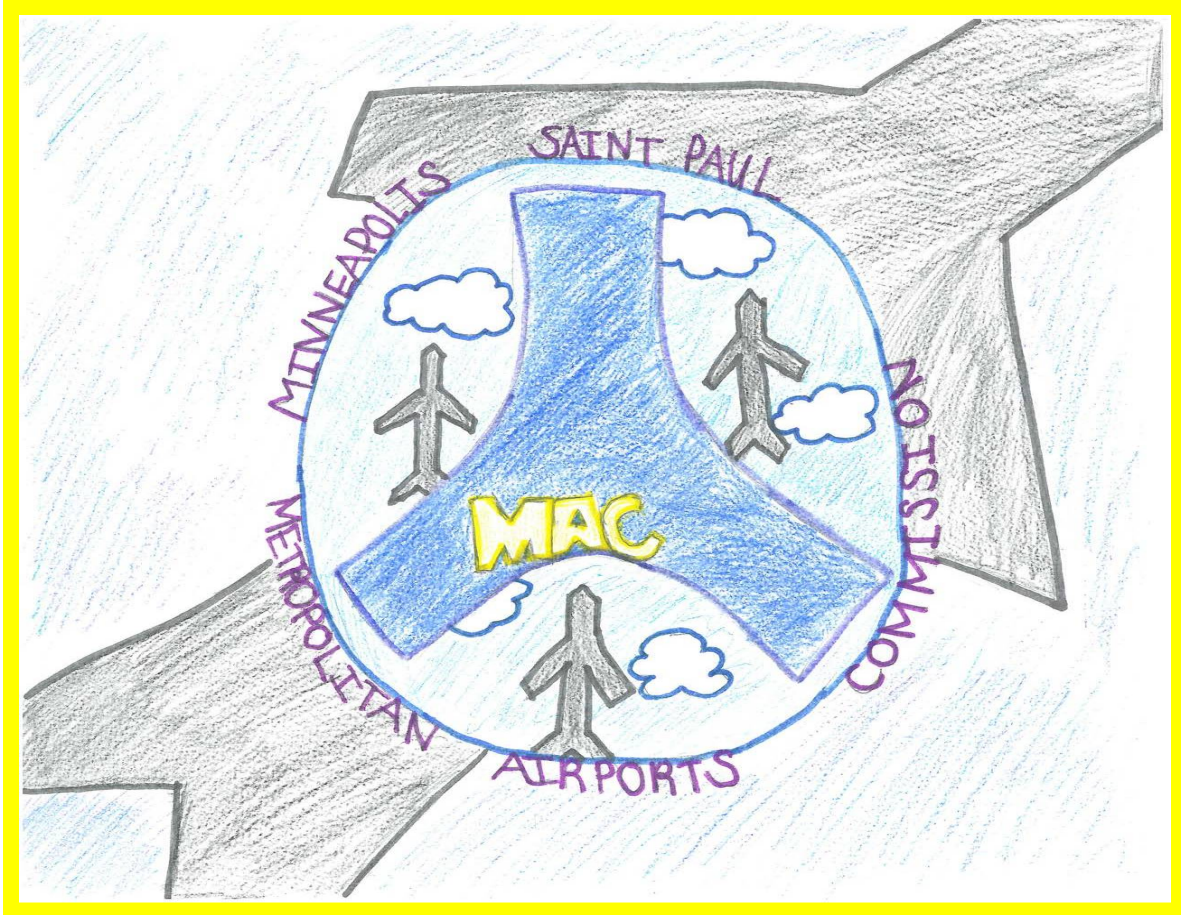


# 2013 Budget

Minneapolis-St. Paul, Minnesota  
Metropolitan Airports Commission

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## **Winning Artwork 2013 Budget Book Cover Contest**

### **2013 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 & Administration Division. The winner for the 2013 Budget Book:

**Sami Rivet – Age 15**  
**Daughter of Paula Rivet – MAC IS Department**



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## *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 17, 2012

To The Public:

We are pleased to present the 2013 Metropolitan Airports Commission (Commission) Budget which was adopted by the Commission on December 19, 2012. Total Operating Revenue for 2013 is projected to be \$275,975,000 and Operating Expense is \$143,017,000 (excluding depreciation and noise amortization). Non-operating expenses (including non-operating revenue) are budgeted to be \$92,602,000. The approved 2013 budget results in \$40,357,000 of Net Revenues Available for Designation.

In May, 2012 the budget process commenced. Some of the key short term issues that the Commission was faced with in developing the overall targets for the 2013 Operating Budget were:

- A new long term debt issue in late 2012.
- Debt refunding which occurred in 2012.
- Timing and changes in passenger forecasts throughout 2012 and 2013.
- Changes in the state of the economy and the airline industry in 2012.

(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 2013 Operating Budget. These targets and their respective budget results are indicated below.

<b>Target 1:</b>	Senior Debt Service Coverage Ratio maintained at not less than 1.4x.
<b>Result:</b>	+ 2.89 (Without Transfer).
<b>Target 2:</b>	Maintain a Six Month Reserve in the Operating Fund.
<b>Result:</b>	A transfer of \$1.676 million will be made to the fund on 1/2/13.
<b>Target 3:</b>	Airline Cost/Enplaned Passenger will be in the lower 1/3 of Large Hub Airports.
<b>Result:</b>	The Commission ranked 8th lowest out of 27 Large Hub Airports surveyed.
<b>Target 4:</b>	The Commission will have a Balanced Budget.
<b>Result:</b>	The budget forecasts \$40.4 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 (2013-2014) and long term (2015 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. During 2011, the Commission revised the Committee structure. All finance and human resource items or issues now report to the new committee called the Finance and Administration Committee. The other new committee referred to as the Planning, Development & Environment Committee handles issues on airport development, planning, and environment. No changes were made to the Management and Operations Committee. All of the Committee meetings, as well as the Full Commission meeting, take place in Terminal 1-Lindbergh.

<b>Committee</b>	<b>Meeting Time</b>	<b>Meeting Place</b>
Finance and Administration (F&A)	Meetings are held on the first Monday of each month at 9:30 a.m.	Terminal 1 (Lindbergh)
Planning, Development & Environment (PD&E)	Meetings are held on the first Monday of each month at 11:00 a.m.	Terminal 1 (Lindbergh)
Management & Operations (M&O)	Meetings are held on the first Monday of each month at 1:00 p.m.	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 and Administration Committee (F&A) and reported to the Full Commission. The following information summarizes the general financial areas that the F&A Committee dealt with in 2012:

- Audits
  - Financial Audit
  - Tenant Audits
  - Internal Policy/Procedure Audits
  - Internal Audit Plan
- Bonds/Debt/Capital Funding
  - 2012 Series A & B Bond Issue (New issue for capital improvements (Series A) and a bond refunding (Series B)).
  - Passenger facility charge application and amendments.
  - Investment Policy ratification
- Operating Budget
  - Monthly Reports
  - Ratification of 2011 Expenditures
  - Distribution of 2011 Net Revenues/Unrestricted Cash
  - 2013 Budget Targets
  - 2013 Preliminary and Final Budgets
- Human Resources and Affirmative Action
  - Human Resource and Affirmative Action Policies and Procedures
  - Employee benefits
  - Labor Agreements ratifications

**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 service 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 follow the summary table.

**FUND OVERVIEW**

<b>Consolidated Enterprise Fund</b> \$ = 000	<b>2011</b> <b>Actual</b>	<b>2012</b> <b>Estimated</b>	<b>2012</b> <b>Budget</b>	<b>2013</b> <b>Budget</b>	<b>2014</b> <b>Projection</b>	<b>2015</b> <b>Projection</b>
<b><u>Sources All Funds</u></b>						
Total Beginning All Fund Balances <sup>1</sup>	\$ 697,699	\$ 646,095	\$ 639,853	\$ 651,045	\$ 659,042	\$ 650,285
Operating Fund Revenues						
Airline Rates & Charges	96,422	98,823	99,530	103,267	105,497	107,251
Concessions	118,792	125,770	124,794	127,158	129,479	131,605
Other Operating Revenues	41,334	39,629	39,483	45,551	42,364	43,040
Interest Earnings	5,173	5,200	7,000	4,500	4,386	3,962
Other & Self-Liquidating Revenue	4,442	4,919	3,606	5,851	10,185	10,624
Transfers in Construction Fund	-	-	-	-	-	-
Transfers in Equipment Financing	1,423	1,971	2,000	8,550	8,500	7,000
Construction Fund Revenues						
PFC Funding	62,431	62,000	63,550	62,620	63,246	63,879
Federal Grants	16,801	12,938	24,550	36,249	11,000	1,500
State Grants	221	177	-	3,070	5,900	2,500
Interest Earnings	2,518	1,241	2,500	2,000	2,200	2,000
Bond Proceeds	-	39,770	-	-	-	-
Short-Term Funding Program	-	11,300	9,700	7,850	-	-
Other Receipts	-	-	600	-	-	-
Transfers In	46,700	43,300	34,347	40,664	40,357	40,900
Debt Fund Revenues	-	-	-	-	-	-
Interest Earnings	2,821	605	620	776	764	765
Bond Proceeds	58,816	52,730	-	-	-	-
Self-Liquidating Payments	198,591	2,901	2,901	2,871	-	-
Transfers In (PFCs and Garb Require.)	102,219	111,437	111,965	121,358	122,911	123,141
Total All Receipts	\$ 1,456,403	\$ 1,260,806	\$ 1,166,999	\$ 1,223,380	\$ 1,205,831	\$ 1,188,452
<b><u>Uses All Funds</u></b>						
Operating Fund Expenses						
Personnel	66,297	67,000	68,133	68,705	70,079	71,481
Administration	1,532	1,380	1,372	1,408	1,472	1,509
Professional Services	4,167	4,400	4,339	4,535	4,517	4,408
Utilities	16,568	16,900	17,784	17,804	18,160	18,523
Operating Services	17,151	18,045	18,663	19,264	19,606	19,929
Maintenance	27,057	26,106	26,670	28,548	29,729	30,784
Other/Insurance	3,530	2,700	2,701	2,752	2,842	2,957
Equipment & Other Capital Expenditures	6,807	8,121	8,121	13,216	13,348	13,482
Transfers Out - Debt	76,511	82,560	84,593	94,260	97,816	94,941
Transfers Out - Equipment Financing	1,936	2,881	2,881	2,350	3,500	4,000
Transfers Out - Construction	46,700	43,300	39,840	40,664	40,357	40,900
Working Capital/Other	-	1,955	-	-	-	-
Construction Fund Expenses						
Capital Project Costs	106,377	135,000	121,400	125,000	100,000	85,000
Debt Service Reserve	26,223	32,400	28,461	28,388	28,152	30,490
Debt Fund Expenses						
Bond Refundings	286,147	49,933	-	-	-	-
Bond Principal & Interest Payments	123,305	117,080	117,080	117,444	125,968	125,431
Total All Costs	810,308	\$ 609,761	\$ 542,038	\$ 564,338	\$ 555,546	\$ 543,835
Total Ending All Net Fund Balances	\$ 646,095	\$ 651,045	\$ 624,961	\$ 659,042	\$ 650,285	\$ 644,617
<sup>1</sup> Includes Operating Fund, Construction Fund and Debt Service Fund.						

Operating Budget

As indicated above, the Commission, in developing targets/guidelines for the 2013 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, utility increases and the uncertainty in passenger forecasts and the stagnant economy. At the start of the budget process in May, staff was dealing with a slight increase 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 slight improvement. This was especially true on the passenger side as we started to see a slight 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.



***Take-Off at MSP International Airport***

The following table is a summary of 2011 Actual, 2012 Estimate, 2012 Budget and 2013 Budget Revenue and Expenses. This table includes both operating and non-operating items. (Explanations below are based on a comparison of estimated 2012 and budget 2013.)

<b>2013 OPERATING BUDGET SUMMARY</b>						
<b>\$ = 000</b>						
	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2012 Estimate</b>	<b>2013 Budget</b>	<b>2012 Estimate vs 2013 Budget Comparison</b>	
					<b>Dollars</b>	<b>Percentage</b>
<b>OPERATING REVENUE</b>						
Airline Rates and Charges	\$ 96,422	\$ 99,530	\$ 98,823	\$ 103,266	\$ 4,443	4.5%
Concessions	118,792	124,794	125,770	127,158	1,388	1.1%
Rentals/Fees	27,575	26,903	26,741	31,846	5,105	19.1%
Utilities & Other Revenues	13,759	12,581	12,888	13,705	817	6.3%
<b>Total Operating Revenue</b>	<b>\$ 256,548</b>	<b>\$ 263,808</b>	<b>\$ 264,222</b>	<b>\$ 275,975</b>	<b>\$ 11,753</b>	<b>4.4%</b>
<b>OPERATING EXPENSE</b>						
Personnel	\$ (66,297)	\$ (68,133)	\$ (67,000)	\$ (68,705)	\$ (1,705)	2.5%
Administrative Expenses	(1,532)	(1,372)	(1,380)	(1,408)	(28)	2.0%
Professional Services	(4,167)	(4,339)	(4,400)	(4,535)	(135)	3.1%
Utilities	(16,568)	(17,784)	(16,900)	(17,804)	(904)	5.3%
Operating Services	(17,151)	(18,663)	(18,045)	(19,264)	(1,219)	6.8%
Maintenance	(27,057)	(26,670)	(26,106)	(28,548)	(2,442)	9.4%
Other	(3,530)	(2,701)	(2,700)	(2,752)	(52)	1.9%
<b>Total Operating Expenses (Excludes Depreciation)</b>	<b>\$ (136,302)</b>	<b>\$ (139,662)</b>	<b>\$ (136,531)</b>	<b>\$ (143,016)</b>	<b>\$ (6,485)</b>	<b>4.7%</b>
<b>Net Operating Revenues</b>	<b>\$ 120,246</b>	<b>\$ 124,146</b>	<b>\$ 127,691</b>	<b>\$ 132,959</b>	<b>\$ 5,268</b>	<b>4.1%</b>
<b>Non-Operating Revenues &amp; Expenses</b>						
Add: Other Non-operating Revenue	\$ 11,037	\$ 10,606	\$ 13,135	\$ 18,901	5,766	43.9%
Less: Debt Service/Equipment/Other	(88,034)	(96,059)	(100,162)	(111,503)	(11,341)	11.3%
<b>Total Non-Operating Revenues/Expenses</b>	<b>\$ (76,997)</b>	<b>\$ (85,453)</b>	<b>\$ (87,027)</b>	<b>\$ (92,602)</b>	<b>\$ (5,575)</b>	<b>6.4%</b>
<b>Net Revenues</b>	<b>\$ 43,249</b>	<b>\$ 38,693</b>	<b>\$ 40,664</b>	<b>\$ 40,357</b>	<b>\$ (307)</b>	<b>-0.8%</b>

Airline rates and charges increased by 4.5% resulting primarily from slight increases in debt service as well as a mild winter (lack of snowfall) of 2012. The Commission budgets its snow removal costs on a historical average basis as 2012 was a below average winter. Debt service is the major component used in developing airline rates and charges. The following table summarizes the major airline rates.

<b>AIRLINE FEE TABLE</b>				
	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2012 Estimate</b>	<b>2013 Budget</b>
Landing Fee (Per 1,000 lbs.)	\$ 2.46	\$ 2.42	\$ 2.51	\$ 2.59
Terminal 1				
Ramp Fee (Per Lineal Ft.)	\$ 562.05	\$ 555.37	\$ 547.78	\$ 537.98
Space Rate (Per Square Ft.)	\$ 56.37	\$ 60.46	\$ 60.30	\$ 62.33
Terminal 2 Gate Fee	\$ 714,784	\$ 738,101	\$ 738,101	\$ 760,851

The largest percentage increase is in rentals and fees. This increase is due to an increase in the customer Facility charge (CFC) for the auto rental companies. In 2012, the Commission issued bonds to pay for expanded facilities at Terminal 2–Humphrey. In order to pay the debt service for these facilities the Commission increased the CFC for the auto rental companies from \$2 per transaction per day to \$3.25 per transaction per day.



As previously stated, controlling expenses was a difficult challenge for staff. To offset the increase in personnel costs from benefits, 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 and implementing energy efficient technologies where appropriate. Field maintenance was decreased significantly to account for average winters over a four year history.

#### ***Humphrey Terminal T-2 Parking Ramp***

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 payments as a result on a new bond issue in 2012. We believe the debt portfolio has positioned the Commission well by not having any risk and having very low fixed interest (4.7%) 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 (2012), the current three-year program (2013 – 2015) and funding summary.

<b>CAPITAL IMPROVEMENT PLAN (CIP) SUMMARY</b>				
<b>(\$=000)</b>				
	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
<b><u>CIP</u></b>				
Minneapolis/St. Paul International Airport				
Field & Runway	\$ 13,450	\$ 3,750	\$ 1,550	\$ 1,550
Environment/Noise	8,950	1,300	1,350	550
Terminal/Landside	132,320	118,400	55,900	36,600
Total Minneapolis/St. Paul International	154,720	123,450	58,800	38,700
Reliever Airports	4,600	4,600	2,900	6,200
Total All Airports	\$ 159,320	\$ 128,050	\$ 61,700	\$ 44,900
<b><u>Funding</u></b>				
Passenger Facility Charges (PFCs)	\$ 15,600	\$ 15,400	\$ 3,900	\$ -
Federal & State Aid	24,550	39,319	16,900	4,000
General Airport Revenue Bonds	84,020	21,700	-	-
Internal/Airline Funds	24,850	43,781	40,900	40,300
Other	10,300	7,850	-	600
Total Funding	\$ 159,320	\$ 128,050	\$ 61,700	\$ 44,900

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 \$36 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.

<b>DEBT SERVICE SUMMARY</b>				
<b>(\$=000)</b>				
<u>Series Refunded</u>	<u>Refunding Year</u>	<u>Total Savings</u>	<u>Annual Savings</u>	<u>Present Value % Savings</u>
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%
Refund 2003A (1)	2011	3,318	369	6.10%
Refund 2003A (1)	2012	5,272	293	12.50%
		<u>\$ 62,493</u>	<u>\$ 5,711</u>	
Average Present Value Savings				6.50%
Total Average Interest Rate Prior to Refundings			5.25%	
Total Average Interest Rate After Refundings			4.74%	
(1) General Airport Revenue Bond (Garb) Refunding				
(2) General Obligation Revenue Bond (GO/Gorb) Refunding				

#### New Debt

The Commission issued \$135 million in new debt in 2010 and \$40 million in 2012. The 2010 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 a higher AMT (Alternative Minimum Tax) rate could be funded at the lower non-AMT rate.) The 2012 issue is a taxable issue related to the Auto Rental Industry request for expanded facilities at Terminal 2-Humphrey. In the near term (2013 – 2015) 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 desired facilities.

#### Short Term Debt

In 2011, the Commission entered into a Short-Term Borrowing Program which replaced a Commercial Paper Program that was terminated in 2010. The Commission looked at many financing alternatives and selected a \$75 million revolving line of credit. In 2012, the Commission accessed \$11.3 million of this line of credit for various capital improvement projects at MSP. In 2013-2014 time frames, the Commission expects to utilize another \$8 million from this line of credit for certain improvements on the G concourse and miscellaneous Field and Runway projects. This Short-Term Borrowing Program also allows the Commission some flexibility in financing unanticipated or unforeseen capital improvements.

## **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, the following will be the areas where we will focus our resources. These include:

- Assure Financial Viability
- Provide a great customer experience
- Match employee talent with changing business needs
- Leverage Resources and Technology
- Strengthen Partnerships and Alliances
- Enhance Air Service at MSP

### **Assure Financial Viability**

As one of our strategic goals, we will ensure that MAC has the financial resources necessary to operate our airport system and meet all debt service requirements in any scenario and maintain our existing bond ratings. Items that we will be focusing on during 2013 include the following:

- Refine 3 year operating budgeting process to include life cycle costs, aligned with the strategic plan and capital improvement budget.
- Closely monitor and manage the performance of the new General Aviation model to ensure it delivers financial viability.
- Explore options for expanding non-aeronautical revenue.

### **Provide a Great Customer Experience**

The Commission strives to ensure that all our customers – the traveling public, regional businesses, airport tenants, concessionaires, airline industry, general aviation and the citizens of the region have the best airport experience in North America. Items we are working on include:

- Implement improvements in the international arrival facility (IAF) at Terminal 1.
- Implement technology to inform passengers of security check point wait times.
- Implement a porter program to help customers at Terminal 1.
- Assess customer needs of an aging and increasingly diverse traveling public.

### **Match Employee Talent with Changing Business Needs**

As employees retire or leave the Commission, we want to 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. For 2013 we plan to continue to promote programs which started in 2011 that provide knowledge transfers and leadership development/career enrichment as well as bring back an internship program that discontinued a few years back because of budgetary issues.

### **Leverage Resources and Technology**

We want to take full advantage of resources and technology to improve performance, increase productivity and deliver cost-effective services. For 2013, we will increase the use of existing technology internally at the MAC and externally with customers. Some specific items include:

- Upgrade operating system and office productivity suite to Windows 7 and Office 2010 including SharePoint.
- Initiate expanded staff training using e-learning and classroom training to maximize the use of current technologies.
- Expanded use of MAC's Enterprise Resource Planning product, EnterpriseOne including automated time entry, capital projects and maintenance management.

**Strengthen Partnerships and Alliances**

We plan to expand effectiveness through internal teamwork and strengthening external relationships and partnerships with tenants, concessionaires, airlines, neighboring communities, regional businesses and governmental agencies. The key focus areas for 2013 will be to sponsor dialogues with regional business leaders.

**Enhance Air Service at MSP**

We strive to provide airlines and the travelling public with expanded alternatives by enhancing domestic, regional and international service at MSP. In 2013, we plan to enhance and expand MSP's air service incentive program coupled with the previously mentioned improvements at the IAF at Terminal 1 with the potential for increased international service.

**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 which is expected to be complete in 2013. 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, 2012.

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 and Administration Committee. A very special thanks goes out to all MAC staff who worked especially hard under the current circumstances to develop the final 2013 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

**2012 Budget Award**

Jeffrey W. Hamiel  
Executive Director/CEO

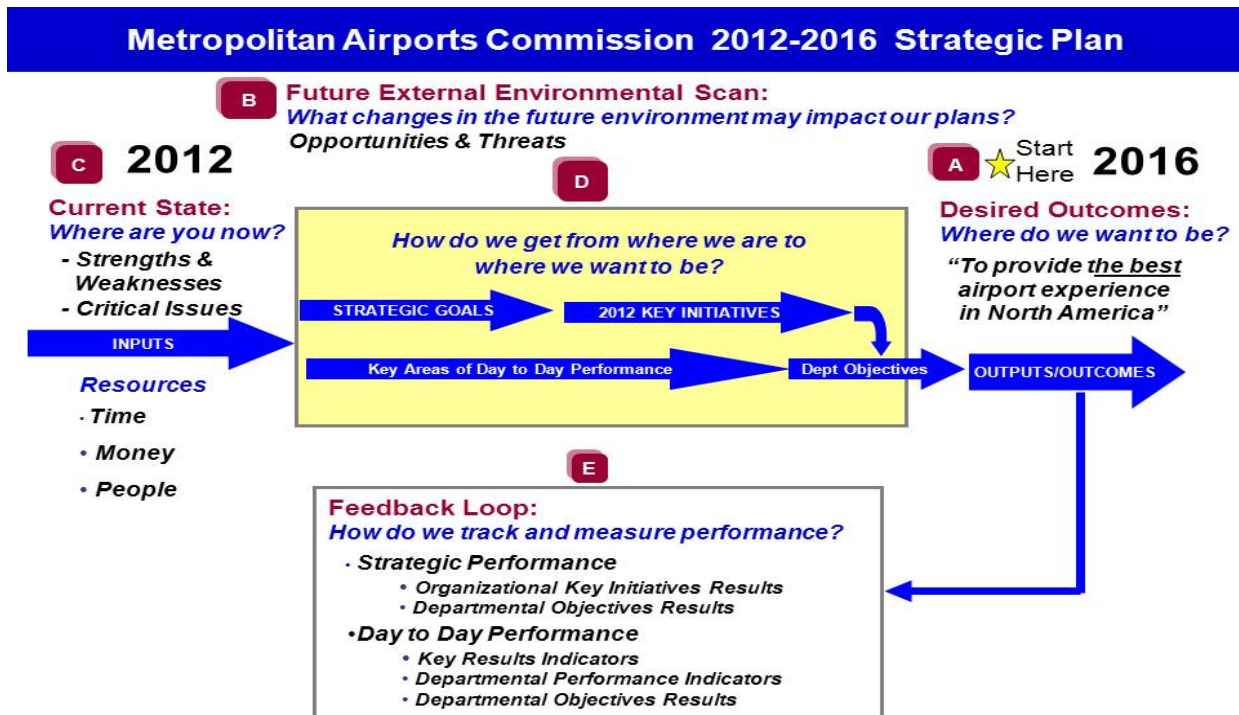
Stephen L. Busch  
Vice President –  
Finance & Administration

Robert Schauer  
Director – Finance



<b>Metropolitan Airports Commission Awards</b>			
<b>Year</b>	<b>Source of Award</b>	<b>AWARD</b>	<b>Group Judged/Rated</b>
2012	Airports Council Int'l – North America	1 <sup>st</sup> Place – Green Practice – Organics Recycling Program	Airport Concessions
2012	State of MN Dept. of Transportation and Concrete Paving Assn. of Minnesota (CPAM)	Merit Award – Pavement Reconstruction Concourse C at MSP International Airport	Commercial Service and Military Airports
2012	YWCA	Commitment to Lead Discussion on Racism	Various organizations
2011	Federal Aviation Administration	Airport Partnership for Excellence in Wildlife Management	FAA-Certified Airports
1985 through 2012	Government Finance Officers Association	Distinguished Budget Presentation Award	Submitted budget documents from various government organizations.
1984 through 2011	Government Finance Officers Association	Certificate of Achievement for Excellence in Financial Reporting	Submitted reports from various government agencies.
2011	Airports Council Int'l – North America	Excellence in Airport Concessions – 2nd Place – Concourse C Cart Program	Large Airports – Best Specialty Retail Program
2011	Airports Council Int'l – North America	Excellence in Airport Concessions – 1st Place – Surdyk's Flights	Large Airports – Best New Food & Beverage Specialty Retail Program
2010	U.S. Dept. of Homeland Security, TSA	Partnership Award – Outstanding Support of TSA Mission in Minnesota	TSA Stakeholders
2010	Zagat	Sixth highest airport quality rating among U.S. airports	30 U.S. Airports
2010	Travel + Leisure	3 <sup>rd</sup> Best Airport in America Overall #1 in U.S. for Food and Shopping 3 <sup>rd</sup> 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

Metropolitan Airports Commission Awards			
Source of Award		AWARD	Group Judged/Rated
2010	Transportation Security Administration (TSA)	Seven Wonders of Engineering Award for the Orange "Value Ramp" at Terminal 2	Engineering projects 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	Minnesota Council of Airports	Project of the Year Award for the Flying Cloud Airport expansion	Improvement projects at Minnesota airports
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	J.D. Power and Associates	2 <sup>nd</sup> 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
2011, 2010, 2009	American Heart Association	Fit-Friendly Company Award	Companies and governmental agencies with wellness activities/promotions available to employees
2011, 2010 2009	Hennepin County	Wellness by Design – 2010 Silver Award Gold Award	Companies and governmental agencies with wellness activities/promotions available to employees
2011	American Concrete Paving Association	MSP Taxiway C Extension	Commercial Service and Military Airports
2011	American Council of Engineering – MN Chapter	Merit Award – MSP Airport Taxiway C-D Complex	ACEC – State of Minnesota Level Competition
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



Our strategic planning process asks a series of questions:

- 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 my impact our plans?"***
- C – Current State: ***"Where are we now?"***
  - What are our internal strengths and weaknesses?
  - What external opportunities and threats exist?
  - What resources do we have?
- D – ***"How to we move from where we are to where we want to be?"***
  - Day to Day Key Areas of Performance
    - Departmental Objectives related to Key Areas of Performance
  - Strategic Goals.
    - 2013 Organizational Key Initiatives
    - Departmental Objectives related to Organizations Key Initiative
- E – ***"How do we track and measure results?"***
  - Day to Day Results
    - Organizational Results Indicators
    - Departmental Results Indicators
    - Departmental Objectives Results
  - Strategic Results
    - Organizations Key Initiatives Results
    - Departmental Objectives Results

**2013-2017 Organizational Strategic 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
6. Enhance Air Service at MSP

<b>Strategic Goal</b>		<b>2013 Key Initiatives</b>	<b>Measurable Outcome</b>
<b>Assure Financial Viability</b>	Ensure MAC has the financial resources necessary to operate our airport system and meet all debt service obligations and maintain our AA- bond rating.	Refine 3 year operating budgeting process to include lifecycle costs, aligned with the strategic plan and capital improvement budget.	Integrated three year operating and capital improvement budgets driven by strategic priorities.
		Closely monitor and manage the performance of the new General Aviation model to ensure it delivers financial viability.	Implementation of the model with the ability to modify expenditures to match revenue.
		Explore options for expanding non-aeronautical revenue.	Complete cost/benefit analysis of various options for expanding non-aeronautical revenue and a prioritized plan of action for 2014-2016.
<b>Provide a Great Customer Experience</b>	Ensure that all our customers, the Citizens of the Region, the Traveling Public, Regional Businesses, Airport Tenants and Concessionaires, the Airline Industry and General Aviation have the best airport experience in North America.	Implement improvements in the international arrival facilities at Terminal 1.	An improved customer experience for international arriving passengers resulting in a higher ASQ score for Airport Facilities.
		Implement technology to inform passengers of security check point wait times.	Improved customer experience through information and reducing security check point wait times.
		Implement a porter program to help customers with baggage at Terminal 1.	An improved customer experience at Terminal 1– Lindbergh.
		Assess customer needs of an aging and increasingly diverse traveling public.	Designs and processes that produce an improved customer experience for all members of the traveling public.
<b>Match Employee Talent with Changing Business Needs</b>	Make sure that the right people with the right skills and experience are in the right place to fulfill MAC's mission and achieve our vision	Implement internship programs.	Internship programs implemented that benefit the organization and the participants.
		Implement a leadership development/career enrichment program.	Program in place to enhance leadership/employee competencies.
<b>Leverage Resources and Technology</b>	Take full advantage of resources and technology to improve performance, increase productivity and deliver cost-effective services.	Upgrade operating system and office productivity suite to Windows 7 and Office 2010 including SharePoint.	Greater productivity and increased collaboration across departmental lines as we take advantage of the capabilities of these products.
		Initiate expanded staff training using e-learning and classroom training to maximize the use of current technologies.	A well trained workforce capable of leveraging existing technology to improve productivity and performance.
		Expanded use of MAC's Enterprise Resource Planning product, EnterpriseOne, including automated time entry, capital project management and maintenance management.	Improved efficiency and productivity by leveraging existing technology.
<b>Strengthen Partnerships and Alliances</b>	Expand effectiveness through internal teamwork and strengthening external relationships and partnerships with tenants, concessionaires, airlines, neighboring communities, regional businesses, and governmental agencies.	Sponsor dialogues with regional business leaders.	A gauge of our current performance and guide to develop future plans that will meet the needs of regional business.

<b>Enhance Air Service at MSP</b>	Provide airlines and the traveling public with expanded alternatives by enhancing domestic, regional and international air service at MSP.	Complete the environmental documentation associated with MSP 2020 Improvements.	Required environmental documentation complete that will allow terminal development necessary to improve customer service levels and to accommodate new air service.
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## 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. 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 Results Indicators**

<b>Safety and Security</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Reportable Crimes	560	403	409	452	546	634
Security Breaches that Impact Passenger Traffic and/or Airport Operations	2	1	3	0	2	6
OSHA Recordable Injuries	28	24	23	20	30	35
MSP Runway Incursions	0	0	2	2	1	0
Reliever Runway Incursions (vehicle or pedestrian)	2 vehicles 1 pedestrian	6 vehicles 1 pedestrian	6 vehicles	6 vehicles 1 pedestrian	1 vehicle 0 pedestrian	0 vehicles 0 pedestrian
<b>Financial</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Debt Service Coverage Ratio	2.30X	2.26X	2.26X	2.33X	2.38x	3.32x
Airline Cost per Enplaned Passenger	\$5.21	\$5.56	\$6.04	\$6.03	\$6.32	\$6.42
Non-Airline Operating Revenue per Enplaned Passenger	\$6.71	\$6.71	\$7.05	\$7.16	\$7.44	TBD
Reliever Airports Net Operating Revenue (\$ = 000)	\$541.00	\$228.00	\$225.00	\$437.00	(\$274)	\$135
<b>Environment</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Environmental Stewardship Index	36.20	34.70	39.32	42.04	44.10	TBD
<b>Employee Engagement</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Employee Engagement Index*	NA	NA	NA	NA	3.79	3.74
Employee Turnover	7.06%	4.96%	3.36%	3.38%	5.11%	5.27%
<b>Customer Experience</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Airport Service Performance Rating (ACI Survey Scale 1-5)	4.08	4.17	4.18	4.19	4.21	4.24
Compliments to Complaints Ratio	0.19	0.29	0.34	0.52	0.62	0.37
<b>Development</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
CIP** Implementation	96.3%	99.7%	97.5%	97.8%	95.9%	TBD
Pay-As-You-Go PFC** Availability	NA	6.5 Years	5 Years	4.4 Years	4.4 Years	4.4 Years

**Metropolitan Airports Commission Organizational Results Indicators**

The following Operations Results Indicators are common benchmark measures. However, the MAC has very limited ability to directly impact these numbers.

<b>Operations</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Annual MSP Operations	453,042	450,044	432,395	436,625	436,509	425,332
Enplaned Passengers	16,969,000	16,384,000	15,551,000	15,714,000	15,972,000	16,020,000
Non-stop Domestic Destinations	123	123	113	114	118	114
Non-stop International Destination	21	21	21	21	20	20
Competitive Destinations	NA	32	33	33	35	42
Annual Reliever Operations	448,482	424,901	389,843	382,088	386,383	358,956
Reliever Airport Tenants	801	804	802	814	802	832
Reliever Based Aircraft	1,721	1,637	1,531	1,531	1,452	1525



***Flight Departure from MSP International Airport***

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The 2013 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 and the Capital Improvement Program (CIP) are detailed in the Capital 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 approved the 2013 budget in December 2012. Increases in operating revenue and operating expense, along with increases in non-operating expense, are projected for the 2013 budget when compared to the 2012 estimate. The following tables summarize revenues and expenses including non-operating revenue and expense.



