

***Minneapolis/St. Paul Minnesota \* Metropolitan Airports Commission***



***2009 Operating Budget***





**Drawing by:**  
**Great Nephew:**

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**Jan Nielsen**  
**Human Resources**





## *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
- Teamwork



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**BUDGET MESSAGE – 2009 OPERATING BUDGET**

December 15, 2008

To The Public:

We are pleased to present the 2009 Metropolitan Airports Commission budget which was adopted by the Commission on December 15, 2008. Total operating revenue for 2009 is projected to be \$252,027,113 and operating expense is \$251,988,002. The fourth quarter of 2008 and the final preparation of the 2009 Budget continued to be a very difficult time for all involved in the air transportation system.

When staff began the 2009 Budget process last summer, the economic forecast continued to deteriorate. There was still concern over when the aviation industry would begin to recover. In addition, general economic forecasts went from bad to worse. The Finance, Development and Environment Committee, staff and the airlines worked very hard to put together a budget package for 2009.

A number of significant issues were presented to staff and the Commission throughout the year. Some of these include: Implementation of the Noise Lawsuit Settlement, Financial Market Turmoil, Concessions Contracts, Sun Country Airlines Bankruptcy and, to a much greater degree, the Delta acquisition of Northwest Airlines. Associated with the approval by the Department of Justice for the acquisition of Northwest Airlines by Delta Airlines were a number of key issues in various Northwest Airlines leases/agreements with the Commission. Some of the key components which required negotiation include:

**Hub Covenant – Jobs and Service**

The new agreement increases the number of guaranteed flights in total from 187/227 (different agreements) to 400. In addition, the number of flights with aircraft having 70 or more seats increased from 227 to 250. With regard to jobs, the current minimum limit was 17,883. However, through the force majeure clause, this number is significantly less. Through the acquisition, the number was likely to fall further. The newly agreed upon number is 10,000 jobs. In addition, a commitment was made to keep certain functions here. These include: “Delta North” Headquarters, (New) Headquarters, Pilot and Flight Attendant Bases, Data Center, Pilot Training Center, MSP Operations and Chisholm/Twin Cities Reservation Centers.

**Headquarters Covenant**

In exchange for the elimination of the headquarters, a number of functions will be newly established or remain here. (See Hub Covenant above.)

**Financial**

In the General Obligation Series 15 documents Northwest was required to pay these bonds off immediately (12-18 months) if the headquarters went away. The new agreement has added replacement facilities as well as requiring these bonds to be paid in full in 2016 rather than 2022. (See Hub Covenant above.) Also, there is a change in the Building C rent requiring an increase of \$500,000 from 2009 through 2014 and another increase of \$500,000 in 2015. The last financial element is that MAC will finance \$10 million of improvements for the Building C facility which will be paid back over twenty years.

The components listed above were negotiated between staff (at the direction of the Commission) and representatives of Delta Airlines. These negotiations were lengthy and intense. The end result was one in which both parties won and lost items; however, the Commission preserved the Hub (service) and a significant number of jobs.

Following are overviews of the Commission/Committees, Finance, Development and Environment Committee actions in 2008, Budget Targets, Fund Overview (Operating, Construction and Debt) and the Future Outlook.

**BUDGET MESSAGE – 2009 OPERATING BUDGET****COMMISSION/COMMITTEE STRUCTURE**

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

<b>Committee</b>	<b>Meeting Time</b>	<b>Meeting Place</b>
Finance, Development & Environment	Meetings are held on the first Wednesday following the first Monday of each month at 10:00 a.m.	Lindbergh Terminal
Management & Operations	Meetings are held on the first Wednesday following the first 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

**FINANCE, DEVELOPMENT AND ENVIRONMENT COMMITTEE**

During 2008, 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 2007 Expenditures
  - Distribution of 2007 Net Revenues/Unrestricted Cash
  - 2009 Budget Targets
  - 2009 Preliminary and Final Budgets
- Capital Budget (Program)
  - Contractor Payments
  - Contractor Bids
  - Project Adjustments
  - Environmental Issues
  - Federal & State Grants
  - 2009 – 2015 Capital Program
- Bonds/Debt/Capital Funding
  - Take out of 2004A Auction Rate Bonds
  - 2008 Series A Bond Refunding (1998B)
  - Capital Plan Funding
  - Noise Program Funding Settlement
- Other
  - Jet Bridge/Luggage Handling System Acquisitions
  - 2007 Airline Concessions Credit
  - Northwest Acquisition by Delta
  - Agreement amendments associated with the acquisition

**BUDGET MESSAGE – 2009 OPERATING BUDGET**

With regard to the Operating Budget for 2009, in June the Commission established the following general financial targets based upon discussion/recommendations from staff and the FD&E Committee:

<b>Target 1:</b>	Senior Debt Coverage ratio maintained at not less than 1.4x
<b>Result:</b>	2.28 (without transfer) (Met)
<b>Target 2:</b>	Maintain 6-month reserve in the Operating Fund
<b>Result:</b>	\$65,369,001 (transfer will be made 1/2/09) (Met)
<b>Target 3:</b>	Airline Cost/Enplaned Passenger will be in lower half of large hub airports
<b>Result:</b>	MSP ranked 10 <sup>th</sup> (\$6.14) out of 29 airports listed. (Range for 29 airports \$1.10 to \$18.58 with an average of \$8.88.)
<b>Target 4:</b>	Net Revenues, excluding Depreciation, will be greater than estimated 2008.
<b>Result:</b>	Net Revenues for 2007 are \$113,610,000 Net Revenues for Estimate 2008 are \$119,212,000 Net Revenues for Budget 2009 are \$121,289,000

All targets were met.

**BUDGET MESSAGE – 2009 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 (\$65.4 million as of 1/1/09). 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 below shows a consolidated schedule of all funds. The individual sections of this table are shown and explained in their respective areas of this document.

<b>Consolidated Enterprise Fund</b> \$ = 000	<b>2007</b> <b>Actual</b>	<b>2008</b> <b>Estimated</b>	<b>2008</b> <b>Budget</b>	<b>2009</b> <b>Budget</b>	<b>2010</b> <b>Projection</b>	<b>2011</b> <b>Projection</b>
<b>Sources All Funds</b>						
Total All Balances 1	\$ 636,205	\$ 573,831	\$ 635,464	\$ 468,312	\$ 475,039	\$ 441,090
Operating Fund Revenues						
Airline Rates & Charges	75,294	82,776	81,922	86,193	86,704	89,676
Concessions	113,794	112,175	119,103	115,364	116,607	117,773
Other Operating Revenues	49,163	51,700	53,598	50,470	51,435	52,281
Interest Earnings	15,157	15,954	9,335	10,100	10,000	10,000
Other & Self-Liquidating Revenue	4,389	9,839	3,200	3,560	3,700	3,900
Construction Fund Revenues						
PFC Funding	67,022	64,252	64,059	62,514	63,139	63,772
Federal Grants	9,882	17,820	14,363	21,925	5,900	1,500
State Grants	585	1,581	7,400	1,500	1,500	1,500
Interest Earnings	16,344	7,819	8,819	4,799	4,836	4,097
Bond Proceeds	0	0	0	0	0	0
Commercial Paper Program	0	0	20,150	13,400	15,750	22,900
Other Receipts	500	0	0	27,200	13,700	5,400
Federal Letter of Intent (LOI)	0	12,000	5,000	5,000	5,000	0
Transfers In	45,711	55,729	46,837	47,119	45,750	39,450
Debt Fund Revenues						
Interest Earnings	11,222	7,982	7,400	5,032	5,034	5,093
Bond Proceeds	638,593	73,337	0	0	0	0
Self-Liquidating Payments	26,115	27,164	26,370	27,170	27,487	27,777
Transfers In (PFCs and Garb Require.)	101,760	104,072	110,078	105,115	103,040	108,304
Total All Receipts	\$ 1,811,736	\$ 1,218,031	\$ 1,213,098	\$ 1,054,773	\$ 1,034,621	\$ 994,513
<b>Uses All Funds</b>						
Operating Fund Expenses						
Personnel	(56,278)	(58,439)	(61,721)	(61,138)	(63,695)	(66,370)
Administration	(1,538)	(1,475)	(1,728)	(1,584)	(1,647)	(1,696)
Professional Services	(4,474)	(5,350)	(6,052)	(5,230)	(5,436)	(5,599)
Utilities	(16,466)	(18,525)	(16,574)	(18,610)	(19,514)	(20,334)
Operating Services	(15,437)	(17,325)	(18,938)	(16,953)	(17,568)	(18,095)
Maintenance	(21,527)	(22,950)	(23,264)	(24,467)	(25,446)	(26,210)
Other/Insurance	(8,922)	(3,375)	(3,702)	(2,756)	(2,800)	(2,884)
Equipment	(11,691)	(8,687)	(8,405)	(6,095)	(6,550)	(6,900)
Transfers Out - Debt	(76,439)	(77,173)	(79,937)	(79,051)	(77,499)	(83,272)
Transfers Out - Construction	(45,711)	(55,729)	(46,837)	(47,119)	(45,750)	(39,450)
Working Capital/Other	4,425	(4,118)	3,580	0	0	0
Construction Fund Expenses						
Capital Project Costs	(140,258)	(182,774)	(139,775)	(114,097)	(121,871)	(113,935)
Commercial Paper	0	(12,000)	(7,500)	(5,000)	(7,500)	0
Debt Service Reserve	(27,379)	(28,399)	(32,141)	(28,064)	(28,041)	(32,277)
Capitalized Interest	0	0	0	0	0	0
Prior Approved Pay Go PFCs	(39,643)	(35,853)	(31,918)	(34,450)	(35,098)	(31,495)
Debt Fund Expenses						
Bond Series 2007A/B Refunding	(640,090)	(82,147)	0	0	0	0
Bond Principal & Interest Payments	(136,477)	(135,400)	(143,018)	(135,120)	(135,116)	(135,317)
Total All Costs	(1,237,905)	\$ (749,719)	\$ (617,930)	\$ (579,734)	\$ (593,531)	\$ (583,834)
Net Balance All Funds	\$ 573,831	\$ 468,312	\$ 595,168	\$ 475,039	\$ 441,090	\$ 410,679
1 Includes Operating Fund, Construction Fund and Debt Service Fund.						

**BUDGET MESSAGE – 2009 OPERATING BUDGET****OPERATING BUDGET**

Staff prepared the budget based on the current conditions of the aviation industry, the general economy and the current Airline Use and Lease Agreement including the signed Third Amendment. 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 2007 Actual, 2008 Estimate, 2008 Budget, and 2009 Budget Revenue and Expenses. (It does not include non-operating items such as interest income, other & self-liquidating revenue equipment purchases or transfers.)

<b>2008 OPERATING BUDGET SUMMARY - 2008 OPERATING BUDGET</b>						
<b>\$ = 000</b>						
	<b>2007 Actual</b>	<b>2008 Estimate</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>2008 Estimate vs 2009 Budget Comparison</b>	
					<b>Dollars</b>	<b>Percentage</b>
<b>OPERATING REVENUE</b>						
Airline Rates and Charges	\$ 85,454	\$ 92,876	\$ 92,944	\$ 95,293	\$ 2,417	2.6%
Concessions	\$ 113,794	\$ 112,175	\$ 119,103	\$ 115,364	\$ 3,189	2.8%
Other	\$ 49,163	\$ 51,700	\$ 53,598	\$ 50,470	\$ (1,230)	-2.4%
Airline Concessions Credit	\$ (10,160)	(10,100)	(11,022)	(9,100)	1,000	-9.9%
<b>Total Operating Revenue</b>	<b>\$ 238,251</b>	<b>\$ 246,651</b>	<b>\$ 254,623</b>	<b>\$ 252,027</b>	<b>\$ 5,376</b>	<b>2.2%</b>
<b>OPERATING EXPENSE</b>						
Personnel	\$ (56,278)	\$ (58,439)	\$ (61,721)	\$ (61,138)	\$ (2,699)	4.6%
Administrative Expenses	\$ (1,538)	\$ (1,475)	\$ (1,728)	\$ (1,584)	\$ (109)	7.4%
Professional Services	\$ (4,474)	\$ (5,350)	\$ (6,052)	\$ (5,230)	\$ 120	-2.2%
Utilities	\$ (16,466)	\$ (18,525)	\$ (16,574)	\$ (18,610)	\$ (85)	0.5%
Operating Services	\$ (15,437)	\$ (17,325)	\$ (18,938)	\$ (16,953)	\$ 372	-2.1%
Maintenance	\$ (21,527)	\$ (22,950)	\$ (23,264)	\$ (24,467)	\$ (1,517)	6.6%
Other	\$ (8,922)	\$ (3,375)	\$ (3,702)	\$ (2,756)	\$ 619	-18.3%
<b>Total Operating Expenses</b>	<b>\$ (124,642)</b>	<b>\$ (127,439)</b>	<b>\$ (131,979)</b>	<b>\$ (130,738)</b>	<b>\$ (3,299)</b>	<b>2.6%</b>
<b>(Excludes Depreciation)</b>						
Gross Depreciation	(115,328)	(119,100)	(120,000)	(121,250)	(2,150)	1.8%
<b>Total Expenses</b>	<b>\$ (239,970)</b>	<b>\$ (246,539)</b>	<b>\$ (251,979)</b>	<b>\$ (251,988)</b>	<b>\$ (5,449)</b>	<b>2.2%</b>
<b>Net Revenues*</b>	<b>\$ (1,719)</b>	<b>\$ 112</b>	<b>\$ 2,644</b>	<b>\$ 39</b>	<b>\$ (73)</b>	

\*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. Airline rates and charges incorporate fully the revised calculation using Debt Service rather than Depreciation and Interest including the Airline Concessions credit portion. In total this area will increase \$3.4 million (\$2.4 million Airline Rates & Charges plus \$1.0 million change in Airline Concessions credit) which can be attributed to expenses. (The majority of the Airline Rates & Charges are calculated based on expenses - See Revenue Assumptions – Airline Rates and Charges.) Concessions are projected to increase \$3.2 million from the 2008 estimate due to Parking (rate increase) and implementation of the final phases of the new Concessions Program (See Revenue Assumptions – Concessions). Other Revenue is forecast to decrease \$1.2 million. This decrease can be attributed to reduced activity at the Humphrey Terminal (Sun Country Airlines, Air Tran, Midwest and Iceland Air) and other building rentals which increased – primarily due to space and facility changes. (See Revenue Assumptions – Other.)

Personnel expenses are up four percent or \$2.6 million due to wage and contract adjustments, additional employees and reducing the vacancy factor. Administrative Expenses are up due to supplies, particularly badging. The decrease in Professional Services can be attributed to Planning/Engineering and Reliever Airport Zoning. Utilities are expected to increase \$.1 million due to natural gas prices and fuel clause adjustment changes. Service Agreements associated with the Parking Management Contract, Computer Services (extended service to 24/7/365 coverage), Loading Dock and Information Systems are the primary reason for Operating Services increasing \$.4 million. Maintenance Expenses show an increase of \$1.5 million. This is due to a variety of items including new mechanical contracts and budgeting for average winter snow and weather conditions. Other Expense is forecast to be down \$.6 million. This can be attributed primarily to decreased purchases for minor equipment. (See Expense Assumptions section for detailed explanation of all categories.)

**BUDGET MESSAGE – 2009 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 2009 total \$127.1 million. 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 2009 compared with 2008 is as follows:

<b>CAPITAL IMPROVEMENT PLAN (CIP) SUMMARY (\$=000)</b>		
	<b><u>2009</u></b>	<b><u>2008</u></b>
Minneapolis/St. Paul International Airport		
Field & Runway	\$ 35,000	\$ 24,620
Environmental/Noise	\$ 18,000	\$ 7,800
Terminals & Landside	\$ 58,925	\$ 69,105
Total Minneapolis-St. Paul International	\$ 111,925	\$ 101,525
Reliever Airports	\$ 15,190	\$ 19,620
Total All Airports	\$ 127,115	\$ 121,145

As stated earlier, the industry economic conditions and forecasts continue to impact the construction program for 2009. Only essential projects (primarily rehab or repair) or specific projects agreed upon between MAC and the tenants will move forward. These total approximately \$127.1 million. The Capital Program, as presented to the Commission (and approved), totaled approximately \$979 million for the period 2009 – 2015. Some of the major components of this plan are \$77 million for the Noise Mitigation Program based on the various settlements, Lindbergh and Humphrey Terminal modifications associated with “Demand Driven” expansion (passenger traffic increase must justify the expansion) - \$350 million, Parking Facility expansions in phases - \$112 million, a new relocated Control Tower (Demand Driven) - \$60 million and Reliever Airport improvements - \$51.5 million.



***Minneapolis-St. Paul International Airport – Parking Facilities***



**BUDGET MESSAGE – 2009 OPERATING BUDGET****DEBT ACTIVITY**Commercial 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 \$33.9 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 increase in 2009 through 2015. The increase can be attributed to the use of Commercial Paper to fund a portion of the Terminal Building projects. Based on changes in market conditions, fees for Letter of Credit Providers were reduced greatly in 2007. Staff reviewed this area during the second quarter of 2007 to determine if it was economical to re-bid the Commercial Paper Agreements. The Agreements were re-bid for the same period of time with significantly reduced fees.

2007 Long Term Debt Activity

In late 2007 staff reviewed the possibility of a current refunding of the 1998B Bonds and a forward refunding of the 1999B Bonds. Market conditions in early December 2007 were extremely favorable for both transactions. However, at the time all documents were finalized, the market retreated. In early 2008 a window of opportunity opened for the refunding of the 1998B Bonds and the transaction was completed with present value savings of 3.32%. The forward refunding of the 1999B Bonds has not yet moved ahead based on market conditions. There were no new long term debt issuances in 2007.

2008 Long Term Debt Activity

In early 2008, the market for shorter term securities, in particular Auction Rate Securities, had deteriorated. Auctions for these securities either were failing or moving forward with a significant interest rate penalty. Staff evaluated three alternatives: Convert the debt to Long Term, convert the debt to another mode of Short Term or pay off/take out the bonds. As instability and fluctuation continued in the financial markets during January and February 2008, staff decided to pay off/take out the Subordinate 2004A Auction Rate Security Bonds.

2009 Long Term Debt Activity

At the time the budget was approved, there were no plans to issue any new long term debt. This, however, could change based upon two factors: 1) Expansion plans/commitments from Delta Airlines or 2) Action by the Legislature dealing with Alternative Minimum Tax (AMT) debt.

**BUDGET MESSAGE – 2009 OPERATING BUDGET****FUTURE OUTLOOK**

There are three key issues which will have a significant impact on MAC operations in 2009. The first, and by far most important, is the continued economic situation and stabilization in the airline industry. The second issue is the environment. The third issue is Strategic Planning/Goals and Objectives.

**Economic Situation and Airline Stabilization**

The current economic situation has, and will continue to have, far-reaching impacts on the Metropolitan Airports Commission. Each development seems to have a multiplier effect that results in compounding negative impacts that create less than positive outcomes. In response to recent trends, the Metropolitan Airports Commission is curbing spending by cutting expenditures in order to accommodate imbedded increases, reducing authorized headcount, controlling wage increases, limiting travel and reviewing all processes. All of these activities, plus additional future efforts, will be implemented to hold down costs to our partners – the airlines and tenants. This will be accomplished while continuing to maintain the highest safety standards and superior customer service.

**Environment**

As we continue to move forward, it is apparent that the industry needs to be cognizant of the impact our actions have on the environment. MAC has and will continue to evaluate opportunities to become more “green.” Some of the areas that the Commission has taken action on include energy improvement projects. Working directly with our utility companies, MAC has reduced electrical costs and heating/cooling costs by replacing equipment, upgrading equipment and lighting fixtures. In order to focus more directly on this issue, the “STAR” team was formed. The acronym STAR stands for Stewards of Tomorrow’s Airport Resources. Some of the areas identified to study include alternative fuel sources (wind/solar), electric vehicles, geothermal heating/cooling, recapture or use of rainwater and energy improvements in facilities.

**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, ongoing 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, 2008.

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.

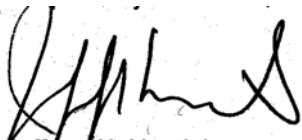
The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

**GFOA AWARD – 2009 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 2009 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  
Deputy Executive Director –  
Finance & Administrative Services



**OTHER AWARDS – 2009 OPERATING BUDGET**

<b>Metropolitan Airports Commission Awards</b>			
<b>Year</b>	<b>Source of Award</b>	<b>AWARD</b>	<b>Group Judged/Rated</b>
2009	American Council of Engineering Companies of MN	Honor Award – Engineered Materials Arrestor System Installation – St. Paul Downtown Airport	Various Projects Designed by Minnesota Engineering Companies
2008	MN Concrete & Masonry Contractors Association	Excellence in Concrete & Masonry for the columns wrap portion of the Humphrey Parking Terminal Expansion BP-001	Commercial-Functional category
2008, 2007, 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.
2008, 2007, 2006, 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.
2008	Airports Council Int'l – North America – 2008 Concessions Conference Awards	Best “Green” Concession Practice or Concept Award for STAR Environmental Sustainability program	Airports
2008	Airports Council Int'l – North America – 2008 Concessions Conference Awards	Best “Green” Concession Practice Award – MAC’s Grease Recycling Program	Airports
2008	Airports Council Int'l – North America – 2008 Concessions Conference Awards	Best New Retail Concept – TALIE (Contemporary Jewelry and Giftware Concession)	Airports
2008	Airports Council Int'l – North America	Excellence in Airport Marketing & Communications – 3 <sup>rd</sup> Place – MSP Concessions Website	Airports
2008	Airports Council Int'l – North America	Outreach, Education and Community Involvement Award – Stewards of Tomorrow’s Airport Resources (STAR) Program	Airports
2008	American Concrete Paving Association	Merit Award – Runway 12R-30L Segment 2 Reconstruction	Airports
2008	MN Society of Professional Engineers (MSPE)	Seven Wonders of Engineering – Humphrey Parking Ramp	Minnesota Engineering Projects
2007	Minnesota Safety Council	Outstanding Achievement Award/Governor’s Award for Occupational Safety	Entities throughout the State of Minnesota
2007	Minnesota Society of Professional Engineers	Merit Award – MSP Runway 12R-30L Reconstruction Segment 2	Seven Wonders of Engineering
2007	Minnesota Department of Transportation	Merit Award – MSP Runway 12R-30L Reconstruction Segment 2	Commercial Service and Military Airports (Category 8)
2007, 2006	CenterPoint Energy	Conservation Customer of the Year	Recognized as dramatically improving the energy efficiency of the heating and cooling plant at MSP.

**OTHER AWARDS – 2009 OPERATING BUDGET**

<b>Metropolitan Airports Commission Awards</b>			
<b>Year</b>	<b>Source of Award</b>	<b>AWARD</b>	<b>Group Judged/Rated</b>
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 <sup>rd</sup> 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)
2007	US Police Canine Association (USPCA)	1 <sup>st</sup> Place – Region 12 Narcotic Detection Team	Regional K-9 competition (police officers and K-9 partners)

**OTHER AWARDS – 2009 OPERATING BUDGET**

<b>Metropolitan Airports Commission Awards</b>			
<b>Year</b>	<b>Source of Award</b>	<b>AWARD</b>	<b>Group Judged/Rated</b>
2007	US Police Canine Association (USPCA)	2 <sup>nd</sup> Place – Narcotic Detection Department Team	National K-9 competition (police officers and K-9 partners)
2007	US Police Canine Association (USPCA)	4 <sup>th</sup> Best in the Country – Overall Search Nationwide	National K-9 competition (police officers and K-9 partners)
2007	Airports Council International	1 <sup>st</sup> Place – Marketing Campaigns – MSP Sure Park real-time parking availability information program	ACI-North America Excellence in Marketing and Communications Contest
2007	Airports Council International	1 <sup>st</sup> Place – Radio Advertising– MSP Sure Park real-time parking availability information program	ACI-North America Excellence in Marketing and Communications Contest
2007	Airports Council International	1 <sup>st</sup> Place – Creative Innovations Using Technology – MSP Sure Park real-time parking availability information program	ACI-North America Excellence in Marketing and Communications Contest
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
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

**OTHER AWARDS – 2009 OPERATING BUDGET**

<b>Metropolitan Airports Commission Awards</b>			
<b>Year</b>	<b>Source of Award</b>	<b>AWARD</b>	<b>Group Judged/Rated</b>
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
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.
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.
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	

**OTHER AWARDS – 2009 OPERATING BUDGET**

<b>Metropolitan Airports Commission Awards</b>			
<b>Year</b>	<b>Source of Award</b>	<b>AWARD</b>	<b>Group Judged/Rated</b>
2000	Airport Retail News	Best New or Renovated Enclosed Center	
2000	American Consulting Engineers Council	Engineering Excellence Award	
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	



<b>2008 ORGANIZATIONAL GOALS &amp; OBJECTIVES – PROGRESS REPORT</b>
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## 2008-2012 Organizational Strategies

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

<b>Strategy</b>	<b>Goal</b>	<b>2008 Key Initiatives</b>	<b>Results</b>
<b>Enhance Customer Service</b>	Ensure that MAC provides and champions excellent customer service.	Increase customer satisfaction at MSP.	<ul style="list-style-type: none"> <li>Improved customer satisfaction levels and decreased complaints.</li> </ul>
		Improve Reliever Airport System customer service levels.	<ul style="list-style-type: none"> <li>Customer Service enhancements are developed to address identified needs.</li> </ul>
		Promote Reliever Airports to the general aviation community.	<ul style="list-style-type: none"> <li>Increased awareness of the facilities available and benefits of using the Reliever System.</li> </ul>
		Promote MSP to international and domestic airlines.	<ul style="list-style-type: none"> <li>Increased options via non-stop flights to preferred destinations.</li> </ul>
<b>Match Employee Talent with Changing Business Needs</b>	Ensure that MAC has the right people with the right skills and experience to fulfill its mission.	Ensure MAC's ability to attract and retain quality talent.	<ul style="list-style-type: none"> <li>MAC remains competitive in this job market and has been able to attract and retain quality talent.</li> </ul>
		Expand employee training and development programs.	<ul style="list-style-type: none"> <li>Management, leadership and computer training were expanded.</li> </ul>
		Expand transition planning to mid-level positions.	<ul style="list-style-type: none"> <li>Initial phase of mid-level transition planning has begun.</li> </ul>
<b>Ensure Long Term Financial Viability</b>	Ensure MAC has the financial resources necessary to operate our airport system and meet all debt service obligations and maintain our AA-bond rating.	Improve effectiveness through cost-saving measures, process improvement, cost/benefit analysis, and assessment.	<ul style="list-style-type: none"> <li>Over two hundred and fifty cost saving and revenue generating ideas have been generated.</li> <li>Many of these ideas are now being implemented.</li> </ul>
		Initiate three-year business planning and budgeting linked to the strategic plan.	<ul style="list-style-type: none"> <li>This initiative was not reach. We continue to work toward more long range planning at the departmental level.</li> </ul>
		Increase non-aeronautical revenue and funding.	<ul style="list-style-type: none"> <li>Non-aeronautical revenue as a percent of total revenue increased and new revenue streams were identified.</li> </ul>

## 2008 ORGANIZATIONAL GOALS &amp; OBJECTIVES – PROGRESS REPORT

<b>Strategy</b>	<b>Goal</b>	<b>2008 Key Initiatives</b>	<b>Results</b>
<b>Leverage Technology</b>	Improve performance, increase productivity and deliver cost effective services.	Upgrade financial, human resources, payroll and project accounting systems.	<ul style="list-style-type: none"> <li>Initial phases of changeover to a new enterprise system have been completed.</li> <li>The system is operational.</li> </ul>
		Install new automated learning management systems.	<ul style="list-style-type: none"> <li>This initiative has been delayed to the second half of 2009.</li> </ul>
		Identify future opportunities for leveraging resources and technology.	<ul style="list-style-type: none"> <li>Plans developed for strategic investment in resources and technology.</li> </ul>
<b>Strengthen Partnerships and Alliances</b>	Strengthen our effectiveness through interdepartmental relationships and alliances with regional businesses, public agencies and governmental units.	Implement the 60-65 DNL noise abatement program.	<ul style="list-style-type: none"> <li>Initial phases of the program implemented and we are on target to meet our deadline for completion.</li> </ul>
		Proactively build public support for MAC policies and initiatives through outreach activities.	<ul style="list-style-type: none"> <li>Outreach efforts have enhanced understanding of MAC's positions and activities.</li> </ul>
		Expand relationships with the regional business communities.	<ul style="list-style-type: none"> <li>Outreach efforts have resulted in greater shared understanding between MAC and the regional business communities.</li> </ul>

<b>2009 ORGANIZATIONAL GOALS &amp; OBJECTIVES</b>
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## 2009-2013 Organizational Strategies

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

<b>Strategy</b>	<b>Goal</b>	<b>2009 Key Initiatives</b>	<b>Measurable Outcome</b>
<b>Enhance Customer Service</b>	Ensure that MAC provides and champions excellent customer service.	Launch a MSP airport-wide customer service program in partnership with the Customer Service Action Counsel.	Enhanced passenger experience throughout the terminals resulting in: <ul style="list-style-type: none"> <li>Increased non-aeronautical revenue per enplaned passenger</li> <li>Higher customer service rating on the Airport Service Quality (ASQ) survey</li> <li>Increased customer feedback</li> <li>Increased selection of MSP as the airport of choice for connecting passengers</li> </ul>
<b>Match Employee Talent with Changing Business Needs</b>	Ensure that MAC has the right people with the right skills and experience to fulfill its mission.	Due to economic conditions, there are no organizational key initiatives for this strategy in 2009.	N/A
<b>Ensure Long Term Financial Viability</b>	Ensure MAC has the financial resources necessary to operate our airport system and meet all debt service obligations and maintain our AA-bond rating.	Maximize our region's economic interests through the Delta/NWA acquisition.	<ul style="list-style-type: none"> <li>Strengthened MSP hub status, service levels, and industry related jobs.</li> </ul>
		Develop new non-aeronautical business development opportunities at the Reliever Airports.	<ul style="list-style-type: none"> <li>Award at least three contracts that result in increased non-aeronautical revenue from the reliever system.</li> </ul>
		Inaugurate the next phase of the STAR, Stewards of Tomorrow's Airport Resources, Program.	Improved efficiencies through financially viable projects and activities. <ul style="list-style-type: none"> <li>Complete next two phases of the Energy Conservation Program</li> <li>Implement at least five STAR Initiative administrative policies</li> <li>Develop a MAC alternative energy policy and supporting program</li> <li>Implement construction and fleet emissions reduction guidelines</li> </ul>
		Initiate a marketing campaign for MSP and Reliever Airports.	<ul style="list-style-type: none"> <li>Increased aeronautical and non-aeronautical revenue.</li> </ul>

<b>2009 ORGANIZATIONAL GOALS &amp; OBJECTIVES</b>
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<b>Strategy</b>	<b>Goal</b>	<b>2009 Key Initiatives</b>	<b>Measurable Outcome</b>
<b>Leverage Technology</b>	Improve performance, increase productivity and deliver cost effective services.	Due to economic conditions, there are no organizational key initiatives for this strategy in 2009.	N/A
<b>Strengthen Partnerships and Alliances</b>	Strengthen our effectiveness through interdepartmental relationships and alliances with regional businesses, public agencies and governmental units.	Due to economic conditions, there are no organizational key initiatives for this strategy in 2009.	N/A

<b>2009 ORGANIZATIONAL GOALS &amp; OBJECTIVES KEY SUCCESS MEASURES</b>
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Results	2004	2005	2006	2007	2008
<b>Safety</b>					
♦ <b>MSP Runway Incursions &amp; Airfield Violations</b>					
■ Airfield Operations Area (AOA) Violations	4	3	13	5	2
■ Citations Issued	21	35	43	79	58
■ Warning Citations Issued	80	56	47	35	6
■ Runway Incursions	1	1	0	0	0
♦ <b>Employee Accidents &amp; Incidents</b>					
■ Total Employee Injuries	82	91	107	84	71
■ OSHA Recordable Injuries	33	29	34	28	24
■ Injuries Per FTE**	0.15	0.15	0.19	0.15	.12
■ Lost Work Days Per FTE**	0.61	0.69	0.41	0.33	0.05
■ Workers Comp Experience Rating Modification Factor	0.73	0.86	1.05	.97	.92
■ MAC Vehicle Accidents	45	64	50	37	35
♦ <b>Airport User Accidents &amp; Incidents</b>					
■ Claim Cost Per Million Enplaned Passengers	\$127,462	\$79,442	\$120,956	\$156,145	\$46,322
■ Number of Accidents & Incidents	313	294	186	205	198
<b>Security</b>					
♦ <b>Security Breaches &amp; Violations</b>					
■ Failure to Display Security Badge	20	13	11	12	6
■ Piggybacking	47	26	17	9	17
■ Failure to Challenge	13	45*	14	16	14

\*This upward spike is due to increased staffing in the Aviation Security Division and education efforts.

## 2009 ORGANIZATIONAL GOALS &amp; OBJECTIVES KEY SUCCESS MEASURES

Results	2004	2005	2006	2007	2008
<b>Financial Responsibility</b>					
◆ <b>Cost Performance</b>					
■ Operating Cost Per Enplaned Passenger	\$5.78	\$6.18	\$6.51	\$7.35	Unavailable
■ Operating Cost Per Enplaned Passenger (with depreciation)	\$10.52	\$11.50	\$12.89	\$14.14	Unavailable
■ Airline Operating Expense Per Enplaned Passenger	\$4.55	\$5.06	\$5.23	\$5.21	Unavailable
◆ <b>Debt Management</b>					
■ Senior Debt Service Coverage (with transfer)	1.72x	2.03x	2.14x	2.30x	Unavailable
■ Long Term Debt as % of Total Assets	53.0%	56.3%	51.1%	48.15%	Unavailable
■ Debt Service as % of Operating Revenue	63.8%	56.3%	57.7%	58.85%	Unavailable
◆ <b>Revenue Performance</b>					
■ Operating Revenue Per Enplaned Passenger	\$11.15	\$12.56	\$14.56	\$14.04	Unavailable
■ Non-Aeronautical Revenues as % of Operating Revenue	51.8%	51.5%	59.1%	64.12%	Unavailable
■ Non-Aeronautical Revenue from Relievers (unaudited results)	\$39,277	\$69,067	\$84,513	\$88,882	Unavailable
◆ <b>Operating Performance</b>					
■ Operating Income Margin	5.64%	8.44%	11.47%	-0.72%	Unavailable
■ Operating Income Per Enplaned Passenger	\$0.63	\$1.06	\$1.67	-\$0.10	Unavailable
■ Revenue-to-Expenditure Ratio	1.06	1.09	1.13	.99	Unavailable
◆ <b>Disadvantaged Business Enterprise</b>					
■ % of Concession \$ Oct. 1 – Sept. 30	9%	9.76%	22.5%	21.40%	12.4%
<b>Airport Operations</b>					
◆ <b>MSP</b>					
■ Enplaned Passengers Per FTE	33,940	32,288	32,138	32,291	Unavailable
■ Operations Per FTE	1093	971	890	862	Unavailable
◆ <b>Reliever Airports</b>					
■ Operations Per FTE	24,257	21,577	21,718	18,687	17,704
■ Tenants Per FTE	37.3	30.3	33.38	33.38	33.5
■ Based Aircraft Per FTE	67.6	67.6	72.25	71.71	68.20
■ Annual MSP Subsidy	\$4,069,000	\$3,100,000	\$2,150,000	\$2,297,000	Unavailable

## 2009 ORGANIZATIONAL GOALS &amp; OBJECTIVES KEY SUCCESS MEASURES

Results	2004	2005	2006	2007	2008
<b>Airport Development</b>					
♦ Disadvantaged Business Enterprise					
■ % of Construction Contract \$	9.5%	16.6%	8.9%	6.60%	10.8%
♦ Targeted Group Business					
■ % of Total Construction Contract \$ (July-July)	3%	5.2%	2.8%	2.50%	2.9%
<b>People</b>					
♦ Overtime as % of Total Wages	9.61%	10.9%	8.57%	11.37%	Unavailable
♦ Operating Revenue Per Employee	\$366,276	\$410,190	\$447,973	\$433,578	Unavailable
♦ Operating Expense Per Employee **	\$190,095	\$202,276	\$200,229	\$226,828	Unavailable
♦ Personnel as % of Total Cost Operating Expense*	27.2%	28.5%	24.3%	27.9%	Unavailable
♦ Terminal Square Feet Per FTE Employee	4,482	5,571	5,541	5,368	Unavailable
♦ Airfield Pavement Square Feet Per FTE Employee	2,703	3,421	3,396	3,296	Unavailable
♦ Employee Job Satisfaction	4.86 of 6	4.8 of 6	4.8 of 6	4.73 of 6	4.95 of 6
♦ Annual Employee Turnover	4.75%	7.45%	4.11%	7.06%	4.96%
♦ Affirmative Action					
■ Female Employees	23%	22.7%	23.84%	24.41%	25.04%
■ Minority Employees	9%	9%	9.61%	8.89%	8.82%
■ Disabled Employees	2%	1.8%	2.14%	2.53%	
<b>Environmental Stewardship</b>					
♦ Violations Identified by a Regulatory Agency	0	1	0	0	0
♦ Reduction in Discharged De-Icing Material to River	80%	83%	79%	87%	81%
<b>Customer Service</b>					
♦ Airport Service Performance Rating***	3.89 of 5.0	3.87 of 5.0	3.82 of 5.0	4.08 of 5.0	4.17 of 5.0
♦ Complaints Per 100,000 Passengers	.91	1.02	1.40	1.59	1.72

\*\* excluding depreciation

\* including benefits

\*\*\*ACI survey

<b>2009 ORGANIZATIONAL GOALS &amp; OBJECTIVES KEY SUCCESS MEASURES</b>
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<b>OPERATING BUDGET SUMMARY AND TARGETS – 2009 OPERATING BUDGET</b>
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The 2009 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 other (miscellaneous, utilities, and 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.

2009 OPERATING BUDGET SUMMARY - 2009 OPERATING BUDGET						2008 Estimate vs 2009 Budget	
	2007 <u>Actual</u>	2007 <u>Budget</u>	2008 <u>Budget</u>	2008 <u>Estimate</u>	2009 <u>Budget</u>	Dollar <u>Change</u>	% <u>Change</u>
REVENUE							
Total Airline Rates & Charges	75,293,814	86,953,769	81,922,397	82,776,000	86,193,249	3,417,249	4.13%
Total All Concessions	113,793,807	113,431,680	118,916,318	112,175,000	115,363,732	3,188,732	2.84%
Total Other	49,163,305	52,390,854	53,784,638	51,700,000	50,470,132	(1,229,868)	-2.38%
<b>Total Operating Revenue</b>	<b>238,250,927</b>	<b>252,776,303</b>	<b>254,623,353</b>	<b>246,651,000</b>	<b>252,027,113</b>	<b>5,376,113</b>	<b>2.18%</b>
EXPENSE							
Personnel	56,277,889	61,850,000	61,721,232	58,439,000	61,138,375	2,699,375	4.62%
Administrative Expenses	1,537,585	1,553,166	1,727,651	1,475,000	1,584,365	109,365	7.41%
Professional Services	4,474,165	5,880,375	6,051,902	5,350,000	5,229,853	(120,147)	-2.25%
Utilities	16,465,815	14,982,520	16,573,638	18,525,000	18,609,851	84,851	0.46%
Operating Services/Expenses	15,437,437	16,003,253	18,937,940	17,325,000	16,953,229	(371,771)	-2.15%
Maintenance	21,526,874	21,115,796	23,264,316	22,950,000	24,466,700	1,516,700	6.61%
Other	8,921,530	3,998,872	3,702,657	3,375,000	2,755,628	(619,372)	-18.35%
<b>Total Operating Expense (Excludes Depreciation)</b>	<b>124,641,295</b>	<b>125,383,981</b>	<b>131,979,336</b>	<b>127,439,000</b>	<b>130,738,002</b>	<b>3,299,002</b>	<b>2.59%</b>
Gross Depreciation	115,329,127	118,497,916	120,000,000	119,100,000	121,250,000	2,150,000	1.81%
<b>Total Operating Expense</b>	<b>239,970,422</b>	<b>243,881,897</b>	<b>251,979,336</b>	<b>246,539,000</b>	<b>251,988,002</b>	<b>5,449,002</b>	<b>2.21%</b>
<b>Operating Income (Loss)</b>	<b><u>(1,719,495)</u></b>	<b><u>8,894,406</u></b>	<b><u>2,644,017</u></b>	<b><u>112,000</u></b>	<b><u>39,111</u></b>	<b><u>(72,889)</u></b>	

**OPERATING BUDGET SUMMARY AND TARGETS – 2009 OPERATING BUDGET****Revenue**

MAC's total Operating Revenues of \$252.0 million is \$5.4 million or 2.18% above the 2008 estimate of \$246.7 million.

The projected budget for Airline Rates and Charges is \$86.2 million for 2009. A historical account of Airline Rates and Charges is as follows:

- Actual airline rates and charges revenue for years 2002, 2003, and 2004 were held constant because of the slow economy and the lack of recovery in the aviation industry (after events of 9/11/01).
- Actual revenue for 2005 and 2006 was based upon the rates and charges formula in the Airline Agreement 1999. 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. Airline Reconciliation Adjustment credits are reflected in 2005 and 2006 actual.
- 2007 and 2008 estimates are based upon the 2007 Third Amendment to the Airline Use Agreement that incorporates the following major provisions:
  - 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 chargeback to all airline rate base areas totaling \$15.9 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.
- Budget 2009 also takes into consideration the projected enplaned passengers and operations activity provided by the airlines and other users of MAC facilities (along with rates and charges per the Airline Use and Lease Agreement). The recession in the economy played a major role in projecting activity.

The increase between 2008 estimate and 2009 budget of \$3.4 million for Rates and Charges (also includes a \$1.0 million reduction for the Concession Rebate) is due to an increase in expenses for the airfield service centers.

The Concessions Rebate of \$9.1 million represents a rebate to the Airlines. Concessions revenue shown for 2009 is the gross dollar figure.

Concessions is estimated to increase 2.84% or \$3.2 million from 2008 estimate to 2009 budget. The greatest increase is in the Parking revenue due to a rate increase in January 2009. (See Revenue Assumptions for details.)

Other Revenue is projected to decrease \$1.2 million or 2.38% primarily as a result of less space rented due to bankruptcies of airlines and lower activity at the Humphrey Terminal. (See Revenue Assumptions for details.)

**Expense**

MAC's total Operating Expense of \$252.0 million is 2.21% above the 2008 estimate (including gross depreciation) of \$246.5 million. Detailed explanations are provided in the Expense Assumptions section of the budget book.

<b>OPERATING BUDGET SUMMARY AND TARGETS – 2009 OPERATING BUDGET</b>
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**TARGETS**

The targets for the 2009 Operating Budget were approved on June 16, 2008 at the Commission meeting. All 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.**

<b>Debt Coverage Ratio</b>	<b><u>Estimate 2008</u></b>	<b><u>Target</u></b>	<b><u>Budget 2009</u></b>
<b>(Without Transfer)</b>	2.27x	1.40x	2.28x

**Target 2: Maintain a 6-month reserve in the Operating Fund.**

	<b><u>Budget 2008</u></b>	<b><u>Budget 2009</u></b>
Operating Fund Reserve	\$66,071,500	\$65,369,001

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

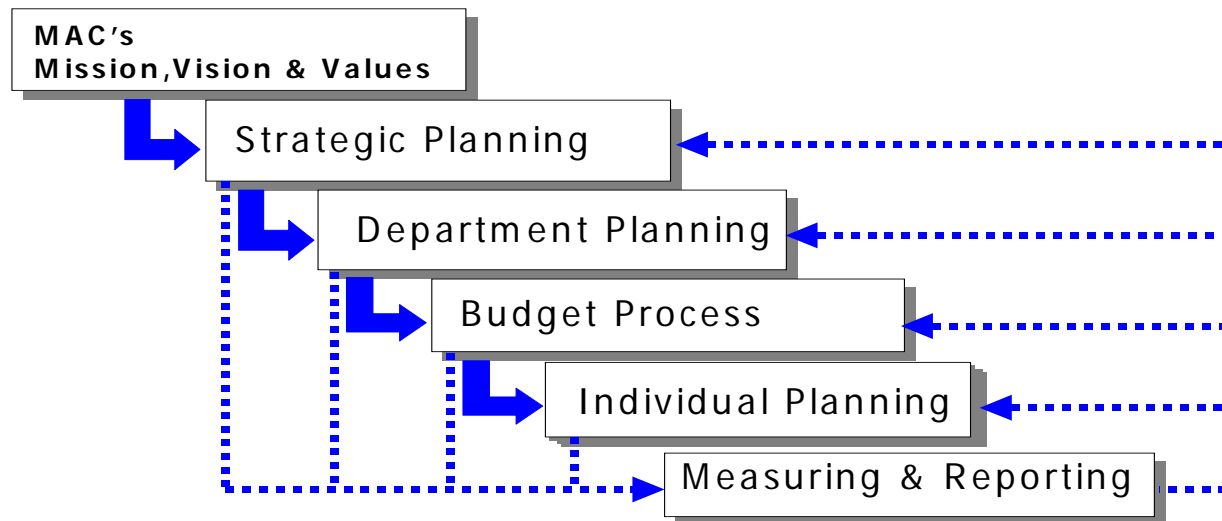
<b>Budget 2008</b>
MSP ranked 10 <sup>th</sup> out of the 29 large hub airports at \$6.14 Airline Cost/Enplaned Passenger.

**Target 4: Net Revenues, excluding Depreciation, will be greater than estimated 2008.**

<b>Budget 2009</b>
Net Revenues for 2007 are \$113,609,632
Net Revenues for Estimate 2008 are \$119,212,000
Net Revenues for Budget 2009 are \$121,289,111

**BUDGETING AND AMENDMENT PROCESS – 2009 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 Mission "Setting the Standards for Excellence in Airports", MAC's Vision – "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, Commitment to the Community and the Environment" and Teamwork. The five-year strategic plan is updated annually 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:

<b>FTE Additions</b>	
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.
<b>Other Costs</b>	
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 2005, 2006, 2007 and 2008.

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 – 2009 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 provide 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 revisions before presenting the draft to the Commission 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 airlines receive a formal budget presentation in September or October. 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 2009 Operating Budget was given at the December Commission meeting. Rate changes are sent out as usual at the beginning of December based upon assumed approval from the full Commission. (Changes, if necessary, are made and distributed.)

**BUDGETING AND AMENDMENT PROCESS – 2009 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

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

**Other**

General Insurance  
Other  
Minor Equipment

Total Other

**Depreciation****Total Expense**

**BUDGETING AND AMENDMENT PROCESS – 2009 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 (required in compliance with State Statutes – Taxing Purposes).
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 and Senior Staff Finance Department Finance Department	22. Compiles presentation information. 23. Distributes budget packages to airlines, State Legislature and the Finance, Development and Environment Committee. 24. Presents draft budget to Finance, Development and Environment Committee and the airlines. 25. Implements revisions, as needed, to projected expenses. 26. Presents budget to MAC Staff. 27. Airline presentation.
October	Finance Department and Senior Staff	28. Presents budget update to the Finance, Development and Environment Committee. 29. Revise budget as required.
November	Finance Department	30. Presents budget update to Finance, Development and Environment Committee. 31. Revise budget as required.
December	Finance Department Finance, Development and Environment Committee Full Commission	32. Presents preliminary notice of rate changes to all tenants. 33. Approves budget for recommendation to full Commission.  34. Approves budget. 35. Notice of any changes in rates from preliminary information to all tenants.
February	Finance Department	36. Complete Budget Book.

**FINANCIAL POLICIES – 2009 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 operating 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 assist Service Centers in reviewing monthly variance reports comparing actual versus budget revenue and expense on the new financial software system.
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 off-airport property).

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



<b>FINANCIAL POLICIES – 2009 OPERATING BUDGET</b>
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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 – 2009 OPERATING BUDGET****Basis of Budgeting**

Each year the Finance Department, with the aid of Airport Development, Landside-Parking, Reliever Airports 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 six-month operating reserve. The current Commission directive is to provide a balanced budget and that is, revenue will equal or exceed expenses (including depreciation).

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):

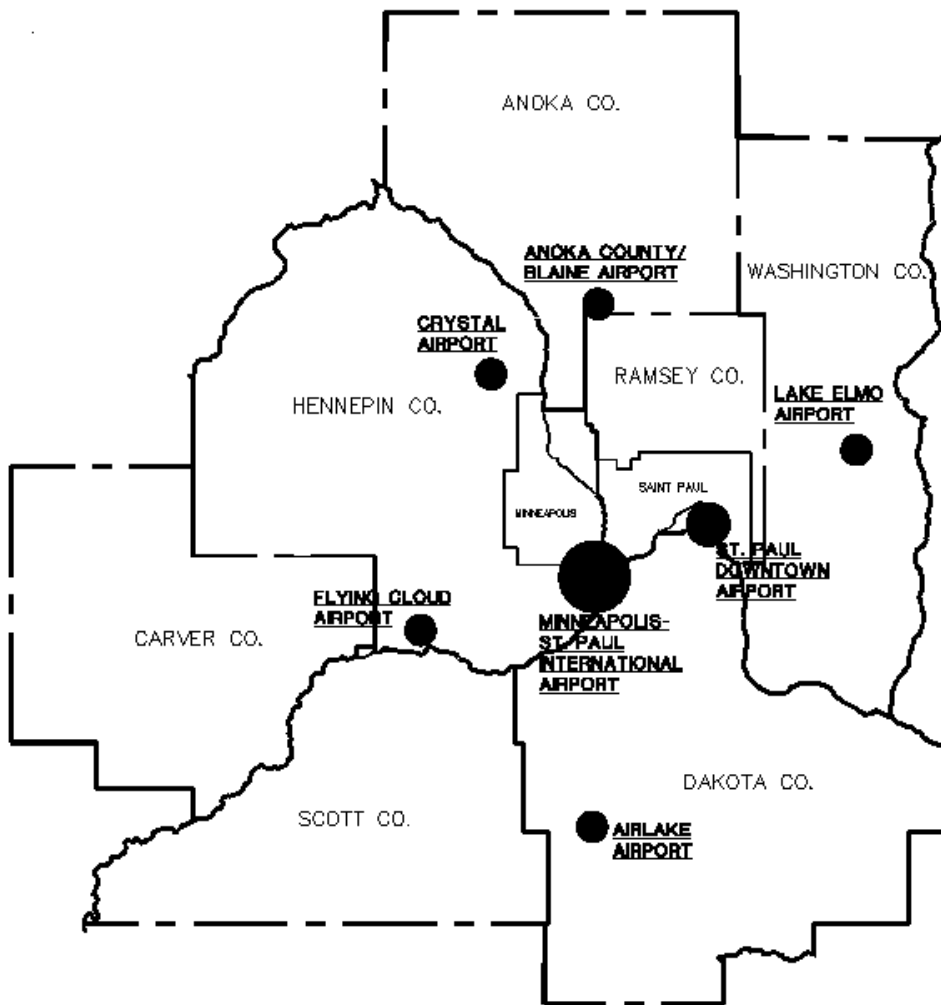
- The activity is financed with debt that is secured *solely* by a pledge of the net revenues from fees and charges of the activity.
- Laws or regulations require that the activity’s costs of providing services, including capital costs (such as depreciation or capital debt service), be recovered with 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, which 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 – 2009 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 – 2009 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 Sherry Stenerson  
 District B Molly Sigel  
 District C Lisa Peilen  
 District D John Williams  
 District E Andy Westerberg  
 District F Robert Nelson  
 District G John McDonald, Jr.  
 District H Bert McKasy

City of Minneapolis Daniel Boivin

City of St. Paul Pat Harris

Representing Greater

Minnesota Area: Timothy Geisler  
 Mike Landy  
 Paul Rehkamp  
 Donald Monaco

Executive Director: Jeffrey W. Hamiel

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 – 2009 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. In 2007, these service centers along with a newly created “Concessions & Business Development” service center were placed under the Finance & Administration Division. Air Service Business Development continues to report to Commercial Management/Airline Affairs. The 2009 budget reflects a change with these service centers reporting to Planning & Environment.

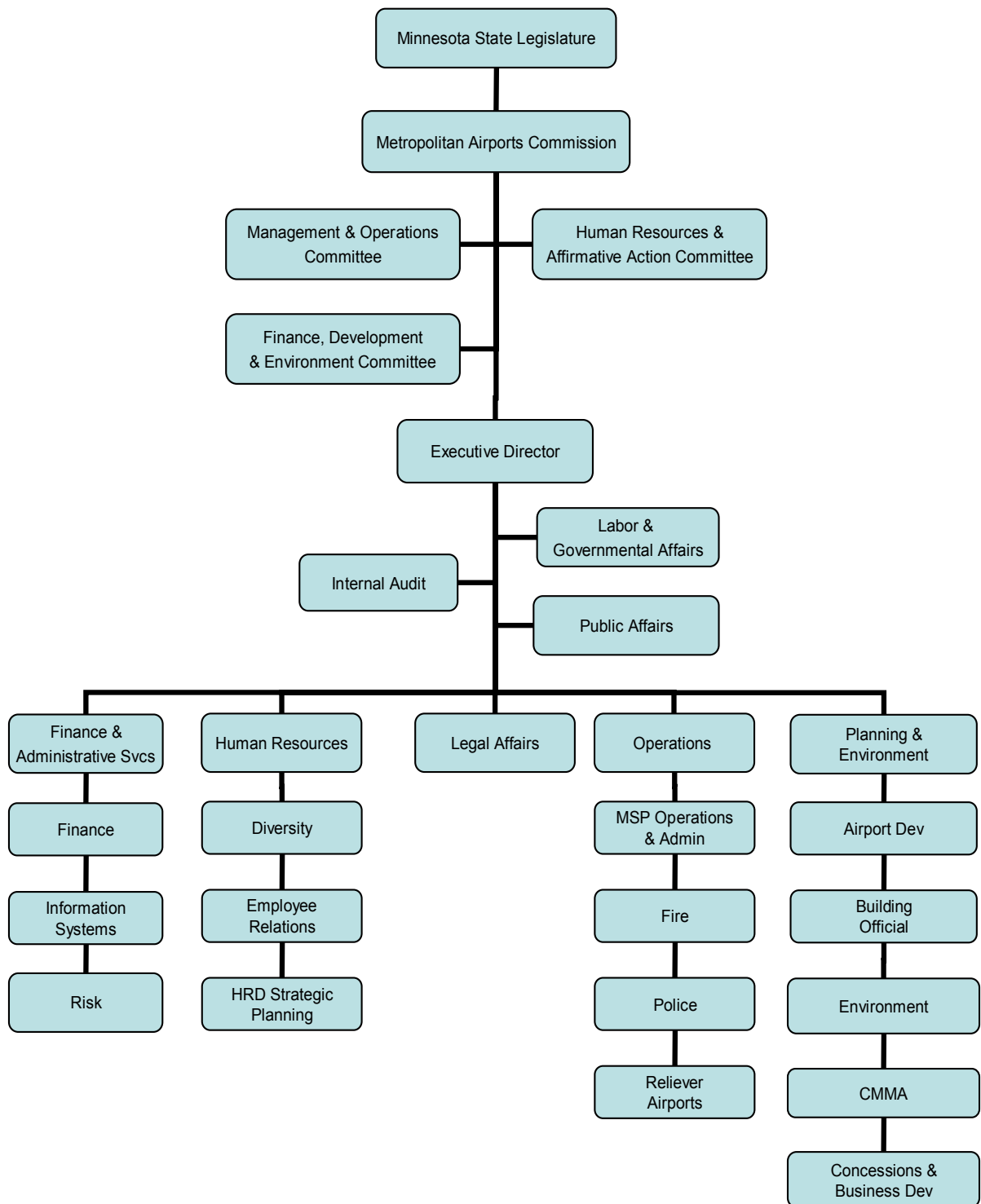
In 2007, the Internal Audit service center became part of the Executive Division (from Finance & Administration Division). In addition, the Safety service center was incorporated into the Risk Management service center and the Wellness service center reporting changed to the Risk Management service center. The 2009 budget reflects a change with Wellness reporting to the Finance & Administrative Services Division.

These changes were made to better reflect the service center responsibilities and reporting structure. The Concessions & Business Development service center will focus on the Commission's 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.



***Moving Sidewalks Provide Quick Navigation through MSP***

**CHART OF ORGANIZATION – 2009 OPERATING BUDGET**



**DEPARTMENT LIST – 2009 OPERATING BUDGET****Divisions**

MAC services are provided through six divisions. The Executive Director and five 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 provides department heads with an opportunity to review functions they manage by department. (Example: Finance includes Purchasing)

**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. Currently 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 and amendments. Other revenue collections are dictated by either lease or ordinance. Expenses of the organization are key factors in revenue calculations. Expenses are budgeted to the appropriate subledger 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. 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 – 2009 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
		76700	Wellness
	Risk Management	76800	Risk Management
	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
	Commercial Mgt./Airline Affairs	80000	Commercial Mgt./Airline Affairs
		76100	Air Service Business Development
	Concessions & Business Development	80100	Concessions & Business Development
	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 – 2009 OPERATING BUDGET

Organizational Structure by Division, Department, and Service Center			
Division	Department	Service Center	
		Number	Name
Operations	Deputy – Operations	75800	Deputy – Operations
	MSP Operations & Administration	82000	MSP Operations & Administration
		82050	Conference Center
		82060	Call Center
		82600	Airside Operations
		83400	Landside – Administration
		83000	Landside – Operations
		83300	Landside – Parking
		85500	Facilities – Humphrey Terminal
		89000	Field Maintenance
		86100	Facilities – Lindbergh Terminal
		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
		82700	Emergency Communications
	Reliever Airports	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

<b>DEPARTMENT LIST – 2009 OPERATING BUDGET</b>
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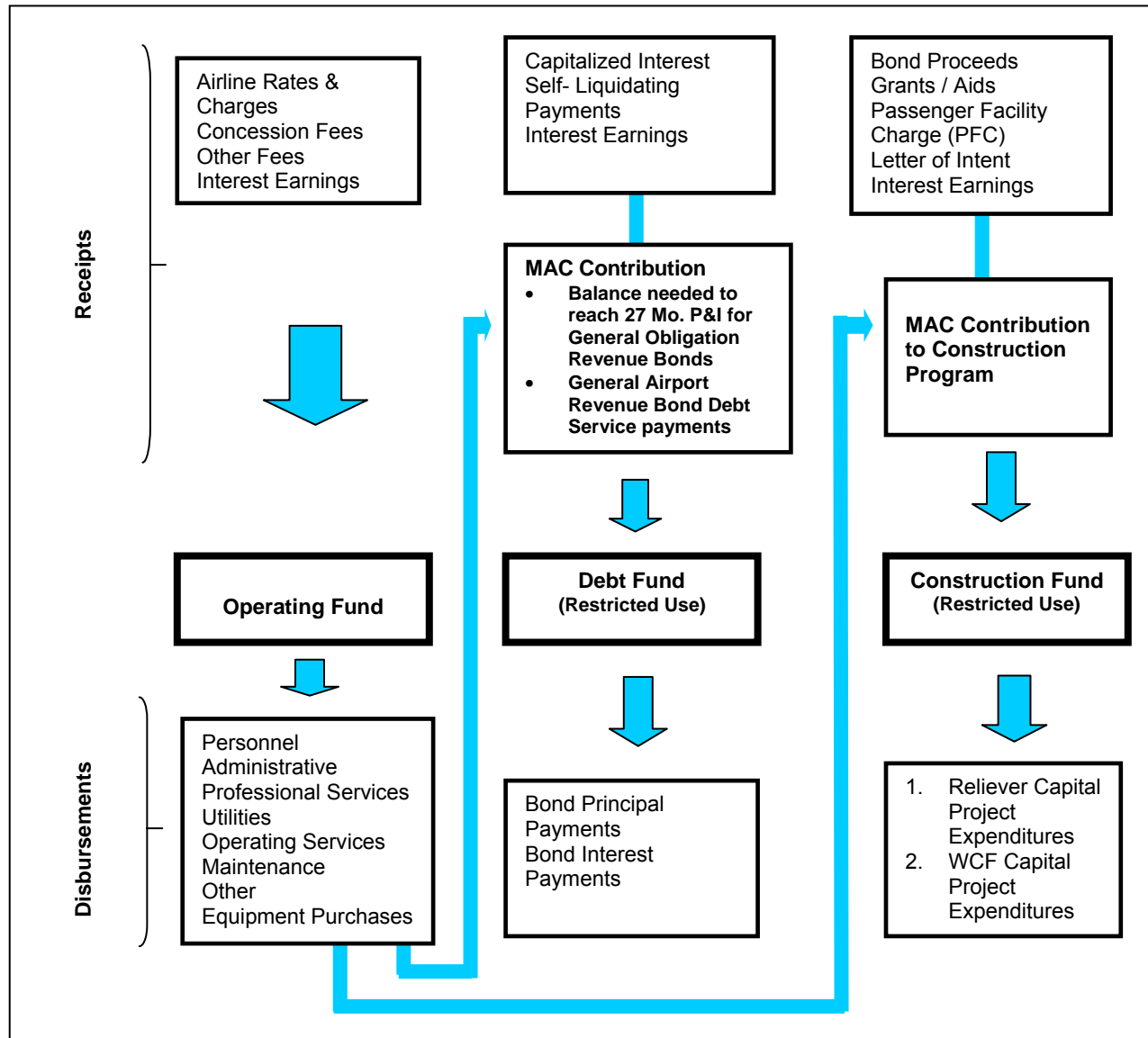
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## FLOW OF FUNDS – 2009 OPERATING BUDGET

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 – 2009 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.

<b>FUND BALANCE SUMMARY - 2008 BUDGET</b>						
<b>(\$ = 000)</b>						
	<b>2007 Actual</b>	<b>2008 Estimated</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>2010 Projection</b>	<b>2011 Projection</b>
<b>OPERATING FUND</b>						
1/1 Balance	\$ 62,331	\$ 66,071	\$ 66,071	\$ 65,369	\$ 68,053	\$ 70,594
Total Sources of Funds	257,797	272,444	267,158	265,687	268,446	273,630
Total Uses of Funds	(258,483)	(269,028)	(267,158)	(263,003)	(265,905)	(270,810)
Transfers & Working Capital Changes	4,426	(4,118)	3,580	-	-	-
Ending Balance	\$ 66,071	\$ 65,369	\$ 69,651	\$ 68,053	\$ 70,595	\$ 73,414
<b>CONSTRUCTION FUND</b>						
1/1 Balance	\$ 307,003	\$ 239,767	\$ 286,559	\$ 139,942	\$ 141,788	\$ 104,853
Total Sources of Funds	140,044	159,201	166,628	183,457	155,575	138,619
Total Uses of Funds	(207,280)	(259,026)	(211,334)	(181,611)	(192,510)	(177,707)
Ending Balance	\$ 239,767	\$ 139,942	\$ 241,853	\$ 141,788	\$ 104,853	\$ 65,765
<b>DEBT SERVICE FUNDS</b>						
1/1 Balance	\$ 266,871	\$ 267,994	\$ 265,280	\$ 263,002	\$ 265,199	\$ 265,644
Total Sources of Funds	777,690	212,555	143,848	137,317	135,561	141,174
Total Uses of Funds	(776,567)	(217,547)	(143,018)	(135,120)	(135,116)	(135,317)
Ending Balance	\$ 267,994	\$ 263,002	\$ 266,110	\$ 265,199	\$ 265,644	\$ 271,501
<b>TOTAL ALL FUNDS</b>						
1/1 Balance	\$ 636,205	\$ 573,832	\$ 617,910	\$ 468,313	\$ 475,040	\$ 441,091
Total Sources of Funds	1,175,531	644,200	577,634	586,461	559,582	553,423
Total Uses of Funds	(1,242,330)	(745,601)	(621,510)	(579,734)	(593,531)	(583,834)
Transfers & Working Capital Changes	4,426	(4,118)	3,580	-	-	-
Ending Balance	\$ 573,832	\$ 468,313	\$ 577,614	\$ 475,040	\$ 441,091	\$ 410,680
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 2008 (\$468.3 million) to projected 2011 (\$406.1 million) can be attributed to the timing of increased debt service in 2011, construction projects and the use of restricted construction dollars.

**TAXING AUTHORITY– 2009 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 2007/2008 taxable market value, the maximum amount available for maintenance and operations of the Commission would have been approximately \$13.0 million.



***NWA Aircraft Take-Off – (Downtown Minneapolis Skyline in background)***

<b>TOTAL OPERATING BUDGET SUMMARY – 2009 OPERATING BUDGET</b>
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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.

<b>OPERATING FUND (\$ = 000)</b>	<b>2007 Actual</b>	<b>2008 Estimated</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>2010 Projection</b>	<b>2011 Projection</b>
<u>Sources</u>						
1/1 Balance	62,331	66,071	66,071	65,369	68,053	70,594
Operating Revenues						
Airline Rates & Charges	75,294	82,776	81,922	86,193	86,704	89,676
Concessions	113,794	112,175	119,103	115,364	116,607	117,773
Other Operating Revenues	49,163	51,700	53,598	50,470	51,435	52,281
Subtotal Operating Revenues	238,251	246,651	254,623	252,027	254,746	259,730
Other/Non Operating Revenues						
Interest Earnings 1	15,157	15,954	9,335	10,100	10,000	10,000
Self-Liquidating Revenue	3,303	3,348	3,200	3,560	3,700	3,900
Gain (Loss) on Assets	1,086	6,491	0	0	0	0
Subtotal Other/Non Operating Revenue	19,546	25,793	12,535	13,660	13,700	13,900
Total Sources	257,797	272,444	267,158	265,687	268,446	273,630
<u>Uses</u>						
Operating Expenses						
Personnel	(56,278)	(58,439)	(61,721)	(61,138)	(63,695)	(66,370)
Administration	(1,538)	(1,475)	(1,728)	(1,584)	(1,647)	(1,696)
Professional Services	(4,474)	(5,350)	(6,052)	(5,230)	(5,436)	(5,599)
Utilities	(16,466)	(18,525)	(16,574)	(18,610)	(19,514)	(20,334)
Operating Services	(15,437)	(17,325)	(18,938)	(16,953)	(17,568)	(18,095)
Maintenance	(21,527)	(22,950)	(23,264)	(24,467)	(25,446)	(26,210)
Other/Insurance	(8,922)	(3,375)	(3,702)	(2,756)	(2,800)	(2,884)
Subtotal Operating Expenses	(124,642)	(127,439)	(131,979)	(130,738)	(136,106)	(141,188)
Non Operating Expenses						
Equipment						
Capital Expenditures	(1,605)	(950)	(529)	(600)	(750)	(800)
Equipment Purchases	(9,303)	(9,423)	(7,876)	(6,895)	(7,000)	(7,200)
Equipment Financing	0	3,392	0	3,400	3,500	3,600
Principal/Interest-Equip. Financing	(783)	(1,706)	0	(2,000)	(2,300)	(2,500)
Subtotal Equipment	(11,691)	(8,687)	(8,405)	(6,095)	(6,550)	(6,900)
Debt Service						
Commercial Paper Interest	(2,058)	(1,500)	(2,000)	(2,000)	(2,500)	(3,000)
Transfer Out - Debt Service	(74,381)	(75,673)	(77,937)	(77,051)	(74,999)	(80,272)
Subtotal Debt Service	(76,439)	(77,173)	(79,937)	(79,051)	(77,499)	(83,272)
Total Uses	(212,772)	(213,299)	(220,321)	(215,884)	(220,155)	(231,360)
Unrestricted Net Transfer Out-Constr.	(45,711)	(55,729)	(46,837)	(47,119)	(45,750)	(39,450)
Working Capital/Commercial Paper Adj.	4,426	(4,118)	3,580			
Operating Fund Balance	66,071	65,369	69,651	68,053	70,594	73,414

1 Interest Rate Assumed 2.00% for 2009 - 2011.

2 Change in working capital represents fluctuations in year end operating payments, receivables and transfers.

**SOURCES AND USES – 2009 OPERATING BUDGET****SOURCES AND USES****SOURCES**

Generally, there are three 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. This figure for 2009 is \$65.4 million.
2. Operating Revenues consist of Airline Rates and 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 from the 2008 estimate because of added costs (i.e., one time lump sum lease payment and average winter conditions). Airline Rates and Charges are calculated based on expenses. Concessions rose because of a rate increase in parking and completed Concessions Agreements. Other Revenue decreases can be attributed to rent changes. Operating Revenues total \$252.0 million for 2009.
3. Other Non-Operating Revenues consist of Interest Earnings, Self-Liquidating Revenue and Gain/Loss on Disposal of Assets. Interest Earning is assumed to be 2% for the period 2008-2011. Interest is earned on the balance in the Operating Fund which includes self-liquidating leases. Interest earnings are down substantially due to the interest rate available for investment. Self-liquidating leases are those facilities built by MAC and then leased to tenants. This area is up slightly as a result of additional rent from facilities. Due to lease payments on certain bankruptcy settlements in 2007 and 2008, the Commission realized a gain.



***Retail Shops – Minneapolis-St. Paul International Airport***

**SOURCES AND USES – 2009 OPERATING BUDGET****USES**

In general, there are four 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. The total for 2009 is \$130.7 million.
2. Non-Operating Expenses is comprised of an Equipment section (A) and Debt Service section (B).
  - A. Equipment category includes capital equipment (cost greater than \$5,000) to be purchased based on Commission approval. The anticipated amount for 2009 is \$6.9 million. A portion of this equipment will be leased. The offset to the equipment is shown as Equipment Financing (\$3.4 million). Finally, the actual lease financing cost and miscellaneous other capital expenditures are shown.
  - B. Debt Service – This is the required transfers that are made to cover all debt service. On October 10<sup>th</sup> 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. This transfer in 2009 is expected to be \$77.1 million. Also included is the projected interest costs associated with the Commercial Paper program.
3. Unrestricted Net Transfer Out - Construction 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. \$47.1 million is anticipated for 2009.
4. The last area is the Working Capital adjustment. This is for actual/estimated adjustments which occur during the year relating to changes in Accounts Receivable and Accounts Payable that are not budgeted for.



<b>2009 OPERATING BUDGET SUMMARY - 2009 OPERATING BUDGET</b>
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						2008 Estimate vs 2009 Budget	
	2007 Actual	2007 Budget	2008 Budget	2008 Estimate	2009 Budget	Dollar Change	% Change
<b>REVENUE</b>							
Total Airline Rates & Charges	75,293,814	86,953,769	81,922,397	82,776,000	86,193,249	3,417,249	4.13%
Total All Concessions	113,793,807	113,431,680	118,916,318	112,175,000	115,363,732	3,188,732	2.84%
Total Other	49,163,305	52,390,854	53,784,638	51,700,000	50,470,132	(1,229,868)	-2.38%
<b>Total Operating Revenue</b>	<b>238,250,927</b>	<b>252,776,303</b>	<b>254,623,353</b>	<b>246,651,000</b>	<b>252,027,113</b>	<b>5,376,113</b>	<b>2.18%</b>
<b>EXPENSE</b>							
Personnel	56,277,889	61,850,000	61,721,232	58,439,000	61,138,375	2,699,375	4.62%
Administrative Expenses	1,537,585	1,553,166	1,727,651	1,475,000	1,584,365	109,365	7.41%
Professional Services	4,474,165	5,880,375	6,051,902	5,350,000	5,229,853	(120,147)	-2.25%
Utilities	16,465,815	14,982,520	16,573,638	18,525,000	18,609,851	84,851	0.46%
Operating Services/Expenses	15,437,437	16,003,253	18,937,940	17,325,000	16,953,229	(371,771)	-2.15%
Maintenance	21,526,874	21,115,796	23,264,316	22,950,000	24,466,700	1,516,700	6.61%
Other	8,921,530	3,998,872	3,702,657	3,375,000	2,755,628	(619,372)	-18.35%
<b>Total Operating Expense (Excludes Depreciation)</b>	<b>124,641,295</b>	<b>125,383,981</b>	<b>131,979,336</b>	<b>127,439,000</b>	<b>130,738,002</b>	<b>3,299,002</b>	<b>2.59%</b>
Gross Depreciation	115,329,127	118,497,916	120,000,000	119,100,000	121,250,000	2,150,000	1.81%
<b>Total Operating Expense</b>	<b>239,970,422</b>	<b>243,881,897</b>	<b>251,979,336</b>	<b>246,539,000</b>	<b>251,988,002</b>	<b>5,449,002</b>	<b>2.21%</b>
<b>Operating Income (Loss)</b>	<b>(1,719,495)</b>	<b>8,894,406</b>	<b>2,644,017</b>	<b>112,000</b>	<b>39,111</b>	<b>(72,889)</b>	

<b>OPERATING REVENUES - 2009 OPERATING BUDGET</b>
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						2008 Estimate vs 2009 Budget	
	2007 Actual	2007 Budget	2008 Budget	2008 Estimate	2009 Budget	Dollar Change	% Change
<b>Airline Rates &amp; Charges</b>							
Landing Fees	47,844,907	52,491,844	49,274,821	48,500,000	49,764,602	1,264,602	2.61%
Ramp Fees	5,126,496	5,854,798	5,745,956	5,600,000	6,617,622	1,017,622	18.17%
Terminal Rentals - Agreement	29,157,756	34,126,192	34,300,643	35,000,000	34,977,900	(22,100)	-0.06%
Terminal Rentals - Other	420,765	420,765	420,765	421,000	420,765	(235)	-0.06%
Terminal Rentals - IAF	2,683,893	2,865,641	2,997,970	3,150,000	3,308,105	158,105	5.02%
Carrouseles & Conveyors	219,924	194,529	204,255	205,000	204,255	(745)	-0.36%
Concessions Rebate	(10,159,927)	(9,000,000)	(11,022,013)	(10,100,000)	(9,100,000)	1,000,000	-9.90%
Total Airline Rates & Charges	75,293,814	86,953,769	81,922,397	82,776,000	86,193,249	3,417,249	4.13%
<b>Concessions</b>							
Landside							
Parking	66,764,703	69,006,140	71,201,180	64,750,000	69,061,093	4,311,093	6.66%
Auto Rental	17,042,995	14,500,000	16,295,207	16,500,000	15,278,000	(1,222,000)	-7.41%
Ground Transportation Fees	4,329,797	4,140,215	4,350,749	4,525,000	4,108,463	(416,537)	-9.21%
Total Landside	88,137,495	87,646,355	91,847,136	85,775,000	88,447,556	2,672,556	3.12%
Terminal/Other							
Food & Beverage	12,644,567	13,049,029	14,008,640	13,000,000	13,082,352	82,352	0.63%
News	3,646,918	3,158,000	3,591,313	3,650,000	3,600,028	(49,972)	-1.37%
Retail	4,929,788	5,855,138	5,059,243	5,200,000	5,043,445	(156,555)	-3.01%
Passenger Services	3,083,868	2,354,468	3,146,986	3,200,000	3,604,603	404,603	12.64%
Other Concessions	1,351,171	1,368,690	1,263,000	1,350,000	1,585,748	235,748	17.46%
Total Terminal/Other	25,656,312	25,785,325	27,069,182	26,400,000	26,916,176	516,176	1.96%
<b>Total All Concessions</b>	<b>113,793,807</b>	<b>113,431,680</b>	<b>118,916,318</b>	<b>112,175,000</b>	<b>115,363,732</b>	<b>3,188,732</b>	<b>2.84%</b>
<b>Other</b>							
Building Rentals	12,670,120	16,871,041	17,235,153	15,450,000	15,397,243	(52,757)	-0.34%
Lobby Fees - HHH Terminal	6,709,576	6,817,540	6,922,062	6,000,000	5,605,383	(394,617)	-6.58%
Ground SW/Westside Develop	1,387,639	1,017,784	1,717,343	1,850,000	1,224,363	(625,637)	-33.82%
Infield Development	3,075,965	3,107,499	3,136,368	3,700,000	3,146,167	(553,833)	-14.97%
Ground - Other	3,542,614	3,598,160	2,852,858	3,100,000	3,465,693	365,693	11.80%
Utilities	2,484,702	2,469,927	2,540,381	2,400,000	2,567,420	167,420	6.98%
Other	15,678,825	15,335,903	16,205,473	15,900,000	15,723,313	(176,687)	-1.11%
Reimbursed Expense	3,613,864	3,173,000	3,175,000	3,300,000	3,340,550	40,550	1.23%
<b>Total Other</b>	<b>49,163,305</b>	<b>52,390,854</b>	<b>53,784,638</b>	<b>51,700,000</b>	<b>50,470,132</b>	<b>(1,229,868)</b>	<b>-2.38%</b>
<b>Total Operating Revenue</b>	<b><u>238,250,927</u></b>	<b><u>252,776,303</u></b>	<b><u>254,623,353</u></b>	<b><u>246,651,000</u></b>	<b><u>252,027,113</u></b>	<b><u>5,376,113</u></b>	<b><u>2.18%</u></b>

<b>OPERATING REVENUES - 2009 OPERATING BUDGET</b>
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	2009 Budget		2008 Estimate vs 2009 Budget				
	Mpls.- St.Paul	Reliever Airports	2008 Budget	2008 Estimate	2009 Budget	Dollar Change	% Change
Airline Rates & Charges							
Landing Fees	49,764,602		49,274,821	48,500,000	49,764,602	1,264,602	2.61%
Ramp Fees	6,617,622		5,745,956	5,600,000	6,617,622	1,017,622	18.17%
Terminal Rentals - Agreement	34,977,900		34,300,643	35,000,000	34,977,900	(22,100)	-0.06%
Terminal Rentals - Other	420,765		420,765	421,000	420,765	(235)	-0.06%
Terminal Rentals - IAF	3,308,105		2,997,970	3,150,000	3,308,105	158,105	5.02%
Carrouseles & Conveyors	204,255		204,255	205,000	204,255	(745)	-0.36%
Concessions Rebate	(9,100,000)		(11,022,013)	(10,100,000)	(9,100,000)	1,000,000	-9.90%
Total Airline Rates & Charges	86,193,249		81,922,397	82,776,000	86,193,249	3,417,249	4.13%
Concessions							
Landside							
Parking	69,061,093		71,201,180	64,750,000	69,061,093	4,311,093	6.66%
Auto Rental	15,278,000		16,295,207	16,500,000	15,278,000	(1,222,000)	-7.41%
Ground Transportation Fees	4,108,463		4,350,749	4,525,000	4,108,463	(416,537)	-9.21%
Total Landside	88,447,556		91,847,136	85,775,000	88,447,556	2,672,556	3.12%
Terminal/Other							
Food & Beverage	13,082,352		14,008,640	13,000,000	13,082,352	82,352	0.63%
News	3,600,028		3,591,313	3,650,000	3,600,028	(49,972)	-1.37%
Retail	5,043,445		5,059,243	5,200,000	5,043,445	(156,555)	-3.01%
Passenger Services	3,604,603		3,146,986	3,200,000	3,604,603	404,603	12.64%
Other Concessions	1,585,748		1,263,000	1,350,000	1,585,748	235,748	17.46%
Total Terminal/Other	26,916,176		27,069,182	26,400,000	26,916,176	516,176	1.96%
Total All Concessions	115,363,732		118,916,318	112,175,000	115,363,732	3,188,732	2.84%
Other							
Building Rentals	15,329,974	67,269	17,235,153	15,450,000	15,397,243	(52,757)	-0.34%
Lobby Fees - HHH Terminal	5,605,383		6,922,062	6,000,000	5,605,383	(394,617)	-6.58%
Ground SW/Westside Develop	1,224,363		1,717,343	1,850,000	1,224,363	(625,637)	-33.82%
Infield Development	3,146,167		3,136,368	3,700,000	3,146,167	(553,833)	-14.97%
Ground - Other	3,465,693		2,852,858	3,100,000	3,465,693	365,693	11.80%
Utilities	2,567,420		2,540,381	2,400,000	2,567,420	167,420	6.98%
Other	10,664,758	5,058,555	16,205,473	15,900,000	15,723,313	(176,687)	-1.11%
Reimbursed Expense	3,340,550		3,175,000	3,300,000	3,340,550	40,550	1.23%
Total Other	45,344,308	5,125,824	53,784,638	51,700,000	50,470,132	(1,229,868)	-2.38%
Total Operating Revenue	246,901,289	5,125,824	254,623,353	246,651,000	252,027,113	5,376,113	2.18%

**REVENUE ASSUMPTIONS – 2009 OPERATING BUDGET**

Total revenue for 2009 is \$252,027,113 which is a \$5,376,113 or 2.18% increase compared to 2008 estimates. The greatest increase in revenue is in Airline Rates and Charges. The detailed explanations for Airline Rates and Charges, along with other major changes in revenue, are included in this section.

