



Metropolitan Airports Commission

TO: Operations, Finance and Administration Committee

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

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

DATE: December 31, 2024

FOR ACTION

Summary

The Metropolitan Airports 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 November 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 - November 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	\$ 78,886,422	\$ 91,395,135	\$ 95,627,875	\$ (4,232,740)	-4.4%	\$ 105,085,577
Ramp Fees	7,018,632	8,863,694	8,863,628	66	0.0%	9,669,451
Airline R & R	5,300,505	5,297,519	5,317,326	(19,807)	-0.4%	5,800,743
Terminal 1 Rentals	47,641,222	53,008,585	52,849,204	159,381	0.3%	57,653,908
Terminal 1 Other Rentals	9,071,940	9,164,198	8,655,275	508,923	5.9%	9,936,241
Concessions Rebate	-	-	-	-		(23,154,590)
Total Airline Agreement	147,918,721	167,729,131	171,313,308	(3,584,177)	-2.1%	164,991,330
Terminal 2 Lobby Fees	12,897,509	14,599,627	13,693,199	906,428	6.6%	15,180,930
Terminal 2 Other/Passenger Fees	4,998,424	5,698,318	4,656,102	1,042,216	22.4%	5,414,860
Total Airline Rates & Charges	\$ 165,814,654	\$ 188,027,076	\$ 189,662,609	\$ (1,635,533)	-0.9%	\$ 185,587,120
Concessions						
Terminal/Other						
Food & Beverage	\$ 26,476,807	\$ 28,159,354	\$ 29,014,997	\$ (855,643)	-2.9%	\$ 33,431,918
News	4,688,018	4,949,484	5,136,222	(186,738)	-3.6%	5,930,482
Retail	4,649,152	4,685,870	4,936,436	(250,566)	-5.1%	5,420,964
Passenger Services	7,632,032	8,623,885	7,845,540	778,345	9.9%	8,847,529
Total Terminal/Other	\$ 43,446,009	\$ 46,418,593	\$ 46,933,195	\$ (514,602)	-1.1%	\$ 53,630,893
Parking/Ground Transportation						
Parking	\$ 115,994,996	\$ 121,195,730	\$ 122,084,403	\$ (888,673)	-0.7%	\$ 131,481,962
Ground Transportation Fees	13,574,271	14,527,516	13,659,969	867,547	6.4%	16,720,497
Auto Rental-On Airport	22,728,852	23,942,095	24,724,343	(782,248)	-3.2%	25,382,062
Total Parking/Ground Transportation	152,298,119	159,665,341	160,468,715	(803,374)	-0.5%	173,584,521
Other Concessions	2,711,200	2,855,174	2,730,211	124,963	4.6%	2,989,302
Total Concessions	\$ 198,455,328	\$ 208,939,108	\$ 210,132,121	\$ (1,193,013)	-0.6%	\$ 230,204,716
Rentals/Fees						
Buildings & Facilities	\$ 15,374,570	\$ 16,173,906	\$ 16,341,973	\$ (168,067)	-1.0%	\$ 17,863,813
Building Auto - CFCs	16,624,336	17,749,348	18,133,381	(384,033)	-2.1%	21,085,326
Ground Rentals	14,595,640	15,785,624	15,633,730	151,894	1.0%	17,065,602
Reliever Airports	10,073,769	10,852,276	9,621,860	1,230,416	12.8%	10,519,812
Total Rentals/Fees	\$ 56,668,315	\$ 60,561,154	\$ 59,730,944	\$ 830,210	1.4%	\$ 66,534,553
Utilities and Other Revenue						
Utilities	\$ 5,299,408	\$ 5,975,810	\$ 5,910,397	\$ 65,413	1.1%	\$ 6,913,292
GA/Airside Fees	6,056,452	6,554,610	6,224,858	329,752	5.3%	7,402,399
MCD Fees	3,852,703	4,140,292	4,129,880	10,412	0.3%	4,942,698
Other Revenues	2,254,450	2,789,543	2,167,828	621,715	28.7%	2,426,819
Reimbursed Expense	4,517,761	4,859,170	3,471,346	1,387,824	40.0%	3,786,940
Total Utilities and Other Revenue	\$ 21,980,774	\$ 24,319,425	\$ 21,904,309	\$ 2,415,116	11.0%	\$ 25,472,148
Total Operating Revenue	\$ 442,919,071	\$ 481,846,763	\$ 481,429,983	\$ 416,780	0.1%	\$ 507,798,537

