



Metropolitan Airports Commission

TO: Operations, Finance and Administration Committee

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

SUBJECT: **Budget Variance Report – February 2022**

DATE: March 30, 2022

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 February 2022 Operating Budget Variance Report is attached which summarizes year-to-date revenue and expenses and variances from budgeted amounts.

Metropolitan Airports Commission
 Budget Variance Report - February 2022
 Operating Revenue

	2021	2022				Total 2022 Budget
	Year to Date Actual	Year To Date Actual	Budget	Dollar Variance	% Variance	
OPERATING REVENUE						
Airline Rates & Charges						
Airline Agreement						
Landing Fees	\$ 7,531,473	\$ 10,471,712	\$ 10,197,813	\$ 273,899	2.7%	\$ 72,841,520
Ramp Fees	1,073,045	1,073,045	1,109,141	(36,096)	-3.3%	6,654,847
Airline R & R	878,884	898,939	907,648	(8,709)	-1.0%	5,467,757
Terminal 1 Rentals	5,335,362	7,455,278	7,455,278	-	0.0%	40,386,342
Terminal 1 Other Rentals	839,358	1,127,491	1,070,785	56,706	5.3%	9,040,732
Concessions Rebate	-	-	-	-		(16,255,417)
Total Airline Agreement	15,658,122	21,026,465	20,740,665	285,800	1.4%	118,135,781
Terminal 2 Lobby Fees	936,665	1,563,520	1,454,526	108,994	7.5%	10,601,014
Terminal 2 Other/Passenger Fees	406,543	626,964	579,863	47,101	8.1%	3,323,285
Total Airline Rates & Charges	\$ 17,001,330	\$ 23,216,949	\$ 22,775,054	\$ 441,895	1.9%	\$ 132,060,080
Concessions						
Terminal/Other						
Food & Beverage	\$ 2,657,421	\$ 3,139,095	\$ 3,129,493	\$ 9,602	0.3%	\$ 21,398,705
News	375,526	519,631	497,581	22,050	4.4%	4,039,040
Retail	706,048	618,693	681,704	(63,011)	-9.2%	4,528,962
Passenger Services	1,567,563	1,620,413	1,602,063	18,350	1.1%	6,659,970
Total Terminal/Other	\$ 5,306,558	\$ 5,897,832	\$ 5,910,841	\$ (13,009)	-0.2%	\$ 36,626,677
Parking/Ground Transportation						
Parking	\$ 6,904,003	\$ 15,040,837	\$ 14,036,448	\$ 1,004,389	7.2%	\$ 86,797,790
Ground Transportation Fees	486,750	817,108	882,282	(65,174)	-7.4%	10,284,819
Auto Rental-On Airport	488,864	3,215,356	3,202,494	12,862	0.4%	19,292,134
Total Parking/Ground Transportation	7,879,617	19,073,301	18,121,224	952,077	5.3%	116,374,743
Other Concessions	350,767	380,125	383,206	(3,081)	-0.8%	2,506,057
Total Concessions	\$ 13,536,942	\$ 25,351,258	\$ 24,415,271	\$ 935,987	3.8%	\$ 155,507,477
Rentals/Fees						
Buildings & Facilities	\$ 2,153,018	\$ 2,613,908	\$ 2,535,450	\$ 78,458	3.1%	\$ 15,181,278
Building Auto - CFC's	659,455	844,691	812,572	32,119	4.0%	15,973,559
Ground Rentals	1,831,277	2,047,124	2,106,466	(59,342)	-2.8%	13,291,963
Reliever Airports	1,196,325	1,329,373	1,300,424	28,949	2.2%	9,017,580
Total Rentals/Fees	\$ 5,840,075	\$ 6,835,096	\$ 6,754,912	\$ 80,184	1.2%	\$ 53,464,380
Utilities and Other Revenue						
Utilities	\$ 382,670	\$ 470,757	\$ 474,775	\$ (4,018)	-0.8%	\$ 5,196,430
GA/Airside Fees	474,431	379,010	375,768	3,242	0.9%	6,039,405
MCD Fees	139,728	243,444	234,557	8,887	3.8%	3,272,410
Other Revenues	285,139	380,362	346,587	33,775	9.7%	1,975,913
Reimbursed Expense	183,000	227,682	243,564	(15,882)	-6.5%	3,154,000
Total Utilities and Other Revenue	\$ 1,464,968	\$ 1,701,255	\$ 1,675,251	\$ 26,004	1.6%	\$ 19,638,158
Total Operating Revenue	\$ 37,843,315	\$ 57,104,558	\$ 55,620,488	\$ 1,484,070	2.7%	\$ 360,670,095

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

Budget Variance Report - February 2022
Operating Expense
Non-Operating Revenue & Expense

