



Metropolitan Airports Commission

TO: Operations, Finance and Administration Committee

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

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

DATE: November 27, 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 October 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 - October 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	\$ 71,837,810	\$ 83,626,615	\$ 87,221,029	\$ (3,594,414)	-4.1%	\$ 105,085,577
Ramp Fees	6,360,885	8,057,904	8,057,843	61	0.0%	9,669,451
Airline R & R	4,812,776	4,815,752	4,833,933	(18,181)	-0.4%	5,800,743
Terminal 1 Rentals	43,258,441	48,187,711	48,044,730	142,981	0.3%	57,653,908
Terminal 1 Other Rentals	8,263,504	8,435,718	7,869,562	566,156	7.2%	9,936,241
Concessions Rebate	-	-	-	-		(23,154,590)
Total Airline Agreement	134,533,416	153,123,700	156,027,097	(2,903,397)	-1.9%	164,991,330
Terminal 2 Lobby Fees	11,751,043	13,655,108	12,645,715	1,009,393	8.0%	15,180,930
Terminal 2 Other/Passenger Fees	3,966,710	5,238,325	4,390,446	847,879	19.3%	5,414,860
Total Airline Rates & Charges	\$ 150,251,169	\$ 172,017,133	\$ 173,063,258	\$ (1,046,125)	-0.6%	\$ 185,587,120
Concessions						
Terminal/Other						
Food & Beverage	\$ 23,848,353	\$ 25,437,260	\$ 26,112,449	\$ (675,189)	-2.6%	\$ 33,431,918
News	4,223,883	4,469,277	4,623,686	(154,409)	-3.3%	5,930,482
Retail	4,184,778	4,216,115	4,441,388	(225,273)	-5.1%	5,420,964
Passenger Services	6,968,741	7,890,267	7,177,181	713,086	9.9%	8,847,529
Total Terminal/Other	\$ 39,225,755	\$ 42,012,919	\$ 42,354,704	\$ (341,785)	-0.8%	\$ 53,630,893
Parking/Ground Transportation						
Parking	\$ 106,780,360	\$ 111,662,077	\$ 112,434,008	\$ (771,931)	-0.7%	\$ 131,481,962
Ground Transportation Fees	11,678,277	13,067,832	12,170,501	897,331	7.4%	16,720,497
Auto Rental-On Airport	20,846,646	21,824,638	22,349,340	(524,702)	-2.3%	25,382,062
Total Parking/Ground Transportation	139,305,283	146,554,547	146,953,849	(399,302)	-0.3%	173,584,521
Other Concessions	2,467,917	2,600,969	2,496,559	104,410	4.2%	2,989,302
Total Concessions	\$ 180,998,955	\$ 191,168,435	\$ 191,805,112	\$ (636,677)	-0.3%	\$ 230,204,716
Rentals/Fees						
Buildings & Facilities	\$ 13,962,309	\$ 14,708,340	\$ 14,845,884	\$ (137,544)	-0.9%	\$ 17,863,813
Building Auto - CFCs	14,770,019	15,785,928	16,088,105	(302,177)	-1.9%	21,085,326
Ground Rentals	13,175,078	14,355,254	14,212,482	142,772	1.0%	17,065,602
Reliever Airports	9,031,963	9,668,509	8,849,826	818,683	9.3%	10,519,812
Total Rentals/Fees	\$ 50,939,369	\$ 54,518,031	\$ 53,996,297	\$ 521,734	1.0%	\$ 66,534,553
Utilities and Other Revenue						
Utilities	\$ 4,580,765	\$ 4,886,281	\$ 4,907,493	\$ (21,212)	-0.4%	\$ 6,913,292
GA/Airside Fees	5,459,382	5,851,010	5,638,527	212,483	3.8%	7,402,399
MCD Fees	3,453,525	3,731,630	3,704,809	26,821	0.7%	4,942,698
Other Revenues	1,998,781	2,582,487	1,975,484	607,003	30.7%	2,426,819
Reimbursed Expense	3,965,246	4,481,848	3,786,940	694,908	18.4%	3,786,940
Total Utilities and Other Revenue	\$ 19,457,699	\$ 21,533,256	\$ 20,013,253	\$ 1,520,003	7.6%	\$ 25,472,148
Total Operating Revenue	\$ 401,647,192	\$ 439,236,855	\$ 438,877,920	\$ 358,935	0.1%	\$ 507,798,537

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

Budget Variance Report - October 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>	\$ 401,647,192	\$ 439,236,855	\$ 438,877,920	\$ 358,935	0.1%	\$ 507,798,537
OPERATING EXPENSE						
Personnel	\$ 92,279,896	\$ 101,827,906	\$ 103,059,263	\$ 1,231,357	1.2%	\$ 123,570,958
Administrative Expenses	1,148,683	1,483,643	1,581,375	97,732	6.2%	2,276,841
Professional Services	7,114,981	7,783,072	8,168,248	385,176	4.7%	14,712,937
Utilities	18,262,728	16,010,119	17,052,730	1,042,611	6.1%	24,939,664
Operating Services/Expenses	26,142,694	29,126,162	30,240,940	1,114,778	3.7%	40,266,647
Maintenance	42,974,259	47,785,865	47,413,968	(371,897)	-0.8%	67,035,005
Other	4,901,675	5,421,991	6,353,931	931,940	14.7%	12,380,798

Total Operating Expense	\$ 192,824,916	\$ 209,438,758	\$ 213,870,455	\$ 4,431,697	2.1%	\$ 285,182,850
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(excludes depreciation and noise amortization)

