



Metropolitan Airports Commission

TO: Operations, Finance and Administration Committee
FROM: Kathy Fisher, Manager - Budget (612-726-8158)
SUBJECT: **Budget Variance Report – February 2025**
DATE: April 2, 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 February 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 - February 2025
Operating Revenue

	2024	2025				Total
	Year to Date Actual	Year To Date Actual	Budget	Dollar Variance	% Variance	2025 Budget
OPERATING REVENUE						
Airline Rates & Charges						
Airline Agreement						
Landing Fees	\$ 14,245,098	\$ 15,642,296	\$ 15,481,819	\$ 160,477	1.0%	\$ 108,272,140
Ramp Fees	1,611,581	1,622,313	1,622,306	7	0.0%	9,733,875
Airline R & R	962,038	976,062	976,058	4	0.0%	5,856,374
Terminal 1 Rentals	9,627,830	10,539,704	10,420,404	119,300	1.1%	62,522,676
Terminal 1 Other Rentals	1,276,535	1,318,024	1,353,018	(34,994)	-2.6%	10,784,459
Concessions Rebate	-	-	-	-		(22,739,743)
Total Airline Agreement	27,723,082	30,098,399	29,853,605	244,794	0.8%	174,429,781
Terminal 2 Lobby Fees	2,510,471	2,523,496	2,637,009	(113,513)	-4.3%	16,481,307
Terminal 2 Other/Passenger Fees	777,402	912,203	957,989	(45,786)	-4.8%	6,572,257
Total Airline Rates & Charges	\$ 31,010,955	\$ 33,534,098	\$ 33,448,603	\$ 85,495	0.3%	\$ 197,483,345
Concessions						
Terminal/Other						
Food & Beverage	\$ 3,582,672	\$ 3,741,103	\$ 3,830,055	\$ (88,952)	-2.3%	\$ 33,102,188
News	579,122	586,339	590,359	(4,020)	-0.7%	5,839,845
Retail	703,325	711,701	713,253	(1,552)	-0.2%	5,262,291
Passenger Services	1,957,921	2,029,875	1,998,842	31,033	1.6%	9,982,386
Total Terminal/Other	\$ 6,823,040	\$ 7,069,018	\$ 7,132,509	\$ (63,491)	-0.9%	\$ 54,186,710
Parking/Ground Transportation						
Parking	\$ 23,194,438	\$ 24,019,093	\$ 24,298,864	\$ (279,771)	-1.2%	\$ 141,435,909
Ground Transportation Fees	1,423,879	1,476,243	1,498,884	(22,641)	-1.5%	18,157,271
Auto Rental-On Airport	3,237,924	3,231,713	3,231,713	-	0.0%	24,703,988
Total Parking/Ground Transportation	27,856,241	28,727,049	29,029,461	(302,412)	-1.0%	184,297,168
Other Concessions	434,627	430,920	455,260	(24,340)	-5.3%	3,286,667
Total Concessions	\$ 35,113,908	\$ 36,226,987	\$ 36,617,230	\$ (390,243)	-1.1%	\$ 241,770,544
Rentals/Fees						
Buildings & Facilities	\$ 2,859,038	\$ 3,067,655	\$ 3,128,443	\$ (60,788)	-1.9%	\$ 19,418,206
Building Auto - CFCs	1,079,470	1,150,890	1,176,454	(25,564)	-2.2%	21,008,114
Ground Rentals	2,851,880	2,876,537	2,925,096	(48,559)	-1.7%	17,550,575
Reliever Airports	1,510,070	1,832,556	1,688,645	143,911	8.5%	11,604,312
Total Rentals/Fees	\$ 8,300,458	\$ 8,927,638	\$ 8,918,638	\$ 9,000	0.1%	\$ 69,581,207
Utilities and Other Revenue						
Utilities	\$ 700,342	\$ 770,504	\$ 771,503	\$ (999)	-0.1%	\$ 7,206,814
GA/Airside Fees	798,314	909,400	842,427	66,973	8.0%	7,871,887
MCD Fees	359,256	414,814	426,233	(11,419)	-2.7%	5,480,240
Other Revenues	406,611	590,190	458,319	131,871	28.8%	3,015,426
Reimbursed Expense	471,121	166,879	160,000	6,879	4.3%	3,900,886
Total Utilities and Other Revenue	\$ 2,735,644	\$ 2,851,787	\$ 2,658,482	\$ 193,305	7.3%	\$ 27,475,253
Total Operating Revenue	\$ 77,160,965	\$ 81,540,510	\$ 81,642,953	\$ (102,443)	-0.1%	\$ 536,310,349