***Delta Aircraft In Flight***

**Metropolitan Airports Commission  
Operating & Non-Operating Summary  
2013 Budget**
**2012 Estimate  
vs  
2013 Budget**

	<b><u>2011 Actual</u></b>	<b><u>2012 Budget</u></b>	<b><u>2012 Estimate</u></b>	<b><u>2013 Budget</u></b>	<b><u>Dollar Change</u></b>	<b><u>% Change</u></b>
<b>OPERATING REVENUES</b>						
<b>Airline Rates &amp; Charges</b>						
Airline Agreement						
Landing Fees	\$ 50,853,798	\$ 52,578,170	\$ 51,250,000	\$ 53,847,343	\$ 2,597,343	5.1%
Ramp Fees	6,328,007	6,208,439	6,200,000	6,014,062	(185,938)	-3.0%
Airline R&R	3,280,544	3,393,996	3,400,000	3,502,235	102,235	3.0%
Lindbergh Terminal - Rentals	32,715,593	34,628,221	34,600,000	35,667,471	1,067,471	3.1%
Lindbergh Terminal - Other	4,089,268	4,068,289	3,983,000	4,167,401	184,401	4.6%
Concessions Rebate	(9,324,305)	(9,353,616)	(9,500,000)	(9,576,831)	(76,831)	0.8%
Total Airline Agreement	87,942,905	91,523,499	89,933,000	93,621,681	3,688,681	4.1%
HHH Lobby Fees	6,943,780	6,555,681	7,400,000	8,116,485	716,485	9.7%
HHH Other / Passenger Fees	1,534,979	1,451,218	1,490,000	1,528,374	38,374	2.6%
<b>Total Airline Rates &amp; Charges</b>	<b>\$ 96,421,664</b>	<b>\$ 99,530,398</b>	<b>\$ 98,823,000</b>	<b>\$ 103,266,540</b>	<b>\$ 4,443,540</b>	<b>4.5%</b>
<b>Concessions</b>						
Terminal						
Food & Beverage	\$ 13,398,408	\$ 13,357,189	\$ 13,816,783	\$ 13,945,850	\$ 129,067	0.9%
News	3,362,301	3,435,911	3,516,996	3,450,420	(66,576)	-1.9%
Retail Stores	5,010,571	4,910,139	5,061,957	4,816,936	(245,021)	-4.8%
Passenger Services	4,448,630	4,570,441	4,290,000	4,341,547	51,547	1.2%
Total Terminal/Other	26,219,910	26,273,680	26,685,736	26,554,753	(130,983)	-0.5%
Parking/Grnd Transport						
Parking	66,611,966	72,957,395	73,100,000	74,416,509	1,316,509	1.8%
Ground Transportation	5,133,496	4,483,004	4,550,000	4,517,818	(32,182)	-0.7%
MSP Employee Parking	2,578,461	2,826,433	2,800,000	2,882,620	82,620	3.0%
Auto Rental - On Airport	17,112,134	16,785,919	17,250,000	17,239,233	(10,767)	-0.1%
Total Parking/Grnd Transport	91,436,057	97,052,751	97,700,000	99,056,180	1,356,180	1.4%
Other Concessions	1,135,868	1,467,800	1,384,000	1,546,800	162,800	11.8%
<b>Total All Concessions</b>	<b>\$ 118,791,835</b>	<b>\$ 124,794,231</b>	<b>\$ 125,769,736</b>	<b>\$ 127,157,733</b>	<b>\$ 1,387,997</b>	<b>1.1%</b>
<b>Rentals/Fees</b>						
Buildings & Facilities	\$ 6,515,851	\$ 6,923,304	\$ 6,936,000	\$ 7,104,333	\$ 168,333	2.4%
Auto Rental CFC	6,163,499	5,900,000	6,100,000	10,000,250	3,900,250	63.9%
Ground Rentals	9,484,771	8,973,591	8,605,000	8,877,341	272,341	3.2%
Reliever Airports	5,410,703	5,105,513	5,100,000	5,864,100	764,100	15.0%
<b>Total Rentals/Fees</b>	<b>\$ 27,574,824</b>	<b>\$ 26,902,408</b>	<b>\$ 26,741,000</b>	<b>\$ 31,846,024</b>	<b>\$ 5,105,024</b>	<b>19.1%</b>
<b>Utilities &amp; Other Revenues</b>						
Utilities	\$ 4,511,003	\$ 4,333,074	\$ 4,200,000	\$ 4,581,911	\$ 381,911	9.1%
GA/Airside Fees	2,438,245	2,310,594	2,218,000	2,033,069	(184,931)	-8.3%
Consortium Fees	1,680,551	1,678,739	2,300,000	2,843,995	543,995	23.7%
Other Revenues	1,584,505	1,358,676	1,370,000	1,445,809	75,809	5.5%
Reimbursed Expense	3,544,221	2,900,000	2,800,000	2,800,000	-	0.0%
<b>Total Utilities &amp; Other Revenues</b>	<b>\$ 13,758,525</b>	<b>\$ 12,581,083</b>	<b>\$ 12,888,000</b>	<b>\$ 13,704,784</b>	<b>\$ 816,784</b>	<b>6.3%</b>
<b>Total Operating Revenues</b>	<b>\$ 256,546,848</b>	<b>\$ 263,808,120</b>	<b>\$ 264,221,736</b>	<b>\$ 275,975,081</b>	<b>\$ 11,753,345</b>	<b>4.4%</b>

Metropolitan Airports Commission  
Operating & Non-Operating Summary  
2013 Budget2012 Estimate  
vs  
2013 Budget

	2011 <u>Actual</u>	2012 <u>Budget</u>	2012 <u>Estimate</u>	2013 <u>Budget</u>	Dollar <u>Change</u>	% <u>Change</u>
Total Operating Revenues	\$ 256,546,848	\$ 263,808,120	\$ 264,221,736	\$ 275,975,081	\$ 11,753,345	4.4%
<b>OPERATING EXPENSES</b>						
Personnel	\$ 66,296,645	\$ 68,132,919	\$ 67,000,000	\$ 68,705,121	\$ 1,705,121	2.5%
Administrative Expenses	1,532,368	1,372,179	1,380,000	1,407,882	27,882	2.0%
Professional Services	4,167,432	4,339,212	4,400,000	4,535,432	135,432	3.1%
Utilities	16,567,577	17,783,931	16,900,000	17,803,893	903,893	5.3%
Operating Services/Expenses	17,150,995	18,662,844	18,045,000	19,263,571	1,218,571	6.8%
Maintenance	27,057,397	26,670,236	26,106,000	28,548,470	2,442,470	9.4%
Other	3,530,125	2,701,934	2,700,000	2,752,191	52,191	1.9%
<b>Total Operating Expenses</b>	<b>\$ 136,302,539</b>	<b>\$ 139,663,255</b>	<b>\$ 136,531,000</b>	<b>\$ 143,016,560</b>	<b>\$ 6,485,560</b>	<b>4.8%</b>

(Excludes Depreciation and Noise Amortization)

<b>Net Operating Revenues</b>	<b>\$ 120,244,309</b>	<b>\$ 124,144,865</b>	<b>\$ 127,690,736</b>	<b>\$ 132,958,521</b>	<b>\$ 5,267,785</b>	<b>4.1%</b>
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2012 Estimate  
vs  
2013 Budget

	2011 <u>Actual</u>	2012 <u>Budget</u>	2012 <u>Estimate</u>	2013 <u>Budget</u>	Dollar <u>Change</u>	% <u>Change</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
<b>Other Non-Operating Revenue</b>						
Interest Income	\$ 5,173,000	\$ 7,000,000	\$ 5,200,000	\$ 4,500,000	\$ (700,000)	-13.5%
Self-Liquidating Income	4,149,000	3,606,000	4,919,000	5,131,000	212,000	4.3%
	\$ 9,322,000	\$ 10,606,000	\$ 10,119,000	\$ 9,631,000	\$ (488,000)	-4.8%
<b>Debt Service</b>						
Short Term Financing	\$ (30,000)	\$ (300,000)	\$ (280,000)	\$ (360,000)	\$ (80,000)	28.6%
Bond Principal/Int-Operating Fund Transfer	(76,481,000)	(84,293,000)	(82,280,000)	(93,900,000)	(11,620,000)	14.1%
Equip Financing Principal/Interest Payments	(1,936,000)	(2,881,000)	(2,881,000)	(2,350,000)	531,000	-18.4%
	\$ (78,447,000)	\$ (87,474,000)	\$ (85,441,000)	\$ (96,610,000)	\$ (11,169,000)	13.1%
<b>Equipment</b>						
Capital Expenditures	\$ (1,002,000)	\$ (1,020,000)	\$ (1,020,000)	\$ (1,040,000)	\$ (20,000)	2.0%
Equipment Purchases	(5,805,000)	(7,101,000)	(7,101,000)	(12,175,663)	(5,074,663)	71.5%
2011 Carryover Equipment Purchases	-	-	(1,136,000)	-	1,136,000	-100.0%
Equipment Financing	1,423,000	2,000,000	1,971,000	8,550,000	6,579,000	333.8%
	\$ (5,384,000)	\$ (6,121,000)	\$ (7,286,000)	\$ (4,665,663)	\$ 2,620,337	-36.0%
<b>Other</b>						
2011 Six Month Reserve Transfer	\$ (2,779,000)	\$ (2,463,613)	\$ (2,464,000)	\$ (1,677,000)	\$ 787,000	-31.9%
Interstate Settlement	-	-	(3,000,000)	-	3,000,000	-100.0%
Interstate Payments	-	-	627,000	720,000	93,000	14.8%
Grant Reimbursements	-	-	128,000	-	(128,000)	-100.0%
Easement Receipt	-	-	241,000	-	(241,000)	-100.0%
Gain (Loss) on Equipment & Other	293,000	-	49,000	-	(49,000)	-100.0%
	\$ (2,486,000)	\$ (2,463,613)	\$ (4,419,000)	\$ (957,000)	\$ 3,462,000	-78.3%
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$ (76,995,000)</b>	<b>\$ (85,452,613)</b>	<b>\$ (87,027,000)</b>	<b>\$ (92,601,663)</b>	<b>\$ (5,574,663)</b>	<b>6.4%</b>

<b>Net Revenues Available for Designation</b>	<b>\$ 43,249,309</b>	<b>\$ 38,692,252</b>	<b>\$ 40,663,736</b>	<b>\$ 40,356,858</b>	<b>\$ (306,878)</b>	<b>-0.8%</b>
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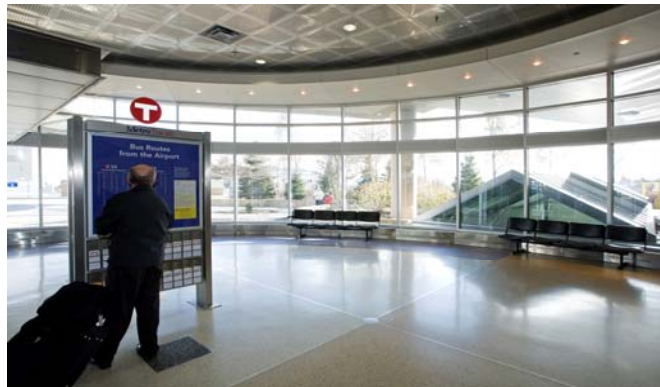
**Operating Revenue**

MAC's total Operating Revenues of \$276.0 million is \$11.8 million or 4.4% greater than the 2012 estimate of \$264.2 million. Detailed explanations are provided in the Operating Budget Revenue section of the budget book.

The projected budget for Airline Rates and Charges is \$103.3 million for 2013. 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 were reflected in 2005 and 2006 actual revenues.
- 2007 through 2011 actual revenue and 2012 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 and 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 \$15.0 million in 2006 (escalated at 3%) for repair and rehabilitation projects. 2013 budget amount is \$18.5 million
  - Protections to maintain a total annual debt service coverage of at least equal to 1.25x.

- Budget 2013 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 economy played a major role in projecting activity.



***Metro Transit Area – Terminal 1 - Lindbergh***

**Operating Expense**

MAC's total Operating Expense of \$143.0 million is \$6.5 or 4.7% above the 2012 estimate and excludes 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 Capital Budget)

**Non-Operating Expenses**

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

**SUMMARY OF OPERATING REVENUE AND EXPENSE**

The following table is shown below for GAAP (General Accepted Accounting Principles) purposes. The basis of budgeting in the operating budget contains elements that are not expensed under GAAP such as debt service and reserve requirements. In addition, the budget excludes depreciation and noise amortization while these expenses are included on the financial statements. The financial statements are issued in conformance with GAAP.

<b>Metropolitan Airports Commission</b> <b>Operating &amp; Non-Operating Summary</b> <b>GAAP Presentation Summary</b> <b>2013 Budget</b> <b>(\$ in 000)</b>						
					<b>2012 Estimate vs 2013 Budget</b>	
<b>OPERATING REVENUES</b>	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2012 Estimate</b>	<b>2013 Budget</b>	<b>Dollar Change</b>	<b>% Change</b>
Airline Rates & Charges	\$ 96,422	\$ 99,530	\$ 98,823	\$ 103,266	\$ 4,443	4.50%
Concessions	118,792	124,794	125,770	127,158	1,388	1.10%
Rentals/Fees	27,575	26,903	26,741	31,846	5,105	19.09%
Utilities & Other Revenues	13,759	12,581	12,888	13,705	817	6.34%
<b>Total Operating Revenues</b>	<b>\$ 256,548</b>	<b>\$ 263,808</b>	<b>\$ 264,222</b>	<b>\$ 275,975</b>	<b>\$ 11,753</b>	<b>4.45%</b>
<b>OPERATING EXPENSES</b>						
Personnel	\$ 66,297	\$ 68,133	\$ 67,000	\$ 68,705	\$ 1,705	2.54%
Administrative Expenses	1,532	1,372	1,380	1,408	28	2.03%
Professional Services	4,167	4,339	4,400	4,535	135	3.07%
Utilities	16,568	17,784	16,900	17,804	904	5.35%
Operating Services/Expenses	17,151	18,663	18,045	19,264	1,219	6.76%
Maintenance	27,057	26,670	26,106	28,548	2,442	9.35%
Other	3,530	2,702	2,700	2,752	52	1.93%
Depreciation	108,690	110,000	108,000	116,600	8,600	7.96%
Noise Amortization	10,295	11,000	12,800	12,500	(300)	-2.34%
<b>Total Operating Expenses</b>	<b>\$ 255,287</b>	<b>\$ 260,663</b>	<b>\$ 257,331</b>	<b>\$ 272,116</b>	<b>\$ 14,785</b>	<b>5.75%</b>
<b>Operating Loss</b>	<b>\$ 1,261</b>	<b>\$ 3,145</b>	<b>\$ 6,891</b>	<b>\$ 3,859</b>	<b>\$ (3,032)</b>	<b>44.00%</b>
<b>NON-OPERATING REVENUES (EXPENSES) &amp; CONTRIBUTIONS</b>						
Interest Income and Other	\$ 21,510	\$ 21,858	\$ 14,866	\$ 15,998	1,132	7.61%
Passenger Facility Charges (PFC's)	\$ 62,244	\$ 60,750	\$ 62,000	\$ 62,620	620	1.00%
Interest Expense	\$ (78,186)	\$ (72,500)	\$ (73,217)	\$ (72,800)	417	-0.57%
Capital Contributions & Grants	\$ 22,635	\$ 10,000	\$ 13,115	\$ 39,319	\$ 26,204	199.80%
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$ 28,203</b>	<b>\$ 20,108</b>	<b>\$ 16,764</b>	<b>\$ 45,137</b>	<b>\$ 28,373</b>	<b>169.25%</b>
<b>Net Increase in Net Assets</b>	<b>\$ 29,464</b>	<b>\$ 23,253</b>	<b>\$ 23,655</b>	<b>\$ 48,996</b>	<b>\$ 25,341</b>	<b>107.13%</b>

**BUDGET TARGETS**

The targets for the 2013 Operating Budget were approved on June 20, 2012 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**

<b>Debt Coverage Ratio</b>	<b><u>Estimate 2012</u></b>	<b><u>Target</u></b>	<b><u>Budget 2013</u></b>
<b>(Without Transfer)</b>	3.03x	1.40x	2.89x

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

	<b><u>Budget 2012</u></b>	<b><u>Budget 2013</u></b>
Operating Fund Reserve	\$69,831,628	\$71,507,630

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

<b><u>Budget 2013</u></b>
MSP ranked 8 <sup>th</sup> lowest out of the 27 large hub airports at \$6.68 Airline Cost/Enplaned Passenger.

**Target 4: The Commission will have a Balanced Budget**

<b><u>Budget 2013</u></b>		
Net Revenues available for designation:		
<b><u>Actual 2011</u></b>	<b><u>Estimate 2012</u></b>	<b><u>Budget 2013</u></b>
\$43,249,309	\$40,663,736	\$40,356,858

**STRATEGIC PLANNING - SCHEDULE**

The Strategic Plan process is driven by MAC's Mission, Vision and Values. MAC's Strategic Plan is updated annually to establish organizational priorities.

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

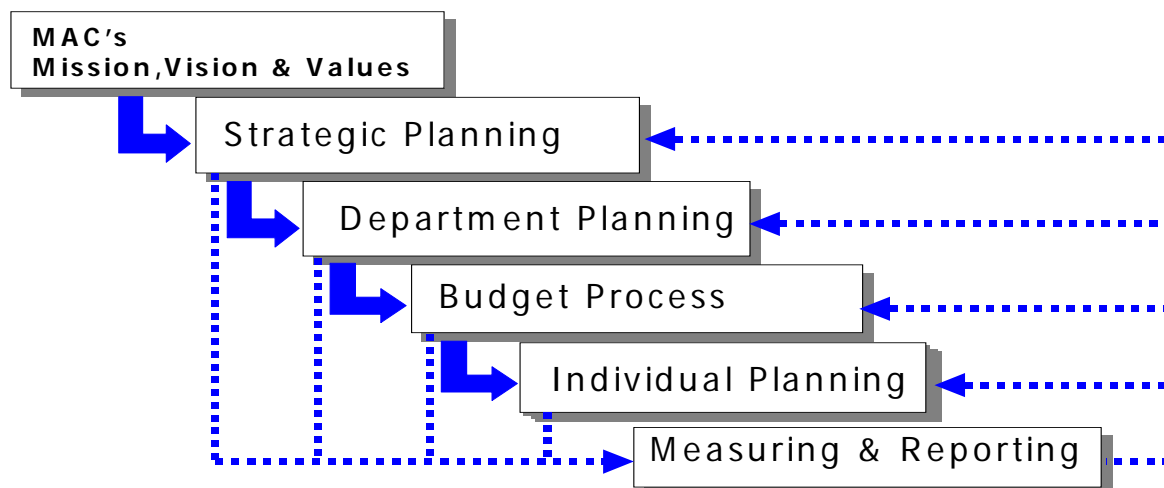
The draft Strategic Plan is presented to the Commission in conjunction with the proposed annual budget targets.

Following Commission approval, the 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) the 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 & Administration Committee provides direction to staff regarding growth and allocation of funds or budget targets. The direction provided by the Finance and Administration 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 to include three-year budgeting. 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 and Administration 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 2013, non-operating revenue and expenses were also taken 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 and Administration 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 October. The month of October is reserved for presentations to the Finance and Administration Committee and revisions prior to requesting final approval.

The Finance and Administration Committee will receive updates from staff during October and November. The recommendation from the Finance and Administration Committee for final approval is typically requested at the December Commission meeting. Final approval of the 2013 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.)



**Data Center Construction**

### **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.

In September, approval of the preliminary CIP plan is requested from the Planning, 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 Planning, 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.

### **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/Chief Executive Officer 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/Chief Executive Officer 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/Chief Executive Officer'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/Chief Executive Officer 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/Chief Executive Officer 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

**Non Operating Expenses**

- Debt Service
- Equipment Purchases
- Other
- Total Non Operating Expenses

**Maintenance**

- Trades
- Building
- Field
- Equipment
- Cleaning
- Total Maintenance

**Other**

- General Insurance
- Other
- Minor Equipment
- Total Other

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.	F&A 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.	Finance
✈ Recommends information regarding inflation factors, wage and contract adjustments to the Departments.	Finance
✈ Prepares preliminary budget.	Finance

**JUNE**

Task:	Responsibility:
✈ Presents preliminary budget to F&A 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.	Finance

**AUGUST**

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

**SEPTEMBER**

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

**OCTOBER**

<b>Task:</b>	<b>Responsibility:</b>
✂✂ Presents budget update to the F&A Committee.	Finance/Senior Staff
✂✂ Revise budget as required.	Finance
✂✂ Airline presentation.	Finance
✂✂ Publishes notice of CIP public hearing.	Airport Development

**NOVEMBER**

<b>Task:</b>	<b>Responsibility:</b>
✂✂ Presents budget update to F&A Committee.	Finance
✂✂ Revise budget as required.	Finance
✂✂ Holds public hearing regarding CIP.	Airport Development

**DECEMBER**

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

**FEBRUARY**

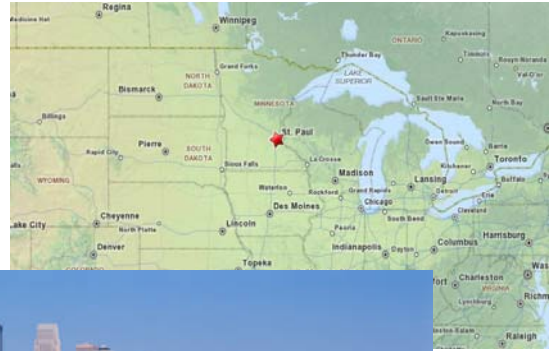
<b>Task:</b>	<b>Responsibility:</b>
✂✂ Complete Budget Book.	Finance

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**Overlooking Downtown St Paul**



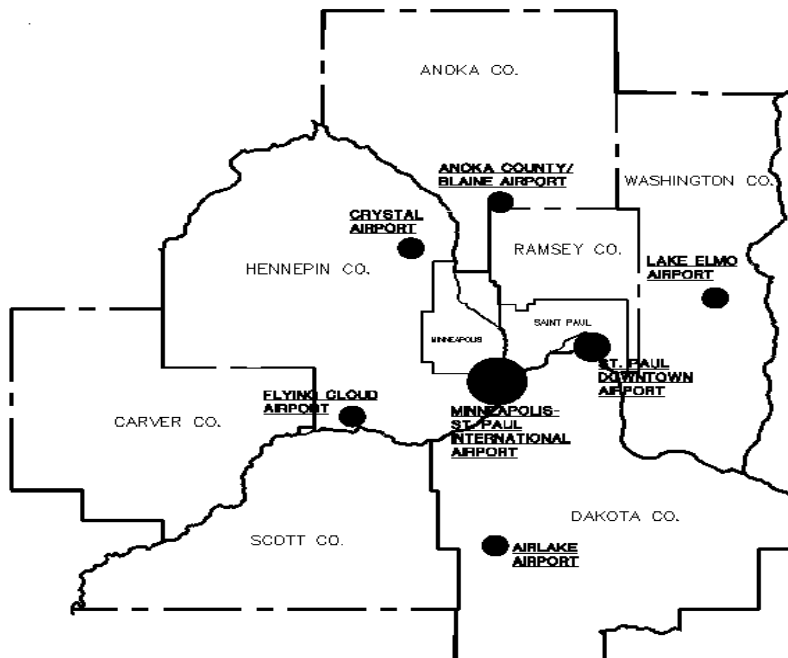
**Overlooking Downtown Minneapolis**

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 is to:

- 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 and to 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.
- Assure minimum environmental impact from air navigation and transportation for residents of the metropolitan area, 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 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.



The Chair and fourteen Commissioners 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. While the Commissioners terms are four years, the Chair serves at the pleasure of the Governor.



Dan Boivin-Commission Chair



Jeff Hamiel-Executive Director/CEO



Carl Crimmins  
District A



Rick King  
District B



Lisa Peilen  
District C



Steve Cramer  
District D



James Deal  
District E



Michael Madigan  
District F



John McClung  
District G



Tammy Mencil  
District H



Greg Foster  
City of Minneapolis



Pat Harris  
City of St Paul

#### Representing the Greater Minnesota Area



Timothy Geisler



Michael Landy



Donald Monaco

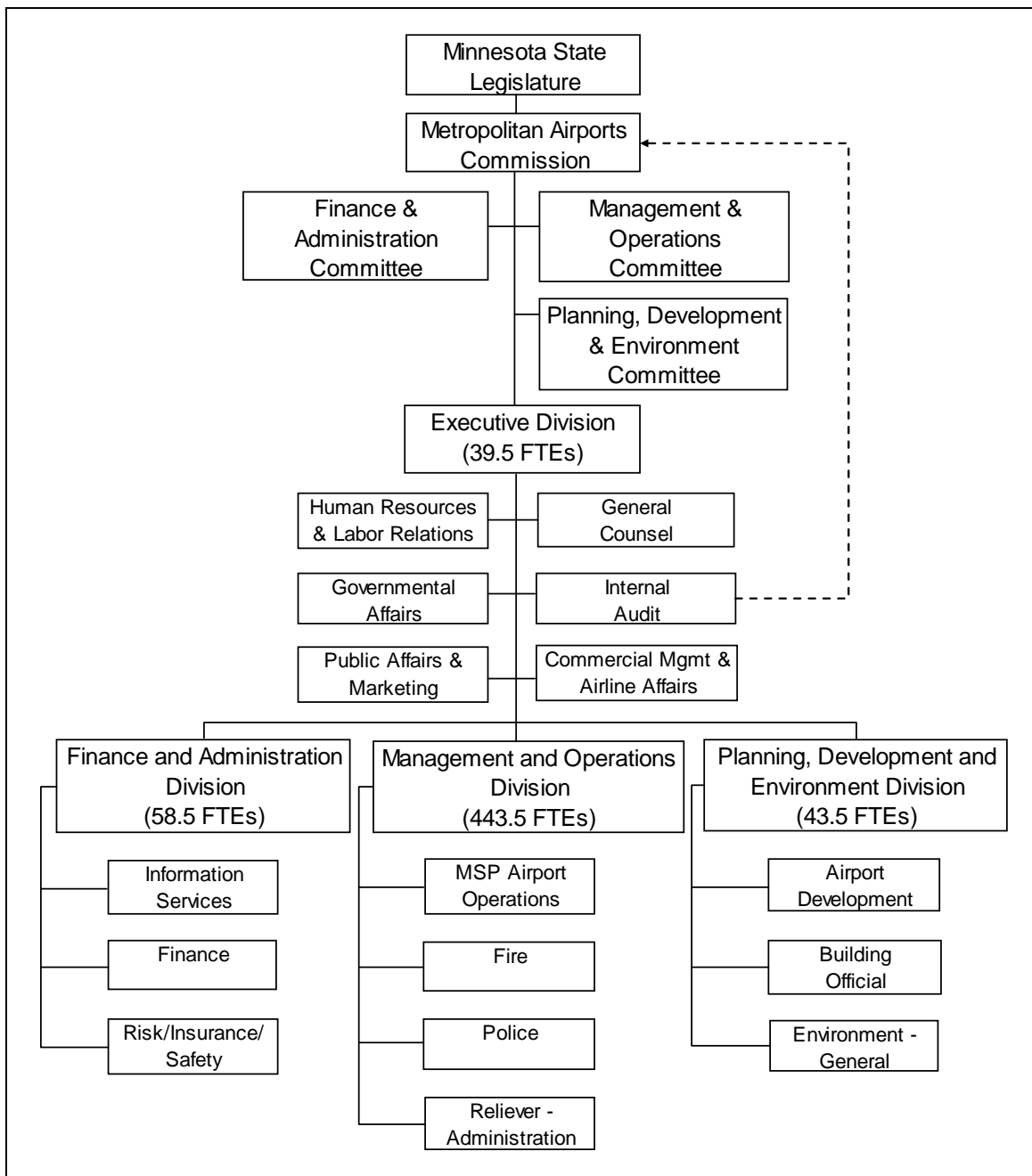


Paul Rehkamp

The Commission established three committees. Each of the committees (Planning, Development & Environment Committee, Finance & Administration Committee and Management & Operations Committee) meets on a monthly basis. 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. The full Commission also meets monthly.

MAC's organizational structure is made up of four divisions. The four divisions are: Executive; Finance & Administration; Planning, Development, & Environment; and Management & Operations. The Executive Division oversees all Metropolitan Airports Commission business and is directly responsible to the MAC's Board of Commissioners. Reporting directly to the Executive Director/CEO are the leaders of the Governmental Affairs, Human Resources and Labor Relations, General Counsel, and Public Affairs and Marketing departments as well as the Executive Vice President. The Internal Audit Department reports directly to the Commission but administratively to the Executive Director/CEO. Furthermore, reporting to the Executive Vice President are the Finance and Administration Division, the Management and Operations Division, the Planning, Development and Environment Division as well as the Commercial Management and Airline Affairs Service Center.

The organizational chart identifies the structure by division and department level. The total overall 2013 budgeted FTEs are 585 and are allocated to each division. Supporting detail for this chart is shown on the following pages including a table listing the divisions and service center roll-up.



In recent years, a number of changes were made to the organization. In 2010, the Conference Center began reporting to Concessions & Business Development rather than MSP Airport Operations. Prior to 2012, the departments and service centers were grouped into seven divisions; however, in 2012, the Metropolitan Airports Commission reorganized and grouped the departments and service centers into four divisions. As part of the reorganization, the Labor Relations manager merged into Human Resources. Furthermore, the Call Center merged into the Public Affairs and Marketing Department within the Executive Division in 2013. These changes were made to better reflect the service center responsibilities and reporting structure.

Summaries of the four divisions are shown later in this book and contain the following information by department or service center:



**Flash Mob Event at T-1**

- Responsibility/Function
- Budget Summary
- Budget Highlights
- 2011 Results Report
- 2012 Results Report
- 2013 Service Center Objectives
- Service Center Results Indicators for Key Area of Performance

## Divisions

MAC services are provided through four divisions. The Executive Director/CEO and the Vice Presidents lead, manage and integrate the business at MAC. These Vice Presidents also lead the operations and staff of the departments and service centers within their respective areas. The divisions and associated service center structure are detailed on the next page.

## Department

A combination of service centers is sometimes referred to as a department. 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

Rates and charges revenue collected 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.



**MAC Fire Department During a Live Burn Drill**

**Budget Specialist**

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

**Controllable Expenses**

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

<b>Organizational Structure by Division and Service Center</b>		
<b>Division</b>	<b>Service Center</b>	
	<b>Number</b>	<b>Name</b>
Executive	75100	Executive-Commissioner
	75000	Executive-General
	75700	Human Resources & Labor Relations
	76600	HRD & Strategic Planning
	80600	Diversity
	81500	Employee Relations
	80000	Commercial Management & Airline Affairs
	76100	Air Service Business Development
	80100	Concessions & Business Development
	82050	MSP Airport Conference Center
	76000	Public Affairs & Marketing
	78300	Internal Audit
	79500	Governmental Affairs
	81000	General Counsel
Finance & Administration	75600	Finance & Administration
	76800	Risk/Insurance/Safety
	76700	Wellness
	78000	Finance
	78100	MAC General
	78200	Purchasing
	79000	Information Services
Planning, Development, & Environment	75500	Planning, Development, & Environment
	77000	Airport Development
	77100	Building Official
	85000	Environment-General
	85100	Environmental Affairs
	85300	Aviation Noise Program
Management & Operations	75800	Operations
	82000	MSP Airport Operations
	83400	Landside-Administration
	83000	Landside-Operations
	83300	Landside-Parking
	85500	Facilities-Terminal 2
	86100	Facilities-Terminal 1
	86300	Facilities-Energy Management Center
	88400	Trades-Administration
	88000	Trades-Electricians
	88100	Trades-Painters
	88200	Trades-Carpenters
	88300	Trades-Plumbers
	89000	Field Maintenance
	82600	Airside Operations
	83600	Fire
	84200	Police
	82700	Emergency Communications
	90000	Relievers-Administration
	90200	Relievers-St. Paul
	90300	Relievers-Lake Elmo
	90400	Relievers-Air Lake
	90500	Relievers-Flying Cloud
	90600	Relievers-Crystal
	90700	Relievers-Anoka

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**ORGANIZATIONAL PERSONNEL**

Organizational Personnel provides information on MAC Full Time Equivalent (FTE) positions by:

- Actual, Authorized and Budgeted Count
- Service Center
- Position Classification

**Actual, Authorized and Budgeted Full Time Equivalent Positions**

The authorized and budgeted FTE position count for 2008 was 599.5 which increased by twenty FTE positions over the 2007 total. See further details below table.

However, the twenty 2008 FTE positions, along with five additional positions, were eliminated in 2009 as a result of budget constraints related to the downturn in the airline industry and the economic recession. Therefore, the position count in the 2009 budget originated at 574.5 FTE positions.

The 2010 budget included 565.5 FTE positions. However; after a number of years of operating the airport with minimum staff, a mid-year adjustment in 2010 of 8.5 FTE positions were authorized for a total of 574.

The 2011 budget included another four new FTE positions for a total count of 578 as MAC determined the need for additional FTE positions to run the airport safely, effectively and efficiently.

In the 2012 budget, three new FTE positions were included. In addition, two trainees to replace upcoming retirements were added to increase the position count to 583.

As the airline industry stabilizes and the economy slowly climbs, two new positions are added in 2013 for a total count of 585 budgeted FTEs. The authorized and budgeted FTE count is still well below the FTE high of 599.5 in 2008. With two anticipated retirements in 2013, the position count will be reduced to 583. The actual salary amount for the budgeted positions was adjusted to reflect a limited vacancy factor to account for time to fill open positions.

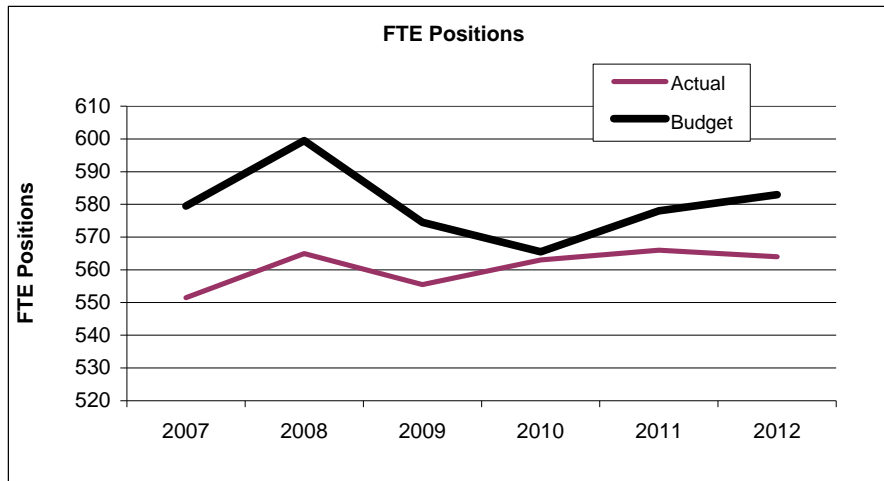
The following table shows actual FTE positions have been less than both authorized and budgeted since 2007.

<b>FTE Positions</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Budgeted	*579.5	599.5	574.5	565.5	578	583	585
Authorized	*579.5	599.5	574.5	**574	578	583	585
Actual	551.5	565	555.5	563	566	564	TBD

\* 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 fifteen previously authorized positions and four new positions were added.

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

The following graph compares budget and actual 2007 thru 2012 FTE positions.



**Metropolitan Airports Commission Staff**

**Participating in the Relay for Life Fundraiser**



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

Service Center	2009 Actual	2010 Actual	2011 <sup>(1)</sup> Actual	2012 <sup>(1)</sup> Actual	2012 Budget	2013 Budget
<b>Executive</b>	As of 12/18/09	As of 12/17/10	As of 12/19/11	As of 12/20/12		
75000 Executive - General	2	2	2	3	2	3 (2)
75100 Executive - Commissioner	0.5	0.5	0.5	0.5	0.5	0.5
75700 Human Resources & Labor Relations	2	2	2	2	2	3 (3)
76000 Public Affairs & Marketing	3	4	5	5	5	7 (4)
76100 Air Service - Business Development	0.5	0.5	0.5	0	0.5	0 (5)
76600 HRD & Strategic Planning	3	3	3	3	3	3
78300 Internal Audit	3	4	4	4	4	4
79500 Governmental Affairs	3	3	3	1	3	2 (3)
80000 Commercial Mgmt & Airline Affairs	4	5	5	5	5	5
80100 Concessions & Business Development	4	4	3	4	4	4
80600 Diversity	2	2	2	2	2	2
81000 General Counsel	8	8	8	9	8	9 (6)
81500 Employee Relations	5.5	6	6	6	6	6
82050 MSP Airport Conference Center	2	2	3	3	3	3
<b>Total Executive</b>	42.5	46	47	47.5	48	51.5
<b>BUDGET</b>	<b>42.5</b>	<b>45.5</b>	<b>47</b>	<b>48</b>		<b>51.5</b>
<b>Finance &amp; Administration</b>						
75600 Finance & Administration	4	4	2	2	3	2 (8)
76800 Risk/Insurance/Safety	4.5	4.5	5	5	5.5	5 (9)
78000 Finance	16	16	16	15	16	16
78100 MAC General (7)				0	5	4 (6)(2)
78200 Purchasing	7.5	7.5	7.5	7.5	7.5	7.5
79000 Information Services	20	22	22	23	24	24
<b>Total Finance &amp; Administration</b>	52	54	52.5	52.5	61	58.5
<b>BUDGET</b>	<b>59</b>	<b>52</b>	<b>61</b>	<b>61</b>		<b>58.5</b>
<b>Planning, Development &amp; Environment</b>						
75500 Planning, Development, & Environment	2	2	2	1	2	2.5 (5)
77000 Airport Development	15	15	15	15	15	15
77100 Building Official	2	2	2	2	2	2
85000 Environment - General	2	2	2	1	2	2
85100 Environmental Affairs	3	3	3	3	3	3
85300 Aviation Noise Program	7	7	7	6	7	7
<b>Total P, D &amp; E</b>	31	31	31	28	31	31.5
<b>BUDGET</b>	<b>31</b>	<b>31</b>	<b>31</b>	<b>31</b>		<b>31.5</b>

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

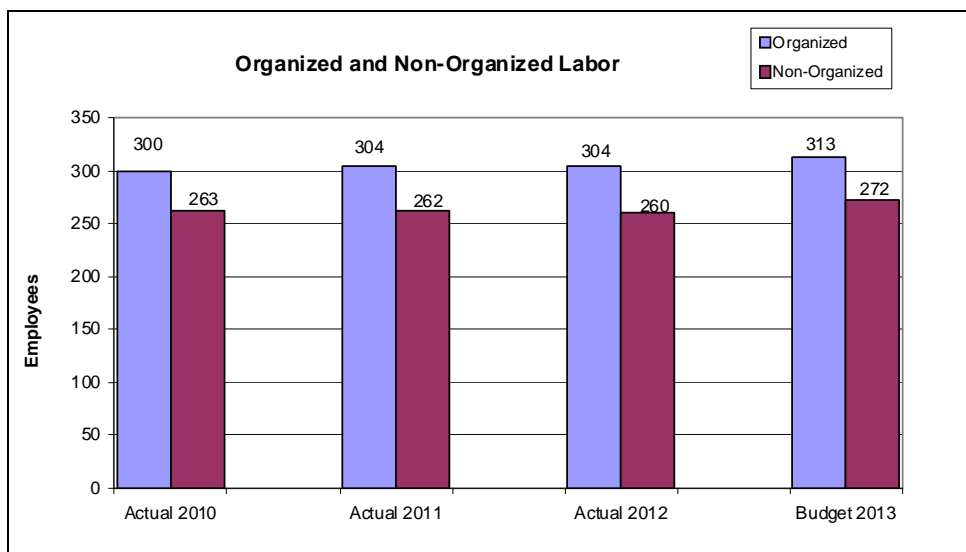
Service Center	2009 Actual As of 12/18/09	2010 Actual As of 12/17/10	2011(1) Actual As of 12/19/11	2012(1) Actual As of 12/20/12	2012 Budget	2013 Budget
<b>Management &amp; Operations</b>						
75800 Operations	2	2	3	4	2	4 (8)
82000 MSP Airport Operations	4	4	4	5	6	3 (4,8)
82060 Call Center	2	2	2	0	0	0 (4)
82600 Airside Operations	15	15	15	15	15	15
82700 Emergency Communications	13	15	15	13	16	17 (9)
83400 Landside - Administration	23.5	23.5	23.5	23	23.5	23.5
83600 Fire	49	48	48	49	49	49
84200 Police	111.5	113.5	114	113	117.5	117 (9)
85500 Facilities - Terminal 2	2	3	3	3	3	3
86100 Facilities - Terminal 1	10	10	10	10	10	9 (10)
86300 Facilities - Energy Management Center	18	18	16	20	20	21 (10)
88000 Trades - Electricians	17	17	18	18	17	18 (6)
88100 Trades - Painter	8	7	8	8	8	8
88200 Trades - Carpenter	9	9	9	9	9	9
88300 Trades - Plumber	8	8	8	8	8	8
88400 Trades - Administration	1	2	2	2	2	2
89000 Field Maintenance	111	110	111	110	111	111
90000 Reliever - Administration	8	8	8	8	8	8
90200 Reliever - St. Paul	7	7	7	7	7	7
90300 Reliever - Lake Elmo	1	0	1	1	1	1
90400 Reliever - Airlake	1	1	1	1	1	1
90500 Reliever - Flying Cloud	3	3	3	3	3	3
90600 Reliever - Crystal	3	3	3	3	3	3
90700 Reliever - Anoka	3	3	3	3	3	3
<b>Total Management &amp; Operations</b>	<b>430</b>	<b>432</b>	<b>435.5</b>	<b>436</b>	<b>443</b>	<b>443.5</b>
<b>BUDGET</b>	<b>442</b>	<b>437</b>	<b>439</b>	<b>443</b>		<b>443.5</b>
<b>Total Actual FTEs</b>	<b>555.5</b>	<b>563</b>	<b>566</b>	<b>564</b>		
<b>TOTAL BUDGET FTEs</b>	<b>574.5 (11)</b>	<b>565.5</b>	<b>578</b>	<b>583</b>		<b>585</b>

**The difference in FTEs between the 2012 and 2013 budget is due to:**

- (1) Service centers transferred open position to other service centers based upon need
- (2) A new Executive Vice President position was created from MAC General
- (3) The Labor Relations Manager moved to Human Resources
- (4) The Call Center moved to Public Affairs & Marketing from MSP Airport Operations
- (5) The sole .5 FTE in Air Service-Business Development retired and the FTE moved to P, D & E
- (6) General Counsel and Electricians each received one FTE from MAC General
- (7) MAC General is a general service center for maintaining FTE count
- (8) One FTE each from MSP Airport Operations and Finance & Administration moved to Operations
- (9) .5 FTE moved from Police and .5 FTE moved from Risk/Insurance/Safety to Emergency Communications
- (10) One FTE moved from Facilities-Terminal 1 to Facilities-Energy Management Center
- (11) The FTE count was adjusted down from 574.5 to 565.5 in 2009

<b>Regular Status Full Time Equivalent Position Count by Job Classification</b>				
	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>
<b>Organized</b>				
Local 70 Operating Engineers	15	13	17	17
49er's Equipment Maintenance	22	22	22	22
320's - MSP Int'l - Field	75	75	74	75
320's - MSP Int'l - Facilities	2	2	2	2
320's - Reliever Airports	18	18	17	18
Painters -386	7	8	8	8
Carpenters - CAR	9	9	9	9
Plumbers -034	8	8	8	8
Electricians - 292	17	18	18	18
Emergency Communications Specialists	11	11	9	13
Police Lieutenants/Sergeants - 307	18	18	19	19
Police Officers - 302	57	58	56	59
Firefighters - S6	32	35	36	36
Fire Captains - S6	9	9	9	9
<b>Total Organized</b>	<b>300</b>	<b>304</b>	<b>304</b>	<b>313</b>
<b>Non-Organized</b>				
Chairperson/Executive Director	1.5	1.5	1.5	1.5
Dep. Directors/Directors/Assistant Director	23	24	23	25
Managers/Assistant Managers/Supervisors	87	90	85	89.5
Police Chief/Fire Chief	2	2	2	2
Community Service Officers	12	13	14	15
Passenger Assistants	12.5	12.5	12	12.5
Fire Training/Marshall	2	2	2	2
Commanders/Deputy Chief/Police Training Coord	4	4	4	4
Administrative/Professional/Tech. Support	119	113	114.5	116.5
Unassigned	0	0	2	4
<b>Total Non-Organized</b>	<b>263</b>	<b>262</b>	<b>260</b>	<b>272</b>
<b>Total MAC</b>	<b>563</b>	<b>566</b>	<b>564</b>	<b>585</b>

Organized refers to those work areas or employees which are represented by a union. All unions represented have specific contracts which dictate wages, benefits and work rules. Currently, the MAC has 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.