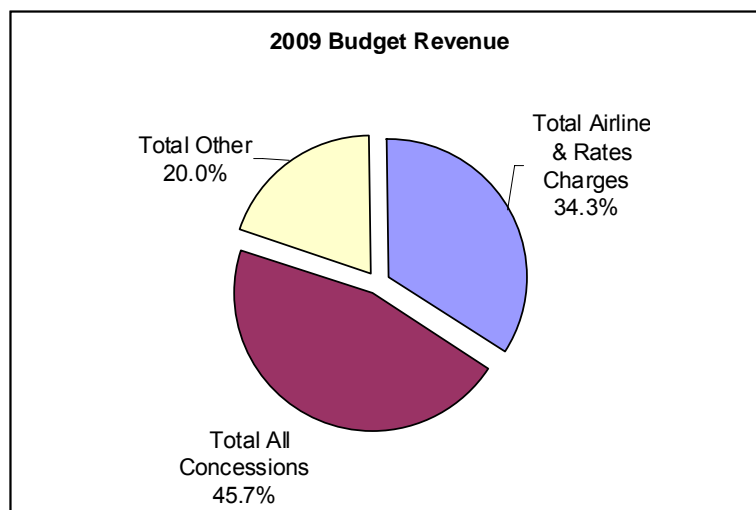
						2008 Estimate vs 2009 Budget	
	<u>2007 Actual</u>	<u>2007 Budget</u>	<u>2008 Budget</u>	<u>2008 Estimate</u>	<u>2009 Budget</u>	<u>Dollar Change</u>	<u>% Change</u>
REVENUE							
Total Airline Rates & Charges	75,293,814	86,953,769	81,922,397	82,776,000	86,193,249	3,417,249	4.13%
Total All Concessions	113,793,807	113,431,680	118,916,318	112,175,000	115,363,732	3,188,732	2.84%
Total Other	<u>49,163,305</u>	<u>52,390,854</u>	<u>53,784,638</u>	<u>51,700,000</u>	<u>50,470,132</u>	<u>(1,229,868)</u>	-2.38%
Total Operating Revenue	<u>238,250,927</u>	<u>252,776,303</u>	<u>254,623,353</u>	<u>246,651,000</u>	<u>252,027,113</u>	<u>5,376,113</u>	2.18%

The revenue budget is divided into three categories: Airline Rates and Charges (including the Concessions Rebate), Concessions and Other. Airline Rates and Charges, which is \$86,193,249 (including Concessions Rebate) or 34.3% of MAC total revenue for 2009, consists primarily of revenue paid by the airlines as user fees for landing fees, ramp fees, and Lindbergh Terminal building rates.

The Concessions category, which is \$115,363,732 or 45.7% of total revenue for 2009, includes revenue from the following areas: parking, ground transportation fees, taxicab license fees, auto rental, food, beverage, news and retail and passenger services. The rates charged for parking are approved by the Commission (an increase in parking fees is included in the 2009 budget) while ground transportation fees and taxicab license fees are authorized according to MAC Ordinances. The revenues from auto rental, food, beverage, news and retail and passenger services are based on various lease agreements, which allow the concessionaires to operate in MAC facilities. Concessions are projected to increase \$3,188,732 or 2.84%.

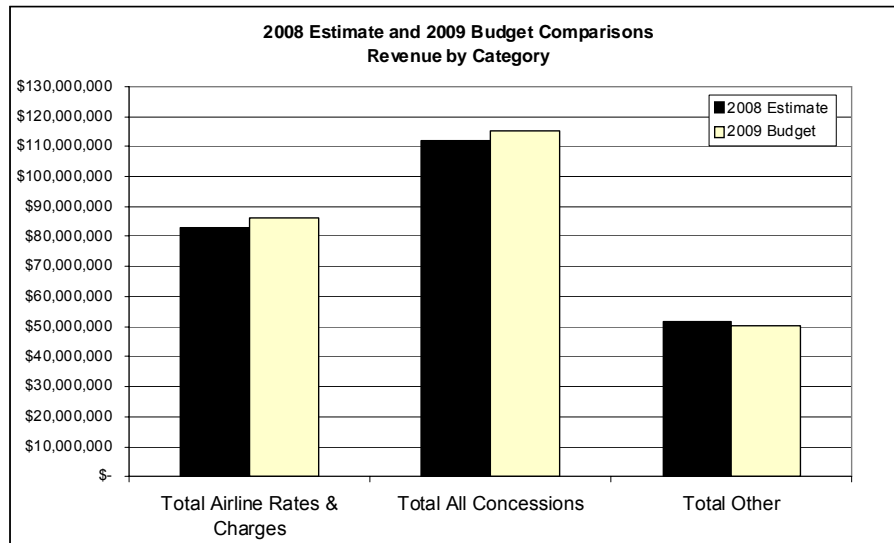
Other revenue, which is \$50,470,132 or 20.0% of total revenue for 2009, consists of building rental (excluding the airline terminal building), ground space, utilities, general aviation fees and reliever airport fees. All of these Other revenue sources are based on leases and agreements, except Ground Rent and the HHH Terminal common use fees, which are based on MAC Ordinances. Other revenue is projected to decrease \$1,229,868 or 2.38%

The following chart shows the revenue sources:



## REVENUE ASSUMPTIONS – 2009 OPERATING BUDGET

The following chart compares 2008 estimate and 2009 budget revenue by category:



### Revenue Assumptions/Guidelines:

The revenue projections for 2009 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 Agreement
  - Historical trends
- Airline rates and charges are based on the 2007 Third Amendment to the Airline Lease Agreement.

The explanations for revenue assumptions are based on a comparison of 2008 estimates versus 2009 budget figures.



**Minneapolis-St. Paul International Airport – Parking Facilities**

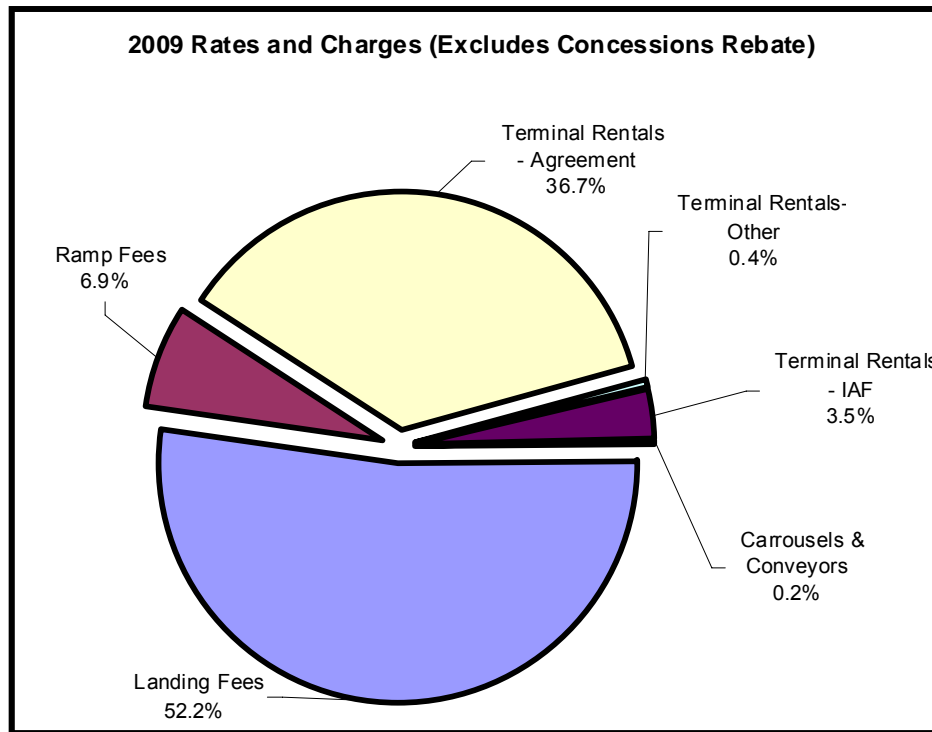
**REVENUE ASSUMPTIONS – 2009 OPERATING BUDGET****AIRLINE RATES AND CHARGES**

Approximately \$86.2 million or 34.3% of MAC's \$252 million in revenues is generated from rates charged to the airlines. 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 as amended in 2007. This amendment incorporates using debt service in the calculation of rates and charges instead of depreciation and interest. 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 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. For 2009, all rates in this category (Landing Fees, Ramp Fees, all Terminal rentals and Carrouseles & Conveyors) are calculated as per the Airline Use Agreement and Third Amendment. The Concessions Rebate of \$9.1 million represents the revenue sharing in the Third Amendment to the Airline Use Agreement.

						<b>2008 Estimate vs 2009 Budget</b>	
	<b><u>2007 Actual</u></b>	<b><u>2007 Budget</u></b>	<b><u>2008 Budget</u></b>	<b><u>2008 Estimate</u></b>	<b><u>2009 Budget</u></b>	<b><u>Dollar Change</u></b>	<b><u>% Change</u></b>
Airline Rates & Charges							
Landing Fees	47,844,907	52,491,844	49,274,821	48,500,000	49,764,602	1,264,602	2.61%
Ramp Fees	5,126,496	5,854,798	5,745,956	5,600,000	6,617,622	1,017,622	18.17%
Terminal Rentals - Agreement	29,157,756	34,126,192	34,300,643	35,000,000	34,977,900	(22,100)	-0.06%
Terminal Rentals - Other	420,765	420,765	420,765	421,000	420,765	(235)	-0.06%
Terminal Rentals - IAF	2,683,893	2,865,641	2,997,970	3,150,000	3,308,105	158,105	5.02%
Carrouseles & Conveyors	219,924	194,529	204,255	205,000	204,255	(745)	-0.36%
Concessions Rebate	<u>(10,159,927)</u>	<u>(9,000,000)</u>	<u>(11,022,013)</u>	<u>(10,100,000)</u>	<u>(9,100,000)</u>	<u>1,000,000</u>	<u>-9.90%</u>
Total Airline Rates & Charges	<u>75,293,814</u>	<u>86,953,769</u>	<u>81,922,397</u>	<u>82,776,000</u>	<u>86,193,249</u>	<u>3,417,249</u>	<u>4.13%</u>

<b>REVENUE ASSUMPTIONS – 2009 OPERATING BUDGET</b>
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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, excluding the Concessions Rebate.



The following table identifies the Concessions Rebate of \$9.1 million as a separate line item.

<u>Airline Rates &amp; Charges</u>	<u>% of Airline Rates &amp; Charges Revenue</u>
Landing Fees	57.74%
Ramp Fees	7.68%
Terminal Rentals - Agreement	40.58%
Terminal Rentals - Other	0.49%
Terminal Rentals - IAF	3.84%
Carousels & Conveyors	0.24%
Concessions Rebate	-10.56%

**REVENUE ASSUMPTIONS – 2009 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 2009 is in accordance with the amended Airline Agreement for all Airline Rates and Charges including Landing Fees. This is a residual calculation (breakeven).

The change in the landing fee from the 2008 estimate (\$2.10) to the 2009 budget (\$2.24) can be attributed to the following:

- Contract changes for labor result in an addition to the landing fee of \$.01.
- Snow removal activity (equipment rentals, brooms, blades, and temps) budgeted for normal winter conditions increase the fee \$.01.
- 2009 represents the last year of a large equipment lease which requires a one-time lump sum payment. This results in \$.05 of the increase.
- Decrease in Debt Service resulting from bond refunding in 2007 and 2008 (\$.02 decrease).
- Various reductions in costs associated with the Administration and Police allocation, as well as Noise Abatement, reduce the landing fee \$.03.
- Decrease of 4.1% in landed weight based on projections provided by the airlines. (\$.12 increase in rates)

A comparison of actual 2007, 2008 budget, 2008 estimate and 2009 budget for landing fee rates, landed weight and revenue of the signatory carriers follows:

<b><u>Landing Fee</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>
	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Estimate</u></b>	<b><u>Budget</u></b>
Landing Fee	\$1.94	\$2.12	\$2.10	\$2.24
Landed Weight (000)	22,998	23,300	22,964	22,125
Revenue (000)	\$47,845	\$49,275	\$48,500	\$49,765



**Northwest Airlines Airbus A320**



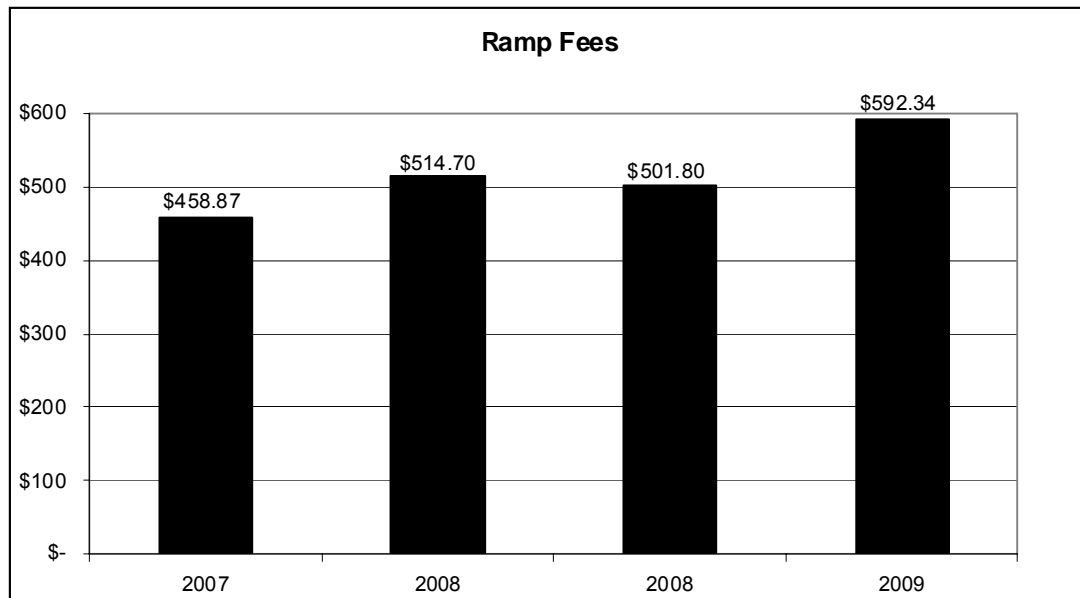
**REVENUE ASSUMPTIONS – 2009 OPERATING BUDGET****RAMP FEES**

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 calculation is also residual (breakeven).

The major increase in the fee from 2008 estimated (\$501.80) to 2009 budget (\$592.34) can be attributed to average winter conditions (\$12.00 of increase) and the lump sum lease payment identified above in landing fees (\$76.00 of increase).

The following is a comparison of actual 2007, estimated 2008, budgeted 2008, and budgeted 2009 ramp rates and revenue.

<b>Ramp Fee</b>				
	<b><u>2007 Actual</u></b>	<b><u>2008 Budget</u></b>	<b><u>2008 Estimate</u></b>	<b><u>2009 Budget</u></b>
Ramp Fee (Per Lineal Ft.)	\$458.87	\$514.70	\$501.80	\$592.34
Ramp Footage	11,172	11,172	11,172	11,172
Revenue	\$5,126,496	\$5,745,956	\$5,600,000	\$6,617,622



**REVENUE ASSUMPTIONS – 2009 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 which are residual calculations, airline terminal building rates are a compensatory calculation. Under this calculation, costs are recovered from the airlines in proportion to the rentable space they occupy in the terminal building. This rate does **not** include a separate charge per square foot for the Airline R&R surcharge.

The primary reasons for the increase in the Exclusive rates (\$.90) between 2008 estimate and 2009 budget are as follows:

- The majority of the cost increase, \$.53 per sq. ft. can be attributed to increased electricity and heating fuel. (See Operating Budget Expense.)
- Re-bid of mechanical contracts for the elevators, escalators and people movers/train resulted in an increase of approximately \$.30/sq. ft.
- All other areas (direct expense, debt service and allocations) combine for the other \$.07/sq. ft. increase.

The following is a comparison of actual 2007, estimated 2008, budgeted 2008 and budgeted 2009 rates:

<b><u>Terminal Rates</u></b>				
	<b><u>2007 Actual</u></b>	<b><u>2008 Budget</u></b>	<b><u>2008 Estimate</u></b>	<b><u>2009 Budget</u></b>
Exclusive (Per Sq. Ft.)	\$50.40	\$52.75	\$53.50	\$54.40
Exclusive Janitored (Per Sq. Ft.)	\$56.42	\$59.96	\$60.80	\$61.29
Total Revenue (000)	\$29,158	\$34,301	\$35,000	\$34,978

**TERMINAL BUILDING AIRLINE R&R SURCHARGE**

As per the Airline Lease Amendment approved in 2007, there is an additional surcharge for the airlines at the Lindbergh Terminal. This surcharge is increased annually at a rate of 3%. The rate for 2009 is \$5.54 per square foot for carriers occupying the Lindbergh Terminal.

**LINDBERGH TERMINAL INTERNATIONAL ARRIVAL FACILITY (IAF)**

The agreement for this facility includes a fee calculation similar to the ramp and landing fees (residual). 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.

The table below shows the fees for actual 2007, budgeted 2008, estimated 2008, and budgeted 2009:

<b><u>Int'l Arrival Fee (IAF)</u></b>				
	<b><u>2007 Actual</u></b>	<b><u>2008 Budget</u></b>	<b><u>2008 Estimate</u></b>	<b><u>2009 Budget</u></b>
Total Cost	\$2,683,893	\$2,997,970	\$3,150,000	\$3,308,105
Passengers	711,908	660,000	800,000	749,701
Fee Per Passenger	\$3.77	\$4.54	\$3.94	\$4.42

The increase in the fee can be attributed to a combination of higher maintenance costs for the facilities (\$.20) and reduced passenger activity (\$.28).

**CARROUSELS AND CONVEYORS**

Carrouseles and conveyors charges are based on contract expenses. No significant change occurs from 2008 estimate (\$205,000) to 2009 budget (\$204,255).

**REVENUE ASSUMPTIONS – 2009 OPERATING BUDGET****CONCESSIONS REBATE**

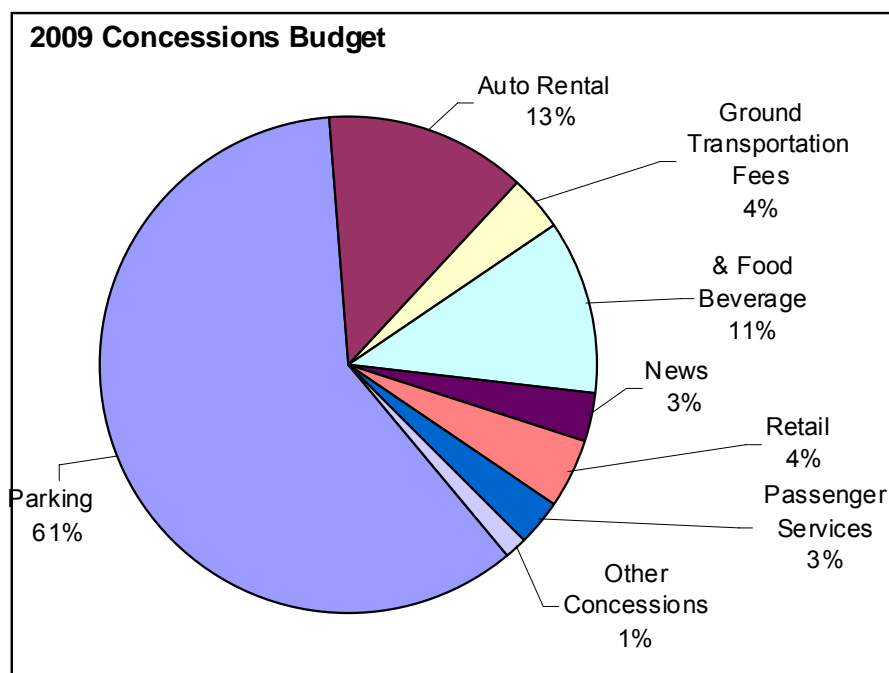
As part of the Third Amendment to the Airline Use Agreement, along with the change from Depreciation & Interest to Debt Service, a provision was added to rebate a portion (25% up to \$36.050 million, 50% above the figure for 2009) of concessions revenue for Food & Beverage, News, Retail and Auto Rental Revenue. For the 2009 budget this rebate is projected to be \$9,100,000 and does not hit the 50% threshold. The reduction can be attributed to both budgeted passengers being lower and concessions dollars in these areas being lower.

**CONCESSIONS**

The 2009 budget for Concessions revenue is projected to increase \$3,188,732 from the 2008 estimate (primarily as a result of Parking). These are gross revenues to MAC and do not include the reduction for the Airlines Concessions Rebate. Concessions revenue consists of the following categories:

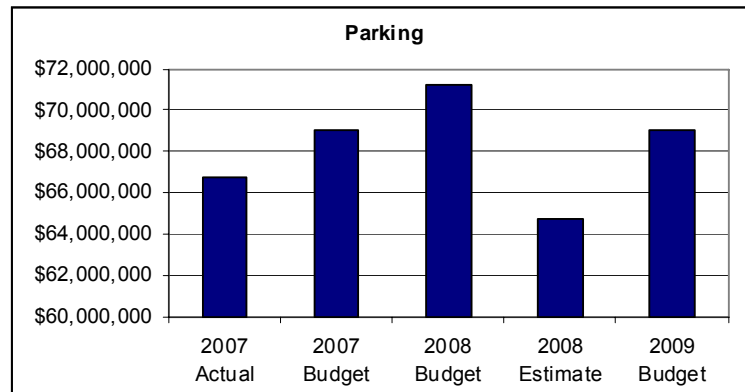
	<u>2007 Actual</u>	<u>2007 Budget</u>	<u>2008 Budget</u>	<u>2008 Estimate</u>	<u>2009 Budget</u>	<u>2008 Estimate vs 2009 Budget Dollar Change</u>	<u>% Change</u>
Concessions							
Parking	66,764,703	69,006,140	71,201,180	64,750,000	69,061,093	4,311,093	6.66%
Auto Rental	17,042,995	14,500,000	16,295,207	16,500,000	15,278,000	(1,222,000)	-7.41%
Ground Transportation Fees	4,329,797	4,140,215	4,350,749	4,525,000	4,108,463	(416,537)	-9.21%
Food & Beverage	12,644,567	13,049,029	14,008,640	13,000,000	13,082,352	82,352	0.63%
News	3,646,918	3,158,000	3,591,313	3,650,000	3,600,028	(49,972)	-1.37%
Retail	4,929,788	5,855,138	5,059,243	5,200,000	5,043,445	(156,555)	-3.01%
Passenger Services	3,083,868	2,354,468	3,146,986	3,200,000	3,604,603	404,603	12.64%
Other Concessions	<u>1,351,171</u>	<u>1,368,690</u>	<u>1,263,000</u>	<u>1,350,000</u>	<u>1,585,748</u>	<u>235,748</u>	17.46%
Total All Concessions	<u>113,793,807</u>	<u>113,431,680</u>	<u>118,916,318</u>	<u>112,175,000</u>	<u>115,363,732</u>	<u>3,188,732</u>	2.84%

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

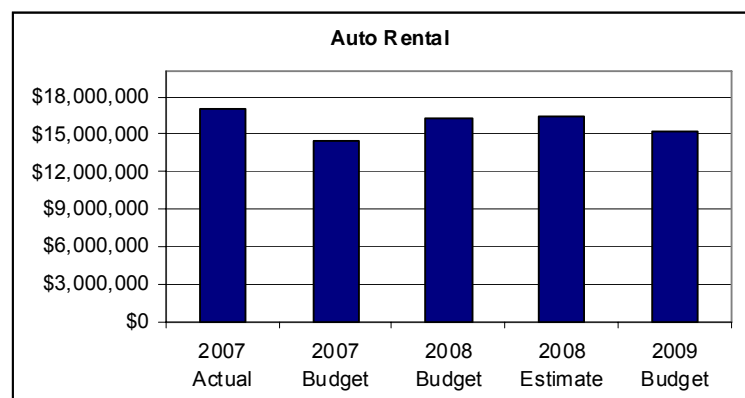


**REVENUE ASSUMPTIONS – 2009 OPERATING BUDGET****LANDSIDE****PARKING**

Parking has increased \$4,311,093 or 6.66%. Parking activity transactions are projected to decline from 2008. However, the costs associated with the parking contract have risen 4.69% between projected 2008 and budget 2009. With the increase in the parking contract and other related expenses, a rate increase has been incorporated in the 2009 budget to be effective 1/1/09. The last rate increase occurred in May 2005. At that time, rate increases were anticipated every two years. Since 2005, the MAC has seen erosion of net revenues from contract increases, tax increases and inflation.

**AUTO RENTAL**

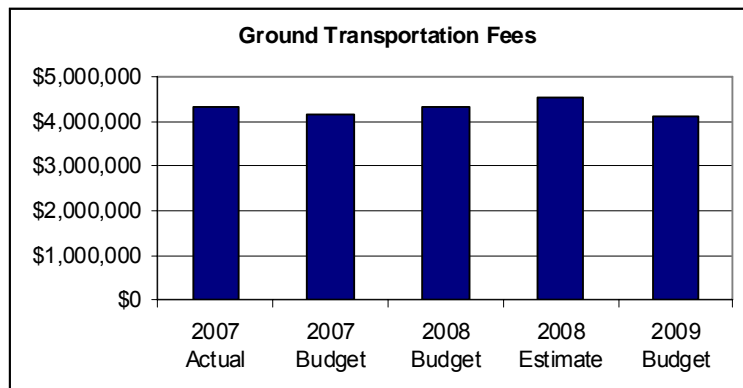
Auto rental fees are projected to decrease \$1,222,000 from the 2008 estimates. Based on the current Auto Rental Concession Agreement, auto rental firms pay a minimum rental fee (which is a guarantee that the firm bids) plus a percentage of gross revenue above the minimum fee. The contract for auto rental firms expired in May 2004 with two one-year options. Additional yearly options were added since 2006. This Agreement is anticipated to be re-bid in 2009. Transactions and activity declines are the basis for this forecasted decrease.



## REVENUE ASSUMPTIONS – 2009 OPERATING BUDGET

### GROUND TRANSPORTATION FEES

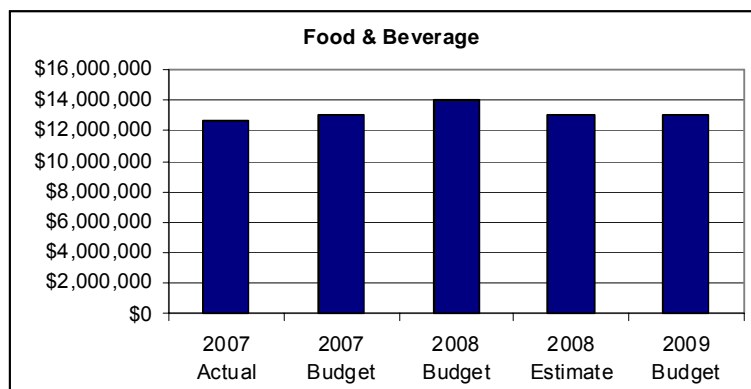
Ground Transportation Fees are projected to decrease \$416,537 or 9.21%. This is primarily a result of Off-Airport Auto Rental. In 2008, passenger activity has declined resulting in two of the three off-airport auto rental agencies to be under budget. This trend is expected to continue in 2009. Other types of vehicles in this category include taxis, buses, private limos, hotel/motel shuttles and other miscellaneous vehicles. These fees are set by Ordinance with an increase in individual category fees due to a combination of costs and industry utilization.



### TERMINAL

#### FOOD/BEVERAGE

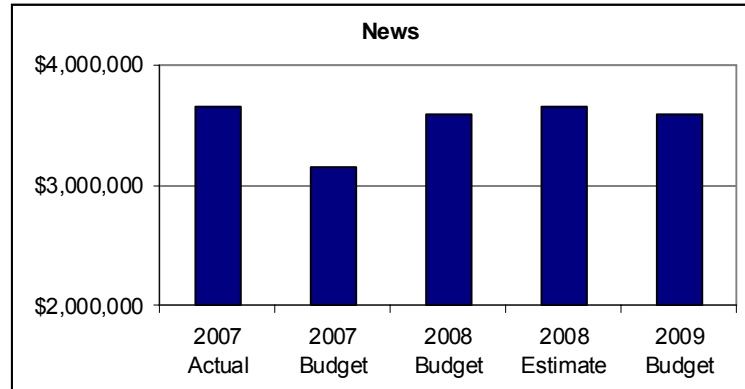
This category is increasing slightly by \$82,352 or 0.63%. Although new facilities such as Caribou-Humphrey Terminal, MSP to Go and Houlihan's (new restaurant located outside of the secured area) have been added, passengers are expected to decrease from 2008 levels. Even though there is a projected decrease in passenger traffic, trends in food spending revenue will be flat in 2009.



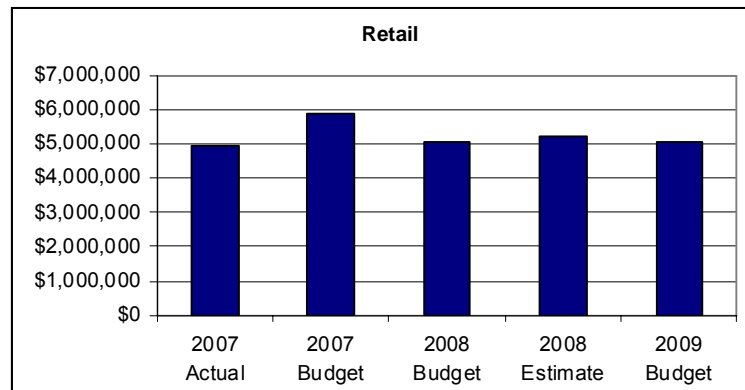
<b>REVENUE ASSUMPTIONS – 2009 OPERATING BUDGET</b>
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**NEWS**

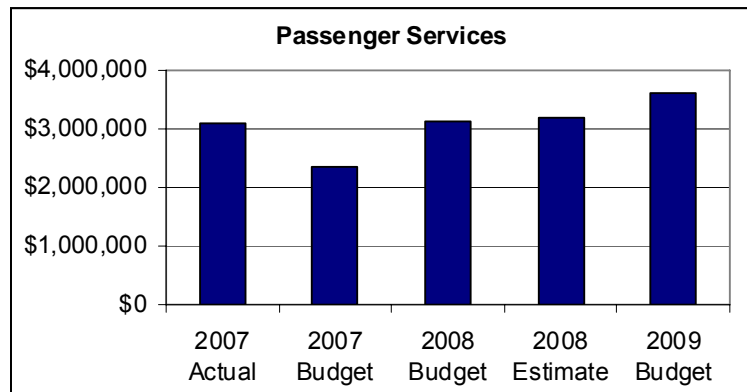
News is projected to decrease \$49,972 or 1.37% from the 2008 estimate and is based upon the trends at the time the budget was completed.

**RETAIL**

Retail is projected to decrease \$156,555 or 3.01% from the 2008 estimate and is based upon the historical trends in spending and reduced activity for 2009.

**PASSENGER SERVICES**

Passenger Services are budgeted to go up \$404,603 or 12.64%. The largest increase is attributable to the opening of the Wellness Spa (\$165,000) with Phase I scheduled to open in January 2009. Indoor Advertising accounts for an increase of \$325,000 due to the new contract in 2007 and an increase in 2008 activity. Other areas in this category include: Games, Phones, Wireless, Shoes, Advertising Services and Other Miscellaneous, none of which is anticipated to change significantly from the 2008 estimate.

**REVENUE ASSUMPTIONS – 2009 OPERATING BUDGET****OTHER CONCESSIONS**

An addition to Other Concessions revenue in 2009 is the pet boarding facility, which is expected to generate \$133,000, and comprises the majority of the \$235,748 or 17.46% increase. In addition, Outdoor Advertising revenue is greater in 2009 due to two new billboards (increase of \$66,748). (A third new location will be evaluated.) The majority of revenue in the Other Concessions category consists of Outdoor Advertising (73% of the total or \$1.2 million). In-Flight Catering, Auto Services and Miscellaneous are based on contracts and activity levels, and show no change from estimates.

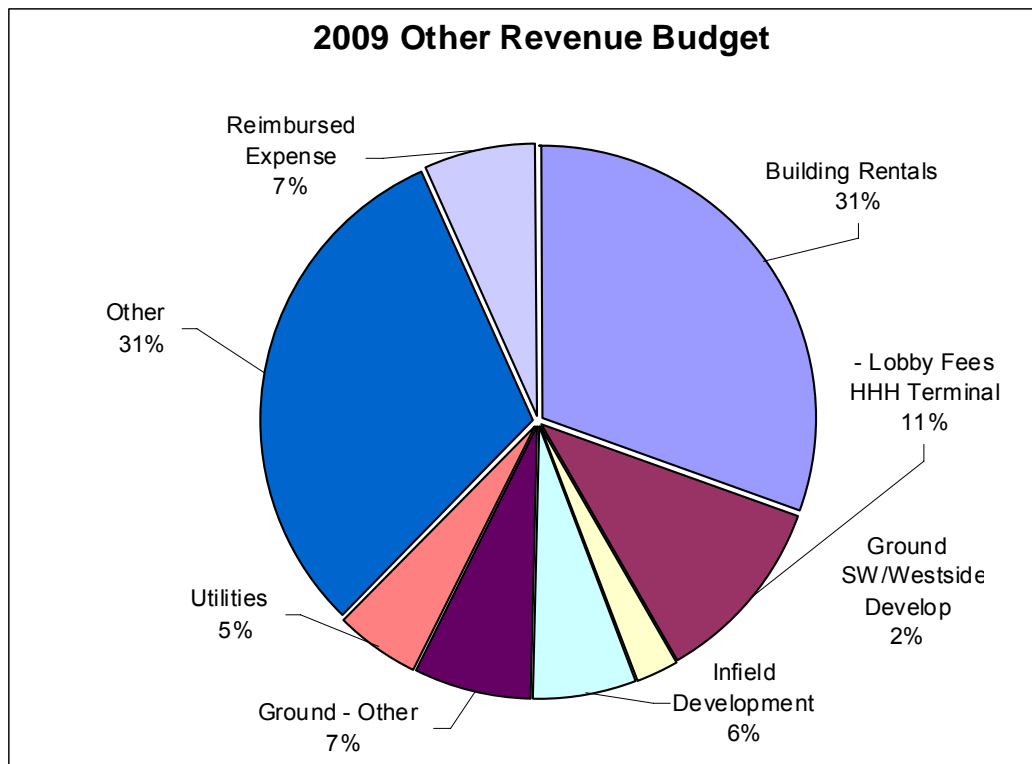
**OTHER**

In total, this category is projected to decrease \$1,229,868 or 2.38% from the 2008 estimates. Included in this category are Building Rental, HHH Terminal Common Use, Ground Rent – Southwest Cargo Area, Infield Development, Ground Rental – Other, Utilities, Other and Reimbursed Expense.

	<u>2007 Actual</u>	<u>2007 Budget</u>	<u>2008 Budget</u>	<u>2008 Estimate</u>	<u>2009 Budget</u>	<u>2008 Estimate vs 2009 Budget Dollar Change</u>	<u>% Change</u>
Other							
Building Rentals	12,670,120	16,871,041	17,235,153	15,450,000	15,397,243	(52,757)	-0.34%
Lobby Fees - HHH Terminal	6,709,576	6,817,540	6,922,062	6,000,000	5,605,383	(394,617)	-6.58%
Ground SW/Westside Develop	1,387,639	1,017,784	1,717,343	1,850,000	1,224,363	(625,637)	-33.82%
Infield Development	3,075,965	3,107,499	3,136,368	3,700,000	3,146,167	(553,833)	-14.97%
Ground - Other	3,542,614	3,598,160	2,852,858	3,100,000	3,465,693	365,693	11.80%
Utilities	2,484,702	2,469,927	2,540,381	2,400,000	2,567,420	167,420	6.98%
Other	15,678,825	15,335,903	16,205,473	15,900,000	15,723,313	(176,687)	-1.11%
Reimbursed Expense	<u>3,613,864</u>	<u>3,173,000</u>	<u>3,175,000</u>	<u>3,300,000</u>	<u>3,340,550</u>	<u>40,550</u>	1.23%
Total Other	<u>49,163,305</u>	<u>52,390,854</u>	<u>53,784,638</u>	<u>51,700,000</u>	<u>50,470,132</u>	<u>(1,229,868)</u>	-2.38%

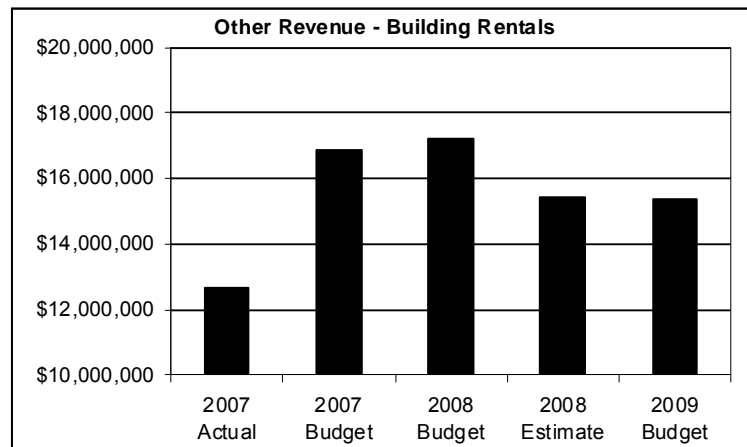
## REVENUE ASSUMPTIONS – 2009 OPERATING BUDGET

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



### BUILDING RENTALS

Building Rentals are projected to decrease \$52,757 or 0.34% over 2008 estimates as a result of a combination in decreased activity for Humphrey Terminal FIS Charges, decreased CFC's (Auto Rental Customer Facility Charges) and an increase in other building rentals as noted in the following chart.





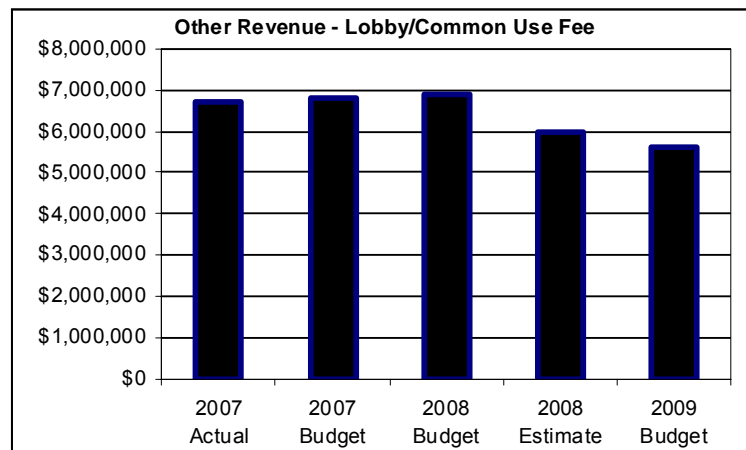
## REVENUE ASSUMPTIONS – 2009 OPERATING BUDGET

### HHH TERMINAL COMMON USE/LOBBY

HHH Terminal Common Use is projected to decrease \$394,617 or 6.58% from 2008 estimates. Rates and charges for the HHH Terminal are based on the recovery of operating and maintenance costs of utilized facilities. Activity cutbacks from Sun Country, Midwest, and Air Tran, along with the closure of Champion, make up this reduction. This area is down \$1.3 million from the 2008 budget, some of which is being made up with an increase from the addition of Southwest Airlines.



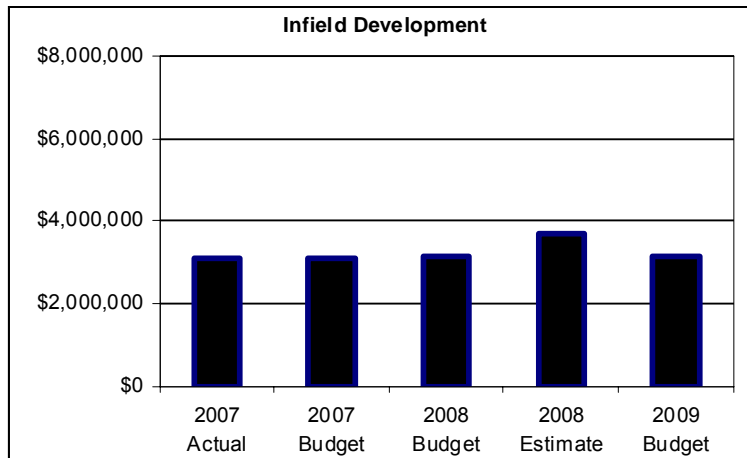
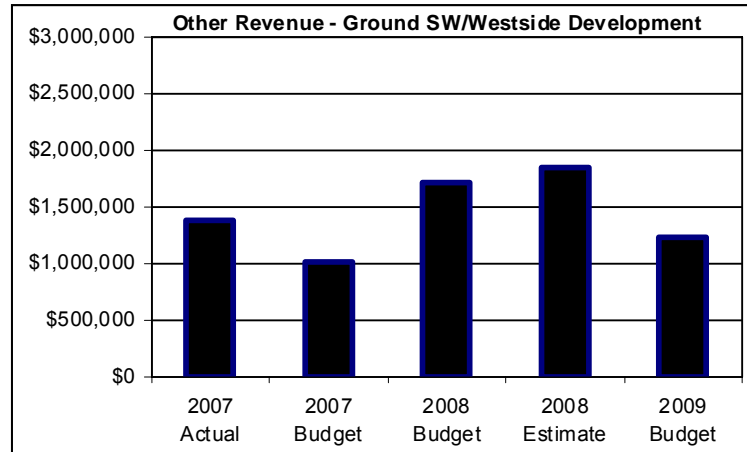
*Humphrey Terminal – Ticketing and Baggage Area*



<b>REVENUE ASSUMPTIONS – 2009 OPERATING BUDGET</b>
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**GROUND – SW CARGO AND INFIELD**

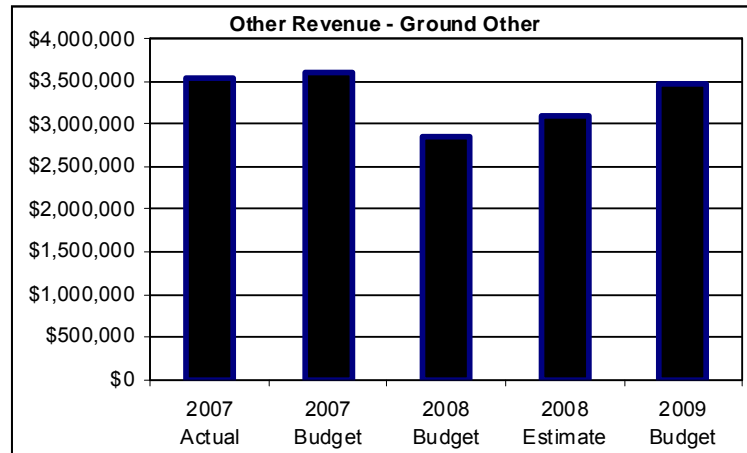
SW Cargo/Westside Develop and Infield are decreasing a total of \$1,179,470. The majority of the decrease is due to the bankruptcy and rejection of the leases by Sun Country Airlines/Petters Aviation and Champion Air. Staff is working to fill these vacancies in 2009. However, final lease agreements have yet to be signed.



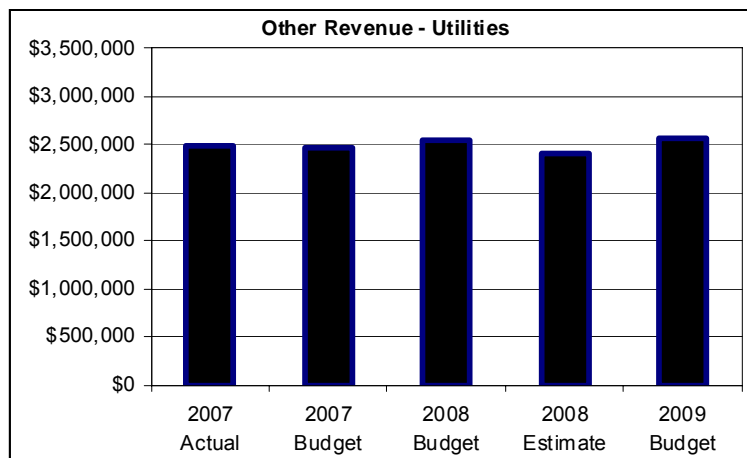
<b>REVENUE ASSUMPTIONS – 2009 OPERATING BUDGET</b>
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**GROUND – OTHER**

This category consists of all other ground rentals including Miscellaneous Cargo Areas, Auto Rental Facilities and all other areas and is \$365,693 over 2008 estimates. The new pet boarding facility, along with other adjustments in ground rentals, comprise the majority of the increase.

**UTILITIES**

Included in this area is water, sewer, steam (heating), chilled water (air-conditioning) and ground power. The increase in this category of \$167,420 or 6.98% is due to historical consumption patterns and increased charges from utility sources.



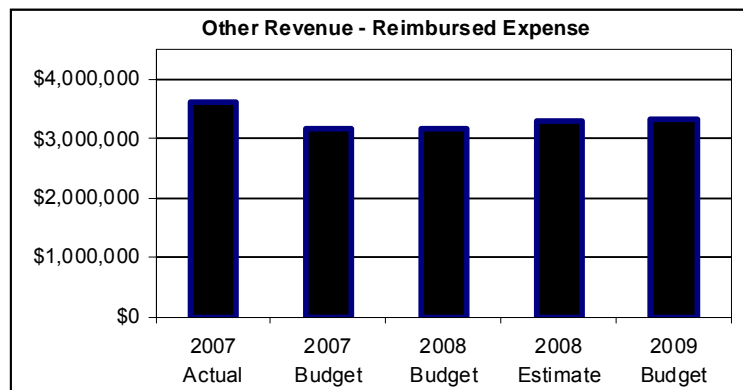
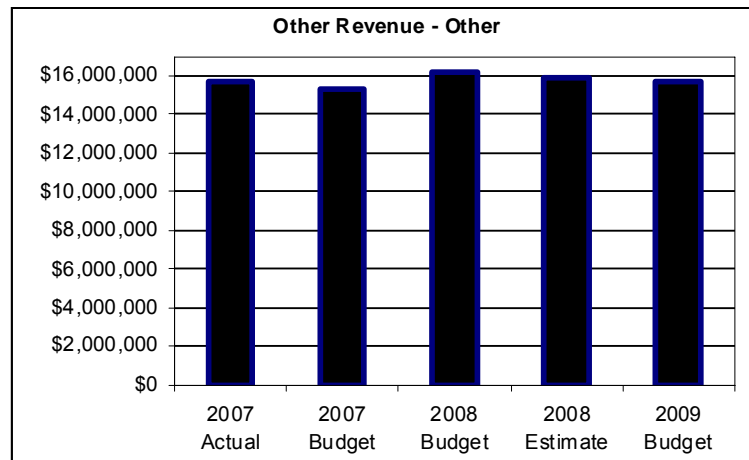
<b>REVENUE ASSUMPTIONS – 2009 OPERATING BUDGET</b>
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**OTHER/REIMBURSED EXPENSE**

Included in this area are the Reliever Airports, Other Landing Fees and Other Ramp Fees, Apron Services, Consortium Fees, Permit Fees, Employee Shuttle, Miscellaneous Revenue and Reimbursed Expense. A decrease of \$176,687 or 1.11% in Other is the result of the following:

- Increases for Employee Parking revenue - \$190,631
- Reduction in Landing Fees and Ramp Fees for non-signatory airlines \$236,058
- Reduction in Permit fees \$73,416
- Reduction in Parking Fines \$44,573
- Other miscellaneous revenues have decreased (employee auction, loading dock, misc. etc.)

Reimbursed expense is budgeted to increase \$40,550 or 1.23% over the 2008 estimate as a result of minor increases in a number of reimbursement areas.



<b>OPERATING EXPENSES - 2009 OPERATING BUDGET</b>
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						2008 Estimate vs 2009 Budget	
	2007 Actual	2007 Budget	2008 Budget	2008 Estimate	2009 Budget	Dollar Change	% Change
<b>Personnel</b>							
Salaries & Wages	40,432,464	39,990,608	43,069,697	41,500,000	43,722,262	2,222,262	5.35%
Benefits	15,831,624	21,836,392	18,633,535	16,925,000	17,402,113	477,113	2.82%
Commissioner PerDiem	13,800	23,000	18,000	14,000	14,000		0.00%
<b>Total Personnel</b>	<u>56,277,889</u>	<u>61,850,000</u>	<u>61,721,232</u>	<u>58,439,000</u>	<u>61,138,375</u>	<u>2,699,375</u>	<u>4.62%</u>
<b>Administrative Expenses</b>	1,537,585	1,553,166	1,727,651	1,475,000	1,584,365	109,365	7.41%
<b>Professional Services</b>	4,474,165	5,880,375	6,051,902	5,350,000	5,229,853	(120,147)	-2.25%
<b>Utilities</b>							
Electricity	9,389,411	7,677,000	8,875,000	9,725,000	10,100,000	375,000	3.86%
Heating Fuel	4,563,963	4,650,000	5,040,000	5,950,000	5,820,000	(130,000)	-2.18%
Water & Sewer	2,083,904	2,160,000	2,160,000	2,350,000	2,199,800	(150,200)	-6.39%
Telephones	428,537	495,520	498,638	500,000	490,051	(9,949)	-1.99%
<b>Total Utilities</b>	<u>16,465,815</u>	<u>14,982,520</u>	<u>16,573,638</u>	<u>18,525,000</u>	<u>18,609,851</u>	<u>84,851</u>	<u>0.46%</u>
<b>Operating Services/Expenses</b>							
Parking Management	5,186,635	5,333,373	6,266,155	5,600,000	5,937,438	337,438	6.03%
Shuttle Bus Services	1,130,884	1,124,752	1,517,901	1,050,000	800,000	(250,000)	-23.81%
Service Agreements	4,673,670	5,061,417	5,731,111	5,275,000	6,155,564	880,564	16.69%
Storm Water Monitoring	1,348,850	1,200,000	1,260,000	1,150,000	1,250,000	100,000	8.70%
Other	3,097,398	3,283,711	4,162,773	4,250,000	2,810,227	(1,439,773)	-33.88%
<b>Total Operating Services/Expenses</b>	<u>15,437,437</u>	<u>16,003,253</u>	<u>18,937,940</u>	<u>17,325,000</u>	<u>16,953,229</u>	<u>(371,771)</u>	<u>-2.15%</u>
<b>Maintenance</b>							
Trades	1,371,356	1,381,602	1,502,986	1,475,000	1,428,413	(46,587)	-3.16%
Field	2,297,317	2,608,865	2,766,826	2,250,000	2,523,626	273,626	12.16%
Building	6,501,539	6,159,162	6,775,397	6,700,000	8,134,085	1,434,085	21.40%
Equipment	2,305,518	2,002,258	2,106,677	2,450,000	2,324,582	(125,418)	-5.12%
Cleaning	9,051,145	8,963,909	10,112,430	10,075,000	10,055,994	(19,006)	-0.19%
<b>Total Maintenance</b>	<u>21,526,874</u>	<u>21,115,796</u>	<u>23,264,316</u>	<u>22,950,000</u>	<u>24,466,700</u>	<u>1,516,700</u>	<u>6.61%</u>
<b>Other</b>							
General Insurance	2,028,420	2,812,032	2,352,786	2,000,000	1,938,785	(61,215)	-3.06%
Minor Equipment	555,961	565,018	781,982	800,000	347,084	(452,916)	-56.61%
Other	6,337,148	621,822	567,889	575,000	469,759	(105,241)	-18.30%
<b>Total Other</b>	<u>8,921,530</u>	<u>3,998,872</u>	<u>3,702,657</u>	<u>3,375,000</u>	<u>2,755,628</u>	<u>(619,372)</u>	<u>-18.35%</u>
<b>Total Operating Expense (Excludes Depreciation)</b>	<b>124,641,295</b>	<b>125,383,981</b>	<b>131,979,336</b>	<b>127,439,000</b>	<b>130,738,002</b>	<b>3,299,002</b>	<b>2.59%</b>
Gross Depreciation	<u>115,329,127</u>	<u>118,497,916</u>	<u>120,000,000</u>	<u>119,100,000</u>	<u>121,250,000</u>	<u>2,150,000</u>	<u>1.81%</u>
<b>Total Operating Expenses</b>	<u><b>239,970,422</b></u>	<u><b>243,881,897</b></u>	<u><b>251,979,336</b></u>	<u><b>246,539,000</b></u>	<u><b>251,988,002</b></u>	<u><b>5,449,002</b></u>	<u><b>2.21%</b></u>

**EXPENSE ASSUMPTIONS – 2009 OPERATING BUDGET**

Total Operating Expense for 2009 is \$130,738,002 (excluding depreciation) which is an increase of \$3,299,002 or 2.59% over the 2008 estimate. When comparing 2008 budget to 2009 budget, a decrease of \$1,241,334 or 0.94% occurs. The explanations prepared below compare 2008 estimate with the 2009 budget.

In the total Operating Expense (excluding depreciation), the largest increase in dollars is \$2.7 million or 4.62% in the Personnel category. However, the greatest percent increase is 7.41% or \$109,365 for Administrative expenses.

Depreciation, as indicated below, has risen \$2.2 million between 2008 estimate and the 2009 budget. This can be attributed to projects closed in 2008 and 2009.

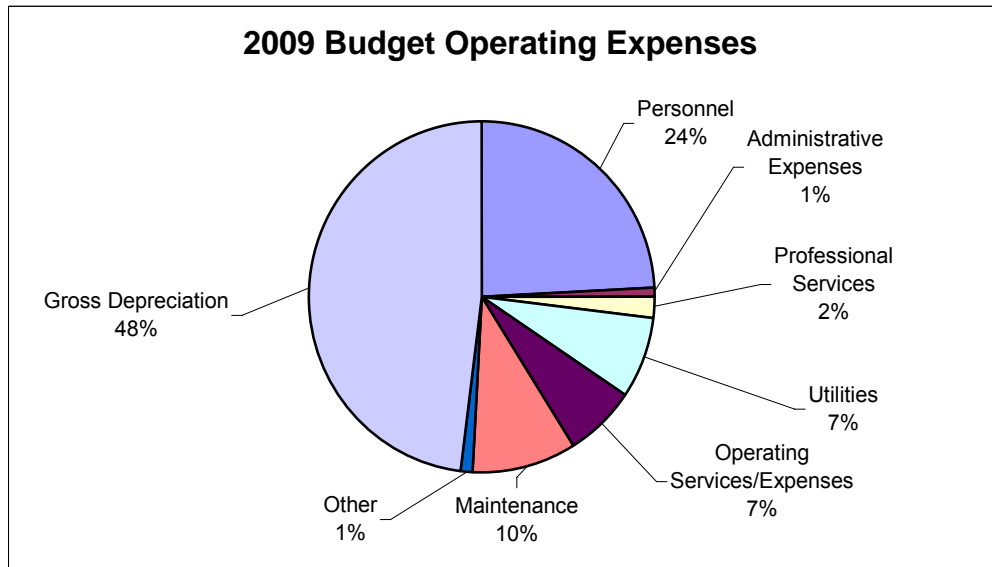
Included at the end of this section, is a report "Line Items by Subledger." Subledger refers to the grouping of expenses from various service centers to determine rates and charges for tenants and users of the MAC facilities.

The table below compares 2007 actual and budget, 2008 budget and estimate and 2009 budget:

<b>EXPENSE</b>	<b><u>2007 Actual</u></b>	<b><u>2007 Budget</u></b>	<b><u>2008 Budget</u></b>	<b><u>2008 Estimate</u></b>	<b><u>2009 Budget</u></b>	<b>2008 Estimate vs 2009 Budget</b>	
						<b><u>Dollar Change</u></b>	<b><u>% Change</u></b>
Personnel	56,277,889	61,850,000	61,721,232	58,439,000	61,138,375	2,699,375	4.62%
Administrative Expenses	1,537,585	1,553,166	1,727,651	1,475,000	1,584,365	109,365	7.41%
Professional Services	4,474,165	5,880,375	6,051,902	5,350,000	5,229,853	(120,147)	-2.25%
Utilities	16,465,815	14,982,520	16,573,638	18,525,000	18,609,851	84,851	0.46%
Operating Services/Expenses	15,437,437	16,003,253	18,937,940	17,325,000	16,953,229	(371,771)	-2.15%
Maintenance	21,526,874	21,115,796	23,264,316	22,950,000	24,466,700	1,516,700	6.61%
Other	8,921,530	3,998,872	3,702,657	3,375,000	2,755,628	(619,372)	-18.35%
<b>Total Operating Expense (Excludes Depreciation)</b>	<b>124,641,295</b>	<b>125,383,981</b>	<b>131,979,336</b>	<b>127,439,000</b>	<b>130,738,002</b>	<b>3,299,002</b>	<b>2.59%</b>
Gross Depreciation	115,329,127	118,497,916	120,000,000	119,100,000	121,250,000	2,150,000	1.81%
<b>Total Operating Expense</b>	<b>239,970,422</b>	<b>243,881,897</b>	<b>251,979,336</b>	<b>246,539,000</b>	<b>251,988,002</b>	<b>5,449,002</b>	<b>2.21%</b>

<b>EXPENSE ASSUMPTIONS – 2009 OPERATING BUDGET</b>
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The following pie chart indicates the percent of expense category and compares it to the total expenses:



### **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 2009 are based on the following assumptions and guidelines:

- 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 reviewed for business need and prioritized based upon organization's needs.
- There will be a reduction in FTEs through a hiring freeze of 25 employees (approved in 2008 budget; however, not to be hired in 2009). 574.5 FTEs are included in the 2009 budget vs. 599.5 in 2008.
- 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 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.
- Limited spending to the 2008 budget levels or below where possible.
- Expenses will be prepared on an accrual basis.

**EXPENSE ASSUMPTIONS – 2009 OPERATING BUDGET****Personnel**

Personnel costs will increase \$2.7 million over the 2008 estimate. A breakdown of the Personnel budget is shown below.

						2008 Estimate vs 2009 Budget	
	<u>2007 Actual</u>	<u>2007 Budget</u>	<u>2008 Budget</u>	<u>2008 Estimate</u>	<u>2009 Budget</u>	<u>Dollar Change</u>	<u>% Change</u>
<b>Personnel</b>							
Salaries & Wages	40,432,464	39,990,608	43,069,697	41,500,000	43,722,262	2,222,262	5.35%
Benefits	15,831,624	21,836,392	18,633,535	16,925,000	17,402,113	477,113	2.82%
Commissioner PerDiem	<u>13,800</u>	<u>23,000</u>	<u>18,000</u>	<u>14,000</u>	<u>14,000</u>		0.00%
<b>Total Personnel</b>	<u>56,277,889</u>	<u>61,850,000</u>	<u>61,721,232</u>	<u>58,439,000</u>	<u>61,138,375</u>	<u>2,699,375</u>	4.62%

The following information explains the difference between the 2008 estimates and 2009 budgets:

**Wages – Regular** – Salary/Wage increases in the 2009 budget total approximately \$2.0 million or 4.8%. Most of the 2008 budget approved positions were not hired due to the economic and financial status of the industry. In addition, open positions were greater in the first half of 2008 contributing to the increase. A comparable number of FTEs would increase wages 3.75% or \$1.4 million. As employees retire or leave employment, each position continues to be evaluated on a case-by-case basis. The 2009 budget includes the following:

- Wage adjustments for organized and non-contract employees are included in the 2009 budget.
- Salary steps for non-contract employees were restructured from a 5% increase to a 2.5% increase.
- The budgeted wages and salaries are for 574.5 FTEs with various levels of vacancies maintained throughout the year. Each position which 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, are included in the 2009 budget.

The following table illustrates the FTEs:

Full Time Equivalent Position Summary						
<b>2006 Actual</b>	<b>2006 Budget Funded</b>	<b>2007 Budget Funded</b>	<b>2007 Mid-Year Addition</b>	<b>2008 Budget Funded</b>	<b>2008 Actual</b>	<b>2009 Budget</b>
558.5	558.5	560.5	579.5	599.5	565.0	574.5



**EXPENSE ASSUMPTIONS – 2009 OPERATING BUDGET**

**Overtime – Regular** – This area is decreasing in the 2009 budget by \$405,008 or 20.3% from the 2008 estimates and is explained as follows:

- Reduction in overtime of \$65,362 in Airside Ops due to the replacement hiring of employees.
- Fire overtime is \$108,492 lower than the estimate based upon a regular work schedule. The estimate includes greater overtime dollars due to military and medical leaves along with personnel changes in 2008.
- \$257,106 reduction in Police due to lower projected hours requiring overtime.
- Various other service centers (Trades, Relievers and Maintenance) budgeting for an average winter increase of \$25,482 over estimates. Also, adjustments per the bargaining unit agreements are included.

**Double-time** – Double-time is increasing from the 2008 estimate to the 2009 budget by \$89,218 or 7.43%. Included in the 2009 budget are adjustments per the bargaining unit agreements and is based upon a 5-year average.

**Benefits** – Included in benefits are employee insurance/post retirement, retirement plans, severance, workers compensation and other miscellaneous items. This category will increase 2.82% or \$477,113 from 2008 estimates.

Major changes are as follows:

- **Employee Insurance/Post Retirement Benefits**  
These areas are combined as they account for all of employee insurance. The total estimate for 2008 is \$8.8 million vs. the 2009 budget of \$8.9 million. The increase can be attributed to a combination of reduced plan costs resulting from plan changes and added costs for medical insurance inflation. (MAC – 4.3% Nation – 10%)
- **Pensions**  
Pensions are expected to increase in 2009 compared to the 2008 estimates by \$150,000 or 2.4%. The following pertains to the Pension budget:
  - The employer contribution for Police and Fire Public Employees Retirement Association (PERA) has increased (12.9% in 2008 to 14.1% in 2009) along with coordinated employees (6.50% to 6.75% increase).
  - A lower FTE count in the first two quarters of 2008 results in a lower 2008 estimate.
- **Other Areas**
  - Workers Compensation is projected to increase \$194,978 or 35.5% from 2008 estimates which had lower than average claims and rates.

<b>EXPENSE ASSUMPTIONS – 2009 OPERATING BUDGET</b>
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**Administrative**

Administrative Expenses are increasing \$109,365 or 7.41%. The changes are occurring in the following general categories:

**Supplies** – An increase of \$71,274 from 2008 estimates to the 2009 budget with the majority of the increase related to the following:

- Police – Increase of \$47,950 due to shrinking of expiration dates to 6 months for badging supplies; (7,000 additional badges in 2009). This includes ribbon, plastic pouches and transfer film.
- Information Services – Increase of \$45,000 in software costs will bring the MAC's Microsoft license count in line with the software in use. Seventy-four licenses need to be purchased at a cost of \$604 each including three years of support and upgrades. The variance is caused by a sharp increase in the number of staff who are using laptops as their primary computing device. (When a laptop is used in addition to a workstation, no added license is required.)
- Airside Operations – increase of \$13,000 for license testing program.
- Reductions in other service centers to office supplies, computer supplies and special supplies.

**Travel** – A decrease in Travel has been included in the 2009 budget from 2008 estimates. Although 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, these expenses have been reduced by \$53,826.

**Information Sources** – A decrease in Information Sources is in the 2009 budget of \$6,261. However, a Public Affairs increase for Official Airline Guide (OAG) flight data of \$20,000 is included in the 2009 budget offset by reductions in other service centers.

**Printing** - Printing expenses in the 2009 budget increased \$14,729 from the 2008 estimates due to Public Affairs increase of \$12,300 for brochures along with a Police increase of \$1,744.

**Other** – A decrease of \$5,462 in other Administrative expenses is the result of less expense in delivery, postage and freight charges.



***Light Rail Transit Station***

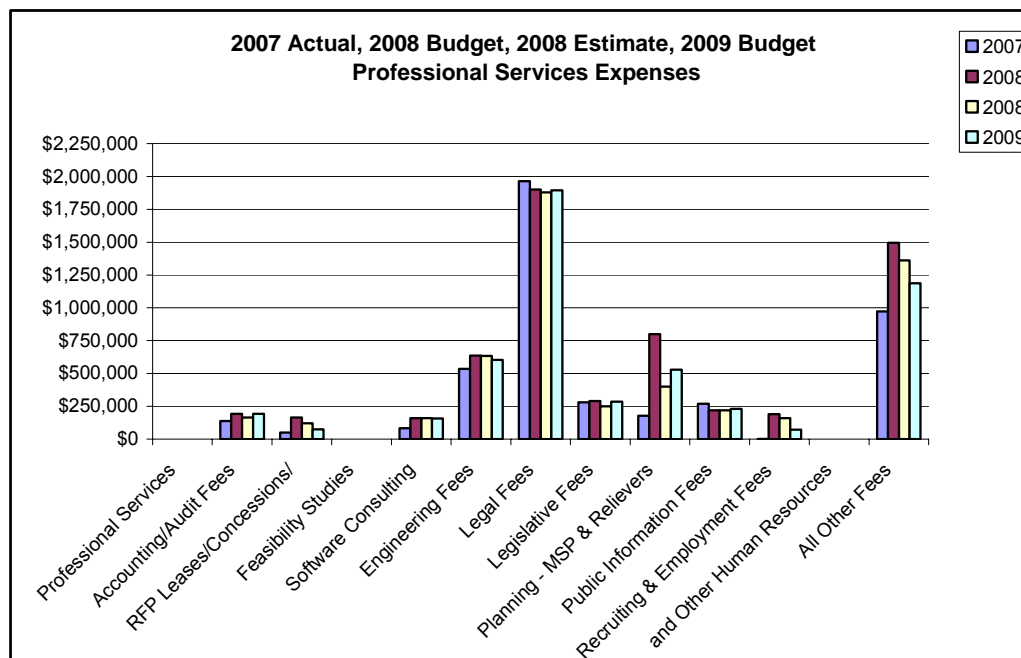
**EXPENSE ASSUMPTIONS – 2009 OPERATING BUDGET****Professional Services**

Professional Services have decreased \$120,147 or 2.25% from 2008 estimates.

The following table indicates the cost associated with the major consulting services for 2009:

<b><u>Professional Services</u></b>	<b><u>2007 Actual</u></b>	<b><u>2008 Budget</u></b>	<b><u>2008 Estimate</u></b>	<b><u>2009 Budget</u></b>	<b>2008 Estimate vs 2009 Budget</b>	
					<b>Dollar Change</b>	<b>% Change</b>
Accounting/Audit Fees	138,540	194,000	164,000	194,000	30,000	18.29%
RFP Leases/Concessions/ Feasibility Studies	50,638	164,000	121,000	74,000	(47,000)	-38.84%
Software Consulting	83,610	160,000	160,000	157,500	(2,500)	-1.56%
Engineering Fees	534,544	635,571	635,000	602,563	(32,437)	-5.11%
Legal Fees	1,964,256	1,900,000	1,880,000	1,895,000	15,000	0.80%
Legislative Fees	281,894	290,000	250,000	286,000	36,000	14.40%
Planning - MSP & Relievers	176,976	800,000	400,000	530,000	130,000	32.50%
Public Information Fees	270,472	220,600	220,000	230,600	10,600	4.82%
Recruiting & Employment Fees and Other Human Resources	1,387	192,000	160,000	72,000	(88,000)	-55.00%
All Other Fees	971,849	1,495,731	1,360,000	1,188,190	(171,810)	-12.63%
<b>Total Professional Services</b>	<b>4,474,166</b>	<b>6,051,902</b>	<b>5,350,000</b>	<b>5,229,853</b>	<b>(120,147)</b>	<b>-2.25%</b>

The following bar chart indicates the comparisons between years:



**EXPENSE ASSUMPTIONS – 2009 OPERATING BUDGET**

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

**Accounting & Auditing** – Accounting fees are expected to increase \$30,000 in the 2009 budget in anticipation of a Legislative Audit. The 2008 estimate does not include the Legislative Audit.

**Legal Fees** - Projected to increase \$10,000 from the 2008 estimate as a result of additional fees associated with the airlines.

**Legislative Fees** – Increase of \$36,000 for anticipated work both federally and locally during the 2009 Legislative Session.

**Planning** – An increase of \$130,000 between estimate 2008 and budget 2009 is projected in Planning as portions of updating the Long Term Comprehensive Plan (LTCP) and Reliever update and airport zoning were delayed in 2008 due to budget constraints.

**Public Information Services** – Increase of \$15,600 reflects plans for executing projects associated with the MAC's 2009 Strategic Plan emphasis on customer service marketing initiatives and emphasis on Reliever Airport marketing.

**RFP Leases** – \$47,000 decrease for consultants (provide continued business development and opportunities) due to budget constraints.

**Engineering** - Projected to decrease \$32,437 over 2008 estimate and can be attributed to delay and postponement of projects.

**Human Resources** - \$88,000 decrease for employment fees due to less hiring as a result of a reduction in FTEs. Human Resources reduction of \$100,000, which had been previously budgeted for specialized recruiting agency fees, not required for the 2009 budget (hired in 2008).

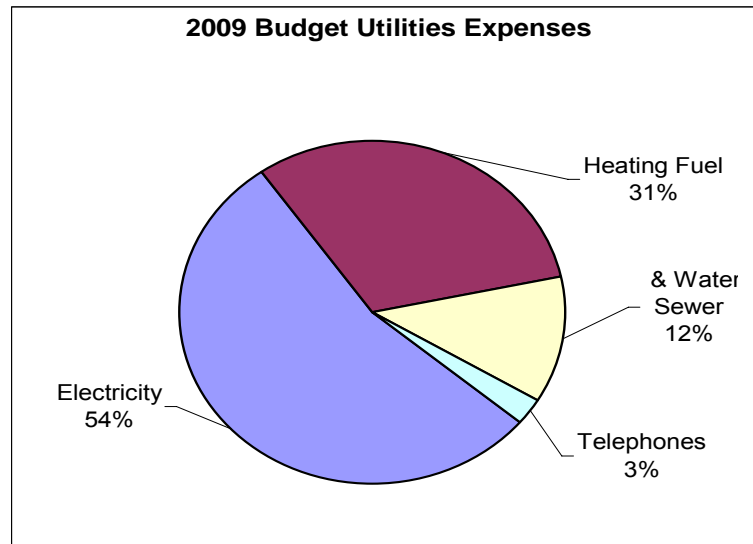
**Other Consulting Fees** – reduction of \$226,810 as a result of the following:

- Police increase (\$31,150) for continuing professional service project for the K-9 program. Vendor provides health care service for the department's K-9s. The TSA reimburses the MAC \$50,000 per EOD canine team per year. 2009 reimbursement will be \$300,000 (coded to revenue). Also included is a renewal of the professional Canine Trainer contract.
- \$50,500 increase in Information Services to provide telecom consulting services including analysis of costs and service. Provide credit card industry required security reviews.
- Other service centers decrease (Risk Management-\$25,000; Facilities – Lindbergh Terminal-\$20,000; Reliever Airports-\$16,000; Environment-\$21,000) in expenses as a result of budget constraints, deferment or cancellation of projects.
- \$50,000 reduction for Air Service Business Development as projects are postponed.
- \$40,000 reduction in Reliever Administration as consultants for projects are postponed and deferred.

