



Metropolitan Airports Commission

TO: Operations, Finance and Administration Committee

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

SUBJECT: **Budget Variance Report – 1st Quarter 2024**

DATE: May 1, 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 1st Quarter 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 - 1st Quarter 2024
Operating Revenue

	2023		2024			Total 2024 Budget
	Year to Date	Year To Date		Dollar	%	
	Actual	Actual	Budget	Variance	Variance	
OPERATING REVENUE						
Airline Rates & Charges						
Airline Agreement						
Landing Fees	\$ 19,985,766	\$ 22,497,847	\$ 23,517,200	\$ (1,019,353)	-4.3%	\$ 105,085,577
Ramp Fees	1,973,239	2,417,371	2,417,352	19	0.0%	9,669,451
Airline R & R	1,412,704	1,443,058	1,450,179	(7,121)	-0.5%	5,800,743
Terminal 1 Rentals	12,726,655	14,441,745	14,413,419	28,326	0.2%	57,653,908
Terminal 1 Other Rentals	1,958,028	2,171,719	1,954,204	217,515	11.1%	9,936,241
Concessions Rebate	-	-	-	-	-	(23,154,590)
Total Airline Agreement	38,056,392	42,971,740	43,752,354	(780,614)	-1.8%	164,991,330
Terminal 2 Lobby Fees	4,020,545	4,378,006	3,704,147	673,859	18.2%	15,180,930
Terminal 2 Other/Passenger Fees	1,276,453	1,716,292	1,395,837	320,455	23.0%	5,414,860
Total Airline Rates & Charges	\$ 43,353,390	\$ 49,066,038	\$ 48,852,338	\$ 213,700	0.4%	\$ 185,587,120
Concessions						
Terminal/Other						
Food & Beverage	\$ 5,746,063	\$ 5,927,337	\$ 5,983,480	\$ (56,143)	-0.9%	\$ 33,431,918
News	913,658	970,454	951,987	18,467	1.9%	5,930,482
Retail	1,040,902	1,074,144	1,066,320	7,824	0.7%	5,420,964
Passenger Services	2,334,651	2,641,655	2,409,257	232,398	9.6%	8,847,529
Total Terminal/Other	\$ 10,035,274	\$ 10,613,590	\$ 10,411,044	\$ 202,546	1.9%	\$ 53,630,893
Parking/Ground Transportation						
Parking	\$ 34,823,639	\$ 37,441,394	\$ 36,663,354	\$ 778,040	2.1%	\$ 131,481,962
Ground Transportation Fees	2,331,075	2,621,716	2,407,982	213,734	8.9%	16,720,497
Auto Rental-On Airport	4,854,421	4,865,715	4,863,102	2,613	0.1%	25,382,062
Total Parking/Ground Transportation	42,009,135	44,928,825	43,934,438	994,387	2.3%	173,584,521
Other Concessions	634,512	673,507	656,980	16,527	2.5%	2,989,302
Total Concessions	\$ 52,678,921	\$ 56,215,922	\$ 55,002,462	\$ 1,213,460	2.2%	\$ 230,204,716
Rentals/Fees						
Buildings & Facilities	\$ 4,104,055	\$ 4,323,820	\$ 4,378,840	\$ (55,020)	-1.3%	\$ 17,863,813
Building Auto - CFCs	1,951,714	2,220,849	2,045,277	175,572	8.6%	21,085,326
Ground Rentals	3,393,867	4,272,302	4,263,744	8,558	0.2%	17,065,602
Reliever Airports	2,115,909	2,236,727	2,173,162	63,565	2.9%	10,519,812
Total Rentals/Fees	\$ 11,565,545	\$ 13,053,698	\$ 12,861,023	\$ 192,675	1.5%	\$ 66,534,553
Utilities and Other Revenue						
Utilities	\$ 1,052,942	\$ 1,063,712	\$ 1,066,286	\$ (2,574)	-0.2%	\$ 6,913,292
GA/Airside Fees	1,383,488	1,412,794	1,361,715	51,079	3.8%	7,402,399
MCD Fees	640,040	716,656	689,065	27,591	4.0%	4,942,698
Other Revenues	515,092	819,322	629,100	190,222	30.2%	2,426,819
Reimbursed Expense	883,736	698,865	746,728	(47,863)	-6.4%	3,786,940
Total Utilities and Other Revenue	\$ 4,475,298	\$ 4,711,349	\$ 4,492,894	\$ 218,455	4.9%	\$ 25,472,148
Total Operating Revenue	\$ 112,073,154	\$ 123,047,007	\$ 121,208,717	\$ 1,838,290	1.5%	\$ 507,798,537

