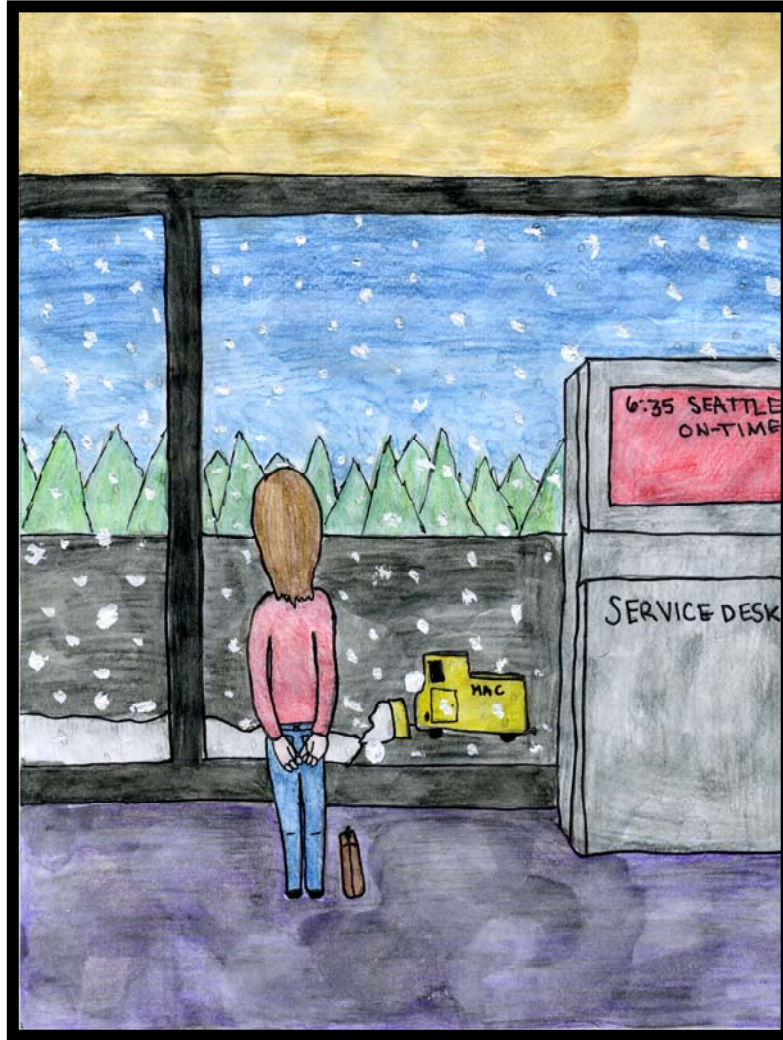


***Minneapolis-St. Paul, Minnesota***  
**Metropolitan Airports Commission**  
**2010 Budget Book**









### **2010 Budget Book Cover Process**

Children or relatives of employees are invited to participate in the Metropolitan Airports Commission annual budget book cover contest. All entries are reviewed and voted on by employees of the Finance & Administrative Services Division. The winner for the 2010 Budget Book:

***Sydney Ward - Age 12***  
***Niece of Steve Baumer- Field Maintenance***

***2010 Budget Book Artist***





## *Mission*

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

## *Vision*

*"To give our customers the best airport experience in North America!"*

## *Values*

- *Integrity*
- *Fiscal Responsibility*
- *Innovation and Excellence*
- *Commitment to the Community and the Environment*
- *Teamwork*
- *Our Employees*



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**BUDGET MESSAGE – 2010 OPERATING BUDGET**

December 21, 2009

To The Public:

We are pleased to present the 2010 Metropolitan Airports Commission (Commission) budget which was adopted by the Commission on December 21, 2009. Total operating revenue for 2010 is projected to be \$236,625,032 and operating expense is \$129,178,470 excluding depreciation and amortization (\$252,178,470 with depreciation and amortization). The fourth quarter of 2009 and the final preparation of the 2010 Budget continued to be a very difficult time for all involved in the air transportation system.

In May 2009, at the start of the 2010 budget process, things were significantly different than the recent past. Since 9/11, the airline industry, in general, has struggled to find the right mix of aircraft and frequency to destinations (capacity) in order to become profitable. Just when the industry appeared to find this mix, the world economy started into a free fall. No one expected this economic downturn to be as deep or last as long as it has. Staff was directed to prepare the budget with the status of the economy in mind as well as dealing with reduced passengers and operations.

Our reaction to this challenge was as follows:

Operating Budget

With regard to the Operating Budget, the emphasis placed on cost control can be readily seen in the details. In comparing 2008 final results with 2010 budget amounts for our main seven operating expense categories (excluding depreciation and amortization), five of these expense categories are below 2008. Only personnel and maintenance were above 2008. Personnel is up 2.97% because of employee insurance and staffing levels approaching the level of what is believed necessary to effectively manage and operate the airport. The 15.5% increase in maintenance can be attributed to a new maintenance contract for our automated people movers and an average winter (2008 snowfall was below average). Expenses needed to be held in check because of the forecast indicating, at best, flat passenger traffic which, in turn, may result in less revenue.

Capital Budget

On the Capital Budget, we looked at three criteria for a project to be considered: 1) Required either due to a regulatory or legal mandate; 2) Properly maintaining our public asset; and 3) Security. Seventy percent (\$89 million) of the 2010 Program is tied to three of these types of projects: Noise Program (\$43.3 million - Consent Decree); In-Line Baggage Screening (\$33.5 million – Security); and Lindbergh Terminal Sprinkler Upgrade (\$12.1 million – Building Code). The remaining part of the 2010 Program, which is \$36 million or thirty percent, is required to maintain the airport infrastructure.

Debt Budget

The Commission completed three debt related transactions which resulted in an overall positive result for MAC, but had a negative impact on operating revenue. The first was the retirement of a capital equipment financing which resulted in over \$2 million in savings. The second was the payoff of a final maturity of an outstanding bond issue resulting in \$3 million in savings. Third, the Commission refunded the Series 1999B and 2000B General Airport Revenue Bonds which have saved approximately \$1 million annually. All of these transactions were viewed as a positive by the Rating Agencies as they reduced our debt exposure but also continued to allow us to keep our airline rates and charges significantly below the national average.

In addition to these actions, staff also adjusted certain financial requirements of our tenants to aid them in this economic downturn. Some of these financial adjustments were related to the Reliever Airports, the airlines and concessions.

The following are overviews of: Commission/Committee Structure; Finance, Development and Environment Committee actions in 2009; Budget Targets; Fund Overview (Operating, Capital Improvement Program and Debt Activity); and Future Outlook.

**BUDGET MESSAGE – 2010 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 2009, 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 2008 Expenditures
  - Distribution of 2008 Net Revenues/Unrestricted Cash
  - 2010 Budget Targets
  - 2010 Preliminary and Final Budgets
- Capital Budget (Program)
  - Contractor Payments
  - Contractor Bids
  - Project Adjustments
  - Environmental Issues
  - Federal & State Grants
  - 2010 – 2016 Capital Program
- Bonds/Debt/Capital Funding
  - 2009 Series A and Series B Bond Refunding (1999B and 2000B)
  - Capital Plan Funding
  - Noise Program Funding Settlement
  - Commercial Paper Program
  - Selection of new Underwriting Team
- Other
  - Delta Building C Rehabilitation & Funding
  - Long Term Comprehensive Plans
    - MSP
    - Relievers

<b>BUDGET MESSAGE – 2010 OPERATING BUDGET</b>
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**BUDGET TARGETS**

With regard to the Operating Budget for 2010, in June the Commission established the following general financial targets based upon discussion/recommendations from staff and the FD&E Committee at that point in time:

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

**Result:** 2.08 (without transfer) (Met)

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

**Result:** \$64,589,000 (Transfer will be made 1/4/10) (Met)

**Target 3:** Airline Cost/Enplaned Passenger will be in lower half of large hub airports

**Result:** MSP ranked 5<sup>th</sup> (\$5.73) out of 29 airports listed. (Met)  
(Range for 29 airports \$1.11 to \$23.91 with an average of \$10.47.)

**Target 4:** Net Revenues, excluding amortization associated with the Off-Airport Noise Program, will be positive.

**Result:** Target not met.

When this target was established, the full impact of the economic downturn was not realized. As the year progressed, it became evident that this target would not be reached in the budget process. A number of detailed presentations and analysis had been presented to the Commission showing that MAC would remain in a financially solid position even though this target had not been met.



***Minneapolis-St. Paul International Airport – Check-in Area***

**BUDGET MESSAGE – 2010 OPERATING BUDGET****FUND OVERVIEW**

The Metropolitan Airports Commission (MAC or Commission) 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 (\$64.6 million as of 1/1/10). 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>2008</b> <b>Actual</b>	<b>2009</b> <b>Estimated</b>	<b>2009</b> <b>Budget</b>	<b>2010</b> <b>Budget</b>	<b>2011</b> <b>Projection</b>	<b>2012</b> <b>Projection</b>
<b><u>Sources All Funds</u></b>						
Total Beginning All Fund Balances <sup>1</sup>	\$ 658,691	\$ 569,185	\$ 507,500	\$ 546,101	\$ 643,711	\$ 620,672
Operating Fund Revenues						
Airline Rates & Charges	87,244	92,900	81,922	87,225	94,680	99,670
Concessions	108,806	108,100	119,103	109,871	110,040	115,400
Other Operating Revenues	44,368	41,200	53,598	39,529	34,160	34,820
Interest Earnings	12,446	8,200	9,335	10,188	9,169	8,252
Other & Self-Liquidating Revenue	10,030	6,960	3,200	3,943	3,825	4,017
Transfers in Construction Fund	0	6,638	0	0		
Transfers in Equipment Financing	3,392	5,502	0	2,427	2,145	2,310
Construction Fund Revenues						
PFC Funding	64,230	54,474	62,514	62,000	63,000	64,000
Federal Grants	22,820	22,999	21,925	8,500	6,000	4,450
State Grants	1,581	3,137	1,500	1,500	1,500	1,500
Interest Earnings	9,775	7,446	4,799	6,000	5,000	5,000
Bond Proceeds	0	0	0	125,000	0	0
Commercial Paper Program	0	0	13,400	0	0	0
Other Receipts	0	0	27,200	0	21,000	44,000
Federal Letter of Intent (LOI)	7,000	5,000	5,000	5,000	0	0
Transfers In	50,529	51,800	47,119	53,100	38,900	24,100
Debt Fund Revenues						
Interest Earnings	7,980	4,380	7,400	2,688	2,638	2,638
Bond Proceeds	73,337	147,227	0	25,000	0	0
Self-Liquidating Payments	27,164	28,472	26,370	28,836	27,857	29,489
Transfers In (PFCs and Garb Require.)	100,765	101,378	110,078	99,993	112,449	110,687
Total All Receipts	\$ 1,290,158	\$ 1,264,998	\$ 1,101,963	\$ 1,216,901	\$ 1,176,074	\$ 1,171,005
<b><u>Uses All Funds</u></b>						
Operating Fund Expenses						
Personnel	(60,571)	(60,116)	(61,721)	(61,586)	(63,843)	(66,135)
Administration	(1,273)	(1,350)	(1,728)	(1,220)	(1,240)	(1,246)
Professional Services	(3,991)	(4,600)	(6,052)	(3,811)	(3,768)	(3,787)
Utilities	(18,709)	(17,200)	(16,574)	(17,091)	(17,977)	(18,876)
Operating Services	(16,851)	(16,050)	(18,938)	(16,955)	(17,548)	(18,074)
Maintenance	(21,655)	(24,200)	(23,264)	(25,580)	(26,603)	(27,667)
Other/Insurance	(3,158)	(2,775)	(3,702)	(2,935)	(3,079)	(3,202)
Equipment & Other Capital Expenditures	(11,109)	(7,840)	(8,405)	(7,353)	(7,502)	(8,032)
Transfers Out - Debt	(76,617)	(77,521)	(79,937)	(77,032)	(87,291)	(84,275)
Transfers Out - Equipment Financing	(1,706)	(4,750)	-	(2,136)	(1,812)	(2,135)
Transfers Out - Construction	(50,529)	(51,800)	(47,119)	(53,100)	(38,900)	(24,100)
Working Capital/Other	-	-	3,580	0	(2,360)	(2,465)
Construction Fund Expenses						
Capital Project Costs	(102,761)	(119,893)	(148,547)	(121,000)	(115,900)	(154,000)
Commercial Paper	(12,000)	(5,000)	(5,000)	(30,587)	-	0
Debt Service Reserve	(120,713)	(25,158)	(28,064)	(24,711)	(25,158)	(26,412)
Transfer out-Operating Fund	0	(6,638)	0	0	0	0
Debt Fund Expenses						
Bond Series 2008A Refunding	(82,147)	-	0	0	0	0
Bond Series 2009A-B Refunding	-	(145,165)			0	0
Bond Principal & Interest Payments	(137,183)	(148,841)	(143,018)	(128,093)	(142,421)	(142,385)
Total All Costs	(720,973)	\$ (718,897)	\$ (588,489)	\$ (573,190)	\$ (555,402)	\$ (582,791)
Total Ending All Net Fund Balances	\$ 569,185	\$ 546,101	\$ 513,474	\$ 643,711	\$ 620,672	\$ 588,214
<sup>1</sup> Includes Operating Fund, Construction Fund and Debt Service Fund.						



**BUDGET MESSAGE – 2010 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. 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 2008 actual, 2009 estimate, 2009 budget, and 2010 budget revenue and expenses. (It does not include non-operating items such as interest income, other & self-liquidating revenue equipment purchases or transfers.)

<b>2010 OPERATING BUDGET SUMMARY - 2010 OPERATING BUDGET</b>						
<b>\$ = 000</b>						
	<b>2008 Actual</b>	<b>2009 Estimate</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>2009 Estimate vs 2010 Budget Comparison</b>	
					<b>Dollars</b>	<b>Percentage</b>
<b>OPERATING REVENUE</b>						
Airline Rates and Charges	\$ 87,244	\$ 92,900	\$ 93,586	\$ 87,225	\$ (5,675)	-6.1%
Concessions	112,230	107,100	117,960	109,871	2,771	2.6%
Rentals/Fees	28,763	28,550	27,985	28,038	(512)	-1.8%
Utilities & Other Revenues	13,182	12,650	12,496	11,491	(1,159)	-9.2%
<b>Total Operating Revenue</b>	<b>\$ 241,419</b>	<b>\$ 241,200</b>	<b>\$ 252,027</b>	<b>\$ 236,625</b>	<b>\$ (4,575)</b>	<b>-1.9%</b>
<b>OPERATING EXPENSE</b>						
Personnel	\$ (59,811)	\$ (60,116)	\$ (61,138)	\$ (61,586)	\$ (1,470)	2.4%
Administrative Expenses	(1,298)	(1,350)	(1,584)	(1,220)	130	-9.6%
Professional Services	(4,161)	(4,600)	(5,230)	(3,811)	789	-17.2%
Utilities	(18,089)	(17,200)	(18,610)	(17,091)	109	-0.6%
Operating Services	(17,540)	(16,050)	(16,953)	(16,955)	(905)	5.6%
Maintenance	(22,140)	(24,200)	(24,467)	(25,579)	(1,379)	5.7%
Other	(3,697)	(2,775)	(2,756)	(2,936)	(161)	5.8%
<b>Total Operating Expenses (Excludes Depreciation)</b>	<b>\$ (126,736)</b>	<b>\$ (126,291)</b>	<b>\$ (130,738)</b>	<b>\$ (129,178)</b>	<b>\$ (2,887)</b>	<b>2.3%</b>
<b>Net Operating Revenues (Excludes Depreciation)</b>	<b>\$ 114,683</b>	<b>\$ 114,909</b>	<b>\$ 121,289</b>	<b>\$ 107,447</b>	<b>\$ (7,462)</b>	
<b>Less Depreciation (Excludes Off Airport Noise)</b>	<b>(110,385)</b>	<b>(113,800)</b>	<b>(114,567)</b>	<b>(115,278)</b>	<b>1,478</b>	
<b>Net Revenues (Includes Depreciation Less Off Airport Noise)</b>	<b>\$ 4,298</b>	<b>\$ 1,109</b>	<b>\$ 6,722</b>	<b>\$ (7,831)</b>	<b>\$ (8,940)</b>	
<b>Less Off Airport Noise Amortization</b>	<b>(7,210)</b>	<b>(6,686)</b>	<b>(6,683)</b>	<b>(7,722)</b>	<b>1,036</b>	
<b>Net Revenues</b>	<b>\$ (2,912)</b>	<b>\$ (5,577)</b>	<b>\$ 39</b>	<b>\$ (15,553)</b>	<b>\$ (9,976)</b>	

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 decrease \$5.7 million (decrease in Airline Rates & Charges which can be attributed primarily to debt retirement). The majority of the Airline Rates & Charges are calculated based on expenses. See Revenue Assumptions – Airline Rates and Charges. Concessions are projected to increase \$2.8 million from the 2009 estimate due to general forecasted increases in all areas. Rentals/Fees are projected to be lower by \$512,000. The decrease is the result of two items at the Reliever Airports: 1) Reduced activity at all six airports and 2) Rate relief for the current period (2009 – 2010). The total of these two activities is \$599,000. Utilities & Other Revenue is forecast to decrease \$1.2 million. This decrease can be attributed to reduced reimbursed expense and lower forecasted miscellaneous revenues.

**BUDGET MESSAGE – 2010 OPERATING BUDGET**

Personnel expenses are up 2.4 percent or \$1.5 million due to salaries and employee insurance. All employees of the Commission will take a one-year freeze on wages. Due to the timing of labor contracts, some of the freezes will occur in 2009 and some will occur in 2010. Administrative Expenses are down due to supplies, particularly badging supplies. The decrease in Professional Services can be attributed to Planning/Engineering and Legal fees. Utilities are expected to decrease \$109,000 due to lower natural gas prices. As a result of rising costs in service agreements associated with the Parking Management Contract, Computer Services (extended coverage to 24/7/365), Loading Dock and Information Systems, Operating Services has increased \$900,000. Maintenance expenses show an increase of \$1.4 million due to a variety of items including new mechanical contracts and budgeting for average winter and weather conditions. Other Expense is forecast to be down \$161,000. This can be attributed primarily to decreased purchases for minor equipment. (See Expense Assumptions section for detailed explanation of all categories.)

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**BUDGET MESSAGE – 2010 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 2010 total \$126.3 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 a new debt issue. A summary of the Capital Improvement Program by facility for 2010 compared with 2009 is as follows:

<b>CAPITAL IMPROVEMENT PLAN (CIP) SUMMARY</b>		
<b>(\$=000)</b>		
	<b><u>2009</u></b>	<b><u>2010</u></b>
Minneapolis/St. Paul International Airport		
Field & Runway	\$ 35,000	\$ 8,500
Environmental/Noise	18,000	43,300
Terminals & Landside	58,925	70,350
Total Minneapolis-St. Paul International	\$ 111,925	\$ 122,150
Reliever Airports	\$ 15,190	\$ 4,100
Total All Airports	\$ 127,115	\$ 126,250

As stated earlier, the industry economic conditions and forecasts continue to impact the construction program for 2010. Only essential projects (primarily rehab or repair), specific projects agreed upon between MAC and the tenants or dictated projects (noise) will move forward. These total approximately \$126.3 million. The Capital Improvement Program, as presented to the Commission (and approved), totaled approximately \$1.105 billion for the period 2010 – 2016. Some of the major components of this plan are \$66 million for the Noise Mitigation Program based on the various settlements, Explosive Detection System - \$55 million, Lindbergh and Humphrey Terminal modifications associated with “Demand Driven” expansion (passenger traffic increase must justify the expansion) - \$503 million, Parking Facility expansions in phases - \$91 million (“Demand Driven”) and Reliever Airport improvements - \$40.3 million.



***Minneapolis-St. Paul International Airport – Flight Activity***

**BUDGET MESSAGE – 2010 OPERATING BUDGET**Debt ActivityCommercial Paper

The Commission currently has two programs which have an authorization limit totaling \$200 million. 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 until May 10, 2010. In view of what has transpired over the past fifteen months in all of the financial markets, the Letter of Credit providers for Commercial Paper have either decided to withdraw from this segment or increase fees significantly. As a result, one of our two providers has already issued a termination notice while the other provider has notified the Commission of its increased fees. At the current proposed fee structure, it will not be beneficial to renew the Commercial Paper Program. All paper will be defeased with either internal funds or re-financed with long term debt (See Below). Alternatives will be evaluated in 2010.

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

In conjunction with the Stimulus Package approved by Congress, staff reviewed the Commission's debt portfolio and was able to refund the 1999B and 2000B Bonds. The 1999B Bonds had present value savings of \$360,000 annually (3.5%) while the 2000B Bonds had present value savings of \$625,000 annually (7.8%).

2010 Long Term Debt Activity

The Commission anticipates issuing \$125 million of new debt during the second quarter of 2010. This issuance is being done to continue to take advantage of the current low interest rate market and the Stimulus Package. Pending market conditions, there may be a bond refunding during the fourth quarter.

2011-2012 Long Term Debt Activity

No activity is forecasted at this time. If some of the demand driven projects in the CIP are pushed forward due to improved economic conditions and/or increased activity, a new long term debt issue may be required.

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**BUDGET MESSAGE – 2010 OPERATING BUDGET****FUTURE OUTLOOK**

Four key issues will have a significant impact on MAC operations in 2010. They are listed as follows:

1. Economic situation and stabilization in the airline industry.
2. Environment.
3. Strategic Planning/Performance Leadership.
4. Long Term Comprehensive Plan (LTCP).

**Economic Situation and Airline Stabilization**

The current economic situation has, and will continue to have, far-reaching impacts on the Metropolitan Airports Commission. Each economic 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 increasing annual 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 in 2009 and has developed a more robust agenda for 2010 and beyond. 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.

**Long Term Comprehensive Plan (LTCP)**

The Commission will complete its LTCP in the second half of 2010. The LTCP will be the first updated analysis since 1996 and will set the path of potential future expansion in five-year intervals for the next twenty years. Once finalized, staff will continuously monitor activity and the economy and make adjustments to the LTCP as necessary.

**GFOA AWARD – 2010 OPERATING BUDGET****AWARDS**

The Government Finance Officers Association (GFOA) of the United States and Canada 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, 2009.

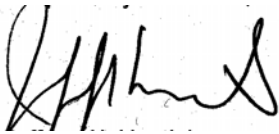
In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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.

**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 2010 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 – 2010 OPERATING BUDGET**

<b>Metropolitan Airports Commission Awards</b>			
<b>Year</b>	<b>Source of Award</b>	<b>AWARD</b>	<b>Group Judged/Rated</b>
1985 through 2009	Government Finance Officers Association	Distinguished Budget Presentation Award	Submitted budget documents from various government organizations.
1984 through 2008	Government Finance Officers Association	Certificate of Achievement for Excellence in Financial Reporting	Submitted report must be easily readable and efficiently organized.
2009	Transportation Security Administration	Certificate of Appreciation	New security directives involved in airport badging
2009	MN Council of Airports	Large Key Airport "Project of the Year" – Engineered Materials Arresting System at St. Paul Downtown Airport	Various Projects Designed by Minnesota Engineering Companies
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
2009	MN Society of Professional Engineers	Orange Ramp Structural Modifications – Seven Wonders of Engineering	Various Projects Designed by Minnesota Engineering Companies
2009	Hennepin County Health at Work	Gold Award – Wellness by Design	Based on wellness activities, promotions available to employees
2009	American Heart Association	Fit-Friendly Company Designation	Companies meeting criteria in promoting employee health and creating a culture of physical activity in the workplace.
2009	Twin Cities Area Labor Management Council	Earl Willford Labor Management Cooperation and Partnership Award	Companies promoting cooperative labor-management relations in the workplace.
2009	Airports Council Int'l – North America	3 <sup>rd</sup> Place – Overall Passenger Satisfaction	Based on airports serving 25 to 40 million participating in the ACI/Airport Service Quality Program
2009	Nat'l Air Transportation Association	NATA Airport Executive Partnership	U.S. Airports
2008	FAA Great Lakes Region	Outstanding Achievement Award for Community and Public Outreach – Communication re opening of Rwy. 17/35	U.S. Airports
2008	Aggregate & Ready Mix Association of Minnesota	Building Excellence Award – Innovative Use of Concrete – HHH Term. Parking Ramp Column Wraps	Minnesota firms
2009	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
2009	Airports Council Int'l – North America	2 <sup>nd</sup> Place – Website Award	Communications and marketing projects at airports throughout North America
2009	Airports Council Int'l – North America	Frequent Traveler Award – Airport with Best Retail Stores	North American airport concessions programs and concepts
2009	Airports Council Int'l – North America	Best Airport of its Size in North America – Air Service Quality Award	Airports around the world
2009	Airports Council Int'l – North America	Seven Wonders of Engineering Award	
2008	Airports Council Int'l – North America – 2008 Concessions Conference Awards	Best New Retail Concept – TALIE (Contemporary Jewelry and Giftware Concession)	Airports

**OTHER AWARDS – 2010 OPERATING BUDGET**

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

**OTHER AWARDS – 2010 OPERATING BUDGET**

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

**OTHER AWARDS – 2010 OPERATING BUDGET**

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

**OTHER AWARDS – 2010 OPERATING BUDGET**

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

**OTHER AWARDS – 2010 OPERATING BUDGET**

<b>Metropolitan Airports Commission Awards</b>			
<b>Year</b>	<b>Source of Award</b>	<b>AWARD</b>	<b>Group Judged/Rated</b>
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>ORGANIZATIONAL STRATEGIC GOALS &amp; 2009 KEY INITIATIVES - RESULTS</b>
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## 2009-2015 Organizational Goals

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>Strategic Goal</b>		<b>2009 Key Initiatives</b>	<b>Results</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.	<ul style="list-style-type: none"> <li>Customer Service Partnership Initiative (CSPI) has been launched and Brand for MSP has been defined. Teams are working on the specifics of the initiative to include: Airport Ambiance, Courtesy and Helpfulness of Airport Staff, Cleanliness of Restrooms, and the Comfort of Waiting Areas.</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.		<ul style="list-style-type: none"> <li>Results related to this strategic goal are reported at the departmental level.</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.	Maximize our region's economic interests through the Delta/NWA acquisition.	<ul style="list-style-type: none"> <li>An agreement was reach that maintained service levels and MSP remains a solid large hub airport.</li> </ul>
		Develop new non-aeronautical business development opportunities at the Reliever Airports.	<ul style="list-style-type: none"> <li>Entered into a development agreement with Flight Line Enterprise, LTD. for the potential development of a restaurant/event center at the Anoka County/Blaine airport. Additionally began discussions with another developer regarding the potential development of some land at the Flying Cloud airport in 2010.</li> </ul>
		Inaugurate the next phase of the STAR (Stewards of Tomorrow's Airport Resources) program.	<ul style="list-style-type: none"> <li>Implemented Environmental Purchasing Policy, Waste Management Policy, Flexible Employee Work Policy and updated MAC's Airport Building Standard Policy to incorporate sustainability measures, recycling, emissions and building standards.</li> <li>The Alternative Energy Team explored multiple wind and solar opportunities and implemented a small scale wind turbine project.</li> </ul>
		Initiate a marketing campaign for MSP and Reliever Airports.	<ul style="list-style-type: none"> <li>MSP - An aggressive marketing campaign was implemented:               <ul style="list-style-type: none"> <li>ShopsatMSP.com web site</li> <li>New Eat, Shop &amp; Relax brochure</li> <li>Increase coupon-based promotions,</li> <li>The most robust promotion of holiday sales ever at MSP</li> <li>Soaring Savings Sidewalk Sale</li> <li>Refined use of concessions ads at the top of terminal directories,</li> <li>New wall wraps promoting shops and restaurants</li> <li>MSP Service Idol program</li> <li>Enhanced mystery shopper program.</li> </ul> </li> <li>Sales per enplaned passenger suffered due to reduced passenger levels and the national recession.</li> <li>Reliever Airports –               <ul style="list-style-type: none"> <li>Promotional videos for each airport were placed on YouTube.</li> <li>Relievers were advertised regularly in Midwest Flyer magazine.</li> <li>A Reliever Airports brochure was created.</li> <li>An event was hosted and news release issued to celebrate completion of Flying Cloud expansion project.</li> </ul> </li> </ul>

<b>ORGANIZATIONAL STRATEGIC GOALS &amp; 2009 KEY INITIATIVES - RESULTS</b>
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<b>Strategic Goal</b>		<b>2009 Key Initiatives</b>	<b>Results</b>
<b>Leverage Technology</b>	Improve performance, increase productivity and deliver cost effective services.		<ul style="list-style-type: none"> <li>Results related to this strategic goal are reported at the departmental level.</li> </ul>
<b>Strengthen Partnerships and Alliances</b>	Strengthen our effectiveness through interdepartmental relationships and alliances with regional businesses, public agencies and governmental units.		<ul style="list-style-type: none"> <li>Results related to this strategic goal are reported at the departmental level.</li> </ul>

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<b>ORGANIZATIONAL STRATEGIC GOALS &amp; 2010 KEY INITIATIVES</b>
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## 2010-2015 Organizational Goals

1. Assure Financial Viability
2. Provide a Great Customer Experience
3. Match Employee Talent with Changing Business Needs
4. Leverage Resources and Technology
5. Strengthen Partnerships & Alliances

<b>Strategic Goal</b>		<b>2010 Key Initiatives</b>	<b>Measurable Outcome</b>
<b>Assure 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.	Pursue new MSP and Reliever Airport revenue opportunities.  (Commercial Management & Airline Affairs)*	<ul style="list-style-type: none"> <li>Identify and begin implementation of new development models which result in diversification of revenues.</li> </ul>
<b>Provide a Great Customer Experience</b>	Ensure that all our customers, the Citizens of the Region, the Traveling Public, Regional Businesses, Airport Tenants and Concessionaires, the Airline Industry and General Aviation have the best airport experience in North America.	Expand airport wide customer service partnership program.  (MSP Operations & Admn.)	<ul style="list-style-type: none"> <li>Tenant and partner base have solid understanding and clarity about MAC's vision for 2015 and have worked with MAC staff to develop and implement plans t help achieve that vision.</li> </ul>
		Benchmark top airport competition in North America.  (Concessions & Business Development)	<ul style="list-style-type: none"> <li>MAC knows what programs and services need to be put into place to achieve our vision.</li> </ul>
		Install new highway and terminal way finding signage.  (Planning)	<ul style="list-style-type: none"> <li>Implement on time, on budget and provide customers improved way finding to their correct departure terminal.</li> </ul>
		Open Humphrey Terminal skyway.  (Planning)	<ul style="list-style-type: none"> <li>Implement on time, on budget and provide customers with improved, climate controlled connectivity to LRT with increased customer satisfaction.</li> </ul>
		Increase MSP's Accessibility Index.  (MSP Operations & Admn.)	<ul style="list-style-type: none"> <li>Customers with disabilities experience improved access capabilities throughout MSP.</li> </ul>
		Promote MSP to international and domestic airlines.  (Air Service Business Development)	<ul style="list-style-type: none"> <li>Provide increased service levels with more choices for destinations from and connecting through MSP.</li> </ul>
		Implement strategy for incorporating social media and mobile communications into customer communications.  (Public Affairs)	<ul style="list-style-type: none"> <li>Customers experience increased integration and easier access to information for their decision making.</li> </ul>
		Develop central Web portal for tenant communications, forms, process instructions, feedback and Q & A.  (Public Affairs)	<ul style="list-style-type: none"> <li>Seamless communication is experienced by MAC tenants that results in administrative savings and more cohesive partnerships.</li> </ul>
		Implement provisions of the 60 DNL Noise Program.  (Environment – Noise)	<ul style="list-style-type: none"> <li>Complete the 2010 elements of the Noise Program.</li> </ul>

<b>ORGANIZATIONAL STRATEGIC GOALS &amp; 2010 KEY INITIATIVES</b>
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<b>Strategic Goal</b>		<b>2010 Key Initiatives</b>	<b>Measurable Outcome</b>
<b>Match Employee Talent with Changing Business Needs</b>	Make sure that the right people with the right skills and experience are in the right place to fulfill MAC's mission and achieve our vision	Initiatives for this strategy are at the department level.  (All Service Centers)	<ul style="list-style-type: none"> <li>At the departmental level a number of actions are being implemented.</li> </ul>
<b>Leverage Resources and Technology</b>	Take full advantage of resources and technology to improve performance, increase productivity and deliver cost-effective services.	Complete the implementation and integration of EnterpriseOne and GIS elements.  (Information Systems)	<ul style="list-style-type: none"> <li>Planned element completed – open enrollment, utility billing, A/R statements, work order/maintenance, online purchase requisitions.</li> <li>GIS and E1 are integrated and operational.</li> <li>Concessions data, maintenance processing in place.</li> </ul>
<b>Strengthen Partnerships and Alliances</b>	Expand effectiveness through internal teamwork and strengthening external relationships and partnerships with tenants, concessionaires, airlines, neighboring communities, regional businesses, and governmental agencies.	Initiatives for this strategy are at the department level.  (All Service Centers)	<ul style="list-style-type: none"> <li>At the departmental level a number of actions are being implemented.</li> </ul>

\* Indicates Service Center responsible for 2010 Key Initiative.

<b>ORGANIZATIONAL PERFORMANCE INDICATORS</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>Reliever Airport Runway Incursions</b>					
■ Runway Incursions	3	2	2	4	10
♦ <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 Airport Police Department - Aviation Security Division and education efforts.

<b>ORGANIZATIONAL PERFORMANCE INDICATORS</b>
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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	\$7.74
■ Operating Cost Per Enplaned Passenger (with depreciation)	\$10.52	\$11.50	\$12.89	\$14.14	\$14.91
■ Airline Operating Expense Per Enplaned Passenger	\$4.55	\$5.06	\$5.23	\$5.21	\$5.32
◆ <b>Debt Management</b>					
■ Senior Debt Service Coverage (with transfer)	1.72x	2.03x	2.14x	2.30x	2.11x
■ Long Term Debt as % of Total Assets	53.0%	56.3%	51.1%	48.15%	50.3%
■ Debt Service as % of Operating Revenue	63.8%	56.3%	57.7%	58.85%	56.1%
◆ <b>Revenue Performance</b>					
■ Operating Revenue Per Enplaned Passenger	\$11.15	\$12.56	\$14.56	\$14.04	\$14.74
■ Non-Aeronautical Revenues as % of Operating Revenue	51.8%	51.5%	59.1%	64.12%	64.4%
■ Non-Aeronautical Revenue from Relievers (unaudited results)	\$39,277	\$69,067	\$84,513	\$88,882	\$93,890
◆ <b>Operating Performance</b>					
■ Operating Income Margin	5.64%	8.44%	11.47%	-0.72%	-1.14%
■ Operating Income Per Enplaned Passenger	\$0.63	\$1.06	\$1.67	-\$0.10	-\$0.17
■ Revenue-to-Expenditure Ratio	.06	1.09	1.13	.99	.99
◆ <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	28,996
■ Operations Per FTE	1093	971	890	862	797
◆ <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	\$2,614,000



<b>ORGANIZATIONAL PERFORMANCE INDICATORS</b>
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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%	10.1%
♦ Operating Revenue Per Employee	\$366,276	\$410,190	\$447,973	\$433,578	427,529
♦ Operating Expense Per Employee **	\$190,095	\$202,276	\$200,229	\$226,828	224,310
♦ Personnel as % of Total Cost Operating Expense*	27.2%	28.5%	24.3%	23.5%	24.5%
♦ Terminal Square Feet Per FTE Employee	4,482	5,566	5,551	5,641	5,487
♦ Airfield Pavement Square Feet Per FTE Employee	2,703	3,418	3,402	3,464	3,363
♦ 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%	NA
<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>ORGANIZATIONAL PERFORMANCE INDICATORS</b>
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**FINANCIAL POLICIES - OPERATING BUDGET – 2010 OPERATING BUDGET**

The Metropolitan Airports Commission Financial Policies are addressed as follows:

- Operating Budget
- Cash Management/Investment
- Capital Projects
- Purchasing
- Debt Service and Reserve Policies

**FINANCIAL POLICIES – OPERATING BUDGET**

The following represent the basic Operating Budget Policies under which the operating budget was 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 operating and non operating revenue to exceed operating and non operating expenses 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 reserve.
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 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. Although 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, the Commission is not currently levying taxes for these purposes. Rentals, rates and charges and other fees will be sufficient to meet all expense of operation and maintenance.

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

**FINANCIAL POLICIES - OPERATING BUDGET – 2010 OPERATING BUDGET****Basis of Budgeting**

Each year the Finance Department, with the aid of Airport Development, Landside-Parking, Reliever Airports and Commercial Management departments, projects revenue for the upcoming budget year. The annual operating budget is prepared based on targets established by the Commission.

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 the capital improvement program).

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).

**Accrual Basis of Accounting**

The budgets for all three Segregated Funds identified above are prepared using the accrual basis of accounting 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. 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.

**Balanced Budget**

In 2010, the Commission defines a balanced budget as all revenues and non-operating revenues exceeding expenses and non-operating expenditures in all funds. Due to the economy and restructuring of the airline agreements, a change was made to incorporate the recognition of non-operating revenue sources. (See Budget Message)

**Use of Estimates**

The use of 2009 estimates in the reporting of the 2010 budget financial statements is based upon assumptions and estimates at the time of completion of the final budget draft. Actual results could differ from those estimates.

**Budget Monitoring**

Throughout the year, the budget is monitored and compared to actual expenses. Various service centers utilize controls such as Purchasing verifies requisitions and budget amounts, Human Resources compares wages and hiring with the budgets along with managers responsible for their service center budgets. Reports are distributed monthly to the Commissioners.

**FINANCIAL POLICIES - CASH MGT./INVESTMENT – 2010 OPERATING BUDGET****FINANCIAL POLICIES – CASH MANAGEMENT/INVESTMENT**

The Cash Management/Investment Policies are as follows:

A. Investment/Cash Management Policies

1. Cash Management
  - a) All securities are safekept at one institution.
  - b) All deposits must be insured or collateralized.
2. Investments
  - a) Investment purchases are made only from dealers with offices located in the State of Minnesota.
  - b) All investment purchases require bids to be taken from several different dealers.
  - c) Investments purchased will be diversified under legal requirements trying to maximize Rate of Return.
  - d) The average Rate of Return will exceed the six-month Treasury bill.
  - e) All repurchase agreements are required to be collateralized.
  - f) The maturity of any investment shall not exceed three years.
  - g) To the extent possible, the MAC will attempt to match its investments with anticipated cash flow requirements.
  - h) The MAC will have at least 98% of its cash funds earning interest.
  - i) The addition of new accounts shall require the written authorization of the Finance Director and Executive Director.
3. Collateral
  - a) Collateral must always be held by an independent third party with whom the MAC has a custodial agreement.
  - b) A clear marked evidence of ownership (safekeeping) must be supplied to the entity and retained.
  - c) To the extent that funds deposited are in excess of the available Federal Deposit Insurance, the MAC shall require the financial institutions to furnish collateral, security or corporate surety bond executed by a company authorized to do business in the State.

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**FINANCIAL POLICIES - CAPITAL PROJECTS – 2010 OPERATING BUDGET****FINANCIAL POLICIES – CAPITAL PROJECTS**

Each year, the Commission reviews, revises and approves capital projects that will start within the next twelve months and adopts a Capital Improvement Program (“CIP”) which covers all projects which are to be started during the second calendar year. Commission approval authorizes staff to proceed with plans and specifications and to obtain bids for contract award by the Commission. In addition, a CIP which covers an additional five years is adopted. These serve as a basis for determining funding requirements and other operational planning decisions. The Commission’s policy is to include in the CIP projects which enable the Commission to maximize federal aid and enhance safety and those that are customer service oriented. 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 coordinating and planning certain governmental services for the metropolitan area.

**Capital Projects**

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. Project priority categories in order of importance include:
  - Projects which the Commission has made a commitment to complete;
  - Projects that enhance or ensure continued safety at each of the airports in the airport system;
  - Projects that cannot be accomplished by Commission maintenance crews, but are essential for reasons of economics or continued operation;
  - Projects that are necessitated by regulatory requirements, such as FAA regulations and local, state or federal laws;
  - Projects which address various environmental issues ranging from asbestos abatement to wetland mitigation;
  - Projects constituting preventative maintenance;
  - Projects which improve customer service and/or convenience; and
  - Projects which have been identified as improving various operational aspects of the airport system, whether applicable to aircraft, tenants, Commission staff or off-airport service providers.

**Capital Equipment**

All equipment purchases for 2010 will be accounted for based on MAC’s capital equipment guidelines:

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

**FINANCIAL POLICIES - PURCHASING – 2010 OPERATING BUDGET****FINANCIAL POLICIES – PURCHASING**

The Purchasing Department is responsible for the purchase, rental, sale, and disposal of equipment, supplies, minor construction, repair, or maintenance of real and or personal property for MAC. Its primary responsibility is to provide purchases that ensure: (1) availability, (2) quality, and (3) price consistency with the needs of MAC. The use of technology, for making the system of purchasing more efficient, will continuously be evaluated.

The Purchasing objective is to provide a foundation for effective, consistent, and complete consideration of all aspects of purchasing including:

1. Ensuring fair and equitable treatment of all suppliers and persons who deal with the procurement system of MAC.
2. Fostering public confidence in the procurement procedures followed by MAC.
3. Ensuring compliance with applicable state and federal laws.
4. Securing the advantages and economies derived from a centralized and standardized purchasing system.
5. Promoting the use of modern, professional and ethical business methods when using public funds to secure supplies, materials, equipment (or the rental thereof), or the minor construction, alteration, repair or maintenance of real of personal property.



***Lindbergh Terminal – Light Rail Station***

**FINANCIAL POLICIES – DEBT SERVICE & RESERVE–2010 OPERATING BUDGET****FINANCIAL POLICIES – DEBT SERVICE AND RESERVE POLICIES**

The Debt Service and Reserve Policies are as follows:

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.
- 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 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.



<b>OPERATING BUDGET SUMMARY – 2010 OPERATING BUDGET</b>
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The 2010 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. 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, Gross Depreciation and Airport Noise Amortization. Capital equipment purchases are also detailed in the Capital Equipment section.

The Budget Process section includes: Operating Budget Summary, Summary of Operating and Non Operating Revenue and Expense, Budget Targets, Budgeting Process, and the Amendment Process.

**OPERATING BUDGET SUMMARY**

As the following table indicates, a decrease in operating revenue and an increase in operating expense is projected for the 2010 budget. This table does not include non-operating income or expense.

**2010 OPERATING BUDGET SUMMARY - 2010 OPERATING BUDGET**

					2009 Estimate vs 2010 Budget	
	2008 <u>Actual</u>	2009 <u>Budget</u>	2009 <u>Estimate</u>	2010 <u>Budget</u>	Dollar <u>Change</u>	% <u>Change</u>
<b>REVENUE</b>						
Airline Rates & Charges	87,243,953	93,585,868	92,900,000	87,225,266	(5,674,734)	-6.11%
Concessions	112,230,448	117,960,363	107,100,000	109,870,798	2,770,798	2.59%
Rentals/Fees	28,762,785	27,984,825	28,550,000	28,038,078	(511,922)	-1.79%
Utilities & Other Revenue	<u>13,181,550</u>	<u>12,496,057</u>	<u>12,650,000</u>	<u>11,490,890</u>	<u>(1,159,110)</u>	-9.16%
<b>Total Operating Revenue</b>	<b>241,418,736</b>	<b>252,027,113</b>	<b>241,200,000</b>	<b>236,625,032</b>	<b>(4,574,968)</b>	<b>-1.90%</b>
<b>EXPENSE</b>						
Personnel	59,810,988	61,138,375	60,116,000	61,585,975	1,469,975	2.45%
Administrative Expenses	1,297,883	1,584,365	1,350,000	1,220,490	(129,510)	-9.59%
Professional Services	4,161,449	5,229,853	4,600,000	3,810,984	(789,016)	-17.15%
Utilities	18,088,895	18,609,851	17,200,000	17,091,420	(108,580)	-0.63%
Operating Services/Expenses	17,539,795	16,953,229	16,050,000	16,954,688	904,688	5.64%
Maintenance	22,139,880	24,466,700	24,200,000	25,579,437	1,379,437	5.70%
Other	<u>3,696,563</u>	<u>2,755,628</u>	<u>2,775,000</u>	<u>2,935,476</u>	<u>160,476</u>	5.78%
<b>Total Expense (Excludes Depreciation)</b>	<b>126,735,454</b>	<b>130,738,002</b>	<b>126,291,000</b>	<b>129,178,470</b>	<b>2,887,470</b>	<b>2.29%</b>
 <b>Net Operating Revenues (Excludes Depreciation)</b>	 <b>114,683,282</b>	 <b>121,289,111</b>	 <b>114,909,000</b>	 <b>107,446,562</b>	 <b>(7,462,438)</b>	
<b>Less Depreciation (Excludes Off Airport Noise)</b>	<b><u>110,384,877</u></b>	<b><u>114,567,000</u></b>	<b><u>113,800,000</u></b>	<b><u>115,278,000</u></b>	<b><u>1,478,000</u></b>	
 <b>Net Revenues (Includes Depreciation Less Off Airport Noise)</b>	 <b>4,298,405</b>	 <b>6,722,111</b>	 <b>1,109,000</b>	 <b>(7,831,438)</b>	 <b>(8,940,438)</b>	
 <b>Less Off Airport Noise Amortization</b>	 <b><u>7,210,000</u></b>	 <b><u>6,683,000</u></b>	 <b><u>6,686,000</u></b>	 <b><u>7,722,000</u></b>	 <b><u>1,036,000</u></b>	
 <b>Operating Income (Loss)</b>	 <b><u>(2,911,595)</u></b>	 <b><u>39,111</u></b>	 <b><u>(5,577,000)</u></b>	 <b><u>(15,553,438)</u></b>	 <b><u>(9,976,438)</u></b>	

**OPERATING BUDGET SUMMARY – 2010 OPERATING BUDGET****Operating Revenue**

MAC's total Operating Revenues of \$236.6 million is \$4.6 million or 1.90% less than the 2009 estimate of \$241.2 million.

The projected budget for Airline Rates and Charges is \$87.2 million for 2010. 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 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 revenues.
- 2007 and 2008 actual revenue and 2009 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 was 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 rehabilitation 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 2010 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 decrease between 2009 estimate and 2010 budget of \$5.7 million for Rates and Charges (also includes a \$176,371 increase for the Concession Rebate) is due in part, to a decrease in expenses for the airfield service centers. In addition, the reduction in rates is attributable to a long term debt issue and equipment financing debt that was retired in 2009.

The Concessions Rebate of \$8.7 million represents a rebate to the Airlines. Concessions revenue shown for 2010 is the gross dollar figure.

Concessions are estimated to increase 2.59% or \$2.8 million from 2009 estimate to 2010 budget. The greatest increase is in the Passenger services category related to a new ATM contract and the opening of a banking facility. (See Revenue Assumptions for details.)

Rentals/Fees are projected to decrease \$511,922 or 1.79% with the majority related to Reliever Airports and the decline in general aviation activity. (See Revenue Assumptions for details.)

Utilities & Other Revenue is projected to decrease \$1.2 million or 9.16% primarily as a result of less reimbursed expense due to a reclassification of revenue. (See Revenue Assumptions for details.)

**Operating Expense**

MAC's total Operating Expense of \$252.2 million is 2.19% above the 2009 estimate and includes Gross Depreciation and Airport Noise Amortization. Detailed explanations are provided in the Expense Assumptions section of the budget book.

**SUMMARY OF OPERATING AND NON-OPERATING – 2010 OPERATING BUDGET****SUMMARY OF OPERATING AND NON-OPERATING REVENUE AND EXPENSE**

The following table illustrates a summary of all revenues and expenses that was approved by the Commission for the 2010 budget:

<b>2010 Summary of Revenues &amp; Expenditures</b>		
\$ = 000		
	<b><u>2009 Estimate</u></b>	<b><u>2010 Budget</u></b>
<i>Operating Revenues</i>	\$ 242,200	\$ 236,625
<i>Operating Expenses</i>	<u>(126,291)</u>	<u>(129,178)</u>
<i>Operating Income</i>	115,909	107,447
<i>Non Operating Revenue</i>		
Interest Income	8,200	10,188
Self Liquidating Income	<u>5,438</u>	<u>3,943</u>
Total Non Operating Revenue	13,638	14,131
<i>Non Operating Expenses</i>		
Debt Service		
Commercial Paper Interest	(750)	(1,750)
Bond Principal/Interest - Operating Fund Transfer	<u>(76,771)</u>	<u>(74,700)</u>
Total Debt Service	<u>(77,521)</u>	<u>(76,450)</u>
Equipment		
Capital Expenditures	(945)	(973)
Equipment Purchases	(6,895)	(6,380)
Equipment Financing	5,502	2,427
Other	8,162	786
Principal/Interest - Equipment Financing	<u>(4,750)</u>	<u>(2,136)</u>
Total Equipment	1,074	(6,276)
<b><i>Net Unrestricted Cash (Construction Fund Transfer)</i></b>	<b><u>\$ 53,100</u></b>	<b><u>\$ 38,852</u></b>

**Non-Operating Revenue**

Non-Operating Revenue consists of Interest Income from investments and income from self-liquidating leases. (See Construction Budget)

**Non-Operating Expenses**

Non-Operating Expenses include Debt Service and Equipment. (See Construction Budget and Debt Service, Budget Message)

<b>BUDGET TARGETS – 2010 OPERATING BUDGET</b>
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**BUDGET TARGETS**

The targets for the 2010 Operating Budget were approved on June 15, 2009 at the Commission meeting. Three of the 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 2009</u></b>	<b><u>Target</u></b>	<b><u>Budget 2010</u></b>
<b>(Without Transfer)</b>	2.09x	1.40x	2.08x

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

	<b><u>Budget 2009</u></b>	<b><u>Budget 2010</u></b>
Operating Fund Reserve	\$65,369,001	\$64,589,235

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

<b>Budget 2010</b>
MSP ranked 5 <sup>th</sup> lowest out of the 29 large hub airports at \$5.73 Airline Cost/Enplaned Passenger.

**Target 4: Net Revenues, excluding amortization associated with the off-airport Noise Program, will be positive (NOT MET).**

<b>Budget 2010</b>
Net Revenues for 2008 are \$4,298,405
Net Revenues for Estimate 2009 are \$1,109,000
Net Revenues (Loss) for Budget 2010 are (\$7,831,438)

## BUDGETING AND AMENDMENT PROCESS – 2010 OPERATING BUDGET

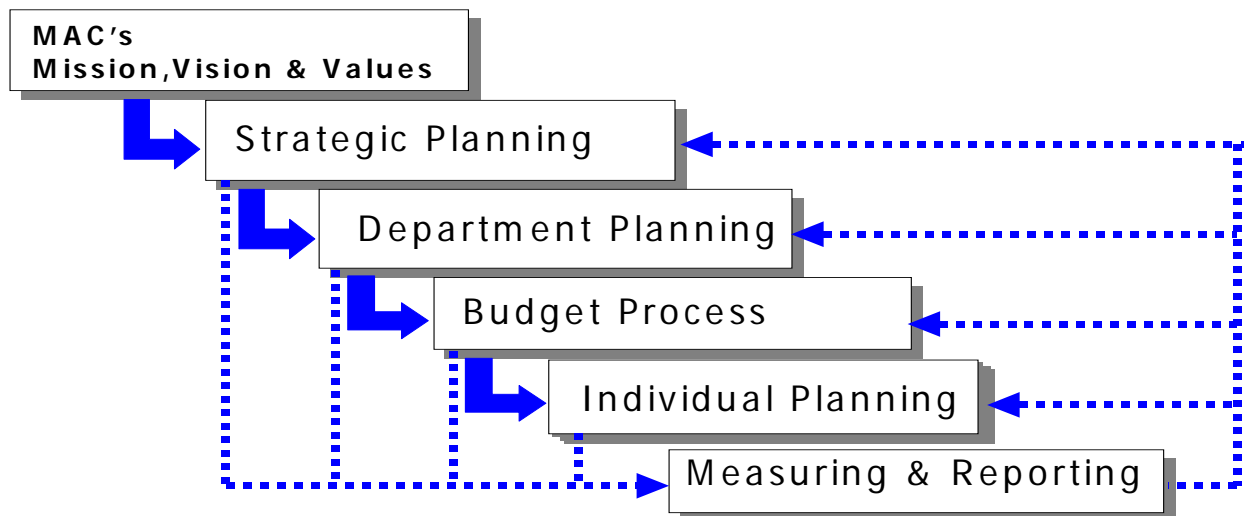
### STRATEGIC PLANNING - SCHEDULE

The Strategic Plan process begins in January and is driven by MAC's Mission, Vision and Values. MAC's five-year strategic plan is updated annually to establish organizational priorities.

Input is received from the Commissioners and senior management staff through numerous planning sessions that identify critical issues, strategic goals and organizational key initiatives.

The draft Five-Year Plan is presented to the Commission in conjunction with the proposed annual budget targets.

Following Commission approval, the Five Year Strategic Plan is communicated to the service centers along with guidelines and budget targets. The service centers link their objectives to the Organizational Key Initiatives, where applicable.



### BUDGETING PROCESS - SCHEDULE

The budget process is the third step in MAC's annual planning process.

The next step is to develop the budget requests for the resources to organizational priorities. Position requests are evaluated using the following criteria:

Full Time Equivalent (FTE) Requests	
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 the past five years.

**BUDGETING AND AMENDMENT PROCESS – 2010 OPERATING BUDGET**

Preparation for the entire budget process begins in March with programming changes as necessary made to the budget database program. Each department assigns a Budget Specialist to input the budget and coordinate budget information for their service center. The database includes a 3-year history and the prior year actual data to assist the budget specialist in completing their budget. In coordination with Human Resources, the necessary training is assessed for both the planning database and the budgeting database.

In April, 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. The Commission approves the targets in June.

The Budget database is available for service centers in late May to input their data. 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 the targets as established are met. In 2010 budgeting, non-operating revenue and expenses were also into consideration as a result of various factors, including the new airline agreement and the general aviation economy. (See Budget Message)

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 2010 Operating Budget was given at the December Commission meeting. Rate changes are sent out at the beginning of December based upon assumed approval from the full Commission. (Changes, if necessary, are made and distributed.)

### **CAPITAL IMPROVEMENT PLAN - SCHEDULE**

Initial discussions of the Capital Improvement Plan (CIP) begin in January. All requests for projects, along with data regarding the proposed projects, are submitted. Airport Development analyzes the project scope, costs and priorities with a preliminary draft developed in June and July. (See Financial Policies – Capital Projects and Construction Plan sections.)

In September, approval of the preliminary CIP plan is requested from the Finance, Development and Environment Committee for environmental review with mailings sent to the affected communities and municipalities. In October, a 30-day notice of public hearing is published. A public hearing is held in November.

Recommendation for approval of the CIP from the Finance, Development and Environment Committee is requested at the December Commission meeting.

Distribution of the approved CIP is made to MAC Departments, Metropolitan Council, State Historical Society and affected communities in December and allocation of funds or budget targets.

**BUDGETING AND AMENDMENT PROCESS – 2010 OPERATING BUDGET****AMENDMENT 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

**Total Operating Expense****Depreciation****Noise Amortization**

**BUDGETING AND AMENDMENT PROCESS – 2010 OPERATING BUDGET**

This calendar gives an overview of the process:

Month	Responsibility	Task
January	Airport Development Full Commission/Senior Staff	1. Initial CIP discussions 2. Initial Strategic Planning
April	Finance, Development and Environment Committee (FD&E) Finance Department  Full Commission	3. Provide direction to staff regarding growth and allocation of funds or budget targets. 4. Prepares Service Center historical information and updates database with programming changes as necessary. 5. Approval of Strategic Plan.
May	Finance Department	6. Adoption of budget targets after 30-day public comment period. 7. Opens budgeting databases and strategic planning databases for input (in late May and/or early June). Begins training of Budget Specialists. 8. Recommends information regarding inflation factors, wage, and contract adjustments to the Departments. 9. Prepares preliminary budget
June	Finance Department  Airport Development	10. Presents preliminary budget to Finance, Development and Environment Committee (FD&E) – required in compliance with State Statutes – Taxing Purposes 11. Develops draft preliminary CIP.
July	Finance Department/Human Resources Finance Department and MAC Staff	12. Compiles positions and headcount requests summary.  13. Compiles summary of capital assets requests. 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. Completes revenue forecast.
September	Finance Department MAC Staff/Finance and Senior Staff Finance Department Finance Department  Airport Development FD&E Committee Airport Development	21. Compiles budget presentation information. 22. Distributes budget packages to airlines, State Legislature and the FD&E Committee. 23. Presents draft budget to FD&E Committee and the airlines. 24. Implements budget revisions, as needed, to projected expenses. 25. Presents budget to MAC Staff. 26. Airline presentation. 27. Presents preliminary CIP to FD&E Committee. 28. Approves preliminary CIP for environmental purposes. 29. Mails CIP to affected communities.
October	Finance Department and Senior Staff Airport Development	30. Presents budget update to the FD&E Committee. 31. Revise budget as required. 32. Publishes notice of CIP public hearing.
November	Finance Department  Airport Development	33. Presents budget update to FD&E Committee. 34. Revise budget as required. 35. Holds public hearing regarding CIP.
December	Finance Department FD&E Committee Full Commission Finance Department  Airport Development FD&E Committee Airport Development	36. Presents preliminary notice of rate changes to all tenants. 37. Approves budget for recommendation to full Commission. 38. Approves budget. 39. Notice of any changes in rates from preliminary information to all tenants. 40. Presents final CIP to FD&E 41. Approves final CIP 42. Distributes CIP to MAC Departments, Metropolitan Council, State Historical Society and affected communities.
February	Finance Department	43. Complete Budget Book.



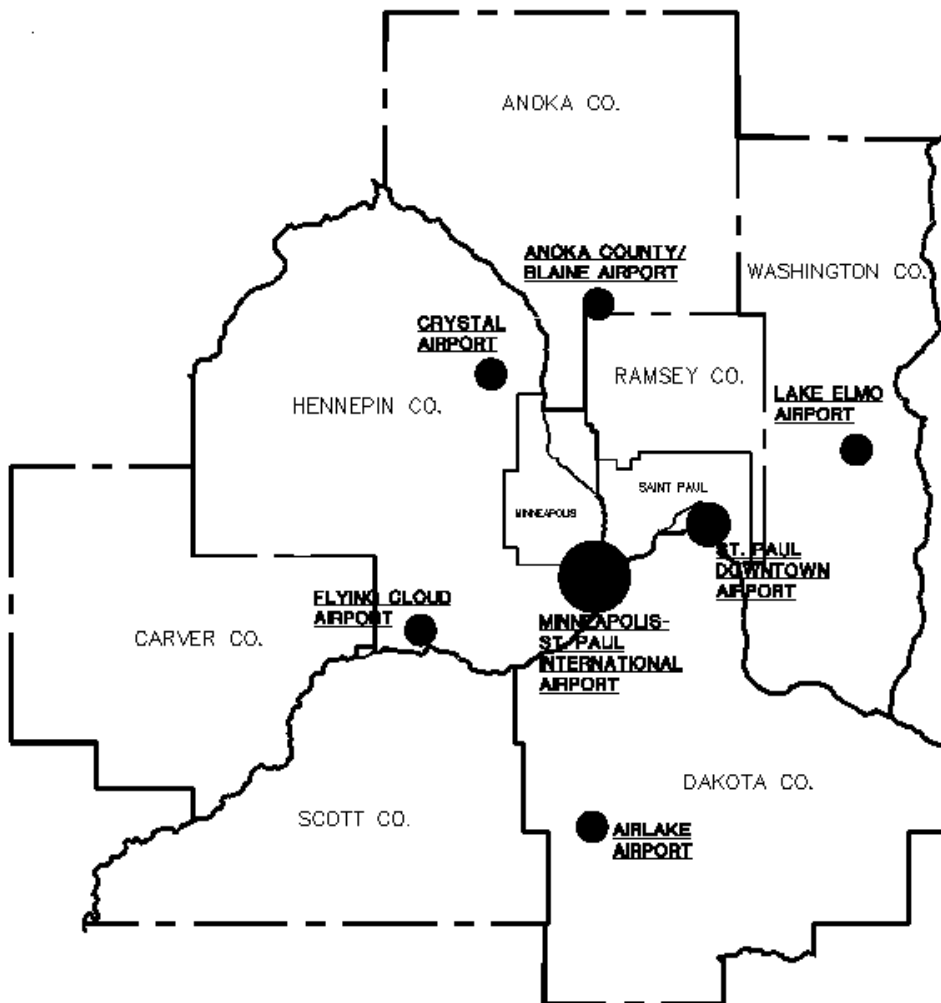
## GENERAL DESCRIPTION – 2010 OPERATING BUDGET



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. The purpose of the Commission:

- Promote air navigation and transportation (international, national and local) in and through the State of Minnesota.
- Promote the efficient, safe and economic handling of air commerce; assure the inclusion of the state in national and international programs of air transportation. To those ends, develop the full potentialities of the metropolitan area as an aviation center.
- To assure residents of the metropolitan area the minimum environmental impact from air navigation and transportation, promote the overall goals of the state's environmental policies and minimize the public's exposure to noise and safety hazards around airports.

## GENERAL DESCRIPTION – 2010 OPERATING BUDGET



### Commission Jurisdiction 35 Mile Radius

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.

**GENERAL DESCRIPTION – 2010 OPERATING BUDGET**

Fourteen Commissioners and a Chair govern the Metropolitan 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 outside of the metropolitan area. The Mayors of St. Paul and 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 – 2010 OPERATING BUDGET

This section provides information on the MAC's 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. In 2009, these service centers were moved to the Planning & Environment Division. Air Service Business Development continued to report to Commercial Management/Airline Affairs. The 2010 budget reflects a change in the Conference Center reporting to Concessions & Business Development (in the Planning & Environment Division) rather than the Operations Division.

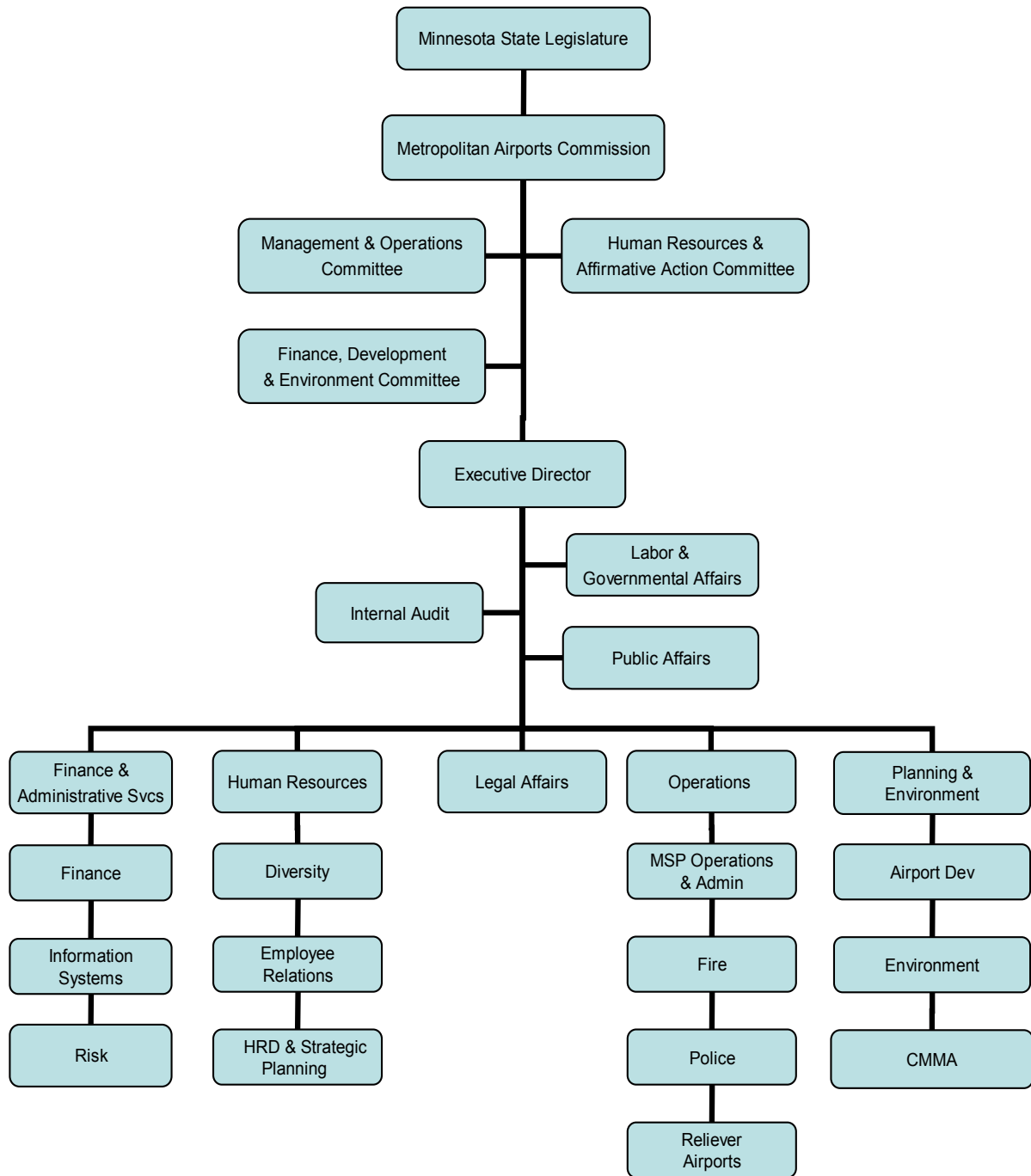
These changes were made to better reflect the service center responsibilities and reporting structure. The Concessions & Business Development service center will focus on the Commission's strategy of identifying alternative revenue sources. The six division summary sections contain the following information by department or service center:

- Expenses by major category
- Explanation of major changes
- Position summary
- Brief description of the department's responsibility/function.
- 2008 Progress Report
- 2009 Progress Report
- 2010 Key Initiatives
- Performance Indicators



***North Star Crossing – Lindbergh Terminal Building***

**CHART OF ORGANIZATION – 2010 OPERATING BUDGET**



**DEPARTMENT LIST – 2010 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. All service centers have completed budgets with input from the department heads and managers.

**Subledgers**

Revenues collected for rates and charges from the airlines are governed by the Airline Use Agreement and corresponding 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.

<b>DEPARTMENT LIST – 2010 OPERATING BUDGET</b>
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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
		80100	Concessions & Business Development
		82050	Conference Center
	Environment	85000	Environment – General
		85100	Environment – Environmental
		85300	Environment – Aviation Noise Program
	Airport Development	77000	Airport Development
		77100	Airport Dev. – Building Official

## DEPARTMENT LIST – 2010 OPERATING BUDGET

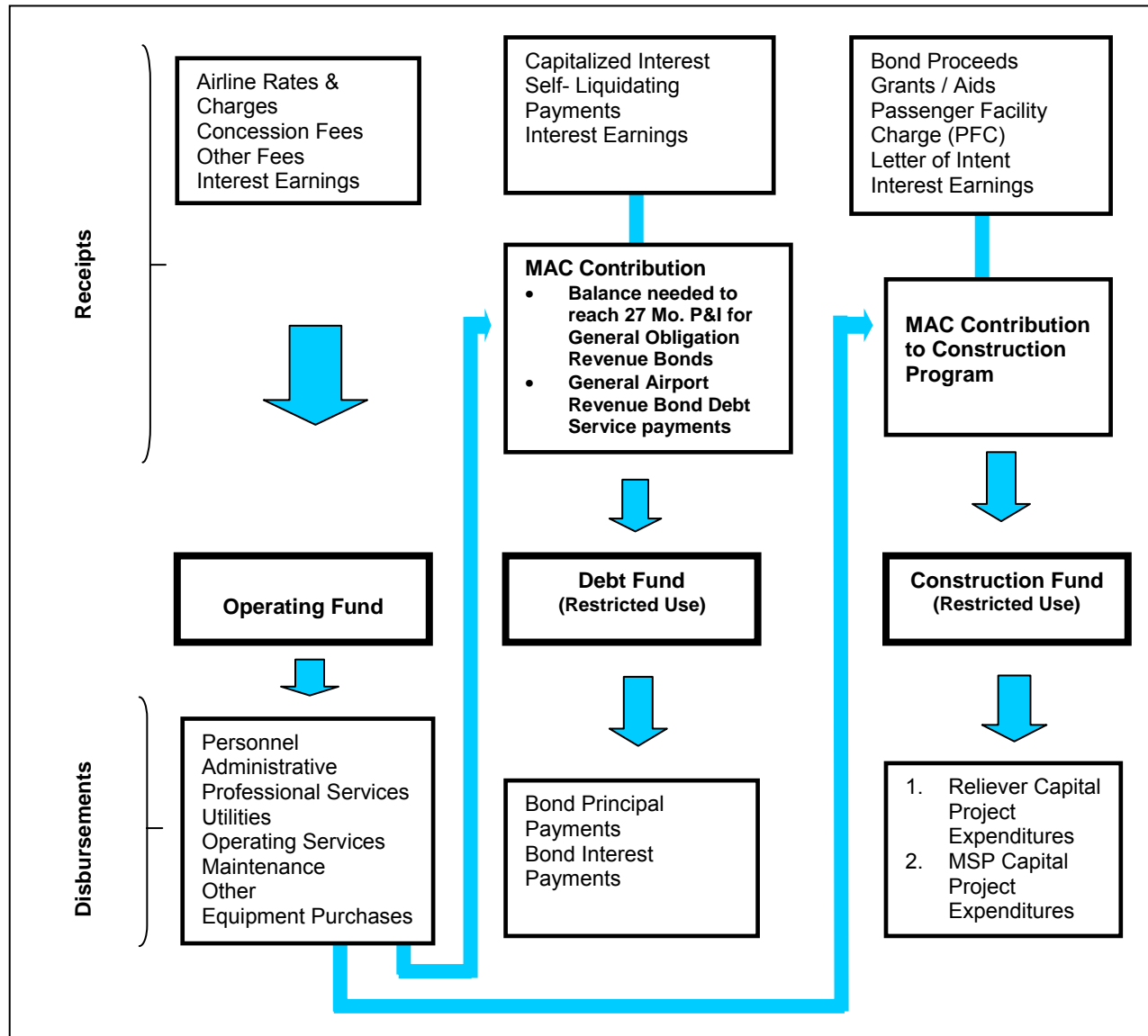
Organizational Structure by Division, Department, and Service Center			
Division	Department	Service Center	
		Number	Name
Operations	Deputy – Operations	75800	Deputy – Operations
	MSP Operations & Administration	82000	MSP Operations & Administration
		82060	Call Center
		83400	Landside – Administration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



## FLOW OF FUNDS – 2010 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 – 2010 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 - 2010 BUDGET</b>						
<b>(\$ = 000)</b>						
	<b>2008 Actual</b>	<b>2009 Estimated</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>2011 Projection</b>	<b>2012 Projection</b>
<b>OPERATING FUND</b>						
1/1 Balance	\$ 102,161	\$ 102,278	\$ 65,369	\$ 103,576	\$ 87,960	\$ 70,056
Total Sources of Funds	262,894	263,998	265,687	250,756	251,874	262,159
Total Uses of Funds	(262,777)	(262,700)	(263,003)	(266,372)	(267,418)	(255,219)
Transfers	-	-	-	-	(2,360)	(2,465)
Ending Balance	\$ 102,278	\$ 103,576	\$ 68,053	\$ 87,960	\$ 70,056	\$ 74,531
<b>CONSTRUCTION FUND</b>						
1/1 Balance	\$ 290,599	\$ 211,060	\$ 139,942	\$ 199,227	\$ 284,029	\$ 278,371
Total Sources of Funds	155,935	144,856	183,457	261,100	135,400	143,050
Total Uses of Funds	(235,474)	(156,689)	(181,611)	(176,298)	(141,058)	(180,412)
Ending Balance	\$ 211,060	\$ 199,227	\$ 141,788	\$ 284,029	\$ 278,371	\$ 241,009
<b>DEBT SERVICE FUNDS</b>						
1/1 Balance	\$ 265,931	\$ 255,847	\$ 265,280	\$ 243,298	\$ 271,722	\$ 272,245
Total Sources of Funds	209,246	281,457	143,848	156,517	142,944	142,814
Total Uses of Funds	(219,330)	(294,006)	(143,018)	(128,093)	(142,421)	(142,385)
Ending Balance	\$ 255,847	\$ 243,298	\$ 266,110	\$ 271,722	\$ 272,245	\$ 272,674
<b>TOTAL ALL FUNDS</b>						
1/1 Balance	\$ 658,691	\$ 569,185	\$ 470,591	\$ 546,101	\$ 643,711	\$ 620,672
Total Sources of Funds	628,075	690,311	592,992	668,373	530,218	548,023
Total Uses of Funds	(717,581)	(713,395)	(587,632)	(570,763)	(550,897)	(578,016)
Transfers	-	-	-	-	(2,360)	(2,465)
Ending Balance	\$ 569,185	\$ 546,101	\$ 475,951	\$ 643,711	\$ 620,672	\$ 588,214
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 2009 (\$546.1 million) to projected 2012 (\$588.2 million) can be attributed to the issuance of long-term debt in 2010 and the timing of construction projects and the use of restricted construction dollars.

**TAXING AUTHORITY – 2010 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 2008/2009 taxable market value, the maximum amount available for maintenance and operations of the Commission would have been approximately \$26.0 million.



***Minneapolis-St. Paul International Airport –Tram Area***

**TOTAL OPERATING BUDGET SUMMARY – 2010 OPERATING BUDGET**

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

The summary below illustrates how dollars are received and disbursed.