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

Budget Variance Report - November 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>	\$ 442,919,071	\$ 481,846,763	\$ 481,429,983	\$ 416,780	0.1%	\$ 507,798,537
OPERATING EXPENSE						
Personnel	\$ 101,608,159	\$ 110,659,876	\$ 112,195,128	\$ 1,535,252	1.4%	\$ 123,570,958
Administrative Expenses	1,388,582	1,603,494	1,790,531	187,037	10.4%	2,333,841
Professional Services	7,481,558	8,602,116	9,337,766	735,650	7.9%	14,639,437
Utilities	21,060,921	16,862,105	18,054,682	1,192,577	6.6%	24,939,664
Operating Services/Expenses	28,306,080	30,857,657	32,035,951	1,178,294	3.7%	40,275,647
Maintenance	49,044,430	51,355,478	50,826,379	(529,099)	-1.0%	67,042,505
Other	4,984,300	5,900,090	6,782,505	882,415	13.0%	12,380,798

Total Operating Expense	\$ 213,874,030	\$ 225,840,816	\$ 231,022,942	\$ 5,182,126	2.2%	\$ 285,182,850
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(excludes depreciation and noise amortization)

Net Operating Revenue	\$ 229,045,041	\$ 256,005,947	\$ 250,407,041	\$ 5,598,906	2.2%	\$ 222,615,687
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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	\$ 8,566,875	\$ 9,513,986	\$ 8,450,333	\$ 1,063,653	12.6%	\$ 9,218,000
Unrealized Gain/Loss-Investments	2,732,732	3,057,801	-	3,057,801	-	-
Self-Liquidating Income	538,708	695,537	569,853	125,684	22.1%	621,658
	\$ 11,838,315	\$ 13,267,324	\$ 9,020,186	\$ 4,247,138	47.1%	\$ 9,839,658
Debt Service						
Short Term Financing	\$ (3,952,101)	\$ (5,538,074)	\$ (4,811,757)	(726,317)	15.1%	\$ (4,811,757)
Equipment Financing Principal/Interest	(4,788,835)	(6,455,944)	(6,455,944)	-	-	(7,813,877)
Bond Principal & Interest	(43,430,382)	(28,242,615)	(28,242,615)	-	-	(129,519,339)
	\$ (52,171,318)	\$ (40,236,633)	\$ (39,510,316)	(726,317)	1.8%	\$ (142,144,973)
Equipment						
Capital Expenditures	\$ (1,261,924)	\$ (1,603,643)	\$ (1,560,725)	\$ (42,918)	2.7%	\$ (1,702,609)
Equipment Purchases	(11,631,307)	(14,573,451)	(14,573,451)	-	-	(34,450,053)
Equipment Financing	8,875,000	16,654,000	19,000,000	(2,346,000)	-12.3%	19,000,000
	\$ (4,018,231)	\$ 476,906	\$ 2,865,824	\$ (2,388,918)	-83.4%	\$ (17,152,662)
Other						
Six Month Reserve Transfer	\$ (13,332,917)	\$ (21,754,094)	\$ (21,754,094)	\$ -	-	\$ (21,649,164)
Grant Reimbursements	20,000,000	-	-	-	-	45,000,000
Gain (Loss) on Equipment & Other	873,331	(2,997,267)	206,250	(3,203,517)	-1553.2%	(4,275,350)
	\$ 7,540,414	\$ (24,751,361)	\$ (21,547,844)	\$ (3,203,517)	14.9%	\$ 19,075,486

Total Non-Operating Revenue (Expense)	\$ (36,810,820)	\$ (51,243,764)	\$ (49,172,150)	\$ (2,071,614)	4.2%	\$ (130,382,491)
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Net Revenue Available for Designation	\$ 192,234,221	\$ 204,762,183	\$ 201,234,891	\$ 3,527,292	1.8%	\$ 92,233,196
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Brackets () Represent Revenue Items under Budget and Expense Items over Budget

OPERATING REVENUE

Total Operating Revenue for November year-to-date is over budget \$416,780 or 0.1%. The larger variances are explained within the following categories.