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The Metropolitan Airports Commission Financial Policies are addressed as follows. The Commission utilizes these policies to provide structure and in ensuring, the development of the budget meets the mission statement: "We provide and promote safe, convenient, environmentally sound and cost competitive aviation services for our customers."

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

## **FINANCIAL POLICIES – OPERATING BUDGET**

The Metropolitan Airports Commission uses the budget process to help plan for the future, ensure customer service and satisfaction and maintain effective cost management and overall performance. 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 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.
3. The budget will provide for adequate funding of all retirement systems.
4. The Finance Department will assist Service Centers in reviewing monthly variance reports comparing actual versus budget revenue and expense on the financial software system.
5. The budget will provide summary information regarding the Operating Fund, Construction Fund and Debt Service Fund projected for the next three years.
6. Where possible, the Commission will integrate performance measurement and/or efficiency indicators in the budget.
7. 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/Chief Executive Officer.

### **B. Budget Targets**

The Commission will adopt budget targets to provide direction to staff in the preparation of the annual Operating Budget for the upcoming year. Budget targets may be established in the areas of non-airline revenue, operating expense (less depreciation), total airline charges and debt service coverage ratios. Targets will be developed taking into account items such as the Capital Improvement Program, the rate of inflation, the state of the airline industry and existing labor and vendor contracts. To allow for public input into the Operating Budget, the following will occur:

1. Targets will be presented one month and final adoption will not occur until the following month, at the earliest. Targets will be presented no later than May of the preceding budget year.
2. A draft of the Operating Budget must be presented to the Commission and mailed to the appropriate legislative committees ninety days prior to anticipated budget approval.

### **C. Operating Reserve**

The Operating Reserve was established by the Finance and Administration Committee at six months of operating expenses. The Commission will maintain an operating reserve balance approximately six months of operating expenses less depreciation. If the Commission deems it appropriate to reduce the operating reserve for the portion above the formula amount, such reductions shall not exceed 50% of the excess in any one year.



**Light Rail Station–Terminal 1**

In the event of a revenue shortfall in a current budget year, the Executive Director/Chief Executive Officer could freeze new hires, reduce temporary work force, defer cost of living wage increases, reduce discretionary spending, decrease capital and project expenditures and may recommend a transfer from the Commission's operating reserve.

#### **D. Revenue**

The Commission monitors revenues on a monthly basis to ensure revenue from each source is at the maximum with deviations from budget identified.

1. *One-Time Revenues* include, but are not limited to, grants and rebates. Grants are accounted for as contributing capital while rebates are accounted for as Miscellaneous operating revenue. This revenue generated will become available to the Construction Fund, Capital Equipment purchases or other one-time expenditures as approved by the Commission.
2. *Revenue Diversification* - The Commission maintains a diversified revenue system which is consistently monitored to help protect from possible short-term fluctuations.
3. 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 operational and maintenance expenses.

#### **Basis of Budgeting**

Each year the Finance Department, with the assistance 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**

Minnesota Statute 473.661, subd. 1 refers to the general law regarding expenditure of public funds for public purposes. The appropriate Minnesota Legislative committee and the public provide input prior to the budget approval. The Commission will annually (by the end of December each year) adopt a balanced budget defined as all revenues and non-operating revenues exceeding expenses and non-operating expenditures in all funds. Year-end operating surpluses will be used in maintaining reserves and may be available to the Construction Fund for capital projects as approved by the Commission.

**Use of Estimates**

The use of 2012 estimates in the reporting of the 2013 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. For example, Purchasing verifies requisitions and budget amounts and 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
  - All securities are safekept at one institution.
  - All deposits must be insured or collateralized.
2. Investments
  - Investment purchases are made only from dealers with offices located in the State of Minnesota.
  - All investment purchases require bids to be taken from several different dealers.
  - Investments purchased will be diversified under legal requirements trying to maximize the Rate of Return.
  - The average Rate of Return will exceed the six-month Treasury bill.
  - All repurchase agreements are required to be collateralized.
  - The maturity of any investment shall not exceed three years.
  - To the extent possible, the MAC will attempt to match its investments with anticipated cash flow requirements.
  - The addition of new accounts shall require the written authorization of the Finance Director and Executive Director/Chief Executive Officer.
3. Collateral
  - Collateral must always be held by an independent third party with whom the MAC has a custodial agreement
  - A clear marked evidence of ownership (safekeeping) must be supplied to the entity and retained.
  - 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-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 that 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 those 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
  - 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
  - Estimated useful life of a capital improvement project typically range from 5 to 40 years

**Capital Equipment**

All equipment purchases for 2013 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.
6. Estimated useful life for capital equipment range from 3 to 15 years.

**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 the following: 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.

## **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 or Airport 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 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: Revolving Line of Credit, General Airport Revenue Bonds (GARBs) and General Obligation Revenue Bonds (GORBs). The GORB instrument has the most straightforward 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 Revolving Line of Credit, the total authorized limit is currently \$75 million. 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**

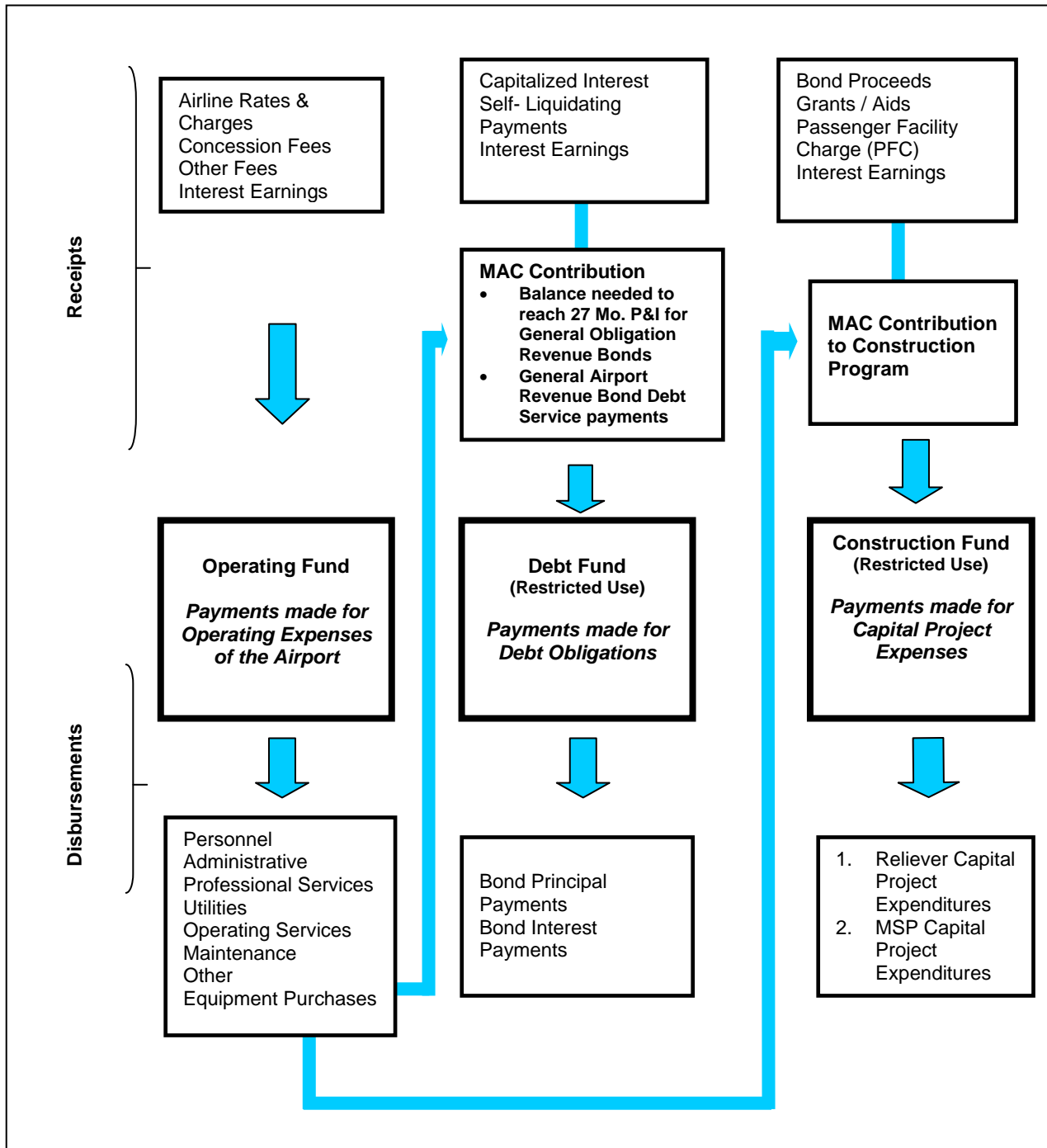
The Metropolitan Airports Commission is in compliance with all of the above stated policies.

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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.

<b>FUND BALANCE SUMMARY - 2013 BUDGET</b> <b>(\$ = 000)</b>						
	<b>2011 Actual</b>	<b>2012 Estimated</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>2014 Projection</b>	<b>2015 Projection</b>
<b>OPERATING FUND</b>						
1/1 Balance	\$ 111,879	\$ 111,209	\$ 106,796	\$ 112,173	\$ 113,544	\$ 112,529
Total Sources of Funds	267,586	276,312	276,413	294,877	300,411	303,482
Total Uses of Funds	(268,256)	(275,348)	(275,097)	(293,506)	(301,426)	(302,914)
Transfers	-	-	-	-	-	-
Ending Balance	\$ 111,209	\$ 112,173	\$ 108,112	\$ 113,544	\$ 112,529	\$ 113,097
<b>CONSTRUCTION FUND</b>						
1/1 Balance	\$ 310,292	\$ 306,363	\$ 304,367	\$ 309,689	\$ 308,754	\$ 303,305
Total Sources of Funds	128,671	170,726	135,247	152,453	122,703	110,779
Total Uses of Funds	(132,600)	(167,400)	(149,861)	(153,388)	(128,152)	(115,490)
Ending Balance	\$ 306,363	\$ 309,689	\$ 289,753	\$ 308,754	\$ 303,305	\$ 298,594
<b>DEBT SERVICE FUNDS</b>						
1/1 Balance	\$ 275,528	\$ 228,523	\$ 228,690	\$ 229,183	\$ 236,744	\$ 234,451
Total Sources of Funds	362,447	167,673	115,486	125,005	123,675	123,906
Total Uses of Funds	(409,452)	(167,013)	(117,080)	(117,444)	(125,968)	(125,431)
Ending Balance	\$ 228,523	\$ 229,183	\$ 227,096	\$ 236,744	\$ 234,451	\$ 232,926
<b>TOTAL ALL FUNDS</b>						
1/1 Balance	\$ 697,699	\$ 646,095	\$ 639,853	\$ 651,045	\$ 659,042	\$ 650,285
Total Sources of Funds	758,704	614,711	527,146	572,335	546,789	538,167
Total Uses of Funds	(810,308)	(609,761)	(542,038)	(564,338)	(555,546)	(543,835)
Transfers	-	-	-	-	-	-
Ending Balance	\$ 646,095	\$ 651,045	\$ 624,961	\$ 659,042	\$ 650,285	\$ 644,617
Funds are described in detail and show all sources/uses of funds in their respective section of the document.						

The major change in the total of all funds balance from estimated 2012 (\$651 million) to projected 2015 (\$645 million) is relatively flat due to modest growth in operating revenues and expenses along with a level amount of spending in the Capital Improvement Program and no anticipated future debt issues during 2013-2015.

## 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 2011/2012 taxable market value, the maximum amount available for maintenance and operations of the Commission would have been approximately \$25.0 million.

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

The summary below illustrates how dollars are received and disbursed.

<b>OPERATING FUND (\$ = 000)</b>	<b>2011 Actual</b>	<b>2012 Estimated</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>2014 Projection</b>	<b>2015 Projection</b>
<u>Sources</u>						
1/1 Balance	\$ 111,879	\$ 111,209	\$ 106,796	\$ 112,173	\$ 113,544	\$ 112,529
Operating Revenues						
Airline Rates & Charges	96,422	98,823	99,530	103,267	105,497	107,251
Concessions	118,792	125,770	124,794	127,158	129,479	131,605
Other Operating Revenues	41,334	39,629	39,483	45,551	42,364	43,040
Subtotal Operating Revenues	\$ 256,548	\$ 264,222	\$ 263,807	\$ 275,976	\$ 277,340	\$ 281,896
Other/Non Operating Revenues						
Interest Earnings 1	5,173	5,200	7,000	4,500	4,386	3,962
Self-Liquidating Revenue	4,442	4,919	3,606	5,851	10,185	10,624
Transfer from Construction Fund	-	-	-	-	-	-
Gain (Loss) on Assets and Other	-	-	-	-	-	-
Subtotal Other/Non Operating Revenue	9,615	10,119	10,606	10,351	14,571	14,586
Total Sources	\$ 266,163	\$ 274,341	\$ 274,413	\$ 286,327	\$ 291,911	\$ 296,482
<u>Uses</u>						
Operating Expenses						
Personnel	\$ 66,297	\$ 67,000	\$ 68,133	\$ 68,705	\$ 70,079	\$ 71,481
Administration	1,532	1,380	1,372	1,408	1,472	1,509
Professional Services	4,167	4,400	4,339	4,535	4,517	4,408
Utilities	16,568	16,900	17,784	17,804	18,160	18,523
Operating Services	17,151	18,045	18,663	19,264	19,606	19,929
Maintenance	27,057	26,106	26,670	28,548	29,729	30,784
Other/Insurance	3,530	2,700	2,701	2,752	2,842	2,957
Subtotal Operating Expenses	136,302	136,531	139,662	143,016	146,405	149,591
Non Operating Expenses						
Equipment						
Equipment Purchases/Capital Expend	(6,807)	(10,076)	(8,121)	(13,216)	(13,348)	(13,482)
Equipment Financing	1,423	1,971	2,000	8,550	8,500	7,000
Principal/Interest-Equip. Financing	(1,936)	(2,881)	(2,881)	(2,350)	(3,500)	(4,000)
Subtotal Equipment	(7,320)	(10,986)	(9,002)	(7,016)	(8,348)	(10,482)
Debt Service						
Transfer Out - Debt Service	(76,511)	(82,560)	(84,593)	(94,260)	(97,816)	(94,941)
Subtotal Debt Service	(76,511)	(82,560)	(84,593)	(94,260)	(97,816)	(94,941)
Total Uses	\$ (220,133)	\$ (230,077)	\$ (233,257)	\$ (244,292)	\$ (252,569)	\$ (255,014)
Unrestricted Net Transfer Out-Constr.	(46,700)	(43,300)	(39,840)	(40,664)	(40,357)	(40,900)
Operating Fund Balance	\$ 111,209	\$ 112,173	\$ 108,112	\$ 113,544	\$ 112,529	\$ 113,097

1 Interest Rate Assumed 0.50% for 2013 - 2015

## 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 2013 is \$71.5 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 Operating Budget Revenue Section. In general, Airline Rates and Charges increased from the 2012 estimate because of scheduled debt service increases, inflation as well as a very mild winter experienced in 2012. Budgets for snow removal are prepared on historical averages. 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 increases can be attributed to rent changes. Operating Revenues total \$276.0 million for 2013.

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 2013-2015. Interest is earned on the balance in the Operating Fund which includes self-liquidating leases. Interest earnings are decreasing slightly due to lower interest rates. Self-liquidating leases are those facilities built by MAC and then leased to tenants. This area is up due to Delta's repayment of certain leasehold improvements on the G Concourse.



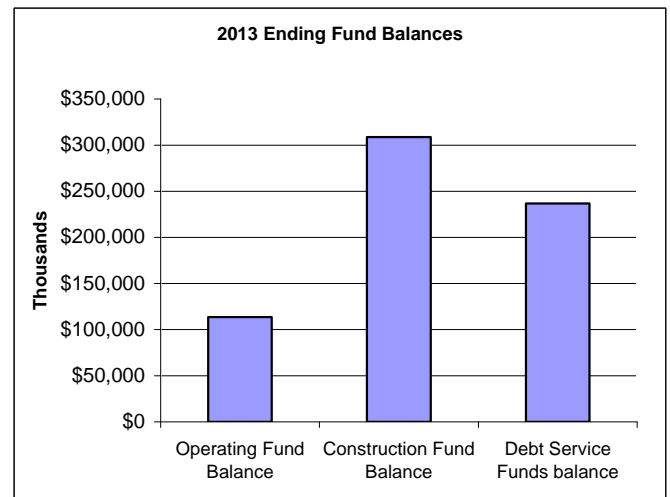
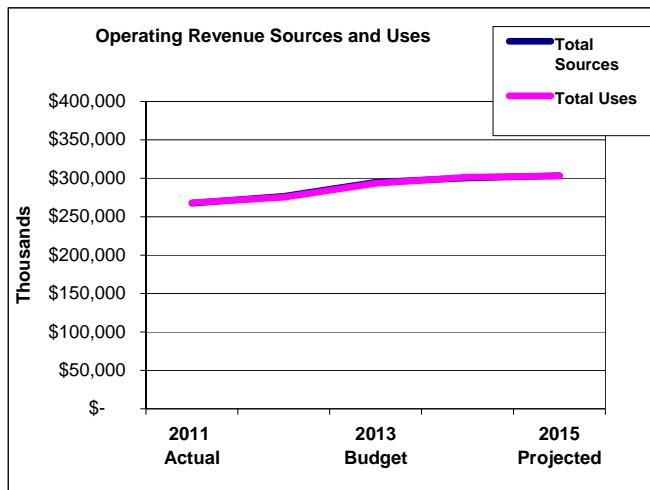
**Terminal 1-Lindbergh Retail Shops**

## 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 2013 is \$143.0 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 2013 is \$13.2 million and includes other capital expenditures. A portion of this equipment will be leased. The offset to the equipment is shown as Equipment Financing (\$8.6 million). Finally, the actual lease financing cost and miscellaneous other capital expenditures are shown.
  - B. Debt Service – This is the required transfers that are made to cover all debt service. On October 10<sup>th</sup> of each year, MAC must contribute from its Operating Fund to the Debt Service Fund an amount necessary to bring that fund balance up to the 27-month principal and interest level required by law (for General Obligation Bonds). (See Debt Service Budget for complete details.) In June and December, the Commission must then transfer the required amount for the GARB (General Airport Revenue Bond) reserve. This transfer in 2013 is expected to be \$94.3 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. \$40.7 million is anticipated for 2013 based on 2012 estimates.

The graphs below illustrate the sources and uses of revenue and the three 2013 budgeted fund balances.



					2012 Estimate vs 2013 Budget	
	2011 Actual	2012 Budget	2012 Estimate	2013 Budget	Dollar Change	% Change
<b>REVENUE</b>						
Airline Rates & Charges	96,421,664	99,530,397	98,823,000	103,266,540	4,443,540	4.5%
Concessions	118,791,835	124,794,231	125,769,736	127,157,733	1,387,997	1.1%
Rentals/Fees	27,574,823	26,902,408	26,741,000	31,846,024	5,105,024	19.1%
Utilities & Other Revenue	13,758,525	12,581,083	12,888,000	13,704,784	816,784	6.3%
<b>Total Operating Revenue</b>	<b>256,546,847</b>	<b>263,808,119</b>	<b>264,221,736</b>	<b>275,975,081</b>	<b>11,753,345</b>	<b>4.4%</b>
<b>EXPENSE</b>						
Personnel	66,296,645	68,132,919	67,000,000	68,705,121	1,705,121	2.5%
Administrative Expenses	1,532,368	1,372,179	1,380,000	1,407,882	27,882	2.0%
Professional Services	4,167,432	4,339,212	4,400,000	4,535,432	135,432	3.1%
Utilities	16,567,577	17,783,931	16,900,000	17,803,893	903,893	5.3%
Operating Services/Expenses	17,150,995	18,662,844	18,045,000	19,263,571	1,218,571	6.8%
Maintenance	27,057,397	26,670,236	26,106,000	28,548,470	2,442,470	9.4%
Other	3,530,125	2,701,934	2,700,000	2,752,191	52,191	1.9%
<b>Total Operating Expense (Excludes Depreciation)</b>	<b>136,302,540</b>	<b>139,663,255</b>	<b>136,531,000</b>	<b>143,016,560</b>	<b>6,485,560</b>	<b>4.8%</b>
<b>Net Operating Revenues (Excludes Depreciation)</b>	<b>120,244,308</b>	<b>124,144,864</b>	<b>127,690,736</b>	<b>132,958,521</b>	<b>5,267,785</b>	

					2012 Estimate vs 2013 Budget	
	2011 Actual	2012 Budget	2012 Estimate	2013 Budget	Dollar Change	% Change
<b>Airline Rates &amp; Charges</b>						
Airline Agreement						
Landing Fees	\$50,853,798	52,578,170	51,250,000	53,847,343	2,597,343	5.07%
Ramp Fees	6,328,007	6,208,439	6,200,000	6,014,062	(185,938)	-3.00%
Airline R&R	3,280,544	3,393,996	3,400,000	3,502,235	102,235	3.01%
Terminal 1 - Rentals	32,715,593	34,628,220	34,600,000	35,667,471	1,067,471	3.09%
Terminal 1 - Other	4,089,268	4,068,289	3,983,000	4,167,401	184,401	4.63%
Concessions Rebate	(9,324,305)	(9,353,616)	(9,500,000)	(9,576,831)	(76,831)	0.81%
Total Airline Agreement	87,942,905	91,523,498	89,933,000	93,621,681	3,688,681	4.10%
Terminal 2 Lobby Fees	6,943,780	6,555,681	7,400,000	8,116,485	716,485	9.68%
Terminal 2 Other / Passenger Fees	1,534,979	1,451,218	1,490,000	1,528,374	38,374	2.58%
<b>Total Airline Rates &amp; Charges</b>	<b>\$96,421,664</b>	<b>99,530,397</b>	<b>98,823,000</b>	<b>103,266,540</b>	<b>4,443,540</b>	<b>4.50%</b>
<b>Concessions</b>						
Terminal						
Food & Beverage	\$13,398,408	13,357,189	13,816,783	13,945,850	129,067	0.93%
News	3,362,301	3,435,911	3,516,996	3,450,420	(66,576)	-1.89%
Retail Stores	5,010,571	4,910,139	5,061,957	4,816,936	(245,021)	-4.84%
Passenger Services	4,448,630	4,570,441	4,290,000	4,341,547	51,547	1.20%
Total Terminal/Other	26,219,910	26,273,680	26,685,736	26,554,753	(130,983)	-0.49%
Parking/Grnd. Transport.						
Parking	66,611,966	72,957,395	73,100,000	74,416,509	1,316,509	1.80%
Ground Transportation	5,133,496	4,483,004	4,550,000	4,517,818	(32,182)	-0.71%
MSP Employee Parking	2,578,461	2,826,433	2,800,000	2,882,620	82,620	2.95%
Auto Rental - On Airport	17,112,134	16,785,919	17,250,000	17,239,233	(10,767)	-0.06%
Total Parking/Grnd. Transport.	91,436,057	97,052,751	97,700,000	99,056,180	1,356,180	1.39%
Other Concessions	1,135,868	1,467,800	1,384,000	1,546,800	162,800	11.76%
<b>Total All Concessions</b>	<b>\$118,791,835</b>	<b>124,794,231</b>	<b>125,769,736</b>	<b>127,157,733</b>	<b>1,387,997</b>	<b>1.10%</b>
<b>Rentals/Fees</b>						
Buildings & Facilities	\$6,515,851	6,923,304	6,936,000	7,104,333	168,333	2.43%
Auto Rental CFC	6,163,499	5,900,000	6,100,000	10,000,250	3,900,250	63.94%
Ground Rentals	9,484,771	8,973,591	8,605,000	8,877,341	272,341	3.16%
Reliever Airports	5,410,703	5,105,513	5,100,000	5,864,100	764,100	14.98%
<b>Total Rentals/Fees</b>	<b>\$27,574,823</b>	<b>26,902,408</b>	<b>26,741,000</b>	<b>31,846,024</b>	<b>5,105,024</b>	<b>19.09%</b>
<b>Utilities &amp; Other Revenue</b>						
Utilities	\$4,511,003	4,333,074	4,200,000	4,581,911	381,911	9.09%
GA/Airside Fees	2,438,245	2,310,594	2,218,000	2,033,069	(184,931)	-8.34%
Consortium Fees	1,680,551	1,678,739	2,300,000	2,843,995	543,995	23.65%
Other Revenues	1,584,505	1,358,676	1,370,000	1,445,809	75,809	5.53%
Reimbursed Expense	3,544,221	2,900,000	2,800,000	2,800,000		0.00%
<b>Total Utilities &amp; Other Rev.</b>	<b>\$13,758,525</b>	<b>12,581,083</b>	<b>12,888,000</b>	<b>13,704,784</b>	<b>816,784</b>	<b>6.34%</b>
<b>Total Operating Revenue</b>	<b><u>256,546,847</u></b>	<b><u>263,808,119</u></b>	<b><u>264,221,736</u></b>	<b><u>275,975,081</u></b>	<b><u>11,753,345</u></b>	<b><u>4.45%</u></b>

	2013 Budget					2012 Estimate vs 2013 Budget	
	Mpls.- St.Paul	Reliever Airports	2012 Budget	2012 Estimate	2013 Budget	Dollar Change	% Change
Airline Rates & Charges							
Airline Agreement							
Landing Fees	53,847,343		52,578,170	51,250,000	53,847,343	2,597,343	5.07%
Ramp Fees	6,014,062		6,208,439	6,200,000	6,014,062	(185,938)	-3.00%
Airline R&R	3,502,235		3,393,996	3,400,000	3,502,235	102,235	3.01%
Terminal 1 - Rentals	35,667,471		34,628,220	34,600,000	35,667,471	1,067,471	3.09%
Terminal 1 - Other	4,167,401		4,068,289	3,983,000	4,167,401	184,401	4.63%
Concessions Rebate	(9,576,831)		(9,353,616)	(9,500,000)	(9,576,831)	(76,831)	0.81%
Total Airline Agreement	93,621,681		91,523,498	89,933,000	93,621,681	3,688,681	4.10%
Terminal 2 Lobby Fees	8,116,485		6,555,681	7,400,000	8,116,485	716,485	9.68%
Terminal 2 Other / Passenger Fees	1,528,374		1,451,218	1,490,000	1,528,374	38,374	2.58%
Total Airline Rates & Charges	103,266,540		99,530,397	98,823,000	103,266,540	4,443,540	4.50%
Concessions							
Terminal							
Food & Beverage	13,945,850		13,357,189	13,816,783	13,945,850	129,067	0.93%
News	3,450,420		3,435,911	3,516,996	3,450,420	(66,576)	-1.89%
Retail Stores	4,816,936		4,910,139	5,061,957	4,816,936	(245,021)	-4.84%
Passenger Services	4,341,547		4,570,441	4,290,000	4,341,547	51,547	1.20%
Total Terminal/Other	26,554,753		26,273,680	26,685,736	26,554,753	(130,983)	-0.49%
Parking/Grnd. Transport.							
Parking	74,416,509		72,957,395	73,100,000	74,416,509	1,316,509	1.80%
Ground Transportation	4,517,818		4,483,004	4,550,000	4,517,818	(32,182)	-0.71%
MSP Employee Parking	2,882,620		2,826,433	2,800,000	2,882,620	82,620	2.95%
Auto Rental - On Airport	17,239,233		16,785,919	17,250,000	17,239,233	(10,767)	-0.06%
Total Parking/Grnd. Transport.	99,056,180		97,052,751	97,700,000	99,056,180	1,356,180	1.39%
Other Concessions	1,546,800		1,467,800	1,384,000	1,546,800	162,800	11.76%
Total All Concessions	127,157,733		124,794,231	125,769,736	127,157,733	1,387,997	1.10%
Rentals/Fees							
Buildings & Facilities	7,104,333		6,923,304	6,936,000	7,104,333	168,333	2.43%
Auto Rental CFC	10,000,250		5,900,000	6,100,000	10,000,250	3,900,250	63.94%
Ground Rentals	8,877,341		8,973,591	8,605,000	8,877,341	272,341	3.16%
Reliever Airports		5,864,100	5,105,513	5,100,000	5,864,100	764,100	14.98%
Total Rentals/Fees	25,981,924	5,864,100	26,902,408	26,741,000	31,846,024	5,105,024	19.09%
Utilities & Other Revenue							
Utilities	4,581,911		4,333,074	4,200,000	4,581,911	381,911	9.09%
GA/Airside Fees	2,033,069		2,310,594	2,218,000	2,033,069	(184,931)	-8.34%
Consortium Fees	2,843,995		1,678,739	2,300,000	2,843,995	543,995	23.65%
Other Revenues	1,445,809		1,358,676	1,370,000	1,445,809	75,809	5.53%
Reimbursed Expense	2,800,000		2,900,000	2,800,000	2,800,000		0.00%
Total Utilities & Other Rev.	13,704,784		12,581,083	12,888,000	13,704,784	816,784	6.34%
Total Operating Revenue	270,110,981	5,864,100	263,808,119	264,221,736	275,975,081	11,753,345	4.45%

Total Operating Budget Revenue for 2013 is \$276.0 million which is a \$11.8 million or a 4.4% increase compared to 2012 estimates. The detailed explanations for Airline Rates & Charges, along with other major changes in revenue, are included in this section.

(\$=000)	2012 Estimate vs 2013 Budget					
	2011 Actual	2012 Budget	2012 Estimate	2013 Budget	Dollar Change	% Change
<b>REVENUE</b>						
Airline Rates & Charges	\$96,422	\$99,530	\$98,823	\$103,267	\$4,444	4.5%
Concessions	\$118,792	\$124,794	\$125,770	\$127,158	\$1,388	1.1%
Rentals/Fees	\$27,575	\$26,902	\$26,741	\$31,846	\$5,105	19.1%
Utilities & Other Revenue	\$13,759	\$12,581	\$12,888	\$13,705	\$817	6.3%
<b>Total Operating Revenue</b>	<b>\$256,547</b>	<b>\$263,808</b>	<b>\$264,222</b>	<b>\$275,975</b>	<b>\$11,753</b>	<b>4.4%</b>

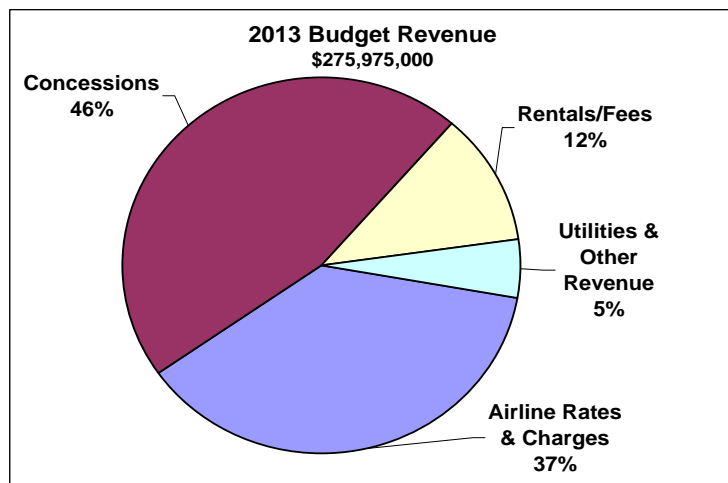
The operating revenue budget is divided into four categories: Airline Rates & Charges, Concessions, Rentals/Fees and Utilities & Other Revenue.

Airline Rates & Charges, which is \$103.3 million or 37.4% of MAC total operating revenue for 2013, 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 \$4.4 million or 4.5% from the 2012 estimated levels.

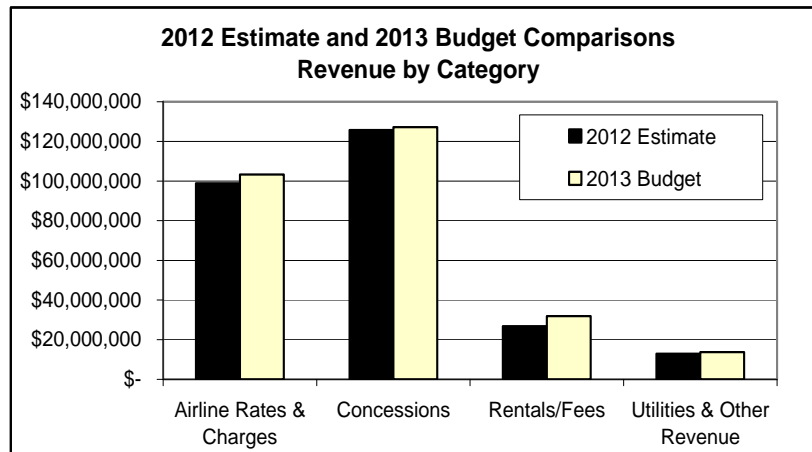


The Concessions category, which is \$127.2 million or 46.0% of total operating revenue for 2013, includes revenue from the following areas: Parking, Ground Transportation fees, MSP Employee Parking, Auto Rental – On Airport, Food & Beverage, News, Retail, Passenger Services and Other Concessions. The 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 \$1.4 million or 1.1% from estimated 2012 levels.

Rentals/Fees and Utilities & Other Revenue are \$45.6 million or 16.6% of total operating revenue for 2013 and are projected to increase \$5.9 million or 14.9% from 2012 estimated levels. This revenue section consists of Auto Rental-Customer Facility Charge (CFC), building rentals (non-airline), ground rental space, utilities, general aviation fees, reimbursed expenses and reliever airport fees. Ground rental 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 2012 estimate and 2013 budget revenue by category:



## **Revenue Assumptions and Guidelines**

The revenue projections for 2013 are based on the following assumptions and guidelines:

- Revenue will be prepared on an 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 received. The Commission uses this method for both accounting and budgeting.
- 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.

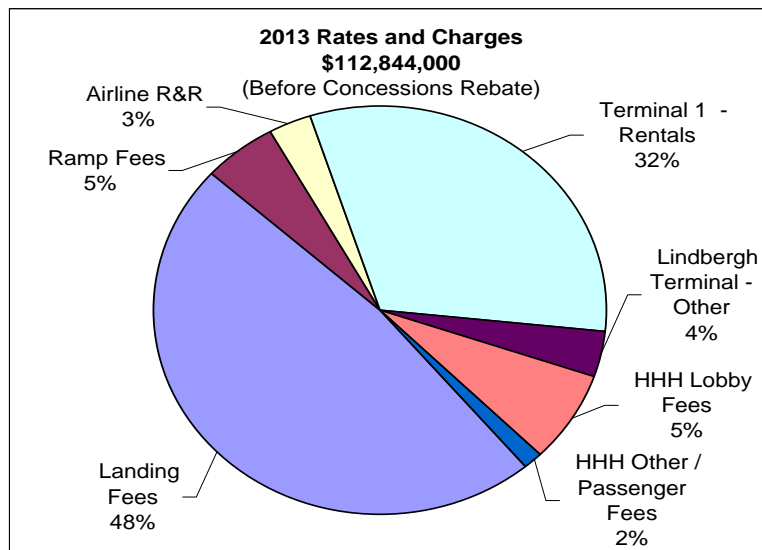
The explanations for revenue assumptions are based on a comparison of 2012 estimates versus 2013 budget figures.

## **AIRLINE RATES AND CHARGES**

Approximately \$103.3 million or 37% of MAC's \$276 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 for the recovery of capital improvements. 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 allocated costs can cause a change in the airline rates. For 2013, rates for landing fees, ramp fees and airline Terminal 1 rental rates are calculated as per the Airline Use Agreement and Third Amendment. Rates for Terminal 2 are set by ordinance, which is based on the recovery of budgeted operating and maintenance costs. The Concessions Rebate of \$9.6 million represents the revenue sharing found in the Third Amendment to the Airline Use Agreement.

(\$=000)	2012 Estimate vs 2013 Budget					
	2011 Actual	2012 Budget	2012 Estimate	2013 Budget	Dollar Change	% Change
Airline Rates & Charges						
Landing Fees	\$50,854	52,578	51,250	53,847	2,597	5.1%
Ramp Fees	6,328	6,208	6,200	6,014	(186)	-3.0%
Airline R&R	3,281	3,394	3,400	3,502	102	3.0%
Terminal 1 - Rentals	32,716	34,628	34,600	35,667	1,067	3.1%
Terminal 1 - Other	4,089	4,068	3,983	4,167	184	4.6%
Concessions Rebate	(9,324)	(9,354)	(9,500)	(9,577)	(77)	0.8%
Terminal 2 Lobby Fees	6,944	6,556	7,400	8,116	716	9.7%
Terminal 2 Other / Passenger Fees	<u>1,535</u>	<u>1,451</u>	<u>1,490</u>	<u>1,528</u>	<u>38</u>	2.6%
Total Airline Rates & Charges	<u>\$96,422</u>	<u>99,530</u>	<u>98,823</u>	<u>103,267</u>	<u>4,444</u>	4.5%

The following pie chart indicates the percentage 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. At year-end an adjustment will be made for any overage or shortage.

The landing fee is expected to increase \$0.08. In 2012, MAC experienced a mild winter in which snow removal costs were under budget. In preparing the 2013 budget, the Commission budgeted for an average snow season based on past history. In addition, scheduled increases in debt service costs (due to a 2010 bond issue) accounted for the remainder of the increase in the landing fee.

