

2011 BUDGET

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Minneapolis-St. Paul, Minnesota
Metropolitan Airports Commission





2011 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 2011 Budget Book:

Brandon Lampman – Age 11
Nephew of Karen Schaefer – Finance Department

2011 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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December 20, 2010

To The Public:

We are pleased to present the 2011 Metropolitan Airports Commission (Commission) Budget which was adopted by the Commission on December 20, 2010. Total Operating Revenue for 2011 is projected to be \$247,525,852 and Operating Expense is \$134,736,745 (excluding depreciation and noise amortization). Non-operating expenses (including non-operating revenue) are budgeted to be \$82,951,000. The approved 2011 budget results in \$29,838,107 of Net Revenues Available for Designation.

In May, 2010 the budget process commenced. Some of the key short term issues that the Commission was faced with in developing the overall targets for the 2011 Operating Budget were:

- Recently passed pension legislation that dictated an overall annual cost increase to the Commission of approximately \$1.7 million beginning in 2011.
- A programmed increase in debt service of \$5 million is to occur in 2011. (This structured increase was at the request of the airlines in order to allow for forecasted additional passengers and operation traffic after completion of the 2010 Expansion Plan).
- A new debt issue in the amount of \$135 million occurred in mid 2010.
- Debt refundings which occurred in 2009 and 2010.
- Timing and changes in passenger forecasts throughout 2010.
- Changes in the state of the economy and the airline industry in 2010.

(Details on how each of these critical issues were addressed in our development of the budget are noted below in the Fund Overview.)

Imbedded in this discussion was our Mission Statement and Vision Statement (below).

Mission Statement: "We provide and promote safe, convenient, environmentally sound and cost competitive aviation services for our customers"

Vision Statement: "To give our customers the best airport experience in North America."

BUDGET TARGETS

As a result of the key issues, the Commission identified four targets that were to be used in developing the 2011 Operating Budget. These targets and their respective budget results are indicated below.

Target 1: Senior Debt Service Coverage Ratio maintained at not less than 1.4x.
Result: + 2.1 (Without Transfer).

Target 2: Maintain a Six Month Reserve in the Operating Fund.
Result: A transfer of \$3.173 million will be made to the fund on 1/3/11.

Target 3: Airline Cost/Enplaned Passenger will be in the lower 1/3 of Large Hub Airports.
Result: The Commission ranked 7th lowest out of 24 Large Hub Airports surveyed.

Target 4: The Commission will have a Balanced Budget.
Result: The budget forecasts \$29.8 million in Net Revenues available for designation.

The remainder of this message will discuss the structure of the Commission, Fund summaries (Overall, Operating, Construction and Debt), the near term (2011-2012) and long term (2013 and beyond) issues that will be critical to the Commission in evaluating the future and finally the GFOA Award and acknowledgement.

COMMISSION/COMMITTEE STRUCTURE

The Metropolitan Airports Commission currently has three standing committees which report directly to the Full Commission. All of the Committee meetings as well as the Full Commission meeting take place in Terminal 1 (Lindbergh Terminal).

Committee	Meeting Time	Meeting Place
Finance, Development & Environment	Meetings are held on the first Wednesday following the first Monday of each month at 10:00 a.m.	Terminal 1 (Lindbergh)
Management & Operations	Meetings are held on the first Wednesday following the first Monday of each month at 1:00 p.m.	Terminal 1 (Lindbergh)
Human Resources & Affirmative Action	Meetings are held quarterly and are scheduled in conjunction with the other Committee meetings.	Terminal 1 (Lindbergh)
Full Commission	Meetings are held on the third Monday of each month at 1:00 p.m.	Terminal 1 (Lindbergh)

All financial information is reported to and acted upon at the Finance, Development and Environment (FD&E) Committee and reported to the Full Commission. The following information summarizes the general financial areas that the FD&E Committee dealt with in 2010:

During 2010, 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 2009 Expenditures
 - Distribution of 2009 Net Revenues/Unrestricted Cash
 - 2011 Budget Targets
 - 2011 Preliminary and Final Budgets
 - Mid-year Headcount Addition of 8.5 Positions
- Capital Budget (Program)
 - Contractor Payments
 - Contractor Bids
 - Project Adjustments
 - Environmental Issues
 - Federal & State Grants
 - 2011 – 2017 Capital Program
- Bonds/Debt/Capital Funding
 - 2010 Series A and Series B Bond Issue – New
 - General Obligation Bond Refunding – Series 16 (13)
 - 2010 Series C and Series D Bond Refunding (2001B and 2001D)
 - Capital Plan Funding
 - Commercial Paper Program
 - Selection of Financial Consultant, Bond Counsel and Financial Adviser
- Other
 - Long Term Comprehensive Plans
 - MSP
 - Relievers

FUND OVERVIEW

The Commission is accounted for as an Enterprise Fund. For internal purposes, three funds are maintained relating to three specific functions: Operating Fund (Budget - operations of the airport), Construction Fund (Budget – Capital Improvement Program), and Debt Service Fund (Debt). The Operating Fund reserve is set by the Commission. Based on current policy, that reserve amount needs to be equivalent to six months of operating expenses (excluding depreciation and noise amortization). Transfers from this Fund to the Debt Fund are made in June and December of each year to make debt service payments and ensure that the respective debt reserve accounts are fully funded. At the end of the year after all operating expenses and debt service have been funded, any balance not designated is, in most cases, transferred to the Construction Fund.

The table below shows a consolidated schedule of revenue and expenses for all funds. Descriptions and key issues for each of the three funds follows the summary table.

FUND OVERVIEW

Consolidated Enterprise Fund \$ = 000	2009 Actual	2010 Estimated	2010 Budget	2011 Budget	2012 Projection	2013 Projection
<u>Sources All Funds</u>						
Total Beginning All Fund Balances ¹	\$ 601,711	\$ 575,196	\$ 546,101	\$ 702,010	\$ 666,101	\$ 642,078
Operating Fund Revenues						
Airline Rates & Charges	89,867	88,750	87,225	95,666	99,910	102,907
Concessions	107,382	111,500	109,871	114,645	116,000	118,000
Other Operating Revenues	43,626	39,875	39,529	37,214	37,958	38,717
Interest Earnings	7,418	7,000	10,188	7,000	7,200	7,400
Other & Self-Liquidating Revenue	5,633	4,759	3,943	4,996	4,361	4,589
Transfers in Construction Fund	7,965	-	-	-	-	-
Transfers in Equipment Financing	5,502	2,509	2,427	1,382	2,500	2,500
Construction Fund Revenues						
PFC Funding	57,638	57,023	62,000	58,500	60,000	61,500
Federal Grants	24,025	22,054	8,500	7,040	17,550	4,450
State Grants	3,137	4,107	1,500	1,500	1,500	1,500
Interest Earnings	6,554	3,855	6,000	5,000	5,000	5,000
Bond Proceeds	-	124,008	125,000	-	-	-
Commercial Paper Program	-	-	-	-	-	-
Other Receipts	-	1,084	-	-	-	-
Federal Letter of Intent (LOI)	5,000	5,000	5,000	-	-	-
Transfers In	51,800	55,286	53,100	43,374	29,838	32,000
Debt Fund Revenues						
Interest Earnings	4,913	9,996	2,688	1,308	1,219	1,354
Bond Proceeds	147,227	112,818	25,000	-	-	-
Self-Liquidating Payments	28,472	29,291	28,836	27,751	28,122	28,172
Transfers In (PFCs and Garb Require.)	101,378	99,259	99,993	104,702	112,495	117,019
Total All Receipts	\$ 1,299,248	\$ 1,353,370	\$ 1,216,901	\$ 1,212,088	\$ 1,189,754	\$ 1,167,186
<u>Uses All Funds</u>						
Operating Fund Expenses						
Personnel	59,304	63,000	61,586	65,423	66,893	69,297
Administration	1,301	1,210	1,220	1,327	1,355	1,380
Professional Services	4,004	3,350	3,811	3,938	4,017	4,097
Utilities	16,553	16,375	17,091	17,203	18,063	18,966
Operating Services	16,043	17,125	16,955	17,848	17,967	18,624
Maintenance	23,718	26,225	25,580	25,873	26,520	27,580
Other/Insurance	2,507	2,875	2,935	3,126	3,130	3,150
Equipment & Other Capital Expenditures	9,397	7,353	7,353	7,623	8,030	8,160
Transfers Out - Debt	77,194	71,168	77,032	82,100	83,452	90,173
Transfers Out - Equipment Financing	4,729	2,338	2,136	2,582	2,100	1,900
Transfers Out - Construction	51,800	55,286	53,100	43,374	29,838	32,000
Working Capital/Other	-	-	-	-	-	-
Construction Fund Expenses						
Capital Project Costs	128,133	90,664	121,000	125,467	114,050	81,000
Commercial Paper	3,300	30,587	30,587	-	-	-
Debt Service Reserve	24,805	26,803	24,711	26,798	29,095	26,674
Transfer out-Operating Fund	7,258	-	-	-	-	-
Debt Fund Expenses						
Bond Refundings	145,165	112,908	-	-	-	-
Bond Principal & Interest Payments	148,841	124,093	128,093	123,305	143,166	144,602
Total All Costs	724,052	\$ 651,360	\$ 573,190	\$ 545,987	\$ 547,676	\$ 527,603
Total Ending All Net Fund Balances	\$ 575,196	\$ 702,010	\$ 643,711	\$ 666,101	\$ 642,078	\$ 639,583
¹ Includes Operating Fund, Construction Fund and Debt Service Fund.						



Minneapolis-St. Paul International Airport (Terminal 1) – Check-in Area

Operating Budget

As indicated above, the Commission, in developing targets/guidelines for the 2011 budget, discussed a number of critical issues that needed to be addressed in the short term. Key to this discussion was maintaining a firm grip on expenses especially in light of mandated additional costs, contract increases, the uncertainty in passenger forecasts, and the stagnant economy. At the start of the budget process in May, staff was dealing with a projected decrease in passenger activity based on year to date activity. The job market and the economy were still viewed to be flat at best. As a result, the budget was initially prepared very conservatively from both a revenue and expense view. As the process moved forward, both the economy and passenger projections showed improvement. This was especially true on the passenger side as we started to see an increase in activity which had been forecasted to occur earlier in the year. As a result revenues were increased slightly while expenses were held to as close to no increase as possible. If one sets aside the mandated pension increase and the rate increases in utilities, staff met this challenge with an increase in expense of less than two percent even taking into account a number of other contract increases.

The following table is a summary of 2009 actual, 2010 budget, 2010 estimate and 2011 budget revenue and expenses. This table includes both operating and non-operating items. (Explanations below are based on a comparison of estimated 2010 and budget 2011.)

2011 OPERATING BUDGET SUMMARY (\$ = 000)						
	2009	2010	2010	2011	2010 Estimate vs 2011 Budget	
	Actual	Budget	Estimate	Budget	Comparison	
					Dollars	Percentage
OPERATING REVENUE						
Airline Rates and Charges	\$ 89,866	\$ 87,225	\$ 88,750	\$ 95,666	\$ 6,916	7.8%
Concessions	107,382	109,871	111,500	114,645	3,145	2.8%
Rentals/Fees	28,436	28,038	28,150	25,092	(3,058)	-10.9%
Utilities & Other Revenues	15,191	11,491	11,725	12,123	398	3.4%
Total Operating Revenue	\$ 240,875	\$ 236,625	\$ 240,125	\$ 247,526	\$ 7,401	3.1%
OPERATING EXPENSE						
Personnel	\$ 59,304	\$ 61,586	\$ 63,000	\$ 65,423	\$ 2,423	3.8%
Administrative Expenses	1,301	1,220	1,210	1,326	116	9.6%
Professional Services	4,004	3,811	3,350	3,938	588	17.6%
Utilities	16,553	17,091	16,375	17,203	828	5.1%
Operating Services	16,043	16,955	17,125	17,848	723	4.2%
Maintenance	23,718	25,579	26,225	25,873	(352)	-1.3%
Other	2,507	2,936	2,875	3,126	251	8.7%
Total Operating Expenses (Excludes Depreciation)	\$ 123,430	\$ 129,178	\$ 130,160	\$ 134,737	\$ 4,577	3.5%
Net Operating Revenues	\$ 117,445	\$ 107,447	\$ 109,965	\$ 112,789	\$ 2,824	2.6%
Non Operating Revenues & Expenses						
Add: Other Non Operating Revenue	\$ 12,856	\$ 14,131	\$ 10,943	\$ 11,145	\$ 202	1.8%
Less: Debt Service/Equipment/Other	\$ (77,658)	\$ (82,726)	\$ (77,534)	\$ (94,096)	\$ (16,562)	21.4%
Total Non Operating Revenues & Exp.	(64,802)	(68,595)	(66,591)	(82,951)	(16,360)	
Net Revenues Available for Designation	\$ 52,643	\$ 38,852	\$ 43,374	\$ 29,838	\$ (13,536)	

Airline rates and charges increased the most of all revenue categories. With a 7.8% increase resulting primarily from the legislative mandated pension increase as well as increases in debt service, staff worked very deliberately to reduce the charges to the airlines. Debt service is the major component used in developing airline rates and charges. Total debt service (the majority of which flows into rates and charges) increased just over \$11 million. This is substantial. However, to offset a portion of the increase, staff refunded several bond series for annual savings of over \$5 million. Also, part of this increase was based on a decision to fund projects at today's historically low interest rates and take advantage of the Federal Stimulus package associated with terminal building projects. In the long term this will be advantageous to the airlines. The following table summarizes the major airline rates.

AIRLINE FEE TABLE				
	2009	2010	2010	2011
	Actual	Budget	Estimate	Budget
Landing Fee (Per 1,000 lbs.)	\$ 2.27	\$ 2.11	\$ 2.25	\$ 2.29
Terminal 1				
Ramp Fee (Per Lineal Ft.)	\$ 581.93	\$ 514.52	\$ 534.48	\$ 532.48
Space Rate (Per Square Ft.)	\$ 50.67	\$ 51.85	\$ 51.39	\$ 58.55
Terminal 2 Gate Fee	\$664,121	\$632,990	\$632,990	\$ 714,784
*Not yet calculated				

Concessions increased just under 3%. This was related to a projected increase in passengers of approximately 1% compared with an original forecast of flat to negative change in passengers. This resulted in positive changes in terminal concessions, parking and auto rental activity. Rentals decreased approximately 11% due to a payoff of prior obligations by the auto rental firms. The increase in Utilities/Other can be attributed to forecasted positive activity in General Aviation.

As previously stated, controlling expenses was a difficult challenge for staff. To offset the increase in personnel costs from pensions, wage adjustments and headcount, staff looked at all areas to minimize the impact of these added costs. Contracts were reviewed and, if possible, re-bid. Utilities were analyzed with an eye toward more aggression in the natural gas hedging area. Field maintenance was decreased significantly to account for average winters over a four year history.

For details regarding changes in for revenues and expenses year over year see the Operating Budget Revenue section and Operating Budget Expense section of the budget.

Non-operating revenues/expenses increased because of the planned added debt service and the new debt issue. We believe the debt portfolio has positioned the Commission well by not having any risk and having very low fixed interest (4.4%) at the end of a \$2.8 billion capital improvement program.

Capital Improvement Process

Each year the Commission approves a seven-year Capital Improvement Program which is divided into three areas. The first area is approval of projects that will be initiated in year one of the program. The second area identifies projects which may be reviewed in detail to determine cost and feasibility. The third area of the program is the identification of potential projects in years three through seven. At the same time the final Capital Improvement Program is presented for approval, a plan for funding the first three years of the program is provided. The following table summarizes the most recent past Program year (2010), the current three year program (2011 – 2013) and funding summary.

CAPITAL IMPROVEMENT PLAN (CIP) SUMMARY				
(\$=000)				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<u>CIP</u>				
Minneapolis/St. Paul International Airport				
Field & Runway	\$ 8,900	\$ 22,150	\$ 10,250	\$ 10,950
Environment/Noise	43,300	17,950	7,450	4,300
Terminal/Landside	69,950	79,900	88,900	58,325
Total Minneapolis/St. Paul International	122,150	120,000	106,600	73,575
Reliever Airports	4,100	5,450	3,600	1,500
Total All Airports	\$ 126,250	\$ 125,450	\$ 110,200	\$ 75,075
<u>Funding</u>				
Passenger Facility Charges (PFCs)	\$ 7,550	\$ 52,515	\$ 15,850	\$ 14,350
Federal & State Aid	34,729	8,540	19,050	32,000
2010 General Airport Revenue Bonds	27,400	21,200	50,300	3,000
Internal/Airline Funds	53,571	41,085	25,000	25,125
Other	3,000	2,200	-	600
Total Funding	\$ 126,250	\$ 125,540	\$ 110,200	\$ 75,075

Even though the economy was still floundering for most of 2010, the Commission issued \$135 million of new debt to fund the Capital Program. This was done to take advantage of the Federal Stimulus package and the historically low interest rates. A number of rehabilitation and repair projects for both Terminals were moved forward in the timing process so they could be incorporated into the new bond issue. Going into the future the Commission is not planning on any new debt to fund the capital program until expansion is needed. As a result, approximately \$101.7 million of "Demand Driven" projects (Those projects which will not move forward until there is sufficient activity and agreement from the airlines that will require expansion) are not included in the table above. The current focus is on maintaining our existing facilities.

Debt Service*Refundings*

Throughout the past four years the Commission has aggressively pursued the refunding options of its outstanding debt. The following table illustrates the results of this action.

DEBT SERVICE SUMMARY				
(\$=000)				
Series Refunded	Refunding Year	Total Savings	Annual Savings	Present Value % Savings
Refund 1998A, 1999A, 2001A, & 2001C (1)	2007	\$ 33,050	\$ 2,330	5.19%
Refund 1998B (1)	2008	2,440	365	3.32%
Refund 1999B & 2000B (1)	2009	8,140	990	4.95%
Refund 2001B & 2001D (1)	2010	9,640	1,150	8.94%
Refund GO 13 (2)	2010	633	214	4.50%
		<u>\$ 53,903</u>	<u>\$ 5,049</u>	
Average Present Value Savings				5.72%
Total Average Interest Rate Prior to Refundings			5.27%	
Total Average Interest Rate After Refundings			4.44%	
(1) General Airport Revenue Bond (Garb) Refunding				
(2) General Obligation Revenue Bond (GO/Gorb) Refunding				

New Debt

As previously stated, the Commission issued \$135 million in new debt in 2010. This financing focused on needed terminal building projects that were prioritized to take advantage of the low interest rates and the Federal Stimulus package. (Under the Stimulus Package, terminal building projects which normally carry an AMT (Alternative Minimum Tax) status could be funded at the lower non-AMT rate.) In the near term (2011 – 2013) there are no plans to issue any new debt. The only possible deviation from this planned action is if there is an activity increase and a willingness by one or more carriers to solidify a lease to pay for the desired facilities.

Short Term Debt

In May of 2010, staff reviewed proposals of current Letter Of Credit providers of the existing Commercial Paper Program. This short term borrowing program had been in place for ten years and was up for renewal or termination. The decision was made to terminate the Letter of Credit for the program for a number of reasons: 1) The proposed significant cost increase of a new program and 2) No financial requirement was identified in the Capital Improvement Program for short term borrowing. However, the Commission feels that in the near future a short term borrowing program is necessary. Staff will be reviewing options to implement a program by the end of third quarter 2011.

FUTURE OUTLOOK

We have identified in prior sections the current or near term issues facing the Commission in this budget year. Looking to the future, we believe the same areas identified in the previous budget will continue to remain our focus as we go forward. These include the following issues:

- Economy and airline activity
- Environmental
- Leadership and Planning
- Long Term Comprehensive Plan (LTCP)/Demand

Economy and Airline Activity

We have adjusted our forecasting modestly going forward based on what has transpired during 2010 and what the indications are for 2011 as a result of the following considerations:

- The economy appears to be stabilizing.
- 2010 passenger activity will show an increase after four consecutive years of decline.
- 2011 forecasts indicate another year of increased activity.
- Airlines appear to have settled on their business plans to remain profitable.

Staff will need to continue to be diligent in reviewing all expenditures. Headcount will remain a major focus with emphasis on filling only required positions. The other area that we hope will be revitalized in 2011 is Non-Aeronautical revenue. This is a significant opportunity as there are a number of available MAC properties throughout the system of airports that could be developed. If market conditions support development in this area, additional revenue will be brought in, particularly at the reliever airports.

Environmental

The Commission has and will continue to evaluate opportunities to become “greener”. Some of the areas that the Commission has taken action on include increasing the energy improvement projects in the Capital Improvement Program. Working directly with our utility companies, the Commission has reduced electrical costs and heating/cooling costs by replacing equipment, upgrading equipment and lighting fixtures. Staff has become more involved with our energy consultant and has taken more aggressive action in the use of and hedging of natural gas. Our maintenance department in collaboration with our environmental department has expanded the evaluation of hybrid and electrical vehicles. Our STAR team (Stewards of Tomorrow’s Airport Resources) strives to analyze ways for the system of airports to become more environmentally conscious. Some of the areas identified for 2011 include hybrid/electric vehicles, geothermal heating/cooling, and capture of rainwater for reuse and wind /solar alternatives.

Leadership and Planning

The Commission’s Strategic Plan/Performance Management is linked through departmental individual plans, ongoing coaching, monitoring and performance reviews. Clear expectations, frequent feedback and consistent monitoring at all levels of the organization drives our performance.

Improved technologies in planning and reporting have allowed us to move forward by reviewing quarterly progress at all levels of the organization. These status reports have allowed more flexibility and ability to adjust quickly to changing trends or industry fluctuations.

A key issue the Commission will be faced with in the next few years is the replacement of a number of senior staff positions. We are currently reviewing plans and training alternatives which will be important in identifying candidates in the replacement process. This is a complex business that requires the individual to be able to step in quickly and familiarize themselves with Commission operations. We anticipate having this process in place in the second quarter of 2011.

Long Term Comprehensive Plan (LTCP)

The MAC is preparing a MSP 2020 Environmental Assessment (EA) to evaluate the potential environmental impacts of proposed development of Phases I and II of the MSP 2030 Long Term Comprehensive Plan (LTCP). The LTCP, completed and approved in 2010, established a 20-year plan for developing airport facilities to accommodate forecast growth in a safe, environmentally focused and efficient manner with a high level of customer service at MSP.

The purpose of Phase I and II of the LTCP is to accommodate expected demand at MSP such that the level of service is acceptable through the planning timeframe considered. The proposed action includes terminal and landside improvements needed by the year 2020. Phase I will expand Terminal 2-Humphrey and relocate all non-SkyTeam airlines (all airlines except Delta Air Lines and its alliance partners) to Terminal 2-Humphrey. Phase II provides for modernization and expansion of Terminal 1-Lindbergh including a new international arrivals facility.

The MSP 2020 EA will assess the environmental consequences of the proposed action and the reasonable alternatives and identify the Capital Improvement Program projects necessary for both Terminal 1-Lindbergh and Terminal 2-Humphrey to accommodate forecast growth in a safe and efficient manner with a high level of customer service at MSP. The EA is the initial step in the phased expansion. The projects associated with this plan have been identified as “Demand Driven” and will not move forward until such time that passenger activity justifies action and the airline or airlines sign an agreement to fund their portion.



Minneapolis-St. Paul International Airport (Terminal 1) – Ground Transportation Center

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, 2010.

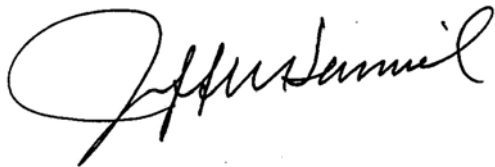
In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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 2011 Budget. Through this hard work and effort, we hope that the MAC will continue to be one of the most safe, efficient and cost effective airport operators in the nation. It is significant to note that the Distinguished Budget Presentation Award has been presented to the Commission annually by GFOA since 1985.

Respectfully submitted



Jeffrey W. Hamiel
Executive Director



Stephen L. Busch
Deputy Executive Director –
Finance & Administrative Services



Robert Schauer
Director – Finance



**GOVERNMENT FINANCE OFFICERS ASSOCIATION
“DISTINGUISHED BUDGET PRESENTATION AWARD”**

2010 BUDGET



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Minneapolis/St. Paul Metro Airport Commission
Minnesota**

For the Fiscal Year Beginning

January 1, 2010

President

Executive Director

Metropolitan Airports Commission Awards			
Year	Source of Award	AWARD	Group Judged/Rated
2010	Zagat	Sixth highest airport quality rating among U.S. airports	30 U.S. Airports
2010	Travel + Leisure	3 rd Best Airport in America Overall #1 in U.S. for Food and Shopping 3 rd Best for Entertainment	U.S. Airports
2011	American Council of Engineering Companies – MN Chapter	Merit Award: MSP Airport Taxiway C-D Complex	State of Minnesota Level Competition
2010	International Parking Institute	Award of Merit for design of the Orange “Value Ramp” at Terminal 2	Commercial parking facilities
2010	Minnesota Society of Professional Engineers	Seven Wonders of Engineering Award for the Orange “Value Ramp” at Terminal 2	Engineering projects in Minnesota
2010	Minnesota Society of Professional Engineers	Seven Wonders of Engineering Merit Award for the St. Paul Downtown Airport Flood Protection Improvements	Engineering projects in Minnesota
2010	Public Relations Society of America, Minnesota Chapter	Classics Award for the top video in the public service announcements category, for promotion of MSP Value Parking	Public service announcements in Minnesota
2010	American Council of Engineering Companies	Honor Award for the St. Paul Downtown Airport Floodwall Protection System	Civil engineering projects
2010	Minnesota Department of Transportation	Partnership Award – Outstanding Contributions	TSA Employee and Stakeholders
2010	Transportation Security Administration (TSA)	Seven Wonders of Engineering Award for the Orange “Value Ramp” at Terminal 2	Engineering projects in Minnesota
2010	Minnesota Council of Airports	Project of the Year Award for the Flying Cloud Airport expansion	Improvement projects at Minnesota airports
2010	J.D. Power and Associates	2 nd Best Large Airport in America (tie with Denver)	U.S. Airports with 30 million or more passengers per year
2010	<i>Minnesota Lawyer</i> Magazine	2010 Unsung Legal Heroes Award presented to Tammy Rader	Legal staff of various law firms
2010	Conde Nast digital travel publication <i>Jaunted</i>	Top 5 Airport for Traveling with Children	U.S. Airports
1985 through 2010	Government Finance Officers Association	Distinguished Budget Presentation Award	Submitted budget documents from various government organizations.
1984 through 2009	Government Finance Officers Association	Certificate of Achievement for Excellence in Financial Reporting	Submitted report must be easily readable and efficiently organized.

Metropolitan Airports Commission Awards			
Year	Source of Award	AWARD	Group Judged/Rated
2010	American Heart Association	Fit-Friendly Company Award	Companies and governmental agencies with wellness activities/promotions available to employees
2010	Hennepin County	Wellness by Design – 2010 Silver Award	Companies and governmental agencies with wellness activities/promotions available to employees
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	Companies and governmental agencies with 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 rd 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 - Humphrey Parking Terminal Expansion.	Commercial-Functional category
2009	Airports Council Int’l – North America	2 nd Place – Website Award	Communications and marketing projects at North America airports.

Metropolitan Airports Commission Awards			
Year	Source of Award	AWARD	Group Judged/Rated
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
2008	Airports Council Int'l – North America	Excellence in Airport Marketing & Communications – 3 rd 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
2009	Minnesota Department of Transportation	Concrete Paving Merit Award – Rwy. 12L-30R Reconstruction	Commercial Service and Military 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
2008	Minnesota Department of Transportation	Concrete Paving Merit Award – MSP Taxiway P Reconstruction	Commercial Service and Military Airports
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

Metropolitan Airports Commission Awards			
Year	Source of Award	AWARD	Group Judged/Rated
2006	MN Society of Professional Engineers	Merit Award – MSP Runway 17/35 for Distinguished Engineering Achievement in the Seven Wonders of Engineering Competition	Airports
2006	MN Department of Transportation	Merit Award – Construction Excellence for Anoka County-Blaine Airport Runway 9-27 Extension	Intermediate Airports
2006	Concrete Pavement Association of Minnesota	Merit Award for South End – Runway 17/35 Construction	Concrete Paving - Airports
2006	American Consulting Engineers Council	Grand Award for Runway 17/35	Airports
2006	American Civil Engineering Companies	ACEC Grand Award – MSP Light Rail Transit Tunnel & Station	ACEC National Awards – National Level
2006	American Civil Engineering Companies – MN Chapter	ACEC Grand Award – MSP Light Rail Transit Tunnel & Station	ACEC State of MN Level Competition
2005	American Concrete Pavement Association	National Award for Excellence in Concrete Pavement in Recognition of Outstanding Design and Construction for Runway 17/35 Construction – Gold Winner	Commercial Service & Military Airports
2005	Federal Aviation Administration	Minneapolis OEP Runway 17/35 for Successfully Commissioned on-time with full operational capability	Airports
2005	MN Concrete & Masonry Contractors Association	Honor Award for “Outstanding use of Poured-in-place Concrete” on the Humphrey Parking Facility	Commercial - Functional
2005	International Parking Institute	Award of Excellence – Innovation in Parking Operations	Organizations which manage worldwide parking operations
2005	National Institute of Governmental Purchasing	Best Practices - Lost & Found Program	Agencies implementing an innovation or best practice within the past 2 years resulting in cost savings or implementation benefit.
2003	J.D. Power and Associates	Global Airport Passenger Satisfaction Study – MSP ranked 3 rd place internationally for passenger satisfaction	61 worldwide large airports (more than 30 million passengers per year)
2003	US Police Canine Association (USPCA)	4th place out of 50 contestants to Police Officer Amy Kilian and her K-9 partner, Ginger	Regional K-9 competition (police officers and K-9 partners)
2007	US Police Canine Association (USPCA)	1 st Place – Region 12 Narcotic Detection Team	Regional K-9 competition (police officers and K-9 partners)

Metropolitan Airports Commission Awards			
Year	Source of Award	AWARD	Group Judged/Rated
2007	US Police Canine Association (USPCA)	2 nd Place – Narcotic Detection Department Team	National K-9 competition (police officers and K-9 partners)
2007	US Police Canine Association (USPCA)	4 th Best in the Country – Overall Search Nationwide	National K-9 competition (police officers and K-9 partners)
2007	Airports Council International	1 st 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 st 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 st Place – Creative Innovations Using Technology – MSP Sure Park real-time parking availability information program	ACI-North America Excellence in Marketing and Communications Contest
2003	MN Chapter of the American Society of Landscape Architects (MASLA)	Honor Award in Public Design for the Inbound/Outbound Roadway Project	Nominated engineering achievements in Minnesota
2003	American Council of Engineering Companies of Minnesota (ACEC)	Engineering Excellence Grand Award for the Inbound/Outbound Roadway Project	Nominated engineering achievements in Minnesota
2003	Airport Revenue News (formerly Airport Retail News)	1st Place: Large Airport with Best Concessions Program Design	Airport concessions throughout North America (airports with more than 10 million enplaning passengers.)
2003	Airport Revenue News (formerly Airport Retail News)	1st Place: Large Airport with Best Overall Program	Airport concessions throughout North America (airports with more than 10 million enplaning passengers.)
2002	J.D. Power and Associates in the Dec. 2002 issue of “Meetings & Conventions”	MSP Ranked in the top five for passenger satisfaction. Top five large airports (> 30 million pax/year) are Chek Lap Kok in Hong Kong, McCarran in Las Vegas, Schiphol in Amsterdam, Phoenix Sky Harbor and Minneapolis-St. Paul.	Forty-six major airports worldwide
2002	ACI-NA	Excellence in Marketing and Communications	Airport publications/marketing from 64 airports
2001	National Asphalt Paving Association (NAPA)	Quality in Construction Award	Hot mix asphalt pavement projects

Metropolitan Airports Commission Awards			
Year	Source of Award	AWARD	Group Judged/Rated
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.
Winters of 2000-2001, 1996-1997, 1991-1992, 1990-1991 1985-1986, 1981-1982	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

Metropolitan Airports Commission Awards			
Year	Source of Award	AWARD	Group Judged/Rated
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	



Our strategic planning process begins at Point A, Desired Outcome. Then we look at Point B, the External Environment which may impact plans. We then move to Point C, the Current State. Here we do an evaluation of our internal strengths and weaknesses, external threats and opportunities and the resources we have available. The next step, Point D, is to develop strategic goals, organizational key initiatives, and departmental objectives to help us move from Point C, "where we are", to Point A, "where we want to be". Point E is the Feedback Loop where we track results of our Organizational Key Initiatives and Departmental Objectives.

A – Desired Outcome: Where do we want to be?

- Our Vision is to provide the best airport experience in North America.

B – Future External Environmental Scan - What changes in the future external environment may impact our plans?

C – Current State - Where are we now?

- What are our strengths and weaknesses?
- What opportunities and threats exist?
- What resources do we have?

D - How do we move from where we are to where we want to be?

- Strategic Goals
- 2011 Organizational Key Initiatives
 - Departmental Objectives related to Organizations Key Initiative
- Day to Day Key Areas of Performance
 - Departmental Objectives related to Key Areas of Performance

E – How do we track and measure results?

- Strategic Results
 - Organizations Key Initiatives Results
 - Departmental Objectives Results
- Day to Day Results
 - Organizational Results Indicators
 - Departmental Results Indicators
 - Departmental Objectives Results

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

Strategic Goal		2009 Key Initiatives	Results
Enhance Customer Service	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.	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.
Match Employee Talent with Changing Business Needs	Ensure that MAC has the right people with the right skills and experience to fulfill its mission.		Results related to this strategic goal are reported at the departmental level.
Ensure Long Term Financial Viability	Ensure MAC has the financial resources necessary to operate our airport system and meet all debt service obligations and maintain our AA-bond rating.	Maximize our region's economic interests through the Delta/NWA acquisition.	An agreement was reached maintaining service levels and MSP remains a solid large hub airport.
		Develop new non-aeronautical business development opportunities at the Reliever Airports.	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.
		Inaugurate the next phase of the STAR (Stewards of Tomorrow's Airport Resources) Program.	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. The Alternative Energy Team explored multiple wind and solar opportunities and implemented a small scale wind turbine project.
		Initiate a marketing campaign for MSP and Reliever Airports.	<p>MSP - An aggressive marketing campaign was implemented:</p> <ul style="list-style-type: none"> • ShopsatMSP.com web site • New Eat, Shop & Relax brochure • Increase coupon-based promotions • The most robust promotion of holiday sales ever at MSP • Soaring Savings Sidewalk Sale • Refined use of concessions ads at the top of terminal directories • New wall wraps promoting shops and restaurants • MSP Service Idol Program • Enhanced Mystery Shopper Program (Sales per enplaned passenger suffered due to reduced passenger levels and the national recession.) <p>Reliever Airports –</p> <ul style="list-style-type: none"> • Promotional videos for each airport were placed on YouTube. • Relievers were advertised regularly in Midwest Flyer magazine. • Reliever Airports brochure was created. • An event was hosted and news release issued to celebrate completion of Flying Cloud expansion project.

Strategic Goal		2009 Key Initiatives	Results
Leverage Technology	Improve performance, increase productivity and deliver cost effective services.		Results related to this strategic goal are reported at the departmental level.
Strengthen Partnerships and Alliances	Strengthen our effectiveness through interdepartmental relationships and alliances with regional businesses, public agencies and governmental units.		Results related to this strategic goal are reported at the departmental level.

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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

Strategic Goal		2010 Key Initiatives	Measurable Outcome
Assure Financial Viability	Ensure MAC has the financial resources necessary to operate our airport system and meet all debt service obligations and maintain our AA- bond rating.	Pursue new MSP and Reliever Airport revenue opportunities. (Commercial Management & Airline Affairs)*	Identify and begin implementation of new development models which result in diversification of revenues.
Provide a Great Customer Experience	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.)	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.
		Benchmark top airport competition in North America. (Concessions & Business Development)	MAC knows what programs and services need to be put into place to achieve our vision.
		Install new highway and terminal way finding signage. (Planning)	Implement on time, on budget and provide customers improved way finding to their correct departure terminal.
		Open Humphrey Terminal skyway. (Planning)	Implement on time, on budget and provide customers with improved, climate controlled connectivity to LRT with increased customer satisfaction.
		Increase MSP's Accessibility Index. (MSP Operations & Admn.)	Customers with disabilities experience improved access capabilities throughout MSP.
		Promote MSP to international and domestic airlines. (Air Service Business Development)	Provide increased service levels with more choices for destinations from and connecting through MSP.
		Implement strategy for incorporating social media and mobile communications into customer communications. (Public Affairs & Marketing)	Customers experience increased integration and easier access to information for their decision making.
		Develop central Web portal for tenant communications, forms, process instructions, feedback and Q & A. (Public Affairs & Marketing)	Seamless communication is experienced by MAC tenants that results in administrative savings and more cohesive partnerships.
		Implement provisions of the 60 DNL Noise Program. (Environment – Noise)	Complete the 2010 elements of the Noise Program.

Strategic Goal		2010 Key Initiatives	Measurable Outcome
Match Employee Talent with Changing Business Needs	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)	At the departmental level a number of actions are being implemented.
Leverage Resources and Technology	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)	Planned element completed – open enrollment, utility billing, A/R statements, work order/maintenance, online purchase requisitions. GIS and E1 are integrated and operational. Concessions data, maintenance processing in place.
Strengthen Partnerships and Alliances	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)	At the departmental level a number of actions are being implemented.

* Indicates Service Center responsible for 2010 Key Initiative.

2011-2015 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

Strategic Goal		2011 Key Initiatives	Measurable Outcome
Assure Financial Viability	Ensure MAC has the financial resources necessary to operate our airport system and meet all debt service obligations and maintain our AA- bond rating.	Incorporate life-cycle operational costs into CIP and technology budgeting.	Broad understanding of and support for the long-term operational budget implications of CIP projects and technology purchases.
Provide a Great Customer Experience	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.	Partner with TSA at the local and national level to ensure the smooth introduction of new checkpoint technologies.	MSP customers experience fifteen minute maximum wait time during peak demand periods.
		Conduct comprehensive market research for the concessions bid process.	Clearly defined research-based strategy for the MSP's concessions program.
Match Employee Talent with Changing Business Needs	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	Expand employee development and talent management plans.	Success profiles identified by management level. Talent reviews, employee development and/or knowledge transfer plans in place for the highest priority positions.
Leverage Resources and Technology	Take full advantage of resources and technology to improve performance, increase productivity and deliver cost-effective services.	Develop initial LTCP implementation plans.	A clear definition of the business needs to be addressed by the LTCP and a more defined implementation timeline.
Strengthen Partnerships and Alliances	Expand effectiveness through internal teamwork and strengthening external relationships and partnerships with tenants, concessionaires, airlines, neighboring communities, regional businesses, and governmental agencies.	Implement a MAC stakeholder and partnership communications matrix.	A knowledge management process implemented for key stakeholders and partners.

Our Key Areas of Performance

The Metropolitan Airports Commission has identified the following eight areas of day to day performance that are key to the organization fulfilling its mission. They remain constant year after year. Each Key Area of Performance is measured using the results indicators on the following pages.

Departmental objectives impart these key areas of performance and may or may not be linked to organizational Key Initiatives.



Metropolitan Airports Commission Organizational Performance Indicators

	2005	2006	2007	2008	2009
Safety					
♦ MSP Runway Incursions & Airfield Violations					
■ Airfield Operations Area (AOA) Violations	3	13	5	2	2
■ Citations Issued	35	43	79	58	34
■ Warning Citations Issued	56	47	35	6	8
■ Runway Incursions	1	0	0	0	2
♦ Reliever Airport Runway Incursions					
■ Runway Incursions	2	2	4	10	17
♦ Employee Accidents & Incidents					
■ Total Employee Injuries	91	107	84	71	62
■ OSHA Recordable Injuries	29	34	28	24	23
■ Injuries Per FTE**	0.15	0.19	0.15	.12	.11
■ Lost Work Days Per FTE**	0.69	0.41	0.33	0.05	.06
■ Workers Comp Experience Rating Modification Factor	0.86	1.05	.97	.92	.71
■ MAC Vehicle Accidents	64	50	37	35	31
♦ Airport User Accidents & Incidents					
■ Claim Cost Per Million Enplaned Passengers	\$7,944	\$12,095	\$15,614	\$13,813	\$19,611
■ Number of Accidents & Incidents	294	186	205	172	165
Security					
♦ Security Breaches & Violations					
■ Failure to Display Security Badge	13	11	12	6	1
■ Piggybacking	26	17	9	17	6
■ Failure to Challenge	45*	56	87	217*	82

* This upward spike is due to increased staffing in the Airport Police Department - Aviation Security Division and education efforts.

** Lost work days are calculated in accordance with the number of budgeted Full Time Equivalents (FTE), not the actual number of employee headcount.

Metropolitan Airports Commission Organizational Performance Indicators

	2005	2006	2007	2008	2009
Financial Responsibility					
◆ Cost Performance					
■ Operating Cost Per Enplaned Passenger	\$6.18	\$6.51	\$7.35	\$7.74	\$7.94
■ Operating Cost Per Enplaned Passenger (with depreciation)	\$11.50	\$12.89	\$14.14	\$14.91	\$15.85
■ Airline Operating Expense Per Enplaned Passenger	\$5.06	\$5.23	\$5.21	\$5.56	\$6.04
◆ Debt Management					
■ Senior Debt Service Coverage (with transfer)	2.03x	2.14x	2.30x	2.26x	2.26x
■ Long Term Debt as % of Total Assets	56.3%	51.1%	48.2%	48.13%	48.08%
■ Debt Service as % of Operating Revenue	56.3%	57.7%	58.9%	57.7%	59.4%
◆ MSP Revenue Performance					
■ Operating Revenue Per Enplaned Passenger	\$12.56	\$14.56	\$14.04	\$14.74	\$15.49
■ Non-Aeronautical Revenues as % of Operating Revenue	51.5%	59.1%	64.12%	64.4%	59.9%
◆ Reliever Airports Revenue Performance					
■ Annual Reliever Model Net Revenues *	-	\$249,784	\$339,149	\$1,543,631	(\$452,884)
■ Cumulative Reliever Model Net Revenues	-	\$249,784	\$588,930	\$2,132,562	\$1,679,678
◆ Operating Performance					
■ Operating Income before Depreciation (in millions)	\$115,251	\$112,493	\$113,609	\$114,819	\$117,442
■ Revenue-to-Expenditure Ratio	1.09	1.13	.99	.99	.98
◆ Disadvantaged Business Enterprise					
■ % of Concession \$ Oct. 1 – Sept. 30	9.8%	22.5%	21.4%	12.4%	10.8%
Airport Operations					
◆ MSP					
■ Enplaned Passengers Per FTE	32,288	32,138	32,415	30,511	29,453
■ Operations Per FTE	971	890	862	838	8.19
◆ Reliever Airports					
■ Operations Per FTE	21,577	21,718	17,249	16,342	14,994
■ Tenants Per FTE	30.3	33.38	30.9	30.9	30.9
■ Based Aircraft Per FTE	67.7	72.3	66.2	63.0	58.9

Metropolitan Airports Commission Organizational Performance Indicators

	2005	2006	2007	2008	2009
Airport Development					
♦ Disadvantaged Business Enterprise					
■ % of Construction Contract \$	16.6%	8.9%	6.6%	10.8%	8.2%
♦ Targeted Group Business					
■ % of Total Construction Contract \$ (July-July)	5.2%	2.8%	2.5%	2.9%	6.4%
People					
♦ Overtime as % of Total Wages	10.9%	8.57%	11.37%	10.1%	8.3%
♦ Operating Revenue Per Employee	\$410,190	\$447,973	\$433,578	\$427,529	\$424,076
♦ Operating Expense Per Employee *	\$202,276	\$200,229	\$226,828	224,310	\$217,307
♦ Personnel as % of Total Operating Expense**	28.5%	24.3%	23.5%	24.5%	24.1%
♦ Terminal Square Feet Per FTE Employee	5,566	5,551	5,641	5,487	5,700
♦ Airfield Pavement Square Feet Per FTE Employee	3,418	3,402	3,464	3,375	3,430
♦ Employee Job Satisfaction	4.8 of 6	4.8 of 6	4.73 of 6	4.95 of 6	4.9 of 6
♦ Annual Employee Turnover	7.45%	4.11%	7.06%	4.96%	3.36%
♦ Affirmative Action					
■ Female Employees	22.7%	23.8%	24.4%	25.0%	24.6%
■ Minority Employees	9.0%	9.6%	8.9%	8.8%	8.6%
■ Disabled Employees	1.8%	2.1%	2.5%	NA	NA
Environmental Stewardship					
♦ Violations Identified by a Regulatory Agency	1	0	0	0	0
♦ Reduction in Discharged De-Icing Material to River	83%	79%	87%	81%	82%
Customer Service					
♦ Airport Service Performance Rating***	3.87 of 5.0	3.82 of 5.0	4.08 of 5.0	4.17 of 5.0	4.18 of 5.0
♦ Complaints Per 100,000 Passengers	1.02	1.40	1.59	1.72	1.61

* Excluding depreciation

** Including benefits

*** ACI Survey

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.

Basis of Budgeting

Each year the Finance Department, with the aid of Airport Development, Landside-Parking, Reliever Airports, Concessions 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 2011, 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 in 2010. (See Budget Message)

Use of Estimates

The use of 2010 estimates in the reporting of the 2011 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 MANAGEMENT/INVESTMENT

The Cash Management/Investment Policies are as follows:

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.



Ticketing Level Roadway Activity - Lindbergh - Terminal 1

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 2011 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 \$10,000.

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 or personal property.



Lindbergh Terminal – Light Rail Station

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.****COMPLIANCE STATEMENT**

The Metropolitan Airports Commission is in compliance with all of the above stated policies.

The 2011 Operating Budget contains both Operating and Non Operating Revenue and Expenses. Operating revenue and expenses are those items derived from operating the Commission's facilities, and includes revenue generated from user fees to airlines, concessions and other (miscellaneous, utilities, and rental fees). Operating expense detail includes Personnel, Administrative, Professional Services, Utilities, Operating Services, Maintenance, and Other. Depreciation and Noise Amortization are identified in the GAAP table as noted in this section. However, they are not part of the budget approval process since Debt Service is used in determining airline rates and charges. Non-operating entries include interest income and transfers to other funds. (See Budget Message and Cash Flow sections.) Capital equipment purchases are detailed in the Capital Equipment section and the Capital Improvement Program (CIP) is reviewed in the Construction Budget section.

The budget cycle and fiscal year for the Metropolitan Airports Commission is January through December.

APPROVED SUMMARY OF OPERATING AND NON-OPERATING REVENUE AND EXPENSE

The Commission in December 2010 approved the 2011 budget. Increases in operating revenue and operating expense along with increases in non-operating expense is projected for the 2011 budget when compared to the 2010 estimate. The following tables summarize revenues and expenses including non-operating revenue and expense.



Parking Facilities – Terminal 2 (Humphrey)

Metropolitan Airports Commission
Operating & Non-Operating Summary
2011 Budget

					2010 Estimate vs 2011 Budget	
	2009 <u>Actual</u>	2010 <u>Budget</u>	2010 <u>Estimate</u>	2011 <u>Budget</u>	Dollar <u>Change</u>	% <u>Change</u>
OPERATING REVENUES						
Airline Rates & Charges						
Airline Agreement						
Landing Fees	\$ 48,242,903	\$ 45,649,025	\$ 46,700,000	\$ 49,981,665	\$ 3,281,665	7.03%
Ramp Fees	6,531,046	5,751,819	5,975,000	5,952,594	(22,406)	-0.37%
Airline R&R	3,117,870	3,208,535	3,200,000	3,302,414	102,414	3.20%
Lindbergh Terminal - Rentals	29,655,651	30,413,447	30,300,000	34,118,099	3,818,099	12.60%
Lindbergh Terminal - Other	3,638,433	4,136,153	4,100,000	4,195,183	95,183	2.32%
Concessions Rebate	(8,738,815)	(8,676,371)	(8,725,000)	(8,988,806)	(263,806)	3.02%
Total Airline Agreement	82,447,088	80,482,608	81,550,000	88,561,149	7,011,149	8.60%
HHH Lobby Fees	5,662,926	5,184,637	5,500,000	5,745,069	245,069	4.46%
HHH Other / Passenger Fees	1,756,766	1,558,021	1,700,000	1,360,274	(339,726)	-19.98%
Total Airline Rates & Charges	\$ 89,866,780	\$ 87,225,266	\$ 88,750,000	\$ 95,666,492	\$ 6,916,492	7.79%
Concessions						
Terminal						
Food & Beverage	\$ 13,052,098	\$ 12,531,547	\$ 13,000,000	\$ 13,453,294	453,294	3.49%
News	3,381,860	3,417,608	3,300,000	3,439,774	139,774	4.24%
Retail Stores	4,700,453	4,917,463	4,800,000	5,157,075	357,075	7.44%
Passenger Services	3,501,721	4,283,693	4,050,000	4,088,566	38,566	0.95%
Total Terminal/Other	24,636,132	25,150,311	25,150,000	26,138,709	988,709	3.93%
Parking/Grnd Transport						
Parking	61,546,307	61,000,000	63,150,000	64,900,000	1,750,000	2.77%
Ground Transportation	4,072,411	4,246,479	4,200,000	4,055,484	(144,516)	-3.44%
MSP Employee Parking	329,819	2,850,708	2,550,000	2,480,079	(69,921)	-2.74%
Auto Rental - On Airport	15,357,370	15,250,000	14,900,000	15,666,100	766,100	5.14%
Total Parking/Grnd Transport	81,305,907	83,347,187	84,800,000	87,101,663	2,301,663	2.71%
Other Concessions	1,439,723	1,373,300	1,550,000	1,404,850	(145,150)	-9.36%
Total All Concessions	\$ 107,381,762	\$ 109,870,798	\$ 111,500,000	\$ 114,645,222	\$ 3,145,222	2.82%
Rentals/Fees						
Buildings & Facilities	\$ 5,660,761	\$ 5,727,152	\$ 5,650,000	\$ 6,224,088	\$ 574,088	10.16%
Auto Rental CFC	8,709,971	8,775,000	8,500,000	5,200,000	(3,300,000)	-38.82%
Ground Rentals	9,176,741	8,885,041	9,150,000	8,754,081	(395,919)	-4.33%
Reliever Airports	4,887,854	4,650,885	4,850,000	4,913,159	63,159	1.30%
Total Rentals/Fees	\$ 28,435,327	\$ 28,038,078	\$ 28,150,000	\$ 25,091,328	\$ (3,058,672)	-10.87%
Utilities & Other Revenues						
Utilities	\$ 2,333,045	\$ 2,526,567	\$ 2,575,000	\$ 2,625,470	50,470	1.96%
GA/Airside Fees	2,301,901	2,162,902	2,150,000	2,338,894	188,894	8.79%
Loading Dock/Consortium Fees	3,037,506	3,049,230	3,000,000	3,068,643	68,643	2.29%
Other Revenues	3,490,719	912,191	1,100,000	1,199,803	99,803	9.07%
Reimbursed Expense	4,027,908	2,840,000	2,900,000	2,890,000	(10,000)	-0.34%
Total Utilities & Other Revenues	\$ 15,191,079	\$ 11,490,890	\$ 11,725,000	\$ 12,122,810	\$ 397,810	3.39%
Total Operating Revenues	\$ 240,874,948	\$ 236,625,032	\$ 240,125,000	\$ 247,525,852	\$ 7,400,852	3.08%

Metropolitan Airports Commission
Operating & Non-Operating Summary
2011 Budget2010 Estimate
vs
2011 Budget

	2009 <u>Actual</u>	2010 <u>Budget</u>	2010 <u>Estimate</u>	2011 <u>Budget</u>	Dollar <u>Change</u>	% <u>Change</u>
Total Operating Revenues	\$ 240,874,948	\$ 236,625,032	\$ 240,125,000	\$ 247,525,852	\$ 7,400,852	3.08%
OPERATING EXPENSES						
Personnel	\$ 59,304,273	\$ 61,585,975	\$ 63,000,000	\$ 65,422,526	\$ 2,422,526	3.85%
Administrative Expenses	1,300,702	1,220,490	1,210,000	1,326,516	116,516	9.63%
Professional Services	4,003,777	3,810,984	3,350,000	3,938,108	588,108	17.56%
Utilities	16,552,929	17,091,420	16,375,000	17,202,701	827,701	5.05%
Operating Services/Expenses	16,043,084	16,954,688	17,125,000	17,847,714	722,714	4.22%
Maintenance	23,718,184	25,579,437	26,225,000	25,873,377	(351,623)	-1.34%
Other	2,507,239	2,935,476	2,875,000	3,125,803	250,803	8.72%
Total Operating Expenses	\$ 123,430,188	\$ 129,178,470	\$ 130,160,000	\$ 134,736,745	\$ 4,576,745	3.52%

(Excludes Depreciation and Noise Amortization)

Net Operating Revenues	\$ 117,444,760	\$ 107,446,562	\$ 109,965,000	\$ 112,789,107	\$ 2,824,107	2.57%
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2010 Estimate
vs
2011 Budget

	2009 <u>Actual</u>	2010 <u>Budget</u>	2010 <u>Estimate</u>	2011 <u>Budget</u>	Dollar <u>Change</u>	% <u>Change</u>
NON-OPERATING REVENUES (EXPENSES)						
Other Non-Operating Revenue						
Interest Income	\$ 7,418,000	\$ 10,188,000	\$ 7,000,000	\$ 7,000,000	\$ -	0.00%
Self-Liquidating Income	5,438,000	3,943,000	3,943,000	4,145,000	202,000	5.12%
	\$ 12,856,000	\$ 14,131,000	\$ 10,943,000	\$ 11,145,000	\$ 202,000	1.85%
Debt Service						
Commercial Paper	\$ (556,000)	\$ (1,750,000)	\$ (143,000)	\$ -	\$ 143,000	-100.00%
Bond Principal/Int-Operating Fund Transfer	(76,638,000)	(74,700,000)	(71,025,000)	(82,100,000)	(11,075,000)	15.59%
Principal/Interest Equip Financing	(4,729,000)	(2,136,000)	(2,338,000)	(2,582,000)	(244,000)	10.44%
	\$ (81,923,000)	\$ (78,586,000)	\$ (73,506,000)	\$ (84,682,000)	\$ (11,176,000)	15.20%
Equipment						
Capital Expenditures	\$ (950,000)	\$ (973,000)	\$ (973,000)	\$ (1,000,000)	\$ (27,000)	2.77%
Equipment Purchases	(8,447,000)	(6,380,000)	(6,380,000)	(6,623,000)	(243,000)	3.81%
Equipment Financing	5,502,000	2,427,000	2,509,000	1,382,000	(1,127,000)	-44.92%
PFC Reimbursement	7,965,000	-	-	-	-	-
	\$ 4,070,000	\$ (4,926,000)	\$ (4,844,000)	\$ (6,241,000)	\$ (1,397,000)	28.84%
Other						
2011 Six Month Reserve Transfer	\$ -	\$ 786,000	\$ 786,000	\$ (3,173,000)	\$ (3,959,000)	-503.69%
Gain (Loss) on Equipment & Other	195,000	-	30,000	-	(30,000)	-100.00%
	\$ 195,000	\$ 786,000	\$ 816,000	\$ (3,173,000)	\$ (3,989,000)	-488.85%
Total Non-Operating Revenues (Expenses)	\$ (64,802,000)	\$ (68,595,000)	\$ (66,591,000)	\$ (82,951,000)	\$ (16,360,000)	24.57%

Net Revenues Available for Designation	\$ 52,642,760	\$ 38,851,562	\$ 43,374,000	\$ 29,838,107	\$ (13,535,893)	-31.21%
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Operating Revenue

MAC's total Operating Revenues of \$247.5 million is \$7.4 million or 3.1% greater than the 2010 estimate of \$240.1 million. Detailed explanations are provided in the Operating Budget Revenue section of the budget book.

The projected budget for Airline Rates and Charges is \$95.7 million for 2011. 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 2010 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 in their Airline Rates & Charges calculation).
 - 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 Delta (formerly Northwest Airlines) facilities - those which could be rejected in bankruptcy).
 - Assumption of all leases by Delta (formerly Northwest Airlines).
 - Effective date of all changes would be retroactive to January 1, 2006.
- Budget 2011 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 recovering economy played a major role in projecting activity.

The increase between 2010 estimate and 2011 budget of \$6.9 million for Rates and Charges (also includes a \$263,806 increase for the Concession Rebate) is primarily a result of higher debt service payments.

The Concessions Rebate of \$9.0 million represents a rebate to the Airlines. Concessions revenue shown for 2011 is the gross dollar figure.

Concessions are estimated to increase 2.8% or \$3.1 million from 2010 estimate to 2011 budget. The greatest increase is for parking revenue based upon trends at the time the budget was completed that includes more passengers along with more passengers choosing to park at the airport.

Rentals/Fees are projected to decrease \$3.1 million or 10.9% with the majority related to Auto Rental – CFC's and the full recovery of debt service associated with the auto rental ramp at Terminal 1.

Utilities & Other Revenue is projected to increase \$397,810 or 3.4% primarily as a result of greater general aviation fees and Other Revenues (increase in security badges).

Operating Expense

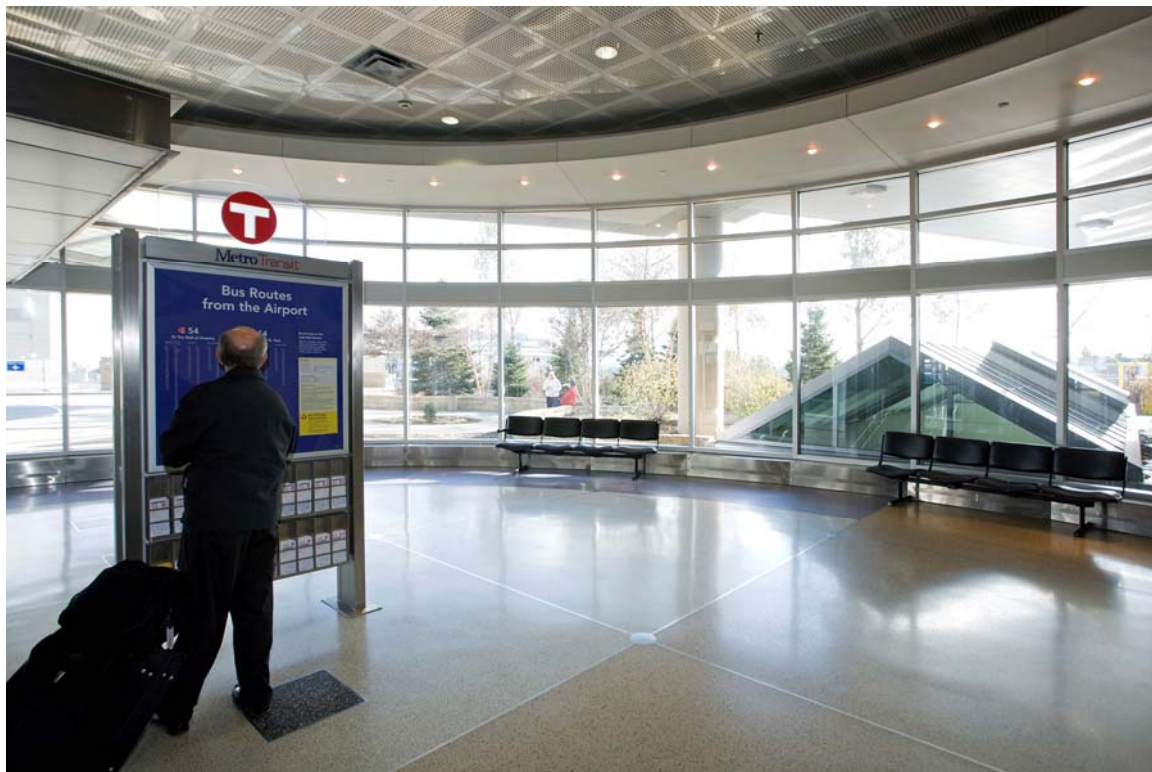
MAC's total Operating Expense of \$134.7 million is 3.5% above the 2010 estimate and excludes Gross Depreciation and Airport Noise Amortization. Detailed explanations are provided in the Operating Budget Expense section.

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)



Metro Transit Area - Terminal 1 (Lindbergh)

SUMMARY OF OPERATING REVENUE AND EXPENSE

The following table is shown below for GAAP (General Accepted Accounting Principles) purposes.

**Metropolitan Airports Commission
Operating & Non-Operating Summary
GAAP Presentation Summary
2011 Budget**

					2010 Estimate vs 2011 Budget	
OPERATING REVENUES	2009 Actual	2010 Budget	2010 Estimate	2011 Budget	Dollar Change	% Change
Airline Rates & Charges	\$ 89,866,780	\$ 87,225,266	\$ 88,750,000	\$ 95,666,492	\$ 6,916,492	7.79%
Concessions	107,381,762	109,870,798	111,500,000	114,645,222	3,145,222	2.82%
Rentals/Fees	28,435,327	28,038,078	28,150,000	25,091,328	(3,058,672)	-10.87%
Utilities & Other Revenues	15,191,079	11,490,890	11,725,000	12,122,810	397,810	3.39%
Total Operating Revenues	\$ 240,874,948	\$ 236,625,032	\$ 240,125,000	\$ 247,525,852	\$ 7,400,852	3.08%
OPERATING EXPENSES						
Personnel	\$ 59,304,273	\$ 61,585,975	\$ 63,000,000	\$ 65,422,526	\$ 2,422,526	3.85%
Administrative Expenses	1,300,702	1,220,490	1,210,000	1,326,516	116,516	9.63%
Professional Services	4,003,777	3,810,984	3,350,000	3,938,108	588,108	17.56%
Utilities	16,552,929	17,091,420	16,375,000	17,202,701	827,701	5.05%
Operating Services/Expenses	16,043,084	16,954,688	17,125,000	17,847,714	722,714	4.22%
Maintenance	23,718,184	25,579,437	26,225,000	25,873,377	(351,623)	-1.34%
Other	2,507,239	2,935,476	2,875,000	3,125,803	250,803	8.72%
Depreciation	122,342,067	115,278,000	109,417,929	109,330,794	(87,135)	-0.08%
Noise Amortization	718,056	7,722,000	13,582,071	11,669,206	(1,912,865)	-14.08%
Total Operating Expenses	\$ 246,490,311	\$ 252,178,470	\$ 253,160,000	\$ 255,736,745	\$ 2,576,745	1.02%
Operating Loss	\$ (5,615,363)	\$ (15,553,438)	\$ (13,035,000)	\$ (8,210,893)	\$ 4,824,107	-37.01%
NON-OPERATING REVENUES (EXPENSES) & CONTRIBUTIONS						
Interest Income	\$ 30,625,000	\$ 31,022,000	\$ 33,426,000	\$ 35,318,000	\$ 202,000	5.66%
Passenger Facility Charges (PFC's)	\$ 67,481,000	\$ 62,000,000	\$ 57,023,000	\$ 58,500,000	\$ (11,176,000)	2.59%
Interest Expense	\$ (84,198,000)	\$ (88,000,000)	\$ (85,019,000)	\$ (83,000,000)	\$ (1,397,000)	-2.37%
Capital Contributions & Grants	\$ 26,918,000	\$ 15,000,000	\$ 19,233,000	\$ 8,540,000	\$ (3,989,000)	-55.60%
Total Non-Operating Revenues (Expenses)	\$ 40,826,000	\$ 20,022,000	\$ 24,663,000	\$ 19,358,000	\$ (5,305,000)	-21.51%
Net Increase in Net Assets	\$ 35,210,637	\$ 4,468,562	\$ 11,628,000	\$ 11,147,107	\$ (480,893)	-4.14%

BUDGET TARGETS

The targets for the 2011 Operating Budget were approved on June 21, 2010 at the Commission meeting. All four targets were met. Each target is discussed separately below.

Target 1: Senior Debt Coverage Ratio maintained at not less than 1.4x

Debt Coverage Ratio	<u>Estimate 2010</u>	<u>Target</u>	<u>Budget 2011</u>
(Without Transfer)	2.01x	1.40x	2.11x

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

	<u>Budget 2010</u>	<u>Budget 2011</u>
Operating Fund Reserve	\$64,589,235	\$67,368,373

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

<u>Budget 2011</u>
MSP ranked 7 th lowest out of the 24 large hub airports at \$6.21 Airline Cost/Enplaned Passenger.

Target 4: The Commission will have a Balanced Budget

<u>Budget 2011</u>		
Net Revenues available for designation:		
<u>Actual 2009</u>	<u>Estimate 2010</u>	<u>Budget 2011</u>
\$52,642,760	\$43,374,000	\$29,838,107

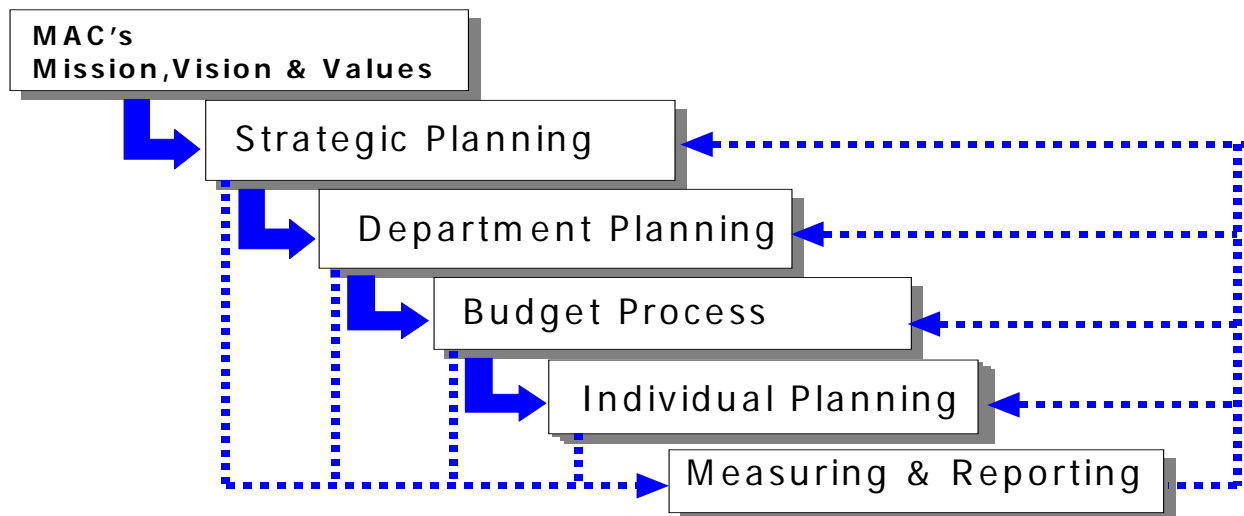
STRATEGIC PLANNING - SCHEDULE

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.
Other Costs	
First priority	Additional costs required to meet security requirements.
Second priority	Imbedded cost increases (i.e., scheduled increases in contracts, salary adjustments for organized labor, utility rate increases, etc.)
Third priority	Costs to maintain additional facilities completed in the past five years.

Preparation for the next year, effective in January, (MAC's fiscal year is January through December) 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 after a 30-day public comment period.

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, 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 2011 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 Budget 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.

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**

The following calendar provides an overview of the budget cycle beginning in January which is also the Metropolitan Airports Commission fiscal year.

JANUARY

Task:	Responsibility:
✈ Initial CIP discussion	Airport Development
✈ Initial Strategic Planning	Full Commission

APRIL

Task:	Responsibility:
✈ Provide direction to staff regarding growth and allocation of funds or budget targets.	FD&E Committee
✈ Prepares Service Center historical information and updates data bases with programming changes as necessary.	Finance
✈ Approval of Strategic Plan	Full Commission

MAY

Task:	Responsibility:
✈ Adoption of budget targets after 30-day public comment period.	Finance
✈ Opens budget databases and strategic planning databases for input (late May and/or early June). Begin training of budget specialists.	
✈ Recommends information regarding inflation factors, wage and contract adjustments to the Departments.	
✈ Prepares preliminary budget.	

JUNE

Task:	Responsibility:
✈ Presents preliminary budget to FD&E Committee (required in compliance with State Statutes – Taxing Purposes)	Finance
✈ Develops draft Preliminary CIP.	Airport Development

JULY

Task:	Responsibility:
✈ Compiles positions and headcount requests summary.	Finance /Human Resources
✈ Compiles summary of capital assets requests.	Finance/MAC Staff
✈ Presents budget requests to Executive Director.	

AUGUST

Task:	Responsibility:
✈ Approves preliminary position and headcount requests.	Senior Staff
✈ Approves preliminary summary of capital assets requests.	Executive Director
✈ Prepares summary of controllable expense requests and supporting schedules.	Finance
✈ Concurrently, initiates budget revisions, as needed, for controllable expenses.	
✈ Compile revenue analysis and projections.	
✈ Completes revenue forecast.	

SEPTEMBER

Task:	Responsibility:
✂ Compiles budget presentation information.	Finance
✂ Distributes budget packages to airlines, State Legislature and the FD&E Committee	MAC Staff/Finance/Senior Staff
✂ Presents draft budget to FD&E Committee and the airlines.	Finance
✂ Implements budget revisions, as needed, to projected expenses.	Finance
✂ Presents budget to MAC Staff.	
✂ Airline presentation.	
✂ Presents preliminary CIP to FD&E Committee.	Airport Development
✂ Approves preliminary CIP for environmental purposes.	FD&E Committee
✂ Mails CIP to affected communities.	Airport Development

OCTOBER

Task:	Responsibility:
✂ Presents budget update to the FD&E Committee.	Finance/Senior Staff
✂ Revise budget as required.	
✂ Publishes notice of CIP public hearing.	Airport Development

NOVEMBER

Task:	Responsibility:
✂ Presents budget update to FD&E Committee.	Finance
✂ Revise budget as required.	
✂ Holds public hearing regarding CIP.	Airport Development

DECEMBER

Task:	Responsibility:
✂ Presents preliminary notice of rate changes to all tenants.	Finance
✂ Approves budget for recommendation to full Commission.	FD&E Committee
✂ Approves budget.	Full Commission
✂ Notice of any changes in rates from preliminary information to all tenants.	Finance
✂ Presents final CIP to FD&E	Airport Development
✂ Approves final CIP	FD&E Committee
✂ Distributes CIP to MAC Departments, Metropolitan Council, State Historical Society and affected communities.	Airport Development

FEBRUARY

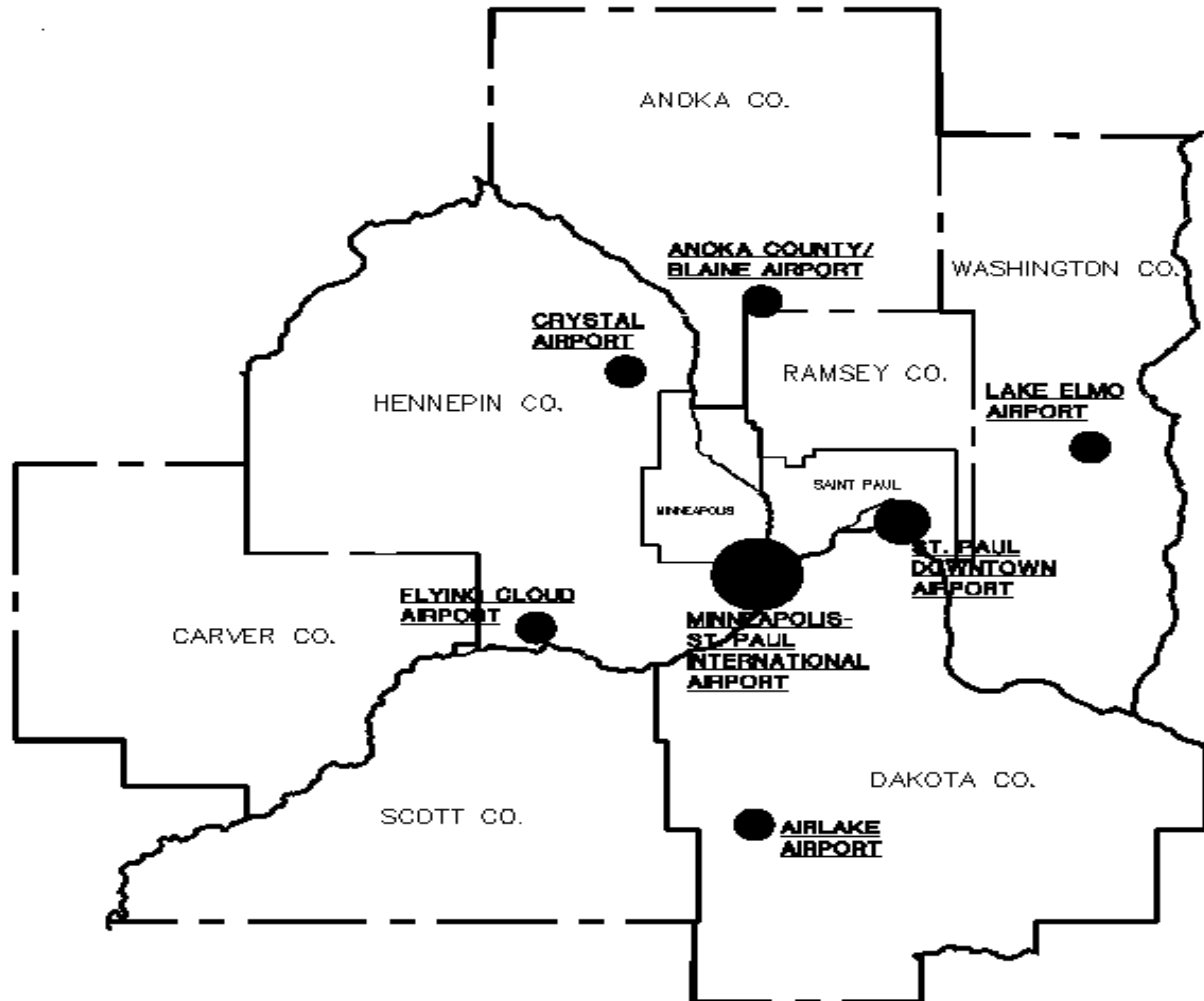
Task:	Responsibility:
✂ Complete Budget Book.	Finance



Welcome Sign - MSP International Airport

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.



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.

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

*Commissioner Daniel Boivin was appointed to serve as Chair by Governor Dayton in February, 2011.

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.

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 with the 2011 budgeted FTEs shown for each division. Supporting detail for this chart is shown on the following pages including a table listing the divisions, associated departments and service centers roll-up. The six divisions are: Executive, Legal Affairs, Human Resources, Planning & Environment, Finance & Administrative Services, and Operations.

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. In 2010, a change was made in the Conference Center to report to Concessions & Business Development (in the Planning & Environment Division) rather than the Operations Division.

