



Metropolitan Airports Commission

TO: Operations, Finance and Administration Committee
FROM: Kathy Fisher, Manager - Budget (612-726-8158)
SUBJECT: **Budget Variance Report – 3rd Quarter 2025**
DATE: October 29, 2025

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 3rd Quarter 2025 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 - 3rd Quarter 2025
Operating Revenue

	2024	2025				Total
	Year to Date	Year To Date		Dollar	%	2025
	Actual	Actual	Budget	Variance	Variance	Budget
OPERATING REVENUE						
Airline Rates & Charges						
Airline Agreement						
Landing Fees	\$ 75,127,318	\$ 80,029,909	\$ 81,270,823	\$ (1,240,914)	-1.5%	\$ 108,272,140
Ramp Fees	7,252,114	7,300,406	7,300,377	29	0.0%	9,733,875
Terminal 1 R & R	4,333,986	4,392,281	4,392,262	19	0.0%	5,856,374
Terminal 1 Building Rent	43,366,838	47,428,671	46,891,818	536,853	1.1%	62,522,676
Terminal 1 Other Rentals	7,673,204	7,786,558	8,411,956	(625,398)	-7.4%	10,784,459
Concessions Rebate	-	-	-	-		(22,739,743)
Total Airline Agreement	137,753,460	146,937,825	148,267,236	(1,329,411)	-0.9%	174,429,781
Terminal 2 Gate Fees	12,735,106	14,110,652	13,201,527	909,125	6.9%	16,481,307
Terminal 2 Other/Passenger Fees	4,856,947	5,047,831	4,977,247	70,584	1.4%	6,572,257
Total Airline Rates & Charges	\$ 155,345,513	\$ 166,096,308	\$ 166,446,010	\$ (349,702)	-0.2%	\$ 197,483,345
Concessions						
Terminal/Other						
Food & Beverage	\$ 22,913,602	\$ 22,297,343	\$ 24,028,434	\$ (1,731,091)	-7.2%	\$ 33,102,188
News	4,016,348	3,971,582	4,178,482	(206,900)	-5.0%	5,839,845
Retail	3,769,285	3,815,366	3,834,258	(18,892)	-0.5%	5,262,291
Passenger Services	7,118,309	7,490,219	7,330,020	160,199	2.2%	9,982,386
Total Terminal/Other	\$ 37,817,544	\$ 37,574,510	\$ 39,371,194	\$ (1,796,684)	-4.6%	\$ 54,186,710
Parking/Ground Transportation						
Parking	\$ 99,923,909	\$ 107,055,975	\$ 107,438,572	\$ (382,597)	-0.4%	\$ 141,435,909
Ground Transportation Fees	11,629,191	12,244,798	12,566,580	(321,782)	-2.6%	18,157,271
Auto Rental-On Airport	19,509,749	19,472,703	19,810,542	(337,839)	-1.7%	24,703,988
Total Parking/Ground Transportation	131,062,849	138,773,476	139,815,694	(1,042,218)	-0.7%	184,297,168
Other Concessions	2,320,021	2,350,688	2,419,775	(69,087)	-2.9%	3,286,667
Total Concessions	\$ 171,200,414	\$ 178,698,674	\$ 181,606,663	\$ (2,907,989)	-1.6%	\$ 241,770,544
Rentals/Fees						
Buildings & Facilities	\$ 13,249,498	\$ 13,925,448	\$ 14,496,048	\$ (570,600)	-3.9%	\$ 19,418,206
Building Auto - CFCs	13,664,371	13,706,231	13,949,388	(243,157)	-1.7%	21,008,114
Ground Rentals	12,923,186	12,781,563	13,154,757	(373,194)	-2.8%	17,550,575
Reliever Airports	8,515,081	8,837,580	7,982,910	854,670	10.7%	11,604,312
Total Rentals/Fees	\$ 48,352,136	\$ 49,250,822	\$ 49,583,103	\$ (332,281)	-0.7%	\$ 69,581,207
Utilities and Other Revenue						
Utilities	\$ 4,500,306	\$ 5,014,438	\$ 4,760,653	\$ 253,785	5.3%	\$ 7,206,814
GA/Airside Fees	5,125,987	5,975,713	5,165,693	810,020	15.7%	7,871,887
MCD Fees	3,345,934	3,501,010	3,768,045	(267,035)	-7.1%	5,480,240
Other Revenues	2,279,850	1,976,560	2,187,938	(211,378)	-9.7%	3,015,426
Reimbursed Expense	3,375,512	1,674,171	1,662,000	12,171	0.7%	3,900,886
Total Utilities and Other Revenue	\$ 18,627,589	\$ 18,141,892	\$ 17,544,329	\$ 597,563	3.4%	\$ 27,475,253
Total Operating Revenue	\$ 393,525,652	\$ 412,187,696	\$ 415,180,105	\$ (2,992,409)	-0.7%	\$ 536,310,349

