

Minneapolis/St. Paul Minnesota * Metropolitan Airports Commission



2007 Operating Budget



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Labor & Governmental Affairs



Mission

Setting the Standard for Excellence in Airports

Vision

We provide and promote safe, convenient, environmentally sound and cost competitive aviation services for our customers.

Values

- Integrity
- Fiscal Responsibility
- Innovation and Excellence
- Commitment to the Community and the Environment

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BUDGET MESSAGE – 2007 OPERATING BUDGET

December 18, 2006

To The Public:

We are pleased to present the 2007 Metropolitan Airports Commission budget that was adopted by the Commission on December 18, 2006. Total operating revenue for 2007 is projected to be \$252,776,303 and operating expense is \$243,158,534. The fourth quarter of 2007 and the final preparation of the 2007 budget continued to be a very difficult time for all involved in the air transportation system.

When staff began the 2007 budget process last summer, the economic forecast continued to be cautious. There was still concern over when the aviation industry would fully recover. The Finance, Development and Environment Committee, staff, and the airlines worked very hard to put together a budget package for 2007.

This budget was particularly difficult to prepare. The primary reason behind this difficulty was that staff was deeply imbedded in negotiations with the airlines and Northwest Airlines. These negotiations involved not only specific Northwest leases but also the main Airline Use Lease Agreement. At issue was trying to provide additional significant relief to the airlines and at the same time to garner added security for the Commission all the while 80 percent of the seats out of MSP were being flown by airlines (Northwest, Mesaba and Delta) in Chapter 11 bankruptcy. The negotiations were intense and went on for nearly all of 2006. This process was educational for not only staff and the airlines, but the Commission as well. In the end, an agreement was reached in December between staff and Northwest (on behalf of the carriers). The Board scheduled numerous hearings in January and February, 2007 for public discussion with the final agreement subject to full Board approval. The major components of this agreement are:

- Convert the current rate methodology in the Airline Use and Lease Agreement from one of charging depreciation and interest on completed projects to charging debt service (MSP is the only major airport charging depreciation and interest).
- Limited concessions revenue sharing. Certain parameters were agreed upon whereby if particular conditions were met, the Commission would share a portion of its Food, Beverage, News, Retail and Auto Rental revenues.
- A prorated charge back to all airline rate base areas totaling \$15 million (escalated at 3%) for repair and rehab projects.
- Protections to maintain a total annual debt service coverage of at least equal to 1.25x.
- Various lease adjustments to Northwest facilities (those which could be rejected in bankruptcy).
- Assumption of all leases by Northwest Airlines.
- Effective date of all changes would be retroactive to January 1, 2006.

The components listed above, along with the other negotiated relief for all carriers, totals approximately \$280 million over the term of the lease (2006 – 2020). This resulted in staff preparing the 2007 budget under both methodologies. Because a decision had not yet been made by the Commission as of the date of final budget approval (December 18), an interim action was taken giving the airlines \$15 million in relief for 2007. All of the information presented in this budget is based upon the current rate methodology (depreciation and interest) per the Airline use and Lease Agreement.

BUDGET MESSAGE – 2007 OPERATING BUDGET

2007 OPERATING BUDGET SUMMARY - 2007 OPERATING BUDGET						
(\$ = 000)						
	2005 Actual	2006 Budget	2006 Estimate	2007 Budget	2006 Estimate vs 2007 Budget Dollar Change	% Change
REVENUE						
Airline Rates & Charges	\$ 81,946	\$ 96,338	\$ 94,700	\$ 95,954	\$ 1,254	1.32%
Concessions	99,278	99,830	106,950	113,432	6,482	6.06%
Other	46,948	50,986	50,300	52,391	2,091	4.16%
Airline Rent Credit				(9,000)	(9,000)	
Reconciliation Adjustment 2005			(2,379)		2,379	
Reconciliation Adjustment 2006			(4,000)		4,000	
Total Operating Revenue	\$ 228,172	\$ 247,154	\$ 245,571	\$ 252,776	\$ 7,205	2.93%
EXPENSE						
Personnel	\$ 59,049	\$ 59,724	\$ 59,600	\$ 61,381	\$ 1,781	2.99%
Administrative Expenses	1,179	1,214	1,300	1,535	235	18.09%
Professional Services	3,359	3,900	5,150	5,650	500	9.72%
Utilities	14,444	15,751	15,100	14,983	(117)	-0.78%
Operating Services/Expenses	12,492	16,361	14,800	16,003	1,203	8.13%
Maintenance	18,943	19,294	19,800	21,116	1,316	6.65%
Other	3,758	3,384	3,800	3,993	193	5.08%
Total Operating Expense (Excludes Depreciation)	\$ 113,225	\$ 119,628	\$ 119,550	\$ 124,661	\$ 5,111	4.27%
Gross Depreciation	93,566	117,965	115,900	118,498	2,598	2.24%
Total Operating Expense	\$ 206,791	\$ 237,593	\$ 235,450	\$ 243,159	\$ 7,709	3.27%
Net Revenues*	\$ 21,381	\$ 9,560	\$ 10,121	\$ 9,618	\$ (503)	

*Required as a contribution to debt service and if available for use in construction program financing.

The budget process for 2007 started in May of 2006. The Finance, Development and Environment Committee approved targets in June. Targets were established in the areas of Operating Revenue/Operating Expense, Airline Cost/Enplaned Passenger, Debt Service Coverage and Operating Reserve.

COMMISSION/COMMITTEE STRUCTURE

The Metropolitan Airports Commission currently has three standing Committees which report directly to the Full Commission (the Board).

<u>Committee</u>	<u>Meeting Time</u>	<u>Meeting Place</u>
Finance, Development & Environment	Meetings are held on the first Wednesday following the first full Monday of each month at 10:00 a.m.	Lindbergh Terminal
Management & Operations	Meetings are held on the first Wednesday following the first full Monday of each month at 1:00 p.m.	Lindbergh Terminal
Human Resources & Affirmative Action	Meetings are held quarterly and are scheduled before the Full Commission meeting.	Lindbergh Terminal
Full Commission	Meetings are held on the third Monday of each month at 1:00 p.m.	Lindbergh Terminal

BUDGET MESSAGE – 2007 OPERATING BUDGET**FINANCE, DEVELOPMENT AND ENVIRONMENT COMMITTEE**

During 2006, the Finance, Development and Environment Committee reviewed and/or acted on the following major financial activities:

- Audits
 - Financial Audit
 - Tenant Audits
 - Internal Policy/Procedure Audits
 - Internal Audit Plan
- Operating Budget
 - Monthly Reports
 - Ratification of 2005 Expenditures
 - Distribution of 2005 Net Revenues/Unrestricted Cash
 - 2007 Budget Targets
 - 2007 Preliminary and Final Budgets
- Capital Budget (Program)
 - Contractor Payments
 - Contractor Bids
 - Project Adjustments
 - Environmental Issues
 - Federal & State Grants
 - 2007 – 2013 Capital Program
- Bonds/Debt/Capital Funding
 - 2007 Series A/B Bond Refunding (1998A/1999A/2001A/2001C)
 - Capital Plan Funding
- Other
 - Northwest/Mesaba Bankruptcy
 - Airline Rate Relief/Airline Lease Amendment
 - Jet Bridge/Luggage Handling System Acquisitions

With regard to the Operating Budget for 2007, in June the Committee established the following general financial targets:

Target 1:	Debt Coverage Ratio would be maintained at 1.4x	
Results:	2.22 (without transfer) (Met)	
Target 2:	Maintain 6-month reserve in the Operating Fund	
Result:	\$62,330,000 (transfer will be made 1/2/07) (Met)	
Target 3:	Airline Cost/Enplaned Passenger will be in lower half of large hub airports	
Result:	\$6.01 (Met)	
Target 4:	The percentage increase in Operating Expense, Net of Depreciation, will be less than the percentage increase in Operating Revenue (Not met due to adjustment in Airline Rates & Charges methodology)	
Result:	Operating Revenue Increases	2.93%
	Operating Expense Increase	4.27%

Staff originally submitted a budget in early December that met Targets 1, 2 and 4 and not Target 3. The Commission directed staff to re-work the budget in order to meet Target 3. That result is shown above which the Commission approved.

BUDGET MESSAGE – 2007 OPERATING BUDGET

FUND OVERVIEW

The Metropolitan Airports Commission (MAC) is accounted for as an Enterprise Fund. For internal purposes, MAC maintains three funds corresponding to three major functions: Operating Fund (Budget), Construction Fund (Budget - Capital Improvement Program) and Debt Service (Budget). The Operating Fund balance, as set by Commission Policy, is six months working capital (\$62.3 million as of 1/1/07). This balance is larger than many airports. However, under the current economic conditions, the Commission decided to increase the reserve from five months to six months during 2006. Transfers from this fund are made to the Debt Service Fund (based upon the required balance) and to a reserve account until the Commission takes action on the use of this amount. The Commission's debt is paid from the Debt Service Fund.

The table on the next page shows a consolidated schedule of all funds. The individual sections of this table are shown and explained in their respective areas of this document.

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BUDGET MESSAGE – 2007 OPERATING BUDGET

Consolidated Enterprise Fund	2005	2006	2006	2007	2008	2009
\$ = 000	Actual	Estimated	Budget	Budget	Projection	Projection
<u>Sources All Funds</u>						
Total All Balances 1	\$ 480,966	\$ 637,469	\$ 660,036	\$ 635,464	\$ 532,071	\$ 515,247
Operating Fund Revenues						
Airline Rates & Charges	81,946	94,700	96,337	86,954	114,650	116,145
Concessions	99,278	106,950	99,830	113,432	117,689	122,070
Other Operating Revenues	46,948	50,300	50,986	52,391	52,000	52,000
Interest Earnings	6,618	7,300	7,500	9,016	10,616	10,466
Other & Self-Liquidating Revenue	3,000	3,000	3,003	3,003	3,000	3,000
Construction Fund Revenues						
PFC Funding	69,796	61,977	65,007	63,878	65,805	67,790
Federal Grants	15,751	29,804	14,125	15,521	16,575	15,375
State Grants	1,093	909	1,400	7,400	-	-
Interest Earnings	8,932	13,172	6,724	7,274	4,935	4,471
Bond Proceeds	233,060	-	-	-	-	-
Commercial Paper Program	9,500	6,900	-	-	-	-
Other Receipts	-	31,475	-	-	-	-
Federal Letter of Intent (LOI)	8,000	7,500	7,500	5,000	5,000	5,000
Transfers In	19,763	18,835	60,920	62,543	79,600	69,000
Debt Fund Revenues						
Interest Earnings	9,756	8,069	7,700	7,923	7,725	7,717
Bond Proceeds	158,435	-	-	-	-	-
Self-Liquidating Payments	26,697	26,136	26,557	26,269	26,541	26,684
Transfers In (PFCs and Garb Require.)	94,846	100,829	103,090	105,988	116,027	118,510
Total All Receipts	\$ 1,374,385	\$ 1,205,325	\$ 1,210,715	\$ 1,202,056	\$ 1,152,234	\$ 1,133,475
<u>Uses All Funds</u>						
Operating Fund Expenses						
Personnel	\$ (59,049)	\$ (59,600)	\$ (59,641)	\$ (61,381)	\$ (62,622)	\$ (65,924)
Administration	(1,179)	(1,300)	(1,214)	(1,535)	(1,570)	(1,633)
Professional Services	(3,359)	(5,150)	(3,700)	(5,650)	(5,623)	(5,847)
Utilities	(14,444)	(15,100)	(15,751)	(14,983)	(15,316)	(16,055)
Operating Services	(12,492)	(14,800)	(16,075)	(16,003)	(16,687)	(17,300)
Maintenance	(18,943)	(19,800)	(19,294)	(21,116)	(22,129)	(23,015)
Other/Insurance	(3,759)	(3,800)	(3,384)	(3,993)	(4,202)	(4,334)
Equipment Purchases	(4,828)	(14,586)	(7,367)	(6,627)	(7,374)	(7,448)
Transfers Out - Reserved Cash	(19,763)	(18,835)	(55,120)	(62,543)	(79,600)	(69,000)
Transfers Out - Debt	(66,320)	(69,888)	(73,473)	(70,000)	(80,000)	(82,500)
Other Operating Expenses	(23,909)	(23,536)	-	-	-	-
Construction Fund Expenses						
Capital Project Costs	(162,343)	(139,637)	(251,597)	(191,209)	(120,659)	(90,314)
Commercial Paper	(64,689)	(7,000)	-	(5,000)	(5,000)	(5,000)
Debt Service Reserve	(28,526)	(30,941)	(29,617)	-	-	-
Capitalized Interest	(2,002)	-	-	-	-	-
Prior Approved Pay Go PFCs	-	-	-	(63,878)	(65,805)	(67,790)
Debt Fund Expenses						
Bond Series 2000A Refunding	(129,370)	-	-	-	-	-
Bond Principal & Interest Payments	(125,796)	(142,756)	(141,714)	(146,846)	(150,548)	(155,627)
Total All Costs	\$ (740,771)	\$ (566,729)	\$ (677,947)	\$ (670,764)	\$ (637,135)	\$ (611,787)
Working Capital Changes and Transfers	3,855	(3,132)	(1,060)	779	148	(3,000)
Net Balance All Funds	\$ 637,469	\$ 635,464	\$ 531,708	\$ 532,071	\$ 515,247	\$ 518,688
1 Includes Operating Fund, Construction Fund and Debt Service Fund.						

BUDGET MESSAGE – 2007 OPERATING BUDGET**OPERATING BUDGET**

Staff prepared the budget based on the current economic conditions of the aviation industry and the current Airline Use and Lease Agreement. The guidelines identified previously were used as a basis to establish the budget. See the Operating Budget Section - Revenue and Expense Assumptions for details.

The following table is a summary of the 2005 Actual, 2006 Budget, 2006 Estimate, and 2007 Budget Revenue and Expenses. (It does not include non-operating items such as interest income, other & self-liquidating revenue equipment purchases or transfers.)

2007 OPERATING BUDGET SUMMARY - 2007 OPERATING BUDGET						
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	2005 Actual	2006 Budget	2006 Estimate	2007 Budget	2006 Estimate vs 2007 Budget Dollar Change	% Change
REVENUE						
Airline Rates & Charges	\$ 81,946	\$ 96,338	\$ 94,700	\$ 95,954	\$ 1,254	1.32%
Concessions	99,278	99,830	106,950	113,432	6,482	6.06%
Other	46,948	50,986	50,300	52,391	2,091	4.16%
Airline Rent Credit				(9,000)	(9,000)	
Reconciliation Adjustment 2005			(2,379)		2,379	
Reconciliation Adjustment 2006			(4,000)		4,000	
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Personnel	\$ 59,049	\$ 59,724	\$ 59,600	\$ 61,381	\$ 1,781	2.99%
Administrative Expenses	1,179	1,214	1,300	1,535	235	18.09%
Professional Services	3,359	3,900	5,150	5,650	500	9.72%
Utilities	14,444	15,751	15,100	14,983	(117)	-0.78%
Operating Services/Expenses	12,492	16,361	14,800	16,003	1,203	8.13%
Maintenance	18,943	19,294	19,800	21,116	1,316	6.65%
Other	3,758	3,384	3,800	3,993	193	5.08%
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Total Operating Expense	\$ 206,791	\$ 237,593	\$ 235,450	\$ 243,159	\$ 7,709	3.27%
Net Revenues*	\$ 21,381	\$ 9,560	\$ 10,121	\$ 9,618	\$ (503)	

*Required as a contribution to debt service and if available for use in construction program financing.

The Budget, as presented in early December to the Commission, calculated airline rates and charges per the Airline Use and Lease Agreement. The Commission, based upon information provided by staff as to the status of negotiations with the airlines, decided to take some interim steps. These included eliminating the year-end reconciliation amounts for 2005 and 2006 totaling \$2.379 million and \$4 million respectively and reducing rates and charges for 2007 by \$9 million. The \$9.0 million figure was derived by estimating the amount required to bring the cost per enplaned passenger down into the lower half of large hub airports. It was also felt that this would result in less of an impact financially if and when an agreement on methodology changes (see earlier discussion) was implemented. Concessions are projected to increase \$6.5 million due to Parking (continued increased utilization) and implementation of the final phases of the new Concessions Program (see Revenue Assumptions – Concessions). Other Revenue is forecast to increase \$2.1 million. This increase can be attributed to added activity at the Humphrey Terminal (Sun Country Airlines, Air Tran, Midwest and Iceland Air) and Loading Dock Consortium Fees (See Revenue Assumptions – Other Revenues).

BUDGET MESSAGE – 2007 OPERATING BUDGET

Personnel expenses are up three percent or \$1.8 million due to wage and contract adjustments and reducing the vacancy factor. Administrative Expenses are up due to travel and memberships/dues. The increase in Professional Services can be attributed to Planning/Engineering and Reliever Airport Zoning. Utilities are expected to decrease \$117,000 due to reduced natural gas prices and fuel clause adjustment charges. Service Agreements associated with the Parking Management Contract, Humphrey Terminal CUTE (Common Use Terminal Equipment) System, Loading Dock and Information Systems are the primary reason for Operating Services increasing \$1.2 million. Maintenance Expenses show an increase of \$1.3 million. This is due to a variety of items including re-lamping of certain areas, new mechanical contracts, cleaning associated with the full opening of the North Terminal addition and budgeting for average winter snow and weather conditions. Other Expense is forecast to be up \$193,000. This can be attributed primarily to increased General Insurance premiums. (See Expense Assumptions section for detailed explanation of all categories.)

BUDGET MESSAGE – 2007 OPERATING BUDGET**CAPITAL IMPROVEMENT PROGRAM**

Each year the MAC approves Capital Projects which will start within the next twelve months and a Capital Improvement Program which covers all projects that will start during the second calendar year. In addition, a Capital Improvement Plan covering an additional five years is adopted.

Approved Capital Projects for 2007 total \$93.7million. Funding for the program will come from funds on hand, federal and state grants, passenger facility charges, Federal Letter of Intent, interest income and current bond funds on hand. A summary of the Capital Improvement Program by facility for 2007 compared with 2006 is as follows:

CAPITAL IMPROVEMENT PLAN (CIP) SUMMARY (\$=000)		
	<u>2006</u>	<u>2007</u>
Minneapolis/St. Paul International Airport		
Field & Runway	\$ 18,900	\$ 33,450
Environmental	15,300	-
Terminals & Landside	90,035	27,850
2020 Plan Projects	89,800	-
Total Minneapolis/St. Paul International	214,035	61,300
Reliever Airports	15,000	32,370
Total All Airports	\$ 229,035	\$ 93,670

As stated earlier, the industry economic conditions and forecasts continue to impact the construction program for 2007. Only essential projects (primarily rehab or repair) or specific projects agreed upon between MAC and the tenants will move forward. These total approximately \$93.7 million. The Capital Program, as presented to the Commission (and approved) totaled approximately \$1 billion for the period 2007 – 2013. Included in this total was \$595 million for the 2020 Plan, Phases I and II. This Plan (2020) was required to be included so that, if needed, planning and update studies could be funded. This Plan, however, is a “Demand Driven” Plan and will not proceed until such time that passenger traffic justifies expansion. With 80 percent of the seats still in bankruptcy and preliminary 2007 passenger figures estimated to be at 2003 levels, a significant rebound in traffic will need to occur before this Plan moves forward. (Indications are 2009 or 2010 at the earliest.)

DEBT ACTIVITY – 2003-2006Commercial Paper

The Commission in September 2002 approved an additional \$75 million Commercial Paper Program. This new Commercial Paper Issue was in addition to the existing \$125 million issue. The current program has \$46 million outstanding. Both of these programs were renewed in 2005 and the agreement with the Letter of Credit Providers was extended through 2010 and 2015 respectively. The outstanding amount of Commercial Paper is anticipated to decrease in 2007 through 2010. However, based on changes in market conditions, fees for Letter of Credit Providers have been reduced greatly over the past 18 months. Staff will be reviewing this area during the second quarter of 2007 to determine if it is still economical to re-bid the Commercial Paper Agreements.

2005 Activity

In 2005, the Commission continued the construction and funding of the 2010 Expansion Program. The 2005 Bond Issue, in all likelihood, will be the last debt financing for that Program. There were three series of bonds issued totaling \$249.3 million. The 2005 Series A & B were new construction while 2005 Series C refinanced the 2000 Series A Bonds at present value savings of \$7.8 million or 6.78%.

BUDGET MESSAGE – 2007 OPERATING BUDGET2006 Activity

In late 2006, staff began exploring the possibility of refunding the 1998A, 1999A, 2001A and 2001C General Airport Revenue Bonds. Initially, gross savings were estimated at \$30 million with the present value percentage at 3.5 percent. This level of percentage savings was marginal. As year-end moved closer, it became apparent that the market had moved significantly enough that if MAC were to take advantage of these savings, quick action would be required. However, due to the status of the Northwest bankruptcy and the Airline lease negotiations, a traditional refunding path could not be taken. Staff formalized a Private Placement Agreement on December 18, 2006 with a current member of MAC's Underwriting team and realized gross savings in excess of \$50 million and a present value percentage savings of 5.16 percent. The refunding closed in January, 2007.

2007 Activity

Staff will continue to monitor market conditions throughout 2007 to determine if other refundings make economic sense. No new debt is anticipated in 2007.

FUTURE OUTLOOK

There are two key issues which will continue to have a significant impact on MAC operations in 2007. The first, and by far most important, is the continued economic recovery of the airline industry and the outcome of the Northwest Airlines bankruptcy. The second issue is Strategic Planning/Goals and Objectives.

Airline Industry & Bankruptcy

The Commission's revenue sources and the travel industry (passenger wise) have rebounded significantly since the events of September 11, 2001. The airline industry, however, continues to struggle. It appears that every time there seems to be improvement, a new issue arises. Between the industry's labor problems, war and high fuel prices, 2007 will again be a very difficult year. As mentioned earlier, approximately 80% of the seats flown out of MSP International are by those carriers hoping to exit from Chapter 11 Bankruptcy some time in 2007. The next six to twelve months will continue to be a very important period for the Metropolitan Airports Commission. Staff and the Commission will move forward very cautiously with all decisions.

Strategic Planning/Performance Leadership

In 2005, the organization changed its strategic planning process from a one-year focus to a five-year plan. Six five-year strategies were identified and supported by organizational goals. Divisions and departments link their objectives to these strategies and the organizational goals. The ultimate value in this process is an integrated organization moving in the same direction.

Improved use of technology in planning and reporting allows managers to monitor progress toward goals on an ongoing basis. Annual updates to the Strategic Plan are provided to the Commission, managers, and employees.

MAC's Performance Leadership process is linked to the Strategic Plan through individual plans, on-going coaching, feedback and performance reviews. Clear expectations, frequent feedback, and performance reviews at all levels drives organizational performance.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the Minneapolis-St. Paul Metropolitan Airports Commission for its annual budget for the fiscal year beginning January 1, 2006.

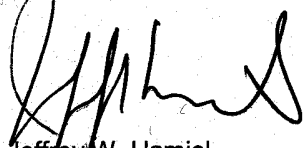
In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

GFOA AWARD – 2007 OPERATING BUDGET**ACKNOWLEDGEMENT**

The budget is the result of countless hours of work by the staff of the Finance Department and by Commissioners who served on the Finance, Development and Environment Committee. A special thanks to all MAC staff who worked especially hard under the current circumstances to develop the final 2007 Budget. Through this hard work and effort, we hope that the MAC will continue to be one of the most efficient and cost effective airport operators in the nation.

Respectfully submitted,



Jeffrey W. Hamiel
Executive Director



Stephen L. Busch
Director of Finance



OTHER AWARDS – 2007 OPERATING BUDGET

Metropolitan Airports Commission Awards 1993 to Present			
Year	Source of Award	AWARD	Group Judged/Rated
2006	Institute for Environment & Sustainability/Int'l Interior Design Association	Twin Cities Guth Award for Interior Lighting Design – MSP Light Rail Transit Tunnel & Station	Section Level International Illumination Design Award for Interior Lighting
2006	MN Chapter of Public Works Association	Project of the Year Award – Runway 17/35 – MSP International Airport	Airports
2006	MN Society of Professional Engineers	Merit Award – MSP Runway 17/35 for Distinguished Engineering Achievement in the Seven Wonders of Engineering Competition	Airports
2006	MN Department of Transportation	Merit Award – Construction Excellence for Anoka County-Blaine Airport Runway 9-27 Extension	Intermediate Airports
2006	Concrete Pavement Association of Minnesota	Merit Award for South End – Runway 17/35 Construction	Concrete Paving - Airports
2006	American Consulting Engineers Council	Grand Award for Runway 17/35	Airports
2006	American Civil Engineering Companies	ACEC Grand Award – MSP Light Rail Transit Tunnel & Station	ACEC National Awards – National Level
2006	American Civil Engineering Companies – MN Chapter	ACEC Grand Award – MSP Light Rail Transit Tunnel & Station	ACEC State of MN Level Competition
2005	American Concrete Pavement Association	National Award for Excellence in Concrete Pavement in Recognition of Outstanding Design and Construction for Runway 17/35 Construction – Gold Winner	Commercial Service & Military Airports
2005	Federal Aviation Administration	Minneapolis OEP Runway 17/35 for Successfully Commissioned on-time with full operational capability	Airports
2005	MN Concrete & Masonry Contractors Association	Honor Award for “Outstanding use of Poured-in-place Concrete” on the Humphrey Parking Facility	Commercial - Functional
2005	International Parking Institute	Award of Excellence – Innovation in Parking Operations	Organizations which manage worldwide parking operations
2005	National Institute of Governmental Purchasing	Best Practices - Lost & Found Program	Agencies implementing an innovation or best practice within the past 2 years resulting in cost savings or implementation benefit.
2003	J.D. Power and Associates	Global Airport Passenger Satisfaction Study – MSP ranked 3 rd place internationally for passenger satisfaction	61 worldwide large airports (more than 30 million passengers per year)
2003	US Police Canine Association (USPCA)	4th place out of 50 contestants to Police Officer Amy Kilian and her K-9 partner, Ginger	Regional K-9 competition (police officers and K-9 partners)
2003	MN Chapter of the American Society of Landscape Architects (MASLA)	Honor Award in Public Design for the Inbound/Outbound Roadway Project	Nominated engineering achievements in Minnesota

OTHER AWARDS – 2007 OPERATING BUDGET

Metropolitan Airports Commission Awards 1993 to Present			
Year	Source of Award	AWARD	Group Judged/Rated
2003	American Council of Engineering Companies of Minnesota (ACEC)	Engineering Excellence Grand Award for the Inbound/Outbound Roadway Project	Nominated engineering achievements in Minnesota
2003	Airport Revenue News (formerly Airport Retail News)	1st Place: Large Airport with Best Concessions Program Design	Airport concessions throughout North America (airports with more than 10 million enplaning passengers.)
2003	Airport Revenue News (formerly Airport Retail News)	1st Place: Large Airport with Best Overall Program	Airport concessions throughout North America (airports with more than 10 million enplaning passengers.)
2002	J.D. Power and Associates in the Dec. 2002 issue of "Meetings & Conventions"	MSP Ranked in the top five for passenger satisfaction. Top five large airports (> 30 million pax/year) are Chek Lap Kok in Hong Kong, McCarran in Las Vegas, Schiphol in Amsterdam, Phoenix Sky Harbor and Minneapolis-St. Paul.	Forty-six major airports worldwide
2002	ACI-NA	Excellence in Marketing and Communications	Airport publications/marketing from 64 airports
2001	National Asphalt Paving Association (NAPA)	Quality in Construction Award	Hot mix asphalt pavement projects
2003, 2002, 2001, 2000, 1999	International Air Transport Association	Airport Service Excellence Award- Best Large North American Airport - "Overall Customer Satisfaction". "Large" defined as handling over 25 million passengers per year.	Airports throughout the world (up to 52 in number)
2002, 2001, 2000	International Air Transport Association	Airport Service Excellence Award – Runner Up Best Airport-Worldwide. Category: 25-40 million passengers.	Airports throughout the world (up to 52 in number)
2002	International Air Transport Association	Airport Service Excellence Award – "Best Airport for Domestic Passenger Satisfaction"	Airports throughout the world (up to 52 in number)
2005, 2001, 2000	Airport Retail News	Best Concessions Mgmt. Team	Airport concessions throughout North America
2001, 2000	Airport Retail News	Best Concessions Program Design	Airport concessions throughout North America
2001, 2000	Airport Retail News	Best Redeveloped Concessions Program	Airport concessions throughout North America
2005, 2001, 2000	Airport Retail News	Best Overall Concessions Program	Airports throughout North America
2001	Airport Retail News	Among top 5 airports-Most Innovative Services Award	Airport concessions throughout North America
2001	Airport Retail News	Best New Specialty Retail Concept-Travel Mart	Airport concessions throughout North America
2001	Airport Retail News	Best Airport Retail Store Design-Minnesota Store	Airport concessions throughout North America
2001	Airport Retail News	Best Airport Restaurant Design-Starbucks	Airport concessions throughout North America
2001	Airport Council International	Best Food & Beverage Program -1st Place	Airport concessions throughout North America
2001	Airport Council International	Best Overall Concessions Program- 1st Place	Airport concessions throughout North America

OTHER AWARDS – 2007 OPERATING BUDGET

Metropolitan Airports Commission Awards 1993 to Present			
Year	Source of Award	AWARD	Group Judged/Rated
2001	Airport Council International	Best Retail and Specialty Program- 2nd Place	Airport concessions throughout North America
2001	Federal Aviation Administration	Airport Safety Excellence Award	Large airports in the Great Lakes Region (O'Hare, Detroit, etc.) Nominated and selected by the FAA Safety/ Certification Office in Des Plaines, IL.
2006, 2005, 2004, 2003, 2002, 2001, 2000, 1999, 1998, 1997, 1996, 1995, 1994, 1993	Government Finance Officers Association	Distinguished Budget Presentation Award	Submitted budget documents from various government organizations.
Winters of 2000-2001, 1996-1997, 1991-1992	International Aviation Snow Symposium-American Association of Airport Executives	Balchen-Post Award	Large hub U.S. Airports
2003, 2002, 2001, 2000, 1999	Minnesota Safety Council	Meritorious Achievement Award in Occupational Safety	Outstanding Achievement Award
2001	International Council of Shopping Centers	International Design & Development Award-presented to Architectural Alliance (MAC consultant)	
2001	International Parking Institute	International Award for Best Design --Honorable Mention AWARD	Parking structures with 800+ spaces.
2001	MNDOT & Concrete Paving Association	Best Project of Type	
2001	MNDOT & Concrete Paving Association	Best Project of Type	
2001, 2000	Wall Street Journal	One of Best Airports in the Country	20 largest airports in U.S.
2005, 2004, 2003, 2002, 2001, 2000, 1999, 1998, 1997, 1996, 1995, 1994, 1993	Government Finance Officers Association	Certificate of Achievement for Excellence in Financial Reporting	Submitted report must be easily readable and efficiently organized.
2000	Airports Council International	Best Overall Airport Program	
2000	Airports Council International	Excellence in Communications: Media Guides (1st Place); Newsletters/External 2 colors or less (1st Place); Newsletters/ Internal (2nd Place)	
2000	Airports Council International	Richard A. Griesbach Award of Excellence	
2000	Airport Retail News	Best New or Renovated Enclosed Center	
2000	American Consulting Engineers Council	Engineering Excellence Award	

OTHER AWARDS – 2007 OPERATING BUDGET

Metropolitan Airports Commission Awards 1993 to Present			
Year	Source of Award	AWARD	Group Judged/Rated
2000	Consulting Engineers Council of Minnesota	Honor Award to the MAC	
2000	Consulting Engineers Council of Minnesota	Grand Award to the MAC	
2000	Board of Directors of Partnership of Minnesota	Certificate of Commendation	
2000		National Superior Achievement in Design and Imaging (SADI) Award	
1999	AIG Aviation	1999 Medallion Award	Airports throughout North America
1999	Airport Retail News	Minnesota Shopping Center Starr Award	
1999	Twin Cities Area Labor Management Council	Earl Willford Labor Management Cooperation and Partnership Award	Twin City Area Labor Management Council affiliates
1999	MNDOT & Concrete Paving Association	Merit Award for Outstanding Performance	
1999	World Retail News	Best Airport Retail Design-Small Concessionaire Award-awarded to CBR (Carole Howe), Inc.	
1998	American Concrete Pavement Association	National Award for Excellence -- Best Portland Cement Concrete	Commercial & military runways poured in 1998
1998	MNDOT & Concrete Paving Association	Merit Award for Outstanding Performance	
1996	Minnesota Council of Airports	Award of Excellence/Project Awards	
1996	MNDOT & Concrete Paving Association	Merit Award for Outstanding Performance	
1996	Municipal Treasurer's Association of the U.S. and Canada.	Certificate of Excellence	Cities, Counties, municipal entities
1995	FAA-Great Lakes Region	MSP Police Department	
1994	Society of the American Institute of Architects	Honor Award	
1993	Minnesota Society of Professional Engineers	Award for Distinguished Engineering Achievement	

2006 ORGANIZATIONAL GOALS & OBJECTIVES – PROGRESS REPORT

In 2006, the organization strategic planning process continued to evolve. Three of the 2005 strategies were dropped: Ensure a Safe and Secure System of Airports, Address On-going Development and Increased Maintenance and Operations Needs and Lead the Aviation Industry in Environmental Stewardship. These were removed because they are really part of our overall purpose and statements of philosophy. The five-year strategies listed below are designed to focus the organization on the future by increasing our capabilities and capitalizing on our strengths.

2006-2010 Organizational Strategies

1. Ensure Long Term Financial Viability
2. Match Employee Talent with Changing Business Needs
3. Enhance Customer Service
4. Leverage Technology
5. Strengthen Partnerships & Alliances

Strategy	Goal	2006 Key Initiatives	Results
Ensure Long Term Financial Viability	Ensure MAC has the financial resources necessary to operate our airport system and meet all debt service obligations and maintain our AA-bond rating.	Develop Financial contingency plans.	<ul style="list-style-type: none"> Contingency plans in place for best case, worst case, and most likely financial scenarios.
		Maintain appropriate financial reserves.	<ul style="list-style-type: none"> Six-month cash reserve maintained. Exceeded 1.4x debt service ratio. Maintained AA- bond rating.
		Transition from 2010 Plan to 2020 MSP Development Plan.	<ul style="list-style-type: none"> Annual Capital Improvement Plan developed and approved by the Commission. Design/planning meetings for capital projects included maintenance and operation staff.
		Implement cost saving measures: <ul style="list-style-type: none"> Energy conservation Process improvement Cost/Benefit analysis Service levels 	<ul style="list-style-type: none"> Departmental level costs saving measures were identified and implemented, as feasible.
Match Employee Talent with Changing Business Needs	Ensure that MAC has the right people with the right skills and experience to fulfill its mission.	Document transition plan for executive leadership.	<ul style="list-style-type: none"> Potential retirements have been identified with emphasis on recruitment strategies as turnover occurs.
		Ensure knowledge transfer for key technical and professional positions.	<ul style="list-style-type: none"> Workforce planning sessions conducted with upper management for general and position specific transition planning. Strategies in place to insure transfer of knowledge.
		Implement first phase of leadership development.	<ul style="list-style-type: none"> Based on organizational readiness, emphasis was shifted from leadership development to management development. Three formal leadership development events delivered.
		Ensure employee wages and benefits remain competitive.	<ul style="list-style-type: none"> Workforce remains stable, due in part to maintaining a competitive wage/salary structure and employee benefits package. Combined package remains an effective tool for attracting talent and skill to meet organizational needs.

2006 ORGANIZATIONAL GOALS & OBJECTIVES – PROGRESS REPORT

Strategy	Goal	2006 Key Initiatives	Results
Enhance Customer Service	Ensure that MAC provides and champions excellent customer service.	Promote MAC's airport system to regional businesses and communities.	Communication to regional businesses and communities highlighted important changes regarding the MAC's airport system, including construct plans, the opening of new restaurants and retail shops, parking ramp construction, movement of AirTran to the Humphrey Terminal, and efforts to safeguard MSP's air service and the MAC's long-term financial future.
		Aggressively market MSP to the traveling public.	<ul style="list-style-type: none"> • Service changes were added to the airport's Web site along with new releases. Ads touted the convenience of airport parking and the conference center. • Updating of brochures is nearly complete.
		Promote reliever airport system to corporate customers.	<ul style="list-style-type: none"> • Reliever Long-Term Comprehensive Plan near completion, which will be the basis of the promotion to corporate customers.
Leverage Technology	Improve performance, increase productivity and deliver cost effective services.	Take full advantage of existing technology to maximize productivity by: <ul style="list-style-type: none"> • Enhancing employee knowledge of current capabilities. • Investing in skills training. • Strengthening technical support capabilities. 	<ul style="list-style-type: none"> • Training was conducted to enhance employee knowledge and skill levels with existing technologies. • Recommendations were developed for strengthening technical support capabilities.
		Benchmark innovative uses of technology in: <ul style="list-style-type: none"> • Airports • Private industry • Municipalities • Government agencies 	<ul style="list-style-type: none"> • Various benchmark studies completed and recommendations developed for future implementation.
		Work with our partners and customers to identify technology needs.	<ul style="list-style-type: none"> • Request for Qualifications (RFQ)/ Request for Proposals (RFP) for various system upgrades were completed and awarded.
Strengthen Partnerships and Alliances	Strengthen our effectiveness through interdepartmental relationships and alliances with regional businesses, public agencies and governmental units.	Strengthen partnerships with Federal and State agencies.	<ul style="list-style-type: none"> • Actions were taken to improve communications and coordination of efforts with the FAA, TSA, and local governmental units.
		Strengthen existing and form new partnerships with regional business community.	<ul style="list-style-type: none"> • MAC representative met regularly with area Chambers of Commerce, Convention and Visitors Bureaus, and the Cargo Association.
		Create mutually beneficial alliances with airline.	<ul style="list-style-type: none"> • Negotiation initiated on a new financial business model of MSP.
		Enhanced internal partnering.	<ul style="list-style-type: none"> • Numerous departmental partnering efforts were initiated and maintained.

2007 ORGANIZATIONAL GOALS & OBJECTIVES

2007-2011 Organizational Strategies

1. Ensure Long Term Financial Viability
2. Match Employee Talent with Changing Business Needs
3. Enhance Customer Service
4. Leverage Technology
5. Strengthen Partnerships & Alliances

Strategy	Goal	2007 Key Initiatives	Measurable Outcome
Ensure Long Term Financial Viability	Ensure MAC has the financial resources necessary to operate our airport system and meet all debt service obligations and maintain our AA-bond rating.	Revise financial and operational contingency plans.	<ul style="list-style-type: none"> Plans developed for potentially revised airline agreement and NWA restructuring. Operating expense management plan implemented based on in place.
		Maintain appropriate financial reserves.	<ul style="list-style-type: none"> Maintain Five-month cash reserve. 1.4X debt coverage maintained. Maintain AA- Bond rating.
		Implement cost saving measures – process improvement, cost/benefit analysis, assessment and negotiate service levels.	<ul style="list-style-type: none"> Savings identified and plans implemented.
		Expand three-year business planning tied directly to the strategic plan throughout the organization.	<ul style="list-style-type: none"> Seventy-five percent of business units have three-year integrated business plans in place.
		Increase non-aeronautical revenue as a percent of total revenue.	<ul style="list-style-type: none"> Non-aeronautical revenue as a percent of total revenue increased and new revenue streams identified.
Match Employee Talent with Changing Business Needs	Ensure that MAC has the right people with the right skills and experience to fulfill its mission.	Design and integrate next phase of leadership development process.	<ul style="list-style-type: none"> Leadership development process in place that supports organizational goals.
		Expand transition planning to mid-level positions.	<ul style="list-style-type: none"> Process in place to preserve organizational knowledge and prepare potential mid-level managers.
		Ensure employee wages and benefits remain competitive	<ul style="list-style-type: none"> MAC is competitive in the marketplace and able to attract and retain quality talent.
		Expand employee training programs.	<ul style="list-style-type: none"> Every department has training opportunities available to enhance employee knowledge and skill development.
Enhance Customer Service	Ensure that MAC provides and champions excellent customer service.	Promote MSP to international and domestic airlines in order to increase service levels.	<ul style="list-style-type: none"> Increased number of international and domestic airlines serving this market.
		Leverage the MSP customer service culture along with completion of the 2010 plan and the concessions development program to market MSP domestically and internationally.	<ul style="list-style-type: none"> Increased passenger activity attributable to marketing plan through surveys.
		Review roles and responsibilities for customer service between the airlines and MAC as the airline business model continues to evolve.	<ul style="list-style-type: none"> Plan created in concert with tenants identifying respective service responsibilities.

2007 ORGANIZATIONAL GOALS & OBJECTIVES

Strategy	Goal	2007 Key Initiatives	Measurable Outcome
Leverage Technology	Improve performance, increase productivity and deliver cost effective services.	Make strategic investments in new equipment and technology based on current industry standards.	<ul style="list-style-type: none"> Upgraded equipment and electronic technology in place that improve productivity.
		Distribute software updates, patches, and new programs electronically.	<ul style="list-style-type: none"> Updates and installations completed resulting in greater productivity.
		Develop strategy to replace or upgrade existing financial, HR, payroll, and project accounting systems.	<ul style="list-style-type: none"> Decision on direction for various systems completed with choices identified and evaluated.
		Evaluate common use systems and support services at Humphrey Terminal.	<ul style="list-style-type: none"> Common use systems upgraded, as required.
Strengthen Partnerships and Alliances	Strengthen our effectiveness through interdepartmental relationships and alliances with regional businesses, public agencies and governmental units.	Enhance internal partnering.	<ul style="list-style-type: none"> Improved effectiveness through cross department communication, coordination, and sharing of resources.
		Partner with State agencies and regional businesses to grow cargo operations.	<ul style="list-style-type: none"> Interagency strategy to increase the percent of air cargo moving through MSP.
		Strengthen partnerships with Federal and State agencies.	<ul style="list-style-type: none"> Improved communications and coordination of efforts with Federal and State agencies.
		Strengthen partnerships with the regional business communities.	<ul style="list-style-type: none"> Greater shared understanding between MAC and the regional business communities.
		Building public support for MAC policies and initiatives through proactive communication and public relations outreach activities.	<ul style="list-style-type: none"> Enhanced understanding of MAC's policies and broader public support for MAC positions and activities.

2007 ORGANIZATIONAL GOALS & OBJECTIVES KEY SUCCESS MEASURES

Key Success Measures	2003 Baseline	2004 Results	2005 Results	2006 Results
Safety				
♦ MSP Runway Incursions & Airfield Violations				
■ AOA Violations	2004 Baseline	(July - Dec.) 4	(July - Dec.) 2 (Jan.- Dec.) 3	(July-Dec.) 9 (Jan.-Dec.) 13
■ Citations Issued	2004 Baseline	(July - Dec.) 21	(July - Dec.) 15 (Jan.- Dec.) 35	(July-Dec.) 18 (Jan.-Dec.) 43
■ Warning Citations Issued	2004 Baseline	(July - Dec.) 80	(July - Dec.) 17 (Jan.- Dec.) 56	(July-Dec.) 19 (Jan.-Dec.) 47
■ Runway Incursions	3	1	1	0
♦ Employee Accidents & Incidents				
■ Total Employee Injuries	107	82	91	107
■ OSHA Recordable Injuries	41	33	29	34
■ Injuries Per FTE**	0.22	0.15	0.15	0.19
■ Lost Work Days Per FTE	1.21	0.61	0.69	0.41
■ Workers Comp Experience Rating Modification Factor	0.70	0.73	0.86	1.05
■ MAC Vehicle Accidents	60	45	64	50
♦ Airport User Accidents & Incidents				
■ Claim Cost Per Enplaned Passenger	\$0.01	\$0.01	\$0.01	\$0.01
Security				
♦ Security Breaches & Violations				
■ Failure to Display Security Badge	97	20	13	11
■ Piggybacking	81	47	26	17
■ Failure to Challenge	21	13	45*	14

* This upward spike is due to increased staffing in the Aviation Security Division, education efforts and resulting compliance and buy-in with the airport population related to security and reporting of unauthorized persons.

** Full Time Equivalent Employees

2007 ORGANIZATIONAL GOALS & OBJECTIVES KEY SUCCESS MEASURES

Key Success Measures	2003 Baseline	2004 Results	2005 Results	2006 Results
Financial Responsibility				
◆ Cost Performance				
■ Operating Cost Per Enplaned Passenger	\$ 6.01	\$5.78	\$6.18	\$6.51
■ Operating Cost Per Enplaned Passenger (with depreciation)	\$10.95	\$10.52	\$11.50	\$12.89
■ Airline Operating Expense Per Enplaned Passenger	*\$ 4.14 \$ 4.94	\$4.55	\$5.06	\$6.01
◆ Debt Management				
■ Senior Debt Service Coverage (with transfer)	1.52x	1.72x	2.03x	2.14x
■ Long Term Debt as % of Total Assets	53.14%	53.0%	56.3%	51.1%
■ Debt Service as % of Operating Revenue	70.7%	63.8%	56.3%	57.7%
◆ Revenue Performance				
■ Operating Revenue Per Enplaned Passenger	*\$10.44 \$11.25	\$11.15	\$12.56	\$14.56
■ Non-Aeronautical Revenues as % of Operating Revenue	52.0%	51.8%	51.5%	59.1%
◆ Operating Performance				
■ Operating Income Margin	*-4.79% 2.94%	5.64%	8.44%	11.47%
■ Operating Income Per Enplaned Passenger	* \$(0.50) \$0.31	\$0.63	\$1.06	\$1.67
■ Revenue-to-Expenditure Ratio	* 0.95 1.03	1.06	1.09	1.13
* With \$13 million Airline Credit				
◆ Disadvantaged Business Enterprise				
■ % of Concession \$ Oct. 1 – Sept. 30	13.55%	9%	9.76%	22.5%
Airport Operations				
◆ MSP				
■ Enplaned Passengers Per FTE	32,181	33,940	32,288	31,617
■ Operations Per FTE	992	1093	971	851
◆ Reliever Airports				
■ Operations Per FTE	21,748	24,257	21,577	20,048
■ Tenants Per FTE	26.9	37.3	30.3	30.5
■ Based Aircraft Per FTE	59.2	67.6	67.6	66.2
■ Annual MSP Subsidy	\$4,127,000	\$4,069,000	\$3,100,000	5,486,401

2007 ORGANIZATIONAL GOALS & OBJECTIVES KEY SUCCESS MEASURES

Key Success Measures	2003 Baseline	2004 Results	2005 Results	2006 Results
<i>Airport Development</i>				
◆ Disadvantaged Business Enterprise				
■ % of Construction Contract \$	13.96%	9.5%	16.6%	8.9%
◆ Targeted Group Business				
■ % of Total Construction Contract \$ (July-July)	3.8%	3%	5.2%	2.8%
<i>People</i>				
◆ Overtime as % of Total Wages	9.53%	9.61%	10.9%	8.0%
◆ Operating Revenue Per Employee	\$309,442	\$360,222	\$399,820	\$436,550
◆ Operating Expense Per Employee (excluding depreciation)	\$178,180	\$186,953	\$205,898	\$199,631
◆ Personnel as % of Total Cost Operating Expense (including benefits)	27.4%	27.2%	28.5%	24.4%
◆ Employee Job Satisfaction	4.65 of 6	4.86 of 6	4.8 of 6	4.8 of 6
◆ Annual Employee Turnover	6.71%	4.75%	7.45%	4.11%
◆ Affirmative Action				
■ Female Employees	22%	23%	22.7%	23.8%
■ Minority Employees	9%	9%	9%	9.6%
■ Disabled Employees	2%	2%	1.8%	2.1%
<i>Environmental Stewardship</i>				
◆ Violations Alleged by a Regulatory Agency	3	0	1	0
◆ Reduction in Discharged De-Icing Material to River	76%	80%	83%	79%
◆ 1996 Part 150 Program % Completed - single family	97%	100%	Program completed	NA
◆ 2007 Part 150 Program % Completed	NA	NA	NA	95%
<i>Customer Service</i>				
◆ AETRA - Airport Service Performance Rating	3.88 of 5.0	3.89 of 5.0	3.87 of 5.0	3.82 of 5.0
◆ Complaints Per 100,000 Passengers	1.18	.91	1.02	1.40

2007 ORGANIZATIONAL GOALS & OBJECTIVES KEY SUCCESS MEASURES

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OPERATING BUDGET SUMMARY AND TARGETS – 2007 OPERATING BUDGET

The 2007 Operating Budget contains two sections. One incorporates the total revenues and expenses detailed from operations along with those items which are non-operating. Non-Operating items include interest income and transfers to other funds. (See the Budget Message and Cash Flow sections.) The other section presents only revenue and expense derived from operating the Commission's facilities. The budget for the Commission is prepared based on an accrual basis which is also MAC's accounting method. Revenue derived from user fees includes various fees from the airlines, concessions and miscellaneous/utilities/rental fees. The expense detail includes Personnel, Administrative, Professional Services, Utilities, Operating Services, Maintenance, Other, and Gross Depreciation. Capital equipment purchases are also detailed in the Capital Equipment section.

The Budget Process section is presented in 3 parts: Operating Budget Summary and Budget Targets, Budgeting and Amendment Process, and Financial Policies.

REVENUE AND EXPENSES WITH BUDGET TARGETS

As the following table indicates, increases are projected for both revenue and expense.

2007 OPERATING BUDGET SUMMARY - 2007 OPERATING BUDGET

						2006 Estimate vs 2007 Budget	
	2005 <u>Actual</u>	2005 <u>Budget</u>	2006* <u>Budget</u>	2006 <u>Estimate</u>	2007 <u>Budget</u>	Dollar <u>Change</u>	% <u>Change</u>
REVENUE							
Total Airline Rates & Charges	81,945,936	81,905,346	96,337,586	94,700,000	95,953,769	1,253,769	1.32%
Total All Concessions	99,277,860	83,468,278	99,830,393	106,950,000	113,431,680	6,481,680	6.06%
Total Other	46,948,447	42,223,588	50,985,661	50,300,000	52,390,854	2,090,854	4.16%
Airline Rent Credit					(9,000,000)	(9,000,000)	
Reconciliation Adjustment 2005				(2,379,000)		2,379,000	
Reconciliation Adjustment 2006				(4,000,000)		4,000,000	
Total Operating Revenue	228,172,243	207,597,212	247,153,640	245,571,000	252,776,303	7,205,303	2.93%
EXPENSE							
Personnel	59,048,889	53,990,776	59,724,357	59,600,000	61,380,637	1,780,637	2.99%
Administrative Expenses	1,179,464	1,253,302	1,213,734	1,300,000	1,535,166	235,166	18.09%
Professional Services	3,359,061	3,813,200	3,899,551	5,150,000	5,650,375	500,375	9.72%
Utilities	14,444,123	13,599,090	15,751,077	15,100,000	14,982,520	(117,480)	-0.78%
Operating Services/Expenses	12,492,409	13,692,706	16,360,784	14,800,000	16,003,253	1,203,253	8.13%
Maintenance	18,943,229	17,984,297	19,294,127	19,800,000	21,115,796	1,315,796	6.65%
Other	<u>3,758,212</u>	<u>3,686,925</u>	<u>3,384,323</u>	<u>3,800,000</u>	<u>3,992,872</u>	<u>192,872</u>	5.08%
Total Operating Expense (Excludes Depreciation)	113,225,387	108,020,295	119,627,953	119,550,000	124,660,618	5,110,618	4.27%
Gross Depreciation	<u>93,565,938</u>	<u>94,888,799</u>	<u>117,965,237</u>	<u>115,900,000</u>	<u>118,497,916</u>	<u>2,597,916</u>	2.24%
Total Operating Expense	206,791,325	202,909,094	237,593,190	235,450,000	243,158,534	7,708,534	3.27%
Operating Income	<u>21,380,918</u>	<u>4,688,118</u>	<u>9,560,450</u>	<u>10,121,000</u>	<u>9,617,769</u>	<u>(503,231)</u>	

*Commission approved expense budget adjustments
for the following service centers:

Human Resources	Professional Services	\$150,000
Executive - General	Personnel	\$84,000
AirService Bus. Dev. & Executive	Professional Services	\$50,000
Information Services (HHH Terminal)	Operating Services	\$285,415

OPERATING BUDGET SUMMARY AND TARGETS – 2007 OPERATING BUDGET**Revenue**

MAC's total Operating Revenues of \$252.8 million is \$7.2 million or 2.93% above the 2006 estimate of \$245.6 million.

The projected budget for Airline Rates and Charges, is \$96.0 million for 2007. Because of the slow economy and the lack of recovery in the aviation industry, airline rates and charges were held constant in 2002, 2003 and 2004. Actual revenue for 2005 and 2006 estimate is based upon the rates and charges formula in the Airline Agreement. However, the 2006 estimated revenue as indicated in the chart above, also includes an Airline Reconciliation Adjustment for both 2005 and 2006. Due to the unstable condition of the airline industry including bankruptcies of some of the airlines serving MSP, and to maintain MSP's low cost attractiveness, the Commission approved the elimination of both the 2005 and 2006 amounts due to the Commission from year-end reconciliation of airlines rates and charges as outlined in the Airline Agreement. The 2007 budget Rate and Charges increased slightly from 2006 estimated numbers due to increased operating costs in the airfield service centers. Further, the 2007 budget incorporates additional airline rate relief (credit) estimated at \$9.0 million to maintain MSP's low cost attractiveness and relief to bankrupt carriers at MSP. Board approval regarding this credit with the airlines will be finalized during 2007.

Concessions, is estimated to increase 6.06% or \$6,481,680 from 2006 estimate to 2007 budget. The greatest increase is in the Parking revenue due to a higher projected utilization by the traveling public (See Revenue Assumptions for details.)

Other Revenue is projected to rise \$2.1 million or 4.16%. See Revenue Assumptions for details.

Expense

MAC's total Operating Expense of \$243.2 million is 3.27% above the 2006 estimate of \$235.5 million. Detailed explanations are provided in the Expense Assumptions section of the budget book.

OPERATING BUDGET SUMMARY AND TARGETS – 2007 OPERATING BUDGET

TARGETS

The targets for the 2007 Operating Budget were approved on June 19, 2006 at the Commission meeting. Three of four targets were met. Each target is discussed separately below.

Target 1: Maintain a coverage ratio of at least 1.4x on General Obligation Revenue and Senior General Airport Revenue Bonds.

Debt Coverage Ratio	<u>Estimate 2006</u>	<u>Target</u>	<u>Budget 2007</u>
(Without Transfer)	1.55x	1.40x	1.52x

Target 2: Airline Rates and Charges in Operating Fund would maintain a 6-month reserve.

	<u>Budget 2006</u>	<u>Budget 2007</u>
Operating Fund Reserve	\$49,608,000	\$62,331,000

The Commission approved an increase of 1 month from a 5 month reserve to a 6 month reserve.

Target 3: Airline Cost/Enplaned Passenger will be in the lower half of Large Hub Airports.

Budget 2007
MSP ranked 15 th out of the 33 large hub airports at \$6.01 Airline Cost/Enplaned Passenger.

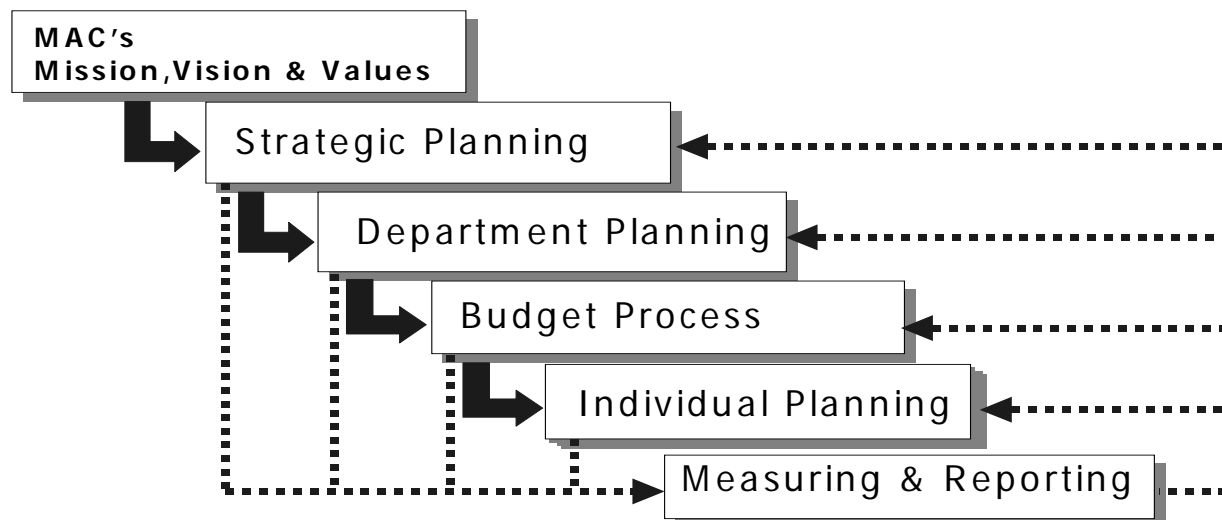
Target 4: The percentage increase in Operating Expense, Net of Depreciation will be less than the percentage increase in Operating Revenue.

Budget 2007
Result: Operating Revenue Increase 2.93%
Operating Expense Increase 3.27%

This target was not met as a result of the airline rate and charge reductions.

BUDGETING AND AMENDMENT PROCESS – 2007 OPERATING BUDGET**BUDGETING PROCESS**

The budget process is designed to be the third step in MAC's annual planning process. Strategic Planning is driven by MAC's Vision – "Setting the Standards for Excellence in Airports", MAC's Mission – "We Provide and Promote Safe, Convenient, Environmentally Sound and Cost-Competitive Aviation Services for our Customers" and MAC's Values – "Integrity, Fiscal Responsibility, Innovation and Excellence, and Commitment to the Community and the Environment". Annually the five-year strategic plan is updated and organizational priorities are established for the next year. Departments develop and link their objectives to these priorities following this process:



The third step is to develop the budget requests for the resources necessary to complete these objectives. Position requests were evaluated for fiscal impact in terms of revenue generation, cost reduction or cost containment. Departments prioritize requests using the following criteria:

Headcount Additions	
First priority	Necessity to meet legal mandates and regulatory requirements.
Second priority	Ability to maintain a safe and secure airport system.
Third priority	General business need.
Other Costs	
First priority	Additional costs required to meet security requirements.
Second priority	Imbedded cost increases (i.e., scheduled increases in contracts, salary adjustments for organized labor, utility rate increases, etc.)
Third priority	Costs to maintain additional facilities completed in 2004, 2005 and 2006.

The budget process is prepared on an accrual basis in accordance with GAAP (Generally Accepted Accounting Principles) as this is the same method used for MAC accounting. The accrual basis of accounting attempts to record financial transactions in the period they occur rather than recording them in the period they are paid.

BUDGETING AND AMENDMENT PROCESS – 2007 OPERATING BUDGET

Preparation for the entire process begins in April. As related to the budget process, the Finance Department prepares the following for each service center: historical reports, budget-input templates and database design. An assessment of the necessary training is completed and training materials are created. Each department assigns a Budget Specialist to input the budget and coordinate budget information for their service center.

In late May, the Finance, Development and Environment Committee provides direction to staff regarding growth and allocation of funds or budget targets. The direction provided by the Finance, Development and Environment Committee is communicated to staff at various informational meetings and included in their budget packages.

Budget packages are distributed in June. All service centers have four weeks to complete their budget. Finance reviews all packages and summarizes information. The staffing matrix is the first item reviewed by Senior Staff. The Executive Director requests preliminary approval for additional positions, if any, from the Finance, Development and Environment Committee. The interim approval permits the organization to plan accurate projections.

August is spent compiling summary reports and completing the revenue budget, with the exception of airline rates and charges. Senior staff determines final budget cuts and revenue figures are compiled. Airline rates and charges are calculated. The expense budget must be complete in order to determine the rates and subsequent revenue. Once airline rates and charges are calculated and final revenue figures are available, total revenue and expense is completed. Staff revisions are completed as required to ensure, at the minimum, a balanced budget. A balanced budget refers to budgeted operating revenue equal to budgeted operating expense plus depreciation. During September, presentations and supporting documents are prepared for the Finance, Development and Environment Committee, senior staff, and airlines. In addition, a draft budget is sent to the Minnesota State Legislature. The month of October is reserved for presentations to the Finance, Development and Environment Committee and revisions prior to requesting final approval.

The Finance, Development and Environment Committee will receive updates from staff during October and November. The recommendation from the Finance, Development and Environment Committee for final approval is typically requested at the December Commission meeting. Final approval of the 2007 Operating Budget was given at the December Commission meeting. Rate changes are sent out as usual at the beginning of December based upon approval from the full Commission.

BUDGETING AND AMENDMENT PROCESS – 2007 OPERATING BUDGET**AMENDING PROCESS**

The process to amend the budget is set forth in the MAC bylaws, Article IV, Section 8(a), and presented below:

"8(a) Establishment of the annual budget setting out anticipated expenditures by type of expenditure and/or upward or downward revision of that budget in the course of the corporation's fiscal year shall constitute prior approval of each type of expenditure. Authorization by vote of the Commission is required for transfer of budgeted amounts between or among line items or to appropriate additional funds for each line item. The Executive Director is directed to provide for the daily operation and management of the Commission within the expenditure guidelines of the annual budget. Commission approval of a contract shall constitute prior approval of the disbursements made pursuant to terms of the contract within the constraints of the budget for all contract payments, except final construction contract payments which shall require Commission approval.

The Executive Director shall have the responsibility of securing adequate quantities of office, janitorial, maintenance and repair materials and supplies, and the rent of sufficient equipment necessary for the smooth, continuous operation of the Commission's system of airports and all facilities associated with the system of airports. The Executive Director's authority to secure these items shall be subject to the Commission's purchasing procedures and be subject to the line-item budget constraints of the annual budget.

At any time during the fiscal year, the Executive Director may recommend to the full Commission that all or any unencumbered appropriation balances of individual line-items be transferred to those line-items that require additional budgeted funds. In addition, the Executive Director may recommend to the full Commission the appropriation of additional funds above and beyond those approved at the time of budget adoption."

The individual line-items will include the following:

Personnel

Salaries & Wages
Benefits
Commissioner Per Diem
Total Personnel

Administrative Expenses**Professional Services****Utilities****Operating Services**

Parking Management
Shuttle Bus Services
Service Agreements
Storm Water Monitoring
Other
Total Operating Services

Maintenance

Trades
Building
Field
Equipment
Cleaning
Total Maintenance

Depreciation**Other**

General Insurance
Other
Total Other

Total Expense

BUDGETING AND AMENDMENT PROCESS – 2007 OPERATING BUDGET

This calendar gives an overview of the process:

Month	Responsibility	Task
April	Finance, Development and Environment Committee Finance Department Department Manager Finance Department	1. Propose budget targets to Finance, Development and Environment Committee. 2. Prepares Service Center historical information. 3. Identifies Budget Specialist 4. Determines templates necessary for budget input.
May	Finance Department	5. Adoption of budget targets after 30 day public comment period. 6. Distributes budget packages (in late May and/or early June). Begins training of Budget Specialists. 7. Recommends information regarding inflation factors, wage, and contract adjustments to the Departments. 8. Starts the historical information gathering process. 9. Prepares preliminary budget.
June	Finance Department	10. Presents preliminary budget to Finance, Development and Environment Committee.
July	Finance Department Finance Department and MAC Staff	11. Compiles positions and headcount requests summary. 12. Compiles summary of capital assets requests. 13. Presents budget update to Finance, Development and Environment Committee. 14. Presents budget requests to Executive Director.
August	Senior Staff Executive Director Finance Department	15. Approves preliminary position and headcount requests. 16. Approves preliminary summary of capital assets requests. 17. Prepares summary of controllable expense requests and supporting schedules. 18. Concurrently, initiates budget revisions, as needed, for controllable expenses. 19. Compile revenue analysis and projections. 20. Presents budget update to Finance, Development and Environment Committee. 21. Completes revenue forecast.
September	Finance Department MAC Staff Finance Department and Senior Staff Finance Department	22. Compiles presentation information. 23. Distributes budget packages to airlines, State Legislature and the Finance, Development and Environment Committee. Present draft budget to Finance, Development and Environment Committee. 24. Implements revisions, as needed, to projected expenses. 25. Presents budget to the airlines. 26. Presents budget to MAC Staff.
October	Finance Department and Senior Staff	27. Presents budget update to the Finance, Development and Environment Committee. 28. Revise budget as required.
November	Finance Department	29. Present budget update to Finance, Development and Environment Committee. 30. Revise budget as required. 31. Presents preliminary notice of rate changes to all tenants.
December	Finance, Development and Environment Committee Full Commission	32. Approves budget for recommendation to full Commission. 33. Approves budget. 34. Notice of any changes in rates from preliminary information to all tenants.
February	Finance Department	35. Complete Budget Book.

FINANCIAL POLICIES – 2007 OPERATING BUDGET**FINANCIAL POLICIES – OPERATING BUDGET**

The following represent the basic Operating Budget and Cash Management/Investment Policies under which this portion of the budget were prepared:

A. Operating Budget Policies

1. The Commission will pay all current expenditures from current revenues.
2. The Commission will maintain a working capital balance approximately six months of operating expenses. If the Commission deems it appropriate to reduce working capital for the portion above the formula amount, such reductions shall not exceed 50% of the excess in any one year.
3. The operating budget will be submitted with revenues exceeding expenditures with a sufficient margin to provide for replacement of property, plant and equipment.
4. In the event of a revenue shortfall in a current budget year, the Executive Director may recommend a transfer from the Commission's Operating Fund.
5. The budget will provide for adequate funding of all retirement systems.
6. The Finance Department will prepare monthly variance reports comparing actual versus budget revenue and expense.
7. The budget will provide summary information regarding the Operating Fund, Construction Fund and Debt Service Fund projected for the next three years.
8. Where possible the Commission will integrate performance measurement and/or efficiency indicators in the budget.
9. Department heads will review monthly reports comparing actual revenues and expenses to budgeted amounts. Any variance in revenue, spending category or capital expenditures for their department as a whole projected to exceed \$100,000 by year-end, will be reported in writing to the Director of Finance and the Executive Director.
10. The operating budget shall be submitted which has adequate revenues to cover all accrual based expenses except for depreciation on PFC or non-airport owned assets (airport noise abatement of off airport property).

B. Operating Reserve - established by Finance, Development and Environment Committee at six months working capital.

FINANCIAL POLICIES – 2007 OPERATING BUDGET**C. Investment/Cash Management Policies**

1. Cash Management
 - a) All securities are safekept at one institution.
 - b) All deposits must be insured or collateralized.
2. Investments
 - a) Investment purchases are made only from dealers with offices located in the State of Minnesota.
 - b) All investment purchases require bids to be taken from several different dealers.
 - c) Investments purchased will be diversified under legal requirements trying to maximize Rate of Return.
 - d) The average Rate of Return will exceed the six month treasury bill.
 - e) All repurchase agreements are required to be collateralized.
 - f) The maturity of any investment shall not exceed three years.
 - g) To the extent possible, the MAC will attempt to match its investments with anticipated cash flow requirements.
 - h) The MAC will have at least 98% of its cash funds earning interest.
 - i) The addition of new accounts shall require the written authorization of the Finance Director and Executive Director.
3. Collateral
 - a) Collateral must always be held by an independent third party with whom the MAC has a custodial agreement.
 - b) A clear marked evidence of ownership (safekeeping) must be supplied to the entity and retained.
 - c) To the extent that funds deposited are in excess of the available Federal Deposit Insurance, the MAC shall require the financial institutions to furnish collateral, security or corporate surety bond executed by a company authorized to do business in the State.
 - d) The MAC shall not own investments held in Government Accounting Standard No. 3 Risk Category Three for longer than four days and in no event shall Risk Category Three exceed 5% of the MAC's investment.

BASIS OF BUDGETING – 2007 OPERATING BUDGET**Basis of Budgeting**

Each year the Finance Department, with the aid of Airport Development and Commercial Management, projects revenue for the upcoming budget year. The annual operating budget is prepared based on targets established by the Commission. Typically the budget is prepared to generate an operating surplus after providing for all operating expenditures (including pension and post retirement requirements), capital equipment purchases, debt service requirement and the five-month operating reserve.

The Commission operates as an Enterprise Fund with three segregated areas: Operating Fund (Used for day to day operations), Debt Service Fund (Used to pay required debt principal and interest payments) and Construction Fund (Used to pay capital costs associated with projects).

An Enterprise Fund may be used to “report any activity for which a fee is charged to external users for goods or services.” GASB-34 states that an Enterprise Fund *must* be used to account for an activity if any one of the following criteria is satisfied (GASB-34, par. 67):

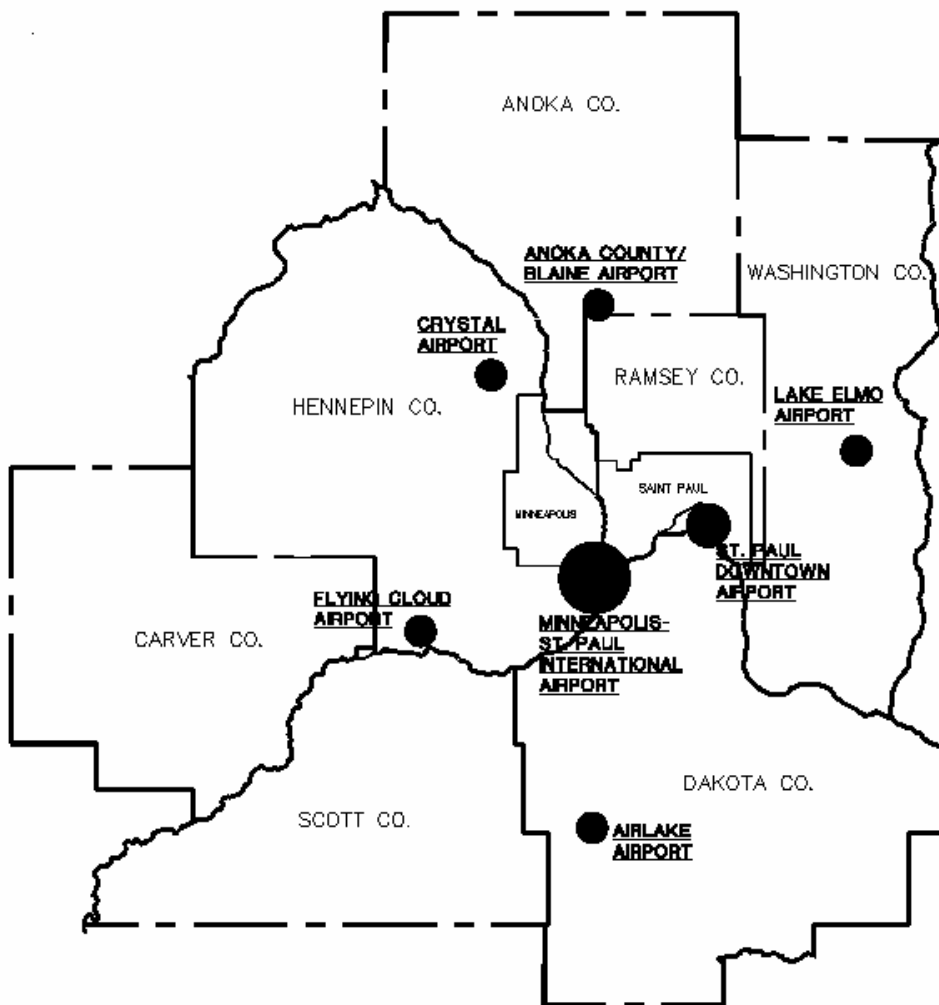
- The activity is financed with debt that is secured *solely* by a pledge of the net revenues from fees and charges of the activity.
- Laws or regulations require that the activity’s costs of providing services, including capital costs (such as depreciation or capital debt service), be recovered with fees and charges, rather than with taxes or similar revenues.
- The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

The budgets for all three Segregated Funds identified above are prepared using the accrual basis of accounting as this is the same method used for MAC accounting. In addition, the audited fund financial statements are also produced using the same accrual method of Accounting. Strictly speaking, the accrual basis of accounting is described as follows:

Accrual accounting attempts to record the financial effects on an enterprise of transactions and other events and circumstances that have cash consequences for an enterprise in the periods in which those transactions, events, and circumstances occur rather than only in the periods in which cash is received or paid by the enterprise. Accrual accounting is concerned with the process by which cash expended on resources and activities is returned as more (or perhaps less) cash to the enterprise, not just with the beginning and end of that process.

GENERAL DESCRIPTION – 2007 OPERATING BUDGET

The Minneapolis/St. Paul Metropolitan Airports Commission was created by an act of the Minnesota State Legislature in 1943 as a public corporation of the State. This was done for the following reasons: 1) to promote air navigation and transportation, international, national and local, in and through the State of Minnesota; 2) to promote the efficient, safe and economic handling of air commerce; and 3) to assure residents of the Metropolitan Area of minimum environmental impact from air navigation and transportation. The area over which the Commission exercises its jurisdiction is the Minneapolis/St. Paul Metropolitan Area which includes Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties, and which extends approximately 35 miles out in all directions from the Minneapolis and St. Paul City Halls. The Commission owns and operates seven airports within the Metropolitan Area including the Minneapolis/St. Paul International Airport, which serves the scheduled air carriers, and six Reliever Airports, serving business and general aviation.



Commission Jurisdiction 35 Mile Radius

GENERAL DESCRIPTION – 2007 OPERATING BUDGET

Fourteen Commissioners and a Chair govern the Airports Commission. The Governor of the State of Minnesota appoints twelve Commissioners. Of these twelve, eight are from designated districts within the Metropolitan area and four are from outstate. The Mayor of St. Paul and the Mayor of Minneapolis also have seats on the Commission with the option to appoint a surrogate to serve in their place. The Chair of the Commission is appointed by the Governor for a four-year term.

Chair: John Lanners

Commissioners:

District A Tammy McGee

District B Molly Sigel

District C *

District D John Williams

District E Sherry Stenerson

District F *

District G Thomas Foley

District H Bert McKasy

City of Minneapolis Daniel Boivin

City of St. Paul Pat Harris

Representing Greater

Minnesota Area: Greg Warner

Mike Landy

Paul Rehkamp

Robert Mars

Executive Director: Jeffrey W. Hamiel

* These positions are vacant pending appointment by the Governor.

The Commission has set up three standing committees. Two of the committees (Finance, Development & Environment and Management & Operations) meet on a monthly basis. The remaining committee, Human Resources & Affirmative Action, meets the first month of each quarter. The committees are responsible for all aspects of business which fall under their respective jurisdiction. Recommendations on all action items are made by the committees to the full Commission which meets monthly.

CHART OF ORGANIZATION – 2007 OPERATING BUDGET

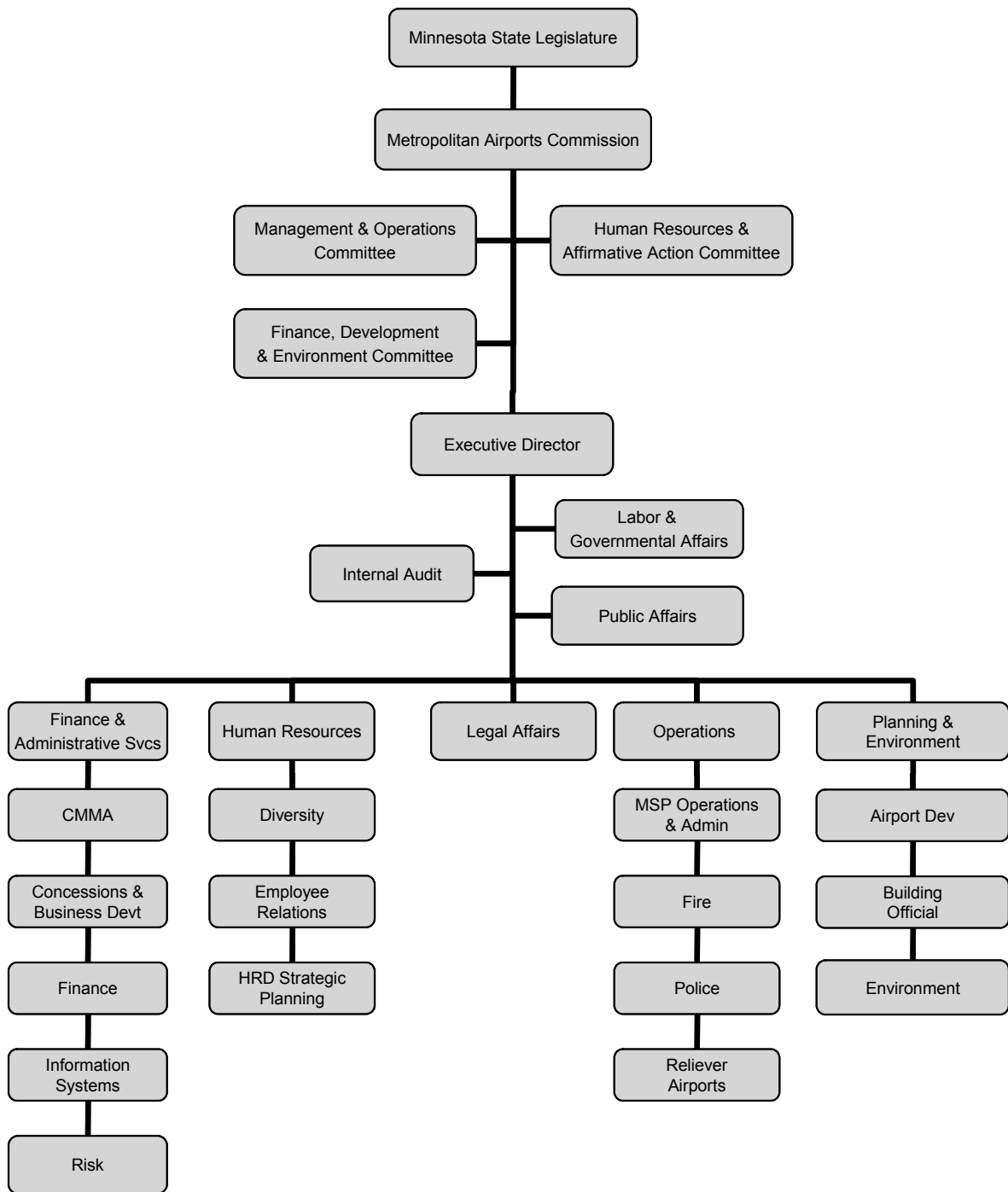
This section details information on the organizational structure. The organizational chart on the next page identifies the structure by division and department levels. Supporting detail for this chart is shown on the following page. The next table lists the divisions, associated departments and service centers roll-up. The six divisions are: Executive, Finance & Administrative Services, Human Resources, Legal Affairs, Operations and Planning & Environment.

In the past, Commercial Management/Airline Affairs and Air Service Business Development service centers were part of the Executive Division. These service centers along with a newly created "Concessions & Business Development" service center have been placed under the Finance & Administration Division in the 2007 budget. Air Service Business Development continues to report to Commercial Management/Airline Affairs.

The Internal Audit service center has become part of the Executive Division (from Finance & Administration Division). In addition, Safety has been eliminated and Wellness has been identified as part of the Risk Management service center.

These changes have been made to better reflect the service center responsibilities and reporting structure. The newly created service center (Concessions & Business Development) will focus on the Commissions strategy of identifying alternative revenue sources. The six division summary sections contain the following information by department or service center: expenses by major category, explanation of major changes, position summary and a brief description of the department's responsibility/function.

CHART OF ORGANIZATION – 2007 OPERATING BUDGET



DEPARTMENT LIST – 2007 OPERATING BUDGET**Divisions**

MAC services are provided through six divisions. The Executive Director and four Deputy Executive Directors lead, manage and integrate the business at MAC. The Deputy Executive Directors also lead the operations and staff for the departments and service centers within their respective divisions. The divisions and associated departmental structure are detailed later in this section.

Department

A department represents a combination of service centers. These service centers are responsible for specific functions that relate to one another. The department format is also a way that department heads can review functions they manage.

Service Center

Service centers are the lowest levels of the department budget detail. Many of the departments at MAC include several areas of responsibility and control. These areas have been identified as service centers. Previously there was not a separate budget for each service center. Budgeting for these areas was included in the department balance. This prevented a department director from having a separate budget for each service center. Now departments can budget at the service center level of detail.

Subledgers

Revenues collected for rates and charges from the airlines are governed by the airline agreement. The Airline Use Agreement is based on a break-even philosophy in which expenses incurred for the operation of the airport facility are divided among the airlines based on their participation. The budget is prepared using the same formula. Expenses were budgeted to the appropriate subledger, activity area, through either allocation or direct cost. Managing the multiple allocations and maintaining department budgets became overwhelming. Adding the subledger code to the object account for each line item helped to simplify the process. The summarized costs from the subledgers determine the calculation of various rates and charges. The line item details of the subledgers are in the Operating Budget Expense section.

Budget Specialist

The budget specialist is an employee from each department or service center who is responsible for making sure all budget forms are completed and processed for signature. The budget specialist acts as the department's budget expert and liaison to the Finance Department. Each year budget process overviews are conducted specifically for the budget specialist.

Controllable Expenses

MAC prepares a line item budget for each service center. Controllable expenses allow a service center to budget for those line items for which they have direct responsibility and control, regardless of subledger association.

DEPARTMENT LIST – 2007 OPERATING BUDGET

Organizational Structure by Division, Department, and Service Center			
Division	Department	Service Center	
		Number	Name
Executive Director / Commissioner	Executive / Commission	75000	Executive – General / Special Projects
		75100	Executive – Commissioners / Chair
	Public Affairs	76000	Public Affairs
	Labor and Governmental Affairs	79500	Labor and Governmental Affairs
	Internal Audit	78300	Internal Audit
Human Resources	Human Resources	75700	Human Resources
	HRD & Strategic Planning	76600	HRD & Strategic Planning
	Employee Relations	81500	Employee Relations
	Diversity	80600	Diversity
Finance & Administrative Services	Finance & Administrative Services	75600	Finance & Administrative Services
	Commercial Mgt./Airline Affairs	80000	Commercial Mgt./Airline Affairs
		76100	Air Service Business Development
	Concessions & Business Development	80100	Concessions & Business Development
	Risk Management	76800	Risk Management
		76700	Wellness
	Information Services	79000	Information Services
	Finance	78000	Finance
		78100	MAC General
		78200	Purchasing
Legal Affairs	General Counsel	81000	General Counsel
Planning & Environment	Planning	75500	Planning
	Environment	85000	Environment – General
		85100	Environment – Environmental
		85300	Environment – Aviation Noise Program
	Airport Development	77000	Airport Development
	Airport Development – Building Official	77100	Airport Development – Building Official

DEPARTMENT LIST – 2007 OPERATING BUDGET

Organizational Structure by Division, Department, and Service Center			
Division	Department	Service Center	
		Number	Name
Operations	Deputy – Operations MSP Operations & Administration	75800	Deputy – Operations
		82000	MSP Operations & Administration
		82050	Conference Center
		82600	Airside Operations
		83400	Landside – Administration
		83000	Landside – Operations
		83300	Landside – Parking
		85500	Facilities – Humphrey Terminal
		89000	Field Maintenance
		86100	Facilities – Lindbergh Terminal
		82060	Call Center
		86300	Facilities – Energy Management Ctr.
		88400	Trades – Administration
		88000	Trades – Electricians
		88100	Trades – Painters
		88200	Trades – Carpenters
		88300	Trades – Plumbers
	Fire	83600	Fire
	Police	84200	Police
	Reliever Airports	82700	Emergency Communications
		90000	Relievers – Administration
		90200	Relievers – St. Paul
		90300	Reliever – Lake Elmo
		90400	Reliever – Air Lake
		90500	Reliever – Flying Cloud
		90600	Reliever – Crystal
		90700	Reliever – Anoka

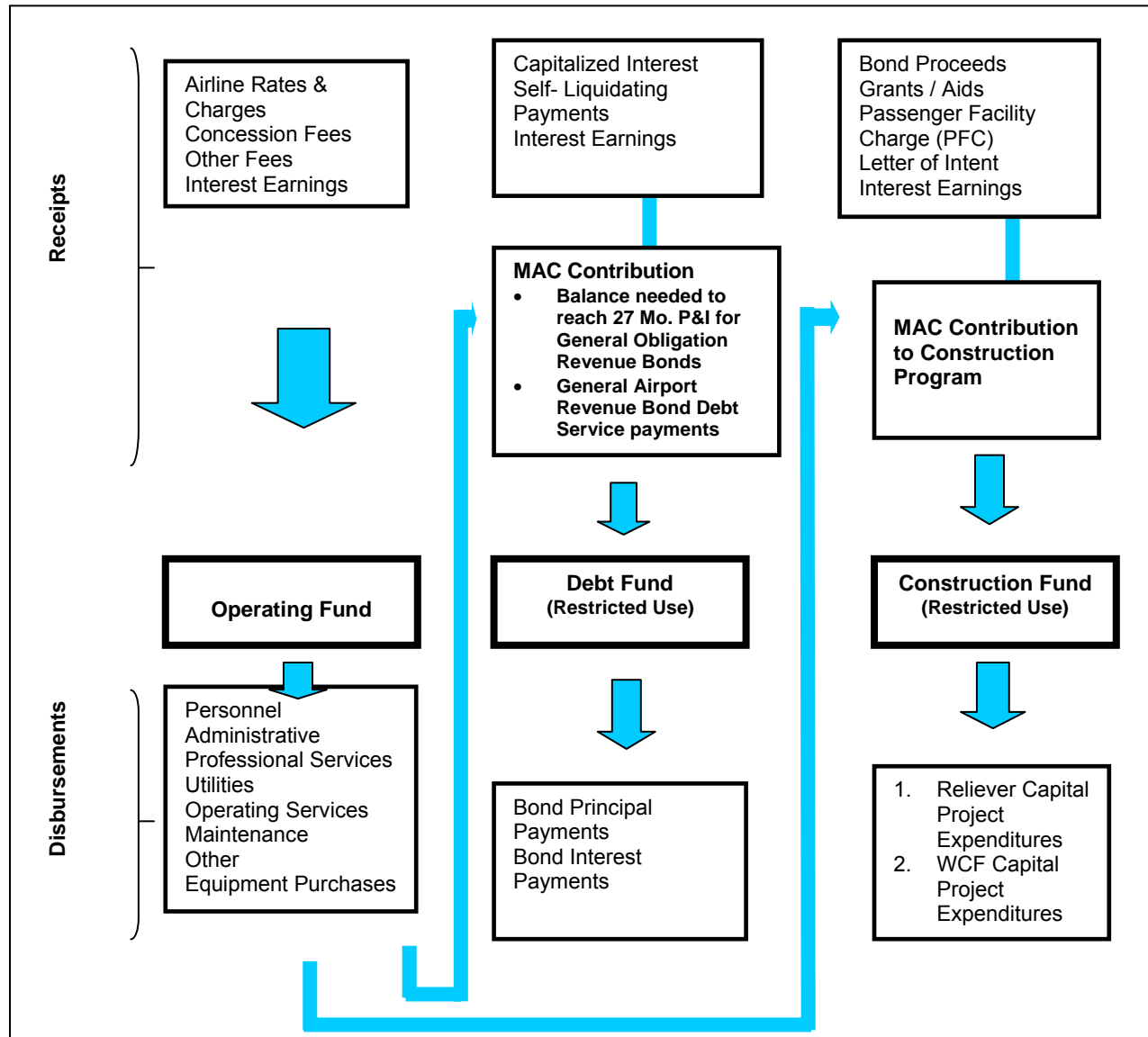
DEPARTMENT LIST – 2007 OPERATING BUDGET

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FLOW OF FUNDS – 2007 OPERATING BUDGET

The MAC is accounted for as an Enterprise Fund. An Enterprise Fund accounts for all cost allocations including depreciation while its cost of services are recovered through user fees/charges. Amounts are restricted for construction and debt redemption. For internal purposes, MAC maintains three funds corresponding to three major functions: Operating Fund, Construction Fund and Debt Redemption Fund.

The Flow of Funds chart below identifies the sources and uses of dollars within each fund and between funds.



FLOW OF FUNDS – 2007 OPERATING BUDGET

The table below is presented to show the general overview of the flow of funds and the amount of dollars moving through each fund on an annual basis. The details for each fund are shown in their respective sections of the budget.

FUND BALANCE SUMMARY - 2007 BUDGET						
(\$ = 000)						
	2005 Actual	2006 Estimated	2006 Budget	2007 Budget	2008 Projection	2009 Projection
OPERATING FUND						
1/1 Balance	\$ 36,007	\$ 49,608	\$ 49,608	\$ 62,331	\$ 64,075	\$ 67,055
Total Sources of Funds	237,790	262,250	257,656	264,796	297,955	303,681
Total Uses of Funds	(228,044)	(246,395)	(255,019)	(263,831)	(295,123)	(293,056)
Transfers & Working	<u>3,855</u>	<u>(3,132)</u>	<u>(1,060)</u>	<u>779</u>	<u>148</u>	<u>(3,000)</u>
Capital Changes						
Ending Balance	\$ 49,608	\$ 62,331	\$ 51,185	\$ 64,075	\$ 67,055	\$ 74,680
CONSTRUCTION FUND						
1/1 Balance	\$ 204,931	\$ 313,266	\$ 336,203	\$ 306,260	\$ 207,789	\$ 188,240
Total Sources of Funds	365,895	170,572	155,676	161,616	171,915	161,636
Total Uses of Funds	<u>(257,560)</u>	<u>(177,578)</u>	<u>(281,214)</u>	<u>(260,087)</u>	<u>(191,464)</u>	<u>(163,104)</u>
Ending Balance	\$ 313,266	\$ 306,260	\$ 210,665	\$ 207,789	\$ 188,240	\$ 186,772
DEBT SERVICE FUNDS						
1/1 Balance	\$ 240,028	\$ 274,596	\$ 274,225	\$ 266,874	\$ 260,208	\$ 259,953
Total Sources of Funds	289,734	135,034	137,347	140,180	150,293	152,912
Total Uses of Funds	<u>(255,166)</u>	<u>(142,756)</u>	<u>(141,714)</u>	<u>(146,846)</u>	<u>(150,548)</u>	<u>(155,627)</u>
Ending Balance	\$ 274,596	\$ 266,874	\$ 269,858	\$ 260,208	\$ 259,953	\$ 257,238
TOTAL ALL FUNDS						
1/1 Balance	\$ 480,966	\$ 637,470	\$ 660,036	\$ 635,465	\$ 532,072	\$ 515,248
Total Sources of Funds	893,419	567,856	550,679	566,592	620,163	618,229
Total Uses of Funds	(740,770)	(566,729)	(677,947)	(670,764)	(637,135)	(611,787)
Transfers & Working	<u>3,855</u>	<u>(3,132)</u>	<u>(1,060)</u>	<u>779</u>	<u>148</u>	<u>(3,000)</u>
Capital Changes						
Ending Balance	\$ 637,470	\$ 635,465	\$ 531,708	\$ 532,072	\$ 515,248	\$ 518,690
Funds are described in detail and show all sources/uses of funds in their respective section of the document.						
Net change in working capital represents fluctuations in year end operating payments, receivables and transfers.						

The major change in the total of all funds balance from estimated 2006 (\$635.5 million) to budgeted 2007 (\$532.1 million) can be attributed to the timing of construction projects and the use of the 2005 bond proceeds. Individual Fund Balances for the period 2007-2009 are expected to be relatively stable.

TAXING AUTHORITY – 2007 OPERATING BUDGET

TAXING AUTHORITY

The Commission has the ability to levy ad valorem property taxes upon properties at the Airport and, under certain circumstances, upon all taxable property within the Metropolitan Area. Such taxing authority includes:

1. The power to levy property taxes on land leased at the Airport for police and fire protection, operation, and maintenance of roadway systems.
2. The power to levy property taxes not in excess of .00806 percent in each year upon the taxable market value of all property in the Metropolitan Area for Airport operation and maintenance costs of Airport facilities, provided revenues are not otherwise available.

Although the Commission may levy property taxes for operation and maintenance expenses, the Commission is not currently levying taxes for these purposes. The Commission has entered into agreements in accordance with the Airport Law and the Resolution, whereby rental received by the Commission, together with other charges, rates, and fees imposed by the Commission, are sufficient to meet all expense of operation and maintenance of the Commission's property.

If the Commission were to have levied a tax based on the 2005/2006 taxable market value, the maximum amount available for maintenance and operations of the Commission would have been approximately \$15.5 million.

TOTAL OPERATING BUDGET SUMMARY – 2007 OPERATING BUDGET

In this section of the Operating Budget revenues and expenses from operating the facilities are combined with non-operating revenues and expenses.

The summary below illustrates how dollars are received and disbursed.

OPERATING FUND (\$ = 000)	2005	2006	2006	2007	2008	2009
	<u>Actual</u>	<u>Estimated</u>	<u>Budget</u>	<u>Budget</u>	<u>Projection</u>	<u>Projection</u>
Sources						
1/1 Balance	\$ 36,007	\$ 49,608	\$ 49,608	\$ 62,331	\$ 64,075	\$ 67,054
Airline Rates & Charges	81,946	94,700	96,337	86,954	114,650	116,145
Concessions	99,278	106,950	99,830	113,432	117,689	122,070
Other Operating Revenues	46,948	50,300	50,986	52,391	52,000	52,000
Interest Earnings 1	6,618	7,300	7,500	9,016	10,616	10,466
Other & Self-Liquidating Revenue	<u>3,000</u>	<u>3,000</u>	<u>3,003</u>	<u>3,003</u>	<u>3,000</u>	<u>3,000</u>
Total Sources	\$ 273,797	\$ 311,858	\$ 307,264	\$ 327,127	\$ 362,030	\$ 370,735
Uses						
Personnel	\$ (59,049)	\$ (59,600)	\$ (59,641)	\$ (61,381)	\$ (62,622)	\$ (65,924)
Administration	(1,179)	(1,300)	(1,214)	(1,535)	(1,570)	(1,633)
Professional Services	(3,359)	(5,150)	(3,700)	(5,650)	(5,623)	(5,847)
Utilities	(14,444)	(15,100)	(15,751)	(14,983)	(15,316)	(16,055)
Operating Services	(12,492)	(14,800)	(16,075)	(16,003)	(16,687)	(17,300)
Maintenance	(18,943)	(19,800)	(19,294)	(21,116)	(22,129)	(23,015)
Other/Insurance	(3,758)	(3,800)	(3,384)	(3,993)	(4,202)	(4,334)
Equipment Purchases	(4,828)	(14,586)	(7,367)	(6,627)	(7,374)	(7,448)
Transfers Out - Reserved Cash	(19,763)	(18,835)	(55,120)	(62,543)	(79,600)	(69,000)
Transfers Out - Debt	(66,320)	(69,888)	(73,473)	(70,000)	(80,000)	(82,500)
Other Operating/Non Operating Exp.	<u>(23,909)</u>	<u>(23,536)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Uses	\$ (228,044)	\$ (246,395)	\$ (255,019)	\$ (263,831)	\$ (295,123)	\$ (293,056)
Working Capital Changes/ Transfers 2	3,855	(3,132)	(1,060)	779	148	(3,000)
Ending Balance	\$ 49,608	\$ 62,331	\$ 51,185	\$ 64,075	\$ 67,055	\$ 74,679
1 Interest Rate Assumed 4.75% for 2005 - 2009.						
2 Change in working capital represents fluctuations in year end operating payments, receivables and transfers.						

SOURCES AND USES – 2007 OPERATING BUDGET**SOURCES AND USES****SOURCES**

Generally, there are four sources of revenues within the Operating Fund.

1. The 1/1 Balance reflects the Operating Reserve established by the Commission. Prior to 2005, this amount was four months of operating expenses. In early 2005, the Commission changed this to five months of operating expenses and in late 2006 changed the reserve to six months of operating expenses.
2. Operating Revenues consist of Airline Rates & Charges, Concessions and Other Operating Revenues. The changes in each of these areas are explained in detail in the Revenue Assumptions Section. In general, Airline Rates and Charges increased because of the implementation and full assessment of fees according to the lease agreement for 2007–2009. Concessions rose because of continued growth in parking activity and the nearly completed new Concessions Agreements. Other Revenue increases can be attributed to the opening of new facilities.
3. Interest Earnings are assumed to be in the 4-4.75% range for 2005-2009. Interest is earned on the balance in the Operating Fund and on MAC funded leases (i.e., Self-Liquidating – those facilities built by MAC and then leased to the tenant).
4. Other and Self-Liquidating revenue represents primarily principal payments from tenants for facilities constructed with MAC cash, not debt (bond) related.

USES

In general, there are five uses of operating revenues.

1. Operating expenses consist of Personnel, Administration, Professional Services, Utilities, Operating Services, Maintenance and Other/Insurance. Details of changes for each of these areas are identified in the Expense Assumption Section.
2. Equipment Purchases represent capital equipment (cost greater than \$5,000) approved by the Commission.
3. Transfers Out – Reserved Cash represents the amount of internally generated funds that are transferred to the Construction Fund after payment of all operating expenses have been made, all debt service requirements accounted for, and the Operating Reserve is funded at six months of Operating Expenses.
4. Transfers Out – Debt is the required transfers that are made to cover all debt service. On October 10th of each year, MAC must contribute from its Operating Fund to the Debt Service Fund an amount necessary to bring that fund balance up to the 27-month principal and interest level required by law (for General Obligation Bonds). (See Debt Service Budget for complete details.) In June and December, the Commission must then transfer the required amount for the GARB (General Airport Revenue Bond) reserve.
5. Other Operating/Non-Operating Expenses represent uses of funds other than transferring to the Construction Fund. In the past, the Commission transferred any excess revenue to the Construction Fund. However, in 2004 and 2005, other uses such as increasing the Operating Reserve from four months to five months (2004), extraordinary Pension and Post Retirement expenses have been identified as alternative uses. The excess revenue for 2005 amounted to \$39.3 million. In 2006, the Commission approved the transfer of this excess revenue to be applied as follows: \$9.9 million to increase the Commission's operating reserve from five months to six months. The remaining \$29.4 million was transferred to the Construction Fund. The excess revenue for 2006 is estimated at \$40.2 million. This amount has not yet been designated.