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

Budget Variance Report - 1st Quarter 2024

Operating Expense

Non-Operating Revenue & Expense

	2023	2024				Total
	Year to Date	Year To Date		Dollar	%	2024
	Actual	Actual	Budget	Variance	Variance	Budget
<i>Total Operating Revenue</i>	\$ 112,073,154	\$ 123,047,007	\$ 121,208,717	\$ 1,838,290	1.5%	\$ 507,798,537
OPERATING EXPENSE						
Personnel	\$ 29,664,936	\$ 32,197,286	\$ 32,619,861	\$ 422,575	1.3%	\$ 123,531,811
Administrative Expenses	296,273	537,739	555,312	17,573	3.2%	2,276,841
Professional Services	1,411,188	1,445,032	1,542,667	97,635	6.3%	14,638,437
Utilities	4,668,269	2,184,551	2,428,606	244,055	10.0%	24,939,663
Operating Services/Expenses	8,768,731	9,088,682	9,335,285	246,603	2.6%	40,290,401
Maintenance	12,102,023	10,690,251	11,478,060	787,809	6.9%	67,035,005
Other	2,001,006	2,743,646	2,764,715	21,069	0.8%	12,435,044
Total Operating Expense	\$ 58,912,426	\$ 58,887,187	\$ 60,724,506	\$ 1,837,319	3.0%	\$ 285,147,202
<i>(excludes depreciation and noise amortization)</i>						
Net Operating Revenue	\$ 53,160,728	\$ 64,159,820	\$ 60,484,211	\$ 3,675,609	6.1%	\$ 222,651,335
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	\$ 1,882,139	\$ 2,855,847	\$ 2,308,636	\$ 547,211	23.7%	\$ 9,218,000
Unrealized Gain/Loss-Investments	1,216,225	(12,038)	-	(12,038)	-	-
Self-Liquidating Income	146,920	155,415	155,415	-	0.0%	621,658
	\$ 3,245,284	\$ 2,999,224	\$ 2,464,051	\$ 535,173	21.7%	\$ 9,839,658
Debt Service						
Short Term Financing	\$ (470,988)	\$ (994,296)	\$ (994,296)	\$ -	0.0%	\$ (4,811,757)
Bond Principal & Interest	-	-	-	-	0.0%	(129,519,339)
Equipment Financing Principal & Interest	(1,800,697)	(2,502,742)	(2,502,742)	-	0.0%	(7,813,877)
	\$ (2,271,685)	\$ (3,497,038)	\$ (3,497,038)	\$ -	0.0%	\$ (142,144,973)
Equipment						
Capital Expenditures	\$ (317,891)	\$ (386,078)	\$ (425,652)	\$ 39,574	-9.3%	\$ (1,702,609)
Equipment Purchases	(950,060)	(2,759,795)	(2,759,795)	-	0.0%	(34,450,053)
Equipment Financing	-	-	-	-	0.0%	19,000,000
	\$ (1,267,951)	\$ (3,145,873)	\$ (3,185,447)	\$ 39,574	-1.2%	\$ (17,152,662)
Other						
Six Month Reserve Transfer	\$ (13,332,917)	\$ (21,754,094)	\$ (21,754,094)	\$ -	0.0%	\$ (21,649,164)
Grant Reimbursements	-	-	-	-	-	45,000,000
Gain (Loss) on Equipment & Other	128,618	39,134	56,250	(17,116)	-30.4%	(4,275,350)
	\$ (13,204,299)	\$ (21,714,960)	\$ (21,697,844)	\$ (17,116)	0.1%	\$ 19,075,486
Total Non-Operating Revenue (Expense)	\$ (13,498,651)	\$ (25,358,647)	\$ (25,916,278)	\$ 557,631	-2.2%	\$ (130,382,491)
Net Revenue Available for Designation	\$ 39,662,077	\$ 38,801,173	\$ 34,567,933	\$ 4,233,240	12.2%	\$ 92,268,844

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

OPERATING REVENUE

Total Operating Revenue for 1st Quarter year-to-date is over budget \$1,838,290 or 1.5%. The larger variances are explained within Airline Rates & Charges and Concessions categories.

Airline Rates & Charges

Airline Rates & Charges are \$213,700 or 0.4% higher than budget. Although landing Fees are \$1,019,353 lower than projected in the budget from less landed weight in the 1st quarter, Terminal 2 Lobby fees are over budget \$673,859 because airlines had more flights than predicted. Also exceeding the budget by approximately \$500,000 are international flights that were greater than expected at both terminals.

Concessions

Concessions revenue is \$1,213,460 or 2.2% higher than budget. This overage is mainly due to parking revenue, which is \$778,040 greater than budget. Passengers spent more than was expected in the budget. Fees from Transportation Network Companies also exceeded projections.

OPERATING EXPENSE

Total operating expense for 1st Quarter year-to-date is under budget \$1,837,319 or 3.0%. The major components of this variance are in Personnel and Maintenance expense categories.

Personnel

Personnel is under budget \$422,575 or 1.3% from open positions and the time it took to fill open positions.

Maintenance

Maintenance costs are under budget \$787,809 or 6.9%. The weather during 1st quarter was mild and lacked precipitation. Therefore, the need for snow removal equipment was lower than budgeted for a normal winter.