<b>OPERATING FUND (\$ = 000)</b>	<b>2008 Actual</b>	<b>2009 Estimated</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>2011 Projection</b>	<b>2012 Projection</b>
<b>Sources</b>						
1/1 Balance	\$ 102,161	\$ 102,278	\$ 65,369	\$ 103,576	\$ 87,960	\$ 70,056
Operating Revenues						
Airline Rates & Charges	87,244	92,900	86,193	87,225	94,680	99,670
Concessions	108,806	108,100	115,364	109,871	110,040	115,400
Other Operating Revenues	44,368	41,200	50,470	39,529	34,160	34,820
Subtotal Operating Revenues	\$ 240,418	\$ 242,200	\$ 252,027	\$ 236,625	\$ 238,880	\$ 249,890
Other/Non Operating Revenues						
Interest Earnings 1	12,446	8,200	10,100	10,188	9,169	8,252
Self-Liquidating Revenue	10,030	5,438	3,560	3,943	3,825	4,017
Transfer from Construction Fund	-	6,638	-	-	-	-
Gain (Loss) on Assets and Other	-	1,522	-	-	-	-
Subtotal Other/Non Operating Revenue	22,476	21,798	13,660	14,131	12,994	12,269
Total Sources	\$ 262,894	\$ 263,998	\$ 265,687	\$ 250,756	\$ 251,874	\$ 262,159
<b>Uses</b>						
Operating Expenses						
Personnel	\$ (60,571)	\$ (60,116)	\$ (61,138)	\$ (61,586)	\$ (63,843)	\$ (66,135)
Administration	(1,273)	(1,350)	(1,584)	(1,220)	(1,240)	(1,246)
Professional Services	(3,991)	(4,600)	(5,230)	(3,811)	(3,768)	(3,787)
Utilities	(18,709)	(17,200)	(18,610)	(17,091)	(17,977)	(18,876)
Operating Services	(16,851)	(16,050)	(16,953)	(16,955)	(17,548)	(18,074)
Maintenance	(21,655)	(24,200)	(24,467)	(25,580)	(26,603)	(27,667)
Other/Insurance	(3,158)	(2,775)	(2,756)	(2,935)	(3,079)	(3,202)
Subtotal Operating Expenses	(126,208)	(126,291)	(130,738)	(129,178)	(134,058)	(138,987)
Non Operating Expenses						
Equipment						
Capital Expenditures	(945)	(945)	(600)	(973)	(1,002)	(1,032)
Equipment Purchases	(10,164)	(6,895)	(6,895)	(6,380)	(6,500)	(7,000)
Equipment Financing	3,392	5,502	3,400	2,427	2,145	2,310
Principal/Interest-Equip. Financing	(1,706)	(4,750)	(2,000)	(2,136)	(1,812)	(2,135)
Subtotal Equipment	(9,423)	(7,088)	(6,095)	(7,062)	(7,169)	(7,857)
Debt Service						
Commercial Paper Interest	(944)	(750)	(2,000)	(1,750)	0	0
Transfer Out - Debt Service	(75,673)	(76,771)	(77,051)	(75,282)	(87,291)	(84,275)
Subtotal Debt Service	(76,617)	(77,521)	(79,051)	(77,032)	(87,291)	(84,275)
Total Uses	\$ (212,248)	\$ (210,900)	\$ (215,884)	\$ (213,272)	\$ (228,518)	\$ (231,119)
Unrestricted Net Transfer Out-Constr.	(50,529)	(51,800)	(47,119)	(53,100)	(38,900)	(24,100)
Six Month Operating Reserve	-	-	-	-	(2,360)	(2,465)
Operating Fund Balance	\$ 102,278	\$ 103,576	\$ 68,053	\$ 87,960	\$ 70,056	\$ 74,531
1 - Interest Rate Assumed 1.00% for 2010 - 2012						

**SOURCES AND USES – 2010 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 plus the amount to be transferred to the Construction account in the following year. Prior to 2005, the operating reserve amount was four months of operating expenses. In early 2005, the Commission changed the operating reserve to five months of operating expenses and in late 2006 changed the reserve to six months of operating expenses. The operating reserve figure for 2010 is \$64.6 million.
2. Operating Revenues consist of Airline Rates and Charges, Concessions, Rentals/Fees and Utilities and Other Revenues. The changes in each of these areas are explained in detail in the Revenue Assumptions Section. In general, Airline Rates and Charges decreased from the 2009 estimate because of the retirement of debt. Airline Rates and Charges are calculated based on expenses. Concessions rose in almost all areas as a result increased activity or new lease agreements. Rentals/Fees, Utilities and other Revenues decreases can be attributed to rent changes. Operating Revenues total \$236.6 million for 2010.
3. Other Non-Operating Revenues consist of Interest Earnings, Self-Liquidating Revenue and Gain/Loss on Disposal of Assets and Other. Interest Earning is assumed to be 1.0% for the period 2010-2012. 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.



***Retail Shops on the F Concourse – Minneapolis-St. Paul International Airport***

**SOURCES AND USES – 2010 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 2010 is \$129.2 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 2010 is \$6.4 million. A portion of this equipment will be leased. The offset to the equipment is shown as Equipment Financing (\$2.4 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 2010 is expected to be \$75.3 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. \$53.1 million is anticipated for 2010 based on 2009 estimates.
4. The last area is the anticipated amounts to be transferred to cover the six month operating reserve for 2011-2012.

## 2010 OPERATING BUDGET SUMMARY - 2010 OPERATING BUDGET

					2009 Estimate vs 2010 Budget	
	2008 Actual	2009 Budget	2009 Estimate	2010 Budget	Dollar Change	% Change
<b>REVENUE</b>						
Airline Rates & Charges	87,243,953	93,585,868	92,900,000	87,225,266	(5,674,734)	-6.11%
Concessions	112,230,448	117,960,363	107,100,000	109,870,798	2,770,798	2.59%
Rentals/Fees	28,762,785	27,984,825	28,550,000	28,038,078	(511,922)	-1.79%
Utilities & Other Revenue	13,181,550	12,496,057	12,650,000	11,490,890	(1,159,110)	-9.16%
<b>Total Operating Revenue</b>	<b>241,418,736</b>	<b>252,027,113</b>	<b>241,200,000</b>	<b>236,625,032</b>	<b>(4,574,968)</b>	<b>-1.90%</b>
<b>EXPENSE</b>						
Personnel	59,810,988	61,138,375	59,465,000	61,585,975	2,120,975	3.57%
Administrative Expenses	1,297,883	1,584,365	1,325,000	1,220,490	(104,510)	-7.89%
Professional Services	4,161,449	5,229,853	4,600,000	3,810,984	(789,016)	-17.15%
Utilities	18,088,895	18,609,851	17,550,000	17,091,420	(458,580)	-2.61%
Operating Services/Expenses	17,539,795	16,953,229	16,150,000	16,954,688	804,688	4.98%
Maintenance	22,139,880	24,466,700	24,075,000	25,579,437	1,504,437	6.25%
Other	3,696,563	2,755,628	2,750,000	2,935,476	185,476	6.74%
<b>Total Expense (Excludes Depreciation)</b>	<b>126,735,454</b>	<b>130,738,002</b>	<b>125,915,000</b>	<b>129,178,470</b>	<b>3,263,470</b>	<b>2.59%</b>
 <b>Net Operating Revenues (Excludes Depreciation)</b>	 <b><u>114,683,282</u></b>	 <b><u>121,289,111</u></b>	 <b><u>115,285,000</u></b>	 <b><u>107,446,562</u></b>	 <b><u>(7,838,438)</u></b>	
<b>Less Depreciation (Excludes Off Airport Noise)</b>	<b><u>110,384,877</u></b>	<b><u>114,567,000</u></b>	<b><u>114,000,000</u></b>	<b><u>115,278,000</u></b>	<b><u>1,278,000</u></b>	
<b>Net Revenues (Includes Depreciation Less Off Airport Noise)</b>	<b><u>4,298,405</u></b>	<b><u>6,722,111</u></b>	<b><u>1,285,000</u></b>	<b><u>(7,831,438)</u></b>	<b><u>(9,116,438)</u></b>	
<b>Less Off Airport Noise Amortization</b>	<b><u>7,210,000</u></b>	<b><u>6,683,000</u></b>	<b><u>6,685,000</u></b>	<b><u>7,722,000</u></b>	<b><u>1,037,000</u></b>	
<b>Operating Income (Loss)</b>	<b><u>(2,911,595)</u></b>	<b><u>39,111</u></b>	<b><u>(5,400,000)</u></b>	<b><u>(15,553,438)</u></b>	<b><u>(10,153,438)</u></b>	

<b>OPERATING REVENUES - 2010 OPERATING BUDGET</b>
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					2009 Estimate vs 2010 Budget	
	2008 Actual	2009 Budget	2009 Estimate	2010 Budget	Dollar Change	% Change
<b>Airline Rates &amp; Charges</b>						
Airline Agreement						
Landing Fees	46,673,210	49,764,602	49,100,000	45,649,025	(3,450,975)	-7.03%
Ramp Fees	5,619,293	6,617,622	6,550,000	5,751,819	(798,181)	-12.19%
Airline R&R	3,025,266	3,117,242	3,117,000	3,208,535	91,535	2.94%
Lindbergh Terminal - Rentals	30,950,995	31,860,658	31,483,000	30,413,447	(1,069,553)	-3.40%
Lindbergh Terminal - Other	3,715,667	3,933,125	3,800,000	4,136,153	336,153	8.85%
Concessions Rebate	(9,886,104)	(9,100,000)	(8,500,000)	(8,676,371)	(176,371)	2.07%
Total Airline Agreement	80,098,327	86,193,249	85,550,000	80,482,608	(5,067,392)	-5.92%
HHH Lobby Fees	5,544,018	5,605,383	5,450,000	5,184,637	(265,363)	-4.87%
HHH Other / Passenger Fees	1,601,608	1,787,236	1,900,000	1,558,021	(341,979)	-18.00%
<b>Total Airline Rates &amp; Charges</b>	<b>87,243,953</b>	<b>93,585,868</b>	<b>92,900,000</b>	<b>87,225,266</b>	<b>(5,674,734)</b>	<b>-6.11%</b>
<b>Concessions</b>						
Terminal						
Food & Beverage	12,807,212	13,102,055	12,200,000	12,531,547	331,547	2.72%
News	3,546,852	3,444,867	3,300,000	3,417,608	117,608	3.56%
Retail Stores	5,006,379	5,178,903	4,500,000	4,917,463	417,463	9.28%
Passenger Services	2,915,926	3,576,771	3,450,000	4,283,693	833,693	24.17%
Total Terminal/Other	24,276,369	25,302,596	23,450,000	25,150,311	1,700,311	7.25%
Parking/Grnd. Transport.						
Parking	62,747,945	69,061,093	60,500,000	61,000,000	500,000	0.83%
Ground Transportation	4,398,382	4,108,463	4,050,000	4,246,479	196,479	4.85%
MSP Employee Parking	2,423,826	2,590,631	2,500,000	2,850,708	350,708	14.03%
Auto Rental - On Airport	17,011,231	15,278,000	15,200,000	15,250,000	50,000	0.33%
Total Parking/Grnd. Transport.	86,581,385	91,038,187	82,250,000	83,347,187	1,097,187	1.33%
Other Concessions	1,372,695	1,619,580	1,400,000	1,373,300	(26,700)	-1.91%
<b>Total All Concessions</b>	<b>112,230,448</b>	<b>117,960,363</b>	<b>107,100,000</b>	<b>109,870,798</b>	<b>2,770,798</b>	<b>2.59%</b>
<b>Rentals/Fees</b>						
Buildings & Facilities	4,969,233	5,349,915	5,900,000	5,727,152	(172,848)	-2.93%
Auto Rental CFC	8,942,780	8,672,071	8,600,000	8,775,000	175,000	2.03%
Ground Rentals	9,533,255	8,837,015	8,800,000	8,885,041	85,041	0.97%
Reliever Airports	5,317,518	5,125,824	5,250,000	4,650,885	(599,115)	-11.41%
<b>Total Rentals/Fees</b>	<b>28,762,785</b>	<b>27,984,825</b>	<b>28,550,000</b>	<b>28,038,078</b>	<b>(511,922)</b>	<b>-1.79%</b>
<b>Utilities &amp; Other Revenue</b>						
Utilities	2,527,807	2,567,420	2,600,000	2,526,567	(73,433)	-2.82%
GA/Airside Fees	2,829,170	2,365,114	2,150,000	2,162,902	12,902	0.60%
Loading Dock/Consortium Fees	3,027,267	3,099,745	3,000,000	3,049,230	49,230	1.64%
Other Revenues	1,044,560	1,123,228	1,250,000	912,191	(337,809)	-27.02%
Reimbursed Expense	3,752,747	3,340,550	3,650,000	2,840,000	(810,000)	-22.19%
<b>Total Utilities &amp; Other Rev.</b>	<b>13,181,550</b>	<b>12,496,057</b>	<b>12,650,000</b>	<b>11,490,890</b>	<b>(1,159,110)</b>	<b>-9.16%</b>
<b>Total Operating Revenue</b>	<b><u>241,418,736</u></b>	<b><u>252,027,113</u></b>	<b><u>241,200,000</u></b>	<b><u>236,625,032</u></b>	<b><u>(4,574,968)</u></b>	<b><u>-1.90%</u></b>



<b>OPERATING REVENUES - 2010 OPERATING BUDGET</b>
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	2010 Budget		2009 Budget	2009 Estimate	2010 Budget	2009 Estimate vs 2010 Budget	
	Mpls.- St.Paul	Reliever Airports				Dollar Change	% Change
<b>Airline Rates &amp; Charges</b>							
Airline Agreement							
Landing Fees	45,649,025		49,764,602	49,100,000	45,649,025	(3,450,975)	-7.03%
Ramp Fees	5,751,819		6,617,622	6,550,000	5,751,819	(798,181)	-12.19%
Airline R&R	3,208,535		3,117,242	3,117,000	3,208,535	91,535	2.94%
Lindbergh Terminal - Rentals	30,413,447		31,860,658	31,483,000	30,413,447	(1,069,553)	-3.40%
Lindbergh Terminal - Other	4,136,153		3,933,125	3,800,000	4,136,153	336,153	8.85%
Concessions Rebate	(8,676,371)		(9,100,000)	(8,500,000)	(8,676,371)	(176,371)	2.07%
Total Airline Agreement	80,482,608		86,193,249	85,550,000	80,482,608	(5,067,392)	-5.92%
HHH Lobby Fees	5,184,637		5,605,383	5,450,000	5,184,637	(265,363)	-4.87%
HHH Other / Passenger Fees	1,558,021		1,787,236	1,900,000	1,558,021	(341,979)	-18.00%
<b>Total Airline Rates &amp; Charges</b>	87,225,266		93,585,868	92,900,000	87,225,266	(5,674,734)	-6.11%
<b>Concessions</b>							
Terminal							
Food & Beverage	12,531,547		13,102,055	12,200,000	12,531,547	331,547	2.72%
News	3,417,608		3,444,867	3,300,000	3,417,608	117,608	3.56%
Retail Stores	4,917,463		5,178,903	4,500,000	4,917,463	417,463	9.28%
Passenger Services	4,283,693		3,576,771	3,450,000	4,283,693	833,693	24.17%
Total Terminal/Other	25,150,311		25,302,596	23,450,000	25,150,311	1,700,311	7.25%
Parking/Grnd. Transport.							
Parking	61,000,000		69,061,093	60,500,000	61,000,000	500,000	0.83%
Ground Transportation	4,246,479		4,108,463	4,050,000	4,246,479	196,479	4.85%
MSP Employee Parking	2,850,708		2,590,631	2,500,000	2,850,708	350,708	14.03%
Auto Rental - On Airport	15,250,000		15,278,000	15,200,000	15,250,000	50,000	0.33%
Total Parking/Grnd. Transport.	83,347,187		91,038,187	82,250,000	83,347,187	1,097,187	1.33%
Other Concessions	1,373,300		1,619,580	1,400,000	1,373,300	(26,700)	-1.91%
<b>Total All Concessions</b>	109,870,798		117,960,363	107,100,000	109,870,798	2,770,798	2.59%
<b>Rentals/Fees</b>							
Buildings & Facilities	5,727,152		5,349,915	5,900,000	5,727,152	(172,848)	-2.93%
Auto Rental CFC	8,775,000		8,672,071	8,600,000	8,775,000	175,000	2.03%
Ground Rentals	8,885,041		8,837,015	8,800,000	8,885,041	85,041	0.97%
Reliever Airports		4,650,885	5,125,824	5,250,000	4,650,885	(599,115)	-11.41%
<b>Total Rentals/Fees</b>	23,387,193	4,650,885	27,984,825	28,550,000	28,038,078	(511,922)	-1.79%
<b>Utilities &amp; Other Revenue</b>							
Utilities	2,526,567		2,567,420	2,600,000	2,526,567	(73,433)	-2.82%
GA/Airside Fees	2,162,902		2,365,114	2,150,000	2,162,902	12,902	0.60%
Loading Dock/Consortium Fees	3,049,230		3,099,745	3,000,000	3,049,230	49,230	1.64%
Other Revenues	912,191		1,123,228	1,250,000	912,191	(337,809)	-27.02%
Reimbursed Expense	2,840,000		3,340,550	3,650,000	2,840,000	(810,000)	-22.19%
<b>Total Utilities &amp; Other Rev.</b>	11,490,890		12,496,057	12,650,000	11,490,890	(1,159,110)	-9.16%
<b>Total Operating Revenue</b>	<b>231,974,147</b>	<b>4,650,885</b>	<b>252,027,113</b>	<b>241,200,000</b>	<b>236,625,032</b>	<b>(4,574,968)</b>	<b>-1.90%</b>

**REVENUE ASSUMPTIONS – 2010 OPERATING BUDGET**

Total operating revenue for 2010 is \$236,625,032, which is a \$4,574,968 or 1.90% decrease compared to 2009 estimates. The greatest dollar decrease in revenue is in Airline Rates & Charges. The detailed explanations for Airline Rates & Charges, along with other major changes in revenue, are included in this section.

					<b>2009 Estimate vs 2010 Budget</b>	
	<b><u>2008 Actual</u></b>	<b><u>2009 Budget</u></b>	<b><u>2009 Estimate</u></b>	<b><u>2010 Budget</u></b>	<b><u>Dollar Change</u></b>	<b><u>% Change</u></b>
<b>REVENUE</b>						
Airline Rates & Charges	87,243,953	93,585,868	92,900,000	87,225,266	(5,674,734)	-6.11%
Concessions	112,230,448	117,960,363	107,100,000	109,870,798	2,770,798	2.59%
Rentals/Fees	28,762,785	27,984,825	28,550,000	28,038,078	(511,922)	-1.79%
Utilities & Other Revenue	<u>13,181,550</u>	<u>12,496,057</u>	<u>12,650,000</u>	<u>11,490,890</u>	<u>(1,159,110)</u>	-9.16%
<b>Total Operating Revenue</b>	<b><u>241,418,736</u></b>	<b><u>252,027,113</u></b>	<b><u>241,200,000</u></b>	<b><u>236,625,032</u></b>	<b><u>(4,574,968)</u></b>	<b>-1.90%</b>

The operating revenue budget is divided into four categories: Airline Rates & Charges, Concessions, Rentals/Fees and Utilities & Other Revenue.

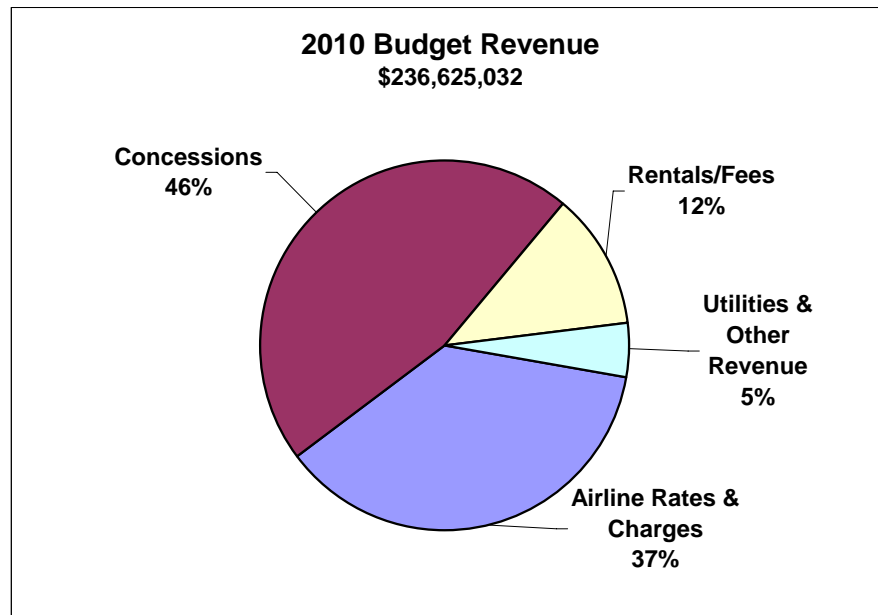
Airline Rates & Charges, which is \$87,225,266 or 36.9% of MAC total operating revenue for 2010, consists primarily of revenue paid by the airlines for landing fees, ramp fees, HHH Terminal common use fees and Lindbergh and HHH Terminal airline building rates. This category is projected to decrease \$5,674,734 or 6.11% from the 2009 estimated level.

The Concessions category, which is \$109,870,798 or 46.4% of total operating revenue for 2010, includes revenue from the following areas: Parking, Ground Transportation fees, MSP Employee Parking, Auto Rental – On Airport, Food & Beverage, News, Retail, Passenger Services and other Concessions. The rates charged for parking are approved by the Commission while ground transportation fees are authorized according to MAC Ordinances. The revenues from auto rental, food & beverage, news, retail and passenger services are based on various lease agreements which allow the concessionaires to operate in MAC facilities. Concessions are projected to increase \$2,770,798 or 2.59% from estimated 2009 levels.

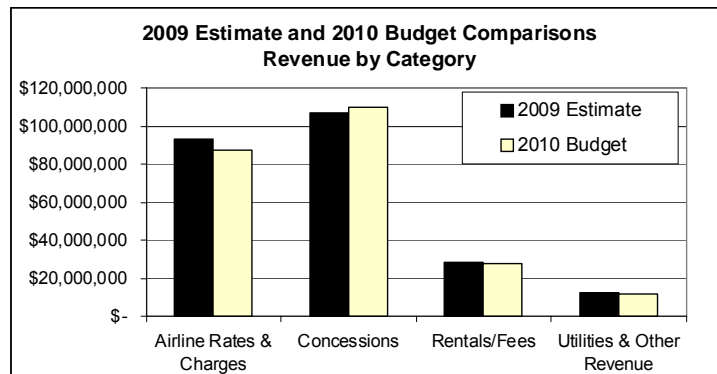
Rentals/Fees and Utilities & Other Revenue are \$39,528,968 or 16.7% of total operating revenue for 2010. Rentals/Fees and Utilities & Other Revenue are projected to decrease \$1,671,032 or 3.8% from 2009 estimated levels. This revenue section consists of Auto Rental-Customer Facility Charge (CFC), building rentals (non-airline), ground space, utilities, general aviation fees, reimbursed expenses and reliever airport fees. Ground space and a portion of reliever airport revenue are based on MAC Ordinances, while the remaining revenue items are based on leases and agreements.

<b>REVENUE ASSUMPTIONS – 2010 OPERATING BUDGET</b>
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The following chart shows the revenue sources:



The following chart compares 2009 estimate and 2010 budget revenue by category:



**Revenue Assumptions and Guidelines:**

The revenue projections for 2010 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 2009 estimates versus 2010 budget figures.

<b>REVENUE ASSUMPTIONS – 2010 OPERATING BUDGET</b>
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***Minneapolis-St. Paul International Airport – Delta Airlines Ticketing Area Signage***

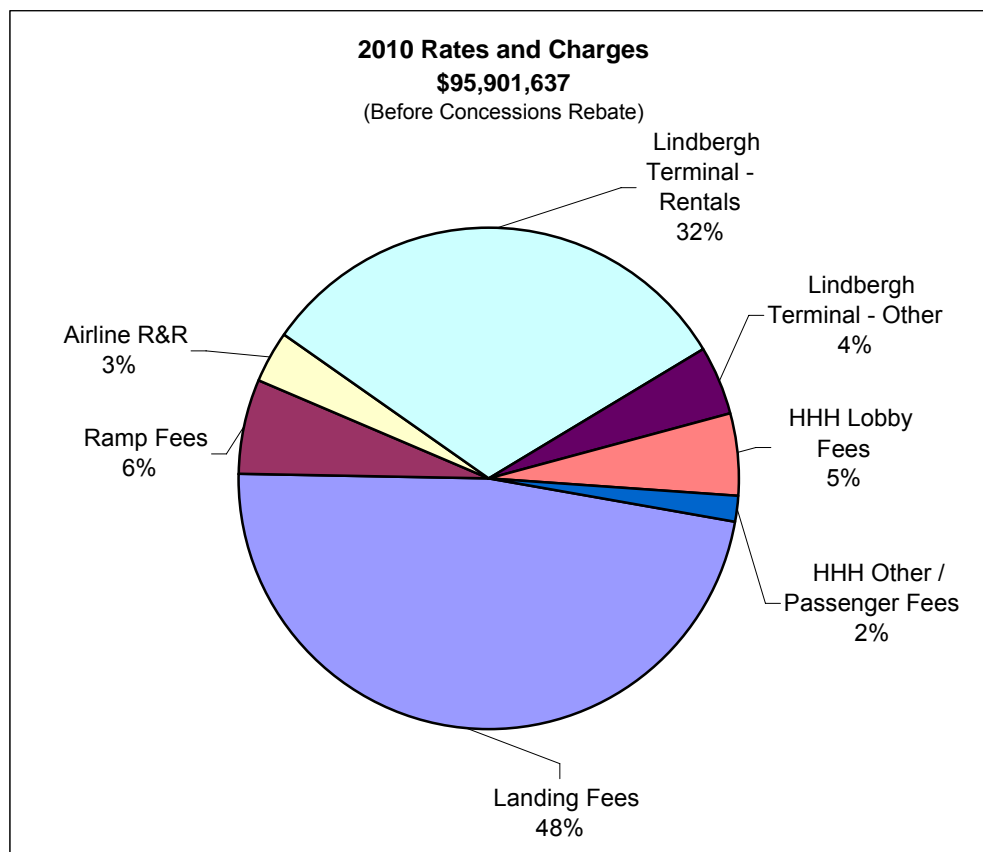
### **AIRLINE RATES AND CHARGES**

Approximately \$87.2 million or 37% of MAC's \$237 million in revenues is generated from rates charged to the airlines. The formulas for the rates (landing fee, ramp fee, airline Lindbergh Terminal rental rates and the Lindbergh Terminal IAF (International Arrivals Facility) Use Fees 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 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 allocations, are then used to determine Airline Rates and Charges. Fluctuations in the allocated costs can cause a change in the airline rates. For 2010, rates for landing fees, ramp fees, airline Lindbergh Terminal rentals rates are calculated as per the Airline Use Agreement and Third Amendment. Rates for the HHH Terminal are set by ordinance, which is based on the recovery of operating, and maintenance costs. The Concessions Rebate of \$8.7 million represents the revenue sharing found in the Third Amendment to the Airline Use Agreement.

## REVENUE ASSUMPTIONS – 2010 OPERATING BUDGET

					2009 Estimate vs 2010 Budget	
	2008 <u>Actual</u>	2009 <u>Budget</u>	2009 <u>Estimate</u>	2010 <u>Budget</u>	Dollar <u>Change</u>	% <u>Change</u>
Airline Rates & Charges						
Landing Fees	46,673,210	49,764,602	49,100,000	45,649,025	(3,450,975)	-7.03%
Ramp Fees	5,619,293	6,617,622	6,550,000	5,751,819	(798,181)	-12.19%
Airline R&R	3,025,266	3,117,242	3,117,000	3,208,535	91,535	2.94%
Lindbergh Terminal - Rentals	30,950,995	31,860,658	31,483,000	30,413,447	(1,069,553)	-3.40%
Lindbergh Terminal - Other	3,715,667	3,933,125	3,800,000	4,136,153	336,153	8.85%
Concessions Rebate	(9,886,104)	(9,100,000)	(8,500,000)	(8,676,371)	(176,371)	2.07%
HHH Lobby Fees	5,544,018	5,605,383	5,450,000	5,184,637	(265,363)	-4.87%
HHH Other / Passenger Fees	1,601,608	1,787,236	1,900,000	1,558,021	(341,979)	-18.00%
Total Airline Rates & Charges	<u>87,243,953</u>	<u>93,585,868</u>	<u>92,900,000</u>	<u>87,225,266</u>	<u>(5,674,734)</u>	-6.11%

The following pie chart indicates the percent of each revenue source in Airline Rates & Charges and compares it to the total Airline Rates & Charges revenue, excluding the Concessions Rebate:



<b>REVENUE ASSUMPTIONS – 2010 OPERATING BUDGET</b>
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**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 2010 is in accordance with the Airline Agreement for all Airline Rates & Charges including landing fees. This is a residual (breakeven) calculation.

The change in the landing fee from the 2009 estimate (\$2.24) to the 2010 budget (\$2.11) can be attributed to the following:

- Decrease \$0.01 – Related to decreases in MSP planning, utilities and snow removal costs.
- Decrease \$0.08 - In 2009, the Commission retired a long term debt issue in which a portion was related to the Field and Runway service center.
- Decrease \$0.04 - The Commission retired a portion of equipment related financing debt in 2009 that resulted in a \$0.04 decrease.

<b><u>Landing Fee</u></b>	<b>2008</b>	<b>2009</b>	<b>2009</b>	<b>2010</b>
	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Estimate</u></b>	<b><u>Budget</u></b>
Landing Fee	\$2.11	\$2.24	\$2.24	\$2.11
Landed Weight (000)	22,143	22,125	21,920	21,635
Revenue (000)	\$46,673	\$49,765	\$49,100	\$45,649



***Delta Airlines B737***

<b>REVENUE ASSUMPTIONS – 2010 OPERATING BUDGET</b>
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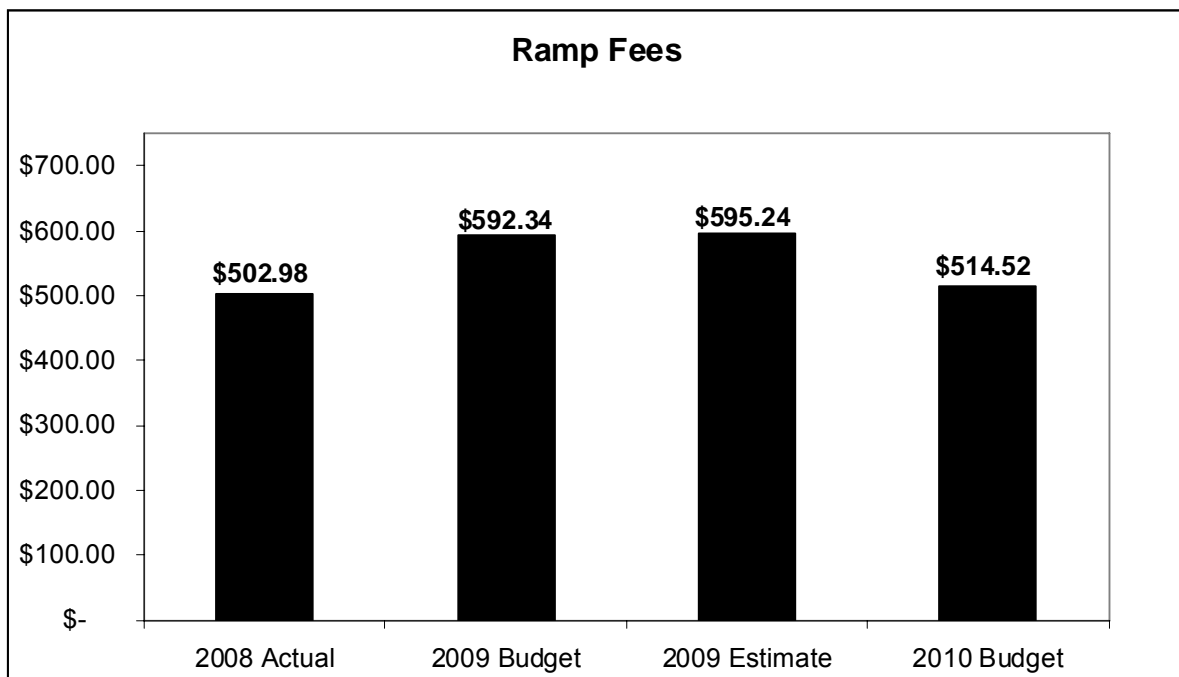
**RAMP FEES**

Aircraft parking ramp fees are calculated in the same manner as landing fees. Ramp fees are determined by dividing the total terminal ramp expenses by total lineal feet of ramp available. The ramp fee rate calculation is also residual (breakeven).

The major decrease in ramp fees from 2009 estimated (\$595.24) to 2010 budget (\$514.52 per lineal foot) can be attributed to:

- Decrease \$3.75 a decrease in snow removal costs and materials
- Decrease \$65.40 - retirement of an equipment debt payment identified above in landing fees
- Decrease \$11.57 - The remaining difference can be attributed to allocated costs being reduced in the budget.

<b>Ramp Fee</b>				
	<b>2008 <u>Actual</u></b>	<b>2009 <u>Budget</u></b>	<b>2009 <u>Estimate</u></b>	<b>2010 <u>Budget</u></b>
Ramp Fee (Per Lineal Ft.)	\$502.98	\$592.34	\$595.24	\$514.52
Ramp Footage	11,172	11,172	11,172	11,179
Revenue	\$5,619,293	\$6,617,622	\$6,550,000	\$5,751,819



<b>REVENUE ASSUMPTIONS – 2010 OPERATING BUDGET</b>
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**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 increases annually at a rate of 3%. The rate for 2010 is \$5.71 per square foot for carriers occupying the Lindbergh Terminal.

**LINDBERGH TERMINAL - RENTALS**

Airline building rates are calculated by allocating terminal building 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 Lindbergh Terminal building rates are a compensatory calculation. Under this calculation method, 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 per square foot charge for the Airline Repair & Replacement (R&R) surcharge.

The Lindbergh Terminal rate is decreasing from \$54.40 to \$51.85. The primary reasons for the decrease in the Exclusive rates (\$2.55) between 2009 estimate and 2010 budget are as follows:

- Decrease \$0.96 per sq. ft. - reduction in natural gas rates
- Decrease \$1.87 per sq. ft. - In 2009, the Commission retired a long term debt issue and refinanced a current bond issue in which a portion was related to the Lindbergh Terminal Building service center.
- Decrease \$0.36 - All other areas (primarily allocations)
- Increase \$0.64 per sq. ft. - result of new contracts for the people movers/train and temperature control maintenance

<b><u>Lindbergh Terminal Rates</u></b>				
	<b>2008</b>	<b>2009</b>	<b>2009</b>	<b>2010</b>
	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Estimate</u></b>	<b><u>Budget</u></b>
Exclusive (Per Sq. Ft.)	\$50.40	\$54.40	\$54.40	\$51.85
Exclusive Janitored (Per Sq. Ft.)	\$56.42	\$61.29	\$61.29	\$58.89
Total Revenue (000)	\$30,951	\$31,861	\$31,483	\$30,413

**LINDBERGH TERMINAL - OTHER**

The primary revenue source in this area is revenue generated from the 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 passenger use fee based upon projected expenses. At year-end an adjustment will be made for any overage or shortage. Other revenue sources in this category include airline charges for the use of conveyors and carousels as well as rent from a portion of the G concourse.

The table below shows the IAF fees for actual 2008, budgeted 2009, estimated 2009 and budgeted 2010:

<b><u>Int'l Arrival Fee</u></b>				
	<b>2008</b>	<b>2009</b>	<b>2009</b>	<b>2010</b>
	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Estimate</u></b>	<b><u>Budget</u></b>
Total Cost	\$3,074,977	\$3,308,105	\$3,297,831	\$3,491,133
Passengers	764,920	749,701	750,000	800,000
Fee Per Passenger	\$4.02	\$4.42	\$4.40	\$4.36

The \$0.04 decrease in the IAF fee can be attributed primarily to increased passengers.

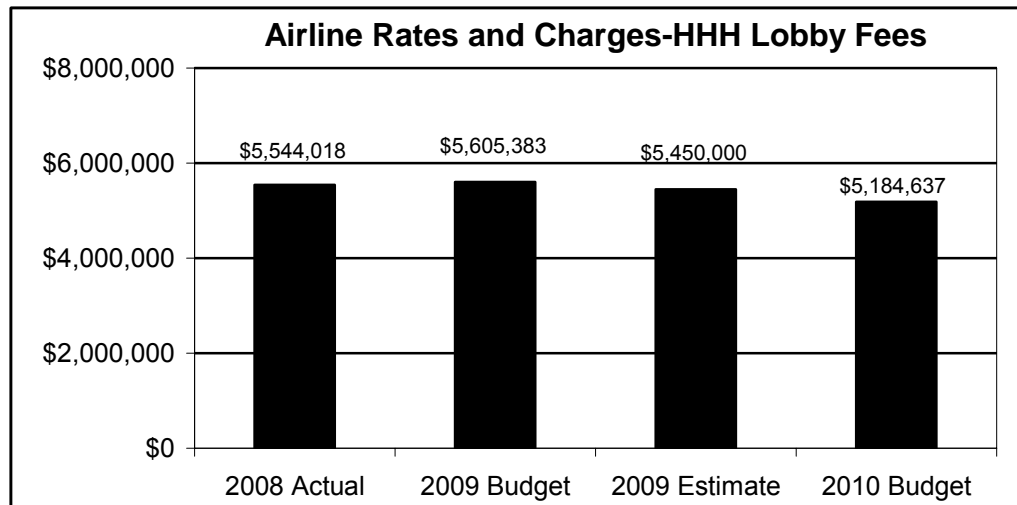


**REVENUE ASSUMPTIONS – 2010 OPERATING BUDGET****CONCESSIONS REBATE**

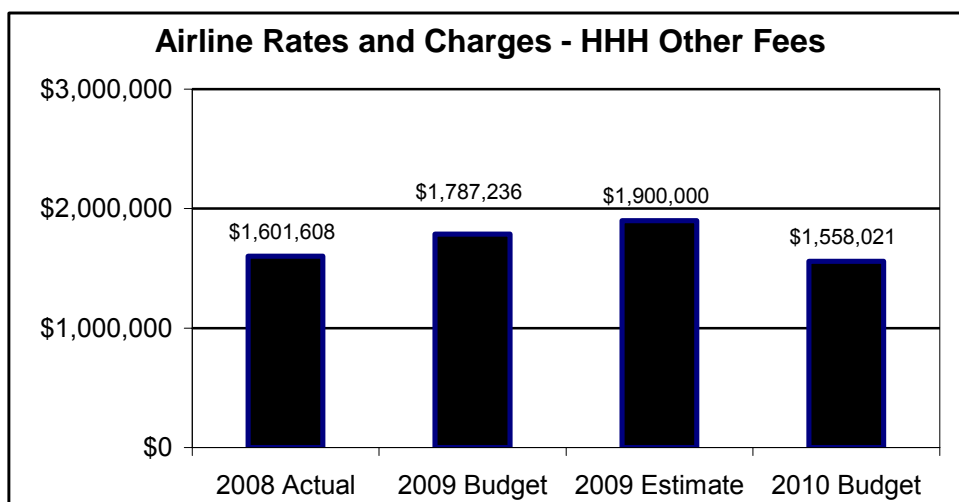
As part of the Third Amendment to the Airline Use Agreement, a provision was added to rebate a portion (25% up to \$37.577 million, 50% above the figure for 2010) of concessions revenue for Food & Beverage, News, Retail and Auto Rental – On Airport revenue. For the 2010 budget this rebate is projected to be \$8,676,371 and does not hit the 50% threshold. The increase of \$176,371 can be attributed to greater concessions revenue in the 2010 budget.

**HHH LOBBY FEES**

HHH Lobby Fees are expected to decrease \$265,363 or 4.87%. The decrease from estimated 2009 is a result of lower utility costs and lower cost allocations (see Lindbergh Terminal-Rentals).

**HHH OTHER/PASSENGER FEES**

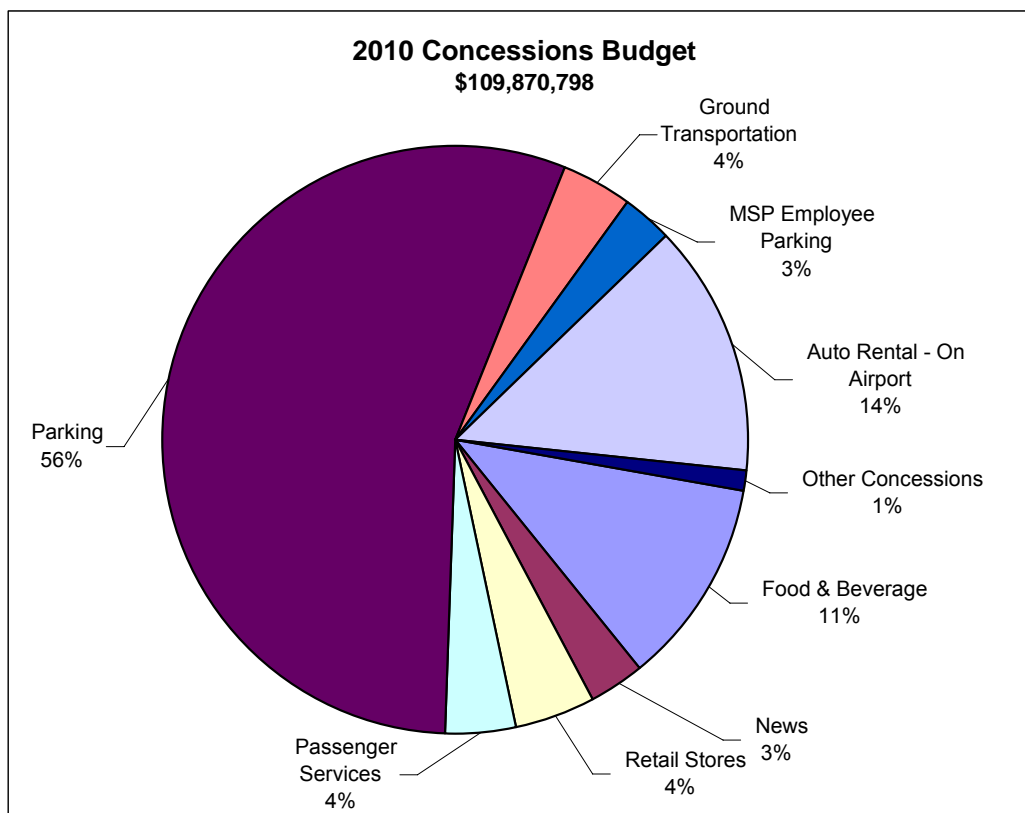
HHH Other/Passenger fee revenue is budgeted to decrease \$341,979 or 18.0%. The decrease in this area is primarily attributed to lower Federal Inspection Service (FIS) charges as a result of lower international passengers serviced by the HHH Terminal. Other categories in this area include office rent for airlines and non-signatory landing and apron fees.



**REVENUE ASSUMPTIONS – 2010 OPERATING BUDGET****CONCESSIONS**

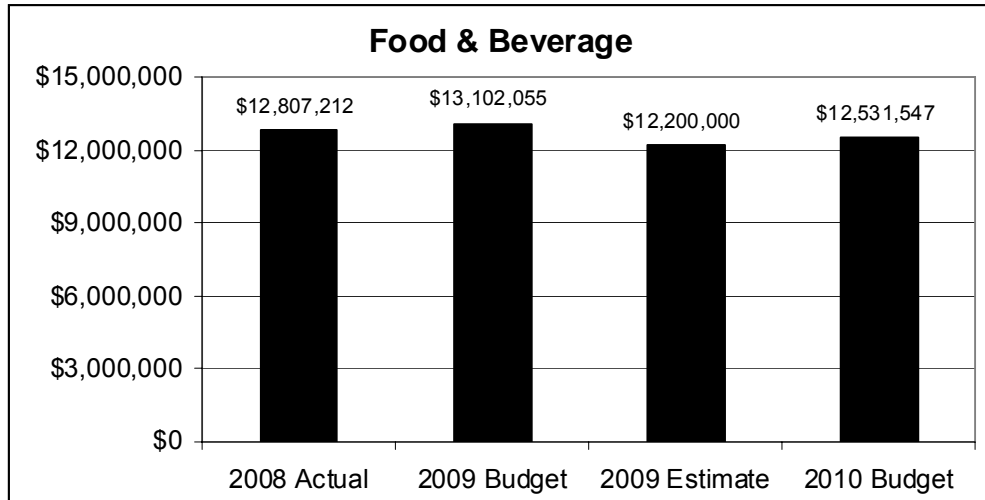
The 2010 budget for Concessions revenue is projected to increase \$2,770,798 or 2.59% from the 2009 estimates. Concessions revenue consists of the following categories:

	<b><u>2008 Actual</u></b>	<b><u>2009 Budget</u></b>	<b><u>2009 Estimate</u></b>	<b><u>2010 Budget</u></b>	<b>2009 Estimate vs 2010 Budget <u>Dollar Change</u></b>	<b><u>% Change</u></b>
Concessions						
Food & Beverage	12,807,212	13,102,055	12,200,000	12,531,547	331,547	2.72%
News	3,546,852	3,444,867	3,300,000	3,417,608	117,608	3.56%
Retail Stores	5,006,379	5,178,903	4,500,000	4,917,463	417,463	9.28%
Passenger Services	2,915,926	3,576,771	3,450,000	4,283,693	833,693	24.17%
Parking	62,747,945	69,061,093	60,500,000	61,000,000	500,000	0.83%
Ground Transportation	4,398,382	4,108,463	4,050,000	4,246,479	196,479	4.85%
MSP Employee Parking	2,423,826	2,590,631	2,500,000	2,850,708	350,708	14.03%
Auto Rental - On Airport	17,011,231	15,278,000	15,200,000	15,250,000	50,000	0.33%
Other Concessions	<u>1,372,695</u>	<u>1,619,580</u>	<u>1,400,000</u>	<u>1,373,300</u>	<u>(26,700)</u>	-1.91%
Total All Concessions	<u>112,230,448</u>	<u>117,960,363</u>	<u>107,100,000</u>	<u>109,870,798</u>	<u>2,770,798</u>	2.59%

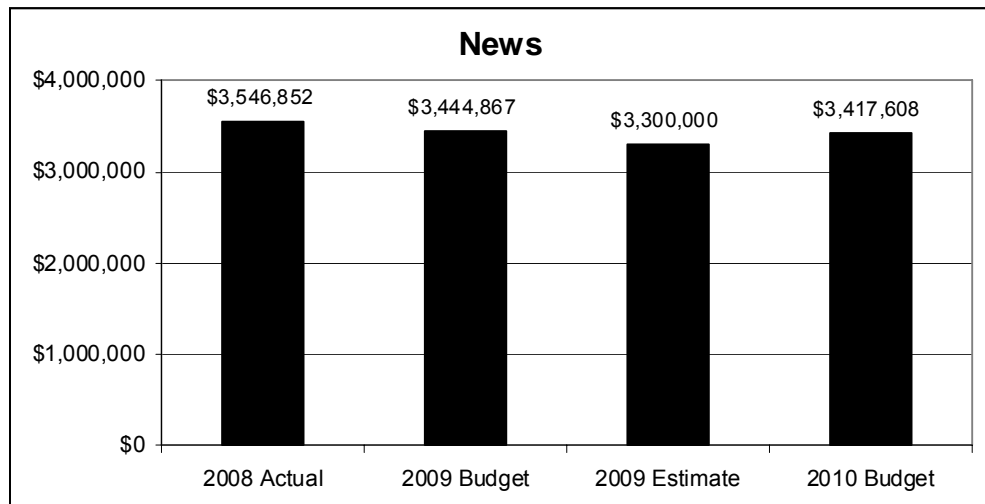


**REVENUE ASSUMPTIONS – 2010 OPERATING BUDGET****FOOD & BEVERAGE**

Food & Beverage is projected to increase slightly by \$331,547 or 2.72% from the 2009 estimate and is based upon the trends at the time the budget was completed.

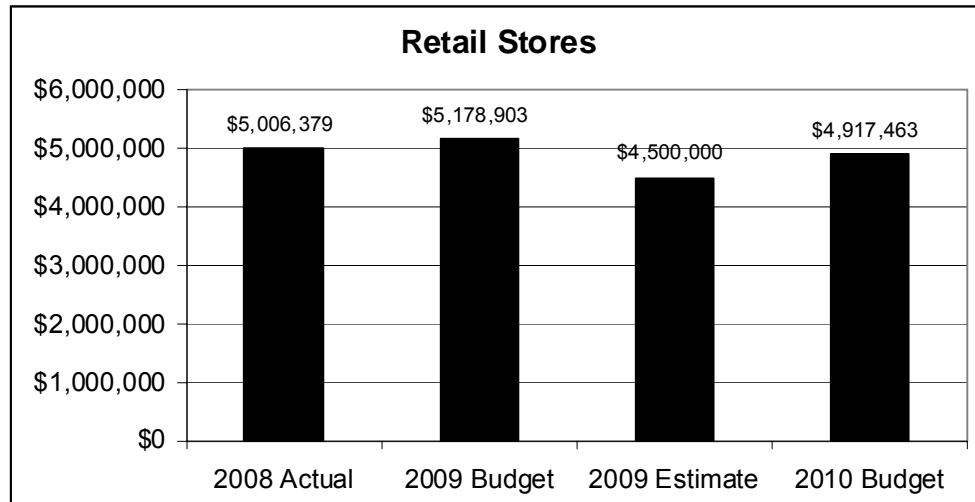
**NEWS**

News is projected to increase slightly by \$117,608 or 3.56% from the 2009 estimate and is based upon the trends at the time the budget was completed.

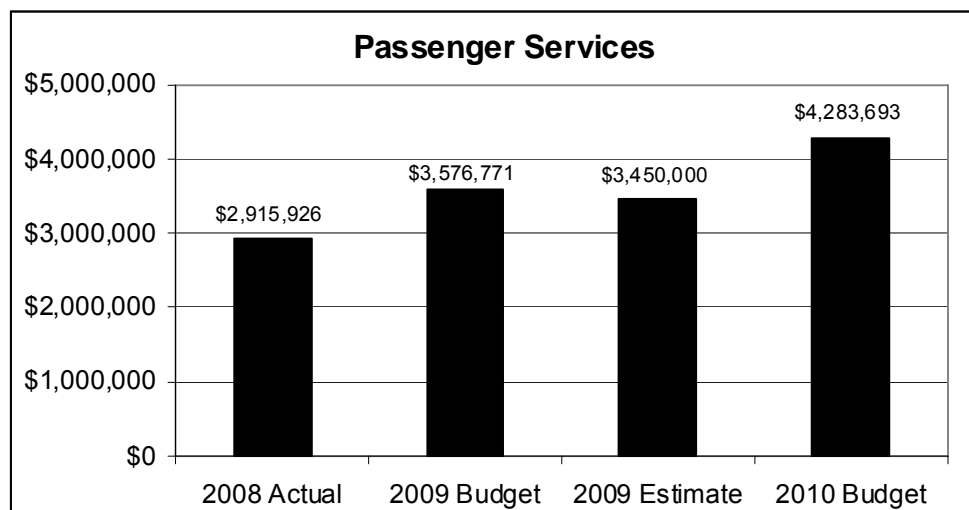


**REVENUE ASSUMPTIONS – 2010 OPERATING BUDGET****RETAIL STORES**

Retail is projected to increase by \$417,463 or 9.28% from the 2009 estimate and is based upon the trends at the time the budget was completed. A series of retail kiosks opened in late 2009 on the C Concourse which will generate additional revenue in 2010. In addition, it is anticipated that new space will become available in 2010 for additional retail opportunities.

**PASSENGER SERVICES**

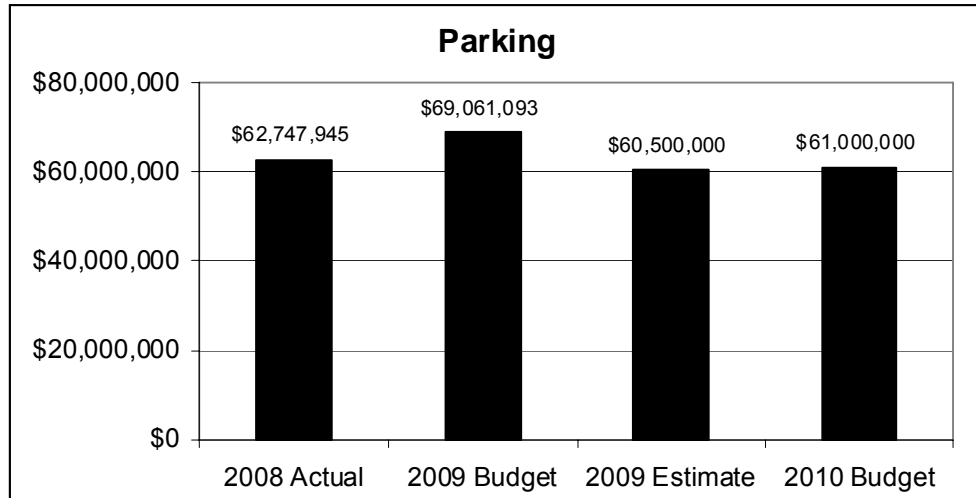
Passenger Services are budgeted to go up \$833,693 or 24.17%. The largest increase is attributable to a new ATM contract that was re-bid in 2009 as well as opening a banking facility in the Lindbergh Terminal. Other areas in this category include: Indoor advertising, games, phones, wireless, shoe shine and other, none of which is anticipated to change significantly from the 2009 estimate.



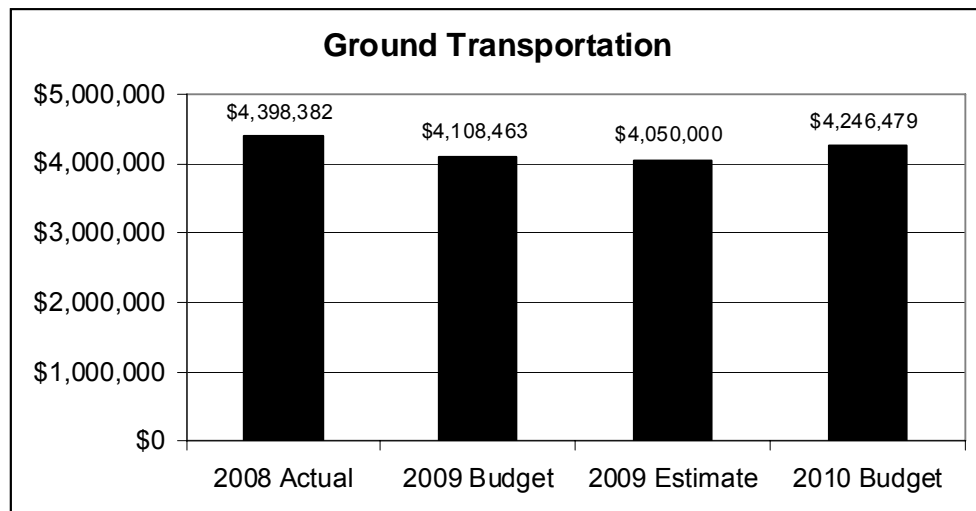
<b>REVENUE ASSUMPTIONS – 2010 OPERATING BUDGET</b>
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**PARKING**

Parking is expected to slightly increase from 2009 estimates by \$500,000 or 0.83% based upon trends at the time the budget was completed.

**GROUND TRANSPORTATION FEES**

Ground Transportation fees are projected to increase \$196,479 or 4.85%. This is primarily a result of Taxi fees which are based on the expenses of maintaining and operating the Taxi system at the airport. Other types of revenue in this category include off-airport auto rental agencies, buses, private limos, hotel/motel shuttles and other miscellaneous revenues. (These fees are set by Ordinance with an increase in individual category fees due to a combination of costs and industry utilization.)



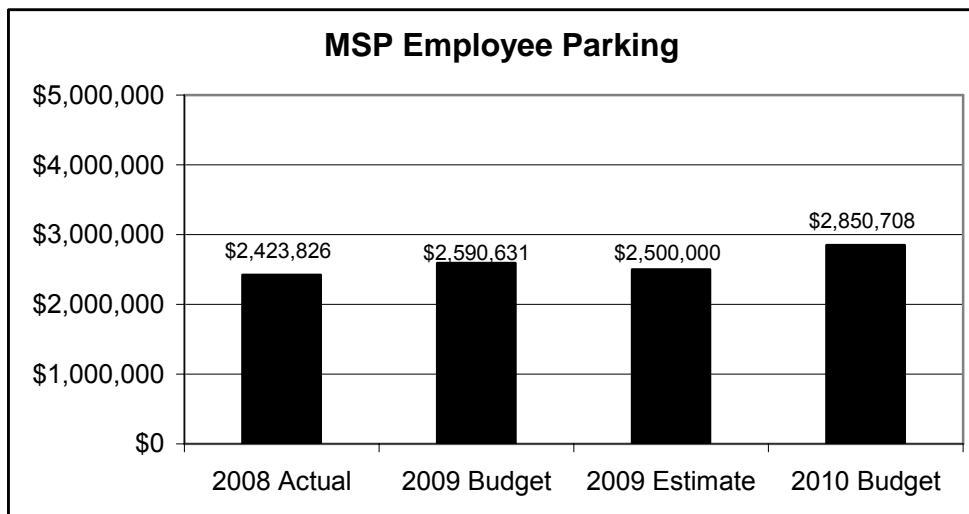
**REVENUE ASSUMPTIONS – 2010 OPERATING BUDGET**



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

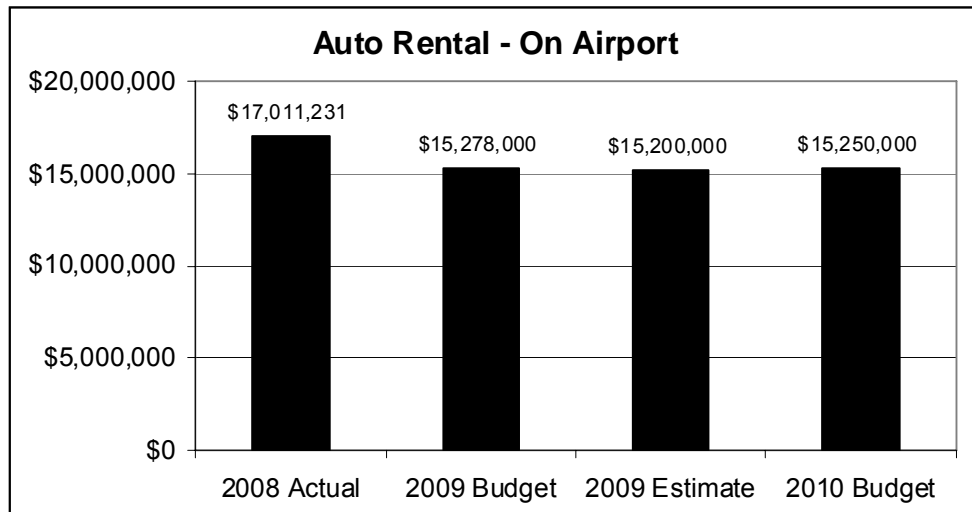
**MSP EMPLOYEE PARKING**

MSP Employee Parking is budgeted to increase \$350,708 or 14.03% based upon the projections at the time the budget was completed.

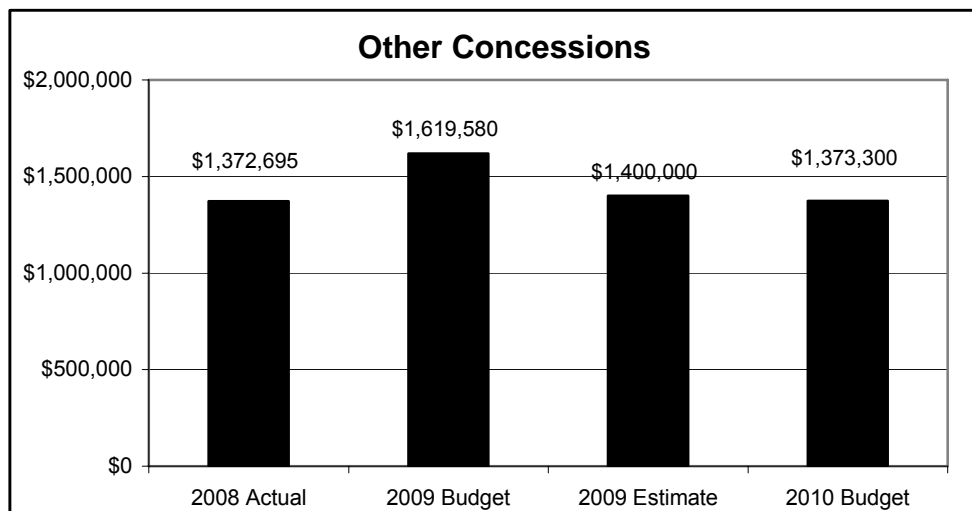


**REVENUE ASSUMPTIONS – 2010 OPERATING BUDGET****AUTO RENTAL – ON AIRPORT**

Auto rental fees are projected to slightly increase \$50,000 from the 2009 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. The Auto Rental lease agreements are anticipated to be re-bid in 2010. Transactions and activity are anticipated to increase slightly.

**OTHER CONCESSIONS**

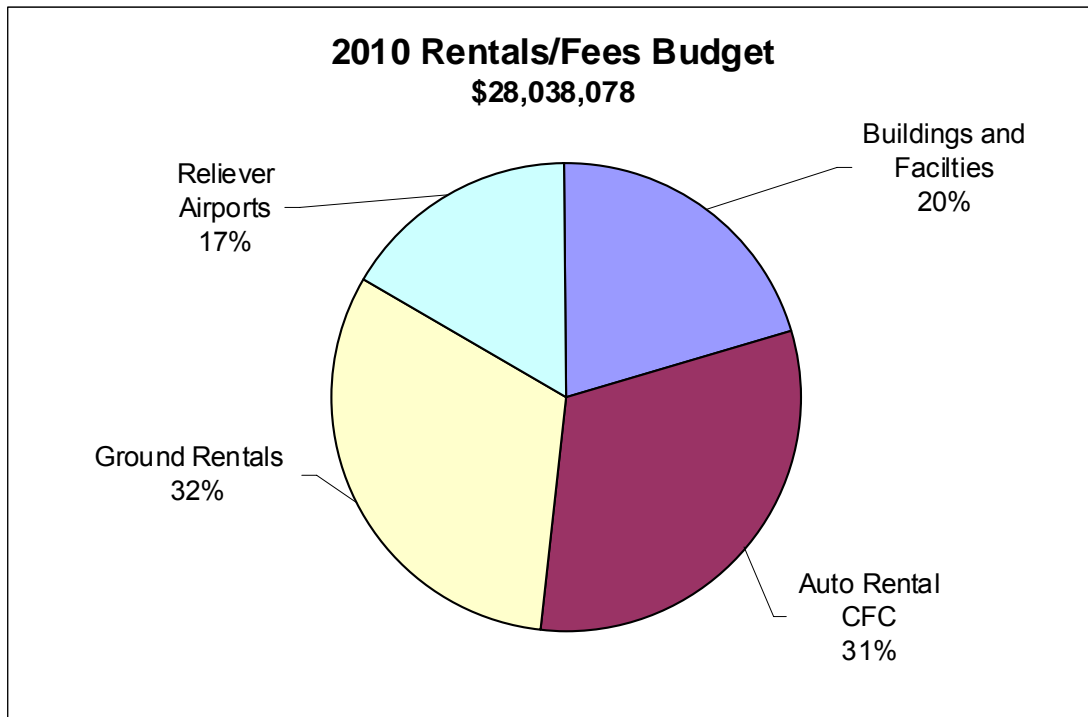
The majority of revenue in the Other Concessions category consists of Outdoor Advertising (81% of the total or \$1.1 million). Other items in this category include In-Flight Catering, auto services, a pet boarding facility and miscellaneous concessions. Other Concessions are budgeted to decrease from 2009 estimated levels. This is primarily due to outdoor advertising which is experiencing lower demand due to the economy. Other revenue items in this category are expected to show minor changes from estimates.



**REVENUE ASSUMPTIONS – 2010 OPERATING BUDGET****RENTALS/FEES**

In total, this category is projected to decrease \$511,922 or 1.79% from the 2009 estimates. Included in this category are building rentals, auto rental-CFC, ground rentals and reliever airports.

	<b>2008 <u>Actual</u></b>	<b>2009 <u>Budget</u></b>	<b>2009 <u>Estimate</u></b>	<b>2010 <u>Budget</u></b>	<b>2009 Estimate vs 2010 Budget <u>Dollar Change</u></b>	<b><u>% Change</u></b>
Rentals/Fees						
Buildings & Facilities	4,969,233	5,349,915	5,900,000	5,727,152	(172,848)	-2.93%
Auto Rental CFC	8,942,780	8,672,071	8,600,000	8,775,000	175,000	2.03%
Ground Rentals	9,533,255	8,837,015	8,800,000	8,885,041	85,041	0.97%
Reliever Airports	<u>5,317,518</u>	<u>5,125,824</u>	<u>5,250,000</u>	<u>4,650,885</u>	<u>(599,115)</u>	-11.41%
Total Rentals/Fees	<u>28,762,785</u>	<u>27,984,825</u>	<u>28,550,000</u>	<u>28,038,078</u>	<u>(511,922)</u>	-1.79%

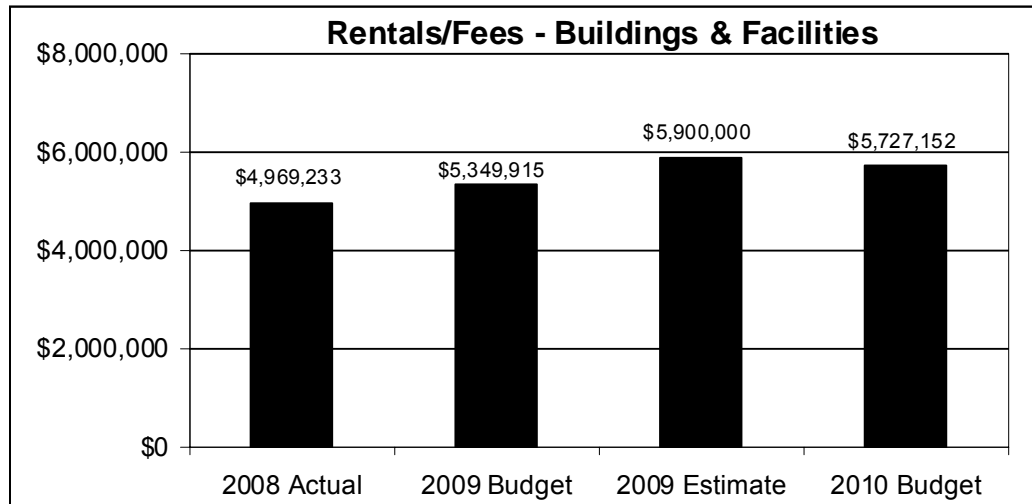




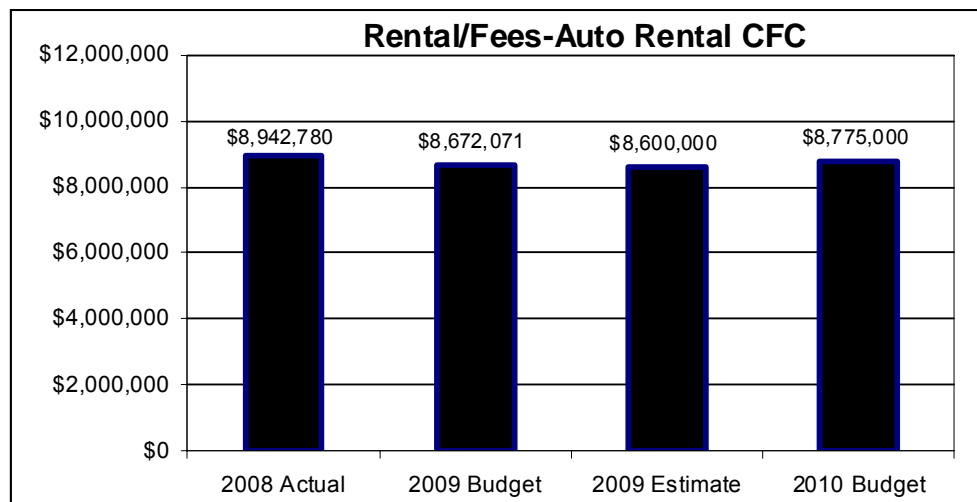
<b>REVENUE ASSUMPTIONS – 2010 OPERATING BUDGET</b>
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**BUILDING & FACILITIES**

Building and facility rentals are projected to decrease \$172,848 or 2.93% over 2009 estimates as a result of a decrease in rental rates for non-airline tenants in the Lindbergh and Humphrey Terminals (See Lindbergh and HHH Terminal rates above). The remainder of the decrease in Building & Facilities is due to non-renewal of leases by tenants whose leases were expiring.

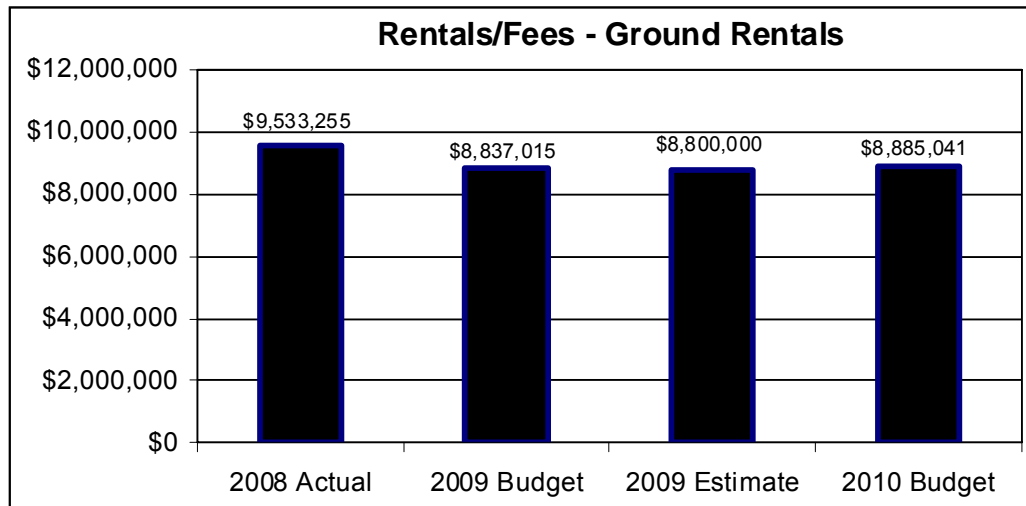
**AUTO RENTAL-CUSTOMER FACILITY CHARGE (CFC)**

Auto Rental CFCs are budgeted to increase \$175,000 or 2.03% from 2009 estimates. In 2009 the auto rental industry requested that MAC collect costs associated with operating a tram between the auto rental facility and the Lindbergh Terminal via a CFC as opposed to a direct billing. As a result, the increase is due to reclassifying revenue (+\$600,000) from the Utilities & Other Revenue (Reimbursed Expense) category to the Rentals/Fees (Auto Rental-CFC) category. This \$600,000 increase is offset by a lower number of auto rental CFC transactions (-\$425,000) expected in 2010.

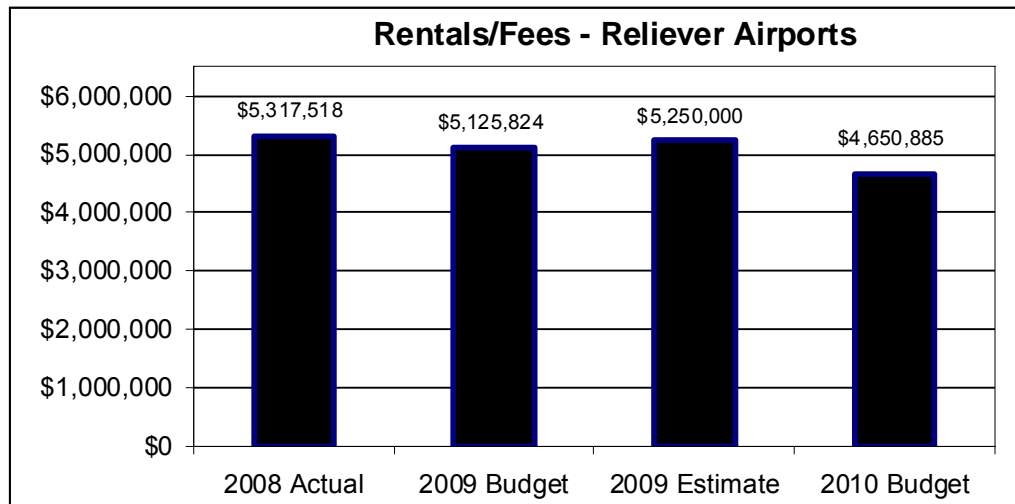


**REVENUE ASSUMPTIONS – 2010 OPERATING BUDGET****GROUND RENTALS**

Ground Rentals are budgeted to increase slightly by \$85,041 or 0.97% over 2009 estimated levels.

**RELIEVER AIRPORTS**

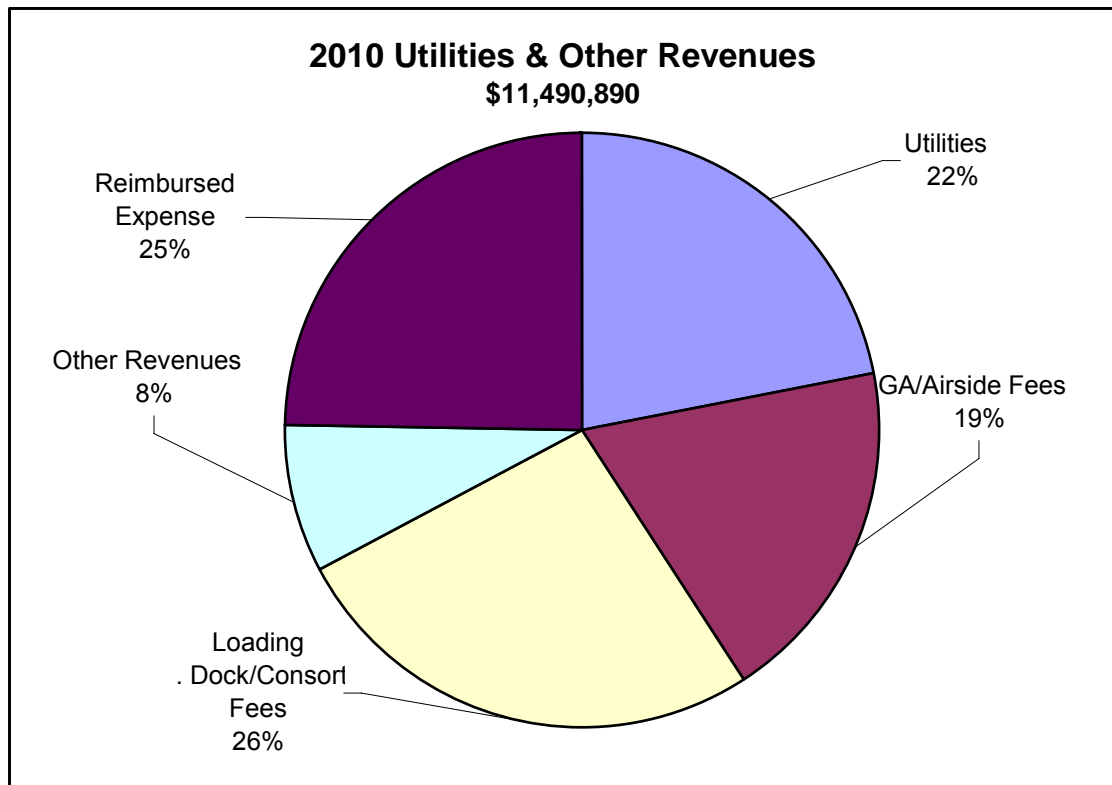
Reliever Airports are expected to decrease \$599,115 from 2009 estimated levels. This is due to the general decline in general aviation activity and a reduction in rates.



**REVENUE ASSUMPTIONS – 2010 OPERATING BUDGET****UTILITIES & OTHER REVENUES**

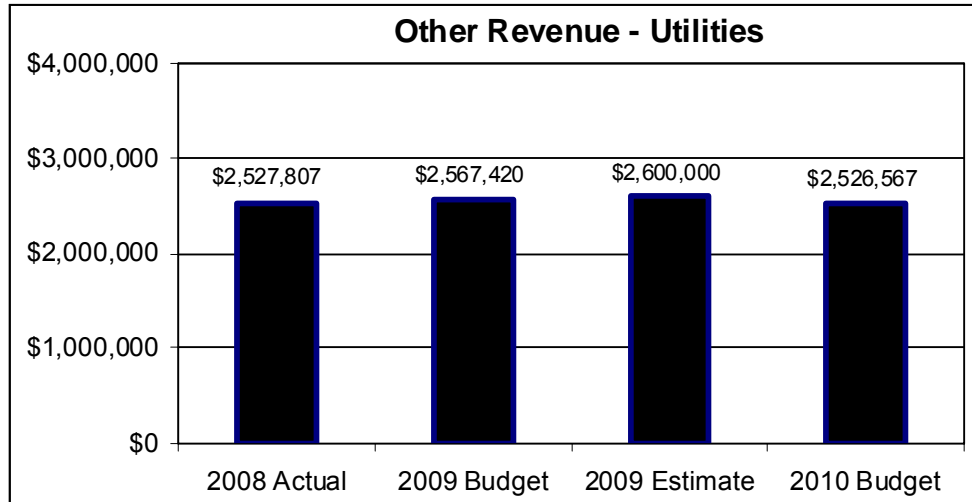
In total, Utilities & Other Revenues are budgeted to decrease \$1,159,110 or 9.16% from 2009 estimated levels. Included in the category are Utilities, General Aviation/Airside fees, Loading Dock/Consortium Fees, Other Revenues and Reimbursed Expense.