SOURCES AND USES – 2007 OPERATING BUDGET

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2007 OPERATING BUDGET SUMMARY - 2007 OPERATING BUDGET

						2006 Estimate vs 2007 Budget	
	2005 Actual	2005 Budget	2006* Budget	2006 Estimate	2007 Budget	Dollar Change	% Change
REVENUE							
Total Airline Rates & Charges	81,945,936	81,905,346	96,337,586	94,700,000	95,953,769	1,253,769	1.32%
Total All Concessions	99,277,860	83,468,278	99,830,393	106,950,000	113,431,680	6,481,680	6.06%
Total Other	46,948,447	42,223,588	50,985,661	50,300,000	52,390,854	2,090,854	4.16%
Airline Rent Credit					(9,000,000)	(9,000,000)	
Reconciliation Adjustment 2005				(2,379,000)		2,379,000	
Reconciliation Adjustment 2006				(4,000,000)		4,000,000	
Total Operating Revenue	228,172,243	207,597,212	247,153,640	245,571,000	252,776,303	7,205,303	2.93%
EXPENSE							
Personnel	59,048,889	53,990,776	59,724,357	59,600,000	61,380,637	1,780,637	2.99%
Administrative Expenses	1,179,464	1,253,302	1,213,734	1,300,000	1,535,166	235,166	18.09%
Professional Services	3,359,061	3,813,200	3,899,551	5,150,000	5,650,375	500,375	9.72%
Utilities	14,444,123	13,599,090	15,751,077	15,100,000	14,982,520	(117,480)	-0.78%
Operating Services/Expenses	12,492,409	13,692,706	16,360,784	14,800,000	16,003,253	1,203,253	8.13%
Maintenance	18,943,229	17,984,297	19,294,127	19,800,000	21,115,796	1,315,796	6.65%
Other	3,758,212	3,686,925	3,384,323	3,800,000	3,992,872	192,872	5.08%
Total Operating Expense (Excludes Depreciation)	113,225,387	108,020,295	119,627,953	119,550,000	124,660,618	5,110,618	4.27%
Gross Depreciation	93,565,938	94,888,799	117,965,237	115,900,000	118,497,916	2,597,916	2.24%
Total Operating Expense	206,791,325	202,909,094	237,593,190	235,450,000	243,158,534	7,708,534	3.27%
Operating Income	21,380,918	4,688,118	9,560,450	10,121,000	9,617,769	(503,231)	

*Commission approved expense budget adjustments
for the following service centers:

Human Resources	Professional Services	\$150,000
Executive - General	Personnel	\$84,000
AirService Bus. Dev. & Executive	Professional Services	\$50,000
Information Services (HHH Terminal)	Operating Services	\$285,415

OPERATING REVENUES - 2007 OPERATING BUDGET

						2006 Estimate vs 2007 Budget	
	2005 Actual	2005 Budget	2006 Budget	2006 Estimate	2007 Budget	Dollar Change	% Change
Airline Rates & Charges							
Landing Fees	44,277,228	44,249,630	52,022,149	50,000,000	52,491,844	2,491,844	4.98%
Ramp Fees	5,601,166	5,155,129	5,994,807	6,000,000	5,854,798	(145,202)	-2.42%
Terminal Rentals - Agreement	28,833,911	29,148,285	35,061,200	35,399,000	34,126,192	(1,272,808)	-3.60%
Terminal Rentals - Other	420,765	420,765	420,765	421,000	420,765	(235)	-0.06%
Terminal Rentals - IAF	2,511,384	2,642,110	2,658,393	2,700,000	2,865,641	165,641	6.13%
Carrouseles & Conveyors	301,480	289,427	180,272	180,000	194,529	14,529	8.07%
Total Airline Rates & Charges	81,945,936	81,905,346	96,337,586	94,700,000	95,953,769	1,253,769	1.32%
Concessions							
Landside							
Parking	60,213,414	52,884,972	63,538,867	65,000,000	69,006,140	4,006,140	6.16%
Auto Rental	14,692,711	12,392,136	10,552,065	14,000,000	14,500,000	500,000	3.57%
Ground Transportation Fees	4,320,671	3,472,500	3,889,790	4,000,000	4,140,215	140,215	3.51%
Total Landside	79,226,796	68,749,608	77,980,722	83,000,000	87,646,355	4,646,355	5.60%
Terminal/Other							
Food & Beverage	9,790,050	5,700,000	10,889,408	11,450,000	13,049,029	1,599,029	13.97%
News	2,258,191	274,000	1,720,400	3,000,000	3,158,000	158,000	5.27%
Retail	3,867,934	4,841,000	5,188,477	5,200,000	5,855,138	655,138	12.60%
Terminal Services	2,661,087	2,446,670	2,653,411	2,900,000	2,354,468	(545,532)	-18.81%
Other Concessions	1,473,803	1,457,000	1,397,975	1,400,000	1,368,690	(31,310)	-2.24%
Total Terminal/Other	20,051,065	14,718,670	21,849,671	23,950,000	25,785,325	1,835,325	7.66%
Total All Concessions	99,277,860	83,468,278	99,830,393	106,950,000	113,431,680	6,481,680	6.06%
Other							
Building Rentals	16,548,941	16,088,758	16,749,740	16,400,000	16,871,041	471,041	2.87%
Lobby Fees - HHH Terminal	4,819,204	4,245,291	5,423,963	6,000,000	6,817,540	817,540	13.63%
Ground SW/Westside Develop	1,485,580	1,527,846	2,080,991	1,500,000	1,017,784	(482,216)	-32.15%
Infield Development	3,189,914	3,035,181	4,937,456	3,000,000	3,107,499	107,499	3.58%
Ground - Other	1,806,553	1,679,010	2,180,503	3,400,000	3,598,160	198,160	5.83%
Utilities	2,540,989	1,663,774	2,436,975	2,200,000	2,469,927	269,927	12.27%
Other	13,137,366	10,810,728	14,076,033	14,600,000	15,335,903	735,903	5.04%
Reimbursed Expense	3,419,899	3,173,000	3,100,000	3,200,000	3,173,000	(27,000)	-0.84%
Total Other	46,948,447	42,223,588	50,985,661	50,300,000	52,390,854	2,090,854	4.16%
Airline Rent Credit					(9,000,000)	(9,000,000)	
Reconciliation Adjustment 2005				(2,379,000)		2,379,000	
Reconciliation Adjustment 2006				(4,000,000)		4,000,000	
Total Operating Revenue	<u>228,172,243</u>	<u>207,597,212</u>	<u>247,153,640</u>	<u>245,571,000</u>	<u>252,776,303</u>	<u>7,205,303</u>	2.93%

OPERATING REVENUES - 2007 OPERATING BUDGET

	2007 Budget					2006 Estimate vs 2007 Budget	
	Mpls.- St.Paul	Reliever Airports	2006 Budget	2006 Estimate	2007 Budget	Dollar Change	% Change
Airline Rates & Charges							
Landing Fees	52,491,844		52,022,149	50,000,000	52,491,844	2,491,844	4.98%
Ramp Fees	5,854,798		5,994,807	6,000,000	5,854,798	(145,202)	-2.42%
Terminal Rentals - Agreement	34,126,192		35,061,200	35,399,000	34,126,192	(1,272,808)	-3.60%
Terminal Rentals - Other	420,765		420,765	421,000	420,765	(235)	-0.06%
Terminal Rentals - IAF	2,865,641		2,658,393	2,700,000	2,865,641	165,641	6.13%
Carrouseles & Conveyors	194,529		180,272	180,000	194,529	14,529	8.07%
Total Airline Rates & Charges	95,953,769		96,337,586	94,700,000	95,953,769	1,253,769	1.32%
Concessions							
Landside							
Parking	69,006,140		63,538,867	65,000,000	69,006,140	4,006,140	6.16%
Auto Rental	14,500,000		10,552,065	14,000,000	14,500,000	500,000	3.57%
Ground Transportation Fees	4,140,215		3,889,790	4,000,000	4,140,215	140,215	3.51%
Total Landside	87,646,355		77,980,722	83,000,000	87,646,355	4,646,355	5.60%
Terminal/Other							
Food & Beverage	13,049,029		10,889,408	11,450,000	13,049,029	1,599,029	13.97%
News	3,158,000		1,720,400	3,000,000	3,158,000	158,000	5.27%
Retail	5,855,138		5,188,477	5,200,000	5,855,138	655,138	12.60%
Terminal Services	2,354,468		2,653,411	2,900,000	2,354,468	(545,532)	-18.81%
Other Concessions	1,368,690		1,397,975	1,400,000	1,368,690	(31,310)	-2.24%
Total Terminal/Other	25,785,325		21,849,671	23,950,000	25,785,325	1,835,325	7.66%
Total All Concessions	113,431,680		99,830,393	106,950,000	113,431,680	6,481,680	6.06%
Other							
Building Rentals	16,844,710	26,331	16,749,740	16,400,000	16,871,041	471,041	2.87%
Lobby Fees - HHH Terminal	6,817,540		5,423,963	6,000,000	6,817,540	817,540	13.63%
Ground SW/Westside Develop	1,017,784		2,080,991	1,500,000	1,017,784	(482,216)	-32.15%
Infield Development	3,107,499		4,937,456	3,000,000	3,107,499	107,499	3.58%
Ground - Other	3,598,160		2,180,503	3,400,000	3,598,160	198,160	5.83%
Utilities	2,469,927		2,436,975	2,200,000	2,469,927	269,927	12.27%
Other	10,773,954	4,561,949	14,076,033	14,600,000	15,335,903	735,903	5.04%
Reimbursed Expense	3,173,000		3,100,000	3,200,000	3,173,000	(27,000)	-0.84%
Total Other	47,802,574	4,588,280	50,985,661	50,300,000	52,390,854	2,090,854	4.16%
Airline Rent Credit	(9,000,000)				(9,000,000)	(9,000,000)	
Reconciliation Adjustment 2005				(2,379,000)		2,379,000	
Reconciliation Adjustment 2006				(4,000,000)		4,000,000	
Total Operating Revenue	248,188,023	4,588,280	247,153,640	245,571,000	252,776,303	7,205,303	2.93%

REVENUE ASSUMPTIONS – 2007 OPERATING BUDGET

Total revenue for 2007 is \$252,776,303 which is a \$7,205,303 or 2.93% increase compared to 2006 estimates. Airline Rates and Charges have been reduced along with credits and adjustments. These will be explained below. The greatest increase in revenue is due to the Concessions category (increase of \$6,481,680) with Parking revenue up \$4,006,140. The detailed explanations for other major changes in revenue are included in this section.

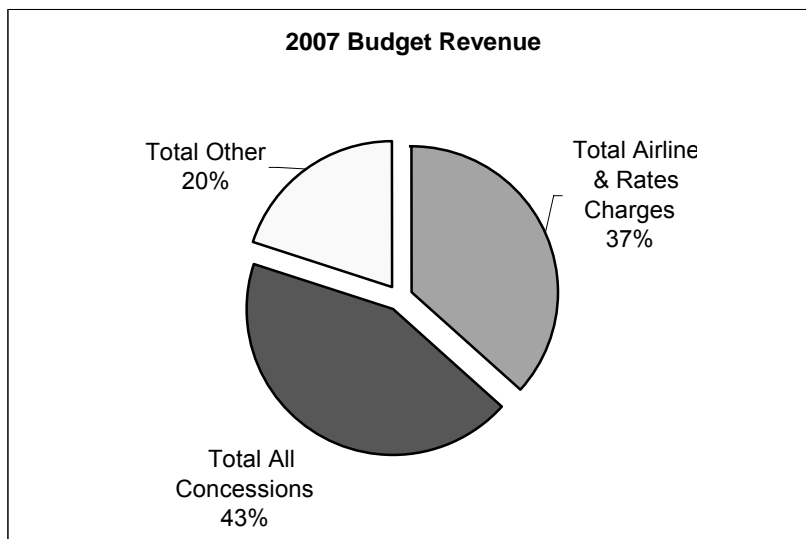
	<u>2005 Actual</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Estimate</u>	<u>2007 Budget</u>	2006 Estimate vs 2007 Budget	
						<u>Dollar Change</u>	<u>% Change</u>
REVENUE							
Total Airline Rates & Charges	81,945,936	81,905,346	96,337,586	94,700,000	95,953,769	1,253,769	1.32%
Total All Concessions	99,277,860	83,468,278	99,830,393	106,950,000	113,431,680	6,481,680	6.06%
Total Other	46,948,447	42,223,588	50,985,661	50,300,000	52,390,854	2,090,854	4.16%
Airline Rent Credit					(9,000,000)	(9,000,000)	
Reconciliation Adjustment 2005				(2,379,000)		2,379,000	
Reconciliation Adjustment 2006				(4,000,000)		4,000,000	
Total Operating Revenue	<u>228,172,243</u>	<u>207,597,212</u>	<u>247,153,640</u>	<u>245,571,000</u>	<u>252,776,303</u>	<u>7,205,303</u>	2.93%

The revenue budget is divided into three categories: Airline Rates and Charges, Concessions, and Other. Airline Rates and Charges, which is \$95,953,769 or 36.7% (excluding the \$9.0 million airline rent credit) of MAC total revenue for 2007, consists primarily of revenue paid by the airlines as user fees for landing fees, ramp fees, and terminal building rates. Details on the adjustments to revenue for the airlines will be explained as follows in the Airline Rates & Charges section.

The Concessions category, which is \$113,431,680 or 43.3% of total revenue for 2007, includes revenue from the following areas: parking, ground transportation fees, taxicab license fees, auto rental, food, beverage, merchandise and personnel services. The rates charged for parking are approved by the Commission while ground transportation fees and taxicab license fees are authorized according to MAC Ordinances. The revenues from auto rental, food, beverage, merchandise and personnel services are based on various lease agreements which allow the concessionaires to operate in MAC facilities. Concessions are projected to increase \$6,481,680 or 6.06%.

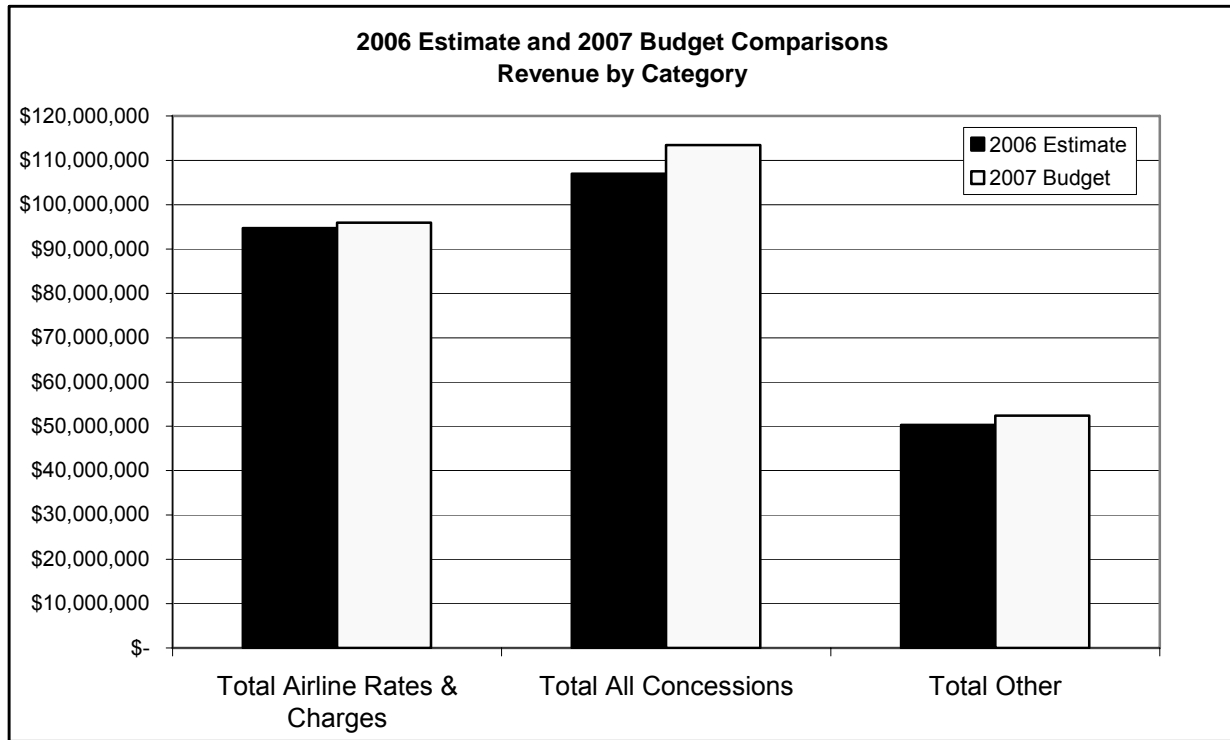
Other revenue, which is \$52,390,854 or 20.0% of total revenue for 2007, consists of building rental (excluding the terminal building), ground space, utilities, general aviation fees and reliever airport fees. All of these Other revenue sources are based on leases and agreements, except Ground Rent and the HHH Terminal common use fees, which are based on MAC Ordinances.

The following chart shows the revenue sources



REVENUE ASSUMPTIONS – 2007 OPERATING BUDGET

The following chart compares 2006 estimate and 2007 budget revenue by category.

**Revenue Assumptions/Guidelines:**

The revenue projections for 2007 are based on the following assumptions and guidelines:

- Revenue will be prepared on an accrual basis
- The revenue projections are based on estimates compiled from the following sources:
 - Lease agreements
 - Contracts
 - Projected enplaned passengers and operations activity provided by the airlines and other users of MAC facilities
 - Expense projections which determine rates and charges per the Airline Use Agreement
 - Historical trends

The explanations for revenue assumptions are based on a comparison of 2006 estimates versus 2007 budget figures.

REVENUE ASSUMPTIONS – 2007 OPERATING BUDGET**AIRLINE RATES AND CHARGES**

The formulas for the rates (landing fee, ramp fee, terminal rates, and the Lindbergh Terminal International Arrivals Facility (IAF) are established in the Airline Use Agreement.

Approximately \$96.0 million or 36.7% of MAC's \$262.0 million in revenues is generated from rates charged to the airlines. The projected budget for Airline Rates and Charges is \$96.0 million for 2007.

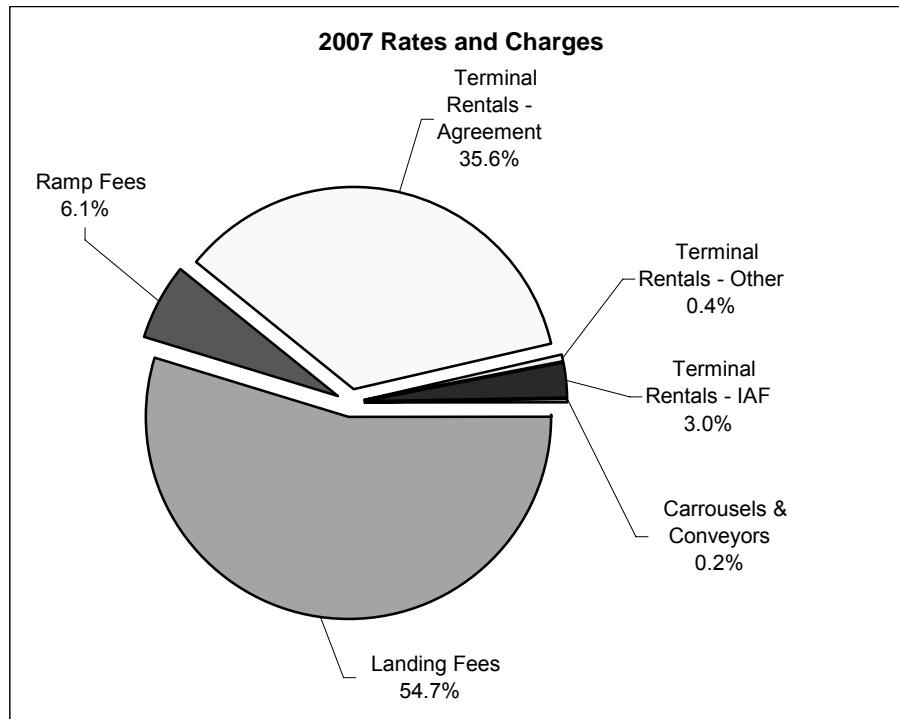
Because of the slow economy and the lack of recovery in the aviation industry, airline rates and charges were held constant in 2002, 2003 and 2004. Actual revenue for 2005 and 2006 estimate is based upon the rates and charges formula in the Airline Use Agreement (landing fees, ramp fees, all terminal rates including the Lindbergh Terminal International Arrivals Facility (IAF) and carousels & conveyors). In accordance with this Agreement, expenses from the Police, Fire, Maintenance Labor, Maintenance Equipment, and Administration service centers are allocated to the Field & Runway, Ramp, Terminal Building, and International Arrival Facility (IAF) service centers (detailed in the Operating Budget Expense section). Total costs plus the allocations are then used to determine the airline rates and charges. As a result, fluctuations in the allocated costs can cause a change in the airline rates.

The 2006 estimated revenue, as indicated in the chart below, also includes an Airline Reconciliation Adjustment for both 2005 and 2006. Due to the unstable condition of the airline industry including bankruptcies of some of the airlines serving MSP, and to maintain MSP's low cost attractiveness, the Commission approved the elimination of both the 2005 and 2006 amounts due to the Commission from year-end reconciliation of airlines rates and charges as outlined in the Airline Agreement. The 2007 budget Rate and Charges increased slightly from 2006 estimated numbers due to increased operating costs in the airfield service centers. Further, the 2007 budget incorporates additional airline rate relief (credit) estimated at \$9.0 million to maintain MSP's low cost attractiveness and relief to bankrupt carriers at MSP. Board approval regarding this credit with the airlines will be finalized during 2007.

						2006 Estimate vs 2007 Budget	
	<u>2005 Actual</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Estimate</u>	<u>2007 Budget</u>	<u>Dollar Change</u>	<u>% Change</u>
Airline Rates & Charges							
Landing Fees	44,277,228	44,249,630	52,022,149	50,000,000	52,491,844	2,491,844	4.98%
Ramp Fees	5,601,166	5,155,129	5,994,807	6,000,000	5,854,798	(145,202)	-2.42%
Terminal Rentals - Agreement	28,833,911	29,148,285	35,061,200	35,399,000	34,126,192	(1,272,808)	-3.60%
Terminal Rentals - Other	420,765	420,765	420,765	421,000	420,765	(235)	-0.06%
Terminal Rentals - IAF	2,511,384	2,642,110	2,658,393	2,700,000	2,865,641	165,641	6.13%
Carousels & Conveyors	301,480	289,427	180,272	180,000	194,529	14,529	8.07%
Total Airline Rates & Charges	<u>81,945,936</u>	<u>81,905,346</u>	<u>96,337,586</u>	<u>94,700,000</u>	<u>95,953,769</u>	<u>1,253,769</u>	1.32%

REVENUE ASSUMPTIONS – 2007 OPERATING BUDGET

The following pie chart indicates the percent of each revenue source in Airline Rates and Charges and compares it to the total Airline Rates and Charges Revenue.



The following table identifies the airline adjustment of \$9,000,000 as a separate line.

Category	% Of Airline Rates & Charges Revenue
Landing Fees	54.71%
Ramp Fees	6.10%
Terminal Rentals - Agreement	35.57%
Terminal Rentals - Other	0.44%
Terminal Rentals - IAF	2.99%
Carrouseles & Conveyors	0.20%
Airline Adjustment	-9.38%

REVENUE ASSUMPTIONS – 2007 OPERATING BUDGET**LANDING FEES**

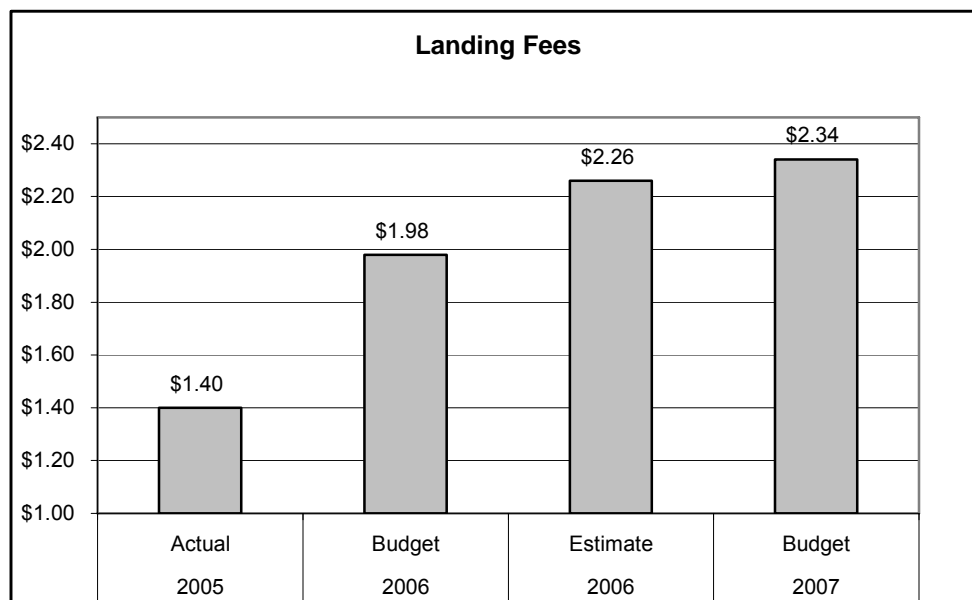
The Landing Fee is based upon total estimated expense in the Field & Runway service center. By dividing total field and runway expenses by the estimated landed weight (provided by the airlines and historical data), a budgeted landing fee is established for use during the year. The formula used in calculating the rates for 2005 through 2007 is in accordance with the Airline Agreement for all Airline Rates and Charges including Landing Fees. For details, please note the above explanation in Airline Rates and Charges for reductions to the Landing Fees.

The change in the landing fee from the 2006 estimate (\$2.26) to the 2007 budget (\$2.34) can be attributed to four factors.

- Depreciation and Interest associated with additional Runway 17/35 projects closing in 2006 results in a rate increase of \$.10.
- Allocations for Labor, Equipment, Police, Fire and Administration increase the rate \$.06. Additional personnel from 2006 (Maintenance - 2; Fire - 2; Police – 4; Communications – 1; and Administration – 3) will be employed for a full year in 2007. Also, wage and contract adjustments, as well as employee insurance increases, are more than offset by a reduction in the MERF pension costs. (See Personnel Expense Assumptions.)
- Other charges and credits from Noise, Operations, Communications and field credits net to an increase of \$.05.
- A reduction in rates (as explained above in Airline Rates and Charges) of \$.13.

A comparison of actual 2005, 2006 estimate, and 2006 budget and 2007 budget for landing fee rates, landed weight and revenue of the signatory carriers follows.

<u>Landing Fee</u>	2005	2006	2006	2007
	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Budget</u>
Landing Fee	\$1.40	\$1.98	\$2.26	\$2.34
Landed Weight (000)	25,880	26,230	22,427	22,436
Revenue (000)	\$44,255	\$52,022	\$50,000	\$52,492



REVENUE ASSUMPTIONS – 2007 OPERATING BUDGET**RAMP FEES**

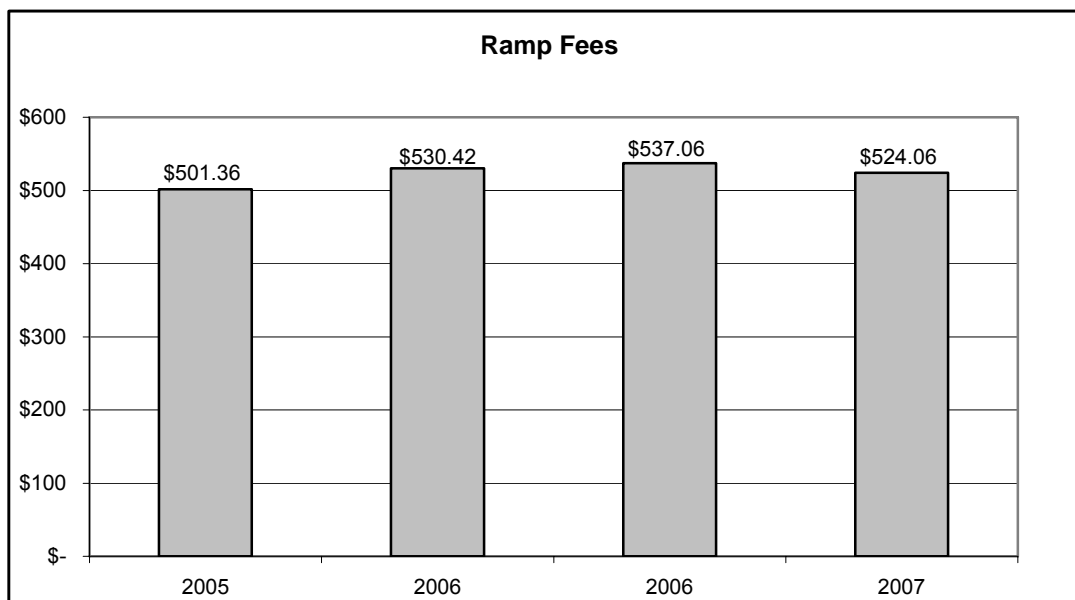
Aircraft parking ramp fees are calculated in the same manner as landing fees. Ramp fees are determined by dividing the total estimated Terminal Ramp expenses by total lineal feet of ramp available. The rate is based upon a break-even philosophy. Details regarding reductions are explained in Airline Rates and Charges.

The increase in the fee from 2006 estimated (\$537.06) to 2007 budget (\$524.06) can be attributed to the following:

- Allocations for Labor, Equipment and Administration account for \$16.77 of the increase. (See Landing Fees for personnel additions and benefit explanations.)
- Increased costs for materials, gas and equipment result in \$1.12 of the rate change.
- Depreciation and Interest associated with various minor projects results in \$3.36 of the increase.
- A reduction in rates (as explained above in Airline Rates and Charges) of \$34.25.

The following is a comparison of 2005 actual, 2006 estimate, 2006 budget, and 2007 budget ramp rates and revenue.

<u>Ramp Fee</u>	<u>2005 Actual</u>	<u>2006 Budget</u>	<u>2006 Estimate</u>	<u>2007 Budget</u>
Ramp Fee	\$ 501.36	\$ 530.42	\$ 537.06	\$ 524.06
Ramp Footage	11,172	11,302	11,172	11,172
Revenue	\$ 5,601,166	\$ 5,994,807	\$ 6,000,000	\$ 5,854,798



REVENUE ASSUMPTIONS – 2007 OPERATING BUDGET**TERMINAL AIRLINES – AGREEMENT**

Airline building rates are calculated by allocating expense over the total rentable square footage in the Lindbergh Terminal. Airlines are charged for the space they occupy. Unlike landing fees and ramp fees, airline terminal building rates are not based upon a near break-even or break-even philosophy. Under this calculation, costs are recovered from the airlines in proportion to the rentable space they occupy in the terminal building.

The primary reason for the decrease in the rates (\$.54) between 2006 estimates and 2007 budget is:

- Allocations for Labor, Equipment, Police, Fire and Administration result in an increase in the rate of \$.88. (See Landing Fees for personnel additions and benefit explanation.)
- An incorrect rentable square footage total of 1,113,912 (used in the 2006 rate calculation) vs. the actual correct footage of 1,088,393 caused an increase in the rate of \$1.33.
- Direct expenses attributed to higher mechanical contracts (elevators, escalator, moving walks and people movers), wage and contract adjustments, employee insurance, general supplies, general insurance, and utilities result in an increase of \$1.03.
- A reduction in rates (as explained above in Airline Rates and Charges) of \$3.78.

A comparison of 2005 actual, 2006 estimate, 2006 budget and 2007 budget rates follows.

<u>Terminal Rates</u>				
	<u>2005 Actual</u>	<u>2006 Budget</u>	<u>2006 Estimate</u>	<u>2007 Budget</u>
Exclusive (Per Sq. Ft.)	\$48.20	\$58.95	\$59.00	\$58.46
Exclusive Janitored (Per Sq. Ft.)	\$53.85	\$64.95	\$65.00	\$64.68
Total Revenue (000)	\$28,834	\$35,061	\$35,399	\$34,126

LINDBERGH TERMINAL INTERNATIONAL ARRIVAL FACILITY (IAF)

The agreement for this facility includes a fee calculation similar to the ramp and landing fees (break-even/revenue equals expense). Users of the facility will be charged a use fee based upon projected expenses. At year-end an adjustment will be made for any overage or shortage. Please see the above explanation in Airline Rates and Charges for reductions to this calculation.

The table below shows the fees for 2005 actual, 2006 estimate, 2006 budget and 2007 budget.

<u>Int'l Arrival Fee (IAF)</u>				
	<u>2005 Actual</u>	<u>2006 Budget</u>	<u>2006 Estimate</u>	<u>2007 Budget</u>
Total Cost	\$ 2,511,384	\$ 2,658,393	\$ 2,700,000	\$ 2,865,641
Passengers	646,630	710,640	620,000	639,576
Fee Per Passenger	\$ 3.88	\$ 3.56	\$ 4.35	\$ 4.48

The increase in the fee can be attributed to higher maintenance costs and the Police/Fire/Administration charge for the facilities.

REVENUE ASSUMPTIONS – 2007 OPERATING BUDGET

CARROUSELS AND CONVEYORS

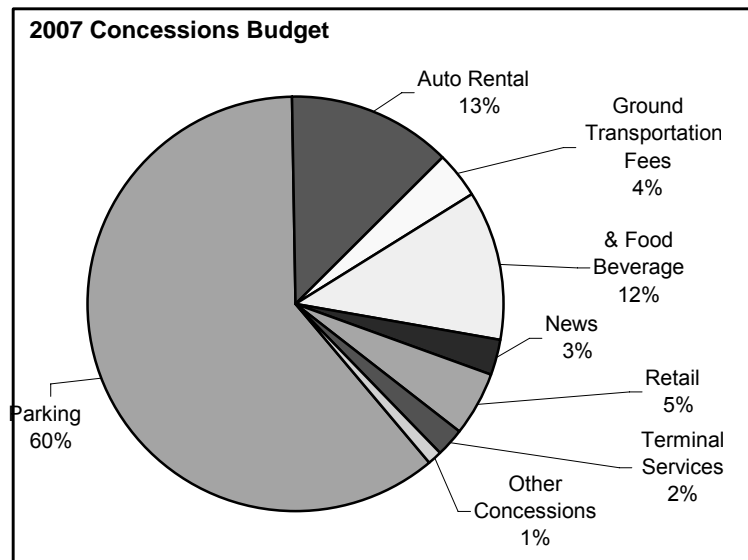
Carrousel and conveyor charges are based on contract expenses. The change from 2006 estimate (\$180,000) to 2007 budget (\$194,529) is an increase of \$14,529. This increase can be attributed to anticipated costs associated with the age of the system.

CONCESSIONS

The 2007 Budget for Concessions revenue is projected to increase \$6,481,680 or 6.06% from the 2006 estimate. Concessions revenue consists of the following categories.

	<u>2005 Actual</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Estimate</u>	<u>2007 Budget</u>	<u>2006 Estimate vs 2007 Budget Dollar Change</u>	<u>% Change</u>
Concessions							
Parking	60,213,414	52,884,972	63,538,867	65,000,000	69,006,140	4,006,140	6.16%
Auto Rental	14,692,711	12,392,136	10,552,065	14,000,000	14,500,000	500,000	3.57%
Ground Transportation Fees	4,320,671	3,472,500	3,889,790	4,000,000	4,140,215	140,215	3.51%
Food & Beverage	9,790,050	5,700,000	10,889,408	11,450,000	13,049,029	1,599,029	13.97%
News	2,258,191	274,000	1,720,400	3,000,000	3,158,000	158,000	5.27%
Retail	3,867,934	4,841,000	5,188,477	5,200,000	5,855,138	655,138	12.60%
Terminal Services	2,661,087	2,446,670	2,653,411	2,900,000	2,354,468	(545,532)	-18.81%
Other Concessions	<u>1,473,803</u>	<u>1,457,000</u>	<u>1,397,975</u>	<u>1,400,000</u>	<u>1,368,690</u>	<u>(31,310)</u>	<u>-2.24%</u>
Total All Concessions	<u>99,277,860</u>	<u>83,468,278</u>	<u>99,830,393</u>	<u>106,950,000</u>	<u>113,431,680</u>	<u>6,481,680</u>	<u>6.06%</u>

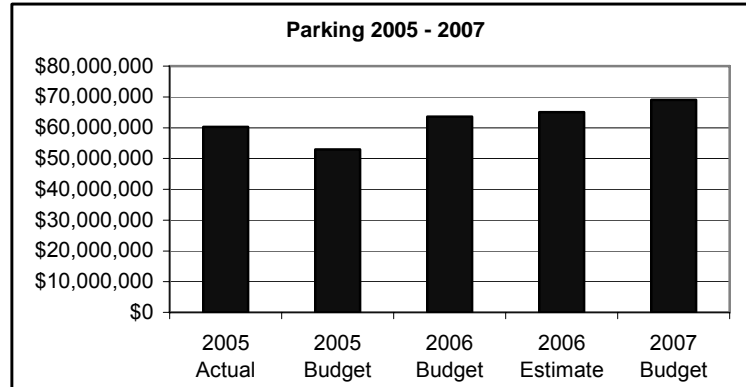
The following pie chart indicates the percent of each revenue source in Concessions and compares it to the total Concessions Revenue.



REVENUE ASSUMPTIONS – 2007 OPERATING BUDGET

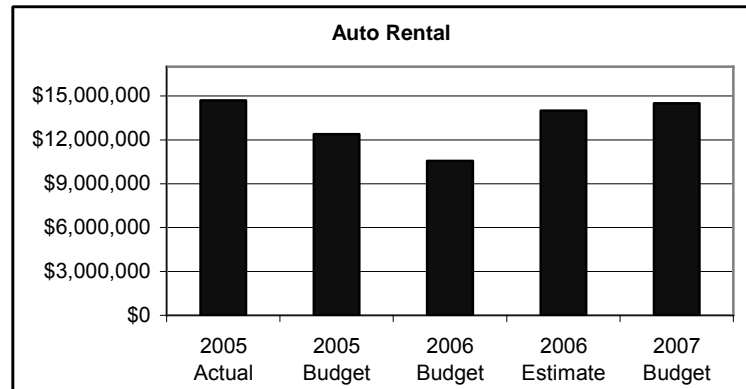
PARKING

Parking as shown is projected to increase \$4,006,140 or 6.16% above 2006 estimates. The anticipated increase can be attributed to a continued increase in utilization by the traveling public even with declining and/or flat passenger traffic.



AUTO RENTAL

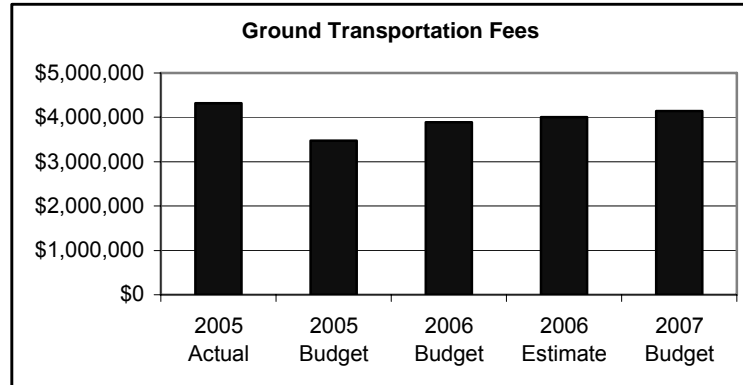
Auto rental fees are projected to increase by \$500,000 or 3.57% from the 2006 estimates. Based on the Auto Rental Concession Agreement, auto rental firms pay a minimum rental fee (which is a guarantee that the firm bids) plus a percentage of gross revenue above the minimum fee. The contract for auto rental firms expired in May 2004 with two one-year options. Based on current conditions in the industry, staff extended the contract for the two option years. Because of the uncertainty surrounding the Humphrey Terminal and the 2020 Plan, it is anticipated that staff will request another one-year extension. The 2007 Budget reflects an increase over the 2006 estimate as all of the auto rental companies have been exceeding their minimums in the past several months.



REVENUE ASSUMPTIONS – 2007 OPERATING BUDGET

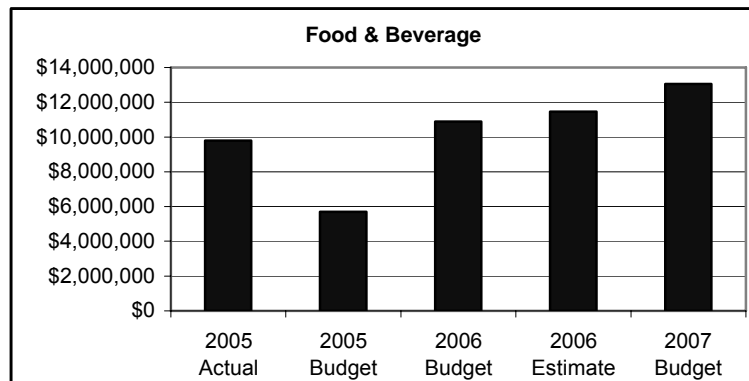
GROUND TRANSPORTATION FEES

Ground Transportation Fees are projected to increase \$140,215 or 3.51%. This increase can be attributed to increased costs which change the Ordinance rates for Commercial vehicles and an updated traffic count study. Types of vehicles in this category include taxis, buses, private limos, hotel/motel shuttles and other miscellaneous vehicles.



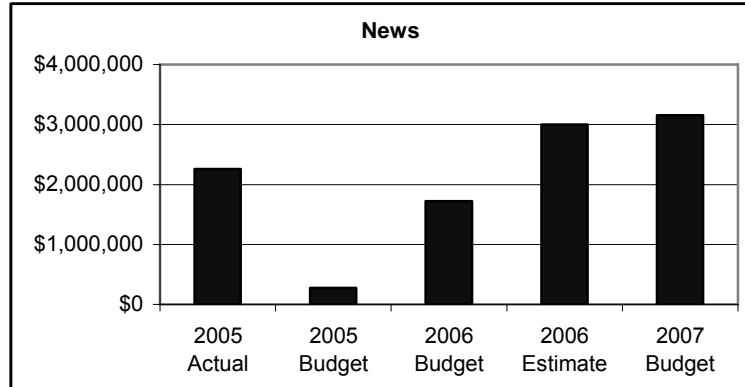
FOOD/BEVERAGE

Food and Beverage is projected to increase \$1,599,029 or 13.97% from the 2006 estimate. This is due to the new lease agreements and remodeling of units being completed. The decrease in the 2005 budget reflected the closing of concessions due to the new agreement.

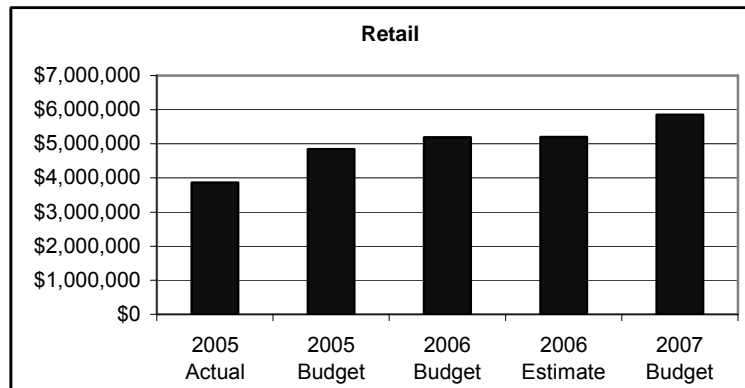


REVENUE ASSUMPTIONS – 2007 OPERATING BUDGET**NEWS**

News is projected to increase \$158,000 or 5.27% from the 2006 estimate. This is due to the new lease agreements and remodeling of units being completed. The decrease in the 2005 budget reflected the closing of concessions due to the new agreement. In addition, a reclassification of revenue between Retail and News also occurred in 2005.

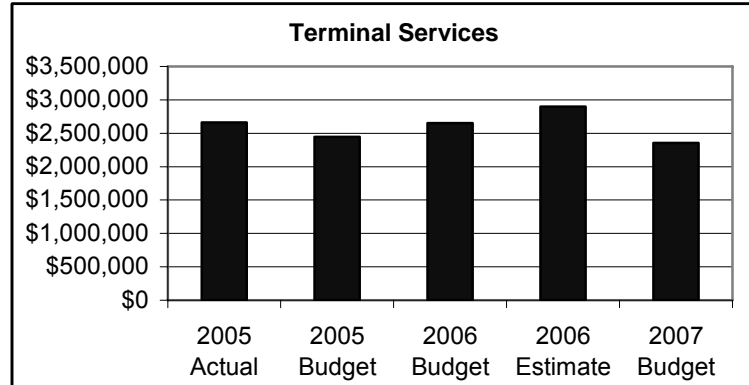
**RETAIL**

Retail is projected to increase \$655,138 or 12.6% from the 2006 estimate. This is due to the new lease agreements and remodeling of units being completed. The decrease in the 2005 budget reflected the closing of concessions due to the new agreement. In addition, a reclassification of revenue between Retail and News also occurred in 2005.



REVENUE ASSUMPTIONS – 2007 OPERATING BUDGET**TERMINAL SERVICES**

Terminal Services are projected to decrease \$545,532 or 18.81%. The majority of the decrease \$600,000 is in Indoor Advertising due to the requirement to record the dollars owed for capital expenditures per agreement with MAC. Other miscellaneous services (business center, barber, etc.) are projected to have slight increases.

**OTHER CONCESSIONS**

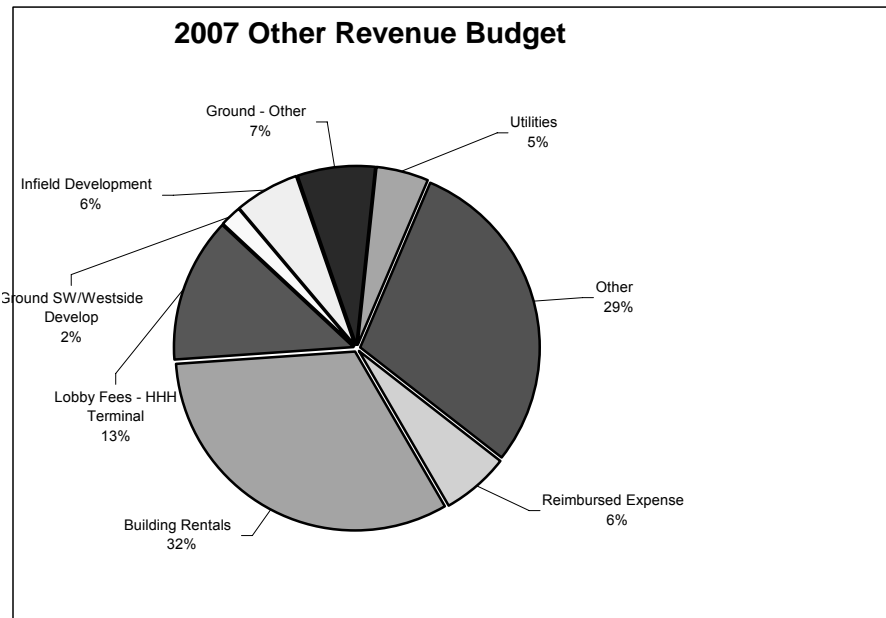
Other Concessions is projected to decrease \$31,310 or 2.24% from the 2006 estimates. In-flight catering is decreasing \$159,000 due to the significant decrease in food service offered by the airlines. Instead of providing everyone with a meal they now limit it to pay for food offerings. Other areas, including advertising (outdoor) and auto services, are remaining about the same while Miscellaneous revenue is increasing \$122,990 attributable to a change in classification of revenue.

REVENUE ASSUMPTIONS – 2007 OPERATING BUDGET**OTHER**

Other Revenue in the 2007 Budget is increasing \$2,090,854 or 4.16% over the 2006 estimates. Other Revenue consists of the following categories:

	2005 Actual	2005 Budget	2006 Budget	2006 Estimate	2007 Budget	2006 Estimate vs 2007 Budget Dollar Change	% Change
Other							
Building Rentals	16,548,941	16,088,758	16,749,740	16,400,000	16,871,041	471,041	2.87%
Lobby Fees - HHH Terminal	4,819,204	4,245,291	5,423,963	6,000,000	6,817,540	817,540	13.63%
Ground SW/Westside Develop	1,485,580	1,527,846	2,080,991	1,500,000	1,017,784	(482,216)	-32.15%
Infield Development	3,189,914	3,035,181	4,937,456	3,000,000	3,107,499	107,499	3.58%
Ground - Other	1,806,553	1,679,010	2,180,503	3,400,000	3,598,160	198,160	5.83%
Utilities	2,540,989	1,663,774	2,436,975	2,200,000	2,469,927	269,927	12.27%
Other	13,137,366	10,810,728	14,076,033	14,600,000	15,335,903	735,903	5.04%
Reimbursed Expense	<u>3,419,899</u>	<u>3,173,000</u>	<u>3,100,000</u>	<u>3,200,000</u>	<u>3,173,000</u>	<u>(27,000)</u>	-0.84%
Total Other	<u>46,948,447</u>	<u>42,223,588</u>	<u>50,985,661</u>	<u>50,300,000</u>	<u>52,390,854</u>	<u>2,090,854</u>	4.16%

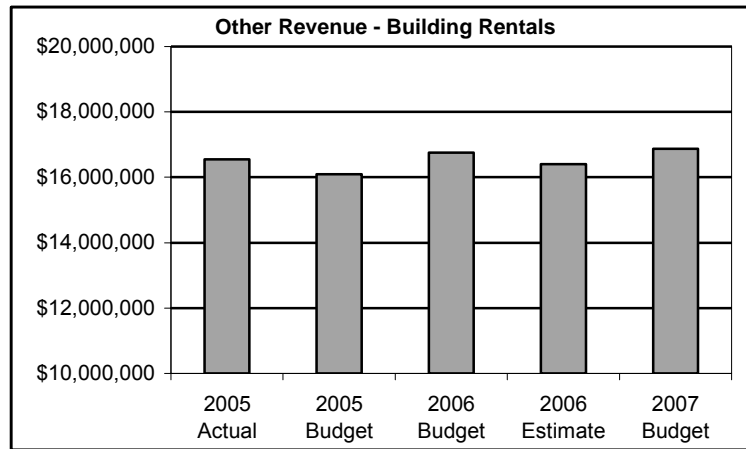
The following pie chart indicates the percent of each revenue source in Other and compares it to the total Other Revenue.



REVENUE ASSUMPTIONS – 2007 OPERATING BUDGET

BUILDING RENTALS

Building Rentals are projected to increase \$471,041 or 2.87% from the 2006 estimates. This category includes all building rentals (Humphrey Terminal, hangars, and other) not included in airline rates and charges. The increase in revenue is the result of lease contract changes for a number of different facilities including the Reliever Airports.



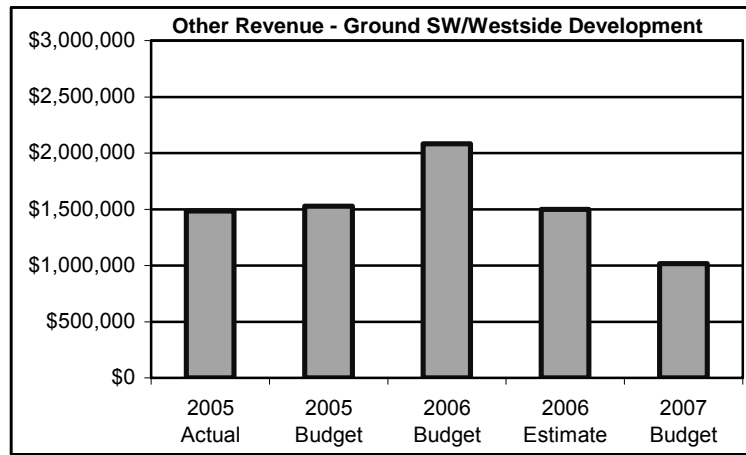
REVENUE ASSUMPTIONS – 2007 OPERATING BUDGET

HHH TERMINAL COMMON USE/LOBBY

HHH Terminal Common Use is projected to increase \$817,540 or 13.63% from 2006 estimates. Rates and charges for the HHH Terminal are based on the recovery of operating and maintenance costs plus growth in activity. The increased rates, along with additional activity through the reemergence of Sun Country Airlines and the move to the Humphrey Terminal by Air Tran, Midwest, and Icelandair, are the factors behind this increase.

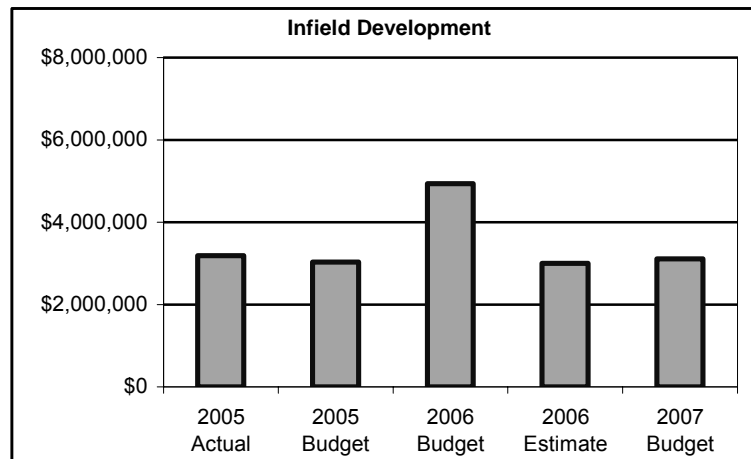
GROUND – SW/WESTSIDE DEVELOPMENT

The Ground-SW/Westside Development areas have decreased from the 2006 estimates by \$482,216 as a result of a Mesaba lease rejection totaling \$467,881. The contracts with Federal Express and United Parcel Service for ground rent and cargo site costs have increased due to an adjustment in Ordinance rates.



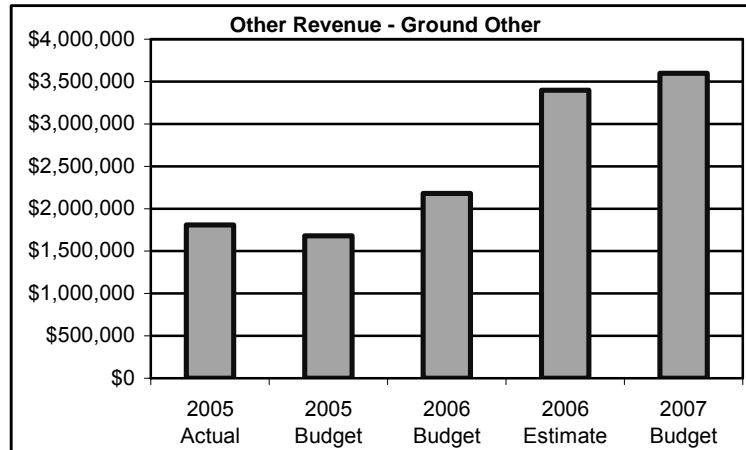
INFIELD DEVELOPMENT

Infield Development is anticipated to increase \$107,499 or 3.58% due to the completed UPS and FedEx facilities.

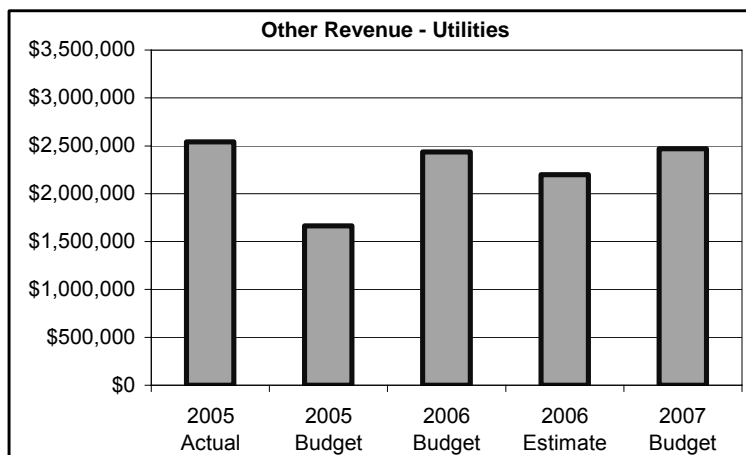


REVENUE ASSUMPTIONS – 2007 OPERATING BUDGET**GROUND – OTHER**

This area is projected to increase \$198,160 or 5.83%. Effective March 1, 2006, the ground rental rate (Ordinance 103) was revised which increased all non-airline ground rental fees. The rate for the footprint of the consolidated rental car facility went from \$.60 per square foot to \$1.20. Likewise, the ground rent for the other auto rental use went from \$.25 to \$.35 per square foot.

**UTILITIES**

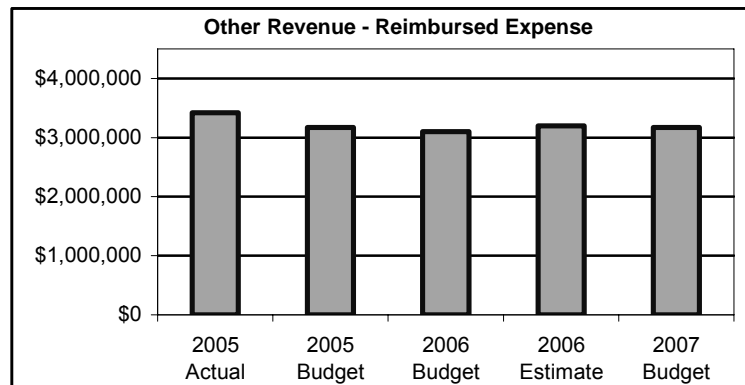
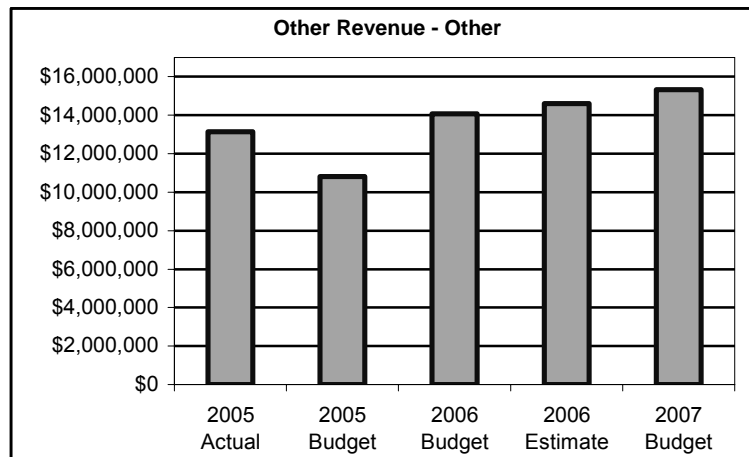
Included in this area is water, sewer, steam (heating), chilled water (air-conditioning), and ground power. The increase in this category of \$269,927 or 12.27% is due to a change in rates and historical consumption patterns.



REVENUE ASSUMPTIONS – 2007 OPERATING BUDGET**OTHER/REIMBURSED EXPENSE**

Other Revenue/Reimbursed Expense is expected to increase \$708,903. The 2007 Budget for Other/Reimbursed Expense includes the following:

- Loading Dock charges, which include the Gold Concourse, increased in the amount of \$282,816.
- Concessions utility increased \$400,000 attributed to revised forecasts and refinements made by staff reviewing all batches.
- Reimbursed expense is budgeted to be \$27,000 lower than the 2006 estimate due to one time only reimbursements.
- Miscellaneous revenue charges are anticipated to increase \$97,740 for general aviation landing fees, ramp fees, reliever airport revenue, permit fees, parking fines, auction revenue and miscellaneous revenue generated from Anoka County/Blaine golf course, monthly airside service fees, etc.



OPERATING EXPENSES - 2007 OPERATING BUDGET

						2006 Estimate vs 2007 Budget	
	2005 Actual	2005 Budget	2006* Budget	2006 Estimate	2007 Budget	Dollar Change	% Change
Personnel							
Salaries & Wages	37,146,525	34,812,504	37,839,310	37,977,000	39,590,608	1,613,608	4.25%
Benefits	21,883,514	19,155,272	21,862,047	21,600,000	21,767,029	167,029	0.77%
Commissioner PerDiem	18,850	23,000	23,000	23,000	23,000		0.00%
Total Personnel	<u>59,048,889</u>	<u>53,990,776</u>	<u>59,724,357</u>	<u>59,600,000</u>	<u>61,380,637</u>	<u>1,780,637</u>	<u>2.99%</u>
Administrative Expenses	1,179,464	1,253,302	1,213,734	1,300,000	1,535,166	235,166	18.09%
Professional Services	3,359,061	3,813,200	3,899,551	5,150,000	5,650,375	500,375	9.72%
Utilities							
Electricity	7,676,328	5,958,399	7,169,875	7,900,000	7,677,000	(223,000)	-2.82%
Heating Fuel	4,238,893	4,861,922	5,866,055	4,500,000	4,650,000	150,000	3.33%
Water & Sewer	2,080,241	2,339,210	2,161,172	2,200,000	2,160,000	(40,000)	-1.82%
Telephones	448,660	439,559	553,975	500,000	495,520	(4,480)	-0.90%
Total Utilities	<u>14,444,123</u>	<u>13,599,090</u>	<u>15,751,077</u>	<u>15,100,000</u>	<u>14,982,520</u>	<u>(117,480)</u>	<u>-0.78%</u>
Operating Services/Expenses							
Parking Management	5,094,751	5,352,000	5,079,600	5,100,000	5,333,373	233,373	4.58%
Shuttle Bus Services	1,072,489	1,094,781	1,052,000	1,200,000	1,124,752	(75,248)	-6.27%
Service Agreements	3,350,071	3,382,902	5,080,328	4,200,000	5,061,417	861,417	20.51%
Storm Water Monitoring	1,185,683	1,342,592	1,342,592	1,100,000	1,200,000	100,000	9.09%
Other	1,789,415	2,520,431	3,806,264	3,200,000	3,283,711	83,711	2.62%
Total Operating Services/Expenses	<u>12,492,409</u>	<u>13,692,706</u>	<u>16,360,784</u>	<u>14,800,000</u>	<u>16,003,253</u>	<u>1,203,253</u>	<u>8.13%</u>
Maintenance							
Trades	1,224,926	1,325,182	1,100,342	1,400,000	1,381,602	(18,398)	-1.31%
Field	2,630,316	2,312,211	2,586,495	2,300,000	2,608,865	308,865	13.43%
Building	5,341,900	5,705,141	5,678,891	5,800,000	6,159,162	359,162	6.19%
Equipment	2,141,965	1,529,453	1,700,643	2,000,000	2,002,258	2,258	0.11%
Cleaning	7,604,122	7,112,310	8,227,756	8,300,000	8,963,909	663,909	8.00%
Total Maintenance	<u>18,943,229</u>	<u>17,984,297</u>	<u>19,294,127</u>	<u>19,800,000</u>	<u>21,115,796</u>	<u>1,315,796</u>	<u>6.65%</u>
Other							
General Insurance	2,457,678	2,920,387	2,493,106	2,500,000	2,812,032	312,032	12.48%
Minor Equipment	298,467	289,884	383,365	400,000	559,018	159,018	39.75%
Other	1,002,068	476,654	507,852	900,000	621,822	(278,178)	-30.91%
Total Other	<u>3,758,212</u>	<u>3,686,925</u>	<u>3,384,323</u>	<u>3,800,000</u>	<u>3,992,872</u>	<u>192,872</u>	<u>5.08%</u>
Total Operating Expense (Excludes Depreciation)	113,225,387	108,020,295	119,627,953	119,550,000	124,660,618	5,110,618	4.27%
Gross Depreciation	<u>93,565,938</u>	<u>94,888,799</u>	<u>117,965,237</u>	<u>115,900,000</u>	<u>118,497,916</u>	<u>2,597,916</u>	<u>2.24%</u>
Total Operating Expenses	<u>206,791,325</u>	<u>202,909,094</u>	<u>237,593,190</u>	<u>235,450,000</u>	<u>243,158,534</u>	<u>7,708,534</u>	<u>3.27%</u>

*Commission approved expense budget adjustments
for the following service centers:

Human Resources	Professional Services	\$150,000
Executive - General	Personnel	\$84,000
AirService Bus. Dev. & Executive	Professional Services	\$50,000
Information Services (HHH Terminal)	Operating Services	\$285,415

EXPENSE ASSUMPTIONS – 2007 OPERATING BUDGET

Total Operating Expense for 2007 is \$124,660,618 (excluding depreciation), which is an increase of \$5,110,618 or 4.27% over the 2006 estimate. The explanations prepared below compare 2006 estimate with 2007 budget. With the exception of Utilities, all expense categories are projected to increase in 2007.

The largest increase in Operating Expense is in Personnel. The \$1.8 million increase is related to employee insurance and wage adjustments for all employees in the 2007 budget. In addition, the Full Time Equivalents (FTEs) wages were budgeted at 558.5 in the 2006 estimate while the 2007 budget includes wages for 560.5 employees. The Maintenance category indicates the second largest dollar increase in Operating Expenses of \$1.3 million, which is primarily attributable to imbedded contract costs.

The largest dollar increase of \$2.6 million is in the Depreciation category and can be attributed to the new facilities, such as the North Terminal Expansion, additional Runway 17/35 projects and Runway 4/22 Tunnel.

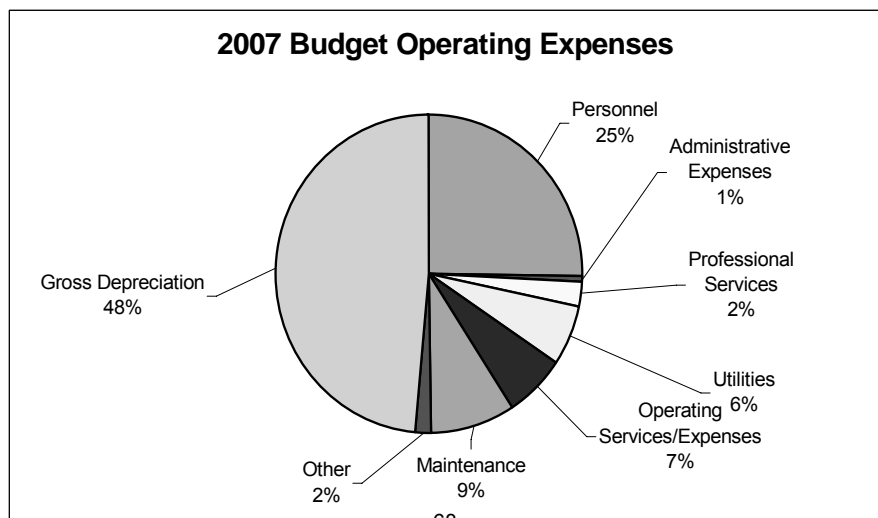
Included at the end of this section, is a report "Line Items by Subledger." Subledger refers to the grouping of expenses from various service centers to determine rates and charges for tenants and users of the MAC facilities. (See Organization Structure for additional details.)

	2006 Estimate vs 2007 Budget						
EXPENSE	<u>2005 Actual</u>	<u>2005 Budget</u>	<u>2006* Budget</u>	<u>2006 Estimate</u>	<u>2007 Budget</u>	<u>Dollar Change</u>	<u>% Change</u>
Personnel	59,048,889	53,990,776	59,724,357	59,600,000	61,380,637	1,780,637	2.99%
Administrative Expenses	1,179,464	1,253,302	1,213,734	1,300,000	1,535,166	235,166	18.09%
Professional Services	3,359,061	3,813,200	3,899,551	5,150,000	5,650,375	500,375	9.72%
Utilities	14,444,123	13,599,090	15,751,077	15,100,000	14,982,520	(117,480)	-0.78%
Operating Services/Expenses	12,492,409	13,692,706	16,360,784	14,800,000	16,003,253	1,203,253	8.13%
Maintenance	18,943,229	17,984,297	19,294,127	19,800,000	21,115,796	1,315,796	6.65%
Other	<u>3,758,212</u>	<u>3,686,925</u>	<u>3,384,323</u>	<u>3,800,000</u>	<u>3,992,872</u>	<u>192,872</u>	5.08%
Total Operating Expense (Excludes Depreciation)	113,225,387	108,020,295	119,627,953	119,550,000	124,660,618	5,110,618	4.27%
Gross Depreciation	93,565,938	94,888,799	117,965,237	115,900,000	118,497,916	2,597,916	2.24%
Total Operating Expense	<u>206,791,325</u>	<u>202,909,094</u>	<u>237,593,190</u>	<u>235,450,000</u>	<u>243,158,534</u>	<u>7,708,534</u>	3.27%

- The Commission approved expense budget adjustments for the following service centers:

Executive – General - Personnel	\$ 84,000
Human Resources - Professional Services	\$150,000
Air Service Business Dev & Executive – Professional Services	\$ 50,000
Information Services (HHH Terminal) – Operating Services	\$285,415

The following pie chart indicates the percent of expense category and compares it to the total Expenses.



EXPENSE ASSUMPTIONS – 2007 OPERATING BUDGET**Expense Assumptions and Guidelines**

The operating expense budget is based on information provided by MAC departments, utility companies, vendors, and historical analysis. The expense budget projections for 2007 are based on the following assumptions and guidelines:

- Expenses will be prepared on an accrual basis.
- MAC will continue to maintain all facilities at the standard established with our tenants and traveling public.
- MAC will provide a safe and secure airport.
- As positions in the organization become available due to retirement or separation, each vacant position will be prioritized based upon organization workforce needs. Two additional FTEs have been funded in the 2007 budget. Wages were budgeted for 558.5 FTEs in the 2006 estimate while the 2007 budget includes wages for 560.5 FTEs.
- Imbedded cost increases, such as scheduled contract increases, salary adjustments for existing organized and non-organized workforce, utility rate changes, insurance rate adjustments, etc., have been included.
- Additional costs necessary to maintain existing and new facilities completed in 2005 - 2007 have been included.
- Discretionary cost increases were considered only if offset by corresponding annual reduction in expenses, an annual increase in revenue, or were necessary for the ongoing efficient operation of the airport.

EXPENSE ASSUMPTIONS – 2007 OPERATING BUDGET**Personnel**

Personnel costs will increase 2.99% or \$1,780,637 over the 2006 estimate. A breakdown of the Personnel budget is shown below.

	2005 Actual	2005 Budget	2006 Budget	2006 Estimate	2007 Budget	2006 Estimate vs 2007 Budget Dollar Change	% Change
Personnel							
Salaries & Wages	37,146,525	34,812,504	37,839,310	37,977,000	39,590,608	1,613,608	4.25%
Benefits	21,883,514	19,155,272	21,862,047	21,600,000	21,767,029	167,029	0.77%
Commissioner Per Diem	<u>18,850</u>	<u>23,000</u>	<u>23,000</u>	<u>23,000</u>	<u>23,000</u>		0.00%
Total Personnel	<u>59,048,889</u>	<u>53,990,776</u>	<u>59,724,357</u>	<u>59,600,000</u>	<u>61,380,637</u>	<u>1,780,637</u>	2.99%

The following information explains the difference between the 2006 estimates and 2007 budgets:

Wages – Regular – Salary/Wage increases in the 2007 budget for adjustments total approximately \$1,350,000. In addition, wages were budgeted for 558.5 FTEs in the 2006 estimate while the 2007 budget includes wages for 560.5 FTEs. As employees retire or leave employment, each position continues to be evaluated on a case by case basis. The 2007 budget includes the following:

- Wage adjustments for organized and non-contract employees
- The budgeted wages and salaries are for 560.5 FTEs and not the 575.5 authorized positions. Each position that becomes vacant including the current open positions will be prioritized based upon the workforce needs of the organization.
- Other labor contract agreements, such as shift differential, equipment premium pay and Labor Union 320 longevity pay.
- Wages for one position approved after the 2006 budget was completed.

The following table illustrates the 2007 budgeted FTEs:

Full Time Equivalent Position Summary					
2005 Actual	2006 YTD as of 11/16/06	2006 Budget Funded	2006 Authorized	2007 Budget Funded	2007 Authorized
557.0	558.5	558.5	575.5	560.5	575.5

Overtime – Regular – This area is increasing in the 2007 budget by \$108,390 or 6.38% from the 2006 estimates and is explained as follows:

- Police Department 2006 Overtime Estimate is expected to be \$550,000 over budget. This is due to increased ongoing workload: 30% increase in annual calls for service since 2004, 14% increase in calls for service per police office over the same two-year period, six additional TSA security directives since 2003, increased field and Humphrey Terminal capacity, advanced technology implementations, frequent heightened security levels, and expanded badging and security requirements. However, due to the uncertainty of the number of heightened security levels, the 2007 budget reflects a \$316,051 decrease from 2006 estimates. Other staffing solutions have been evaluated and implemented where feasible, such as outsourcing, temporary employees, and reduced services.

EXPENSE ASSUMPTIONS – 2007 OPERATING BUDGET

- **Maintenance** - An increase of \$250,957 is projected in the 2007 maintenance budget over estimates to reflect an adjustment per the bargaining unit agreements and is based upon a 5-year average. The estimate in 2006 is expected to be lower due to the lighter than normal snowfall.
- **Various other service centers (Trades and Relievers)** budgeting for an average winter increase of \$106,000 over 2006 estimates. Also, adjustments per the bargaining unit agreements are included.

Double-time – Double-time is increasing from the 2006 estimate to the 2007 budget by \$95,190 to reflect adjustments per the bargaining unit agreements and is based upon a 5-year average. The estimate for 2006 is anticipated to be lower than the 2006 budget due to the lighter than normal snowfall this past winter.

Temporary Employees – The decrease in Temporary Employees is \$156,564 or 8.51% when comparing 2006 estimate to 2007 budget. FTE positions have been filled in several service centers where the long term need justified the hiring and, in doing so, have reduced temporaries.

Benefits – Included in benefits are employee insurance, retirement plans, severance, post retirement, workers compensation and other miscellaneous items. This category will increase .77% or \$167,029 from 2006 estimates.

Major changes are as follows:

- **Employee Insurance**
The estimate for 2006 is below the 2006 budget amount by \$534,526. This is due to the implementation of cost savings methods, including new deductibles for both employees and retirees, more awareness and education for employees about medical costs and a new medical enrollment plan option for employees that has resulted in greater savings. Although the actual expense for 2006 is anticipated to be lower than the 2006 budget, the 2007 budget is projecting an increase over 2006 estimates by \$1,142,533 or 16.3%. This is attributable to the industry loss experience for the past several years along with underwriting factors that project future costs.
- **Pensions**
Pensions are expected to decrease in 2007 compared to the 2006 estimates by \$939,506 or 12.26%. The following pertains to the Pension budget:
 - The Minneapolis Employees Retirement Fund (MERF) unfunded liability will decrease \$1,226,146 (budget to budget) due to the decrease in the number of remaining MERF employees.
 - The employer contribution for Police and Fire Public Employees Retirement Association (PERA) has increased from 10.50% in 2006 to 11.7% in 2007 along with other employees increasing 6.0% to 6.25%.
 - Budgeted positions increased by two FTES.
- **Other**
Severance, Workers Compensation, Training, Uniforms and other areas are projected to decrease \$35,997 or .60% from 2006 estimates. The decrease is based upon historical averages and limited increases in the training budget for regulatory requirements, seminars, etc. \$150,000 was added to the 2006 budget after the budget had been approved for Human Resources for executive search firm expenses. These expenses have been moved to Professional Services in the 2007 budget. Other also includes trade union benefits negotiated with contract employees.

EXPENSE ASSUMPTIONS – 2007 OPERATING BUDGET**Administrative**

Administrative Expenses are increasing \$235,166 or 18.09%. The changes are occurring in the following general categories:

Supplies – An increase of \$96,949 from 2006 estimates to the 2007 budget with the majority of the increase related to the following:

- Computer Supplies – \$18,000 for on-line recruiting and applicant management software for Employee Relations;
- \$3,996 for software to backup and provide disaster recovery for critical servers in Landside Operations;
- An additional \$29,948 for various software add-on features for laserfiche and merging information from fingerprint station to digital image capture station for the Police Department;
- \$64,000 for Police due to the increased cost of badging. Production is changing to \$9 from \$7 per badge due to the technological changes to the Secured Area Access Control (SAAC) system.
- Environment – a Laserfiche Document Management System totaling \$10,000 for the department.

Travel – Travel in the 2007 budget represents an \$86,126 increase over the 2006 estimates. Travel becomes necessary to keep informed of the changes in the industry along with networking with peers to enhance the effectiveness of the airport and avoid additional reliance on consultants and to maintain essential professional growth in the organization. The following service centers have requested increases in their travel budgets:

- Air Service Business Development - A \$16,291 increase is related to MAC restoring travel to domestic and international locations, to develop and retain competitive air service, and fulfill strategic cargo (Regional Distribution Center) as per the Strategic Plan.
- Commercial Management Airline Affairs - CMAA plans two airport peer review trips with Dallas-Ft/ Worth (DFW) and Seattle (SEA) to see and discuss new concession and business development programs, which these airports have implemented recently, that may benefit future programs at MSP. In addition, CMAA staff plans to attend the annual rental auto conference in order to stay in touch with industry representatives on the latest rental auto contract ideas as well as new trends in facility designs. Increase total is \$7,610.
- Landside-Administration - Landside-Administration increased \$5,008 to provide a professional level of management for 17 contracts and \$73 million in revenue generation. It is essential that professional growth and networking with peers in the industry continue. Most opportunities and information of value to Landside operations come from networking. An RFP, contract, technical services research trip for Landside is anticipated to review revenue control equipment at another airport.
- Information Services – IS has requested additional travel dollars (\$5,139) to attend the Airports Council International (ACI) Annual meeting, American Association of Airport Executives (AAAE) meeting and ACI Business Information Technology (BIT) Steering Committee and conference.
- Fire – The Fire service center has increased \$6,366 for travel expenditures to attend the National Aircraft Rescue Fire Fighting (ARFF) and fire service administration conferences.
- Planning - Travel associated with MSP Long Term Comprehensive Plan (LTCP) Update and ACI participation increased the Planning service center \$4,000.

EXPENSE ASSUMPTIONS – 2007 OPERATING BUDGET

- Human Resources - Professional conferences increased the Human Resources service centers budget by \$8,470 to meet objectives of the Strategic Plan: "Match employee talent with changing business needs" and 2007 Key Initiative Item 4 - Expand employee training programs. Training is critical to the enhancement of employee knowledge and skill development and provides an opportunity to stay current with industry trends and innovative ideas. The MAC representative on the ACI Business Diversity Committee currently serves as the Vice Chair of this Committee and will assume Chair responsibilities in 2007.
- Finance & Administrative Services - Participation as member of ACI Economic Committee Steering Group and other industry meetings increased travel by \$3,922.
- Internal Audit - An increase of \$3,352 in travel is necessary for the auditors to attend the annual conference of the Association of Airport Internal Auditors. This conference provides specialized training in airport audit procedures and fulfills some requirements for training to maintain CPA licensure.
- Purchasing – Purchasing Manager serves as President of the International Airport Purchasing Group requiring two trips in 2007. Washington National Airport will host the Spring meeting of the APG and a fall meeting in Louisville, KY will be required. This increased the Purchasing budget by \$2,691. Additional requirements are attendance at the Governmental Purchasing – National Institute of Government Purchasing (NIGP), the Minnesota Chapter meeting.
- Various other service centers have minimal increases.

Printing – Printing costs have increased \$83,981 or 83.98% due to the following:

- Public Affairs – An increase of \$35,499 is attributed to the printing of new brochures regarding the use of Runway 17/35 to the north during closure of the south parallel runway, MAC environmental stewardship and MSP business services. In addition, publication of the MAC Annual Report, general MSP mailer, in-terminal security-related posters, reprinting of terminal-specific brochures and an accessibility brochure is planned. The increase also includes printing costs for a brochure for each Reliever Airport highlighting its comprehensive plan as well as its contributions to neighboring communities and the aviation system.
- Landside – An increase of \$33,753 provides for printing of taxi information brochure/comment cards, other special forms and small signs, etc.
- Police – An increase of \$8,575 is projected to cover printing costs for badging forms and brochures detailing Transportation Security Administration (TSA) badging requirements as well as fingerprint application forms. New training materials will provide information on badging regulations, responsibilities and procedures. Outsourcing is necessary, as the in-house print shop is not able to develop these forms and brochures in the required format. In addition, there has been an increase in Background Division mailings generated by the Police Department, Fire Department and Communications Department with regard to background investigations.
- Airside Operations – An increase of \$5,499 for printing costs is attributed to the following publications: Airport Operations Area (AOA) Drivers Guides, Movement Area Handbooks, Reference Maps, Aerial Photos, Administrative Citations, Aircraft Tow Guides and Stranded Passenger Brochures.

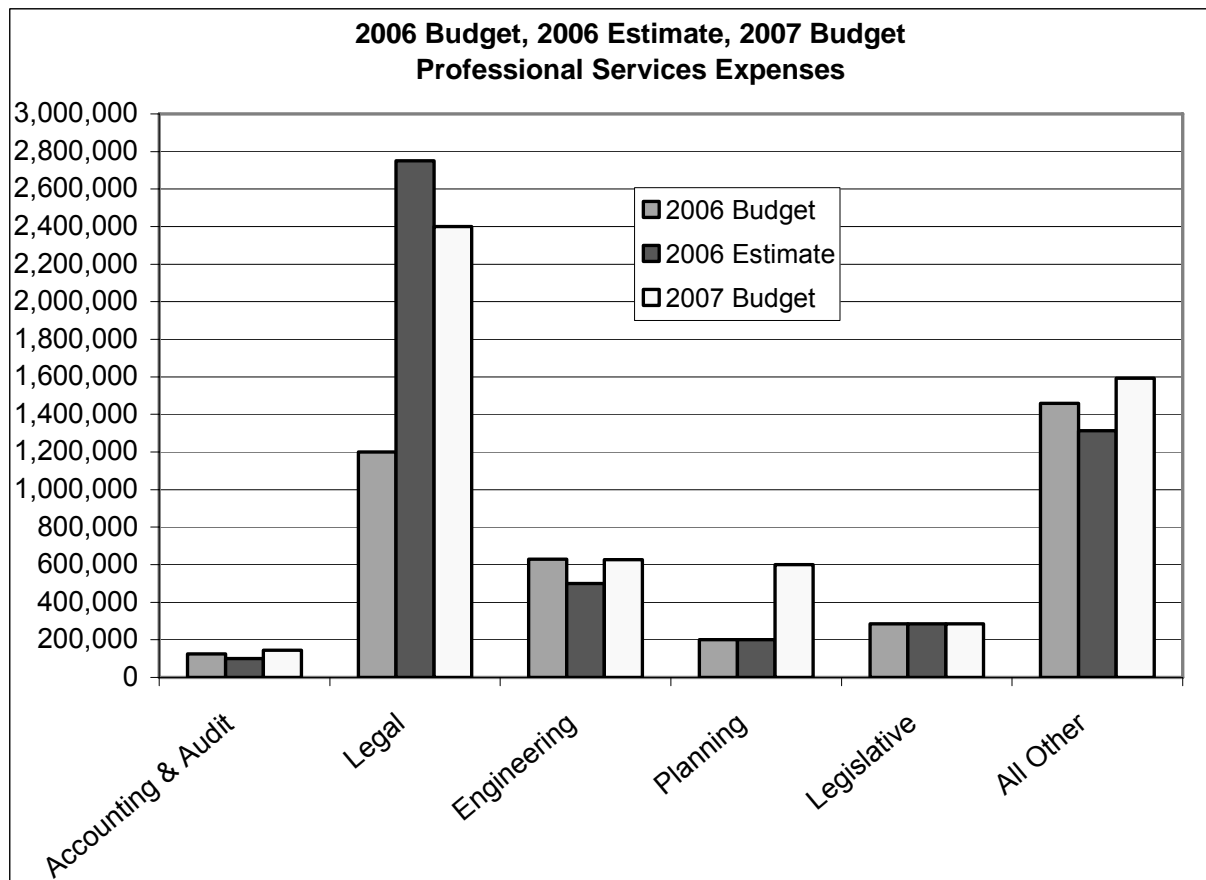
Information Sources - Increasing \$33,087 or 10.3%, the majority of this expense is related to an increase in Membership dues/Professional association fees by \$26,988.

EXPENSE ASSUMPTIONS – 2007 OPERATING BUDGET**Professional Services**

Professional Services have increased \$500,375 or 9.72% from 2006 estimates.

The following table indicates the cost associated with the major consulting services for 2007:

Professional Services Summary		<u>2005</u>	<u>2006</u>	<u>2006</u>	<u>2007</u>
<u>Service</u>	<u>Departments</u>	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Budget</u>
Accounting & Audit	Finance/Internal Audit	130,838	125,000	100,000	145,000
Legal	General Counsel	1,281,985	1,200,000	2,750,000	2,400,000
Engineering	Planning/Airport Development/Environment/ Facilities-Energy Management Center	256,981	629,794	500,000	627,294
Planning	Airport Planning	37,549	200,000	200,000	600,000
Legislative	Labor/Legislative Relations	242,873	286,000	286,000	286,000
All Other		<u>1,408,835</u>	<u>1,458,757</u>	<u>1,314,000</u>	<u>1,592,081</u>
Total		<u>3,359,061</u>	<u>3,899,551</u>	<u>5,150,000</u>	<u>5,650,375</u>



EXPENSE ASSUMPTIONS – 2007 OPERATING BUDGET

The following combination of changes in Professional Services explains the increase.

Accounting & Auditing - Increase in outside financial audit fees due to additional requirements mandated by new and added government reporting requirements and arbitrage fees for 2005 bonds results in the \$45,000 increase over 2006 estimate.

Legal Fees - Projected to decrease \$350,000 from the 2006 estimate as a result of fees associated with airline bankruptcies, noise litigation and St. Paul Reliever Airport issues.

Engineering - Projected to increase \$127,294 over 2006 estimate and is due to an increase in annual contracts, ongoing air quality monitoring at the Naval Air Reserve Center, operations and performance monitoring of the Soil Vapor Extraction system as required by the Environmental Response Plan. Also, an environmental audit of the Fuel Consortium's operator, per the Fueling Agreement, contributes to the increase.

Planning – An increase of \$400,000 between estimate 2006 and budget 2007 is projected in Planning for updating of the Long Term Comprehensive Plan to incorporate 2020 development, reliever update and airport zoning. This is currently being reviewed.

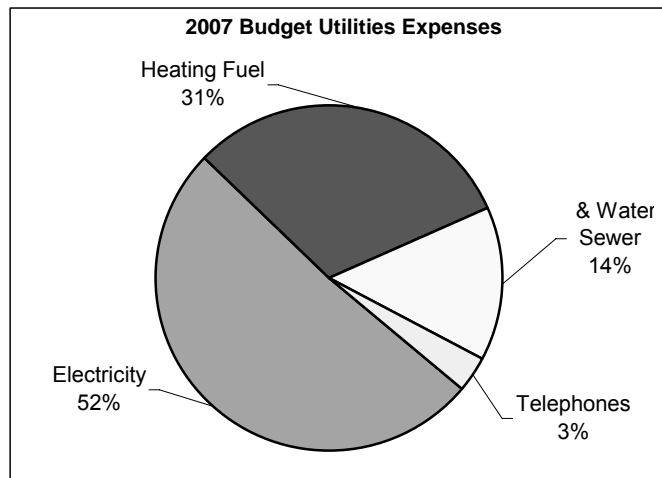
Other/Miscellaneous - Professional Services have increased \$278,081 between 2006 estimate and 2007 budgets for the following reasons:

- Public Information Services line items are increasing \$5,000 for graphic design expense, photo expense, new brochures regarding the use of Runway 17/35 to the north during closure of the south parallel runway, MAC environmental stewardship, and MSP business services, as well as publication of a MAC annual report, a general MSP mailer, in-terminal security-related posters, reprinting of terminal-specific brochures and an accessibility brochure.
- Commercial Management/Airline Affairs increased \$15,000. CAM (Center for Airport Management) collects data from both on-airport and off-airport companies for the Passenger Service businesses that are being requested. In addition, CAM provides the data analysis of the annual customer research project that has consistently given MAC the facts to support the need for added RFP's and revenue.
- Air Service Business Development – Increase of \$75,000 for international air service marketing initiatives, preparation of support materials and research along with consultants, focus groups and research data acquisition for Foreign Trade Zone/Int'l Economic Development Zone.
- Trades Administration – As remodeling and upgrades at the Lindbergh and Humphrey Terminals take place, the electrical distribution drawings need to be updated and account for a \$35,000 increase.
- Fire – Increase of \$16,000 related to fire personnel physicals as per OSHA regulations.
- Police – Increase of \$10,000 for K-9 program which is reimbursed by the TSA and is recorded in Reimbursed Expense - Revenue.
- Airside Operations – Other consulting increased by \$10,000 for weather scheduled increases for forecasting/radar services for MSP, the Canada Goose Population Management Program at MSP, (United States Department of Agriculture) USDA Wildlife Services Contract at MSP and training and consulting services for the MSP White-tailed Deer Chemical Immobilization Program.
- Employee Relations – Increase of \$10,210 for consulting services for recruitment assessment, general HR consultation services and cost of customized salary and benefit market surveying.
- Environment – Aviation Noise - \$11,000 increase due to ongoing Airport Noise and Operations Monitoring System (ANOMS) maintenance and service.
- Landside - An additional \$10,000 to develop proposals from interested parties to operate Shared Ride Services at MSP. The current Shared Ride Service Agreement expires April 30, 2007. A consultant will be hired to aid in the preparation of the RFP documents to ensure technical specifications are properly detailed and participate on the proposal review committee to ensure proponents meet desired contractual objectives.
- Human Resources - \$150,000 for Executive Search Firm to recruit executive level positions as turnover occurs. In the 2006 budget, this is included in the Personnel category.
- Other Service Centers in various areas are decreasing \$68,849.

EXPENSE ASSUMPTIONS – 2007 OPERATING BUDGET**Utilities**

The following table compares utility costs for 2006 estimate and 2007 budget.

	2005 <u>Actual</u>	2005 <u>Budget</u>	2006 <u>Budget</u>	2006 <u>Estimate</u>	2007 <u>Budget</u>	2006 Estimate vs 2007 Budget Dollar Change	% Change
Utilities							
Electricity	7,676,328	5,958,399	7,169,875	7,900,000	7,677,000	(223,000)	-2.82%
Heating Fuel	4,238,893	4,861,922	5,866,055	4,500,000	4,650,000	150,000	3.33%
Water & Sewer	2,080,241	2,339,210	2,161,172	2,200,000	2,160,000	(40,000)	-1.82%
Telephones	<u>448,660</u>	<u>439,559</u>	<u>553,975</u>	<u>500,000</u>	<u>495,520</u>	<u>(4,480)</u>	-0.90%
Total Utilities	<u>14,444,123</u>	<u>13,599,090</u>	<u>15,751,077</u>	<u>15,100,000</u>	<u>14,982,520</u>	<u>(117,480)</u>	-0.78%



Total Utilities are budgeted to decrease \$117,480 or .78% over 2006 estimates and are explained as follows.

Electricity –The decrease in electricity of \$223,000 or 2.82% is based upon the forecast provided by the utility company and an outside consultant. The 2006 estimate included a significant charge for the fuel clause adjustment. A majority of this expense has been eliminated by the utility company for 2007.

Heating Fuel – The projected budget increase is \$150,000 or 3.33% for natural gas and jet fuel. The increase can be attributed to projected rate increases. Jet Fuel is the alternative source of energy used when Centerpoint Energy requests the Commission to move from natural gas when demand is high. In return, MAC receives a slightly discounted rate for Natural Gas. The budget represents current market conditions, inventory shortages and demand. Based on the uncertainty and constant fluctuations in the natural gas market, MAC has locked in only a portion of winter pricing.

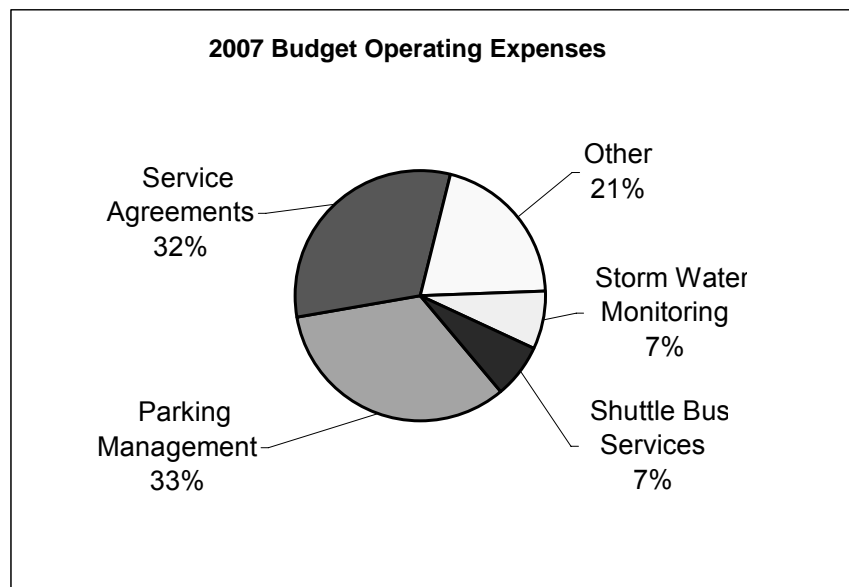
Water & Sewer – A projected decrease of \$40,000 over 2006 estimates or 1.82% is based upon an agreement with the City of Minneapolis as well as 2005/2006 consumption.

Telephone/Cell Phones/Internet Service – A decrease of \$4,480 or .90% is a combination of telephone and cell phones due to contract changes for long distance in 2006 and phone contracts lower than anticipated.

EXPENSE ASSUMPTIONS – 2007 OPERATING BUDGET**Operating Services**

Operating Service expenses are increasing \$1,203,253 or 8.13%. The significant changes for 2007 are in Parking Management and Service Agreements. The following chart lists the major components in this category.

	<u>2005 Actual</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Estimate</u>	<u>2007 Budget</u>	2006 Estimate vs 2007 Budget <u>Dollar Change</u>	<u>% Change</u>
Operating Services/Expenses							
Parking Management	5,094,751	5,352,000	5,079,600	5,100,000	5,333,373	233,373	4.58%
Shuttle Bus Services	1,072,489	1,094,781	1,052,000	1,200,000	1,124,752	(75,248)	-6.27%
Service Agreements	3,350,071	3,382,902	5,080,328	4,200,000	5,061,417	861,417	20.51%
Storm Water Monitoring	1,185,683	1,342,592	1,342,592	1,100,000	1,200,000	100,000	9.09%
Other	1,789,415	2,520,431	3,806,264	3,200,000	3,283,711	83,711	2.62%
Total Operating Services/Expenses	<u>12,492,409</u>	<u>13,692,706</u>	<u>16,360,784</u>	<u>14,800,000</u>	<u>16,003,253</u>	<u>1,203,253</u>	8.13%



Parking Management – The increase of 4.58% or \$233,373 can be attributed to the increase in the parking management contract at the Lindbergh and Humphrey Terminals.

Shuttle Bus – The majority of busing costs will be included in the Parking project at the HHH Terminal. This can be attributed to the closure of the LRT station at the Humphrey Terminal.

EXPENSE ASSUMPTIONS – 2007 OPERATING BUDGET

Service Agreements - Service Agreements have increased by \$861,417. This is a result of the following:

- Increase in the amount of \$127,600 attributable to the onsite support agreement for the Humphrey Terminal Common Use Terminal Equipment (CUTE).
- Loading Dock expenses are estimated to be below the 2006 budget due to efficiencies gained, certain North Terminal concessions not yet opened, and timing of bonus payment. The 2007 budget allows for the North Terminal concessions and results in a \$245,239 increase.
- Facilities support of the monitoring system in the Lindbergh Terminal (increase \$37,000).
- Landside service parking equipment increase of \$164,036 over estimate for custom software enhancements, maintenance for the parking revenue control system and preventative maintenance and repairs for the parking "Call for Assistance" devices.
- Based upon approval by the Commission's Management and Operations (M&O) Committee action on 11/20/06 the cost for service maintenance for all MSP Variable Message Signs (VMS) is \$85,000.
- Increase for support maintaining and licensing contracts increased \$165,391 in the Information Services (IS) service center.

Storm Water Monitoring – This area is budgeted based on the historical average. This results in an increase of \$100,000 or 9.09% over the 2006 estimate.

Other – The budget includes an increase of \$83,711 or 2.62 % due the following:

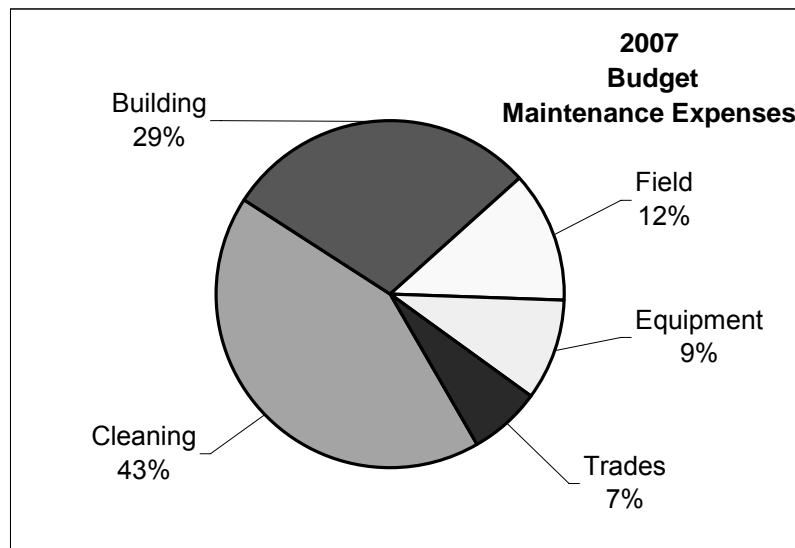
- Security Services – Checkpoint - \$1.2 million was added to the 2006 budget at the end of the budgeting process in 2005 as a result of a TSA notification that they would be requiring airports to staff the security exit lanes at the Lindbergh and Humphrey Terminals starting in 2006. At that time, the estimated cost to MAC to replace TSA staff was based upon a staffing level of 34 FTEs. To date, the TSA has yet to make a final decision regarding this staffing responsibility, so the funds have not yet been needed. However, a TSA determination of responsibility is imminent and some costs will likely be incurred by MAC for this purpose in 2006. The 2007 budget reflects a larger dollar amount in expenses resulting in \$112,920 increase over the estimated 2006.
- Recycling Sand – Decrease of \$10,000 due to 3-year averaging of expenses
- Other Programs - Reduced by \$6,500
- Reductions in various other service centers based upon historical data and necessity.

EXPENSE ASSUMPTIONS – 2007 OPERATING BUDGET**Maintenance**

This category has five components: Trades (Painters, Carpenters, Electricians, and Plumbers); Field (Snow Removal, Surface Repair, and Landscaping); Building (Carrousel/Conveyors, Elevators/Escalators, Moving Walks, and Automated People Mover); Equipment (Parts, Shop Supplies, and Gas); and Cleaning (Janitorial, Windows, Cleaning Supplies, and Rubbish Removal). Total maintenance will increase 6.65% or \$1,315,796 over 2006 estimates.

The following table identifies the changes in the five major components:

	<u>2005 Actual</u>	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>2006 Estimate</u>	<u>2007 Budget</u>	2006 Estimate vs 2007 Budget	
						<u>Dollar Change</u>	<u>% Change</u>
Maintenance							
Trades	1,224,926	1,325,182	1,100,342	1,400,000	1,381,602	(18,398)	-1.31%
Field	2,630,316	2,312,211	2,586,495	2,300,000	2,608,865	308,865	13.43%
Building	5,341,900	5,705,141	5,678,891	5,800,000	6,159,162	359,162	6.19%
Equipment	2,141,965	1,529,453	1,700,643	2,000,000	2,002,258	2,258	0.11%
Cleaning	7,604,122	7,112,310	8,227,756	8,300,000	8,963,909	663,909	8.00%
Total Maintenance	<u>18,943,229</u>	<u>17,984,297</u>	<u>19,294,127</u>	<u>19,800,000</u>	<u>21,115,796</u>	<u>1,315,796</u>	6.65%



Trades – The decrease in Trades is related to repairs and supplies in the 2006 estimate. The 2006 estimate is higher than the 2006 budget due to government requirements, expiration of warranties, the replenishing of supply inventories and the maintenance of the additional runway, taxiway & feeders in conjunction with 2010 expansion. Major areas of change include Electricians (increase \$29,785 due to additional budgeting for lamp replacements in the parking areas), Painters (decrease \$17,290), Carpenters (decrease \$1,996) and Plumbers (decrease \$28,897).

Field – Snow Removal accounts for an increase of \$308,865 or 13.43% over the 2006 estimate. The winter of 2005-2006 was lighter than normal. Therefore, the estimate was lower than anticipated. The 2007 budget represents information based on historical spending (4-year average). Within the Snow Removal category, both materials (sand, salt, sodium acetate and potassium acetate) and equipment (bobcats and haulers) are budgeted for average winter conditions.

EXPENSE ASSUMPTIONS – 2007 OPERATING BUDGET

Building – This area is forecasted to increase 6.19% or \$359,162. All of the increase is related to contracted Mechanical areas, primarily the Automated People Mover, Moving Walks, Elevator and Escalator expenses.

Equipment – This area is budgeted to increase \$2,258 or .11%. The estimate for 2006 includes the higher prices associated with Equipment-Gas and Equipment-Parts.

