



Metropolitan Airports Commission

TO: Operations, Finance and Administration Committee

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

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

DATE: February 28, 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 January 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 - January 2024
Operating Revenue**

	2023	2024				Total
	Year to Date Actual	Year To Date Actual	Budget	Dollar Variance	% Variance	2024 Budget
OPERATING REVENUE						
Airline Rates & Charges						
Airline Agreement						
Landing Fees	\$ 6,526,966	\$ 7,224,791	\$ 7,491,000	\$ (266,209)	-3.6%	\$ 105,085,577
Ramp Fees	657,746	805,790	805,788	2	0.0%	9,669,451
Airline R & R	470,901	481,019	483,395	(2,376)	-0.5%	5,800,743
Terminal 1 Rentals	4,242,218	4,813,915	4,804,492	9,423	0.2%	57,653,908
Terminal 1 Other Rentals	272,668	285,407	284,709	698	0.2%	9,936,241
Concessions Rebate	-	-	-	-	-	(23,154,590)
Total Airline Agreement	12,170,499	13,610,922	13,869,384	(258,462)	-1.9%	164,991,330
Terminal 2 Lobby Fees	-	660,875	660,876	(1)	0.0%	15,180,930
Terminal 2 Other/Passenger Fees	112,498	140,195	129,373	10,822	8.4%	5,414,860
Total Airline Rates & Charges	\$ 12,282,997	\$ 14,411,992	\$ 14,659,633	\$ (247,641)	-1.7%	\$ 185,587,120
Concessions						
Terminal/Other						
Food & Beverage	\$ 2,055,649	\$ 1,515,942	\$ 1,514,092	\$ 1,850	0.1%	\$ 33,431,918
News	213,609	213,609	213,609	-	0.0%	5,930,482
Retail	364,857	340,035	340,034	1	0.0%	5,420,964
Passenger Services	1,103,288	1,320,593	1,191,703	128,890	10.8%	8,847,529
Total Terminal/Other	\$ 3,737,403	\$ 3,390,179	\$ 3,259,438	\$ 130,741	4.0%	\$ 53,630,893
Parking/Ground Transportation						
Parking	\$ 10,313,065	\$ 11,119,151	\$ 10,372,363	\$ 746,788	7.2%	\$ 131,481,962
Ground Transportation Fees	246,510	300,707	272,962	27,745	10.2%	16,720,497
Auto Rental-On Airport	1,607,678	1,607,678	1,607,678	-	0.0%	25,382,062
Total Parking/Ground Transportation	12,167,253	13,027,536	12,253,003	774,533	6.3%	173,584,521
Other Concessions	187,768	194,873	219,656	(24,783)	-11.3%	2,989,302
Total Concessions	\$ 16,092,424	\$ 16,612,588	\$ 15,732,097	\$ 880,491	5.6%	\$ 230,204,716
Rentals/Fees						
Buildings & Facilities	\$ 1,354,085	\$ 1,387,786	\$ 1,395,597	\$ (7,811)	-0.6%	\$ 17,863,813
Building Auto - CFCs	-	-	-	-	0.0%	21,085,326
Ground Rentals	1,043,414	1,431,435	1,422,134	9,301	0.7%	17,065,602
Reliever Airports	711,864	738,367	710,930	27,437	3.9%	10,519,812
Total Rentals/Fees	\$ 3,109,363	\$ 3,557,588	\$ 3,528,661	\$ 28,927	0.8%	\$ 66,534,553
Utilities and Other Revenue						
Utilities	\$ 548,050	\$ 343,717	\$ 344,000	\$ (283)	-0.1%	\$ 6,913,292
GA/Airside Fees	194,569	205,369	187,500	17,869	9.5%	7,402,399
MCD Fees	-	14,083	15,138	(1,055)	0.0%	4,942,698
Other Revenues	244,212	259,786	240,000	19,786	8.2%	2,426,819
Reimbursed Expense	536,634	140,516	165,578	(25,062)	-15.1%	3,786,940
Total Utilities and Other Revenue	\$ 1,523,465	\$ 963,471	\$ 952,216	\$ 11,255	1.2%	\$ 25,472,148
Total Operating Revenue	\$ 33,008,249	\$ 35,545,639	\$ 34,872,607	\$ 673,032	1.9%	\$ 507,798,537

