



Metropolitan Airports Commission

TO: Operations, Finance and Administration Committee

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

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

DATE: August 28, 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 July 2024 Budget Variance Report is attached, which summarizes year-to-date operating and non-operating revenue and expenses and variances from budgeted amounts.

	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	\$ 49,248,875	\$ 57,487,835	\$ 59,058,094	\$ (1,570,259)	-2.7%	\$ 105,085,577
Ramp Fees	4,387,647	5,640,533	5,640,490	43	0.0%	9,669,451
Airline R & R	3,350,106	3,370,119	3,383,752	(13,633)	-0.4%	5,800,743
Terminal 1 Rentals	30,111,813	33,725,138	33,631,311	93,827	0.3%	57,653,908
Terminal 1 Other Rentals	5,641,203	5,917,188	5,368,198	548,990	10.2%	9,936,241
Concessions Rebate	-	-	-	-		(23,154,590)
Total Airline Agreement	92,739,644	106,140,813	107,081,845	(941,032)	-0.9%	164,991,330
Terminal 2 Lobby Fees	8,524,415	10,475,422	9,078,197	1,397,225	15.4%	15,180,930
Terminal 2 Other/Passenger Fees	3,139,455	4,030,484	3,476,599	553,885	15.9%	5,414,860
Total Airline Rates & Charges	\$ 104,403,514	\$ 120,646,719	\$ 119,636,641	\$ 1,010,078	0.8%	\$ 185,587,120
Concessions						
Terminal/Other						
Food & Beverage	\$ 15,657,704	\$ 16,874,077	\$ 16,982,625	\$ (108,548)	-0.6%	\$ 33,431,918
News	2,735,974	2,895,294	2,974,588	(79,294)	-2.7%	5,930,482
Retail	2,776,505	2,839,127	2,902,922	(63,795)	-2.2%	5,420,964
Passenger Services	5,033,750	5,597,982	5,128,709	469,273	9.1%	8,847,529
Total Terminal/Other	\$ 26,203,933	\$ 28,206,480	\$ 27,988,844	\$ 217,636	0.8%	\$ 53,630,893
Parking/Ground Transportation						
Parking	\$ 75,734,663	\$ 79,662,895	\$ 79,816,380	\$ (153,485)	-0.2%	\$ 131,481,962
Ground Transportation Fees	7,485,747	8,365,889	7,789,369	576,520	7.4%	16,720,497
Auto Rental-On Airport	12,454,245	12,836,803	12,922,341	(85,538)	-0.7%	25,382,062
Total Parking/Ground Transportation	95,674,655	100,865,587	100,528,090	337,497	0.3%	173,584,521
Other Concessions	1,682,143	1,725,536	1,693,597	31,939	1.9%	2,989,302
Total Concessions	\$ 123,560,731	\$ 130,797,603	\$ 130,210,531	\$ 587,072	0.5%	\$ 230,204,716
Rentals/Fees						
Buildings & Facilities	\$ 9,710,240	\$ 10,290,238	\$ 10,352,032	\$ (61,794)	-0.6%	\$ 17,863,813
Building Auto - CFCs	7,923,499	8,587,208	8,413,046	174,162	2.1%	21,085,326
Ground Rentals	9,206,502	10,051,683	9,948,738	102,945	1.0%	17,065,602
Reliever Airports	6,069,784	6,411,303	6,066,594	344,709	5.7%	10,519,812
Total Rentals/Fees	\$ 32,910,025	\$ 35,340,432	\$ 34,780,410	\$ 560,022	1.6%	\$ 66,534,553
Utilities and Other Revenue						
Utilities	\$ 3,405,828	\$ 3,146,572	\$ 3,170,432	\$ (23,860)	-0.8%	\$ 6,913,292
GA/Airside Fees	3,768,835	3,923,906	3,822,036	101,870	2.7%	7,402,399
MCD Fees	2,220,057	2,412,338	2,382,894	29,444	1.2%	4,942,698
Other Revenues	1,342,990	1,623,302	1,398,464	224,838	16.1%	2,426,819
Reimbursed Expense	1,899,021	2,300,586	2,209,034	91,552	4.1%	3,786,940
Total Utilities and Other Revenue	\$ 12,636,731	\$ 13,406,704	\$ 12,982,860	\$ 423,844	3.3%	\$ 25,472,148
Total Operating Revenue	\$ 273,511,001	\$ 300,191,458	\$ 297,610,442	\$ 2,581,016	0.9%	\$ 507,798,537

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

Budget Variance Report - July 2024
Operating Expense
Non-Operating Revenue & Expense