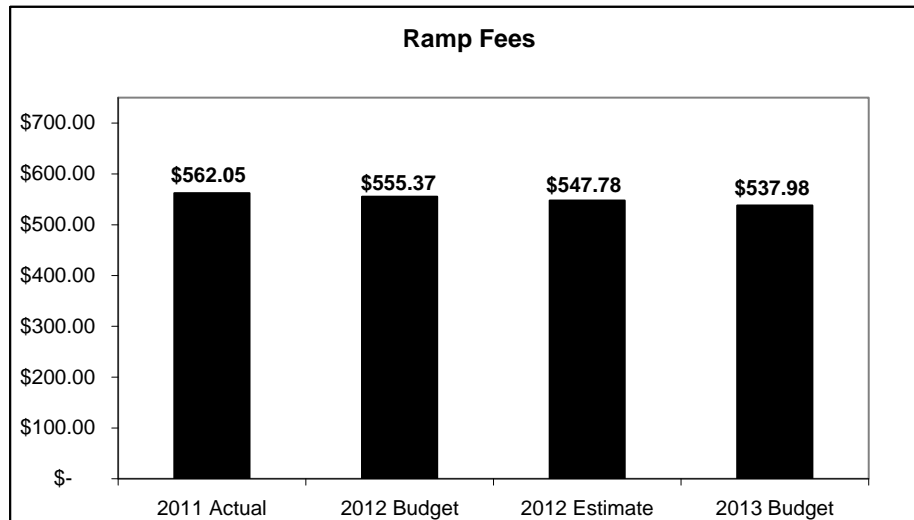
<u>Landing Fee</u>	2011 <u>Actual</u>	2012 <u>Budget</u>	2012 <u>Estimate</u>	2013 <u>Budget</u>
Landing Fee	\$2.46	\$2.42	\$2.51	\$2.59
Landed Weight (000)	20,672	21,727	20,418	20,790
Revenue (000)	\$50,854	\$52,578	\$51,250	\$53,847

**RAMP FEES**

Aircraft parking ramp fees are calculated in the same manner as landing fees. Ramp fees are determined by dividing the total Terminal-1 ramp expenses by total lineal feet of ramp available. The ramp fee rate calculation is also residual (breakeven). At year-end an adjustment will be made for any overage or shortage.

The major decrease in ramp fees from 2012 estimated (\$547.78) to 2013 budget (\$537.98) per lineal foot can be attributed to a decrease in equipment financing payments allocated to the ramp.

<b>Ramp Fee</b>				
	<b>2011</b>	<b>2012</b>	<b>2012</b>	<b>2013</b>
	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Budget</u>
Ramp Fee (Per Lineal Ft.)	\$562.05	\$555.37	\$547.78	\$537.98
Ramp Footage	11,176	11,179	11,179	11,179
Revenue (000)	\$6,328	\$6,208	\$6,200	\$6,014

**AIRLINE REPAIR AND REPLACEMENT 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 2013 is \$6.34 per square foot for carriers occupying Terminal 1.

**TERMINAL 1-LINDBERGH - RENTALS**

Airline building rates are calculated by allocating terminal building expense over the total rentable square footage in Terminal 1- Lindbergh. Airlines are charged for the space they occupy. Unlike landing fees and ramp fees, which are residual calculations, airline Terminal 1-Lindbergh 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 building rate does not include a separate per square foot charge for the Airline Repair & Replacement (R&R) surcharge.

The Terminal 1-Lindbergh rate is increasing from \$60.30 to \$62.33. The primary reasons for the increase in the Exclusive rates (\$2.03) between 2012 estimate and 2013 budget are as follows:



Delta Air Lines B737

- Increase of \$1.31 in debt service payments due to a 2010 bond issue.
- Increase of \$0.33 as a result of a reduction in rentable space in the terminal building.
- Increase of \$0.39 per sq. ft. as a result of increased expenses for the people movers/moving walkways, adding a third shift for elevator/escalator maintenance contracts, temperature control maintenance contracts, steam and chilled water and electricity.

<b>Terminal 1-Lindbergh Rates</b>				
	<b>2011</b>	<b>2012</b>	<b>2012</b>	<b>2013</b>
	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Estimate</u></b>	<b><u>Budget</u></b>
Exclusive (Per Sq. Ft.)	\$56.37	\$60.46	\$60.30	\$62.33
Exclusive Janitored (Per Sq. Ft.)	\$63.11	\$67.09	\$66.25	\$69.14
Total Revenue (000)	\$32,716	\$34,628	\$34,600	\$35,667

### TERMINAL 1-LINDBERGH – 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 2011, budgeted 2012, estimated 2012 and budgeted 2013:

<b>International Arrival Fee (000)</b>				
	<b>2011</b>	<b>2012</b>	<b>2012</b>	<b>2013</b>
	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Estimate</u></b>	<b><u>Budget</u></b>
Total Cost	\$3,421	\$3,385	\$3,325	\$3,471
Passengers	626,557	674,303	651,961	650,000
Fee Per Passenger	\$5.46	\$5.02	\$5.10	\$5.34

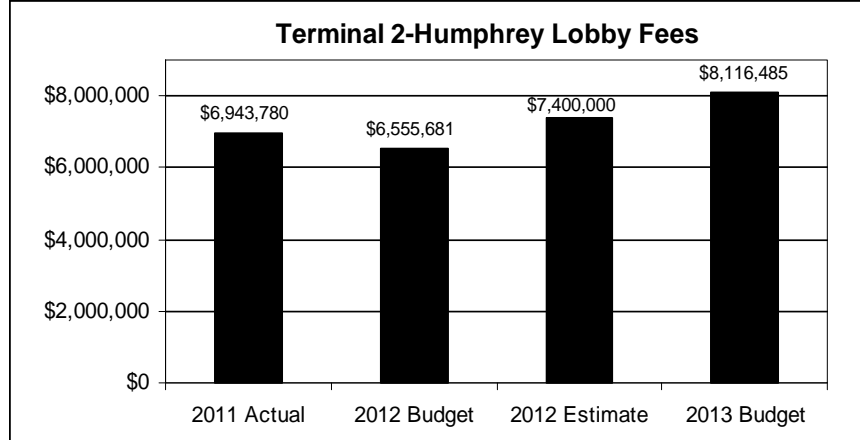
The \$0.24 increase in the IAF fee is due to increases of Police, Fire, Administrative and Utility costs allocated to the IAF.

### CONCESSIONS REBATE

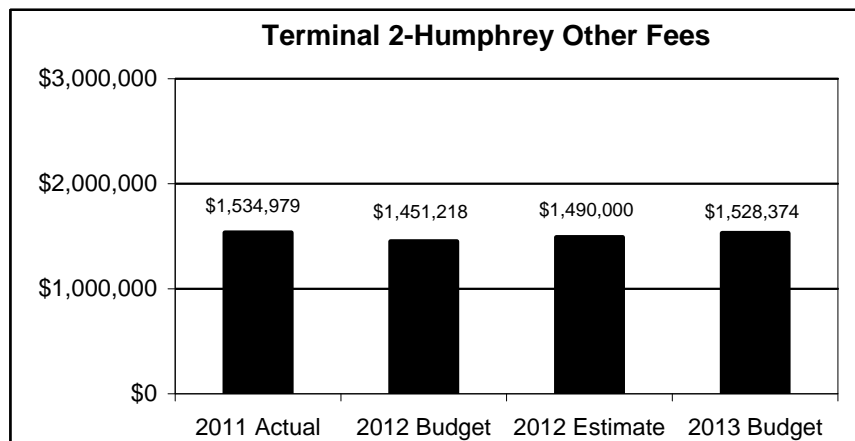
As part of the Third Amendment to the Airline Use Agreement, a provision was added to rebate to the airlines a portion (25% up to \$42.836 million, 50% above the figure for 2013) of concessions revenue for Food & Beverage, News, Retail and Auto Rental – On Airport revenue. For the 2013 budget, this rebate is projected to be \$9.6 million and does not hit the 50% threshold. The increase of \$77,000 can be attributed to slightly higher concessions revenue in the 2013 budget.

**TERMINAL 2-HUMPHREY - LOBBY FEES**

Terminal 2-Humphrey Lobby Fees are expected to increase \$716,000 or 9.7%. Lobby fees are set by MAC Ordinance in which rates are set on a budgetary basis with no true-up based on actual expenses or year-end operational activity. Each gate at Terminal 2 has a revenue cap by airline associated with it based upon operations. MAC assumes that of the 10 gates at Terminal 2, six of those gates would reach the revenue cap and four gates would not. The MAC estimates the revenue derived in the non-capped gates based upon operational data obtained from historical data and from the airlines. For 2012, operational activity at Terminal 2 exceeded budgetary expectations resulting in higher than expected revenues in the four non-capped revenue gates. From a budget to budget basis, the increase in lobby fees are a result of higher electrical, mechanical systems, temperature control, Police, Fire and Administration costs as well as increased operational activity.

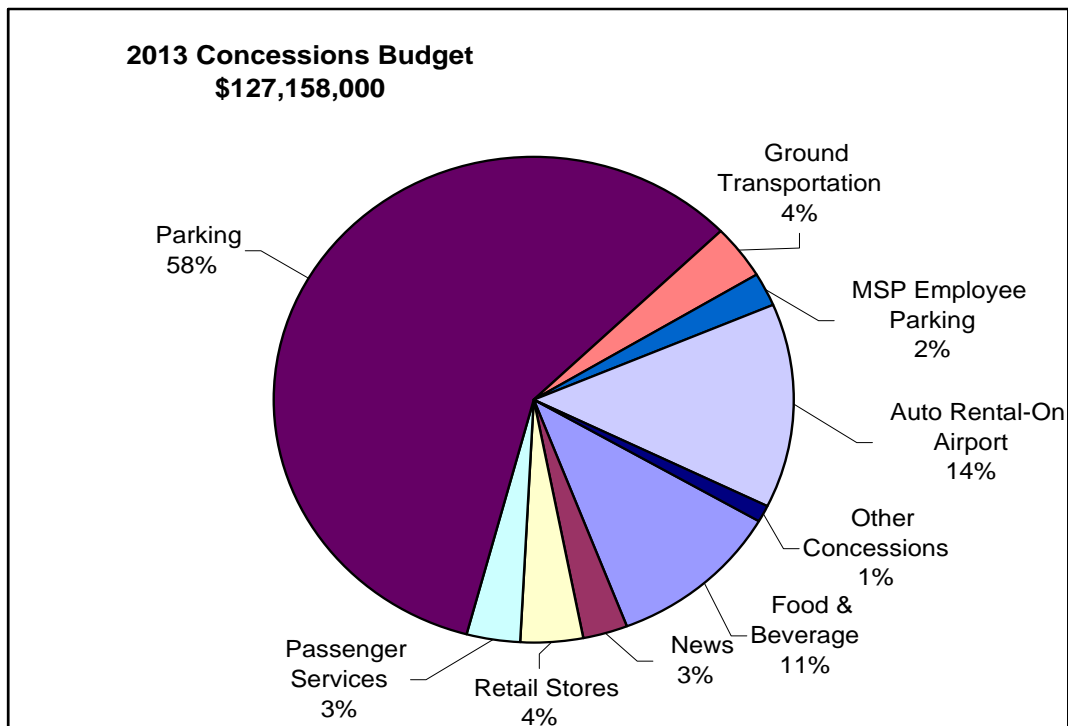
**TERMINAL 2-HUMPHREY - OTHER/PASSENGER FEES**

Terminal 2 Other/Passenger fee revenue is budgeted to increase \$38,000 or 2.6%. This category includes Federal Inspection Service Charges for international passengers, Terminal 2 building rentals and non-signatory landing fees. As with Lobby Fees mentioned above, the rates are based on budgetary data with no year-end true up of actual expenses. For 2013 increases in Terminal 2 building rates accounted for the increase over 2012 estimates.

**CONCESSIONS**

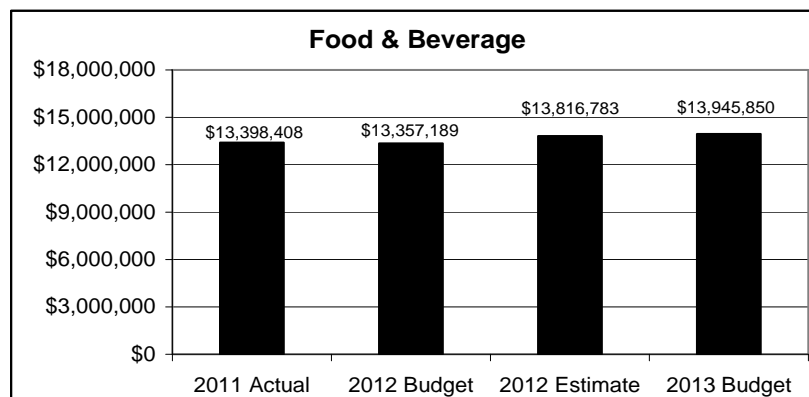
The 2013 budget for Concessions revenue is projected to increase \$1.4 million or 1.1% from the 2012 estimates. This increase is based upon the following: 1) Passenger increase; 2) Increase in average spending per passenger; 3) New concessions opening in Terminal 2 in 2013. Concessions revenue consists of the following categories:

(\$=000)					2012 Estimate vs 2013 Budget	
	2011 Actual	2012 Budget	2012 Estimate	2013 Budget	Dollar Change	% Change
Concessions						
Food & Beverage	\$13,398	13,357	13,817	13,946	129	0.9%
News	3,362	3,436	3,517	3,450	(67)	-1.9%
Retail Stores	5,011	4,910	5,062	4,817	(245)	-4.8%
Passenger Services	4,449	4,570	4,290	4,342	52	1.2%
Parking	66,612	72,957	73,100	74,417	1,317	1.8%
Ground Transportation	5,133	4,483	4,550	4,518	(32)	-0.7%
MSP Employee Parking	2,578	2,826	2,800	2,883	83	3.0%
Auto Rental - On Airport	17,112	16,786	17,250	17,239	(11)	-0.1%
Other Concessions	<u>1,136</u>	<u>1,468</u>	<u>1,384</u>	<u>1,547</u>	<u>163</u>	11.8%
Total All Concessions	<u>\$118,792</u>	<u>124,794</u>	<u>125,770</u>	<u>127,158</u>	<u>1,388</u>	1.1%



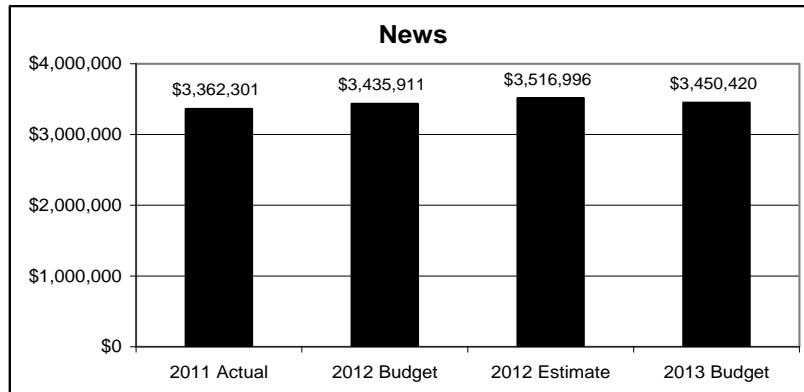
## FOOD & BEVERAGE

Food & Beverage is projected to increase by \$129,000 or 0.9% from the 2012 estimate and is based upon the opening of new concessions in Terminal 2 as well as trends at the time the budget was completed.



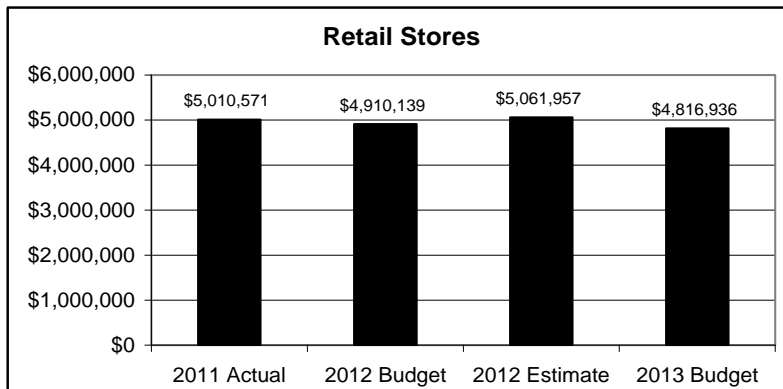
## NEWS

News is projected to decrease \$67,000 or 1.9% from the 2012 estimate and is based upon the trends at the time the budget was completed.



## RETAIL STORES

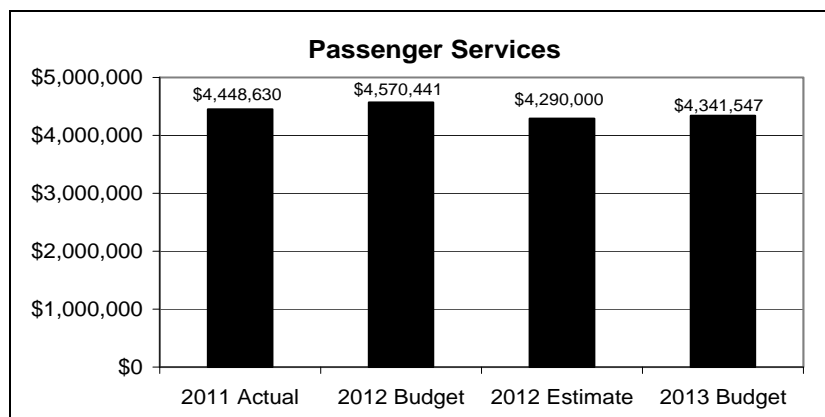
Retail is projected to decrease by \$245,000 or 4.8% from the 2012 estimate as a result of converting retail stores to concepts that are classified as passenger services revenue and higher than expected retail revenue that occurred in 2012 that is unlikely to reoccur in 2013.



*Aveda – New Concession*

## PASSENGER SERVICES

Passenger Services are budgeted to increase \$52,000 or 1.2% from the 2012 estimate. A decrease in indoor advertising revenues is offset by an increase in Wi-Fi revenue.

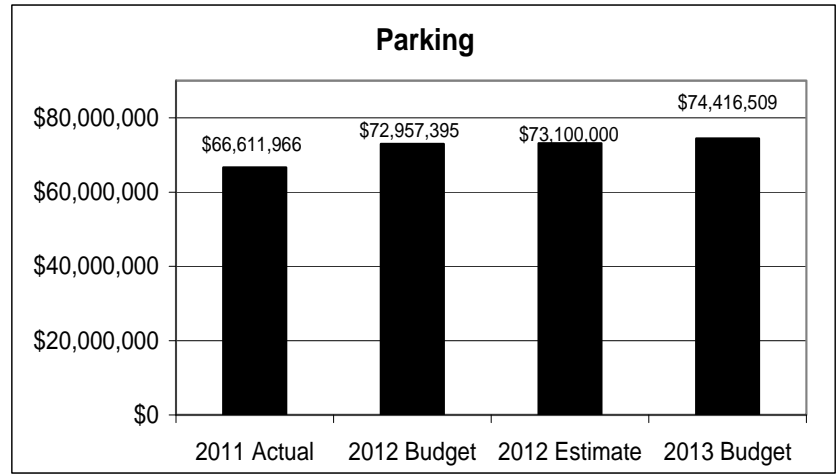


## PARKING

Parking is expected to increase from 2012 estimates by \$1.3 million or 1.8%. The increase in revenue is due to slightly higher passenger volumes and longer length of stays.

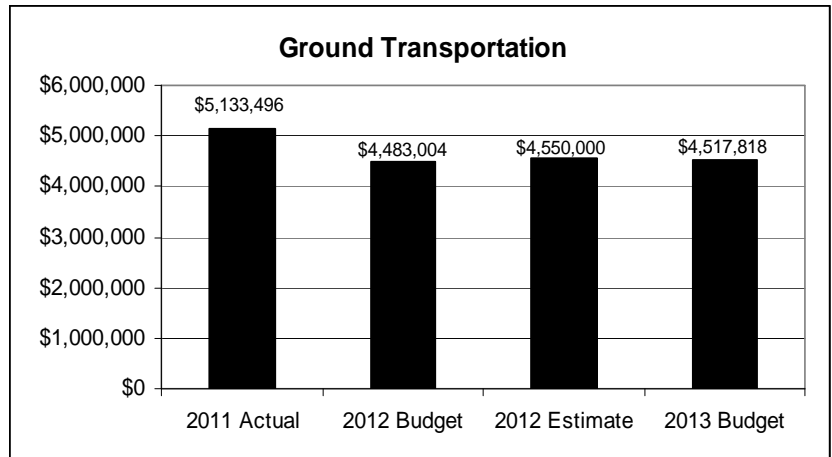


**Parking Facilities at Humphrey T-2**



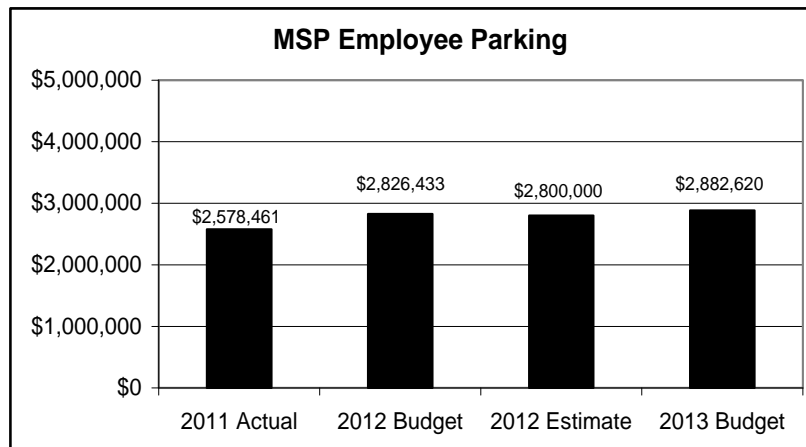
## GROUND TRANSPORTATION FEES

Ground Transportation fees are projected to decrease \$32,000 or 0.7%. This is primarily a result of fewer permits/trip fees expected to be issued during 2013 and lower miscellaneous revenues based on trends when the budget was completed. (These fees are set by Ordinance with an increase in individual category fees due to a combination of costs and industry utilization.)



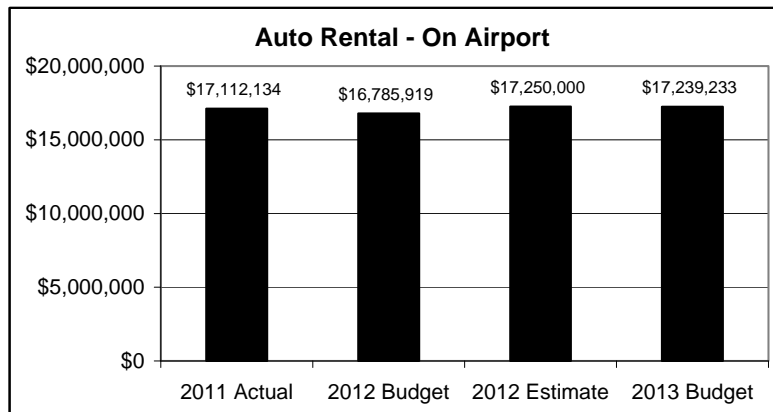
## MSP EMPLOYEE PARKING

MSP Employee Parking is budgeted to increase \$83,000 or 3.0% based upon an increase in the number of parkers.

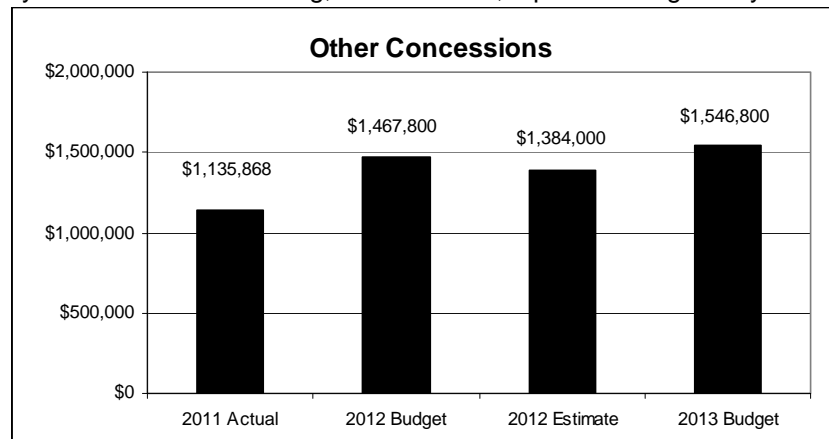


**AUTO RENTAL – ON AIRPORT**

Auto rental fees are projected to remain flat from the 2012 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.

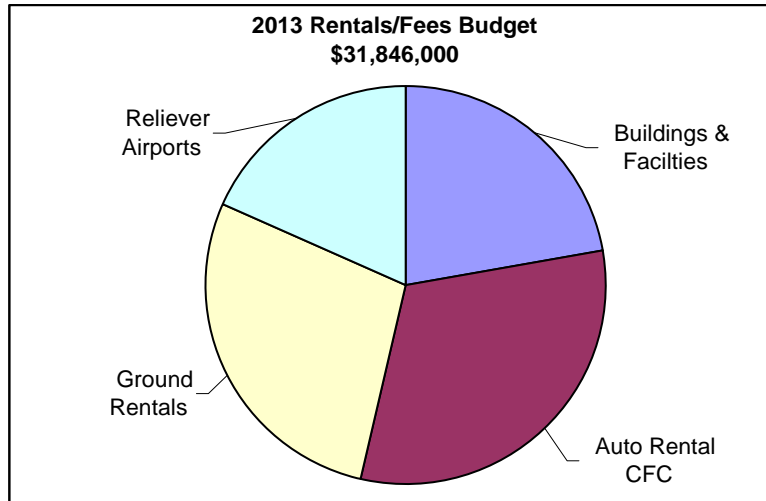
**OTHER CONCESSIONS**

The majority of revenue in the Other Concessions category consists of Outdoor Advertising (88% of the total or \$1.5 million). Other items in this category include In-Flite Catering, auto services, a pet boarding facility and miscellaneous concessions. Other Concessions are budgeted to increase \$163,000 from 2012 estimated levels. This is primarily due to increases in Outdoor Advertising. In 2013, the Commission expects to earn a full year's revenue on the outdoor advertising contract. Other revenue items in this category are expected to show minor changes from estimates.

**RENTALS/FEES**

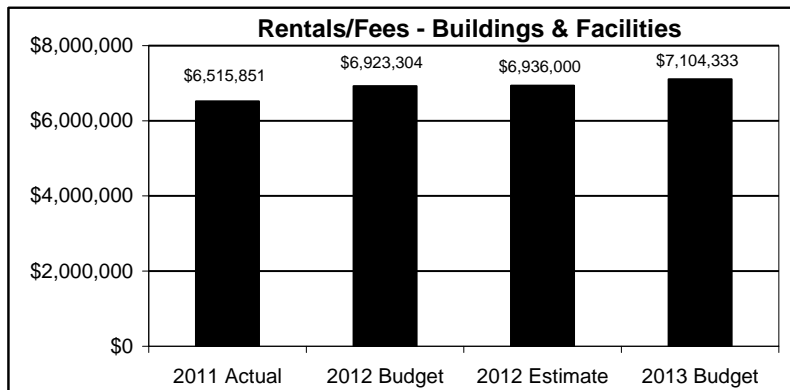
In total, this category is projected to increase \$5.1 million or 19.1% from the 2012 estimates. Included in this category are building rentals, auto rental-CFC, ground rentals and reliever airports.

					2012 Estimate vs 2013 Budget	
	2011 Actual	2012 Budget	2012 Estimate	2013 Budget	Dollar Change	% Change
Rentals/Fees						
Buildings & Facilities	\$6,516	6,923	6,936	7,104	168	2.4%
Auto Rental CFC	6,163	5,900	6,100	10,000	3,900	63.9%
Ground Rentals	9,485	8,974	8,605	8,877	272	3.2%
Reliever Airports	5,411	5,106	5,100	5,864	764	15.0%
Total Rentals/Fees	<u>\$27,575</u>	<u>26,902</u>	<u>26,741</u>	<u>31,846</u>	<u>5,105</u>	19.1%



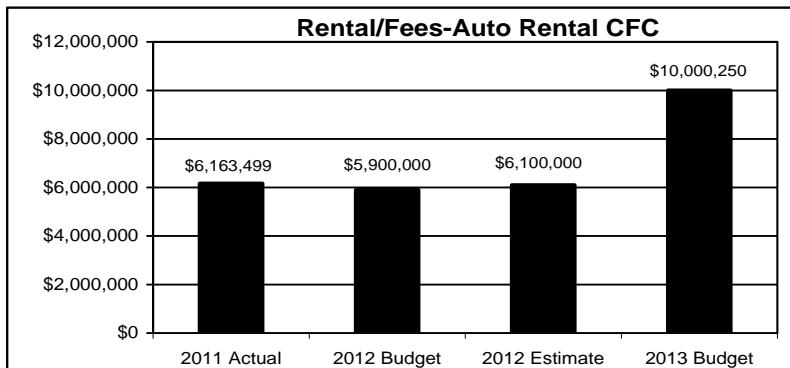
### BUILDING & FACILITIES

Building and facility rentals are projected to increase \$168,000 or 2.4% over 2012 estimates as a result of an increase in rental rates for non-airline tenants in the Lindbergh and Humphrey Terminals 1 & 2 as well as additional areas which are leased. (See Terminal 1-Lindbergh and Terminal 2-Humphrey Terminal rates above.)



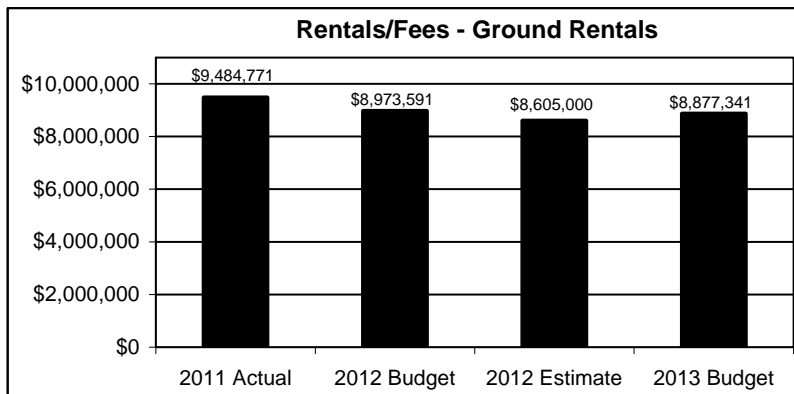
### AUTO RENTAL-CUSTOMER FACILITY CHARGE (CFC)

Auto Rental CFCs are budgeted to increase \$3,900,000 or 63.9% from 2012 estimates. In 2012-2013, the Commission will begin construction of facilities for the Auto Rental industry at Terminal 2. The debt associated with these facilities will be recovered through an increase in the CFC charge. The current CFC charge is at \$2 per rental car transaction per day. The proposed CFC rate will be \$3.25 per rental car transaction per day.

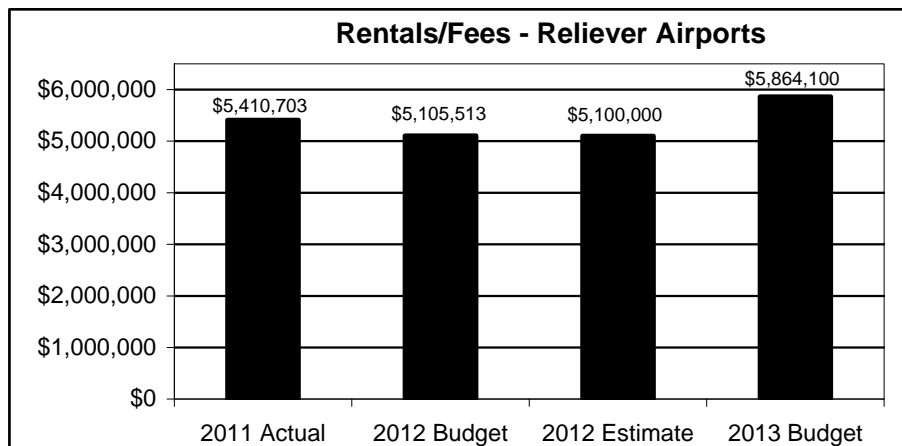


**GROUND RENTALS**

Ground Rentals are budgeted to increase by \$272,000 or 3.2% over 2012 estimated levels. This is a result of a full year's revenue of a hangar lease that was signed in late 2012.

**RELIEVER AIRPORTS**

Reliever Airports are expected to increase \$764,000 from 2012 estimated levels due to an increase in the ordinance rate for storage and commercial ground rent as well as establishing a landing fee at two additional reliever airports.

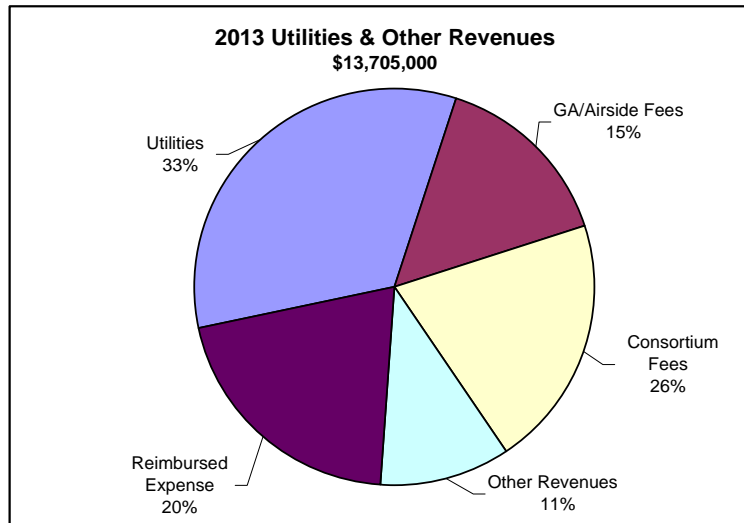


***Flood Wall on Mississippi River – St. Paul Downtown Reliever Airport***

## UTILITIES & OTHER REVENUES

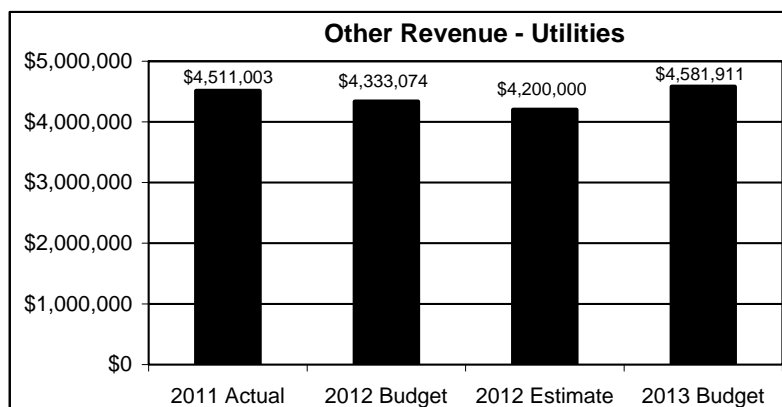
In total, Utilities & Other Revenues are budgeted to increase \$817,000 or 6.3% from 2012 estimated levels. Included in the category are Utilities, General Aviation/Airside Fees, Consortium Fees, Other Revenues and Reimbursed Expense.

(\$=000)					2012 Estimate vs 2013 Budget	
	2011 Actual	2012 Budget	2012 Estimate	2013 Budget	Dollar Change	% Change
Utilities & Other Revenue						
Utilities	\$4,511	4,333	4,200	4,582	382	9.1%
GA/Airside Fees	2,438	2,311	2,218	2,033	(185)	-8.3%
Consortium Fees	1,681	1,679	2,300	2,844	544	23.7%
Other Revenues	1,585	1,359	1,370	1,446	76	5.5%
Reimbursed Expense	<u>3,544</u>	<u>2,900</u>	<u>2,800</u>	<u>2,800</u>	<u>0</u>	0.0%
Total Utilities & Other Rev.	<u>\$13,759</u>	<u>12,581</u>	<u>12,888</u>	<u>13,705</u>	<u>817</u>	6.3%



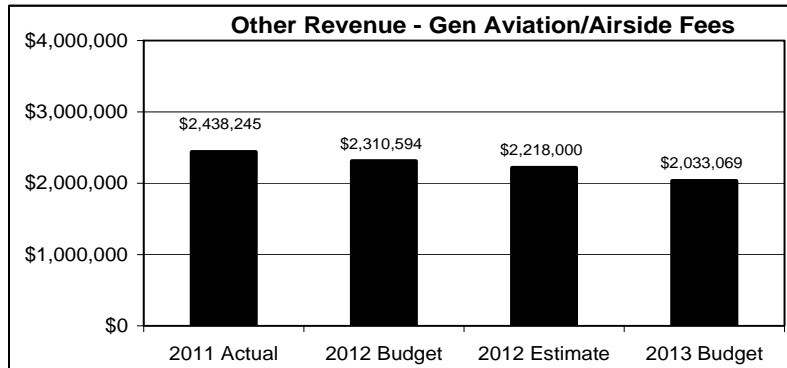
## UTILITIES

Included in this area is water, sewer, steam (heating), chilled water (air-conditioning) and ground power. The increase in this category of \$382,000 is due to historical consumption patterns with 2012 having lower consumption usage due to weather compared to an average year.

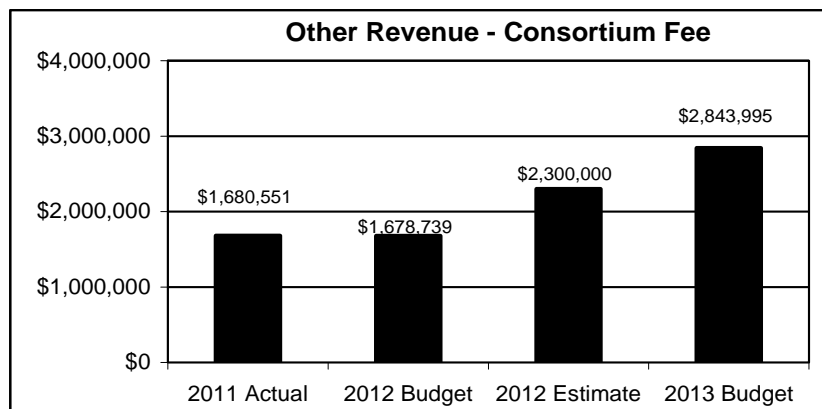


**GENERAL AVIATION/AIRSIDE FEES**

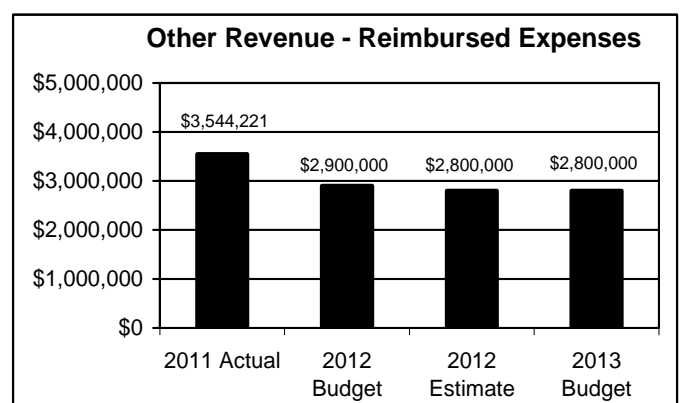
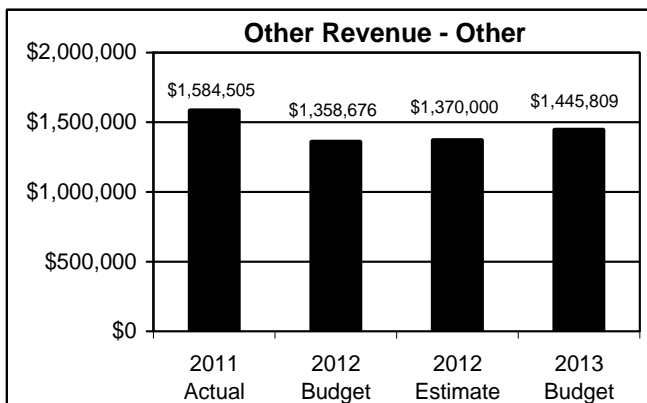
This category includes general aviation landing fees, ramp fees and apron services. This category is expected to decrease \$185,000 or 8.3% as a result of lower airside fees due to a merger of a service provider.