Cleaning – Cleaning is projected to increase \$663,909 or 8.0%. This includes contractual increases along with cleaning estimates for the Humphrey Terminal operation for 12 months as opposed to 6 months and cleaning of the jetbridges and bag rooms previously cleaned by the Humphrey Terminal agent contract (which had offset revenue in the past). Also included in the budget is a full year of trash and grease removal for all restaurants that will occupy space in the North Terminal expansion area.

EXPENSE ASSUMPTIONS – 2007 OPERATING BUDGET

Other

The Other expense category is projected to increase \$192,872 or 5.08%. This category includes General Insurance, Minor Assets (those costing less than \$5,000) and miscellaneous items.

						2006 Estimate vs 2007 Budget	
	2005 <u>Actual</u>	2005 <u>Budget</u>	2006 <u>Budget</u>	2006 <u>Estimate</u>	2007 <u>Budget</u>	Dollar <u>Change</u>	% <u>Change</u>
Other							
General Insurance	2,457,678	2,920,387	2,493,106	2,500,000	2,812,032	312,032	12.48%
Minor Equipment	298,467	289,884	383,365	400,000	559,018	159,018	39.75%
Other	<u>1,002,068</u>	<u>476,654</u>	<u>507,852</u>	<u>900,000</u>	<u>621,822</u>	<u>(278,178)</u>	-30.91%
Total Other	<u>3,758,212</u>	<u>3,686,925</u>	<u>3,384,323</u>	<u>3,800,000</u>	<u>3,992,872</u>	<u>192,872</u>	5.08%

General Insurance – The insurance market, which is based upon factors worldwide (losses under the deductible, litigation costs, history of costs, and inflationary factors) has been increasing costs and reducing coverage. In addition, replacement cost values, added property, and business interruptions are calculated in the premium and, as a result, the 2007 budget has been increased over the 2006 estimates by \$312,032 or 12.5%. Also contributing to the increase, is the potential of three claims that may exceed the self-insured limit that would result in a higher premium. The increase would have been significantly higher (due to weather – hurricanes that affect the market), however, the property insurance has a guarantee rate for 18 months which was locked in prior to the hurricane events of last year.

Minor Equipment – Minor equipment (items under \$5,000) has increased 39.8% or \$159,018. Part of this increase is for Tools (\$1,141) related to fixtures and furnishings that are necessary for efficient shop operation. Minor Assets – Computers increased \$160,155 due to the upgrading and replacing of a portion of the equipment throughout the organization and Minor Asset – Other increased \$17,750 for personal protective equipment in the Fire service center. Minor Assets – Office Furniture decreased \$6,561 and Minor Assets – Radios were reduced by \$11,185.

Other - Other expenses are decreasing by \$278,178 or 30.9% due to the following:

- A decrease in Grant Expenses of \$404,000 is anticipated from the 2006 estimate.
- Increase in Environment-Environmental of \$50,000 for emergency environmental response to allow MAC to potentially reduce risk and liability.
- An increase of \$15,500 in the Misc. – Firearm/Equip/Supplies expense line for firearm supplies, police training gear, wildlife traps and Scare Wars cannons.
- \$15,000 increase in MAC general related to Reliever Airport water and sewer connections.
- Various other line items such as safety materials, rental-copier and other rental equipment, miscellaneous have increased over the 2006 estimate.

EXPENSE ASSUMPTIONS – 2007 OPERATING BUDGET**Gross Depreciation**

Gross Depreciation is projected to increase \$2,597,916 or 2.24% from the 2006 estimates. The increase is the result of the completion of several projects. The budget is based upon Gross Depreciation which is used for both the operating budget and financial statements. Net depreciation, which takes into account state and federal aid and Passenger Facility Charges, is used to calculate rates and charges. In accordance with Generally Accepted Accounting Principles, MAC must record the entire amount of the depreciation on facilities constructed with PFCs and federal and state aid as an expense.

The estimates for depreciation are derived from the following sources:

1. Current outstanding fixed assets
2. Items budgeted for 2006 but not yet purchased or constructed. (These items are reviewed and a status determined, i.e. to extending the completion date or place on hold).
3. The Preliminary Capital Improvement Plan.

The following table identifies the major projects to be closed in 2006 and 2007.

Major Projects Scheduled for Closing 2006/2007**Annual Gross Depreciation**

Runway 4/22 Tunnel	1,683,333
Trinity School Acquisition	700,381
HHH Terminal Projects	160,483
North Terminal Expansion	1,251,233
In-line Baggage Screening System	555,556
Lindbergh Terminal EDS Bldg. Shell	<u>493,333</u>
	\$4,844,319

EXPENSE ASSUMPTIONS – 2007 OPERATING BUDGET

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LINE ITEMS BY SUBLEDGER - 2007 OPERATING BUDGET

	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
Personnel									
Wages									
Regular	35,025,021	753,190	-	1,049,225	-	-	-	1,179,796	-
Overtime/Doubletime									
Doubletime - Regular	1,195,190	-	-	32,059	-	-	-	-	-
Overtime - Regular	1,808,390	10,326	-	49,882	-	-	-	29,185	-
Total Overtime/Doubletime	3,003,580	10,326	-	81,941	-	-	-	29,185	-
Commissioner PerDiem	23,000	-	-	-	-	-	-	-	-
Temps - Agency	26,000	26,000	-	-	-	-	-	-	-
Temps - Non Agency	1,536,007	23,868	-	-	-	-	-	65,712	-
Total Wages	39,613,608	813,384	-	1,131,166	-	-	-	1,274,693	-
Benefits									
Employee Insurance									
Employee Insurance Dental	381,860	9,445	-	12,144	-	-	-	15,517	-
Employ Insurance Disability	163,223	4,037	-	5,191	-	-	-	6,633	-
Employee Insurance Family	7,484,420	185,127	-	238,020	-	-	-	304,137	-
Employee Insurance Life	113,030	2,479	-	3,453	-	-	-	3,630	-
Total Employee Insurance	8,142,533	201,089	-	258,808	-	-	-	329,917	-
Pension									
Fica (Social Security)Base	1,763,061	47,299	-	67,892	-	-	-	70,729	-
Fica(Social Security)Medic	551,133	11,050	-	15,926	-	-	-	16,664	-
Mpls Empl Retirement Fund	103,372	-	-	-	-	-	-	-	-
Public Empl - Police/Fire	1,103,637	-	-	-	-	-	-	-	-
Public Empl - Coordinated	1,739,291	47,720	-	70,698	-	-	-	70,755	-
Merf Unfunded Liability	2,400,000	-	-	-	-	-	-	-	-
Total Pension	7,660,493	106,068	-	154,515	-	-	-	158,149	-
Training									
Executive Leadership Train	60,000	-	-	-	-	-	-	-	-
Management Requirement	13,414	-	-	-	-	-	-	-	-
Organizational Requirement	8,100	-	-	-	-	-	-	-	-
Regulatory Requirements	84,091	1,000	-	-	-	-	-	-	-
Local Seminars	82,548	-	-	-	-	-	-	10,000	-
Total Training	248,153	1,000	-	-	-	-	-	10,000	-
Post Retirement Benefits	4,000,000	23,696	-	77,026	-	-	-	106,652	-
Workers Compensation	564,296	13,486	-	16,421	-	-	-	27,990	-
Post Employ Health Plan	157,730	4,372	-	1,187	-	-	-	7,271	-
Unemployment Tax	58,000	-	-	-	-	-	-	-	-
Uniforms									
Uniforms-Police/Fire Allow	153,250	-	-	-	-	-	-	-	-
Uniforms-Rental	75,527	1,000	-	2,600	-	-	-	5,834	-
Uniforms - Safety Shoes	27,056	300	-	2,100	-	-	-	-	-
Total Uniforms	255,833	1,300	-	4,700	-	-	-	5,834	-
Severance									
Contract Allowance	50,000	1,786	-	-	-	-	-	-	-
Regular Severance	120,000	2,046	-	1,815	-	-	-	1,387	-
Total Severance	170,000	3,832	-	1,815	-	-	-	1,387	-
Paid Absence	11,208	-	-	-	-	-	-	4,000	-
Trade Union Benefits	498,783	-	-	-	-	-	-	-	-
Total Benefits	21,767,029	354,843	-	514,473	-	-	-	651,200	-
Total Personnel	61,380,637	1,168,228	-	1,645,640	-	-	-	1,925,892	-

LINE ITEMS BY SUBLEDGER - 2007 OPERATING BUDGET

	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<u>Administrative Expenses</u>									
Supplies									
Office Supplies Materials	161,012	5,250	-	1,200	-	4,200	-	9,307	-
Computer Supplies									
Computer Supplies-General	42,886	110	-	500	-	-	-	-	-
Computer Supplies-Software	139,926	-	-	-	-	-	-	3,996	-
Computer - Tools	250	-	-	-	-	-	-	-	-
Total Computer Supplies	183,062	110	-	500	-	-	-	3,996	-
Special Supplies									
Special Supplies-Badging	190,000	-	-	-	-	-	-	-	-
Special Supply-Film/Photo	27,264	-	-	-	-	115	-	-	-
Special Supplies-Other	35,611	-	-	1,186	-	960	-	1,500	-
Total Special Supplies	252,875	-	-	1,186	-	1,075	-	1,500	-
Total Supplies	596,949	5,360	-	2,886	-	5,275	-	14,803	-
Travel									
Travel - Lodging	61,067	500	-	-	-	3,910	-	-	-
Travel - Meals	16,010	200	-	-	-	572	-	-	-
Travel - Miscellaneous	5,292	-	-	-	-	-	-	-	-
Travel - Transportation									
Travel - Transport/Airfare	104,836	-	-	-	-	1,758	-	8,500	-
Travel - Shuttle/Taxi/Auto	4,907	-	-	-	-	-	-	-	-
Total Travel - Transportation	109,743	-	-	-	-	1,758	-	8,500	-
Registration Fees	53,401	500	-	-	-	2,500	-	-	-
Mileage	46,632	750	-	250	-	-	-	4,000	-
Total Travel	292,145	1,950	-	250	-	8,740	-	12,500	-
Other Administrative Expense									
Local Meetings									
Local Mtgs - On Airport/GO	8,275	500	-	-	-	200	-	1,950	-
Local Mtgs - Off Airport	18,485	500	-	-	-	-	-	1,200	-
Total Local Meetings	26,760	1,000	-	-	-	200	-	3,150	-
Information Sources									
Memberships/Dues/Pro Assoc	228,546	250	-	-	-	450	-	2,360	-
Other Information Sources	93,649	82	-	-	-	25	-	-	-
Publications/Subscriptions	31,944	100	-	-	-	500	-	-	-
Total Information Sources	354,139	432	-	-	-	975	-	2,360	-
Printing Costs									
Printing-Publications	108,671	-	-	-	-	-	-	-	-
Printing - Color Charts	806	-	-	-	-	-	-	-	-
Printing - Forms	57,169	-	-	-	-	-	-	47,750	-
Printing-In House Color	63	-	-	-	-	-	-	-	-
Printing-Stationary/Envel	21,532	-	-	-	-	6,000	-	-	-
Total Printing Costs	188,241	-	-	-	-	6,000	-	47,750	-
Delivery Services	13,513	100	-	50	-	300	-	-	-
Freight Charges	8,380	100	-	50	-	-	-	-	-
Postage	55,040	-	-	-	-	-	-	6,900	-
Total Other Administrative Expense	646,073	1,632	-	100	-	7,475	-	60,160	-
Total Administrative Expenses	1,535,166	8,942	-	3,236	-	21,490	-	87,463	-

LINE ITEMS BY SUBLEDGER - 2007 OPERATING BUDGET

	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
Professional Services									
Accounting/Audit Fees	145,000	-	-	-	-	-	-	-	-
Affirmative Action Fees	2,000	-	-	-	-	-	-	-	-
RFP/Leases	60,000	-	-	-	-	-	-	-	-
Concept Develop/Feasible	55,000	-	-	-	-	-	-	-	-
Computer Services									
General									
ANOMS Consulting	56,000	-	-	-	-	-	-	-	-
Software Consulting	2,500	-	-	-	-	-	-	-	-
Total General	58,500	-	-	-	-	-	-	-	-
Terminal Services	9,000	-	-	-	-	-	-	-	9,000
Total Computer Services	67,500	-	-	-	-	-	-	-	9,000
Engineering Fees	627,294	72,500	-	40,000	-	249,794	-	11,000	-
Graphic Design	30,000	-	-	-	-	-	-	-	-
Labor Relations	15,000	-	-	-	-	-	-	-	-
Legal Fees									
Legal - Environmental	1,085,000	-	-	-	-	-	-	-	-
Legal - General	965,000	-	-	-	-	-	-	-	-
Legal - Federal	50,000	-	-	-	-	-	-	-	-
Legal - Relievers	300,000	-	-	-	-	-	-	-	-
Total Legal Fees	2,400,000	-	-	-	-	-	-	-	-
Legislative									
Legislative - Local	88,000	-	-	-	-	-	-	-	-
Legislative - National	198,000	-	-	-	-	-	-	-	-
Total Legislative	286,000	-	-	-	-	-	-	-	-
Medical Fees	64,200	-	-	-	-	-	-	-	-
Planning									
MSP Int'l	300,000	-	-	-	-	300,000	-	-	-
Relievers	300,000	-	-	-	-	-	-	-	-
Total Planning	600,000	-	-	-	-	300,000	-	-	-
Pollution/Environmental Fees	7,900	-	-	-	-	3,000	-	-	-
Public Information Services	100,000	-	-	-	-	-	-	-	-
Public Information Services	5,000	-	-	-	-	-	-	-	-
Recruiting Employment Fees	7,500	-	-	-	-	-	-	-	-
Safety Consultants									
Safety - Training	10,720	3,000	-	-	-	-	-	-	-
Safety - General	1,000	-	-	-	-	-	-	-	-
Total Safety Consultants	11,720	3,000	-	-	-	-	-	-	-
Communications Consultant	52,500	-	-	-	-	-	-	-	-
Other/Miscellaneous	1,108,761	92,240	-	-	-	7,500	-	22,500	-
Survey Expense	5,000	5,000	-	-	-	-	-	-	-
Total Professional Services	5,650,375	172,740	-	40,000	-	560,294	-	33,500	9,000
Utilities									
Electricity	7,677,000	5,113,388	-	55,145	-	540,890	-	427,852	-
Heating Fuel									
Heating - Natural Gas	4,500,000	188,100	-	2,965,050	-	990	60,750	73,800	6,300
Heating - Fuel Oil	150,000	27,092	-	90,300	-	-	-	-	30,000
Total Heating Fuel	4,650,000	215,192	-	3,055,350	-	990	60,750	73,800	36,300
Sewer	960,000	400,800	-	57,216	-	-	192	2,784	4,608
Water	1,200,000	301,560	-	26,040	-	374	840	7,320	9,978
Telephone									
Telephone - Regular	339,663	5,665	-	-	-	850	-	25	-
Telephone - Internet Service	23,800	-	-	-	-	-	-	-	-
Telephone - Cellular	132,057	3,000	-	2,652	-	12,000	-	4,698	-
Total Telephone	495,520	8,665	-	2,652	-	12,850	-	4,723	-
Total Utilities	14,982,520	6,039,605	-	3,196,403	-	555,104	61,782	516,479	50,886

LINE ITEMS BY SUBLEDGER - 2007 OPERATING BUDGET

	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
Operating Services/Expenses									
Advertising									
Advertising - Employment	40,634	-	-	-	-	-	-	-	-
Advertising - General	89,338	-	-	-	-	-	-	-	-
Advertising - Parking	330,000	-	-	-	-	-	-	-	330,000
Advertising - Relievers	20,000	-	-	-	-	-	-	-	-
Total Advertising	479,972	-	-	-	-	-	-	-	330,000
Environmental Control									
Hazardous Waste									
Hazardous Waste - FLOuresc	10,000	-	-	-	-	-	-	-	-
Hazardous Waste - General	5,700	500	-	-	-	-	-	-	-
Total Hazardous Waste	15,700	500	-	-	-	-	-	-	-
Pollution Control									
Pollution Ctrl-Booms	20,000	-	-	-	-	-	-	-	-
Pollution Ctrl-Corn Cobs	6,000	-	-	-	-	-	-	-	-
Pollution Ctrl-Supplies	2,500	-	-	-	-	-	-	-	-
Total Pollution Control	28,500	-	-	-	-	-	-	-	-
Industrial Waste Mgmt	22,000	-	-	-	-	20,000	-	-	-
Laboratory Services	1,500	-	-	-	-	-	-	-	-
Solvent Reclamation Service	21,300	-	-	750	-	-	-	-	-
Tire Disposal	1,000	-	-	-	-	-	-	-	-
Other	139,400	-	-	-	-	15,000	-	-	-
Total Environmental Control	229,400	500	-	750	-	35,000	-	-	-
Grd Transportation Services									
AV ID Readers/Controllers	5,000	-	-	-	-	-	-	5,000	-
AV ID Tags	14,000	-	-	-	-	-	-	14,000	-
Total Grd Transportation Services	19,000	-	-	-	-	-	-	19,000	-
Shuttle Services	1,124,752	449,901	-	-	-	-	-	449,901	-
Parking Lots	5,333,373	-	-	-	-	-	-	-	5,333,373
Met Council Fees	180,000	-	-	-	-	180,000	-	-	-
Employee Programs									
Retirement									
Retirement	2,521	-	-	-	-	-	-	-	-
Wellness									
Wellness - Fitness Program	54,000	-	-	-	-	-	-	-	-
Wellness-Health/Wellness	13,075	-	-	-	-	-	-	-	-
Wellness-Nutrition/Stress	13,270	-	-	-	-	-	-	-	-
Total Wellness	80,345	-	-	-	-	-	-	-	-
Total Employee Programs	82,866	-	-	-	-	-	-	-	-
Events									
Conference Center									
Conference Center	35,000	-	-	-	-	-	-	-	-
Career Days	4,500	-	-	-	-	-	-	-	-
Emergency Response Exercise									
Emergency Response Exercise	18,310	-	-	-	-	6,410	-	-	-
Other Programs/Events	3,500	-	-	-	-	-	-	-	-
Call Back Service	8,000	-	-	-	-	8,000	-	-	-
Total Events	69,310	-	-	-	-	14,410	-	-	-
Other Charges/Fees									
Bank Charges	234,408	-	-	-	-	-	-	-	69,408
IATA Contract Expense	35,000	-	-	-	-	-	-	-	-
Security Services Regular	587,080	-	-	-	-	7,500	-	-	-
Security Services Check Pt	500,000	-	-	-	-	500,000	-	-	-
Concessions Marketing	600,000	-	-	-	-	-	-	-	-
Recycling - Sand	30,000	-	-	-	-	30,000	-	-	-
Copy Agreement	142,000	-	-	-	-	-	-	-	-
Mediation Fees	7,000	-	-	-	-	-	-	-	-
Miscellaneous Charges/Fees	78,675	-	-	-	-	-	-	1,200	1,500
Jail Fees	9,000	-	-	-	-	-	-	-	-
Total Other Charges/Fees	2,223,163	-	-	-	-	537,500	-	1,200	70,908
Service Agreements									
Service - Bldg Inspection	25,000	25,000	-	-	-	-	-	-	-
Service - Facilities C.M.M.I.S	35,000	35,000	-	-	-	-	-	-	-
Service-Computers	688,071	175,000	-	-	-	-	-	-	7,836
Service-Fitness Equipment	2,800	-	-	-	-	-	-	-	-
Service-Grd Trans Equip	108,336	-	-	-	-	-	-	108,336	-
Service-Loading Dock	2,505,594	2,437,943	-	-	-	-	-	-	-
Service-Office Equipment	26,588	608	-	-	-	500	-	-	-
Service-Other Equipment	636,680	4,800	2,800	-	-	650	-	-	-
Service-Parking Equipment	564,036	-	-	-	-	-	-	-	564,036
Service-Telephone Systems	65,750	-	-	-	-	-	-	-	-
Service-Secured Access	171,500	-	-	-	-	171,500	-	-	-
Service-Radios	232,062	491	-	-	-	55,974	-	-	-
GISW Management	1,200,000	-	-	-	-	1,200,000	-	-	-
Total Service Agreements	6,261,417	2,678,842	2,800	-	-	1,428,624	-	108,336	571,872
Total Operating Services/Expenses	16,003,253	3,129,243	2,800	750	-	2,195,534	-	578,437	6,306,153

LINE ITEMS BY SUBLEDGER - 2007 OPERATING BUDGET

	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
Maintenance									
Trades - Painters									
Paint									
Equipment - Paint	4,000	1,000	-	-	-	-	-	-	-
Exterior - Paint	10,050	2,000	-	-	-	-	-	-	-
Interior - Paint	13,000	6,000	-	-	-	-	-	-	-
Paint - Other	700	-	-	-	-	-	-	-	-
Traffic Paint - Parking	20,000	-	-	-	-	-	-	-	20,000
Reliever Airport - Paint	6,060	-	-	-	-	-	-	-	-
Traffic Paint - Roads	10,570	-	-	-	-	-	-	-	-
Traffic Paint - Runways	75,000	-	-	-	-	75,000	-	-	-
Total Paint	139,380	9,000	-	-	-	75,000	-	-	20,000
Signs									
Other Sign Material/Etc	5,500	-	-	-	-	-	-	-	-
Regulatory - Signs	3,150	-	-	-	-	-	-	-	-
Exterior Sign Materials	6,500	-	-	-	-	-	-	-	-
Interior Sign Materials	3,875	2,750	-	-	-	-	-	-	-
Reliever Airport Signs	7,000	-	-	-	-	-	-	-	-
Total Signs	26,025	2,750	-	-	-	-	-	-	-
Supplies									
Brushes Supplies	1,000	-	-	-	-	-	-	-	-
Paint Supplies - Other	2,500	750	-	750	-	-	-	-	-
Solvents	2,500	-	-	-	-	-	-	-	-
Equipment Spray	6,180	-	-	-	-	-	-	-	-
Paint Tools	5,125	-	-	-	-	-	-	-	-
Total Supplies	17,305	750	-	750	-	-	-	-	-
Total Trades - Painters	182,710	12,500	-	750	-	75,000	-	-	20,000
Trades - Carpenters									
Locks									
Locks - Doors	74,001	47,000	-	-	-	-	-	-	-
Locks - Door Tags/ID	1,250	1,250	-	-	-	-	-	-	-
Total Locks	75,251	48,250	-	-	-	-	-	-	-
Flags	1,056	-	-	-	-	-	-	-	-
Lumber									
Lumber-Cabinets	36,500	36,500	-	-	-	-	-	-	-
Lumber-Other	1,500	-	-	-	-	-	-	-	-
Total Lumber	38,000	36,500	-	-	-	-	-	-	-
Other									
Other - Ceilings	9,500	7,350	-	-	-	-	-	-	-
Other - Doors	11,775	11,250	-	-	-	-	-	-	-
Other - Floor Coverings	57,500	57,500	-	-	-	-	-	-	-
Other - Hardware	9,164	2,291	-	-	-	-	-	-	-
Other - Auto Door Supplis RPL	36,274	36,274	-	-	-	-	-	-	-
Other - Saw Blades	315	315	-	-	-	-	-	-	-
Other - Screws/Bolts	4,390	-	-	-	-	-	-	-	-
Other - Seating Replacement	30,250	30,000	-	-	-	-	-	-	-
Other - Tools	9,074	6,999	-	-	-	-	-	-	-
Other - Tug Drive Floor Maint.	12,000	12,000	-	-	-	-	-	-	-
Other - Wall Protection	3,455	-	-	-	-	-	-	-	-
Total Other	183,697	163,979	-	-	-	-	-	-	-
Total Trades - Carpenters	298,004	248,729	-	-	-	-	-	-	-

LINE ITEMS BY SUBLEDGER - 2007 OPERATING BUDGET

	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
Trades - Plumbers									
Contractor Requirements	4,000	-	-	-	-	-	-	-	-
Fire Protection System	70,736	19,666	-	1,242	-	5,240	-	-	-
General Plumbing Supplies	43,147	18,540	-	-	-	-	-	-	-
Irrigation Supplies	10,539	875	-	-	-	-	-	3,180	-
Pumps	9,981	7,601	-	880	-	-	-	-	-
Underground Utilities	5,200	5,200	-	-	-	-	-	-	-
Water Distribution Systems	2,900	2,900	-	-	-	-	-	-	-
Water Meters	8,150	-	-	-	-	4,150	-	-	-
Plumbing - Other	16,450	-	-	-	-	-	-	-	-
Total Trades - Plumbers	171,103	54,782	-	2,122	-	9,390	-	3,180	-
Trades - Electricians									
Repairs									
Electrical _ Exterior	42,895	-	-	-	-	-	-	-	-
Generator Maint. Contract	46,350	33,218	-	-	-	-	-	-	-
Electrical - Interior	3,000	-	-	-	-	-	-	-	-
Total Repairs	92,245	33,218	-	-	-	-	-	-	-
Other									
Other - Batteries	1,279	103	-	206	-	52	-	-	-
Other-Field Lights/Sensors	383,340	-	-	-	-	343,340	-	-	-
Other - Gate Supplies	30,450	-	-	-	-	15,450	-	-	-
Other - General Supplies	203,415	46,350	80	1,545	15,450	-	-	155	82,400
Other - Miscellaneous	1,030	-	-	-	-	-	-	-	-
Other - Motor	7,308	5,150	-	-	-	-	-	-	515
Other - Secured Access Sys	2,452	-	-	-	-	2,452	-	-	-
Other - Tools	8,266	-	-	-	-	-	-	-	-
Total Other	637,540	51,603	80	1,751	15,450	361,294	-	155	82,915
Total Trades - Electricians	729,785	84,821	80	1,751	15,450	361,294	-	155	82,915

LINE ITEMS BY SUBLEDGER - 2007 OPERATING BUDGET

	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
Maintenance - Field									
Snow Removal - Materials									
Materials - Sodium Acetate	50,000	-	-	-	-	50,000	-	-	-
Materials-Liquid Anti Icer	715,000	-	-	-	60,000	655,000	-	-	-
Materials-Other Ice Ctrl	10,000	-	-	-	-	7,300	-	-	2,000
Materials - Salt	81,000	-	-	-	-	-	-	20,000	-
Materials - Sand	134,400	-	-	-	-	100,000	-	10,000	10,000
Materials - Urea	5,396	-	-	-	-	-	-	-	-
Total Snow Removal - Materials	995,796	-	-	-	60,000	812,300	-	30,000	12,000
Snow Removal - Equipment									
Equipment - Contract	482,000	-	-	-	-	-	-	-	482,000
Equipment - Snow Haulers	15,000	-	-	-	-	15,000	-	-	-
Equipment - Other	87,000	-	-	-	-	38,000	-	-	-
Equip Rent-No Operator-5.5	74,000	-	-	-	69,000	-	-	-	-
Equipment-Rent-No Operator	10,000	-	-	-	-	-	-	-	-
Total Snow Removal - Equipment	668,000	-	-	-	69,000	53,000	-	-	482,000
Snow Removal - Miscellan									
Snow Removal - Meals	28,969	-	-	-	-	28,500	-	-	-
Snow Removal - Plow Blades	102,250	-	-	-	33,875	33,875	-	11,500	11,500
Snow Removal - Runway Brm	268,000	-	-	-	-	268,000	-	-	-
Snow Melters	111,000	-	-	-	17,500	14,000	-	-	73,000
Total Snow Removal - Miscellan	510,219	-	-	-	51,375	344,375	-	11,500	84,500
Summer Maintenance-Surface									
Surface Repair-Aggregate	7,130	-	-	-	-	-	-	-	1,800
Surface Repair-Asphalt	38,940	-	-	-	5,000	10,000	-	700	200
Surface Repair-Cement	7,650	-	-	-	2,500	2,500	-	-	250
Surface Repair-Other	2,500	-	-	-	-	2,500	-	-	-
Surface Rubber Removal	86,000	-	-	-	-	76,000	-	-	-
Surface Repair-Saw Blades	500	-	-	-	250	250	-	-	-
Surface Repair-Hot Sealant	15,000	-	-	-	-	5,000	-	10,000	-
Total Summer Maintenance-Surfac	157,720	-	-	-	7,750	96,250	-	10,700	2,250
Summer Maint-Landscape									
Summer Maintenance-Fencing	19,390	-	-	-	-	4,500	-	-	-
Landscape/Turf-Materials	103,490	-	-	-	-	52,600	-	25,800	-
Summer Maint-Equip Rent No Op	37,650	-	-	-	-	200	-	-	16,250
Total Summer Maint-Landscape	160,530	-	-	-	-	57,300	-	25,800	16,250
Maintenance Field-Other									
Field Maint-Other-Garbage	6,000	-	-	-	-	-	-	-	-
Non Runway Brooms	49,400	-	-	-	4,000	-	-	45,000	400
Field Maint-Other/Emerg	25,000	10,000	-	-	-	10,000	-	-	-
Field Maint-Other-Material	12,750	750	-	-	150	1,600	-	150	1,000
Field Maint-Other-Supplies	12,450	-	-	-	2,000	2,500	250	-	200
Field Maint-Other-Tools	11,000	-	-	-	-	2,750	-	500	1,750
Total Maintenance Field-Other	116,600	10,750	-	-	6,150	16,850	250	45,650	3,350
Total Maintenance - Field	2,608,865	10,750	-	-	194,275	1,380,075	250	123,650	600,350
Maintenance Building									
Building-Temp Control									
Temp Control-Contracts	815,964	504,864	-	86,232	-	1,000	-	30,110	86,541
Temp Control-Filters	148,055	94,500	-	892	-	-	280	-	-
Total Building-Temp Control	964,019	599,364	-	87,124	-	1,000	280	30,110	86,541
Building-Mechanical Areas									
Mechanical Areas-APM	2,563,474	1,755,288	-	-	-	-	-	646,549	161,637
Mechanical Areas-Conveyors	341,280	194,529	37,541	-	-	-	-	-	-
Mechanical Areas-Doors	5,100	-	-	-	-	-	-	-	-
Mechanical Areas-Doors/Pub	12,500	10,000	-	-	-	-	-	-	-
Mechanical Areas-Doors/Tug	20,000	20,000	-	-	-	-	-	-	-
Mechanical Areas-Elevators	449,456	422,233	-	-	-	-	-	-	-
Mechanical Areas-Escalator	622,238	591,126	-	-	-	-	-	-	-
Mechanical-Moving Walks	711,130	711,130	-	-	-	-	-	-	-
Mechanical Areas-Other	3,500	-	-	-	-	-	-	-	-
Total Building-Mechanical Areas	4,728,678	3,704,306	37,541	-	-	-	-	646,549	161,637
Building-Other									
Other-Boiler Chemicals	85,500	6,000	-	64,500	-	-	-	-	-
Other-Floors/Repairs	7,055	4,300	-	-	-	-	-	-	-
Other-Jetbridge Repairs	97,500	-	-	-	-	-	-	-	-
Other-Outside Plumb/Sewer	9,890	-	-	-	-	-	-	-	-
Other-Paging System Contract	50,000	50,000	-	-	-	-	-	-	-
Other-Pest Control	50,000	50,000	-	-	-	-	-	-	-
Other-Roofing	39,750	35,000	-	-	-	-	-	-	-
Sump/Septic Pumping	21,582	-	-	-	-	-	-	-	-
Other-Supplies	92,548	71,070	-	8,989	-	-	-	-	-
Other-Tools	11,790	5,000	-	3,000	-	-	-	-	-
Total Building-Other	465,615	221,370	-	76,489	-	-	-	-	-
Apt Development Projects	850	-	-	-	-	-	-	-	-
Total Maintenance Building	6,159,162	4,525,040	37,541	163,613	-	1,000	280	676,659	248,178

LINE ITEMS BY SUBLEDGER - 2007 OPERATING BUDGET

	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
Maintenance-Cleaning									
Cleaning Services									
Cleaning Services-Janitor	7,075,644	5,052,224	135,003	-	-	-	-	-	182,683
Cleaning Services-Windows	851,061	544,905	13,130	-	-	-	-	-	109,115
Total Cleaning Services	7,926,705	5,597,129	148,133	-	-	-	-	-	291,798
Cleaning Supplies									
Cleaning Supplies-Bathroom	545,000	500,000	-	-	-	-	-	-	-
Cleaning Supplies-General	17,770	10,000	-	-	-	-	-	-	-
Total Cleaning Supplies	562,770	510,000	-	-	-	-	-	-	-
Rubbish Disposal									
Rubbish Disposal-Recycle	24,401	18,242	-	-	-	461	-	-	-
Rubbish Disposal-Regular	441,601	55,682	-	-	-	217,257	643	3,122	15,607
Total Rubbish Disposal	466,002	73,924	-	-	-	217,718	643	3,122	15,607
Towel Laundry Services	6,432	-	-	-	-	-	-	-	-
Other Cleaning Expenses	2,000	-	-	-	-	-	-	-	-
Total Maintenance-Cleaning	8,963,909	6,181,053	148,133	-	-	217,718	643	3,122	307,405
Maintenance-Equipment									
Equipment-Parts									
Parts-Automobiles	124,900	-	-	1,000	-	-	-	-	-
Parts-Boilers Energy Mgmt	70,344	15,000	-	52,015	-	-	-	-	-
Parts-Chiller Energy Mgmt	61,110	6,687	-	48,480	-	-	-	878	1,170
Parts-Other Equipment	50,000	50,000	-	-	-	-	-	-	-
Parts-Equipment	721,025	-	-	-	-	-	-	13,400	242,750
Parts-Other Equipment	91,785	7,000	600	14,585	-	16,000	-	-	100
Total Equipment-Parts	1,119,164	78,687	600	116,080	-	16,000	-	14,278	244,020
Equipment-Shop									
Shop-Batteries	18,245	-	-	-	-	-	-	-	-
Shop-Cleaners/Degreasers	48,900	-	-	-	-	-	-	-	18,000
Shop-Oil Filters	40,900	-	-	-	-	-	-	-	-
Shop-Other Supplies	74,650	350	-	2,000	-	-	-	-	-
Shop-Tires	103,250	-	-	-	-	-	-	-	-
Shop-Tools	30,200	-	-	-	-	2,000	-	-	-
Total Equipment-Shop	316,145	350	-	2,000	-	2,000	-	-	18,000
Equipment-Gas									
Gas-Diesel	240,000	-	-	-	-	-	-	-	-
Gas-Propane	3,805	-	-	-	-	-	-	-	-
Gas-Unleaded	270,000	-	-	2,430	-	3,240	-	3,510	11,070
Total Equipment-Gas	513,805	-	-	2,430	-	3,240	-	3,510	11,070
Equipment-Extinguishers									
Extinguishers-Purchase	8,000	-	-	-	-	-	-	-	-
Extinguishers-Reservice	5,500	-	-	-	-	-	-	-	-
Total Equipment-Extinguishers	13,500	-	-	-	-	-	-	-	-
Equipment-Miscellaneous Exp	39,644	-	-	-	-	-	-	23,544	-
Total Maintenance-Equipment	2,002,258	79,037	600	120,510	-	21,240	-	41,332	273,090
Total Maintenance	21,115,796	11,196,712	186,354	288,746	209,725	2,065,717	1,173	848,098	1,531,938

LINE ITEMS BY SUBLEDGER - 2007 OPERATING BUDGET

	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
Other									
General Insurance									
Gen Ins-Airport Liability	1,183,631	262,153	-	100,000	35,253	59,943	-	20,429	73,713
Gen Ins-Property	1,345,697	325,553	-	-	43,778	74,440	-	25,370	91,539
Gen Ins-Crime	12,056	2,917	-	-	393	666	-	226	820
Gen Ins-Auto/Equipment	268,516	64,960	-	-	8,735	14,854	-	5,063	18,266
Gen Ins-Other	2,132	516	-	-	70	118	-	40	145
Total General Insurance	2,812,032	656,099	-	100,000	88,229	150,021	-	51,128	184,483
Safety									
Safety-Training Materials	1,075	-	-	-	-	-	-	-	-
Safety-Supplies	24,080	3,000	-	3,000	-	-	-	-	-
Safety-Equipment	12,144	-	-	-	-	2,000	-	500	-
Total Safety	37,299	3,000	-	3,000	-	2,000	-	500	-
Medical Information/Supply	19,948	300	-	487	-	2,000	-	-	-
Rentals									
Rental-Copier	73,358	7,879	-	-	-	5,000	-	5,600	-
Rental-Pagers	22,150	800	-	-	-	1,100	-	-	-
Rental-Other Equipment	29,725	2,000	-	-	-	-	-	1,400	-
Total Rentals	125,233	10,679	-	-	-	6,100	-	7,000	-
Licenses/Permits									
Licenses-Autos/Equipment	450	-	-	-	-	-	-	-	-
Licenses-Environmental	8,000	-	-	-	-	-	-	-	-
Licenses-Other	5,392	-	-	1,091	-	-	-	-	-
Total Licenses/Permits	13,842	-	-	1,091	-	-	-	-	-
Miscellaneous Expenses									
Misc-Firearm/Equip/Supplies	116,500	-	-	-	-	-	-	-	-
Misc-Emergency Response	54,900	600	-	-	-	-	-	-	-
Misc-Other	113,100	-	-	-	-	51,000	-	-	-
Total Miscellaneous Expenses	284,500	600	-	-	-	51,000	-	-	-
Adjustments/Bad Debt									
Bad Debt Expense	30,000	15,000	-	-	-	15,000	-	-	-
Miscellaneous Adjustments	15,000	-	-	-	-	-	-	-	-
Total Adjustments/Bad Debt	45,000	15,000	-	-	-	15,000	-	-	-
Grant Expenditures									
Terminal Hardening	33,000	-	-	-	-	-	-	-	-
2005 Homeland Security Grant	63,000	-	-	-	-	-	-	-	-
Total Grant Expenditures	96,000	-	-	-	-	-	-	-	-
Capital Assets									
Minor Equipment/Assets									
Minor Assets-Tools	65,494	2,000	-	-	-	-	-	-	-
Minor Assets-Office Furn	20,439	2,500	-	-	-	-	-	-	-
Minor Assets-Computers	349,325	-	-	-	-	-	-	7,636	4,400
Minor Assets-Radios	75,510	-	-	-	-	-	-	-	-
Minor Assets-Other	48,250	-	-	-	-	-	-	-	-
Total Minor Equipment/Assets	559,018	4,500	-	-	-	-	-	7,636	4,400
Total Capital Assets	559,018	4,500	-	-	-	-	-	7,636	4,400
Total Other	3,992,872	690,178	-	104,578	88,229	226,121	-	66,264	188,883
Gross Depreciation	118,497,916	22,160,956	1,430,889	943,692	1,209,887	36,520,505	-	8,067,102	13,951,130
Grand Total Excluding Depreciation	124,660,618	22,405,647	189,154	5,279,353	297,954	5,624,260	62,955	4,056,133	8,086,860
Grand Total With Depreciation	243,158,534	44,566,603	1,620,043	6,223,045	1,507,841	42,144,765	62,955	12,123,235	22,037,990

LINE ITEMS BY SUBLEDGER - 2007 OPERATING BUDGET

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LINE ITEMS BY SUBLEDGER - 2007 OPERATING BUDGET

	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
Personnel								
Wages								
Regular	-	193,561	-	-	-	9,375,778	-	-
Overtime/Doubletime								
Doubletime - Regular	-	-	-	-	-	1,041,096	-	-
Overtime - Regular	-	-	-	-	-	484,505	-	-
Total Overtime/Doubletime	-	-	-	-	-	1,525,601	-	-
Commissioner PerDiem	-	-	-	-	-	-	-	-
Temps - Agency	-	-	-	-	-	-	-	-
Temps - Non Agency	-	73,191	-	-	-	545,473	-	-
Total Wages	-	266,752	-	-	-	11,446,852	-	-
Benefits								
Employee Insurance								
Employee Insurance Dental	-	1,349	-	-	-	108,621	-	-
Emphy Insurance Disability	-	577	-	-	-	46,429	-	-
Employee Insurance Family	-	26,447	-	-	-	2,128,961	-	-
Employee Insurance Life	-	637	-	-	-	29,112	-	-
Total Employee Insurance	-	29,010	-	-	-	2,313,123	-	-
Pension								
Fica (Social Security)Base	-	15,517	-	-	-	644,712	-	-
Fica(Social Security)Medic	-	3,633	-	-	-	150,309	-	-
Mpls Emphy Retirement Fund	-	-	-	-	-	30,398	-	-
Public Emphy - Police/Fire	-	-	-	-	-	-	-	-
Public Emphy - Coordinated	-	12,098	-	-	-	609,190	-	-
Merf Unfunded Liability	-	-	-	-	-	120,000	-	-
Total Pension	-	31,248	-	-	-	1,554,608	-	-
Training								
Executive Leadership Train	-	-	-	-	-	-	-	-
Management Requirement	-	-	-	-	-	-	-	-
Organizational Requirement	-	1,000	-	-	-	-	-	-
Regulatory Requirements	-	-	-	-	-	17,988	-	-
Local Seminars	-	-	-	-	-	2,000	-	-
Total Training	-	1,000	-	-	-	19,988	-	-
Post Retirement Benefits	-	5,924	-	11,848	-	722,876	-	-
Workers Compensation	-	2,878	-	-	-	161,106	-	-
Post Emphy Health Plan	-	984	-	-	-	44,846	-	-
Unemployment Tax	-	-	-	-	-	58,000	-	-
Uniforms								
Uniforms-Police/Fire Allow	-	-	-	-	-	-	-	-
Uniforms-Rental	-	-	-	-	-	46,591	-	-
Uniforms - Safety Shoes	-	-	-	-	-	22,000	-	131
Total Uniforms	-	-	-	-	-	68,591	-	131
Severance								
Contract Allowance	-	-	-	-	-	46,428	-	-
Regular Severance	-	1,616	-	-	-	27,572	-	-
Total Severance	-	1,616	-	-	-	74,000	-	-
Paid Absence	-	-	-	-	-	1,708	-	-
Trade Union Benefits	-	-	-	-	-	498,783	-	-
Total Benefits	-	72,661	-	11,848	-	5,517,630	-	131
Total Personnel	-	339,413	-	11,848	-	16,964,482	-	131

LINE ITEMS BY SUBLEDGER - 2007 OPERATING BUDGET

	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
Administrative Expenses								
Supplies								
Office Supplies Materials	-	300	-	-	-	-	2,100	4,000
Computer Supplies								
Computer Supplies-General	-	300	-	-	-	361	-	505
Computer Supplies-Software	-	-	-	-	-	15,000	9,900	1,200
Computer - Tools	-	-	-	-	-	-	-	-
Total Computer Supplies	-	300	-	-	-	15,361	9,900	1,705
Special Supplies								
Special Supplies-Badging	-	-	-	-	-	-	-	-
Special Supply-Film/Photo	-	-	-	-	-	-	25	824
Special Supplies-Other	-	350	-	-	-	1,400	400	1,007
Total Special Supplies	-	350	-	-	-	1,400	425	1,831
Total Supplies	-	950	-	-	-	16,761	12,425	7,536
Travel								
Travel - Lodging	-	400	-	-	-	-	-	778
Travel - Meals	-	-	-	-	-	500	-	340
Travel - Miscellaneous	-	-	-	-	-	-	-	50
Travel - Transportation								
Travel - Transport/Airfare	-	700	-	-	-	-	-	800
Travel - Shuttle/Taxi/Auto	-	-	-	-	-	-	-	-
Total Travel - Transportation	-	700	-	-	-	-	-	800
Registration Fees	-	-	-	-	-	-	-	191
Mileage	-	1,000	-	-	-	-	-	455
Total Travel	-	2,100	-	-	-	500	-	2,614
Other Administrative Expense								
Local Meetings								
Local Mtgs - On Airport/GO	-	250	-	-	-	-	-	-
Local Mtgs - Off Airport	-	-	-	-	-	-	1,500	-
Total Local Meetings	-	250	-	-	-	-	1,500	-
Information Sources								
Memberships/Dues/Pro Assoc	-	-	-	-	-	-	-	665
Other Information Sources	-	-	-	-	-	-	-	-
Publications/Subscriptions	-	-	-	-	-	-	-	300
Total Information Sources	-	-	-	-	-	-	-	965
Printing Costs								
Printing-Publications	-	-	-	-	-	-	-	-
Printing - Color Charts	-	-	-	-	-	-	-	-
Printing - Forms	-	-	-	-	-	-	-	-
Printing-In House Color	-	-	-	-	-	-	-	63
Printing-Stationary/Envel	-	-	-	-	-	-	-	-
Total Printing Costs	-	-	-	-	-	-	-	63
Delivery Services	-	-	-	-	-	-	150	314
Freight Charges	-	5,500	-	-	-	-	-	1,130
Postage	-	-	-	-	-	-	-	-
Total Other Administrative Expense	-	5,750	-	-	-	-	1,650	2,472
Total Administrative Expenses	-	8,800	-	-	-	17,261	14,075	12,622

LINE ITEMS BY SUBLEDGER - 2007 OPERATING BUDGET

	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<u>Professional Services</u>								
Accounting/Audit Fees	-	-	-	-	-	-	-	-
Affirmative Action Fees	-	-	-	-	-	-	-	-
RFP/Leases	-	-	-	-	-	-	-	-
Concept Develop/Feasible	-	-	-	-	-	-	-	-
Computer Services								
General								
ANOMS Consulting	-	-	-	-	-	-	-	-
Software Consulting	-	-	-	-	-	-	-	-
Total General	-	-	-	-	-	-	-	-
Terminal Services	-	-	-	-	-	-	-	-
Total Computer Services	-	-	-	-	-	-	-	-
Engineering Fees	-	6,500	10,000	-	-	-	-	-
Graphic Design	-	-	-	-	-	-	-	-
Labor Relations	-	-	-	-	-	-	-	-
Legal Fees								
Legal - Environmental	-	-	-	-	-	-	-	-
Legal - General	-	-	-	-	-	-	-	-
Legal - Federal	-	-	-	-	-	-	-	-
Legal - Relievers	-	-	-	-	-	-	-	-
Total Legal Fees	-	-	-	-	-	-	-	-
Legislative								
Legislative - Local	-	-	-	-	-	-	-	-
Legislative - National	-	-	-	-	-	-	-	-
Total Legislative	-	-	-	-	-	-	-	-
Medical Fees	-	-	-	-	-	-	-	-
Planning								
MSP Int'l	-	-	-	-	-	-	-	-
Relievers	-	-	-	-	-	-	-	-
Total Planning	-	-	-	-	-	-	-	-
Pollution/Environmental Fees	-	-	-	-	-	-	-	-
Public Information Services	-	-	-	-	-	-	-	-
Public Information Services	-	-	-	-	-	-	-	-
Recruiting Employment Fees	-	-	-	-	-	-	-	-
Safety Consultants								
Safety - Training	-	-	-	-	-	-	-	-
Safety - General	-	-	-	-	-	-	-	-
Total Safety Consultants	-	-	-	-	-	-	-	-
Communications Consultant	-	-	-	-	-	-	-	-
Other/Miscellaneous	-	11,375	12,500	-	-	-	-	52,500
Survey Expense	-	-	-	-	-	-	-	-
Total Professional Services	-	17,875	22,500	-	-	-	-	52,500
<u>Utilities</u>								
Electricity	45,637	695,430	182,550	-	115,045	-	-	185,402
Heating Fuel								
Heating - Natural Gas	48,150	454,950	-	-	126,900	-	-	247,905
Heating - Fuel Oil	-	-	-	2,608	-	-	-	-
Total Heating Fuel	48,150	454,950	-	2,608	126,900	-	-	247,905
Sewer	-	-	368,064	2,400	115,108	-	-	6,048
Water	-	13,999	762,394	44,160	8,950	-	-	17,880
Telephone								
Telephone - Regular	-	-	-	-	-	-	-	1,540
Telephone - Internet Service	-	-	-	-	-	-	-	-
Telephone - Cellular	-	1,200	-	-	-	-	-	14,243
Total Telephone	-	1,200	-	-	-	-	-	15,783
Total Utilities	93,787	1,165,579	1,313,008	49,168	366,003	-	-	473,018

LINE ITEMS BY SUBLEDGER - 2007 OPERATING BUDGET

	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<u>Operating Services/Expenses</u>								
Advertising								
Advertising - Employment	-	-	-	-	-	-	-	-
Advertising - General	-	-	-	-	-	-	-	-
Advertising - Parking	-	-	-	-	-	-	-	-
Advertising - Relievers	-	-	-	-	-	-	-	-
Total Advertising	-	-	-	-	-	-	-	-
Environmental Control								
Hazardous Waste								
Hazardous Waste - FLOuresc	-	-	-	-	-	-	-	10,000
Hazardous Waste - General	-	-	-	-	-	-	-	5,000
Total Hazardous Waste	-	-	-	-	-	-	-	15,000
Pollution Control								
Pollution Ctrl-Booms	-	-	20,000	-	-	-	-	-
Pollution Ctrl-Corn Cobs	-	-	-	-	-	-	-	-
Pollution Ctrl-Supplies	-	-	-	-	-	-	-	-
Total Pollution Control	-	-	20,000	-	-	-	-	-
Industrial Waste Mgmt	-	-	-	-	-	-	-	2,000
Laboratory Services	-	-	-	-	-	-	-	-
Solvent Reclamation Service	-	-	-	-	-	-	13,000	750
Tire Disposal	-	-	-	-	-	-	1,000	-
Other	-	-	-	-	-	-	-	-
Total Environmental Control	-	-	20,000	-	-	-	14,000	17,750
Grd Transportation Services								
AV ID Readers/Controllers	-	-	-	-	-	-	-	-
AV ID Tags	-	-	-	-	-	-	-	-
Total Grd Transportation Services	-	-	-	-	-	-	-	-
Shuttle Services	-	224,950	-	-	-	-	-	-
Parking Lots	-	-	-	-	-	-	-	-
Met Council Fees	-	-	-	-	-	-	-	-
Employee Programs								
Retirement								
Wellness								
Wellness - Fitness Program	-	-	-	-	-	-	-	-
Wellness-Health/Wellness	-	-	-	-	-	-	-	-
Wellness-Nutrition/Stress	-	-	-	-	-	-	-	-
Total Wellness	-	-	-	-	-	-	-	-
Total Employee Programs	-	-	-	-	-	-	-	-
Events								
Conference Center								
Career Days	-	-	-	-	-	-	-	-
Emergency Response Exercise	-	100	-	-	-	500	-	-
Other Programs/Events	-	-	-	-	-	-	-	-
Call Back Service	-	-	-	-	-	-	-	-
Total Events	-	100	-	-	-	500	-	-
Other Charges/Fees								
Bank Charges	-	-	-	-	-	-	-	-
IATA Contract Expense	-	-	-	-	-	-	-	-
Security Services Regular	-	-	-	-	-	-	-	-
Security Services Check Pt	-	-	-	-	-	-	-	-
Concessions Marketing	-	-	-	-	-	-	-	-
Recycling - Sand	-	-	-	-	-	-	-	-
Copy Agreement	-	-	-	-	-	-	-	-
Mediation Fees	-	-	-	-	-	-	-	-
Miscellaneous Charges/Fees	-	-	-	-	-	-	-	1,000
Jail Fees	-	-	-	-	-	-	-	-
Total Other Charges/Fees	-	-	-	-	-	-	-	1,000
Service Agreements								
Service - Bldg Inspection	-	-	-	-	-	-	-	-
Service - Facilities C.M.M.I.S	-	-	-	-	-	-	-	-
Service-Computers	-	-	-	-	-	-	-	-
Service-Fitness Equipment	-	-	-	-	-	-	-	-
Service-Grd Trans Equip	-	-	-	-	-	-	-	-
Service-Loading Dock	-	67,651	-	-	-	-	-	-
Service-Office Equipment	-	250	-	-	-	-	-	-
Service-Other Equipment	-	525,500	-	-	-	-	618	7,600
Service-Parking Equipment	-	-	-	-	-	-	-	-
Service-Telephone Systems	-	-	-	-	-	-	-	-
Service-Secured Access	-	-	-	-	-	-	-	-
Service-Radios	-	-	-	-	-	-	-	11,048
GISW Management	-	-	-	-	-	-	-	-
Total Service Agreements	-	593,401	-	-	-	-	618	18,648
Total Operating Services/Expenses	-	818,451	20,000	-	-	500	14,618	37,398

LINE ITEMS BY SUBLEDGER - 2007 OPERATING BUDGET

	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
Maintenance								
Trades - Painters								
Paint								
Equipment - Paint	-	-	-	-	-	-	-	3,000
Exterior - Paint	-	1,050	-	1,000	-	-	-	6,000
Interior - Paint	-	2,000	-	2,000	-	-	3,000	-
Paint - Other	-	-	-	-	-	-	-	700
Traffic Paint - Parking	-	-	-	-	-	-	-	-
Reliever Airport - Paint	-	-	-	-	-	-	-	-
Traffic Paint - Roads	-	-	10,570	-	-	-	-	-
Traffic Paint - Runways	-	-	-	-	-	-	-	-
Total Paint	-	3,050	10,570	3,000	-	-	3,000	9,700
Signs								
Other Sign Material/Etc	-	-	-	-	-	5,500	-	-
Regulatory - Signs	-	-	-	-	-	-	-	3,150
Exterior Sign Materials	-	-	-	-	-	-	-	6,500
Interior Sign Materials	-	-	-	-	-	-	-	1,125
Reliever Airport Signs	-	-	-	-	-	-	-	-
Total Signs	-	-	-	-	-	5,500	-	10,775
Supplies								
Brushes Supplies	-	-	-	-	-	-	-	1,000
Paint Supplies - Other	-	-	-	-	-	-	-	1,000
Solvents	-	-	-	-	-	-	-	2,500
Equipment Spray	-	-	-	-	-	-	-	6,180
Paint Tools	-	-	-	-	-	-	-	5,125
Total Supplies	-	-	-	-	-	-	-	15,805
Total Trades - Painters	-	3,050	10,570	3,000	-	5,500	3,000	36,280
Trades - Carpenters								
Locks								
Locks - Doors	-	-	-	-	-	-	-	26,450
Locks - Door Tags/ID	-	-	-	-	-	-	-	-
Total Locks	-	-	-	-	-	-	-	26,450
Flags	-	-	-	-	-	-	-	830
Lumber								
Lumber-Cabinets	-	-	-	-	-	-	-	-
Lumber-Other	-	-	-	-	-	-	-	-
Total Lumber	-	-	-	-	-	-	-	-
Other								
Other - Ceilings	-	-	-	-	-	-	-	2,150
Other - Doors	-	-	-	-	-	-	-	525
Other - Floor Coverings	-	-	-	-	-	-	-	-
Other - Hardware	-	-	-	-	-	-	-	6,873
Other - Auto Door Supplis RPL	-	-	-	-	-	-	-	-
Other - Saw Blades	-	-	-	-	-	-	-	-
Other - Screws/Bolts	-	-	-	-	-	-	-	4,390
Other - Seating Replacement	-	250	-	-	-	-	-	-
Other - Tools	-	-	-	-	-	-	-	2,075
Other - Tug Drive Floor Maint.	-	-	-	-	-	-	-	-
Other - Wall Protection	-	-	-	-	-	-	-	3,455
Total Other	-	250	-	-	-	-	-	19,468
Total Trades - Carpenters	-	250	-	-	-	-	-	46,748

LINE ITEMS BY SUBLEDGER - 2007 OPERATING BUDGET

	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
Trades - Plumbers								
Contractor Requirements	-	-	-	-	-	-	-	4,000
Fire Protection System	-	11,163	-	8,410	-	-	-	1,800
General Plumbing Supplies	-	2,060	-	1,030	-	-	2,755	13,830
Irrigation Supplies	-	2,580	3,080	103	-	-	-	-
Pumps	-	-	-	1,500	-	-	-	-
Underground Utilities	-	-	-	-	-	-	-	-
Water Distribution Systems	-	-	-	-	-	-	-	-
Water Meters	-	-	-	-	-	-	-	4,000
Plumbing - Other	-	-	-	-	-	-	-	-
Total Trades - Plumbers	-	15,803	3,080	11,043	-	-	2,755	23,630
Trades - Electricians								
Repairs								
Electrical _ Exterior	-	-	-	-	-	-	-	16,995
Generator Maint. Contract	-	-	-	-	-	-	-	13,133
Electrical - Interior	-	-	-	-	-	-	-	-
Total Repairs	-	-	-	-	-	-	-	30,128
Other								
Other - Batteries	-	-	-	-	-	-	-	515
Other-Field Lights/Sensors	-	40,000	-	-	-	-	-	-
Other - Gate Supplies	-	-	-	-	-	-	-	-
Other - General Supplies	-	8,755	5,150	785	-	-	5,150	37,595
Other - Miscellaneous	-	-	-	-	-	-	-	1,030
Other - Motor	-	-	-	179	-	-	699	764
Other - Secured Access Sys	-	-	-	-	-	-	-	-
Other - Tools	-	-	-	-	-	-	-	8,266
Total Other	-	48,755	5,150	964	-	-	5,849	48,170
Total Trades - Electricians	-	48,755	5,150	964	-	-	5,849	78,298

LINE ITEMS BY SUBLEDGER - 2007 OPERATING BUDGET

	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
Maintenance - Field								
Snow Removal - Materials								
Materials - Sodium Acetate	-	-	-	-	-	-	-	-
Materials-Liquid Anti Icer	-	-	-	-	-	-	-	-
Materials-Other Ice Ctrl	-	-	700	-	-	-	-	-
Materials - Salt	-	-	60,000	-	-	-	-	-
Materials - Sand	-	-	-	-	-	-	-	-
Materials - Urea	-	-	-	-	-	-	-	-
Total Snow Removal - Materials	-	-	60,700	-	-	-	-	-
Snow Removal - Equipment								
Equipment - Contract	-	-	-	-	-	-	-	-
Equipment - Snow Haulers	-	-	-	-	-	-	-	-
Equipment - Other	-	-	48,000	-	-	-	-	-
Equip Rent-No Operator-5.5	-	-	-	-	-	-	-	-
Equipment-Rent-No Operator	-	-	-	-	-	-	-	-
Total Snow Removal - Equipment	-	-	48,000	-	-	-	-	-
Snow Removal - Miscellan								
Snow Removal - Meals	-	-	-	-	-	-	-	-
Snow Removal - Plow Blades	-	-	11,500	-	-	-	-	-
Snow Removal - Runway Brm	-	-	-	-	-	-	-	-
Snow Melters	5,500	-	-	-	-	-	1,000	-
Total Snow Removal - Miscellan	5,500	-	11,500	-	-	-	1,000	-
Summer Maintenance-Surface								
Surface Repair-Aggregate	-	-	200	-	-	-	-	-
Surface Repair-Asphalt	-	-	1,700	-	-	-	-	-
Surface Repair-Cement	-	-	250	-	-	-	-	-
Surface Repair-Other	-	-	-	-	-	-	-	-
Surface Rubber Removal	-	-	-	-	-	-	-	-
Surface Repair-Saw Blades	-	-	-	-	-	-	-	-
Surface Repair-Hot Sealant	-	-	-	-	-	-	-	-
Total Summer Maintenance-Surfac	-	-	2,150	-	-	-	-	-
Summer Maint-Landscape								
Summer Maintenance-Fencing	-	-	-	-	-	-	5,000	-
Landscape/Turf-Materials	-	-	7,600	-	-	-	-	-
Summer Maint-Equip Rent No Op	-	-	21,200	-	-	-	-	-
Total Summer Maint-Landscape	-	-	28,800	-	-	-	5,000	-
Maintenance Field-Other								
Field Maint-Other-Garbage	-	-	6,000	-	-	-	-	-
Non Runway Brooms	-	-	-	-	-	-	-	-
Field Maint-Other/Emerg	-	-	5,000	-	-	-	-	-
Field Maint-Other-Material	-	-	-	-	-	-	9,100	-
Field Maint-Other-Supplies	-	-	2,500	-	-	-	1,500	-
Field Maint-Other-Tools	-	-	500	-	-	-	5,500	-
Total Maintenance Field-Other	-	-	14,000	-	-	-	16,100	-
Total Maintenance - Field	5,500	-	165,150	-	-	-	22,100	-
Maintenance Building								
Building-Temp Control								
Temp Control-Contracts	-	63,555	-	7,500	6,500	-	-	10,000
Temp Control-Filters	-	48,000	-	385	484	-	-	800
Total Building-Temp Control	-	111,555	-	7,885	6,984	-	-	10,800
Building-Mechanical Areas								
Mechanical Areas-APM	-	-	-	-	-	-	-	-
Mechanical Areas-Conveyors	-	109,210	-	-	-	-	-	-
Mechanical Areas-Doors	-	-	-	-	-	-	-	-
Mechanical Areas-Doors/Pub	-	2,500	-	-	-	-	-	-
Mechanical Areas-Doors/Tug	-	-	-	-	-	-	-	-
Mechanical Areas-Elevators	-	22,223	-	-	-	-	-	-
Mechanical Areas-Escalator	-	31,112	-	-	-	-	-	-
Mechanical-Moving Walks	-	-	-	-	-	-	-	-
Mechanical Areas-Other	-	-	-	-	-	-	-	-
Total Building-Mechanical Areas	-	165,045	-	-	-	-	-	-
Building-Other								
Other-Boiler Chemicals	-	12,000	-	3,000	-	-	-	-
Other-Floors/Repairs	-	-	-	-	-	-	-	2,755
Other-Jetbridge Repairs	-	97,500	-	-	-	-	-	-
Other-Outside Plumb/Sewer	-	-	-	-	-	-	-	9,890
Other-Paging System Contract	-	-	-	-	-	-	-	-
Other-Pest Control	-	-	-	-	-	-	-	-
Other-Roofing	-	-	-	-	-	-	-	-
Sump/Septic Pumping	-	-	-	-	-	-	-	21,582
Other-Supplies	-	-	-	-	-	-	-	3,589
Other-Tools	-	-	-	-	-	-	-	3,290
Total Building-Other	-	109,500	-	3,000	-	-	-	41,106
Apt Development Projects	-	-	-	-	-	-	-	850
Total Maintenance Building	-	386,100	-	10,885	6,984	-	-	52,756

LINE ITEMS BY SUBLEDGER - 2007 OPERATING BUDGET

	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
Maintenance-Cleaning								
Cleaning Services								
Cleaning Services-Janitor	15,736	938,374	-	-	12,423	-	-	129,847
Cleaning Services-Windows	-	173,106	-	-	-	-	-	-
Total Cleaning Services	15,736	1,111,480	-	-	12,423	-	-	129,847
Cleaning Supplies								
Cleaning Supplies-Bathroom	-	45,000	-	-	-	-	-	-
Cleaning Supplies-General	-	-	-	-	-	-	1,000	-
Total Cleaning Supplies	-	45,000	-	-	-	-	1,000	-
Rubbish Disposal								
Rubbish Disposal-Recycle	-	2,205	-	2,024	-	-	-	828
Rubbish Disposal-Regular	-	47,287	3,122	8,095	-	-	-	24,427
Total Rubbish Disposal	-	49,492	3,122	10,119	-	-	-	25,255
Towel Laundry Services	-	-	-	-	-	-	-	-
Other Cleaning Expenses	-	-	-	-	-	-	-	-
Total Maintenance-Cleaning	15,736	1,205,972	3,122	10,119	12,423	-	1,000	155,102
Maintenance-Equipment								
Equipment-Parts								
Parts-Automobiles	-	-	-	-	-	-	70,000	-
Parts-Boilers Energy Mgmt	-	-	-	-	1,558	-	-	-
Parts-Chiller Energy Mgmt	84	92	-	1,254	2,005	-	-	-
Parts-Other Equipment	-	-	-	-	-	-	-	-
Parts-Equipment	-	-	-	-	-	-	295,000	-
Parts-Other Equipment	-	2,846	-	508	-	-	5,800	4,052
Total Equipment-Parts	84	2,938	-	1,762	3,563	-	370,800	4,052
Equipment-Shop								
Shop-Batteries	-	-	-	-	-	-	13,000	500
Shop-Cleaners/Degreasers	-	-	-	-	-	-	30,000	-
Shop-Oil Filters	-	-	-	-	-	-	30,000	-
Shop-Other Supplies	-	-	-	-	-	-	58,000	3,725
Shop-Tires	-	-	-	-	-	-	50,000	-
Shop-Tools	-	-	-	-	-	-	18,000	6,200
Total Equipment-Shop	-	-	-	-	-	-	199,000	10,425
Equipment-Gas								
Gas-Diesel	-	-	-	-	-	-	184,800	3,840
Gas-Propane	-	-	-	-	-	-	3,000	805
Gas-Unleaded	-	-	-	-	-	-	105,300	33,210
Total Equipment-Gas	-	-	-	-	-	-	293,100	37,855
Equipment-Extinguishers								
Extinguishers-Purchase	-	-	-	-	-	-	-	-
Extinguishers-Reservice	-	-	-	-	-	-	-	-
Total Equipment-Extinguishers	-	-	-	-	-	-	-	-
Equipment-Miscellaneous Exp	-	750	-	-	-	-	10,000	-
Total Maintenance-Equipment	84	3,688	-	1,762	3,563	-	872,900	52,332
Total Maintenance	21,320	1,663,618	187,072	37,773	22,970	5,500	907,604	445,146

LINE ITEMS BY SUBLEDGER - 2007 OPERATING BUDGET

	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
Other								
General Insurance								
Gen Ins-Airport Liability	-	36,582	20,429	-	22,916	-	113,700	6,619
Gen Ins-Property	-	45,430	25,370	-	28,456	-	141,197	8,220
Gen Ins-Crime	-	406	226	-	256	-	1,265	73
Gen Ins-Auto/Equipment	-	9,065	5,063	-	5,676	-	28,175	1,641
Gen Ins-Other	-	72	40	35	10	-	222	13
Total General Insurance	-	91,555	51,128	35	57,314	-	284,559	16,566
Safety								
Safety-Training Materials	-	-	-	-	-	-	-	-
Safety-Supplies	-	-	5,000	-	-	750	-	9,605
Safety-Equipment	-	-	2,000	-	-	4,244	340	1,061
Total Safety	-	-	7,000	-	-	4,994	340	10,666
Medical Information/Supply	-	-	-	-	-	-	-	2,561
Rentals								
Rental-Copier	-	-	-	-	-	-	7,000	10,379
Rental-Pagers	-	-	-	-	-	-	-	2,750
Rental-Other Equipment	-	1,500	-	-	-	-	-	17,821
Total Rentals	-	1,500	-	-	-	-	7,000	30,950
Licenses/Permits								
Licenses-Autos/Equipment	-	-	-	-	-	-	-	-
Licenses-Environmental	-	-	-	-	-	-	-	-
Licenses-Other	-	-	-	-	-	-	-	2,546
Total Licenses/Permits	-	-	-	-	-	-	-	2,546
Miscellaneous Expenses								
Misc-Firearm/Equip/Supplies	-	-	-	-	-	-	-	-
Misc-Emergency Response	-	-	-	-	-	-	-	-
Misc-Other	-	-	-	-	-	300	2,000	1,000
Total Miscellaneous Expenses	-	-	-	-	-	300	2,000	1,000
Adjustments/Bad Debt								
Bad Debt Expense	-	-	-	-	-	-	-	-
Miscellaneous Adjustments	-	-	-	-	-	-	-	-
Total Adjustments/Bad Debt	-	-	-	-	-	-	-	-
Grant Expenditures								
Terminal Hardening	-	-	-	-	-	-	-	-
2005 Homeland Security Grant	-	-	-	-	-	-	-	-
Total Grant Expenditures	-	-	-	-	-	-	-	-
Capital Assets								
Minor Equipment/Assets								
Minor Assets-Tools	-	-	-	-	-	-	39,550	16,311
Minor Assets-Office Furn	-	-	-	-	-	-	-	-
Minor Assets-Computers	-	-	-	-	-	-	3,560	2,325
Minor Assets-Radios	-	-	-	-	-	-	2,500	675
Minor Assets-Other	-	-	-	-	-	-	-	3,000
Total Minor Equipment/Assets	-	-	-	-	-	-	45,610	22,311
Total Capital Assets	-	-	-	-	-	-	45,610	22,311
Total Other	-	93,055	58,128	35	57,314	5,294	339,509	86,600
Gross Depreciation	1,511,797	4,949,655	7,540,517	-	533,741	-	3,213,649	2,126,100
Grand Total Excluding Depreciation	115,107	4,106,791	1,600,708	98,824	446,287	16,993,036	1,275,806	1,107,413
Grand Total With Depreciation	1,626,904	9,056,446	9,141,225	98,824	980,028	16,993,036	4,489,455	3,233,513

LINE ITEMS BY SUBLEDGER - 2007 OPERATING BUDGET

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LINE ITEMS BY SUBLEDGER - 2007 OPERATING BUDGET

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
Personnel								
Wages								
Regular	-	7,013,393	2,985,807	7,844,083	492,883	1,733,764	820,513	1,583,026
Overtime/Doubletime								
Doubletime - Regular	-	-	-	-	-	-	-	122,035
Overtime - Regular	-	535,665	400,200	3,059	-	178,476	-	117,092
Total Overtime/Doubletime	-	535,665	400,200	3,059	-	178,476	-	239,127
Commissioner PerDiem	-	-	-	23,000	-	-	-	-
Temps - Agency	-	-	-	-	-	-	-	-
Temps - Non Agency	-	759,984	-	44,307	-	-	13,440	10,033
Total Wages	-	8,309,042	3,386,007	7,914,449	492,883	1,912,240	833,953	1,832,186
Benefits								
Employee Insurance								
Employee Insurance Dental	-	78,936	33,059	76,912	2,699	17,541	8,096	17,541
Employ Insurance Disability	-	33,740	14,131	32,875	1,154	7,498	3,461	7,498
Employee Insurance Family	-	1,547,133	647,945	1,507,463	52,893	343,807	158,680	343,807
Employee Insurance Life	-	22,935	9,788	26,631	802	5,706	2,959	4,898
Total Employee Insurance	-	1,682,744	704,921	1,643,881	57,548	374,553	173,196	373,745
Pension								
Fica (Social Security)Base	-	141,176	-	493,960	14,586	114,351	53,363	99,475
Fica(Social Security)Medic	-	113,930	50,592	122,257	3,431	26,876	12,832	23,631
Mpls Empl Retirement Fund	-	9,984	8,726	45,439	-	-	-	8,825
Public Empl - Police/Fire	-	689,378	414,259	-	-	-	-	-
Public Empl - Coordinated	-	93,312	-	540,296	15,233	119,515	56,190	104,285
Merf Unfunded Liability	-	96,000	10,560	192,000	1,919,040	-	-	62,400
Total Pension	-	1,143,780	484,136	1,393,953	1,952,290	260,742	122,386	298,616
Training								
Executive Leadership Train	-	-	-	60,000	-	-	-	-
Management Requirement	-	-	4,000	4,500	-	4,914	-	-
Organizational Requirement	-	-	-	7,100	-	-	-	-
Regulatory Requirements	-	-	35,500	16,358	-	12,745	500	-
Local Seminars	-	40,400	1,000	24,862	-	2,786	1,500	-
Total Training	-	40,400	40,500	112,820	-	20,445	2,000	-
Post Retirement Benefits	-	485,868	237,008	545,120	1,428,478	112,580	82,952	159,972
Workers Compensation	-	93,560	44,354	130,239	-	28,949	15,405	29,908
Post Empl Health Plan	-	13,844	13,511	48,784	1,420	9,819	4,946	6,745
Unemployment Tax	-	-	-	-	-	-	-	-
Uniforms								
Uniforms-Police/Fire Allow	-	115,000	38,250	-	-	-	-	-
Uniforms-Rental	-	-	-	-	-	2,315	-	17,187
Uniforms - Safety Shoes	-	-	-	-	-	-	-	2,525
Total Uniforms	-	115,000	38,250	-	-	2,315	-	19,712
Severance								
Contract Allowance	-	-	-	-	-	-	-	1,786
Regular Severance	-	16,544	18,631	37,320	-	3,970	-	9,099
Total Severance	-	16,544	18,631	37,320	-	3,970	-	10,885
Paid Absence	-	-	-	5,500	-	-	-	-
Trade Union Benefits	-	-	-	-	-	-	-	-
Total Benefits	-	3,591,740	1,581,312	3,917,617	3,439,736	813,372	400,885	899,582
Total Personnel	-	11,900,782	4,967,319	11,832,065	3,932,619	2,725,612	1,234,838	2,731,768

LINE ITEMS BY SUBLEDGER - 2007 OPERATING BUDGET

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
Administrative Expenses								
Supplies								
Office Supplies Materials	-	40,250	7,000	60,244	2,500	13,500	5,661	5,500
Computer Supplies								
Computer Supplies-General	-	-	-	20,550	-	17,000	3,560	-
Computer Supplies-Software	-	34,300	2,000	54,495	-	4,325	14,710	-
Computer - Tools	-	-	-	-	-	250	-	-
Total Computer Supplies	-	34,300	2,000	75,045	-	21,575	18,270	-
Special Supplies								
Special Supplies-Badging	-	190,000	-	-	-	-	-	-
Special Supply-Film/Photo	-	10,800	-	13,500	-	2,000	-	-
Special Supplies-Other	-	15,500	-	4,808	3,000	5,000	500	-
Total Special Supplies	-	216,300	-	18,308	3,000	7,000	500	-
Total Supplies	-	290,850	9,000	153,597	5,500	42,075	24,431	5,500
Travel								
Travel - Lodging	-	10,000	2,500	32,292	-	5,624	2,450	2,613
Travel - Meals	-	3,960	1,000	8,230	-	584	150	474
Travel - Miscellaneous	-	919	-	4,290	-	33	-	-
Travel - Transportation								
Travel - Transport/Airfare	-	3,000	1,750	79,690	-	4,212	2,100	2,326
Travel - Shuttle/Taxi/Auto	-	1,000	250	3,335	-	72	-	250
Total Travel - Transportation	-	4,000	2,000	83,025	-	4,284	2,100	2,576
Registration Fees	-	7,500	1,500	34,235	-	2,773	1,502	2,700
Mileage	-	5,250	700	32,527	300	800	600	-
Total Travel	-	31,629	7,700	194,599	300	14,098	6,802	8,363
Other Administrative Expense								
Local Meetings								
Local Mtgs - On Airport/GO	-	1,500	-	2,900	-	675	300	-
Local Mtgs - Off Airport	-	3,500	-	8,265	-	270	250	3,000
Total Local Meetings	-	5,000	-	11,165	-	945	550	3,000
Information Sources								
Memberships/Dues/Pro Assoc	-	9,140	1,500	207,506	525	3,125	500	2,525
Other Information Sources	-	1,800	4,216	53,773	14,751	12,000	7,002	-
Publications/Subscriptions	-	1,750	1,200	23,824	220	2,950	1,100	-
Total Information Sources	-	12,690	6,916	285,103	15,496	18,075	8,602	2,525
Printing Costs								
Printing-Publications	-	7,000	-	50,500	-	30,250	5,921	15,000
Printing - Color Charts	-	-	-	806	-	-	-	-
Printing - Forms	-	1,000	900	6,600	919	-	-	-
Printing-In House Color	-	-	-	-	-	-	-	-
Printing-Stationary/Envel	-	4,000	-	8,556	2,976	-	-	-
Total Printing Costs	-	12,000	900	66,462	3,895	30,250	5,921	15,000
Delivery Services	-	500	-	10,549	100	1,050	200	200
Freight Charges	-	600	-	500	-	500	-	-
Postage	-	900	-	47,000	-	-	-	240
Total Other Administrative Expense	-	31,690	7,816	420,779	19,491	50,820	15,273	20,965
Total Administrative Expenses	-	354,169	24,516	768,975	25,291	106,993	46,506	34,828

LINE ITEMS BY SUBLEDGER - 2007 OPERATING BUDGET

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
Professional Services								
Accounting/Audit Fees	-	-	-	145,000	-	-	-	-
Affirmative Action Fees	-	-	-	2,000	-	-	-	-
RFP/Leases	-	-	-	60,000	-	-	-	-
Concept Develop/Feasible	-	-	-	55,000	-	-	-	-
Computer Services								
General								
ANOMS Consulting	-	-	-	-	-	-	56,000	-
Software Consulting	-	-	-	2,500	-	-	-	-
Total General	-	-	-	2,500	-	-	56,000	-
Terminal Services								
Total Computer Services	-	-	-	2,500	-	-	56,000	-
Engineering Fees	-	-	-	22,500	-	75,000	30,000	110,000
Graphic Design	-	-	-	20,000	-	-	-	10,000
Labor Relations	-	-	-	15,000	-	-	-	-
Legal Fees								
Legal - Environmental	-	-	-	-	-	-	1,085,000	-
Legal - General	-	-	-	965,000	-	-	-	-
Legal - Federal	-	-	-	50,000	-	-	-	-
Legal - Relievers	-	-	-	300,000	-	-	-	-
Total Legal Fees	-	-	-	1,315,000	-	-	1,085,000	-
Legislative								
Legislative - Local	-	-	-	88,000	-	-	-	-
Legislative - National	-	-	-	198,000	-	-	-	-
Total Legislative	-	-	-	286,000	-	-	-	-
Medical Fees	-	-	9,200	55,000	-	-	-	-
Planning								
MSP Int'l	-	-	-	-	-	-	-	-
Relievers	-	-	-	300,000	-	-	-	-
Total Planning	-	-	-	300,000	-	-	-	-
Pollution/Environmental Fees	-	-	-	-	-	-	2,500	2,400
Public Information Services	-	-	-	80,000	-	-	-	20,000
Public Information Services	-	-	-	5,000	-	-	-	-
Recruiting Employment Fees	-	-	-	7,500	-	-	-	-
Safety Consultants								
Safety - Training	-	7,720	-	-	-	-	-	-
Safety - General	-	-	-	1,000	-	-	-	-
Total Safety Consultants	-	7,720	-	1,000	-	-	-	-
Communications Consultant	-	-	-	52,500	-	-	-	-
Other/Miscellaneous	-	19,000	17,500	503,751	-	114,336	72,559	183,000
Survey Expense	-	-	-	-	-	-	-	-
Total Professional Services	-	26,720	26,700	2,927,751	-	189,336	1,246,059	325,400
Utilities								
Electricity	-	-	22,819	79,866	-	-	1,997	210,979
Heating Fuel								
Heating - Natural Gas	-	-	66,150	166,050	-	-	-	94,905
Heating - Fuel Oil	-	-	-	-	-	-	-	-
Total Heating Fuel	-	-	66,150	166,050	-	-	-	94,905
Sewer	-	-	1,015	192	-	-	-	1,573
Water	-	-	1,486	960	-	-	-	4,059
Telephone								
Telephone - Regular	-	508	675	150,000	-	100,000	30,000	50,400
Telephone - Internet Service	-	-	-	23,800	-	-	-	-
Telephone - Cellular	-	38,489	3,200	26,329	200	13,359	2,216	10,471
Total Telephone	-	38,997	3,875	200,129	200	113,359	32,216	60,871
Total Utilities	-	38,997	95,345	447,197	200	113,359	34,213	372,387

LINE ITEMS BY SUBLEDGER - 2007 OPERATING BUDGET

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
Operating Services/Expenses								
Advertising								
Advertising - Employment	-	-	-	40,634	-	-	-	-
Advertising - General	-	2,500	-	84,338	2,500	-	-	-
Advertising - Parking	-	-	-	-	-	-	-	-
Advertising - Relievers	-	-	-	-	-	-	-	20,000
Total Advertising	-	2,500	-	124,972	2,500	-	-	20,000
Environmental Control								
Hazardous Waste								
Hazardous Waste - FLOuresc	-	-	-	-	-	-	-	-
Hazardous Waste - General	-	-	-	200	-	-	-	-
Total Hazardous Waste	-	-	-	200	-	-	-	-
Pollution Control								
Pollution Ctrl-Booms	-	-	-	-	-	-	-	-
Pollution Ctrl-Corn Cobs	-	-	6,000	-	-	-	-	-
Pollution Ctrl-Supplies	-	-	-	-	-	-	2,500	-
Total Pollution Control	-	-	6,000	-	-	-	2,500	-
Industrial Waste Mgmt	-	-	-	-	-	-	-	-
Laboratory Services	-	-	-	1,000	-	-	500	-
Solvent Reclamation Service	-	-	-	-	-	-	-	6,800
Tire Disposal	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	124,400
Total Environmental Control	-	-	6,000	1,200	-	-	3,000	131,200
Grd Transportation Services								
AV ID Readers/Controllers	-	-	-	-	-	-	-	-
AV ID Tags	-	-	-	-	-	-	-	-
Total Grd Transportation Services	-	-	-	-	-	-	-	-
Shuttle Services								
Parking Lots								
Met Council Fees								
Employee Programs								
Retirement								
Wellness	-	-	-	2,521	-	-	-	-
Wellness - Fitness Program	-	-	-	54,000	-	-	-	-
Wellness-Health/Wellness	-	-	-	13,075	-	-	-	-
Wellness-Nutrition/Stress	-	-	-	13,270	-	-	-	-
Total Wellness	-	-	-	80,345	-	-	-	-
Total Employee Programs	-	-	-	82,866	-	-	-	-
Events								
Conference Center								
Career Days	-	2,000	-	2,500	35,000	-	-	-
Emergency Response Exercise	-	-	1,500	4,000	-	5,800	-	-
Other Programs/Events	-	-	-	2,500	-	-	-	1,000
Call Back Service	-	-	-	-	-	-	-	-
Total Events	-	2,000	1,500	9,000	35,000	5,800	-	1,000
Other Charges/Fees								
Bank Charges	-	-	-	165,000	-	-	-	-
IATA Contract Expense	-	-	-	35,000	-	-	-	-
Security Services Regular	-	579,580	-	-	-	-	-	-
Security Services Check Pt	-	-	-	-	-	-	-	-
Concessions Marketing	-	-	-	-	600,000	-	-	-
Recycling - Sand	-	-	-	-	-	-	-	-
Copy Agreement	-	-	-	142,000	-	-	-	-
Mediation Fees	-	-	-	7,000	-	-	-	-
Miscellaneous Charges/Fees	-	30,500	-	18,000	-	-	-	26,475
Jail Fees	-	9,000	-	-	-	-	-	-
Total Other Charges/Fees	-	619,080	-	367,000	600,000	-	-	26,475
Service Agreements								
Service - Bldg Inspection	-	-	-	-	-	-	-	-
Service - Facilities C.M.I.S	-	-	-	-	-	-	-	-
Service-Computers	-	53,809	1,500	289,950	-	66,174	93,802	-
Service-Fitness Equipment	-	-	2,000	800	-	-	-	-
Service-Grd Trans Equip	-	-	-	-	-	-	-	-
Service-Loading Dock	-	-	-	-	-	-	-	-
Service-Office Equipment	-	14,000	2,000	6,830	1,200	1,200	-	-
Service-Other Equipment	-	66,500	14,000	750	3,000	7,500	2,038	924
Service-Parking Equipment	-	-	-	-	-	-	-	-
Service-Telephone Systems	-	-	-	50,000	-	15,750	-	-
Service-Secured Access	-	-	-	-	-	-	-	-
Service-Radios	-	40,508	14,730	103,174	-	6,138	-	-
GISW Management	-	-	-	-	-	-	-	-
Total Service Agreements	-	174,817	34,230	451,504	4,200	96,762	95,840	924
Total Operating Services/Expenses	-	798,397	41,730	1,036,542	641,700	102,562	98,840	179,599

LINE ITEMS BY SUBLEDGER - 2007 OPERATING BUDGET

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
Maintenance								
Trades - Painters								
Paint								
Equipment - Paint	-	-	-	-	-	-	-	-
Exterior - Paint	-	-	-	-	-	-	-	-
Interior - Paint	-	-	-	-	-	-	-	-
Paint - Other	-	-	-	-	-	-	-	-
Traffic Paint - Parking	-	-	-	-	-	-	-	-
Reliever Airport - Paint	-	-	-	-	-	-	-	6,060
Traffic Paint - Roads	-	-	-	-	-	-	-	-
Traffic Paint - Runways	-	-	-	-	-	-	-	-
Total Paint	-	-	-	-	-	-	-	6,060
Signs								
Other Sign Material/Etc	-	-	-	-	-	-	-	-
Regulatory - Signs	-	-	-	-	-	-	-	-
Exterior Sign Materials	-	-	-	-	-	-	-	-
Interior Sign Materials	-	-	-	-	-	-	-	-
Reliever Airport Signs	-	-	-	-	-	-	-	7,000
Total Signs	-	-	-	-	-	-	-	7,000
Supplies								
Brushes Supplies	-	-	-	-	-	-	-	-
Paint Supplies - Other	-	-	-	-	-	-	-	-
Solvents	-	-	-	-	-	-	-	-
Equipment Spray	-	-	-	-	-	-	-	-
Paint Tools	-	-	-	-	-	-	-	-
Total Supplies	-	-	-	-	-	-	-	-
Total Trades - Painters	-	-	-	-	-	-	-	13,060
Trades - Carpenters								
Locks								
Locks - Doors	-	-	-	-	-	-	-	551
Locks - Door Tags/ID	-	-	-	-	-	-	-	-
Total Locks	-	-	-	-	-	-	-	551
Flags	-	-	-	-	-	-	-	226
Lumber								
Lumber-Cabinets	-	-	-	-	-	-	-	-
Lumber-Other	-	-	-	-	-	-	-	1,500
Total Lumber	-	-	-	-	-	-	-	1,500
Other								
Other - Ceilings	-	-	-	-	-	-	-	-
Other - Doors	-	-	-	-	-	-	-	-
Other - Floor Coverings	-	-	-	-	-	-	-	-
Other - Hardware	-	-	-	-	-	-	-	-
Other - Auto Door Supplis RPL	-	-	-	-	-	-	-	-
Other - Saw Blades	-	-	-	-	-	-	-	-
Other - Screws/Bolts	-	-	-	-	-	-	-	-
Other - Seating Replacement	-	-	-	-	-	-	-	-
Other - Tools	-	-	-	-	-	-	-	-
Other - Tug Drive Floor Maint.	-	-	-	-	-	-	-	-
Other - Wall Protection	-	-	-	-	-	-	-	-
Total Other	-	-	-	-	-	-	-	-
Total Trades - Carpenters	-	-	-	-	-	-	-	2,277

LINE ITEMS BY SUBLEDGER - 2007 OPERATING BUDGET

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
Trades - Plumbers								
Contractor Requirements	-	-	-	-	-	-	-	-
Fire Protection System	-	-	3,612	1,603	-	-	-	18,000
General Plumbing Supplies	3,490	-	721	721	-	-	-	-
Irrigation Supplies	-	-	-	721	-	-	-	-
Pumps	-	-	-	-	-	-	-	-
Underground Utilities	-	-	-	-	-	-	-	-
Water Distribution Systems	-	-	-	-	-	-	-	-
Water Meters	-	-	-	-	-	-	-	-
Plumbing - Other	-	-	-	-	-	-	-	16,450
Total Trades - Plumbers	3,490	-	4,333	3,045	-	-	-	34,450
Trades - Electricians								
Repairs								
Electrical _ Exterior	-	-	-	-	-	-	-	25,900
Generator Maint. Contract	-	-	-	-	-	-	-	-
Electrical - Interior	-	-	-	-	-	-	-	3,000
Total Repairs	-	-	-	-	-	-	-	28,900
Other								
Other - Batteries	-	-	225	179	-	-	-	-
Other-Field Lights/Sensors	-	-	-	-	-	-	-	-
Other - Gate Supplies	-	-	-	-	-	-	-	15,000
Other - General Supplies	-	-	-	-	-	-	-	-
Other - Miscellaneous	-	-	-	-	-	-	-	-
Other - Motor	-	-	-	-	-	-	-	-
Other - Secured Access Sys	-	-	-	-	-	-	-	-
Other - Tools	-	-	-	-	-	-	-	-
Total Other	-	-	225	179	-	-	-	15,000
Total Trades - Electricians	-	-	225	179	-	-	-	43,900

LINE ITEMS BY SUBLEDGER - 2007 OPERATING BUDGET

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
Maintenance - Field								
Snow Removal - Materials								
Materials - Sodium Acetate	-	-	-	-	-	-	-	-
Materials-Liquid Anti Icer	-	-	-	-	-	-	-	-
Materials-Other Ice Ctrl	-	-	-	-	-	-	-	-
Materials - Salt	-	-	-	-	-	-	-	1,000
Materials - Sand	-	-	-	-	-	-	-	14,400
Materials - Urea	-	-	-	-	-	-	-	5,396
Total Snow Removal - Materials	-	-	-	-	-	-	-	20,796
Snow Removal - Equipment								
Equipment - Contract	-	-	-	-	-	-	-	-
Equipment - Snow Haulers	-	-	-	-	-	-	-	-
Equipment - Other	-	-	-	-	-	-	-	1,000
Equip Rent-No Operator-5.5	-	-	-	-	-	-	-	5,000
Equipment-Rent-No Operator	-	-	-	-	-	-	-	10,000
Total Snow Removal - Equipment	-	-	-	-	-	-	-	16,000
Snow Removal - Miscellan								
Snow Removal - Meals	-	-	-	-	-	-	-	469
Snow Removal - Plow Blades	-	-	-	-	-	-	-	-
Snow Removal - Runway Brm	-	-	-	-	-	-	-	-
Snow Melters	-	-	-	-	-	-	-	-
Total Snow Removal - Miscellan	-	-	-	-	-	-	-	469
Summer Maintenance-Surface								
Surface Repair-Aggregate	-	-	-	-	-	-	-	5,130
Surface Repair-Asphalt	-	-	-	-	-	-	-	21,340
Surface Repair-Cement	-	-	-	-	-	-	-	2,150
Surface Repair-Other	-	-	-	-	-	-	-	-
Surface Rubber Removal	-	-	-	-	-	-	-	10,000
Surface Repair-Saw Blades	-	-	-	-	-	-	-	-
Surface Repair-Hot Sealant	-	-	-	-	-	-	-	-
Total Summer Maintenance-Surfac	-	-	-	-	-	-	-	38,620
Summer Maint-Landscape								
Summer Maintenance-Fencing	-	500	-	-	-	-	-	9,390
Landscape/Turf-Materials	-	-	-	-	-	-	-	17,490
Summer Maint-Equip Rent No Op	-	-	-	-	-	-	-	-
Total Summer Maint-Landscape	-	500	-	-	-	-	-	26,880
Maintenance Field-Other								
Field Maint-Other-Garbage	-	-	-	-	-	-	-	-
Non Runway Brooms	-	-	-	-	-	-	-	-
Field Maint-Other/Emerg	-	-	-	-	-	-	-	-
Field Maint-Other-Material	-	-	-	-	-	-	-	-
Field Maint-Other-Supplies	-	-	-	-	-	-	-	3,500
Field Maint-Other-Tools	-	-	-	-	-	-	-	-
Total Maintenance Field-Other	-	-	-	-	-	-	-	3,500
Total Maintenance - Field	-	500	-	-	-	-	-	106,265
Maintenance Building								
Building-Temp Control								
Temp Control-Contracts	-	-	1,400	10,000	-	-	-	8,262
Temp Control-Filters	-	-	350	350	-	-	158	1,856
Total Building-Temp Control	-	-	1,750	10,350	-	-	158	10,118
Building-Mechanical Areas								
Mechanical Areas-APM	-	-	-	-	-	-	-	-
Mechanical Areas-Conveyors	-	-	-	-	-	-	-	-
Mechanical Areas-Doors	-	-	-	-	-	-	-	5,100
Mechanical Areas-Doors/Pub	-	-	-	-	-	-	-	-
Mechanical Areas-Doors/Tug	-	-	-	-	-	-	-	-
Mechanical Areas-Elevators	-	-	-	-	-	-	-	5,000
Mechanical Areas-Escalator	-	-	-	-	-	-	-	-
Mechanical-Moving Walks	-	-	-	-	-	-	-	-
Mechanical Areas-Other	-	-	-	-	-	-	-	3,500
Total Building-Mechanical Areas	-	-	-	-	-	-	-	13,600
Building-Other								
Other-Boiler Chemicals	-	-	-	-	-	-	-	-
Other-Floors/Repairs	-	-	-	-	-	-	-	-
Other-Jetbridge Repairs	-	-	-	-	-	-	-	-
Other-Outside Plumb/Sewer	-	-	-	-	-	-	-	-
Other-Paging System Contract	-	-	-	-	-	-	-	-
Other-Pest Control	-	-	-	-	-	-	-	-
Other-Roofing	-	-	-	-	-	-	-	4,750
Sump/Septic Pumping	-	-	-	-	-	-	-	-
Other-Supplies	-	-	1,000	-	-	-	-	7,900
Other-Tools	-	-	-	-	-	-	-	500
Total Building-Other	-	-	1,000	-	-	-	-	13,150
Apt Development Projects	-	-	-	-	-	-	-	-
Total Maintenance Building	-	-	2,750	10,350	-	-	158	36,868

LINE ITEMS BY SUBLEDGER - 2007 OPERATING BUDGET

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
Maintenance-Cleaning								
Cleaning Services								
Cleaning Services-Janitor	-	-	26,007	39,822	514,933	-	-	28,592
Cleaning Services-Windows	-	-	-	3,865	-	-	-	6,940
Total Cleaning Services	-	-	26,007	43,687	514,933	-	-	35,532
Cleaning Supplies								
Cleaning Supplies-Bathroom	-	-	-	-	-	-	-	-
Cleaning Supplies-General	-	-	-	-	-	-	-	6,770
Total Cleaning Supplies	-	-	-	-	-	-	-	6,770
Rubbish Disposal								
Rubbish Disposal-Recycle	-	-	120	521	-	-	-	-
Rubbish Disposal-Regular	6,653	-	2,331	2,666	-	-	-	54,709
Total Rubbish Disposal	6,653	-	2,451	3,187	-	-	-	54,709
Towel Laundry Services	-	-	1,000	-	1,500	-	-	3,932
Other Cleaning Expenses	-	-	2,000	-	-	-	-	-
Total Maintenance-Cleaning	6,653	-	31,458	46,874	516,433	-	-	100,943
Maintenance-Equipment								
Equipment-Parts								
Parts-Automobiles	-	45,000	3,000	-	-	5,900	-	-
Parts-Boilers Energy Mgmt	-	-	-	-	-	-	-	1,771
Parts-Chiller Energy Mgmt	-	-	-	460	-	-	-	-
Parts-Other Equipment	-	-	-	-	-	-	-	-
Parts-Equipment	-	31,375	55,000	-	-	1,000	-	82,500
Parts-Other Equipment	-	40,000	-	-	-	-	-	294
Total Equipment-Parts	-	116,375	58,000	460	-	6,900	-	84,565
Equipment-Shop								
Shop-Batteries	-	2,000	1,000	-	-	-	-	1,745
Shop-Cleaners/Degreasers	-	-	-	-	-	-	-	900
Shop-Oil Filters	-	3,000	3,000	-	-	-	-	4,900
Shop-Other Supplies	-	-	-	-	-	-	-	10,575
Shop-Tires	-	-	48,000	-	-	-	-	5,250
Shop-Tools	-	-	-	-	-	-	-	4,000
Total Equipment-Shop	-	5,000	52,000	-	-	-	-	27,370
Equipment-Gas								
Gas-Diesel	-	-	11,280	-	-	-	-	40,080
Gas-Propane	-	-	-	-	-	-	-	-
Gas-Unleaded	-	57,240	7,290	9,450	-	10,260	1,620	25,380
Total Equipment-Gas	-	57,240	18,570	9,450	-	10,260	1,620	65,460
Equipment-Extinguishers								
Extinguishers-Purchase	-	-	8,000	-	-	-	-	-
Extinguishers-Reservice	-	-	5,500	-	-	-	-	-
Total Equipment-Extinguishers	-	-	13,500	-	-	-	-	-
Equipment-Miscellaneous Exp	-	-	-	500	-	-	1,500	3,350
Total Maintenance-Equipment	-	178,615	142,070	10,410	-	17,160	3,120	180,745
Total Maintenance	10,143	179,115	180,836	70,858	516,433	17,160	3,278	518,508

LINE ITEMS BY SUBLEDGER - 2007 OPERATING BUDGET

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
Other								
General Insurance								
Gen Ins-Airport Liability	-	129,183	93,048	58,664	-	5,221	3,819	141,959
Gen Ins-Property	-	160,425	115,551	72,852	-	6,483	4,742	176,291
Gen Ins-Crime	-	1,436	1,036	653	-	57	42	1,584
Gen Ins-Auto/Equipment	-	32,011	23,057	14,537	-	1,293	947	35,173
Gen Ins-Other	-	254	183	116	-	10	8	280
Total General Insurance	-	323,309	232,875	146,822	-	13,064	9,558	355,287
Safety								
Safety-Training Materials	-	1,075	-	-	-	-	-	-
Safety-Supplies	-	1,500	625	-	-	-	-	600
Safety-Equipment	-	-	-	2,000	-	-	-	-
Total Safety	-	2,575	625	2,000	-	-	-	600
Medical Information/Supply	-	10,500	3,000	100	-	100	-	900
Rentals								
Rental-Copier	-	-	4,000	17,700	-	15,800	-	-
Rental-Pagers	-	2,750	6,000	6,000	-	2,000	-	750
Rental-Other Equipment	-	-	418	6,586	-	-	-	-
Total Rentals	-	2,750	10,418	30,286	-	17,800	-	750
Licenses/Permits								
Licenses-Autos/Equipment	-	-	-	450	-	-	-	-
Licenses-Environmental	-	-	-	-	-	-	8,000	-
Licenses-Other	-	-	-	-	775	-	-	980
Total Licenses/Permits	-	-	-	450	775	-	8,000	980
Miscellaneous Expenses								
Misc-Firearm/Equip/Supplies	-	61,000	35,500	-	-	20,000	-	-
Misc-Emergency Response	-	15,300	39,000	-	-	-	-	-
Misc-Other	-	43,000	-	13,300	-	-	2,500	-
Total Miscellaneous Expenses	-	119,300	74,500	13,300	-	20,000	2,500	-
Adjustments/Bad Debt								
Bad Debt Expense	-	-	-	-	-	-	-	-
Miscellaneous Adjustments	-	-	-	-	-	-	-	15,000
Total Adjustments/Bad Debt	-	-	-	-	-	-	-	15,000
Grant Expenditures								
Terminal Hardening	-	33,000	-	-	-	-	-	-
2005 Homeland Security Grant	-	63,000	-	-	-	-	-	-
Total Grant Expenditures	-	96,000	-	-	-	-	-	-
Capital Assets								
Minor Equipment/Assets								
Minor Assets-Tools	-	-	4,000	500	-	3,133	-	-
Minor Assets-Office Furn	-	2,000	4,800	300	-	10,839	-	-
Minor Assets-Computers	-	-	-	277,374	-	36,900	17,130	-
Minor Assets-Radios	-	57,800	2,500	3,740	1,500	6,795	-	-
Minor Assets-Other	-	-	45,000	250	-	-	-	-
Total Minor Equipment/Assets	-	59,800	56,300	282,164	1,500	57,667	17,130	-
Total Capital Assets	-	59,800	56,300	282,164	1,500	57,667	17,130	-
Total Other	-	614,234	377,718	475,122	2,275	108,631	37,188	373,517
Gross Depreciation	-	708,009	937,343	1,273,195	-	467,753	5,359,589	5,592,407
Grand Total Excluding Depreciation	10,143	13,912,413	5,714,163	17,558,511	5,118,518	3,363,653	2,700,922	4,536,007
Grand Total With Depreciation	10,143	14,620,422	6,651,506	18,831,706	5,118,518	3,831,406	8,060,511	10,128,414

CAPITAL EQUIPMENT SUMMARY - 2007 OPERATING BUDGET

Annually MAC completes its capital equipment requests for new and replacement equipment. In the past 5 years, only essential pieces of equipment requests were considered based upon cash flow and organizational requirements. The same criteria were in place for the 2007 budget. The capital equipment requests in the 2007 budget decreased \$740,486 or 10.1%. All technology related capital equipment was also reviewed by the Information Services (IS) department.