**EXPENSE ASSUMPTIONS – 2009 OPERATING BUDGET****Utilities**

The following table compares utility costs for 2008 estimate and 2009 budget.

	<u>2007 Actual</u>	<u>2007 Budget</u>	<u>2008 Budget</u>	<u>2008 Estimate</u>	<u>2009 Budget</u>	<u>2008 Estimate vs 2009 Budget Dollar Change</u>	<u>% Change</u>
<b>Utilities</b>							
Electricity	9,389,411	7,677,000	8,875,000	9,725,000	10,100,000	375,000	3.86%
Heating Fuel	4,563,963	4,650,000	5,040,000	5,950,000	5,820,000	(130,000)	-2.18%
Water & Sewer	2,083,904	2,160,000	2,160,000	2,350,000	2,199,800	(150,200)	-6.39%
Telephones	<u>428,537</u>	<u>495,520</u>	<u>498,638</u>	<u>500,000</u>	<u>490,051</u>	<u>(9,949)</u>	-1.99%
<b>Total Utilities</b>	<u>16,465,815</u>	<u>14,982,520</u>	<u>16,573,638</u>	<u>18,525,000</u>	<u>18,609,851</u>	<u>84,851</u>	0.46%



Total Utilities are budgeted to increase \$84,851 or .46% over 2008 estimates and are explained as follows.

**Electricity** –The increase in electricity of \$375,000 or 3.86% is based upon the forecast provided by the utility company and an outside consultant. The 2009 budget includes a significant charge for the fuel clause adjustment. A projected rate increase, as well as additional historical data, result in the balance of the change.

**Heating Fuel** – The projected budget decrease is \$130,000 or 2.18% for natural gas and jet fuel. 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. Based on the uncertainty and constant fluctuations in the natural gas market, MAC locks in pricing as favorable market changes occur. This is anticipated in the first quarter.

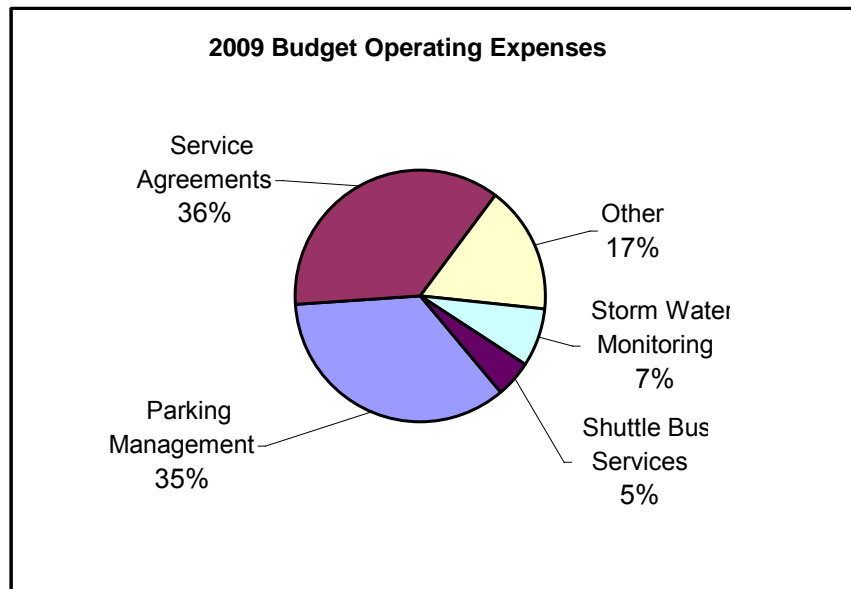
**Water & Sewer** – A projected decrease of \$150,200 over 2008 estimates or 6.39% is based on consumption and rates.

**Telephone/Cell Phones/Internet Service** – A decrease of \$9,949 or 1.99% is a combination of telephone and cell phones acquisition contract changes.

**EXPENSE ASSUMPTIONS – 2009 OPERATING BUDGET****Operating Services**

Operating Service expenses are decreasing \$371,771 or 2.15%. The following chart lists the major components in this category.

						<b>2008 Estimate vs 2009 Budget</b>	
	<b><u>2007 Actual</u></b>	<b><u>2007 Budget</u></b>	<b><u>2008 Budget</u></b>	<b><u>2008 Estimate</u></b>	<b><u>2009 Budget</u></b>	<b><u>Dollar Change</u></b>	<b><u>% Change</u></b>
<b>Operating Services/Expenses</b>							
Parking Management	5,186,635	5,333,373	6,266,155	5,600,000	5,937,438	337,438	6.03%
Shuttle Bus Services	1,130,884	1,124,752	1,517,901	1,050,000	800,000	(250,000)	-23.81%
Service Agreements	4,673,670	5,061,417	5,731,111	5,275,000	6,155,564	880,564	16.69%
Storm Water Monitoring	1,348,850	1,200,000	1,260,000	1,150,000	1,250,000	100,000	8.70%
Other	<u>3,097,398</u>	<u>3,283,711</u>	<u>4,162,773</u>	<u>4,250,000</u>	<u>2,810,227</u>	<u>(1,439,773)</u>	<u>-33.88%</u>
<b>Total Operating Services/Expenses</b>	<u>15,437,437</u>	<u>16,003,253</u>	<u>18,937,940</u>	<u>17,325,000</u>	<u>16,953,229</u>	<u>(371,771)</u>	<u>-2.15%</u>



**Parking Management** – The increase of 6.03% or \$337,438 can be attributed to the increase in the parking management contract for annual adjustments associated with the union contracts and addition at the Humphrey ramp.

**Shuttle Bus** – The decrease of \$250,000 is related to less shuttle services provided as a result of the re-opening and increased frequencies of the LRT (Light Rail Transit).

**EXPENSE ASSUMPTIONS – 2009 OPERATING BUDGET**

**Service Agreements** - Service Agreements have increased by \$880,564 or 16.69%. This is a result of the following:

**Service-Computers** are increasing \$488,000 due to the following:

- Public Affairs - With the update to the MSP airport website, MAC will purchase a new content management system that will require an annual fee for maintenance and software updates of \$8,000.
- Information Services – \$479,963 increase for contracted support providing the people and coverage required by the following critical systems:
  1. Enterprise One (Accounting, HR, Payroll, Purchasing, Maintenance, Property and Lease management, Fleet Maintenance, Inventory) \$ 122,000/year
  2. Security auditing (Internal, external) \$ 60,000/year
  3. Lindbergh Terminal MUFIDS Phase I \$ 70,000/year
  4. Landside and Public Safety support \$ 334,000/year
- Police \$23,250 for Pro-Watch Service agreement (Pro-Watch is the "brains" of the Security Access System.) Warranty ends in May 2009.

**Service- Other Equipment** increasing \$147,839 is attributed to the following:

- Police increase \$141,000 for The Police Department will carry the cost of replacement/repair of CCTV system components for Police, Landside and Humphrey Terminal needs. (Time and material, per contract, for a technician to repair breakdowns of the CCTV system.)

**Service–Parking Equipment** increase \$96,283 for the maintenance of the parking revenue control system including full preventative maintenance, repair and replacement service on a 24/7 basis for the valet and parking ramps at the Lindbergh and Humphrey Terminals; perform preventative maintenance and repairs to parking call for assistance devices and custom software enhancements to the Revenue Control system. In addition, the concepts of Guarantee Parking and Rewards Parking will be developed.

**Service Agreements-Secured Access** has an increase of \$57,135 due to the cost of maintenance of security system/contract with Premier Electric. (Includes 4% increase each year.)

**EXPENSE ASSUMPTIONS – 2009 OPERATING BUDGET**

**Storm Water Monitoring** – This area is budgeted based on the historical average. This results in an increase of \$100,000 or 8.70% over the 2008 estimate.

**Other** – The budget includes a decrease of \$1,439,773 or 33.88% due to the following:

- Advertising – Costs for Air Service Business Development decreased \$100,000 for marketing support of the Air Service Incentive Plan.
- Major Events – Costs associated with preparation for and management of traffic and logistics due to conventions and other events cover a variety of areas and departments. Reduction of \$763,171.
- Security services decrease \$333,896 in Police due to meeting the budget goal for 2009.
- Loading dock reduction in 2009 budget of \$145,700 as a result of a decrease in projected passengers from the 2008 estimate.
- Reductions in other service centers.



***Welcome to Minneapolis-St. Paul International Airport Display***

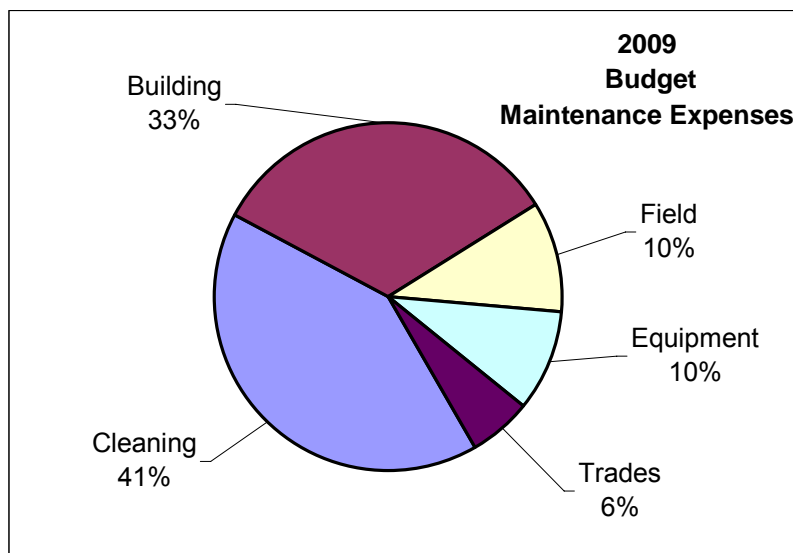


**EXPENSE ASSUMPTIONS – 2009 OPERATING BUDGET****Maintenance**

This category has five components: Trades (Painters, Carpenters, Electricians, and Plumbers); Field (Snow Removal, Summer Maintenance 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 6.61% or \$1,516,700 over 2008 estimates.

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

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>2008 Estimate</b>	<b>2009 Budget</b>	<b>2008 Estimate vs 2009 Budget Dollar Change</b>	<b>% Change</b>
<b>Maintenance</b>							
Trades	1,371,356	1,381,602	1,502,986	1,475,000	1,428,413	(46,587)	-3.16%
Field	2,297,317	2,608,865	2,766,826	2,250,000	2,523,626	273,626	12.16%
Building	6,501,539	6,159,162	6,775,397	6,700,000	8,134,085	1,434,085	21.40%
Equipment	2,305,518	2,002,258	2,106,677	2,450,000	2,324,582	(125,418)	-5.12%
Cleaning	<u>9,051,145</u>	<u>8,963,909</u>	<u>10,112,430</u>	<u>10,075,000</u>	<u>10,055,994</u>	<u>(19,006)</u>	-0.19%
<b>Total Maintenance</b>	<u>21,526,874</u>	<u>21,115,796</u>	<u>23,264,316</u>	<u>22,950,000</u>	<u>24,466,700</u>	<u>1,516,700</u>	6.61%



**Trades** – The decrease in Trades of \$46,587 or 3.16% is related to replenishment of supplies in 2008 and limited spending in 2009.

**Field** – As stated above, Field costs include Snow Removal, Summer Maintenance and Landscaping. Snow removal costs make up 80% of this \$2.5 million budget. The increase in this area of \$273,626 can be attributed to budgeting historical average costs for snow and moisture events. The 2008 estimates indicate below historical average usage for supplies/materials, equipment rent, brooms and blades.

**EXPENSE ASSUMPTIONS – 2009 OPERATING BUDGET**

**Building** – This area is forecasted to increase \$1,434,085. All of the increase is related to contracted Mechanical areas, primarily the Automated People Mover, Moving Walks, Elevator and Escalator expenses. The existing contract expires second quarter 2009. Current contract pricing is significantly below industry standards regarding operations and maintenance. The new contract anticipated in the 2009 budget includes a significant increase to bring the contract up to believed current industry standards.

**Cleaning** – Cleaning is projected to decrease \$19,006 or 0.19%. The decrease is in the janitorial and window cleaning areas related to passenger activity.

**Equipment** – This area is budgeted to decrease \$125,418 for the following combination of expenses:

- \$100,000 for CCTV camera equipment and repairs increase has been added to the 2009 budget,
- The estimate for 2008 includes the higher prices associated with Equipment-Gas and Equipment-Parts. The 2009 budget indicates stabilized gas prices.
- Decrease for Landside \$43,640 for replacement parts.
- Field Maintenance decrease \$42,000.
- Police decrease \$8,624.
- Various other service centers made reductions in their equipment supplies.



***MAC High Speed Snow Plow***

## EXPENSE ASSUMPTIONS – 2009 OPERATING BUDGET

**Other**

The Other expense category is projected to decrease \$619,372 or 18.35%. This category includes General Insurance, Minor Assets (those costing less than \$5,000) and miscellaneous items.

Minor Assets comprise the largest change and are \$452,916 lower than 2008 estimates.

						2008 Estimate vs 2009 Budget	
	<u>2007 Actual</u>	<u>2007 Budget</u>	<u>2008 Budget</u>	<u>2008 Estimate</u>	<u>2009 Budget</u>	<u>Dollar Change</u>	<u>% Change</u>
<b>Other</b>							
General Insurance	2,028,420	2,812,032	2,352,786	2,000,000	1,938,785	(61,215)	-3.06%
Minor Equipment	555,961	565,018	781,982	800,000	347,084	(452,916)	-56.61%
Other	<u>6,337,148</u>	<u>621,822</u>	<u>567,889</u>	<u>575,000</u>	<u>469,759</u>	<u>(105,241)</u>	-18.30%
<b>Total Other</b>	<u>8,921,530</u>	<u>3,998,872</u>	<u>3,702,657</u>	<u>3,375,000</u>	<u>2,755,628</u>	<u>(619,372)</u>	-18.35%

**General Insurance** – The insurance market is based upon factors worldwide (losses under the deductible, litigation costs, history of costs, and inflationary factors). Estimates for 2008 show a decrease in claims and a stabilization in premium costs. These factors carry over into 2009 and are indicated by the decrease of \$61,215 or 3.06%.

**Minor Equipment** – Minor Equipment (items under \$5,000) has decreased \$452,916 or 56.61%. Nearly all of the increase is associated with Minor Equipment-Computers (\$424,599). Computer equipment is being upgraded and replaced throughout the organization at a reduced pace resulting in the decrease. A reduction also occurs in Radios and Tools of \$57,632 in the 2009 budget.

**Other** - Other expenses are decreasing by \$105,241. This is due to a decrease in Grant Expenses in 2008 and other miscellaneous expenses (firearm supplies, emergency response supplies, safety supplies and routine medical supplies).

**EXPENSE ASSUMPTIONS – 2009 OPERATING BUDGET****Gross Depreciation**

Gross Depreciation is projected to increase \$2,150,000 or 1.81% from the 2008 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. 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 2008 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 2008 and 2009:

<b>Major Projects Scheduled for Closing 2008/2009</b>	
	<b><u>Annual Gross Depreciation</u></b>
Taxiway P Reconstruction	\$ 283,333
2008 Perimeter Fence	100,000
Lindbergh Terminal Fire Protection System Phase 1	123,000
2008 Parking Structure Rehabilitation	182,500
Flying Cloud Airport - 2008 Sanitary Sewer/Watermain Extension	170,000
St. Paul Airport - Runway 14/32 Safety Area Improvements-EMAS	495,000
St. Paul Airport - Dike: Compensatory Excavation	331,350
Runway 12L/30R Reconstruction - Segment 2	200,000
17/35 Runway-Bloomington Land Acquisition	584,624
Humphrey Terminal Parking Facility Expansion	1,611,458
	<u>\$ 4,081,265</u>

<b>EXPENSE ASSUMPTIONS – 2009 OPERATING BUDGET</b>
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<b>LINE ITEMS BY SUBLEDGER - 2009 OPERATING BUDGET</b>
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	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b><u>Personnel</u></b>									
<b>Wages</b>									
Regular	39,004,426	789,292	-	1,176,367	-	-	-	1,365,823	-
<b>Overtime/Doubletime</b>									
Doubletime - Regular	1,289,218	-	-	53,640	-	-	-	-	-
Overtime - Regular	1,629,012	7,722	-	34,020	-	-	-	35,533	-
<b>Total Overtime/Doubletime</b>	2,918,230	7,722	-	87,660	-	-	-	35,533	-
Commissioner PerDiem	14,000	-	-	-	-	-	-	-	-
Temps - Agency	85,040	-	-	-	-	-	-	-	-
Temps - Non Agency	1,714,566	89,590	-	10,080	-	-	-	141,633	-
<b>Total Wages</b>	43,736,262	886,604	-	1,274,107	-	-	-	1,542,988	-
<b>Benefits</b>									
<b>Employee Insurance</b>									
Employee Insurance Dental	431,436	9,687	-	14,158	-	-	-	20,119	-
Emphy Insurance Disability	142,625	3,202	-	4,680	-	-	-	6,651	-
Employee Insurance Family	6,763,876	151,866	-	221,958	-	-	-	315,414	-
Employee Insurance Life	118,006	2,438	-	3,626	-	-	-	4,026	-
<b>Total Employee Insurance</b>	7,455,943	167,193	-	244,422	-	-	-	346,210	-
<b>Pension</b>									
Fica (Social Security)Base	1,907,687	52,300	-	75,585	-	-	-	84,137	-
Fica(Social Security)Medic	593,647	12,275	-	17,843	-	-	-	20,099	-
Mpls Emphy Retirement Fund	62,870	-	-	-	-	-	-	-	-
Public Emphy - Police/Fire	1,369,861	-	-	-	-	-	-	-	-
Public Emphy - Coordinated	2,106,477	58,376	-	84,835	-	-	-	97,032	-
Merf Unfunded Liability	420,000	-	-	-	-	-	-	-	-
<b>Total Pension</b>	6,460,541	122,951	-	178,263	-	-	-	201,268	-
<b>Training</b>									
Continuing Ed (College)	75,000	-	-	-	-	-	-	-	-
Executive Leadership Train	54,000	-	-	-	-	-	-	-	-
Management Requirement	10,914	-	-	-	-	-	-	-	-
Organizational Requirement	1,530	-	-	-	-	-	-	-	-
Regulatory Requirements	83,493	18,300	-	-	-	-	-	-	-
Local Seminars	85,148	-	-	-	-	-	-	2,875	-
<b>Total Training</b>	310,085	18,300	-	-	-	-	-	2,875	-
Post Retirement Benefits	1,355,000	30,423	-	44,465	-	-	-	63,187	-
Workers Compensation	744,978	17,804	-	21,679	-	-	-	36,952	-
Post Employ Health Plan	163,000	4,344	-	1,238	-	-	-	8,768	-
Unemployment Tax	50,000	-	-	-	-	-	-	-	-
<b>Uniforms</b>									
Uniforms-Police/Fire Allow	149,720	-	-	-	-	-	-	-	-
Uniforms-Rental	74,935	700	-	2,860	-	-	-	4,180	-
Uniforms - Safety Shoes	24,519	278	-	1,350	-	-	-	-	-
<b>Total Uniforms</b>	249,174	978	-	4,210	-	-	-	4,180	-
<b>Severance</b>									
Contract Allowance	55,000	-	-	-	-	-	-	-	-
Regular Severance	120,000	2,046	-	1,815	-	-	-	1,387	-
<b>Total Severance</b>	175,000	2,046	-	1,815	-	-	-	1,387	-
Paid Absence	1,000	-	-	-	-	-	-	-	-
Trade Union Benefits	437,392	-	-	-	-	-	-	-	-
<b>Total Benefits</b>	17,402,113	364,039	-	496,091	-	-	-	664,827	-
<b><u>Total Personnel</u></b>	61,138,375	1,250,643	-	1,770,198	-	-	-	2,207,815	-

<b>LINE ITEMS BY SUBLEDGER - 2009 OPERATING BUDGET</b>
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	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>Administrative Expenses</b>									
<b>Supplies</b>									
Office Supplies _Materials	167,790	3,000	-	1,500	-	4,200	-	12,360	-
<b>Computer Supplies</b>									
Computer Supplies-General	43,744	110	-	932	-	-	-	-	-
Computer Supplies-Software	157,505	-	-	-	-	-	-	-	5,000
<b>Total Computer Supplies</b>	201,249	110	-	932	-	-	-	-	5,000
<b>Special Supplies</b>									
Special Supplies-Badging	238,250	-	-	-	-	-	-	-	-
Special Supply-Film/Photo	15,590	-	-	-	-	-	-	-	-
Special Supplies-Other	46,395	-	-	1,186	-	1,000	-	1,545	-
<b>Total Special Supplies</b>	300,235	-	-	1,186	-	1,000	-	1,545	-
<b>Total Supplies</b>	669,274	3,110	-	3,618	-	5,200	-	13,905	5,000
<b>Travel</b>									
Travel - Lodging	74,854	515	-	-	-	4,800	-	-	4,500
Travel - Meals	22,309	200	-	200	-	880	-	800	-
Travel - Miscellaneous	6,020	-	-	-	-	-	-	-	-
<b>Travel - Transportation</b>									
Travel - Transport/Airfare	91,121	-	-	-	-	6,600	-	3,600	-
Travel - Shuttle/Taxi/Auto	7,510	-	-	-	-	400	-	300	-
<b>Total Travel - Transportation</b>	98,631	-	-	-	-	7,000	-	3,900	-
Registration Fees	53,900	515	-	-	-	2,600	-	2,700	-
Mileage	51,879	506	-	250	-	-	-	6,000	-
<b>Total Travel</b>	307,593	1,736	-	450	-	15,280	-	13,400	4,500
<b>Other Administrative Expense</b>									
<b>Local Meetings</b>									
Local Mtgs - On Airport/GO	15,835	500	-	-	-	200	-	800	-
Local Mtgs - Off Airport	20,503	500	-	-	-	-	-	500	-
<b>Total Local Meetings</b>	36,338	1,000	-	-	-	200	-	1,300	-
<b>Information Sources</b>									
Memberships/Dues/Pro Assoc	224,451	385	-	-	-	225	-	2,700	-
Other Information Sources	104,991	100	-	-	-	-	-	-	-
Publications/Subscriptions	31,716	100	-	-	-	500	-	-	-
<b>Total Information Sources</b>	361,158	585	-	-	-	725	-	2,700	-
<b>Printing Costs</b>									
Printing-Publications	69,871	-	-	-	-	-	-	-	-
Printing - Color Charts	2,300	-	-	-	-	-	-	-	-
Printing - Forms	57,229	-	-	-	-	-	-	40,029	-
Printing-In House Color	65	-	-	-	-	-	-	-	-
Printing-Stationary/Envel	15,264	-	-	-	-	2,180	-	-	-
<b>Total Printing Costs</b>	144,729	-	-	-	-	2,180	-	40,029	-
Delivery Services	12,385	-	-	117	-	-	-	-	-
Freight Charges	3,693	-	-	50	-	-	-	-	-
Postage	49,195	-	-	-	-	-	-	6,695	-
<b>Total Other Administrative Expense</b>	607,498	1,585	-	167	-	3,105	-	50,724	-
<b>Total Administrative Expenses</b>	1,584,365	6,431	-	4,235	-	23,585	-	78,029	9,500

<b>LINE ITEMS BY SUBLEDGER - 2009 OPERATING BUDGET</b>
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	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>Professional Services</b>									
Accounting/Audit Fees	194,000	-	-	-	-	-	-	-	-
Affirmative Action Fees	27,000	-	-	-	-	-	-	-	-
<b>RFP/Leases</b>	40,000	-	-	-	-	-	-	-	-
<b>Concept Develop/Feasible</b>	34,000	-	-	-	-	-	-	-	-
<b>Computer Services</b>									
<b>General</b>									
ANOMS Consulting	57,500	-	-	-	-	-	-	-	-
Software Consulting	100,000	-	-	-	-	-	-	-	-
<b>Total General</b>	157,500	-	-	-	-	-	-	-	-
<b>Total Computer Services</b>	157,500	-	-	-	-	-	-	-	-
Engineering Fees	602,563	71,000	-	42,163	-	223,000	-	12,000	-
Graphic Design	30,000	-	-	-	-	-	-	-	-
Insurance Consultants	48,000	-	-	-	-	-	-	-	-
Labor Relations	10,450	-	-	-	-	-	-	-	-
<b>Legal Fees</b>									
Legal - Environmental	170,000	-	-	-	-	-	-	-	-
Legal - General	1,375,000	-	-	-	-	-	-	-	-
Legal - Federal	50,000	-	-	-	-	-	-	-	-
Legal - Relievers	300,000	-	-	-	-	-	-	-	-
<b>Total Legal Fees</b>	1,895,000	-	-	-	-	-	-	-	-
<b>Legislative</b>									
Legislative - Local	90,000	-	-	-	-	-	-	-	-
Legislative - National	196,000	-	-	-	-	-	-	-	-
<b>Total Legislative</b>	286,000	-	-	-	-	-	-	-	-
Medical Fees	55,200	-	-	-	-	-	-	-	-
<b>Planning</b>									
MSP Int'l	380,000	-	-	-	-	380,000	-	-	-
Relievers	150,000	-	-	-	-	-	-	-	-
<b>Total Planning</b>	530,000	-	-	-	-	380,000	-	-	-
Pollution/Environmental Fees	7,650	-	-	-	-	3,000	-	-	-
Public Information Services	220,600	-	-	-	-	-	-	-	-
Public Information Services	10,000	-	-	-	-	-	-	-	-
Recruiting Employment Fees	45,000	-	-	-	-	-	-	-	-
<b>Safety Consultants</b>	13,350	8,000	-	-	-	-	-	-	-
Communications Consultant	50,500	-	-	-	-	-	-	-	-
Other/Miscellaneous	963,040	113,233	-	-	-	4,500	-	36,500	24,000
Survey Expense	10,000	10,000	-	-	-	-	-	-	-
<b>Total Professional Services</b>	5,229,853	202,233	-	42,163	-	610,500	-	48,500	24,000
<b>Utilities</b>									
Electricity	10,100,000	6,368,050	-	-	-	857,490	-	572,670	-
<b>Heating Fuel</b>									
Heating - Natural Gas	5,700,000	238,260	-	3,755,760	-	1,254	76,950	93,480	7,980
Heating - Fuel Oil	120,000	21,673	-	72,240	-	-	-	-	24,000
<b>Total Heating Fuel</b>	5,820,000	259,933	-	3,828,000	-	1,254	76,950	93,480	31,980
Sewer	769,306	328,024	-	49,979	-	27,635	17	32	2,971
Water	1,430,494	514,458	-	66,080	-	2,798	21	55,544	21,630
<b>Telephone</b>									
Telephone - Regular	256,470	3,850	-	-	-	600	-	30	-
Telephone - Internet Service	100,700	-	-	-	-	-	-	-	-
Telephone - Cellular	132,881	3,716	-	3,629	-	11,100	-	7,000	-
<b>Total Telephone</b>	490,051	7,566	-	3,629	-	11,700	-	7,030	-
<b>Total Utilities</b>	18,609,851	7,478,031	-	3,947,688	-	900,877	76,988	728,756	56,581



<b>LINE ITEMS BY SUBLEDGER - 2009 OPERATING BUDGET</b>
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	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>Operating Services/Expenses</b>									
<b>Advertising</b>									
Advertising - Employment	34,000	-	-	-	-	-	-	-	-
Advertising - General	92,300	-	-	-	-	-	-	-	-
Advertising - Parking	300,000	-	-	-	-	-	-	-	300,000
Advertising - Relievers	20,600	-	-	-	-	-	-	-	-
<b>Total Advertising</b>	<b>446,900</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>300,000</b>
<b>Environmental Control</b>									
<b>Hazardous Waste</b>									
Hazardous Waste - FLOuresc	10,000	-	-	-	-	-	-	-	-
Hazardous Waste - General	1,450	-	-	-	-	-	-	-	-
<b>Total Hazardous Waste</b>	<b>11,450</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Pollution Control</b>									
Pollution Ctrl-Booms	15,000	-	-	-	-	-	-	-	-
Pollution Ctrl-Corn Cobs	5,500	-	-	-	-	-	-	-	-
Pollution Ctrl-Supplies	374	-	-	-	-	-	-	-	-
<b>Total Pollution Control</b>	<b>20,874</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Industrial Waste Mgmt	13,500	-	-	-	-	12,000	-	-	-
Laboratory Services	2,000	-	-	-	-	-	-	-	-
Solvent Reclamation Service	13,750	-	-	600	-	-	-	-	-
Tire Disposal	800	-	-	-	-	-	-	-	-
Other	130,000	-	-	-	-	2,000	-	-	-
<b>Total Environmental Control</b>	<b>192,374</b>	<b>-</b>	<b>-</b>	<b>600</b>	<b>-</b>	<b>14,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grd Transportation Services</b>									
AV ID Readers/Controllers	2,150	-	-	-	-	-	-	2,150	-
AV ID Tags	14,420	-	-	-	-	-	-	14,420	-
<b>Total Grd Transportation Services</b>	<b>16,570</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,570</b>	<b>-</b>
<b>Shuttle Services</b>	<b>800,000</b>	<b>328,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>312,000</b>	<b>-</b>
<b>Parking Lots</b>	<b>5,937,438</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,937,438</b>
<b>Met Council Fees</b>	<b>140,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>140,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Employee Programs</b>									
<b>Recognition</b>	<b>15,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Retirement</b>	<b>2,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Wellness</b>									
Wellness - Fitness Program	95,000	-	-	-	-	-	-	-	-
Wellness-Health/Wellness	13,500	-	-	-	-	-	-	-	-
Wellness-Nutrition/Stress	6,500	-	-	-	-	-	-	-	-
<b>Total Wellness</b>	<b>115,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Employee Programs</b>	<b>132,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Events</b>									
<b>Conference Center</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Emergency Response Exercise</b>	<b>13,702</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,450</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Programs/Events	6,160	-	-	-	-	-	-	-	-
<b>Total Events</b>	<b>69,862</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,450</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Charges/Fees</b>									
Bank Charges	308,105	-	-	-	-	-	-	-	123,105
IATA Contract Expense	68,000	-	-	-	-	-	-	-	-
Security Services Regular	309,664	-	-	-	-	-	-	-	-
Security Services Check Pt	285,607	-	-	-	-	285,607	-	-	-
Concessions Marketing	550,000	-	-	-	-	-	-	-	-
Recycling - Sand	20,000	-	-	-	-	20,000	-	-	-
Copy Agreement	130,000	-	-	-	-	-	-	-	-
Mediation Fees	2,200	-	-	-	-	-	-	-	-
Miscellaneous Charges/Fees	126,445	-	-	-	-	-	-	1,221	1,545
Jail Fees	12,000	-	-	-	-	-	-	-	-
<b>Total Other Charges/Fees</b>	<b>1,812,021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>305,607</b>	<b>-</b>	<b>1,221</b>	<b>124,650</b>
<b>Service Agreements</b>									
Service - Bldg Inspection	20,000	20,000	-	-	-	-	-	-	-
Service - Facilities C.M.M.I.S	30,000	30,000	-	-	-	-	-	-	-
Service-Computers	1,600,364	175,000	-	-	-	103,250	-	-	13,550
Service-Fitness Equipment	2,320	-	-	-	-	-	-	-	-
Service-Grd Trans Equip	70,400	-	-	-	-	-	-	70,400	-
Service-Loading Dock	2,295,508	2,226,643	-	-	-	-	-	-	-
Service-Office Equipment	39,329	626	-	-	-	600	-	-	-
Service-Other Equipment	878,001	392	100,450	-	-	700	-	-	-
Service-Parking Equipment	709,045	-	-	-	-	-	-	-	709,045
Service-Telephone Systems	67,622	-	-	-	-	-	-	-	-
Service-Secured Access	185,495	-	-	-	-	185,495	-	-	-
Service-Radios	257,480	500	-	-	-	57,000	-	-	-
GISW Management	1,250,000	-	-	-	-	1,250,000	-	-	-
<b>Total Service Agreements</b>	<b>7,405,564</b>	<b>2,453,161</b>	<b>100,450</b>	<b>-</b>	<b>-</b>	<b>1,597,045</b>	<b>-</b>	<b>70,400</b>	<b>722,595</b>
<b>Total Operating Services/Expenses</b>	<b>16,953,229</b>	<b>2,781,161</b>	<b>100,450</b>	<b>600</b>	<b>-</b>	<b>2,061,102</b>	<b>-</b>	<b>400,191</b>	<b>7,084,683</b>

<b>LINE ITEMS BY SUBLEDGER - 2009 OPERATING BUDGET</b>
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	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>Maintenance</b>									
<b>Trades - Painters</b>									
<b>Paint</b>									
Equipment - Paint	4,000	1,000	-	-	-	-	-	-	-
Exterior - Paint	10,172	2,122	-	-	-	-	-	-	-
Interior - Paint	13,365	6,365	-	-	-	-	-	-	-
Paint - Other	700	-	-	-	-	-	-	-	-
Traffic Paint - Parking	26,250	-	-	-	-	-	-	-	26,250
Reliever Airport - Paint	4,932	-	-	-	-	-	-	-	-
Traffic Paint - Roads	11,000	-	-	-	-	-	-	-	-
Traffic Paint - Runways	83,567	-	-	-	-	83,567	-	-	-
<b>Total Paint</b>	<b>153,986</b>	<b>9,487</b>	-	-	-	<b>83,567</b>	-	-	<b>26,250</b>
<b>Signs</b>									
Other Sign Material/Etc	5,500	-	-	-	-	-	-	-	-
Regulatory - Signs	2,342	-	-	-	-	-	-	-	-
Exterior Sign Materials	7,000	-	-	-	-	-	-	-	-
Interior Sign Materials	3,581	2,387	-	-	-	-	-	-	-
Reliever Airport Signs	5,994	-	-	-	-	-	-	-	-
<b>Total Signs</b>	<b>24,416</b>	<b>2,387</b>	-	-	-	-	-	-	-
<b>Supplies</b>									
Brushes _Supplies	1,061	-	-	-	-	-	-	-	-
Paint Supplies - Other	20,250	18,500	-	750	-	-	-	-	-
Solvents	500	-	-	-	-	-	-	-	-
Equipment Spray	6,556	-	-	-	-	-	-	-	-
Paint Tools	5,437	-	-	-	-	-	-	-	-
<b>Total Supplies</b>	<b>33,804</b>	<b>18,500</b>	-	<b>750</b>	-	-	-	-	-
<b>Total Trades - Painters</b>	<b>212,207</b>	<b>30,374</b>	-	<b>750</b>	-	<b>83,567</b>	-	-	<b>26,250</b>
<b>Trades - Carpenters</b>									
<b>Locks</b>									
Locks - Doors	73,633	24,645	-	-	-	-	-	-	-
Locks - Door Tags/ID	1,290	1,290	-	-	-	-	-	-	-
<b>Total Locks</b>	<b>74,923</b>	<b>25,935</b>	-	-	-	-	-	-	-
<b>Flags</b>	<b>624</b>	-	-	-	-	-	-	-	-
<b>Lumber</b>									
Lumber-Cabinets	14,000	14,000	-	-	-	-	-	-	-
Lumber-Other	758	-	-	-	-	-	-	-	-
<b>Total Lumber</b>	<b>14,758</b>	<b>14,000</b>	-	-	-	-	-	-	-
<b>Other</b>									
Other - Attic Stock	5,000	5,000	-	-	-	-	-	-	-
Other - Ceilings	20,500	15,500	-	-	-	-	-	-	-
Other - Ceramics	5,000	2,500	-	-	-	-	-	-	-
Other - Doors	14,000	12,000	-	-	-	-	-	-	-
Other - Floor Coverings	69,000	54,000	-	-	-	-	-	-	-
Other - Hardware	14,170	4,010	-	-	-	-	-	-	-
Other - Auto Door Supplis RPL	21,274	16,274	-	-	-	-	-	-	-
Other - Saw Blades	250	250	-	-	-	-	-	-	-
Other - Screws/Bolts	6,500	-	-	-	-	-	-	-	-
Other - Seating Replacement	34,400	30,900	-	-	-	-	-	-	-
Other - Tools	10,825	7,325	-	-	-	-	-	-	-
Other - Tug Door Repairs	7,500	5,143	-	-	-	-	-	-	-
Other - Tug Drive Floor Maint.	9,360	9,360	-	-	-	-	-	-	-
Other - Wall Protection	3,200	-	-	-	-	-	-	-	-
<b>Total Other</b>	<b>220,979</b>	<b>162,262</b>	-	-	-	-	-	-	-
<b>Total Trades - Carpenters</b>	<b>311,284</b>	<b>202,197</b>	-	-	-	-	-	-	-

<b>LINE ITEMS BY SUBLEDGER - 2009 OPERATING BUDGET</b>
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	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>Trades - Plumbers</b>									
Contractor Requirements	3,000	-	-	-	-	-	-	-	-
Fire Protection System	80,050	20,347	-	1,218	-	10,396	-	-	-
General Plumbing Supplies	61,362	27,490	-	-	-	-	-	-	-
Irrigation Supplies	11,277	901	-	-	-	-	-	3,275	-
Pumps	8,155	7,000	-	880	-	-	-	-	-
Underground Utilities	3,316	3,316	-	-	-	-	-	-	-
Water Distribution Systems	10,000	8,000	-	-	-	-	-	-	-
Water Meters	8,000	-	-	-	-	4,000	-	-	-
Plumbing - Other	15,826	-	-	-	-	-	-	-	-
<b>Total Trades - Plumbers</b>	<b>200,986</b>	<b>67,054</b>	<b>-</b>	<b>2,098</b>	<b>-</b>	<b>14,396</b>	<b>-</b>	<b>3,275</b>	<b>-</b>
<b>Trades - Electricians</b>									
<b>Repairs</b>									
Electrical _ Exterior	44,390	-	-	-	-	-	-	-	-
Generator Maint. Contract	34,214	34,214	-	-	-	-	-	-	-
Electrical - Interior	3,184	-	-	-	-	-	-	-	-
Unit Maint. Contract	100,000	-	-	-	-	-	-	-	-
<b>Total Repairs</b>	<b>181,788</b>	<b>34,214</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other</b>									
Other - Batteries	1,324	109	-	210	-	55	-	-	-
Other-Field Lights/Sensors	167,436	-	-	-	-	138,128	-	-	-
Other - Gate Supplies	28,545	-	-	-	-	10,500	-	-	-
Other - General Supplies	304,720	65,227	113	2,174	2,808	-	-	218	165,811
Other - Miscellaneous	1,000	-	-	-	-	-	-	-	-
Other - Motor	7,753	5,464	-	-	-	-	-	-	546
Other - Secured Access Sys	2,601	-	-	-	-	2,601	-	-	-
Other - Tools	8,769	-	-	-	-	-	-	-	-
<b>Total Other</b>	<b>522,148</b>	<b>70,800</b>	<b>113</b>	<b>2,384</b>	<b>2,808</b>	<b>151,284</b>	<b>-</b>	<b>218</b>	<b>166,357</b>
<b>Total Trades - Electricians</b>	<b>703,936</b>	<b>105,014</b>	<b>113</b>	<b>2,384</b>	<b>2,808</b>	<b>151,284</b>	<b>-</b>	<b>218</b>	<b>166,357</b>

<b>LINE ITEMS BY SUBLEDGER - 2009 OPERATING BUDGET</b>
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	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>Maintenance - Field</b>									
<b>Snow Removal - Materials</b>									
Materials - Sodium Acetate	40,000	-	-	-	-	40,000	-	-	-
Materials-Liquid Anti Icer	710,000	-	-	-	60,000	650,000	-	-	-
Materials-Other Ice Ctrl	9,000	-	-	-	-	-	-	-	8,000
Materials - Salt	60,612	-	-	-	-	-	-	10,000	-
Materials - Sand	136,463	-	-	-	-	120,000	-	-	-
Materials - Urea	7,984	-	-	-	-	-	-	-	-
<b>Total Snow Removal - Materials</b>	964,059	-	-	-	60,000	810,000	-	10,000	8,000
<b>Snow Removal - Equipment</b>									
Equipment - Contract	533,000	-	-	-	-	-	-	-	498,000
Equipment - Snow Haulers	5,000	-	-	-	-	5,000	-	-	-
Equipment - Other	798	-	-	-	-	-	-	-	-
Equip Rent-No Operator-5.5	66,000	-	-	-	30,500	30,500	-	-	-
Equipment-Rent-No Operator	132,000	-	-	-	78,000	-	-	23,000	-
<b>Total Snow Removal - Equipment</b>	736,798	-	-	-	108,500	35,500	-	23,000	498,000
<b>Snow Removal - Miscellan</b>									
Snow Removal - Meals	28,969	-	-	-	-	28,500	-	-	-
Snow Removal - Plow Blades	81,000	-	-	-	27,000	27,000	-	27,000	-
Snow Removal - Runway Brm	175,000	-	-	-	-	175,000	-	-	-
Snow Melters	40,000	-	-	-	-	20,000	-	-	20,000
<b>Total Snow Removal - Miscellan</b>	324,969	-	-	-	27,000	250,500	-	27,000	20,000
<b>Summer Maintenance-Surface</b>									
Surface Repair-Aggregate	5,952	-	-	-	-	-	-	-	-
Surface Repair-Asphalt	78,194	-	-	-	30,000	30,000	-	1,000	-
Surface Repair-Cement	7,014	-	-	-	1,500	2,500	-	-	250
Surface Repair-Other	2,500	-	-	-	-	2,500	-	-	-
Surface Rubber Removal	47,300	-	-	-	-	40,000	-	-	-
Surface Repair-Saw Blades	1,000	-	-	-	500	500	-	-	-
Surface Repair-Hot Sealant	20,000	-	-	-	-	20,000	-	-	-
<b>Total Summer Maintenance-Surf</b>	161,960	-	-	-	32,000	95,500	-	1,000	250
<b>Summer Maint-Landscape</b>									
Summer Maintenance-Fencing	11,465	-	-	-	-	6,000	-	-	-
Landscape/Turf-Materials	80,765	-	-	-	-	14,000	-	45,000	-
Summer Maint-Equip Rent No Op	35,000	-	-	-	-	-	-	-	35,000
Summer Maint-Equip Rent LT	124,000	-	-	-	78,000	-	-	23,000	-
<b>Total Summer Maint-Landscape</b>	251,230	-	-	-	78,000	20,000	-	68,000	35,000
<b>Maintenance Field-Other</b>									
Field Maint-Other-Garbage	6,000	-	-	-	-	-	-	-	-
Non Runway Brooms	34,000	-	-	-	4,000	-	-	30,000	-
Field Maint-Other/Emerg	15,000	-	-	-	-	10,000	-	-	-
Field Maint-Other-Material	8,600	-	-	-	-	1,600	-	-	1,000
Field Maint-Other-Supplies	9,760	-	-	-	500	2,500	-	-	-
Field Maint-Other-Tools	11,250	-	-	-	-	2,750	-	500	-
<b>Total Maintenance Field-Other</b>	84,610	-	-	-	4,500	16,850	-	30,500	1,000
<b>Total Maintenance - Field</b>	2,523,626	-	-	-	310,000	1,228,350	-	159,500	562,250
<b>Maintenance Building</b>									
<b>Building-Temp Control</b>									
Temp Control-Contracts	903,594	532,007	-	118,232	-	500	-	30,110	86,541
Temp Control-Filters	130,998	94,500	-	4,655	-	-	-	-	-
<b>Total Building-Temp Control</b>	1,034,592	626,507	-	122,887	-	500	-	30,110	86,541
<b>Building-Mechanical Areas</b>									
Mechanical Areas-APM	4,038,032	2,776,147	-	-	-	-	-	1,009,508	252,377
Mechanical Areas-Conveyors	358,344	204,255	39,418	-	-	-	-	-	-
Mechanical Areas-Doors	4,957	-	-	-	-	-	-	-	-
Mechanical Areas-Doors/Pub	12,500	10,000	-	-	-	-	-	-	-
Mechanical Areas-Doors/Tug	20,000	20,000	-	-	-	-	-	-	-
Mechanical Areas-Elevators	520,060	490,376	-	-	-	-	-	-	-
Mechanical Areas-Escalator	722,659	686,526	-	-	-	-	-	-	-
Mechanical-Moving Walks	825,896	825,896	-	-	-	-	-	-	-
Mechanical Areas-Other	2,000	-	-	-	-	-	-	-	-
<b>Total Building-Mechanical Areas</b>	6,504,448	5,013,200	39,418	-	-	-	-	1,009,508	252,377
<b>Building-Other</b>									
Other-Boiler Chemicals	77,651	3,544	-	61,881	-	-	-	-	-
Other-Floors/Repairs	7,000	4,300	-	-	-	-	-	-	-
Other-Jetbridge Repairs	75,500	2,500	-	-	-	-	-	-	-
Other-Outside Plumb/Sewer	9,900	-	-	-	-	-	-	-	-
Other-Paging System Contract	50,000	50,000	-	-	-	-	-	-	-
Other-Pest Control	190,300	190,300	-	-	-	-	-	-	-
Other-Roofing	40,064	35,000	-	-	-	-	-	-	-
Sump/Septic Pumping	22,229	-	-	-	-	-	-	-	-
Other-Supplies	56,012	1,070	-	5,664	-	-	-	-	-
Other-Tools	6,389	-	-	3,000	-	-	-	-	-
<b>Total Building-Other</b>	535,045	286,714	-	70,545	-	-	-	-	-
Apt Development Projects	60,000	60,000	-	-	-	-	-	-	-
<b>Total Maintenance Building</b>	8,134,085	5,986,421	39,418	193,432	-	500	-	1,039,618	338,918

<b>LINE ITEMS BY SUBLEDGER - 2009 OPERATING BUDGET</b>
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	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>Maintenance-Cleaning</b>									
<b>Cleaning Services</b>									
Cleaning Services-Janitor	7,865,916	5,535,541	159,269	-	-	-	-	-	180,225
Cleaning Services-Windows	976,934	671,784	13,577	-	-	-	-	-	36,963
<b>Total Cleaning Services</b>	8,842,850	6,207,325	172,846	-	-	-	-	-	217,188
<b>Cleaning Supplies</b>									
Cleaning Supplies-Bathroom	696,350	650,000	-	-	-	-	-	-	-
Cleaning Supplies-General	3,366	-	-	-	-	-	-	-	-
<b>Total Cleaning Supplies</b>	699,716	650,000	-	-	-	-	-	-	-
<b>Rubbish Disposal</b>									
Rubbish Disposal-Recycle	31,180	23,414	-	-	-	530	-	-	-
Rubbish Disposal-Regular	475,000	64,034	-	-	-	217,003	739	3,591	17,948
<b>Total Rubbish Disposal</b>	506,180	87,448	-	-	-	217,533	739	3,591	17,948
Towel Laundry Services	5,188	-	-	-	-	-	-	-	-
Other Cleaning Expenses	2,060	-	-	-	-	-	-	-	-
<b>Total Maintenance-Cleaning</b>	10,055,994	6,944,773	172,846	-	-	217,533	739	3,591	235,136
<b>Maintenance-Equipment</b>									
<b>Equipment-Parts</b>									
Parts-Automobiles	138,900	-	-	-	-	-	-	-	-
Parts-Boilers Energy Mgmt	131,951	23,672	-	100,082	-	-	-	-	-
Parts-Chiller Energy Mgmt	96,556	13,163	-	70,333	-	-	-	604	1,697
Parts-Other Equipment	60,000	60,000	-	-	-	-	-	-	-
Parts-Equipment	655,987	-	-	-	-	-	-	13,802	168,360
Parts-Other Equipment	138,419	4,603	200	11,189	-	16,000	-	-	-
<b>Total Equipment-Parts</b>	1,221,813	101,438	200	181,604	-	16,000	-	14,406	170,057
<b>Equipment-Shop</b>									
Shop-Batteries	19,121	-	-	-	-	-	-	-	-
Shop-Cleaners/Degreasers	35,619	-	-	-	-	-	-	-	5,000
Shop-Oil Filters	54,535	-	-	-	-	-	-	-	-
Shop-Other Supplies	75,690	-	-	3,534	-	-	-	-	-
Shop-Tires	95,513	-	-	-	-	-	-	-	-
Shop-Tools	27,005	-	-	-	-	-	-	-	-
<b>Total Equipment-Shop</b>	307,483	-	-	3,534	-	-	-	-	5,000
<b>Equipment-Gas</b>									
Gas-Diesal	380,000	-	-	-	-	-	-	-	-
Gas-Propane	4,200	-	-	-	-	-	-	-	-
Gas-Unleaded	365,000	-	-	3,502	-	4,578	-	4,792	16,714
<b>Total Equipment-Gas</b>	749,200	-	-	3,502	-	4,578	-	4,792	16,714
<b>Equipment-Extinguishers</b>	1,569	-	-	-	-	-	-	-	-
Equipment-Miscellaneous Exp	44,517	-	-	-	-	-	-	27,303	-
<b>Total Maintenance-Equipment</b>	2,324,582	101,438	200	188,640	-	20,578	-	46,501	191,771
<b>Total Maintenance</b>	24,466,700	13,437,271	212,577	387,304	312,808	1,716,208	739	1,252,703	1,520,683

<b>LINE ITEMS BY SUBLEDGER - 2009 OPERATING BUDGET</b>
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	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>Other</b>									
<b>General Insurance</b>									
Gen Ins-Airport Liability	757,021	193,358	-	26,145	23,067	39,223	-	13,367	48,233
Gen Ins-Property	932,261	217,514	-	33,153	29,250	49,736	-	16,950	61,161
Gen Ins-Crime	15,000	3,500	-	533	471	800	-	273	984
Gen Ins-Auto/Equipment	226,941	52,950	-	8,070	7,120	12,107	-	4,126	14,888
Gen Ins-Other	7,562	1,863	-	-	245	417	-	142	511
<b>Total General Insurance</b>	<b>1,938,785</b>	<b>469,184</b>	<b>-</b>	<b>67,901</b>	<b>60,153</b>	<b>102,283</b>	<b>-</b>	<b>34,859</b>	<b>125,777</b>
<b>Safety</b>									
Safety-Training Materials	300	-	-	-	-	-	-	-	-
Safety-Supplies	27,610	6,066	-	3,175	-	-	-	-	-
Safety-Equipment	15,726	-	-	-	-	2,000	-	515	-
<b>Total Safety</b>	<b>43,636</b>	<b>6,066</b>	<b>-</b>	<b>3,175</b>	<b>-</b>	<b>2,000</b>	<b>-</b>	<b>515</b>	<b>-</b>
<b>Medical Information/Supply</b>	<b>25,116</b>	<b>300</b>	<b>-</b>	<b>487</b>	<b>-</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Rentals</b>									
Rental-Copier	67,597	8,115	-	-	-	4,000	-	5,871	-
Rental-Pagers	19,935	720	-	-	-	990	-	-	-
Rental-Other Equipment	30,551	2,000	-	-	-	-	-	1,442	-
<b>Total Rentals</b>	<b>118,083</b>	<b>10,835</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,990</b>	<b>-</b>	<b>7,313</b>	<b>-</b>
<b>Licenses/Permits</b>									
Licenses-Autos/Equipment	1,000	-	-	-	-	-	-	-	-
Licenses-Environmental	6,000	-	-	-	-	-	-	-	-
Licenses-Other	2,888	-	-	1,286	-	-	-	-	-
<b>Total Licenses/Permits</b>	<b>9,888</b>	<b>-</b>	<b>-</b>	<b>1,286</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Miscellaneous Expenses</b>									
Misc-Firearm/Equip/Supplies	111,838	-	-	-	-	-	-	-	-
Misc-Emergency Response	56,350	600	-	-	-	-	-	-	-
Misc-Other	80,848	-	-	-	-	23,000	-	-	-
<b>Total Miscellaneous Expenses</b>	<b>249,036</b>	<b>600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Adjustments/Bad Debt</b>									
Bad Debt Expense	15,000	-	-	-	-	-	-	-	-
Miscellaneous Adjustments	9,000	-	-	-	-	-	-	-	-
<b>Total Adjustments/Bad Debt</b>	<b>24,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Assets</b>									
<b>Minor Equipment/Assets</b>									
Minor Assets-Tools	48,601	2,000	-	-	-	-	-	-	-
Minor Assets-Office Furn	22,248	2,500	-	-	-	-	-	-	-
Minor Assets-Computers	209,455	-	4,800	-	-	-	-	-	31,000
Minor Assets-Radios	20,500	-	-	-	-	-	-	-	-
Minor Assets-Other	46,280	-	-	-	-	-	-	-	-
<b>Total Minor Equipment/Assets</b>	<b>347,084</b>	<b>4,500</b>	<b>4,800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,000</b>
<b>Total Capital Assets</b>	<b>347,084</b>	<b>4,500</b>	<b>4,800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,000</b>
<b>Total Other</b>	<b>2,755,628</b>	<b>491,486</b>	<b>4,800</b>	<b>72,849</b>	<b>60,153</b>	<b>133,773</b>	<b>-</b>	<b>42,687</b>	<b>156,777</b>
<b>Gross Depreciation</b>	<b>121,250,000</b>	<b>121,250,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total Excluding Depreciation</b>	<b>130,738,002</b>	<b>25,647,255</b>	<b>317,827</b>	<b>6,225,038</b>	<b>372,961</b>	<b>5,446,046</b>	<b>77,727</b>	<b>4,758,681</b>	<b>8,852,224</b>
<b>Grand Total With Depreciation</b>	<b>251,988,002</b>	<b>146,897,255</b>	<b>317,827</b>	<b>6,225,038</b>	<b>372,961</b>	<b>5,446,046</b>	<b>77,727</b>	<b>4,758,681</b>	<b>8,852,224</b>

**LINE ITEMS BY SUBLEDGER - 2009 OPERATING BUDGET**

Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
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<b>LINE ITEMS BY SUBLEDGER - 2009 OPERATING BUDGET</b>
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	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<b>Personnel</b>								
<b>Wages</b>								
Regular	-	211,341	-	-	-	9,838,154	-	-
<b>Overtime/Doubletime</b>								
Doubletime - Regular	-	-	-	-	-	1,091,558	-	-
Overtime - Regular	-	-	-	-	-	527,239	-	-
<b>Total Overtime/Doubletime</b>	-	-	-	-	-	1,618,796	-	-
Commissioner PerDiem	-	-	-	-	-	-	-	-
Temps - Agency	-	-	-	-	-	-	-	-
Temps - Non Agency	-	-	-	-	-	518,086	-	-
<b>Total Wages</b>	-	211,341	-	-	-	11,975,037	-	-
<b>Benefits</b>								
<b>Employee Insurance</b>								
Employee Insurance Dental	-	1,490	-	-	-	118,477	-	-
EmPLY Insurance Disability	-	493	-	-	-	39,166	-	-
Employee Insurance Family	-	23,364	-	-	-	1,857,437	-	-
Employee Insurance Life	-	653	-	-	-	29,033	-	-
<b>Total Employee Insurance</b>	-	26,000	-	-	-	2,044,114	-	-
<b>Pension</b>								
Fica (Social Security)Base	-	17,441	-	-	-	674,425	-	-
Fica(Social Security)Medic	-	4,144	-	-	-	158,543	-	-
Mpls EmPLY Retirement Fund	-	-	-	-	-	23,000	-	-
Public EmPLY - Police/Fire	-	-	-	-	-	-	-	-
Public EmPLY - Coordinated	-	20,147	-	-	-	677,303	-	-
Merf Unfunded Liability	-	-	-	-	-	189,000	-	-
<b>Total Pension</b>	-	41,732	-	-	-	1,722,271	-	-
<b>Training</b>								
Continuing Ed (College)	-	-	-	-	-	-	-	-
Executive Leadership Train	-	-	-	-	-	-	-	-
Management Requirement	-	-	-	-	-	-	-	-
Organizational Requirement	-	1,030	-	-	-	-	-	-
Regulatory Requirements	-	-	-	-	-	11,893	-	-
Local Seminars	-	-	-	-	-	1,897	-	-
<b>Total Training</b>	-	1,030	-	-	-	13,790	-	-
Post Retirement Benefits	-	4,680	-	-	-	372,098	-	-
Workers Compensation	-	3,800	-	-	-	212,691	-	-
Post EmPLY Health Plan	-	1,053	-	-	-	45,404	-	-
Unemployment Tax	-	-	-	-	-	50,000	-	-
<b>Uniforms</b>								
Uniforms-Police/Fire Allow	-	-	-	-	-	-	-	-
Uniforms-Rental	-	-	-	-	-	49,473	-	-
Uniforms - Safety Shoes	-	-	-	-	-	20,115	-	135
<b>Total Uniforms</b>	-	-	-	-	-	69,588	-	135
<b>Severance</b>								
Contract Allowance	-	-	-	-	-	49,311	-	-
Regular Severance	-	1,616	-	-	-	27,572	-	-
<b>Total Severance</b>	-	1,616	-	-	-	76,883	-	-
Paid Absence	-	-	-	-	-	-	-	-
Trade Union Benefits	-	-	-	-	-	437,392	-	-
<b>Total Benefits</b>	-	79,910	-	-	-	5,044,231	-	135
<b>Total Personnel</b>	-	291,252	-	-	-	17,019,268	-	135



<b>LINE ITEMS BY SUBLEDGER - 2009 OPERATING BUDGET</b>
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	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<b>Administrative Expenses</b>								
<b>Supplies</b>								
Office Supplies _Materials	-	400	-	-	-	-	2,100	4,750
<b>Computer Supplies</b>								
Computer Supplies-General	-	250	-	-	-	382	-	100
Computer Supplies-Software	-	-	-	-	-	-	7,695	-
<b>Total Computer Supplies</b>	-	250	-	-	-	382	7,695	100
<b>Special Supplies</b>								
Special Supplies-Badging	-	-	-	-	-	-	-	-
Special Supply-Film/Photo	-	-	-	-	-	-	-	1,000
Special Supplies-Other	-	200	-	-	-	1,000	-	1,059
<b>Total Special Supplies</b>	-	200	-	-	-	1,000	-	2,059
<b>Total Supplies</b>	-	850	-	-	-	1,382	9,795	6,909
<b>Travel</b>								
Travel - Lodging	-	750	-	-	-	-	-	755
Travel - Meals	-	-	-	-	-	500	-	381
Travel - Miscellaneous	-	-	-	-	-	-	-	53
<b>Travel - Transportation</b>								
Travel - Transport/Airfare	-	900	-	-	-	-	-	847
Travel - Shuttle/Taxi/Auto	-	-	-	-	-	-	-	-
<b>Total Travel - Transportation</b>	-	900	-	-	-	-	-	847
Registration Fees	-	-	-	-	-	-	-	202
Mileage	-	850	-	-	-	-	-	467
<b>Total Travel</b>	-	2,500	-	-	-	500	-	2,705
<b>Other Administrative Expense</b>								
<b>Local Meetings</b>								
Local Mtgs - On Airport/GO	-	250	-	-	-	-	-	-
Local Mtgs - Off Airport	-	-	-	-	-	-	1,500	-
<b>Total Local Meetings</b>	-	250	-	-	-	-	1,500	-
<b>Information Sources</b>								
Memberships/Dues/Pro Assoc	-	-	-	-	-	-	-	775
Other Information Sources	-	-	-	-	-	-	-	-
Publications/Subscriptions	-	-	-	-	-	-	-	706
<b>Total Information Sources</b>	-	-	-	-	-	-	-	1,481
<b>Printing Costs</b>								
Printing-Publications	-	-	-	-	-	-	-	-
Printing - Color Charts	-	-	-	-	-	-	-	-
Printing - Forms	-	-	-	-	-	-	-	-
Printing-In House Color	-	-	-	-	-	-	-	65
Printing-Stationary/Envel	-	-	-	-	-	-	-	-
<b>Total Printing Costs</b>	-	-	-	-	-	-	-	65
Delivery Services	-	-	-	-	-	-	-	68
Freight Charges	-	1,500	-	-	-	-	-	1,293
Postage	-	-	-	-	-	-	-	-
<b>Total Other Administrative Expense</b>	-	1,750	-	-	-	-	1,500	2,907
<b>Total Administrative Expenses</b>	-	5,100	-	-	-	1,882	11,295	12,521

<b>LINE ITEMS BY SUBLEDGER - 2009 OPERATING BUDGET</b>
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	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<b>Professional Services</b>								
Accounting/Audit Fees	-	-	-	-	-	-	-	-
Affirmative Action Fees	-	-	-	-	-	-	-	-
<b>RFP/Leases</b>	-	-	-	-	-	-	-	-
<b>Concept Develop/Feasible</b>	-	-	-	-	-	-	-	-
<b>Computer Services</b>								
<b>General</b>								
ANOMS Consulting	-	-	-	-	-	-	-	-
Software Consulting	-	-	-	-	-	-	-	-
<b>Total General</b>	-	-	-	-	-	-	-	-
<b>Total Computer Services</b>	-	-	-	-	-	-	-	-
Engineering Fees	-	7,000	11,000	-	-	-	-	-
Graphic Design	-	-	-	-	-	-	-	-
Insurance Consultants	-	-	-	-	-	-	-	-
Labor Relations	-	-	-	-	-	-	-	-
<b>Legal Fees</b>								
Legal - Environmental	-	-	-	-	-	-	-	-
Legal - General	-	-	-	-	-	-	-	-
Legal - Federal	-	-	-	-	-	-	-	-
Legal - Relievers	-	-	-	-	-	-	-	-
<b>Total Legal Fees</b>	-	-	-	-	-	-	-	-
<b>Legislative</b>								
Legislative - Local	-	-	-	-	-	-	-	-
Legislative - National	-	-	-	-	-	-	-	-
<b>Total Legislative</b>	-	-	-	-	-	-	-	-
Medical Fees	-	-	-	-	-	-	-	-
<b>Planning</b>								
MSP Int'l	-	-	-	-	-	-	-	-
Relievers	-	-	-	-	-	-	-	-
<b>Total Planning</b>	-	-	-	-	-	-	-	-
Pollution/Environmental Fees	-	-	-	-	-	-	-	-
Public Information Services	-	-	-	-	-	-	-	-
Public Information Services	-	-	-	-	-	-	-	-
Recruiting Employment Fees	-	-	-	-	-	-	-	-
<b>Safety Consultants</b>	-	-	-	-	-	-	-	-
Communications Consultant	-	-	-	-	-	-	-	-
Other/Miscellaneous	-	6,950	12,500	-	-	-	-	53,880
Survey Expense	-	-	-	-	-	-	-	-
<b>Total Professional Services</b>	-	13,950	23,500	-	-	-	-	53,880
<b>Utilities</b>								
Electricity	24,240	1,146,350	205,030	-	129,280	-	-	291,890
<b>Heating Fuel</b>								
Heating - Natural Gas	60,990	576,270	-	-	160,740	-	-	313,983
Heating - Fuel Oil	-	-	-	2,087	-	-	-	-
<b>Total Heating Fuel</b>	60,990	576,270	-	2,087	160,740	-	-	313,983
Sewer	1,093	-	342,460	-	824	-	-	7,300
Water	-433	86,820	593,377	-	35,720	-	-	25,302
<b>Telephone</b>								
Telephone - Regular	-	-	-	-	-	-	-	1,600
Telephone - Internet Service	-	-	-	-	-	-	-	-
Telephone - Cellular	-	795	-	-	-	-	-	15,844
<b>Total Telephone</b>	-	795	-	-	-	-	-	17,444
<b>Total Utilities</b>	85,890	1,810,235	1,140,868	2,087	326,564	-	-	655,919

<b>LINE ITEMS BY SUBLEDGER - 2009 OPERATING BUDGET</b>
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	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<b>Operating Services/Expenses</b>								
<b>Advertising</b>								
Advertising - Employment	-	-	-	-	-	-	-	-
Advertising - General	-	-	-	-	-	-	-	-
Advertising - Parking	-	-	-	-	-	-	-	-
Advertising - Relievers	-	-	-	-	-	-	-	-
<b>Total Advertising</b>	-	-	-	-	-	-	-	-
<b>Environmental Control</b>								
<b>Hazardous Waste</b>								
Hazardous Waste - FLouresc	-	-	-	-	-	-	-	10,000
Hazardous Waste - General	-	-	-	-	-	-	-	1,250
<b>Total Hazardous Waste</b>	-	-	-	-	-	-	-	11,250
<b>Pollution Control</b>								
Pollution Ctrl-Booms	-	-	15,000	-	-	-	-	-
Pollution Ctrl-Corn Cobs	-	-	-	-	-	-	-	-
Pollution Ctrl-Supplies	-	-	-	-	-	-	-	-
<b>Total Pollution Control</b>	-	-	15,000	-	-	-	-	-
Industrial Waste Mgmt	-	-	-	-	-	-	-	1,500
Laboratory Services	-	-	-	-	-	-	-	-
Solvent Reclamation Service	-	-	-	-	-	-	8,000	700
Tire Disposal	-	-	-	-	-	-	800	-
Other	-	-	-	-	-	-	-	-
<b>Total Environmental Control</b>	-	-	15,000	-	-	-	8,800	13,450
<b>Grd Transportation Services</b>								
AV ID Readers/Controllers	-	-	-	-	-	-	-	-
AV ID Tags	-	-	-	-	-	-	-	-
<b>Total Grd Transportation Services</b>	-	-	-	-	-	-	-	-
<b>Shuttle Services</b>	-	160,000	-	-	-	-	-	-
<b>Parking Lots</b>	-	-	-	-	-	-	-	-
<b>Met Council Fees</b>	-	-	-	-	-	-	-	-
<b>Employee Programs</b>								
<b>Recognition</b>	-	-	-	-	-	-	-	-
<b>Retirement</b>	-	-	-	-	-	-	-	-
<b>Wellness</b>								
Wellness - Fitness Program	-	-	-	-	-	-	-	-
Wellness-Health/Wellness	-	-	-	-	-	-	-	-
Wellness-Nutrition/Stress	-	-	-	-	-	-	-	-
<b>Total Wellness</b>	-	-	-	-	-	-	-	-
<b>Total Employee Programs</b>	-	-	-	-	-	-	-	-
<b>Events</b>								
<b>Conference Center</b>	-	-	-	-	-	-	-	-
<b>Emergency Response Exercise</b>	-	100	-	-	-	-	-	-
Other Programs/Events	-	-	-	-	-	-	-	-
<b>Total Events</b>	-	100	-	-	-	-	-	-
<b>Other Charges/Fees</b>								
Bank Charges	-	-	-	-	-	-	-	-
IATA Contract Expense	-	-	-	-	-	-	-	-
Security Services Regular	-	-	-	-	-	-	-	-
Security Services Check Pt	-	-	-	-	-	-	-	-
Concessions Marketing	-	-	-	-	-	-	-	-
Recycling - Sand	-	-	-	-	-	-	-	-
Copy Agreement	-	-	-	-	-	-	-	-
Mediation Fees	-	-	-	-	-	-	-	-
Miscellaneous Charges/Fees	24,000	-	-	-	-	-	-	1,230
Jail Fees	-	-	-	-	-	-	-	-
<b>Total Other Charges/Fees</b>	24,000	-	-	-	-	-	-	1,230
<b>Service Agreements</b>								
Service - Bldg Inspection	-	-	-	-	-	-	-	-
Service - Facilities C.M.M.I.S	-	-	-	-	-	-	-	-
Service-Computers	-	-	-	-	-	-	-	-
Service-Fitness Equipment	-	-	-	-	-	-	-	-
Service-Grd Trans Equip	-	-	-	-	-	-	-	-
Service-Loading Dock	-	68,865	-	-	-	-	-	-
Service-Office Equipment	-	100	-	-	-	-	-	-
Service-Other Equipment	1,240	544,940	-	-	-	-	623	4,400
Service-Parking Equipment	-	-	-	-	-	-	-	-
Service-Telephone Systems	-	-	-	-	-	-	-	-
Service-Secured Access	-	-	-	-	-	-	-	-
Service-Radios	-	-	-	-	-	-	-	11,250
GISW Management	-	-	-	-	-	-	-	-
<b>Total Service Agreements</b>	1,240	613,905	-	-	-	-	623	15,650
<b>Total Operating Services/Expenses</b>	25,240	774,005	15,000	-	-	-	9,423	30,330

<b>LINE ITEMS BY SUBLEDGER - 2009 OPERATING BUDGET</b>
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	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<b>Maintenance</b>								
<b>Trades - Painters</b>								
<b>Paint</b>								
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	-	-	11,000	-	-	-	-	-
Traffic Paint - Runways	-	-	-	-	-	-	-	-
<b>Total Paint</b>	-	3,050	11,000	3,000	-	-	3,000	9,700
<b>Signs</b>								
Other Sign Material/Etc	-	-	-	-	-	5,500	-	-
Regulatory - Signs	-	-	-	-	-	-	-	2,342
Exterior Sign Materials	-	-	-	-	-	-	-	7,000
Interior Sign Materials	-	-	-	-	-	-	-	1,194
Reliever Airport Signs	-	-	-	-	-	-	-	-
<b>Total Signs</b>	-	-	-	-	-	5,500	-	10,536
<b>Supplies</b>								
Brushes _Supplies	-	-	-	-	-	-	-	1,061
Paint Supplies - Other	-	-	-	-	-	-	-	1,000
Solvents	-	-	-	-	-	-	-	500
Equipment Spray	-	-	-	-	-	-	-	6,556
Paint Tools	-	-	-	-	-	-	-	5,437
<b>Total Supplies</b>	-	-	-	-	-	-	-	14,554
<b>Total Trades - Painters</b>	-	3,050	11,000	3,000	-	5,500	3,000	34,790
<b>Trades - Carpenters</b>								
<b>Locks</b>								
Locks - Doors	-	21,064	-	-	-	-	-	25,752
Locks - Door Tags/ID	-	-	-	-	-	-	-	-
<b>Total Locks</b>	-	21,064	-	-	-	-	-	25,752
<b>Flags</b>	-	-	-	-	-	-	-	500
<b>Lumber</b>								
Lumber-Cabinets	-	-	-	-	-	-	-	-
Lumber-Other	-	-	-	-	-	-	-	-
<b>Total Lumber</b>	-	-	-	-	-	-	-	-
<b>Other</b>								
Other - Attic Stock	-	-	-	-	-	-	-	-
Other - Ceilings	-	-	-	-	-	-	-	5,000
Other - Ceramics	-	2,500	-	-	-	-	-	-
Other - Doors	-	-	-	-	-	-	-	2,000
Other - Floor Coverings	-	15,000	-	-	-	-	-	-
Other - Hardware	-	-	-	-	-	-	-	10,160
Other - Auto Door Supplis RPL	-	-	-	-	-	-	-	5,000
Other - Saw Blades	-	-	-	-	-	-	-	-
Other - Screws/Bolts	-	-	-	-	-	-	-	6,500
Other - Seating Replacement	-	3,500	-	-	-	-	-	-
Other - Tools	-	-	-	-	-	-	-	3,500
Other - Tug Door Repairs	-	2,357	-	-	-	-	-	-
Other - Tug Drive Floor Maint.	-	-	-	-	-	-	-	-
Other - Wall Protection	-	-	-	-	-	-	-	3,200
<b>Total Other</b>	-	23,357	-	-	-	-	-	35,360
<b>Total Trades - Carpenters</b>	-	44,421	-	-	-	-	-	61,612

<b>LINE ITEMS BY SUBLEDGER - 2009 OPERATING BUDGET</b>
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	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<b>Trades - Plumbers</b>								
Contractor Requirements	-	-	-	-	-	-	-	3,000
Fire Protection System	-	12,174	-	7,778	-	-	-	4,624
General Plumbing Supplies	-	3,000	-	5,000	-	-	4,000	14,672
Irrigation Supplies	-	3,080	3,172	106	-	-	-	-
Pumps	-	-	-	275	-	-	-	-
Underground Utilities	-	-	-	-	-	-	-	-
Water Distribution Systems	-	-	-	-	-	-	-	2,000
Water Meters	-	-	-	-	-	-	-	4,000
Plumbing - Other	-	-	-	-	-	-	-	-
<b>Total Trades - Plumbers</b>	-	18,254	3,172	13,159	-	-	4,000	28,296
<b>Trades - Electricians</b>								
Repairs								
Electrical _ Exterior	-	-	-	-	-	-	-	18,030
Generator Maint. Contract	-	-	-	-	-	-	-	-
Electrical - Interior	-	-	-	-	-	-	-	-
Unit Maint. Contract	-	-	-	-	-	-	-	-
<b>Total Repairs</b>	-	-	-	-	-	-	-	18,030
Other								
Other - Batteries	-	-	-	-	-	-	-	546
Other-Field Lights/Sensors	-	29,308	-	-	-	-	-	-
Other - Gate Supplies	-	-	-	-	-	-	-	-
Other - General Supplies	-	12,320	7,248	1,105	-	-	1,797	45,899
Other - Miscellaneous	-	-	-	-	-	-	-	1,000
Other - Motor	-	-	-	190	-	-	742	811
Other - Secured Access Sys	-	-	-	-	-	-	-	-
Other - Tools	-	-	-	-	-	-	-	8,769
<b>Total Other</b>	-	41,628	7,248	1,295	-	-	2,539	57,025
<b>Total Trades - Electricians</b>	-	41,628	7,248	1,295	-	-	2,539	75,055