**CONSORTIUM FEE**

Consortium fees are expected to increase \$544,000 or 23.7% and are based on a percentage of concession sales. Thus, an increase in certain concessions will result in an increase in consortium fees. Also, in 2013 a higher percentage consortium recovery fee per the lease agreement will become effective that will result in the increase of the consortium fee.

**OTHER REVENUES AND REIMBURSED EXPENSES**

Included in this category are parking fines, auction revenue, building permits, security badges, miscellaneous revenues and expenses reimbursed by others. This category is expected to increase \$76,000 or 5.5% primarily related to an increase in environmental fees, building permits and historical averages.



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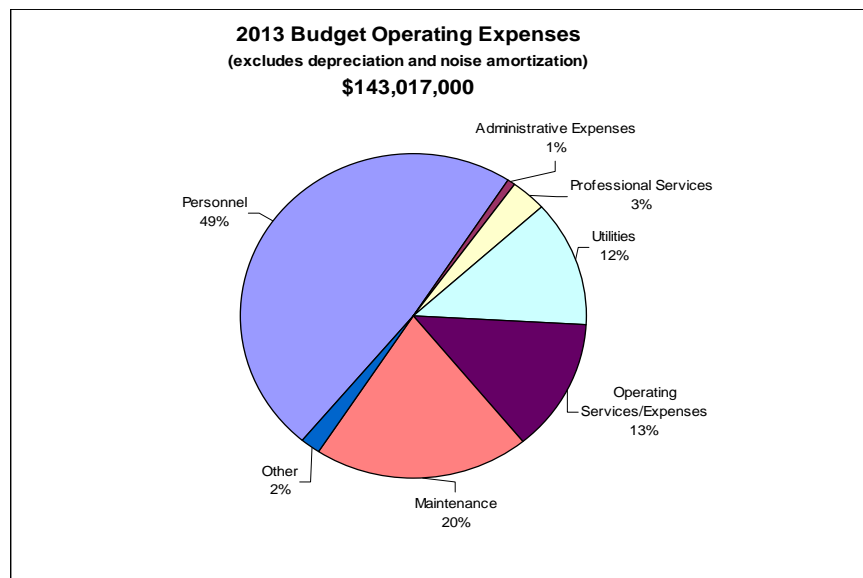
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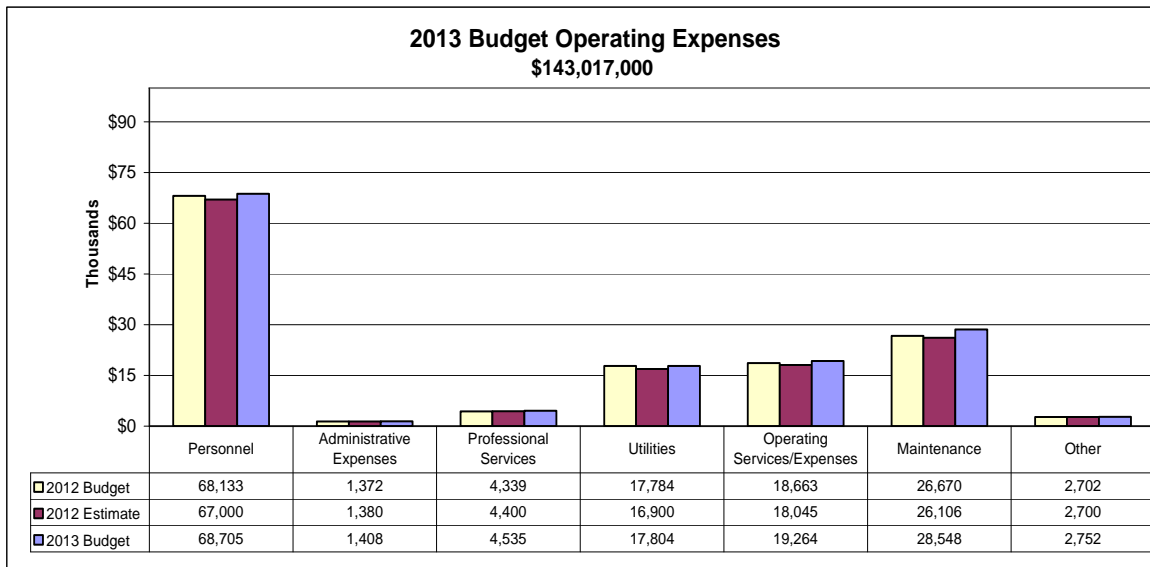
					2012 Estimate vs 2013 Budget	
	2011 Actual	2012 Budget	2012 Estimate	2013 Budget	Dollar Change	% Change
<b>Personnel</b>						
Salaries & Wages	44,843,126	46,711,732	45,600,000	47,253,322	1,653,322	3.63%
Benefits	21,453,519	21,421,187	21,400,000	21,451,799	51,799	0.24%
<b>Total Personnel</b>	66,296,645	68,132,919	67,000,000	68,705,121	1,705,121	2.54%
<b>Administrative Expenses</b>	1,532,368	1,372,179	1,380,000	1,407,882	27,882	2.02%
<b>Professional Services</b>	4,167,432	4,339,212	4,400,000	4,535,432	135,432	3.08%
<b>Utilities</b>						
Electricity	11,674,560	11,860,142	11,700,000	12,709,961	1,009,961	8.63%
Heating Fuel	2,771,930	3,576,478	2,868,000	2,749,384	(118,616)	-4.14%
Water & Sewer	1,628,833	1,827,501	1,820,000	1,804,761	(15,239)	-0.84%
Telephones	492,255	519,810	512,000	539,787	27,787	5.43%
<b>Total Utilities</b>	16,567,577	17,783,931	16,900,000	17,803,893	903,893	5.35%
<b>Operating Services/Expenses</b>						
Parking Management	5,660,069	5,810,385	5,800,000	5,973,192	173,192	2.99%
Shuttle Bus Services	790,983	800,883	800,000	778,479	(21,521)	-2.69%
Service Agreements	6,293,910	7,430,866	7,245,000	7,792,546	547,546	7.56%
Storm Water Monitoring	1,564,883	1,650,000	1,400,000	1,574,750	174,750	12.48%
Other	2,841,150	2,970,710	2,800,000	3,144,605	344,605	12.31%
<b>Total Operating Services/Expenses</b>	17,150,995	18,662,844	18,045,000	19,263,571	1,218,571	6.75%
<b>Maintenance</b>						
Trades	2,160,602	1,836,435	1,700,000	2,030,804	330,804	19.46%
Field	1,931,391	1,929,373	1,588,000	1,971,002	383,002	24.12%
Building	9,972,037	10,487,396	10,410,000	11,124,083	714,083	6.86%
Equipment	3,114,510	2,419,642	2,414,000	2,661,900	247,900	10.27%
Cleaning	9,878,857	9,997,390	9,994,000	10,760,681	766,681	7.67%
<b>Total Maintenance</b>	27,057,397	26,670,236	26,106,000	28,548,470	2,442,470	9.36%
<b>Other</b>						
General Insurance	1,863,812	1,701,584	1,600,000	1,696,782	96,782	6.05%
Minor Equipment	575,799	480,281	580,000	576,559	(3,441)	-0.59%
Other	1,090,514	520,069	520,000	478,850	(41,150)	-7.91%
<b>Total Other</b>	3,530,125	2,701,934	2,700,000	2,752,191	52,191	1.93%
<b>Total Operating Expenses</b>	<b>136,302,540</b>	<b>139,663,255</b>	<b>136,531,000</b>	<b>143,016,560</b>	<b>6,485,560</b>	<b>4.75%</b>

Total Operating Expense for 2013 is \$143.0 million (excluding depreciation and amortization) which is an increase of \$6.5 million or 4.7% over the 2012 estimate.

The explanations prepared below compare the 2012 estimate with the 2013 budget. One item to note, the first quarter of 2012 was an extremely mild winter. Therefore, snow removal costs are expected to be under budget for 2012. In preparing the 2013 budget, MAC used a historical average in budgeting for snow removal costs. This results in larger dollar and percentage changes in certain categories of the budget, primarily personnel and maintenance.

EXPENSE					2012 Estimate vs 2013 Budget			
	2011 Actual	2012 Budget	2012 Estimate	2013 Budget	Dollar Change	% Change	2014 Budget	2015 Budget
(\$=000)								
Personnel	66,297	68,133	67,000	68,705	1,705	2.5%	70,079	71,481
Administrative Expenses	1,532	1,372	1,380	1,408	27	1.9%	1,472	1,509
Professional Services	4,167	4,339	4,400	4,535	135	3.1%	4,517	4,408
Utilities	16,568	17,784	16,900	17,804	904	5.3%	18,160	18,523
Operating Services/Expenses	17,151	18,663	18,045	19,264	1,219	6.8%	19,606	19,929
Maintenance	27,057	26,670	26,106	28,548	2,442	9.4%	29,729	30,784
Other	<u>3,530</u>	<u>2,702</u>	<u>2,700</u>	<u>2,752</u>	<u>52</u>	1.9%	<u>2,842</u>	<u>2,957</u>
<b>Total Operating Expenses</b>	<b><u>136,303</u></b>	<b><u>139,663</u></b>	<b><u>136,531</u></b>	<b><u>143,017</u></b>	<b><u>6,485</u></b>	<b>4.7%</b>	<b><u>146,405</u></b>	<b><u>149,591</u></b>

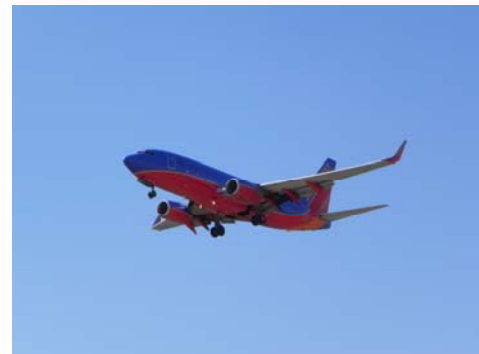




### **Expense Assumptions and Guidelines**

The operating expense budget is based on information provided by MAC departments, utility companies, vendors and historical analysis. The expense budget projections for 2013 are based on the following assumptions and guidelines:

- MAC will continue to maintain all facilities at the standards 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 needs.
- The budget includes wages for two new requested FTE (Full Time Equivalent) positions effective the second quarter of 2013. In addition, two operating engineer trainee positions were added to the Emergency Management Center (EMC) service center budget in 2012. The total FTE position count in the 2013 budget is temporarily at 585 until two retirements occur in EMC reducing the total FTE position count to 583.



**Southwest Airlines Flight**

- 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 the lower of 2011 actual levels or 2012 budget with a 1.5% increase or below where possible.

- Expenses are prepared on an 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. The Commission uses this method for both accounting and budgeting.
- In accordance with the strategic goal of "Assuring Financial Viability" a 3-year budget cycle for expenses is incorporated in the 2013 budget.

## **Personnel**

Personnel costs will increase \$1.7 million or 2.5% over the 2012 estimates.

(\$=000)	2012 Estimate vs 2013 Budget							
	2011 Actual	2012 Budget	2012 Estimate	2013 Budget	Dollar Change	% Change	2014 Budget	2015 Budget
<b>Personnel</b>								
Salaries & Wages	44,843	46,712	45,600	47,253	1,653	3.6%	48,316	49,066
Benefits	<u>21,454</u>	<u>21,421</u>	<u>21,400</u>	<u>21,452</u>	<u>52</u>	0.2%	<u>21,763</u>	<u>22,415</u>
<b>Total Personnel</b>	<u>66,297</u>	<u>68,133</u>	<u>67,000</u>	<u>68,705</u>	<u>1,705</u>	2.5%	<u>70,079</u>	<u>71,481</u>

Major differences between the 2012 estimates and 2013 budgets are as follows:

**Wages – Regular** – 1.5% for wage increases effective 1/1/2013 are budgeted for non-organized and the effective contract dates for organized employees. Step increases for employees are also included in the 2013 budget.

The 2013 budget includes the following:

- Two additional requested FTE positions are included in the 2013 budget due to increasing workload demands and complexity of issues facing MAC. These positions are effective the second quarter of 2013 and result in \$104,000 in additional wages. A FTE vacancy factor is also included in the budget to account for turnover.
- Two operating engineer trainee positions continue to be included in the budget due to hiring difficulties in this specialized licensed work area.
- 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 2012 resulted in a lower 2012 estimate.
- When comparing 2012 budget to 2013 budget, a 0.84% or \$572,202 increase exists.

<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>
<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Estimate</u></b>	<b><u>Budget</u></b>
<b>555.5</b>	<b>563</b>	<b>566</b>	<b>583*</b>	<b>564</b>	<b>585*</b>
* includes 2 trainee positions					

**Overtime – Regular** – Overtime is increasing \$110,000 or 5.8% as a result of wage increases, work call-backs and additional overtime necessary to ensure coverage for vacations, holidays and peak time periods.

**Double-time** – Double-time is increasing from the 2012 estimate to the 2013 budget by \$378,000 or 37.1%. The first quarter of 2012 was an extremely mild winter. As a result, double-time costs are expected to be under budget for 2012. In preparing the 2013 budget, MAC used a historical average in budgeting for snow removal costs.

**Temps (Temporary employees)** – Temps are increasing in the 2013 budget when compared to the 2012 estimate by \$195,000 or 8.5%. The MAC uses a number of temporary employees to assist in the removal of snow. With the mild winter in the first quarter of 2012, fewer temps were needed. The 2013 budget was prepared using historical averages for snow removal costs.

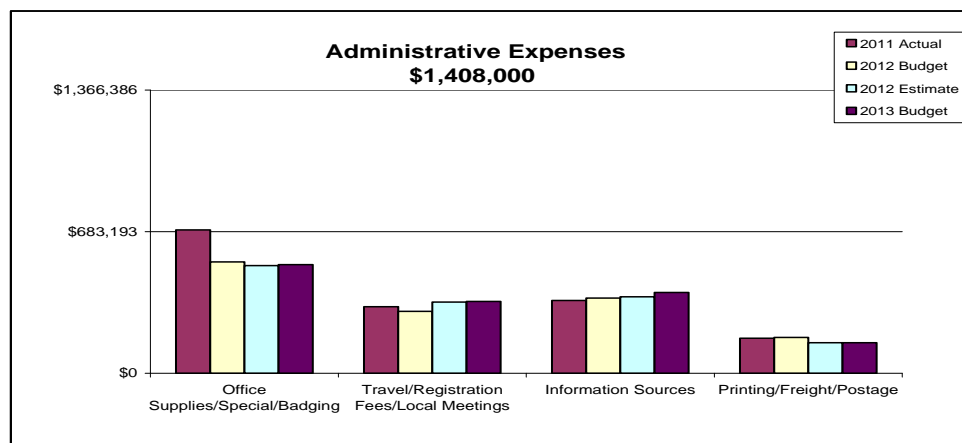
**Benefits** – Included in benefits are employee insurance/post retirement healthcare, retirement plans, severance, workers compensation and other miscellaneous items. This category will increase 1.5% or \$318,000 from 2012 estimates. The major change is related to Pensions.

Pensions are expected to increase in 2013 compared to the 2012 estimates by \$235,000 or 2.7%. The employer contribution rate for Police and Fire Public Employees Retirement Association (PERA) is at 14.40% of earnings and the PERA coordinated employers' contribution rate is budgeted at 7.25% of earnings. Social security costs are also included in the pension section of the budget. The 2012 estimate also reflects a lower than budgeted FTE counts as well as lower double-time expenses. The 2013 budget was prepared for an average winter.

## **Administrative Expenses**

Administrative Expenses are increasing \$28,000 or 2.0% with the major expenses identified in the table below:

<b><u>Administrative Expenses</u></b> (\$=000)	<b>2012 Estimate vs 2013 Budget</b>							
	2011	2012	2012	2013	Dollar	%	2014	2015
	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Budget</u>	<u>Change</u>	<u>Change</u>	<u>Budget</u>	<u>Budget</u>
Office Supplies/Special/Badging	\$ 692	\$ 537	\$ 520	\$ 524	\$ 4	0.7%	\$ 548	\$ 561
Travel/Registration Fees/Local Meeting	321	299	343	346	3	1.0%	362	371
Information Sources	351	363	369	390	21	5.8%	408	418
Printing/Freight/Postage	169	173	148	147	(0)	-0.3%	154	158
<b>Total Administrative Expenses</b>	<b>\$ 1,532</b>	<b>\$ 1,372</b>	<b>\$ 1,380</b>	<b>\$ 1,408</b>	<b>\$ 28</b>	<b>2.0%</b>	<b>\$ 1,472</b>	<b>\$ 1,509</b>

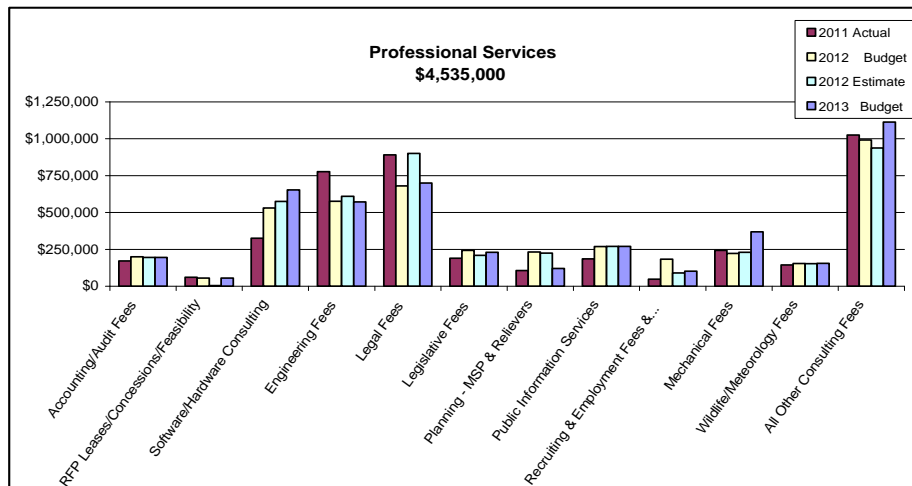


The major increase is for Information Sources of 5.8% or \$21,000 primarily for professional service dues and fees. The 2013 budget also includes in Information Services a PCI Self Assessment subscription mandatory for regulatory compliance. In Environment-Aviation Noise, an annual contract with FlightAware to receive aircraft data is critical to MAC's ability to generate the Annual Noise Contour Report as required per the Noise Consent Decree.

Professional Services	2011 Actual	2012 Budget	2012 Estimate	2013 Budget	2012 Estimate vs 2013 Budget		2014 Budget	2014 Budget
					Dollar Change	% Change		
Accounting/Audit Fees	\$ 171	\$ 200	\$ 195	\$ 196	\$ 1	0.5%	\$ 200	\$ 204
RFP Leases/Concessions/Feasibility	61	56	5	56	51	1020.0%	137	117
Software/Hardware Consulting	325	530	575	652	77	13.5%	625	575
Engineering Fees	777	576	610	572	(38)	-6.2%	584	595
Legal Fees	890	680	900	700	(200)	-22.2%	700	700
Legislative Fees	190	243	210	230	20	9.5%	230	230
Planning - MSP & Relievers	106	233	225	120	(105)	-46.5%	123	123
Public Information Services	186	269	270	270	(0)	-0.1%	275	190
Recruiting & Employment Fees & Other	47	184	90	102	12	13.6%	102	102
Mechanical Fees	244	223	230	369	139	60.2%	376	383
Wildlife/Meteorology Fees	145	154	153	155	2	1.4%	158	161
All Other Consulting Fees	1,025	992	937	1,113	176	18.8%	1,007	1,027
<b>Total Professional Services</b>	<b>\$ 4,167</b>	<b>\$ 4,339</b>	<b>\$ 4,400</b>	<b>\$ 4,535</b>	<b>\$ 135</b>	<b>3.1%</b>	<b>\$ 4,517</b>	<b>\$ 4,408</b>

## Professional Services

Professional Services have increased \$135,000 or 3.1% from 2012 estimates.



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

**RFP Leases/Concessions/Feasibility Studies** – Increase of \$51,000 is due primarily to RFP (Request for Proposal) for Concessions leases, Concessions concept feasibility studies and land appraisal services.

**Software/Hardware Consulting Fees** – Increase of \$77,000 or 13.5% from the 2012 estimate is related to the following:

- Create processes needed to move spatial and related data from the construction process to incorporate it in the GIS. Continue to add attribute data that describes the spatial data.

- Continue the planning and implementation of SharePoint as a collaborative tool with extensive capabilities ranging from Intranet like publishing to wide ranging document search to document and records management.
- Modify and extend E1 to support Airport Development move to E1, time-keeping integration with E1, asset management and computerized maintenance management development and early stage work on mobile access to E1 data.
- Continue to develop IT program management and master planning.

**Legal Fees** – Projected to decrease \$200,000 or 22.2% from the 2012 estimate based upon 3-year averages.

**Planning** - Planning fees decreased \$105,000 for an airport planning consultant. This function will become one of the requested FTE positions.

**Recruiting & Employment Fees and Other Human Resources** – Recruiting fees increased \$12,000 or 13.6% for the anticipated turnover of senior positions.

**Mechanical Fees** – An increase in mechanical fees of \$139,000 or 60.2% is attributed to the following: 1) Update the secured card access distribution drawings and 2) Electrical engineering oversight for preventative maintenance of electrical vaults as approved by the Commission on October 15, 2012.

**All Other Consulting Fees** – Increase of \$176,000 or 18.8% as a result of the following:

- \$30,000 – increase in Human Resources for consultant expertise on HR initiatives.
- \$20,000 – increase in HRD & Strategic Planning for consultant fees to aid in development of leadership program.
- \$14,000 – increase in Airside Operations to assist with the development of a video/audio distribution needs document that will be used for the development of an integrated project in 2014.
- \$51,000 – increase in Emergency Communications for a comprehensive job task analysis. This analysis combines staffing, operational and best practices as compared to other emergency communications centers. It will also help establish the development and refinement of services delivered, performance improvement and organizational development. This analysis was recommended by a MAC consultant hired to assist the ECC in 2012.
- \$20,000 - increase in Relievers-Administration for professional services on valuation, land development and survey work.
- \$72,800 – increase in Trades-Administration as a new contract was approved by the Commission in June 2012 for the continuation of consultant services for the Computerized Maintenance Management System (CMMS).
- Reductions in various other service centers.

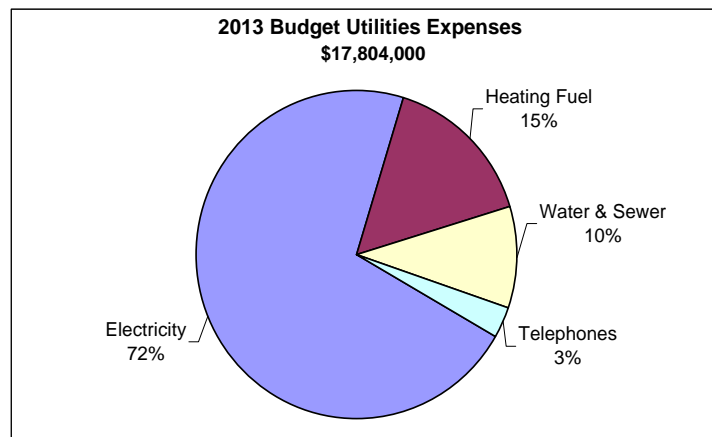


**Terminal 2 – Humphrey Terminal**

## Utilities

Total Utilities are budgeted to increase \$904,000 or 5.3% over 2012 estimates and are explained as follows:

(\$=000)	2012 Estimate vs 2013 Budget							
	2011 Actual	2012 Budget	2012 Estimate	2013 Budget	Dollar Change	% Change	2014 Budget	2015 Budget
<b>Utilities</b>								
Electricity	11,675	11,860	11,700	12,710	1,010	8.6%	12,926	13,188
Heating Fuel	2,772	3,576	2,868	2,749	(119)	-4.1%	2,804	2,860
Water & Sewer	1,629	1,828	1,820	1,805	(15)	-0.8%	1,882	1,919
Telephones	<u>492</u>	<u>520</u>	<u>512</u>	<u>540</u>	<u>28</u>	5.4%	<u>548</u>	<u>556</u>
<b>Total Utilities</b>	<u>16,568</u>	<u>17,784</u>	<u>16,900</u>	<u>17,804</u>	<u>904</u>	5.3%	<u>18,160</u>	<u>18,523</u>



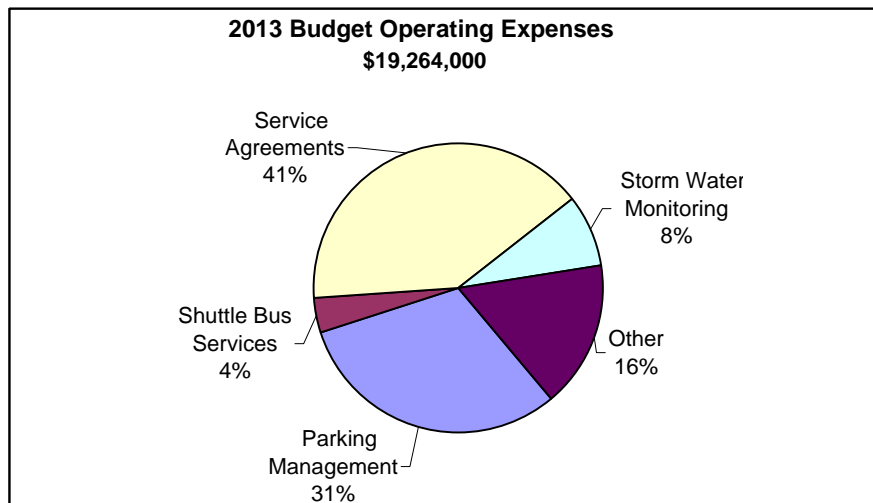
**Electricity** –The increase in electricity of \$1.0 million or 8.6% is based upon the forecast provided by the utility company and an outside consultant. The increase in electricity is due to an increase in rates (announced by Xcel Energy in November - subject to Public Utilities Commission approval) and to a new data center facility that will become operational in 2013.

**Telephones** – An increase in telephones of 5.4% or \$28,000 is a result of cellular service costs related to expenses for the Distributed Antenna Systems (DAS) from Concourse Communications (\$15,000). In addition, new noise Remote Monitoring Towers (RMT) equipment was installed in 2012 to replace aging equipment. The RMT communications budget has been increased \$9,000 to provide cellular service to the new equipment.

## Operating Services

Operating Service expenses are increasing \$1.2 million or 6.8%. The following chart lists the major components in this category.

(\$=000)	2012 Estimate vs 2013 Budget							
	2011 Actual	2012 Budget	2012 Estimate	2013 Budget	Dollar Change	% Change	2014 Budget	2015 Budget
<b>Operating Services/Expenses</b>								
Parking Management	5,660	5,810	5,800	5,973	173	3.0%	6,278	6,466
Shuttle Bus Services	791	801	800	778	(22)	-2.7%	790	802
Service Agreements	6,294	7,431	7,245	7,793	548	7.6%	7,615	7,645
Storm Water Monitoring	1,565	1,650	1,400	1,575	175	12.5%	1,700	1,725
Other	<u>2,841</u>	<u>2,971</u>	<u>2,800</u>	<u>3,145</u>	<u>345</u>	<u>12.3%</u>	<u>3,223</u>	<u>3,290</u>
<b>Total Operating Services/Expenses</b>	<u>17,151</u>	<u>18,663</u>	<u>18,045</u>	<u>19,264</u>	<u>1,219</u>	6.8%	<u>19,606</u>	<u>19,929</u>



**Parking Management** – The parking management contract is increasing 3.0% or \$173,000 primarily due to contractual pay increases and costs resulting from increased frequency of diverting parkers to T2 ramps when T1 ramps are at capacity. A RFP (Request for Proposal) for the parking contract is scheduled for late 2012.

**Service Agreements** – Service Agreements have increased by \$548,000 or 7.6% as a result of the following:

- Service Agreements – Computers increased \$294,000 primarily as a result of additional software (including costs associated with maintaining the procurement, maintenance scheduling and accounting system) and added maintenance and support costs along with scheduled and renewal price increases for software and hardware.
- Service – Ground Transportation Equipment – Increased \$54,000 for software enhancements and maintenance contract fees for MAC Automatic Vehicle Identification System (MAVIS) which operates employee parking, eParkElite, commercial vehicle and taxi revenue and access control.
- Service – Other Equipment is increasing \$82,000 due to a new contract for support of MUFIDS at T1.
- Service – Radios increased \$115,000 due to an Emergency Communications and Airside Ops radio/voice recording system no longer under warranty and professional wireless communications at the Reliever Airports.

**Storm Water Monitoring** – Increased \$175,000 or 12.5% and is based upon historical amounts, as well as capital improvements, which increase the amount of storm water that is collected and treated.

**Other** – The budget for Other expenses has increased 12.3% or \$345,000 primarily due to the following:

- Establishing a porter service on baggage claim (a Customer Service Action Council (CSAC) initiative) for \$140,000.
- Landside secret shopper services increase of \$37,000 established in 2012 for a full year expense in 2013.
- Parking advertising increased \$44,000 for the marketing of programs to promote MAC parking (such as ePark, SurePark and MSP Value parking) and includes communications during construction or as conditions change during the year to improve the customer experience.



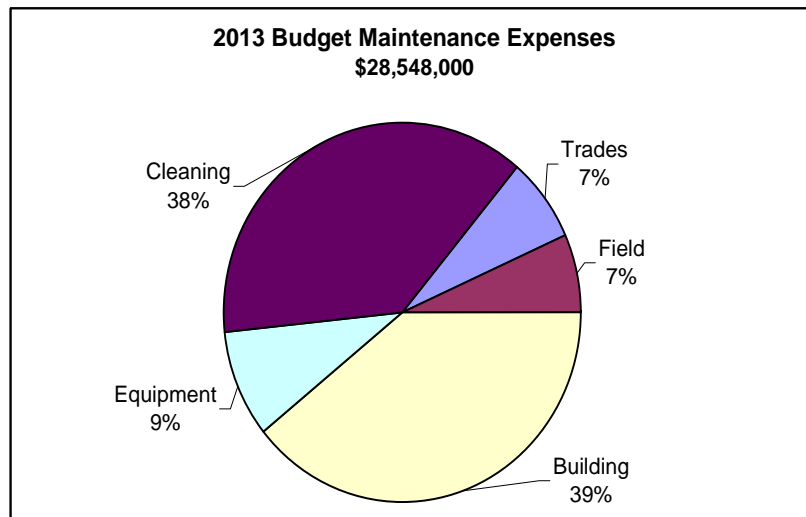
**Metropolitan Airports Commission General Offices**

- General advertising increased \$30,000 for advertising related to the State of the Airport luncheon, airport financing campaign and the MAC's 70<sup>th</sup> anniversary.
- Electricians' budget increased \$50,000 for switchgear maintenance.

## **Maintenance**

This category has five components: Trades (Painters, Carpenters, Electricians and Plumbers); Field (Snow Removal, Summer Maintenance and Landscaping); Building (Carrousel/Conveyors, Elevators/Escalators, Moving Walks and Automated People Mover); Equipment (Parts, Shop Supplies and Gas); and Cleaning (Janitorial, Windows, Cleaning Supplies and Rubbish Removal). Total maintenance will increase 9.4% or \$2.4 million over 2012 estimates.

(\$=000)	2012 Estimate vs 2013 Budget							
	2011 Actual	2012 Budget	2012 Estimate	2013 Budget	Dollar Change	% Chang	2014 Budget	2015 Budget
<b>Maintenance</b>								
Trades	2,161	1,836	1,700	2,031	331	19.5%	2,147	2,250
Field	1,931	1,929	1,588	1,971	383	24.1%	2,055	2,138
Building	9,972	10,487	10,410	11,124	714	6.9%	11,717	12,199
Equipment	3,115	2,420	2,414	2,662	248	10.3%	2,729	2,828
Cleaning	<u>9,879</u>	<u>9,997</u>	<u>9,994</u>	<u>10,761</u>	<u>767</u>	<u>7.7%</u>	<u>11,081</u>	<u>11,368</u>
<b>Total Maintenance</b>	<u>27,057</u>	<u>26,670</u>	<u>26,106</u>	<u>28,548</u>	<u>2,442</u>	<u>9.4%</u>	<u>29,729</u>	<u>30,784</u>



**Trades** –Trades increased \$331,000 or 19.5% with the majority related to the following:

- \$203,000 for electrical supplies is related to the every other year replacement of parking ramp lamps and budgeting for an average winter of field lighting and sensor repairs.
- \$25,000 has been included in the budget for maintaining the secured access system security drawings and supplies.
- \$89,000 for UPS (Uninterrupted Power Supply) replacements.
- \$26,000 has been included in the budget for high security door locks to meet regulatory requirements.

**Field** – As stated above, Field costs include Snow Removal, Summer Maintenance and Landscaping. Snow removal costs make up 83.4% of this \$2.0 million budget. Field maintenance expenses are budgeted for snow removal costs associated with an average winter. The estimate for 2012 reflects lower expenses related to the mild winter in the first quarter of 2012.

**MAC High Speed Plow**



**Building** – As indicated in the above table, building expenses are budgeted to increase \$714,000 or 6.9% and is due to the following:

- Increase in Mechanical areas (Elevators, Escalators and Moving Walks) \$501,000 due to a new contract that added a third shift. The addition of the third shift reduces the interruption of the traveling public. The Automated People Mover increased \$211,000 for contract increases.
- Increase of \$31,000 for Building Temp Control expenses as equipment has been added along with aging, older equipment that requires more maintenance.



**Equipment** – This area is budgeted to increase \$248,000 or 10.3% related to an increase in equipment fuel costs of which \$170,000 is associated with an average winter along with higher fuel prices and \$66,000 for equipment parts due to an aging fleet.

***Landside Ground Transportation Vehicle***

**Cleaning** – Cleaning expenses are budgeted to increase \$767,000 or 7.7%. The increase is a result of an annual contractual increase; new restrooms on E and F concourses; additional cleaning of new checkpoint at T2; increased frequencies of jet bridge cleaning due to increased passenger traffic at T2; new maintenance consortium costs at T2; composting program costs at T1; mandatory rail inspections on glass cleaning equipment (operates the platform for higher level glass cleaning); and additional frequency of glass cleaning.

## **Other**

The Other expense category is projected to increase \$52,000 or 1.9%. This category includes General Insurance, Minor Assets (those costing less than \$10,) and miscellaneous items.

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

(\$=000)	2012 Estimate vs 2013 Budget							
	2011 Actual	2012 Budget	2012 Estimate	2013 Budget	Dollar Change	% Change	2014 Budget	2015 Budget
<b>Other</b>								
General Insurance	1,864	1,702	1,600	1,697	97	6.0%	1,871	1,964
Minor Equipment	576	480	580	577	(3)	-0.6%	481	498
Other	<u>1,091</u>	<u>520</u>	<u>520</u>	<u>479</u>	<u>(41)</u>	<u>-7.9%</u>	<u>491</u>	<u>494</u>
<b>Total Other</b>	<u>3,530</u>	<u>2,702</u>	<u>2,700</u>	<u>2,752</u>	<u>52</u>	<u>1.9%</u>	<u>2,842</u>	<u>2,957</u>

**General Insurance** – General Insurance has increased \$97,000 or 6.0%. The insurance market is based upon factors worldwide (losses under the deductible, litigation costs, history of cost and inflationary factors). The cost increase for airport liability is for excess coverage. In addition, 2012 estimate includes lower than average liability claims.

**Other** - Other expenses are decreasing by \$41,000 or 7.9% with the majority of the decrease related to safety supplies that were purchased and included in the 2012 estimate.