All equipment purchases for 2007 will be accounted for based on MAC's capital equipment guidelines:

- The total cost of each piece of equipment is amortized over its useful life through depreciation charges.
- Snow plowing equipment qualifies for state and federal aid. Total eligible aid is limited.
- Aid for equipment purchases must compete with eligible construction projects.
- All equipment purchases must follow MAC's purchasing policies.
- All equipment or project costs must be greater than or equal to \$5,000.

2006 CAPITAL EQUIPMENT SUMMARY				
	2006 Budget	2007 Budget	\$ Variance	% Variance
Total Equipment	\$7,367,068	\$6,626,582	(\$740,486)	(10.1)%

	2006 Budget	2007 Budget	\$ Variance	% Variance
Total Equipment	\$7,367,068	\$6,626,582	(\$740,486)	(10.1)%

FINANCE & ADMINISTRATIVE SERVICES DIVISION

Commercial Mgt/Airline Affairs

Equipment	Individual Price	Qty	Trade in Value	Total
Office Furniture	\$50,000	1		\$50,000

To accommodate the move of three staff members from the CMAA concession group to the Terminal, we are requesting office furniture, table and conference chairs, etc. for their use.

Commercial Mgt/Airline Affairs Total:	\$50,000
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CAPITAL EQUIPMENT SUMMARY - 2007 OPERATING BUDGET

FINANCE & ADMINISTRATIVE SERVICES DIVISION

Information Services

Equipment	Individual Price	Qty	Trade in Value	Total
Acquire Computerized Maintenance Management System The MAC has been using a system Called Asset Handler to do limited physical plant asset management and maintenance management, most notably generating and tracking work orders. The provider of this software has left the business; no upgrade possibilities exist. Additionally, the requirements for tracking and supporting maintenance of the equipment and physical plant assets of the MAC are not being met. The needs are critical given that the MAC is ending the 2010 Plan with its accompanying \$2+ billion dollars in added plant and equipment.	\$1,000,000	1		\$1,000,000
This area overlaps significantly with other MAC systems including Oracle/JD Edwards, facilities monitoring, embryonic geographical information systems work and several presently independent system such as the plumbing monitoring setup.				
This project will explore the optimum manner to arrange the elements described above to obtain the systems support required for the MAC.				
Network equipment upgrades Some key pieces of hardware that make up the MAC network need replacements and expanded capacity. The two routers at the hub of the net located in the G.O. Data Center and the Lindbergh Terminal main communications room need to be replaced. Several of the firewalls that protect against intruders need to be upgraded to handle additional demands. Two workstations are needed for the monitoring consoles that track the health of the network. Finally, the hardware that provides connections to the Reliever airports needs to be replaced.	\$85,000	1		\$85,000
Purchase a messaging system The MAC has struggled for some time with the problem of emergency and non-emergency staff notification. This project will identify and acquire a system that meets MAC needs for various departmental and emergency notification. The system will be device independent so it is capable of working with wireline phones, cell phones, pagers of all types and PDAs such as BlackBerries.	\$60,000	1		\$60,000
Ongoing maintenance and support costs are \$6,000 annually.				
Purchase portal system This is a Microsoft product called SharePoint that works in conjunction with the Office products, email and the web to offer a variety of methods for sharing and integrating data. The product will replace the present technology that provides the MAC Intranet. The costs include the per workstation licenses, the software itself, the server upon which it runs and the required database software licenses for Microsoft SQL Server.	\$108,000	1		\$108,000

CAPITAL EQUIPMENT SUMMARY - 2007 OPERATING BUDGET

FINANCE & ADMINISTRATIVE SERVICES DIVISION

Information Services

Equipment	Individual Price	Qty	Trade in Value	Total
Replace critical servers Phase 2 of 4 There are fifty-nine servers plus two large network attached storage servers (NAS) that support MAC activity. Most of these servers were purchased in 1999. Activities supported include email, printing, storing files, and running various software applications such as the Fire department's operations system, Field Maintenance vehicle management system, the MAC web site, landside operations and other public safety systems. This project will replace the second one fourth of the servers in 2007. The costs include the required per workstation licenses known as CALs or Client Access Licenses. Servers are purchased with a three year warranty with one extension as an option.	\$15,100	15		\$226,500
Upgrade email system This upgrade was deferred once because the costs exceeded the benefits. Now the balance is the other way because other Microsoft products used by the MAC count on features of the email product, Exchange, that are absent from the version in use. The costs include required licenses for the number of people using email, the software itself and the server upon which the product runs.	\$50,000	1		\$50,000
Upgrade fire alarm system The present Honeywell fire alarm system is at the end of its life. The computer components are no longer manufactured; Honeywell stockpiles used parts to support present customers. This project would upgrade the software and detection hardware for the fire alarm system.	\$300,000	1		\$300,000
Information Services Total:				\$1,829,500

CAPITAL EQUIPMENT SUMMARY - 2007 OPERATING BUDGET

OPERATIONS DIVISION

Airside Operations

Equipment	Individual Price	Qty	Trade in Value	Total
Chevy Tahoe This vehicle will replace the existing Ops33 - 2001 Chevy Suburban that has over 125,000 miles on it. More than half of the \$34,500 worth of repairs done on this vehicle have been of an emergency or unscheduled nature. This vehicle is used daily to ensure the safe, efficient and critical operation of MSP. If the vehicle is not replaced in 2007, it is anticipated that it will have over 200,000+ miles on it and continue to have increasing unscheduled maintenance and extensive costs associated with it.	\$47,242	1	\$5,000	\$42,242
Computer Based Training System Airside would like to participate in a joint-use computer based training system with the MAC Police department. This system will be used to train the required SIDA Security Program as well as provide driver's training for persons operating a vehicle on the Airport Movement and Safety Areas under FAR Part 139.329. This system will provide consistent self-paced training to all students as well as maintaining class schedules and storing student records under FAR 139.329(f). Training should be provided in both a structured lab style environment as well as accessible remotely online. The current system of providing individual instructors with sparsely scheduled classes is both inconvenient for the student and costly to already scarce department resources.	\$250,000	1		\$250,000
Covered Trailer The trailer will be used by Airside and USDA Wildlife Services staff to haul and store Airside's utility vehicles and associated equipment on and off of the AOA. Much of the equipment used to conduct wildlife management activities is fairly expensive and is affected by the elements. The covered trailer will secure the vehicles/equipment while protecting them from the elements. The trailer will also be used when conducting sensitive wildlife removal operations at the MAC airports and for transporting the large "removed" animals (deer) to required DNR sites around the Metro area.	\$9,000	1		\$9,000

CAPITAL EQUIPMENT SUMMARY - 2007 OPERATING BUDGET

OPERATIONS DIVISION

Airside Operations

Equipment	Individual Price	Qty	Trade in Value	Total
L&B Electronic Log System and Wildlife Module FAR Part 139.301 requires that the Airside Operations department keep records as defined in the Airport Certification Manual. We currently retain the daily log records in an Access database and use multiple Microsoft Office documents for keeping inspection forms and field condition reports. We would like to consolidate this information by purchasing a comprehensive database package which includes our operational processes such as NOTAM dissemination and wildlife tracking under FAR 139.337. As the activities grow at MSP, the current system is unable to handle the workload as is evident in frequent system failures and lost data entries. The proposed database will be robust enough to handle simultaneous user access and streamline the required reporting process through the standardization of data entry and automated form completion.	\$85,000	1		\$85,000
Surface Friction Tester - CFME This vehicle will be used to replace the existing Ops19 - Saab 900 SFT which is over 15 years old and, according to our distributor, has one of the highest set of pavement test miles in the United States. This vehicle is a critical tool used during winter storm events to ascertain the objective values of decreasing friction and utilize that data as a decision making tool to assist in the safe and efficient closing of runway surfaces. With the addition of runway 17/35 this past winter, a second Continuous Friction Measuring Equipment (CFME) Surface Friction Tester (SFT) was essential to perform required winter friction testing during simultaneous runway closures. During the summer, the SFT also provides mandated testing of runway surfaces to determine minimum friction standards as set by the FAA. Friction measurement is a critical tool for winter and summer operations.	\$175,000	1		\$175,000
Utility Vehicle - Polaris Ranger This will replace the existing John Deere Gator which will be assigned for use by USDA Wildlife Services at the Reliever Airports for wildlife management activities. The utility vehicle is used by Airside staff to conduct inspections of paved surfaces and unpaved areas on and off the AOA for FAA compliance. The vehicle will also be used as part of MSP's Wildlife Hazard Management Program for additional field work in the Ft. Snelling National Cemetery, Ft. Snelling State Park, and other areas surrounding the airport where standard vehicles are unable to access.	\$11,000	1		\$11,000

CAPITAL EQUIPMENT SUMMARY - 2007 OPERATING BUDGET

OPERATIONS DIVISION**Airside Operations**

Equipment	Individual Price	Qty	Trade in Value	Total
VoIP Radio Console	\$31,000	1		\$31,000

Airside currently manages and is responsible for 5 airfield 800 MHZ talk groups. Current hardware only allows for one radio to be used at each of the 4 positions in the Airfield Operations Center. During winter operations and other times of high activity levels, staff is forced to use handheld radios in addition to the existing base stations. The VoIP Radio Console is a software solution that will allow staff to utilize existing computer workstations to better manage airfield radio traffic and provide safer and greater customer service.

Airside Operations Total:	\$603,242
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CAPITAL EQUIPMENT SUMMARY - 2007 OPERATING BUDGET

OPERATIONS DIVISION

Field Maintenance

Equipment	Individual Price	Qty	Trade in Value	Total
24-foot plow w/Hitch Assembly The high volume of in-pavement lighting required the department to switch to rubber-bladed plows. Caster wheels were added to those plows, however that retrofit has failed with a significant amount of down time for repairs. The new plows are properly weighted and balanced for installation on existing vehicles. The plow blade purchase will further delay the need to replace complete vehicle/plow assemblies by at least five years.	\$50,000	4		\$200,000
Bituminous Saw Specialty equipment for working on bituminous surfaces to improve the efficiency of the department's pavement management program.	\$7,500	1		\$7,500
Crew Cab Truck Replacement of high mileage, high maintenance cost vehicles used to transport crews to their assigned work areas - replacement to be flex fuel vehicle type.	\$24,000	2	\$4,000	\$44,000
Forklift Equipment repair shop expansion furnishing cut from capital project and required to retrieve parts from upper level storage areas in the new parts room.	\$19,500	1		\$19,500
Heliark/Tig Welder Equipment repair shop expansion fixture cut from capital project but required for efficient shop operations.	\$6,000	1		\$6,000
Mobile Weld Shop Truck Replacement of undersized and outdated utility truck used for on-site welding services; includes costs to outfit truck with current technology welding equipment.	\$50,500	1	\$800	\$49,700
Multi-function Plow/Runway Broom Historic 10-12 year snow removal equipment replacement program has been deferred due to industry conditions. Replacement equipment includes two plows and two runway brooms that have been in the fleet for 16 seasons. Replacement proposed with multi-function equipment consistent with department plan to maximize the use of existing personnel (one operator conducting the job of two) and with MAC strategy to implement cost saving measures.	\$709,000	2	\$130,000	\$1,288,000
Pavement Sweeper Replacement of large, street-type sweeper used to collect foreign object debris (FOD) from aircraft parking areas and debris from public roadways; equipment is operated on all shifts and accumulates high operating hours.	\$165,000	1	\$1,500	\$163,500
Skidsteer Replacement of fully-amortized, high maintenance cost equipment.	\$23,000	1	\$3,000	\$20,000

CAPITAL EQUIPMENT SUMMARY - 2007 OPERATING BUDGET

OPERATIONS DIVISION

Field Maintenance

Equipment	Individual Price	Qty	Trade in Value	Total
Spot Welder Equipment repair shop expansion fixture cut from capital project but required for efficient shop operations.	\$6,000	1		\$6,000
Utility Truck Replacement of high mileage, high maintenance cost vehicles used daily on all shifts for routine maintenance assignments - replacement vehicles to be flex fuel type; 2005 deferral.	\$25,000	3	\$6,000	\$69,000
Vehicle Diagnostic Scan Tool Equipment repair shop expansion furnishing cut from the capital project but required for efficient shop operations.	\$9,000	1		\$9,000
Welding Table Equipment repair shop expansion fixture cut from capital project but required for efficient shop operations.	\$7,000	1		\$7,000
Field Maintenance Total:				\$1,889,200

CAPITAL EQUIPMENT SUMMARY - 2007 OPERATING BUDGET

OPERATIONS DIVISION

Fire

Equipment	Individual Price	Qty	Trade in Value	Total
2000 GPM Structural Engine This will allow us to have a high quality, effective and highly reliable emergency response vehicle. This unit responds to Structural , ARFF, EMS and Hazardous Material calls. This would limit our dependence on the USAF providing MAC with fire apparauts for front line service. We would still use the USAF equipment as back-up whenever ours was out of service for any reason. We would also be able to retire the 1984 structural engine given to us by the City of Minneapolis in 2004 which is beyond its useful life expectancy of a fire engine.	\$450,000	1		\$450,000
Chevrolet Suburban This vehicle would replace a 1997 GMC Suburban used by the on-duty shift commander. This vehicle is used for emergency response in all weather conditions both on the AOA and street side here at MSP. The '97 Suburban would be used as a trade-in towards the purchase.	\$50,500	1		\$50,500
Defibrillator/Monitor Replacement of current defibrillator/monitors that are used for treating victims of cardiac conditions including sudden cardiac arrest. Current units do not meet American Heart Assoc. 2005 Guidelines for CPR and ECC. New defibrillators would not only meet these guidlelines but would also provide for additional medical monitoring and capabilities that include 12- lead ECG and compression quality during CPR. Ultimately, these units would provide a higher quality of care and a better chance of survival to patients.	\$28,000	3		\$84,000
F-150 E-85 Vehicle Replacement of 1999 Dodge Durango currently assigned to Fire Chief. The Durango would be reassigned to the Fire Marshal for use at MSP conducting inspections and response to emergency situations. The current 1997 Ford Taurus used by the Fire Marshal would be used as a trade-in.	\$36,500	1		\$36,500
Fire Total:				\$621,000

CAPITAL EQUIPMENT SUMMARY - 2007 OPERATING BUDGET

OPERATIONS DIVISION

Landside-Operations

Equipment	Individual Price	Qty	Trade in Value	Total
Handheld portable MAVIS enforcement devices Six handheld devices plus the installation of a wireless local area network at the Post Road Holding lot. Landside agents will use the devices for field enforcement. Currently a Landside Agent must phone back to the office to lookup taxi driver or vehicle information, or perform an action (make a ZipPass valid or invalid). This equipment will allow Landside Agents, PSAs, and MAC Police to manage commercial vehicles at terminal curbside or Post Road Holding with full access to MAVIS.	\$60,000	1	\$0	\$60,000
License Plate Recognition access control The Transit Center will have ZipPass and eTrip access control as of June 30, 2007. ZipPasses do not work on Metro Transit buses because the fluorescent light in the destination sign interferes with the ZipPass signal. By adding License Plate Recognition technology combined with a special numbered decal we will be able to provide access control for city buses utilizing the Transit Center.	\$75,000	1		\$75,000
MAVIS software enhancement - PSA taxi dispatching Enhance MAC Automatic Vehicle Identification System (MAVIS) so Passenger Service Assistants can dispatch a taxi vehicle using a handheld device. This will automate activity that is currently manual. The activity is thereby recorded so it can be monitored and controlled. The equipment will allow Landside to better manage taxi vehicle service provided to airport travelers.	\$15,000	1	\$0	\$15,000
Red "lot full" light installed at Post Road Holding Install a red traffic light at the entrance to the Post Road taxi holding lot. This light will allow Landside to activate the "lot full" feature. By controlling the number of taxis that enter the holding lot we can reduce the time drivers spend waiting in the lot to be dispatched for a passenger pickup. This will also reduce taxi driver frustration and complaints.	\$15,500	1	\$0	\$15,500
Terminal roadways traffic count system Add a terminal roadways traffic count system to the inbound and outbound roadways to/from at the Humphrey and Lindbergh terminals. This Count System will develop statistics showing who is utilizing the roadways. Landside and Finance use this information to allocate costs and to set annual cost recovery fees as required by Ordinances 102 and 93. Currently, a \$35,000 a study is performed every three or four years to estimate these same roadway utilization statistics. Roadway statistics would also be utilized for traffic planning.	\$45,000	1	\$0	\$45,000

Landside-Operations Total: **\$210,500**

CAPITAL EQUIPMENT SUMMARY - 2007 OPERATING BUDGET

OPERATIONS DIVISION

Landside-Parking

Equipment	Individual Price	Qty	Trade in Value	Total
Create a professional Lindbergh Valet waiting area Create an upscale, professional atmosphere with glass doors to set off the area, and improved seating to provide a premium parking experience for valet parking customers.	\$25,000	1	\$0	\$25,000
Improve management of 7,000 employee parkers Add cameras tied into the parking Revenue Control System to photograph the windshield area of a vehicle with a ZipPass as the vehicle exits. This will record if the ZipPass was correctly mounted when the vehicle attempted to exit. This is the only way we can "correct" operator errors, because everyone who has trouble with their ZipPass declares strongly that the ZipPass was correctly mounted and the failure was caused by our equipment. This technological investment will reduce customer frustration with the ZipPass system.	\$5,400	2	\$0	\$10,800
Improve parking info with variable message signs Purchase and install four variable message signs. Three along Post Road and one along the Lindbergh outbound roadway to direct and inform parking customers during lot full conditions, and to redirect them to available parking quickly so they don't miss their flights.	\$89,000	4	\$0	\$356,000
Increase parking stalls under Concourse C – Increase available parking stalls by reducing overgenerous and unused sidewalks, restriping the stalls, and re-pouring curbs into driveways to access more parking space in this high demand and secure parking area.	\$50,000	1		\$50,000
Install revenue control - LBG Employee exit This parking lot (Lindbergh Employee) does not have access control at its exit. Vehicles using the Flush through Roadway can make an illegal right turn and enter the Lindbergh Employee lot through the un-gated exit. By moving the IAF exit to the location of the Lindbergh Employee exit full access control for this area will be created.	\$15,000	1	\$0	\$15,000

CAPITAL EQUIPMENT SUMMARY - 2007 OPERATING BUDGET

OPERATIONS DIVISION**Landside-Parking**

Equipment	Individual Price	Qty	Trade in Value	Total
Network redundancy - Emp Park & Commercial Vehicle	\$14,092	1	\$0	\$14,092
<p>Network redundancy for the Employee Parking and Commercial Vehicle systems. The new switches will provide multiple fiber paths to Landside servers and field communication devices. This will guarantee no disruption to service in case of a switch or fiber problem because In the event of a switch or fiber issue, failover would be transparent and Employee Parking and Comercial Vehicle operations will continue without missing a beat.</p>				
Dell 6024 Layer 3 switch	2 @ 2800.00 =			
	\$5600.00			
Dell 5324 24 port managed gigabit switch	1 @ 1700.00 =			
	\$1700.00			
Fiber Transceivers Multimode	8 @ 165.00 =			
	\$1320.00			
Fiber Transceivers Singlemode	16@ 342.00 =			
	\$5472.00			
Replace 2 parking management pickup trucks	\$19,900	2	\$2,400	\$37,400
<p>MAC Fleet recommends we replace the following units:</p> <p><input type="checkbox"/> Unit 616676 – 1998 Ford short bed pick up – 115,000 miles</p> <p><input type="checkbox"/> Unit 616706 – 1999 Ford short bed pick up – 126,000 miles</p> <p>These units are used by Ampco for customer service, security and maintenance inspections in the parking ramps and for hauling materials, cones, and signs for traffic flow improvements such as rerouting drivers during weekly overfill parking conditions. The new vehicles will be E-85 compliant at a cost of \$17,500 each with an estimated trade in value of the existing unit of \$1,200 each. Plus \$2,400 additional for each truck to install the ePark advertising wrap.</p>				
Landside-Parking Total:				\$508,292

CAPITAL EQUIPMENT SUMMARY - 2007 OPERATING BUDGET

OPERATIONS DIVISION

Police

Equipment	Individual Price	Qty	Trade in Value	Total
800-MHz Squad Radios	\$11,000	1		\$11,000
<p>The Department recently upgraded its radio communication system from VHF to the 800 MHz system. As this occurred the departments marked squads were equipped with the new radios which allow the department to communicate more effectively both within the department and with surrounding agencies.</p> <p>As this transition occurred the department's unmarked squads did not receive the radio upgrade. These squads are assigned to Narcotics, Investigations, Airport Security Division and Backgrounds. These divisions are currently not able to communicate with dispatch or other department members, which impacts Officer Safety.</p> <p>The cost of these radios would be \$11,000 dollars.</p>				
Audio/Video Requirements For Roll Call	\$11,000	1		\$11,000
<p>Equipment for audio/video setup for new roll call room.</p> <p>The system will consist of a ceiling mounted projector to be displayed onto an eight (8) foot, pull down screen. It will be capable of displaying images from a laptop, dedicated PC, and a DVDNCR player. A wall interface will be installed for laptop connection. Both the laptop signal and dedicated PC signal will be routed through an automatic switcher for selection. The audio and video output of the DVDNCR will be distributed to the projector and the television using a distribution amplifier.</p> <p>The sound system will consist of an amplifier and four flush mounted ceiling speakers.</p> <p>A wall mounted equipment rack with locking door will be needed in an audio/video closet to house the audio amplifier, VGA switcher, distribution amplifier, DVDNCR, and dedicated PC. Rack shelves, rack power strip/surge suppressor, and other necessary accessories will be needed.</p> <p>A television monitor with a wall mount will also be required.</p>				
Furniture for Roll Call Room	\$11,000	1		\$11,000
<p>Fourteen sets of tables and chairs, tack boards and white boards will be needed for the Roll Call Room.</p>				

CAPITAL EQUIPMENT SUMMARY - 2007 OPERATING BUDGET

OPERATIONS DIVISION

Police

Equipment	Individual Price	Qty	Trade in Value	Total
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HH Terminal Speed Detection Sign

\$12,000

1

\$12,000

With the expansion of the HH Terminal and increased vehicle traffic there have been several complaints of vehicle's speeding in front of the HH Terminal. With a large number of pedestrian and vehicle traffic this imposes a significant danger to all users of the HH Terminal. In addition to the enforcement of traffic laws by department Officers the department requests a speed detection device installed. This device would be positioned on the Humphrey Drive Inbound roadway to notify vehicle traffic of their current speed when entering the Terminal area. This would aid and deter traffic violations while educating drivers as they arrive at the HH Terminal.

A speed detection device was installed on Glumack Drive entering the Lindbergh Terminal in early 2006 and has helped reduce traffic speeds entering the Lindbergh Terminal area. The requested speed sign for the HH Terminal would mirror the current Lindbergh detection device.

The cost of this device would be \$12,000.00 dollars and would include the device and all electrical wiring and installation costs to complete the project.

Re-current SIDA training computers/workstations

\$285,000

1

\$285,000

The police department would like to participate in a joint-use computer based training system with MAC Airside.

20 dedicated computers networked to a server that communicates with the badging office. These computers will have limited software which is specific to mandatory SIDA training for all SIDA badge holders every two years prior to badge renewal. These computers will be placed in the new SIDA training class room and will be housed in work station modules similar to the computer work stations on the concourses. This equipment is necessary to support the re-current SIDA training that is planned for 2007. Currently MSP teaches SIDA once before employees are issued a badge. This meets the minimum mandatory TSA requirement under 49 CFR. 1542.213 but falls short on the requirement to keep SIDA badged employees current on changes in the duties, responsibilities and procedures of SIDA. This has created our current situation of employees being trained many years ago and therefore unaware of the many changes that have occurred in recent years. These work stations may also be used in support of MAC Airside Operations AOA drivers license training program in compliance with FAA Part 139 regulations. This cost includes 20 computers, touch screen monitors, work station furniture, etc.

CAPITAL EQUIPMENT SUMMARY - 2007 OPERATING BUDGET

OPERATIONS DIVISION

Police

Equipment	Individual Price	Qty	Trade in Value	Total
Roll Call Room Completion – LT-3415	\$110,000	1		\$110,000
Roll Call Room Completion – LT-3415				
Completion of construction of the roll call room will include HVAC, conduit and wiring for electric and audio/video, a closet for audio/video, sheetrock, ceiling, floor covering, etc.				
Squad Car Replacements/average cost	\$35,037	4		\$140,148
The department's fleet has several vehicles that have well over 100,000 miles on them, with potentially thousands of hours of standing run time. This wear and tear is leading to excessive maintenance costs and repairs. The MAC Maintenance Foreman has recommended having these vehicles replaced as soon as possible.				
We need four squads replaced in 2007 to avoid excessive maintenance costs and repairs. This will provide the necessary squads to adequately serve the Airport community. The MAC will benefit from the lower maintenance costs and will be able to receive better Police coverage through a more reliable squad fleet.				
The dollar amounts for these squads also include the purchase and installation of in squad video cameras with the exception of squad 853 (Community Service Officer's). The camera systems will aid in Officer Safety and will also minimize potential civil and criminal allegations of wrongdoing. This will also assist Officers with court preparation and accurate courtroom testimonies.				
The squads that are recommended for replacement would be 661, 850, 868 and 853. This would include the cost of the vehicle and all emergency equipment needed for outfitting. All usable equipment from the replaced squads would be transferred to the new cars. The total replacement costs for the four squads would equal \$140,148. (Average cost per squad is \$35,037)				
Storage Bins For Property and Evidence Room	\$10,000	1		\$10,000
Storage Bins For Property and Evidence Room				
As part of the 2006 remodeling of the police department, a SpaceSaver shelving system was installed in the property/evidence room. Not included in the installation costs were the storage bins that go with the system to make it function as intended. We are requesting the custom storage bins needed to complete one half of the SpaceSaver High-Density Storage Shelving System. The other half will be requested in the 2008 budget.				
Police Total:				\$590,148

CAPITAL EQUIPMENT SUMMARY - 2007 OPERATING BUDGET

OPERATIONS DIVISION

Relievers - Crystal

Equipment	Individual Price	Qty	Trade in Value	Total
Ford 450 Utility Truck Replacement vehicle for the West Reliever mechanic. The current vehicle is 16 years old and fully amortized. The service box, hoist, transmission and body are in need of extensive repair. The type of vehicle is scheduled to be replaced every 10 years and has exceeded the end of its useful life.	\$98,000	1	\$1,500	\$96,500
Utility Vehicle Airport managers are assigned a field vehicle to effectively complete day to day operations and respond to airport emergencies. The existing vehicle is 8 years old and fully amortized. The vehicle has high miles and anticipated repairs which exceed the value of the vehicle.	\$28,000	1	\$2,000	\$26,000
Relievers - Crystal Total:				\$122,500

Relievers - Lake Elmo

Equipment	Individual Price	Qty	Trade in Value	Total
12 ' Poly Reversible Snow Plow with flaired ends. Replacement plow for truck 616-604. Current plow is over 12 years old and in need of extensive repair. Repair costs would equal the cost to purchase a new plow blade.	\$8,500	1	\$0	\$8,500
Relievers - Lake Elmo Total:				\$8,500

Relievers - St. Paul

Equipment	Individual Price	Qty	Trade in Value	Total
Copy / Fax Machine Replacement copier for the St. Paul Downtown Airport. The current copy / fax machine is over 13 years old. Repairs are becoming more frequent and expensive. Within the next two years parts will no longer be available for this model copier.	\$7,000	1	\$0	\$7,000
Relievers - St. Paul Total:				\$7,000

Trades - Carpenters

Equipment	Individual Price	Qty	Trade in Value	Total
Komatsu Forklift The price listed above is "new" pricing-would like to see if a used unit is available for purchase. We are looking for a 3000# lift capacity, a 15' fork height, and pneumatic tires. This will be shared piece of equipment between the four Trades and used primarily at the Impark Storage Building. It will be occasionally brought back over to the Trades Center when needed. Changed amount from 21,200 to 11,200 per L Hall 8/29/06	\$11,200	1		\$11,200
Trades - Carpenters Total:				\$11,200

CAPITAL EQUIPMENT SUMMARY - 2007 OPERATING BUDGET

OPERATIONS DIVISION**Trades - Electricians**

Equipment	Individual Price	Qty	Trade in Value	Total
E-350 van 12 foot body for Reliever Airports This truck would be used on the Reliever Airports to do field work and maintain all the field wiring, including the gates, lights, signs and any necessary repairs that need to be made.	\$29,000	1		\$29,000
F-250 4X4 CAB AND CHASSIES PICK-UP These two trucks would be to replace truck number 616-610 and 616-616 thes trucks are in bad shape along with high miles. We would take off the utility box from these two and reuse on the new chassis. . This would be done by our own mechanics. Change to 1 per Les Hall 8/28	\$24,000	1		\$24,000
Trades - Electricians Total:				\$53,000

Trades - Painters

Equipment	Individual Price	Qty	Trade in Value	Total
2 Wheel drive, one ton pickup truck with equip Additional truck is necessary to trasport additional temporary employees. One current truck will be dedicated to the signage shop, which has no vehicle currently.	\$20,000	1	\$0	\$20,000
Trades - Painters Total:				\$20,000

Trades - Plumbers

Equipment	Individual Price	Qty	Trade in Value	Total
4x4 heavy duty van Four wheel drive van with heavy duty suspension to be used in the field for utility locates, inspections and maintenance of the water main and sewer systems.	\$35,000	1		\$35,000
Trades - Plumbers Total:				\$35,000

CAPITAL EQUIPMENT SUMMARY - 2007 OPERATING BUDGET

PLANNING & ENVIRONMENT DIVISION

Airport Development/Part 150

Equipment	Individual Price	Qty	Trade in Value	Total
Airside Development vehicle	\$30,000	1		\$30,000
Replacement of 1989 Airside Development Jeep which has substantial annual O&M costs.				
Airport Development/Part 150 Total:				\$30,000

Environment-Aviation Noise

Equipment	Individual Price	Qty	Trade in Value	Total
Hardware: HP Plotter	\$7,500	1	\$0	\$7,500
This purchase is to replace an existing HP plotter which was purchased in 1998. We typically replace printer equipment every 5 years. We are 4 years past our rotation schedule with this device. This plotter is extremely slow and expensive to maintain. It takes approximately 2 hours to print a 36" graphic which can drastically hinder our operation when we need large graphics in short order. It is critical that this plotter be replaced soon.				
Environment-Aviation Noise Total:				\$7,500

Environment-Environmental

Equipment	Individual Price	Qty	Trade in Value	Total
PickUp Truck with radios	\$30,000	1		\$30,000
The Environment Department has recognized that there is a need for a replacement vehicle for use by Environmental Affairs Office personnel. A vehicle is needed for day to day field activities that routinely involve regulatory compliance and emergency response efforts, predominantly at MSP.				
The vehicle currently functioning in this capacity is a 1996 Ford Bronco, on loan, for the last three years, from Field Maintenance. The future of this vehicle is questionable. It is in notably poor condition with more than 113,000 miles.				
Currently, the EA Office has one vehicle for two field personnel. This vehicle is used almost exclusively for activities at the Reliever Airports and is generally not available for use at MSP.				
The Environment Department is requesting a 2007 mid size, 4 door, 4 wheel drive pickup (with radios) with flex fuel capability. [The ability to use E85 is consistent with the philosophy of the Environment Department and strives to fulfill the goals of the MAC Strategic plan and complies with the Governor's Executive Order #04-08 and #04-10.]				
Environment-Environmental Total:				\$30,000

Capital Asset Grand Total: \$6,626,582

PERSONNEL SUMMARY – 2007 OPERATING BUDGET

ORGANIZATIONAL PERSONNEL

This section provides information on Full Time Equivalent Employees (FTE) by:

- Actual and Budgeted Numbers
- Service Center
- Position Classification

Actual and Budgeted Full Time Equivalent Employees (FTE)

In the past, MAC has had an authorized headcount of 593.5 with the budgeted headcount varying each calendar year as operational and administrative needs of the organization were addressed.

For 2007, MAC's authorized headcount is equal to the 2006 authorized headcount figure of 575.5, which is up one from 574.5 due to a mid-year 2006 adjustment. In turn, the budgeted headcount for 2007 has been maintained from 560.5 to 560.5 at the onset of the year.

However, it is expected that the normal delay caused by the time-to-fill factor for open positions will continue to create vacancy factor dollars. It is also expected to constrain the organization as it is challenged to operate well below the budgeted headcount of 560.5 for the year. Because of this, it is expected that a mid-year adjustment in headcount will be requested to right size the organization.

<u>FTE Positions</u>	<u>2003 Total</u>	<u>2004 Total</u>	<u>2005 Total</u>	<u>2006 Total</u>	<u>2007 Total</u>
Budgeted	543.5	544.5	574.5	558.5	560.5
Authorized	593.5	593.5	593.5	575.5	575.5

PERSONNEL SUMMARY BY DIVISION – 2007 OPERATING BUDGET

**Regular Status Full Time Equivalent Position Count
By Service Center within Division**

Service Center	as of 12/10/03	as of 12/10/04	as of 12/09/05	as of 11/16/06	2007
	2003 <u>Actual</u>	2004 <u>Actual</u>	2005 <u>Actual</u>	2006 <u>Actual</u>	<u>Budget</u>
Executive					
75000 Executive	2	2	2	2	2
75100 Commissioner	1	1	1	0.5	0.5
76000 Public Affairs	2	2	2	2	2
78300 Internal Audit	2	3	3	3	3
79500 Legislative and Labor Relations	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
Total Executive	10	11	11	10.5	
BUDGET	11.5	11.5	11.5	12.5	10.5
Human Resources					
75700 Human Resources	1	1.5	1.5	1.5	1.5
76600 Human Resource Development/Services	3	3	4	4	4
81500 Employee Relations	5	5.5	6	5.5	5.5
80600 Office Of Diversity	<u>4</u>	<u>3</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>
Total Human Resources	13	13	14	13.5	
BUDGET	13.5	14.5	14	14	13.5
Finance & Administrative Services					
75600 Administrative Services	4	4	4	4	2
76800 Risk Management	3	3	4	4	4
85400 Safety*					
79000 Information Services	15	17	17	17	17
78000 Finance	14	15	15	15	17
78200 Purchasing	6	7	7	7.5	7.5
76100 Air Service-Business Development	1.5	1.5	1.5	1.5	1.5
80000 Commercial Mgmt & Airline Affairs (CMAA)	10	11	9	7	4
80100 Concessions & Business Development**	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
Total Administrative Services	53.5	58.5	57.5	56	
BUDGET	55.5	56	62.5	61.5	56
Legal Affairs					
81000 General Counsel	<u>7</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>
Total General Counsel	7	8	8	8	
BUDGET	7	8	8	8	8
Environment/Development					
75500 Planning	2	2	2	2	2
85000 Environment -General	2	2	3	2	2
85100 Environment-Environmental	3	2	3	3	3
85300 Environment-Aviation Noise Program	6	6	6	6	6
77000 Airport Development	16	17	15	15	15
77100 Airport Development -Building Official	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Total Environment/Development	31	31	31	30	
BUDGET	33	33	33	34	30

PERSONNEL SUMMARY BY DIVISION – 2007 OPERATING BUDGET

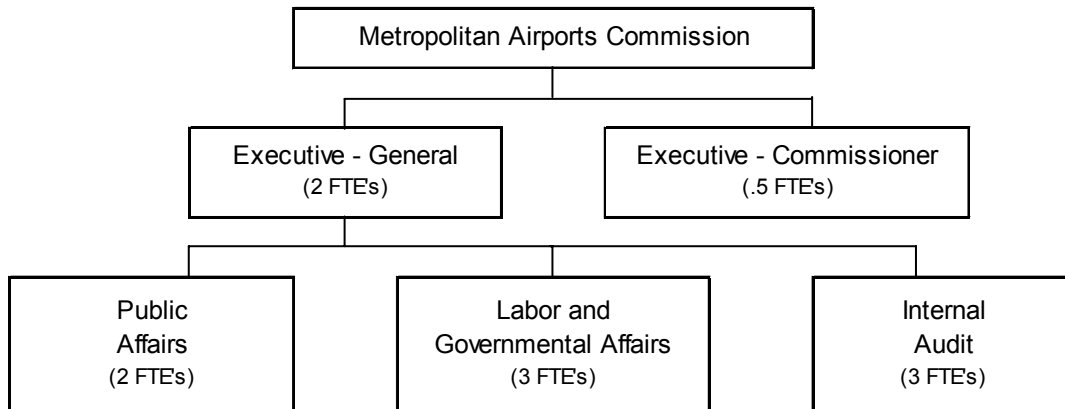
Service Center	as of 12/10/03	as of 12/10/04	as of 12/09/05	as of 11/16/06	2007
	2003	2004	2005	2006	2007
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>
Operations					
75800 Operations	2	2	1	2	2
82000 Airport Directors Office	3	5	5	5	4
82050 Conference Center	2	2	2	2	2
82060 Call Center	1.5	3	3	4	4
82600 Airside Operations	12	12	12	11	12
82700 Communications	11	14	14	14	15
83400 Landside Operations	23	22	20	21	21
83600 Fire	46	42	48	49	49
84200 Police	106	106.5	114	116.5	116.5
85500 Airline Operations/Facilities	2	2	2	2	2
86100 Facilities - Lindbergh Terminal	13	9.5	9.5	10	10
86300 Energy Management Center	17	16	18	18	18
88000 Electricians	16	17	17	17	17
88100 Painter	7	7	7	7	7
88200 Carpenter	8	8	8	9	9
88300 Plumber	6	6	6	6	7
88400 Trades-Administration			2	2	2
89000 Maintenance	111	114	121	120	119
90000 Reliever Admin	8	8	8	8	8
90200 Reliever - St. Paul	7	7	7	7	7
90300 Reliever - Lake Elmo	1	1	1	1	1
90400 Reliever - Air Lake	1	1	1	1	1
90500 Reliever - Flying Cloud	3	3	3	2	3
90600 Reliever - Crystal	3	3	3	3	3
90700 Reliever - Anoka	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
Total Operations	412.5	414	435.5	440.5	
BUDGET	423	421.5	445.5	445.5	442.5
Total Actual FTES	527	535.5	557	558.5	
TOTAL BUDGET FTES	543.5	544.5	574.5	575.5	560.5
*Safety Service Center has been combined with Risk Management.					
** New Service Center in 2007 - FTEs from CMAA.					

PERSONNEL SUMMARY BY CLASSIFICATION – 2007 OPERATING BUDGET**Regular Status Full Time Equivalent Position Count
By Job Classification**

	as of 12/10/04	as of 12/09/05			
	2004	2005	2006	2006	2007
	Actual	Actual	Actual	Budget	Actual
Organized					
Local 70 Operating Engineers	15	15	15	15	15
49er's Equipment Maintenance	21	20	21	19	21
320's - MSP Int'l - Field	80	87	84	88	84
320's - MSP Int'l - Lindbergh Terminal	2	2	2	2	2
320's - Reliever Airports	18	18	18	19.5	18
Painters	7	7	7	7	7
Carpenters	8	8	9	8	9
Plumbers	6	6	6	6	6
Electricians	15	17	17	17	17
Police Lieutenants			3		3
Police Sergeants	11	15	15	16	15
Police Officers	57	61	61	65	61
Firefighters	32	38	36	37	36
Total Organized	272	294	294	299.5	294
Non-Organized					
Chairperson/Executive Director	2	2	1.5	2	1.5
Deputy Directors/Directors/Assistant Director	18	20	24	20	24
Managers/Supervisors	85.5	92.5	86	89.5	86
Police Chief/Fire Chief	2	2	2	2	2
Community Service Officers	18	16	14	15.5	14
Passenger Assistants	11	9	10	10	10
Fire Captains/Fire Training/Marshall	8	9	10	10	10
Commanders/Lieutenants/Deputy Chief/Other	6	6	4	6	4
Administrative/Professional/Technical Support	113	106.5	113	120	115
Total Non-Organized	263.5	263	264.5	275	266.5
Total MAC	535.5	557	558.5	574.5	560.5

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

Executive Division



SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

Notations to Service Center Summaries:

- * Variance (dollars and %) is computed between 2006 Budget and 2007 Budget
- * The explanation for the variances is based upon the 2006 Budget and 2007 Budget
- * FTE's as stated in each service center are as budgeted in December 2006. Salary dollars in each service center may not reflect the budgeted FTE count for that service center.
- * Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**EXECUTIVE - GENERAL****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	226,774	309,792	228,631	-81,161	-26.20%
Administrative Expenses	151,727	141,284	161,750	20,466	14.49%
Professional Services	5,000	40,000	5,000	-35,000	-87.50%
Utilities	0	600	1,000	400	66.67%
Operating Services/Expenses	198	315	500	185	58.73%
Other	815	1,607	5,000	3,393	211.14%
Total Budget	384,514	493,598	401,881	-91,717	-18.58%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	2	3	2

RESPONSIBILITY/FUNCTION

Office of the Executive Director

The Executive Director is responsible for the overall administration of the Metropolitan Airports Commission and for the implementation of all Commission policies. The Office of the Executive Director is directly accountable to the Board of Commissioners for the safe and efficient operation of the seven airports under its jurisdiction.

Responsibilities include the coordination, direction and implementation of programs and services of the Commission as well as external relations with those regulatory agencies and governmental bodies concerned with the operation and administration of the Commission.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	A reduction in the 2007 budget is the result of moving a position to a different Service Center. Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	The increase in Administrative Expenses is for ACI-NA dues.
Professional Services	Professional Services were reduced \$35,000 based upon historical expenses.

2005 PROGRESS REPORT

Objective	Measurement	Results
Define MAC's competitive airline cost strategy.	Airline cost strategy clearly defined and implemented.	Historically, MAC has positioned itself mid-range; airline costs have been held flat due to recent industry developments.
Lead the analysis and implementation of the 2020 plan.	Analysis of the 2020 plan completed and implementation plan developed.	Initial analysis of the 2020 plan is complete. However, the plan has been delayed indefinitely due to industry conditions.
Work with the Commission to define the long term status of the Reliever Airport System.	Long term status of the Reliever Airport System approved by the Commission.	Research conducted by the Reliever Task Force was completed and presented to the commission. LTCP's are being developed for each of the six Reliever Airports.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**EXECUTIVE - GENERAL****2005 PROGRESS REPORT**

Objective	Measurement	Results
Lead the implementation of MAC's Strategic Plan.	MAC's Strategic Plan is used for planning and decision making as the organization moves forward.	MAC's five year strategic plan was updated to reflect the state of the industry.

2006 PROGRESS REPORT

Objective	Measurement	Results
Integrate new Business Development Division into organizational structure and ongoing operations.	Deputy Executive of Business Development hired, division created and operational by 12/31/06.	Business development function incorporated into existing division.
Transition the organization through a change in leadership.	Succession, recruitment and transition plans in place for leadership positions.	Transition of one division completed following the retirement of a senior staff member in January 2006.
Maintain MAC's financial viability as NWA restructures as a result of bankruptcy.	AA- bond rating maintained with 4 months debt service reserve retained. Alternative sources of revenue identified.	AA- bond rating maintained. Commission increased debt service reserve to 6 months. Non-aeronautical revenue sources continue to be identified.
Oversee the development of financial, operational and workforce contingency plans.	Best case, worst case and most likely financial, operational and workforce contingency plans in place.	Plans under review.

2007 OBJECTIVES

Objective	Expected Results
Integrate business development responsibilities into Finance & Administrative Services Division.	Function is fully integrated to best serve organizational needs with increased focus on generating non-aeronautical revenues.
Lead the implementation of MAC's strategic plan.	MAC's five year strategic plan is updated to reflect the state of the industry.
Transition the organization through leadership changes as retirements occur.	Succession and recruitment plans in place for leadership positions.
Maintain MAC's financial viability as NWA restructures as a result of bankruptcy and other industry changes emerge.	AA- bond rating maintained and 6 month debt service reserves in place.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**EXECUTIVE - COMM/CHAIRMAN****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	39,733	44,458	44,458	0	0.00%
Administrative Expenses	47,156	21,856	20,577	-1,279	-5.85%
Professional Services	22,050	0	0		
Utilities	1,316	1,250	1,250	0	0.00%
Other		0	0		
Total Budget	110,255	67,564	66,285	-1,279	-1.89%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	0.5	1	0.5

RESPONSIBILITY/FUNCTION

Metropolitan Airports Commission Board

It is the responsibility of the Board of Commissioners to: 1) Promote the public welfare; 2) Promote national, international, state and local air transportation; 3) Promote the safe, efficient and economical handling of air commerce both nationally and internationally and to fully develop the potential of the metropolitan area as an aviation center providing for the most economical and effective use of aeronautical facilities and services; and 4) Assure residents of the metropolitan area minimum environmental impact from air transportation by promoting the overall goals of the State's environmental policies minimizing the public's exposure to noise and pursuit of the highest level of safety at all Commission airports.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**PUBLIC AFFAIRS****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	138,479	193,244	166,826	-26,418	-13.67%
Administrative Expenses	41,020	79,944	116,752	36,808	46.04%
Professional Services	412,906	126,000	135,000	9,000	7.14%
Utilities	1,119	900	1,320	420	46.67%
Operating Services/Expenses	4,977	26,800	50,500	23,700	88.43%
Maintenance	400	250	250	0	0.00%
Other	1,342	2,786	1,386	-1,400	-50.25%
Total Budget	600,244	429,924	472,034	42,110	9.79%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	2	2	2

RESPONSIBILITY/FUNCTION

The responsibility and function of the Public Affairs Department is to educate and inform the public of MAC's mission and the role of the airport system. Public Affairs provides information about the economic impact of the MAC's airports, reports to the community about noise mitigation efforts, provides timely, accurate and focused messages to the media and the public and facilitates communication among MAC departments.

Public Affairs implements print and broadcast advertising and media relations to educate and generate support about airport services and changes. Public Affairs also creates media events, administers Website content and prepares brochures and other print materials.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	The budget includes increases for the printing of informational materials regarding changes in flight patterns when the south parallel runway is closed for reconstruction of the center pavement, as well as materials regarding the MAC's environmental stewardship, MSP business services, publication of a MAC annual report and general MSP mailer, reliever airports information, security-related communications, and reprinting of terminal specific brochures and map tear sheets.
Professional Services	Additional design, photo and professional services will be required to create informational materials regarding the temporary closure of the south parallel runway, MAC environmental stewardship, MSP business services, a MAC annual report, security-related communications, business services promotions, an MSP mailer, and updates to existing brochures.
Operating Services/Expenses	Increases in advertising allow for purchase of direct mailings related to changes in flight patterns during Runway 12R/30L reconstruction, marketing of MSP business services, information regarding the move of Icelandair to the Humphrey Terminal, and ads related to reliever airport comprehensive plans, non-aeronautical development opportunities, and contributions of the reliever airports to the surrounding communities and to the metropolitan aviation system.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**PUBLIC AFFAIRS****MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Other	The increase in this line provides for purchase of a computer system for the assistant public information officer position and of new graphics-compatible computer monitors.
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2005 PROGRESS REPORT

Objective	Measurement	Results
Complete and promote an economic impact study for MSP.	A report indicating the economic impact MSP has on specific communities and on the metropolitan area as a whole as well as marketing tools highlighting the study's results.	The economic impact study was completed. Marketing included a news release, Internet promotion, radio ads, an insert in the Star Tribune, informational materials at the Runway 17/35 community event, a four-minute video for presentations, 1-minute videos for display on CNN monitors in the airport, and incorporation of study results in speeches, PowerPoint presentations and other communication media.
Promote on-airport parking, e-park usage, Northstar Crossing concessions, reliever airports and other programs that provide revenues to the MAC.	Promotional tools that may include Web site materials, publications, video, paid advertisements, events, signage, billboards and other marketing means.	We continued to promote e-park, primarily on our Web site and on billboards. In addition, we worked with Landside Operations to wrap MAC shuttle buses in e-park promotional graphics. Participated in re-design of terminal directories promoting food, beverage and retail concessions and worked with news media to obtain positive coverage and concessions program redesign neared completion. Worked with Anoka County officials to promote expansion of Anoka County-Blaine Airport. Launched new generation Web site, www.mspairport.com , in an effort to make it easier for users to navigate and obtain information on the many services the MAC and MSP offer. Created and placed ad for airport conference center.
Keep MAC employees, commissioners and airport employees informed of important airport news and developments on a timely basis.	Weekly publication of MAC Update, quarterly publication of MSP Update and regular dissemination of pertinent news clips.	Published MAC Update weekly, issued news clips daily (Monday thru Friday), and sent e-mails regarding more urgent issues. Also assisted the Wellness program with an end-of-year campaign to promote employee participation in the Health Risk Assessment initiative.
Inform the public of MAC efforts to minimize adverse environmental impacts of airport operations.	Information about MAC environmental programs and activities will appear on the Web site and in publications, news media, video and other formats.	Worked with the Environmental Department to incorporate their Web redesign into that of www.mspairport.com and to inform communities about likely noise impacts related to the opening of Runway 17/35. Worked with the news media to communicate the MAC's historic achievements and ongoing efforts to reduce noise impacts in neighborhoods and communities around MSP.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**PUBLIC AFFAIRS****2005 PROGRESS REPORT**

Objective	Measurement	Results
Promote "completion" of the 2010 program, launch of 2020 activities, and any significant development at reliever airports, if applicable.	Promotional efforts that may include events, written materials and media coordination highlighting the essential completion of the 2010 program coincident with completion of Runway 17/35, and highlighting future growth of MSP and/or reliever airports.	Coordinated community event in September on Runway 17/35 and a ribbon cutting ceremony in October. Updated information on www.msppairport.com as projects were completed. Developed PowerPoint presentations, speeches, talking points and news releases related to the proposed 2020 Vision expansion program. Worked with Anoka County officials to publicize partnership to expand Anoka County-Blaine Airport
Provide customer service information aimed at making the airport experience easier, more efficient and satisfying for travelers.	Accurate information about airport facilities and services is available on the Web and in news releases and publications.	Participated in redesign of terminal directory maps. Worked with Marketing Committee on quarterly MSP Traveler publication. Launched redesigned, more customer-friendly Web site, www.msppairport.com , assisted Marketing Committee and vendors with news releases about new concessions. Provided travel tips in news releases and on Web site.

2006 PROGRESS REPORT

Objective	Measurement	Results
Keep MAC employees, commissioners and airport employees informed of important airport news and developments on a timely basis.	Weekly publication of MAC update, quarterly publication of MSP Update and regular dissemination of pertinent news clips.	The weekly MAC Update was expanded and reformatted for a more professional look. Based on feedback and observation, it did not appear the MSP Update was an effective tool for communicating to the airport community and was discontinued. News clips were provided to an electronic mailing list and posted on the MAC's Intranet site.
Provide customer service information aimed at making the airport experience easier, more efficient and satisfying for travelers.	Updated terminal brochures that complement new terminal directories, accurate information about airport facilities and services on our Web site and in news releases and publications.	Service changes were added to the airport's Web site throughout the year and, in some cases, highlighted through news releases or stories pitched to the news media. Work updating the brochure was slowed by personnel changes and the fact that the department had only one employee for a few months; however, content updates were nearly complete by year's end. Ads touted the convenience of airport parking and the airport conference center.
Inform the public of MAC efforts to minimize adverse environmental impacts of airport operations.	Information about MAC programs and activities will be available on the Web site and in publications, news media, video and other formats.	Worked with the Environment Department and Airport Development to keep communities around the airport informed about issues related to Runway 17/35 and the status of the Part 150 program. Worked with the Governor's Office to provide information about the MAC's E-87 fueling program.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**PUBLIC AFFAIRS****2006 PROGRESS REPORT**

Objective	Measurement	Results
Promote on-airport parking, e-park, Northstar Crossing concessions, reliever airports and other consumer-based revenue streams.	Promotional tools that may include Web site materials, publications, video, paid advertisements, events, signage, billboards and other marketing means.	Worked with Landside Operations to continue to promote airport parking and, particularly, the cost-savings of parking at the Humphrey Terminal. Worked on ideas for new Web content related to Northstar Crossing, and worked with the Marketing Committee and CMAA to promote new stores and restaurants. Worked with the Airport Director's Office to update outdated marketing materials for the Conference Center.
Keep MAC staff, commissioners, tenants and the public up to date on airport impacts of airline bankruptcies.	Use internal and external publications, the Web site, news releases, talking points, PowerPoint presentations, media contacts and/or other means to describe impacts of/MAC response to airline bankruptcies and related issues.	Worked extensively to develop and disseminate communication materials related to the proposal to minimize risks from Northwest Airlines' bankruptcy and to maximize MSP's air service competitiveness.
Communicate results of Reliever Airports Task Force efforts and related commission actions.	Use Web site, tenant correspondence, news releases and other means to keep reliever airport tenants and interested communities/citizens informed of plans and decisions related to reliever airport management, funding, policies, lease requirements and other pertinent issues.	Most Task Force recommendations ultimately were not implemented in 2006, so there was little to communicate in that regard. However, in cooperation with Anoka County, we did promote the runway opening at Anoka County-Blaine Airport. In addition, developed communication materials and provided information to the news media regarding efforts to work with the city of St. Paul toward development of a floodwall and related improvements at St. Paul Downtown Airport. Information related to the airline cost savings/airport competitiveness proposal presented in December also included funding streams for the reliever system and opportunities to remove obstacles to expansion of Flying Cloud Airport.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

PUBLIC AFFAIRS**2007 OBJECTIVES**

Objective	Expected Results
Increase public awareness of security-related tips and requirements	Fewer complaints and more understanding of curbside parking prohibitions and enhanced awareness of and participation in airport security issues
Promote business services available at MSP	More information will be available to travelers regarding business services available at MSP, including conference center services, convention welcoming services, wireless Internet, cellular phone chargers, stationary Internet kiosks, currency exchange services, airport business centers and other business services.
Publicize efforts related to reliever airport comprehensive plans and non-aeronautical revenue opportunities, while emphasizing each airport's contributions to the surrounding community or communities	More information about plans, changes and positive contributions of reliever airports available to citizens in surrounding communities
Build support and recognitions for the MAC's environmental achievements	Citizens have greater information about the MAC's environmental achievements
Inform public of use of Runway 17/35 to the north due to reconstruction of 12R/30L	Impacted citizens will know about and understand the necessity of using the new runway to the north during reconstruction of the south parallel runway
Increase public awareness of the benefits to the community and state that derive from the MAC and its airports.	Increase in amount of positive information about the MAC and its airports in the hands of metropolitan-area citizens

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**INTERNAL AUDIT****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	203,703	209,364	231,688	22,324	10.66%
Administrative Expenses	5,213	3,748	7,100	3,352	89.43%
Professional Services	0	0	3,000	3,000	100.00%
Utilities		0	0		
Operating Services/Expenses		1,050	1,050	0	0.00%
Maintenance		0	0		
Other		0	0		
Total Budget	208,917	214,162	242,838	28,676	13.39%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	3	3	3

RESPONSIBILITY/FUNCTION

The Internal Audit Department is responsible for conducting audits in accordance with the International Standards for the Professional Practice of Internal Auditing. Audit scope includes, but is not limited to, evaluation of controls, verification of revenues and expenditures, and the effectiveness and efficiency of MAC policies and procedures. Audit topics include MAC internal functions, tenants, concessionaires, consultants and vendors. Audit results are communicated to the appropriate department heads and MAC committees.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Additional funding for training is required for auditors to obtain Certified Information Systems Auditor (CISA) designation. Due to the implementation of new computerized information systems, as well as multiple existing systems, additional audit training and expertise is needed. Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	Additional travel budget is required to attend the annual Association of Airport Internal Auditors (AAIA) Conference in 2007. Training is provided that is specific to airport audit issues and satisfies requirements for continued CPA licensure for audit staff. Opportunities to network with airport internal auditors throughout the world provide insight into airport audit issues.
Professional Services	Funding is required to hire a consultant to establish and maintain an independent fraud hotline service to allow MAC employees and other airport workers to anonymously report incidents of fraud or misappropriation of MAC assets or services.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**INTERNAL AUDIT****2005 PROGRESS REPORT**

Objective	Measurement	Results
Complete an annual review of all car rental activity using computer data files provided by car rental agencies to gain measurable assurance that recorded car rental revenue has been properly reported to MAC and that required concession fees are paid.	Complete an annual review of car rental activity and issue a report identifying any improper reporting of car rental revenue.	Four audits of car rental activity have been completed. Three audit reports have been issued and one audit report is being finalized.
Ensure that 2004 MAC parking revenue was properly accounted for and safeguarded and that MAC parking expenses were appropriate, properly accounted for and properly approved.	Audit of MAC 2004 Parking Revenue and Expenses is completed and audit report issued.	Audit of MAC Parking Revenue for 2004 and 2005 through June 2005 has been completed. Audit Report has been finalized.
Provide additional training and expertise to newly hired audit staff so that they can effectively perform audits of MAC concession revenue and fulfill requirements for CPA licensure.	Attend training events provided by the Airport Internal Auditors Association and other professional organizations to gain useful knowledge of audit procedures and maintain professional licensure for all staff.	Training has been accomplished through the Airport Internal Auditors Association, the Institute of Internal Auditors, the Association of Certified Fraud Examiners and others. Newly hired auditors are working independently on audit projects. Professional licensure has been maintained by all staff.
Perform at least one audit of a concession that produces \$3 million or less in gross revenue in order to comply with MAC Revenue Management Policy.	One audit of a concessionaire with \$3 million or less in gross revenue is completed and report issued.	An audit of a concession provider that produces less than \$3 million per year in gross revenue is in progress.

2006 PROGRESS REPORT

Objective	Measurement	Results
Perform selected audits of MAC internal financial activity in order to document and test internal controls to ensure that they are adequate and to ensure compliance with applicable laws, policies and procedures.	Audits of MAC internal financial activity are completed and audit reports are issued.	Audits of internal financial activity have been completed.
Perform a periodic review of auto rental activity using computer data files provided by Auto Rental Agencies to gain assurance that car rental activity has been properly reported to MAC and that all applicable concession fees have been paid.	Audits of car rental agencies are completed and audit reports are issued.	Audits of auto rental activity have been completed.
Perform an annual audit of MAC Parking Revenue to ensure that revenue was properly accounted for and properly safeguarded.	Annual Audit of MAC parking revenue is completed and audit report is issued.	Audit of MAC Parking Revenue has been completed.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**INTERNAL AUDIT****2006 PROGRESS REPORT**

Objective	Measurement	Results
Perform audits of airport concession operators to ensure that revenue is being properly accounted for and that all required fees are being paid to MAC.	Concession audits are completed and audit reports are issued.	Audits of airport concession operators have been completed. Additional audits are in process.
Work with MAC Staff to ensure that adequate financial controls are implemented when departmental processes or procedures are changed.	Written policies for new accounting procedures are documented. Follow-up reviews are completed to ensure that adequate financial controls have been implemented.	Departmental processes have been reviewed. Cooperative efforts with MAC staff have resulted in significant potential cost savings.
Perform audits of selected MAC expenditure functions or contracts when needed to ensure that consultants and service providers have complied with financial terms of contracts and that charges to MAC are appropriate and reasonable.	Expense audits are completed as needed and audit reports are issued.	Audits of MAC expenditure functions have been completed.
Implement a department quality assurance program in or to ensure professional quality of work performed and meet regulatory requirements.	Quality assurance program is fully implemented and documented.	A quality self-assessment has been completed. An independent validator has reviewed and approved the quality self-assessment.

2007 OBJECTIVES

Objective	Expected Results
Provide a mechanism to identify and investigate instances of fraud or misappropriation of MAC assets	Procedures for identification of fraud and misappropriation are implemented. Reported instances of inappropriate activity are investigated and appropriate reports are issued.
Perform periodic audits of revenue collected by auto rental concession operators to ensure that gross revenue and associated fees have been properly reported and paid to MAC.	Selected audits of auto rental concession operators are completed and audit reports are issued.
Perform an annual audit of MAC Parking Revenue to ensure that financial controls are adequate and that revenue was properly accounted for and safeguarded.	Audit of Parking revenue is completed and audit report is issued.
Maintain a knowledgeable professional audit staff with appropriate professional credentials and knowledge of current audit procedures and processes with increased emphasis on training in audits of computerized accounting and control systems.	Increased training opportunities are provided to audit staff to further expand their professional credentials and knowledge with an emphasis on increased knowledge of information systems.
Perform audits of airport retail and food and beverage concession operators on a scheduled rotating basis to ensure that revenue is properly accounted for and concession fees are properly paid to MAC	Concession audits are completed and audit reports are issued

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET***INTERNAL AUDIT*****2007 OBJECTIVES**

Objective	Expected Results
Perform selected audits of MAC internal functions as needed to ensure that internal financial controls over MAC resources are adequate and to ensure compliance with applicable laws, policies and procedures.	Audits are completed as needed and audit reports are issued.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**LABOR AND GOVERNMENTAL AFFAIRS****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	248,246	271,554	267,234	-4,320	-1.59%
Administrative Expenses	21,106	19,420	21,270	1,850	9.53%
Professional Services	242,873	301,000	301,000	0	0.00%
Utilities	1,326	1,600	1,600	0	0.00%
Operating Services/Expenses	198	7,500	7,800	300	4.00%
Maintenance		0	0	0	0.00%
Other	265	1,200	1,200	0	0.00%
Total Budget	514,015	602,274	600,104	-2,170	-0.36%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	3	3.5	3

RESPONSIBILITY/FUNCTION

The Labor and Governmental Affairs division is responsible for two areas. Labor Relations negotiates and administers the contracts of the ten labor unions at the Commission. Labor Relations also interacts with and mediates disputes between outside unions and contractors which could jeopardize Commission operations. Governmental Affairs coordinates relations with Congress and the Administration, the State Legislature, federal and state agencies, the Governor's office, counties and municipalities. The Legislative/Governmental Affairs function is responsible for assessing, monitoring and influencing legislation involving or having the potential to impact the Commission.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	Added \$1,700 to cover costs attributable to increased mileage reimbursement rate, increased airfares and transportation costs, increased registration fees and frequent short notice trips to Washington DC. Added \$150 to cover actual and historical cost of publications.
Operating Services/Expenses	Added \$300 for actual cost obligation to pay pro rata 1/5 share of service and maintenance agreements for 3rd floor color printer, scanner and fax.
Other	Technology request (\$1,395) for computer memory upgrades and monitors.

2005 PROGRESS REPORT

Objective	Measurement	Results
Negotiate construction project labor agreements when beneficial to MAC.	Effective airport operations and construction projects free of labor disruptions.	Negotiated and executed Project Labor Agreements assuring that these projects were not subject to any delays due to labor unrest.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**LABOR AND GOVERNMENTAL AFFAIRS****2005 PROGRESS REPORT**

Objective	Measurement	Results
Mediate disputes between outside unions, contractors and airport tenants.	Effective airport operations free of labor disruptions for the traveling public.	Assisted in resolving labor issues relating to Project Labor Agreements, construction projects, airport vendors and airport tenants relative to outside union issues and concerns.
Represent MAC in mediation, arbitration, and veterans preference hearings.	Terms and conditions of employment consistent with Commission goals.	Represented MAC at various contract mediation hearings and pre-arbitration grievance hearings.
Prepare for and begin negotiating labor contracts with five (5) MAC unions whose labor agreements expire at the end of 2005.	Terms and conditions of employment consistent with Commission goals.	Represented MAC at Unit Clarification hearing as well as numerous pre-arbitration hearings. Market comparative data has been collected and contract negotiations have begun with five of MAC's ten labor unions.
Assist managers and supervisors in contract interpretation, grievances and labor/management cooperation issues.	Improved labor/management environment.	Met and consulted with numerous MAC managers and supervisors in order to advise them on grievance, contract and labor relations matters.
Represent MAC on outside boards and organizations to bring visibility and influence to MAC's labor relations efforts.	Effective labor relations representation and participation.	Served as General Counsel for Minnesota Public Employer Labor Relations Association (MPELRA) and as a member of both the state and national PELRA. Also served on the Board of Directors for Twin City Area Labor Management Council. Participated in Area Negotiators meetings.
Coordinate Labor Management Committee activity.	Improved labor/management environment.	Continued to coordinate and participate in MAC's six cooperative Labor Management Committees.
Conduct management training in labor relations as appropriate.	Improved labor/management environment.	Provided ad hoc training to managers and supervisors as appropriate.
Hear grievances on behalf of the Executive Director.	Terms and conditions of employment consistent with Commission goals.	Participated in the grievance process and successfully resolved numerous grievance issues.
Pursue LOI with TSA for permanent installation of EDS at MSP.	Signed LOI.	TSA not granting any new LOI's for EDS installation. Commission now planning to use PFC receipts to fund the project.
Work with local, state and federal officials to explore and acquire funding for St. Paul Airport dike.	Funding allocated.	No place name legislation passed. Working with FAA to fund this and additional projects with multi-year funding agreement.
Explore and acquire additional funding via the federal AIP and DOT appropriations earmark process.	Funding allocated.	2020 Plan and Humphrey Parking Ramp project postponed for at least one year.
Work with MN Congressional delegation and staff to facilitate completion of north/south runway.	Effective aviation legislation and increased airport capacity.	Runway 17/35 completed and opened in October 2005. Federal LOI money (\$8,000,000) received.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**LABOR AND GOVERNMENTAL AFFAIRS****2005 PROGRESS REPORT**

Objective	Measurement	Results
Participate in formulating airport trade group positions on aviation related legislation.	Airport trade group positions closely aligned with MAC goals and objectives.	Member of airport trade group U.S. Governmental Affairs Steering Committee. Trade group legislative program closely aligned with MAC positions.
Monitor legislation and present MAC position on issues to state political bodies and/or persons in an effort to modify and/or initiate legislation that supports MAC's goals.	Effective aviation legislation.	Monitored legislation and presented Commission positions supporting or opposing bills. Several bills were introduced contrary to MAC policy positions - none passed. See 2005 legislative summary.
Educate appropriate political bodies and government units on airports (MSP and relievers) and present MAC's position on issues including airport security, airport capacity and economic viability of the airport system.	Educated and supportive stakeholders.	Supportive Local Government and Transportation Committees in both bodies of the State Legislature. Special attention paid to House Aviation Subcommittee and Senate Subcommittee on Aeronautics. Provided legislative briefings and airport site visits to legislators and staff. Met with all members of the Minnesota Congressional Delegation and made frequent contacts with their staff.

2006 PROGRESS REPORT

Objective	Measurement	Results
Mediate disputes between outside unions, contractors and airport tenants and negotiate construction project labor agreements when beneficial to MAC.	Effective airport operations and construction projects free of labor disruptions for the traveling public.	Assisted in resolving labor issues relating to Project Labor Agreements, construction projects, airport vendors and airport tenants relative to outside union issues and concerns. Negotiated and executed Project Labor Agreements assuring that these projects were not subject to any delays due to labor unrest.
Process and hear grievances on behalf of the Executive Director while representing MAC in mediation, arbitration and veterans preference hearings.	Terms and conditions of employment consistent with Commission goals.	Participated in the grievance process and successfully resolved numerous grievance issues. Represented MAC at various contract mediation hearings and pre-arbitration grievance hearings.
Negotiate labor contracts with six MAC unions whose labor agreements expire at the end of 2005 or mid 2006.	Terms and conditions of employment consistent with Commission goals.	Successfully completed negotiations with six (6) bargaining units whose contracts expired in 2006. Negotiations resulted in wages being competitive and the elimination of retiree health insurance for new hires.
Assist managers and supervisors in contract interpretation, grievances and labor/management cooperation issues including training as needed.	Improved labor/management environment.	Met and consulted with numerous MAC managers and supervisors to advise them on grievance, contract and labor relations matters. Provided ad hoc training to managers and supervisors as appropriate.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**LABOR AND GOVERNMENTAL AFFAIRS****2006 PROGRESS REPORT**

Objective	Measurement	Results
Represent MAC on outside boards and organizations to bring visibility and influence to MAC's labor relations efforts.	Effective labor relations representation and participation.	Served as General Counsel for Minnesota Public Employer Labor Relations Association (MPELRA) and as a member of both the state and national PELRA. Also served on the Board of Directors for Twin City Area Labor Management Council (TCALMC). Participated in Area Negotiators meetings.
Create and implement filing system that integrates all labor files.	Filing system implemented and files from 2000 to present cataloged and filed.	Filing system created and numerous files cataloged and entered.
Coordinate Labor Management Committee activity.	Improved labor/management environment.	Continued to coordinate and participate in MAC's six cooperative Labor Management Committees. Implemented new Labor Management Committee on Benefits with all unions.
Work with local, state and federal officials to explore and acquire funding for St. Paul Airport dike.	Funding allocated.	Federal and state funding authorized. Construction of project underway.
Explore and acquire additional funding via the federal AIP and DOT appropriations.	Funding allocated.	During 2006 MAC received a high level of federal AIP grants for major projects at MSP and St. Paul (\$21,516,128).
Educate appropriate political bodies and government units on airports (MSP and relievers) and present MAC's position on issues including airport security, airport capacity and economic viability of the airport system.	Educated and supportive stakeholders.	Supportive Local Government and Transportation Committees in both bodies of the State Legislature. Special attention was paid to House Aviation Subcommittee and Senate Subcommittee on Aeronautics. Provided legislative briefings and airport site visits to legislators and staff. Met with all members of the Minnesota Congressional Delegation and made frequent contacts with their staff.
Participate in formulating airport trade group positions on aviation related legislation.	Airport trade group positions closely aligned with MAC goals and objectives.	Member of airport trade group U.S. Governmental Affairs Steering Committee. Trade group legislative program closely aligned with MAC positions.
Monitor legislation and present MAC positions on issues to state political bodies and/or persons in an effort to modify and/or initiate legislation that supports MAC's goals.	Effective aviation legislation.	Monitored legislation and presented Commission positions supporting or opposing bills. Several bills were introduced contrary to MAC policy positions - none passed. (See 2006 legislative summary).

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**LABOR AND GOVERNMENTAL AFFAIRS****2007 OBJECTIVES**

Objective	Expected Results
Monitor legislation and present MAC positions on issues to state political bodies and/or persons in an effort to modify and/or initiate legislation that supports MAC's goals.	Effective aviation legislation.
Participate in formulating airport trade group positions on aviation related legislation.	Airport trade group positions closely aligned with MAC goals and objectives.
Educate appropriate political bodies and government units on airports (MSP and relievers) and present MAC's position on issues including airport security, airport capacity and economic viability of the airport system.	Educated and supportive stakeholders.
Explore and acquire additional funding via the federal AIP and DOT appropriations.	Funding allocated.
Work with federal officials to assure out year funding for St. Paul Airport dike.	Funding allocated.
Coordinate Labor Management Committee activity.	Improved labor/management environment.
Complete labor filing project.	All labor files cataloged and filed.
Represent MAC on outside boards and organizations to bring visibility and influence to MAC's labor relations efforts.	Effective labor relations representation and participation.
Assist managers and supervisors in contract interpretation, grievances and labor/management cooperation issues including training as needed.	Improved labor/management environment.
Negotiate labor contracts with four MAC unions whose labor agreements expire mid 2007.	Terms and conditions of employment consistent with Commission goals.
Process and hear grievances on behalf of the Executive Director while representing MAC in mediation, arbitration and veterans preference hearings.	Terms and conditions of employment consistent with Commission goals.
Mediate disputes between outside unions, contractors and airport tenants and negotiate construction project labor agreements when beneficial to MAC.	Effective airport operations and construction projects free of labor disruptions for the traveling public.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

Legal Affairs Division

Executive - General

General Counsel
(8 FTEs)

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

Notations to Service Center Summaries:

- * Variance (dollars and %) is computed between 2006 Budget and 2007 Budget
- * The explanation for the variances is based upon the 2006 Budget and 2007 Budget
- * FTE's as stated in each service center are as budgeted in December 2006. Salary dollars in each service center may not reflect the budgeted FTE count for that service center.
- * Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**GENERAL COUNSEL****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	635,993	672,142	730,110	57,969	8.62%
Administrative Expenses	29,843	27,323	26,073	-1,250	-4.57%
Professional Services	1,281,112	1,200,000	2,400,000	1,200,000	100.00%
Utilities	486	450	450	0	0.00%
Operating Services/Expenses	227	638	938	300	47.02%
Other	823	0	0		
Total Budget	1,948,485	1,900,553	3,157,571	1,257,019	66.14%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	8	8	8

RESPONSIBILITY/FUNCTION

The General Counsel's Office is responsible for providing legal advice and representation to the Commission on legal matters, preparing legal documents and monitoring/coordinating outside legal counsel.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Professional Services	Projected to increase as a result of airline bankruptcy filings and noise related litigation.

2005 PROGRESS REPORT

Objective	Measurement	Results
Provide legal advice to all MAC management employees (supervisors, managers, directors, senior staff) and MAC Commissioners.	Provide timely legal advice.	Researched legal issues as requested by MAC Departments and MAC Commissioners. Addressed airline issues (Northwest Airlines Bankruptcy, 2020 Plan, Part 150 Program, recruiting new airlines for Humphrey Terminal, updating competition plan). Researched various issues as requested by CMAA and Reliever Airports. Attended RAAC meetings. Successfully completed collection and eviction legal work as requested by CMAA and Reliever Airports. Reviewed and analyzed property tax statements from several counties. Advised and participated in Non-Felony Prosecution RFQ.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**GENERAL COUNSEL****2005 PROGRESS REPORT**

Objective	Measurement	Results
Draft, negotiate and/or review documents (e.g., leases, ordinances) for all MAC management employees, especially CMAA, Relievers, Airport Development, Police, Fire, Purchasing, Landside, MAC Commissioners, ACI.	Provide opportunity for meaningful input from various sources.	Advised Finance Department regarding G.O. 15 collateral requirements. Provided assistance to CMAA and Reliever Airports in drafting and adopting ordinances, leases and agreements, including: Taxicab Ordinance, Ground Rent Ordinance, Concession Agreements, Loading Dock Agreement and numerous miscellaneous agreements. Completed Lease, Joint Powers Agreement and other documents for the MAC-Anoka County Northwest Building Area development project. Completed property acquisitions to facilitate Runway 17-35 construction (purchase and condemnation). Continued working with Landside (Taxicab Ordinance No. 102, Commercial Vehicles, Taxicab Permit Fee). Continued working with Transportation Safety Agency (TSA) to implement ongoing security regulations.
Represent (actual or potential litigation, administrative hearings, proposed legislation or regulations, misc. commercial or other legal claims) MAC and all MAC employees (primarily management employees) and MAC Commissioners.	Successful legal representation and participation.	Behrends v. MAC - successful settlement of human rights lawsuit. Cities of Minneapolis, Eagan, Richfield and Minneapolis Public Housing Authority v. MAC - ongoing litigation. City of Bloomington Request for Supplemental EIS - ongoing. Wiencke, et al v. MAC - ongoing litigation. Caswell v. City of Bloomington - ongoing litigation. City of Bloomington v. MAC - ongoing litigation. Interstate Companies v. MAC, et al - ongoing litigation. AMFA v. MAC - ongoing litigation. Taxicab Hearings/Security Hearings - ongoing. Human Rights Complaints - ongoing. Workers Compensation Issues - ongoing. Various bankruptcies (e.g., Northwest Airlines, Mesaba Airlines, Delta Airlines, United Airlines, US Airways Airlines) - ongoing. Advised Environment Department with respect to ongoing environmental issues at MSP and reliever airports. Laxman Sundae v. MAC - successful defense in Court of Appeals. MAC v. Xcel Energy - ongoing litigation.
Respond to Data Practices Act requests.	Respond in a timely manner.	Responded to numerous data requests. Provided legal advice on numerous data issues. Researched classification of data. Attended Data Practices Committee meetings.
Maintain proficiency in all areas of airport law through attendance at seminars and participation in appropriate trade organizations.	A legal staff with the expertise required to respond to the legal counsel needs of the organization.	Attended seminars and participated in trade organizations.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

GENERAL COUNSEL

2006 PROGRESS REPORT

Objective	Measurement	Results
Provide legal advice to all MAC management employees (supervisors, managers, directors, senior staff) and MAC Commissioners.	Provide research and advice when requested. Complete in timely manner.	Researched legal issues as requested by MAC Departments and MAC Commissioners. Addressed airline issues (Northwest Airlines Bankruptcy, 2020 Plan, Part 150 Progra, recruiting new airlines for Humphrey Terminal, updated competition plan). Advised on St. Paul Floodwall issues. Researched various issues as requested by CMAA and Reliever Airports. Attended RAAC meetings. Advised and prepared collections and evictions as requested by CMAA, Reliever Airports and Finance. Reviewed and analyzed property tax statements. Managed MSP Minimum Landing Fee Research and Proposal. Provided research, advice, and drafting regarding Task Force recommendations.
Draft, negotiate and/or review documents (e.g., leases, ordinances) for all MAC management employees, especially CMAA, Relievers, Airport Development, Police, Fire, Purchasing, Landside, MAC Commissioners, ACI.	Complete in timely manner.	Advised Finance Department regarding G.O. 15 collateral requirements. Provided assistance to CMAA and Reliever Airports in drafting and adopting ordinances, leases, agreements, and Requests For Proposals including: Taxicab Ordinance, Ground Rent Ordinance, AOA Driving Ordinance, Concession Agreements, Loading Dock Agreement, Anoka FBO RFP, Lease Amendments, Concession Amendments and numerous miscellaneous agreements. Completed First and Second Amendments to the Joint Powers Agreement and Anoka/MAC Northwest Building Area Lease and Development Agreement. Completed property acquisitions to facilitate Runway 17-35 construction (purchase and condemnation). Continued working with Landside (Taxicab Ordinance No. 104, Commercial Vehicles, Taxicab Permit Fee, refusal of service issue, legal research). Monitor Transportation Security Administration (TSA) to implement ongoing security regulations.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

GENERAL COUNSEL

2006 PROGRESS REPORT

Objective	Measurement	Results
Represent (actual or potential litigation, administrative hearings, proposed legislation or regulations, misc. commercial or other legal claims) MAC and all MAC employees, primarily management employees, and MAC Commissioners.	Provide representation when needed. Complete in timely manner.	Advised Environment Department with respect to ongoing environmental issues at MSP and reliever airports. Heide v. FAA - monitoring of ongoing activity. MAC v. Xcel Energy - ongoing litigation. City of Minneapolis, et al v. MAC - Parties moved for summary judgment hearing; currently awaiting judge's decision. City of Bloomington Request for Supplemental EIS - Summary judgment was granted in favor of MAC. Wiencke, et al v. MAC - Summary judgment motion hearing scheduled for February 2007, with trial currently scheduled for May 2007. Caswell v. City of Bloomington - Motion for summary judgment granted. Currently on appeal. City of Bloomington v. MAC - dismissed. Interstate Companies v. MAC, et al - Summary judgment was granted in favor of MAC. MAC v. AMFA individuals - settled. Van Balen v. MAC - Settled at no cost to MAC. Pursuit of attorneys' fees ongoing. SKB Environmental v. MAC - Summary judgment was granted in favor of MAC. Pursuit of attorneys' fees ongoing. Hertel v. MAC - Motion for summary judgment for Hertel granted. Crossroads Aviation v. MAC - Trial scheduled in 2007. Taxicab Hearings/Security Hearings - ongoing. Human Rights Complaints - No new complaints in 2006. MAC received determination of no probable cause in one outstanding complaint. Various bankruptcies (e.g., Northwest Airlines, Mesaba Airlines, Delta Airlines, United Airlines, USAirways Airlines) - ongoing. Represented MAC in legal disputes with airlines.
Respond to Data Practices Act Requests.	Respond in timely manner.	Responded to numerous data requests. Provided legal advice on numerous data issues. Researched classification of data. Attended Data Practices Committee meetings.
Maintain proficiency in all areas of airport law through attendance at seminars and participation in appropriate trade organizations.	Proficiency in all areas of airport law.	Attendance at seminars and participation in trade organizations.
Represent MAC on outside boards, commissions and task forces, directly bringing visibility and influence to MAC's efforts.	Visibility and influence to MAC's efforts.	Attended ACI Legal Committee meetings. Attended IMLA conference.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**GENERAL COUNSEL****2007 OBJECTIVES**

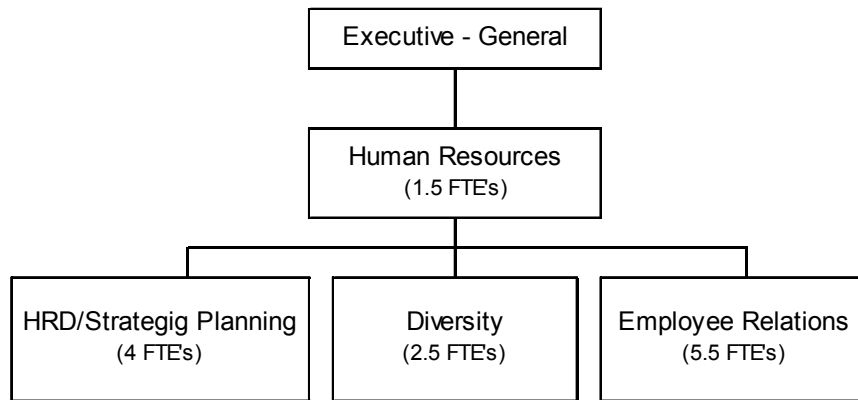
Objective	Expected Results
Represent MAC on outside boards, commissions and task forces, directly bringing visibility and influence to MAC's efforts.	Visibility and influence to MAC's efforts.
Maintain proficiency in all areas of airport law through attendance at seminars and participation in appropriate trade organizations.	Proficiency in all areas of airport law.
Respond to Data Practices Act requests.	Respond in a timely manner.
Represent (actual or potential litigation, administrative hearings, proposed legislation or regulations, misc. commercial or other legal claims) MAC and all MAC employees (primarily management employees) and MAC Commissioners.	Provide representation when needed. Complete in timely manner.
Draft, negotiate and/or review documents (e.g., leases, ordinances) for all MAC management employees, especially CMAA, Relievers, Airport Development, Police, Fire, Purchasing, Landside, MAC Commissioners, ACI.	Complete in timely manner.
Provide legal advice to all MAC management employees (supervisors, managers, directors, senior staff) and MAC Commissioners.	Provide research and advice when requested. Complete in timely manner.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

Human Resources Division



SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

Notations to Service Center Summaries:

- * Variance (dollars and %) is computed between 2006 Budget and 2007 Budget
- * The explanation for the variances is based upon the 2006 Budget and 2007 Budget
- * FTE's as stated in each service center are as budgeted in December 2006. Salary dollars in each service center may not reflect the budgeted FTE count for that service center.
- * Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**HUMAN RESOURCES****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	136,634	149,929	150,950	1,021	0.68%
Administrative Expenses	10,922	8,994	9,688	694	7.72%
Professional Services	27,270	163,214	150,000	-13,214	-8.10%
Utilities		50	100	50	100.00%
Operating Services/Expenses	310	0	0		
Maintenance		0	0		
Other		0	0		
Total Budget	175,135	322,187	310,738	-11,449	-3.55%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	1.5	1.5	1.5

RESPONSIBILITY/FUNCTION

MAC's Human Resources Division facilitates the continuation of MAC as a high performing organization where employees experience excellence in leadership, challenging work, opportunities for growth and development while being rewarded competitively. This area is responsible for the oversight and management of human resources, products and services delivered by Employee Relations, Human Resource Development & Workforce Planning and the Office of Diversity. This division facilitates MAC's strategic planning and departmental planning processes. Each of these areas has a separate budget and is detailed later in this section.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Personnel adjustments reflect the reinstatement of a position forfeited following budget cuts related to 9/11. Personnel increases are attributable to wage structure adjustments and step increases.
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2005 PROGRESS REPORT

Objective	Measurement	Results
Oversee and direct the strategic planning process for the organization.	MAC's Five Year Strategic Plan is updated to reflect years 2006 through 2010.	Facilitation of MAC's Five Year Strategic Plan was completed with the Plan being updated for 2006-2010. Organizational planning software was updated to reflect the Plan.
Facilitate the re-instatement of in-house training for employees.	Supervisory and management training is delivered to meet the organization's needs.	A series of supervisory and management training was provided to staff in 2005. Additional training is planned for 2006.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**HUMAN RESOURCES****2005 PROGRESS REPORT**

Objective	Measurement	Results
Strengthen HR services to improve customer service to the organization.	Continue to develop broad based skills and streamlined processes to improve customer service to the organization. Complete the transition of the HR Division structure in anticipation of turnover. Strengthen HR's capability to access valid HRIS data.	The HR Division was re-structured following the retirement of a long term employee and cross-training of staff continued throughout 2005. JDE training on the HR module was delivered to the division staff resulting in improved HRIS capabilities. Work continues on strengthening the partnership between HR and Risk Management on the administration of workers compensation and employee health insurance benefits to employees.
Oversee succession planning for the organization.	A succession plan is in place with recruitment strategies for anticipated turnover at executive levels and other key positions through 2007.	Documentation of succession planning options was completed for the Executive Director and included various recruitment strategies for executive level positions in anticipation of turnover due to retirement eligibility. A search firm has been selected to work with staff on various openings as they occur.
Oversee the development and facilitation of MAC's 3 year workforce strategy.	A 3 year workforce plan is in place for 2005 through 2007.	MAC's 3 year workforce plan continues to evolve as departments improve their ability to project their 2-3 year workforce needs. HR continues to partner with the leadership of all departments to fill their current needs and to assess their upcoming workloads.
Oversee the update of MAC's Affirmative Action Plan for 2006-2008.	Approval of MAC's AA plan.	A draft Affirmative Action Plan for 2006-2008 was completed and will be presented to the Commission for approval in January 2006. The plan includes various initiatives in addition to an analysis of hiring goals for the organization.

2006 PROGRESS REPORT

Objective	Measurement	Results
Oversee and direct the strategic planning process for the organization.	MAC's Five Year Strategic Plan is updated to reflect years 2007 through 2011.	MAC's Five Year Plan has been updated with adjustments made as necessary, including refinement of key success measures.
Oversee staffing management plan to prepare for and facilitate executive transitions.	A transition plan is in place with recruitment strategies for anticipated turnover at executive levels and other key positions through 2008.	Potential retirements have been identified with emphasis on recruitment strategies as turnover occurs..
Oversee the development and facilitation of MAC's 3 year workforce strategy.	A 3 year workforce plan is in place for 2007 through 2009.	Workforce planning discussions were completed; departments are beginning to focus their planning beyond the one year horizon.
Facilitate creation of a leadership development program.	Leadership development process defined and in the first phase of implementation by the end of the year.	Based on organizational readiness, emphasis has been shifted from leadership development to management development as a priority for 2007.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**HUMAN RESOURCES****2006 PROGRESS REPORT**

Objective	Measurement	Results
Partner with Finance and Administrative Services to transition and integrate Human Resources and Administrative Services policy manuals into one reference document.	Easily accessible manual that combines HR and Administrative policies using standardized format, distribution and communication schedules.	This objective was re-directed.
Partner with Finance and Operations Departments to develop workforce contingency plans.	Best case, worst case and most likely workforce contingency plans in place.	Contingency discussions have been integrated into on-going prioritization of workforce needs.

2007 OBJECTIVES

Objective	Expected Results
Oversee the updating of HR Policy Manual.	HR Policies are reviewed, approved changes are distributed and education is provided to MAC management.
Further integrate strategic planning and budgeting processes.	System captures projected departmental plans, workforce plans and budget requests.
Reinstate employee programs and benefits, as feasible as budgets permit.	Focus on employee development is increased and reinstated employee programs are operationally effective. Policies are adjusted, as needed.
Work with the Executive Director to transition the leadership of the organization as anticipated retirements occur.	MAC continues as a high performing organization through the leadership transition with a review of business and organizational structures as needed.
Enhance HR's communication and feedback systems.	Organizational management and information tools are enhanced.
Upgrade HR technology and HRIS system.	Hardware and software upgrades in place to facilitate improved services.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**HRD/STRATEGIC PLANNING****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	298,101	363,269	382,264	18,995	5.23%
Administrative Expenses	35,486	8,654	9,425	771	8.91%
Professional Services	31,556	27,000	27,000	0	0.00%
Utilities	32	0	0	0	0.00%
Operating Services/Expenses	3,998	2,521	2,521	0	0.00%
Maintenance		0	0	0	0.00%
Other	966	3,200	3,200	0	0.00%
Total Budget	370,138	404,644	424,410	19,766	4.88%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	4	4	4

RESPONSIBILITY/FUNCTION

Employees in this department facilitate high performance in the organization by:

- Facilitation of the organizational strategic planning process
- Assessing learning and development needs
- Identifying resources that positively impact performance
- Influencing the development of policies and systems
- Facilitating process improvement initiatives
- Providing training that addresses organization-wide needs
- Workforce Planning
- Succession Planning
- Career Development
- Performance Leadership process administration

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Most of the increase is caused by funding for the tuition reimbursement program and transfer of headcount from Employee Relations to HRD. Personnel increases are attributable to wage structure adjustments and step increases.
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2005 PROGRESS REPORT

Objective	Measurement	Results
Develop plan and propose recruitment strategies for anticipated turnover at executive levels of the organization.	Executive level recruitment strategies identified.	Executive level exit forecast was completed. Recruitment strategies have been developed including identifying target markets, developing leadership job profiles, and engaging a search firm.
Develop 3 year staffing forecast.	Identify changing business needs for employee talent. Three year staffing forecast in place.	Workforce needs assessment developed. A one year staffing forecast is in place. Developed and implemented "Talent Finder" recruiting plan and strategies. Development of the workforce plan will continue in 2006.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**HRD/STRATEGIC PLANNING****2005 PROGRESS REPORT**

Objective	Measurement	Results
Reinstate supervisory management and leadership development programs.	Supervisory management and leadership development programs implemented.	Eight Supervisory Management training programs were presented in 2005. Evaluations were overwhelmingly positive. We plan to continue to offer Supervisory Management training in 2006.
Facilitate the development of 3 year department plans.	Template for business plans established and implementation begun.	Three year department planning using a consistent model was introduced in the Fire Department. Progress has been slow due to conflicts in their schedule.
Increase HR efficiencies through the expanded use of JDE and Org Publisher by implementing a JDE users group.	HR capabilities and skill in the use of JDE will be expanded. Org Publisher management reports will be available to all HR managers.	JDE training for HR personnel was brought in-house. The JDE Implementation team is meeting regularly. Our goal is to have Position Control fully functional and accurate by the end of the year. We will continue to meet in 2006. Org Publisher requires Position Control so we will not be able to complete implementation until 2006.

2006 PROGRESS REPORT

Objective	Measurement	Results
Design and implement first phase of Leadership Development program.	1. Ongoing Leadership Development program designed and approved. 2. A minimum of three formal development events implemented in 2006. 3. Action plan for 2007 developed.	Leadership Development planning group was formed and various options for design of a leadership development program were explored. Three outside leadership development seminars were sponsored by HRD. Emphasis has changed from leadership development to management development for 2007.
Increase efficiency by fully implementing Org Publisher.	Organizational charts available in the MAC intranet with data linked to position control in JDE.	A JDE/Org Publisher implementation team was established and met on a regular basis. JDE data was updated with field definitions and movement of information to the position control portion of the program. These where necessary steps before Org Publisher could be fully implemented. Full implementation will come in 2007.
To provide executives and managers with the tools to prepare for and facilitate management transitions within their organizations.	A staffing management tool kit in place for directors and managers to facilitate readiness and business continuity planning for future management transitions. Policy recommendations developed for organization-wide management development and transition planning, including options for implementing career development and mobility assignments.	Workforce planning sessions conducted with upper management for general planning and transition-specific planning that included organization charts, retirement eligibility forecasts, performance leadership information, and employee and leader career phase identification. Toolkit projected deferred for other priorities. Will use guidelines versus formal policy for management and transition planning. Career development and mobility assignment guidelines created and implemented on a case-specific basis.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**HRD/STRATEGIC PLANNING****2006 PROGRESS REPORT**

Objective	Measurement	Results
Develop and implement diversity recruiting strategies.	A cross selection of MAC employees trained as diversity representatives for employee interview panels. Expand community organization list with professional associations representing underutilized groups. Identify and implement internship opportunities through community organizations for entry-level work and future workforce development.	MAC employees identified as diversity representatives for panel interviews. Just-in-time training materials developed and delivered. Training materials developed and included and manager/supervisor hiring training workshop. Professional associations continue to be added to community organizations career marketing distribution list. Internship opportunities identified; lack of staff resources deferred project.
Partner with CMAA in the development of airport-wide recruitment and employment strategies.	MAC core competencies integrated with airport-wide customer service competencies. Airport-wide job fair conducted. On-line application tool identified and recommended with the airport community.	Partnership created with airport concessionnaires. On-line application tool identified within concessions marketing community and at MAC for informal adoption. Centralized on-line system planning to continue in 2007. Airport-wide job fair was discounted based on past job fair results. Core competencies models provided to concessionnaires.
Update policies and procedures to enhance customer service.	Policy recommendation developed for filling long term vacancies. Recommend a process to integrate job reclassifications with workforce planning strategies.	Long-term vacancy issues assessed. Options for managing long-term vacancies drafted; next step is to integrate with budgeting and planning system. Routing processing implemented to integrate job reclassifications with workforce planning strategies; team review process planned for 2007.
Partner with MAC IS to identify and recommend an on-line applicant management system.	On-line applicant management system recommendation developed for implementation in 2007.	On-line applicant management system was purchased and training completed in 2006. The system will be piloted in the first quarter of 2007 and phase I will be fully-operational in the first half of 2007.

2007 OBJECTIVES

Objective	Expected Results
Increase efficiency by fully implementing Org Publisher.	Real time organizational charts linked to JDE are available on HR's intranet page.
Implement organization-wide performance review practices.	100% of employees have a current performance review on file in Human Resources.
Streamline workforce planning and position request processes. Strengthen integration with planning and budgeting software and processes.	Annual workforce plans are in place by division; temporary employee requests are streamlined. Timelines are jointly planned, defined and implemented by HR and F&AS staff.
Establish oartnerships to improve recruiting and hiring results with increased number of qualified candidates and stronger diversity mix of applicant pools.	Recruiting activites coordinated and leveraged with MAC tenants.
Assess, define and implement standardized Knowledge Skills and Abilities (KSA) definitions by job family.	Information is compiled to enhance job descriptions and screening processes.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**HRD/STRATEGIC PLANNING****2007 OBJECTIVES**

Objective	Expected Results
Capture and assess customer satisfaction feedback on hiring and orientation process.	Satisfaction survey implemented with summary data captured to support process improvements.
Pilot and implement on-line recruiting and application management system.	On-line recruiting and application management system is operational to enhance applicant pools and enhance communication with applicants.
Partners with division management to expand transition workforce planning to mid-level positions throughout the organization.	Mid-level transition plans in place for all major business units.
Develop and implement the 2007 training plan.	Training plan and calendar developed and implemented.
Facilitate completion of three year business plans to support organization's direction.	Resources for the development of three year business plans provided to departments.
Facilitate the development of a leadership development advisory group.	Leadership development advisory group formed and steps in a leadership development process defined.

2008 - 2011 LONG TERM OBJECTIVES

Objective	Expected Results
Expand leadership development program to supervisory level.	System for developing leaders at all levels of the organization.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**DIVERSITY****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	200,731	203,681	209,791	6,110	3.00%
Administrative Expenses	11,234	9,360	15,242	5,882	62.84%
Professional Services	1,298	4,000	2,000	-2,000	-50.00%
Utilities		0	0		
Operating Services/Expenses	11,850	9,634	8,134	-1,500	-15.57%
Other		0	0		
Total Budget	225,113	226,675	235,167	8,492	3.75%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	2.5	2.5	2.5

RESPONSIBILITY/FUNCTION

The Human Resources Office of Diversity is responsible for MAC's contract compliance for the Targeted Group Business (TGB) Program mandated by the State of Minnesota and the USDOT/FAA Disadvantaged Business Enterprise (DBE) Program mandated by the federal government. These affirmative action programs provide opportunities for small businesses owned by women, minorities and disabled persons to have access to participate in MAC construction, procurement, airport concessions, and consulting economic opportunities.

The Diversity Manager is MAC's designated Affirmative Action Officer (AAO) and DBE Liaison with responsibilities for monitoring equal employment opportunity in hiring promotions and for diversity related training. The AAO investigates and works to resolve internal employee discrimination complaints pursuant to the MAC Affirmative Action Plan.

The Small Business Liaison is responsible for TGB And DBE contract compliance administration and community relations activities.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	The HR Office of Diversity is staffed by two FTE. The staff was reduced by one FTE in 2006 and responsibilities for contract compliance were assigned to one FTE. There are no additional staff requests for 2007. Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	The MAC Office of Diversity will require funding for travel expenses related to the ACI Business Diversity Committee. MAC staff is expected to become Committee Chair in 2007. The MAC staff is currently serving and Vice-Chair. This increase in administration funding is for travel to four national ACI meetings in 2007.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**DIVERSITY****2005 PROGRESS REPORT**

Objective	Measurement	Results
Improve MAC's Diversity Recruitment Strategies.	Recruitment of a diverse work force. Show improvement on MAC's AA hiring to increase the number of women and minorities, disabled employees at MAC.	An end of year hiring report will be prepared in January 2006. Images ad minority recruitment campaign was executed in 2005. Job Fair outreach was executed for 2005 by MAC Affirmative Action Officer. Outreach project for FMW resulted in two females and one minority hire. MAC HR diversity staff maintained a positive relationship with key protected class organizations. A MAC Workforce analysis was completed in 2005 for new AA hiring goals. A turnover report was conducted by the Affirmative Action Officer with special attention to protected class groups. Recommendations for hiring process improvement were made in 2005.
Ensure contract compliance and regulatory reporting for MAC's Disadvantaged Business Enterprise Program (DBE) and Target Group Business(TGB) Program. Support for the Uniform Certification Program and collaboration with MN DOT and Met Council Staff.	Achievement of the participation goals set for TGB and DBE program including DBE goals set for MAC's Airport Concessions Program. Maintain a positive working relationship with UCP agencies and processing of DBE certification applications plus related outreach, on site reviews and working with the DBE and TGB community.	Submitted TGB and DBE contract compliance reports. Submitted new DBE program goals. Will submit FY 2005-2006 DBE Concession Goal and FY 2004 and 2005 DBE Concession accomplishment reports in early 2006. Will also submit new DBE Construction program DBE goals for calendar year 2006. Attended National Association of Minority Contractors and Association of Women Contractors meetings in 2005. Recommended certification re-certification for 56 DBE firms. Reported an increase to 5.2% in TGB program participation for FY 2004 FY2005 representing over \$2M. MAC 's DBE Program for airport concessions reported over \$21M in DBE revenues. The DBE construction program report for calendar year 2005 will be completed in February 2006.
Maintain a harassment /discrimination free work place for MAC employees.	Number of internal EEO matters resolved, number of MAC employees trained, and articles written to promote a harassment free work place.	Provided Preventing Workplace Harassment training to field maintenance staff, including some of the Reliever Airport staff. MAC policies on workplace harassment were a part of all new MAC employees hired in 2005 as a part of New Employee Orientation and New Employee Orientation Group 2. Three EEO internal complaints where investigated. All three complaints were resolved. Provide opportunities for MAC staff to attend diversity training opportunities. Sponsored Multicultural Forum Conference for 13 MAC employees.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**DIVERSITY****2005 PROGRESS REPORT**

Objective	Measurement	Results
Amend MAC's AA Plan for 2006-2008. Set new AA hiring goals.	Approval of MAC's AA Plan for 2006-2008.	The MAC's proposed 2006-2008 Affirmative Action Plan as amended and approved by the Commission in January 2006.