	2021	2022				Total
	Year to Date	Year To Date		Dollar	%	2022
	Actual	Actual	Budget	Variance	Variance	Budget
<i>Total Operating Revenue</i>	\$ 37,843,315	\$ 57,104,558	\$ 55,620,488	\$ 1,484,070	2.7%	\$ 360,670,095
OPERATING EXPENSE						
Personnel	\$ 14,839,463	\$ 14,226,857	\$ 14,271,478	\$ 44,621	0.3%	\$ 100,679,525
Administrative Expenses	293,392	200,157	207,342	7,185	3.5%	1,464,985
Professional Services	289,150	424,524	440,418	15,894	3.6%	7,392,117
Utilities	1,015,286	2,129,321	2,187,688	58,367	2.7%	21,518,919
Operating Services/Expenses	3,201,502	5,218,261	5,312,874	94,613	1.8%	32,004,333
Maintenance	3,178,143	4,710,998	4,902,510	191,512	3.9%	45,767,349
Other	1,066,446	1,327,734	1,323,564	(4,170)	-0.3%	6,145,952
Total Operating Expense	\$ 23,883,382	\$ 28,237,852	\$ 28,645,874	\$ 408,022	1.4%	\$ 214,973,180
<i>(excludes depreciation and noise amortization)</i>						
Net Operating Revenue	\$ 13,959,933	\$ 28,866,706	\$ 26,974,614	\$ 1,892,092	7.0%	\$ 145,696,915
NON-OPERATING REVENUE (EXPENSE)						
	2021	2022				Total
	Year to Date	Year To Date		Dollar	%	2022
	Actual	Actual	Budget	Variance	Variance	Budget
Other Non-Operating Revenue						
Interest Income	\$ 442,000	\$ (418,995)	\$ -	\$ (418,995)		\$ 5,107,000
Self-Liquidating Income	554,000	582,229	582,229	-	0.0%	2,079,000
	\$ 996,000	\$ 163,234	\$ 582,229	\$ (418,995)	-72.0%	7,186,000
Debt Service						
Short Term Financing	\$ (104,000)	\$ (75,716)	\$ (75,716)	\$ -	0.0%	\$ (7,896,000)
Equip Financing Principal/Int Payments	(223,000)	(824,153)	(824,153)	-	0.0%	(4,415,000)
Bond Principal/Interest Payments	-	-	-	-		(100,882,500)
	\$ (327,000)	\$ (899,869)	\$ (899,869)	\$ -	0.0%	\$ (113,193,500)
Equipment						
Capital Expenditures	\$ (181,000)	\$ (191,455)	\$ (191,455)	\$ -	0.0%	\$ (1,150,000)
Equipment Purchases	(1,387,000)	(688,384)	(688,384)	-	0.0%	(13,003,050)
Equipment Financing	-	-	-	-		2,850,000
	\$ (1,568,000)	\$ (879,839)	\$ (879,839)	\$ -	0.0%	\$ (11,303,050)
Other						
Six Month Reserve Transfer	\$ -	\$ (1,234,909)	\$ (1,234,909)	\$ -	0.0%	\$ (1,234,909)
Grant Reimbursements	-	-	-	-		11,014,428
Gain (Loss) on Equipment & Other	25,000	(17,523)	30,000	(47,523)	-158.4%	180,000
	\$ 25,000	\$ (1,252,432)	\$ (1,204,909)	\$ (47,523)	3.9%	\$ 9,959,519
Total Non-Operating Revenue (Expense)	\$ (874,000)	\$ (2,868,906)	\$ (2,402,388)	\$ (466,518)	19.4%	\$ (107,351,031)
Net Revenue Available for Designation	\$ 13,085,933	\$ 25,997,800	\$ 24,572,226	\$ 1,425,574	5.8%	\$ 38,345,884

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

OPERATING REVENUE

Total operating revenue for February year-to-date is over budget \$1,484,070 or 2.7%. Revenue from Airline Rates & Charges and Concessions are the main sources of this positive variance.

Airline Rates & Charges

Revenue from Airline Rates & Charges is over budget \$441,895 or 1.9% which results from slightly higher airline activity in January and February than was anticipated in the budget.

Concessions

Concessions revenue is \$935,987 or 3.8% higher than budget as Parking is greater than budget \$1,004,389 or 7.2%. The increase in Parking is due to the continued recovery from the pandemic and increased passengers.

OPERATING EXPENSE

Total Operating Expense for February year-to-date is under budget \$408,022 or 1.4%. There are no major variances in any of the expense categories through February.

NON-OPERATING REVENUE (EXPENSE)

Total Non-Operating Expense for February year-to-date is higher than budget \$466,518 or 19.4%. The following factors are creating this variance.

Other Non-Operating Revenue

Other Non-Operating Revenue is lower than budget \$418,995 or 72.0%. Interest Income is below budget due to a decrease in the market value of existing investments from the current rising interest rate environment. The decrease in market value exceeded interest income earned during this period. Since the MAC typically holds investments to maturity, these fluctuations in value are temporary unless the investment is sold. The stated coupon rate is still received.

Other

Other Non-Operating Expense is over budget \$47,523 or 3.9%. This variance is due to costs related to the Terminal 2 boarding bridge that was damaged from strong winds in 2021. The MAC expects to be reimbursed by insurance for these costs.