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	Total	Terminal 1	Terminal 1 Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>Personnel</b>									
<b>Wages</b>									
Regular	41,524,208	607,217	-	1,338,641	-	-	-	1,533,735	-
<b>Overtime/Doubletime</b>									
Doubletime - Regular	1,395,723	-	-	76,822	-	-	-	-	-
Overtime - Regular	1,991,685	1,534	-	24,098	-	-	-	50,238	-
<b>Total Overtime/Doubletime</b>	3,387,408	1,534	-	100,921	-	-	-	50,238	-
Commissioner PerDiem	15,000	-	-	-	-	-	-	-	-
<b>Temps</b>									
Temps - Agency	51,293	-	-	-	-	-	-	-	-
Temps - Non Agency	2,275,413	-	-	-	-	140,659	-	181,927	-
<b>Total Temps</b>	2,326,706	-	-	-	-	140,659	-	181,927	-
<b>Total Wages</b>	47,253,322	608,751	-	1,439,561	-	140,659	-	1,765,901	-
<b>Benefits</b>									
<b>Employee Insurance</b>									
Employee Insurance Dental	510,980	8,636	-	15,585	-	-	-	22,483	-
Empl Insurance Disability	143,442	3,012	-	4,776	-	-	-	6,143	-
Employee Insurance Life	78,951	1,249	-	2,268	-	-	-	2,888	-
Employee Insurance Medical	5,107,839	117,480	-	158,854	-	28,604	-	200,738	-
Employee Insurance Retiree	2,153,750	49,000	-	70,000	-	-	-	85,000	-
<b>Total Employee Insurance</b>	7,994,962	179,377	-	251,483	-	28,604	-	317,252	-
<b>Pension</b>									
Fica (Social Security)Base	2,130,200	34,026	-	85,011	-	8,721	-	103,077	-
Fica(Social Security)Medic	651,960	8,271	-	20,116	-	1,758	-	24,239	-
Mpls Empl Retirement Fund	49,227	-	-	-	-	-	-	-	-
Public Empl - Coordinated	2,540,029	43,671	-	104,259	-	-	-	127,126	-
Public Empl - Police/Fire	1,531,167	-	-	-	-	-	-	-	-
Merf Unfunded Liability	1,977,501	89,886	-	38,523	-	-	-	12,841	-
<b>Total Pension</b>	8,880,084	175,854	-	247,908	-	10,479	-	267,284	-
<b>Training</b>									
Continuing Ed (College)	60,468	-	-	-	-	-	-	-	-
Executive Leadership Train	20,000	-	-	-	-	-	-	-	-
Management Requirement	9,233	-	-	-	-	-	-	-	-
Organizational Requirement	49,800	-	-	-	-	-	-	-	-
Regulatory Requirements	79,368	-	-	-	-	-	-	-	-
Local Seminars	113,613	-	-	161	-	-	-	9,869	-
<b>Total Training</b>	332,482	-	-	161	-	-	-	9,869	-
Post Retirement Benefits	2,236,798	30,420	-	58,380	-	-	-	60,841	-
Workers Compensation	429,999	10,277	-	12,514	-	-	-	21,328	-
Post Empl Health Plan	239,758	3,121	-	1,637	-	-	-	9,295	-
Flex Spending	36,000	-	-	-	-	18,000	-	-	-
Unemployment Tax	85,000	-	-	-	-	-	-	-	-
<b>Uniforms</b>									
Uniforms-Police/Fire Allow	151,965	-	-	-	-	-	-	-	-
Uniforms-Rental	59,114	700	-	2,599	-	-	-	4,253	-
Uniforms - Safety	31,473	300	-	2,000	-	-	-	-	-
<b>Total Uniforms</b>	242,552	1,000	-	4,599	-	-	-	4,253	-
<b>Severance</b>									
Contract Allowance	8,482	-	-	-	-	-	-	-	-
Regular Severance	302,484	4,757	-	6,236	-	-	-	10,449	-
<b>Total Severance</b>	310,966	4,757	-	6,236	-	-	-	10,449	-
Trade Union Benefits	663,198	-	-	-	-	-	-	-	-
<b>Total Benefits</b>	21,451,799	404,806	-	582,918	-	57,083	-	700,570	-
<b>Total Personnel</b>	68,705,121	1,013,557	-	2,022,479	-	197,742	-	2,466,471	-

	Total	Terminal 1	Terminal 1 Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>Administrative Expenses</b>									
<b>Supplies</b>									
Office Supplies Materials	138,593	3,000	-	1,375	-	4,000	-	12,500	-
<b>Computer Supplies</b>									
Computer Supplies-General	62,337	106	-	1,203	-	-	-	-	-
Computer Supplies-Software	165,575	-	-	-	-	-	-	-	15,500
Computer - Tools	1,300	-	-	-	-	-	-	-	-
<b>Total Computer Supplies</b>	229,212	106	-	1,203	-	-	-	-	15,500
<b>Special Supplies</b>									
Special Supplies-Badging	94,091	-	-	-	-	-	-	-	-
Special Supply-Film/Photo	14,786	-	-	-	-	-	-	-	-
Special Supplies-Other	47,182	-	-	1,444	-	5,000	-	-	-
<b>Total Special Supplies</b>	156,058	-	-	1,444	-	5,000	-	-	-
<b>Total Supplies</b>	523,863	3,106	-	4,022	-	9,000	-	12,500	15,500
<b>Travel</b>									
Travel - Lodging	92,084	816	-	-	-	6,842	-	5,482	-
Travel - Meals	15,615	122	-	-	-	680	-	500	-
Travel - Miscellaneous	1,226	-	-	-	-	-	-	-	-
<b>Travel - Transportation</b>									
Travel - Transport/Airfare	91,660	300	-	-	-	4,640	-	3,598	-
Travel - Shuttle/Taxi/Auto	6,589	-	-	-	-	-	-	303	-
<b>Total Travel - Transportation</b>	98,249	300	-	-	-	4,640	-	3,901	-
Registration Fees	70,975	445	-	-	-	4,100	-	3,663	-
Mileage	43,402	240	-	-	-	-	-	-	-
<b>Total Travel</b>	321,551	1,923	-	-	-	16,262	-	13,546	-
<b>Other Administrative Expense</b>									
<b>Local Meetings</b>									
Local Mtgs - Off Airport	10,658	200	-	-	-	-	-	83	-
Local Mtgs - On Airport/GO	14,205	250	-	-	-	1,000	-	307	-
<b>Total Local Meetings</b>	24,863	450	-	-	-	1,000	-	390	-
<b>Information Sources</b>									
Memberships/Dues/Pro Assoc	226,310	450	-	-	-	225	-	1,961	-
Other Information Sources	109,115	-	-	-	-	-	-	-	-
Publications/Subscriptions	54,865	300	-	-	-	60	-	-	-
<b>Total Information Sources</b>	390,290	750	-	-	-	285	-	1,961	-
<b>Printing Costs</b>									
Printing-Publications	44,593	-	-	-	-	-	-	-	-
Printing - Color Charts	6,684	-	-	-	-	-	-	-	-
Printing - Forms	31,691	-	-	-	-	-	-	27,089	-
Printing-Stationary/Envel	14,438	-	-	-	-	-	-	-	-
<b>Total Printing Costs</b>	97,406	-	-	-	-	-	-	27,089	-
Delivery Services	7,617	-	-	164	-	-	-	-	-
Freight Charges	658	-	-	-	-	-	-	-	-
Postage	41,635	-	-	-	-	-	-	5,000	-
<b>Total Other Administrative Expense</b>	562,468	1,200	-	164	-	1,285	-	34,440	-
<b>Total Administrative Expenses</b>	1,407,882	6,229	-	4,186	-	26,547	-	60,486	15,500

## Operating Budget Expense

	Total	Terminal 1	Terminal 1 Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>Professional Services</b>									
Accounting/Audit Fees	196,000	-	-	-	-	-	-	-	-
Affirmative Action Fees	8,800	-	-	-	-	-	-	-	-
<b>Appraisals</b>	10,000	-	-	-	-	-	-	-	-
<b>RFP/Leases</b>	28,000	-	-	-	-	-	-	-	-
<b>Concept Develop/Feasible</b>	18,000	-	-	-	-	-	-	-	-
<b>Computer Services</b>									
<b>General</b>									
ANOMS Consulting	96,932	-	-	-	-	-	-	-	-
Software Consulting	555,500	-	-	-	-	-	-	-	-
<b>Total General</b>	652,432	-	-	-	-	-	-	-	-
<b>Total Computer Services</b>	652,432	-	-	-	-	-	-	-	-
Engineering Fees	572,113	35,000	-	42,488	-	352,625	-	-	-
Insurance Consultants	130,000	-	-	-	-	-	-	-	-
<b>Legal Fees</b>									
Legal - Environmental	120,000	-	-	-	-	-	-	-	-
Legal - General	485,000	-	-	-	-	-	-	-	-
Legal - Relievers	95,000	-	-	-	-	-	-	-	-
<b>Total Legal Fees</b>	700,000	-	-	-	-	-	-	-	-
<b>Legislative</b>									
Legislative - Local	90,000	-	-	-	-	-	-	-	-
Legislative - National	140,000	-	-	-	-	-	-	-	-
<b>Total Legislative</b>	230,000	-	-	-	-	-	-	-	-
Medical Fees	35,623	-	-	-	-	-	-	-	-
<b>Planning</b>	120,350	-	-	-	-	37,550	-	-	-
Pollution/Environmental Fees	9,553	-	-	-	-	2,000	-	-	-
<b>Public Information Services</b>									
Public Infor Serv. - Pho	10,150	-	-	-	-	-	-	-	-
Public Infor Serv. - Web	50,750	-	-	-	-	-	-	-	-
Public Infor Serv. - Other	208,822	-	-	-	-	-	-	-	-
<b>Total Public Information Services</b>	269,722	-	-	-	-	-	-	-	-
<b>Recruiting Employment Fees</b>									
Executive Recruiting	51,125	-	-	-	-	-	-	-	-
<b>Total Recruiting Employment Fees</b>	102,210	-	-	-	-	-	-	-	-
<b>Safety Consultants</b>									
Safety - Training	28,620	-	-	-	-	-	-	-	-
Safety - General	4,000	-	-	-	-	-	-	-	-
<b>Total Safety Consultants</b>	32,620	-	-	-	-	-	-	-	-
<b>Other/Miscellaneous</b>									
<b>Survey Expense</b>	16,920	-	-	-	-	-	-	-	-
<b>Wildlife/Meteorology</b>									
Meteorology	19,199	-	-	-	-	-	-	-	-
Wildlife	135,953	-	-	-	-	-	-	-	-
<b>Total Wildlife/Meteorology</b>	155,152	-	-	-	-	-	-	-	-
Business Development	130,000	-	-	-	-	-	-	-	-
Environmental	184,200	-	-	-	-	-	-	-	-
<b>Mechanical</b>									
Mechanical Terminal	204,556	166,645	-	-	-	-	-	-	-
Mechanical Trades	164,000	-	-	-	-	-	-	-	-
<b>Total Mechanical</b>	368,556	166,645	-	-	-	-	-	-	-
Miscellaneous	565,181	-	-	-	-	14,500	-	10,000	-
<b>Total Other/Miscellaneous</b>	1,420,009	166,645	-	-	-	14,500	-	10,000	-
<b>Total Professional Services</b>	4,535,432	201,645	-	42,488	-	406,675	-	10,000	-
<b>Utilities</b>									
Electricity	12,709,961	7,576,882	-	-	-	914,609	-	753,815	601,894
<b>Heating Fuel</b>									
Heating - Natural Gas	2,733,588	235,326	-	1,648,243	-	28,396	-	26,210	-
Heating - Fuel Oil	15,796	5,796	-	10,000	-	-	-	-	-
<b>Total Heating Fuel</b>	2,749,384	241,122	-	1,658,243	-	28,396	-	26,210	-
Sewer	883,116	163,049	-	18,967	-	60,000	54	16	3,550
Water	921,645	262,482	-	89,215	-	3,131	44	24,196	13,403
<b>Telephone</b>									
Telephone - Regular	208,118	-	-	-	-	-	-	-	-
Telephone - Internet Service	103,390	-	-	-	-	-	-	-	-
Telephone - Cellular	228,279	5,703	-	3,776	-	4,000	-	7,432	-
<b>Total Telephone</b>	539,787	5,703	-	3,776	-	4,000	-	7,432	-
<b>Total Utilities</b>	17,803,893	8,249,238	-	1,770,201	-	1,010,136	98	811,669	618,847

## Operating Budget Expense

	Total	Terminal 1	Terminal 1 Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>Operating Services/Expenses</b>									
<b>Advertising</b>									
Advertising - Employment	8,500	-	-	-	-	-	-	-	-
<b>Advertising - General</b>	54,752	-	-	-	-	-	-	-	-
Advertising - Parking	381,085	-	-	-	-	-	-	-	381,085
Advertising - Relievers	6,212	-	-	-	-	-	-	-	-
<b>Total Advertising</b>	450,549	-	-	-	-	-	-	-	381,085
<b>Environmental Control</b>									
<b>Hazardous Waste</b>									
Hazardous Waste - FLOuresc	15,000	-	-	-	-	-	-	-	-
Hazardous Waste - General	4,000	-	-	-	-	-	-	-	-
<b>Total Hazardous Waste</b>	19,000	-	-	-	-	-	-	-	-
<b>Pollution Control</b>									
Pollution Ctrl-Booms	13,000	-	-	-	-	-	-	-	-
Pollution Ctrl-Corn Cobs	6,000	-	-	-	-	-	-	-	-
<b>Total Pollution Control</b>	19,000	-	-	-	-	-	-	-	-
Industrial Waste Mgmt	3,750	1,250	-	-	-	2,500	-	-	-
Laboratory Services	4,444	-	-	-	-	-	-	-	-
Solvent Reclamation Service	12,700	-	-	650	-	-	-	-	-
Tire Disposal	400	-	-	-	-	-	-	-	-
Other	134,500	-	-	-	-	500	-	-	-
<b>Total Environmental Control</b>	193,794	1,250	-	650	-	3,000	-	-	-
GISW Management	1,574,750	-	-	-	-	1,574,750	-	-	-
<b>Grd Transportation Services</b>	11,756	-	-	-	-	-	-	11,756	-
<b>Shuttle Services</b>	778,479	319,176	-	-	-	-	-	303,607	-
<b>Parking Lots</b>	5,973,192	-	-	-	-	-	-	-	5,973,192
<b>General Fees</b>	160,000	-	-	-	-	160,000	-	-	-
<b>Met Council Fees</b>	160,000	-	-	-	-	160,000	-	-	-
<b>Employee Programs</b>									
<b>Recognition</b>	8,186	-	-	-	-	-	-	-	-
<b>Retirement</b>	2,300	-	-	-	-	-	-	-	-
<b>Wellness</b>									
Wellness - Fitness Program	125,215	-	-	-	-	-	-	-	-
Wellness-Health/Wellness	508	-	-	-	-	-	-	-	-
Wellness-Other Programs	1,000	-	-	-	-	-	-	-	-
Wellness-Nutrition/Stress	5,500	-	-	-	-	-	-	-	-
<b>Total Wellness</b>	132,223	-	-	-	-	-	-	-	-
<b>Total Employee Programs</b>	142,709	-	-	-	-	-	-	-	-
<b>Conference Center</b>	35,525	-	-	-	-	-	-	-	-
<b>Conference Center</b>	35,525	-	-	-	-	-	-	-	-
<b>Events Exercises</b>									
<b>Emergency Response Exercise</b>	18,126	-	-	-	-	659	-	-	-
Other Programs/Events	9,131	-	-	-	-	-	-	-	-
Call Back Service	7,500	-	-	-	-	7,500	-	-	-
Major Events-Conventions	7,500	-	-	-	-	-	-	-	-
<b>Total Events Exercises</b>	42,257	-	-	-	-	8,159	-	-	-
<b>Other Charges/Fees</b>									
Bank Charges	408,763	-	-	-	-	-	-	-	222,263
IATA Contract Expense	66,000	-	-	-	-	-	-	-	-
<b>Security Services Regular</b>	549,095	-	-	-	-	-	-	-	-
Security Services Check Pt	253,750	-	-	-	-	253,750	-	-	-
Concessions Marketing	390,500	-	-	-	-	-	-	-	-
<b>Recycling</b>	500	-	-	-	-	-	-	-	-
<b>Recycling - Sand</b>	3,000	-	-	-	-	3,000	-	-	-
<b>Copy Agreement</b>	132,133	-	-	-	-	-	-	-	-
Mediation Fees	2,200	-	-	-	-	-	-	-	-
<b>Miscellaneous Charges/Fees</b>	292,362	-	-	-	-	140,000	-	37,204	400
Jail Fees	9,711	-	-	-	-	-	-	-	-
<b>Total Other Charges/Fees</b>	2,108,014	-	-	-	-	396,750	-	37,204	222,663
<b>Service Agreements</b>									
Service - Bldg Inspection	18,000	18,000	-	-	-	-	-	-	-
Service-Computers	2,665,147	370,712	-	-	-	98,592	-	-	206,773
Service-Fitness Equipment	3,015	-	-	-	-	-	-	-	-
Service-Grd Trans Equip	292,963	-	-	-	-	-	-	292,963	-
Service-Loading Dock	1,965,042	1,906,091	-	-	-	-	-	-	-
Service-Office Equipment	35,357	-	-	-	-	300	-	-	-
Service-Other Equipment	1,539,270	721,650	275,500	-	-	500	-	-	-
Service-Parking Equipment	641,689	-	-	-	-	-	-	-	641,689
Service-Telephone Systems	63,477	-	-	-	-	-	-	-	-
Service-Secured Access	214,754	-	-	-	-	214,754	-	-	-
Service-Radios	353,832	-	-	-	-	41,375	-	-	-
<b>Total Service Agreements</b>	7,792,546	3,016,453	275,500	-	-	355,521	-	292,963	848,462
<b>Total Operating Services/Expenses</b>	19,263,571	3,336,879	275,500	650	-	2,498,180	-	645,530	7,425,402

	Total	Terminal 1	Terminal 1 Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>Maintenance</b>									
<b>Trades - Painters</b>									
<b>Paint</b>									
Equipment - Paint	8,963	1,477	-	1,486	-	-	-	-	-
Exterior - Paint	11,749	2,119	-	-	-	488	-	-	1,028
Interior - Paint	24,000	15,000	-	-	-	-	-	-	-
Traffic Paint - Parking	9,000	-	-	-	-	-	-	-	9,000
Reliever Airport - Paint	4,566	-	-	-	-	-	-	-	-
Traffic Paint - Roads	1,144	-	-	-	-	-	-	461	-
Traffic Paint - Runways	113,340	-	-	-	-	111,000	-	-	-
<b>Total Paint</b>	<b>172,762</b>	<b>18,596</b>	<b>-</b>	<b>1,486</b>	<b>-</b>	<b>111,488</b>	<b>-</b>	<b>461</b>	<b>10,028</b>
<b>Signs</b>									
Exterior Sign Materials	7,670	2,670	-	-	-	-	-	-	-
Interior Sign Materials	9,000	7,000	-	-	-	-	-	-	-
Reliever Airport Signs	4,613	-	-	-	-	-	-	-	-
<b>Total Signs</b>	<b>21,283</b>	<b>9,670</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Supplies</b>									
Paint Supplies - Other	6,078	-	-	-	-	-	-	-	-
Solvents	1,500	-	-	-	-	-	-	-	-
Equipment Spray	8,000	-	-	-	-	-	-	-	-
Paint Tools	13,000	-	-	-	-	-	-	-	-
<b>Total Supplies</b>	<b>28,578</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Trades - Painters</b>	<b>222,624</b>	<b>28,266</b>	<b>-</b>	<b>1,486</b>	<b>-</b>	<b>111,488</b>	<b>-</b>	<b>461</b>	<b>10,028</b>
<b>Trades - Carpenters</b>									
<b>Locks</b>									
Locks - Doors	106,500	60,000	-	-	-	-	-	-	-
Locks - Door Tags/ID	513	513	-	-	-	-	-	-	-
<b>Total Locks</b>	<b>107,013</b>	<b>60,513</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Flags</b>	<b>532</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Lumber</b>									
Lumber-Cabinets	13,275	13,275	-	-	-	-	-	-	-
Lumber-Furniture	8,901	5,000	-	-	-	-	-	-	-
Lumber-Remodeling	1,500	-	-	-	-	-	-	-	-
<b>Total Lumber</b>	<b>23,676</b>	<b>18,275</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other</b>									
Other - Attic Stock	5,000	5,000	-	-	-	-	-	-	-
Other - Ceilings	3,822	1,200	-	-	-	-	-	-	-
Other - Ceramics	3,028	2,000	-	-	-	-	-	-	-
Other - Doors	8,338	4,100	-	-	-	-	-	-	-
Other - Floor Coverings	32,100	25,000	-	-	-	-	-	-	-
Other - Hardware	8,676	1,500	-	-	-	-	-	-	-
Other - Miscellaneous	2,525	-	-	-	-	-	-	-	-
Other - Auto Door Supplis RPL	5,613	4,613	-	-	-	-	-	-	-
Other - Saw Blades	175	175	-	-	-	-	-	-	-
Other - Screws/Bolts	8,151	-	-	-	-	-	-	-	-
Other - Seating Replacement	18,000	15,000	-	-	-	-	-	-	-
Other - Tools	2,357	1,871	-	-	-	-	-	-	-
Other - Tug Door Repairs	2,894	2,381	-	-	-	-	-	-	-
Other - Tug Drive Floor Maint.	5,000	5,000	-	-	-	-	-	-	-
Other - Wall Protection	1,500	-	-	-	-	-	-	-	-
<b>Total Other</b>	<b>107,179</b>	<b>67,841</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Trades - Carpenters</b>	<b>238,400</b>	<b>146,628</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Operating Budget Expense

	Total	Terminal 1	Terminal 1 Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>Trades - Plumbers</b>									
<b>Contractor Requirements</b>	3,045	-	-	-	-	-	-	-	-
Fire Protection System	102,206	48,000	-	2,697	-	6,293	-	-	-
General Plumbing Supplies	69,161	30,450	-	1,015	-	-	-	-	-
Irrigation Supplies	7,110	-	-	-	-	-	-	2,668	-
Pumps	6,140	3,000	-	-	-	3,000	-	-	-
Underground Utilities	922	922	-	-	-	-	-	-	-
Water Distribution Systems	13,900	4,000	-	-	-	-	-	-	-
Water Meters	4,700	-	-	-	-	2,200	-	-	-
<b>Total Trades - Plumbers</b>	207,184	86,372	-	3,712	-	11,493	-	2,668	-
<b>Trades - Electricians</b>									
<b>Repairs</b>									
Generator Maint. Contract	43,600	37,000	-	-	-	-	-	-	-
Electrical - Interior	16,000	13,000	-	-	-	-	-	-	-
Unit Maint. Contract	412,050	100,000	-	-	-	250,000	-	-	-
Unit Maint Supplies	36,500	20,000	-	-	-	1,000	-	-	-
<b>Total Repairs</b>	508,150	170,000	-	-	-	251,000	-	-	-
<b>Other</b>									
Other - Batteries	4,000	500	-	-	-	-	-	-	-
Other-Field Lights/Sensors	244,913	-	-	-	-	220,000	-	-	-
Other - Gate Supplies	43,413	-	-	-	-	9,787	-	-	-
Other - General Supplies	519,146	94,314	-	5,126	-	3,623	-	-	325,000
Other - Motor	17,974	10,000	-	2,949	-	-	-	-	-
Other - Secured Access Sys	25,000	-	-	-	-	25,000	-	-	-
<b>Total Other</b>	854,446	104,814	-	8,075	-	258,410	-	-	325,000
<b>Total Trades - Electricians</b>	1,362,597	274,814	-	8,075	-	509,410	-	-	325,000

## Operating Budget Expense

	Total	Terminal 1	Terminal 1 Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>Maintenance - Field</b>									
<b>Snow Removal - Materials</b>									
Materials - Sodium Acetate	30,000	-	-	-	-	30,000	-	-	-
Materials-Liquid Anti Icer	615,000	-	-	-	15,000	600,000	-	-	-
Materials-Other Ice Ctrl	4,750	-	-	-	-	-	-	-	750
Materials - Salt	80,644	-	-	-	-	-	-	40,000	-
Materials - Sand	91,730	-	-	-	-	70,000	-	-	-
Materials - Urea	7,526	-	-	-	-	-	-	-	-
<b>Total Snow Removal - Materials</b>	<b>829,650</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,000</b>	<b>700,000</b>	<b>-</b>	<b>40,000</b>	<b>750</b>
<b>Snow Removal - Equipment</b>									
Equipment - Contract	564,000	-	-	-	-	-	-	-	520,000
Equipment-Rent-No Operator	15,946	-	-	-	-	10,500	-	-	-
Equip Rent-No Operator-5.5	36,500	-	-	-	-	32,000	-	-	-
<b>Total Snow Removal - Equipment</b>	<b>616,446</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,500</b>	<b>-</b>	<b>-</b>	<b>520,000</b>
<b>Snow Removal - Miscellan</b>									
Snow Removal - Meals	37,598	-	-	-	-	37,000	-	-	-
Snow Removal - Plow Blades	23,000	-	-	-	3,000	17,000	-	-	-
Snow Removal - Runway Brm	82,000	-	-	-	-	50,000	-	-	30,000
Snow Melters	55,000	-	-	-	-	25,000	-	-	15,000
<b>Total Snow Removal - Miscellan</b>	<b>197,598</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,000</b>	<b>129,000</b>	<b>-</b>	<b>-</b>	<b>45,000</b>
<b>Summer Maintenance-Surface</b>									
Surface Repair-Aggregate	5,328	-	-	-	-	-	-	-	-
Surface Repair-Asphalt	47,724	-	-	-	2,000	30,000	-	5,000	-
Surface Repair-Cement	6,301	-	-	-	1,000	5,000	-	-	-
Surface Repair-Other	2,500	-	-	-	-	2,500	-	-	-
Surface Rubber Removal	47,410	-	-	-	-	40,000	-	-	-
Surface Repair-Saw Blades	2,000	-	-	-	-	2,000	-	-	-
Surface Repair-Hot Sealant	25,000	-	-	-	-	25,000	-	-	-
<b>Total Summer Maintenance-Surfac</b>	<b>136,263</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,000</b>	<b>104,500</b>	<b>-</b>	<b>5,000</b>	<b>-</b>
<b>Summer Maint-Landscape</b>									
Summer Maintenance-Fencing	9,643	-	-	-	-	5,000	-	-	-
Landscape/Turf-Materials	71,015	-	-	-	-	2,000	-	45,000	-
Summer Maint-Equip Rent No Op	36,058	-	-	-	-	15,000	-	-	-
Summer Maint-Equip Rent LT	6,500	-	-	-	-	-	-	-	-
<b>Total Summer Maint-Landscape</b>	<b>123,216</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,000</b>	<b>-</b>	<b>45,000</b>	<b>-</b>
<b>Maintenance Field-Other</b>									
Field Maint-Other-Garbage	10,000	-	-	-	-	-	-	5,000	-
Non Runway Brooms	25,000	-	-	-	-	-	-	10,000	15,000
Field Maint-Other-Material	3,000	-	-	-	-	1,000	-	-	1,000
Field Maint-Other-Supplies	23,829	5,889	-	-	-	7,642	-	-	-
Field Maint-Other-Tools	6,000	-	-	-	-	2,000	-	500	-
<b>Total Maintenance Field-Other</b>	<b>67,829</b>	<b>5,889</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,642</b>	<b>-</b>	<b>15,500</b>	<b>16,000</b>
<b>Total Maintenance - Field</b>	<b>1,971,002</b>	<b>5,889</b>	<b>-</b>	<b>-</b>	<b>21,000</b>	<b>1,008,642</b>	<b>-</b>	<b>105,500</b>	<b>581,750</b>
<b>Maintenance Building</b>									
<b>Building-Temp Control</b>									
Temp Control-Contracts	714,651	357,065	-	133,185	-	1,739	-	5,282	49,575
Temp Control-Filters	126,109	97,501	-	3,392	-	-	-	-	-
Fire Control Contract	378,904	323,332	-	-	-	-	-	-	-
<b>Total Building-Temp Control</b>	<b>1,219,664</b>	<b>777,898</b>	<b>-</b>	<b>136,577</b>	<b>-</b>	<b>1,739</b>	<b>-</b>	<b>5,282</b>	<b>49,575</b>
<b>Building-Mechanical Areas</b>									
Mechanical Areas-APM	5,556,585	3,889,610	-	-	-	-	-	1,389,146	277,829
Mechanical Areas-Conveyors	424,056	275,636	42,406	-	-	-	-	-	-
Mechanical Areas-Doors	10,579	-	-	-	-	-	-	-	-
Mechanical Areas-Doors/Pub	27,500	25,000	-	-	-	-	-	-	-
Mechanical Areas-Doors/Tug	140,000	140,000	-	-	-	-	-	-	-
Mechanical Areas-Elevators	716,627	639,443	-	-	-	-	-	-	-
Mechanical Areas-Escalator	994,688	895,219	-	-	-	-	-	-	-
Mechanical-Moving Walks	1,136,786	1,108,366	-	-	-	-	-	-	-
Mechanical Areas-Other	21,700	18,200	-	-	-	-	-	-	-
<b>Total Building-Mechanical Areas</b>	<b>9,028,521</b>	<b>6,991,474</b>	<b>42,406</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,389,146</b>	<b>277,829</b>
<b>Building-Other</b>									
Other-Building Systems	100,753	-	-	-	-	-	-	-	-
Other-Boiler Chemicals	63,292	5,786	-	51,903	-	-	-	-	-
Other-Floors/Repairs	1,369	-	-	-	-	-	-	-	-
Other-Jetbridge Repairs	210,000	-	-	-	-	-	-	-	-
Other-Outside Plumb/Sewer	34,700	-	-	-	-	-	-	-	-
Other-Paging System Contract	60,000	60,000	-	-	-	-	-	-	-
Other-Pest Control	227,000	227,000	-	-	-	-	-	-	-
Other-Roofing	21,904	7,000	-	-	-	-	-	-	-
Sump/Septic Pumping	62,500	-	-	-	-	-	-	-	-
Other-Supplies	27,675	1,212	-	7,814	-	-	-	-	-
Other-Tools	5,705	-	-	4,343	-	-	-	-	-
<b>Total Building-Other</b>	<b>814,898</b>	<b>300,998</b>	<b>-</b>	<b>64,060</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Minor Projects Expense	61,000	60,000	-	-	-	-	-	-	-
<b>Total Maintenance Building</b>	<b>11,124,083</b>	<b>8,130,370</b>	<b>42,406</b>	<b>200,637</b>	<b>-</b>	<b>1,739</b>	<b>-</b>	<b>1,394,428</b>	<b>327,404</b>

## Operating Budget Expense

	Total	Terminal 1	Terminal 1 Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>Maintenance-Cleaning</b>									
<b>Cleaning Services</b>									
Cleaning Services-Janitor	8,281,944	5,529,842	139,876	-	-	-	-	-	246,605
Cleaning Services-Windows	1,013,636	633,697	15,862	-	-	-	-	-	135,208
<b>Total Cleaning Services</b>	9,295,580	6,163,539	155,738	-	-	-	-	-	381,813
<b>Cleaning Supplies</b>									
Cleaning Supplies-Bathroom	726,000	675,000	-	-	-	-	-	-	-
Cleaning Supplies-General	69,943	60,000	-	-	-	-	-	-	-
<b>Total Cleaning Supplies</b>	795,943	735,000	-	-	-	-	-	-	-
<b>Rubbish Disposal</b>									
Rubbish Disposal-Recycle	24,000	24,000	-	-	-	-	-	-	-
Rubbish Disposal-Regular	634,307	600,000	-	-	-	-	-	-	-
<b>Total Rubbish Disposal</b>	658,307	624,000	-	-	-	-	-	-	-
Towel Laundry Services	6,851	-	-	-	-	-	-	-	-
Other Cleaning Expenses	4,000	-	-	-	-	-	-	-	-
<b>Total Maintenance-Cleaning</b>	10,760,681	7,522,539	155,738	-	-	-	-	-	381,813
<b>Maintenance-Equipment</b>									
<b>Equipment-Parts</b>									
Parts-Automobiles	118,087	-	-	-	-	-	-	-	-
Parts-Boilers Energy Mgmt	137,879	52,315	-	80,861	-	-	-	-	198
Parts-Chiller Energy Mgmt	118,079	26,358	-	59,291	-	-	-	28	-
Parts-Other Equipment	48,413	48,413	-	-	-	-	-	-	-
Parts-Equipment	691,850	-	-	-	-	-	-	-	203,724
Parts-Other Equipment	30,185	4,221	500	10,458	-	11,000	-	-	-
<b>Total Equipment-Parts</b>	1,144,493	131,307	500	150,610	-	11,000	-	28	203,922
<b>Equipment-Shop</b>									
Shop-Batteries	19,268	-	-	-	-	-	-	-	-
Shop-Cleaners/Degreasers	24,613	-	-	-	-	5,000	-	-	4,000
Shop-Oil Filters	86,739	-	-	-	-	-	-	-	-
Shop-Other Supplies	32,879	2	-	4,795	-	-	-	-	-
Shop-Tires	90,608	-	-	-	-	-	-	-	-
Shop - Tool Crib	30,000	-	-	-	-	-	-	-	-
Shop-Tools	30,700	-	-	33	-	-	-	-	-
Shop - Weld Shop	10,000	-	-	-	-	-	-	-	-
<b>Total Equipment-Shop</b>	324,807	2	-	4,828	-	5,000	-	-	4,000
<b>Equipment-Gas</b>									
Gas-Diesel	618,564	-	-	-	-	-	-	-	-
Gas-Ethanol	100,763	-	-	2,543	-	-	-	-	24,085
Gas-Propane	5,124	-	-	-	-	-	-	-	-
Gas-Unleaded	387,769	401	-	3,980	-	-	-	-	3,338
<b>Total Equipment-Gas</b>	1,112,220	401	-	6,523	-	-	-	-	27,423
<b>Equipment-Extinguishers</b>									
Extinguishers-Purchase	17,488	-	-	-	-	-	-	-	-
Extinguishers-Repair	2,778	-	-	-	-	-	-	-	-
Extinguishers-Reservice	2,000	-	-	-	-	-	-	-	-
<b>Total Equipment-Extinguishers</b>	22,266	-	-	-	-	-	-	-	-
Equipment-Miscellaneous Exp	58,113	-	-	-	-	-	-	28,362	-
<b>Total Maintenance-Equipment</b>	2,661,900	131,710	500	161,961	-	16,000	-	28,390	235,345
<b>Total Maintenance</b>	28,548,470	16,326,588	198,644	375,871	21,000	1,658,773	-	1,531,447	1,861,340

	Total	Terminal 1	Terminal 1 Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>Other</b>									
<b>General Insurance</b>									
Gen Ins-Airport Liability	529,746	120,089	-	26,036	16,746	28,212	-	9,742	33,941
Gen Ins-Property	895,575	203,019	-	44,017	28,310	47,694	-	16,469	57,379
Gen Ins-Crime	18,000	4,080	-	885	569	958	-	331	1,153
Gen Ins-Auto/Equipment	245,461	55,644	-	12,064	7,759	13,072	-	4,514	15,727
Gen Ins-Other	8,000	1,814	-	-	393	253	-	426	147
<b>Total General Insurance</b>	<b>1,696,782</b>	<b>384,646</b>	<b>-</b>	<b>83,002</b>	<b>53,777</b>	<b>90,189</b>	<b>-</b>	<b>31,482</b>	<b>108,347</b>
<b>Safety</b>									
Safety-Supplies	51,724	150	-	3,569	-	4,000	-	-	-
Safety-Equipment	20,441	-	-	-	-	500	-	-	-
<b>Total Safety</b>	<b>72,165</b>	<b>150</b>	<b>-</b>	<b>3,569</b>	<b>-</b>	<b>4,500</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Medical Information/Supply</b>									
Medical-Routine Supplies	17,682	2,750	-	501	-	1,200	-	-	-
Medical-Emergency Response	2,500	-	-	-	-	-	-	-	-
<b>Total Medical Information/Supply</b>	<b>20,182</b>	<b>2,750</b>	<b>-</b>	<b>501</b>	<b>-</b>	<b>1,200</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Rentals</b>									
Rental-Copier	50,018	2,000	-	-	-	3,000	-	5,756	-
Rental-Pagers	9,600	-	-	-	-	-	-	-	-
Rental-Other Equipment	33,191	2,000	-	-	-	-	-	1,310	-
<b>Total Rentals</b>	<b>92,809</b>	<b>4,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,000</b>	<b>-</b>	<b>7,065</b>	<b>-</b>
<b>Licenses/Permits</b>									
Licenses-Autos/Equipment	1,024	-	-	-	-	-	-	-	-
Licenses-Environmental	10,570	-	-	-	-	5,000	-	-	-
Licenses-Other	4,396	-	-	1,905	-	-	-	-	-
<b>Total Licenses/Permits</b>	<b>15,990</b>	<b>-</b>	<b>-</b>	<b>1,905</b>	<b>-</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Miscellaneous Expenses</b>									
Misc-Firearm/Equip/Supplies	91,649	-	-	-	-	-	-	-	-
Misc-Emergency Response	35,096	600	-	-	-	-	-	-	-
<b>Misc-Other</b>	<b>85,558</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
Misc-Taxes(Petroleum/Use)	44,402	-	-	-	-	-	-	-	-
<b>Total Miscellaneous Expenses</b>	<b>256,705</b>	<b>600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Adjustments/Bad Debt</b>	<b>21,000</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Assets</b>									
<b>Minor Equipment/Assets</b>									
Minor Assets-Tools	63,691	6,872	-	-	-	-	-	-	-
Minor Assets-Office Furn	50,143	8,900	-	-	-	-	-	-	-
Minor Assets-Computers	407,223	9,620	-	-	-	-	-	6,000	6,000
Minor Assets-Radios	2,665	-	-	-	-	-	-	-	-
Minor Assets-Other	52,837	-	-	-	-	-	-	-	-
<b>Total Minor Equipment/Assets</b>	<b>576,559</b>	<b>25,392</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,000</b>	<b>6,000</b>
<b>Total Capital Assets</b>	<b>576,559</b>	<b>25,392</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,000</b>	<b>6,000</b>
<b>Total Other</b>	<b>2,752,191</b>	<b>427,538</b>	<b>-</b>	<b>88,977</b>	<b>53,777</b>	<b>126,889</b>	<b>-</b>	<b>44,547</b>	<b>114,347</b>
<b>Gross Depreciation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total Excluding Depreciation</b>	<b>143,016,560</b>	<b>29,561,674</b>	<b>474,144</b>	<b>4,304,852</b>	<b>74,777</b>	<b>5,924,942</b>	<b>98</b>	<b>5,570,151</b>	<b>10,035,436</b>
<b>Grand Total With Depreciation</b>	<b>143,016,560</b>	<b>29,561,674</b>	<b>474,144</b>	<b>4,304,852</b>	<b>74,777</b>	<b>5,924,942</b>	<b>98</b>	<b>5,570,151</b>	<b>10,035,436</b>

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	Cargo Area	Terminal 2	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<b>Personnel</b>								
<b>Wages</b>								
Regular	-	310,850	-	-	-	10,430,759	-	-
<b>Overtime/Doubletime</b>								
Doubletime - Regular	-	-	-	-	-	1,146,665	-	-
Overtime - Regular	-	991	-	-	-	545,195	-	-
<b>Total Overtime/Doubletime</b>	-	991	-	-	-	1,691,860	-	-
Commissioner PerDiem	-	-	-	-	-	-	-	-
<b>Temps</b>								
Temps - Agency	-	-	-	-	-	51,293	-	-
Temps - Non Agency	-	219,109	-	-	-	535,218	-	-
<b>Total Temps</b>	-	219,109	-	-	-	586,511	-	-
<b>Total Wages</b>	-	530,950	-	-	-	12,709,131	-	-
<b>Benefits</b>								
<b>Employee Insurance</b>								
Employee Insurance Dental	-	2,606	-	-	-	133,979	-	-
Empl Insurance Disability	-	1,260	-	-	-	27,312	-	-
Employee Insurance Life	-	592	-	-	-	18,047	-	-
Employee Insurance Medical	-	16,856	-	-	-	1,372,476	-	-
Employee Insurance Retiree	-	7,000	-	-	-	575,000	-	-
<b>Total Employee Insurance</b>	-	28,314	-	-	-	2,126,814	-	-
<b>Pension</b>								
Fica (Social Security)Base	-	30,268	-	-	-	704,087	-	-
Fica(Social Security)Medic	-	6,901	-	-	-	165,989	-	-
Mpls Empl Retirement Fund	-	-	-	-	-	18,209	-	-
Public Empl - Coordinated	-	37,098	-	-	-	784,556	-	-
Public Empl - Police/Fire	-	-	-	-	-	-	-	-
Merf Unfunded Liability	-	-	-	-	-	372,386	-	-
<b>Total Pension</b>	-	74,267	-	-	-	2,045,228	-	-
<b>Training</b>								
Continuing Ed (College)	-	-	-	-	-	-	-	1,468
Executive Leadership Train	-	-	-	-	-	-	-	-
Management Requirement	-	-	-	-	-	-	-	-
Organizational Requirement	-	-	-	-	-	-	-	-
Regulatory Requirements	-	-	-	-	-	21,996	-	-
Local Seminars	-	1,200	-	-	-	1,082	-	-
<b>Total Training</b>	-	1,200	-	-	-	23,078	-	1,468
Post Retirement Benefits	-	4,697	-	-	-	511,780	-	-
Workers Compensation	-	2,193	-	-	-	122,764	-	-
Post Employ Health Plan	-	1,540	-	-	-	92,031	-	-
Flex Spending	-	-	-	-	-	-	-	-
Unemployment Tax	-	-	-	-	-	85,000	-	-
<b>Uniforms</b>								
Uniforms-Police/Fire Allow	-	-	-	-	-	-	-	-
Uniforms-Rental	-	-	-	-	-	36,045	-	-
Uniforms - Safety	-	-	-	-	-	20,169	-	6,054
<b>Total Uniforms</b>	-	-	-	-	-	56,214	-	6,054
<b>Severance</b>								
Contract Allowance	-	-	-	-	-	7,673	-	-
Regular Severance	-	2,788	-	-	-	51,139	-	-
<b>Total Severance</b>	-	2,788	-	-	-	58,812	-	-
Trade Union Benefits	-	-	-	-	-	663,198	-	-
<b>Total Benefits</b>	-	114,999	-	-	-	5,784,920	-	7,522
<b>Total Personnel</b>	-	645,950	-	-	-	18,494,051	-	7,522