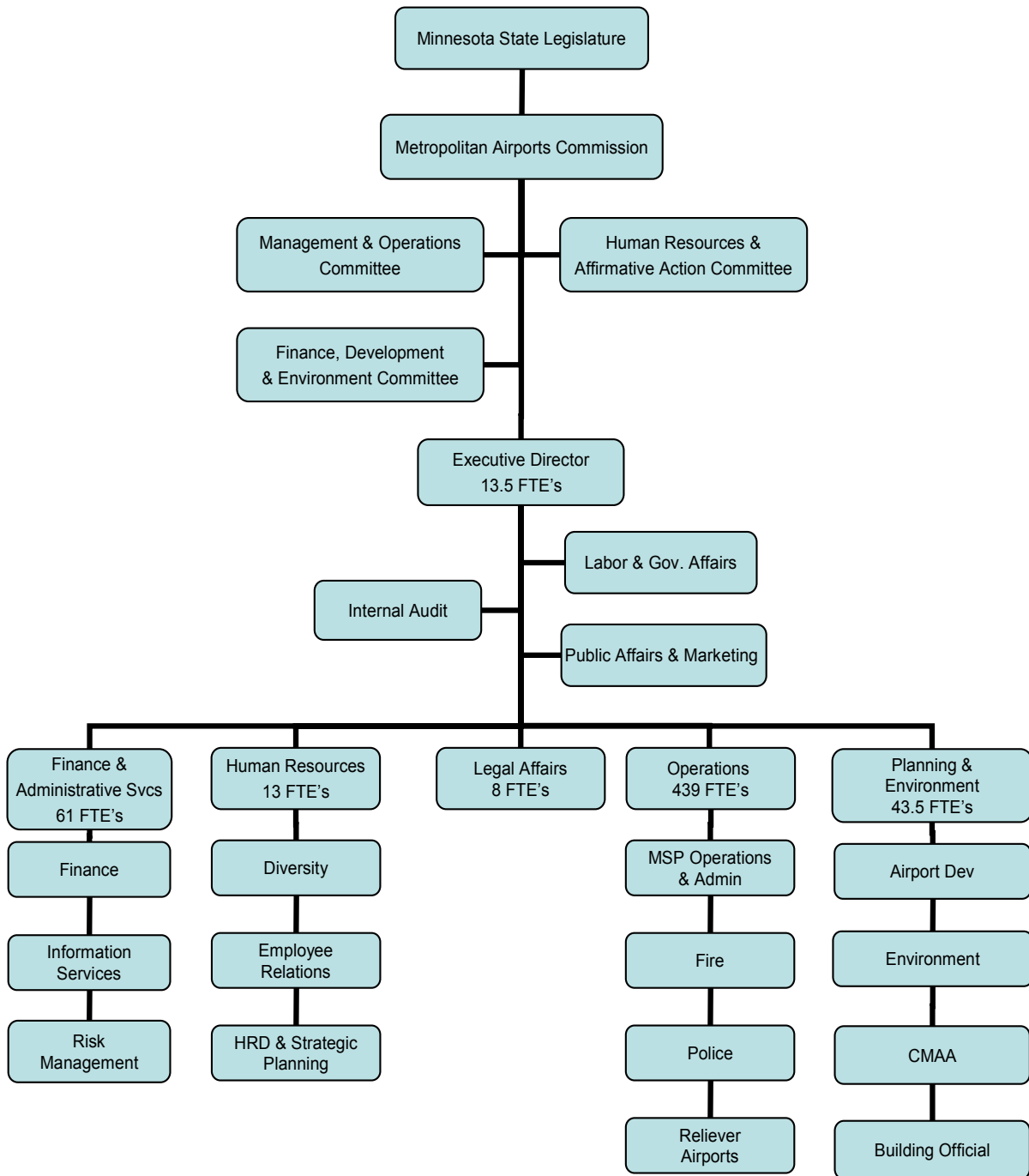
These changes were made to better reflect the service center responsibilities and reporting structure. The Concessions & Business Development service center will focus on the Commission's strategy of identifying alternative revenue sources. The 2011 budget reflects the same reporting structure as the 2010 budget.

The six division summary sections contain the following information by department or service center

- Responsibility/Function
- Budget Summary
- Budget Highlights
- 2009 Results Report
- 2010 Results Report
- 2011 Service Center Objectives
- Service Center Results Indicators for Key Areas of Performance



Sun Country Airlines Serves MSP International Airport



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.



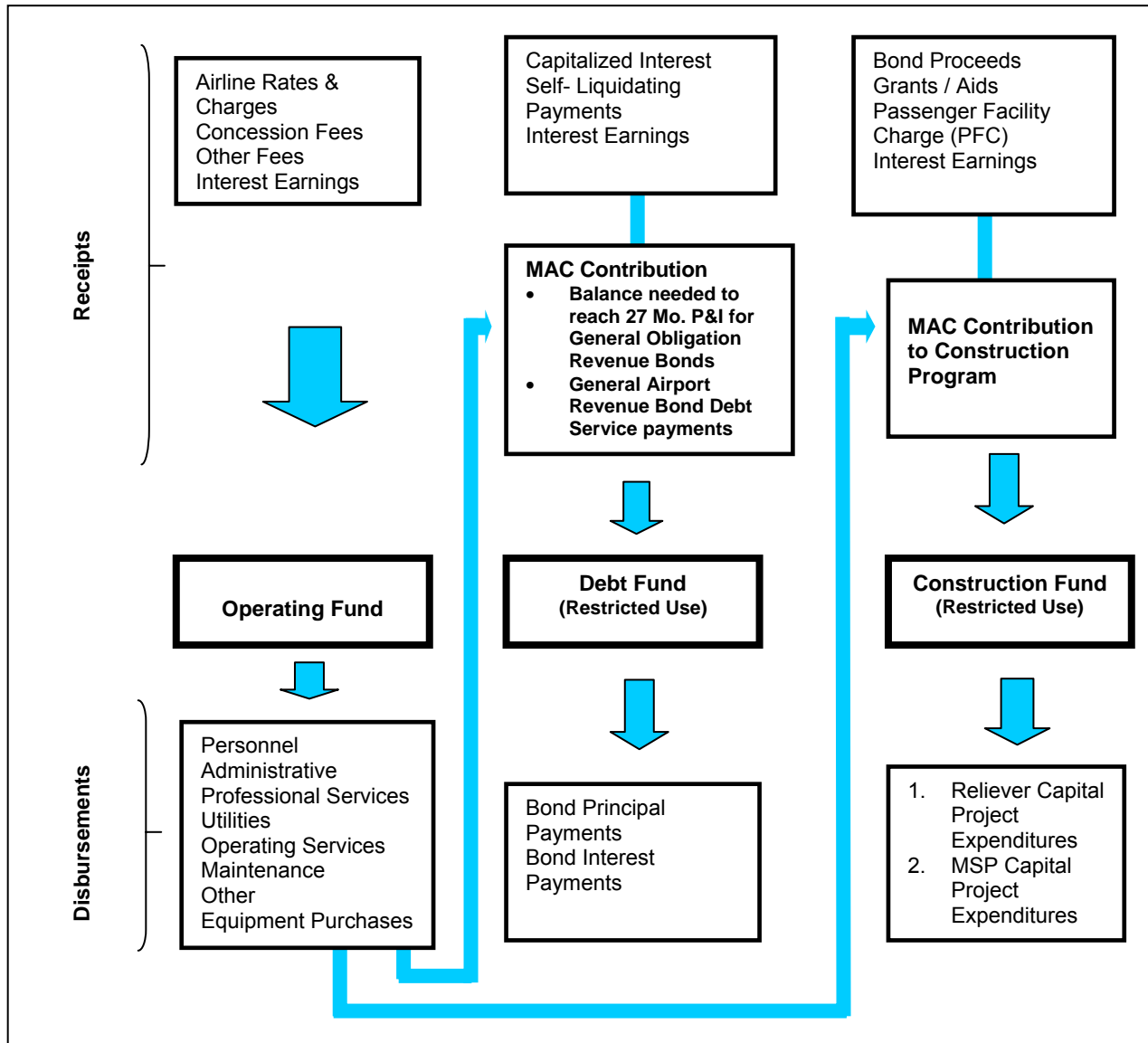
Moving Sidewalks Expedite Travelers at Minneapolis-St. Paul International Airport

Organizational Structure by Division, Department, and Service Center			
Division	Department	Service Center	
		Number	Name
Executive Director / Commissioner	Executive / Commission Public Affairs & Marketing Labor and Governmental Affairs Internal Audit	75000	Executive – General / Special Projects
		75100	Executive – Commissioners / Chair
		76000	Public Affairs & Marketing
		79500	Labor and Governmental Affairs
		78300	Internal Audit
Human Resources	Human Resources HRD & Strategic Planning Employee Relations Diversity	75700	Human Resources
		76600	HRD & Strategic Planning
		81500	Employee Relations
		80600	Diversity
Finance & Administrative Services	Finance & Administrative Services Risk Management Information Services Finance	75600	Finance & Administrative Services
		76700	Wellness
		76800	Risk Management
		79000	Information Services
		78000	Finance
		78100	MAC General
		78200	Purchasing
Legal Affairs	General Counsel	81000	General Counsel
Planning & Environment	Planning Commercial Mgt./Airline Affairs	75500	Planning
		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	Building Official
Operations	Deputy – Operations MSP Operations & Administration	75800	Deputy – Operations
		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
	Fire	83600	Fire
		84200	Police
	Reliever Airports	82700	Emergency Communications
		90000	Relievers – Administration
		90200	Relievers – St. Paul
		90300	Reliever – Lake Elmo
		90400	Reliever – Air Lake
		90500	Reliever – Flying Cloud
		90600	Reliever – Crystal
		90700	Reliever – Anoka

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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 budgets for all three Segregated Funds identified above are prepared using the accrual basis of accounting in accordance with GAAP (Generally Accepted Accounting Principles) and is the same method used for MAC accounting.

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



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

FUND BALANCE SUMMARY - 2011 BUDGET						
(\$ = 000)						
	2009 Actual	2010 Estimated	2010 Budget	2011 Budget	2012 Projection	2013 Projection
OPERATING FUND						
1/1 Balance	\$ 117,790	\$ 118,633	\$ 103,576	\$ 106,721	\$ 97,207	\$ 103,771
Total Sources of Funds	267,393	254,393	250,756	260,052	267,929	274,113
Total Uses of Funds	(266,550)	(266,305)	(266,372)	(269,566)	(261,365)	(275,327)
Transfers	-	-	-	-	-	-
Ending Balance	\$ 118,633	\$ 106,721	\$ 87,960	\$ 97,207	\$ 103,771	\$ 102,557
CONSTRUCTION FUND						
1/1 Balance	\$ 211,060	\$ 195,718	\$ 199,227	\$ 320,081	\$ 283,230	\$ 253,973
Total Sources of Funds	148,154	272,417	261,100	115,414	113,888	104,450
Total Uses of Funds	(163,496)	(148,054)	(176,298)	(152,265)	(143,145)	(107,674)
Ending Balance	\$ 195,718	\$ 320,081	\$ 284,029	\$ 283,230	\$ 253,973	\$ 250,749
DEBT SERVICE FUNDS						
1/1 Balance	\$ 272,861	\$ 260,845	\$ 243,298	\$ 275,208	\$ 285,664	\$ 284,334
Total Sources of Funds	281,990	251,364	156,517	133,761	141,836	146,545
Total Uses of Funds	(294,006)	(237,001)	(128,093)	(123,305)	(143,166)	(144,602)
Ending Balance	\$ 260,845	\$ 275,208	\$ 271,722	\$ 285,664	\$ 284,334	\$ 286,277
TOTAL ALL FUNDS						
1/1 Balance	\$ 601,711	\$ 575,196	\$ 546,101	\$ 702,010	\$ 666,101	\$ 642,078
Total Sources of Funds	697,537	778,174	668,373	509,227	523,653	525,108
Total Uses of Funds	(724,052)	(651,360)	(570,763)	(545,136)	(547,676)	(527,603)
Transfers	-	-	-	-	-	-
Ending Balance	\$ 575,196	\$ 702,010	\$ 643,711	\$ 666,101	\$ 642,078	\$ 639,583
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 2010 (\$702.1 million) to projected 2013 (\$640million) can be attributed primarily to the spending down of bond proceeds that were issued in 2010 offset slightly by the increase in debt service funds dictated by higher bond principal and interest payments.

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 2009/2010 taxable market value, the maximum amount available for maintenance and operations of the Commission would have been approximately \$25.0 million.



Minneapolis-St. Paul International Airport –Tram Area

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

The summary below illustrates how dollars are received and disbursed.

OPERATING FUND (\$ = 000)	2009	2010	2010	2011	2012	2013
	<u>Actual</u>	<u>Estimated</u>	<u>Budget</u>	<u>Budget</u>	<u>Projection</u>	<u>Projection</u>
<u>Sources</u>						
1/1 Balance	\$ 117,790	\$ 118,633	\$ 103,576	\$ 106,721	\$ 97,207	\$ 103,771
Operating Revenues						
Airline Rates & Charges	89,867	88,750	87,225	95,666	99,910	102,907
Concessions	107,382	111,500	109,871	114,645	116,000	118,000
Other Operating Revenues	43,626	39,875	39,529	37,214	37,958	38,717
Subtotal Operating Revenues	\$ 240,875	\$ 240,125	\$ 236,625	\$ 247,525	\$ 253,868	\$ 259,624
Other/Non Operating Revenues						
Interest Earnings 1	7,418	7,000	10,188	7,000	7,200	7,400
Self-Liquidating Revenue	5,633	4,759	3,943	4,145	4,361	4,589
Transfer from Construction Fund	7,965	-	-	-	-	-
Gain (Loss) on Assets and Other	-	-	-	851	-	-
Subtotal Other/Non Operating Revenue	21,016	11,759	14,131	11,996	11,561	11,989
Total Sources	\$ 261,891	\$ 251,884	\$ 250,756	\$ 259,521	\$ 265,429	\$ 271,613
<u>Uses</u>						
Operating Expenses						
Personnel	\$ 59,304	\$ 63,000	\$ 61,586	\$ 65,423	\$ 66,893	\$ 69,297
Administration	1,301	1,210	1,220	1,327	1,355	1,380
Professional Services	4,004	3,350	3,811	3,938	4,017	4,097
Utilities	16,553	16,375	17,094	17,203	18,063	18,966
Operating Services	16,043	17,125	16,955	17,848	17,967	18,624
Maintenance	23,718	26,225	25,580	25,873	26,520	27,580
Other/Insurance	2,507	2,875	2,935	3,126	3,130	3,150
Subtotal Operating Expenses	123,430	130,160	129,181	134,738	137,945	143,094
Non Operating Expenses						
Equipment						
Equipment Purchases/Capital Expend	(9,397)	(7,353)	(7,353)	(7,623)	(8,030)	(8,160)
Equipment Financing	5,502	2,509	2,427	1,382	2,500	2,500
Principal/Interest-Equip. Financing	(4,729)	(2,338)	(2,136)	(2,582)	(2,100)	(1,900)
Subtotal Equipment	(8,624)	(7,182)	(7,062)	(8,823)	(7,630)	(7,560)
Debt Service						
Commercial Paper Interest	(950)	(143)	(1,750)	0	0	0
Transfer Out - Debt Service	(76,244)	(71,025)	(75,282)	(82,100)	(83,452)	(90,173)
Subtotal Debt Service	(77,194)	(71,168)	(77,032)	(82,100)	(83,452)	(90,173)
Total Uses	\$ (209,248)	\$ (208,510)	\$ (213,275)	\$ (225,661)	\$ (229,027)	\$ (240,827)
Unrestricted Net Transfer Out-Constr.	(51,800)	(55,286)	(53,100)	(43,374)	(29,838)	(32,000)
Operating Fund Balance	\$ 118,633	\$ 106,721	\$ 87,957	\$ 97,207	\$ 103,771	\$ 102,557
1 Interest Rate Assumed 0.50% for 2011 - 2013						

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 2011 is \$67.4 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 increased from the 2010 estimate because of scheduled debt service increases. 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 \$247.5 million for 2011.
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 0.5% for the period 2011-2013. 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.



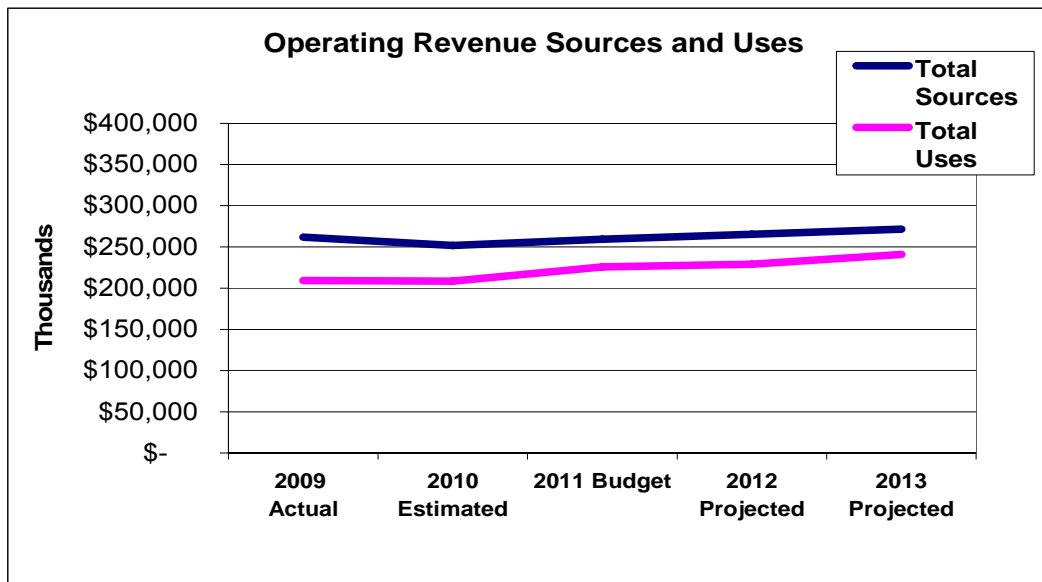
Retail Shops on the F Concourse – Minneapolis-St. Paul International Airport

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 Operating Budget Expense section. The total for 2011 is \$134.7 million.
2. Non-Operating Expenses is comprised of an Equipment section (A) and Debt Service section (B).
 - A. Equipment category includes capital equipment (cost greater than \$10,000) to be purchased based on Commission approval. The anticipated amount for 2011 is \$7.6 million and includes other capital expenditures. A portion of this equipment will be leased. The offset to the equipment is shown as Equipment Financing (\$1.4 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 10th of each year, MAC must contribute from its Operating Fund to the Debt Service Fund an amount necessary to bring that fund balance up to the 27-month principal and interest level required by law (for General Obligation Bonds). (See Debt Service Budget for complete details.) In June and December, the Commission must then transfer the required amount for the GARB (General Airport Revenue Bond) reserve. This transfer in 2011 is expected to be \$82.1 million.
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. \$43.4 million is anticipated for 2011 based on 2010 estimates.

The graph below illustrates the sources and uses of revenue.



					2010 Estimate vs 2011 Budget	
	2009 Actual	2010 Budget	2010 Estimate	2011 Budget	Dollar Change	% Change
REVENUE						
Airline Rates & Charges	89,866,778	87,225,266	88,750,000	95,666,492	6,916,492	7.79%
Concessions	107,381,762	109,870,798	111,500,000	114,645,222	3,145,222	2.82%
Rentals/Fees	28,435,327	28,038,078	28,150,000	25,091,328	(3,058,672)	-10.87%
Utilities & Other Revenue	15,191,079	11,490,890	11,725,000	12,122,810	397,810	3.39%
Total Operating Revenue	240,874,947	236,625,032	240,125,000	247,525,852	7,400,852	3.08%
EXPENSE						
Personnel	59,304,273	61,585,975	63,000,000	65,422,526	2,422,526	3.85%
Administrative Expenses	1,300,702	1,220,490	1,210,000	1,326,516	116,516	9.63%
Professional Services	4,003,777	3,810,984	3,350,000	3,938,108	588,108	17.56%
Utilities	16,552,929	17,091,420	16,375,000	17,202,701	827,701	5.05%
Operating Services/Expenses	16,043,084	16,954,688	17,125,000	17,847,714	722,714	4.22%
Maintenance	23,718,184	25,579,437	26,225,000	25,873,377	(351,623)	-1.34%
Other	2,507,239	2,935,476	2,875,000	3,125,803	250,803	8.72%
Total Expense (Excludes Depreciation)	123,430,187	129,178,470	130,160,000	134,736,745	4,576,745	3.52%
 Net Operating Revenues (Excludes Depreciation)	 117,444,760	 107,446,562	 109,965,000	 112,789,107	 2,824,107	
Less Depreciation (Excludes Off Airport Noise)	122,342,067	115,278,000	109,417,929	109,330,794	(87,135)	
Net Revenues (Includes Depreciation Less Off Airport Noise)	(4,897,307)	(7,831,438)	547,071	3,458,313	2,911,242	
Less Off Airport Noise Amortization	718,056	7,722,000	13,582,071	11,669,206	(1,912,865)	
Operating Income (Loss)	(5,615,363)	(15,553,438)	(13,035,000)	(8,210,893)	4,824,107	

					2010 Estimate vs 2011 Budget	
	2009 Actual	2010 Budget	2010 Estimate	2011 Budget	Dollar Change	% Change
Airline Rates & Charges						
Airline Agreement						
Landing Fees	48,242,903	45,649,025	46,700,000	49,981,665	3,281,665	7.03%
Ramp Fees	6,531,046	5,751,819	5,975,000	5,952,594	(22,406)	-0.37%
Airline R&R	3,117,870	3,208,535	3,200,000	3,302,414	102,414	3.20%
Lindbergh Terminal - Rentals	29,655,651	30,413,447	30,300,000	34,118,099	3,818,099	12.60%
Lindbergh Terminal - Other	3,638,433	4,136,153	4,100,000	4,195,183	95,183	2.32%
Concessions Rebate	(8,738,815)	(8,676,371)	(8,725,000)	(8,988,806)	(263,806)	3.02%
Total Airline Agreement	82,447,087	80,482,608	81,550,000	88,561,149	7,011,149	8.60%
HHH Lobby Fees	5,662,926	5,184,637	5,500,000	5,745,069	245,069	4.46%
HHH Other / Passenger Fees	1,756,766	1,558,021	1,700,000	1,360,274	(339,726)	-19.98%
Total Airline Rates & Charges	89,866,778	87,225,266	88,750,000	95,666,492	6,916,492	7.79%
Concessions						
Terminal						
Food & Beverage	13,052,098	12,531,547	13,000,000	13,453,294	453,294	3.49%
News	3,381,860	3,417,608	3,300,000	3,439,774	139,774	4.24%
Retail Stores	4,700,453	4,917,463	4,800,000	5,157,075	357,075	7.44%
Passenger Services	3,501,721	4,283,693	4,050,000	4,088,566	38,566	0.95%
Total Terminal/Other	24,636,132	25,150,311	25,150,000	26,138,709	988,709	3.93%
Parking/Grnd. Transport.						
Parking	61,546,307	61,000,000	63,150,000	64,900,000	1,750,000	2.77%
Ground Transportation	4,072,411	4,246,479	4,200,000	4,055,484	(144,516)	-3.44%
MSP Employee Parking	329,819	2,850,708	2,550,000	2,480,079	(69,921)	-2.74%
Auto Rental - On Airport	15,357,370	15,250,000	14,900,000	15,666,100	766,100	5.14%
Total Parking/Grnd. Transport.	81,305,907	83,347,187	84,800,000	87,101,663	2,301,663	2.71%
Other Concessions	1,439,723	1,373,300	1,550,000	1,404,850	(145,150)	-9.36%
Total All Concessions	107,381,762	109,870,798	111,500,000	114,645,222	3,145,222	2.82%
Rentals/Fees						
Buildings & Facilities	5,660,761	5,727,152	5,650,000	6,224,088	574,088	10.16%
Auto Rental CFC	8,709,971	8,775,000	8,500,000	5,200,000	(3,300,000)	-38.82%
Ground Rentals	9,176,741	8,885,041	9,150,000	8,754,081	(395,919)	-4.33%
Reliever Airports	4,887,854	4,650,885	4,850,000	4,913,159	63,159	1.30%
Total Rentals/Fees	28,435,327	28,038,078	28,150,000	25,091,328	(3,058,672)	-10.87%
Utilities & Other Revenue						
Utilities	2,333,045	2,526,567	2,575,000	4,082,152	1,507,152	58.53%
GA/Airside Fees	2,301,901	2,162,902	2,150,000	2,338,894	188,894	8.79%
Loading Dock/Consortium Fees	3,037,506	3,049,230	3,000,000	1,611,961	(1,388,039)	-46.27%
Other Revenues	3,490,719	912,191	1,100,000	1,199,803	99,803	9.07%
Reimbursed Expense	4,027,908	2,840,000	2,900,000	2,890,000	(10,000)	-0.34%
Total Utilities & Other Rev.	15,191,079	11,490,890	11,725,000	12,122,810	397,810	3.39%
Total Operating Revenue	240,874,947	236,625,032	240,125,000	247,525,852	7,400,852	3.08%

	2011 Budget		2010 Estimate vs 2011 Budget				
	Mpls.- St.Paul	Reliever Airports	2010 Budget	2010 Estimate	2011 Budget	Dollar Change	% Change
Airline Rates & Charges							
Airline Agreement							
Landing Fees	49,981,665		45,649,025	46,700,000	49,981,665	3,281,665	7.03%
Ramp Fees	5,952,594		5,751,819	5,975,000	5,952,594	(22,406)	-0.37%
Airline R&R	3,302,414		3,208,535	3,200,000	3,302,414	102,414	3.20%
Lindbergh Terminal - Rentals	34,118,099		30,413,447	30,300,000	34,118,099	3,818,099	12.60%
Lindbergh Terminal - Other	4,195,183		4,136,153	4,100,000	4,195,183	95,183	2.32%
Concessions Rebate	(8,988,806)		(8,676,371)	(8,725,000)	(8,988,806)	(263,806)	3.02%
Total Airline Agreement	88,561,149		80,482,608	81,550,000	88,561,149	7,011,149	8.60%
HHH Lobby Fees	5,745,069		5,184,637	5,500,000	5,745,069	245,069	4.46%
HHH Other / Passenger Fees	1,360,274		1,558,021	1,700,000	1,360,274	(339,726)	-19.98%
Total Airline Rates & Charges	95,666,492		87,225,266	88,750,000	95,666,492	6,916,492	7.79%
Concessions							
Terminal							
Food & Beverage	13,453,294		12,531,547	13,000,000	13,453,294	453,294	3.49%
News	3,439,774		3,417,608	3,300,000	3,439,774	139,774	4.24%
Retail Stores	5,157,075		4,917,463	4,800,000	5,157,075	357,075	7.44%
Passenger Services	4,088,566		4,283,693	4,050,000	4,088,566	38,566	0.95%
Total Terminal/Other	26,138,709		25,150,311	25,150,000	26,138,709	988,709	3.93%
Parking/Grnd. Transport.							
Parking	64,900,000		61,000,000	63,150,000	64,900,000	1,750,000	2.77%
Ground Transportation	4,055,484		4,246,479	4,200,000	4,055,484	(144,516)	-3.44%
MSP Employee Parking	2,480,079		2,850,708	2,550,000	2,480,079	(69,921)	-2.74%
Auto Rental - On Airport	15,666,100		15,250,000	14,900,000	15,666,100	766,100	5.14%
Total Parking/Grnd. Transport.	87,101,663		83,347,187	84,800,000	87,101,663	2,301,663	2.71%
Other Concessions	1,404,850		1,373,300	1,550,000	1,404,850	(145,150)	-9.36%
Total All Concessions	114,645,222		109,870,798	111,500,000	114,645,222	3,145,222	2.82%
Rentals/Fees							
Buildings & Facilities	6,224,088		5,727,152	5,650,000	6,224,088	574,088	10.16%
Auto Rental CFC	5,200,000		8,775,000	8,500,000	5,200,000	(3,300,000)	-38.82%
Ground Rentals	8,754,081		8,885,041	9,150,000	8,754,081	(395,919)	-4.33%
Reliever Airports		4,913,159	4,650,885	4,850,000	4,913,159	63,159	1.30%
Total Rentals/Fees	20,178,169	4,913,159	28,038,078	28,150,000	25,091,328	(3,058,672)	-10.87%
Utilities & Other Revenue							
Utilities	4,082,152		2,526,567	2,575,000	4,082,152	1,507,152	58.53%
GA/Airside Fees	2,338,894		2,162,902	2,150,000	2,338,894	188,894	8.79%
Loading Dock/Consortium Fees	1,611,961		3,049,230	3,000,000	1,611,961	(1,388,039)	-46.27%
Other Revenues	1,199,803		912,191	1,100,000	1,199,803	99,803	9.07%
Reimbursed Expense	2,890,000		2,840,000	2,900,000	2,890,000	(10,000)	-0.34%
Total Utilities & Other Rev.	12,122,810		11,490,890	11,725,000	12,122,810	397,810	3.39%
Total Operating Revenue	242,612,693	4,913,159	236,625,032	240,125,000	247,525,852	7,400,852	3.08%

Total operating revenue for 2011 is \$247,525,852, which is a \$7,400,852 or 3.1% increase compared to 2010 estimates. The greatest dollar increase in revenue is in Airline Rates & Charges offset partially by a decrease in Rentals/Fees. The detailed explanations for Airline Rates & Charges, along with other major changes in revenue, are included in this section.

					2010 Estimate vs 2011 Budget	
	2009 <u>Actual</u>	2010 <u>Budget</u>	2010 <u>Estimate</u>	2011 <u>Budget</u>	Dollar <u>Change</u>	% <u>Change</u>
REVENUE						
Airline Rates & Charges	89,866,778	87,225,266	88,750,000	95,666,492	6,916,492	7.79%
Concessions	107,381,762	109,870,798	111,500,000	114,645,222	3,145,222	2.82%
Rentals/Fees	28,435,327	28,038,078	28,150,000	25,091,328	(3,058,672)	-10.87%
Utilities & Other Revenue	<u>15,191,079</u>	<u>11,490,890</u>	<u>11,725,000</u>	<u>12,122,810</u>	<u>397,810</u>	3.39%
Total Operating Revenue	<u>240,874,947</u>	<u>236,625,032</u>	<u>240,125,000</u>	<u>247,525,852</u>	<u>7,400,852</u>	3.08%

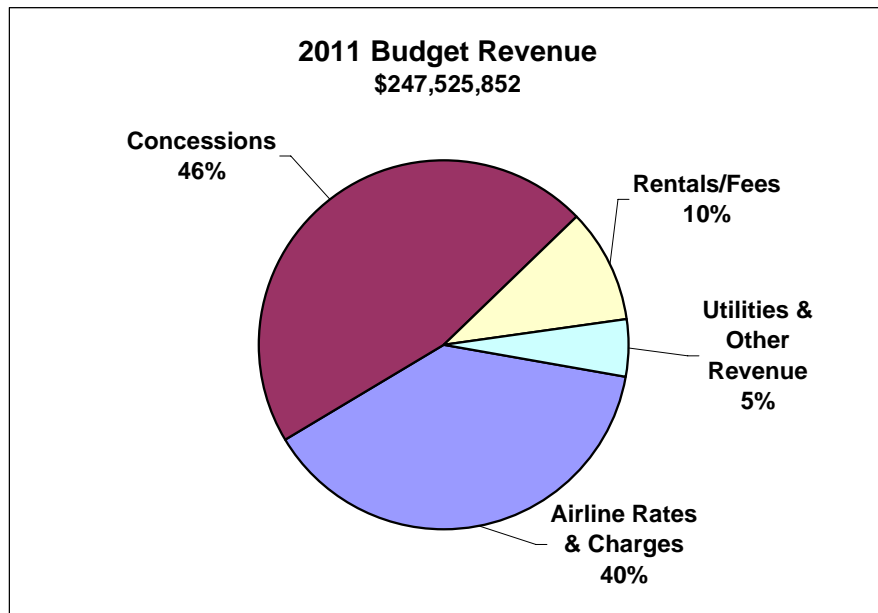
The operating revenue budget is divided into four categories: Airline Rates & Charges, Concessions, Rentals/Fees and Utilities & Other Revenue.

Airline Rates & Charges, which is \$95,666,492 or 38.7% of MAC total operating revenue for 2011, consists primarily of revenue paid by the airlines for landing fees, ramp fees, Terminal 2 common use fees and Terminal 1 and 2 airline building rental rates. This category is projected to increase \$6,916,492 or 7.8% from the 2010 estimated level.

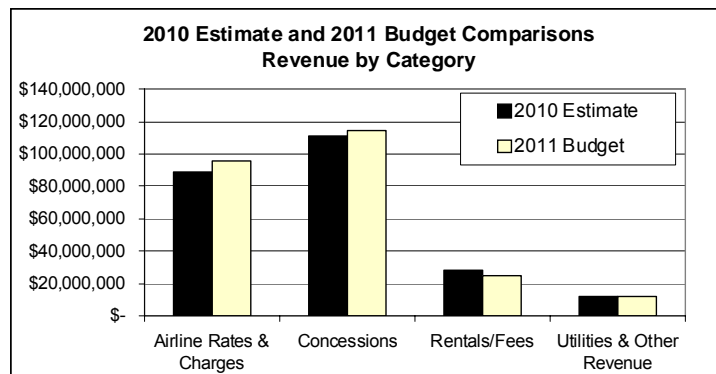
The Concessions category, which is \$114,645,222 or 46.3% of total operating revenue for 2011, includes revenue from the following areas: Parking, Ground Transportation fees, MSP Employee Parking, Auto Rental – On Airport, Food & Beverage, News, Retail, Passenger Services and Other Concessions. The rates 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 \$3,145,222 or 2.8% from estimated 2010 levels.

Rentals/Fees and Utilities & Other Revenue are \$37,214,138 or 15.0% of total operating revenue for 2011 and are projected to decrease \$3,058,672 or 10.9% from 2010 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 revenues and a portion of reliever airport revenue are based on MAC Ordinances, while the remaining revenue items are based on leases and agreements.

The following chart shows the revenue sources:



The following chart compares 2010 estimate and 2011 budget revenue by category:



Revenue Assumptions and Guidelines

The revenue projections for 2011 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
 - MAC Ordinances
- 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 2010 estimates versus 2011 budget figures.



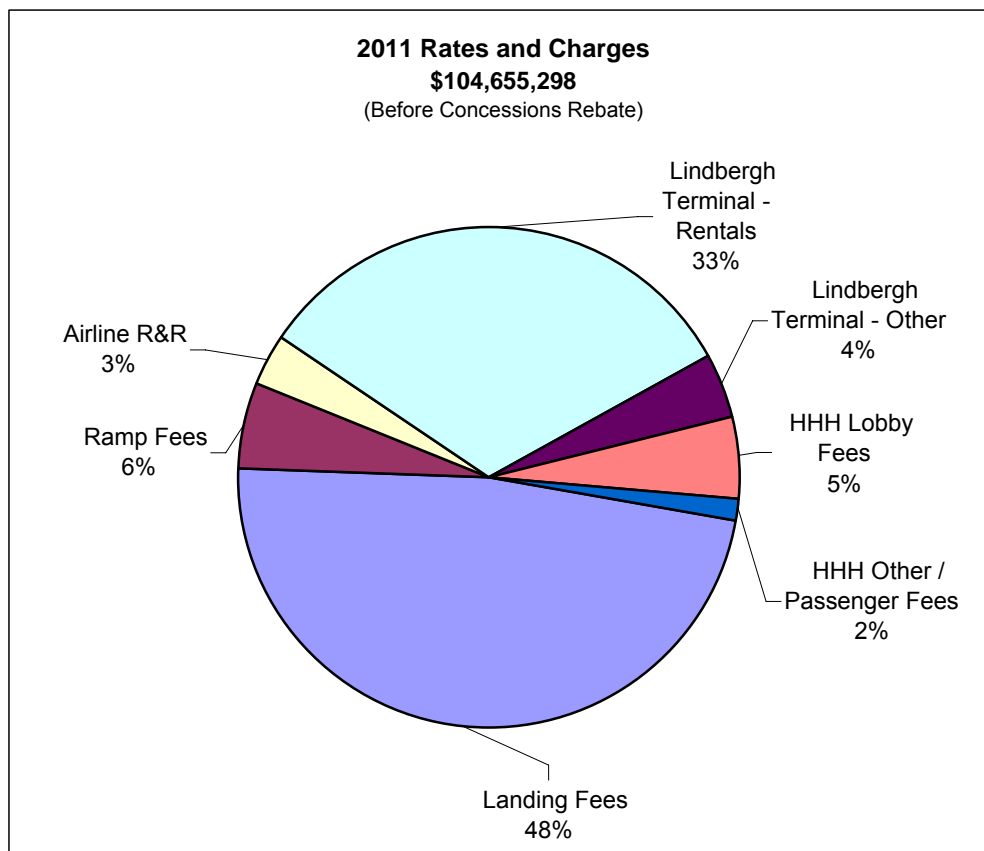
Minneapolis-St. Paul International Airport – Delta Airlines Ticketing Area Signage

AIRLINE RATES AND CHARGES

Approximately \$95.7 million or 39% of MAC's \$248 million in revenues is generated from rates charged to the airlines. The formulas for the rates (landing fee, ramp fee, airline Terminal 1 rental rates and the Terminal 1 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 2011, rates for landing fees, ramp fees, and airline Terminal 1 rentals rates are calculated as per the Airline Use Agreement and Third Amendment. Rates for the Terminal 2 are set by ordinance, which is based on the recovery of operating, and maintenance costs. The Concessions Rebate of \$9.0 million represents the revenue sharing found in the Third Amendment to the Airline Use Agreement.

					2010 Estimate vs 2011 Budget	
	2009 Actual	2010 Budget	2010 Estimate	2011 Budget	Dollar Change	% Change
Airline Rates & Charges						
Landing Fees	48,242,903	45,649,025	46,700,000	49,981,665	3,281,665	7.03%
Ramp Fees	6,531,046	5,751,819	5,975,000	5,952,594	(22,406)	-0.37%
Airline R&R	3,117,870	3,208,535	3,200,000	3,302,414	102,414	3.20%
Lindbergh Terminal - Rentals	29,655,651	30,413,447	30,300,000	34,118,099	3,818,099	12.60%
Lindbergh Terminal - Other	3,638,433	4,136,153	4,100,000	4,195,183	95,183	2.32%
Concessions Rebate	(8,738,815)	(8,676,371)	(8,725,000)	(8,988,806)	(263,806)	3.02%
HHH Lobby Fees	5,662,926	5,184,637	5,500,000	5,745,069	245,069	4.46%
HHH Other / Passenger Fees	1,756,766	1,558,021	1,700,000	1,360,274	(339,726)	-19.98%
Total Airline Rates & Charges	<u>89,866,778</u>	<u>87,225,266</u>	<u>88,750,000</u>	<u>95,666,492</u>	<u>6,916,492</u>	7.79%

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:



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. This is a residual (breakeven) calculation.

The change in the landing fee from the 2010 estimate (\$2.25) to the 2011 budget (\$2.29) can be attributed to the following:

- \$0.082 increase related to higher debt service payments allocated to the Field & Runway Service Center
- \$0.046 increase in Uninterrupted Power Supply contract; computer service agreements and runway surface repairs
- \$0.023 increase in wages and benefits due to additional head count as well as legislatively mandated pension and other inflationary benefit increases.
- \$0.016 increase due to the airline contribution to the repair and replacement account per airline lease agreement.
- (\$0.127) decrease due to a higher landed weight forecasted by the airlines

<u>Landing Fee</u>	<u>2009</u>	<u>2010</u>	<u>2010</u>	<u>2011</u>
	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Budget</u>
Landing Fee	\$2.27	\$2.11	\$2.25	\$2.29
Landed Weight (000)	21,252	21,635	20,800	21,807
Revenue (000)	\$48,243	\$45,649	\$46,700	\$49,982



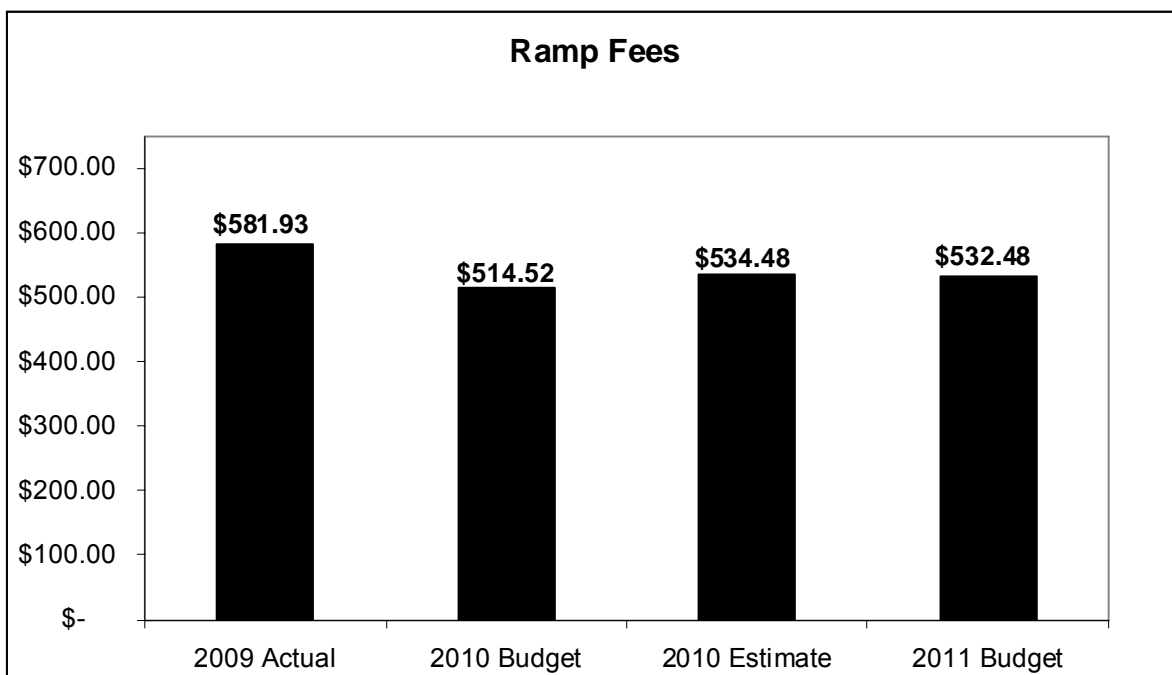
Delta Airlines B737

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 2010 estimated (\$534.48) to 2011 budget (\$532.48 per lineal foot) can be attributed to a slight decrease in snow removal expenses.

Ramp Fee				
	2009 <u>Actual</u>	2010 <u>Budget</u>	2010 <u>Estimate</u>	2011 <u>Budget</u>
Ramp Fee (Per Lineal Ft.)	\$581.93	\$514.52	\$534.48	\$532.48
Ramp Footage	11,176	11,179	11,179	11,179
Revenue	\$6,531,046	\$5,751,819	\$5,975,000	\$5,952,594



AIRLINE R&R SURCHARGE

As per the Airline Lease Amendment approved in 2007, there is an additional surcharge for the airlines at Terminal 1 (Lindbergh). This surcharge increases annually at a rate of 3%. The rate for 2011 is \$5.88 per square foot for carriers occupying Terminal 1.

LINDBERGH TERMINAL 1 - RENTALS

Airline building rates are calculated by allocating terminal building expense over the total rentable square footage in the Lindbergh Terminal 1. Airlines are charged for the space they occupy. Unlike landing fees and ramp fees which are residual calculations, airline Lindbergh Terminal 1 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 1 rate is increasing from \$51.39 to \$58.55. The primary reasons for the increase in the Exclusive rates (\$7.16) between 2010 estimate and 2011 budget are as follows:

- Increase of \$4.37 in debt service payments.
- Increase of \$1.57 per sq. ft. – as a result of increased expenses for the people movers/moving walkways, temperature control maintenance contracts, steam and chilled water and electricity.
- Increase of \$0.51 per square ft. – as a result as a reduction in rentable square footage.
- Increase of \$0.71 in allocations (Police, Fire and Administration) as a result of headcount additions as well as Legislative mandates for pension increases.

<u>Lindbergh Terminal 1 Rates</u>				
	2009	2010	2010	2011
	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Budget</u>
Exclusive (Per Sq. Ft.)	\$50.67	\$51.85	\$51.39	\$58.55
Exclusive Janitored (Per Sq. Ft.)	\$57.43	\$58.89	\$58.43	\$65.35
Total Revenue (000)	\$29,656	\$30,413	\$30,300	\$34,118

LINDBERGH TERMINAL 1 – 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 2009, budgeted 2010, estimated 2010 and budgeted 2011:

<u>International Arrival Fee</u>							
		2009		2010		2010	2011
		<u>Actual</u>		<u>Budget</u>		<u>Estimate</u>	<u>Budget</u>
Total Cost	\$	2,988,917	\$	3,491,133	\$	3,750,000	\$ 3,525,196
Passengers	\$	641,398	\$	800,719	\$	750,000	\$ 751,641
Fee Per Passenger	\$	4.66	\$	4.36	\$	5.00	\$ 4.69

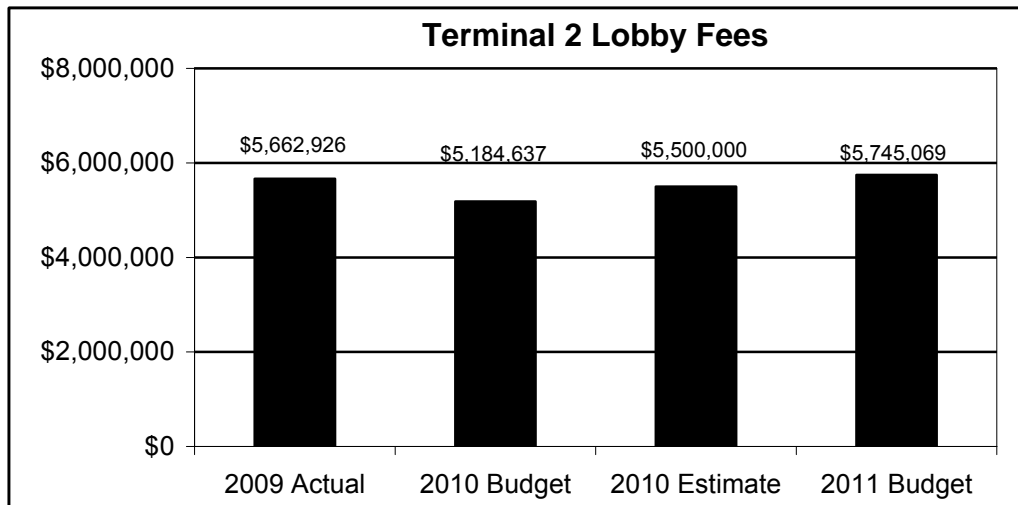
The \$0.31 decrease in the IAF fee can be attributed to higher operating expenses incurred in 2010 due to heavier than average snow amounts in November-December 2010, offset partially by an increase in providing luggage carts for international travelers. The 2011 budget is based on an average winter amount of snow.

CONCESSIONS REBATE

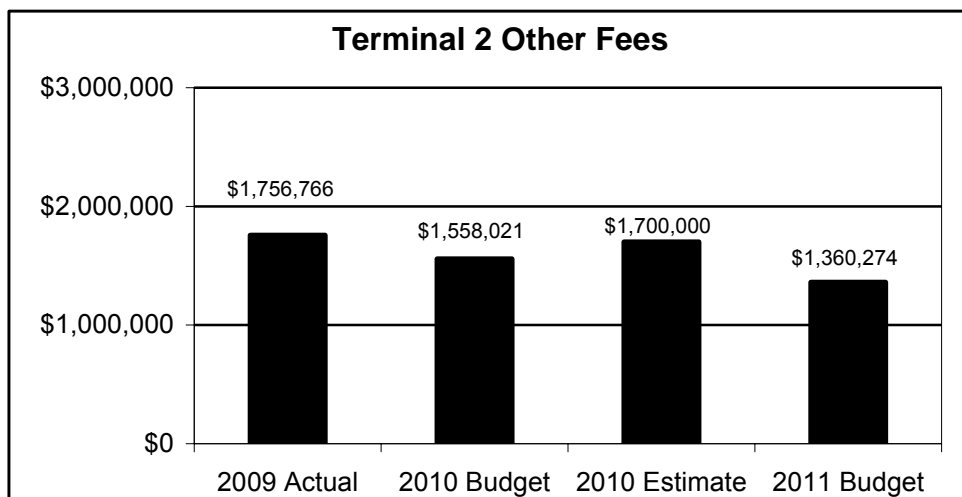
As part of the Third Amendment to the Airline Use Agreement, a provision was added to rebate a portion (25% up to \$39.155 million, 50% above the figure for 2011) of concessions revenue for Food & Beverage, News, Retail and Auto Rental – On Airport revenue. For the 2011 budget this rebate is projected to be \$8,988,806 and does not hit the 50% threshold. The increase of \$263,806 can be attributed to greater concessions revenue in the 2011 budget.

HHH TERMINAL 2 LOBBY FEES

HHH Terminal 2 Lobby Fees are expected to increase \$245,069 or 4.5%. The increase from estimated 2010 is a result of higher operating costs and higher cost allocations (see Lindbergh Terminal-Rentals).

**HHH OTHER/PASSENGER FEES**

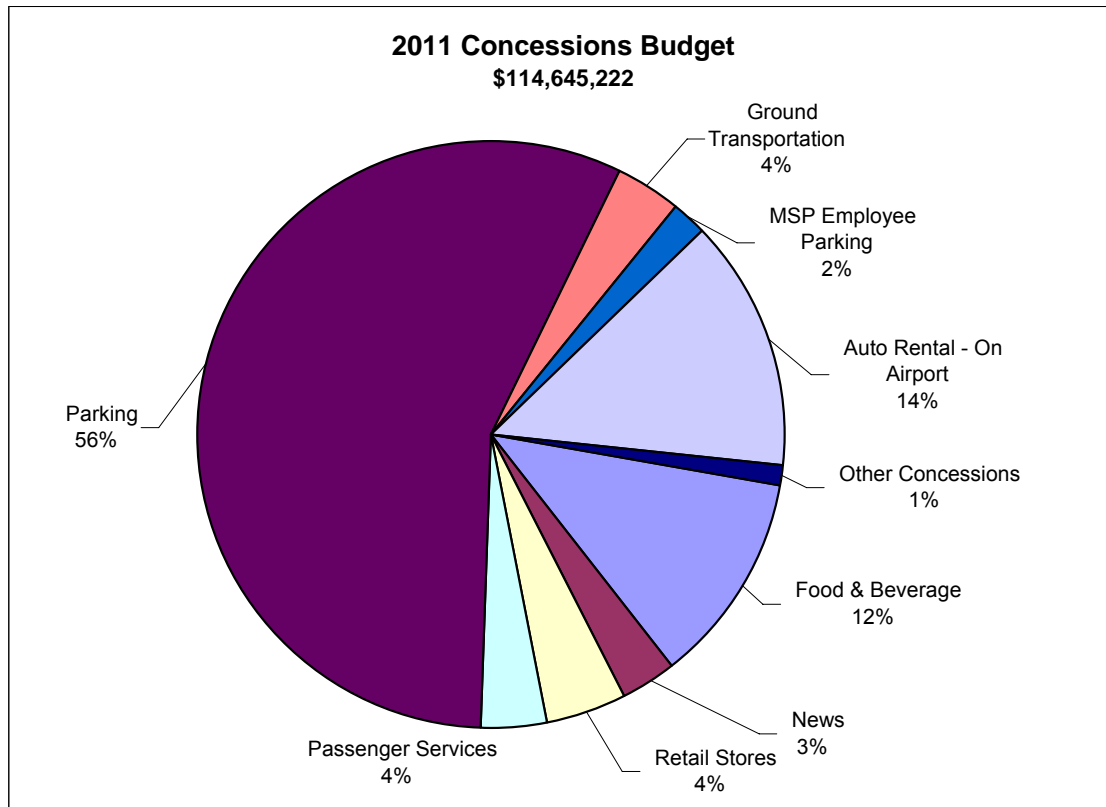
HHH Other/Passenger fee revenue is budgeted to decrease \$339,726 or 20.0%. This category includes Federal Inspection Service Charges for international passengers, Terminal 2 building rentals and non-signatory landing fees. The decrease is due lower building rentals due to a tenant who chose not to renew their lease and lower non-signatory landing fees due to a couple of airlines who choose to become signatory carriers.



CONCESSIONS

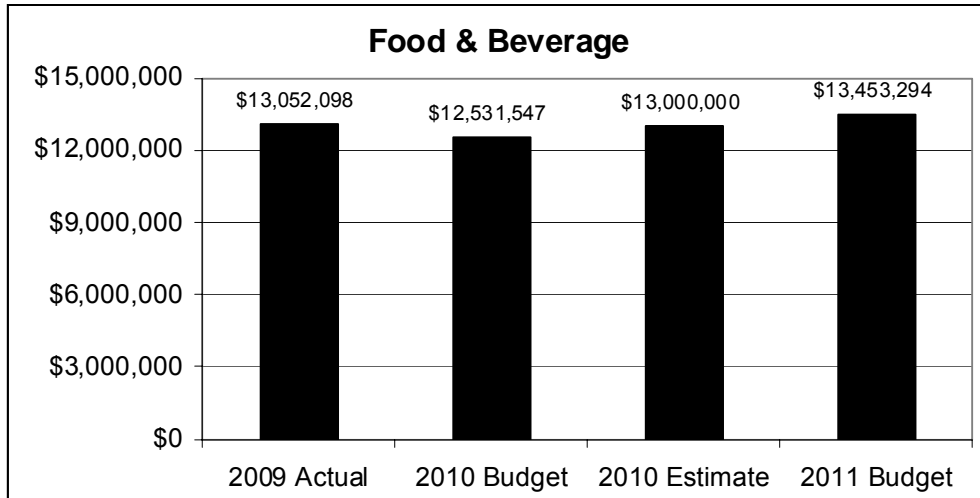
The 2011 budget for Concessions revenue is projected to increase \$3,145,222 or 2.8% from the 2010 estimates. This increase is based upon three projections: 1) Passenger increase; 2) Increase in average spending per passenger; and 3) New concessions opening in 2011. Concessions revenue consists of the following categories:

					2010 Estimate vs 2011 Budget	
	2009 <u>Actual</u>	2010 <u>Budget</u>	2010 <u>Estimate</u>	2011 <u>Budget</u>	Dollar <u>Change</u>	% <u>Change</u>
Concessions						
Food & Beverage	13,052,098	12,531,547	13,000,000	13,453,294	453,294	3.49%
News	3,381,860	3,417,608	3,300,000	3,439,774	139,774	4.24%
Retail Stores	4,700,453	4,917,463	4,800,000	5,157,075	357,075	7.44%
Passenger Services	3,501,721	4,283,693	4,050,000	4,088,566	38,566	0.95%
Parking	61,546,307	61,000,000	63,150,000	64,900,000	1,750,000	2.77%
Ground Transportation	4,072,411	4,246,479	4,200,000	4,055,484	(144,516)	-3.44%
MSP Employee Parking	329,819	2,850,708	2,550,000	2,480,079	(69,921)	-2.74%
Auto Rental - On Airport	15,357,370	15,250,000	14,900,000	15,666,100	766,100	5.14%
Other Concessions	<u>1,439,723</u>	<u>1,373,300</u>	<u>1,550,000</u>	<u>1,404,850</u>	<u>(145,150)</u>	-9.36%
Total All Concessions	<u>107,381,762</u>	<u>109,870,798</u>	<u>111,500,000</u>	<u>114,645,222</u>	<u>3,145,222</u>	2.82%

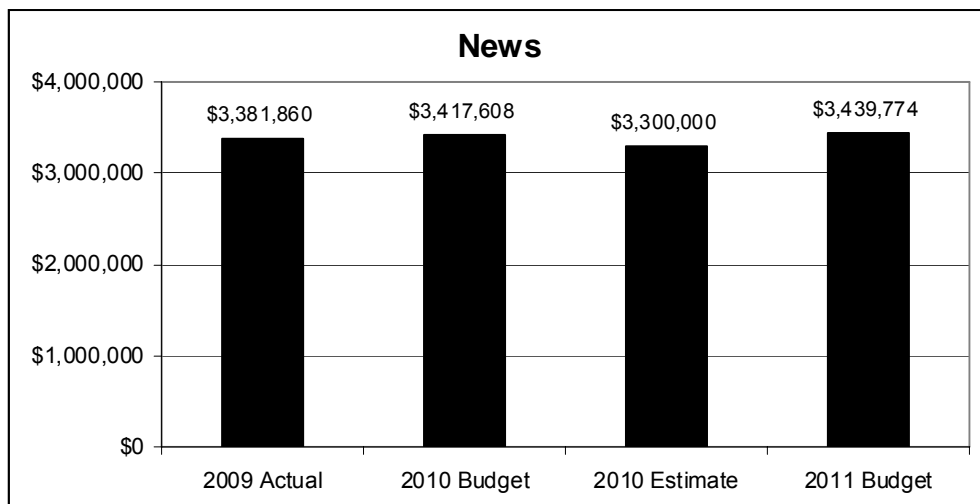


FOOD & BEVERAGE

Food & Beverage is projected to increase by \$453,294 or 3.5% from the 2010 estimate and is based upon the trends at the time the budget was completed.

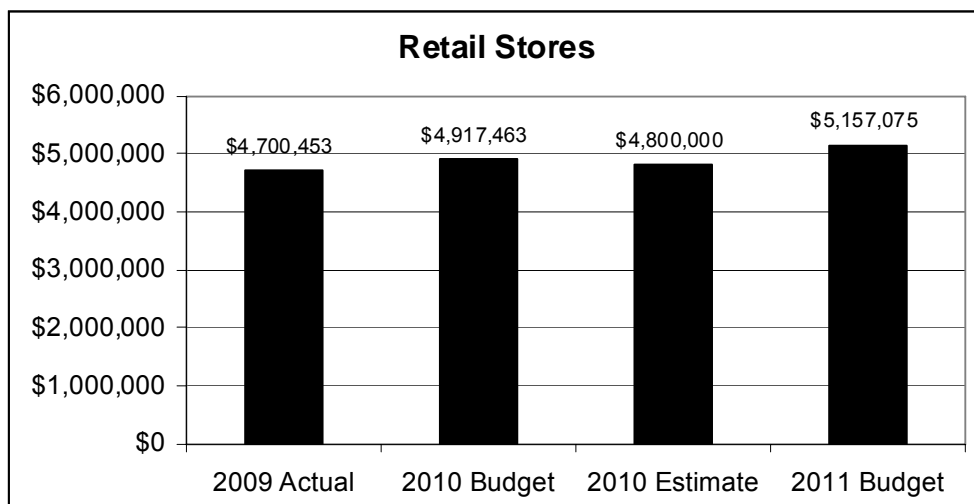
**NEWS**

News is projected to increase \$139,774 or 4.2% from the 2010 estimate and is based upon the trends at the time the budget was completed.

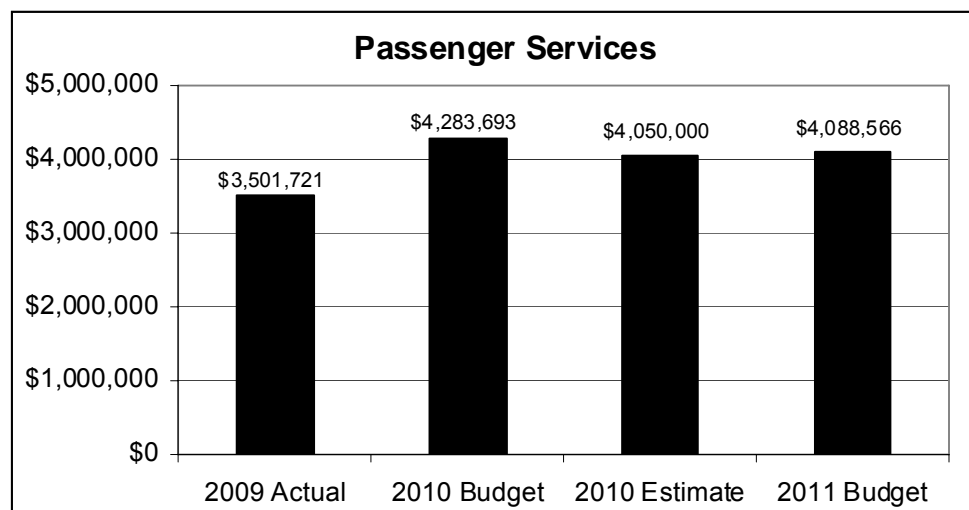


RETAIL STORES

Retail is projected to increase by \$357,075 or 7.4% from the 2010 estimate and is based upon the trends at the time the budget was completed. In addition, it is anticipated that additional retail stores will open in 2011.

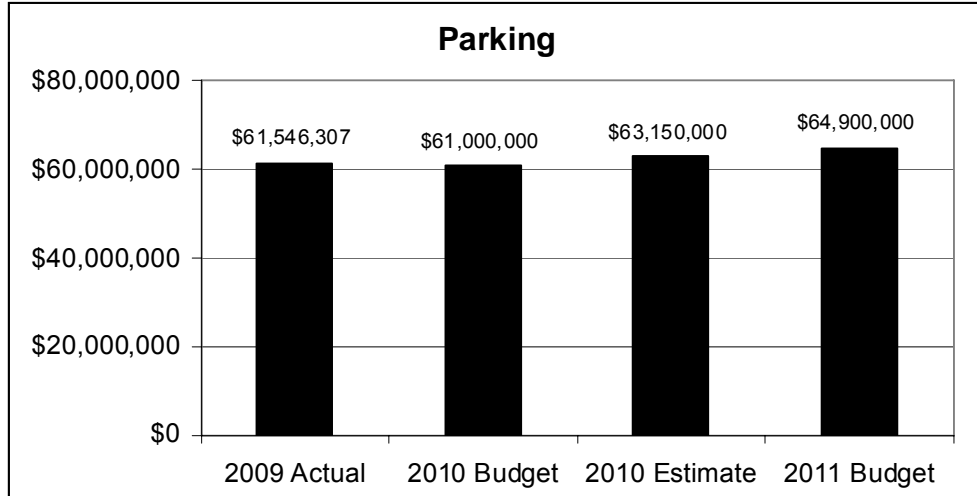
**PASSENGER SERVICES**

Passenger Services are budgeted to increase slightly \$38,566 or 0.95% from the 2010 estimate and is based upon the trends at the time the budget was completed.

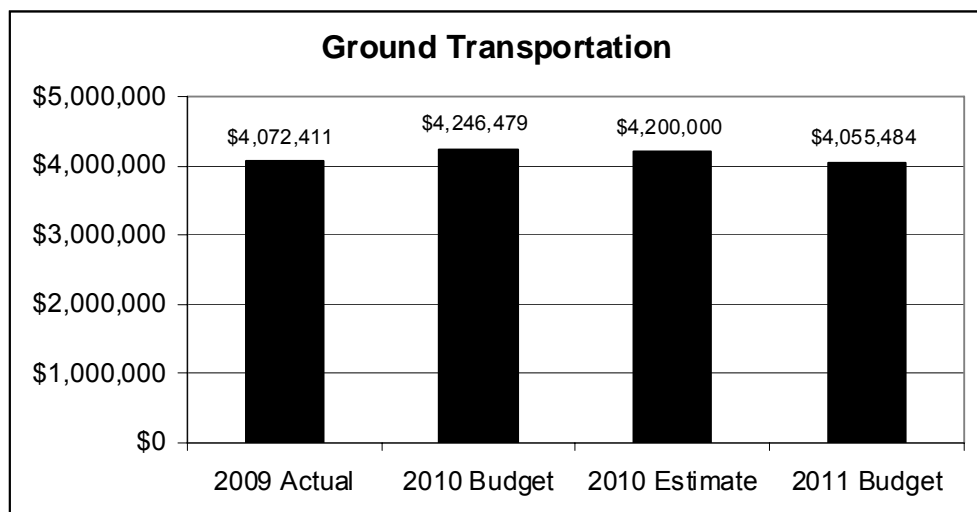


PARKING

Parking is expected to increase from 2010 estimates by \$1,750,000 or 2.8% based upon trends at the time the budget was completed that includes more passengers along with more passengers choosing to park at the airport.

**GROUND TRANSPORTATION FEES**

Ground Transportation fees are projected to decrease \$144,516 or 3.4%. This is primarily a result of lower off-airport auto rental fees and slightly lower revenues in the other categories. Other types of revenue in this category include off-airport auto rental agencies, buses, private limos, hotel/motel shuttles, taxicab 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.) In addition, the move to on airport by Thrifty contributes to the decrease.

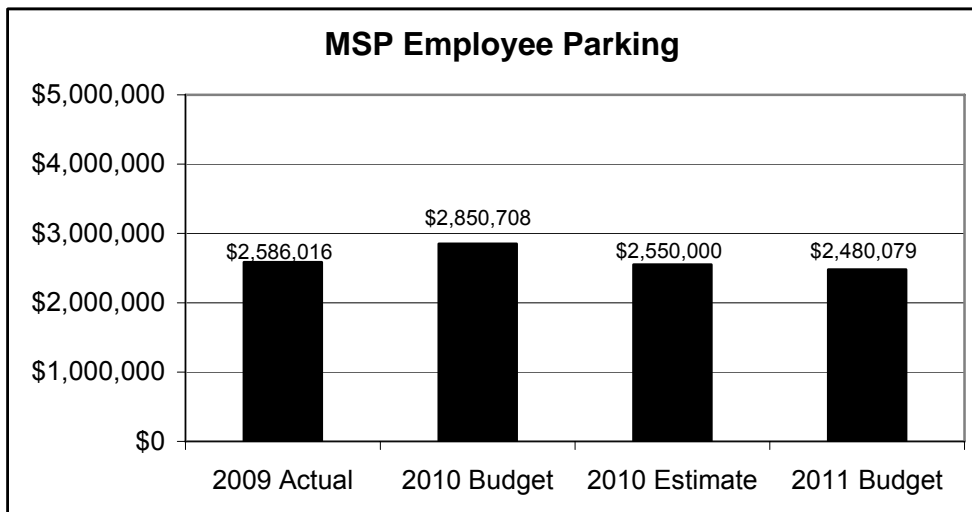




Parking Facilities at Minneapolis-St. Paul International Airport

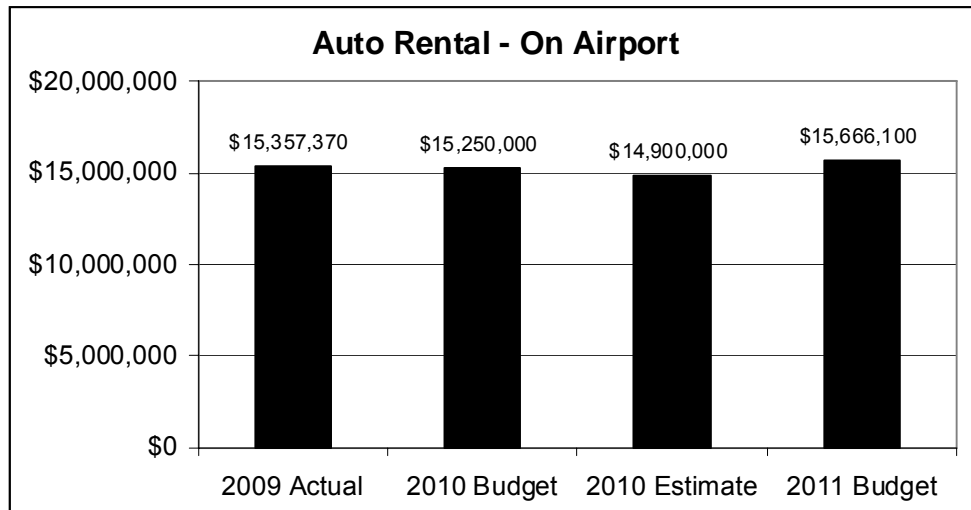
MSP EMPLOYEE PARKING

MSP Employee Parking is budgeted to decrease \$69,921 or 2.7% based upon the projections at the time the budget was completed.

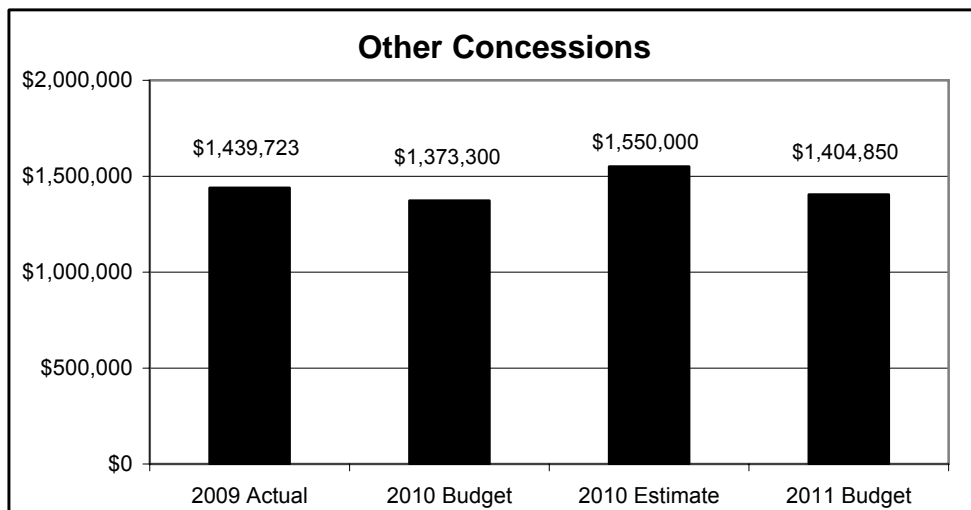


AUTO RENTAL – ON AIRPORT

Auto rental fees are projected to increase \$766,100 from the 2010 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. Transactions and activity are anticipated to increase as well as an increase in the concession recovery fee from 10% to 11.11%.

**OTHER CONCESSIONS**

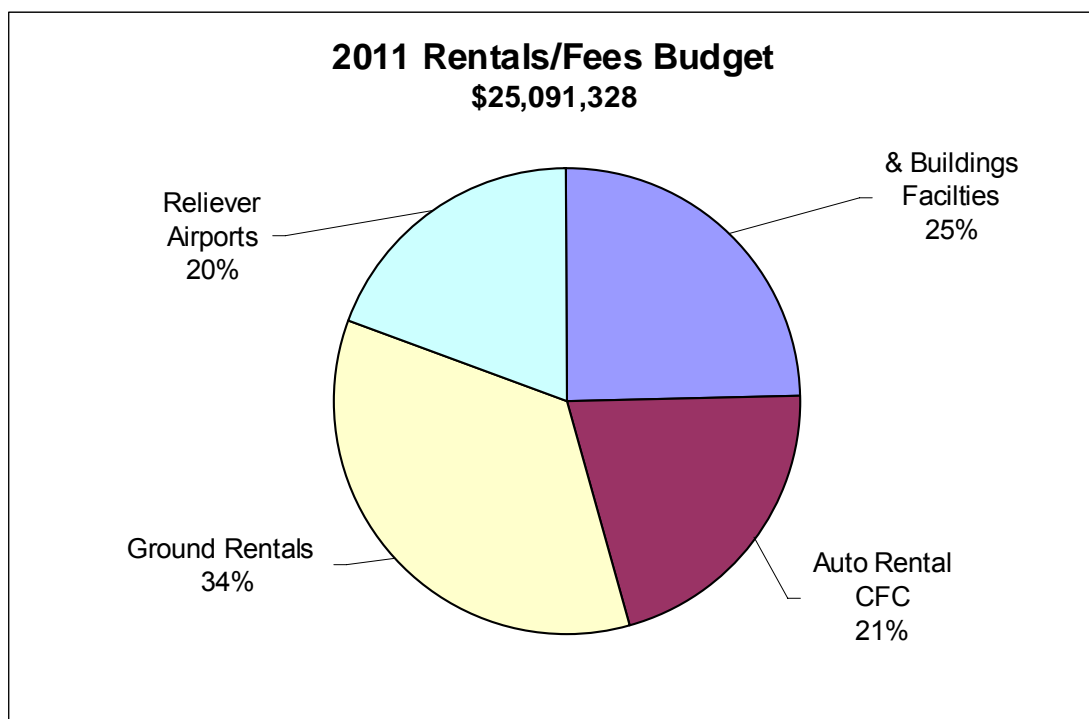
The majority of revenue in the Other Concessions category consists of Outdoor Advertising (85% of the total or \$1.2 million). Other items in this category include In-Flite Catering, auto services, a pet boarding facility and miscellaneous concessions. Other Concessions are budgeted to decrease from 2010 estimated levels. This is primarily due to miscellaneous concessions which are experiencing lower demand due to the economy. Other revenue items in this category are expected to show minor changes from estimates.



RENTALS/FEES

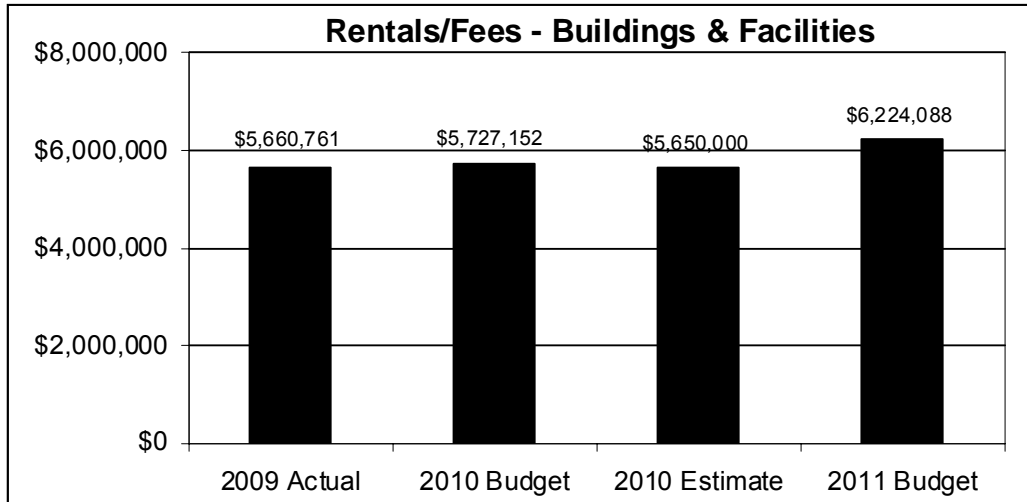
In total, this category is projected to decrease \$3,058,672 or 10.9% from the 2010 estimates. Included in this category are building rentals, auto rental-CFC, ground rentals and reliever airports.

					2010 Estimate vs 2011 Budget	
	<u>2009 Actual</u>	<u>2010 Budget</u>	<u>2010 Estimate</u>	<u>2011 Budget</u>	<u>Dollar Change</u>	<u>% Change</u>
Rentals/Fees						
Buildings & Facilities	5,660,761	5,727,152	5,650,000	6,224,088	574,088	10.16%
Auto Rental CFC	8,709,971	8,775,000	8,500,000	5,200,000	(3,300,000)	-38.82%
Ground Rentals	9,176,741	8,885,041	9,150,000	8,754,081	(395,919)	-4.33%
Reliever Airports	<u>4,887,854</u>	<u>4,650,885</u>	<u>4,850,000</u>	<u>4,913,159</u>	<u>63,159</u>	1.30%
Total Rentals/Fees	<u>28,435,327</u>	<u>28,038,078</u>	<u>28,150,000</u>	<u>25,091,328</u>	<u>(3,058,672)</u>	-10.87%

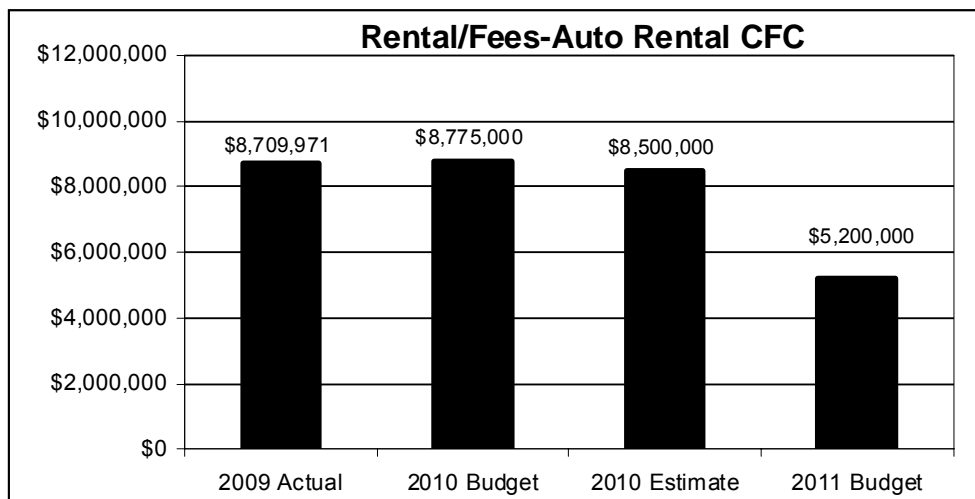


BUILDING & FACILITIES

Building and facility rentals are projected to increase \$574,088 or 10.2% over 2010 estimates as a result of a increase in rental rates for non-airline tenants in the Lindbergh and Humphrey Terminals 1 & 2 (See Lindbergh and HHH Terminal rates above).