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

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

	2023		2024				Total
	Year to Date	Year To Date		Dollar	%	2024	
	Actual	Actual	Budget	Variance	Variance	Budget	
Total Operating Revenue	\$ 33,008,249	\$ 35,545,639	\$ 34,872,607	\$ 673,032	1.9%	\$ 507,798,537	
OPERATING EXPENSE							
Personnel	\$ 7,810,925	\$ 9,716,678	\$ 9,902,273	\$ 185,595	1.9%	\$ 123,531,811	
Administrative Expenses	66,138	140,560	134,883	(5,677)	-4.2%	2,276,841	
Professional Services	88,504	43,113	58,759	15,646	26.6%	14,638,437	
Utilities	23,839	66,215	62,307	(3,908)	-6.3%	24,939,663	
Operating Services/Expenses	1,529,485	1,779,653	1,843,850	64,197	3.5%	40,290,401	
Maintenance	3,383,446	3,746,116	3,972,891	226,775	5.7%	67,035,005	
Other	1,915,738	2,331,124	2,322,790	(8,334)	-0.4%	12,435,044	
Total Operating Expense	\$ 14,818,075	\$ 17,823,459	\$ 18,297,753	\$ 474,294	2.6%	\$ 285,147,202	
<i>(excludes depreciation and noise amortization)</i>							

Net Operating Revenue	\$ 18,190,174	\$ 17,722,180	\$ 16,574,854	\$ 1,147,326	6.9%	\$ 222,651,335
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NON-OPERATING REVENUE (EXPENSE)

	2023		2024				Total
	Year to Date	Year To Date		Dollar	%	2024	
	Actual	Actual	Budget	Variance	Variance	Budget	
Other Non-Operating Revenue							
Interest Income	\$ 540,554	\$ 991,978	\$ 868,167	\$ 123,811	14.3%	\$ 9,218,000	
Unrealized Gain/Loss-Investments	-	\$ 229,095	\$ -	\$ 229,095	-	\$ -	
Self-Liquidating Income	48,973	51,804	51,805	(1)	0.0%	621,658	
	\$ 589,527	\$ 1,272,877	\$ 919,972	\$ 352,905	38.4%	\$ 9,839,658	
Debt Service							
Short Term Financing	\$ (210,009)	\$ (360,770)	\$ (360,770)	\$ -	0.0%	\$ (4,811,757)	
Bond Principal & Interest	-	-	-	-	0.0%	(129,519,339)	
Equipment Financing Principal & Interest	(28,934)	(539,489)	(539,489)	-	0.0%	(7,813,877)	
	\$ (238,943)	\$ (900,259)	\$ (900,259)	\$ -	0.0%	\$ (142,144,973)	
Equipment							
Capital Expenditures	\$ (108,827)	\$ (132,520)	\$ (130,970)	\$ (1,550)	1.2%	\$ (1,702,609)	
Equipment Purchases	(98,023)	(90,061)	(90,061)	-	0.0%	(34,450,053)	
Equipment Financing	-	-	-	-	0.0%	19,000,000	
	\$ (206,850)	\$ (222,581)	\$ (221,031)	\$ (1,550)	0.7%	\$ (17,152,662)	
Other							
Six Month Reserve Transfer	\$ (12,837,637)	\$ (21,754,094)	\$ (21,754,094)	\$ -	0.0%	\$ (21,649,164)	
Grant Reimbursements	-	-	-	-	0.0%	45,000,000	
Gain (Loss) on Equipment & Other	(831)	30,679	30,679	-	0.0%	(4,275,350)	
	\$ (12,838,468)	\$ (21,723,415)	\$ (21,723,415)	\$ -	0.0%	\$ 19,075,486	
Total Non-Operating Revenue (Expense)	\$ (12,694,734)	\$ (21,573,378)	\$ (21,924,733)	\$ 351,355	-1.6%	\$ (130,382,491)	

Net Revenue Available for Designation	\$ 5,495,440	\$ (3,851,198)	\$ (5,349,879)	\$ 1,498,681	-28.0%	\$ 92,268,844
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Brackets () Represent Revenue Items under Budget and Expense Items over Budget

OPERATING REVENUE

Total Operating Revenue for January year-to-date is over budget \$673,032 or 1.9%. Revenue from Concessions is the main source of the positive variance.

Concessions

Concessions revenue is \$880,491 or 5.6% higher than budget. Terminal concessions are over budget \$130,741. Passengers are spending slightly more than projected on food & beverage and passenger services concessions.

Ground transportation is greater than budget \$774,533 or 6.3%. This overage is due to parking revenue, which is \$746,788 over budget. Passengers are spending more than was projected in the budget, including increases in pre-book parking, quick ride ramp parking and valet parking.

OPERATING EXPENSE

Total operating expense for January year-to-date is under budget \$474,294 or 2.6%. No major variances exist in any of the expense categories for January.

NON-OPERATING REVENUE (EXPENSE)

Non-Operating Expense for January year-to-date is lower than budget \$351,355, or 1.6%. The following factors are creating this variance.

Other Non-Operating Revenue

Other Non-Operating Revenue is higher than budget \$352,905 or 38.4%. Interest income exceeded the budget \$123,811 because of higher interest rates on investments than was projected. Additionally, the MAC is required to report investments at market value. As the value increases or decreases, an unrealized gain or loss on investments is recorded. The market value of existing investments has increased \$229,095 from a decrease in market interest rates relative to the interest rates on investments in our portfolio. Since the MAC holds investments to maturity, these fluctuations in value are temporary unless the investment is sold. The stated coupon rate is still received.