-	45,079,910	45,000,000	79,910	0.2%	45,000,000
Gain (Loss) on Equipment & Other	126,270	20,679	20,679	-	0.0%	(4,275,350)
	\$ (13,206,647)	\$ 23,346,495	\$ 23,266,585	\$ 79,910	0.3%	\$ 19,075,486
Total Non-Operating Revenue (Expense)	\$ (14,049,377)	\$ 20,578,461	\$ 20,638,083	\$ (59,622)	-0.3%	\$ (130,382,491)

Net Revenue Available for Designation	\$ 24,200,178	\$ 62,007,580	\$ 58,691,234	\$ 3,316,346	5.7%	\$ 92,268,844
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Brackets () Represent Revenue Items under Budget and Expense Items over Budget

OPERATING REVENUE

Total Operating Revenue for February year-to-date is over budget \$1,792,648 or 2.4%. The larger variances are explained within Airline Rates & Charges and Concessions categories.

Airline Rates & Charges

Airline Rates & Charges are \$85,029 or 0.3% higher than budget as Landing Fees are \$466,883 lower than projected in the budget. This shortage is offset by Terminal 2 Lobby and Other Fees, which are exceeding the budget by \$418,182.

Concessions

Concessions revenue is \$1,627,154 or 4.9% higher than budget. This overage is mainly due to parking revenue, which is \$1,491,495 greater than budget. Passengers are spending more than was projected in the budget, including increases in pre-book parking. Transportation Network Company fees are also exceeding the budget.

OPERATING EXPENSE

Total operating expense for February year-to-date is under budget \$1,583,320 or 4.2%. Lower maintenance expenses are the main cause of this variance.

Maintenance

Maintenance costs are under budget \$1,210,389 or 15.2%. The January and February weather has been mild and lacked precipitation. Therefore, the need for snow removal equipment was lower than budgeted for a normal winter. Also, less snow melt materials were used.