	2023		2024			Total 2024 Budget
	Year to Date	Year To Date		Dollar	%	
	Actual	Actual	Budget	Variance	Variance	
Total Operating Revenue	\$ 273,511,001	\$ 300,191,458	\$ 297,610,442	\$ 2,581,016	0.9%	\$ 507,798,537
OPERATING EXPENSE						
Personnel	\$ 62,345,070	\$ 68,945,731	\$ 70,703,656	\$ 1,757,925	2.5%	\$ 123,570,956
Administrative Expenses	793,237	1,132,003	1,185,826	53,823	4.5%	2,276,841
Professional Services	4,558,553	5,230,959	5,382,256	151,297	2.8%	14,634,937
Utilities	12,742,484	9,369,216	9,595,969	226,753	2.4%	24,939,663
Operating Services/Expenses	19,164,735	21,318,941	21,430,921	111,980	0.5%	40,290,401
Maintenance	29,762,823	28,908,588	28,557,946	(350,642)	-1.2%	67,035,005
Other	4,262,354	4,868,501	5,026,087	157,586	3.1%	12,435,044
Total Operating Expense	\$ 133,629,256	\$ 139,773,939	\$ 141,882,661	\$ 2,108,722	1.5%	\$ 285,182,847

(excludes depreciation and noise amortization)

Net Operating Revenue	\$ 139,881,745	\$ 160,417,519	\$ 155,727,781	\$ 4,689,738	3.0%	\$ 222,615,690
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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	\$ 4,881,611	\$ 6,220,545	\$ 5,377,484	\$ 843,061	15.7%	\$ 9,218,000
Unrealized Gain/Loss-Investments	1,009,753	1,641,238	-	1,641,238	-	-
Self-Liquidating Income	342,814	362,634	362,634	-	-	621,658
	\$ 6,234,178	\$ 8,224,417	\$ 5,740,118	\$ 2,484,299	43.3%	\$ 9,839,658
Debt Service						
Short Term Financing	\$ (1,123,936)	(2,302,434)	\$ (2,302,434)	-	-	\$ (4,811,757)
Equipment Financing Principal & Interest	(2,196,169)	(2,828,111)	(2,828,111)	-	-	(7,813,877)
Bond Principal & Interest	(26,274,825)	(28,242,615)	(28,242,615)	-	-	(129,519,339)
	\$ (29,594,930)	\$ (33,373,160)	\$ (33,373,160)	-	-	\$ (142,144,973)
Equipment						
Capital Expenditures	\$ (797,267)	\$ (1,005,510)	\$ (993,189)	\$ (12,321)	1.2%	\$ (1,702,609)
Equipment Purchases	(5,581,780)	(6,118,741)	(6,118,741)	-	-	(34,450,053)
Equipment Financing	-	-	-	-	-	19,000,000
	\$ (6,379,047)	\$ (7,124,251)	\$ (7,111,930)	\$ (12,321)	0.2%	\$ (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	2,068,947	(67,804)	131,250	(199,054)	-151.7%	(4,275,350)
	\$ 8,736,030	\$ (21,821,898)	\$ (21,622,844)	\$ (199,054)	0.9%	\$ 19,075,486
Total Non-Operating Revenue (Expense)	\$ (21,003,769)	\$ (54,094,892)	\$ (56,367,816)	\$ 2,272,924	-4.0%	\$ (130,382,491)

Net Revenue Available for Designation	\$ 118,877,976	\$ 106,322,627	\$ 99,359,965	\$ 6,962,662	7.0%	\$ 92,233,199
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Brackets () Represent Revenue Items under Budget and Expense Items over Budget

OPERATING REVENUE

Total Operating Revenue for July year-to-date is over budget \$2,581,016 or 0.9%. The larger variances are explained within the Airline Rates & Charges, Concessions and Rentals/Fees categories.

Airline Rates & Charges

Airline Rates & Charges are \$1,010,078 or 0.8% higher than budget. Although landing Fees were \$1,570,259 lower than projected in the budget from less landed weight through July, Terminal 2 Lobby fees were over budget \$1,397,225 as airlines had more flights than predicted. Also, international flights at both terminals were greater than expected and exceeded the budget by \$801,192.

Concessions

Concessions revenue is \$587,072 or 0.5% over budget. Terminal concessions were relatively flat compared to the budget. Passengers spent slightly less than projected on food & beverage, news and retail concessions. However, this gap in terminal concessions revenue was offset by passenger services that exceeded the budget by \$469,273.

Ground transportation is greater than budget \$337,497 or 0.3% as revenue from Transportation Network Companies exceeded the budget projection by \$572,891. This variance is offset by Parking revenue that was slightly below budget \$153,485.

Rentals/Fees

Rentals/Fees are higher than budget \$560,022 or 1.6%. The main player in this overage is Reliever Airports revenue that exceeded projections by \$344,709 from increased commercial business rent and other miscellaneous revenues. Auto Rental CFCs and Ground Rent revenue mildly exceeded the budget as well at \$174,162 and \$102,945, respectively.

OPERATING EXPENSE

Total operating expense for July year-to-date is under budget \$2,108,722 or 1.5%. Personnel and Maintenance costs hold the larger budget variances.

Personnel

Personnel is under budget \$1,757,925 or 2.5% mainly from open positions and the time it takes to fill open positions.

Maintenance

Maintenance costs are over budget \$350,642 or 1.2%. Snow removal materials were purchased for the upcoming winter season and cost more than expected.

NON-OPERATING REVENUE (EXPENSE)

Non-Operating Expense for July year-to-date is lower than budget \$2,272,924 or 4.0%. This reduction in non-operating expenses is mainly due to interest income that exceeded the budget \$843,061 because of higher interest rates on investments than what was budgeted. Additionally, 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 \$1,641,238 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.