2006 PROGRESS REPORT

Objective	Measurement	Results
Develops manages, implements the effectiveness of the MAC' affirmative action policies and contract compliance activities. Provide leadership in to increase awareness of workforce diversity.	Increase the number of women, minorities and disabled representation on MAC staff. Engage in community outreach activities for protected class groups to maintain a positive work relationships between MAC and community groups. Provide diversity training opportunities to MAC staff. Implement new regulatory changes for MAC affirmative action compliance programs. Present Prevent Workplace Harassment training to MAC staff.	In 2006 staff conducted staff training for Preventing Workplace Harassment for the MAC Police Department and this training was video taped for use for new employees. Preventing Harassment training was also conducted for over 100 field maintenance staff. A class for MAC Managers and Supervisors on Preventing Workplace Harassment was also provided. MAC Office of Diversity staff participated in several community job fairs and mentored clients at community organizations to encourage protected class persons to compete for MAC job opportunities.
Manage contract compliance for MAC's Disadvantaged Enterprise Program and Target Group Business Program. Create strategies to increase the use of TGB and DBE firms in supplies, services and goods procured.	TGB program goal 3.5%, for FY 2005-2006 DBE Program goal for airport concessions will be an estimated 10% of revenues FY 2005-2006 DBE Program goal for airport construction projects will be set at an estimated 17%, for calendar year 2006	MAC TGB program accomplished and reported 2.8% TGB participation. DBE Program Airport Concessions Disadvantaged Business Enterprise (ACDBE) goals for FY 2005-2006 was 20% and MAC accomplished and reported 22.2%. MAC exceeded the ACDBE goal DBE Program goal for MAC construction for calendar year 2006 is pending end of year. This report will not be available until January 2007. The DBE construction goals is expected to be met or exceeded.

2007 OBJECTIVES

Objective	Expected Results
Manage the MAC contract compliance for the Targeted Group Business Program and Disadvantaged Business Enterprise. Maintain customer base and agency base relationships for DBE certification and problem resolutions.	For FY 2006-2007: TGB goal is 3.0% of construction, supplies and consultants contracts. DBE goal is 20% of airport concessions revenues. For calendar year 2007: DBE construction goal is 15%.
Prepare the proposed 2008-2010 MAC Affirmative Action Plan.	The MAC 2008-2010 AAP submitted to the Commission and the Minnesota Department of Employee Relations for review and approval in the first quarter of 2008.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**EMPLOYEE RELATIONS****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	353,444	443,636	424,178	-19,458	-4.39%
Administrative Expenses	11,147	3,273	26,520	23,247	710.27%
Professional Services	64,879	67,290	77,500	10,210	15.17%
Utilities	230	0	250	250	100.00%
Operating Services/Expenses	26,287	29,366	37,500	8,134	27.70%
Maintenance		0	0		
Other	50	0	0		
Total Budget	456,037	543,565	565,948	22,383	4.12%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	5.5	6	5.5

RESPONSIBILITY/FUNCTION

Employee Relations staff are responsible for: 1) the administration of compensation and benefits services for employees and retirees; 2) maintaining all personnel data, files and the HRIS system; 3) development, maintenance and distribution of personnel policies and management reports; 4) counseling employees with regard to benefit options and HR policies and practices; and 5) working with supervisors and leaders to strengthen skills related to employee relations issues.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	Expense intended to ensure market competitiveness with technical recruitment tools, increase speed of applicant communication to MAC, and improved quality of recruitment tracking information. Additional expenses related to minimal travel expenses, annual membership dues to human resources organizations and information through subscription, and printing charges for various HR internal publications.
Professional Services	Expenses for consulting services in areas of recruitment assessment, employee relations, compensation administration and employee benefits administration. Common costs associated customized wage/salary and benefit surveying activity in areas lacking in available, reliable data; psychologist services and medical examination services for specific employee relations problems.
Operating Services/Expenses	Expenses related to expanded electronic advertising along with expenses related to attendance at more diversity job fairs.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

EMPLOYEE RELATIONS

2005 PROGRESS REPORT

Objective	Measurement	Results
Maintain a competitive benefits package and wage structure.	MAC is able to attract and retain a high quality workforce.	The employee benefit offering was updated, approved by the Commission and communicated to all employees. The salary structure for non-organized was approved by the Commission and competitively adjusted by 3% for 2006.
Strengthen Human Resources service delivery skill as employee retirement actions occur.	Acquire highly skilled, superior performing HR professional resource to deliver generalist services.	Successfully attracted an excellent employee to the Employee Relations Department who possesses the skill and experience in the public sector that is having an immediate, positive impact on employee relations department operations.
Consult with MAC managers and supervisors to strengthen people management knowledge and skill.	Managers and supervisors achieve business objectives without employee relations problems or unusual turnover of high-level performing employees.	Successfully coached/consulted with MAC managers and supervisors in resolving employee relations issues, including four difficult involuntary termination issues.
Deliver general compensation, benefits and employee relations services to all MAC organizations.	Solicited feedback from employees and managers/supervisors indicating service value and quality is positively impacting MAC achieving business objectives.	The Employee Relations Department staff delivered all scheduled, approved salary actions to both organized and non-organized employees. The Senior HR Generalist administered all insurance plans for current employees and retirees and successfully completed the open enrollment process for 2006 insurance enrollment. All Senior Generalists and the HR Specialist consulted with managers and supervisors regarding employee relations problems based upon approved HR policies and procedures.
Expand merit pay delivery system to all exempt employees.	Improve alignment/flexibility of compensation delivery system to performance review process.	Objective not achieved due to continuing development of the performance feedback process as a sound foundation for increased merit pay plan implementation.
Improve usefulness of JD Edwards software as Human Resources productivity tool.	More efficient data manipulation and more useful information regarding benefits administration.	The Employee Relations Department staff attended concentrated JD Edwards training and have assisted with data cleanup and the implementation of improved data input processes in order to make JD Edwards a more productive tool. Reports and data are now more accurate tools.
Expand capability of outreach offices as full-service Human Resources consultative service providers.	Solicited feedback from employees and managers/supervisors indicating service quality and value is positively impacting the accomplishment of department and MAC goals.	Continued to maintain the employee relations presence at the Airport Director's Office as a full-service function. Office status and strategy will be reviewed in 2006.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

EMPLOYEE RELATIONS**2006 PROGRESS REPORT**

Objective	Measurement	Results
Solidify a competitive benefits package and wage structure.	MAC is able to attract and retain a high quality workforce.	Workforce remains stable in part due to maintaining a competitive wage/salary structure and employee benefit package. Combined package remains an effective tool for attracting talent and skill. All 2006 adjustments to the wage/salary structure and the employee benefit package were competitive, yet conservative relative to market.
Expand merit pay delivery system to all exempt employees.	Improve alignment/flexibility of compensation delivery system to performance review process.	Performance review now required annually in 2007 for all employees as a step toward establishing objective information supporting an expanded merit pay delivery system.
Expand capability of outreach offices as full-service Human Resources consultative service providers.	Solicited feedback from employees and managers/supervisors indicating service quality and value is positively impacting the accomplishment of department and MAC goals.	Feedback from managers/supervisors and employees at both the Field Maintenance building and Airport Director's office are highly supportive of HR staff presence. Offices continue to offer full HR services and provide easy access for employee consultation.
Audit all policies and procedures in the HR Policy and Procedure Guide and re-distribute to all managers and supervisors. Add a "Most Frequently Used Policy and Procedure Guide".	The distribution of the Guide and Most Frequently Used Addendum to all managers and supervisors will more independently manage employee relations problems in support of achieving business objectives.	HR policy and procedure audit initiated and continues into 2007. First policy statements to be reviewed by Commission in January, 2007, with remainder of policy changes to be reviewed throughout 2007 as they are completed.
Establish and publish a performance management policy.	Managers and supervisors increase number of performance reviews completed for all performance levels.	Annual performance review activity now required of all employees. An accompanying performance review executive direction has been issued for 2007 implementation.

2007 OBJECTIVES

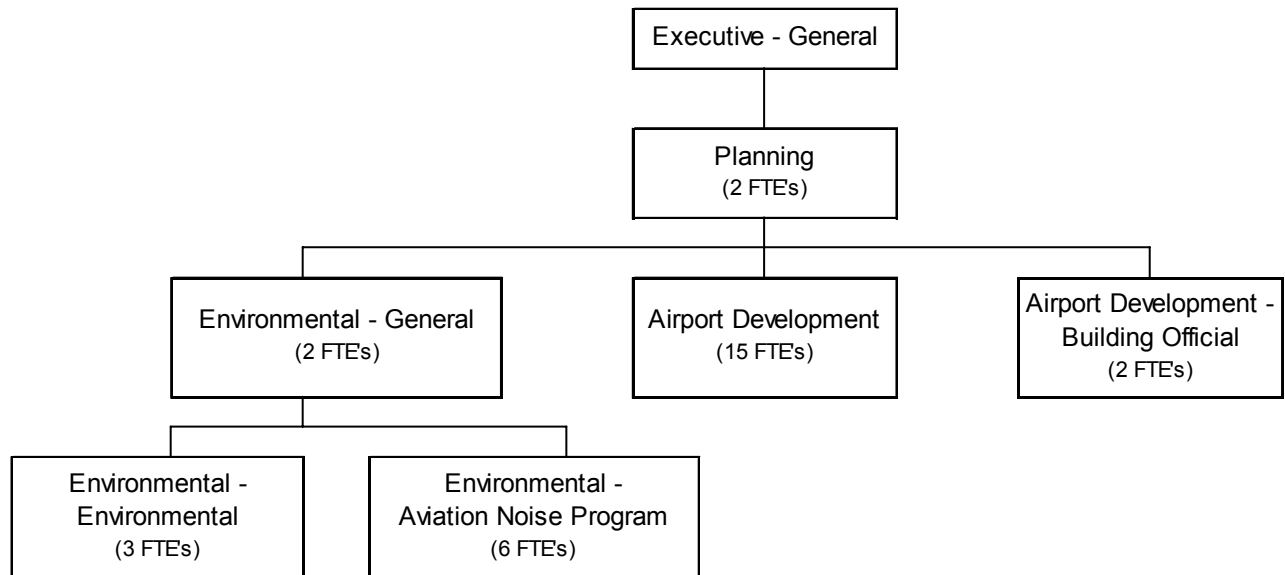
Objective	Expected Results
Enhance communication and management tools for supervisors.	Develop, deliver and enhance quarterly management reports.
Strengthen HR outreach offices throughout the organization.	Services delivered to departments in Maintenance and at the ADO are effectively delivered with strong communication and coordination between departments served and Employee Relations.
Increase and enhance effectiveness of partnership with Risk Management	Strengthen the two-way coordination and communication of benefits administration, worker compensation administration, safety meetings, third party administration to close the gaps between Risk and HR.
Enhance communication and education on benefits for employees.	Educational sessions and information delivered throughout the year. Benefit statements are made available. Regular articles are published in The HR Link. CCS delivers benefits mailings to employees. Electronic on-line enrollment becomes reality.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

Environment and Planning Division



SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

Notations to Service Center Summaries:

- * Variance (dollars and %) is computed between 2006 Budget and 2007 Budget
- * The explanation for the variances is based upon the 2006 Budget and 2007 Budget
- * FTE's as stated in each service center are as budgeted in December 2006. Salary dollars in each service center may not reflect the budgeted FTE count for that service center.
- * Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**PLANNING****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	176,063	179,465	193,527	14,062	7.84%
Administrative Expenses	7,344	7,818	11,712	3,894	49.81%
Professional Services	37,549	203,794	603,794	400,000	196.28%
Utilities	88	66	80	14	21.21%
Operating Services/Expenses	3,009	29,022	29,300	278	0.96%
Maintenance	0	0	0		
Other	0	0	0		
Total Budget	224,053	420,165	838,413	418,248	99.54%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	2	2	2

RESPONSIBILITY/FUNCTION

This area supervises property acquisition, planning, design, engineering and architecture, and construction of all Commission facilities, as well as all Commission related environmental issues including noise, air quality and water quality. Relationships with other local, State and Federal agencies are part of the overall responsibilities.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	Administrative Expenses have increased due to travel associated with the MSP LTCP Update and ACI participation.
Professional Services	Professional Services have increased due to the MSP LTCP Update to incorporate 2020 Development and Long Term Comprehensive Plan Updates and Airport Zoning for the Reliever Airports.

2005 PROGRESS REPORT

Objective	Measurement	Results
Develop annual Capital Improvement Plan.	Annual Capital Improvement Plan developed and approved by the Commission.	Completed.
Review existing projects for appropriate budgeting levels.	Appropriate budget levels for existing projects set and approved.	Completed.
Oversee Airport Development and Environment Activities.	Completion of individual Department Objectives.	Completed.
Complete property acquisition for Runway 17-35.	Property acquired.	One multi-family parcel and 7 single family units yet to be acquired.
Implement Part 150 Update following FAA approval.	Homes above 65 DNL insulated.	2007 contours accepted by FAA; single-family unit contracts awarded.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**PLANNING****2005 PROGRESS REPORT**

Objective	Measurement	Results
Oversee/Coordinate 2010 Plan implementation.	Projects awarded.	Continuing.
Review 2020 Vision proposal.	Implementation status of Phase 1.	Deferred by Commission.

2006 PROGRESS REPORT

Objective	Measurement	Results
Continue implementation of Part 150 Update.	Homes/multi-family units insulated.	Completed
Oversee Airport Development and Environment Activities.	Completion of Individual Department Objectives.	Completed
Oversee/Coordinate 2010 Plan Implementation.	Projects Awarded.	Completed
Develop Annual Capital Improvement Plan.	Annual Capital Improvement Plan developed and approved by the Commission.	Completed
Implement 2020 Plan.	Implementation status of Phase 1.	Deferred by Commission
Complete property acquisition for Runway 17-35.	Properties acquired.	Condemnation process still ongoing.
Support Legal Department in ongoing litigation.	Information Provided.	Completed
Update Long Term Comprehensive Plans for Lake Elmo, Crystal and Airlake Airports.	LTCP Completion.	Ongoing.
Implement Reliever Airport Safety Zoning.	Zoning Ordinance developed and adopted.	Process begun but not completed

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

PLANNING**2007 OBJECTIVES**

Objective	Expected Results
Update Long Term Comprehensive Plan for MSP.	LTCP Update Initiated.
Implement Reliever Airport Safety Zoning.	Zoning Ordinance developed and adopted.
Update Long Term Comprehensive Plans for St. Paul, Flying Cloud & Anoka County-Blaine Airports.	LTCP completion.
Support Legal Department in ongoing litigation.	Information provided.
Complete Property Acquisition for Runway 17-35.	Properties acquired.
Implement 2020 Plan.	Implementation status of Phase I.
Develop Annual Capital Improvement Plan.	Annual Capital Improvement Plan developed and approved by the Commission.
Oversee/Coordinate 2010 Plan implementation.	Projects awarded.
Oversee Airport Development and Environment activities.	Completion of individual department objectives.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**AIRPORT DEVELOPMENT/PART 150****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	438,229	509,976	411,581	-98,395	-19.29%
Administrative Expenses	26,948	50,194	57,000	6,806	13.56%
Professional Services	174,166	262,500	262,500	0	0.00%
Utilities	1,012	356	500	144	40.45%
Operating Services/Expenses	7,942	1,500	5,000	3,500	233.33%
Maintenance	0	0	0		
Other	13,862	200	0	-200	-100.00%
Total Budget	662,159	824,726	736,581	-88,145	-10.69%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	15	18	15

RESPONSIBILITY/FUNCTION

Airport Development supervises property acquisition, planning, design, engineering and architecture, and construction of all Commission facilities as well as all Commission-related environmental issues including noise and air and water quality. Relationships with other local, state, and federal agencies are a part of the overall responsibilities.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	Anticipated increase to computer, software, and special supplies as well as printing costs due to increased workload; anticipated increase in travel; increase to mileage reimbursement due to increased allowable amount per mile.
Utilities	Anticipated increase to personal cell phone reimbursement.
Operating Services/Expenses	Anticipated increase to general advertising due to legislature-mandated mailings regarding the Capital Improvement Program.

2005 PROGRESS REPORT

Objective	Measurement	Results
Participate in the ongoing review and development of the 2005 Landside CIP.	Ongoing.	Ongoing.
Participate in the ongoing review and development of the 2005 Airside CIP.	Ongoing.	Ongoing.
Implement the 2005 Landside CIP.	Complete 2005 CIP.	Landside 2005 CIP completed.
Implement the 2005 Airside CIP.	Complete 2005 CIP.	Airside CIP completed.
Develop 2006 Landside CIP.	Adoption of 2006 CIP.	Landside CIP adopted.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**AIRPORT DEVELOPMENT/PART 150****2005 PROGRESS REPORT**

Objective	Measurement	Results
Develop 2006 Airside CIP.	Adoption of 2006 CIP.	Airside CIP adopted.
Continue bringing Landside work "in-house" in lieu of using consultants where possible.	Number of projects/tasks transitioned to in-house.	Ongoing.
Continue bringing Airside work "in-house" in lieu of using consultants where possible.	Number of projects/tasks transitioned in-house.	Ongoing.
Manage all aspects of preparing and implementing the Commission's CIP for MSP and Reliever Airports.	Completion of 2005 CIP and administration of A/E services.	2005 CIP completed.
Administer CIP related property management acquisition/disposal.	Administration of property management.	Ongoing.
Evaluate, manage, and obtain federal and state aid on a variety of the Commission's CIP projects.	Number of and total value of federal and state aid applied for and received.	2005: 12 grants - \$28.5 million.
Develop and implement a records retention schedule for Airport Development.	Inventory of various documents and approved Records Retention Schedule for Airport Development.	Ongoing.

2006 PROGRESS REPORT

Objective	Measurement	Results
Participate in the ongoing review and development of the 2006 Landside CIP.	Ongoing.	Completed.
Participate in the ongoing review and development of the 2006 Airside CIP.	Ongoing.	Completed.
Implement the 2006 Landside CIP.	Complete 2006 CIP.	Substantially completed with a few projects to be completed in 2007.
Implement the 2006 Airside CIP.	Complete 2006 CIP.	Substantially completed with a few projects to be completed in 2007.
Develop 2007 Landside CIP.	Adoption of 2007 CIP.	Completed.
Develop 2007 Airside CIP.	Adoption of 2007 CIP.	Completed.
Manage all aspect of preparing and implementing the Commission's CIP for MSP and Reliever Airports.	Completion of 2006 CIP and administration of A/E services.	Ongoing with a few projects scheduled to be completed in 2007.
Administer CIP related property management acquisitions/disposal.	Administration of property management.	Substantially completed with pending condemnation/litigation resolution anticipated for 2007.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**AIRPORT DEVELOPMENT/PART 150****2006 PROGRESS REPORT**

Objective	Measurement	Results
Evaluate, manage, and obtain federal and state aid on a variety of the Commission's CIP projects.	Number of and total value of federal and state aid applied for and received.	Substantially completed with remaining reimbursements to be received in 2007.

2007 OBJECTIVES

Objective	Expected Results
Evaluate, manage, and obtain federal and state aid on a variety of the Commission's CIP projects.	Number of and total value of federal and state aid applied for and received.
Administer CIP related property management acquisitions/disposal.	Administration of property management.
Manage all aspects of preparing and implementing the Commission's CIP for MSP and Reliever Airports.	Completion of 2007 CIP and administration of A/E services.
Develop 2008 Airside CIP.	Adoption of 2008 CIP.
Develop 2008 Landside CIP.	Adoption of 2008 CIP.
Implement the 2007 Airside CIP.	Complete 2007 CIP.
Implement the 2007 Landside CIP.	Complete 2007 CIP.
Participate in the ongoing review and development of the 2007 Airside CIP.	Ongoing.
Participate in the ongoing review and development of 2007 Landside CIP.	Ongoing

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**AIRPORT DEVELOPMENT-BUILDING****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	137,975	142,352	145,473	3,122	2.19%
Administrative Expenses	806	16,478	16,915	437	2.65%
Professional Services	14,669	0	0	0	0.00%
Utilities		0	0	0	0.00%
Operating Services/Expenses		200	200	0	0.00%
Maintenance		0	0		
Other		0	0		
Total Budget	153,450	159,030	162,588	3,559	2.24%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	2	2	2

RESPONSIBILITY/FUNCTION

The Building Official/Office of Permits and Inspections Division of Airport Development is responsible for the overall administration of the Metropolitan Airports Commission Building Code Ordinance. The Building Official/Office of Permits and Inspections is directly accountable to the Deputy Executive Director - Planning and Environment.

The Building Official responsibilities include the application, administration, implementation and enforcement of the State of Minnesota Building Code and the Metropolitan Airports Commission Construction Standards and Procedures and Design Standards and Guidelines. This includes plan review, issuance of permits, inspections and retention of inspection history and building construction plans.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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2006 PROGRESS REPORT

Objective	Measurement	Results
Provide consistent and timely plan review, issuance of permits and the administration of the Minnesota state building code and the MAC Design and Construction Standards.	Review permit and inspection records to verify turnaround time on plan reviews and field inspections. Contact MAC staff and consultants regarding updates to the Design and Construction Standards.	<p>In 2006 the department processed 460 permits. Total fee amount collected was \$630,002.19. The majority of plans that were reviewed and permits that were processed took place within 10 to 14 days from the time the application was received.</p> <p>Inspections were conducted within 24 hours from the time the inspection was requested. In addition, twelve amendments to the MAC Design and Construction Standards were processed and an updated document will be available in January, 2007.</p>

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

AIRPORT DEVELOPMENT-BUILDING**2007 OBJECTIVES**

Objective	Expected Results
Compliance with the departments record retention schedule.	Review the department's files and plans monthly and follow the required retention schedule.
Provide consistent and timely plan review, issuance of permits and the administration of the Minnesota state building code and the MAC Design and Construction Standards.	Review permit and inspection records to verify turnaround time on plan reviews and field inspections. Contact MAC staff and consultants regarding updates to the Design and Construction Standards.

2008 - 2011 LONG TERM OBJECTIVES

Objective	Expected Results
Provide consistent and timely plan review, issuance of permits and the administration of the Minnesota state building code and the MAC Design and Construction Standards.	

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**ENVIRONMENT-GENERAL****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	193,689	154,230	155,203	973	0.63%
Administrative Expenses	12,235	8,514	20,600	12,086	141.95%
Professional Services	8,960	10,000	30,000	20,000	200.00%
Utilities	1,873	2,160	2,216	56	2.59%
Operating Services/Expenses	543	0	0		
Other	1,219	0	0		
Total Budget	218,519	174,904	208,019	33,115	18.93%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	2	2	2

RESPONSIBILITY/FUNCTION

The Department of Environment includes the Director of Environment and the department Administrative Assistant. The department is responsible for ensuring and maintaining environmental compliance with all state and federal environmental regulations at Commission-owned facilities. The Director supervises the Environmental Affairs and the Aviation Noise and Satellite Programs offices to implement environmental policies, which includes: environmental documentation for construction projects; assessing noise impacts and corrective measures; compliance activities for stormwater and soil management programs; underground and aboveground storage tank administration; air quality monitoring; hazardous waste management; pollution prevention programs; and environmental investigations and audits.

This office understands and is experienced with federal, state and local environmental regulations, rules and ordinances. This office maintains an effective working relationship with state and local units of government. This office's activities establish sound strategies to reduce environmental impacts.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	Administrative increases are attributable to implementation of an electronic document management system (in conjunction with the IS Department) and increased travel due to appointment to ACI Technical and Environmental Affairs steering group.
Professional Services	Increases are attributable to professional services for identifying, planning and implementing specific high-priority elements of an Environmental Management System for the MAC's system of airports, in support of the MAC's five-year strategy #5.
Utilities	Increases are attributable to industry increases/changes.
Other	Increases are attributable to the purchase of radio equipment for emergency response.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

ENVIRONMENT-GENERAL**2005 PROGRESS REPORT**

Objective	Measurement	Results
Evaluate ways to minimize environmental impacts on air, noise and water.	Participate in federal water quality discussions and surveys concerning effluent guidelines for deicing operations.	EPA Effluent Guidelines discussion continues into 2006. MAC is actively involved in the development of the questionnaire at a national level and continues to work with the industry members to address environmental concerns.
Continue to work with communities for compatible development around MAC airports.	Meet with local community development personnel to encourage compatible development.	Facilitated discussions with the communities through the Noise Oversight Committee. Due to development pressures for the communities, continued discussion is proposed for 2006.
Proactively engage regulating agencies to identify and reduce impacts.	Meet with MPCA officials to discuss air quality credits for past and future projects.	Met with MPCA. Air quality credits for past projects are not available. Future projects are on a case by case basis.
Identify MAC tenant capabilities to reduce environmental impacts.	Meet with MAC tenants to discuss air, noise and water quality impacts and potential industry reduction strategies.	Met with industry representatives to discuss these issues and agreed that these are ongoing activities. Incorporated additional storm water protection measures for new facilities. New strategies are continually reviewed for applicability and benefit.
Incorporate environmental reduction requirements into tenant agreements.	Negotiate environmental language into lease agreements, construction contracts and development documents that identify tenant contributions and capabilities to reduce environmental impacts.	All new or revised lease agreements contain updated environmental lease language.
Continue implementation and development of technologies to plan, manage and reduce environmental impacts.	Evaluate pilot projects for reduction of air and water quality impacts.	Pilot projects are ongoing for water quality protection such as pond effectiveness, storm sewer slip lining and best management practices.
Identify, evaluate and prioritize elements of an EMS.	Evaluate and prioritize EMS elements for future implementation.	EMS elements were reviewed and a draft document created to guide future evaluation and implementation.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**ENVIRONMENT-GENERAL****2006 PROGRESS REPORT**

Objective	Measurement	Results
Plan and implement specific high priority elements of an Environmental Management System.	Plan is created to address high priority elements and begin implementation.	Implemented a Facility Inventory program to evaluate MAC and tenant facility activities and environmental risks at MSP. 80% complete.
Oversee and Direct Environmental and Noise Program Objectives.	Completion of Program Activities.	Directed Noise and Environmental program activities to complete 9 of 10 objectives. Incomplete objective was due to 2006 budget cuts during review process.
Develop Environmental Compliance Program (ECP) for MSP.	Complete Draft ECP.	Incomplete due to budget cuts.
Incorporate environmental reduction requirements into tenant agreements.	New or revised leases, contracts and agreements contain environmental language that protects MAC interests.	Revised construction standards, leases and contracts to enhance environmental protection.
Proactively engage regulating agencies to identify and reduce impacts.	Conduct meetings with regulators to meet new and ongoing requirements.	Met with MDH, MPCA and EPA to address new regulations, revise existing compliance requirements and provide background information on airport activities.
Evaluate ways to minimize environmental impacts on air, noise and water.	Participate in federal water quality discussions and surveys concerning effluent guidelines for deicing operations.	Met with EPA and completed 181 page Effluent Limitations Guideline survey. Participated in the Airport Clean Water Alliance program and joined ACI-NA Environment and Technical Affairs Committee. Continued discussions on noise reduction initiatives for Runway 17 departure procedures and Eagan/Mendota Heights Corridor compliance.

2007 OBJECTIVES

Objective	Expected Results
Evaluate ways to minimize environmental impacts on air, noise and water.	Participate in national environmental committees to focus on industry reductions.
Incorporate environmental reduction requirements into tenant agreements.	New or revised leases, contracts and agreements contain environmental language that protects MAC interests.
Develop Environmental Management System.	Develop monitoring and tracking requirements for compliance and monitoring of environmental permits and agreements.
Plan and implement specific high priority elements of an Environmental Management System.	Create a plan to address high priority elements and begin implementation.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**ENVIRONMENT-ENVIRONMENTAL****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	200,872	208,104	223,875	15,772	7.58%
Administrative Expenses	4,098	3,550	4,150	600	16.90%
Professional Services	229,571	277,500	325,900	48,400	17.44%
Utilities	39	0	0	0	0.00%
Operating Services/Expenses	35,693	46,600	76,300	29,700	63.73%
Maintenance		0	0		
Other	4,619	10,500	60,500	50,000	476.19%
Total Budget	474,891	546,254	690,725	144,472	26.45%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	3	3	3

RESPONSIBILITY/FUNCTION

Environmental Affairs Office

This office is responsible for ensuring and maintaining compliance with environmental regulations at the MSP International Airport and six Reliever Airports. Several of the compliance activities include Storm Water Management, Soil Investigation and Remediation, Underground/Aboveground Storage Tank Administration, Environmental Audits, Solid Waste Management and Recycling, Hazardous Waste Management, Pollution Prevention and Hydrogeological Investigations and outdoor ambient Air Quality. This office must have an ongoing understanding of and experience with federal, state and local environmental regulations, rules and ordinances. It is also essential that this office maintain an effective working relationship with state and local units of government. This office aids in establishing sound environmental strategies and helps reduce impacts on surrounding communities.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	Increase was primarily in the travel category. An increase in this object account will enhance the department's ability to maintain an excellent staff through training that is not offered within the Twin Cities area.
Professional Services	Monies in Professional Services increased for several reasons: 1. To accommodate annual contract adjustments. 2. To maintain the ongoing air quality monitoring of the Soil Vapor Extraction system, as required by the Environmental Response Plan the MAC agreed to implement, at the new Naval Air Reserve Center. 3. To complete an environmental audit of the fueling operator, consistent with the Fueling Agreement.
Operating Services/Expenses	This increase will be used to maintain, as required, the new 17/35 fueling facility oil water separator. This will include annual cleaning and quarterly pump out as required by the Fuel Stipulations Agreement. This increase will also be used to assist the MAC with potential MSP tenant issues that arise out of the MSP facility inventory.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**ENVIRONMENT-ENVIRONMENTAL****MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Other	This increase will be used for emergency environmental response. This will allow the MAC, as the property owner, the potential to educe environmental risk and liability and support good environmental stewardship.
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2005 PROGRESS REPORT

Objective	Measurement	Results
Evaluate ways to minimize environmental impacts on air, noise and water.	Conduct a baseline assessment of a sample air impact project in accordance with VALE methodology to determine applicability for other projects.	In 2005, MAC staff and MAC's air quality consultant met and had discussions with MPCA personnel regarding airport air quality data, data reporting and community issues/concerns. The VALE program applies to commercial service airports in air quality non attainment and maintenance areas. [MSP is currently in a maintenance area for carbon monoxide (CO) and sulfur dioxide (SO ₂)]. This program requires coordination with the MPCA to determine if projects are consistent with the State Implementation Plan (SIP).
Proactively engage regulating agencies to identify and reduce impacts.	Meet with MPCA officials to develop water quality standards consistent with national industry standards.	The required NPDES (glycol) Stip studies and reports continued in 2005. The first annual report was sent to the MPCA for review in October. Studies will continue into 2006 with the final reports due in 2008. MAC staff has also been aware of and following the river study currently being conducted/directed by the Met Council Environmental Services group (MCES).
Incorporate environmental reduction requirements into tenant agreements.	Negotiate environmental language into lease agreements, construction contracts and development documents that identify tenant contributions and capabilities to reduce environmental impacts.	Environmental language is now regularly inserted into tenant leases and agreements. Continuing to negotiate and include language into construction bid packages that will assist in the reduction of environmental impacts by contractors, etc.
Continue implementation and development of technologies to plan, manage and reduce environmental impacts.	Investigate available industry management tools to plan and manage environmental management tracking and implementation strategies.	Continuing research into "off the shelf" management tools. Department staff is currently developing an internal task tracking methodology.
Identify, evaluate and prioritize elements of an Environmental Management System (EMS).	Identify elements of an EMS for MAC through a thorough scoping process.	Department staff is currently working with MAC environmental consultants on the elements of a MAC-wide EMS.
Develop conceptual Environmental Compliance Program (ECP) for MSP.	Create outline of ECP elements applicable to MSP tenants. Draft potential program scope, goals, implementation schedule and MAC and tenant requirements.	In 2005, department staff outlined the elements required to conduct a tenant leasehold inventory/inspection at MSP. The schedule calls for the MAC owned and operated facilities to be the initial group of inspections. These inspections will continue in 2006.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**ENVIRONMENT-ENVIRONMENTAL****2006 PROGRESS REPORT**

Objective	Measurement	Results
Evaluate ways to minimize environmental impacts on air, water and soil.	Investigate available industry management tools to plan and manage environmental issues and implementation strategies.	Participating in a work group, with MPCA staff, environmental consultants, industry associations, MN Chamber of Commerce and an environmental advocacy group to assist in the development of and resolution of issues for MN's industrial stormwater general permit and program.
Identify, evaluate and prioritize elements of an Environmental Management System (EMS) for the MAC airports.	Create an executive summary plan for prioritizing essential components of an EMS.	Incomplete due to budget reductions/constraints.
Develop Environmental Compliance Program (ECP) for MSP.	Draft plan for implementation of program.	Implemented a MSP Facility Inventory program to assess MAC and tenant facility activities and risk. Approximately 80% complete.
Continue implementation and maintenance of compliance programs developed in accordance with Stipulation Agreement(s).	Multiple annual reports based on previous year's efforts or baseline assessments.	Glycol Stip studies continued in 2006 with final reports due in 2008. Fuel Stip reports and investigations are meeting scheduled dates, as required. The regulated parties continue to remain on track for completing the Stip agreement requirements within the next couple of years.

2007 OBJECTIVES

Objective	Expected Results
Continue implementation and maintenance of compliance programs developed in accordance with Stipulation Agreements.	Annual reports, progress worksheets completed per Stip(s) requirements.
Evaluate ways to minimize environmental impacts on air, water and soil.	Participate on local environmental committees to focus on industry standards.
Assist in identifying, evaluating and prioritizing elements of an EMS for MAC airports.	Incorporation of the Environmental Compliance Program (ECP) at MSP and the Relievers into a System-wide ECP.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**ENVIRONMENT-AVIATION NOISE****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	384,671	408,876	456,874	47,998	11.74%
Administrative Expenses	53,767	21,297	21,706	409	1.92%
Professional Services	95,325	93,059	104,059	11,000	11.82%
Utilities	0	409	0	-409	-100.00%
Operating Services/Expenses	71,311	95,840	95,840	0	0.00%
Maintenance		0	0		
Other	1,172	0	0		
Total Budget	606,246	619,481	678,479	58,998	9.52%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	6	7	6

RESPONSIBILITY/FUNCTION

The Metropolitan Airports Commission (MAC) Aviation Noise and Satellite Programs office is dedicated to addressing airport noise issues around the MAC system of airports, including Minneapolis-St. Paul International Airport (MSP). Through the implementation and use of available technologies, the MAC Aviation Noise and Satellite Programs office's philosophy on managing airport noise-related issues focuses on conducting technical application development, computer network maintenance and report and analysis development in-house, reducing the need for outside consultants and related costs.

Through coordinated efforts with communities and airport users via the MSP Noise Oversight Committee (NOC), the MAC Aviation Noise and Satellite Programs office strives to develop effective noise reduction solutions. This is made possible by providing pertinent, understandable information and analyses in support of program implementation and ongoing program monitoring.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	The increases in personnel expenses are a result of scheduled step and wage structure increases for full-time employees and also include an adjustment to internship salaries to match market rates for these type of positions.
Administrative Expenses	The increase in this account is a result of moving funds previously located in the 85300.6590.Telephone - Cellular line under Utilities to this account; it does not represent an increase to the bottom line budget.
Professional Services	This account provides ongoing ANOMS maintenance and service. It includes service and support for Dimensions International, HMMH's Preflight Software and Lochar's ANOMS software. These are the 3 critical components that make up our ANOMS program. The increase in cost is due to vendor cost increases associated with contract rate increases with HMMH and Dimensions International providing ANOMS software support and ongoing maintenance services. This account is also used for professional services in support of Part 150 analysis and airport noise planning.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET***ENVIRONMENT-AVIATION NOISE*****MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Other	This account provides purchases that are needed to maintain the existing capabilities on the Technical Information Network (TIN) including programs such as GIS, ANOMS and Internet Applications. This is accomplished through updating computer hardware and network enhancement. It is important to note that the dollars contained in this line item are transferred to the IS Department budget upon approval, as was the case with the 2006 budget. As such, there is not a 100% increase as represented here in the context of the 85300 budget when comparing proposed 2007 dollars to the 2006 actual budget.
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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

ENVIRONMENT-AVIATION NOISE**2005 PROGRESS REPORT**

Objective	Measurement	Results
Evaluate ways to minimize environmental impacts on air, noise and water.	Coordinate with communities and airlines to reduce noise impacts including development of an analysis and possible actions, if needed, regarding the operation of Runway 17-35 relative to the Runway 17 departure procedure and the Runway Use System.	<p>In 2005 MAC Noise Program staff in cooperation with the MSP Noise Oversight Committee (NOC) accomplished the following:</p> <ul style="list-style-type: none"> - A review and modification of the NOC Bylaws focusing on committee process and public input - Studied and coordinated implementation of the Runway 12L Departure Delayed Turn Point Procedure, increasing compliance with the Eagan/Mendota Heights Departure Corridor - Establishment of a comprehensive Airport Noise Public Information Program - Establishment of alternate engine run-up locations with Runway 17/35 in operation - Development of a noise abatement sensitivity training program/materials for pilots - Review of NOC member cities' planning and development practices as they relate to known airport noise impact areas - Development of aircraft operation/noise reporting information and format for Runway 17/35 - An assessment of nighttime operations and associated noise impacts - An update on the progress of the PARTNER low-frequency noise research and requested FAA consideration of MSP as a Continuous Descent Approach (CDA) test site. - Review of supplemental noise metrics - Review and implementation of enhancements to Airport Noise Public Input meetings - Review of the MSP 2020 Plan and associated impacts - Continued review of input received from Airport Noise Public Input Meetings - An analysis of initial Runway 17/35 operations and followed up on early operational issues with FAA.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

ENVIRONMENT-AVIATION NOISE**2005 PROGRESS REPORT**

Objective	Measurement	Results
Continue implementation of public awareness noise communication programs.	Develop informational materials including brochure, newsletters, noise program website content and functionality, organize and execute a speakers bureau, and develop a video regarding the new Runway 17-35 and associated impacts. Coordinate with Public Affairs to develop and implement a noise media relations strategy and coordinate and hold four community open houses.	In 2005 MAC Noise Program staff implemented the provisions of the Airport Noise Public Information Program focusing on the opening of Runway 17/35. The following tasks were completed in 2005: - Development of a Runway 17/35 video for cable television and general distribution - Several presentations to city councils and elected officials regarding the opening and operations of Runway 17/35 - Conducted multiple community open houses regarding Runway 17/35 - Developed and distributed a Runway 17/35 informational brochure - Performed community outreach via a speakers bureau, with presentations to community/noise groups and realtors - Update the entire MAC Noise Program website and completed many reporting/mapping enhancement to the macnoise.com website - Published four quarterly MSP Noise News newsletters - Held four quarterly Airport Noise Public Input Meetings - Implemented an enhanced phone system and developed the Airport Noise Complaint and Communications Record System (ANCCRS) to address noise complaint calls following the opening of Runway 17/35. In total, MAC Noise Program staff made over 50 presentations regarding Runway 17/35 prior to the runway opening in October 2005.
Continue to work with communities for compatible development around MAC airports.	Coordinate with communities and develop an informational piece regarding responsible land use planning related to airport impacts and the Part 150 program.	In 2005 MAC Noise Program staff conducted and evaluated all of the city land use planning practices around MSP. The results of the study were reviewed with the MSP NOC in consideration of the preventative land use measures outlined for implementation in the MSP Part 150 document. Moreover, Noise Program staff developed a guide entitled, "Tips for Insulating Your Home Against Aircraft Noise" for residents who live around the airport outside the noise contours and who are interested in performing their own noise reduction modifications to their homes.
Proactively engage regulating agencies to reduce environmental impacts.	Provide support to FAA in their review and analysis of the November 2004 MSP Part 150 Update.	In 2005 MAC Noise Program staff coordinated implementation of the Runway 12L Departure Delayed Turn Point Procedure and addressed FAA regarding operational compliance with the Runway 17 Westbound Jet Departure Turn Point Procedure. Additionally, Noise Program staff provided support to the FAA in addressing litigation related to the FAA's approval of the MSP Part 150 Update 2007 noise contours.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET***ENVIRONMENT-AVIATION NOISE*****2005 PROGRESS REPORT**

Objective	Measurement	Results
Complete 2007 65 DNL noise mitigation program.	Develop mitigation priority scheme and provide analytical support for noise mitigation effort in the 2007 65 DNL contour.	In 2005 all single family homes in the 2007 65 DNL noise contour are either completed or in the process of being mitigated. The MSP NOC was briefed on the mitigation process and the prioritization of the homes being mitigated.
Implement Part 150 Update Noise Compatibility Program.	Provide support and analysis to FAA in their review of the November 2004 MSP Part 150 Update, coordinate implementation of eligible NCP measures and provide staff support in addressing possible Part 150 litigation.	Consistent with the MSP Part 150 Update, Noise Compatibility Program (NCP) measures were implemented including a noise abatement sensitivity training program/materials for pilots, a comprehensive airport noise public information program was developed and preventative land use measures were reviewed and coordinated with communities.
Continue implementation and development of technologies to plan, manage and reduce environmental impacts.	Begin process for upgrading ANOMS which will enhance communication and data availability to the public and MAC and effectively manage noise impacts off Runway 17-35. Develop enhancements to interactive applications on the noise program website. Implement freeware on the Technical Information Network (TIN) to reduce maintenance costs and licensing fees.	In 2005 MAC Noise Program staff developed ANOMS-like mapping and analysis capabilities on the macnoise.com website. Staff developed an interactive Runway 17 departure procedure analysis and reporting application on the Internet and staff developed the Airport Noise Complaint and Communications Record System (ANCCRS). Several software packages were changed from programs that incur annual support costs to freeware applications that increase application development and customization opportunities while reducing annual network operations costs. Additionally, a new database was developed utilizing open source technology reducing annual software costs while providing more flexibility and enhanced functionality and reporting capabilities internally and on the Internet.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**ENVIRONMENT-AVIATION NOISE****2006 PROGRESS REPORT**

Objective	Measurement	Results
Optimize the Technical Information Network (TIN) and maximize the use and application of available technology in effectively and efficiently addressing airport noise issues.	Increased TIN efficiency, automation of monthly reporting functions, enhanced Internet-based communication and analysis capabilities, and use of ANOMS and GIS in developing reports, analysis and studies.	Developed an automated application that generate monthly operations and noise reports automatically via the Internet. Core applications including Apache, PostgreSQL, Communicate Pro, and the Solaris Operating Systems have been upgraded. Several server upgrades have also been completed.
Support/coordinate Part 150 implementation.	Support/coordinate Noise Compatibility Program (NCP) implementation efforts, provide coordination with the FAA and provide litigation support.	MAC Noise Program staff has contributed a significant amount of time and effort to the on-going Part 150 mitigation litigation. This has included development of an extensive administrative record, the in-house development of an Expert Report in support of the litigation, assistance with the preparing of legal briefs, preparing affidavits, and assisting with depositions.
Continue airport noise public information and communication program.	Publish four quarterly newsletters, coordinate and staff speakers bureau, continue Internet information/communication program, conduct four quarterly Public Input Meetings and work with cities around the airport in addressing residents' concerns/issues.	Published three quarterly MSP Noise News newsletter. Four quarterly public input meetings were conducted, all comments were responded to and the comments were summarized and reported to the MAC and NOC. Presentations were given at various cities and Airport Relation Commissions around MSP addressing and responding to residents' concerns. The MAC Noise Program Website was enhanced. A interactive reporting application was developed that allows users to query the time above levels (65 dB, 80 dB, 90dB, 100 dB) at each individual noise monitor for the user-specified time period.
Monitor and address airport noise-related issues including those related to the operations of Runway 17/35.	Publish monthly reports including Runway 17 departure procedure compliance reports, address procedure compliance issues with the FAA and address cities and residents when necessary or requested regarding airport noise and the operation of Runway 17/35.	12 monthly NOC Technical Advisor's Reports, Eagan Mendota Heights Departure Corridor Reports and Runway 17 Departure Procedure Reports were published in 2006. Operational issues related to Runway 17/35 were analyzed and addressed through the NOC process. 53,000 noise complaints were received and responded to in 2006.
Support Reliever Airport Advisory Commissions and manage FCM Operational Implementation Plan.	Attend meetings and provide noise-related material and presentations to Reliever Airport Advisory Commissions and ensure compliance with the FCM Operational Implementation Plan.	Developed/designed the document format and prepared the environmental, land use compatibility and noise analysis/chapters for the Airlake Airport, Lake Elmo Airport and Crystal Airport Long-Term Comprehensive Plans. Monitored and assessed operations and resident complaints at FCM to ensure compliance with the FCM Operational Implementation Plan and communicated specific violations and actions taken by MAC to the designated city representative. Provided noise and operations information to the ANE, LVN and FCM Airport Advisory Commissions and conducted five noise abatement briefings at FCM, ANE and STP.

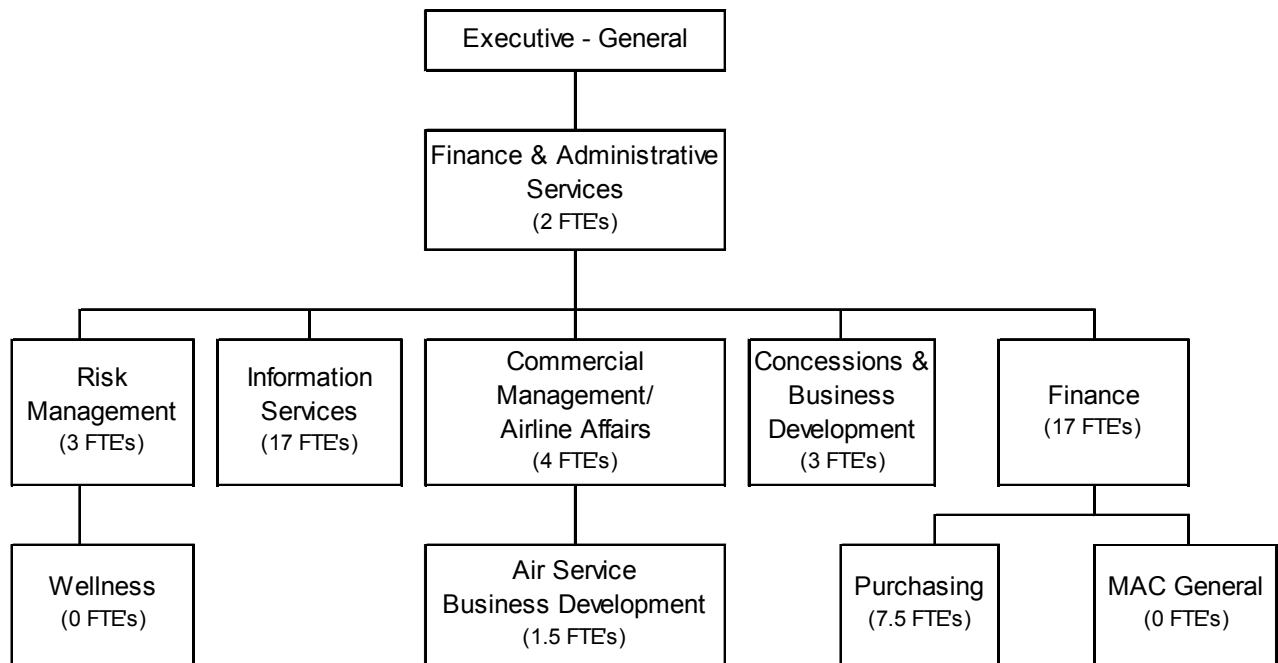
SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

ENVIRONMENT-AVIATION NOISE**2006 PROGRESS REPORT**

Objective	Measurement	Results
Provide support and coordination to the MSP Noise Oversight Committee (NOC).	Conduct NOC meetings, providing an informative environment for committee members and yielding accomplishments on behalf of the Committee.	<p>The Committee accomplishing the following in 2006:</p> <ul style="list-style-type: none"> •Analyzed Runway 17/35 operations trends. •Reviewed comments and issues south of MSP following Runway 17/35 opening. •Increased compliance to 99.2% compliance in September 2006. •Evaluated uses of the 190 degree departure heading off Runway 17 and requested FAA open up west bound departure headings to a 230 degree heading. Discussions are ongoing with FAA to address the issue. •Conducted a review of Part 150 Noise Compatibility Program noise mitigation measures from an implementation perspective. •Received updates on Part 150 mitigation implementation issues focusing on the mold issue. •FAA approval of Part 150 grant dollars to mitigate the building as part of MAC's Part 150 program in the 65+ DNL. •Increased the number of at-large communities with a by-law modification to include the representation of the City of Apple Valley in the at-large cities group. •Reviewed abnormally high Boeing 757 arrival noise events using ANOMS. <p>Worked with Northwest Airlines to determine the specific aircraft and resolve the issue.</p> <ul style="list-style-type: none"> •Assessed nighttime operations and associated impacts. •Reviewed new flight track data acquisition technologies that are available. •Considered supplemental noise metrics resulting in the addition of time above data in the monthly NOC Technical Advisor's Report. •Reviewed status of the FAA Center of Excellence/PARTNER initiatives. •Reviewed updates to the Metropolitan Council Land Use Compatibility Guidelines related to airport noise. •Reviewed the macnoise.com website and implemented site enhancements. •Continued review and consideration of input received from the quarterly

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**ENVIRONMENT-AVIATION NOISE****2007 OBJECTIVES**

Objective	Expected Results
Assist with litigation activities related to airport noise issues.	Assist with litigation related to airport noise issues including depositions, expert witness testimony, coordination with legal counsel, review of court documents and preparation of argument analyses and document writing.
Optimize the Technical Information Network (TIN) and maximize the use and application of available technology in effectively and efficiently addressing airport noise issues.	Increase TIN efficiency and reliability. Continue implementation and integration of freeware software. Continue to develop SQL database-driven Internet applications increasing analysis and reporting effectiveness.
Provide support and coordination to the MSP Noise Oversight Committee (NOC).	Conduct NOC meetings providing an informative environment for Committee members, yielding accomplishments on behalf of the Committee.
Manage Reliever Airport noise abatement programs and initiatives.	Attend meetings and provide noise-related material and presentations to Reliever Airport Advisory Commissions and ensure compliance with the FCM Operational Implementation Plan. Provide implementation and ongoing program management for noise program efforts at St. Paul Downtown Airport consistent with the agreements between the MAC and the City of St. Paul.
Monitor and address noise-related issues at the MAC system of airports.	Publish monthly reports including the Runway 17 departure procedure compliance report, Technical Advisor's Report, and Eagan/Mendota Heights Departure Corridor reports. Address procedural compliance issues with the FAA and address cities and residents when necessary or requested.
Continue airport noise public information and communication program.	Publish four quarterly newsletters, coordinate and staff speakers bureau, continue Internet information and communication program, conduct four quarterly Public Input meetings and work with cities around the airport in addressing residents' concerns and issues.
Support and coordinate ongoing Part 150 program development and implementation.	Manage Part 150 NCP implementation consistent with MAC policies including noise contours updates. Additionally, provide support to the FAA review process.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**Finance & Administrative Services Division**

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

Notations to Service Center Summaries:

- * Variance (dollars and %) is computed between 2006 Budget and 2007 Budget
- * The explanation for the variances is based upon the 2006 Budget and 2007 Budget
- * FTE's as stated in each service center are as budgeted in December 2006. Salary dollars in each service center may not reflect the budgeted FTE count for that service center.
- * Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**FINANCE & ADMINISTRATION****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	306,715	318,950	188,448	-130,502	-40.92%
Administrative Expenses	3,544	6,962	12,200	5,238	75.24%
Professional Services	0	14,700	7,500	-7,200	-48.98%
Utilities		0	1,200	1,200	100.00%
Operating Services/Expenses	9	0	0		
Maintenance	0	130	150	20	15.38%
Other	753	0	250	250	100.00%
Total Budget	311,021	340,742	209,748	-130,994	-38.44%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	4	4	2

RESPONSIBILITY/FUNCTION

The Finance and Administrative Services area is responsible for the oversight of implementation of Commission's financial policies, strategic financial planning and analysis, the establishment of good fiscal and budgetary practices to provide funding as required for operating and capital expenditures of the airports system, and the establishment of good business practices to optimize the generation of revenues. The area also oversees and guides the strategic implementation of technology solutions and information management, the management of the organization's risk and insurance programs and the management of the Commission's properties and airline affairs.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Two FTEs have been transferred to Finance to better reflect their responsibilities and reporting structure. Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	Increased travel is related to participation in a leadership role for the ACI Economic Committee as Vice Chair of the Finance and Administration Subcommittee. Active participation keeps MAC informed of the trends and best practices in the industry. Increased travel costs have been offset by a reduction in professional services budget.

2005 PROGRESS REPORT

Objective	Measurement	Results
Identify financing options for proposed airport expansion and development plan.	Funds are identified and available to complete the 2010 Plan.	Completed and approved by Commission as part of the Capital Improvement Program.
Identify post 2010 financing options and development plan.	Financing plan is established to fund Phase 1 of the 2020 development plan.	Completed and approved by Commission as part of the Capital Improvement Program.
Maintain 1.4x debt service coverage ratio.	AA- bond rating from Standard and Poors and Fitch is maintained.	Ratings maintained as issued with the 2005 debt issuance.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

FINANCE & ADMINISTRATION**2005 PROGRESS REPORT**

Objective	Measurement	Results
Maintain four-month cash reserve.	AA- bond rating from Standard and Poors and Fitch is maintained.	Completed - Commission approved a staff recommendation to increase the 4 month Reserve to 5 months.
Maintain and manage Data Resources information that contributes to organizational performance management and the measurement of results.	Monthly Operations Reports, quarterly AETRA-Customer Satisfaction-Reports and quarterly Complaints & Compliments Reports are produced.	Timely reports emanated from all three data functions throughout 2005 with positive operations growth (4.7%-2005), a positive trend line for "Customer Satisfaction", and reduced complaints per 100,000 passengers throughout 2005. The Data Resource and Wellness Intranet sites were maintained.
Coordinate Customer Service Action Council teamwork.	Council goals will be accomplished.	<p>To secure and maintain MSP's position among the Top Ten airports for "Overall Customer Satisfaction" as reported within the Global Airport Monitor(GAM)/AETRA survey process; and, to improve the % of the traveling public rating MSP "Very Good" (Goal=88%) and "Excellent" (Goal=40%). As of 01/04/2006 reporting, AETRA the results for the 1st three quarters of 2005 show MSP has maintained its score position. MSP has averaged a 3.90 score for "Overall Customer Satisfaction". This is a 01point improvement over the 2004 score of 3.89.</p> <p>MSP maintained a positive "Overall Customer Satisfaction" trend line. MSP averaged a high 3.71 score for all evaluative elements in 2005, .02 points below an all-time 2004 high (3.73).</p> <p>MSP has failed to achieve Top Ten rank for "Overall Customer Satisfaction"-ranking 11th in only the 1st Qtr of 2005. MSP held 10th ranking for "Overall Business Passenger Satisfaction" in the 1st Quarter and has had other elements in the Top Ten within the year; but, in general MSP lost rankings in 2005.</p>

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

FINANCE & ADMINISTRATION

2006 PROGRESS REPORT

Objective	Measurement	Results
Provide data resources that contribute to performance management/measurement results.	Mthly Ops Reports issued before 30th each subsequent month. Mthly Complaints & Compliments Report issued 15th of subsequent month. Qtly Airport Service Quality Report issued by end of subsequent quarter. Data Resources Intranet Site maintained. Wellness Intranet Site maintained.	Monthly Operations Reports were issued on schedule demonstrating a 5.8% reduction in passenger traffic and an 11% reduction in operations Y-T-D Nov. 06 versus Y-T-D Nov. 05. Quarterly Complaints & Compliments Reports have been issued on schedule and demonstrated through the 1st three quarters of 2006 (1.03 complaints/100,000 passengers for 3rd Qtr. 2006) as for the last 12 quarters a stablized rate of complaints of approximately 1.00 complaints/100,000 passengers. Airports Service Quality reports have been issued on schedule quarterly and demonstrate highly volatile customer satisfaction perceptions for 2006, since the 4Q05, with the 3Q06 "Overall Customer Satisfaction Score (3.81) amongst MSP's lowest in our six years of survey experience. The Data Resources Internet site is being maintained.
Coordinate Customer Service Action Council (CSAC) teamwork facilitating achievement of Team goals.	Improve customer satisfaction perceptions of MSP [ACI/ASQ] to >3.90. Maintain the % of the traveling public rating MSP "Good+" >88%. Improve the % of the traveling public rating MSP "excellent" >25%.	Data Resources has coordinated the Customer Service Action Council meetings and sub-group work throughout 2006 including the Quarterly Forums of Tenant/Vendor managers, the "Culture" team working to improve inter-campus communications and to develop a new "brand" for MSP, the "Family of Measures" performance measurement project which only finally launched in the 4th Qtr., the relaunch of customer service training, and the handicapped accessibility sub-team working to reduce the number of complaints registered by the disabled traveling public.
Redevelop the Complaints & Compliments System to enhance its value for MAC Service Center managers.	Deployment of comment cards is improved-qualitative assessment. Mthly complaint reports are provided to managers-qualitative assessment. Rate of complaints/100,000 passengers averages <.90 for 2006.	Respecting ASQ Survey [MSP's "big picture" customer satisfaction measure] results, the percentages of the traveling public rating MSP "Good+" and "Excellent" will not be known until the annual report is received in the 1st Qtr. of 2007. However, MSP has experienced a volatile year with Northwest Airlines labor and bankruptcy issues and it is not anticipated that MSP will achieve an "Overall Customer Satisfaction" perception above 3.95 (presently averaging 3.86 for 06) nor improvements in its "Good+" or "Excellence" percentages.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

FINANCE & ADMINISTRATION

2006 PROGRESS REPORT

Objective	Measurement	Results
Coordinate the MAC Wellness Program; facilitate Wellness Team work; and improve employee participation and the quality assessment of the program.	Improved perceptions of the program-qualitative assessment. Successful implementation and completion of sub-team projects. Employee participation in respective programs greater than for 2005. Healthcare cost/employee<2005.	<p>Data Resources has coordinated Wellness Team meetings, worked with the sub-teams and respective projects, and coordinated the overall Wellness program in what team members and participants perceive to be the most successful Wellness program year in the history of the MAC Wellness program</p> <p>Employee participation has been much better than that in 2005; 7% greater for Move-To-Improve with 32% of the organization participating in the nutrition classes and projects and the weight-loss project. The Health Fair/Flu Shot Clinic had 52% of the organization attending. The Health Risk Assessment alone saw lesser numbers (27% of employees) complete an HRA as compared to 37% in 05, and 43% in 04. 27%, with most likely to be repeat completors from 05 and 04, hopefully will confirm a steadily improving wellness profile for those who are active in the Wellness program year over year.</p> <p>The Healthcare cost/employee will not be calculated until the closing of 2006 books in the 1st quarter of 2007. It is anticipated to be above 2005 costs but still reflect the meaningful reduction of costs that occurred in 2005.</p>
Initiate the 2nd three year cycle of the MAC customer service training program.	Successful completion of the 1st of 3 years. Training evaluations equal to or better than the 1st 3-year cycle.	<p>Data Resources, in concert with CSAC chairperson, Tim Anderson, and four new employee training teams, successfully relaunched the 2nd-3 year cycle of MAC sponsored customer service training. As the year ends, we are on target to readily complete the 3-year "refresh" training cycle for the approximate 385 front-line employees by year's end 2008.</p> <p>Ending the 1st Year of the 2nd cycle with new training teams and a slightly revised curriculum, class evaluations stand at an overall 5.25 score on a 1="not satisfied" to 6="very satisfied" scale; as compared to a 5.32 overall average score for the 1st 3-year cycle.</p>
Ensure the financial interests of the MAC are protected in an airline bankruptcy.	Financial impact is minimized.	Conducted year-long series of analyses and negotiations reevaluating MAC's airline rates and charges structure and the implications of airline bankruptcy, culminating in a proposal presented to the Commission to increase long-term financial stability and air service competitiveness of MSP.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**FINANCE & ADMINISTRATION****2006 PROGRESS REPORT**

Objective	Measurement	Results
Enhance communications with Commission regarding operating activities and aviation industry conditions which impact organizations' financial results and strategy to address changes in the industry	Produce monthly reports to the Commission that outline MSP's passenger and operations activities, provide updates on industry trends and comparisons to other airports, and information on how MAC is responding	Produced monthly reports to FDE Committee and Commission which provided information regarding MSP passenger and operation trends and comparisons to prior years' activities and national trends. Provided excerpts from industry reports including industry outlook by rating agencies, passenger forecast, and comparisons of passenger trends at other large hub airports. Also analyzed 5 year historical staffing trends for each MAC Division and select major operations-related Departments and compared to other large airports. Presented findings to M&O Committee.

2007 OBJECTIVES

Objective	Expected Results
Continue to monitor changes in airline industry and address as necessary to maintain our financial strength	Active monitoring and quarterly review and assessment of our strategical financial position.
Use current and available technology to enhance communication of results and sharing of work product across the organization	Facilitate the development of dashboards and other applications to share information and results across the organization and with the Commission. Explore and structure methods for enhancing the electronic sharing of work product for shared projects.
Coordinate the MAC Wellness Program-budget, agendas, measurement; facilitate Wellness Team work; improve employee participation and the quality assessment of programming.	Improved perceptions of the program-qualitative assessment. Successful implementation of the program-qualitative assessment. Employee participation > 2005. Healthcare cost/employee <2005.
Coordinate 1st Yr-2nd 3/year cycle of customer service training, MAC program; maintain or improve the current evaluation scores.	Successful completion of the 1st Yr. with approximately 33% of mandated trainees having completed the course.
Coordinate Customer Service Action Council (CSAC) Teamwork facilitating achievement of Team goals.	Improve customer satisfaction perceptions of MSP [ASQ Survey] to >3.95. Maintain the % of the traveling public rating MSP "Good+", all elements, at >88%; improve the few elements at less than 88%. Improve the % of the traveling public rating MSP "excellent" to 25%.
Coordinate a MAC wide organizational effort to review processes and improve outcomes.	Develop project management tools and facilitate process reviews which enhance project success and improve coordination across MAC Departments
Provide data resources that contribute to performance management/measurement results.	Monthly Operations Reports-issued within each subsequent month. Quarterly Complaints & Compliments Reports -issued 15th of subsequent month. Quarterly Airports Service Quality Survey Reports-issued by end of subsequent quarter. Data Resources Intranet site maintained. Wellness intranet site maintained.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**AIR SERVICE BUSINESS DEVELOPMENT****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	158,568	133,813	157,651	23,838	17.81%
Administrative Expenses	28,681	41,404	57,808	16,404	39.62%
Professional Services	18,747	65,000	125,000	60,000	92.31%
Utilities		0	0		
Operating Services/Expenses	506	4,500	20,000	15,500	344.44%
Other		0	0		
Total Budget	206,501	244,717	360,459	115,742	47.30%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	1.5	1.5	1.5

RESPONSIBILITY/FUNCTION

This department has responsibilities in three primary areas: 1) Air Service Development - Marketing MSP for new international passenger and cargo flights and for new low fare domestic passenger flights. Promoting the facilities and services of MSP and MAC's system of airports both domestically and internationally and develop a new regional cargo distribution center; 2) Secondary and/or subordinate responsibility for U.S. Government Affairs; 3) Build community relations - establishing partnerships with public and private sectors to increase their awareness of the importance of air service in the region and solicit their support for such services.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	Restoration of international and domestic air services competitive initiatives.
Professional Services	International air service marketing initiatives and preparation of support materials and research. Consultants, focus groups and research data acquisition for Foreign Trade Zone/Int'l Economic Development Zone.
Operating Services/Expenses	Marketing support for international air service incentive plan implementation as approved by MAC Commission July 17, 2006.

2005 PROGRESS REPORT

Objective	Measurement	Results
Maintain leadership position in the development of a Regional Distribution Center for Air Cargo.	Create the prototype for a new, fully secure air cargo center that will make MSP a magnet for air cargo and stop the significant erosion of this vital airport service to Chicago. New revenue - and likely new international air cargo service - will result.	After three years, legislation was passed by the Minnesota Legislature establishing a timetable for the project.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**AIR SERVICE BUSINESS DEVELOPMENT****2005 PROGRESS REPORT**

Objective	Measurement	Results
Develop a website for proposed Regional Cargo Distribution Center.	Creation of this site will allow for centralized management of activities related to the successful development of the RDC, including international input and dialogue.	Initial website created - MNRDC.COM

2006 PROGRESS REPORT

Objective	Measurement	Results
Maintain leadership position in the development of a Regional Distribution Center for Air Cargo.	Create the prototype for a new, fully secure air cargo center that will make MSP a magnet for air cargo and stop the significant erosion of this vital airport service to Chicago. New revenue - and likely new international air cargo service - will result. A robust cargo operation is critical to business development in the region and new sources of revenue for the airport.	After three years, legislation passed by Minnesota Legislature established a time table for project.
Meet and provide for the air cargo needs of the region.	New cargo service alternatives at MSP.	Absent a budget commitment, status quo has been maintained. Nonetheless, dialogue and work continued with the Minnesota Legislature on the Regional Distribution Center (RDC) concept. Permission to spend State funds on the RDC business plan was secured. Without MAC funding, other State agencies are now becoming more dominant in the process. It will be important for MAC to recapture leadership in this critical aviation project in 2007 through increased funding.
Secure at least one new international airline to serve MSP.	At least one, and possibly two, non-incumbent airlines will announce the introduction of international air service at MSP to a non-stop destination not currently served, resulting in significant positive economic impact for the community and the region.	Preliminary and follow-up discussions have taken place. At least two international airlines have indicated a very strong interest in commencing service at MSP, but we are facing strong and aggressive competition from other gateway airports and cities and at yearend, it appears our best opportunity will be Spring, 2008. More aggressive marketing funding on the part of MAC is critical to possible success in securing new international air service.
Attract a new low-fare airline to MSP.	A new, non-incumbent low-fare airline will announce the introduction of new service at MSP.	Discussions with low cost operator(s) were initiated but not maintained due to budgetary shortfalls.
Secure additional, expanded, competitive service from incumbent airlines with emphasis on low-fare airlines.	Incumbent airlines, including low-fare carriers, will add frequencies and/or destinations at MSP.	Activities were limited due to budgetary constraints. No meaningful meetings with incumbents.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

AIR SERVICE BUSINESS DEVELOPMENT**2007 OBJECTIVES**

Objective	Expected Results
Attract a new low-fare airline to MSP	A new, non-incumbent low-fare airline will announce the introduction of new service at MSP.
Secure additional expanded, competitive service and retain service from incumbent airlines with emphasis on low-fare airlines. Increase and expand dialogue with airline decision-makers to insure long-term viability of air service at MSP.	Maintain and expand air service options at MSP in an increasingly volatile and uncertain industry environment. Reduce MAC's and the region's exposure to industry consolidation.
Maintain leadership position in the development of a Regional Distribution Center for Air Cargo.	Create the prototype for a new, fully secure air cargo center that will make MSP a magnet for air cargo and stop the significant erosion of this vital airport service to Chicago. New revenue - and likely new international air cargo service - will result.
Meet and provide for the air cargo needs of the region.	New cargo service alternatives at MSP.
Introduce new international air service to MSP to remain competitive and support the strong regional business community. Support the economic development needs of the region.	New International Air Service identified and/or inaugurated in 2007. Service will be non-stop to a destination not currently being served, resulting in significant positive economic impact for the community and the region and providing a positive response to the demands of locally based international businesses requiring non-stop service from MSP.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**WELLNESS****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	145	975	2,575	1,600	164.10%
Administrative Expenses	1,215	350	350	0	0.00%
Professional Services	3,250	0	2,626	2,626	100.00%
Operating Services/Expenses	44,376	64,579	81,145	16,566	25.65%
Other	0	0	0		
Total Budget	48,985	65,904	86,696	20,792	31.55%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	0	0	0

RESPONSIBILITY/FUNCTION

The MAC Wellness Program works to educate, encourage, and support employees in making healthier lifestyle choices for a positive impact on employee morale and productivity as well as corporate healthcare costs.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Professional Services	This expense item provides for a Personal Trainer consultant to assure safe use of the Fitness Center equipment as well as optimize the training efforts of employees using the Center. The trainer though initiated in 2006 had not been budgeted.
Operating Services/Expenses	<p>The increase projected for the 2007 Budget is primarily due to the Health Insurance Industry standard incentive expenses associated with the excellent growth of participation in the "Move-To-Improve" program from 2005 at 25% of employees to the 37% participation achieved in 2006 and a more modest projected growth of from 3% to 5% for 2007. In addition, the very successful nutrition education program introduced in 2006 and to be continued in 2007 at slightly lessor cost along with a hoped for approximate 10% growth in the Health Risk Assessment participation for 2007.</p> <p>Approximately 15% (one-half) of this increase occurred in 2006 due to the "Move-To-Improve" growth and the Nutrition program as 2006 is anticipated to be over budget =>\$10,000. An additional 15% is anticipated in "Move-To-Improve" growth for 2007 coupled with the hoped for growth in Health Risk Assessment participation.</p>

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

WELLNESS

2005 PROGRESS REPORT

Objective	Measurement	Results
Increase participation in the "Move-To-Improve" Wellness program.	The program will experience greater participation resulting in an improved corporate health risk assessment respecting physical fitness indicators.	The Move-To-Improve program tripled past year's participation rates achieving 29.21%, just under the goal of 30%. Likewise, the MAC did receive an improved corporate health risk assessment respecting physical fitness indicators with 62.2% of employees showing a good fitness status versus 58.8% in 2004.
Provide Wellness education modules, one per quarter, respecting Physical Fitness, Nutrition, Stress Management, and Prevention, each with appropriate practice activities; encourage and measure participation within the modules and practice projects.	Greater participation in program activities and improvement in the annual corporate health assessment indicators.	The Wellness Program was revamped for 2005 with quarterly themes and related practice projects. Participation rates have been 2 and 3 times previous program experience. The "Healthy ME" Wellness program consisted of a revitalized Move-To-Improve program & Health Risk Assessment process and a per quarter education theme with materials in the weekly Update, on the Intranet, and practice projects. The Wellness Team executed seven practice projects (which included a snack fair, two nutrition projects, numerous Update nutrition education items, and a nutrition consultant at the Health Fair), a seminar on stress management, Kick boxing and Yoga classes, chair massages, and a personal trainer once a month in the Fitness Center. The program "exceeded expectations". The motivation and participation of Wellness Team members in the planning and implementation of the program improved measurably 2005 over 2004. Presence of members at Wellness Team meetings increased to 71% of opportunities.
Maintain the on-line Health Risk Assessment process and maintain and/or increase the level of participation.	Equal to or greater than 43% organizational participation.	The Health Risk Assessment program involves a annual physical and completion of the Health Risk Assessment. Wellness carried out an intense promotion-with a grand prize incentive-involving numerous flyers, e-mails and a letter from the Executive Director. The promotion was successful in more than doubled the number of employees who had completing the Health Risk Assessment prior to the promotion(210). However, though 60% of MAC employees are thought to complete annual physicals, organizational participation in the online Health Risk Assessment for 2005 was 37%, 6.6% (22 employees) below the 43.6% result for 2004.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

WELLNESS

2005 PROGRESS REPORT

Objective	Measurement	Results
Maintain the Fitness Center-Navy Building; and, increase its utilization.	Increased numbers of employees using (and uses of) the Fitness Center.	4th Qtr data for utilization of the Fitness Center is not yet available. For the three quarters to-date, employees using the Fitness Center has averaged 30 employees with the average monthly usage falling short at 5 uses per user versus the goal of six. Wellness provided a consulting Personal Trainer once/month for the last quarter with consultation holding steady.

2006 PROGRESS REPORT

Objective	Measurement	Results
Coordinate the Wellness Team and facilitate the work/goal accomplishment of the-Physical Fitness, Nutrition, HRA, and Health Fair-sub-teams.	Consistent participation of Wellness Team members > mthly avg. of 2005. Successful implementation of sub-team processes-qualitative assessment.	<p>The goal of having consistent participation by Wellness Team members in Team meetings was achieved in that the percentage of members present at Team meetings precisely matched 2005 to 2006 at 70%; however, 2006 did not exceed the monthly average of 2005 which was likewise 70%. The 2004 participation ratio was 62%.</p> <p>An overall evaluation of the success in the implementation of sub-team processes would be that 2006 programs/projects were even more successful than were those in 2005, itself an historically successful year in the eighteen years of MAC Wellness programming.</p>
Increase utilization of the Fitness Center; increase participation in the Move-To-Improve program; and, promote walking as an exercise of choice.	<p>More than 30 employees using the Fitness Center.</p> <p>Average mthly uses per employee >6.</p> <p>Growing # employees consulting the Personal Trainer.</p> <p>=>30% employees participating in Move-To-Improve.</p> <p>>% employees registering fitness on the 2006 HRA Report.</p> <p>Participation in walking projects to excel 2005 standard of 56 employees.</p>	<p>Respecting the programs of the Physical Fitness sub-team both the utilization of the Fitness Center (Navy Bldg.) and the Move-to-Improve program exceeded goals set for 2006. In neither case is the year fully recorded; however the average utilization of the Navy Building Fitness Center for the 1st six months of 2006 was 38 employees utilizing the center 6.67 times/month, up from 30 employees and 5.30 times in 2005. Precise records of the number of employees consulting the Personal Trainer were not kept; however, feedback indicated from one or two in a given month to up to 5 individuals consulted with Mike Bailick from The Marsh. Reports were also that Mike Bailick as the personal trainer was highly liked.</p> <p>Move-To-Improve participation reached 37% of employees in the 2nd and 3rd quarters of 06; 4th Qtr not yet recorded.</p> <p>Numerous efforts-via the Update-to include a "Walk Lake Nokomis with Jen" project in October were made to promote walking as a primary exercise. No quantitative measure of success has been recorded.</p>

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

WELLNESS

2006 PROGRESS REPORT

Objective	Measurement	Results
Implement a nutrition education program and weight loss project.	<p>Nutrition education program is successfully provided-qualitative assessment.</p> <p>HRA overall nutrition/nutritional status rating better than 2004 and/or >27%.</p> <p>Participation in weight loss project(s) >27%; HRA rating of "Excess Weight" < 65%.</p>	<p>The Wellness Team, nutrition sub-team (together with the Physical Fitness sub-team respecting weight-loss) were highly successful with implementing both a nutrition education program and a weight-loss project.</p> <p>The nutrition sub-team provided a series of 5 nutrition classes utilizing the expertise of Nutrition Weight & Wellness, a St. Paul company, which 179 employees (31% of employees) and 9 spouses attended. Attendees gave the classes an overall rating of 5.49 of 6.00 points meaning they considered the class(s) "very satisfying and valuable". The Health Risk Assessment nutritional status rating will not be available until the 1st Qtr. of 2007. The sub-team also carried out a 3-month fruits, vegetables, and fiber project for which a record 84 employees registered. 29 employees completed all three months. Feedback obtained via participant surveying has been highly positive respecting these nutritional efforts indicating sustained changes in eating habits and a desire to participate in further nutrition education classes and projects.</p> <p>The jointly executed weight-loss project, the "Speedo Challenge", enticed 88 employees (15%) to participate with 63 employees completing the six month project by weighing in. Collectively, the 63 employees lost 363 lbs. and registered great satisfaction with the project as well as an intent to participate in future like weight-loss projects. The HRA report is due in the 1st Qtr. of 2007.</p>

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

WELLNESS

2006 PROGRESS REPORT

Objective	Measurement	Results
Increase completions of an annual physical and the Health Risk Assessment process.	Successful implementation of a promotional program-qualitative assessment; assumed at > 43.6% participation in the Health Risk Assessment process.	<p>The Health Risk Assessment sub-team sought to keep the costs of a program promoting the completion of an annual physical and a personal health risk assessment in house and within budget. They successfully did so deploying a very creative poster campaign which relied on the divisional team representatives to post and periodically change a series of creative posters encouraging employees to get their annual physical and complete the Health Risk Assessment. They tied the completion timeframe to the Oct/Nov. Health Fair which more than doubled the number of completions from January through September (53) with those completed in October (88-plus 9 in November). A total of 150 Health Risk Assessments were completed for 26.6% of the employee force. The number of physicals completed is assumed equal but not precisely known.</p> <p>While the promotional effort implemented by the sub-team was creative and their October push highly successful, the overall results fell well short of 43+% of employees completing health risk assessments. In the first year of the HRA program (2004) completions were 43% of the employee force, 37% in 2006 when the Wellness Team used a consultant expertise for promotion and now 26% in 2006. The Health Risk Assessment Executive Report will be received within the 1st Quarter of 2007 and, hopefully, will show as did the 2005 Report versus 2004 steady improvement in the health status of employees completing the HRA year over year.</p>
Deliver a better than ever Health Fair/Flu Shot Clinic.	Best ever Health Fair-qualitative assessment. Employee participation in Health Fair > 169 employees.	The qualitative assessment of the 2006 Health Fair was clearly that it well exceeded the quality of prior years' Health Fair efforts as, successfully coordinated with a Flu Shot Clinic, it engendered participation by (239 employees plus 38 retirees and 16 spouses) 293 individuals, a 73% increase above the goal set based upon 2005 participation. Wellness received 122 feedback surveys from employee participants respecting the overall Wellness program.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**WELLNESS****2007 OBJECTIVES**

Objective	Expected Results
Deliver an enhanced Health Fair and Flu Shot Clinic.	Best ever Health Fair-qualitative assessment. Employee/retiree/spouse participation in Health Fair >293
Increased completion of annual physicals and the Health Risk Assessment process.	=>45% of employees.
Complete a weight-loss project.	>15% of employees participating. >360lbs. net weight loss. Reduced % (<65%) of overweight employees determined via HRA.
Complete nutrition education project(s).	>33% of employees registering a good nutritional status on the Health Risk Assessment.
Promotion of walking as premier exercise.	Greater #/% of recorded MTI walking events than in 2006. Successful implementation of walking practice projects.
Increased participation in Move-To-Improve.	40% of employees (average) participate in Move-To-Improve for 2007. >58% of employees registering fitness in Health Risk Assessment.
Increased utilization of the Fitness Center and utilization of the modest fitness trainer budget in the way most beneficial.	>current rates of usage: 38 users; 260 visits/mth.; 8.6/day; 6.6/user.
Coordinate the work of the Wellness Team meetings, agenda, and minutes and facilitate accomplishment of Team goals.	Consistent participation of Wellness Team members greater than the monthly average in 2006. Successful accomplishment of Team goals-qualitative assessment.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**RISK MANAGEMENT****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	5,321,899	8,208,134	9,034,126	825,992	10.06%
Administrative Expenses	6,839	5,161	12,360	7,199	139.49%
Professional Services	48,742	110,000	111,000	1,000	0.91%
Utilities		0	2,772	2,772	100.00%
Operating Services/Expenses	115	150	1,200	1,050	700.00%
Maintenance		0	1,500	1,500	100.00%
Other	2,457,796	2,493,306	2,819,032	325,726	13.06%
Total Budget	7,835,391	10,816,751	11,981,990	1,165,239	10.77%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	3	2	4

RESPONSIBILITY/FUNCTION

Under the general direction of the Deputy Executive Director - Finance & Administrative Services, the Department is responsible for the planning, organizing and administration of risk and insurance programs to safeguard the MAC's assets from the risk of accidental loss through the use of recognized risk management techniques. Responsibility includes risk identification, evaluation, measurement, preventative strategies, claims administration, purchase of coverage and evaluation of financing alternatives. Areas of responsibility also include employee insurance benefits programs, workers' compensation, liability and property. The MAC Safety Department reports to the Risk Manager.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. In addition, the Safety service center has become a part of Risk Management in the 2007 budget.
Professional Services	The decrease is attributed to not conducting a study of alternative insurance such as captives. This would mainly apply to property and casualty insurance. We conducted a study inhouse for the property and joined a Risk Retention Group (RRG) with the same coverage and a significant savings. The fleet is in a risk pool with other Minnesota public entities. The aviation liability insurance uses the same reinsurance in London and Germany so there would be little cost savings or coverage enhancements.
Other	The increase is attributed to various changes that impact insurance. The property insurance is to replacement cost value and construction inflation is a key factor. There are also increases for fleet and reinsurance driven by a world wide reinsurance problem as a result of the adverse weather conditions in the Gulf Region.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**RISK MANAGEMENT****2005 PROGRESS REPORT**

Objective	Measurement	Results
Identify potential risks that may impact the organization and take countermeasures to eliminate or minimize those risks.	We will better identify risks and find alternatives to addressing them. Proactive assessment and identification of alternatives will be enhanced.	We have analyzed losses from a multi-year data base and have been taking initiatives to reduce losses. The frequency of losses are up due to a larger population traveling but our severity is down.
Study the benefits of combining medical benefits with worker's compensation for a 24 hour benefit coverage.	Entities that have combined the two benefits have seen a reduction in worker's compensation costs which are typically higher than medical benefits.	The cost of worker's compensation for medical is increasing at a faster pace than general medical. Thus, this is not a goal to approach since our general medical costs have control measures in place that are not available to the worker's compensation system.
Provide a supplemental medical benefit to employees and their families. Several medical plans and a prescription drug plan have been identified and studies will be completed as to comparing their benefits before introduction to employees.	This would assist employees who do not have medical benefits after the age of 65 and family members who do not qualify for the MAC Medical Plan.	Several sources have been identified and will be assessed. This will be expanded in 2006 and will be noted as a new goal.
Determine the benefits of the alternatives available from the new Medicare law with respect to retiree prescription drugs and implement the best alternative.	Reduce MAC medical costs and provide prescription drug benefits to retirees.	The Medicare Part D benefit was studied and action taken that has been implemented within the timeframes established by this legislation.

2006 PROGRESS REPORT

Objective	Measurement	Results
Prepare an Insurance Risk Annual Report.	The annual report would outline the risks within the organization and the actions that have or can be taken to minimize or eliminate the risks.	An intranet site will be set up with reports and the annual report for 2007.
Establish a positive workers' compensation chargeback system for costs to the individual cost centers.	This system would establish financial goals for cost centers to control the costs associated with workers' compensation. The cost centers would be rewarded and recognized for preventing worker injuries and costs associated with post injuries.	As a prelude to this, we conducted an audit of the internal and external workers' compensation process to identify enhancement opportunities. Most of the audit results have been addressed or are being implemented. This will lead to a chargeback system which we will test in 2007 for implementation in 2008. This will continue to focus on the positive aspects of prevention and control.
Develop a program to address the impact of a potential Flu Pandemic (H5N1).	A matrix of potential risks associated with a pandemic would be established and countermeasures established. An event could impact revenue, costs, and health issues.	Key employees have been identified who would be exposed and have been trained by staff along with a supply of personal protective equipment.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

RISK MANAGEMENT**2006 PROGRESS REPORT**

Objective	Measurement	Results
Provide additional supplemental benefits to employees and their families to attract and retain employees.	By offering supplemental benefits at group discounts, employees will be able to obtain better benefits at a lower cost to meet their individual needs.	This is under development and will be ready to introduce in 2007. The first plan will be medical for those that do not have MAC coverage after age 65.
Provide employees, family members and retirees with the tools to make them wiser consumers of MAC provided benefits.	Those that are provided with MAC benefits will understand the value of the benefits and actions they can take to use the most cost effective benefit. This will reduce costs for MAC and those provided with MAC benefits.	This is continuing through our "yes, We Can" program. We are also working with CCS/BCBSMN on other initiatives. We will be working with MAC Wellness in 2007 on another program.
Establish a more effective method of tracking certificates of insurance with contracts.	The certificate verifies that adequate insurance is available in the event of a loss and that MAC is protected.	Staff is continuing to work with departments to improve their tracking methods.
Finalize a study of alternative insurance methods such as captives, risk retention groups and restricted funds.	Provides custom coverage to address MAC's risks and control costs.	This has been completed internally and we entered into a risk retention group for property with excellent results.

2007 OBJECTIVES

Objective	Expected Results
Implement a department wide continuous improvement program.	Enhancements in all processes.
Identify and introduce supplemental employee benefits.	Attract and retain qualified employees.
Establish authority, accountability and responsibility for Risk Management issues impacting MAC through an Executive Risk Management Committee.	Identification and control of risks.
Risk Management plan for communicable diseases such as the pandemic flu.	Protect the financial interest of the MAC.
Promote a dialog with individuals that utilize MAC employee benefits to solicit their input to enhance efficient utilization and control costs.	Satisfaction with benefits provided by the insurance Risk Management Dept. and the control of costs.
Purchase a Risk Management Information System (RMIS) to allocate fixed and claim costs to cost centers.	Cost centers will have an incentive to control costs and will be held accountable by the Commission.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**FINANCE****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	996,319	1,032,571	1,225,436	192,865	18.68%
Administrative Expenses	32,787	17,251	25,900	8,649	50.14%
Professional Services	131,158	126,065	150,000	23,935	18.99%
Utilities		0	0		
Operating Services/Expenses	162,674	184,747	185,200	453	0.25%
Maintenance	0	500	0	-500	-100.00%
Other	10,691	7,122	6,000	-1,122	-15.75%
Total Budget	1,333,628	1,368,256	1,592,536	224,280	16.39%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	15	15	17

RESPONSIBILITY/FUNCTION

Finance is responsible for the Commission's accounting, cash management functions, preparation of the annual operating budget and Comprehensive Annual Financial Report (CAFR). Financial planning includes, but is not limited to, issuance of all debt (new and refunded), tenant rates and charges development, cost benefit analysis and financial analysis.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. In addition, two FTEs have been transferred from Finance & Administration to better reflect their responsibilities and reporting structure.
Administrative Expenses	The increase in Administrative Expenses reflects the actual usage expense based upon historical spending and the anticipated requirements for the 2007 budget. This includes membership dues for additional staff participation in professional organizations. Also, office supplies and printing costs are related to increases in publication expenses.
Professional Services	Professional Services have increased \$23,935 (budget to budget) due to audit fees (financial and legislative) and additional arbitrage fees.
Other	Other increased \$1,378 due to the purchase of an additional desktop scanner.

2005 PROGRESS REPORT

Objective	Measurement	Results
Provide necessary support for various rates and charges and Request For Proposals (RFP's).	Implementation of regular annual rate adjustments for 2005 as well as a new rate structure for the Reliever Airports. In addition, there is likely to be a new ground rental rate Ordinance for MSP that will have to be implemented in 2005.	Reliever Airport rates and charges were implemented in June, 2005. The ordinance for ground rent at MSP was delayed and will be implemented in January, 2006. Additional work and support was provided in the areas of Concessions and Parking.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**FINANCE****2005 PROGRESS REPORT**

Objective	Measurement	Results
Identify financial options for 2005 proposed airport expansion and development plan.	Develop funding plan for the 2005 CIP, remainder of the 2010 Plan and initial requirements for the 2020 Plan.	Funding for the 2010 Plan projects as well as the 2020 Plan projects were identified. Work stopped on the 2020 Plan as these projects were delayed. The funding plan for 2005 CIP was approved by the Commission in January 2005.
Continue budget process improvements.	Identify and implement changes needed to ensure Human Resources records and Finance records are the same. Develop a method to more easily incorporate goals and objectives and their status into the operating budget book.	In process.
Develop Request for Qualifications (RFQ's) for the following consultants: Airport Consultant, Financial Advisor, and Bond Counsel.	Complete the selection process for each of the consultant areas.	All RFQ's were developed and were ready to be sent out. However, because of the NWA bankruptcy, staff requested and the Commission approved an extension of all of these consultants.
Reconcile the 2010 Plan costs and funding sources.	Identify and reconcile differences between actual and current results for both costs and funding for all projects in the 2010 Plan.	This objective was completed in October. All costs were reconciled between Airport Development records and Finance records. Also, all funding for the individual projects was reconciled.
Develop a method to track both the capital cost and the sources of funding for the 2020 Plan.	A spreadsheet is developed to identify all capital costs by project and the projected funding source. Reconciliation of funding to be performed every quarter initially.	This project is still in progress. It is estimated to be 70% complete. With the delay of the 2020 Plan, this project was deferred.
Implement an annual reconciliation process for all water/sewer meters, natural gas meters, and electric meters.	Meters are all accounted for and are being charged to the appropriate cost center.	This project was completed. All meters were reconciled and a periodic review of each (electric, natural gas, and water) was established.
Update the Actuarial Study for the Commission's Post Retirement Medical Benefit.	Obtain updated information for comparison to what is accounted for currently and make changes as required.	This project was completed in the 3rd quarter of 2005. The results of the study were reviewed internally and as a result no additional funding was required at this time.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**FINANCE****2006 PROGRESS REPORT**

Objective	Measurement	Results
Monitor key success measures and strive for improvement.	1) Operating Cost Per Enplaned Passenger will be less than \$7.00. 2) Airline Cost Per Enplaned Passenger will be in the lower 1/2 of large hub airports and less than the Airline Model Forecast of \$6.08. 3) Senior Debt Service Coverage will be at least 1.4 times. 4) Operating Reserve will consist of 5 months of operating expenses. 5) Operating Revenue Per Enplaned Passenger will exceed \$11.00.	1) Estimated to be \$6.06. 2) The estimated Cost Per Enplaned Passenger of \$6.06 should place the Commission in the lower 1/2 of large hub airports. 3) Estimated to be 2.01 times. 4) Commission approved an increase to 6 months in October, 2006. 5) Estimated to be \$14.20
Continue Budget Process improvements and evaluate financial software systems.	1) Financial software is evaluated and determination is made whether an upgrade or new software is required. 2) Work with individual cost centers to streamline the budget process. 3) Coordinate records with Human Resources to ensure all data is compliant and matches. 4) Refine implementation of goals & objectives within the budget process.	1) Continues to be in process. 2) In process. 3) Completed 4th Quarter 2006. 4) In process.
Provide necessary support for various rates & charges and requests for proposals (RFP's) as well as evaluation and modification of the Airline Lease Model.	1) Evaluation and modification of the Airline model is completed so that low to moderate difficulty forecasting can be completed internally. 2) Analysis and implementation (if required) of new rates and charges and or concessions adjustments are completed.	1) Completed 2nd Quarter 2006. 2) Completed 4th Quarter 2006.
If required by the Commission, develop Request For Qualifications (RFQ's) for Airport Consultant, Bond Counsel, Financial Advisor and Financial Auditor.	Completion of the selection process for any or all of the above RFQ services required by the Commission.	Deferred.
Reconcile electric meters from Xcel records to MAC records.	Meters are all accounted for and are being charged to the appropriate cost center/subledger.	Completed 2nd Quarter 2006.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

FINANCE**2006 PROGRESS REPORT**

Objective	Measurement	Results
Identify and monitor financial options (Costs & Funding) associated with the 2006 CIP, 2010 Plan and 2020 Plan.	1) Projects funded as identified and approved by the Commission in December 2005. Changes and variances are reconciled. 2) PFC #10 for 2010 Plan Projects is filed and approved by the FAA no later than 11/30/06. 3) Issue required debt (bonds) as directed by the Commission for those projects identified with bonds as a funding source. 4) Apply and receive the maximum amount of Federal and State Aid identified in the 2006 CIP Funding Schedule.	1) Funding for 2006 CIP projects completed with adjustments made as required. 2) Deferred until 2007. 3) No new debt issued. A major refunding to close in January 2007 will result in \$2.0 million of annual debt service savings. 4) Completed 4th Quarter 2006.

2007 OBJECTIVES

Objective	Expected Results
Continued Budget Improvements	Evaluate financial software to determine if supplemental software will improve budget process. Coordinate budget process with Strategic Plan.
Water & Sewer Invoice System evaluation	Evaluate software to possibly improve process and timing of Water & Sewer invoicing.
Three-year CIP Funding	Continue to fund Capital Improvement Plan, recommending adjustments as needed.
Reconciliations - Utilities and concessions	Reconcile meters for accurate accounting and billing. Reconcile concessions batches for accurate accounting and recording of revenue. Also use for future forecasting.
Rates and charges support	Provide support and calculations for any new ordinance rates, other rates and for new methodology related to all airline rates and charges.
Software (JDE) Evaluation	Initiate and evaluate JDE system.
Monitor key success measures.	1) Cost per enplaned passenger <\$6.25 2) Cost per enplaned passenger lower 1/2 large hub 3) Coverage - Senior 1.4x or > 4) Operating Reserves 6 months 5) Operating Revenue per enplaned passenger >\$11

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

FINANCE**2008 - 2011 LONG TERM OBJECTIVES**

Objective	Expected Results
Financial Auditor Request for Qualifications	Financial Auditor selected.
Continued Budget Improvements	Work with all departments soliciting new ideas to improve the process and timing.
Water & Sewer Invoice System Implementation	New system implemented.
Three-Year CIP Funding	CIP completely funded while maintaining all bond coverages and covenants.
Reconciliations - Utilities/Concessions	Utilities verified and properly recorded.
Rates & Charges Support	All calculations and support provided.
Software Implementation (JDE)	Upgrade and/or new software implemented and in place.
Monitor Key Success Measures	Cost per enplaned passenger <\$7 Cost per enplaned passenger lower 1/2 large hub Coverage - Senoir 1.4x or > Operating Reserves 5 months Operating Revenue per enplaned passenger >\$11

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**MAC GENERAL****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	15,838,375	12,937,686	12,046,223	-891,463	-6.89%
Administrative Expenses	39,729	49,000	41,000	-8,000	-16.33%
Professional Services	12,420	34,000	30,000	-4,000	-11.76%
Utilities	14,329,267	15,197,102	14,487,000	-710,102	-4.67%
Operating Services/Expenses	1,477,758	1,667,916	1,522,000	-145,916	-8.75%
Maintenance	1,181,255	822,095	970,002	147,907	17.99%
Other	576,031	30,000	141,000	111,000	370.00%
Gross Depreciation	93,565,938	117,965,237	118,497,916	532,679	0.45%
Total Budget	127,020,773	148,703,036	147,735,141	-967,895	-0.65%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	0	0	0

RESPONSIBILITY/FUNCTION

The MAC General Service Center contains expenses that are not specific to any one service center such as employer FICA taxes, retirement plans, postage, utilities (electric, heating, sewer and water), copy agreement, Glycol Impacted Storm Water (GISW) Management, rubbish disposal, unleaded gas and diesel fuel. The Finance Service Center is responsible for the budgeting of MAC General.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	<p>The reduction in Personnel is primarily a result of Pensions which are expected to decrease in 2007 compared to the 2006 estimates by \$939,506 or 12.26%. The following pertains to the Pension budget:</p> <p>The Minneapolis Employees Retirement Fund (MERF) unfunded liability will decrease \$1,226,146 (budget to budget) due to the decrease in the number of remaining MERF employees.</p> <p>The employer contribution for Police and Fire Public Employees Retirement Association (PERA) has increased from 10.50% in 2006 to 11.7% in 2007 along with other employees increasing 6.0% to 6.25%.</p> <p>Two additional budgeted positions increased insurance and retirement benefits.</p>
Administrative Expenses	A reduction in special supplies and delivery services results in the decrease in the 2007 budget for Administrative Expenses.
Professional Services	Professional services were reduced \$4,000 as a result of miscellaneous services.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

MAC GENERAL**MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Utilities	<p>Utilities are lower in the 2007 budget due to the following:</p> <p>Electricity has increased \$519,651 between the 2006 and 2007 budgets however, when compared to the estimate for 2006 actual expense (the 2006 budget was too low) a decrease occurs. The budget information is provided by the utility company and an outside consultant.</p> <p>The projected budget decrease is \$1,216,055 for natural gas. The decrease can be attributed to projected rates. The 2006 budget allowed for higher gas prices. The budget represents current market conditions, inventory fluctuations and demand. Based on the uncertainty and constant fluctuations in the natural gas market, MAC has locked in only a portion of winter pricing.</p>
Operating Services/Expenses	Operating Services have decreased due to the reduction for GISW management. The 2007 expense is based upon historical data.
Maintenance	An increase in Maintenance is a result of increased rubbish disposal services. In addition, Equipment - Gas has been increased for the latest market pricing and usage.
Other	The budget for Other in 2007 includes Grant Expenses. Recording the expenses in Other Expense (rather than offsetting revenue) is the preferred method of accounting recommended by the external auditors.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**PURCHASING****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	398,244	394,951	447,529	52,578	13.31%
Administrative Expenses	21,911	17,911	20,684	2,773	15.48%
Professional Services	210	0	0	0	0.00%
Utilities		0	0		
Operating Services/Expenses	3,780	3,480	3,480	0	0.00%
Maintenance		100	100	0	0.00%
Other	364	3,696	950	-2,746	-74.30%
Total Budget	424,508	420,138	472,743	52,605	12.52%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	7.5	7	7.5

RESPONSIBILITY/FUNCTION

The Purchasing Department oversees the acquisition of materials, services, and equipment by using one of several sourcing methods available. Staff will select the method that will result in the most efficient use of MAC resources meeting the needs of the end user. The Department is also responsible for the disposal of surplus property, selling items on the open market or avoiding the cost of acquiring new items by coordinating the distribution of surplus items between MAC Departments. Purchasing also supervises the Lost and Found Office located in the Lindbergh Terminal, Central Mail in the General Office building, as well as tracking insurance certificates for contracts generated by the Purchasing Department. It also coordinates acquisition of minor construction, repair and maintenance of real or personal property.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	The increase in Personnel is attributed to a reallocation of .5 position to Purchasing to cover work volume. Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	Administrative Expenses increased due to additional staff, required training, travel, certifications and printing expenses.
Operating Services/Expenses	Operating Services/Expenses budget requirements provide for the service agreement for postage equipment in mailroom.
Other	Reduction in budgeted dollars is attributable to the majority of fleet vehicles being licensed in 2006. The majority of the fleet will require new licenses in 2008.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

PURCHASING**2005 PROGRESS REPORT**

Objective	Measurement	Results
Sustain a high level of customer service to the general public and MAC Departments from Lost and Found, Mail Room and Purchasing Office.	<ol style="list-style-type: none"> 1. Continue to develop positive responses from the public and service recognition from other MAC departments. 2. Cross train purchasing staff. 3. Produce a "Purchasing Guide" and "Pocket Guide to Requisition Processing". 4. Conduct monthly auctions of surplus and unclaimed property. 	<ol style="list-style-type: none"> 1. Several positive written comments were received from customers flying into or out of MSP complementing the staff of our Lost and Found facility. Twice during the year staff was recognized with the MSP Customer Service Action Council award. Purchasing staff received several compliments from other departments specifically recognizing the expertise of the staff. 2. We have cross trained staff to provide backup to the mail room, Lost and Found, and credit card processing. 3. In process. 4. Ninety four (94) individual internet sales were conducted and one two-day "Garage Sale" held in October 2005. Net revenue exceeded \$111,794.00, which included a fire truck which sold for \$68,000 (Note: a trade in value of \$44K was quoted at the time the commission approved the purchase of a new unit), and the sale of twenty two cars for the Police Department. Revenue of \$5,948 was generated for used wood pallets, which in the past were given away. Cost avoidance exceeded an estimated \$50,000 with material being transferred from one department to another.
Continue to improve internal procedures that will strengthen and improve the acquisition process.	<ol style="list-style-type: none"> 1. Create a retention schedule of acquisition documents, (orders, solicitations, contracts etc.) 2. Continue random audits of the MAC Commercial Card. 3. Expand use of the commercial card to a higher dollar limit for commodities under a blanket order. 4. Develop a new model of assigning signature levels to department personnel. 5. Complete a Lost and Found procedures manual. 6. Review the check request process to eliminate checks that should first go through the purchasing process. 7. Maintain a current Emergency Purchasing Process Plan and manual for each staff person. 8. Complete the application process for accreditation by the National Institute of Governmental Purchasing. 	<ol style="list-style-type: none"> 1. Retention Schedule was completed and approved by the State of Minnesota. This is the first retention schedule specific to purchasing related documents including purchase orders, and contracts for materials and supplies. 2. Random audits were completed monthly by the commercial card administrator of credit card holder statements. 3. In process 4. Signature levels were updated and assigned. 5. A Lost and Found procedure manual was completed. 6. In process 7. The purchasing emergency Process plan received several updates during the year. A meeting was held with the Fire Department to ensure emergency items are inventoried or supply sources available on quick notice. 8. In process.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**PURCHASING****2006 PROGRESS REPORT**

Objective	Measurement	Results
Continue to identify internal procedures that will improve the acquisition service provided to all MAC departments.	Identify, investigate and implement at least one process that would reduce acquisition costs.	Staff investigated buying fuel on the futures market. This did not prove to be a method we can use because of the volatility of our volumes during the winter snow season. We will continue to buy at an attractive cost using a bid constant and monitor the possibility of buying futures at a latter date. Staff processed a new contract with a credit card provider that will offer MAC a significant rebate. Rebates will increase with the opportunity to use the same card by other airports around the United States through the Airport Purchasing Group. Discussions have begun and will continue in 2007 to consider using an electronic requisition.
Sustain a high level of customer service to all MAC Departments when making acquisitions, processing mail, and locating the owners of lost items from inventory at the Lost and Found Office.	Increase in the number of verbal and written comments that are positive and complimentary about the level of service being provided. Lost and Found will have at least 50% of all items claimed by the owner.	Lost and Found staff received three MAC Customer Service Performance Awards during 2006. Lost and Found reports locating owners of found items 50% of the time, plus or minus 2% since the year has not ended at the time of this writing. The Purchasing Department customer service survey was 8.2 indicating other departments were very satisfied with our performance. The maximum possible points was 10.

