Metropolitan Airports Commission

TO: Operations, Finance and Administration Committee

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

SUBJECT: **Budget Variance Report – July 2026**

DATE: September 2, 2026

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 within these categories up to the approved budgeted or forecasted amounts.

Report

The July 2026 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 - July 2026
Operating Revenue

	2025	2026				Total
	Year to Date Actual	Year To Date Actual	Budget	Dollar Variance	% Variance	2026 Budget
OPERATING REVENUE						
Airline Rates & Charges						
Airline Agreement						
Landing Fees	$ 61,998,528	$ 69,570,614	$ 71,078,835	$ (1,508,221)	-2.1%	$ 123,186,889
Ramp Fees	5,678,094	5,741,680	5,912,019	(170,339)	-2.9%	10,134,890
Airline R & R	3,416,218	3,462,782	3,589,838	(127,056)	-3.5%	6,154,008
Terminal 1 Rentals	36,888,966	39,686,806	40,556,132	(869,326)	-2.1%	69,524,798
Terminal 1 Other Rentals	5,925,557	6,061,390	6,042,894	18,496	0.3%	11,785,159
Concessions Rebate	-	-	-	-		(22,100,723)
Total Airline Agreement	113,907,363	124,523,272	127,179,718	(2,656,446)	-2.1%	198,685,021
Terminal 2 Lobby Fees	11,006,696	12,275,364	11,650,596	624,768	5.4%	18,522,410
Terminal 2 Other/Passenger Fees	4,286,795	4,538,332	4,671,117	(132,785)	-2.8%	7,242,782
Total Airline Rates & Charges	$ 129,200,854	$ 141,336,968	$ 143,501,431	$ (2,164,463)	-1.5%	$ 224,450,213
Concessions						
Terminal/Other						
Food & Beverage	$ 16,455,577	$ 16,318,551	$ 16,414,666	$ (96,115)	-0.6%	$ 31,682,896
News	2,878,466	2,958,106	2,878,496	79,610	2.8%	5,623,470
Retail	2,850,366	2,871,819	2,919,934	(48,115)	-1.6%	5,437,507
Passenger Services	5,894,298	5,964,250	5,786,970	177,280	3.1%	10,476,662
Total Terminal/Other	$ 28,078,707	$ 28,112,726	$ 28,000,066	$ 112,660	0.4%	$ 53,220,535
Parking/Ground Transportation						
Parking	$ 84,618,219	$ 85,353,825	$ 85,185,045	$ 168,780	0.2%	$ 142,810,724
Ground Transportation Fees	8,922,941	9,544,751	9,250,339	294,412	3.2%	18,829,348
Auto Rental-On Airport	12,821,448	13,439,793	13,315,130	124,663	0.9%	24,228,015
Total Parking/Ground Transportation	106,362,608	108,338,369	107,750,514	587,855	0.5%	185,868,087
Other Concessions	1,740,499	1,780,291	1,815,736	(35,445)	-2.0%	3,282,845
Total Concessions	$ 136,181,814	$ 138,231,386	$ 137,566,316	$ 665,070	0.5%	$ 242,371,466
Rentals/Fees						
Buildings & Facilities	$ 10,787,481	$ 11,291,556	$ 11,218,913	$ 72,643	0.6%	$ 19,275,737
Building Auto - CFCs	8,645,223	9,048,760	8,949,251	99,509	1.1%	20,715,859
Ground Rentals	10,125,761	10,635,281	9,858,019	777,262	7.9%	16,553,075
Reliever Airports	6,835,934	7,065,808	6,565,364	500,444	7.6%	13,029,971
Total Rentals/Fees	$ 36,394,399	$ 38,041,405	$ 36,591,547	$ 1,449,858	4.0%	$ 69,574,642
Utilities and Other Revenue						
Utilities	$ 3,463,792	$ 3,518,969	$ 3,418,976	$ 99,993	2.9%	$ 7,697,072
GA/Airside Fees	4,447,059	4,576,704	4,326,740	249,964	5.8%	8,784,243
MCD Fees	2,538,851	2,540,062	2,587,046	(46,984)	-1.8%	5,225,694
Other Revenues	1,598,513	2,162,473	1,537,041	625,432	40.7%	2,551,631
Reimbursed Expense	1,796,346	1,540,925	1,969,394	(428,469)	-21.8%	4,254,478
Total Utilities and Other Revenue	$ 13,844,561	$ 14,339,133	$ 13,839,197	$ 499,936	3.6%	$ 28,513,118
Total Operating Revenue	**$ 315,621,628**	**$ 331,948,892**	**$ 331,498,491**	**$ 450,401**	**0.1%**	**$ 564,909,440**

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

Budget Variance Report - July 2026
Operating Expense
Non-Operating Revenue & Expense

	2025	2026				Total
	Year to Date	Year To Date		Dollar	%	2026
	Actual	Actual	Budget	Variance	Variance	Budget
Total Operating Revenue	*$ 315,621,628*	*$ 331,948,892*	*$ 331,498,491*	*$ 450,401*	*0.1%*	*$ 564,909,440*
OPERATING EXPENSE						
Personnel	$ 73,825,197	$ 81,762,574	$ 80,268,136	$ (1,494,438)	-1.9%	$ 140,699,852
Administrative Expenses	1,257,838	1,187,690	1,269,576	81,886	6.4%	2,567,009
Professional Services	4,875,518	4,842,683	5,064,760	222,077	4.4%	14,070,374
Utilities	11,382,706	13,475,856	13,220,893	(254,963)	-1.9%	24,727,709
Operating Services/Expenses	22,398,974	25,339,326	25,688,718	349,392	1.4%	48,109,729
Maintenance	37,526,535	42,807,716	38,055,914	(4,751,802)	-12.5%	74,094,733
Other	4,917,010	4,231,997	4,509,865	277,868	6.2%	7,737,246
Total Operating Expense	**$ 156,183,778**	**$ 173,647,842**	**$ 168,077,862**	**$ (5,569,980)**	**-3.3%**	**$ 312,006,652**
(excludes depreciation and noise amortization)						
Net Operating Revenue	**$ 159,437,850**	**$ 158,301,050**	**$ 163,420,629**	**$ (5,119,579)**	**-3.1%**	**$ 252,902,788**