	<b>2008 <u>Actual</u></b>	<b>2009 <u>Budget</u></b>	<b>2009 <u>Estimate</u></b>	<b>2010 <u>Budget</u></b>	<b>2009 Estimate vs 2010 Budget <u>Dollar Change</u></b>	<b><u>% Change</u></b>
Utilities & Other Revenue						
Utilities	2,527,807	2,567,420	2,600,000	2,526,567	(73,433)	-2.82%
GA/Airside Fees	2,829,170	2,365,114	2,150,000	2,162,902	12,902	0.60%
Loading Dock/Consortium Fees	3,027,267	3,099,745	3,000,000	3,049,230	49,230	1.64%
Other Revenues	1,044,560	1,123,228	1,250,000	912,191	(337,809)	-27.02%
Reimbursed Expense	<u>3,752,747</u>	<u>3,340,550</u>	<u>3,650,000</u>	<u>2,840,000</u>	<u>(810,000)</u>	<u>-22.19%</u>
Total Utilities & Other Revenues	<u>13,181,550</u>	<u>12,496,057</u>	<u>12,650,000</u>	<u>11,490,890</u>	<u>(1,159,110)</u>	<u>-9.16%</u>

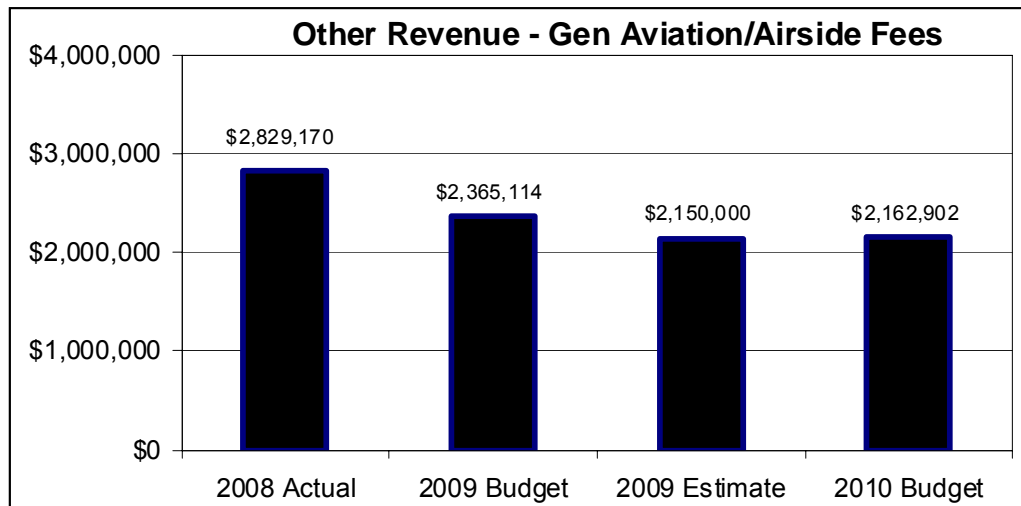


**REVENUE ASSUMPTIONS – 2010 OPERATING BUDGET****UTILITIES**

Included in this area is water, sewer, steam (heating), chilled water (air-conditioning) and ground power. The decrease in this category of \$73,433 or 2.82% is due to historical consumption patterns and a water rate decrease due to a re-negotiated water agreement with the City of Minneapolis.

**GENERAL AVIATION/AIRSIDE FEES**

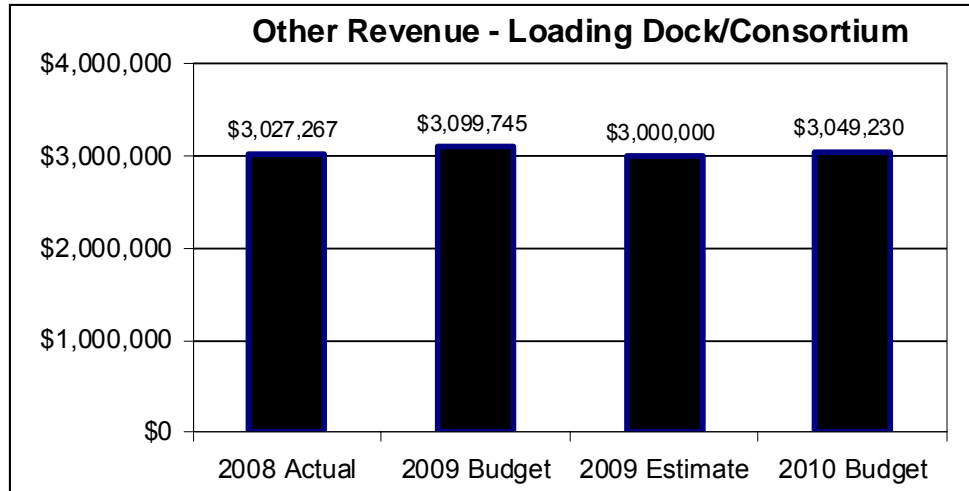
This category includes general aviation landing fees, ramp fees and apron services. This category is expected to increase \$12,902 or 0.60% as a result of lower landing fees and slightly lower activity.



## REVENUE ASSUMPTIONS – 2010 OPERATING BUDGET

### LOADING DOCK/CONSORTIUM FEE

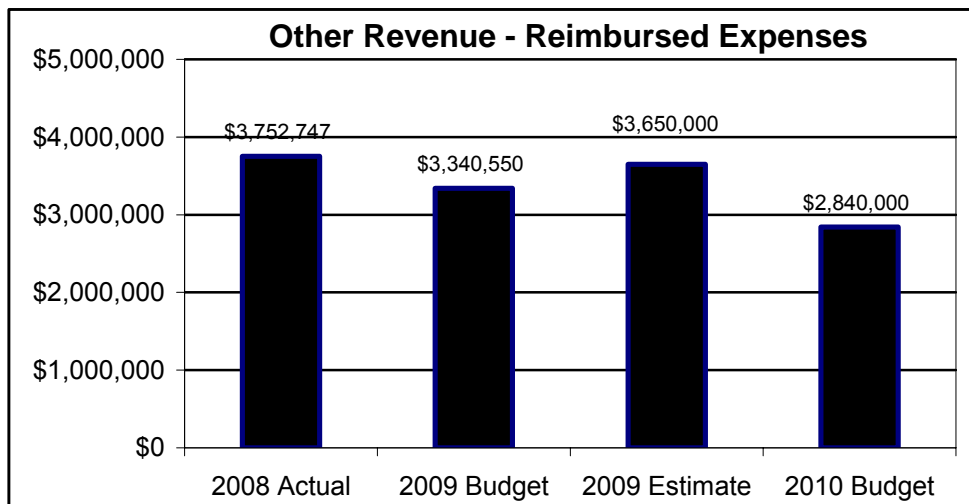
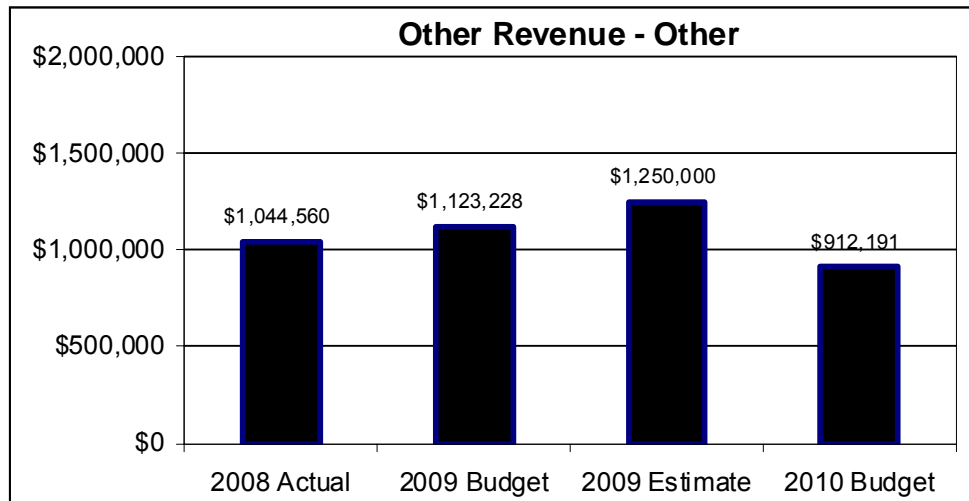
Loading dock and consortium fees are expected to increase \$49,230 or 1.64%. Loading dock fees are based on a percentage of concession sales, thus an increase in certain concessions will result in an increase in loading dock fees.



**Sun Country Airlines**

**REVENUE ASSUMPTIONS – 2010 OPERATING BUDGET****OTHER REVENUES AND REIMBURSED EXPENSES**

Included in this category are parking fines, auction revenue, badging, miscellaneous revenues and expenses reimbursed by others. This category is expected to decrease \$1,147,809 or 9.07% primarily as a result of reimbursed expenses. In the reimbursed expense category, the Commission reclassified approximately \$600,000 in payments made by the auto rental industry to Rentals/Fees revenue category (See Auto Rental-CFC from above). Reimbursed expenses were further decreased for lower expenses reimbursed to the Commission for police, fire and administration for the G Concourse. Various other revenues are also budgeted to decrease.



<b>OPERATING EXPENSES - 2010 OPERATING BUDGET</b>
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					2009 Estimate vs 2010 Budget	
	2008 Actual	2009 Budget	2009 Estimate	2010 Budget	Dollar Change	% Change
<b>Personnel</b>						
Salaries & Wages	42,698,246	43,736,262	42,465,000	43,657,047	1,192,047	2.81%
Benefits	17,112,742	17,402,113	17,000,000	17,928,928	928,928	5.46%
<b>Total Personnel</b>	<u>59,810,988</u>	<u>61,138,375</u>	<u>59,465,000</u>	<u>61,585,975</u>	<u>2,120,975</u>	<u>3.57%</u>
<b>Administrative Expenses</b>	1,297,883	1,584,365	1,325,000	1,220,490	(104,510)	-7.89%
<b>Professional Services</b>	4,161,449	5,229,853	4,600,000	3,810,984	(789,016)	-17.15%
<b>Utilities</b>						
Electricity	10,137,399	10,100,000	9,800,000	10,359,839	559,839	5.71%
Heating Fuel	5,173,359	5,820,000	5,200,000	4,374,833	(825,167)	-15.87%
Water & Sewer	2,254,121	2,199,800	2,000,000	1,876,558	(123,442)	-6.17%
Telephones	524,017	490,051	550,000	480,190	(69,810)	-12.69%
<b>Total Utilities</b>	<u>18,088,895</u>	<u>18,609,851</u>	<u>17,550,000</u>	<u>17,091,420</u>	<u>(458,580)</u>	<u>-2.61%</u>
<b>Operating Services/Expenses</b>						
Parking Management	5,539,909	5,937,438	5,550,000	5,771,507	221,507	3.99%
Shuttle Bus Services	1,108,186	800,000	700,000	725,000	25,000	3.57%
Service Agreements	5,309,256	6,155,564	5,925,000	6,173,655	248,655	4.20%
Storm Water Monitoring	1,811,036	1,250,000	1,250,000	1,250,000		0.00%
Other	3,771,408	2,810,227	2,725,000	3,034,526	309,526	11.36%
<b>Total Operating Services/Expenses</b>	<u>17,539,795</u>	<u>16,953,229</u>	<u>16,150,000</u>	<u>16,954,688</u>	<u>804,688</u>	<u>4.98%</u>
<b>Maintenance</b>						
Trades	1,365,028	1,428,413	1,400,000	1,564,796	164,796	11.77%
Field	1,786,457	2,523,626	2,425,000	2,322,307	(102,693)	-4.23%
Building	6,597,519	8,134,085	8,050,000	8,931,646	881,646	10.95%
Equipment	2,659,787	2,324,582	2,225,000	2,487,805	262,805	11.81%
Cleaning	9,731,089	10,055,994	9,975,000	10,272,883	297,883	2.99%
<b>Total Maintenance</b>	<u>22,139,880</u>	<u>24,466,700</u>	<u>24,075,000</u>	<u>25,579,437</u>	<u>1,504,437</u>	<u>6.25%</u>
<b>Other</b>						
General Insurance	1,974,646	1,938,785	1,950,000	2,058,609	108,609	5.57%
Minor Equipment	713,251	347,084	350,000	388,833	38,833	11.10%
Other	1,008,665	469,759	450,000	488,034	38,034	8.45%
<b>Total Other</b>	<u>3,696,563</u>	<u>2,755,628</u>	<u>2,750,000</u>	<u>2,935,476</u>	<u>185,476</u>	<u>6.74%</u>
<b>Total Operating Expense (Excludes Depreciation)</b>	<b>126,735,454</b>	<b>130,738,002</b>	<b>125,915,000</b>	<b>129,178,470</b>	<b>3,263,470</b>	<b>2.59%</b>
Gross Depreciation (Excludes Off Airport Noise)	110,384,877	114,567,000	114,000,000	115,278,000	1,278,000	1.12%
<b>Total Operating Expense (Excludes Off Airport Noise)</b>	<b>237,120,331</b>	<b>245,305,002</b>	<b>239,915,000</b>	<b>244,456,470</b>	<b>4,541,470</b>	<b>1.89%</b>
Airport Noise Amortization	7,210,000	6,683,000	6,685,000	7,722,000	1,037,000	15.51%
<b>Total Operating Expenses</b>	<u><b>244,330,331</b></u>	<u><b>251,988,002</b></u>	<u><b>246,600,000</b></u>	<u><b>252,178,470</b></u>	<u><b>5,578,470</b></u>	<u><b>2.26%</b></u>

**EXPENSE ASSUMPTIONS – 2010 OPERATING BUDGET**

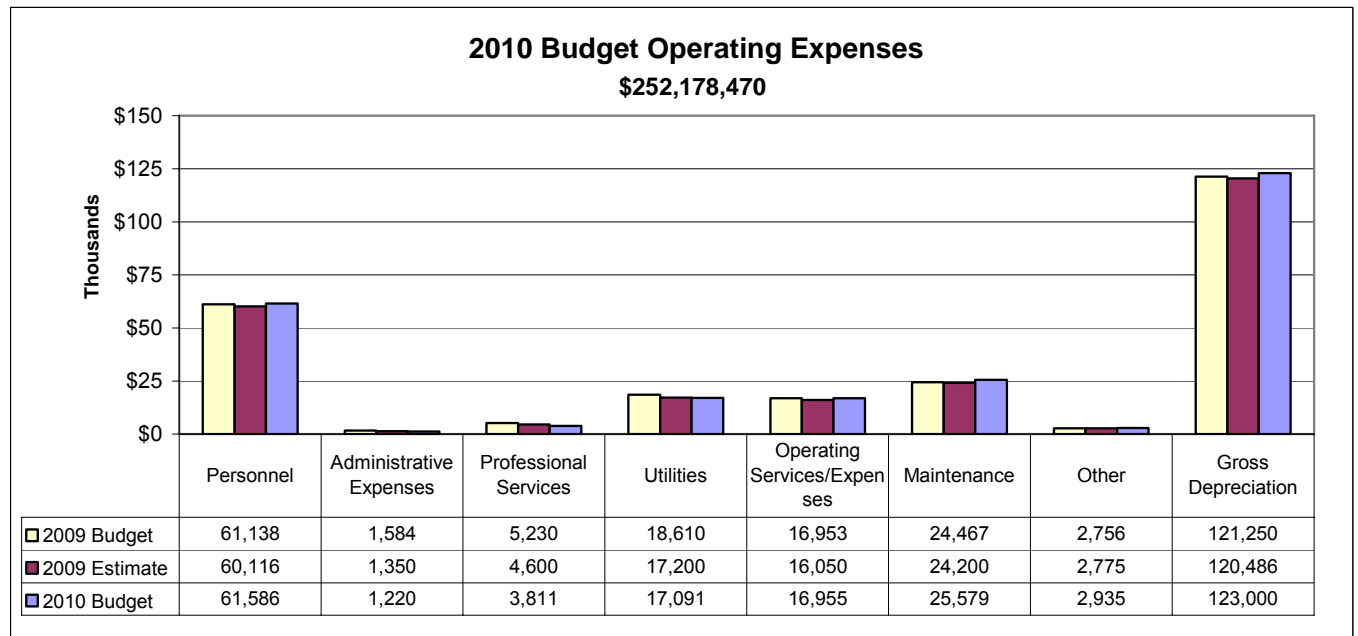
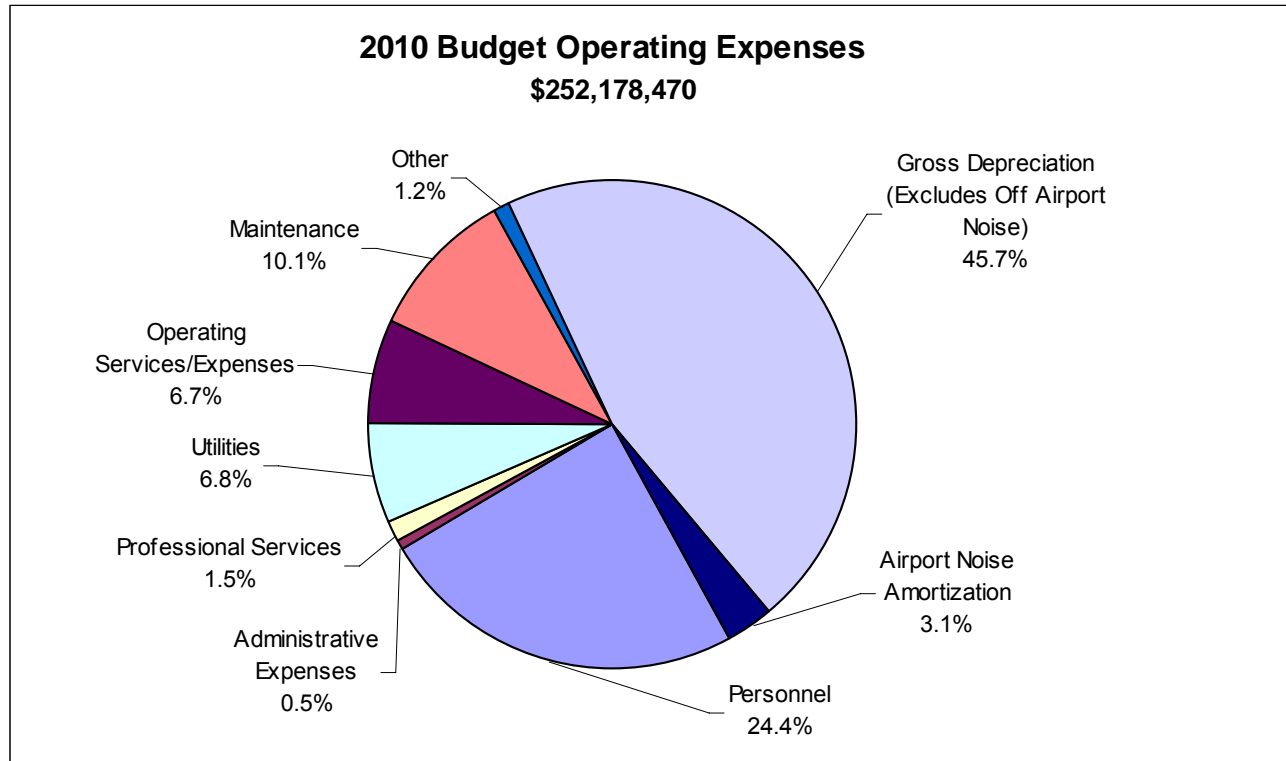
Total Operating Expense for 2010 is \$129,178,470 (excluding depreciation and amortization) which is an increase of \$2,887,470 or 2.29% over the 2009 estimate. When comparing 2009 budget to 2010 budget, a decrease of \$1,559,532 or 1.19% occurs. The explanations prepared below compare 2009 estimate with the 2010 budget.

In the total Operating Expense (excluding depreciation and amortization), the largest increase in dollars is \$1.5 million or 2.45% in the Personnel category. Other areas which increased are Operating Services, Maintenance and Other. Several expense categories, Administrative, Professional Services and Utilities are under the 2009 estimate as a result of cost reductions.

Gross Depreciation (excluding noise amortization), as indicated below, has risen \$1,478,000 or 1.30% between 2009 estimate and the 2010 budget. This can be attributed to projects closed in 2009 and 2010. Noise Amortization (separated from gross depreciation in the 2010 budget) will increase \$1,036,000 in the 2010 budget.

<b>EXPENSE</b>	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2009 Estimate</b>	<b>2010 Budget</b>	<b>2009 Estimate vs 2010 Budget</b>	
					<b>Dollar Change</b>	<b>% Change</b>
Personnel	59,810,988	61,138,375	60,116,000	61,585,975	1,469,975	2.45%
Administrative Expenses	1,297,883	1,584,365	1,350,000	1,220,490	(129,510)	-9.59%
Professional Services	4,161,449	5,229,853	4,600,000	3,810,984	(789,016)	-17.15%
Utilities	18,088,895	18,609,851	17,200,000	17,091,420	(108,580)	-0.63%
Operating Services/Expenses	17,539,795	16,953,229	16,050,000	16,954,688	904,688	5.64%
Maintenance	22,139,880	24,466,700	24,200,000	25,579,437	1,379,437	5.70%
Other	<u>3,696,563</u>	<u>2,755,628</u>	<u>2,775,000</u>	<u>2,935,476</u>	<u>160,476</u>	5.78%
<b>Total Expense (Excludes Depreciation)</b>	<b>126,735,454</b>	<b>130,738,002</b>	<b>126,291,000</b>	<b>129,178,470</b>	<b>2,887,470</b>	<b>2.29%</b>
<b>Gross Depreciation (Excludes Off Airport Noise)</b>	<b><u>110,384,877</u></b>	<b><u>114,567,000</u></b>	<b><u>113,800,000</u></b>	<b><u>115,278,000</u></b>	<b><u>1,478,000</u></b>	<b>1.30%</b>
<b>Total Operating Expense (Excludes Off Airport Noise)</b>	<b>237,120,331</b>	<b>245,305,002</b>	<b>240,091,000</b>	<b>244,456,470</b>	<b>4,365,470</b>	<b>1.82%</b>
<b>Off Airport Noise Amortization</b>	<b><u>7,210,000</u></b>	<b><u>6,683,000</u></b>	<b><u>6,686,000</u></b>	<b><u>7,722,000</u></b>	<b><u>1,036,000</u></b>	<b>15.50%</b>
<b>Total Operating Expense</b>	<b><u>244,330,331</u></b>	<b><u>251,988,002</u></b>	<b><u>246,777,000</u></b>	<b><u>252,178,470</u></b>	<b><u>5,401,470</u></b>	<b>2.19%</b>



**EXPENSE ASSUMPTIONS – 2010 OPERATING BUDGET**

## EXPENSE ASSUMPTIONS – 2010 OPERATING BUDGET

### Expense Assumptions and Guidelines

The operating expense budget is based on information provided by MAC departments, utility companies, vendors and historical analysis. The expense budget projections for 2010 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.
- 574.5 FTEs are included in the 2010 budget; however, wages are budgeted for only 565.5 FTEs.
- 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.
- Limit spending to 2009 budget levels or below where possible.
- Expenses will be prepared on an accrual basis.



*Signage directs travelers at the Lindbergh Terminal*

**EXPENSE ASSUMPTIONS – 2010 OPERATING BUDGET****Personnel**

Personnel costs will increase \$1,469,975 or 2.45% over the 2009 estimates.

	<b><u>2008 Actual</u></b>	<b><u>2009 Budget</u></b>	<b><u>2009 Estimate</u></b>	<b><u>2010 Budget</u></b>	<b>2009 Estimate vs 2010 Budget</b>	
					<b><u>Dollar Change</u></b>	<b><u>% Change</u></b>
<b>Personnel</b>						
Salaries & Wages	42,698,246	43,736,262	43,066,000	43,657,047	591,047	1.37%
Benefits	<u>17,112,742</u>	<u>17,402,113</u>	<u>17,050,000</u>	<u>17,928,928</u>	<u>878,928</u>	5.16%
<b>Total Personnel</b>	<u>59,810,988</u>	<u>61,138,375</u>	<u>60,116,000</u>	<u>61,585,975</u>	<u>1,469,975</u>	2.45%

Differences between the 2009 estimates and 2010 budgets:

**Wages – Regular** – 3.0% for wage increases for non-contract employees had been included in the 2009 budget effective January 1, 2009. However, the recession brought budget concerns and lower than anticipated revenues, thus delaying and reducing the wage increase to 2.5%, which was implemented in September 2009. This pushed the 2009 estimated wages lower than 2009 budgeted. The majority of the 2009 budget approved new positions were not hired due to economic reasons. The 2010 budget includes the following:

- Over the two-year period covering 2009 and 2010 wage adjustments for all employee groups include the economic equivalent of one year of step freezes and one year of wage freezes.
- Salary steps for non-organized employees, as restructured downward from a 5% to a 2.5% increase in 2009.
- Although the 2010 budget includes 574.5 FTES, the budgeted wages and salaries for 2010 are for 565.5 FTEs with various levels of vacancies maintained throughout the year.
- Other labor contract obligations, such as shift differentials, equipment premium pay and Labor Union 320 longevity pay

**Full Time Equivalent Position Summary**

<b><u>2007 Budget Funded</u></b>	<b><u>2007 Mid-Year Addition</u></b>	<b><u>2008 Budget Funded</u></b>	<b><u>2008 Actual</u></b>	<b><u>2009 Budget</u></b>	<b><u>2009 Actual</u></b>	<b><u>2010 Budget</u></b>	<b><u>2010 Budget Funded</u></b>
560.5	579.5	599.5	565.0	574.5	555.5	574.5	565.5

**EXPENSE ASSUMPTIONS – 2010 OPERATING BUDGET**

**Overtime – Regular** – This area is increasing in the 2010 budget by \$162,760 or 10.0% from the 2009 estimates and is explained as follows:

- Increase in Police overtime totals \$143,116 for staffing requirements
- Increase in Maintenance of \$50,553 over 2009 estimates due to budgeting for average winter conditions
- Reductions in other service centers including Carpenters (decrease \$10,593) and Facilities - Energy Management Center (decrease \$7,674)

**Double-time** – Double-time is increasing from the 2009 estimate to the 2010 budget by \$126,588 or 10.60% and is the result of the Maintenance 2010 budget calculated based upon average winter conditions along with adjustments per bargaining unit agreements.

**Temps** – Temps are increasing in the 2010 budget when compared to the 2009 estimate by \$85,016 or 6.07% for the following:

- Police is increasing \$52,262 for temporary police officers who fulfill the requirements of the Memorandum of Understanding (MOU) with the Transportation Security Administration (TSA) to provide a law enforcement presence at the checkpoints. Through the MOU, the MAC is reimbursed \$638,720 per year to provide this service.
- Landside increased \$29,769 for Passenger Service Assistants (PSA) staff 7-locations between the Lindbergh and Humphrey Terminals.
- PSA's provide taxicab starter services at both locations, follow TSA mandates in the issuance of Security Access Passes and general way finding and customer service assistance.
- Maintenance increased \$30,000 to budget for average winter weather conditions.
- Decrease in various service centers for cost containment.

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**EXPENSE ASSUMPTIONS – 2010 OPERATING BUDGET**

**Benefits** – Included in benefits are employee insurance/post retirement healthcare, retirement plans, severance, workers compensation and other miscellaneous items. This category will increase 5.16% or \$878,928 from 2009 estimates.

Major changes are as follows:

- Employee Insurance/Post Retirement Healthcare – These areas are combined and account for all employee insurance. The total estimate for 2009 is \$8.6 million vs. the 2010 budget of \$9.1 million. Employee insurance increased 4.20% or \$329,974 over 2009 estimates, however as MAC is self-insured, this growth rate is lower than the national average. In addition, Post Retirement Healthcare, as a result of an actuarial study, added \$475,000 to the 2010 budget.
- Pensions are expected to increase in 2010 compared to the 2009 estimates by \$201,315 or 3.07%. The employer contribution rate for Police and Fire Public Employees Retirement Association (PERA) has remained the same for 2009 and 2010, however, contract wage increases account for \$60,075. In addition, the coordinated employers' contribution rate was raised from 6.75% to 7.0% and additional FICA related to increases in Overtime, Doubletime and Temps are included in the 2010 budget.
- Workers Compensation is projected to increase \$9,927 from 2009 estimates, which had, lower than average claims and rates.
- Regular Severance increased \$75,002 due to a greater number of employees becoming eligible for this benefit.
- Trade Union Benefits increased \$59,480 as a result of contract negotiations.
- Training increased \$17,777 over the 2009 estimate, however when comparing budget 2009 to the 2010 budget this figure is reduced to \$82,223 as a result of budget reductions.

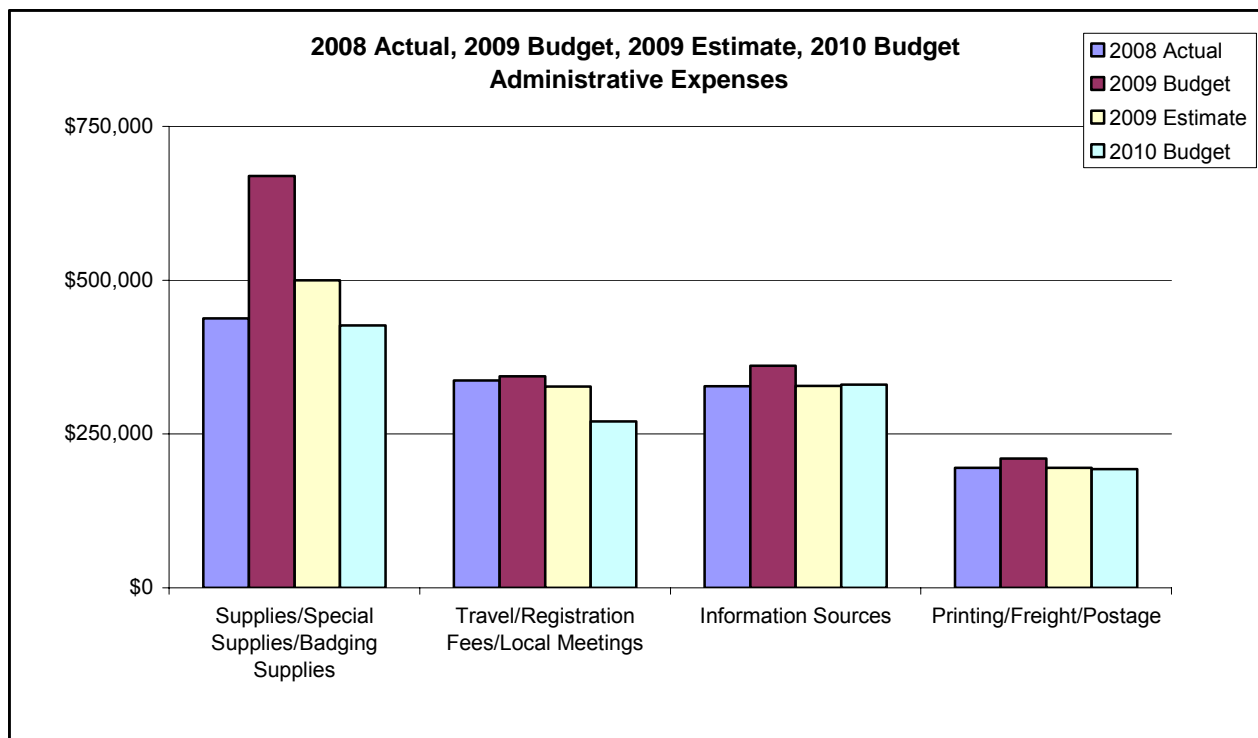
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**EXPENSE ASSUMPTIONS – 2010 OPERATING BUDGET****Administrative Expenses**

Administrative Expenses are decreasing \$129,510 or 9.59% with the major expenses identified in the table below:

<b><u>Administrative Expenses</u></b>	<b>2008 <u>Actual</u></b>	<b>2009 <u>Budget</u></b>	<b>2009 <u>Estimate</u></b>	<b>2010 <u>Budget</u></b>	<b>2009 Estimate vs 2010 Budget</b>	
					<b>Dollar <u>Change</u></b>	<b>% <u>Change</u></b>
Supplies/Special Supplies/Badging Supplies	437,906	669,274	500,000	426,277	(73,723)	-14.74%
Travel/Registration Fees/Local Meetings	336,887	343,931	327,000	270,669	(56,331)	-17.23%
Information Sources	327,925	361,158	328,000	330,398	2,398	0.73%
Printing/Freight/Postage	195,165	210,002	195,000	193,146	(1,854)	-0.95%
<b>Total Administrative Expenses</b>	<b><u>1,297,883</u></b>	<b><u>1,584,365</u></b>	<b><u>1,350,000</u></b>	<b><u>1,220,490</u></b>	<b><u>(129,510)</u></b>	<b>-9.59%</b>



**EXPENSE ASSUMPTIONS – 2010 OPERATING BUDGET**

The changes In Administrative Expenses are occurring in the following general categories:

**Supplies** – A decrease of \$73,723 or 14.74% from 2009 estimates to the 2010 budget with the majority related to a reduction in office supplies, software, badging supplies and special supplies.

**Travel** – A decrease in Travel has been included in the 2010 budget from 2009 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 \$56,331 or 17.23%.

**Information Sources** – An increase in the 2010 budget of \$2,398 or 0.73% is related to Public Affairs for additional URL (Uniform Resource Locator) addresses that require added coverage (\$6,320) and Information Services (increase \$7,405) for membership expenses related to information on technology and products. These expenses are offset by reductions in other service centers.

**Printing** - Printing expenses in the 2010 budget decreased \$1,854 or 0.95% from the 2009 estimates due a combination of the following:

- Airside Operations increase of \$25,913 for runway incursion prevention program that includes printing of AOA Drivers Guides and Movement Area Handbooks
- Reduction in most service centers for printing of forms, brochures, stationary, and publications

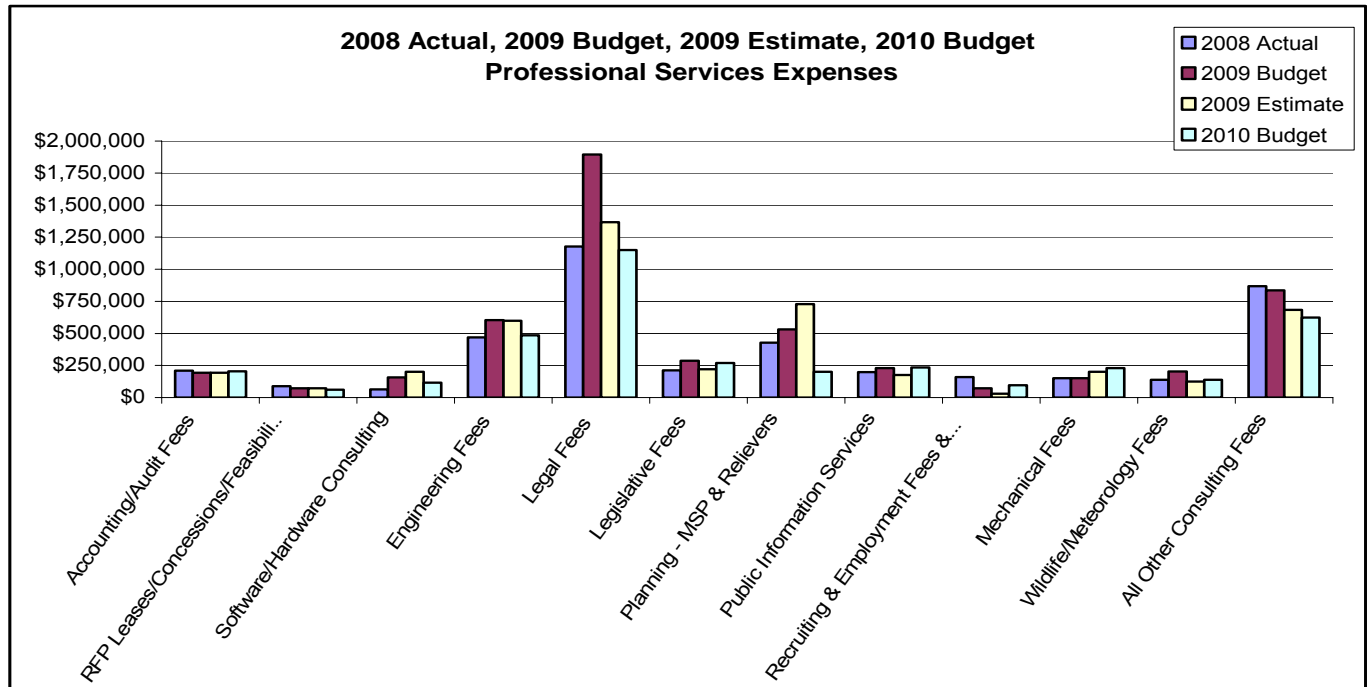


***Food Concourse – Lindbergh Terminal Building***

**EXPENSE ASSUMPTIONS – 2010 OPERATING BUDGET****Professional Services**

Professional Services have decreased \$789,016 or 17.15% from 2009 estimates.

<b><u>Professional Services</u></b>	<b>2008</b>	<b>2009</b>	<b>2009</b>	<b>2010</b>	<b>2009 Estimate vs 2010 Budget</b>	
	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Estimate</u></b>	<b><u>Budget</u></b>	<b>Dollar <u>Change</u></b>	<b>% <u>Change</u></b>
Accounting/Audit Fees	208,642	194,000	194,000	205,000	11,000	5.67%
RFP Leases/Concessions/Feas	89,401	74,000	74,000	60,969	(13,031)	-17.61%
Software/Hardware Consulting	62,837	157,500	200,000	116,500	(83,500)	-41.75%
Engineering Fees	468,326	602,563	600,000	486,291	(113,709)	-18.95%
Legal Fees	1,177,503	1,895,000	1,367,500	1,150,000	(217,500)	-15.90%
Legislative Fees	210,864	286,000	220,000	268,000	48,000	21.82%
Planning - MSP & Relievers	427,743	530,000	730,000	200,000	(530,000)	-72.60%
Public Information Services	198,185	230,600	175,000	235,000	60,000	34.29%
Recruiting & Employment Fees	158,709	72,000	30,000	96,083	66,083	220.28%
Mechanical Fees	151,408	150,733	200,000	230,979	30,979	15.49%
Wildlife/Meteorology Fees	138,931	202,000	125,000	138,659	13,659	10.93%
All Other Consulting Fees	868,900	835,457	684,500	623,503	(60,997)	-8.91%
<b>Total Professional Services</b>	<b><u>4,161,449</u></b>	<b><u>5,229,853</u></b>	<b><u>4,600,000</u></b>	<b><u>3,810,984</u></b>	<b><u>(789,016)</u></b>	<b>-17.15%</b>





**EXPENSE ASSUMPTIONS – 2010 OPERATING BUDGET**

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

**Accounting/Audit Fees** – Accounting fees are expected to increase \$11,000 or 5.67% in the 2010 budget in anticipation of a Legislative Audit.

**RFP Leases/Concessions/Feasibility Studies** – Decrease of \$13,031 or 17.61% for consultants due to budget constraints.

**Software/Hardware Consulting Fees** – Decrease of \$83,500 or 41.75% from the 2009 estimate. The 2009 estimate includes fees for software consulting related to a computer virus that are not included in the 2010 budget. In addition, the maintenance fees as a result of the Airport Noise and Operations Monitoring System (ANOMS) upgrade and transition to the multilateration flight tracking system in Environment-Aviation Noise increased.

**Engineering Fees** – Projected to decrease \$113,709 or 18.95% over 2009 estimate and can be attributed to delay and postponement of projects.

**Legal Fees** – Projected to decrease \$217,500 or 15.90% from the 2009 estimate as a result of fees associated with the 17/35 runway included in the project costs and not operating expenses. In addition, legal fees are lower due to less pending issues and resolution of prior year litigation.

**Legislative Fees** – Increase of \$48,000 or 21.82% for anticipated work both federally and locally during the 2010 Legislative Session.

**Planning – MSP & Relievers** – A decrease of \$530,000 or 72.60% between estimate 2009 and budget 2010 is projected in Planning as the Long Term Comprehensive Plan (LTCP) and Reliever update and airport zoning have been completed.

**Public Information Services** – Increase of \$60,000 or 34.29% reflects plans for executing projects associated with MAC's websites related to improvements to standard site, new mobile site and extranet for MSP tenant communications and administration.

**Recruiting & Employment Fees and Other Human Resources** – \$66,083 or 220.28% increase in employment and recruiting fees as lower employee turnover in 2009 reflects less expense. Executive Recruiting includes \$25,000 in anticipation of turnover in senior positions to recruit executive leadership.

**Mechanical Fees** – Increase of \$30,979 or 15.49% partially due to a coding reclassification change from Operating Service. In addition, information input and closeouts to work orders in the new E1 Work Order system along with continuation of the variable message signage contract contribute to the increase. This is partially offset by deferred projects not included in the 2010 budget.

**Wildlife/Meteorology Fees** – Increase \$13,659 or 10.93% as a result of contract increases for meteorology and the USDA Wildlife services.

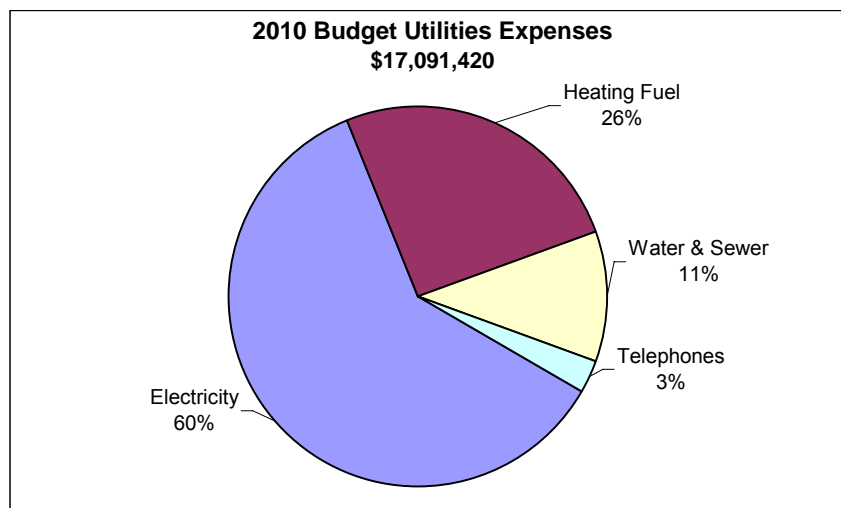
**All Other Consulting Fees** – Reduction of \$60,997 or 8.91% as a result of the following:

- \$22,000 increase Risk Management for specific training such as fleet safety which has provided MAC with an excellent Return on Investment (ROI) due to the reduction in fleet insurance costs
- \$46,819 reduction for Air Service Business Development as projects are postponed
- Other service centers deferment or cancellation of projects due to budget constraints are decreasing in expenses

**EXPENSE ASSUMPTIONS – 2010 OPERATING BUDGET****Utilities**

Total Utilities are budgeted to decrease \$108,580 or 0.63% over 2009 estimates and are explained as follows.

					<b>2009 Estimate vs 2010 Budget</b>	
	<b><u>2008 Actual</u></b>	<b><u>2009 Budget</u></b>	<b><u>2009 Estimate</u></b>	<b><u>2010 Budget</u></b>	<b><u>Dollar Change</u></b>	<b><u>% Change</u></b>
<b>Utilities</b>						
Electricity	10,137,399	10,100,000	9,750,000	10,359,839	609,839	6.25%
Heating Fuel	5,173,359	5,820,000	5,000,000	4,374,833	(625,167)	-12.50%
Water & Sewer	2,254,121	2,199,800	1,950,000	1,876,558	(73,442)	-3.77%
Telephones	<u>524,017</u>	<u>490,051</u>	<u>500,000</u>	<u>480,190</u>	<u>(19,810)</u>	-3.96%
<b>Total Utilities</b>	<b><u>18,088,895</u></b>	<b><u>18,609,851</u></b>	<b><u>17,200,000</u></b>	<b><u>17,091,420</u></b>	<b><u>(108,580)</u></b>	-0.63%



**Electricity** –The increase in electricity of \$609,839 or 6.25% is based upon the forecast provided by the utility company and an outside consultant. The 2010 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 budget decrease is \$625,167 or 12.50% 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. Gas prices have been extremely low as compared to recent years due to the supply surplus. Based on the uncertainty and constant fluctuations in the natural gas market, MAC locks in pricing as favorable market changes occur.

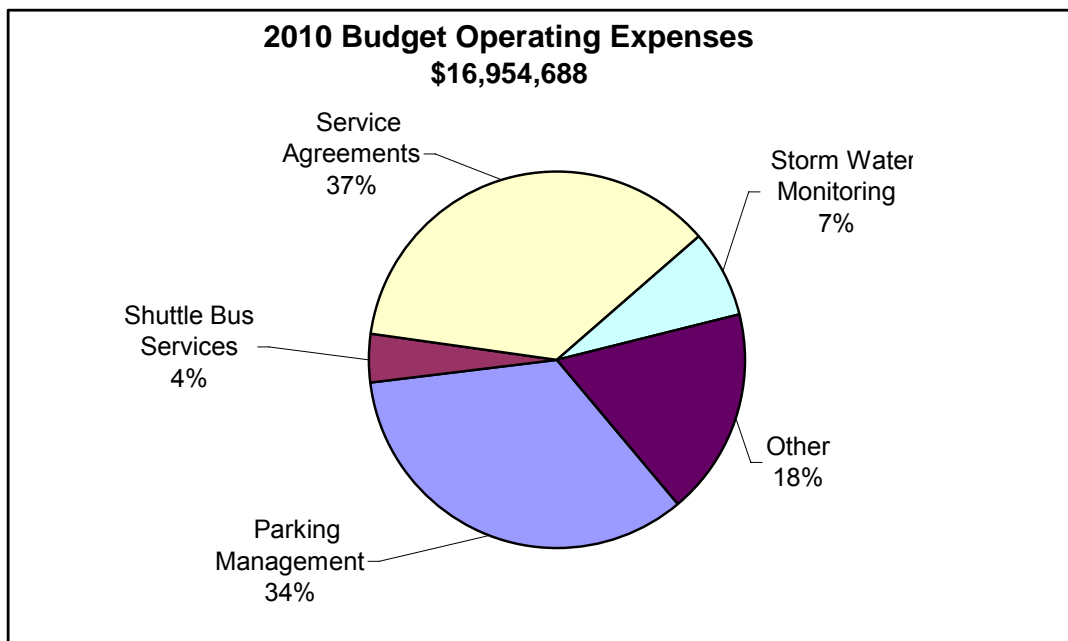
**Water & Sewer** – A projected decrease of \$73,442 over 2009 estimates or 3.77% is based on consumption and rates. Decreases in water expenses are included as a result of a re-negotiated contract with the City of Minneapolis for a reduction in rates.

**Telephone/Cell Phones/Internet Service** – A decrease of \$19,810 or 3.96% from the 2009 estimate is the result of rebidding the phone contract and including both the phone service and internet fees from the same provider.

**EXPENSE ASSUMPTIONS – 2010 OPERATING BUDGET****Operating Services**

Operating Service expenses are increasing \$904,688 or 5.64%. The following chart lists the major components in this category.

					<b>2009 Estimate vs 2010 Budget</b>	
	<b><u>2008 Actual</u></b>	<b><u>2009 Budget</u></b>	<b><u>2009 Estimate</u></b>	<b><u>2010 Budget</u></b>	<b><u>Dollar Change</u></b>	<b><u>% Change</u></b>
<b>Operating Services/Expenses</b>						
Parking Management	5,539,909	5,937,438	5,400,000	5,771,507	371,507	6.88%
Shuttle Bus Services	1,108,186	800,000	775,000	725,000	(50,000)	-6.45%
Service Agreements	5,309,256	6,155,564	5,600,000	6,173,655	573,655	10.24%
Storm Water Monitoring	1,811,036	1,250,000	1,275,000	1,250,000	(25,000)	-1.96%
Other	<u>3,771,408</u>	<u>2,810,227</u>	<u>3,000,000</u>	<u>3,034,526</u>	<u>34,526</u>	1.15%
<b>Total Operating Services/Expenses</b>	<u>17,539,795</u>	<u>16,953,229</u>	<u>16,050,000</u>	<u>16,954,688</u>	<u>904,688</u>	5.64%



**Parking Management** – The increase of 6.88% or \$371,507 can be attributed to the increase in the parking management contract for annual adjustments associated with the union contracts and additional parking spaces located at the Humphrey ramp.

**Shuttle Bus** – The decrease of \$50,000 or 6.45% is related to shuttle services provided as a result of the frequencies of the LRT (Light Rail Transit). This includes 2 months of light rail train; 12 months of Hubert H. Humphrey (HHH) Terminal to Lindbergh (LBG); Terminal handicapped shuttle; and 2 months of Maroon Lot shuttle (one level of the NWA/Delta Employee ramp located at the end of the G Concourse).

<b>EXPENSE ASSUMPTIONS – 2010 OPERATING BUDGET</b>
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**Service Agreements** – Service Agreements have increased by \$573,655 or 10.24%. This is a result of the following:

- Service – Ground Transportation Equipment - Annual maintenance for commercial vehicle/taxi/contract parking (MAVIS) was under warranty for half of 2009. During 2010, the entire expense will be paid out of the operating budget for an increase of \$117,120.
- Service – Parking Equipment increased \$136,955 due to Humphrey Orange Ramp equipment which is no longer covered by warranty.
- Service – Computers increased \$225,093 for increases in contractual support of systems. The increase also includes additional expenses for the onsite support costs of the MUFIDS (Multiple Users Flight Information Display) system.
- Service – Parking Equipment increased \$83,568 as result of less than anticipated repair expenses in 2009.
- Service – Secured Access has an increase of \$7,420 due to the cost of maintenance of security system/contract. (Includes 4% increase each year.)

**Storm Water Monitoring** – This area is budgeted based on the historical average. This results in the 2010 budget remaining the same as the 2009 budget.

**Other** – The budget includes an increase of \$34,526 or 1.15% due to the following:

- Metropolitan Council Fees increased \$20,000 based on historical averages.
- Increase in Anoka Reliever Airport expenses of \$27,913 for the maintenance and repair/replacement in the air traffic control tower of controller position panels, cab window shades and tower shades as recommended by the FAA.
- Reductions in other service centers including AVI (Automated Vehicle Identification) tag replacement (\$6,320); Emergency Response and other exercises (\$7,210); Environmental control (\$8,336); sand recycling (\$10,000) and loading dock (\$11,148).

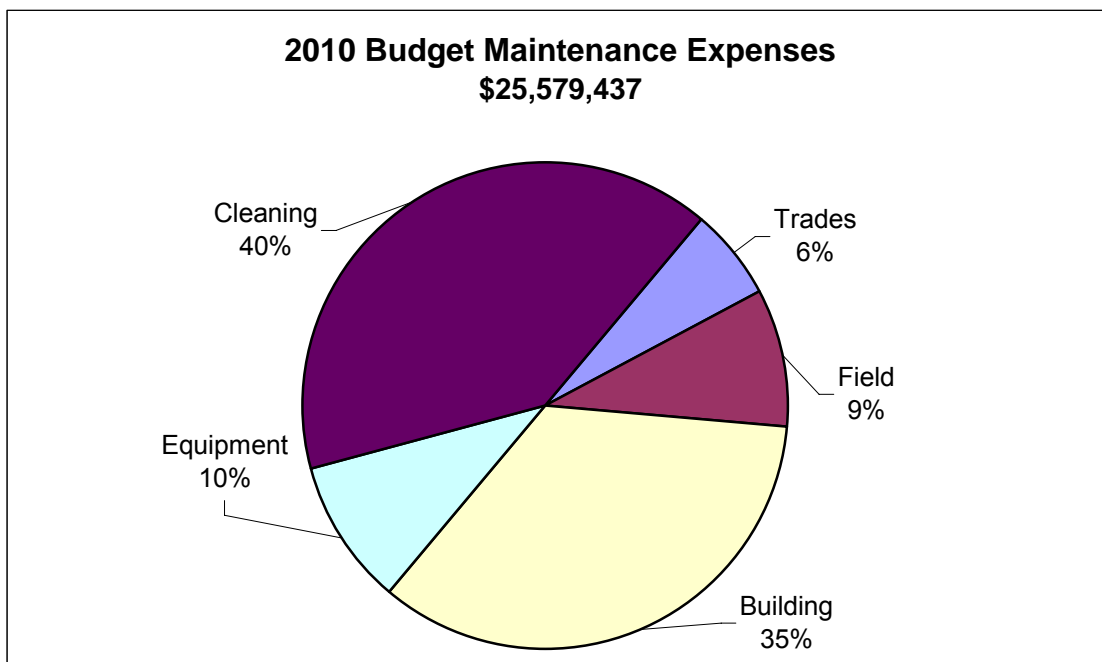


***C Concourse Moving Walks – Lindbergh Terminal***

**EXPENSE ASSUMPTIONS – 2010 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 5.70% or \$1,379,437 over 2009 estimates.

	<u>Actual</u>	<u>2008 Budget</u>	<u>2009 Estimate</u>	<u>2009 Budget</u>	<u>2010 Change</u>	<b>2009 Estimate vs 2010 Budget</b> <u>Dollar % Change</u>
<b>Maintenance</b>						
Trades	1,365,028	1,428,413	1,500,000	1,564,796	64,796	4.32%
Field	1,786,457	2,523,626	2,200,000	2,322,307	122,307	5.56%
Building	6,597,519	8,134,085	8,400,000	8,931,646	531,646	6.33%
Equipment	2,659,787	2,324,582	2,150,000	2,487,805	337,805	15.71%
Cleaning	<u>9,731,089</u>	<u>10,055,994</u>	<u>9,950,000</u>	<u>10,272,883</u>	<u>322,883</u>	3.25%
<b>Total Maintenance</b>	<u>22,139,880</u>	<u>24,466,700</u>	<u>24,200,000</u>	<u>25,579,437</u>	<u>1,379,437</u>	5.70%



**Trades** – An increase in Trades of \$64,796 or 4.32% is primarily related Electricians- UPS (Uninterrupted Power supply) maintenance. A change in the contract was made to ensure proper maintenance/testing on all 28 major UPS units. In addition, Plumbers increased Fire protection system costs \$16,992 necessary to maintain the hydrant meters used to account for water used by the contractors.

**EXPENSE ASSUMPTIONS – 2010 OPERATING BUDGET**

**Field** – As stated above, Field costs include Snow Removal, Summer Maintenance and Landscaping. Snow removal costs make up 79% of this \$2.3 million budget. The increase in this area of \$122,307 or 5.56% relates to snow removal costs associated with an average winter.

**Building** – Building expenses are forecast to increase \$531,646 or 6.33%. All of the increase is related to contracted Mechanical areas, primarily the Automated People Mover (APM), Moving Walks, Elevator and Escalator expenses. The contract for the APM expired in May 2009. Therefore, the 2009 estimate reflects five months of a lower APM contract while the 2010 budget includes the full year of the new contract.

**Equipment** – This area is budgeted to increase \$337,805 or 15.71% for the following combination of expenses:

- \$43,240 increase for Landside parking equipment such as gate equipment, gate cabinets and other parts of the parking revenue control system that wear out or become damaged.
- Police increased \$107,275 for CCTV (Close Circuit Television) cameras equipment repair and replacement.
- Increase of \$122,984 for Equipment gas. The 2009 estimate reflects the lower actual gas prices for the year however; gas prices are projected to increase in 2010.
- Costs to repair, replace and maintain parts on vehicles increased auto parts for Police \$15,099.

**Cleaning** – Cleaning is projected to increase 3.25% or \$322,883 as a result of contract and tax increases.



***MAC High Speed Snow Plow in action***

<b>EXPENSE ASSUMPTIONS – 2010 OPERATING BUDGET</b>
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**Other**

The Other expense category is projected to increase \$160,476 or 5.78%. This category includes General Insurance, Minor Assets (those costing less than \$5,000) and miscellaneous items.

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

					2009 Estimate vs 2010 Budget	
	<u>2008 Actual</u>	<u>2009 Budget</u>	<u>2009 Estimate</u>	<u>2010 Budget</u>	<u>Dollar Change</u>	<u>% Change</u>
<b>Other</b>						
General Insurance	1,974,646	1,938,785	1,950,000	2,058,609	108,609	5.57%
Minor Equipment	713,251	347,084	325,000	388,833	63,833	19.64%
Other	<u>1,008,665</u>	<u>469,759</u>	<u>500,000</u>	<u>488,034</u>	<u>(11,966)</u>	-2.39%
<b>Total Other</b>	<u>3,696,563</u>	<u>2,755,628</u>	<u>2,775,000</u>	<u>2,935,476</u>	<u>160,476</u>	5.78%

**General Insurance** – General Insurance has increased \$108,609 or 5.57%. The insurance market is based upon factors worldwide (losses under the deductible, litigation costs, history of costs, and inflationary factors).

**Minor Equipment** – Minor Equipment (items under \$5,000) has increased \$63,833 or 19.64%. While a reduction of \$59,246 occurs in Tools, Office Furniture and Other Equipment in the 2010 budget, nearly all of the increase is associated with Minor Equipment-Computers and consists of the following:

- MSP Operations & Administration increase \$8,000 for visual interpretation stations
- Police increase of \$73,700 for replacement workstations, squad laptops, projector for new training room, and other miscellaneous computer equipment
- Environment-Aviation Noise increase of \$7,000 for replacement workstations and network switches related to database and disaster recovery
- Facilities-Humphrey Terminal increase of \$69,000 to replace old LED displays with LCDs at each of the Humphrey Terminal gate desks to match the new gate desk standard that was installed on gate H7 (Southwest Airlines installation)
- Airside Operations included an additional \$4,800 for a second security appliance to eliminate the single point of failure for the end-point analysis and assignment of user permission into the virtual application environment
- Emergency Communications increase of \$6,607 for printers
- Decrease in IS for computer replacements \$50,000

**Other** - Other expenses are decreasing by \$11,966 or 2.39%. Most service centers have reduced their expenses for cost containment. However, an increase of \$6,303 for Police ammunition (product shortages have resulted in higher costs), vehicles with two-year license renewals due in 2010 increased \$3,100 and Police and Fire medical supply increases of \$3,978 are included in the budget.



**EXPENSE ASSUMPTIONS – 2010 OPERATING BUDGET****Gross Depreciation**

Gross Depreciation is projected to increase \$1,478,000 or 1.30% from the 2009 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 2009 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 2009 and 2010:

<b>Major Projects Scheduled for Closing 2009/2010</b>	
2009/2010	
<u>Close</u>	
2009 Runway 12L/30R Reconstruction - Segment 2	\$ 505,000
2009 2009 C-D Complex Phase 5	202,333
2009 North/South Runway-Bloomington Land Acquisition	1,132,582
2009 Lindbergh Terminal Carpet Selection and Installation	124,500
2009 LT Sprinkler System - Phase 3	266,667
2009 LT Chilled Water Distribution System	104,667
2009 2008 Parking Structure Rehabilitation	215,750
2009 HHH Terminal Parking Facility Expansion	3,269,500
2009 2009 Parking Structure Rehabilitation	130,000
2009 St. Paul Airport - Flood Protection:Perimeter Dike	650,000
Flying Cloud Airport: Runway 10R/28L Extension:EIS/ALP	105,000
Flying Cloud Airport: Runway 10R/28L Extension-Phase 2 Grading/Paving/Lighting	<u>234,792</u>
	<b>\$ 6,940,791</b>



***Hubert H. Humphrey Terminal Facility***



**EXPENSE ASSUMPTIONS – 2010 OPERATING BUDGET****Noise Amortization**

Noise Amortization for the 2010 budget has been removed from gross depreciation and identified separately. These expenses are related to the Noise Abatement settlement program involving sound-proofing homes and multi-family dwellings in the local community with close proximity to the airport. The increase for noise amortization is projected to be \$1,036,000 from 2009 estimates. This is due to a completed portion of the noise decree as directed by the courts.

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<b>LINE ITEMS BY SUBLEDGER - 2010 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	38,957,473	738,076	-	1,121,325	-	-	-	1,366,157	-
<b>Overtime/Doubletime</b>									
Doubletime - Regular	1,326,588	-	-	53,660	-	-	-	-	-
Overtime - Regular	1,791,771	5,599	-	26,346	-	-	-	46,920	-
<b>Total Overtime/Doubletime</b>	3,118,359	5,599	-	80,007	-	-	-	46,920	-
Commissioner PerDiem	14,000	-	-	-	-	-	-	-	-
Temps - Agency	81,270	-	-	-	-	-	-	-	-
Temps - Non Agency	1,485,945	77,840	-	-	-	-	-	144,927	-
<b>Total Wages</b>	43,657,047	821,515	-	1,201,331	-	-	-	1,558,004	-
<b>Benefits</b>									
<b>Employee Insurance</b>									
Employee Insurance Dental	415,286	9,593	-	12,998	-	-	-	16,404	-
EmPLY Insurance Disability	126,335	3,567	-	5,286	-	-	-	5,990	-
Employee Insurance Family	6,831,335	157,804	-	213,821	-	-	-	269,838	-
Employee Insurance Life	93,392	1,961	-	2,811	-	-	-	3,279	-
<b>Total Employee Insurance</b>	7,466,348	172,925	-	234,916	-	-	-	295,511	-
<b>Pension</b>									
Fica (Social Security)Base	1,992,456	48,524	-	71,019	-	-	-	92,386	-
Fica(Social Security)Medic	617,506	11,330	-	16,806	-	-	-	21,653	-
Mpls EmPLY Retirement Fund	49,000	-	-	-	-	-	-	-	-
Public EmPLY - Coordinated	2,201,207	49,795	-	80,570	-	-	-	109,681	-
Public EmPLY - Police/Fire	1,463,686	-	-	-	-	-	-	-	-
Merf Unfunded Liability	420,000	-	-	-	-	-	-	-	-
<b>Total Pension</b>	6,743,854	109,649	-	168,395	-	-	-	223,720	-
<b>Training</b>									
Continuing Ed (College)	40,000	-	-	-	-	-	-	-	-
Executive Leadership Train	20,000	-	-	-	-	-	-	-	-
Management Requirement	9,106	-	-	-	-	-	-	-	-
Organizational Requirement	22,000	-	-	-	-	-	-	-	-
Regulatory Requirements	60,689	5,445	-	-	-	-	-	-	-
Local Seminars	76,067	-	-	-	-	-	-	282	-
<b>Total Training</b>	227,862	5,445	-	-	-	-	-	282	-
Post Retirement Benefits	1,644,000	22,358	-	42,908	-	-	-	44,717	-
Workers Compensation	509,928	12,187	-	14,839	-	-	-	25,293	-
Post EmPLY Health Plan	228,651	4,014	-	1,233	-	-	-	8,767	-
Unemployment Tax	50,000	-	-	-	-	-	-	-	-
<b>Uniforms</b>									
Uniforms-Police/Fire Allow	151,870	-	-	-	-	-	-	-	-
Uniforms-Rental	72,429	700	-	4,835	-	-	-	4,180	-
Uniforms - Safety Shoes	24,504	278	-	1,141	-	-	-	-	-
<b>Total Uniforms</b>	248,803	978	-	5,976	-	-	-	4,180	-
<b>Severance</b>									
Contract Allowance	25,000	-	-	-	-	-	-	-	-
Regular Severance	275,002	3,530	-	3,953	-	-	-	8,075	-
<b>Total Severance</b>	300,002	3,530	-	3,953	-	-	-	8,075	-
Trade Union Benefits	509,480	-	-	-	-	-	-	-	-
<b>Total Benefits</b>	17,928,928	331,086	-	472,220	-	-	-	610,544	-
<b><u>Total Personnel</u></b>	61,585,975	1,152,601	-	1,673,552	-	-	-	2,168,548	-

<b>LINE ITEMS BY SUBLEDGER - 2010 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>Administrative Expenses</u></b>									
<b>Supplies</b>									
Office Supplies _Materials	149,858	3,000	-	1,698	-	4,200	-	8,908	-
<b>Computer Supplies</b>									
Computer Supplies-General	32,229	206	-	850	-	-	-	-	-
Computer Supplies-Software	77,683	-	-	-	-	-	-	-	-
<b>Total Computer Supplies</b>	109,912	206	-	850	-	-	-	-	-
<b>Special Supplies</b>									
Special Supplies-Badging	113,250	-	-	-	-	-	-	-	-
Special Supply-Film/Photo	14,085	-	-	-	-	-	-	-	-
Special Supplies-Other	39,172	-	-	850	-	1,000	-	269	-
<b>Total Special Supplies</b>	166,507	-	-	850	-	1,000	-	269	-
<b>Total Supplies</b>	426,277	3,206	-	3,398	-	5,200	-	9,177	-
<b>Travel</b>									
Travel - Lodging	68,328	800	-	-	-	8,967	-	-	-
Travel - Meals	13,041	120	-	2	-	528	-	800	-
Travel - Miscellaneous	4,099	-	-	-	-	-	-	-	-
<b>Travel - Transportation</b>									
Travel - Transport/Airfare	64,225	295	-	-	-	4,194	-	3,414	-
Travel - Shuttle/Taxi/Auto	4,739	-	-	-	-	285	-	300	-
<b>Total Travel - Transportation</b>	68,964	295	-	-	-	4,479	-	3,714	-
Registration Fees	43,503	45	-	-	-	2,350	-	2,155	-
Mileage	44,712	235	-	9	-	-	-	6,000	-
<b>Total Travel</b>	242,647	1,495	-	11	-	16,324	-	12,669	-
<b>Other Administrative Expense</b>									
<b>Local Meetings</b>									
Local Mtgs - Off Airport	10,308	250	-	-	-	-	-	68	-
Local Mtgs - On Airport/GO	17,714	250	-	-	-	200	-	439	-
<b>Total Local Meetings</b>	28,022	500	-	-	-	200	-	507	-
<b>Information Sources</b>									
Memberships/Dues/Pro Assoc	212,018	385	-	-	-	225	-	920	-
Other Information Sources	89,286	-	-	-	-	-	-	-	-
Publications/Subscriptions	29,094	100	-	-	-	-	-	-	-
<b>Total Information Sources</b>	330,398	485	-	-	-	225	-	920	-
<b>Printing Costs</b>									
Printing-Publications	74,670	-	-	-	-	-	-	-	-
Printing - Forms	45,549	-	-	-	-	-	-	30,049	-
Printing-Stationary/Envel	14,200	-	-	-	-	2,180	-	-	-
<b>Total Printing Costs</b>	134,419	-	-	-	-	2,180	-	30,049	-
Delivery Services	9,544	-	-	127	-	-	-	-	-
Freight Charges	2,650	-	-	-	-	-	-	-	-
Postage	46,533	-	-	-	-	-	-	5,533	-
<b>Total Other Administrative Expense</b>	551,566	985	-	127	-	2,605	-	37,010	-
<b><u>Total Administrative Expenses</u></b>	1,220,490	5,686	-	3,536	-	24,129	-	58,855	-

<b>LINE ITEMS BY SUBLEDGER - 2010 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	205,000	-	-	-	-	-	-	-	-
Affirmative Action Fees	27,000	-	-	-	-	-	-	-	-
<b>RFP/Leases</b>	20,969	-	-	-	-	-	-	-	-
<b>Concept Develop/Feasible</b>	40,000	-	-	-	-	-	-	-	-
<b>Computer Services</b>									
<b>General</b>									
ANOMS Consulting	66,500	-	-	-	-	-	-	-	-
Software Consulting	50,000	-	-	-	-	-	-	-	-
<b>Total General</b>	116,500	-	-	-	-	-	-	-	-
<b>Total Computer Services</b>	116,500	-	-	-	-	-	-	-	-
Engineering Fees	486,291	32,822	-	42,163	-	316,235	-	-	-
Graphic Design	21,186	-	-	-	-	-	-	-	-
Insurance Consultants	70,000	-	-	-	-	-	-	-	-
Labor Relations	10,450	-	-	-	-	-	-	-	-
<b>Legal Fees</b>									
Legal - Environmental	120,000	-	-	-	-	-	-	-	-
Legal - General	955,000	-	-	-	-	-	-	-	-
Legal - Relievers	75,000	-	-	-	-	-	-	-	-
<b>Total Legal Fees</b>	1,150,000	-	-	-	-	-	-	-	-
<b>Legislative</b>									
Legislative - Local	90,000	-	-	-	-	-	-	-	-
Legislative - National	178,000	-	-	-	-	-	-	-	-
<b>Total Legislative</b>	268,000	-	-	-	-	-	-	-	-
Medical Fees	46,940	-	-	-	-	-	-	-	-
<b>Planning</b>									
MSP Int'l	150,000	-	-	-	-	150,000	-	-	-
Relievers	50,000	-	-	-	-	-	-	-	-
<b>Total Planning</b>	200,000	-	-	-	-	150,000	-	-	-
Pollution/Environmental Fees	5,650	-	-	-	-	4,000	-	-	-
<b>Public Information Services</b>									
Public Infor Serv. - Pho	15,000	-	-	-	-	-	-	-	-
Public Infor Serv. - Other	220,000	-	-	-	-	-	-	-	-
<b>Total Public Information Services</b>	235,000	-	-	-	-	-	-	-	-
<b>Recruiting Employment Fees</b>									
Staff Recruiting	14,083	-	-	-	-	-	-	-	-
Executive Recruiting	25,000	-	-	-	-	-	-	-	-
<b>Total Recruiting Employment Fees</b>	69,083	-	-	-	-	-	-	-	-
<b>Safety Consultants</b>	13,350	8,000	-	-	-	-	-	-	-
Communications Consultant	43,725	-	-	-	-	-	-	-	-
<b>Other/Miscellaneous</b>									
<b>Survey Expense</b>	10,000	10,000	-	-	-	-	-	-	-
<b>Wildlife/Meteorology</b>									
Meteorology	16,659	-	-	-	-	-	-	-	-
Wildlife	122,000	-	-	-	-	-	-	-	-
<b>Total Wildlife/Meteorology</b>	138,659	-	-	-	-	-	-	-	-
Business Development	140,000	-	-	-	-	-	-	-	-
Environmental	45,800	-	-	-	-	-	-	-	-
<b>Mechanical</b>									
Mechanical Terminal	193,500	177,800	-	-	-	-	-	-	-
Mechanical Trades	37,479	-	-	-	-	-	-	-	-
<b>Total Mechanical</b>	230,979	177,800	-	-	-	-	-	-	-
Miscellaneous	216,402	-	-	-	-	5,000	-	36,000	-
<b>Total Other/Miscellaneous</b>	781,840	187,800	-	-	-	5,000	-	36,000	-
<b>Total Professional Services</b>	3,810,984	228,622	-	42,163	-	475,235	-	36,000	-
<b>Utilities</b>									
Electricity	10,359,839	6,302,899	-	-	-	668,225	-	521,707	717,921
<b>Heating Fuel</b>									
Heating - Natural Gas	4,254,833	235,793	-	2,771,290	-	93,864	79,659	82,804	1,522
Heating - Fuel Oil	120,000	21,673	-	72,240	-	-	-	-	24,000
<b>Total Heating Fuel</b>	4,374,833	257,466	-	2,843,530	-	93,864	79,659	82,804	25,522
Sewer	999,975	340,894	-	58,216	-	29,276	-	-	3,120
Water	876,583	305,751	-	69,734	-	1,800	-	16,492	9,868
<b>Telephone</b>									
Telephone - Regular	248,000	2,522	-	-	-	618	-	-	-
Telephone - Internet Service	103,715	-	-	-	-	-	-	-	-
Telephone - Cellular	128,475	3,716	-	3,576	-	14,400	-	6,531	-
<b>Total Telephone</b>	480,190	6,238	-	3,576	-	15,018	-	6,531	-
<b>Total Utilities</b>	17,091,420	7,213,248	-	2,975,056	-	808,183	79,659	627,534	756,431

<b>LINE ITEMS BY SUBLEDGER - 2010 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	22,839	-	-	-	-	-	-	-	-
<b>Advertising - General</b>	119,915	-	-	-	-	-	-	-	-
Advertising - Parking	300,000	-	-	-	-	-	-	-	300,000
Advertising - Relievers	6,000	-	-	-	-	-	-	-	-
<b>Total Advertising</b>	448,754	-	-	-	-	-	-	-	300,000
<b>Environmental Control</b>									
<b>Hazardous Waste</b>									
Hazardous Waste - FLouresc	10,000	-	-	-	-	-	-	-	-
Hazardous Waste - General	1,450	-	-	-	-	-	-	-	-
<b>Total Hazardous Waste</b>	11,450	-	-	-	-	-	-	-	-
<b>Pollution Control</b>									
Pollution Ctrl-Booms	15,000	-	-	-	-	-	-	-	-
Pollution Ctrl-Corn Cobs	5,500	-	-	-	-	-	-	-	-
Pollution Ctrl-Supplies	300	-	-	-	-	-	-	-	-
<b>Total Pollution Control</b>	20,800	-	-	-	-	-	-	-	-
Industrial Waste Mgmt	8,000	-	-	-	-	8,000	-	-	-
Laboratory Services	2,500	-	-	-	-	-	-	-	-
Solvent Reclamation Service	10,488	-	-	550	-	-	-	-	-
Tire Disposal	800	-	-	-	-	-	-	-	-
Other	130,000	-	-	-	-	2,000	-	-	-
<b>Total Environmental Control</b>	184,038	-	-	550	-	10,000	-	-	-
GISW Management	1,250,000	-	-	-	-	1,250,000	-	-	-
<b>Grd Transportation Services</b>	10,250	-	-	-	-	-	-	10,250	-
<b>Shuttle Services</b>	725,000	297,250	-	-	-	-	-	282,750	-
<b>Parking Lots</b>	5,771,507	-	-	-	-	-	-	-	5,771,507
<b>Met Council Fees</b>	160,000	-	-	-	-	160,000	-	-	-
<b>Employee Programs</b>									
<b>Recognition</b>	7,000	-	-	-	-	-	-	-	-
<b>Retirement</b>	2,500	-	-	-	-	-	-	-	-
<b>Wellness</b>									
Wellness - Fitness Program	113,520	-	-	-	-	-	-	-	-
Wellness-Health/Wellness	520	-	-	-	-	-	-	-	-
Wellness-Nutrition/Stress	6,000	-	-	-	-	-	-	-	-
<b>Total Wellness</b>	120,040	-	-	-	-	-	-	-	-
<b>Total Employee Programs</b>	129,540	-	-	-	-	-	-	-	-
<b>Events</b>									
<b>Conference Center</b>	50,000	-	-	-	-	-	-	-	-
<b>Emergency Response Exercise</b>	8,492	-	-	-	-	840	-	-	-
Other Programs/Events	4,160	-	-	-	-	-	-	-	-
<b>Total Events</b>	62,652	-	-	-	-	840	-	-	-
<b>Other Charges/Fees</b>									
Bank Charges	462,367	-	-	-	-	750	-	-	266,617
IATA Contract Expense	58,000	-	-	-	-	-	-	-	-
<b>Security Services Regular</b>	465,000	-	-	-	-	-	-	-	-
Security Services Check Pt	284,767	-	-	-	-	284,767	-	-	-
Concessions Marketing	537,733	-	-	-	-	-	-	-	-
<b>Recycling</b>	500	-	-	-	-	-	-	-	-
Copy Agreement	130,000	-	-	-	-	-	-	-	-
Mediation Fees	2,200	-	-	-	-	-	-	-	-
<b>Miscellaneous Charges/Fees</b>	86,725	-	-	-	-	-	-	882	1,545
Jail Fees	12,000	-	-	-	-	-	-	-	-
<b>Total Other Charges/Fees</b>	2,039,292	-	-	-	-	285,517	-	882	268,162
<b>Service Agreements</b>									
Service - Bldg Inspection	16,000	16,000	-	-	-	-	-	-	-
Service-Computers	1,649,995	424,434	12,000	-	-	83,675	-	-	224,718
Service-Fitness Equipment	2,320	-	-	-	-	-	-	-	-
Service-Grd Trans Equip	149,520	-	-	-	-	-	-	149,520	-
Service-Loading Dock	2,253,252	2,185,654	-	-	-	-	-	-	-
Service-Office Equipment	39,781	626	-	-	-	600	-	-	-
Service-Other Equipment	793,583	392	101,500	-	-	700	-	-	-
Service-Parking Equipment	756,000	-	-	-	-	-	-	-	756,000
Service-Telephone Systems	75,689	2,317	-	-	-	21,061	-	-	-
Service-Secured Access	190,915	-	-	-	-	190,915	-	-	-
Service-Radios	246,600	-	-	-	-	50,256	-	-	-
<b>Total Service Agreements</b>	6,173,655	2,629,423	113,500	-	-	347,207	-	149,520	980,718
<b>Total Operating Services/Expenses</b>	16,954,688	2,926,673	113,500	550	-	2,053,564	-	443,402	7,320,387