2007 OBJECTIVES

Objective	Expected Results
Continue to improve customer service to external and internal customers.	Survey results will show an improvement over 2006 results. Average score to exceed 8.5. Achieve 50% return of found items to their owner.
Implement methods to reduce acquisition costs and produce non-aviation revenue for MAC.	Implement commercial card program producing revenue rebate exceeding \$25,000. Produce acquisition cost avoidance exceeding \$10,000 by transferring used equipment, furniture and office supplies to another MAC department. Implement computer generated requisition form in 2007 and reduce by 5% the amount of preprinted hardcopy forms ordered. This number will dramatically increase once the requisition goes on line which is not expected until 4th quarter of 2007.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**INFORMATION SERVICES****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	1,401,885	1,382,096	1,448,345	66,249	4.79%
Administrative Expenses	55,533	70,626	55,101	-15,525	-21.98%
Professional Services	7,961	50,000	50,000	0	0.00%
Utilities	7,819	454,600	374,463	-80,137	-17.63%
Operating Services/Expenses	483,538	1,144,815	1,076,562	-68,253	-5.96%
Maintenance		0	0		
Other	156,876	308,145	446,985	138,840	45.06%
Total Budget	2,113,612	3,410,282	3,451,456	41,174	1.21%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	17	19	17

RESPONSIBILITY/FUNCTION

The Information Services (IS) department provides leadership and direction to the MAC in identifying and using technology. This includes reviewing and approving plans, budgets, and purchases for technology. The IS department works with MAC departments in analyzing needs and implementing business solutions that employ technology. This work includes analysis, design, selection, acquisition, installation, documentation and support of hardware, software, network and telecommunications technologies.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Utilities	The reduction is a result of lower than anticipated telephone costs when these costs were moved to the Information Services department cost center.
Operating Services/Expenses	The increase in operating expense is attributable in large part to transitional support and maintenance costs for the Humphrey Terminal common use systems pending installation of the new systems. Other contributors include costs for Microsoft maintenance and support agreements.
Other	The increase in this area is caused by workstation upgrades that are part of the scheduled replacement cycle for workstations.

2005 PROGRESS REPORT

Objective	Measurement	Results
Implement 800MHz radio communications system, Phase II of II.	All MAC departments that use radio communications will be part of the 800 MHz system by the end of 2005. This will include all MAC vehicles that operate on the Movement area.	All MAC departments that use radio communications are now using the 800 MHz digital trunked radio system. All MAC vehicles that operate on the movement area including all public safety vehicles are equipped with 800 MHz radios.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**INFORMATION SERVICES****2005 PROGRESS REPORT**

Objective	Measurement	Results
Acquire upgrade for the airport secured access system.	Hardware and software upgrade will be completed in 2005. Implementation may carry over into 2006 because the MAC security badges will need to be re-issued.	The Commission approved the contract award for the Secured Area Access Control system in November, 2005. Installation and re-badging is expected to be completed by the end of the third quarter, 2006.
Acquire and begin implementation of a system to control Landside commercial vehicle and employee parking operations.	A new system will be acquired and implementation started by year-end 2005.	A contract was awarded in July, 2005 for the new Landside system. Completion is scheduled for the third quarter, 2007.
Add common use self service e-Ticketing kiosks in the Humphrey Terminal.	Kiosks will be installed and in use by the end of the first quarter 2005.	Ten common use self service kiosks have been purchased for the Humphrey Terminal. The kiosk software has not worked satisfactorily to produce boarding passes or bag tags to date. Sun Country and the vendor, Sabre, are working directly together on a solution, but no resolution date has announced.
Establish Airport Development project accounting in PeopleSoft / JD Edwards to meet the requirements of the 2020 Plan.	All project-related financial information is included in the MAC's financial system.	Deferred based on Commission action.
Upgrade MAC email to current version of Microsoft Exchange.	Email is updated by year-end 2005.	This project was dropped after evaluation showed little gain for the expense.
Provide 99% or better availability of MAC radio, cell phone, pagers and wireless Internet access systems.	Systems are available 99% of the time with acceptable coverage. Wireless technologies do not interfere with each other.	Systems have been available 99% of the time. Coverage and interference issues have been corrected by working with the parties involved.
Ensure 99% or better availability for critical airport systems including: 1. Landside operations 2. Public safety 3. Humphrey Terminal common use	These systems are available 99+% of the time as outlined in the respective Service Level Agreements.	Landside and Public Safety systems were available 99% of the time. The Common Use systems at the Humphrey Terminal did not meet this standard until staffing changes were made in July, 2005. Since then, 99% availability has been achieved.
Provide 99% or better availability for MAC telephone systems including the internal PBX, terminal courtesy phones and various emergency service phones.	Telephone service is available 99% of the time.	Telephone service has been available 99% of the time.
Provide 99% or better availability for the MAC servers and server-based software including products like email, virus protection, spam protection, web filtering, file and print services and security.	Servers and server-based software are available 99% of the time. Attacks on MAC systems are deflected without serious damage or loss of data.	MAC servers including email and data services have had zero downtime. MAC computer security has prevented damage or loss while handling an average of 19,638 incoming emails per day, spam rejected on average of 13,144 per day, and viruses rejected averaging 512 per day. No damage has been done by virus or other malware attacks.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**INFORMATION SERVICES****2005 PROGRESS REPORT**

Objective	Measurement	Results
Provide 99% or better availability for MAC networks including LAN, WAN and SONET networks.	Network service was interrupted three times by power failures in the Lindbergh Terminal. These failures lasted long enough so that the UPS (Uninterruptible Power Supply) capacity was exceeded, causing power loss for key network equipment. (Each outage lasted approximately two hours.) Even with these outages, network availability was greater than 98% of the time.	MAC networks have been available 99.9% of the time. The SONET network has been replaced by lower cost, higher speed equipment.
Provide 95% or better availability for MAC desktop hardware and software including 350 desktop workstations, 180 networked and standalone printers and over 30 different software products.	Desktop hardware is available 95% of the time. Problems reported to the IS Help Desk will receive response according to Service Level Agreements.	Overall MAC desktop software and hardware has been available greater than 95% of the time.
Provide 95% or better availability for software products in use including PeopleSoft / JD Edwards HR, payroll and financial systems, Asset Management, Facilities Monitoring, emergency notification, fleet management and the budget system.	Software products are available for use 95% of the time. Problems are addressed according to Service Level Agreements.	Applications software products have been available over 95% of the time with the exception of the common use systems. Following staffing changes in July, common use systems are available greater than 95% of the time.
Review and approve telecommunications permits for work done at the MAC that involves cabling or telecommunications-related construction.	All permit applications are reviewed within 2 days of receipt with response provided within another 2 days. All permitted work meets MAC standards.	All telecommunications permit applications have been reviewed with response provided within four days. Fifty-five permits have been reviewed this year along with twenty permits for various underground utility work and thirty permits related to the new concession build-outs.
Review and approve plans, budgets and purchases for technology activities at the MAC.	Reviews are completed on a timely basis. Purchase requests receive a response within 3 working days.	IT related budget proposals were reviewed on schedule. IT purchases have been reviewed within three working days.
Begin developing a MAC-wide operational Communications Plan in conjunction with MAC operational departments.	Scope and outline of the Plan are completed with input and agreement from MAC departments by year-end 2005.	This effort was dropped as being outside the scope of the IS department.
Oversee installation and implement technology infrastructure for the new fire station and South maintenance building.	Voice, data, and radio facilities are installed as designed at these new buildings.	Planned technology and infrastructure have been installed successfully at the new ARFF station and the South Field Maintenance building. This includes telephone, radio and data communications as well as station alerting systems for both fire stations.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**INFORMATION SERVICES****2005 PROGRESS REPORT**

Objective	Measurement	Results
Review and revise MAC Internet web site and Intranet web site.	MAC Internet and Intranet web sites will be reviewed and revised as appropriate in conjunction with the Public Affairs department.	The MAC Internet web site has been completely re-designed and expanded to include job postings and business opportunities. No work has been done on the Intranet web site pending upgrades to MAC financial and human resources software that may support employee self-service.

2006 PROGRESS REPORT

Objective	Measurement	Results
Complete evaluation of existing financial, human resource and payroll system and determine if a new system is required or if the existing system can meet future needs.	Decision on direction for financial, human resource and payroll system with choices identified and evaluated.	The following options were examined and a direction was identified. The direction is to extract the maximum possible functionality from the present Oracle / JD Edwards World software, to migrate to the next major release of this software in 2007 and to plan a major migration to the Oracle / JD Edwards Enterprise One product, for which the MAC already holds licenses. Options: 1. Remain with JD Edwards World - objections have been raised to the lack of a "modern" graphical user interface 2. Upgrade within the JD Edwards product line - option chosen 3. Acquire a different Enterprise-grade product such as SAP, Lawson or Oracle - lengthy conversion, high cost
Evaluate and renew the common use systems including support services at the Humphrey Terminal.	Common use systems are upgraded and supported as required by tenant airlines.	Requests for Proposals for common use systems and support services were issued in June, 2006. This process was delayed for several months because of the uncertainty surrounding Northwest Airline's bankruptcy. The present support services and software maintenance agreement was extended through July, 2007 to provide support during the transition to new systems. The acquisition, contracting and implementation process is planned for completion by August 1, 2007.
Work with MAC departments including Police, Fire, and the Communications Center to develop requirements and replace the existing Computer-Aided Dispatch and Public Safety Records Management system.	The Request for Qualifications / Request for Proposals process will be completed and an award made by the end of 2006.	Analysis of the current processes and systems is continuing. Computer-Aided Dispatch (CAD) requirements will be completed by December 31, 2006. Police requirements will be completed by December 31, 2006. The Request for Proposals will be completed by January 31, 2007.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

INFORMATION SERVICES

2006 PROGRESS REPORT

Objective	Measurement	Results
Begin quarterly security assessments required by the Payment Card Industry association (PCI) to ensure that credit card data is safeguarded. The MAC is a Level 4 merchant as defined by the PCI because of the extensive credit card processing used for ePark	An independent assessment firm will be retained and the quarterly evaluations will be completed. Any compliance issues will be corrected.	A Request for Proposals was issued and responses received. An award was made in July, 2006. Contract negotiations took until November, 2006. The assessment, including a review of compliance with the PCI standards, will be completed by December 31, 2006. The schedule has been extended with completion by October 1, 2007.
Complete the implementation of the Secured Area Access Control system.	The new system will be operating successfully across the MAC including the re-badging of all affected airport workers.	Airport re-badging with the new smart cards and biometric identification began in August, 2006. Project completion, which includes installation of all new badge readers, is scheduled for February, 2007.
Software distribution will be handled electronically including patches for software products, antivirus updates and new software installation.	Updates and installations of software will be performed electronically.	Electronic software distribution is in use for several key products including anti-virus software updates and operating system patches.
Work with the ACI Business Information Technology (BIT) Committee to revise, distribute and collate an airport survey to discover technologies planned and in use.	A new ACI-BIT Committee survey will be developed and distributed to airports.	The ACI-BIT Committee has developed and distributed a survey to capture systems and suppliers present and planned.
Continue developing and implementing the Landside information system to manage taxi, commercial vehicle and contract parking.	The project will be on schedule and budget for scheduled completion in July, 2007.	This project continues to be on budget. Twenty seven percent of the funds have been disbursed in accord with the payment plan, and sixty percent of the project timeline has been completed.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

INFORMATION SERVICES

2007 OBJECTIVES

Objective	Expected Results
To provide the infrastructure to support planned information technologies.	<p>Replace critical servers, phase 2 of 4. There are 59 servers plus 2 large network attached storage servers that support MAC's network. Activities supported include email, printing, storing files, and running various software applications such as the Fire department's operations system, Field Maintenance's vehicle management system, the MAC website, landside operations, and other public safety systems. Most of the existing servers were purchased in 1999 and warranties are no longer available.</p> <p>Network equipment upgrades. Some key pieces of hardware that make up the MAC network need to be replaced for expanded capacity. The two routers at the hub of the net located in the G.O. data center and the Lindbergh Terminal main communications room need to be replaced. Several of the firewalls that protect against intruders need to be upgraded to handle additional demands.</p>
Upgrade existing information systems that are at the end of their lives.	<p>Secured Access system upgraded.</p> <p>Landside MAVIS (commercial vehicle) system upgraded.</p> <p>Computer Aided Dispatch (CAD) and Records Management System (RMS) upgraded.</p> <p>Humphrey Terminal common use system upgraded.</p> <p>Fire alarm system upgrade. The present Honeywell fire alarm system is at the end of its life. The computer components are no longer manufactured. This project would upgrade the software and detection hardware for the fire alarm system.</p> <p>Upgrade email system. This upgrade was deferred once because the costs exceeded the benefits. Now the balance has shifted the other way. Microsoft products in use at MAC rely on features of the upgraded version of Exchange, the email software, that are absent from the version in use.</p>
To improve data management and accuracy.	Purchase portal system. SharePoint is a Microsoft product that works in conjunction with Office products, email, and the web to offer a variety of methods for sharing and integrating data. The product will replace the present technology that provides the MAC Intranet.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

INFORMATION SERVICES**2007 OBJECTIVES**

Objective	Expected Results
To provide new, necessary information systems.	<p>1. Acquire a computerized maintenance management system and asset management system. The MAC has been using a system called Asset Handler to do limited physical plant asset management and maintenance management, most notably generating and tracking work orders. The provider of this software has left the business; no upgrade possibilities exist. Additionally, the requirements for tracking and supporting maintenance of the equipment and physical plant assets of the MAC are not being met. The needs are critical given that the MAC is ending the 2010 Plan with its accompanying \$2+ billion dollars in additional plant and equipment. This system overlaps significantly with other MAC systems including Oracle/JD Edwards, facilities monitoring, embryonic geographical information systems work and several currently independent systems such as the plumbing monitoring setup. This project will explore the optimum manner to arrange the elements described to obtain the systems support required for the MAC.</p> <p>2. Implement a unified messaging system for emergency notification. The MAC has struggled with the problem of emergency and non-emergency notification for some time. This project will identify and acquire a system that meets MAC needs for various departmental and organizational messaging. The system will be device independent and capable of delivering voice and/or text messages to telephones, cell phones, pagers and PDA's such as Blackberries.</p>

2008 - 2011 LONG TERM OBJECTIVES

Objective	Expected Results
To provide the infrastructure to support planned information technologies.	<p>Backbone network providing campus-wide, high speed data and voice transport (2008).</p> <p>Mesh network providing campus-wide wireless data transport (2009).</p>
Upgrade existing information systems that are at the end of their lives.	<p>Upgrade J.D. Edwards to EnterpriseOne version (2008-2009).</p> <p>Telephone system upgrades (2008).</p> <p>Single sign-on capability for MAC information systems (2008).</p> <p>CCTV upgrade to IP-based system (2009).</p>
To improve data management and accuracy.	<p>Data warehousing system providing single access point for MAC's data (2008-2009).</p> <p>Document management system (2009).</p>
To provide new, necessary information systems.	<p>MAC geographic information system (GIS) (2008-2009).</p> <p>Electronic time sheet capability (2008).</p> <p>Field Maintenance systems for roster, orders, equipment assignment (2009).</p>

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**COMMERCIAL MGT/AIRLINE AFFAIRS****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	622,070	651,823	304,811	-347,012	-53.24%
Administrative Expenses	17,532	20,090	25,000	4,910	24.44%
Professional Services	74,329	155,000	115,000	-40,000	-25.81%
Utilities	511	119	1,000	881	740.34%
Operating Services/Expenses	1,944	600,000	600,000	0	0.00%
Maintenance		0	0		
Other	6,287	600	600	0	0.00%
Total Budget	722,673	1,427,632	1,046,411	-381,221	-26.70%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	7	11	4

RESPONSIBILITY/FUNCTION

This area is responsible for revenue generation, property/real estate management, concession/business development and air service recruitment.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Three FTEs have been transferred to the newly created service center, Concessions & Business Development to better reflect their responsibilities and reporting structure. Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	Discuss and look at new business development programs at other airports to see what could possibly be implemented at MSP.
Professional Services	Analyze data of customer research project and real estate expert in the field of commercial land development at Reliever Airports.
Utilities	Utility increase for phone bill.
Other	Computers for the relocation of three CMAA staff members to the Terminal.

2005 PROGRESS REPORT

Objective	Measurement	Results
Complete a traveler services RFP.	Execution of a new contract.	Pending. Expected date of bids received is April 2006.
Assist with the negotiation and design necessary to commence construction of the airline belly cargo facility.	Construction commencement November or December 2005.	Indefinitely deferred due to Auto Rental solution at Humphrey Terminal. This solution does not require demolition of Air Cargo City Buildings H and I. The belly cargo facility was going to replace those buildings.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**COMMERCIAL MGT/AIRLINE AFFAIRS****2005 PROGRESS REPORT**

Objective	Measurement	Results
Continue work related to bringing management of computer graphics systems (occupancy drawings, lease exhibits, etc.).	Establishment of occupancy plans independent of HGA or other consultant assistance.	Completed. All occupancy drawing and lease exhibit work is completed in-house.
Assist with CMAA's responsibility related to the 2020 Plan.	Better idea/direction of airlines to be relocated and the type of operation to be utilized (common use or preferential).	Ongoing. MOU's for each airline to be relocated have been sent to each carrier in an effort to secure specific gate and facility assignments for each airline.
Continue efforts to further the expansion and growth of wireless internet usage.	Increased connects month over month resulting in increased revenue.	Ongoing. Revenues increased month over month until decision to provide free service with NWA World Clubs. Efforts to continue increasing revenues to continue in 2006.
Assist with the solution for operation of the Runway 17/35 deicing pad.	Construction of facility to be leased to either ASIG, Northwest Airlines, or both. Or effective operation plan without facility construction.	Ongoing. Lease Agreement completed with ASIG, nearly complete with NWA. Operational details for facility still being worked out.
Complete TSA License Agreement to hold TSA responsible for payment of costs related to security checkpoint cleaning, electrical cost for TSA equipment and HVAC cost for TSA's exclusive use of baggage screening area.	Execution of License Agreement.	Completed. License Agreement executed in November.
Develop Business Partner Index to measure partner satisfaction with our working relationship.	Measurement of data to allow partner satisfaction.	Due to other initiatives and a heavy workload, work on this objective was deferred.
Implement new ground rental rates ordinance.	Based on the preliminary review, the ground rental rates should increase on average about 25%.	Additional analysis was required regarding the market rental rate for the rental auto industry as well as questions related to the financial condition of the airline industry. Several reports were developed as well as a number of presentations to the Management & Operations Committee. At the January 17, 2006 Commission meeting, a rate was negotiated with the rental auto industry, which included an increase in the concession fee paid to MAC. The Commission also decided to let all Signatory airlines continue to pay land rent at the existing ordinance rate and not make any change until the next time the ordinance is revised (estimated to be April 2011).
Ensure proper revenue capture and implementation of Minnesota Retail Partners contract and all passenger services contracts.	Proper implementation and revenue capture.	On-going management of this contract. Current status is the implementation of the new stores and agreements.
Administer concessions marketing committee and program.	Effectiveness of program to increase sales and raise awareness of Northstar Crossing.	Solid increases and promotions in 2006 despite many units being transitioned.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**COMMERCIAL MGT/AIRLINE AFFAIRS****2005 PROGRESS REPORT**

Objective	Measurement	Results
Renegotiate the Joint-Use Agreement with the U.S. Air Force, which provides for shared use of fire equipment for the Airport.	Establish the fair value of the U.S. Air Force's use of the Airport facilities and to establish a clear understanding of the shared equipment use program.	The Air Force is currently reviewing the proposed changes and the existing agreement is continuing on a month-to-month basis until an agreement can be reached.
Develop a long term facility maintenance review program for the Federal Express, UPS, and Mesaba hangar facilities. These facilities were built with MAC funds and need to be maintained to a certain level in order for MAC to protect its long term assets.	Establish an inspection process that will verify and record the maintenance of these facilities. This will ensure that at the end of the lease terms that neither MAC or the existing tenants are not surprised with a large repair bill needed to bring the facility back up to a rentable condition.	Due to some staff reassignments, this project was put on hold until 2006.
Work with the cargo tenants to develop and bid the ground handling contract for MAC's Common Cargo.	Establish operational standards and performance criteria for the ground handling agent.	Following a series of meetings with the air cargo airlines, it was determined that their financial and service level needs were better met by allowing them to contract directly with the ground handling company. This gave them the ability to shop the airport for the company with the best rates. If service levels were not acceptable they could quickly change vendors without having to go through a formal process with MAC. MAC still receives the same concession fee from the ground handling vendors as well as provides a direct business relationship with the cargo airlines.
Implement the concession transition from old contracts and old facilities to new tenants and new facilities.	No missing sales or revenue reports each month for each unit in transition.	75% complete with sales higher than planned.
Conduct terminal-wide passenger research that will be used to determine passenger needs and concession shortfalls.	Conduct the annual research. Complete and issue RFP, complete proposal reviews and complete Commission approved contracts.	Cost cutting resulted in delays until April 2006 and smaller scope for research.
Develop standards, reports, and measurements that would allow us to improve the overall quality of products and services offered by our tenants.	Food & Beverage assistant conducts food inspections, price compliance, and menu reviews for each unit at least every four months. Retail and Services assistant to monitor and report on consumer trends, product successes, product voids and possible tenant voids in our merchandising assortments.	Additional concession staff headcount approved for early 2006 which will provide support for completing this objective.
Develop a MAC Food & Beverage inspections program that will enable MAC to take over the Health Inspections at MSP from Hennepin County.	By working with Hennepin County, MAC would use 2005 as the transition year to transfer the inspection responsibilities to MAC. MAC Commission and Hennepin County approval by year end.	

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**COMMERCIAL MGT/AIRLINE AFFAIRS****2005 PROGRESS REPORT**

Objective	Measurement	Results
Create and implement an electronic sales and revenue reporting system.	Current data with which to make management decisions.	Completed in August 2005

2006 PROGRESS REPORT

Objective	Measurement	Results
Rental Auto Concession Agreement Rebid.	Achieve the highest possible revenue stream from the rental auto industry.	At the January 17, 2006 Commission meeting the Commission voted to increase the rental auto concession fee from 9.5% to 10% effective March 1, 2006. Additionally, they accepted a delay in rebidding the concession agreement until a decision has been made regarding the 20/20 plan and the potential development of a second rental auto facility at the Humphrey Terminal. The rebid is not expected to occur until some time in late 2007 to mid year 2008.
Humphrey Terminal Rental Auto Facility Development.	Establish a second consolidated rental auto facility at MSP in the hopes of improving customer service for the passengers that will rent cars from the Humphrey Terminal.	This project will most likely be postponed due to the current airline industry financial situation. Significant planning work has been done regarding the rental auto facility at the Humphrey terminal. As of December 2005 the rental auto industry has been advised that MAC will provide project timeline updates sometime in April 2006. In an effort to address the customer service issue on a faster timeline Staff did enter into Lease Agreements with Hertz, Avis, Dollar, and Van Guard (National, Alamo) to have ready/return car rental service at the Humphrey terminal starting in October of this year. This program has been put on hold pending a decision regarding the 20/20 program.
Continue efforts to maximize wireless internet usage and revenues.	Increase annual revenue from MAC's wireless internet program by 5% over 2005 revenues.	Initiated discussions with Concourse Communications regarding renegotiations of how free service within NWA World Clubs will be handled. Looking to reduce MAC's financial exposure. Agreement with Concourse completed in 2006 to address provision of free wireless internet services in NWA World Clubs. 2006 revenues expected to exceed 2005 revenues once final reconciliations are complete.
Complete the implementation of the concession transition in North Terminal.	Complete construction by July 31, 2006.	All retail tenants are done and open for business. Delays caused by assorted issues have caused the Restaurants to open on the following dates. Rock Bottom opened on December 11 - French Meadow December 29 - Starbucks Jan 10, and Ikes is still listed as TBD in Feb 2007

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**COMMERCIAL MGT/AIRLINE AFFAIRS****2006 PROGRESS REPORT**

Objective	Measurement	Results
Airline 20/20 Planning.	Assist with future development and implementation of 20/20 Plan towards the planned relocation of airlines in 2008 and continued efforts to identify the appropriate financing methodology that provides rates and charges equitable to the Lindbergh Terminal.	MOU's have been sent to each airline. Continuing to refine rates and charges for Humphrey based on new square footage data from MDA and cost information from Kraus Anderson. 2020 Plan efforts on hold.
Landside Concessions RFP.	Execution of new contract.	Implementation of new contract and tenants. This project is still in the works however was delayed by about ten months due to Gene Tierney leaving MAC and not getting a replacement until December of this year. Proposal Due dates are March 8, 2007, with construction in late summer 07
Work with tenants and Bradford logistics on implementing dock and product distribution system.	Keeping product and deliveries out of concourses and increased efficiency.	Completed successfully
Complete transition of concession management from "Master Concessionaire" to a more direct and proactive management and inspections of the new tenants.	Organize the concession department with clear goals and job responsibilities for each of the department members including relocation of concessions staff to the main terminal.	Goal not met at all due to inability to add staff needed to initiate on-site inspections. Office move of concessions to the terminal to facilitate on site inspections was delayed. In May 2006, Gene Tierney left and his replacement was not appointed until late December 2006.
Work with Marketing Committee on efforts to increasing sales, awareness and customer service.	Increase retention and recruitment of concession employees through Star Service awards program. Increase sales and awareness through Traveler publication, directories and other promotional activities.	Sales goals met 100% - Employee recruitment, training, and retention remains unchanged from pre-RFP and remains as the single largest barrier to concession growth at MSP for the foreseeable future
Work with Customer Service Action Council on customer service programs including joint efforts with tenants.	Better customer service rankings.	Customer Service ratings continue to hold steady or drop. Goal Not Met
Partner with tenants to ensure integration of Customer Service Standards.	Improve Mystery shopper scores and reduce customer complaints.	Mystery shopper forms and standards successfully completed in Spring 2006. The new higher standards now show lower scores as expected. Customer complaints remain basically unchanged
Complete development and implementation of the CMAA Revenue Management and Monthly Report.	Submit monthly report with last year comparisons to director.	100% completed thanks to Ed Podnieks and Finance Department. Monthly activity reports are now received on all units by the 20th following the previous month.
Complete bi-annual update of various airline agreement lease exhibits.	Updates completed on schedule.	To be completed once Jan. 2006 occupancy drawings are published and 2006 common use charges are calculated. Completed

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**COMMERCIAL MGT/AIRLINE AFFAIRS****2006 PROGRESS REPORT**

Objective	Measurement	Results
Following the completion of the TSA License Agreement in 2005, continue efforts to identify suitable on-airport facilities to rent to the TSA.	Amended office space agreement with TSA.	Decision recently made by Coordinating Committee to deny TSA request for lease of vacant North Terminal space on the mezzanine level due to the desire to not utilize such space for office purposes. TSA still interested in consolidation and options will be explored in 2007. License Agreement completed. Lindbergh Terminal consolidation efforts to continue in 2007.
Assist with efforts to attract new entrant airlines in 2006.	Introduction of service by a new entrant airline in 2006.	Ongoing...providing operational support to Bill Wren. No further updates at this time.
Assist with negotiation and drafting efforts between MAC and Northwest Airlines for the establishment of a new Airline Operating Agreement outlining financial and operational parameters acceptable to both MAC and Northwest.	Completion of a restated Airline Agreement.	Negotiations ongoing. Ongoing...will be assisting with communication to other airlines and implementation of amendment for all airlines in 2007
Identify the permanent facilities necessary within either the Lindbergh or Humphrey Terminal to accommodate AirTran's growth from one gate to two gates.	Airline Agreement amendment outlining the facilities.	Relocating ticket counter to old US Airway's counter. Will lease Gate E3 from Northwest by March 2006. Completed. AirTran relocated to the Humphrey Terminal in May 2006 and currently operates on two gates.
Complete the integration of US Airways and America West ticket counters, gates, and operations spaces so as to improve the operational efficiency of the new US Airways.	Airline Agreement amendments.	Ongoing. US Airways to wait and see whether or not MAC will fund jetbridge work at Gate E4 necessary to accommodate consolidation on Concourse E. Completed. Consolidation of ticket counters completed in May and consolidation of gate facilities at Gates E2 and E4 completed in December
Complete Memorandum of Understanding with each Airline targeted for Humphrey Terminal operations in 2008 to establish part of the justification necessary to commence expansion of the Humphrey Terminal.	Executed MOU's.	MOU's have been issued. 2020 Plan on hold, therefore active discussions with airlines not occurring at this time

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**COMMERCIAL MGT/AIRLINE AFFAIRS****2007 OBJECTIVES**

Objective	Expected Results
Assist with efforts to attract international and domestic new entrant airlines in 2007.	Introduction of service by any new entrant airline in 2007.
Increase non-aeronautical revenue from MAC's Reliever Airports.	Bid/Negotiate a development agreement for the Anoka County/Blaine Airport with an expectation of generating annual revenue for the Reliever Airport program in excess of \$1M.
Complete the implementation of the North Terminal concession tenants.	All four tenants are open for business by March 1, 2007.
Complete a new advertising agreement.	New advertising agreement is in place before existing agreement expires in September 2007.
Develop and implement a terminal services RFP to secure operators/tenants for ATMs, currency exchange, spas, massage, hair salon, etc.	Complete RFP and award by August 2007.
Complete the implementation of the Landside Concessions as approved by the Commission.	All units are open for business by November 1, 2007.
Rebid the existing Rental Auto Concession Agreement.	Staff is anticipating a 6 to 8% increase in the total annual guarantee for this contract.
Ensure Icelandair's long-term satisfaction with MSP operations through establishment of facilities independent of Northwest Airlines in either the Lindbergh or Humphrey Terminal.	Removal of any interest by Icelandair to permanently withdraw service from MSP.
Maintain an effective and productive working relationship with all MSP airline tenants.	
Identify facilities within either the Lindbergh Terminal or Humphrey Terminal capable of accommodating 2007 winter charter activity potentially displaced due to AirTran moving to the Humphrey Terminal.	Minimal displacement of charter activity.
Assist with CMAA's involvement in discussions with Northwest Airlines related to MAC takeover of all Lindbergh Terminal jet bridges and outbound baggage belts.	Successful ownership of all Lindbergh Terminal jet bridges and outbound baggage belts.
Maximize wireless internet revenues.	In lieu of free service in World Clubs, exceed 2006 revenues by at least 5%.
Assist with any 2020 Planning associated with the Humphrey Terminal that may arise in 2007	
Ensure accuracy of airline leased premises throughout the Lindbergh and Humphrey Terminals.	Reduction in the frequency and amount of retroactive invoicing.
Identify permanent office facilities for TSA within Lindbergh Terminal.	Further leasing of space to TSA.
Complete development and implementation of the CMAA Revenue Management & Monthly Report.	Submit monthly reports showing last year, this year, plan, and YTD projections.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

CONCESSIONS & BUSINESS DEVELOPMENT**BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel		0	249,161	249,161	100.00%
Administrative Expenses		0	0		
Professional Services		0	0		
Utilities		0	0		
Operating Services/Expenses		0	0		
Maintenance		0	0		
Other		0	0		
Total Budget			249,161	249,161	100.00%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	0	0	3

RESPONSIBILITY/FUNCTION**MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. This newly created service center has FTEs transferred from CMAA.
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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**SAFETY****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	133,149	142,850	0	-142,850	-100.00%
Administrative Expenses	3,956	2,550	0	-2,550	-100.00%
Professional Services	18,130	16,406	0	-16,406	-100.00%
Utilities		0	0	0	0.00%
Operating Services/Expenses	311	1,000	0	-1,000	-100.00%
Maintenance		0	0		
Other	7,448	6,300	0	-6,300	-100.00%
Total Budget	162,993	169,106		-169,106	-100.00%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	1	2	0

RESPONSIBILITY/FUNCTION

The prime function of the MAC Safety Department (part of the Insurance/Risk Department) is to develop and maintain a "Safety Culture" at the MAC and assist in maintaining a safe airport facility with respect to our tenants and the travelling public. This includes: 1) Keeping all MAC employees informed of, and in compliance with, all Federal, State and Local safety regulations; 2) Developing safety programs/processes for our employees; 3) Coordinating safety training for all MAC departments; 4) Conducting accident investigations and documenting all accident data as required by law; 5) Overseeing the Workers' Compensation System; and 6) Exercising safety oversight responsibilities for all construction activities occurring on MAC properties.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	The Safety service center in the 2007 budget, has been combined with Risk Management.
Administrative Expenses	The Safety service center in the 2007 budget, has been combined with Risk Management.
Professional Services	The Safety service center in the 2007 budget, has been combined with Risk Management.
Operating Services/Expenses	The Safety service center in the 2007 budget, has been combined with Risk Management.
Other	The Safety service center in the 2007 budget, has been combined with Risk Management.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

SAFETY**2005 PROGRESS REPORT**

Objective	Measurement	Results
Develop an accountability program for employee safety.	Department supervisors responsible for the accountability program for employees.	In addition to training with supervisor involvement, we conducted assessments with supervisors to identify and develop procedures that would enhance the reduction of accidents and increase accountability. These assessments will result in specific objectives to be implemented in 2006, which include additional training, supervisor coaching sessions, safety audits and inspections.
Develop a database to track and identify primary causes of airport user accidents and incidents.	Identify causes and implement action to reduce these accidents.	Many areas of public accidents have been identified and recommendations have been provided to help reduce these accidents. They include the installation of CCTV cameras at areas identified as having repetitive escalator accidents, the installation of additional experimental signage at selected escalators and the gathering of data from and consulting with key participants (CSAC, Schindler Escalator, MAC Facilities and Airport Development staffs) to improve the reduction of airport user accidents and incidents. This process will continue into 2006.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**SAFETY****2006 PROGRESS REPORT**

Objective	Measurement	Results
Create and implement an internal safety process designed to reduce the number and severity of accidents.	Improve the usability of the monthly loss information currently provided to supervisors. Train all supervisors on effective accident investigation techniques. Identify other training needs to improve safety performance. Implement a coaching process for supervision designed to improve the safety performance of employees. Develop and implement a company-wide safety inspection process. Implement an audit process of the above components to identify the effectiveness of the objective. Train and implement the "Workers' Compensation Management Program".	Monthly Loss Information now submitted through MAC Safety Committee for better distribution of information. Accident Investigation Training was developed and presented to department supervisors. Additional training on requested subjects was conducted. Interviewing techniques were included in the Accident Investigation Training that was done. Departmental audit forms and procedures have been developed and implemented. It is too early to evaluate the effectiveness of these audit processes. The Worker's Compensation Management Program was developed and presented to all departments.
Create a public safety process designed to reduce the number and severity of public accidents.	Review public accidents to identify areas/equipment associated with frequent public accidents. Investigate accidents to identify causes/contributing factors associated with those accidents. Provide recommendations for the elimination of public accidents.	Areas and equipment associated with public accidents have been identified via police/fire reports of such accidents. Investigations of these incidents have helped to identify causes and contributing factors. A committee has been established to look at signage modifications, escalator modifications and the installation of additional CCTV's in the terminals.
Review and evaluate the use of the JDE system to track safety data and records.	The improvement of the data tracking and record keeping processes associated with safety training/accident statistics.	JDE was again looked at and ruled out as an adequate system for tracking safety and data records. Other systems are still being considered.

2007 OBJECTIVES

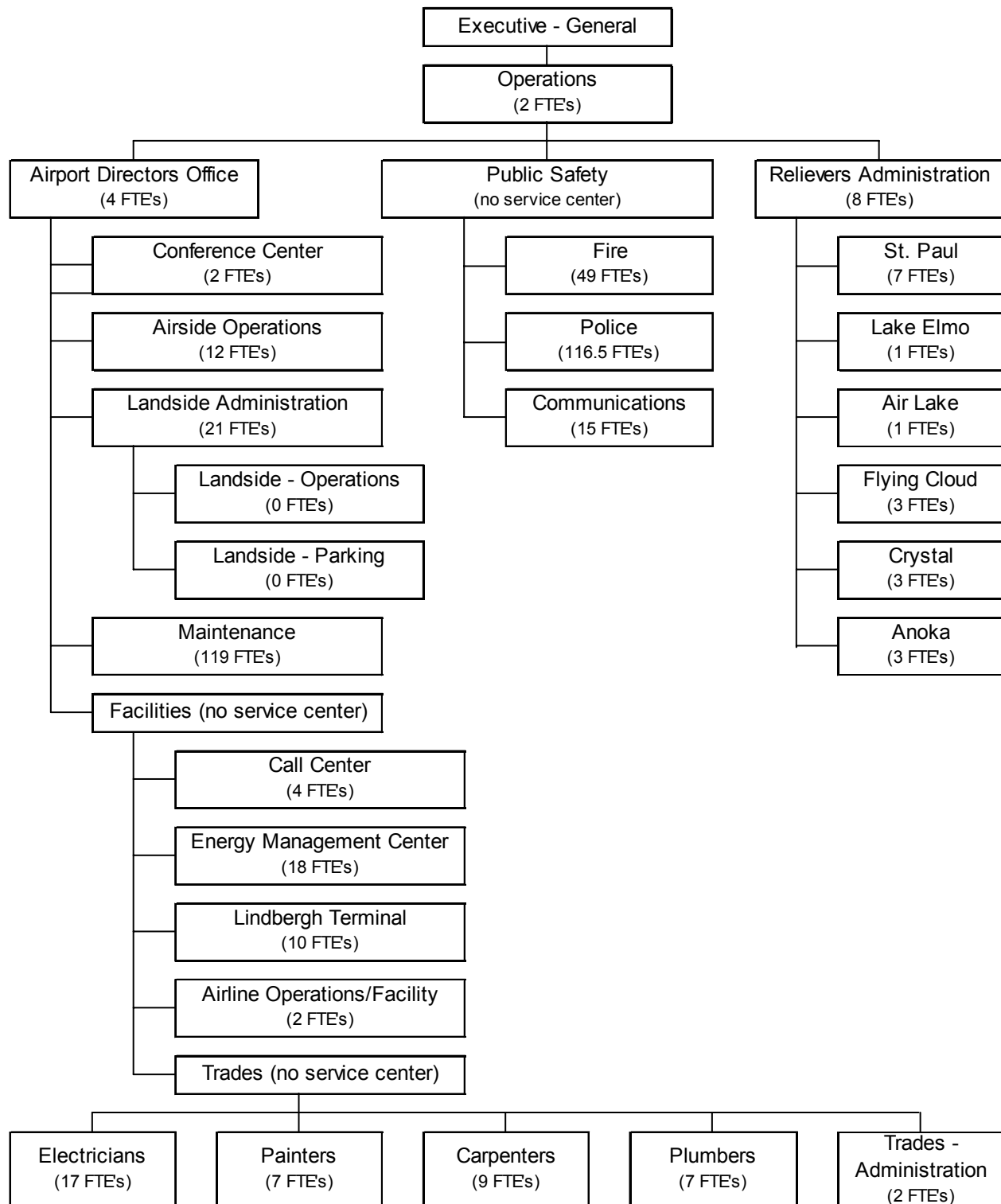
Objective	Expected Results
Increase Safety's presence at the Reliever Airports in order to improve safety performance and reduce employee injuries.	A minimum of two visits per month by the MAC Safety Staff.
Improve the safety training process to enhance the effectiveness of regulated and non-regulated safety training for all employees.	Increased number of employees trained compared to the previous year.
Update and expand the scope of the current MAC Safety Policy and associated programs.	The development and distribution of the expanded MAC Safety Policy and associated programs
Reduce the financial impact of vehicle losses to the MAC through the implementation of a comprehensive fleet safety program.	A reduction in the total costs from our current losses to the MAC .

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

Operations Division



SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

Notations to Service Center Summaries:

- * Variance (dollars and %) is computed between 2006 Budget and 2007 Budget
- * The explanation for the variances is based upon the 2006 Budget and 2007 Budget
- * FTE's as stated in each service center are as budgeted in December 2006. Salary dollars in each service center may not reflect the budgeted FTE count for that service center.
- * Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**DEPUTY-OPERATIONS****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	158,253	177,733	190,558	12,825	7.22%
Administrative Expenses	7,652	14,908	12,558	-2,350	-15.76%
Professional Services		0	0		
Utilities	509	607	607	0	0.00%
Operating Services/Expenses	198	300	600	300	100.00%
Maintenance		0	0		
Other		0	0		
Total Budget	166,611	193,548	204,323	10,775	5.57%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	2	2	2

RESPONSIBILITY/FUNCTION

Responsible for oversight and administration of those departments that manage the day to day operations of MAC's system of airports. These departments incorporate Police, Fire, Landside and Airside Operations, Maintenance and Reliever Airports. A primary role is that of staff liaison to the Management and Operations Committee. Working with the Chair of the Committee, the responsibility is to ensure the effective conduct of business through the committee process of all operations issues. Finally, this position involves substantial participation at the senior staff level in policy development, strategic planning and interdepartmental coordination.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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2005 PROGRESS REPORT

Objective	Measurement	Results
Establish and maintain MAC's customer service standards and review for effectiveness.	Customer service standards identified and measurement implemented in all operational areas.	Customer service performance standards have been added to our Performance Review process. Each individual is measured against those standards during their individual performance review. In addition, customer service standards have been identified and measurement implemented in some operational areas. Our goal will be to expand this process in all operational areas in 2006.
Begin to develop a multi-year operating plan.	Model for multi-year operational planning established and piloted in 2005.	A pilot project in the Fire Department to develop a three year business plan is underway but not completed. It will be completed in 2006 and expanded into other operational departments.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**DEPUTY-OPERATIONS****2005 PROGRESS REPORT**

Objective	Measurement	Results
Develop and implement a customer service standard communications strategy.	Customer service related communications strategy developed and implemented throughout the MSP airport community.	Quarterly customer service forums have been established and held with representation throughout the airport community.
Create airport wide customer service index at MSP.	MSP customer service index that measures internal and external customer satisfaction with MAC provided products and services developed and tested in 2005.	A single index was determined to be unworkable by the Customer Service Action Council. An alternative plan is being developed that will create a "family" of customer service indices with input from the tenant community. Development will be completed and implementation begun in 2006

2006 PROGRESS REPORT

Objective	Measurement	Results
Expand multi-year operating plans (business plans) into additional Operations Departments beyond Fire.	Operations Plans in place in minimum of three Operations departments.	Airside Operations, Fire and Police have made significant progress in developing business plans. Expect completion early in 2007 with other Ops departments to follow. Progress slow due to heavy departmental work load and other exigencies.
Develop "family" of Customer Services indices at MSP.	Indices of Customer Service for MSP tenants exists and usable for progress reporting.	Slow progress being made in gathering raw data from MSP Tenants. Two MAC departments (Landside and Facilities) and one tenant (NWA) have provided this data base information to date.
Re-institute new Customer Service training for frontline MAC employees.	All front line employees have successfully completed the new training module.	Customer Service Training has been reinstated with eight new "facilitators" and a full schedule of sessions underway. Roughly half of front line employees have undergone training in this program.
Implementation of Reliever Task Force recommendations.	Majority of recommendations have been acted upon and effective.	Majority of prep work for required Ordinance changes and lease language changes has been accomplished and public meetings and hearings are proposed for first quarter of '07.
Transition Operations departments into new MAC organization structure, as applicable.	Affected department(s) have been transitioned and are functioning smoothly.	On hold pending executive level discussion on organization structure.
Partner with Finance and HR departments to develop operational contingency plans.	Best case, worst case and most likely operational contingency plans in place.	No work done on this objective due to more pressing organization wide demands.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**DEPUTY-OPERATIONS****2007 OBJECTIVES**

Objective	Expected Results
Stay abreast of developing domestic and international security issues and ensure MAC is meeting all of its obligations and requirements to provide for the security and safety of the traveling public.	All TSA mandates met and full compliance with the Airport Security Plan exists.
Ensure full implementation of the Reliever Task Force Recommendations as approved through the public hearing processes.	New fee structure in place and revenue increase being realized.
Guide and direct planning process for expanding revenues from non-aeronautical sources at all airports in the system, working with CMAA.	Non-aeronautical revenue increase over past year.
Working through CSAC, develop a plan to create an effective customer service culture within the MSP airport community.	Workable plan in place and functioning.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**MSP OPERATIONS & ADMN.****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	365,063	357,525	375,780	18,256	5.11%
Administrative Expenses	34,225	22,976	23,720	744	3.24%
Professional Services	111,351	12,500	12,500	0	0.00%
Utilities	1,834	2,257	3,200	943	41.78%
Operating Services/Expenses	1,184,547	3,762,622	3,047,494	-715,128	-19.01%
Maintenance	223,261	35,000	25,000	-10,000	-28.57%
Other	14,433	14,100	15,100	1,000	7.09%
Total Budget	1,934,714	4,206,980	3,502,794	-704,185	-16.74%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	5	5	4

RESPONSIBILITY/FUNCTION

The Airport Director's Office responds to both the operational and maintenance needs of the traveling public, outside agencies, airlines and tenants. Considered the "landlord" of MSP, customer service is a key element of this department. Special events and terminal complex activities are coordinated through this office.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	The increase is for an aviation management student-intern to assist the Operational departments with projects. Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	The increase is based upon 2005 actuals and anticipated 2006 expenditures.
Utilities	The increase is based upon 2005 actual and anticipated 2006 expenditures.
Operating Services/Expenses	The decrease is based on efficiencies in the managed loading dock operation and reduction in amount for security checkpoint services based on 2006 year-to-date expenditures.
Maintenance	The decrease is based upon 2005 actuals and anticipated 2006 expenditures.
Other	The increase is based upon 2005 actuals and anticipated 2006 expenditures.

2005 PROGRESS REPORT

Objective	Measurement	Results
Update, train and test MSP's Family Reception Area (FRA) plan.	Ensure FRA volunteers are knowledgeable of the plan by offering (2) training opportunities for those involved.	Training accomplished 3/28/05.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**MSP OPERATIONS & ADMN.****2005 PROGRESS REPORT**

Objective	Measurement	Results
Develop and update MAC department emergency response procedures.	Ensure that all MAC departments have procedures for responding to emergencies that involve MSP and Reliever Airports.	Currently 100% of the MAC first and second responder departments have procedures for responding to emergencies at MAC airports. Overall, 70% of all departments have procedures. All departments that have not submitted procedures have been requested to do so. It is anticipated that 100% of MAC departments will have procedures completed by October 1, 2006.
Facilitate good communication among airlines, TSA and MAC departments to workability of the security program for MSP.	Observation and feedback regarding ease of use, processing times and overall airport experience. Monthly agenda topics at the Airline Managers Council meetings and formal/informal meetings with airlines.	Effective ongoing communications processes have been established including the following examples. Two "all airport" tenant lunches were held and will be continued. Monthly Airline Managers Council meetings were held that included discussions regarding interagency communication. Monthly breakfast meetings with airline managers were held to improve rapport, communications and day to day coordination.
Enhance communication with and for the MAC tenant/vendor partnership to include external communication of MSP successes (MSP#1).	Feedback from various measuring tools. Improved "Value of Money" perceptions.	CSAC developed a Public Information Officers system for communicating with tenants and vendors and implemented airport orientation tours for all new airport employees to enhance their skills - subsequently dropped due to underutilization. "Overall Customer Satisfaction" perception increased from 3.88 in 2004 to a 3.91 average in the first 3 quarters of 2005. "Value of Money" perception demonstrated modest improvement, 3.04 for 2004 to an average 3.07 for first 3 quarters of 2005.
Coordinate the CSAC Tenant/Vendor Forums and initiate Forum projects that build the "Excellence" of the MSP customer service culture and cement the benefits of the Forums.	Feedback from various measuring tools (surveys, etc.)	Through Customer Service Action Council Forums, MAC grew its partnership with tenants and vendors, executing four forums in 2005. Attendance at forum workshops averaged between 40 to 60 MAC and tenant/vendor representatives. CSAC, with Forum participants, implemented and expanded several initiatives to build the customer service culture, including "By George" project (customer service motivational project for front-line employees), MSP Service Professional awards and the first annual "Dorothy" awards. The MSP score for "Courtesy of Airport Staff" averages 3.91 in 2005 versus 3.88 for year 2004.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

MSP OPERATIONS & ADMN.**2005 PROGRESS REPORT**

Objective	Measurement	Results
	The number of initiatives implemented. MSP status as among the Top Ten, internationally. Increase number of service functions reflecting 88%/40% achievement levels.	MSP has remained competitive in the top ten ranking internationally in the AETRA survey in several categories but has dropped out of the top ten in the Overall Customer Service category. The addition of several domestic and international airports into the survey process has increased the level of competition dropping MSP to 11th internationally. The MAC staff will redouble our efforts in this area in 2006.
Sustain customer service training providing recurrent (every 3 years) mandatory training to specified front-line employees to create and implement a module within the orientation training of all new employees	Number of employees trained as well as results from the IATA survey.	A revised customer service training module was developed and will be implemented in February of 2006. In addition a new shorter Customer Service Training module was developed for the orientation training of all new MAC employees and will be a standard part of 2006 orientation training.
Conduct a full-scale emergency exercise.	Develop a planning team with FAA, Airport Emergency Plan partners and stakeholders to establish goals and objectives for the exercise. Conduct the exercise. Evaluate the exercise and measure it against the stated goals and objectives. Compile an after-action report that includes action items identified in the evaluation process.	The exercise planning and preparation were 100% completed. The exercise was canceled one day prior to the scheduled date. The cancellation was the result of an actual aircraft accident at MSP when two aircraft collided on the ground. The exercise has been rescheduled for May 2006. This objective has been carried into the 2006 objectives.
Ensure that MAC meets new requirements for the National Response Plan (NRP) and the National Incident Management System (NIMS).	Ensure that all training and exercise requirements are met so that MAC remains eligible for Department of Homeland Security Grants as well as Federal Emergency Management Administration (FEMA) grants.	MAC is about 30% compliant with the NIMS requirements. All requirements must be met by October 1, 2006. This objective has been carried over into the 2006 objectives.
Enhance working relationships in MAC Operations departments with Airport tenants and with other MAC departments.	Partnership opportunities identified and reviewed throughout the year. (NWA on cleaning RFP team, NWA and TSA on loading dock RFP team, etc.).	Process exists for incorporating tenants and vendors into problem resolution efforts. (i.e.: Worked with all tenants to facilitate "into-plane" fueling problem discussions in November and December of 2005.)
Develop and implement a managed loading dock and distribution system operation for the Lindbergh & Humphrey terminals.	Hire, through a RFP process, a managed loading dock company and transition to the managed loading dock environment.	Loading dock running successfully for the past six months.
Transition the operational work groups to the 800 MHz communication system.	Review existing equipment, resources and procedures for department and operational suitability. 800MHZ radios acquired for key operational personnel.	800MHZ system is in place in the Airside Operations, Field Maintenance and Trades departments resulting in more efficient coordinated individual channel uses and more effective response to snow events.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**MSP OPERATIONS & ADMN.****2006 PROGRESS REPORT**

Objective	Measurement	Results
Conduct a full-scale emergency exercise at MSP.	Compile an after-action report that includes action items identified in the evaluation process and a timeline for changes/improvements.	The full-scale exercise was conducted May 23, 2006 and a final review meeting was conducted June 15, 2006. The After Action Report (ARP) will be issued in July 2006.
Ensure that MAC meets new requirements for the National Response Plan (NRP) and the National Incident Management System (NIMS).	1. A MAC Emergency Plan that meets all new requirements for the NRP. 2. All appropriate MAC staff have received the federal and state required NIMS training. 3. MAC meets all NRP and NIMS requirements in order to remain eligible for federal Homeland Security Grants.	National Incident Management System (NIMS) training will be completed by September 30, 2006. The Airport Emergency Plan update will be completed in October 2006.
Emergency Management office will acquire the responsibility for managing the reimbursement and reporting aspects for the 2006 Federal Homeland Security and Law Enforcement Grants.	Reports will be issued to Minnesota Homeland Security and Emergency Management (HSEM) on a quarterly basis.	Linda Montgomery has assumed the responsibility of managing the grant tracking and reporting in the State of Minnesota WEGO system. Linda works closely with MAC Police, Fire, Purchasing and Finance to coordinate the reporting requirements.
Develop a 2020 staffing plan and operational plan in line with projected timing needs.	Plan developed with internal and external customer feedback and involvement.	Staffing needs addressed in context of MAC wide vacancy problems.
Update, train and test MSP's Family Reception Area (FRA) plan.	Ensure FRA volunteers are knowledgeable of the plan by offering two training opportunities for those involved.	Had one training session and a full-scale drill to test the process/procedures of the FRA plan.
Facilitate good communication among airlines, TSA and MAC departments to ensure effectiveness of the security program for MSP.	Improved ease of use, processing times and overall airport experience for the traveling public. Security issues included as monthly agenda topic at the Airline Managers Council meetings and formal/informal meetings with airlines. Three "Airport Director Lunches" to be held.	Good participation of Airport Community in CSAC, forums, Airline Managers Council, weekly breakfast meetings and Airport Director lunches.
Enhance working relationship between MAC Operations departments and airport tenants and other MAC departments.	Partnership opportunities identified and reviewed throughout the year (i.e.: tenant involvement in CSAC disability subcommittee).	Business Enterprise Team developed across departments at MAC. Good CSAC forum with guest speaker (Dave Horsager) sponsored by MAC.
Make construction drawings more accessible to key MAC staff.	Review existing equipment, resources and procedures for department and operational suitability. Laserfische initiative underway and training offered to key MAC staff.	Laserfische and Facility Monitoring tools developed and rolled out in 2006.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

MSP OPERATIONS & ADMN.**2006 PROGRESS REPORT**

Objective	Measurement	Results
Enhance security and increase efficiencies in managed loading dock and distribution services as new concessions are fully opened, limiting vendor SIDA access.	Reports on volume of product handled, efficiencies demonstrated and reduction in personnel needing SIDA access.	Completed first 18 months of operations in which handled more than 3.5 million cubic feet of product per year. G elevator remodel cut delivery time by several hours per day. Badging drivers who have access to C dock. Planning for north terminal and landside deliveries.
Continue coordination of CSAC Tenant/Vendor Forums and related programs-Update; "By George", MSP Service Professional; "Dorothy" award.	Increased participation in forums. Increased number of MSP Service Professionals. Improve score for "Courtesy of Airport Staff" > 3.88.	Participation on the Customer Service Action Council [CSAC] Team is growing and remains strong and enthusiastic. Membership to whom agendas are dispatched was 29 representatives of MAC functions and tenant and vendor organizations with an average monthly meeting attendance of 18 which compares to a membership of 25 with 17 in attendance, on average, in 2005. The December, 2006 meeting was motivating with 21 reps present and engaged in a dynamic discussion of customer service issues and 2007 projects planning. The Customer Service Action Council executed three Forums for the airport community's mid-level managers in 2006. CSAC auditioned the MAC "Customer Service Excellence" training module at a Forum, conducted a tour of new Airfield facilities for one Forum, and hosted Consultant David Horsager's presentation respecting how "Little Things Make a Big Difference" in customer service. CSAC, with and through CSAC and Forum participants, implements and maintains several motivational initiatives to build the service culture, including the Update (newsletter), the "By George" project, MSP Service Professional awards (number to be determined in 2007) and the 2nd annual "Dorothy" awards with several nominees. The MSP score for "Courtesy of Airport Staff" averages 3.94 to date in 2006 versus 3.89 for 2005.
Establish web-based extranet communications accessible by MSP employees and develop interactive technology for use by the public.	Extranet established. Interactive technology for the public in place. Decreased number of "information" complaints. "Overall Satisfaction" perception > 3.88.	MAC/CSAC did not deploy an extranet for MSP employees or public interactive technology within 2006 in that the sub-team exploring the concepts/technology determined those goals to be not yet feasible. Communication with the public is pursued through the MAC/MSP web site and CNN spots which began airing on the terminal sets in late 2006. The number of information complaints in the first half of 2006 were 27 versus 28 in 2005. The "Overall Customer Satisfaction Perception" has held steady, first 3 quarters of 2006, with 2005 at 3.86.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

MSP OPERATIONS & ADMN.**2006 PROGRESS REPORT**

Objective	Measurement	Results
Develop an airport-wide customer satisfaction performance "Family of Metrics" index and display platform.	Completed "family of metrics"-qualitative assessment. Publication of an annual report 2006.	The "Family of Metrics" system finally began development in late 2006; thus, it was not achieved in 2006. It remains an objective for 2007 with the intent to have a format in place by the end of 2007.
Develop "branding" of MSP's successes; promote improvements to the public; celebrate completion of the concessions program build-out.	Number of "branding" successes-qualitative assessment. Concessions celebration completed.	<p>"Branding" of MSP's successes, as such, did not occur in 2006. CSAC did create CNN spots within the year, which began airing on terminal sets in late 2006, and further use of the CNN media continues to be studied.</p> <p>The Concessions program, though mostly completed, did not complete in 2006 and CSAC, together with CMAA and the Marketing Committee, did not choose to pursue a celebration. A sub-team of CSAC is, however, working on a major "re-branding" of MSP-currently undertaking focus group studies-for purposes of promoting MSP and its facility improvements to the traveling public.</p>
Improve handicapped accessibility/accommodations issues.	Decreased number of handicapped services complaints.	<p>MAC/CSAC continued to wrestle with handicapped service considerations-thinking along the lines of a "portal to portal" stretch goal throughout 2006; including meeting with disabled community representatives, studying implementation of visual paging and electric carts safety, as well as continuing to study the operation of the electric carts system and wheel chair services.</p> <p>Handicapped services complaints for the first half of 2006 were 3 as compared to 7 in 2005.</p>
Provide CSAC support for the Metropolitan Public Airports Foundation (MPAF) in the creation of an Arts & Culture program.	Progress in the implementation of an Arts & Culture program-qualitative assessment. Number of Arts & Culture opportunities provided.	CSAC lent support to the Airports Foundation "Arts & Culture in the Airport" Program. In pursuit of the program, the Foundation developed a DVD (of locations for art) and a Power Point presentation of the program expectations for utilization in policy considerations before the MAC Staff and Commission. MAC/CSAC support included allowing for test displays of art exhibits in the public spaces of the ADO/Lindbergh Terminal, donated office space for an Arts & Culture office within the Foundation, and CMAA marketing budget for some thirteen music performance groups-approximately 1,000 performance hours) during the 2006 Holiday Season. CSAC also provided budget for a recorded oral history of MSP by Dorothy Schaefer.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**MSP OPERATIONS & ADMN.****2006 PROGRESS REPORT**

Objective	Measurement	Results
Develop a pandemic influenza plan for MSP Airport.	Integrated plan in place by mid 2006.	The final draft for the MSP Pandemic Isolation and Quarantine Plan is being reviewed and should be finalized in August 2006. The MAC Internal plan is being drafted and should be completed by October 2006.
Improve coordination and communication initiatives.	Host monthly "brown bag" lunch meetings with TSA management. Develop effective program to address security exit lane responsibilities. Forward MAC/airline feedback to TSA headquarters regarding Canadian bag rescreening requirements.	Monthly informal TSA lunches have consistent attendance. Support exit lane staffing with bin runners. Feedback on Canadian bag transfer continues at all open forums.
Create objective measures for service needs by beginning to develop multi-year operating plan.	Research airport business models to evaluate MSP possibilities.	Researched airport business models and innovative ideas. Created interdepartmental team to analyze and implement ideas.

2007 OBJECTIVES

Objective	Expected Results
Initiate CSAC projects to improve customer satisfaction perceptions with respect to complaints and ASQ elements lagging the CSAC 88% goal: Airline complaints, Concessions complaints, and Signage, Baggage carts, Baggage delivery, and Value of Money.	Respective reductions in the percentage of overall complaints. Customer satisfaction perceptions of "Good+" for greater than 88% of the rating public.
Complete development of a "Family of Metrics" representing the customer service acuity of the MSP airport community.	Completed "Family of Metrics"-qualitative assessment. Publication of an annual report, 2007.
Develop a branding concept for MSP and a marketing program that positions the "brand" with the MSP traveler and the Twin Cities public.	Qualitative assessment of successful development and marketing of "brand" concept.
Facilitate the CSAC tenant/vendor forums and forum projects that build the "excellence of the MSP customer service culture.	Increased participation in Forums. Qualitative assessment of the efficacy of various Forum projects. Courtesy of Airline Staff(s), Airport Staff(s), and Security Staff(s) => than 4.00, 4.00, and 3.90 respectively.
Coordinate CSAC-meetings, agenda, and minutes-and related programs: Update, "By George", MSP Service Professional, and the "Dorothy" award. Facilitate achievement of the Council goals.	Qualitative assessment of Update efficacy and the efficacy of the "By George" program. Number of MSP Service Professional awards distributed. Number of "Dorothy" award nominees and qualitative assessment of perceptions of the program. Qualitative assessment of program achievements.
Develop a 2020 staffing plan and operational plan in line with projected timing needs.	Plan developed with internal and external customer feedback and involvement.
Update, train and test MSP's Family Reception Area (FRA) emergency plan.	Ensure FRA volunteers are knowledgeable of the plan by offering training opportunities. Continue to improve the FRA plan. Develop a FRA plan for the Humphrey Terminal.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

MSP OPERATIONS & ADMN.**2007 OBJECTIVES**

Objective	Expected Results
Create objective measures for service needs by developing a multi-year operating plan.	Research airport business models and opportunities to evaluate MSP possibilities. Develop team and implement ideas.
Enhance security and increase efficiencies in managed loading dock and distribution services as new concessions are fully opened, limiting vendor SIDA access.	Reports on volume of product handled, efficiencies demonstrated and reduction in personnel needing SIDA access. Develop processes for deliveries to the North Terminal and Landside concessions.
Develop effective program to address security exit lane responsibilities.	Streamline passenger checkpoint processing by assisting the TSA with bag movers and bin runners in exchange for TSA continuing to staff exit lanes. Complete MOU with TSA and contract out the service.
Improve coordination and communication initiatives.	Host monthly "brown bag" lunch meeting with TSA management. Forward MAC/airline feedback to TSA headquarters regarding Canadian bag rescreening requirements.
Work with airport community to provide them the necessary information regarding operations at MSP	Develop a program for the Airport Director's Office to reach out to the MSP community by providing customer service services such as new tenant information packets, email modules for immediate updates, improved tenant directory, etc.
Consolidate and cross-utilize staff.	Develop processes/procedures to enhance customer service provided by the Airport Director's Office.
Enhance working relationships between MAC Operational departments and airport tenants and other MAC departments.	Partnership opportunities identified and reviewed throughout the year (i.e. tenant involvement in CSAC disability subcommittee).
Facilitate good communication among airlines, TSA and MAC departments to ensure effectiveness of the security program for MSP.	Improved ease of use, processing times and overall airport experience for the traveling public. Security issues included as monthly agenda topic at the Airline Managers Council meetings and formal/informal meetings with airlines. Three "Airport Director Lunches" to be held.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**CONFERENCE CENTER****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	73,076	93,159	98,249	5,090	5.46%
Administrative Expenses	5,344	8,501	8,501	0	0.00%
Professional Services	0	0	0		
Utilities		0	200	200	100.00%
Operating Services/Expenses	26,465	31,500	41,500	10,000	31.75%
Maintenance	249	1,500	1,500	0	0.00%
Other	2,872	4,775	4,775	0	0.00%
Total Budget	108,006	139,435	154,725	15,290	10.97%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	2	2	2

RESPONSIBILITY/FUNCTION

The Conference Center provides first class customer service to the external and internal customer. The Center is responsible for the management and promotion of the MSP Airport Conference Center. Amenities such as food and beverage service are provided in compliance with the client's needs. We are responsible for maintenance of audio-visual equipment, invoicing of internal/external clients and providing catering services.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Utilities	Due to the importance of staying informed about and conducting the day to day operations of the Conference Center, there is a need for the full time staff to communicate with one another via cellphone and ask for reimbursement.
Operating Services/Expenses	Based on the 2005 usage of catering expenses, along with the expected increase in catering prices and the increased traffic flow expected from the marketing efforts, there is a need to increase the catering expenditure.

2005 PROGRESS REPORT

Objective	Measurement	Results
Increase profitability by increasing the usage of the conference center.	Awareness grown among existing customers and new clientele informed of Conference Center through increased, low cost marketing options such as CNN internal, etc.	Net revenue entered the "black" in 2005 in the amount of \$17,000.
Research and update the audio/visual equipment and technology needs for the Conference Center.	Have an operational and up-to-date equipment inventory that is able to meet the needs of the Conference Center clientele.	In 2005, the Conference Center began updating their meeting rooms with new AVI equipment and technology.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**CONFERENCE CENTER****2006 PROGRESS REPORT**

Objective	Measurement	Results
Continue research into AV and technology enhancements for the Conference Center.	Continue to update equipment and technology that is able to meet the needs of the Conference Center clientele.	Researching technology upgrades to implement in 2007.
Increase revenues and clientele by continuing to market the Conference Center in various media outlets.	Increased revenues by continuing to show profitability and customers.	Revenue exceeded \$200,000 for the first time since 2001.

2007 OBJECTIVES

Objective	Expected Results
Provide the necessary support, infrastructure and services to meet the needs of current and increasing numbers of clients.	Client requests that are not able to be met.
Increase revenue through marketing and outreach to new Conference Center clients.	Revenue increases. Tracking how people heard about conference center.
Increase revenue by expanding business opportunities with existing Conference Center clients.	Revenue increases. New services offered.
Continue to provide first class customer service to all Conference Center clients (internal, external and walk-ins)	Repeat clients. Numbers of clients served. Numbers of requests that cannot be met.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**CALL CENTER****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	179,990	202,605	207,846	5,240	2.59%
Administrative Expenses	1,219	2,250	2,250	0	0.00%
Professional Services		0	0		
Utilities		0	0		
Operating Services/Expenses	131	4,408	4,408	0	0.00%
Maintenance		0	0		
Other		0	0		
Total Budget	181,340	209,263	214,504	5,240	2.50%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	4	3	4

RESPONSIBILITY/FUNCTION

The MAC Call Center is responsible for answering the airport general information line and two lines on the courtesy phones (201 - Information and Paging and 203 - Ground Transportation which includes information regarding taxis, shuttles, buses, and parking). There are approximately 250 courtesy phones in the Lindbergh and Humphrey Terminals combined. The Call Center is also responsible for performing a large portion of the paging function in the terminals.

The Center is open 7 days a week, 14 hours a day, 365 days a year. Therefore, it receives many calls that should be answered by specific departments outside their hours of operation. Additionally, many airlines continue to have minimized staff; therefore, the Call Center receives calls that may have been answered by them in the past.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Other	9366.10 - Minor Assets - Computers The computers housing the paging software currently run on Windows98. Microsoft no longer supports this software. In order to upgrade to Microsoft XP, computers with larger memory must be purchased.

2006 PROGRESS REPORT

Objective	Measurement	Results
Work with IS to upgrade/enhance the current Qwest telephone system in the Call Center.	To maximize current phone system features to get the most out of the system that we currently have. In addition, to identify features that could be implemented in order to be able to provide the most information to our callers in a timely manner.	Planning completed and construction started on new location at Airport Director's Office. Determined that continuing to use the existing technology is most economical at this time.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**CALL CENTER****2007 OBJECTIVES**

Objective	Expected Results
To integrate Call Center into Airport Director's Office, to provide seamless customer service during operating hours and to cross train employees to best utilize resources.	Number of hours of operation. Number of calls taken.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**AIRSIDE OPERATIONS****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	1,066,432	1,004,842	962,853	-41,989	-4.18%
Administrative Expenses	78,426	74,585	90,000	15,415	20.67%
Professional Services	110,090	104,336	114,336	10,000	9.58%
Utilities	9,170	8,078	10,560	2,482	30.73%
Operating Services/Expenses	73,023	41,500	47,000	5,500	13.25%
Maintenance	4,303	5,900	4,900	-1,000	-16.95%
Other	59,781	56,800	42,000	-14,800	-26.06%
Total Budget	1,401,224	1,296,041	1,271,649	-24,392	-1.88%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	11	12	12

RESPONSIBILITY/FUNCTION

The Airside Operations Department is responsible for ensuring that the Minneapolis-Saint Paul International Airport is operating in a safe and efficient manner and is in compliance with Federal Aviation Regulations (FAR) Parts 77 and 139 and the FAA-approved Airport Operating Certificate. The department works closely with the MSP Air Traffic Control Tower, FAA Air Route Traffic Control Center, the FAA Air Traffic Control Command Center, air carrier operations and various MAC departments in coordinating daily airfield activities.

Airside Operations conducts airfield inspections and is responsible for identifying deficiencies and for initiating corrective actions. Department staff disseminates airfield condition reports and Notices to Airmen. The department is responsible for managing the Airport Emergency Plan, snow and ice control plan, the wildlife control program, construction safety and airfield driver's training and testing. Airside Operations is the 24/7 non-emergency contact for airport tenants and operates the MAC's message sending system.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	The Federal Aviation Administration in late 2005 issued a revised version of FAR Part 139 which governs airport operators. Additional training and recordkeeping was mandated for all personnel who operate motor vehicles on the airfield. Increases are for computer software to support training and recordkeeping, printing costs for training materials and other supplies.
Professional Services	Contractual increases for weather forecasting services and for wildlife services provided by the University of Minnesota.
Utilities	Additional cellular phone expenses as determined by the Information Services Department.
Operating Services/Expenses	Increased maintenance costs and software support for the airfield driving simulator, a key component of the driver's training program.
Other	The increase in this category is due to a computer firewall upgrade, a replacement broadcast fax server and other computer hardware necessary to support various department functions as determined by the Information Services Department.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

AIRSIDE OPERATIONS**2005 PROGRESS REPORT**

Objective	Measurement	Results
Development of the MSP Drivers' Licensing Program.	Revised MAC Ordinance 100. Revised AOA Drivers' Guide Version 1. Runway incursion and airfield violation education and training program. Comprehensive training program for all persons that access the Movement and Safety Areas at MSP.	The MSP Drivers' Licensing Program was unable to be developed due to lack of funding in the FY 2005 Budget.
Prepare for the operational opening of Runway 17/35.	Final certification inspection. Updated Airport Master Record (5010) / Airport Facility Directory (AFD). Updated SMGCS Plan and Taxi Chart. Inter-department operational maps and documentation. Airside Operations provided training materials.	Runway 17/35 opened on October 27th, 2005 as planned and all FAA required documentation, plans and charts were updated and distributed.
Develop and Implement the new MSP Airport Certification Manual (ACM).	Approval of the ACM from the FAA Regional Office. Required infrastructure and procedural changes as necessary.	The FAA approved the MSP Airport Certification Manual on August 31, 2005. Printing and distribution was initiated on November 1, 2005. Planning for Revision 01 of the ACM was initiated 12/1/05.
Plan for the relocation of the MSP Drivers' Training Center.	Identification of at least one potential site for the relocation. Identification of resource needs, costs and possible funding for the relocation. Timetable for the relocation.	Not completed. Airport Development staff has advised that the existing facility housing the MSP Drivers' Training Center was no longer slated for demolition within the next 3-5 years. Planning for relocation will be initiated as demolition becomes more imminent.
Participate in the Airside Technical Committee and 2020 Vision Team meetings.	Meeting attendance as required/requested. Proposals that have possible impact to airfield operations for safety and efficiency considerations.	Airside staff participated in the 2020 Vision Team Meetings and met with engineering consultants to review plans and designs that potentially impacted operations on the Air Operations Area.
Develop an Airside Operations Department Business Plan.	Comprehensive analysis of current tasks, duties and responsibilities. SWOT analysis of the department. Mission, vision and values statements for the department. Department management and operations plans. 5 year staffing and succession management plan.	Staff conducted a partial analysis of current tasks, duties and responsibilities as well as a comprehensive SWOT analysis in March, 2005. The Department Business Plan was not completed due to reprioritization of staff time.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

AIRSIDE OPERATIONS

2006 PROGRESS REPORT

Objective	Measurement	Results
Continue the installation and development of Collaborative Decision Making Systems.	Improve communication between Airside Duty Shift and outside stakeholders including airline operations, FAA and other MAC departments by providing unified information and displays. Install the FAA Information Display System (IDS4). Participate in the Sensis ground traffic display by equipping movement area vehicles with locator radios. Develop integration amongst systems to facilitate data mining. Production of consolidated reports to improve operation efficiencies.	<ul style="list-style-type: none"> - Sensis Aerobahn Airport Traffic displays located in Ops, NWA SOC and FAA Center. - Duty Manager display wall complete. - Created Fax output reports. - Replacement Airside Log added to 2007 budget process. - IDS-4 in purchase process. - Sensis vehicle locator program delayed pending FAA approval.
Revise continuity of Operations Plan.	Install servers at the Airside Remote Office to automatically fail-over and seamlessly resume operations. Provide pre-configured laptops at designated off-site locations capable of executing critical departmental functions. Update and maintain all operational documents and procedures in the Laserfiche repository both online and on removable media.	<ul style="list-style-type: none"> - Servers installed. - Laptop installed in OPS 44. - Laserfiche scanning project at 80%. - Automatic fail-over to DTC in process. - Laserfiche removable media in process.
Complete documentation and inventory of all departmental systems.	Provide staff with a comprehensive users guide to all operational systems. Complete the inventory of all departmental systems and connections to outside assets.	<ul style="list-style-type: none"> - Inventory at 80%. - Hardware added to the track-It database. - Users guide in process.
Provide remote availability and portability to operational systems.	Optimize systems for remote viewing. Provide connections to systems via wireless, dialup and broadband. Equip operational vehicles with laptop and wireless data coverage allowing access to key systems. Provide on-call staff and Duty Managers the ability to view the status of the current operation while off-site.	<ul style="list-style-type: none"> - Systems optimized for remote access. - Available connections include dial-up, VPN, and Citrix Internet Gateway. - Ops 44 equipped with high-speed wireless laptop . - All staff have access to systems from home via Citrix Internet Gateway. - Ops 33 laptop budgeted for 2007. - Distributing Duty Manager laptops.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**AIRSIDE OPERATIONS****2006 PROGRESS REPORT**

Objective	Measurement	Results
Develop an Airside Operations Business Plan.	Complete a comprehensive analysis of current assignments, duties and responsibilities. Inventory and document all critical operational tasks, processes and procedures. Update the SWOT analysis of the department that was completed in 2005. Define and create vision and values statements for the department. Develop a three year staffing and succession management plan.	Preliminary analysis of department's physical assets complete. Procedures book updated.
Continue with the development of the MSP Drivers' Licensing Program.	Revise MAC Ordinance 100. Implement a computerized testing system for the current drivers licensed to operate on the Movement Area. Develop a standardized drivers training curriculum for all airlines and tenants that tow or push back aircraft on the Movement Area. Establish a program to maintain training records for all drivers that operate vehicles, equipment or tow/push back aircraft on the Movement Area. Provide communications and low visibility simulator training to 200 Movement Area drivers from the Airside Operations, Field Maintenance, Police, Fire and Trades departments.	Public Hearing for revision of MAC Ordinance 100 completed. Computerized testing system implemented with testing of Aircraft Pushback Operators completed. Standardized drivers training curriculum for all airlines and tenants that tow or push back aircraft on the Movement Area completed. Program to maintain training records for all drivers that operate vehicles, equipment or tow/push back aircraft on the Movement Area completed. Communications simulator training provided to 130 Movement Area drivers from the Airside Operations, Field Maintenance and Trades departments. Training/learning objectives for aircraft pushback and tow training programs completed.
Transition the Airside Operations Center to an Airfield Operations Center (AFOC).	Identify key strategic partners and develop an outline for a transformation planning document. Define and document formal Collaborative Decision Making (CDM) processes for use with internal and external partners. Outline a Crew/Team Resource Management (C/TRM) Program for the Airside Duty Manager and Assistant Manager positions. Identify and document procedures, policies and processes specific to an Airfield Operations Center.	Key strategic partners identified. Outline for Airside Duty Manager C/TRM program completed.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**AIRSIDE OPERATIONS****2006 PROGRESS REPORT**

Objective	Measurement	Results
Meet all training requirements specific to Airside Operations and its areas of responsibility per the recently revised FAR Part 139.	Provide and document the following training to all Airside staff with FAR 139 duties: 1. Wildlife identification training 2. Pyrotechnics and firearms training 3. NOTAM training 4. Airfield self-inspection training 5. Movement area and safety area training. 6. Airport condition reporting training	All training completed.
Participate in the planning and implementation of the MSP 2020 Development Plan.	Attend meetings as required/requested. Review all proposals that have possible impact on airfield operations for safety and efficiency considerations	MSP 2020 Development Plan placed on hold indefinitely.

2007 OBJECTIVES

Objective	Expected Results
Continue with the development of the MSP Drivers' Licensing Program.	License all personnel who operate vehicles on the Movement Area by 6/30/07. Draft a proposal to MAC staff which has the potential to generate revenue and includes the training, testing and licensing of all personnel who operate vehicles on the airport as well as the inspection/registration of all vehicles operated on the airport.
Continue the transformation of the Airside Operations Center to an Airfield Operations Center (AFOC).	Develop a transformation planning document based on the outline created in 2006. Develop a Crew/Team Resource Management (C/TRM) Program for the Airside Duty Manager and Assistant Manager positions.
Continue the installation and development of Collaborative Decision Making Systems.	Install the FAA Information Display System (IDS4). Participate in the Sensis ground traffic display by equipping movement area vehicles with locator radios.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**EMERGENCY COMMUNICATIONS****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	835,991	854,360	972,147	117,787	13.79%
Administrative Expenses	11,409	13,171	16,993	3,822	29.02%
Professional Services		0	0		
Utilities	703	895	2,799	1,904	212.74%
Operating Services/Expenses	49,927	38,443	47,524	9,081	23.62%
Maintenance		0	0		
Other	8,186	3,752	7,872	4,120	109.81%
Total Budget	906,216	910,621	1,047,335	136,714	15.01%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	14	15	15

RESPONSIBILITY/FUNCTION

The Emergency Communications Center is the 911 public safety answering point for the airport community. This department operates 24 hours a day, 7 days a week. The Emergency Communications Specialists make critical decisions to ensure the safety of the passengers, tenants, police officers, firefighters, and other users of the Mpls/St. Paul International Airport. Emergency Communications Specialists are responsible for dispatching and monitoring police, fire, and EMS responses for emergency and non-emergency situations. The Center initiates, receives, and evaluates sensitive information and make decisions regarding dissemination in accordance with Data Privacy Laws. Emergency Communications Center staff are responsible for technology changes that influence the way 911 emergency communications centers do business. This technology includes Volp (Voice over Internet Protocol), telematic devices for vehicle location, and GIS (Geographic Information Systems).

Emergency Communications staff are the designated operators of the secured card access system. They receive alarms, which include checkpoint duress alarms, forced and held open doors, and electric field gate alarms, and dispatch personnel to the appropriate location. Specialists monitor and control access to restricted areas of the airport through the operation of this system.

The Emergency Communications Center also houses the Honeywell fire alarm systems. This system has over 8400 devices that are monitored, including fire alarms, smoke detectors, and water flow alarms. We operate the closed circuit television camera system, which houses approximately 1025 cameras.

This department houses the audio recording equipment for 30 plus channels of phone and radio traffic. All 911 lines, administrative phone lines, as well as police, fire, and FAA radio lines, to name a few, are recorded. Management and proper dissemination of audio recorded information is handled by Emergency Communications. The staff is responsible for activation and management of the Venus signage that displays security threat levels, vehicle inspections and other events. We operate a computerized paging system for locating and paging passengers and to make terminal announcements regarding security issues, severe weather, and other emergency situations. We provide the only airport-wide paging service from 10 PM to 7 AM.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Overtime required to meet minimum staffing needs in 911 center. Increase is to allow for step and 3% structure increase in wages. (\$3,863) This dollar amount is \$20,377 less than 2004 actual. Regulatory requirements increased by \$2,293. This is for tactical dispatch training that will be required for the specialist's participation in critical incident dispatching. It is part of the department strategic plan for 2007. Personnel increases are attributable to wage structure adjustments and step increases.
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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**EMERGENCY COMMUNICATIONS****MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Administrative Expenses	Replacement phone for the computer room and one Smart Device for a total of \$2045. Mileage line item is \$200 less. Other information services is \$594 higher due to hiring costs being absorbed from HR. Travel is budgeted for Systems Administrator to attend computer aided dispatch conference. This software will be new and it important to the success of this system as it unfolds. \$250 budgeted for brochures for tenant information regarding Crime Alert and describing department services concerning 911 and PBX phone usage.
Utilities	Cellular phone costs are \$359 higher per IS calculations and are uncontrollable. Purchase and service for one smart device.
Operating Services/Expenses	Computer aided dispatch service agreement and voice logging recorder service agreement contracts increased by \$4088 and are uncontrollable. Tactical specialist position required gear is \$3,900 and is part of the department strategic plan. Annual telephone maintenance agreement for 3-4 year portion of contract increased by \$918 and is uncontrollable.
Other	Copier rental agreement with two months of lease in partnership with Airside Operations for \$1800. Airside paid the full year cost in the past. This is an uncontrollable expense. GPS unit and replacement chairs for 24 hour use in comm. Center. \$8,400 in computer equipment including laptops for remote access and replacement laptop.

2005 PROGRESS REPORT

Objective	Measurement	Results
Revise current in-house training program.	Industry standards are met. Reduction of liability. Trainees receive appropriate training on equipment upgrades and revised operating procedures.	Certified training officers updated and revised current training program. This is an on-going process and updates will continue in 2006. Feedback received from trainees was incorporated into the training program.
Finish development and revision of Communications Center policy manual.	Operating consistency, reduction of liability.	Unanticipated events and other training needs prevented completion in 2005.
Develop and maintain quality control program.	Reduction of complaints from the public and other MAC departments. Reduces liability. Assures continuous improvement of employee adherence to SOP's and quality expectations. Provides remedies to improve performance if objectives are not met.	Unanticipated events and other training needs prevented completion in 2005.
Develop plan for implementing new Computer Aided Dispatch system that is reliable, accurate, and will keep up with public safety department needs.	Monitor officer safety related calls. Capture information for fire department. Maximize ability of CAD system administrator to provide public safety departments with support. Mapping needs are met.	Funding for new Computer Aided Dispatch system has been approved in the 2006 budget. Communications Systems Administrator is working with IS to review public safety department's requirements for new system.
Develop process to create emergency back up center.	Uninterrupted service to airport community. Safe location for communications center personnel to operate from in case of a disaster.	Due to budget limitations in 2005 this objective was not accomplished.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

EMERGENCY COMMUNICATIONS**2005 PROGRESS REPORT**

Objective	Measurement	Results
Improve communications between this department and members of the three groups we have close contact with by forming department work groups and meeting on a regular basis. These three groups include police, fire, and airside operations.	Lessen the opportunity for error. Decreased complaints. Clearly defined procedures involving these departments. Consistency through shared information.	Workgroups have been formed with police and airside operations. Workgroup with Fire will start after the first of the year. Police and emergency communications meetings are taking place on a monthly basis. Memorandum of Understanding has been finalized between these departments that gives clear standards and protocol for radio communication. Effective relationship between Police Lieutenant and Emergency Communications Supervisor promotes an important partnering between the two departments. Department attendance at police roll calls promotes a beneficial affiliation. Quarterly meetings with Airside and Emergency Communications personnel encourages an open forum to share ideas.
Create airport community wide education program to address use of 911 and communications department resources.	Tenants and MAC employees receive knowledge of how to use existing reporting systems. Tenant key-holder database is kept current. Police and fire resources used effectively. Improve communication's center ability to handle incidents. Effective relationship with TSA representatives to address security issues as they arise.	Presentation given by Emergency Communications Specialist at October MSP Security Consortium. This presentation, given to airport tenants and staff members, increased awareness of the Crime Alert Network and Amber Alerts along with 911 reporting. Continuing education with tenants will take place in 2006 with on-site visits. Tenant database is kept current. Manager has effective relationship with TSA representative.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

EMERGENCY COMMUNICATIONS**2006 PROGRESS REPORT**

Objective	Measurement	Results
Pursue plan to increase space for emergency communications department needs. Current space is insufficient to accommodate increase in technical equipment and elevated staffing.	New facility able to meet current and future department needs. Ability to accommodate future planned equipment such as LCD monitors for the CCTV system and additional Secured Card Access system monitors. Space for critical equipment skills training. Ergonomically correct workstations for 24 X 7 staffing. Adequate storage for current and future equipment and supplies. Appropriate office space for administrative functions and on-going training.	Planning and assessing space needs did not begin until June. Will continue next year.
Finish development and revision of Emergency Communications Center policy manual.	Operating consistency, reduction of liability.	This project is being worked on throughout 2006. Due to staffing issues, training, and immenseness of this project, it will carry over to 2007.
Develop and maintain quality control program.	Reduction of complaints from the public and other MAC departments. Reduces liability. Assures continuous improvement of employee adherence to Standard Operating Procedures and quality expectations. Provides remedies to improve performance if objectives are not met.	The plans for this program have been expanded to include numerous job functions. This program will continue into next year.
Develop process to create emergency back-up center.	Uninterrupted assistance of emergency services to airport community. Safe location for emergency communications center personnel to operate from in case of a disaster.	There was no money budgeted for this project this year. Planning has been carried into 2007.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**EMERGENCY COMMUNICATIONS****2007 OBJECTIVES**

Objective	Expected Results
Continue process to establish Emergency Communications back up center.	Provide uninterrupted communications for emergency public safety services to airport community. This center is critical to sustaining emergency services in the event the current facility is rendered inoperative due to severe weather, disaster, utility failure, terrorist attack, or on the occasion that our radio and phone communications systems have failed or been destroyed.
Complete plan to increase space for Emergency Communications department needs. Current space is insufficient to accommodate increase in technical equipment and elevated staff.	New facility able to meet current and future development needs. Ability to accommodate upcoming planned equipment such as LCD monitors for the CCTV systems and additional secured card access system monitors. Space for critical equipment skills training. Ergonomically correct workstations for 24 X 7 staffing. Adequate storage for current and future equipment and supplies. Appropriate office space for administrative functions and on-going training.
Develop and maintain quality control program.	Reduces liability. Assures continuous improvement of employee adherence to Standard Operating Procedures and quality expectations. Provides remedies to improve performance if objectives are not met. Supports standard of excellence as stated in the Emergency Communications Mission statement.
Finish development and revision of Emergency Communications Center policy manual.	Operating consistency, reduction of liability. Ability to update as necessary.
Develop tactical dispatch position. Critical incident dispatch will provide on-scene communications to the incident command staff during major events.	Critical information gathering, resource requests, information dissemination, event documentation, mapping, plotting, and system queries will be provided to commanders in the field. This will expand decision making process and safe resolution of the incident. Department members will be trained to provide this airport with an immediate on scene response.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**LANDSIDE-OPERATIONS****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	0	0	0		
Administrative Expenses	640	9,637	36,246	26,609	276.11%
Professional Services	5,066	0	10,000	10,000	100.00%
Utilities	0	0	0		
Operating Services/Expenses	127,604	153,977	127,336	-26,641	-17.30%
Maintenance	37,773	33,164	36,944	3,780	11.40%
Other	5,165	0	0		
Total Budget	176,247	196,778	210,526	13,748	6.99%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	0	0	0

RESPONSIBILITY/FUNCTION

Landside oversees the operation, maintenance, and design of the Commission's commercial vehicle roadways, the automated system that provides access and revenue control to these roadways, the revenues generated by these roadways, and the vehicles and operators that utilize these roadways. Landside Operations has relationships with other airport and municipal governing entities, local and national commercial vehicle operators.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Administrative Expenses	<p>\$3,996 increase due to back up software required to protect new computers that will be placed into service during 2007.</p> <p>\$22,613 Taxi information brochures. In previous years these were expensed in Public Affairs.</p>
Professional Services	\$10,000 One time expense for consultant services during the process of reviewing proposals for Shared Ride Service.
Operating Services/Expenses	(\$26,641) During 2006 a large number of commercial vehicle ZipPasses were replaced. The blip in this expense will reoccur in five years because ZipPasses have a five year operating life.
Maintenance	\$3,780 More taxi drivers operating at the Airport requires more portable toilets at the Post Road Holding Lot.
Other	\$6,000 Replacement displays for the taxicab dispatch system.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**LANDSIDE-PARKING****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel		0	0		
Administrative Expenses	5,742	0	0		
Professional Services	6,629	9,000	9,000	0	0.00%
Operating Services/Expenses	6,936,096	6,939,663	7,430,905	491,242	7.08%
Maintenance	136,900	90,416	242,750	152,334	168.48%
Other	0	0	0		
Total Budget	7,085,366	7,039,079	7,682,655	643,576	9.14%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	0	0	0

RESPONSIBILITY/FUNCTION

Landside oversees the operation, maintenance, marketing, and design of the Commission's public and employee parking facilities, the automated system that provides access and revenue control to these parking facilities, the revenues generated by these parking facilities, and inter-terminal transportation services provided by light rail train or shuttle bus service. Landside Parking has relationships with the Metropolitan Council, other airport and municipal governing entities, and parking operators.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Operating Services/Expenses	<p>\$79,179 advertising parking. Humphrey Orange Ramp construction will provide special challenges to the Parking Enterprise.</p> <p>\$72,752 Light Rail Train and shuttle buses cost of living contract increase.</p> <p>\$253,773 GSSC security contract was inadvertently omitted from the 2006 budget.</p> <p>\$3,862 Net of bank charges decreasing, miscellaneous and service-computers (annual support agreements for Oracle and DataDirect software plus per incident support for Great Plains software) increasing.</p> <p>\$81,676 Service Parking Equipment. (\$50,000 annual maintenance for emergency call for assistance equipment, \$30,000 software enhancements to the parking revenue control system.)</p>
Maintenance	<p>\$152,334 Parking Parts-Equipment. (\$80,750 to replace employee parking ZipPasses, \$25,000 emergency call for assistance station parts, \$46,584 parking revenue control system parts.)</p>
Other	<p>\$4,000 Two personal computers for parking management.</p> <p>\$400 New firewall for the parking revenue control system required to meet Payment Card Industry security standards.</p>

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**LANDSIDE-ADMINISTRATION****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	1,229,369	1,190,543	1,290,819	100,275	8.42%
Administrative Expenses	53,119	33,063	51,377	18,314	55.39%
Professional Services	0	0	0	0	0.00%
Utilities	4,144	4,003	4,698	695	17.37%
Operating Services/Expenses	329	0	0		
Maintenance		0	0		
Other	9,016	7,372	7,500	128	1.73%
Total Budget	1,295,976	1,234,981	1,354,394	119,412	9.67%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	21	22	21

RESPONSIBILITY/FUNCTION**Parking**

Landside oversees the operation, maintenance, marketing, and design of the Commission's public and employee parking facilities, the automated system that provides access and revenue control to these parking facilities, the revenues generated by these parking facilities, and inter-terminal transportation services provided by light rail train or shuttle bus service. Landside Parking has relationships with the Metropolitan Council, other airports and municipal governing entities, and parking operators.

Commercial vehicle and taxis

Landside also oversees the operation, maintenance, and design of the Commission's commercial vehicle roadways, the automated system that provides access and revenue control to these roadways, the revenues generated by these roadways, and the vehicles and operators that utilize these roadways. Landside Operations has relationships with other airports and municipal governing entities, local and national commercial vehicle operators.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	\$67,108 Regular wages increase. Step increases. Two new positions requested. (\$1,331) Overtime decrease \$25,208 Increase in non-agency temps. 2006 budget figures do not reflect existing PSA staffing \$10,000 continuing education increase (\$709) Paid absense decrease Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	\$8,508 Travel. \$11,140 Printing Forms. 2006 budgeted amount was cut to a level that was not realistic. 2007 tracks close to actual expenditures.
Utilities	\$695 Cell Phone. This amount in a \$1,345,027 budget is not material.
Other	\$1,636 Replacement monitors for Landside staff, video camera. Note \$8,550 was budgeted in this line item in 2006. The \$8,550 was transferred to the IS budget as part of the approval process.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**LANDSIDE-ADMINISTRATION****2005 PROGRESS REPORT**

Objective	Measurement	Results
Grow parking revenues by 5% compared to 2004 actual revenues.	Parking revenues increase by 5% over 2004 actual revenues.	Achieved and Exceeded. Parking revenues grew by 19.7% to \$65.9 million in 2005 as compared to passenger traffic growth of 2.6%.
Increase the efficiency of commercial vehicle lanes while simultaneously improving customer service to passengers of commercial vehicles.	Implement new ordinance changes.	Achieved. Taxi Ordinance 102 was developed collaboratively with industry representatives and MAC staff. With industry support, the new Ordinance was implemented in November. Major improvements include greater accountability, changes to benefit industry vitality, and heightened standards to ensure safe and efficient ground transportation. Meeting the needs and expectations of customers was a major focus of these improvements.
Increase utilization of ePark to 80% while decreasing parking cashiered transactions.	ePark utilization reaches 80%.	Achieved. At 77% ePark utilization, we are within one FTE headcount from the maximum staffing efficiency goal. This produced a headcount reduction of 36% for an ongoing annual cost savings of \$2 million.
Replace Commercial Vehicle and Employee Parking software in order to maintain and improve operational and financial controls in these areas and meet audit requirements.	Commercial Vehicle and Employee Parking software moves to a Windows based platform. Landside maintains and improves operational and financial controls in these areas. Audit requirement that one accounting package supports both systems is met.	In Progress. Landside Operations, IS and Purchasing created a Request for Proposal and selected IBI Group to build the system to replace our current employee parking and commercial vehicle software. During 2006, MAC Automated Vehicle Identification System (MAVIS) software will be developed and hardware installation will begin. Completion is scheduled for March 2007.
Review Landside credit card transaction processor agreement to ensure credit card transactions are processed quickly, accurately and at the best possible cost per transaction.	Landside credit card transactions are processed quickly, accurately and at the best possible cost per transaction.	Achieved. Landside Operations reviewed and MAC parking audit confirmed quick, accurate and cost effective credit card processing service is provided. Upon acceptance of MAVIS, we will recommend a Request for Proposal for credit card processing be issued.
Manage parking demand.	Adequate parking spaces are available at the Lindbergh Terminal through out the year and during the charter season at the Humphrey Terminal.	Achieved. We utilized advanced features of Zeag revenue control system (RCS) and coordinated efforts with Ampco (parking management company) to quickly shift customers to available parking areas. Provided timely information to customers and the airlines to minimize customer stress and disappointment (missed flights).

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**LANDSIDE-ADMINISTRATION****2005 PROGRESS REPORT**

Objective	Measurement	Results
Manage the impact of LRT on parking and commercial vehicle operations.	Customers are aware of and take advantage of the transportation alternative of riding the LRT to or from the airport.	Achieved. In 2005, the construction of the second Humphrey parking ramp was postponed one year. In preparation for construction and current operations, effective communication with customers was improved in and between LRT, parking, and commercial vehicle operations.
Reduce the need to send parkers to off-site parking lots by increasing parking capacity.	MAC does not have to send parkers to off-site parking lots because our airport lots are full.	Achieved. Parking capacity was increased in several areas to match increased demand. The Humphrey LRT Station Lot was developed for more convenient Lindbergh overflow parking. By re-striping and reallocation, an additional 76 spaces were created in Lindbergh Short Term parking. This also allowed us to meet additional Valet demand without closure. These actions ensured all customers wishing to park at the airport were accommodated.

2006 PROGRESS REPORT

Objective	Measurement	Results
Ensure quality ground transportation services are conveniently offered to meet specific customer's needs. Identify and effectively implement taxi ordinance changes that become effective in 2006 and address other customer service issues.	Reduce customer complaints. Plan for increased traffic volumes and implement processes that ensure customer service is not adversely impacted by traffic growth.	Cameras are currently being installed which will improve safety and management of commercial vehicle operations. Staff has met with the owners of the 37 permitted taxicab companies to review their performance and discuss ordinance changes that became effective November 11, 2006.
Replace the current software for employee parking (ZipPass) and commercial vehicle management system.	The MAC Automatic Identification System (MAVIS) design and build timeline is kept for completion in March 2007. It meets or exceeds MAC RFP requirements.	Substantial progress has been made in the design and development of MAVIS. We are on schedule to cutover employee parking May 2007, commercial vehicle and taxi June 2007, with Final Acceptance to follow September 2007.
Market parking effectively through various media, e.g., billboards, CNN, signage and vehicle wraps.	Increase parking revenues by 4% compared to 2005.	Through 11-30-06 parking revenue increased 6.75% comparing Jan - Nov 2006 against Jan - Nov 2005.
Contribute to second Humphrey ramp development and construction.	Parking ramp has state of the art features that are important to customers and MAC.	The Humphrey Ramp construction includes flexible parking use, e.g. special event, Light Rail Train, and premium parking. A commercial vehicle lane is being created adjacent to the Humphrey Light Rail Train station.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**LANDSIDE-ADMINISTRATION****2006 PROGRESS REPORT**

Objective	Measurement	Results
Manage parking supply and demand through construction and seasonal fluctuations in parking activity.	Minimal customer complaints related to being diverted from the full parking facilities at the Lindbergh Terminal to the Humphrey Terminal facilities. Tenant parkers are informed long in advance of changes required related to construction and seasonal traffic.	Landside and Ampco have fine tuned the process of shifting and diverting parking customers during lot full conditions. We utilize special features of the parking revenue control system to monitor parking capacity. In the event we divert Lindbergh parking customers to the Humphrey parking ramps, we have Ampco staff positioned in the Humphrey facility to quickly guide parking customers to the inter-terminal shuttle bus.
Create a five-year capital project plan.	Projects with long design and lead times are managed and completed so issues are resolved proactively.	Planning and discussions related to the demand and opportunities for commercial vehicle operations, car rental placement, and public and employee parking have taken place. Many of these projects are included in the capital budget and are in development.
Manage annual ramp rehabilitation projects.	Parking facilities are maintained proactively and high priority projects get the resources needed to be successfully completed.	A consultant report that will assist in documenting parking ramp preventative maintenance needs is nearly complete. This document will be used to help prioritize the work that needs to be done. Additionally, staff from Landside Operations, Landside Development, and Ampco have attended various training on parking ramp maintenance.