Airline Rates & Charges

Airline Rates & Charges are \$1,635,533 or 0.9% lower than budget. Although Landing Fees were \$4,232,740 lower than projected in the budget from less landed weight through November, Terminal 2 Lobby fees and Terminal 2 airline parking fees were over budget \$906,428 and \$660,308, respectively, as airlines had more flights than predicted. Also, international flights at both terminals were greater than expected and exceeded the budget by \$827,085.

Concessions

Concessions revenue is \$1,193,013 or 0.6% under budget. Food & beverage, news and retail concessions mirrored the passenger level, which was slightly below budget. However, this gap in terminal concessions revenue was offset by greater usage of passenger services that exceeded the budget by \$778,345.

Ground transportation is lower than budget \$803,374 or 0.5% due to the lower passenger count than projected.

- Parking revenue is below budget \$888,673.
- Auto Rental revenue is lower than budget \$782,248.
- However, revenue from Transportation Network Companies exceeded the budget projection by \$993,667, which offset this negative variance.

Rentals/Fees

Rentals/Fees are higher than budget \$830,210 or 1.4%. Revenue from Reliever Airports was \$1,230,416 higher than projections, mainly from increased commercial business and storage rent. Offsetting this positive variance is lower Customer Facility Charge revenue of \$384,033, which is based on fewer rental car transactions.

Utilities and Other Revenue

Revenue from Utilities and Other Revenue is over budget \$2,415,116 or 11.0%.

- Reimbursed Expense exceeded the budget \$1,387,824 from more safety and security expense reimbursements than anticipated.
- General Aviation airside fees were higher than budget \$329,752 from additional services provided to the airlines.
- Miscellaneous revenues such as parking fines, building permits and sponsorship revenue were \$702,292 greater than projected.

OPERATING EXPENSE

Total operating expense for November year-to-date is under budget \$5,182,126 or 2.2%. The larger variances are explained within the following categories.

Personnel

Personnel is under budget \$1,535,252 or 1.4% as salaries and wages are below budget \$3,065,927 from open positions and the time it takes to fill open positions. Offsetting this variance is overtime, which is higher than budget \$343,291 as maintenance workers were needed for inclement weather and during weekends. Also over budget are employee medical costs that were \$1,187,096 more than expected.

Professional Services

Professional Services are \$735,650 or 7.9% lower than budget. Strategic plan marketing costs were less than budgeted.

Utilities

Utilities are under budget \$1,192,577 or 6.6%. This positive variance is mainly due to lower consumption of electricity. Offsetting this variance are water and sewer costs that were slightly higher than budget stemming from a water main break.

Operating Services/Expenses

Operating Services/Expenses are lower than budget \$1,178,294 or 3.7%. A random screening security project was delayed saving \$910,711. Also, queue line management costs were budgeted at 100% passenger enplanements compared to 2019, but 2024 enplanements are approximately 94% causing a variance of \$330,105.

Maintenance

Maintenance costs are over budget \$529,099 or 1.0%. Snow removal materials were purchased for the winter season and costs were affected by inflation.

Other

Other Expenses are \$882,415 or 13.0% below budget as property insurance was \$836,773 lower than projected.

NON-OPERATING REVENUE (EXPENSE)

Non-Operating Expense for November year-to-date is higher than budget \$2,071,614 or 4.2%. This increase in non-operating expense is due to a number of factors.

- Interest income exceeded the budget \$1,063,653 because of higher interest rates on investments than what was budgeted.
- 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. Since the beginning of the year, the market value of existing investments has increased \$3,057,801 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.
- Short term financing was lower than expected by \$726,317.
- The amount of equipment financed was lower than projected by \$2,346,000.
- Bond issue costs and other minor non-operating gains and losses totaled \$3,203,517.