<b>LINE ITEMS BY SUBLEDGER - 2010 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	-	-	-	-	-	-	-
Traffic Paint - Parking	16,000	-	-	-	-	-	-	-	16,000
Reliever Airport - Paint	2,928	-	-	-	-	-	-	-	-
Traffic Paint - Roads	11,000	-	-	-	-	-	-	-	-
Traffic Paint - Runways	83,567	-	-	-	-	83,567	-	-	-
<b>Total Paint</b>	<b>141,032</b>	<b>9,487</b>	-	-	-	<b>83,567</b>	-	-	<b>16,000</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	4,595	-	-	-	-	-	-	-	-
<b>Total Signs</b>	<b>23,018</b>	<b>2,387</b>	-	-	-	-	-	-	-
<b>Supplies</b>									
Brushes _Supplies	1,061	-	-	-	-	-	-	-	-
Paint Supplies - Other	15,250	13,500	-	750	-	-	-	-	-
Solvents	500	-	-	-	-	-	-	-	-
Equipment Spray	6,556	-	-	-	-	-	-	-	-
Paint Tools	5,437	-	-	-	-	-	-	-	-
<b>Total Supplies</b>	<b>28,804</b>	<b>13,500</b>	-	<b>750</b>	-	-	-	-	-
<b>Total Trades - Painters</b>	<b>192,854</b>	<b>25,374</b>	-	<b>750</b>	-	<b>83,567</b>	-	-	<b>16,000</b>
<b>Trades - Carpenters</b>									
<b>Locks</b>									
Locks - Doors	75,787	35,028	-	-	-	-	-	-	-
Locks - Door Tags/ID	500	500	-	-	-	-	-	-	-
<b>Total Locks</b>	<b>76,287</b>	<b>35,528</b>	-	-	-	-	-	-	-
<b>Flags</b>	<b>624</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Lumber</b>									
Lumber-Cabinets	14,000	14,000	-	-	-	-	-	-	-
Lumber-Other	1,400	-	-	-	-	-	-	-	-
<b>Total Lumber</b>	<b>15,400</b>	<b>14,000</b>	-	-	-	-	-	-	-
<b>Other</b>									
Other - Attic Stock	5,000	5,000	-	-	-	-	-	-	-
Other - Ceilings	2,300	1,300	-	-	-	-	-	-	-
Other - Ceramics	700	200	-	-	-	-	-	-	-
Other - Doors	9,000	9,000	-	-	-	-	-	-	-
Other - Floor Coverings	37,500	37,500	-	-	-	-	-	-	-
Other - Hardware	14,300	1,300	-	-	-	-	-	-	-
Other - Auto Door Supplis RPL	8,000	6,000	-	-	-	-	-	-	-
Other - Saw Blades	250	250	-	-	-	-	-	-	-
Other - Screws/Bolts	6,695	-	-	-	-	-	-	-	-
Other - Seating Replacement	30,900	30,900	-	-	-	-	-	-	-
Other - Tools	7,800	5,000	-	-	-	-	-	-	-
Other - Tug Door Repairs	6,362	5,143	-	-	-	-	-	-	-
Other - Tug Drive Floor Maint.	9,360	9,360	-	-	-	-	-	-	-
Other - Wall Protection	3,200	-	-	-	-	-	-	-	-
<b>Total Other</b>	<b>141,367</b>	<b>110,953</b>	-	-	-	-	-	-	-
<b>Total Trades - Carpenters</b>	<b>233,678</b>	<b>160,481</b>	-	-	-	-	-	-	-

<b>LINE ITEMS BY SUBLEDGER - 2010 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	100,010	33,307	-	1,218	-	10,396	-	-	-
General Plumbing Supplies	57,449	27,490	-	-	-	-	-	-	-
Irrigation Supplies	10,357	87	-	-	-	-	-	3,275	-
Pumps	5,000	5,000	-	-	-	-	-	-	-
Underground Utilities	3,316	3,316	-	-	-	-	-	-	-
Water Distribution Systems	8,000	6,000	-	-	-	-	-	-	-
Water Meters	8,000	-	-	-	-	4,000	-	-	-
Plumbing - Other	20,750	-	-	-	-	-	-	-	-
<b>Total Trades - Plumbers</b>	<b>215,882</b>	<b>75,200</b>	<b>-</b>	<b>1,218</b>	<b>-</b>	<b>14,396</b>	<b>-</b>	<b>3,275</b>	<b>-</b>
<b>Trades - Electricians</b>									
<b>Repairs</b>									
Electrical _ Exterior	58,917	-	-	-	-	-	-	-	-
Generator Maint. Contract	34,214	34,214	-	-	-	-	-	-	-
Electrical - Interior	3,190	-	-	-	-	-	-	-	-
Unit Maint. Contract	300,000	-	-	-	-	-	-	-	-
<b>Total Repairs</b>	<b>396,321</b>	<b>34,214</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other</b>									
Other - Batteries	1,957	500	-	500	-	250	-	-	-
Other-Field Lights/Sensors	167,436	-	-	-	-	138,128	-	-	-
Other - Gate Supplies	28,045	-	-	-	-	10,500	-	-	-
Other - General Supplies	304,502	65,227	113	2,174	2,808	-	-	-	165,811
Other - Miscellaneous	5,000	-	-	-	-	-	-	-	-
Other - Motor	7,753	5,464	-	-	-	-	-	-	546
Other - Secured Access Sys	2,600	-	-	-	-	2,600	-	-	-
Other - Tools	8,769	-	-	-	-	-	-	-	-
<b>Total Other</b>	<b>526,061</b>	<b>71,191</b>	<b>113</b>	<b>2,674</b>	<b>2,808</b>	<b>151,478</b>	<b>-</b>	<b>-</b>	<b>166,357</b>
<b>Total Trades - Electricians</b>	<b>922,382</b>	<b>105,405</b>	<b>113</b>	<b>2,674</b>	<b>2,808</b>	<b>151,478</b>	<b>-</b>	<b>-</b>	<b>166,357</b>

<b>LINE ITEMS BY SUBLEDGER - 2010 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	20,000	-	-	-	-	20,000	-	-	-
Materials-Liquid Anti Icer	710,000	-	-	-	60,000	650,000	-	-	-
Materials-Other Ice Ctrl	6,000	-	-	-	-	-	-	-	1,000
Materials - Salt	60,097	-	-	-	-	-	-	10,000	-
Materials - Sand	115,248	-	-	-	-	100,000	-	-	-
Materials - Urea	4,775	-	-	-	-	-	-	-	-
<b>Total Snow Removal - Materials</b>	916,120	-	-	-	60,000	770,000	-	10,000	1,000
<b>Snow Removal - Equipment</b>									
Equipment - Contract	530,800	-	-	-	-	-	-	-	493,000
Equipment - Other	7,500	7,000	-	-	-	-	-	-	-
Equip Rent-No Operator-5.5	36,800	-	-	-	2,000	30,000	-	-	-
Equipment-Rent-No Operator	165,198	-	-	-	82,500	-	-	41,000	-
<b>Total Snow Removal - Equipment</b>	740,298	7,000	-	-	84,500	30,000	-	41,000	493,000
<b>Snow Removal - Miscellan</b>									
Snow Removal - Meals	28,989	-	-	-	-	28,500	-	-	-
Snow Removal - Plow Blades	21,000	-	-	-	-	20,000	-	1,000	-
Snow Removal - Runway Brm	100,000	-	-	-	-	100,000	-	-	-
Snow Melters	33,000	-	-	-	-	13,000	-	-	20,000
<b>Total Snow Removal - Miscellan</b>	182,989	-	-	-	-	161,500	-	1,000	20,000
<b>Summer Maintenance-Surface</b>									
Surface Repair-Aggregate	4,560	-	-	-	-	-	-	-	-
Surface Repair-Asphalt	71,233	-	-	-	30,000	30,000	-	-	-
Surface Repair-Cement	4,500	-	-	-	1,200	1,000	-	-	-
Surface Repair-Other	2,500	-	-	-	-	2,500	-	-	-
Surface Rubber Removal	42,300	-	-	-	-	35,000	-	-	-
Surface Repair-Saw Blades	500	-	-	-	-	500	-	-	-
Surface Repair-Hot Sealant	20,000	-	-	-	-	20,000	-	-	-
<b>Total Summer Maintenance-Surfac</b>	145,593	-	-	-	31,200	89,000	-	-	-
<b>Summer Maint-Landscape</b>									
Summer Maintenance-Fencing	7,543	-	-	-	-	4,500	-	-	-
Landscape/Turf-Materials	66,465	-	-	-	-	10,000	-	40,000	-
Summer Maint-Equip Rent No Op	44,000	-	-	-	-	-	-	-	44,000
Summer Maint-Equip Rent LT	164,500	-	-	-	82,500	-	-	41,000	-
<b>Total Summer Maint-Landscape</b>	282,508	-	-	-	82,500	14,500	-	81,000	44,000
<b>Maintenance Field-Other</b>									
Non Runway Brooms	24,000	-	-	-	4,000	-	-	20,000	-
Field Maint-Other/Emerg	15,000	-	-	-	-	10,000	-	-	-
Field Maint-Other-Material	3,600	-	-	-	-	1,600	-	-	1,000
Field Maint-Other-Supplies	6,199	-	-	-	-	2,500	-	-	-
Field Maint-Other-Tools	6,000	-	-	-	-	2,000	-	500	-
<b>Total Maintenance Field-Other</b>	54,799	-	-	-	4,000	16,100	-	20,500	1,000
<b>Total Maintenance - Field</b>	2,322,307	7,000	-	-	262,200	1,081,100	-	153,500	559,000
<b>Maintenance Building</b>									
<b>Building-Temp Control</b>									
Temp Control-Contracts	943,420	620,210	-	118,232	-	1,055	-	11,609	37,630
Temp Control-Filters	110,042	83,463	-	7,181	-	-	-	-	-
<b>Total Building-Temp Control</b>	1,053,462	703,673	-	125,413	-	1,055	-	11,609	37,630
<b>Building-Mechanical Areas</b>									
Mechanical Areas-APM	4,743,419	3,261,101	-	-	-	-	-	1,185,855	296,463
Mechanical Areas-Conveyors	378,344	224,255	39,418	-	-	-	-	-	-
Mechanical Areas-Doors	4,504	-	-	-	-	-	-	-	-
Mechanical Areas-Doors/Pub	12,500	10,000	-	-	-	-	-	-	-
Mechanical Areas-Doors/Tug	20,000	20,000	-	-	-	-	-	-	-
Mechanical Areas-Elevators	532,120	501,834	-	-	-	-	-	-	-
Mechanical Areas-Escalator	739,544	702,567	-	-	-	-	-	-	-
Mechanical-Moving Walks	845,193	845,193	-	-	-	-	-	-	-
<b>Total Building-Mechanical Areas</b>	7,275,624	5,564,950	39,418	-	-	-	-	1,185,855	296,463
<b>Building-Other</b>									
Other-Building Systems	500	-	-	-	-	-	-	-	-
Other-Boiler Chemicals	99,963	7,935	-	77,993	-	-	-	-	-
Other-Floors/Repairs	6,756	4,300	-	-	-	-	-	-	-
Other-Jetbridge Repairs	80,000	-	-	-	-	-	-	-	-
Other-Outside Plumb/Sewer	8,042	-	-	-	-	-	-	-	-
Other-Paging System Contract	45,000	45,000	-	-	-	-	-	-	-
Other-Pest Control	180,000	180,000	-	-	-	-	-	-	-
Other-Roofing	39,825	35,000	-	-	-	-	-	-	-
Sump/Septic Pumping	22,229	-	-	-	-	-	-	-	-
Other-Supplies	54,327	713	-	4,684	-	-	-	-	-
Other-Tools	5,918	-	-	3,246	-	-	-	-	-
<b>Total Building-Other</b>	542,560	272,948	-	85,923	-	-	-	-	-
Minor Projects Expense	60,000	60,000	-	-	-	-	-	-	-
<b>Total Maintenance Building</b>	8,931,646	6,601,571	39,418	211,336	-	1,055	-	1,197,464	334,093



<b>LINE ITEMS BY SUBLEDGER - 2010 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	8,080,170	5,739,831	147,887	-	-	-	-	-	186,006
Cleaning Services-Windows	964,308	615,603	17,370	-	-	-	-	-	38,149
<b>Total Cleaning Services</b>	9,044,478	6,355,434	165,257	-	-	-	-	-	224,155
<b>Cleaning Supplies</b>									
Cleaning Supplies-Bathroom	696,350	650,000	-	-	-	-	-	-	-
Cleaning Supplies-General	2,879	-	-	-	-	-	-	-	-
<b>Total Cleaning Supplies</b>	699,229	650,000	-	-	-	-	-	-	-
<b>Rubbish Disposal</b>									
Rubbish Disposal-Recycle	21,180	20,180	-	-	-	-	-	-	-
Rubbish Disposal-Regular	501,080	260,000	-	-	-	155,000	1,750	-	-
<b>Total Rubbish Disposal</b>	522,260	280,180	-	-	-	155,000	1,750	-	-
Towel Laundry Services	4,856	-	-	-	-	-	-	-	-
Other Cleaning Expenses	2,060	-	-	-	-	-	-	-	-
<b>Total Maintenance-Cleaning</b>	10,272,883	7,285,614	165,257	-	-	155,000	1,750	-	224,155
<b>Maintenance-Equipment</b>									
<b>Equipment-Parts</b>									
Parts-Automobiles	123,900	-	-	-	-	-	-	-	-
Parts-Boilers Energy Mgmt	120,366	34,545	-	72,651	-	-	-	-	-
Parts-Chiller Energy Mgmt	105,382	23,206	-	57,159	-	-	-	1,083	1,336
Parts-Other Equipment	50,000	50,000	-	-	-	-	-	-	-
Parts-Equipment	685,544	-	-	-	-	-	-	10,300	211,600
Parts-Other Equipment	192,390	3,688	-	16,252	-	16,000	-	-	-
<b>Total Equipment-Parts</b>	1,277,582	111,439	-	146,062	-	16,000	-	11,383	212,936
<b>Equipment-Shop</b>									
Shop-Batteries	17,061	-	-	-	-	-	-	-	-
Shop-Cleaners/Degreasers	28,258	-	-	-	-	-	-	-	5,000
Shop-Oil Filters	55,921	-	-	-	-	-	-	-	-
Shop-Other Supplies	73,152	-	-	2,543	-	-	-	-	-
Shop-Tires	92,695	-	-	-	-	-	-	-	-
Shop-Tools	26,888	-	-	-	-	-	-	-	-
<b>Total Equipment-Shop</b>	293,975	-	-	2,543	-	-	-	-	5,000
<b>Equipment-Gas</b>									
Gas-Diesal	429,025	-	-	-	-	-	-	-	-
Gas-Ethanol	47,232	-	-	2,435	-	-	-	-	1,408
Gas-Propane	4,200	-	-	-	-	-	-	-	-
Gas-Unleaded	352,145	1,288	-	6,343	-	-	-	-	17,728
<b>Total Equipment-Gas</b>	832,602	1,288	-	8,778	-	-	-	-	19,136
<b>Equipment-Extinguishers</b>									
Extinguishers-Purchase	10,000	-	-	-	-	-	-	-	-
Extinguishers-Reservice	5,000	-	-	-	-	-	-	-	-
<b>Total Equipment-Extinguishers</b>	15,000	-	-	-	-	-	-	-	-
Equipment-Miscellaneous Exp	68,646	-	-	-	-	-	-	36,612	-
<b>Total Maintenance-Equipment</b>	2,487,805	112,727	-	157,383	-	16,000	-	47,995	237,072
<b>Total Maintenance</b>	25,579,437	14,373,372	204,788	373,361	265,008	1,502,596	1,750	1,402,234	1,536,677

<b>LINE ITEMS BY SUBLEDGER - 2010 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	815,443	184,855	-	40,078	25,778	43,427	-	14,995	52,246
Gen Ins-Property	979,021	221,935	-	48,118	30,948	52,138	-	18,003	62,726
Gen Ins-Crime	15,999	3,627	-	786	506	852	-	294	1,025
Gen Ins-Auto/Equipment	240,185	54,447	-	11,805	7,593	12,791	-	4,417	15,388
Gen Ins-Other	7,961	1,805	-	-	391	252	-	424	146
<b>Total General Insurance</b>	<b>2,058,609</b>	<b>466,669</b>	<b>-</b>	<b>100,787</b>	<b>65,216</b>	<b>109,460</b>	<b>-</b>	<b>38,133</b>	<b>131,531</b>
<b>Safety</b>									
Safety-Supplies	29,851	6,066	-	3,798	-	-	-	-	-
Safety-Equipment	11,711	-	-	-	-	500	-	-	-
<b>Total Safety</b>	<b>41,562</b>	<b>6,066</b>	<b>-</b>	<b>3,798</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Medical Information/Supply</b>	<b>24,164</b>	<b>300</b>	<b>-</b>	<b>392</b>	<b>-</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Rentals</b>									
Rental-Copier	69,635	8,115	-	-	-	3,000	-	6,900	-
Rental-Pagers	19,635	940	-	-	-	1,230	-	-	-
Rental-Other Equipment	26,189	2,000	-	-	-	-	-	1,200	-
<b>Total Rentals</b>	<b>115,459</b>	<b>11,055</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,230</b>	<b>-</b>	<b>8,100</b>	<b>-</b>
<b>Licenses/Permits</b>									
Licenses-Autos/Equipment	4,100	-	-	-	-	-	-	-	-
Licenses-Environmental	8,550	-	-	-	-	6,000	-	-	-
Licenses-Other	2,903	-	-	1,076	-	-	-	-	-
<b>Total Licenses/Permits</b>	<b>15,553</b>	<b>-</b>	<b>-</b>	<b>1,076</b>	<b>-</b>	<b>6,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Miscellaneous Expenses</b>									
Misc-Firearm/Equip/Supplies	109,125	-	-	-	-	-	-	-	-
Misc-Emergency Response	51,470	600	-	-	-	-	-	-	-
Misc-Other	73,576	-	-	-	-	20,500	-	-	-
Misc-Taxes(Petroleum/Use)	42,125	-	-	-	-	-	-	-	-
<b>Total Miscellaneous Expenses</b>	<b>276,296</b>	<b>600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,500</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Adjustments/Bad Debt</b>	<b>15,000</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	24,685	4,035	-	-	-	-	-	-	-
Minor Assets-Office Furn	4,898	2,500	-	-	-	-	-	-	-
Minor Assets-Computers	308,451	-	-	-	-	-	-	-	97,000
Minor Assets-Radios	22,499	-	-	-	-	-	-	-	-
Minor Assets-Other	28,300	-	-	-	-	-	-	-	-
<b>Total Minor Equipment/Assets</b>	<b>388,833</b>	<b>6,535</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>97,000</b>
<b>Total Capital Assets</b>	<b>388,833</b>	<b>6,535</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>97,000</b>
<b>Total Other</b>	<b>2,935,476</b>	<b>491,225</b>	<b>-</b>	<b>106,053</b>	<b>65,216</b>	<b>142,190</b>	<b>-</b>	<b>46,233</b>	<b>228,531</b>
<b>Gross Depreciation</b>	<b>115,278,000</b>	<b>115,278,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total Excluding Depreciation</b>	<b>129,178,470</b>	<b>26,391,426</b>	<b>318,288</b>	<b>5,174,271</b>	<b>330,224</b>	<b>5,005,897</b>	<b>81,409</b>	<b>4,782,807</b>	<b>9,842,026</b>
<b>Grand Total With Depreciation</b>	<b>244,456,470</b>	<b>141,669,426</b>	<b>318,288</b>	<b>5,174,271</b>	<b>330,224</b>	<b>5,005,897</b>	<b>81,409</b>	<b>4,782,807</b>	<b>9,842,026</b>

<b>LINE ITEMS BY SUBLEDGER - 2010 OPERATING BUDGET</b>
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<b>LINE ITEMS BY SUBLEDGER - 2010 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><u>Personnel</u></b>								
<b>Wages</b>								
Regular	-	213,732	-	-	-	9,964,077	-	-
<b>Overtime/Doubletime</b>								
Doubletime - Regular	-	-	-	-	-	1,114,134	-	-
Overtime - Regular	-	-	-	-	-	494,173	-	-
<b>Total Overtime/Doubletime</b>	-	-	-	-	-	1,608,307	-	-
Commissioner PerDiem	-	-	-	-	-	-	-	-
Temps - Agency	-	-	-	-	-	-	-	-
Temps - Non Agency	-	-	-	-	-	389,689	-	-
<b>Total Wages</b>	-	213,732	-	-	-	11,962,072	-	-
<b>Benefits</b>								
<b>Employee Insurance</b>								
Employee Insurance Dental	-	1,370	-	-	-	112,210	-	-
EmPLY Insurance Disability	-	897	-	-	-	28,732	-	-
Employee Insurance Family	-	22,543	-	-	-	1,845,826	-	-
Employee Insurance Life	-	527	-	-	-	21,784	-	-
<b>Total Employee Insurance</b>	-	25,337	-	-	-	2,008,552	-	-
<b>Pension</b>								
Fica (Social Security)Base	-	12,243	-	-	-	700,916	-	-
Fica(Social Security)Medic	-	2,993	-	-	-	164,999	-	-
Mpls EmPLY Retirement Fund	-	-	-	-	-	18,660	-	-
Public EmPLY - Coordinated	-	14,333	-	-	-	725,366	-	-
Public EmPLY - Police/Fire	-	-	-	-	-	-	-	-
Merf Unfunded Liability	-	-	-	-	-	189,000	-	-
<b>Total Pension</b>	-	29,569	-	-	-	1,798,940	-	-
<b>Training</b>								
Continuing Ed (College)	-	-	-	-	-	-	-	-
Executive Leadership Train	-	-	-	-	-	-	-	-
Management Requirement	-	-	-	-	-	-	-	-
Organizational Requirement	-	1,217	-	-	-	-	-	-
Regulatory Requirements	-	-	-	-	-	10,990	-	-
Local Seminars	-	-	-	-	-	1,975	-	-
<b>Total Training</b>	-	1,217	-	-	-	12,965	-	-
Post Retirement Benefits	-	3,452	-	-	-	376,147	-	-
Workers Compensation	-	2,601	-	-	-	145,583	-	-
Post EmPLY Health Plan	-	1,054	-	-	-	88,231	-	-
Unemployment Tax	-	-	-	-	-	50,000	-	-
<b>Uniforms</b>								
Uniforms-Police/Fire Allow	-	-	-	-	-	-	-	-
Uniforms-Rental	-	-	-	-	-	43,998	-	-
Uniforms - Safety Shoes	-	-	-	-	-	20,863	-	135
<b>Total Uniforms</b>	-	-	-	-	-	64,861	-	135
<b>Severance</b>								
Contract Allowance	-	-	-	-	-	25,000	-	-
Regular Severance	-	5,346	-	-	-	49,126	-	-
<b>Total Severance</b>	-	5,346	-	-	-	74,126	-	-
Trade Union Benefits	-	-	-	-	-	509,480	-	-
<b>Total Benefits</b>	-	68,575	-	-	-	5,128,885	-	135
<b><u>Total Personnel</u></b>	-	282,307	-	-	-	17,090,957	-	135

<b>LINE ITEMS BY SUBLEDGER - 2010 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	-	300	-	-	-	-	200	4,750
<b>Computer Supplies</b>								
Computer Supplies-General	-	200	-	-	-	1,000	-	229
Computer Supplies-Software	-	-	-	-	-	-	6,960	-
<b>Total Computer Supplies</b>	-	200	-	-	-	1,000	6,960	229
<b>Special Supplies</b>								
Special Supplies-Badging	-	-	-	-	-	-	-	-
Special Supply-Film/Photo	-	-	-	-	-	-	-	1,000
Special Supplies-Other	-	-	-	-	-	300	-	353
<b>Total Special Supplies</b>	-	-	-	-	-	300	-	1,353
<b>Total Supplies</b>	-	500	-	-	-	1,300	7,160	6,332
<b>Travel</b>								
Travel - Lodging	-	1,500	-	-	-	-	-	500
Travel - Meals	-	-	-	-	-	250	-	-
Travel - Miscellaneous	-	-	-	-	-	-	-	-
<b>Travel - Transportation</b>								
Travel - Transport/Airfare	-	-	-	-	-	-	-	-
Travel - Shuttle/Taxi/Auto	-	-	-	-	-	-	-	-
<b>Total Travel - Transportation</b>	-	-	-	-	-	-	-	-
Registration Fees	-	-	-	-	-	-	-	202
Mileage	-	850	-	-	-	-	-	355
<b>Total Travel</b>	-	2,350	-	-	-	250	-	1,057
<b>Other Administrative Expense</b>								
<b>Local Meetings</b>								
Local Mtgs - Off Airport	-	-	-	-	-	-	300	-
Local Mtgs - On Airport/GO	-	-	-	-	-	-	-	-
<b>Total Local Meetings</b>	-	-	-	-	-	-	300	-
<b>Information Sources</b>								
Memberships/Dues/Pro Assoc	-	-	-	-	-	-	-	970
Other Information Sources	-	-	-	-	-	-	-	-
Publications/Subscriptions	-	-	-	-	-	-	-	400
<b>Total Information Sources</b>	-	-	-	-	-	-	-	1,370
<b>Printing Costs</b>								
Printing-Publications	-	-	-	-	-	-	-	-
Printing - Forms	-	-	-	-	-	-	-	-
Printing-Stationary/Envel	-	-	-	-	-	-	-	-
<b>Total Printing Costs</b>	-	-	-	-	-	-	-	-
Delivery Services	-	-	-	-	-	-	-	68
Freight Charges	-	1,500	-	-	-	-	-	300
Postage	-	-	-	-	-	-	-	-
<b>Total Other Administrative Expense</b>	-	1,500	-	-	-	-	300	1,738
<b>Total Administrative Expenses</b>	-	4,350	-	-	-	1,550	7,460	9,127

<b>LINE ITEMS BY SUBLEDGER - 2010 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	-	1,364	-	-	-	-	-	-
Graphic Design	-	-	-	-	-	-	-	-
Insurance Consultants	-	-	-	-	-	-	-	-
Labor Relations	-	-	-	-	-	-	-	-
<b>Legal Fees</b>								
Legal - Environmental	-	-	-	-	-	-	-	-
Legal - General	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-
<b>Public Information Services</b>								
Public Infor Serv. - Pho	-	-	-	-	-	-	-	-
Public Infor Serv. - Other	-	-	-	-	-	-	-	-
<b>Total Public Information Services</b>	-	-	-	-	-	-	-	-
<b>Recruiting Employment Fees</b>								
Staff Recruiting	-	-	-	-	-	-	-	-
Executive Recruiting	-	-	-	-	-	-	-	-
<b>Total Recruiting Employment Fees</b>	-	-	-	-	-	-	-	-
<b>Safety Consultants</b>								
Communications Consultant	-	-	-	-	-	-	-	-
<b>Other/Miscellaneous</b>								
<b>Survey Expense</b>	-	-	-	-	-	-	-	-
<b>Wildlife/Meteorology</b>								
Meteorology	-	-	-	-	-	-	-	-
Wildlife	-	-	-	-	-	-	-	-
<b>Total Wildlife/Meteorology</b>	-	-	-	-	-	-	-	-
Business Development	-	-	-	-	-	-	-	-
Environmental	-	-	-	-	-	-	-	-
<b>Mechanical</b>								
Mechanical Terminal	-	11,775	-	-	-	-	-	-
Mechanical Trades	-	-	-	-	-	-	-	37,479
<b>Total Mechanical</b>	-	11,775	-	-	-	-	-	37,479
Miscellaneous	-	-	10,000	-	-	-	-	16,072
<b>Total Other/Miscellaneous</b>	-	11,775	10,000	-	-	-	-	53,551
<b>Total Professional Services</b>	-	13,139	10,000	-	-	-	-	53,551
<b>Utilities</b>								
Electricity	69,923	790,953	273,354	-	221,601	-	-	325,837
<b>Heating Fuel</b>								
Heating - Natural Gas	98,530	290,674	5,726	-	233,276	-	-	188,215
Heating - Fuel Oil	-	-	-	2,087	-	-	-	-
<b>Total Heating Fuel</b>	98,530	290,674	5,726	2,087	233,276	-	-	188,215
Sewer	555	-	538,705	-	2,346	-	-	6,976
Water	-	52,633	379,592	-	13,543	-	-	15,060
<b>Telephone</b>								
Telephone - Regular	639	-	-	-	-	-	-	283
Telephone - Internet Service	-	-	-	-	-	-	-	-
Telephone - Cellular	-	700	-	-	-	-1	-	15,981
<b>Total Telephone</b>	639	700	-	-	-	-1	-	16,264
<b>Total Utilities</b>	169,647	1,134,960	1,197,377	2,087	470,766	-1	-	552,352

<b>LINE ITEMS BY SUBLEDGER - 2010 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><u>Operating Services/Expenses</u></b>								
<b>Advertising</b>								
Advertising - Employment	-	-	-	-	-	-	-	-
<b>Advertising - General</b>	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-
Laboratory Services	-	-	-	-	-	-	-	-
Solvent Reclamation Service	-	-	-	-	-	-	7,988	700
Tire Disposal	-	-	-	-	-	-	800	-
Other	-	-	-	-	-	-	-	-
<b>Total Environmental Control</b>	-	-	15,000	-	-	-	8,788	11,950
GISW Management	-	-	-	-	-	-	-	-
<b>Grd Transportation Services</b>	-	-	-	-	-	-	-	-
<b>Shuttle Services</b>	-	145,000	-	-	-	-	-	-
<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>	-	-	-	-	-	-	-	-
Other Programs/Events	-	-	-	-	-	-	-	-
<b>Total Events</b>	-	-	-	-	-	-	-	-
<b>Other Charges/Fees</b>								
Bank Charges	-	-	-	-	-	-	-	-
IATA Contract Expense	-	-	-	-	-	-	-	-
<b>Security Services Regular</b>	-	-	-	-	-	-	-	-
Security Services Check Pt	-	-	-	-	-	-	-	-
Concessions Marketing	-	-	-	-	-	-	-	-
<b>Recycling</b>	-	-	-	-	-	-	-	-
Copy Agreement	-	-	-	-	-	-	-	-
Mediation Fees	-	-	-	-	-	-	-	-
<b>Miscellaneous Charges/Fees</b>	-	-	-	-	-	-	-	1,230
Jail Fees	-	-	-	-	-	-	-	-
<b>Total Other Charges/Fees</b>	-	-	-	-	-	-	-	1,230
<b>Service Agreements</b>								
Service - Bldg Inspection	-	-	-	-	-	-	-	-
Service-Computers	-	3,145	-	-	-	-	-	-
Service-Fitness Equipment	-	-	-	-	-	-	-	-
Service-Grd Trans Equip	-	-	-	-	-	-	-	-
Service-Loading Dock	-	67,598	-	-	-	-	-	-
Service-Office Equipment	-	-	-	-	-	-	-	-
Service-Other Equipment	3,840	466,145	-	-	-	-	750	4,400
Service-Parking Equipment	-	-	-	-	-	-	-	-
Service-Telephone Systems	-	-	-	-	-	-	-	-
Service-Secured Access	-	-	-	-	-	-	-	-
Service-Radios	-	-	-	-	-	-	-	10,726
<b>Total Service Agreements</b>	3,840	536,888	-	-	-	-	750	15,126
<b>Total Operating Services/Expenses</b>	3,840	681,888	15,000	-	-	-	9,538	28,306

<b>LINE ITEMS BY SUBLEDGER - 2010 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	-
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	9,000
<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	34,090
<b>Trades - Carpenters</b>								
<b>Locks</b>								
Locks - Doors	-	21,064	-	-	-	-	-	16,395
Locks - Door Tags/ID	-	-	-	-	-	-	-	-
<b>Total Locks</b>	-	21,064	-	-	-	-	-	16,395
<b>Flags</b>								
	-	-	-	-	-	-	-	500
<b>Lumber</b>								
Lumber-Cabinets	-	-	-	-	-	-	-	-
Lumber-Other	-	-	-	-	-	-	-	-
<b>Total Lumber</b>	-	-	-	-	-	-	-	-
<b>Other</b>								
Other - Attic Stock	-	-	-	-	-	-	-	-
Other - Ceilings	-	-	-	-	-	-	-	1,000
Other - Ceramics	-	500	-	-	-	-	-	-
Other - Doors	-	-	-	-	-	-	-	-
Other - Floor Coverings	-	-	-	-	-	-	-	-
Other - Hardware	-	-	-	-	-	-	-	13,000
Other - Auto Door Supplis RPL	-	-	-	-	-	-	-	2,000
Other - Saw Blades	-	-	-	-	-	-	-	-
Other - Screws/Bolts	-	-	-	-	-	-	-	6,695
Other - Seating Replacement	-	-	-	-	-	-	-	-
Other - Tools	-	-	-	-	-	-	-	2,800
Other - Tug Door Repairs	-	1,219	-	-	-	-	-	-
Other - Tug Drive Floor Maint.	-	-	-	-	-	-	-	-
Other - Wall Protection	-	-	-	-	-	-	-	3,200
<b>Total Other</b>	-	1,719	-	-	-	-	-	28,695
<b>Total Trades - Carpenters</b>	-	22,783	-	-	-	-	-	45,590



<b>LINE ITEMS BY SUBLEDGER - 2010 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	-	-	-	-	-
Pumps	-	-	-	-	-	-	-	-
Underground Utilities	-	-	-	-	-	-	-	-
Water Distribution Systems	-	-	-	-	-	-	-	2,000
Water Meters	-	-	-	-	-	-	-	4,000
Plumbing - Other	-	-	-	-	-	-	-	-
<b>Total Trades - Plumbers</b>	-	18,254	3,172	12,778	-	-	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	-	-	-	-	-	-	-	5,000
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	61,025
<b>Total Trades - Electricians</b>	-	41,628	7,248	1,295	-	-	2,539	79,055

<b>LINE ITEMS BY SUBLEDGER - 2010 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	-	-	5,000	-	-	-	-	-
Materials - Salt	-	-	50,000	-	-	-	-	-
Materials - Sand	-	-	-	-	-	-	-	-
Materials - Urea	-	-	-	-	-	-	-	-
<b>Total Snow Removal - Materials</b>	-	-	55,000	-	-	-	-	-
<b>Snow Removal - Equipment</b>								
Equipment - Contract	37,800	-	-	-	-	-	-	-
Equipment - Other	-	-	-	-	-	-	-	-
Equip Rent-No Operator-5.5	-	-	-	-	-	-	-	-
Equipment-Rent-No Operator	-	-	41,000	-	-	-	-	-
<b>Total Snow Removal - Equipment</b>	37,800	-	41,000	-	-	-	-	-
<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-Surfac</b>	-	-	1,250	-	-	-	-	-
<b>Summer Maint-Landscape</b>								
Summer Maintenance-Fencing	-	-	-	-	-	-	-	-
Landscape/Turf-Materials	-	-	500	-	-	-	-	-
Summer Maint-Equip Rent No Op	-	-	-	-	-	-	-	-
Summer Maint-Equip Rent LT	-	-	41,000	-	-	-	-	-
<b>Total Summer Maint-Landscape</b>	-	-	41,500	-	-	-	-	-
<b>Maintenance Field-Other</b>								
Non Runway Brooms	-	-	-	-	-	-	-	-
Field Maint-Other/Emerg	-	-	5,000	-	-	-	-	-
Field Maint-Other-Material	-	-	-	-	-	-	1,000	-
Field Maint-Other-Supplies	-	-	-	-	-	-	1,500	-
Field Maint-Other-Tools	-	-	500	-	-	-	3,000	-
<b>Total Maintenance Field-Other</b>	-	-	5,500	-	-	-	5,500	-
<b>Total Maintenance - Field</b>	37,800	-	144,250	-	-	-	5,500	-
<b>Maintenance Building</b>								
<b>Building-Temp Control</b>								
Temp Control-Contracts	-	93,657	-	9,569	5,712	-	-	12,877
Temp Control-Filters	-	17,877	-	-	354	-	-	112
<b>Total Building-Temp Control</b>	-	111,534	-	9,569	6,066	-	-	12,989
<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	-	26,411	-	-	-	-	-	-
Mechanical Areas-Escalator	-	36,977	-	-	-	-	-	-
Mechanical-Moving Walks	-	-	-	-	-	-	-	-
<b>Total Building-Mechanical Areas</b>	-	180,559	-	-	-	-	-	-
<b>Building-Other</b>								
Other-Building Systems	500	-	-	-	-	-	-	-
Other-Boiler Chemicals	-	13,194	-	841	-	-	-	-
Other-Floors/Repairs	-	-	-	-	-	-	-	2,456
Other-Jetbridge Repairs	-	80,000	-	-	-	-	-	-
Other-Outside Plumb/Sewer	-	-	-	-	-	-	-	8,042
Other-Paging System Contract	-	-	-	-	-	-	-	-
Other-Pest Control	-	-	-	-	-	-	-	-
Other-Roofing	-	-	-	-	-	-	-	-
Sump/Septic Pumping	-	-	-	-	-	-	-	22,229
Other-Supplies	37,400	-	-	-	-	-	-	3,697
Other-Tools	-	-	-	-	-	-	-	2,672
<b>Total Building-Other</b>	37,900	93,194	-	841	-	-	-	39,096
Minor Projects Expense	-	-	-	-	-	-	-	-
<b>Total Maintenance Building</b>	37,900	385,287	-	10,410	6,066	-	-	52,085

<b>LINE ITEMS BY SUBLEDGER - 2010 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	23,170	1,126,418	-	-	13,609	-	-	141,695
Cleaning Services-Windows	350	275,255	-	-	347	-	-	3,860
<b>Total Cleaning Services</b>	23,520	1,401,673	-	-	13,956	-	-	145,555
<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	1,000	-	-	-	-	-	-	-
Rubbish Disposal-Regular	4,000	25,000	-	-	600	-	-	16,500
<b>Total Rubbish Disposal</b>	5,000	25,000	-	-	600	-	-	16,500
Towel Laundry Services	-	-	-	-	-	-	-	-
Other Cleaning Expenses	-	-	-	-	-	-	-	-
<b>Total Maintenance-Cleaning</b>	28,520	1,473,023	-	-	14,556	-	-	162,055
<b>Maintenance-Equipment</b>								
<b>Equipment-Parts</b>								
Parts-Automobiles	-	-	-	-	-	-	65,000	-
Parts-Boilers Energy Mgmt	-	8,088	-	-	2,471	-	-	-
Parts-Chiller Energy Mgmt	-	1,718	-	1,866	2,909	-	-	-
Parts-Other Equipment	-	-	-	-	-	-	-	-
Parts-Equipment	-	-	-	-	-	-	305,000	-
Parts-Other Equipment	-	2,564	-	126	-	-	-	3,321
<b>Total Equipment-Parts</b>	-	12,370	-	1,992	5,380	-	370,000	3,321
<b>Equipment-Shop</b>								
Shop-Batteries	-	-	-	-	-	-	16,000	-
Shop-Cleaners/Degreasers	-	-	-	-	-	-	23,000	-
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>	-	-	-	-	-	-	229,000	6,824
<b>Equipment-Gas</b>								
Gas-Diesal	-	-	-	-	-	-	338,351	4,691
Gas-Ethanol	-	-	-	-	-	-	25,713	-
Gas-Propane	-	-	-	-	-	-	3,000	1,200
Gas-Unleaded	-	-	-	-	-	-	131,500	43,503
<b>Total Equipment-Gas</b>	-	-	-	-	-	-	498,564	49,394
<b>Equipment-Extinguishers</b>								
Extinguishers-Purchase	-	-	-	-	-	-	-	-
Extinguishers-Reservice	-	-	-	-	-	-	-	-
<b>Total Equipment-Extinguishers</b>	-	-	-	-	-	-	-	-
Equipment-Miscellaneous Exp	-	3,000	-	-	-	-	10,000	-
<b>Total Maintenance-Equipment</b>	-	15,370	-	1,992	5,380	-	1,107,564	59,539
<b>Total Maintenance</b>	104,220	1,959,395	165,670	29,475	26,002	5,500	1,122,603	460,710

<b>LINE ITEMS BY SUBLEDGER - 2010 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	-	26,453	14,798	-	13,494	-	83,360	4,424
Gen Ins-Property	-	31,759	17,767	-	16,201	-	100,082	5,312
Gen Ins-Crime	-	519	290	-	265	-	1,636	87
Gen Ins-Auto/Equipment	-	7,791	4,359	-	3,975	-	24,553	1,303
Gen Ins-Other	-	510	258	144	132	-	814	43
<b>Total General Insurance</b>	-	67,032	37,472	144	34,067	-	210,445	11,169
<b>Safety</b>								
Safety-Supplies	-	-	-	-	-	5,000	-	11,452
Safety-Equipment	-	-	-	-	-	4,250	361	1,100
<b>Total Safety</b>	-	-	-	-	-	9,250	361	12,552
<b>Medical Information/Supply</b>	-	-	-	-	-	-	-	650
<b>Rentals</b>								
Rental-Copier	-	-	-	-	-	-	3,000	7,619
Rental-Pagers	-	-	-	-	-	-	-	2,150
Rental-Other Equipment	-	1,250	-	-	-	-	-	14,999
<b>Total Rentals</b>	-	1,250	-	-	-	-	3,000	24,768
<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	-	-
Misc-Taxes(Petroleum/Use)	-	-	-	-	-	-	40,000	-
<b>Total Miscellaneous Expenses</b>	-	-	-	-	-	318	40,000	-
<b>Adjustments/Bad Debt</b>	-	-	-	-	-	-	-	-
<b>Capital Assets</b>								
<b>Minor Equipment/Assets</b>								
Minor Assets-Tools	-	-	-	-	-	-	19,750	-
Minor Assets-Office Furn	-	-	-	-	-	-	-	-
Minor Assets-Computers	-	69,000	-	-	-	-	4,584	-
Minor Assets-Radios	-	-	-	-	-	-	-	-
Minor Assets-Other	-	-	-	-	-	-	-	-
<b>Total Minor Equipment/Assets</b>	-	69,000	-	-	-	-	24,334	-
<b>Total Capital Assets</b>	-	69,000	-	-	-	-	24,334	-
<b>Total Other</b>	-	137,282	37,472	144	34,067	9,568	278,140	49,689
<b>Gross Depreciation</b>	-	-	-	-	-	-	-	-
<b>Grand Total Excluding Depreciation</b>	277,707	4,213,321	1,425,519	31,706	530,835	17,107,574	1,417,741	1,153,870
<b>Grand Total With Depreciation</b>	277,707	4,213,321	1,425,519	31,706	530,835	17,107,574	1,417,741	1,153,870

<b>LINE ITEMS BY SUBLEDGER - 2010 OPERATING BUDGET</b>
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<b>LINE ITEMS BY SUBLEDGER - 2010 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	-	7,707,552	3,632,099	8,680,751	668,702	2,124,493	979,561	1,760,949
<b>Overtime/Doubletime</b>								
Doubletime - Regular	-	-	-	-	-	-	-	158,793
Overtime - Regular	-	503,116	402,615	9,933	-	190,555	-	112,515
<b>Total Overtime/Doubletime</b>	-	503,116	402,615	9,933	-	190,555	-	271,308
Commissioner PerDiem	-	-	-	14,000	-	-	-	-
Temps - Agency	-	-	-	81,270	-	-	-	-
Temps - Non Agency	-	810,395	-	49,920	-	-	-	13,175
<b>Total Wages</b>	-	9,021,063	4,034,714	8,835,874	668,702	2,315,047	979,561	2,045,432
<b>Benefits</b>								
<b>Employee Insurance</b>								
Employee Insurance Dental	-	80,732	33,514	95,765	5,482	19,145	8,223	19,850
EmPLY Insurance Disability	-	6,636	10,244	43,486	1,252	8,946	4,105	7,194
Employee Insurance Family	-	1,328,011	551,289	1,575,306	90,174	314,925	135,260	326,538
Employee Insurance Life	-	18,503	8,127	24,572	675	4,752	2,257	4,144
<b>Total Employee Insurance</b>	-	1,433,882	603,174	1,739,129	97,583	347,768	149,845	357,726
<b>Pension</b>								
Fica (Social Security)Base	-	166,511	3,606	548,255	39,915	135,690	57,389	116,002
Fica(Social Security)Medic	-	125,448	56,885	134,364	9,423	32,089	13,744	27,771
Mpls EmPLY Retirement Fund	-	-	-	22,587	-	-	-	7,754
Public EmPLY - Coordinated	-	183,385	3,780	641,193	44,845	150,382	65,692	132,184
Public EmPLY - Police/Fire	-	899,252	560,951	3,483	-	-	-	-
Merf Unfunded Liability	-	-	-	189,000	-	-	-	42,000
<b>Total Pension</b>	-	1,374,597	625,222	1,538,882	94,183	318,161	136,826	325,710
<b>Training</b>								
Continuing Ed (College)	-	-	-	40,000	-	-	-	-
Executive Leadership Train	-	-	-	20,000	-	-	-	-
Management Requirement	-	-	-	6,192	-	2,914	-	-
Organizational Requirement	-	-	-	20,783	-	-	-	-
Regulatory Requirements	-	-	29,516	8,536	-	6,202	-	-
Local Seminars	-	33,277	620	37,395	-	1,518	1,000	-
<b>Total Training</b>	-	33,277	30,136	132,906	-	10,634	1,000	-
Post Retirement Benefits	-	276,521	133,986	558,302	13,810	46,361	20,550	104,888
Workers Compensation	-	84,545	40,080	117,692	-	26,160	13,922	27,026
Post EmPLY Health Plan	-	33,232	14,132	51,128	3,635	10,810	5,196	7,220
Unemployment Tax	-	-	-	-	-	-	-	-
<b>Uniforms</b>								
Uniforms-Police/Fire Allow	-	115,120	36,750	-	-	-	-	-
Uniforms-Rental	-	-	-	-	-	2,378	-	16,338
Uniforms - Safety Shoes	-	-	-	-	-	-	-	2,087
<b>Total Uniforms</b>	-	115,120	36,750	-	-	2,378	-	18,425
<b>Severance</b>								
Contract Allowance	-	-	-	-	-	-	-	-
Regular Severance	-	30,922	38,007	95,384	2,684	9,247	10,236	18,492
<b>Total Severance</b>	-	30,922	38,007	95,384	2,684	9,247	10,236	18,492
Trade Union Benefits	-	-	-	-	-	-	-	-
<b>Total Benefits</b>	-	3,382,095	1,521,488	4,233,423	211,894	771,520	337,575	859,487
<b>Total Personnel</b>	-	12,403,158	5,556,201	13,069,297	880,597	3,086,567	1,317,135	2,904,919

<b>LINE ITEMS BY SUBLEDGER - 2010 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	-	39,344	5,782	56,504	2,000	13,400	6,308	3,464
<b>Computer Supplies</b>								
Computer Supplies-General	-	-	-	15,190	-	13,744	810	-
Computer Supplies-Software	-	2,598	-	55,415	-	8,000	4,710	-
<b>Total Computer Supplies</b>	-	2,598	-	70,605	-	21,744	5,520	-
<b>Special Supplies</b>								
Special Supplies-Badging	-	113,250	-	-	-	-	-	-
Special Supply-Film/Photo	-	6,490	-	6,095	-	500	-	-
Special Supplies-Other	-	29,500	-	2,150	2,500	2,000	250	-
<b>Total Special Supplies</b>	-	149,240	-	8,245	2,500	2,500	250	-
<b>Total Supplies</b>	-	191,182	5,782	135,354	4,500	37,644	12,078	3,464
<b>Travel</b>								
Travel - Lodging	-	4,634	1,480	41,306	630	4,615	2,612	1,284
Travel - Meals	-	2,139	370	7,057	29	625	856	265
Travel - Miscellaneous	-	356	-	3,721	-	22	-	-
<b>Travel - Transportation</b>								
Travel - Transport/Airfare	-	2,495	560	45,724	400	4,685	2,128	330
Travel - Shuttle/Taxi/Auto	-	713	145	2,997	70	118	42	69
<b>Total Travel - Transportation</b>	-	3,208	705	48,721	470	4,803	2,170	399
Registration Fees	-	1,910	1,200	27,850	1,350	2,515	2,066	1,860
Mileage	-	5,720	500	27,212	2,100	1,223	8	500
<b>Total Travel</b>	-	17,967	4,255	155,867	4,579	13,803	7,712	4,308
<b>Other Administrative Expense</b>								
<b>Local Meetings</b>								
Local Mtgs - Off Airport	-	5,000	-	3,458	200	32	250	750
Local Mtgs - On Airport/GO	-	500	-	15,918	-	250	67	90
<b>Total Local Meetings</b>	-	5,500	-	19,376	200	282	317	840
<b>Information Sources</b>								
Memberships/Dues/Pro Assoc	-	7,000	1,000	193,993	250	4,000	550	2,725
Other Information Sources	-	1,854	3,500	52,108	15,022	10,800	6,002	-
Publications/Subscriptions	-	2,450	500	21,828	500	2,566	750	-
<b>Total Information Sources</b>	-	11,304	5,000	267,929	15,772	17,366	7,302	2,725
<b>Printing Costs</b>								
Printing-Publications	-	3,152	-	29,736	-	31,930	5,921	3,931
Printing - Forms	-	8,500	-	7,000	-	-	-	-
Printing-Stationary/Envel	-	3,120	-	6,900	2,000	-	-	-
<b>Total Printing Costs</b>	-	14,772	-	43,636	2,000	31,930	5,921	3,931
Delivery Services	-	1,300	-	6,969	200	500	280	100
Freight Charges	-	600	-	-	-	250	-	-
Postage	-	1,000	-	40,000	-	-	-	-
<b>Total Other Administrative Expense</b>	-	34,476	5,000	377,910	18,172	50,328	13,820	7,596
<b>Total Administrative Expenses</b>	-	243,625	15,037	669,131	27,251	101,775	33,610	15,368

<b>LINE ITEMS BY SUBLEDGER - 2010 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	-	-	-	205,000	-	-	-	-
Affirmative Action Fees	-	-	-	27,000	-	-	-	-
<b>RFP/Leases</b>	-	-	-	10,969	10,000	-	-	-
<b>Concept Develop/Feasible</b>	-	-	-	30,000	10,000	-	-	-
<b>Computer Services</b>								
<b>General</b>								
ANOMS Consulting	-	-	-	-	-	-	66,500	-
Software Consulting	-	-	-	50,000	-	-	-	-
<b>Total General</b>	-	-	-	50,000	-	-	66,500	-
<b>Total Computer Services</b>	-	-	-	50,000	-	-	66,500	-
Engineering Fees	-	-	-	43,563	-	-	19,000	31,144
Graphic Design	-	-	-	20,000	-	-	-	1,186
Insurance Consultants	-	-	-	70,000	-	-	-	-
Labor Relations	-	-	-	10,450	-	-	-	-
<b>Legal Fees</b>								
Legal - Environmental	-	-	-	-	-	-	120,000	-
Legal - General	-	-	-	955,000	-	-	-	-
Legal - Relievers	-	-	-	-	-	-	-	75,000
<b>Total Legal Fees</b>	-	-	-	955,000	-	-	120,000	75,000
<b>Legislative</b>								
Legislative - Local	-	-	-	90,000	-	-	-	-
Legislative - National	-	-	-	178,000	-	-	-	-
<b>Total Legislative</b>	-	-	-	268,000	-	-	-	-
Medical Fees	-	-	4,000	42,940	-	-	-	-
<b>Planning</b>								
MSP Int'l	-	-	-	-	-	-	-	-
Relievers	-	-	-	50,000	-	-	-	-
<b>Total Planning</b>	-	-	-	50,000	-	-	-	-
Pollution/Environmental Fees	-	-	-	-	-	-	1,500	150
<b>Public Information Services</b>								
Public Infor Serv. - Pho	-	-	-	10,000	-	-	-	5,000
Public Infor Serv. - Other	-	-	-	215,000	-	-	-	5,000
<b>Total Public Information Services</b>	-	-	-	225,000	-	-	-	10,000
<b>Recruiting Employment Fees</b>								
Staff Recruiting	-	-	-	14,083	-	-	-	-
Executive Recruiting	-	-	-	25,000	-	-	-	-
<b>Total Recruiting Employment Fees</b>	-	-	-	69,083	-	-	-	-
<b>Safety Consultants</b>	-	5,350	-	-	-	-	-	-
Communications Consultant	-	-	-	43,725	-	-	-	-
<b>Other/Miscellaneous</b>								
<b>Survey Expense</b>	-	-	-	-	-	-	-	-
<b>Wildlife/Meteorology</b>								
Meteorology	-	-	-	-	-	16,659	-	-
Wildlife	-	-	-	-	-	60,000	-	62,000
<b>Total Wildlife/Meteorology</b>	-	-	-	-	-	76,659	-	62,000
Business Development	-	-	-	140,000	-	-	-	-
Environmental	-	-	-	-	-	-	45,800	-
<b>Mechanical</b>								
Mechanical Terminal	-	-	-	3,925	-	-	-	-
Mechanical Trades	-	-	-	-	-	-	-	-
<b>Total Mechanical</b>	-	-	-	3,925	-	-	-	-
Miscellaneous	-	65,150	5,656	34,524	-	-	-	44,000
<b>Total Other/Miscellaneous</b>	-	65,150	5,656	178,449	-	76,659	45,800	106,000
<b>Total Professional Services</b>	-	70,500	9,656	2,299,179	20,000	76,659	252,800	223,480
<b>Utilities</b>								
Electricity	-	-	66,360	126,633	-	-	2,276	272,150
<b>Heating Fuel</b>								
Heating - Natural Gas	-	-	34,436	53,093	-	-	-	85,951
Heating - Fuel Oil	-	-	-	-	-	-	-	-
<b>Total Heating Fuel</b>	-	-	34,436	53,093	-	-	-	85,951
Sewer	-	-	662	1,518	-	-	-	17,707
Water	-	-	5,632	3,478	-	-	-	3,000
<b>Telephone</b>								
Telephone - Regular	-	4,206	186	121,189	5,014	41,883	37,795	33,665
Telephone - Internet Service	-	-	-	64,511	700	-	-	38,504
Telephone - Cellular	-	20,000	7,000	28,712	2,100	14,975	1,454	9,331
<b>Total Telephone</b>	-	24,206	7,186	214,412	7,814	56,858	39,249	81,500
<b>Total Utilities</b>	-	24,206	114,276	399,134	7,814	56,858	41,525	460,308



<b>LINE ITEMS BY SUBLEDGER - 2010 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	-	-	-	22,839	-	-	-	-
<b>Advertising - General</b>	-	-	-	117,415	2,500	-	-	-
Advertising - Parking	-	-	-	-	-	-	-	-
Advertising - Relievers	-	-	-	-	-	-	-	6,000
<b>Total Advertising</b>	-	-	-	140,254	2,500	-	-	6,000
<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	-	-	-	-	-	-	300	-
<b>Total Pollution Control</b>	-	-	5,500	-	-	-	300	-
Industrial Waste Mgmt	-	-	-	-	-	-	-	-
Laboratory Services	-	-	-	2,000	-	-	500	-
Solvent Reclamation Service	-	-	-	-	-	-	-	1,250
Tire Disposal	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	128,000
<b>Total Environmental Control</b>	-	-	5,500	2,200	-	-	800	129,250
GISW Management	-	-	-	-	-	-	-	-
<b>Grd Transportation Services</b>								
<b>Shuttle Services</b>	-	-	-	-	-	-	-	-
<b>Parking Lots</b>	-	-	-	-	-	-	-	-
<b>Met Council Fees</b>	-	-	-	-	-	-	-	-
<b>Employee Programs</b>								
<b>Recognition</b>	-	-	-	7,000	-	-	-	-
<b>Retirement</b>	-	-	-	2,500	-	-	-	-
<b>Wellness</b>								
Wellness - Fitness Program	-	-	-	113,520	-	-	-	-
Wellness-Health/Wellness	-	-	-	520	-	-	-	-
Wellness-Nutrition/Stress	-	-	-	6,000	-	-	-	-
<b>Total Wellness</b>	-	-	-	120,040	-	-	-	-
<b>Total Employee Programs</b>	-	-	-	129,540	-	-	-	-
<b>Events</b>								
<b>Conference Center</b>	-	-	-	-	50,000	-	-	-
<b>Emergency Response Exercise</b>	-	-	-	3,500	-	4,152	-	-
Other Programs/Events	-	-	-	3,085	-	-	-	1,075
<b>Total Events</b>	-	-	-	6,585	50,000	4,152	-	1,075
<b>Other Charges/Fees</b>								
Bank Charges	-	-	-	195,000	-	-	-	-
IATA Contract Expense	-	-	-	58,000	-	-	-	-
<b>Security Services Regular</b>	-	465,000	-	-	-	-	-	-
Security Services Check Pt	-	-	-	-	-	-	-	-
Concessions Marketing	-	-	-	-	537,733	-	-	-
<b>Recycling</b>	-	-	-	-	-	-	500	-
Copy Agreement	-	-	-	130,000	-	-	-	-
Mediation Fees	-	-	-	2,200	-	-	-	-
<b>Miscellaneous Charges/Fees</b>	-	24,600	-	8,434	-	-	-	50,034
Jail Fees	-	12,000	-	-	-	-	-	-
<b>Total Other Charges/Fees</b>	-	501,600	-	393,634	537,733	-	500	50,034
<b>Service Agreements</b>								
Service - Bldg Inspection	-	-	-	-	-	-	-	-
Service-Computers	-	219,007	7,200	509,046	-	86,819	77,539	2,412
Service-Fitness Equipment	-	-	1,500	820	-	-	-	-
Service-Grd Trans Equip	-	-	-	-	-	-	-	-
Service-Loading Dock	-	-	-	-	-	-	-	-
Service-Office Equipment	-	30,887	-	5,721	1,130	817	-	-
Service-Other Equipment	-	194,688	12,500	400	2,090	4,500	1,678	-
Service-Parking Equipment	-	-	-	-	-	-	-	-
Service-Telephone Systems	-	-	-	48,000	-	4,311	-	-
Service-Secured Access	-	-	-	-	-	-	-	-
Service-Radios	-	37,260	12,288	127,037	-	9,033	-	-
<b>Total Service Agreements</b>	-	481,842	33,488	691,024	3,220	105,480	79,217	2,412
<b><u>Total Operating Services/Expenses</u></b>	-	983,442	38,988	1,363,237	593,453	109,632	80,517	188,771

<b>LINE ITEMS BY SUBLEDGER - 2010 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	-	-	-	-	-	-	-	-
Traffic Paint - Parking	-	-	-	-	-	-	-	-
Reliever Airport - Paint	-	-	-	-	-	-	-	2,928
Traffic Paint - Roads	-	-	-	-	-	-	-	-
Traffic Paint - Runways	-	-	-	-	-	-	-	-
<b>Total Paint</b>	-	-	-	-	-	-	-	2,928
<b>Signs</b>								
Other Sign Material/Etc	-	-	-	-	-	-	-	-
Regulatory - Signs	-	-	-	-	-	-	-	-
Exterior Sign Materials	-	-	-	-	-	-	-	-
Interior Sign Materials	-	-	-	-	-	-	-	-
Reliever Airport Signs	-	-	-	-	-	-	-	4,595
<b>Total Signs</b>	-	-	-	-	-	-	-	4,595
<b>Supplies</b>								
Brushes _Supplies	-	-	-	-	-	-	-	-
Paint Supplies - Other	-	-	-	-	-	-	-	-
Solvents	-	-	-	-	-	-	-	-
Equipment Spray	-	-	-	-	-	-	-	-
Paint Tools	-	-	-	-	-	-	-	-
<b>Total Supplies</b>	-	-	-	-	-	-	-	-
<b>Total Trades - Painters</b>	-	-	-	-	-	-	-	7,523
<b>Trades - Carpenters</b>								
<b>Locks</b>								
Locks - Doors	-	-	-	-	-	-	-	3,300
Locks - Door Tags/ID	-	-	-	-	-	-	-	-
<b>Total Locks</b>	-	-	-	-	-	-	-	3,300
<b>Flags</b>	-	-	-	-	-	-	-	124
<b>Lumber</b>								
Lumber-Cabinets	-	-	-	-	-	-	-	-
Lumber-Other	-	-	-	-	-	-	-	1,400
<b>Total Lumber</b>	-	-	-	-	-	-	-	1,400
<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>	-	-	-	-	-	-	-	4,824

<b>LINE ITEMS BY SUBLEDGER - 2010 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	-	-	-	25,500
General Plumbing Supplies	-	-	2,604	683	-	-	-	-
Irrigation Supplies	-	-	-	743	-	-	-	-
Pumps	-	-	-	-	-	-	-	-
Underground Utilities	-	-	-	-	-	-	-	-
Water Distribution Systems	-	-	-	-	-	-	-	-
Water Meters	-	-	-	-	-	-	-	-
Plumbing - Other	-	-	-	-	-	-	-	20,750
<b>Total Trades - Plumbers</b>	-	-	6,045	2,998	-	-	-	46,250
<b>Trades - Electricians</b>								
<b>Repairs</b>								
Electrical _ Exterior	-	-	-	-	-	-	-	40,887
Generator Maint. Contract	-	-	-	-	-	-	-	-
Electrical - Interior	-	-	-	-	-	-	-	3,190
Unit Maint. Contract	-	-	-	-	300,000	-	-	-
<b>Total Repairs</b>	-	-	-	-	300,000	-	-	44,077
<b>Other</b>								
Other - Batteries	-	-	-	161	-	-	-	-
Other-Field Lights/Sensors	-	-	-	-	-	-	-	-
Other - Gate Supplies	-	-	-	-	-	-	-	17,545
Other - General Supplies	-	-	-	-	-	-	-	-
Other - Miscellaneous	-	-	-	-	-	-	-	-
Other - Motor	-	-	-	-	-	-	-	-
Other - Secured Access Sys	-	-	-	-	-	-	-	-
Other - Tools	-	-	-	-	-	-	-	-
<b>Total Other</b>	-	-	-	161	-	-	-	17,545
<b>Total Trades - Electricians</b>	-	-	-	161	300,000	-	-	61,622

<b>LINE ITEMS BY SUBLEDGER - 2010 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	-	-	-	-	-	-	-	97
Materials - Sand	-	-	-	-	-	-	-	15,248
Materials - Urea	-	-	-	-	-	-	-	4,775
<b>Total Snow Removal - Materials</b>	-	-	-	-	-	-	-	20,120
<b>Snow Removal - Equipment</b>								
Equipment - Contract	-	-	-	-	-	-	-	-
Equipment - Other	-	-	-	-	-	-	-	500
Equip Rent-No Operator-5.5	-	-	-	-	-	-	-	4,800
Equipment-Rent-No Operator	-	-	-	-	-	-	-	698
<b>Total Snow Removal - Equipment</b>	-	-	-	-	-	-	-	5,998
<b>Snow Removal - Miscellan</b>								
Snow Removal - Meals	-	-	-	-	-	-	-	489
Snow Removal - Plow Blades	-	-	-	-	-	-	-	-
Snow Removal - Runway Brm	-	-	-	-	-	-	-	-
Snow Melters	-	-	-	-	-	-	-	-
<b>Total Snow Removal - Miscellan</b>	-	-	-	-	-	-	-	489
<b>Summer Maintenance-Surface</b>								
Surface Repair-Aggregate	-	-	-	-	-	-	-	3,560
Surface Repair-Asphalt	-	-	-	-	-	-	-	11,233
Surface Repair-Cement	-	-	-	-	-	-	-	2,050
Surface Repair-Other	-	-	-	-	-	-	-	-
Surface Rubber Removal	-	-	-	-	-	-	-	7,300
Surface Repair-Saw Blades	-	-	-	-	-	-	-	-
Surface Repair-Hot Sealant	-	-	-	-	-	-	-	-
<b>Total Summer Maintenance-Surfac</b>	-	-	-	-	-	-	-	24,143
<b>Summer Maint-Landscape</b>								
Summer Maintenance-Fencing	-	-	-	-	-	-	-	3,043
Landscape/Turf-Materials	-	-	-	-	-	-	-	15,965
Summer Maint-Equip Rent No Op	-	-	-	-	-	-	-	-
Summer Maint-Equip Rent LT	-	-	-	-	-	-	-	-
<b>Total Summer Maint-Landscape</b>	-	-	-	-	-	-	-	19,008
<b>Maintenance Field-Other</b>								
Non Runway Brooms	-	-	-	-	-	-	-	-
Field Maint-Other/Emerg	-	-	-	-	-	-	-	-
Field Maint-Other-Material	-	-	-	-	-	-	-	-
Field Maint-Other-Supplies	-	-	-	-	-	-	-	2,199
Field Maint-Other-Tools	-	-	-	-	-	-	-	-
<b>Total Maintenance Field-Other</b>	-	-	-	-	-	-	-	2,199
<b>Total Maintenance - Field</b>	-	-	-	-	-	-	-	71,957
<b>Maintenance Building</b>								
<b>Building-Temp Control</b>								
Temp Control-Contracts	-	-	3,580	3,580	-	-	-	25,709
Temp Control-Filters	-	-	-	-	-	-	-	1,055
<b>Total Building-Temp Control</b>	-	-	3,580	3,580	-	-	-	26,764
<b>Building-Mechanical Areas</b>								
Mechanical Areas-APM	-	-	-	-	-	-	-	-
Mechanical Areas-Conveyors	-	-	-	-	-	-	-	-
Mechanical Areas-Doors	-	-	-	-	-	-	-	4,504
Mechanical Areas-Doors/Pub	-	-	-	-	-	-	-	-
Mechanical Areas-Doors/Tug	-	-	-	-	-	-	-	-
Mechanical Areas-Elevators	-	-	-	-	-	-	-	3,875
Mechanical Areas-Escalator	-	-	-	-	-	-	-	-
Mechanical-Moving Walks	-	-	-	-	-	-	-	-
<b>Total Building-Mechanical Areas</b>	-	-	-	-	-	-	-	8,379
<b>Building-Other</b>								
Other-Building Systems	-	-	-	-	-	-	-	-
Other-Boiler Chemicals	-	-	-	-	-	-	-	-
Other-Floors/Repairs	-	-	-	-	-	-	-	-
Other-Jetbridge Repairs	-	-	-	-	-	-	-	-
Other-Outside Plumb/Sewer	-	-	-	-	-	-	-	-
Other-Paging System Contract	-	-	-	-	-	-	-	-
Other-Pest Control	-	-	-	-	-	-	-	-
Other-Roofing	-	-	-	-	-	-	-	4,825
Sump/Septic Pumping	-	-	-	-	-	-	-	-
Other-Supplies	-	-	907	-	-	-	-	6,926
Other-Tools	-	-	-	-	-	-	-	-
<b>Total Building-Other</b>	-	-	907	-	-	-	-	11,751
Minor Projects Expense	-	-	-	-	-	-	-	-
<b>Total Maintenance Building</b>	-	-	4,487	3,580	-	-	-	46,894

<b>LINE ITEMS BY SUBLEDGER - 2010 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	-	-	28,489	43,622	601,351	-	-	28,092
Cleaning Services-Windows	-	-	-	11,362	-	-	-	2,012
<b>Total Cleaning Services</b>	-	-	28,489	54,984	601,351	-	-	30,104
<b>Cleaning Supplies</b>								
Cleaning Supplies-Bathroom	-	-	-	-	-	-	-	-
Cleaning Supplies-General	-	-	-	-	-	-	-	2,879
<b>Total Cleaning Supplies</b>	-	-	-	-	-	-	-	2,879
<b>Rubbish Disposal</b>								
Rubbish Disposal-Recycle	-	-	-	-	-	-	-	-
Rubbish Disposal-Regular	-	-	2,150	1,800	-	-	-	34,280
<b>Total Rubbish Disposal</b>	-	-	2,150	1,800	-	-	-	34,280
Towel Laundry Services	-	-	-	-	640	-	-	4,216
Other Cleaning Expenses	-	-	2,060	-	-	-	-	-
<b>Total Maintenance-Cleaning</b>	-	-	32,699	56,784	601,991	-	-	71,479
<b>Maintenance-Equipment</b>								
<b>Equipment-Parts</b>								
Parts-Automobiles	-	48,000	3,000	-	-	7,900	-	-
Parts-Boilers Energy Mgmt	-	-	-	-	-	-	-	2,611
Parts-Chiller Energy Mgmt	-	-	1,723	14,382	-	-	-	-
Parts-Other Equipment	-	-	-	-	-	-	-	-
Parts-Equipment	-	30,300	35,000	-	-	-	-	93,344
Parts-Other Equipment	-	150,000	-	-	-	-	-	439
<b>Total Equipment-Parts</b>	-	228,300	39,723	14,382	-	7,900	-	96,394
<b>Equipment-Shop</b>								
Shop-Batteries	-	-	-	-	-	-	-	1,061
Shop-Cleaners/Degreasers	-	-	-	-	-	-	-	258
Shop-Oil Filters	-	-	-	-	-	-	-	5,921
Shop-Other Supplies	-	-	-	-	-	-	-	8,261
Shop-Tires	-	-	25,000	-	-	-	-	7,695
Shop-Tools	-	-	-	-	-	-	-	2,412
<b>Total Equipment-Shop</b>	-	-	25,000	-	-	-	-	25,608
<b>Equipment-Gas</b>								
Gas-Diesal	-	3,157	17,856	-	-	-	-	64,970
Gas-Ethanol	-	3,458	1,660	5,085	-	6,373	1,100	-
Gas-Propane	-	-	-	-	-	-	-	-
Gas-Unleaded	-	88,000	6,500	8,000	-	11,000	3,685	34,598
<b>Total Equipment-Gas</b>	-	94,615	26,016	13,085	-	17,373	4,785	99,568
<b>Equipment-Extinguishers</b>								
Extinguishers-Purchase	-	-	10,000	-	-	-	-	-
Extinguishers-Reservice	-	-	5,000	-	-	-	-	-
<b>Total Equipment-Extinguishers</b>	-	-	15,000	-	-	-	-	-
Equipment-Miscellaneous Exp	-	-	-	15,200	-	-	1,000	2,834
<b>Total Maintenance-Equipment</b>	-	322,915	105,739	42,667	-	25,273	5,785	224,404
<b>Total Maintenance</b>	-	322,915	148,970	106,190	901,991	25,273	5,785	534,953

<b>LINE ITEMS BY SUBLEDGER - 2010 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	-	90,924	67,585	43,531	-	3,946	2,815	102,734
Gen Ins-Property	-	109,164	81,142	52,263	-	4,737	3,386	123,340
Gen Ins-Crime	-	1,784	1,326	854	-	77	55	2,016
Gen Ins-Auto/Equipment	-	26,781	19,907	12,822	-	1,162	831	30,260
Gen Ins-Other	-	888	660	425	-	39	28	1,002
<b>Total General Insurance</b>	-	229,541	170,620	109,895	-	9,961	7,115	259,352
<b>Safety</b>								
Safety-Supplies	-	2,250	-	-	-	-	-	1,285
Safety-Equipment	-	-	-	5,500	-	-	-	-
<b>Total Safety</b>	-	2,250	-	5,500	-	-	-	1,285
<b>Medical Information/Supply</b>	-	17,250	3,090	700	-	-	-	282
<b>Rentals</b>								
Rental-Copier	-	-	4,500	20,701	-	15,800	-	-
Rental-Pagers	-	2,925	4,130	5,050	-	2,450	-	760
Rental-Other Equipment	-	-	-	6,740	-	-	-	-
<b>Total Rentals</b>	-	2,925	8,630	32,491	-	18,250	-	760
<b>Licenses/Permits</b>								
Licenses-Autos/Equipment	-	-	-	4,100	-	-	-	-
Licenses-Environmental	-	-	-	-	-	-	-	2,550
Licenses-Other	-	-	-	-	1,000	-	-	277
<b>Total Licenses/Permits</b>	-	-	-	4,100	1,000	-	-	2,827
<b>Miscellaneous Expenses</b>								
Misc-Firearm/Equip/Supplies	-	65,000	29,000	-	-	15,125	-	-
Misc-Emergency Response	-	23,750	27,120	-	-	-	-	-
Misc-Other	-	43,000	-	9,758	-	-	-	-
Misc-Taxes(Petroleum/Use)	-	-	-	-	-	-	-	2,125
<b>Total Miscellaneous Expenses</b>	-	131,750	56,120	9,758	-	15,125	-	2,125
<b>Adjustments/Bad Debt</b>	-	-	-	15,000	-	-	-	-
<b>Capital Assets</b>								
<b>Minor Equipment/Assets</b>								
Minor Assets-Tools	-	-	-	-	-	900	-	-
Minor Assets-Office Furn	-	1,000	-	-	-	1,398	-	-
Minor Assets-Computers	-	7,000	-	105,000	-	18,867	7,000	-
Minor Assets-Radios	-	-	2,500	12,000	-	7,999	-	-
Minor Assets-Other	-	-	28,100	200	-	-	-	-
<b>Total Minor Equipment/Assets</b>	-	8,000	30,600	117,200	-	29,164	7,000	-
<b>Total Capital Assets</b>	-	8,000	30,600	117,200	-	29,164	7,000	-
<b>Total Other</b>	-	391,716	269,060	294,644	1,000	72,500	14,115	266,631
<b>Gross Depreciation</b>	-	-	-	-	-	-	-	-
<b>Grand Total Excluding Depreciation</b>	-	14,439,562	6,152,188	18,200,812	2,432,106	3,529,264	1,745,487	4,594,430
<b>Grand Total With Depreciation</b>	-	14,439,562	6,152,188	18,200,812	2,432,106	3,529,264	1,745,487	4,594,430

<b>CAPITAL EQUIPMENT SUMMARY - 2010 OPERATING BUDGET</b>
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Annually MAC completes its capital equipment requests for new and replacement equipment. In the past eight years, only essential pieces of equipment requests were considered based upon cash flow and organizational requirements. The same criteria were in place for the 2010 budget. The capital equipment requests in the 2010 budget decreased \$515,609 or 7.5%. All technology related capital equipment was also reviewed by the Information Services (IS) department.

In 2008, the Commission fully incorporated 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 \$6.4 million capital equipment budget listed below is funded in two ways. First, those pieces of equipment which are chargeable to the tenants and airlines are now acquired through various lease terms. The amount of equipment financed by leasing for 2010 is approximately \$2.5 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 \$3.9 million) is not associated with any rate calculations. These pieces of equipment are funded with internally generated funds.