	Cargo Area	Terminal 2	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<b>Administrative Expenses</b>								
<b>Supplies</b>								
Office Supplies Materials	-	500	-	-	-	-	-	4,825
<b>Computer Supplies</b>								
Computer Supplies-General	-	500	-	-	-	-	-	80
Computer Supplies-Software	-	-	-	-	-	-	8,570	-
Computer - Tools	-	-	-	-	-	-	-	-
<b>Total Computer Supplies</b>	-	500	-	-	-	-	8,570	80
<b>Special Supplies</b>								
Special Supplies-Badging	-	-	-	-	-	-	-	-
Special Supply-Film/Photo	-	-	-	-	-	-	-	685
Special Supplies-Other	-	700	-	-	-	-	100	152
<b>Total Special Supplies</b>	-	700	-	-	-	-	100	836
<b>Total Supplies</b>	-	1,700	-	-	-	-	8,670	5,742
<b>Travel</b>								
Travel - Lodging	-	2,000	-	-	-	-	-	-
Travel - Meals	-	150	-	-	-	250	-	-
Travel - Miscellaneous	-	-	-	-	-	-	-	-
<b>Travel - Transportation</b>								
Travel - Transport/Airfare	-	2,500	-	-	-	-	-	-
Travel - Shuttle/Taxi/Auto	-	80	-	-	-	250	-	-
<b>Total Travel - Transportation</b>	-	2,580	-	-	-	250	-	-
Registration Fees	-	500	-	-	-	-	-	-
Mileage	-	1,000	-	-	-	-	-	102
<b>Total Travel</b>	-	6,230	-	-	-	500	-	102
<b>Other Administrative Expense</b>								
<b>Local Meetings</b>								
Local Mtgs - Off Airport	-	-	-	-	-	-	200	37
Local Mtgs - On Airport/GO	-	-	-	-	-	-	-	-
<b>Total Local Meetings</b>	-	-	-	-	-	-	200	37
<b>Information Sources</b>								
Memberships/Dues/Pro Assoc	-	-	-	-	-	-	-	357
Other Information Sources	-	-	-	-	-	-	-	-
Publications/Subscriptions	-	-	-	-	-	-	-	378
<b>Total Information Sources</b>	-	-	-	-	-	-	-	734
<b>Printing Costs</b>								
Printing-Publications	-	-	-	-	-	-	-	-
Printing - Color Charts	-	-	-	-	-	-	-	-
Printing - Forms	-	-	-	-	-	-	-	-
Printing-Stationary/Envel	-	-	-	-	-	-	-	-
<b>Total Printing Costs</b>	-	-	-	-	-	-	-	-
Delivery Services	-	-	-	-	-	2,000	-	74
Freight Charges	-	277	-	-	-	-	-	254
Postage	-	-	-	-	-	-	-	-
<b>Total Other Administrative Expense</b>	-	277	-	-	-	2,000	200	1,099
<b>Total Administrative Expenses</b>	-	8,207	-	-	-	2,500	8,870	6,943

	Cargo Area	Terminal 2	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<b>Professional Services</b>								
Accounting/Audit Fees	-	-	-	-	-	-	-	-
Affirmative Action Fees	-	-	-	-	-	-	-	-
<b>Appraisals</b>	-	-	-	-	-	-	-	-
<b>RFP/Leases</b>	-	-	-	-	-	-	-	-
<b>Concept Develop/Feasible</b>	-	-	-	-	-	-	-	-
<b>Computer Services</b>								
<b>General</b>								
ANOMS Consulting	-	-	-	-	-	-	-	-
Software Consulting	-	-	-	-	-	-	-	-
<b>Total General</b>	-	-	-	-	-	-	-	-
<b>Total Computer Services</b>	-	-	-	-	-	-	-	-
Engineering Fees	-	2,000	-	-	-	-	-	-
Insurance Consultants	-	-	-	-	-	-	-	-
<b>Legal Fees</b>								
Legal - Environmental	-	-	-	-	-	-	-	-
Legal - General	-	-	-	-	-	-	-	-
Legal - Relievers	-	-	-	-	-	-	-	-
<b>Total Legal Fees</b>	-	-	-	-	-	-	-	-
<b>Legislative</b>								
Legislative - Local	-	-	-	-	-	-	-	-
Legislative - National	-	-	-	-	-	-	-	-
<b>Total Legislative</b>	-	-	-	-	-	-	-	-
Medical Fees	-	-	-	-	-	-	-	-
<b>Planning</b>	-	-	-	-	-	-	-	-
Pollution/Environmental Fees	-	-	-	-	-	-	-	-
<b>Public Information Services</b>								
Public Infor Serv. - Pho	-	-	-	-	-	-	-	-
Public Infor Serv. - Web	-	-	-	-	-	-	-	-
Public Infor Serv. - Other	-	-	-	-	-	-	-	-
<b>Total Public Information Services</b>	-	-	-	-	-	-	-	-
<b>Recruiting Employment Fees</b>								
Executive Recruiting	-	-	-	-	-	-	-	-
<b>Total Recruiting Employment Fees</b>	-	-	-	-	-	-	-	-
<b>Safety Consultants</b>								
Safety - Training	-	-	-	-	-	-	-	-
Safety - General	-	-	-	-	-	-	-	-
<b>Total Safety Consultants</b>	-	-	-	-	-	-	-	-
<b>Other/Miscellaneous</b>								
<b>Survey Expense</b>	-	-	-	-	-	-	-	-
<b>Wildlife/Meteorology</b>								
Meteorology	-	-	-	-	-	-	-	-
Wildlife	-	-	-	-	-	-	-	-
<b>Total Wildlife/Meteorology</b>	-	-	-	-	-	-	-	-
Business Development	-	-	-	-	-	-	-	-
Environmental	-	-	-	-	-	-	-	-
<b>Mechanical</b>								
Mechanical Terminal	-	22,808	-	-	-	-	-	-
Mechanical Trades	-	-	-	-	-	-	-	164,000
<b>Total Mechanical</b>	-	22,808	-	-	-	-	-	164,000
Miscellaneous	-	-	10,000	-	-	-	-	113,600
<b>Total Other/Miscellaneous</b>	-	22,808	10,000	-	-	-	-	277,600
<b>Total Professional Services</b>	-	24,808	10,000	-	-	-	-	277,600
<b>Utilities</b>								
Electricity	116,459	1,069,713	373,755	-	532,292	-	-	291,034
<b>Heating Fuel</b>								
Heating - Natural Gas	70,785	292,544	30,241	-	87,352	-	-	156,156
Heating - Fuel Oil	-	-	-	-	-	-	-	-
<b>Total Heating Fuel</b>	70,785	292,544	30,241	-	87,352	-	-	156,156
Sewer	2,871	3	600,608	-	533	-	-	8,567
Water	-	76,953	398,033	-	19,603	-	-	18,298
<b>Telephone</b>								
Telephone - Regular	-	-	-	-	-	-	-	-
Telephone - Internet Service	-	-	-	-	-	-	-	-
Telephone - Cellular	-	2,600	-	-	-	10,046	-	23,886
<b>Total Telephone</b>	-	2,600	-	-	-	10,046	-	23,886
<b>Total Utilities</b>	190,115	1,441,813	1,402,637	-	639,780	10,046	-	497,941

	Cargo Area	Terminal 2	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<b>Operating Services/Expenses</b>								
<b>Advertising</b>								
Advertising - Employment	-	-	-	-	-	-	-	-
Advertising - General	-	-	-	-	-	-	-	-
Advertising - Parking	-	-	-	-	-	-	-	-
Advertising - Relievers	-	-	-	-	-	-	-	-
<b>Total Advertising</b>	-	-	-	-	-	-	-	-
<b>Environmental Control</b>								
<b>Hazardous Waste</b>								
Hazardous Waste - FLOuresc	-	-	-	-	-	-	-	15,000
Hazardous Waste - General	-	-	-	-	-	-	-	4,000
<b>Total Hazardous Waste</b>	-	-	-	-	-	-	-	19,000
<b>Pollution Control</b>								
Pollution Ctrl-Booms	-	-	13,000	-	-	-	-	-
Pollution Ctrl-Corn Cobs	-	-	-	-	-	-	-	-
<b>Total Pollution Control</b>	-	-	13,000	-	-	-	-	-
Industrial Waste Mgmt	-	-	-	-	-	-	-	-
Laboratory Services	-	-	-	-	-	-	-	-
Solvent Reclamation Service	-	-	-	-	-	-	9,000	750
Tire Disposal	-	-	-	-	-	-	400	-
Other	-	-	-	-	-	-	-	2,000
<b>Total Environmental Control</b>	-	-	13,000	-	-	-	9,400	21,750
GLSW Management	-	-	-	-	-	-	-	-
<b>Grd Transportation Services</b>								
<b>Shuttle Services</b>	-	155,696	-	-	-	-	-	-
<b>Parking Lots</b>								
<b>General Fees</b>	-	-	-	-	-	-	-	-
<b>Met Council Fees</b>	-	-	-	-	-	-	-	-
<b>Employee Programs</b>								
<b>Recognition</b>	-	-	-	-	-	-	-	-
<b>Retirement</b>	-	-	-	-	-	-	-	-
<b>Wellness</b>								
Wellness - Fitness Program	-	-	-	-	-	-	-	-
Wellness-Health/Wellness	-	-	-	-	-	-	-	-
Wellness-Other Programs	-	-	-	-	-	-	-	-
Wellness-Nutrition/Stress	-	-	-	-	-	-	-	-
<b>Total Wellness</b>	-	-	-	-	-	-	-	-
<b>Total Employee Programs</b>								
<b>Conference Center</b>	-	-	-	-	-	-	-	-
<b>Conference Center</b>	-	-	-	-	-	-	-	-
<b>Events Exercises</b>								
<b>Emergency Response Exercise</b>	-	-	-	-	-	-	-	14
Other Programs/Events	-	-	-	-	-	-	-	-
Call Back Service	-	-	-	-	-	-	-	-
Major Events-Conventions	-	-	-	-	-	-	-	-
<b>Total Events Exercises</b>	-	-	-	-	-	-	-	14
<b>Other Charges/Fees</b>								
Bank Charges	-	-	-	-	-	-	-	-
IATA Contract Expense	-	-	-	-	-	-	-	-
<b>Security Services Regular</b>	-	-	-	-	-	-	-	-
Security Services Check Pt	-	-	-	-	-	-	-	-
Concessions Marketing	-	-	-	-	-	-	-	-
<b>Recycling</b>	-	-	-	-	-	-	-	-
<b>Recycling - Sand</b>	-	-	-	-	-	-	-	-
<b>Copy Agreement</b>	-	-	-	-	-	-	-	14,000
Mediation Fees	-	-	-	-	-	-	-	-
<b>Miscellaneous Charges/Fees</b>	-	-	-	-	-	-	-	-
Jail Fees	-	-	-	-	-	-	-	-
<b>Total Other Charges/Fees</b>	-	-	-	-	-	-	-	14,000
<b>Service Agreements</b>								
Service - Bldg Inspection	-	-	-	-	-	-	-	-
Service-Computers	-	58,566	-	-	-	13,615	-	-
Service-Fitness Equipment	-	-	-	-	-	-	-	-
Service-Grd Trans Equip	-	-	-	-	-	-	-	-
Service-Loading Dock	-	58,951	-	-	-	-	-	-
Service-Office Equipment	-	250	-	-	-	-	-	-
Service-Other Equipment	2,295	268,720	-	-	-	-	-	31,601
Service-Parking Equipment	-	-	-	-	-	-	-	-
Service-Telephone Systems	-	-	-	-	-	-	-	-
Service-Secured Access	-	-	-	-	-	-	-	-
Service-Radios	-	-	-	-	-	-	-	11,173
<b>Total Service Agreements</b>	2,295	386,487	-	-	-	13,615	-	42,774
<b>Total Operating Services/Expenses</b>	2,295	542,183	13,000	-	-	13,615	9,400	78,538

	Cargo Area	Terminal 2	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<b>Maintenance</b>								
<b>Trades - Painters</b>								
<b>Paint</b>								
Equipment - Paint	-	-	-	-	-	-	-	6,000
Exterior - Paint	-	-	-	4,911	-	-	-	1,711
Interior - Paint	-	3,500	-	-	-	-	-	5,500
Traffic Paint - Parking	-	-	-	-	-	-	-	-
Reliever Airport - Paint	-	-	-	-	-	-	-	-
Traffic Paint - Roads	-	-	683	-	-	-	-	-
Traffic Paint - Runways	-	-	-	-	-	-	-	-
<b>Total Paint</b>	-	3,500	683	4,911	-	-	-	13,211
<b>Signs</b>								
Exterior Sign Materials	-	-	-	-	-	-	-	5,000
Interior Sign Materials	-	-	-	-	-	-	-	2,000
Reliever Airport Signs	-	-	-	-	-	-	-	-
<b>Total Signs</b>	-	-	-	-	-	-	-	7,000
<b>Supplies</b>								
Paint Supplies - Other	-	-	-	-	-	-	-	6,078
Solvents	-	-	-	-	-	-	-	1,500
Equipment Spray	-	-	-	-	-	-	-	8,000
Paint Tools	-	-	-	-	-	-	-	13,000
<b>Total Supplies</b>	-	-	-	-	-	-	-	28,578
<b>Total Trades - Painters</b>	-	3,500	683	4,911	-	-	-	48,789
<b>Trades - Carpenters</b>								
<b>Locks</b>								
Locks - Doors	-	14,000	-	-	-	-	-	30,000
Locks - Door Tags/ID	-	-	-	-	-	-	-	-
<b>Total Locks</b>	-	14,000	-	-	-	-	-	30,000
<b>Flags</b>	-	-	-	-	-	-	-	410
<b>Lumber</b>								
Lumber-Cabinets	-	-	-	-	-	-	-	-
Lumber-Furniture	-	1,500	-	-	-	-	-	2,401
Lumber-Remodeling	-	-	-	-	-	-	-	-
<b>Total Lumber</b>	-	1,500	-	-	-	-	-	2,401
<b>Other</b>								
Other - Attic Stock	-	-	-	-	-	-	-	-
Other - Ceilings	-	-	-	-	-	-	-	1,373
Other - Ceramics	-	1,028	-	-	-	-	-	-
Other - Doors	-	1,500	-	-	-	-	-	1,538
Other - Floor Coverings	-	4,600	-	-	-	-	-	1,500
Other - Hardware	-	-	-	-	-	-	-	7,176
Other - Miscellaneous	-	-	-	-	-	-	-	-
Other - Auto Door Supplis RPL	-	-	-	-	-	-	-	1,000
Other - Saw Blades	-	-	-	-	-	-	-	-
Other - Screws/Bolts	-	-	-	-	-	-	-	8,151
Other - Seating Replacement	-	3,000	-	-	-	-	-	-
Other - Tools	-	178	-	-	-	-	-	308
Other - Tug Door Repairs	-	513	-	-	-	-	-	-
Other - Tug Drive Floor Maint.	-	-	-	-	-	-	-	-
Other - Wall Protection	-	-	-	-	-	-	-	1,500
<b>Total Other</b>	-	10,819	-	-	-	-	-	22,545
<b>Total Trades - Carpenters</b>	-	26,319	-	-	-	-	-	55,356

	Cargo Area	Terminal 2	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<b>Trades - Plumbers</b>								
<b>Contractor Requirements</b>	-	-	-	-	-	-	-	3,045
Fire Protection System	-	14,783	-	8,440	-	-	-	5,653
General Plumbing Supplies	-	5,380	-	4,060	-	-	5,075	12,180
Irrigation Supplies	-	1,307	2,064	1,015	-	-	-	-
Pumps	-	-	-	140	-	-	-	-
Underground Utilities	-	-	-	-	-	-	-	-
Water Distribution Systems	-	2,900	-	-	-	-	-	7,000
Water Meters	-	-	-	-	-	-	-	2,500
<b>Total Trades - Plumbers</b>	-	24,370	2,064	13,655	-	-	5,075	30,378
<b>Trades - Electricians</b>								
<b>Repairs</b>								
Generator Maint. Contract	-	2,200	-	-	-	-	-	-
Electrical - Interior	-	3,000	-	-	-	-	-	-
Unit Maint. Contract	-	40,000	-	-	-	-	-	-
Unit Maint Supplies	-	-	-	-	-	-	-	15,500
<b>Total Repairs</b>	-	45,200	-	-	-	-	-	15,500
<b>Other</b>								
Other - Batteries	-	-	-	-	-	-	-	3,000
Other-Field Lights/Sensors	-	-	-	-	-	-	-	-
Other - Gate Supplies	-	-	-	-	-	-	-	-
Other - General Supplies	-	23,578	1,640	10,252	5,044	-	-	25,265
Other - Motor	-	2,000	-	1,025	-	-	-	1,000
Other - Secured Access Sys	-	-	-	-	-	-	-	-
<b>Total Other</b>	-	25,578	1,640	11,277	5,044	-	-	29,265
<b>Total Trades - Electricians</b>	-	70,778	1,640	11,277	5,044	-	-	44,765

	Cargo Area	Terminal 2	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<b>Maintenance - Field</b>								
<b>Snow Removal - Materials</b>								
Materials - Sodium Acetate	-	-	-	-	-	-	-	-
Materials-Liquid Anti Icer	-	-	-	-	-	-	-	-
Materials-Other Ice Ctrl	-	-	4,000	-	-	-	-	-
Materials - Salt	-	-	40,000	-	-	-	-	-
Materials - Sand	-	-	10,000	-	-	-	-	-
Materials - Urea	-	-	-	-	-	-	-	-
<b>Total Snow Removal - Materials</b>	-	-	54,000	-	-	-	-	-
<b>Snow Removal - Equipment</b>								
Equipment - Contract	44,000	-	-	-	-	-	-	-
Equipment-Rent-No Operator	-	-	-	-	-	-	5,000	-
Equip Rent-No Operator-5.5	-	-	-	-	-	-	-	-
<b>Total Snow Removal - Equipment</b>	44,000	-	-	-	-	-	5,000	-
<b>Snow Removal - Miscellan</b>								
Snow Removal - Meals	-	-	-	-	-	-	-	-
Snow Removal - Plow Blades	-	-	3,000	-	-	-	-	-
Snow Removal - Runway Brm	-	-	-	-	-	-	-	-
Snow Melters	15,000	-	-	-	-	-	-	-
<b>Total Snow Removal - Miscellan</b>	15,000	-	3,000	-	-	-	-	-
<b>Summer Maintenance-Surface</b>								
Surface Repair-Aggregate	-	-	1,000	-	-	-	-	-
Surface Repair-Asphalt	-	-	5,000	-	-	-	-	-
Surface Repair-Cement	-	-	-	-	-	-	-	-
Surface Repair-Other	-	-	-	-	-	-	-	-
Surface Rubber Removal	-	-	-	-	-	-	-	-
Surface Repair-Saw Blades	-	-	-	-	-	-	-	-
Surface Repair-Hot Sealant	-	-	-	-	-	-	-	-
<b>Total Summer Maintenance-Surf</b>	-	-	6,000	-	-	-	-	-
<b>Summer Maint-Landscape</b>								
Summer Maintenance-Fencing	-	-	-	-	-	-	1,000	-
Landscape/Turf-Materials	-	-	500	-	-	-	-	-
Summer Maint-Equip Rent No Op	-	-	20,000	-	-	-	-	-
Summer Maint-Equip Rent LT	-	-	-	-	-	-	6,500	-
<b>Total Summer Maint-Landscape</b>	-	-	20,500	-	-	-	7,500	-
<b>Maintenance Field-Other</b>								
Field Maint-Other-Garbage	-	-	5,000	-	-	-	-	-
Non Runway Brooms	-	-	-	-	-	-	-	-
Field Maint-Other-Material	-	-	-	-	-	-	1,000	-
Field Maint-Other-Supplies	-	-	-	-	-	-	1,000	-
Field Maint-Other-Tools	-	-	500	-	-	-	3,000	-
<b>Total Maintenance Field-Other</b>	-	-	5,500	-	-	-	5,000	-
<b>Total Maintenance - Field</b>	59,000	-	89,000	-	-	-	17,500	-
<b>Maintenance Building</b>								
<b>Building-Temp Control</b>								
Temp Control-Contracts	-	61,652	-	8,096	21,925	-	9,272	19,033
Temp Control-Filters	-	22,000	-	-	810	-	-	428
Fire Control Contract	-	27,880	-	-	27	-	-	18,848
<b>Total Building-Temp Control</b>	-	111,532	-	8,096	22,762	-	9,272	38,309
<b>Building-Mechanical Areas</b>								
Mechanical Areas-APM	-	-	-	-	-	-	-	-
Mechanical Areas-Conveyors	-	106,014	-	-	-	-	-	-
Mechanical Areas-Doors	-	-	-	-	-	-	-	-
Mechanical Areas-Doors/Pub	-	2,500	-	-	-	-	-	-
Mechanical Areas-Doors/Tug	-	-	-	-	-	-	-	-
Mechanical Areas-Elevators	-	71,049	-	-	2,436	-	-	-
Mechanical Areas-Escalator	-	99,469	-	-	-	-	-	-
Mechanical-Moving Walks	-	28,420	-	-	-	-	-	-
Mechanical Areas-Other	-	3,500	-	-	-	-	-	-
<b>Total Building-Mechanical Areas</b>	-	310,952	-	-	2,436	-	-	-
<b>Building-Other</b>								
Other-Building Systems	72,753	-	-	-	28,000	-	-	-
Other-Boiler Chemicals	-	5,603	-	-	-	-	-	-
Other-Floors/Repairs	-	-	-	-	-	-	-	1,369
Other-Jetbridge Repairs	-	210,000	-	-	-	-	-	-
Other-Outside Plumb/Sewer	-	-	-	-	-	-	-	2,700
Other-Paging System Contract	-	-	-	-	-	-	-	-
Other-Pest Control	-	-	-	-	-	-	-	-
Other-Roofing	-	-	-	-	-	-	-	-
Sump/Septic Pumping	-	-	-	-	-	-	-	47,000
Other-Supplies	210	-	-	-	-	-	-	3,634
Other-Tools	-	-	-	-	-	-	-	1,362
<b>Total Building-Other</b>	72,963	215,603	-	-	28,000	-	-	56,065
Minor Projects Expense	-	-	-	-	-	-	-	-
<b>Total Maintenance Building</b>	72,963	638,087	-	8,096	53,198	-	9,272	94,374

	Cargo Area	Terminal 2	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<b>Maintenance-Cleaning</b>								
<b>Cleaning Services</b>								
Cleaning Services-Janitor	23,075	1,079,305	-	-	100,075	-	-	142,786
Cleaning Services-Windows	650	213,659	-	-	652	-	-	2,439
<b>Total Cleaning Services</b>	23,725	1,292,964	-	-	100,727	-	-	145,225
<b>Cleaning Supplies</b>								
Cleaning Supplies-Bathroom	-	51,000	-	-	-	-	-	-
Cleaning Supplies-General	-	-	-	-	6,120	-	-	-
<b>Total Cleaning Supplies</b>	-	51,000	-	-	6,120	-	-	-
<b>Rubbish Disposal</b>								
Rubbish Disposal-Recycle	-	-	-	-	-	-	-	-
Rubbish Disposal-Regular	-	-	-	-	-	-	-	-
<b>Total Rubbish Disposal</b>	-	-	-	-	-	-	-	-
Towel Laundry Services	-	-	-	-	-	-	-	-
Other Cleaning Expenses	-	-	-	-	-	-	-	-
<b>Total Maintenance-Cleaning</b>	23,725	1,343,964	-	-	106,847	-	-	145,225
<b>Maintenance-Equipment</b>								
<b>Equipment-Parts</b>								
Parts-Automobiles	-	-	-	-	-	-	50,000	-
Parts-Boilers Energy Mgmt	-	3,407	-	-	626	-	-	-
Parts-Chiller Energy Mgmt	-	15,604	-	1,866	2,209	-	-	-
Parts-Other Equipment	-	-	-	-	-	-	-	-
Parts-Equipment	-	-	-	-	-	-	320,000	-
Parts-Other Equipment	-	2,336	-	128	-	-	-	1,266
<b>Total Equipment-Parts</b>	-	21,347	-	1,994	2,835	-	370,000	1,266
<b>Equipment-Shop</b>								
Shop-Batteries	-	-	-	-	-	-	17,000	-
Shop-Cleaners/Degreasers	-	-	-	-	-	-	15,000	-
Shop-Oil_Filters	-	-	-	-	-	-	80,000	-
Shop-Other Supplies	-	-	-	-	-	-	20,000	1,320
Shop-Tires	-	-	-	-	-	-	55,000	-
Shop - Tool Crib	-	-	-	-	-	-	30,000	-
Shop-Tools	-	-	-	-	-	-	10,000	17,990
Shop - Weld Shop	-	-	-	-	-	-	10,000	-
<b>Total Equipment-Shop</b>	-	-	-	-	-	-	237,000	19,310
<b>Equipment-Gas</b>								
Gas-Diesel	-	-	-	-	-	-	455,555	7,512
Gas-Ethanol	-	-	-	-	-	-	29,305	-
Gas-Propane	-	-	-	-	-	-	3,500	1,624
Gas-Unleaded	-	-	-	-	-	-	138,168	66,821
<b>Total Equipment-Gas</b>	-	-	-	-	-	-	626,528	75,957
<b>Equipment-Extinguishers</b>								
Extinguishers-Purchase	-	-	-	-	-	-	-	-
Extinguishers-Repair	-	-	-	-	-	-	-	-
Extinguishers-Reservice	-	-	-	-	-	-	-	-
<b>Total Equipment-Extinguishers</b>	-	-	-	-	-	-	-	-
Equipment-Miscellaneous Exp	-	3,000	-	-	-	-	-	2,050
<b>Total Maintenance-Equipment</b>	-	24,347	-	1,994	2,835	-	1,233,528	98,584
<b>Total Maintenance</b>	155,688	2,131,365	93,387	39,933	167,924	-	1,265,375	517,472

	Cargo Area	Terminal 2	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<b>Other</b>								
<b>General Insurance</b>								
Gen Ins-Airport Liability	-	17,185	9,613	-	8,766	-	54,154	2,875
Gen Ins-Property	-	29,052	16,252	-	14,820	-	91,551	4,859
Gen Ins-Crime	-	584	327	-	298	-	1,840	98
Gen Ins-Auto/Equipment	-	7,963	4,454	-	4,062	-	25,092	1,332
Gen Ins-Other	-	513	259	145	132	-	818	43
<b>Total General Insurance</b>	-	55,297	30,905	145	28,078	-	173,455	9,207
<b>Safety</b>								
Safety-Supplies	-	-	3,000	-	-	5,420	-	21,408
Safety-Equipment	-	-	-	-	-	-	-	6,665
<b>Total Safety</b>	-	-	3,000	-	-	5,420	-	28,073
<b>Medical Information/Supply</b>								
Medical-Routine Supplies	-	-	-	-	-	-	-	-
Medical-Emergency Response	-	-	-	-	-	-	-	-
<b>Total Medical Information/Supply</b>	-	-	-	-	-	-	-	-
<b>Rentals</b>								
Rental-Copier	-	-	-	-	-	-	3,000	-
Rental-Pagers	-	-	-	-	-	-	-	-
Rental-Other Equipment	-	1,000	-	-	-	-	-	14,447
<b>Total Rentals</b>	-	1,000	-	-	-	-	3,000	14,447
<b>Licenses/Permits</b>								
Licenses-Autos/Equipment	-	-	-	-	-	-	578	-
Licenses-Environmental	-	-	-	-	-	-	370	-
Licenses-Other	-	-	-	-	-	-	-	-
<b>Total Licenses/Permits</b>	-	-	-	-	-	-	948	-
<b>Miscellaneous Expenses</b>								
Misc-Firearm/Equip/Supplies	-	-	-	-	-	-	-	-
Misc-Emergency Response	-	-	-	-	-	-	-	-
<b>Misc-Other</b>	-	-	-	-	-	-	5,000	-
Misc-Taxes(Petroleum/Use)	-	-	-	-	-	-	38,916	-
<b>Total Miscellaneous Expenses</b>	-	-	-	-	-	-	43,916	-
<b>Adjustments/Bad Debt</b>	-	-	-	-	-	-	-	-
<b>Capital Assets</b>								
<b>Minor Equipment/Assets</b>								
Minor Assets-Tools	-	-	-	-	-	-	18,690	36,999
Minor Assets-Office Furn	-	-	-	-	-	-	-	5,000
Minor Assets-Computers	-	3,800	-	-	-	-	10,445	-
Minor Assets-Radios	-	-	-	-	-	-	-	-
Minor Assets-Other	-	-	-	-	-	-	-	6,638
<b>Total Minor Equipment/Assets</b>	-	3,800	-	-	-	-	29,135	48,637
<b>Total Capital Assets</b>	-	3,800	-	-	-	-	29,135	48,637
<b>Total Other</b>	-	60,097	33,905	145	28,078	5,420	250,454	100,364
<b>Gross Depreciation</b>	-	-	-	-	-	-	-	-
<b>Grand Total Excluding Depreciation</b>	348,098	4,854,423	1,552,929	40,078	835,782	18,525,631	1,534,099	1,486,379
<b>Grand Total With Depreciation</b>	348,098	4,854,423	1,552,929	40,078	835,782	18,525,631	1,534,099	1,486,379

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	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Personnel</b>								
<b>Wages</b>								
Regular	-	8,244,351	3,696,859	9,355,887	724,954	2,387,118	1,060,502	1,833,336
<b>Overtime/Doubletime</b>								
Doubletime - Regular	-	-	-	-	-	-	-	172,235
Overtime - Regular	-	479,682	556,729	17,190	-	199,854	-	116,174
<b>Total Overtime/Doubletime</b>	-	479,682	556,729	17,190	-	199,854	-	288,409
Commissioner PerDiem	-	-	-	15,000	-	-	-	-
<b>Temps</b>								
Temps - Agency	-	-	-	-	-	-	-	-
Temps - Non Agency	-	1,072,159	-	83,298	-	-	-	43,042
<b>Total Temps</b>	-	1,072,159	-	83,298	-	-	-	43,042
<b>Total Wages</b>	-	9,796,192	4,253,588	9,471,375	724,954	2,586,972	1,060,502	2,164,787
<b>Benefits</b>								
<b>Employee Insurance</b>								
Employee Insurance Dental	-	102,043	42,360	115,839	7,767	26,826	10,373	22,483
EmPLY Insurance Disability	-	25,096	10,237	42,798	2,511	9,237	4,253	6,807
Employee Insurance Life	-	15,512	6,864	20,679	1,180	4,344	1,996	3,332
Employee Insurance Medical	-	987,345	409,649	1,171,227	66,913	233,939	100,624	243,134
Employee Insurance Retiree	-	415,000	175,000	500,000	30,000	100,000	45,000	102,750
<b>Total Employee Insurance</b>	-	1,544,996	644,110	1,850,543	108,371	374,346	162,246	378,506
<b>Pension</b>								
Fica (Social Security)Base	-	191,419	10,808	594,899	42,619	151,608	60,785	112,872
Fica(Social Security)Medic	-	133,713	59,226	143,734	10,161	35,902	14,725	27,225
Mpls EmPLY Retirement Fund	-	-	-	22,966	-	-	-	8,051
Public EmPLY - Coordinated	-	223,719	12,451	752,359	52,508	186,466	76,472	139,344
Public EmPLY - Police/Fire	-	945,920	585,247	-	-	-	-	-
Merf Unfunded Liability	-	449,432	256,818	449,432	38,523	12,841	-	256,819
<b>Total Pension</b>	-	1,944,203	924,550	1,963,390	143,811	386,816	151,982	544,311
<b>Training</b>								
Continuing Ed (College)	-	-	-	59,000	-	-	-	-
Executive Leadership Train	-	-	-	20,000	-	-	-	-
Management Requirement	-	-	-	7,600	-	1,633	-	-
Organizational Requirement	-	-	-	31,800	-	-	18,000	-
Regulatory Requirements	-	-	30,558	11,600	-	15,214	-	-
Local Seminars	-	23,238	-	75,468	300	1,295	1,000	-
<b>Total Training</b>	-	23,238	30,558	205,468	300	18,142	19,000	-
Post Retirement Benefits	-	376,230	182,299	759,617	18,789	63,078	27,960	142,707
Workers Compensation	-	71,293	33,799	99,244	-	22,059	11,738	22,790
Post EmPLY Health Plan	-	36,031	11,830	58,794	3,863	8,584	5,457	7,576
Flex Spending	-	-	-	18,000	-	-	-	-
Unemployment Tax	-	-	-	-	-	-	-	-
<b>Uniforms</b>								
Uniforms-Police/Fire Allow	-	109,965	42,000	-	-	-	-	-
Uniforms-Rental	-	-	-	-	-	3,200	-	12,317
Uniforms - Safety	-	-	-	-	-	-	-	2,950
<b>Total Uniforms</b>	-	109,965	42,000	-	-	3,200	-	15,267
<b>Severance</b>								
Contract Allowance	-	-	-	-	-	-	-	809
Regular Severance	-	31,152	55,492	98,775	2,434	14,136	7,524	17,602
<b>Total Severance</b>	-	31,152	55,492	98,775	2,434	14,136	7,524	18,411
Trade Union Benefits	-	-	-	-	-	-	-	-
<b>Total Benefits</b>	-	4,137,108	1,924,638	5,053,830	277,568	890,361	385,907	1,129,568
<b>Total Personnel</b>	-	13,933,300	6,178,226	14,525,205	1,002,522	3,477,333	1,446,409	3,294,354

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Administrative Expenses</b>								
<b>Supplies</b>								
Office Supplies Materials	-	20,432	4,669	56,920	2,230	13,098	8,419	6,625
<b>Computer Supplies</b>								
Computer Supplies-General	-	-	-	27,639	-	32,037	772	-
Computer Supplies-Software	-	1,188	-	118,400	-	16,957	4,960	-
Computer - Tools	-	-	-	1,300	-	-	-	-
<b>Total Computer Supplies</b>	-	1,188	-	147,339	-	48,994	5,732	-
<b>Special Supplies</b>								
Special Supplies-Badging	-	94,091	-	-	-	-	-	-
Special Supply-Film/Photo	-	662	-	10,939	-	2,500	-	-
Special Supplies-Other	-	27,145	-	5,386	2,000	5,000	255	-
<b>Total Special Supplies</b>	-	121,898	-	16,325	2,000	7,500	255	-
<b>Total Supplies</b>	-	143,518	4,669	220,583	4,230	69,592	14,406	6,625
<b>Travel</b>								
Travel - Lodging	-	11,600	2,500	46,703	3,000	3,327	6,399	3,415
Travel - Meals	-	3,000	500	7,472	500	1,195	1,046	200
Travel - Miscellaneous	-	100	-	1,106	-	20	-	-
<b>Travel - Transportation</b>								
Travel - Transport/Airfare	-	4,800	1,500	57,917	2,420	2,985	9,000	2,000
Travel - Shuttle/Taxi/Auto	-	609	200	3,781	250	315	501	300
<b>Total Travel - Transportation</b>	-	5,409	1,700	61,698	2,670	3,300	9,501	2,300
Registration Fees	-	3,000	2,000	41,883	2,475	2,002	8,254	2,653
Mileage	-	4,887	-	36,164	-	405	154	450
<b>Total Travel</b>	-	27,996	6,700	195,026	8,645	10,249	25,354	9,018
<b>Other Administrative Expense</b>								
<b>Local Meetings</b>								
Local Mtgs - Off Airport	-	1,304	-	8,443	-	37	254	100
Local Mtgs - On Airport/GO	-	1,015	-	7,923	-	3,551	-	159
<b>Total Local Meetings</b>	-	2,319	-	16,366	-	3,588	254	259
<b>Information Sources</b>								
Memberships/Dues/Pro Assoc	-	8,990	1,081	204,218	355	4,724	754	3,195
Other Information Sources	-	768	1,523	68,532	15,733	10,828	11,731	-
Publications/Subscriptions	-	2,016	162	46,783	830	3,289	500	548
<b>Total Information Sources</b>	-	11,774	2,766	319,533	16,918	18,841	12,985	3,743
<b>Printing Costs</b>								
Printing-Publications	-	2,833	-	15,760	-	26,000	-	-
Printing - Color Charts	-	-	-	6,684	-	-	-	-
Printing - Forms	-	2,030	581	1,991	-	-	-	-
Printing-Stationary/Envel	-	1,972	-	11,266	1,200	-	-	-
<b>Total Printing Costs</b>	-	6,835	581	35,701	1,200	26,000	-	-
Delivery Services	-	492	-	3,921	-	87	804	75
Freight Charges	-	127	-	-	-	-	-	-
Postage	-	57	-	36,578	-	-	-	-
<b>Total Other Administrative Expense</b>	-	21,604	3,347	412,098	18,118	48,516	14,043	4,077
<b>Total Administrative Expenses</b>	-	193,118	14,716	827,707	30,993	128,357	53,803	19,720