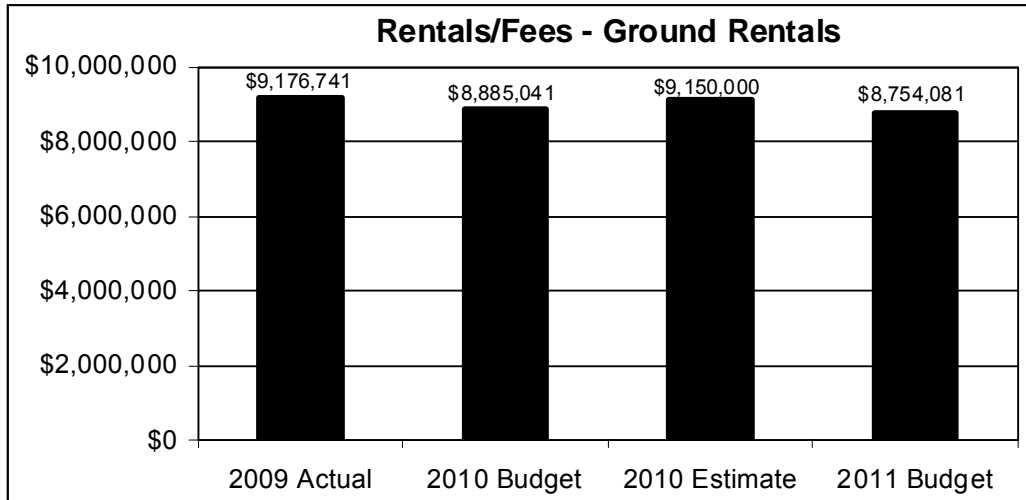
**AUTO RENTAL-CUSTOMER FACILITY CHARGE (CFC)**

Auto Rental CFCs are budgeted to decrease \$3,300,000 or 38.8% from 2010 estimates. In 1999, the Commission started collecting a CFC for the construction of a parking ramp at Terminal 1 of which a portion was allocated for the auto rental industry. At the end of 2010, the Commission will have recovered all of its debt service associated with this auto rental ramp. For 2011, the CFC's are continuing for the auto rental companies' portion of the maintenance and operation of the automated people mover system as well as the debt service associated with the auto rental ramp located at Terminal 2 as well as other capital related auto rental improvements.

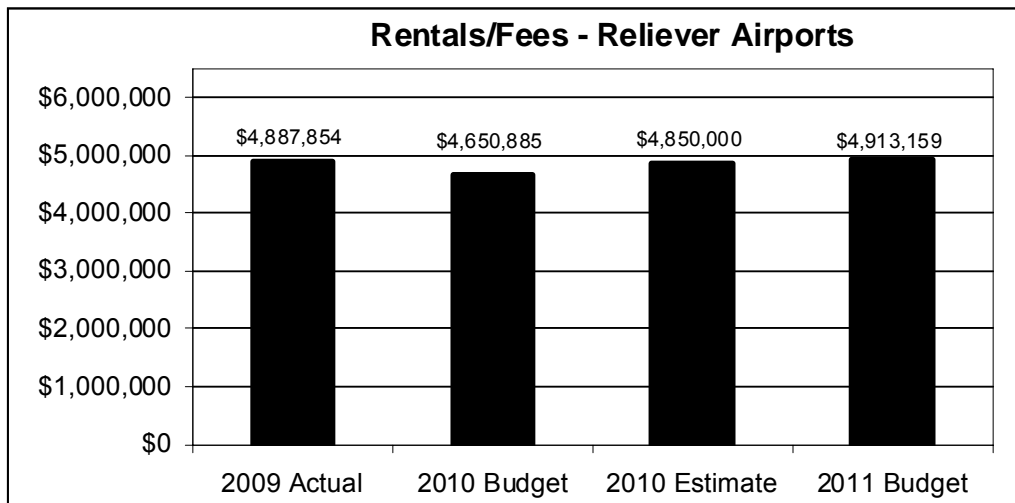


GROUND RENTALS

Ground Rentals are budgeted to decrease by \$395,919 or 4.3% over 2010 estimated levels due to certain leases that have expired.

**RELIEVER AIRPORTS**

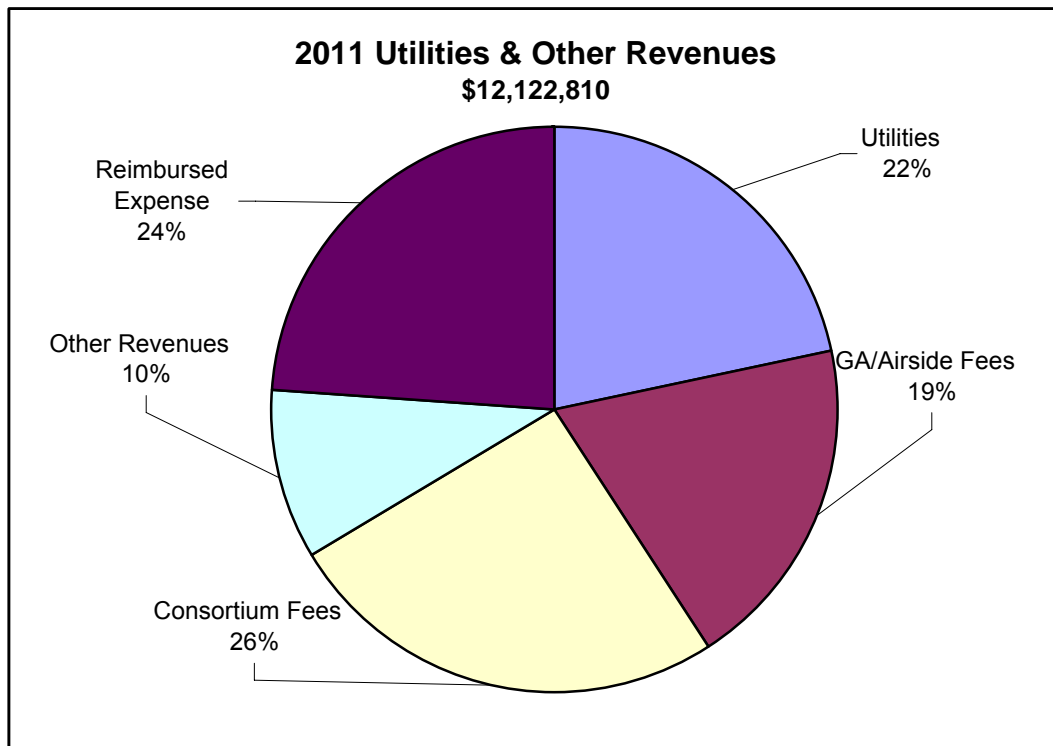
Reliever Airports are expected to increase \$63,159 from 2010 estimated levels due to an increase in the ordinance rate for storage and commercial ground rent.



UTILITIES & OTHER REVENUES

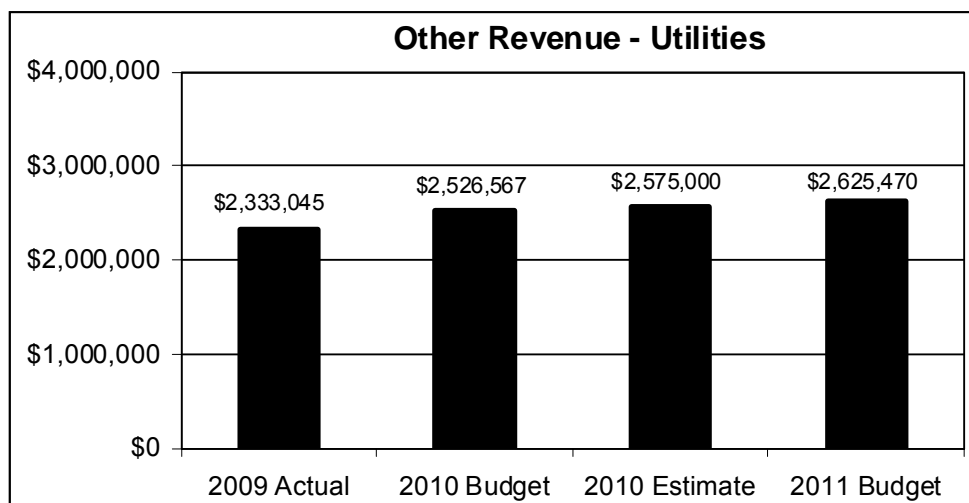
In total, Utilities & Other Revenues are budgeted to increase \$397,810 or 3.4% from 2010 estimated levels. Included in the category are Utilities, General Aviation/Airside fees, Consortium Fees, Other Revenues and Reimbursed Expense.

	2009 Actual	2010 Budget	2010 Estimate	2011 Budget	2010 Estimate vs 2011 Budget Dollar Change	% Change
Utilities & Other Revenue						
Utilities	2,333,045	2,526,567	2,575,000	2,625,470	50,470	1.96%
GA/Airside Fees	2,301,901	2,162,902	2,150,000	2,338,894	188,894	8.79%
Consortium Fees	3,037,506	3,049,230	3,000,000	3,068,643	68,643	2.29%
Other Revenues	3,490,719	912,191	1,100,000	1,199,803	99,803	9.07%
Reimbursed Expense	4,027,908	2,840,000	2,900,000	2,890,000	(10,000)	-0.34%
Total Utilities & Other Rev.	<u>15,191,079</u>	<u>11,490,890</u>	<u>11,725,000</u>	<u>12,122,810</u>	<u>397,810</u>	3.39%

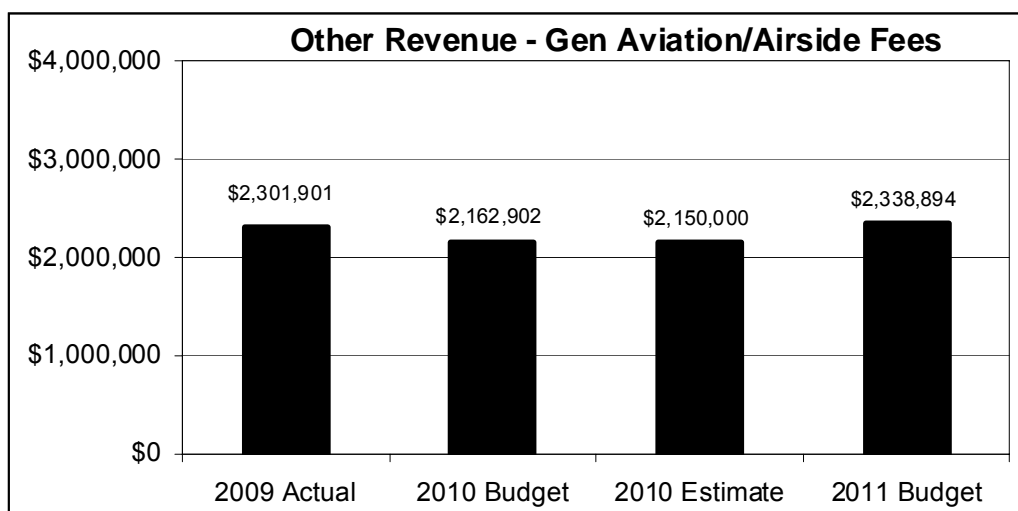


UTILITIES

Included in this area is water, sewer, steam (heating), chilled water (air-conditioning) and ground power. The slight increase in this category of \$50,470 or 2.0% is due to historical consumption patterns.

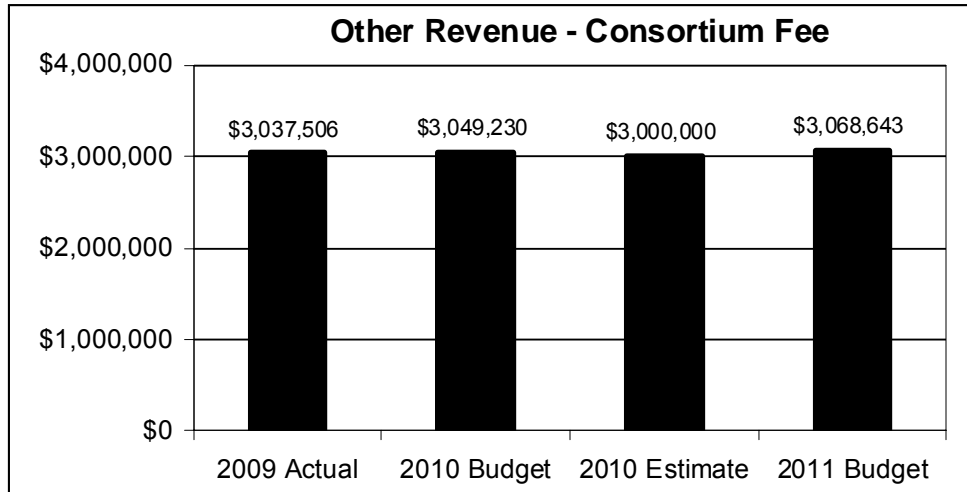
**GENERAL AVIATION/AIRSIDE FEES**

This category includes general aviation landing fees, ramp fees and apron services. This category is expected to increase \$188,894 or 8.8% as a result of higher landing fees and slightly higher activity.



CONSORTIUM FEE

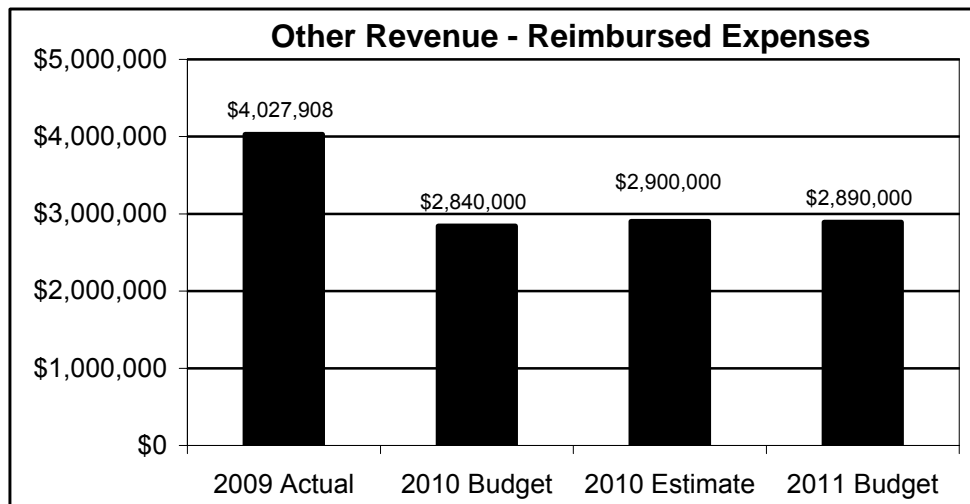
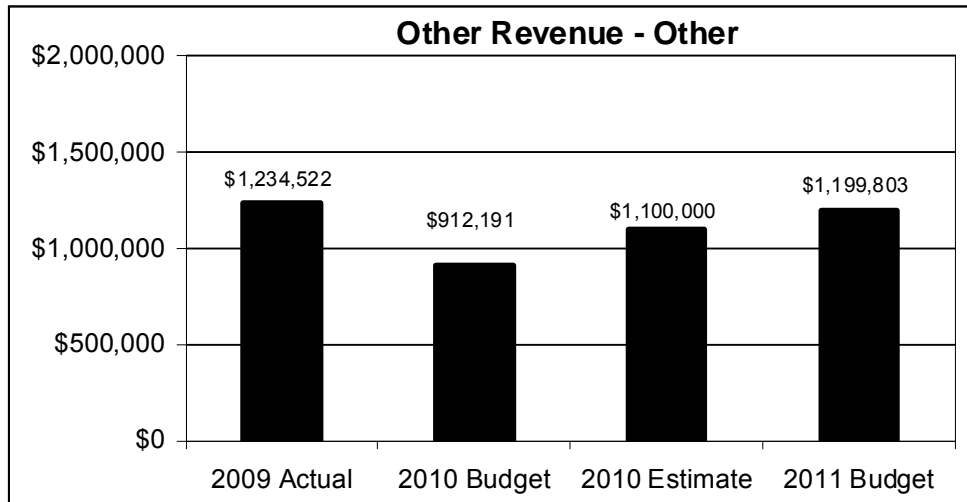
Consortium fees are expected to increase \$68,643 or 2.3% and are based on a percentage of concession sales. Thus, an increase in certain concessions will result in an increase in consortium fees.



Sun Country Airlines

OTHER REVENUES AND REIMBURSED EXPENSES

Included in this category are parking fines, auction revenue, security badges, miscellaneous revenues and expenses reimbursed by others. This category is expected to increase \$89,803 or 6.5 % primarily related to an increase in security badge fees and historical averages.



					2010 Estimate vs 2011 Budget	
	2009 Actual	2010 Budget	2010 Estimate	2011 Budget	Dollar Change	% Change
Personnel						
Salaries & Wages	42,400,297	43,657,047	43,200,000	45,164,614	1,964,614	4.55%
Benefits	16,903,975	17,928,928	19,800,000	20,257,912	457,912	2.31%
Total Personnel	<u>59,304,273</u>	<u>61,585,975</u>	<u>63,000,000</u>	<u>65,422,526</u>	<u>2,422,526</u>	<u>3.85%</u>
Administrative Expenses	1,300,702	1,220,490	1,210,000	1,326,516	116,516	9.63%
Professional Services	4,003,777	3,810,984	3,350,000	3,938,108	588,108	17.56%
Utilities						
Electricity	10,094,583	10,359,839	10,400,000	11,194,691	794,691	7.64%
Heating Fuel	4,167,671	4,374,833	3,600,000	3,683,593	83,593	2.32%
Water & Sewer	1,794,320	1,876,558	1,850,000	1,804,305	(45,695)	-2.47%
Telephones	496,355	480,190	525,000	520,112	(4,888)	-0.93%
Total Utilities	<u>16,552,929</u>	<u>17,091,420</u>	<u>16,375,000</u>	<u>17,202,701</u>	<u>827,701</u>	<u>5.05%</u>
Operating Services/Expenses						
Parking Management	5,316,949	5,771,507	5,650,000	5,765,939	115,939	2.05%
Shuttle Bus Services	847,333	725,000	700,000	780,947	80,947	11.56%
Service Agreements	5,632,294	6,173,655	6,500,000	6,857,402	357,402	5.50%
Storm Water Monitoring	1,534,301	1,250,000	1,325,000	1,300,000	(25,000)	-1.89%
Other	2,712,207	3,034,526	2,950,000	3,143,426	193,426	6.56%
Total Operating Services/Expenses	<u>16,043,084</u>	<u>16,954,688</u>	<u>17,125,000</u>	<u>17,847,714</u>	<u>722,714</u>	<u>4.22%</u>
Maintenance						
Trades	1,512,258	1,564,796	1,600,000	1,702,841	102,841	6.43%
Field	2,157,978	2,322,307	2,800,000	1,983,985	(816,015)	-29.14%
Building	7,903,861	8,931,646	8,975,000	9,850,675	875,675	9.76%
Equipment	2,250,737	2,487,805	2,400,000	2,310,452	(89,548)	-3.73%
Cleaning	9,893,350	10,272,883	10,450,000	10,025,424	(424,576)	-4.06%
Total Maintenance	<u>23,718,184</u>	<u>25,579,437</u>	<u>26,225,000</u>	<u>25,873,377</u>	<u>(351,623)</u>	<u>-1.34%</u>
Other						
General Insurance	1,652,476	2,058,609	2,100,000	1,948,328	(151,672)	-7.22%
Minor Equipment	279,485	388,833	275,000	723,641	448,641	163.14%
Other	575,278	488,034	500,000	453,834	(46,166)	-9.23%
Total Other	<u>2,507,239</u>	<u>2,935,476</u>	<u>2,875,000</u>	<u>3,125,803</u>	<u>250,803</u>	<u>8.72%</u>
Total Operating Expense (Excludes Depreciation)	123,430,187	129,178,470	130,160,000	134,736,745	4,576,745	3.52%
Gross Depreciation (excludes Off Airport Noise)	122,342,067	115,278,000	109,417,929	109,330,794	(87,135)	-0.08%
Total Operating Expense (Excludes Off Airport Noise)	245,772,253	244,456,470	239,577,929	244,067,539	4,489,610	1.87%
Airport Noise Amortization	718,056	7,722,000	13,582,071	11,669,206	(1,912,865)	-14.08%
Total Operating Expenses	<u>246,490,309</u>	<u>252,178,470</u>	<u>253,160,000</u>	<u>255,736,745</u>	<u>2,576,745</u>	<u>1.02%</u>

Total Operating Expense for 2011 is \$134,736,745 (excluding depreciation and amortization) which is an increase of \$4,576,745 or 3.5% over the 2010 estimate. Included in the 2011 budget and contributing to the increase, are expenses approved by the Commission in 2010. These additional expenses total \$2.7 million and will be explained later in this document for the following:

MERF (Minnesota Employee Retirement Fund)
Runway 17/35 Temp Positions
8.5 Additional FTE Positions
PERA (Public Employees Retirement Association)
International Air Service Marketing
Fire Control Contract

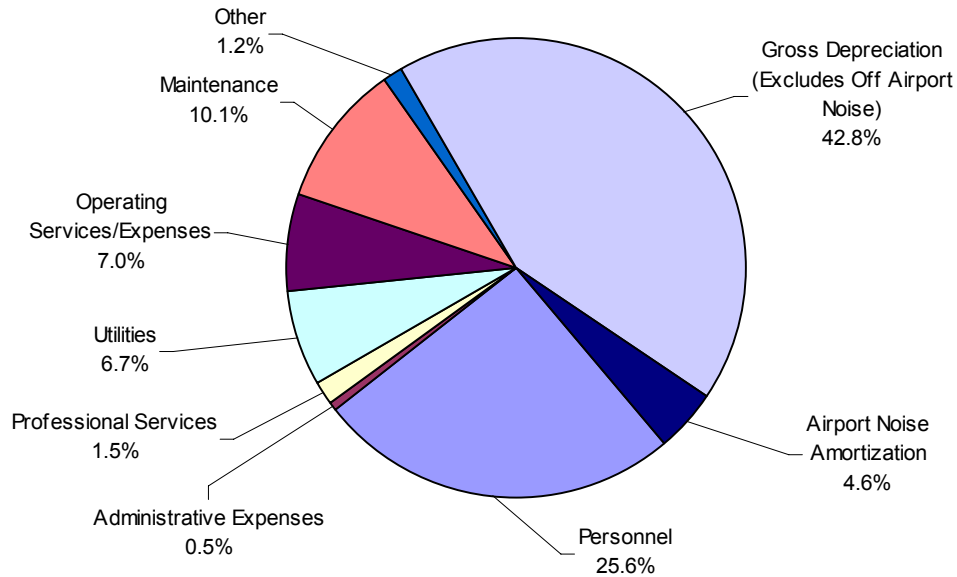
The explanations prepared below compare 2010 estimate with the 2011 budget.

In the total Operating Expense (excluding depreciation and amortization), the largest increase in dollars is \$2,422,526 or 3.9% in the Personnel category. The greatest percent increase; however, is 17.6% or \$588,108 in the Professional Services category.

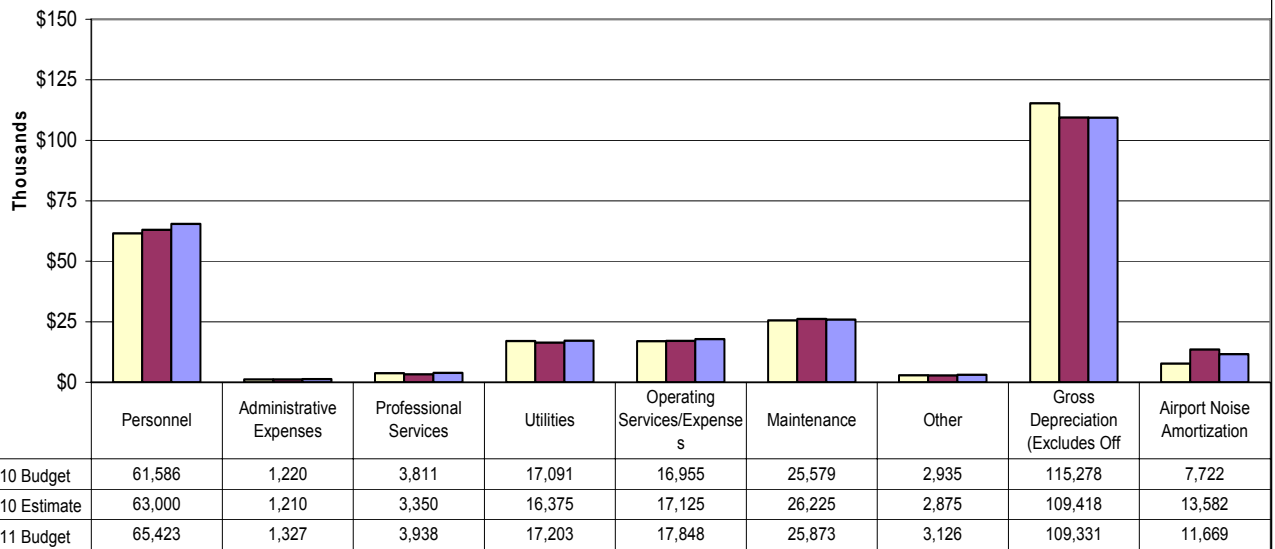
Although Gross Depreciation and Noise Amortization are not included in the preparation and approval of the 2011 budget, the information is provided as follows. Gross Depreciation, as indicated below, has decreased \$87,135 or 0.08% between 2010 estimate and the 2011 budget. This is due to assets that became fully depreciated in 2010-2011, exceeding the new depreciation of projects closed in 2010-2011. Noise Amortization will decrease \$1.9 million or 14.1% in the 2011 budget as a result of assets that became fully amortized in 2010-2011.

					2010 Estimate vs 2011 Budget	
	2009 <u>Actual</u>	2010 <u>Budget</u>	2010 <u>Estimate</u>	2011 <u>Budget</u>	Dollar <u>Change</u>	% <u>Change</u>
EXPENSE						
Personnel	59,304,273	61,585,975	63,000,000	65,422,526	2,422,526	3.85%
Administrative Expenses	1,300,702	1,220,490	1,210,000	1,326,516	116,516	9.63%
Professional Services	4,003,777	3,810,984	3,350,000	3,938,108	588,108	17.56%
Utilities	16,552,929	17,091,420	16,375,000	17,202,701	827,701	5.05%
Operating Services/Expenses	16,043,084	16,954,688	17,125,000	17,847,714	722,714	4.22%
Maintenance	23,718,184	25,579,437	26,225,000	25,873,377	(351,623)	-1.34%
Other	<u>2,507,239</u>	<u>2,935,476</u>	<u>2,875,000</u>	<u>3,125,803</u>	<u>250,803</u>	8.72%
Total Expense (Excludes Depreciation)	123,430,187	129,178,470	130,160,000	134,736,745	4,576,745	3.52%
Gross Depreciation (Excludes Off Airport Noise)	<u>122,342,067</u>	<u>115,278,000</u>	<u>109,417,929</u>	<u>109,330,794</u>	<u>(87,135)</u>	-0.08%
Total Operating Expense (Excludes Off Airport Noise)	245,772,253	244,456,470	239,577,929	244,067,539	4,489,610	1.87%
Off Airport Noise Amortization	<u>718,056</u>	<u>7,722,000</u>	<u>13,582,071</u>	<u>11,669,206</u>	<u>(1,912,865)</u>	-14.08%
Total Operating Expense	<u>246,490,309</u>	<u>252,178,470</u>	<u>253,160,000</u>	<u>255,736,745</u>	<u>2,576,745</u>	1.02%

2011 Budget Operating Expenses \$255,736,745



2011 Budget Operating Expenses \$255,736,745



Expense Assumptions and Guidelines

The operating expense budget is based on information provided by MAC departments, utility companies, vendors, historical analysis and prior items approved by the Commission in 2010. The expense budget projections for 2011 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.
- The budget includes wages for 4 new requested FTE positions effective the last quarter of 2011. With the 8.5 FTE positions approved by the Commission in 2010, and the requested 4 FTE positions for 2011, a total FTE position count of 578 is in the 2011 budget.
- 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 actual levels with a 2.5% increase or below where possible.
- Expenses will be prepared on an accrual basis.



Signage Directs Travelers at Terminal 1 (Lindbergh Terminal)

Personnel

Personnel costs will increase \$2,422,526 or 3.9% over the 2010 estimates.

	<u>2009 Actual</u>	<u>2010 Budget</u>	<u>2010 Estimate</u>	<u>2011 Budget</u>	2010 Estimate vs 2011 Budget	
					<u>Dollar Change</u>	<u>% Change</u>
Personnel						
Salaries & Wages	42,400,297	43,657,047	43,200,000	45,164,614	1,964,614	4.55%
Benefits	16,903,975	17,928,928	19,800,000	20,257,912	457,912	2.31%
Total Personnel	<u>59,304,273</u>	<u>61,585,975</u>	<u>63,000,000</u>	<u>65,422,526</u>	<u>2,422,526</u>	3.85%

Differences between the 2010 estimates and 2011 budgets:

Wages – Regular – 2.0% for wage increases are budgeted for second quarter 2011 for non-organized employees and three months following the contract date for organized employees. Step increases for employees are also included in the 2011 budget.

The 2011 budget also includes the following:

- The Commission in July of 2010 approved an additional 8.5 FTE positions as a result of management reports indicating that workload demand and complexity of issues facing the MAC are increasing. This includes a report by MAC's external auditors recommending reducing the risks involved in financial controls. These positions will add \$442,995 to the 2011 budget.
- Four additional requested FTE positions are included in the 2011 budget effective the fourth quarter of 2011 result in \$46,308 additional wages.
- Other labor contract obligations, such as shift differentials, equipment premium pay and Labor Union 320 longevity pay, are included in the budget.
- Open positions in 2010 resulted in a lower 2010 estimate.

2007 Actual (includes Mid-Year Addition)	<u>2008 Actual</u>	<u>2009 Actual</u>	<u>2010 Budget</u>	<u>2010 Budget Funded</u>	<u>2010 Mid-Year Addition</u>	<u>2010 Year-End Estimate</u>	<u>2011 Budget</u>
551.5	565	555.5	574.5	565.5	8.5	563	578

Overtime – Regular – This area is decreasing in the 2011 budget by \$385,454 or 17.5% from the 2010 estimates and is explained as follows:

- Decrease in Maintenance of \$22,840 over 2010 estimates due to budgeting for average winter conditions.
- Reduction in Fire of \$122,776 as 2010 included overtime to cover shifts of two retiring FTE positions.
- Reduction in Police of \$90,490 as the 2011 budget includes 2.0 additional FTE positions in 2010.
- Reductions in other service centers including Carpenters (decrease \$29,580) and Emergency Communications (decrease \$10,714).
- **Double-time** – Double-time is decreasing from the 2010 estimate to the 2011 budget by \$414,195 or 24.3% as a result of budgeting for average winter conditions. The 2010 estimate contains above average snow and ice events in the last quarter of 2010

Temps – Temps are increasing in the 2011 budget when compared to the 2010 estimate by \$219,319 or 12.6% for the following:

- Police is increasing \$34,800 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 \$47,846 for Passenger Service Assistants (PSA) to staff seven locations between Terminal 1 (Lindbergh) and Terminal 2 (Humphrey). PSAs provide taxicab starter services at both locations, follow TSA mandates in the issuance of Security Access Passes and provide general way finding and customer service assistance.
- Facilities - Terminal 2 (Humphrey) increasing over the 2010 estimate \$37,160 for a full year of temporary employees. The management contract with ASIG expired in the first quarter of 2010 with duties now being performed by temporary employees employed by MAC as approved by the Commission on December 21, 2009.
- Maintenance increased \$86,244 in temps in lieu of permanent, full-time hires. It is anticipated that these labor costs would decrease runway closures and aid the airlines through increased air capacity during winter events.
- Carpenters increase of \$31,126 to replace entryway vestibule carpeting on baggage level, ticketing level, east upper roadway at T1 and various other areas.
- Decrease in various service centers for cost containment.

Benefits – Included in benefits are employee insurance/post retirement healthcare, retirement plans, severance, workers compensation and other miscellaneous items. This category will increase 2.3% or \$457,912 from 2010 estimates.

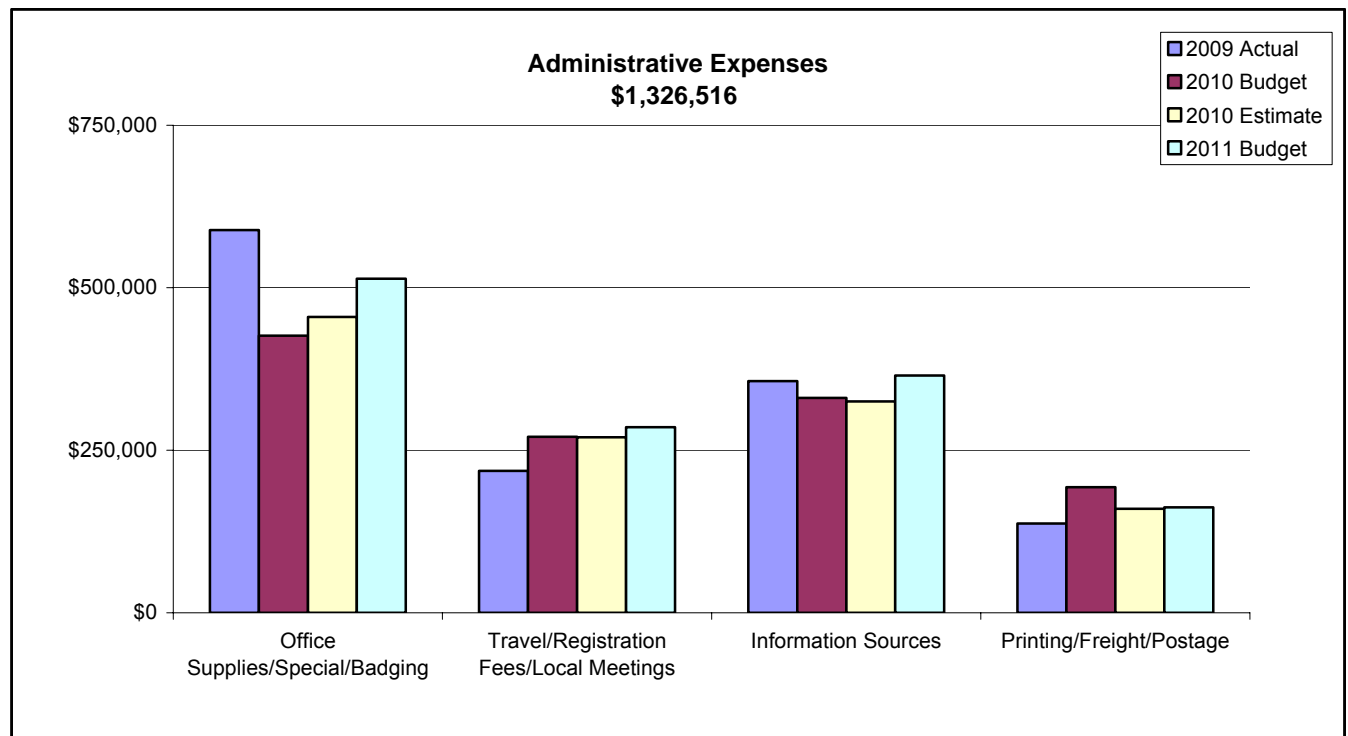
Major changes are as follows:

- Employee Insurance/Post Retirement Healthcare – These areas are combined and account for all employee insurance. Employee insurance increased 3.8% over the 2010 budget. However, as MAC is self-insured, this growth rate is lower than the national average of 9% medical inflation. 1.5% of the increase is due to Health Care Reform. The increase between the estimate 2010 and budget 2011 is 5.2% or \$385,181 and is due to the lower FTE count in 2010, 8.5 additional FTE positions for a full year in 2011 and 4 FTE positions in the last quarter of 2011. This increase, however, is offset by a reduction in Post Retirement benefits of \$1.7 million based upon actuary studies.
- Pensions are expected to increase in 2011 compared to the 2010 estimates by \$366,690 or 5.8%. The employer contribution rate for Police and Fire Public Employees Retirement Association (PERA) increased from 14.10% to 14.40% and the coordinated employers' contribution rate was raised from 6.75% to 7.0%. In addition, FICA and pensions related to increases in wages, doubletime and temps are included in the 2011 budget. The 2010 estimate also reflects a lower than budget FTE count.
- The MERF (Minnesota Employee Retirement Fund) Unfunded Liability increased \$1.3 million. In 2010, to address a funding shortfall with the MERF program, the State of Minnesota passed legislation that increases the Commission's annual required contribution.
- Worker's Compensation is projected to increase \$27,162 from 2010 estimates based upon an actuarial study.
- Regular Severance decrease \$230,251 due to a lesser number of employees becoming eligible for this benefit.
- Trade Union Benefits increased \$120,438 as a result of contract negotiations and wage increases.
- Training increased \$20,107 over the 2010 estimate with the majority related to Environment-Aviation Noise to provide training for the MACNOMS (Metropolitan Airports Commission Noise and Operations Monitoring System).

Administrative Expenses

Administrative Expenses are increasing \$116,516 or 9.6% with the major expenses identified in the table below:

<u>Administrative Expenses</u>	2009 <u>Actual</u>	2010 <u>Budget</u>	2010 <u>Estimate</u>	2011 <u>Budget</u>	2010 Estimate vs 2011 Budget	
					Dollar <u>Change</u>	% <u>Change</u>
Office Supplies/Special/Badging	588,739	426,277	455,000	513,880	58,880	12.94%
Travel/Registration Fees/Local Meetings	218,384	270,669	270,000	285,369	15,369	5.69%
Information Sources	356,433	330,398	325,000	365,018	40,018	12.31%
Printing/Freight/Postage	137,146	193,146	160,000	162,249	2,249	1.41%
Total Administrative Expenses	<u>1,300,702</u>	<u>1,220,490</u>	<u>1,210,000</u>	<u>1,326,516</u>	<u>116,516</u>	<u>9.63%</u>



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

Supplies – An increase of \$58,880 or 12.9% from 2010 estimates to the 2011 budget with the majority related to an increase in security badging supplies (ribbons and cards) and special supplies for Police such as property and evidence processing materials and K-9 supplies (food, kennel needs and grooming).

Travel – An increase in travel has been included in the 2011 budget from 2010 estimates. Travel becomes necessary to keep informed of the changes in the industry (along with networking with peers to enhance the effectiveness of the airport and avoid additional reliance on consultants) and to maintain essential professional growth in the organization. These expenses have been increased by \$15,369 or 5.7%. The largest increases in travel are for:

- Air Service Business Development to promote MSP international service
- Diversity to attend the AMAC conference. This conference is the equivalent of Airports Council International (ACI) in the industry of airport concessionaires for women and minority businesses
- Emergency Communications for industry specific training including changes in the wireless industry, radio and telephone communications with the effect on 911 centers
- Police to attend conferences, seminars and background investigations

Information Sources – An increase in the 2011 budget of \$40,018 or 12.3% is related to memberships and dues for professional organizations. The greatest increases are in Air Service Business Development for organizations related to international air service and ACI dues in the Executive service center.

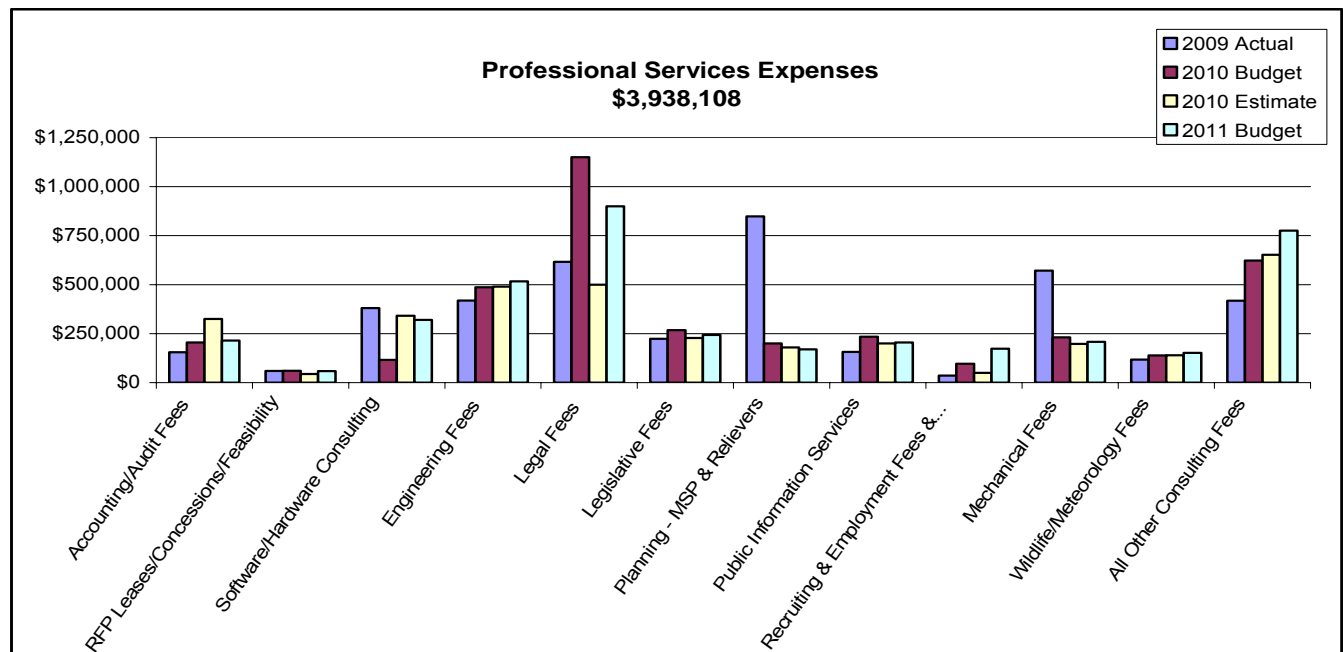


Food Court –Terminal 1 (Lindbergh Terminal Building)

Professional Services

Professional Services have increased \$588,108 or 17.6% from 2010 estimates.

<u>Professional Services</u>	<u>2009 Actual</u>	<u>2010 Budget</u>	<u>2010 Estimate</u>	<u>2011 Budget</u>	2010 Estimate vs 2011 Budget	
					Dollar Change	% Change
Accounting/Audit Fees	155,450	205,000	325,000	215,000	(110,000)	-33.85%
RFP Leases/Concessions/Feasibility	59,930	60,969	45,000	59,000	14,000	31.11%
Software/Hardware Consulting	381,025	116,500	341,500	320,500	(21,000)	-6.15%
Engineering Fees	418,930	486,291	490,000	517,005	27,005	5.51%
Legal Fees	615,999	1,150,000	500,000	900,000	400,000	80.00%
Legislative Fees	223,942	268,000	228,000	243,000	15,000	6.58%
Planning - MSP & Relievers	847,784	200,000	180,000	170,000	(10,000)	-5.56%
Public Information Services	156,517	235,000	200,000	205,000	5,000	2.50%
Recruiting & Employment Fees & Other	36,396	96,083	50,000	173,000	123,000	246.00%
Mechanical Fees	571,803	230,979	198,000	208,154	10,154	5.13%
Wildlife/Meteorology Fees	117,876	138,659	140,000	151,659	11,659	8.33%
All Other Consulting Fees	418,125	623,503	652,500	775,790	123,290	18.90%
Total Professional Services	<u>4,003,777</u>	<u>3,810,984</u>	<u>3,350,000</u>	<u>3,938,108</u>	<u>588,108</u>	<u>17.56%</u>



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

Accounting/Audit Fees – Accounting fees are expected to decrease \$110,000 or 33.9% in the 2011 budget. The estimate for 2010 includes an internal control study that will be completed in 2010.

RFP Leases/Concessions/Feasibility Studies – Increase of \$14,000 or 31.1% for consultants due to real estate development programs associated with the Reliever Airports.

Software/Hardware Consulting Fees – Decrease of \$21,000 or 6.2% from the 2010 estimate. Support for the Enterprise One financial software system has been reduced from 2010 estimates due to additional FTE positions approved in 2010. However, the maintenance fees increased as a result of the Airport Noise and Operations Monitoring System (ANOMS) upgrade along with the maintenance support for the multilateration flight tracking system in Environment-Aviation Noise.

Engineering Fees – Projected to increase \$27,005 or 5.5% over 2010 estimate and can be attributed to storm water benchmark monitoring and reporting.

Legal Fees – Projected to increase \$400,000 or 80.0% from the 2010 estimate based upon 3-year averages. The estimate for 2010 indicates exceptionally lower legal fees than the budget anticipated.

Legislative Fees – Increase of \$15,000 or 6.6% for anticipated work both federally and locally during the 2011 Legislative Session.

Planning – MSP & Relievers – A decrease of \$10,000 or 5.6% between estimate 2010 and budget 2011 is anticipated for the Long Term Comprehensive Plan (LTCP) with the major elements in the 2011 budget focusing on the development of MSP's terminals, parking and auto rental complexes at Terminal 1 (Lindbergh) and Terminal 2 (Humphrey) as well as associated roadway improvements.

Recruiting & Employment Fees and Other Human Resources – \$123,000 increase in employment and recruiting fees as lower employee turnover in 2010 reflects less expense. In addition, Executive Recruiting includes an increase of \$75,000 in anticipation of turnover in senior positions. Affirmative Action fees also increased \$13,000 over the estimate.

Mechanical Fees – Increase of \$10,154 or 5.1% due to information input and closeouts to work orders in the new E1 Work Order system along with inspection of roof, asbestos, trams, elevator/escalator and moving walks.

Wildlife/Meteorology Fees – Increase \$11,659 or 8.3% as a result of contract increases for meteorology and the USDA Wildlife services.

All Other Consulting Fees – Increase of \$123,290 or 18.9% as a result of the following:

- \$7,048 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
- \$6,500 increase Risk Management for Health Care Reform consultants
- \$10,450 increase in Labor Relations as all 12 labor agreements expire
- \$6,902 increase in Police for renewal of professional canine trainer contract, health care services including checkups, vaccinations and boarding for 6 Explosive Ordinance Disposal (EOD) canines and 2 narcotics canines. TSA will reimburse MAC \$50,000 per EOD canine per year for a total of \$300,000 in 2011.
- \$73,800 increase in Environment-Aviation Noise to provide professional services necessary for the Performance Based navigation (PBN) procedure development and to provide technical depth in the area of application development and administrations of the network/database as required to maintain the new MACNOMS system.
- \$11,918 increase in Plumbers for consultant fees to review the 34th Avenue water main corrosion protection reports supplied under the Metro Transit Authority lease agreement.
- \$22,000 increase for Reliever Airport property valuation and development consulting services.
- Reductions in various other service centers.

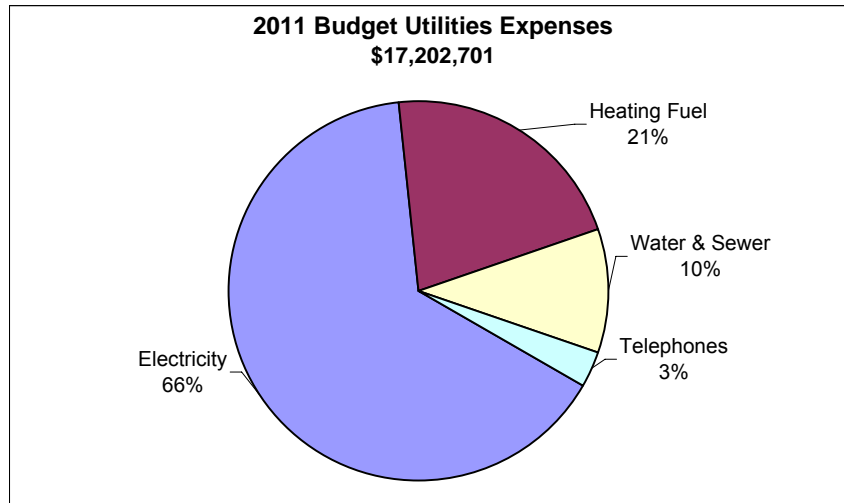


Terminal 2 (Humphrey Terminal)

Utilities

Total Utilities are budgeted to increase \$827,701 or 5.1% over 2010 estimates and are explained as follows:

	2009 Actual	2010 Budget	2010 Estimate	2011 Budget	2010 Estimate vs 2011 Budget Dollar Change	% Change
Utilities						
Electricity	10,094,583	10,359,839	10,400,000	11,194,691	794,691	7.64%
Heating Fuel	4,167,671	4,374,833	3,600,000	3,683,593	83,593	2.32%
Water & Sewer	1,794,320	1,876,558	1,850,000	1,804,305	(45,695)	-2.47%
Telephones	496,355	480,190	525,000	520,112	(4,888)	-0.93%
Total Utilities	16,552,929	17,091,420	16,375,000	17,202,701	827,701	5.05%



Electricity –The increase in electricity of \$794,691 or 7.6% is based upon the forecast provided by the utility company and an outside consultant. The 2011 budget includes a significant charge for the fuel clause adjustment and a projected rate increase.

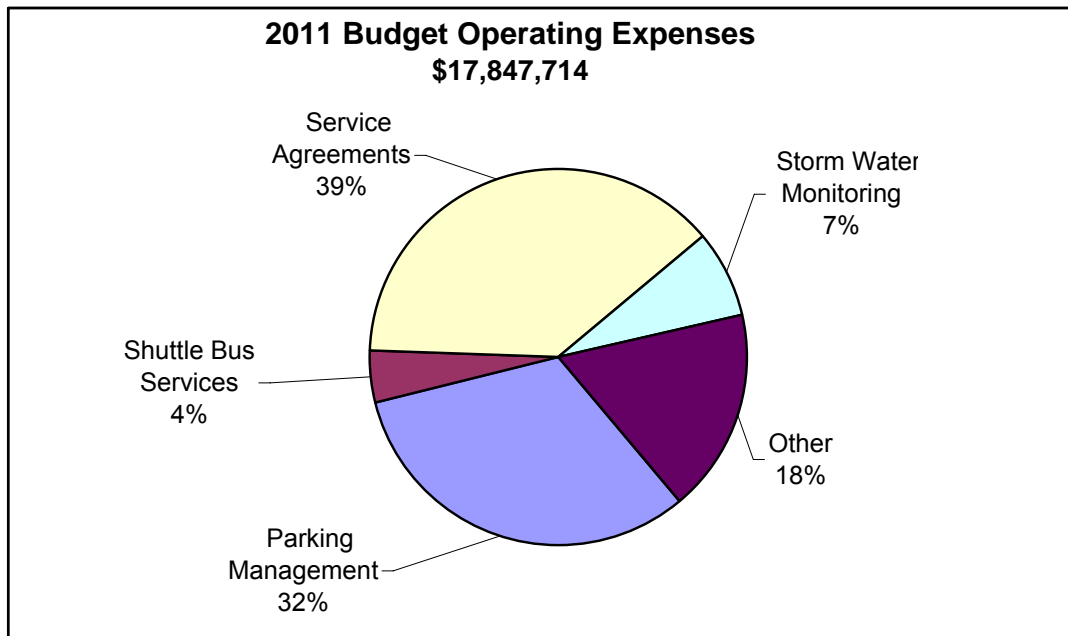
Heating Fuel – The budget increased \$83,593 or 2.3% for natural gas and jet fuel. Jet fuel is the alternative source of energy used when Centerpoint Energy requests the Commission to move from natural gas when demand is high. In return, MAC receives a slightly discounted rate for natural gas. The budget includes a normal year for jet fuel as 2010 experienced lower usage. In addition, 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 \$45,695 over 2010 estimates or 2.5% 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 and lower consumption.

Operating Services

Operating Service expenses are increasing \$722,714 or 4.2%. The following chart lists the major components in this category.

					2010 Estimate vs 2011 Budget	
	<u>2009 Actual</u>	<u>2010 Budget</u>	<u>2010 Estimate</u>	<u>2011 Budget</u>	<u>Dollar Change</u>	<u>% Change</u>
Operating Services/Expenses						
Parking Management	5,316,949	5,771,507	5,650,000	5,765,939	115,939	2.05%
Shuttle Bus Services	847,333	725,000	700,000	780,947	80,947	11.56%
Service Agreements	5,632,294	6,173,655	6,500,000	6,857,402	357,402	5.50%
Storm Water Monitoring	1,534,301	1,250,000	1,325,000	1,300,000	(25,000)	-1.89%
Other	<u>2,712,207</u>	<u>3,034,526</u>	<u>2,950,000</u>	<u>3,143,426</u>	<u>193,426</u>	6.56%
Total Operating Services/Expenses	<u>16,043,084</u>	<u>16,954,688</u>	<u>17,125,000</u>	<u>17,847,714</u>	<u>722,714</u>	4.22%



Parking Management – The increase of 2.1% or \$115,939 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 increase of \$80,947 or 11.6% is related to shuttle services provided as a result of the frequencies of the LRT (Light Rail Transit) and maintenance expense. This includes the LRT providing service 365 days a year between Terminal 1 and Terminal 2 every 10 minutes per day. In addition, between terminals, a handicapped shuttle operates 365 days per year with service every 20 minutes (no service at night).

Service Agreements – Service Agreements have increased by \$357,402 or 5.5%. This is a result of the following:

- Service – Ground Transportation Equipment - Maintenance contract fees increased \$15,171 for MAC Automatic Vehicle Identification System (MAVIS), which operates employee parking, eParkElite, commercial vehicle and taxi revenue and access control.
- Service – Computers increased \$271,660 for the following:
 - Information Services increased \$19,955 primarily for on site support of MUFIDS (Multiple Users Flight Information Display) and Airline Interface Maintenance cost for Humphrey Terminal; support contract for Landside and cost of domain names such as surepark.org net, ePark.org and Relievers along with additional expenses related to support for protection on all installations, warranties and other miscellaneous costs.
 - Airside Operations increased \$39,135 due to airfield logging and inspection system to provide 7x24 support and software upgrades as required under 14 CFR Part 139 and Learning Management System (LMS) support along with maintenance that provides service and support to the MSP drivers testing system (cost shared with Police).
 - Emergency Communications increased \$105,868 as a result of Computer Aided Dispatch (CAD) mobile support for 24x7 coverage and maintenance contract for the new Tritech CAD system; maintenance support for the CAD/Allina ambulance service interface effective July 2011; and maintenance for radio and voice recording systems that will be no longer under warranty in March of 2011.
 - Police increased \$28,480 due to the maintenance contract for new LMS (see above Airside Operations).
 - Facilities-Lindbergh Terminal increased \$30,000 for contract support for the facilities monitoring systems and continuation of the variable message signs.
 - Environment-Aviation Noise increased \$22,500 due to service for remote noise monitoring towers including equipment calibrations certifications, scheduled maintenance and replacement parts.
- Service – Loading Dock increased \$46,732 or 2.1% as per the contract.
- Service – Other Equipment increased \$150,191. Information Systems increased for Terminal 2 common use support and MUFIDS phase 2 costs for Terminals 1 and 2.
- Reductions occurred in various other service centers (Service-Parking Equipment \$50,451, Service -Telephone \$12,340 and Service-Radios \$15,769)

Storm Water Monitoring – This area is budgeted based on the historical average. This results in the 2011 budget indicating a \$25,000 decrease.

Other – The budget includes an increase of \$193,426 or 6.6% due to the following:

- Metropolitan Council Fees increased \$20,000 based on historical averages.
- Increase in advertising of \$128,385 primarily related to the incentives/marketing match for Delta Airlines year-round service to Paris.
- Increase of \$55,947 for Shuttle Services (disability shuttle and light rail) between the two terminals
- Reduction in MAC General for one time only expenses in 2010 (\$45,691 for the removal of fire foam due to chemicals no longer meeting legal requirements).

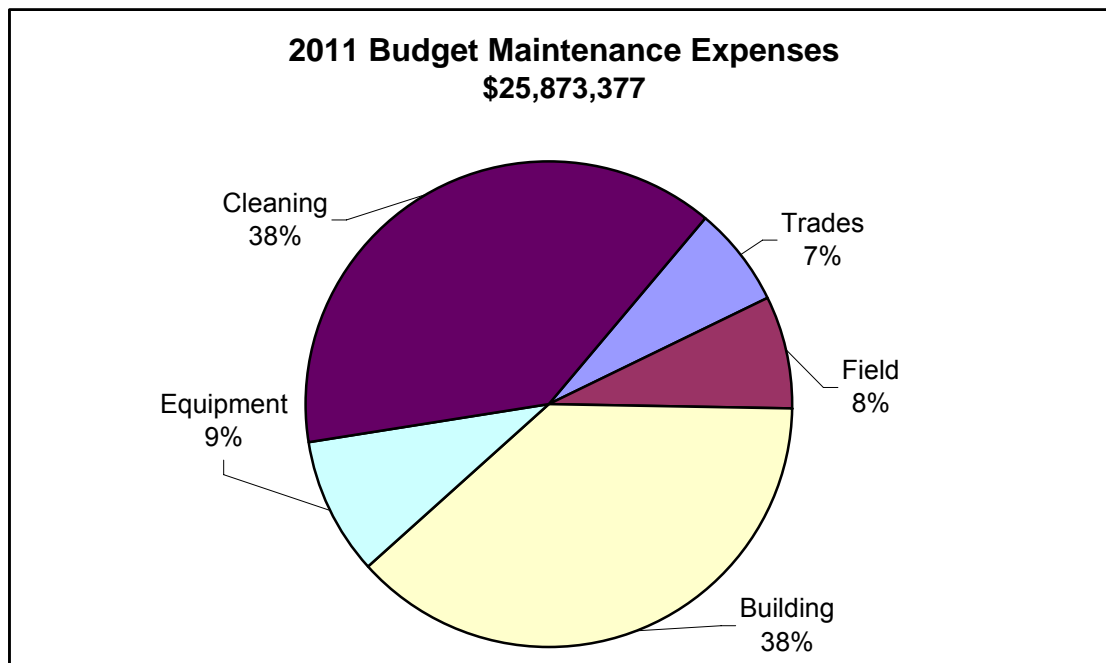


C Concourse Moving Walks –Terminal 1 (Lindbergh Terminal)

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 decrease 1.3% or \$351,623 over 2010 estimates.

					2010 Estimate vs 2011 Budget	
	<u>2009 Actual</u>	<u>2010 Budget</u>	<u>2010 Estimate</u>	<u>2011 Budget</u>	<u>Dollar Change</u>	<u>% Change</u>
Maintenance						
Trades	1,512,258	1,564,796	1,600,000	1,702,841	102,841	6.43%
Field	2,157,978	2,322,307	2,800,000	1,983,985	(816,015)	-29.14%
Building	7,903,861	8,931,646	8,975,000	9,850,675	875,675	9.76%
Equipment	2,250,737	2,487,805	2,400,000	2,310,452	(89,548)	-3.73%
Cleaning	<u>9,893,350</u>	<u>10,272,883</u>	<u>10,450,000</u>	<u>10,025,424</u>	<u>(424,576)</u>	<u>-4.06%</u>
Total Maintenance	<u>23,718,184</u>	<u>25,579,437</u>	<u>26,225,000</u>	<u>25,873,377</u>	<u>(351,623)</u>	<u>-1.34%</u>



Trades – An increase in Trades of \$102,841 or 6.43% is related to Electricians increase \$23,956 for T-2 (Humphrey) lighting costs related to the Orange and Purple parking ramps; Carpenters increase \$21,064 for Terminal 2 locks, padlocks, cipher replacements etc.; and Plumbers increase \$61,751 for Fire Protection expenses, additional products for maintaining drainage systems (APM tunnel and LRT platform) and lift station maintenance supplies.

Field – As stated above, Field costs include Snow Removal, Summer Maintenance and Landscaping. Snow removal costs make up 83% of this \$2.0 million budget. The decrease in this area of \$816,015 or 26.5% relates to snow removal costs associated with an average winter. The weather in the first quarter of 2010 was milder than normal. However, the 4th quarter had more snow and ice events requiring inventories to be replenished.

Building – Building expenses are forecast to increase \$875,675 or 9.8% due to the following:

- \$579,450 increase is related to contracted Mechanical areas, primarily the Automated People Mover (APM), Moving Walks, Elevator and Escalator expenses.
 - \$100,000 increase is related to the maintenance systems associated with MAC owned buildings (MAC assumed possession in 2010) such as the FAA building
 - \$85,000 increase related to a new service company and contract for the Humphrey Terminal jet bridge maintenance and repairs.
 - \$9,000 increase for the Honeywell fire alarm service contract
 - \$85,080 for more in-house preventative maintenance and repairs replacement throughout the airport campus including CO, NO2 alarms and service, electric motors and VFD's (Variable Frequency Drive).
- \$19,573 increase related to the sump/septic pumping for lift station maintenance, pumping and cleaning of flammable waste interceptors for the reliever airports. In addition, the purchase of a pump to be used in case of an emergency fuel spill to bypass MSP Ponds 1 or 2, (current pump is unreliable, procurement of this spare pump would minimize the environmental impacts) is included in the budget.

Equipment – This area is budgeted to decrease \$89,548 or 3.7% with the majority related to reduction in Field Maintenance for equipment parts.

Cleaning – Cleaning is projected to decrease 4.1% or \$424,576 as a result of a re-bid in contract cleaning.



High Speed Plow in Operation at MSP Int'l Airport

Other

The Other expense category is projected to increase \$250,803 or 8.7%. This category includes General Insurance, Minor Assets (those costing less than \$10,000) and miscellaneous items.

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

					2010 Estimate vs 2011 Budget	
	<u>2009 Actual</u>	<u>2010 Budget</u>	<u>2010 Estimate</u>	<u>2011 Budget</u>	<u>Dollar Change</u>	<u>% Change</u>
Other						
General Insurance	1,652,476	2,058,609	2,100,000	1,948,328	(151,672)	-7.22%
Minor Equipment	279,485	388,833	275,000	723,641	448,641	163.14%
Other	<u>575,278</u>	<u>488,034</u>	<u>500,000</u>	<u>453,834</u>	<u>(46,166)</u>	-9.23%
Total Other	<u>2,507,239</u>	<u>2,935,476</u>	<u>2,875,000</u>	<u>3,125,803</u>	<u>250,803</u>	8.72%

General Insurance – General Insurance has decreased \$151,672 or 7.2%. 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 \$10,000) has increased \$448,641 or 163.1%. Minor equipment items in the 2011 budget must be under \$10,000, a change from \$5,000 in prior years.

- Minor Assets-Tools increased \$70,991 for the following:
 - Trades-Electricians – Infrared Gun; Wide span scaffold tower platform to facilitate the high work in Terminal 1; and electrical wire locator needed to safely locate electrical wires.
 - Trades-Painters – Paint shaker replacement and line lasers.
 - Trades-Carpenters – Battery charger.
 - Trades-Plumbers – Cushman cart for safety concerns; grinder cartridge to grind waste disposed from aircraft arrivals to MSP.
 - Maintenance – routine replacement of power tools (chain saws, small snow blowers, etc.).
- Minor Assets-Office Furniture increased \$10,585 for the following:
 - HRD & Strategic Planning – tables for use in HR learning lab and assessment center.
 - Trades-Administration – replacement for ergonomic desk and chairs.
 - Various service centers – replacement of office furniture for worn pieces and office furniture for new FTEs.

- Minor Assets-Computers increased \$358,187 related to the following:
 - \$162,730 increase approved upgrade to the Landside revenue Control System, which operates MAC's parking facilities and requires significant upgrades to hardware and software to meet the new system's requirements.
 - \$102,977 increase for replacement of secured area access control system network switches at end of life. These switches form the network by which the access control system handles door access and alarm recognition.
 - Replacement of outdated and obsolete laptops, desktops, printers, etc. which are not capable of running the newer software successfully.
- Minor Assets-Other - increased \$12,200 over the 2010 estimate. Replacement of protective gear for firefighting and rescue activities increased \$30,000 while reductions are occurring in various service centers.

Other - Other expenses are decreasing by \$46,166 or 9.2% due to one time only occurring expenses in 2010.

Gross Depreciation and Noise Amortization (for Generally Accepted Accounting Principles - GAAP)

Depreciation is not a factor in the calculation of Rates and Charges and has no affect on the budget. For GAAP purposes only, depreciation is noted as follows:

Depreciation						
	2009 Actual	2010 Budget	2010 Estimate	2011 Budget	Dollar Variance	% Variance
Depreciation	\$ 122,342,067	\$ 115,278,000	\$ 109,417,929	\$ 109,330,794	(87,135)	-0.08%
Noise Amortization	718,056	7,722,000	13,582,071	11,669,206	(1,912,865)	-16.39%
Total Depreciation & Noise Amortization	\$ 123,060,123	\$ 123,000,000	\$ 123,000,000	\$ 121,000,000	\$ (2,000,000)	

Gross Depreciation

Gross Depreciation is projected to decrease \$87,135 or 0.08% from the 2010 estimates. 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 2010 but not yet purchased or constructed. (These items are reviewed and a status determined, i.e., 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 2010 and 2011:

Major Projects Scheduled for Closing 2010/2011	
2010/2011	
<u>Close</u>	
2010 2009 C-D Complex Phase 6	\$ 120,000
2010 CCTV Program - Level 3 Upgrade	103,000
2010 MUFIDS Phase 2	456,667
2010 Lindbergh Terminal Carpet Selection and Installation	327,500
2010 HHH Skyway Expansion	486,666
2010 Parking Structure Rehabilitation	125,000
2010 Flying Cloud Airport: Runway 10R/28L Extension:EIS/ALP	175,000
2010 Flying Cloud Airport: Runway 10R/28L Extension-Phase 2 Grading/Paving/Lighting	410,000
2010 Flying Cloud Airport: South Building Area/Taxilanes-Phase 2	165,000
2010 LT Sprinkle System-Concourse C & D	238,889
2010 2008/2009 Part 150 Noise Sound Insulation Programs	1,729,333
	<u>\$ 4,337,055</u>



Terminal 2 (Hubert H. Humphrey Terminal) Facility

Noise Amortization

Noise Amortization expenses are related to the Noise Abatement settlement program involving soundproofing homes and multi-family dwellings in the local community with close proximity to the airport. A decrease for noise amortization projected to be \$1,912,865 from 2010 estimates. This is due to assets becoming fully amortized in 2010-2011.