**2010 CAPITAL EQUIPMENT SUMMARY**

	<b>2009</b>	<b>2010</b>		
	<b><u>Estimate</u></b>	<b><u>Budget</u></b>	<b><u>\$ Variance</u></b>	<b><u>% Variance</u></b>
Total Equipment	\$6,895,300	\$6,379,691	(\$515,609)	-7.5%

## CAPITAL EQUIPMENT SUMMARY - 2010 OPERATING BUDGET

## FINANCE &amp; ADMINISTRATIVE SERVICES DIVISION

Information Services

Equipment	Individual Price	Qty	Trade in Value	Total
<b>EnterpriseOne Phase III</b> Complete implementing the modules in EnterpriseOne that were deferred by MAC departments in the initial roll out. These include: Human Resource self service for employees and managers, on line requisitions for Purchasing, utility billing, A/R statement processing, time reporting for non-standard departments and project management reporting for development projects.	\$650,000	1		\$650,000
<b>GIS Phase III</b> Continue integrating the MAC Geographic Information System by linking it to EnterpriseOne for concessions, maintenance management and property management.	\$250,000	1		\$250,000
<b>Network equipment</b> Equipment includes replacements for end of life switches and routers as well as network security equipment to detect and avert problems.	\$162,979	1	\$0	\$162,979
<b>Security compliance software</b> Software to record and analyze log files from MAC's servers in order to detect unexpected activity. This is a regulatory requirement.	\$75,000	1		\$75,000
<b>Server equipment</b> Equipment includes keyboard, video and mouse (KVM) console replacements for MAC overall, Landside and Police, storage area network (SAN) equipment replacing the equipment used for the email archiving implementation and replacement servers.	\$164,000	1	\$0	\$164,000
<b>Information Services Total:</b>				<b>\$1,301,979</b>



## CAPITAL EQUIPMENT SUMMARY - 2010 OPERATING BUDGET

## OPERATIONS DIVISION

Airside Operations

Equipment	Individual Price	Qty	Trade in Value	Total
<b>FAA Information Display System IV (IDS4)</b> The FAA's Information Display System (IDS4) is currently the information sharing channel between the Air Traffic Control Tower units regarding operational activities on the movement area at MSP. This system provides a foundation for Collaborative Decision Making (CDM) initiatives between ATC, the airlines and airport operators and offers a visual up-to-date "check and balance" system of movement area transactions between ATC and Airside Operations. This system is currently installed in approximately 280 airports around the country.	\$12,000	1		\$12,000

Airside Operations Total: **\$12,000**Facilities-Lindbergh Terminal

Equipment	Individual Price	Qty	Trade in Value	Total
<b>Bomb-proof Trash Cans, Ash Urns, etc.</b> For the purchase of Blast Mitigation (bomb-proof) trash cans, aggregate ash urns, etc. to "outfit" both the Lindbergh and Humphrey Terminals, as well as the parking ramps, etc.	\$15,000	1		\$15,000
<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 completion of the program started in 2008. All remaining food courts will be outfitted with compactors throughout the Lindbergh Terminal.	\$5,000	9		\$45,000
<b>Terminal Trash Receptacle and Recycling Containers</b> Replacement of trash receptacles and recycling containers throughout the Lindbergh and Humphrey Terminals, Northstar Crossing and concourses (excluding G Concourse). This is the completion of the replacement program started in 2008 and will cover all non-secure, public areas throughout both terminals.	\$112,000	1		\$112,000

Facilities-Lindbergh Terminal Total: **\$172,000**

## CAPITAL EQUIPMENT SUMMARY - 2010 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>Field tractor with plow</b> Large, field tractor replacement equipment with plow for winter operations; also used for summer mowing operations with existing attachments.	\$140,000	2	\$44,000	\$236,000
<b>High-Speed Snow blower</b> Replacement equipment planned for 2009, but deleted from capital list at final cut; unit to be replaced will be assigned to the reliever airports per 2009 plan.	\$760,000	1		\$760,000
<b>Hybrid (electric/fuel) pick-up</b> Hybrid vehicle to replace supervisor's SUV that has reached end of useful life. Trade-in includes available alternate fuel vehicle rebate. Flex-fuel quad-cab pick-up option available.	\$42,000	1	\$3,000	\$39,000
<b>Jersey barrier pick/load attachment</b> Front-end loader attachment to facilitate rapid deployment/movement of concrete jersey barriers used for airport security.	\$7,000	1		\$7,000
<b>Liquid deicer spray boom</b> Replacement equipment with new technology to more accurately control liquid chemical application; replacing a deice truck component will extend the useful life of the base truck.	\$20,000	3		\$60,000
<b>Litter vacuum</b> Replacement equipment used to maintain terminal fronts and landscape areas; existing equipment proposed to be assigned to reliever airports.	\$40,000	2		\$80,000
<b>Multi-surface scrubber</b> Parking ramp cleaning equipment to facilitate concurrent cleaning operations at the Humphrey and Lindbergh parking ramps; equipment is in consideration of new Humphrey parking facilities, the impact of annual preventative maintenance on available parking spaces and the need to complete cleaning program before temperature becomes a factor for high-pressure water cleaning.	\$125,000	2		\$250,000
<b>Muti-function snow removal vehicle</b> Combination snow plow and rotary broom vehicle to replace single-unit plow and rotary broom vehicles that entered service in the early 1990's. The units to be replaced have high maintenance costs and parts are becoming increasingly difficult to procure.	\$834,600	1	\$33,000	\$801,600
<b>Skidsteer</b> Replacement equipment for existing unit with high maintenance costs and replacement parts limitations.	\$38,000	1	\$3,000	\$35,000

<b>CAPITAL EQUIPMENT SUMMARY - 2010 OPERATING BUDGET</b>
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**OPERATIONS DIVISION****Field Maintenance**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>Skidsteer plow blade attachment</b> Adjustable plow blade attachment for more effective and efficient snow removal in the close-quarter areas of the regional aircraft parking gates; will be used on winter season rental equipment.	\$15,000	4		\$60,000
<b>Small sander w/plow</b> Replacement equipment for a vehicle that entered service in the early 1990's. The unit to be replaced has high maintenance costs.	\$65,000	1	\$10,000	\$55,000
<b>Small utility tractor with attachments</b> Replacement utility (garden tractor variety) equipment with mowing and rotary broom attachments for seasonal maintenance tasks.	\$38,000	1		\$38,000
<b>Snow-blower attachment</b> Replacement utility tractor attachments for landside/terminal winter operations equipment.	\$11,000	2		\$22,000
<b>Super-duty pick-up with cleaning attachments</b> Second of two vehicles for concurrent Lindbergh/Humphrey parking ramp cleaning operations.	\$75,000	1		\$75,000
<b>Field Maintenance Total:</b>				<b>\$2,518,600</b>

## CAPITAL EQUIPMENT SUMMARY - 2010 OPERATING BUDGET

## OPERATIONS DIVISION

Landside-Parking

Equipment	Individual Price	Qty	Trade in Value	Total
<b>Additional Oracle Licenses</b> With the expanded use of the current RCS system, we have been adding new users to the system and need additional Oracle client licenses to meet software licensing compliance. 153 additional licenses at \$300 each.	\$45,900	1		\$45,900
<b>Software Development and PCI Compliance Upgrade</b> Many components of the Revenue Control System are 5 to 10 years old, and are of need of upgrading to meet current PCI compliance demands and maintain continued reliability . RCS needs to be upgraded to the current Oracle database versions and Windows NT needs to be eliminated from the network. The current system was developed when PCI compliance requirements were at a lower level at the time. This upgrade would install all new servers and update the RCS infrastructure to get as close to meeting current PCI standards as possible with the current system.	\$386,000	1		\$386,000
<b>Upgrade parking RCS from Zeag FCMS to Zeag Orion</b> Zeag FCMS was first installed in 1999. It reached Final Acceptance September 2004 and per contract has a designed life of eight years. Therefore Zeag FCMS will reach its designed end of life September 2012. By replacing Zeag FCMS with Zeag Orion we can extend the life of our parking revenue control system to 2020. The Zeag Orion system is Windows and TCPIP based so it will allow added features (such as barcode coupons) that can not be added to the existing system.  It will cost \$2.6 million over three years to install Orion hardware and to enhance Orion software to include existing MAC features (ePark®, eTrip®, etc.). This does not include \$58,000 monthly maintenance fees that will occur whether or not we purchase this upgrade. (Maintenance fees may actually be higher without the upgrade as parts for FCMS become harder and harder to obtain.)  This upgrade will include an enhancement to the Valet parking system. Project reduces vehicle damage claims by photographing vehicle from several angles upon arrival. This reduces false claims as owner knows vehicle is photographed. Project electronically monitors which Valet driver moves the vehicle to/from each space for accountability of vehicle damage and tracks driver location and time to return to base. Project tracks vehicle location and time traveling between locations to track driver behaviors. Handhelds allow faster, more accurate check-in of vehicles allowing customers to leave the vehicle in line to catch their flight.	\$1,300,000	1		\$1,300,000
<b>Landside-Parking Total:</b>				<b>\$1,731,900</b>

<b>CAPITAL EQUIPMENT SUMMARY - 2010 OPERATING BUDGET</b>
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**OPERATIONS DIVISION****MSP Operations & Admn.**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>Software enhancements</b>	\$30,000	1		\$30,000
Paging system enhancements to include "bridge" to JC DeCaux, CNN, GIDs & FIDs				
<b>MSP Operations &amp; Admn. Total:</b>				<b>\$30,000</b>

## CAPITAL EQUIPMENT SUMMARY - 2010 OPERATING BUDGET

## OPERATIONS DIVISION

Police

Equipment	Individual Price	Qty	Trade in Value	Total
<b>Biometric reader upgrades</b> Biometric reader upgrades – MSP is a pilot airport for the AAAE Biometric Airport Security Identification Consortium (BASIC) Program. In 2010 we will be at a point with our card access program where we will begin to expand our biometric access control readers throughout the campus. As part of the BASIC pilot program MAC IS is working on a transition program from pattern based biometric templates to minutiae based templates. This will give us the technological ability to choose from a larger variety of card readers to suit our needs. We deferred our 2009 budget for this project because the BASIC work on MAC's end wasn't ready for the project. Our plan is to install approximately 50 biometric card readers in 2010. Integrating biometrics into our card access system also meets the suggested improvements identified in security directive 1542-04-08G.	\$150,000	1		\$150,000
<b>DVR's - CCTV system</b> DVR's are an essential component of the CCTV system. Although these units are fairly reliable, they are nearing their expected lifespan and need to be put on a replacement schedule. Many were originally purchased in 2001 and 2002. This replacement schedule will ensure uninterrupted functionality of this valuable system. We will replace 15 units each year, for three (3) years. Replacement cost per unit is about \$13,000.	\$13,000	15		\$195,000
<b>Server replacements for computer system</b> Replacement rotation for department SERVERS each year.  Replace - Dictation Server – Mankato Laserfiche Server – Fruitville E-Ticketing work station SQL Server in Com Center, in 2010.	\$38,000	1		\$38,000
<b>TV Security Project</b> TV Security Project. For ongoing upgrades and additions to the CCTV surveillance system	\$87,000	1		\$87,000
<b>Upgrade security camera</b> Upgrade and add security cameras to public areas in ticketing, baggage, upper and lower roadways in 2010.	\$50,000	1		\$50,000
Police Total:				<b>\$520,000</b>

## CAPITAL EQUIPMENT SUMMARY - 2010 OPERATING BUDGET

## OPERATIONS DIVISION

Trades - Electricians

Equipment	Individual Price	Qty	Trade in Value	Total
<b>4 x 4 Replacement Truck</b> Replacement truck for # 616-783 which is a field-locate truck that is only two wheel drive and gets stuck in the MSP fields often. Utility box(es) will be re-used on the new truck for cost savings. Existing truck could be re-used.	\$27,300	1		\$27,300
<b>E-ride Electric Truck</b> Electric replacement truck for existing 1991 truck # 616-503 with over 101,700 miles on it. Used to go back and forth from Trades Building to both terminals and throughout MSP campus. Electric truck is both environmentally friendly and should start to show immediate payback with gas savings.	\$28,500	1		\$28,500
<b>Lift</b> Lift to be shared by all of the Trades groups for use on the LRT platform.	\$12,000	1		\$12,000
<b>Trades - Electricians Total:</b>				<b>\$67,800</b>

Trades - Painters

Equipment	Individual Price	Qty	Trade in Value	Total
<b>Line striper-line lazer IV 200 HS 2 gin</b> Line Striper is used in the parking decks for restriping and will replace worn out machine.	\$6,706	2	\$0	\$13,412
<b>Trades - Painters Total:</b>				<b>\$13,412</b>

Trades - Plumbers

Equipment	Individual Price	Qty	Trade in Value	Total
<b>Pressure washer for wash bay</b> Pressure washer to wash vehicles and equipment at the Trades Center. Current pressure washer has broken down several times and parts are now obsolete. The equipment is necessary for to maintain the quality and extend the life of vehicles and equipment.	\$12,000	1		\$12,000
<b>Trades - Plumbers Total:</b>				<b>\$12,000</b>

**Capital Asset Grand Total: \$6,379,691**

**CAPITAL EQUIPMENT SUMMARY - 2010 OPERATING BUDGET**

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<b>PERSONNEL SUMMARY – 2010 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 twenty FTE positions and five additional positions were eliminated as a result of budget constraints related to the airline industry and the economic recession. The 2009 budgeted position count shows 574.5 for the full year, the actual salary amount for the budgeted positions was adjusted to reflect a limited vacancy factor to account for time to fill open positions. This also applies to the 2010 budget. 574.5 are the authorized FTE positions. However, 565.5 FTE positions are funded.

<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>	<b>2010 Total</b>
Budgeted	543.5	544.5	574.5	558.5	579.5	599.5	574.5	565.5
Authorized	593.5	593.5	593.5	575.5	579.5	599.5	574.5	574.5
Actual	527.0	535.5	557.0	558.5	551.5	565.0	555.5	-----

<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 – 2010 OPERATING BUDGET

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

		As of 12/16/08		As of 12/18/09	
Service Center	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 (1) Budget
<b>Executive</b>					
75000 Executive	2	2	2	2	2
75100 Executive - Commissioner	0.5	0.5	0.5	0.5	0.5
76000 Public Affairs	2	3	3	3	3
78300 Internal Audit	3	4	4	3	4
79500 Labor and Governmental Affairs	3	3	3	3	3
<b>Total Executive</b>	10.5	12.5	12.5	11.5	12.5
<b>BUDGET</b>	<b>12.5</b>	<b>10.5</b>	<b>12.5</b>	<b>12.5</b>	<b>12.5</b>
<b>Human Resources</b>					
75700 Human Resources	1.5	2.5	2	2	2
76600 HRD & Strategic Planning	4	4	3	3	3
81500 Employee Relations	5.5	5.5	5.5	5.5	5.5
80600 Diversity	2.5	2.5	2	2	2
<b>Total Human Resources</b>	13.5	14.5	12.5	12.5	12.5
<b>BUDGET</b>	<b>14</b>	<b>13.5</b>	<b>15</b>	<b>12.5</b>	<b>12.5</b>
<b>Finance &amp; Administrative Services</b>					
75600 Finance & Admn. Services*	4	2	2	4	4
76800 Risk Management	4	4	4	4.5	4.5
78000 Finance	15	18	19	16	16
78100 MAC General***					
78200 Purchasing	7.5	7.5	7.5	7.5	7.5
79000 Information Services	17	17	19	20	20
<b>Total Administrative Services</b>	47.5	48.5	51.5	52	52
<b>BUDGET</b>	<b>61.5</b>	<b>56</b>	<b>81</b>	<b>53</b>	<b>52</b>
<b>Legal Affairs</b>					
81000 General Counsel	8	7	8	8	8
<b>Total General Counsel</b>	8	7	8	8	8
<b>BUDGET</b>	<b>8</b>	<b>8</b>	<b>9</b>	<b>8</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	0.5	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	7	5	5	4	5
80100 Concessions & Business Development***	0	4	4	4	4
82050 Conference Center ****	2	1	3	2	3
85000 Environment -General	2	2	2	2	2
85100 Environment-Environmental	3	3	3	3	3
85300 Environment-Aviation Noise Program	6	7	7	7	7
<b>Total Environment/Development</b>	40.5	42.5	44.5	41.5	43.5
<b>BUDGET</b>	<b>34</b>	<b>30</b>	<b>33</b>	<b>43.5</b>	<b>43.5</b>

<b>PERSONNEL SUMMARY BY DIVISION – 2010 OPERATING BUDGET</b>
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**Regular Status Full Time Equivalent Position Count  
by Service Center within Division**

Service Center	2006	2007	As of 12/16/08	As of 12/18/09	2010 (1)
	<u>Actual</u>	<u>Actual</u>	<u>2008 Actual</u>	<u>2009 Actual</u>	<u>Budget</u>
<b>Operations</b>					
75800 Deputy - Operations	2	2	1	2	2
82000 MSP Operations & Administration	5	4	4	4	4
82060 Call Center	4	4	3	2	2
82600 Airside Operations	11	12	13	15	15
82700 Emergency Communications	14	15	16	13	16
83400 Landside - Administration	21	20.5	23.5	23.5	23.5
83600 Fire	49	44	49	49	49
84200 Police	116.5	110	113.5	111.5	113.5
85500 Facilities - Humphrey Terminal	2	2	2	2	3
86100 Facilities - Lindbergh Terminal	10	10	10	10	10
86300 Facilities - Energy Management Center	18	19	19	18	18
88000 Electricians	17	15	17	17	17
88100 Painter	7	6	7	8	8
88200 Carpenter	9	9	9	9	9
88300 Plumber	6	7	8	8	8
88400 Trades-Administration	2	2	2	1	2
89000 Maintenance	120	118	113	111	111
90000 Reliever - Administration	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 - Airlake	1	1	1	1	1
90500 Reliever - Flying Cloud	2	3	3	3	3
90600 Reliever - Crystal	3	4	3	3	3
90700 Reliever - Anoka	3	3	3	3	3
<b>Total Operations</b>	<u>438.5</u>	<u>426.5</u>	<u>436</u>	<u>430</u>	<u>437</u>
<b>BUDGET</b>	<b>445.5</b>	<b>442.5</b>	<b>449</b>	<b>436</b>	<b>437</b>
<b>Total Actual FTEs</b>	<b>558.5</b>	<b>551.5</b>	<b>565</b>	<b>555.5</b>	
<b>TOTAL BUDGET FTEs</b>	<b>575.5</b>	<b>560.5</b>	<b>599.5</b>	<b>565.5 (2)</b>	<b>565.5</b>

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

(2) Adjusted down from 574.5 to 565.5 in 2009

\* Moved two FTEs from Finance

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

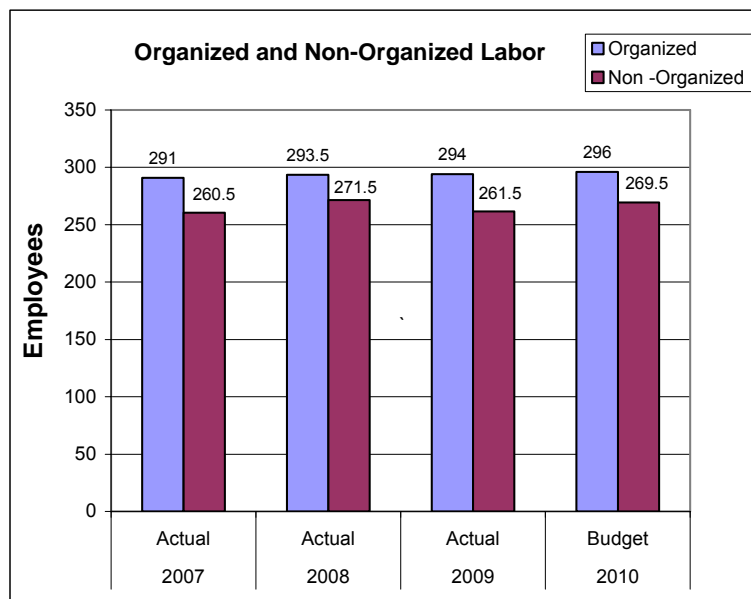
\*\*\* MAC General - general service center for maintaining FTE count

\*\*\*\* Conference Center moved to Planning & Environment Division (from Operations Division)

**PERSONNEL SUMMARY BY CLASSIFICATION – 2010 OPERATING BUDGET**

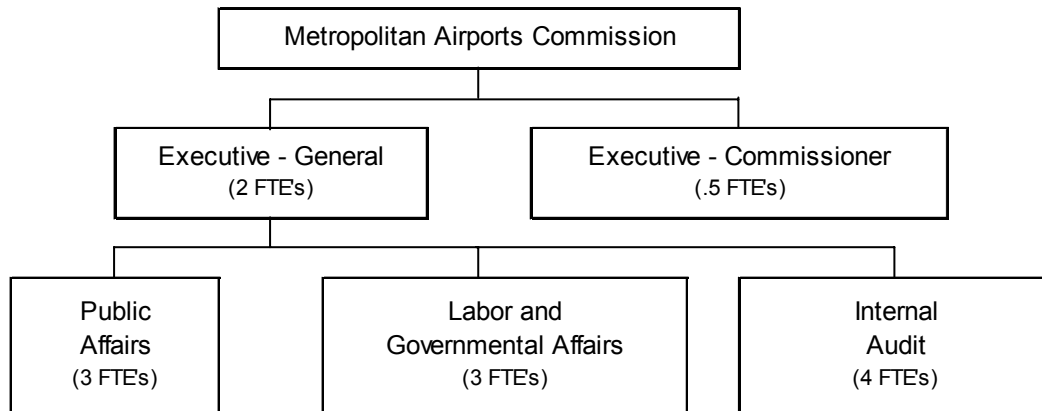
<b>Regular Status Full Time Equivalent Position Count</b>				
<b>by Job Classification</b>				
	2007	2008	2009	2010
	Actual	Actual	Actual	Budget
<b>Organized</b>				
Local 70 Operating Engineers	16	16	15	15
49er's Equipment Maintenance	20	22	22	22
320's - MSP Int'l - Field	77	78	75	75
320's - MSP Int'l - Lindbergh Terminal	2	2	2	2
320's - Reliever Airports	19	18	18	18
Painters -386	6	8	8	8
Carpenters - CAR	9	9	9	9
Plumbers -034	7	8	8	8
Electricians - 292	15	17	17	17
Police Lieutenants/Sergeants - 307	20	16	16	16
Police Officers - 302	60	62.5	59	61
Firefighters - S6	40	37	36	36
Fire Captains	0	0	9	9
<b>Total Organized</b>	<b>291</b>	<b>293.5</b>	<b>294</b>	<b>296</b>
<b>Non-Organized</b>				
Chairperson/Executive Director	1.5	1.5	1.5	1.5
Dep. Directors/Directors/Assistant Director	24	23	23	23
Managers/Assistant Managers/Supervisors	83	82	79.5	80.5
Police Chief/Fire Chief	2	2	2	2
Community Service Officers	9	11.5	12.5	11.5
Passenger Assistants	10.5	13.5	12.5	12.5
Fire Training/Marshall	11	11	2	2
Commanders/Deputy Chief/Police Training Coordinator	7		4	5
Administrative/Professional/Tech. Support	112.5	127	124.5	131.5
<b>Total Non-Organized</b>	<b>260.5</b>	<b>271.5</b>	<b>261.5</b>	<b>269.5</b>
<b>Total MAC</b>	<b>551.5</b>	<b>565.0</b>	<b>555.5</b>	<b>565.5</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 eleven unions. Non-organized refers to all other employees not in a union.



**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

**Executive Division**



**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

**Notations to Service Center Summaries:**

- \* Variance (dollars and %) is computed between 2009 Budget and 2010 Budget
- \* The explanation for the variances is based upon the 2009 Budget and 2010 Budget
- \* Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****EXECUTIVE - GENERAL****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	247,951	255,859	254,593	-1,266	-0.49%
Administrative Expenses	173,229	164,200	161,920	-2,280	-1.39%
Professional Services	135	2,000	0	-2,000	-100.00%
Utilities	811	1,000	600	-400	-40.00%
Operating Services/Expenses	756	500	500	0	0.00%
Other	1,129	1,000	2,000	1,000	100.00%
<b>Total Budget</b>	<b>424,011</b>	<b>424,559</b>	<b>419,613</b>	<b>-4,946</b>	<b>-1.17%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>2</b>	<b>2</b>	<b>2</b>

**RESPONSIBILITY/FUNCTION**

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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	The decrease in Personnel between the 2009 budget and 2010 budget is a result of wage adjustments which did not occur as budgeted in 2009. While the 2010 budget does not incorporate annual wage adjustments for non-contract employees, step increases for eligible employees are included. In addition, over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes.
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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****EXECUTIVE - GENERAL****2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Successfully execute negotiations with NWA/Delta.	An agreement that maintains jobs and aviation services for Minnesota and the region.	An agreement is in place and approved by the Commission.
Lead the development and implementation of MAC's five year strategic plan.	Five year strategic plan in place and key initiatives implemented.	Strategic plan process was updated resulting in a revised plan for 2010-2015.
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.	Competitive airline rates and charges were developed resulting in MAC's favorable ranking among other U.S. large hub airports.



## SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET

## EXECUTIVE - GENERAL

## 2010 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 the implementation of the 2010 organizational key initiatives.	2010 key initiatives are completed on time and within budget.
N/A	Establish long range 2011-2015 goals for the organization.	Long range organizational goals are identified that advance MAC toward the achievement of its vision.

<b>Organizational Strategy: <i>Strengthen Partnerships and Relationships</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Establish, maintain and strengthen key partnerships and relationships that are critical to the organization's success.	Mutually beneficial relationships are in place that support the accomplishment of MAC's mission for the benefit of the region.

## Performance Indicators

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Est</b>	<b>2010 Budget</b>	<b>Target</b>
Customer Service	4.17			4.0 of 5 or greater
<b>SC Performance Indicator:</b>	Airport service performance rating (ACI survey)			
<b>Comments:</b>				
People	4.95			4.5 of 6 or greater.
<b>SC Performance Indicator:</b>	Employee satisfaction rating.			
<b>Comments:</b>				
Financial Responsibility	2.11x			2 times or greater.
<b>SC Performance Indicator:</b>	Debt service coverage maintained.			
<b>Comments:</b>				
People				100%
<b>SC Performance Indicator:</b>	Annual employee performance reviews completed throughout the organization.			
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**EXECUTIVE - COMMISSIONERS/CHAIR****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	34,754	34,833	34,833	0	0.00%
Administrative Expenses	34,651	23,200	19,912	-3,288	-14.17%
Professional Services		0	0		
Utilities		1,250	500	-750	-60.00%
Other		0	0		
<b>Total Budget</b>	<b>69,405</b>	<b>59,283</b>	<b>55,245</b>	<b>-4,038</b>	<b>-6.81%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 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 - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****PUBLIC AFFAIRS****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	263,925	269,328	234,402	-34,926	-12.97%
Administrative Expenses	97,827	104,665	78,016	-26,649	-25.46%
Professional Services	213,121	260,600	256,186	-4,414	-1.69%
Utilities	2,213	3,000	2,213	-787	-26.23%
Operating Services/Expenses	45,052	603,600	571,733	-31,867	-5.28%
Maintenance		0	15,000	15,000	100.00%
Other	1,310	1,330	1,213	-117	-8.80%
<b>Total Budget</b>	<b>623,447</b>	<b>1,242,523</b>	<b>1,158,763</b>	<b>-83,760</b>	<b>-6.74%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>3</b>	<b>3</b>	<b>3</b>

**RESPONSIBILITY/FUNCTION**

The Public Affairs and Marketing Department builds public support for the MAC and its airports through media relations, public information, outreach programs, marketing and advertising. The department enhances the airport experience by providing information to travelers and increases MAC revenues through marketing of MAC facilities, parking and food and retail concessions. In addition, Public Affairs and Marketing identifies, monitors and helps address issues which may impact the MAC, communicates airport benefits and impacts to surrounding communities and enhances customer service and the MSP brand 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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	The decrease in Personnel between the 2009 budget and 2010 budget is a result of wage adjustments which did not occur as budgeted in 2009. While the 2010 budget does not incorporate annual wage adjustments for non-contract employees, step increases for eligible employees are included. In addition, over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes. In addition, an employee departed in 2009 and was replaced by an employee in a lower title and salary range.
Maintenance	The increase in maintenance represents the cost for one annual changeout of all the directories at MSP. In 2009, that responsibility was transferred to Public Affairs and Marketing. There is no 2008 history reflecting directory maintenance.

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****PUBLIC AFFAIRS****2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Promote airport wide customer service program being launched by the Customer Service Action Council.	Increased positive feedback from customers.	In the first three quarters of 2009, MAC logged a total of 145 compliments. The 55 compliments in the second quarter of 2009 set a record for the number of compliments logged in one quarter. That record was surpassed in the third quarter of 2009, during which MAC received 59 compliments. Fourth quarter results are not yet available.
Promote MAC reliever airport system.	Increased awareness of and support for MAC's general aviation airports and improvements to them.	Developed and placed promotional videos for each airport on YouTube. Advertised regularly in Midwest Flyer magazine. Created a Reliever Airports brochure. Held an event and issued news release to celebrate completion of Flying Cloud expansion project.

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****PUBLIC AFFAIRS****2009 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Increase food, beverage, news and retail sales per enplaned passenger.	Year end sales per enplaned passenger results.	Enhanced promotions through improvements to ShopsatMSP.com, development of a new bimonthly Eat, Shop & Relax brochure, working with concessionaires to increase coupon-based promotions, planning and implementing the most robust promotion of holiday sales ever at MSP, developing and implementing first annual Soaring Savings Sidewalk Sale, refined use of concessions ads placed at the top of terminal directories, developed and installed new wall wraps letting travelers know what shops and restaurants are within a few minutes' walk, and promoted the new MSP Service Idol program, which rewards concessions employees who receive perfect scores through MAC's mystery shopper program. Despite these efforts, sales per enplaned passenger suffered due to reduced passenger levels and a historic national recession. On average, each enplaned passenger spent 0.8% less on food in 2009 than in 2008, 1.1% more on news store products and 13.5% less on retail.
Expand public awareness of MAC STAR initiatives and successes.	News stories regarding STAR program and related initiatives.	Issued news release and gave interviews regarding new electric vehicle and wind generators being tested at MSP. Provided multiple media outlets with results of MAC's successful recycling program.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**PUBLIC AFFAIRS****2010 KEY INITIATIVES****Organizational Strategy: *Leverage Resources and Technology***

<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
Implement strategy for incorporating social media and mobile communications into customer communications.	Expand and enhance use of social media and mobile communications to reach customers	Expanded and enhanced use of social media as well as development of MSP's first mobile Web site

**Organizational Strategy: *Provide a Great Customer Experience***

<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
Install new highway and terminal way finding signage.	Develop and implement low-cost educational program to help MSP users associate Terminal 1 with Lindbergh and Terminal 2 with Humphrey.	Educational campaign implemented.

**Organizational Strategy: *Strengthen Partnerships and Relationships***

<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
Develop central Web portal for tenant communications, forms, process instructions, feedback and Q&A.	Develop a Web site for sharing information with tenants and increasing efficiencies	MSP community Web site developed and operating.

**Performance Indicators**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Est</b>	<b>2010 Budget</b>	<b>Target</b>
People	100%			100%
<b>SC Performance Indicator:</b> Annual employee performance reviews completed.				
<b>Comments:</b>				



**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****INTERNAL AUDIT****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	291,745	335,606	328,534	-7,071	-2.11%
Administrative Expenses	2,725	5,100	2,726	-2,374	-46.55%
Professional Services		0	0		
Utilities		0	0		
Operating Services/Expenses	4,225	4,600	4,920	320	6.96%
Maintenance		0	0		
Other		0	0		
<b>Total Budget</b>	<b>298,695</b>	<b>345,306</b>	<b>336,180</b>	<b>-9,125</b>	<b>-2.64%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>3</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 for serving as financial consultants assisting management in developing and maintaining strong financial controls. The 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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	The decrease in Personnel between the 2009 budget and 2010 budget is a result of wage adjustments which did not occur as budgeted in 2009. While the 2010 budget does not incorporate annual wage adjustments for non-contract employees, step increases for eligible employees are included. In addition, over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes.
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**SERVICE CENTER SUMMARIES - 2010 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 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	Detailed analysis and documentation of revenue collection and recording cycle has been completed. Significant issues have been reported to management. Analysis, documentation and reporting of controls over disbursements have been largely completed and reports to management are either completed or in process.
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.	Data scripts have been completed to provide usable data for analysis in key areas. Similar analysis of external data has been completed in conjunction with scheduled audits.

## SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET

## INTERNAL AUDIT

## 2009 PROGRESS REPORT

Service Center Key Initiative	Measurement	Results
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.	Scheduled audit projects have been completed and reports issued or are in process. Additional audit projects not in the original audit plan have also been completed and reports issued.

## 2010 KEY INITIATIVES

Organizational Strategy: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
NA	Complete 2010 Internal Audit Plan Projects that were approved by the Commission	Audit work papers are completed, audit reports are issued and audit recommendations are approved by the Commission.
NA	Perform a comprehensive Fraud Risk Assessment concerning material MAC Financial processes and controls in compliance with criteria established by the International Association of Certified Fraud Examiners.	Fraud Risk Analysis is completed with a report of results presented to the Commission and Senior Management Staff.

Organizational Strategy: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
NA	Implement computerized risk based model to analyze Commission Financial Risks and incorporate results in the 2011 Internal Audit Annual Plan.	Computerized Risk Analysis is completed and incorporated into the selection of audit projects for the 2011 Internal Audit Plan.

## Performance Indicators

Organizational Key Areas of Performance	2008 Actual	2009 Est	2010 Budget	Target
Financial Responsibility	75%	80%		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.			
People	100%			100%
<b>SC Performance Indicator:</b>	Completed performance reviews.			
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****LABOR AND GOVERNMENTAL AFFAIRS****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	273,279	286,488	285,729	-759	-0.26%
Administrative Expenses	17,947	22,915	20,257	-2,658	-11.60%
Professional Services	210,864	296,450	278,450	-18,000	-6.07%
Utilities	1,207	1,600	1,350	-250	-15.63%
Operating Services/Expenses	515	3,215	3,265	50	1.56%
Maintenance		0	0		
Other	1,250	1,240	1,240	0	0.00%
<b>Total Budget</b>	<b>505,063</b>	<b>611,908</b>	<b>590,291</b>	<b>-21,617</b>	<b>-3.53%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 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 eleven 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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	The decrease in Personnel between the 2009 budget and 2010 budget is a result of wage adjustments which did not occur as budgeted in 2009. While the 2010 budget does not incorporate annual wage adjustments for non-contract employees, step increases for eligible employees are included. In addition, over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes.
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**SERVICE CENTER SUMMARIES - 2010 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.

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****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 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.	Supervisors of union employees are satisfied with labor relations support and service.	Met with numerous MAC managers and supervisors to advise them on grievance, contract and labor relations issues. 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 and coordinate Labor Management Committee activity.	Effective labor relations representation and participation with an improved labor/management environment.	Served as General Counsel for Minnesota Public Employer 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.
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.	Successfully negotiated labor agreements with MAC unions Local 70, Local 49, Teamsters, Fire Fighters and Police Officers. In mediation with Police Supervisors. Negotiating labor agreement with new Fire Captains bargaining unit.
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.	Assisted in resolving labor issues relating to construction projects and airport/vendor tenants relative to outside union issues and concerns.
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.	Participated in grievance process and successfully resolved numerous grievance issues. Represented MAC at various contract mediation hearings and pre-arbitration grievance hearings.
Work with state and federal officials to assure out year funding for St. Paul Airport dike and Flying Cloud Airport improvements.	Funding allocated.	Federal Aviation Administration (FAA) discretionary grant received. MNDOT grants still in process.

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****LABOR AND GOVERNMENTAL AFFAIRS****2009 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	Served on 1) State Airport Funding Advisory Task Force; 2) Foreign Trade Zone; 3) SCSU Industry Advisory Board; 4) MCOA Legislative Committee; 5) ACI-NA Legislative Committee.
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.	Strengthened positive relationships with Governor's office and committees which MAC reports to at State Legislature. Conducted briefings and airport tours. Responded to many constituent issues.
Participate in formulating airport trade group positions on aviation related legislation	Airport trade group positions closely aligned with MAC strategy and goals.	Served on ACI-NA Governmental Affairs Steering Committee. ACI-NA positions on FAA reauthorization, DHS, and other bills which 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 2009 state legislative summary.)



<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**LABOR AND GOVERNMENTAL AFFAIRS****2010 KEY INITIATIVES**

<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	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.
NA	Finalize 2009 contract negotiations with Police Supervisor and new Fire Captain bargaining units. Negotiate labor agreements with Local 70 and Local 49 whose contracts expire end of 2009 and with Teamsters and four Trade unions expiring mid-year 2010.	Terms and conditions of employment consistent with Commission goals. Union salaries on average are competitive with market.
NA	Process and hear grievances/disputes on behalf of Executive Director and represent MAC in mediation, arbitration, veterans preference hears, SIDA badge hearings and taxi hearings.	Terms and conditions of employment consistent with Commission goals.

<b>Organizational Strategy: <i>Provide a Great Customer Experience</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>Strengthen Partnerships and Relationships</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
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	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	Participate in formulating airport trade group positions on aviation related legislation.	Airport trade positions closely aligned with MAC strategy and goals.
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.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**LABOR AND GOVERNMENTAL AFFAIRS****2010 KEY INITIATIVES**

<b>Organizational Strategy: <i>Strengthen Partnerships and Relationships</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	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	Respond to Legislators' questions regarding constituent concerns.	Issues resolved without legislative action.

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

**Legal Affairs Division**

Executive - General

General Counsel  
(8 FTEs)

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**Notations to Service Center Summaries:**

- \* Variance (dollars and %) is computed between 2009 Budget and 2010 Budget
- \* The explanation for the variances is based upon the 2009 Budget and 2010 Budget
- \* Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****GENERAL COUNSEL****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	775,578	825,430	818,620	-6,810	-0.83%
Administrative Expenses	36,309	36,500	31,977	-4,523	-12.39%
Professional Services	1,177,506	1,895,000	1,150,000	-745,000	-39.31%
Utilities	1,120	1,200	1,200	0	0.00%
Operating Services/Expenses	515	1,100	800	-300	-27.27%
Other		0	0		
<b>Total Budget</b>	<b>1,991,028</b>	<b>2,759,230</b>	<b>2,002,597</b>	<b>-756,633</b>	<b>-27.42%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>8</b>	<b>8</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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	The decrease in Personnel between the 2009 budget and 2010 budget is a result of wage adjustments which did not occur as budgeted in 2009. While the 2010 budget does not incorporate annual wage adjustments for non-contract employees, step increases for eligible employees are included. In addition, over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes.
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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****GENERAL COUNSEL****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; Part 150 Program; updated competition plan. Advised and prepared collections and evictions as requested by CMAA, Reliever Airports and Finance. 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. Provided interpretation and enforcement advice regarding MAC Ordinances and Policies.
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. 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. Negotiated and completed Anoka County/Blaine Airport Northwest Building Area Development and Lease Agreement and related documents. 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 - 2010 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. Conducted research and provided advice regarding data issues. 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.
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 and Airport Foundation - MSP meetings.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**GENERAL COUNSEL****2009 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.	<p>Researched legal issues as requested by MAC Departments and MAC Commissioners.</p> <p>Advised regarding Eden Prairie Zoning and Comprehensive Plan.</p> <p>Provided research, advice and drafting regarding the zoning process at the St. Paul Downtown Airport.</p> <p>Advised on employment issues for HR.</p> <p>Provided interpretation and enforcement advice regarding MAC Ordinances and Policies.</p> <p>Provided advice regarding lease requests and lease enforcement issues.</p>
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. Decrease reliance on outside legal counsel.	<p>Advised Finance Department regarding 2009 Bond Refinancing.</p> <p>Revised G.O. 15 collateral agreements.</p> <p>Assisted CMAA and Reliever Airports in drafting and adopting ordinances, leases, agreements, and requests for proposals.</p> <p>Provided research, drafting, and advice regarding development of Reliever Airports policy and revision of Reliever lease forms and policies.</p> <p>Completed property acquisitions to facilitate Runway 17-35 construction (purchase and condemnation).</p> <p>Advised and worked with Landside Operations on several projects.</p> <p>Assisted in acquiring parcel of land owned by Grace Church (Flying Cloud Airport).</p>



<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**GENERAL COUNSEL****2009 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	<p>Provided representation and monitoring of the following litigation:</p> <p>SKB Environmental v. MAC Schafer v. MAC Shqeriat v. US Airways &amp; MAC Dolal v. MAC Orsak v. MAC Interstate Companies v. MAC</p> <p>Advised Environment Department with respect to ongoing environmental issues at MSP and reliever airports.</p> <p>Advised and monitored bankruptcies, including:</p> <ul style="list-style-type: none"> <li>•Mesaba Airlines</li> <li>•Kittyhawk Airlines</li> <li>•Champion Airlines</li> <li>•Sun Country Airlines</li> <li>•Petters Aviation</li> </ul> <p>Advised Human Resources regarding Affirmative Action Complaints. Continued representation and participation in Taxicab Hearings and Security Hearings.</p>
Data Practices Legislation/Data Requests.	Respond in timely manner. Decrease reliance on outside legal counsel.	Updated Data Practices Policy. Responded to numerous data requests. Attended Data Practices Committee meetings.
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.	Attended Airport Foundation Minnesota meetings.
Maintain proficiency in all areas of airport, municipal and other areas of law through attendance at seminars and participation in appropriate trade organizations.	Proficiency in all areas of airport and municipal law. Meet Continuing Legal Education requirements pursuant to the Minnesota State Bar Association.	Attended ACI seminars and other trade organizations.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**GENERAL COUNSEL****2010 KEY INITIATIVES**

<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	Maintain proficiency in all areas of airport, municipal and other areas of law through attendance at seminars and participation in appropriate trade organizations.	Proficiency in all areas of airport law. Meet Continuing Legal Education requirements.

<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 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.
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. Decrease reliance on outside legal counsel.
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. Decrease reliance on outside legal counsel.
N/A	Data Practices Legislation/Data Requests.	Respond in timely manner. Decrease reliance on outside legal counsel.

<b>Organizational Strategy: <i>Strengthen Partnerships and Relationships</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
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.

## SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET

## GENERAL COUNSEL

## Performance Indicators

Organizational Key Areas of Performance				
	2008 Actual	2009 Est	2010 Budget	Target
People	yes	yes	yes	yes
<b>SC Performance Indicator:</b>	Completion of annual update of Data Practices Policy			
<b>Comments:</b>	Complete annual update of Data Practices Policy.			
People	15	15	15	15
<b>SC Performance Indicator:</b>	Completion of an average of 15 Continuing Legal Education (CLE) hours per attorney			
<b>Comments:</b>	Complete an average of 15 CLE hours per attorney.			
Financial Responsibility	100%	100%	100%	100%
<b>SC Performance Indicator:</b>	Percentage completion of continuing consultant evaluations			
<b>Comments:</b>	Complete evaluations for all continuing consultants.			
People	100%	100%	100%	100%
<b>SC Performance Indicator:</b>	Percentage completion of employee performance evaluations			
<b>Comments:</b>	Complete performance evaluations of all employees.			

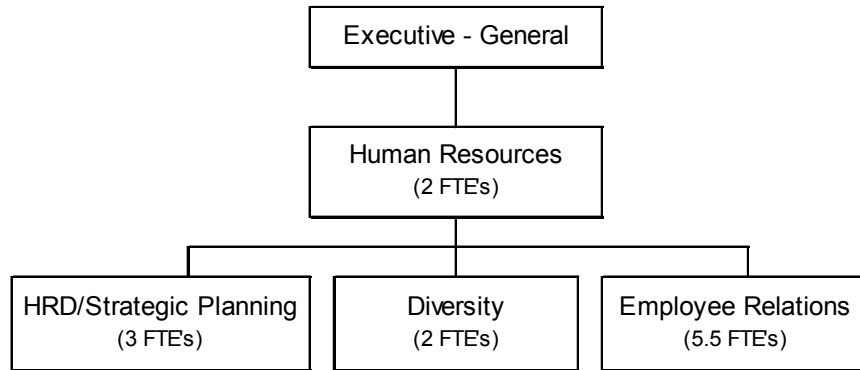
**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

**Human Resources Division**



<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**Notations to Service Center Summaries:**

- \* Variance (dollars and %) is computed between 2009 Budget and 2010 Budget
- \* The explanation for the variances is based upon the 2009 Budget and 2010 Budget
- \* Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****HUMAN RESOURCES****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	204,810	191,028	196,444	5,416	2.84%
Administrative Expenses	14,918	13,300	13,865	565	4.25%
Professional Services	88,752	75,000	55,000	-20,000	-26.67%
Utilities	741	100	100	0	0.00%
Operating Services/Expenses		0	0		
Maintenance		0	0		
Other		0	0		
<b>Total Budget</b>	<b>309,221</b>	<b>279,428</b>	<b>265,409</b>	<b>-14,019</b>	<b>-5.02%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>2</b>	<b>2</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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	<p>Wage adjustments did not occur as budgeted in 2009. Over the two-year period (covering 2009 and 2010), wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes. The 2010 budget does not incorporate annual wage adjustments for non-contract employees; however, step increases for eligible employees are included.</p> <p>Local seminars are up however, to partially cover leadership coaching certification as discussed with the Executive Director.</p>
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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****HUMAN RESOURCES****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.

**2009 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	Vacated positions were evaluated to determine utilization of headcount; profiles were identified for positions being replaced to ensure effective recruitment strategies.
Oversee the next phase of HR's in implementation of the HRIS upgrade.	Next phase of HRIS implementation operational.	HR Staff effectively transitioned to the integrated use of E-1. Expansion of E-1 for HRIS will continue through 2010.
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.	The development of a leadership pipeline was initiated. Talent management / review discussions were begun with division heads. This work will continue through 2010.



<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**HUMAN RESOURCES****2009 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Develop and deliver programs in support of MAC's STAR program.	Flexible work schedule training delivered; electronic document storage of employee record initiated.	Flexible work schedule training was offered; HR has begun to transfer files to electronic storage as feasible; open enrollment was presented online which saved the organization over 20,000 sheets of paper and approximately 10 days of work.
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.	Facilitated discussions with senior staff, directors and management was introduced for a more robust strategic planning process which resulted in the development of a new vision statement for the organization, the addition of a value statement about employees, more widely supported statements of the critical issues facing the organization, a confirmation of MAC's strategies and agreement on key initiatives identified for 2010.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**HUMAN RESOURCES****2010 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>
Complete the implementation and integration of EnterpriseOne and GIS elements.	Oversee the next phase of HR's integration of E-1 for increased HRIS capability.	E-1 technology is leveraged for employee self-service, as feasible.
Complete the implementation and integration of EnterpriseOne and GIS elements.	Oversee and direct an integrated strategic planning process.	Facilitated discussions occur to identify both long and short range goals that support MAC's strategies through 2015.
Complete the implementation and integration of EnterpriseOne and GIS elements.	Continue to streamline hiring processing with the use of technology.	Hiring processes are 95% electronic to reduce paper and increase efficiencies of staff time.

<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	Continue to work with the Executive Director to transition the organization's leadership as necessary.	The MAC continues to be a high performing organization through the transition of leadership and key positions, with a review of business and organizational structure, as needed.
NA	Oversee the implementation of a Talent Management and Review process that supports organizational goals.	MAC Divisions are engaged with key discussions on future work, departmental structure, knowledge transfer, cross training, development needs, etc. to address the changing needs of the organization.
NA	Oversee the development of a plan designed to increase MAC's workforce diversity.	A multi-point plan is in place to incrementally increase MAC's employee diversity demographics over the next five years.
NA	Develop and distribute a monthly HR communication tool for MAC management.	An "HR Management Link" is developed and rolled out to cover such leadership, management and supervisory topics such as policy interpretation, goal setting, skills development, training opportunities, workforce demographics, case studies, etc. The target for the first issue is February 2010.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**HUMAN RESOURCES****2010 KEY INITIATIVES**

<b>Organizational Strategy: <i>Strengthen Partnerships and Relationships</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
Develop central Web portal for tenant communications, forms, process instructions, feedback and Q&A.	Design New Commissioner Orientation Process & Materials	New Commissioners receive orientation to the organization and their role to ensure their success.

**Performance Indicators**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Est</b>	<b>2010 Budget</b>	<b>Target</b>
People	24.5%			25% or less
<b>SC Performance Indicator:</b> Personnel - Percent of Operating Budget				
<b>Comments:</b>				
People	4.96%	3.36%		Less than 10% turnover.
<b>SC Performance Indicator:</b> Employee Turnover Rate				
<b>Comments:</b>				
People	100%	100%		100%
<b>SC Performance Indicator:</b> Performance reviews completed within department.				
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****HRD/STRATEGIC PLANNING****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	310,884	415,764	360,602	-55,162	-13.27%
Administrative Expenses	12,526	16,305	8,867	-7,438	-45.62%
Professional Services	18,161	27,810	18,000	-9,810	-35.28%
Utilities		0	0		
Operating Services/Expenses	8,179	17,500	9,500	-8,000	-45.71%
Maintenance		0	0		
Other	970	1,700	1,500	-200	-11.76%
<b>Total Budget</b>	<b>350,720</b>	<b>479,079</b>	<b>398,469</b>	<b>-80,611</b>	<b>-16.83%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>3</b>	<b>3</b>	<b>3</b>

**RESPONSIBILITY/FUNCTION**

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

- Facilitating 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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	<p>Wage adjustments did not occur as budgeted in 2009. Over the two-year period (covering 2009 and 2010), wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes. The 2010 budget does not incorporate annual wage adjustments for non-contract employees; however, step increases for eligible employees are included.</p> <p>Money was left in the budget for tuition reimbursement and employee development. These are critical issues for the organization. However, the amounts were decreased from 2009.</p> <p>Money was added to the budget for E1 training needed to take advantage of the investment the organization has made in E1 software.</p> <p>Money was added to the budget for assessments used in the talent review process to develop the next generation of leaders.</p>
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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****HRD/STRATEGIC PLANNING****2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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 - 2010 OPERATING BUDGET</b>
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**HRD/STRATEGIC PLANNING****2009 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Implementing Org Publisher to enhance tracking and reporting capabilities.	Real time organizational charts linked to Enterprise One are available on HR's intranet page.	We now have real time organizational charts linked to Enterprise One data that are regularly updated on HR's intranet page.
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.	Supervisory management training was expanded to include Supervision II offered through the Employer's Association. Leadership development is being pursued through individual development opportunities rather than a formal leadership development program at this time.
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.	Initial step of the talent review process has begun with Deputy level interviews. This program will be expanded in 2010.
Facilitate an expanded Strategic Planning process that integrates greater participation of MAC leadership into the process.	2010 - 2015 Five Year Strategic Plan developed.	Participation in the strategic planning process was expanded to the Assistant Director level. The result was a new vision statement, a value related to employees being added, and a tighter more aligned planning process.
Improve G.O. Front Desk customer service.	Expanded plan for backup service at the front desk fully operational.	A new process for backup service at the front desk was developed and implemented.

## SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET

## HRD/STRATEGIC PLANNING

## 2010 KEY INITIATIVES

Organizational Strategy: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
NA	Expand the use of Org Publisher as a planning and communication tool.	Online org charts available as a planning tool.
NA	Migrate to the new Learning Management System (LMS) in coordination with IS, Airside Operations, and the APD.	Migration complete from Pinical Learning Manager to Learn.com with current capabilities to track and report training maintained.

Organizational Strategy: <i>Match Employee Talent with Changing Business Needs</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
NA	Complete initial phase of talent review and development process with all Deputies and Directors.	Review process complete and development plans in place for key positions within each division.

Organizational Strategy: <i>N/A</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
N/A	A more fully integrated strategic planning process that guides the organization.	The scope of Strategic Plan expanded to include: - 2011 -2015 Key Initiatives - Revised performance measures. - Action plans for critical issues.

Organizational Strategy: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
NA	Produce a video for use in new employee and new commissioner orientation programs.	Updated video completed on time and within budget.

## Performance Indicators

Organizational Key Areas of Performance	2008 Actual	2009 Est	2010 Budget	Target
People	100%	100%		100%
SC Performance Indicator: Performance Reviews Completed				
Comments:				



**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****DIVERSITY****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	166,854	165,368	164,625	-743	-0.45%
Administrative Expenses	10,246	12,500	10,032	-2,468	-19.74%
Professional Services	37,844	27,000	27,000	0	0.00%
Utilities		0	0		
Operating Services/Expenses	780	5,000	5,000	0	0.00%
Other	783	0	0		
<b>Total Budget</b>	<b>216,506</b>	<b>209,868</b>	<b>206,657</b>	<b>-3,211</b>	<b>-1.53%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>2</b>	<b>2</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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	The decrease in Personnel between the 2009 budget and 2010 budget is a result of wage adjustments that did not occur as budgeted in 2009. While the 2010 budget does not incorporate annual wage adjustments for non-contract employees, step increases for eligible employees are included. In addition, over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes.
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<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**DIVERSITY****2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Deliver E-Learning training on a harassment free workplace.	Have 90% of staff completing the training by August 2009	99% of staff have completed the training.
Participate in a state wide Disparity Study with the Department of Administration, Metro Council, MNDOT, Metropolitan Sports Commission, and Metro Mosquito District.	Presented the study to the HR/AA Committee prior to December 31, 2009.	The study was presented to the HR/AA Committee on December 9, 2009

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**DIVERSITY****2010 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	Develop and implement an auditable DBE tracking system.	Database is established and all DBEs files are in compliance with standards.
NA	Develop an Affirmative Action reporting tool.	Information is reported to Commission and staff on a regular bases.

<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	Develop a multi-point plan to increase MAC's diversity of employees.	Plan is in place, which will support and increase MAC's employees demographics in the next five years.

<b>Organizational Strategy: <i>Provide a Great Customer Experience</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Recommend best practices for inclusion of small, protected class businesses.	Commission approves best practices for implementation by staff.

<b>Organizational Strategy: <i>Strengthen Partnerships and Relationships</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Enhance knowledge to better deliver customer service for terminal departments.	Training programs are identified and scheduled in 2010.

## SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET

**DIVERSITY****Performance Indicators**

Organizational Key Areas of Performance	2008 Actual	2009 Est	2010 Budget	Target
People		6.4%		3%
<b>SC Performance Indicator:</b>	Targeted Group Business goal.			
<b>Comments:</b>				
People		10% est		12%
<b>SC Performance Indicator:</b>	Disadvantaged Business Enterprise (DBE) Construction goal.			
<b>Comments:</b>				
People		10% est		11%
<b>SC Performance Indicator:</b>	Disadvantaged Business Enterprise (DBE) Concessions goal.			
<b>Comments:</b>				
People		?		27%
<b>SC Performance Indicator:</b>	New hire female affirmative action goal.			
<b>Comments:</b>				
People		?		10%
<b>SC Performance Indicator:</b>	New hire minority affirmative action goal.			
<b>Comments:</b>				
People		N/A		2.5%
<b>SC Performance Indicator:</b>	New hire disability affirmative action goals			
<b>Comments:</b>				
People		100%		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 - 2010 OPERATING BUDGET****EMPLOYEE RELATIONS****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	447,931	459,323	458,961	-362	-0.08%
Administrative Expenses	12,511	11,930	6,333	-5,597	-46.92%
Professional Services	73,263	60,000	52,023	-7,977	-13.30%
Utilities	28	125	28	-97	-77.60%
Operating Services/Expenses	20,839	32,800	20,839	-11,961	-36.47%
Maintenance		0	0		
Other		0	0		
<b>Total Budget</b>	<b>554,572</b>	<b>564,178</b>	<b>538,184</b>	<b>-25,994</b>	<b>-4.61%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>5.5</b>	<b>5.5</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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	The decrease in Personnel between the 2009 budget and 2010 budget is a result of wage adjustments that did not occur as budgeted in 2009. While the 2010 budget does not incorporate annual wage adjustments for non-contract employees, step increases for eligible employees are included. In addition, over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes.
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<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**EMPLOYEE RELATIONS****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.

**2009 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	Goal was to complete electronic storage for terminated employee files through the letter K. Goal exceeded as all files through the letter L are electronically stored.
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 year end.	A total of 15 policies were reviewed, updated, and either approved for change or elimination by the Commission in 2009. These included policies in Section 12, 13, 14, 15 and 16. Some policies within these sections have been reviewed but will not be presented to the Commission until early 2010.

## SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET

**EMPLOYEE RELATIONS****2010 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>
Complete the implementation and integration of EnterpriseOne and GIS elements.	Convert all terminated employee HR files from M-Z, reclassification and equity adjustment documentation to electronic storage format in order to easily expand accessibility of information.	All documentation is scanned and stored electronically, and accessible by HR staff members.
Complete the implementation and integration of EnterpriseOne and GIS elements.	With assistance from Information Systems Department, develop the EnterpriseOne self-service module to enable employees to inquire about personal profile information as well as establish independent ability to input limited changes to profile.	Employees have the ability to have real-time access/input ability to their personal data that reduces processing and data-entry activity now required by the Senior HR Generalists.

<b>Organizational Strategy: <i>N/A</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	Initiate and complete the Phase III review of HR policies contained in sections 9, 11, 14, 18, 19 and 20 in order to continuously establish HR policy that supports MAC business requirements.	Commission review and approval of all policy modifications by year-end.

<b>Organizational Strategy: <i>Strengthen Partnerships and Relationships</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
Develop central Web portal for tenant communications, forms, process instructions, feedback and Q&A.	Conduct HR planning meeting with all Deputy Executive Directors and Directors in order to plan and execute HR initiatives that better support the division work plan in 2010/2011.	Demonstrated completion of planned initiatives within the agreed-upon timeline in 2010.

## SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET

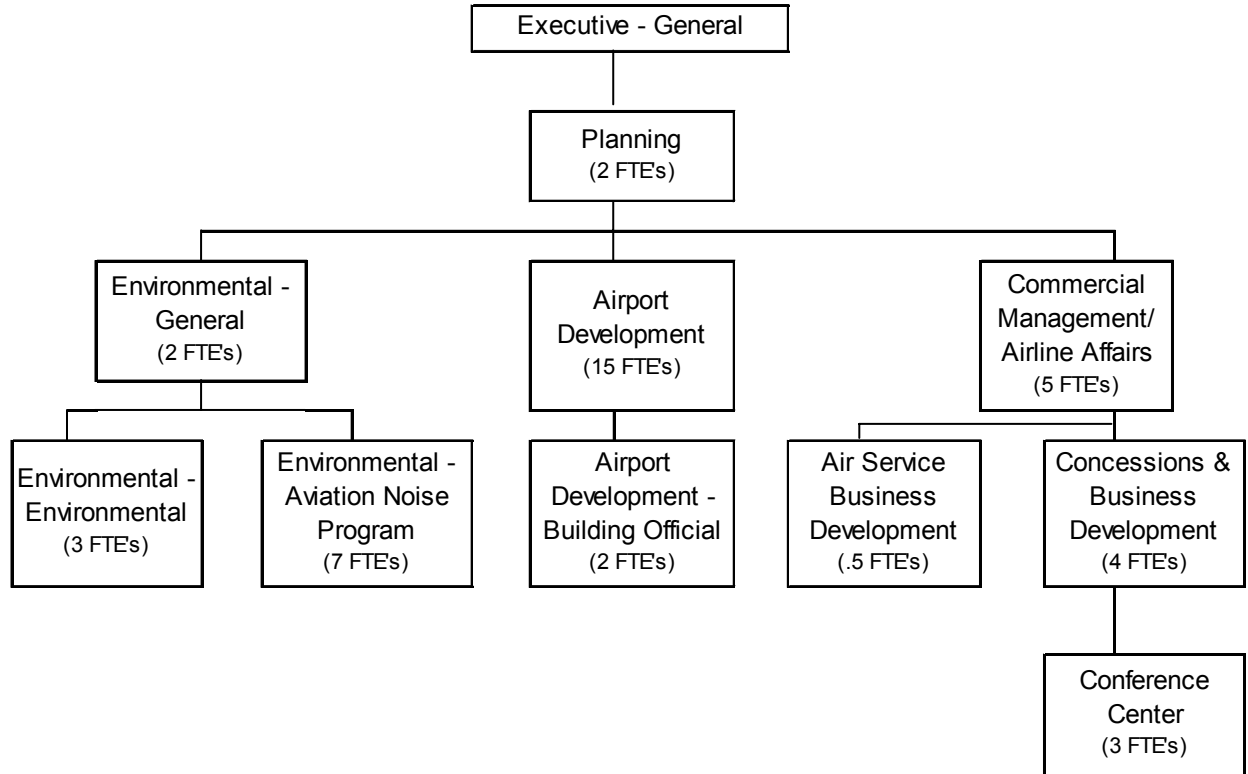
**EMPLOYEE RELATIONS****Performance Indicators**

<b>Organizational Key Areas of Performance</b>				
	<b>2008 Actual</b>	<b>2009 Est</b>	<b>2010 Budget</b>	<b>Target</b>
People				Less than 10% of workforce
<b>SC Performance Indicator:</b>	Leaves of absence administration - return employees to active employment status upon receipt of employee medical clearance.			
<b>Comments:</b>				
People				Less than 10% turnover
<b>SC Performance Indicator:</b>	Employee separation administration- number administered			
<b>Comments:</b>				
People	100%	100%		100%
<b>SC Performance Indicator:</b>	Annual employee performance reviews completed.			
<b>Comments:</b>				
People				Greater than 90%.
<b>SC Performance Indicator:</b>	Benefits Administration - number of employee on MAC plans			
<b>Comments:</b>				



**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

**Environment and Planning Division**



<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**Notations to Service Center Summaries:**

- \* Variance (dollars and %) is computed between 2009 Budget and 2010 Budget
- \* The explanation for the variances is based upon the 2009 Budget and 2010 Budget
- \* Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****PLANNING****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	211,846	211,341	207,096	-4,245	-2.01%
Administrative Expenses	8,607	12,550	8,832	-3,718	-29.63%
Professional Services	427,743	530,000	200,000	-330,000	-62.26%
Utilities	224	250	250	0	0.00%
Operating Services/Expenses	4,546	4,450	86,450	82,000	1842.70%
Maintenance		0	0		
Other	1,510	0	0		
<b>Total Budget</b>	<b>654,476</b>	<b>758,591</b>	<b>502,628</b>	<b>-255,963</b>	<b>-33.74%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>2</b>	<b>2</b>	<b>2</b>

**RESPONSIBILITY/FUNCTION**

The Planning Department supervises property acquisition, planning, design, engineering, architecture, and construction of all Commission facilities, as well as all Commission related environmental issues including noise, air quality and water quality. In addition, the Planning Department is responsible for maintaining a good relationship with local, state, and federal government.

**MAJOR 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	The decrease in Personnel between the 2009 budget and 2010 budget is a result of wage adjustments which did not occur as budgeted in 2009. While the 2010 budget does not incorporate annual wage adjustments for non-contract employees, step increases for eligible employees are included. In addition, over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes.
Operating Services/Expenses	Costs associated with hearing notice requirements for the FCM JAZB and St. Paul JAZB public hearings. The costs are based on actual costs we are incurring this year for the STP JAZB public hearings.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**PLANNING****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 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Update Long Term Comprehensive Plan for MSP.	Complete plan update in 2009.	Planning work done. Approval process to be completed in 2nd quarter, 2010.
Oversee implementation of Part 150 Consent Decree	Completion of steps necessary to meet the milestones set forth on established schedule	All actions required to be completed in 2009 were done. This activity will continue until work is completed in 2014.
Complete transition of Commercial Management/Airline Affairs under Planning Division.	Integration of CMAA under Planning Division and resolution of staffing.	Integration is completed. CMAA staffing is still down 4 FTEs.
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.	Planning work done. Approval process to be completed in 2010.
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.	STP JAZB ongoing. FCM JAZB process has been initiated.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**PLANNING****2009 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	2009 Initiatives were completed. STAR will be ongoing program for MAC. Additional objectives established for 2010.
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.	The economy has affected the ability to generate projects. One development agreement was executed. This initiative will be carried over into 2010.

## SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET

## PLANNING

## 2010 KEY INITIATIVES

Organizational Strategy: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
Implement provisions of the 60 DNL Noise Program	Oversee implementation of Part 150 Consent Decree.	Completion of steps necessary to meet the milestones set forth on established schedule.
NA	Complete Met Council review and MAC adoption of Reliever Airport Long Term Comprehensive Plans for Anoka County-Blaine Airport, Flying Cloud Airport, and St. Paul Downtown Airport.	Commission Adoption of Plans.
NA	Begin active investigation of alternative energy options for MSP for the 2010 STAR Program.	Study results and recommendations for future alternative energy initiatives.
Pursue new MSP and Reliever Airports revenue opportunities.	Oversee CMAA development of non-aeronautical business opportunities at the Reliever Airports.	Develop a program which identifies development opportunities, initiates land release and develop a process for third party assistance with marketing of MAC properties.

Organizational Strategy: <i>N/A</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
N/A	Complete Long Term Comprehensive Plan for MSP.	Commission Adoption of Plan.

Organizational Strategy: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
NA	Continue Reliever Airport Safety Zoning at STP and FCM and Initiate Safety Zoning Process for Lake Elmo Airport.	Adoption of STP JAZB Ordinance, continuation of FCM JAZB process, establishment of JAZB for Lake Elmo.

## Performance Indicators

Organizational Key Areas of Performance	2008 Actual	2009 Est	2010 Budget	Target
Environmental Stewardship				100%
SC Performance Indicator:	Compliance with Consent Decree Deadlines			
Comments:				
People	100%			100%
SC Performance Indicator:	Performance reviews completed.			
Comments:				

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****AIR SERVICE BUSINESS DEVELOPMENT****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	173,295	65,795	64,685	-1,110	-1.69%
Administrative Expenses	48,835	48,600	36,920	-11,680	-24.03%
Professional Services	222,332	200,000	140,000	-60,000	-30.00%
Utilities	5	0	0		
Operating Services/Expenses	8,808	50,000	0	-50,000	-100.00%
Other		0	0		
<b>Total Budget</b>	<b>453,275</b>	<b>364,395</b>	<b>241,605</b>	<b>-122,790</b>	<b>-33.70%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>

**RESPONSIBILITY/FUNCTION**

The Air Service Business Development Department has responsibilities for 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 developing 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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	The decrease in Personnel between the 2009 budget and 2010 budget is a result of wage adjustments which did not occur as budgeted in 2009. While the 2010 budget does not incorporate annual wage adjustments for non-contract employees, step increases for eligible employees are included. In addition, over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes.
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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****AIR SERVICE BUSINESS DEVELOPMENT****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.	2009 was a year of reorganization for Air Service Business Development as a result of the loss of a staff member in December 2008.
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.	2009 was a year of reorganization for Air Service Business Development as a result of the loss of a staff member in December 2008.
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 was a year of reorganization for Air Service Business Development as a result of the loss of a staff member in December 2008.

**2009 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Seek out new domestic or international air service opportunities for MSP either from new entrants or by expanding services from existing airline operators.	Add new air service offerings to MSP customers.	2009 was a year of reorganization for Air Service Business Development as a result of the loss of a staff member in December, 2008. However, as was announced in the fall of 2008, Southwest Airlines commenced operations effective March 8, 2009 with 8 daily flights to Chicago Midway. Southwest added 3 additional daily departures to Denver at the end of May and announced plans to introduce MSP-STL service in January 2010. Most ASBD efforts in 2009 were expended reorganizing plans for meeting with potential new entrant airlines and incumbent airlines to encourage the introduction of new or expanded air service at MSP. More details regarding plans for 2010 are included in the Key Initiative Plan for 2010.



<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**AIR SERVICE BUSINESS DEVELOPMENT****2010 KEY INITIATIVES**

<b>Organizational Strategy: <i>Provide a Great Customer Experience</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
Promote MSP to international and domestic airlines.	Effectively manage MAC's air service business development efforts through participation in various industry conferences	<p>Attendance/participation in 3 main industry conferences:</p> <p>Routes Americas Jumpstart Routes World</p> <p>Participation at these conferences involves 20-25 minute meetings with 7-10 carriers at each conference. The meetings communicate information regarding MSP and the Twin Cities metropolitan area that the airlines may find useful for evaluating whether or not to initiate or increase air service. Results vary and are difficult to measure. The ultimate goal is for the quick 20 minute meetings to lead to more in-depth discussions with the carriers.</p>
Promote MSP to international and domestic airlines.	Complete headquarter visit with both incumbent and potential new entrant airlines to discuss new and expanded air service opportunities for MSP.	<p>For 2010, headquarter visits are planned with at least two airlines and potentially more depending on the outcome of meetings at the industry conferences. Purpose of the meetings will be to provide more in-depth detail and data regarding the potential to provide air service at MSP. It is not realistic to expect that headquarter visits result in the introduction of new service. Rather, the visits are more intended to keep the carriers familiar with MSP and the Twin Cities to ensure our opportunity is properly evaluated against all other options airlines have when making air service decisions.</p>

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**AIR SERVICE BUSINESS DEVELOPMENT****Performance Indicators**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Est</b>	<b>2010 Budget</b>	<b>Target</b>
Customer Service				Participate in 2 meetings per year.
<b>SC Performance Indicator:</b>	LASAC Meetings			
<b>Comments:</b>	Meetings are with outstate airports to discuss air service related issues for the smaller communities in the State of Minnesota			
Customer Service				4 headquarters visits per year.
<b>SC Performance Indicator:</b>	Airline Meetings - Headquarters			
<b>Comments:</b>	Meetings with both incumbent and new entrant carriers at their headquarters			
Customer Service				Attend 3 conferences per year.
<b>SC Performance Indicator:</b>	Airline Meetings - Conferences			
<b>Comments:</b>	Plan to meet with 7-10 airlines at each conference			

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****AIRPORT DEVELOPMENT****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	413,124	425,855	423,722	-2,132	-0.50%
Administrative Expenses	22,266	36,250	21,935	-14,315	-39.49%
Professional Services	268,401	309,900	267,952	-41,948	-13.54%
Utilities	795	1,229	795	-434	-35.31%
Operating Services/Expenses	4,668	5,000	4,668	-332	-6.64%
Maintenance		0	0		
Other		0	0		
<b>Total Budget</b>	<b>709,254</b>	<b>778,234</b>	<b>719,072</b>	<b>-59,161</b>	<b>-7.60%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>15</b>	<b>15</b>	<b>15</b>

**RESPONSIBILITY/FUNCTION**

Airport Development supervises property acquisition, planning, design, engineering, architecture, and construction of all Commission facilities. They also supervise Commission-related environmental issues including noise and air and water quality. In addition, Airport Development is responsible for maintaining a good relationship with local, state, and federal agencies.

**MAJOR 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	The decrease in Personnel between the 2009 budget and 2010 budget is a result of wage adjustments which did not occur as budgeted in 2009. While the 2010 budget does not incorporate annual wage adjustments for non-contract employees, step increases for eligible employees are included. In addition, over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes.
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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****AIRPORT DEVELOPMENT****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 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Participate in the ongoing review and development of the 2009 Capital Improvement Program.	Ongoing.	Project manager assignments were made and stakeholder's input solicited to refine project scopes for all 2009 CIP projects prior to design and bidding.
Implement the 2009 Capital Improvement Program.	Complete the 2009 Capital Improvement Program.	50 contracts totaling \$76M were bid and awarded at a total low bid value of 36% under the CIP estimate. Amended the CIP based on project cost savings to add the Humphrey Terminal N. Skyway project at a total value of \$17M.
Develop the 2010 Capital Improvement Program.	Adoption of the 2010 Capital Improvement Program.	Presented a preliminary draft of the 2010-2016 CIP to the Commission in September for review and to initiate the environmental process. Commission adopted the 2010-2016 CIP on Dec 21, 2009.
Manage Architectural/Engineering/Construction Coordinator services.	Process Professional Service Authorizations and invoices.	Professional Service Authorizations (PSAs) and invoices were processed in accordance with MAC policies. Annual performance reviews were conducted on all continuing consultants. PSA summary reports were provided to the Commission on a quarterly basis for review.
Manage property acquisitions/disposal.	Property Management Administration.	No parcels required disposal in 2009. The Grace Church RPZ property at FCM was approved for acquisition by the Commission on Dec 21, 2009 in accordance with FAA requirements and to facilitate opening of the extended runway 10R-28L.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**AIRPORT DEVELOPMENT****2009 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	All MAC primary and non-primary entitlement funds were utilized. Additionally, Airport Development procured over \$21M in discretionary aid for MSP runway reconstruction and for the runway construction and safety enhancements at FCM. Over \$2.3M of this total was from the American Recovery and Reinvestment Act (Stimulus Funding).

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****AIRPORT DEVELOPMENT****2010 KEY INITIATIVES**

<b>Organizational Strategy: <i>Assure Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
Pursue new MSP and Reliever Airports revenue opportunities.	Obtain federal and state aid to the extent possible on eligible capital improvement projects.	All MSP Entitlement funds and Non-Primary entitlement funds are utilized. Identify and solicit "Discretionary" funding on all high priority eligible projects. Report to the Commission annually on the number and total value of federal and state aid funds applied for and received.

<b>Organizational Strategy: <i>N/A</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	Direct the ongoing review and development of the 2010 Capital Improvement Program.	Assign project managers and key team members for all 2010 CIP projects. Conduct project development meetings with stake holders to solidify project scopes for design. Schedule projects for bid and award in 2010.
N/A	Develop the 2011- 2017 Capital Improvement Program.	Present draft of the 2011 - 2017 CIP to the Commission in September for environmental review. Commission adoption of the 2011 - 2017 Capital Improvement Program Dec. 20, 2010.
N/A	Manage Architectural/Engineering/Construction Coordinator services.	Perform annual performance evaluations on all continuing consultants. Manage Professional Service Authorizations (PSAs) and invoice processing in accordance with MAC policies. Conduct competitive selection process for expiring continuing consultant services.
N/A	Manage property acquisitions/disposal.	Property management administration.

<b>Organizational Strategy: <i>Provide a Great Customer Experience</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Implement the 2010 Capital Improvement Program.	Design, bid, award and have under construction all projects in the approved 2010 CIP by December 31, 2010.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**AIRPORT DEVELOPMENT****Performance Indicators**

<b>Organizational Key Areas of Performance</b>				
	<b>2008 Actual</b>	<b>2009 Est</b>	<b>2010 Budget</b>	<b>Target</b>
Financial Responsibility	3.3%	2.2%		<5%
<b>SC Performance Indicator:</b>	Manage CIP construction projects within historic change order parameters			
<b>Comments:</b>				
Airport Development				100%
<b>SC Performance Indicator:</b>	Conduct annual performance reviews on all continuing consultants by 12/31/2010			
<b>Comments:</b>				
People	80%			100%
<b>SC Performance Indicator:</b>	Complete performance reviews on Airport Development staff			
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****AIRPORT DEVELOPMENT-BUILDING****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	152,186	154,334	154,579	245	0.16%
Administrative Expenses	17,742	16,675	15,852	-823	-4.94%
Professional Services		0	0		
Utilities		0	0		
Operating Services/Expenses		100	100	0	0.00%
Maintenance		0	0		
Other		0	0		
<b>Total Budget</b>	<b>169,928</b>	<b>171,109</b>	<b>170,531</b>	<b>-578</b>	<b>-0.34%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 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. Duties include plan review, issuance of permits, inspections and retention of inspection history and building construction plans.