2007 OBJECTIVES

Objective	Expected Results
Improve parking information available to the customer to help their selection of Lindbergh or Humphrey Ramp.	MAC parking information on the MAC web site and provided directly to cell phone or PDA provides current parking occupancies and other information that customers can use to choose which MSP Airport parking ramp best matches their needs and budget.
Develop a Request for Proposal for credit card processing.	Parking and commercial vehicle credit card processing is extremely reliable, fast, accurate, convenient, and at the best possible rates.
Manage annual parking ramp rehabilitation projects.	Parking and commercial vehicle facilities are proactively maintained so high priority projects get the resources needed to be successfully completed and the projects incorporate the 2006 Parking Ramp Maintenance Study.
Create a five-year capital project plan.	Projects with long design and lead times are coordinated, managed, and completed so issues are resolved proactively and they incorporate the 2006 Parking Ramp Maintenance Study.
Manage parking supply and demand through construction and seasonal fluctuations in parking activity.	Minimal customer complaints related to being diverted from the full parking facilities at the Lindbergh Terminal to the Humphrey Terminal facilities. Tenant parkers are informed long in advance of changes required related to construction and seasonal traffic.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**LANDSIDE-ADMINISTRATION****2007 OBJECTIVES**

Objective	Expected Results
Market parking effectively through various media, e.g., billboards, CNN, signage, vehicle wraps, radio advertising, MAC web page.	Increase parking revenues by 5% compared to 2006.
Assist in the design and construction of the Humphrey Orange Ramp.	The HHH Orange parking ramp has state of the art features that meet the needs of parking customers and MAC.
Complete the development and installation of the MAC Automatic Vehicle Identification System (MAVIS) to manage commercial vehicles and employee parking.	MAVIS passes Final Acceptance. Landside and Ampco staff are trained to operate MAVIS. Employee parking and commercial vehicle access control is maintained and improved reports become available.

2008 - 2011 LONG TERM OBJECTIVES

Objective	Expected Results
Complete an updated traffic study for use in traffic management and commercial vehicle fee setting.	Commercial vehicle fee allocations are adjusted according to the updated study results. Roadways are managed to get maximum utilization.
Revise the non-taxi commercial vehicle ordinance.	Commercial vehicle lanes operate efficiently with minimum congestion and MAC expenses related to commercial vehicles are fully recovered.
Maintain progressive and professional revenue control systems for MAC parking and commercial vehicle facilities.	Customers are processed accurately and conveniently through MAC Parking Enterprise facilities, fees are accurately calculated, collected, and recorded.
Maintain a professional and progressive parking management company to manage MAC Parking Enterprise facilities. Manage this company as a business partner relationship so they are motivated to provide excellent service.	A multi-year contract at market rates with a company that provides professional district support to a strong local General Manager who will develop and manage parking operations to meet MAC Parking Enterprise goals.
Market parking options within the Parking Enterprise	Increase the Parking Enterprise facility utilization. Total hours parked will increase by 5% per year.
Plan for public and employee parking demand to provide enough parking spaces now and in the future.	The Parking Enterprise meets public, tenant and employee needs and expectations for parking.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**FIRE****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	3,116,576	3,289,400	3,464,757	175,357	5.33%
Administrative Expenses	26,568	18,453	24,516	6,063	32.86%
Professional Services	12,925	10,966	26,700	15,734	143.48%
Utilities	3,138	2,373	3,200	827	34.85%
Operating Services/Expenses	17,597	19,875	27,000	7,125	35.85%
Maintenance	11,773	27,489	19,489	-8,000	-29.10%
Other	127,411	138,910	136,343	-2,567	-1.85%
Total Budget	3,315,988	3,507,466	3,702,005	194,539	5.55%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	49	49	49

RESPONSIBILITY/FUNCTION

The MAC Fire Department is responsible for providing aircraft rescue and firefighting, structural firefighting, emergency medical services and response to hazardous material incidents including threats of terrorism at MSP. The department also provides technical rescue operations including water rescue and confined space rescue for MSP and surrounding areas. The department provides a full range of code enforcement and fire prevention activities including initial building plan reviews, inspections of new and existing buildings, and the investigation and follow-up of fire safety complaints. The department is also responsible for the investigation of all fires that occur within our service area and must determine the origin and cause and ensure proper documentation for state and federal reporting requirements. In addition, the department also provides a number of public education opportunities including Fire Extinguisher, AED, CPR, and First Aid training to airport tenants.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. This area reflects a projected 3% wage increase and an overtime increase which is based on prior years actual use. The increase in regulatory requirements training is to allow fire fighting training to be more realistic by allowing personnel to fight actual fuel fires. ARFF training would be conducted using a portable mock-up, allowing crews to use our own ARFF equipment and the surfaces here at MSP. The uniform allowance is based on the labor agreement already in place.
Administrative Expenses	This area was increased to allow two or three personnel to attend educational programs, seminars or conferences.
Professional Services	OSHA Hazardous Materials (Waste) Standards require physicals for all personnel that respond to hazardous materials incidents. We are already cutting costs by allowing exams only every other year per our Medical Director. Half of the department personnel are done each year.
Operating Services/Expenses	We are providing absorbant material for the entire airport for spill control and will be researching ways to recover these costs from actual users in the future.
Other	Much of our protective gear replacement plan was deferred attempting to save money in the budget. However, we have reached the point where the gear must be replaced to comply with safety standards. We are still attempting to complete this over a three year time frame.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET***FIRE*****2005 PROGRESS REPORT**

Objective	Measurement	Results
Develop Fire Department's five-year plan for department organization, staffing, equipment, apparatus & facilities and communicate it to MAC Senior Staff and Commissioners.	Organizational changes, staffing, equipment, apparatus & facilities requests supported in 2006 budget. MAC Commissioners have a solid understanding of the Fire Department's current status and the direction the Chief would like to move toward regardless of budget outcomes.	This is currently being worked on by Fire Staff and Bob Hunter from MAC HRD. Progress is being made and we expect to have a three year business plan completed prior to the 2007 budget being submitted.
Transition to Firehouse software for all inspection records.	Prior records are transferred to Firehouse and new inspections are recorded directly into Firehouse by the Inspectors.	This project is about 60% completed and should be completed by the end of this year.
Develop plan to certify all fire fighters as Airport Fire Fighters (IFSAC).	All ARFF personnel pass both the written and practical exams for Airport Firefighter certification.	Completed. All personnel have passed the written & practical exams and are Certified Airport Fire Fighters.
Develop plan to meet new FAR # 139 ARFF Training Requirements.	Written plan in place to allow the proper scheduling for ARFF required training to meet the new requirements.	A Plan has been developed to insure compliance with all requirements of revised FAR Part 139.
Work to gain support for providing sprinkler protection in the Lindbergh Terminal as currently only 50% of the facility has sprinkler protection.	Progress made in providing sprinkler protection in areas currently unprotected. The funding is approved by the Commission in 2006 -2007 of the CIP. Commissioners understand the current limited status of sprinkler protection and support CIP funding to allow 100% sprinkler protection in the near future 1-2 years.	This project has been incorporated in the 2006 CIP at a three million dollar level and in the 2007 CIP at seven million dollars. Update, this has been removed from the 2006 CIP.
Review the Current level of emergency medical services provided by the Fire Department at MSP and determine if any changes are needed to best serve our customers	Recommendation made to Senior Staff related to possible changes in services provided.	No funding for adding additional services in 2006.
Improve the quality of Fire Department training by ensuring all department ARFF Instructors attend a Train the Trainer program at a certified ARFF Training Facility.	Using our own well trained instructors to deliver all classroom, aircraft familiarization and live fire training will improve the quality of the training for all personnel. This could also reduce the cost of our annual live burn requirements at the Duluth facility as we will be providing our own instructional staff	Lack of funding to support travel prevented completion of this objective.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET***FIRE*****2005 PROGRESS REPORT**

Objective	Measurement	Results
Develop Hazardous Materials / WMD Response Plan.	Equipment in position and ready to respond and all personnel trained to use our equipment and understand its limitations. The focus of our response is detection / identification / decontamination.	Completed but the educational part will continue into 2006 and 2007.
Improve operations in all areas of emergency response by adding three additional firefighters to allow for a minimum staffing of 12.	Improved operations in all areas of emergency response including aircraft rescue and firefighting, structural fire fighting, hazardous materials WMD response and improvements in inspection & code enforcement activities.	Completed. We are at a minimum staffing of 12.
Final review of two station staffing, vehicle parking and response plan.	Plan in writing and ready when new station opens.	New station is in operation and the staffing and equipment plan has been implemented.
Update 2003 Airport Fire Department Staffing Study.	Staffing data updated to 2005 numbers, aircraft operations and passenger numbers from ACI 2004 final numbers.	This survey being done through Index E ARFF working group and will be completed in 2006.

2006 PROGRESS REPORT

Objective	Measurement	Results
Develop program to equip & train fire personnel according to the fire department's hazardous materials response plan. Including the ability to conduct rescuer and mass decontamination operations.	All personnel have been trained and exercised in decontamination operations. All standard operating procedures have been updated to reflect current operations.	Partially completed. Training still ongoing. Waiting for purchase of additional decontamination equipment.
Conduct detailed analysis to review all available options for meeting our FAR #139 annual live burn training requirements.	Written report developed to recommend best method and location to accomplish the required live burn training. The report will review at least four areas: site location, quality of instruction, quality of ARFF equipment and cost effectiveness.	Report completed. Results/recommendations to be further explored in 2007 and 2008.
Develop and deliver basic training for technical rescue and confined space operations.	All personnel are trained to the operations level in both technical and confined space rescue operations.	Implemented throughout the year and is now incorporated into monthly training.
Complete the integration of all pre-plans into Firehouse for mobile use by fire crews in the field using new approved pre-plan format.	All data imported into firehouse with information being available in a user friendly format to responding crews.	The laptop computer and software have been purchased and are being set up by MAC IS. Department still needs to train all managers in the use of the equipment and have computer installed in Rescue #4.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET***FIRE*****2006 PROGRESS REPORT**

Objective	Measurement	Results
Increase minimum on-duty staffing to 13 allowing for safer & more effective firefighting operations.	Hire three additional personnel allowing for 16 personnel assigned to each shift and 13 minimum on-duty.	No staffing increase due to MAC budget reductions in 2006.
Review and update as needed all department operating guidelines.	All DOGs reviewed, updated as needed and distributed.	Project underway, not yet completed.
Complete development of Three Year Business Plan.	Plan completed and communicated to Department, Senior Staff & Commissioners.	Still working with MAC HRD to complete.

2007 OBJECTIVES

Objective	Expected Results
Increase Minimum on-duty staffing to 13. This increase would allow for improved firefighting and rescue operations related to Aircraft and Structural emergencies.	Each shift is assigned 16 personnel with a 13 person on-duty minimum.
Review department 3 year plan for staffing, facilities, and equipment with MAC Senior Staff to insure department plans match Commission expectations for the fire and emergency services and MSP.	Plan reviewed and approved by MAC Senior Staff.
Select possible location for a one or two truck mini station in terminal area allowing for a rapid response to medicals and fire alarms in the Lindbergh Terminal area.	Two locations selected for additional consideration.
Review possible sites for satellite fire station. The current property selected at the end of Bloomington Road near the Minnesota Air National Guard Base is unacceptable because of its remote location from the Lindbergh Terminal Complex.	Two sites selected for additional review by MAC Staff in 2008.
Develop long term vehicle replacement policy. This will allow the department to better plan for and manage our vehicle replacement program.	Policy approval by MAC Finance for entire fire department vehicle fleet.
Prepare for the adoption of the 2006 International Fire Code (IFC) by the State.	Update and approval of new Ordinance 99.
Develop plan for the construction of a training facility for conducting structural and required live burn training on site at MSP.	Ability to conduct initial and recurrent training on-site at MSP rather than having to go off airport requiring overtime and funds to cover costs of using outside facilities. This would also allow for increased training activities with on-duty personnel limiting the need to always use overtime to cover the shifts.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**POLICE****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	8,218,323	7,935,592	8,464,442	528,850	6.66%
Administrative Expenses	166,528	252,271	363,709	111,438	44.17%
Professional Services	11,369	14,721	26,720	11,999	81.51%
Utilities	38,678	31,500	38,489	6,989	22.19%
Operating Services/Expenses	943,392	898,837	936,889	38,052	4.23%
Maintenance	125,268	94,355	110,125	15,770	16.71%
Other	146,317	145,350	133,875	-11,475	-7.89%
Total Budget	9,649,875	9,372,626	10,074,249	701,623	7.49%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	116.5	117.5	116.5

RESPONSIBILITY/FUNCTION

With customer service as our foundation, the Airport Police Department is committed to the prevention and detection of crime, the protection of life and property, and the preservation of peace, order and safety. We are driven by our values of vigilance, integrity and pride to reduce fear and foster a sense of security at MSP.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	<p>Increase are related to the need to purchase additional office supplies because of department growth and the rising costs of supplies. Technology expenses also rose due to the need for additional software (Workflow, Laserfiche, digital Imaging and Indentix) and increases in the amount of set up fees and maintenance programs associated with these technologies which increases department efficiencies.</p> <p>The largest increase in this category is created by the cost to produce security badges related to the SAACS system upgrade initiated in 2006.</p> <p>Travel line items also increased because of the need to maintain our professional relationships through numerous aviation security / law enforcement related seminars and supervisory leadership training programs.</p>
Professional Services	<p>To remain compliant with OSHA regulations, it is required to perform annual Haz Mat face mask fit testing of all officers. This must be performed by a NIOSH certified fit tester. Additionally, medical evaluations become required in 2007 under 29CFR1910.</p> <p>In order to stay current on our Behavior Pattern Recognition Training that was implemented in 2005, periodic reviews and audits are mandatory through New Age Security Solutions.</p> <p>Both of the above listed items are first time expenses in 2007.</p>
Utilities	Increase due to the costs associated with the use of Nextel's.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**POLICE****MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Operating Services/Expenses	<p>Per contract, there will be a four percent increase in the contract with GSSC. GSSC provides the civilian Security Services at several locations including gate 101, 113, 222 and valet parking entrance.</p> <p>New in 2007 is the staffing of gate 222 on a 24 by 7 basis. This addition is not yet mandated but will greatly enhance security at MSP's primary entrance points in to the SIDA.</p> <p>A four percent increase will also be experienced in regard to the SAACS maintenance contract with Premier Electric.</p>
Maintenance	<p>As the CCTV system continues to grow older, it is imperative that we maintain and keep in good repair over 1000 cameras. Many of the cameras are now seven years old and will need replacement or preventative maintenance in 2007.</p>
Other	<p>Increase due to the need to purchase additional 800 MHz radios. The additional radios will enable the APD to adequately supply radios to all licensed police officers.</p> <p>It is necessary to purchase additional long guns for the Emergency Response Team. This purchase will enable existing weapons to be dispersed into squad and EOD Canine vehicles which currently are not equipped.</p>

2005 PROGRESS REPORT

Objective	Measurement	Results
Replace, maintain and improve necessary current and future equipment, technology and security enhancements to meet the changing demands of our environment while maintaining effective means for prompt officer response capabilities.	Would allow for MSP to operate without being fined. Building a strong relationship will combine our resources to best secure MSP providing our customers with the safety and security that they expect. Compliance within the proposed budget.	Improvements in areas of equipment, technology and security enhancements are taking place and will continue in 2006.
Procure additional space to meet the needs of the Airport Police Department due to mandated growth since September 11, 2001.	Development of space or facility that will consolidate all police department administrative, investigative, security and special services functions into one location.	Addition of office space is 70% completed. Will be finished in March of 2006.
Obtain resources to achieve federal mandates, provide police services in the expanded terminal facilities and establish a law enforcement presence to deter crime at the LRT stations.	A combination of qualified full-time and temporary officers will be hired, trained and equipped to effectively perform their assigned duties and meet established federal mandates. The number to be hired may change as mandates dictate and additional tasks need to be performed.	Personnel have been hired, equipment purchased and necessary training will be completed in February of 2006.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**POLICE****2005 PROGRESS REPORT**

Objective	Measurement	Results
Develop cooperative partnerships with participating agencies of the MN Tactical Officer's Association including collaborative training and sharing of resources to provide better response to emergency situation.	Educated and well trained Emergency Response Team members who positively interact with other partner agencies in ongoing emergency response training scenarios.	Completed by establishing partnerships with Eden Prairie, Edina and Bloomington Police Departments for ongoing training and back-up response when needed.
Continue to implement and maintain federal security directives while working closely with the TSA and coordinating efforts between the agencies, setting an example for other airports to follow.	Would allow for MSP to operate without being fined. Building a strong relationship will combine our resources to best secure MSP providing our customers with the safety and security that they expect. Compliance within the proposed budget.	Close working relationships have been established and will continue in 2006.

2006 PROGRESS REPORT

Objective	Measurement	Results
Replace, maintain and improve necessary current and future equipment, technology and security enhancements to meet the changing demands of our environment while maintaining effective means for prompt officer response capabilities.	Would allow for MSP to operate without being fined. Building a strong relationship will combine our resources to best secure MSP providing our customers with the safety and security that they expect. Compliance within the proposed budget.	A laserfiche system is installed and is being implemented. A digital imaging system has been initiated to achieve a paperless reporting system and an electronic ticket writing system is being explored.
Procure additional space to meet the needs of the Airport Police Department due to mandated growth since September 11, 2001.	Development of space in the POC to provide workspace for employees and at the same time develop a space for badging and SIDA training. Continue to explore the feasibility of a stand alone police structure.	New badging office has been completed and is operational. Renovation and increased space in the POC remains a priority with an outlook for completion in 2007. A study has been completed by Miller Dunwiddie in regard to a stand-alone police facility.
Obtain resources to achieve federal mandates, provide police services in the expanded terminal facilities and establish a law enforcement presence to deter crime at the LRT stations.	A combination of qualified full-time and temporary officers will be hired, trained and equipped to effectively perform their assigned duties and meet established federal mandates. The number to be hired may change as mandates dictate and additional tasks need to be performed.	No additional resources have been obtained in 2006, however, existing resources were shifted to provide increased presence at the LRT stations.
Continue to implement and maintain federal security directives while working closely with the TSA and coordinating efforts between the agencies setting an example for other airports to follow.	Would allow for MSP to operate without being fined. Building a strong relationship will combine our resources to best secure MSP providing our customers with the safety and security that they expect. Compliance within the proposed budget.	Positive relationships have been fostered with the TSA and the Federal Air Marshals. The APD is working with both agencies on joint information sharing systems in an effort to combat illegal activity. This will continue into 2007.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**POLICE****2006 PROGRESS REPORT**

Objective	Measurement	Results
Install, integrate, test and implement Secured Area Access Control System (SAACS). Introduce biometrics based security technology as part of the new SAACS system in a controlled environment.	Successful installation, testing and implementation of the new SAACS System. Maintain uninterrupted service with minimal impact to all users while facilitating the migration from the old system to the new.	This is currently in progress and will be completed in the first quarter of 2007.
Reorganization of department structure to enable better response to a rapidly changing commercial aviation industry.	Achieve improved efficiencies to better serve customer expectations while reducing fear and promoting confidence among users of MSP.	This has been completed. The department has established a new command reporting structure and has moved intra-departmental functions to better align with divisional responsibilities.

2007 OBJECTIVES

Objective	Expected Results
Continue to implement and maintain federal security directives while working closely with the TSA and coordinating efforts between the agencies setting an example for other airports to follow.	Building a strong relationship will combine our resources to best secure MSP, providing our customers with the safety and security that they expect. Compliance within the proposed budget.
Obtain resources to achieve federal mandates, provide police services in the expanded terminal facilities and establish a law enforcement presence to deter crime at the LRT stations.	A combination of qualified full-time and temporary officers will be hired, trained and equipped to effectively perform their assigned duties and meet established federal mandates. Results will include increased coverage and decreased overtime, while providing continued visual deterrents against all threats and hazards.
Develop, prioritize and implement existing security enhancement needs of the MSP Airport. Specific areas include: perimeter fence, field gates, SIDA incursion sites, fuel farms, exit lanes and the installation of card access on all jet-bridge doors.	Development of a systematic, multi-year approach to address prioritized needs, receive funding approval and begin construction.
Procure additional space for the Emergency Communications Center and Back up Center. Complete the police administrative area expansion project. Expand the police operations center. Continue to explore the feasibility of a stand alone police structure.	Provide employees with space needed to perform their duties and providing service to the community. In the event of a disaster, to have an alternate place to perform emergency communications for public safety in order to coordinate all emergency activities, meet federal security mandates and to keep other portions of the airport operational.
Ensure the safe passage of all dignitaries using MSP during this election year by providing an environment that will deter criminal activity while efficiently and effectively completing these services.	Equipment and personnel will be available to staff all positions relating to the details while others are available to respond to calls for service, staff normal scheduled positions and complete federally mandated assignments. A seamless visit will allow daily activities to take place without delays.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**FACILITIES-HUMPHREY TERMINAL****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	175,291	221,997	194,561	-27,435	-12.36%
Administrative Expenses	18,573	3,950	9,450	5,500	139.24%
Professional Services		0	0		
Utilities	665	1,600	1,200	-400	-25.00%
Operating Services/Expenses	516,840	144,250	20,650	-123,600	-85.68%
Maintenance	80,810	71,700	101,600	29,900	41.70%
Other	6,828	2,078	1,500	-578	-27.82%
Total Budget	799,007	445,575	328,961	-116,613	-26.17%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	2	2	2

RESPONSIBILITY/FUNCTION

Oversee all operating activities at the Humphrey Terminal and all other common-use facilities on the airport including Lindbergh and Humphrey FIS Facilities, fueling operations, Humphrey remote ramp and Lindbergh shared airline facilities. Participate in airport/facilities planning activities and airline lease negotiations.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	Increase due to transfer of shipping costs associated with common-use equipment maintenance (printers & kiosks) from IS Dept. now budgeted by Humphrey Cost Center (85500). Note: shipping costs are not included in common-use vendor contract/support costs.
Utilities	Includes new cell for for new FTE request in 2007.
Operating Services/Expenses	Major reduction caused by transfer of CUTE/CUPPS system/support costs (Vendor Contract) to the IS Dept. Operating Budget. All costs are still charged to Humphrey sub-ledger .36 for rates and charges.
Maintenance	Projected increase in jetbridge maintenance related to relocation of AirTran and continued growth by SCA.
Other	Requesting MACNET PC/Workstation for new FTE requested in 2007.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

FACILITIES-HUMPHREY TERMINAL**2005 PROGRESS REPORT**

Objective	Measurement	Results
Develop and implement Service Level Agreement (SLA) for technical and administrative support of the Humphrey CUTE systems and other shared systems.	Formal SLA signed by MAC AOF Dept., MAC I.S. Dept. and the Humphrey Airlines. System performance (up-time) and support response times as specified in the SLA are being achieved.	April - June 2005 - worked with MAC IS Dept. to prepare contract to return to vendor provided on-site technical support of Humphrey common-use (CUTE) system. June 1, 2005 - New support contract with vendor (SITA) Service level specifications incorporated into service contract (SITA). OBJECTIVE REACHED. Completed June-2005. 09/05 - Frequently receive very positive feedback from airline users on quality and effectiveness of new on-site IT support. Note to file - major success and improvement to Humphrey Terminal Operations.
Lead Division Representative for 2020 (2007) Airline Leases Negotiations and Humphrey Development Plan.	Execution of lease agreements and adoption of operating policies for Humphrey Terminal 2007.	Design Team Meetings began September 2004 and continued into 2005. The Commission deferred the 2020 project (phase I) Humphrey expansion to June 2008. Follow on planning will continue on a schedule to prepare for that date. Airline Lease Meetings began December 2004 and continued in 2005.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

FACILITIES-HUMPHREY TERMINAL**2006 PROGRESS REPORT**

Objective	Measurement	Results
Improved jetbridge maintenance.	Reduced jetbridge down time. Reduced response time to service calls. Archive of maintenance records and documents.	<p>12/05 - Met with primary airline users to discuss improvement ideas to service reporting process and documentation.</p> <p>3/06 - new reports in place and routinely used by ASIG and MAC. Results are shared monthly with airlines.</p> <p>3/06 - weekly walk-throughs are done by Karen W. (MAC) and Kent K. (ASIG) to inspect cleanliness and general condition.</p> <p>7/06 - number of complaints (from Airlines) on jetbridge cleanliness are down to almost nothing; just one complaint in June-06.</p> <p>7/06 - RFP for new jetbridge mx. Contract is complete. Commission approved recommend. To ASIG. Much greater detail will be included in the new contract to ensure proper cleaning, prompt response times and documentation of repairs. New contract (ASIG) will begin Sept. 1st 2006 and is for three years. Note: the airlines we're party to the language in the RFP/Contract outlining the new jetbridge mx. And cleaning requirements.</p> <p>11/30 - New contract in place with ASIG. Additional measures and duties related to bridge maintenance and down time communcation with the airlines is expected to improve operations. Staff will work with ASIG (Mx. Vendor) and the airlines to monitor and make necessary adjustments. Completed.</p>

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**FACILITIES-HUMPHREY TERMINAL****2006 PROGRESS REPORT**

Objective	Measurement	Results
Upgrade Humphrey Common-use systems/applications to support next generation airline IT functions. Maintain benefits of common-use operating concept.	Successful implementation of "next generation" common-use technology to support user airlines.	<p>5/06 - RFP for system support is being drafted. Will be issued/awarded separately from CUPPS system.</p> <p>6/06 - RFP being drafted. Meetings with airline users complete. RFP Covers both new system (software) and new printers. Note: new hardware including PC's and keyboards were purchased and will be installed by end of June 2006.</p> <p>7/06 - RFP for new system/equip. is on the street. Proposals due in mid. August. Implementation/installation will be scheduled for Spring 2007 to avoid impact to busy winter (peak) season.</p> <p>11/06 - Contract award for new system to Ultra Electronics Inc. Implementation planned for second quarter 2007.</p> <p>11/06 - Meetings with each airline to advise new contract and planning/schedule for implementation. Such meetings will be held regularly from January 2007 through completion of installation.</p>

2007 OBJECTIVES

Objective	Expected Results
Successful installation of new common-use technology to meet current and future airline needs.	Successful implementation of next generation common-use passenger processing system (CUPPS) at Humphrey Terminal. Provide advanced computer systems/software to support airlines Departure Control Systems (DCS) in the common-use environment.
Increase the use of (CUSS) Kiosks for passenger check-in at Humphrey Terminal.	Increase the percentage of passengers using (CUSS) Kiosks for (domestic) departure check-in. Compare to number using full-service counters and internet check-in (if offered).

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**FACILITIES-LINDBERGH TERMINAL****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	561,931	582,311	611,189	28,878	4.96%
Administrative Expenses	16,585	18,210	19,582	1,372	7.53%
Professional Services	0	130,000	130,240	240	0.18%
Utilities	3,804	4,920	3,000	-1,920	-39.02%
Operating Services/Expenses	51,271	169,200	236,500	67,300	39.78%
Maintenance	11,943,212	12,964,982	13,465,551	500,569	3.86%
Other	18,996	26,921	15,279	-11,642	-43.25%
Total Budget	12,595,798	13,896,544	14,481,341	584,797	4.21%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	10	9.5	10

RESPONSIBILITY/FUNCTION

This department is responsible for the operation, maintenance, and cleaning of the terminal facilities and all of the MAC campus buildings. Facilities Management has oversight responsibility for the Energy Management Center as well as the Trades work groups (Carpenters, Electricians, Painters, and Plumbers).

Facilities Management also provides management oversight for various service, operation and management contracts as well as responding to both immediate and long term tenant and public concerns. Additionally, the entire department works with Airport Development staff to ensure that Capital Improvement Projects are completed with the least amount of disruption to the traveling public and the terminal building operations.

Our goal is to maintain the MSP Airport at a level consistent with the expectations of our internal & external customers and tenants.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	All of the budget increase in this category is for the software renewal to the Facilities Monitoring Software license.
Utilities	The reduction in this category is based upon actual usage of cellular phones. 2007 does not include any hardware upgrades, while 2006 included purchase of four new cell phones.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

FACILITIES-LINDBERGH TERMINAL**MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Operating Services/Expenses	<p>Increases in this category can be broken down to three items;</p> <ol style="list-style-type: none"> 1. \$2K increase in budgeted monies for the continuing support of the Facilities Monitoring System. 2. \$10K increase in the building inspection line item to include inspection, repair and maintenance of E-1 jetbridge (MAC owned). 3. \$35K is placed in the budget (first time) as a benchmark estimate for the RFP that is currently out for repair, maintenance, service and replacement of the Variable Message Signs (VMS). Proposals are not due until after the budget deadline, so adjustment can be made after the deadline or corrected for 2008. Revised 11/20/06 - per M&O Committee, new figure is \$85,000.
Maintenance	<p>Major budget changes in this category are as follows;</p> <ol style="list-style-type: none"> 1. All budgeted monies for Temp Control - Contracts (Siemens & Honeywell) have been transferred to Energy Management Center's (EMC) 86300 budget. 2. Contractual increases in the APM (Trams) and Carrousel/Conveyor contracts. 3. Elevator/escalator/moving walk maintenance fees increased by 32% based on proposals received during RFP process. However, new contract will have additional staffing to address current code issues and lack of proper maintenance. 4. Janitorial fees increased due to increase in CBA. 5. Budgeted monies for curtainwall (window) cleaning. There were no budgeted monies in 2006 for curtainwall cleaning. Only standard windows and misc. glazing were cleaned. 6. Increase in budgeted monies for bathroom supplies, which are based upon 2004/2005 actual usage and tied to 2007 anticipated passenger counts.
Other	<p>The majority of decrease in this category is the reduction of rental equipment for lifts, etc. based upon the purchase of such equipment by the Trades groups.</p>

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**FACILITIES-LINDBERGH TERMINAL****2005 PROGRESS REPORT**

Objective	Measurement	Results
Replace outdated and worn seats in the Lindbergh Terminal in order to bring the number of seats available back to the pre-2002 level.	Increase number of seats available due to the increased passenger counts and the need for additional seating throughout the terminal as a result of meeters/greeters' inability to go to gate to greet passengers and to accommodate new construction.	Additional seating was added up to budgeted amounts. Worn out seating was replaced to enhance the look of the Northstar Crossing and other areas throughout the Lindbergh Terminal. The remainder of budgeted monies was spent adding additional seating in the baggage claim area to enhance customers' comfort. Program will continue in 2006.
Meet FAA Part 1542 regulations and the new TSA requirements for security within the terminal buildings by implementing an Automatic Door Lock System.	The new system (MEDECO) started in 2002. 2005's priority will be the continuation of all mechanical room doors in addition to any new electrical vaults and telecommunication "hub" rooms resulting from North Terminal Addition or LRT Tunnel Station(s) construction.	Last "Phase" of the Medeco lock program has been completed. All Electrical Vaults / Mechanical Rooms / Telecommunication Hubs have been switched to the new system.
Ensure protection of the exterior of the Lindbergh Terminal and Concourses (Airside) building's by replacing damaged Jersey "J" barriers.	The replacement of the Jersey "J" barriers around the terminal and concourses will ensure the protection of the buildings exterior from tug drivers hitting the building. The cost of the barriers (per year) is less than 40% of the cost resulting from tug driver damage, thereby saving MAC and the airlines money.	On-going program (yearly) based upon need. In 2004 the majority of "J" Barriers necessary to be replaced were taken care of thereby limiting the need to replace any barriers in 2005. 2006 will see the program reinstated with a thorough tally of all barriers needing replacement.

2006 PROGRESS REPORT

Objective	Measurement	Results
Implement usage of current cleaning vendor's interactive web site for scoring of cleaning inspections.	MAC is able to enter the inspection scoring and comments, monitor resolution of any problems, and access previous inspection results. Additionally, other reports are available to MAC which will be helpful in managing the cleaning inspections. Usage of this software is at no cost to MAC.	MAC currently uses an outdated inspection report created in Microsoft Access. The janitorial RFP team asked all vendors include any inspection reporting program that MAC could use in their proposals. ABM was awarded the contract and will be getting MAC up and running on the inspection system.
Successfully complete Elevator / Escalator / Moving Walkway RFP.	New Contract.	Vendor selected. Contract starts Sept. 1, 2006.
Successfully complete Signage RFP.	New Signage maintenance contract in place.	Broken into two parts - VMS and repairing static signage. VMS (Variable Message Signage) contract set to start Sept. 1, 2006.
Participate in Travelers Services RFP.	Help in the creation and execution of the Travelers Services RFP.	RFP on hold.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

FACILITIES-LINDBERGH TERMINAL**2006 PROGRESS REPORT**

Objective	Measurement	Results
Develop detailed plan for future C.M.M.S.	Potential recommendation of replacement C.M.M.S. software package.	C.M.M.S. replacement project is in 2007 I.S. CIP program.
Roll-out of Facilities Monitoring program.	Facilities Monitoring program rolled-out.	Roll-out to Facilities staff set to start Aug. 1, 2006.
Participate in the creation of a permanent music program.	Live music in the Lindbergh Terminal.	Background work in process. Attended Arts in Airports Conference in May, 2006.

2007 OBJECTIVES

Objective	Expected Results
Encourage employee growth	Facilities department personnel attend at least 75% of MAC offered training classes.
Address cleaning contract renewal option	Renew existing vendor or create new RFP.
Develop detailed plan for future C.M.M.S.	Potential recommendation of replacement C.M.M.S. software package
Participate in the creation of a permanent music program.	Live music in the Lindbergh Terminal.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**FACILITIES-ENERGY MGT. CENTER****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	1,082,459	1,097,371	1,135,866	38,496	3.51%
Administrative Expenses	11,308	3,851	3,851	0	0.00%
Professional Services		40,000	40,000	0	0.00%
Utilities	3,173	2,652	2,652	0	0.00%
Operating Services/Expenses	2,043	0	0	0	0.00%
Maintenance	714,268	637,468	1,263,920	626,452	98.27%
Other	2,618	4,407	4,578	171	3.88%
Total Budget	1,815,869	1,785,749	2,450,867	665,119	37.25%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	18	18	18

RESPONSIBILITY/FUNCTION

The Energy Management Center (EMC) is responsible for the heating, ventilation and air conditioning (HVAC) of all MAC buildings. This includes all concourses, connectors, ETD or TSA areas, parking structures, skyways, the general office building, the parking management buildings and Hub center, Trades and Field Maintenance and South Field Maintenance buildings, parking booths, guard shacks, glycol recovery and the tram drive buildings. Also included are the West Terminal area, the lighting center buildings, all tunnel ventilation systems, electrical buildings and vaults and the sand barn. Also on the list are the fueling and air freight buildings, both fire stations, the 17/35 de-ice buildings, and the light rail stations.

The 15 operating engineers at the EMC provide round-the clock service. In the Lindbergh Terminal they operate four 2000-ton chillers, two 1500-ton chillers, twelve thousand ton-cooling towers and four natural gas fired, 60,000-pounds-per-hour boilers with jet fuel backup capability. Each boiler is capable of burning 9.8 gallons of jet fuel per minute.

In the Humphrey Terminal they operate three boilers and three chillers in addition to cooling towers, pumps and multiple air handling units.

At the Humphrey and Lindbergh Terminals, MAC's engineers also operate compressors, water softeners, pumps with variable frequency drives, steam reducing stations and condensate sump pumps. The list includes low-and high pressure steam boilers, hot water boilers, electric and steam driven turbine chillers and pumps. Maintenance is done on equipment such as pump seal replacement, bearing replacement, leak repair, power wash heating and cooling coils, belt and filter changes. They troubleshoot all the HVAC and computer equipment, test and chemically treat all systems.

EMC utilizes three advanced computerized building management systems to operate and oversee the areas and equipment listed above. EMC utilizes a program to monitor 200 carbon monoxide sensors spread around the MSP Campus.

They respond to all incoming trouble calls and keep detail department logs on all repair work, preventive maintenance records, as well as gas, oil, water and steam usage.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Personnel increases are attributable to wage structure adjustments and step increases as identified in the labor agreement.
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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**FACILITIES-ENERGY MGT. CENTER****MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Maintenance	The majority of increases in this category are due to the transfer of budgeted monies from Facilities Management (86100) for the Fire Alarm / Fire Protection Sprinkler System contracts and the temperature control contracts.
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2005 PROGRESS REPORT

Objective	Measurement	Results
Provide safe operations and maintenance of heating & cooling systems that support the Lindbergh Terminal, all concourses and Airport campus buildings.	Less cost for stored inventory, less storage needed.	Continue adding information to Preventive Maintenance program. We seldom have any unplanned down time with major equipment. EMC preventive maintenance program has improved 100% resulting in fewer inventories being stored on site.
Improve EMC preventive maintenance program.	In house training on EMC equipment, maintenance procedures, between different shifts Operating Engineers. Faster response to customer complaints, Less down time with equipment and a more diverse work group.	Continually cross train all Energy Management Center employees on all HVAC equipment for all shifts. 100% re-trained on switching from natural gas to get fuel or #2 oil at different locations throughout airport campus. We have a successful diversified work force.
Fully implement the electronic maintenance program in order to physically account for all EMC assets: pumps, seals, fans, safety reliefs, variable speed drives. List model numbers, replacement parts, and location.	Less wasted inventory, less labor cost due to gathering information. Faster response to customer complaints. Less down time with equipment with a more diverse work group.	Numerous amounts of information collected, safety reliefs, gas meters, variable speed drives, electrical vaults with HVAC. Model numbers, replacement parts, locations.
Enhance our ability to manage carbon monoxide levels by upgrading the CO monitoring systems.	Improved safety due to better management of the system. Systems operate more efficiently, improving air quality which will reduce customer complaints and sick use.	Repairs have been done on as needed basis due to a lack of funds. Without resources, the CO and NO monitors will not be adequately maintained and will fail. Even now sensors and monitors have a life span of 3 years and up.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

FACILITIES-ENERGY MGT. CENTER**2006 PROGRESS REPORT**

Objective	Measurement	Results
Provide a safe environment for our customers and employees.	Complete installation of audible and visual alarms within Energy Management Center. The majority of time we only have one operator available. The operator must be able to see and hear all alarms to be able to respond in a timely manner.	Additional audible and visual alarms have been installed at the EMC.
Minimize damage to buildings due to ice or freeze-ups.	Replace heat in south bay for Lake Elmo.	Additional heating has been installed and is operational.
Customer service within MAC. Provide heat to Field Maintenance bays so their equipment is able to operate when needed.	Replace infrared heaters at building 8.	Infrared heaters have been installed and operational in Building 8.
Continually improve on Energy Management Center preventative maintenance program.	Continue to add assets to electronic tracking system.	We continue to add assets, upon completion of any construction project requiring HVAC.

2007 OBJECTIVES

Objective	Expected Results
Improve interface with consultants and vendors.	Regularly scheduled meetings with consultants and vendors.
Take advantage of free educational opportunities.	100% attendance by all EMC members.
Improve response time on calls for service.	Reduce response time by 5%
Reduce reliance on outside vendors	Train EMC members to take over certain maintenance currently performed by outside vendors. Goal is to reduce outside maintenance budget by 3%

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**TRADES - ELECTRICIANS****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	1,273,649	1,282,595	1,444,331	161,736	12.61%
Administrative Expenses	2,498	11,600	16,648	5,048	43.52%
Professional Services	15,000	11,500	11,500	0	0.00%
Utilities	5,861	5,144	6,108	964	18.74%
Operating Services/Expenses	1,815	707	728	21	3.00%
Maintenance	550,692	476,852	686,915	210,063	44.05%
Other	25,885	21,642	31,494	9,852	45.52%
Total Budget	1,875,401	1,810,040	2,197,724	387,684	21.42%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	17	17	17

RESPONSIBILITY/FUNCTION

The MAC Electrical Department provides maintenance and repairs of all electrical equipment and lighting fixtures in and around all terminal buildings at MSP and MAC Reliever Airports. MAC Electricians are responsible for the maintenance and repair of all directional signage and runway/taxiway lighting to comply with specific FAA regulations throughout all MAC airports. They also maintain and test all airfield lighting regulators and all emergency generator buildings, as well as all associated lighting and electrical work within MAC parking facilities. The MAC Electrical Department is also responsible for all security gates and electronic card readers throughout MAC's airport system. They have also recently added oversight and repair responsibility for the LRT Platform.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Personnel increases are attributable to wage structure adjustments and step increases as identified in the labor agreement.
Administrative Expenses	Majority of additional monies necessary for the replacement of the computer screens for the Generator Monitoring computers and the Transfer Switch computers
Professional Services	Same as 2006.
Utilities	Increase based upon fixed increase for service plans.
Operating Services/Expenses	Increase(s) directly related to cost increase of materials purchased / rented.
Maintenance	Increase(s) directly related to cost increase of materials purchased / rented.
Other	Majority of added monies is for the rental of lift to replace ramp lighting.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

TRADES - ELECTRICIANS**2006 PROGRESS REPORT**

Objective	Measurement	Results
Reduce reliance on outside professionals.	Purchase heat imaging camera to identify electrical hot spots that in-house electricians will utilize.	Objective was completed by using the 2006 Professional Service monies to purchase a heat imaging camera. Then we trained an inhouse electrician to do the same service that was contracted out each year.

2007 OBJECTIVES

Objective	Expected Results
Maintain a schedule for relamping.	Maintaining lighting throughout the facility results in a more attractive Terminal and increases security. In addition, labor costs decrease with less time committed for relamping.
Conduct our own infrared survey on the electrical equipment resulting in reduced insurance costs.	Reduce expenses in insurance and have a more reliable electrical system in place.
Seek additional training for one electrician on the Secured Card Access system to take over some of the work currently performed by outside vendors.	Increased knowledge and improved familiarity with security system for the entire airport

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**TRADES - PAINTERS****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	520,190	617,260	745,737	128,476	20.81%
Administrative Expenses	0	518	518	0	0.00%
Professional Services		0	0	0	0.00%
Utilities	1,128	1,485	1,485	0	0.00%
Operating Services/Expenses	31	500	500	0	0.00%
Maintenance	150,216	150,410	179,210	28,800	19.15%
Other	2,508	11,231	11,500	269	2.40%
Total Budget	674,073	781,404	938,950	157,545	20.16%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	7	7	7

RESPONSIBILITY/FUNCTION

The function/responsibility of the MAC Paintshop is to maintain a clean, comfortable and safe environment for the traveling public using the MAC's airport terminals. The Paintshop is also responsible to insure that all informational signage is correct and complete, not only in the public buildings, but also on the roadways and in all parking areas.

The Paintshop is also responsible for the correct markings used on public roadways, as well as maintaining runway, taxiway and ramp markings in accordance with FAA regulations.

The Paintshop insures that the most appropriate and safest materials are utilized to accomplish these tasks.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Personnel increases are attributable to wage structure adjustments and step increases as identified in the labor agreement. Additional budgeted monies are required for overtime and doubletime for night-time painting (including new runway/taxiways) and utilization of temporary painters for summer projects and ramp rehabilitation resulting in reduced outside contract expenses.
Maintenance	The additional budgeted monies in this category are for necessary traffic paint for runways, roadways, etc. due to the increase in areas to paint and the cost increase to the paint itself. Also a small increase in the signage categories in necessary due to the additional cost of signage materials.
Other	The majority of increases in this category are due to the request for three (3) transfer pumps to meet OSHA regulations. Pumps are estimated at \$3,000 each and result in 88% of the total increases for this category. The remainder is primarily due to cost increases in the replacement of generators, pumps and lighting that are replacing old/burned-out equipment.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

TRADES - PAINTERS**2006 PROGRESS REPORT**

Objective	Measurement	Results
Reduce amount of hazardous waste.	Reducing hazardous waste will reduce disposal costs and employee chemical exposure.	The amount of hazardous waste generated was reduced by about 10% from 2005 levels. The amount received from contractors abandoning of materials has improved. Overall generation from the paint shop has remained the same.
Continue to upgrade sign shop.	Meet substantial demands of signs required at MSP and Reliever Airports.	Additional equipment was purchased in 2006. The upgrade will be an ongoing work/learning process. The addition of a professional sign maker was a great first step.
Continue to maintain MAC airport system to current standards.	Increasing productivity / changing the way work is performed.	All scheduled work for 2006 was completed on schedule.
Meet FAA requirements.	Repaint to new FAA specifications the last 150' of taxi lines prior to the hold position bars.	Enhanced taxiway markings are now installed at all hold bars at MSP airport. All markings passed the Part 139 inspection in August.

2007 OBJECTIVES

Objective	Expected Results
Reduce hazardous waste/solvent consumption.	Less disposal costs, healthier work environment, less fire/explosion hazard.
Work with Union Local 386 to insure that we are receiving higher quality temp employees.	We have been dissatisfied with some temp employees from Local 386. Efficient, dependable temp employees will enable the Paintshop to produce a better finished product with less problems.
Review safety programs and practices in the paint and sign shops.	Reduce/prevent accidents and injuries as well as equipment damage.
Maximize use of the six temporary employees requested for 2007. Four temps will be working in the parking ramp areas.	Increased production.
Set up sand blasting area to take care of foreseeable large increase of metal prep from ramp maintenance responsibilities.	A sand blasting area has been needed at the MAC for quite some time. Currently, all blasting has to be performed by an outside vendor causing schedule/completion problems. Performance of this work internally will result in a substantial cost reduction.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**TRADES - CARPENTERS****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	585,834	610,527	684,187	73,660	12.07%
Administrative Expenses	2,689	3,063	3,234	171	5.58%
Professional Services		0	0		
Utilities	3,035	3,093	3,186	93	3.01%
Operating Services/Expenses	397	4,830	5,900	1,070	22.15%
Maintenance	176,340	210,475	220,383	9,908	4.71%
Other	7,091	13,359	9,250	-4,109	-30.76%
Total Budget	775,386	845,347	926,140	80,793	9.56%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	9	8	9

RESPONSIBILITY/FUNCTION

The function/responsibility of MAC's Carpenter Shop is to ensure that all of MAC's Facilities are safe, secure and aesthetically acceptable for MAC, its tenants and the traveling public and to provide quality service to the other MAC departments and the airport tenants in a timely manner. Our duties include floor to roof, wall to wall service consisting of the following: locksmith services and the securing of the "secured areas from the non secured" sides; installation and care of a wide variety of items including hardware, furniture and cabinet making, carpeting, floor tile, ceramic wall and ceramic floor tile, ceilings, demountable furniture and partitions, drywall and accoustical applications, concrete form work, stairs, restroom partitions and its fixtures, automatic sliding doors and tug doors along with special and varied projects. We also assist Airport Development in the naming/numbering of doors with identification tags and help keep the current space numbered to reflects our tenants' growing needs.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Heavy outdoor repair work is required during the spring and summer months. Use of a temporary carpenter will be instrumental in performing the following: carpet removal and replacement at the Core building, Hub Core building and auto rental facilities. In addition, Reliever Airport needs will be addressed with additional temporary assistance. Personnel increases are attributable to wage structure adjustments and step increases as identified in the labor agreement.
Maintenance	Several key areas of the Carpentry Department need to be increased due to the inflated prices that are in the marketplace today. We find increases in locks, lumber, ceiling and floor replacement materials, door replacements due to asbestos found in the older doors on campus and materials we use for wall protection.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

TRADES - CARPENTERS

2005 PROGRESS REPORT

Objective	Measurement	Results
Establish a contact person within the department who understands the door numbering system that was developed by HGA. This "in house" person will be consulted on issues of door numbering, facility equipment numbering and assigns building designators.	Priority #1 Keeping the system updated for the key database, the Facility Monitoring Project, and current blueprints for Architects, Facilities, Police and Fire and Airport Development that need a fast response time to questions that relate to their field.	Carpentry staff works closely with MAC Development and outside architects to ensure plans comply with established door numbering system and that changes in the field are recorded.
Implement a plan in organizing of the work shops and inventory the all Carpentry Staff storage areas. Record inventory into Asset Handler for easy viewing, product use and ordering of materials.	Achieves a greater use of storage space and less down time in searching for materials that may not be in one storage area but in another.	Due to lack of staff and budget, this objective has been deferred.
Complete training to receive Certification on ANSI regulations/standards related to the Automatic Sliding Doors.	Certified person on staff will eliminate questions or concerns relating to insurance claims against MAC.	Certification expires June of 2006. New requirements state that certified personnel must work for a company that sells, services or installs automatic sliding doors. This company must do this as its' primary business. MAC legal staff is researching the regulations as they apply to MAC and will recommend how to proceed.
Operate a safe and efficient Carpentry Department by hiring two full-time carpenters to its staff. With the increase of new responsibilities and building area, the staff must increase. In 2004, two temporary carpenters were on staff.	Necessary to maintain existing facilities and new building additions. Additional personnel will insure the traveling public a safe and enjoyable experience while at the Airport.	Staff increases have been deferred due to budget cuts.
Operate a safe and efficient Carpentry Department by providing additional part-time staff when needed.	Necessary in maintaining existing facilities. Part-time staff is used to do major projects that can not be done by the full-time staff or when more staff is needed to complete a task.	One part-time staff now helps with day to day work.
Insuring the high standards of security throughout the main campus and relievers, the Locksmith Foreman needs to attend seminars in security and visit Trade shows for current product knowledge.	New techniques in the Locksmith field of security will be learned thus creating a safer environment for the traveling public.	One carpenter and back-up locksmith attended classes in master keying this year.
Broaden the educational opportunities that exist in the carpentry field.	Necessary in maintaining existing buildings. New techniques and products associated with the carpentry field will create a safer environment for the traveling public.	This objective was deferred due to budget cuts.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**TRADES - CARPENTERS****2005 PROGRESS REPORT**

Objective	Measurement	Results
Insuring that safety would be a high priority in the Main Terminal building, an appointment of a carpenter foreman would be necessary. The Foreman would be responsible for the daily inspection of the building and troubleshooting of problems that arise.	Necessary in maintaining the existing facility and all new areas that open up to the traveling public.	Deferred due to budget limitations.
Ensure compliance with TSA mandated key management by expanding MAC's Key Database Program to include padlocks, cipher codes and the ability to "query" questions from TSA and Police through the program.	Federally mandated by the TSA, MAC is to keep the current system updated. To do this the program data needs to be created by the IS Department.	Due to limited resources this objective has been deferred.
Providing the Carpentry staff with a means of transportation to and from different jobs. Two pickup trucks to be ordered, one to replace a "loaned vehicle" from Field Maintenance.	Necessary in maintaining the existing facilities and all new buildings that have come on line.	Truck was purchased to replace the loaned Field Maintenance vehicle.
Ensure computer access for the Carpentry staff to do research on the internet about products and techniques that are field related. Also to provide access to MACNET and e-mails.	Necessary in maintaining existing facilities and new additions that are reaching completion. Access will provide better communication throughout MAC to individuals in the department.	A computer was purchased for the carpentry staff.

2006 PROGRESS REPORT

Objective	Measurement	Results
Insure the high standards of security throughout the main campus and relievers.	Attend seminars in security and visit trade shows for current product knowledge.	The locksmith foreman and backup locksmith attended classes in security and locksmith techniques.
Ensure compliance with TSA mandated key management program.	Expand MAC's Key Database Program to include padlocks, cipher codes and the ability to "query" questions from the TSA and MAC Police.	Due to limited resources, this objective has been deferred.
Establish a contact person within the department who understands the current door numbering system. This "in house" person will work closely with Airport Development and associated architectural firms in keeping with the standard scheme of labeling.	Keeping the system updated for the key database, the Facility Monitoring Program and current blueprints for Architects, Facilities, Police and Fire and Airport Development.	An assigned carpenter works closely with MAC Development and outside architects to ensure plans comply with established door numbering system and that changes in the field are recorded.
Appoint Carpenter Foreman to Lindbergh Terminal.	Create Lindbergh Terminal Carpenter Foreman position.	The position was filled in late November.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**TRADES - CARPENTERS****2007 OBJECTIVES**

Objective	Expected Results
Establish a contact person within the department who understands the current door numbering system. This "in house" person to work closely with Airport Development and associated architectural firms in keeping the standard scheme of labeling.	Keeping the system updated for the key database, the Facilities Monitoring system, and current blueprints for Architects, Facilities, Police and Fire and Airport Development. They often need a fast response time to questions that relate to their field.
Implement a plan in the organization of work shops and to inventory the storage areas throughout the airport. Record inventory into Asset Handler for easier viewing, product use and purchasing.	Greater use of storage space and less downtime spent on completing work orders if areas were organized.
Complete the MAC Key Database Program by adding reference to padlocks, cipher codes and Medeco Locks.	Federally mandated by the TSA, MAC is to keep the current system updated. To do this the program, data needs to be created by the IS Department.
Operate a safe and efficient Carpentry Department by providing additional part-time staff when needed.	Necessary in maintaining existing facilities and all new buildings that have come on line. Additional personnel will insure the traveling public a safe experience while traveling through the airport complex.
Broaden the educational opportunities that exist in both the carpentry and locksmiths fields.	New techniques in our field will be learned and by implementing those changes creates a safer environment for the traveling public.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**TRADES - PLUMBERS****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	793,242	822,217	970,376	148,159	18.02%
Administrative Expenses	2,087	1,333	2,527	1,194	89.57%
Professional Services	4,729	5,000	6,000	1,000	20.00%
Utilities	2,438	3,088	3,189	101	3.27%
Operating Services/Expenses	3,942	4,000	4,000	0	0.00%
Maintenance	153,411	165,601	185,106	19,505	11.78%
Other	10,694	8,320	13,063	4,743	57.01%
Total Budget	970,543	1,009,559	1,184,261	174,702	17.30%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	6	6	7

RESPONSIBILITY/FUNCTION

The Plumbers are responsible for protecting the health of the traveling public, in addition to MAC and tenant employees, through the maintenance and repair of the potable water systems, sanitary and storm sewer systems, building plumbing systems, irrigation systems and fire sprinkler systems. Plumbing inspections, utility locates and plumbing plan reviews are also performed in coordination with airport development. Our objective is to provide our customers with functional and cost effective plumbing systems.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	One position was reallocated in 2006 to meet a long-term work need covered by a temporary position from temporary to permanent during 2006. The additional position will cover increased maintenance and testing hours and will help maintain or decrease current overtime budget. Personnel increases are attributable to wage structure adjustments and step increases as identified in the labor agreement.
Administrative Expenses	Two new LCD computer monitors to replace worn out ones.
Professional Services	The addition of automated plumbing systems requires more outsourcing of services to maintain.
Operating Services/Expenses	Increase reflects transportation and material costs.
Maintenance	Increases reflects added cost for pump replacement; required testing of new fire protection systems; increased material and transportation costs.
Other	Additional shelving to increase storage and provide more shop efficiency. One new nozzle for vactor truck. Current nozzles are not effective for larger sewer systems.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

TRADES - PLUMBERS

2005 PROGRESS REPORT

Objective	Measurement	Results
Survey storm and sanitary sewer collection system for deficiencies.	Implement a sewer re-hab program which will provide a base line for future repairs.	A few areas of deficiencies were noted and added to the CIP program. As money becomes available or when a project is in the area of the utility needing reform, collaboration between MAC Development and MAC Plumbing will take place. Preventative maintenance has taken place in areas of new construction such as sewer cleaning at the new Airport Fire Station and South Field Maintenance Building.
Maintain the fire sprinkler system within the industry standards and in compliance with NFPA regulations.	To insure the entire fire sprinkler system has been tested and is in compliance with NFPA regulations.	The fire system has been tested ahead of schedule. We are currently working to document the entire MAC Campus fire system flow and tamper valves relating to door number and locations on plan drawing. On 12-29-05 Arlin Long (MAC Plumber), who was assigned to the task of fire system documentation, finished assembling 2 books with the MAC Campus fire systems drawing relating to tamper valve location and door numbers. This is a major step toward our goal to document all utilities inside of MAC buildings and this task is also above and beyond the NFPA regulations.
Create a plan within our department on the necessities to maintain and operate increased development.	Better, more productive operating procedures created. Cross train personnel to achieve efficiency.	Have had some difficulty dealing with this concept. Lack of personnel and large work load make it nearly impossible to cross train personnel. Productivity has increased but at the expense of overtime. This objective will carry over into 2006 and 2007.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

TRADES - PLUMBERS**2006 PROGRESS REPORT**

Objective	Measurement	Results
To account for lost domestic water by providing field testing and replacement of water meters. To survey water system on an annual basis.	Reduce unaccountable water loss below current level of 6%.	Unaccountable water has been lowered to approximately 3% due to the diligent effort of the plumbing staff by testing and replacing water meters as deemed necessary. We are also replacing water meter registers so as to unify the inventory and provide more consistent reads. We replaced about 80% of the registers so far this year.
To clean five thousand feet of sanitary sewer.	Fewer back ups with more efficient flow in pipe.	As of 6 -28-06 we have cleaned approximately 2500 feet of sanitary sewer and the parking lot lift station. We have also cleaned the sewer laterals to the north and south disposals. During the week nights of 8-1-06 and 8-2-06 we cleaned an additional 2500 feet of sanitary sewer at the 12L Runway approach and beyond.
Create MSP Utilities Drawing Plan.	Now that the 2010 plan is completed, this project will create a comprehensive record of the plumbing systems which will enable a more efficient process of maintenance, repair and rehabilitation of these systems. This project will help reduce the time in searching for records.	A portion of this project is taking place in "06". Mac Plumbing Staff is currently working on a pipe identification/labeling project which will be incorporated into this project. This is an ongoing effort that will continue as time allows.

2007 OBJECTIVES

Objective	Expected Results
To provide the necessary cross training to our department personnel to keep up with the changing environment.	Work group will become rounded and flexible.
To improve the knowledge base regarding the location of utilities inside the Lindbergh Terminal and its concourses.	Install pipe and valve identification throughout Lindbergh Terminal, HHH Terminal and associated concourses.
To clean ten thousand feet of sanitary sewer (mainline) and five thousand feet of storm sewer line with the new nozzle budgeted for in the 2007 budget.	This objective will reduce sewer overflow, promote more efficient flow, and comply with the industry standards.
To account for lost domestic water by providing field testing and replacement of water meters. To survey water system on an annual basis. To promote water conservation by implementing industry standardized products for the operation of the irrigation.	Reduce unaccountable water loss below current level. Manage current water usage to an acceptable level based on industry standards.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**TRADES - ADMINISTRATION****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	136,198	135,796	141,300	5,503	4.05%
Administrative Expenses	4,178	5,702	4,300	-1,402	-24.59%
Professional Services		0	35,000	35,000	100.00%
Utilities		250	275	25	10.00%
Operating Services/Expenses		300	0	-300	-100.00%
Other	883	5,400	2,860	-2,540	-47.04%
Total Budget	141,259	147,448	183,735	36,286	24.61%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	2	2	2

RESPONSIBILITY/FUNCTION

This department has the responsibility for the administration and coordination of the carpenters, electricians, painters, and plumbing divisions. Trades Administration works with airport development on construction projects, enforces the construction standards, conducts construction inspections, and oversees the computerized maintenance management system. Trades Administration represents the Trades in the CIP process and interfaces with consultants and vendors on behalf of the Trades group. This department is also responsible for the oversight of the Lindbergh and Humphrey Terminal emergency generators, and UPS (Uninterruptible Power Supply) contracts.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Annual wage and salary adjustments, in addition to new PSA authorization.
Professional Services	As remodeling and upgrades at the Lindbergh and Humphrey Terminals take place, there will be a need to update the electrical and emergency distribution drawings. For the continued UPS (Uninterruptible Power Supply) engineering services.
Operating Services/Expenses	Inflation of market pricing.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**FIELD MAINTENANCE****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	7,718,289	7,721,618	8,046,772	325,154	4.21%
Administrative Expenses	31,195	35,121	28,475	-6,646	-18.92%
Professional Services	27,983	32,000	27,500	-4,500	-14.06%
Utilities	12,457	10,800	12,000	1,200	11.11%
Operating Services/Expenses	61,983	70,900	66,350	-4,550	-6.42%
Maintenance	3,119,401	3,142,080	3,222,700	80,620	2.57%
Other	66,317	48,764	67,300	18,536	38.01%
Total Budget	11,037,624	11,061,283	11,471,097	409,814	3.70%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	120	121	119

RESPONSIBILITY/FUNCTION

The MAC Field Maintenance Department is responsible for maintaining aircraft movement area surfaces, aircraft parking areas (exclusive of tenant leased areas and hangar areas), roadways, turf areas, landscaping, parking facilities and for responding to tenant requests. Field Maintenance maintains an almost continuous on-airport presence.

The department is world-renown for snow removal, but has year-round responsibilities to include: airside and landside pavement maintenance, removal of Foreign Objects/Debris (FOD) from aircraft operating areas, minor paving projects, removal of rubber contaminant from runway surfaces, pollution control, sodding, seeding and grass cutting, tree trimming, fertilizer and herbicide applications, repair of the perimeter security fencing and airfield access gates, repair of jet blast fencing, maintenance of traffic control signage, maintenance and cleaning of the Lindbergh and Humphrey parking ramps, vehicle tunnel maintenance and refuse removal from non-terminal areas.

Snow removal responsibilities include runways, taxiways, ramps, aircraft parking areas, airside roadways, public roadways, terminal sidewalks and from around MAC buildings. The department is also responsible for the operation and maintenance of three dozen snow melters on and around the airport. Maintenance personnel supervise contracted snow removal operators who remove snow from landside areas including parking ramps, parking ramp payment plazas and remote parking lots.

Field Maintenance services, repairs and maintains MAC's fleet of over 500 vehicles. Partnering with Purchasing, the department is responsible for the procurement of all MAC vehicles and related equipment. Should a required item not be available on the open market, department personnel often design and fabricate the needed item in-house.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Personnel increases are attributable to wage structure adjustments and step increases as identified in the labor agreement.
Administrative Expenses	The variance reflects the elimination of a one-time charge for hosting an AAEE conference in 2006.
Utilities	Increase to reflect additional cellular phone service.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**FIELD MAINTENANCE****MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Maintenance	Increased expenses in vehicle maintenance line items needed in order to maintain an expanded vehicle fleet and to maintain an aging maintenance fleet. The MAC fleet has increased 12% in the last four years, mostly in the Public Safety area. Normal vehicle replacement programs in several departments have been deferred due to industry conditions.
Other	Increase in minor asset expenditures primarily for fixtures and furnishings for the recently completed expansion of the equipment repair shop. This equipment was deleted from the capital project and is required for efficient shop operations.

2005 PROGRESS REPORT

Objective	Measurement	Results
Maintain airport surfaces, including Runway 17-35 facilities, during snow and ice events in a manner that maximizes airport capacity.	Two open runways available for flight operations during an average (less than 1/2" per hour accumulation) snow event.	At least two runways have been available during the first snow events after the opening of Runway 17-35. The snow events have been average or light (less than 1/2" snow per hour).
Review and revise department orientation/ training program, including AOA driver's training. Evaluate the cost/benefit of assigning an assistant manager as training officer.	New documents outlining procedures available prior to May 1, 2005. New personnel trained and licensed for field operations prior to October 25, 2005.	Job descriptions were revised and hiring procedures were established prior to May 1, 2005. An assistant manager was assigned as a training officer. All new personnel were trained and licensed for airfield operations prior to the opening of runway 17-35.
Maintain service levels in expanded facilities with existing headcount by introduce multi-function equipment into the MAC fleet and creating flexibility in year-round uses of existing capital equipment.	Service levels maintained by retiring two vehicles for each piece of multi-function equipment procured and assigning traditional summer-only equipment to winter tasks.	Five multi-function vehicles were added to the fleet in 2005; two combination plow/brooms, and three combination sander/liquid deicers. As a result, five crew members were reassigned to other areas, and five additional pieces of equipment were deployed during snow/ice events.
Ensure cost recovery for contracted snow removal expenses.	Track winter costs and determine an annual, average per square yard snow removal cost for airside aprons and landside parking facilities.	Tenants have been routinely invoiced for services outside the scope of current lease agreements. Spreadsheets were maintained and forwarded to MAC Finance as appropriate.
Set the standard for Light Rail Transit platform maintenance including snow removal at the Humphrey station.	No liability claims as the result of injuries/accidents attributable to conditions at the Humphrey LRT station.	No injury/accident claims were reported to MAC Field Maintenance by MAC Risk Management. The MAC responded to public complaints regarding exposure to the elements while standing on the platform by adding additional facilities designed to block wind, rain and snow.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

FIELD MAINTENANCE**2006 PROGRESS REPORT**

Objective	Measurement	Results
Reduce the number of injuries and vehicle accidents through a clear focus on safety and safe operations. Conduct training appropriate for the operating environment of the department.	Injury rate per full-time employee and accident rate per full-time employee will be less than 2005 rates. Claim costs will be less than the 2005 total.	2006 injury rates are comparable to 2005. The vehicle accident and claim costs are higher than 2005.
Incident command principles and practices are applicable to non-standard, non-emergency events such as snow and ice storms. Department management team should be prepared to respond to any situation that dictates the implementation of incident command.	Managers, assistant managers and working foremen to train and be certified for Incident Command procedures.	The MAC has adopted the National Incident Management System (NIMS). Front-line managers completed Incident Command training prior to October 1, 2006. All Field Maintenance personnel have completed FEMA course work pertaining to the NIMS system and basic incident command.
Identify a computerized payroll system to replace the current manual timesheet process.	Ascertain if ID cards associated with the new security card access control system are compatible with available employee payroll control systems. If applicable, seek permission to use ID cards for payroll purposes. Identify software package for purchase and installation in 2007.	Bid specifications associated with the new security card access control system included multiple-use credentialing media. Discussions with MAC IS are continuing with a goal of computerizing the payroll system within two years.
Enhance customer service by establishing stronger working relationships with MSP air carrier station managers and FAA MSP air traffic control tower supervisors.	Identify a communication forum and direct key department personnel (Maintenance Manager/Planning and Maintenance Manager/Operations) to attend opportunities where the target group routinely convenes.	Meetings scheduled by MAC Field Maintenance and Airside Operations are regularly attended by MSP Air Traffic representatives and Northwest Airlines, but poorly attended by other MSP air carrier representatives. Invitations to specific meetings with air carrier personnel have been extended to front-line Maintenance managers.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

FIELD MAINTENANCE**2007 OBJECTIVES**

Objective	Expected Results
Identify and provide management training opportunities for the Field Maintenance management team, including working foremen.	Prepare individual action plan for each manager based on needs determined by 2006 performance appraisals.
Provide support to Fortbrand Services, Inc. in the marketing and sales of the cooperatively-developed multi-task tractor and edge light plow.	Earn sales commissions on the sales of at least six units.
Increase fuel efficiencies and support the Minnesota ethanol program.	Replace standard combustion vehicles with dual-fuel vehicles when available in class/type. Develop a bio-diesel storage, dispensing and utilization plan. Institute rigid vehicle idling policy.
Make final determination if new card access system media can be used internally for Field Maintenance payroll accounting systems. If so, proceed with implementation. If not, identify a stand-alone computerized payroll system.	New card access-based system operating prior to winter '07-'08, or stand-alone system identified and budgeted for 2008.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**RELIEVERS - ADMINISTRATION****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	573,034	600,621	626,337	25,716	4.28%
Administrative Expenses	8,067	11,821	13,215	1,394	11.79%
Professional Services	81,563	75,000	75,000	0	0.00%
Utilities	1,280	1,025	1,200	175	17.07%
Operating Services/Expenses	4,041	1,000	1,000	0	0.00%
Other		0	0		
Total Budget	667,985	689,467	716,752	27,285	3.96%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	8	8	8

RESPONSIBILITY/FUNCTION

The Reliever Airport staff is responsible for the maintenance and safe operation of the MAC's six Reliever Airports. The staff is also responsible for the administration of over 800 leases on the Reliever Airports, which includes responding to tenant requests and monitoring tenant compliance with leases.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Administrative Expenses	The administrative expenses have increased to reflect a total of five conferences to be attended by the Reliever Airport employees. These conferences provide networking opportunities with other airport officials, and provides an avenue to gather data to improve operations.
Utilities	Increase is a result of contract adjustments to cellular phone service.

2005 PROGRESS REPORT

Objective	Measurement	Results
Update operations manuals for Reliever Airports.	To create a comprehensive operations manual specific to each Reliever Airport.	Higher priorities (Reliever Airports Task Force Report) did not allow sufficient time to complete the updates.
Develop Emergency Plans for each of the Reliever Airports which will be incorporated into the Operations Manuals.	A written 'stand alone' document for each of the Reliever Airports that will stipulate responsibilities and actions to be taken during emergencies.	Higher priorities (Reliever Task Force Report) did not allow sufficient time to complete the updates.
Bring to resolution capacity, capital improvement, and funding issues for the Reliever Airports.	A Commission decision on the future development strategy of each of the Reliever Airports.	The Reliever Airports Task Force completed its report which outlines a strategy to address each of these issues.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

RELIEVERS - ADMINISTRATION**2006 PROGRESS REPORT**

Objective	Measurement	Results
Implement those recommendations from the Reliever Airports Task Force under the control of the Reliever Airports staff.	<p>"Reliever Airports Lease Policies, Rules and Regulations" amended to:</p> <p>1) implement the "Facility Acquisition Fee"</p> <p>2) increase the Administrative Fee applicable to transaction of lease documents</p> <p>Ordinance 101 amended to:</p> <p>1) implement the Sublease Fee</p> <p>2) provide a percentage rent exemption for first 20% of commercial operators revenue</p> <p>3) amend the reverse sliding scale of commercial operators revenue to establish a 1% cap</p> <p>Amend the lease language to ensure adequate control over the use, structural integrity, and aesthetics of facilities</p> <p>Develop an ordinance that provides standards for the structural integrity and aesthetics of hangars</p>	Staff has developed draft language for the ordinance and policy updates and has presented the concepts to the Reliever Airports Advisory Council. The draft language will be presented to all tenants during the first half of 2007. Additionally, staff has begun the process developing non-aeronautical revenue on the Reliever Airports. Staff is assembling the documentation required for submission to FAA for a land release on the proposed non-aeronautical properties at the Anoka Airport.

2007 OBJECTIVES

Objective	Expected Results
Update Reliever Airport Operations Manuals	Make amendments to the reliever airport operations manuals with updated information regarding changes to airport operating procedures, air traffic control letter of agreements, airport information, security and wildlife programs.
Update Reliever Airport Lease Forms	Lease Forms which incorporate the revisions to the Lease Policies, Rules and Regulations.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**RELIEVERS - ST. PAUL****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	484,827	486,779	489,036	2,257	0.46%
Administrative Expenses	3,898	1,700	1,700	0	0.00%
Professional Services	6,375	48,000	48,000	0	0.00%
Utilities	1,807	2,428	2,428	0	0.00%
Operating Services/Expenses	576	924	924	0	0.00%
Maintenance	119,561	153,675	159,366	5,691	3.70%
Other	959	1,200	1,200	0	0.00%
Total Budget	618,003	694,706	702,654	7,948	1.14%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	7	7	7

RESPONSIBILITY/FUNCTION

The Reliever Airport staff is responsible for the operation, maintenance, and administration of the six Reliever Airports. The department staff manages the properties, including the administration of over 800 leases. The staff also respond to tenant, airport user and community issues and concerns.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Personnel increases are attributable to wage structure adjustments and step increases as identified in the labor agreement.
Maintenance	The increase is the result of a mandated requirement to replace the seals in the existing pump house and for additional electrical and plumbing expense related to the installation of three new pump stations on the airport which are part of the dike project.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**RELIEVERS - LAKE ELMO****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	74,346	75,678	78,673	2,995	3.96%
Administrative Expenses	493	250	250	0	0.00%
Professional Services		12,000	12,000	0	0.00%
Utilities	522	726	726	0	0.00%
Operating Services/Expenses		0	0		
Maintenance	27,432	26,325	25,175	-1,150	-4.37%
Other	35	200	200	0	0.00%
Total Budget	102,828	115,179	117,024	1,845	1.60%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	1	1	1

RESPONSIBILITY/FUNCTION

The Reliever Airport staff is responsible for the operation, maintenance, and administration of the six Reliever Airports. The department staff manages the properties, including the administration of over 800 leases. The staff also respond to tenant, airport user and community issues and concerns.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Personnel increases are attributable to wage structure adjustments and step increases as identified in the labor agreement.
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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**RELIEVERS - AIRLAKE****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	64,259	93,784	78,841	-14,943	-15.93%
Administrative Expenses	323	250	250	0	0.00%
Professional Services	1,854	12,000	12,000	0	0.00%
Utilities	193	310	218	-92	-29.68%
Operating Services/Expenses		0	0		
Maintenance	18,165	24,820	24,820	0	0.00%
Other	0	210	210	0	0.00%
Total Budget	84,794	131,374	116,339	-15,035	-11.44%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	1	1.5	1

RESPONSIBILITY/FUNCTION

The Reliever Airport staff is responsible for the operation, maintenance, and administration of the six Reliever Airports. The department staff manages the properties, including the administration of over 800 leases. The staff also respond to tenant, airport user and community issues and concerns.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Personnel increases are attributable to wage structure adjustments and step increases as identified in the labor agreement.
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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**RELIEVERS - FLYING CLOUD****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	195,785	189,760	193,802	4,042	2.13%
Administrative Expenses	853	250	350	100	40.00%
Professional Services		12,000	12,000	0	0.00%
Utilities	537	474	553	79	16.67%
Operating Services/Expenses	0	0	0		
Maintenance	54,579	43,700	46,200	2,500	5.72%
Other	148	250	250	0	0.00%
Total Budget	251,903	246,434	253,155	6,721	2.73%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	2	3	3

RESPONSIBILITY/FUNCTION

The Reliever Airport staff is responsible for the operation, maintenance, and administration of the six Reliever Airports. The department staff manages the properties, including the administration of over 800 leases. The staff also respond to tenant, airport user and community issues and concerns.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Personnel increases are attributable to wage structure adjustments and step increases as identified in the labor agreement.
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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**RELIEVERS - CRYSTAL****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	183,692	223,877	186,554	-37,322	-16.67%
Administrative Expenses	1,308	2,163	2,163	0	0.00%
Professional Services		12,000	12,000	0	0.00%
Utilities	2,326	2,098	2,376	278	13.25%
Operating Services/Expenses	7,269	1,975	1,975	0	0.00%
Maintenance	38,883	43,140	43,140	0	0.00%
Other	449	370	370	0	0.00%
Total Budget	233,927	285,623	248,578	-37,044	-12.97%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	3	4	3

RESPONSIBILITY/FUNCTION

The Reliever Airport staff is responsible for the operation, maintenance, and administration of the six Reliever Airports. The department staff manages the properties, including the administration of over 800 leases. The staff also respond to tenant, airport user and community issues and concerns.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Personnel increases are attributable to wage structure adjustments and step increases as identified in the labor agreement.
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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

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SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET**RELIEVERS - ANOKA****BUDGET SUMMARY**

	2005 Actual	2006 Budget	2007 Budget	\$ Variance	% Variance
Personnel	192,083	188,487	198,655	10,168	5.39%
Administrative Expenses	2,759	1,125	1,900	775	68.89%
Professional Services	0	12,000	12,000	0	0.00%
Utilities	1,601	1,609	2,970	1,361	84.59%
Operating Services/Expenses	141,341	148,900	148,900	0	0.00%
Maintenance	75,076	72,000	79,000	7,000	9.72%
Other	243	250	250	0	0.00%
Total Budget	413,104	424,371	443,675	19,304	4.55%

FULL TIME EQUIVALENT SUMMARY

	2006 Actual	2006 Budget	2007 Budget
FTE Total:	3	3	3

RESPONSIBILITY/FUNCTION

The Reliever Airport staff is responsible for the operation, maintenance, and administration of the six Reliever Airports. The department staff manages the properties, including the administration of over 800 leases. The staff also respond to tenant, airport user and community issues and concerns.

MAJOR 2007 OPERATING BUDGET CHANGES GREATER THAN \$4,000

Personnel	Personnel increases are attributable to wage structure adjustments and step increases as identified in the labor agreement.
Maintenance	In 2006, a new MALSRS system was installed on the airport. MAC is responsible for the maintenance of this system. The increase is directly attributed to the maintenance of that system.

SERVICE CENTER SUMMARIES - 2007 OPERATING BUDGET

RELIEVERS - ANOKA

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CIP SUMMARY AND POLICIES – 2007 OPERATING BUDGET

The construction budget is presented in three sections. The Capital Improvement Plan (CIP) is detailed first, along with a chart and discussion on sources and uses within this budget. This is followed by a brief summary of projects in process. Finally, a detailed description of the major projects by category along with a summary of how these projects will affect operating costs is included.

Each year the MAC approves Capital Projects that will start within the next 12 months and a Capital Improvement Program which covers all projects which are to be started during the second calendar year. In addition, a Capital Improvement Plan which covers an additional five years, is adopted. These serve as a basis for determining funding requirements and other operational planning decisions. Certain projects which have a metropolitan significance are also submitted to the Metropolitan Council for review and approval. The Metropolitan Council is a regional planning agency responsible for coordination and planning of certain governmental services for the metropolitan area.

CAPITAL IMPROVEMENT PROGRAM PRIORITY CRITERIA

Staff has developed a set of project priority categories to use as a guide in determining what projects to include in the CIP. These priorities are key, especially for those projects identified in the first year of the Plan. For those projects listed in the first year, Commission approval authorizes staff to proceed with plans and specifications. Bid results are presented to the Commission prior to awarding any contracts.

These priority categories, with a brief explanation, follow:

0. Committed
Commission has made a commitment to complete these projects. Some projects are new while others are phases of a larger project.
1. Safety
This category includes projects that staff feels are required to enhance or insure continued safety at each of the airports in the MAC system.
2. Essential Maintenance
This category is for projects that cannot be accomplished by MAC maintenance forces, but are "essential" for reasons of economics or continued operation. Failure to proceed with the projects allows continued deterioration, which leads to higher replacement/repair costs, safety problems or insurance claims.
3. Regulatory Requirements
This category includes projects that are necessitated by regulatory control over the Commission's actions, such as Federal Aviation Regulations and local, state or federal laws.
4. Noise Abatement/Other Environmental
These projects address various environmental issues ranging from noise abatement, asbestos abatement or wetland mitigation and are precipitated by environmental concerns as well as regulations.
5. Preventative Maintenance
These are projects oriented toward the constant changes occurring at the airports, the need to continuously upgrade older pavements to meet current loads and to avoid larger, disruptive projects in future years.
6. Customer Service/Tenant Projects
These projects, as the name implies, are oriented toward improved customer service and/or convenience.
7. Operational Improvements
These projects have been identified as improving various operational aspects of the airports, whether applicable to aircraft, tenants, and MAC staff or off airport service providers.
8. Other
As might be expected, there are always projects that don't logically fall into any category.

CIP SUMMARY AND POLICIES – 2007 OPERATING BUDGET

The above categories are listed in what staff believes to be a reasonable priority order.

Commission policies for Capital Projects are:

1. Safety and customer service oriented.
2. Maximize all federal aid.
3. Metropolitan Council approval required on Reliever Airport projects in excess of \$2 million and MSP International projects in excess of \$5 million if they are viewed as having a metropolitan significance.
4. Projects are prioritized.

Anticipated project totals planned for 2007, 2008, 2009 and the extended period 2010-2013 (i.e. the proposed Capital Improvement Plan for 2007) are summarized below by location. The amounts shown represent the estimated total cost for the projects in the year construction will begin. These figures differ from those shown in the "Use of Funds" section in the Construction Budget detailed further below because the figures listed in that schedule represent anticipated actual costs for that year.

All project costs listed in this section are in 2007 dollars.

CAPITAL IMPROVEMENT PLAN SUMMARY (CIP) (\$ = 000)					
	2007	2008	2009	2010-2013	Total 2007-2013
<u>Minneapolis/St. Paul International - 2010 Plan</u>					
Runway Deicing/Holding Pad	\$ 1,700	\$ -	\$ -	\$ -	\$ 1,700
Runway 17/35	0	0	0	0	0
Runway 4/22 Development	0	0	4,300	0	4,300
Noise Mitigation	0	3,200	13,900	34,000	51,100
Taxiway C/D Complex Construction	8,200	2,000	11,300	0	21,500
Airfield Rehabilitation	3,600	1,000	1,000	3,000	8,600
Runway Rehabilitation	17,500	23,000	0	0	40,500
Lindbergh Terminal Rehabilitation & Development	200	0	0	0	200
Humphrey Terminal Development	0	0	0	0	0
Landside Rehabilitation & Repair	3,900	3,900	4,400	17,600	29,800
Miscellaneous Field & Runway	400	400	400	1,200	2,400
Miscellaneous Landside	4,850	0	5,500	0	10,350
New Projects	10,350	20,070	5,200	15,000	50,620
Total Minneapolis/St. Paul International - 2010 Plan	\$ 50,700	\$ 53,570	\$ 46,000	\$ 70,800	\$ 221,070
<u>New Projects - Non 2010/Non 2020 Projects</u>					
	\$ 10,600	\$ 15,000	\$ 15,000	\$ 60,000	\$ 100,600
<u>Minneapolis/St. Paul International - 2020 Plan</u>					
2010 Projects Deferred to the 2020 Plan	\$ -	\$ 5,500	\$ 1,900	\$ 76,000	\$ 83,400
Humphrey Terminal	0	99,300	119,000	18,000	236,300
Lindbergh Terminal Phase 1	0	0	0	24,400	24,400
Lindbergh Terminal Phase 2	0	0	0	250,800	250,800
Total Minneapolis/St. Paul International - 2020 Plan	\$ -	\$ 104,800	\$ 120,900	\$ 369,200	\$ 594,900
<u>Reliever Airports</u>					
Reliever Airports	\$ 32,370	\$ 21,220	\$ 18,950	\$ 15,680	\$ 88,220
Reliever Airports Utility Extension	0	3,600	3,000	0	6,600
Total Reliever Airports	\$ 32,370	\$ 24,820	\$ 21,950	\$ 15,680	\$ 94,820
Total All Facilities	\$ 93,670	\$ 198,190	\$ 203,850	\$ 515,680	\$ 1,011,390

The seven-year total of approximately \$1.011 billion represents a decrease of \$125.0 million from the previous year's CIP. This decrease can be attributed to the completion of the majority of the 2010 Plan. Phases 1 and 2 of the 2020 Plan totaling approximately \$594 million have been included. As indicated in the Budget Message, the 2020 Plan was included in the Capital Plan in order to continue to update and change the program. This Plan (2020) is a "demand" driven program - meaning, once MSP traffic rebounds and begins to increase (i.e., Northwest Airlines emerges from bankruptcy), the Plan will be reviewed. Initial forecasts from the airlines indicate that this will not occur until at the earliest 2009. As such, even though the 2020 Plan is included in the 2007-2013 Capital Plan, the costs and associated funding are not included here.

CIP SUMMARY AND POLICIES – 2007 OPERATING BUDGET

The Construction Budget below represents anticipated sources and uses of funds during the years 2005-2009. The information for 2006 indicates expected transactions during the fourth quarter. (This table does not include the cost or funding for the 2020 Plan.)

CONSTRUCTION BUDGET 2007							
(\$ = 000)							
	Actual 2005	Estimated 2006	Budget 2006	Budget 2007	Projected 2008	Projected 2009	Projected Total
Sources of Funds							
Balance 12/31/04	\$ 204,931						\$ 204,931
Balance Carried Forward		\$ 313,266	\$ 336,203	\$ 306,260	\$ 207,789	\$ 188,240	
Transfer From Operating Fund	\$ 19,763	18,835	55,120	62,543	79,600	69,000	249,741
PFC Funding	69,796	61,977	65,007	63,878	65,805	67,790	329,246
Federal Grants	15,751	29,804	14,125	15,521	16,575	15,375	93,026
State Grants	1,093	909	1,400	7,400	0	0	9,402
Interest Income (1)	8,932	13,172	6,724	7,274	4,935	4,471	38,783
Net Bond Proceeds (See Above)	233,060	0	0	0	0	0	233,060
Commercial Paper Program (2)	9,500	6,900	0	0	0	0	16,400
Principal Amount of Bonds	0	0	0	0	0	0	0
Federal Letter Of Intent (LOI)	8,000	7,500	7,500	5,000	5,000	5,000	30,500
Other Receipts (UPS Reimburse)	0	31,475	5,800	0	0	0	31,475
Total Sources of Funds	\$ 365,895	\$ 170,572	\$ 155,676	\$ 161,616	\$ 171,915	\$ 161,636	\$ 1,031,633
Uses of Funds							
CIP Project Costs	\$ (162,343)	\$ (139,637)	\$ (251,597)	\$ (191,209)	\$ (120,659)	\$ (90,314)	\$ (704,162)
Commercial Paper Retired	(64,689)	(7,000)	-	(5,000)	(5,000)	(5,000)	(86,689)
Debt Service Reserve Transfer	(28,526)	(30,941)	(29,617)	-	-	-	(59,467)
Capitalized Interest/Issuance Exp	(2,002)	-	-	-	-	-	(2,002)
Prior Approved Pay Go PFCs	-	-	-	(63,878)	(65,805)	(67,790)	(197,473)
Total Use of Funds	\$ (257,560)	\$ (177,578)	\$ (281,214)	\$ (260,087)	\$ (191,464)	\$ (163,104)	\$ (1,049,793)
Balance Carried Forward	\$ 313,266	\$ 306,260	\$ 210,666	\$ 207,789	\$ 188,240	\$ 186,772	\$ 186,772
1 Interest Rate Assumed 3.0% for the period 2004 through 2007.							
2 Negative amount in commercial paper represents amount paid off or transferred to long term debt.							
Funding Source Summary							
Current Balance	16.57%						
Transfer From Operating Fund	20.20%						
PFC Funding	26.63%						
Federal Grants	7.52%						
State Grants	0.76%						
Interest Income	3.14%						
Net Bond Proceeds-(See Current)	18.85%						
Commercial Paper Program	1.33%						
Principal Amount of Bonds - PFCs	0.00%						
Principal Amount of Bonds - Garbs	0.00%						
Federal Letter Of Intent (LOI)	2.47%						
Other Receipts	2.55%						
Total Sources of Funds	100.00%						

SOURCES AND USES OF FUNDS – 2007 OPERATING BUDGET**SOURCES AND USES**

From December 31, 2005 through 2009, MAC has identified ten funding sources totaling \$1,236,564,000 including a beginning balance of \$204,931,000. During this period, MAC will expend \$1,049,793,000 leaving a net balance of \$186,772,000 at the end of 2009. This balance represents a portion of the 2008 and 2009 projects that were started but not completed by December 31, 2009.

SOURCES

Each source of funding is discussed below.

The Transfer from the Operating Budget is made at the end of each year after the debt service requirement and working capital balance have been funded. For 2007, a transfer of \$18.8 million is anticipated. The significant increase in 2007 through 2009 represents the application of all rates and charges per the Airline Lease Agreement. (Refer to Budget Message for discussion on potential methodology/lease changes that may occur in 2007.) The balance to be transferred for the period is estimated at \$249.7 million or 20.20%.

PFC funding or Passenger Facility Charge funding is the largest funding source at \$329.2 million or 26.63% of the total. Passenger Facility Charges (PFCs) were authorized by Congress to allow proprietors of commercial service airports, such as MAC, to impose a charge on enplaning passengers at those airports. The charge was originally set at \$1, \$2, or \$3. Essential Air Service Flights and Frequent Flyers are exempted from this charge. The basis for the PFC is to provide needed supplemental revenues to expedite the improvement of airport facilities used by passengers, to mitigate noise impacts and to expand airport system capacity. The Commission's first application began collecting PFCs on June 1, 1992. The \$66 million application was completed (funded) on July 31, 1994. A second application was approved in 1994 totaling \$113 million. Collection on this application began on August 1, 1994, and continued through December 1999. This application was submitted to be amended in November 1997. The amendment requested additional funding of \$18,846,000 and an extension of the collection period from May 1999 through December 1999. This amendment was necessary due to a reduction in anticipated federal aid. A third application for \$32.7 million was approved in December 1995. Collection on this application began in August 1996 and was fully funded in 1997. The Commission submitted a fourth application totaling \$55 million in July 1998. Approval of this application by the Federal Aviation Administration was received in December 1998. This allowed PFC funding to continue through mid 2000. In October of 1999 the Commission submitted a fifth application totaling \$106.9 million. Approval of the fifth application by the Federal Aviation Administration was received in January 2000. In September 2000, the Commission submitted to the FAA amendments for the following applications:

PFC #1 - 1992	\$26,359,000
PFC #2 - 1994	\$14,557,000
PFC #4 - 1998	\$4,212,000
PFC #5 - 2000	Change in level from \$3.00 to \$4.50

In conjunction with filing these amendments, the Commission was required to file a Competition Plan. Before any approval/consideration could be given to these amendments, the FAA needed to approve this Plan. Approval from the FAA regarding the Competition Plan was received on November 21, 2000. In addition, Congress earlier in 2000 authorized proprietors of commercial service airports to increase the level of PFC up to a maximum of \$4.50. This level of collection required the completion and approval of a Competition Plan for the airport. The Commission received approval of these amendments in January 2001.

In September 2002, MAC submitted PFC application #6 totaling approximately \$1.225 billion dollars. This application can be separated into four parts: 1) pay as you go (similar to the previous 5) \$32 million; 2) annual costs of \$10 million to pay debt service on previously bond funded projects (pay as you go); 3) \$500 million in new or ongoing construction costs (new debt) and 4) interest costs associated with the new debt \$683 million.

SOURCES AND USES OF FUNDS – 2007 OPERATING BUDGET

In January 2003 staff received approval from the FAA for PFC Application #6. At that time staff proposed moving forward with the following structure for this application:

<u>\$=000</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
New Debt	\$371,339	\$492,880	\$864,219
Payment of Existing Debt	121,064	160,720	281,784
Pay As You Go	<u>15,476</u>	<u>-</u>	<u>15,476</u>
	<u>\$507,879</u>	<u>\$653,600</u>	<u>\$1,161,479</u>

As a result of concerns raised by the Commission regarding the amount of new debt associated with this application and because of revisions to the CIP, various changes occurred in the structure between February and May. In May of 2003 the following proposal for use of PFC funds associated with Application #6 was approved.

<u>\$=000</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
New Debt			
1 st Issue	\$109,000	\$105,000	\$214,000
2 nd Issue	99,952	83,000	182,952
Payment of Existing Debt	184,997	176,109	361,106
Pay As You Go	<u>119,684</u>	<u>-</u>	<u>119,684</u>
	<u>\$513,633</u>	<u>\$364,109</u>	<u>\$877,742</u>

Staff is currently in the process of amending this application further now that both bond issues have been sold and all project costs identified.

During 2005, three additional applications were filed and approved. PCF #7 was actually an adjustment to PFC #6. The Fire Station (originally included as new debt in #6) was amended out of PFC #6 as requested by the FAA. A new application was required because of the timing of the project. PFC #8 was issued for 2010 Plan projects. This application was approved at \$191.380 million. The approved amount included three segments: A Pay As You Go portion (\$19.064 million); a portion dedicated to payment of existing bond debt (\$58.504 million) and new debt (\$113.812 million). PFC #9 was issued for the purchase of capital equipment (\$7.315 million) and does not impact the construction budget.

Federal Grants are funds which are used for FAA approved projects including approved noise compatibility programs and noise insulation projects for communities surrounding the airport. These funds are estimated at \$93.03 million or 7.52% of the sources listed above. Certain criteria must be met when an application for a project is submitted to the FAA. If the criteria are met, the grant money may be issued.

State Grants are similar to Federal grants. The dollars are on a much smaller scale, but each application must meet the required criteria in order to receive the grant. This source is estimated at \$9.4 million or 0.76% of the total funding through 2009.

Interest Income is based on the balance in the fund. As noted above, a 4.75% rate is assumed for 2005 through 2009. This figure can vary significantly depending upon approval of projects and their starting dates. Interest Income of \$38.8 million or 3.14% of sources is projected.

Net Bond Proceeds total \$233.1 million or 18.85% of the total sources. The \$233.1 million identified in 2005 represents the Bond Issue in 2005.

Commercial Paper is used as an interim funding source. For the period 2005-2009, the Commission anticipates issuing \$16.4 million or 1.33% in Commercial Paper. It is planned that the outstanding balance of Commercial Paper will be paid down in 2009 through 2011.

CAPITAL IMPROVEMENT PROJECT SUMMARIES – 2007 OPERATING BUDGET

Federal Letter Of Intent (LOI) is a grant program similar to Federal Grants listed above. MAC submitted an application in June 1998 totaling \$186 million. The LOI was approved in mid 1999 at a \$95 million level. The Commission will receive the \$95 million in various amounts until 2010. LOI funding in 2005 was \$8.0 million. In October 2000, the Commission approved and implemented a short-term variable rate program. The vehicle chosen was Commercial Paper. The initial offering was for \$75 million. The primary purpose of this program was to prefund the LOI aid program and to pay the Commercial Paper issue down as the LOI dollars are received. LOI Funding is estimated for the period at \$30.5 million or 2.47%.

Other Receipts are funds received by MAC from various tenants and/or government entities that are paid to MAC for project expenditures incurred by the Commission on behalf of the tenant/entity. This amount is estimated at \$31.5 million or 2.55%.

USES

There are five general categories of uses listed. The first, CIP project costs (\$704.2 million) represent 67.1% of the total. The second area is Commercial Paper Retired (\$86.7 million) and represents 8.3% of the total. This mechanism is to be used as an interim funding source. Two categories relate to the bond issues described above and in the Debt Service Budget \$169.5 million or 16.1% of this total. The final category is the use of Pay As You Go PFCs. These are used to reimburse the cost of completed projects and represent 8.5% of the total.

CIP project costs include both actual construction costs and any fees (i.e. architectural/engineering) which may be associated with the project. Also included in this figure are projects in process. Significant project costs include those associated with parking facilities, Reliever Airports and other field and terminal projects.

The balance carried forward at the end of 2008 can be attributed to a number of projects scheduled to begin in early 2009. It is quite possible that this balance could be significantly different as the timing of projects historically has been delayed for any number of reasons.

The table below indicates the amount of projects currently in process.

Projects in Process (As of December 8, 2006)		
(\$ = 000)		
Project Description	<u>Estimated</u> <u>Project Cost</u>	<u>Payments</u> <u>To Date</u>
2006 Pavement Reconstruction - Aprons	\$5,200	\$4,327
Taxiway C-D Complex South - Phase 2 & 3	\$13,200	\$4,709
Runway 17/35 Land Acquisitions and Developments	\$92,410	\$80,420
North Terminal Expansion	\$37,660	\$32,699
Lindbergh Terminal In-line Baggage Screening	\$50,000	\$29,970
2005 Miscellaneous Modification-Construction	\$2,800	\$2,331
Humphrey Parking Structure Expansion	\$75,200	\$9,323
Field Maintenance Center Shop Addition	\$7,200	\$6,268
2006 Ramp Rehabilitation	\$1,000	\$762
Trinity School Noise Abatement	\$7,000	\$6,997
Part 150 Sound Insulation Projects (Homes, Multi-Family)	\$5,007	\$2,432
St. Paul Airport - Flood Protection - Perimeter	\$5,250	\$2,917
St. Paul Airport - 2005 Airfield Sub-Drain Improvements	\$6,600	\$4,363
St. Paul Airport - Flood Protection - Perimeter Dike	\$22,700	\$391
Anoka/Blaine Airport - Rwy 9/27 Ext/Widening	\$10,000	\$4,927
Anoka/Blaine Airport - NW Bldg Area Taxiways & Apron	\$9,030	\$2,378
Anoka/Blaine Airport - Wetland Permitting	\$2,800	\$2,270
Anoka/Blaine Airport - Wetland Mitigation	\$3,100	\$3,085
Anoka/Blaine Airport - Marla Properties	\$1,023	\$1,023
Secured Access System Upgrade	\$3,500	\$2,413
2020 Vision Projects - Phase One	\$306,737	\$13,144
All Other Projects in Process	\$164,512	\$34,279
Totals:	\$831,929	\$251,428

CAPITAL IMPROVEMENT PROJECT SUMMARIES – 2007 OPERATING BUDGET

The listing below summarizes all construction, and expansion projects whose costs exceed \$5.0 million at MSP and \$2.0 million at the reliever airports. These dollar limits represent the level at which the Metropolitan Council (a regional planning agency) must review and approve projects. In addition, noise projects in excess of \$1.0 million are summarized.

CAPITAL IMPROVEMENT PROJECTS

(Dollars in Thousands)

	2007	2008
	\$	\$
MSP INTERNATIONAL		
<u>Runway Deicing/Holding Pad Program</u>		
Runway Deicing/Holding Pad Program Projects Less Than \$5,000,000	\$ 1,700	\$ 0
Total Runway Deicing/Holding Pad Program Projects	\$ 1,700	\$ 0
<u>Noise Mitigation Program</u>		
Noise Mitigation Program Projects Less Than \$5,000,000	\$ 0	\$ 3,200
Total Noise Mitigation Program Projects	\$ 0	\$ 3,200
<u>Taxiway C/D Complex Construction</u>		
<u>Taxiway C/D Complex</u>	\$ 8,200	\$ 2,000
This project is the third phase of a multi-phase program to reconstruct and reconfigure Taxiways C and D between Runway 12L/30R and Runway 12R/30L. This project provides for the realignment of Taxiway C between Taxiways A and Taxiway C6 and the reconstruction of pavement bounded by new alignments of Taxiways A, B, C and D.		
Other Taxiway C/D Complex Program Projects Less Than \$5,000,000	\$ 0	\$ 0
Total Taxiway C/D Complex Program Projects	\$ 8,200	\$ 2,000
<u>Airfield Rehabilitation Program</u>		
Airfield Rehabilitation Projects Less Than \$5,000,000	\$ 3,600	\$ 1,000
Total Airfield Rehabilitation Projects	\$ 3,600	\$ 1,000

CAPITAL IMPROVEMENT PROJECT SUMMARIES – 2007 OPERATING BUDGET

Runway Rehabilitation Program**Pavement Rehabilitation – Runway 12R/30L Seg. 2 - 2007**

\$17,500 \$ 0

This project provides for the reconstruction of the middle section of Runway 12R/30L located between Runway 4/22 and Taxiway A4. Reconstruction of two separate segments has been completed in previous years with Segment 2 being the final section of pavement requiring reconstruction.

Pavement Rehabilitation – Runway 12L/30R Seg. 2 – 2008

\$ 0 \$ 23,000

This project provides for the reconstruction of the middle section of Runway 12L/30R located between Runway 4/22 and Taxiway P3 as well as the middle segment of Taxiway P and associated taxiway connectors. Reconstruction of two separate segments has been completed in previous years with Segment 2 being the final section of pavement requiring reconstruction.

Other Runway Rehabilitation Program Projects Less Than \$5,000,000

\$ 0 \$ 0

Total Runway Rehabilitation Program Projects

\$17,500 \$ 23,000

Terminal Rehabilitation & Development Program**Other Terminal Rehabilitation & Development Program Projects Less Than \$5,000,000**

\$ 200 \$ 0

\$ 200 \$ 0

Total Terminal Rehabilitation & Development Program Projects**Landside Rehabilitation & Repair Program****Landside Rehabilitation & Repair Program Projects Less Than \$5,000,000**

\$ 3,900 \$ 3,900

Total Landside Rehabilitation & Repair Program Projects

\$ 3,900 \$ 3,900

CAPITAL IMPROVEMENT PROJECT SUMMARIES – 2007 OPERATING BUDGET**Reliever Airports Program****Crystal****Runway 14L/32R Reconstruction**

\$ 0

\$ 2,000

This project provides for the reconstruction of Runway 14L/32R with new bituminous pavement and subgrade correction.

Airlake**South Building Area Alleyway Rehabilitation**

\$ 2,700

\$ 0

This project is the second phase in the program to develop a new South Building Area. This year's project will include placement of aggregates and bituminous pavement along with minor drainage improvements and general site clean up. It may also provide for the installation of sanitary sewer and water main. The paving of a section of 225th Street to connect to Cedar Avenue is also included in this project.

(Funding of this project to be provided by others.)

Flying Cloud**South Building Area Development**

\$ 0

\$ 7,000

This project will provide for the first phase in the construction of the new South Building Area and will include site grading and sanitary sewer and water main installation.

(Funding of this project to be provided by others.)

Lake Elmo**East Building Area Development**

\$ 2,100

\$ 0

This project includes the grading and paving for alleyways, an access road and connecting taxiway for a new East Building Area, including taxiway pavement marking and reflectors. This project will also include stormwater management and, if necessary, wetland mitigation.

(Funding of this project to be provided by others.)