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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
Personnel									
Wages									
Regular	40,074,267	731,873	-	1,139,576	-	-	-	1,431,728	-
Overtime/Doubletime									
Doubletime - Regular	1,291,563	-	-	53,630	-	-	-	-	-
Overtime - Regular	1,822,715	5,627	-	26,313	-	-	-	47,864	-
Total Overtime/Doubletime	3,114,279	5,627	-	79,943	-	-	-	47,864	-
Commissioner PerDiem	15,000	-	-	-	-	-	-	-	-
Temps - Agency	66,862	-	-	-	-	-	-	-	-
Temps - Non Agency	1,894,206	-	-	-	-	132,845	-	147,846	-
Total Wages	45,164,614	737,500	-	1,219,519	-	132,845	-	1,627,438	-
Benefits									
Employee Insurance									
Employee Insurance Dental	443,797	10,252	-	13,891	-	-	-	17,530	-
Emply Insurance Disability	136,564	3,325	-	4,982	-	-	-	6,135	-
Employee Insurance Life	82,710	1,311	-	2,108	-	-	-	2,649	-
Employee Insurance Medical	4,628,458	105,993	-	143,618	-	40,000	-	181,244	-
Employee Insurance Retiree	2,500,000	57,750	-	78,250	-	-	-	98,750	-
Total Employee Insurance	7,791,529	178,631	-	242,849	-	40,000	-	306,308	-
Pension									
Fica (Social Security)Base	2,102,691	43,060	-	72,191	-	8,236	-	96,063	-
Fica(Social Security)Medic	636,888	10,200	-	17,073	-	-	-	22,429	-
Mpls Empl Retirement Fund	52,534	-	-	-	-	-	-	-	-
Public Empl - Coordinated	2,414,054	53,041	-	88,215	-	-	-	116,975	-
Public Empl - Police/Fire	1,474,212	-	-	-	-	-	-	-	-
Merf Unfunded Liability	1,700,000	77,273	-	33,117	-	-	-	11,039	-
Total Pension	8,380,380	183,574	-	210,595	-	8,236	-	246,505	-
Training									
Continuing Ed (College)	41,128	-	-	-	-	-	-	-	-
Executive Leadership Train	20,000	-	-	-	-	-	-	-	-
Management Requirement	12,783	-	-	-	-	-	-	-	-
Organizational Requirement	35,117	-	-	-	-	-	-	-	-
Regulatory Requirements	62,719	-	-	-	-	-	-	-	-
Local Seminars	76,222	-	-	159	-	-	-	3,000	-
Total Training	247,969	-	-	159	-	-	-	3,000	-
Post Retirement Benefits	2,000,000	27,200	-	52,200	-	-	-	54,400	-
Workers Compensation	537,090	12,836	-	15,630	-	-	-	26,640	-
Post Empl Health Plan	236,132	3,977	-	1,247	-	-	-	9,004	-
Flex Spending	17,608	-	-	-	-	17,608	-	-	-
Unemployment Tax	83,000	-	-	-	-	-	-	-	-
Uniforms									
Uniforms-Police/Fire Allow	141,790	-	-	-	-	-	-	-	-
Uniforms-Rental	91,550	700	-	3,763	-	-	-	4,180	-
Uniforms - Safety	25,195	300	-	1,291	-	-	-	-	-
Total Uniforms	258,535	1,000	-	5,054	-	-	-	4,180	-
Severance									
Contract Allowance	31,000	-	-	-	-	-	-	-	-
Regular Severance	44,751	605	-	1,149	-	-	-	1,424	-
Total Severance	75,751	605	-	1,149	-	-	-	1,424	-
Trade Union Benefits	629,918	-	-	-	-	-	-	-	-
Total Benefits	20,257,912	407,823	-	528,883	-	65,844	-	651,461	-
Total Personnel	65,422,526	1,145,324	-	1,748,402	-	198,689	-	2,278,899	-

	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
Administrative Expenses									
Supplies									
Office Supplies Materials	140,748	2,435	-	1,653	-	4,200	-	13,553	-
Computer Supplies									
Computer Supplies-General	23,530	127	-	1,106	-	-	-	-	-
Computer Supplies-Software	119,140	-	-	-	-	-	-	-	-
Total Computer Supplies	142,670	127	-	1,106	-	-	-	-	-
Special Supplies									
Special Supplies-Badging	177,607	-	-	-	-	-	-	-	-
Special Supply-Film/Photo	12,591	-	-	-	-	-	-	-	-
Special Supplies-Other	40,264	-	-	1,444	-	500	-	392	-
Total Special Supplies	230,462	-	-	1,444	-	500	-	392	-
Total Supplies	513,880	2,562	-	4,203	-	4,700	-	13,945	-
Travel									
Travel - Lodging	57,149	800	-	-	-	5,960	-	-	-
Travel - Meals	15,008	120	-	-	-	1,020	-	1,400	-
Travel - Miscellaneous	4,321	-	-	-	-	-	-	-	-
Travel - Transportation									
Travel - Transport/Airfare	68,578	295	-	-	-	4,194	-	4,500	-
Travel - Shuttle/Taxi/Auto	6,479	-	-	-	-	-	-	500	-
Total Travel - Transportation	75,056	295	-	-	-	4,194	-	5,000	-
Registration Fees	51,002	45	-	-	-	4,200	-	5,000	-
Mileage	46,788	235	-	-	-	-	-	-	-
Total Travel	249,325	1,495	-	-	-	15,374	-	11,400	-
Other Administrative Expense									
Local Meetings									
Local Mtgs - Off Airport	16,473	250	-	-	-	-	-	200	-
Local Mtgs - On Airport/GO	19,571	250	-	-	-	200	-	-	-
Total Local Meetings	36,044	500	-	-	-	200	-	200	-
Information Sources									
Memberships/Dues/Pro Assoc	243,513	435	-	-	-	225	-	1,737	-
Other Information Sources	90,259	-	-	4,093	-	-	-	-	-
Publications/Subscriptions	31,247	100	-	-	-	295	-	-	-
Total Information Sources	365,019	535	-	4,093	-	520	-	1,737	-
Printing Costs									
Printing-Publications	58,712	-	-	-	-	-	-	-	-
Printing - Color Charts	1,500	-	-	-	-	-	-	-	-
Printing - Forms	37,059	-	-	-	-	-	-	27,591	-
Printing-Stationary/Envel	12,615	-	-	-	-	2,180	-	-	-
Total Printing Costs	109,886	-	-	-	-	2,180	-	27,591	-
Delivery Services	9,313	-	-	164	-	20	-	-	-
Freight Charges	1,800	-	-	-	-	-	-	-	-
Postage	41,250	-	-	-	-	-	-	6,000	-
Total Other Administrative Expense	563,311	1,035	-	4,257	-	2,920	-	35,528	-
Total Administrative Expenses	1,326,516	5,092	-	8,460	-	22,994	-	60,873	-

Operating Budget Expense

	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
Professional Services									
Accounting/Audit Fees	215,000	-	-	-	-	-	-	-	-
Affirmative Action Fees	13,000	-	-	-	-	-	-	-	-
RFP/Leases	19,000	-	-	-	-	-	-	-	-
Concept Develop/Feasible	40,000	-	-	-	-	-	-	-	-
Computer Services									
General									
ANOMS Consulting	103,500	-	-	-	-	-	-	-	-
Software Consulting	217,000	-	-	-	-	-	-	-	-
Total General	320,500	-	-	-	-	-	-	-	-
Total Computer Services	320,500	-	-	-	-	-	-	-	-
Engineering Fees	517,005	25,000	-	42,505	-	292,000	-	-	-
Graphic Design	21,400	-	-	-	-	-	-	-	-
Insurance Consultants	135,000	-	-	-	-	-	-	-	-
Labor Relations	10,450	-	-	-	-	-	-	-	-
Legal Fees									
Legal - Environmental	120,000	-	-	-	-	-	-	-	-
Legal - General	705,000	-	-	-	-	-	-	-	-
Legal - Relievers	75,000	-	-	-	-	-	-	-	-
Total Legal Fees	900,000	-	-	-	-	-	-	-	-
Legislative									
Legislative - Local	90,000	-	-	-	-	-	-	-	-
Legislative - National	153,000	-	-	-	-	-	-	-	-
Total Legislative	243,000	-	-	-	-	-	-	-	-
Medical Fees	47,000	-	-	-	-	-	-	-	-
Planning	170,000	-	-	-	-	145,000	-	-	-
Pollution/Environmental Fees	6,180	-	-	-	-	4,080	-	-	-
Public Information Services									
Public Infor Serv. - Pho	15,000	-	-	-	-	-	-	-	-
Public Infor Serv. - Other	190,000	-	-	-	-	-	-	-	-
Total Public Information Services	205,000	-	-	-	-	-	-	-	-
Recruiting Employment Fees									
Executive Recruiting	75,000	-	-	-	-	-	-	-	-
Total Recruiting Employment Fees	113,000	-	-	-	-	-	-	-	-
Safety Consultants									
Safety - Training	26,898	-	-	-	-	-	-	-	-
Safety - General	3,500	-	-	-	-	-	-	-	-
Total Safety Consultants	30,398	-	-	-	-	-	-	-	-
Communications Consultant	80,000	-	-	-	-	-	-	-	-
Other/Miscellaneous									
Wildlife/Meteorology									
Meteorology	16,659	-	-	-	-	-	-	-	-
Wildlife	135,000	-	-	-	-	-	-	-	-
Total Wildlife/Meteorology	151,659	-	-	-	-	-	-	-	-
Business Development	130,000	-	-	-	-	-	-	-	-
Environmental	30,712	-	-	-	-	4,974	-	-	-
Mechanical									
Mechanical Terminal	169,987	140,990	-	-	-	-	-	-	-
Mechanical Trades	38,167	-	-	-	-	-	-	-	-
Total Mechanical	208,154	140,990	-	-	-	-	-	-	-
Miscellaneous	321,649	-	-	-	-	4,400	-	10,000	-
Total Other/Miscellaneous	842,175	140,990	-	-	-	9,374	-	10,000	-
Total Professional Services	3,928,108	165,990	-	42,505	-	450,454	-	10,000	-
Utilities									
Electricity	11,194,691	6,737,379	-	-	-	711,797	-	669,069	385,697
Heating Fuel									
Heating - Natural Gas	3,578,593	247,138	-	2,360,793	-	60,140	12,833	24,015	-
Heating - Fuel Oil	105,000	-	-	105,000	-	-	-	-	-
Total Heating Fuel	3,683,593	247,138	-	2,465,793	-	60,140	12,833	24,015	-
Sewer	882,505	295,000	-	65,000	-	24,000	-	-	5,500
Water	921,800	315,000	-	72,100	-	20,000	-	17,000	10,200
Telephone									
Telephone - Regular	272,937	1,810	-	-	-	1,870	-	-	-
Telephone - Internet Service	91,088	-	-	-	-	-	-	-	-
Telephone - Cellular	156,087	4,020	-	4,190	-	7,800	-	7,230	-
Total Telephone	520,112	5,830	-	4,190	-	9,670	-	7,230	-
Total Utilities	17,202,701	7,600,347	-	2,607,083	-	825,607	12,833	717,314	401,397

	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
Operating Services/Expenses									
Advertising									
Advertising - Employment	7,000	-	-	-	-	-	-	-	-
Advertising - General	178,300	-	-	-	-	-	-	-	-
Advertising - Parking	350,000	-	-	-	-	-	-	-	350,000
Advertising - Relievers	6,000	-	-	-	-	-	-	-	-
Total Advertising	541,300	-	-	-	-	-	-	-	350,000
Environmental Control									
Hazardous Waste									
Hazardous Waste - FLOuresc	10,000	-	-	-	-	-	-	-	-
Hazardous Waste - General	4,200	-	-	-	-	-	-	-	-
Total Hazardous Waste	14,200	-	-	-	-	-	-	-	-
Pollution Control									
Pollution Ctrl-Booms	15,000	-	-	-	-	-	-	-	-
Pollution Ctrl-Corn Cobs	5,983	-	-	-	-	-	-	-	-
Total Pollution Control	20,983	-	-	-	-	-	-	-	-
Industrial Waste Mgmt	6,250	1,250	-	-	-	5,000	-	-	-
Laboratory Services	2,500	-	-	-	-	-	-	-	-
Solvent Reclamation Service	15,015	-	-	620	-	-	-	-	-
Tire Disposal	665	-	-	-	-	-	-	-	-
Other	130,500	-	-	-	-	2,000	-	-	-
Total Environmental Control	190,113	1,250	-	620	-	7,000	-	-	-
GISW Management	1,300,000	-	-	-	-	1,300,000	-	-	-
Grd Transportation Services	16,473	-	-	-	-	-	-	16,473	-
Shuttle Services	780,947	320,188	-	-	-	-	-	304,569	-
Parking Lots	5,765,939	-	-	-	-	-	-	-	5,765,939
Met Council Fees	180,000	-	-	-	-	180,000	-	-	-
Employee Programs									
Recognition	3,456	-	-	-	-	-	-	-	-
Retirement	1,550	-	-	-	-	-	-	-	-
Wellness									
Wellness - Fitness Program	118,789	-	-	-	-	-	-	-	-
Wellness-Health/Wellness	500	-	-	-	-	-	-	-	-
Wellness-Nutrition/Stress	7,181	-	-	-	-	-	-	-	-
Total Wellness	126,470	-	-	-	-	-	-	-	-
Total Employee Programs	131,476	-	-	-	-	-	-	-	-
Events									
Conference Center									
Conference Ctr Catering	27,000	-	-	-	-	-	-	-	-
Conference Ctr Rentals	300	-	-	-	-	-	-	-	-
Total Conference Center	27,300	-	-	-	-	-	-	-	-
Emergency Response Exercise	12,293	-	-	-	-	1,340	-	-	-
Other Programs/Events	11,115	-	-	-	-	-	-	-	-
Call Back Service	6,800	-	-	-	-	6,800	-	-	-
Total Events	57,508	-	-	-	-	8,140	-	-	-
Other Charges/Fees									
Bank Charges	447,078	-	-	-	-	750	-	-	248,328
IATA Contract Expense	50,000	-	-	-	-	-	-	-	-
Security Services Regular	495,250	-	-	-	-	-	-	-	-
Security Services Check Pt	302,313	-	-	-	-	302,313	-	-	-
Concessions Marketing	541,900	6,000	-	-	-	-	-	-	-
Recycling	500	-	-	-	-	-	-	-	-
Recycling - Sand	5,000	-	-	-	-	5,000	-	-	-
Copy Agreement	130,000	-	-	-	-	-	-	-	-
Mediation Fees	2,200	-	-	-	-	-	-	-	-
Miscellaneous Charges/Fees	36,994	-	-	-	-	-	-	1,485	1,260
Jail Fees	15,321	-	-	-	-	-	-	-	-
Total Other Charges/Fees	2,026,556	6,000	-	-	-	308,063	-	1,485	249,588
Service Agreements									
Service - Bldg Inspection	16,000	16,000	-	-	-	-	-	-	-
Service-Computers	1,719,229	313,880	-	-	-	86,335	-	-	179,264
Service-Fitness Equipment	800	-	-	-	-	-	-	-	-
Service-Grd Trans Equip	200,004	-	-	-	-	-	-	200,004	-
Service-Loading Dock	2,299,984	2,230,984	-	-	-	-	-	-	-
Service-Office Equipment	39,729	-	-	-	-	622	-	-	-
Service-Other Equipment	1,428,374	299,256	300,000	-	-	700	-	-	-
Service-Parking Equipment	680,549	-	-	-	-	-	-	-	680,549
Service-Telephone Systems	53,349	2,660	-	-	-	10,000	-	-	-
Service-Secured Access	198,552	-	-	-	-	198,552	-	-	-
Service-Radios	220,831	-	-	-	-	45,777	-	-	-
Total Service Agreements	6,857,402	2,862,780	300,000	-	-	341,986	-	200,004	859,813
Total Operating Services/Expenses	17,847,714	3,190,218	300,000	620	-	2,145,189	-	522,532	7,225,340

	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
Maintenance									
Trades - Painters									
Paint									
Equipment - Paint	13,036	-	-	-	-	-	-	-	-
Exterior - Paint	11,812	1,659	-	834	-	-	-	-	268
Interior - Paint	18,834	12,909	-	834	-	-	-	-	-
Traffic Paint - Parking	9,394	-	-	-	-	-	-	-	9,394
Reliever Airport - Paint	4,500	-	-	-	-	-	-	-	-
Traffic Paint - Runways	106,500	-	-	-	-	106,500	-	-	-
Total Paint	164,076	14,568	-	1,668	-	106,500	-	-	9,662
Signs									
Regulatory - Signs	1,995	-	-	-	-	-	-	-	-
Exterior Sign Materials	4,957	-	-	-	-	-	-	-	-
Interior Sign Materials	7,239	1,929	-	-	-	-	-	-	-
Reliever Airport Signs	4,500	-	-	-	-	-	-	-	-
Total Signs	18,691	1,929	-	-	-	-	-	-	-
Supplies									
Brushes_Supplies	265	-	-	-	-	-	-	-	-
Paint Supplies - Other	3,593	-	-	-	-	-	-	-	-
Solvents	1,500	-	-	-	-	-	-	-	-
Equipment Spray	5,654	-	-	-	-	-	-	-	-
Paint Tools	8,800	-	-	-	-	-	-	-	-
Total Supplies	19,812	-	-	-	-	-	-	-	-
Total Trades - Painters	202,579	16,497	-	1,668	-	106,500	-	-	9,662
Trades - Carpenters									
Locks									
Locks - Doors	112,044	71,638	-	-	-	-	-	-	-
Locks - Door Tags/ID	719	719	-	-	-	-	-	-	-
Total Locks	112,763	72,357	-	-	-	-	-	-	-
Flags	620	-	-	-	-	-	-	-	-
Lumber									
Lumber-Cabinets	18,716	18,716	-	-	-	-	-	-	-
Lumber-Furniture	4,362	3,551	-	-	-	-	-	-	-
Lumber-Remodeling	3,000	-	-	-	-	-	-	-	-
Total Lumber	26,078	22,267	-	-	-	-	-	-	-
Other									
Other - Attic Stock	5,000	5,000	-	-	-	-	-	-	-
Other - Ceilings	3,900	1,300	-	-	-	-	-	-	-
Other - Ceramics	3,082	2,082	-	-	-	-	-	-	-
Other - Doors	13,865	7,700	-	-	-	-	-	-	-
Other - Floor Coverings	71,289	48,829	-	-	-	-	-	-	-
Other - Hardware	5,542	1,000	-	-	-	-	-	-	-
Other - Miscellaneous	3,354	-	-	-	-	-	-	-	-
Other - Auto Door Supplis RPL	6,500	4,500	-	-	-	-	-	-	-
Other - Saw Blades	340	340	-	-	-	-	-	-	-
Other - Screws/Bolts	9,224	-	-	-	-	-	-	-	-
Other - Seating Replacement	16,500	15,000	-	-	-	-	-	-	-
Other - Tools	1,940	1,440	-	-	-	-	-	-	-
Other - Tug Door Repairs	4,578	3,051	-	-	-	-	-	-	-
Other - Wall Protection	3,200	-	-	-	-	-	-	-	-
Total Other	148,314	90,242	-	-	-	-	-	-	-
Total Trades - Carpenters	287,775	184,866	-	-	-	-	-	-	-

	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
Trades - Plumbers									
Contractor Requirements	3,000	-	-	-	-	-	-	-	-
Fire Protection System	107,145	22,436	-	1,920	-	6,144	-	-	-
General Plumbing Supplies	65,444	27,690	-	867	-	-	-	-	-
Irrigation Supplies	6,231	28	-	-	-	-	-	2,669	-
Pumps	6,925	2,917	-	-	-	3,500	-	-	-
Underground Utilities	2,684	2,684	-	-	-	-	-	-	-
Water Distribution Systems	16,384	6,491	-	-	-	-	-	-	-
Water Meters	12,741	-	-	-	-	5,845	-	-	-
Total Trades - Plumbers	220,554	62,246	-	2,787	-	15,489	-	2,669	-
Trades - Electricians									
Repairs									
Electrical _ Exterior	19,236	-	-	-	-	1,824	-	-	-
Generator Maint. Contract	34,844	33,467	-	-	-	-	-	-	-
Electrical - Interior	6,500	6,500	-	-	-	-	-	-	-
Unit Maint. Contract	300,000	31,581	-	-	-	228,283	-	-	-
Unit Maint Supplies	20,593	2,168	-	-	-	15,669	-	-	-
Total Repairs	381,173	73,716	-	-	-	245,776	-	-	-
Other									
Other - Batteries	4,048	-	-	-	-	-	-	-	-
Other-Field Lights/Sensors	167,144	-	-	-	-	167,144	-	-	-
Other - Gate Supplies	19,000	-	-	-	-	9,000	-	-	-
Other - General Supplies	333,144	85,658	-	-	231	564	-	379	145,811
Other - Miscellaneous	57,095	10,530	-	-	-	-	-	-	46,454
Other - Motor	18,960	12,112	-	-	-	-	-	-	3,054
Other - Secured Access Sys	2,600	-	-	-	-	2,600	-	-	-
Other - Tools	8,769	-	-	-	-	-	-	-	-
Total Other	610,760	108,300	-	-	231	179,308	-	379	195,319
Total Trades - Electricians	991,933	182,016	-	-	231	425,084	-	379	195,319

	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
Maintenance - Field									
Snow Removal - Materials									
Materials - Sodium Acetate	20,000	-	-	-	-	20,000	-	-	-
Materials-Liquid Anti Icer	615,000	-	-	-	15,000	600,000	-	-	-
Materials-Other Ice Ctrl	3,350	-	-	-	-	-	-	-	750
Materials - Salt	50,091	-	-	-	-	-	-	20,000	-
Materials - Sand	95,689	-	-	-	-	70,000	-	-	-
Materials - Urea	7,286	-	-	-	-	-	-	-	-
Total Snow Removal - Materials	791,416	-	-	-	15,000	690,000	-	20,000	750
Snow Removal - Equipment									
Equipment - Contract	577,000	-	-	-	-	-	-	-	508,000
Equipment - Other	7,744	-	-	-	-	7,000	-	-	-
Equip Rent-No Operator-5.5	37,150	-	-	-	2,000	30,000	-	-	-
Equipment-Rent-No Operator	8,637	-	-	-	-	3,350	-	-	-
Total Snow Removal - Equipment	630,531	-	-	-	2,000	40,350	-	-	508,000
Snow Removal - Miscellan									
Snow Removal - Meals	41,769	-	-	-	-	41,000	-	-	-
Snow Removal - Plow Blades	21,000	-	-	-	-	20,000	-	-	-
Snow Removal - Runway Brm	100,000	-	-	-	-	58,000	-	-	40,000
Snow Melters	55,000	-	-	-	-	25,000	-	-	15,000
Total Snow Removal - Miscellan	217,769	-	-	-	-	144,000	-	-	55,000
Summer Maintenance-Surface									
Surface Repair-Aggregate	5,439	-	-	-	-	-	-	-	-
Surface Repair-Asphalt	54,639	-	-	-	2,000	30,000	-	10,000	-
Surface Repair-Cement	3,411	-	-	-	1,000	1,200	-	-	-
Surface Repair-Other	2,500	-	-	-	-	2,500	-	-	-
Surface Rubber Removal	47,300	-	-	-	-	40,000	-	-	-
Surface Repair-Saw Blades	2,000	-	-	-	-	2,000	-	-	-
Surface Repair-Hot Sealant	20,000	-	-	-	-	20,000	-	-	-
Total Summer Maintenance-Surfac	135,289	-	-	-	3,000	95,700	-	10,000	-
Summer Maint-Landscape									
Summer Maintenance-Fencing	10,938	-	-	-	-	4,500	-	-	-
Landscape/Turf-Materials	94,107	-	-	-	-	2,000	-	65,000	-
Summer Maint-Equip Rent No Op	45,400	-	-	-	-	15,400	-	10,000	-
Summer Maint-Equip Rent LT	6,700	-	-	-	-	3,350	-	-	-
Total Summer Maint-Landscape	157,145	-	-	-	-	25,250	-	75,000	-
Maintenance Field-Other									
Field Maint-Other-Garbage	8,000	-	-	-	-	-	-	-	-
Non Runway Brooms	25,000	-	-	-	2,000	-	-	23,000	-
Field Maint-Other-Material	3,600	-	-	-	-	1,600	-	-	1,000
Field Maint-Other-Supplies	9,235	-	-	-	-	2,200	-	-	-
Field Maint-Other-Tools	6,000	-	-	-	-	2,000	-	500	-
Total Maintenance Field-Other	51,835	-	-	-	2,000	5,800	-	23,500	1,000
Total Maintenance - Field	1,983,985	-	-	-	22,000	1,001,100	-	128,500	564,750
Maintenance Building									
Building-Temp Control									
Temp Control-Contracts	678,301	309,377	-	133,413	-	5,413	-	13,045	67,659
Temp Control-Filters	153,139	86,772	-	7,181	-	-	-	-	-
Fire Control Contract	307,102	307,102	-	-	-	-	-	-	-
Total Building-Temp Control	1,138,542	703,251	-	140,594	-	5,413	-	13,045	67,659
Building-Mechanical Areas									
Mechanical Areas-APM	5,081,611	3,557,128	-	-	-	-	-	1,270,403	254,080
Mechanical Areas-Conveyors	383,419	249,222	38,342	-	-	-	-	-	-
Mechanical Areas-Doors	11,055	-	-	-	-	-	-	-	-
Mechanical Areas-Doors/Pub	27,500	25,000	-	-	-	-	-	-	-
Mechanical Areas-Doors/Tug	140,000	140,000	-	-	-	-	-	-	-
Mechanical Areas-Elevators	551,279	489,784	-	-	-	-	-	-	-
Mechanical Areas-Escalator	761,885	685,696	-	-	-	-	-	-	-
Mechanical-Moving Walks	870,726	856,214	-	-	-	-	-	-	-
Mechanical Areas-Other	27,600	18,200	-	-	-	-	-	-	-
Total Building-Mechanical Areas	7,855,075	6,021,244	38,342	-	-	-	-	1,270,403	254,080
Building-Other									
Other-Building Systems	102,416	-	-	2,416	-	-	-	-	-
Other-Boiler Chemicals	76,961	-	-	62,963	-	-	-	-	-
Other-Floors/Repairs	2,000	-	-	-	-	-	-	-	-
Other-Jetbridge Repairs	215,000	-	-	-	-	-	-	-	-
Other-Outside Plumb/Sewer	5,683	-	-	-	-	-	-	-	-
Other-Paging System Contract	50,000	50,000	-	-	-	-	-	-	-
Other-Pest Control	215,000	215,000	-	-	-	-	-	-	-
Other-Roofing	15,639	10,000	-	-	-	-	-	-	-
Sump/Septic Pumping	41,802	-	-	-	-	-	-	-	-
Other-Supplies	65,053	1,212	-	5,703	-	-	-	-	-
Other-Tools	6,604	-	-	4,279	-	-	-	-	-
Total Building-Other	796,158	276,212	-	75,361	-	-	-	-	-
Minor Projects Expense	60,900	60,000	-	-	-	-	-	-	-
Total Maintenance Building	9,850,675	7,060,707	38,342	215,955	-	5,413	-	1,283,448	321,739

Operating Budget Expense

	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
Maintenance-Cleaning									
Cleaning Services									
Cleaning Services-Janitor	7,583,572	5,337,284	133,774	-	-	-	-	-	235,117
Cleaning Services-Windows	1,109,720	797,863	15,152	-	-	-	-	-	92,395
Total Cleaning Services	8,693,292	6,135,147	148,926	-	-	-	-	-	327,512
Cleaning Supplies									
Cleaning Supplies-Bathroom	724,000	674,000	-	-	-	-	-	-	-
Cleaning Supplies-General	58,902	55,000	-	-	-	-	-	-	-
Total Cleaning Supplies	782,902	729,000	-	-	-	-	-	-	-
Rubbish Disposal									
Rubbish Disposal-Recycle	22,180	22,180	-	-	-	-	-	-	-
Rubbish Disposal-Regular	516,113	267,800	-	-	-	159,650	1,803	-	-
Total Rubbish Disposal	538,293	289,980	-	-	-	159,650	1,803	-	-
Towel Laundry Services	7,089	-	-	-	-	-	-	-	-
Other Cleaning Expenses	3,848	-	-	-	-	-	-	-	-
Total Maintenance-Cleaning	10,025,424	7,154,127	148,926	-	-	159,650	1,803	-	327,512
Maintenance-Equipment									
Equipment-Parts									
Parts-Automobiles	108,330	-	-	-	-	-	-	-	-
Parts-Boilers Energy Mgmt	151,583	30,796	-	105,976	-	-	-	-	1,083
Parts-Chiller Energy Mgmt	117,315	23,871	-	59,291	-	-	-	1,086	-
Parts-Other Equipment	47,698	47,698	-	-	-	-	-	-	-
Parts-Equipment	666,698	-	-	-	-	-	-	-	203,141
Parts-Other Equipment	36,194	4,221	-	10,458	-	16,000	-	-	-
Total Equipment-Parts	1,127,818	106,586	-	175,725	-	16,000	-	1,086	204,224
Equipment-Shop									
Shop-Batteries	21,268	-	-	-	-	-	-	-	-
Shop-Cleaners/Degreasers	24,758	-	-	-	-	-	-	-	4,000
Shop-Oil Filters	78,450	-	-	-	-	-	-	-	-
Shop-Other Supplies	46,011	-	-	4,795	-	-	-	-	-
Shop-Tires	77,325	-	-	-	-	-	-	-	-
Shop - Tool Crib	30,000	-	-	-	-	-	-	-	-
Shop-Tools	17,732	-	-	90	-	-	-	-	-
Shop - Weld Shop	10,000	-	-	-	-	-	-	-	-
Total Equipment-Shop	305,544	-	-	4,885	-	-	-	-	4,000
Equipment-Gas									
Gas-Diesel	440,142	-	-	-	-	-	-	-	-
Gas-Ethanol	40,891	-	-	2,387	-	-	-	-	2,975
Gas-Propane	5,063	-	-	-	-	-	-	-	-
Gas-Unleaded	312,674	436	-	2,769	-	62	-	-	15,084
Total Equipment-Gas	798,770	436	-	5,156	-	62	-	-	18,059
Equipment-Extinguishers	6,518	-	-	-	-	-	-	-	-
Equipment-Miscellaneous Exp	71,802	-	-	-	-	-	-	37,274	-
Total Maintenance-Equipment	2,310,452	107,022	-	185,766	-	16,062	-	38,360	226,283
Total Maintenance	25,873,377	14,767,481	187,268	406,176	22,231	1,729,298	1,803	1,453,356	1,645,265

	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
Other									
General Insurance									
Gen Ins-Airport Liability	720,289	163,284	-	35,402	22,769	38,359	-	13,246	46,149
Gen Ins-Property	971,394	220,206	-	47,743	30,707	51,732	-	17,863	62,237
Gen Ins-Crime	15,500	3,514	-	762	490	825	-	285	993
Gen Ins-Auto/Equipment	233,144	52,852	-	11,459	7,370	12,416	-	4,287	14,938
Gen Ins-Other	8,001	1,814	-	-	393	253	-	426	147
Total General Insurance	1,948,328	441,670	-	95,366	61,729	103,585	-	36,107	124,464
Safety									
Safety-Supplies	43,433	180	-	3,798	-	-	-	-	-
Safety-Equipment	10,428	-	-	-	-	500	-	-	-
Total Safety	53,861	180	-	3,798	-	500	-	-	-
Medical Information/Supply									
Medical-Routine Supplies	16,889	500	-	494	-	1,500	-	-	-
Medical-Emergency Response	1,839	-	-	-	-	-	-	-	-
Total Medical Information/Supply	18,728	500	-	494	-	1,500	-	-	-
Rentals									
Rental-Copier	66,831	8,115	-	-	-	3,000	-	6,900	-
Rental-Pagers	17,500	-	-	-	-	-	-	-	-
Rental-Other Equipment	21,759	2,000	-	-	-	-	-	1,500	-
Total Rentals	106,090	10,115	-	-	-	3,000	-	8,400	-
Licenses/Permits									
Licenses-Autos/Equipment	1,500	-	-	-	-	-	-	-	-
Licenses-Environmental	11,700	-	-	-	-	6,000	-	-	-
Licenses-Other	3,300	-	-	1,427	-	-	-	-	-
Total Licenses/Permits	16,500	-	-	1,427	-	6,000	-	-	-
Miscellaneous Expenses									
Misc-Firearm/Equip/Supplies	88,692	-	-	-	-	-	-	-	-
Misc-Emergency Response	39,915	600	-	-	-	-	-	-	-
Misc-Other	72,923	-	-	-	-	20,000	-	-	-
Misc-Taxes(Petroleum/Use)	42,125	-	-	-	-	-	-	-	-
Total Miscellaneous Expenses	243,655	600	-	-	-	20,000	-	-	-
Adjustments/Bad Debt	15,000	-	-	-	-	-	-	-	-
Capital Assets									
Minor Equipment/Assets									
Minor Assets-Tools	115,980	5,506	-	-	-	-	-	-	-
Minor Assets-Office Furn	35,076	2,500	-	-	-	-	-	-	-
Minor Assets-Computers	505,512	-	-	-	-	-	-	-	194,420
Minor Assets-Radios	32,573	-	-	-	-	-	-	-	-
Minor Assets-Other	34,500	-	-	-	-	-	-	-	-
Total Minor Equipment/Assets	723,641	8,006	-	-	-	-	-	-	194,420
Total Capital Assets	723,641	8,006	-	-	-	-	-	-	194,420
Total Other	3,125,803	461,071	-	101,085	61,729	134,585	-	44,507	318,884
Gross Depreciation	-	-	-	-	-	-	-	-	-
Grand Total Excluding Depreciation	134,726,745	27,335,523	487,268	4,914,331	83,960	5,506,816	14,636	5,087,481	9,590,886
Grand Total With Depreciation	134,726,745	27,335,523	487,268	4,914,331	83,960	5,506,816	14,636	5,087,481	9,590,886

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	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
Personnel								
Wages								
Regular	-	295,291	-	-	-	10,113,898	-	-
Overtime/Doubletime								
Doubletime - Regular	-	-	-	-	-	1,037,018	-	-
Overtime - Regular	-	4,590	-	-	-	480,859	-	-
Total Overtime/Doubletime	-	4,590	-	-	-	1,517,877	-	-
Commissioner PerDiem	-	-	-	-	-	-	-	-
Temps - Agency	-	-	-	-	-	66,862	-	-
Temps - Non Agency	-	212,160	-	-	-	450,473	-	-
Total Wages	-	512,041	-	-	-	12,149,109	-	-
Benefits								
Employee Insurance								
Employee Insurance Dental	-	1,465	-	-	-	119,914	-	-
Emply Insurance Disability	-	1,143	-	-	-	28,336	-	-
Employee Insurance Life	-	488	-	-	-	25,134	-	-
Employee Insurance Medical	-	15,142	-	-	-	1,239,802	-	-
Employee Insurance Retiree	-	8,250	-	-	-	675,500	-	-
Total Employee Insurance	-	26,488	-	-	-	2,088,686	-	-
Pension								
Fica (Social Security)Base	-	30,929	-	-	-	677,244	-	-
Fica(Social Security)Medic	-	6,836	-	-	-	159,356	-	-
Mpls Empl Retirement Fund	-	-	-	-	-	17,966	-	-
Public Empl - Coordinated	-	35,763	-	-	-	752,885	-	-
Public Empl - Police/Fire	-	-	-	-	-	-	-	-
Merf Unfunded Liability	-	-	-	-	-	320,130	-	11,039
Total Pension	-	73,527	-	-	-	1,927,581	-	11,039
Training								
Continuing Ed (College)	-	-	-	-	-	-	-	138
Executive Leadership Train	-	-	-	-	-	-	-	-
Management Requirement	-	-	-	-	-	-	-	-
Organizational Requirement	-	1,217	-	-	-	-	-	-
Regulatory Requirements	-	-	-	-	-	12,535	-	-
Local Seminars	-	5,000	-	-	-	1,400	-	-
Total Training	-	6,217	-	-	-	13,935	-	138
Post Retirement Benefits	-	4,200	-	-	-	457,600	-	-
Workers Compensation	-	2,739	-	-	-	153,338	-	-
Post Empl Health Plan	-	1,480	-	-	-	89,286	-	-
Flex Spending	-	-	-	-	-	-	-	-
Unemployment Tax	-	-	-	-	-	83,000	-	-
Uniforms								
Uniforms-Police/Fire Allow	-	-	-	-	-	-	-	-
Uniforms-Rental	-	-	-	-	-	54,322	-	-
Uniforms - Safety	-	-	-	-	-	17,884	-	2,720
Total Uniforms	-	-	-	-	-	72,206	-	2,720
Severance								
Contract Allowance	-	-	-	-	-	31,000	-	-
Regular Severance	-	515	-	-	-	7,842	-	-
Total Severance	-	515	-	-	-	38,842	-	-
Trade Union Benefits	-	-	-	-	-	629,918	-	-
Total Benefits	-	115,166	-	-	-	5,554,391	-	13,897
Total Personnel	-	627,207	-	-	-	17,703,501	-	13,897

	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
Administrative Expenses								
Supplies								
Office Supplies Materials	-	450	-	-	-	-	200	4,615
Computer Supplies								
Computer Supplies-General	-	250	-	-	-	-	-	80
Computer Supplies-Software	-	-	-	-	-	-	7,460	-
Total Computer Supplies	-	250	-	-	-	-	7,460	80
Special Supplies								
Special Supplies-Badging	-	-	-	-	-	-	-	-
Special Supply-Film/Photo	-	-	-	-	-	-	-	-
Special Supplies-Other	-	200	-	-	-	-	100	145
Total Special Supplies	-	200	-	-	-	-	100	145
Total Supplies	-	900	-	-	-	-	7,760	4,840
Travel								
Travel - Lodging	-	1,500	-	-	-	-	-	510
Travel - Meals	-	-	-	-	-	250	-	-
Travel - Miscellaneous	-	-	-	-	-	-	-	-
Travel - Transportation								
Travel - Transport/Airfare	-	1,500	-	-	-	-	-	-
Travel - Shuttle/Taxi/Auto	-	-	-	-	-	-	-	-
Total Travel - Transportation	-	1,500	-	-	-	-	-	-
Registration Fees	-	750	-	-	-	-	-	-
Mileage	-	850	-	-	-	100	-	71
Total Travel	-	4,600	-	-	-	350	-	581
Other Administrative Expense								
Local Meetings								
Local Mtgs - Off Airport	-	-	-	-	-	-	300	-
Local Mtgs - On Airport/GO	-	-	-	-	-	-	-	-
Total Local Meetings	-	-	-	-	-	-	300	-
Information Sources								
Memberships/Dues/Pro Assoc	-	-	-	-	-	-	-	725
Other Information Sources	-	-	-	-	-	-	-	-
Publications/Subscriptions	-	-	-	-	-	-	-	634
Total Information Sources	-	-	-	-	-	-	-	1,359
Printing Costs								
Printing-Publications	-	-	-	-	-	-	-	-
Printing - Color Charts	-	-	-	-	-	-	-	-
Printing - Forms	-	-	-	-	-	-	-	-
Printing-Stationary/Envel	-	-	-	-	-	-	-	-
Total Printing Costs	-	-	-	-	-	-	-	-
Delivery Services	-	-	-	-	-	-	-	68
Freight Charges	-	1,500	-	-	-	-	-	-
Postage	-	-	-	-	-	-	-	-
Total Other Administrative Expense	-	1,500	-	-	-	-	300	1,427
Total Administrative Expenses	-	7,000	-	-	-	350	8,060	6,848

	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
Professional Services								
Accounting/Audit Fees	-	-	-	-	-	-	-	-
Affirmative Action Fees	-	-	-	-	-	-	-	-
RFP/Leases	-	-	-	-	-	-	-	-
Concept Develop/Feasible	-	-	-	-	-	-	-	-
Computer Services								
General								
ANOMS Consulting	-	-	-	-	-	-	-	-
Software Consulting	-	-	-	-	-	-	-	-
Total General	-	-	-	-	-	-	-	-
Total Computer Services	-	-	-	-	-	-	-	-
Engineering Fees	-	1,500	-	-	-	-	-	-
Graphic Design	-	-	-	-	-	-	-	-
Insurance Consultants	-	-	-	-	-	-	-	-
Labor Relations	-	-	-	-	-	-	-	-
Legal Fees								
Legal - Environmental	-	-	-	-	-	-	-	-
Legal - General	-	-	-	-	-	-	-	-
Legal - Relievers	-	-	-	-	-	-	-	-
Total Legal Fees	-	-	-	-	-	-	-	-
Legislative								
Legislative - Local	-	-	-	-	-	-	-	-
Legislative - National	-	-	-	-	-	-	-	-
Total Legislative	-	-	-	-	-	-	-	-
Medical Fees	-	-	-	-	-	-	-	-
Planning								
Pollution/Environmental Fees	-	-	-	-	-	-	450	-
Public Information Services								
Public Infor Serv. - Pho	-	-	-	-	-	-	-	-
Public Infor Serv. - Other	-	-	-	-	-	-	-	-
Total Public Information Services	-	-	-	-	-	-	-	-
Recruiting Employment Fees								
Executive Recruiting	-	-	-	-	-	-	-	-
Total Recruiting Employment Fees	-	-	-	-	-	-	-	-
Safety Consultants								
Safety - Training	-	-	-	-	-	-	-	-
Safety - General	-	-	-	-	-	-	-	-
Total Safety Consultants	-	-	-	-	-	-	-	-
Communications Consultant	-	-	-	-	-	-	-	-
Other/Miscellaneous								
Wildlife/Meteorology								
Meteorology	-	-	-	-	-	-	-	-
Wildlife	-	-	-	-	-	-	-	-
Total Wildlife/Meteorology	-	-	-	-	-	-	-	-
Business Development	-	-	-	-	-	-	-	-
Environmental	-	-	-	-	-	-	-	-
Mechanical								
Mechanical Terminal	-	21,748	-	-	-	-	-	-
Mechanical Trades	-	-	-	-	-	-	-	38,167
Total Mechanical	-	21,748	-	-	-	-	-	38,167
Miscellaneous	-	-	10,000	-	-	-	-	20,000
Total Other/Miscellaneous	-	21,748	10,000	-	-	-	-	58,167
Total Professional Services	-	23,248	10,000	-	-	-	450	58,167
Utilities								
Electricity	116,326	1,202,732	268,625	-	240,997	-	-	322,184
Heating Fuel								
Heating - Natural Gas	72,073	280,440	44,328	-	76,236	-	-	256,915
Heating - Fuel Oil	-	-	-	-	-	-	-	-
Total Heating Fuel	72,073	280,440	44,328	-	76,236	-	-	256,915
Sewer	14,500	22,000	424,000	-	3,200	-	-	4,600
Water	-	54,300	391,400	-	14,000	-	-	15,500
Telephone								
Telephone - Regular	711	-	-	-	-	-	-	-
Telephone - Internet Service	-	-	-	-	-	-	-	-
Telephone - Cellular	-	1,625	-	-	-	-	-	16,684
Total Telephone	711	1,625	-	-	-	-	-	16,684
Total Utilities	203,610	1,561,097	1,128,353	-	334,433	-	-	615,883

	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
Operating Services/Expenses								
Advertising								
Advertising - Employment	-	-	-	-	-	-	-	-
Advertising - General	-	-	-	-	-	-	-	-
Advertising - Parking	-	-	-	-	-	-	-	-
Advertising - Relievers	-	-	-	-	-	-	-	-
Total Advertising	-	-	-	-	-	-	-	-
Environmental Control								
Hazardous Waste								
Hazardous Waste - FLOuresc	-	-	-	-	-	-	-	10,000
Hazardous Waste - General	-	-	-	-	-	-	-	4,000
Total Hazardous Waste	-	-	-	-	-	-	-	14,000
Pollution Control								
Pollution Ctrl-Booms	-	-	15,000	-	-	-	-	-
Pollution Ctrl-Corn Cobs	-	-	-	-	-	-	-	-
Total Pollution Control	-	-	15,000	-	-	-	-	-
Industrial Waste Mgmt	-	-	-	-	-	-	-	-
Laboratory Services	-	-	-	-	-	-	-	-
Solvent Reclamation Service	-	-	-	-	-	-	11,000	1,500
Tire Disposal	-	-	-	-	-	-	665	-
Other	-	-	-	-	-	-	-	5,000
Total Environmental Control	-	-	15,000	-	-	-	11,665	20,500
GISW Management	-	-	-	-	-	-	-	-
Grd Transportation Services	-	-	-	-	-	-	-	-
Shuttle Services	-	156,189	-	-	-	-	-	-
Parking Lots	-	-	-	-	-	-	-	-
Met Council Fees	-	-	-	-	-	-	-	-
Employee Programs								
Recognition	-	-	-	-	-	-	-	-
Retirement	-	-	-	-	-	-	-	-
Wellness								
Wellness - Fitness Program	-	-	-	-	-	-	-	-
Wellness-Health/Wellness	-	-	-	-	-	-	-	-
Wellness-Nutrition/Stress	-	-	-	-	-	-	-	-
Total Wellness	-	-	-	-	-	-	-	-
Total Employee Programs	-	-	-	-	-	-	-	-
Events								
Conference Center								
Conference Ctr Catering	-	-	-	-	-	-	-	-
Conference Ctr Rentals	-	-	-	-	-	-	-	-
Total Conference Center	-	-	-	-	-	-	-	-
Emergency Response Exercise	-	-	-	-	-	-	-	-
Other Programs/Events	-	-	-	-	-	-	-	-
Call Back Service	-	-	-	-	-	-	-	-
Total Events	-	-	-	-	-	-	-	-
Other Charges/Fees								
Bank Charges	-	-	-	-	-	-	-	-
IATA Contract Expense	-	-	-	-	-	-	-	-
Security Services Regular	-	-	-	-	-	-	-	-
Security Services Check Pt	-	-	-	-	-	-	-	-
Concessions Marketing	-	-	-	-	-	-	-	-
Recycling	-	-	-	-	-	-	-	-
Recycling - Sand	-	-	-	-	-	-	-	-
Copy Agreement	-	-	-	-	-	-	-	-
Mediation Fees	-	-	-	-	-	-	-	-
Miscellaneous Charges/Fees	-	-	-	-	-	-	-	-
Jail Fees	-	-	-	-	-	-	-	-
Total Other Charges/Fees	-	-	-	-	-	-	-	-
Service Agreements								
Service - Bldg Inspection	-	-	-	-	-	-	-	-
Service-Computers	-	10,120	-	-	-	-	-	-
Service-Fitness Equipment	-	-	-	-	-	-	-	-
Service-Grd Trans Equip	-	-	-	-	-	-	-	-
Service-Loading Dock	-	69,000	-	-	-	-	-	-
Service-Office Equipment	-	-	-	-	-	-	-	68
Service-Other Equipment	2,700	602,435	-	-	-	-	911	2,854
Service-Parking Equipment	-	-	-	-	-	-	-	-
Service-Telephone Systems	-	-	-	-	-	-	-	-
Service-Secured Access	-	-	-	-	-	-	-	-
Service-Radios	-	-	-	-	-	-	-	9,614
Total Service Agreements	2,700	681,555	-	-	-	-	911	12,536
Total Operating Services/Expenses	2,700	837,744	15,000	-	-	-	12,576	33,036

	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
Maintenance								
Trades - Painters								
Paint								
Equipment - Paint	-	-	-	902	-	-	-	12,134
Exterior - Paint	-	-	-	5,982	-	-	-	3,069
Interior - Paint	-	3,353	-	1,000	-	-	-	738
Traffic Paint - Parking	-	-	-	-	-	-	-	-
Reliever Airport - Paint	-	-	-	-	-	-	-	-
Traffic Paint - Runways	-	-	-	-	-	-	-	-
Total Paint	-	3,353	-	7,884	-	-	-	15,941
Signs								
Regulatory - Signs	-	-	-	-	-	-	-	1,995
Exterior Sign Materials	-	-	-	-	-	-	-	4,796
Interior Sign Materials	-	-	-	-	-	-	-	5,310
Reliever Airport Signs	-	-	-	-	-	-	-	-
Total Signs	-	-	-	-	-	-	-	12,101
Supplies								
Brushes_Supplies	-	-	-	-	-	-	-	265
Paint Supplies - Other	-	-	-	-	-	-	-	3,593
Solvents	-	-	-	-	-	-	-	1,500
Equipment Spray	-	-	-	-	-	-	-	5,654
Paint Tools	-	854	-	-	-	-	-	7,946
Total Supplies	-	854	-	-	-	-	-	18,958
Total Trades - Painters	-	4,207	-	7,884	-	-	-	47,000
Trades - Carpenters								
Locks								
Locks - Doors	-	21,064	-	-	-	-	-	17,242
Locks - Door Tags/ID	-	-	-	-	-	-	-	-
Total Locks	-	21,064	-	-	-	-	-	17,242
Flags								
	-	-	-	-	-	-	-	500
Lumber								
Lumber-Cabinets	-	-	-	-	-	-	-	-
Lumber-Furniture	-	811	-	-	-	-	-	-
Lumber-Remodeling	-	-	-	-	-	-	-	-
Total Lumber	-	811	-	-	-	-	-	-
Other								
Other - Attic Stock	-	-	-	-	-	-	-	-
Other - Ceilings	-	-	-	-	-	-	-	1,300
Other - Ceramics	-	1,000	-	-	-	-	-	-
Other - Doors	-	-	-	-	-	-	-	3,165
Other - Floor Coverings	-	19,460	-	-	-	-	-	-
Other - Hardware	-	-	-	-	-	-	-	4,542
Other - Miscellaneous	-	-	-	-	-	-	-	-
Other - Auto Door Supplis RPL	-	-	-	-	-	-	-	2,000
Other - Saw Blades	-	-	-	-	-	-	-	-
Other - Screws/Bolts	-	-	-	-	-	-	-	9,224
Other - Seating Replacement	-	1,500	-	-	-	-	-	-
Other - Tools	-	250	-	-	-	-	-	250
Other - Tug Door Repairs	-	1,527	-	-	-	-	-	-
Other - Wall Protection	-	-	-	-	-	-	-	3,200
Total Other	-	23,737	-	-	-	-	-	23,681
Total Trades - Carpenters	-	45,612	-	-	-	-	-	41,423

	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
Trades - Plumbers								
Contractor Requirements	-	-	-	-	-	-	-	3,000
Fire Protection System	-	10,956	-	7,713	-	-	-	8,272
General Plumbing Supplies	-	5,276	-	4,046	-	-	4,898	11,676
Irrigation Supplies	-	1,200	2,134	100	-	-	-	-
Pumps	-	-	-	508	-	-	-	-
Underground Utilities	-	-	-	-	-	-	-	-
Water Distribution Systems	-	1,813	-	-	-	-	1,200	6,880
Water Meters	-	-	-	-	-	-	-	6,896
Total Trades - Plumbers	-	19,245	2,134	12,367	-	-	6,098	36,724
Trades - Electricians								
Repairs								
Electrical _ Exterior	-	-	-	-	-	-	-	17,412
Generator Maint. Contract	-	-	-	-	-	-	-	1,377
Electrical - Interior	-	-	-	-	-	-	-	-
Unit Maint. Contract	-	-	-	-	-	-	-	40,065
Unit Maint Supplies	-	-	-	-	-	-	-	2,751
Total Repairs	-	-	-	-	-	-	-	61,605
Other								
Other - Batteries	-	-	-	-	-	-	-	4,048
Other-Field Lights/Sensors	-	-	-	-	-	-	-	-
Other - Gate Supplies	-	-	-	-	-	-	-	-
Other - General Supplies	-	22,074	1,499	547	-	-	482	40,899
Other - Miscellaneous	-	-	111	-	-	-	-	-
Other - Motor	-	519	-	648	-	-	1,170	1,457
Other - Secured Access Sys	-	-	-	-	-	-	-	-
Other - Tools	-	-	-	-	-	-	-	8,769
Total Other	-	22,593	1,610	1,195	-	-	1,652	55,173
Total Trades - Electricians	-	22,593	1,610	1,195	-	-	1,652	116,778

	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
Maintenance - Field								
Snow Removal - Materials								
Materials - Sodium Acetate	-	-	-	-	-	-	-	-
Materials-Liquid Anti Icer	-	-	-	-	-	-	-	-
Materials-Other Ice Ctrl	-	-	2,600	-	-	-	-	-
Materials - Salt	-	-	30,000	-	-	-	-	-
Materials - Sand	-	-	10,000	-	-	-	-	-
Materials - Urea	-	-	-	-	-	-	-	-
Total Snow Removal - Materials	-	-	42,600	-	-	-	-	-
Snow Removal - Equipment								
Equipment - Contract	69,000	-	-	-	-	-	-	-
Equipment - Other	-	-	-	-	-	-	-	-
Equip Rent-No Operator-5.5	-	-	-	-	-	-	-	-
Equipment-Rent-No Operator	-	-	-	-	-	-	3,350	-
Total Snow Removal - Equipment	69,000	-	-	-	-	-	3,350	-
Snow Removal - Miscellan								
Snow Removal - Meals	-	-	-	-	-	-	-	-
Snow Removal - Plow Blades	-	-	1,000	-	-	-	-	-
Snow Removal - Runway Brm	-	-	-	-	-	-	-	-
Snow Melters	15,000	-	-	-	-	-	-	-
Total Snow Removal - Miscellan	15,000	-	1,000	-	-	-	-	-
Summer Maintenance-Surface								
Surface Repair-Aggregate	-	-	1,000	-	-	-	-	-
Surface Repair-Asphalt	-	-	5,000	-	-	-	-	-
Surface Repair-Cement	-	-	250	-	-	-	-	-
Surface Repair-Other	-	-	-	-	-	-	-	-
Surface Rubber Removal	-	-	-	-	-	-	-	-
Surface Repair-Saw Blades	-	-	-	-	-	-	-	-
Surface Repair-Hot Sealant	-	-	-	-	-	-	-	-
Total Summer Maintenance-Surfac	-	-	6,250	-	-	-	-	-
Summer Maint-Landscape								
Summer Maintenance-Fencing	-	-	-	-	-	-	1,000	-
Landscape/Turf-Materials	-	-	500	-	-	-	-	-
Summer Maint-Equip Rent No Op	-	-	20,000	-	-	-	-	-
Summer Maint-Equip Rent LT	-	-	-	-	-	-	3,350	-
Total Summer Maint-Landscape	-	-	20,500	-	-	-	4,350	-
Maintenance Field-Other								
Field Maint-Other-Garbage	-	-	8,000	-	-	-	-	-
Non Runway Brooms	-	-	-	-	-	-	-	-
Field Maint-Other-Material	-	-	-	-	-	-	1,000	-
Field Maint-Other-Supplies	-	-	-	-	-	-	1,500	-
Field Maint-Other-Tools	-	-	500	-	-	-	3,000	-
Total Maintenance Field-Other	-	-	8,500	-	-	-	5,500	-
Total Maintenance - Field	84,000	-	78,850	-	-	-	13,200	-
Maintenance Building								
Building-Temp Control								
Temp Control-Contracts	-	52,184	-	13,751	18,967	-	2,452	19,832
Temp Control-Filters	-	53,159	-	-	1,495	-	-	1,403
Fire Control Contract	-	-	-	-	-	-	-	-
Total Building-Temp Control	-	105,343	-	13,751	20,462	-	2,452	21,235
Building-Mechanical Areas								
Mechanical Areas-APM	-	-	-	-	-	-	-	-
Mechanical Areas-Conveyors	-	95,855	-	-	-	-	-	-
Mechanical Areas-Doors	-	-	-	-	-	-	-	-
Mechanical Areas-Doors/Pub	-	2,500	-	-	-	-	-	-
Mechanical Areas-Doors/Tug	-	-	-	-	-	-	-	-
Mechanical Areas-Elevators	-	54,420	-	-	2,400	-	-	-
Mechanical Areas-Escalator	-	76,189	-	-	-	-	-	-
Mechanical-Moving Walks	-	14,512	-	-	-	-	-	-
Mechanical Areas-Other	-	3,500	-	-	-	-	-	-
Total Building-Mechanical Areas	-	246,976	-	-	2,400	-	-	-
Building-Other								
Other-Building Systems	100,000	-	-	-	-	-	-	-
Other-Boiler Chemicals	-	13,998	-	-	-	-	-	-
Other-Floors/Repairs	-	-	-	-	-	-	-	2,000
Other-Jetbridge Repairs	-	215,000	-	-	-	-	-	-
Other-Outside Plumb/Sewer	-	-	-	-	-	-	-	5,683
Other-Paging System Contract	-	-	-	-	-	-	-	-
Other-Pest Control	-	-	-	-	-	-	-	-
Other-Roofing	-	-	-	-	-	-	-	-
Sump/Septic Pumping	-	-	-	-	-	-	-	26,176
Other-Supplies	41,000	-	-	-	700	-	-	4,112
Other-Tools	-	-	-	-	-	-	-	2,260
Total Building-Other	141,000	228,998	-	-	700	-	-	40,231
Minor Projects Expense	-	-	-	-	-	-	-	-
Total Maintenance Building	141,000	581,317	-	13,751	23,562	-	2,452	61,466

	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
Maintenance-Cleaning								
Cleaning Services								
Cleaning Services-Janitor	22,072	958,454	-	-	134,709	-	-	136,578
Cleaning Services-Windows	350	187,553	-	-	293	-	-	3,593
Total Cleaning Services	22,422	1,146,007	-	-	135,002	-	-	140,171
Cleaning Supplies								
Cleaning Supplies-Bathroom	-	50,000	-	-	-	-	-	-
Cleaning Supplies-General	-	-	-	-	-	-	-	-
Total Cleaning Supplies	-	50,000	-	-	-	-	-	-
Rubbish Disposal								
Rubbish Disposal-Recycle	-	-	-	-	-	-	-	-
Rubbish Disposal-Regular	4,120	25,750	-	-	620	-	-	17,000
Total Rubbish Disposal	4,120	25,750	-	-	620	-	-	17,000
Towel Laundry Services	-	-	-	-	-	-	-	-
Other Cleaning Expenses	-	-	-	-	-	-	-	-
Total Maintenance-Cleaning	26,542	1,221,757	-	-	135,622	-	-	157,171
Maintenance-Equipment								
Equipment-Parts								
Parts-Automobiles	-	-	-	-	-	-	50,000	-
Parts-Boilers Energy Mgmt	-	9,634	-	-	1,070	-	-	-
Parts-Chiller Energy Mgmt	-	15,604	-	1,866	2,909	-	-	-
Parts-Other Equipment	-	-	-	-	-	-	-	-
Parts-Equipment	-	-	-	-	-	-	300,000	-
Parts-Other Equipment	-	2,564	-	433	-	-	-	2,231
Total Equipment-Parts	-	27,802	-	2,299	3,979	-	350,000	2,231
Equipment-Shop								
Shop-Batteries	-	-	-	-	-	-	20,000	-
Shop-Cleaners/Degreasers	-	-	-	-	-	-	20,000	-
Shop-Oil Filters	-	-	-	-	-	-	70,000	-
Shop-Other Supplies	-	-	-	-	-	-	30,000	2,269
Shop-Tires	-	-	-	-	-	-	55,000	-
Shop - Tool Crib	-	-	-	-	-	-	30,000	-
Shop-Tools	-	-	-	-	-	-	10,000	4,829
Shop - Weld Shop	-	-	-	-	-	-	10,000	-
Total Equipment-Shop	-	-	-	-	-	-	245,000	7,098
Equipment-Gas								
Gas-Diesel	-	-	-	-	-	-	349,200	5,413
Gas-Ethanol	-	-	-	-	-	-	19,498	-
Gas-Propane	-	-	-	-	-	-	3,500	1,563
Gas-Unleaded	-	-	-	-	-	-	97,128	48,185
Total Equipment-Gas	-	-	-	-	-	-	469,326	55,161
Equipment-Extinguishers								
Equipment-Miscellaneous Exp	-	3,000	-	-	-	-	10,000	2,000
Total Maintenance-Equipment	-	30,802	-	2,299	3,979	-	1,074,326	66,490
Total Maintenance	251,542	1,925,533	82,594	37,496	163,163	-	1,097,728	527,052

	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
Other								
General Insurance								
Gen Ins-Airport Liability	-	23,366	13,071	-	11,919	-	73,633	3,908
Gen Ins-Property	-	31,512	17,628	-	16,075	-	99,302	5,271
Gen Ins-Crime	-	503	281	-	256	-	1,585	84
Gen Ins-Auto/Equipment	-	7,563	4,231	-	3,858	-	23,834	1,265
Gen Ins-Other	-	513	260	145	132	-	818	43
Total General Insurance	-	63,457	35,471	145	32,240	-	199,172	10,571
Safety								
Safety-Supplies	-	-	-	-	-	5,000	-	17,507
Safety-Equipment	-	-	-	-	-	4,428	-	-
Total Safety	-	-	-	-	-	9,428	-	17,507
Medical Information/Supply								
Medical-Routine Supplies	-	-	-	-	-	-	-	365
Medical-Emergency Response	-	-	-	-	-	-	-	-
Total Medical Information/Supply	-	-	-	-	-	-	-	365
Rentals								
Rental-Copier	-	-	-	-	-	-	3,000	9,016
Rental-Pagers	-	-	-	-	-	-	-	-
Rental-Other Equipment	-	1,547	-	-	-	-	-	11,562
Total Rentals	-	1,547	-	-	-	-	3,000	20,578
Licenses/Permits								
Licenses-Autos/Equipment	-	-	-	-	-	-	-	-
Licenses-Environmental	-	-	-	-	-	-	-	-
Licenses-Other	-	-	-	-	-	-	-	-
Total Licenses/Permits	-	-	-	-	-	-	-	-
Miscellaneous Expenses								
Misc-Firearm/Equip/Supplies	-	-	-	-	-	-	-	-
Misc-Emergency Response	-	-	-	-	-	-	-	-
Misc-Other	-	-	-	-	-	-	-	-
Misc-Taxes(Petroleum/Use)	-	-	-	-	-	-	40,000	-
Total Miscellaneous Expenses	-	-	-	-	-	-	40,000	-
Adjustments/Bad Debt	-	-	-	-	-	-	-	-
Capital Assets								
Minor Equipment/Assets								
Minor Assets-Tools	-	-	-	-	-	-	34,490	54,300
Minor Assets-Office Furn	-	2,250	-	-	-	-	-	4,685
Minor Assets-Computers	-	3,750	-	-	-	-	6,300	22,900
Minor Assets-Radios	-	-	-	-	-	-	-	8,100
Minor Assets-Other	-	-	-	-	-	-	-	-
Total Minor Equipment/Assets	-	6,000	-	-	-	-	40,790	89,985
Total Capital Assets	-	6,000	-	-	-	-	40,790	89,985
Total Other	-	71,004	35,471	145	32,240	9,428	282,962	139,006
Gross Depreciation	-	-	-	-	-	-	-	-
Grand Total Excluding Depreciation	457,852	5,052,834	1,271,418	37,641	529,836	17,713,279	1,401,776	1,393,890
Grand Total With Depreciation	457,852	5,052,834	1,271,418	37,641	529,836	17,713,279	1,401,776	1,393,890

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	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
Personnel								
Wages								
Regular	-	7,854,597	3,469,991	9,274,140	731,894	2,249,551	976,265	1,805,463
Overtime/Doubletime								
Doubletime - Regular	-	-	-	-	-	-	-	200,915
Overtime - Regular	-	459,991	476,906	9,141	-	202,620	-	108,806
Total Overtime/Doubletime	-	459,991	476,906	9,141	-	202,620	-	309,721
Commissioner PerDiem	-	-	-	15,000	-	-	-	-
Temps - Agency	-	-	-	-	-	-	-	-
Temps - Non Agency	-	832,057	-	118,825	-	-	-	-
Total Wages	-	9,146,645	3,946,897	9,417,106	731,894	2,452,171	976,265	2,115,184
Benefits								
Employee Insurance								
Employee Insurance Dental	-	86,274	35,814	102,339	5,858	20,459	8,787	21,214
Emply Insurance Disability	-	9,857	15,391	43,627	2,978	9,307	4,057	7,426
Employee Insurance Life	-	13,093	6,159	22,153	1,347	3,618	1,619	3,031
Employee Insurance Medical	-	891,996	370,289	1,058,099	60,568	211,528	90,851	219,328
Employee Insurance Retiree	-	486,000	201,750	576,500	33,000	115,250	49,500	119,500
Total Employee Insurance	-	1,487,220	629,403	1,802,718	103,751	360,162	154,814	370,499
Pension								
Fica (Social Security)Base	-	168,367	2,703	645,773	43,313	144,310	57,704	112,799
Fica(Social Security)Medic	-	125,533	55,169	153,953	10,232	34,120	13,636	28,353
Mpls Empl Retirement Fund	-	-	-	26,787	-	-	-	7,782
Public Empl - Coordinated	-	149,484	3,267	777,263	52,794	175,999	70,417	137,952
Public Empl - Police/Fire	-	914,104	560,108	-	-	-	-	-
Merf Unfunded Liability	-	386,363	220,779	386,363	33,117	11,039	-	209,741
Total Pension	-	1,743,851	842,025	1,990,139	139,455	365,467	141,757	496,627
Training								
Continuing Ed (College)	-	-	-	40,990	-	-	-	-
Executive Leadership Train	-	-	-	20,000	-	-	-	-
Management Requirement	-	-	-	7,150	4,000	1,633	-	-
Organizational Requirement	-	-	-	10,900	-	-	23,000	-
Regulatory Requirements	-	-	29,516	12,600	-	8,068	-	-
Local Seminars	-	20,320	-	42,025	1,500	1,818	1,000	-
Total Training	-	20,320	29,516	133,665	5,500	11,519	24,000	-
Post Retirement Benefits	-	336,400	163,000	679,200	16,800	56,400	25,000	127,600
Workers Compensation	-	89,049	42,216	123,960	-	27,553	14,662	28,467
Post Empl Health Plan	-	34,611	14,709	53,845	4,001	11,467	5,170	7,334
Flex Spending	-	-	-	-	-	-	-	-
Unemployment Tax	-	-	-	-	-	-	-	-
Uniforms								
Uniforms-Police/Fire Allow	-	105,040	36,750	-	-	-	-	-
Uniforms-Rental	-	-	-	-	-	2,767	-	25,818
Uniforms - Safety	-	-	-	-	-	-	-	3,000
Total Uniforms	-	105,040	36,750	-	-	2,767	-	28,818
Severance								
Contract Allowance	-	-	-	-	-	-	-	-
Regular Severance	-	5,059	7,190	14,445	457	1,887	1,804	2,374
Total Severance	-	5,059	7,190	14,445	457	1,887	1,804	2,374
Trade Union Benefits	-	-	-	-	-	-	-	-
Total Benefits	-	3,821,551	1,764,809	4,797,972	269,964	837,222	367,208	1,061,719
Total Personnel	-	12,968,196	5,711,706	14,215,078	1,001,858	3,289,393	1,343,473	3,176,903

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
Administrative Expenses								
Supplies								
Office Supplies Materials	-	30,000	3,087	52,090	2,050	13,400	8,010	5,005
Computer Supplies								
Computer Supplies-General	-	-	-	16,500	-	4,695	772	-
Computer Supplies-Software	-	1,170	-	87,800	-	16,000	6,710	-
Total Computer Supplies	-	1,170	-	104,300	-	20,695	7,482	-
Special Supplies								
Special Supplies-Badging	-	177,607	-	-	-	-	-	-
Special Supply-Film/Photo	-	3,198	-	7,893	-	1,500	-	-
Special Supplies-Other	-	24,800	342	4,820	2,071	5,000	250	200
Total Special Supplies	-	205,605	342	12,713	2,071	6,500	250	200
Total Supplies	-	236,775	3,429	169,103	4,121	40,595	15,742	5,205
Travel								
Travel - Lodging	-	2,473	1,444	37,278	1,430	3,633	1,821	300
Travel - Meals	-	2,139	243	8,185	-	595	856	200
Travel - Miscellaneous	-	299	-	3,998	-	24	-	-
Travel - Transportation								
Travel - Transport/Airfare	-	2,500	1,671	45,781	-	3,149	3,388	1,600
Travel - Shuttle/Taxi/Auto	-	600	68	4,913	-	98	-	300
Total Travel - Transportation	-	3,100	1,739	50,693	-	3,247	3,388	1,900
Registration Fees	-	2,115	1,295	29,507	1,350	1,965	2,060	2,716
Mileage	-	4,835	379	39,215	-	1,103	-	-
Total Travel	-	14,961	5,100	168,876	2,780	10,567	8,125	5,116
Other Administrative Expense								
Local Meetings								
Local Mtgs - Off Airport	-	4,282	140	7,446	-	53	302	3,500
Local Mtgs - On Airport/GO	-	252	-	15,124	-	3,585	-	160
Total Local Meetings	-	4,534	140	22,570	-	3,638	302	3,660
Information Sources								
Memberships/Dues/Pro Assoc	-	6,589	1,952	223,834	550	4,000	531	2,935
Other Information Sources	-	1,854	1,500	35,475	30,697	10,800	5,840	-
Publications/Subscriptions	-	2,762	157	21,112	450	3,142	2,595	-
Total Information Sources	-	11,205	3,609	280,421	31,697	17,942	8,965	2,935
Printing Costs								
Printing-Publications	-	2,155	-	19,005	-	30,000	7,552	-
Printing - Color Charts	-	-	-	1,500	-	-	-	-
Printing - Forms	-	6,368	600	2,500	-	-	-	-
Printing-Stationary/Envel	-	2,000	-	6,935	1,500	-	-	-
Total Printing Costs	-	10,523	600	29,940	1,500	30,000	7,552	-
Delivery Services	-	611	-	7,336	-	85	1,004	25
Freight Charges	-	300	-	-	-	-	-	-
Postage	-	750	-	34,500	-	-	-	-
Total Other Administrative Expense	-	27,923	4,349	374,766	33,197	51,665	17,824	6,620
Total Administrative Expenses	-	279,659	12,878	712,745	40,098	102,827	41,691	16,941

Operating Budget Expense

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
Professional Services								
Accounting/Audit Fees	-	-	-	215,000	-	-	-	-
Affirmative Action Fees	-	-	-	13,000	-	-	-	-
RFP/Leases	-	-	-	9,000	10,000	-	-	-
Concept Develop/Feasible	-	-	-	30,000	10,000	-	-	-
Computer Services								
General								
ANOMS Consulting	-	-	-	-	-	-	103,500	-
Software Consulting	-	-	-	217,000	-	-	-	-
Total General	-	-	-	217,000	-	-	103,500	-
Total Computer Services	-	-	-	217,000	-	-	103,500	-
Engineering Fees	-	-	-	45,000	-	-	26,000	85,000
Graphic Design	-	-	-	20,000	-	-	-	1,400
Insurance Consultants	-	-	-	135,000	-	-	-	-
Labor Relations	-	-	-	10,450	-	-	-	-
Legal Fees								
Legal - Environmental	-	-	-	-	-	-	120,000	-
Legal - General	-	-	-	705,000	-	-	-	-
Legal - Relievers	-	-	-	75,000	-	-	-	-
Total Legal Fees	-	-	-	780,000	-	-	120,000	-
Legislative								
Legislative - Local	-	-	-	90,000	-	-	-	-
Legislative - National	-	-	-	153,000	-	-	-	-
Total Legislative	-	-	-	243,000	-	-	-	-
Medical Fees	-	-	4,000	43,000	-	-	-	-
Planning								
Pollution/Environmental Fees	-	-	-	-	-	-	1,500	150
Public Information Services								
Public Infor Serv. - Pho	-	-	-	10,000	-	-	-	5,000
Public Infor Serv. - Other	-	-	-	185,000	-	-	-	5,000
Total Public Information Services	-	-	-	195,000	-	-	-	10,000
Recruiting Employment Fees								
Executive Recruiting	-	-	-	75,000	-	-	-	-
Total Recruiting Employment Fees	-	-	-	113,000	-	-	-	-
Safety Consultants								
Safety - Training	-	2,323	135	24,440	-	-	-	-
Safety - General	-	-	-	3,500	-	-	-	-
Total Safety Consultants	-	2,323	135	27,940	-	-	-	-
Communications Consultant	-	-	-	80,000	-	-	-	-
Other/Miscellaneous								
Wildlife/Meteorology								
Meteorology	-	-	-	-	-	16,659	-	-
Wildlife	-	-	-	-	-	65,000	-	70,000
Total Wildlife/Meteorology	-	-	-	-	-	81,659	-	70,000
Business Development	-	-	-	130,000	-	-	-	-
Environmental	-	-	-	-	-	-	5,738	20,000
Mechanical								
Mechanical Terminal	-	-	-	7,249	-	-	-	-
Mechanical Trades	-	-	-	-	-	-	-	-
Total Mechanical	-	-	-	7,249	-	-	-	-
Miscellaneous	-	82,052	6,395	67,002	-	-	77,800	44,000
Total Other/Miscellaneous	-	82,052	6,395	204,251	-	81,659	83,538	134,000
Total Professional Services	-	84,375	10,530	2,380,641	20,000	81,659	334,538	255,550
Utilities								
Electricity	-	-	81,720	140,425	-	-	5,462	312,278
Heating Fuel								
Heating - Natural Gas	-	-	54,338	42,073	-	-	-	47,271
Heating - Fuel Oil	-	-	-	-	-	-	-	-
Total Heating Fuel	-	-	54,338	42,073	-	-	-	47,271
Sewer	-	-	500	1,350	-	-	-	22,855
Water	-	-	5,700	3,500	-	-	-	3,100
Telephone								
Telephone - Regular	-	-	-	141,575	-	61,485	32,184	33,302
Telephone - Internet Service	-	-	-	59,339	-	-	-	31,749
Telephone - Cellular	-	20,000	34,800	28,617	4,390	14,975	1,977	9,779
Total Telephone	-	20,000	34,800	229,531	4,390	76,460	34,161	74,830
Total Utilities	-	20,000	177,058	416,879	4,390	76,460	39,623	460,334

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
Operating Services/Expenses								
Advertising								
Advertising - Employment	-	-	-	7,000	-	-	-	-
Advertising - General	-	-	-	156,300	22,000	-	-	-
Advertising - Parking	-	-	-	-	-	-	-	-
Advertising - Relievers	-	-	-	-	-	-	-	6,000
Total Advertising	-	-	-	163,300	22,000	-	-	6,000
Environmental Control								
Hazardous Waste								
Hazardous Waste - FLOuresc	-	-	-	-	-	-	-	-
Hazardous Waste - General	-	-	-	200	-	-	-	-
Total Hazardous Waste	-	-	-	200	-	-	-	-
Pollution Control								
Pollution Ctrl-Booms	-	-	-	-	-	-	-	-
Pollution Ctrl-Corn Cobs	-	-	5,983	-	-	-	-	-
Total Pollution Control	-	-	5,983	-	-	-	-	-
Industrial Waste Mgmt	-	-	-	-	-	-	-	-
Laboratory Services	-	-	-	2,500	-	-	-	-
Solvent Reclamation Service	-	-	-	-	-	-	-	1,895
Tire Disposal	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	123,500
Total Environmental Control	-	-	5,983	2,700	-	-	-	125,395
GISW Management	-	-	-	-	-	-	-	-
Grd Transportation Services	-	-	-	-	-	-	-	-
Shuttle Services	-	-	-	-	-	-	-	-
Parking Lots	-	-	-	-	-	-	-	-
Met Council Fees	-	-	-	-	-	-	-	-
Employee Programs								
Recognition	-	-	-	3,331	125	-	-	-
Retirement	-	-	-	1,550	-	-	-	-
Wellness								
Wellness - Fitness Program	-	-	-	118,789	-	-	-	-
Wellness-Health/Wellness	-	-	-	500	-	-	-	-
Wellness-Nutrition/Stress	-	-	-	7,181	-	-	-	-
Total Wellness	-	-	-	126,470	-	-	-	-
Total Employee Programs	-	-	-	131,351	125	-	-	-
Events								
Conference Center								
Conference Ctr Catering	-	-	-	-	27,000	-	-	-
Conference Ctr Rentals	-	-	-	-	300	-	-	-
Total Conference Center	-	-	-	-	27,300	-	-	-
Emergency Response Exercise	-	-	-	3,500	-	7,453	-	-
Other Programs/Events	-	-	-	10,000	-	-	-	1,115
Call Back Service	-	-	-	-	-	-	-	-
Total Events	-	-	-	13,500	27,300	7,453	-	1,115
Other Charges/Fees								
Bank Charges	-	-	-	198,000	-	-	-	-
IATA Contract Expense	-	-	-	50,000	-	-	-	-
Security Services Regular	-	495,250	-	-	-	-	-	-
Security Services Check Pt	-	-	-	-	-	-	-	-
Concessions Marketing	-	-	-	-	535,900	-	-	-
Recycling	-	-	-	-	-	-	500	-
Recycling - Sand	-	-	-	-	-	-	-	-
Copy Agreement	-	-	-	130,000	-	-	-	-
Mediation Fees	-	-	-	2,200	-	-	-	-
Miscellaneous Charges/Fees	-	20,022	-	9,115	-	-	-	5,112
Jail Fees	-	15,321	-	-	-	-	-	-
Total Other Charges/Fees	-	530,593	-	389,315	535,900	-	500	5,112
Service Agreements								
Service - Bldg Inspection	-	-	-	-	-	-	-	-
Service-Computers	-	247,204	9,000	488,920	-	281,822	100,039	2,645
Service-Fitness Equipment	-	-	-	800	-	-	-	-
Service-Grd Trans Equip	-	-	-	-	-	-	-	-
Service-Loading Dock	-	-	-	-	-	-	-	-
Service-Office Equipment	-	30,887	-	5,252	2,400	500	-	-
Service-Other Equipment	-	202,475	12,000	400	2,000	-	2,122	521
Service-Parking Equipment	-	-	-	-	-	-	-	-
Service-Telephone Systems	-	-	-	38,000	-	2,689	-	-
Service-Secured Access	-	-	-	-	-	-	-	-
Service-Radios	-	34,055	10,700	61,416	-	58,114	-	1,155
Total Service Agreements	-	514,621	31,700	594,788	4,400	343,125	102,161	4,321
Total Operating Services/Expenses	-	1,045,214	37,683	1,294,954	589,725	350,578	102,661	141,943

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
Maintenance								
Trades - Painters								
Paint								
Equipment - Paint	-	-	-	-	-	-	-	-
Exterior - Paint	-	-	-	-	-	-	-	-
Interior - Paint	-	-	-	-	-	-	-	-
Traffic Paint - Parking	-	-	-	-	-	-	-	-
Reliever Airport - Paint	-	-	-	-	-	-	-	4,500
Traffic Paint - Runways	-	-	-	-	-	-	-	-
Total Paint	-	-	-	-	-	-	-	4,500
Signs								
Regulatory - Signs	-	-	-	-	-	-	-	-
Exterior Sign Materials	-	-	-	-	-	-	-	161
Interior Sign Materials	-	-	-	-	-	-	-	-
Reliever Airport Signs	-	-	-	-	-	-	-	4,500
Total Signs	-	-	-	-	-	-	-	4,661
Supplies								
Brushes_Supplies	-	-	-	-	-	-	-	-
Paint Supplies - Other	-	-	-	-	-	-	-	-
Solvents	-	-	-	-	-	-	-	-
Equipment Spray	-	-	-	-	-	-	-	-
Paint Tools	-	-	-	-	-	-	-	-
Total Supplies	-	-	-	-	-	-	-	-
Total Trades - Painters	-	-	-	-	-	-	-	9,161
Trades - Carpenters								
Locks								
Locks - Doors	-	-	-	-	-	-	-	2,100
Locks - Door Tags/ID	-	-	-	-	-	-	-	-
Total Locks	-	-	-	-	-	-	-	2,100
Flags	-	-	-	-	-	-	-	120
Lumber								
Lumber-Cabinets	-	-	-	-	-	-	-	-
Lumber-Furniture	-	-	-	-	-	-	-	-
Lumber-Remodeling	-	-	-	-	-	-	-	3,000
Total Lumber	-	-	-	-	-	-	-	3,000
Other								
Other - Attic Stock	-	-	-	-	-	-	-	-
Other - Ceilings	-	-	-	-	-	-	-	1,300
Other - Ceramics	-	-	-	-	-	-	-	-
Other - Doors	-	-	-	-	-	-	-	3,000
Other - Floor Coverings	-	-	-	-	-	-	-	3,000
Other - Hardware	-	-	-	-	-	-	-	-
Other - Miscellaneous	-	-	-	-	-	-	-	3,354
Other - Auto Door Supplis RPL	-	-	-	-	-	-	-	-
Other - Saw Blades	-	-	-	-	-	-	-	-
Other - Screws/Bolts	-	-	-	-	-	-	-	-
Other - Seating Replacement	-	-	-	-	-	-	-	-
Other - Tools	-	-	-	-	-	-	-	-
Other - Tug Door Repairs	-	-	-	-	-	-	-	-
Other - Wall Protection	-	-	-	-	-	-	-	-
Total Other	-	-	-	-	-	-	-	10,654
Total Trades - Carpenters	-	-	-	-	-	-	-	15,874

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
Trades - Plumbers								
Contractor Requirements	-	-	-	-	-	-	-	-
Fire Protection System	-	-	6,177	3,798	-	-	-	39,729
General Plumbing Supplies	-	-	667	2,576	-	-	-	7,748
Irrigation Supplies	-	-	-	100	-	-	-	-
Pumps	-	-	-	-	-	-	-	-
Underground Utilities	-	-	-	-	-	-	-	-
Water Distribution Systems	-	-	-	-	-	-	-	-
Water Meters	-	-	-	-	-	-	-	-
Total Trades - Plumbers	-	-	6,844	6,474	-	-	-	47,477
Trades - Electricians								
Repairs								
Electrical _ Exterior	-	-	-	-	-	-	-	-
Generator Maint. Contract	-	-	-	-	-	-	-	-
Electrical - Interior	-	-	-	-	-	-	-	-
Unit Maint. Contract	-	-	-	71	-	-	-	-
Unit Maint Supplies	-	-	-	-	-	-	-	5
Total Repairs	-	-	-	71	-	-	-	5
Other								
Other - Batteries	-	-	-	-	-	-	-	-
Other-Field Lights/Sensors	-	-	-	-	-	-	-	-
Other - Gate Supplies	-	-	-	-	-	-	-	10,000
Other - General Supplies	-	-	-	-	-	-	-	35,000
Other - Miscellaneous	-	-	-	-	-	-	-	-
Other - Motor	-	-	-	-	-	-	-	-
Other - Secured Access Sys	-	-	-	-	-	-	-	-
Other - Tools	-	-	-	-	-	-	-	-
Total Other	-	-	-	-	-	-	-	45,000
Total Trades - Electricians	-	-	-	71	-	-	-	45,005