**MAJOR 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	While the 2010 budget does not incorporate annual wage adjustments for non-contract employees, step increases for eligible employees are included resulting in the increase. Wage adjustments did not occur as budgeted in 2009. Over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes.
Administrative Expenses	The total of \$15,852 is for the following:  \$15,022 is to LOGIS for providing our permitting software, \$250 is for membership to NFPA and ICC for code support, \$580 for two code education meetings/ institute to maintain employee state certification as a building inspector.
Maintenance	The departments printer and copy machine are nearly ten years old and some preventive maintenance will be needed to keep them in decent running condition.

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****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 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
1. Provide Plan Reviews, issue permits and conduct inspections within 10 to 14 days after the permit application has been received. 2. Update the MAC Design and Construction Standards 3. Purge the departments files and plan storage. 4. Phase 3 Sprinkler	1. In 2009 issued 425 permits and collected \$152,000.00 in permit revenue. All permits, plan reviews and inspections were completed within the requested time. 2. Completed the 2010 update. 3. Completed per the record retention schedule 4. Conduct inspections and final testing	We were able to complete 100% of all plan reviews without delays to the contractors or permit applicants. Permits were issued 98.5% of the time within the 10 to 14 day turnaround time per the departments policy. 100% of inspections were conducted within 24 hours of the requested time. The 2010 release of the amended MAC Design and Construction Standards was completed on time (completed 12/30/09). The files and plans were transferred to the retention storage area. The Phase 3 sprinkler and fire alarm project at the Lindbergh Terminal is completed.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**AIRPORT DEVELOPMENT-BUILDING****2010 KEY INITIATIVES**

<b>Organizational Strategy: <i>Assure Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Charge and collect fees for plan reviews and permits in accordance with the MN State Building Code and the MAC ordinance.	Review individual permits, monthly, quarterly and year end reports

<b>Organizational Strategy: <i>N/A</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	Issue construction permits in accordance with the MN State Building Code and the MAC Construction Standards	To issue permits within ten to fourteen business days from the application date.
N/A	Conduct inspections in accordance with the MN State Building Code and the MAC Design and Construction Standards	Inspections shall be conducted within twenty fours of the request
N/A	Conduct plan reviews in accordance with the MN State Building Code and the MAC Design and Construction Standards	Initial plan reviews shall be conducted within 10 to 14 days of the permit application. Comments shall be given back to the design professional in charge of the project.
N/A	Permit requests shall be routed to individuals and departments shown on the division's distribution routing list	Allow 10 to 14 days for response back form contacts on distribution list
N/A	Update the MAC Design and Construction Standards	Annually
N/A	Complete the Phase 4 sprinkler and fire alarm project in the Lindbergh Terminal.	Issue permits and complete final inspections and acceptance.

## SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET

## AIRPORT DEVELOPMENT-BUILDING

## Performance Indicators

Organizational Key Areas of Performance				
	2008 Actual	2009 Est	2010 Budget	Target
Safety		100%	100%	100%
<b>SC Performance Indicator:</b>	Conduct Plan Reviews			
<b>Comments:</b>	Conduct plan reviews on construction plans within 10 to 14 days of submittals to assure compliance with state codes and MAC requirements			
Airport Development				Current standards up to date.
<b>SC Performance Indicator:</b>	Update Design and Construction Stds.			
<b>Comments:</b>	Update the MAC Design and Construction Standards annually or as needed			
Safety		100%	100%	100%
<b>SC Performance Indicator:</b>	Conduct inspections			
<b>Comments:</b>	Conduct inspections within 24 hours of the request			
Safety		98.5%	100%	100%
<b>SC Performance Indicator:</b>	Issue construction permits			
<b>Comments:</b>	Issue construction permits in a timely manner and in accordance with state codes			

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****COMMERCIAL MGT/AIRLINE AFFAIRS****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	396,983	414,863	414,650	-213	-0.05%
Administrative Expenses	24,188	22,700	18,777	-3,923	-17.28%
Professional Services	13,469	40,000	40,969	969	2.42%
Utilities	2,391	600	600	0	0.00%
Operating Services/Expenses	8,525	7,600	5,472	-2,128	-28.00%
Maintenance	67,604	72,700	76,050	3,350	4.61%
Other	3,119	600	0	-600	-100.00%
<b>Total Budget</b>	<b>516,279</b>	<b>559,063</b>	<b>556,518</b>	<b>-2,545</b>	<b>-0.46%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>4</b>	<b>5</b>	<b>5</b>

**RESPONSIBILITY/FUNCTION**

Commercial Management/Airline Affairs is responsible for revenue generation, property/real estate management, concession/business development and air service recruitment.

**MAJOR 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	The decrease in Personnel between the 2009 budget and 2010 budget is a result of wage adjustments which did not occur as budgeted in 2009. While the 2010 budget does not incorporate annual wage adjustments for non-contract employees, step increases for eligible employees are included. In addition, over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes.
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<b>SERVICE CENTER SUMMARIES - 2010 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 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Seek out land development or sale opportunities that will help develop new sources of non-aeronautical revenue to support the Reliever Airport operations.	Establish a revenue target of \$100k to \$300k of annual revenue to the Reliever Airport financial model from new non-aeronautical revenue sources.	Entered into a development agreement with Flight Line Enterprise, LTD. for the potential development of a restaurant/event center at the Anoka County/Blaine airport. Additionally began discussions with another developer regarding the potential development of some land at the Flying Cloud airport in 2010.

## SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET

## COMMERCIAL MGT/AIRLINE AFFAIRS

## 2010 KEY INITIATIVES

<b>Organizational Strategy: <i>Assure Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Complete extension of airline agreement through 2014 with airlines whose airline agreement term does not extend to 2020.	Execution of documents by both MAC and the airlines.
Pursue new MSP and Reliever Airports revenue opportunities.	Issue RFPs for NEW concepts that meet passenger needs.	Complete RFPs and award Commission approved contracts.
Pursue new MSP and Reliever Airports revenue opportunities.	Initiate Concession Releasing Long Range Planning with all affected MAC departments.  Create Criteria that identifies batches or locations that warrant lease extensions, versus new RFPs	Complete initial kick-off discussion on January 13, 2010. Collect specific feedback from Finance, Airport Development, Facilities, and Legal by January 30, 2010.  Collect specific feedback by department regarding: - Issues to correct in future RFPs and leases - Issues/ concepts which worked well and should be retained
NA	Complete Concession re-leasing plan for next round of opportunities before leases near expiration.  Receive Commission approval for both the re-leasing plan and subsequent RFPs or extensions.	Conduct Commissioner Workshops in August  Submit Concession Plan in October 2010 to Commission
NA	Rebid/Renegotiate the Rental Auto Concession Agreement.	Develop a new rent structure that will help stabilize the rental auto revenue stream to MAC.
Pursue new MSP and Reliever Airports revenue opportunities.	Establish a new strategy and action plan for marketing all the available non-aeronautical land at the Reliever Airports.	Increase the general revenue account for the Reliever Airports by contracting for at least one land development project in 2010.

<b>Organizational Strategy: <i>N/A</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	Establish a plan agreeable to airline tenants for either purchasing all or replacing select jet bridges throughout the Lindbergh Terminal.	MOU or other documents with Delta outlining the details.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**COMMERCIAL MGT/AIRLINE AFFAIRS****Performance Indicators**

<b>Organizational Key Areas of Performance</b>				
	<b>2008 Actual</b>	<b>2009 Est</b>	<b>2010 Budget</b>	<b>Target</b>
Financial Responsibility	\$8,400	\$8,400	\$46,500	\$93,000
<b>SC Performance Indicator:</b>	Completed RFPs high tech electronic store			
<b>Comments:</b>	Replace the shoeshine and lottery location with a high tech electronic store that will increase revenue to MAC from \$8,400 annual income to \$93,000. Maintain minimum income of \$93,000 in future years.			



<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**CONCESSIONS & BUSINESS DEVELOPMENT****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	356,380	376,774	376,426	-348	-0.09%
Administrative Expenses	8,327	7,000	3,899	-3,101	-44.30%
Professional Services		34,000	20,000	-14,000	-41.18%
Utilities	617	300	1,800	1,500	500.00%
Operating Services/Expenses	533,345	3,000	0	-3,000	-100.00%
Maintenance		0	0		
Other	4,599	0	0		
<b>Total Budget</b>	<b>903,267</b>	<b>421,074</b>	<b>402,125</b>	<b>-18,949</b>	<b>-4.50%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>4</b>	<b>4</b>	<b>4</b>

**RESPONSIBILITY/FUNCTION**

The Concessions and Business Development department is responsible for the management of all current concessions and passenger services leases throughout the terminals as well as the development of new revenue generating ideas within either of these categories.

**MAJOR 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	The decrease in Personnel between the 2009 budget and 2010 budget is a result of wage adjustments which did not occur as budgeted in 2009. While the 2010 budget does not incorporate annual wage adjustments for non-contract employees, step increases for eligible employees are included. In addition, over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes.
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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****CONCESSIONS & BUSINESS DEVELOPMENT****2009 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	ASQ scores have improved in all categories. Fewer complaints than before. Revamped Bestmark program to achieve higher customer service scores. Achieved.
Seek out additional RFP and RFB opportunities with smaller leases in 2009 to ensure incremental revenue generation. Current plan includes:  Outdoor advertising RFP Smarte Cart RFP Payphone RFP	2009 revenues to exceed 2008 revenues in these categories by 10%.	Outdoor advertising RFB was issued but no bids were received. Will be reissued in December with different bidding criteria. Payphone RFP will be issued by end of the year. ATM RFB was also issued resulting in approximately 650k in additional yearly revenue to MAC.
Generate additional revenues for the MAC in 2009 by switching out underperforming concepts for new and exciting ones:  Let's Play to become Vino Vilo Stage Deli to become Arby's	Revenues in 2009 to exceed revenues in 2008 to MAC of 10%.	Vino Volo backed out of the deal, but currently working on bringing Surdyks into the Let's Play Space. Stage Deli has been converted to an Arby's and with a month of sales in so far, it is reporting to be doing over twice the previous sales figures.
Ensure top notch opening and operation of new MSP Wellness Center.	Increased revenues to MAC with passenger satisfaction surveyed during with new services offered.	Opening of the Wellness Center has been delayed due to lease issues. No ETA at this time.

**2010 KEY INITIATIVES**

<b>Organizational Strategy: <i>Assure Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
Pursue new MSP and Reliever Airports revenue opportunities.	Look for additional revenue generating opportunities with leases that are currently month to month or are ending in 2010.	Successful new contracts with the following leases: SmarteCarte, Amusement, Tie Rack.
Pursue new MSP and Reliever Airports revenue opportunities.	Begin process of developing concessions RFP for 2012.	A completed plan for the rebidding of the concessions program.

<b>Organizational Strategy: <i>Provide a Great Customer Experience</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Increased customer service levels at all units within the terminals.	Utilize Bestmark shop reports to evaluate service levels. Achieve an increase of 3% over scores for 2010 from 2009.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**CONCESSIONS & BUSINESS DEVELOPMENT****Performance Indicators**

<b>Organizational Key Areas of Performance</b>				
	<b>2008 Actual</b>	<b>2009 Est</b>	<b>2010 Budget</b>	<b>Target</b>
Financial Responsibility				2%
<b>SC Performance Indicator:</b>	Increased Food & Beverage & Retail Revenues			
<b>Comments:</b>	Look for additional opportunities to increase concessions revenue to the MAC. Passenger Services and Concessions leases to be evaluated: SmarteCartes, Tie Rack, Amusement. Results should be measured by total rent received to rent for 2010 compared to rent received for 2009 in each of these three categories: Retail and News, Food and Beverage, and Passenger Services.			
Customer Service		90%	93%	95%
<b>SC Performance Indicator:</b>	Increased Mystery Shop Scores			
<b>Comments:</b>	Bestmark is used to mystery shop all units once per month to ensure a high level of customer service is happening in all concessions units. Scores are evaluated and rewards are given to associates who score a 100%, where as corrective action is taken by MAC and managers for any associates receiving a failing score.			
Financial Responsibility				7%
<b>SC Performance Indicator:</b>	Increased Passenger Services Revenue			
<b>Comments:</b>	Look for additional opportunities to increase concessions revenue to the MAC. Passenger Services and Concessions leases to be evaluated: SmarteCartes, Tie Rack, Amusement. Results should be measured by total rent received to rent for 2010 compared to rent received for 2009 in each of these three categories: Retail and News, Food and Beverage, and Passenger Services.			

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****CONFERENCE CENTER****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	144,558	152,370	137,697	-14,672	-9.63%
Administrative Expenses	7,427	7,225	11,130	3,905	54.05%
Professional Services		0	0		
Utilities		1,000	1,000	0	0.00%
Operating Services/Expenses	57,239	55,620	55,620	0	0.00%
Maintenance	640	1,545	640	-905	-58.58%
Other	3,451	7,175	5,501	-1,674	-23.33%
<b>Total Budget</b>	<b>213,315</b>	<b>224,935</b>	<b>211,588</b>	<b>-13,346</b>	<b>-5.93%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>2</b>	<b>3</b>	<b>3</b>

**RESPONSIBILITY/FUNCTION**

The Conference Center provides first class customer service to the external and internal customer. This department is responsible for the management and promotion of the MSP Airport Conference Center. Food and beverage service is provided as requested by our clients. The Center is responsible for maintaining audio-visual equipment, invoicing internal/external clients and providing catering services.

**MAJOR 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	The decrease in Personnel between the 2009 budget and 2010 budget is a result of wage adjustments which did not occur as budgeted in 2009. While the 2010 budget does not incorporate annual wage adjustments for non-contract employees, step increases for eligible employees are included. In addition, over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes.
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<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**CONFERENCE CENTER****2009 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
To continue to provide first class customer service to the internal and external customers without compromising our revenue generation.	Try to meet every client's 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.	Completed kitchen remodel that will allow the Conference Center to expand its catering services and allow more food offering to our customers.
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. Continuously work with employees to be sure they are enjoying what they are doing and ensure they are challenged in their positions.	Throughout 2009, the Conference Center has received many notes of thanks for the wonderful customer service, beautiful facilities and selection of catering options. The Airport Conference Center was selected to receive a Partnership Award from the TSA which recognizes the outstanding partnership that's been developed.
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.	While 2009 was a tough economic year, we were able to keep expenses low and gain a larger profit margin on our catering without compromising the quality of our food products.
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.	This was not something that was possible during the 2009 fiscal year.

**2010 KEY INITIATIVES**

<b>Organizational Strategy: N/A</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	Continue to provide a first class customer experience to the internal and external customer without compromising revenue generation.	Try to meet every clients needs by searching for solutions to all special requests. If we don't offer the service find someone who can. Based on client requests add new catering options to our current menu.
N/A	Train in new employees in the conference center and develop their skills so they may provide the best customer service possible.	Strategically place employees in positions where their greatest strength will be matched to the tasks of the position. Continually work with employees to ensure they are challenged in their positions.
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 which will provide an appropriate profit margin.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**CONFERENCE CENTER****Performance Indicators**

<b>Organizational Key Areas of Performance</b>				
	<b>2008 Actual</b>	<b>2009 Est</b>	<b>2010 Budget</b>	<b>Target</b>
Security	0	0	0	0 offenses
<b>SC Performance Indicator:</b>	Maintain a secure area that is accessible by the public			
<b>Comments:</b>	--			
Customer Service		Surveys		100% customer satisfaction.
<b>SC Performance Indicator:</b>	Improve and build on current customer service levels			
<b>Comments:</b>	-			

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****ENVIRONMENT-GENERAL****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	136,885	175,426	172,267	-3,159	-1.80%
Administrative Expenses	12,185	12,160	8,890	-3,270	-26.89%
Professional Services	27,271	10,000	10,000	0	0.00%
Utilities	954	2,000	954	-1,046	-52.30%
Operating Services/Expenses		0	0		
Other		0	0		
<b>Total Budget</b>	<b>177,295</b>	<b>199,586</b>	<b>192,111</b>	<b>-7,475</b>	<b>-3.75%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 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 Aviation Noise and Satellite Program areas to ensure compliance with policies which include: documenting environmental impact for construction projects; assessing noise impacts and corrective measures; complying with 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. The Department of Environment maintains an effective working relationship with state and local units of government and generates activities to establish sound strategies to reduce environmental impacts.

**MAJOR 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	The decrease in Personnel between the 2009 budget and 2010 budget is a result of wage adjustments which did not occur as budgeted in 2009. While the 2010 budget does not incorporate annual wage adjustments for non-contract employees, step increases for eligible employees are included. In addition, over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes.
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<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**ENVIRONMENT-GENERAL****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 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Implement provisions of the 60 DNL Noise Program	Complete elements of the noise litigation Consent Decree relevant to the Environment Department	Completed annual noise contour development and maintained compliance with Consent Decree

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**ENVIRONMENT-GENERAL****2010 KEY INITIATIVES****Organizational Strategy: *Leverage Resources and Technology***

<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
Complete the implementation and integration of EnterpriseOne and GIS elements.	Identify environmentally sustainable management programs	Develop sustainable programs that improve the environment at the MAC's system of airports

**Organizational Strategy: *Provide a Great Customer Experience***

<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Support Reliever Advisory Safety Zoning initiatives	Adopt STP JAZB ordinance; continue FCM JAZB process; and establish 21D JAZB

**Organizational Strategy: *Strengthen Partnerships and Relationships***

<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
Develop central Web portal for tenant communications, forms, process instructions, feedback and Q&A.	Implement air, water and noise programs to meet regulations	Implement noise mitigation program elements consistent with Consent Decree Develop program to meet new air and storm water regulations
Develop central Web portal for tenant communications, forms, process instructions, feedback and Q&A.	Implement elements of Environmental Management System	Draft process for Environmental Management System

## SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET

**ENVIRONMENT-GENERAL****Performance Indicators**

<b>Organizational Key Areas of Performance</b>				
	<b>2008 Actual</b>	<b>2009 Est</b>	<b>2010 Budget</b>	<b>Target</b>
Customer Service		100%	100%	100%
<b>SC Performance Indicator:</b>	Complete airport and community advisory commission work plans			
<b>Comments:</b>				
Environmental Stewardship			10%	25%
<b>SC Performance Indicator:</b>	Reduce petroleum-based diesel fuel use			
<b>Comments:</b>	25% by 2015			
Environmental Stewardship			25%	50%
<b>SC Performance Indicator:</b>	Reduce on-road gas consumption			
<b>Comments:</b>	50% by 2015			
Environmental Stewardship		0	0	0
<b>SC Performance Indicator:</b>	Violations identified by a Regulatory Agency			
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****ENVIRONMENT-ENVIRONMENTAL****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	248,560	255,805	256,423	618	0.24%
Administrative Expenses	4,359	2,738	2,130	-608	-22.21%
Professional Services	178,296	262,650	186,650	-76,000	-28.94%
Utilities	503	750	500	-250	-33.33%
Operating Services/Expenses	31,178	40,874	33,038	-7,836	-19.17%
Maintenance		0	0		
Other	5,852	31,000	28,550	-2,450	-7.90%
<b>Total Budget</b>	<b>468,747</b>	<b>593,817</b>	<b>507,291</b>	<b>-86,526</b>	<b>-14.57%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>3</b>	<b>3</b>	<b>3</b>

**RESPONSIBILITY/FUNCTION**

The Environment Department 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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Wage adjustments did not occur as budgeted in 2009. Over the two-year period (covering 2009 and 2010), wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes. The 2010 budget does not incorporate annual wage adjustments for non-contract employees; however, step increases for eligible employees are included. Vacation sellback increases the budget.
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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****ENVIRONMENT-ENVIRONMENTAL****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 Slip 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 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Continue NPDES permit negotiations with the MPCA and respective stakeholders.	A draft permit developed. Maintain negotiations to establish a workable permit for all stakeholders.	In support of this initiative, staff - 1. Took the lead in stakeholder meetings and agency meeting/tours, 2. Reviewed and provided input on regulatory methodology; 3. Initiated groundwater studies to determine Airport's ability to meet proposed permit limits and 4. Maintained contact with key stakeholders. Due to a change in the regulatory agency (MPCA) personnel, a draft permit was not completed in 2009. Efforts towards a draft re-issued NPDES permit for the MSP Airport will continue in 2010.
Continue negotiations on the expired AST permit with the regulatory agency and stakeholders.	Implementation of negotiated compliance programs. And a draft permit.	In support of this initiative, staff - 1. Participated in stakeholder meetings; 2. Provided input on operator proposed modifications to the current leak detection plan for the hydrant system; 3. Participated in negotiations with the MPCA and stakeholders and 4. Drafted comment to the proposed permit. As a result, a draft was submitted to the MPCA for review. A final AST permit is expected in early 2010.

## SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET

**ENVIRONMENT-ENVIRONMENTAL****2009 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	In support of this initiative, staff - 1. Attended monthly meetings; 2. Provided input on the proposed permit, in particular the section that will impact airport activities; 3. Participated in discussions with stakeholders; 4. Conducted a training session with the MPCA and 5. Provided comments during the draft multi-sector general permit (MSGP) public comment period. The draft MSGP was not finalized by the MPCA in 2009. Efforts to bring this endeavor to fruition will continue in 2010.

**2010 KEY INITIATIVES**

<b>Organizational Strategy: N/A</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	Continue permit negotiations with the MPCA and respective stakeholders for a MSP NPDES permit.	Negotiate and establish a workable permit for all stakeholders. A mutually agreed to and achievable draft permit is the end goal.
N/A	Implement final AST permit requirements.	Develop procedures to implement negotiated compliance programs. Implement procedures in cooperation with other named Permittees.
N/A	Comply with annual regulatory reporting requirements.	Complete all required annual reports (e.g., SMP, CWN, Hazardous waste, Stormwater) in the allotted time. Reduce CWN monitoring and reporting requirements.

<b>Organizational Strategy: Strengthen Partnerships and Relationships</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Engage in general NPDES permit development with the MPCA.	Develop and implement monitoring requirements and best management practices when the permit is promulgated.

## SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET

**ENVIRONMENT-ENVIRONMENTAL****Performance Indicators**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Est</b>	<b>2010 Budget</b>	<b>Target</b>
Environmental Stewardship		100%	100%	100%
<b>SC Performance Indicator:</b>	Submit regularly scheduled reports			
<b>Comments:</b>	There are 42 reports that must be submitted either monthly, quarterly or annually to regulatory entities.			
Environmental Stewardship		100%	100%	100%
<b>SC Performance Indicator:</b>	Conduct compliance assistance inspections			
<b>Comments:</b>				
Environmental Stewardship		100%	100%	100%
<b>SC Performance Indicator:</b>	Conduct monitoring activities			
<b>Comments:</b>				
Environmental Stewardship			100%	100%
<b>SC Performance Indicator:</b>	Implement elements of AST permit			
<b>Comments:</b>				



**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****ENVIRONMENT-AVIATION NOISE****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	526,063	543,740	551,870	8,131	1.50%
Administrative Expenses	33,105	31,654	24,213	-7,441	-23.51%
Professional Services	60,869	102,500	102,300	-200	-0.20%
Utilities		0	0		
Operating Services/Expenses	54,927	87,840	79,217	-8,623	-9.82%
Maintenance		0	0		
Other		0	0		
<b>Total Budget</b>	<b>674,964</b>	<b>765,734</b>	<b>757,600</b>	<b>-8,133</b>	<b>-1.06%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>7</b>	<b>7</b>	<b>7</b>

**RESPONSIBILITY/FUNCTION**

The Aviation Noise and Satellite Programs area 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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Wage adjustments did not occur as budgeted in 2009. Over the two-year period (covering 2009 and 2010), wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes. The 2010 budget does not incorporate annual wage adjustments for non-contract employees; however, step increases for eligible employees are included. In addition, 2009 budget reflects a partial year open position.
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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****ENVIRONMENT-AVIATION NOISE****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.

**2009 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	All 2009 NOC and Reliever Airport Advisory Commissions work plan items have been completed. This results in stronger relationships with the communities, supported expansion of FCM and ANE and resulted in the completion of 17 NOC action items including the development of RNAV departure procedure at MSP and submission of the procedure to FAA for approval. These procedures will contribute to increased operational efficiencies and reduced environmental impacts in the form of emissions and noise reductions.
Compliance with noise litigation settlement consent decree.	Completion/implementation of all elements in 2009 as required by the noise litigation consent decree.	All elements required in 2009 per the noise litigation consent decree were completed. This resulted in the completion of the 2008 actual noise contour report, and analysis supporting residential sound insulation program efforts.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**ENVIRONMENT-AVIATION NOISE****2009 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	Multi-lateration installation and system acceptance testing will be completed. Due to contractor issues final acceptance testing will occur in first quarter 2010. Additionally, MACNOMS has been developed and implementation is completed. This provides for increased flight track data access flexibility and operational efficiency.
Compliance with annual reporting requirements.	Completion of the Annual Noise Contour Report, Annual Report to the Legislature, and 2010 CIP AOEE.	The 2008 Actual Noise Contour Report, 2009 Report to the Legislature and 2010 CIP AOEE documents have been completed. This allows MAC to comply with legislatively required and court ordered reporting requirements in a cost effective manner.

## SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET

## ENVIRONMENT-AVIATION NOISE

## 2010 KEY INITIATIVES

Organizational Strategy: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
Implement provisions of the 60 DNL Noise Program	Compliance with noise litigation consent decree.	Completion/implementation of all elements in 2010 as required by the noise litigation Consent Decree. Provides compliance with court ordered requirements.

Organizational Strategy: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
Open Humphrey Terminal Skyway.	Enhance flight track data availability to the public.	Deploy real-time flight tracking application on the MACNOISE.COM website for MSP, STP and FCM, allowing users to view and replay flight tracks in a given location within 10-minutes of an aircraft operation occurring. Strengthens community and elected official relationships.

Organizational Strategy: <i>Strengthen Partnerships and Relationships</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
NA	Complete FCM Residential Noise Monitoring Program.	Conduct noise monitoring in homes around FCM in compliance with the Final Agreement between the MAC and City of Eden Prairie and the Operational Implementation Plan.
NA	Provide effective and efficient technical support and guidance to the Reliever Airport Joint Airport Zoning Boards.	Completion of St. Paul Downtown Airport Zoning Ordinance, submission of Flying Cloud Airport Zoning Ordinance to MnDOT for approval and commencement of Lake Elmo Airport Zoning Board Activities. This provides compliance with State required zoning regulations in a cost effective manner.

## SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET

## ENVIRONMENT-AVIATION NOISE

## Performance Indicators

Organizational Key Areas of Performance	2008 Actual	2009 Est	2010 Budget	Target
Customer Service	3 days	3 Days		3 days
<b>SC Performance Indicator:</b>	Answer, document and respond to noise complaints			
<b>Comments:</b>	Respond to complaints within 3 business days			
Financial Responsibility	Completed	Completed		Conduct system calibration and maintenance
<b>SC Performance Indicator:</b>	Maintain and calibrate noise and flight track monitoring units			
<b>Comments:</b>				
Financial Responsibility	Zero Downtime	Zero Downtime		0 downtime
<b>SC Performance Indicator:</b>	Maintain and develop TIN in support of Noise Office activities			
<b>Comments:</b>	TIN functionality meets office needs			
Customer Service	Completed	Completed		Ensure clean and accurate data
<b>SC Performance Indicator:</b>	Maintain accurate and clean flight track and noise data			
<b>Comments:</b>				
Customer Service	100%	100%		Ensure 100% site availability
<b>SC Performance Indicator:</b>	Effective operation and maintenance of MACNOISE.COM website			
<b>Comments:</b>				
Financial Responsibility	Completed	Completed		Complete
<b>SC Performance Indicator:</b>	Complete annual CIP AOEE documentation			
<b>Comments:</b>				
Financial Responsibility	Completed	Completed		Complete
<b>SC Performance Indicator:</b>	Complete Annual Noise Contour Report			
<b>Comments:</b>				
Customer Service	4	4		4
<b>SC Performance Indicator:</b>	Conduct 4 Quarterly Noise Public Input Meetings			
<b>Comments:</b>				
Environmental Stewardship	Completed	Completed		Conduct all required GIS activities
<b>SC Performance Indicator:</b>	Conduct GIS Spatial Analysis and Map development in support of Noise Office and organization projects			
<b>Comments:</b>				
Environmental Stewardship	4	4		4
<b>SC Performance Indicator:</b>	Publish 4 Quarterly MSP Noise News Newsletters			
<b>Comments:</b>				
Environmental Stewardship	100%	100%		100%
<b>SC Performance Indicator:</b>	Complete all required activities in support of the Relievers Airport Advisory Commission			
<b>Comments:</b>				

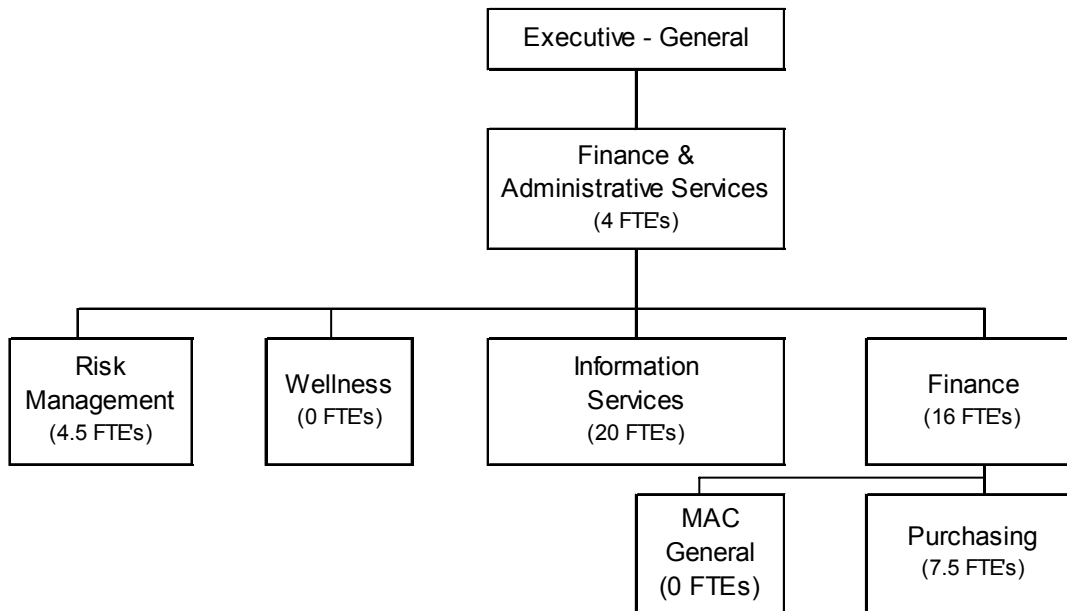
**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

**Finance & Administrative Services Division**



<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**Notations to Service Center Summaries:**

- \* Variance (dollars and %) is computed between 2009 Budget and 2010 Budget
- \* The explanation for the variances is based upon the 2009 Budget and 2010 Budget
- \* Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.



**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****FINANCE & ADMINISTRATIVE SERVICES****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	197,857	351,594	352,683	1,089	0.31%
Administrative Expenses	9,788	6,150	7,125	975	15.85%
Professional Services	12,043	5,000	3,500	-1,500	-30.00%
Utilities	376	0	0	0	0.00%
Operating Services/Expenses		0	0		
Maintenance		160	100	-60	-37.50%
Other		250	200	-50	-20.00%
<b>Total Budget</b>	<b>220,064</b>	<b>363,154</b>	<b>363,608</b>	<b>454</b>	<b>0.13%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>4</b>	<b>4</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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Transferred one FTE into Finance and Administrative Services. Also, wage adjustments did not occur as budgeted in 2009. Over the two-year period (covering 2009 and 2010), wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes. The 2010 budget does not incorporate annual wage adjustments for non-contract employees; however, step increases for eligible employees are included.
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<b>SERVICE CENTER SUMMARIES - 2010 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 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Continue with the implementation throughout the organization of Enterprise One software.	A. Ensure that there is a reconciled starting point for all leased and unleased 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.	A. All Lindbergh Terminal space has been identified and reconciled. Work has begun on all space outside the Lindbergh Terminal Building to include all other buildings and ground space. This should be completed in the 1st Quarter of 2010. B. All leases have been identified and reconciled to include the most accurate information in the 2010 Budget. C. Support has been provided to CMAA and Airport Development to ensure all departments are working under the same parameters.
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.	A. A process has been developed and specific agenda items dealing with new leases and review of existing leases has been completed and is done on a monthly basis. B. A process has been developed and put in place where members of Finance and CMAA work together to review the tracking of all leases.
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.	Still in process as we are waiting for the completion of the Internal Controls audit by Internal Audit to determine what is needed.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**FINANCE & ADMINISTRATIVE SERVICES****2009 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	In particular both Finance and Information Systems (IS) have been included in the process from the beginning of the CIP process to identify structure, needs and financing required to complete the CIP process.
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.	This element is still in process.
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.	This item has been transferred to Internal Audit with the aid of Finance. The first phase of development of this policy is scheduled to be completed in the first half of 2010.

**2010 KEY INITIATIVES**

<b>Organizational Strategy: <i>Assure Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Complete the RFQ (Request For Qualifications) for the Airport Consultant and Bond Counsel both of which are related to issuing debt and Financial Forecasting	Both RFQs are completed
NA	Review the viability of the Reliever Airport Financial model and make recommendations for change	Work with Airport Development and the Reliever Airports to complete a thorough review and analysis of the model and make recommendations to Senior Staff any modifications or changes that may be required
NA	Complete reconciliation of the 2010 Plan Financing	All elements of financing the plan are completed and reconciled.
NA	Complete a review of the Closed Circuit TV continuing CIP project.	Work with IS, Airport Development and Police to review where this project is at and if there are better financial and operational alternatives for this project.
NA	Complete the Bond issuance process for funding a portion of the 2010 through 2012 CIP. Included in this process will be a review of the Commercial Paper program and potential replacement alternatives.	Bonds are issued in May 2010. Short term funding alternatives are reviewed and a recommendation made for a new Commercial Paper program or an alternative is identified.
NA	Complete an analysis of the lease for non Delta (Sky Team) airline lease extension	Work with CMAA and Legal to analyze, review and recommend the best option for the renewal/extension of leases for the non Sky Team airlines

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**FINANCE & ADMINISTRATIVE SERVICES****2011 - 2014 LONG TERM OBJECTIVES**

Objective	Expected Results
Continued review and analysis of potential new revenue sources at both MSP and the Relievers	Cross functional team established to generate, evaluate and pursue available options.
Full implementation of the newly developed Fraud Policy	Training is held and measurements are identified
Analyze alternative energy sources for use at MAC	Work with Airport Development and Environment to review and analyze alternatives for the Commission to pursue regarding other energy sources.
Develop model and plan for financing projected expansion plan in 2013.	Financial plan and model is developed for ease of use, tracking and reconciliation of project costs and funding sources.
Complete RFQ for Financial Advisory Services	RFQ is completed

**Performance Indicators**

Organizational Key Areas of Performance	2008 Actual	2009 Est	2010 Budget	Target
People	100%			100%
<b>SC Performance Indicator:</b> Performance reviews completed. <b>Comments:</b>				
Financial Responsibility	2.11	2.06	2.08	2.0
<b>SC Performance Indicator:</b> Maintain Sr. Debt Service Coverage Above 2.0 <b>Comments:</b>				
Financial Responsibility	Received			Receive
<b>SC Performance Indicator:</b> Retain GFOA's Comprehensive Annual Financial Reporting Award <b>Comments:</b>				
Financial Responsibility	Received	Received		Receive
<b>SC Performance Indicator:</b> Retain GFOA's Budget Presentation Award <b>Comments:</b>				
Financial Responsibility	10th	8th	5th	\$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				

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**WELLNESS****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	5,274	275	145	-130	-47.27%
Administrative Expenses	805	600	350	-250	-41.67%
Professional Services		0	0	0	0.00%
Operating Services/Expenses	124,142	115,820	120,860	5,040	4.35%
Other		4,840	645	-4,195	-86.67%
<b>Total Budget</b>	<b>130,221</b>	<b>121,535</b>	<b>122,000</b>	<b>465</b>	<b>0.38%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 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 reduce healthcare costs.

**MAJOR 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Operating Services/Expenses	These dollars are for increased participation in the Move-To-Improve program which experiences a 4% annual growth pattern.
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## SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET

## WELLNESS

## 2008 PROGRESS REPORT

Service Center Key Initiative	Measurement	Results
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 2007 Health Risk Assessment Executive Report, body mass index should be less than or equal to 25. 22.87% of men and 44.9% of women had BMI measures less than 25.	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: 14.9% 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.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**WELLNESS****2009 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 health benefits eligible employees who participate in, at least, one facet of the 2009 Wellness Program.	Percentage of employees having participated in a facet of the 2009 Wellness Program with a target of >53%.	The participation of benefits eligible employees in Wellness programming has increased steadily exceeding 53% in 2009 and reaching 58.9% in the Move-to-Improve program.
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%.	The transition to a CCS/tpa Health Risk Assessment program was clearly successful recording a total of 349 health benefits contractees completing Health Risk Assessments which included 238 employees for 42% (>37%) of benefits eligible employees having completed their Health Risk Assessments.
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.	MAC Wellness, together with NWA/Delta and other airport vendors, delivered the 3rd annual Health Expo (October/2009) with the largest number of vendor participants to date (54 as compared to 49 in 2008) and vendor evaluations generally excellent and "would like to return in 2010" comments. For 2009, however, the MAC flu clinic was separated from the Health Expo and executed alone (September 2009) with 391 benefit eligible contractees getting a flu shot.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**WELLNESS****2010 KEY INITIATIVES**

<b>Organizational Strategy: <i>Assure Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Provide an opportunity for nutrition counseling to MAC employees and successfully promote it such that maximal possible counseling sessions are completed.	72 counseling sessions with 24 new employees participating.

<b>Organizational Strategy: <i>N/A</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	Maintain participation of employees in Wellness programming at about 60%; especially to maintain participation in the Move-To-Improve program =>58% while increasing the exercise requirement from 12 to 15 time per month.	Percentage of employees having participated in a facet of the 2010 Wellness Program with a target =>58%.
N/A	Successfully transition-working with Risk Management-our Wellness Program promoting completion of Health Risk Assessments to the BlueLink/tpa HRA program.	Qualitative assessment of successful transition with the percent of benefit eligible employees completing Health Risk Assessments =>42%

<b>Organizational Strategy: <i>Strengthen Partnerships and Relationships</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Deliver, together with Delta Airlines and the larger airport business community, a Health Expo (and Flu Shot Clinic) as well or better received than 2009.	Qualitative assessment of successful delivery with >250 MAC employees receiving Flu Shots.



## SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET

## WELLNESS

## Performance Indicators

Organizational Key Areas of Performance				
	2008 Actual	2009 Est	2010 Budget	Target
People	28 employees	31	=>24	15%
<b>SC Performance Indicator:</b>	# employees receiving counseling			
<b>Comments:</b>	The nutrition counseling program is presently budgeted and designed to address 24 new employees each year; and thus, will-if successfully promoted-have reached 15% of employees by the end of 2010.			
People	67%	68%TD	75%	83%
<b>SC Performance Indicator:</b>	Wellness Team meetings attendance			
<b>Comments:</b>	The goal is that Wellness Team members not be absent from more than 2 meetings in a year.			
People	251	391 contractees	=>391	280
<b>SC Performance Indicator:</b>	# employees receiving flu vaccinations			
<b>Comments:</b>	For 2009, the Flu Shot clinic was conducted separately from the Health Expo by Risk Management and the number of employees was not tracked/trackable. 391 total contractees-employees, spouses, and dependents-received flu shots.			
People	37%	42%	=>43%	43%
<b>SC Performance Indicator:</b>	% employees completing Health Risk Assessment			
<b>Comments:</b>	43% is the MAC historic best to date.			
People	53%	58%	58%	60%
<b>SC Performance Indicator:</b>	% employees participating in Wellness			
<b>Comments:</b>	60% Organizational participation is a marker for meaningful impact on Health care costs.			

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****RISK MANAGEMENT****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	8,053,399	8,597,648	8,366,519	-231,130	-2.69%
Administrative Expenses	16,246	12,650	14,300	1,650	13.04%
Professional Services	126,220	116,000	114,000	-2,000	-1.72%
Utilities	723	2,750	2,750	0	0.00%
Operating Services/Expenses	759	19,200	2,200	-17,000	-88.54%
Maintenance		1,000	1,000	0	0.00%
Other	1,975,884	1,952,385	2,070,209	117,824	6.03%
<b>Total Budget</b>	<b>10,173,230</b>	<b>10,701,633</b>	<b>10,570,978</b>	<b>-130,655</b>	<b>-1.22%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>4.5</b>	<b>4.5</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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	<p>The majority of the decrease is related to lower employee insurance costs primarily as a result of a lower FTE count and cost containment measures</p> <p>Also, a decrease in Personnel between the 2009 budget and 2010 budget is partially a result of wage adjustments which did not occur as budgeted in 2009. While the 2010 budget does not incorporate annual wage adjustments for non-contract employees, step increases for eligible employees are included. In addition, over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes.</p>
Other	<p>Airport reinsurance market increase due to combined loss ratio changes. Vehicle insurance increase due to increase in vehicle count and value and due to the Minnesota tort cap limit increase for off-airport operations.</p>

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****RISK MANAGEMENT****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.
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.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**RISK MANAGEMENT****2009 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	This educational seminar was expanded to include all managers and two seminars were held.
Assess recent property value study and evaluate validity of results.	This will insure that property is properly insured and the premium is correct.	An extensive analysis was conducted to arrive at the valid values.
Conduct Supervisory training for OSHA compliance.	MAC will be in compliance or exceed applicable OSHA regulations.	Staff has been providing supervisory training throughout the year with very good feedback.
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.	The Fleet Safety Recognition Program is working very well. A similar program for all employees was not implemented due to budget considerations.
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 and supplemental data they may utilize.	Review with the Labor Management Benefits Committee and solicit input from employees and dependents through continued mailings.	This was achieved and was very successful. We plan to expand this further in 2010.
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.	This has been accomplished and will continue in 2010.
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.	This has been integrated into our training programs.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**RISK MANAGEMENT****2010 KEY INITIATIVES**

<b>Organizational Strategy: <i>Assure Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Evaluate costs for benefits and work with vendor team to control costs through plan design and communication. This will include cutting edge benefits and compliance with new government regulations.	Keep medical and dental costs down while plan members appreciate the benefits provided.
NA	Develop a chargeback system for cost centers to identify and mitigate risks within their process. The system will be based upon an Enterprise Risk Management process.	Measure past losses and costs to current year. Provide feedback to cost centers.

<b>Organizational Strategy: <i>Provide a Great Customer Experience</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Provide the resources so the individuals covered by our medical and dental plans have an understanding of their benefits and how to be wise users of the benefits.	Feedback from providers and the team involved.

<b>Organizational Strategy: <i>Strengthen Partnerships and Relationships</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
Develop central Web portal for tenant communications, forms, process instructions, feedback and Q&A.	Build and enhance a team working relationship between departments to mitigate risks. This will promote positive relationships so that we can work cooperatively toward organizational goals.	Success of programs.

## SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET

**RISK MANAGEMENT****Performance Indicators**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Est</b>	<b>2010 Budget</b>	<b>Target</b>
People	100%			100%
<b>SC Performance Indicator:</b>	Annual employee performance reviews.			
<b>Comments:</b>				
Customer Service	200	150	200	200 or less.
<b>SC Performance Indicator:</b>	Injuries per Passenger			
<b>Comments:</b>				
Financial Responsibility	35	28	20	30 or less.
<b>SC Performance Indicator:</b>	Fleet Accidents			
<b>Comments:</b>				
Financial Responsibility	\$387,250	\$260,000	\$509,928	\$700,000 or less.
<b>SC Performance Indicator:</b>	Workers' Comp Costs			
<b>Comments:</b>				
People	3.6	4.3	2.8	5.0 or less.
<b>SC Performance Indicator:</b>	Medical Benefits Cost Trend			
<b>Comments:</b>				
Safety	0.97	0.92	0.71	0.80 or less.
<b>SC Performance Indicator:</b>	Experience Modification Factor			
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****FINANCE****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	1,407,095	1,242,418	1,202,566	-39,852	-3.21%
Administrative Expenses	26,602	30,380	22,376	-8,004	-26.35%
Professional Services	209,802	194,700	205,700	11,000	5.65%
Utilities	1,019	0	1,100	1,100	100.00%
Operating Services/Expenses	226,109	193,300	203,500	10,200	5.28%
Maintenance		0	0		
Other	10,923	8,500	5,400	-3,100	-36.47%
<b>Total Budget</b>	<b>1,881,550</b>	<b>1,669,298</b>	<b>1,640,642</b>	<b>-28,656</b>	<b>-1.72%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>16</b>	<b>16</b>	<b>16</b>

**RESPONSIBILITY/FUNCTION**

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

**MAJOR 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	The decrease in Personnel between the 2009 budget and 2010 budget is a result of wage adjustments which did not occur as budgeted in 2009. While the 2010 budget does not incorporate annual wage adjustments for non-contract employees, step increases for eligible employees are included. In addition, over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes. In addition, a decrease in Personnel reflects wages for a partial year of an open position.
Professional Services	Professional Services increased due to an anticipated Legislative audit in 2010.
Operating Services/Expenses	Operating Services/Expenses increased because bank fees went up by 3% along with anticipated bond financing in 2010 that will increase bank charges.

## SERVICE CENTER SUMMARIES - 2010 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) Develop budget process improvements within the new system.	1. Due to higher priority projects on 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 forward quickly. Productivity and efficiency will continue to improve greatly as we become 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. 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. 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.

## SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET

**FINANCE****2009 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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. Water and sewer project started. Continuing to work with consultants to fully implement. 2. Have made many improvements in reports and processes with many more still being developed. 3. With E1 we will be and are able to obtain better information to improve the budget process.
Monitor key success measures	1) Senior Debt Coverage ratio maintained at not less than 1.4x. 2) Maintain 6-month reserve in the Operating Fund. 3) Airline Cost/Enplaned Passenger will be in lower half of large hub airports 4) Net Revenues, excluding Depreciation, will be greater than estimated 2008	1. Senior Debt Coverage ratio will be greater than 1.4x. 2. Six month reserve in the Operating Fund will be maintained. 3. Airline Cost per enplaned passenger is in the lower half of large hub airports. 4. Net Revenues, excluding depreciation, will be greater than actual 2008.
Complete RFQs for two continuing consultants (Audit and Airport Consultant)	Both RFQs are completed and approved in 2009	Completed Auditor RFQ and selected BKD, LLP. Also completed RFQ for Underwriters and selected an underwriting team of 6 bankers.
Three-year CIP Funding (2010-2112)	The Capital Plans for 2010-2112 have funding developed based on information database	Completed and obtained Commission approval in December 2009.
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	Assisted on banking, foreign exchange, telecommunications, retail merchandising units and ATM contracts. Begin work on auto rental RFP and off-airport parking fee structure. Computed commercial vehicle per trip fee.
Provide financial analysis as requested from other Departments or the Commission	All analysis is supported with a financial recommendation based on the information provided	Reliever airport rates and charges.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**FINANCE****2010 KEY INITIATIVES**

<b>Organizational Strategy: <i>Assure Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Three-year CIP Funding (2011-2013)	The CIP for 2011-2013 have funding developed on information data base.
Pursue new MSP and Reliever Airports revenue opportunities.	Provide support of any rates and charges modeling as well as RFP assistance on any concession or lease agreements	Lease agreements approved by the Commission
NA	Monitor key success measures	1. Senior Debt coverage ratio maintained at not less than 1.4x 2. Maintain 6-month operating fund reserve 3. Airline cost per enplaned passenger will be in the lower half of large hub airports. 4. Construction fund transfer of \$26 million
NA	Complete RFP's	Investment Custodian

<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 improvements	1. Continue to make improvements to information shown on employee paychecks. 2. Complete ACH project for Accounts Receivable 3. Roll out ACH payments for Accounts Payable 4. Improve financial reporting process 5. Roll out Water and sewer invoicing 6. Continue to work on E1 software issues in Finance areas.

## SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET

**FINANCE****Performance Indicators**

Organizational Key Areas of Performance	2008 Actual	2009 Est	2010 Budget	Target
People	100%	100%	100%	100%
<b>SC Performance Indicator:</b>	Completed performance reviews			
<b>Comments:</b>				
Financial Responsibility			100%	100%
<b>SC Performance Indicator:</b>	Close Accounts Payable by the Friday before the General Ledger close			
<b>Comments:</b>				
Financial Responsibility			100%	100%
<b>SC Performance Indicator:</b>	Close Accounts Receivable within 2 business days			
<b>Comments:</b>				
Customer Service		2	3	3
<b>SC Performance Indicator:</b>	Include at least 3 informational items in the MAC Update publication.			
<b>Comments:</b>				
Financial Responsibility	90%	90%	100%	100%
<b>SC Performance Indicator:</b>	Monthly general ledger close by the 2nd Monday of each month.			
<b>Comments:</b>				
Financial Responsibility	100%	100%	100%	100%
<b>SC Performance Indicator:</b>	Percentage of time operating bank reconciliation completed by 20th of following month.			
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****MAC GENERAL****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	8,352,371	8,559,186	8,966,507	407,321	4.76%
Administrative Expenses	31,842	36,750	31,000	-5,750	-15.65%
Professional Services	1,395	9,000	0	-9,000	-100.00%
Utilities	17,566,031	18,119,800	16,611,230	-1,508,570	-8.33%
Operating Services/Expenses	2,109,623	1,544,000	1,540,000	-4,000	-0.26%
Maintenance	1,612,794	1,245,000	1,344,482	99,482	7.99%
Other	606,101	24,000	57,125	33,125	138.02%
Gross Depreciation	117,594,877	121,250,000	123,000,000	1,750,000	1.44%
<b>Total Budget</b>	<b>147,875,035</b>	<b>150,787,736</b>	<b>151,550,344</b>	<b>762,608</b>	<b>0.51%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>0</b>	<b>7</b>	<b>0</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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increase is due to increases in employee retirement expenses for PERA and MERF, severance pay, post retirement benefits and post retirement health plan. Wages in MAC General have decreased as open positions have been transferred to other service centers based upon the organization needs and a reduction of FTE positions.
Maintenance	Maintenance increase is due to increase in fuel costs.
Other	Increase in Other expenses stems from the petroleum use tax added to the budget.
Gross Depreciation	Gross depreciation is increasing as a result of noise amortization and a full year of HH parking ramp along with the completion of several projects.

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****PURCHASING****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	484,447	474,839	477,910	3,071	0.65%
Administrative Expenses	27,287	19,326	12,800	-6,526	-33.77%
Professional Services		0	0		
Utilities		0	0		
Operating Services/Expenses	3,127	3,484	3,221	-263	-7.55%
Maintenance	91	100	100	0	0.00%
Other	4,136	1,000	4,100	3,100	310.00%
<b>Total Budget</b>	<b>519,087</b>	<b>498,749</b>	<b>498,131</b>	<b>-618</b>	<b>-0.12%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 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 to meet the needs of the end user by using the method which will result in the most efficient use of MAC resources. 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. Purchasing also coordinates acquisition of minor construction, repair and maintenance of real or personal property.

**MAJOR 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	<p>Purchasing eliminated all travel related categories however \$2,500 is included to attend local seminars, which will allow a couple of us to maintain work related certifications.</p> <p>Wage adjustments did not occur as budgeted in 2009. Over the two-year period (covering 2009 and 2010), wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes. The 2010 budget does not incorporate annual wage adjustments for non-contract employees; however, step increases for eligible employees are included.</p>
Operating Services/Expenses	Account 7240 is for the lease of our Hassler equipment in the Service Center.
Other	Account 9190 is for vehicle registrations/tab renewals and it is cyclical in nature. 2010 will see a substantial increase over 2009.

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****PURCHASING****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. Recommend 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 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Successfully implement the Enterprise One requisitioning module.	Train approximately 150 MAC staff.	We have trained a pilot group on RSS and we went live on 11/30/09. RSS will be rolled out to the remainder of the organization during the first quarter of 2010.
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.	This will remain a goal for 2010.
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.	External and internal customer service surveys will be sent after we have fully implemented RSS (2nd quarter of 2010).
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.	These have been completed and are continually updated.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**PURCHASING****2010 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>
Complete the implementation and integration of EnterpriseOne and GIS elements.	Continue to implement the Enterprise One requisitioning module.	A pilot group has been trained and we went live 11/30/09. Requisitioning Self Service (RSS) will be rolled out MAC-wide during the first quarter of 2010.
Complete the implementation and integration of EnterpriseOne and GIS elements.	Work with IS Department to improve the MAC Web site that will enable our Buyers to communicate directly with vendors via email through the MAC bid and RFP download process. Explore allowing vendors the ability to submit their responses 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 responses electronically.

<b>Organizational Strategy: <i>Provide a Great Customer Experience</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Continue to revise and update the policy and procedure documents covering all aspects of purchasing.	Update the Purchasing Policy and write a Voyager Fuel Card Process document.
NA	Continue to improve customer service to external and internal customers.	After RSS is implemented agency-wide internal and external customer satisfaction surveys will be mailed (2nd quarter 2010).

**Performance Indicators**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Est</b>	<b>2010 Budget</b>	<b>Target</b>
Customer Service		Surveys to be issued.		9.0 or better
<b>SC Performance Indicator:</b>	Customer Service Rating			
<b>Comments:</b>	The goal is to improve our customer service to external and internal customers. Surveys to be issued.			
People	100%			100%
<b>SC Performance Indicator:</b>	Completed performance reviews.			
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****INFORMATION SERVICES****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	1,737,911	1,944,499	1,921,525	-22,974	-1.18%
Administrative Expenses	53,341	110,143	57,062	-53,081	-48.19%
Professional Services	159,044	180,000	93,225	-86,775	-48.21%
Utilities	390,346	368,170	363,015	-5,155	-1.40%
Operating Services/Expenses	1,261,160	1,914,480	1,870,277	-44,203	-2.31%
Maintenance		0	0		
Other	489,945	249,890	340,086	90,196	36.09%
<b>Total Budget</b>	<b>4,091,746</b>	<b>4,767,182</b>	<b>4,645,190</b>	<b>-121,992</b>	<b>-2.56%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>20</b>	<b>20</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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	The decrease in Personnel between the 2009 budget and 2010 budget is a result of wage adjustments which did not occur as budgeted in 2009. While the 2010 budget does not incorporate annual wage adjustments for non-contract employees, step increases for eligible employees are included. In addition, over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes.
Other	Increase in Other is due to squad laptops and PCs to drive LCDs for Humphrey gates, dell workstations, printers, Citrix Access Gateway Appliance, network switches, and LCD displays.

## SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET

## INFORMATION SERVICES

## 2008 PROGRESS REPORT

Service Center Key Initiative	Measurement	Results
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.
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.

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****INFORMATION SERVICES****2009 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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	Not completed. Advanced time keeping for Police and Field Maintenance was postponed. Fleet Management will not use E1, but rather stay with the present system. Employee self service for view only will be completed in 2009. Staff training has been held; more is required.
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	The Emergency Communications Center in Fire Station #1 has been built. The CAD, RMS and Mobile systems are being implemented with completion of CAD re-scheduled for March, 2010 and RMS by September 2010. Upgraded radio equipment has been purchased and will go live in March 2010. New 911 phone equipment will be installed in the present Emergency Communications Center to phase it in with operation on the new facility in March 2010.
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.	This project is underway with completion re-scheduled for April, 2010.
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.	Completed
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.	Completion has been re-scheduled for April 2010.
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.	Regular reports are being submitted including scans of the MAC networks. Software and hardware changes have been made to adhere to standards. Staff is still working towards compliance which will require the upgrade of the Parking Revenue Control system. This is planned for 2010 and 2011.
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.	Completed. Upgrades have been made to the G.O. data center addressing air conditioning and power. A study has been done of facility needs for IT equipment, and the CIP includes projects to address the needs.

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****INFORMATION SERVICES****2009 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	The GIS is in place and in use. The link to CAD will be in place when the CAD system goes live in March 2010. The connection to E1 information has been developed as in being tested.



<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**INFORMATION SERVICES****2010 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>
Complete the implementation and integration of EnterpriseOne and GIS elements.	Complete the implementation and integration of EnterpriseOne and GIS elements.	EnterpriseOne implementation will be completed including: employee self service, time tracking for Police and Field Maintenance as well as various accounting open items. GIS integration with E1 will be completed and include lease data, concession data and other financial data.
Complete the implementation and integration of EnterpriseOne and GIS elements.	Complete implementation of Public Safety systems including Computer Aided Dispatch (CAD), Police Records management, Fire links to CAD, Public Safety mobile data terminals, upgraded radio system and upgraded 911 phone system.	Implementation is completed
Complete the implementation and integration of EnterpriseOne and GIS elements.	Upgrade Landside Parking Revenue Control System to help achieve PCI compliance.	50% of the project will be completed in 2010.
Complete the implementation and integration of EnterpriseOne and GIS elements.	Implement Learning Management System so that computer based recurrent SIDA training can be delivered and AOA driver's license records can be maintained.	The system will be operational in 2010.
Complete the implementation and integration of EnterpriseOne and GIS elements.	Upgrade Secured Area Access Control System so that biometric readers can be used and streamline the exchanges of data required for background checks for badge applicants.	Biometric readers are selected, processes and procedures are established for data exchange with the AAAE Clearinghouse and conversion to new biometric data format is underway by year end 2010.

<b>Organizational Strategy: <i>Provide a Great Customer Experience</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
Increase MSP's Accessibility Index	Implement Multiuser Flight Information Displays, Baggage Information Displays and Public Information displays in the Lindbergh Terminal, replacing airline proprietary systems. Visual paging is included.	Display systems are operational.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**INFORMATION SERVICES****2011 - 2014 LONG TERM OBJECTIVES**

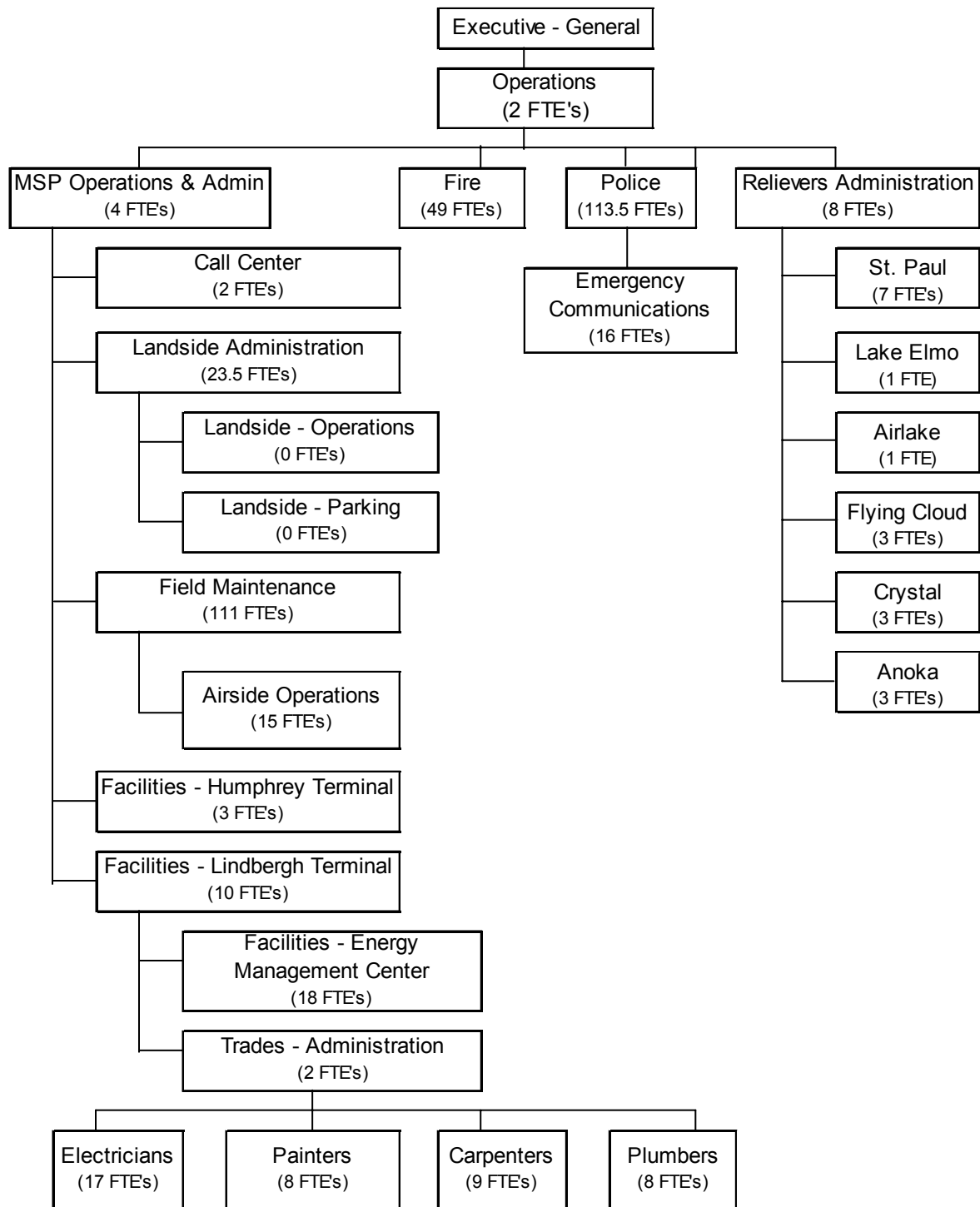
Objective	Expected Results
Evaluate common use passenger processing system for replacement or upgrade. This is the end of life for the product	Decision on replacing or upgrading; results implemented
Desktop hardware and software upgrade or replacement	Upgrade or replacement completed
Upgrade or replace MAC PBX telephone system.	Upgrade or replacement completed
Replace courtesy phone system elements at the end of useful life.	System is upgraded or replaced.

**Performance Indicators**

Organizational Key Areas of Performance	2008 Actual	2009 Est	2010 Budget	Target
People				>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				< 2%
<b>SC Performance Indicator:</b>	IS budget as percent total expense			
<b>Comments:</b>				
Airport Operations				99.99%
<b>SC Performance Indicator:</b>	System availability			
<b>Comments:</b>				
People	100%			100%
<b>SC Performance Indicator:</b>	Completed performance reviews.			
<b>Comments:</b>				

## SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET

## Operations Division



<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**Notations to Service Center Summaries:**

- \* Variance (dollars and %) is computed between 2009 Budget and 2010 Budget
- \* The explanation for the variances is based upon the 2009 Budget and 2010 Budget
- \* Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****DEPUTY-OPERATIONS****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	194,027	199,844	206,119	6,275	3.14%
Administrative Expenses	15,485	9,150	9,680	530	5.79%
Professional Services		0	0		
Utilities	1,217	900	900	0	0.00%
Operating Services/Expenses	517	500	500	0	0.00%
Maintenance		0	0		
Other		0	0		
<b>Total Budget</b>	<b>211,246</b>	<b>210,394</b>	<b>217,199</b>	<b>6,805</b>	<b>3.23%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>2</b>	<b>2</b>	<b>2</b>

**RESPONSIBILITY/FUNCTION**

The Deputy-Operations area is 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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Wage adjustments did not occur as budgeted in 2009. Over the two-year period (covering 2009 and 2010), wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes. The 2010 budget does not incorporate annual wage adjustments for non-contract employees; however, step increases for eligible employees are included resulting in the increase. In addition, 2009 budget reflects a partial year open position.
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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****DEPUTY-OPERATIONS****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.
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 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	CSPI has been launched and Brand for MSP has been defined. Teams are working on the specifics of the initiative to include: Airport Ambiance, Courtesy and Helpfulness of Airport Staff, Cleanliness of Restrooms, and the Comfort of Waiting Areas.

## SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET

## DEPUTY-OPERATIONS

## 2009 PROGRESS REPORT

Service Center Key Initiative	Measurement	Results
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.	Input to the Committee has been made via "virtual" committee meetings and in Zurich meeting in April. Committee work has resulted in input to ICAO policy development on issues of Security Standards and Training. To date, most of the issues do not lend themselves to development of benchmarks for U.S. airports.
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".	Relationships have been and are being developed/maintained with the new management of Delta at MSP and productive meetings have been held in Atlanta between the Airport staff and Delta staff to ensure operational efficiencies continue.

## 2010 KEY INITIATIVES

Organizational Strategy: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
Expand airport wide customer service program.	Working within the CSPI with CSAC, oversee the creation of training programs to train the MSP employee workforce on the MSP Vision Statement and Brand Promise, to develop consistently outstanding/"one of a kind" Customer Service to the traveling public.	Training on the Vision and Brand Promise and the Standardized customer service traits and culture is being conducted by MAC and the tenants at MSP.
Expand airport wide customer service program.	Implementation of CSAC CS improvement projects regarding Airport ambiance, employee courtesy and helpfulness, restroom cleanliness and comfortable waiting areas.	Improvements in the ASQ scores on all associated elements year over year.

## Performance Indicators

Organizational Key Areas of Performance	2008 Actual	2009 Est	2010 Budget	Target
Customer Service	4.17			5 rating
SC Performance Indicator:	ASQ performance rating (1-5 scale)			
Comments:	work is being done on 3 specific areas of performance; Courtesy and helpfulness of airport staff, cleanliness of restrooms, and comfort of waiting areas. The goal is to get closer to the 5 rating each year.			

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****MSP OPERATIONS & ADMN.****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	338,916	334,820	331,867	-2,953	-0.88%
Administrative Expenses	40,207	40,784	43,965	3,181	7.80%
Professional Services	11,294	13,000	13,000	0	0.00%
Utilities	4,163	4,326	4,326	0	0.00%
Operating Services/Expenses	2,434,952	2,367,658	66,900	-2,300,758	-97.17%
Maintenance	14,400	15,000	22,000	7,000	46.67%
Other	29,896	31,298	21,300	-9,998	-31.94%
<b>Total Budget</b>	<b>2,873,828</b>	<b>2,806,886</b>	<b>503,358</b>	<b>-2,303,528</b>	<b>-82.07%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	The decrease in Personnel between the 2009 budget and 2010 budget is a result of wage adjustments which did not occur as budgeted in 2009. While the 2010 budget does not incorporate annual wage adjustments for non-contract employees, step increases for eligible employees are included. In addition, over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes.
Operating Services/Expenses	The primary decrease in this category is the transfer of budgeted monies from MSP Operations & Administration to Facilities for the loading dock management contract.
Maintenance	The primary increase in this category is for additional budgeted monies for terminal signage modifications related to the accessibility project.

## SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET

**MSP OPERATIONS & ADMN.****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.
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.

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****MSP OPERATIONS & ADMN.****2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.
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 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	Good relationships developed unofficially and officially. We have long term established relationships with ACS team already in place. Other added functions: snow symposium, Ops trip to ATL, etc.

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****MSP OPERATIONS & ADMN.****2009 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	All done in 2009 but "welcome program" still unofficial in nature.
Improve terminal safety.	Upgrade of cart ordinance, visual paging and communication improvements seen for hearing impaired community and other members of disabled communities.	Developed translation computer with Travelers Assistance, upgrade to paging system will include website for visual paging. Disability CSAC forum in 2009.
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.	Ordinance upgrade in 2009. Improvements noted with new Primeflight manager.
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.	Decision to wait until Boingo contract expires in 2011 to push for free Wi-Fi.
Ensure FAA certification retained	Successfully complete triennial emergency exercise.	Successful exercise conducted in May 2009.
Bring awareness of airport emergency preparedness to MAC staff.	Build-out Emergency Management Department intranet.	Good emergency management program put into place. Manager left MAC in 12/09 so work needed in 2010.
Update Airport Emergency Plan Hazard-Specific Appendices.	Finalize Pandemic Influenza Emergency Response Plan, including a Continuity of Operations Section.	Completed in 2009.
Submit grant applications to obtain additional funding.	Work with state and federal grant resources to identify additional funding opportunities.	Located and applied for some small funds.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**MSP OPERATIONS & ADMN.****2010 KEY INITIATIVES**

<b>Organizational Strategy: <i>Assure Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Ensure FAA certification retained	All 2010 inspections passed and problems addressed.

<b>Organizational Strategy: <i>Provide a Great Customer Experience</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
Increase MSP's Accessibility Index	Become best airport in the U.S. (and perhaps the world) for services offered to deaf community.	Roll out full visual paging program including live website, PAVs, to tie in to FIDS JC Decaux and CNN.

<b>Organizational Strategy: <i>Strengthen Partnerships and Relationships</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	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 and cost benefit analysis on delays, etc tied to staffing levels.
NA	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 host monthly informal TSA / MAC brown bag lunches. Develop new initiative in 2010 to compliment current operations.
NA	Continue to bring awareness of airport emergency preparedness to MAC staff.	Build-out Emergency Management Department. Hire new manager in 2010. Better develop NIMS standard implementation at MSP.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**MSP OPERATIONS & ADMN.****Performance Indicators**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Est</b>	<b>2010 Budget</b>	<b>Target</b>
Customer Service				completed
<b>SC Performance Indicator:</b>	2010 goals of the MSP Accessibility Plan implemented			
<b>Comments:</b>	Visual paging approach completed by 12/31/10 and 2011 phases planned.			
Airport Operations				completed
<b>SC Performance Indicator:</b>	Continuous improvement of MSP winter operations			
<b>Comments:</b>	Cost of delay matrix developed. Results and conclusions supported by Senior Staff and Delta.			
People	100%			100%
<b>SC Performance Indicator:</b>	Annual Employee Performance Reviews Complete			
<b>Comments:</b>	All MSP Operational groups included			

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****CALL CENTER****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	203,934	224,297	170,683	-53,614	-23.90%
Administrative Expenses	119	0	0	0	0.00%
Professional Services		0	0		
Utilities		0	0		
Operating Services/Expenses	770	1,018	1,018	0	0.00%
Maintenance		0	0		
Other		0	0		
<b>Total Budget</b>	<b>204,823</b>	<b>225,315</b>	<b>171,701</b>	<b>-53,614</b>	<b>-23.79%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>2</b>	<b>3</b>	<b>2</b>

**RESPONSIBILITY/FUNCTION**

The MAC Call Center is responsible for the airport general information line and two courtesy phone lines (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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	The decrease in Personnel between the 2009 budget and 2010 budget is a result of wage adjustments which did not occur as budgeted in 2009 as well as a one FTE reduction. While the 2010 budget does not incorporate annual wage adjustments for non-contract employees, step increases for eligible employees are included. In addition, over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes.
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**2009 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Improve service levels and lower costs through greater use of temporary labor.	Low turnover, good staff coverage and high service levels noted in 2009.	Good use of temporary labor in the Call Center in 2009.
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.	Good contacts with American Federation of the Blind developed in 2009. CSAC forum consulting in paging options, etc.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**CALL CENTER****2010 KEY INITIATIVES**

<b>Organizational Strategy: <i>Provide a Great Customer Experience</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Develop effective Humphrey model to cover "lost" ASIG terminal management duties.	Model developed and implemented that results in improved service levels and lower costs.
Increase MSP's Accessibility Index	Provide great service to Deaf & Hard of Hearing and Blind community in project partnership with Development.	Meeting officially and unofficially to set goals with MCDHH and AFB.

**Performance Indicators**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Est</b>	<b>2010 Budget</b>	<b>Target</b>
People	100%			100%
<b>SC Performance Indicator:</b>	Annual Employee Performance Reviews Complete			
<b>Comments:</b>	All Call Center staff have performance review documented in 2010.			
Customer Service				completed
<b>SC Performance Indicator:</b>	Visual paging developed in Call Center			
<b>Comments:</b>	Live website and MUFIDS, CNN and JCDecaux to display key pages.			



**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****AIRSIDE OPERATIONS****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	1,120,347	1,236,059	1,229,915	-6,144	-0.50%
Administrative Expenses	57,295	89,600	86,030	-3,570	-3.98%
Professional Services	83,886	110,000	76,659	-33,341	-30.31%
Utilities	17,668	10,560	10,560	0	0.00%
Operating Services/Expenses	35,959	42,200	87,400	45,200	107.11%
Maintenance	21,347	6,150	5,900	-250	-4.07%
Other	36,206	32,000	26,125	-5,875	-18.36%
<b>Total Budget</b>	<b>1,372,708</b>	<b>1,526,569</b>	<b>1,522,589</b>	<b>-3,980</b>	<b>-0.26%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>15</b>	<b>15</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 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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	The decrease in Personnel between the 2009 budget and 2010 budget is a result of wage adjustments which did not occur as budgeted in 2009. While the 2010 budget does not incorporate annual wage adjustments for non-contract employees, step increases for eligible employees are included. In addition, over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes.
Operating Services/Expenses	The increase in Operating Services/Expenses is due primarily to the following: 1) The establishment of a regular, ongoing maintenance program for the MSP Driving Simulator which has not received adequate vendor required maintenance in almost four years; 2) Additional technical assistance for key operational systems through the use of consultants to support the increased workload of the department's System Administrator; and 3) Additional support and maintenance plans for training and VMware software.

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****AIRSIDE OPERATIONS****2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.

**2009 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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 Systems Operations Control (SOC) located in Atlanta.	Conduct a winter operations summit with, and for the benefit of Delta/NWA Airlines SOC personnel prior to the 2009-2010 winter season.	Winter operations coordination meetings with Delta operational staff were conducted at MSP and at the Delta Operations Control Center facility in Atlanta.
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.	Learning Management System software has been purchased and installed. Staff training has commenced with the system scheduled to go live 2Q 2010.
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.	The AOA driver's training hardware and software are scheduled for upgrades 1Q 2010. MSP experienced two runway incursions in 2009; one by a MAC employee, the other by a utility contractor.
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).	Airside OT percentage of total wages was 11.7%.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**AIRSIDE OPERATIONS****2010 KEY INITIATIVES**

<b>Organizational Strategy: <i>Assure Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Reduce Airside Operations overtime as a percentage of wages.	2010 Airside OT percentage of total wages less than 11%.

<b>Organizational Strategy: <i>Strengthen Partnerships and Relationships</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
Develop central Web portal for tenant communications, forms, process instructions, feedback and Q&A.	Expand Airport Operations Area driver's training program from those only required by current FAA Advisory Circular standards to all AOA drivers.	Partner with APD-Badging to identify AOA vehicle operators at time of security badge application, and distribute AOA driver's training materials to applicable personnel.

**Performance Indicators**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Est</b>	<b>2010 Budget</b>	<b>Target</b>
People				8.5%
<b>SC Performance Indicator:</b>	Overtime as a percentage of total wages			
<b>Comments:</b>	2007 MAC OT as % of total wages = 11.37%			
Safety	0			0
<b>SC Performance Indicator:</b>	Runway incursions			
<b>Comments:</b>	Goal represents all MSP vehicle operations; MAC and tenant drivers.			
Safety	2			0
<b>SC Performance Indicator:</b>	AOA Violations			
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****EMERGENCY COMMUNICATIONS****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	1,078,219	1,136,058	1,098,144	-37,913	-3.34%
Administrative Expenses	14,576	18,415	14,245	-4,170	-22.64%
Professional Services		0	0		
Utilities	5,422	4,415	4,415	0	0.00%
Operating Services/Expenses	32,155	27,385	13,199	-14,186	-51.80%
Maintenance		0	0		
Other	11,571	16,366	15,097	-1,269	-7.75%
<b>Total Budget</b>	<b>1,141,943</b>	<b>1,202,639</b>	<b>1,145,100</b>	<b>-57,538</b>	<b>-4.78%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>13</b>	<b>16</b>	<b>16</b>

**RESPONSIBILITY/FUNCTION**

Emergency Communications is the 911 center for the airport community, operating 24 hours a day, 7 days a week. 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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	The decrease in Personnel between the 2009 budget and 2010 budget is a result of wage adjustments which did not occur as budgeted in 2009. While the 2010 budget does not incorporate annual wage adjustments for non-contract employees, step increases for eligible employees are included. In addition, over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes. In addition, the decrease in Personnel reflects wages for a partial year of an open position.
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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****EMERGENCY COMMUNICATIONS****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.