<b>LINE ITEMS BY SUBLEDGER - 2009 OPERATING BUDGET</b>
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	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<b>Maintenance - Field</b>								
<b>Snow Removal - Materials</b>								
Materials - Sodium Acetate	-	-	-	-	-	-	-	-
Materials-Liquid Anti Icer	-	-	-	-	-	-	-	-
Materials-Other Ice Ctrl	-	-	1,000	-	-	-	-	-
Materials - Salt	-	-	50,000	-	-	-	-	-
Materials - Sand	-	-	-	-	-	-	-	-
Materials - Urea	-	-	-	-	-	-	-	-
<b>Total Snow Removal - Materials</b>	-	-	51,000	-	-	-	-	-
<b>Snow Removal - Equipment</b>								
Equipment - Contract	35,000	-	-	-	-	-	-	-
Equipment - Snow Haulers	-	-	-	-	-	-	-	-
Equipment - Other	-	-	-	-	-	-	-	-
Equip Rent-No Operator-5.5	-	-	-	-	-	-	-	-
Equipment-Rent-No Operator	-	-	23,000	-	-	-	-	-
<b>Total Snow Removal - Equipment</b>	35,000	-	23,000	-	-	-	-	-
<b>Snow Removal - Miscellan</b>								
Snow Removal - Meals	-	-	-	-	-	-	-	-
Snow Removal - Plow Blades	-	-	-	-	-	-	-	-
Snow Removal - Runway Brm	-	-	-	-	-	-	-	-
Snow Melters	-	-	-	-	-	-	-	-
<b>Total Snow Removal - Miscellan</b>	-	-	-	-	-	-	-	-
<b>Summer Maintenance-Surface</b>								
Surface Repair-Aggregate	-	-	1,000	-	-	-	-	-
Surface Repair-Asphalt	-	-	-	-	-	-	-	-
Surface Repair-Cement	-	-	250	-	-	-	-	-
Surface Repair-Other	-	-	-	-	-	-	-	-
Surface Rubber Removal	-	-	-	-	-	-	-	-
Surface Repair-Saw Blades	-	-	-	-	-	-	-	-
Surface Repair-Hot Sealant	-	-	-	-	-	-	-	-
<b>Total Summer Maintenance-Surf</b>	-	-	1,250	-	-	-	-	-
<b>Summer Maint-Landscape</b>								
Summer Maintenance-Fencing	-	-	-	-	-	-	-	-
Landscape/Turf-Materials	-	-	6,000	-	-	-	-	-
Summer Maint-Equip Rent No Op	-	-	-	-	-	-	-	-
Summer Maint-Equip Rent LT	-	-	23,000	-	-	-	-	-
<b>Total Summer Maint-Landscape</b>	-	-	29,000	-	-	-	-	-
<b>Maintenance Field-Other</b>								
Field Maint-Other-Garbage	-	-	6,000	-	-	-	-	-
Non Runway Brooms	-	-	-	-	-	-	-	-
Field Maint-Other/Emerg	-	-	5,000	-	-	-	-	-
Field Maint-Other-Material	-	-	-	-	-	-	6,000	-
Field Maint-Other-Supplies	-	-	2,500	-	-	-	1,500	-
Field Maint-Other-Tools	-	-	500	-	-	-	7,500	-
<b>Total Maintenance Field-Other</b>	-	-	14,000	-	-	-	15,000	-
<b>Total Maintenance - Field</b>	35,000	-	118,250	-	-	-	15,000	-
<b>Maintenance Building</b>								
<b>Building-Temp Control</b>								
Temp Control-Contracts	-	63,555	-	15,000	6,873	-	-	12,000
Temp Control-Filters	-	28,000	-	-	1,680	-	-	262
<b>Total Building-Temp Control</b>	-	91,555	-	15,000	8,553	-	-	12,262
<b>Building-Mechanical Areas</b>								
Mechanical Areas-APM	-	-	-	-	-	-	-	-
Mechanical Areas-Conveyors	-	114,671	-	-	-	-	-	-
Mechanical Areas-Doors	-	-	-	-	-	-	-	-
Mechanical Areas-Doors/Pub	-	2,500	-	-	-	-	-	-
Mechanical Areas-Doors/Tug	-	-	-	-	-	-	-	-
Mechanical Areas-Elevators	-	25,809	-	-	-	-	-	-
Mechanical Areas-Escalator	-	36,133	-	-	-	-	-	-
Mechanical-Moving Walks	-	-	-	-	-	-	-	-
Mechanical Areas-Other	-	-	-	-	-	-	-	-
<b>Total Building-Mechanical Areas</b>	-	179,113	-	-	-	-	-	-
<b>Building-Other</b>								
Other-Boiler Chemicals	-	10,631	-	1,595	-	-	-	-
Other-Floors/Repairs	-	-	-	-	-	-	-	2,700
Other-Jetbridge Repairs	-	73,000	-	-	-	-	-	-
Other-Outside Plumb/Sewer	-	-	-	-	-	-	-	9,900
Other-Paging System Contract	-	-	-	-	-	-	-	-
Other-Pest Control	-	-	-	-	-	-	-	-
Other-Roofing	-	-	-	-	-	-	-	-
Sump/Septic Pumping	-	-	-	-	-	-	-	22,229
Other-Supplies	37,400	-	-	-	-	-	-	3,697
Other-Tools	-	-	-	-	-	-	-	3,389
<b>Total Building-Other</b>	37,400	83,631	-	1,595	-	-	-	41,915
Apt Development Projects	-	-	-	-	-	-	-	-
<b>Total Maintenance Building</b>	37,400	354,299	-	16,595	8,553	-	-	54,177

<b>LINE ITEMS BY SUBLEDGER - 2009 OPERATING BUDGET</b>
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	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<b>Maintenance-Cleaning</b>								
<b>Cleaning Services</b>								
Cleaning Services-Janitor	22,450	1,117,217	-	-	13,186	-	-	145,208
Cleaning Services-Windows	300	234,685	-	-	336	-	-	3,862
<b>Total Cleaning Services</b>	22,750	1,351,902	-	-	13,522	-	-	149,070
<b>Cleaning Supplies</b>								
Cleaning Supplies-Bathroom	-	46,350	-	-	-	-	-	-
Cleaning Supplies-General	-	-	-	-	-	-	-	-
<b>Total Cleaning Supplies</b>	-	46,350	-	-	-	-	-	-
<b>Rubbish Disposal</b>								
Rubbish Disposal-Recycle	-	2,535	-	2,700	-	-	-	1,220
Rubbish Disposal-Regular	-	54,380	3,591	9,309	-	-	-	28,091
<b>Total Rubbish Disposal</b>	-	56,915	3,591	12,009	-	-	-	29,311
Towel Laundry Services	-	-	-	-	-	-	-	-
Other Cleaning Expenses	-	-	-	-	-	-	-	-
<b>Total Maintenance-Cleaning</b>	22,750	1,455,167	3,591	12,009	13,522	-	-	178,381
<b>Maintenance-Equipment</b>								
<b>Equipment-Parts</b>								
Parts-Automobiles	-	-	-	-	-	-	80,000	-
Parts-Boilers Energy Mgmt	-	-	-	-	2,081	-	-	-
Parts-Chiller Energy Mgmt	73	2,550	-	4,792	2,909	-	-	-
Parts-Other Equipment	-	-	-	-	-	-	-	-
Parts-Equipment	-	-	-	-	-	-	315,000	-
Parts-Other Equipment	-	1,465	-	190	-	-	-	3,321
<b>Total Equipment-Parts</b>	73	4,015	-	4,982	4,990	-	395,000	3,321
<b>Equipment-Shop</b>								
Shop-Batteries	-	-	-	-	-	-	18,000	-
Shop-Cleaners/Degreasers	-	-	-	-	-	-	30,000	-
Shop-Oil .Filters	-	-	-	-	-	-	50,000	-
Shop-Other Supplies	-	-	-	-	-	-	60,000	2,348
Shop-Tires	-	-	-	-	-	-	60,000	-
Shop-Tools	-	-	-	-	-	-	20,000	4,476
<b>Total Equipment-Shop</b>	-	-	-	-	-	-	238,000	6,824
<b>Equipment-Gas</b>								
Gas-Diesal	-	-	-	-	-	-	292,600	6,080
Gas-Propane	-	-	-	-	-	-	3,000	1,200
Gas-Unleaded	-	-	-	-	-	-	144,939	36,478
<b>Total Equipment-Gas</b>	-	-	-	-	-	-	440,539	43,758
<b>Equipment-Extinguishers</b>								
Equipment-Miscellaneous Exp	-	3,000	-	-	-	-	10,000	-
<b>Total Maintenance-Equipment</b>	73	7,015	-	4,982	4,990	-	1,083,539	53,903
<b>Total Maintenance</b>	95,223	1,923,834	143,261	51,040	27,065	5,500	1,108,078	486,214

<b>LINE ITEMS BY SUBLEDGER - 2009 OPERATING BUDGET</b>
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	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<b>Other</b>								
<b>General Insurance</b>								
Gen Ins-Airport Liability	-	23,937	13,367	-	14,994	-	74,397	4,331
Gen Ins-Property	-	30,353	16,950	-	19,013	-	94,339	5,492
Gen Ins-Crime	-	488	273	-	306	-	1,518	88
Gen Ins-Auto/Equipment	-	7,389	4,126	-	4,628	-	22,965	1,337
Gen Ins-Other	-	251	142	124	33	-	792	45
<b>Total General Insurance</b>	-	62,418	34,859	124	38,974	-	194,011	11,294
<b>Safety</b>								
Safety-Training Materials	-	-	-	-	-	-	-	-
Safety-Supplies	-	-	-	-	-	5,000	-	9,452
Safety-Equipment	-	-	2,000	-	-	4,250	361	1,100
<b>Total Safety</b>	-	-	2,000	-	-	9,250	361	10,552
<b>Medical Information/Supply</b>	-	-	-	-	-	-	-	1,150
<b>Rentals</b>								
Rental-Copier	-	-	-	-	-	-	3,000	9,350
Rental-Pagers	-	-	-	-	-	-	-	2,475
Rental-Other Equipment	-	2,670	-	-	-	-	-	14,999
<b>Total Rentals</b>	-	2,670	-	-	-	-	3,000	26,824
<b>Licenses/Permits</b>								
Licenses-Autos/Equipment	-	-	-	-	-	-	-	-
Licenses-Environmental	-	-	-	-	-	-	-	-
Licenses-Other	-	-	-	-	-	-	-	550
<b>Total Licenses/Permits</b>	-	-	-	-	-	-	-	550
<b>Miscellaneous Expenses</b>								
Misc-Firearm/Equip/Supplies	-	-	-	-	-	-	-	-
Misc-Emergency Response	-	-	-	-	-	-	-	-
Misc-Other	-	-	-	-	-	318	-	-
<b>Total Miscellaneous Expenses</b>	-	-	-	-	-	318	-	-
<b>Adjustments/Bad Debt</b>								
Bad Debt Expense	-	-	-	-	-	-	-	-
Miscellaneous Adjustments	-	-	-	-	-	-	-	-
<b>Total Adjustments/Bad Debt</b>	-	-	-	-	-	-	-	-
<b>Capital Assets</b>								
<b>Minor Equipment/Assets</b>								
Minor Assets-Tools	-	-	-	-	-	-	33,390	4,956
Minor Assets-Office Furn	-	-	-	-	-	-	-	-
Minor Assets-Computers	-	8,000	-	-	-	-	3,600	-
Minor Assets-Radios	-	-	-	-	-	-	-	-
Minor Assets-Other	-	17,190	-	-	-	-	-	-
<b>Total Minor Equipment/Assets</b>	-	25,190	-	-	-	-	36,990	4,956
<b>Total Capital Assets</b>	-	25,190	-	-	-	-	36,990	4,956
<b>Total Other</b>	-	90,278	36,859	124	38,974	9,568	234,362	55,326
<b>Gross Depreciation</b>	-	-	-	-	-	-	-	-
<b>Grand Total Excluding Depreciation</b>	206,353	4,908,654	1,359,487	53,251	392,603	17,036,219	1,363,158	1,294,325
<b>Grand Total With Depreciation</b>	206,353	4,908,654	1,359,487	53,251	392,603	17,036,219	1,363,158	1,294,325



**LINE ITEMS BY SUBLEDGER - 2009 OPERATING BUDGET**

	HHH	Public Area/	West	Hangars	Maintenance	Equipment	Inventory/
Cargo Area	Terminal	Roads	Terminal	& Other Bldgs	Employees	Maintenance	Trades

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<b>LINE ITEMS BY SUBLEDGER - 2009 OPERATING BUDGET</b>
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	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Personnel</b>								
<b>Wages</b>								
Regular	-	7,561,539	3,389,714	9,122,171	670,567	2,158,419	973,971	1,747,068
<b>Overtime/Doubletime</b>								
Doubletime - Regular	-	-	-	-	-	-	-	144,020
Overtime - Regular	-	300,009	402,615	12,165	3,161	195,642	-	110,907
<b>Total Overtime/Doubletime</b>	-	300,009	402,615	12,165	3,161	195,642	-	254,927
Commissioner PerDiem	-	-	-	14,000	-	-	-	-
Temps - Agency	-	-	-	85,040	-	-	-	-
Temps - Non Agency	-	885,378	-	50,010	9,750	-	-	10,038
<b>Total Wages</b>	-	8,746,927	3,792,329	9,283,385	683,478	2,354,062	973,971	2,012,033
<b>Benefits</b>								
<b>Employee Insurance</b>								
Employee Insurance Dental	-	86,436	37,257	86,436	7,451	21,609	8,942	19,374
EmPLY Insurance Disability	-	28,574	12,316	28,574	2,463	7,144	2,956	6,405
Employee Insurance Family	-	1,355,112	584,100	1,355,112	116,820	338,778	140,184	303,732
Employee Insurance Life	-	23,154	10,442	27,778	2,360	6,414	3,028	5,055
<b>Total Employee Insurance</b>	-	1,493,276	644,115	1,497,900	129,095	373,944	155,109	334,565
<b>Pension</b>								
Fica (Social Security)Base	-	157,043	3,181	502,357	40,340	139,273	55,517	106,089
Fica(Social Security)Medic	-	119,883	53,176	125,741	9,613	32,958	13,635	25,737
Mpls EmPLY Retirement Fund	-	-	-	29,685	-	-	-	10,185
Public EmPLY - Police/Fire	-	850,735	519,126	-	-	-	-	-
Public EmPLY - Coordinated	-	170,931	3,091	604,934	45,308	157,595	65,403	121,524
Merf Unfunded Liability	-	-	-	189,000	-	-	-	42,000
<b>Total Pension</b>	-	1,298,592	578,574	1,451,717	95,260	329,825	134,555	305,533
<b>Training</b>								
Continuing Ed (College)	-	-	-	75,000	-	-	-	-
Executive Leadership Train	-	-	-	54,000	-	-	-	-
Management Requirement	-	-	-	8,000	-	2,914	-	-
Organizational Requirement	-	-	-	500	-	-	-	-
Regulatory Requirements	-	-	31,500	12,800	-	9,000	-	-
Local Seminars	-	40,400	1,000	34,635	-	3,341	1,000	-
<b>Total Training</b>	-	40,400	32,500	184,935	-	15,255	1,000	-
Post Retirement Benefits	-	271,468	117,012	273,808	21,062	67,867	28,083	60,846
Workers Compensation	-	123,517	58,556	171,941	-	38,218	20,338	39,484
Post EmPLY Health Plan	-	13,109	13,657	47,682	3,641	11,705	5,180	7,219
Unemployment Tax	-	-	-	-	-	-	-	-
<b>Uniforms</b>								
Uniforms-Police/Fire Allow	-	112,970	36,750	-	-	-	-	-
Uniforms-Rental	-	-	-	-	-	2,800	-	14,922
Uniforms - Safety Shoes	-	-	-	-	-	-	-	2,641
<b>Total Uniforms</b>	-	112,970	36,750	-	-	2,800	-	17,563
<b>Severance</b>								
Contract Allowance	-	-	-	-	-	-	-	5,689
Regular Severance	-	16,544	18,631	37,320	-	3,970	-	9,099
<b>Total Severance</b>	-	16,544	18,631	37,320	-	3,970	-	14,788
Paid Absence	-	-	-	1,000	-	-	-	-
Trade Union Benefits	-	-	-	-	-	-	-	-
<b>Total Benefits</b>	-	3,369,876	1,499,795	3,666,304	249,059	843,585	344,264	779,998
<b>Total Personnel</b>	-	12,116,803	5,292,124	12,949,689	932,537	3,197,646	1,318,235	2,792,031

<b>LINE ITEMS BY SUBLEDGER - 2009 OPERATING BUDGET</b>
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	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Administrative Expenses</b>								
<b>Supplies</b>								
Office Supplies _Materials	-	48,500	6,500	57,236	2,000	13,900	6,861	4,483
<b>Computer Supplies</b>								
Computer Supplies-General	-	-	-	26,660	-	13,000	2,310	-
Computer Supplies-Software	-	2,950	-	114,150	-	23,000	4,710	-
<b>Total Computer Supplies</b>	-	2,950	-	140,810	-	36,000	7,020	-
<b>Special Supplies</b>								
Special Supplies-Badging	-	238,250	-	-	-	-	-	-
Special Supply-Film/Photo	-	6,490	-	7,100	-	1,000	-	-
Special Supplies-Other	-	28,305	-	5,350	2,500	4,000	250	-
<b>Total Special Supplies</b>	-	273,045	-	12,450	2,500	5,000	250	-
<b>Total Supplies</b>	-	324,495	6,500	210,496	4,500	54,900	14,131	4,483
<b>Travel</b>								
Travel - Lodging	-	5,830	2,000	43,029	1,060	4,615	6,200	800
Travel - Meals	-	4,650	750	10,858	575	837	1,200	478
Travel - Miscellaneous	-	500	-	5,445	-	22	-	-
<b>Travel - Transportation</b>								
Travel - Transport/Airfare	-	2,550	1,200	63,539	-	4,685	7,000	200
Travel - Shuttle/Taxi/Auto	-	1,000	200	4,655	400	180	-	375
<b>Total Travel - Transportation</b>	-	3,550	1,400	68,194	400	4,865	7,000	575
Registration Fees	-	2,050	1,200	32,033	2,850	3,300	2,800	3,650
Mileage	-	5,400	500	33,806	1,950	1,500	650	-
<b>Total Travel</b>	-	21,980	5,850	193,365	6,835	15,139	17,850	5,503
<b>Other Administrative Expense</b>								
<b>Local Meetings</b>								
Local Mtgs - On Airport/GO	-	500	-	12,570	-	705	310	-
Local Mtgs - Off Airport	-	6,555	-	8,540	200	450	258	2,000
<b>Total Local Meetings</b>	-	7,055	-	21,110	200	1,155	568	2,000
<b>Information Sources</b>								
Memberships/Dues/Pro Assoc	-	7,780	1,000	203,660	480	4,271	550	2,625
Other Information Sources	-	1,854	3,500	67,135	15,600	10,800	6,002	-
Publications/Subscriptions	-	2,450	500	22,700	810	2,700	1,250	-
<b>Total Information Sources</b>	-	12,084	5,000	293,495	16,890	17,771	7,802	2,625
<b>Printing Costs</b>								
Printing-Publications	-	4,000	-	31,700	-	18,250	5,921	10,000
Printing - Color Charts	-	-	-	2,300	-	-	-	-
Printing - Forms	-	6,500	600	10,100	-	-	-	-
Printing-In House Color	-	-	-	-	-	-	-	-
Printing-Stationary/Envel	-	4,120	-	6,964	2,000	-	-	-
<b>Total Printing Costs</b>	-	14,620	600	51,064	2,000	18,250	5,921	10,000
Delivery Services	-	1,000	-	9,970	300	550	280	100
Freight Charges	-	600	-	-	-	250	-	-
Postage	-	1,000	-	41,500	-	-	-	-
<b>Total Other Administrative Expense</b>	-	36,359	5,600	417,139	19,390	37,976	14,571	14,725
<b>Total Administrative Expenses</b>	-	382,834	17,950	821,000	30,725	108,015	46,552	24,711

<b>LINE ITEMS BY SUBLEDGER - 2009 OPERATING BUDGET</b>
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	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Professional Services</b>								
Accounting/Audit Fees	-	-	-	194,000	-	-	-	-
Affirmative Action Fees	-	-	-	27,000	-	-	-	-
RFP/Leases	-	-	-	20,000	20,000	-	-	-
Concept Develop/Feasible	-	-	-	20,000	14,000	-	-	-
<b>Computer Services</b>								
<b>General</b>								
ANOMS Consulting	-	-	-	-	-	-	57,500	-
Software Consulting	-	-	-	100,000	-	-	-	-
<b>Total General</b>	-	-	-	100,000	-	-	57,500	-
<b>Total Computer Services</b>	-	-	-	100,000	-	-	57,500	-
Engineering Fees	-	-	-	22,000	46,500	75,000	19,000	73,900
Graphic Design	-	-	-	20,000	-	-	-	10,000
Insurance Consultants	-	-	-	48,000	-	-	-	-
Labor Relations	-	-	-	10,450	-	-	-	-
<b>Legal Fees</b>								
Legal - Environmental	-	-	-	-	-	-	170,000	-
Legal - General	-	-	-	1,375,000	-	-	-	-
Legal - Federal	-	-	-	50,000	-	-	-	-
Legal - Relievers	-	-	-	300,000	-	-	-	-
<b>Total Legal Fees</b>	-	-	-	1,725,000	-	-	170,000	-
<b>Legislative</b>								
Legislative - Local	-	-	-	90,000	-	-	-	-
Legislative - National	-	-	-	196,000	-	-	-	-
<b>Total Legislative</b>	-	-	-	286,000	-	-	-	-
Medical Fees	-	-	8,200	47,000	-	-	-	-
<b>Planning</b>								
MSP Int'l	-	-	-	-	-	-	-	-
Relievers	-	-	-	150,000	-	-	-	-
<b>Total Planning</b>	-	-	-	150,000	-	-	-	-
Pollution/Environmental Fees	-	-	-	-	-	-	2,250	2,400
Public Information Services	-	-	-	195,000	-	-	-	25,600
Public Information Services	-	-	-	10,000	-	-	-	-
Recruiting Employment Fees	-	-	-	45,000	-	-	-	-
<b>Safety Consultants</b>								
Communications Consultant	-	5,350	-	-	-	-	-	-
Other/Miscellaneous	-	65,150	7,500	50,500	-	110,000	59,500	137,000
Survey Expense	-	-	-	-	-	-	-	-
<b>Total Professional Services</b>	-	70,500	15,700	3,302,277	80,500	185,000	308,250	248,900
<b>Utilities</b>								
Electricity	-	-	165,640	116,150	-	-	4,040	219,170
<b>Heating Fuel</b>								
Heating - Natural Gas	-	-	83,790	210,330	-	-	-	120,213
Heating - Fuel Oil	-	-	-	-	-	-	-	-
<b>Total Heating Fuel</b>	-	-	83,790	210,330	-	-	-	120,213
Sewer	-	-	593	1,242	-	-	-	7,134
Water	-	-	8,130	4,891	-	-	-	16,157
<b>Telephone</b>								
Telephone - Regular	-	210	700	105,000	300	79,000	30,900	34,280
Telephone - Internet Service	-	-	-	100,000	700	-	-	-
Telephone - Cellular	-	26,120	7,000	30,330	300	14,975	2,750	9,322
<b>Total Telephone</b>	-	26,330	7,700	235,330	1,300	93,975	33,650	43,602
<b>Total Utilities</b>	-	26,330	265,853	567,944	1,300	93,975	37,690	406,275

<b>LINE ITEMS BY SUBLEDGER - 2009 OPERATING BUDGET</b>
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	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b><u>Operating Services/Expenses</u></b>								
<b>Advertising</b>								
Advertising - Employment	-	-	-	34,000	-	-	-	-
Advertising - General	-	-	-	86,800	5,500	-	-	-
Advertising - Parking	-	-	-	-	-	-	-	-
Advertising - Relievers	-	-	-	-	-	-	-	20,600
<b>Total Advertising</b>	-	-	-	120,800	5,500	-	-	20,600
<b>Environmental Control</b>								
<b>Hazardous Waste</b>								
Hazardous Waste - FLOuresc	-	-	-	-	-	-	-	-
Hazardous Waste - General	-	-	-	200	-	-	-	-
<b>Total Hazardous Waste</b>	-	-	-	200	-	-	-	-
<b>Pollution Control</b>								
Pollution Ctrl-Booms	-	-	-	-	-	-	-	-
Pollution Ctrl-Corn Cobs	-	-	5,500	-	-	-	-	-
Pollution Ctrl-Supplies	-	-	-	-	-	-	374	-
<b>Total Pollution Control</b>	-	-	5,500	-	-	-	374	-
Industrial Waste Mgmt	-	-	-	-	-	-	-	-
Laboratory Services	-	-	-	2,000	-	-	-	-
Solvent Reclamation Service	-	-	-	-	-	-	-	4,450
Tire Disposal	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	128,000
<b>Total Environmental Control</b>	-	-	5,500	2,200	-	-	374	132,450
<b>Grd Transportation Services</b>								
AV ID Readers/Controllers	-	-	-	-	-	-	-	-
AV ID Tags	-	-	-	-	-	-	-	-
<b>Total Grd Transportation Services</b>	-	-	-	-	-	-	-	-
<b>Shuttle Services</b>	-	-	-	-	-	-	-	-
<b>Parking Lots</b>	-	-	-	-	-	-	-	-
<b>Met Council Fees</b>	-	-	-	-	-	-	-	-
<b>Employee Programs</b>								
<b>Recognition</b>	-	-	-	15,000	-	-	-	-
<b>Retirement</b>	-	-	-	2,500	-	-	-	-
<b>Wellness</b>								
Wellness - Fitness Program	-	-	-	95,000	-	-	-	-
Wellness-Health/Wellness	-	-	-	13,500	-	-	-	-
Wellness-Nutrition/Stress	-	-	-	6,500	-	-	-	-
<b>Total Wellness</b>	-	-	-	115,000	-	-	-	-
<b>Total Employee Programs</b>	-	-	-	132,500	-	-	-	-
<b>Events</b>								
<b>Conference Center</b>	-	-	-	-	50,000	-	-	-
<b>Emergency Response Exercise</b>	-	-	500	3,500	-	5,152	-	-
Other Programs/Events	-	-	-	5,060	-	-	-	1,100
<b>Total Events</b>	-	-	500	8,560	50,000	5,152	-	1,100
<b>Other Charges/Fees</b>								
Bank Charges	-	-	-	185,000	-	-	-	-
IATA Contract Expense	-	-	-	68,000	-	-	-	-
Security Services Regular	-	309,664	-	-	-	-	-	-
Security Services Check Pt	-	-	-	-	-	-	-	-
Concessions Marketing	-	-	-	-	550,000	-	-	-
Recycling - Sand	-	-	-	-	-	-	-	-
Copy Agreement	-	-	-	130,000	-	-	-	-
Mediation Fees	-	-	-	2,200	-	-	-	-
Miscellaneous Charges/Fees	-	24,600	-	26,815	-	-	-	47,034
Jail Fees	-	12,000	-	-	-	-	-	-
<b>Total Other Charges/Fees</b>	-	346,264	-	412,015	550,000	-	-	47,034
<b>Service Agreements</b>								
Service - Bldg Inspection	-	-	-	-	-	-	-	-
Service - Facilities C.M.I.S	-	-	-	-	-	-	-	-
Service-Computers	-	65,668	5,000	1,101,600	-	50,494	85,802	-
Service-Fitness Equipment	-	-	1,500	820	-	-	-	-
Service-Grd Trans Equip	-	-	-	-	-	-	-	-
Service-Loading Dock	-	-	-	-	-	-	-	-
Service-Office Equipment	-	29,822	-	6,234	1,130	817	-	-
Service-Other Equipment	-	200,000	12,500	3,250	2,090	4,500	2,038	878
Service-Parking Equipment	-	-	-	-	-	-	-	-
Service-Telephone Systems	-	-	-	59,000	-	8,622	-	-
Service-Secured Access	-	-	-	-	-	-	-	-
Service-Radios	-	44,250	15,000	123,230	-	6,250	-	-
GISW Management	-	-	-	-	-	-	-	-
<b>Total Service Agreements</b>	-	339,740	34,000	1,294,134	3,220	70,683	87,840	878
<b><u>Total Operating Services/Expenses</u></b>	-	686,004	40,000	1,970,209	608,720	75,835	88,214	202,062

<b>LINE ITEMS BY SUBLEDGER - 2009 OPERATING BUDGET</b>
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	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Maintenance</b>								
<b>Trades - Painters</b>								
<b>Paint</b>								
Equipment - Paint	-	-	-	-	-	-	-	-
Exterior - Paint	-	-	-	-	-	-	-	-
Interior - Paint	-	-	-	-	-	-	-	-
Paint - Other	-	-	-	-	-	-	-	-
Traffic Paint - Parking	-	-	-	-	-	-	-	-
Reliever Airport - Paint	-	-	-	-	-	-	-	4,932
Traffic Paint - Roads	-	-	-	-	-	-	-	-
Traffic Paint - Runways	-	-	-	-	-	-	-	-
<b>Total Paint</b>	-	-	-	-	-	-	-	4,932
<b>Signs</b>								
Other Sign Material/Etc	-	-	-	-	-	-	-	-
Regulatory - Signs	-	-	-	-	-	-	-	-
Exterior Sign Materials	-	-	-	-	-	-	-	-
Interior Sign Materials	-	-	-	-	-	-	-	-
Reliever Airport Signs	-	-	-	-	-	-	-	5,994
<b>Total Signs</b>	-	-	-	-	-	-	-	5,994
<b>Supplies</b>								
Brushes ,Supplies	-	-	-	-	-	-	-	-
Paint Supplies - Other	-	-	-	-	-	-	-	-
Solvents	-	-	-	-	-	-	-	-
Equipment Spray	-	-	-	-	-	-	-	-
Paint Tools	-	-	-	-	-	-	-	-
<b>Total Supplies</b>	-	-	-	-	-	-	-	-
<b>Total Trades - Painters</b>	-	-	-	-	-	-	-	10,926
<b>Trades - Carpenters</b>								
<b>Locks</b>								
Locks - Doors	-	-	-	-	-	-	-	2,172
Locks - Door Tags/ID	-	-	-	-	-	-	-	-
<b>Total Locks</b>	-	-	-	-	-	-	-	2,172
<b>Flags</b>	-	-	-	-	-	-	-	124
<b>Lumber</b>								
Lumber-Cabinets	-	-	-	-	-	-	-	-
Lumber-Other	-	-	-	-	-	-	-	758
<b>Total Lumber</b>	-	-	-	-	-	-	-	758
<b>Other</b>								
Other - Attic Stock	-	-	-	-	-	-	-	-
Other - Ceilings	-	-	-	-	-	-	-	-
Other - Ceramics	-	-	-	-	-	-	-	-
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 Door Repairs	-	-	-	-	-	-	-	-
Other - Tug Drive Floor Maint.	-	-	-	-	-	-	-	-
Other - Wall Protection	-	-	-	-	-	-	-	-
<b>Total Other</b>	-	-	-	-	-	-	-	-
<b>Total Trades - Carpenters</b>	-	-	-	-	-	-	-	3,054

<b>LINE ITEMS BY SUBLEDGER - 2009 OPERATING BUDGET</b>
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	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Trades - Plumbers</b>								
<b>Contractor Requirements</b>	-	-	-	-	-	-	-	-
Fire Protection System	-	-	3,441	1,572	-	-	-	18,500
General Plumbing Supplies	-	-	4,200	3,000	-	-	-	-
Irrigation Supplies	-	-	-	743	-	-	-	-
Pumps	-	-	-	-	-	-	-	-
Underground Utilities	-	-	-	-	-	-	-	-
Water Distribution Systems	-	-	-	-	-	-	-	-
Water Meters	-	-	-	-	-	-	-	-
Plumbing - Other	-	-	-	-	-	-	-	15,826
<b>Total Trades - Plumbers</b>	-	-	7,641	5,315	-	-	-	34,326
<b>Trades - Electricians</b>								
<b>Repairs</b>								
Electrical _ Exterior	-	-	-	-	-	-	-	26,360
Generator Maint. Contract	-	-	-	-	-	-	-	-
Electrical - Interior	-	-	-	-	-	-	-	3,184
Unit Maint. Contract	-	-	-	-	100,000	-	-	-
<b>Total Repairs</b>	-	-	-	-	100,000	-	-	29,544
<b>Other</b>								
Other - Batteries	-	-	225	179	-	-	-	-
Other-Field Lights/Sensors	-	-	-	-	-	-	-	-
Other - Gate Supplies	-	-	-	-	-	-	-	18,045
Other - General Supplies	-	-	-	-	-	-	-	-
Other - Miscellaneous	-	-	-	-	-	-	-	-
Other - Motor	-	-	-	-	-	-	-	-
Other - Secured Access Sys	-	-	-	-	-	-	-	-
Other - Tools	-	-	-	-	-	-	-	-
<b>Total Other</b>	-	-	225	179	-	-	-	18,045
<b>Total Trades - Electricians</b>	-	-	225	179	100,000	-	-	47,589

<b>LINE ITEMS BY SUBLEDGER - 2009 OPERATING BUDGET</b>
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	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Maintenance - Field</b>								
<b>Snow Removal - Materials</b>								
Materials - Sodium Acetate	-	-	-	-	-	-	-	-
Materials-Liquid Anti Icer	-	-	-	-	-	-	-	-
Materials-Other Ice Ctrl	-	-	-	-	-	-	-	-
Materials - Salt	-	-	-	-	-	-	-	612
Materials - Sand	-	-	-	-	-	-	-	16,463
Materials - Urea	-	-	-	-	-	-	-	7,984
<b>Total Snow Removal - Materials</b>	-	-	-	-	-	-	-	25,059
<b>Snow Removal - Equipment</b>								
Equipment - Contract	-	-	-	-	-	-	-	-
Equipment - Snow Haulers	-	-	-	-	-	-	-	-
Equipment - Other	-	-	-	-	-	-	-	798
Equip Rent-No Operator-5.5	-	-	-	-	-	-	-	5,000
Equipment-Rent-No Operator	-	-	-	-	-	-	-	8,000
<b>Total Snow Removal - Equipment</b>	-	-	-	-	-	-	-	13,798
<b>Snow Removal - Miscellan</b>								
Snow Removal - Meals	-	-	-	-	-	-	-	469
Snow Removal - Plow Blades	-	-	-	-	-	-	-	-
Snow Removal - Runway Brm	-	-	-	-	-	-	-	-
Snow Melters	-	-	-	-	-	-	-	-
<b>Total Snow Removal - Miscellan</b>	-	-	-	-	-	-	-	469
<b>Summer Maintenance-Surface</b>								
Surface Repair-Aggregate	-	-	-	-	-	-	-	4,952
Surface Repair-Asphalt	-	-	-	-	-	-	-	17,194
Surface Repair-Cement	-	-	-	-	-	-	-	2,514
Surface Repair-Other	-	-	-	-	-	-	-	-
Surface Rubber Removal	-	-	-	-	-	-	-	7,300
Surface Repair-Saw Blades	-	-	-	-	-	-	-	-
Surface Repair-Hot Sealant	-	-	-	-	-	-	-	-
<b>Total Summer Maintenance-Surfac</b>	-	-	-	-	-	-	-	31,960
<b>Summer Maint-Landscape</b>								
Summer Maintenance-Fencing	-	-	-	-	-	-	-	5,465
Landscape/Turf-Materials	-	-	-	-	-	-	-	15,765
Summer Maint-Equip Rent No Op	-	-	-	-	-	-	-	-
Summer Maint-Equip Rent LT	-	-	-	-	-	-	-	-
<b>Total Summer Maint-Landscape</b>	-	-	-	-	-	-	-	21,230
<b>Maintenance Field-Other</b>								
Field Maint-Other-Garbage	-	-	-	-	-	-	-	-
Non Runway Brooms	-	-	-	-	-	-	-	-
Field Maint-Other/Emerg	-	-	-	-	-	-	-	-
Field Maint-Other-Material	-	-	-	-	-	-	-	-
Field Maint-Other-Supplies	-	-	-	-	-	-	-	2,760
Field Maint-Other-Tools	-	-	-	-	-	-	-	-
<b>Total Maintenance Field-Other</b>	-	-	-	-	-	-	-	2,760
<b>Total Maintenance - Field</b>	-	-	-	-	-	-	-	95,276
<b>Maintenance Building</b>								
<b>Building-Temp Control</b>								
Temp Control-Contracts	-	-	13,405	10,000	-	-	-	15,371
Temp Control-Filters	-	-	-	-	-	-	-	1,901
<b>Total Building-Temp Control</b>	-	-	13,405	10,000	-	-	-	17,272
<b>Building-Mechanical Areas</b>								
Mechanical Areas-APM	-	-	-	-	-	-	-	-
Mechanical Areas-Conveyors	-	-	-	-	-	-	-	-
Mechanical Areas-Doors	-	-	-	-	-	-	-	4,957
Mechanical Areas-Doors/Pub	-	-	-	-	-	-	-	-
Mechanical Areas-Doors/Tug	-	-	-	-	-	-	-	-
Mechanical Areas-Elevators	-	-	-	-	-	-	-	3,875
Mechanical Areas-Escalator	-	-	-	-	-	-	-	-
Mechanical-Moving Walks	-	-	-	-	-	-	-	-
Mechanical Areas-Other	-	-	-	-	-	-	-	2,000
<b>Total Building-Mechanical Areas</b>	-	-	-	-	-	-	-	10,832
<b>Building-Other</b>								
Other-Boiler Chemicals	-	-	-	-	-	-	-	-
Other-Floors/Repairs	-	-	-	-	-	-	-	-
Other-Jetbridge Repairs	-	-	-	-	-	-	-	-
Other-Outside Plumb/Sewer	-	-	-	-	-	-	-	-
Other-Paging System Contract	-	-	-	-	-	-	-	-
Other-Pest Control	-	-	-	-	-	-	-	-
Other-Roofing	-	-	-	-	-	-	-	5,064
Sump/Septic Pumping	-	-	-	-	-	-	-	-
Other-Supplies	-	-	907	-	-	-	-	7,274
Other-Tools	-	-	-	-	-	-	-	-
<b>Total Building-Other</b>	-	-	907	-	-	-	-	12,338
Apt Development Projects	-	-	-	-	-	-	-	-
<b>Total Maintenance Building</b>	-	-	14,312	10,000	-	-	-	40,442



<b>LINE ITEMS BY SUBLEDGER - 2009 OPERATING BUDGET</b>
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	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Maintenance-Cleaning</b>								
<b>Cleaning Services</b>								
Cleaning Services-Janitor	-	-	27,604	42,266	594,858	-	-	28,092
Cleaning Services-Windows	-	-	-	10,429	-	-	-	4,998
<b>Total Cleaning Services</b>	-	-	27,604	52,695	594,858	-	-	33,090
<b>Cleaning Supplies</b>								
Cleaning Supplies-Bathroom	-	-	-	-	-	-	-	-
Cleaning Supplies-General	-	-	-	-	-	-	-	3,366
<b>Total Cleaning Supplies</b>	-	-	-	-	-	-	-	3,366
<b>Rubbish Disposal</b>								
Rubbish Disposal-Recycle	-	-	182	599	-	-	-	-
Rubbish Disposal-Regular	7,651	-	2,681	3,066	-	-	-	62,916
<b>Total Rubbish Disposal</b>	7,651	-	2,863	3,665	-	-	-	62,916
Towel Laundry Services	-	-	-	-	1,545	-	-	3,643
Other Cleaning Expenses	-	-	2,060	-	-	-	-	-
<b>Total Maintenance-Cleaning</b>	7,651	-	32,527	56,360	596,403	-	-	103,015
<b>Maintenance-Equipment</b>								
<b>Equipment-Parts</b>								
Parts-Automobiles	-	48,000	3,000	-	-	7,900	-	-
Parts-Boilers Energy Mgmt	-	-	-	-	-	-	-	6,116
Parts-Chiller Energy Mgmt	-	-	-	435	-	-	-	-
Parts-Other Equipment	-	-	-	-	-	-	-	-
Parts-Equipment	-	38,350	35,000	-	-	250	-	85,225
Parts-Other Equipment	-	101,225	-	-	-	-	-	226
<b>Total Equipment-Parts</b>	-	187,575	38,000	435	-	8,150	-	91,567
<b>Equipment-Shop</b>								
Shop-Batteries	-	-	-	-	-	-	-	1,121
Shop-Cleaners/Degreasers	-	-	-	-	-	-	-	619
Shop-Oil .Filters	-	-	-	-	-	-	-	4,535
Shop-Other Supplies	-	-	-	-	-	-	-	9,808
Shop-Tires	-	-	30,000	-	-	-	-	5,513
Shop-Tools	-	-	-	-	-	-	-	2,529
<b>Total Equipment-Shop</b>	-	-	30,000	-	-	-	-	24,125
<b>Equipment-Gas</b>								
Gas-Diesal	-	-	17,860	-	-	-	-	63,460
Gas-Propane	-	-	-	-	-	-	-	-
Gas-Unleaded	-	77,529	10,031	12,775	-	14,192	2,220	37,250
<b>Total Equipment-Gas</b>	-	77,529	27,891	12,775	-	14,192	2,220	100,710
<b>Equipment-Extinguishers</b>	-	-	1,569	-	-	-	-	-
Equipment-Miscellaneous Exp	-	-	-	260	-	-	1,000	2,954
<b>Total Maintenance-Equipment</b>	-	265,104	97,460	13,470	-	22,342	3,220	219,356
<b>Total Maintenance</b>	7,651	265,104	152,165	85,324	696,403	22,342	3,220	553,983

<b>LINE ITEMS BY SUBLEDGER - 2009 OPERATING BUDGET</b>
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	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Other</b>								
<b>General Insurance</b>								
Gen Ins-Airport Liability	-	84,528	60,885	38,386	-	3,416	2,499	92,889
Gen Ins-Property	-	107,185	77,204	48,675	-	4,331	3,169	117,787
Gen Ins-Crime	-	1,725	1,242	783	-	70	51	1,895
Gen Ins-Auto/Equipment	-	26,092	18,794	11,849	-	1,054	771	28,673
Gen Ins-Other	-	898	647	408	-	33	27	980
<b>Total General Insurance</b>	-	220,429	158,772	100,102	-	8,904	6,517	242,224
<b>Safety</b>								
Safety-Training Materials	-	300	-	-	-	-	-	-
Safety-Supplies	-	2,250	664	-	-	-	-	1,003
Safety-Equipment	-	-	-	5,500	-	-	-	-
<b>Total Safety</b>	-	2,550	664	5,500	-	-	-	1,003
<b>Medical Information/Supply</b>	-	17,250	3,090	700	-	100	-	539
<b>Rentals</b>								
Rental-Copier	-	-	3,000	21,400	-	12,861	-	-
Rental-Pagers	-	2,475	5,400	5,400	-	1,800	-	675
Rental-Other Equipment	-	-	-	9,440	-	-	-	-
<b>Total Rentals</b>	-	2,475	8,400	36,240	-	14,661	-	675
<b>Licenses/Permits</b>								
Licenses-Autos/Equipment	-	-	-	1,000	-	-	-	-
Licenses-Environmental	-	-	-	-	-	-	6,000	-
Licenses-Other	-	-	-	-	775	-	-	277
<b>Total Licenses/Permits</b>	-	-	-	1,000	775	-	6,000	277
<b>Miscellaneous Expenses</b>								
Misc-Firearm/Equip/Supplies	-	65,838	29,000	-	-	17,000	-	-
Misc-Emergency Response	-	23,750	32,000	-	-	-	-	-
Misc-Other	-	43,000	-	12,030	-	-	2,500	-
<b>Total Miscellaneous Expenses</b>	-	132,588	61,000	12,030	-	17,000	2,500	-
<b>Adjustments/Bad Debt</b>								
Bad Debt Expense	-	-	-	15,000	-	-	-	-
Miscellaneous Adjustments	-	-	-	-	-	-	-	9,000
<b>Total Adjustments/Bad Debt</b>	-	-	-	15,000	-	-	-	9,000
<b>Capital Assets</b>								
<b>Minor Equipment/Assets</b>								
Minor Assets-Tools	-	-	2,000	-	-	6,255	-	-
Minor Assets-Office Furn	-	1,000	-	10,598	-	8,150	-	-
Minor Assets-Computers	-	-	-	118,555	-	25,800	17,700	-
Minor Assets-Radios	-	-	2,500	12,000	-	6,000	-	-
Minor Assets-Other	-	-	20,000	5,090	-	4,000	-	-
<b>Total Minor Equipment/Assets</b>	-	1,000	24,500	146,243	-	50,205	17,700	-
<b>Total Capital Assets</b>	-	1,000	24,500	146,243	-	50,205	17,700	-
<b>Total Other</b>	-	376,292	256,426	316,815	775	90,870	32,717	253,718
<b>Gross Depreciation</b>	-	-	-	-	-	-	-	-
<b>Grand Total Excluding Depreciation</b>	7,651	13,923,866	6,040,217	20,013,258	2,350,960	3,773,683	1,834,878	4,481,681
<b>Grand Total With Depreciation</b>	7,651	13,923,866	6,040,217	20,013,258	2,350,960	3,773,683	1,834,878	4,481,681

<b>CAPITAL EQUIPMENT SUMMARY - 2009 OPERATING BUDGET</b>
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Annually MAC completes its capital equipment requests for new and replacement equipment. In the past 7 years, only essential pieces of equipment requests were considered based upon cash flow and organizational requirements. The same criteria were in place for the 2009 budget. The capital equipment requests in the 2009 budget decreased \$980,990 or 12.45%. All technology related capital equipment was also reviewed by the Information Services (IS) department.

All equipment purchases for 2009 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.

In 2008, the Commission incorporated fully the changes in the Amendment to the Airline Use and Lease Agreement. This change resulted in a significant modification to the way the Commission acquires capital equipment. In the past, internally generated funds were used to purchase all capital equipment and the resulting depreciation associated with that equipment was charged to the tenants, in particular, the airlines. In the Amendment, this process changed due to elimination of using depreciation and now incorporating the use of various types of debt as a chargeback to the tenants and airlines. Currently, the \$6.9 million capital equipment budget listed below is funded in two ways. First of all, those pieces of equipment which are chargeable to the tenants and airlines are now acquired through various lease terms. The amount of equipment leased for 2009 is approximately \$5.7 million. The terms of these leases range from one year to twelve years. The payments associated with these various leases will be charged back based on the appropriate percentage in the leases resulting in recovery of all or a portion of the total dollars. Second, the remaining value of capital equipment (approximately \$1.2 million) is not associated with any rate calculations. These pieces of equipment are funded with internally generated funds.

#### 2009 CAPITAL EQUIPMENT SUMMARY

	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
<b>Total Equipment</b>	\$7,876,290	\$6,895,300	(\$980,990)	(12.45%)

## FINANCE & ADMINISTRATIVE SERVICES DIVISION

### Information Services

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>Backup Server</b> Landside. Replacement server which hosts backup storage and DLT tape drive. Backs up and protects MAVIS and Landside files.	\$6,000	1		\$6,000
<b>Critical Server Replacement (Phase 4 of 4)</b> There are now 180 servers plus 10 network storage devices and associated tape backup equipment. Some of these servers will be out of warranty in 2009 and some are long past warranty. Servers run the various software products important to MAC staff and operations ranging from Secured Access to Fleet Management to Fire department operations to the MAC website. This project will replace out-of-warranty servers including software and workstation licenses.	\$18,200	10		\$182,000

## CAPITAL EQUIPMENT SUMMARY - 2009 OPERATING BUDGET

## FINANCE &amp; ADMINISTRATIVE SERVICES DIVISION

Information Services

Equipment	Individual Price	Qty	Trade in Value	Total
<b>Dell Power vault NF600 NAS Disk Backup</b> Landside. 8TB NAS to backup public parking critical servers using Backup Exec System Recovery (BESR) backup software. This NAS will allow the Zeag system to be backed up via BESR to disk images. This will allow us to backup and restore critical servers within an hour for disaster recovery purposes. With the current backup system, only critical files are backed up. If a server fails and needs to be restored, a complete re-install of the operating system is needed and could take hours or days for the configuration to be rebuilt and restored.	\$10,600	1		\$10,600
<b>E1 Phase II Implementation</b> The new back office systems, Enterprise One, went live in 2008, but the overall work is about 70% complete. Remaining tasks include: implementing Fleet Maintenance, Employee Benefits, Employee Self-Service, completing the Maintenance Management rollout and adding needed capabilities for employee time processing for Police, Fire and Field Maintenance.	\$300,000	1		\$300,000
<b>MAC Geographic Information System Phase II</b> The first phase established the technology including the Spatila database and key spatial information along with web-based access to that data. This phase will integrate the geographic information into other, existing MAC systems such as Enterprise One Computerized Maintenance Management, Property Management and Leasing, Computer-Aided 911 Dispatch and Police Records Management and Reliever lease management.	\$250,000	1		\$250,000
<b>Network Equipment Upgrades</b> This hardware provides the connections, security and routing that enables the various MAC networks to deliver data to the various systems in place. Key elements included for 2009 are replacing 50 5 +year old network switches, adding a Checkpoint firewall to the test lab and adding a main Cisco Router to the test lab.	\$150,000	1		\$150,000
<b>Parking FCMS Database server</b> Landside. Replace 6 year old FCMS failover database server that is used to control and monitor parking gates, loops, readers, etc.	\$7,500	1		\$7,500

## CAPITAL EQUIPMENT SUMMARY - 2009 OPERATING BUDGET

## FINANCE &amp; ADMINISTRATIVE SERVICES DIVISION

Information Services

Equipment	Individual Price	Qty	Trade in Value	Total
<b>Parking revenue control servers</b> Landside. Replacement servers for Revenue Control System servers including OS. The servers are as follows: RMS web server, Node 6 - HHH General FCMS server, Node 7 - HHH ST FCMS server, Node 8 - HHH Commercial FCMS server, Node 9 - HHH Valet FCMS server, RCS_Server_PMO - LPR server, FCMS_SB - Failover FCMS server, and Hot spare server for disaster recovery. The current servers are 8 years old and becoming unreliable, which leads to increased maintenance costs and downtime in the public parking system. Replacing these servers proactively before they fail is essential to 24x7 operation of the parking revenue control system. Cost is \$5000 for hardware and \$1750 for operating system per server.	\$6,750	4		\$27,000
<b>Parking RMS Database server</b> Landside. Replace RCS RMS server (main public parking database server) with a fault tolerant database cluster. This server holds all the credit card information and is the most critical link in the public parking system. The current server has no redundancy and can not handle future transaction loads.	\$30,000	1		\$30,000
<b>Raritan 16 Port IP KVM</b> Landside. Replace keyboard, video, mouse switchbox. Replaces old KVMs at PMB and PMO data centers. These new KVMs provide dual power and dual gigabit Ethernet with automatic failover. 128-bit SSL AES or RC4 encryption to meet PCI requirements for encryption on administrative access console.	\$6,000	2		\$12,000
<b>Information Services Total:</b>				<b>\$975,100</b>

## CAPITAL EQUIPMENT SUMMARY - 2009 OPERATING BUDGET

## OPERATIONS DIVISION

Airside Operations

Equipment	Individual Price	Qty	Trade in Value	Total
<b>Airside Server and Data Consolidation Project</b> This project will purchase a small storage area network device, software and network hardware to connect the Airside Operations Center servers and data storage to the MAC data center at Fire Station No.1; providing disaster recovery and a cost savings by connecting to existing infrastructure. This configuration will also eliminate the need to purchase several key pieces of hardware which require replacement.	\$55,000	1		\$55,000
<b>Backup Airside Operations Center</b> The Airside Operations department currently has two older workstations in a small office at the MSP Driver's Training Center. This project will equip a newly prepared site with the critical systems and tools needed in the event the Operations Center location on the E Concourse can not be occupied. Included in this backup center will be two operational workstations, radio and phone systems, two display computers and two large format displays. This facility will see use on a daily basis as well as provide continuity of operations for the department.	\$25,000	1		\$25,000
<b>KVM Controller for Airside Ops &amp; Driver's Train.</b> KVM Controller for Airside Ops Center and the MSP Driver's Training Center.	\$13,500	1		\$13,500
<b>Airside Operations Total:</b>				<b>\$93,500</b>

## CAPITAL EQUIPMENT SUMMARY - 2009 OPERATING BUDGET

## OPERATIONS DIVISION

Facilities-Lindbergh Terminal

Equipment	Individual Price	Qty	Trade in Value	Total
<b>Food Compactors for Food Courts</b> Garbage Compactor to replace standard waste receptacles to greatly reduce the number of times containers need to be emptied. This is a continuation of program started in 2008. Previously approved by the Commission.	\$5,000	3		\$15,000
<b>Recycling Containers</b> Continuation of 2008 program. Additional containers are needed to expand recycling program. Current recycling containers primarily located only on Concourses A, B, and part of C. Purchase allows for program expansion of additional containers throughout the terminal.	\$5,000	12		\$60,000
<b>Terminal Trash Receptacle Replacement Program</b> Replacement of trash receptacles throughout the Lindbergh Terminal Concourses and Northstar Crossing.	\$50,000	1		\$50,000
<b>Terminals Amenities Package</b> Terminals Amenities Package is for the purchase of Blast Mitigation (bomb-proof) trash cans, aggregate ash urns, etc., to "outfit" construction projects, starting with the Humphrey Terminal Orange Parking Ramp. The completion of this project will require all eight levels to be supplied with trash cans and ash urns which according to MAC Construction Standards are NOT included in the project costs.	\$90,000	1		\$90,000
<b>Trash compactor</b> Replacement of Trash compactor. Repairs on the current one are cost prohibitive.	\$21,000	1		\$21,000
<b>Facilities-Lindbergh Terminal Total:</b>				<b>\$236,000</b>

## CAPITAL EQUIPMENT SUMMARY - 2009 OPERATING BUDGET

## OPERATIONS DIVISION

**Field Maintenance**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>Crew-cab dual-fuel pick-up</b> Annual replacement program of high-mileage, high-maintenance vehicles used to transport work crews to airport campus job sites.	\$28,000	1	\$2,000	\$26,000
<b>Electrical system diagnostic tool</b> New technology to increase equipment repair shop efficiency.	\$7,000	1		\$7,000
<b>Heavy equipment lease buy-back</b> Final lease payment less buy-back value per agreement negotiated between MAC and vendor for use of snow removal heavy equipment at MSP and the Reliever airports.	\$3,494,000	1		\$3,494,000
<b>Heavy equipment lift</b> New heavy truck lift system to improve equipment repair shop safety.	\$70,000	1		\$70,000
<b>High-speed snow blower</b> Replacement equipment with used units proposed to be reassigned to the Reliever airports, where they will replace equipment that has reached the end of useful life and to which parts are extremely difficult to procure.	\$720,000	1		\$720,000
<b>Pressure washer</b> Replacement of equipment used for numerous routine maintenance operations.	\$10,000	1		\$10,000
<b>Skidsteer concrete hammer</b> Replacement of equipment used for pavement maintenance operations.	\$15,000	1		\$15,000
<b>Super-duty dual-fuel pick-up</b> Annual replacement program of high-mileage, high-maintenance vehicles used 24/7 for routine maintenance operations.	\$25,000	2	\$1,500	\$48,500
<b>Truck scale</b> Scale system to ensure compliance with state over-the-road weight limits and regulations.	\$6,000	1		\$6,000
<b>Utility tractor plow/hitch assembly</b> Current plow/hitch equipment is not compatible with new leased tractors; existing tractors and plow/hitch assemblies will be reassigned to the Reliever airports.	\$15,000	6		\$90,000
<b>Zero-turn lawn mower</b> Annual replacement program of high-hour, high-maintenance equipment used for turf management operations.	\$13,000	2	\$800	\$25,200
<b>Field Maintenance Total:</b>				<b>\$4,511,700</b>



## CAPITAL EQUIPMENT SUMMARY - 2009 OPERATING BUDGET

## OPERATIONS DIVISION

Fire

Equipment	Individual Price	Qty	Trade in Value	Total
<b>3000 gallon ARFF vehicle</b>	\$950,000	1		\$950,000

This would be a replacement for a 1991 Oshkosh T-Series 1500. The current vehicle has reached it's life expectancy and maintenance costs continue to mount each year. The major vehicle systems are old and worn and subject to failure without warning. If the vehicle is approved, it will take until November or December of 2009 for the new vehicle to be in service.

**Fire Total: \$950,000**

Police

Equipment	Individual Price	Qty	Trade in Value	Total
<b>Investigative Squad Cars</b>	\$15,000	1	\$0	\$15,000

Squad 791 which is a 2000 Pontiac Bonneville with approximately 86,626 miles. This squad is assigned to the Narcotics Division and is used regularly for under cover operations. The squad averages approximately 1000 miles per month. With the remaining 6 months of 2008 and a few months of 2009 this squad will arrive at approximately 100,000 miles at the beginning of 2009 and is in need of replacement. This squad would be replaced for approximately \$15,000 for vehicle and equipment.

<b>Marked Patrol Squad Cars</b>	\$30,000	1	\$0	\$30,000
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Squad 943 which is a 2005 Ford Crown Victoria with approximately 72,000 miles. This squad is a marked patrol vehicle and is assigned to the patrol division and is needed to respond to everyday police operations. This squad averages approximately 4,000 miles per month and is projected to have approximately 110,000 miles and will be in need to be replaced. The squad will be replaced with a 2009 Ford Crown Victoria at a cost of approximately \$30,000.

<b>Server Replacement</b>	\$38,000	1		\$38,000
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Replacement rotation of outdated/obsolete equipment.

<b>Viisafe ID Scanner for Badging</b>	\$17,500	1		\$17,500
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Enables the Badging Office to verify credentials,( including DL's, passports, INS documents, etc) to assure that they are valid. Includes equipment, set-up, training, and a 3 year warranty.

**Police Total: \$100,500**

<b>CAPITAL EQUIPMENT SUMMARY - 2009 OPERATING BUDGET</b>
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**PLANNING & ENVIRONMENT DIVISION****Environment-Environmental**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>Truck / Vehicle</b>	\$32,000	1	\$3,500	\$28,500

The Environmental Affairs Office of the Environment Department requires a vehicle for the performance of day to day field activities that routinely involve regulatory compliance efforts. The requested vehicle will be used predominantly for activities at the Reliever Airports but will be needed occasionally for support at MSP.

This request is being made at the recommendation of MAC Maintenance - Equipment Shop to avoid excess maintenance costs associated with the current vehicle, a 1997 Ford pickup with over 100,000 miles.

The Environment Department is requesting a vehicle, suitable for compliance duties, that will have the capability to use alternative fuels ( E85, hybrid, GNG).

<b>Environment-Environmental Total:</b>	<b>\$28,500</b>
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<b>Capital Asset Grand Total:</b>	<b>\$6,895,300</b>
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<b>PERSONNEL SUMMARY – 2009 OPERATING BUDGET</b>
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**ORGANIZATIONAL PERSONNEL**

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

- Actual and Budgeted Count
- Service Center
- Position Classification

**Actual and Budgeted Full Time Equivalent Positions**

The authorized and budgeted FTE position count for 2008 was 599.5, which was up 20 FTE positions from 2007. These FTE positions and five additional positions were eliminated as a result of budget constraints related to the airline industry and the economic recession. While the 2009 budgeted position count shows 574.5 for the full year, the actual salary amount for the budgeted positions is adjusted to reflect a limited vacancy factor to account for time to fill open positions.

<b>FTE Positions</b>	<b>2003 Total</b>	<b>2004 Total</b>	<b>2005 Total</b>	<b>2006 Total</b>	<b>Adj<sup>1</sup> 2007 Total</b>	<b>2008 Total</b>	<b>2009 Total</b>
Budgeted	543.5	544.5	574.5	558.5	579.5	599.5	574.5
Authorized	593.5	593.5	593.5	575.5	579.5	599.5	574.5
Actual	527.0	535.5	557.0	558.5	551.5	565.0	-----

<sup>1</sup> Two mid-year adjustments were made to position counts in 2007, bringing the total authorized and budgeted FTE position count to 579.5. Funding was reinstated for 15 previously authorized positions and four new positions were added.

## PERSONNEL SUMMARY BY DIVISION – 2009 OPERATING BUDGET

Regular Status Full Time Equivalent Position Count  
by Service Center within Division

		As of 12/16/08				
Service Center		2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 (1) Budget
<b>Executive</b>						
75000 Executive		2	2	2	2	2
75100 Executive - Commissioner		1	0.5	0.5	0.5	0.5
76000 Public Affairs		2	2	3	3	3
78300 Internal Audit		3	3	4	4	4
79500 Labor and Governmental Affairs		3	3	3	3	3
<b>Total Executive</b>		11	10.5	12.5	12.5	12.5
	<b>BUDGET</b>	<b>11.5</b>	<b>12.5</b>	<b>10.5</b>	<b>12.5</b>	<b>12.5</b>
<b>Human Resources</b>						
75700 Human Resources		1.5	1.5	2.5	2	2
76600 HRD & Strategic Planning		4	4	4	3	3
81500 Employee Relations		6	5.5	5.5	5.5	5.5
80600 Diversity		2.5	2.5	2.5	2	2
<b>Total Human Resources</b>		14	13.5	14.5	12.5	12.5
	<b>BUDGET</b>	<b>14</b>	<b>14</b>	<b>13.5</b>	<b>15</b>	<b>12.5</b>
<b>Finance &amp; Administrative Services</b>						
75600 Finance & Admn. Services*		4	4	2	2	4
76800 Risk Management		4	4	4	4	4.5
78000 Finance		15	15	18	19	16
78100 MAC General***						7
78200 Purchasing		7	7.5	7.5	7.5	7.5
79000 Information Services		17	17	17	19	20
<b>Total Administrative Services</b>		47	47.5	48.5	51.5	59
	<b>BUDGET</b>	<b>62.5</b>	<b>61.5</b>	<b>56</b>	<b>81</b>	<b>59</b>
<b>Legal Affairs</b>						
81000 General Counsel		8	8	7	8	8
<b>Total General Counsel</b>		8	8	7	8	8
	<b>BUDGET</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>9</b>	<b>8</b>
<b>Environment/Development</b>						
75500 Planning		2	2	2	2	2
76100 Air Service-Business Development		1.5	1.5	1.5	1.5	0.5
77000 Airport Development		15	15	15	15	15
77100 Airport Development -Building Official		2	2	2	2	2
80000 Commercial Mgmt & Airline Affairs		9	7	5	5	5
80100 Concessions & Business Development**		0	0	4	4	4
85000 Environment -General		3	2	2	2	2
85100 Environment-Environmental		3	3	3	3	3
85300 Environment-Aviation Noise Program		6	6	7	7	7
<b>Total Environment/Development</b>		41.5	38.5	41.5	41.5	40.5
	<b>BUDGET</b>	<b>33</b>	<b>34</b>	<b>30</b>	<b>33</b>	<b>40.5</b>

<b>PERSONNEL SUMMARY BY DIVISION – 2009 OPERATING BUDGET</b>
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**Regular Status Full Time Equivalent Position Count  
by Service Center within Division**

Service Center	As of 12/16/08				
	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Budget
<b>Operations</b>					
75800 Deputy - Operations	1	2	2	1	2
82000 MSP Operations & Administration	5	5	4	4	4
82050 Conference Center	2	2	1	3	3
82060 Call Center	3	4	4	3	3
82600 Airside Operations	12	11	12	13	15
82700 Emergency Communications	14	14	15	16	16
83400 Landside - Administration	20	21	20.5	23.5	23.5
83600 Fire	48	49	44	49	49
84200 Police	114	116.5	110	113.5	113.5
85500 Facilities - Humphrey Terminal	2	2	2	2	2
86100 Facilities - Lindbergh Terminal	9.5	10	10	10	10
86300 Facilities - Energy Management Center	18	18	19	19	18
88000 Electricians	17	17	15	17	17
88100 Painter	7	7	6	7	8
88200 Carpenter	8	9	9	9	9
88300 Plumber	6	6	7	8	8
88400 Trades-Administration	2	2	2	2	2
89000 Maintenance	121	120	118	113	113
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	2	3	3	3
90600 Reliever - Crystal	3	3	4	3	3
90700 Reliever - Anoka	3	3	3	3	3
<b>Total Operations</b>	435.5	440.5	427.5	439	442
<b>BUDGET</b>	<b>445.5</b>	<b>445.5</b>	<b>442.5</b>	<b>449</b>	<b>442</b>
<b>Total Actual FTEs</b>	<b>557</b>	<b>558.5</b>	<b>551.5</b>	<b>565</b>	
<b>TOTAL BUDGET FTEs</b>	<b>574.5</b>	<b>575.5</b>	<b>560.5</b>	<b>599.5</b>	<b>574.5</b>

(1) Service centers transferred open position to other service centers based upon need

\* Moved two FTEs from Finance

\*\*New Service Center in 2007 - FTEs from CMAA

\*\*\* MAC General - general service center for maintaining FTE count

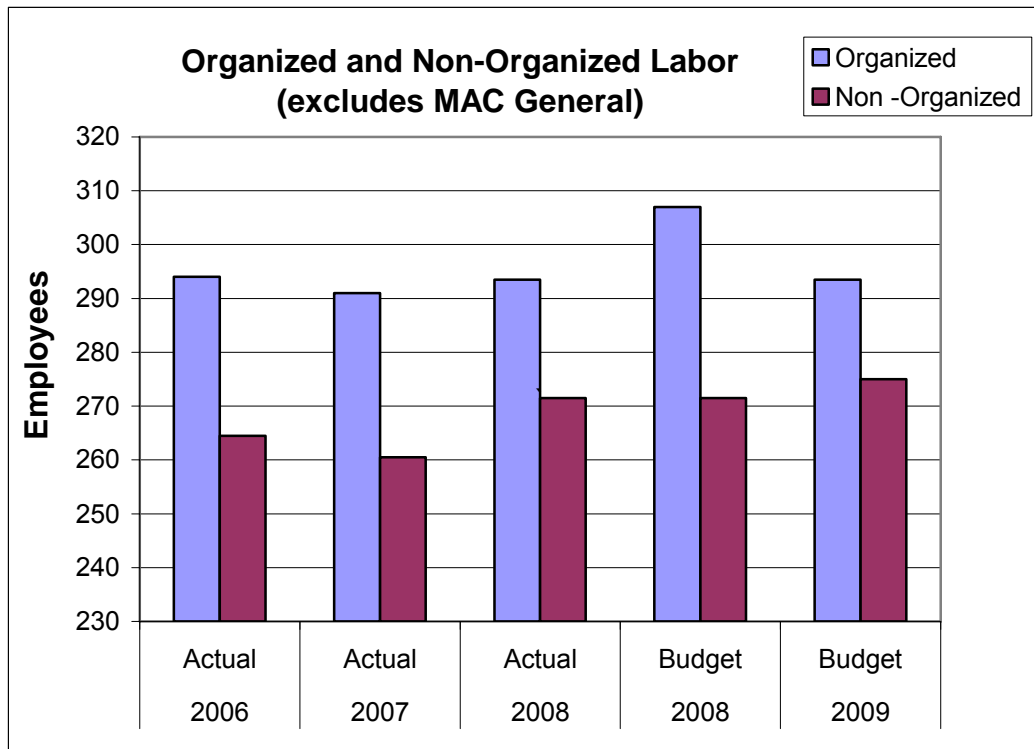
<b>PERSONNEL SUMMARY BY CLASSIFICATION – 2009 OPERATING BUDGET</b>
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## Regular Status Full Time Equivalent Position Count by Job Classification

	2006 Actual	2007 Actual	2008 Actual	2009 Budget
Organized				
Local 70 Operating Engineers	15	16	16	15
49er's Equipment Maintenance	21	20	22	22
320's - MSP Int'l - Field	84	77	78	78
320's - MSP Int'l - Lindbergh Terminal	2	2	2	2
320's - Reliever Airports	18	19	18	18
Painters	7	6	8	8
Carpenters	9	9	9	9
Plumbers	6	7	8	8
Electricians	17	15	17	17
Police Lieutenants	3	3	3	3
Police Sergeants	15	17	13	13
Police Officers - 302	61	60	62.5	62.5
Firefighters	36	40	37	37
Fire Captains	0	0	0	9
Total Organized	294	291	293.5	301.5
MAC General *				7
Non-Organized				
Chairperson/Executive Director	1.5	1.5	1.5	1.5
Dep. Directors/Directors/Assistant Director	24	24	23	23
Managers/Supervisors	86	83	82	83
Police Chief/Fire Chief	2	2	2	2
Community Service Officers	14	9	11.5	11.5
Passenger Assistants	10	10.5	13.5	13.5
Fire Training/Marshall	10	11	11	2
Commanders/Lieutenants/Dep. Chief/Other	4	7		
Administrative/Professional/Tech. Support	113	112.5	127	129.5
Total Non-Organized	264.5	260.5	271.5	266
<b>Total MAC</b>	<b>558.5</b>	<b>551.5</b>	<b>565.0</b>	<b>574.5</b>

Organized refers to those work areas or employees which are represented by a union. All unions represented have specific contracts which dictate wages, benefits and work rules. Currently, the MAC has thirteen unions. Non-organized refers to all other employees not in a union.

## PERSONNEL SUMMARY BY CLASSIFICATION – 2009 OPERATING BUDGET



The above chart compares the number of Organized and Non-Organized FTEs.

**PERSONNEL SUMMARY BY CLASSIFICATION – 2009 OPERATING BUDGET**

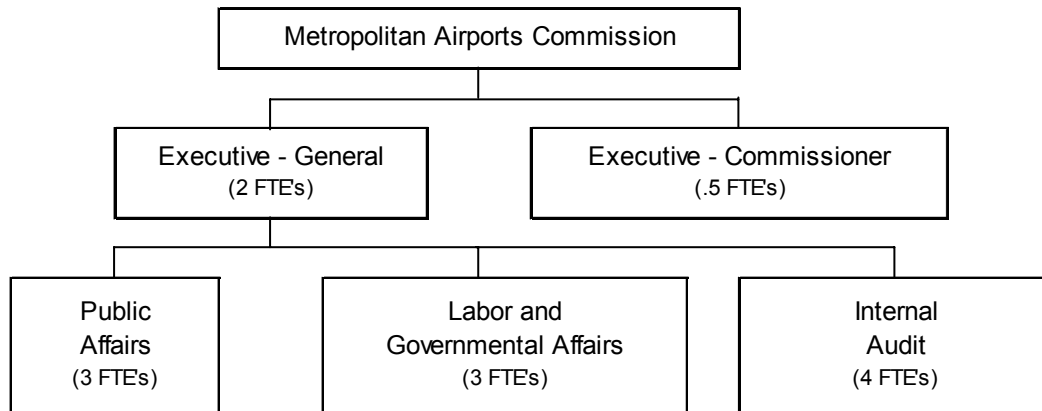
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**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET**

**Executive Division**



<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**Notations to Service Center Summaries:**

- \* Variance (dollars and %) is computed between 2008 Budget and 2009 Budget
- \* The explanation for the variances is based upon the 2008 Budget and 2009 Budget
- \* Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****EXECUTIVE - GENERAL****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	224,682	235,441	255,859	20,418	8.67%
Administrative Expenses	184,355	164,200	164,200	0	0.00%
Professional Services		5,000	2,000	-3,000	-60.00%
Utilities	511	1,000	1,000	0	0.00%
Operating Services/Expenses	563	500	500	0	0.00%
Other	1,823	5,000	1,000	-4,000	-80.00%
<b>Total Budget</b>	<b>411,933</b>	<b>411,141</b>	<b>424,559</b>	<b>13,418</b>	<b>3.26%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>2</b>	<b>2</b>	<b>2</b>

**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 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	Viability maintained through NWA bankruptcy negotiations and via organizational performance. Bond rating remained in place; debt service reserves met.
Transition the organization through leadership changes as retirements occur.	Succession and recruitment plans in place for leadership positions.	Executive search process initiated for anticipated retirement of Deputy Executive Director for Planning & Environment. Process expected to be completed January 2008.
Lead the implementation of MAC's strategic plan.	MAC's five year strategic plan is updated to reflect the state of the industry.	MAC's Five Year Plan updated and communicated to organization and appropriate external sources.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**EXECUTIVE - GENERAL****2007 PROGRESS REPORT**

Service Center Key Initiative	Measurement	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.	Increased focus on business development in place.

**2008 PROGRESS REPORT**

Service Center Key Initiative	Measurement	Results
Lead, mentor and transition new Deputy Executive Director for Planning & Environment into the organization.	Planning & Environment Division is fully functional and meeting the needs of the organization.	Position was filled and is functioning at a high level to meet the needs of the organization.
Provide leadership to ensure MAC's solvency through potential airline merger activity.	MSP's large hub status and airline headquarters location in place to meet interests of MAC and key stakeholders.	An agreement has been reached with Delta Airlines. MSP will retain large hub status with four hundred flights a day. Major Delta functions will remain in Minnesota with an employment level of 10,000 plus. Bond repayment was accelerated to 2016. This agreement ensures the best interests of MAC and key stakeholders.
Ensure implementation of Part 150 Consent Decree.	Stipulations of decree met that result in positive community relations.	MAC is in full compliance with the consent decree. All timelines have been met to date.
Oversee development of opportunities that align with organizational interests and meet the needs of surrounding communities.	MAC begins to realize revenue from non-aeronautical sources.	RFPs drafted, timing of release varies due to economic conditions. Additional revenue generating ideas are under review.
Increase focus on re-building positive community relations.	Community relations are strengthened in communities adjacent to MAC airports.	As a result of outreach efforts by the Executive Director and MAC staff, relations with the legislature, congressional representatives, the Governor's office, and surrounding communities have improved.

**2009 KEY INITIATIVES**

<b>Organizational Strategy: <i>Ensure Long-Term Financial Viability</i></b>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
NA	Ensure MAC's ability to offer competitive rates and charges to the airline industry.	Rates and charges in the mid range for airports of this size.
Maximize our region's economic interests through the NWA/Delta merger.	Successfully execute negotiations with NWA/Delta.	An agreement that maintains jobs and aviation services for Minnesota and the region.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****EXECUTIVE - GENERAL****2009 KEY INITIATIVES**

<b>Organizational Strategy: N/A</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	Lead the development and implementation of MAC's five year strategic plan.	Five year strategic plan in place and key initiatives implemented.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****EXECUTIVE - COMMISSIONERS/CHAIR****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	34,713	39,456	34,833	-4,623	-11.72%
Administrative Expenses	26,485	27,300	23,200	-4,100	-15.02%
Professional Services		0	0		
Utilities	79	1,250	1,250	0	0.00%
Other		0	0		
<b>Total Budget</b>	<b>61,277</b>	<b>68,006</b>	<b>59,283</b>	<b>-8,723</b>	<b>-12.83%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>

**RESPONSIBILITY/FUNCTION**

It is the responsibility of the Board 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 - 2009 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****PUBLIC AFFAIRS****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	227,536	260,134	269,328	9,193	3.53%
Administrative Expenses	60,517	157,417	104,665	-52,752	-33.51%
Professional Services	300,040	250,600	260,600	10,000	3.99%
Utilities	1,246	1,500	3,000	1,500	100.00%
Operating Services/Expenses	19,615	77,016	603,600	526,584	683.73%
Maintenance	27	1,400	0	-1,400	-100.00%
Other	270	2,330	1,330	-1,000	-42.92%
<b>Total Budget</b>	<b>609,251</b>	<b>750,397</b>	<b>1,242,523</b>	<b>492,125</b>	<b>65.58%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>3</b>	<b>3</b>	<b>3</b>

**RESPONSIBILITY/FUNCTION**

The Public Affairs Department builds public support for the MAC and its airports through media relations, public information and outreach programs. The department enhances the airport experience by providing information to travelers. In addition, Public Affairs identifies, monitors and helps address issues which may impact the MAC, communicates airport benefits and impacts to surrounding communities and enhances customer service by communicating with tenants. Public Affairs provides information to MAC staff and Commissioners for their use in working to achieve organizational goals, conducts advertising and marketing campaigns aimed at increasing MAC revenues and ongoing promotion of airport services.

**MAJOR 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Professional Services	Increase reflects plans for executing projects associated with the MAC's 2009 Strategic Plan emphasis on customer service marketing initiatives.
Utilities	Increase reflects the expected increase in cell phone expense and replacement of existing cell phones.
Operating Services/Expenses	These budget dollars were moved to Public Affairs from Concessions Marketing to the Concessions & Business Development Service Center, as Public Affairs is responsible for the marketing of concessions.

**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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	Emphasized advantages resulting from new airline lease agreement and historic agreement to expand the sound insulation program to the 60 DNL. Promoted new airport concessions and Start! Walking program. Began MSP branding effort and work on a new, user-friendly interactive airport concessions Web site. Developed and launched award winning SurePark

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****PUBLIC AFFAIRS****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
		marketing campaign.
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	Worked with Environment Department to develop and distribute information regarding runway closure, including post cards, news release, newsletter and Web site information, promotion of public informational meetings, and outreach to news reporters regarding the issue.
Build support and recognitions for the MAC's environmental achievements	Citizens have greater information about the MAC's environmental achievements	Promoted historic noise settlement, building on MAC's reputation as a national leader in noise mitigation. Began organization wide effort to gather information on MAC's sustainability achievements since the inception of the 2010 program.
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	Began working with Reliever Airports Department on next generation Reliever Airports Web site. Talked to news media about unique partnership to expand and improve Anoka County-Blaine Airport. Created brochure and PowerPoint promoting planned expansion of Flying Cloud. Held initial meeting with Reliever staff regarding potential reliever airport marketing opportunities in 2008.
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.	Developed new brochures for the Lindbergh and Humphrey terminals. Launched effort to redevelop concessions Web site, including a section on the airport conference center. Created promotional pieces for direct mail, publication and in-terminal marketing of airport conference center.
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	Developed and distributed a series of three security-related public service announcements featuring the Airport Police Department. PSAs are shown on CNN monitors at MSP as well as on local television stations as a public service. PSAs cover topics such as curbside drop off and pickup, unattended bags and reporting suspicious activities.

## SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET

## PUBLIC AFFAIRS

## 2008 PROGRESS REPORT

Service Center Key Initiative	Measurement	Results
Develop an MSP brand complete with logo and tagline to help create a positive, easily identifiable and broadly recognized identity that sets MSP apart from its competitors and enhances perceptions of the airport.	New MSP logo, tagline and other brand elements are incorporated into MSP facilities, Website, publications and other areas as appropriate.	Developed brand promise of a welcoming, well-run airport that helps make traveler's journey easy, convenient and memorable. New MSP logo developed with accompanying tagline: going your way. Brand logo appears in airport advertising units, MUFIDS customer information screens, Lindbergh Terminal welcome sign, publications, Websites and other areas. Initial branding effort being incorporated into airport-wide customer service branding activities in 2009.
Promote MAC revenue opportunities.	Development and execution of marketing campaigns for airport concessions, conference center, parking, reliever airports, and as appropriate, new air service and non-aeronautical opportunities.	Created a Marketing Steering Committee to coordinate MAC wide marketing efforts. Increased marketing of conference center helped lead to record revenues. Conducted parking survey to measure airport customer parking habits and motivators to assist in developing targeted campaigns in 2009. Created new brochure and videos marketing MAC's reliever airports. Worked with airlines to promote new Paris service, new service by Alaska Airlines, and service plans by Southwest Airlines.
Promote MAC efforts to ensure environmental, economic and social sustainability of airport operations, airport safety and security, airport services and amenities, awards and recognition, and the benefits of MAC's reliever airports.	Promotional materials and media stories related to the objective.	Developed promotional materials related to new Stewards of Tomorrow's Airport Resources (STAR) program. Won Airports Council International-North America award for STAR program communication effort.

## 2009 KEY INITIATIVES

Organizational Strategy: <i>Enhance Customer Service</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
NA	Promote airport wide customer service program being launched by the Customer Service Action Council.	Increased positive feedback from customers.

Organizational Strategy: <i>Ensure Long-Term Financial Viability</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
Initiate a marketing campaign for MSP and Reliever Airports.	Increase food, beverage, news and retail sales per enplaned passenger.	Year end sales per enplaned passenger results.
Initiate a marketing campaign for MSP and Reliever Airports.	Promote MAC reliever airport system.	Increased awareness of and support for MAC's general aviation airports and improvements to them.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**PUBLIC AFFAIRS**

<b>Organizational Strategy: <i>Leverage Resources and Technology</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Expand public awareness of MAC STAR initiatives and successes.	News stories regarding STAR program and related initiatives.

**Performance Indicators**

<b>Organizational Key Areas of Performance</b>	<b>2007 Actual</b>	<b>2008 Est</b>	<b>2009 Budget</b>	<b>Target</b>
Financial Responsibility				
<b>SC Performance Indicator:</b>	work with concessions vendors to cross promote sales			
<b>Comments:</b>				
Customer Service				
<b>SC Performance Indicator:</b>	launch new, more service oriented mspairport.com			
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****INTERNAL AUDIT****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	283,730	321,236	335,606	14,370	4.47%
Administrative Expenses	19,367	7,025	5,100	-1,925	-27.40%
Professional Services		0	0	0	0.00%
Utilities		0	0		
Operating Services/Expenses	1,283	3,900	4,600	700	17.95%
Maintenance		0	0		
Other	4,521	0	0		
<b>Total Budget</b>	<b>308,902</b>	<b>332,161</b>	<b>345,306</b>	<b>13,145</b>	<b>3.96%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>4</b>	<b>4</b>	<b>4</b>

**RESPONSIBILITY/FUNCTION**

The Internal Audit Department is responsible for conducting audits in accordance with the International Standards for the Professional Practice of Internal Auditing and to serve as a financial consulting activity to assist management in developing and maintaining strong financial controls. Audit scope includes, but is not limited to, evaluation of internal controls, verification of revenues and expenditures, and the evaluation of organizational compliance with 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 to the Commission.

**MAJOR 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. In addition to salary costs, funding for professional training is required to maintain professional certifications which are held by audit staff. Training will also be required for a new staff person who is unfamiliar with audit software programs.
Operating Services/Expenses	Expenses are for software license agreements for audit testing software. Software program licenses must be renewed to obtain updated versions and support. Licensing Costs are expected to increase from 2008 levels.

**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	Scheduled audits of internal functions have been completed and audit reports have been issued.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****INTERNAL AUDIT****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	Audits of retail and food and beverage concession operators have been completed or are in process.
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.	Auditors with professional certifications have maintained those certifications. Two staff members attended the Association of Airport Internal Auditors annual conference and received training on airport audit topics. Two staff members are receiving training to become Certified Information Systems Auditors and will complete a certification exam.
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.	The audit of parking revenue has been completed. The final audit report was issued and approved by the Commission.
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.	A review of auto rental financial data is in process. Concession operators are being selected for audit.
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.	One instance of fraud was investigated. Results of that investigation were included in a recent audit report.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****INTERNAL AUDIT****2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Fully implement the use of TeamMate Audit Management and Documentation Software that was purchased in 2007.	TeamMate Software Modules including Electronic Working Papers, Team Risk, Team Central and Time and Expense Capture are implemented and in use by Audit Staff.	TeamMate Audit Software modules including Electronic Workpaper, Team Central Workpaper Repository, and Team Risk Module are implemented and in use by staff. TeamMate Time and Expense Capture database has been populated for use.
Fully document department procedures in a procedures manual.	Procedures manual is completed and issued to audit staff.	Procedures Manual is in final editing stage. Final version will be issued to audit staff in early 2009.
Complete all audit projects included in the 2008 Commission Approved Audit Plan.	Audit Projects are completed and Audit Reports are issued.	Audit Plan was partially altered due to changing organization priorities and risks identified during scheduled audits. Key audit projects in the plan were implemented and completed. Additional unplanned projects were added and completed.
Complete follow-up audit procedures to ensure that prior audit findings are resolved and Commission approved actions are implemented.	Complete follow-up audit procedures and report results to the Commission and Senior Management.	Follow-up of prior audit findings has been accomplished and appropriate reports have been issued to the Senior Management and the Commission as appropriate.
Perform detailed analysis of financial controls and results to assist management in improving efficiency and effectiveness.	Complete required analysis and report results to senior management officials. Make recommendations for process improvements.	Analysis of key financial control processes is ongoing. Key control issues have been reported to Senior Management

**2009 KEY INITIATIVES**

<b>Organizational Strategy: <i>Ensure Long-Term Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Audit projects in key areas included in the annual audit plan are identified and assigned. Audit procedures are planned and accomplished.	Key audit projects are completed with appropriate reporting and implementation of appropriate corrective actions.
NA	Implement improved processes for continuous monitoring and testing of financial data from key MAC systems and outside entities.	Available financial data files are analyzed to determine file layouts and key data fields. Data script processes are researched to determine appropriate applications to available data files. Benchmarks for key financial processes are identified. Data scripts are written and implemented in key areas.
NA	Complete a detailed analysis and flowcharting of key MAC financial processes and controls involving revenue collection and recording, disbursement controls and asset management.	All MAC key financial controls and processes have been reviewed and flowcharted. Control weaknesses and opportunities for process improvements have been identified and presented to Senior Management and appropriate Department Managers. Significant unresolved issues are reported to Senior Management and the Commission.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**INTERNAL AUDIT****Performance Indicators**

<b>Organizational Key</b>				
<b>Areas of Performance</b>	<b>2007 Actual</b>	<b>2008 Est</b>	<b>2009 Budget</b>	<b>Target</b>
Financial Responsibility	75%	85%	85%	85%
<b>SC Performance Indicator:</b>	Percentage of Audit Projects Completed that were scheduled in the Annual Audit Plan			
<b>Comments:</b>	Scheduled Audit Projects are presented to the Commission annually for their approval. Actual audits begun and completed frequently differ from planned projects due to changing organizational priorities and new direction from Commissioners and Senior Management. Any planned projects that are not completed in a given timeframe, are replaced by other audit projects that have assumed a higher priority than those originally planned.			



**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****LABOR AND GOVERNMENTAL AFFAIRS****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	266,541	281,313	286,488	5,176	1.84%
Administrative Expenses	20,397	22,915	22,915	0	0.00%
Professional Services	281,894	305,450	296,450	-9,000	-2.95%
Utilities	1,192	1,600	1,600	0	0.00%
Operating Services/Expenses	430	8,215	3,215	-5,000	-60.86%
Maintenance		0	0		
Other	1,351	1,240	1,240	0	0.00%
<b>Total Budget</b>	<b>571,806</b>	<b>620,733</b>	<b>611,908</b>	<b>-8,824</b>	<b>-1.42%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>3</b>	<b>3</b>	<b>3</b>

**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 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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 construction projects, airport vendors and airport tenants relative to outside union issues and concerns.
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 four MAC unions whose labor agreements expire mid 2007.	Terms and conditions of employment consistent with Commission goals.	Successfully completed negotiations with four trade bargaining units whose contracts expired in 2007. Negotiations resulted in wages being competitive and the elimination of retiree health insurance for new hires.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****LABOR AND GOVERNMENTAL AFFAIRS****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.
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.
Complete labor filing project.	All labor files cataloged and filed.	Numerous files cataloged and entered.
Coordinate Labor Management Committee activity.	Improved labor/management environment.	Coordinated and participated in MAC's six cooperative Labor Management Committees with individual bargaining units and one multi-unit Labor Management Committee dealing with benefits.
Work with federal officials to assure out year funding for St. Paul Airport dike.	Funding allocated.	Federal Aviation Administration discretionary grant received.
Explore and acquire additional funding via the federal AIP and DOT appropriations.	Funding allocated.	FAA continues to make payment on Runway 17/35 LOI. State Aeronautics grant for Segment 2 of runway reconstruction at MSP.
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.	Participated in ACI Congressional Hill days, multiple site visits from our Washington delegation and/or staff, State Senate Local Government Committee MSP and STP tours, over 2 dozen members briefed at MSP during interim.
Participate in formulating airport trade group positions on aviation related legislation.	Airport trade group positions closely aligned with MAC goals and objectives.	ACI's positions on FAA Reauthorization and DHS bills agree 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 MAC positions supporting or opposing bills. Several bills were introduced contrary to MAC policy positions - none passed. (See 2007 legislative summary).

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****LABOR AND GOVERNMENTAL AFFAIRS****2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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 and airport vendors/ tenants relative to outside union issues and concerns.
Process and hear grievances on behalf of the Executive Director and represent MAC in mediation, arbitration and veterans preference hearings.	Terms and conditions of employment consistent with Commission goals.	Participated in grievance process and successfully resolved numerous grievance issues. Represented MAC at various contract mediation hearings and pre-arbitration grievance hearings.
Prepare for bargaining and begin negotiations with five MAC unions whose labor agreements expire at end of 2008.	Terms and conditions of employment consistent with Commission goals.	Researched and collected market comparative data and began negotiations with three of the five MAC bargaining units whose contracts expire at the end of 2008.
Assist managers and supervisors in contract interpretation, grievances and labor/management cooperation issues including training as needed.	Improved labor/management environment.	Met with numerous MAC managers/supervisors to advise them on grievance, contract and labor relations matters. Provided ad hoc training to managers/supervisors as appropriate.
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 Employers Labor Relations Association (MPELRA) and as member of both the state and national PELRA. Served on Board of Directors for Twin City Area Labor Management Council (TCALMC). Participated in Area Negotiator meetings.
Coordinate Labor Management Committee activity.	Improved labor/management environment.	Coordinated and participated in MAC's six cooperative Labor Management Committees with individual bargaining units and one multi-unit Labor Management Committee on Benefits.
Complete labor filing project.	All labor files cataloged and filed.	Numerous files cataloged and entered from 2000 - present. Due to budget and time constraints, project carried over to 2009.
Work with federal officials to assure out year funding for St. Paul Airport dike.	Funding allocated.	Federal Aviation Administration (FAA) discretionary grant received.
Explore and acquire additional funding via the federal AIP and Department of Transportation (DOT) appropriations.	Funding allocated.	Portion of Flying Cloud improvement funding obtained.
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.	Worked with local communities and League of Minnesota Cities to establish better working relationship. Strengthened positive relationships with Governor's office and committees that MAC reports to at State Legislature.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**LABOR AND GOVERNMENTAL AFFAIRS****2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Participate in formulating airport trade group positions on aviation related legislation.	Airport trade group positions closely aligned with MAC strategy and goals.	ACI-NA positions on FAA Reauthorization, DHS, and other bills agree 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 MAC positions supporting or opposing issues in Washington and at State Legislature. (See 2008 state legislative summary.)

**2009 KEY INITIATIVES**

<b>Organizational Strategy: <i>Enhance Customer Service</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Mediate disputes between outside unions, contractors and airport tenants and negotiate construction project labor agreements when beneficial to MAC.	Efficient airport operations and construction projects free of labor disruptions for the traveling public.

<b>Organizational Strategy: <i>Ensure Long-Term Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
Maximize our region's economic interests through the NWA/Delta merger.	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.
NA	Work with state and federal officials to assure out year funding for St. Paul Airport dike and Flying Cloud Airport improvements.	Funding allocated.

<b>Organizational Strategy: <i>Match Employee Talent with Changing Business Needs</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Process and hear grievances/disputes on behalf of Executive Director and represent MAC in mediation, arbitration, veterans preference hearings, SIDA badge hearings and taxi hearings.	Terms and conditions of employment consistent with Commission goals.
NA	Negotiate labor contracts with six MAC unions whose labor agreements expire at the end of 2008 or mid-2009.	Terms and conditions of employment consistent with Commission goals. Union salaries on average are competitive with market.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**LABOR AND GOVERNMENTAL AFFAIRS****2009 KEY INITIATIVES**

<b>Organizational Strategy: <i>Strengthen Relationships and Partnerships</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Participate in formulating airport trade group positions on aviation related legislation	Airport trade group positions closely aligned with MAC strategy and goals.
NA	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.
NA	Represent MAC on outside boards, commissions and task forces, directly relating to and bringing visibility and influence to MAC's efforts.	Visibility and influence to MAC's efforts.
NA	Represent MAC on outside boards and organizations to bring visibility and influence to MAC's labor relations efforts and coordinate Labor Management Committee activity.	Effective labor relations representation and participation with an improved labor/management environment.
NA	Assist managers and supervisors in contract interpretation, grievances and labor/management cooperation issues including training as needed.	Supervisors of union employees are satisfied with labor relations support and service.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET**

**Legal Affairs Division**

Executive - General

General Counsel  
(8 FTEs)

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**Notations to Service Center Summaries:**

- \* Variance (dollars and %) is computed between 2008 Budget and 2009 Budget
- \* The explanation for the variances is based upon the 2008 Budget and 2009 Budget
- \* Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.



**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****GENERAL COUNSEL****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	749,165	813,897	825,430	11,533	1.42%
Administrative Expenses	34,954	33,650	36,500	2,850	8.47%
Professional Services	1,962,293	1,900,000	1,895,000	-5,000	-0.26%
Utilities	962	1,200	1,200	0	0.00%
Operating Services/Expenses	508	1,100	1,100	0	0.00%
Other		0	0		
<b>Total Budget</b>	<b>2,747,882</b>	<b>2,749,847</b>	<b>2,759,230</b>	<b>9,383</b>	<b>0.34%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>8</b>	<b>9</b>	<b>8</b>

**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 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	Increase in Administrative Expenses reflects transfers from Legal Fees in Professional Services for travel expenses.

**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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. Decrease reliance on outside legal counsel.	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, updated competition plan). Advised on St. Paul Floodwall issues. Attended RAAC meetings. Advised and prepared collections and evictions as requested by CMAA, Reliever Airports and Finance. Managed MSP Minimum Landing Fee Research and Proposal through adoption by the Commission. Provided research, advice, and drafting regarding Reliever Taskforce recommendations. Provided research, advice, and drafting regarding aeronautical development at Flying Cloud Airport.

## SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET

## GENERAL COUNSEL

## 2007 PROGRESS REPORT

Service Center Key Initiative	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, ACL.	Complete in timely manner. Decrease reliance on outside legal counsel.	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: Concession Agreements, Non-Aeronautical Development RFP's, Lease Amendments, Concession amendments and numerous miscellaneous agreements. Negotiated and completed the Third Amendment to the Anoka/MAC Northwest Building Area Lease and Development Agreement and the First Complete and Superseding Amendment to the Master Ground Sublease and Development Agreement. Completed property acquisitions to facilitate Runway 17-35 construction (purchase and condemnation). Continued working with Landside (Taxicab Ordinance No. 106, Commercial Vehicles, Taxicab Permit Fee, refusal of service issue, legal research). Monitor Transportation Security Administration (TSA) to implement ongoing security regulations. Prepared bid for the Ford Hydro Dam. Researched various issues as requested by CMAA and Reliever Airports.
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. Decrease reliance on outside legal counsel.	Advised Environment Department regarding 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 - completed. Wiencke, et al v. MAC - completed. SKB Environmental v. MAC - Summary judgment was granted in favor of MAC. Pursuit of attorneys' fees ongoing. Successfully defended MAC in the two informal complaints filed with FAA by Anoka Air Charter and Crossroads Aviation. Crossroads Aviation v. MAC - Trial completed. State v. Larry Craig - Guilty plea entered and maintained. Taxicab Hearings/Security Hearings - ongoing. Shqairat v. US Airways & MAC - Litigation involving the removal of six Imams from a US Airways flight. Discovery phase. Dolal v. MAC - Successful in defeating temporary injunction proceedings. Moving through discovery. Yohannes v. MAC - Moving through discovery. Prepared for summary judgment. Human Rights Complaints - No new complaints in 2007. MAC received determination of no probable cause in one outstanding complaint. Various bankruptcies (e.g., Mesaba Airlines, Delta Airlines, United Airlines, US Airways Airlines, Kittyhawk and Crystal Shamrock) - ongoing. Represented MAC in legal disputes with airlines.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****GENERAL COUNSEL****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Data Practices Legislation/Data Requests.	Respond in a timely manner. Decrease reliance on outside legal counsel.	Responded to numerous data requests. Responded to Heide data requests. Provided research, legal advice and drafting regarding data issues and data legislation. 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. Meeting Continuing Legal Education requirements pursuant to the Minnesota State Bar Association.	Attended seminars and participated 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.

**2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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. Decrease reliance on outside legal counsel.	Researched legal issues as requested by MAC Departments and MAC Commissioners. Addressed the following airline issues: Northwest/Delta Airlines negotiations; 2020 Plan; Part 150 Program; Recruiting new airlines for Humphrey Terminal; updated competition plan. Advised and prepared collections and evictions as requested by CMAA, Reliever Airports and Finance. Provided notice regarding MSP Minimum Landing Fee increase. Provided research, advice, and drafting regarding aeronautical development at Flying Cloud Airport. Advised regarding MSP Bloomington property acquisitions. Advised regarding Eden Prairie Zoning and Comprehensive Plan. Provided research, advice and drafting regarding the zoning process at the St. Paul Downtown Airport. Advised on employment issues for HR. Attended RAAC meetings. Advised regarding trademark issues and applications. Provided interpretation and enforcement advice regarding MAC Ordinances and Policies. Provided advice regarding lease requests and lease enforcement issues.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**GENERAL COUNSEL****2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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, ACL.	Complete in timely manner. Decrease reliance on outside legal counsel.	Advised Finance Department regarding G.O. 15 collateral requirements. Assisted CMAA and Reliever Airports in drafting and adopting ordinances, leases, agreements, amendments, and requests for proposals, including: Concession Agreements; Non-Aeronautical Development RFPs, various leases and lease amendments, lease termination agreements, concession amendments, and numerous miscellaneous agreements. Negotiated and completed Amended and Restated Anoka County/Blaine Airport Northwest Building Area Development and Lease Agreement; Second Amended and Restated Anoka County/Blaine Airport Northwest Building Area Sublease Agreement; Third Amendment to Joint Powers Agreement Relating to the Anoka County/Blaine Airport Northwest Building Area Joint Powers Board. Provided research, drafting, and advice regarding development of Reliever Airports policy and revision of Reliever lease forms and policies. Completed property acquisitions to facilitate Runway 17-35 construction (purchase and condemnation). Advised and worked with Landside Operations on the following projects: Taxicab Ordinance No. 106 (Commercial Vehicles), Taxicab Permit Fee, Refusal of service issue, Off-Airport Parking Ordinance, Tram Maintenance RFP, and various taxicab issues. Monitored ongoing security regulations implemented by the Transportation Security Administration (TSA).

## SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET

## GENERAL COUNSEL

## 2008 PROGRESS REPORT

Service Center Key Initiative	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. Decrease reliance on outside legal counsel.	Provided representation and monitoring of the following litigation: City of Minneapolis, et al v. MAC - Completed. SKB Environmental v. MAC - Ongoing pursuit of attorneys' fees. State v. Craig - Successfully completed. Appellate Court upheld guilty plea. Shqairat v. US Airways & MAC - Ongoing. Dolal v. MAC - Currently on appeal. Yohannes v. MAC - Successfully completed. State v. Orsak - Appellate court decision upheld jury's guilty verdict. Orsak v. MAC - Ongoing. Interstate Companies v. MAC - Partial summary judgment granted. On appeal. Advised Environment Department with respect to ongoing environmental issues at MSP and reliever airports. Advised and monitored bankruptcies, including: Mesaba Airlines, Delta Airlines, US Airways Airlines, Kittyhawk Airlines, Champion Airlines, Sun Country Airlines and Petters Aviation. Advised Human Resources regarding Human Rights Complaints--one new complaint in 2008 in which MAC received a determination of no probable cause. Continued representation and participation in Taxicab Hearings and Security Hearings.
Respond to Data Practices Act requests.	Respond in timely manner. Decrease reliance on outside legal counsel.	Responded to numerous data requests. Responded to Heide data requests. Conducted research and provided advice regarding data issues. Conducted research and provided drafting assistance regarding new legislation on MAC parking data. Attended Data Practices Committee meetings.
Maintain proficiency in all areas of airport law through attendance at seminars and participate in appropriate trade organizations.	Proficiency in all areas of airport law. Meeting Continuing Legal Education requirements pursuant to the Minnesota State Bar Association.	Attended seminars and participated in trade organizations. Attended Minnesota State Bar Association sponsored seminars and events. Attended Hennepin County State Bar Association sponsored seminars and events. Attended IMLA conference. Attended Association of Legal Administrators Regional Conference.
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.

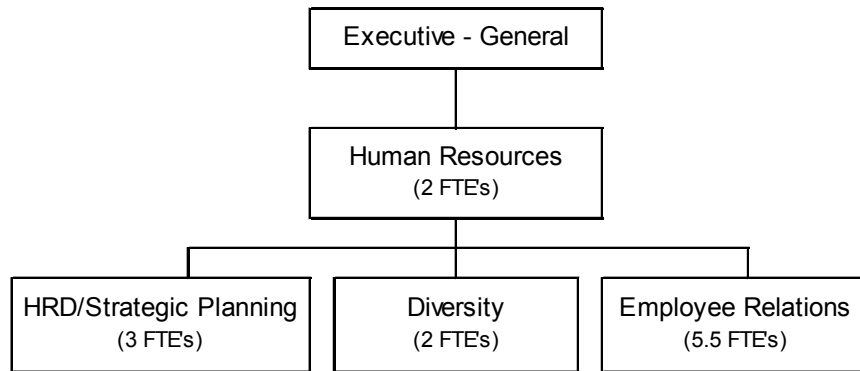
<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**GENERAL COUNSEL****2009 KEY INITIATIVES**

<b>Organizational Strategy: N/A</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	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.
N/A	Represent MAC on outside boards, commissions and task forces, directly relating to and bringing visibility and influence to MAC's efforts.	Visibility and influence to MAC's efforts.
N/A	Respond to Data Practices Act requests.	Respond in timely manner.
N/A	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.
N/A	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.
N/A	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 - 2009 OPERATING BUDGET**

**Human Resources Division**



<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**Notations to Service Center Summaries:**

- \* Variance (dollars and %) is computed between 2008 Budget and 2009 Budget
- \* The explanation for the variances is based upon the 2008 Budget and 2009 Budget
- \* Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.



**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****HUMAN RESOURCES****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	181,990	209,661	191,028	-18,633	-8.89%
Administrative Expenses	16,758	13,800	13,300	-500	-3.62%
Professional Services	23,733	195,000	75,000	-120,000	-61.54%
Utilities	973	100	100	0	0.00%
Operating Services/Expenses		0	0		
Maintenance		0	0		
Other	1,419	0	0		
<b>Total Budget</b>	<b>224,874</b>	<b>418,561</b>	<b>279,428</b>	<b>-139,133</b>	<b>-33.24%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>2</b>	<b>2.5</b>	<b>2</b>

**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 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Division redistributed work and absorbed additional duties of two headcount reductions in 2008.
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**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Upgrade HR technology and HRIS system.	Hardware and software upgrades in place to facilitate improved services.	In coordination with IS, this project is underway for implementation of early phases in 2008.
Enhance HR's communication and feedback systems.	Organizational management and information tools are enhanced.	A number of management reports, including tracking of sick leave utilization and performance review status, were implemented in 2007 to enhance decision making.
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.	Executive search process for Deputy Executive Director of Planning and Environment initiated. Process will continue into 2008 for completion. Additional work at mid-levels of the organization will also continue into next year.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****HUMAN RESOURCES****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	Funding for tuition reimbursement, vacation sellback and employee recognition was included in the proposed 2008 budget and approved by the Commission. The format of these programs will be determined in early 2008.
Further integrate strategic planning and budgeting processes.	System captures projected departmental plans, workforce plans and budget requests.	Key performance measures for service centers is being added to the process for 2008's budget book. Departments continue to enter projected work and performance objectives to align with the organization's strategic plan and direction.
Oversee the updating of HR Policy Manual.	HR Policies are reviewed, approved changes are distributed and education is provided to MAC management.	A number of key policy revisions were recommended to and approved by the Commission. This work will continue into 2008 resulting in a new policy manual being issued to MAC management.

**2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Work with the Executive Director to transition the organization's leadership as retirements occur.	MAC continues to be a high performing organization through the leadership transition with a review of business and organizational structure as needed.	An Executive Search for the Deputy Executive Director - Planning and Environment was completed successfully with the onboarding in January 2008. The organizational structure of that division was reviewed and adjusted as needed.
Oversee HR's role in implementing the HRIS upgrade associated with the organization's new financial software system being rolled out in 2008.	Initial phases of HRIS implementation are completed.	The HR Division staff successfully worked with the Enterprise One consultant and IS staff to transition processes and data to the new system for implementation and rollout October 2008. Additional review and adjustments will be made throughout 2009 as needed.
Oversee completion of HR policy revisions, communication process and development of new HR Policy Manual.	MAC management has updated HR policy information for decision making.	HR policies are reviewed and updated in a timely manner, approved by the Commission as appropriate and distributed to MAC management for implementation and reference.
Identify appropriate elements for mid level transition planning to fit the culture and organizational readiness.	Various training and development opportunities are identified and delivered to the organization.	Work continues to evolve that will incorporate a more in depth employee development process; pilot projects continue to be offered. Objectives for this work will continue into next year and beyond.
Begin to outline a three year business plan for HR services.	HR delivers services that meet the projected needs of the organization.	Integral steps were begun but then delayed because of turnover of two key management positions within the HR Division in 2008. As MAC's Five Year Strategic Plan is revised, HR continues to monitor changes needed to the organization's workforce to address business needs.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**HUMAN RESOURCES****2009 KEY INITIATIVES**

<b>Organizational Strategy: <i>Leverage Resources and Technology</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Oversee the next phase of HR's in implementation of the HRIS upgrade.	Next phase of HRIS implementation operational.

<b>Organizational Strategy: <i>Match Employee Talent with Changing Business Needs</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Oversee the design and development of MAC's leadership development process from first level supervision to executive level.	Key elements of leadership development process designed.
NA	Continue to work with the Executive Director to transition the organization's leadership as retirements occur.	MAC continues to be a high performing organization through leadership transitions with a review of business and organizational structure, as needed.

<b>Organizational Strategy: <i>N/A</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	Oversee the expansion of a more fully integrated strategic planning process.	Senior Staff and directors are more integrated in the development and implementation of MAC's Five Year Plan.

**Performance Indicators**

<b>Organizational Key Areas of Performance</b>	<b>2007 Actual</b>	<b>2008 Est</b>	<b>2009 Budget</b>	<b>Target</b>
People	4.77 of 6	4.95 of 6		6.0
<b>SC Performance Indicator:</b> Employee Job Satisfaction <b>Comments:</b>				
People	27.9	24		25% or less
<b>SC Performance Indicator:</b> Personnel - Percent of Operating Budget <b>Comments:</b>				
People	7.60	4.96		Less than 10% turnover.
<b>SC Performance Indicator:</b> Employee Turnover Rate <b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****HRD/STRATEGIC PLANNING****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	362,470	499,401	415,764	-83,637	-16.75%
Administrative Expenses	26,732	30,650	16,305	-14,345	-46.80%
Professional Services	43,098	27,810	27,810	0	0.00%
Utilities		0	0		
Operating Services/Expenses	2,623	52,500	17,500	-35,000	-66.67%
Maintenance		0	0		
Other	3,834	3,200	1,700	-1,500	-46.88%
<b>Total Budget</b>	<b>438,757</b>	<b>613,561</b>	<b>479,079</b>	<b>-134,482</b>	<b>-21.92%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>3</b>	<b>4</b>	<b>3</b>

**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

**MAJOR 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Service center transferred open positions to other service centers based upon organizational needs.
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**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Facilitate the development of a leadership development advisory group.	Leadership development advisory group formed and steps in a leadership development process defined.	Senior level leadership development advisory group was formed to explore various leadership development options. Individual development plans were used as opposed to a formal leadership development program. We will continue using this format in 2008.
Facilitate completion of three year business plans to support organization's direction.	Resources for the development of three year business plans provided to departments.	Resources were made available to departments interested in developing three year business plans.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****HRD/STRATEGIC PLANNING****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Develop and implement the 2007 training plan.	Training plan and calendar developed and implemented.	Plan was developed and implemented with emphasis on computer skills and supervisory management training.
Partner 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.	Department and/or position specific plans have been initiated for positions with anticipated retirements.
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.	Implemented on-line application component of NEOGOV applicant management system.
Capture and assess customer satisfaction feedback on hiring and orientation process.	Satisfaction survey implemented with summary data captured to support process improvements.	Feedback has been collected for each process by interview. Development and implementation of automated survey tool postponed to handle immediate staffing volume increase.
Assess, define and implement standardized Knowledge Skills and Abilities (KSA) definitions by job family.	Information is compiled to enhance job descriptions and screening processes.	Job analysis class completed for HR staff. Job definitions completed on incremental basis. Job family definitions project deferred for other HR priorities.
Establish partnerships to improve recruiting and hiring results with increased number of qualified candidates and stronger diversity mix of applicant pools.	Recruiting activities coordinated and leveraged with MAC tenants.	Planning meetings conducted with airport concessionaires. Marketing implemented through web site and periodic job fairs.
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.	2-3 year staffing forecasts prepared and prioritized. Request process simplified with position request tools, updated information resources, and centralized coordination. Timelines continue to be planned and defined by HR and F&AS staff.
Implement organization-wide performance review practices.	100% of employees have a current performance review on file in Human Resources.	Employee Relations and HRD worked together to develop regular status reports on performance reviews. These reports were shared with individual managers and Senior Staff. The result was 87% of reviews were completed in 2007.
Increase efficiency by fully implementing Org Publisher.	Real time organizational charts linked to JDE are available on HR's intranet page.	We were unable to reach this objective due to the upgrade of JDE to Enterprise One. This objective will be carried forward to 2008.

## SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET

## HRD/STRATEGIC PLANNING

## 2008 PROGRESS REPORT

Service Center Key Initiative	Measurement	Results
Initial phases of an assessment center/teleconference/training room/computer lab completed	All construction completed including walls and wiring. Equipment purchased and installed.	Due to budget restrains this project is on indefinite hold.
Implement organization-wide performance review practices.	100% Performance Review completions in 2008.	Using our current formula for calculating performance review completion 82% of performance reviews for FY2008 were completed. Our formula is now based on the date a review is signed by an employee. We are changing our formula to be the year when a majority of the performance occurred.
Increase efficiency by fully implementing Org Publisher.	Real time organizational charts linked to JDE are available on HR's intranet page.	Position control implementation delayed start of December 2008 impacted the ability to fully rollout Org Publisher; implementation will continue into 2009.
Revise and update New Employee Orientation program.	New program implemented in first quarter of 2008.	The agenda was totally redone and new materials developed and rolled out February 2008 to enhance our onboarding process of new employees. Feedback received has been very positive.
Expand the use of on-line applicant management and screening system to MAC management.	Next phases of NEOGOV fully implemented.	Implementation delayed due to downsizing of staff within the HR Division. Focus will continue into 2009.
Design and implement employee recognition program.	Program in place that supports organizational goals.	HR policy on employee recognition was redesigned to focus on organizational performance recognition and approved by the Commission. A year-end employee appreciation event was designed and delivered in December 2008.
Partner with IS, Airside Operations and the Police Department to implement a new learning management system.	Initial phases of the system in place that add additional functionality to the current obsolete LMS.	It was determined by IS that HR was not within the scope of the Airside Operations and Police Department learning management system. We continue to use the outdated PLM system and would like to migrate to the new system so all records are maintained in one database.
Identify areas for transition planning and provide managerial transition planning tools and coaching.	Transition planning tools for managers and transition plans in place for identified workforce changes.	Emphasis on this was delayed to due downsizing of HR staff; focus will continue into 2009.
Update recruitment plan to identify and provide recommendations for updated strategies to be used for MAC and HR Division business plan.	Challenges and strategies based on historical experience and market trends are identified and recommended for implementation in the HR business plan.	Information continues to be mined for integration into HR practices and strategies; unprecedented challenging times for the MAC dictated retrenching and a focus on rightsizing the organization to address current challenges.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**HRD/STRATEGIC PLANNING****2009 KEY INITIATIVES**

<b>Organizational Strategy: <i>Enhance Customer Service</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Improve G.O. Front Desk customer service.	Expanded plan for backup service at the front desk fully operational.

<b>Organizational Strategy: <i>Ensure Long-Term Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Facilitate an expanded Strategic Planning process that integrates greater participation of MAC leadership into the process.	2010 - 2014 Five Year Strategic Plan developed.

<b>Organizational Strategy: <i>Match Employee Talent with Changing Business Needs</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Partner with management to initiate a renewed talent review and development process.	Talent review and development process in place for implementation on a calendar basis.
NA	Expand leadership development and training programs in order to strengthen MAC's leadership pipeline.	Supervisory management training expanded, talent review process in place, Initial phases of leadership development and training program in place.
NA	Implementing Org Publisher to enhance tracking and reporting capabilities.	Real time organizational charts linked to Enterprise One are available on HR's intranet page.

**2010 - 2013 LONG TERM OBJECTIVES**

<b>Objective</b>	<b>Expected Results</b>
Facilitate the development of a three year HR business plan.	HR business plan in that incorporates all HR departmental functions.
Identify and develop high potential employees.	Development plans in place for all High Potential employees



<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**HRD/STRATEGIC PLANNING****Performance Indicators**

<b>Organizational Key</b>				
<b>Areas of Performance</b>	<b>2007 Actual</b>	<b>2008 Est</b>	<b>2009 Budget</b>	<b>Target</b>
People	86.66%			100%
	Percent of new hires who successfully complete probation.			

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****DIVERSITY****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	217,584	216,085	165,368	-50,716	-23.47%
Administrative Expenses	15,065	17,000	12,500	-4,500	-26.47%
Professional Services		77,000	27,000	-50,000	-64.94%
Utilities		0	0		
Operating Services/Expenses	4,706	10,000	5,000	-5,000	-50.00%
Other		0	0		
<b>Total Budget</b>	<b>237,355</b>	<b>320,085</b>	<b>209,868</b>	<b>-110,216</b>	<b>-34.43%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>2</b>	<b>2.5</b>	<b>2</b>

**RESPONSIBILITY/FUNCTION**

The HR Office of Diversity is responsible for contract compliance for the Targeted Group Business Program and the Disadvantage Business Enterprise (DBE) Program. These two programs are equal opportunity programs to provide business opportunities for firms owned by women, minorities and persons with disabilities. The Diversity Manager and Affirmative Action Officer position is responsible for monitoring affirmative action policies and equal employment opportunities. The Small Business Liaison position is responsible for contract compliance administration, reporting, DBE certifications and community relations.

**MAJOR 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Service center transferred open positions to other service centers based upon organization needs.
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**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	Review process for the MAC AA Plan will begin in mid- November 2007.
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: DEB construction goal is 15%.	DBE Airport Concession for FY 2006-2007, reported 22.50% of the concession revenues were generated by DBE concessions, exceeding the MAC DBE Airport Concession goals of 20%. The TGB program reported 2.8% TGB contract participation on a MAC TGB goal of 3%. The DBE construction report is on a 2007 calendar year and results will be reported in the first quarters of 2008.

## SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET

## DIVERSITY

## 2008 PROGRESS REPORT

Service Center Key Initiative	Measurement	Results
Participate in a Disparity study with a coordinated funding effort with the State of Minnesota and other municipalities.	DBE & TGB programs are "narrowly tailored" and legally defensible.	MAC contributed money and partnered with the State of Minnesota to hire a consultant to do a Disparity Study.
Review JDE upgrade software program to enhance capabilities for contract compliance tracking.	Contract compliance program tracking capability improved utilizing software such as B2G.	Staff has met with B2G and received a financial proposal for consideration on an initial small scale.

## 2009 KEY INITIATIVES

Organizational Strategy: <i>Match Employee Talent with Changing Business Needs</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
NA	Deliver E-Learning training on a harassment free workplace.	85% all staff complete by August 2009

Organizational Strategy: <i>Strengthen Relationships and Partnerships</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
NA	Participate in a state wide Disparity Study with the Department of Administration, Metro Council, MNDOT, Metropolitan Sports Commission, and Metro Mosquito District.	Study is completed and presented to the HR/AA Committee by December 31, 2009.

## Performance Indicators

Organizational Key Areas of Performance	2007 Actual	2008 Est	2009 Budget	Target
People				3%
SC Performance Indicator:	Targeted Group Business goal.			
Comments:				
People				12%
SC Performance Indicator:	Disadvantaged Business Enterprise (DBE) Construction goal.			
Comments:				
People				11%
SC Performance Indicator:	Disadvantaged Business Enterprise (DBE) Concessions goal.			
Comments:				
People				27%
SC Performance Indicator:	New hire female affirmative action goal.			
Comments:				

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**DIVERSITY****Performance Indicators**

<b>Organizational Key Areas of Performance</b>				
	<b>2007 Actual</b>	<b>2008 Est</b>	<b>2009 Budget</b>	<b>Target</b>
People				10%
<b>SC Performance Indicator:</b>	New hire minority affirmative action goal.			
<b>Comments:</b>				
People				2.5%
<b>SC Performance Indicator:</b>	New hire disability affirmative action goals			
<b>Comments:</b>				
People				100%
<b>SC Performance Indicator:</b>	Internal EEO complaints resolved internally.			
<b>Comments:</b>	The MAC has an internal EEO complaint policy and procedures administered by the MAC Affirmative Action Officer. The objective is to minimize the number of complaints and to resolve complaints internally.			

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****EMPLOYEE RELATIONS****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	437,437	463,398	459,323	-4,075	-0.88%
Administrative Expenses	13,143	39,930	11,930	-28,000	-70.12%
Professional Services	56,537	110,000	60,000	-50,000	-45.45%
Utilities		125	125	0	0.00%
Operating Services/Expenses	29,821	44,800	32,800	-12,000	-26.79%
Maintenance		0	0		
Other	3,835	0	0		
<b>Total Budget</b>	<b>540,773</b>	<b>658,253</b>	<b>564,178</b>	<b>-94,075</b>	<b>-14.29%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>5.5</b>	<b>6</b>	<b>5.5</b>

**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 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Service center transferred open positions to other service centers based upon organization needs.
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**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	Open enrollment packets were sent to each employee. Each packet included an individualized benefit statement that illustrated the employee's current medical, dental, flex, and life insurance elections as well as beneficiary information on file. Multiple open enrollment meetings were held to further communicate benefit information and answer questions. Additional meetings were held during the year to promote various benefits such as Short-term Disability, Deferred Compensation, and Road to Retirement. These meetings provided an additional opportunity for employees to learn more about each benefit.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****EMPLOYEE RELATIONS****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	Developed project teams with Risk/Management that led to improved coordination of employee return-to-work program involving Worker's Compensation claims, and with the completion of the newly approved Fleet Management Policy administered by Risk/Management Department. Employee Relations Department is now working closely with Assistant Manager, Risk/Insurance that is resulting in more efficient coordination of Worker's Compensation administration associated with injured employees.
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.	Employee Relations Department, along with other HR departments, providing complete HR office coverage at ADO. Feedback is that more employees visiting ADO office to discuss HR issues with appropriate staff member. The Senior HR Generalist providing effective HR services organized employees within the Field Maintenance HR office. The Assistant Manager, Employee Relations, initiated HR office coverage in the Fire Department in 2007 with positive feedback from all fire department employees.
Enhance communication and management tools for supervisors.	Develop, deliver and enhance quarterly management reports.	Quarterly reports were sent to each manager that supervised employees. The report data included sick leave usage, floating holiday usage and performance reviews on file.

**2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Complete the update of the HR Policy Manual.	Complete the review and obtain Commission approval for recommended changes.	A total of 36 policy statements were reviewed, modified or cancelled with the changes presented for review and approval by the Commission, with the remaining sections to be reviewed in 2009.
Expand merit pay compensation delivery system.	Merit pay practice expanded beyond current level to include additional management: 2009 budget developed: system ready for implementation 1/1/09.	An expanded merit pay process has been developed but implementation delayed due to extreme budget constraints, and due to further enhancement of the performance review process.
Complete initial phases of Enterprise One migration.	Integrity of HR data maintained in the transition to Enterprise One system.	Data conversion process was completed and implemented on October 1, 2008. The integrity of the data is high with few corrective measures required.



<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**EMPLOYEE RELATIONS****2009 KEY INITIATIVES**

<b>Organizational Strategy: N/A</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	Complete Phase II of Human Resources Policy and Procedures Guide review with completion of Sections 12, 14, 15, 16 and 20.	Commission approval of policy revision recommendations by yearend.
N/A	Convert all terminated employee HR files to electronic storage status.	All terminated employee documentation is scanned and stored electronically, and majority of paper documentation is recycled.

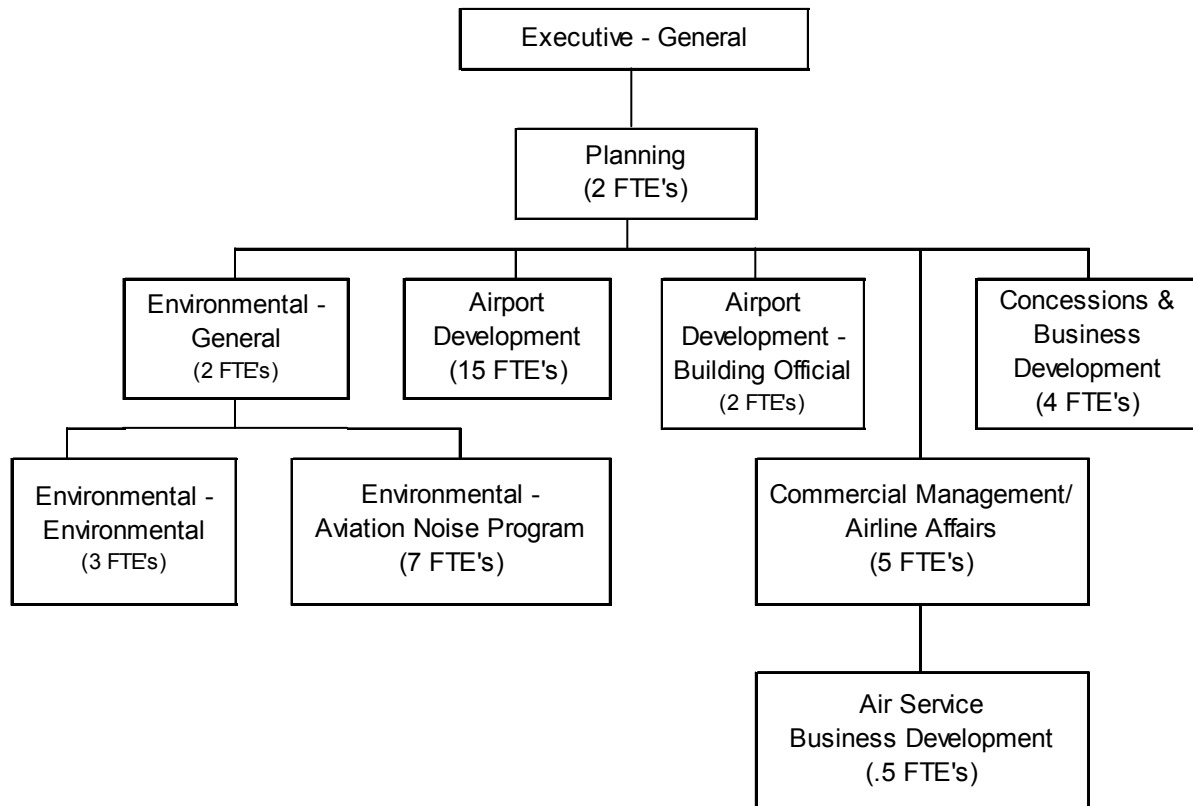
**Performance Indicators**

<b>Organizational Key Areas of Performance</b>	<b>2007 Actual</b>	<b>2008 Est</b>	<b>2009 Budget</b>	<b>Target</b>
People				Greater than 90%.
<b>SC Performance Indicator:</b> Benefits Administration - number of employee on MAC plans				
<b>Comments:</b>				
People	59			Less than 10% of workforce
<b>SC Performance Indicator:</b> Leaves of absence administration - number administered				
<b>Comments:</b>				
People	33			Less than 10% turnover
<b>SC Performance Indicator:</b> Employee separation administration- number administered				
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****Environment and Planning Division**

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**Notations to Service Center Summaries:**

- \* Variance (dollars and %) is computed between 2008 Budget and 2009 Budget
- \* The explanation for the variances is based upon the 2008 Budget and 2009 Budget
- \* Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****PLANNING****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	191,539	201,230	211,341	10,112	5.02%
Administrative Expenses	5,449	10,450	12,550	2,100	20.10%
Professional Services	176,976	803,908	530,000	-273,908	-34.07%
Utilities	61	82	250	168	204.88%
Operating Services/Expenses	430	29,300	4,450	-24,850	-84.81%
Maintenance		0	0		
Other		0	0		
<b>Total Budget</b>	<b>374,455</b>	<b>1,044,970</b>	<b>758,591</b>	<b>-286,378</b>	<b>-27.41%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>2</b>	<b>2</b>	<b>2</b>

**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 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	Increase due to AIA membership dues.

**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Oversee Airport Development and Environment activities.	Complete individual department objectives.	Department objectives completed.
Oversee/Coordinate 2010 Plan implementation.	Award projects.	Projects awarded.
Develop Annual Capital Improvement Plan.	Develop annual Capital Improvement Plan for approval by the Commission.	Capital Improvement Plan approved by the Commission and projects are underway.
Implement 2020 Plan.	Implementation status of Phase I.	2020 work still on hold.
Complete Property Acquisition for Runway 17-35.	Acquire properties.	Properties acquired.
Support Legal Department in ongoing litigation.	Provide information.	Consent Decree approved.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**PLANNING****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Update Long Term Comprehensive Plans for St. Paul, Flying Cloud & Anoka County-Blaine Airports.	Complete LTCPs.	Ongoing.
Implement Reliever Airport Safety Zoning.	Develop Zoning Ordinance for adoption.	Zoning for St. Paul Downtown Airport and Anoka County-Blaine Airport is in process; Zoning for other reliever airports is ongoing.
Update Long Term Comprehensive Plan for MSP.	Initiate update of MSP LTCP.	Update of MSP LTCP initiated.

**2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Update Long Term Comprehensive Plan for MSP	Work products on various phases of the plan update.	In progress
Oversee implementation of Part 150 Consent Decree	Completion of steps necessary to meet the milestones set forth on established scheduled.	In progress. All milestones thus far have been met.
Transition Planning and Development Division to new leadership with direction and oversight of Airport Development and Environment Departments.	Planning Division continues to operate with high performance to meet the needs of the organization.	Successfully completed transition.
Update Reliever Airport Long Term Comprehensive Plan and Safety Zoning	Update includes plan elements for each airport, establishment of a Joint Airport Zoning Board for each airport and the development of a safety zoning ordinance for each airport.	Long Term Comprehensive Plans completed for Airlake, Crystal and Lake Elmo Airports. Safety Zoning at St. Paul Downtown Airport is in progress - STP Joint Airport Zoning Board presented with first draft of ordinance. Safety Zoning at Anoka County-Blaine Airport is in progress - Board Member Invitation letters have been sent.

**2009 KEY INITIATIVES**

<b>Organizational Strategy: N/A</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	Oversee CMAA development of non-aeronautical business opportunities at the Reliever Airports	Award at least three contracts that result in increased non-aeronautical revenue from the Reliever System
N/A	Inaugurate the next phase of the STAR Program.	Improved efficiencies through financially viable projects and activities. Complete next two phases of the Energy Conservation Program, implement at least five STAR Initiative administrative policies, develop a MAC alternative energy policy and supporting program, and implement construction and fleet emissions reduction guidelines

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**PLANNING****2009 KEY INITIATIVES**

<b>Organizational Strategy: N/A</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	Implement Reliever Airport Safety Zoning at Airlake Airport, Anoka County-Blaine Airport, Crystal Airport, Flying Cloud Airport, and Lake Elmo Airport	Establishment of a Joint Airport Zoning Board for each airport and the development of a safety zoning ordinance for each airport
N/A	Update Reliever Airport Long Term Comprehensive Plans for Anoka County-Blaine Airport, Flying Cloud Airport and St. Paul Downtown Airport	Update includes planning elements for each airport
N/A	Complete transition of Commercial Management/Airline Affairs under Planning Division	Integration of CMAA under Planning Division and resolution of staffing
N/A	Oversee implementation of Part 150 Consent Decree	Completion of steps necessary to meet the milestones set forth on established schedule
N/A	Update Long Term Comprehensive Plan for MSP	Complete plan update in 2009

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****AIR SERVICE BUSINESS DEVELOPMENT****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	166,067	165,006	65,795	-99,211	-60.13%
Administrative Expenses	42,395	63,600	48,600	-15,000	-23.58%
Professional Services	213,955	250,000	200,000	-50,000	-20.00%
Utilities	16	0	0		
Operating Services/Expenses	1,971	150,000	50,000	-100,000	-66.67%
Other		0	0		
<b>Total Budget</b>	<b>424,404</b>	<b>628,606</b>	<b>364,395</b>	<b>-264,211</b>	<b>-42.03%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>1.5</b>	<b>1.5</b>	<b>0.5</b>

**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 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Service center transferred open positions to other service centers based upon organization needs.
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## SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET

## AIR SERVICE BUSINESS DEVELOPMENT

## 2007 PROGRESS REPORT

Service Center Key Initiative	Measurement	Results
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.	Commission approved a new Continuing Consultant Agreement and a commensurate increase in departmental budget. Consultant agreement was signed in mid-year, 2007 and plan of action was initiated. Action included identifying service needs, establishing list of target airlines and developing plan to make presentations to those airlines. We participated in Regional Asia Route Planning Forum, ACI Jumpstart (domestic) program and the annual ROUTES Forum, meeting with 12 airlines. While no new air service has begun in 2007, we are scheduled to see new Paris service in April, due in part to our increased level of promotion of international air service. We also have a strong initiative underway with a Latin airline and made very significant progress with two major European flag airlines. In addition, we have begun a dialogue with a major Asian airline and will be following up with that company in early 2008 at the Regional Asia Forum. Our selection of targeted airlines is based upon the needs of the regional business community.
Meet and provide for the air cargo needs of the region.	New cargo service alternatives at MSP.	Worked throughout the year with Regional Cargo Association, Shippers, corporations and relevant governmental contacts to enhance cargo opportunities at MSP. Absent either appropriate on-airfield facilities or a distribution center, international cargo continues to move via surface means to ORD and onward to final destination. Absent strong institutional support for a new RDC, MAC is now working to identify new on-airport sites for cargo development. All regional cargo activity (other than integrators) is currently concentrated in Eagan, the result of Mac having chased them off airport grounds in advance of the new runway construction. It is evident from initial studies that on-airfield space is available that would be suitable to the return of cargo activities to the airport.
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.	Proposed Regional Distribution Center has not acquired necessary critical mass to move forward. It is believed that a transition from the proposed RDC concept to an on-airfield Cargo Center concept needs to be undertaken expeditiously.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****AIR SERVICE BUSINESS DEVELOPMENT****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	We have had an increased level of dialogue with low-cost airlines, both incumbents and possible new entrants. During discussions with certain airlines at the annual ACI Jumpstart meetings in June, we met with two non-incumbent domestic airlines who indicated that MSP is in their growth plans for the period 2008 - 2009. We also supported Northwest's renewed application for Antitrust Immunity with the full SkyTeam Alliance. A successful outcome to that application is critical to Northwest. In the second half of 2007, we have aggressively worked to pursue a multitude of air service options in light of a growing likelihood of industry consolidation that will impact MSP and the air service needs of the region. Our dialogue with low cost airlines is intensifying in 2008.
Attract a new low-fare airline to MSP	A new, non-incumbent low-fare airline will announce the introduction of new service at MSP.	No new low-fare airlines began service in 2007. Our initiative in this regard did not commence until June, 2007 due to lack of funds and lack of an approved continuing consultant. Once those two obstacles were overcome, we made significant progress and renewed long-dormant efforts to recruit new low-fare airlines. We laid considerable groundwork for success in 2008 and 2009 in the area of low-fare service enhancement at MSP.

**2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Aggressively market MSP as a destination for international airlines; market MSP to new entrant airlines including low fare carriers.	Increased options via non-stop flights to preferred destinations, particularly NON-STOP international destinations and new air cargo opportunities.	
Re-evaluate customer service (air service) needs based on changing demographics and expectations of the traveling public.	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. Minnesota and the region are increasingly focusing on globalization and the key to their success is access to global markets. Non-stop service to overseas locations is critical to their efforts. Aggressively promote cargo service at MSP, a major component of economic development initiatives.	

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**AIR SERVICE BUSINESS DEVELOPMENT****2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Continue to work closely with community leadership organizations and community leaders, as well as with corporate leadership to insure MSP is meeting ALL their air service needs, including AIR CARGO.	Development of a strong partnership, a coalition of business and government leaders, together with MAC, to develop strategies to significantly enhance air service options at MSP in an evolving and increasingly volatile airline environment.	

**2009 KEY INITIATIVES**

<b>Organizational Strategy: N/A</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	Due to changes in organizational personnel, this Service Center was unable to complete 2009 Key Initiatives at the time of publication.	

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****AIRPORT DEVELOPMENT****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	410,478	504,050	425,855	-78,195	-15.51%
Administrative Expenses	34,477	62,750	36,250	-26,500	-42.23%
Professional Services	266,113	327,000	309,900	-17,100	-5.23%
Utilities	19	550	1,229	679	123.45%
Operating Services/Expenses	5,590	15,000	5,000	-10,000	-66.67%
Maintenance	7	0	0		
Other	316	0	0		
<b>Total Budget</b>	<b>717,000</b>	<b>909,350</b>	<b>778,234</b>	<b>-131,116</b>	<b>-14.42%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>15</b>	<b>17</b>	<b>15</b>

**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 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Service center transferred open position's to other service center's based upon organizational needs.
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**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Participate in the ongoing review and development of 2007 Landside CIP.	Ongoing	Completed
Participate in the ongoing review and development of the 2007 Airside CIP.	Ongoing.	Completed.
Implement the 2007 Landside CIP.	Complete 2007 CIP.	Substantially completed with a few projects to be completed in 2008.
Implement the 2007 Airside CIP.	Complete 2007 CIP.	Substantially completed with a few projects to be completed in 2008.
Develop 2008 Landside CIP.	Adoption of 2008 CIP.	Completed.
Develop 2008 Airside CIP.	Adoption of 2008 CIP.	Completed.
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.	Ongoing with a few projects scheduled to be completed in 2008.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**AIRPORT DEVELOPMENT****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Administer CIP related property management acquisitions/disposal.	Administration of property management.	Substantially completed with pending condemnation/litigation resolution anticipated for 2008.
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 2008.

**2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Participate in the ongoing review and development of the 2008 Capital Improvement Program.	Ongoing.	Completed.
Implement the 2008 Capital Improvement Program.	Complete 2008 Capital Improvement Program.	Substantially completed with a few projects to be completed in 2009.
Develop the 2009 Capital Improvement Program.	Adoption of the 2009 Capital Improvement Program.	Completed.
Manage Architectural/Engineering/Construction Coordinator services.	Process professional service authorizations and invoices.	Ongoing with a few projects scheduled to be completed in 2009.
Manage property acquisitions/disposal.	Property management administration.	Substantially completed with pending condemnation/litigation resolution anticipated for 2009.
Obtain federal and state aid on a variety of capital improvement projects.	Number of and total value of federal and state aid applied for and received.	Substantially completed with remaining reimbursements to be received in 2009.

**2009 KEY INITIATIVES**

<b>Organizational Strategy: N/A</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	Obtain federal and state aid on a variety of capital improvement projects.	Number of and total value of federal and state aid applied for and received.
N/A	Manage property acquisitions/disposal.	Property management administration.
N/A	Manage Architectural/Engineering/Construction Coordinator services.	Process professional service authorizations and invoices.
N/A	Develop the 2010 Capital Improvement Program.	Adoption of the 2010 Capital Improvement Program.
N/A	Implement the 2009 Capital Improvement Program.	Complete the 2009 Capital Improvement Program.
N/A	Participate in the ongoing review and development of the 2009 Capital Improvement Program.	Ongoing.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****AIRPORT DEVELOPMENT-BUILDING****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	147,516	149,839	154,334	4,495	3.00%
Administrative Expenses	16,729	17,692	16,675	-1,017	-5.75%
Professional Services		0	0		
Utilities		0	0		
Operating Services/Expenses		200	100	-100	-50.00%
Maintenance		0	0		
Other		0	0		
<b>Total Budget</b>	<b>164,246</b>	<b>167,731</b>	<b>171,109</b>	<b>3,378</b>	<b>2.01%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>2</b>	<b>2</b>	<b>2</b>

**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 and is directly accountable to the Deputy Executive Director - Planning and Environment. 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 including plan review, issuance of permits, inspections and retention of inspection history and building construction plans.

**MAJOR 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	For 2007 we issued a total of 471 permits and collected \$296,287 in permit fees. In addition we have contacted all the various MAC departments regarding updates to the MAC Design and Construction Standards and have received them for an '08 update release.
Compliance with the department's record retention schedule.	Review the department's files and plans monthly and follow the required retention schedule.	Per our record retention schedule we have purged our '06 in house permit files and have archived them into the records storage building.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**AIRPORT DEVELOPMENT-BUILDING****2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Issue permits and review plans with in 10 to 14 days. Conduct inspections within a twenty four hour notification time. Complete the updates to the MAC Design and Construction Standards. Purge files per the departments record retention schedule.		

**2009 KEY INITIATIVES**

<b>Organizational Strategy: N/A</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	Due to changes in organizational personnel, this Service Center was unable to complete 2009 Key Initiatives at the time of publication.	



**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****COMMERCIAL MGT/AIRLINE AFFAIRS****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	375,725	394,439	414,863	20,424	5.18%
Administrative Expenses	27,787	22,700	22,700	0	0.00%
Professional Services	50,638	80,000	40,000	-40,000	-50.00%
Utilities	720	600	600	0	0.00%
Operating Services/Expenses	567,023	9,600	7,600	-2,000	-20.83%
Maintenance	128,856	97,700	72,700	-25,000	-25.59%
Other	417	600	600	0	0.00%
<b>Total Budget</b>	<b>1,151,167</b>	<b>605,639</b>	<b>559,063</b>	<b>-46,576</b>	<b>-7.69%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>5</b>	<b>5</b>	<b>5</b>

**RESPONSIBILITY/FUNCTION**

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

**MAJOR 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Rebid the existing Rental Auto Concession Agreement.	Staff is anticipating a 6 to 8% increase in the total annual guarantee for this contract.	<p>This process has been delayed due to the NWA bankruptcy. NWA officially came out of bankruptcy on June 1st, now staff can begin the process of determining the long range plan for the RAC facility and the concession agreement.</p> <p>Staff is currently revising the bid package and updating the general terms and conditions of the concession agreement. Staff plans on bidding this concession during the first or second quarter of 2008.</p>

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****COMMERCIAL MGT/AIRLINE AFFAIRS****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	<p>This project was delayed due to the FAA land release process which requires a complete ground thaw prior to checking for wetland and endangered plant testing. MAC sent out a Statement of Interest and Qualifications for the Anoka County/Blaine Airport with the proposals due back by June 15th. Depending on the level of interest received by MAC and RFP process will follow with a planned award date in September.</p> <p>Staff received six Statements of Interest from different developers from this process. Staff developed an RFP for the parcel #60 looking for the development of a hotel property. Following the bid deadline, no bids were received. Staff is planning on going back to the open market looking for new development ideas. The Commission will determine if this is an approved course of action at the February 2008 Commission meeting.</p>
Complete the implementation of the North Terminal concession tenants.	All four tenants are open for business by March 1, 2007.	A decision was made to allow HMS Host to postpone the build-out the second floor of IKEs until EPAXs return. Despite a reduction in EPAXs, all four tenants are exceeding minimum planned sales.
Complete a new advertising agreement.	New advertising agreement is in place before existing agreement expires in September 2007.	Completed
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.	This objective was not completed in 2007. Mid-year adjustments resulted in the creation of a "Wellness Center" RFP. This RFP addressed spas, massage, hair salon, and also added in a pharmacy / drug store concept. That RFP was completed in 2007. Awards are expected to be approved in March 2008.
Complete the implementation of the Landside Concessions as approved by the Commission.	All units are open for business by November 1, 2007.	This goal was delayed by July concessions re-organization. Commission approved Houlihans as the selected landside restaurant. Plans are underway in early 08 with a revised opening of July 2008
Complete development and implementation of the CMAA Revenue Management & Monthly Report.	Submit monthly reports showing last year, this year, plan, and YTD projections.	This project was completed by Finance (Ed Podnieks)
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.	Iceland Air was successfully relocated to the Humphrey Terminal March 15, 2007

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****COMMERCIAL MGT/AIRLINE AFFAIRS****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Assist with efforts to attract international and domestic new entrant airlines in 2007.	Introduction of service by any new entrant airline in 2007.	AeroMexico has announced its intention to commence service effective June 16, 2008.
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.	No charter activity was required to relocate from the Humphrey Terminal to the Lindbergh Terminal.
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.	This process was delayed pending more research being done by Airport Development to determine whether or not MAC wants to be responsible for maintenance of this equipment.  BNP Associates has been hired to assist MAC's evaluation of jetbridges and baggage systems. BNP plans to have their recommendations complete by May 1, 2008.
Maximize wireless internet revenues.	In lieu of free service in World Clubs, exceed 2006 revenues by at least 5%.	Responsibility for this contract has been transferred to Bruce Rineer.
Assist with any 2020 Planning associated with the Humphrey Terminal that may arise in 2007		No progress in 2007. Possible phased expansion for the Humphrey Terminal to occur in 2008 with possible construction start in 2009.
Ensure accuracy of airline leased premises throughout the Lindbergh and Humphrey Terminals.	Reduction in the frequency and amount of retroactive invoicing.	Completed in accordance with execution of 2007A Amendments and NWA Third Amendment. Similar effort to be completed in 2008.
Identify permanent office facilities for TSA within Lindbergh Terminal.	Further leasing of space to TSA.	TSA occupied additional office space within both the Lindbergh and Humphrey Terminals, but possible relocation to the APD in the Lindbergh Terminal hinges on MAC's construction of a Public Safety Building. That project is in the 2010 CIP.
Maintain an effective and productive working relationship with all MSP airline tenants.		Ongoing, not aware of any problems or conflicts with any airline tenant.
Attempt to acquire the Ford hydro electric plant as a long term hedge on energy costs and to provide a source of renewable energy to MAC.	Acquire a hydro electric plant capable of providing MSP with nearly all of its annual energy needs from a renewable energy source. Additionally, providing the airport with a long term hedge on electrical energy costs.	On May 31st MAC received official notice that the Ford Motor Company had accepted the bid from Brookfield (a Canadian energy company). MAC was no longer in the running for this project.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**COMMERCIAL MGT/AIRLINE AFFAIRS****2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
To create new non-aeronautical revenue sources for the Reliever Airport program by developing unused land at each of the Reliever Airports.	Award the first development project at the Anoka County/Blaine Airport and begin the next development RFP project at the same airport. Also, begin the preliminary RFP development project at Flying Cloud.	The economic down turn has severely limited our ability to find interested parties to develop land at the Anoka County/Blaine airport. Staff is continuing to work with the FAA to get the necessary land release for all the potential non-aeronautical use so that when the economy does pick-up we will be prepared.
Award the Premier Pet Boarding Facility RFP at the former Avaya site.	The previous land use on this property was an industrial facility that paid MAC approximately \$30,000 per year in land rent. Our anticipated goal in re-developing this site into a Premier Pet Boarding Facility is to generate approximately \$140,000 to MAC in the first year of operation.	The majority of the construction on this project has been completed. This project has received a great deal of interest from the media as well as from other airports. During the first Holiday season the facility was fully booked with customers.
Rebid the rental auto concession agreement	Our goal is to increase the MAG payment by 10% over the 2007/2008 contract year MAG payment.	The decision was made to delay this rebid due to a number of factors including the NWA/Delta merger, the economic down turn, and the interest by the industry to see what the impacts on the passenger numbers will be.

**2009 KEY INITIATIVES**

<b>Organizational Strategy: N/A</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	Due to changes in organizational personnel, this Service Center was unable to complete 2009 Key Initiatives at the time of publication.	

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**CONCESSIONS & BUSINESS DEVELOPMENT****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	236,988	338,598	376,774	38,176	11.27%
Administrative Expenses	1,533	17,000	7,000	-10,000	-58.82%
Professional Services		84,000	34,000	-50,000	-59.52%
Utilities	349	300	300	0	0.00%
Operating Services/Expenses	16,064	603,000	3,000	-600,000	-99.50%
Maintenance		0	0		
Other	6,664	0	0		
<b>Total Budget</b>	<b>261,598</b>	<b>1,042,898</b>	<b>421,074</b>	<b>-621,824</b>	<b>-59.62%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>4</b>	<b>4</b>	<b>4</b>

**RESPONSIBILITY/FUNCTION****MAJOR 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Service center transferred open positions to other service centers based upon organization needs.
Operating Services/Expenses	These budget dollars were moved to Public Affairs from Concessions Marketing to the Concessions & Business Development Service Center, as Public Affairs is responsible for the marketing of concessions.

**2009 KEY INITIATIVES**

<b>Organizational Strategy: Enhance Customer Service</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Work with tenants, MAC Staff, and CSAC committee to improve customer service at MSP Int'l therefore making us the destination of choice for business and leisure travelers alike.	Improvement of ASQ scores in related categories of food and beverage, retail, and passenger services.  Improvement of Bestmark mystery shop scores by 3% in 2009.

<b>Organizational Strategy: Ensure Long-Term Financial Viability</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Ensure top notch opening and operation of new MSP Wellness Center.	Increased revenues to MAC with passenger satisfaction surveyed during with new services offered.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**CONCESSIONS & BUSINESS DEVELOPMENT****2009 KEY INITIATIVES**

<b>Organizational Strategy: <i>Ensure Long-Term Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	<p>Generate additional revenues for the MAC in 2009 by switching out underperforming concepts for new and exciting ones:</p> <p>Let's Play to become Vino Vilo Stage Deli to become (TBD)</p>	Revenues in 2009 to exceed revenues in 2008 to MAC of 10%.
NA	<p>Seek out additional RFP and RFB opportunities with smaller leases in 2009 to ensure incremental revenue generation. Current plan includes:</p> <p>Outdoor advertising RFP Smarte Cart RFP Payphone RFP</p>	2009 revenues to exceed 2008 revenues in these categories by 10%.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****ENVIRONMENT-GENERAL****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	152,427	163,771	175,426	11,654	7.12%
Administrative Expenses	25,870	14,160	12,160	-2,000	-14.12%
Professional Services	9,708	20,000	10,000	-10,000	-50.00%
Utilities	2,002	3,400	2,000	-1,400	-41.18%
Operating Services/Expenses	96	0	0		
Other		3,050	0	-3,050	-100.00%
<b>Total Budget</b>	<b>190,104</b>	<b>204,381</b>	<b>199,586</b>	<b>-4,796</b>	<b>-2.35%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>2</b>	<b>2</b>	<b>2</b>

**RESPONSIBILITY/FUNCTION**

The Department of Environment is responsible for maintaining environmental compliance with 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 include: 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, maintains an effective working relationship with state and local units of government and generates activities to establish sound strategies to reduce environmental impacts.

**MAJOR 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Plan and implement specific high priority elements of an Environmental Management System.	Create a plan to address high priority elements and begin implementation.	Completed development of Aspects & Impacts inventory for the MAC's airport activities.
Develop Environmental Management System.	Develop monitoring and tracking requirements for compliance and monitoring of environmental permits and agreements.	Developed monitoring and tracking tool with weekly reports.
Incorporate environmental reduction requirements into tenant agreements.	New or revised leases, contracts and agreements contain environmental language that protects MAC interests.	Incorporated environmental language into MAC leases and contracts and participated in RFP process.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**ENVIRONMENT-GENERAL****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Evaluate ways to minimize environmental impacts on air, noise and water.	Participate in national environmental committees to focus on industry reductions.	Attended three ACI environmental committees, served on Environmental Affairs steering committee and participated on Transportation Research Board Aviation Cooperative Research Panel for Alternative Aircraft and Airfield Pavement Deicer Fluid.

**2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Implement appropriate noise mitigation settlement measures.	Implement Noise Mitigation Program elements consistent with Consent Decree.	Implementation is in progress, in compliance with the Consent Decree provisions.
Implement elements of Environmental Management Systems.	Verify aspects and impacts with airport stakeholders and develop environmental tracking tool.	Aspects and impacts have been identified. Development of the tracking tool is in progress.
Identify environmentally sustainable management programs.	Describe and document sustainable programs that improve the environment at the MAC's system of airports.	Established the MAC Stewards of Tomorrow's Airport Resources (STAR) Team, which meets regularly to focus on sustainable program and related administration policy development.
Conduct employee training to meet departmental needs.	Provide staff knowledge, skills and abilities to accomplish department mission.	Ongoing

**2009 KEY INITIATIVES**

<b>Organizational Strategy: N/A</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	Due to changes in organizational personnel, this Service Center was unable to complete 2009 Key Initiatives at the time of publication.	



**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****ENVIRONMENT-ENVIRONMENTAL****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	227,592	241,036	255,805	14,769	6.13%
Administrative Expenses	1,443	4,742	2,738	-2,004	-42.26%
Professional Services	268,899	277,577	262,650	-14,927	-5.38%
Utilities	213	1,300	750	-550	-42.31%
Operating Services/Expenses	34,016	76,474	40,874	-35,600	-46.55%
Maintenance		0	0		
Other	9,605	66,074	31,000	-35,074	-53.08%
<b>Total Budget</b>	<b>541,768</b>	<b>667,203</b>	<b>593,817</b>	<b>-73,386</b>	<b>-11.00%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>3</b>	<b>3</b>	<b>3</b>

**RESPONSIBILITY/FUNCTION**

This office is responsible for ensuring and maintaining compliance with environmental regulations at 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, Hydrogeological Investigations and outdoor ambient Air Quality.

These responsibilities require 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 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	A facility inventory of MSP was completed in 2007.
Evaluate ways to minimize environmental impacts on air, water and soil.	Participate on local environmental committees to focus on industry standards.	Continued participation in the Industrial Stormwater General Permit workgroup, with MPCA staff, environmental consultants, industry associations and environmental advocacy groups. Draft permit tentatively available for public comment Spring 2008.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****ENVIRONMENT-ENVIRONMENTAL****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Continue implementation and maintenance of compliance programs developed in accordance with Stipulation Agreements.	Annual reports, progress worksheets completed per Stip(s) requirements.	Elements of the Fuel Stip were completed and Stip termination was granted by the MPCA in November 2007. Glycol Stip 2007 annual reports were submitted as required.

**2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Assess practices/procedures to minimize environmental impacts on air, water and soil.	Implement an effective pollution prevention program specific to waste minimization (i.e. reduce and recycle materials, investigate and evaluate new practices, procedures and management of wastes in an environmentally responsible manner).	Established (through the STAR Initiatives) two administrative policies - Waste Management and Environmental Purchasing. The purposes of these policies is to promote management of materials in a efficient and environmentally-preferable manner.
Communicate and assist airport tenants regarding environmental regulations and requirements.	Improved environmental practices through increased understanding of environmental requirements.	Through the previous inspections, have worked with tenants to improve environmental compliance (ex: working with incoming airlines on MN rules and regulations). Tenant airlines continue to share and follow their corporate environmental policies.
Implement and maintain compliance programs developed in accordance with the Glycol Stipulation Agreement.	Final Report, summarizing the activities undertaken pursuant to the Agreement, due in July.	Final Report submitted in July 2008. Continuing to work with the regulatory agency to terminate the Glycol Stip Agreement.
Engage in preliminary NPDES permit negotiations with the MPCA.	Continuing negotiations and possible draft permit.	Negotiations initiated in 2008 with regulatory agency and respective stakeholders. Working with new MPCA permit engineer to familiarize with airport operations.

**2009 KEY INITIATIVES**

<b>Organizational Strategy: <i>Strengthen Relationships and Partnerships</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Continue to engage in general NPDES permit development with the MPCA.	Develop and implement monitoring requirements and best management practices when the permit is promulgated. The general permit will be a requirement for the Reliever Airports.
NA	Continue negotiations on the expired AST permit with the regulatory agency and stakeholders.	Implementation of negotiated compliance programs. And a draft permit.
NA	Continue NPDES permit negotiations with the MPCA and respective stakeholders.	A draft permit developed. Maintain negotiations to establish a workable permit for all stakeholders.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****ENVIRONMENT-AVIATION NOISE****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	474,955	528,935	543,740	14,805	2.80%
Administrative Expenses	36,983	32,654	31,654	-1,000	-3.06%
Professional Services	79,273	113,559	102,500	-11,059	-9.74%
Utilities		0	0		
Operating Services/Expenses	94,540	87,840	87,840	0	0.00%
Maintenance		0	0		
Other		0	0		
<b>Total Budget</b>	<b>685,749</b>	<b>762,988</b>	<b>765,734</b>	<b>2,746</b>	<b>0.36%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>7</b>	<b>7</b>	<b>7</b>

**RESPONSIBILITY/FUNCTION**

The 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. Through the implementation and use of available technologies, the MAC Aviation Noise and Satellite Programs office 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 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	In 2007 MAC Noise Program staff provided support for Part 150 Program related initiatives including GIS analysis, NCP noise abatement measure implementation through the NOC process and litigation support.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****ENVIRONMENT-AVIATION NOISE****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	In 2007 MAC Noise Program staff published 4 quarterly newsletters, conducted numerous community presentations related to noise issues, completed significant Internet development updates on the Noise Program website, and conducted four quarterly public input meetings. Additionally, staff completed a major communication effort to inform the public about the temporary changes in operations at MSP resulting from the Runway 12R/30L reconstruction.
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.	In 2007 MAC Noise Program staff published 12 monthly Runway 17 departure procedure compliance report, Technical Advisor's Report, and Eagan/Mendota Heights Departure Corridor reports. In addition staff work through the NOC process to address runway use and operational issues at MSP with the FAA.
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.	In 2007 MAC Noise Program staff supported and attended all meetings of the FCM, ANE, LVN and STP airports advisory commissions. Staff focused on ensuring compliance with the FCM Operational Implementation Plan and noise program efforts at St. Paul Downtown Airport consistent with the agreements between the MAC and the City of St. Paul.
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.	In 2007 MAC Noise Program staff provided technical advisor support to the NOC resulting in one of the most productive years for the Committee and the completion of the MAC approved 2007 NOC Work Plan.
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.	In 2007 MAC Noise Program staff maintained and upgrade the Technical Information Network (TIN) consistent with the approved TIN maintenance and replacement schedule. Significant gains were made in migrating to new ANOMS-like capabilities based on SQL database-driven applications and development of the next-generation, more cost effective, flight track and noise monitoring system at MSP.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****ENVIRONMENT-AVIATION NOISE****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	In 2007 MAC Noise Program staff prepared three expert report, the were submitted to the court and provided trial testimony as an expert on airport noise and analysis topics. Additionally, staff prepared various affidavits and other court filings in coordination with outside legal council. Staff also provided technical support in the negotiation process resulting in settlement of the litigation.