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
Maintenance - Field								
Snow Removal - Materials								
Materials - Sodium Acetate	-	-	-	-	-	-	-	-
Materials-Liquid Anti Icer	-	-	-	-	-	-	-	-
Materials-Other Ice Ctrl	-	-	-	-	-	-	-	-
Materials - Salt	-	-	-	-	-	-	-	91
Materials - Sand	-	-	-	-	-	-	-	15,689
Materials - Urea	-	-	-	-	-	-	-	7,286
Total Snow Removal - Materials	-	-	-	-	-	-	-	23,066
Snow Removal - Equipment								
Equipment - Contract	-	-	-	-	-	-	-	-
Equipment - Other	-	-	-	-	-	-	-	744
Equip Rent-No Operator-5.5	-	-	-	-	-	-	-	5,150
Equipment-Rent-No Operator	-	-	-	-	-	-	-	1,937
Total Snow Removal - Equipment	-	-	-	-	-	-	-	7,831
Snow Removal - Miscellan								
Snow Removal - Meals	-	-	-	-	-	-	-	769
Snow Removal - Plow Blades	-	-	-	-	-	-	-	-
Snow Removal - Runway Brm	-	-	-	-	-	-	-	2,000
Snow Melters	-	-	-	-	-	-	-	-
Total Snow Removal - Miscellan	-	-	-	-	-	-	-	2,769
Summer Maintenance-Surface								
Surface Repair-Aggregate	-	-	-	-	-	-	-	4,439
Surface Repair-Asphalt	-	-	-	-	-	-	-	7,639
Surface Repair-Cement	-	-	-	-	-	-	-	961
Surface Repair-Other	-	-	-	-	-	-	-	-
Surface Rubber Removal	-	-	-	-	-	-	-	7,300
Surface Repair-Saw Blades	-	-	-	-	-	-	-	-
Surface Repair-Hot Sealant	-	-	-	-	-	-	-	-
Total Summer Maintenance-Surfac	-	-	-	-	-	-	-	20,339
Summer Maint-Landscape								
Summer Maintenance-Fencing	-	-	-	-	-	-	-	5,438
Landscape/Turf-Materials	-	-	-	-	-	-	-	26,607
Summer Maint-Equip Rent No Op	-	-	-	-	-	-	-	-
Summer Maint-Equip Rent LT	-	-	-	-	-	-	-	-
Total Summer Maint-Landscape	-	-	-	-	-	-	-	32,045
Maintenance Field-Other								
Field Maint-Other-Garbage	-	-	-	-	-	-	-	-
Non Runway Brooms	-	-	-	-	-	-	-	-
Field Maint-Other-Material	-	-	-	-	-	-	-	-
Field Maint-Other-Supplies	-	-	-	-	-	-	-	5,535
Field Maint-Other-Tools	-	-	-	-	-	-	-	-
Total Maintenance Field-Other	-	-	-	-	-	-	-	5,535
Total Maintenance - Field	-	-	-	-	-	-	-	91,585
Maintenance Building								
Building-Temp Control								
Temp Control-Contracts	-	-	6,258	4,768	-	-	-	31,182
Temp Control-Filters	-	-	307	-	-	-	-	2,822
Fire Control Contract	-	-	-	-	-	-	-	-
Total Building-Temp Control	-	-	6,565	4,768	-	-	-	34,004
Building-Mechanical Areas								
Mechanical Areas-APM	-	-	-	-	-	-	-	-
Mechanical Areas-Conveyors	-	-	-	-	-	-	-	-
Mechanical Areas-Doors	-	-	-	-	-	-	-	11,055
Mechanical Areas-Doors/Pub	-	-	-	-	-	-	-	-
Mechanical Areas-Doors/Tug	-	-	-	-	-	-	-	-
Mechanical Areas-Elevators	-	-	-	-	-	-	-	4,675
Mechanical Areas-Escalator	-	-	-	-	-	-	-	-
Mechanical-Moving Walks	-	-	-	-	-	-	-	-
Mechanical Areas-Other	-	-	-	-	-	-	-	5,900
Total Building-Mechanical Areas	-	-	-	-	-	-	-	21,630
Building-Other								
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	-	-	-	-	-	-	-	5,639
Sump/Septic Pumping	-	-	-	-	-	-	-	15,626
Other-Supplies	-	-	-	-	-	6,000	-	6,326
Other-Tools	-	-	-	-	-	-	-	65
Total Building-Other	-	-	-	-	-	6,000	-	27,656
Minor Projects Expense	-	-	-	900	-	-	-	-
Total Maintenance Building	-	-	6,565	5,668	-	6,000	-	83,290

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
Maintenance-Cleaning								
Cleaning Services								
Cleaning Services-Janitor	-	-	25,770	39,459	519,566	12,447	-	28,342
Cleaning Services-Windows	-	-	-	9,622	-	-	-	2,899
Total Cleaning Services	-	-	25,770	49,081	519,566	12,447	-	31,241
Cleaning Supplies								
Cleaning Supplies-Bathroom	-	-	-	-	-	-	-	-
Cleaning Supplies-General	-	-	-	-	-	-	-	3,902
Total Cleaning Supplies	-	-	-	-	-	-	-	3,902
Rubbish Disposal								
Rubbish Disposal-Recycle	-	-	-	-	-	-	-	-
Rubbish Disposal-Regular	-	-	2,215	1,854	-	-	-	35,301
Total Rubbish Disposal	-	-	2,215	1,854	-	-	-	35,301
Towel Laundry Services	-	-	-	-	100	-	-	6,989
Other Cleaning Expenses	-	-	3,848	-	-	-	-	-
Total Maintenance-Cleaning	-	-	31,833	50,935	519,666	12,447	-	77,433
Maintenance-Equipment								
Equipment-Parts								
Parts-Automobiles	-	37,056	3,000	-	-	18,274	-	-
Parts-Boilers Energy Mgmt	-	-	1,041	-	-	-	-	1,983
Parts-Chiller Energy Mgmt	-	-	2,306	10,382	-	-	-	-
Parts-Other Equipment	-	-	-	-	-	-	-	-
Parts-Equipment	-	18,800	35,000	-	-	-	-	109,757
Parts-Other Equipment	-	-	-	-	-	-	-	287
Total Equipment-Parts	-	55,856	41,347	10,382	-	18,274	-	112,027
Equipment-Shop								
Shop-Batteries	-	-	-	-	-	-	-	1,268
Shop-Cleaners/Degreasers	-	-	-	-	-	-	-	758
Shop-Oil _Filters	-	-	-	-	-	-	-	8,450
Shop-Other Supplies	-	-	-	-	-	-	-	8,947
Shop-Tires	-	-	12,000	-	-	-	-	10,325
Shop - Tool Crib	-	-	-	-	-	-	-	-
Shop-Tools	-	-	-	-	-	-	-	2,813
Shop - Weld Shop	-	-	-	-	-	-	-	-
Total Equipment-Shop	-	-	12,000	-	-	-	-	32,561
Equipment-Gas								
Gas-Diesel	-	3,075	18,749	-	-	5	-	63,700
Gas-Ethanol	-	3,901	990	3,597	-	6,345	1,198	-
Gas-Propane	-	-	-	-	-	-	-	-
Gas-Unleaded	-	93,595	4,961	4,941	-	10,223	2,955	32,335
Total Equipment-Gas	-	100,571	24,700	8,538	-	16,573	4,153	96,035
Equipment-Extinguishers	-	-	6,518	-	-	-	-	-
Equipment-Miscellaneous Exp	-	-	-	15,150	-	-	1,000	3,378
Total Maintenance-Equipment	-	156,427	84,565	34,070	-	34,847	5,153	244,001
Total Maintenance	-	156,427	129,807	97,218	519,666	53,294	5,153	613,826

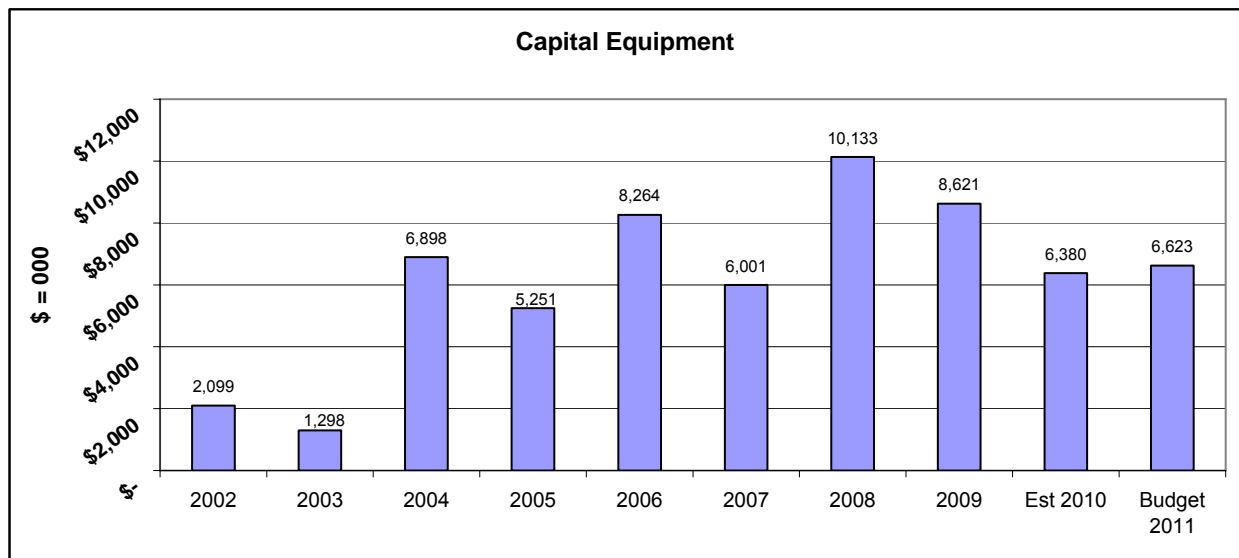
	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
Other								
General Insurance								
Gen Ins-Airport Liability	-	80,315	59,698	38,451	-	3,485	2,491	90,743
Gen Ins-Property	-	108,313	80,510	51,856	-	4,701	3,360	122,378
Gen Ins-Crime	-	1,728	1,285	827	-	75	54	1,953
Gen Ins-Auto/Equipment	-	25,996	19,323	12,446	-	1,128	806	29,372
Gen Ins-Other	-	892	663	427	-	39	28	1,008
Total General Insurance	-	217,244	161,479	104,007	-	9,428	6,739	245,454
Safety								
Safety-Supplies	-	9,850	532	5,500	-	-	-	1,066
Safety-Equipment	-	-	-	5,500	-	-	-	-
Total Safety	-	9,850	532	11,000	-	-	-	1,066
Medical Information/Supply								
Medical-Routine Supplies	-	10,091	2,683	600	-	204	-	452
Medical-Emergency Response	-	-	1,839	-	-	-	-	-
Total Medical Information/Supply	-	10,091	4,522	600	-	204	-	452
Rentals								
Rental-Copier	-	-	4,000	14,000	-	18,800	-	-
Rental-Pagers	-	-	-	17,500	-	-	-	-
Rental-Other Equipment	-	-	-	5,150	-	-	-	-
Total Rentals	-	-	4,000	36,650	-	18,800	-	-
Licenses/Permits								
Licenses-Autos/Equipment	-	-	-	1,500	-	-	-	-
Licenses-Environmental	-	-	-	-	-	-	450	5,250
Licenses-Other	-	-	-	-	1,000	-	-	873
Total Licenses/Permits	-	-	-	1,500	1,000	-	450	6,123
Miscellaneous Expenses								
Misc-Firearm/Equip/Supplies	-	49,900	22,792	-	-	16,000	-	-
Misc-Emergency Response	-	20,067	19,248	-	-	-	-	-
Misc-Other	-	42,586	1,495	8,842	-	-	-	-
Misc-Taxes(Petroleum/Use)	-	-	-	-	-	-	-	2,125
Total Miscellaneous Expenses	-	112,553	43,535	8,842	-	16,000	-	2,125
Adjustments/Bad Debt	-	-	-	15,000	-	-	-	-
Capital Assets								
Minor Equipment/Assets								
Minor Assets-Tools	-	-	19,800	-	-	1,884	-	-
Minor Assets-Office Furn	-	1,000	-	21,100	-	3,541	-	-
Minor Assets-Computers	-	-	-	226,200	-	25,787	20,300	5,855
Minor Assets-Radios	-	958	3,000	8,380	-	8,635	-	3,500
Minor Assets-Other	-	-	30,000	4,500	-	-	-	-
Total Minor Equipment/Assets	-	1,958	52,800	260,180	-	39,847	20,300	9,355
Total Capital Assets	-	1,958	52,800	260,180	-	39,847	20,300	9,355
Total Other	-	351,696	266,868	437,779	1,000	84,279	27,489	264,575
Gross Depreciation	-	-	-	-	-	-	-	-
Grand Total Excluding Depreciation	-	14,905,567	6,346,530	19,555,294	2,176,737	4,038,490	1,894,628	4,930,072
Grand Total With Depreciation	-	14,905,567	6,346,530	19,555,294	2,176,737	4,038,490	1,894,628	4,930,072

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 2011 budget. However, the item in the 2011 budget must be at least \$10,000 to be considered capital (in the past \$5,000). The capital equipment requests in the 2011 budget increased \$242,947 or 3.8%. 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 \$6.6 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 2011 is approximately \$1.4 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 \$5.2 million) will be funded with internally generated funds.

2011 CAPITAL EQUIPMENT SUMMARY				
	<u>2010 Estimate</u>	<u>2011 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Total Equipment	\$ 6,379,691	\$ 6,622,638	\$ 242,947	3.8%

The following chart compares equipment purchases for the past 10 years:



FINANCE & ADMINISTRATIVE SERVICES DIVISION**Information Services**

Equipment	Individual Price	Qty	Trade in Value	Total
Landside Revenue Control System	\$100,000	1		\$100,000
The upgrade underway to the Landside Revenue Control System, which operates the parking facilities including payment, ramp gates and vehicle count equipment, requires existing hardware to be replaced.				
1. New servers clustered for redundancy and failover \$48,000				
2. Storage employing a Storage Area Network (SAN) \$52,000				
MAC PBX and courtesy phone upgrade Phase I of II	\$395,000	1		\$395,000
This project will replace the back office equipment that runs the courtesy phone system as well as upgrade the back office equipment for the Mitel PBX phone system used by the MAC. Both systems have major componenets that are no longer manufactured. The courtesy phone equipment is particularly in jeopardy from lack of replacement parts. Both systems are at least ten years old.				
Network Upgrades	\$817,000	1		\$817,000
Provide security and network management hardware and software to meet regulatory requirements.				
1. Access control and user authentication \$172,000				
2. Network monitoring \$ 60,000				
3. Network switch replacement - quan 100 \$490,000				
4. Add storage - Storage Area Network (SAN) \$ 95,000				
Information Services Total:				\$1,312,000

OPERATIONS DIVISION**Airside Operations**

Equipment	Individual Price	Qty	Trade in Value	Total
Airside Operations Expansion/Replacement Furniture With the 2010 expansion of the Airside Operations Center and existing office spaces into the space left vacant by the Communications Department, additional and replacement workstations are needed. The existing Airside Operations workstation furniture is over 15 years old and is no longer manufactured or supported. The current furniture is starting to fail both aesthetically and structurally. This is a planned replacement for office/workstation furniture for 9 positions in the Airside Operations Center and furniture for the manager and systems administrator offices. At a minimum, planned furniture includes; desks, chairs, tables, storage units, bookshelves, credenzas, cubicles, filing cabinets, whiteboards and work surface lighting for 11 positions.	\$55,000	1		\$55,000
DTC classroom and testing furniture The existing furniture at the MSP Driver's Training Center is a combination of low cost furniture purchased at Sam's Club and other warehouse outlets and wasn't designed to handle the number of students using the facility. The current furniture is failing and in some cases, isn't able to be used functionally. The plan is to replace all meeting room, classroom and training room furniture used by MAC and airport personnel involved in training and/or meetings at the Driver's Training Center. At a minimum, planned furniture includes 20 testing carrells, 20 classroom tables, 60 chairs, storage units, 2 desks, credenzas and bookshelves.	\$45,000	1		\$45,000
MSP Airfield Log System Integrations The MSP Airside Log and Inspection System is a comprehensive reporting package for the Airside Operations Department. Several additional integrations are available which gather required data from disparate systems within the Operations Center. This project includes integrating the MSP Runway Sensor System, Runway Surface Friction (CFM) tester, AlertFind emergency messaging, Wildlife Canon System, and automated weather data.	\$37,500	1		\$37,500
MSP Driver's Simulator Computer Replacement The current computers which comprise the MSP Driver's Training Simulator were put in service in 2001. During this time several upgrades to the internal components were made; however, they have come to the end of reasonable use. This project will replace the twelve computers which make up the visual, control and operating systems of the simulator.	\$36,000	1		\$36,000

OPERATIONS DIVISION**Airside Operations**

Equipment	Individual Price	Qty	Trade in Value	Total
MSP Runway Sensor System Server Replacement	\$16,000	1		\$16,000

The MSP Runway Sensor System connects 24 in-pavement sensors to seven reporting stations spread out across the airfield. The sensors report surface and atmospheric data into the server which graphically depicts as well as predicts icing events at MSP. This project will upgrade the six year old server hardware and replace the ten year old operating system and sensor reporting software.

Airside Operations Total:	\$189,500
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Facilities-Humphrey Terminal

Equipment	Individual Price	Qty	Trade in Value	Total
CUSE (Ultra) and Bag Belt BIDS Interface Controls	\$23,000	1		\$23,000

Install new controls on Humphrey bag belt system and integrate to CUSE (Ultra) System. Cost includes new controls and programming (Ultra) to interface the bag belt with the MUFIDS/BIDS System.

Facilities-Humphrey Terminal Total:	\$23,000
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Facilities-Lindbergh Terminal

Equipment	Individual Price	Qty	Trade in Value	Total
Bomb-proof Trash Cans	\$25,000	1	\$0	\$25,000

For the purchase of Blast Mitigation (bomb-proof) trash cans. This year's purchase is intended to replace the non bomb-proof cans (approx. 10) in the Auto Rental Facility.

Replacement Cushman Carts	\$10,275	1		\$10,275
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Per SDI's tram O & M contract, MAC is responsible to replace two MAC-owned cushman carts during the first two contract years. SDI has already completed the first contract year in May, 2010 and MAC is liable to provide the new carts prior to May 4, 2011. The price is utilizing SDI's fleet discount to purchase the carts at a cheaper rate. Carts to meet all MAC/OSHA/ANSI standards.

Upgrade of Trams Hardware & Software Technologies	\$314,443	1		\$314,443
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(Sole Source) Proposal for AES Corporation to upgrade the hardware and software technology for both the Hub and Concourse Trams. Total necessary monies may be broken down to (maximum) 3-year phasing with priority list attached to proposal.

Facilities-Lindbergh Terminal Total:	\$349,718
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OPERATIONS DIVISION**Field Maintenance**

Equipment	Individual Price	Qty	Trade in Value	Total
Airfield Tractor Lease-to-own buy-out Contractual obligation to buy-out equipment leases, closing a 2008 financial agreement that featured very favorable lease financing rates.	\$83,000	6		\$498,000
Blanchet Loader Blower Attachment Replacement equipment deferred for the past five budget cycles; used to maintain runway/taxiway safety areas and to manage snow dumps.	\$189,000	1	\$5,000	\$184,000
Electric Transit Vehicle and Charging Station MAC has entered into a multi-agency contract to introduce electric vehicles into fleet service. Agreement includes \$20K Xcel Energy rebate.	\$68,000	1	\$20,000	\$48,000
Flex-fuel Crew-Cab Pick-up with Lift Gate Replacement equipment for high-mileage, high-maintenance cost vehicle used for routine maintenance operations.	\$31,000	1	\$1,000	\$30,000
Flex-fuel Heavy-duty Pick-up New flex-fuel vehicle to facilitate mobile equipment repairs.	\$35,000	1		\$35,000
Multi-purpose High-pressure Liquid Vehicle New equipment to conduct rubber removal operations, and to provide spill containment and liquid recovery services. Vehicle supports technology in lieu of headcount in reducing rubber removal personnel from six to two, and would provide the ability to recover glycol and other liquid spills.	\$585,000	1		\$585,000
Street sweeper lease Street sweeper equipment capital lease costs. Equipment leasing is more cost-effective than purchase for this category of equipment due to its heavy use and low trade value.	\$93,800	3		\$281,400
Tire Changing Machine Replacement equipment to support in-house vehicle maintenance.	\$11,000	1		\$11,000
Used Cube Van Used truck to replace 1971 vehicle used to support bituminous repair operations.	\$15,000	1		\$15,000
Zero-turn Mower Replacement equipment used for landscape and turf maintenance operations.	\$15,000	2	\$1,000	\$29,000
Field Maintenance Total:				\$1,716,400

OPERATIONS DIVISION**Fire**

Equipment	Individual Price	Qty	Trade in Value	Total
2011 SUV Chevrolet Tahoe flex fuel	\$41,000	2		\$82,000
Replacement vehicles for a 1997 Chevrolet Suburban and a 1999 Dodge Durango. Increased mechanical needs due to age and wear have lengthened vehicle down time. Both of these vehicles are relied upon for emergency response and must operate safely in order to keep our personnel and the public safe.				
Airstairs	\$140,000	1		\$140,000
This will replace a 1990 vehicle which, because of its age, should no longer be a front line emergency response vehicle. This vehicle is relied upon for making access to remote aircraft during fire and medical emergencies as well as use during special events such as presidential visits.				
Fire Total:				\$222,000

Landside-Parking

Equipment	Individual Price	Qty	Trade in Value	Total
4x2 Pickup with Crew Cab	\$22,520	1	\$1,500	\$21,020
Replace aged pickup truck per MAC Fleet recommendation that was postponed from last year. Replacing the pickup with a crew cab vehicle so we can transport lost/distressed customers and staff with fewer vehicles - in addition to transporting parking signs, cones, and supplies in the bed area of the truck. This replacement will reduce maintenance cost/labor to keep the aging vehicle operational.				
Add additional & replace monitors PMO control room	\$10,000	1		\$10,000
Replace aging security camera monitors in the Parking Management Office (PMO) at Terminal 2 with LCD monitors. This will bring the monitoring capability at the PMO up the same level as the Parking Management Building at Terminal 1.				
Add AVI Readers	\$30,000	2		\$60,000
Add access control equipment including an AVI reader at two locations; T1 Transit Center Employee Parking lot and Flush Through Roadway - handicapped entrance to T1 short term parking.				
Upgrade Parking RCS from Zeag FCMS to Zeag Orion	\$1,300,000	1		\$1,300,000
Second half of 2,600,000 Zeag RCS system upgrade.				
Landside-Parking Total:				\$1,391,020

OPERATIONS DIVISION**Police**

Equipment	Individual Price	Qty	Trade in Value	Total
Biometric Reader Upgrades	\$150,000	1		\$150,000
MSP is a pilot airport for the AAAB 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. Our plan is to install approximately 50 biometric card readers in 2011. Integrating biometrics into our card access system also meets the suggested improvements identified in security directive 1542-04-08G.				
CCTV System Components	\$200,000	1		\$200,000
CCTV cameras equipment repair and replacement. Many of the current cameras and their related components are reaching their expected serviceability and need to be repaired and replaced to maintain the quality system MAC has invested in.				
Police Vehicle	\$36,000	1		\$36,000
The following squad has in excess of 100,000 miles. It is recommended for replacement by the Police Department and MAC's Maintenance Foreman:				
Squad 616-963 (2006 model) \$36,000				
Police Vehicles	\$32,000	2		\$64,000
The following squads have in excess of 100,000 miles. They are recommended for replacement by the Police Department and MAC's Maintenance Foreman:				
Squad 616-964 (2007 model) \$32,000				
Squad 616-968 (2007 model) \$32,000				
Server replacement for SAACS Domain	\$38,000	1		\$38,000
Replace the following servers: Terminal Server SQL Server Domain Controller Domain Controller #2 Print Server				
Police Total:				\$488,000

OPERATIONS DIVISION**Relievers - Airlake**

Equipment	Individual Price	Qty	Trade in Value	Total
Toro type riding mower Used for areas along taxiway lighting, runway lighting and in hangar row alleyways.	\$80,000	1	\$500	\$79,500
Relievers - Airlake Total:				\$79,500

Relievers - St. Paul

Equipment	Individual Price	Qty	Trade in Value	Total
Toro type riding mower Used for areas along taxiway lighting, runway lighting and in hangar row alleyways.	\$80,000	1	\$500	\$79,500
Relievers - St. Paul Total:				\$79,500

Trades - Administration

Equipment	Individual Price	Qty	Trade in Value	Total
2011 Spider Lift A Spider lift is used for extreme and hard to reach places inside and outside such areas as the A/B rotunda, around escalators, and outside the tram area on the C concourse. It can be easily driven between the buildings and terminals. This machine will go through a 36.2 inch doorway and is versatile and light weight. It converts from diesel to AC for pollution control. Currently we use high priced scaffolding which is time consuming and expensive. Also, ladders are used which creates a unsafe condition. This will be a shared piece of equipment among the trades and EMC. This will save time and labor along with a better safety environment.	\$110,000	1		\$110,000
2011 Telescopic Boom Truck with a 30 in Bucket This will replace a 2000 24 in bucket that is a safety risk when egressing the bucket. Also, the outriggers require adjustment which is labor intensive resulting in additional labor expense. The new truck has a telescopic boom and a 30 inch walk out bucket which is safer to operate within the limited surroundings available to work in. We would like to use the 2000 bucket truck chassis to replace the plumbing lift truck which has a rusted out deck.	\$115,000	1		\$115,000
Trades - Administration Total:				\$225,000

OPERATIONS DIVISION**Trades - Carpenters**

Equipment	Individual Price	Qty	Trade in Value	Total
2011 4X4 Pickup Truck	\$31,000	1		\$31,000
MAC Carpentry shop is presently borrowing a truck from Field Maintenance that transports MAC carpenters from the Trades Center to T2 and MAC Fire Station 1 in the performance of regular and after hours job duties. This temporary truck will no longer be available for this use. A new truck would be necessary for normal transport including, but not limited to, towing capacity for the escalator trailer, a side tool box, cab shield, lift gate and would be equipped with both radios.				
Trades - Carpenters Total:				\$31,000

Trades - Electricians

Equipment	Individual Price	Qty	Trade in Value	Total
Platform Lift- High Demand/Parking Lot	\$22,000	1		\$22,000
This equipment would be shared between Painters/Carpenters/Plumbers/Electricians to help us safely and efficiently keep up with the increased demands put on us by the expansion of the Orange Ramp.				
Trades - Electricians Total:				\$22,000

Trades - Painters

Equipment	Individual Price	Qty	Trade in Value	Total
1 ton single cab 4x2 pickup	\$26,000	1	\$500	\$25,500
Pickup truck with tommy gate, radios, beacon/cab lights, tow bar to replace 616-597 a(1995 1/2 ton pickup) which does not meet our needs in carrying or towing capacity; everything is in larger quantity, larger trailers and equipment. The old vehicle is rusted through and mechanically unreliable.				
3/4 ton work van	\$22,000	1	\$500	\$21,500
3/4 ton van with lights to replace 1996 1/2 ton pickup for use in the sign shop for pickup and delivery of sign related materials that are weather sensitive and unstable to haul in open truck box.				
Water Blaster	\$400,000	1	\$5,000	\$395,000
Water Blaster for paint removal on AOA surfaces.				
Trades - Painters Total:				\$442,000

OPERATIONS DIVISION**Trades - Plumbers**

Equipment	Individual Price	Qty	Trade in Value	Total
Safety Confined Space Entry Equipment Purchase the necessary safety equipment that will mount permanently inside the North and South Trichter stations which will allow the plumbers to enter the confined space within the compliance of the regulatory safety standards.	\$12,000	1		\$12,000
Utility Truck Modifications The current vehicle utility box and bed is rotting out creating a safety hazard. Our plan is to modify the old bucket truck using some old and new parts to be used as the main plumbing shop lift truck. This only applies if the telescopic bucket truck from 88400 is approved.	\$20,000	1		\$20,000
Trades - Plumbers Total:				\$32,000

PLANNING & ENVIRONMENT DIVISION**Environment-Aviation Noise**

Equipment	Individual Price	Qty	Trade in Value	Total
NAS Data Storage System (File Server) The environment currently operates 2 HP Snap 520 NAS file servers that serve out the NFS and CIFS protocol to our servers and workstations. The data includes home directories, Website data, Laserfiche data and MACNOMS data. This is a key component to store and manage our data and needs to be updated. We have had several issues with the hardware/software in the past year. I plan to re-provision these machines as back-up storage for our network. And these machines are due to be replaced per our network hardware replacement schedule.	\$20,000	1	\$0	\$20,000
Environment-Aviation Noise Total:				\$20,000

Capital Asset Grand Total: \$6,622,638

ORGANIZATIONAL PERSONNEL

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

- Actual Authorized 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 downturn in the airline industry and the economic recession.

The 2009 budgeted position count shows 574.5 FTE positions 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.

The 2010 budget included 565.5 FTE positions however; a mid-year adjustment in 2010 of 8.5 FTE positions increased the budget to 574.

The 2011 budget includes 4 new FTE position for a total count of 578.

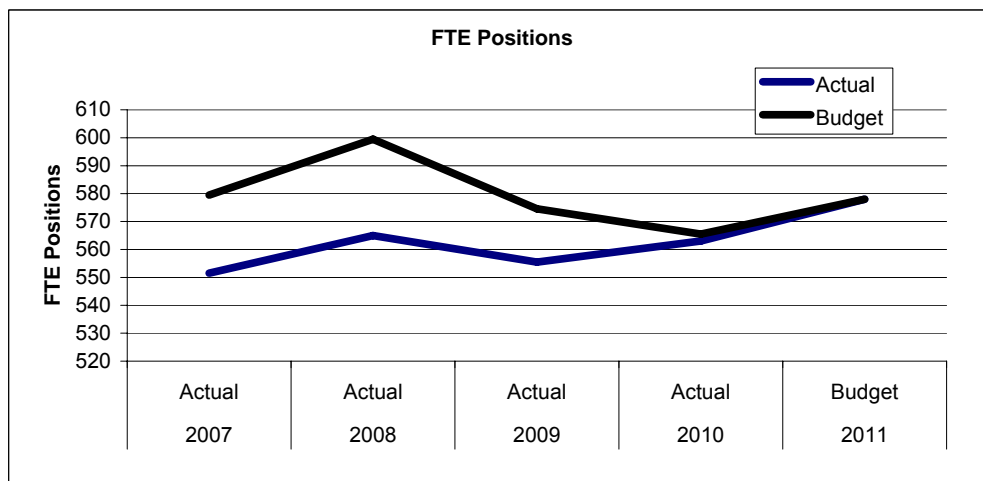
The following table indicates actual FTE positions have been less than both authorized and budgeted.

FTE Positions	2004	2005	2006	2007	2008	2009	2010	2011
Budgeted	544.5	574.5	558.5	579.5	599.5	574.5	565.5	578
Authorized	593.5	593.5	575.5	579.5	599.5	574.5	574	578
Actual	535.5	557	558.5	551.5	565	555.5	563	

- * - 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.

** 8.5 additional FTE positions were added mid-year in 2010.

The following graph compares actual 2007 thru 2010 and 2011 budget FTE positions.



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

As of 12/16/08							As of 12/18/09		As of 12/17/10	
Service Center	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2010 Mid-Year Positions	2011 (1) Budget				
Executive										
75000 Executive	2	2	2	2		2				
75100 Executive - Commissioner	0.5	0.5	0.5	0.5		0.5				
76000 Public Affairs & Marketing	3	3	3	4	1	4				
78300 Internal Audit	4	4	3	4		4				
79500 Labor and Governmental Affairs	3	3	3	3		3				
Total Executive	12.5	12.5	11.5	13.5		13.5				
BUDGET	10.5	12.5	12.5	12.5		13.5				
Human Resources										
75700 Human Resources	2.5	2	2	2		2				
76600 HRD & Strategic Planning	4	3	3	3		3				
81500 Employee Relations	5.5	5.5	5.5	6	0.5	6				
80600 Diversity	2.5	2	2	2		2				
Total Human Resources	14.5	12.5	12.5	13		13				
BUDGET	13.5	15	12.5	12.5		13				
Finance & Administrative Services										
75600 Finance & Admn. Services*	2	2	4	4		4				
76800 Risk Management	4	4	4.5	4.5		4.5				
78000 Finance	18	19	16	16		16				
78100 MAC General***					2	6 (3)				
78200 Purchasing	7.5	7.5	7.5	7.5		7.5				
79000 Information Services	17	19	20	22	3	23				
Total Administrative Services	48.5	51.5	52	54		61				
BUDGET	56	81	53	53		61				
Legal Affairs										
81000 General Counsel	7	8	8	8		8				
Total General Counsel	7	8	8	8		8				
BUDGET	8	9	8	8		8				
Environment/Development										
75500 Planning	2	2	2	2		2				
76100 Air Service-Business Development	1.5	1.5	0.5	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	5	5	4	5		5				
80100 Concessions & Business Development**	4	4	4	4		4				
82050 Conference Center ****	1	3	2	2		3				
85000 Environment -General	2	2	2	2		2				
85100 Environment-Environmental	3	3	3	3		3				
85300 Environment-Aviation Noise Program	7	7	7	7		7				
Total Environment/Development	42.5	44.5	41.5	42.5		43.5				
BUDGET	30	33	43.5	43.5		43.5				

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

Service Center	2007	As of 12/16/08	As of 12/18/09	As of 12/17/10	2010 Mid-Year	2011 (1)
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Positions</u>	<u>Budget</u>
Operations						
75800 Deputy - Operations	2	1	2	2		2
82000 MSP Operations & Administration	4	4	4	4		4
82060 Call Center	4	3	2	2		2
82600 Airside Operations	12	13	15	15		15
82700 Emergency Communications	15	16	13	15		16
83400 Landside - Administration	20.5	23.5	23.5	23.5		23.5
83600 Fire	44	49	49	48		49
84200 Police	110	113.5	111.5	113.5	2	115.5
85500 Facilities - Humphrey Terminal	2	2	2	3		3
86100 Facilities - Lindbergh Terminal	10	10	10	10		10
86300 Facilities - Energy Management Center	19	19	18	18		18
88000 Electricians	15	17	17	17		17
88100 Painter	6	7	8	7		8
88200 Carpenter	9	9	9	9		9
88300 Plumber	7	8	8	8		8
88400 Trades-Administration	2	2	1	2		2
89000 Maintenance	118	113	111	110		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	0		1
90400 Reliever - Airlake	1	1	1	1		1
90500 Reliever - Flying Cloud	3	3	3	3		3
90600 Reliever - Crystal	4	3	3	3		3
90700 Reliever - Anoka	3	3	3	3		3
Total Operations	<u>426.5</u>	<u>436</u>	<u>430</u>	<u>432</u>		<u>439</u>
BUDGET	442.5	449	436	436	8.5	439
Total Actual FTEs	551.5	565	555.5	563		
TOTAL BUDGET FTEs	560.5	599.5	565.5 (2)	565.5		578

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

(2) Adjusted down from 574.5 to 565.5 in 2009

(3) 2 positions - part of 8.5 mid-year approved positions; 4 - approved for 2011 unassigned

* Moved two FTEs from Finance

**New Service Center in 2007 - FTEs from CMAA

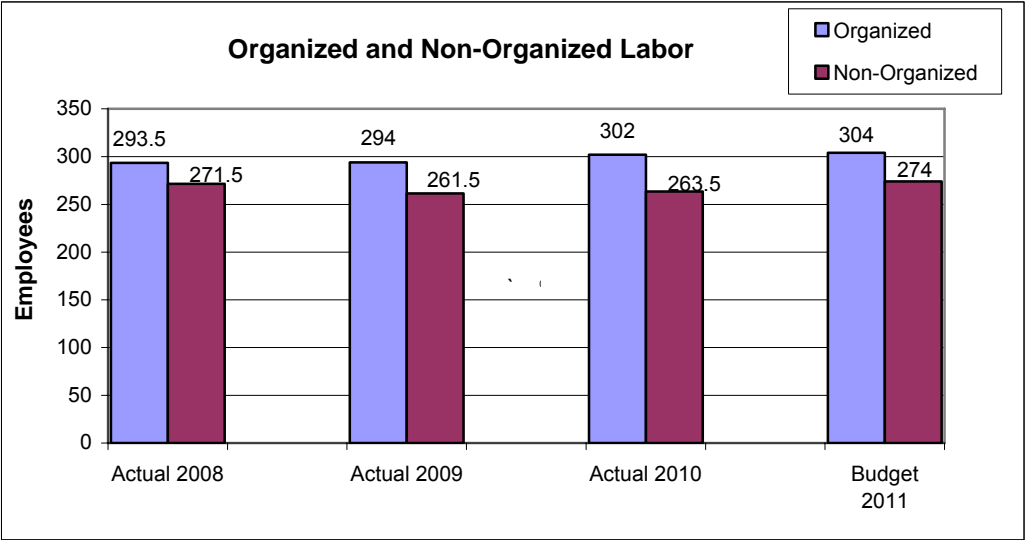
*** MAC General - general service center for maintaining FTE count

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

**Regular Status Full Time Equivalent Position Count
by Job Classification**

	2008 Actual	2009 Actual	2010 Actual	2011 Budget
Organized				
Local 70 Operating Engineers	16	15	15	15
49er's Equipment Maintenance	22	22	22	22
320's - MSP Int'l - Field	78	75	75	75
320's - MSP Int'l - Lindbergh Terminal	2	2	2	2
320's - Reliever Airports	18	18	18	18
Painters -386	8	8	8	8
Carpenters - CAR	9	9	9	9
Plumbers -034	8	8	8	8
Electricians - 292	17	17	17	17
Emergency Communications Specialists*			11	11
Police Lieutenants/Sergeants - 307	16	16	18	18
Police Officers - 302	62.5	59	58	58
Firefighters - S6	37	36	32	34
Fire Captains - S6	0	9	9	9
Total Organized	293.5	294	302	304
Non-Organized				
Chairperson/Executive Director	1.5	1.5	1.5	1.5
Dep. Directors/Directors/Assistant Director	23	23	23	23
Managers/Assistant Managers/Supervisors	82	79.5	87	91
Police Chief/Fire Chief	2	2	2	2
Community Service Officers	11.5	12.5	12.5	14.5
Passenger Assistants	13.5	12.5	12.5	12.5
Fire Training/Marshall	11	2	2	2
Commanders/Deputy Chief/Police Training Coordinator		4	4	4
Administrative/Professional/Tech. Support	127	124.5	119	119.5
Unassigned				4
Total Non-Organized	271.5	261.5	263.5	274
Total MAC	565.0	555.5	565.5	578
* new Labor Union in 2010				

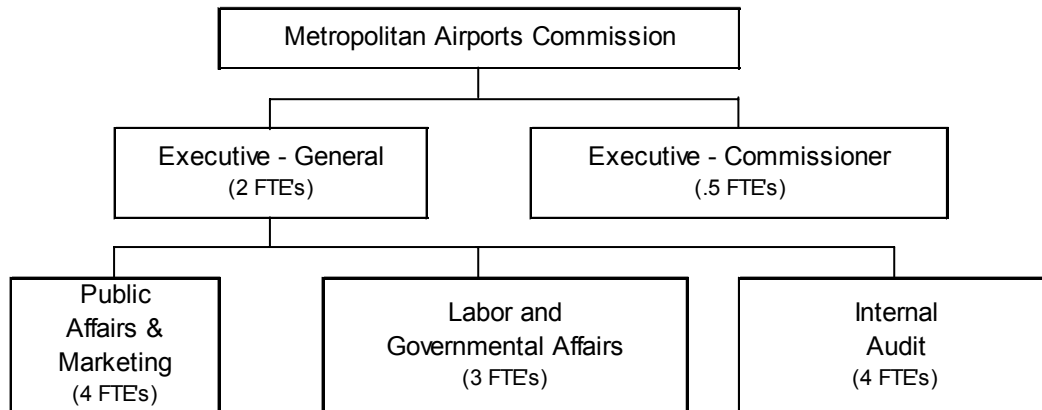
Organized refers to those work areas or employees which are represented by a union. All unions represented have specific contracts which dictate wages, benefits and work rules. Currently, the MAC has fourteen unions. Non-organized refers to all other employees not in a union. The following chart compares the number of Organized and Non-Organized FTE positions.



Airside Operations Crew

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Executive Division



Notations to Service Center Summaries:

- * Variance (dollars and %) is computed between 2010 Budget and 2011 Budget
- * The explanation for the variances is based upon the 2010 Budget and 2011 Budget
- * Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

EXECUTIVE - GENERAL

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.

BUDGET SUMMARY

	2009 Actual	2010 Budget	2011 Budget	\$ Variance	% Variance
Personnel	250,442	254,593	258,611	4,018	1.58%
Administrative Expenses	167,102	161,920	179,800	17,880	11.04%
Professional Services		0	0		
Utilities	355	600	800	200	33.33%
Operating Services/Expenses	682	500	600	100	20.00%
Other	824	2,000	0	-2,000	-100.00%
Total Budget	419,406	419,613	439,811	20,198	4.81%
FTE Total	2	2	2		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	Travel expense was averaged over 3 years for required travel for the Executive Director and the Commissioners. Also, professional membership dues increased.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
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.

2010 RESULTS REPORT

Service Center Objective	Measurement	Results
Oversee the implementation of the 2010 organizational key initiatives.	2010 key initiatives are completed on time and within budget.	MAC had eleven organizational key initiatives for 2010. A member of senior staff was assigned to lead each 2010 organizational key initiative and track the progress with quarterly updates throughout the year. Significant progress was made on each initiative.

EXECUTIVE - GENERAL**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Establish long range 2011-2015 goals for the organization.	Long range organizational goals are identified that advance MAC toward the achievement of its vision.	MAC's strategic planning process in 2010 included discussions to identify long range goals. The Long Term Comp Plan for MSP and the Reliever Airports represent key goals that will drive the organization toward the achievement of our vision "to give our customers the best airport experience in North America".
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.	Numerous meetings with key stakeholders and partners were conducted throughout the year resulting in productive collaboration that contributes to the accomplishment of MAC's mission.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: N/A		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Oversee the strategies to implement MAC's Long Term Comp Plans.	Initial strategies move forward with phased implementation of plans.
N/A	Work with the Commission to address environmental issues that concern the surrounding communities.	MAC's positive relationships with surrounding communities are preserved.
N/A	Complete a review of the Reliever Airports financial model.	Financial model in place that sustains the Reliever Airports.
N/A	Transition the Commission Board as Governor appointments are put into place.	MAC's Board of Commissioners are provided with an orientation to their role and the organization as they begin to serve on the Commission.
N/A	Direct the transition of organizational changes as turnover of key leadership positions occur.	Organizational changes and transitions are implemented effectively to maintain MAC as a high performing organization.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
People	64%	69%	75%	100%	100%
SC Performance Indicator: Annual employee performance reviews completed throughout the organization					
Comments:					
Financial Responsibility	2.11x	2.06	2.08	2.11	=>2 x
SC Performance Indicator: Debt service coverage maintained					
Comments:					

EXECUTIVE - GENERAL**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key					
Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
People	4.95	4.9	TBD	TBD	=>4.5 of 6
SC Performance Indicator: Job satisfaction rating Comments:					
Customer Service	4.17	4.18	4.16	TBD	=>4.0 of 5
SC Performance Indicator: Airport service performance rating (ACI survey) Comments:					

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EXECUTIVE - COMMISSIONERS/CHAIR

The responsibility of the Board is to: 1) promote 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 that the environmental impact will be minimized 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.

BUDGET SUMMARY

	2009 Actual	2010 Budget	2011 Budget	\$ Variance	% Variance
Personnel	35,614	34,833	35,833	1,000	2.87%
Administrative Expenses	30,552	19,912	29,300	9,388	47.15%
Professional Services		0	0		
Utilities		500	0	-500	-100.00%
Other		0	0		
Total Budget	66,166	55,245	65,133	9,888	17.90%
FTE Total	0.5	0.5	0.5		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	Travel expense was averaged over the past 3 years for required travel for the Executive Director and the Commissioners.

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PUBLIC AFFAIRS & MARKETING

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 issues 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 continually promotes airport services.

BUDGET SUMMARY

	2009	2010	2011	\$	%
	Actual	Budget	Budget	Variance	Variance
Personnel	239,454	234,402	324,364	89,962	38.38%
Administrative Expenses	72,705	78,016	82,894	4,878	6.25%
Professional Services	171,529	256,186	226,400	-29,786	-11.63%
Utilities	2,422	2,213	2,700	487	22.01%
Operating Services/Expenses	506,605	571,733	569,700	-2,033	-0.36%
Maintenance		15,000	15,000	0	0.00%
Other	4,635	1,213	4,947	3,734	307.83%
Total Budget	997,350	1,158,763	1,226,005	67,242	5.80%
FTE Total	3	3	4		

BUDGET HIGHLIGHTS

Personnel	The Personnel increase is attributable to an additional employee added mid 2010 as well as wage structure adjustments and step increases.
Administrative Expenses	The increase in Administrative Expenses is to cover the cost of a project management software system put in place in 2010.
Professional Services	In Professional Services, certain expenses were moved to other accounts for a more accurate accounting. On the other hand, in 2011 we have budgeted for slight improvements to the new digital interactive directory kiosks. It also includes continued work on the MyMSPconnect tenant Web portal and improvements to the existing metroairports.org Web site, shifting it to the same CMS used for mspairport.com for increased efficiency, improved navigation and a more consistent look. Similarly, we will work toward integrating the ShopsAtMSP site with the mspairport.com CMS. We also intend to develop a community e-newsletter to strengthen relationships.
Utilities	A slight increase in cell phone costs reflects the 2010 addition of data to one of the plans.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
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.

PUBLIC AFFAIRS & MARKETING**2009 RESULTS REPORT**

Service Center Objective	Measurement	Results
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.
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, worked with concessionaires to increase coupon-based promotions, planned and implemented the most robust promotion of holiday sales ever at MSP, developed and implemented 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.

2010 RESULTS REPORT

Service Center Objective	Measurement	Results
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.	Increased Facebook friends/likes to 1,300, up from 500 when the year began, and Twitter followers to 2,150, up from 650. During the year, also launched an MSP YouTube site, the goHow Airport mobile app for iPhones and BlackBerries, a Foursquare outreach program recognizing the "mayor" of MSP, and made the Forbes list of Top 10 Tweeting airports.
Develop a Web site for sharing information with tenants and increasing efficiencies.	MSP community Web site developed and operating.	Completed development of myMSPconnect.com.

PUBLIC AFFAIRS & MARKETING**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Develop and implement low-cost educational program to help MSP users associate Terminal 1 with Lindbergh and Terminal 2 with Humphrey.	Educational campaign implemented.	Educational campaign completed.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Develop and implement Phase 2 of the Digital Concierge program, expanding and refining content and programming of the digital directories and expanding the program to other areas of MSP.	Additional digital directory locations and enhanced content and search capabilities.
NA	Overhaul metroairports Website to improve navigation, streamline content and better reflect the MAC's mission and vision.	Revamped Website look, feel and experience.
NA	Market the newly launched Web portal to MSP tenants and enhance the site based on user feedback and operational needs.	Documented marketing materials and activities as well as revisions to the site.

Organizational Strategic Goal: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Conduct comprehensive market research for the 2012 concessions bid process.	Develop and conduct a market research survey to provide information key to planning rebidding of MSP's concessions as well as to developing effective concessions marketing strategies.	A completed concessions market research survey.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
People	100%	100%	100%	100%	100%
SC Performance Indicator: Annual employee performance reviews completed Comments: Percent completed.					

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INTERNAL AUDIT

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.

BUDGET SUMMARY

	2009	2010	2011	\$	%
	Actual	Budget	Budget	Variance	Variance
Personnel	300,310	328,534	359,545	31,010	9.44%
Administrative Expenses	2,210	2,726	4,800	2,074	76.08%
Professional Services		0	5,000	5,000	100.00%
Utilities		0	0		
Operating Services/Expenses	4,151	4,920	5,100	180	3.66%
Maintenance		0	0		
Other		0	0		
Total Budget	306,671	336,180	374,445	38,264	11.38%
FTE Total	3	4	4		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases as well as being understaffed in 2010 and fully staffed in 2011.
Professional Services	An independent audit consultant will be needed to perform a required independent review of the Internal Audit Department Quality Assessment Program. This review is required at 5 year intervals under the Internal Audit Standards and was last performed in 2006.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
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.

INTERNAL AUDIT**2009 RESULTS REPORT**

Service Center Objective	Measurement	Results
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.
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 RESULTS REPORT

Service Center Objective	Measurement	Results
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.	Twelve Internal Audit projects were completed in 2010.
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.	The computerized risk based model is complete and was used to develop the 2011 audit plan which was approved by the Commission. The risk model will be updated on an ongoing basis.
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.	The Fraud Risk Assessment is 50% complete. The Assessment will be completed in the First Quarter of 2011.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Complete an Internal Audit Department Quality Assurance Review and have an independent validation performed in order to comply with Internal Audit Standards.	Quality Assurance review and validation are complete and a report of results is presented to the Commission.
NA	Complete 2011 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.

INTERNAL AUDIT

Organizational Strategic Goal: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Develop new ways to use financial data analysis software to perform continuous analysis of relevant financial data to identify key risk factors for further study and incorporation into future audit plans.	New computer analysis routines are developed and incorporated into ongoing audit procedures related to key financial processes.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
Financial Responsibility	75%	80%	85%	85%	85%
SC Performance Indicator: Percentage of Audit Projects Completed that were scheduled in the Annual Audit Plan Comments: 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%	100%	100%	100%
SC Performance Indicator: Complete required staff training to maintain certifications Comments:					
People	100%	100%	100%	100%	100%
SC Performance Indicator: Complete staff performance reviews Comments:					

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LABOR AND GOVERNMENTAL AFFAIRS

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

BUDGET SUMMARY

	2009	2010	2011	\$	%
	Actual	Budget	Budget	Variance	Variance
Personnel	280,952	285,729	290,148	4,418	1.55%
Administrative Expenses	19,511	20,257	23,516	3,259	16.09%
Professional Services	223,942	278,450	253,450	-25,000	-8.98%
Utilities	1,014	1,350	1,034	-316	-23.39%
Operating Services/Expenses	698	3,265	3,505	240	7.35%
Maintenance		0	0		
Other	50	1,240	1,400	160	12.90%
Total Budget	526,166	590,291	573,053	-17,239	-2.92%
FTE Total	3	3	3		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	The increase is due to additional trade association and affiliate organization responsibilities.
Professional Services	The decrease in professional services is due to budget constraints.
Utilities	The decrease is due to a reduction in cell phone costs.
Operating Services/Expenses	The increase is due to higher cost of pro-rata share for service & maintenance on 3rd floor color printer and scanner.
Other	The increase reflects the amount typically needed for rental of charter buses for airport site visits.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
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.

LABOR AND GOVERNMENTAL AFFAIRS**2009 RESULTS REPORT**

Service Center Objective	Measurement	Results
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 grant received.
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.

LABOR AND GOVERNMENTAL AFFAIRS**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
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.	Chaired meetings of SCSU Industry Advisory Board and worked with aviation industry representatives on reorganization plan for SCSU aviation program. Attended Foreign Trade Zone meetings and National Foreign Trade Zone seminar/conference. Participated in ACI-NA Governmental Affairs Committee and Steering Group meetings.
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.	Briefed legislators and presented MAC positions on legislation during 2010 State Legislative Session and interim. Briefed congressional staff, state legislative staff, Minnesota Chamber of Commerce Transportation Committee, University Aviation Association and MnDOT executive staff during MSP site visits.
Participate in formulating airport trade group positions on aviation related legislation.	Airport trade positions closely aligned with MAC strategy and goals.	Served on ACI-NA Governmental Affairs Steering Committee.
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 MAC managers and supervisors as needed to advise them on grievance and contract issues.
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.	Acted as General Counsel for Minnesota Public Employer Labor Relations Association, presented at MPELRA conference and attended National NPELRA conference. Served on Board of Directors for Twin City Area Labor Management Council. Participated in meetings of MAC labor management committees.
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.	Successfully concluded negotiations with Local 49, four trade unions, Teamsters, Police Supervisors, Local 70 and Fire Captains bargaining units and labor agreements approved by Commission. Negotiations with new Emergency Communications Specialists bargaining unit continued into next year.
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.	Represented MAC in contract mediation (Police Supervisors, Fire Captains and Emergency Communications Specialists) and in grievances. Participated in Taxi Advisory Committee meetings. Served as Hearing Officer for SIDA badge suspension and Taxi hearings.

LABOR AND GOVERNMENTAL AFFAIRS**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
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.
Respond to Legislators' questions regarding constituent concerns.	Issues resolved without legislative action.	Coordinated responses to many constituent issues during state legislative session and interim.
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 2010 state legislative summary.) Coordinated state push for passage of federal FAA Reauthorization Bill by Congress.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>Match Employee Talent with Changing Business Needs</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Complete 2010 contract negotiations with new Emergency Communication Specialists bargaining unit. Research market data and negotiate new labor agreements with all twelve MAC bargaining units whose contracts expire at end of 2010 or mid-year 2011.	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 hearings, SIDA badge hearings and taxi hearings.	Terms and conditions of employment consistent with Commission goals.
Expand employee development and talent management plans.	Assist managers and supervisors with contract interpretation, grievances and labor/management cooperation issues including training as needed.	Supervisors of organized (union) employees are satisfied with labor relations support and service.

Organizational Strategic Goal: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Objective	Measurement
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.

LABOR AND GOVERNMENTAL AFFAIRS**2011 SERVICE CENTER OBJECTIVES**

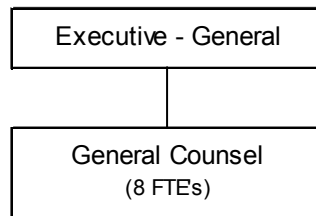
Organizational Strategic Goal: <i>Strengthen Partnerships and Relationships</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Represent MAC on outside boards and organizations to bring visibility and influence to MAC's labor relations efforts and coordinate Labor Management Committee activity.	Effective labor relations representation and participation with an improved labor/management environment.
NA	Respond to Legislators' questions regarding constituent concerns.	Issues resolved.
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	Participate in formulating airport trade group positions on aviation related legislation.	Airport trade group positions closely aligned with MAC strategy and goals.
NA	Educate appropriate political bodies and government units on airports (MSP and Relievers) and present MAC's position on issues including airport security, airport capacity and economic viability of the airport system.	Educated and supportive stakeholders.
NA	Represent MAC on outside boards, commissions and task forces, directly relating to and bringing visibility and influence to MAC's efforts.	Visibility and influence to MAC's efforts.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance					
	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
People	N/A	N/A	N/A	100%	100%
SC Performance Indicator: Completion of employee performance evaluations. Comments: Complete employee performance evaluations.					
Financial Responsibility	N/A	N/A	N/A	100%	100%
SC Performance Indicator: Completion of continuing consultant evaluations. Comments: Complete evaluations for all continuing consultants.					

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Legal Affairs Division



Notations to Service Center Summaries:

- * Variance (dollars and %) is computed between 2010 Budget and 2011 Budget
- * The explanation for the variances is based upon the 2010 Budget and 2011 Budget
- * Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

GENERAL COUNSEL

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.

BUDGET SUMMARY

	2009	2010	2011	\$	%
	Actual	Budget	Budget	Variance	Variance
Personnel	809,507	818,620	838,574	19,954	2.44%
Administrative Expenses	34,838	31,977	21,350	-10,627	-33.23%
Professional Services	616,000	1,150,000	900,000	-250,000	-21.74%
Utilities	1,095	1,200	1,200	0	0.00%
Operating Services/Expenses	1,109	800	1,200	400	50.00%
Other		0	0		
Total Budget	1,462,548	2,002,597	1,762,324	-240,273	-12.00%
FTE Total	8	8	8		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Professional Services	Professional services decreased to reflect the estimated three year average.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
Provide legal advice to all MAC management employees (supervisors, managers, directors, senior staff) and MAC Commissioners.	Provide research and advice when requested. Complete in timely manner. 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>

GENERAL COUNSEL**2009 RESULTS REPORT**

Service Center Objective	Measurement	Results
Draft, negotiate and/or review documents (e.g., leases, ordinances) for all MAC management employees, especially CMAA, Relievers, Airport Development, Police, Fire, Purchasing, Landside, MAC Commissioners and ACI.	Complete in timely manner. Decrease reliance on outside legal counsel.	Advised Finance Department regarding 2009 Bond Refinancing. Revised G.O. 15 collateral agreements. Assisted CMAA and Reliever Airports in drafting and adopting ordinances, leases, agreements, and Requests for Proposals. 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 several projects. Assisted in acquiring parcel of land owned by Grace Church (Flying Cloud Airport).
Represent (actual or potential litigation, administrative hearings, proposed legislation or regulations, miscellaneous 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: SKB Environmental v. MAC. Schafer v. MAC. Shqairat v. US Airways & MAC. Dolal v. MAC. Orsak v. MAC. Interstate Companies v. MAC. Advised Environment Department with respect to ongoing environmental issues at MSP and reliever airports. Advised and monitored bankruptcies, including: •Mesaba Airlines. •Kittyhawk Airlines. •Champion Airlines. •Sun Country Airlines. •Petters Aviation. Advised Human Resources regarding Affirmative Action Complaints. Continued representation and participation in Taxicab Hearings and Security Hearings.
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.

GENERAL COUNSEL**2009 RESULTS REPORT**

Service Center Objective	Measurement	Results
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.

2010 RESULTS REPORT

Service Center Objective	Measurement	Results
Provide legal advice to all MAC management employees (supervisors, managers, directors, senior staff) and MAC Commissioners.	Provide research and advice when requested. Complete in timely manner. Decrease reliance on outside legal counsel.	Researched legal issues as requested by MAC Departments and MAC Commissioners. Provided advice on issues such as Flying Cloud Airport Joint Airport Zoning Board, St. Paul Airport Joint Airport Zoning Board, Xpress Spa, Credit Card Processing and Taxi Policy.
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.	Completed revision of MAC's Consultant Policies. Worked on various RFPs, including Outdoor Advertising and Janitorial; various redevelopment agreements, including Planesmith and Thunderbird. Drafted and assisted in negotiation of various leases and agreements, including Airline Operating Agreement extension, Comlux, Delta Airlines/Mesaba hangar, Building F, Rubb Hangar, Fargo Jet Center, and Reliever Airports form leases and policies. Drafted and assisted in negotiation of various non-aeronautical leases, including Flying Cloud Athletic Field and Crystal Wetland and Park. Completed acquisition of Grace Church parcel. Completed Rental Auto Facility Charge Ordinance process (Ordinance No. 110), Commercial Vehicles (Off Airport Parking) Ordinance process (Ordinance No. 111) and Reliever Airports Maintenance Standards Ordinance process (Ordinance No. 112).

GENERAL COUNSEL**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Represent (actual or potential litigation, administrative hearings, proposed legislation or regulations, misc. commercial or other legal claims) MAC and all MAC employees (primarily management employees) and MAC Commissioners.	Provide representation when needed. Complete in timely manner. Decrease reliance on outside legal counsel.	Provided representation and monitoring of the following litigation/potential litigation: O'Neill v. MAC; Interstate Companies v. MAC; DeCook v. Rochester Airport amicus brief; Crossroads Aviation; Department of Human Rights Abdurahman charge; the DBE Minnesota Unified Certification Program's Certification Application Committee on a decertification hearing; and taxi hearings. Completed legal consultant selection processes for Bond Counsel, Federal Aviation Counsel and General/Labor & Employment Law Counsel.
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 law. Meet Continuing Legal Education requirements.	Attended ACI seminars and other trade organization seminars.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Represent (actual or potential litigation, administrative hearings, proposed legislation or regulations, miscellaneous 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	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.

GENERAL COUNSEL**2011 SERVICE CENTER OBJECTIVES**

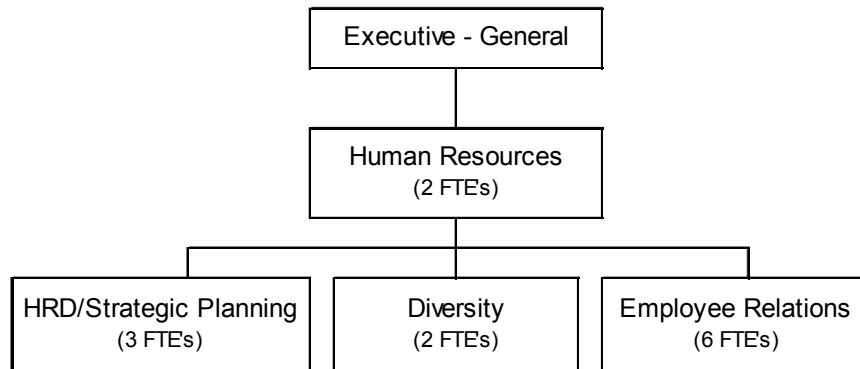
Organizational Strategic Goal: <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Provide legal advice to all MAC management employees (supervisors, managers, directors, senior staff) and MAC Commissioners.	Provide research and advice when requested. Complete in timely manner. Decrease reliance on outside legal counsel.
N/A	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.
N/A	Represent MAC on outside boards, commissions and task forces, directly relating to and bringing visibility and influence to MAC's efforts.	Visibility and influence to MAC's efforts.
N/A	Data Practices Legislation/Data Requests.	Respond in timely manner. Decrease reliance on outside legal counsel.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
People	100%	100%	100%	100%	100%
SC Performance Indicator: Percentage completion of employee performance evaluations Comments: Complete performance evaluations of all employees.					
Financial Responsibility	100%	100%	100%	100%	100%
SC Performance Indicator: Percentage completion of continuing consultant evaluations Comments: Complete evaluations for all continuing consultants.					
People	15	15	15	15	15
SC Performance Indicator: Completion of an average of 15 Continuing Legal Education (CLE) hours per attorney Comments: Complete an average of 15 CLE hours per attorney.					
People	Yes	Yes	Yes	Yes	Yes
SC Performance Indicator: Completion of annual update of Data Practices Policy Comments: Complete annual update of Data Practices Policy.					

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Human Resources Division



Notations to Service Center Summaries:

- * Variance (dollars and %) is computed between 2010 Budget and 2011 Budget
- * The explanation for the variances is based upon the 2010 Budget and 2011 Budget
- * Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

HUMAN RESOURCES

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 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.

BUDGET SUMMARY

	2009	2010	2011	\$	%
	Actual	Budget	Budget	Variance	Variance
Personnel	188,020	196,444	196,143	-300	-0.15%
Administrative Expenses	11,456	13,865	11,629	-2,236	-16.13%
Professional Services		55,000	113,000	58,000	105.45%
Utilities	2,343	100	1,000	900	900.00%
Operating Services/Expenses		0	0		
Maintenance		0	0		
Other		0	0		
Total Budget	201,819	265,409	321,772	56,364	21.24%
FTE Total	2	2	2		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases; however, the increase was offset by a decrease in local training.
Professional Services	Included in 2011 is \$75,000 for executive searches.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
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 in implementation of the HRIS upgrade for HR.	Next phase of HRIS implementation operational.	HR Staff effectively transitioned to the integrated use of E1. Expansion of E1 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 began with division heads. This work will continue through 2010.
Develop and deliver programs in support of MAC's STAR program.	Flexible work schedule training delivered; electronic document storage of employee records 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.

HUMAN RESOURCES**2009 RESULTS REPORT**

Service Center Objective	Measurement	Results
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.

2010 RESULTS REPORT

Service Center Objective	Measurement	Results
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.	Alternatives were discussed with the Executive Director as needed throughout 2010.
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.	Workforce planning and talent review discussions were conducted with each division within the organization and covered business trends, future needs, cross training opportunities, preparing for knowledge transfer where needed, employee development needs and other anticipated changes within the division. These discussions will continue throughout 2011.
Oversee the next phase of HR's integration of E1 for increased HRIS capability.	E1 technology is leveraged for employee self-service, as feasible.	Employee self service was put into place for basic tasks. HR will work to expand self service for both employees and managers in 2011.
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.	MAC's strategic planning process was more inclusive with management staff in 2010 which resulted in more broad based buy-in and support for the organizational key initiatives identified for the upcoming year.
Design new Commissioner Orientation process & materials.	New Commissioners receive orientation to the organization and their role to ensure their success.	The Commissioner Handbook was updated, an educational toolkit was also developed and an executive briefing presentation is 90% complete.
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.	A Multi-Point Plan was developed and presented to the organization and Commission in April 2010. The plan is being worked on in phases, with 2010's work being focused on recruitment, hiring, and retention, inclusion and partnerships.

HUMAN RESOURCES**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
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.	A "SMART" (Successful Managers Aligning Resources & Talent) Management newsletter was developed for MAC's managers who supervise people in the organization. The first issue was published in March 2010.
Continue to streamline hiring processing with the use of technology.	Hiring processes are 95% electronic to reduce paper and increase efficiencies of staff time.	Hiring processes in 2010 were completed using NEOgov technology; improvements continue to be made to enhance efficiencies as they are identified.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Oversee the expanded use of NEOgov to enhance the hiring and performance review processes for streamlining and integration with E1.	The feasibility of NEOgov is evaluated for additional changes that could benefit the organization.
NA	Oversee the next phase of HR's integration of E1 for increased HRIS capability.	E1 technology is leveraged for employee and manager self service and other work flow processes related to the management of MAC's workforce.

Organizational Strategic Goal: <i>Match Employee Talent with Changing Business Needs</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Expand employee development and talent management plans.	Oversee the enhanced integration and implementation of MAC's Talent Management and Review process.	MAC Divisions are engaged with key discussions on future work, departmental structure, knowledge transfer, cross training, development needs, etc. to address the changing business needs of the organization.
NA	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.
Expand employee development and talent management plans.	Oversee and facilitate employee development strategies to address MAC's critical issues as related to talent management and leadership turnover.	Development programs and processes are in place to address organizational needs.

HUMAN RESOURCES**2011 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Implement the New Commissioner Orientation Process.	New Commissioners receive orientation to the organization and their role.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
People	4.96%	3.36%	3.38%	TBD	<10% Turnover.
SC Performance Indicator: Employee Turnover Rate					
Comments:					
People	24.5%	24.1%	24.4%	TBD	=<25%
SC Performance Indicator: Personnel - Percent of Operating Budget					
Comments:					
People	100%	100%	100%	100%	100%
SC Performance Indicator: Performance reviews completed within department					
Comments:					

HRD & STRATEGIC PLANNING

Employees in the HRD & Strategic Planning Department facilitate high performance in the organization by facilitating the organizational strategic planning process, influencing the development of policies and systems, and facilitating process improvement initiatives. This department also assesses learning and development needs, identifies resources that positively impact performance, provides training that addresses organization-wide needs, facilitates talent management processes, aids in career development, and enhances performance leadership.

BUDGET SUMMARY

	2009 Actual	2010 Budget	2011 Budget	\$ Variance	% Variance
Personnel	340,917	360,602	346,766	-13,836	-3.84%
Administrative Expenses	12,269	8,867	2,750	-6,117	-68.98%
Professional Services	9,304	18,000	12,000	-6,000	-33.33%
Utilities		0	0		
Operating Services/Expenses	2,066	9,500	4,968	-4,532	-47.71%
Maintenance		0	0		
Other		1,500	10,000	8,500	566.67%
Total Budget	364,556	398,469	376,484	-21,984	-5.52%
FTE Total	3	3	3		

BUDGET HIGHLIGHTS

Personnel	The Personnel decrease is attributable to a decrease in temporary positions, however, is slightly increased due to wage structure adjustments and step increases.
Other	This increase is for tables and chairs for a new learning lab in the HR area.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
Implementing Org Publisher to enhance tracking and reporting capabilities.	Real time organizational charts linked to EnterpriseOne 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.

HRD & STRATEGIC PLANNING**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
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.	We completed the review process at the Deputy level with four divisions. Next year we will continue to expand this process to other divisions and other levels within the divisions.
Produce a video for use in new employee and new commissioner orientation programs.	Updated video completed on time and within budget.	The video was completed on time and slightly under budget. Initial reviews have been very positive.
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.	Planning was expanded to include more involvement by Directors and Assistant Directors. The completed plan was approved by the Commission in December. We were unable to make major revisions in performance measures this year but that will be an area of focus in 2011.
Expand the use of Org Publisher as a planning and communication tool.	Online org charts available as a planning tool.	This objective was partially achieved. Data has been cleaned up and charts are now available to HR staff. We have not expanded access to charts to managers for use in planning yet. That part of the goal will move to 2011.
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.	We were unable to complete the migration to the new system due to technical delays.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Integrate new video into New Employee Orientation and New Commissioner Orientation processes.	Video distributed to new employees and Commissioners.
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.
NA	Expand the use of Org Publisher as a planning and communication tool.	Published chart available to managers on demand.
NA	Determine the feasibility of moving to all electronic performance reviews using either NEO Gov or E1.	Determination if either NEO Gov or E1 performance review capabilities meet the needs of the organization. Recommendation developed and presented.

HRD & STRATEGIC PLANNING**2011 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Match Employee Talent with Changing Business Needs</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Integrate emerging leaders into the 2012 Strategic Planning Process.	Emerging leaders actively participate in: - The environmental scan. - ID critical issues. - Improve performance indicators. - Initial development of key initiatives.
Expand employee development and talent management plans.	Expand the use of individual development plans throughout the organization in coordination with HR's Talent Management process.	Individual development plans implemented in every division.
Expand employee development and talent management plans.	Facilitate development and implementation of emerging leaders development program.	- Emerging leaders program developed and implemented. - On the job application of class content as reported by participants and their managers.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
People	100%	100%	100%	100%	100%
SC Performance Indicator: Performance Reviews Completed					
Comments:					

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DIVERSITY

The Metropolitan Airports Commission Office of Diversity is responsible for contract compliance with the Targeted Group Business (TGB) and the Disadvantaged Business Enterprise (DBE) Programs including: contract compliance administration, state and federal reporting, DBE certifications and community relations. These two programs provide business opportunities for firms owned by women, minorities and persons with disabilities. The Manager of Diversity and Equal Employment Opportunity, who also serves as MAC's Affirmative Action Officer, is responsible for monitoring Affirmative Action Policies and equal employment opportunities.

BUDGET SUMMARY

	2009	2010	2011	\$	%
	Actual	Budget	Budget	Variance	Variance
Personnel	151,554	164,625	173,075	8,450	5.13%
Administrative Expenses	10,396	10,032	14,295	4,263	42.49%
Professional Services	9,211	27,000	13,000	-14,000	-51.85%
Utilities	144	0	1,000	1,000	100.00%
Operating Services/Expenses	810	5,000	2,000	-3,000	-60.00%
Other		0	0		
Total Budget	172,116	206,657	203,370	-3,287	-1.59%
FTE Total	2	2	2		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	Money was moved out of Affirmative Action fees and placed in administrative expenses for training of a new employee.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
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.

2010 RESULTS REPORT

Service Center Objective	Measurement	Results
Enhance knowledge to better deliver customer service for terminal departments.	Training programs are identified and scheduled in 2010.	Training programs for staff included ADA, Religious Differences, Multi-Cultural Forum and YMCA Race relations training.
Develop and implement an auditable DBE tracking system.	Database is established and all DBE files are in compliance with standards.	Database is completed and in ACCESS.
Develop a multi-point plan to increase MAC's diversity of employees.	Plan is in place which will support and increase MAC's employee demographics in the next five years.	Multi-Point Diversity Plan has been submitted to the Commission and update quarterly to Senior Staff and the HR/AA Committee.

DIVERSITY**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Recommend best practices for inclusion of small, protected class businesses.	Commission approves best practices for implementation by staff.	Submitted to HR/AA Committee, expected Commission to adopt on October 18, 2010.
Develop an Affirmative Action reporting tool.	Information is reported to Commission and staff on a regular basis.	Completed October 2010.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>Match Employee Talent with Changing Business Needs</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Expand employee development and talent management plans.	Research, review and recommend a mentoring and/or coaching process for employees.	Recommend a process for mentoring or coaching. Be a part of the roll out of the process. Evaluate successes or stumbling blocks
NA	Develop next steps for the Multi-Point Diversity Plan.	Focus on getting additional involvement across the organization. Have several first attempts at new initiatives.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
People		100%	100%	100%	100%
SC Performance Indicator: Internal EEO complaints resolved internally Comments: The MAC has an internal EEO complaint policy and procedures administered by the MAC Affirmative Action Officer. The objective is to minimize the external complaints and resolve complaints internally.					
People		N/A	8.8%	10%	10%
SC Performance Indicator: Percentage of minority employees Comments:					
People		N/A	25%	27%	27%
SC Performance Indicator: Percentage of female employees Comments:					
People		10%	11.4%	11%	11%
SC Performance Indicator: Disadvantaged Business Enterprise (DBE) Concessions goal Comments:					
People		10%	11.0%	10%	12%
SC Performance Indicator: Disadvantaged Business Enterprise (DBE) Construction goal Comments:					

DIVERSITY**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key					
Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
People		1.8%	2.0%	3%	3%
SC Performance Indicator: Targeted Group Business annual participation					
Comments:					

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EMPLOYEE RELATIONS

Employee Relations staff are responsible for: 1) administering compensation and benefits services for employees and retirees; 2) maintaining all personnel data, files and the HRIS system; 3) developing, maintaining and distributing 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.

BUDGET SUMMARY

	2009 Actual	2010 Budget	2011 Budget	\$ Variance	% Variance
Personnel	464,525	458,961	487,578	28,617	6.24%
Administrative Expenses	8,307	6,333	8,358	2,025	31.98%
Professional Services	43,489	52,023	35,000	-17,023	-32.72%
Utilities		28	28	0	0.00%
Operating Services/Expenses	1,045	20,839	5,000	-15,839	-76.01%
Maintenance		0	0		
Other		0	0		
Total Budget	517,365	538,184	535,964	-2,220	-0.41%
FTE Total	5.5	5.5	6		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases and an increase in local training for existing staff.
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2009 RESULTS REPORT

Service Center Objective	Measurement	Results
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.

2010 RESULTS REPORT

Service Center Objective	Measurement	Results
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.	Selected policies in sections 9, 11 and 14 were modified and approved. Selected policies within sections 19 and 20 will be reviewed in 2011.

EMPLOYEE RELATIONS**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
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 is accessible by HR staff members.	An additional twenty-five former employee files will be converted to electronic storage by year-end. Modification of goal necessary due to work demands associated with increased staffing and selection activity. Equity adjustment files storage is on schedule to be completed by 12/31/10.
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.	HR planning discussions occurred with all Deputy Executive Directors in 2010 with planning initiatives and actions executed and continuing in 2011.
With assistance from Information Systems Department, develop the E1 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.	Capability for employee access completed in 2010. The marketing/training initiatives to expand employee self service and use of E1 to access data will occur in 2011.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Complete electronic conversion of all terminated employee files and reclassification documentation.	Reduce time spent with document retrieval and apply more time to HR planning process.
NA	Expand utilization of E1 to increase electronic processing of HR data and information to include management reports and step increase administration. Market the self-service initiative to MAC users.	Minimize document transaction time spent in order to expand time available for HR planning processes. Increase the number of automated transactions.

Organizational Strategic Goal: <i>Match Employee Talent with Changing Business Needs</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Expand employee development and talent management plans.	Coordinate with HRD Department to identify and deliver a conflict management education experience for all managers.	Strengthen knowledge base of managers required to effectively resolve employee work conflict.
Expand employee development and talent management plans.	Deliver training to all managers regarding performance review/performance management process and disciplinary action/due process.	Strengthen support activity for broad talent management philosophy.
Expand employee development and talent management plans.	Complete review of Human Resources policies within Sections 4 and 10 and within Sections 16 - 20.	New and existing policies are reviewed/revised and approved by the Commission.