**2009 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Continue development and revision of Emergency Communications Center policy manual.	Operating consistency, reduction of liability. Ability to update as necessary.	This key initiative was not achieved due to changing priorities, short staffing, and overly optimistic target date.
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.	Plan to move to basement of fire station. This space accommodates department needs on a short term basis. Need to establish plan for long term staff and future equipment needs.

## SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET

**EMERGENCY COMMUNICATIONS****2009 PROGRESS REPORT**

Service Center Key Initiative	Measurement	Results
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.	Lack of staffing and ability to provide adequate training, as well as unanticipated obstacles. This project is moved to 2010.

**2010 KEY INITIATIVES**

Organizational Strategy: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
NA	Implement and maintain quality control program.	Operating consistency, reduction of liability
NA	Provide appropriate training on high priority systems including computer aided dispatch, secured card access system, CCTV, and the Honeywell alarm system as well as position specific job requirements.	Maintain performance levels. Industry standards are met.

**Performance Indicators**

Organizational Key Areas of Performance	2008 Actual	2009 Est	2010 Budget	Target
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.			

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****LANDSIDE-OPERATIONS****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel		0	0		
Administrative Expenses	43,269	23,549	23,549	0	0.00%
Professional Services		0	0	0	0.00%
Utilities		0	0		
Operating Services/Expenses	73,760	87,691	160,652	72,961	83.20%
Maintenance	42,832	41,105	46,912	5,807	14.13%
Other		0	0		
<b>Total Budget</b>	<b>159,861</b>	<b>152,345</b>	<b>231,113</b>	<b>78,768</b>	<b>51.70%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 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 and the automated system which provides vehicle access and revenue control. It also governs the revenues generated by these roadways and the vehicles and operators utilizing them. Landside Operations has national and international business relationships with other airports, municipal governing entities, and local and national commercial vehicle operators.

**MAJOR 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Operating Services/Expenses	Annual maintenance for commercial vehicle/taxi/contract parking (MAVIS) was under warranty for half of 2009. During 2010 the entire expense will be paid out of the operating budget.
Maintenance	Cost for portable toilets at the taxi Post Road Holding Lot is increasing. Taxis are now making fewer trips so the drivers have more idle time in the holding lot.

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****LANDSIDE-PARKING****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel		0	0		
Administrative Expenses		5,000	0	-5,000	-100.00%
Professional Services		0	0		
Operating Services/Expenses	7,901,100	7,884,683	7,828,169	-56,514	-0.72%
Maintenance	211,300	168,360	211,600	43,240	25.68%
Other		0	0		
<b>Total Budget</b>	<b>8,112,400</b>	<b>8,058,043</b>	<b>8,039,769</b>	<b>-18,274</b>	<b>-0.23%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>0</b>	<b>0</b>	<b>0</b>

**RESPONSIBILITY/FUNCTION**

This cost center oversees the operation, maintenance, marketing, and design of the Commission's public and employee parking facilities and the automated system that provides access and revenue control to these parking facilities. It also governs the revenues generated by these parking facilities, and inter-terminal transportation services provided by light rail and/or shuttle bus service. Landside Parking has business relationships with the Metropolitan Council, national and international airports, municipal governing entities and parking operators, a wide variety of parking supply and service vendors, and parking management operators.

**MAJOR 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Operating Services/Expenses	The decrease in Operating Services is due to a decrease in parking management fees of \$165,931; decrease in shuttle of \$75,000; increase in bank fees of \$143,512 (credit card fees are now invoiced, previously they were deducted from bank deposits); and an increase in service parking equipment. Humphrey Orange Ramp equipment is no longer covered by warranty.
Maintenance	Parking revenue control equipment is aging to the point it must be replaced instead of repaired. (Example access gates that are badly rusted can no longer be repainted.)

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****LANDSIDE-ADMINISTRATION****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	1,509,560	1,455,782	1,468,668	12,886	0.89%
Administrative Expenses	37,906	59,157	38,338	-20,819	-35.19%
Professional Services		0	0		
Utilities	6,530	7,000	6,530	-470	-6.71%
Operating Services/Expenses	1,288	0	0		
Maintenance		0	0		
Other	7,696	7,828	8,100	272	3.47%
<b>Total Budget</b>	<b>1,562,980</b>	<b>1,529,767</b>	<b>1,521,637</b>	<b>-8,131</b>	<b>-0.53%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>23.5</b>	<b>23.5</b>	<b>23.5</b>

**RESPONSIBILITY/FUNCTION****Parking**

This cost center oversees the operation, maintenance, marketing, and design of the Commission's public and employee parking facilities and the automated system that provides access and revenue control to these parking facilities. It also governs the revenues generated by these parking facilities, and inter-terminal transportation services provided by light rail and/or shuttle bus service. Landside Parking has business relationships with the Metropolitan Council, national and international airports, municipal governing entities and parking operators.

**Commercial vehicles and taxis**

This cost center oversees the operation, maintenance, marketing, and design of the Commission's public and employee parking facilities and the automated system that provides access and revenue control to these parking facilities. It also governs the revenues generated by these parking facilities, and inter-terminal transportation services provided by light rail and/or shuttle bus service. Landside Parking has business relationships with the Metropolitan Council, national and international airports, municipal governing entities and parking operators.

**MAJOR 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	<p>Passenger Service Assistant (PSA) overtime incurred to maintain normal levels of service (for positions that have not been replaced when a regular employee quit) increase of \$21,000 and increase of \$78,000 for temporary PSA's.</p> <p>A decrease in Personnel between the 2009 budget and 2010 budget is the result of wage adjustments which did not occur as budgeted in 2009. While the 2010 budget does not incorporate annual wage adjustments for non-contract employees, step increases for eligible employees are included. Over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes.</p>
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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****LANDSIDE-ADMINISTRATION****2009 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Replace Automatic Vehicle Identification hardware to improve the accuracy and reliability of the Landside revenue control systems.	Monthly mis-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%.	Initiative achieved. AVI readers replaced as of May 21, 2009. Mis-matched trips (Jan 09 versus Oct 09) decreased by 49.77%. System "(UNCONF)" errors at parking entrances have decreased by 75%. Accuracy testing of AVI readers demonstrated that read accuracy for properly mounted AVI tags exceeded 99.5%
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 PSAs to passengers and service providers.	Initiative achieved. PSAs have been providing additional services to other MAC departments in addition to their normal Landside duties; APD, Purchasing, and Badging.
Improve efficiency of processing taxi driver inquiries.	Create a structure for drivers and service companies to submit their inquiries and receive feedback. Will result in better utilization of both companies and staff time.	Initiative achieved. For the second year in a row, annual permitting was conducted using Taxi Service Companies to organize and represent their affiliated owners and drivers.
Improve the management of transportation services delivery through increased staff field presence.	Amount of staff time managing in the field increases by 20%.	Initiative partially achieved. Staff time in the field enforcing taxi and commercial vehicle issues has increased by 15%.
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.	Initiative achieved. Variable message signs in the holding lot were replaced and a new VMS Manager software enhancement was developed which greatly increases the efficiency of communications. Access control in this lot was greatly improved when AVI readers and tags were upgraded. Monthly meetings were conducted and are continuing.
Increase public parking at the Humphrey Orange Ramp.	Increase Humphrey hours parked by 20% annually.	Initiative achieved. \$2-\$3 million per year in added Humphrey Orange Ramp revenue (additional 200-400 vehicles parked per day).
Provide additional revenue generating services to customers in valet parking and create a Guaranteed Parking product.	Guaranteed Parking available at Lindbergh and Humphrey and additional revenue generating services are available at Lindbergh Valet.	Initiative achieved. The Lindbergh Terminal Valet car wash was replaced to improve the quality of wash. Guaranteed Parking (now known as ePark Elite) is in the final stages of development and testing and will be launched during the first quarter of 2010.

## SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET

## LANDSIDE-ADMINISTRATION

## 2010 KEY INITIATIVES

<b>Organizational Strategy: <i>Assure Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
Pursue new MSP and Reliever Airports revenue opportunities.	Introduce ePark Elite parking (guaranteed parking at Terminal 1 and Terminal 2).	ePark Elite generates \$300,000 additional revenue during 2010.
Pursue new MSP and Reliever Airports revenue opportunities.	Activate revenue control at the Terminal 1 Transit Center.	Revenue from charter buses and vehicles using the Terminal 1 Transit Center increase 500%.

<b>Organizational Strategy: <i>Leverage Resources and Technology</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
Complete the implementation and integration of EnterpriseOne and GIS elements.	Migrate the parking revenue control system from Zeag FCMS to Zeag Orion.	Two year process. Improve MAC compliance to PCI requirements. Add electronic coupons to RCS (such as bar codes on smart phones for ePark customers).

<b>Organizational Strategy: <i>Provide a Great Customer Experience</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Improve the management of transportation services through increased staff field presence.	Landside agents each spend 2 hours per day performing field enforcement of taxi, commercial vehicle, and parking operations.
NA	Restructure taxicab operations at MSP to improve the efficiency of operations and improve the level of customer service delivered.	Customer complaints decrease by 10%. Customer compliments increase by 15%. The role of day to day managing taxi operations shifts from Landside staff to the taxi industry.
NA	Improve response times for public parking customers.	Ampco response to customers on-site issues in under five minutes per incident.

## Performance Indicators

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Est</b>	<b>2010 Budget</b>	<b>Target</b>
Customer Service		4.15		4.0
<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		3.80		3.70
<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.			

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****FIRE****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	3,838,835	3,861,579	4,101,600	240,021	6.22%
Administrative Expenses	21,059	17,950	15,037	-2,913	-16.23%
Professional Services	9,554	15,700	9,656	-6,044	-38.50%
Utilities	7,380	7,000	7,000	0	0.00%
Operating Services/Expenses	49,195	25,000	26,700	1,700	6.80%
Maintenance	-8,297	4,536	17,967	13,431	296.10%
Other	108,632	89,754	94,310	4,556	5.08%
<b>Total Budget</b>	<b>4,026,357</b>	<b>4,021,519</b>	<b>4,272,270</b>	<b>250,751</b>	<b>6.24%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments due to step increases for those who did not receive them in 2009 due to the one year freeze. In addition, over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes
Operating Services/Expenses	MAC Fire provides corn cobs for the entire airport at the request of the Environment Department. This also ensures proper inventory is available 24/7 in the event of a large spill and that the spill control boxes around the terminals and at fuel dispensing stations are stocked in the event of a spill. We also need to continue the ARFF vehicle inspections using Oshkosh Truck Corp. The ARFF vehicles are inspected every six months to ensure all vehicle systems are in proper working order.
Maintenance	We must maintain our inventory of portable fire extinguishers as required by the Minnesota Fire Code and have been working to accomplish this on a limited budget. We must schedule inspections by a licensed extinguisher company and some are due for replacement because of the age.
Other	The increase in Other expenses results from the purchase of personal protective gear to properly protect our employees.

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET*****FIRE*****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.
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.

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET*****FIRE*****2008 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.

**2009 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	Pushed this project out to 2010
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.	100% completed
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.	80% completed
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.	Scheduled to go live with new system on March 2010 will list in our 2010 key initiatives.
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.	About 75% completed will need additional time through 2nd Q of 2010 to get full project completed.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**FIRE****2010 KEY INITIATIVES**

<b>Organizational Strategy: <i>Assure Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
Pursue new MSP and Reliever Airports revenue opportunities.	Look for alternative funding sources to help provide the services and support we need at MSP, such as vehicle replacement funding for the long term.	Funding available to replace equipment in a more timely manner allowing for better department planning.

<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	Go live with new Computer Aided Dispatch System.	System operates and provides improved resources for personnel responding to emergency calls. In addition, provides quality data for management analysis.
Complete the implementation and integration of EnterpriseOne and GIS elements.	Move to computer based records for inspections and EMS reporting.	All records reviewable and department is able to conduct successful analysis related to department response activities.

<b>Organizational Strategy: <i>Provide a Great Customer Experience</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
Install new highway and terminal way finding signage.	Reduce response times based on data analysis from the new CAD system. Along with the implementation of dynamic dispatching allowing a properly staffed and equipped unit to be sent to the call if it happens to be closer then one at the station.	Analysis of our records management system in July and December 2010 will give us high quality data and should help us better manage emergency response activities.

**Performance Indicators**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Est</b>	<b>2010 Budget</b>	<b>Target</b>
Airport Operations	100%	100%		100%
<b>SC Performance Indicator:</b>	Complete FAR 139 required training			
<b>Comments:</b>				
People	98%	100%		100%
<b>SC Performance Indicator:</b>	Complete performance reviews			
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****POLICE****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	8,882,907	8,806,036	9,074,345	268,310	3.05%
Administrative Expenses	199,652	394,394	256,529	-137,865	-34.96%
Professional Services	104,853	70,500	70,500	0	0.00%
Utilities	29,689	26,120	20,000	-6,120	-23.43%
Operating Services/Expenses	1,112,002	930,499	1,054,082	123,583	13.28%
Maintenance	49,248	173,575	214,300	40,725	23.46%
Other	161,923	152,888	151,750	-1,138	-0.74%
<b>Total Budget</b>	<b>10,540,273</b>	<b>10,554,012</b>	<b>10,841,506</b>	<b>287,495</b>	<b>2.72%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>111.5</b>	<b>113.5</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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	<p>Personnel increases are attributable to the following:</p> <ul style="list-style-type: none"> <li>- Wage structure adjustments due to step increases for those who did not receive them in 2009 due to the one year freeze. In addition, over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes.</li> <li>- Overtime has increased for staffing requirements</li> <li>- Increase for temporary police officers who fulfill the requirements of the Memorandum of Understanding (MOU) with the Transportation Security Administration (TSA) to provide a law enforcement presence at the checkpoints.</li> </ul>
Operating Services/Expenses	Uncontrollable expenses for contracts and services, operating fees, maintenance fees, and taking over expense of CCTV for Landside and HH Terminal.
Maintenance	Upgrading, expansion, and repair costs of maintaining vehicles, equipment, SAACS system, CCTV, and other miscellaneous items.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**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 BDOs 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.

## SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET

## POLICE

## 2009 PROGRESS REPORT

Service Center Key Initiative	Measurement	Results
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.	<p>In 2009 we have continued to build on our strong relationships with the TSA by the re-establishment of weekly meetings with key TSA personnel to discuss timely topics relating with aviation security. Along with a variety of MAC departments we have effectively responded to all items identified in the 2009 TSA comprehensive inspection findings to the TSA's satisfaction. As the local TSA FSD personnel changed we cooperatively built on relationships to encourage a smooth transition in leadership in their key positions like FSD, AFSD for Screening Operations and AFSD for Law Enforcement. Ongoing for 2009 we will continue the weekly forum as we work on updating the Airport Security Program. Our continued participation in ALEAN and AAAE's BASIC Pilot Program has furthered MSP's position as a leader and an example for other airports in aviation security.</p> <ul style="list-style-type: none"> <li>•The police department continues to build its relationships with other airport law enforcement agencies through ALEAN, and ACI. It further worked to develop federal partnerships with the TSA, FBI, DHS, and DEA along with our neighboring jurisdictions. These relationships have provided additional federal staffing to support public safety initiatives at MSP.</li> <li>•The Airport Watch program was developed in order to strengthen partnerships within our community while adding a new layer of security. This program, initiated last year, utilizes members of our community to provide additional eyes and ears for the police department in order to augment our security efforts.</li> </ul>
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.	This initiative was completed in 2009. On March 27th 2009, Airport Community Service Officers began disseminating an informational flyer to MSP customers. The flyer identifies the purpose for curbside regulations, suitable waiting areas and contact information for the police department. A spreadsheet was created to monitor the comments received as well as their outcome. This provides a mechanism to measure the success of the department's customer service training.

## SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET

## POLICE

## 2009 PROGRESS REPORT

Service Center Key Initiative	Measurement	Results
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.	In 2009 we completed a multi year perimeter fence line Hardening project along with three field gate reinforcements with a crash barrier rating. CCTV enhancements were also completed in 2009 to augment other physical security measures. Field gates will remain as a continued initiative until all have been hardened and the current operational issues have been resolved. External access control lights and audible alarms have been installed at all staffed field gates.

## 2010 KEY INITIATIVES

Organizational Strategy: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
NA	Seek grant funding to assist in offsetting the overtime costs for federally mandated security initiatives.	Procurement of grant funds.

Organizational Strategy: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
Promote MSP to international and domestic airlines.	Improve curbside customer service.	Distribution of a minimum of 50 informational flyers per day to persons utilizing the terminal roadways. Reduce the complaints by a minimum of 10%.

Organizational Strategy: <i>Strengthen Partnerships and Relationships</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
NA	Review and improve practices related to incident command procedures.	Airport Police supervisors and managers will receive updated NIMS Training. Establishment of operational protocols and understandings of the IC structure.



## SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET

**POLICE****Performance Indicators**

<b>Organizational Key Areas of Performance</b>				
	<b>2008 Actual</b>	<b>2009 Est</b>	<b>2010 Budget</b>	<b>Target</b>
People	60	74		100
<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	6	9		0
<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	n/a	7		0
<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. Did not start tracking sustained complaints until 2009.			
Customer Service	n/a	n/a		50
<b>SC Performance Indicator:</b>	Number of web-based contacts by users of MSP Airport			
<b>Comments:</b>	Establish a web-based "Contact Form" to offer easy access for all users of MSP Airport wishing to provide comments to the police department. This program is new in 2010. No data available from previous years.			

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****FACILITIES-HUMPHREY TERMINAL****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	206,648	212,371	241,786	29,415	13.85%
Administrative Expenses	1,647	5,100	4,350	-750	-14.71%
Professional Services		0	0		
Utilities	702	795	700	-95	-11.95%
Operating Services/Expenses	23,539	16,650	31,500	14,850	89.19%
Maintenance	81,486	80,900	84,500	3,600	4.45%
Other	1,233	19,860	1,250	-18,610	-93.71%
<b>Total Budget</b>	<b>315,255</b>	<b>335,676</b>	<b>364,086</b>	<b>28,410</b>	<b>8.46%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>2</b>	<b>2</b>	<b>3</b>

**RESPONSIBILITY/FUNCTION**

Facilities 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. This area participates in airport/facilities planning activities and airline lease negotiations. Facilities is the liaison to Federal Inspection Services (CBP) and other federal agencies that oversee Airports.

**MAJOR 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Wage adjustments did not occur as budgeted in 2009. Over the two-year period (covering 2009 and 2010), wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes. The 2010 budget does not incorporate annual wage adjustments for non-contract employees; however, step increases for eligible employees are included resulting in the increase. In addition, an FTE has been added to the Humphrey Terminal due to changing business needs.
Operating Services/Expenses	\$12,000 of this increase is for the replacement of a very old equipment that operates the LED signs in the Lindbergh FIS facility. This equipment breaks down frequently and the software is no longer supported by the manufacturer. The LED signs are essential to providing direction to international passengers in the FIS to make sure they enter the correction inspection line(s) and provides passengers with other important processing information.
Maintenance	Increase is required to cover increase maintenance expenses of aging jetbridges. 4 of the 10 bridges at Humphrey are 15+ years old and require more maintenance. Certain parts are no longer available and must be custom built which is more expensive.  Note: 2 of the 4 older bridges will be replaced with new bridges as part of the 2010 CIP.

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****FACILITIES-HUMPHREY TERMINAL****2009 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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 an operating at all 40+ approved locations.	MUFIDS Phase 2 construction and installation project has started (Dec. 2009) and should be completed by summer 2010. Agreements with airlines (MOU) has been drafted that outlines responsibilities of both MAC and airlines.
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.	All paper signs have been removed (Humphrey) and new LCD displays are being installed as part of the MUFIDS Phase 2 project. MUFIDS Phase 2 has started and will be complete by June 2010.

**2010 KEY INITIATIVES**

<b>Organizational Strategy: <i>Assure Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Bring essential operations duties (jobs) in-house (from ASIG contract). Restructure job & duties to be more efficient provide better service and lower costs. Initially temporary positions, convert to full-time permanent by December 2010.	Lower annual cost to MAC to perform duties in-house with MAC Staff compared to contracted staffing costs (ASIG contract).

<b>Organizational Strategy: <i>Provide a Great Customer Experience</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Re-design EVIDS display pages (Humphrey) to provide more public information (PIDS) which will assist passengers at the airport or provide other useful information to improve their experience at MSP.	Completion of new page layouts and begin routinely displaying information on new pages.

**2011 - 2014 LONG TERM OBJECTIVES**

<b>Objective</b>	<b>Expected Results</b>
Revise future Humphrey expansion plans to create a new combined ticketing and checkpoint security operation on one level in the ticketing area. This plan was initially presented with the 20/20 plan and will dramatically improve service and efficiency.	Completion of design plans (90%) and incorporate as part of the LTCP for Humphrey (Terminal 2).

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**FACILITIES-HUMPHREY TERMINAL****Performance Indicators**

<b>Organizational Key</b>				
<b>Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Est</b>	<b>2010 Budget</b>	<b>Target</b>
Airport Operations				No non-standard signage.
<b>SC Performance Indicator:</b> Elimination of non-standard signage				
<b>Comments:</b>				
Customer Service				0
<b>SC Performance Indicator:</b> Reduced passenger complaints				
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****FACILITIES-LINDBERGH TERMINAL****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	637,998	685,053	660,745	-24,308	-3.55%
Administrative Expenses	36,801	40,071	32,480	-7,591	-18.94%
Professional Services	217,803	122,500	193,500	71,000	57.96%
Utilities	3,913	3,716	3,716	0	0.00%
Operating Services/Expenses	1,072,710	631,547	2,859,959	2,228,412	352.85%
Maintenance	14,428,987	16,430,466	17,393,359	962,893	5.86%
Other	20,660	15,515	14,515	-1,000	-6.45%
<b>Total Budget</b>	<b>16,418,871</b>	<b>17,928,869</b>	<b>21,158,274</b>	<b>3,229,406</b>	<b>18.01%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>10</b>	<b>10</b>	<b>10</b>

**RESPONSIBILITY/FUNCTION**

Facilities Management 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 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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	The decrease in Personnel between the 2009 budget and 2010 budget is a result of wage adjustments which did not occur as budgeted in 2009. While the 2010 budget does not incorporate annual wage adjustments for non-contract employees, step increases for eligible employees are included. In addition, over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes.
Professional Services	The primary increase in this category is the increase in fees to our continuing consultants for tram/elevator/escalator/moving walks oversight, roofing and asbestos surveys & repair oversight.
Operating Services/Expenses	The primary increase in this category is the transfer of budgeted monies from MSP Operations & Administration to Facilities for the loading dock management contract. There is also a contractual increase in the Facilities Monitoring System support.
Maintenance	The primary increases in this category are for the rebid contracts / contractual increases for APM O&M, Janitorial & Window Cleaning, Elevators/Escalators/Moving Walks O&M, and Carrousel & Conveyor O&M.

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET*****FACILITIES-LINDBERGH TERMINAL*****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 jet bridges have not been acquired by MAC yet.

**2009 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Smoothly transition to new tram O&M contract	Tram availability stays the same or improves.	Tram availability improved year-over-year for both systems. Concourse C tram went from 97.35 to 97.99%. Hub tram went from 99.54 to 99.78%.
Improve terminal cleanliness.	Increased customer satisfaction rating and decreased passenger/tenant complaints.	3rd qtr 2008 results = 4.19; 3rd qtr 2009 results = 4.22
Minimize disruptions due to key retirement-Trades Manager	Trades departments' continue to run smoothly.	Trades have run smoothly and new Trades Manager starts on January 4, 2010.
Improve staff productivity through improved technology	Time spent by individuals inputting information into CMMS	No improvement in this area yet. This will be a primary focus for new Trades Mgr.



<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**FACILITIES-LINDBERGH TERMINAL****2010 KEY INITIATIVES**

<b>Organizational Strategy: <i>Provide a Great Customer Experience</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
Expand airport wide customer service program.	Improve tram availability	Availability % goes up
Expand airport wide customer service program.	Improve Terminal Cleanliness ASQ scores	ASQ scores analyzed year-over-year.
Expand airport wide customer service program.	Reduce elevator/escalator/moving walk repair callbacks	Callbacks analyzed year-over-year.

**Performance Indicators**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Est</b>	<b>2010 Budget</b>	<b>Target</b>
Airport Operations	120	76.5	70	70
<b>SC Performance Indicator:</b>	Elevator/escalator/moving walk callbacks			
<b>Comments:</b>				
Airport Operations	98%	98%	99%	99%
<b>SC Performance Indicator:</b>	C Tram availability			
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****FACILITIES-ENERGY MGT. CENTER****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	1,194,397	1,278,317	1,207,307	-71,009	-5.55%
Administrative Expenses	4,744	4,445	3,971	-474	-10.66%
Professional Services	39,767	42,163	42,163	0	0.00%
Utilities	3,911	3,629	3,576	-53	-1.46%
Operating Services/Expenses	738	0	0	0	0.00%
Maintenance	1,403,737	1,429,579	1,461,016	31,437	2.20%
Other	3,880	4,948	5,266	318	6.43%
<b>Total Budget</b>	<b>2,651,174</b>	<b>2,763,081</b>	<b>2,723,299</b>	<b>-39,781</b>	<b>-1.44%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>18</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 and 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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	The decrease in Personnel between the 2009 budget and 2010 budget is a result of wage adjustments which did not occur as budgeted in 2009. While the 2010 budget does not incorporate annual wage adjustments for non-contract employees, step increases for eligible employees are included. In addition, over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes.
Maintenance	Increase in maintenance is due to replacement and maintenance of old equipment and parts and state maintenance requirements.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**FACILITIES-ENERGY MGT. CENTER****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 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Smoothly transition to new OABA system	EMC continues to run smoothly	OABA Phase One is complete and EMC has not experienced disruptions.
Reduce time to respond to customer complaints.	Increase customer satisfaction and decreased customer complaints.	Results were not formally measured in 2009. A method for tracking will be implemented in 2010.

**2010 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	Smoothly transition to new OABA system	EMC continues to run smoothly.

<b>Organizational Strategy: <i>Provide a Great Customer Experience</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
Expand airport wide customer service program.	Reduce time to respond to customer complaints.	Increase customer satisfaction and decreased customer complaints.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**FACILITIES-ENERGY MGT. CENTER****Performance Indicators**

<b>Organizational Key Areas of Performance</b>				
	<b>2008 Actual</b>	<b>2009 Est</b>	<b>2010 Budget</b>	<b>Target</b>
Financial Responsibility		\$300,000		\$300,000
<b>SC Performance Indicator:</b>	Fire alarm maintenance contract oversight			
<b>Comments:</b>	Fire alarm contract scope has increased so the challenge will be to hold the line on costs on a broader contract.			
Customer Service	Not measured	Not measured		Baseline established
<b>SC Performance Indicator:</b>	Customer complaints			
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****TRADES - ELECTRICIANS****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	1,568,196	1,559,568	1,562,295	2,727	0.17%
Administrative Expenses	3,362	1,730	1,355	-375	-21.68%
Professional Services	1,233	10,200	10,200	0	0.00%
Utilities	7,918	6,573	7,000	427	6.50%
Operating Services/Expenses	46,166	733	1,250	517	70.57%
Maintenance	623,073	657,397	861,810	204,413	31.09%
Other	117,961	22,892	22,893	1	0.00%
<b>Total Budget</b>	<b>2,367,910</b>	<b>2,259,094</b>	<b>2,466,803</b>	<b>207,709</b>	<b>9.19%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Wage adjustments did not occur as budgeted in 2009. Over the two-year period (covering 2009 and 2010), wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes.
Maintenance	The maintenance increase is due to contractor agreement adjustments to ensure proper maintenance on major UPS units.

## SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET

## TRADES - ELECTRICIANS

## 2008 PROGRESS REPORT

Service Center Key Initiative	Measurement	Results
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 PROGRESS REPORT

Service Center Key Initiative	Measurement	Results
Improve staff productivity through improved technology	Time spent by individuals inputting information into CMMS	No improvement in this area. This will be a primary focus of the new Trades Mgr.
Reduce runway downtime due to airfield lighting issues.	Runway downtime related to airfield lighting.	Not formally measured in 2009. A method to track this will be implemented in 2010.

## 2010 KEY INITIATIVES

Organizational Strategy: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
Complete the implementation and integration of EnterpriseOne and GIS elements.	Improve staff productivity through improved technology	Time spent by individuals inputting information into CMMS

Organizational Strategy: <i>N/A</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
N/A	Reduce runway downtime due to airfield lighting issues	Runway downtime related to airfield lighting.

## Performance Indicators

Organizational Key Areas of Performance	2008 Actual	2009 Est	2010 Budget	Target
Financial Responsibility	\$100,000	\$300,000	\$300,000	\$300,000
SC Performance Indicator: UPS contract oversight				
Comments: Contract scope change in 2009 resulted in dramatic cost increase. Result is that equipment is being maintained at a higher level.				



**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****TRADES - PAINTERS****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	645,110	778,434	711,861	-66,573	-8.55%
Administrative Expenses		300	0	-300	-100.00%
Professional Services		0	0		
Utilities	1,349	1,549	1,549	0	0.00%
Operating Services/Expenses		0	0	0	0.00%
Maintenance	196,689	210,457	190,504	-19,953	-9.48%
Other	3,058	2,473	2,472	-1	-0.03%
<b>Total Budget</b>	<b>846,206</b>	<b>993,213</b>	<b>906,386</b>	<b>-86,826</b>	<b>-8.74%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>8</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.

The paintshop is responsible all paint maintenance on all buildings at MSP and reliever airports system.

**MAJOR 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	The decrease in Personnel between the 2009 budget and 2010 budget is a result of wage adjustments which did not occur as budgeted in 2009. While the 2010 budget does not incorporate annual wage adjustments for non-contract employees, step increases for eligible employees are included. In addition, over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes.
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<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**TRADES - PAINTERS****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.

**2009 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Add 100 new surface-painted hold position boxes on the four runways at MSP.	Hold position boxes completed on time and within budget.	Completed on time and within budget
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.	No lost time to injury
Try to get through 2009 with existing field marking equipment.	No new field marking equipment purchased.	Equipment failures were minor in nature due to good operational techniques.

## SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET

## TRADES - PAINTERS

## 2010 KEY INITIATIVES

Organizational Strategy: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
NA	Reduce hazardous waste/ nonhazardous waste disposal costs.	Compare to 2009 disposal levels
NA	Control sign making material costs by seeking other vendors with more competitive material costs	Costs go down.

Organizational Strategy: <i>Match Employee Talent with Changing Business Needs</i>		
Organizational Key Initiative	Service Center Key Initiative	Measurement
NA	Work with Safety to ensure paint/sign staff are receiving proper and timely safety training including respirator and hearing tests.	Amount of training completed.
NA	Complex equipment cross-training for paint staff	Cross training completion rate.

## Performance Indicators

Organizational Key Areas of Performance	2008 Actual	2009 Est	2010 Budget	Target
Airport Operations				2 painters trained on 2 different pieces of equip
SC Performance Indicator: equipment cross-training				
Comments: Not enough time in 2009, will attempt again in 2010				
Environmental Stewardship				zero increase
SC Performance Indicator: maintain current levels or reduce hazardous waste disposal costs				
Comments:				

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****TRADES - CARPENTERS****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	736,589	809,071	767,803	-41,268	-5.10%
Administrative Expenses	1,298	3,596	1,743	-1,853	-51.53%
Professional Services		0	0		
Utilities	2,974	3,893	3,893	0	0.00%
Operating Services/Expenses	4,421	940	940	0	0.00%
Maintenance	141,902	229,644	152,152	-77,492	-33.74%
Other	16,752	11,737	9,416	-2,321	-19.78%
<b>Total Budget</b>	<b>903,935</b>	<b>1,058,881</b>	<b>935,947</b>	<b>-122,934</b>	<b>-11.61%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 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 and aesthetically acceptable for MAC, its tenants and the traveling public. We provide quality service to our MAC departments and the airport tenants in a timely manner. Services include maintenance from floor to roof, wall to wall services consisting of the following: a locksmith service that separates the "secured areas from the non-secured" areas; along with a lock service for our tenants, installation and care of a wide variety of facility needs and 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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Wage adjustments did not occur as budgeted in 2009. Over the two-year period (covering 2009 and 2010), wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes. In addition, a decrease occurs in temporary employees.
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<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**TRADES - CARPENTERS****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 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).	Autodoor and tug door operational uptime were improved by using Facilities monitoring to track door availability.
Identify all security doors for key database system	All doors identified.	Security doors have been identified. Staff is working with IS to modify key database system to audit only security doors.

**2010 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>
Complete the implementation and integration of EnterpriseOne and GIS elements.	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>Provide a Great Customer Experience</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
Expand airport wide customer service program.	Minimize passenger disruptions during maintenance in public spaces.	Passenger complaints decrease.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**TRADES - CARPENTERS****Performance Indicators**

<b>Organizational Key Areas of Performance</b>				
	<b>2008 Actual</b>	<b>2009 Est</b>	<b>2010 Budget</b>	<b>Target</b>
Financial Responsibility		41.5%		43.25%
<b>SC Performance Indicator:</b>	Increase Preventative Maintenance			
<b>Comments:</b>	By increasing the number/percentage of preventative maintenance work orders we will move from reactive to planned proactive work orders therefore increasing time and financial effectiveness.			

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****TRADES - PLUMBERS****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	1,060,971	1,039,125	1,103,325	64,200	6.18%
Administrative Expenses	1,068	2,121	2,050	-71	-3.35%
Professional Services	5,641	6,180	5,872	-308	-4.98%
Utilities	3,515	3,539	3,539	0	0.00%
Operating Services/Expenses	6,458	5,030	5,030	0	0.00%
Maintenance	273,471	213,068	213,465	397	0.19%
Other	24,471	5,600	7,600	2,000	35.71%
<b>Total Budget</b>	<b>1,375,595</b>	<b>1,274,663</b>	<b>1,340,881</b>	<b>66,218</b>	<b>5.19%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>8</b>	<b>8</b>	<b>8</b>

**RESPONSIBILITY/FUNCTION**

The Plumbers are responsible for all of the water available for our customers, tenants and MAC personnel. They accomplish this through the maintenance, repair and ongoing preventive maintenance of the potable water systems, sanitary and storm sewer systems, building plumbing systems, irrigation systems and fire sprinkler systems. They are also responsible for plumbing inspections, locating appropriate utility lines and are a valuable resource to Airport Development by reviewing plumbing schematics for new projects. To stay current with new plumbing technologies, processes and efficiencies, they attend training seminars and new equipment and tooling demonstrations throughout the year.

**MAJOR 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Wage adjustments did not occur as budgeted in 2009. Over the two-year period (covering 2009 and 2010), wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes. In addition, an increase in trade union benefits to reflect current expenses is included in the budget.
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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****TRADES - PLUMBERS****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.

**2009 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Reduce water consumption by 20%.	Measure reduction through metering.	No reduction was experienced due to airfield construction projects that used large amounts of water. The region also experienced a drought that effected the amount of water used for irrigation purposes.
Maintain levels of service of the collection system.	Increase the useful life of the system and equipment. Meet regulatory requirements.	We managed to maintain proper operation of all lift stations without any major equipment failure. We have cleaned over 9,300 feet of sanitary sewer systems so far this year including two sanitary sewer lift stations in the spring and fall. We have not had any overflows of the sanitary sewer system. We will again carry this key initiative into 2010. This maintenance falls within regulatory requirements.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**TRADES - PLUMBERS****2010 KEY INITIATIVES**

<b>Organizational Strategy: <i>Assure Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Reduce water consumption by promoting water conservation.	Measure reduction through metering.

<b>Organizational Strategy: <i>Strengthen Partnerships and Relationships</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
Develop central Web portal for tenant communications, forms, process instructions, feedback and Q&A.	Maintain levels of service of the collection system.	Increased useful life of the system and equipment. Reduction or elimination of sewer overflows and backups. Regulatory requirements met.

**Performance Indicators**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Est</b>	<b>2010 Budget</b>	<b>Target</b>
Financial Responsibility		-20%		-10%
<b>SC Performance Indicator:</b>	Decrease water consumption on MSP campus irrigation			
<b>Comments:</b>	2009 Target of 20% reduction was not met due to drought conditions. 2010 target is to reduce irrigation water consumption by 10% and to maintain the reduced level.			

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****TRADES - ADMINISTRATION****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	138,923	146,718	73,597	-73,120	-49.84%
Administrative Expenses	9,077	5,056	4,750	-306	-6.05%
Professional Services	37,479	37,500	37,479	-21	-0.06%
Utilities		290	0	-290	-100.00%
Operating Services/Expenses	848	0	0		
Other	2,543	4,350	2,519	-1,831	-42.09%
<b>Total Budget</b>	<b>188,870</b>	<b>193,914</b>	<b>118,345</b>	<b>-75,568</b>	<b>-38.97%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>1</b>	<b>2</b>	<b>2</b>

**RESPONSIBILITY/FUNCTION**

Trades-Administration 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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	The decrease in Personnel between the 2009 budget and 2010 budget is a result of wage adjustments which did not occur as budgeted in 2009. While the 2010 budget does not incorporate annual wage adjustments for non-contract employees, step increases for eligible employees are included. In addition, over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes. In addition, the decrease reflects wages for a partial year of an open position.
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**2009 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Improve staff productivity through improved technology.	Time spent by individuals inputting information into CMMS	No improvement in this area. This will be a primary focus of new Trades Mgr.
Establish relationships with key internal/external customers	Relationships established.	On-going.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**TRADES - ADMINISTRATION****2010 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>
Complete the implementation and integration of EnterpriseOne and GIS elements.	Improve staff productivity through improved technology.	Time spent by individuals inputting information into CMMS.

<b>Organizational Strategy: <i>Strengthen Partnerships and Relationships</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Establish relationships with key internal/external customers.	Relationships established.

**Performance Indicators**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Est</b>	<b>2010 Budget</b>	<b>Target</b>
People	30 minutes/day	60 minutes/day		2 hours/day
<b>SC Performance Indicator:</b> Staff time spent in CMMS				
<b>Comments:</b> <p>Currently the percentage of Assets entered into E1 are at:  Carpentry 80%  Plumbing 65%  Electrical 20%  We are hoping to increase those numbers by 5% in 2010</p>				

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****FIELD MAINTENANCE****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	8,374,754	8,159,858	8,327,440	167,582	2.05%
Administrative Expenses	33,055	25,070	19,485	-5,585	-22.28%
Professional Services	25,853	27,500	25,000	-2,500	-9.09%
Utilities	12,207	11,100	14,400	3,300	29.73%
Operating Services/Expenses	69,195	41,600	17,100	-24,500	-58.89%
Maintenance	2,567,420	3,129,350	2,902,550	-226,800	-7.25%
Other	37,941	51,390	33,250	-18,140	-35.30%
<b>Total Budget</b>	<b>11,120,425</b>	<b>11,445,868</b>	<b>11,339,225</b>	<b>-106,643</b>	<b>-0.93%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>
<b>FTE Total:</b>	<b>111</b>	<b>113</b>	<b>111</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 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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Wage adjustments did not occur as budgeted in 2009. Over the two-year period (covering 2009 and 2010), wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes.
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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****FIELD MAINTENANCE****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 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
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.	Many vehicle replacements were deferred in 2009. Of those replaced, flex-fuel equipment replaced standard engines if available in vehicle size/class. The MAC's flex-fuel fleet increased to 40 vehicles. A full-size hybrid pick-up (2010 model) was procured immediately upon the vehicle's introduction into the marketplace. An electric vehicle was procured and assigned to routine duties.
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.	Field Maintenance experienced eleven preventable accidents; the cost per accident rate was less than 2008.
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.	Field Maintenance did not meet its target, experiencing a runway incursion during winter operations.



<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**FIELD MAINTENANCE****2010 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>
Complete the implementation and integration of EnterpriseOne and GIS elements.	Implement the inventory control module on EnterpriseOne.	Module fully operational by mid year 2011.

<b>Organizational Strategy: <i>N/A</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	Maintain runway environment safety though movement area driver's training.	Zero runway incursions.
N/A	Reduce the number of preventable motor vehicle accidents. Enhance and increase safe driving technique training opportunities.	Fewer than 10 preventable accidents.

**Performance Indicators**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Est</b>	<b>2010 Budget</b>	<b>Target</b>
Safety				6
<b>SC Performance Indicator:</b> Field Maintenance vehicle accidents				
<b>Comments:</b> Figures represent Field Maintenance Department only.				
Safety				0
<b>SC Performance Indicator:</b> Runway incursions				
<b>Comments:</b> Zero runway incursions by MAC staff.				

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****RELIEVERS - ADMINISTRATION****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	691,646	708,614	705,894	-2,720	-0.38%
Administrative Expenses	6,775	9,600	8,048	-1,552	-16.17%
Professional Services	2,520	45,000	44,000	-1,000	-2.22%
Utilities	975	1,200	975	-225	-18.75%
Operating Services/Expenses	1,417	1,100	1,075	-25	-2.27%
Other		0	0		
<b>Total Budget</b>	<b>703,333</b>	<b>765,514</b>	<b>759,992</b>	<b>-5,522</b>	<b>-0.72%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 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 Airport properties, which includes responding to tenant requests and monitoring tenant compliance with leases.

**MAJOR 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	The decrease in Personnel between the 2009 budget and 2010 budget is a result of wage adjustments which did not occur as budgeted in 2009. While the 2010 budget does not incorporate annual wage adjustments for non-contract employees, step increases for eligible employees are included. In addition, over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes.
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<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**RELIEVERS - ADMINISTRATION****2009 PROGRESS REPORT**

<b>Service Center Key Initiative</b>	<b>Measurement</b>	<b>Results</b>
Realign managerial responsibility to provide better customer service and efficiency.	Reduction in travel time resulting in more time spent on a given airport and improved customer service.	Individual managerial responsibilities for the Reliever Airports were re-assigned in February.
Update lease policies and forms.  Draft policies and draft lease forms are complete and awaiting Sr. staff review and approval.	Updated documents reflecting Reliever Airport Task Force recommendations.	Draft policies and draft lease forms are complete and awaiting Sr. staff review and approval.
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	Lease terminations, necessary relocations, and building demolitions were successfully completed by October 1, 2009.
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	Incomplete. No budget money.

**2010 KEY INITIATIVES**

<b>Organizational Strategy: <i>Assure Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
Pursue new MSP and Reliever Airports revenue opportunities.	Negotiate new lease agreements with Blaine and Eden Prairie for athletic fields on MAC property.	Approval and execution of new lease agreements

<b>Organizational Strategy: <i>N/A</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
N/A	Revise and update the Minimum Standards ordinance for commercial operators on the Reliever Airports	Adoption of new MAC ordinance.
N/A	Complete the process for adoption and implementation of a hangar aesthetics ordinance for the reliever Airports	Commission adoption of a new aesthetics ordinance.

<b>Organizational Strategy: <i>Strengthen Partnerships and Relationships</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Key Initiative</b>	<b>Measurement</b>
NA	Complete the public meeting process for implementation of new Reliever lease policies and forms	Commission adoption and approval of new lease policies and lease forms for the Reliever Airports.

<b>SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET</b>
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**RELIEVERS - ADMINISTRATION****Performance Indicators**

<b>Organizational Key</b>				
<b>Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Est</b>	<b>2010 Budget</b>	<b>Target</b>
People	50%			100%
<b>SC Performance Indicator:</b>	Performance reviews completed.			
<b>Comments:</b>				
Safety	10	17		0
<b>SC Performance Indicator:</b>	Airfield incursions.			
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****RELIEVERS - ST. PAUL****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	525,306	527,388	543,922	16,534	3.14%
Administrative Expenses	2,096	1,229	1,270	41	3.34%
Professional Services	15,221	48,000	15,000	-33,000	-68.75%
Utilities	2,510	1,923	2,510	587	30.53%
Operating Services/Expenses	27,359	878	0	-878	-100.00%
Maintenance	128,494	149,769	164,291	14,522	9.70%
Other	509	962	462	-500	-51.98%
<b>Total Budget</b>	<b>701,496</b>	<b>730,149</b>	<b>727,455</b>	<b>-2,694</b>	<b>-0.37%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Wage adjustments did not occur as budgeted in 2009. Over the two-year period (covering 2009 and 2010), wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes.
Maintenance	The increase in Maintenance is due to exterior electrical maintenance, plumbing and fire alarm suspension maintenance.

**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****RELIEVERS - LAKE ELMO****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	86,748	84,788	84,675	-113	-0.13%
Administrative Expenses	136	148	250	102	68.92%
Professional Services	15,221	9,000	12,000	3,000	33.33%
Utilities	499	485	500	15	3.09%
Operating Services/Expenses		0	0		
Maintenance	22,088	25,325	23,600	-1,725	-6.81%
Other	33	152	100	-52	-34.21%
<b>Total Budget</b>	<b>124,725</b>	<b>119,898</b>	<b>121,125</b>	<b>1,227</b>	<b>1.02%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	The decrease in Personnel between the 2009 budget and 2010 budget is a result of wage adjustments which did not occur as budgeted in 2009. While the 2010 budget does not incorporate annual wage adjustments for non-contract employees, step increases for eligible employees are included. In addition, over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes.
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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****RELIEVERS - AIRLAKE****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	88,870	77,990	82,548	4,557	5.84%
Administrative Expenses	312	250	212	-38	-15.20%
Professional Services	18,464	8,000	8,000	0	0.00%
Utilities	566	218	250	32	14.68%
Operating Services/Expenses		0	0		
Maintenance	27,234	19,714	19,127	-587	-2.98%
Other	16	162	162	0	0.00%
<b>Total Budget</b>	<b>135,463</b>	<b>106,334</b>	<b>110,299</b>	<b>3,964</b>	<b>3.73%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to increased over time and additional uniform rental. Wage adjustments did not occur as budgeted in 2009. Over the two-year period (covering 2009 and 2010), wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes.
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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****RELIEVERS - FLYING CLOUD****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	199,205	207,698	204,273	-3,425	-1.65%
Administrative Expenses	379	350	350	0	0.00%
Professional Services	16,581	8,000	8,000	0	0.00%
Utilities	763	520	520	0	0.00%
Operating Services/Expenses		0	0		
Maintenance	80,591	50,900	50,416	-484	-0.95%
Other	561	150	85	-65	-43.33%
<b>Total Budget</b>	<b>298,081</b>	<b>267,618</b>	<b>263,644</b>	<b>-3,974</b>	<b>-1.49%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	The decrease in Personnel between the 2009 budget and 2010 budget is a result of wage adjustments which did not occur as budgeted in 2009. While the 2010 budget does not incorporate annual wage adjustments for non-contract employees, step increases for eligible employees are included. In addition, over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes.
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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****RELIEVERS - CRYSTAL****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	234,136	212,961	204,783	-8,178	-3.84%
Administrative Expenses	824	1,434	723	-711	-49.58%
Professional Services	15,221	9,000	9,000	0	0.00%
Utilities	2,622	2,376	2,376	0	0.00%
Operating Services/Expenses	2,049	2,034	2,034	0	0.00%
Maintenance	51,496	41,400	35,796	-5,604	-13.54%
Other	51	293	1,035	742	253.24%
<b>Total Budget</b>	<b>306,399</b>	<b>269,498</b>	<b>255,747</b>	<b>-13,751</b>	<b>-5.10%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	The decrease in Personnel between the 2009 budget and 2010 budget is a result of wage adjustments which did not occur as budgeted in 2009. While the 2010 budget does not incorporate annual wage adjustments for non-contract employees, step increases for eligible employees are included. In addition, over the two-year period (covering 2009 and 2010) wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes.
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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET****RELIEVERS - ANOKA****BUDGET SUMMARY**

	<b>2008 Actual</b>	<b>2009 Budget</b>	<b>2010 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	238,805	210,156	237,762	27,607	13.14%
Administrative Expenses	899	1,700	584	-1,116	-65.65%
Professional Services	14,331	10,000	10,000	0	0.00%
Utilities	2,299	2,600	2,200	-400	-15.38%
Operating Services/Expenses	134,178	173,000	176,000	3,000	1.73%
Maintenance	101,253	69,500	70,800	1,300	1.87%
Other	10	100	0	-100	-100.00%
<b>Total Budget</b>	<b>491,775</b>	<b>467,056</b>	<b>497,346</b>	<b>30,291</b>	<b>6.49%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2009 Actual</b>	<b>2009 Budget</b>	<b>2010 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 2010 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Wage adjustments did not occur as budgeted in 2009. Over the two-year period (covering 2009 and 2010), wage adjustments for all employee groups include the economic equivalent of one-year step freezes and one year of wage freezes. Increases also occur in overtime and doubletime.
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**SERVICE CENTER SUMMARIES - 2010 OPERATING BUDGET**

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**PLANNED CIP PROJECTS – 2010 OPERATING BUDGET**

On December 21, 2009, the Commission adopted a \$235.8 million Capital Improvement Program (CIP) for 2010-11 (the “2010-11 CIP”) which will include projects in the 2010 Plan and certain of the Other Capital Projects, construction of which are scheduled to begin during calendar years 2010 and 2011. The CIP discussion shown below is broken down into four sections: a) Planned CIP Projects; b) Demand Driven CIP projects. c) Sources and Uses of Funds; and d) 2011 Capital Improvement Program.

**PLANNED CIP PROJECTS**

In order to modernize the airport system, in the 1990's, the Legislature of the State directed the Commission to develop and implement a long-term capital improvement program for the airport system. In response to this directive, the Commission created a long-term capital improvement program, known as the 2010 Long Term Comprehensive Plan (the “2010 Plan”). The principal features of the 2010 Plan include:

- Construction of a new 8,000 foot north-south runway on the west side of the airport (Runway 17/35)
- Expansion of the Lindbergh Terminal including expansion of the C Concourse, construction of a new commuter terminal consisting of Concourses A and B, an automated people mover along Concourses A, C and D, upgrades to Concourses E and F, and concession area development,
- Construction of a new auto rental/public parking facility adjacent to the Lindbergh Terminal, a new multi-level econolot/employee parking structure adjacent to the Humphrey Terminal,
- Construction of a new Humphrey Terminal and certain improvements to the reliever airports.

As of the end of 2009, only \$82 million of CIP projects remain of the total of \$2.6 billion incurred to date on the 2010 Plan.

In addition to the remaining projects to be constructed under the 2010 Plan, the Commission has plans to construct certain additional capital projects at the airport and the reliever airports, including runway and airfield rehabilitation, security and terminal improvements, various landside improvements and certain reliever airport improvements (collectively, the “Other Capital Projects”). Between 2010 and 2016, the Commission expects to incur approximately \$437 million of costs for the Other Capital Projects.

The remaining projects to be constructed under the 2010 Plan and the Other Capital Projects are collectively referred to herein as the “Planned CIP Projects.” The Planned CIP Projects had an estimated capital cost of approximately \$519 million (in actual and inflated dollars). The Commission anticipates constructing, equipping and funding the Planned CIP Projects between 2010 and 2016. The Planned CIP Projects include airfield and runway rehabilitation at the airport, noise mitigation programs (including the noise mitigation required pursuant to the Consent Decree, as defined herein, rehabilitation and improvements to the Lindbergh Terminal and the Humphrey Terminal, and various projects at the reliever airports.

**PLANNED CIP PROJECTS – 2010 OPERATING BUDGET****2010-11 CAPITAL IMPROVEMENT PROGRAM – PLANNED CIP PROJECTS**

In order to determine funding and operational planning requirements, the Commission annually reviews, revises and approves capital projects that are scheduled to begin during the next two calendar years. The Commission approved a two-year capital program, the 2010-11 CIP, on December 21, 2009, which will include the projects that the Commission expects to start constructing during the period January 1, 2010 through December 31, 2011. The 2010-11 CIP includes \$235.8 million of Planned CIP Projects, as set forth in the following table. Future two-year CIPs could reflect project revisions and additional projects could be added to the 2010-11 CIP including, but not limited to, one or more of the Demand Driven CIP Projects.

Metropolitan Airports Commission 2010-11 Capital Improvement Program Planned CIP Projects		
Projects	2010	2011
Noise Mitigation Program	\$ 43,300,000	\$ 1,000,000
Taxiway C/D Complex Construction	6,000,000	0
Lindbergh Terminal Rehabilitation and Repair	53,000,000	53,650,000
Energy Management Center	2,000,000	2,500,000
Landside Rehabilitation & Repair Program	7,500,000	7,500,000
Airfield and Runway Rehabilitation Program	2,500,000	20,100,000
Humphrey Terminal Rehabilitation and Repair	1,600,000	4,000,000
Police and Fire	2,850,000	7,750,000
Reliever Airport Program	4,100,000	7,050,000
Other	3,400,000	6,030,000
Total	<u>\$126,250,000</u>	<u>\$109,580,000</u>

**2012-16 CAPITAL IMPROVEMENT PROGRAM – PLANNED CIP PROJECTS**

For longer range funding and planning decisions in addition to the two-year CIP, the Commission also adopts a capital improvement plan that covers an additional five-year period. In addition to the 2010-11 CIP, on December 21, 2009, the Commission adopted a CIP for the period between 2012 through 2016 (the "2012-16 CIP"). The 2012-16 CIP includes \$283.1 million of Planned CIP Projects and construction is expected to begin between 2012 and 2016. Future CIPs could reflect project revisions and additional projects could be added to the 2012-16 CIP including, but not limited to, one or more of the Demand Driven CIP Projects. The following table sets forth the Planned CIP Projects included in the 2012-16 CIP.

Metropolitan Airports Commission 2012-16 Capital Improvement Program Planned CIP Projects					
Projects	2012	2013	2014	2015	2016
Noise Mitigation Program	\$16,000,000	\$1,400,000	\$4,000,000	\$ 0	\$ 0
Lindbergh Terminal Rehabilitation & Repair	40,100,000	9,375,000	15,000,000	15,400,000	6,200,000
Airfield and Runway Rehabilitation Program	4,360,000	9,300,000	1,400,000	1,400,000	1,400,000
Parking Facilities	3,500,000	6,850,000	4,000,000	4,000,000	4,000,000
Humphrey Terminal Rehabilitation & Repair	55,000,000	0	0	0	0
Police and Fire	19,450,000	3,350,000	2,850,000	0	0
Reliever Airport Program	4,900,000	5,200,000	5,050,000	5,100,000	12,300,000
Other	<u>4,400,000</u>	<u>8,800,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
Total	<u>\$147,710,000</u>	<u>\$44,275,000</u>	<u>\$35,300,000</u>	<u>\$28,900,000</u>	<u>\$26,900,000</u>

**DEMAND DRIVEN CIP PROJECTS – 2010 OPERATING BUDGET****DEMAND DRIVEN CIP PROJECTS**

In addition to the Planned CIP Projects, the Commission has included certain demand driven projects in its capital improvement program (the “Demand Driven CIP Projects”) that will only be undertaken if demand exists for such projects or a funding source is obtained. The Demand Driven CIP Projects include:

- Expanding the Humphrey Terminal (including modifying the existing baggage sorting system to provide for in-line explosive detection systems capabilities) in connection with moving all airlines, other than Northwest, Delta, Mesaba, Pinnacle and Compass, to the Humphrey Terminal.
- Modifying and expanding the E Concourse and the ticket lobby in the Lindbergh Terminal.
- Equipping a new tram system for the G Concourse and the potential H Concourse (an extension of the G Concourse).
- Construction of new parking facilities at the Humphrey Terminal.

The Demand Driven CIP Projects had a total estimated capital cost of approximately \$585.7 million.

**2012-16 CAPITAL IMPROVEMENT PROGRAM – DEMAND DRIVEN PROJECTS**

In addition to the \$283.1 million of planned CIP projects approved above, the Commission also approved \$585.7 million of demand driven projects. Demand driven projects will be undertaken only if the Commission determines that sufficient demand exists for such projects. The following table sets forth the Demand Driven CIP Projects included in the 2012-16 CIP.

Metropolitan Airports Commission 2012-16 Capital Improvement Program Demand Driven CIP Projects					
<b>Projects</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Lindbergh Terminal Rehabilitation & Repair	\$ 0	\$ 0	\$ 0	\$134,900,000	\$9,100,000
Parking Facilities	0	32,100,000	58,700,000	0	0
Humphrey Terminal Expansion	<u>18,900,000</u>	<u>261,000,000</u>	<u>71,000,000</u>	<u>0</u>	<u>0</u>
<b>Total</b>	<b>\$ <u>18,900,000</u></b>	<b>\$ <u>293,100,000</u></b>	<b>\$ <u>129,700,000</u></b>	<b>\$ <u>134,900,000</u></b>	<b>\$ <u>9,100,000</u></b>

**SOURCES AND USES – 2010 OPERATING BUDGET****SOURCES AND USES OF FUNDS**

From December 31, 2008 through 2012, MAC has identified nine funding sources totaling \$1,130,940 including a beginning balance of \$290,599,000. During this period, MAC will expend \$889,931 leaving a net balance of \$241,009,000 at the end of 2012. This balance represents a portion of the 2011 and 2012 projects that were started but not completed by December 31, 2012.

The Construction Budget below represents anticipated sources and uses of funds during the years 2008-2012. The information for 2009 indicates expected transactions during the fourth quarter.

<b>CONSTRUCTION BUDGET 2010</b>							
<b>(\$ = 000)</b>							
	<b>Actual 2008</b>	<b>Estimated 2009</b>	<b>Budget 2009</b>	<b>Budget 2010</b>	<b>Projected 2011</b>	<b>Projected 2012</b>	<b>Projected Total</b>
<b>Sources of Funds</b>							
Balance 12/31/07	\$ 290,599						\$ 290,599
Balance Carried Forward		\$ 211,060	\$ 139,942	\$ 199,227	\$ 284,029	\$ 278,371	
Transfer From Operating Fund	50,529	51,800	47,119	53,100	38,900	24,100	218,429
PFC Funding	64,230	54,474	62,514	62,000	63,000	64,000	307,704
Federal Grants	22,820	22,999	21,925	8,500	6,000	4,450	64,769
State Grants	1,581	3,137	1,500	1,500	1,500	1,500	9,218
Interest Income (1)	9,775	7,446	4,799	6,000	5,000	5,000	33,221
Net Bond Proceeds (See Above)	0	0	0	125,000	0	0	125,000
Commercial Paper Program	0	0	13,400	0	0	0	0
Principal Amount of Bonds	0	0	0	0	0	0	0
Federal Letter Of Intent (LOI)	7,000	5,000	5,000	5,000	0	0	17,000
Other Receipts (UPS Reimburse)	0	0	27,200	0	21,000	44,000	65,000
<b>Total Sources of Funds</b>	<b>\$ 155,935</b>	<b>\$ 144,856</b>	<b>\$ 183,457</b>	<b>\$ 261,100</b>	<b>\$ 135,400</b>	<b>\$ 143,050</b>	<b>\$ 840,341</b>
<b>Uses of Funds</b>							
CIP Project Costs	\$ (102,761)	\$ (119,893)	\$ (148,547)	(121,000)	(115,900)	(154,000)	\$ (613,554)
Transfer to Operating Fund	-	(6,638)				-	(6,638)
Commercial Paper Retired	(12,000)	(5,000)	(5,000)	(30,587)	-	-	(47,587)
Debt Service Reserve Transfer	(120,713)	(25,158)	(28,064)	(24,711)	(25,158)	(26,412)	(222,152)
<b>Total Use of Funds</b>	<b>\$ (235,474)</b>	<b>\$ (156,689)</b>	<b>\$ (181,611)</b>	<b>\$ (176,298)</b>	<b>\$ (141,058)</b>	<b>\$ (180,412)</b>	<b>\$ (889,931)</b>
<b>Balance Carried Forward</b>	<b>\$ 211,060</b>	<b>\$ 199,227</b>	<b>\$ 141,789</b>	<b>\$ 284,029</b>	<b>\$ 278,371</b>	<b>\$ 241,009</b>	<b>\$ 241,009</b>
1 Interest Rate Assumed 0.5% for the period 2010 through 2012.							
<b>Funding Source Summary</b>							
Current Balance							25.70%
Transfer From Operating Fund							19.31%
PFC Funding							27.21%
Federal Grants							5.73%
State Grants							0.82%
Interest Income							2.94%
Net Bond Proceeds-(See Current)							11.05%
Commercial Paper Program							0.00%
Federal Letter Of Intent (LOI)							1.50%
Other Receipts							5.75%
<b>Total Sources of Funds</b>							<b>100.00%</b>

**SOURCES AND USES – 2010 OPERATING BUDGET****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 2010, a transfer of \$53.1 million is anticipated based on 2009 estimated net revenues. The transfers for the period 2011 through 2012 are decreasing due to lower interest rates as well as the retirement of MAC funded self-liquidating projects. The balance to be transferred for the period is estimated at \$218.4 million or 19.31%.

PFC funding or Passenger Facility Charge funding is the largest funding source at \$307.7 million or 27.21% 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**

(\$=000)

<u>Application Number</u>	<u>Approval Date</u>	<u>Amended Approval Amount</u>	<u>Collections As of 12/31/09</u>	<u>Paygo, Bond or Both</u>	<u>Status</u>
1	June, 1992	\$ 92,714	\$ 92,714	Paygo	Closed
2	August, 1994	140,717	140,717	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	793,254	251,785	Both	Open - Amended down
7	June, 2005 - 2	0	2,467		
8	June, 2005	191,380	40,735	Both	Open
9	November, 2005 - 3	8,659	8,602	Paygo	Open
10	May, 2008	128,448	32,724	Paygo	Open
		<u>\$ 1,551,883</u>	<u>\$ 766,455</u>		

1. PFC #6 was amended downward \$355.237 million in December, 2008.
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.

<b>SOURCES AND USES – 2010 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 was granted in 2009.

Federal Grants are funds which are used for FAA approved projects including Field and Runway projects at the various Commission airports. These funds are estimated at \$64.8 million or 5.73% of the sources listed above. Certain criteria must be met when an application for a project is submitted to the FAA. If the criteria are met, the grant money may be issued.

State Grants are similar to Federal grants. The dollars are on a much smaller scale, but each application must meet the required criteria in order to receive the grant. This source is estimated at \$9.2 million or 0.82% of the total funding through 2012.

Interest Income is based on the balance in the fund. As noted above, a 0.50% rate is assumed for 2010 through 2012. This figure can vary significantly depending upon approval of projects and their starting dates. Interest Income of \$33.2 million or 2.94% of sources is projected.

Commercial Paper is used as an interim funding source. For the period 2009-2012, the Commission does not anticipate issuing any commercial paper. In May 2010, the Letter of Credit on the Commission's Commercial Paper Program will expire. Early indications are that renewing the letter of credit will be expensive, thus the Commission assumed that it will be issuing long term debt in order to fund a portion of its Capital Improvement Program.

Long-Term Debt is anticipated to be used for approximately \$125 million or 11.05% of the Construction budget for the period shown above. The Commission will issue General Airport Revenue Bonds in 2010 in order to take advantage of the low interest rates offered by the Bond Stimulus Package passed by Congress in 2009.

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 \$17.0 million or 1.50%.

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 \$65.0 million or 5.75%.



***Metropolitan Airports Commission General Office Facility***



<b>SOURCES AND USES – 2010 OPERATING BUDGET</b>
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**USES**

There are four general categories of uses listed. The first, CIP project costs (\$613.6 million) represent 68.9% of the total. The second area is Commercial Paper Retired (\$47.6 million) and represents 5.3% of the total. The majority of this retirement will be taken out with the issuance of long term debt. The Debt Service Transfer of \$222.2 million, or 25.0% of this total, represents the transfer of PFC Debt Service for those projects with associated bond payments. The final category is the transfer from the Construction Fund to the Operating Fund for equipment purchased with PFCs. This represents 0.8% 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 December 31, 2009)</b> <b>(\$ = 000)</b>		
<b><u>Project Description</u></b>	<b><u>Estimated Project Cost</u></b>	<b><u>Payments To Date</u></b>
Noise Mitigation Ph. 2B - Windows/Doors	\$29,500	\$0
Noise Mitigation Ph. 1 & 2A - Mech./Elec.	\$29,150	\$6,287
Noise Mitigation Ph. 1 - Windows/Doors	\$12,100	\$8,323
Humphrey Terminal Skyway Expansion	\$11,800	\$0
LT Concourse G Exp. Site Prep. BP#2	\$7,200	\$6,936
Noise Mitigation Ph. 2A - Windows/Doors	\$7,000	\$42
FCM: Rwy. 10R/28L Phase 2 Grading	\$5,435	\$5,056
Noise Mitigation Ph. 2B - Insulation - Part II	\$3,500	\$0
Noise Mitigation Ph. 2B Insulation - Part II	\$3,050	\$261
Noise Mitigation Ph. 2A - Windows/Doors	\$2,600	\$1,744
2008 Perimeter Fence Security - Phase 2	\$2,400	\$1,970
Multi-User Flight Information Display System	\$2,365	\$0
Noise Mitigation Ph. 1 - Insulation	\$2,250	\$1,539
Lindbergh Terminal Carpet Procurement	\$1,950	\$1,807
Emergency Communications Ctr. Backup	\$1,600	\$1,593
Energy Program Phase 10/11 (Boiler & HCM)	\$1,400	\$1,323
LT Concourse G Exp. Site Prep. BP #3	\$1,210	\$1,135
Open Architecture Bldg. Automation	\$1,200	\$0
LT Folded Plate & Drain Repairs	\$1,150	\$9,420
MAC Emergency Power Upgrades - Phase 1	\$1,150	\$0
MSP Hwy. Guide Sign Modifications	\$1,150	\$270
Electrical Infrastructure Rehab. - Phase 1	\$1,100	\$9,138
Lindbergh Terminal Carpet Replacement	\$950	\$7,117
MAC Fiber Infrastructure Upgrade	\$950	\$8,656
2009 Conveyance System Modifications	\$925	\$8,302
2009 Secured Access - CCTV Program	\$775	\$6,445
Airport Lane Reconfiguration	\$760	\$672
2009 Multi-Family Sound Mitigation	\$750	\$60
Noise Mitigation Ph. 2A - Asbestos Abatement	\$700	\$70
2009 Misc. Modifications - BP #1	\$625	\$5,176
HT Pkg. Facility #R4 Exit Roadway	\$600	\$491
All Other Projects in Process	\$3,820	\$9,463
<b>Totals:</b>	<b>\$141,115</b>	<b>\$103,296</b>

**2010 CAPITAL IMPROVEMENT PROGRAM – 2010 OPERATING BUDGET**

The listing below shows all construction and expansion projects in the 2010-2011 CIP whose costs exceed \$3.0 million at MSP and \$1.0 million at the reliever airports as well as their impact on the 2010-2011 Operating Budget. The vast majority of capital projects in the Commission's Capital Improvement Program are considered routine projects for a major airport and do not affect the annual operating budget. The Commission does not anticipate any significant, non-routine capital expenditures.

## **2010 Capital Improvement Program**

### **2010 Development Program**

#### **Noise Mitigation Program**

##### **Noise Mitigation Settlement**

**\$43,300,000**

This project is a continuation of the implementation of the noise mitigation program based on the Noise Exposure Map contained in the court ordered Consent Decree, including the construction and administrative costs associated with court ordered noise mitigation in the 2007 60-62 DNL contours. The project funds will be expended over two years. 2010 and 2011 and will provide noise mitigation for homes in the \$14,000 Mitigation Menu category (a.k.a. Phase 2B). In addition, homeowner reimbursements for approved noise mitigation work in the 2005 60-64 DNL contours (a.k.a. Phase 3) are a portion of the 2010 project budget. There is no impact to the operating budget for this project.

#### **Taxiway C/D Complex Construction**

##### **Taxiway C/D Complex**

**\$6,000,000**

This project will be the last phase in a multi-phase program to reconstruct and reconfigure Taxiways C and D between Taxiway A and Taxiway P. The ultimate location for Taxiways C and D will provide for Group V aircraft on both taxiways which is a significant improvement over the existing geometrics that limit the aircraft wingspan allowed. This project includes reconstruction and relocation of a segment of Taxiway D from Taxiway C5 to Taxiway Q and associated crossover taxiways. In addition, the existing Taxiway D pavement has reached the end of its useful life, presents a Foreign Object Damage (FOD) potential and needs reconstruction. There is no impact to the operating budget for this project.

#### **Landside Rehabilitation & Repair Program**

##### **Parking Structure Rehabilitation**

**\$3,000,000**

This is an ongoing program to maintain the integrity of the airport's multi-level parking structures. Projects typically include concrete repair, joint sealant replacement, expansion joint repairs, concrete sealing and lighting improvements. This project will implement recommendations made in the "Condition Assessment and Management Program Report" completed in 2007 and updated in 2009. There is no impact to the operating budget for this project.

<b>2010 CAPITAL IMPROVEMENT PROGRAM – 2010 OPERATING BUDGET</b>
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**Post 2010 Program Projects****Safety/Security Projects****Lindbergh Terminal Fire Protection System – Phase 4****\$12,100,000**

Changes in the State Building Code require that the Terminal and Concourses be fully sprinkled and have code compliant alarm and evacuation systems. 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 but will also include correcting fire protection and alarm deficiencies to sprinklered or partially sprinklered areas outside of the main terminal complex such as the connector bridge between Concourses C and G and the parking ramp core building. This project will save the Commission in insurance premiums (liability and property) increases as well as protect the Commission from potential losses in the event of a fire (Risk mitigation).

**Lindbergh Terminal In-line Baggage Screening \*\*****\$33,500,000**

This project is the second phase of a three phase program to provide the Lindbergh Terminal with an automated, in-line Explosives Detection System (EDS). Phase 2 provides 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 system reliability, and reduce labor costs. The Baggage system maintenance is the responsibility of the airlines.

\*\* Project grant application has been forwarded to TSA to fund 90% of the eligible project costs.

**FAA Building Rehabilitation****\$3,000,000**

The lease on the FAA building located to the north of the MAC General Office is at the end of its 20 year term. The building was constructed and maintained by a development company retained by the FAA. MAC is currently negotiating with FAA on a new lease that would include land rent, maintenance costs, and tenant improvements. The existing building is 20 years old and needs improvements including a new roof and major mechanical and electrical upgrades in order to meet current MAC standards. The cost of these improvements would be recovered in the new lease.



***Multiple Users Flight Information Display (MUFIDS)***

<b>2010 CAPITAL IMPROVEMENT PROGRAM – 2010 OPERATING BUDGET</b>
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## 2011 Capital Improvement Program

### Post 2010 Program Projects

#### **Safety/Security Projects**

##### **Lindbergh Terminal In-line Baggage Screening \*\***

**\$28,000,000**

The Lindbergh Terminal Explosives Detection System (EDS) Phase 3 is currently part of the TSA FY09 Other Transaction Agreement (OTA), and includes the scope of work that will tie all north lobby ticket counters, initially the Other Airlines (OAL), into both the LT south and west EDS systems. This tie-in will remove EDS machines and TSA baggage screening from the LT lobby, move the ticket counters back into their original positions (close to the ticket counter belts), modify the clear lines out of the west EDS system to accommodate additional screening capacity, and sort OAL baggage to outbound devices prior to entering the DL/NWA sortation matrix. The project will also modify the Early Bag Storage System (EBSS) route and programming to accommodate the additional baggage from the west EDS system, and will create an oversize (OS) screening room in existing ATO space, with feeds for OS Canadian transfer baggage to be input in the baggage room, and screened with originating OS baggage.

The project will have the majority of the system designed for reuse if the OALs are moved to an expanded Humphrey Terminal. The design also reserves right-of-way clearances for future baggage check-in and transport conveyors for integration into the west and south EDS systems.

The system provides some redundancy for TSA EDS systems, improves working conditions for TSA employees, improves passenger space issues in the ticket lobby (by removing TSA baggage screening devices and moving the ticket counters back), but, increases the amount of conveyor system and complexity to be maintained over time. The Baggage system maintenance is the responsibility of the airlines.

\*\* Project grant application has been forwarded to TSA to fund 90% of the eligible project costs.

##### **Jet Bridge Replacements**

**\$8,500,000**

The Commission has previously approved the purchase of the jet bridges and baggage system owned by Northwest Airlines. As many of the jet bridges are at the end of their useful life, there would be the added cost to replace them. The current understanding between MAC and now Delta Airlines would be to only replace/refurbish the bridges over time starting with the ones in the worst condition. The new/refurbished jet bridges would become the property of MAC. This project is the first in the program to replace/refurbish the jet bridges. The Jet Bridge maintenance is the responsibility of the airlines.

#### **Operational Improvements**

##### **IS Data Center Facilities**

**\$3,000,000**

MAC is currently supporting twenty-two rooms used as data centers located throughout the MSP campus. Most of these rooms are telecommunications closets designed to hold telephone cabling and termination equipment. Each of these rooms contains rack mounted IT equipment that serves various functions including airport security, landside operations (parking operations), credit card processing, accounting, human resources, payroll and life safety systems (fire alarm). Many of these rooms are running out of power and cooling capacity. Several of the rooms do not have emergency power, redundant cooling, security features or environmental monitoring. Maintenance and construction work regularly requires power shutdowns, which also shut down IT systems in those rooms. In addition, the "hub and spoke" configuration of network cabling among the various IT locations has created a single point of failure that could affect all systems severely. A study is underway that proposes to consolidate the majority of the twenty-two rooms used as data centers into two new data centers; a primary and a backup facility. (Some of the current rooms cannot have the IT equipment relocated because of specific limitations like distance or security requirements). These facilities as well as other IT locations would be connected using a new fiber ring configuration of the existing cabling. The draft CIP indicated a total cost of this program at \$29 million; however, further work has brought the cost down to \$20 million based upon the proposed scope of work. This project is still under development and analysis therefore there is no impact on the 2011 budget.

<b>2010 CAPITAL IMPROVEMENT PROGRAM – 2010 OPERATING BUDGET</b>
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**Perimeter Fence/Gate Barrier System****\$3,000,000**

This project is part of a phased program to strengthen the perimeter security fence and airfield access gates. The final project in the perimeter fence program was approved in 2008. This project will provide for the hardening of the perimeter security gates. There is no impact to the operating budget for this project.

**Taxiway C Extension to Humphrey Remote****\$5,500,000**

This project provides for the extension of Taxiway C between Taxiway S and the Humphrey Remote Apron to improve access to and from the Humphrey Remote Apron. There will be no impact in the 2010 budget and up to \$25,000 in maintenance expense in 2011.

**North Side Storm Sewer****\$5,000,000**

This project provides for the modifications to storm water detention ponds 3 and 4. The pond 4 outlet control structure will be replaced and a 60-inch storm sewer pipe installed to increase the outflow capacity of the pond. The pond 3 berm will be raised and the spillway reconstructed to reduce pond overtopping and spillway washout. The outlet control structure will also be replaced and a parallel 60-inch storm sewer installed to increase the outflow capacity. There is no impact to the operating budget for this project.

**Parking Structure Rehabilitation****\$3,000,000**

This is an ongoing program to maintain the integrity of the airport's multi-level parking structures. Projects typically include concrete repair, joint sealant replacement, expansion joint repairs, concrete sealing and lighting improvements. This project will implement recommendations made in the "Condition Assessment and Management Program Report" completed in 2007 and updated in 2009. There is no impact to the operating budget for this project.

**Safety/Security Projects****Emergency Voice Evacuation System****\$4,000,000**

This project will upgrade the existing paging system at the Humphrey Terminal to comply with current codes for emergency evacuation. A similar upgrade was recently completed on Concourse A and B. There is no impact to the operating budget for this project.