NON-OPERATING REVENUE (EXPENSE)

	2025	2026				Total
	Year to Date	Year To Date		Dollar	719	2026
	Actual	Actual	Budget	Variance	Variance	Budget
Other Non-Operating Revenue						
Interest Income	$ 5,888,737	$ 6,190,652	$ 5,404,341	$ 786,311	14.5%	$ 9,264,824
Unrealized Gain/Loss-Investments	2,246,683	(247,800)	-	(247,800)	-	-
Self-Liquidating Income	819,487	1,836,158	1,836,158	-	0.0%	3,145,717
	$ 8,954,907	$ 7,779,010	$ 7,240,499	$ 538,511	7.4%	$ 12,410,541
Debt Service						
Short Term Financing	$ (2,143,143)	$ (847,170)	$ (847,170)	$ -	0.0%	$ (3,035,039)
Equipment Financing Principal & Interest	(3,678,229)	(4,046,253)	(4,046,253)	-	0.0%	(9,812,347)
Bond Principal & Interest	(30,580,068)	(30,010,764)	(30,010,764)	-	0.0%	(146,027,175)
	$ (36,401,440)	$ (34,904,187)	$ (34,904,187)	$ -	0.0%	$ (158,874,561)
Equipment						
Capital Expenditures	$ (1,233,715)	$ (1,361,804)	$ (1,393,438)	$ 31,634	-2.3%	$ (2,388,750)
Equipment Purchases	(18,363,607)	(12,494,659)	(12,494,659)	-	0.0%	(43,612,805)
Equipment Financing	-	-	-	-	0.0%	25,500,000
	$ (19,597,322)	$ (13,856,463)	$ (13,888,097)	$ 31,634	-0.2%	$ (20,501,555)
Other						
Six Month Reserve Transfer	$ (8,427,819)	$ (4,615,406)	$ (4,615,406)	$ -	0.0%	$ (4,615,406)
Gain (Loss) on Equipment & Other	32,872	(287,221)	93,333	(380,554)	-407.7%	160,000
	$ (8,394,947)	$ (4,902,627)	$ (4,522,073)	$ (380,554)	8.4%	$ (4,455,406)
Total Non-Operating Revenue (Expense)	**$ (55,438,802)**	**$ (45,884,267)**	**$ (46,073,858)**	**$ 189,591**	**-0.4%**	**$ (171,420,981)**
Net Revenue Available for Designation	***$ 103,999,048***	***$ 112,416,783***	***$ 117,346,771***	***$ (4,929,988)***	***-4.2%***	***$ 81,481,807***

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

OPERATING REVENUE

Total Operating Revenue for July year-to-date is slightly over budget by $450,401 or 0.1%. The larger variances are explained within the following categories.

Airline Rates & Charges

Revenue from Airline Rates & Charges is below budget by $2,164,463 or 1.5%. Enplanements through July were 3.1% below the forecast, which affected revenue in this category.

Concessions

Concessions revenue exceeded the budget by $665,070 or 0.5%. This performance was primarily driven by stronger-than-expected results in passenger services, particularly identity services, as well as increased ground transportation fee collections associated with elevated demand for ride-hailing activity. Passenger services and ground transportation fees exceeded budgeted expectations by $177,280 and $294,412, respectively.

Rentals/Fees

Revenue from Rentals/Fees is greater than budget by $1,449,858 or 4.0%. Contributing to this variance was a new fueling agreement that was executed after the budget was developed. Also, Revenue from Reliever Airports exceeded the budget by $992,483 or 8.6% from greater commercial revenue and fuel flowage fees.

Utilities and Other Revenue

Utilities and Other Revenue exceeded the budget by $499,936, or 3.6%. This favorable variance was driven primarily by multiple sponsorship agreements, including one major agreement, which together generated $212,106 above the projected level. Additionally, activity related to Signature and general aviation outperformed expectations by $249,964. The remaining positive variance reflects contributions from miscellaneous revenue sources. These favorable results were partially offset by the timing of reimbursed expenses.

OPERATING EXPENSE

Total Operating Expense for July year-to-date is over budget by $5,569,980 or 3.3%. The larger variances are explained below.

Personnel

Personnel costs are over budget by $1,494,438 or 1.9%. This variance results from the following factors:

- Overtime exceeded the budget by $781,724, and temporary employee costs were higher than budget by $279,618. These increases were primarily due to the additional field maintenance support required for multiple winter weather events during the first quarter of 2026.
- Medical claims were $1,023,257 over budget, largely attributable to retiree claims. These costs will be reduced by Other Post Employee Benefits (OPEB).
- The Minnesota Paid Leave requirement was not in effect until after the budget was approved. This cost added $299,657 to the variance.
- These overages were partially mitigated by $838,457 in savings from vacant positions.

Maintenance

Maintenance expenses exceeded the budget by $4,751,802 or 12.5%. This variance is primarily due to additional snow removal materials and contracted services required to maintain safe runway conditions during multiple winter weather events in the first quarter.

NON-OPERATING EXPENSE

Non-Operating Expense is below budget by $189,591 or 0.4%. Interest income exceeded the budget by $786,311 due to higher-than-expected investment interest rates. However, the loss on Equipment & Other was greater than budget by $380,554, offsetting the favorable interest income variance.