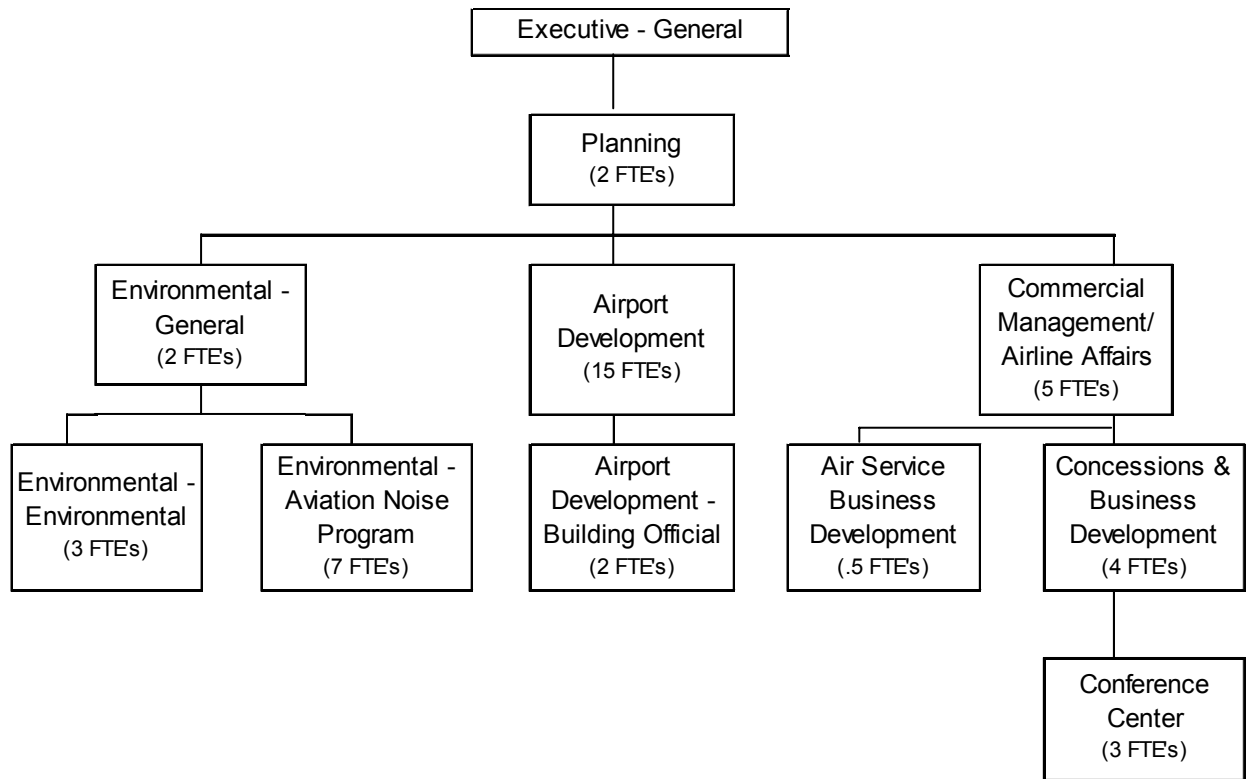
EMPLOYEE RELATIONS**2011 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Match Employee Talent with Changing Business Needs</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Expand employee development and talent management plans.	Define and complete a compensation plan that further recognizes critical work project/work product accomplishments.	Recognize work accomplishments that more directly relate to department plans linked to strategic planning goals and initiatives.
Expand employee development and talent management plans.	Expand and further institutionalize the HR planning process with all MAC divisions.	Complete follow-up HR planning discussions and develop action plans with all MAC divisions in order to further develop human resource talent and resolve organizational problems and issues.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
People	100%	100%	100%	100%	100%
SC Performance Indicator: Employee separation completions according to policies, procedures and law Comments: Employee separation administration process completed in timely manner.					
People	100%	100%	100%	100%	100%
SC Performance Indicator: Leaves of absence according to policy Comments: Return employees to active employment status upon receipt of medical clearance.					
People	100%	100%	100%	100%	100%
SC Performance Indicator: Annual employee performance reviews completed Comments:					

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Environment and Planning Division

Notations to Service Center Summaries:

- * Variance (dollars and %) is computed between 2010 Budget and 2011 Budget
- * The explanation for the variances is based upon the 2010 Budget and 2011 Budget
- * Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

PLANNING

The Planning Department supervises property acquisition, planning, design, engineering, architecture, construction of all Commission facilities, along with Commercial Management and Airline Affairs, Concessions, 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.

BUDGET SUMMARY

	2009 Actual	2010 Budget	2011 Budget	\$ Variance	% Variance
Personnel	206,190	207,096	210,282	3,185	1.54%
Administrative Expenses	13,033	8,832	16,688	7,856	88.95%
Professional Services	847,784	200,000	170,000	-30,000	-15.00%
Utilities	225	250	230	-20	-8.18%
Operating Services/Expenses	34,277	86,450	42,622	-43,828	-50.70%
Maintenance		0	0		
Other		0	0		
Total Budget	1,101,510	502,628	439,821	-62,808	-12.50%
FTE Total	2	2	2		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	Administrative Expenses has increased due to local meetings.
Professional Services	Professional Services decreased due to completed MSP and Reliever LTCPs and a decision to do MSP EA work under the capital budget.
Operating Services/Expenses	Operating Services has decreased due to less advertising budgeted for public hearings.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
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.

PLANNING**2009 RESULTS REPORT**

Service Center Objective	Measurement	Results
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.

2010 RESULTS REPORT

Service Center Objective	Measurement	Results
Complete Long Term Comprehensive Plan for MSP.	Commission adoption of Plan.	The MSP LTCP has been approved by the Commission.
Oversee implementation of Part 150 Consent Decree.	Completion of steps necessary to meet the milestones set forth on established schedule.	Implementation of the Noise Mitigation work required by the Consent Decrees continues on schedule and all required deadlines were met.
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.	All Reliever LTCPs have been approved by the Commission.
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.	The STP and FCM JAZB Ordinances have been submitted to the State Commissioner of Transportation. The Lake Elmo JAZB will be convened in 2011.
Begin active investigation of alternative energy options for MSP for the 2010 STAR Program.	Study results and recommendations for future alternative energy initiatives.	Investigation and preliminary evaluation of alternative energy options have been completed. There are no recommendations for projects at this time.
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.	Work on this effort has been initiated and continues and is and will be coordinated with the efforts of the "Team Relievers" work group. Specific actions for zoning are underway with the City of Eden Prairie for FCM.

PLANNING**2011 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	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 Strategic Goal: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Continue active investigation of alternative energy options for MSP for the 2010 STAR Program.	Evaluate the results and make recommendations for future alternative energy initiatives.
Develop initial LTCP implementation plans.	Progress the Environmental Assessment for the Long Term Comprehensive Plan for MSP for eventual adoption by the Commission in 2012.	Commission Progress Reports.

Organizational Strategic Goal: <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Continue Reliever Airport Safety Zoning at STP and FCM and initiate safety zoning process for the Lake Elmo and Anoka County-Blaine Airport.	Adoption of STP and FCM JAZB Ordinances and establishment of JAZB for Lake Elmo and Anoka County-Blaine.

Organizational Strategic Goal: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Oversee implementation of Part 150 Consent Decree.	Completion of steps necessary to meet the milestones set forth on established schedule.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
People	100%	100%	In progress	100%	100%
SC Performance Indicator: Performance reviews completed Comments:					
Environmental Stewardship	100%	100%	100%	100%	100%
SC Performance Indicator: Compliance with Consent Decree Deadlines Comments:					

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AIR SERVICE BUSINESS DEVELOPMENT

The Air Service Business Development Department is responsible for three primary areas: 1) Developing air service - marketing MSP for new international passenger and cargo flights and for new low fare domestic passenger flights; 2) Promoting the facilities and services of MSP and MAC's system of airports both domestically and internationally; 3) Building 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.

BUDGET SUMMARY

	2009	2010	2011	\$	%
	Actual	Budget	Budget	Variance	Variance
Personnel	74,749	64,685	65,704	1,019	1.58%
Administrative Expenses	28,020	36,920	53,282	16,362	44.32%
Professional Services	103,632	140,000	130,000	-10,000	-7.14%
Utilities	700	0	864	864	100.00%
Operating Services/Expenses	10,600	0	100,000	100,000	100.00%
Other		0	0		
Total Budget	217,701	241,605	349,850	108,245	44.80%
FTE Total	0.5	0.5	0.5		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	The increase for this area is primarily associated with the addition of \$15,000 for MAC's participation in ACI's International Air Service Committee and participation in the USA-BIAS (Better International Air Service) group. MAC has been an ancillary participant with both groups for the past several years and was not required to pay dues. We are now required to pay the dues.
Operating Services/Expenses	This increase is due entirely to the terms of MAC's international air service incentive program which offers to reimburse up to \$100,000 to airlines for marketing new international air service. Delta's conversion of MSP-Paris from seasonal to year round qualifies Delta for this incentive which estimates MAC paying \$100,000 to Delta in 2011.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
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.

AIR SERVICE BUSINESS DEVELOPMENT**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
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>	Participation in all conferences were completed. This item will carry over as an objective for 2011.
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>	All headquarters meeting were completed.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>Strengthen Partnerships and Relationships</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Implement a MAC stakeholder and partnership communications matrix.	Market MSP to both incumbent and new entrant airlines through participation in industry conferences.	<p>Attendance/participation in 3 main industry conferences:</p> <p>Network USA Jumpstart Routes World</p> <p>Participation in these conferences allows for 20-25 minute meetings with 7-10</p>

AIR SERVICE BUSINESS DEVELOPMENT**2011 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Strengthen Partnerships and Relationships</i>		
Organizational Key Initiative	Service Center Objective	Measurement
		airlines at each conference. The meetings communicate information regarding MSP and the Twin Cities that airlines may find useful for evaluating options to initiate or expand air service. The goal of these meetings is to lead to more in-depth discussions with the airlines
Implement a MAC stakeholder and partnership communications matrix.	Engage the network planning members of Delta Air Lines in a strategic planning discussion regarding MSP air service to identify areas of service deficiency for Delta; work to assist Delta's consideration of new or expanded air service for MSP.	Meeting with Delta representatives in Atlanta.
Implement a MAC stakeholder and partnership communications matrix.	Complete meetings with corporate travel managers of each of Minnesota's 20 Fortune 500 companies and 7-8 largest private companies for the purpose of achieving a more thorough understanding of corporate travel requirements.	A completed database of contacts who can be reached out to at any moment for a range of information requests regarding corporate travel needs for not only air service purposes but overall MSP/MAC partnership building purposes.
Implement a MAC stakeholder and partnership communications matrix.	Complete airline headquarters visits with both incumbent and new entrant airlines to review new or expanded air service opportunities for MSP.	Completion of meetings with 2-4 incumbent and new entrant airlines to review in detail air service data that supports new or expanded air service for MSP. It is not realistic to expect the headquarters visits directly result in the introduction of new service. Rather, the visits are intended to keep the airlines familiar with MSP and the Twin Cities to ensure MSP is properly evaluated against other options airlines have when making air service decisions.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
Customer Service	N/A	2	3	3	3 per year
SC Performance Indicator: Airline Meetings - Conferences Comments: Plan to meet with 7-10 airlines at each conference.					
Customer Service	N/A	0	4	4	4 per year
SC Performance Indicator: Airline Meetings - Headquarters Comments: Meetings with both incumbent and new entrant carriers at their headquarters.					
Customer Service	N/A	1	2	2	2 per year
SC Performance Indicator: LASAC Meetings Comments: Meetings are with outstate airports to discuss air service related issues for the smaller communities in the state of Minnesota.					

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AIRPORT DEVELOPMENT

Airport Development supervises preparation of the Commission's Capital Improvement Program and the, planning, design, engineering, architecture, and construction of all Commission facilities at MSP and the Commission's six Reliever Airports.

BUDGET SUMMARY

	2009 Actual	2010 Budget	2011 Budget	\$ Variance	% Variance
Personnel	414,978	423,722	435,856	12,134	2.86%
Administrative Expenses	30,876	21,935	30,620	8,685	39.59%
Professional Services	163,058	267,952	242,500	-25,452	-9.50%
Utilities	585	795	600	-195	-24.53%
Operating Services/Expenses	3,364	4,668	7,700	3,032	64.95%
Maintenance	916	0	900	900	100.00%
Other		0	0		
Total Budget	613,777	719,072	718,176	-896	-0.12%
FTE Total	15	15	15		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	After a significant analytical review of: a) 2009 actual costs, b) 2010 budget vs. projected costs, and c) 2011 base values, the values included in the 2011 operating budget are our best estimates for anticipated budget needs for 2011.
Professional Services	After a significant analytical review of: a) 2009 actual costs, b) 2010 budget vs. projected costs, and c) 2011 base values, the values included in the 2011 operating budget are our best estimates for anticipated budget needs for 2011.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
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 North 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 (PSAs) and invoices.	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.

AIRPORT DEVELOPMENT**2009 RESULTS REPORT**

Service Center Objective	Measurement	Results
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.
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).

2010 RESULTS REPORT

Service Center Objective	Measurement	Results
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.	All 2010 CIP projects were assigned by January 31st and bid schedules developed for all of 2010.
Implement the 2010 Capital Improvement Program.	Design, bid, award and have under construction all projects in the approved 2010 CIP by December 31, 2010.	100% of projects planned for implementation in 2010 were awarded. Bids received were very favorable at 1/3rd below CIP estimate on average.
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.	2011-2017 CIP was adopted by the Commission on December 20, 2010.
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.	All consultant performance reviews were completed by Dec. 20, 2010. Completed the reselection process for MSP Construction Coordinator and MSP Landside Transportation Engineer.

AIRPORT DEVELOPMENT**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Manage property acquisitions/disposal.	Property management administration.	Acquired FCM RPZ property that was formally part of Grace Church; FAA grant reimbursement applied for. Provided analytical data to MAC legal regarding Bloomington Land acquisition. Prepared and distributed for comment the first draft of MSP and Reliever redevelopment sites for consideration.
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.	Grants received: MSP - FAA Entitlement = \$5,783,340; FAA LOI = \$5M, ANE - FAA Non-Primary Entitlement = \$441,396; TSA = \$31, 893,666; STP - MnDOT = \$4M.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Implement the 2011 Capital Improvement Program.	Design, bid, award and have under construction all projects in the approved 2011 CIP by December 31, 2011.
N/A	Obtain and utilize federal and state aid to the extent possible on eligible capital improvement projects. Identify and solicit "Discretionary" funding for highly-eligible projects.	All MSP Entitlement funds and Reliever Non-Primary Entitlement funds are programmed and utilized. Annually report to the Commission the status of all aid solicited and received.
N/A	Manage Project and Continuing Consultant services in accordance with all applicable MAC policies.	Consultant fees negotiated within industry standards, i.e. 20-25% of construction cost. Consultant performance reviews completed annually.
N/A	Administer consultant service contracts and Professional Service Authorizations (PSA) in accordance with all applicable MAC policies.	No substantive external or internal audit findings.
N/A	Develop the 2012-2018 Capital Improvement Program with input from all stakeholders and Finance.	Present draft of the 2012-2018 CIP to the Commission and Metropolitan Council and surrounding communities in September for environmental review. Adopt the 2012-2018 Capital Improvement Program at the December 19, 2011 Commission meeting.

AIRPORT DEVELOPMENT**2011 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Direct the ongoing scope refinement and development of the 2011 Capital Improvement Program projects.	Assign project managers and key team members for all 2011 CIP projects. Conduct project development meetings with stake holders to solidify project scopes for design. Schedule projects for bid and award in 2011.
N/A	Manage property acquisition/disposition in conformance with all MAC and agency requirements.	No substantive external or internal audit findings.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
People	80%	80%	100%	100%	100%
SC Performance Indicator: Complete performance reviews on Airport Development staff Comments:					
Financial Responsibility	3.3%	2.2%	1.6%	3%	<5%
SC Performance Indicator: Manage CIP construction projects within historic change order parameters Comments:					

BUILDING OFFICIAL

The Building Official/Office of Permits and Inspections 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.

BUDGET SUMMARY

	2009	2010	2011	\$	%
	Actual	Budget	Budget	Variance	Variance
Personnel	152,390	154,579	155,948	1,369	0.89%
Administrative Expenses	16,624	15,852	16,527	675	4.26%
Professional Services		0	0		
Utilities		0	0		
Operating Services/Expenses	61	100	100	0	0.00%
Maintenance		0	0		
Other		0	0		
Total Budget	169,075	170,531	172,575	2,044	1.20%
FTE Total	2	2	2		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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2009 RESULTS REPORT

Service Center Objective	Measurement	Results
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.

BUILDING OFFICIAL**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
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.	In 2010 we issued 524 total permits and collected \$280,550.00 in permit fees. Projects that were permitted and/or completed include; T-2 Expansion and Pedestrian Bridge, T-1 Delta Sky Club, Delta Building C Café, 2010 Misc. Mods., Valet Waiting Area, BlackBerry Wireless, Surdyks Café, TravelEx-US Banks, Check Point Security, LaBrea Café, United Red Carpet Club, Police Training RM, MUFIDS, South Baggage Screening, Phase 3 and Phase 4 Fire Protection.
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.	Collected \$280,000.00 in permit revenue and issued 524 permits. Quarterly reports were submitted on time.
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.	All inspections requested to our department were conducted within the 24 hour time period.
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.	All initial and preliminary plan reviews were completed within the required 10 to 14 day period and comments were submitted either verbally or in writing to the project design professional.
Permit requests shall be routed to individuals and departments shown on the division's distribution routing list.	Allow 10 to 14 days for response from contacts on distribution list.	Routing of required permits was completed and we allowed the required 10 to 14 day response period to take place.
Update the MAC Design and Construction Standards.	Annually.	The 2011 amendments to the MAC Design and Construction Standards were completed.
Complete the Phase 4 sprinkler and fire alarm project in the Lindbergh Terminal.	Issue permits and complete final inspections and acceptance.	Permits and inspections for the phase 4 fire alarm and sprinkler upgrades to T-1 are underway and the work is approximately 40% complete.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: N/A		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Provide the G Concourse with sprinklers and smoke detection.	Work with Delta Airlines staff and their consultants to complete the task.
N/A	Purge the department's plans and permits files.	Follow the Department's Record Retention Plan.
N/A	Complete Phase 4 Fire Sprinkler and Alarm upgrades at T-1 and T-2.	Rough Inspections and Final Inspections are completed.

BUILDING OFFICIAL**2011 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Complete review of the MAC Design and Construction Standards.	Work with various MAC staff and consultants to make recommendations on specific changes to the document.
N/A	Complete an Airport ADA Compliance Report for Terminal 1 and Terminal 2.	Conduct the reviews using the Americans with Disabilities Act checklist for existing facilities.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
Airport Development	N/A	98.5%	100%	100%	100%
SC Performance Indicator: Issue construction permits Comments: Issue construction permits in a timely manner and in accordance with state codes.					
Safety	N/A	100%	100%	100%	100%
SC Performance Indicator: Conduct inspections Comments: Conduct inspections within 24 hours of the request.					
Airport Development	N/A	100%	100%	100%	100%
SC Performance Indicator: Update Design and Construction Standards Comments: Update the MAC Design and Construction Standards annually or as needed.					
Airport Development	N/A	100%	100%	95%	100%
SC Performance Indicator: Conduct Plan Reviews Comments: Conduct plan reviews on construction plans within 10 to 14 days of submittals to ensure compliance with state codes and MAC requirements.					

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COMMERCIAL MANAGEMENT/AIRLINE AFFAIRS

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

BUDGET SUMMARY

	2009	2010	2011	\$	%
	Actual	Budget	Budget	Variance	Variance
Personnel	396,771	414,650	362,580	-52,071	-12.56%
Administrative Expenses	12,168	18,777	14,000	-4,777	-25.44%
Professional Services	43,990	40,969	39,000	-1,969	-4.81%
Utilities	1,496	600	2,592	1,992	332.00%
Operating Services/Expenses	3,421	5,472	9,400	3,928	71.78%
Maintenance	85,711	76,050	283,450	207,400	272.72%
Other	1,297	0	0		
Total Budget	544,854	556,518	711,022	154,503	27.76%
FTE Total	4	5	5		

BUDGET HIGHLIGHTS

Personnel	The decrease in personnel is due to a staff retirement.
Maintenance	MAC took over maintenance of the FAA building, as well as ownership of the building, during 2010. We have increased the 2011 budget to cover expenses to maintain the building. There are monies collected through the lease agreement to cover the expenses.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
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.

2010 RESULTS REPORT

Service Center Objective	Measurement	Results
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.	Agreements have been completed through 2011 instead of 2014 as a result of issues associated with the United/Continental merger. This same objective will carry over to 2011.
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.	Much progress has been made. \$13.5M is in the 2011 CIP to complete replacements. Details regarding what bridges will be replaced are still being determined.

COMMERCIAL MANAGEMENT/AIRLINE AFFAIRS**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Issue RFPs for NEW concepts that meet passenger needs.	Complete RFPs and award Commission approved contracts.	Successful RFPs were issued and awarded for the following new concepts: BlackBerry and Natural Element. Surdyk's was also opened by DNC.
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	Currently working with HMSHost and all other tenants on lease extensions that will tie in with the Long Term Comp Plan. Resolving what should be extended and for what time period.
Develop Concession Releasing Plan for next round of opportunities before leases near expiration.	Develop timeline for blending of LTCP with concession releasing by July 2010. Conduct consumer research in fall 2010.	Due to the change of direction in seeking extensions for the current leases, the consumer research project has been delayed. Currently working with our tenants to determine lease extension timelines and business terms. This recommendation will be taken back to the Commission and will need approval.
Rebid/renegotiate the Rental Auto Concession Agreement.	Develop a new rent structure that will help stabilize the rental auto revenue stream to MAC.	Staff has just completed all the changes to the new agreement and is in the process of providing the documents to the industry. At the end of 2010 the remaining debt associated with the T1 rental auto facility was retired. This allowed staff to incorporate additional revenue collection for this lease improving rent to MAC by approximately \$500k per year over the old agreement.
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.	Staff completed the MOU negotiation with Eden Prairie and is now moving forward to get FAA approval of a land release. Additionally, staff has also had discussions with two developers interested in the site and is reviewing what type of action staff should bring to the Commission regarding a development plan for the site.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
	Service Center Objective	Measurement
NA	Reach agreement with the airlines and MAC senior staff with regard to either implementing or not implementing a debt service charge to terminal rent based upon	Completion of meetings with the airlines and MAC senior staff to determine the appropriate direction based on the results of space vacancy associated with the

COMMERCIAL MANAGEMENT/AIRLINE AFFAIRS**2011 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
	Lindbergh Terminal vacancies.	United/Continental merger.
Review existing Reliever Airport financial model.	Focus on finding a developer for new commercial development site located along Pioneer Trail at the FCM Airport.	Develop a new revenue source for the Reliever Airports financial model with a goal to exceed \$60k of annual revenue.

Organizational Strategic Goal: <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Complete extension of the Airline Agreement through 2014 or 2015 based on the status of the LTCP.	Completion of execution documents.

Organizational Strategic Goal: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Expand the rental auto operating facility at T2 to accommodate passenger growth.	Working with the rental car industry, staff will strive to reduce customer complaints associated with long lines and wait time to get a car during peak business hours.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
Financial Responsibility	N/A	\$8,400	\$46,500	\$93,000	\$93,000
SC Performance Indicator: Completed RFPs high tech electronic store Comments: Replace the shoeshine and lottery location with a high tech electronic store that will increase revenue for MAC from \$8,400 annual income to \$93,000. Maintain minimum income of \$93,000 in future years.					

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CONCESSIONS & BUSINESS DEVELOPMENT

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

BUDGET SUMMARY

	2009 Actual	2010 Budget	2011 Budget	\$ Variance	% Variance
Personnel	380,611	376,426	453,993	77,567	20.61%
Administrative Expenses	1,989	3,899	5,301	1,402	35.96%
Professional Services	15,940	20,000	20,000	0	0.00%
Utilities	1,412	1,800	4,320	2,520	140.00%
Operating Services/Expenses	9,526	0	7,900	7,900	100.00%
Maintenance		0	0		
Other	231	0	0		
Total Budget	409,708	402,125	491,514	89,389	22.23%
FTE Total	4	4	4		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases as well as the addition of one FTE.
Operating Services/Expenses	In 2011 there will be expenses for advertising RFPs as well as marketing new concessions.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
Work with tenants, MAC Staff, and CSAC committee to improve customer service at MSP International, 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 Telecom 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 2010 with different bidding criteria. Telecom RFP will be issued in 2010. 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 Volo. 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.

CONCESSIONS & BUSINESS DEVELOPMENT**2009 RESULTS REPORT**

Service Center Objective	Measurement	Results
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 RESULTS REPORT

Service Center Objective	Measurement	Results
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.	Mystery Shop scores increased 3.5% over the previous year.
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.	The SmarteCarte contract will remain on month to month until further notice, due to the strong current business terms. The Amusement contract has been moved to the list of opportunities for 2011. Tie Rack has been reconcepted and a new store Natural Element has opened in its place.
Begin process of developing concessions RFP for 2012.	A completed plan for the rebidding of the concessions program.	Currently working towards a lease extension plan with our current tenants and concessionaires.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Extend the current concession leases to match up with the timing associated with the LTCP. This action will lock in the existing MAG and percent rents as well as provide some additional concession development.	Provide for approximately \$800k of additional concession sales over the 2010 sales numbers mainly in the area of food and beverage sales.
NA	Look for additional revenue generating opportunities with leases that are currently in holdover status or are ending in 2011, as well as out of the box new ideas.	Successful new contracts with the following leases: XpresSpa, Terminal 2 Quick Serve/Bar Concession Winner, possible additional retail offerings for T2, expansion of the Retail Cart program.

Organizational Strategic Goal: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Increased customer service levels at all units within both terminals.	Utilize Bestmark shop reports to evaluate service levels. Achieve an increase in average score of 2% over 2010. Work with CSAC to roll out airport-wide training video and track results of progress of getting people through the program.

CONCESSIONS & BUSINESS DEVELOPMENT**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
Customer Service	87%	90%	93%	95%	95%
SC Performance Indicator: Increased Mystery Shop Scores Comments: 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	-.08%	-5.7%	2.3%	TBD	2%
SC Performance Indicator: Increased Food & Beverage & Retail Revenues Comments: Look for additional opportunities to increase concessions revenue for the MAC. Results should be measured by total rent received to rent for 2011 compared to rent received for 2010 in Retail and News and Food and Beverage.					
Financial Responsibility	2.2%	11.5%	30.33%	TBD	7%
SC Performance Indicator: Increased Passenger Services Revenue Comments: Look for additional opportunities to increase concessions revenue for the MAC. Results should be measured by total rent received to rent for 2010 compared to rent received for 2011 in Passenger Services.					

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CONFERENCE CENTER

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 providing catering services, maintaining audio-visual equipment, and invoicing internal/external clients.

BUDGET SUMMARY

	2009 Actual	2010 Budget	2011 Budget	\$ Variance	% Variance
Personnel	128,698	137,697	127,453	-10,244	-7.44%
Administrative Expenses	8,034	11,130	10,500	-630	-5.66%
Professional Services		0	0		
Utilities	72	1,000	70	-930	-93.00%
Operating Services/Expenses	36,047	55,620	31,600	-24,020	-43.19%
Maintenance	247	640	100	-540	-84.38%
Other	2,007	5,501	4,000	-1,501	-27.29%
Total Budget	175,105	211,588	173,723	-37,865	-17.90%
FTE Total	2	3	3		

BUDGET HIGHLIGHTS

Personnel	Decrease in personnel is due to this department being short one FTE.
Operating Services/Expenses	The addition of a kitchen for the Conference Center significantly reduced the product cost.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
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 offerings 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 challenged in their positions while working in a pleasant environment.	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.	Monitor expenditures to 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.

CONFERENCE CENTER**2009 RESULTS REPORT**

Service Center Objective	Measurement	Results
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 possible during the 2009 fiscal year.

2010 RESULTS REPORT

Service Center Objective	Measurement	Results
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.	Many new and improved items have been added to the Conference Center's menu.
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.	Employees have been trained and assigned duties based on their strengths. Team is currently operating at a highly efficient level.
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.	Profits are up in the Conference Center due to the installation of the in-house kitchen and catering options. Cost of goods sold decreased over 10% for the year, with the kitchen only being in operation for a few of those months.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	To increase financial stability by increasing the revenue profit margin.	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.

CONFERENCE CENTER**2011 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Ongoing development of current conference center staff to achieve even higher levels of customer service.	Strategically place employees in positions where their greatest strengths will be matched to the tasks of the position. Continually work with employees to ensure they are challenged in their positions.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
Financial Responsibility	310,384	200,400	246,719	260,000	260,000
SC Performance Indicator: Increase revenues and profitability of ACC					
Comments:					
Security	0	0	0	0	0 offenses
SC Performance Indicator: Maintain a secure area that is accessible by the public					
Comments:					

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ENVIRONMENT-GENERAL

The Department of Environment is responsible for maintaining environmental compliance with state and federal environmental regulations at Commission-owned facilities. The Environmental Affairs and Aviation Noise and Satellite Program areas ensure compliance with policies that include: documenting environmental impact for construction projects; assessing noise impacts and corrective measures; complying with storm water 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 department 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.

BUDGET SUMMARY

	2009	2010	2011	\$	%
	Actual	Budget	Budget	Variance	Variance
Personnel	136,884	172,267	181,213	8,946	5.19%
Administrative Expenses	10,198	8,890	13,680	4,790	53.88%
Professional Services	10,502	10,000	10,712	712	7.12%
Utilities	1,105	954	1,127	173	18.13%
Operating Services/Expenses		0	0		
Other		0	3,000	3,000	100.00%
Total Budget	158,688	192,111	209,732	17,621	9.17%
FTE Total	2	2	2		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases as well as additional regulatory training for new and existing staff.
Administrative Expenses	Administrative Expenses are increased to provide training and software to support new air quality regulations and evaluation.
Other	Other includes a new printer for the department and items needed to support a new employee.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
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.

2010 RESULTS REPORT

Service Center Objective	Measurement	Results
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	Completed annual requirements of the noise mitigation Consent Decree; Implemented new storm water management plan to meet new MSGP regulations at all MAC airports. Completed GHG inventory report and complete new air quality reporting requirements.
Implement elements of Environmental Management System.	Draft process for Environmental Management System.	Objective delayed due to financial limitations and organizational priorities.

ENVIRONMENT-GENERAL**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Identify environmentally sustainable management programs.	Develop sustainable programs that improve the environment at the MAC's system of airports.	Completed bi-monthly STAR meetings that identified sustainable management programs. Incorporated, where appropriate, programs into both CIP and operational budgets.
Support Reliever Advisory Safety Zoning initiatives.	Adopt STP JAZB ordinance; continue FCM JAZB process; and establish 21D JAZB.	Submitted STP Draft Airport Zoning Ordinance to MnDOT Commissioner. Completed FCM Draft Airport Zoning Ordinance in preparation for submission to MnDOT Commissioner.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Develop initial LTCP implementation plans.	Identify environmentally sustainable management programs.	Continuous improvement process to plan and implement sustainable programs that improve the environment at the MAC's system of airports.
Develop initial LTCP implementation plans.	Develop environmental documents to support CIP priorities.	Submit annual AOEE and Environmental review documents to support MAC's development goals.

Organizational Strategic Goal: <i>Strengthen Partnerships and Relationships</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Implement elements of Environmental Management System.	Draft process for Environmental Management System
NA	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.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
Environmental Stewardship	N/A	2	1	3	3
SC Performance Indicator: Develop environmental documents to support CIP priorities Comments:					
Customer Service	N/A	100%	100%	TBD	100%
SC Performance Indicator: Complete airport and community advisory commission work plans Comments:					

ENVIRONMENT-GENERAL**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key					
Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
Environmental Stewardship	N/A	0	0	0	0
SC Performance Indicator: Violations identified by a Regulatory Agency Comments:					
Environmental Stewardship	N/A	N/A	10%	15%	50%
SC Performance Indicator: Reduce on-road gas consumption Comments: 50% by 2015.					
Environmental Stewardship	N/A	N/A	5%	8%	25%
SC Performance Indicator: Reduce petroleum-based diesel fuel use Comments: 25% by 2015.					

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ENVIRONMENT-ENVIRONMENTAL

The Environment Department is responsible for ensuring and maintaining compliance with environmental regulations at MSP International Airport and the 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.

BUDGET SUMMARY

	2009 Actual	2010 Budget	2011 Budget	\$ Variance	% Variance
Personnel	251,748	256,423	263,950	7,527	2.94%
Administrative Expenses	1,410	2,130	2,292	162	7.61%
Professional Services	293,668	186,650	243,180	56,530	30.29%
Utilities	564	500	575	75	15.00%
Operating Services/Expenses	33,724	33,038	37,765	4,727	14.31%
Maintenance		0	0		
Other	8,762	28,550	31,700	3,150	11.03%
Total Budget	589,876	507,291	579,462	72,171	14.23%
FTE Total	3	3	3		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Professional Services	In 2010, MPCA enacted new storm water permit requirements that apply to all MAC airports. Increases will address benchmark sampling, storm water monitoring and minor reporting requirements.
Operating Services/Expenses	In 2010, MPCA enacted new storm water permit requirements that apply to all MAC airports. Increases are associated with permit application fees and waste disposal.
Other	This includes costs for emergency response capabilities.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
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 accomplished the following: 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.

ENVIRONMENT-ENVIRONMENTAL**2009 RESULTS REPORT**

Service Center Objective	Measurement	Results
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 accomplished the following: 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.
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 RESULTS REPORT

Service Center Objective	Measurement	Results
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.	MSP NPDES stakeholders and MPCA staff met twice in the 4th quarter 2010. Discussions continue on proposed water quality and technology based limits. A mutually agreed to draft permit was not drafted in 2010.
Implement final AST permit requirements.	Develop procedures to implement negotiated compliance programs. Implement procedures in cooperation with other named Permittees.	MPCA did not issue a final AST permit in 2010. Permittees will continue to operate in accordance with the expired permit.
Engage in general NPDES permit development with the MPCA.	Develop and implement monitoring requirements and best management practices when the permit is promulgated.	EAO staff implemented the required MSGP storm water monitoring at the Reliever Airports and MSP. Staff has also worked on training the affected MAC staff to assist with compliance requirements of the general permit. Best management practices are reviewed and modified as needed.
Comply with annual regulatory reporting requirements.	Complete all required annual reports (e.g., SMP, CWN, Hazardous waste, Storm water) in the allotted time. Reduce CWN monitoring and reporting requirements.	In the 4th quarter 2010, five quarterly, six monthly reports were submitted to the MPCA on or before mandatory submittal date. Miscellaneous reports were also completed although not required to be submitted to a specific regulatory entity (just available for review upon request).

ENVIRONMENT-ENVIRONMENTAL**2011 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Continue re-permitting negotiations with the MPCA and airport stakeholders for a MSP NPDES permit.	Continuing monthly meetings with regulators to establish a practicable permit for all stakeholders. The goal is to have a mutually agreed to draft NPDES permit.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
Environmental Stewardship	N/A	100%	100%	100%	100%
SC Performance Indicator: Submit regularly scheduled reports Comments: 42 reports must be submitted either monthly, quarterly or annually to regulatory entities.					
Environmental Stewardship	N/A	100%	100%	100%	100%
SC Performance Indicator: Implement elements of AST permit Comments: Continuing to perform requirements of the expired permit. Final AST permit was not issued by MPCA.					
Environmental Stewardship	N/A	100%	100%	100%	100%
SC Performance Indicator: Conduct monitoring activities Comments:					
Environmental Stewardship	N/A	100%	100%	100%	100%
SC Performance Indicator: Conduct compliance assistance inspections Comments:					

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ENVIRONMENT-AVIATION NOISE

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 in-house analysis and report development, 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.

BUDGET SUMMARY

	2009	2010	2011	\$	%
	Actual	Budget	Budget	Variance	Variance
Personnel	525,101	551,870	555,102	3,232	0.59%
Administrative Expenses	23,874	24,213	28,024	3,811	15.74%
Professional Services	53,299	102,300	181,300	79,000	77.22%
Utilities	270	0	275	275	100.00%
Operating Services/Expenses	79,577	79,217	102,161	22,944	28.96%
Maintenance		0	0		
Other		0	0		
Total Budget	682,121	757,600	866,862	109,262	14.42%
FTE Total	7	7	7		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Professional Services	<p>This increase is for contracted annual maintenance support for MAC's Airport Noise and Operations Monitoring System data processing In-Flight software, Web Track live Internet flight tracking application, and for contracted annual maintenance support for MAC's Multilateration flight track data acquisition system that includes 8 MLAT sensors and a feed of the flight track data for the MACNOMS system. These are the key components of the MACNOMS system.</p> <p>These funds will also provide professional services necessary for Performance Based Navigation (PBN) procedure development, and to provide technical depth in the area of application development and administration of the network/database as required to maintain the new MACNOMS system. Failure to provide these funds will result in annual reports that are required by law not being completed in 2011.</p>
Operating Services/Expenses	These additional monies will provide software support and updates required to maintain the Technical Information Network (TIN), Remote Noise Monitoring Towers and M-Lat sensors.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
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

ENVIRONMENT-AVIATION NOISE**2009 RESULTS REPORT**

Service Center Objective	Measurement	Results
		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.
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.

2010 RESULTS REPORT

Service Center Objective	Measurement	Results
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.	Task completed.
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.	Task completed.
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.	Task completed.

ENVIRONMENT-AVIATION NOISE**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
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.	St. Paul Downtown Airport and Flying Cloud Airport Zoning Ordinances submitted to MN/DOT for first review.

2011 SERVICE CENTER OBJECTIVES

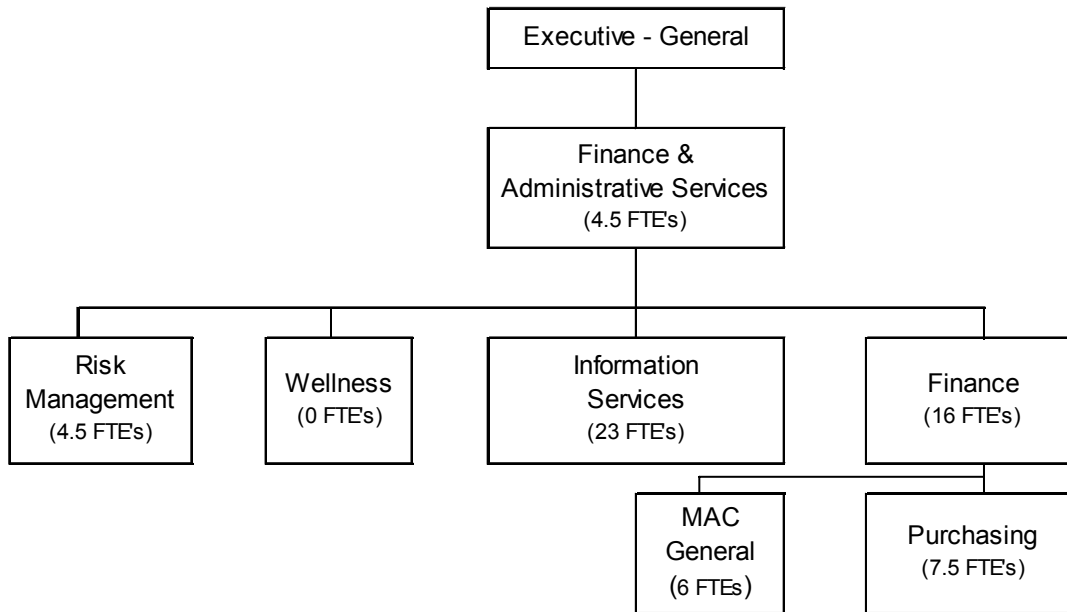
Organizational Strategic Goal: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Develop initial LTCP implementation plans.	Completion of MSP 2020 development environmental analysis.	Complete noise and land use analysis for the MSP 2020 Development Environmental Assessment (EA).
NA	Airspace-wide RNAV/RNP procedure implementation at MSP.	Complete NEPA environmental analysis necessary for procedure implementations.

Organizational Strategic Goal: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Enhance the experience of visitors to the MACNOISE.COM website.	Redesign the entire MACNOISE.COM website.

Organizational Strategic Goal: <i>Strengthen Partnerships and Relationships</i>		
Organizational Key Initiative	Service Center Objective	Measurement
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 and Flying Cloud Airport Zoning Ordinance JAZB processes and commencement of Lake Elmo Airport Zoning Board Activities. This provides compliance with State required zoning regulations in a cost effective manner.
NA	Compliance with noise litigation consent decree.	Completion/implementation of all elements in 2011 as required by the noise litigation Consent Decree. Provides compliance with court ordered requirements.

ENVIRONMENT-AVIATION NOISE**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
Environmental Stewardship	100%	100%	100%	100%	100%
SC Performance Indicator: Complete all required activities in support of the Relievers Airport Advisory Commission Comments:					
Financial Responsibility	Completed	Completed	Completed	Completed	Complete
SC Performance Indicator: Maintain and calibrate noise and flight track monitoring units Comments: Conduct system calibration and maintenance.					
Financial Responsibility	Zero	Zero	Zero	Zero	Zero
SC Performance Indicator: Maintain and develop TIN in support of Noise Office activities Comments: Percentage of downtime. TIN functionality meets office needs.					
Customer Service	Completed	Completed	Completed	Completed	Complete
SC Performance Indicator: Maintain accurate and clean flight track and noise data Comments: Ensure clean and accurate data.					
Customer Service	100%	100%	100%	100%	100%
SC Performance Indicator: Effective operation and maintenance of MACNOISE.COM website Comments: Ensure site availability.					
Financial Responsibility	Completed	Completed	Completed	Complete	Complete
SC Performance Indicator: Complete annual CIP AOEE documentation Comments:					
Financial Responsibility	Completed	Completed	Completed	Completed	Complete
SC Performance Indicator: Complete Annual Noise Contour Report Comments: Complete Annual MSP Noise Contour Report.					
Customer Service	4	4	4	4	4
SC Performance Indicator: Conduct 4 Quarterly Noise Public Input Meetings Comments:					
Environmental Stewardship	Completed	Completed	Completed	Completed	Complete
SC Performance Indicator: Conduct GIS Spatial Analysis and Map development in support of Noise Office and organization projects Comments: Conduct all required GIS activities.					

Finance & Administrative Services Division

Notations to Service Center Summaries:

- * Variance (dollars and %) is computed between 2010 Budget and 2011 Budget
- * The explanation for the variances is based upon the 2010 Budget and 2011 Budget
- * Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

FINANCE & ADMINISTRATIVE SERVICES

The Finance and Administrative Services Division is responsible for overseeing the implementation of the Commission's financial policies, strategic financial planning and analysis, and the establishment of good fiscal and budgetary practices. Achievement in these areas provides 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 division 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.

BUDGET SUMMARY

	2009	2010	2011	\$	%
	Actual	Budget	Budget	Variance	Variance
Personnel	349,276	352,683	360,219	7,537	2.14%
Administrative Expenses	4,308	7,125	5,895	-1,230	-17.26%
Professional Services		3,500	2,500	-1,000	-28.57%
Utilities		0	0	0	0.00%
Operating Services/Expenses		0	0		
Maintenance		100	0	-100	-100.00%
Other	453	200	1,000	800	400.00%
Total Budget	354,037	363,608	369,614	6,007	1.65%
FTE Total	4	4	4		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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2009 RESULTS REPORT

Service Center Objective	Measurement	Results
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. 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 dealing with new leases. Review of existing leases has been completed and is done on a monthly basis. B. A process has been developed and established in which 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.

FINANCE & ADMINISTRATIVE SERVICES**2009 RESULTS REPORT**

Service Center Objective	Measurement	Results
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 RESULTS REPORT

Service Center Objective	Measurement	Results
Complete the RFQ (Request For Qualifications) for the Airport Consultant, Financial Consultant and Bond Counsel, all of which are related to issuing debt and Financial Forecasting.	Complete the RFQ's.	All RFQs have been completed. Bond Counsel RFQ completed August 2010 - Kutack Rock Airport Consultant RFQ completed October 2010 - Leigh Fisher Financial Advisor RFQ completed December 2010 - Springsted (G.O. services) and Jefferies (all other services)
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 with regard to any modifications or changes that may be required.	Staff, in conjunction with Commissioner Monaco, have been reviewing the whole reliever airport system regarding both a business plan and the financial model. Staff has identified some areas that will be evaluated during the first quarter of 2011 to see the impact on financial model and also what public processes may need to be changed (ordinances).
Complete reconciliation of the 2010 Plan Financing.	All elements of financing the plan are completed and reconciled.	This has been completed.
Complete a review of the Closed Circuit TV continuing CIP project.	Work with IS, Airport Development and Police to review the overall goal and outcome of the project and determine if there are other financial and operational alternatives.	Based on the analysis provided by the consulting firm, staff is moving forward with a complete overhaul of the CCTV system. Part of this process involves identifying a governance group which will oversee both the implementation and the ongoing CCTV program. The complete implementation process of the CCTV system, a three-year period, was started in late 2010.

FINANCE & ADMINISTRATIVE SERVICES**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
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.	New debt issued in August 2010. Refunded Series 2001B and 2001D GARB Bonds in September 2010. Refunded GO Series 13 Bonds in October 2010. Short Term Borrowing Program deferred until first half of 2011. Canceled GO Series 15 refunding based on discussions with Delta.
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.	It was determined that all carriers whose lease expired on 12/31/10 be given a one-year extension. Completed.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Analyze the type and viability of a Short Term Borrowing Program.	Based on analysis, a new Short Term Borrowing Program is in place.
NA	Analyze and propose funding for the 2012-2014 portion of the Capital Improvement Plan.	Funding is developed for the 2012-2014 portion of the Capital Improvement Plan.
Develop Terminal 1 & 2 rates and charges approach.	Evaluate and analyze rate structure at T1 and T2.	A rate structure of both terminals together or individually is proposed.
NA	Participate in development and review of leases associated with those airlines that do not have a 2020 lease.	Leases are revised and/or extended.

Organizational Strategic Goal: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Aid in the restructuring of the Finance Department based upon management report by BKD.	Improved processes and internal controls within the Finance Department.

Organizational Strategic Goal: <i>Strengthen Partnerships and Relationships</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Enhance the lease development process.	To identify the process involved with a new lease or amended lease working with CMAA and Legal.

FINANCE & ADMINISTRATIVE SERVICES**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
Financial Responsibility	10th	8th	5th	7th	\$6.21 Per passenger
SC Performance Indicator: Maintain Airline Cost Per Enplaned Passenger in the lower half of large hub airports Comments:					
Financial Responsibility	Received	Received	Received	Receive	Receive
SC Performance Indicator: Retain GFOA's Budget Presentation Award Comments:					
Financial Responsibility	Received	Received	Received	Receive	Receive
SC Performance Indicator: Retain GFOA's Comprehensive Annual Financial Reporting Award Comments:					

WELLNESS

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

BUDGET SUMMARY

	2009 Actual	2010 Budget	2011 Budget	\$ Variance	% Variance
Personnel		145	145	0	0.00%
Administrative Expenses	52	350	300	-50	-14.29%
Professional Services		0	0		
Operating Services/Expenses	123,254	120,860	127,270	6,410	5.30%
Other	1,067	645	4,645	4,000	620.16%
Total Budget	124,373	122,000	132,360	10,360	8.49%
FTE Total					

BUDGET HIGHLIGHTS

Operating Services/Expenses	The increase is based on current enrollment in the Move to Improve program projected into 2011 and monies budgeted to continue the Nutritional Counseling program.
Other	This increase is for monies budgeted for the replacement of aged pieces of fitness equipment in the MAC Fitness Center.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
Increase the participation of employees in the Wellness program.	Percentage of employees having participated in a facet of the 2009 Wellness Program with a target of >53%.	The participation of employees in the Wellness program has increased steadily exceeding 53% in 2009 and reaching 58.9% in the Move-to-Improve program.
Successfully transition our Wellness Program promoting annual physicals and Health Risk Assessments to a CCS/tpa option which includes Health Coaching.	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.	Over 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.

WELLNESS**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Maintain participation of employees in Wellness programming at about 60%; by maintaining participation in the Move-To-Improve program =>58% while increasing the exercise requirement from 12 to 15 times per month.	Percentage of employees having participated in a facet of the 2010 Wellness Program with a target =>58%.	Percentage of employees participating in the 2010 Wellness Program exceeded 60% with participation in the Move-To-Improve Program averaging 60.28% over the four quarters of 2010.
Provide an opportunity for nutrition counseling to MAC employees and successfully promote it to achieve maximum participation in counseling sessions.	72 counseling sessions with 24 new employees participating.	The Wellness Nutrition Counseling Program was successfully promoted. As of 12/31/2010, 85 MAC employees have received nutrition counseling with 20 new employees initiating counseling in 2010.
Successfully transition our Wellness Program promoting completion of Health Risk Assessments to the BlueLink/tpa HRA program.	Successful transition with the percent of benefit eligible employees completing Health Risk Assessments =>42%.	The Wellness Health Risk Assessment Program was transitioned to the Risk Management Department in 2010 with 47% of employees completing Health Risk Assessments.
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.	Successfully deliver with >250 MAC employees receiving Flu Shots.	The Wellness Program successfully delivered, working with Delta Air Lines and the larger airport business community, its largest annual Health Expo (October, 2010) featuring 56 Health Service vendors. While Flu Shots were provided at the Health Expo, the MAC 2010 Flu Shot Clinics were separated from the Expo and delivered by Risk Insurance.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Maintain the viability of the MAC (Navy) Wellness Fitness Center by replacing aged equipment.	Successfully acquire a new Treadmill.
N/A	Provide an opportunity for nutrition counseling to MAC employees and successfully promote it so that maximum possible (12) counseling sessions are completed.	12 (one/month) counseling sessions with 24 new employees participating.
N/A	Maintain participation of employees in Wellness programming at 60% by maintaining participation in the Move-To-Improve program =>60% while holding the exercise requirement at 30 minutes for at least 15 separate days of each month.	Percentage of employees who have participated in a facet of the 2011 Wellness program, specifically Move-to-Improve, with a target of =>60%.

WELLNESS**2011 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Strengthen Partnerships and Relationships</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Deliver, together with Delta Air Lines and the larger airport business community, a Health Expo as well received as in 2010.	Qualitative assessment of successful delivery.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
People	53%	58%	60%	=>60%	60%
SC Performance Indicator: % employees participating in Wellness Comments: 60% organizational participation is a marker for meaningful impact on Health care costs.					
People	37%	42%	47%	=>47%	50%
SC Performance Indicator: % employees completing Health Risk Assessments Comments: 47% is the MAC historic best to date.					
People	67%	68%	69%	75%	83%
SC Performance Indicator: Wellness Team meeting attendance Comments: Wellness Team members not be absent from more than 2 meetings in a year.					
People	28 employees	31	21	20	18%
SC Performance Indicator: # employees receiving counseling Comments: The nutrition counseling program is presently budgeted and designed to address 24 new employees each year. When successfully promoted, it will surpass the 15% of employees in 2010. The goal for 2011 is set at 18%.					

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RISK MANAGEMENT

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, liability and property insurance coverage, along with the responsibility to maintain a safe airport system.

BUDGET SUMMARY

	2009	2010	2011	\$	%
	Actual	Budget	Budget	Variance	Variance
Personnel	7,201,516	8,366,519	8,746,519	380,001	4.54%
Administrative Expenses	12,805	14,300	15,150	850	5.94%
Professional Services	130,720	114,000	172,940	58,940	51.70%
Utilities	548	2,750	1,000	-1,750	-63.64%
Operating Services/Expenses	2,873	2,200	5,631	3,431	155.95%
Maintenance		1,000	1,000	0	0.00%
Other	1,656,128	2,070,209	1,959,928	-110,281	-5.33%
Total Budget	9,004,591	10,570,978	10,902,168	331,191	3.13%
FTE Total	4.5	4.5	4.5		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to health and dental insurance increases, flexible spending, as well as wage structure adjustments and step increases.
Professional Services	The increase is for employee benefits consulting to comply with the Patient Protection and Affordable Care Act. This increase was approved by the Commission.
Other	This decrease is a result of lower costs for all areas of insurance coverage.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
Train MAC Police staff in risk management to be applied to accident investigations.	The ability to resolve claims which will assist customers and reduce costs will be enhanced.	This educational seminar was expanded to include all managers and two seminars were held.
Assess recent property value study and evaluate validity of results.	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; others will be encouraged to follow.	The Fleet Safety Recognition Program is working very well. A similar program for all employees was not implemented due to budget considerations.

RISK MANAGEMENT**2009 RESULTS REPORT**

Service Center Objective	Measurement	Results
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.	Input is received from employees and the Labor Management Benefits Committee.	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 are a key tool to resolve liability and property claims as well as providing additional 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.

2010 RESULTS REPORT

Service Center Objective	Measurement	Results
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.	The department conducted a survey following open enrollment to get feedback from active employees in an effort to enhance our benefits program. We are working with a communication consultant to determine how we can communicate to our entire 1,750 member population. We are conducting a survey with ACI-NA concerning employee benefits. A new Benefits Committee is being formed to enhance communication.
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.	Keeping medical and dental costs down while plan members appreciate the benefits provided.	All cost drivers and benefit changes for medical and dental coverage are evaluated by the team. Actuarial projections are made on an ongoing basis. The risks are evaluated and countermeasures are taken to control costs and bring value to the program. This also applies to implementation of the Patient Protection and Affordability Act. An actuarial study was conducted to determine how our current methodology will be impacted by the noted Act.
Develop a chargeback system for cost centers to identify and mitigate risks within their processes. The system will be based upon an Enterprise Risk Management process.	Measure past losses and costs to current year. Provide feedback to cost centers.	The Department provides feedback on loss data and costs to the organization and cost centers. This process has been effective as the organization works toward a common goal of controlling costs. The Department is working on implementing ISO 31000, which will enhance this process.

RISK MANAGEMENT**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
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.	The Safety Staff has been attending multi-functional meetings to improve this process. An interdepartmental team has been developed to work on fire protection/life safety issues with our insurance carrier. The Department works through several management and labor benefits committees to add value and control costs. This method has been very effective based on benchmarking of trend rates.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Develop a system to track construction activities with Risk/Insurance Management Department. This will allow staff to minimize potential risk to the MAC, tenants and employees.	Implementation of the system to audit compliance with contracts and assess actions taken.
Incorporate life-cycle operational costs into CIP and technology budgeting.	Review tenant leased spaces to identify potential hazards which could subject MAC to loss.	Number of inspections, recommendations and action taken will be measured.
NA	Improve MAC's confined space entry program/policy through identification, education and rescue teams.	An audit will be periodically conducted to ensure employees, contractors, etc. are following the program/policy.
NA	Implement ISO 31000 into MAC organization to enhance risk management efforts to reduce losses and control costs.	A risk assessment and mitigation matrix process will be developed to reduce losses and costs related to the traveling public, property, fleet and workers. The process will include internal performance measurements and benchmarking with other airports.
NA	Audit past benefit entry into E1 compared to insurance company information to ensure integrity of the data.	Following each audit, goals will be set to reduce level of errors and improve the process.

Organizational Strategic Goal: <i>Strengthen Partnerships and Relationships</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Implement a MAC stakeholder and partnership communications matrix.	Enhance the communication of employee benefits through meetings, publications and interactions with employees, dependents and retirees. Participants will become better consumers, have input into benefits and appreciate the value.	Satisfaction survey at the end of the year to members.

RISK MANAGEMENT**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key Areas of Performance					
	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
People	N/A	534/96%	523/91%	TBD	>90%
SC Performance Indicator: Benefits Administration - number of employee on MAC plans					
Comments:					
Safety	0.97	0.92	0.71	0.8	=<0.80
SC Performance Indicator: Experience Modification Factor					
Comments:					
People	3.6	4.3	2.8	3.2	=<5.0
SC Performance Indicator: Medical Benefits Cost Trend					
Comments:					
Financial Responsibility	\$387,250	\$260,000	\$509,928	\$536,718	=<\$700,000
SC Performance Indicator: Workers' Comp Costs					
Comments:					
Financial Responsibility	35	28	20	30	=<30
SC Performance Indicator: Fleet Accidents					
Comments:					

FINANCE

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 Proposal (RFP) analysis.

BUDGET SUMMARY

	2009 Actual	2010 Budget	2011 Budget	\$ Variance	% Variance
Personnel	1,226,761	1,202,566	1,282,710	80,144	6.66%
Administrative Expenses	19,800	22,376	20,420	-1,956	-8.74%
Professional Services	156,193	205,700	210,760	5,060	2.46%
Utilities	1,305	1,100	1,100	0	0.00%
Operating Services/Expenses	195,965	203,500	207,836	4,336	2.13%
Maintenance		0	0		
Other	-530	5,400	5,400	0	0.00%
Total Budget	1,599,494	1,640,642	1,728,226	87,584	5.34%
FTE Total	16	16	16		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases as well as an increase for local CPE training for new and existing staff.
Professional Services	The Legislative Auditor has indicated that they will be conducting a compliance audit of MAC during 2011 which is estimated to cost \$50,000. This \$50,000 increase is offset by reduced accounting fees. Also, In 2010, the Finance Department went through a staff resource and internal control document review process which was a non-recurring expense.
Operating Services/Expenses	In 2010, the Commission issued new money General Airport Revenue Bonds Series A & B in which annual trustee fees are required. 2011 will be the first year the trustee fees on this bond issue will be paid.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
Implement Software.	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) Initiated water and sewer project. Continued working with consultants to fully implement 2) Made many improvements in reports and processes with many more still being developed 3) Improved the budget process by obtaining better information through E1.
Monitor key success measures.	1) Maintain senior debt coverage ratio at not less than 1.4x. 2) Maintain six-month reserve in the Operating Fund. 3) Hold airline cost/enplaned passenger in lower half of large hub airports. 4) Increase net revenues, excluding depreciation to a level greater than estimated 2008.	1) Senior debt coverage ratio is greater than 1.4x. 2) Six month reserve in the Operating Fund is maintained. 3) Airline cost per enplaned passenger is in the lower half of large hub airports. 4) Net revenues, excluding depreciation, is greater than actual 2008.

FINANCE**2009 RESULTS REPORT**

Service Center Objective	Measurement	Results
Complete RFQs for two continuing consultants (Audit and Underwriters).	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.
Develop three-year CIP Funding (2010-2012).	The Capital Plans for 2010-2012 have funding developed based on the 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	1) Assisted on banking, foreign exchange, telecommunications, retail merchandising units and ATM contracts 2) 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.	Analyzed and calculated Reliever Airport rates and charges.

2010 RESULTS REPORT

Service Center Objective	Measurement	Results
Three-year CIP Funding (2011-2013).	The Capital Plans for 2011-2013 have funding developed based on the information database.	Completed and obtained Commission approval in December.
Provide support for any rates and charges modeling as well as RFP assistance on any concession or lease agreements.	Lease agreements approved by the Commission.	Assisted on RFP for Janitorial contract and participated in rent amendment for Now Boarding and Houlihans. Also, worked on the Reliever model, Flying Cloud development, Ford Dam energy analysis and concessions manager report development.
Make software improvements.	1) 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) Solve E1 software issues in Finance areas.	1) Improvements were made to make paychecks more informative. 2) The project is currently on hold while work is being performed in other areas. 3) Successfully tested sample vendors and implemented project in December 2010. 4) Completion is expected in March 2011. 5) Water & Sewer invoicing process works, but it requires a lot of man hours to complete. We continue to look for a smoother process for invoicing. 6) Employee self-service with W-4 changes, pay stub inquiries, auto deposit changes and a link to employee W-2's is in progress. We hope to have it available by 1st quarter 2011.

FINANCE**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
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.	Final numbers are not available until the completion of the annual audit; however preliminary numbers indicate that we will have met all 4 criteria listed.
Complete RFP's in process.	RFP is finalized for an Investment Custodian.	The Investment Custodian RFP was deferred as we completed RFQ's for a Financial Consultant, Financial Advisor and Bond Counsel instead.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Review existing Reliever Airport financial model.	Provide guidance on how the existing model works. Suggest options for a new financial model. If required develop new financial model.	New Reliever Airport Model.
Incorporate life-cycle operational costs into CIP and technology budgeting.	Three Year CIP Funding (2012-2014).	The CIP for 2012-2014 will identify a funding source for each project and have an element, if necessary of life cycle operating costs associated with certain projects.
NA	Pursue new MSP & Reliever Airport revenue opportunities.	Lease agreements approved by the Commission.
NA	Monitor Key Success measures.	Senior debt coverage > 1.4x. Maintain 6 month Operating reserve Airline Cost per enplaned passenger will be in lower 1/3 of all large hub airports. Construction fund transfer of \$26 million
NA	Review, prioritize and implement recommendations found in the BKD management report.	1. Improved departmental efficiency. 2. Improved Internal controls

Organizational Strategic Goal: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Make software Improvements.	Improve utility billing by defining who is billed, defining the method to bill each tenant, and optimizing the billing method (calculation and E1 process).
NA	Make software improvements.	Streamline the financial reporting process to improve productivity.

FINANCE**2011 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Make software Improvements.	Improve fixed asset reporting to improve productivity.
NA	Make software Improvements.	Improve the payroll process with time entry, paycheck efficiency, customer service, and internal controls.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
Financial Responsibility	100%	100%	100%	100%	100%
SC Performance Indicator: Percentage of time operating bank reconciliation completed by 20th of following month Comments:					
Financial Responsibility	90%	90%	92%	100%	100%
SC Performance Indicator: Monthly general ledger close by the 2nd Monday of each month Comments:					
Customer Service	N/A	2	3	2	3
SC Performance Indicator: Include at least 3 informational items in the MAC Update publication Comments:					
Financial Responsibility	N/A	N/A	92%	100%	100%
SC Performance Indicator: Close Accounts Receivable within 2 business days Comments:					
Financial Responsibility	N/A	N/A	100%	100%	100%
SC Performance Indicator: Close Accounts Payable by the Friday before the General Ledger close Comments:					
People	100%	100%	100%	100%	100%
SC Performance Indicator: Completed performance reviews Comments:					

MAC GENERAL

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 Department is responsible for the budgeting of MAC General.

BUDGET SUMMARY

	2009 Actual	2010 Budget	2011 Budget	\$ Variance	% Variance
Personnel	9,101,461	8,966,507	10,852,481	1,885,974	21.03%
Administrative Expenses	28,815	31,000	25,000	-6,000	-19.35%
Professional Services	31,311	0	0		
Utilities	16,058,125	16,611,230	16,682,589	71,359	0.43%
Operating Services/Expenses	1,837,223	1,540,000	1,610,000	70,000	4.55%
Maintenance	1,185,999	1,344,482	1,325,820	-18,662	-1.39%
Other	235,556	57,125	57,125	0	0.00%
Gross Depreciation	123,060,122	123,000,000	121,000,000	-2,000,000	-1.63%
Total Budget	151,538,612	151,550,344	151,553,015	2,671	0.00%
FTE Total			6		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to six unassigned positions, pensions, wage structure adjustments, step increases, and legislative pension increases.
Utilities	The increase in Utilities is a result of anticipated higher electricity costs which is based on information received from Xcel Energy.
Operating Services/Expenses	Based on historical spending patterns, the increase in Operating Services is due to storm water monitoring expenses.

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PURCHASING

The Purchasing Department oversees the acquisition of materials, services, and equipment to meet the needs of end users by using the method which will result in the most efficient use of MAC resources. Purchasing's responsibilities also include disposing of surplus property by selling items on the open market, donating items to various charities and coordinating the distribution of surplus items between MAC departments. Purchasing also supervises the Lost and Found Office located in Terminal 1 - Lindbergh and Central Services in the General Office building. Purchasing also administers the Commercial Card program for MAC along with maintaining our blanket order spreadsheet, including insurance certificates, for contracts generated by this department.

BUDGET SUMMARY

	2009 Actual	2010 Budget	2011 Budget	\$ Variance	% Variance
Personnel	479,594	477,910	482,801	4,891	1.02%
Administrative Expenses	16,030	12,800	12,785	-15	-0.12%
Professional Services		0	0		
Utilities		0	0		
Operating Services/Expenses	2,286	3,221	2,330	-891	-27.66%
Maintenance	187	100	150	50	50.00%
Other	214	4,100	1,500	-2,600	-63.41%
Total Budget	498,311	498,131	499,566	1,435	0.29%
FTE Total	7.5	7.5	7.5		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Also, staff members are obtaining additional education using tuition reimbursement and obtaining work related certifications.
Administrative Expenses	Staff members belong to several professional organizations but the bulk of Administrative Expenses relate to MAC-wide printing of stationary, envelopes, labels and business cards.
Operating Services/Expenses	Operating Services/Expenses include service of office equipment located in the General Services (mail room) at the G.O.
Other	This expense category includes license tab renewals for vehicles used throughout MAC.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
Successfully implement the Enterprise One requisitioning module.	Train approximately 150 MAC staff.	We have trained a pilot group on RSS and 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 Department 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.

PURCHASING**2009 RESULTS REPORT**

Service Center Objective	Measurement	Results
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.

2010 RESULTS REPORT

Service Center Objective	Measurement	Results
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.	The Purchasing Policy has been revised and approved by Senior Staff. A Voyager Fuel Card Process document has also been written. This objective has been met for 2010.
Continue to improve customer service to external and internal customers.	After the Requisitioning Self Service (RSS) system is implemented, agency-wide internal and external customer satisfaction surveys will be mailed (2nd quarter 2010).	Internal and external customer satisfaction surveys are being delayed indefinitely.
Continue to implement the Enterprise One requisitioning module.	A pilot group has been trained and we went live 11/30/09. RSS will be rolled out MAC-wide during the first quarter of 2010.	This objective has been met and we will implement a Receiver process to E1 RSS January 2011.
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.	Currently we post formal solicitations to the MAC Web site but we would like our Buyers to communicate directly with Vendors through this site and Vendors should be able to submit their responses through this site also. This is a long-term project which IS is exploring.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Move towards making the Purchasing Department paperless.	Move away from hard-copy files and attach more project backup documents in E1 RSS.
NA	Continue to implement the Enterprise One requisitioning module, specifically to include cleaning up the Vendor Address Book and moving towards ACH vs. check payments.	Eliminate unnecessary duplicate Vendors in E1 RSS and add ACH payment information to the Vendor Address Book.

PURCHASING**2011 SERVICE CENTER OBJECTIVES****Organizational Strategic Goal:** *Leverage Resources and Technology***Organizational
Key Initiative****Service Center Objective****Measurement****Organizational Strategic Goal:** *Provide a Great Customer Experience***Organizational
Key Initiative****Service Center Objective****Measurement**

NA

Continue to revise and update the policy and procedure documents covering all aspects of purchasing.

The Purchasing Policy and a Voyager Fuel Card Process document were approved in 2010. The Pcard Policy and other Purchasing Department related policies and processes will be reviewed and revised during 2011.

NA

Continue to improve customer service to external and internal customers.

Issue internal and external customer satisfaction surveys.

NA

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.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**Organizational Key****Areas of Performance****2008 Actual****2009 Actual****2010 Actual****2011 Estimate****Target**

Customer Service

Survey 100%

Postponed

Postponed

Postponed

=>9.0

SC Performance Indicator: Customer Service Rating**Comments:** The goal is to improve our customer service to external and internal customers. Surveys will be issued.

People

100%

100%

100%

100%

100%

SC Performance Indicator: Completed performance reviews**Comments:**

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INFORMATION SERVICES

The Information Services (IS) Department provides leadership and direction to the MAC in the area of technology. The responsibilities include reviewing and approving technology plans, budgets, and purchases. 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.

BUDGET SUMMARY

	2009	2010	2011	\$	%
	Actual	Budget	Budget	Variance	Variance
Personnel	1,907,675	1,921,525	2,151,895	230,370	11.99%
Administrative Expenses	151,602	57,062	104,570	47,508	83.26%
Professional Services	416,381	93,225	326,000	232,775	249.69%
Utilities	361,932	363,015	393,155	30,140	8.30%
Operating Services/Expenses	1,452,019	1,870,277	1,987,796	117,519	6.28%
Maintenance		0	0		
Other	216,245	340,086	555,585	215,499	63.37%
Total Budget	4,505,855	4,645,190	5,519,001	873,811	18.81%
FTE Total	20	20	23		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to additional staff approved by the Commission and also to wage structure adjustments and step increases.
Administrative Expenses	Software costs are the major reason for the increase along with increased costs for computer-related supplies like patch cables and toner cartridges. The software costs stem from database and Microsoft Windows server upgrades for the MAC website and GIS systems. Staff participation in the Airport Council International - North America Business Information Technology Committee has increased bringing with it added travel expense.
Professional Services	Professional service increases reflect the shift from capital project expense to operating expense for EnterpriseOne support plus a need for technical assistance in reviewing and improving the underlying network design upon which MAC information systems depend for successful operation.
Utilities	Telephone costs have increased by 3%. Internet charges have also increased as a result of changing suppliers to get improved service.
Operating Services/Expenses	The increase is a direct result of the Multi-User Flight Information Display (MUFIDS) project completed in 2010. Included are the software maintenance and support agreements as well as the on site support contractor expense to meet airline service level agreements.
Other	The approved upgrade to the Landside Revenue Control System, which operates MAC's parking facilities, requires significant upgrades to hardware and software to meet the new system's requirements.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
Conclude EnterpriseOne system upgrade.	Implement deferred elements including: 1. Employee self service. 2. Advanced time keeping. 3. Fleet maintenance pending agreement to use 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

INFORMATION SERVICES**2009 RESULTS REPORT**

Service Center Objective	Measurement	Results
	4. Staff training for access to information in E1.	held; more is required.
Implement Computer-Aided Dispatch (CAD), Police Records Management System (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.
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 E1 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 and is being tested.

INFORMATION SERVICES**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
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.	Flight displays in T1 were completed in August. Traveler's Assistance booths with new technology were completed in the third quarter. The Delta data feed, which contains the bag claim data needed for the Bag Claim displays, is in place.
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.	EnterpriseOne features that have been implemented include: employee self service, purchasing requisition self service, work orders and various accounting items. The MAC Geographic Information System (GIS) is linked to E1 for lease data including concession lease data.
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.	All work is completed except Police Records Management System. The vendor withdrew their product for this system. A new Request for Proposals will be issued for this system in early 2011.
Upgrade Landside Parking Revenue Control System to help achieve PCI compliance.	50% of the project will be completed in 2010.	More than 50% of the project is complete.
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.	Delays caused by extended contract re-negotiations with the vendor have pushed completion of this system to the end of Qtr1, 2011.
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.	The biometric reader finalists have been selected. Testing will occur in Qtr 1 2011. Data format conversion is underway, and electronic exchange of personnel clearance data for badging will be in place by the end of Qtr 2, 2011.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Upgrade MSP closed circuit TV system - Phase I.	Governance mechanisms and policies have been created. Target coverage has been identified. Preliminary design is complete.

INFORMATION SERVICES**2011 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Upgrade MSP courtesy telephone system. Upgrade MAC telephone system.	Both system upgrades are complete.
NA	Select and implement a Police Records Management System.	Records Management System is implemented and operational.
NA	Extend use of EnterpriseOne system in maintenance management by adding inventory data and strengthening maintenance processes. Extend employee and manager self service portal for time entry to all staff except Field Maintenance.	Asset management and inventory processes established. All staff time entry except Field Maintenance staff occurs using E1.
NA	Complete upgrade of Landside Parking Revenue Control System.	System is operational.

Organizational Strategic Goal: <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Complete initial phases of network upgrades and design for the MAC Data Center.	MAC backbone network fiber additions complete; high speed routers and switches are in place and site selection and programming for the structure are complete.

Organizational Strategic Goal: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Expand Multi-User Flight Information Displays and Interactive information kiosks in both Terminal 1 and 2.	Displays are installed and operational.

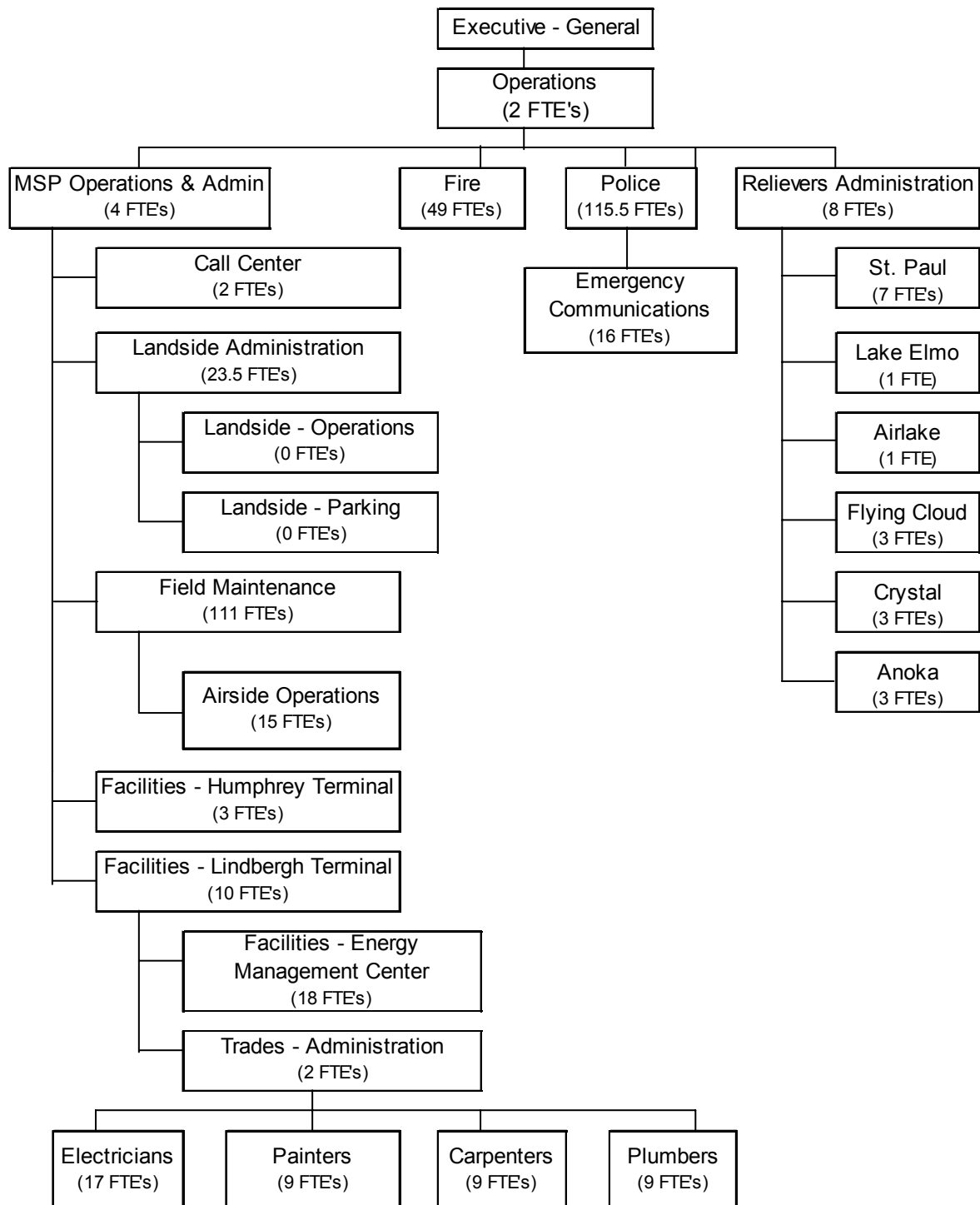
SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
Airport Operations	99%	99.9%	98%	99.99%	99.99%
SC Performance Indicator: System availability Comments: 99.99% uptime translates to 4 minutes of downtime per year. 99.9% equals 44 minutes of downtime per year. 99% equals 7 hours of downtime per year.					
Financial Responsibility	3.5%	3.77%	3.59%	4%	< 5%
SC Performance Indicator: IS budget as percent of total expense Comments: Maintain appropriate investment in information systems resources.					