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

Budget Variance Report - February 2025

Operating Expense

Non-Operating Revenue & Expense

	2024		2025			Total
	Year to Date	Year To Date		Dollar	%	2025
	Actual	Actual	Budget	Variance	Variance	Budget
<i>Total Operating Revenue</i>	\$ 77,160,965	\$ 81,540,510	\$ 81,642,953	\$ (102,443)	-0.1%	\$ 536,310,349
OPERATING EXPENSE						
Personnel	\$ 17,815,131	\$ 23,617,358	\$ 23,669,327	\$ 51,969	0.2%	\$ 129,801,496
Administrative Expenses	236,075	425,060	393,245	(31,815)	-8.1%	2,556,543
Professional Services	286,329	202,065	289,044	86,979	30.1%	15,462,624
Utilities	1,344,232	564,910	630,367	65,457	10.4%	27,351,442
Operating Services/Expenses	6,557,818	8,064,877	8,234,078	169,201	2.1%	43,950,903
Maintenance	6,778,865	10,377,915	9,729,380	(648,535)	-6.7%	70,615,977
Other	2,713,396	695,388	703,947	8,559	1.2%	12,263,854
Total Operating Expense	\$ 35,731,846	\$ 43,947,573	\$ 43,649,388	\$ (298,185)	-0.7%	\$ 302,002,839

(excludes depreciation and noise amortization)

Net Operating Revenue	\$ 41,429,119	\$ 37,592,937	\$ 37,993,565	\$ (400,628)	-1.1%	\$ 234,307,510
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NON-OPERATING REVENUE (EXPENSE)

	2024		2025			Total
	Year to Date	Year To Date		Dollar	%	2024
	Actual	Actual	Budget	Variance	Variance	Budget
Other Non-Operating Revenue						
Interest Income	\$ 1,636,763	\$ 1,282,000	\$ 1,650,365	\$ (368,365)	-22.3%	\$ 9,940,160
Unrealized Gain/Loss-Investments	\$ (273,614)	1,074,062	-	1,074,062	-	-
Self-Liquidating Income	103,610	238,367	238,367	-	0.0%	2,012,362
	\$ 1,466,759	\$ 2,594,429	\$ 1,888,732	\$ 705,697	37.4%	\$ 11,952,522
Debt Service						
Short Term Financing	\$ (687,297)	\$ (615,356)	\$ (615,356)	\$ -	0.0%	\$ (4,000,000)
Equipment Financing Principal & Interest	(900,885)	(860,122)	(860,122)	-	0.0%	(7,986,132)
Bond Principal and Interest Requirement	-	-	-	-	0.0%	(138,478,519)
	\$ (1,588,182)	\$ (1,475,478)	\$ (1,475,478)	\$ -	0.0%	\$ (150,464,651)
Equipment						
Capital Expenditures	\$ (253,025)	\$ (295,802)	\$ (380,281)	\$ 84,479	-22.2%	\$ (2,281,687)
Equipment Purchases	(2,393,586)	(3,174,566)	(3,174,566)	-	0.0%	(30,084,110)
Equipment Financing	-	-	-	-	0.0%	15,000,000
	\$ (2,646,611)	\$ (3,470,368)	\$ (3,554,847)	\$ 84,479	-2.4%	\$ (17,365,797)
Other						
Six Month Reserve Transfer	\$ (21,754,094)	\$ (8,427,819)	\$ (8,427,819)	\$ -	0.0%	\$ (10,698,620)
Grant Reimbursements	45,079,910	-	-	-	0.0%	-
Gain (Loss) on Equipment & Other	20,679	-	32,000	(32,000)	-100.0%	192,000
	\$ 23,346,495	\$ (8,427,819)	\$ (8,395,819)	\$ (32,000)	0.4%	\$ (10,506,620)

Total Non-Operating Revenue (Expense)	\$ 20,578,461	\$ (10,779,236)	\$ (11,537,412)	\$ 758,176	-6.6%	\$ (166,384,546)
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Net Revenue Available for Designation	\$ 62,007,580	\$ 26,813,701	\$ 26,456,153	\$ 357,548	1.4%	\$ 67,922,964
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Brackets () Represent Revenue Items under Budget and Expense Items over Budget

OPERATING REVENUE

Total Operating Revenue for February year-to-date is slightly under budget \$102,443 or 0.1%. Passengers were less than projected through February, which affected revenue in a number of areas, including concessions that are below budget \$390,243. However, the Utilities and Other Revenue category is over budget \$193,305 from sponsorship revenue that the MAC received in the amount of \$207,000.

OPERATING EXPENSE

Total operating expense for February year-to-date is over budget \$298,185 or 0.7%. Causing this budget overage is snow removal materials purchased in February to ensure enough materials are available to combat the Minnesota snow events that affect the MSP airport. Minor miscellaneous positive variances offset this overage.

NON-OPERATING REVENUE (EXPENSE)

Total Non-Operating Expense is under budget \$758,176 or 6.6%. This variance is 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 \$1,074,062 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. Offsetting this market value is a below budget variance for interest income in the amount of \$368,365.