**Perimeter Fence Intrusion Detection System****\$3,000,000**

The Airport Police Department has requested that a perimeter intrusion detection system be installed on the existing airport security fence. This system would enhance security of the perimeter fence by remotely monitoring approximately 5 miles of perimeter fence. The system would install directly on the existing fence. There will be no impact in the 2010 budget and up to \$50,000 in 2011 budget operating costs.

**Post Road Fuel Farm Fire Protection Improvements****\$3,000,000**

In order to enhance fire protection at the Post Road fuel storage facility, a series of projects will be evaluated. These include the following:

1. On-site pump house with foam supply
2. Pre-piped monitor nozzles for exposure protection
3. Improvements to the water supply to the storage facility
4. Fire protection for the filter storage area
5. Improvements to access to the site for fire fighting purposes

Project is still under development, therefore there is no impact on the 2010-2011 budgets.

**2010 CAPITAL IMPROVEMENT PROGRAM – 2010 OPERATING BUDGET****Storm Water Pond Dredging****\$3,000,000**

This project provides for the removal and proper disposal of accumulated sediments in storm water detention pond 4 to increase the storm water runoff storage volume. There is no impact to the operating budget for this project.

**St. Paul Downtown Airport****Pavement Rehabilitation****\$1,400,000**

This is an ongoing program to rehabilitate aircraft operational areas (runways, taxiways, aprons) through bituminous overlays, seal coats, or in some instances, reconstruction, to restore the surfaces to a smooth, even condition and improve overall operating conditions. This project will include the reconstruction of portions of Taxiway Alpha south of Runway 9/27, along with necessary sub grade rehabilitation. This pavement is exhibiting deterioration and major transverse cracks have developed. There is no impact to the operating budget for this project.

**Lake Elmo Airport****Runway 14/32 Reconstruction****\$1,600,000**

This project includes the full reconstruction of Runway 14/32. The pavement has reached the end of its useful life and must be replaced. There is no impact to the operating budget for this project.

**Flying Cloud Airport****Runway 18/36 Extension/Improvements****\$2,000,000**

This project provides for the reconstruction of Segment 3 of Runway 18/36 from the Runway 36 end to the Runway 10R/28L safety area boundary, correction of the runway safety area deficiency, and a north extension of the runway to a total useable length of 2800 feet. The runway work includes replacement of the runway lighting system and upgrading of the existing Visual Approach Slope Indicator (VASI) system to a Precision Approach Path Indicator (PAPI) system. An east-west perimeter road will be constructed through the Runway 18 approach end Runway Protection Zone (RPZ). Obstruction removals will also be accomplished. Project is still under development, therefore there is no impact on the 2010-2011 budgets.

**Runway 14R/32L Modifications****\$1,000,000**

As defined in the Long Term Comprehensive Plan update, this project will include closure of Runway 14R/32L and reconstruction of the pavement into a parallel taxiway. Portions of the Taxiway Echo connectors will also be reconstructed. The pavement is only 2-inches thick, is fully cracked and crumbling, and presents a FOD hazard. An environmental study for the runway closure will be completed prior to commencement of the project. Project is still under development, therefore there is no impact on the 2010-2011 budgets.

**DEBT SERVICE REQUIREMENT – 2010 OPERATING BUDGET**

This budget section is divided into three areas: Debt Service Requirement, Long Term Debt, Bond Ratings and the Debt Service Budget.

**DEBT SERVICE REQUIREMENT**

The Metropolitan Airports Commission in the recent past has issued two forms of long-term indebtedness: General Airport Revenue Bonds and General Obligation Revenue Bonds. 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, 2010	\$62,330
October 10, 2011	\$59,444
October 10, 2012	\$60,110
October 10, 2013	\$60,724
October 10, 2014	\$58,853
(These figures do not include any new bond issues.)	

The annual actual debt service requirement for the next five years for the GARB issue 2001 Series B, D, 2003 Series A, 2005 Series A, B, C, 2007 Series A, B, 2008 Series A and 2009 A,B is:

January 1, 2010	\$ 88,506
January 1, 2011	100,623
January 1, 2012	108,188
January 1, 2013	108,127
January 1, 2014	108,070

(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, 2009 for the next five years, as well as a cumulative total for the period 2015-2035. The chart below does not take into consideration any future bond issues after 2009. 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)						
2010	\$ 30,587	\$ 16,250	\$ 21,250	\$ 68,087	\$ 83,550	\$ 182,224
2011	-	17,475	32,080	49,555	83,866	133,421
2012	-	15,160	41,440	56,600	81,120	137,720
2013	-	16,480	43,530	60,010	78,029	138,039
2014	-	17,785	45,745	63,530	74,738	138,268
2015-2035	-	177,755	1,254,850	1,432,605	659,559	2,092,164
	<u>\$ 30,587</u>	<u>\$ 260,905</u>	<u>\$ 1,438,895</u>	<u>\$ 1,730,387</u>	<u>\$ 1,060,862</u>	<u>\$ 2,821,836</u>

Notes Payable represents Commercial Paper

(The October 10, 2010 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.)

<b>LONG TERM DEBT – 2010 OPERATING BUDGET</b>
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**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 2010 on Senior Debt Obligations is 2.08x. With the optional coverage transfer this figure goes to 2.23x.

The table below provides summary information for all current long-term debt.

				Outstanding as of	
	Issue	Original	Final	Year End	
	Date	Amount	Payment In	2010	2009
Bonds Payable, due serially (\$ = 000):					
<b>Notes Payable:</b>					
Series A - 2.80 to 3.25%	*	\$ 83,000	2010	\$ -	\$ 23,819
Series B - 2.95 to 3.45%	*	42,000	2010	-	6,768
Series D	*	75,000		-	-
Total Notes Payable				<u>\$ -</u>	<u>\$ 30,587</u>
<b>General Obligation Revenue Bonds:</b>					
Series 13 - 4.5 to 5.25% (Refund Series 7)	11/01/98	38,750	2015	15,635	18,370
Series 14 - 5.5% (Refund Series 8)	11/01/01	25,690	2011	3,465	6,740
Series 15 - 6.0 to 6.85% (Refund Series 9)	01/01/02	287,825	2022	225,555	235,795
Total General Obligation Revenue Bonds				<u>\$ 244,655</u>	<u>\$ 260,905</u>
<b>General Airport Revenue Bonds:</b>					
2001 Series B - 5.25 to 5.75%	06/01/01	98,815	2024	73,975	77,665
2001 Series D - 5.25 to 5.75%	06/01/01	70,210	2016	33,850	39,240
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	122,430	122,775
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	56,380	64,290
2009 Series A - 2.0-5.0%(Refund 1999B-2000B)	11/10/09	23,075	2022	23,075	23,075
2009 Series B - 4.0-5.0%(Refund 1999B-2000B)	11/10/09	128,835	2022	128,835	128,835
2010 Series A - 4.00-5.00%	06/01/10	150,000	2040	150,000	-
Total General Airport Revenue Bonds				<u>\$ 1,567,645</u>	<u>\$ 1,438,895</u>
<b>TOTAL BONDS OUTSTANDING</b>				<u><b>\$ 1,812,300</b></u>	<u><b>\$ 1,730,387</b></u>

\* Issue dates for the Notes Payable are various.

\* Issue dates for the Notes Payable are various.



**LONG TERM DEBT – 2010 OPERATING BUDGET****BOND REFUNDINGS**

In 2009, the Commission issued \$151,910,000 general airport revenue bond series 2009 A and B to current refund general airport revenue bond series 1999 B and to advance refund general airport revenue bond series 2000 B.

As a result of this refunding, the Commission reduced its total debt service requirements by approximately \$11.8 million and which resulted in an economic gain (the differences between the present values of the debt service payments on the old and the new debt) in the amount of approximately \$8.1 million.

The Commission along with its financial advisors regularly review the Commission debt structure to look for refunding candidates provided that they meet the 3% net present value savings.

(The Commission has no Derivative/Swap debt nor has there ever been any instrument of this type in the Debt Portfolio.)

**NEW ISSUES**

The Capital Improvement program approved by the Commission in December 2009 for the period 2010-2016 does include funding of projects with a new long-term debt issue in 2010. The Commission's commercial paper program's letter of credit will expire in 2010. Therefore, Commission staff is currently evaluating a renewed commercial paper program or relying on long-term debt. The assumption used in the preparation of the 2010 Budget assumes that there will be no commercial paper program in the 2010-2012 CIP period. Therefore in preparing the 2010 budget, the Commission expects to issue approximately \$150 million in General Airport Revenue Bonds to pay for certain projects contained within the 2010-2012 CIP. Only "Demand Driven" (those tied to passenger and activity growth) projects will be earmarked by a new Long Term debt issue.



***Flight Activity at Minneapolis-St. Paul International Airport***

**BOND RATINGS – 2010 OPERATING BUDGET****BOND RATINGS**

The Commission has maintained excellent ratings for many years. The Commission is one of the few airports with a AA- rating, most airports are in the A rating category. The Commission's bond ratings as of December 31, 2009 are as follows:

	<u>Moody's</u>	<u>Standard &amp; Poors</u>	<u>Fitch Ratings</u>
General Obligation Bonds	Aaa	AAA	AAA
General Airport Revenue Bonds	N/A	AA-	AA-

Standard & Poors bond ratings range from AAA (highest quality) to C (lowest quality) for long term obligations. Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. The ratings for the Commission's long term debt is defined below:

- 'AAA' - Extremely strong capacity to meet financial commitments. Highest Rating.
- 'AA' - Very strong capacity to meet financial commitments.

Fitch Ratings also uses a rating system similar to that of Standard & Poors. Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Moody's bond ratings range from Aaa (highest quality) to C (lowest quality) for long term obligations. Moody's applies numerical modifiers 1-high, 2-mid, and 3-low in each generic rating classification from Aa to Caa.

The bond rating process is a comprehensive analysis of the Commission's financial practices and performance. Forecasts of future performance and projected long-term planning practices are also reviewed. The following data is typically requested and analyzed by the rating agencies:

- Trends of demographic/economic information
- Capital improvement program
- Budget documents/Performance to Budget
- Financial audits/Performance
- Airline industry
- Major employers in the area
- Diversity of local economy
- Financial policies and practices

See statistical section for statistics commonly analyzed by the rating agencies.

**DEBT SERVICE BUDGET – 2010 OPERATING BUDGET****DEBT SERVICE BUDGET**

The Debt Service Budget is shown below.

<b>2010 DEBT SERVICE BUDGET (\$=000)</b>						
	<b><u>Actual 2008</u></b>	<b><u>Estimated 2009</u></b>	<b><u>Budget 2009</u></b>	<b><u>Budget 2010</u></b>	<b><u>Projected 2011</u></b>	<b><u>Projected 2012</u></b>
January 1 Balance	\$ 265,931	\$ 255,847	\$ 265,280	\$ 243,298	\$ 271,722	\$ 272,245
Source Of Funds:						
Transfer from Operating Fund	75,673	76,771	77,937	75,282	87,291	84,275
Transfer from PFCs 3	25,092	24,607	32,141	24,711	25,158	26,412
Interest earnings 1	7,980	4,380	7,400	2,688	2,638	2,638
Bond Proceeds 2	73,337	147,227	0	25,000	0	0
NWA/Delta payments	27,164	28,472	26,370	28,836	27,857	29,489
Total Sources Of Funds	<u>\$ 209,246</u>	<u>\$ 281,457</u>	<u>\$ 143,848</u>	<u>\$ 156,517</u>	<u>\$ 142,944</u>	<u>\$ 142,814</u>
Uses Of Funds						
Bond Series 2008A Refund	\$ (82,147)	\$ -	\$ -	\$ -	\$ -	\$ -
Bond Series 2009A/B Refund	-	(145,165)				
Total Principal/Interest Paid 2	<u>(137,183)</u>	<u>(148,841)</u>	<u>(143,018)</u>	<u>(128,093)</u>	<u>(142,421)</u>	<u>(142,385)</u>
Ending Balance	<u>\$ 255,847</u>	<u>\$ 243,298</u>	<u>\$ 266,110</u>	<u>\$ 271,722</u>	<u>\$ 272,245</u>	<u>\$ 272,674</u>
1 Interest Rate Assumed 0.50% 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.						

**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 June and 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 general airport revenue bonds instead of operating funds. This transfer will fluctuate due to interest earnings, refundings and new issues.

Interest earnings are assumed at 1.00% for 2010 and 0.50% for 2011-12. 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 2008 represent the proceeds from the bond refunding of Series 1998B (Series 2008A). The proceeds in 2009 represent the proceeds from the bond refunding of Series 1999B and Series 2000B (Series 2009A and B). The proceeds in 2010 represent a new General Airport Revenue Bond Series 2010A.

NWA/Delta 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 – 2010 OPERATING BUDGET****USES OF FUNDS**

Disbursements represent principal and interest payments made during the year by bond series. The increase from 2008 actual to 2009 estimate is the result of increased principal and interest payments from the 2008 refunding. The bonds that were refunded in 2008 only had an only one semi-annual interest payment in 2008, whereas the new 2008 bond issue had both principal and interest payments in 2009. The increase in 2009 estimate to 2010 budget is a result of a new bond issue that was described above.

**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 \$30.6 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. As mentioned earlier, the Commission's commercial paper program's letter of credit will expire in 2010. Therefore, Commission staff is currently evaluating a renewed commercial paper program or relying on long-term debt.



***U.S. Airways Aircraft***

**HISTORICAL REVENUE/EXPENSE COMPARISON – 2010 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 1999 and 2008 and compare revenue and expense for the years actual 2008, estimated 2009 and budget 2010. 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 1999 VS 2008</b>						
(\$ = 000)						
	1999		2008		1999-2008	Annual
	\$	% of Total	\$	% of Total	Change	% Change
					\$	
Operating Revenue						
Airline Rates & Charges	\$ 53,106	38.5%	\$ 87,244	36.1%	\$ 34,138	5.7%
Concessions	62,131	45.0%	112,230	46.5%	50,099	6.8%
Rentals/Fees	-	0.0%	28,763	11.9%	28,763	
Utilities & Other Revenue	-	0.0%	13,182	5.5%	13,182	7.0%
Other	22,748	16.5%	0	0.0%	(22,748)	
Total Operating Revenue	\$ 137,985	100.0%	\$ 241,419	100.0%	\$ 126,182	6.4%
Operating Expenses						
Personnel	\$ 34,497	30.3%	\$ 59,811	24.5%	\$ 25,314	6.3%
Administrative Expenses	1,555	1.4%	1,298	0.5%	(257)	-2.0%
Professional Services	5,231	4.6%	4,161	1.7%	(1,069)	-2.5%
Utilities	7,318	6.4%	18,089	7.4%	10,771	10.6%
Operating Services	11,197	9.8%	17,540	7.2%	6,343	5.1%
Maintenance	10,501	9.2%	22,140	9.1%	11,639	8.6%
Other	618	0.5%	3,697	1.5%	3,079	22.0%
Total Operating Expenses	\$ 70,917	62.3%	\$ 126,735	51.9%	55,819	6.7%
(less Depreciation and Amortization)						
Depreciation	42,875	37.7%	110,385	45.2%	67,510	11.1%
Off Airport Noise Amortization	-	0.0%	7,210	3.0%	7,210	
Total Operating Expenses	\$ 113,792	100.0%	\$ 244,330	100.0%	\$ 130,539	8.9%
Operating Income (Loss)	24,193		(2,912)	-2.3%	(27,105)	

This first comparison 1999 versus 2008 emphasizes the changes that occur when comparing the percentage in categories to the total. The average annual percentage increase in revenue from 1999 to 2008 (6.4%) is less than the annual percentage increase in expenses from 1998 to 2008 (8.9%). Over this ten-year period, revenue grew at a slightly lower rate than expenses. The spread between 1999 and 2008 revenue to expense is 2.5%. 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, 2007, and 2008. (See Operating Budget Revenue Assumptions.)

**HISTORICAL REVENUE/EXPENSE COMPARISON – 2010 OPERATING BUDGET****Operating Revenue**

In 2008, a major upgrade in the financial software program provided an opportunity to improve revenue reporting. This affected the various individual lines of revenue being reclassified into new categories and the reclassifications are not reflected in the data for 1999 (although the total is accurate). The following explanations for the changes in revenue are general in the categories represented. Changes in revenue are as follows:

- ◆ The largest growth occurred in the Concessions category (6.8%). 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, along with a new ATM contract and banking facility also contribute to the increase. (See Operating Budget Revenue Assumptions.)
- ◆ The second average annual percentage increase is in the Other Revenue category (combines Rentals/Fees and Utilities & Other Revenue) at 6.3%. In 2008 the Other Category was separated into two new components, Rentals/Fees and Utilities and Other Revenue. Due to the conversion of data in the new financial software system, the breakout of this revenue for the years prior to 2008 would be difficult therefore, for purposes of this explanation has been combined. The 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 that were included in this category in 1999 through 2007, however for 2008 reporting are included in Airline Rates and Charges. 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 average annual percentage increase for Airline Rates and Charges is 5.7% between the years of 1999 and 2008. This is due in part to landing fees and expanded terminal facilities necessary to accommodate the growth in passenger activity between 1999 and 2008. 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 1999 and 2008 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. In addition, as state in Other Revenue, since 2008 HHH Terminal common use rates and other fees associated with non-signatory airline landing and ramp fees are included in Airline Rates and Charges. (See Operating Budget Revenue Assumptions.)

**HISTORICAL REVENUE/EXPENSE COMPARISON – 2010 OPERATING BUDGET****Operating Expenses**

Expense changes are as follows:

- ◆ Personnel expenses have increased from 1999 to 2008 by \$25.3 million. This equates to an average annual increase of 6.3%. However, the percentage of total expense for personnel was reduced from 29.9% in 1999 to 24.5% in 2008. Full Time Equivalents (FTEs) in 1999 were at 469 while actual FTES in 2008 totaled 565. 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 4.5% of the 1999 actual expenses to 1.7% of total expenses for 2008. In addition, Operating Services have been reduced from 9.7% in 1999 expenses to 7.2% in 2008 and Administrative Expenses reduced from 1.3% in 1998 to 0.5% in 2008. 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.
- ◆ Gross Depreciation (excluding Off Airport Noise Amortization) by contrast, rose at an average rate of 11.1% (\$67.5 million) resulting in the depreciation percent of total increasing from 37.2% in 1999 to 45.2% in 2008. This change can be attributed to the completion of the \$2.8 billion 2010 Plan which included several new and/or expanded facilities, most recently, the 17/35 Runway, HHH Terminal projects, In-line baggage screening, Runway 12L/30R reconstruction, and HHH parking expansion. In 2008, Off Airport Noise Amortization was split from Depreciation as these expenses are related to the Noise Abatement settlement program as directed by the courts. (See Expense Assumptions.)
- ◆ The largest category increase (excluding depreciation) of 10.6% between 1999 and 2008 is in Utilities. 2008 reflects the high cost of natural gas and electricity.
- ◆ The second largest category increase between 1999 and 2008 is in Maintenance at 8.6%. This is a result of additional facilities including Runway 17/35. Contracted maintenance increased for building mechanical areas, including automated people mover, elevator, escalator and moving walks.
- ◆ The third greatest increase between 1999 and 2008 is in Other at 6.7%. 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
- ◆ Operating income—in 1999, the Commission generated net income of \$24.2 million, while in 2008 the Commission generated an operating loss of \$2.9 million. This is a result of two items. The first being the amendment of the Airline Use agreement that occurred in 2007. This amendment changed how capital projects were recovered through airline rates and charges. In 1999, Depreciation and Imputed interest was used in the calculation of airlines rates and charges which included projects funded by debt as well as internally generated funds, while in 2008 only projects financed by debt (debt service) was used. The second item has to do with the GAAP treatment of grants and passenger facility charges (PFC's). Capital projects that are funded by grants and PFC's can not be charged to the airlines or the users of the airport, however the full amount of depreciation for projects funded by grants and PFC's are shown on the financial statements. Since PFC's and grants are a large source of capital improvement funding, a large amount that is shown in the depreciation line includes depreciation funded by grants and PFC's. PFC's are treated as non-operating income and grants are treated as an increase in net assets.

**HISTORICAL REVENUE/EXPENSE COMPARISON – 2010 OPERATING BUDGET****B.**

<b>HISTORICAL OPERATING REVENUE &amp; EXPENSE SUMMARY 2008 VS 2010</b>								
	Actual 2008		Estimated 2009		Budget 2010		2008-2010 Change	Annual %
	\$	% of Total	\$	% of Total	\$	% of Total		
Operating Revenue								
Airline Rates & Charges	\$ 87,244	36.1%	\$ 92,900	38.5%	\$ 87,225	36.9%	\$ (19)	0.0%
Concessions	112,230	46.5%	107,100	44.4%	109,871	46.4%	(2,360)	-1.1%
Rentals/Fees	28,763	11.9%	28,550	11.8%	28,038	11.8%	(725)	-1.3%
Utilities & Other Revenue	13,182	5.5%	12,650	5.2%	11,491	4.9%	(1,691)	-6.6%
Total Operating Revenue	<u>\$241,419</u>	100.0%	<u>\$ 241,200</u>	100.0%	<u>\$ 236,625</u>	100.0%	<u>\$ (4,794)</u>	-1.0%
Operating Expenses								
Personnel	\$ 59,811	25.2%	\$ 60,116	25.0%	\$ 61,586	25.2%	\$ 1,775	1.5%
Administrative Expenses	1,298	0.5%	1,350	0.6%	1,220	0.5%	(77)	-3.0%
Professional Services	4,161	1.8%	4,600	1.9%	3,811	1.6%	(350)	-4.3%
Utilities	18,089	7.6%	17,200	7.2%	17,091	7.0%	(997)	-2.8%
Operating Services	17,540	7.4%	16,050	6.7%	16,955	6.9%	(585)	-1.7%
Maintenance	22,140	9.3%	24,200	10.1%	25,579	10.5%	3,440	7.5%
Other	3,697	1.6%	2,775	1.2%	2,935	1.2%	(761)	-10.9%
Total Operating Expenses without Depreciation	<u>\$126,735</u>	53.4%	<u>\$ 126,291</u>	52.6%	<u>\$ 129,178</u>	52.8%	<u>\$ 2,443</u>	1.0%
Depreciation	\$110,385	46.6%	\$ 113,800	47.4%	\$ 115,278	47.2%	\$ 4,893	2.2%
Off Airport Noise Amortization	<u>\$ 7,210</u>	3.0%	<u>\$ 6,686</u>	2.8%	<u>\$ 7,722</u>	3.2%	<u>\$ 512</u>	3.5%
Total Operating Expenses Including Depreciation and Off Airport Noise Amortization	<u>\$237,120</u>	100.0%	<u>\$ 240,091</u>	100.0%	<u>\$ 244,456</u>	100.0%	<u>\$ 7,336</u>	1.5%
Net Revenues	<u>\$ (2,912)</u>		<u>\$ (5,577)</u>		<u>\$ (15,553)</u>		<u>\$ (12,642)</u>	

The above table illustrates 2008 actual, 2009 estimated and 2010 budgeted revenue and expense categories with dollars and percentages. Revenue reflects a 1.0% decrease while expenses (excluding Depreciation and Off Airport Noise Amortization) indicate a 1.0% increase between the years 2008 and 2010. The greatest fluctuation for Revenue between years is a decrease of 6.6% in the Utilities and Other Revenue Category. Expense changes between 2008 and 2010 reflect the greatest increase in Maintenance (7.5%) and the greatest decrease in Other (10.9%). The changes in percentages for other categories are not significant due to those years reflecting the economic downturn with declining passengers and air travel along with a reduction in expenses.



**HISTORICAL REVENUE/EXPENSE COMPARISON – 2010 OPERATING BUDGET****Operating Revenue**

Changes in Revenue are as follows: (Please see Operating Revenue Assumptions for details.)

- ◆ Airline Rates and Charges include landing fees, ramp fees and terminal building rentals in the Lindbergh Terminal, HHH Terminal common use rates and other fees associated with non-signatory airline landing and ramp. The rates are established based upon changes in the 2007 Amendment to the Airline Use Agreement. No increase has occurred between the years 2008 and 2010 however, the primary reason for Airline Rates and Charges greater as a percent of total for 2009 is due to a one-time lump sum lease payment due for equipment.
- ◆ Concessions growth has been reduced from the 2008 levels and is predicted to decrease by 1.1%. Revenue has been curtailed due to the severity of the economic conditions. Passengers and airline activity have been significantly affected by the economy. (See Revenue Assumptions.) The following details the revenue included in the Concessions category:
  - Food and Beverage, News, and Retail revenues are decreasing between 2008 actual and 2010 budget. However, Passenger services are projected to increase as a result of a new ATM contract as well as the opening of a banking facility.
  - Parking revenue for the 2010 budget is expected to increase by \$500,000 from the 2009 estimate (based upon trends at the time of budget completion) however is decreasing from the actual 2008 revenue by \$1.7 million (due to economic and airline industry conditions).
  - Auto Rental – On Airport is slightly increasing over the 2009 estimate by \$50,000 however when compared to 2008 actual a decrease of \$1.8 million occurs. The reduction is a result of lower activity along with lease agreements anticipated to be re-bid in 2010.
  - Ground Transportation Fees and are projected to increase \$196,479 between 2009 estimates and the 2010 budget however a decrease occurs between 2008 actual and budget 2010 of \$151,903. Ground Transportation fees include taxi fees, off-airport auto rental agencies, buses, private limos hotel/motel shuttles and other miscellaneous revenues.
  - An increase in MSP Employee Parking is anticipated between 2008 actual and 2010 budget based upon trends at the time of budget completion.
  - Other Concessions include In-Flite catering, auto services, and miscellaneous concessions. This area is anticipated to remain about the same between 2008 actual and 2010 budget. Also included in Other Concessions revenue for 2009 was the opening of a pet boarding facility.
- ◆ Rentals/Fees revenue has decreased 1.3% between the years actual 2008 and 2010 budget as a result of a combination of the following:
  - Building & Facilities have increased \$757,919 due to a change in rent structure for Northwest Building C in 2009.
  - Building Auto Rental – CFC's in the 2010 budget is \$175,000 over 2009 estimates due to a reclassification of revenue from Reimbursed Expenses in the Utilities & Other Revenue (See Revenue Assumptions). As a result of lower transactions, Building Auto – CFC's revenue for the 2010 budget is projected to be less than the 2008 actual by \$ 167,780.
  - Ground Rentals are decreasing \$648,214 between 2008 actual and 2010 budget as a result of less activity and bankruptcies.
  - A decrease in Airport Relievers Revenue of \$666,633 for the time period 2008 actual to 2010 budget is due to a decline in general aviation and a reduction in rates.
- ◆ Utilities & Other Revenue is decreasing 6.6% from 2008 to 2010. The majority of the decrease is related to Other Revenues and Reimbursed expense. Other Revenues includes parking fines, auction revenue, badging, and other miscellaneous revenue. From the Reimbursed expense category, the Commission reclassified approximately \$600,000 to Building Auto Rental, as noted in Rental/Fees.

**HISTORICAL REVENUE/EXPENSE COMPARISON – 2010 OPERATING BUDGET****Operating Expenses**

Increases in Expenses (excluding depreciation) are projected to be 1.0% from actual 2008 to budget 2010 and are summarized below. (See Operating Expense Assumptions for details.)

- ◆ Personnel expenses have increased by 1.5% or \$1.8 million between the years 2008 and 2010 budget. Over the two-year period covering 2009 and 2010 wage adjustments for all employee groups include the economic equivalent of one year of step freezes and one year of wage freezes. In addition, salary steps for non-organized employees were restructured downward from a 5% to a 2.5% increase in 2009. The 2009 actual FTE count was 555.5 while the 2009 budget is at 565.5 FTEs. Insurance and pension increases also account for the increase.
- ◆ Administrative Expense, Professional Services, Utilities, Operating Services and Other have been reduced in the 2010 budget when compared to actual 2008. This is a result of cost containment measures. See Expense Assumptions for details.
- ◆ Maintenance has increased 7.5% between the 2008 actual data and the 2010 budget. The largest increase (\$531,646) is related to building expenses for contracted Mechanical areas, primarily the Automated People Mover, Moving Walks, Elevator and Escalator expenses. The existing contract expired in second quarter 2009. Contract pricing for 2008 was significantly below industry standards regarding operations and maintenance. The new contract in the 2010 budget includes a significant increase to bring the contract up to current industry standards. The second largest increase is \$541,794 million related to the cleaning of additional facilities.
- ◆ Depreciation expenses show a 2.2% increase due to completion of major projects, both new and renovations. For 2008, Off Airport Noise Amortization was separated from Depreciation as these expenses are related to the Noise Abatement settlement program as directed by the courts. An increase of 3.5% is projected for Off Airport Noise Amortization.

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**HISTORICAL REVENUE/EXPENSE COMPARISON – 2010 OPERATING BUDGET**

C.

<b>Facility Expansion Lindbergh and HHH</b>				
	<u>1999</u>	<u>2009*</u>	<u>Increase</u>	<u>% Increase</u>
Lindbergh & Regional				
Terminal Square Footage	1,963,976	2,838,242	874,266	44.5%
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	399,503	319,503	399.4%
Number of Gates	4	10	6	150.0%
Parking (All Facilities)	12,117	25,532	13,415	110.7%
*Actual as of 4/09 (the last drawing date)				

The above chart in this section compares the development and expansion of the major facilities at MSP International between 1999 and 2009. 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 1998.

<b>Major New Facilities Completed 1998 through 2009</b>			
<u>New Facilities</u>	<u>Closing Date</u>	<u>New Facilities</u>	<u>Closing Date</u>
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 Gene	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	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	Runway 12L/30R Reconstruction - Segmen	2009
LRT (Light Rail Transit) Tunnel/Stations	2004	North/South Runway-Bloomington Land Ac	2009
A,B,C Concourse -- Moving Walks,	2004	HHH Terminal Parking Facility Expansion	2009
People Mover & Expansion		St. Paul Airport - Flood Protection:Perimet	2009

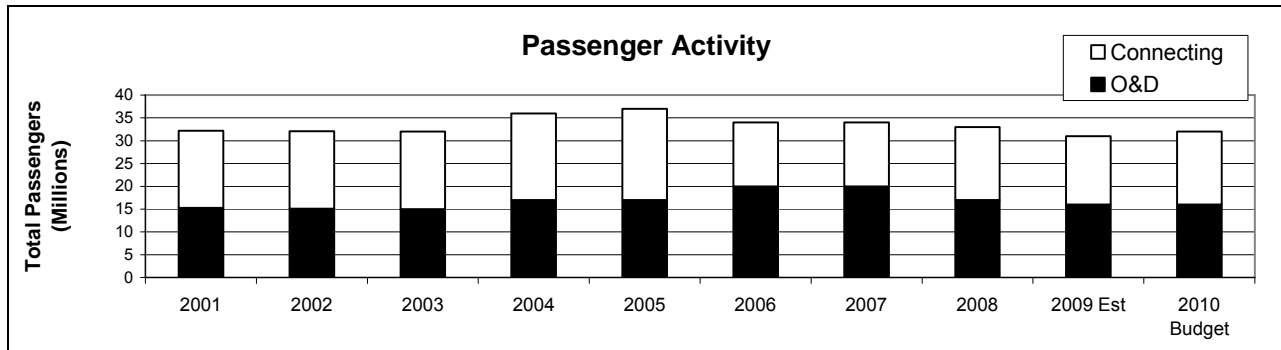
## ACTIVITY/OPERATIONS COMPARISONS – 2010 OPERATING BUDGET

### 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 2001 to 2004 and in 2008 to 2010. 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 2009 is expected to be lower than actual 2008 by 1.7 million passengers. In addition, the 2010 budget is indicating a decrease of 748,527, from the 2009 estimate based upon airline projections and bankruptcy issues.  
(O - Enplaned; D – Deplaned)

#### B.

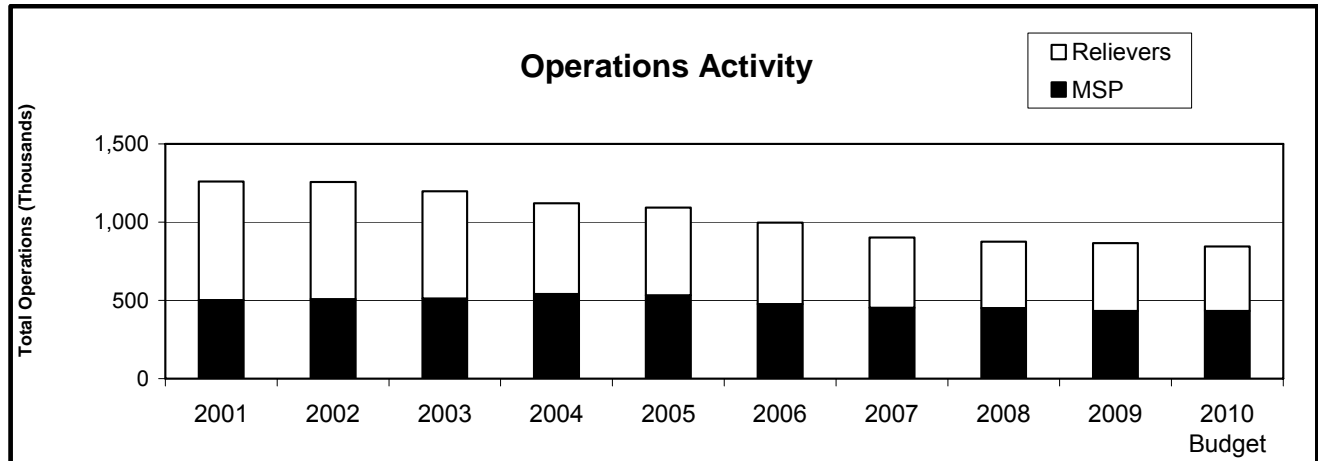
	2006	2007	2008	2009	2010
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Passenger Type					
Enplaned	10,066,488	9,446,503	8,520,655	7,812,868	8,000,000
Deplaned	10,290,643	9,617,078	8,669,591	8,125,383	8,320,000
Connecting	<u>14,223,638</u>	<u>15,045,162</u>	<u>15,727,234</u>	<u>15,313,222</u>	<u>15,680,000</u>
Total Passengers	<u>34,580,769</u>	<u>34,108,743</u>	<u>32,917,480</u>	<u>31,251,473</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 2006, 2007 and 2008 with estimates for 2009 and budget 2010. The following categories are each used in a specific manner when calculating revenue:

- ◆ Enplaned (originating) passengers plus connecting passengers are used in forecasting most concession revenue.
- ◆ Deplaned (final destination) passengers are used in the process of estimating auto rental revenue.
- ◆ Enplaned (originating) passengers, excluding connecting, are used in estimating common use and carousel and conveyor percentages for billing the airlines.

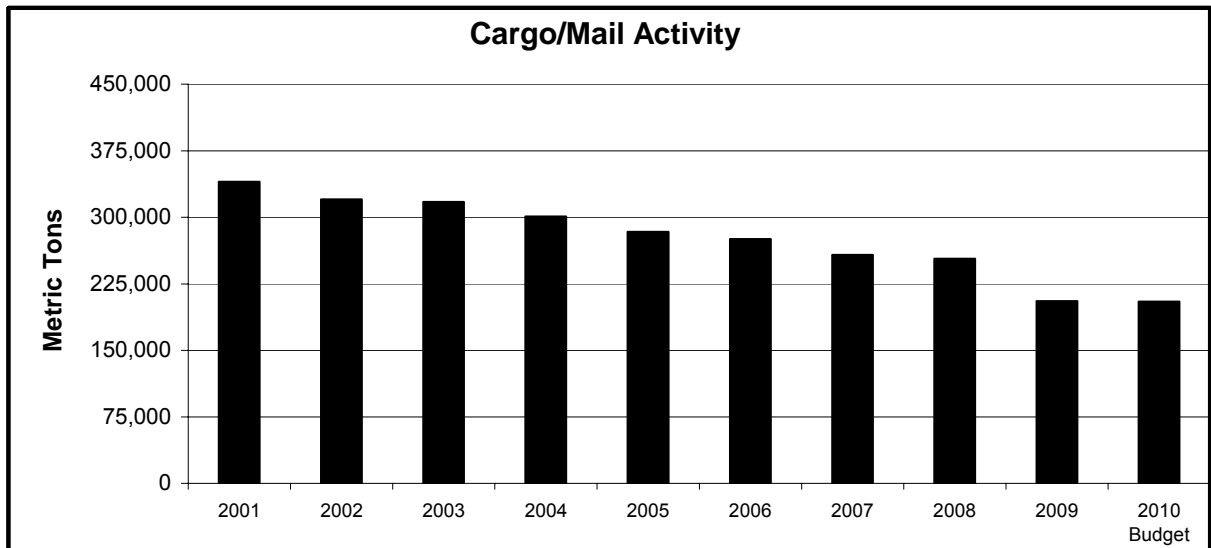
## ACTIVITY/OPERATIONS COMPARISONS – 2010 OPERATING BUDGET

C.



The third chart depicts the total Operations Activity for both the Reliever Airports and MSP International. An operation represents one takeoff or landing. MSP operations have fluctuated between 2000 and 2005 as shown above. Since 2006, however, the number of operations each year has decreased. The 2010 budget is anticipating the same number of operations as 2009. Although 2008 operations for the Reliever Airports were slightly greater than 2007, Reliever activities were lower in 2009 and are projected to continue the trend of decreasing operations in the 2010 budget.

D.



The Cargo/Mail Activity Chart points to a steady decrease in activity from 2001 through the 2010 budget. Construction of Runway 17/35 required the acquisition of a number of freight facilities in. This held down cargo traffic in 2004 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. For the years of 2007 and 2008, the trend had been for decreasing activity as a result of shipments made via truck or rail due to costs and security, bankruptcy issues and the economy. 2009 activity is lower than 2008 due to economic conditions with the 2010 budget expected to remain at the same level as 2009.

<b>NATIONAL COMPARISONS – 2010 OPERATING BUDGET</b>
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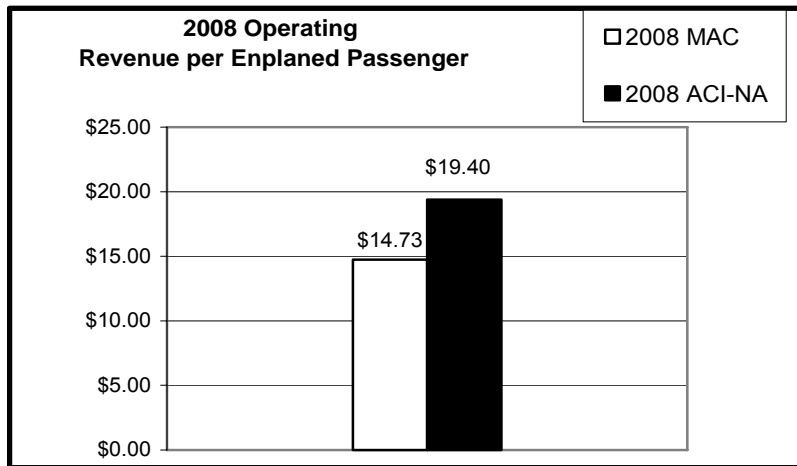
**NATIONAL COMPARISONS**

The information presented in this section was obtained from the national airport survey prepared by Airports Council International – North American (ACI - NA) dated October 2009. This survey grouped hub airports into three categories: large, medium, and small. MSP is considered a large hub airport.

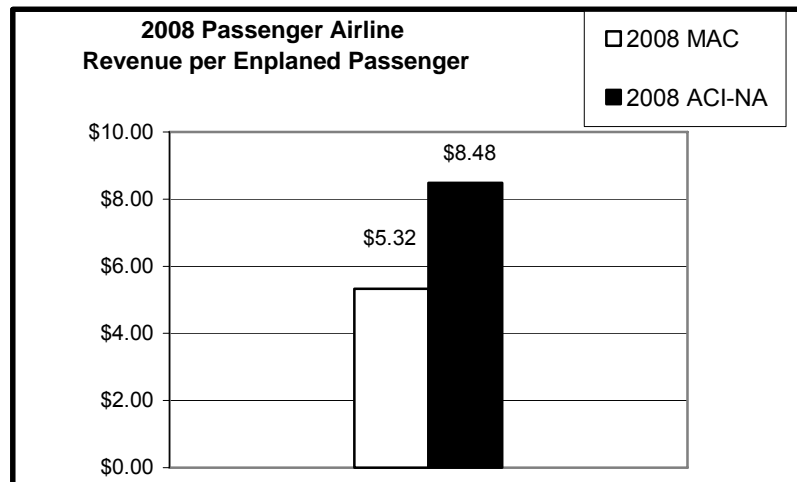
The following two subjects are addressed:                      Industry Revenue Comparisons  
    Industry Comparisons - Other

**Industry Revenue Comparisons**

Revenue per Enplaned Passenger and Concessions Revenue are reviewed in this segment. The following charts compare MAC's Revenue with ACI-NA survey results for 2008:

**A.**

Operating Revenue per Enplaned Passenger compares MAC's revenue of \$14.73 per enplaned passenger to other large hub airports of \$19.40. The difference is primarily attributable to MAC's lower operating costs as these costs are used to calculate airline rates and charges (see chart B)

**B.**

Passenger 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 \$3.16/enplanement (\$8.48 ACI-NA survey less \$5.32-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.)

<b>NATIONAL COMPARISONS – 2010 OPERATING BUDGET</b>
---

C.

<b>Concession Revenues</b>							
(in thousands of dollars)							
Year	Parking	Rental Car	Food & Beverage	General Merchandise	MSP		Total
		& Ground Transportation			Employee Parking *	Other	
2002	\$ 36,755	\$ 17,001	\$ 4,340	\$ 4,836		\$ 4,485	\$ 67,417
2003	41,330	16,870	4,864	5,219		4,055	72,338
2004	50,466	17,958	7,311	6,038		4,198	85,971
2005	60,213	18,979	9,790	6,313		4,178	99,473
2006	64,266	20,255	11,552	8,516		3,792	108,381
2007	66,765	21,373	12,645	8,577		4,435	113,795
2008	62,748	21,409	12,807	8,553	2,424	4,289	112,230
2009 Est	60,500	19,250	12,200	7,800	2,500	4,850	107,100
2010 Budget	61,000	19,497	12,531	8,335	2,851	5,657	109,871

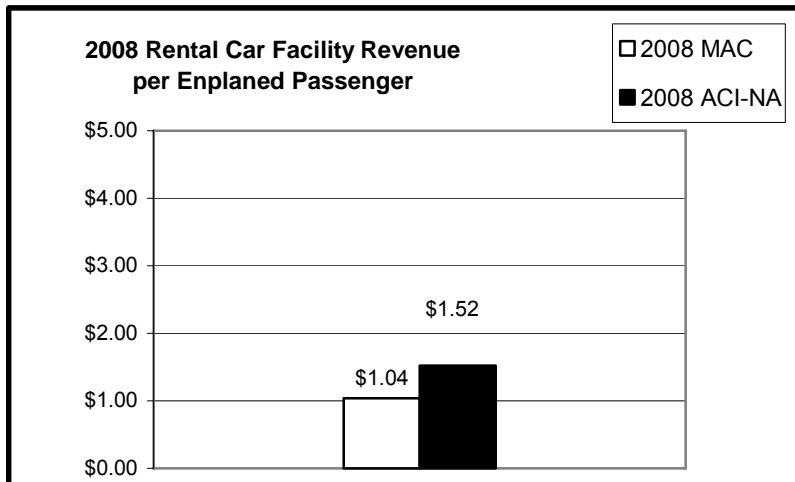
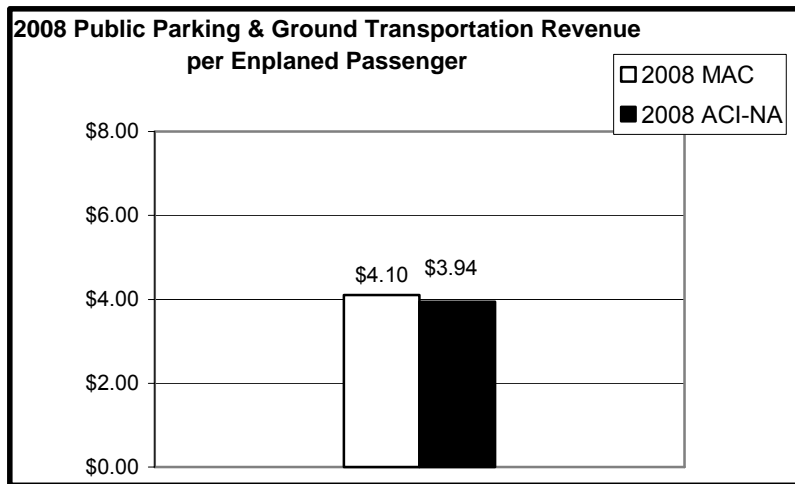
\* For 2010 reporting, MSP Employee Shuttle was reclassified to Concessions Revenue from Other Revenue

The previous table presents historical concession revenues from 2002 to 2010. (Please see Revenue Assumptions for additional details.)

- ◆ Parking revenues are related to the level of originating traffic at MSP. A continued rise in patrons and revenue is reflected in the time period 2002 through 2007. Revenue was lower in 2002 due to the closing of parking spaces and the decline in passenger air travel related to the economy and events of September 11, 2001. An increase in parking fees in November 2004 and May 2005 also accounts for the higher revenue in those years. The economic recession in 2008 reduced parking revenue and although 2009 estimate reflects a rate increase in January the continued economic recession has decreased revenue. The 2010 budget reflects a slight increase.
- ◆ Rental car revenue can be associated with the level of destination traffic and rental car agreements. For the 2009 estimate, auto rentals are expected to decrease from 2008 based upon year-to-date activity for the auto rental companies. The 2010 budget anticipates a slight increase in Auto-Rental – On Airport revenue. Ground Transportation is anticipated to increase in the 2010 budget from the 2009 estimate and can be attributable to Commercial Vehicles revenue (taxis, buses, private limos, etc.) as fees are set by Ordinance rates.
- ◆ Food and Beverage had been steadily increasing due to the expanded facilities and an increase in dwell time through 2008. In addition, 2007 includes a credit adjustment for Concessionaries. This credit was based upon a complete reconciliation of store openings and minimum rentals paid based on lease terms. Estimate 2009 reflects a decrease in Food and Beverage revenue attributable to the decrease in passengers. The 2010 budget reflects a slight increase.
- ◆ The 2009 estimate for General Merchandise is anticipated to decrease from the actual revenue in 2008 as a result of economic conditions while and the 2010 budget for General Merchandise reflects an increase. This increase is a result of retail kiosks that will open on the Concourse along with additional space available for retail opportunities.
- ◆ Other revenue consists of advertising both indoor and outdoor, telephones, vending and miscellaneous concessions revenue including in flight catering and auto services. The majority of the increase in the 2009 estimate is related to the opening of a pet boarding facility. The 2010 budget reflects revenue from a new ATM contract and the opening of a banking facility.

## NATIONAL COMPARISONS – 2010 OPERATING BUDGET

D.



The above two charts represent MAC's comparison with other large hub airports for Parking and Ground Transportation and Rental Car Facility. MAC in 2008 is higher than the national average for parking and ground transportation by \$0.16 however is lower in generating revenue from rental car facilities by \$0.48. Rental car leases have been in place for over 6 years with contract rebidding scheduled for 2010.



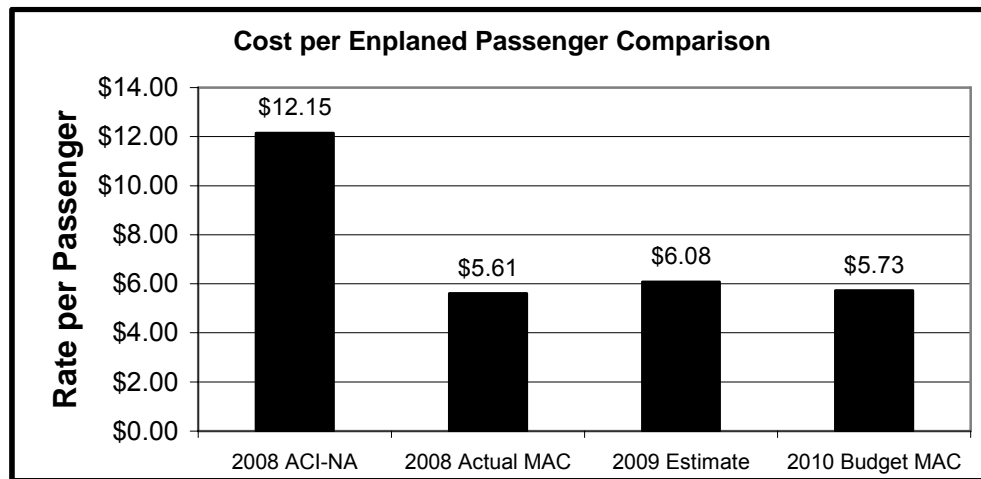
## NATIONAL COMPARISONS – 2010 OPERATING BUDGET

### Industry Comparisons - Other

Four charts presented in this section compare MAC's Cost per Enplaned Passenger, and MAC's financial and operating ratios to industry performance ratios. These ratios are based on 2008 financial and operating data (the most recent available) and have been used for purposes of comparison. All MAC data is based upon actual 2008 information.

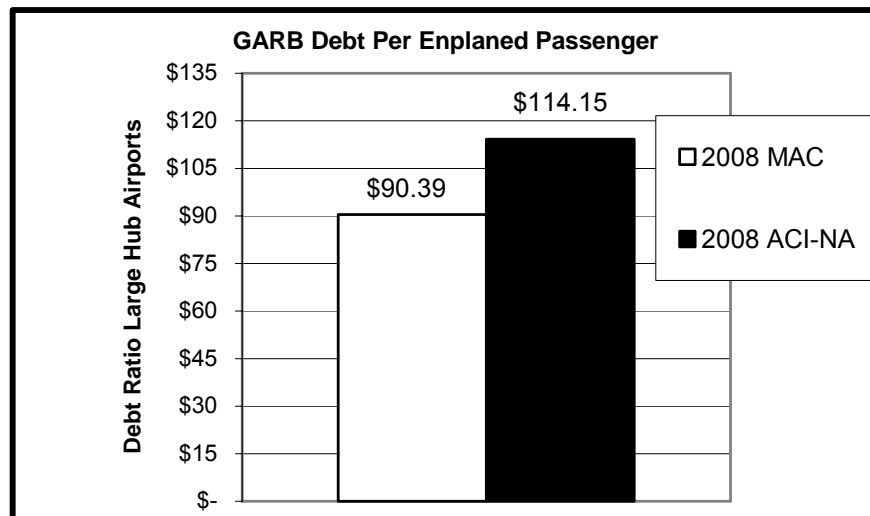
Cost per Enplaned Passenger are reviewed as follows:

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 ACI-NA report. In the 2010 budget, MAC's expense of \$5.73 per passenger (which is in the lower half of large hub airports) is less than the 2008 national average of \$12.15.

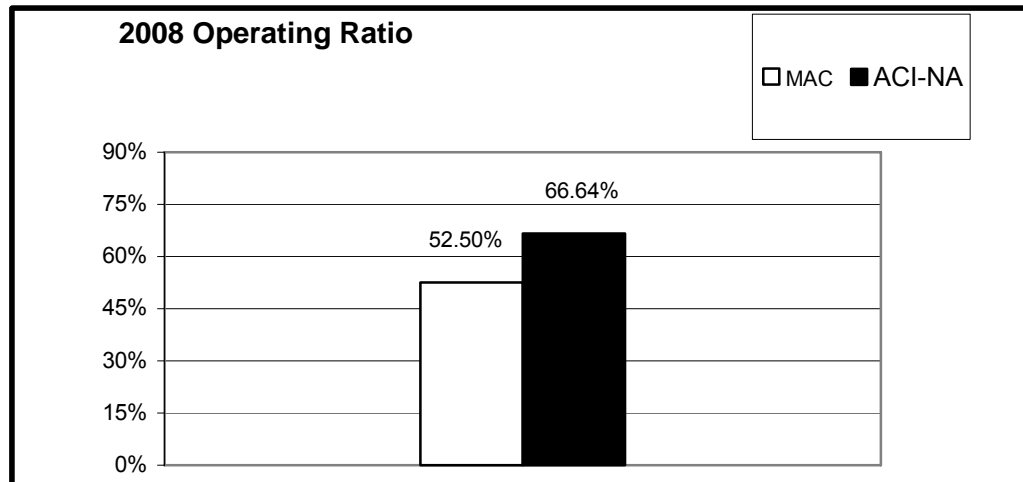
B.



Debt per enplaned passenger is calculated by dividing total outstanding General Airport Revenue Bond (GARB) debt by the number of enplaned passengers. The above chart uses the mean for GARB Debt per Enplaned Passenger as published by the ACI - NA for large hub airports. MAC's ratio of debt/enplaned passenger is below the industry average because all of the debt has been issued for MSP expansion during the 1998-2004 time frame, whereas other airports are currently going through expansion plans during a time of an economic downturn in passenger counts.

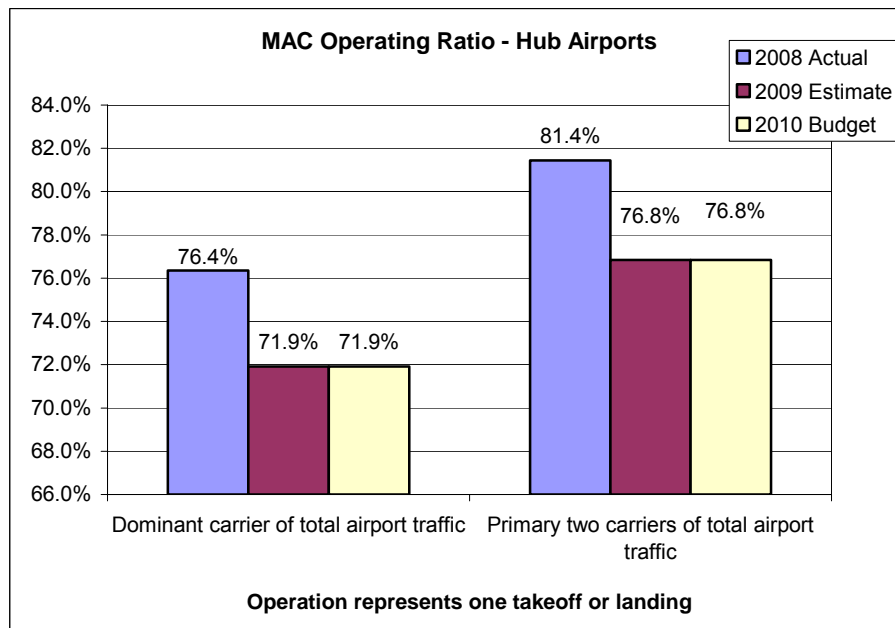
## NATIONAL COMPARISONS – 2010 OPERATING BUDGET

C.



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. Ratios derived from the income statement provide measures of profitability.

D.



The dominant carrier at MSP is Northwest Airlines/Delta. Delta acquired Northwest in 2009. The 2010 budget is projecting no change in Delta percentages from 2009. The second largest carrier in 2008 was Sun Country with 5.08% of total airport traffic. In 2009 however, the second largest carrier was American with 4.93%

## OTHER INFORMATIONAL STATISTICS – 2010 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 2008 population estimates and had the second largest increase in population in the 12-state Midwest region between 2000 and 2008 according to the U.S. Census Bureau. Two tables will be reviewed.

**A.**

<b>POPULATION</b>					
(in thousands)					
Calendar	United		Minneapolis-St. Paul	MSA * as % of	MSA as % of
<u>Year</u>	<u>States</u>	<u>Minnesota</u>	<u>MSA</u>	<u>U.S.</u>	<u>Minnesota</u>
1993	257,746	4,524	2,656	1.0%	58.7%
1999	272,691	4,776	2,872	1.1%	60.1%
2000	282,172	4,934	2,981	1.1%	60.4%
2001	285,040	4,985	3,025	1.1%	60.7%
2002	287,727	5,017	3,055	1.1%	60.8%
2003	290,211	5,047	3,082	0.9%	60.9%
2004	292,892	5,078	3,112	1.0%	61.0%
2005	295,561	5,105	3,141	1.0%	61.2%
2006	298,363	5,143	3,175	1.0%	61.6%
2007	301,290	5,182	3,172	1.1%	61.2%
2008	304,060	5,220	3,230	1.1%	61.9%
2009 est	307,007	5,266	n/a		

Source: U.S. Depart. of Commerce, Bureau of the Census accessed 2/8/10  
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 2008 population estimates, was the 21<sup>st</sup> largest state in the nation. The MSA is composed of 11 counties located in the east-central region of the State and 2 counties in the western portion of Wisconsin. Most of the historical population growth is attributed to births outnumbering deaths. Immigration accounted for the remainder.

Minneapolis-St. Paul International Airport is the only large hub airport in the MSA serving schedule air commerce.

## OTHER INFORMATIONAL STATISTICS – 2010 OPERATING BUDGET

## B.

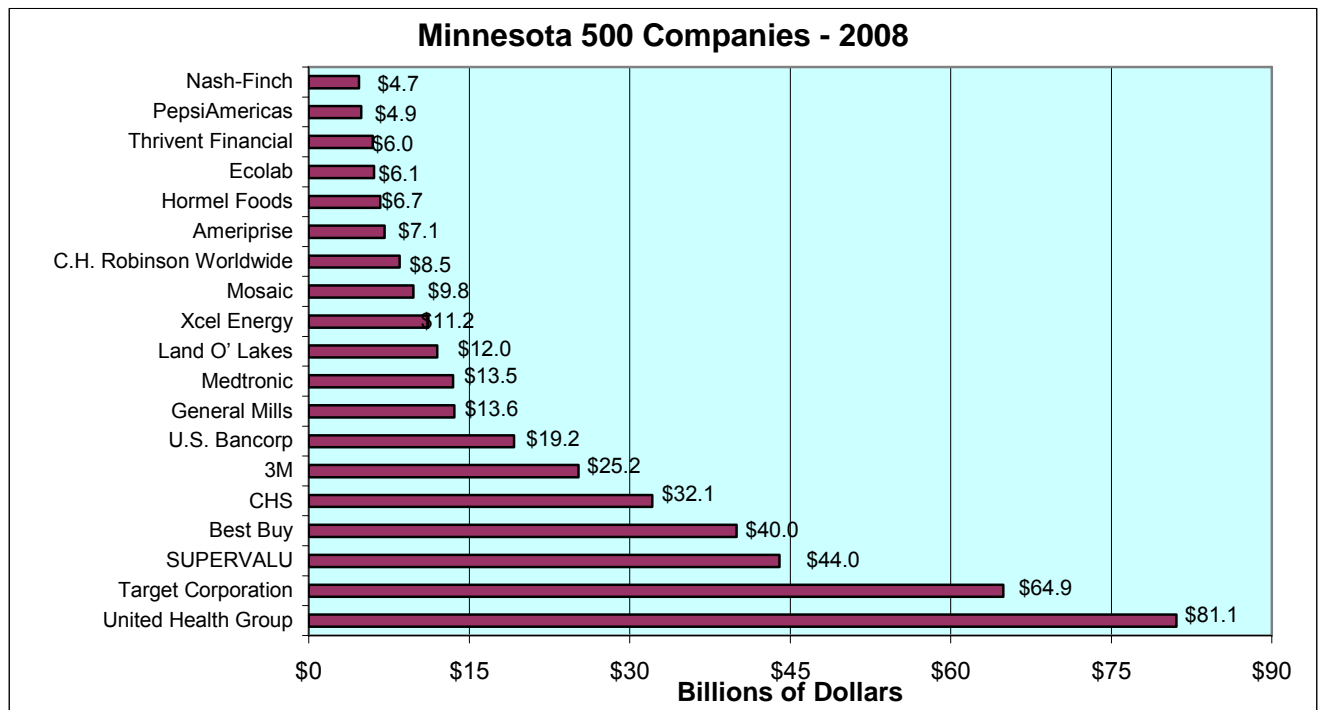
## EMPLOYERS

Minnesota's economy has increased the number of *Fortune 500* companies from 14 in 2000 to 20 in 2008 and has more companies per capita than any other state. Overall, the State is home to 32 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 2008		
Company Name	Number of Employees	Industry
Target Corporation	29,000	General merchandise retailer
Allina Health System	23,818	Nonprofit healthcare and hospital services
Fairview Health Services	21,507	Nonprofit healthcare and hospital services
Wells Fargo-Minnesota	20,613	Diversified financial services company
Wal-Mart Stores, Inc.	20,230	Discount retailer
3M Corporation	15,000	Diversified industrial, consumer products manufacturer
HealthPartners	10,322	Consumer-governed health care organization
US Bancorp	10,184	Diversified financial services; bank holding company
Northwest Airlines Corporation*	10,000	Passenger airline; international cargo carrier
United Health Group	9,967	Diversified health and well-being company
Supervalu Inc.	9,867	Wholesale foods; operating of supermarkets
Park Nicollet Health Services	8,449	Nonprofit integrated-care system
Medtronic Inc.	7,992	Medical technology company
Hormel Foods Corp.	7,890	Multi-national food and consumer products company
Best Buy	7,601	Retailer of name-brand consumer electronics
HealthEast Care System	7,300	Non-profit, community-focused health care system
Essentia Health	7,010	Health care system
Thomson Reuters Legal	6,600	Business and legal information publishing
CentraCare Health System	6,470	Regional health care system
Sears Holding Corp	6,000	Fourth largest broadline retailer
* Delta acquired Northwest Airlines on 10/29/2008		
Sources: Minneapolis-St. Paul Business Journal "2010 Book of Lists"		

**OTHER INFORMATIONAL STATISTICS – 2010 OPERATING BUDGET**

The following chart specifies the Minnesota Fortune 500 Companies in 2008:



Source: Minnesota Department of Employment and Economic Development website accessed 2/8/10



**Check Point #4 – Lindbergh Terminal - Minneapolis-St. Paul International Airport**

## OTHER INFORMATIONAL STATISTICS – 2010 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. The unemployment rates began to increase in 2001 through 2003 and 2007 through the present time with 2008 and 2009 rates the highest in decades for the United States, Minnesota and the Minneapolis-St. Paul MSA. The MSA continues to remain lower than the national average.

CIVILIAN UNEMPLOYMENT RATE			
Calendar Year	United States	Minnesota	Minneapolis- St. Paul MSA**
1972	5.6%	4.3%	5.0%
1980	7.1%	5.9%	4.5%
*1990	5.6%	4.8%	4.3%
*1991	6.8%	5.1%	4.6%
1992	7.5%	5.1%	4.5%
1993	6.9%	5.1%	4.3%
1994	6.1%	4.0%	3.3%
1995	5.6%	3.7%	2.9%
1996	5.4%	4.0%	3.1%
1997	4.9%	3.3%	2.5%
1998	4.5%	2.6%	2.0%
1999	4.2%	2.8%	2.2%
2000	4.0%	3.2%	2.6%
*2001	4.7%	3.9%	3.4%
2002	5.8%	4.5%	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	4.6%	4.6%	4.3%
2008	5.8%	5.4%	5.1%
2009 estimate	9.3%	7.9%	n/a
2010 forecast	10.4%	8.0%	n/a

Sources: U.S. Department of Labor, Bureau of Labor Statistics  
Well Fargo Securities publication dated 1/15/10

\*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 – 2010 OPERATING BUDGET

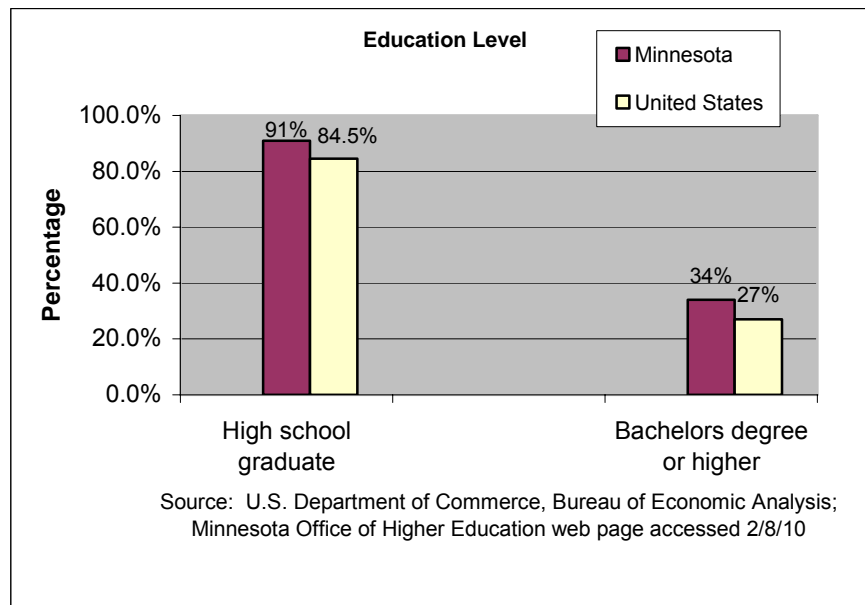
**C.**

The following charts depict per capita personal income and education level.

Per Capita Personal Income			
Year	United States	Minnesota	MSA
2004	\$ 33,157	\$ 36,199	\$ 41,071
2005	34,690	37,275	42,377
2006	36,794	38,944	44,295
2007	38,615	41,105	46,725
2008	39,751	42,772	47,863

Source: U.S. Department of Commerce, Bureau of Economic Analysis

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, Minnesota has a well-educated workforce with 91 percent high school graduates, compared to 84.5 percent in the United States and a third with bachelor's degrees or higher compared to 27 percent for the United States. In 2008, Minnesota ranked tenth in the nation for percentage of the population holding a bachelor's degree or higher. In addition, among 25 to 34 year olds, 48% had an associate degree or higher making Minnesota third in the country while in the 35 to 44 age group, 48% had earned an associate degree ranking Minnesota second in the country. 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, several proprietary schools offer trade and technical training in the MSA.

<b>OTHER INFORMATIONAL STATISTICS – 2010 OPERATING BUDGET</b>
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**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.

**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 re-named Wold-Chamberlain Field in honor of two local pilots, Ernest Wold and Cyrus Chamberlain, who lost their lives in combat during World War I.



***Mowing the Landing Fields at Wold-Chamberlain Field– Year 1931***



<b>OTHER INFORMATIONAL STATISTICS – 2010 OPERATING BUDGET</b>
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**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 4.8 seconds.
- Runway 17/35 and its taxiways contain enough concrete to build a sidewalk from Minneapolis to New Orleans.
- MSP operates one of the nation's most extensive airport noise mitigation programs. Between 1992 to the present, the Commission has insulated over 9,000 single-family homes and 3,000 multi-family units at a total cost of more than \$250 million.

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## OTHER INFORMATIONAL STATISTICS – 2010 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.

Two tables are provided.

## A.

2008 Ranking of U.S. Airports (for the 12 months ended December 31, 2008)								
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	90,039	1	Memphis	3,695.4	1	Atlanta	978.8
2	Chicago-O'Hare	69,354				2	Chicago-Hare	881.6
3	Los Angeles	59,498	20	Boston	281.8	3	Dallas-Ft. Worth	656.3
4	Dallas/Ft. Worth	57,093	21	Denver	251.0	4	Los Angeles	622.5
5	Denver	51,245	22	Phoenix	250.5	5	Denver	619.5
6	New York	47,808	<b>23</b>	<b>Mpls.-St. Paul</b>	<b>233.3</b>	6	Las Vegas	579.0
7	Las Vegas	43,209	24	Portland	221.1	7	Houston	576.1
8	Houston	41,709	25	Detroit	211.0	8	Charlotte	536.3
			26	Salt Lake City	160.6	9	Phoenix	502.5
13	Detroit	35,136	27	Orlando	159.6	10	Philadelphia	492.0
14	Charlotte	34,739	28	Fort Worth	154.1	11	Detroit	462.5
15	Miami	34,064	29	Hartford	150.0	<b>12</b>	<b>Mpls.-St. Paul</b>	<b>450.0</b>
<b>16</b>	<b>Mpls.-St. Paul</b>	<b>34,056</b>	30	San Antonio	125.3	13	New York	441.4
17	Seattle	32,197	31	San Diego	121.5	14	Newark	430.6
18	Philadelphia	31,835	32	Ft. Lauderdale	118.4	15	Salt Lake City	389.3

<sup>1</sup> Sum of enplaned and deplaned volume.  
Source: ACI, 2008 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. Due to a decline in air travel along with the merger of Northwest and Delta Airlines, MSP is ranked 16<sup>th</sup> in 2008.

When ranked with total cargo, MSP placed 23rd in the U.S. for both 2007 and 2008 (2006 indicated 26<sup>th</sup> position). The cargo volume is expected to remain the same between 2009 and 2010, 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 in 2007 and 2008 when compared with other airports in the United States.

## OTHER INFORMATIONAL STATISTICS – 2010 OPERATING BUDGET

**B.**

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.

**Minneapolis-St. Paul International Airport  
Air Carriers Serving the Airport**

**As of October 2009**

**U.S. - Flag Carriers**

**Scheduled Service**

Air Tran*	Continental*	Shuttle America <sup>2</sup>
Air Wisconsin <sup>2</sup>	Delta <sup>**5</sup>	SkyWest <sup>**2</sup>
Alaska*	Frontier <sup>*6</sup>	Southwest*
American*	Mesaba <sup>**3, 5</sup>	Sun Country*
Atlantic Southeast <sup>**3</sup>	Midway Airlines <sup>**</sup>	Transtate <sup>8</sup>
Chautauqua <sup>**4</sup>	Northwest <sup>**5</sup>	United*
Comair <sup>**3</sup>	Pinnacle <sup>**3, 5</sup>	US Airways*
Compass <sup>**3</sup>	Republic Airlines <sup>*6, 7</sup>	

**Non-scheduled (Charter) Service**

Omni Air Express <sup>**</sup>	Ryan International*
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**All-Cargo Services**

ATI <sup>**9</sup>	FedEx <sup>**</sup>	UPS <sup>**9</sup>
Bemidji <sup>**</sup>	Mountain Air Cargo	

**Foreign-Flag Carriers**

Air Canada <sup>**</sup>	Icelandair*
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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.

<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 Northwest and Delta.

<sup>4</sup> Codeshare with American and Continental.

<sup>5</sup> In 2008, Delta acquired Northwest and its affiliated Air Carriers, Mesaba, Pinnacle and Compass. Currently, Delta and Northwest operate as separate legal entities.

<sup>6</sup> Frontier filed for bankruptcy protection in April 2008 and emerged from bankruptcy protection on October 1, 2009 after being acquired by Republic Airlines. Republic Airlines expects to continue to operate Frontier under the Frontier brand name.

<sup>7</sup> Codeshare with US Airways.

<sup>8</sup> Codeshare with American.

<sup>9</sup> Provides air service to BAX Global.

**Sources: Metropolitan Airports Commission**

<b>OTHER INFORMATIONAL STATISTICS – 2010 OPERATING BUDGET</b>
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**GLOSSARY – 2010 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.

**ADASP** - Aviation Direct Access Program

**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.

**ALEAN** - Airport Law Enforcement Agency Network

**AMSS** – Airport Message Sending System

**ANOMS** – Airport Noise and Operations Monitoring System

**AOA** – Airport Operations Area

**AOEE** - Assessment of Environmental Effects

**APD** – Airport Police Department

**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

**GLOSSARY – 2010 OPERATING BUDGET**

**ASIG** – Aircraft Service International Group

**ASQ** - Airport Service Quality Program

**AST** - Above Ground Storage Tank

**AVI** – Automated Vehicle Identification. Relates to Landside Operations.

**Balanced Budget** – Refers to Budgeted Operating Revenue equal to Budgeted Operating Expense plus depreciation.

**BDO** - Behavioral Detection Officer

**BIDS** – Baggage Information Display System

**BMI** – Body Mass Index

**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

**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).

**CCTV** - Close Circuit Television

**CFC** - Customer Facility Charge

**CMAA** – Commercial Management and Airline Affairs

**CMMP** – Computerized Maintenance Management System

**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.)

**CSAC** – Customer Service Action Council

**GLOSSARY – 2010 OPERATING BUDGET**

**CSOs** – Community Service Officers

**CSPI** - Customer Service Partnership Initiative

**CUPPS** – Common Use Passenger Processing System

**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.

**CWN** - Comprehensive Well Network

**DBE** - Disadvantaged Business Enterprise

**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.

**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.

**E-1** – Enterprise One

**ECC** – Emergency Communications Center

**GLOSSARY – 2010 OPERATING BUDGET**

**ECP** – Environmental Compliance Program

**EDS** – Explosive Detection Systems - Machine that scans baggage for explosives.

**EVIDS** - Electronic Video Information Display Screens

**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.

**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.



**GLOSSARY – 2010 OPERATING BUDGET**

**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

**HHH Terminal** – Hubert H. Humphrey Terminal – The Commission's Common Use Terminal housing international, domestic scheduled and charter flight activity.

**HQ** - Headquarters

**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

**HT** – Humphrey Terminal

**HVAC** – Heating, Ventilating and Cooling System

**IATA** – International Air Transport Association

**ICAO** – International Civil Aviation Organization

**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.

## GLOSSARY – 2010 OPERATING BUDGET

**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.

**JAZB** – Joint Airport Zoning Board

**JDE** – J. D. Edwards

**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.

**MALSR** – Medium Approach Lighting System with a Rail (Runway alignment indicator lights)

**MCDDH** – Minnesota Commission on the Deaf, Deaf-Blind and Hard-of-Hearing

**MCOA** – Minnesota Council of Airports

**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.

<b>GLOSSARY – 2010 OPERATING BUDGET</b>
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**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

**NIMS** - National Incident Management System

**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

**OABA** - Open Architecture Building Automation

**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.

**GLOSSARY – 2010 OPERATING BUDGET**

**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.

**PCI** - Payment Card Industry

**PERA** – Public Employees Retirement Association

**Personnel** – One of the main expense categories and includes all wages, salaries and benefits.

**PLM** - Pinnacle Learning Manager

**PIDS** - Public Information Display Screens

**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.

**PSS** – Public Safety and Security

**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.

**RCS** - Revenue Control System

**RDC** – Regional Distribution Center

**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.)

**RFB** – Request for Bid

**RFP** – Request for Proposals

**RFQ** – Request for Qualifications

**RNAV** - Area Navigation

**RPZ** – Runway Protection Zone

**RSS** - Requisition Self Service

**GLOSSARY – 2010 OPERATING BUDGET**

**SAAC** – Secured Area Access Control System

**SCAN** – Spot, Challenge and Notify – An airport employee watch guard program

**SCSU** – St. Cloud State University

**Scope** – Non-traditional or derivative financial products are those products other than traditional long-term fixed rate debt obligations and traditional short-term variable rate products (including variable rate demand obligations, commercial paper and auction rate notes). Such non-traditional financial products include, but are not limited to, “swaps”, “swaptions”, “municipal warrants” and “interest rate caps”.

**Self-Liquidating Rents** – Fees received for the rental of facilities constructed for a specific airline or tenant; leases or lease amendments are negotiated for each facility to assure that the payment of all associated costs of constructing, financing and maintaining it are reimbursed to the Commission.

**Service Center** – The Commission's terminology for a specific department in order to keep track of costs.

**Seven County Metropolitan Area** – The counties surrounding and including the cities of Minneapolis, St. Paul and MSP International. The counties include Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington.

**SIDA** – Security Identification Display Area

**Signatory Carriers/Airlines** – Refers to those carriers/airlines who have signed the Airline Agreement. This includes carriers/airlines from the major, commuter, charter, and cargo/freight carrier categories.

**Sinking Fund** – A special account whose monies are set aside to retire debt.

**SMP** - Soil Management Plan

**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.

**SOC** – System Operations Control

**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.

**TGB** – Targeted Group Business

**TSA** – Transportation Security Administration

**GLOSSARY – 2010 OPERATING BUDGET**

**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

**VIPR** - Visual Intermodal Prevention and Response

**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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