INFORMATION SERVICES**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key					
Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
People	2.00	1.55	1.45	1.40	>1:1,000,000
SC Performance Indicator: IS staff per million passengers Comments: Ratio of 1 IS staff person to 1million passengers.					
People	100%	100%	100%	100%	100%
SC Performance Indicator: Completed performance reviews Comments:					

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Operations Division

Notations to Service Center Summaries:

- * Variance (dollars and %) is computed between 2010 Budget and 2011 Budget
- * The explanation for the variances is based upon the 2010 Budget and 2011 Budget
- * Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

DEPUTY-OPERATIONS

The Deputy-Operations Division 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 of this division 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.

BUDGET SUMMARY

	2009 Actual	2010 Budget	2011 Budget	\$ Variance	% Variance
Personnel	200,962	206,119	206,702	582	0.28%
Administrative Expenses	7,148	9,680	7,291	-2,389	-24.68%
Professional Services		0	6,000	6,000	100.00%
Utilities	725	900	739	-161	-17.89%
Operating Services/Expenses	609	500	0	-500	-100.00%
Maintenance		0	0		
Other		0	0		
Total Budget	209,444	217,199	220,732	3,532	1.63%
FTE Total	2	2	2		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases; however, the increase was offset by a decrease in overtime.
Professional Services	The increase is due to Safe Skies security and screening.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
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. The effort is to be titled the "Customer Service Partnership Initiative (CSPI)".	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.
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.

DEPUTY-OPERATIONS**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
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.	Training video is completed and being distributed to tenants and for MAC staff use. Training facilitators (Customer Experience Officer-"CEOs") are being identified and will be performing responsibilities in first quarter 2011.
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.	Airport Ambiance issues are being addressed through significant progress in the Arts and Culture program, the airport signage update and corrective actions taken in several individual areas as identified through the benchmarking project. Employee courtesy and helpfulness improvements are the primary target of the CS training program previously identified. Plans have been developed for the creation of special seating areas that will incorporate hookups for personal communication devices.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Review existing Reliever Airport financial model.	Complete the work of the Reliever Task Force.	Business Plans in place for each Reliever Airport.

Organizational Strategic Goal: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Develop and deploy a customer service training program for appropriate MAC staff on the theme of our Brand Promise; "MSP Nice, one experience at a time".	Program in place and training in progress.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
Customer Service	4.17	4.18	4.16	4.18	5 Rating
SC Performance Indicator: ASQ performance rating (1-5 scale) Comments:					

MSP OPERATIONS & ADMINISTRATION

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.

BUDGET SUMMARY

	2009 Actual	2010 Budget	2011 Budget	\$ Variance	% Variance
Personnel	328,349	331,867	333,571	1,704	0.51%
Administrative Expenses	20,829	43,965	27,394	-16,571	-37.69%
Professional Services	16,303	13,000	13,500	500	3.85%
Utilities	3,797	4,326	2,000	-2,326	-53.77%
Operating Services/Expenses	2,150,662	66,900	63,900	-3,000	-4.48%
Maintenance	309	22,000	0	-22,000	-100.00%
Other	35,319	21,300	20,200	-1,100	-5.16%
Total Budget	2,555,568	503,358	460,566	-42,792	-8.50%
FTE Total	4	4	4		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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2009 RESULTS REPORT

Service Center Objective	Measurement	Results
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.
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.

MSP OPERATIONS & ADMINISTRATION**2009 RESULTS REPORT**

Service Center Objective	Measurement	Results
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.

2010 RESULTS REPORT

Service Center Objective	Measurement	Results
Adjust to new Delta HQ focus on operational activities.	Cost effective procedures identified in snow removal that enhance MAC's ability to function during snow events and cost benefit analysis on delays, etc. tied to staffing levels.	Gained Delta's & Commission's support and hired several new temporaries to expand snow removal capabilities to include Runway 17/35.
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.	Follow-up work on checkpoints. Fueling changes, etc. among airlines and involved airport community in FAA Civil Rights ADA audit.
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.	Progress seen 3rd quarter through MUFIDS project. Visual paging startup in December.
Ensure FAA certification retained.	All 2010 inspections passed and problems addressed.	Passed annual certification review with flying colors in September 2010.
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.	Emergency Manager hiring process complete.

MSP OPERATIONS & ADMINISTRATION**2011 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>N/A</i>		
Organizational Key Initiative N/A	Service Center Objective Ensure FAA certification retained.	Measurement All 2011 inspections passed and problems addressed.

Organizational Strategic Goal: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative NA	Service Center Objective Become best airport in the U.S. (and perhaps the world) for services offered to deaf community.	Measurement As noted by benchmarking.

Organizational Strategic Goal: <i>Strengthen Partnerships and Relationships</i>		
Organizational Key Initiative NA	Service Center Objective Continue to bring awareness of airport emergency preparedness to MAC staff.	Measurement Orient Emergency Manager to MAC and MSP Airport Community. Better develop NIMS standard implementation at MSP.
Organizational Key Initiative NA	Service Center Objective Facilitate good communication and open relationships among airline, TSA, airport tenants and MAC staff.	Measurement MSP Director weekly airline manager breakfasts, sponsor 3 all airport luncheons, provide administrative support for monthly Airline Managers Council and Security Consortium and host monthly informal TSA/MAC brown bag luncheon and other initiatives as needed.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
People	100%	100%	100%	100%	100%
SC Performance Indicator: Annual Employee Performance Reviews Complete Comments: All MSP Operational groups included.					
Airport Operations	N/A	N/A	50%	75%	Completed
SC Performance Indicator: Continuous improvement of MSP winter operations Comments: Additional seasonal Field Maintenance crew additions approach enhanced for safety & service reliability reasons.					
Customer Service	N/A	20%	60%	100%	Completed
SC Performance Indicator: 2011 goals of the MSP Accessibility Plan implemented Comments: Visual paging approach completed and 2011 phases planned.					

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CALL CENTER

The MAC Information & Paging Office is responsible for answering the airport general information line and two incoming lines on the Airport Assistance phone system. One line is for information and paging services and the second line provides ground transportation information which includes taxis, shuttles, buses and parking. In addition, the Office also handles other calls regarding MAC departments outside their operational hours. There are 275 courtesy phones in T-1 Lindbergh and T-2 Humphrey combined. The Information & Paging Office is also responsible for performing a large portion of the paging function in both terminals. The Office is open 7 days a week, 14 hours a day, 365 days a year.

BUDGET SUMMARY

	2009 Actual	2010 Budget	2011 Budget	\$ Variance	% Variance
Personnel	142,460	170,683	168,944	-1,739	-1.02%
Administrative Expenses	426	0	435	435	100.00%
Professional Services		0	0		
Utilities		0	0		
Operating Services/Expenses		1,018	0	-1,018	-100.00%
Maintenance		0	0		
Other		0	0		
Total Budget	142,887	171,701	169,379	-2,322	-1.35%

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
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.

2010 RESULTS REPORT

Service Center Objective	Measurement	Results
Develop effective Humphrey model to cover "lost" ASIG terminal management duties.	Model developed and implemented that results in improved service levels and lower costs.	Hiring process brought in 1 more great temporary employee.
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.	MSP accessibility update given 2010 at Open Doors Conference in Houston TX November 2010. FAA Civil Rights Audit team work 11/30-12/3/10. Attended MCDHH 25th anniversary party 11/10.

CALL CENTER**2011 SERVICE CENTER OBJECTIVES****Organizational Strategic Goal:** *Leverage Resources and Technology*

Organizational Key Initiative	Service Center Objective	Measurement
NA	Research to find an upgrade or replacement to the telephone system in the Call Center.	The system currently being used was purchased in 1999 with very limited upgrades. A new system would enhance our customer service.

Organizational Strategic Goal: *Provide a Great Customer Experience*

Organizational Key Initiative	Service Center Objective	Measurement
NA	Improve service levels and lower costs through greater use of labor.	Better balance permanent schedules with new hire replacement for retiring employee in 2011.
NA	Provide great service to Deaf & Hard of Hearing & Blind community in project partnership.	Continue to set "stretch" goals with MCDHH and AFB.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
People	100%	100%	100%	100%	Completed
SC Performance Indicator: Successful hire of new permanent employee with pending 2011 retirement					
Comments:					
People	100%	100%	100%	100%	100%
SC Performance Indicator: Annual employee performance reviews completed					
Comments: All Call Center staff have performance reviews documented in 2011.					
Customer Service	N/A	20%	60%	100%	100%
SC Performance Indicator: Visual paging developed and completed in Call Center					
Comments: Live website and MUFIDS, CNN and JCDecaux to display key pages.					

AIRSIDE OPERATIONS

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.

BUDGET SUMMARY

	2009	2010	2011	\$	%
	Actual	Budget	Budget	Variance	Variance
Personnel	1,254,686	1,229,915	1,253,642	23,727	1.93%
Administrative Expenses	83,507	86,030	87,713	1,683	1.96%
Professional Services	101,118	76,659	81,659	5,000	6.52%
Utilities	20,973	10,560	10,560	0	0.00%
Operating Services/Expenses	22,930	87,400	156,023	68,623	78.52%
Maintenance	16,458	5,900	19,274	13,374	226.68%
Other	42,156	26,125	30,000	3,875	14.83%
Total Budget	1,541,828	1,522,589	1,638,871	116,282	7.64%
FTE Total	15	15	15		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	The Administrative Expenses increase is primarily due to additional/required Microsoft Office licensing fees and increased funding for safety equipment and wildlife management tools.
Professional Services	The increase in Professional Services is due to a projected 4% increase in the annual MAC contract costs with USDA Wildlife Services to provide wildlife hazard mitigation services.
Operating Services/Expenses	The increase in Operating Services/Expenses is the result of the transfer of IT and radio system maintenance expenses from cost center 79000-MAC IS and replacement computer hardware and software systems.
Maintenance	The increase in Maintenance is associated with the maintenance agreement and the need to maintain additional parts for MSP's fleet of Surface Friction Testers which are critical pieces of equipment for both summer and winter pavement maintenance programs.
Other	The increase in Other is primarily due to the sole responsibility for contracted office copier costs previously shared with cost center 82700 - Emergency Communications.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
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)	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.

AIRSIDE OPERATIONS**2009 RESULTS REPORT**

Service Center Objective	Measurement	Results
located 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%.

2010 RESULTS REPORT

Service Center Objective	Measurement	Results
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.	Driver's Training guides printed and available for distribution.
Reduce Airside Operations overtime as a percentage of wages.	2010 Airside OT percentage of total wages less than 11%.	Airside overtime as a percentage of total wages FY 2010 at 10%

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Manage controllable overtime expenses as a percentage of total wages.	Airside Operations overtime costs less than 11% of total wages.

Organizational Strategic Goal: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	In advance of expected FAA regulatory requirements, establish the groundwork for an airport Safety Management System (SMS) program.	Identify "Responsible Executive" per FAA Advisory Circular guidelines; establish MSP SMS committee; create outline of MSP SMS Plan.

AIRSIDE OPERATIONS**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key					
Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
People	N/A	11.7	10	10	8.5%
SC Performance Indicator: Overtime as a % of total wages Comments: 2007 MAC overtime as a % of total wages.					
Safety	2	0	0	0	0
SC Performance Indicator: AOA violation Comments:					
Safety	0	1	2	0	0
SC Performance Indicator: Runway incursions Comments: Goal represents all MSP vehicle operations; MAC and tenant drivers.					

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EMERGENCY COMMUNICATIONS

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. Over 64,000 calls for service were generated in 2009. This center also houses the Honeywell fire alarm system which has over 20,000 logical devices. We operate the CCTV camera system which houses 1400+ 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.

BUDGET SUMMARY

	2009	2010	2011	\$	%
	Actual	Budget	Budget	Variance	Variance
Personnel	1,057,209	1,098,144	1,212,814	114,670	10.44%
Administrative Expenses	11,126	14,245	13,614	-631	-4.43%
Professional Services		0	0		
Utilities	3,874	4,415	4,415	0	0.00%
Operating Services/Expenses	30,985	13,199	160,429	147,230	1115.47%
Maintenance		0	0		
Other	6,245	15,097	10,429	-4,668	-30.92%
Total Budget	1,109,437	1,145,100	1,401,702	256,601	22.41%
FTE Total	13	16	16		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Also, additional overtime is included to meet minimum staffing requirements in 911 center.
Operating Services/Expenses	This category is much higher due to the new computer aided dispatch support agreement that will take effect in 2011. This maintenance contract supports 24 X 7 coverage for critical equipment for dispatching and tracking police and fire units. This also covers the police and fire mobile units. In addition, the Allina CAD interface agreement will go into effect in July 2011 and this category includes monthly installments to be paid from July to December 2011. The radio repair service was previously covered in the IS budget. We received a new radio/logging recorder system in 2010. In 2010, \$2000 was budgeted for the logging recorder system. Now the radio/logging recorder contract has the same vendor and the ECC has taken over the radio support costs from IS. Budgeted dollars are for 9 months.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
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.

EMERGENCY COMMUNICATIONS**2009 RESULTS REPORT**

Service Center Objective	Measurement	Results
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.
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 RESULTS REPORT

Service Center Objective	Measurement	Results
Implement and maintain quality control program.	Operating consistency, reduction of liability.	Working on developing program with quality software through the new voice recording system. This project will carry over into next year.
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.	Concentrating on basic training program for new hires. This project will carry over into next year.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Implement and maintain quality control program.	Operating consistency, reduction of liability.

EMERGENCY COMMUNICATIONS**2011 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Objective	Measurement
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 requirements.	Maintain performance levels. Industry standards are met.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
Customer Service	85%	83%	82%		=>90%
SC Performance Indicator: Answer 911 calls in appropriate time frame Comments: Answering 90% or more of 911 calls in less than 10 seconds 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.					
People	3%	4%	4%		0-5%
SC Performance Indicator: Call handling standards on all shifts are met Comments: Rate of customer complaints. 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.					

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LANDSIDE-OPERATIONS

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.

BUDGET SUMMARY

	2009 Actual	2010 Budget	2011 Budget	\$ Variance	% Variance
Personnel		0	0	0	0.00%
Administrative Expenses	18,466	23,549	19,176	-4,373	-18.57%
Professional Services		0	0	0	0.00%
Utilities		0	0		
Operating Services/Expenses	124,641	160,652	217,962	57,310	35.67%
Maintenance	39,907	46,912	45,173	-1,739	-3.71%
Other		0	0		
Total Budget	183,015	231,113	282,312	51,199	22.15%
FTE Total					

BUDGET HIGHLIGHTS

Operating Services/Expenses	Hardware and software preventative maintenance and repair contract expense for MAC Automatic Vehicle Identification System is \$16,667 per month for 2011. 2010 budget did not include a full year of contact maintenance expense.
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LANDSIDE-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, a wide variety of parking supply and service vendors, and parking management operators.

BUDGET SUMMARY

	2009	2010	2011	\$	%
	Actual	Budget	Budget	Variance	Variance
Personnel		0	0		
Administrative Expenses	5,192	0	0		
Professional Services	6,000	0	6,242	6,242	100.00%
Operating Services/Expenses	7,359,669	7,828,169	7,839,330	11,161	0.14%
Maintenance	193,874	211,600	193,141	-18,459	-8.72%
Other		0	0		
Total Budget	7,564,735	8,039,769	8,038,714	-1,055	-0.01%
FTE Total					

BUDGET HIGHLIGHTS

Professional Services	Professional Services are planned for assistance analyzing existing and potential parking products and services. We do not require this type of assistance every year.
Operating Services/Expenses	General parking expense and advertising costs are increasing.

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LANDSIDE-ADMINISTRATION

The Landside-Administration cost center oversees the operation, maintenance, marketing, and design of the Commission's public and employee parking facilities as well as commercial vehicle and taxi programs and the automated system that provides access and revenue control to the 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-Administration has business relationships with the Metropolitan Council, national and international airports, municipal governing entities and parking operators.

Service Center Objectives and Results and Performance Indicators for Landside-Operations and Landside-Parking are incorporated into the Landside-Administration area.

BUDGET SUMMARY

	2009 Actual	2010 Budget	2011 Budget	\$ Variance	% Variance
Personnel	1,473,751	1,468,668	1,535,931	67,263	4.58%
Administrative Expenses	44,405	38,338	49,385	11,047	28.81%
Professional Services		0	0		
Utilities	6,950	6,530	7,230	700	10.72%
Operating Services/Expenses		0	0		
Maintenance		0	0		
Other	7,016	8,100	8,400	300	3.70%
Total Budget	1,532,122	1,521,637	1,600,947	79,310	5.21%
FTE Total	23.5	23.5	23.5		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Also, Non Agency temporary employees increased compared to 2010. During 2010 several PSA Temp positions were unfilled and the staffing was covered using overtime. During 2011 these positions will be filled resulting in cost savings of straight time rather than overtime.
Administrative Expenses	Administrative Expenses increased due to postage, printing, registration and dues increases.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
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.

LANDSIDE-ADMINISTRATION**2009 RESULTS REPORT**

Service Center Objective	Measurement	Results
Improve efficiency of processing taxi driver inquires.	Create a structure for drivers and service companies to submit their inquires 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 T1 and Humphrey T2 and additional revenue generating services are available at Lindbergh Valet.	Initiative achieved. The Lindbergh Terminal T1 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.

2010 RESULTS REPORT

Service Center Objective	Measurement	Results
Improve the management of commercial transportation services through increased staff field presence.	Landside Agents each spend two hours per day performing field enforcement of taxi, commercial vehicle and parking operations.	Objective achieved through increased physical field presence and increased use of CCTV equipment to remotely and historically monitor commercial vehicle and taxi areas.
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.	A series of well-attended meetings between MAC staff, taxicab industry members, and Commission members produced no consensus on how to restructure taxicab operations. This objective will continue to be a focus during 2011.
Introduce eParkElite parking (guaranteed parking at Terminal 1 and Terminal 2).	eParkElite generates \$300,000 additional revenue during 2010.	Customers currently using eParkElite are very satisfied with the service. Because of the down turn in the economy, the T1 General Lot has not filled as often, lowering the desirability of a Guaranteed Parking product in 2010.
Activate revenue control at the Terminal 1 Transit Center.	Revenue from charter buses and vehicles using the Terminal 1 Transit Center increase 500%.	Objective was accomplished during the 2nd Quarter. T1 Transit Center revenues continue to exceed 2010 goals.

LANDSIDE-ADMINISTRATION**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
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).	During the 4th Quarter software development continued. All eTrip® lanes were converted over to the new system. This allows MAC to test and refine advanced interfaces (the interface between the MSP Orion revenue controls system and Heartland Payment Systems for credit card processing) in a low volume and low risk environment. The next area to be converted will be Valet parking revenue control. We upgraded our web-based reporting platform, and file servers were upgraded to increase levels of failover, redundancy and security.
Improve response times for public parking customer issues.	Ampco response to customers on-site issues in under five minutes per incident.	4th Quarter reports demonstrate that Ampco's response time is just under six minutes and improving. Additional training and evaluations are in process.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Use new features of the public parking revenue control system upgrade in the overall parking marketing strategy.	Marketing concepts are developed and delivered.
NA	Complete the parking revenue control system upgrade from Zeag-FCMS to Zeag Orion-ZMS.	Improve MAC Payment Card Industry (PCI) Compliance requirements. Electronic coupons and barcode validations are available in all parking exit lanes.

Organizational Strategic Goal: <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Prepare a Request For Proposal for parking management of MSP parking facilities.	Landside is prepared to issue a RFP for management of parking facilities during the first quarter of 2012.
N/A	Identify issues, analyze possible solutions and present an improved method of managing and delivering taxicab service at MSP.	Process completed and a recommendation is presented.
N/A	Develop and issue a Request for Proposal for shared ride service. Evaluate responses and make a recommendation to the Commission.	Process is completed and a recommendation is made to the Commission.

LANDSIDE-ADMINISTRATION**2012 - 2015 LONG TERM OBJECTIVES**

Objective	Expected Results
Implement the new shared ride contract.	Complete as stated.
Implement the new parking management contract.	Complete as stated.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key					
Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
Customer Service	N/A	3.80	3.99	TBD	3.70
SC Performance Indicator: Achieve an average ASQ survey score above 3.7 for "Quarterly Parking Availability" survey results Comments: Airport Service Quality (ASQ) quarterly statistical report.					
Customer Service	N/A	4.15	4.22	TBD	4.0
SC Performance Indicator: Achieve an average ASQ survey score above 4.0 for "Ground Transportation" survey results Comments: Airport Service Quality (ASQ) quarterly statistical report.					

FIRE

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 and first aid training to airport tenants, staff and the public.

BUDGET SUMMARY

	2009 Actual	2010 Budget	2011 Budget	\$ Variance	% Variance
Personnel	3,830,781	4,101,600	4,013,163	-88,437	-2.16%
Administrative Expenses	10,011	15,037	12,707	-2,330	-15.50%
Professional Services	6,402	9,656	10,530	874	9.05%
Utilities	6,324	7,000	17,400	10,400	148.57%
Operating Services/Expenses	21,312	26,700	26,983	283	1.06%
Maintenance	2,890	17,967	10,366	-7,601	-42.31%
Other	68,519	94,310	102,389	8,079	8.57%
Total Budget	3,946,240	4,272,270	4,193,538	-78,732	-1.84%
FTE Total	49	49	49		

BUDGET HIGHLIGHTS

Personnel	Personnel decreased in 2011 with an adjustment to overtime that was included in the 2010 budget.
Utilities	Utility expense was increased to cover the cost of CAD (Computer Aided Dispatch) computers placed in the Fire Department vehicles requiring cellular phone capability.
Other	Additional monies are needed to replace old fire hoses that were donated to MAC and thermal imaging cameras that were purchased in 2000.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
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.

FIRE**2009 RESULTS REPORT**

Service Center Objective	Measurement	Results
Work with selected vendor, ECC, and the Police Department to bring new CAD system online.	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% complete. Will need additional time through 2nd Q of 2010 to achieve completion.

2010 RESULTS REPORT

Service Center Objective	Measurement	Results
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 than 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.	Able to get some data but still completing some areas of the software, i.e., CAD to CAD with Allina and automatic downloading from Fire House.
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.	100% complete.
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.	Work on this project will continue throughout 2011.
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.	Ongoing changing to e-records is taking longer than anticipated. Our goal is to have EMS records computer based by 12/31/10.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Review the Fire Department Training Program with a focus on department needs for the next five years. The review shall include the following: 1. FAA requirements. 2. OSHA requirements.	Present results to Fire Chief with recommendations, updates and changes.

FIRE**2011 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: N/A		
Organizational Key Initiative	Service Center Objective 3. State requirements. 4. 2012-2016 budget requirements.	Measurement
N/A	Develop a five-year Fire Department response plan addressing department facilities, personnel, apparatus and response routes.	Plan presented to the Deputy Executive Director of Operations
N/A	Conduct a full review of the departmental vehicle fleet, prioritizing a vehicle replacement schedule.	Schedule reviewed by MAC Maintenance Shop Management and the Deputy Executive Director of Operations.
N/A	Conduct a complete review and revision of all Fire Department policies and procedures.	All procedures have been fully reviewed and rewritten when required. All documents should have a 2011 date.
N/A	Review the following Fire Code enforcement programs: 1. MAC Ordinance #99 including permit fees. 2. MAC Construction Standards. 3. Confirm building/facility ownership at MSP. 4. Other items as determined by the Fire Marshal.	Present results to Fire Chief with recommendations, updates, and changes.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
Airport Operations	100%	100%	100%	100%	100%
SC Performance Indicator: Complete FAR 139 required training Comments:					
People	98%	100%	100%	100%	100%
SC Performance Indicator: Complete performance reviews Comments:					

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POLICE

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.

BUDGET SUMMARY

	2009 Actual	2010 Budget	2011 Budget	\$ Variance	% Variance
Personnel	8,688,968	9,074,345	9,172,985	98,640	1.09%
Administrative Expenses	257,646	256,529	291,713	35,184	13.72%
Professional Services	60,035	70,500	84,375	13,875	19.68%
Utilities	30,184	20,000	20,000	0	0.00%
Operating Services/Expenses	1,013,500	1,054,082	1,125,987	71,905	6.82%
Maintenance	103,716	214,300	36,856	-177,444	-82.80%
Other	95,609	151,750	133,494	-18,256	-12.03%
Total Budget	10,249,658	10,841,506	10,865,410	23,904	0.22%
FTE Total	111.5	113.5	115.5		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	The increase in administrative expense is due to the purchase of Desfire cards required to restock the depleted supply.
Professional Services	The increase is due to required training for 3 new dogs and a new handler.
Operating Services/Expenses	The increase is due to a 4 percent increase per contract and higher costs for the Waylan Security roving vehicle.
Maintenance	The decrease in Maintenance is due to cameras being moved to Capital Assets.

2009 RESULTS REPORT

Service Center Objective	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.	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. •The Police Department continues to build

POLICE**2009 RESULTS REPORT**

Service Center Objective	Measurement	Results
		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. •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.
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.
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 RESULTS REPORT

Service Center Objective	Measurement	Results
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%.	Community Service Officers (CSO) continue to hand out informational flyers to help reduce terminal roadway congestion and increase customer service. A 40% decrease in CSO complaints was realized in 2010 due to ongoing customer service training and awareness efforts in the CSO Program.

POLICE**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
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 incident command structure.	APD Sergeants, Lieutenants and all command staff completed the 24 hour NIMS 300 course in October 2010. NIMS 400, the last required training course, has been scheduled for completion in January, 2011.
Seek grant funding to assist in offsetting the overtime costs for federally mandated security initiatives.	Procurement of grant funds.	Another \$57,811 grant was procured in November for high visibility deterrent activities at the Lindbergh T1 and Humphrey T2 Terminals. This grant must be expended by June 30, 2011. A total of \$187,394 in high visibility deterrent grant monies was received in 2010.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Work collaboratively with MAC Emergency Manager to seek grant funding to assist in off-setting the overtime cost for federally mandated security initiatives.	Procurement of grant funds.

Organizational Strategic Goal: <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Adaptation of the Lexipol standardized Minnesota Law Enforcement Policy and Procedures Manual and incorporated into daily training.	Implementation of Policy and Procedure Manual to include daily roll call training.
N/A	Complete a comprehensive review of MAC Ordinance 91.	Commission approval of Ordinance 91.
N/A	Review and improve practices related to incident command procedures.	Airport police supervisors and managers will receive NIMS 400 training which will complete the series. Tabletop scenarios will be initiated at the roll call level to continue ongoing learning.

Organizational Strategic Goal: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Enhance curbside customer service by providing additional training to Community Service Officers.	Community Service Officers will complete additional customer service training.

POLICE**2011 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Strengthen Partnerships and Relationships</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Familiarize MAC employees with the MSP Airport Police Department to provide a greater level of knowledge with regard to security mandates and general police functions.	Interested employees will complete ride/walk alongs for an 8-hour day with a member of the police department. They will also complete a structured information program.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
Customer Service	N/A	7	7	5	5
SC Performance Indicator: Number of sustained CSO complaints Comments: Continued use of audio and video recordings to verify accuracy and validity of customer complaints. Implemented a customer service informational flyer and 24/7 comment line to address terminal roadway concerns.					
Safety	6	9	8	4	0
SC Performance Indicator: Training related accidents Comments: Utilize acceptable forms of stretching and warmup prior to engaging in physically demanding training.					
People	60	74	84	90	100
SC Performance Indicator: Participation in Wellness activities Comments: Encourage department staff to pursue healthy living through participation in wellness activities.					
Customer Service	N/A	N/A	N/A	TBD	50
SC Performance Indicator: Number of web-based contacts by users of MSP Airport Comments: 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 site is still under development. Anticipate start-up date of mid 2011.					

FACILITIES-HUMPHREY TERMINAL

The Airline Operations-Facilities Department is responsible for all operations and maintenance activities at Terminal 2 (Humphrey) and all other common-use facilities on the airport including Terminal 1(Lindbergh) and Terminal 2 FIS Facilities, fueling operations, Terminal 2 remote ramp and shared airline systems in both terminals. Facilities works directly with user/tenant airlines to provide and maintain all essential airline operating facilities and equipment. Department routinely participates in airport facilities planning activities and airline lease negotiations. The department also serves as the liaison to Federal Inspection Services (Customs) and other federal agencies that oversee international airline/airport operations.

BUDGET SUMMARY

	2009 Actual	2010 Budget	2011 Budget	\$ Variance	% Variance
Personnel	206,180	241,786	518,258	276,471	114.35%
Administrative Expenses	2,457	4,350	7,000	2,650	60.92%
Professional Services		0	0		
Utilities	1,539	700	1,625	925	132.14%
Operating Services/Expenses	22,074	31,500	22,500	-9,000	-28.57%
Maintenance	94,414	84,500	221,000	136,500	161.54%
Other	1,819	1,250	3,797	2,547	203.76%
Total Budget	328,484	364,086	774,180	410,093	112.64%
FTE Total	2	3	3		

BUDGET HIGHLIGHTS

Personnel	Increase in personnel expenses due to the conversion of previously contracted services (ASIG) to in-house MAC Staff. Bringing these positions in-house reduced annual expenses by \$125K. Positions (6) are currently full-time temporary positions.
Maintenance	Increase is due to new jetbridge maintenance contract (ELS) from RFP - Commission approval following departure of ASIG.
Other	Increase due to necessary repairs that have been deferred for several years.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
MUFIDS Phase 2 - expand MAC MUFIDS system. Install additional flight information displays throughout Terminal 1. Flight information displayed for all airlines/passengers.	Project completion. New displays installed and 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 T2. Improved passenger awareness of TSA, CBP and Airport rules.	All paper signs have been removed (Humphrey T2) 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.

FACILITIES-HUMPHREY TERMINAL**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Bring essential operations duties in-house (from ASIG contract). Restructure job and duties to be more efficient, provide better service and lower costs. Convert temporary positions 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).	Decision to make the T2 Operations Agent positions permanent has been postponed until 2011.
Re-design EVIDS display pages (Humphrey T2) 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.	95% complete. Construction punch list items and final install of BIDS displays in T2 expected by end December.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Revise Ordinance 96 RON aircraft parking fees for T2. Create new fee for RON "on gate" that is a higher rate than RON "off gate". "On gate" RON should be a higher rate to cover costs of available additional services such as PCAir and Ground Power.	Evaluate cost(s) to MAC for use of PC Air and GPU equipment (per hour). New Rates adopted by Commission in revised Ord. 96.

Organizational Strategic Goal: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Develop master plan for CCTV and EVIDS systems. These systems have expanded significantly in recent years. Master plans are needed to effectively guide decision making related to the ongoing management and use of these critical systems.	Completed plans for both systems adopted into MAC Policies & Procedures. 2011 CIP and operating budgets to support the action plans for these systems over the next 3-5 years.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
People	N/A	N/A	N/A	6	6 new FTE
SC Performance Indicator: Request authorization to convert 6 full-time temporary operations agents to FTE status					
Comments:					

FACILITIES-HUMPHREY TERMINAL**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key					
Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
Customer Service	N/A	35 (est.)	10	0	0
SC Performance Indicator: Reduced passenger complaints					
Comments: Number of complaints related to airline flight information at MSP.					
Airport Operations	N/A	75%	90%	95%	100%
SC Performance Indicator: Elimination of non-standard signage					
Comments: Percentage of all signs at the airport (static & dynamic) that meet MAC Signage Standards.					

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FACILITIES-LINDBERGH TERMINAL

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 and external customers and tenants.

BUDGET SUMMARY

	2009 Actual	2010 Budget	2011 Budget	\$ Variance	% Variance
Personnel	654,949	660,745	637,421	-23,324	-3.53%
Administrative Expenses	29,266	32,480	4,530	-27,950	-86.05%
Professional Services	273,446	193,500	169,987	-23,513	-12.15%
Utilities	3,563	3,716	4,020	304	8.18%
Operating Services/Expenses	787,336	2,859,959	3,193,297	333,338	11.66%
Maintenance	15,822,906	17,393,359	17,597,426	204,067	1.17%
Other	25,939	14,515	14,715	200	1.38%
Total Budget	17,597,405	21,158,274	21,621,396	463,122	2.19%
FTE Total	10	10	10		

BUDGET HIGHLIGHTS

Personnel	The primary decrease in this category is the transfer of budgeted monies from Regulatory Requirements to the Maintenance category to better account for expenses.
Administrative Expenses	The primary decrease in this category is the movement of software expenses to computer services to more accurately account for the costs.
Professional Services	The primary decrease in professional services is due to a mandatory reduction in the overall budget.
Utilities	Budgeted dollars reflect accurate expenditures on MAC-owned (data) cell phones and stipend reimbursements for personal-owned cell phones for on-call personnel.
Operating Services/Expenses	The primary increase in this category is the anticipated contractual increase for the Loading Dock Management Contract (Bradford) and the revised estimates for providing free luggage carts in both T1 & T2 F.I.S. facilities.
Maintenance	The primary increases in this category are the contractual increases for Tram/APM Management & Operations (SDI), Elevator/Escalator/Moving Walks Management & Operations (Schindler), Carrousel & Conveyor Management & Operations (Alltech), in addition to the inclusion of state permit fees that were transferred from Regulatory Requirements to better account for expenses for all Elevators/Escalators/Moving Walks/Trams and the annual testing of emergency roll-down doors as required by law.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
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%.

FACILITIES-LINDBERGH TERMINAL**2009 RESULTS REPORT**

Service Center Objective	Measurement	Results
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 Manager.

2010 RESULTS REPORT

Service Center Objective	Measurement	Results
Improve tram availability.	Availability % goes up.	Hub Tram - 4th qtr 09 - 99.77%, 4th qtr 10 - 99.90%; C Tram - 4th qtr 09 - 97.13%, 4th qtr 10 - 99.11%.
Reduce elevator/escalator/moving walk repair callbacks.	Callbacks analyzed year-over-year.	Callbacks for 4th qtr 09 - 189, callbacks for 4th qtr 10 - 191.
Improve Terminal Cleanliness ASQ scores.	ASQ scores analyzed year-over-year.	Restroom cleanliness ASQ score 3rd qtr 09 - 4.01, 3rd qtr 10 - 3.98; Terminal Cleanliness ASQ score for 3rd qtr 09 - 4.22, 3rd qtr 10 - 4.28.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Reduce elevator/escalator/moving walk repair callbacks.	Callbacks analyzed year-over-year.
NA	Improve tram availability.	Availability % analyzed year-over-year.
NA	Improve Terminal Cleanliness and Restroom Cleanliness Airport Service Quality Scores.	ASQ scores analyzed year-over-year.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
Airport Operations	98%	98%	99%	99%	99%
SC Performance Indicator: C Tram availability					
Comments:					

FACILITIES-LINDBERGH TERMINAL**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key					
Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
Airport Operations	120	76.5	70	TBD	70
SC Performance Indicator: Elevator/escalator/moving walk callbacks					
Comments:					

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FACILITIES-ENERGY MANAGEMENT CENTER

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, tenants and staff 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 gas, oil, water and steam usage as well as all repair work and preventative maintenance.

BUDGET SUMMARY

	2009 Actual	2010 Budget	2011 Budget	\$ Variance	% Variance
Personnel	1,181,406	1,207,307	1,224,732	17,425	1.44%
Administrative Expenses	8,839	3,971	8,838	4,867	122.56%
Professional Services	42,505	42,163	42,505	342	0.81%
Utilities	4,190	3,576	4,190	614	17.17%
Operating Services/Expenses		0	0	0	0.00%
Maintenance	1,501,142	1,461,016	1,566,145	105,129	7.20%
Other	4,485	5,266	5,719	453	8.60%
Total Budget	2,742,566	2,723,299	2,852,129	128,830	4.73%

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Maintenance	Moved the fire contract from temporary control contracts account.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
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 RESULTS REPORT

Service Center Objective	Measurement	Results
Smooth transition to new OABA system.	EMC continues to run smoothly.	Excellent results, OABA 1 is 100 % complete.
Reduce time to respond to customer complaints.	Increase customer satisfaction and decreased customer complaints.	EMC has expanded capacity and efficiency making it more comfortable for the customer.

FACILITIES-ENERGY MANAGEMENT CENTER**2011 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Install OABA three HVAC controls.	Complete 100% building automation controls OABA three.

Organizational Strategic Goal: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Increase capacity of boilers and chillers to meet the needs of Terminal 2 expansion.	No delays, meet the demands of additional terminal space.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
Financial Responsibility	N/A	1-100%	2-75%	2&3 100%	Complete
SC Performance Indicator: Complete OABA 3, reliable HVAC controls Comments: OABA 1 2 and 3 complete.					
Customer Service	N/A	4	2	<Prior year	Baseline
SC Performance Indicator: Flying Public customer complaints Comments: Less false alarms.					
Financial Responsibility	N/A	\$300,000	\$298,000	\$307,102	\$300,000
SC Performance Indicator: Fire alarm maintenance contract oversight Comments: The fire alarm contract scope has increased so the challenge will be to keep costs down on a broader contract.					

TRADES - ELECTRICIANS

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.

BUDGET SUMMARY

	2009	2010	2011	\$	%
	Actual	Budget	Budget	Variance	Variance
Personnel	1,610,439	1,562,295	1,611,141	48,846	3.13%
Administrative Expenses	709	1,355	0	-1,355	-100.00%
Professional Services	600	10,200	0	-10,200	-100.00%
Utilities	6,735	7,000	6,885	-115	-1.64%
Operating Services/Expenses	2,777	1,250	911	-339	-27.12%
Maintenance	877,766	861,810	984,953	123,143	14.29%
Other	21,304	22,893	42,652	19,759	86.31%
Total Budget	2,520,330	2,466,803	2,646,542	179,738	7.29%
FTE Total	17	17	17		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Maintenance	Maintenance increased due to the following: 1. Security Gate maintenance supplies 2. Way finding neon sign maintenance for T1/T2 3. UPS Maintenance supplies 4. Added lighting supplies for the maintenance of the new Orange and Purple ramps 5. Added money for the maintenance of all lighting/electrical needs at all Reliever Airports 6. Additional security access supplies for work added throughout MSP campus.
Other	Other Expense increased due to: 1. New copier rental contract 2. Infrared gun 3. Wide span scaffold tower platform 4. 2 new electrical wire locators for Gopher State locates on MAC property 5. 5 new laptop computers

2009 RESULTS REPORT

Service Center Objective	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 Manager.
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.

TRADES - ELECTRICIANS**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Improve staff productivity through improved technology.	Time spent by individuals inputting information into CMMS.	The electric shop has been working on refining day to day operations by adding administrative level training and office organization. There has been a tremendous amount of positive changes in this area. We are moving forward with more training in 2011 and are pleased with the progress we have made.
Reduce runway downtime due to airfield lighting issues to continue to look into better security gate operations.	Runway downtime related to airfield lighting.	We are presently setting up HySecurity gate training for 2 more electricians.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Cross train the crew to familiarize them with all electrical systems in place on the MSP Campus.	Create an Excel spreadsheet with areas of training, all crew members, and dates training is to be conducted/completed and by whom. Have quarterly meetings to discuss the progress and content area of the cross training spreadsheet.
N/A	Create a complete re-lamping schedule in Excel for the entire MSP campus.	Having a completed plan in place and ready to implement.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
Financial Responsibility	\$100,000	\$300,000	\$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.					

TRADES - PAINTERS

The function/responsibility of the MAC Painters (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 is responsible for all paint maintenance on all buildings at MSP and the Reliever Airports system. The Paintshop insures that the most appropriate and safest materials are utilized to accomplish these tasks.

BUDGET SUMMARY

	2009	2010	2011	\$	%
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>Variance</u>	<u>Variance</u>
Personnel	627,766	711,861	703,930	-7,931	-1.11%
Administrative Expenses		0	0		
Professional Services		0	0		
Utilities	1,246	1,549	1,271	-278	-17.95%
Operating Services/Expenses		0	0		
Maintenance	183,977	190,504	204,579	14,075	7.39%
Other	3,831	2,472	24,408	21,936	887.38%
Total Budget	816,820	906,386	934,188	27,802	3.07%
FTE Total	8	8	8		

BUDGET HIGHLIGHTS

Personnel	Personnel decreased in 2011 with an adjustment to trade union benefits that were included in the 2010 budget.
Maintenance	Maintenance costs include funds to cover material costs to maintain the building interior, exterior, AOA, parking and roadways, runways and all sign materials at all Reliever Airports. Also, funds were added to cover sand blasting and sand blast media disposal from the booth at Impark.
Other	Other expenses include: 1. Paint shaker replacement that is worn out and beyond repair and no longer works. This machine is used by the Paintshop and Field Maintenance for agitating paint and other materials. 2. Line lasers 3. Updated computer and software for the MAC Sign Shop 4. Replacement paint striping machines used on AOA, parking lots and roadways at MSP and the Reliever Airports system to replace non-repairable units. 5. Solvent recycler to distill dirty solvents to make ready for re-use reducing costs in purchasing and disposal of solvents. 6. Three hand held 800mhz radios for MAC required communication with OPS on the AOA. We have been borrowing them from Field Maintenance on a daily basis.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
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.

TRADES - PAINTERS**2009 RESULTS REPORT**

Service Center Objective	Measurement	Results
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.
Finish 2009 with existing field marking equipment.	No new field marking equipment purchased.	Equipment failures were minor in nature due to good operational techniques.

2010 RESULTS REPORT

Service Center Objective	Measurement	Results
Reduce hazardous waste/ nonhazardous waste disposal costs.	Compare to 2009 disposal levels.	Hazardous solvent/oil based paints increased from 250 gallons to 290 gallons. 2010 saw a large increase in industrial type projects i.e. light poles, fence panels, structural metal booth work.
Work with Safety to ensure paint/sign staff are receiving proper and timely safety training including respirator and hearing tests.	Amount of training completed.	All training completed.
Complex equipment cross-training for paint staff.	Cross training completion rate.	By the time exterior projects were completed, there was not enough time to schedule cross training. Cross training will be an objective in 2011.
Control sign making material costs by seeking other vendors with more competitive material costs.	Decrease costs.	After many hours there does not seem to be a better purchasing avenue than the one currently in use.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>Match Employee Talent with Changing Business Needs</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Expand employee development and talent management plans.	Complex cross training for paint staff.	Achieve training.

Organizational Strategic Goal: <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Reduce hazardous/non-hazardous waste disposal costs.	Track disposal rates to past years.
N/A	Maintain zero lost days to work injuries.	Zero lost days.

TRADES - PAINTERS**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key					
Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
Airport Operations	N/A	0	0	2	2
SC Performance Indicator: equipment cross-training Comments: Number of Painters trained on equipment. Not enough time in 2009, will attempt again in 2010 Not enough time in 2010 will attempt again in 2011.					
Environmental Stewardship	135 - 275	250 - 385	290 - 385	290-385	Zero increase
SC Performance Indicator: maintain current levels or reduce hazardous waste disposal costs Comments: Hazardous costs and Non Hazardous costs. There was a 40 gallon increase in the hazardous waste stream but this increase fits in with the increase in industrial type projects that were performed by the Paintshop.					
Safety	Zero	Zero	Zero	Zero	Zero
SC Performance Indicator: Maintain zero lost days to work accidents Comments: Accidents resulting in lost work days.					

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TRADES - CARPENTERS

The Carpenter Shop ensures that all of MAC's terminals and other owned facilities are safe, secure and aesthetically pleasing for MAC, its tenants and the traveling public. We are able to provide a high quality service to our own MAC departments and the airport tenants in a cost effective and timely manner. Services include maintenance from floor to roof, wall to wall repairs consisting of the following: a locksmith service that separates the "secured areas from the non-secured" areas; along with securing the needs of our various tenants, the installation and repair of a wide variety of the facility finishes, along with special and varied projects. The Carpenter Shop is in close partnership with Airport Development in the naming/numbering of doors and concession spaces with identification tags and they also maintain this numbering system to reflect the tenants' growing needs.

BUDGET SUMMARY

	2009	2010	2011	\$	%
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>Variance</u>	<u>Variance</u>
Personnel	780,211	767,803	781,924	14,121	1.84%
Administrative Expenses	706	1,743	1,298	-445	-25.53%
Professional Services		0	0		
Utilities	2,929	3,893	2,988	-905	-23.25%
Operating Services/Expenses		940	340	-600	-63.83%
Maintenance	187,936	152,152	231,630	79,478	52.24%
Other	3,598	9,416	8,644	-772	-8.20%
Total Budget	975,380	935,947	1,026,824	90,877	9.71%
FTE Total	9	9	9		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Maintenance	Several different areas of Maintenance are increased due to a regulatory mandate on locks. Through a TSA directive we will be rekeying each one of those airports in 2011. Hardware, tools, wall protection and safety supplies are increased to more accurate dollar amounts.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
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.

TRADES - CARPENTERS**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Improve staff productivity through new and improved technology.	Reduced downtime of specific terminal functions (facilities monitoring) and additional maintenance performed (computerized maintenance management system).	Same documentation as listed in Q2. New pre-maintenance programs have been added in both the carpentry and locksmith sections of our department. Stated goals were given to the IS Department who are assisting in the development of the CMMS aspect of the E1 Program. The goal is to look at capturing inventory and assets.
Minimize passenger disruptions during maintenance in public spaces.	Passenger complaints decrease.	The primary goal is to minimize disruptions to our passengers relative to flooring problems. MAC PM has been asked to address these issues. This is an example of how different departments work together to achieve a positive experience for airport travelers and customers.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Improve staff productivity through new and improved technology. This would be accomplished by completing the integrating Enterprise One and the GIS elements.	Reduced downtime of specific terminal functions (facility monitoring) and additional maintenance performed (computerized maintenance management system).

Organizational Strategic Goal: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Minimize passenger disruptions during maintenance in public spaces.	Passenger complaints decrease.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
Financial Responsibility	N/A	41.5%	47%	50%	43.25%
SC Performance Indicator: Increase Preventative Maintenance Comments: 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.					

TRADES - PLUMBERS

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. The Plumbers are also responsible for completing 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.

BUDGET SUMMARY

	2009 Actual	2010 Budget	2011 Budget	\$ Variance	% Variance
Personnel	1,123,065	1,103,325	1,301,475	198,149	17.96%
Administrative Expenses	655	2,050	608	-1,442	-70.34%
Professional Services	7,923	5,872	20,000	14,128	240.60%
Utilities	3,782	3,539	4,658	1,119	31.62%
Operating Services/Expenses	2,974	5,030	2,854	-2,176	-43.26%
Maintenance	215,004	213,465	281,055	67,590	31.66%
Other	6,553	7,600	22,195	14,595	192.04%
Total Budget	1,359,956	1,340,881	1,632,845	291,963	21.77%
FTE Total	8	8	8		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Additional double time hours were added for the utility shut down projects planned for 2011.
Professional Services	Professional Services costs include funds for consultant fees for the review of the 34th Ave water main corrosion protection reports supplied under the Metro Transit Authority lease agreement and updates of the Master Plumbing drawings.
Maintenance	Maintenance expenses include the following: 1. Funds to replace the hydrant water meters and new locks that will secure and prevent unauthorized fire hydrant use. 2. Maintenance of the Fire Protection systems and all lift stations, pumping and cleaning of flammable waste interceptors and septic system pumping at all Reliever Airports. 3. Complete surveys of the MAC Fire Protection systems. 4. Funding for the products used to maintain the drainage system in the APM tunnel and the system above the LRT platform. 5. Purchase of a pump for emergency fuel spill to by-pass MSP ponds 1 and 2 per MAC Environment.
Other	The Other category includes: 1. A new copier rental agreement 2. A replacement Cushman Cart 3. A Grinder Cartridge for aircraft waste 4. Toro irrigation computer software upgrade/replacement. 5. Nextel phone replacements to provide the Plumbers with the ability to monitor the plumbing SCADA system and receive notifications for system alarms.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
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

TRADES - PLUMBERS**2009 RESULTS REPORT**

Service Center Objective	Measurement	Results
		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.

2010 RESULTS REPORT

Service Center Objective	Measurement	Results
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.	MAC plumbing reported no sewer overflows in 2010. Sanitary sewers were cleaned as per schedule.
Reduce water consumption by promoting water conservation.	Measure reduction through metering.	Water consumption was decreased by approximately 18% from the end of 2009 to the end of 2010. This decrease was realized through tighter irrigation management practices, more rainfall which lessened the amount of irrigation water used, water meter testing and replacement of meters, leak detection and lower passenger counts resulting is less water being used.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Incorporate life-cycle operational costs into CIP and technology budgeting.	To reduce water consumption by promoting water conservation and identify unaccounted for water loss.	Measurement can be achieved by water meter accuracy testing and replacement, irrigation water management and incorporating water saving fixtures in CIP design.

Organizational Strategic Goal: <i>Strengthen Partnerships and Relationships</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Implement a MAC stakeholder and partnership communications matrix.	To maintain the collection system and lift stations on a preventive maintenance schedule to our industry standards.	Through reductions in sewer overflows and minimizing downtime and replacement cost of pumps and control equipment resulting in the protection of public health, safety and the environment.

TRADES - PLUMBERS**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key					
Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
Financial Responsibility	-10%	-2%	-18%	-10%	-10%
SC Performance Indicator: Reduce water consumption by promoting water conservation					
Comments: 2010 water consumption was decreased by 18% partly due to lower consumption with irrigation systems (more rain), lower passenger count, and water meter management and leak detection.					

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TRADES - ADMINISTRATION

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 Terminal 1 (Lindbergh) and Terminal 2 (Humphrey) emergency generators and UPS (Uninterruptible Power Supply) contracts.

BUDGET SUMMARY

	2009	2010	2011	\$	%
	Actual	Budget	Budget	Variance	Variance
Personnel	81,416	73,597	213,688	140,091	190.35%
Administrative Expenses	4,762	4,750	4,862	112	2.36%
Professional Services	36,685	37,479	38,167	688	1.84%
Utilities		0	882	882	100.00%
Operating Services/Expenses		0	5,000	5,000	100.00%
Other	1,077	2,519	8,650	6,131	243.39%
Total Budget	123,940	118,345	271,250	152,905	129.20%
FTE Total	1	2	2		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases as well as an additional FTE in 2011.
Operating Services/Expenses	Operating expense is for the purchase of software and equipment needed to track MAC assets through CMMS. Tracking of maintenance on MAC equipment will allow us to identify and locate all assets for effective preventative maintenance. This will ensure that all assets are functioning at approved and safe performance levels. This will also help us identify equipment that poses a safety risk and needs to be repaired or replaced.
Other	Other expenses included one desk, six chairs and medical supplies.

2009 RESULTS REPORT

Service Center Objective	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 new Trades Manager.
Establish relationships with key internal/external customers.	Relationships established.	On-going.

2010 RESULTS REPORT

Service Center Objective	Measurement	Results
Improve staff productivity through improved technology.	Time spent by individuals inputting information into CMMS.	We continue improve staff productivity. Reduced steps needed to complete a work order.
Establish relationships with key internal/external customers.	Relationships established.	Continue to meet with internal/external customers on goals and expectations. It has come a long way in a year.

TRADES - ADMINISTRATION**2011 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: N/A		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Reduce injuries by 5%.	Based on 2010 actuals
N/A	Improve Training in all admin areas.	Compare to 2010

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
Safety	N/A	0%	0%	N/A	Reduce from prior year
SC Performance Indicator: Reduce Injuries by 5% from prior year Comments: Goal redefined in 2011.					
People	N/A	50%	75%	90%	Work 2011 plan to 90% plus allocation
SC Performance Indicator: Improve Admin and budget training Comments:					
People	30 mn/day	60 mn/day	90 mn/day	120 mn/day	2 hrs/day
SC Performance Indicator: Staff time spent in CMMS Comments: Responsibilities changed among staff for better efficiencies and to complete the entry to E1. 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%.					

FIELD MAINTENANCE

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.

BUDGET SUMMARY

	2009	2010	2011	\$	%
	Actual	Budget	Budget	Variance	Variance
Personnel	7,989,556	8,327,440	8,384,908	57,468	0.69%
Administrative Expenses	24,504	19,485	19,485	0	0.00%
Professional Services	23,920	25,000	24,400	-600	-2.40%
Utilities	11,714	14,400	7,800	-6,600	-45.83%
Operating Services/Expenses	23,581	17,100	29,765	12,665	74.06%
Maintenance	2,841,683	2,902,550	2,527,900	-374,650	-12.91%
Other	53,166	33,250	47,490	14,240	42.83%
Total Budget	10,968,124	11,339,225	11,041,748	-297,477	-2.62%
FTE Total	111	111	111		

BUDGET HIGHLIGHTS

Personnel	Personnel increased slightly due to wage structure adjustments, step increases and a hold on COLA.
Utilities	This decrease is due to telephone costs associated with a revised company cellular phone policy.
Operating Services/Expenses	The increase in Operating Services/Expense is for reinstatement of software license for the computerized employee call-back system.
Maintenance	This decrease is based on a 3-year average of costs for snow/ice control chemicals, snow melter maintenance and landscape maintenance. Also included in Maintenance are lease contracts for sweeper equipment capitalized, with costs transferred to capital equipment.
Other	Increasing minor capital ceiling to \$10K resulted in a shift of expenses to operating budget from capital equipment.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
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.

FIELD MAINTENANCE**2009 RESULTS REPORT**

Service Center Objective	Measurement	Results
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.

2010 RESULTS REPORT

Service Center Objective	Measurement	Results
Implement the inventory control module on EnterpriseOne.	Module fully operational by mid year 2011.	Capital resources identified and a CFA inventory control module was purchased. Software installation and training through 2Q 2011.
Maintain runway environment safety through movement area driver's training.	Zero runway incursions.	MAC personnel responsible for two runway incursions during FY 2010, both in December.
Reduce the number of preventable motor vehicle accidents. Enhance and increase safe driving technique training opportunities.	Fewer than 10 preventable accidents.	Field Maintenance experienced seven preventable accidents in FY 2010.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Reduce the number of preventable accidents and associated costs through enhanced safe driving techniques training.	Less than seven preventable accidents.

Organizational Strategic Goal: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Integrate applicable elements of EnterpriseOne into Field Maintenance Equipment Repair Shop operations.	Install and run parts and inventory control modules prior to 3Q 2011

FIELD MAINTENANCE**2011 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Maximize airport capacity during snow and ice control events through effective and efficient snow removal operations.	No occurrence of a runway opening later than the time coordinated with air traffic control; no associated aircraft missed approaches.
NA	Maintain runway environment safety and aircraft movement area safety.	Zero runway incursions; zero movement area incursions

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
Safety	0	1	2	0	0
SC Performance Indicator: Runway incursions Comments: Zero runway incursions by MAC staff.					
Safety	17	12	7	<7	6
SC Performance Indicator: Field Maintenance vehicle accidents Comments: Figures represent Field Maintenance Department only.					

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RELIEVERS - ADMINISTRATION

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.

The Service Center Objectives and Results and the Performance Indicators for all Reliever Airports are incorporated into the Relievers-Administration area.

BUDGET SUMMARY

	2009	2010	2011	\$	%
	Actual	Budget	Budget	Variance	Variance
Personnel	694,117	705,894	716,696	10,802	1.53%
Administrative Expenses	14,230	8,048	12,450	4,402	54.70%
Professional Services		44,000	44,000	0	0.00%
Utilities	1,058	975	1,800	825	84.62%
Operating Services/Expenses	1,095	1,075	1,115	40	3.72%
Other	1,520	0	0		
Total Budget	712,020	759,992	776,061	16,069	2.11%
FTE Total	8	8	8		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	Increases in administrative expenses reflects office supply amounts in line with historical spending, amounts to rent off-site meeting facilities for tenant meetings, and funding for travel to attend industry meetings and conferences.

2009 RESULTS REPORT

Service Center Objective	Measurement	Results
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 senior staff review and approval.	Updated documents reflecting Reliever Airport Task Force recommendations.	Draft policies and draft lease forms are complete and awaiting Senior 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.

RELIEVERS - ADMINISTRATION**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Revise and update the Minimum Standards Ordinance for commercial operators on the Reliever Airports.	Adoption of new MAC ordinance.	This project has been delayed until the completion of the airport business plans.
Negotiate new lease agreements with Blaine and Eden Prairie for athletic fields on MAC property.	Approval and execution of new lease agreements.	Agreements are in place for the Eden Prairie athletic fields. Staff continues to negotiate the athletic field leases with the City of Blaine.
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.	Staff continues the review process, with completion expected in 2011.
Complete the process for adoption and implementation of a hangar aesthetics ordinance for the Reliever Airports.	Commission adoption of a new aesthetics ordinance.	The Commission adopted the ordinance in December with an effective date of January 1, 2011. Implementation of the ordinance will begin in 2011.

2011 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Complete development and implementation of new lease policies and lease forms for the Reliever Airports.	A Commission adopted lease policy, aircraft storage lease and commercial lease.

SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	Target
Safety	10	12	25	TBD	0
SC Performance Indicator: Airfield incursions					
Comments:					
People	50%	37%	48%	100%	100%
SC Performance Indicator: Performance reviews successfully completed					
Comments:					

RELIEVERS - ST. PAUL

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 responds to tenant, airport user and community issues and concerns.

BUDGET SUMMARY

	2009 Actual	2010 Budget	2011 Budget	\$ Variance	% Variance
Personnel	535,132	543,922	548,405	4,483	0.82%
Administrative Expenses	2,094	1,270	1,699	429	33.78%
Professional Services	11,998	15,000	15,000	0	0.00%
Utilities	1,936	2,510	2,051	-459	-18.29%
Operating Services/Expenses	510	0	521	521	100.00%
Maintenance	126,858	164,291	118,728	-45,563	-27.73%
Other	1,317	462	1,344	882	190.91%
Total Budget	679,847	727,455	687,748	-39,707	-5.46%
FTE Total	7	7	7		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Maintenance	Maintenance costs were moved to the Trades service center.

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RELIEVERS - LAKE ELMO

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 responds to tenant, airport user and community issues and concerns.

BUDGET SUMMARY

	2009 Actual	2010 Budget	2011 Budget	\$ Variance	% Variance
Personnel	83,453	84,675	79,212	-5,464	-6.45%
Administrative Expenses	309	250	315	65	26.00%
Professional Services	11,998	12,000	11,000	-1,000	-8.33%
Utilities	454	500	580	80	16.00%
Operating Services/Expenses		0	0		
Maintenance	31,109	23,600	24,862	1,262	5.35%
Other	73	100	191	91	91.00%
Total Budget	127,397	121,125	116,160	-4,966	-4.10%
FTE Total	1	1	1		

BUDGET HIGHLIGHTS

Personnel	The decrease in personnel stems from budgeting temporary employees in 2010 but not in 2011.
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RELIEVERS - AIRLAKE

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 responds to tenant, airport user and community issues and concerns.

BUDGET SUMMARY

	2009 Actual	2010 Budget	2011 Budget	\$ Variance	% Variance
Personnel	89,704	82,548	84,779	2,232	2.70%
Administrative Expenses	241	212	314	102	48.11%
Professional Services	11,998	8,000	11,000	3,000	37.50%
Utilities	380	250	388	138	55.20%
Operating Services/Expenses		0	0		
Maintenance	18,338	19,127	21,519	2,392	12.51%
Other		162	352	190	117.28%
Total Budget	120,662	110,299	118,352	8,054	7.30%
FTE Total	1	1	1		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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RELIEVERS - FLYING CLOUD

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 responds to tenant, airport user and community issues and concerns.

BUDGET SUMMARY

	2009 Actual	2010 Budget	2011 Budget	\$ Variance	% Variance
Personnel	215,725	204,273	231,125	26,852	13.15%
Administrative Expenses	2,308	350	320	-30	-8.57%
Professional Services	12,011	8,000	11,000	3,000	37.50%
Utilities	808	520	824	304	58.46%
Operating Services/Expenses		0	0		
Maintenance	65,332	50,416	58,887	8,471	16.80%
Other	357	85	118	33	38.82%
Total Budget	296,540	263,644	302,274	38,630	14.65%
FTE Total	3	3	3		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases as well as additional overtime and doubletime hours anticipated.
Maintenance	The increase from 2010 to 2011 is due to the increase in costs associated with purchase of urea, airport landscaping and repair of service doors. These purchases are needed to maintain the day to day operations of the airport.

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RELIEVERS - CRYSTAL

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 responds to tenant, airport user and community issues and concerns.

BUDGET SUMMARY

	2009 Actual	2010 Budget	2011 Budget	\$ Variance	% Variance
Personnel	231,746	204,783	248,579	43,796	21.39%
Administrative Expenses	585	723	563	-160	-22.13%
Professional Services	11,998	9,000	11,000	2,000	22.22%
Utilities	2,285	2,376	2,330	-46	-1.94%
Operating Services/Expenses	2,071	2,034	2,112	78	3.83%
Maintenance	48,030	35,796	40,868	5,072	14.17%
Other	238	1,035	226	-809	-78.16%
Total Budget	296,953	255,747	305,678	49,931	19.52%
FTE Total	3	3	3		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases as well as additional overtime hours anticipated.
Maintenance	The increase of budget from 2010 to 2011 is due to costs associated with tire and landscape purchases. The purchases are needed to maintain day to day operations of the airport.

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RELIEVERS - ANOKA

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 responds to tenant, airport user and community issues and concerns.

BUDGET SUMMARY

	2009 Actual	2010 Budget	2011 Budget	\$ Variance	% Variance
Personnel	226,544	237,762	239,011	1,248	0.53%
Administrative Expenses	1,296	584	1,080	496	84.93%
Professional Services	28,882	10,000	31,000	21,000	210.00%
Utilities	1,770	2,200	1,806	-394	-17.91%
Operating Services/Expenses	134,974	176,000	126,500	-49,500	-28.13%
Maintenance	73,473	70,800	62,595	-8,205	-11.59%
Other	158	0	160	160	100.00%
Total Budget	467,098	497,346	462,152	-35,195	-7.08%
FTE Total	3	3	3		

BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Professional Services	Amounts budgeted for the annual maintenance of the Ham Lake Wetland Site were reflected in operating services in 2010. In 2011, those amounts were properly budgeted in professional services, rather than operating services - resulting in an increase in professional services and a decrease in operating services for this airport.
Operating Services/Expenses	These costs were reallocated to Professional Services to better account for actual expenditures.

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On December 20, 2010, the Commission adopted a \$295.3 million Capital Improvement Program (CIP) for 2011-12 (the "2011-12 CIP") which will include projects in the 2010 Plan and specific Other Capital Projects, construction of which are scheduled to begin during calendar years 2011 and 2012. 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) 2012 Capital Improvement Program.



Delta Signage – Terminal 1 (Lindbergh Terminal)

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 (Terminal 1) 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 Terminal 1, a new multi-level Econolot/employee parking structure adjacent to Terminal 2.
- Construction of a new Terminal 2 and certain improvements to the reliever airports.

As of the end of 2010, only \$26.3 million of CIP projects remain of the total of \$2.8 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, noise mitigation programs including the noise mitigation required pursuant to the Consent Decree, security and terminal building improvements, various landside and certain reliever airport improvements (collectively, the "Other Capital Projects"). Between 2011 and 2017, the Commission expects to incur approximately \$539 million of costs for the Other Capital Projects.

2011-12 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 2011-12 CIP, on December 20, 2010, which will include the projects that the Commission expects to start constructing during the period January 1, 2011 through December 31, 2011. The 2011-12 CIP includes \$235.7 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 2011-12 CIP including, but not limited to, one or more of the Demand Driven CIP Projects.

Metropolitan Airports Commission 2011-12 Capital Improvement Program Planned CIP Projects		
Projects	2011	2012
Noise Mitigation Program	\$ 17,950,000	\$ 3,600,000
Terminal-1 Rehabilitation & Repair	44,950,000	55,850,000
Energy Management Center	3,875,000	4,000,000
Landside Rehabilitation & Repair	4,150,000	5,100,000
Airfield and Runway Rehabilitation Program	22,150,000	10,250,000
Terminal-2 Rehabilitation & Repair	18,165,000	18,500,000
Police & Fire	3,400,000	4,600,000
Reliever Airports Program	5,450,000	3,600,000
Other	5,450,000	4,700,000
Total	<u>\$ 125,540,000</u>	<u>\$ 110,200,000</u>

2013-17 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 2011-12 CIP, on December 20, 2010, the Commission adopted a CIP for the period between 2013 through 2017 (the "2013-17 CIP"). The 2013-17 CIP includes \$320.6 million of Planned CIP Projects and construction is expected to begin between 2013 and 2017. Future CIPs could reflect project revisions and additional projects could be added to the 2013-14 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 2013-17 CIP.

Metropolitan Airports Commission 2013-17 Capital Improvement Program Planned CIP Projects					
Projects	2013	2014	2015	2016	2017
Noise Mitigation Program	\$ 1,300,000	\$ 3,420,000	\$ -	\$ -	\$ -
Terminal-1 Rehabilitation & Repair	43,675,000	43,085,000	36,250,000	19,450,000	6,200,000
Energy Management Center	3,500,000	4,000,000	4,000,000	4,000,000	4,000,000
Landside Rehabilitation & Repair	2,600,000	9,350,000	4,100,000	5,900,000	4,100,000
Airfield and Runway Rehabilitation Program	10,950,000	16,810,000	6,000,000	16,550,000	1,550,000
Police & Fire	7,300,000	19,500,000	2,000,000	500,000	500,000
Reliever Airports Program	1,500,000	15,540,000	4,500,000	12,300,000	-
Other	-	6,130,000	-	-	-
Total	<u>\$ 70,825,000</u>	<u>\$ 117,835,000</u>	<u>\$ 56,850,000</u>	<u>\$ 58,700,000</u>	<u>\$ 16,350,000</u>

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 Terminal-2 (including modifying the existing baggage sorting system to provide for in-line explosive detection systems capabilities) in connection with moving all airlines, other than Delta, Mesaba, Pinnacle and Compass, to Terminal-2.
- Modifying and expanding the E Concourse and the ticket lobby in the Terminal 1.
- 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 Terminal 2.

The Demand Driven CIP Projects had a total estimated capital cost of approximately \$976.8 million.

2012-16 CAPITAL IMPROVEMENT PROGRAM – DEMAND DRIVEN PROJECTS

In addition to the \$556.3 million of planned CIP projects approved above, the Commission also approved \$976.8 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 2012-17 CIP.

Metropolitan Airports Commission 2012-17 Capital Improvement Program Demand Driven CIP Projects						
<u>Projects</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Terminal 1 Rehabilitation & Repair	\$ -	\$ -	\$ -	\$ 104,610,000	\$ 18,010,000	\$ 1,235,000
Parking/Auto Rental Facilities	-	37,100,000	88,535,000	-	10,340,000	-
Total	<u>\$ -</u>	<u>\$ 37,100,000</u>	<u>\$ 88,535,000</u>	<u>\$ 104,610,000</u>	<u>\$ 28,350,000</u>	<u>\$ 1,235,000</u>

SOURCES AND USES OF FUNDS

From December 31, 2008 through 2013, MAC has identified eight funding sources totaling \$754,323 including a beginning balance of \$211,060,000. During this period, MAC will expend \$714,634,000 leaving a net balance of \$250,749,000 at the end of 2013. This balance represents a portion of the 2012 and 2013 CIP projects that were started but not completed by December 31, 2013.

The Construction Budget below represents anticipated sources and uses of funds during the years 2009-2013. The information for 2010 indicates expected transactions during the fourth quarter.



Travelers Assistance provides passengers with helpful airport information.

CONSTRUCTION BUDGET 2011

(\$ = 000)

	Actual 2009	Estimated 2010	Budget 2010	Budget 2011	Projected 2012	Projected 2013	Projected Total
Sources of Funds							
Balance 12/31/08	\$ 211,060						\$ 211,060
Balance Carried Forward		\$ 195,718	\$ 139,942	\$ 320,081	\$ 283,230	\$ 253,973	
Transfer From Operating Fund	51,800	55,286	53,100	43,374	29,838	32,000	212,298
PFC Funding	57,638	57,023	62,000	58,500	60,000	61,500	294,661
Federal Grants	24,025	22,054	8,500	7,040	17,550	4,450	75,119
State Grants	3,137	4,107	1,500	1,500	1,500	1,500	11,744
Interest Income (1)	6,554	3,855	6,000	5,000	5,000	5,000	25,409
Principal Amount of Bonds	0	124,008	125,000	0	0	0	124,008
Federal Letter Of Intent (LOI)	5,000	5,000	5,000	0	0	0	10,000
Other Receipts	0	1,084	0	0	0	0	1,084
Total Sources of Funds	\$ 148,154	\$ 272,417	\$ 261,100	\$ 115,414	\$ 113,888	\$ 104,450	\$ 754,323
Uses of Funds							
CIP Project Costs	\$ (128,133)	\$ (90,664)	\$ (121,000)	(125,467)	(114,050)	(81,000)	\$ (539,314)
Transfer to Operating Fund	(7,258)	-				-	(7,258)
Commercial Paper Retired	(3,300)	(30,587)	(30,587)	-	-	-	(33,887)
Debt Service Reserve Transfer	(24,805)	(26,803)	(24,711)	(26,798)	(29,095)	(26,674)	(134,175)
Total Use of Funds	\$ (163,496)	\$ (148,054)	\$ (176,298)	\$ (152,265)	\$ (143,145)	\$ (107,674)	\$ (714,634)
Balance Carried Forward	\$ 195,718	\$ 320,081	\$ 224,745	\$ 283,230	\$ 253,973	\$ 250,749	\$ 250,749

1 Interest Rate Assumed 0.75% for the period 2011 through 2013.

Funding Source Summary	
Current Balance	21.86%
Transfer From Operating Fund	21.99%
PFC Funding	30.52%
Federal Grants	7.78%
State Grants	1.22%
Interest Income	2.63%
Net Bond Proceeds-(See Current)	12.85%
Federal Letter Of Intent (LOI)	1.04%
Other Receipts	0.11%
Total Sources of Funds	100.00%

SOURCES

Each source of funding is discussed below.

The Transfer from the Operating Fund is made at the end of each year after the debt service requirement and working capital balance have been funded. For 2011, a transfer of \$43.4 million is anticipated based on 2010 estimated net revenues. The transfers for the period 2012 through 2013 are decreasing due to lower interest rates, the retirement of MAC funded self-liquidating projects and an increase in scheduled debt service payments. The balance to be transferred for the period is estimated at \$212.3 million or 21.99%.

PFC funding or Passenger Facility Charge funding is the largest funding source at \$294.7 million or 30.52% of the total. Passenger Facility Charges (PFCs) were authorized by Congress to allow proprietors of commercial service airports, such as MAC, to impose a charge on enplaning passengers at those airports. The charge was originally set at \$1, \$2, or \$3. The maximum allowed was changed from \$3.00 to \$4.50 in 2001. Essential Air Service Flights and Frequent Flyers are exempted from this charge. The basis for the PFC is to provide needed supplemental revenues to expedite the improvement of airport facilities used by passengers, to mitigate noise impacts and to expand airport system capacity. The Commission's first application began collecting PFCs on June 1, 1992.

Including this first application, the Commission has received approval from the Federal Aviation Administration for ten separate applications. The table below shows the status of all applications.

PFC Summary Table

<u>Application Number</u>	<u>Approval Date</u>	<u>Amended Approval Amount (\$=000)</u>	<u>Collections As Of 12/31/10 (\$=000)</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.

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 \$75.1 million or 7.8% 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. Federal grants also include money received from the TSA for checked baggage screening capital improvements.

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 \$11.7 million or 1.22% of the total funding through 2013.

Interest Income is based on the balance in the fund. As noted above, a 0.75% rate is assumed for 2011 through 2013. This figure can vary significantly depending upon approval of projects and their starting dates. Interest Income of \$25.4 million or 2.6% of sources is projected.

Long-Term Debt – Currently there are no plans to issue any long-term debt, but that may change due to the demand driven CIP projects mentioned earlier in this section.

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 has received the \$95 million with the last installment received in 2010. LOI funding for the period is at \$10.0 million or 1.0%.

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 \$1.1 million or 0.1%.



Metropolitan Airports Commission General Office Facility



Runway Development at MSP Int'l Airport

USES

There are four general categories of uses listed. The first, CIP project costs (\$539.3 million) represent 75.5% of the total. The second area is Commercial Paper Retired (\$33.9 million) and represents 4.7% of the total. The majority of this retirement was taken out with the 2010 issuance of long term debt. The Debt Service Transfer of \$134.2 million, or 18.8% of this total, represents the transfer of PFC funding to pay a portion of PFC projects funded by long-term debt. The final category is the transfer from the Construction Fund to the Operating Fund for equipment purchased with PFCs. This represents 1.0% 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. 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.

Projects in Process (As of November 30, 2010) (\$ = 000)		
<u>Project Description</u>	<u>Estimated Project Cost</u>	<u>Payments To Date</u>
Twy C-D Complex - Phase 6	\$6,000	\$4,533
Lindbergh Terminal (LT) Carpet Replacement	\$2,500	\$1,635
LT Open Arch. Bldg Automation - OABA 2008	\$1,800	\$1,694
LT Backlit Sign Replacement	\$1,600	\$1,402
LT Carpet Replacement - Installation	\$2,650	\$1,817
LT Electrical Infrastructure Rehabilitation - 2009	\$2,400	\$1,506
LT Fiber Optic Infrastructure Capacity	\$2,000	\$1,423
LT Elevator Modifications	\$1,350	\$1,120
LT 2009 Energy:Phase 10/11 Boiler & HCML Upgrades	\$2,000	\$1,782
LT Folded Plate Drain/Overflow	\$1,500	\$1,434
LT MUFIDS Phase 2	\$6,500	\$5,168
LT Open Arch. Bldg Automation - OABA 2009	\$1,900	\$1,083
LT Emergency Power Upgrades - Phase 1	\$1,950	\$1,206
LT CCTV Program-Level 3 Upgrade	\$1,125	\$971
LT - 2009 Miscellaneous Modifications	\$2,000	\$1,578
LT Sprinkler System Phase 4 - Concourse C & D	\$8,600	\$3,669
LT 2010 Energy:Phase 12/13 Boiler Heat Recovery	\$2,000	\$1,345
LT In-line Baggage Screening (TSA) - Phase 2	\$25,075	\$6,373
LT Electrical Infrastructure Rehabilitation - Phase 2	\$1,000	\$812
HHH Parking Orange Ramp BP #R4 Exit Roadway	\$20,700	\$1,447
HHH Parking Purple Ramp (Outrigger) Expansion	\$30,200	\$1,414
MSP Highway Guide Sign Modifications	\$2,200	\$1,460
Parking Structure Rehabilitation - 2010	\$2,500	\$2,087
Part 150 Sound Insulation Projects (Homes, Multi-Family)	\$114,317	\$51,234
Flying Cloud Airport - Rwy. 10R/28L Extension Projects - Phase 2	\$13,875	\$10,378
Flying Cloud Airport: South Bldg. Area Development Phase 2	\$4,200	\$3,209
Computerized Maintenance Management System	\$1,590	\$896
Computer Aided Dispatch System - Police Department	\$2,000	\$1,293
Delta MSP General Office Remodel, Bldg C - Lease Agreement	\$10,000	\$8,419
Concourse G Expansion Site Prep. Projects - 2020 Vision Phase 1	\$20,400	\$11,827
Humphrey Terminal Expansion Projects - 2020 Vision Phase 1	\$51,372	\$6,754
HHH Terminal Skyway Expansion - 2020 Vision Phase 1	\$17,000	\$12,643
2020 Vision Remaining Projects - Phase One	\$103,693	\$2,629
All Other Projects in Process	\$169,313	\$20,737
Totals:	\$637,310	\$176,978

The listing below shows all construction and expansion projects in the 2011-2012 CIP whose costs exceed \$3.0 million at MSP and \$1.0 million at the Reliever Airports as well as their impact on the 2011-2012 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.