**2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Successful cooperative efforts to address community and tenant concerns related to airport noise issues.	Completion of all elements on the 2008 NOC work plan and reliever airport advisory commission work plans.	All items on the 2008 NOC Work Plan were completed in 2008. A summary of 2008 NOC accomplishments is available on the Internet at <a href="http://www.macnoise.com/noc/nocaccopm">www.macnoise.com/noc/nocaccopm</a> . Additionally, staff provided support to all reliever airport advisory commissions in 2008 which included 6 meetings of the Flying Cloud Airport Advisory Commission, 3 meetings of the Anoka County/Blaine Airport advisory Commission, 5 meetings of the St. Paul Downtown Airport Advisory Commission, and 4 meetings of the Airlake Airport Advisory Commission.
Implementation of 64 to 60 DNL noise contour residential mitigation program	Provide implementation of the 60 to 64 DNL noise contour mitigation program in 100% compliance with the performance requirements outlined in the consent decree.	Implementation is in progress in compliance with the consent decree provisions.
Enhancement of MAC's MSP flight tracking and noise monitoring functions	Complete the replacement of all elements of the ANOMS system at MSP providing a more cost effective and enhanced flight tracking and noise monitoring system.	The final phases of the system replacement are underway.

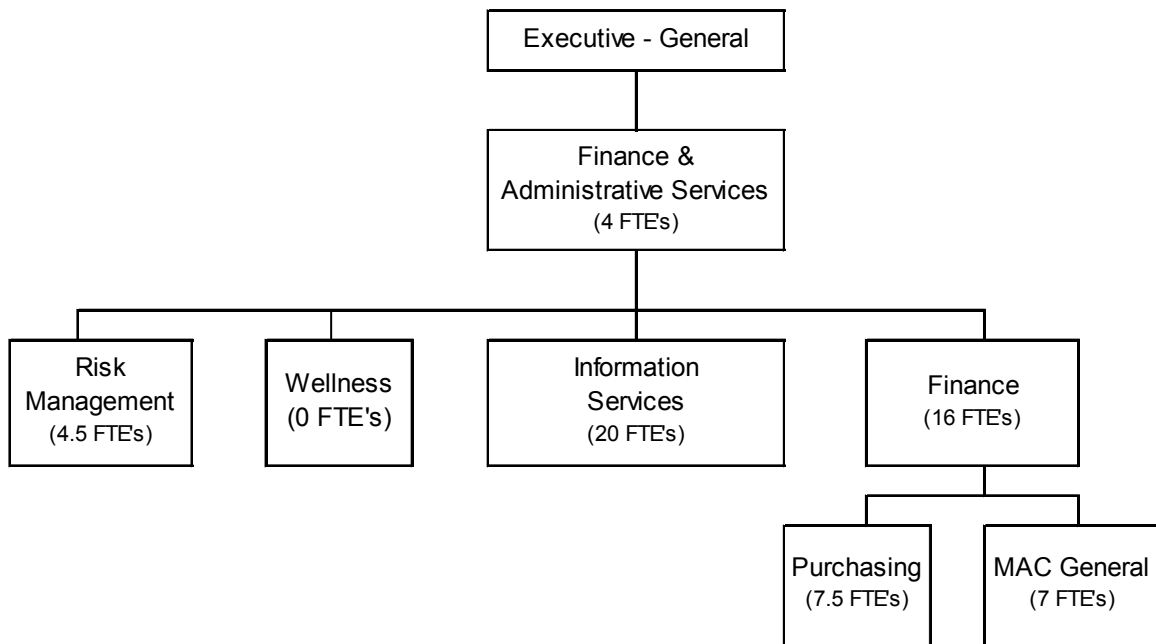
<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**ENVIRONMENT-AVIATION NOISE****2009 KEY INITIATIVES**

<b>Organizational Strategy: N/A</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	Compliance with annual reporting requirements.	Completion of the Annual Noise Contour Report, Annual Report to the Legislature, and 2010 CIP AOEE.
N/A	Completion of ANOMS Upgrade.	Completion of Multi-lateration flight tracking system installation and MAC Noise and Operations Monitoring System (MACNOMS) programming and acceptance testing in 2009.
N/A	Compliance with noise litigation settlement consent decree.	Completion/implementation of all elements in 2009 as required by the noise litigation consent decree.
N/A	Provide technical advisory services to the NOC and all reliever airport advisory commissions in support of their respective 2009 work plans.	Completion of all elements included on the 2009 NOC Work Plan and the elements included on all reliever airport advisory commissions work plans.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET**

**Finance & Administrative Services Division**



<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**Notations to Service Center Summaries:**

- \* Variance (dollars and %) is computed between 2008 Budget and 2009 Budget
- \* The explanation for the variances is based upon the 2008 Budget and 2009 Budget
- \* Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.



**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****FINANCE & ADMINISTRATIVE SERVICES****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	218,176	197,868	351,594	153,726	77.69%
Administrative Expenses	16,851	12,600	6,150	-6,450	-51.19%
Professional Services		15,000	5,000	-10,000	-66.67%
Utilities	281	1,200	0	-1,200	-100.00%
Operating Services/Expenses		0	0		
Maintenance		160	160	0	0.00%
Other		250	250	0	0.00%
<b>Total Budget</b>	<b>235,308</b>	<b>227,078</b>	<b>363,154</b>	<b>136,076</b>	<b>59.92%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>2</b>	<b>2</b>	<b>4</b>

**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. This area also oversees and guides the strategic implementation of technology solutions and information management as well as the management of the organization's Wellness, Risk and Insurance programs.

**MAJOR 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	The increase in Personnel cost is the result of Data Resources personnel (2) transferring from the Finance Department (78000) to Finance and Administrative Services. In addition, Personnel increases are attributable to wage structure adjustments and step increases.
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<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	Monthly Operations Reports have been issued within each subsequent month and indicate for 2007 modest drops in passenger and operations numbers for MSP.  Quarterly Complaints & Compliments Reports were issued each subsequent month with the 2007 year-end rate of complaints standing at 1.73 complaints per 100,000 passengers.  Quarterly Airports Service Quality (ASQ) Reports have been issued each subsequent quarter with MSP achieving an all-time high "Overall Passenger Satisfaction" score of 4.17 within 2007. The year 2007 recorded MSP's highest scores and greatest

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****FINANCE & ADMINISTRATIVE SERVICES****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
		improvements of our GAM/AETRA/ASQ history.  Data Resources and Wellness Intranet sites have been maintained.
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	Created and co-facilitated Marketing Steering Group to coordinate organization-wide approaches to marketing concessions, parking, and airports overall.
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%.	Customer Service Action Council monthly meetings and 3 airport-wide Customer Service Forums were coordinated.  The customer satisfaction perception of MSP improved from 3.95 to 4.14, a significant improvement.  The annual percentages rating MSP "Good+" and "Excellent" are not known as of 02/22/08.
Coordinate 2nd Yr-2nd 3/year cycle of customer service training, MAC program; maintain or improve the current evaluation scores.	Successful completion of the 2nd Yr. with approximately 66% of mandated trainees having completed the course.	CSAC/Data Resources successfully completing the 2nd-3/year cycle of customer service training within the 2nd year, 2007, with near 100% of mandated trainees trained.  High satisfaction evaluation scores (in excess of 5 on a 6pt. Scale) were recorded by the trainees.
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.	A 2nd highly constructive Wellness program year was completed in 2007. Participation was strong and improved in most all facets of the program with the singularly smaller participation in the Health Risk Assessment, 22% (versus 25% in 2006) of employees. 16% of employees participated in the newly offered (in 2007) Physicals incentive program.
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.	Evaluated and purchased dashboard software and conducted training with department gurus. Proceeding to put necessary architecture and operating systems in place for the development of sharepoint environment for electronic work sharing and document preparation.
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 strategic financial position.	Provided monthly reports to Commission regarding passenger and operations levels and highlights regarding the aviation industry and their impact on the MAC.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**FINANCE & ADMINISTRATIVE SERVICES****2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
To coordinate with Operations to develop a Customer Service Initiative Partnership that improves customer service and increases the bottom line.	Increase in concession sales per enplaned passenger and decrease in rate of customer service complaints.	This initiative has been moved to the Customer Service area.
Champion organization wide upgrade to Enterprise One and foster enhanced interface of information throughout the organization.	Implementation of Enterprise One modules by October 1st and maintain staff endorsement of new processes by year end.	Finance staff in particular has made significant progress, along with Leverage One Consulting, educating staff on the key improvements in productivity and efficiency which can be attained by utilizing the new system. Commercial Management and Concessions are two primary examples of departments that were not using JDE but now are in the initial stages of seeing all of the management potential/tools that will become available to them.

**2009 KEY INITIATIVES**

<b>Organizational Strategy: <i>Ensure Long-Term Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Work with Finance, Internal Audit and other departments in the initial development of the MAC's Fraud Policy	A preliminary Fraud policy is developed which can be adjusted as more areas of the organization prepare policies and go through the process.
NA	Continue to work with Senior staff to keep the "Revenue generation and Expense reduction" ideas flowing.	Work with Senior Staff to start this process earlier in the budget cycle so that a greater portion of the ideas can be evaluated and implemented if approved in the current budget cycle.
NA	Work with Airport Development on the staging of the CIP process to ensure that appropriate departments are involved and have input regarding the impact as well as the resources which are needed.	Departments are involved throughout the CIP process and are updated on the projects that may involve them.
NA	Provide support and input into the Business Development meetings.	A. Make sure that all MSP leases are reviewed and updated at least once annually. B. Follow through with CMAA on the tracking of new leases and amendments.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**FINANCE & ADMINISTRATIVE SERVICES****2009 KEY INITIATIVES**

<b>Organizational Strategy: <i>Leverage Resources and Technology</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Continue with the implementation throughout the organization of Enterprise One software.	A. Ensure that there is a reconciled starting point for all leased and unleashed space. B. Review all leases to make sure that all space and billing information is correct. C. Provide support necessary to involve all departments to ensure maximum utilization of the software.

<b>Organizational Strategy: <i>Match Employee Talent with Changing Business Needs</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Oversee the restructuring of the Finance Department	Based on changes in employees and suggestions made in the internal audit of the department, aid in the restructuring of duties and controls to make sure that all risk is eliminated and the department can continue to function smoothly.

**2010 - 2013 LONG TERM OBJECTIVES**

<b>Objective</b>	<b>Expected Results</b>
Continue annually with the Revenue Generation and Expense Reduction program	Involve staff continually in the process of idea generation for revenue increases and expense reductions.
Look for continued improvement in the utilization of the Enterprise One software.	All departments are utilizing or making the most use of the software for their benefit.
Continued implementation of the Fraud Policy	All key areas of the organization have developed a policy.

**Performance Indicators**

<b>Organizational Key Areas of Performance</b>	<b>2007 Actual</b>	<b>2008 Est</b>	<b>2009 Budget</b>	<b>Target</b>
Financial Responsibility	Received	Received	Receive	Receive
<b>SC Performance Indicator:</b> Retain GFOA's Comprehensive Annual Financial Reporting Award				
<b>Comments:</b>				
Financial Responsibility	Received	Received	Receive	Receive
<b>SC Performance Indicator:</b> Retain GFOA's Budget Presentation Award				
<b>Comments:</b>				
Financial Responsibility	14th out of 29	12th out of 29	10th out of 29	\$6.12 Per Enplaned Passenger
<b>SC Performance Indicator:</b> Maintain Airline Cost Per Enplaned Passenger in the lower half of large hub airports.				
<b>Comments:</b> The \$6.12 target should put MAC at 10th out of 29 airports				

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****WELLNESS****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	1,164	2,975	275	-2,700	-90.76%
Administrative Expenses	382	600	600	0	0.00%
Professional Services		2,705	0	-2,705	-100.00%
Operating Services/Expenses	93,181	114,094	115,820	1,726	1.51%
Other		4,846	4,840	-6	-0.12%
<b>Total Budget</b>	<b>94,727</b>	<b>125,220</b>	<b>121,535</b>	<b>-3,685</b>	<b>-2.94%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>0</b>	<b>0</b>	<b>0</b>

**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 a goal to reduce healthcare costs.

**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	Quantitative participation of Wellness Team members 2006 to 2007 was very consistent, virtually equal at 69.85% of attendance expectations in 2006 versus 68.12% in 2007.  Qualitatively, the Wellness Team delivered a 2nd accomplished year of Wellness programming with Move-to-Improve, Nutrition classes, development of "The Walking Square" at Lindbergh, the weight-loss project, and a new incentivised "Get Your Annual Physical" program. Participation was relatively strong exceeding 50% of employees participating in some part of Wellness programming.
	>current rates of usage: 38 users; 260 visits/mth.; 8.6/day; 6.6/user.	Usage rate for the Navy Bldg. Fitness Center have not been calculated for 2007; however, it is known that usage rates have remained consistent with 2006 rates above and that improvements to the Center are much appreciated.
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.	In 2007, a 41.4% of employees (per quarter average) participated in Move-to-Improve. The program has experienced a 4.4% annual growth.  74.8% of employees, completing the Health Risk Assessment in 2007, registered a "good" to "excellent" fitness rating.

## SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET

## WELLNESS

## 2007 PROGRESS REPORT

Service Center Key Initiative	Measurement	Results
Promotion of walking as premier exercise.	Greater #/% of recorded MTI walking events than in 2006. Successful implementation of walking practice projects.	Walking events, recorded in Move-to-Improve, have not been counted for 2007 versus 2006; however, participation grew approximately 4.4% in 2007 lending credence to the belief that walking events likewise increased.  Walking was promoted as a premier exercise within the program year and MAC Wellness developed a partnership with The American Heart Association creating and promoting "The Walking Square" at the Lindbergh Terminal including a Travelers (19) and employees walking contest in which 87 employees participated.
Complete nutrition education project(s).	>33% of employees registering a good nutritional status on the Health Risk Assessment.	Wellness executed 4 nutrition classes (one/quarter) with 42% of employees registering a "good" nutritional status within the 2007 Health Risk Assessment.
Complete a weight-loss project.	>15% of employees participating. >360lbs. net weight loss. Reduced % (<65%) of overweight employees determined via HRA.	Wellness sponsored a weight-loss project in 2007. Fewer employees, 67 (12%) participated than in 2006 (84, 15%); however, they achieved a 1/2 lb. greater average weight-loss than achieved in 2006 (4.58 lbs.-2006; 5.15 lbs. - 2007).  71% of 119 employees completing the 2007 Health Risk Assessment were above their recommended weight range; whereas, 64% of 154 employees were so in 2006.
Increased completion of annual physicals and the Health Risk Assessment process.	=>45% of employees.	In our first measure of Annual Physicals completion, 92 employees (16%) completed annual physicals with 80 of said 92 also completing their Health Risk Assessments. An additional 38 employees completed Health Risk Assessments alone for a total Health Risk Assessment participation rate of 21%.
Deliver an enhanced Health Fair and Flu Shot Clinic.	Best ever Health Fair-qualitative assessment. Employee/retiree/spouse participation in Health Fair >293	Wellness executed, in partnership with NWA, a highly successful and acclaimed Health Expo/Flu Shot Clinic.  245 employees (spouses, retirees) received Flu Shots.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****WELLNESS****2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Increase the participation of employees in Wellness programming as measured by the number (%) of full-time employees who participate in, at least, one facet of the 2008 Wellness Program.	>50% of employees having participated in one facet of the 2008 Wellness Program.	58% of full-time MAC employees participated in, at least, one facet of the 2008 Wellness Program
Decrease the % of MAC employees who are overweight by: 1. Executing a weight-loss challenge; and 2. Increasing the # of employees exercising regularly via the Move-To-Improve program and a MAC/CCS Health Club incentive program=>45%.	As reported in the 2008 Health Risk Assessment Executive Report, 74% to 70% of men having BMI measures less than 25; 54% to 50% of women.	The 2008 Wellness "Look Great; Feel Great" weight-loss challenge had 67 MAC employees lose 567 lbs.; 8.4 lbs average. The 2008 Health Risk Assessment reported: 12.9% of MAC male employees had a BMI measure of <25; 49.1% of MAC women, likewise, had a BMI measure of <25. Via the Move-To-Improve exercise program, 47% of MAC employees were recorded as exercising regularly in 2008.
Promote the "Start!" Walking Project at MAC/MSP enticing a number of Travelers and Employees to "Walk the Square".	Not quantifiable at present; thus, the judgment of success will be a perception that an unexpected number of travelers and employees have "walked the square"-numbers will be known at the end of 2008.	The organization did not develop a system for measuring the success of the "Walking Square" within 2008. It is anecdotally known that several MAC employees "walk the square". The number of travelers doing so is unknown; however, MAC has received a written traveler's compliment for providing/promoting the "Walking Square". The project will be maintained/improved in 2009.
Increase the #/% of MAC employees registering a good blood pressure.	As reported in the HRA 2008 Executive Summary Report, >36.5% of employees registering a good blood pressure.	The 2008 Health Risk Assessment reporting records 49.1% of MAC employees as registering a good blood pressure, an 8.9% improvement over 2007.
Deliver nutritional programming to improve employees nutritional acumen and specifically increase the % of employees eating 5 to 9 fruits and vegetables each day by: 1. executing nutrition projects; and 2. Providing NW&W classes MSP campus-wide.	Increasing numbers of employees participating in nutritional programming, that is, >20%; and >10% of employees reporting eating 5 to 9 fruits & vegetables per day.	19% of MAC employees participated in Wellness nutritional programming-either nutrition classes or in the nutritional counseling program. In the 2008 Health Risk Assessment reporting; 12.4% of employees reported eating 5 to 9 fruits and vegetables per day.
Enhance the value of the (Navy Bldg.) Fitness Center increasing employee usage.	Greater than 35 employees utilizing center; >5.80 uses/user; >200 uses/month.	On average, 36 employees utilized the Fitness Center each month; 7uses/user; 244 uses/month.
Increase the # & % of employees completing an annual physical and/or Health Risk Assessment.	Employees =>37% complete an annual physical and/or Health Risk Assessment.	Wellness succeeded in increasing the #/% of MAC employees completing a Health Risk Assessment, from 25% to 27%, in 2008 but fell short of the goal of 37%.
Deliver, in partnership with NWA, a 2008 MSP Health Expo (w/ Flu Shot Clinic) as well received as the 2007 Expo.	Expo well received (qualitative assessment) with > 250 MAC employees receiving Flu vaccinations.	The 2008 Health Expo, delivered in partnership with NWA, anecdotally exceeded the accolades of 2007. 253 MAC employees received Flu vaccinations.

## SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET

## WELLNESS

## 2009 KEY INITIATIVES

Organizational Strategy: <i>Ensure Long-Term Financial Viability</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
NA	Deliver, together with NWA and the larger airport community, a Health Expo as well or better received than 2007/2008.	Qualitative assessment of successful delivery with >250 MAC employee receiving Flu vaccinations.
NA	Successfully transition-working with Risk Management-our Wellness Program promoting annual physicals and Health Risk Assessments to a CCS/tpa option which includes Health Coaching.	Qualitative assessment of successful transition with the percent of health benefit eligible employees completing physicals and Health Risk Assessments >37%.

## Performance Indicators

Organizational Key Areas of Performance	2007 Actual	2008 Est	2009 Budget	Target
People	74%	66%	75%	83%
SC Performance Indicator: Wellness Team meetings attendance				
Comments: The goal is that Wellness Team members not be absent from more than 2 meetings in a year.				
People	230	250	265	280
SC Performance Indicator: # employees receiving flu vaccinations				
Comments:				
People	21%	26%	37%	43%
SC Performance Indicator: % employees completing Health Risk Assessment				
Comments: 43% is the MAC historic best to date.				
People	44%	52.5%	56%	60%
SC Performance Indicator: % employees participating in Wellness				
Comments: 60% Organizational participation is a marker for meaningful impact on Health care costs.				



**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****RISK MANAGEMENT****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	5,806,474	9,516,055	8,597,648	-918,407	-9.65%
Administrative Expenses	8,031	18,250	12,650	-5,600	-30.68%
Professional Services	90,209	155,500	116,000	-39,500	-25.40%
Utilities	797	2,750	2,750	0	0.00%
Operating Services/Expenses	2,095	19,200	19,200	0	0.00%
Maintenance	14	1,500	1,000	-500	-33.33%
Other	2,033,707	2,368,486	1,952,385	-416,101	-17.57%
<b>Total Budget</b>	<b>7,941,326</b>	<b>12,081,741</b>	<b>10,701,633</b>	<b>-1,380,108</b>	<b>-11.42%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>4</b>	<b>4</b>	<b>4.5</b>

**RESPONSIBILITY/FUNCTION**

Under the direction of the Deputy Executive Director - Finance & Administration. Services, Risk Management 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. Responsibilities include risk identification, evaluation, measurement, preventative strategies, claims administration, purchase of coverage and evaluation of financing alternatives. Areas of responsibility also include employee insurance benefit programs, workers' compensation, wellness, liability and property insurance coverage, along with the responsibility to maintain a safe airport facility.

**MAJOR 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. The decrease in Personnel is the result of a reduction in MAC employee insurance due to less budgeted FTEs. Risk Management has an increase of one-half time employee.
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**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	No funding or authorization to purchase a system. We are meeting with a consultant on 2/22/08 to review a system by which we can purchase time.
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.	Working with H.R. and Labor Relations to ask MAC staff what they need. Each item sent by me to a home contains my name and phone number so I get a lot of feedback.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****RISK MANAGEMENT****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Risk Management plan for communicable diseases such as the pandemic flu.	Protect the financial interest of the MAC.	We are working with other departments on a response to this issue. We have been anticipating the hiring of an Emergency Coordinator to replace George Condon who coordinated this program involving Risk Management.
Establish authority, accountability and responsibility for Risk Management issues impacting MAC through an Executive Risk Management Committee.	Identification and control of risks.	We have built this into the Fleet Safety Program and continue to emphasize this during our training and meetings. The lack of a chargeback system reduces accountability. We have checked with most local governmental agencies and they have a chargeback system.
Identify and introduce supplemental employee benefits.	Attract and retain qualified employees.	Introduced the Will program which is under review by the Legal Department. I have two bids for introduction of a Medicare supplemental program with introduction in early 2008. The Health Club supplement has been very well received.
Implement a department wide continuous improvement program.	Enhancements in all processes.	This is a philosophy in place and being practiced. For example we are enhancing the worker's compensation reporting system and tracking of liability claims.

**2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Analyze Signage on escalators and moving sidewalks compared to claims.	Would caution those with limitations about alternative methods to reach a destination. This would enhance customer service.	A cross functional team is evaluating signage and other alternatives with results to be reported in the first quarter of 2009. One staff member is now on the MAC Signage Committee.
Continue to enhance the Fleet Safety Program.	Reduce financial losses to vehicles and workers' compensation in addition to liability.	The Fleet Safety Program has been implemented using a cross functional approach with the MAC Operations Division staff and is producing excellent results. The program is continuing to be improved.
Safety and crisis management training for management staff.	Management will be better able to prevent accidents and respond to conditions involving loss.	Training Programs and mailings to homes to enhance the utilization of the Employee Assist. Program (EAP) continues. Training is also continuing for Critical Incident Stress Management (CISM). Feedback and use of the EAP program has been excellent. This will continue through 2009.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**RISK MANAGEMENT****2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Analyze supplemental employee/dependent benefits and implement.	Retain employees and better prepare them for life changes.	A Medicare supplemental program was introduced to the Labor Management Benefits Committee with excellent feedback. A will program will be introduced in the first quarter of 2009 and available on the MAC Intranet. Group home owners and auto insurance programs are being reviewed. A key objective is to provide valued supplements without increasing staff resources.
Analyze cost drivers of employee benefits and take counter measures while retaining high benefits level.	Keep cost down and provide the best benefits to attract and retain employees.	A team from the vendors providing services met periodically during the year which produced ideas to be implemented in 2009 to reduce costs. This includes a revised medical network system, Physical-Health Risk Assessment-Coaching Program, promotion of generic drugs and sources for medical quality and cost.
Analyze cost control measures for medical costs.	Reduce costs.	This was included in the previous initiative.
Review contract language and standardize to reduce litigation. Benchmark with other airports through ACI-NA Insurance Risk and Legal Committees.	Easier for those issuing contracts and reduce unnecessary litigation.	This process has been implemented and will continue to be improved into 2009. A standardized indemnification clause for standard contracts and government contracts is in place. Insurance limits are similar to the surveys conducted by the Committee of other airports nationally.
Work closely with staff to analyze risk and insurance markets to transfer risk based upon analysis.	Insurance is adequate for MAC Risks.	This has been accomplished but is an ongoing process. The results have impacted ALL key risk that have been analyzed with the result being a reduction in loss rates and costs.

**2009 KEY INITIATIVES**

<b>Organizational Strategy: <i>Ensure Long-Term Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Assess the implementation of the Safety Act into MAC operations working with the Deputy Director of Operations and his staff.	The Safety Act would apply to security measures and terrorism immunity.
NA	Work with cross functional staff to improve camera use at MSP.	Cameras have been a key tool to resolve liability and property claims in addition to security.
NA	Assess recent property value study and evaluate validity of results.	This will insure that property is properly insured and the premium is correct.
NA	Train MAC Police staff in risk management to be applied to accident investigation.	Will enhance the ability to resolve claims which will assist customers and reduce costs.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**RISK MANAGEMENT****2009 KEY INITIATIVES**

<b>Organizational Strategy: <i>Strengthen Relationships and Partnerships</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Work with vendors and the new Benefits Evaluation Team to ensure that benefits offered meet or exceed employee expectations. This will include giving employees and dependents resources to assess the benefits they may utilize and access to supplemental.	Review with the Labor Management Benefits Committee and solicit input from employees and dependants through continued mailings.
NA	Develop a Safety Recognition Program for Employee Safety similar to the Fleet Safety Recognition Program.	Employees that perform safely will be recognized and those that do not will be incented to improve.
NA	Conduct Supervisory training for OSHA compliance.	MAC will be in compliance or exceed applicable OSHA regulations.

**Performance Indicators**

<b>Organizational Key Areas of Performance</b>	<b>2007 Actual</b>	<b>2008 Est</b>	<b>2009 Budget</b>	<b>Target</b>
Customer Service	205	220	210	200
<b>SC Performance Indicator:</b> Injuries per Passenger				
<b>Comments:</b>				
Financial Responsibility	38	35	34	30
<b>SC Performance Indicator:</b> Fleet Accidents				
<b>Comments:</b>				
Financial Responsibility		\$743,428	\$744,978	\$800,000
<b>SC Performance Indicator:</b> Workers' Comp Costs				
<b>Comments:</b>				
People	3.6	4.3	5.0	5.0
<b>SC Performance Indicator:</b> Medical Benefits Cost Trend				
<b>Comments:</b>				
Safety	0.87	0.97	0.92	0.80
<b>SC Performance Indicator:</b> Experience Modification Factor				
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****FINANCE****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	1,238,762	1,368,862	1,242,418	-126,444	-9.24%
Administrative Expenses	28,489	31,780	30,380	-1,400	-4.41%
Professional Services	138,880	195,200	194,700	-500	-0.26%
Utilities	319	0	0		
Operating Services/Expenses	206,305	192,300	193,300	1,000	0.52%
Maintenance		0	0		
Other	14,870	8,400	8,500	100	1.19%
<b>Total Budget</b>	<b>1,627,625</b>	<b>1,796,542</b>	<b>1,669,298</b>	<b>-127,244</b>	<b>-7.08%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>19</b>	<b>18</b>	<b>16</b>

**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, financial analysis and Request for Proposals (RFPs) analysis.

**MAJOR 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. The decrease in Personnel is related to FTE's transferred to other service center.
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**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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	All key success measures were met for 2007. 1) Cost per enplaned passenger estimated at \$5.42 2) Cost per enplaned passenger rank was 14th out of 29 large hub airports 3) Coverage on senior debt for 2007 is estimated at 2.05 times 4) Operating Reserve was funded at 6 months of operating expenses \$62.7 million.
Software (JDE) Evaluation	Initiate and evaluate JDE system.	This project has been evaluated and in the process of being implemented in 2008.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**FINANCE****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	Staff provided support for the following areas of rates and charges during 2007: New airline rates and charges based on the recent amendment signed by the Commission and airlines including the concessions credit, review of and changes to the concessions utility and consortium fee, reliever airport rates and charges model update and revised structure for the Petter's Aviation Hangar (former Mesaba).
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.	This project continues to be in process, final update expected in 2008. Completed
Three-year CIP Funding	Continue to fund Capital Improvement Plan, recommending adjustments as needed.	The three year Capital Improvement Funding model was completed. This incorporated the Noise settlement and agreement with the airlines on payment provisions associated with it. The funding model utilized aid - both federal and state, passenger facility charges, internally generated funds, airline rehab and repair funds and commercial paper. No new long term debt is anticipated for the period 2008 - 2010.
Water & Sewer Invoice System evaluation	Evaluate software to possibly improve process and timing of Water & Sewer invoicing.	This evaluation is still in process and is being done in conjunction with the JDE/Enterprise One system evaluation and implementation. It is hoped improvements to the existing process can be made in 2008. Still in Review.
Continued Budget Improvements	Evaluate financial software to determine if supplemental software will improve budget process. Coordinate budget process with Strategic Plan.	This is currently being done in conjunction with the evaluation and implementation of the JDE/Enterprise One software. This new system will provide slightly more flexibility than the existing one. Staff is revising the process and will continue and adjust it.

## SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET

## FINANCE

## 2008 PROGRESS REPORT

Service Center Key Initiative	Measurement	Results
Software Implementation	1) Evaluate implementations or improvements to the Water & Sewer invoicing process. 2) Complete the upgrade of JDE for general accounting, accounts payable, accounts receivable and payroll 3) Development of budget process improvements within the new system	1. Due to higher priority projects or parts of the Enterprise One implementation, the water and sewer invoicing process was delayed. However all indications are that the Enterprise One system will be able to accommodate this billing process thereby eliminating the old manual system. 2. All of these areas, except payroll, are moving quickly forward. Productivity and efficiency will continue to improve greatly as we come better educated and are able to utilize the system to its fullest extent. Problems/issues with the payroll system are being addressed as we progress with this process. 3. It doesn't appear that the new system will result in an improved budget process. Since we are still early in the process, we will analyze, review and make improvements as they are identified.
Monitor key success measures	1) Cost per enplaned passenger is in the lower one half of large hub airports 2) Debt Service coverage for senior debt is greater than 1.4 times 3) Operating reserves are equal to six months' maintenance and operating costs 4) Operating revenue per enplaned passenger is greater than \$11	1. Estimated 2008 at \$6.07 or 12th out of 29 large hub airports. The estimated average for these 29 airports for 2008 is \$6.08 per enplaned passenger. 2. Debt service - senior estimated at 2.27 times. 3. Operating reserves are at six months maintenance and operating costs. 4. Operating Revenue for 2008 is estimated at \$14.97 per enplaned passenger.
Complete RFQs for two continuing consultants (Audit and Airport Consultant)	Both RFQs are completed and approved in 2008.	Based on the Delta acquisition of NWA and the implementation of Enterprise One software, both of these RFQs were deferred until 2009.
Three-year CIP funding (2009-2111)	The capital plans for 2009-2111 have funding developed based on information available.	The 2009-2011 CIP is fully funded with no new long term debt. Funding is with 22% PFCs, 9% aid, 15% Commercial Paper, 21% Airline R&R, 20% MAC cash and 13% Other sources.
Develop and provide support for any rates and charges required for 2008	1) Provide support and calculations for any ordinances (new and old) and any other requirements for leases (new and old) 2) Develop rates and charges for any new projects and/or facilities that come about in 2008	1. Modified HHH Terminal charges. Updated Reliever model and Minimum Landing Fees. 2. Revised and analyzed information on Sun Country, Petters and Champion hangars.
Provide financial analysis as requested from other departments or the Commission	All analysis is supported with a financial recommendation based on the information provided	Continued to provide analysis for concessions, relievers and various RFPs as requested. All of the information provided to these areas has resulted in staff being better able to review, analyze and make changes as required.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**FINANCE****2009 KEY INITIATIVES**

<b>Organizational Strategy: <i>Ensure Long-Term Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Develop and provide support for any rates and charges required for 2009	1) Provide support and calculations for any ordinances (new and old) and any other requirements for leases (new and old) 2) Develop rates and charges for any new projects and/or facilities which come about in 2009
NA	Three-year CIP Funding (2010-2112)	The Capital Plans for 2010-2112 have funding developed based on information database

<b>Organizational Strategy: <i>Leverage Resources and Technology</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Software Implementation	1) Evaluate implementations or improvements to the Water & Sewer invoicing process. 2) Complete the upgrade of JDE for general accounting, accounts payable, accounts receivable and payroll 3) Development of budget process improvements within the new system

<b>Organizational Strategy: <i>N/A</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	Provide financial analysis as requested from other Departments or the Commission	All analysis is supported with a financial recommendation based on the information provided
N/A	Complete RFQs for two continuing consultants (Audit and Airport Consultant)	Both RFQs are completed and approved in 2009



<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**FINANCE****Performance Indicators**

<b>Organizational Key</b>				
<b>Areas of Performance</b>	<b>2007 Actual</b>	<b>2008 Est</b>	<b>2009 Budget</b>	<b>Target</b>
Customer Service				3
<b>SC Performance Indicator:</b>	Include at least 3 informational items in the MAC Update publication.			
<b>Comments:</b>				
Financial Responsibility				100%
<b>SC Performance Indicator:</b>	Monthly general ledger close within 7 business days.			
<b>Comments:</b>				
Financial Responsibility				100%
<b>SC Performance Indicator:</b>	Percentage of time operating bank reconciliation completed by 20th of following month.			
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****MAC GENERAL****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	9,289,645	9,173,955	8,617,502	-556,453	-6.07%
Administrative Expenses	32,320	36,750	36,750	0	0.00%
Professional Services	25,780	24,000	9,000	-15,000	-62.50%
Utilities	16,049,855	16,075,000	18,119,800	2,044,800	12.72%
Operating Services/Expenses	1,605,019	1,614,000	1,544,000	-70,000	-4.34%
Maintenance	1,521,825	1,100,000	1,245,000	145,000	13.18%
Other	5,904,147	24,000	24,000	0	0.00%
Gross Depreciation	115,329,127	120,000,000	121,250,000	1,250,000	1.04%
<b>Total Budget</b>	<b>149,757,718</b>	<b>148,047,705</b>	<b>150,846,052</b>	<b>2,798,347</b>	<b>1.89%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>0</b>	<b>21</b>	<b>7</b>

**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 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Service center transferred open positions to other service centers based upon organization needs and reduction in FTEs.
Utilities	Electricity and Heating Fuel account for the majority of the increase in Utilities. Heating Fuel is based upon market conditions, inventory shortages and demand, while Electricity is based upon forecasts by the utility company.
Maintenance	Maintenance increase is due to equipment fuel costs.
Gross Depreciation	Gross depreciation is increasing as a result of the completion of several projects.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****PURCHASING****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	466,548	470,946	474,839	3,893	0.83%
Administrative Expenses	22,470	19,975	19,326	-649	-3.25%
Professional Services		0	0		
Utilities		0	0		
Operating Services/Expenses	4,538	3,484	3,484	0	0.00%
Maintenance	410	100	100	0	0.00%
Other	469	3,150	1,000	-2,150	-68.25%
<b>Total Budget</b>	<b>494,435</b>	<b>497,655</b>	<b>498,749</b>	<b>1,094</b>	<b>0.22%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>7.5</b>	<b>7.5</b>	<b>7.5</b>

**RESPONSIBILITY/FUNCTION**

The Purchasing Department oversees the acquisition of materials, services, and equipment by using the method which will result in the most efficient use of MAC resources, to meet the needs of the end user. Responsibilities include 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 supervises the Lost and Found Office located in the Lindbergh Terminal, Central Mail in the General Office building, and tracks 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 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	<p>The MAC commercial card program is on track for a \$36,000.00 rebate using 2007 and 2008 expenditures. The rebate will be submitted to MAC September 1, 2008 from U S Bank.</p> <p>Purchasing has transferred approximately \$20,000 in assets from one department to another thus avoiding the cost for new equipment or supplies.</p> <p>The computer generated requisitions was delayed due to Enterprise One being implemented in the third or fourth quarter of 2008.</p>

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****PURCHASING****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	Average score for 2007 was 8.5, with Lost and Found rated 8.7.

**2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Successfully implement the Enterprise One purchasing module.	Train approximately 150 MAC staff.	The requisition module in E1 has not be implemented yet. No MAC staff were trained in 2008 and this will be moved to 2009.
Implement MAC web site that will enable a vendor to download bid or RFP documents in addition to addendums with the appropriate tracking reports made available to MAC Purchasing staff.	An estimated 10 such documents will be advertised and available to the vendor community using the MAC web site.	This process is in place and it does allow vendors to download bid and RFP documents. The internal functionality needs to be improved to allow our staff to communicate with vendors via email from the MAC web site.
Increase the number of airports using the Airport Purchasing Group commercial card program initiated by MAC in 2006 which will subsequently increase MAC rebate.	Add one new airport to the program.	This has not occurred and I'm recommending that we discontinue this initiative.
Continue to improve customer service to external and internal customers.	Achieve a customer service rating of 9.0.	External and internal surveys have not been completed but it remains a worthwhile initiative.

**2009 KEY INITIATIVES**

<b>Organizational Strategy: Enhance Customer Service</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Implement revised policy and procedure documents covering all aspects of purchasing.	Re-write the Purchasing Policy, Surplus Policy, Mail Policy, Commercial Card Policy and the step-by-step procedures related to each area.
NA	Continue to improve customer service to external and internal customers.	Achieve a customer service rating of 9.0 as determined by external and internal surveys.

## SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET

## PURCHASING

## 2009 KEY INITIATIVES

**Organizational Strategy: *Ensure Long-Term Financial Viability***

<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Work with IS Dept. to improve MAC web site that will enable MAC Buyers to communicate and track directly with Vendors via email through the MAC Bid and RFP download process. Explore allowing Vendors to submit their bids and proposals electronically.	An estimated 30 such bids and RFPs are advertised and available to Vendors using this site and our Buyers need to be able to communicate directly from this site. It would also improve efficiency if Vendors were able to submit their bids and proposals electronically.

**Organizational Strategy: *Leverage Resources and Technology***

<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Successfully implement the Enterprise One requisitioning module.	Train approximately 150 MAC staff.

## Performance Indicators

<b>Organizational Key Areas of Performance</b>	<b>2007 Actual</b>	<b>2008 Est</b>	<b>2009 Budget</b>	<b>Target</b>
Customer Service			9.0	9.0
<b>SC Performance Indicator:</b>	Customer Service Rating			
<b>Comments:</b>	The goal is to improve our customer service to external and internal customers.			
People			150	150
<b>SC Performance Indicator:</b>	Train 150 MAC employees			
<b>Comments:</b>	Successful implementation of online requisitioning in E1 requires Purchasing to train the end users.			

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****INFORMATION SERVICES****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	1,493,297	1,607,629	1,944,499	336,870	20.95%
Administrative Expenses	73,216	64,943	110,143	45,200	69.60%
Professional Services	58,768	180,000	180,000	0	0.00%
Utilities	321,705	378,650	368,170	-10,480	-2.77%
Operating Services/Expenses	1,015,296	1,668,017	1,914,480	246,463	14.78%
Maintenance		0	0		
Other	421,326	667,479	249,890	-417,589	-62.56%
<b>Total Budget</b>	<b>3,383,608</b>	<b>4,566,718</b>	<b>4,767,182</b>	<b>200,464</b>	<b>4.39%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>19</b>	<b>18</b>	<b>20</b>

**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 and other airport customers 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 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. In addition, two positions have been added to meet the support needs for MAC systems and technology.
Administrative Expenses	The increase in administrative expense is attributed to the purchase of Microsoft software licenses to bring the MAC into compliance with the software currently in use.
Operating Services/Expenses	The increase in Operating Expense results from sharp increases in the costs of software and hardware maintenance for the EnterpriseOne system as well as costs for contracted coverage and support for MAC critical systems, including Public Safety, Landside, the first phase of the Lindbergh Terminal Flight Displays, network infrastructure and security.

## SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET

## INFORMATION SERVICES

## 2007 PROGRESS REPORT

Service Center Key Initiative	Measurement	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>	<p>1. The computerized maintenance management system will be added as a part of the upgrade to EnterpriseOne, which will occur in 2008.</p> <p>2. The emergency messaging system has been selected and installed. A software release scheduled for late 2007 will address some problems uncovered in using the system for Field Maintenance. Other use is slowly happening.</p>

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****INFORMATION SERVICES****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Upgrade existing information systems that are at the end of their lives.	Secured Access system upgraded. Landside MAVIS (commercial vehicle) system upgraded. Computer Aided Dispatch (CAD) and Records Management System (RMS) upgraded. Humphrey Terminal common use system upgraded. 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. 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.	1. The Secured Access Control system has not yet been completed. Work remaining is interfaces with CCTV and the Communications Center. 2. Landside Mavis is not yet complete. Work remaining is accurate recording and reporting of financial data. 3. The Computer-Aided Dispatch and Records Management system has not been upgraded. The RFP has been issued and proposals received. The evaluation may be completed by year end of early 2008, depending upon how much more information is needed to arrive at a recommendation. 4. The Humphrey Terminal common use systems including flight info displays has been upgraded. 5. Email has not been upgraded. An important prerequisite, Active Directory, has not been completed. 6. The fire alarm system contract is being completed, and work will start late 2007.
To provide the infrastructure to support planned information technologies.	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. 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.	Server and network equipment upgrades have been completed.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****INFORMATION SERVICES****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	Microsoft SharePoint, the portal system, will be purchased by year end. Some prerequisites for implementing it have not yet been met including the Microsoft user licensing, which will be obtained in March, 2008 when the Microsoft support agreements renew.

**2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Implement EnterpriseOne Enterprise Resource Planning system (ERP), replacing JD Edwards World, to provide finance, accounting, A/R, A/P, fixed assets, human resources, payroll, project budgeting and financial management capabilities.	MAC departments are converted to and employing EnterpriseOne for all functions.	MAC has converted to EnterpriseOne for most functions. Still to be completed are computerized maintenance management for MAC's fleet, employee self service for human resources and advanced time keeping for the Field Maintenance and Police departments. Departments elected to defer work in these areas until after EnterpriseOne was in production. IS resources were also insufficient to complete the advanced time entry work.
Implement new Computer-Aided Dispatch, Police Records Management and Fire Management systems, replacing outdated systems.	Product selection has been made by the Commission and implementation has started. The implementation cannot begin until after the Republican National Convention and the completion of Communication Center backup facilities in ARFF station #1.	The projects now planned for completion by September, 2009. The scope of the work changed as a result of the decision to move the Emergency Communications Center to the basement of Fire Station #1. This added requirements to replace radio and 911 telephone equipment because the present equipment is no longer made. Contract negotiations with the potential vendor are still underway.
Implement Computerized Maintenance Management System (CMMS).	Work orders are being processed using the CMMS.	Work orders are being processed using the CMMS in EnterpriseOne. A scope change added using the CMMS for fleet and inventory management. This effort is on hold pending further analysis.
Select product and implement learning management system for police continuing SIDA training and Airside Operations continuing AOA driver training.	Training activities will be computer-based including evaluation and record keeping in these areas.	A vendor was selected for this system. After consideration of risk, it was decided that the system would have to be hosted by and located at the MAC as opposed to the original idea of having the vendor host the system. (The vendor is unwilling to offer a guarantees for the protection of MAC's data.) Given this change, IS resources will be available to implement the system in third quarter, 2009.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**INFORMATION SERVICES****2008 PROGRESS REPORT**

Service Center Key Initiative	Measurement	Results
Upgrade infrastructure including: 1. Desktop computers at end of life 2. Servers at end of life 3. Network equipment 4. Email system upgrade 5. Access and security - Microsoft Active Directory 6. Information sharing - Microsoft SharePoint	1. End of life desktops replaced 2. End of life servers replaced 3. Network equipment replaced 4. Email system upgraded and archiving in place 5. Active Directory in place 6. SharePoint in place	Planned upgrades of desktop computers, servers and network equipment are in place. Active Directory is in place. The email upgrade and email archiving will not be completed until 2009. SharePoint has been postponed pending completion of other work.

**2009 KEY INITIATIVES**

<b>Organizational Strategy: <i>Ensure Long-Term Financial Viability</i></b>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
NA	Ensure the MAC complies with the credit card industry security standards (PCI) as a requirement for processing credit card transactions at MSP.	Track changes in the security requirements. Add and upgrade software, equipment and procedures needed to comply. Report as required to the credit card companies and industry associations.

<b>Organizational Strategy: <i>Leverage Resources and Technology</i></b>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
NA	Complete MAC-wide Geographic Information System (GIS) that provides access to data in the form of maps.	MAC GIS will be operating with direct links to public safety systems and EnterpriseOne property management information.
NA	Address the lack of data center capacity to maintain the MAC computer equipment safely and securely.	Correct short term problems with air conditioning and power at the General Office Data Center. Develop long term plan with Airport Development about facility needs and ways to meet those needs.
NA	Complete the implementation of the Learning Management System that meets regulatory requirements for airside driver training record keeping as well as ongoing security badge holder training.	System hardware and software will be installed at MAC. Training area above the Badging office will be furnished. Police and Airside Operations will develop content specific to their program needs.
NA	Complete upgrading the MAC email system and add to it auto-archiving capability.	MAC email will be upgraded to Microsoft Exchange 2007, and the E Vault archiving software will be operational.
NA	Install MAC-operated Multi-use Flight Information Displays (MUFIDS) throughout the Lindbergh Terminal.	Displays will be installed and operating with all Lindbergh Terminal airlines shown by year end.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**INFORMATION SERVICES****2009 KEY INITIATIVES**

<b>Organizational Strategy: <i>Leverage Resources and Technology</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Implement Computer-Aided Dispatch (CAD), Police Records management (RMS), Police and Fire Mobile system including re-locating the Emergency Communications Center to Fire Station #1.	The following elements are operating in the new system: 1. CAD 2. RMS with automatic information flow from CAD 3. Upgraded radio equipment for 911 Center 4. Upgraded 911 telephone equipment. 5. Connection between CAD and Fire department system 6. Police Mobile including field reporting ability
NA	Conclude EnterpriseOne system upgrade.	Implement deferred elements including: 1. Employee self service 2. Advanced time keeping 3. Fleet maintenance pending agreement to use E1 4. Staff training for access to information in E1

**Performance Indicators**

<b>Organizational Key Areas of Performance</b>	<b>2007 Actual</b>	<b>2008 Est</b>	<b>2009 Budget</b>	<b>Target</b>
People	1:2,055,556	1:1,777,778	1:1,4500,000	>1: 1,000,000
<b>SC Performance Indicator:</b> IS staff per million passengers				
<b>Comments:</b> Ratio of 1 IS staff person to x million passengers.				
Financial Responsibility	1.42%	1.81%	1.83%	< 2%
<b>SC Performance Indicator:</b> IS budget as percent total expense				
<b>Comments:</b>				
Airport Operations	99%	98%	99.9%	99.99%
<b>SC Performance Indicator:</b> System availability				
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****SAFETY****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel		0	0	0	0.00%
Administrative Expenses		0	0		
Professional Services	0	0	0		
Utilities		0	0		
Operating Services/Expenses		0	0		
Maintenance		0	0		
Other	0	0	0		
<b>Total Budget</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0.00%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>0</b>	<b>0</b>	<b>0</b>

**RESPONSIBILITY/FUNCTION**

The function of the Safety 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 traveling public. This includes keeping all MAC employees informed of, and in compliance with, all Federal, State and local safety regulations. Developing safety programs and processes for employees, coordinating safety training for all MAC departments, conducting accident investigations and documenting all accident data as required by law. In addition, the Safety Department oversees the Workers' Compensation Program and exercising safety oversight responsibilities for all construction activities occurring on MAC properties.

This service center was merged with Risk Management.

**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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 .	This was approved by the Commission and is being implemented.
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	All programs have been reviewed by staff. We are working with other departments to enhance the effectiveness of the system. For example a flow chart was requested by MAC Police and we are developing it.
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.	Staff is working with the Safety Committees on this process improvement issue.
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.	Staff is meeting the goals and is also developing a safety committee for the Reliever staff.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET**

***SAFETY***

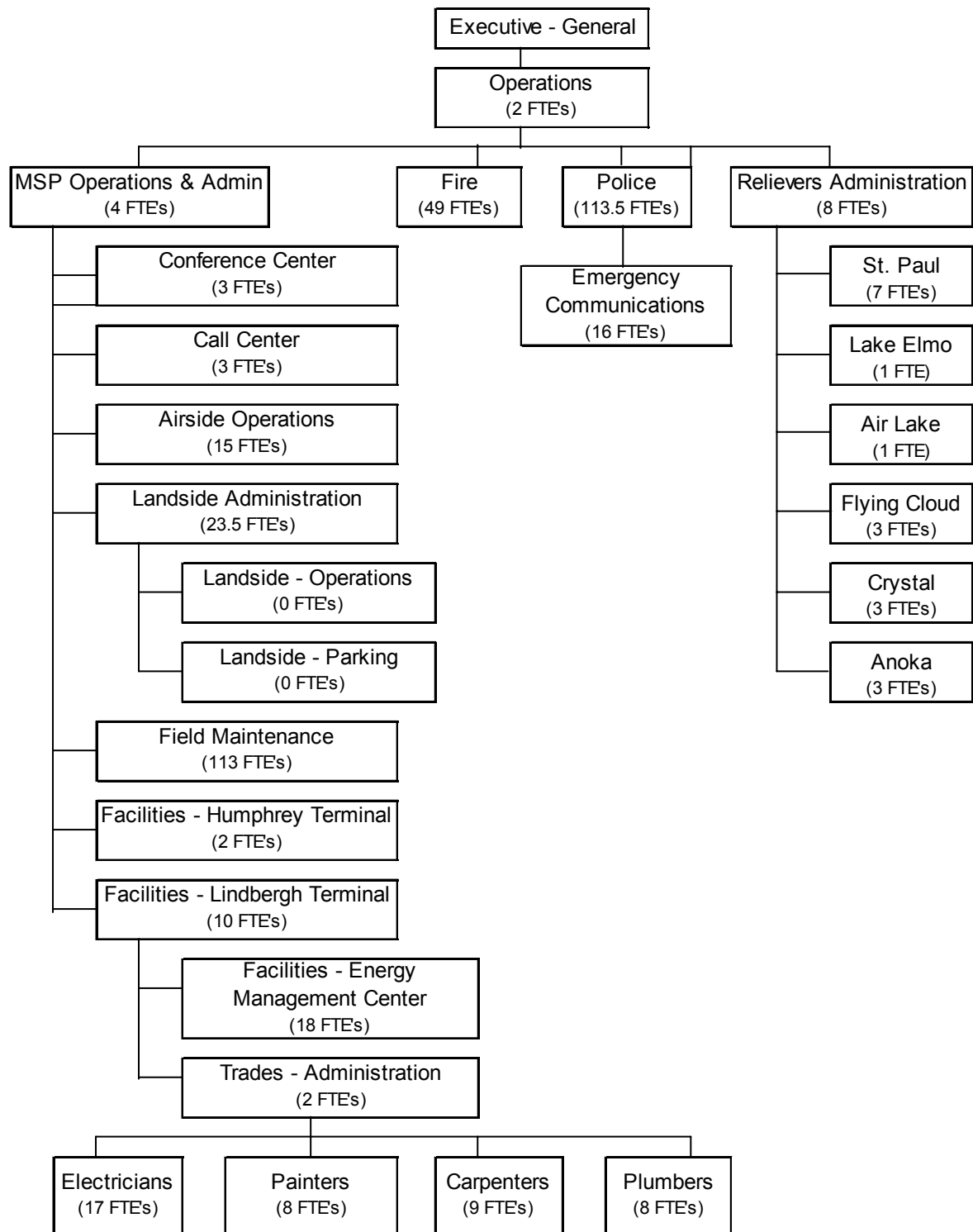
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## SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET

## Operations Division



<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**Notations to Service Center Summaries:**

- \* Variance (dollars and %) is computed between 2008 Budget and 2009 Budget
- \* The explanation for the variances is based upon the 2008 Budget and 2009 Budget
- \* Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****DEPUTY-OPERATIONS****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	195,052	202,565	199,844	-2,721	-1.34%
Administrative Expenses	11,126	11,295	9,150	-2,145	-18.99%
Professional Services		0	0		
Utilities	608	400	900	500	125.00%
Operating Services/Expenses	329	500	500	0	0.00%
Maintenance		0	0		
Other	25	0	0		
<b>Total Budget</b>	<b>207,141</b>	<b>214,760</b>	<b>210,394</b>	<b>-4,366</b>	<b>-2.03%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>1</b>	<b>2</b>	<b>2</b>

**RESPONSIBILITY/FUNCTION**

Responsible for oversight and administration of the 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 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Budget 2009 decrease reflects employee turn-over with lower wages.
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**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Working through CSAC, develop a plan to create an effective customer service culture within the MSP airport community.	Workable plan in place and functioning.	A plan of action has been created on staff, but yet to be finalized by Senior Staff for presentation to the Commission. Meanwhile, the continuing work of CSAC in improving the delivery of Customer Service throughout the terminal complex is having some noticeable results that will give our future efforts a firm foundation upon which to build.
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.	Only marginal progress been made while staff has concentrated its revenue enhancement efforts on finalizing the development plan with Anoka County at the ANE airport. Non-aeronautical revenue enhancement initiatives at ANE have not reached fruition to date, and staff has just been given approval to seek "direct negotiation" opportunities with potential business interests.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****DEPUTY-OPERATIONS****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	Fully accomplished, and new revenue streams are being realized.
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.	MAC is in compliance with all TSA requirements and mandates as coordinated with TSA's Federal Security Director for this region.  Staff maintains it's relationships with AAEE and ACI security committees domestically and I work with ACI at an international level through membership (and as current Vice Chair) on the World Security Standing Committee. Information exchange and MAC input to the various security processes is robust.

**2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Oversee and provide input to the financing plan for the Flying Cloud Airport expansion project.	Funding identified for the project	Although Federal funding for the runway project has been identified, the expanded building area project remains unfunded. Efforts to interest potential private sector hangar owners in providing funding for the build-out of this acreage bore no fruit as the candidate corporations appeared to favor a "wait and see" attitude relative to the runway project before making capital commitments.
Oversee ordinance change process for the relievers regarding hangar appearance issues and other subject matter changes and additions.	New ordinance in place.	Although much preparatory work has been done for this ordinance (as well as lease and lease policy document language changes), the complexities of the issue have driven the project into the first half of 2009.
Develop new customer service training program for MAC employees and, potentially, tenant employees.	New training program in place.	Outreach to the MSP community has been accomplished and acceptance of the new program (Customer Service Partnership Initiative -CSIP) is in place. Preliminary training on "Branding" has been done and a trainer and date (Apr-May '09) for training for Customer Service around an agreed-upon MSP "Brand" has been preliminarily established.
Oversee the process for planning and design of the Airport Operations Center (Public Safety) building to ensure compatibility with Operation's needs and proper timing for construction.	Design completed and construction timing identified.	Due to budgetary constraints this project has been significantly modified/downsized and scheduled for the 2010 CIP timeframe.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****DEPUTY-OPERATIONS****2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Oversee and provide direction to the non-aeronautical revenue initiative on the Reliever Airports.	Procedure in place to pursue these initiatives and a project underway.	A process is underway, led by CMAA, but due to market/economic factors the response from the private sector has been tentative. Several opportunities are being pursued with hopes of success in 2009.
Consolidate departmental staffing plans for 2009 and beyond for long-range budget planning purposes.	Operations Division Plan in place.	The project was pre-empted by a freeze in new hiring and a cap placed on Organizational Staffing.

**2009 KEY INITIATIVES**

<b>Organizational Strategy: <i>Enhance Customer Service</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
Launch a MSP airport-wide customer service program in partnership with the Customer Service Action Counsel.	Working through CSAC the goal is to develop the Brand for MSP and to create a training program for that brand for all airport businesses and agencies, including MAC. Effort to be titled the "Customer Service Partnership Initiative (CSIP)".	Brand identified, trained and publicized.

<b>Organizational Strategy: <i>N/A</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	Maximize value of participation on ACI World Security Committee by bringing to MSP benchmark/best practices from airport contacts around the world and providing that body with guidance and direction to aid in standardizing security processes and rules.	A "Lessons learned" document that can be applied to our work at MSP and for our interaction with other airports via the ACI PSS committee.

<b>Organizational Strategy: <i>Strengthen Relationships and Partnerships</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Oversee the transitional relationship with the new "Delta" at MSP to ensure continuation of the successful operational working partnership that has existed with NWA over the years.	Absence of operational "glitches".

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****MSP OPERATIONS & ADMN.****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	333,095	341,819	334,820	-6,998	-2.05%
Administrative Expenses	45,447	26,430	40,784	14,354	54.31%
Professional Services	-2,874	12,500	13,000	500	4.00%
Utilities	1,745	3,208	4,326	1,118	34.85%
Operating Services/Expenses	2,775,069	2,602,258	2,367,658	-234,600	-9.02%
Maintenance	4,689	25,000	15,000	-10,000	-40.00%
Other	28,191	17,300	31,298	13,998	80.91%
<b>Total Budget</b>	<b>3,185,362</b>	<b>3,028,515</b>	<b>2,806,886</b>	<b>-221,628</b>	<b>-7.32%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>4</b>	<b>4</b>	<b>4</b>

**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 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Budget 2009 decrease reflects employee turn-over with lower wages.
Administrative Expenses	This expense was covered by the reclassification of funds from other Service Centers. To cover costs associated with hosting a Customer Service Peer Review in 2009, additional funds were reclassified from another Service Center.
Operating Services/Expenses	The major decreases were due to no RNC in 2009 in addition to a decrease in loading dock expenses. There is an increase for Customer Service Training.
Maintenance	Decrease in this area is the result of reclassification to Administrative Expenses.
Other	The increase in this area is due to the purchase of office furniture to meet office needs and the costs associated with an increase in copy machine rental fees.

**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	Formal and informal meetings continued. Only held 2 MSP Director lunches due to schedule/speaker conflicts.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****MSP OPERATIONS & ADMN.****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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).	Strong partnerships continued and new initiatives with "shared staff" piloted with concessions group.
Consolidate and cross-utilize staff.	Develop processes/procedures to enhance customer service provided by the Airport Director's Office.	New measurements developed and analyzed in Call Center move to Directors Office.
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.	Work in progress. Information packages are delivered to new tenants. The tenant contact information is then added to the Airport Tenant listing for notification of future information.
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.	Brown bag lunches fell off in 2007 but rejuvenated for 2008. Work continues on the Canadian bag transfer.
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.	Still assisting TSA with bin running but no move to exit lane takeover at this time.
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.	This is ongoing with new processes developed for new tenants.
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.	Discussions and evaluations are continuing.
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.	Work continues with the development of a more robust the Humphrey program. Monthly call outs tests are conducted to familiarize volunteers with the system. New Emergency Manager position hiring process underway in 2008.
Develop a 2020 staffing plan and operational plan in line with projected timing needs.	Plan developed with internal and external customer feedback and involvement.	Generally 2020 facility planning should proceed staff planning but draft approach is in the works.



## SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET

**MSP OPERATIONS & ADMN.****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Coordinate CSAC-meetings 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.	Steady utilization numbers seen.  12 CSAC meetings , 3 Forums as well as the "By George", "MSP Service Professional", and "Dorothy" award programs were coordinated.  46 MSP Service Professional awards were distributed; and, 18 "Dorothy" award nominees received.  CSAC efforts were rewarded with the highest ever Airport Service Quality (ASQ) score of 4.14 of 5.00 points possible for "Overall Passenger Satisfaction".
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.	There were 3 Forums held in 2007. Forum participation held steady with Forums well attended.  Courtesy fo Airline, Airport, and Security personnel registered 4.37, 4.25, and 4.15 scores within 2007 averaging a 35 point improvement.
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.	Branding concept still underway with Public Affairs leading the effort.
Complete development of a "Family of Metrics" representing the customer service acuity of the MSP airport community.	Completed "Family of Metric"-qualitative assessment. Publication of an annual report, 2007.	Metrics available in various departments but no consistent across board utilization.  CSAC failed to develop a "Balanced Dashboard " "Family of Metrics. The project stalled because of nonresponsive participants and inadequate staff time. No annual report has, therefore, been published.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****MSP OPERATIONS & ADMN.****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	<p>Data still being scientifically analyzed. Working on identified SmarteCarte problems in FIS area in 2008.</p> <p>MSP consistently gleans a modest # of complaints currently 1.73/100,000 passengers. For 2007, Airline and Concessions complaints wre stable, .5% fewer general complaints, .4% greater rudeness complaints for Airlines.</p> <p>Signage, Baggage Carts, and Baggage Delivery scored an average 34 points improvement in customer satisfaction perceptions 4Q06 to 4Q07. Value of Money elements averaged 30 points of improvements.</p> <p>Percentages rating "Good+" within 2007 are no known as of 02/22/08.</p>

**2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Facilitate good communication and open relationships among airline, TSA, airport tenants, and MAC staff.	MSP Director attend weekly airline manager breakfasts, sponsor 3 all airport luncheons, provide administrative support for monthly Airline Manager Council and Security Consortium.	All accomplished. Added new attention to airline manager departures and welcomes.
Improve terminal safety.	Upgrade of cart ordinance, visual paging and communication improvements seen for hearing impaired community and lead operations. Effort to introduce new computerized maintenance management system (CMMS) to improve maintenance tracking, response & measurement.	Work with MCDHH via project team in 2008. E-1 CMMS started up in 2008 but enhancements needed.
Service improvements in the FIS.	Work with tenants and staff to improve customer service with luggage carts and signage.	Complimentary cart process going well. Alternatives researched (Calgary) as further options identified.
Facilitate coordinated MAC response to RNC event in September 2008.	Smooth operations for all involvement coming in and out of town by mobilized response of Travelers Assistance and MAC staff at MSP as well as reliever airports. Measurement to be assessed by internal post-event review.	The RNC event went well. Delegates pleased with MAC response to event.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****MSP OPERATIONS & ADMN.****2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Gear up emergency planning activities at MSP.	Effective hiring of emergency manager and support facilitated emergency operations planning as a team effort with various MAC departments. Success to be defined in 2008 year-end performance review.	Hired Nancy Schuster in 8/08. Excellent program start seen in remainder of 2008.
Improve the Baggage Cart System providing, specifically, for free carts in the FIS	Provision of free carts in the FIS and an ASQ customer satisfaction score >88%	The MAC provided free baggage carts in the Lindbergh and Humphrey FIS facilities in March of 2008. ASQ results for 08 are not available at this date; however 95% of MSP traveling public rated cart services as "Good" or better in the 3Q08.
Coordinate with NWA customer service initiatives, specifically, working with the NWA initiative to improve "Baggage Delivery Services".	ASQ customer satisfaction score > 83% up to 88%.	Improvements seen as a result of NWA initiatives. Continuing work on Canadian Transfer Bags ongoing.
Improve restroom cleanliness reducing the number of registered complaints <2.4% of complaints.	Cleanliness complaints >2.4%; ASQ customer satisfaction score "Good">90%".	ASQ customer satisfaction score = >4.03.
Improve handicapped services, specifically, electric carts and wheelchairs; addressing former Prime flight services in non-sterile area.	Improved electric cart and wheelchair services; complaints <2.5% of complaints	No qualitative measurements available.
Work with TSA and airlines to standardize gate pass processes and other security inconsistencies.	Qualitative assessment of improved standardization and functionality.	New video divestures orientation piloted at Humphrey and will be brought to Lindbergh in 2009.
Improve business facilities provided to include moving to eventually free Wi-Fi.	ASQ customer satisfaction score >80% of customers rating services "Good+"; up to 88%.	2008 ASQ results not available as of this date (01/09/09); however, 83% of MSP's traveling public rated Internet Services/Wi-Fi "Good" or better as of the 3Q08.
Rework the Customer Service Training Program for 01/01/09 implementation having considered outside consultant resources and expansion of the initiative to all airport front-line employees.	Qualitative assessment of successful rework of the program.	Considerable progress has been made in reworking the Customer Service Training Program in a process known as the Customer Service Partnership Initiative. Consultant resources have been identified and the participation of the airport community is being solicited and confirmed as 2008 ends. Training sessions are slated to begin within the first half of 2009.

## SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET

## MSP OPERATIONS &amp; ADMN.

## 2008 PROGRESS REPORT

Service Center Key Initiative	Measurement	Results
Create communications systems to disseminate airport-wide internal employee information; and to "get the word out" to the MSP public regarding customer information and service options.	Qualitative assessment of "systems in place" and functioning.	A CSAC Communications sub-committee analyzed current and possible future internal communications enhancement opportunities and created an MSP internal distribution list using Microsoft Outlook (300+ managers and supervisors) to be used for distribution of an e-newsletter and CSAC forum invitations. Sub-committee also created the e-news newsletter which is disseminated monthly and includes information about customer service initiatives, information on the availability of airport services, and highlights Service Professional awardees. A total of 9 monthly installments of the e-newsletter were mailed in 2008. A survey of recipients is planned for 2009.
Determine MSP participation in ACI quality programs; specifically, the Airports Service Quality Performance Program and the Airports Assured Program.	"Plan of Action" determined-qualitative assessment.	MSP participation in ACI quality programs, the Airports Service Quality Performance Program and/or the Airports Assured Program has been postponed to beyond 2009 in light of 2009 recession/budget constraints and in favor of a focus on the Customer Service Partnership Initiative.

## 2009 KEY INITIATIVES

<b>Organizational Strategy: N/A</b>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
N/A	Improve business facilities provided to include moving to eventually free Wi-Fi.	Partner with CMMA to find cost effective partnership (Google?) that can provide free Wi-Fi.
N/A	Improve handicapped services, specifically electric carts and wheelchairs; addressing former Primeflight services in non-sterile area.	Improved electric cart and wheelchair services. Continued work with airlines and vendor companies.
N/A	Submit grant applications to obtain additional funding.	Work with state and federal grant resources to identify additional funding opportunities.
N/A	Update Airport Emergency Plan Hazard-Specific Appendices.	Finalize Pandemic Influenza Emergency Response Plan, including a Continuity of Operations Section.
N/A	Bring awareness of airport emergency preparedness to MAC staff.	Build-out Emergency Management Department intranet.
N/A	Ensure FAA certification retained	Successfully complete triennial emergency exercise.
N/A	Improve terminal safety.	Upgrade of cart ordinance, visual paging and communication improvements seen for hearing impaired community and other members of disabled communities.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**MSP OPERATIONS & ADMN.****2009 KEY INITIATIVES**

<b>Organizational Strategy: N/A</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	Facilitate good communication and open relationships among airline, TSA, airport tenant and MAC staff.	MSP Director weekly airline manager breakfasts, sponsor 3 all airport luncheons, provide administrative support for monthly Airline Manager Council and Security Consortium and develop a "welcome program" for new airline managers.
N/A	Adjust to new HQ Delta focus in operational activities.	Cost effective procedures identified in snow removal that enhance MAC's ability to function during snow event concepts agreed upon within MAC and airline communities.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****CONFERENCE CENTER****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	88,833	104,333	152,370	48,037	46.04%
Administrative Expenses	2,420	9,225	7,225	-2,000	-21.68%
Professional Services		0	0		
Utilities	-10	1,000	1,000	0	0.00%
Operating Services/Expenses	42,357	51,620	55,620	4,000	7.75%
Maintenance	443	1,545	1,545	0	0.00%
Other	2,186	5,775	7,175	1,400	24.24%
<b>Total Budget</b>	<b>136,229</b>	<b>173,498</b>	<b>224,935</b>	<b>51,437</b>	<b>29.65%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>3</b>	<b>2</b>	<b>3</b>

**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 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Overtime expenses have been accrued in 2007 and 2008. It is anticipated that increased conference center activities will require overtime in 2009 resulting in additional revenue. As client demand increases, there will be a need for a temporary part-time position in 2009 to provide kitchen assistance due to increased services.
Operating Services/Expenses	The services for licensed caterers has increased; however, the Center is generating two dollars for every dollar spent in catering sales.
Maintenance	Increase is due to the rental of an industrial dishwasher which includes maintenance, parts and supplies.

**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	In 2007 we continued to provide first class customer service to all Conference Center clients while increasing our revenue 26% over 2006. We continued to increase the number of new clientele through marketing the conference center via word of mouth, our advertising campaign, exhibiting at a tradeshow and by upgrading our ten year old technology in the Commission Chambers which our new clients have found very attractive and user friendly.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**CONFERENCE CENTER****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Increase revenue by expanding business opportunities with existing Conference Center clients.	Revenue increases. New services offered.	
Increase revenue through marketing and outreach to new Conference Center clients.	Revenue increases. Tracking how people heard about conference center.	
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.	

**2009 KEY INITIATIVES**

<b>Organizational Strategy: N/A</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	Create relationships with other Airport Conference Centers to help us understand the unique industry and support one another.	Potentially visit airport conference centers to understand their operation and how it relates to us. If visits are not possible, teleconferences can take place to try to achieve this goal.
N/A	To increase financial stability by increasing the revenue profit margins.	Watch expenditures and ensure that we are providing good quality catering in a cost effective manner. Increase catering rates to cover associated expenses that are incurred when providing services to clients.
N/A	To ensure the clients are getting the best customer service possible during difficult economic times while providing an enjoyable working environment.	Strategically place employees in positions where they have demonstrated their strengths to be. Continuously work with employees to be sure they are enjoying what they are doing and ensure they are challenged in their positions.
N/A	To continue to provide first class customer service to the internal and external customers without compromising our revenue generation.	Try to meet every clients needs and find out who can assist if we are unable. Introduce additional services to the guests of the conference center and airport which will enhance their experience while they are here.



**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****CALL CENTER****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	219,524	215,584	224,297	8,712	4.04%
Administrative Expenses		1,000	0	-1,000	-100.00%
Professional Services		0	0		
Utilities		0	0		
Operating Services/Expenses		1,018	1,018	0	0.00%
Maintenance		0	0		
Other		0	0		
<b>Total Budget</b>	<b>219,524</b>	<b>217,602</b>	<b>225,315</b>	<b>7,712</b>	<b>3.54%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>3</b>	<b>4</b>	<b>3</b>

**RESPONSIBILITY/FUNCTION**

The MAC Call Center is responsible for the airport general information line and two lines on the courtesy phones (Information and Paging and 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 and receives many calls to specific departments outside their hours of operation. Due to minimum staffing by many airlines, the Call Center receives calls that may have been answered by them in the past.

**MAJOR 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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. Call Center was open 7 days a week from 8 AM to 10 PM. We fulfilled our "essential" role by having Call Center staff here 365 days from 8 AM to 10 PM. Our office was not closed for any reason during 2007. Number of Calls taken: Total 111,958 breakdown of those calls: 68,539 from the general information line, 43,419 from the courtesy phones.	Successfully integrated the Call Center into the Airport Director's Office, this allowed us to have seamless customer service during operating hours by cross training employees of the ADO and Call Center to support each other's duties in time of absence. The Call Center took on several additional duties to help support the current staff of the ADO. Call Center also plays a role in covering for the revenue generating Conference Center by assisting with the greeting of night and weekend clientele. Call Center is now more then ever in the public eye which allows us to become more active and support the customer service goals of the organization.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**CALL CENTER****2009 KEY INITIATIVES**

<b>Organizational Strategy: N/A</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	Provide greater service to Deaf & Hard of Hearing and Blind community in project partnership with Development.	Visual paged enhancements. Website live page developed and initiated that communicates through unique devices.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****AIRSIDE OPERATIONS****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	1,112,116	1,107,410	1,236,059	128,650	11.62%
Administrative Expenses	94,410	94,600	89,600	-5,000	-5.29%
Professional Services	82,335	120,000	110,000	-10,000	-8.33%
Utilities	11,869	10,560	10,560	0	0.00%
Operating Services/Expenses	34,906	50,200	42,200	-8,000	-15.94%
Maintenance	6,453	7,150	6,150	-1,000	-13.99%
Other	40,571	31,000	32,000	1,000	3.23%
<b>Total Budget</b>	<b>1,382,660</b>	<b>1,420,920</b>	<b>1,526,569</b>	<b>105,650</b>	<b>7.44%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>13</b>	<b>13</b>	<b>15</b>

**RESPONSIBILITY/FUNCTION**

The Airside Operations Department is responsible for ensuring that Minneapolis-Saint Paul International Airport is in compliance with federal and state regulations, particularly FAR Part 139-Airport Certification. The department conducts safety inspections and determines the operating status of the airfield. Airside coordinates airfield activities with FAA Air Traffic Control facilities and air carrier tenants. The department is responsible for managing the airport emergency plan, the snow and ice control plan, the wildlife control program, construction safety and the airfield drivers training/testing program. Airside Operations is also the 24/7 non-emergency contact for all airport tenants.

**MAJOR 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments, step increases and additional FTEs..
Other	The increase is primarily due to the acquisition of minor assets including computer equipment, radios and miscellaneous communication equipment.

**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	We have chosen not to install IDS4 due to the fact that the FAA discontinued support of this product in favor of developing their own replacement application. We will pursue installation of the replacement application once it is made available.  Since February 2007, we have been participating with Sensis and have installed locator units in 4 Airside Operations vehicles and one Field Maintenance vehicle as part of a 6-9 month test.

## SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET

## AIRSIDE OPERATIONS

## 2007 PROGRESS REPORT

Service Center Key Initiative	Measurement	Results
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.	The transformation planning document has been put on hold at this time due lack of resources and other priorities.  Crew/Team Resource Management (C/TRM) objectives have been included in the Assistant Manager Performance Review process. The full program is still under development and has been delayed due to lack of resources and other priorities.
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.	The Movement Area Licensing Program started in January 2007 with the testing of NWA equipment service employees. By the end of October 2007, more than 2,000 Movement Area Drivers had completed the testing and licensing program.  The Airport wide Drivers' Licensing Program was included in the FY 2008 budget but was voluntarily deferred until FY 2009. Program technical specifications will be developed in 2008 for bid in FY 2009.

## 2008 PROGRESS REPORT

Service Center Key Initiative	Measurement	Results
Prepare an Airside Operations department staffing plan.	Formal recommendation forwarded to Deputy Executive Director / Operations and HR for 2009, 2010 and 2011 budget planning.	Staffing plan submitted and approved, including increased headcount for two operations coordinator positions. Headcount increase via internal transfer.
Continue planning for an airport-wide driver's license training, testing and licensing program. FAR Part 139 requires initial and recurrent training of all vehicle operators at MSP.	Prepare a technical specifications program RFP for '08 issuance, '09 purchase. Identify location and staffing levels necessary to efficiently process airport driver's licenses.	Request for Proposal completed; IS evaluating alternatives. Budget cuts will affect timing of program implementation.

## SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET

## AIRSIDE OPERATIONS

## 2009 KEY INITIATIVES

Organizational Strategy: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
NA	Enhance Airport Operations Area (AOA) driver's training programs and expand program to all AOA drivers.	Zero runway incursions involving any AOA driver; AOA driver's training hardware/software upgrade.
NA	Install Learning Management System (LMS) software to track FAR Part 139 training requirements for MAC employees and partners, as applicable	Coordinate procurement with MAC IS with a 2009 target delivery. Negotiate installation time frames with FAA Certification Inspector to ensure compliance with FAR Part 139.303.

Organizational Strategy: <i>Match Employee Talent with Changing Business Needs</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
NA	Reduce Airside Operations overtime as a percentage of total wages.	2009 Airside OT percentage of total wages down from 13.6% in 2008 to less than MAC average (11.3% in 2007).

Organizational Strategy: <i>Strengthen Relationships and Partnerships</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
NA	Maintain successful winter operations coordination between the MAC, Delta/NWA and MSP ATCT. Northwest and Delta Systems Operation Control centers will merge in 2009, with the combined SOC located in Atlanta.	Conduct a winter operations summit with, and for the benefit of Delta/NWA Airlines Systems Operations Control personnel prior to the 2009-2010 winter season.

## Performance Indicators

Organizational Key Areas of Performance	2007 Actual	2008 Est	2009 Budget	Target
People	10.4%	9.5%	8.5%	8.5%
SC Performance Indicator: Overtime as a percentage of total wages				
Comments: 2007 MAC OT as % of total wages = 11.37%				
Safety	0	0	0	0
SC Performance Indicator: Runway incursions				
Comments: Goal represents all MSP vehicle operations; MAC and tenant drivers.				

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****EMERGENCY COMMUNICATIONS****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	1,020,233	1,030,054	1,136,058	106,004	10.29%
Administrative Expenses	15,565	19,501	18,415	-1,086	-5.57%
Professional Services		0	0		
Utilities	1,984	4,415	4,415	0	0.00%
Operating Services/Expenses	58,051	58,736	27,385	-31,351	-53.38%
Maintenance		0	0		
Other	11,504	3,650	16,366	12,716	348.38%
<b>Total Budget</b>	<b>1,107,336</b>	<b>1,116,356</b>	<b>1,202,639</b>	<b>86,283</b>	<b>7.73%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>16</b>	<b>15</b>	<b>16</b>

**RESPONSIBILITY/FUNCTION**

Emergency Communications is the 911 center for the airport community, operating 24 X 7. The staff makes critical decisions to ensure the safety of the passengers, police officers and firefighters. We are responsible for dispatching and coordinating police, fire and emergency responses and are the operators of the secured card access system. This center also houses the Honeywell fire alarm system which has over 8400 devices. We operate the CCTV camera system which houses 1025+ cameras. This department controls the audio recording for 60 plus channels of phone and radio traffic. We make terminal announcements regarding security issues and weather and provide the only airport-wide paging service from 10 PM to 7 AM.

**MAJOR 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Overtime is necessary to meet minimum staffing requirements in 911 Center.
Operating Services/Expenses	The decrease in operating services and expenses is due to a partial maintenance agreement on the current CAD system. The maintenance agreement will be at full cost in 2010. The current telephone maintenance agreement covers the first six months in 2009. The entire phone system, which will be replaced, will require the full maintenance agreement in the 2010 budget.
Other	The increase is due to additional acquisitions required for the department including the shredder, additional office furniture, CCTV cabinets, displays, and mounts.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****EMERGENCY COMMUNICATIONS****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	The tactical dispatch program is in the beginning stages of it's design. The supervisor has been working closely with two staff members to research, plan, and design a program that will take this department into the future of tactical dispatching. Next year will require more work to draft the agency policies and procedures and design appropriate training. This department will be developing a core group of department members that will have the expertise and foresight to make this program the best it can be.
Finish development and revision of Emergency Communications Center policy manual.	Operating consistency, reduction of liability. Ability to update as necessary.	This project requires an enormous amount of research and draft copies. Great strides have been made this year. A core group of eight staff members have designed the structure of the new manual, drafted an impressive outline, new forms and a general format to be followed. This group has drafted numerous policies and final copies of these policies are now being implemented. To be continued in 2008.
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.	The development of this program is in the early stages. Department staffing shortages continued until July 2007.
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.	This project was in the planning stage in 2007. As of this date, there is a CIP request for 2008 to start on this project. This year plans were drawn up for a new facility to accommodate or needs. Current space has not met our increase in technical equipment or staffing since 1995.



**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****EMERGENCY COMMUNICATIONS****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	This project has been on hold until plans and funding is determined. At this time the request for the project is in the 2008 CIP requests.

**2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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. Space for critical equipment skills training. Ergonomically correct work stations for 24 X 7 staffing. Adequate storage for current and future equipment and supplies. Appropriate office space for administrative functions and on-going training.	Modified initiative moved to 2009. Short term focus of new center was changed to accommodate present economic climate.
Continue process to establish Emergency Communications back up center.	Provide uninterrupted communications for emergency public safety services to airport community.	In 2008 the planning and construction began on the new back up center in the basement of the fire station. The short term focus of the back up center was modified to establish this facility as the temporary primary emergency communications center. The space is the same size as the current center in the Lindbergh terminal and is too small to accommodate our needs as a permanent primary facility. The plan is to build a new space in 2011-2012 that will accommodate our current staff and our future needs. The basement of the fire station will then be turned into the back up center that it was originally designed for.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**EMERGENCY COMMUNICATIONS****2009 KEY INITIATIVES**

<b>Organizational Strategy: Enhance Customer Service</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Implement 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.
NA	Establish plan to secure space for Emergency Communications department needs. Current space and temporary short term space in basement of fire station is insufficient to accommodate current staff as well as future equipment and personnel needs.	New facility to meet current and future development needs. Ability to accommodate necessary equipment as well as 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. Adequate space for all staff members.
NA	Continue development and revision of Emergency Communications Center policy manual.	Operating consistency, reduction of liability. Ability to update as necessary.

**Performance Indicators**

<b>Organizational Key Areas of Performance</b>	<b>2007 Actual</b>	<b>2008 Est</b>	<b>2009 Budget</b>	<b>Target</b>
People				0 - 5% complaints
<b>SC Performance Indicator:</b>	Call handling standards on all shifts are met			
<b>Comments:</b>	Appropriate staffing levels. Adequate working positions filled to cover calls for service. Maintain performance levels. Increase training on high priority systems. Incorporate staffing plan that ensures call-answering standards are met along with ability to optimize training opportunities and cover for time off requests.			
Customer Service				90% or more in 10 seconds or less
<b>SC Performance Indicator:</b>	Answer 911 calls in appropriate time frame			
<b>Comments:</b>	Answering 90% or more of 911 calls is attainable only with appropriate staffing levels. The 90% standard is currently an informal standard mandated in many states. In 2008 case law was established that supports this standard and Minnesota is considering requiring adherence to the standard. This department had requested two additional communications specialists in 2007 and 2008 which were denied due to budget issues. Increases in job duties and calls for service reveal the need to have two more emergency communications specialists to increase the level of staffing at key times in this 24 hour per day department.			

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**LANDSIDE-OPERATIONS****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel		0	0		
Administrative Expenses	25,524	32,572	23,549	-9,023	-27.70%
Professional Services		0	0	0	0.00%
Utilities		0	0		
Operating Services/Expenses	131,763	88,050	87,691	-359	-0.41%
Maintenance	33,285	39,908	41,105	1,197	3.00%
Other		1,000	0	-1,000	-100.00%
<b>Total Budget</b>	<b>190,573</b>	<b>161,530</b>	<b>152,345</b>	<b>-9,185</b>	<b>-5.69%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>0</b>	<b>0</b>	<b>0</b>

**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.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET**

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<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**LANDSIDE-PARKING****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel		0	0	0	0.00%
Administrative Expenses	148	5,000	5,000	0	0.00%
Professional Services	3,092	0	0		
Operating Services/Expenses	7,355,227	8,831,923	7,884,683	-947,240	-10.73%
Maintenance	149,166	212,000	168,360	-43,640	-20.58%
Other		0	0		
<b>Total Budget</b>	<b>7,507,632</b>	<b>9,048,923</b>	<b>8,058,043</b>	<b>-990,880</b>	<b>-10.95%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>0</b>	<b>0</b>	<b>0</b>

**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.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****LANDSIDE-ADMINISTRATION****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	1,443,613	1,429,416	1,455,782	26,366	1.84%
Administrative Expenses	65,315	53,910	59,157	5,247	9.73%
Professional Services		0	0		
Utilities	5,025	8,184	7,000	-1,184	-14.47%
Operating Services/Expenses		0	0		
Maintenance		0	0		
Other	12,559	7,600	7,828	228	3.00%
<b>Total Budget</b>	<b>1,526,512</b>	<b>1,499,110</b>	<b>1,529,767</b>	<b>30,657</b>	<b>2.05%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>23.5</b>	<b>21.5</b>	<b>23.5</b>

**RESPONSIBILITY/FUNCTION**

Landside Parking 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, 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. Landside also oversees the operation, maintenance, and design of the Commission's commercial vehicle roadways, the automated system that provides access and revenue control, 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 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	An increase in mileage and travel expenses required an increase in this area.

**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	June 2007 MAVIS replaced PACS employee parking, October 2007 MAVIS replaced AVI DataFlex (commercial vehicle and taxi). As of December 2007 final Punch List items are being resolved. Final Acceptance of MAVIS should occur early 2008.
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.	Landside staff has fully participated in meetings to forecast demand, meetings to review facility design features to best serve the public, and meetings to monitor construction phasing.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****LANDSIDE-ADMINISTRATION****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	Parking revenue increased year over year by 3.3% without a planned rate increase. All of the planned marketing avenues were utilized.
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.	Despite a 143% increase in vehicles diverted (42,741), continued improvements in the process, resulted in a very small number of customer complaints. SurePark was created and implemented to provide real-time parking information to allow customers to avoid frustration related to the diversion process by reacting to the information and driving directly to the Humphrey facility. SurePark provides information via the Internet, a voice message, or a text message. As part of the process, employee parkers were shifted from the Humphrey Ramp 1st quarter 2007 with minimal disruption.
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.	A five-year capital project plan was begun and will be continuously updated as needs dictate.
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.	2007 projects were completed with excellent cooperation between Ampco, Field Maintenance, Airport Development, and Landside. The process was efficient, and minimized disruption to parking operations.
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.	The existing contract was amended, resulting in a \$30,000 one-time payment to MAC, and a reduction of \$12,000 per month in fees.
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.	Landside created and refined the real-time information product known as SurePark. SurePark provides customers access to parking availability at Lindbergh and Humphrey facilities via the Internet, via voice telephone, and via cell phone text message.



## SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET

## LANDSIDE-ADMINISTRATION

## 2009 KEY INITIATIVES

Organizational Strategy: <i>Enhance Customer Service</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
NA	Re-evaluate Passenger Service Assistant (PSA) duties and performance of those duties to improve management of transportation services and passenger customer service.	Analyze internal and external customer input to measure service delivered by PSA's to passengers and service providers.
NA	Improve taxi holding lot area and facilities.	Meet monthly with SuperAmerica and taxi operators to improve facility and services; on-going inspections of facilities and services by Landside Agents to monitor actual conditions against the expected baseline.
NA	Improve the management of transportation services delivery through increased staff field presence.	Amount of staff time managing in the field increases by 20%.
NA	Improve efficiency of processing taxi driver inquiries.	Create a structure for drivers and service companies to submit their inquiries and receive feedback. Their time and staff time is better utilized.

Organizational Strategy: <i>Ensure Long-Term Financial Viability</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
NA	Provide additional revenue generating services to customers in valet parking, and create a Guaranteed Parking product.	Guaranteed Parking available at Lindberg and Humphrey, additional revenue generating services are available at Lindbergh Valet.
NA	Increase public parking at the Humphrey Orange Ramp.	Increase Humphrey hours parked by 20% annually.
NA	Replace Automatic Vehicle Identification hardware to improve the accuracy and reliability of the Landside revenue control systems.	Monthly miss-matched trips decrease by 5%. Monthly eTrip® reductions decrease by 5%. Monthly complaints from employee parkers "ZipPass doesn't work" decrease by 10%. Monthly taxi driver monthly complaints "dropped from dispatch queue by mistake" decrease by 10%.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**LANDSIDE-ADMINISTRATION****2010 - 2013 LONG TERM OBJECTIVES**

Objective	Expected Results
Install AVI/RCS equipment in the Humphrey LRT Transit roadway area.	Equipment installed by 11/11/13.
Install AVI/RCS equipment in the Lindbergh Transit Center area.	Installed by 06/01/2011.
Provide sufficient future parking and ground transportation facilities to meet public and employee parking demands and the needs of commercial vehicles in ways that maximize usage of green technology and energy self-sufficiency.	On-going meetings with consultants, Finance and Airport Development to document parking demand trends and the amount of facility capacity needed to meet expected future demand.
Replace FlexiPark Central Management System (FCMS) cashier terminals and ticket spitters with Zeag Orion cashier terminals and ticket spitters to create opportunities for enhancing customer service.	During 2011 add ability to issue barcode "coupons" that can be used in ePark® or cashier lanes. Add feature that doesn't currently exist and can be used as a marketing tool. During 2011 replace tickets spitters at entrance to eliminate dual slot devices (one slot for ticket, one slot for credit card). Devices process customers faster through the entrance lanes.

**Performance Indicators**

Organizational Key Areas of Performance				
	2007 Actual	2008 Est	2009 Budget	Target
Customer Service	4.125	4.200	4.300	
<b>SC Performance Indicator:</b>	Achieve an average ASQ survey score above 4.0 for "Ground Transportation" survey results			
<b>Comments:</b>	Airport Service Quality (ASQ) quarterly statistical report.			
Customer Service	3.720	3.750	3.850	
<b>SC Performance Indicator:</b>	Achieve an average ASQ survey score above 3.7 for "Quarterly Parking Availability" survey results			
<b>Comments:</b>	Airport Service Quality (ASQ) quarterly statistical report.			
Customer Service	0%	15%	100%	
<b>SC Performance Indicator:</b>	Taxi drivers use their Service Company as first point of contact for information			
<b>Comments:</b>	Direct drivers to process inquiries through their Service Company representative.			

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****FIRE****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	3,728,893	3,580,572	3,861,579	281,007	7.85%
Administrative Expenses	17,337	32,927	17,950	-14,977	-45.49%
Professional Services	9,113	18,700	15,700	-3,000	-16.04%
Utilities	6,071	5,200	7,000	1,800	34.62%
Operating Services/Expenses	15,309	36,500	25,000	-11,500	-31.51%
Maintenance	-3,510	9,066	4,536	-4,530	-49.97%
Other	109,218	122,734	89,754	-32,980	-26.87%
<b>Total Budget</b>	<b>3,882,431</b>	<b>3,805,699</b>	<b>4,021,519</b>	<b>215,820</b>	<b>5.67%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>49</b>	<b>49</b>	<b>49</b>

**RESPONSIBILITY/FUNCTION**

The Fire Department is responsible for providing aircraft rescue and firefighting, structural firefighting, and first response emergency medical services. The department investigates all fires that occur within our service area determining the origin and cause and ensuring proper documentation for state and federal reporting requirements. The department also provides a number of public education opportunities including Fire Extinguisher, AED, CPR, and First Aid training to airport tenants.

**MAJOR 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Utilities	This increase is attributed to increased cellular expenses and the acquisition of additional communication equipment.

**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	Not Completed still reviewing possible funding sources and locations
Prepare for the adoption of the 2006 International Fire Code (IFC) by the State.	Update and approval of new Ordinance 99.	Reviewed with MAC Legal and it was their opinion that the current ordinance was sufficient to allowing us to use the 2006 IFC adopted by the state in July of 2007.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET*****FIRE*****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	No support from outside fire department for this project
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.	Waiting for status of new ATC Tower project
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.	Not completed
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.	Unable to complete will place in 2008 objectives
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.	We went to 13 minimum staffing in Mid January 2007 following shift changes.

**2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Full implementation of new Computer Aided Dispatch (CAD) software by December 31, 2008.	Full system functionality has been tested, approved and cutover has been completed.	Will be completed in 2009 currently waiting on MAC Purchasing and IS to sign agreement with vendor.
Prepare, publish and distribute Fire Department Annual Report for 2007.	Report has been distributed.	Completed 2/29/2008
Create newsletter to better communicate with current Fire Department employees, their families and the retired employees.	Published and distributed three times each year	The third issue was mailed on December 17, 2008.
2009-2011 Business Plan for the Airport Fire Department.	Business Plan completed and submitted to MAC Senior Staff and Commissioners.	This project is about 90% complete with some minor changes which remain to be addressed. Presentation of the Fire Department Business Plan is anticipated in the first quarter of 2009.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****FIRE****2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Update and maintain Fire Department intranet site.	Site updated with 2007 information and maintained regularly.	Intranet is up and running. Will continue to update information. Working on monthly reports.
Review and revise rates charged for fire extinguisher and CPR / first aid training	Benchmark our rates against other agencies and training institutions and determine a proper rate to charge to cover all costs associated with providing the classes.	Rate structure has been revised and currently working on a brochure allowing customers to see the rates we charge and providing some specific information about the programs we offer.
Develop plan to have 1/3 of department attend a fixed ARFF Training facility each year and continue annual live burn training at MSP with the mobile unit.	Ability to meet the FAA requirement of all ARFF personnel attending a fixed facility every three years.	FAA would not approve our plan.
Provide ARFF training to Richfield and Bloomington using the mobile aircraft trainer at MSP.	Both mutual aid departments participated in the training activities.	Completed using mobile trainer.
Conduct more inspections of tenant areas to prevent the improper use of their spaces for cooking or other non-approved activities	Reduction in false alarm activations in airline and other tenant break areas.	On-going project Fire Marshal continues aggressive follow-up whenever problem areas are identified by shift personnel.
Develop budget to meet the fire protection needs at MSP.	Staffing issues, apparatus replacement schedule and funding is addressed in budget with long term commitment from Senior Staff and Commission.	Not able to secure funding for staffing, apparatus replacement schedule or improvements in general fire protection at the fuel farm, Zantop hangar or the old navy complex. We will try again in the 2010 budget process.
Update all Department Operation Guidelines (DOGs).	All DOGs have been updated to reflect current department operations.	
Develop internet link to a Fire Department website.	Internet site and link are up and running.	This will have to wait until new internet site for the MAC is completed.
Complete Pre-plan project.	Plans produced, reviewed and in response vehicles.	75 % completed project will continue into early 2009 and updating of pre-plans will be ongoing.
Review level of emergency medical services offered to determine if any changes are needed	Research completed and report prepared to define the level of service the department will provide over the next five years.	
Review need for additional Captain position: .5 fire inspector .5 public educator. (This position would be filled from the current approved head count)	Need clearly identified & documented in request to HR and the Deputy Executive Director of Operations	Not in the approved budget.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**FIRE****2009 KEY INITIATIVES**

<b>Organizational Strategy: <i>Enhance Customer Service</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Work with selected vendor, ECC and the PD to bring online new CAD system.	New CAD program operating and meeting expectations for all three departments.
NA	Develop documentation program for annual training allowing for better management review of our annual status in meeting FAA requirements.	Program in place allowing for the review of all FAA related training helping to ensure compliance with FAR 139.

<b>Organizational Strategy: <i>Ensure Long-Term Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Develop financing plan and schedule for replacing department apparatus. This will allow for better management control of the budget as long term planning will allow better forecasting of budget requirements several years ahead of the actual need.	Plan in place and approved by senior staff and use as a solid budget planning tool.

<b>Organizational Strategy: <i>Leverage Resources and Technology</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Review portable fire extinguisher maintenance activities to ensure we are in full compliance with NFPA 10. Conduct full inventory audit reviewing all extinguisher placements, proper type for specific locations and all maintenance activities.	Computer based program in place for tracking all activities related to portable extinguishers.
NA	Develop program to track all public education programs including contact numbers, billing information, attendees, classes delivered and revenue generated.	Program in place allowing for management review of all areas of our public education efforts.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****POLICE****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	8,691,206	8,911,006	8,806,036	-104,970	-1.18%
Administrative Expenses	363,508	388,444	394,394	5,950	1.53%
Professional Services	21,760	40,350	70,500	30,150	74.72%
Utilities	27,687	26,120	26,120	0	0.00%
Operating Services/Expenses	890,944	1,194,926	930,499	-264,427	-22.13%
Maintenance	39,618	86,474	173,575	87,101	100.73%
Other	155,633	187,900	152,888	-35,012	-18.63%
<b>Total Budget</b>	<b>10,190,356</b>	<b>10,835,220</b>	<b>10,554,012</b>	<b>-281,208</b>	<b>-2.60%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>113.5</b>	<b>117.5</b>	<b>113.5</b>

**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 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Service center transferred open position(s) to other service center(s) based upon organizational needs.
Administrative Expenses	Administrative Expenses have increased due to the cost of badging supplies including ribbon, transfer film, and plastic pouches.
Professional Services	The K-9 program required an increase due to costs associated with the program including vaccinations, check-ups and boarding in addition to renewal of a professional Canine Trainer contract.
Maintenance	Many of the current CCTV (Close Circuit Television) cameras and their related components are reaching their expected serviceability necessitating repair and replacement to maintain the high standard of security at MSP.
Other	Six squad laptops for EOD (Explosive Ordinance Disposal) will be approximately 3.5 years old in 2009 requiring replacement.

**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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	This objective continues into 2008 as we prepare for an election year and Republican National Convention being held in St. Paul.

## SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET

## POLICE

## 2007 PROGRESS REPORT

Service Center Key Initiative	Measurement	Results
	will allow daily activities to take place without delays.	
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.	Space and funding for a back up center is in the 2008 budget. Remodeling of police administration has completed. Initial plans / drawings for a new public safety building have been completed and budgeting discussions focus on 2009 approval for a 2010 construction start.
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.	Development of program and initial funding completed with initial construction started in 2007. Continued as objective for 2008 - 2010.
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.	Complete.
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.	Development of partnership programs (BPR - BDO) with TSA and Federal Air Marshall's are on-going and will continue as an objective in 2008.



**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****POLICE****2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Continue to implement and maintain federal security directives while working with the TSA and coordinating efforts between the agencies setting an example for the other airports to follow.	Building a strong relationship will combine our resources to best secure MSP and provide our customers with the safety and security that they expect. Compliance within the proposed budget.	Joint MAC & TSA security efforts to include VIPR, ADASP, and Risk Assessment Testing were effectively conducted. Efforts to coordinate BDO's and CCTV monitoring moved forward into implementation.
In partnership with the U.S. Secret Service, ensure safe passage for all dignitaries using MSP during the presidential campaign, to include RNC attendance, by providing an environment that deters criminal activity in an effective and efficient manner.	Required personnel and equipment will be available to staff related details as well as maintain normal operations within mandated requirements.	Successfully completed with appreciation from the USSS and City of St. Paul.
Implement security enhancement needs at MSP. Specific areas include perimeter fence line, field gates, SIDA intrusion sites, fuel farm, and checkpoint exit lanes.	Utilize multi-year planning to address prioritized needs, obtain continued funding approval, and facilitate construction.	This is an on-going, year to year initiative however the following are highlighted achievements for 2008: Fuel Farm fence upgrade achieved and intelligent video is being installed, Gate 222 was hardened with a crash bar at the entrance gate, and AOA fencing is being reinforced with cable at appropriate locations.

**2009 KEY INITIATIVES**

<b>Organizational Strategy: <i>Enhance Customer Service</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
Launch a MSP airport-wide customer service program in partnership with the Customer Service Action Counsel.	Initiate efforts to further provide for the dissemination of consistent directions and expectations to customers concerning curbside vehicle access on the terminal roadways that balances customer service with existing threat level.	Coordinate effort with MAC Public Relations to identify appropriate message and media. Track complaints to identify positive outcomes.

<b>Organizational Strategy: <i>Leverage Resources and Technology</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Implement security enhancement needs at MSP. Specific areas include perimeter fence line, field gates, and SIDA intrusion locations.	Utilize multi-year planning to address prioritized needs, obtain continued funding approval, and facilitate construction.

## SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET

**POLICE****2009 KEY INITIATIVES**

<b>Organizational Strategy: <i>Strengthen Relationships and Partnerships</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Continue to implement and maintain federal security directives while working with 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 and provide our customers with the safety and security they expect. Compliance within proposed budget.

**Performance Indicators**

<b>Organizational Key Areas of Performance</b>	<b>2007 Actual</b>	<b>2008 Est</b>	<b>2009 Budget</b>	<b>Target</b>
People				
<b>SC Performance Indicator:</b>	Participation in Wellness activities.			
<b>Comments:</b>	Encourage department staff to pursue healthy living through participation in wellness activities.			
Safety				
<b>SC Performance Indicator:</b>	Training related accidents.			
<b>Comments:</b>	Utilize acceptable forms of stretching and warmup prior to engaging in physically demanding training.			
Customer Service				
<b>SC Performance Indicator:</b>	Number of sustained CSO complaints.			
<b>Comments:</b>	Continued use of audio and video recordings to verify accuracy and validity of customer complaints.			

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****FACILITIES-HUMPHREY TERMINAL****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	195,023	200,847	212,371	11,524	5.74%
Administrative Expenses	4,862	6,300	5,100	-1,200	-19.05%
Professional Services		0	0		
Utilities	656	1,400	795	-605	-43.21%
Operating Services/Expenses	16,398	29,040	16,650	-12,390	-42.67%
Maintenance	75,964	97,350	80,900	-16,450	-16.90%
Other	1,969	2,670	19,860	17,190	643.82%
<b>Total Budget</b>	<b>294,871</b>	<b>337,607</b>	<b>335,676</b>	<b>-1,931</b>	<b>-0.57%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>2</b>	<b>2</b>	<b>2</b>

**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. MAC Liaison to Federal Inspection Services (CBP).

**MAJOR 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Other	Increase is required for the replacement of the following equipment: computer monitors (displays) for Lindbergh FIS Control Center, CCTV cameras in Lindbergh FIS Facility, video recording equipment (DVR) for Lindbergh FIS Facility and printers for Humphrey gate counter computers - Common Use System Equipment (CUSE).

**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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).	11/06 - vendor (Ultra) selected for new CUPPS system. Installation meetings will begin in January 2007 and held through completion of installation. 12/31/07 - All (10) CUSS Kiosks have been upgraded and are fully common-use CUSS compliant with new software and support services in place. Now working with airlines to certify their (CUSS) applications on the kiosk operating system. Expect this to happen in 2008.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**FACILITIES-HUMPHREY TERMINAL****2007 PROGRESS REPORT**

Service Center Key Initiative	Measurement	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.	Completed 11/30/07. New vendor is Ultra Elec. Inc. Airlines (customers) are very happy with changes/improvements.

**2009 KEY INITIATIVES**

Organizational Strategy: <i>Enhance Customer Service</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
NA	MUFIDS Phase 2 - expand MAC MUFIDS system. Install additional flight information displays throughout the airport (Lindbergh Terminal). Flight information displayed for all airlines/passengers.	Project completion. New displays installed and operating at all 40+ approved locations.

Organizational Strategy: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
NA	Expand use of dynamic (LCD) displays for public and passenger advisory information. Eliminate temporary, paper and old static signs in primary public/passenger traffic areas such as security checkpoints, ticketing and bag claim.	Reduction in the number of temporary and static signs throughout the Humphrey Terminal. Improved passenger awareness of TSA, CBP and Airport rules.

**Performance Indicators**

Organizational Key Areas of Performance	2007 Actual	2008 Est	2009 Budget	Target
Airport Operations				
SC Performance Indicator:	Elimination of non-standard signage			
Comments:				
Customer Service				
SC Performance Indicator:	Reduced passenger complaints			
Comments:				

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****FACILITIES-LINDBERGH TERMINAL****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	605,709	636,721	685,053	48,332	7.59%
Administrative Expenses	43,225	28,881	40,071	11,190	38.75%
Professional Services	87,096	142,500	122,500	-20,000	-14.04%
Utilities	4,735	3,090	3,716	626	20.26%
Operating Services/Expenses	214,416	769,354	631,547	-137,807	-17.91%
Maintenance	13,578,550	15,111,828	16,430,466	1,318,638	8.73%
Other	29,607	13,515	15,515	2,000	14.80%
<b>Total Budget</b>	<b>14,563,338</b>	<b>16,705,889</b>	<b>17,928,869</b>	<b>1,222,980</b>	<b>7.32%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>10</b>	<b>10</b>	<b>10</b>

**RESPONSIBILITY/FUNCTION**

This department is responsible for the operation, maintenance, and cleaning of the terminal facilities and all of the MAC campus buildings with oversight responsibility for the Energy Management Center as well as the Trades work groups. 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. 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 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Primary increase in this category is the inclusion of new regulatory requirements to MN State for the (new) annual operating permit now required for the elevators/escalators/moving walkways.
Administrative Expenses	The majority of increase in this category is the renewal of software licenses and agreements.
Maintenance	The majority of increases in this category are primarily due to the 2009 expiration of the Automated People Mover (APM) and Elevator/Escalator/Moving Walkway contracts. The increase accounts for an anticipated increase in the contract amounts. Other increases in maintenance are attributed to higher costs in janitorial & window cleaning, cleaning/bathroom supplies, and pest control expenses.
Other	Primary increase in this category is the acquisition of required radio equipment for the Energy Management Center to be linked with Facilities Management.

**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Participate in the creation of a permanent music program.	Live music in the Lindbergh Terminal.	50% complete. This objective was rolled into the Arts & Culture Program, which is currently being developed.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET*****FACILITIES-LINDBERGH TERMINAL*****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Develop detailed plan for future C.M.M.S.	Potential recommendation of replacement C.M.M.S. software package	25% Complete - Product selection identified with initial input meetings scheduled for 1st quarter of 2008.
Address cleaning contract renewal option	Renew existing vendor or create new RFP.	100% Complete - Contract has been renewed.
Encourage employee growth	Facilities department personnel attend at least 75% of MAC offered training classes.	100% - Department employees are fully encouraged to participate as often as possible in all applicable, available training classes.

**2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Improve staff productivity through new and improved technology.	Reduce downtime of specific terminal functions (facilities monitoring) and additional maintenance performed (computerized maintenance management system).	Elevator/escalator/moving walk callbacks - Dec 2007 - 131; Dec 2008 - 75. New CMMS system operational in late 2008 so there has not been enough time to measure overall effectiveness.
Improve terminal cleanliness.	Increased customer satisfaction (rating) and decreased passenger/tenant complaints.	ASQ result for terminal cleanliness - 4th qtr - 2007 - 4.16; 3rd qtr - 2008 - 4.19
Minimize disruptions due to key retirements.	MAC remains a high performing organization by preserving organizational knowledge (trades manager & electrical general foreman).	Electrical administrative foreman was hired in May 2008. Trades manager is set to retire on March 31, 2009.
Maintain expanded facilities.	Properly maintained expanded HT parking and LRT stations.	HT LRT station is being properly maintained. HT parking (Orange ramp) is set to open on February 4th, 2009.
Ensure newly-acquired baggage systems and jet bridges are maintained to MAC standard.	MAC assets are overseen by staff engineer. No current O&M (budgeted) dollars in 2008 for \$7M Operation.	Outbound baggage system and jetbridges have not been acquired by MAC yet.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**FACILITIES-LINDBERGH TERMINAL****2009 KEY INITIATIVES**

<b>Organizational Strategy: <i>Enhance Customer Service</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Improve terminal cleanliness.	Increased customer satisfaction rating and decreased passenger/tenant complaints.
NA	Smoothly transition to new tram O&M contract	Tram availability stays the same or improves.

<b>Organizational Strategy: <i>Leverage Resources and Technology</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Improve staff productivity through improved technology	Time spent by individuals inputting information into CMMS

<b>Organizational Strategy: <i>Match Employee Talent with Changing Business Needs</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Minimize disruptions due to key retirement-Trades Manager	Trades departments' continue to run smoothly.

**Performance Indicators**

<b>Organizational Key Areas of Performance</b>	<b>2007 Actual</b>	<b>2008 Est</b>	<b>2009 Budget</b>	<b>Target</b>
Airport Operations	131	75	75	70
<b>SC Performance Indicator:</b> Elevator/escalator/moving walk callbacks				
<b>Comments:</b>				
Airport Operations	98%	98%	98%	99%
<b>SC Performance Indicator:</b> C Tram availability				
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****FACILITIES-ENERGY MGT. CENTER****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	1,150,717	1,244,632	1,220,001	-24,632	-1.98%
Administrative Expenses	3,480	4,445	4,445	0	0.00%
Professional Services	49,876	42,163	42,163	0	0.00%
Utilities	3,070	3,629	3,629	0	0.00%
Operating Services/Expenses		0	0	0	0.00%
Maintenance	1,410,563	1,340,435	1,429,579	89,144	6.65%
Other	3,569	4,948	4,948	0	0.00%
<b>Total Budget</b>	<b>2,621,276</b>	<b>2,640,252</b>	<b>2,704,765</b>	<b>64,512</b>	<b>2.44%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>19</b>	<b>18</b>	<b>18</b>

**RESPONSIBILITY/FUNCTION**

The Energy Management Center (EMC) is responsible for the heating, ventilation and air conditioning (HVAC) of all MAC facilities utilizing a staff of 15 operating engineers who provide 24-hour service. They operate & maintain boilers with jet fuel backup, chillers and cooling towers and numerous miscellaneous components to provide a comfortable environment for all customers and tenants at MSP.

EMC utilizes three advanced computerized building management systems to operate and maintain the large, complex HVAC system. EMC monitors 200 CO sensors spread around the MSP Campus.

EMC responds to all incoming HVAC-related calls and keeps detailed records of all repair work & preventative maintenance, gas, oil, water & steam usage.

**MAJOR 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Service center transferred open positions to other service centers based upon organization needs.
Maintenance	Additional cost due to signed contracts for Honeywell, Seimens, York or Johnson Controls for 2009 Temp Controls. Also, expenses related to repair and maintenance of CO and NO2 sensors.

**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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%	Goals have been met by reducing outside contract repair by at least 3% through cross training EMC personnel on HVAC repairs.
Improve response time on calls for service.	Reduce response time by 5%	5% reduction on response time has been met by training the two, new replacement operators with correct procedures on responses to the airport.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**FACILITIES-ENERGY MGT. CENTER****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Take advantage of free educational opportunities.	100% attendance by all EMC members.	90% complete on all free training in-house at EMC. We are still completing our Defensive Driver training and testing, and the First-Aid refresher course.
Improve interface with consultants and vendors.	Regularly scheduled meetings with consultants and vendors.	90% improvement in communicating by meeting with consultants on all MAC projects. Also, after the bids are awarded we meet with the vendors on a regular basis, reducing many field order changes.

**2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Improve Staff Productivity Through New and Improved Technology	Reduce Downtime of Specific Terminal Functions (Facilities Monitoring) and Additional Maintenance Performed (Computerized Maintenance Management System)	Start upgrading the building automation system to the new open protocol system in November .
Roll-out of Apprentice Program in EMC	MAC no longer relying on a diminishing outside talent pool. Apprentice achieves license within three years when several staff are eligible to retire.	There has been a great amount of information received, ready to proceed. Only waiting for HR and senior staff to give the go ahead.
Maintain Expanded Facilities	Properly maintained expanded HT Parking and LRT Stations	LRT is complete and operational. Everyone is trained and working well.  HT parking is still being built, yet we have received control of new boilers and chillers at said location.

**2009 KEY INITIATIVES**

<b>Organizational Strategy: N/A</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	Reduce time to respond to customer complaints.	Increase customer satisfaction and decreased customer complaints.
N/A	Smoothly transition to new OABA system	EMC continues to run smoothly

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****TRADES - ELECTRICIANS****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	1,445,761	1,378,161	1,559,568	181,407	13.16%
Administrative Expenses	5,959	1,730	1,730	0	0.00%
Professional Services	4,796	12,200	10,200	-2,000	-16.40%
Utilities	5,776	6,219	6,573	354	5.69%
Operating Services/Expenses	911	3,266	733	-2,533	-77.56%
Maintenance	586,425	688,396	657,397	-30,999	-4.50%
Other	21,778	31,892	22,892	-9,000	-28.22%
<b>Total Budget</b>	<b>2,071,405</b>	<b>2,121,865</b>	<b>2,259,094</b>	<b>137,229</b>	<b>6.47%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>17</b>	<b>17</b>	<b>17</b>

**RESPONSIBILITY/FUNCTION**

The Electrical Department provides maintenance and repairs of all electrical equipment and lighting fixtures throughout all terminal buildings at MSP and MAC Reliever Airports. 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, all emergency generator buildings and all associated lighting and electrical work within MAC parking facilities. Responsibilities include all security gates and electronic card readers throughout MAC's airport system and oversight and repair responsibility for the LRT Platform.

**MAJOR 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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	Working 16 hours per week with secured card access, getting increased training knowledge.
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.	Current plan is working. Repairs are made as problems are discovered, resulting in fewer problems overall.
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.	Schedule is in place. Records are being kept and the plan appears to be working.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**TRADES - ELECTRICIANS****2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Maintain expanded facilities.	Properly maintained expanded HT Parking and the LRT Stations.	Existing staff currently maintaining expanded facilities.
Improve staff productivity through new and improved technology.	Reduce downtime of specific terminal functions (facilities monitoring) and additional maintenance performed (computerized maintenance management system).	E1 CMMS has been rolled out but additional maintenance is not being performed due to issues related to the rollout.

**2009 KEY INITIATIVES**

<b>Organizational Strategy: N/A</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	Reduce runway downtime due to airfield lighting issues.	Runway downtime related to airfield lighting.
N/A	Improve staff productivity through improved technology	Time spent by individuals inputting information into CMMS

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****TRADES - PAINTERS****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	634,561	691,027	778,434	87,408	12.65%
Administrative Expenses		550	300	-249	-45.38%
Professional Services		0	0		
Utilities	1,905	1,462	1,549	87	5.97%
Operating Services/Expenses		3,030	0	-3,030	-100.00%
Maintenance	183,176	209,704	210,457	753	0.36%
Other	12,756	2,473	2,473	0	0.00%
<b>Total Budget</b>	<b>832,398</b>	<b>908,245</b>	<b>993,213</b>	<b>84,968</b>	<b>9.36%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>7</b>	<b>8</b>	<b>8</b>

**RESPONSIBILITY/FUNCTION**

The function/responsibility of the MAC Paintshop is to maintain a clean, comfortable and safe environment for the traveling public. The Paintshop is responsible for accurate and complete signage throughout the airport facilities including roadways and all parking areas.

The Paintshop is also responsible for the correct markings used on public roadways and for the maintenance of 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 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	As of November, 2007, the blast booth is not set up but staff is working with Airport Development to cover funding costs for completion by year-end.
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 Paint Shop to produce a better finished product with less problems.	There was an improvement in the temp employees in 2007. In addition, cooperation with Local 386 improved.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****TRADES - PAINTERS****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Maximize use of the six temporary employees requested for 2007. Four temps will be working in the parking ramp areas.	Increased production.	In 2007 there were a total of 4 temps hired, 2 in the parking ramps and 2 on the MAC paint crew and it worked out very well.
Review safety programs and practices in the paint and sign shops.	Reduce/prevent accidents and injuries as well as equipment damage.	Tim Gagnon has installed a much better safety training program that goes on year round. The paint/sign shops had 1 recordable accident (hearing loss verified by hearing test) and no vehicle accidents. Safety first is constantly encouraged and hazardous waste monitoring/control has been given a higher priority
Reduce hazardous waste/solvent consumption.	Less disposal costs, healthier work environment, less fire/explosion hazard.	This will be a constant work in progress.

**2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Reduce and ensure documentation of hazardous waste collection, disposal and exposure.	Accountability, cost savings and health of personnel.	Staff is working with MAC departments to maintain tracking of hazardous waste collection, documentation and disposal.
Evaluate staffing requirements for 2009-2012 to be able to meet increasing workload.	Meet work requirements.	7 painters, 1 sign shop and 4 temporary employees will be sufficient through 2012 unless there are substantial work load changes
Meet all FAA Part 139 field marking requirements/changes.	As indicated above.	All complete
Expand cross training on complex striping trucks and other equipment so in case of injury, retirement or deaths, we will be able to keep meeting workload.	Better trained staff.	Did not have time available to complete cross training.
Maintain expanded facilities.	Properly maintained expanded HT Parking and the LRT Stations.	All objectives meet
Improve staff productivity through new and improved technology.	Reduce downtime of specific terminal functions (facilities monitoring) and additional maintenance performed (computerized maintenance management system).	E1 CMMS has been rolled out but additional maintenance is not being performed due to issues related to the rollout.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**TRADES - PAINTERS****2009 KEY INITIATIVES**

<b>Organizational Strategy: <i>Ensure Long-Term Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Try to get through 2009 with existing field marking equipment.	Field marking completed without the purchase of new equipment.

<b>Organizational Strategy: <i>N/A</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	Improve usage of safety protective equipment ( gloves, glasses, hearing protection, respirators, spray suits etc.) due to the usage of hazardous materials.	Compliance with all safety rules.
N/A	Add 100 new surface painted hold position boxes on the 4 runways at MSP.	Hold position boxes completed on time and within budget.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****TRADES - CARPENTERS****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	729,013	747,428	809,071	61,642	8.25%
Administrative Expenses	4,459	3,596	3,596	0	0.00%
Professional Services		0	0		
Utilities	3,010	3,893	3,893	0	0.00%
Operating Services/Expenses	111	8,440	940	-7,500	-88.86%
Maintenance	208,051	254,644	229,644	-25,000	-9.82%
Other	7,822	19,207	11,737	-7,470	-38.89%
<b>Total Budget</b>	<b>952,466</b>	<b>1,037,208</b>	<b>1,058,881</b>	<b>21,672</b>	<b>2.09%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>9</b>	<b>9</b>	<b>9</b>

**RESPONSIBILITY/FUNCTION**

The Carpenter Shop ensures that all of MAC's Facilities are safe, secure & aesthetically acceptable for MAC, its tenants and the traveling public. We provide quality service to our MAC departments & the airport tenants in a timely manner. This includes maintenance on floor to roof, wall to wall services consisting of the following: a locksmith service that separates the "secured areas from the non-secured" areas; installation and care of a wide variety of facility needs & finishes, along with special and varied projects. The Carpenter Shop assists Airport Development in the naming/numbering of doors with identification tags & maintains numbering to reflect tenants' growing needs.

**MAJOR 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Several temporary carpenters have been approved through the budget process due to new and expanded facilities requiring carpenter and locksmith services with limited staff.
Operating Services/Expenses	Reduction because of RNC in 2008 only.

**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	All Carpentry and Locksmith personnel have received some type of educational training to keep up with new techniques and products in their respective fields.
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.	Hired one (1) part-time Carpenter to assist in coverage of airport property and special projects.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****TRADES - CARPENTERS****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	No changes in 2007 to the Key Database. Goals have been set for work to be done during the 2008 calendar year.
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.	Currently on "hold" while new CMMIS program is implemented in 2008.
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.	Scott Young is responsible for updates to the current door numbering system.

**2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Improve staff productivity through new and improved technology.	Reduced downtime of specific terminal functions (facilities monitoring) and additional maintenance performed (computerized maintenance management system).	Technology is still being worked out, not everything is in place to reduce downtime.
Maintain Expanded Facilities	Properly maintained expanded HT Parking and LRT Stations.	HT Parking has not been completed. The LRT Stations are being monitored by staff

**2009 KEY INITIATIVES**

<b>Organizational Strategy: <i>Leverage Resources and Technology</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Improve staff productivity through new and improved technology.	Reduced downtime of specific terminal functions (facilities monitoring) and additional maintenance performed (computerized maintenance management system).

<b>Organizational Strategy: <i>N/A</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	Identify all security doors for key database system	All doors identified.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****TRADES - PLUMBERS****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	942,587	950,850	1,039,125	88,275	9.28%
Administrative Expenses	1,836	7,121	2,121	-5,000	-70.21%
Professional Services	8,318	6,180	6,180	0	0.00%
Utilities	1,986	3,539	3,539	0	0.00%
Operating Services/Expenses	4,027	5,030	5,030	0	0.00%
Maintenance	208,270	219,068	213,068	-6,000	-2.74%
Other	11,355	27,097	5,600	-21,497	-79.33%
<b>Total Budget</b>	<b>1,178,378</b>	<b>1,218,885</b>	<b>1,274,663</b>	<b>55,778</b>	<b>4.58%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>8</b>	<b>7</b>	<b>8</b>

**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 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	Replaced faulty water meter at the 34th Ave. vault. Re-tested 34th 10" main meter and 2" meter resulting in a more accurate reading.  We reduced some of the watering times for the drip irrigation and changed the watering program for the turf areas to conserve on water, and to reduce the water usage charge.
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.	As of 11/07/07 we have cleaned over 11,000 feet of sanitary sewer mainline. This accomplishment relates into one tenth of the sanitary sewers being cleaned.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****TRADES - PLUMBERS****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	<p>We have installed valve identification plaques on approximately one third of the Lindbergh Terminals fire system valves. This objective will carry into 2008.</p> <p>We accomplished installing about one third of the valve identification information tags on the Lindbergh Terminal fire system.</p>
To provide the necessary cross training to our department personnel to keep up with the changing environment.	Work group will become rounded and flexible.	This has been very challenging objective. We have cross trained personnel as time permits. This is an ongoing objective that will be carried into 2008.

**2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Replace worn fixtures in restrooms with energy conscious equipment (faucets and flush valves).	Reduced water consumption resulting in lower payment to water provider.	We replaced the faucets in the baggage claim rest room with the Eco-power faucet. This faucet is a self power generating automatic faucet which uses no electricity and saves approximately 20% of the water used with the previous faucets.
Create a sewer use ordinance and/or develop a maintenance program with our restaurant tenants that would help them service their grease traps, sanitary sewers, hood vent systems and kitchen areas.	This document will provide a guideline for MAC and their tenants. It will serve as a legal document for sewers and sewage disposal, maintenance responsibilities, legal access through easements of tenant boundaries, etc. The results will be preventative maintenance programs that will minimize service disruptions from sewer back-ups and reduce call backs. More efficient measurement for sewer re-hab projects.	We built a power point demonstration showing the impacts of food grease in the sanitary sewer collection system. This demonstration is to be presented to the Concession Tenant Management. As of 12/08/08 this presentation has not been shown to the tenant managers.
Improve staff productivity through new and improved technology	Reduced downtime of specific terminal functions (facilities monitoring) and additional maintenance performed (computerized maintenance management system).	MAC I.S. has rolled out Enterprise One CMMS, we are in the process of learning how to maximize the potential for this product. We also have incorporated thru construction projects monitoring of several plumbing systems most notably in the HHH orange ramp.
Maintain Expanded Facilities	Properly maintained sprinkler systems on the E and F Concourses as well as the Humphrey Terminal Parking Ramps and LRT Stations	The fire sprinkler system has undergone numerous changes with the expansion of fire systems on the A, E and F concourses. These systems have been tested to NFPA Standards in 2008.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**TRADES - PLUMBERS****2009 KEY INITIATIVES**

<b>Organizational Strategy: <i>Enhance Customer Service</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Maintain levels of service of the collection sysytem.	Increase the useful life of the system and equipment. Meet regulatory requirments.

<b>Organizational Strategy: <i>Ensure Long-Term Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
Inaugurate the first phase of the STAR, Steward of Tomorrow's Airport Resources, Program.	Reduce water consumption by 20%.	Measure reduction through metering.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****TRADES - ADMINISTRATION****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	138,257	132,704	146,718	14,013	10.56%
Administrative Expenses	5,340	5,056	5,056	0	0.00%
Professional Services	34,998	37,500	37,500	0	0.00%
Utilities		290	290	0	0.00%
Operating Services/Expenses		0	0		
Other	4,883	5,100	4,350	-750	-14.71%
<b>Total Budget</b>	<b>183,477</b>	<b>180,650</b>	<b>193,914</b>	<b>13,263</b>	<b>7.34%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>2</b>	<b>2</b>	<b>2</b>

**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 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**2009 KEY INITIATIVES**

<b>Organizational Strategy: N/A</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	Establish relationships with key internal/external customers	Relationships established.
N/A	Improve staff productivity through improved technology.	Time spent by individuals inputting information into CMMS

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****FIELD MAINTENANCE****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	7,733,565	8,492,961	8,159,858	-333,103	-3.92%
Administrative Expenses	22,962	29,700	25,070	-4,630	-15.59%
Professional Services	27,530	27,500	27,500	0	0.00%
Utilities	227	11,100	11,100	0	0.00%
Operating Services/Expenses	44,539	57,300	41,600	-15,700	-27.40%
Maintenance	2,945,717	3,382,550	3,129,350	-253,200	-7.49%
Other	56,314	58,170	51,390	-6,780	-11.66%
<b>Total Budget</b>	<b>10,830,854</b>	<b>12,059,281</b>	<b>11,445,868</b>	<b>-613,413</b>	<b>-5.09%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>113</b>	<b>121</b>	<b>113</b>

**RESPONSIBILITY/FUNCTION**

The Field Maintenance Department is world-renown for snow removal, but has year-round responsibilities including pavement maintenance, pollution control, landscaping/grounds maintenance, security fence and access gate maintenance, traffic control signage installation, maintenance and cleaning of the parking ramps 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. Maintenance personnel supervise contracted snow removal operators who remove snow from landside parking areas. The department repairs and maintains MAC's fleet of over 500 vehicles and partners with Purchasing to procure all MAC vehicles and related equipment.

**MAJOR 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Contractually required base wage increases offset by headcount transfer. Service center transferred open position(s) to other service center(s) based upon organizational needs.
Maintenance	Winter operations consumable materials costs based on a five-year average; line items reduced based on recent winters. Line items will be underfunded in the event of above average seasonal snowfall.

**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	MAC-wide move to computerized payroll in 2008-2009.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****FIELD MAINTENANCE****2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	All management team personnel completed Interpersonal Effectiveness (DiSC) training. Two individual managers completed topic-specific training.
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.	Dual-fuel vehicles purchased when available in type and class. Eleven such vehicles were added to the fleet in 2007.
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.	Commissions received on the sale of seven units.

**2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Initiate continuing education program for equipment repair shop personnel.	Program components identified and available to personnel prior to winter '08-'09 operations.	Existing programs maintained, as additional programs not supported by current budget.
Install and operate a computerized payroll system capable of calculating various contractually required payments.	System operating prior to winter season '08-'09	Management staff utilizing Enterprise One electronic payroll system. IS facilitating transition of organized staff to computerized system; projected to be in place during FY 2009.
Reduce vehicle accident rate and reduce associated costs through training, professional operation, compliance with safety policies and accountability.	Less than eighteen preventable accidents	Fourteen accidents rated as preventable in FY 2008.

**2009 KEY INITIATIVES**

<b>Organizational Strategy: <i>Ensure Long-Term Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Further reduce the Field Maintenance Department rate of preventable accidents and limit per accident costs through education, training and accountability.	Fewer than fourteen preventable accidents and a lower cost per accident rate than 2008.
Inaugurate the first phase of the STAR, Steward of Tomorrow's Airport Resources, Program.	Expand the use of dual-fuel vehicle and introduce hybrid and/or electric vehicles into the MAC vehicle fleet. Identify an applicable environment and an associated hybrid/electric vehicle for airport use.	Working in cooperation with the STAR Initiatives Team, procure and assign hybrid and/or electric vehicles to an appropriate MAC function.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**FIELD MAINTENANCE****2009 KEY INITIATIVES**

<b>Organizational Strategy: N/A</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	In accordance with an Airport Cooperative Research Program report and in response to NTSB safety initiatives, maintain runway environment safety through movement area driver's training with special emphasis on maintaining situational awareness.	Zero runway incursions by MAC staff.

**Performance Indicators**

<b>Organizational Key Areas of Performance</b>	<b>2007 Actual</b>	<b>2008 Est</b>	<b>2009 Budget</b>	<b>Target</b>
Safety	18	15	12	6
<b>SC Performance Indicator:</b>	Field Maintenance vehicle accidents			
<b>Comments:</b>	Figures represent Field Maintenance Department only.			
Safety	0	0	0	0
<b>SC Performance Indicator:</b>	Runway incursions			
<b>Comments:</b>	Zero runway incursions by MAC staff.			

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****RELIEVERS - ADMINISTRATION****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	645,366	676,401	708,614	32,213	4.76%
Administrative Expenses	5,527	15,621	9,600	-6,021	-38.54%
Professional Services	15,626	85,000	45,000	-40,000	-47.06%
Utilities	786	1,200	1,200	0	0.00%
Operating Services/Expenses	1,000	1,100	1,100	0	0.00%
Other		0	0		
<b>Total Budget</b>	<b>668,305</b>	<b>779,322</b>	<b>765,514</b>	<b>-13,808</b>	<b>-1.77%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>8</b>	<b>8</b>	<b>8</b>

**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 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**2007 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Update Reliever Airport Lease Forms	Lease Forms which incorporate the revisions to the Lease Policies, Rules and Regulations.	This process is contingent upon the outcome of the rates and charges ordinance for the Reliever Airports. That process finished in the last quarter of 2007. Updating of lease forms will be done in 2008.
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.	In 2007, the Reliever Staff updated the airport operations manuals. These manuals were amended to reflect changes to airfield characteristics and operational activities. A section was added on operating and maintaining nav aids. This update also addressed special considerations during airport events and construction projects to keep pedestrians and vehicles clear of active airport operations areas. The staff also updated the security guides. The manual and guide were distributed to FAA, ATCT, FBO's, public safety officials, and appropriate staff.

<b>SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET</b>
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**RELIEVERS - ADMINISTRATION****2009 KEY INITIATIVES**

<b>Organizational Strategy: <i>Enhance Customer Service</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Realign managerial responsibility to provide better customer service and efficiency.	Reduction in travel time resulting in more time spent on a given airport and greater customer service.

<b>Organizational Strategy: <i>N/A</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	Map the facilities on the Reliever Airports with GPS locators to improve accuracy of airport records and the maps associated with airport leases.	Collection of data sufficient to map the building areas
N/A	Facilitate the timely opening of Runway 9R/27L at the Flying Cloud Airport and relocate the tenants who are interested and being displaced as a result of the runway project to a new building area.	Construction in the new building and a razing of the buildings in the Mustang Lane Area

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****RELIEVERS - ST. PAUL****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	524,240	442,110	527,388	85,278	19.29%
Administrative Expenses	2,452	1,332	1,229	-103	-7.73%
Professional Services	44,487	48,000	48,000	0	0.00%
Utilities	1,707	1,923	1,923	0	0.00%
Operating Services/Expenses	390	195,498	878	-194,620	-99.55%
Maintenance	188,566	155,027	149,769	-5,258	-3.39%
Other	1,810	962	962	0	0.00%
<b>Total Budget</b>	<b>763,651</b>	<b>844,852</b>	<b>730,149</b>	<b>-114,703</b>	<b>-13.58%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>7</b>	<b>7</b>	<b>7</b>

**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 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****RELIEVERS - LAKE ELMO****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	80,752	82,960	84,788	1,828	2.20%
Administrative Expenses	607	148	148	0	0.00%
Professional Services	8,482	12,000	9,000	-3,000	-25.00%
Utilities	786	485	485	0	0.00%
Operating Services/Expenses		0	0		
Maintenance	26,989	26,698	25,325	-1,373	-5.14%
Other	168	204	152	-52	-25.49%
<b>Total Budget</b>	<b>117,784</b>	<b>122,495</b>	<b>119,898</b>	<b>-2,597</b>	<b>-2.12%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>1</b>	<b>1</b>	<b>1</b>

**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 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****RELIEVERS - AIRLAKE****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	79,213	95,849	77,990	-17,858	-18.63%
Administrative Expenses	454	250	250	0	0.00%
Professional Services	7,732	12,000	8,000	-4,000	-33.33%
Utilities	584	218	218	0	0.00%
Operating Services/Expenses		0	0		
Maintenance	23,275	21,364	19,714	-1,650	-7.72%
Other	178	212	162	-50	-23.58%
<b>Total Budget</b>	<b>111,436</b>	<b>129,893</b>	<b>106,334</b>	<b>-23,558</b>	<b>-18.14%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>1</b>	<b>1.5</b>	<b>1</b>

**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 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Service center transferred open position(s) to other service center(s) based upon organizational needs.
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**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****RELIEVERS - FLYING CLOUD****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	210,059	220,033	207,698	-12,335	-5.61%
Administrative Expenses	380	350	350	0	0.00%
Professional Services	7,732	12,000	8,000	-4,000	-33.33%
Utilities	551	520	520	0	0.00%
Operating Services/Expenses		0	0		
Maintenance	75,020	54,228	50,900	-3,328	-6.14%
Other	192	250	150	-100	-40.00%
<b>Total Budget</b>	<b>293,935</b>	<b>287,381</b>	<b>267,618</b>	<b>-19,763</b>	<b>-6.88%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>3</b>	<b>3.5</b>	<b>3</b>

**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 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Service center transferred open position(s) to other service center(s) based upon organizational needs.
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**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****RELIEVERS - CRYSTAL****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	207,157	254,159	212,961	-41,198	-16.21%
Administrative Expenses	1,490	1,434	1,434	0	0.00%
Professional Services	7,732	12,000	9,000	-3,000	-25.00%
Utilities	1,933	2,376	2,376	0	0.00%
Operating Services/Expenses	1,975	2,034	2,034	0	0.00%
Maintenance	50,618	44,400	41,400	-3,000	-6.76%
Other	338	793	293	-500	-63.05%
<b>Total Budget</b>	<b>271,244</b>	<b>317,196</b>	<b>269,498</b>	<b>-47,698</b>	<b>-15.04%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>3</b>	<b>3</b>	<b>3</b>

**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 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. The decrease in 2009 budget is a result of changes in the 2008 budget FTE count.
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**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET****RELIEVERS - ANOKA****BUDGET SUMMARY**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	240,143	186,413	210,156	23,742	12.74%
Administrative Expenses	1,553	1,700	1,700	0	0.00%
Professional Services	9,539	12,000	10,000	-2,000	-16.67%
Utilities	1,825	2,600	2,600	0	0.00%
Operating Services/Expenses	144,006	167,577	173,000	5,423	3.24%
Maintenance	84,407	76,621	69,500	-7,121	-9.29%
Other	329	100	100	0	0.00%
<b>Total Budget</b>	<b>481,801</b>	<b>447,011</b>	<b>467,056</b>	<b>20,044</b>	<b>4.48%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2008 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>
<b>FTE Total:</b>	<b>3</b>	<b>3</b>	<b>3</b>

**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 2009 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Operating Services/Expenses	Management of the Ham Lake Wetland Restoration site is no longer a capital project and expenses have been moved to Operating Services. A decrease in other budget areas was approved to absorb this additional project cost.

**SERVICE CENTER SUMMARIES - 2009 OPERATING BUDGET**

***RELIEVERS - ANOKA***

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**CIP SUMMARIES AND POLICIES– 2009 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. The Commission does not anticipate any significant, non-routine capital expenditures.

### **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 crews, 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.

The above categories are listed in what staff believes to be a reasonable priority order.

<b>CIP SUMMARIES AND POLICIES– 2009 OPERATING BUDGET</b>
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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 2009, 2010, 2011 and the extended period 2012-2015 (i.e. the proposed Capital Improvement Plan for 2009) 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 of 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 2009 dollars.

The seven-year total of approximately \$979.7 million represents a decrease of \$101.0 million from the previous year's CIP. This decrease can be attributed to the restructuring of the capital plan deferring or eliminating future projects due to current economic conditions. Future "demand driven" projects relating to the Lindbergh and Humphrey Terminal expansions have also been deferred.

<b>CAPITAL IMPROVEMENT PLAN SUMMARY (CIP)</b> <b>(\$ = 000)</b>					
	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012-2015</u></b>	<b>Total <u>2009-2015</u></b>
<u>Minneapolis/St. Paul International - 2010 Plan</u>					
Runway 4/22 Development	\$0	\$0	\$ 4,500	\$0	\$ 4,500
Noise Mitigation	18,000	44,400	5,900	8,710	77,010
Taxiway C/D Complex Construction	6,500	6,000	0	0	12,500
Airfield Rehabilitation	1,000	2,900	1,500	1,400	6,800
Runway Rehabilitation	25,800	0	0	0	25,800
Lindbergh Terminal Rehabilitation & Development	0	0	0	0	0
Landside Rehabilitation & Repair	5,400	5,400	0	0	10,800
Miscellaneous Field & Runway	400	400	0	0	800
Miscellaneous Landside	0	0	0	0	0
Total Minneapolis/St. Paul International - 2010 Plan	\$ 57,100	\$ 59,100	\$ 11,900	\$ 10,110	138,210
<u>Minneapolis/St. Paul International - Post 2010 Plan</u>					
10 - Lindbergh Terminal	\$ 45,300	\$ 23,950	\$ 25,675	\$ 274,850	\$ 369,775
13 - Energy Management Center	2,000	2,000	2,500	10,000	16,500
21 - Field & Runway	1,300	3,900	8,200	28,660	42,060
23 - Control Tower	0	0	0	59,800	59,800
26 - Terminal Roads/Landside	100	100	100	800	1,100
31 - Parking	650	400	6,450	104,800	112,300
36 - Humphrey Terminal	0	2,600	3,600	138,500	144,700
39 - Public Areas and Roads	3,750	0	1,200	4,000	8,950
63 - Police	1,425	0	26,300	0	27,725
66 - Fire	0	0	3,000	0	3,000
70 - Administration	300	0	0	0	300
76 - Environment	0	0	3,700	0	3,700
Total Minneapolis/St. Paul International - Post 2010 Plan	54,825	32,950	80,725	621,410	789,910
Total All MSP Projects 2009 -2015	\$ 111,925	\$ 92,050	\$ 92,625	\$ 631,520	\$ 928,120
<u>Reliever Airports</u>					
Reliever Airports - 2010 Plan Projects	\$ 14,915	\$ 17,200	\$ 10,150	\$ 6,900	\$ 49,165
Reliever Airports Utility Extension - 2010 Plan	200	0	0	500	700
Total Reliever Airports - 2010 Plan	\$ 15,115	\$ 17,200	\$ 10,150	\$ 7,400	\$ 49,865
Reliever Airports - Post 2010 Plan	75	600	400	600	1,675
Total All Reliever Airport Projects 2008 - 2014	\$ 15,190	\$ 17,800	\$ 10,550	\$ 8,000	\$ 51,540
Total All Facilities Projects 2008 - 2014	\$ 127,115	\$ 109,850	\$ 103,175	\$ 639,520	\$ 979,660

<b>CIP SUMMARIES AND POLICIES– 2009 OPERATING BUDGET</b>
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The Construction Budget below represents anticipated sources and uses of funds during the years 2007-2011. The information for 2008 indicates expected transactions during the fourth quarter.

<b>CONSTRUCTION BUDGET 2009</b>							
<b>(\$ = 000)</b>							
	<u>Actual 2007</u>	<u>Estimated 2008</u>	<u>Budget 2008</u>	<u>Budget 2009</u>	<u>Projected 2010</u>	<u>Projected 2011</u>	<u>Projected Total</u>
<b>Sources of Funds</b>							
Balance 12/31/06	\$ 307,003						\$ 307,003
Balance Carried Forward		\$ 239,767	\$ 286,559	\$ 139,942	\$ 141,788	\$ 104,853	
Transfer From Operating Fund	45,711	55,729	46,837	47,119	45,750	39,450	233,759
PFC Funding	67,022	64,252	64,059	62,514	63,139	63,772	320,699
Federal Grants	9,882	17,820	14,363	21,925	5,900	1,500	57,027
State Grants	585	1,581	7,400	1,500	1,500	1,500	6,666
Interest Income (1)	16,344	7,819	8,819	4,799	4,836	4,097	37,895
Net Bond Proceeds (See Above)	0	0	0	0	0	0	0
Commercial Paper Program (2)	0	0	20,150	13,400	15,750	22,900	52,050
Principal Amount of Bonds	0	0	0	0	0	0	0
Federal Letter Of Intent (LOI)	0	12,000	5,000	5,000	5,000	0	22,000
Other Receipts (UPS Reimburse)	500	0	0	27,200	13,700	5,400	46,800
<b>Total Sources of Funds</b>	<b>\$ 140,044</b>	<b>\$ 159,201</b>	<b>\$ 166,628</b>	<b>\$ 183,457</b>	<b>\$ 155,575</b>	<b>\$ 138,619</b>	<b>\$ 776,896</b>
<b>Uses of Funds</b>							
CIP Project Costs	\$ (140,258)	\$ (182,774)	\$ (139,775)	(114,097)	(121,871)	(113,935)	\$ (672,935)
Commercial Paper Retired	0	(12,000)	(7,500)	(5,000)	(7,500)	0	(24,500)
Debt Service Reserve Transfer	(27,379)	(28,399)	(32,141)	(28,064)	(28,041)	(32,277)	(144,160)
Capitalized Interest/Issuance Exp	0	0	0	0	0	0	0
Prior Approved Pay Go PFCs	(39,643)	(35,853)	(31,918)	(34,450)	(35,098)	(31,495)	(176,539)
<b>Total Use of Funds</b>	<b>\$ (207,280)</b>	<b>\$ (259,026)</b>	<b>\$ (211,334)</b>	<b>\$ (181,611)</b>	<b>\$ (192,510)</b>	<b>\$ (177,707)</b>	<b>\$ (1,018,134)</b>
<b>Balance Carried Forward</b>	<b>\$ 239,767</b>	<b>\$ 139,942</b>	<b>\$ 241,854</b>	<b>\$ 141,788</b>	<b>\$ 104,853</b>	<b>\$ 65,765</b>	<b>\$ 65,765</b>
1 Interest Rate Assumed 2.0% for the period 2009 through 2011.							
2 Negative amount in commercial paper represents amount paid off or transferred to long term debt.							
<b>Funding Source Summary</b>							
Current Balance			28.32%				
Transfer From Operating Fund			21.57%				
PFC Funding			29.59%				
Federal Grants			5.26%				
State Grants			0.62%				
Interest Income			3.50%				
Net Bond Proceeds-(See Current)			0.00%				
Commercial Paper Program			4.80%				
Principal Amount of Bonds - PFCs			0.00%				
Principal Amount of Bonds - Garbs			0.00%				
Federal Letter Of Intent (LOI)			2.03%				
Other Receipts			4.32%				
<b>Total Sources of Funds</b>			<b>100.00%</b>				

**CAPITAL IMPROVEMENT PROJECT SUMMARIES – 2009 OPERATING BUDGET****SOURCES AND USES OF FUNDS**

From December 31, 2007 through 2011, MAC has identified nine funding sources totaling \$1,083,899 including a beginning balance of \$307,303,000. During this period, MAC will expend \$1,018,133 leaving a net balance of \$65,765,000 at the end of 2011. This balance represents a portion of the 2010 and 2011 projects that were started but not completed by December 31, 2011.

**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 2009, a transfer of \$47.1 million is anticipated. The transfers for the period 2008 through 2011 are assumed to be stable and represent the application of all rates and charges per the Airline Lease Agreement New Airline Amendment. (Refer to Operating Budget and Budget Target section for discussion on methodology/lease changes that occurred in 2007.) The balance to be transferred for the period is estimated at \$233.8 million or 21.57%.

PFC funding or Passenger Facility Charge funding is the largest funding source at \$320.7 million or 29.59% 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. The maximum allowed was changed from \$3.00 to \$4.50 in 2001. 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.

Including this first application, the Commission has received approval from the Federal Aviation Administration for ten separate applications. The table below shows the status of all applications.

**PFC Summary Table**

<u>Application Number</u>	<u>Approval Date</u>	<u>Amended Approval Amount (\$=000)</u>	<u>Collections As Of 12/01/07 (\$=000)</u>	<u>Paygo, Bond or Both</u>	<u>Status</u>
1	June, 1992	\$ 92,714	\$ 92,714	Paygo	Closed
2	August, 1994	140,779	140,779	Paygo	Closed
3	December, 1995	36,377	36,377	Paygo	Closed
4	December, 1998	47,801	47,801	Paygo	Closed
5	January, 2000	112,533	112,533	Paygo	Closed
6	January, 2003 - 1	806,242	279,706	Both	Open - Amended down
7	June, 2005 - 2	0	0		
8	June, 2005	191,380	125,876	Both	Open
9	November, 2005 - 3	8,659	8,659	Paygo	Closed
10	May, 2008	138,450	0	Paygo	Open
		<u>\$ 1,574,935</u>	<u>\$ 844,445</u>		

1. PFC #6 was amended downward \$355.237 million in December, 2008 with approval expected in February, 2009. Amount shown represents the amended amount.
2. PFC #7 was originally a bonded application. Through the PFC#6 amendment process it was converted into paygo and is included in the total for PFC#6.
3. PFC #9 was amended upward \$1.344 million and was funded in December 2008. The requested amended amount is shown. Closure of this application was also requested. Approval is expected in February, 2009.

<b>CAPITAL IMPROVEMENT PROJECT SUMMARIES – 2009 OPERATING BUDGET</b>
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In conjunction with filing these applications/amendments, the Commission was required to file a Competition Plan. Before any approval/consideration could be given to these applications/amendments, the FAA needed to approve this Plan. Approval from the FAA regarding the original 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 to increase the PFC level to \$4.50 in January, 2001. An updated Competition Plan was submitted in December, 2008. Approval of the updated plan is expected in February, 2009.

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 \$57.0 million or 5.26% 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 \$6.7 million or 0.62% of the total funding through 2011.

Interest Income is based on the balance in the fund. As noted above, a 2.00% rate is assumed for 2009 through 2011. This figure can vary significantly depending upon approval of projects and their starting dates. Interest Income of \$37.8 million or 3.50% of sources is projected.

Commercial Paper is used as an interim funding source. For the period 2007-2011, the Commission anticipates issuing \$52.1 million or 4.80% in Commercial Paper in lieu of issuing Long Term Debt at the present time.

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 is estimated for the period at \$22.0 million or 2.03%.

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 \$46.8 million or 4.32%.



***Rotunda - Lindbergh Terminal***

**CAPITAL IMPROVEMENT PROJECT SUMMARIES – 2009 OPERATING BUDGET****USES**

There are four general categories of uses listed. The first, CIP project costs (\$672.9 million) represent 66.1% of the total. The second area is Commercial Paper Retired (\$24.5 million) and represents 2.4% of the total. This mechanism is to be used as an interim funding source. The Debt Service Transfer of \$144.2 million or 14.2% of this total represents the transfer of PFC Debt Service for those projects with associated bond payments. The final category is the use of Pay As You Go PFCs. These are used to reimburse the cost of completed projects and represent 17.3% 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 can be attributed to a number of projects scheduled to begin the next year. 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.

<b>Projects in Process (As of November 30, 2008)</b> <b>(\$ = 000)</b>		
<b><u>Project Description</u></b>	<b><u>Estimated Project Cost</u></b>	<b><u>Payments To Date</u></b>
Taxiway P Reconstruction	\$9,800	\$7,568
Runway 30L EMAS Replacement	\$3,000	\$2,178
Runway 17/35 Land Acquisitions and Developments	\$35,100	\$29,705
2006 Landside Concessions	\$1,270	\$1,196
Police Operations Center (POC) Remodeling	\$2,400	\$2,225
Lindbergh Terminal Chilled Water Pump Replacement	\$1,000	\$413
2007 Miscellaneous Modifications	\$1,820	\$1,721
Lindbergh Terminal Fire Protection System Phase I - 2007	\$4,000	\$331
Lindbergh Terminal Carpet Replacement	\$2,500	\$257
Lindbergh Terminal Tug Drive Floor Waterproofing Replacement - Phase 2	\$1,900	\$626
Lindbergh Terminal Fire Protection System Phase 2 - 2007	\$1,000	\$832
Lindbergh Terminal Chilled Water Distribution System	\$3,900	\$1,833
HHH Parking Ramp Expansion	\$110,330	\$83,699
2008 Ramp Structure Rehabilitation	\$3,000	\$2,902
Part 150 Sound Insulation Projects (Homes, Multi-Family)	\$87,421	\$8,322
St. Paul Airport - Perimeter Dike - Compensatory Excavation	\$5,250	\$5,180
St. Paul Airport - Flood Protection Perimeter Dike	\$22,900	\$14,133
2008 Runway Safety Area Improvements - EMAS	\$10,700	\$9,413
2008 Pavement Rehabilitation	\$1,100	\$815
Runway 9R/27L Extension - EIS/ALP	\$2,000	\$1,964
2008 Sanitary Sewer and Watermain Construction	\$4,300	\$2,780
2008 Pavement Rehabilitation - Rwy 14L/32R	\$1,800	\$1,396
Secured Access System Upgrade	\$3,553	\$3,482
JD Edwards Upgrade - 2007	\$2,395	\$2,019
Computerized Maintenance Management System	\$1,590	\$881
2020 Vision Projects - Phase One	\$204,916	\$69,462
All Other Projects in Process	\$227,514	\$30,046
Totals:	<u>\$756,459</u>	<u>\$285,379</u>



<b>CAPITAL IMPROVEMENT PROJECT SUMMARIES – 2009 OPERATING BUDGET</b>
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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.

**CAPITAL IMPROVEMENT PROJECTS**  
(Dollars in Thousands)

**2010 PROGRAM PROJECTS****MSP INTERNATIONAL****2009****2010****Noise Mitigation Program****Residential Sound Insulation**

The project is a continuation of the implementation of the sound insulation program based on the 2007 Noise Exposure Map contained in the Part 150 Update consistent with the terms and conditions of the court ordered Consent Decree.

\$ 18,000

\$44,400

**Noise Mitigation Program Projects Less Than \$5,000,000**\$ 0\$ 0**Total Noise Mitigation Program Projects**\$ 18,000\$44,400**Taxiway C/D Complex Construction****Taxiway C/D Complex**

This project will be the fifth and last phase in a multi-phase program to reconstruct and reconfigure Taxiways C and D between Taxiway A and Taxiway P. This project consists of reconstruction of segments of Taxiway D from Taxiway A to Taxiway C5 and associated crossover taxiways.

\$ 6,500

\$ 6,000

**Taxiway C/D Complex Program Projects Less Than \$5,000,000**\$ 0\$ 0**Total Taxiway C/D Complex Program Projects**\$ 6,500\$ 6,000**Airfield Rehabilitation Program****Airfield Rehabilitation Projects Less Than \$5,000,000**\$ 1,000\$ 2,900**Total Airfield Rehabilitation Projects**\$ 1,000\$ 2,900**Runway Rehabilitation Program****Pavement Rehabilitation – Runway 12L/30R Seg. 2**

This project provides for the reconstruction of the middle section of Runway 12L/30R located between Runway 4/22 and Taxiway P3 and associated taxiway connectors. Reconstruction of the two end segments has been completed in previous years with Segment 2 being the final section of reconstruction.