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

Budget Variance Report - 3rd Quarter 2025

Operating Expense

Non-Operating Revenue & Expense

	2024	2025				Total
	Year to Date	Year To Date		Dollar	%	2025
	Actual	Actual	Budget	Variance	Variance	Budget
Total Operating Revenue	\$ 393,525,652	\$ 412,187,696	\$ 415,180,105	\$ (2,992,409)	-0.7%	\$ 536,310,349

OPERATING EXPENSE

Personnel	\$ 82,132,718	\$ 96,141,269	\$ 94,347,145	\$ (1,794,124)	-1.9%	\$ 129,701,496
Administrative Expenses	1,215,478	1,545,317	1,648,846	103,529	6.3%	2,575,143
Professional Services	6,049,760	6,623,349	7,160,665	537,316	7.5%	14,593,024
Utilities	12,676,561	15,620,574	17,080,128	1,459,554	8.5%	27,351,442
Operating Services/Expenses	24,117,633	30,099,495	30,578,008	478,513	1.6%	45,021,903
Maintenance	35,951,481	45,843,365	46,105,513	262,148	0.6%	70,615,977
Other	4,859,313	5,063,278	5,791,863	728,585	12.6%	12,238,854

Total Operating Expense	\$ 167,002,944	\$ 200,936,647	\$ 202,712,168	\$ 1,775,521	0.9%	\$ 302,097,839
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(excludes depreciation and noise amortization)

Net Operating Revenue	\$ 226,522,708	\$ 211,251,049	\$ 212,467,937	\$ (1,216,888)	-0.6%	\$ 234,212,510
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NON-OPERATING REVENUE (EXPENSE)

	2024	2025				Total
	Year to Date	Year To Date		Dollar	%	2025
	Actual	Actual	Budget	Variance	Variance	Budget
Other Non-Operating Revenue						
Interest Income	\$ 6,953,619	\$ 7,691,270	\$ 7,426,641	\$ 264,629	3.6%	\$ 9,940,160
Unrealized Gain/Loss-Investments	2,617,178	3,984,046	-	3,984,046	-	-
Self-Liquidating Income	414,439	1,047,990	1,496,024	(448,034)	-29.9%	2,012,362
	\$ 9,985,236	\$ 12,723,306	\$ 8,922,665	\$ 3,800,641	42.6%	\$ 11,952,522

Debt Service

Short Term Financing	\$ (2,624,620)	\$ (2,769,078)	\$ (2,769,078)	\$ -	-	\$ (4,000,000)
Equipment Financing Principal & Interest	(3,698,704)	(6,729,594)	(6,729,594)	-	-	(7,986,132)
Bond Principal and Interest Requirement	(28,242,615)	(30,580,068)	(30,580,068)	-	-	(138,478,519)
	\$ (34,565,939)	\$ (40,078,740)	\$ (40,078,740)	\$ -	-	\$ (150,464,651)

Equipment

Capital Expenditures	\$ (1,136,611)	\$ (1,583,164)	\$ (1,711,265)	\$ 128,101	-7.5%	\$ (2,281,687)
Equipment Purchases	(7,359,594)	(20,889,881)	(20,889,881)	-	-	(30,084,110)
Equipment Financing	-	-	-	-	-	15,000,000
	\$ (8,496,205)	\$ (22,473,045)	\$ (22,601,146)	\$ 128,101	-0.6%	\$ (17,365,797)