2011 Capital Improvement Program

2010 Development Program

Noise Mitigation Program

Noise Mitigation Settlement

\$21,550,000

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 noise mitigation in the 2007 60-62 DNL contours. The project funds will be expended over two years, 2011 and 2012 and will provide noise mitigation for homes in the \$14,000 Mitigation Menu category (Phase 2B). In addition, homeowner reimbursements for approved noise mitigation work in the 2005 60-64 DNL contours (Phase 3) are included in the 2011 project budget. This project will be funded by the operating fund.



Multiple Users Flight Information Display (MUFIDS)

2011 Capital Improvement Program

Post 2010 Program Projects

Passenger Boarding Bridge Replacements

\$13,500,000

The Commission previously approved the purchase of the passenger boarding bridges and the baggage system owned by Northwest Airlines. Many of the passenger boarding bridges are at the end of their useful life. The current understanding between MAC and now Delta Airlines is to replace/refurbish the bridges over time starting with the ones in the worst condition. The new/refurbished passenger bridges will become the property of MAC. This project is the first of a multi-phased program to replace/refurbish the bridges at T1-Lindbergh. Maintenance of the boarding bridges will be made by the individual airlines. This project will be funded by PFC's.

Folded Plate Drain and Roof Repair

\$4,700,000

The Terminal 1-Lindbergh folded plate roof structure is consists of light weight concrete that was constructed in 1958-60. Existing faulty roof drains, drain pans, and pits are allowing water to penetrate the concrete resulting in structural deterioration, concrete spalling, and water leakage into the building at multiple locations. A pilot project that modified the roof drain and pit drain at one location was completed in 2010. Based on the success of the pilot project, a three-year program will be undertaken to modify roof drains and pit drains at 33 locations beginning in 2011. In addition, catwalk access and stairs, lightning protection, fall arresting systems, and leak and heat detection will be installed at all locations. This project will be funded with a combination of PFC's and operating funds.

Operational Improvements

IS Data Center Facilities

\$5,000,000

MAC is currently supporting one hundred and twenty-five (125) 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 these 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. This project is estimated to be completed in 2013. The operating budget impact of this project is still being developed. This project will be funded by a General Airport Revenue Bond issue.

13 – Energy Management Center

Energy Savings Projects

\$3,000,000

A program was initiated in 2002 to provide for the implementation of projects that would save the Commission energy costs in its operating budget. Discussions with both Xcel and Reliant have identified additional projects that are eligible for energy saving rebates and will save the Commission additional energy costs. In order to qualify, projects must provide a five year pay back. This project will be funded by operating funds.

21 - Field and Runway

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. This year's project will provide for the hardening of perimeter security gates. This project will be funded with a combination of Federal grants and PFC's.

Fuel Load Island**\$6,700,000**

The existing T 2-Humphrey fuel farm is no longer being utilized. This project will provide for the demolition of the existing fuel farm tanks, load island, and ground services equipment (GSE) building. A new load island for Jet-A, gasoline, and diesel fuel will be constructed. The project will also include a glycol load island and containment basin to be constructed west of the T 2-Humphrey remote apron. Completion of this project will result in reduced operating expenses for the fueling consortium. This project will be funded by PFC's.

Taxiway C Extension to Humphrey Remote**\$4,900,000**

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 and Delta Air Lines Building C maintenance complex. The project includes necessary utility work and the relocation of a sanitary sewer lift station that is located within the new taxiway alignment. This project will be funded with a combination of Federal grants and PFC's.

31 – Parking**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 2010. This project will be funded by a General Airport Revenue Bond issue.

36 – Terminal 2 - Humphrey**Safety/Security Projects****Emergency Voice Evacuation System****\$4,000,000**

This project will upgrade the existing paging system at Terminal 2-Humphrey to comply with current codes for emergency evacuation. A similar upgrade was recently completed on Concourse A and B. This project will be funded by PFC's.

Security Check Point**\$9,500,000**

The existing checkpoint that serves Terminal 2-Humphrey often has passenger queues that extend across the skyway to the parking ramp. This project will provide for the construction of a second checkpoint adjacent to the north skyway that could accommodate up to six new screening lanes. The checkpoint will be designed to meet TSA requirements for equipment and screening with flexibility for the future. This project will be funded by PFC's.

Terminal 2 – Humphrey Expansion**Environmental Assessment (EA)****\$3,415,000**

MAC is working with the FAA to complete a Federal Environmental Assessment (EA) that will then allow MAC to participate in funding through the Federal Airport Improvement Program (AIP) or the Passenger Facility Charge (PFC) program for eligible airport development. This process is required to be completed prior to the start of expansion projects associated with Phases 1 and 2 of the recently adopted Long Term Comprehensive Plan (LTCP) for MSP. This project will be funded by PFC's.

46 – Hangars and other Buildings**Roof Replacements****\$3,100,000**

The MAC's roofing consultant has completed a study that assessed the condition of the roof systems of the buildings on the MSP campus and developed a roof management program. Buildings that require either repairs or replacements in 2011 include Building H and I, and the MAC Trades Building. This project will be funded with a combination of General Airport Revenue Bonds and operating funds.

81 - St. Paul**Pavement Rehabilitation****\$1,500,000**

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 which is exhibiting deterioration and major transverse cracks development. This project will be funded with a combination of Federal and State grants and operating funds.

83 – Airlake**South Building Area Development****\$1,000,000 ****

This project provides for the construction of three or four alleyways, including aggregate base and bituminous pavements, to allow for the construction of storage hangars. This portion of the building area is considered a non-service area and will not have sanitary sewer or water utilities installed. It is anticipated that all costs will be assessed to new tenants, and that the majority of costs will be collected up front prior to MAC construction expenditures. The project also includes paving of a section of the building area access road.

** Partial funding for this project to be provided by others with the remainder funded by operating funds.

84 - Flying Cloud**South Building Area Development****\$1,500,000 ****

This project includes installation of a portion of the sanitary sewer and water system as well as installation of other utilities necessary for hangar construction.

** Funding for this project to be provided by others.

2012 Capital Improvement Program

Post 2010 Program Projects

Conveyance System Upgrades

\$3,500,000

A study of the MSP campus conveyance systems including elevators, escalators, moving walks, dumbwaiters, and material lifts was completed by the Facilities Department's conveyance consultant. The study evaluated the design useful life of each system including the availability of replacement parts and technical support of the equipment going forward. Many of the systems are being operated by outdated technology that is generally less efficient than modern control equipment. Some of the systems do not include safety devices or features that are commonly installed on modern equipment. A multi-year program will therefore be implemented to "modernize" and replace elements of the conveyance systems. This project will be funded by a General Airport Revenue Bond issue.

Folded Plate Drain and Roof Repair

\$4,700,000

The Terminal 1-Lindbergh folded plate roof structure consists of light weight concrete that was constructed in 1958-60. Existing faulty roof drains, drain pans, and pits are allowing water to penetrate the concrete resulting in structural deterioration, concrete spalling, and water leakage into the building at multiple locations. A pilot project that modified the roof drain and pit drain at one location was completed in 2010. Based on the success of the pilot project, a three-year program will be undertaken to modify roof drains and pit drains at 33 locations began in 2011. In addition, catwalk access and stairs, lightning protection, fall arresting systems, and leak and heat detection will be installed at all locations. This project will be funded with a combination of PFC's and operating funds.

Terminal Bag Claim/Make-up Area Rehabilitation

\$14,400,000

This is a multi-year baggage claim remodel project that will upgrade existing baggage claim devices; interior finishes; lighting; ceiling conditions; office and left-baggage storage modifications; and fire sprinkler and notification/voice-evacuation systems (in line with the remainder of the terminal, and meeting MAC standards and code requirements). Some of the existing baggage claim devices are original to the terminal construction, and present less than efficient space utilization and presentation length for current and projected growth. The project will also be coordinated with the ticket lobby remodel multi-year project that may include additional egress stair modifications. This project will be funded by a General Airport Revenue Bond issue.

Passenger Amenities

IS Data Center Facilities

\$15,000,000

MAC is currently supporting one hundred and twenty-five (125) 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 these 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. This project is estimated to be completed in 2013. The operating budget impact of this project is still being developed. This project will be funded by a General Airport Revenue Bond issue.

13 – Energy Management Center**Energy Savings Projects****\$3,000,000**

A program was initiated in 2002 to provide for the implementation of projects that would save the Commission energy costs in its operating budget. Discussions with both Xcel and Reliant have identified additional projects that are eligible for energy saving rebates and will save the Commission additional energy costs. In order to qualify, projects must provide at least a five year pay back. This project will be funded by operating funds.

North Side Storm Sewer**\$5,000,000**

This project provides for modifications to storm water detention ponds 3 and 4 to reduce overflows into Snelling Lake. 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 spillway will be replaced to prevent future spillway washout. The outlet structure will also be replaced and a parallel 72-inch storm sewer installed to increase the outflow capacity from pond 3. This project will be funded by a General Airport Revenue Bond issue.

31 – Parking**Parking Structure Rehabilitation****\$3,500,000**

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 2011. This project will be funded by a General Airport Revenue Bond issue.

36 – Terminal 2 – Humphrey**Safety/Security Projects****Explosive Detection System/Baggage Sortation System****\$18,500,000 ****

In 2004, MAC began planning and design efforts for an automated, in-line Explosives Detection System (EDS) baggage screening system for Terminal 2-Humphrey, based upon plans to expand the terminal to accommodate additional airline capacity. The original concepts and plans will require significant redesign to meet the new TSA furnished high-speed screening equipment; however the TSA will be funding 90 percent of the eligible design efforts through an Other Transaction Agreement (OTA) for Design Services. MAC will then apply for an OTA to help fund the construction costs. Moving the existing screening process out of the ticket lobby will provide additional customer queuing space, oversize drop-off, and behind the scenes screening, and remove the TSA screening process from public view.

** Assumes that the TSA will fund 90% of the eligible project costs with the remainder funded with PFC's.

63 – Police**MSP Card Access/CCTV Improvements****\$4,600,000**

This is an ongoing program to add new and upgrade existing CCTV systems to ensure the safety and security of MSP. An analysis of the existing CCTV system was completed in 2010. The existing system consists of a mix of old and new technology with some equipment in excess of 16 years old. The consensus of the CCTV working group was to replace and upgrade the existing CCTV system to a fully digital system. This will be the second phase in a multi-year program that began in 2011. This project will be funded with PFC's.

81 – St. Paul**Pavement Rehabilitation****\$1,000,000**

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 north of Runway 9-27, along with necessary subgrade rehabilitation and electrical system upgrades. This pavement is exhibiting deterioration and major transverse cracks have developed. This project will be funded with a combination of Federal and State grants and operating funds.

84 - Flying Cloud**Runway 18/36 Reconstruction Segment 3****\$1,700,000**

Segment 3 of Runway 18/36 includes Runway end 36 to the Runway 10R/28L safety area boundary and lighting cable replacement for the Runway 18/36 parallel taxiway. In addition, the runway safety area deficiency will be corrected and the runway extended to 2,800-feet as recommended in the long term comprehensive plan. This project will also include any necessary runway safety area enhancement work. This project will be funded with a combination of Federal grants and operating funds.



MAC High Speed Snow Plow in action

This budget section is divided into four 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 (GARBs) and General Obligation Revenue Bonds (GORBs). Since 1976, GORBs 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 GORBs, 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, 2011	\$59,243
October 10, 2012	\$59,961
October 10, 2013	\$60,077
October 10, 2014	\$58,283
October 10, 2015	\$57,003
(These figures do not include any future bond issues.)	

The annual actual debt service requirement for the next five years for the GARB issues:

January 1, 2011	\$ 93,740
January 1, 2012	113,764
January 1, 2013	114,761
January 1, 2014	116,874
January 1, 2015	116,793

(These figures do not include any future bond issues.)



Light Rail Transit Station - Terminal 2 (Humphrey)

LONG TERM DEBT**GENERAL OBLIGATION REVENUE BONDS AND GENERAL AIRPORT REVENUE BONDS**

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), Notes, Payable, GORBs and GARBs.

GORBs 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 GORBs. (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 GORBs. 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 GARBs. 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 GORBs.

The projected coverage ratio for 2011 on Senior Debt Obligations is 2.11x. With the optional coverage transfer this figure is 2.26x.

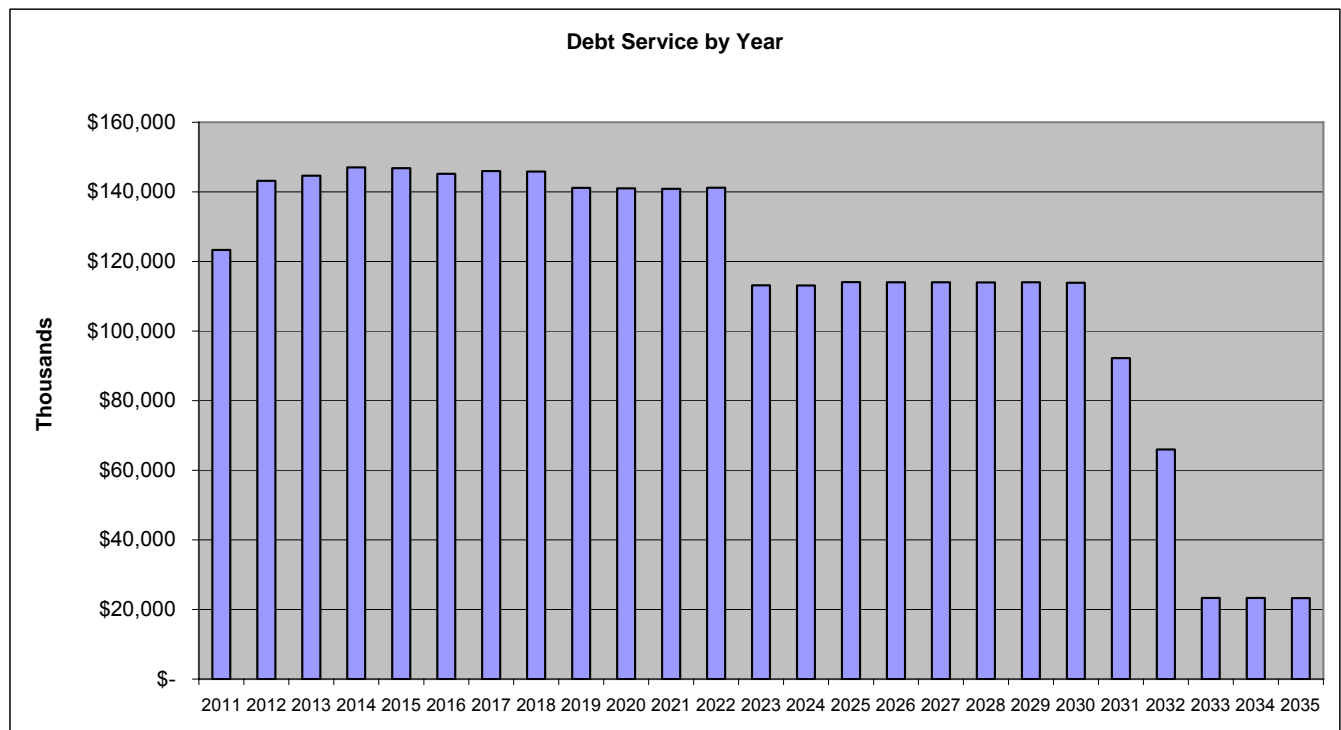
NOTES PAYABLE

The Commission from time to time has financed certain pieces of equipment through the issuance of notes payable. The Commission utilizes this type of financing in order to recover a portion of the debt service via airline rates and charges.

The table below shows future debt requirements for existing debt on an annual calendar year basis after December 31, 2010 for the next five years, as well as a cumulative total for the period 2016-2035. The chart below does not take into consideration any future bond issues after 2010. The dollars shown are in thousands.

(\$ = 000)	Notes Payable	General Obligation Bonds	General Airport Revenue Bonds	Total Outstanding	Total All Interest	Total Principal & Interest
<u>Year(s)</u>	<u>(Principal)</u>	<u>(Principal)</u>	<u>(Principal)</u>	<u>Principal</u>		
2011	\$ 1,675	\$ 14,635	\$ 22,515	\$ 38,825	\$ 86,404	\$ 126,904
2012	1,602	15,145	41,815	56,960	86,396	143,356
2013	1,207	16,485	44,870	61,355	83,381	144,736
2014	402	17,755	49,205	66,960	80,137	147,097
2015	373	18,670	51,515	70,185	76,650	146,835
2016-2035	1,626	158,535	1,325,975	1,484,510	655,123	2,139,633
	<u>\$ 6,885</u>	<u>\$ 241,225</u>	<u>\$ 1,535,895</u>	<u>\$ 1,778,795</u>	<u>\$ 1,068,091</u>	<u>\$ 2,848,561</u>

Notes Payable-Equipment Financing



(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.)

The table below provides summary information for all current long-term debt.

Bonds Payable, due serially (\$ = 000):	Issue Date	Original Amount	Final Payment In	Outstanding as of Year End	
				2011	2010
General Obligation Revenue Bonds:					
Series 14 - 5.5%	11/01/01	25,690	2011	-	3,465
Series 15 - 6.0 to 6.85%	01/01/02	287,825	2022	214,385	225,555
Series 16 - 4.0%	11/17/10	12,205	2015	12,205	12,205
Total General Obligation Revenue Bonds				\$ 226,590	\$ 241,225
General Airport Revenue Bonds:					
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	97,845	101,955
2005 Series C - 3.00 to 5.00%	06/02/05	123,750	2032	122,070	122,430
2007 Series A - 4.50 to 5.00%	01/09/07	440,985	2032	440,985	440,985
2007 Series B - 4.50 to 5.00%	01/09/07	197,360	2032	197,360	197,360
2008 Series A - 5.00%	01/10/08	72,035	2016	48,075	56,380
2009 Series A - 2.0-5.0%	11/10/09	23,075	2022	21,415	23,075
2009 Series B - 4.0-5.0%	11/10/09	128,835	2022	120,755	128,835
2010 Series A - 4.00-5.00%	08/10/10	62,210	2035	62,210	62,210
2010 Series B - 3.00-5.00%	08/10/10	73,475	2028	73,475	73,475
2010 Series C - 3.00-5.00%	11/10/10	21,600	2024	21,600	21,600
2010 Series D - 4.00-5.00%	11/10/10	68,790	2024	68,790	68,790
Total General Airport Revenue Bonds				\$ 1,513,380	\$ 1,535,895
TOTAL BONDS OUTSTANDING				\$ 1,739,970	\$ 1,777,120
NOTES PAYABLE				5,210	6,885
TOTAL LONG TERM BONDS AND NOTES PAYABLE				\$ 1,745,180	\$ 1,784,005

BOND REFUNDINGS

On November 10, 2010, the Commission issued \$90,390,000 of General Airport Revenue Bonds, Series 2010C and 2010D to advance refund the General Airport Revenue Bonds, Series 2001B and 2001D which were called on January 1, 2011.

As a result of the November 10, 2010 refunding, the Commission reduced its total debt service requirements by \$15,735,123, which resulted in an economic gain (the difference between the present values of the debt service payments on the old and new debt) in the amount of \$9,640,331.

On November 17, 2010, the Commission issued \$12,205,000 of General Obligation Revenue Bonds, Series 16 to advance refund the General Obligation Revenue Bonds Series 13 which were called on January 1, 2011.

As a result of the November 17, 2010 refunding the Commission reduced its total debt service requirements by \$4,080,619, which resulted in an economic gain (the difference between the present values of the debt service payments on the old and new debt) in the amount of \$633,411.

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

On August 10, 2010, the MAC issued \$135,685,000 Series 2010A and 2010B General Airport Revenue Bonds to finance certain improvements at the airport; to reimburse the MAC for its previous purchase of commercial paper notes; to make a deposit to the Reserve Fund and to pay costs of issuance.

The Capital Improvement Program approved by the Commission in December 2010 for the period 2011-2017 does not include funding of projects with a new long-term debt issue. Only "Demand Driven" (those tied to passenger and activity growth) projects will be earmarked by a new Long Term debt issue.

SHORT-TERM DEBT

The Commission previously utilized a Commercial Paper program to interim fund certain capital improvement projects. In May 2010, the direct pay letters of credit expired and the renewal cost was very expensive. The Commission is currently reviewing its options for short-term project financing and expects to have a short-term financing plan in place in 2011.



Flight Activity at Minneapolis-St. Paul International Airport

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, 2010 are as follows:

	<u>Moody's</u>	<u>Standard & 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.



Inbound Roadway – MSP International Airport – Terminal 1

DEBT SERVICE BUDGET

The Debt Service Budget is shown below.

2011 DEBT SERVICE BUDGET						
(\$=000)						
	Actual 2009	Estimated 2010	Budget 2010	Budget 2011	Projected 2012	Projected 2013
January 1 Balance	\$ 272,861	\$ 260,845	\$ 243,298	\$ 275,208	\$ 285,664	\$ 284,334
Source Of Funds:						
Transfer from Operating Fund	76,771	72,457	75,282	77,904	83,400	90,255
Transfer from PFCs ³	24,607	26,802	24,711	26,798	29,095	26,764
Interest earnings ¹	4,913	9,996	2,688	1,308	1,219	1,354
Bond Proceeds ²	147,227	112,818	25,000	0	0	0
Delta Airline payments	28,472	29,291	28,836	27,751	28,122	28,172
Total Sources Of Funds	\$ 281,990	\$ 251,364	\$ 156,517	\$ 133,761	\$ 141,836	\$ 146,545
Uses Of Funds						
Bond Refundings	\$ (145,165)	\$ (112,908)	\$ -	\$ -	\$ -	\$ -
Rebate Payment		(3,043)				
Total Principal/Interest Paid ²	(148,841)	(121,050)	(128,093)	(123,305)	(143,166)	(144,602)
Ending Balance	<u>\$ 260,845</u>	<u>\$ 275,208</u>	<u>\$ 271,722</u>	<u>\$ 285,664</u>	<u>\$ 284,334</u>	<u>\$ 286,277</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 10th 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 0.50% for 2011-13. 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 2009 represent the proceeds from the bond refunding of General Airport Revenue Bond Series 1999B and Series 2000B (Series 2009A and B). The proceeds in 2010 represent a new General Airport Revenue Bond Series 2010A and B along with the refunding of General Airport Revenue Bonds Series 2001C and D (Series 2010C and D) as well as General Obligation Revenue Bond Series 16 (Series 13).

Delta Airline payments represent the principal and interest due on the following bond issues:

General Obligation Series 15 (2022)
General Obligation Series 16 (2015)

USES OF FUNDS

Disbursements represent principal and interest payments made during the year by bond series as well as rebate payments due on excess investment interest earnings on bond issues. The decrease from 2009 actual to 2010 estimate is the result of lower principal and interest payments from bond refundings. The increase in 2010 estimate to 2011 budget is a result of a new bond issue that was issued in 2010 as well as an expected increase in scheduled debt service payments.



U.S. Airways Aircraft in Operation at MSP Int'l Airport

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The Statistical section is divided into four parts:

1. Historical Operating Revenue/Operating 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 (non-operating revenue/expense is not included) between 2000 and 2009 and compare revenue and expense for the years actual 2009, estimated 2010 and budget 2011. The last table compares facilities as increases affect MAC in all areas.

See Budget Message, Budget Process, Construction and Debt Service sections for non-operating revenue and expense budget approval.

Three tables are analyzed as follows:

A.

HISTORICAL OPERATING REVENUE & OPERATING EXPENSE SUMMARY 2000 VS 2009

(\$ = 000)

	2000		2009		2000-2009 Change	Annual %
	\$	% of Total	\$	% of Total	\$	% Change
Operating Revenue						
Airline Rates & Charges	\$ 65,170	39.9%	\$ 89,867	37.3%	\$ 24,697	3.6%
Concessions	70,760	43.3%	107,382	44.6%	36,622	4.7%
Rentals/Fees	0	0.0%	28,435	11.8%	28,435	
Utilities & Other Revenue	0	0.0%	15,191	6.3%	15,191	7.0%
Other	27,483	16.8%	0	0.0%	(27,483)	-100.0%
Total Operating Revenue	\$ 163,413	100.0%	\$ 240,875	100.0%	\$ 104,945	4.4%
Operating Expenses						
Personnel	\$ 39,814	30.2%	\$ 59,304	24.1%	\$ 19,490	4.5%
Administrative Expenses	1,686	1.3%	1,301	0.5%	(385)	-2.8%
Professional Services	6,357	4.8%	4,004	1.6%	(2,353)	-5.0%
Utilities	8,678	6.6%	16,553	6.7%	7,875	7.4%
Operating Services	11,971	9.1%	16,043	6.5%	4,072	3.3%
Maintenance	12,238	9.3%	23,718	9.6%	11,480	7.6%
Other	278	0.2%	2,507	1.0%	2,229	27.7%
Total Operating Expenses (less Depreciation and Amortization)	\$ 81,022	61.4%	\$ 123,430	50.1%	42,408	4.8%
Depreciation	51,028	38.6%	122,342	49.6%	71,314	10.2%
Off Airport Noise Amortization	-	0.0%	718	0.3%	718	
Total Operating Expenses	\$ 132,050	100.0%	\$ 246,490	100.0%	\$ 114,440	7.2%
Operating Income (Loss)	31,363		(5,615)	-4.5%	(36,978)	

This first comparison 2000 versus 2009 emphasizes the changes that occur when comparing the percentage in categories to the total. The average annual percentage increase in revenue from 2000 to 2009 (4.4%) is slightly less than the annual percentage increase in expenses from 2000 to 2009 (4.8%). Over this ten-year period, revenue grew at a slightly lower rate than expenses. The spread between 2000 and 2009 revenue to expense is 0.4%. 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. In 2009 passengers and activity were declining due to the economic recession. (See Operating Budget Revenue.)

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 2000 (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 Other Revenue category (combines Rentals/Fees and Utilities & Other Revenue) at 5.3%. 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, Terminal 2 (Hubert H. Humphrey-HHH) common use rates and other fees associated with non-signatory airline landing and ramp fees that were included in this category in 2000 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 .)
- ◆ The second average annual percentage increase is in the Concessions category (4.7%). 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.)
- ◆ The average annual percentage increase for Airline Rates and Charges is 3.6% between the years of 2000 and 2009. This is due in part to landing fees and expanded terminal facilities necessary to accommodate the growth in passenger activity between 2000 and 2009. 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 2000 and 2009 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 stated in Other Revenue, since 2008 Terminal 2 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.)



Minneapolis-St. Paul International Airport – Terminal 1 - 2010

Operating Expenses

Expense changes are as follows:

- ◆ Personnel expenses have increased from 2000 to 2009 by \$19.5 million. This equates to an average annual increase of 4.5%. However, the percentage of total expense for personnel was reduced from 30.2% in 2000 to 24.1% in 2009. Full Time Equivalents (FTEs) in 2000 were at 488.5 while actual FTEs in 2009 totaled 555.5. This is a direct result of the 2010 Expansion which includes a new runway, new Humphrey Terminal, expanded Lindbergh Terminal as well as a number of other facilities.
- ◆ Professional Services decreased from 5.0% of the 2000 actual expenses to 1.6% of total expenses for 2009. Also decreasing by 2.8% were Administrative Expenses. 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.
- ◆ Utilities increased 7.4% between 2000 and 2009 and reflect the high cost of natural gas and electricity in 2008.
- ◆ Operating Services accounted for 9.1% of total expenses in 2000 however, was reduced in 2009 to 3.3% in response to economic conditions and contract reductions. The overall increase between 2000 and 2009 is 3.3%.
- ◆ Maintenance increased 7.6% between 2000 and 2009 as a result of additional facilities including Runway 17/35. Contracted maintenance also increased for building mechanical areas, including automated people mover, elevator, escalator and moving walks.

- ◆ The greatest increase between 2000 and 2009 is in Other expenses at 27.7%. 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.
- ◆ Gross Depreciation (excluding Off Airport Noise Amortization) rose at an average rate of 10.2% (\$71.3 million) resulting in the depreciation percent of total increasing from 38.6% in 2000 to 49.6% in 2009. 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 Operating Budget Expense.)
- ◆ in 2000, the Commission generated operating income of \$31.4 million, while in 2009 the Commission generated an operating loss of \$5.6 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 2010 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.



Minneapolis-St. Paul International Airport - Terminal Building – 1963

B.

HISTORICAL OPERATING REVENUE & EXPENSE SUMMARY 2009 VS 2011								
	Actual 2009		Estimated 2010		Budget 2011		2009-2011 Change	Annual %
	\$	% of Total	\$	% of Total	\$	% of Total		
Operating Revenue								
Airline Rates & Charges	\$ 89,867	37.3%	\$ 88,750	37.0%	\$ 95,666	38.6%	\$ 5,800	3.2%
Concessions	107,382	44.6%	111,500	46.4%	114,645	46.3%	7,263	3.3%
Rentals/Fees	28,435	11.8%	28,150	11.7%	25,091	10.1%	(3,344)	-6.1%
Utilities & Other Revenue	15,191	6.3%	11,725	4.9%	12,123	4.9%	(3,068)	-10.7%
Total Operating Revenue	\$ 240,875	100.0%	\$ 240,125	100.0%	\$ 247,526	100.0%	\$ 6,651	1.4%
Operating Expenses								
Personnel	\$ 59,304	24.1%	\$ 63,000	26.3%	\$ 65,423	25.6%	\$ 6,118	5.0%
Administrative Expenses	1,301	0.5%	1,210	0.5%	1,327	0.5%	26	1.0%
Professional Services	4,004	1.6%	3,350	1.4%	3,938	1.5%	(66)	-0.8%
Utilities	16,553	6.7%	16,375	6.8%	17,203	6.7%	650	1.9%
Operating Services	16,043	6.5%	17,125	7.1%	17,848	7.0%	1,805	5.5%
Maintenance	23,718	9.7%	26,225	10.9%	25,873	10.1%	2,155	4.4%
Other	2,507	1.0%	2,875	1.2%	3,126	1.2%	619	11.7%
Total Operating Expenses without Depreciation	\$ 123,430	50.2%	\$ 130,160	54.3%	\$ 134,737	52.7%	\$ 11,307	4.5%
Depreciation	\$ 122,342	49.8%	\$ 109,418	45.7%	\$ 109,331	42.8%	\$ (13,011)	-5.5%
Off Airport Noise Amortization	\$ 718	0.3%	\$ 13,582	5.7%	\$ 11,669	4.6%	\$ 10,951	303.1%
Total Operating Expenses Including Depreciation and Off Airport Noise Amortization	\$ 245,772	100.0%	\$ 239,578	100.0%	\$ 255,737	100.0%	\$ 9,964	2.0%
Operating Income	\$ (5,615)		\$ (13,035)		\$ (8,211)		\$ (2,596)	

The above table illustrates 2009 actual, 2010 estimated and 2011 budgeted revenue and expense categories with dollars and percentages. Revenue reflects a 1.4% increase and expenses (excluding Depreciation and Off Airport Noise Amortization) indicate a 4.5% increase between the years 2009 and 2011. The greatest fluctuation for Revenue between years is a decrease of 10.7% in the Utilities and Other Revenue Category. Expense changes between 2009 and 2011 reflect the greatest increase in Other (11.7%).

Operating Revenue

Changes in Revenue are as follows: (Please see Operating Budget Revenue 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. The increase of 3.2% is primarily related to higher debt service payments.
- ◆ Concessions growth has increased 3.3% from the 2009. Revenue had been curtailed due to the severity of the economic conditions with passengers and airline activity significantly affected in 2009. The 2010 estimate however, indicates an increase in activity during the last quarter of 2010 with both the economy and passenger projections showing improvement. The 2011 budget contains an increase of 3.3% (See Operating Budget Revenue.) The following details the revenue included in the Concessions category:
 - Food and Beverage, News, Retail, and Passenger services revenues are increasing (\$1.5 million) between the 2009 actual and 2011 budget due to passenger projected increases and new concessions in 2011.
 - Parking revenue for the 2011 budget is expected to increase \$3.4 million from the 2009 actual, (based upon trends at the time of budget completion), and \$1.8 million from the 2010 estimates.
 - Auto Rental – On Airport is increasing over the 2010 estimate by \$766,100 and when compared to 2009 actual an increase of \$308,730 occurs. Greater activity along with changes in lease agreements anticipated in 2011 account for the increase.
 - Ground Transportation Fees and are projected to decrease \$144,516 between 2010 estimates and the 2011 budget. This is primarily a result of lower off-airport auto rental fees and slightly lower revenues in the other categories. In addition, the move to on airport by Thrifty contributes to the decrease. Ground Transportation fees include taxi fees, off-airport auto rental agencies, buses, private limos hotel/motel shuttles and other miscellaneous revenues.
 - A decrease in MSP Employee Parking is anticipated between 2010 estimate and 2011 budget based upon trends at the time of budget completion.
 - Other Concessions include In-Flite Catering, auto services, a pet boarding facility and miscellaneous concessions. Other Concessions are budgeted to decrease from 2009 actual and 2010 estimated levels. This is primarily due to miscellaneous concessions, which are experiencing lower demand due to the economy. Other revenue items in this category are expected to show minor changes from estimates
- ◆ Rentals/Fees revenue has decreased 6.1% between the years actual 2009 and 2011 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 Operating Budget Revenue). 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.

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 Budget Expense 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.
- ◆ 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.

C.

Facility Expansion Lindbergh and HHH				
	<u>2000</u>	<u>2010*</u>	<u>Increase</u>	<u>% Increase</u>
Lindbergh & Regional				
Terminal Square Footage	2,313,061	2,854,339	541,278	23.4%
Number of Gates (Aircraft Loading Positions)	74	117	43	58.1%
Ramp Lineal Footage	9,376	11,302	1,926	20.5%
Humphrey Terminal				
Square Footage	80,000	398,742	318,742	398.4%
Number of Gates	4	10	6	150.0%
Parking (All Facilities)	15,110	25,532	10,422	69.0%
*Actual as of 4/10 (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

The following table identifies major new facilities that have been completed since 1999.

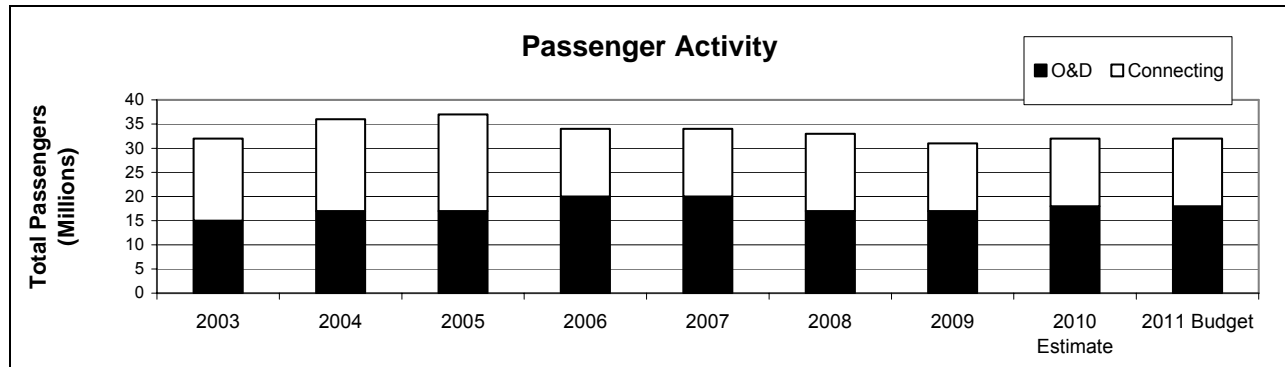
Major New Facilities Completed 1999 through 2010			
<u>New Facilities</u>	<u>Closing Date</u>	<u>New Facilities</u>	<u>Closing Date</u>
Material Storage Building	1999	Taxiway CD Phase 3	2007
A,B,C/G Connector, Bag Check, Emergency Gen	2000	In-line Baggage Screening System	2007
General Office - West Addition	2000	Runway 12R/30L Reconstruction Segment	2007
Parking Ramp Expansion/Auto Rental Facilities	2000	St. Paul Airport Runway Improvements	2008
MSP Air Mail Center	2001	Humphrey Terminal Parking Expansion	2008
Hubert H. Humphrey (HHH) Replacement	2001	St. Paul Airport Runway Safety Area	2008
Terminal Developments		Perimeter Fence/Gate Barrier System	2008
A,B,C Concourse Apron Expansion	2002	St. Paul Airport-Dike Excavation	2008
HHH Parking Ramp	2003	Runway 12L/30R Reconstruction - Segme	2009
Runway 12R Deicing Pad	2004	North/South Runway-Bloomington Land Ac	2009
LRT (Light Rail Transit) Tunnel/Stations	2004	HHH Terminal Parking Facility Expansion	2009
A,B,C Concourse -- Moving Walks,	2004	St. Paul Airport - Flood Protection:Perimet	2009
People Mover & Expansion		MUFIDS Phase 2	2010
17/35 Runway	2005	Lindbergh Terminal Carpet	2010
Fire Station No. 1	2005	HHH Skyway Expansion	2010
North Terminal Expansion	2006	Flying Cloud Airport -	2010
Runway 4/22 Tunnel	2006	Runway 10R/28L Extension	
Trinity School Acquisition	2006	LT Sprinkle System - Concourse C & D	2010
HHH Terminal Projects	2006	2008/2009 Part 150 Noise Sound	
Lindbergh Terminal EDS Bldg. Shell	2006	Insulation Programs	2010

ACTIVITY/OPERATIONS STATISTICS

This section contains the historical and forecasted levels of activity for the period 2003 through 2011 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 2003 to 2010.

- Approximately 50% of passengers were connecting passengers (those transferring directly to another flight) during the time period 2003 and 2004 and in 2008.
- 2005 - Record high of 36.7 million passengers
- 2006 – Decline in passenger activity of 2.1 million as a result of a reduction in flights by MAC's major carrier due to bankruptcy.
- 2007 - Passenger activity was 1% less than 2006 with the impact of bankruptcy
- 2008 – 1.1 million decline in passengers as Northwest, the major carrier merged with Delta
- 2009 – worst recession since the Great Depression yielded 1.7 million less passengers
- 2010 Estimate – Minor increase due to a rise in activity in the fourth quarter
- 2011 Budget - projecting a slight increase in passenger activity of 2% based upon airline projections and a recovering economy

B.

Passenger Type Comparisons 2007 to 2011

Passenger Type	2007 <u>Actual</u>	2008 <u>Actual</u>	2009 <u>Actual</u>	2010 <u>Estimate</u>	2011 <u>Budget</u>
Enplaned	9,446,503	8,520,655	8,318,949	9,013,708	9,181,708
Deplaned	9,617,078	8,669,591	8,489,905	9,164,476	9,338,476
Connecting	<u>15,045,162</u>	<u>15,727,234</u>	<u>14,464,370</u>	<u>13,621,816</u>	<u>13,879,816</u>
Total Passengers	<u>34,108,743</u>	<u>32,917,480</u>	<u>31,273,224</u>	<u>31,800,000</u>	<u>32,400,000</u>

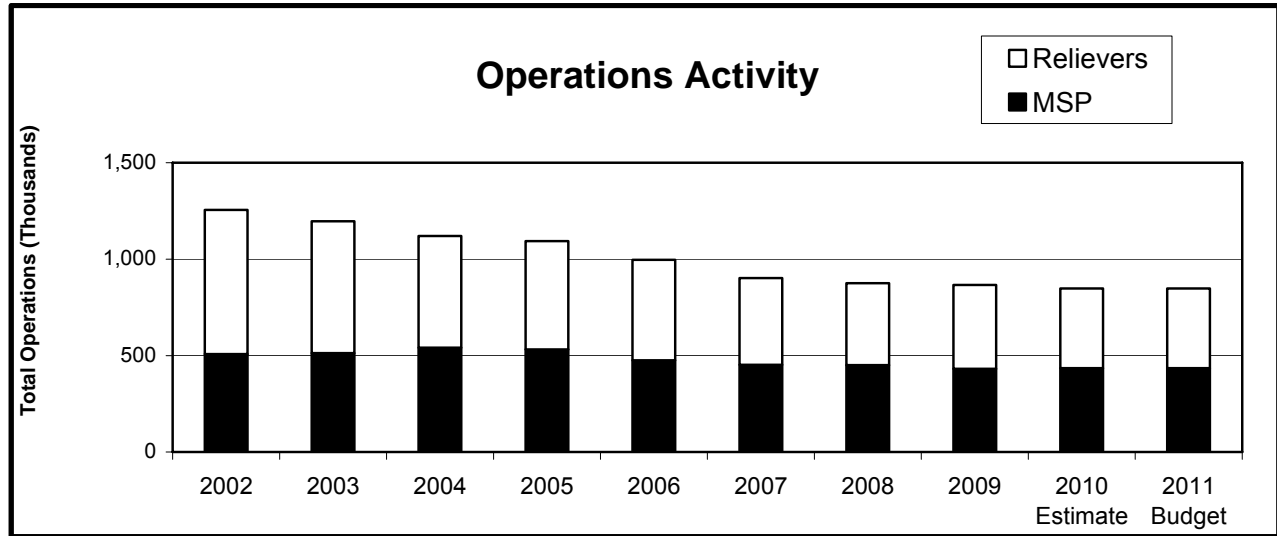
Estimates of passenger activity form an important element in forecasting revenue each year. The above chart represents actual passenger statistics for 2007, 2008 and 2009 with estimates for 2010 and budget 2011. The following categories are each used in a specific manner when calculating revenue:

- ♦ 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.



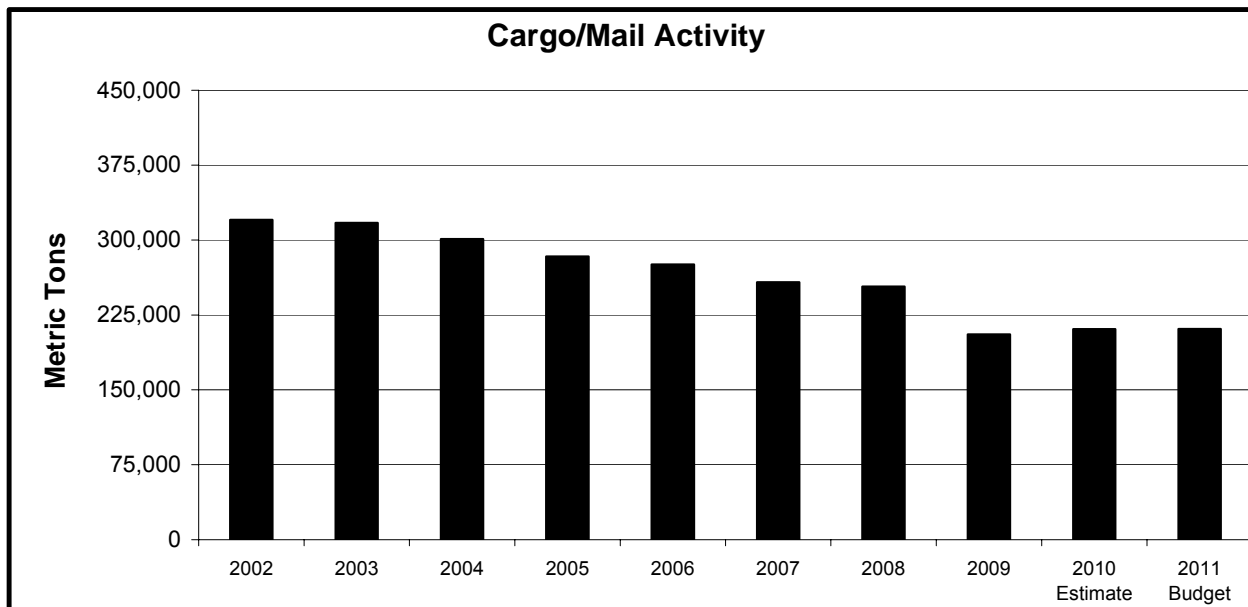
Delta Air Lines Operations at Terminal 1 - Minneapolis-St. Paul International Airport

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 steadily declined between 2002 and 2008 as shown above as a result of airline bankruptcies, acquisitions, and the recession. 2009, 2010 estimate and the 2011 budget remain about the same.

D.



The Cargo/Mail Activity Chart points to a steady decrease in activity from 2002 through 2009. Construction of Runway 17/35 required the acquisition of a number of freight facilities. 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. The 2010 estimate is slightly greater than 2009 actual due to an increase of activity in the 4th quarter of 2010. The 2011 budget is expected to slightly increase from the 2010 estimate.

NATIONAL COMPARISONS

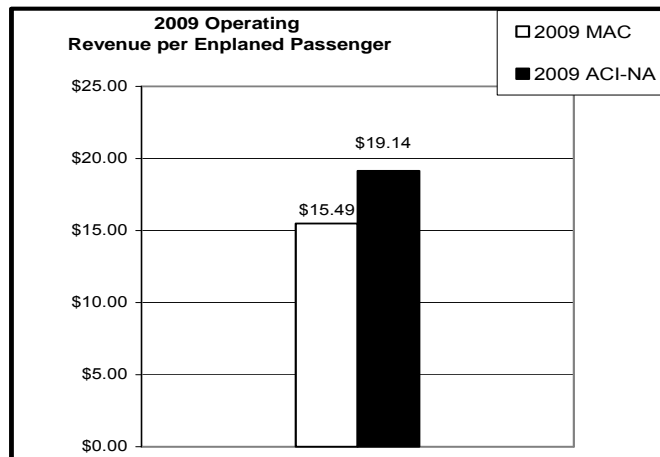
The information presented in this section was obtained from the national airport survey prepared by Airports Council International – North American (ACI - NA) dated October 2009. This survey grouped hub airports into three categories: large, medium, and small. MSP is considered a large hub airport.

The following two subjects are addressed: Industry Revenue Comparisons
 Industry Comparisons - Other

Industry Revenue Comparisons

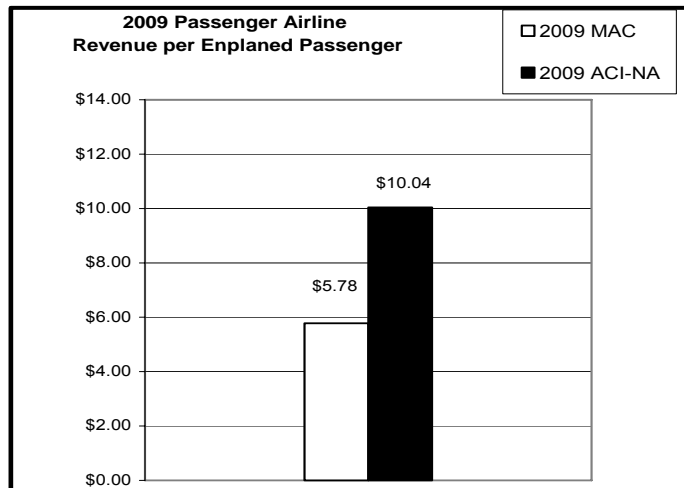
Revenue per Enplaned Passenger and Concessions Revenue are reviewed in this segment. The following charts compare MAC's Revenue with ACI-NA survey results for 2008:

A.



Operating Revenue per Enplaned Passenger compares MAC's revenue of \$15.49 per enplaned passenger to other large hub airports of \$19.14. 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 \$4.26/enplanement (\$10.04 ACI-NA survey less \$5.78-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.)

C.

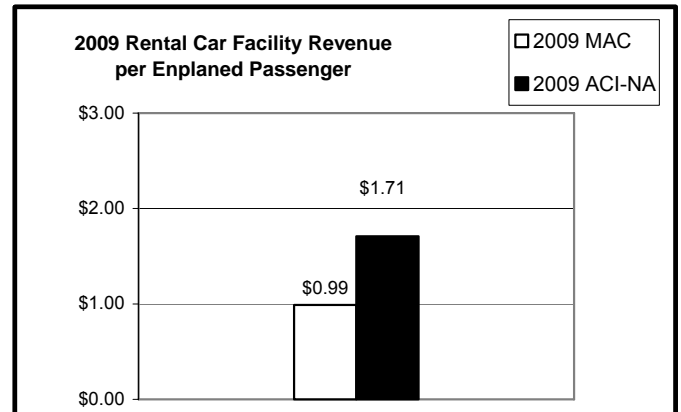
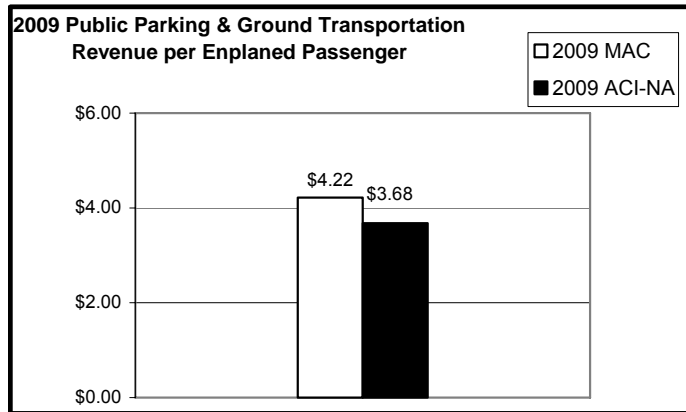
Concession Revenues							
(in thousands of dollars)							
Year	Parking	Rental Car & Ground Transportation		Food & Beverage	General Merchandise	MSP Employee Parking *	
						Other	Total
2003	\$ 41,330	\$ 16,870	\$ 4,864	\$ 5,219		\$ 4,055	\$ 72,338
2004	50,466	17,958	7,311	6,038		4,198	85,971
2005	60,213	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	4,942	112,883
2009	61,546	19,429	13,052	8,082	2,586	2,685	107,380
2010 Est	63,150	19,100	13,000	8,100	2,550	5,600	111,500
2011 Budget	64,900	19,721	13,453	8,597	2,480	5,494	114,645

* Beginning in 2008, MSP Employee Shuttle was reclassified to Concessions Revenue from Other Revenue

The previous table presents historical concession revenues from 2003 to 2010 including the 2011 Budget. (Please see Operating Budget Revenue 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 2003 through 2007. An increase in parking fees in November 2004 and May 2005 accounts for the higher revenue in those years. The economic recession in 2008 reduced parking revenue and although 2009 reflects a rate increase in January the continued economic recession has decreased revenue. The 2010 estimate and the 2011 budget reflects a slight increase in activity.
- ◆ Rental car revenue can be associated with the level of destination traffic and rental car agreements. For the years 2007 and 2008 auto rental and ground transportation revenue remained about the same, however the decrease in 2009 and 2010 estimate is a reflection of the economic recession. The 2011 budget increase is attributable to greater transactions and activity for Auto Rental – On Airport as well as an increase in the concession recovery fee. Ground Transportation, however, is anticipated to decrease in the 2011 budget from the 2010 estimate as a result of off-airport rental fees and slightly lower revenues in other categories.
- ◆ Food and Beverage had been steadily increasing due to the expanded facilities and an increase in dwell time through 2009. Estimate 2010 reflects a decrease in Food and Beverage revenue attributable to the decrease in passengers. The 2011 budget reflects a slight increase.
- ◆ The 2009 revenue for General Merchandise was lower than 2008 revenue as a result of economic conditions. The 2010 estimate and the 2011 budget for General Merchandise reflects an increase in revenue as retail kiosks 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 decrease in 2009, 2010 estimate and 2010 budget is primarily due to concessions, which are experiencing lower demand due to the economy.

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 2009 is higher than the national average for parking and ground transportation by \$0.54 however is lower in generating revenue from rental car facilities by \$0.72. Rental car leases have been in place for over 6 years with contract rebidding in 2010.

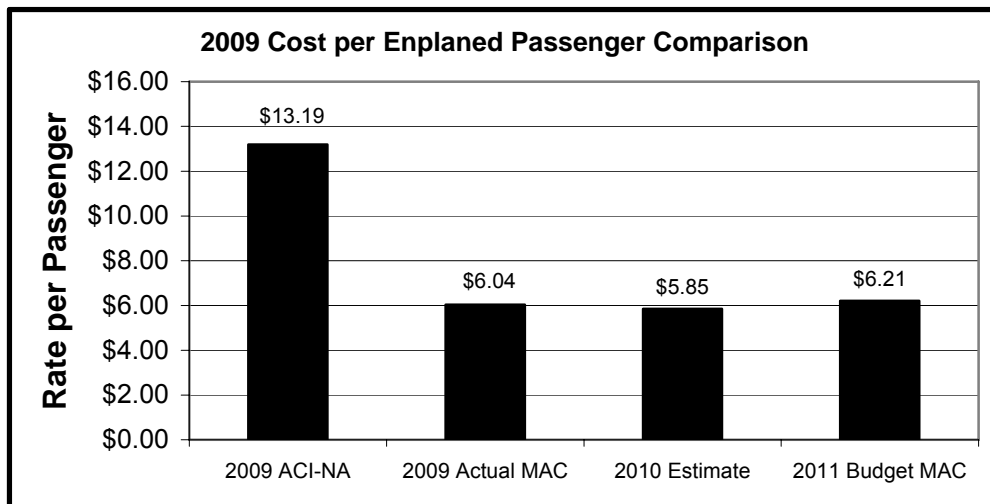


Terminal 1 – Lindbergh Transit Center

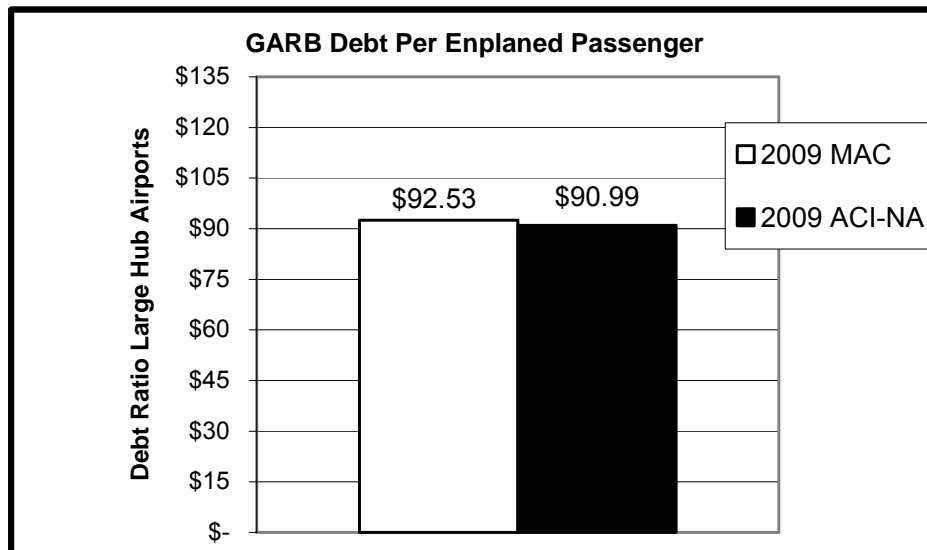
Industry Comparisons - Other

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 2009 financial and operating data (the most recent available) and have been used for purposes of comparison. All MAC data is based upon actual 2009 information.

Cost per Enplaned Passenger are reviewed as follows:

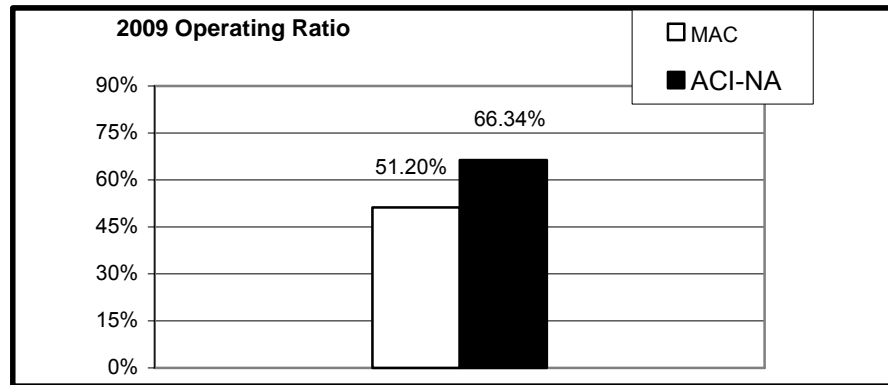
A.

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 \$6.04 per passenger (which is in the lower half of large hub airports) is less than the 2009 national average of \$13.19.

B.

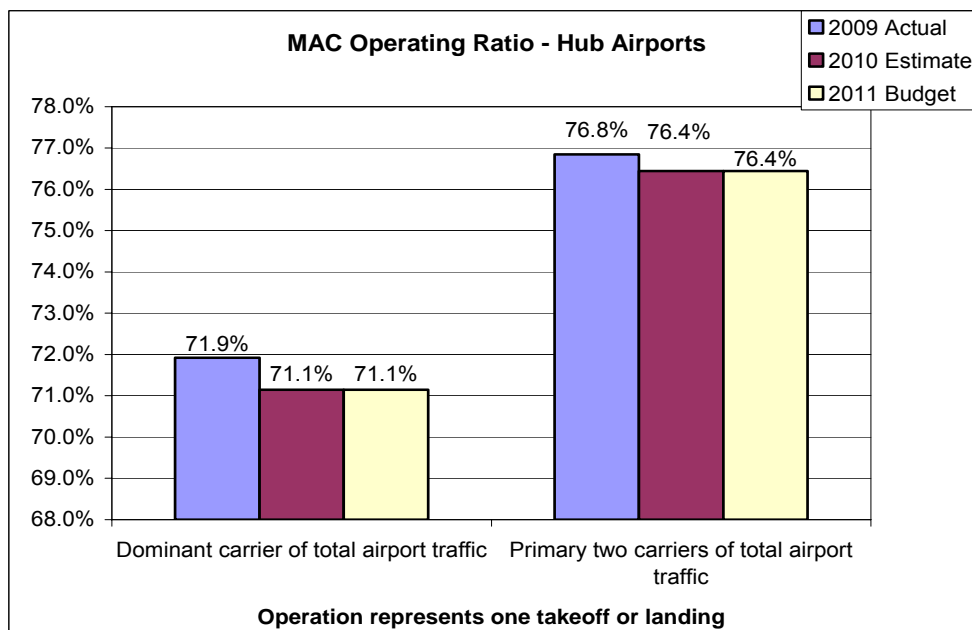
Debt per enplaned passenger is calculated by dividing total outstanding General Airport Revenue Bond (GARB) debt by the number of enplaned passengers. The above chart uses the mean for GARB Debt per Enplaned Passenger as published by the ACI - NA for large hub airports. MAC's ratio of debt/enplaned passenger is slightly above the industry average (\$1.54) because of the economic downturn and a reduction in passenger counts.

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 2011 Budget, is projecting no change in Delta percentages from 2010. The second largest carrier in 2009 was American with 4.9% of total airport traffic. In 2010 however, the second largest carrier was Southwest with 5.3%.

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



Field Maintenance Crews work 24/7 to keep runways operational.

POPULATION**A.**

POPULATION (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	3,238	1.1%	62.0%
2009	307,007	5,266	3,270	1.1%	62.1%

Source: U.S. Depart. of Commerce, Bureau of the Census accessed 2/10/11
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 2009 population estimates, was the 21st largest state in the nation and has the second largest increase in population in the 12-state Midwest region between 2000 and 2008 according to the U.S. Census Bureau. 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.

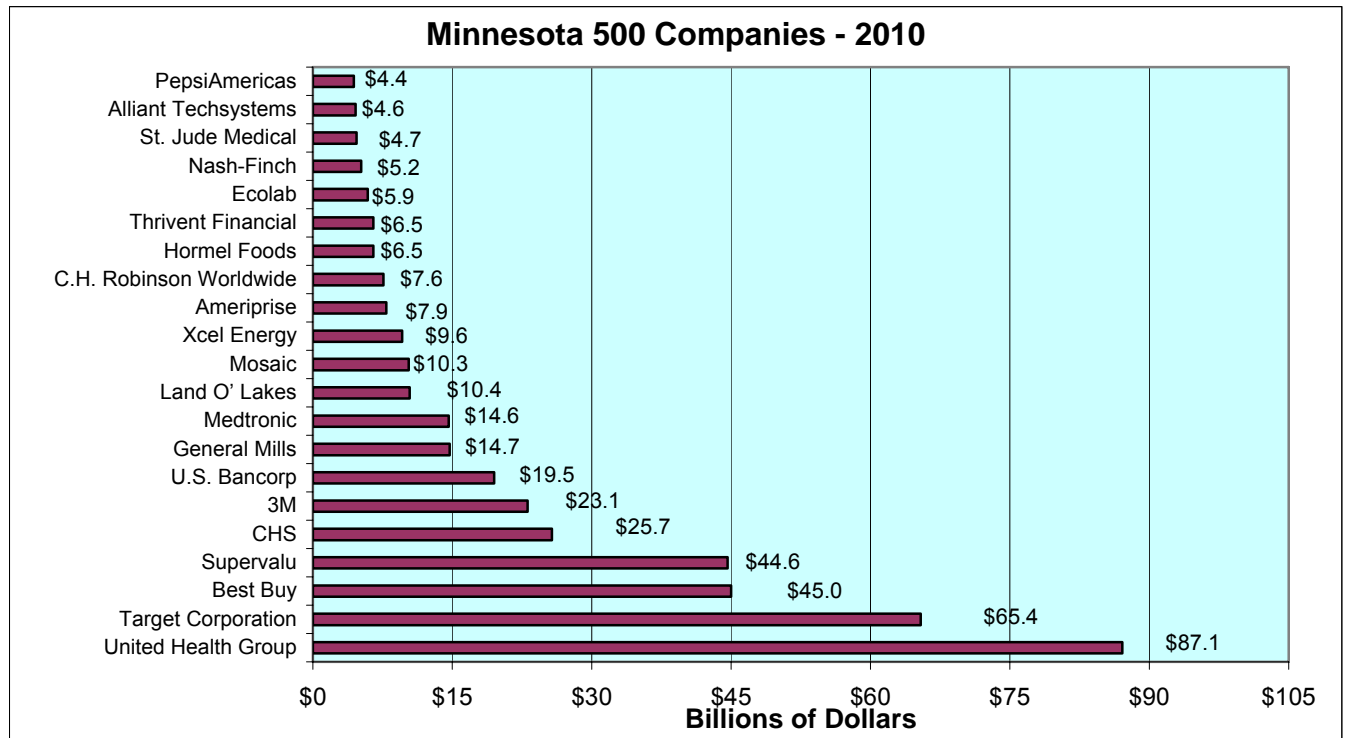
Minneapolis-St. Paul International Airport is the only large hub airport in the MSA serving schedule air commerce.

B.**EMPLOYERS**

Minnesota's economy has increased the number of *Fortune 500* companies from 14 in 2000 to 21 in 2010 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.

<u>Metropolitan Area Top 20 Private Employers</u>		
2009		
<u>Company Name</u>	<u>Number of Employees</u>	<u>Industry</u>
Target Corp.	29,000	Retail Trade
Allina Health System	23,818	Health Services
Fairview Health Services	21,507	Health Services
Wells Fargo	20,613	Financial Services
Wal-Mart Stores	20,230	Retail Trade
3M Co.	15,000	Manufacturing
Health Partners	10,322	Health Services
U.S. Bancorp	10,184	Financial Services
Delta Air Lines	10,000	Passenger Airline
United Health Group	9,967	Health Services
Supervalu	9,867	Retail Trade
Park Nicollet Health Services	8,449	Health Services
Medtronic	7,992	Services
Hormel Foods	7,890	Manufacturing
Best Buy	7,601	Retail Trade
Health East Care System	7,300	Health Services
Essentia Health	7,010	Health Services
Thomson Reuters Legal	6,600	Services
CentraCare Health System	6,470	Health Services
Sears Holding Corporation	6,000	Retail Trade
Sources: Minneapolis-St. Paul Business Journal "2010 Book of Lists"		
Minnesota Department of Employment and Economic Development accessed		

The following chart specifies the Minnesota Fortune 500 Companies in 2010:



Source: Minnesota Department of Employment and Economic Development website accessed 2/10/11



Check Point #4 –Terminal 1 - Minneapolis-St. Paul International Airport

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, 2009 and 2010 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%	3.8%	3.5%
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%	3.9%
2006	4.6%	4.1%	3.8%
2007	4.6%	4.6%	4.3%
2008	5.8%	5.4%	5.2%
2009	9.3%	8.0%	7.8%
2010	9.6%	7.1%	6.9%

Sources: U.S. Department of Labor, Bureau of Labor Statistics
Minnesota Department of Employment and Economic Development

*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.

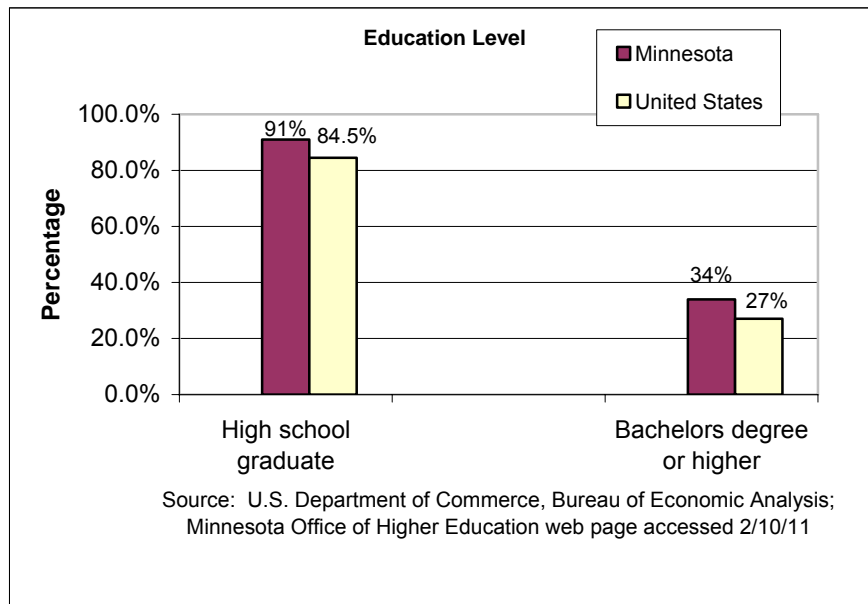
C.

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	35,424	37,978	42,721
2006	37,698	39,975	44,975
2007	39,392	41,693	46,870
2008	40,166	42,953	47,653
2009	39,138	41,552	n/a

Source: U.S. Department of Commerce, Bureau of Economic Analysis
Official Statement dated 10/1/10

In every year shown in the chart, the MSA's amount of per capita personal income has been higher than the per capita personal income amount for the nation and the State. This is in conjunction with a moderate cost of living which leads to higher discretionary disposable income, on average, than others throughout the State and the United States and relates positively to the demand for air travel. In addition, the MSA ranks among the highest 10% of metropolitan statistical areas nationwide in terms of per capita personal income.



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.

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

- Runway 12R-30L is 10,000 feet long by 200 feet wide, which equates to two million square feet of concrete. The MAC runway snow removal team can clear the runway of snow in less than ten minutes.
- 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.

Current MSP Information

- 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.
- The 53,000 miles of fiber cable installed on the property of the Commission could circle the world just over two times.
- Minneapolis-St. Paul International Airport encompasses approximately 3,300 acres. Turf areas, which account for more than one-third of that total, require extensive maintenance by the Field Maintenance crew.



Mowing the Landing Fields at Wold-Chamberlain Field – Year 1931

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.

2009 Ranking of U.S. Airports (for the 12 months ended December 31, 2009)								
Total Passengers ¹			Total Cargo			Total Operations		
(in thousands)			(Freight and Mail, in thousands of metric tons)			(in thousands)		
Rank	Airport	Passengers	Rank	Airport	Cargo	Rank	Airport	Operations
1	Atlanta	88,032	1	Memphis	3,697.1	1	Atlanta	970.2
2	Chicago-O'Hare	64,158	2	Anchorage	1,994.6	2	Chicago-Hare	827.9
3	Los Angeles	56,521	3	Louisville	1,949.5	3	Dallas-Ft. Worth	638.8
11	Charlotte	34,537	20	Boston	247.8	8	Charlotte	509.4
12	Miami	33,886	21	Toledo	241.5	9	Philadelphia	472.7
13	Orlando	33,694	22	Denver	224.4	10	Phoenix	457.2
14	Newark	33,399	23	Phoenix	223.7	11	Detroit	432.6
15	<i>Mpls.-St. Paul</i>	<i>32,379</i>	24	<i>Mpls.-St. Paul</i>	<i>189.7</i>	12	<i>Mpls.-St. Paul</i>	<i>432.4</i>
16	Detroit	31,357	25	Portland	178.7	13	New York	416.9
17	Seattle	31,228	26	Detroit	161.9	14	Newark	411.6
18	Philadelphia	30,670	27	Orlando	137.2	15	Salt Lake City	389.3

¹ Sum of enplaned and deplaned volume.
Source: ACI, 2009 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 9th place in 2002 thru 2004. However, the 2005 statistics indicate MSP is 10th when ranking the U.S. airports for passengers. For 2006, MSP is at 12th and 14th 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 was ranked 16th in 2008. In 2009, MSP is in the 15th ranking.

When ranked with total cargo, MSP placed 23rd in the U.S for both 2007 and 2008 (2006 indicated 26th 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 12th most active airport when compared with other airports in the United States.

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 Airport¹**

As of January 1, 2010

U.S. - Flag Carriers

Scheduled Service

Air Tran	Continental Express ⁶	Republic Airlines ^{*2, 8}
Air Wisconsin ²	Delta ^{**7}	Shuttle America ^{3, 9}
Alaska [*]	Frontier [*]	SkyWest ^{**3, 8}
American [*]	Mesa ²	Southwest [*]
Atlantic Southeast ^{**3}	Mesaba ^{**3}	Sun Country ^{*10}
Chautauqua ^{**4}	Midwest Airlines ^{**}	Trans States ¹¹
Comair ^{*, **3}	Northwest ^{**7}	United ^{*5}
Compass ^{**3}	Pinnacle ^{**3}	US Airways [*]
Continental ^{*5}		

Non-scheduled (Charter) Service

Omni International^{*}

All-Cargo Services

ATI ^{**12}	FedEx ^{**}	Omni Air Express ^{**}
ABX Air ^{**13}	Mountain Air Cargo	UPS ^{**}
Bemidji ^{**}		

Foreign-Flag Carriers

Air Canada ^{**}	Icelandair [*]	Aeromexico
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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.

¹ Excludes carriers reporting fewer than 1,000 enplaned passengers per annum. Does not indicate which major air carriers codeshare with each other.

² Codeshare with USAirways

³ Codeshare with Delta.

⁴ Codeshare with American and Continental.

⁵ On May 2, 2010, the board of directors of United Airlines and Continental Airlines approved a stock-swap transaction to combine the two airlines. The merger of United Airlines and Continental Airlines expect to continue to operate as separate airlines until the operations of United Airlines and Continental Airlines have been fully integrated, which is expected to take between 12 and 18 months.

⁶ Codeshare with Continental

⁷ In 2008, Delta acquired Northwest and its affiliated Air Carriers, Mesaba, Pinnacle and Compass. As of January 31, 2010, the operations of Delta and Northwest were merged into a single entity that now operates under the Delta brand. On July 1, 2010, Mesaba and Compass will continue to operate Delta connection flights under long-term, extendable agreements ranging from 7-12 years depending on aircraft type.

⁸ Codeshare with Midwest Airlines.

⁹ Codeshare with United.

¹⁰ Sun Country filed for bankruptcy protection in October 2008, but continues to operate at the Airport while it reorganizes under bankruptcy protection.

¹¹ Codeshare with American.

¹² Provides air service to BAX Global.

¹³ Provides air service to DHL.

Sources: Metropolitan Airports Commission

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

APM - Automated People Mover

Apron – The extensive paved area immediately adjacent to the Terminal Building area and hangar area. Also referred to as Ramp.

ARFF - Aircraft Rescue Fire Fighting

ASIG – Aircraft Service International Group

ASQ - Airport Service Quality Program

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

CFR – Code of Federal Regulations

CMAA – Commercial Management and Airline Affairs

CMMS – Computerized Maintenance Management System

CMS - Content 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

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 10th of each year is equal to all principal and interest due on all Airport Improvement Bonds and General Obligation Revenue Bonds payable 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

ECP – Environmental Compliance Program

EDS – Explosive Detection Systems - Machine that scans baggage for explosives.

EMS – Emergency Medical Services

Encumbered – Refers to the fact that funds have been committed for payment for goods or services.

Enplaned Passengers – The number of passengers boarding an aircraft, including originating and stopover or on-line transfer passengers.

Enterprise Fund – The cost (expenses including depreciation) of providing goods or services to the general public on a continuing basis is to be financed or recovered primarily through user charges. That is, operating and capital expenses are paid from revenues generated by users.

EOD – Explosive Ordinance Disposal

eparkElite –Voluntary program offering public parkers at MSP Airport a guaranteed parking space no matter the availability status of airport parking facilities.

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.

Fund Balance – A fund balance is the assets minus the liabilities in a fund at a given point in time. A positive fund balance means there are more assets than liabilities; a negative fund balance means just the opposite. Fund balance can be complicated by the fact that part of the fund balance is reserved and part unreserved. The difference between reserved and unreserved is that the unreserved can potentially be authorized for future expenditures while the reserved cannot. Additionally, the fund balance is a residual and not necessarily a cash amount.

Fund Equity – Fund equity is a generic term referring to what is left after all the liabilities have been taken care of or paid with all the assets. In government, the term fund balance is more often used. Fund equity, while conceptually the same as fund balance, is usually reserved for funds in government that are operated on a business or accrual basis.

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.

GHG – Green House Gas

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.

HRD – Human Resource Development

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.

Infield Area – An area constructed for parking or maintenance by cargo companies. Currently occupied by Federal Express and UPS.

IS – Information Services

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

K-9 – Unit of the Airport Police Department which uses trained dogs as part of its Narcotics Program.

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.

LMS – Learning Management 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

LTCP – Long Term Comprehensive Plan – Global look at the expansion requirements for Minneapolis-St. Paul International Airport.

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.

MACANOMS – Metropolitan Airports Commission Airport Noise and Operations Monitoring System

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.

MnDot – Minnesota Department of Transportation

MOU – Memorandum of Understanding

MPCA - Minnesota Pollution Control Agency

MSA – Metropolitan Statistical Area

MSGP - Multi-Sector General Permit

MSP or MSP International – Minneapolis/St. Paul International Airport. Refers to 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.

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 which includes all wages, salaries and benefits.

PIDS - Public Information Display Screens

PLM - Pinnacle Learning Manager

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

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.

TBD – To be determined

Terminal 1 (T1) – Charles Lindbergh Terminal Building has been designated Terminal 1 to provide further direction/information.

Terminal 2 (T2) – Hubert H. Humphrey Terminal Building has been designated Terminal 2 to provide further direction/information.

TGB – Targeted Group Business

TSA – Transportation Security Administration

Taxiway – Paved areas on the airfield to be primarily used for ground movements of aircraft to, from and between runways, ramp and apron space and storage areas.

Unencumbered – Funds not yet committed for purchase of goods or services.

UPS – Uninterruptible Power supply

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

VFD – Variable Frequency Drive – Equipment for facilities monitoring

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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