\$ 23,700

\$ 0

**Other Runway Rehabilitation Projects Less Than \$5,000,000**\$ 2,100\$ 0**Total Runway Rehabilitation Projects**\$ 25,800\$ 0**Landside Rehabilitation & Repair Program****2009****2010****Landside Rehabilitation Projects Less Than \$5,000,000**\$ 5,400\$ 5,400**Total Landside Rehabilitation Projects**\$ 5,400\$ 5,400

## CAPITAL IMPROVEMENT PROJECT SUMMARIES – 2009 OPERATING BUDGET

<b><u>RELIEVER AIRPORTS PROGRAM</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>
<b><u>Crystal</u></b>		
Crystal Airport Projects Less Than \$2,000,000	\$ 350	\$1,600
Total Crystal Airport Projects	\$ 350	\$1,600
<b><u>Flying Cloud</u></b>		
<b><u>Runway 10R/28L Widening/Extension</u></b>		
<b>Phase 1 – Initial Site Grading</b> - This project will include portions of grading, storm sewer, turf establishment and other initial elements in the approach area for the extended Runway 10R. Also included in this program is the construction of a new VOR building and site preparation for relocation of the VOR.	\$ 2,750	\$ 0
<b>Phase 2 – Final Site Grading, Paving and Lighting</b> – This phase includes multiple projects for the reconstruction of Runway 10R-28L and the addition of a 1,200 foot extension to bring the length to 5,000 feet. The major elements include final grading for the extension, widening of the existing runway from 75 to 100 feet, all runway paving, markings and lighting, taxiway modifications and paving, construction of east and west perimeter access roads, relocation of the ILS System, FAA reimbursable agreements for the FAA portion of the work and the acquisition of Runway Protection Zone and safety area property.	\$10,000	\$ 0
<b><u>South Building Area Development</u></b>		
This project will include the grading necessary for the new building area and installation of the sanitary sewer and water. (Funding for this project is to be provided by others.)	\$ 600	\$ 6,400
Flying Cloud Airport Projects Less Than \$2,000,000	\$ 715	\$ 1,700
Total Flying Cloud Airport Projects	\$14,065	\$ 8,100
<b><u>Anoka County-Blaine</u></b>		
Anoka County-Blaine Airport Projects Less Than \$2,000,000	\$ 0	\$ 1,000
Total Anoka County-Blaine Airport Projects	\$ 0	\$ 1,000
<b><u>St. Paul Downtown</u></b>		
St. Paul Downtown Airport Projects Less Than \$2,000,000	\$ 0	\$ 1,500
Total St. Paul Downtown Airport Projects	\$ 0	\$ 1,500

## CAPITAL IMPROVEMENT PROJECT SUMMARIES – 2009 OPERATING BUDGET

<u>Airlake</u>	<u>2009</u>	<u>2010</u>
<b><u>South Building Area Development</u></b>		
This project provides for alleyway construction including aggregate base and bituminous pavements, along with installation of sanitary sewer and water main Including a stand alone restroom facility and fire protection hydrant line. The project also includes paving a section of 225th Street which will then connect to Cedar Avenue. (Funding for this project to be provided by others.)	\$ 0	\$ 2,500
<b>Other Airlake Airport Program Projects Less Than \$2,000,000</b>	<u>\$ 200</u>	<u>\$ 200</u>
<b>Total Airlake Airport Program Projects</b>	<u>\$ 200</u>	<u>\$ 2,700</u>
 <b><u>Lake Elmo</u></b>		
<b><u>East Building Area Development</u></b>		
This project will include the grading and paving for alleyways, access road and connecting taxiway for a new 40-hangar building area, taxiway pavement marking and reflectors and potential street lighting along a portion of the county road. It also includes stormwater management and minor wetland mitigation. The cost does not include sewer and water installation since at this time it is not available to the airport. (Funding for this project to be provided by others.)	\$ 0	\$ 2,300
<b>Other Lake Elmo Airport Projects Less Than \$2,000,000</b>	<u>\$ 500</u>	<u>\$ 0</u>
<b>Total Lake Elmo Airport Projects</b>	<u>\$ 500</u>	<u>\$ 2,300</u>
 <b><u>Miscellaneous Field and Runway Projects</u></b>		
<b>Miscellaneous Field and Runway Projects Less Than \$5,000,000</b>	<u>\$ 400</u>	<u>\$ 400</u>
<b>Total Miscellaneous Field and Runway Projects</b>	<u>\$ 400</u>	<u>\$ 400</u>
 <b>Total 2010 Plan Projects</b>	<u>\$72,215</u>	<u>\$76,300</u>

## CAPITAL IMPROVEMENT PROJECT SUMMARIES – 2009 OPERATING BUDGET

**POST 2010 PROJECTS****MSP INTERNATIONAL****2009****2010****10 – Lindbergh Terminal****Safety/Security Projects****Lindbergh Terminal In-line Baggage Screening Expansion**

This project will begin Phase 2 of a 3 phase program to provide the Lindbergh Terminal with an automated, in-line Explosives Detection System (EDS). Phase 2 will provide a replacement building and in-line automated EDS System for the Lindbergh Terminal's existing "bus stop" semi-automated system. This upgrade will improve baggage screening, overall reliability and reduce labor costs.

\$ 25,500

\$ 0

**Lindbergh Terminal Sprinkler System**

Changes in the State Building Code require that the Terminal and Concourse be fully sprinkled. This project will be the fourth phase in a multi-phase program to provide the required fire sprinkler and alarm system. This year's project will be located primarily on Concourses C and D.

\$ 0

\$ 8,600

**Passenger Amenities****2009****2010****MUFIDS – Phase 2**

The Multi-User Flight Information Display System (MUFIDS) provide MSP travelers with up-to-date arrival and departure information for all airlines at the Lindbergh Terminal. A Phase 1 pilot project was completed in 2008 in both the Lindbergh and Humphrey Terminals. The second phase of the MUFIDS program will build on the technology and software purchased with Phase 1.

\$ 5,500

\$ 0

**Lindbergh Terminal Projects Less Than \$5,000,000****\$14,300****\$15,350****Total Lindbergh Terminal Projects****\$45,300****\$23,950****13 – Energy Management Center****Energy Management Center Projects Less Than \$5,000,000****\$ 2,000****\$ 2,000****Total Energy Management Center Projects****\$ 2,000****\$ 2,000****21 – Field and Runway****Field and Runway Projects Less Than \$5,000,000****\$ 1,300****\$ 3,900****Total Field and Runway Projects****\$ 1,300****\$ 3,900****26 – Terminal Roads/Landside****Terminal Roads/Landside Projects Less Than \$5,000,000****\$ 100****\$ 100****Total Terminal Roads/Landside Projects****\$ 100****\$ 100**

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**CAPITAL IMPROVEMENT PROJECT SUMMARIES – 2009 OPERATING BUDGET**

<b><u>Program Summary 2009 - 2010</u></b>		
<b>\$ = 000</b>		
	<b><u>2009</u></b>	<b><u>2010</u></b>
<b><u>Remaining 2010 Plan Projects</u></b>		
Noise Mitigation	\$ 18,000	\$ 44,400
Taxiway C/D Complex Construction	6,500	6,000
Airfield Rehabilitation	1,000	2,900
Runway Rehabilitation	25,800	0
Landside Rehabilitation & Repair	5,400	5,400
Reliever Airports	15,115	17,200
Miscellaneous Field & Runway	400	400
Total Remaining 2010 Plan Projects	\$ 72,215	\$ 76,300
<b><u>Post 2010 Plan Projects</u></b>		
10 - Lindbergh Terminal	\$ 45,300	\$ 23,950
13 - Energy Management Center	2,000	2,000
21 - Field & Runway	1,300	3,900
26 - Terminal Roads/Landside	100	100
31 - Parking	650	400
36 - Humphrey Terminal	0	2,600
39 - Public Areas and Roads	3,750	0
63 - Police	1,425	0
70 - Administration	300	0
80's - Reliever Airports	75	0
Total Post 2010 Plan Projects	54,900	32,950
Total All Projects	\$ 127,115	\$ 109,250

**CAPITAL IMPROVEMENT PROJECT SUMMARIES – 2009 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 2009 and 2010. The 2009 budget dollars for operating expenses include the figures listed in the "Budget Year 2009" column. As stated in the Budget Message, the two-year capital program (2009 and 2010) totals \$237.0 million. This total is comprised of the following major projects:

Noise Mitigation	\$	62.4	million	26%
Pavement Rehab - Rwy 12L/30R Seg.2	\$	23.7	million	10%
Taxiway C/D Complex	\$	12.5	million	5%
Reliever Airports	\$	32.2	million	14%
Lindbergh Terminal Mufids Phase 2	\$	5.5	million	2%
Lindbergh Term. In-Line Bag Screening	\$	25.5	million	11%
Lindbergh Terminal Sprinkler System	\$	8.6	million	4%
	\$	170.4	million	72%

**Maintenance & Operating Budget Impact of 2009 - 2010 Projects****\$=000**

<b>Program/Project Areas</b>	<b>2009-2010 Project Cost Totals</b>	<b>Impact Budget Year 2009</b>	<b>Impact Budget Year 2010</b>
<b>Field &amp; Runway/Airside</b>			
1 Rehab/Other Projects	\$ 35,700	\$0	\$0
Completion 2008 - 2010	0	0	0
1 Post 2010 Completion	12,500	0	0
<b>Totals</b>	<b>\$ 48,200</b>	<b>\$0</b>	<b>\$0</b>
<b>Environmental</b>			
1 Rehab/Other Projects	\$ 62,400	\$0	\$0
Completion 2008 - 2010	0	0	0
1 Post 2010 Completion	0	0	0
<b>Totals</b>	<b>\$ 62,400</b>	<b>\$0</b>	<b>\$0</b>
<b>Terminals &amp; Landside</b>			
1 Rehab/Other Projects	\$ 65,775	\$0	\$0
Completion 2008 - 2010	25,100	50	90
1 Post 2010 Completion	2,500	0	0
<b>Totals</b>	<b>\$ 93,375</b>	<b>\$ 50</b>	<b>\$ 90</b>
<b>Reliever Airports</b>			
1 Rehab/Other Projects	\$ 10,390	\$0	\$0
Completion 2008 - 2010	10,800	25	75
1 Post 2010 Completion	11,800	0	0
<b>Totals</b>	<b>\$ 32,990</b>	<b>\$ 25</b>	<b>\$ 75</b>
<b>Total All Areas</b>			
1 Rehab/Other Projects	\$ 174,265	\$0	\$0
Completion 2008 - 2010	\$ 35,900	75	165
1 Post 2010 Completion	\$ 26,800	0	0
<b>Totals</b>	<b>\$ 236,965</b>	<b>\$ 75</b>	<b>\$ 165</b>

1 No budget impact because there were no expanded facilities, new facilities, or the project will not be completed until post 2009.

<b>CAPITAL IMPROVEMENT PROJECT SUMMARIES – 2009 OPERATING BUDGET</b>
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**Category****2009-2010 Maintenance & Operating Expense Impact**

## Field and Runway

Of the \$48.2 million in projects listed, \$35.7 million relate to either rehab projects or those that will be completed post 2010. The maintenance costs shown for 2009 and 2010 are associated with completion of the final phases of the C/D Taxiway Complex.

## Environmental

A total of \$62.4 million is included and will not have any maintenance costs associated with it as these costs are for off-airport noise projects.

Terminals and  
Landside

Of the \$93.4 million of projects, \$68.3 million are rehab or other projects which result in no new areas or facilities and, as such, have no budget impact. Approximately \$25.1 million of projects will either be completed late 2009 or early 2010. The majority of the maintenance cost increase (\$50,000 – 2009; \$90,000 – 2010) can be attributed to the Sprinkler System and MUFIDs Phase II projects in the Lindbergh Terminal.

## Relievers

Of the \$33.0 million of projects, \$22.2 million relate to either rehab projects or those that will be completed post 2010 and, as such, have no budget impact. The increased cost reflects the Runway Extension at Flying Cloud.



***Sun Country Airlines***



**DEBT SERVICE POLICIES – 2009 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 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 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. (The Commission currently does not have, nor has there ever been, any swap or derivative products.)

**B. Reserve -** The Commission is required to have a restricted cash and temporary cash investment balance on October 10th 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 – 2009 OPERATING BUDGET****DEBT SERVICE REQUIREMENT**

The Metropolitan Airports Commission in the recent 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 10th 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, 2009	\$65,342
October 10, 2010	\$62,330
October 10, 2011	\$59,444
October 10, 2012	\$60,110
October 10, 2013	\$60,724

(These figures do not include any new bond issues.)

The annual actual debt service requirement for the next five years for the GARB issue 1999 Series B, 2000 Series B, 2001 Series B, D, 2004 Series A, 2005 Series A, B, C, 2007 Series A, B and 2008 Series A is:

January 1, 2009	\$ 99,620
January 1, 2010	99,750
January 1, 2011	106,948
January 1, 2012	100,866
January 1, 2013	106,989

(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, 2008 for the next five years, as well as a cumulative total for the period 2014-2035. The dollars shown are in thousands.

(\$ = 000)	Notes Payable (Principal)	General Obligation Bonds (Principal)	General Airport Revenue Bonds (Principal)	Total Outstanding Bonds	Total All Interest	Total Principal & Interest
Year(s)						
2009	\$ 33,900	\$ 15,085	\$ 29,775	\$ 44,860	\$ 87,037	\$ 165,797
2010	-	16,250	31,095	47,345	84,949	132,294
2011	-	17,475	39,565	57,040	82,706	139,746
2012	-	15,160	35,025	50,185	80,212	130,397
2013	-	16,480	42,970	59,450	77,451	136,901
2014-2035	-	195,540	1,298,880	1,494,420	736,619	2,231,039
	<u>\$ 33,900</u>	<u>\$ 275,990</u>	<u>\$ 1,477,310</u>	<u>\$ 1,753,300</u>	<u>\$ 1,148,974</u>	<u>\$ 2,936,174</u>

Notes Payable represents Commercial Paper

(The October 10, 2008 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– 2009 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 2009 on Senior Debt Obligations is 2.28x. With the optional coverage transfer this figure goes to 2.43x.

<b>LONG TERM DEBT– 2009 OPERATING BUDGET</b>
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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 2009	2008
<b>Notes Payable:</b>					
Series A - 2.80 to 3.25%	*	\$ 83,000	2010	\$ 40,000	\$ 27,132
Series B - 2.95 to 3.45%	*	42,000	2009	6,768	6,768
Series D	*	75,000		-	-
Total Notes Payable				<u>\$ 46,768</u>	<u>\$ 33,900</u>
<b>General Obligation Revenue Bonds:</b>					
Series 13 - 4.0 to 5.25% (Refund Series 7)	11/01/98	38,750	2015	12,795	15,635
Series 14 - 5.0 to 5.5% (Refund Series 8)	11/01/01	25,690	2011	-	3,465
Series 15 - 3.0 to 6.85% (Refund Series 9)	01/01/02	287,825	2022	214,385	225,555
Total General Obligation Revenue Bonds				<u>\$ 227,180</u>	<u>\$ 244,655</u>
<b>General Airport Revenue Bonds:</b>					
1999 Series B - 4.75 to 5.625%	07/01/99	135,095	2022	98,180	103,610
2000 Series B - 5.25 to 6.20%	05/01/00	88,745	2021	66,285	70,015
2001 Series B - 5.0 to 5.75%	06/01/01	98,815	2024	77,665	81,165
2001 Series D - 5.0 to 5.75%	06/01/01	70,210	2016	39,240	44,360
2003 Series A - 4.5 to 5.25%	06/01/03	102,690	2031	102,690	102,690
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	101,955	105,870
2005 Series C - 3.00 to 5.00%(Refund 2000 A)	06/02/05	123,750	2032	122,775	123,110
2007 Series A - 4.50 to 5.00%(Refund 1998A, 1999A and 2001 A)	01/09/07	440,985	2032	440,985	440,985
2007 Series B - 4.50 to 5.00%(Refund 2001C)	01/09/07	197,360	2032	197,360	197,360
2008 Series A - 5.00%(Refund 1998B)	01/10/08	72,035	2016	64,290	72,036
Total General Airport Revenue Bonds				<u>\$ 1,447,535</u>	<u>\$ 1,477,311</u>
<b>TOTAL BONDS OUTSTANDING</b>				<u>\$ 1,721,483</u>	<u>\$ 1,755,866</u>
* Issue dates for the Notes Payable are various.					
General Obligation Bond (2 years) and General Airport Revenue Bond (1 year) Balances reflect reserves on hand as of the end of the year.					

**DEBT SERVICE BUDGET /SOURCES AND USES – 2009 OPERATING BUDGET****BOND REFUNDINGS**

In late 2007, staff reviewed the possibility of a current refunding of the 1998B Bonds and a forward refunding of the 1999B Bonds. Market conditions in early December 2007 were extremely favorable for both transactions. However at the time all documents were finalized, the market retreated. In early 2008 a window of opportunity opened for the refunding of the 1998B Bonds and the transaction was completed with present value savings of 3.32%. The forward refunding of the 1999B Bonds has not yet moved ahead based on market conditions.

In early 2008, the market for shorter term securities, in particular Auction Rate Securities, had deteriorated. Auctions for these securities either were failing or moving forward with a significant interest rate penalty. Staff evaluated three alternatives: Convert the debt to Long Term, convert the debt to another mode of Short Term or pay off/take out the bonds. As instability and fluctuation continued in the financial markets during January and February 2008, staff decided to pay off/take out the Subordinate 2004A Auction Rate Security Bonds.

As a result of this action, the Commission only has Commercial Paper as a Short Term debt instrument and has removed virtually all risk from its Debt Portfolio. (The Commission has no Derivative/Swap debt nor has there ever been any instrument of this type in the Debt Portfolio.)

**NEW DEBT ACTIVITY – 2008**

There were no new debt issues in 2008.

**NEW ISSUES**

The Capital Improvement program approved by the Commission in December 2008 for the period 2009-2015 does not include funding of projects with new Long Term debt in 2009 or 2010. Projects in these two years will be funded with Commercial Paper if other sources (internal, aid and PFCs) are not sufficient. Only if those "Demand Driven" (those tied to passenger and activity growth) projects proceed will there be additional new Long Term debt.

**DEBT SERVICE BUDGET /SOURCES AND USES – 2009 OPERATING BUDGET**

## DEBT SERVICE BUDGET

The Debt Service Budget is shown below.

**2009 DEBT SERVICE BUDGET  
(\$=000)**

	<b>Actual 2007</b>	<b>Estimated 2008</b>	<b>Budget 2008</b>	<b>Budget 2009</b>	<b>Projected 2010</b>	<b>Projected 2011</b>
January 1 Balance	\$ 266,871	\$ 267,994	\$ 265,280	\$ 263,002	\$ 265,199	\$ 265,644
Source Of Funds:						
Transfer from Operating Fund	74,381	75,673	77,937	77,051	74,999	80,272
Transfer from PFCs 3	27,379	28,399	32,141	28,064	28,041	28,032
Interest earnings 1	11,222	7,982	7,400	5,032	5,034	5,093
Bond Proceeds 2	638,593	73,337	0	0	0	0
NWA payments	26,115	27,164	26,370	27,170	27,487	27,777
Total Sources Of Funds	<u>\$ 777,690</u>	<u>\$ 212,555</u>	<u>\$ 143,848</u>	<u>\$ 137,317</u>	<u>\$ 135,561</u>	<u>\$ 141,174</u>
Uses Of Funds						
Bond Series 2007A/B Refund	\$ (640,090)	\$ (82,147)	\$0	\$0	\$0	\$0
Total Principal/Interest Paid 2	<u>\$ (136,477)</u>	<u>\$ (135,400)</u>	<u>\$ (143,018)</u>	<u>\$ (135,120)</u>	<u>\$ (135,116)</u>	<u>\$ (135,317)</u>
Ending Balance 4	<u>\$ 267,994</u>	<u>\$ 263,002</u>	<u>\$ 266,110</u>	<u>\$ 265,199</u>	<u>\$ 265,644</u>	<u>\$ 271,501</u>

1 Interest Rate Assumed 2.00% 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 10<sup>th</sup> 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. This transfer will fluctuate due to interest earnings, refundings and new issues.

Interest earnings are assumed at 2.00% for 2008 through 2011. 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 2007 represent the proceeds from the bond refunding of Series 1998A, 1999A, 2001A and 2001C (Series 2007A and B). The proceeds in 2008 represent the proceeds from the bond refunding of Series 1998B (Series 2008A).

NWA payments represent the principal and interest due on the following bond issues:

General Obligation Series 13 (2015)  
General Obligation Series 15 (2022)

**DEBT SERVICE BUDGET /SOURCES AND USES – 2009 OPERATING BUDGET****USES OF FUNDS**

Disbursements represent principal and interest payments made during the year by bond series. The increase in payments for 2008 from 2007 represents the debt service on 2005 Series A, B and C Bonds as well as the structure associated with the 2007A and B Bonds. It is assumed that the Outstanding Paper will start to be redeemed.

**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 \$33.9 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.



*Hubert H. Humphrey Terminal*

<b>DEBT SERVICE BUDGET /SOURCES AND USES – 2009 OPERATING BUDGET</b>
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**HISTORICAL REVENUE/EXPENSE COMPARISON – 2009 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 1998 and 2007 and compare revenue and expense for the years actual 2007, estimated 2008 and budget 2009. The last table compares facilities as increases affect MAC in all areas.

The three tables are analyzed as follows:

**A.**

<b>HISTORICAL OPERATING REVENUE &amp; OPERATING EXPENSE SUMMARY 1998 VS 2007</b>						
(\$ = 000)						
	1998		2007		1998-2007	Annual
	\$	% of Total	\$	% of Total	Change \$	% Change
Operating Revenue						
Airline Rates & Charges	\$ 46,832	40.0%	\$ 75,294	31.6%	\$ 28,462	5.4%
Concessions	56,832	48.6%	113,794	47.8%	56,962	8.0%
Other	13,284	11.4%	49,163	20.6%	35,879	15.7%
Total Operating Revenue	\$ 116,948	100.0%	\$ 238,251	100.0%	\$ 121,303	8.2%
Operating Expenses						
Personnel	\$ 32,433	32.2%	\$ 56,278	23.5%	\$ 23,845	6.3%
Administrative Expenses	1,113	1.1%	1,538	0.6%	425	3.7%
Professional Services	4,006	4.0%	4,474	1.9%	468	1.2%
Utilities	6,466	6.4%	16,466	6.9%	10,000	10.9%
Operating Services	10,414	10.4%	15,437	6.4%	5,023	4.5%
Maintenance	9,302	9.2%	21,527	9.0%	12,225	9.8%
Depreciation	36,756	36.5%	115,329	48.1%	78,573	13.5%
Other	119	0.1%	8,922	3.7%	8,803	70.3%
Total Operating Expenses	\$ 100,609	100.0%	\$ 239,970	100.0%	\$ 139,361	10.1%
Net Revenues	\$ 16,339	a)	\$ (1,719)	a)	\$ (18,058)	
a) Required as contribution towards debt service payments and construction program financing.						

This first comparison 1998 versus 2007 emphasizes the changes that occur when comparing the percentage in categories to the total. The average annual percentage increase in revenue from 1998 to 2007 (8.2%) is less than the annual percentage increase in expenses from 1998 to 2007 (10.1%). Over this ten-year period, revenue grew at a slightly lower rate than expenses. The spread between 1998 and 2007 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. New and remodeled facilities under construction restricted the revenue growth in 2005. In addition, bankruptcy negotiations resulted in airline amendments to the Airline Use and Lease Agreement. This provided credits and rebates reflected in 2006 and 2007. (See Operating Budget Revenue Assumptions.)

**HISTORICAL REVENUE/EXPENSE COMPARISON – 2009 OPERATING BUDGET****1. Changes in revenue are as follows:**

- ◆ The largest growth occurred in the Other Revenue category (15.7%). This increase is attributable to building rentals including the 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 was reclassified from the Other Expense category to the Other Revenue category, also accounting for part of the increase. (See Operating Budget Revenue Assumptions.)
- ◆ The second average annual percentage increase is in the Concessions category (8.0%). 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.)
- ◆ The average annual percentage increase for Airline Rates and Charges is 5.4% between the years of 1998 and 2007. This is due in part to landing fees and expanded terminal facilities necessary to accommodate the growth in passenger activity between 1998 and 2007. 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 1998 and 2007 also results from changes in the 2007 Amendment to the Airline Use Agreement and new facilities that have become operational. In the past, this category had maintained the largest growth. However, due to airline lease and use renegotiations, growth has become less than Concessions and Other Revenue. (See Operating Budget Revenue Assumptions.)

**2. Expense changes are as follows:**

- ◆ Personnel expenses have increased from 1998 to 2007 by \$23.8 million. This equates to an average annual increase of 6.3%. However, the percentage of total expense for personnel was reduced from 32.2% in 1997 to 23.5% in 2007. Full Time Equivalents (FTEs) in 1998 were at 436 while actual FTES in 2007 totaled 560.5. This is a direct result of the 2010 Expansion which includes a new runway, new Humphrey Terminal, expanded Lindbergh Terminal as well as a number of other facilities.
- ◆ Professional Services decreased from 4.0% of the 1997 actual expenses to 1.9% of total expenses for 2007. In addition, Operating Services have been reduced from 10.4% in 1998 expenses to 6.4% in 2007 and Administrative Expenses reduced from 1.1% in 1997 to 0.6% in 2007. 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, supplies, travel and various other areas along with contract decreases.
- ◆ Depreciation, by contrast, rose at an average rate of 13.5% (\$78.6) million resulting in the depreciation percent of total increasing from 36.5% in 1998 to 48.1% in 2007. This change can be attributed to the virtual completion of the \$2.8 billion 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 1998 and 2007 is Other at 70.3%. 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 addition, insurance costs have increased as a result of the expanded facilities associated with the 2010 Plan completion. In 2002, Reimbursed Expense was reclassified from the Other Expense category to the Other Revenue category also accounting for part of the increase.

**HISTORICAL REVENUE/EXPENSE COMPARISON – 2009 OPERATING BUDGET****B.**

<b>HISTORICAL OPERATING REVENUE &amp; EXPENSE SUMMARY 2007 VS 2009</b>								
	Actual 2007		Estimated 2008		Budget 2009		2006-2008	Annual
		% of		% of		% of	Change	%
	\$	Total	\$	Total	\$	Total	\$	Change
Operating Revenue								
Airline Rates & Charges	\$ 75,294	31.6%	\$ 82,776	33.6%	\$ 86,193	34.2%	\$ 10,899	7.0%
Concessions	113,794	47.8%	112,175	45.5%	115,364	45.8%	1,570	0.7%
Other	49,163	20.6%	51,700	21.0%	50,470	20.0%	1,307	1.3%
Total Operating Revenue	\$238,251	100.0%	\$ 246,651	100.0%	\$ 252,027	100.0%	\$ 13,776	2.9%
Operating Expenses								
Personnel	\$ 56,278	23.5%	\$ 58,439	23.7%	61,138	24.3%	\$ 4,860	4.2%
Administrative Expenses	1,538	0.6%	1,475	0.6%	1,584	0.6%	47	1.5%
Professional Services	4,474	1.9%	5,350	2.2%	5,230	2.1%	756	8.1%
Utilities	16,466	6.9%	18,525	7.5%	18,610	7.4%	2,144	6.3%
Operating Services	15,437	6.4%	17,325	7.0%	16,953	6.7%	1,516	4.8%
Maintenance	21,527	9.0%	22,950	9.3%	24,467	9.7%	2,940	6.6%
Other	8,922	3.7%	3,375	1.4%	2,756	1.1%	(6,166)	-44.4%
Total Operating Expenses without Depreciation	\$124,641	51.9%	\$ 127,439	51.7%	\$ 130,738	51.9%	\$ 6,097	2.4%
Depreciation	\$115,329	48.1%	\$ 119,100	48.3%	\$ 121,250	48.1%	\$ 5,921	2.5%
Total Operating Expenses Including Depreciation	\$239,970	100.0%	\$ 246,539	100.0%	\$ 251,988	100.0%	\$ 12,018	2.5%
Net Revenues	a) \$ (1,719)		a) \$ 112		a) \$ 39		\$ 1,759	

a) Required as contribution towards debt service payments and construction program financing

The above table illustrates 2007 actual, 2008 estimated and 2009 budgeted revenue and expense categories with dollars and percentages. Revenue for actual 2007 indicates a greater fluctuation between estimated 2008 and budget 2009. In 2007, the airline rates and charges became a smaller percentage of total revenue due to implementation of the amended Airline Use Agreement while Concessions and the percentages grew. The changes in percentages are not significant due to those years reflecting the economic downturn with declining passengers and air travel.

## 1. Changes in Revenue are as follows: (Please see Operating Revenue Assumptions for details.)

- ◆ Revenue is projected to increase an average of 2.9% annually from actual 2007 to budget 2009. The greatest increase is in the Airline Rates and Charges category (7.0%).
- ◆ Airline Rates and Charges, which include landing fees, ramp fees and terminal building rentals, are increasing 7.0%. The rates are established based upon the amended Airline Use Agreement. The primary reason for the increase is the one-time lump sum lease payment due in 2009 for equipment.

**HISTORICAL REVENUE/EXPENSE COMPARISON – 2009 OPERATING BUDGET**

- ◆ Concessions growth has drastically been reduced from prior years and is predicted to increase by 0.7%. Parking revenue for the 2009 budget is projected to increase by \$2.3 million from the 2007 actual. The increase is attributed to a rate increase in long term parking rates. Auto Rental is projected to increase \$1.8 million between actual 2007 and budget 2009 due to changes in contract and activity. Food and Beverage increased \$437,785, News and Retail increased \$66,767 between 2009 budget and 2007 actual. This is due to the completion of construction and remodeling of various tenant facilities identified in the new contract and lease agreements. Passenger services is budgeted to increase between actual 2007 and budget 2009 due to the addition of a pet boarding facility, wellness spa and new in-terminal advertising contract. Concessions growth has been curtailed due to the severity of the economic conditions. Passengers and airline activity (including airline bankruptcies) have been significantly affected by the economy. (See Revenue Assumptions.)
  - ◆ Other Revenue is increasing 1.3% or \$1.3 million primarily attributable to an increase in building rental rates and the opening of the pet boarding facility. Other areas such as lobby fees, hangar rentals, ramp fees, apron services and other ground rentals are decreasing between actual 2007 and budget 2009 due to decreases in activity and bankruptcies.
2. Increases in Expenses (excluding depreciation) are projected to be 2.4% from actual 2007 to budget 2009 and are summarized below. (See Operating Expense Assumptions for details.)
- ◆ Personnel expenses have increased by 4.2% or \$4.9 million between the years 2007 and 2009 budget. Annual wage and step increases have been included in the 2009 budget for both organized and non-contract employees. The 2007 actual FTE count was 560.5 while the 2009 budget is at 574.5 FTEs. Insurance and pension increases also account for the increase.
  - ◆ The increased amount in Administrative Expense of 1.5% is related to special badging supplies in the Police Service Center due to technological changes to the Secured Area Access Control System. Computer software expenses have increased between actual 2007 and budget 2009 related to software upgrades and support. Travel expenses are also slightly greater in the 2009 budget. Many areas are budgeted at a lower expense in 2009 than actual 2007.
  - ◆ Professional Services have increased 8.1%. Areas increasing include Accounting as a result of additional mandates, Computer Consulting and Planning expense increases for updating the Long Term Comprehensive Plan. Other areas such as legal and legislative fees are remaining about the same in the budget 2009 as compared to actual 2007, while several other professional service areas are decreasing due to budget constraints and deferral of projects.
  - ◆ The category for Utilities indicates a 6.3% increase attributable to the rising costs of utilities along with the completion of additional facilities.
  - ◆ Operating Services reflects a 4.8% increase related to service agreements.
  - ◆ Maintenance has increased 6.6% between the 2007 actual data and the 2009 budget. The largest increase (\$1.5 million) is related to building expenses for contracted Mechanical areas, primarily the Automated People Mover, Moving Walks, Elevator and Escalator expenses. The existing contract expires second quarter 2009. Current contract pricing is significantly below industry standards regarding operations and maintenance. The new contract anticipated in the 2009 budget includes a significant increase to bring the contract up to believed current industry standards. The second largest increase is \$1.0 million related to the cleaning of additional facilities.
  - ◆ The majority of the 44.4% decrease in the Other category is related to bankruptcy and bad debt reflected in the 2007 actual.
  - ◆ Depreciation expenses show a 2.5% increase due to completion of major projects, both new and renovations.

**HISTORICAL REVENUE/EXPENSE COMPARISON – 2009 OPERATING BUDGET**

C.

<b>Facility Expansion</b>				
<b>Lindbergh and HHH</b>				
	<u>1998</u>	<u>2008*</u>	<u>Increase</u>	<u>% Increase</u>
Lindbergh & Regional				
Terminal Square Footage	1,962,612	2,833,689	871,077	44.4%
Number of Gates (Aircraft Loading Positions)	69	117	48	69.6%
Ramp Lineal Footage	8,874	11,302	2,428	27.4%
Humphrey Terminal				
Square Footage	80,000	396,477	316,477	395.6%
Number of Gates	4	10	6	150.0%
Parking (All Facilities)	11,315	24,244	12,929	114.3%
*Actual as of 4/08 (the last drawing date)				

The above chart in this section compares the development and expansion of the major facilities at MSP International between 1998 and 2008. 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 1997.

<b>Major New Facilities Completed 1997 through 2008</b>			
<u>New Facilities</u>	<u>Closing Date</u>	<u>New Facilities</u>	<u>Closing Date</u>
Ground Transportation Center - Valet	1997	LRT (Light Rail Transit) Tunnel/Stations	2004
Parking Office/ West and East Vertical Circulation		A,B,C Concourse -- Moving Walks, People Mover & Expansion	2004
Runway 12L Deicing Apron	1998	17/35 Runway	2005
Trades Shop Building	1998	Fire Station No. 1	2005
Taxiway W - Segment 2 & 3	1998	North Terminal Expansion	2006
Lindbergh Terminal Concessions	1998	Runway 4/22 Tunnel	2006
Modification Phases 2 & 3		Trinity School Acquisition	2006
Commercial Vehicle Passenger Shelter	1998	HHH Terminal Projects	2006
Material Storage Building	1999	Lindbergh Terminal EDS Bldg. Shell	2006
A,B,C/G Connector, Bag Check, Emergency Generator	2000	Taxiway CD Phase 3	2007
General Office - West Addition	2000	In-line Baggage Screening System	2007
Parking Ramp Expansion/Auto Rental Facilities	2000	Runway 12R/30L Reconstruction Segment 2	2007
MSP Air Mail Center	2001	St. Paul Airport Runway Improvements	2008
Hubert H. Humphrey (HHH) Replacement	2001	Humphrey Terminal Parking Expansion	2008
Terminal Developments		St. Paul Airport Runway Safety Area	2008
A,B,C Concourse Apron Expansion	2002	Perimeter Fence/Gate Barrier System	2008
HHH Parking Ramp	2003	St. Paul Airport-Dike Excavation	2008
Runway 12R Deicing Pad	2004		

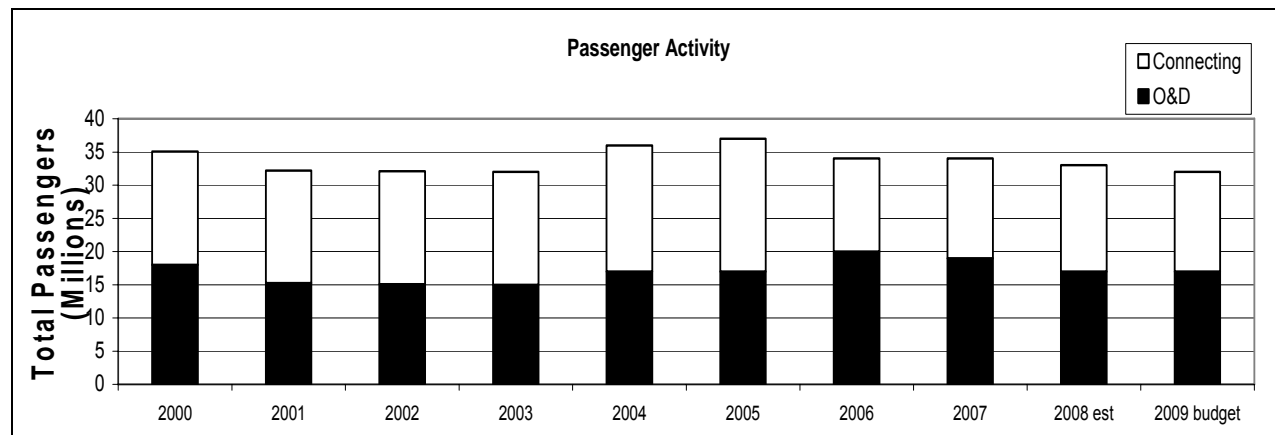
## ACTIVITY/OPERATIONS COMPARISONS – 2009 OPERATING BUDGET

### ACTIVITY/OPERATIONS STATISTICS

This section contains the historical and forecasted levels of activity for the period 2000 through 2009 in the MAC's system of airports.

Four charts are reviewed in this section.

#### A.



This chart illustrates passenger activity that occurred at MSP International Airport during the time period 2000 to 2009. Due to airline bankruptcies, the year 2006 shows a decrease in passenger activity. The 2008 estimate and continuing into the 2009 budget reflects a decline in passengers directly related to the increase in unemployment, the economic conditions and airline bankruptcy issues.

Approximately 50% of passengers were connecting passengers (those transferring directly to another flight) during the time period 2000 to 2004 and in 2008 and 2009. The number of passengers attained a record high in 2005 with 36.7 million passengers; however, 2006 and 2007 began a decline in passengers. This is the result of a reduction in flights by MAC's major carrier due to bankruptcy. The estimate for 2008 is expected to be lower than actual 2007 by 1.2 million passengers. In addition, the 2009 budget is indicating a decrease of 917,480, based upon airline projections and bankruptcy issues.

(O - Enplaned; D – Deplaned)

**ACTIVITY/OPERATIONS COMPARISONS – 2009 OPERATING BUDGET**

B.

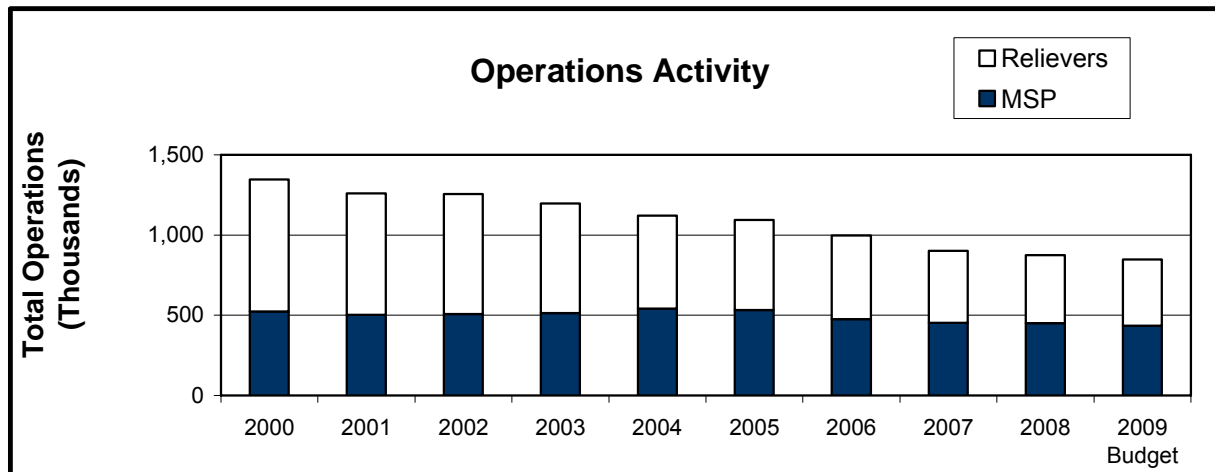
**Passenger Type Comparisons 2005 to 2009**

	2005 Actual	2006 Actual	2007 Actual	2008 Estimate	2009 Budget
Passenger Type					
Enplaned	8,193,652	10,066,488	9,446,503	8,520,655	8,121,937
Deplaned	8,903,898	10,290,643	9,617,078	8,669,591	8,461,155
Connecting	<u>19,581,318</u>	<u>14,223,638</u>	<u>15,045,162</u>	<u>15,727,234</u>	<u>15,416,908</u>
Total Passengers	<u>36,678,868</u>	<u>34,580,769</u>	<u>34,108,743</u>	<u>32,917,480</u>	<u>32,000,000</u>

Estimates of passenger activity form an important element in forecasting revenue each year. The second chart represents actual passenger statistics for 2005, 2006 and 2007 with estimates for 2008 and budget 2009. 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.

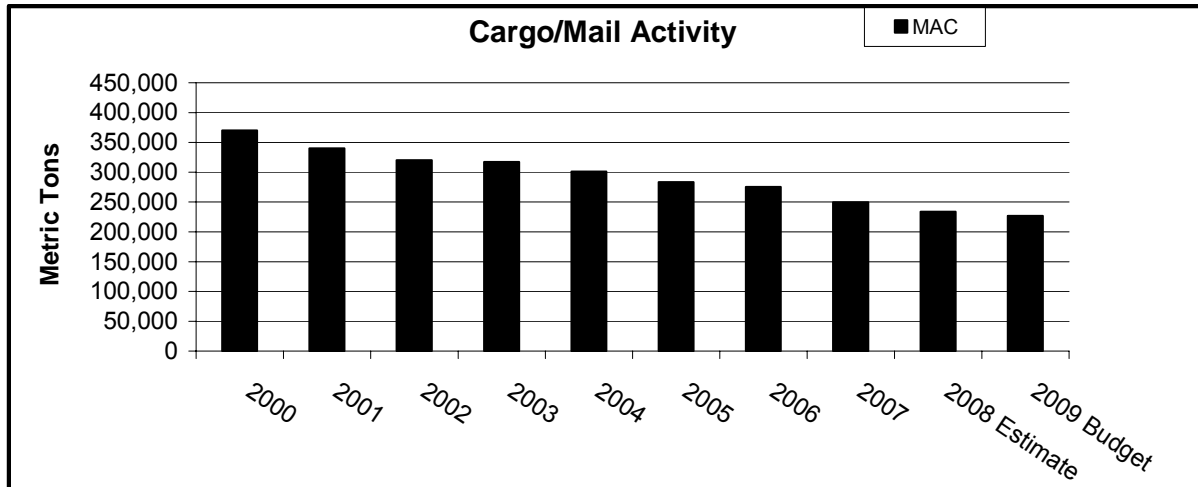
C.



The third chart depicts the total Operations Activity for both the Reliever Airports and MSP International. An operation represents one takeoff or landing. MSP operations have fluctuated between 2000 and 2005 as shown above. Since 2006, however, the number of operations each year has decreased including the 2009 budget, which is projected to be 14,563 operations lower than the prior year. The Reliever Airport activities are also projected to continue the trend of decreasing operations.

<b>ACTIVITY/OPERATIONS COMPARISONS – 2009 OPERATING BUDGET</b>
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D.



The Cargo/Mail Activity Chart points to a steady decrease in activity from 2000 through the 2009 budget. 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. Between the years of 2007 and 2009 budget, the trend has been for decreasing activity as a result of shipments made via truck or rail due to costs and security, bankruptcy issues and the economy. The 2009 budget has a slightly lower volume level than that of 2008.



**NATIONAL COMPARISONS – 2009 OPERATING BUDGET****NATIONAL COMPARISONS**

The information presented in this section was obtained from the national airport survey prepared by Standard and Poor's dated October 2008. This survey grouped hub airports into three categories: large, medium, and small. MSP is considered a large hub airport.

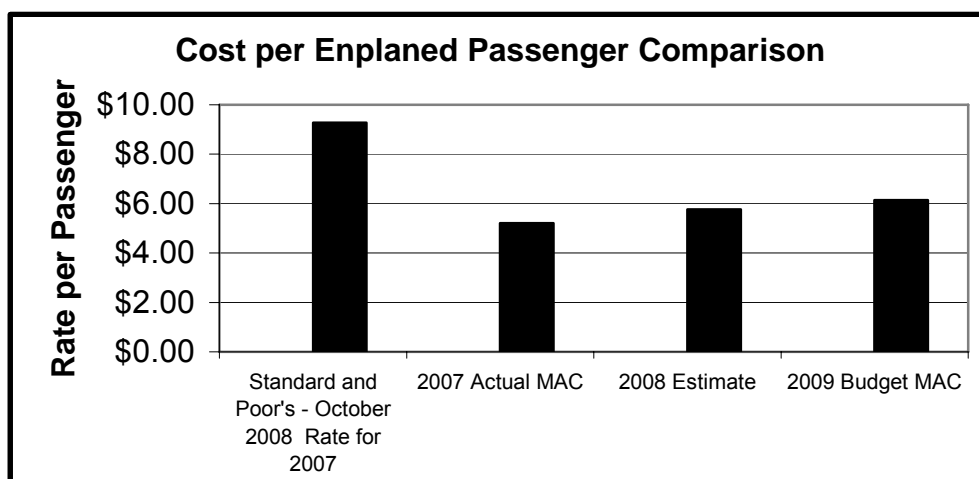
The following two subjects are addressed:

Rates and Concessions  
Industry

**RATES AND CONCESSIONS**

Four comparisons will be reviewed in this section utilizing the 2007 national statistics from the most recent Standard & Poor's survey and MAC's data from the 2009 budget.

A.



This graph, Cost per Enplaned Passenger Comparison, 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 & Poor's report. In the 2009 budget, MAC's expense of \$6.14 per passenger (which is in the lower half of large hub airports) is less than the 2007 national average of \$9.27.

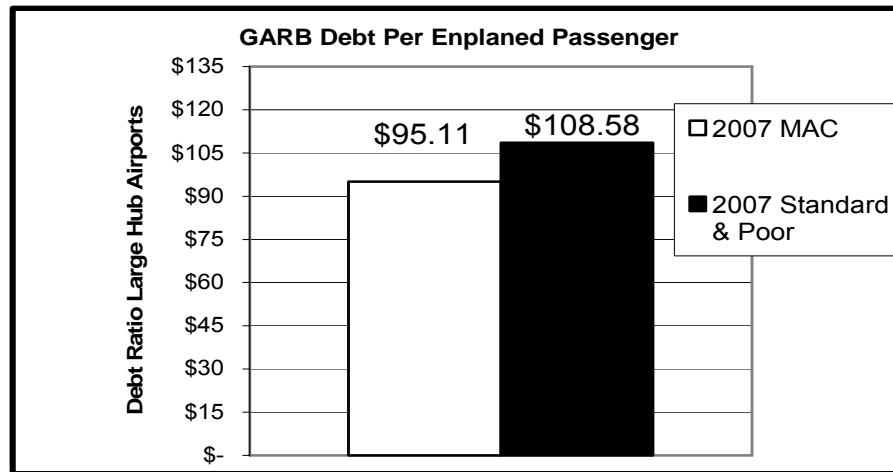


## NATIONAL COMPARISONS – 2009 OPERATING BUDGET

### INDUSTRY

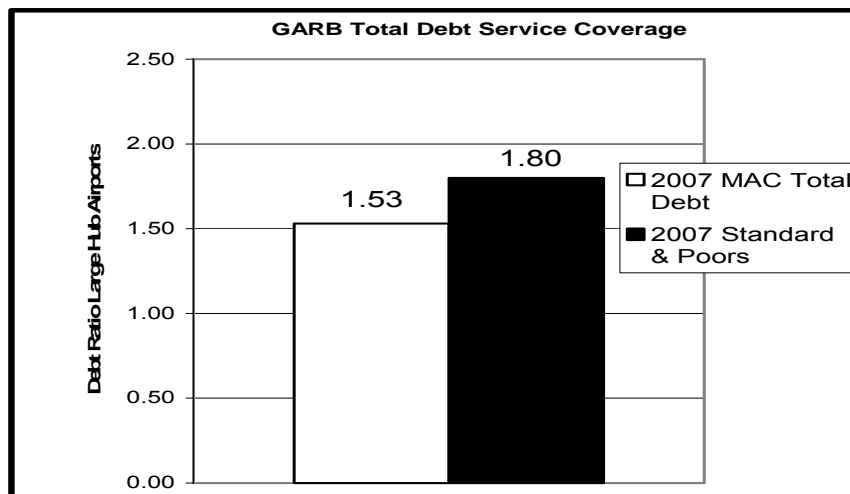
Four charts presented in this segment compare MAC's financial and operating ratios to industry performance ratios. Standard and Poor's publishes separate financial and operating ratios for large, medium and small airports. These ratios are based on 2007 financial and operating data (the most recent available) and have been used for purposes of comparison. The means published by Standard and Poor's are intended to serve as broad indicators. All MAC data is based upon actual 2007 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 below the industry average because the debt has been issued for the 2010 Plan and passenger traffic has declined due to airline bankruptcies and economic conditions.

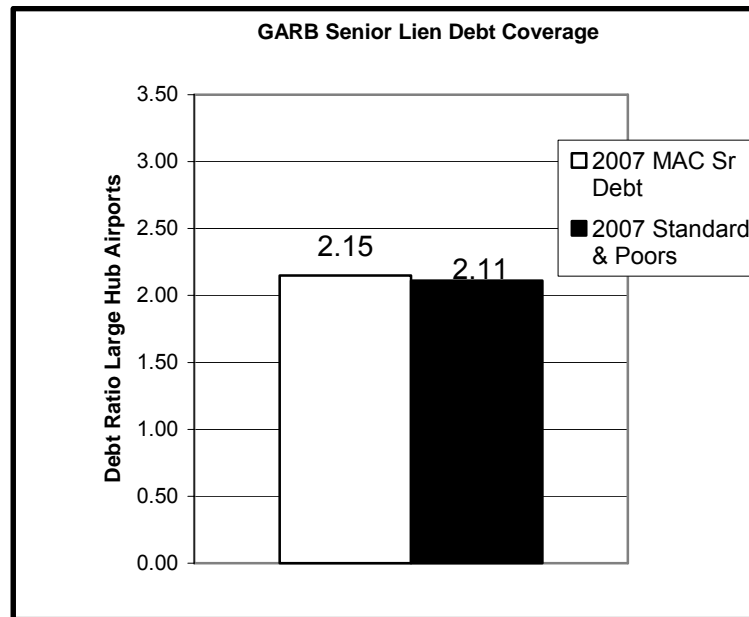
#### B.



Total GARB debt service coverage for MAC is below the industry average for 2007 due to the Amendment to the Airline Use Agreement which incorporated not only reduced rates for the airlines, but a concessions credit.

<b>NATIONAL COMPARISONS – 2009 OPERATING BUDGET</b>
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C.

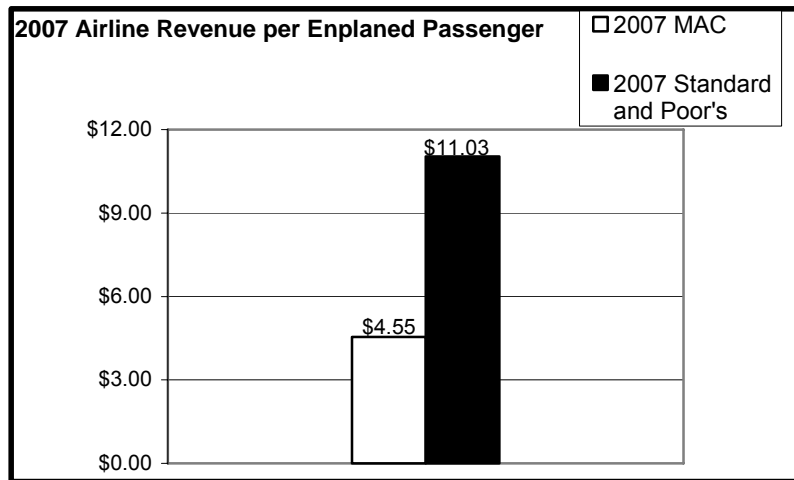


Debt service coverage demonstrates the current ability to repay debt. MAC's coverage ratio for Senior Lien Debt, as shown, is at 2.15 for actual 2007. Debt service coverage is slightly greater than the average of other airports. This is due to completion of the MAC facilities for the 2010 Plan. 2007 and 2008 represent years that MAC will be able to charge a full year's rent for use, thus generating additional revenue and increasing the coverage ratio. (See also Debt Service Section.)

Ratios derived from the income statement provide measures of profitability. Two ratios are discussed below.

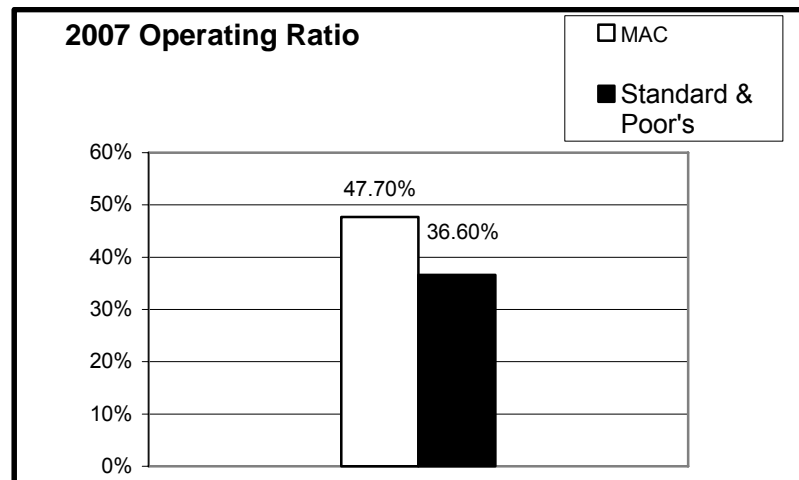
## NATIONAL COMPARISONS – 2009 OPERATING BUDGET

D.



- ♦ 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 \$6.48/enplanement (\$11.03-Standard and Poor's less \$4.55-MAC). The primary reason for this difference is MAC's lower operating costs. In addition, the Third Amendment for the airlines established a concessions credit which also lowers the airline cost. The amended Airline Use Agreement (due to airline bankruptcies) allows for a change in rate methodology, lease adjustments, etc. (See Budget Process and Budget Message sections for details.)

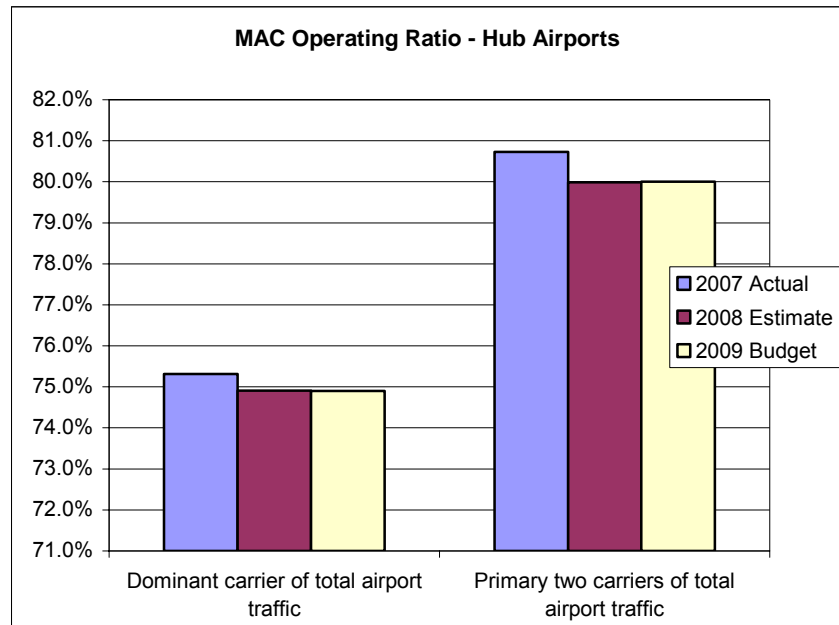
E.



- ♦ 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 higher 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.

<b>NATIONAL COMPARISONS – 2009 OPERATING BUDGET</b>
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F.



The dominant carrier at MSP is Northwest Airlines. The 2009 budget is projecting no change in Northwest percentages. The second largest carrier in 2008 was Sun Country with 5.08% of total airport traffic.



**NWA Take-off at Minneapolis-St. Paul International Airport**

## OTHER INFORMATIONAL STATISTICS – 2009 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/Employers/Tourism  
Airport Activity

**POPULATION**

Minnesota ranks 21<sup>st</sup> in the nation in terms of 2006 population estimates and also ranked 21<sup>st</sup> in percent population growth between 1990 and 2000 according to the U.S. Census Bureau. Two tables will be reviewed.

**A.**

<b>POPULATION</b>					
(in thousands)					
Calendar	United		Minneapolis-	MSA *	MSA
<u>Year</u>	<u>States</u>	<u>Minnesota</u>	<u>St. Paul</u>	<u>as % of</u>	<u>as % of</u>
			<u>MSA</u>	<u>U.S.</u>	<u>Minnesota</u>
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%
2001	285,094	4,985	3,025	1.1%	60.7%
2002	288,126	5,021	3,055	1.1%	60.8%
2003	290,796	5,052	3,082	0.9%	60.9%
2004	293,638	5,086	3,112	1.0%	61.0%
2005	296,507	5,114	3,141	1.0%	61.2%
2006	299,398	5,155	3,175	1.0%	61.6%

Sources: Official Statement dated 2006, U.S. Depart. of Commerce, Bureau of the Census accessed 2/4/09  
MSA = Metropolitan Statistical Area

The above table presents the population for the nation, the State and the Metropolitan Statistical Area (MSA). Minnesota, in terms of 2006 population estimates, was the 21<sup>st</sup> largest state in the nation. It is the 16th-largest metropolitan area in the country (and roughly 65th-largest in the world), with more than 3 million residents. The MSA is composed of 13 counties located in the east-central region of the State and western portion of Wisconsin. There are seven core counties, which represent over 87% of the MSA's population. Most of the historical population growth is attributed to births outnumbering deaths.

Minneapolis-St. Paul International Airport is the only large hub airport in the MSA serving schedule air commerce.

## OTHER INFORMATIONAL STATISTICS – 2009 OPERATING BUDGET

## B.

## EMPLOYERS

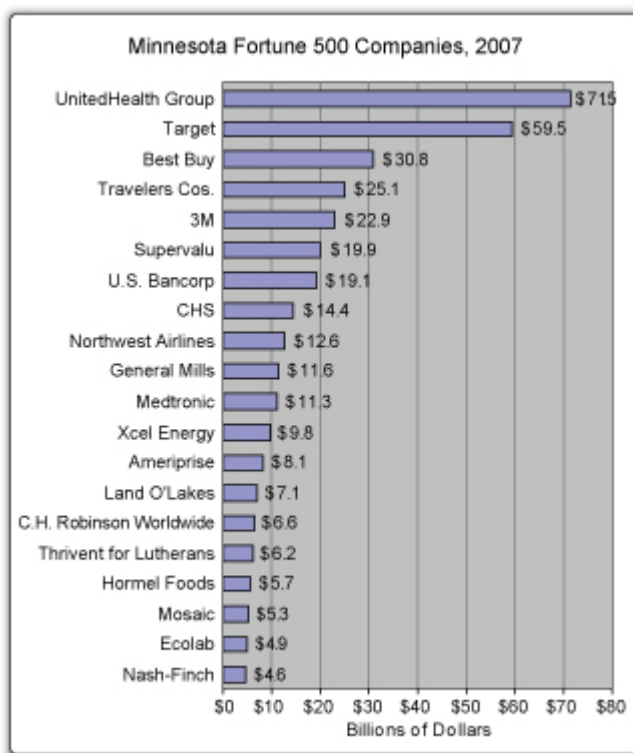
Minnesota's economy has increased the number of *Fortune 500* companies from 14 in 2000 to 20 in 2007. Overall, the State is home to 34 Fortune 1,000 companies, representing a wide variety of industries including insurance, banking, health care, manufacturing and food processing.

Metropolitan Area Top 20 Private Employers		
2007		
Company Name	Number of Employees	Industry
Target Corporation	27,756	General merchandise retailer
Allina Health System	23,653	Nonprofit healthcare and hospital services
Wells Fargo	20,884	Diversified financial services company
Fairview Health Services	20,148	Nonprofit healthcare and hospital services
Wal-Mart Stores, Inc.	19,733	Discount retailer
3M Corporation	16,500	Diversified industrial, consumer products manufacturer
Northwest Airlines Corporation	11,512	Passenger airline; international cargo carrier
HealthPartners	9,980	Consumer-governed health care organization
Supervalu Inc.	9,841	Wholesale foods; operating of supermarkets
Hormel Foods Corp.	9,837	Multi-national food and consumer products company
US Bancorp	9,800	Diversified financial services; bank holding company
United Health Group	9,257	Diversified health and well-being company
Park Nicollet Health Services	8,503	Nonprofit integrated-care system
Medtronic Inc.	7,871	Medical technology company
Best Buy	7,392	Retailer of name-brand consumer electronics
HealthEast Care System	7,000	Non-profit, community-focused health care system
Thomson North American Legal	6,800	Business and legal information publishing
SMDC Health System	6,733	Health care system
Boston Scientific Corp.	6,498	Medical device manufacturer
CentraCare Health System	6,323	Regional health care system
Sources: Minneapolis-St. Paul Business Journal "2009 Book of Lists"		



# OTHER INFORMATIONAL STATISTICS – 2009 OPERATING BUDGET

The following chart specifies the Minnesota Fortune 500 Companies in 2007:



Source: Minnesota Department of Employment and Economic Development website accessed 3/9/08

## OTHER INFORMATIONAL STATISTICS – 2009 OPERATING BUDGET

**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, 2002 and 2008. The unemployment rates began to increase in 2001 through 2003 but remained lower than the national average. 2004 through 2006 indicated declining rates for both Minnesota and the MSA until 2007 with 2008 unemployment rates the highest in decades for the United States, Minnesota and the Minneapolis-St. Paul MSA.

<b>CIVILIAN UNEMPLOYMENT RATE</b>			
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%	4.5%	4.4%
2003	6.0%	4.9%	4.7%
2004	5.5%	4.6%	4.4%
2005	5.1%	4.2%	3.8%
2006	4.6%	4.0%	3.8%
2007	4.8%	4.6%	4.3%
2008	7.1%	6.8%	6.4%

Sources: U.S. Department of Labor, Bureau of Labor Statistics  
 Positively Minnesota Dept. of Employment and Economic Development 2/4/09  
 Employment and Earnings Pub. May 1991 through May 1999 editions  
 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 – 2009 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 a variety of institutions including a number of public universities, private colleges and universities, community colleges, technical colleges and 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		30,795		33,230
2003		31,463		34,295
2004		33,090		36,163
2005		34,471		37,290
2006		36,276		n.a.
2007		40,969		n.a.
<b>Historical AAG</b>				
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 2009. Notes: AAG = Average annual compound growth; P=Preliminary; n.a.=not available; n.c.=not calculated.

## TOURISM AND ATTRACTIONS

The Minneapolis-St Paul area has 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 (MOA), 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 Arts 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.
- Six major professional sports teams include: Minnesota Twins baseball team, Minnesota Vikings football team, Timberwolves basketball team, Minnesota Lynx women's basketball team, Minnesota Thunder soccer 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 10,000 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.

**OTHER INFORMATIONAL STATISTICS – 2009 OPERATING BUDGET**

**INTERESTING FACTS ABOUT MINNEAPOLIS-ST. PAUL INTERNATIONAL AIRPORT**

**Historical Facts**

- In 1914 Snelling Speedway, an auto racing venue, was an unsuccessful venture. The Minneapolis Aero Club acquired the property which became what is known as today, Minneapolis-St. Paul International Airport.
- In 1920 the first hangar, a wooden structure, was constructed to accommodate air mail service. The 160-acre property became known as Speedway Field.
- In 1923 Speedway Field was renamed Wold-Chamberlain Field in honor of two local pilots, Ernest Wold and Cyrus Chamberlain, who lost their lives in combat during World War I.

**Current MSP Information**

- Minneapolis-St. Paul International Airport is made up of 1,300 acres of turf area requiring mowing of more than a third of MSP's total area.
- The MSP Airport Surveillance radar sweeps the sky once every four seconds.
- Runway 17/35 is 150 feet wide by 8,000 feet long with an average depth of 18 inches – enough concrete to build a sidewalk from Minneapolis to New Orleans.
- Concrete at MSP totals 4,274,250 cubic yards – this equates to a 12 foot road 2,849.5 miles in length, the distance between New York City and San Diego.
- MSP operates one of the nation's most extensive airport noise mitigation programs. Between 1992 to the present, the Commission has insulated over 8,000 single-family homes and 1,327 multi-family units at a total cost of more than \$233 million.

## OTHER INFORMATIONAL STATISTICS – 2009 OPERATING BUDGET

## 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.

2007 Ranking of U.S. Airports (for the 12 months ended December 31, 2007)								
Total Passengers <sup>1</sup> (in thousands)			Total Cargo (Freight and Mail, in thousands of metric tons)			Total Operations (in thousands)		
Rank	Airport	Passengers	Rank	Airport	Cargo	Rank	Airport	Operations
1	Atlanta	89,379	1	Memphis	3,840.4	1	Atlanta	994.3
2	Chicago-O'Hare	76,178				2	Chicago-Hare	926.9
3	Los Angeles	61,896	20	Seattle	319.0	3	Dallas-Ft. Worth	685.5
4	Dallas/Ft. Worth	59,786	21	Boston	298.5	4	Los Angeles	680.9
5	Denver	49,863	22	Denver	267.3	5	Denver	614.1
6	New York	47,717	<b>23</b>	<b>Mpls.-St. Paul</b>	<b>257.4</b>	6	Las Vegas	609.5
7	Las Vegas	46,961	24	Portland	254.8	7	Houston	603.7
8	Houston	42,998	25	Phoenix	251.9	8	Phoenix	539.2
9	Phoenix	42,185	26	Fort Worth	236.9	9	Charlotte	522.5
10	Orlando	36,480	27	Detroit	233.0	10	Philadelphia	499.7
11	Newark	36,367	28	Vancouver	225.4	11	Detroit	467.2
12	Detroit	35,983	29	Orlando	183.0	<b>12</b>	<b>Mpls.-St. Paul</b>	<b>452.9</b>
13	San Francisco	35,792	30	Salt Lake City	177.7	13	New York	446.3
<b>14</b>	<b>Mpls.-St. Paul</b>	<b>35,157</b>	31	Hartford/Springfield	162.9	14	Newark	435.7
15	Miami	33,740	32	Winnipeg	155.9	15	Toronto	425.5

<sup>1</sup> Sum of enplaned and deplaned volume.  
Source: ACI, 2007 North American Traffic Report.

MSP is one of the highest-activity airports in the United States. Approximately 50% of the passengers were 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 9<sup>th</sup> place in 2002 thru 2004. However, the 2005 statistics indicate MSP is 10<sup>th</sup> when ranking the U.S. airports for passengers. For 2006, MSP is at 12<sup>th</sup> and 14<sup>th</sup> in 2007 as a result of airline bankruptcies and reduced passenger levels.

When ranked with total cargo, MSP placed 23rd in the U.S (the prior year indicated 26<sup>th</sup> position). The cargo volume is expected to decrease slightly between 2008 and 2009, a trend similar at other airports. 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.

The number of Operations (based upon one takeoff or landing) indicates that MSP is the 12<sup>th</sup> most active airport when compared with other airports in the United States.

## OTHER INFORMATIONAL STATISTICS – 2009 OPERATING BUDGET

**B.**

The table below shows some of the air service measures for the airport. On the domestic side, the number of cities served increased from 105 in 1996 to 119 in 2007 or 13.3%. (The peak year was 2006 at 122.) Flight Departures peaked in 2001 at 4,156 and since then declined to 3,781 in 2008. This is essentially the same as it was in 1996 (3,753). The pattern for Departing Seats follows that of Flight Departures. The final figure, Departing Seats per Flight, has increased 4.2% from 1996-2008 (peak 2001 at 109.8).

International service at MSP in March 2008 showed a significant increase from March 1996. Nineteen cities were linked to MSP by nonstop service, compared to 11 in 1996, and Flight departures increased 66.5% between 1966 and 2008. In addition, the number of seats doubled to international destinations.

**Scheduled Passenger Service  
Minneapolis-St. Paul International Airport  
(for the second week of March)**

	1996	2001	2006	2007	2008	Change			
						1996	2001	2006	2007
						-2001	-2006	-2007	-2008
<u>Domestic:</u>									
Number of Cities Served <sup>1</sup>	105	99	122	118	119	- 6	+ 23	- 4	+ 1
Flight Departures	3,753	4,156	3,924	3,820	3,781	+ 403	- 232	- 104	- 39
Departing Seats	375,841	456,480	404,346	410,501	394,182	+ 80,639	- 52,134	+ 6,155	- 16,319
Departing Seats per Flight	100.1	109.8	103.0	107.5	104.3	+ 9.7	- 6.8	+ 4.4	- 3.2
<u>International:</u>									
Number of Cities Served <sup>1</sup>	11	15	15	18	19	+ 4	0	+ 3	+ 1
Flight Departures	179	234	259	291	298	+ 55	+ 25	+ 32	+ 7
Departing Seats	19,667	33,943	34,300	39,623	40,192	+ 14,276	+ 357	+ 5,323	+ 569
Departing Seats per Flight	109.9	145.1	132.4	136.2	134.9	+ 35.2	- 12.6	+ 3.7	- 1.3

Source: *Official Airline Guide*, accessed February 11, 2009.

Notes: 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. As of January 1, 2009, the airport was served by 36 air carriers, including 24 U.S.-flag carriers providing scheduled service, three U.S.-flag carriers providing charter service, seven all-cargo service carriers and three foreign-flag carriers.

## OTHER INFORMATIONAL STATISTICS – 2009 OPERATING BUDGET

Minneapolis-St. Paul International Airport  
Air Carriers Serving the Airport

As of January 2009

## U.S.-Flag Carriers

**Scheduled Service**

Air Tran <sup>*</sup>	Continental <sup>*</sup>	Pinnacle <sup>**6</sup>
Air Wisconsin <sup>2</sup>	Delta <sup>*5</sup>	Republic Airlines <sup>5</sup>
American <sup>*</sup>	Express Jet <sup>7</sup>	Shuttle America <sup>2,4</sup>
American Eagle <sup>**3</sup>	Frontier <sup>*</sup>	SkyWest <sup>*2</sup>
Atlantic Southeast <sup>***4</sup>	Mesa Air Group <sup>5</sup>	Sun Country <sup>**</sup>
Chautauqua <sup>**4, 5</sup>	Mesaba <sup>**6</sup>	United <sup>*</sup>
Comair <sup>**3, 4</sup>	Midwest Airlines <sup>**</sup>	US Airways <sup>*</sup>
Compass <sup>**6</sup>	Northwest <sup>**</sup>	
Continental <sup>*</sup>		

**Non-scheduled (Charter) Service**

Champion Air <sup>*</sup>	Omni Air Express <sup>**</sup>	Ryan International <sup>*</sup>
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## All-Cargo Services

ABX Air <sup>*8</sup>	Bemidji <sup>**</sup>
AStar Air Cargo <sup>*8</sup>	FedEx <sup>**</sup>
ATI <sup>**9</sup>	UPS <sup>**</sup>

## Foreign-Flag Carriers

Air Canada <sup>**</sup>	Icelandair <sup>*</sup>	KLM <sup>**</sup>
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\* Signatory to Airline Lease Agreement that expires on December 31, 2010.

\*\* Signatory to Airline Lease Agreement that expires on December 31, 2020.

\*\*\* Signatory to Airline Lease Agreement that expires on December 31, 2015.

<sup>1</sup> Excludes carriers reporting fewer than 1,000 enplaned passengers per annum. Does not indicate which major air carriers codeshare with each other.<sup>2</sup> Codeshare with United.<sup>3</sup> Codeshare with American.<sup>4</sup> Codeshare with Delta.<sup>5</sup> Codeshare with US Airways.<sup>6</sup> Codeshare with Northwestern Airlines.<sup>7</sup> Codeshare with Continental. Express Jet lease expires 12/31/2010.<sup>8</sup> Provides air service to DHL.<sup>9</sup> Provides air service to BAX Global.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.

<b>OTHER INFORMATIONAL STATISTICS – 2009 OPERATING BUDGET</b>
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**GLOSSARY – 2009 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

**AED** - Automated External Defibrillator

**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 for most airlines (Northwest/Delta, Mesaba and Air Canada expires 2020.) This Agreement is the basis for airline rates and charges primarily the landing fee, ramp fee, carousels and conveyors, terminal building rates and the noise surcharge.

**Agreement (The) Third Amendment** – This was an amendment to the Airline Agreement approved in 2007 by all carriers. Major components of this amendment include converting the rate methodology from Depreciation and Interest to Debt Service and also incorporating a portion of the concessions (25% of Food & Beverage, Retail, News and On Airport Auto Rental revenues to MAC up to a maximum of \$32.3 million escalated annually) as a rebate to Lindbergh and Humphrey Terminal tenants.

**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 and carousels and 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

**ASQ** - Airport Service Quality Program

**AVI** – Automated Vehicle Identification. Relates to Landside Operations.

**Balanced Budget** – Refers to Budgeted Operating Revenue equal to Budgeted Operating Expense plus depreciation.

**BIDS** – Baggage Information Display System

**GLOSSARY – 2009 OPERATING BUDGET**

**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.

**CAD** – Computer Aided Design

**CCTV** - Close Circuit Television

**CFC** - Customer Facility Charge

**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.S.E.** - Common Use System Equipment - used for ticketing and gate use.

**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 10<sup>th</sup> 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.

**GLOSSARY – 2009 OPERATING BUDGET**

**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.

**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.

**DHS** - Department of Homeland Security

**DNL** - Day Night Noise Level

**DOG** – Department Operating Guidelines

**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.

**EOD** – Explosive Ordinance Disposal

**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.

**GLOSSARY – 2009 OPERATING BUDGET**

**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.

**F&AS** – Finance & Administrative Services

**FCM** – Flying Cloud Airport

**FD&E Committee** - Finance, Development and Environment Committee composed of Commissioners meeting on a monthly basis. (This Committee is one of the three standing Committees.)

**FIDS** – Flight Information Display System

**FIS** – Federal Inspection Services

**FOD** – Foreign Objects/Debris

**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 Note 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

**GPS** – Global Positioning System

**GLOSSARY – 2009 OPERATING BUDGET**

**HHH Terminal** – Hubert H. Humphrey Terminal – The Commission's Common Use Terminal housing international, domestic scheduled and charter flight activity.

**HR Committee** – Human Resources Committee composed of Commissioners. This committee, one of three standing Committees, meets on a quarterly basis.

**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 determination of various rates.

**Infield Area** – An area constructed for parking or maintenance by cargo companies. Currently occupied by Federal Express and UPS.

**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.

**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". (This facility was named after Charles Lindbergh.)

**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. (This Committee is one of the three standing Committees.)

**MAC** – Metropolitan Airports Commission

**MAC Funds** – Amounts generated from operations that the Commission intends to apply toward the cost of the Capital 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 January 1, 2009, these include American, Air Tran, America West/USAir, Air Canada, Continental, Delta, Frontier, Northwest, Sun Country and United. In addition to these, there are several freight carriers, charter carriers, and commuter carriers that participate in the airline agreement.

## GLOSSARY – 2009 OPERATING BUDGET

**MALSR** – Medium Approach Lighting System with a Rail (Runway alignment indicator lights)

**MERF** – Minneapolis Employees Retirement Fund

**Metropolitan Council** – (Met Council) – Metropolitan regional planning agency

**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

**MPCA** - Minnesota Pollution Control Agency

**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

**NOTAMS** – Notice to Airmen System

**NPDES** – National Pollutant Discharge Elimination System

**NTSB** – National Transportation Safety Board

**NWA** – Northwest Airlines

**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.

**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, loading dock fees, computer 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, minor equipment, safety materials and miscellaneous items.

**Other Revenue** – One of the three revenue categories and includes other building rents, ground rents, utilities and miscellaneous items.

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**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. Early 2001 the level of PFC's charged by MAC will go to \$4.50. The Commission currently has ten approved applications, three of which remain open.

**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.

**RDC** – Regional Distribution Center

**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 or paid to MAC from other outside sources. (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.

**Revenue Bonds** – Represent bonds which are paid with an entity's operating revenue generated from rents, fees and charges. (See GARBs.)

**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.

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**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 airline companies. Currently occupied by Sun Country and various cargo companies.

**STAR Program** - Steward of Tomorrow's Airport Resources Program

**STP** – St. Paul Downtown 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 Debt 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.

**TSA** – Transportation Security Administration

**Taxiway** – Paved areas on the airfield 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. (Named after two local pilots, Ernest Wold and Cyrus Chamberlain, who lost their lives in combat during World War I.

**Working Capital** – Changes in current assets minus changes in current liabilities.



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