CAPITAL IMPROVEMENT PROJECT SUMMARIES – 2007 OPERATING BUDGET

St. Paul**Flood Protection Dike**

\$22,500 \$ 0

This year's project provides for the construction of the full perimeter dike including procurement of temporary deployment walls, installation of permanent sheet pile walls, earthen berms and landscaping. The project also includes the construction of a storage building for temporary wall materials.

Runway Safety Area

\$ 2,400 \$ 8,800

This project consists of improvements to the end of all runway safety areas to meet current FAA requirements. This year's project is the second phase in the project and will include relocation of Taxiway D at the Runway 9 end, relocation of Taxiway E north of Runway 27 and new Precision Approach Path Indicators (PAPIs) for the Runway 27 approach. This work is being done to coincide with the impacts for the perimeter dike project.

Other Reliever Airport Program Projects Less Than \$2,000,000\$ 2,670 \$ 3,420**Total Reliever Airport Program Projects**\$32,370 \$ 21,220**Reliever Airports Utility Extension Program****Flying Cloud – Sanitary Sewer and Water Main Extensions**

\$ 0 \$ 3,600

In accordance with the Memorandum of Agreement with the City of Eden Prairie and the requirements by the Minnesota Pollution Control Agency to close all private well and septic systems at the airport, staff proposes to complete the installation of sanitary sewer and water along Pioneer Trail to serve the FBOs and interested tenants in the north building area. In addition, the project will include construction of a restroom facility for tenants who do not or cannot connect to the new utilities (many are in a non-service area) and a plane wash facility.

Other Reliever Airports Utility Extension Program Projects Less Than \$5,000,000\$ 0 \$ 0**Total Miscellaneous Field and Runway Program Projects**\$ 0 \$ 3,600**Miscellaneous Field and Runway Program****Other Miscellaneous Field and Runway Program Projects Less Than \$5,000,000**\$ 400 \$ 400**Total Miscellaneous Field and Runway Program Projects**\$ 400 \$ 400**Miscellaneous Landside Program****Humphrey Parking Structure Expansion**

\$ 4,600 \$ 0

This project provides for the expansion of the Humphrey Parking Structure to provide an additional 4,550 parking spaces. The existing parking structures continue to fill up on a regular basis and additional parking will be required ahead of the expansion of the Humphrey Terminal under Phase 1 of the 2020 Development Plan. The ramp structure and building core finishes projects were bid in 2006. This year's project will provide for all site work.

Miscellaneous Landside Program Projects Less Than \$5,000,000\$ 650 \$ 0**Total Miscellaneous Landside Program Projects**\$ 5,250 \$ 0

CAPITAL IMPROVEMENT PROJECT SUMMARIES – 2007 OPERATING BUDGET

2010 New Projects**Fuel Farm Lease Extinguishment**

\$ 0 \$ 5,000

These costs are for payment of the unamortized portion of the existing fuel farm lease when the facilities are demolished and the loading rack relocated adjacent to the Humphrey remote apron.

2010 New Projects Less Than \$5,000,000

\$ 10,350 \$ 15,070

Total 2010 New Projects

\$ 10,350 \$ 20,070

Non 2010 Plan/Non 2020 Plan New Projects**Security Improvements – Perimeter Fence/Gate Barrier System**

\$ 0 \$ 6,400

This project is part of a phased program to strengthen the perimeter security fence and airfield access gates. Proposed work includes the replacement of the existing chain link fence with a welded wire mesh fence. The new fence will be constructed on a concrete retaining wall in areas susceptible to vehicle intrusions. Jersey barriers will be placed in front of gates not in use and a hydraulic crash barrier will be constructed at one gate location.

Non 2010 Plan/Non 2020 Plan Projects Less Than \$5,000,000

\$ 10,600 \$ 8,600

Total Non 2010 Plan/Non 2020 Plan Projects

\$ 10,600 \$ 15,000

2020 Plan Development**2010 Projects Deferred to 2020 Program****Ground Services Equipment Building Relocation**

\$ 0 \$ 5,500

This project provides for the relocation of the existing Ground Service Equipment (GSE) building to make way for the expansion of gates at the Humphrey Terminal.

Humphrey Terminal**Humphrey Terminal Expansion**

\$ 0 \$ 83,000

The Humphrey Terminal will be expanded from 10 gates to 22 gates over a three-year period. The expansion will include the construction of 12 new gates and all associated facilities including ticketing, baggage claim, baggage make up and in-line baggage screening, road improvements, new aircraft apron and hydrant fueling at all gates.

Auto Rental Facilities

\$ 0 \$ 16,300

This project provides for auto rental facilities including counters, back office and ready and return facilities for all on-airport auto rental providers as well as a new Quick-Turn-Around (QTA) facility to serve vehicles at the Humphrey Terminal.

Total 2020 Plan Development Projects Less Than \$5,000,000

\$ 0 \$ 0

Total 2020 Plan Development Projects

\$ 0 \$ 104,800

CAPITAL IMPROVEMENT PROJECT SUMMARIES – 2007 OPERATING BUDGET

<u>Program Summary 2007 - 2008</u>		
\$ = 000		
	<u>2007</u>	<u>2008</u>
<u>Minneapolis/St. Paul International - 2010 Plan</u>		
Runway Deicing/Holding Pad	\$ 1,700	\$ -
Noise Mitigation	-	3,200
Taxiway C/D Complex Construction	8,200	2,000
Airfield Rehabilitation	3,600	1,000
Runway Rehabilitation	17,500	23,000
Lindbergh Terminal Rehabilitation & Development	200	-
Landside Rehabilitation & Repair	3,900	3,900
Reliever Airports	32,370	24,820
Miscellaneous Field & Runway	400	400
Miscellaneous Landside	4,850	-
New Projects	10,350	20,070
Total Minneapolis/St. Paul International - 2010 Plan	<u>83,070</u>	<u>78,390</u>
<u>New Projects - Non 2010/Non 2020 Projects</u>	<u>10,600</u>	<u>15,000</u>
<u>Minneapolis/St. Paul International - 2020 Plan</u>	<u>-</u>	<u>104,800</u>
TOTAL ALL PROJECTS	<u>\$ 93,670</u>	<u>\$ 198,190</u>

CAPITAL IMPROVEMENT PROJECT SUMMARIES – 2007 OPERATING BUDGET

The following table attempts to identify additional Maintenance & Operations (M&O) expenses that can be attributed to new projects/facilities coming on line in 2007 and 2008. The 2007 budget dollars for operating expenses include the figures listed in the "Budget Year 2007" column. As stated in the Budget Message, the two-year capital program (2007 and 2008) totals \$187.1 million. This total is comprised of the following major projects:

Taxiway C/D Complex	\$	10.2	million	5%
Pavement Rehab - Rwy 12L/30R & 12R/30L	\$	40.5	million	22%
Reliever Airport Projects	\$	53.6	million	29%
Lindbergh Terminal Sprinkler System	\$	6.5	million	3%
Perimeter Fence/Gate Barrier System	\$	7.6	million	4%
	\$	118.4		63%

Maintenance & Operating Budget Impact of 2007 - 2008 Projects**\$=000**

<u>Program/Project Areas</u>	<u>2007-2008 Project Cost Totals</u>	<u>Impact Budget Year 2007</u>	<u>Impact Budget Year 2008</u>
Field & Runway/Airside			
1 Rehab/Other Projects	\$ 50,550	\$ -	\$ -
Completion 2006 - 2008	9,660	25	60
1 Post 2008 Completion	10,200	-	-
Totals	\$ 70,410	\$ 25	\$ 60
Environmental			
1 Rehab/Other Projects	\$ 3,700	\$ -	\$ -
Completion 2006 - 2008	-	-	-
1 Post 2008 Completion	-	-	-
Totals	\$ 3,700	\$ -	\$ -
Terminals & Landside			
1 Rehab/Other Projects	\$ 39,410	\$ -	\$ -
Completion 2006 - 2008	11,750	35	52
1 Post 2008 Completion	4,600	-	-
Totals	\$ 55,760	\$ 35	\$ 52
Reliever Airports			
1 Rehab/Other Projects	\$ 6,340	\$ -	\$ -
Completion 2006 - 2008	24,600	5	60
1 Post 2008 Completion	26,250	-	-
Totals	\$ 57,190	\$ 5	\$ 60
2020 Plan Projects			
1 Rehab/Other Projects	\$ 5,500	\$ -	\$ -
Completion 2006 - 2008	-	-	-
1 Post 2008 Completion	99,300	-	-
Totals	\$ 104,800	\$ -	\$ -
Total All Areas			
1 Rehab/Other Projects	\$ 105,500	\$ -	\$ -
Completion 2006 - 2008	\$ 46,010	65	172
1 Post 2008 Completion	\$ 140,350	-	-
Totals	\$ 291,860	\$ 65	\$ 172

1 No budget impact because there were no expanded or new facilities, or noise/sound proofing related or the project will not be completed until post 2007.

CAPITAL IMPROVEMENT PROJECT SUMMARIES – 2007 OPERATING BUDGET

<u>Category</u>	<u>2006-2007 Maintenance & Operating Expense Impact</u>
Field and Runway	Of the \$70.4 million in projects listed, \$60.7 million relate to either rehab projects or those that will be completed post 2008. The maintenance costs shown for 2007 and 2008 are associated with completion of a Deicing Pad and general maintenance for the perimeter fence and barrier system.
Environmental	A total of \$3.7 million is included and will not have any maintenance costs associated with it.
Terminals and Landside	Of the \$55.8 million of projects, \$44.0 million are rehab or other projects which result in no new areas or facilities and, as such, have no budget impact. Approximately \$11.7 million of projects will either be completed late 2007 or early 2008. The majority of the maintenance cost increase (\$35,000 – 2007; \$52,000 – 2008) can be attributed to the Sprinkler System and new Communications Center.
Relievers	Of the \$57.2 million of projects, \$32.6 million relate to either rehab projects or those that will be completed post 2007 and, as such, have no budget impact. The increased cost reflects a new building area at Airake Airport (\$5,000 – 2008) and completion of the St. Paul Dike which <u>may or may not</u> incur additional costs depending on flood conditions. A contingency amount of \$55,000 is shown for 2008.
2020 Plan	The projects in this category total \$104.8 million all of which will be completed post 2008. As stated earlier, this project currently is included for planning purposes only. It is a demand driven program which will move forward if, and only if, a significant rebound in passenger traffic occurs between now and year-end 2008. Based on forecasts provided by the airlines, this timing presently is viewed as unlikely.

DEBT SERVICE POLICIES – 2007 OPERATING BUDGET**DEBT SERVICE BUDGET/FINANCIAL POLICIES**

This budget section is divided into three areas: Debt Service Requirement, Long Term Debt and the Debt Service Budget. MAC's financial policies regarding Debt Service are as follows:

Debt Service and Reserve

- A. Debt
 - 1) Currently the Commission is able to issue Airport Improvement Bonds, General Obligation Revenue Bonds and General Airport Revenue Bonds, both fixed and variable rate.
 - 2) Funds will be managed to avoid any property tax levy.
 - 3) MAC will maintain the highest rating available from Fitch, Moodys and/or Standard and Poor's Rating Agencies on Airport Improvement Bonds and General Obligation Revenue Bonds.
 - 4) Procedures/mechanisms will be developed and maintained to obtain the highest possible rating on the General Airport Revenue Bonds.
 - 5) All refundings of General Obligation Revenue Bonds must show a minimum 3% Net Present Value (NPV) savings as specified in Minnesota Statute Section 475.67, Subd. 12.
 - 6) The current remaining authorized level of issuance for General Obligation Revenue Bonds is \$55 million.
 - 7) The MAC will endeavor to keep the total maturity length of General Obligation Bonds below 20 years and retire at least 50% of the principle within 10 years. In all cases, the maturity shall be shorter than the life of the related assets.
 - 8) Regarding Special Facility Bonds, staff will adhere to Administrative Policy 2701 dealing with Special Facility Financing.
 - 9) In December 2003, the Commission approved a policy to deal with derivative financing products. In July 2004, the Commission along with its Financial Advisor and Bond Counsel refined this policy further. The refinements include establishing separate savings criteria and efficiency criteria in dealing with derivative financing products.
- B. Reserve - The Commission is required to have a restricted cash and temporary cash investment balance on October 10 each year for General Obligation Revenue Bonds in an amount sufficient to cover debt service to the end of the second following year. For General Airport Revenue Bonds a one-year maximum annual debt service reserve is required.
- C. Debt Limits – Currently the Commission has three forms of indebtedness: Commercial Paper, General Airport Revenue Bonds (GARBs) and General Obligation Revenue Bonds (GORBs). The GORB instrument has the most straight forward legal limit. That is, the Commission must receive Legislative approval to authorize and issue this type of debt. Currently the Commission is authorized to issue up to \$55 million of additional GORB debt. With regard to Commercial Paper, the total authorized limit is currently \$200 million. This will not change unless MAC increases the level or “takes out” one of the two programs (\$125 million and \$75 million respectively). The legal limit for GARBs is based on the Commission's ability to generate sufficient revenues to pass the Additional Bonds test required under the Master Bond Indenture. As long as there are adequate revenues to pass the test, additional debt can be issued.

DEBT SERVICE REQUIREMENTS – 2007 OPERATING BUDGET**DEBT SERVICE REQUIREMENT**

The Metropolitan Airports Commission in the past has issued two forms of indebtedness: Airport Improvement Bonds and General Obligation Revenue Bonds. From 1943 to 1975 MAC issued Airport Improvement Bonds to provide funds for its Capital Improvement Program (CIP). Since 1976, General Obligation Revenue Bonds have been issued which are backed by Commission revenues and the authority to levy any required taxes on the assessed valuation of the seven-county metropolitan area. In 1998, the Commission began to issue GARBs which are not backed by the Commission's ad valorem taxing power. Additionally, the Commission has agreed, pursuant to the terms of the Master Trust Indenture entered into by the Commission in connection with its issuance of GARBs, to collect rates, tolls, fee, rentals and charges, so that during each fiscal year the Net Revenues, together with any permitted transfer, will be equal to at least 125% of aggregate annual debt service on the outstanding Senior Lien GARBs and 110% for outstanding Subordinate Lien GARBs. (See Long Term Debt Section below.)

With regard to General Obligation Revenue Bonds, MAC is required by law to maintain Debt Service funds sufficient to bring the balance on hand in the Debt Service Account on October 10 of each year, to an amount equal to all principal and interest, to become due and payable from there to the end of the second following year. The required balance as of October 10 in this Debt Service Account for the next five years is as follows (in thousands):

October 10, 2007	\$64,440
October 10, 2008	\$64,820
October 10, 2009	\$65,342
October 10, 2010	\$62,330
October 10, 2011	\$59,444

(These figures do not include any new bond issues.)

The annual actual debt service requirement for the next five years for the GARB issue 1998 Series A, B, C, 1999 Series A, B, 2000 Series B, 2001 Series A, B, C, D, 2003 Series A, 2004 Series A, and 2005 Series A, B, C is:

January 1, 2007	\$109,947
January 1, 2008	113,385
January 1, 2009	113,351
January 1, 2010	113,370
January 1, 2011	113,232

(These figures do not include any new bond issues or recent refundings.)

The table below shows future debt requirements for existing debt on an annual calendar year basis after December 31, 2006 for the next five years as well as a cumulative total for the period 2011-2035. The dollars shown are in thousands.

(\$ = 000)	Notes Payable	General Obligation Bonds	General Airport Revenue Bonds	Total Outstanding Bonds	Total All Interest	Total Principal & Interest
Year(s)	(Principal)	(Principal)	(Principal)			
2007	\$ 45,887	\$ 13,185	\$ 25,405	\$ 38,590	\$ 103,256	\$ 187,733
2008	-	14,165	30,315	44,480	101,068	145,548
2009	-	15,085	31,920	47,005	98,622	145,627
2010	-	16,250	33,585	49,835	96,079	145,914
2011	-	17,475	35,395	52,870	93,160	146,030
2012-2035	-	227,180	1,486,780	1,713,960	1,002,759	2,716,719
	\$ 45,887	\$ 303,340	\$ 1,643,400	\$ 1,946,740	\$ 1,494,944	\$ 3,487,571

Notes Payable represents Commercial Paper

(The October 10, 2007 listing prior to the above chart will not, nor is it intended to, tie out due to timing of payments and period covered. The information used to calculate the tables above is the same. The tables above do not include any new bond issues or recent refundings).

LONG TERM DEBT – 2007 OPERATING BUDGET**LONG TERM DEBT**

The acquisition and construction of facilities at the airports operated by the Commission have been substantially financed by the issuance of Airport Improvement Bonds (all of which have been defeased), General Obligation Revenue Bonds (GORBs) and General Airport Revenue Bonds (GARBs).

General Obligation Revenue Bonds are general obligations of the Commission, payments of which are secured by the pledge of all operating revenues of the Commission. The Commission has the power to levy property taxes upon all taxable property in the seven county Metropolitan Area in order to pay debt service outstanding on General Obligation Revenue Bonds. (These taxes, if levied, must be re-paid.)

The Commission has not levied taxes for the payment of debt service since 1969. Since then, Commission revenues have been sufficient to pay principal and interest due to Airport Improvement Bonds and General Obligation Revenue Bonds. The Commission currently has available for issuance under the existing legislative authorization approximately \$55 million.

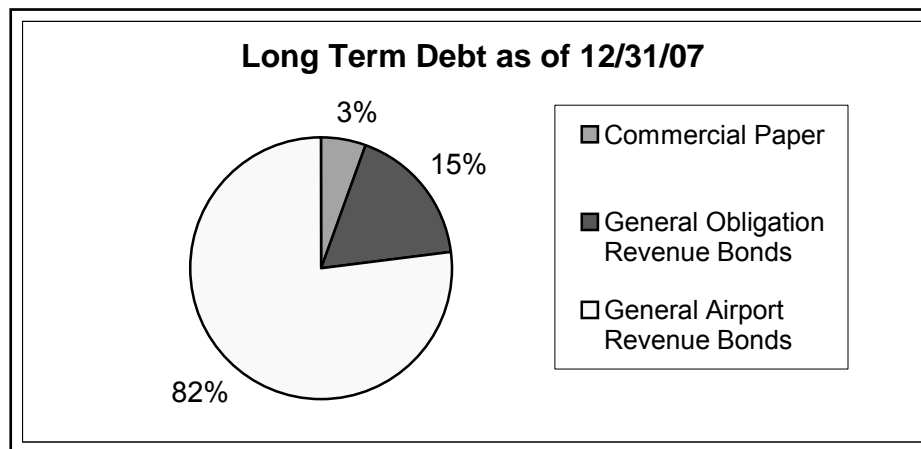
The 1996 Minnesota State Legislature authorized the Commission to issue General Airport Revenue Bonds. These bonds may be secured by the pledge of all operating revenues of the Commission. The Commission's authority to issue additional GARBs is subject to an additional bonds test for future issuance of either its Senior Lien or Subordinate Lien GARBs (the additional bonds test is designed to demonstrate that the Commission will have the current and future ability to repay its debt). For Senior Lien GARBs, the additional bonds test requires the Commission to either show that historical revenues are at least equal to 1.1 times total expected Senior Lien debt service or that projected net revenues are expected to exceed 1.25 times total expected Senior Lien debt service. For Subordinate Lien GARBs, the additional bonds test requires the Commission to either show that historical revenues are at least equal to 1.1 times total expected debt service or that projected net revenues are expected to exceed 1.1 times total expected debt service. These coverage ratios include debt service on the General Obligation Revenue Bonds.

The projected coverage ratio for 2007 on Senior Debt Obligations is 2.22x. With the optional coverage transfer this figure goes to 2.36x.

LONG TERM DEBT – 2007 OPERATING BUDGET

The table below provides summary information for all current long-term debt.

Bonds Payable, due serially (\$ = 000):	Issue Date	Original Amount	Final Payment In	Outstanding as of Year End	
				2007	2006
Notes Payable:					
Series A - 2.80 to 3.25%	*	\$ 83,000	2010	\$ 45,000	\$ 39,119
Series B - 2.95 to 3.45%	*	\$ 42,000	2008	6,768	6,768
Series D	*	\$ 49,000		\$ -	\$ -
Total Notes Payable				<u>\$ 51,768</u>	<u>\$ 45,887</u>
General Obligation Revenue Bonds:					
Series 13 - 4.0 to 5.25% (Refund Series 7)	11/01/98	\$ 38,750	2015	23,410	25,740
Series 14 - 5.0 to 5.5% (Refund Series 8)	11/01/01	\$ 25,690	2011	12,880	15,745
Series 15 - 3.0 to 6.85% (Refund Series 9)	01/01/02	\$ 287,825	2022	<u>\$ 253,865</u>	<u>\$ 261,855</u>
Total General Obligation Revenue Bonds				<u>\$ 290,155</u>	<u>\$ 303,340</u>
General Airport Revenue Bonds:					
1998 Series A - 5.00 to 5.20%	06/01/98	\$ 225,885	2030	\$ 225,885	\$ 225,885
1998 Series B - 5.00 to 5.50%	06/01/98	\$ 84,000	2016	80,810	84,000
1998 Series C - 5.94 to 6.27%	06/01/98	\$ 37,040	2007	-	3,635
1999 Series A - 5.125%	07/01/99	\$ 132,415	2031	132,415	132,415
1999 Series B - 4.75 to 5.625%	07/01/99	\$ 135,095	2022	108,785	113,710
2000 Series B - 5.25 to 6.20%	05/01/00	\$ 88,745	2021	73,555	76,915
2001 Series A - 5.25%	06/01/01	\$ 85,190	2032	85,190	85,190
2001 Series B - 5.0 to 5.75%	06/01/01	\$ 98,815	2024	84,490	87,650
2001 Series C - 5.125 to 5.5%	06/01/01	\$ 196,600	2032	196,600	196,600
2001 Series D - 5.0 to 5.75%	06/01/01	\$ 70,210	2016	49,225	53,845
2003 Series A - 4.5% to 5.25%	06/01/03	\$ 102,690	2031	102,690	102,690
2004 Series A - 5.2%	06/01/04	\$ 109,950	2031	105,650	107,850
2005 Series A - 4.25 to 5.00%	06/02/05	\$ 136,110	2035	136,110	136,110
2005 Series B - 5.00%	06/02/05	\$ 113,155	2026	113,155	113,155
2005 Series C - 3.00 to 5.00%(Refund 2000 A)	06/02/05	\$ 123,750	2032	<u>123,435</u>	<u>123,750</u>
Total General Airport Revenue Bonds				<u>\$ 1,617,995</u>	<u>\$ 1,643,400</u>
TOTAL BONDS OUTSTANDING				<u>\$ 1,959,918</u>	<u>\$ 1,992,627</u>
* Issue dates for the Notes Payable are various.					
Does not include 2007A refunding bonds (1998A, 1999A and 2001A)					
Does not include 2007B refunding bonds (2001C)					



DEBT SERVICE BUDGET AND SOURCES AND USES – 2007 OPERATING BUDGET**BOND REFUNDING**

In September, 2006, staff was approached by members of its Underwriting Team regarding the potential refunding of certain bond series. At that point in time, gross savings were approximately \$30 million with a net present value savings of 3.5%. The market continued to improve in favor of the refunding. However, the dilemma of disclosure through an official statement caused by the confidentiality of the Northwest Bankruptcy and Lease negotiations (See Budget Message) was an issue. As a result, in December MAC reached agreement with members of its Underwriting Team to “privately place” the refunding bonds. The refunding issue closed in mid-January 2007 with gross savings in excess of \$58 million and net present value savings of 5.16%. Due to the timing, no debt service schedules in the 2007 budget have been updated to reflect the savings. The table below shows the refunding results.

\$=000	Prior 1998A 1999A/2001A <u>Debt Service</u>	Refunding 2007A <u>Debt Service</u>	Gross <u>Savings</u>
Senior Bonds	\$ 871,951	\$ 833,182	\$ 38,769
	Prior 2001C <u>Debt Service</u>	Refunding 2007B <u>Debt Service</u>	Gross <u>Savings</u>
Subordinate Bonds	\$ 386,349	\$ 366,918	\$ 19,431
Totals	\$ 1,258,300	\$ 1,200,100	\$ 58,200
Net Present Value Savings %			5.16%

DEBT ACTIVITY – 2006

There were no new debt issues or refunding issues in 2006.

NEW ISSUES

The Capital Improvement Program presented in the fall of 2006 identified the need to issue new debt in 2008 of \$143.8 million. The initial distribution of this debt is as follows:

(\$ = 000)	General <u>2010 Plan</u>	General 2020 Plan <u>Phase I</u>	2020 Plan Phase I <u>PFC Debt</u>	<u>Total</u>
2008 CIP	\$ 9,900	\$ 36,463	\$ -	\$ 46,363
2009 CIP	-	24,983	72,408	97,391
Totals	\$ 9,900	\$ 61,446	\$ 72,408	\$ 143,754

Of the \$143.8 million in projected new debt, \$133.9 million is associated with the 2020 Plan and \$9.9 million with the General 2010 Plan. As stated in the Construction Budget, the 2020 Plan must be shown for planning purposes. This Plan (2020) will be a “demand” driven program. As such it will not move forward unless the demand is justified. As a result, even though the Plan and debt are shown, staff is not incorporating this program or the associated debt in the Budget/Forecast for funding purposes. If, as assumed above, the demand associated with the 2020 Plan does not materialize, the \$9.9 million in General 2010 Plan debt will be funded either through internal funds or Commercial Paper.

DEBT SERVICE BUDGET AND SOURCES AND USES – 2007 OPERATING BUDGET

OTHER ISSUES

General Obligation Revenue Bonds

As mentioned above, the Commission is still authorized to issue approximately \$55 million in General Obligation Revenue Bonds. Staff is currently evaluating this as an option to finance part of the construction program. If issued, these bonds would likely be rated AAA/Aaa/AAA and as such come with a slightly lower interest rate.

Commercial Paper

The Commission in September 2002 approved an additional \$75 million Commercial Paper Program. This Commercial Paper Issue is in addition to the existing \$125 million issue approved in 2000. The Commission in November 1997 approved a short-term borrowing program. The current program has \$46 million outstanding. The Commercial Paper program is essentially a short-term gap issue based on timing of projects, PFC applications and long term debt issuance.

DEBT SERVICE BUDGET AND SOURCES AND USES – 2007 OPERATING BUDGET**DEBT SERVICE BUDGET**

The Debt Service Budget is shown below.

2007 DEBT SERVICE BUDGET						
(\$=000)						
	Actual 2005	Estimated 2006	Budget 2006	Budget 2007	Projected 2008	Projected 2009
January 1 Balance	\$ 240,028	\$ 274,596	\$ 274,225	\$ 266,874	\$ 260,208	\$ 259,953
Source Of Funds:						
Transfer from Operating Fund	\$ 66,320	\$ 69,888	\$ 73,473	\$ 70,000	\$ 80,000	\$ 82,500
Transfer from PFCs 3	28,526	30,941	29,617	35,988	36,027	36,010
Interest earnings 1	9,756	8,069	7,700	7,923	7,725	7,717
Bond Proceeds 2	158,435	-	-	-	-	-
NWA payments	26,697	26,136	26,557	26,269	26,541	26,684
Total Sources Of Funds	\$ 289,734	\$ 135,034	\$ 137,347	\$ 140,180	\$ 150,293	\$ 152,911
Uses Of Funds						
Bond Series 2000A Refunding	\$ (129,370)	\$ -	\$ -	\$ -	\$ -	\$ -
Principal/Interest payments 2	(125,796)	(142,756)	(141,714)	(146,846)	(150,548)	(155,627)
Ending Balance 4	\$ 274,596	\$ 266,874	\$ 269,858	\$ 260,208	\$ 259,953	\$ 257,237
1 Interest Rate Assumed 4.75% for the entire period. 2 Includes Debt Reserve, Capitalized Interest & Issuance Costs. 3 Used to pay in existing debt which was formerly paid for with operating funds. 4 Does not include any new issues or contemplated refundings.						

SOURCES OF FUNDS

Each source of funding is discussed below.

The transfer from the operating fund occurs each October 10th for General Obligation Revenue Bonds. For General Airport Revenue Bonds the transfer occurs in late December each year. This transfer will fluctuate due to interest earnings, refundings and new issues.

The PFC transfer represents the use of PFCs to pay a portion of existing debt beginning in 2003 for various issues in 2003, 2004 and 2005 instead of operating funds.

Interest earnings are assumed at 4.75% for 2006 through 2009. In projecting interest income, the Commission typically takes a conservative approach.

Bond proceeds are made up of reserves, issuances costs and capitalized interest. The proceeds in 2005 represent the proceeds from the GARB (PFC) and regular GARB issues for that year.

NWA payments represent the principal and interest due on the following bond issues:

General Obligation Series 13 (2015)
 General Obligation Series 15 (2022)

USES OF FUNDS

Disbursements represent principal and interest payments made during the year by bond series. The increase in payments for 2007 represents the debt service on 2005 Series A and B Bonds. Also included in the use of funds is the defeasance of the 2000A Bonds which were refinanced with the 2005 Series C bonds. It is assumed that the Outstanding Commercial Paper will start to be redeemed.

DEBT SERVICE BUDGET AND SOURCES AND USES – 2007 OPERATING BUDGET

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HISTORICAL REVENUE/EXPENSE COMPARISON – 2007 OPERATING BUDGET

The Statistical section is divided into four parts:

1. Historical Revenue/Expense and Facility Comparison of MAC
2. Activity /Operations Statistics
3. Comparison of MAC to other airports on a national level
4. Other informational statistics

HISTORICAL REVENUE/EXPENSE AND FACILITY COMPARISONS

The tables in this section compare revenue and expense changes between 1996 and 2005 and compare revenue and expense for the years actual 2005, estimated 2006 and budget 2007. The last table compares facilities as increases affect MAC in all areas.

The three tables are analyzed as follows:

A.

HISTORICAL OPERATING REVENUE & OPERATING EXPENSE SUMMARY 1996 VS 2005						
(\$ = 000)						
	1996		2005		1996-2005	Annual
	\$	% of Total	\$	% of Total	Change \$	% Change
Operating Revenue						
Airline Rates & Charges	\$ 35,647	33.9%	\$ 81,946	35.9%	\$ 46,299	9.7%
Concessions	47,872	45.5%	99,278	43.5%	51,406	8.4%
Other	21,713	20.6%	46,948	20.6%	25,235	8.9%
Airline Rent Credit			0		0	
Total Operating Revenue	\$ 105,232	100.0%	\$ 228,172	100.0%	\$ 122,940	9.0%
Operating Expenses						
Personnel	\$ 26,341	32.4%	\$ 59,049	28.6%	\$ 32,708	9.4%
Administrative Expenses	1,028	1.3%	1,179	0.6%	151	1.5%
Professional Services	4,040	5.0%	3,359	1.6%	(681)	-2.0%
Utilities	6,106	7.5%	14,444	7.0%	8,338	10.0%
Operating Services	8,705	10.7%	12,492	6.0%	3,787	4.1%
Maintenance	8,007	9.9%	18,943	9.2%	10,936	10.0%
Depreciation	26,528	32.7%	93,566	45.2%	67,038	15.0%
Other	477	0.6%	3,758	1.8%	3,281	25.8%
Total Operating Expenses	\$ 81,232	100.0%	\$ 206,791	100.0%	\$ 125,559	10.9%
Net Revenues	\$ 24,000	a)	\$ 21,381	a)	\$ (2,619)	
a) Required as contribution towards debt service payments and construction program financing.						

This first comparison 1996 versus 2005 emphasizes the changes that occur when comparing the percentage in categories to the total. The average annual percentage increase in revenue from 1996 to 2005 (9.0%) is slightly less than the annual percentage increase in expenses from 1996 to 2005 (10.9%). Over this ten-year period, revenue grew at a slightly lower rate than expenses. The spread between 1996 and 2005 revenue to expense is 1.9%. This percentage difference is due to the economic conditions of the industry that resulted in airline rates and charges being held constant for the years 2002, 2003 and 2004. In addition, new and remodeled facilities under construction restricted the revenue growth in 2005. The 2005 actual reflects rates and charges calculated as per the Airline Use Agreement.

HISTORICAL REVENUE/EXPENSE COMPARISON – 2007 OPERATING BUDGET**1. Changes in revenue are as follows:**

- ◆ The largest growth occurred in the Airline Rates & Charges category (9.7%). This is due in part to landing fees and expanded terminal facilities necessary to accommodate the growth in passenger activity. Landing fees are calculated on a breakeven basis with revenue and expense being equal. An increase in revenue, therefore, is a result of increased costs in the Field and Runway area, directly attributable to increases in maintenance, utilities, and depreciation. The increase between 1996 and 2005 also results from changes in the Airline Use Agreement and new facilities that have become operational. (See Operating Budget Revenue Assumptions.)
- ◆ The second average annual percentage increase is in the Other Revenue category. This increase can be attributable to building rentals including the new Federal Express and UPS building/facilities, Hubert H. Humphrey (HHH) Terminal common use rates and other fees associated with non-signatory airline landing and ramp fees. In 2002, Reimbursed Expense has been reclassified from the Other Expense category to the Other Revenue category, also accounting for part of the increase. (See Operating Budget Revenue Assumptions.)
- ◆ The average annual percentage increase for Concessions is 8.4% between the years of 1996 and 2005. This is a result of increasing auto parking fees, facilities, and changes/renewals to the Auto Rental contracts and separate concession agreements with various firms to operate concessions in the terminal building, including food/beverage, newsstands, telephones, advertising, games/amusements, etc. Contract agreements for both indoor and outdoor advertising also contribute to the increase. (See Operating Budget Revenue Assumptions.)

2. Expense changes are as follows:

- ◆ Personnel expenses have increased from 1996 to 2005 by \$32.7 million. This equates to an average annual increase of 9.4%; however, the percentage of total expense for personnel was reduced from 32.4% in 1996 to 28.6% in 2005. Full Time Equivalents (FTEs) in 1996 were at 410 while the 2007 budget is 560.5.
- ◆ Professional Services decreased from 5.0% of the 1996 actual expenses to 1.6% of total expenses for 2005. In addition, Operating Services have been reduced from 10.7% in 1996 expenses to 6.0% in 2005. This is a direct result of cost cutting measures that were implemented in response to the economic conditions of the industry. Reductions were made in consulting fees along with contract decreases.
- ◆ Depreciation, by contrast, rose at an average rate of 15.0% or \$67.0 million resulting in the depreciation percent of total increasing from 32.7% in 1996 to 45.2% in 2005. This change can be attributed to the virtual completion of the 2010 Plan which includes several new and/or expanded facilities, most recently, the Green Concourse expansion (Concourse A-D), Runway 12R deicing, HHH facility (including parking), various noise projects, parking ramp expansion, Runway 17/35 and associated taxi lanes and connectors, and two automated people movers.
- ◆ The largest category increase between 1996 and 2005 is Other at 25.8%. General Insurance is included in this category and accounts for the largest part of the increase. The insurance market is based upon factors worldwide. Losses under the deductible, litigation costs, history of costs, and inflationary factors have increased the premium. In 2002, Reimbursed Expense has been reclassified from the Other Expense category to the Other Revenue category, also accounting for part of the increase.

HISTORICAL REVENUE/EXPENSE COMPARISON – 2007 OPERATING BUDGET**B.**

HISTORICAL OPERATING REVENUE & EXPENSE SUMMARY 2005 VS 2007								
	Actual 2005		Estimated 2006		Budget 2007		2005-2007	Annual
	\$	% of Total	\$	% of Total	\$	% of Total	Change \$	% Change
Operating Revenue								
Airline Rates & Charges	\$ 81,946	35.9%	\$ 94,700	38.6%	\$ 95,954	38.0%	\$ 14,008	8.2%
Concessions	99,278	43.5%	106,950	43.6%	113,432	44.9%	14,154	6.9%
Other	46,948	20.6%	50,300	20.5%	52,391	20.7%	5,442	5.6%
Airline Rent Credit			0		(9,000)		(9,000)	
Reconciliation Adjustment 2005			(2,379)				0	
Reconciliation Adjustment 2006			(4,000)				0	
Total Operating Revenue	\$228,172	100.0%	\$ 245,571	100.0%	\$ 252,776	100.0%	\$ 24,604	5.3%
Operating Expenses								
Personnel	\$ 59,049	28.6%	\$ 59,600	25.3%	\$ 61,381	25.2%	\$ 2,332	2.0%
Administrative Expenses	1,179	0.6%	1,300	0.6%	1,535	0.6%	356	14.1%
Professional Services	3,359	1.6%	5,150	2.2%	5,650	2.3%	2,291	29.7%
Utilities	14,444	7.0%	15,100	6.4%	14,983	6.2%	538	1.8%
Operating Services	12,492	6.0%	14,800	6.3%	16,003	6.6%	3,511	13.2%
Maintenance	18,943	9.2%	19,800	8.4%	21,116	8.7%	2,173	5.6%
Other	3,758	1.8%	3,800	1.6%	3,993	1.6%	235	3.1%
Total Operating Expenses without Depreciation	\$113,225	54.8%	\$ 119,550	50.8%	\$ 124,661	51.3%	\$ 11,435	4.9%
Depreciation	\$ 93,566	45.2%	\$ 115,900	49.2%	\$ 118,498	48.7%	\$ 24,932	12.5%
Total Operating Expenses Including Depreciation	\$206,791	100.0%	\$ 235,450	100.0%	\$ 243,159	100.0%	\$ 36,367	8.4%
Net Revenues	\$ 21,381	a)	\$ 10,121	a)	\$ 9,618	a)	\$ (11,763)	

a) Required as contribution towards debt service payments and construction program financing

The above table illustrates 2005 actual, 2006 estimated and 2007 budgeted revenue and expense categories with dollars and percentages. The majority of categories within revenue and expense do fluctuate as a percentage of the total; however, overall, the changes in percentages are not significant for the years of 2006 and 2007. In 2006, the airline rates and charges increased to 38.6% of total revenue due to implementation of the deferred charges per the Airline Use Agreement. The 2007 budget reflects a reduction in percentage of total revenue for Airlines Rates & Charges due to the reduced rates in the budget resulting from airline bankruptcy negotiations.

1. Changes in Revenue are as follows:

- ◆ Revenue is projected to increase an average of 5.3% annually from actual 2005 to budget 2007. The greatest increase is in the Airline Rates and Charges category (8.2%).
- ◆ Airline Rates and Charges, which include landing fees, ramp fees and terminal building rentals, are increasing 8.2%. Rates and Charges for the airlines were frozen in the years 2002, 2003, and 2004 due to the economic condition of the aviation industry. 2005 calculates revenue for rates and charges as per the Airline Use Agreement. The rates and charges formula includes a provision that eliminated the deferred charges applicable to the 17/35 Runway totaling \$5.1 million and the Terminal Building (\$9.5 million) in 2006. Please see revenue assumptions for details including explanations for the credit adjustments.

HISTORICAL REVENUE/EXPENSE COMPARISON – 2007 OPERATING BUDGET

- ◆ Concessions are predicted to increase by 6.9%. Parking revenue for the 2007 budget is projected to increase by \$8.8 million from the 2005 actual. The increase is attributed to a gradual increase in patrons along with a rate increase in short term and long term parking rates. Auto Rental is projected to decrease between actual 2005 and budget 2007 by \$192,711 due to the budget allowing for reduced minimum guarantees based on current industry trends. Food and Beverage increased \$3.3 million, News increased \$899,809, Retail increased \$2.0 million and Terminal Services increased \$306,619 between the 2007 budget and 2005 actuals. This is due to the completion of construction and remodeling of various tenant facilities identified in the new contract and lease agreements. (See Revenue Assumptions.)
 - ◆ Other Revenue is increasing 5.6% or \$5.4 million primarily attributable to Sun Country Airlines increase in activity, and the move to the Humphrey Terminal by Air Tran, Midwest, and Icelandair are the factors behind this increase.
2. Increases in Expenses (excluding depreciation) are projected to be 4.9% from actual 2005 to budget 2007 and will be summarized below. (See Operating Expense Assumptions for details.)
- ◆ Personnel expenses have increased by 2.0% or \$2.3 million between the years 2005 and 2007 budget. Annual wage and step increases have been included in the 2007 budget for both organized and non-contract employees. The 2005 FTE count was 557 while the 2007 budget is at 560.5 FTEs. Insurance and pension increases also account for the increase.
 - ◆ The increased amount in Administrative Expense of 14.1% is related to special badging supplies in the Police Service Center due to technological changes to the Secured Area Access Control System. Printing expenses have increased due to the necessity of brochures, forms and information in various service centers. Travel expenses are also greater in the 2007 budget.
 - ◆ Professional Services have increased 29.7% primarily as a result of fees associated with airline bankruptcies, noise litigation and St. Paul Reliever Airport issues. In addition, an increase in the 2007 budget is projected in Planning for updating of the Long Term Comprehensive Plan to incorporate 2020 development, reliever airport update and airport zoning.
 - ◆ The category for Utilities indicates a 1.8% increase attributable to the rising costs of utilities along with the completion of additional facilities.
 - ◆ Operating Services reflects a 13.2% increase related to service agreements.
 - ◆ Maintenance has increased 5.6% between the 2005 actual data and the 2007 budget. The largest increase (\$1.4 million) is related to the cleaning of additional facilities. The second largest increase is for building expenses (\$817,262) all related to contracted mechanical areas (Automated People Mover, moving walks, escalator and elevator expenses).
 - ◆ The majority of the 3.1% increase in the Other category reflects MAC's costs for liability insurance (\$354,354). The insurance market is based upon factors worldwide, losses under the deductible, litigation costs, and inflationary factors that have continued to increase. Minor equipment (items under \$5,000) has also impacted the Other category. Replacement and procurement of equipment results in an increase of \$139,449 between actual 2005 and budget 2007. The increases for these two areas are offset by a decrease in other expenses (\$380,246) due to the elimination of one-time only expenses.
 - ◆ Depreciation expenses show a 12.5% increase due to completion of major projects, both new and renovations.

HISTORICAL REVENUE/EXPENSE COMPARISON – 2007 OPERATING BUDGET

C.

Facility Expansion				
Lindbergh and HHH				
	<u>1996</u>	<u>2006</u>	<u>Increase</u>	<u>% Increase</u>
Lindbergh & Regional				
Terminal Square Footage	1,869,267	2,780,230	910,963	48.7%
Number of Gates (Aircraft Loading Positions)	66	117	51	77.3%
Ramp Lineal Footage	8,874	11,302	2,428	27.4%
Humphrey Terminal				
Square Footage	80,000	398,134	318,134	397.7%
Number of Gates	4	10	6	150.0%
Parking (All Facilities)	10,850	19,677	8,827	81.4%

The above chart in this section compares the development and expansion of the major facilities at MSP International between 1996 and 2006. The significance of this growth impacts both revenue and expenses. New facilities occupied by tenants will continue to generate additional income. Expenses include maintenance (both labor and materials), repairs, utilities, security and administrative costs. All sections of MAC are impacted by changes in facilities. (See the Construction Budget for impact of the new facilities on the Operating Budget.)

The following table identifies major new facilities that have been completed since 1996.

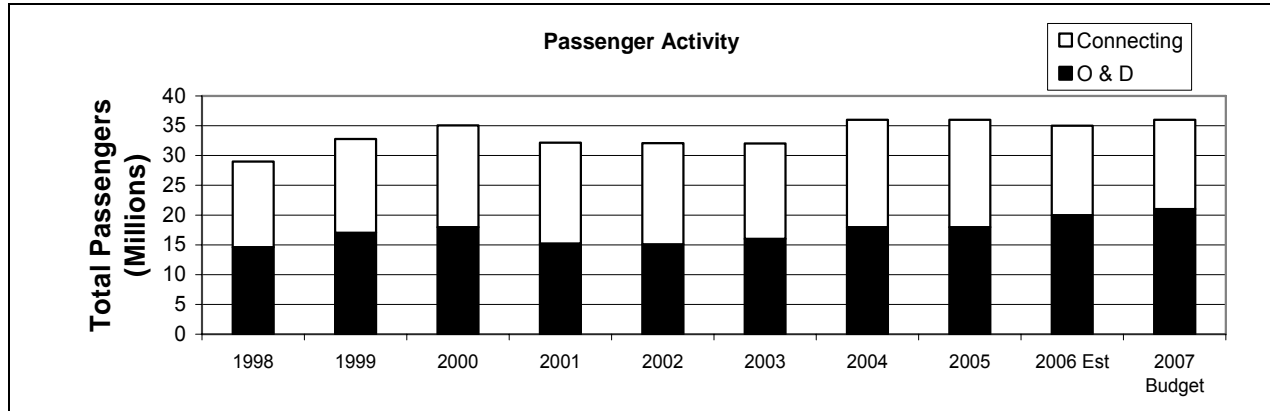
Major New Facilities Completed 1996 through 2007			
New Facilities	Closing Date	New Facilities	Closing Date
Runway 4/22 Extension	1996	MSP Air Mail Center	2001
Lindbergh Terminal - International Arrival Facility	1996	Hubert H. Humphrey (HHH) Replacement	2001
Upper/Lower Level Roadway	1996	Terminal Developments	
Ground Transportation Center - Valet	1997	A,B,C Concourse Apron Expansion	2002
Parking Office/ West and		HHH Parking Ramp	2003
East Vertical Circulation		Runway 12R Deicing Pad	2004
Runway 12L Deicing Apron	1998	LRT (Light Rail Transit) Tunnel/Stations	2004
Trades Shop Building	1998	A,B,C Concourse -- Moving Walks,	2004
Taxiway W - Segment 2 & 3	1998	People Mover & Expansion	
Lindbergh Terminal Concessions	1998	17/35 Runway	2005
Modification Phases 2 & 3		Fire Station No. 1	2005
Commercial Vehicle Passenger Shelter	1998	North Terminal Expansion	2006
Material Storage Building	1999	Runway 4/22 Tunnel	2006
A,B,C/G Connector, Bag Check, Emergency Generator	2000	Trinity School Acquisition	2006
General Office - West Addition	2000	HHH Terminal Projects	2006
Parking Ramp Expansion/Auto Rental Facilities	2000	Lindbergh Terminal EDS Bldg. Shell	2006
		In-line Baggage Screening System	2007

ACTIVITY/OPERATIONS COMPARISONS – 2007 OPERATING BUDGET**ACTIVITY/OPERATIONS STATISTICS**

This section contains the historical and forecasted levels of activity for the period 1998 through 2007 in the MAC's system of airports.

Four charts are reviewed in this section.

A.



This chart illustrates that increases in passenger activity occurred at MSP International during the time period 1998 to 2005. Due to airline bankruptcies, the 2006 estimate for passenger activity, is lower than previous years. Approximately 50% of passengers were connecting passengers (those transferring directly to another flight) during the time period 1998 to 2005. The 2006 estimate and the 2007 budget reflect a decrease in connecting passengers from approximately 50% to 42%. This is as a result of the reduction of flights by MAC's major carrier due to bankruptcy.

The number of passengers attained a record high in 2005 with 36.5 million passengers. The estimate for 2006 is projected to be lower by 2.1 million passengers while the 2007 budget is indicating a slight increase over the estimate (based upon airline projections and bankruptcy issues). (O & D = Originating and Destination.)

B.

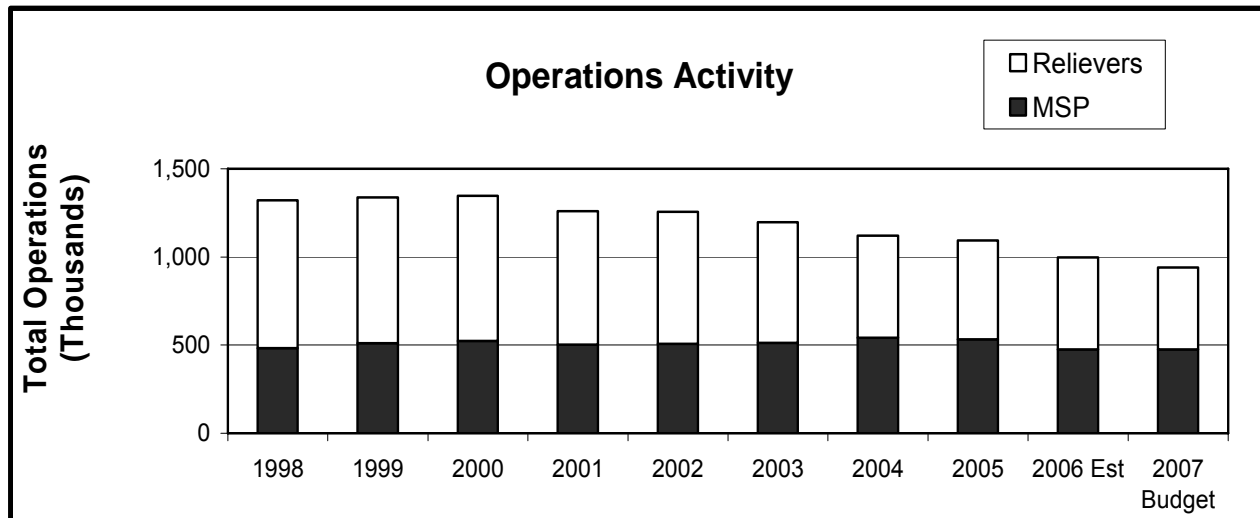
Passenger Type Comparisons 2003 to 2007					
Passenger Type	2003 Actual	2004 Actual	2005 Actual	2006 Estimate	2007 Budget
Enplaned	7,293,000	8,107,000	8,691,000	9,874,466	10,177,536
Deplaned	8,869,884	10,045,634	9,798,868	10,098,621	10,411,409
Connecting	16,144,000	17,634,000	18,189,000	14,607,682	15,062,915
Total Passengers	32,306,884	35,786,634	36,678,868	34,580,769	35,651,860

Estimates of passenger activity form an important element in forecasting revenue each year. The second chart represents actual passenger statistics for 2003, 2004 and 2005 with estimates for 2006 and budget 2007. The following categories are each used in a specific manner when calculating revenue:

- ◆ Enplaned (originating) passengers plus connecting passengers are used in forecasting most concession revenue.
- ◆ Deplaned (final destination) passengers are used in the process of estimating auto rental revenue.
- ◆ Enplaned (originating) passengers, excluding connecting, are used in estimating common use and carousel and conveyor percentages for billing the airlines.

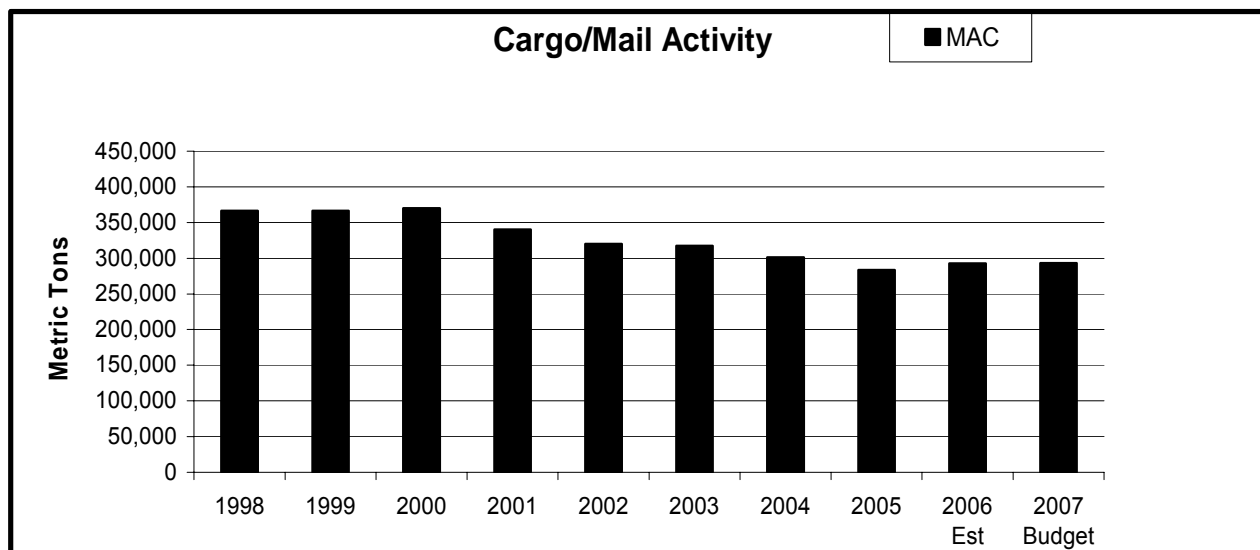
ACTIVITY/OPERATIONS COMPARISONS – 2007 OPERATING BUDGET

C.



The third chart depicts the total Operations Activity for both the Reliever Airports and MSP International. An operation represents one takeoff or landing. Total operations for the MAC system have fluctuated from 1998 as shown above. The 2006 estimate and the 2007 budget are projected to be about the same. The Reliever Airport activities are also projected to remain the same.

D.



The Cargo/Mail Activity Chart indicates a steady decrease in activity from 2001 through 2005, with 2007 budgeted to be about the same volume level as 2006. 2001 indicates a lower number due to the September 11, 2001 events and the economy, along with the Construction of Runway 17/35 requiring the acquisition of a number of freight facilities. This held down cargo traffic while new expanded facilities for Federal Express and UPS were being constructed. 2005 activity is less than the actual for 2004 due to Northwest Airlines' loss of the USPS contract in the last quarter of 2003. The 2007 budget anticipates the same volume level as 2006 estimates as the trend (nationally as well) is for shipments to be made via truck or rail due to costs and security.

NATIONAL COMPARISONS – 2007 OPERATING BUDGET**NATIONAL COMPARISONS**

The information presented in this section was obtained from the national airport survey prepared by Standard and Poors dated October 2006. This survey grouped hub airports into three categories: large, medium, and small. To be considered a large hub for purposes of this survey, an airport must have at least 6,610,695 enplanements (departures). MSP is considered a large hub airport.

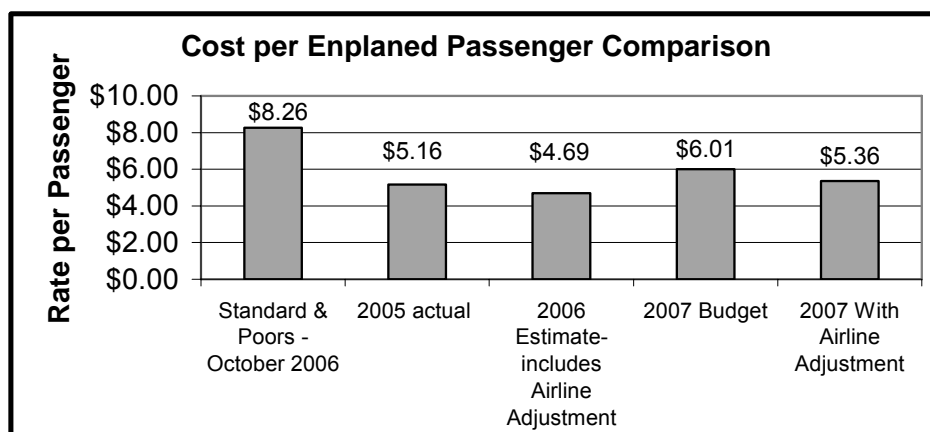
The following two subjects are addressed:

Rates and Concessions
Industry

RATES AND CONCESSIONS

Four comparisons will be reviewed in this section utilizing the 2005 national statistics from the most recent Standard & Poors survey, and MAC's data from the 2007 budget.

A.



This graph, Cost per Enplaned Passenger, compares MSP's operating expenses for airlines in the airfield, ramp, terminal buildings and International Facilities per enplaned passenger to the average cost per enplaned passenger as indicated in the Standard & Poors report. In the 2007 budget, MAC's expense of \$6.01 per passenger is less than the 2005 national average of \$8.26.

B.

Concession Revenues						
(in thousands of dollars)						
Year	Parking	Rental Car		Food & Beverage	General Merchandise	Other
		& Ground Transportation				
2000	\$ 42,950	\$ 15,179	\$ 3,534	\$ 4,925	\$ 4,172	\$ 70,760
2001	39,339	16,488	4,053	4,572	5,256	69,708
2002	36,755	17,001	4,340	4,836	4,485	67,417
2003	41,330	16,870	4,864	5,219	4,055	72,338
2004	50,466	17,958	7,311	6,038	4,198	85,971
2005	60,213	18,979	9,790	6,313	4,178	99,473
2006 Est	65,000	18,000	11,450	8,200	4,300	106,950
2007 Budget	69,006	18,640	13,049	9,013	3,723	113,431

NATIONAL COMPARISONS – 2007 OPERATING BUDGET

The table on the previous page presents historical concession revenues from 2000 to 2007. Please see Revenue Assumptions for additional details.

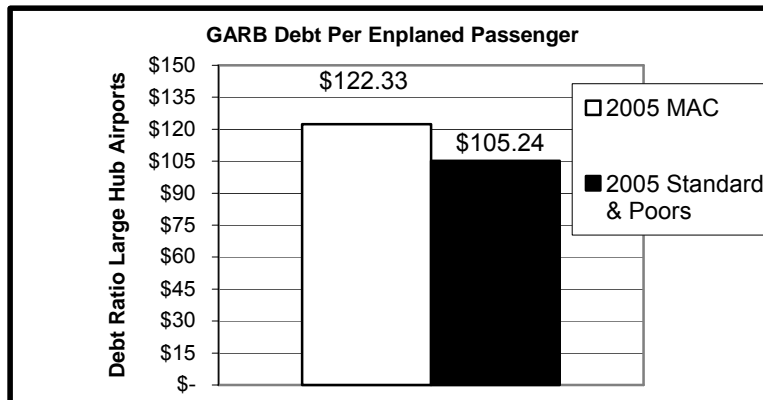
- ◆ Parking revenues are related to the level of originating traffic at MSP. 2001 and 2002 indicate a decrease in revenue from 2000, due to the closing of parking spaces and the decline in passenger air travel related to the economy and events of September 11, 2001. A continued rise in patrons and revenue is reflected in the time period 2003 through budget 2007. An increase in parking fees in November 2004 and May 2005 also accounts for the higher revenue.
- ◆ Rental car revenue can be associated with the level of destination traffic and rental car agreements. For the 2007 budget, auto rentals are expected to increase slightly over the 2006 estimate as all of the auto rental companies exceeded their minimums in the past several months. Ground Transportation is anticipated to increase in the 2007 budget and can be attributable to changes in the Ordinance rates for Commercial vehicles and an updated traffic count study.
- ◆ Food and Beverage had been steadily increasing due to the expanded facilities and increase in passengers through the 2007 budget, as well as increased dwell time. The 2005 estimate for the full impact of the new agreement affecting contracts and lease agreements occurs in the years estimate 2006 and budget 2007.
- ◆ The 2007 budget for General Merchandise reflects an increase related to completion of construction and remodeling as identified in the Food and Beverage category.
- ◆ Other revenue consists of advertising both indoor and outdoor, telephones, vending and miscellaneous concessions revenue including in flight catering and auto services. The decrease in the 2007 budget is primarily related to a reduction in food service offered by the airlines and advertising.

NATIONAL COMPARISONS – 2007 OPERATING BUDGET

INDUSTRY

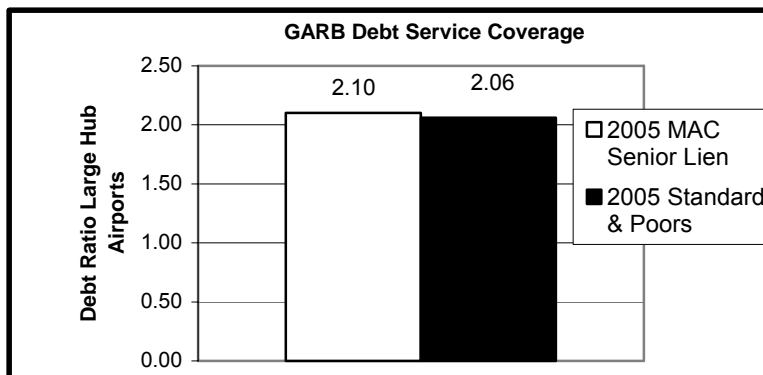
Four charts presented in this segment compare MAC's financial and operating ratios to industry performance ratios. Standard and Poors publishes separate financial and operating ratios for large, medium and small airports. These ratios are based on 2005 financial and operating data (the most recent available) and have been used for purposes of comparison. The means published by Standard and Poors are intended to serve as broad indicators. All MAC data is based upon actual 2005 information.

A.



Debt per enplaned passenger is calculated by dividing total outstanding General Airport Revenue Bond (GARB) debt by the number of enplaned passengers. MAC's ratio of debt/enplaned passenger is above the industry average because the debt has been issued for the 2010 Plan and passenger traffic has declined due to NWA bankruptcy but is expected to rebound and increase.

B.

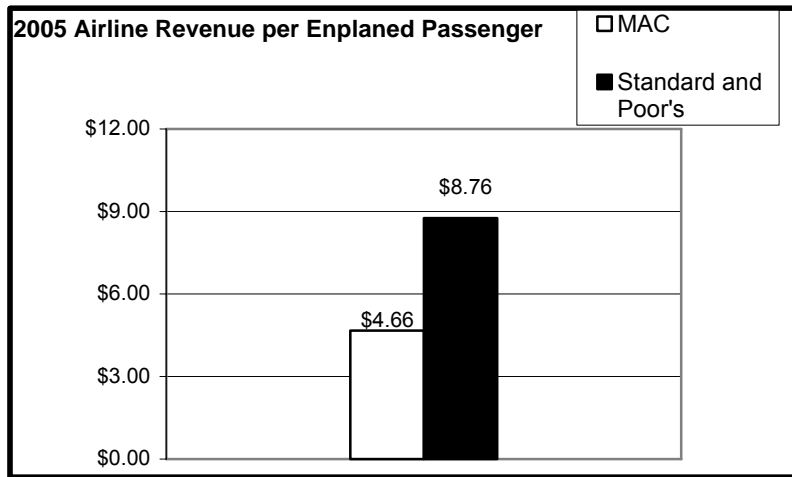


Debt service coverage demonstrates the current ability to repay debt. MAC's coverage ratio for Senior Lien Debt, as shown, is at 2.06 for actual 2005. Debt service coverage is not quite at the average of other airports. This is due to completion of the MAC facilities for the 2010 Plan. 2006 and 2007 represent years that MAC will be able to charge a full years' rent for use, thus generating additional revenue and increasing the coverage ratio. (See also Debt Service Section.)

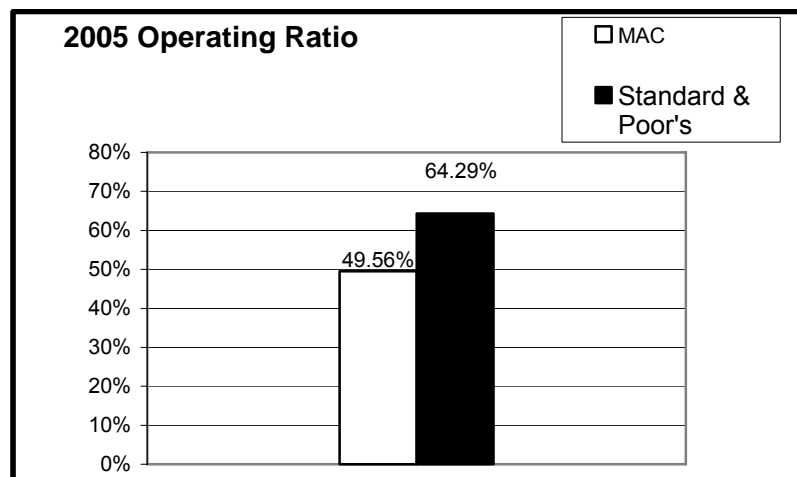
NATIONAL COMPARISONS – 2007 OPERATING BUDGET

Ratios derived from the income statement provide measures of profitability. Two ratios are discussed below.

C.



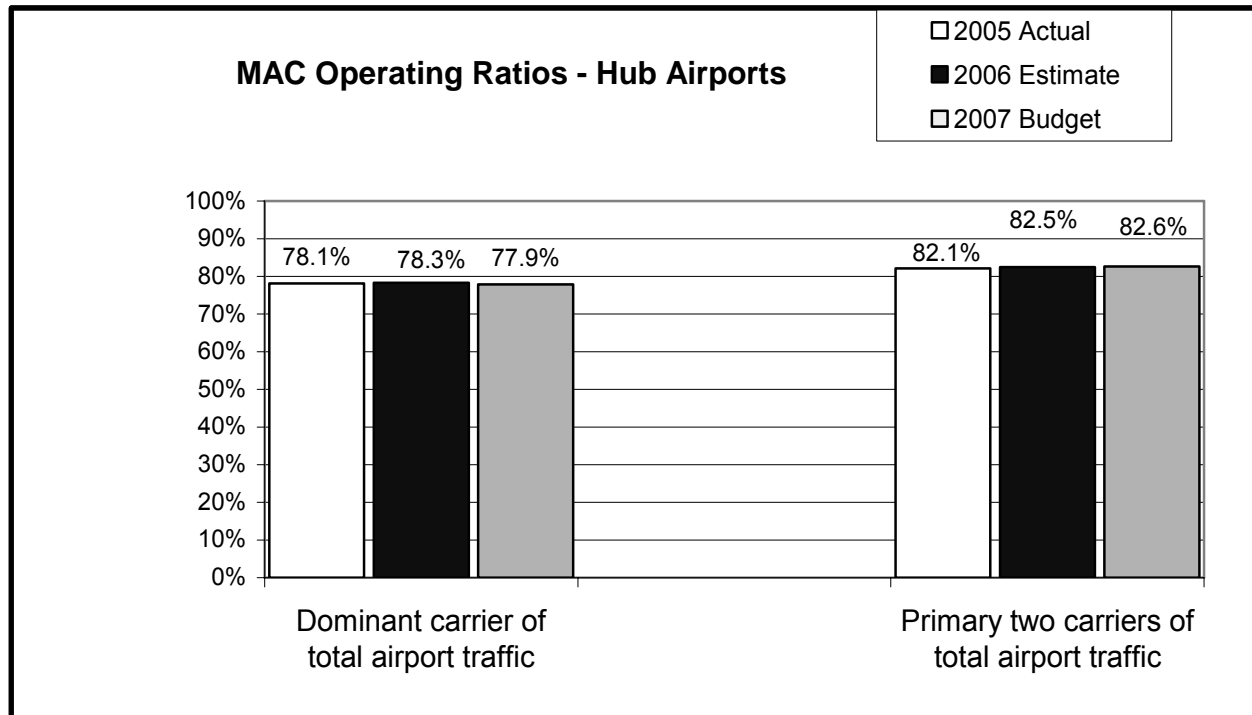
- ♦ Airline Revenue per Enplanement Passenger measures how much airlines pay the airport on a per enplaned passenger basis. Cargo revenue is not included. This ratio is below the median by \$4.10/enplanement, reflecting MAC's lower operating costs as well as the deferral of certain charges for capital costs. The rates and charges formula in the Airline Use Agreement have been fully implemented in 2005 and 2006. Also, as stated earlier, the remodeling of facilities and newly constructed additional facilities opened in late 2005 and to be open all of 2006 will generate increased revenues. (See Revenue Assumptions.)



- ♦ The operating ratio is calculated by dividing total operating expenses, excluding depreciation, by total operating revenues. MAC's operating ratio indicates that operating expenses are a lower percentage of the total operating revenue than the mean. This difference is partly attributable to the manner in which other airports account for long term leases with the airport tenants.

NATIONAL COMPARISONS – 2007 OPERATING BUDGET

D.



The dominant carrier at MSP is Northwest Airlines. The 2007 budget is projecting a slight decrease in Northwest percentages due to the airline reducing services and Chapter 11 bankruptcy status.

The second largest carrier in 2006 was Sun Country with 4.2% of total airport traffic.



OTHER INFORMATIONAL STATISTICS – 2007 OPERATING BUDGET

OTHER INFORMATIONAL STATISTICS

This section will provide information pertaining to the population of Minnesota along with rankings of the Minneapolis-St. Paul airport. Each table will identify its source(s). The following two subjects are reviewed:

Population
Airport Activity

POPULATION

Minnesota ranks 21st in the nation in terms of 2004 population estimates and also ranked 21st in percent population growth between 1990 and 2000 according to the U.S. Census Bureau. Two tables will be reviewed.

A.

POPULATION					
(in thousands)					
Calendar	United		Minneapolis-	MSA *	MSA
<u>Year</u>	<u>States</u>	<u>Minnesota</u>	<u>St. Paul</u>	as % of	as % of
			<u>MSA</u>	<u>U.S.</u>	<u>Minnesota</u>
1992	254,995	4,472	2,617	1.0%	58.5%
1993	257,746	4,524	2,656	1.0%	58.7%
1994	260,289	4,566	2,693	1.0%	59.0%
1995	262,765	4,605	2,730	1.0%	59.3%
1996	265,190	4,648	2,765	1.0%	59.5%
1997	267,744	4,687	2,792	1.0%	59.6%
1998	270,248	4,726	2,831	1.0%	59.9%
1999	272,691	4,776	2,872	1.1%	60.1%
2000	281,422	4,919	2,969	1.1%	60.4%
2001E	285,094	4,985	3,025	1.1%	60.7%
2002E	287,974	5,025	3,057	1.1%	60.8%
2003E	290,789	5,064	3,084	1.1%	60.9%
2004E	293,655	5,101	3,113	1.1%	61.0%
<u>2005 E</u>	<u>296,410</u>	<u>5,133</u>	<u>3,143</u>	<u>1.1%</u>	<u>61.2%</u>

Sources: John F. Brown Co., U.S. Depart. of Commerce, Bureau of the Census
MSA = Metropolitan Statistical Area E=Estimated

The above table presents the population for the nation, the State and the Metropolitan Statistical Area (MSA). Minnesota, in terms of 2004 population estimates, was the 21st largest state in the nation. The MSA was the 15th largest metropolitan area in the nation and grew faster than the State and the nation during the 1970 to 2000 time period. More than 75 percent of Minnesota's population growth between 1990 and 2000 took place within the eleven Minnesota counties of the MSA. According to the Greater Minneapolis Chamber of Commerce, the Twin Cities is the 8th fastest growing area in the United States and fastest growing area in the Midwest. Most of the historical population growth is attributed to births outnumbering deaths.

OTHER INFORMATIONAL STATISTICS – 2007 OPERATING BUDGET

B.

EMPLOYERS

MSA is the home of eighteen corporations from **Fortune** magazine's list of top 500 corporations in the U.S. Of these 18, ten are ranked in the top 200.

Metropolitan Area Top 20 Private Employers		
2006		
Company Name	Number of Employees	Industry
Target Corporation	30,555	General merchandiser: Target, Mervyn's and Daytons
Allina Health System	24,263	Nonprofit healthcare and hospital services
Fairview Health Services	22,495	Nonprofit healthcare and hospital services
Wells Fargo	19,196	Diversified financial services company
3M Corporation	15,960	Diversified industrial, consumer products manufacturer
US Bancorp	14,184	Diversified financial services; bank holding company
Northwest Airlines Corporation	11,500	Passenger airline; international cargo carrier
Honeywell Inc.	8,690	Producer of consumer products; engineering services
Park Nicollet Health Services	8,341	Nonprofit integrated-care system
United Parcel Service	7,664	Air courier and parcel delivery service
ADC Telecommunications	7,500	Communications company
Ameriprise Financial Inc.	6,500	Financial services
Supervalu Inc.	6,486	Wholesale foods; operating of supermarkets
Xcel Energy Inc.	6,347	Energy company
HealthEast Care System	6,180	Multi-unit health care provider
West Info. Publishing Group	6,000	Business and legal information publishing
Best Buy	6,000	Retailer of name-brand consumer electronics
Carlson Companies Inc.	5,325	Owner of travel agencies, hospitality businesses
CH Robinson	4,800	Third-party logistics provider
Health Partners	4,662	Non-profit healthcare and hospital services
Sources: Minnesota Department of Employment and Economic Development (www.mnpro.com) website, accessed March 7, 2007; Northwest Airlines employment figure from <i>Minnesota Public Radio</i> , January 29, 2007; John F. Brown, Inc.		

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EMPLOYMENT

The following table indicates Minnesota's and Minneapolis-St. Paul's historically low unemployment rates. The unemployment rate for the MSA was less than the national unemployment rate in every year, especially in the years that a national recession was indicated including 2001 and 2002. The unemployment rate for the MSA was also approximately half of the national rate for the 1997 to 2000 time period. The unemployment rates began to increase in 2001 through 2003 but remained lower than the national average with 2004 and 2005 declining.

CIVILIAN UNEMPLOYMENT RATE			
Calendar Year	United States	Minnesota	Minneapolis- St. Paul MSA**
1972	5.6%	4.3%	5.0%
1980	7.1%	5.9%	4.5%
*1990	5.6%	4.8%	4.3%
*1991	6.8%	5.1%	4.6%
1992	7.5%	5.1%	4.5%
1993	6.9%	5.1%	4.3%
1994	6.1%	4.0%	3.3%
1995	5.6%	3.7%	2.9%
1996	5.4%	4.0%	3.1%
1997	4.9%	3.3%	2.5%
1998	4.5%	2.6%	2.0%
1999	4.2%	2.8%	2.2%
2000	4.0%	3.2%	2.6%
*2001	4.7%	3.9%	3.4%
2002	5.8%	4.6%	4.4%
2003	6.0%	4.9%	4.7%
2004	5.5%	4.7%	4.4%
2005	5.1%	4.0%	3.8%

Sources: U.S. Department of Labor, Bureau of Labor Statistics,
Employment and Earnings Publications, May 1991 through May 1999 editio
Historical Economic Statistics, 1997 Edition, John F. Brown Co.,
Official Statement dated 4/07

*Indicates national recession during all or part of year

**The MSA consisted of 9 counties in 1972 (the first year of data) and 1980,
11 counties in 1990-1992, and 13 counties in 1993 and beyond.

OTHER INFORMATIONAL STATISTICS – 2007 OPERATING BUDGET

C.

The following chart depicts per capita personal income comparing the nation, Minnesota and the MSA. In every year shown in the chart, the MSA's amount of per capita personal income has been higher than the per capita personal income amount for the nation and the State. This is in conjunction with a moderate cost of living which leads to higher discretionary disposable income, on average, than others throughout the State and the United States and relates positively to the demand for air travel. In addition, the MSA has a well-educated workforce with 91 percent high school graduates and a third with bachelor's degrees or higher. The Minneapolis-St. Paul area ranks fifth in the nation for percentage of the population holding a bachelor's degree or higher. Post secondary education opportunities in the MSA include two public universities, 11 private colleges and universities, ten community colleges and technical colleges and four post-graduate schools. In addition, there are several proprietary schools offering trade and technical training in the MSA.

Per Capita Personal Income				
<u>Year</u>	<u>United States</u>		<u>Minnesota</u>	<u>MSA</u>
2001	\$	30,575	\$	32,616
2002		30,810		37,379
2003		31,463		37,853
2004		33,090		38,836
2005		34,495		40,915
				n.a.
Historical AAG				
1970-2002		6.5%		6.8%
1970-1980		9.5%		9.8%
1980-1990		6.8%		6.8%
1990-2000		4.4%		4.9%
2000-2002		1.6%		1.8%

Source: U.S. Department of Commerce, Bureau of Economic Analysis website, accessed February 2007. Notes: AAG = Average annual compound growth; P=Preliminary; n.a.=not available; n.c.=not calculated.

TOURISM AND ATTRACTIONS

The Minneapolis/St Paul area have numerous tourist attractions as well as local activities as described below:

- Home to the nation's largest shopping center and entertainment complex, the Mall of America, receives approximately 40 million visitors per year.
- Nationally renowned cultural organizations including the Guthrie Theater, Children's Theater Company, Minnesota Orchestra, St. Paul Chamber Orchestra, Minnesota Opera, Walker Art Center, Minneapolis Institute of Art and Minnesota Museum of Art.
- The State Theater, Orpheum Theatre and Ordway Music Theatre are host to Broadway shows as well as other cultural events.
- Five major professional sports teams include: Minnesota Twins baseball team, Minnesota Vikings football team, Timberwolves basketball team, Minnesota Lynx women's basketball team and Minnesota Wild hockey team.
- University of Minnesota Gophers participate in the Big Ten Conference in a number of sports including basketball, hockey, football and soccer.
- Minnesota, with its more than 1,000 lakes and 136,000 acres of parks, trails and wildlife management areas, is known for its wide variety of outdoor activities such as sailing, fishing, skiing and hunting.
- Popular local activities in Minnesota include the following annual events: Minnesota State Fair, Taste of Minnesota, Minneapolis Aquatennial and St. Paul Winter Carnival.

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AIRPORT ACTIVITY

The passenger traffic at MSP is affected by the region's economic profile. For example, the amount and type of commerce in the region may affect the level of business travel to (or from) MSP or the amount of personal income in the region may affect the level of discretionary travel from MSP.

Three tables are provided.

A.

2005 Ranking of U.S. Airports (for the 12 months ended December 31, 2005)					
Total Passengers ¹ (in thousands)			Total Cargo ¹ (freight and mail, in thousands of metric tons)		
Rank	Airport	Passengers	Rank	Airport	Cargo
1	Atlanta	85,907	1	Memphis	3,598.50
2	Chicago-O'Hare	76,510			
3	Los Angeles	61,489	18	Boston	356.1
4	Dallas/Ft. Worth	59,176	19	Toledo	352.3
5	Las Vegas	43,990	20	Seattle	338.6
6	Denver	43,387	21	Dayton	332.3
7	New York-Kennedy	41,885	22	Denver	309.8
8	Phoenix	41,214	23	Washington-Dulles	303
9	Houston-Bush	39,685	24	Phoenix	302.2
10	Minneapolis-St. Paul	37,604	25	Minneapolis-St. Paul	282.4
11	Detroit	36,389	26	Portland	261.5
12	Orlando	34,128	27	Baltimore	261.2
13	New York-Newark	34,000	28	Cincinnati	251.6
14	San Francisco	32,802	29	Orlando	225.9
15	Philadelphia	31,495	30	Detroit	220.7

¹ Sum of enplaned and deplaned volume.
 Source: ACI, 2005 North American Traffic Report.

MSP is one of the highest-activity airports in the United States. Approximately 50% of the passengers are connecting while the other 50% were origin-destination. International travelers and a strong demand for charter services also contribute to providing MSP with a strong and diverse passenger base. MSP was in 9th place in 2002 thru 2004, however, the 2005 statistics indicate MSP is 10th when ranking the U.S. airports for passengers.

When ranked with total cargo, MSP placed 25th in the U.S. The cargo volume is expected to remain about the same in 2006 and 2007. Cargo revenues help to support the viability of scheduled passenger flight operations at MSP as a portion is carried in the belly compartments of passenger flights.

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B.

Although domestic air service at MSP peaked at the beginning of the current decade, there has been only a modest net change in the level of domestic service over the past eleven years. In March 2007, MSP had 2.3 percent more domestic flights, and 8.3 percent more domestic seats than it had in March 1996. The quality of its domestic air service, however, has changed substantially. Thirteen more cities were served nonstop from MSP and seven cities were upgraded to jet service from turboprop service. Jet flights accounted for 89 percent of total flights in 2007, up from 73 percent in 1996, reflecting a significant increase in the use of regional jets to replace turboprop flights and, in some cases, larger mainline aircraft.

International service at MSP in March 2007 showed a significant increase from March 1996. Seventeen cities were linked to MSP by nonstop service, compared to 11 in 1996, and there were double the number of seats to international destinations.

Scheduled Passenger Service

Minneapolis-St. Paul International Airport

	1996	2001	2006	2007	Change		
					1996 -2001	2001 -2006	2006 -2007
<u>Domestic:</u>							
Number of Cities Served ¹	105	99	122	118	- 6	+ 23	- 4
Flight Departures	3,753	4,156	3,924	3,840	+ 403	- 232	- 84
Departing Seats	375,841	456,480	404,346	407,036	+ 80,639	- 52,134	+ 2,690
Departing Seats per Flight	100.1	109.8	103.0	106.0	+ 9.7	- 6.8	+ 3.0
<u>International:</u>							
Number of Cities Served ¹	11	15	15	17	+ 4	0	+ 2
Flight Departures	179	234	259	294	+ 55	+ 25	+ 35
Departing Seats	19,667	33,943	34,300	39,401	+ 14,276	+ 357	+ 5,101
Departing Seats per Flight	109.9	145.1	132.4	134.0	+ 35.2	- 12.6	+ 1.6

Source: Official Airline Guide.

¹ Number of cities served by at least five nonstop flights during the week.

C.

The final table presented indicates the Air Carriers providing service at the airport. The airport is served by 35 carriers including 25 U.S. flag carriers, 3 foreign flag carriers and 7 all cargo service carriers.

OTHER INFORMATIONAL STATISTICS – 2007 OPERATING BUDGET

Minneapolis-St. Paul International Airport
Air Carriers Serving the Airport

As of March 2007

U.S.-Flag Carriers

Scheduled Services

Air Tran	Delta ^{*5}	PSA Airlines ⁴
Air Wisconsin ²	Frontier [*]	Republic Airlines ⁴
American [*]	Mesa Air Group ⁴	Shuttle America ^{2,3}
Atlantic Southeast ^{*3}	Mesaba ^{*6,7}	SkyWest ^{*2}
Chautauqua ^{*3,4}	Midwest Airlines [*]	Sun Country [*]
Comair ^{*3,5}	Northwest ^{*8}	United [*]
Continental [*]	Pinnacle ^{*6}	US Airways [*]

Non-scheduled (Charter) Services

Champion Air [*]	Omni Air Express [*]	Ryan International [*]
ATA		

All-Cargo Services

ABX Air [*]	FedEx [*]	Mountain Air Cargo
ATI/BAX Global [*]	Kitty Hawk	UPS
Bemidji [*]		

Foreign-Flag Carriers

Air Canada [*]	Icelandair [*]	KLM [*]
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^{*} Denotes those Air Carriers that are Signatory Airlines to the Airline Lease Agreements.

¹ Excludes carriers reporting fewer than 1,000 enplaned passengers per annum. Does not indicate which major air carriers codeshare with each other.

² Codeshare with United.

³ Codeshare with Delta.

⁴ Codeshare with US Airways.

⁵ Delta, along with its subsidiaries, including Comair, filed for bankruptcy protection on September 14, 2005. Delta and Comair continue to operate at the Airport while Delta is in bankruptcy proceedings.

⁶ Codeshare with Northwest Airlines.

⁷ Mesaba filed for bankruptcy protection on October 13, 2005 and has continued operating at the Airport while in bankruptcy proceedings.

⁸ Northwest Airlines, along with its subsidiaries, filed for bankruptcy protection on September 14, 2005, and has continued operating at the Airport while in bankruptcy proceedings.

Sources: Metropolitan Airports Commission

Three branches of the United States Armed Forces are represented at the Airport: the Air Force Reserve 934th Tactical Airlift Group, the Marine Air Reserve Training Detachment, and the Naval Air Reserve-Twin Cities Center. Also located at the Airport is the Minnesota Air National Guard 133rd Tactical Airlift Group. At the St. Paul Downtown Airport, the Army maintains a dozen support helicopters and the National Guard bases its Fixed Wing Squadron. Training flights, servicing and simulated emergencies are conducted on a regular basis.

OTHER INFORMATIONAL STATISTICS – 2007 OPERATING BUDGET

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GLOSSARY – 2007 OPERATING BUDGET

AA – Affirmative Action

AAAE – American Association of Airport Executives

Accrual Basis – This basis of accounting attempts to record financial transactions in the period they occur rather than recording them in the period they are paid.

ACI – Airports Council International

Administrative Expenses – One of the main expense categories and includes the following: office supplies, computer supplies, postage, printing, memberships, and travel.

ADO – Airport Director's Office

AETRA – An airport customer satisfaction benchmarking program. (Not an acronym – derived from the Latin word for clear sky, upper sky.)

Agreement (The) – The Airline Agreement which expires on 12/31/10. This Agreement is the basis for airline rates and charges primarily the landing fee, ramp fee, carousel and conveyors, terminal building rates and the noise surcharge.

AIP Entitlements – Funding available under the FAA's Airport Improvement Program (AIP). Entitlement grants are based on the number of enplaning passengers and landed cargo weight.

AIP Grants – Noise – Funding available under the FAA's Airport Improvement Program (AIP). Environmental Mitigation Projects are discretionary grants that are approved on a project by project basis.

Airline Rates and Charges – One of the three main revenue categories. Includes all charges set by the Airline Agreement (landing fees, ramp fees, terminal rents, noise surcharge, and carousels & conveyors) plus other airline terminal rents.

AMSS – Airport Message Sending System

ANOMS – Airport Noise and Operations Monitoring System

AOA – Airport Operations Area

Apron – The extensive paved area immediately adjacent to the Terminal Building area and hangar area. Also referred to as Ramp.

ARFF - Aircraft Rescue Fire Fighting

ASIG – Aircraft Service International Group

AVI – Automated Vehicle Identification. Relates to Landside Operations.

Balanced Budget – Refers to Budgeted Operating Revenue equal to Budgeted Operating Expense plus depreciation.

BANS – Bond Anticipation Notes – Bonds/Notes issued as a short-term (less than 1 year) funding source in anticipation of a near term issuance of long term debts (bonds).

BIDS – Baggage Information Display System

Bonds – A formal promise to pay a specified principal at a certain date in the future along with periodic interest on that principal at a specified rate per period.

GLOSSARY – 2007 OPERATING BUDGET

CAD – Computer Aided Design

CSAC – Customer Service Action Council

CSOs – Community Service Officers

CUPPS – Common Use Passenger Processing System

Capital Equipment – Represents equipment with a cost of at least \$5,000 that will be depreciated.

Capital Expenditure – Refers to a project or piece of equipment that will be depreciated over its useful life (\$5,000 minimum cost).

Capital Improvement Program (CIP) – This program covers projects which will be started during the next two years. Also, a Capital Improvement Plan is used to project an additional five years' worth of projects. These serve as a basis for determining funding requirements and other operational planning decisions.

Capitalized Interest – Interest costs incurred from date of capital project commencement through date of beneficial occupancy (substantial completion).

The Commission – Metropolitan Airports Commission

Commercial Paper – Short-term debt obligation sold with maturity dates of 270 days or less.

Concessions – One of the three main revenue categories. This category includes: food and beverage, news & gifts, parking, auto rental, vending, ground transportation, telephones, and numerous other small lessees.

Concourse – The long hallway-like structure where loading and unloading of passengers takes place.

Connecting Passengers – Passengers who transfer to another flight - Mpls.-St. Paul International not being their final destination.

Construction Fund – A special account whose monies are used for capital project expenditures, including consulting fees, at all Commission facilities. (See Construction Budget.)

C.U.T.E. - Common Use Terminal Equipment - used for ticketing and gate use.

Debt Service – Represents issuer's obligation to repay the principal and interest.

Debt Service Account – An account which MAC is required by law to maintain whereby the balance on hand on October 10th of each year is equal to all principal and interest due on all Airport Improvement Bonds and General Obligation Revenue Bonds payable therefrom to the end of the second following year.

Debt Redemption Fund (Sinking Fund) – A special account whose monies are set aside to retire debt. (See Debt Service Budget.)

Defeased – Refers to Bond Refundings where the old debt is replaced by a new debt schedule - in most cases at a lower interest rate.

Deficit – Represents the negative difference between operating revenues less operating expenses (including depreciation).

Depreciation – The accounting process of allocating against periodic revenue the cost expiration of tangible plant, property and equipment over their useful lives.

GLOSSARY – 2007 OPERATING BUDGET

Derivative Financing Products – A transaction or contract whose value depends on or, as the name implies, derives from the value of underlying assets such as stock, bonds, or mortgages. One party with exposure to unwanted risk can pass some or all of the risk to a second party. The first party can assume a different risk from a second party, pay the second party to assume the risk, or as is often the case, create a combination. Derivatives are normally used to control exposure or risk.

DNL - Day Night Noise Level

DOT – Department of Transportation – FY05 Omnibus DOT Appropriation

DCS – Departure Control Systems

DTN – Data Transmission Network Corporation

Dual Track Process – The path designated by the Legislature that MAC and the Metropolitan Council will follow regarding a new airport. One track deals with a new airport whereas the other track deals with expansion of MSP International. The decision to expand MSP International was made in March 1996.

ECP – Environmental Compliance Program

EDS – Explosive Detection Systems - Machine that scans baggage for explosives.

EMS – Emergency Medical Services

Encumbered – Refers to the fact that funds have been committed for payment for goods or services.

Enplaned Passengers – The number of passengers boarding an aircraft, including originating and stopover or on-line transfer passengers.

Enterprise Fund – The cost (expenses including depreciation) of providing goods or services to the general public on a continuing basis is to be financed or recovered primarily through user charges. That is, operating and capital expenses are paid from revenues generated by users.

EPA – Environmental Protection Agency

EVIDS – Electrical Visual Information Display System

Exclusive Use – Space rented to a specific airline.

Exclusive Use–Janitored – With this space the Commission furnishes janitorial cleaning.

FAA – Federal Aviation Administration

FAA Regulation Part 36 – This regulation deals with noise standards, aircraft type, worthiness and certification.

FAA Regulation Part 150 – This regulation: a) establishes a uniform nationwide system of describing aircraft noise and noise exposure on different communities; b) describes land-use compatibility for the guidance of local communities; and c) provides technical assistance to airport operators and other governmental agencies to prepare and execute noise compatibility planning.

FD&E Committee - Finance, Development and Environment Committee composed of Commissioners meeting on a monthly basis.

FIDS – Flight Information Display System

FOD – Foreign Objects/Debris

GLOSSARY – 2007 OPERATING BUDGET

FTE – Full Time Equivalent – term referring to employee headcount.

Fuel Storage Facility – Operated by Airline Consortium and used to provide fuel to the airlines.

Funds – Refers to the Commission's three funds segregated for accounting purposes – Operating, Debt, and Construction.

Fund Balance – Refers to the balance (year-end) in the three Commission Funds (Operating, Debt and Construction).

GAAP (Generally Accepted Accounting Principles) – Conventions, rules and procedures necessary to describe accepted accounting practices at a particular time.

GASB 34 – Basis of Account – Effective January 1, 2002, the Commission adopted GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments, Statement No. 37, Basic Financial Statements – Management's Discussion and Analysis for State and Local Governments: Omnibus; and Statement No. 38, Certain Financial Statement Disclosures (GASB Statement No. 34). These statements establish comprehensive, new financial reporting requirements for governmental units. Under GASB Statement No. 34, the Commission is considered to be a special purpose government unit engaged primarily in business type activities (BTA). As a BTA, the Commission prepares its financial statements using the accrual basis of accounting and the economic resources measurement focus.

General Airport Revenue Bonds (GARBs) – These bonds are secured by the pledge of all operating revenues of the Commission subject to the prior pledges of such revenues for payment of General Obligation Revenue Bonds.

General Insurance – Part of the "Other" expense category. This includes insurance covering property, casualty, liability, crime, auto, and equipment.

General Obligation Bonds (GORBs) – General obligations of the Commission. Payments of these bonds are secured by the pledge of all operating revenues of the Commission. The Commission has the power to levy property taxes upon all taxable property in the seven-county Metropolitan Area in order to pay debt service on outstanding General Obligation Revenue Bonds.

GIS – Geographic Information System

GISW – Glycol Impacted Storm Water management

HHH Terminal – Hubert H. Humphrey Terminal – The Commission's second terminal where some international, some scheduled and most charter flights arrive and depart.

HRIS – Human Resources Information Systems

HVAC – Heating, Ventilating and Cooling System

IATA – International Air Transport Association

IMLA – International Municipal Lawyers Association

Imputed Interest – This rate is essentially a weighted average of all outstanding bond issue interest rates. It is used in the calculation of landing fees, ramp fees and terminal building rates.

IS – Information Systems

Issuance Costs – Represents costs associated with issuing debt. These include, but are not limited to, underwriter fees, consultant fees and bond insurance.

Landed Weight – Actual gross weight of a particular plane. The weights for all aircraft are published by the FAA.

GLOSSARY – 2007 OPERATING BUDGET

Landing Fees – This fee is charged to all airplanes that land at MSP. The fees are calculated by dividing total field and runway costs by total landed weight. (See Revenue Assumptions section.)

Lindbergh Terminal – The main terminal where most of the scheduled flights arrive and depart. Also referred to as the "Terminal Building".

Line Items – Refers to specific accounts (line items) within the Commission's accounting system.

Lobby Fees – These fees are a per passenger fee charged to airlines when they use the HHH Terminal.

LOI – Letter of Intent – Grant program by the FAA. Used for major projects and requires a separate application.

LRT – Light Rail Transit

M & O Committee - Management and Operations Committee composed of Commissioners meeting on a monthly basis.

MAC – Metropolitan Airports Commission

MAC Funds – Amounts generated from operations that the Commission intends to apply toward the cost of the 2010 Plan after payment of all operating expenses, debt service and other payment obligations.

Maintenance Expense – One of the main expense categories and includes five subdivisions: Trades building, field, equipment and cleaning.

Major Carriers – Those airlines which participate in the Airline Agreement. As of November 30, 2000, these include American, Air Tran, ATA, America West, Air Canada, Continental, Delta, Frontier, KLM, Northwest, TWA, United, U.S. Air, and Vanguard. In addition to these there are several freight carriers, charter carriers, and commuter carriers that participate in the airline agreement.

MALSR – Medium Approach Lighting System with a Rail (Runway alignment indicator lights)

MERF – Minneapolis Employees Retirement Fund

Minor Equipment – Includes items whose cost is less than \$5,000. These items are minor equipment, computers & accessories and office furniture.

MnDot – Minnesota Department of Transportation

MOU – Memorandum of Understanding

MSA – Metropolitan Statistical Area

MSP or MSP International – Minneapolis/St. Paul International Airport. This is the name used for the total airport facility.

MUFIDS – Multiple Users Flight Information Display

NIGP – National Institute of Governmental Purchasing

NOC - Noise Oversight Committee

Noise Surcharge – The surcharge established in the Airline Agreement. All Stage II and Stage III jet aircraft landings are subject to this surcharge.

NPDES – National Pollutant Discharge Elimination System

NOTAMS – Notice to Airmen System

GLOSSARY – 2007 OPERATING BUDGET

O & D Passengers – Originating and final destination passengers – originating passengers initiate their travel from Mpls./St. Paul International. Destination (final) passengers arrive at Mpls./St. Paul International and are not transferring to another flight.

NWA – Northwest Airlines

OAG – Official Airline Guide

Operating Fund – A special fund used to pay all operating expenses such as personnel, maintenance, utilities, supplies, insurance, miscellaneous, and equipment purchases. (See discussion on Operating Budget.)

Operating Services – One of the main expense categories and includes the parking management and contract, shuttle bus, advertising costs, copy agreement, bank charges, pollution control, service contracts, storm water monitoring and other charges.

Operation – The aircraft operation which represents a takeoff or landing.

OSHA – Occupational Safety and Health Administration

Other Expenses – One of the main expense categories and includes general insurance, safety materials and miscellaneous items.

Other Revenue – One of the three revenue categories and includes other building rents, ground rents, utilities, and miscellaneous items.

Passenger Facility Charge (PFC) – An authorization by Congress which allows proprietors of commercial service airports, such as MAC, to impose a passenger facility charge upon revenue passengers enplaning at those airports. The charge can be set at \$1.00, \$2.00, or \$3.00, \$4.00, or \$4.50. There are exemptions for passengers flying on Essential Air Service flights. The basis for the PFC is to provide needed supplemental revenues to expedite the improvement of airport facilities used by passengers to mitigate noise impacts and to expand airport system capacity. MAC's initial application was approved with charges starting June 1, 1992. On April 1, 2001 the level of PFC's charged by MAC will go to \$4.50. The Commission filed its 6th application in September of 2002.

PERA – Public Employees Retirement Association

Personnel – One of the main expense categories and includes all wages, salaries and benefits.

Professional Services – This expense category refers to various types of professionals, such as architects, engineers, auditors, lawyers, and other specialists hired during the year to perform studies or required work and make recommendations based upon their findings.

RFP – Request for Proposals

RFQ – Request for Qualifications

RAAC – Reliever Airports Advisory Council

Ramp Fees – A fee charged to a particular airline for exclusive use of a specific area of ramp, calculated by dividing the total estimated costs in the appropriate cost center by the number of lineal feet of ramp space. Also referred to as Apron Area.

Reimbursed Expense – Costs paid by the Commission initially and then billed back to tenants. (This is recorded in "Other Revenue".)

Reliever Airports – Refers to St. Paul Downtown, Flying Cloud, Crystal, Anoka, Lake Elmo, and Airlake Airports. These airports provide facilities for general aviation activity and reduce traffic and congestion at MSP International.

GLOSSARY – 2007 OPERATING BUDGET

Revenue Bonds – Represent bonds that are paid with an entity's operating revenue generated from rents, fees and charges.

SAAC – Secured Area Access Control System

SCAN – Spot, Challenge and Notify – An airport employee watch guard program

Scope – Non-traditional or derivative financial products are those products other than traditional long-term fixed rate debt obligations and traditional short-term variable rate products (including variable rate demand obligations, commercial paper and auction rate notes). Such non-traditional financial products include, but are not limited to, "swaps", "swaptions", "municipal warrants" and "interest rate caps".

Self-Liquidating Rents – Fees received for the rental of facilities constructed for a specific airline or tenant; leases or lease amendments are negotiated for each facility to assure that the payment of all associated costs of constructing, financing and maintaining it are reimbursed to the Commission.

Service Center – The Commission's terminology for a specific department in order to keep track of costs.

Seven County Metropolitan Area – The counties surrounding and including the cities of Minneapolis, St. Paul and MSP International. The counties include Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

SIDA – Security Identification Display Area

Signatory Carriers/Airlines – Refers to those carriers/airlines who have signed the Airline Agreement. This includes carriers/airlines from the major, commuter, charter, and cargo/freight carrier categories.

Sinking Fund – A special account whose monies are set aside to retire debt.

Snow Removal – An expense account under the Maintenance Expense category. All costs associated with removal of snow, with the exception of labor, flow into this account. These costs include materials such as salt, urea, sand, and equipment rental used for both hauling and plowing snow.

Southwest Cargo Area – An area constructed for parking or maintenance by cargo and charter companies. Currently occupied by Federal Express, Sun Country, Mesaba and Signature.

Stage II Aircraft – The second-level "stage" description used by FAA Regulation 36 to identify "middle-aged" and noisy jet aircraft. The Stage II aircraft make up the bulk of the U.S. domestic fleet. (Examples of Stage II Aircraft include Boeing 727s, some 747s, and McDonnell Douglas DC9s.)

Stage III Aircraft – The new generation of "quiet" jet aircraft which comply to the latest noise standards of the FAA Regulation Part 35. (Examples of Stage III Aircraft include Boeing 757s, 767s, 747-200s, McDonnell Douglas DC10s, DC9-80s, and the Lockheed L-1011s.)

STP – St. Paul Reliever Airport

Subledger - Commission terminology for grouping expenses from various service centers to determine rates and charges for tenants and users of the MAC facilities.

Subordinated Debt – Debt that is paid after Senior obligations have been met.

Surplus – Represents the positive difference between operating revenues less operating expenses (including depreciation).

SWOT – An analysis that provides information that is helpful in matching the firm's resources and capabilities to the competition.

GLOSSARY – 2007 OPERATING BUDGET

TSA – Transportation Security Administration

Taxiway – Paved areas on the airport to be primarily used for ground movements of aircraft to, from, and between runways, ramp and apron space, and storage areas.

Unencumbered – Funds not yet committed for purchase of goods or services.

Utilities/Expense – One of the major expense categories. Included in this section are electricity, telephone, water, sewer, and fuel. (Fuel includes both natural gas and fuel oil.)

VALE – Voluntary Airports Low Emission

VOR – Visual Omni-Directional Radio

WMD – Weapons of Mass Destruction

Wold–Chamberlain Field (WCF) – The airfield itself excluding the Terminal Building.

Working Capital – Current assets minus current liabilities.