Other

Six Month Reserve Transfer	\$ (21,754,094)	\$ (8,427,819)	\$ (8,427,819)	\$ -	-	\$ (10,698,620)
Grant Reimbursements		-	-	-	-	-
Gain (Loss) on Equipment & Other	(2,869,134)	120,357	144,000	(23,643)	-16%	192,000
	\$ (24,623,228)	\$ (8,307,462)	\$ (8,283,819)	\$ (23,643)	0.3%	\$ (10,506,620)

Total Non-Operating Revenue (Expense)	\$ (57,700,136)	\$ (58,135,941)	\$ (62,041,040)	\$ 3,905,099	-6.3%	\$ (166,384,546)
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Net Revenue Available for Designation	\$ 168,822,572	\$ 153,115,108	\$ 150,426,897	\$ 2,688,211	1.8%	\$ 67,827,964
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Brackets () Represent Revenue Items under Budget and Expense Items over Budget

OPERATING REVENUE

Total Operating Revenue for 3rd Quarter year-to-date is below budget \$2,992,409 or 0.7%. Passengers were less than projected through 3rd Quarter, which affected passenger-driven revenues.

Airline Rates & Charges

The Airline Rates & Charges revenue category is lower than budget \$349,702 or 0.2%. Landing fees and international arrival fees were lower than projected by \$1,240,914 and \$625,398, respectively from the decrease in passengers. However, \$536,853 of revenue above budget was generated in Terminal 1 Building Rent from an increase in rentable square footage, and another \$909,125 of revenue from higher than budgeted T2 gate use.

Concessions

Concessions revenue is strongly influenced by the level of passengers passing through the terminals, and with fewer passengers than expected, total concessions revenue is \$2,907,989 or 1.6% lower than budget.

Rentals/Fees

The Rentals/Fees category is \$332,281 or 0.7% lower than budget. Revenue from Reliever Airports exceeded the budget by \$854,670 from commercial revenue and fuel flowage fees through 3rd Quarter. Buildings & Facilities revenue and Ground Rentals are under budget primarily from new leases being initiated later than budgeted. Also, auto rental CFCs are slightly below budget as a result of fewer passengers than expected.

Utilities and Other Revenue

The Utilities and Other Revenue category is over budget \$597,563 or 3.4%. General Aviation/Airside Fees were \$810,020 greater than projected through 3rd Quarter from commercial service licensure fees and general aviation fuel sales. This revenue gain was offset by reductions in MCD Fees and Other Revenue which are strongly influenced by passenger levels, which have decreased.

OPERATING EXPENSE

Total Operating Expense for 3rd Quarter year-to-date is below budget \$1,775,521 or 0.9%. Below explains the larger variances.

Personnel

Personnel is over budget \$1,794,124 or 1.9% as employee medical insurance is higher than budget \$2,899,631 from more medical claims than expected. Reducing this over budget variance is Wages that were lower than budget \$539,890 from open positions and the time it takes to fill open positions. Related pension costs were also under budget \$483,552 from open positions.

Utilities

Utility expenses are below budget \$1,459,554 or 8.5% as the amount of electricity used throughout the airport campus was less than projected.

Maintenance

Maintenance is below budget \$262,148 or 0.6%. Field maintenance costs are over budget \$1,607,998 from snow removal materials purchased and snow removal equipment rented to eliminate the snow and ice on the runways during the 1st Quarter winter season. However, cleaning costs are below budget \$1,067,318 as the budget projection for cleaning terrazzo flooring and special projects did not reach actual estimated costs and window cleaning is based on areas cleaned and varies depending on need. Also, equipment and petroleum purchases were \$532,809 lower than expected.

Other

The Other expense category is \$728,585 or 12.6% lower than budget as property insurance costs were less than expected.

NON-OPERATING REVENUE (EXPENSE)

Total Non-Operating Expense for 3rd Quarter year-to-date is lower than budget \$3,905,099 or 6.3%. This variance is mainly caused by the MAC's requirement 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 \$3,984,046 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.