Net Operating Revenue	\$ 208,822,276	\$ 229,798,097	\$ 225,007,465	\$ 4,790,632	2.1%	\$ 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	\$ 7,645,256	\$ 8,548,162	\$ 7,682,121	\$ 866,041	11.3%	\$ 9,218,000
Unrealized Gain/Loss-Investments	1,376,638	2,907,059	-	2,907,059	-	-
Self-Liquidating Income	489,734	580,890	518,049	62,841	12.1%	621,658
	\$ 9,511,628	\$ 12,036,111	\$ 8,200,170	\$ 3,835,941	46.8%	\$ 9,839,658
Debt Service						
Short Term Financing	\$ (1,871,657)	\$ (3,366,390)	\$ (3,366,390)	-	-	\$ (4,811,757)
Equipment Financing Principal/Interest	(4,759,902)	(6,427,011)	(6,427,011)	-	-	(7,813,877)
Bond Principal & Interest	(43,430,382)	(28,242,615)	(28,242,615)	-	-	(129,519,339)
	\$ (50,061,941)	\$ (38,036,016)	\$ (38,036,016)	-	-	\$ (142,144,973)
Equipment						
Capital Expenditures	\$ (1,146,950)	\$ (1,398,785)	\$ (1,418,841)	\$ 20,056	-1.4%	\$ (1,702,609)
Equipment Purchases	(9,457,174)	(12,734,648)	(12,734,648)	-	-	(34,450,053)
Equipment Financing	8,875,000	16,654,000	19,000,000	(2,346,000)	-12.3%	19,000,000
	\$ (1,729,124)	\$ 2,520,567	\$ 4,846,511	\$ (2,325,944)	-48.0%	\$ (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	897,888	(2,997,267)	187,500	(3,184,767)	-1698.5%	(4,275,350)
	\$ 7,564,971	\$ (24,751,361)	\$ (21,566,594)	\$ (3,184,767)	14.8%	\$ 19,075,486

Total Non-Operating Revenue (Expense)	\$ (34,714,466)	\$ (48,230,699)	\$ (46,555,929)	\$ (1,674,770)	3.6%	\$ (130,382,491)
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Net Revenue Available for Designation	\$ 174,107,810	\$ 181,567,398	\$ 178,451,536	\$ 3,115,862	1.7%	\$ 92,233,196
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Brackets () Represent Revenue Items under Budget and Expense Items over Budget

OPERATING REVENUE

Total Operating Revenue for October year-to-date is under budget \$358,935 or 0.1%. The larger variances are explained within the following categories.

Airline Rates & Charges

Airline Rates & Charges are \$1,046,125 or 0.6% lower than budget. Although Landing Fees were \$3,594,414 lower than projected in the budget from less landed weight through October, Terminal 2 Lobby fees and Terminal 2 airline parking fees were over budget \$1,009,393 and \$510,541, respectively, as airlines had more flights than predicted. Also, international flights at both terminals were greater than expected and exceeded the budget by \$839,915.

Concessions

Concessions revenue is \$636,677 or 0.3% under budget. Food & beverage, news and retail concessions mirror the passenger level, which is slightly below budget. However, this gap in terminal concessions revenue was offset by greater usage of passenger services that exceeded the budget by \$713,086.

Ground transportation is lower than budget \$399,302 or 0.3%. This variance is mainly due to Parking and Auto Rental revenue, which are both below budget by \$771,931 and 524,702, respectively from less passengers than expected. Revenue from Transportation Network Companies exceeded the budget projection by \$897,331 and offset this negative variance.

Rentals/Fees

Rentals/Fees are higher than budget \$521,734 or 1.0%. Reliever Airports revenue was \$818,683 higher than projections, mainly from increased commercial business and storage rent. Offsetting this positive variance is lower Customer Facility Charge revenue, which is based on fewer rental car transactions.

Utilities and Other Revenue

Revenue from Utilities and Other Revenue is over budget \$1,520,003 or 7.6% as Reimbursed Expense exceeded the budget \$694,908 from more safety and security expense reimbursements than anticipated. Also, miscellaneous revenues such as parking fines, building permits and sponsorship revenue were \$607,003 greater than projected.

OPERATING EXPENSE

Total operating expense for October year-to-date is under budget \$4,431,697 or 2.1%. The larger variances are explained within the following categories.

Personnel

Personnel is under budget \$1,231,357 or 1.2% as salaries and wages are below budget \$2,598,399 from open positions and the time it takes to fill open positions. Offsetting this variance is overtime, which is higher than budget \$503,665 as maintenance workers were needed for inclement weather and during weekends. Also over budget are employee medical costs that were approximately \$950,000 more than expected.

Utilities

Utilities are under budget \$1,042,611 or 6.1%. 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 \$1,114,778 or 3.7%. A random screening security project was delayed saving \$689,310. Also, queue line management costs were budgeted at 100% passenger enplanements compared to 2019, but 2024 enplanements are approximately 94% causing a variance of \$295,127.

Maintenance

Maintenance costs are over budget \$371,897 or 0.8%. Snow removal materials were purchased for the winter season and costs were affected by inflation.

Other

Other Expenses are \$931,940 or 14.7% below budget as property insurance was \$836,773 lower than budget.

NON-OPERATING REVENUE (EXPENSE)

Non-Operating Expense for October year-to-date is higher than budget \$1,674,770 or 3.6%. This increase in non-operating expense is due to a number of factors.

- Interest income exceeded the budget \$866,041 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 \$2,907,059 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.
- 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 \$3,184,767.