## Operating Budget Expense

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Professional Services</b>								
Accounting/Audit Fees	-	-	-	196,000	-	-	-	-
Affirmative Action Fees	-	-	-	8,800	-	-	-	-
<b>Appraisals</b>	-	-	-	10,000	-	-	-	-
<b>RFP/Leases</b>	-	-	-	20,000	8,000	-	-	-
<b>Concept Develop/Feasible</b>	-	-	-	10,000	8,000	-	-	-
<b>Computer Services</b>								
<b>General</b>								
ANOMS Consulting	-	-	-	-	-	-	96,932	-
Software Consulting	-	-	-	555,500	-	-	-	-
<b>Total General</b>	-	-	-	555,500	-	-	96,932	-
<b>Total Computer Services</b>	-	-	-	555,500	-	-	96,932	-
Engineering Fees	-	-	-	10,000	-	-	55,000	75,000
Insurance Consultants	-	-	-	130,000	-	-	-	-
<b>Legal Fees</b>								
Legal - Environmental	-	-	-	-	-	-	120,000	-
Legal - General	-	-	-	485,000	-	-	-	-
Legal - Relievers	-	-	-	95,000	-	-	-	-
<b>Total Legal Fees</b>	-	-	-	580,000	-	-	120,000	-
<b>Legislative</b>								
Legislative - Local	-	-	-	90,000	-	-	-	-
Legislative - National	-	-	-	140,000	-	-	-	-
<b>Total Legislative</b>	-	-	-	230,000	-	-	-	-
Medical Fees	-	-	305	35,318	-	-	-	-
<b>Planning</b>	-	-	-	75,000	-	-	-	7,800
Pollution/Environmental Fees	-	-	-	-	-	-	1,553	6,000
<b>Public Information Services</b>								
Public Infor Serv. - Pho	-	-	-	10,150	-	-	-	-
Public Infor Serv. - Web	-	-	-	50,750	-	-	-	-
Public Infor Serv. - Other	-	-	-	207,000	-	-	-	1,822
<b>Total Public Information Services</b>	-	-	-	267,900	-	-	-	1,822
<b>Recruiting Employment Fees</b>								
Executive Recruiting	-	-	-	51,125	-	-	-	-
<b>Total Recruiting Employment Fees</b>	-	-	-	102,210	-	-	-	-
<b>Safety Consultants</b>								
Safety - Training	-	1,620	-	27,000	-	-	-	-
Safety - General	-	-	-	4,000	-	-	-	-
<b>Total Safety Consultants</b>	-	1,620	-	31,000	-	-	-	-
<b>Other/Miscellaneous</b>								
<b>Survey Expense</b>	-	-	-	16,920	-	-	-	-
<b>Wildlife/Meteorology</b>								
Meteorology	-	-	-	-	-	19,199	-	-
Wildlife	-	-	-	-	-	65,000	-	70,953
<b>Total Wildlife/Meteorology</b>	-	-	-	-	-	84,199	-	70,953
Business Development	-	-	-	130,000	-	-	-	-
Environmental	-	-	-	-	-	-	165,000	19,200
<b>Mechanical</b>								
Mechanical Terminal	-	-	-	7,603	-	-	-	7,500
Mechanical Trades	-	-	-	-	-	-	-	-
<b>Total Mechanical</b>	-	-	-	7,603	-	-	-	7,500
Miscellaneous	-	72,291	6,720	132,699	-	64,806	89,200	51,365
<b>Total Other/Miscellaneous</b>	-	72,291	6,720	287,222	-	149,005	254,200	149,018
<b>Total Professional Services</b>	-	73,911	7,025	2,548,950	16,000	149,005	527,685	239,640
<b>Utilities</b>								
Electricity	-	-	123,757	131,130	-	-	3,580	221,041
<b>Heating Fuel</b>								
Heating - Natural Gas	-	-	48,560	36,814	-	-	-	72,961
Heating - Fuel Oil	-	-	-	-	-	-	-	-
<b>Total Heating Fuel</b>	-	-	48,560	36,814	-	-	-	72,961
Sewer	-	-	1,628	1,770	-	-	-	21,500
Water	-	-	9,118	3,919	-	-	-	3,250
<b>Telephone</b>								
Telephone - Regular	-	-	-	168,000	-	344	12,822	26,952
Telephone - Internet Service	-	-	-	72,421	-	-	-	30,969
Telephone - Cellular	-	36,921	13,000	55,940	4,320	22,125	30,370	8,160
<b>Total Telephone</b>	-	36,921	13,000	296,361	4,320	22,469	43,192	66,081
<b>Total Utilities</b>	-	36,921	196,063	469,994	4,320	22,469	46,772	384,833

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Operating Services/Expenses</b>								
<b>Advertising</b>								
Advertising - Employment	-	-	-	8,500	-	-	-	-
<b>Advertising - General</b>	-	-	-	52,752	2,000	-	-	-
Advertising - Parking	-	-	-	-	-	-	-	-
Advertising - Relievers	-	-	-	-	-	-	-	6,212
<b>Total Advertising</b>	-	-	-	61,252	2,000	-	-	6,212
<b>Environmental Control</b>								
<b>Hazardous Waste</b>								
Hazardous Waste - FLOuresc	-	-	-	-	-	-	-	-
Hazardous Waste - General	-	-	-	-	-	-	-	-
<b>Total Hazardous Waste</b>	-	-	-	-	-	-	-	-
<b>Pollution Control</b>								
Pollution Ctrl-Booms	-	-	-	-	-	-	-	-
Pollution Ctrl-Corn Cobs	-	-	6,000	-	-	-	-	-
<b>Total Pollution Control</b>	-	-	6,000	-	-	-	-	-
Industrial Waste Mgmt	-	-	-	-	-	-	-	-
Laboratory Services	-	-	-	2,500	-	-	1,944	-
Solvent Reclamation Service	-	-	-	-	-	-	-	2,300
Tire Disposal	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	132,000
<b>Total Environmental Control</b>	-	-	6,000	2,500	-	-	1,944	134,300
GLSW Management	-	-	-	-	-	-	-	-
<b>Grd Transportation Services</b>	-	-	-	-	-	-	-	-
<b>Shuttle Services</b>	-	-	-	-	-	-	-	-
<b>Parking Lots</b>	-	-	-	-	-	-	-	-
<b>General Fees</b>	-	-	-	-	-	-	-	-
<b>Met Council Fees</b>	-	-	-	-	-	-	-	-
<b>Employee Programs</b>								
<b>Recognition</b>	-	-	-	8,186	-	-	-	-
<b>Retirement</b>	-	-	-	2,300	-	-	-	-
<b>Wellness</b>								
Wellness - Fitness Program	-	-	-	125,215	-	-	-	-
Wellness-Health/Wellness	-	-	-	508	-	-	-	-
Wellness-Other Programs	-	-	-	1,000	-	-	-	-
Wellness-Nutrition/Stress	-	-	-	5,500	-	-	-	-
<b>Total Wellness</b>	-	-	-	132,223	-	-	-	-
<b>Total Employee Programs</b>	-	-	-	142,709	-	-	-	-
<b>Conference Center</b>	-	-	-	-	35,525	-	-	-
<b>Conference Center</b>	-	-	-	-	35,525	-	-	-
<b>Events Exercises</b>								
<b>Emergency Response Exercise</b>	-	-	-	10,000	-	7,453	-	-
Other Programs/Events	-	-	-	8,006	-	-	-	1,125
Call Back Service	-	-	-	-	-	-	-	-
Major Events-Conventions	-	-	-	-	-	-	-	7,500
<b>Total Events Exercises</b>	-	-	-	18,006	-	7,453	-	8,625
<b>Other Charges/Fees</b>								
Bank Charges	-	-	-	186,500	-	-	-	-
IATA Contract Expense	-	-	-	66,000	-	-	-	-
<b>Security Services Regular</b>	-	549,095	-	-	-	-	-	-
Security Services Check Pt	-	-	-	-	-	-	-	-
Concessions Marketing	-	-	-	-	390,500	-	-	-
<b>Recycling</b>	-	-	-	-	-	-	500	-
<b>Recycling - Sand</b>	-	-	-	-	-	-	-	-
<b>Copy Agreement</b>	-	-	-	118,133	-	-	-	-
Mediation Fees	-	-	-	2,200	-	-	-	-
<b>Miscellaneous Charges/Fees</b>	-	25,144	-	27,694	-	40,000	-	21,920
Jail Fees	-	9,711	-	-	-	-	-	-
<b>Total Other Charges/Fees</b>	-	583,950	-	400,527	390,500	40,000	500	21,920
<b>Service Agreements</b>								
Service - Bldg Inspection	-	-	-	-	-	-	-	-
Service-Computers	-	473,105	11,200	1,164,218	-	191,390	74,790	2,185
Service-Fitness Equipment	-	-	2,000	1,015	-	-	-	-
Service-Grd Trans Equip	-	-	-	-	-	-	-	-
Service-Loading Dock	-	-	-	-	-	-	-	-
Service-Office Equipment	-	25,976	-	7,605	608	618	-	-
Service-Other Equipment	-	215,604	17,500	2,200	3,000	-	-	700
Service-Parking Equipment	-	-	-	-	-	-	-	-
Service-Telephone Systems	-	-	-	26,245	-	37,232	-	-
Service-Secured Access	-	-	-	-	-	-	-	-
Service-Radios	-	36,662	10,649	94,160	-	99,115	-	60,698
<b>Total Service Agreements</b>	-	751,347	41,349	1,295,443	3,608	328,355	74,790	63,583
<b>Total Operating Services/Expenses</b>	-	1,335,297	47,349	1,920,437	431,633	375,808	77,234	234,640

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Maintenance</b>								
<b>Trades - Painters</b>								
<b>Paint</b>								
Equipment - Paint	-	-	-	-	-	-	-	-
Exterior - Paint	-	-	-	-	-	-	-	1,492
Interior - Paint	-	-	-	-	-	-	-	-
Traffic Paint - Parking	-	-	-	-	-	-	-	-
Reliever Airport - Paint	-	-	-	-	-	-	-	4,566
Traffic Paint - Roads	-	-	-	-	-	-	-	-
Traffic Paint - Runways	-	-	-	-	-	-	-	2,340
<b>Total Paint</b>	-	-	-	-	-	-	-	8,398
<b>Signs</b>								
Exterior Sign Materials	-	-	-	-	-	-	-	-
Interior Sign Materials	-	-	-	-	-	-	-	-
Reliever Airport Signs	-	-	-	-	-	-	-	4,613
<b>Total Signs</b>	-	-	-	-	-	-	-	4,613
<b>Supplies</b>								
Paint Supplies - Other	-	-	-	-	-	-	-	-
Solvents	-	-	-	-	-	-	-	-
Equipment Spray	-	-	-	-	-	-	-	-
Paint Tools	-	-	-	-	-	-	-	-
<b>Total Supplies</b>	-	-	-	-	-	-	-	-
<b>Total Trades - Painters</b>	-	-	-	-	-	-	-	13,011
<b>Trades - Carpenters</b>								
<b>Locks</b>								
Locks - Doors	-	-	-	-	-	-	-	2,500
Locks - Door Tags/ID	-	-	-	-	-	-	-	-
<b>Total Locks</b>	-	-	-	-	-	-	-	2,500
<b>Flags</b>	-	-	-	-	-	-	-	122
<b>Lumber</b>								
Lumber-Cabinets	-	-	-	-	-	-	-	-
Lumber-Furniture	-	-	-	-	-	-	-	-
Lumber-Remodeling	-	-	-	-	-	-	-	1,500
<b>Total Lumber</b>	-	-	-	-	-	-	-	1,500
<b>Other</b>								
Other - Attic Stock	-	-	-	-	-	-	-	-
Other - Ceilings	-	-	-	-	-	-	-	1,250
Other - Ceramics	-	-	-	-	-	-	-	-
Other - Doors	-	-	-	-	-	-	-	1,200
Other - Floor Coverings	-	-	-	-	-	-	-	1,000
Other - Hardware	-	-	-	-	-	-	-	-
Other - Miscellaneous	-	-	-	-	-	-	-	2,525
Other - Auto Door Supplis RPL	-	-	-	-	-	-	-	-
Other - Saw Blades	-	-	-	-	-	-	-	-
Other - Screws/Bolts	-	-	-	-	-	-	-	-
Other - Seating Replacement	-	-	-	-	-	-	-	-
Other - Tools	-	-	-	-	-	-	-	-
Other - Tug Door Repairs	-	-	-	-	-	-	-	-
Other - Tug Drive Floor Maint.	-	-	-	-	-	-	-	-
Other - Wall Protection	-	-	-	-	-	-	-	-
<b>Total Other</b>	-	-	-	-	-	-	-	5,975
<b>Total Trades - Carpenters</b>	-	-	-	-	-	-	-	10,097

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Trades - Plumbers</b>								
<b>Contractor Requirements</b>	-	-	-	-	-	-	-	-
Fire Protection System	-	-	5,872	2,332	-	-	-	8,136
General Plumbing Supplies	-	-	1,015	1,236	-	-	-	8,750
Irrigation Supplies	-	-	-	56	-	-	-	-
Pumps	-	-	-	-	-	-	-	-
Underground Utilities	-	-	-	-	-	-	-	-
Water Distribution Systems	-	-	-	-	-	-	-	-
Water Meters	-	-	-	-	-	-	-	-
<b>Total Trades - Plumbers</b>	-	-	6,887	3,624	-	-	-	16,886
<b>Trades - Electricians</b>								
<b>Repairs</b>								
Generator Maint. Contract	-	-	-	-	-	-	-	4,400
Electrical - Interior	-	-	-	-	-	-	-	-
Unit Maint. Contract	-	-	15,000	5,000	-	-	-	2,050
Unit Maint Supplies	-	-	-	-	-	-	-	-
<b>Total Repairs</b>	-	-	15,000	5,000	-	-	-	6,450
<b>Other</b>								
Other - Batteries	-	-	-	-	-	-	-	500
Other-Field Lights/Sensors	-	-	-	-	-	-	-	24,913
Other - Gate Supplies	-	-	-	-	-	-	-	33,626
Other - General Supplies	-	1,200	1,200	4,000	-	-	-	18,904
Other - Motor	-	-	-	-	-	-	-	1,000
Other - Secured Access Sys	-	-	-	-	-	-	-	-
<b>Total Other</b>	-	1,200	1,200	4,000	-	-	-	78,943
<b>Total Trades - Electricians</b>	-	1,200	16,200	9,000	-	-	-	85,393

## Operating Budget Expense

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Maintenance - Field</b>								
<b>Snow Removal - Materials</b>								
Materials - Sodium Acetate	-	-	-	-	-	-	-	-
Materials-Liquid Anti Icer	-	-	-	-	-	-	-	-
Materials-Other Ice Ctrl	-	-	-	-	-	-	-	-
Materials - Salt	-	-	-	-	-	-	-	644
Materials - Sand	-	-	-	-	-	-	-	11,730
Materials - Urea	-	-	-	-	-	-	-	7,526
<b>Total Snow Removal - Materials</b>	-	-	-	-	-	-	-	19,900
<b>Snow Removal - Equipment</b>								
Equipment - Contract	-	-	-	-	-	-	-	-
Equipment-Rent-No Operator	-	-	-	-	-	-	-	446
Equip Rent-No Operator-5.5	-	-	-	-	-	-	-	4,500
<b>Total Snow Removal - Equipment</b>	-	-	-	-	-	-	-	4,946
<b>Snow Removal - Miscellan</b>								
Snow Removal - Meals	-	-	-	-	-	-	-	598
Snow Removal - Plow Blades	-	-	-	-	-	-	-	-
Snow Removal - Runway Brm	-	-	-	-	-	-	-	2,000
Snow Melters	-	-	-	-	-	-	-	-
<b>Total Snow Removal - Miscellan</b>	-	-	-	-	-	-	-	2,598
<b>Summer Maintenance-Surface</b>								
Surface Repair-Aggregate	-	-	-	-	-	-	-	4,328
Surface Repair-Asphalt	-	-	-	-	-	-	-	5,724
Surface Repair-Cement	-	-	-	-	-	-	-	301
Surface Repair-Other	-	-	-	-	-	-	-	-
Surface Rubber Removal	-	-	-	-	-	-	-	7,410
Surface Repair-Saw Blades	-	-	-	-	-	-	-	-
Surface Repair-Hot Sealant	-	-	-	-	-	-	-	-
<b>Total Summer Maintenance-Surfac</b>	-	-	-	-	-	-	-	17,763
<b>Summer Maint-Landscape</b>								
Summer Maintenance-Fencing	-	-	-	-	-	-	-	3,643
Landscape/Turf-Materials	-	-	-	500	-	-	-	23,015
Summer Maint-Equip Rent No Op	-	-	-	-	-	-	-	1,058
Summer Maint-Equip Rent LT	-	-	-	-	-	-	-	-
<b>Total Summer Maint-Landscape</b>	-	-	-	500	-	-	-	27,716
<b>Maintenance Field-Other</b>								
Field Maint-Other-Garbage	-	-	-	-	-	-	-	-
Non Runway Brooms	-	-	-	-	-	-	-	-
Field Maint-Other-Material	-	-	-	-	-	-	-	-
Field Maint-Other-Supplies	-	-	-	-	-	-	-	9,298
Field Maint-Other-Tools	-	-	-	-	-	-	-	-
<b>Total Maintenance Field-Other</b>	-	-	-	-	-	-	-	9,298
<b>Total Maintenance - Field</b>	-	-	-	500	-	-	-	82,221
<b>Maintenance Building</b>								
<b>Building-Temp Control</b>								
Temp Control-Contracts	-	248	7,201	4,365	-	-	-	36,013
Temp Control-Filters	-	1,978	-	-	-	-	-	-
Fire Control Contract	-	-	5,020	3,770	-	-	27	-
<b>Total Building-Temp Control</b>	-	2,226	12,221	8,135	-	-	27	36,013
<b>Building-Mechanical Areas</b>								
Mechanical Areas-APM	-	-	-	-	-	-	-	-
Mechanical Areas-Conveyors	-	-	-	-	-	-	-	-
Mechanical Areas-Doors	-	-	-	-	-	-	-	10,579
Mechanical Areas-Doors/Pub	-	-	-	-	-	-	-	-
Mechanical Areas-Doors/Tug	-	-	-	-	-	-	-	-
Mechanical Areas-Elevators	-	-	-	-	-	-	-	3,699
Mechanical Areas-Escalator	-	-	-	-	-	-	-	-
Mechanical-Moving Walks	-	-	-	-	-	-	-	-
Mechanical Areas-Other	-	-	-	-	-	-	-	-
<b>Total Building-Mechanical Areas</b>	-	-	-	-	-	-	-	14,278
<b>Building-Other</b>								
Other-Building Systems	-	-	-	-	-	-	-	-
Other-Boiler Chemicals	-	-	-	-	-	-	-	-
Other-Floors/Repairs	-	-	-	-	-	-	-	-
Other-Jetbridge Repairs	-	-	-	-	-	-	-	-
Other-Outside Plumb/Sewer	-	-	-	-	-	-	-	32,000
Other-Paging System Contract	-	-	-	-	-	-	-	-
Other-Pest Control	-	-	-	-	-	-	-	-
Other-Roofing	-	-	-	-	-	-	-	14,904
Sump/Septic Pumping	-	-	-	-	-	-	-	15,500
Other-Supplies	-	-	-	-	-	10,000	-	4,805
Other-Tools	-	-	-	-	-	-	-	-
<b>Total Building-Other</b>	-	-	-	-	-	10,000	-	67,209
Minor Projects Expense	-	-	-	1,000	-	-	-	-
<b>Total Maintenance Building</b>	-	2,226	12,221	9,135	-	10,000	27	117,500

## Operating Budget Expense

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Maintenance-Cleaning</b>								
<b>Cleaning Services</b>								
Cleaning Services-Janitor	-	-	27,810	41,253	909,920	13,013	-	28,384
Cleaning Services-Windows	-	-	-	10,489	-	-	-	980
<b>Total Cleaning Services</b>	-	-	27,810	51,742	909,920	13,013	-	29,364
<b>Cleaning Supplies</b>								
Cleaning Supplies-Bathroom	-	-	-	-	-	-	-	-
Cleaning Supplies-General	-	-	-	-	-	-	-	3,823
<b>Total Cleaning Supplies</b>	-	-	-	-	-	-	-	3,823
<b>Rubbish Disposal</b>								
Rubbish Disposal-Recycle	-	-	-	-	-	-	-	-
Rubbish Disposal-Regular	-	-	-	-	-	-	-	34,307
<b>Total Rubbish Disposal</b>	-	-	-	-	-	-	-	34,307
Towel Laundry Services	-	-	-	-	-	-	-	6,851
Other Cleaning Expenses	-	-	4,000	-	-	-	-	-
<b>Total Maintenance-Cleaning</b>	-	-	31,810	51,742	909,920	13,013	-	74,345
<b>Maintenance-Equipment</b>								
<b>Equipment-Parts</b>								
Parts-Automobiles	-	47,087	3,000	-	-	18,000	-	-
Parts-Boilers Energy Mgmt	-	-	-	-	-	-	-	472
Parts-Chiller Energy Mgmt	-	-	2,341	10,382	-	-	-	-
Parts-Other Equipment	-	-	-	-	-	-	-	-
Parts-Equipment	-	22,700	35,000	-	-	-	-	110,426
Parts-Other Equipment	-	-	-	-	-	-	-	276
<b>Total Equipment-Parts</b>	-	69,787	40,341	10,382	-	18,000	-	111,174
<b>Equipment-Shop</b>								
Shop-Batteries	-	-	-	-	-	-	-	2,268
Shop-Cleaners/Degreasers	-	-	-	-	-	-	-	613
Shop-Oil_Filters	-	-	-	-	-	-	-	6,739
Shop-Other Supplies	-	-	-	-	-	-	-	6,762
Shop-Tires	-	-	24,000	-	-	-	-	11,608
Shop - Tool Crib	-	-	-	-	-	-	-	-
Shop-Tools	-	-	-	-	-	-	-	2,677
Shop - Weld Shop	-	-	-	-	-	-	-	-
<b>Total Equipment-Shop</b>	-	-	24,000	-	-	-	-	30,667
<b>Equipment-Gas</b>								
Gas-Diesel	-	4,174	25,070	-	-	-	-	126,253
Gas-Ethanol	-	30,015	1,120	5,490	-	5,034	2,259	912
Gas-Propane	-	-	-	-	-	-	-	-
Gas-Unleaded	-	109,849	7,057	4,456	-	15,123	2,330	36,246
<b>Total Equipment-Gas</b>	-	144,038	33,247	9,946	-	20,157	4,589	163,411
<b>Equipment-Extinguishers</b>								
Extinguishers-Purchase	-	-	17,488	-	-	-	-	-
Extinguishers-Repair	-	-	2,778	-	-	-	-	-
Extinguishers-Reservice	-	-	2,000	-	-	-	-	-
<b>Total Equipment-Extinguishers</b>	-	-	22,266	-	-	-	-	-
Equipment-Miscellaneous Exp	-	-	-	20,100	-	-	1,500	3,101
<b>Total Maintenance-Equipment</b>	-	213,825	119,854	40,428	-	38,157	6,089	308,353
<b>Total Maintenance</b>	-	217,251	186,972	114,429	909,920	61,170	6,116	707,806

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Other</b>								
<b>General Insurance</b>								
Gen Ins-Airport Liability	-	59,068	43,906	28,279	-	2,564	1,832	66,738
Gen Ins-Property	-	99,859	74,226	47,809	-	4,334	3,098	112,827
Gen Ins-Crime	-	2,007	1,492	961	-	87	62	2,268
Gen Ins-Auto/Equipment	-	27,370	20,344	13,103	-	1,188	849	30,924
Gen Ins-Other	-	892	663	427	-	39	28	1,008
<b>Total General Insurance</b>	-	189,196	140,631	90,579	-	8,212	5,869	213,765
<b>Safety</b>								
Safety-Supplies	-	7,750	-	5,500	-	-	-	927
Safety-Equipment	-	-	-	13,275	-	-	-	-
<b>Total Safety</b>	-	7,750	-	18,775	-	-	-	927
<b>Medical Information/Supply</b>								
Medical-Routine Supplies	-	12,150	-	800	-	10	-	271
Medical-Emergency Response	-	-	2,500	-	-	-	-	-
<b>Total Medical Information/Supply</b>	-	12,150	2,500	800	-	10	-	271
<b>Rentals</b>								
Rental-Copier	-	-	3,500	14,574	-	18,188	-	-
Rental-Pagers	-	-	-	9,600	-	-	-	-
Rental-Other Equipment	-	-	-	14,434	-	-	-	-
<b>Total Rentals</b>	-	-	3,500	38,608	-	18,188	-	-
<b>Licenses/Permits</b>								
Licenses-Autos/Equipment	-	-	-	446	-	-	-	-
Licenses-Environmental	-	-	-	-	-	-	400	4,800
Licenses-Other	-	-	-	-	1,015	-	-	1,476
<b>Total Licenses/Permits</b>	-	-	-	446	1,015	-	400	6,276
<b>Miscellaneous Expenses</b>								
Misc-Firearm/Equip/Supplies	-	50,649	25,000	-	-	16,000	-	-
Misc-Emergency Response	-	17,496	17,000	-	-	-	-	-
<b>Misc-Other</b>	-	49,750	-	10,808	-	-	-	-
Misc-Taxes(Petroleum/Use)	-	-	-	3,740	-	-	-	1,746
<b>Total Miscellaneous Expenses</b>	-	117,895	42,000	14,548	-	16,000	-	1,746
<b>Adjustments/Bad Debt</b>	-	-	-	8,000	-	-	-	-
<b>Capital Assets</b>								
<b>Minor Equipment/Assets</b>								
Minor Assets-Tools	-	-	-	-	-	1,130	-	-
Minor Assets-Office Furn	-	1,015	12,600	15,373	-	7,255	-	-
Minor Assets-Computers	-	96,074	-	168,336	-	83,948	23,000	-
Minor Assets-Radios	-	-	-	-	-	2,665	-	-
Minor Assets-Other	-	-	31,200	14,999	-	-	-	-
<b>Total Minor Equipment/Assets</b>	-	97,089	43,800	198,708	-	94,998	23,000	-
<b>Total Capital Assets</b>	-	97,089	43,800	198,708	-	94,998	23,000	-
<b>Total Other</b>	-	424,080	232,431	370,465	1,015	137,408	29,269	222,985
<b>Gross Depreciation</b>	-	-	-	-	-	-	-	-
<b>Grand Total Excluding Depreciation</b>	-	16,213,878	6,862,782	20,777,187	2,396,403	4,351,550	2,187,288	5,103,979
<b>Grand Total With Depreciation</b>	-	16,213,878	6,862,782	20,777,187	2,396,403	4,351,550	2,187,288	5,103,979

The capital budget is broken down into two sections which are:

- Equipment and Technology Related Expenditures
- Capital Improvement Program Expenditures

Capital asset expenditures relate to the acquisition of assets in which the benefits extend over one or more accounting periods beyond the current period. It is the Commission's policy to amortize the carrying amount of the assets over their estimated useful lives on a straight-line basis by annual depreciation charges to income. Estimated useful lives on depreciable assets are as follows:

Airport improvements and buildings	10 - 40 years
Moveable equipment	3 - 15 years

Costs incurred for major improvements are carried in construction in progress until disposition or completion of the related projects. Costs relating to projects not pursued are expensed, while costs relating to completed projects are capitalized. The capitalization threshold for capital assets is \$10,000.

For Capital Improvement Program expenditures, a monthly report is given to the Commission for review and all final payments, including any change orders, are approved by the Commission.

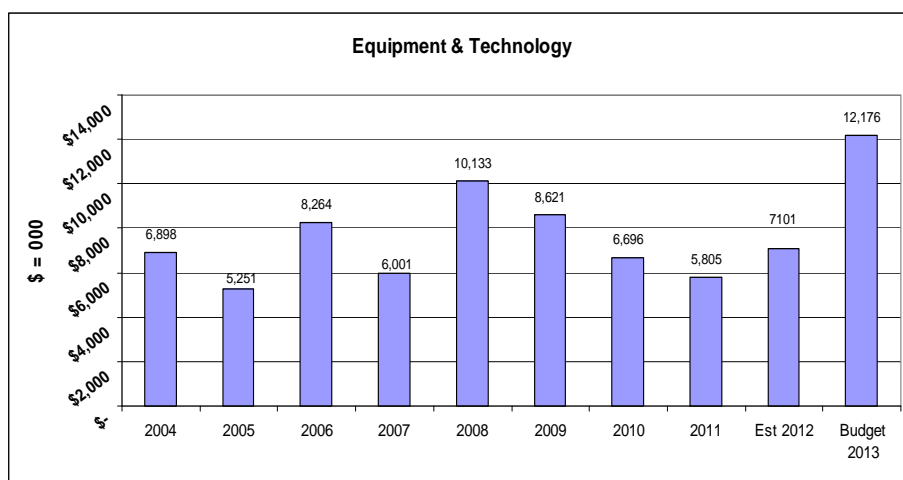
### **Equipment and Technology Related Expenditures**

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 2013 budget. The capital equipment requests in the 2013 budget increased \$5,075,000 or 71.5%. The primary reason for the increase is the need to significantly upgrade the Commission's network capacity and coverage at \$3.95 million (hardware only) as well as a 3000 Gallon Aircraft Rescue and Fire Fighting vehicle at \$1.2 million. All technology related capital equipment was also reviewed by the Information Services (IS) Department.

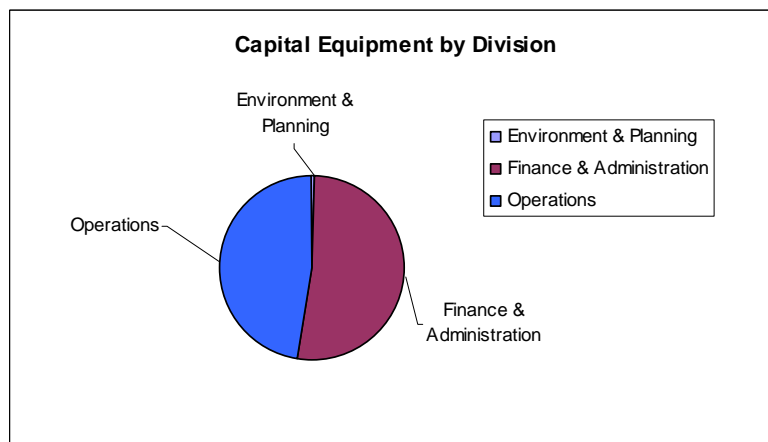
In 2008, the Commission fully incorporated the changes in the Amendment to the Airline Use and Lease Agreement. This change resulted in a significant modification to the way the Commission acquires capital equipment. In the past, internally generated funds were used to purchase all capital equipment 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 \$12.2 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 equipment financing (Notes Payable). The amount of equipment financed for 2013 is approximately \$8.6 million. The terms of these financings range from two years to twelve years. The principal and interest associated with these equipment financings will be charged back based on the appropriate percentage found in the Airline Use and Lease Agreement resulting in recovery of all or a portion of the total dollars. Second, the remaining value of capital equipment (approximately \$3.6 million) will be funded with internally generated funds.

<b>2013 Equipment &amp; Technology Budget</b>				
	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>\$ Variance</u></b>	<b><u>% Variance</u></b>
	<b><u>Estimate</u></b>	<b><u>Budget</u></b>		
Equipment & Technology	\$ 7,101,000	\$ 12,176,000	\$ 5,075,000	71.5%

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



This chart displays the 2013 capital equipment requests by division and shows that the Finance and Administration and Operations Divisions needs almost all of the capital equipment to maintain the airport while Environment & Planning requires very little.



In 2013, MAC began 3-year budgeting. The chart below represents the capital equipment requests for 2013 through 2015. As MAC held down expenditures in the past few years, the upcoming years show a large dollar for capital equipment requests as more equipment and technology require updating.

Capital Equipment Summary			
Service Center	2013	2014	2015
Building Official	\$16,700	\$0	\$0
Finance	125,000	0	0
Information Services	6,167,150	605,000	160,000
Airside Operations	267,300	0	0
Emergency Operations	11,031	0	0
Landside Operations	48,357	45,000	55,000
Landside -Parking	145,053	173,000	29,000
Fire	1,300,000	1,041,200	592,400
Police	180,000	180,000	135,000
Environment-Aviation Noise	39,000	0	0
Facilities-Lindbergh Terminal	320,600	250,000	280,000
Facilities-Energy Management Center	157,000	30,000	30,000
Trades-Electricians	0	190,000	90,000
Trades-Carpenters	0	66,000	50,800
Trades-Plumbers	31,972	300,000	0
Field Maintenance	3,089,000	9,603,500	7,631,500
Relievers-St Paul	42,000	740,000	0
Relievers-Airlake	25,500	0	0
Relievers-Flying Cloud	170,000	0	200,000
Relievers-Crystal	40,000	0	0
<b>Total</b>	<b>\$12,175,663</b>	<b>\$13,223,700</b>	<b>\$9,253,700</b>

The following pages contain the capital equipment summary.

**FINANCE & ADMINISTRATION DIVISION****Finance**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>Airport Badging Point of Sale System</b>	\$125,000	1		\$125,000
<p>In their report to the Commission in May, 2012, our external auditors (BKD) recommended to management that we implement a formal reconciliation process for outstanding contractor deposits as well as evaluating the feasibility of the current point-of-sale (POS) system and its interface to Enterprise One. In 2012, staff conducted an assessment of the current POS system originally installed in 2003 and determined that it no longer served the needs for MAC. Among the benefits of a new POS system is:</p> <ul style="list-style-type: none"> <li>•Accelerate cash flow</li> <li>•Manage customer data</li> <li>•Provide Badging POS/EOne transaction visibility real time</li> <li>•Ease of deposit / refund reconciliation</li> <li>•Follow standard Financial practices and reporting</li> <li>•Align business practice and auditing-stronger controls</li> <li>•Acceptance of credit cards</li> <li>•Elimination of duplicate and/or inefficient processes.</li> </ul>				
<b>Finance Total:</b>				<b>\$125,000</b>

**FINANCE & ADMINISTRATION DIVISION****Information Services**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>ARMER handheld radio upgrade</b> Replacement 2005 MAC handheld radios that are past the end of life.	\$605,150	1		\$605,150
<b>Data Center lab equipment</b> This equipment provides the network, workstation, software and servers for establishing the test bed for systems in the Data Center	\$100,000	1		\$100,000
<b>Furniture for new data center</b> New data center office furniture. Request is to buy used cubicle and office furniture to equip the new building.	\$72,000	1		\$72,000
<b>IS - add server redundancy</b> New and replacement MAC servers now often come as "blades" or computers on a circuit board that plug into a chassis holding around 12 blades. This increases efficiency through concentrating the required computing power in a very compact package. This request is to add a redundant chassis and blades.	\$150,000	1		\$150,000
<b>IS - Microsoft Windows Server - Standard License</b> OS license to support upgrade of existing servers - migration.	\$12,000	1		\$12,000
<b>IS - replace SAN switches - access</b> The storage area network (SAN) equipment operates on its own section of the network in order to provide rapid retrieval and storage of data. These switches replace and upgrade to match the speed of the San with the upgraded MACNet speeds of 10/40 GB/second.	\$25,000	15		\$375,000
<b>IS - replace SAN switches - distribution</b> The storage area network (SAN) equipment operates on its own section of the network in order to provide rapid retrieval and storage of data. These switches replace and upgrade to match the speed of the San with the upgraded MACNet speeds of 10/40 GB/second.	\$35,000	3		\$105,000
<b>IS - replace servers - file share data</b> Server replacments with redundant appliance that is virtualized for handling the data stored by staff on disk.	\$100,000	1		\$100,000
<b>IS - VM site recovery manager software</b> This software works in the virtualized server environment and provides automated failover among different MAC locations. This is a key element of the IS disaster recovery plan.	\$12,000	4		\$48,000
<b>Landside - replace VM servers</b> Physical server replacements that support the virtualized servers for the Landside systems. The current equipment is over 5 years old and has reached the end of life.	\$75,000	1		\$75,000

**FINANCE & ADMINISTRATION DIVISION****Information Services**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>MACNet upgrade hardware</b> The MAC's network, MACNet, needs to be significantly upgraded to support the growing demands for network capacity and coverage.	\$3,950,000	1		\$3,950,000
<b>MAC-wide document repository</b> Consolidate three separate installations of the LaserFiche document management software into a single, MAC-wide repository. This includes necessary hardware and software and takes into account credit for the three existing licenses.	\$125,000	1		\$125,000
<b>Workstation upgrade Phase II</b> Complete workstation upgrades which began in 2012 include upgrades to Office 2010, Windows 7 and virtual desktop.	\$450,000	1		\$450,000
<b>Information Services Total:</b>				<b>\$6,167,150</b>

**MANAGEMENT & OPERATIONS DIVISION****Airside Operations**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>Airside Operations Vehicle - dual fuel pickup</b> Replacement vehicle for high-mileage, fully amortized Airside Operations vehicle -2005 Ford F150 More than half of the repairs done on this vehicle have been of an emergency or unscheduled nature. This vehicle is used daily by the department staff to ensure the safe, efficient and critical operation of MSP. Budgeted costs include all accessories necessary to equip the vehicle to effectively operate on the Air Operations Area similar to current Airside Operations' vehicles.	\$48,000	1	\$1,000	\$47,000
<b>Surface Friction Tester - CFME</b> This vehicle will be used to replace the existing Ops52 - 2001 Saab 9-5 SFT which has the highest set of pavement test miles of all SFTs and is nearing its end of life. This vehicle is a critical tool used during winter storm events to ascertain the objective values of decreasing friction and utilize that data as a decision making tool to assist in the safest and efficient closing of runway surfaces. During the summer, the SFT also provides mandated testing of runway surfaces to determine minimum friction standards as set by the FAA. Friction measurement is a critical tool for winter and summer operations.	\$197,300	1	\$2,000	\$195,300
<b>Window Treatment/Carpeting Replacement</b> The window blinds and shades in the Airside Operations and Drivers' Training Centers are over 15 years old, mismatched and are failing. The carpeting at the Drivers' Training Center is stained, worn and ripped. This project will replace all window blinds and shades in the Airside Operations Center, downstairs offices, and the Drivers' Training Center (DTC) . The project will also include replacement of carpet at the DTC to include classroom, hallways, testing center, simulation lab and back up Ops Center.	\$25,000	1		\$25,000
<b>Airside Operations Total:</b>				<b>\$267,300</b>

**Emergency Communications**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>TriTech disaster recovery software</b> TriTech disaster recovery failover software solution that includes three years of maintenance for computer aided dispatch.	\$11,031	1		\$11,031
<b>Emergency Communications Total:</b>				<b>\$11,031</b>

**MANAGEMENT & OPERATIONS DIVISION****Facilities-Energy Management Center**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>1/2 ton 4x4 pickup with lift gate, beacon/ shield</b> Replacement vehicle for 1/2 ton 4x4 pickup.	\$28,300	1	\$800	\$27,500
<b>1/2 ton 4x4 pickup with lift gate, beacon/ shield</b> Replacement vehicle for 1/2 ton 4x4 pickup.	\$28,300	1	\$800	\$27,500
<b>Off-Site Motor Rebuild for Chiller # 4</b> Motor cleaning, inspection, balancing, and bearing replacement is needed to extend the useful life of the EMC York Chiller for approximately another 10 years.	\$72,000	1	\$0	\$72,000
<b>Replacement Chiller Control Panel</b> Replacement Chiller control panel. MAC EMC has four Chillers that have outdated control panels, whereas parts and support can no longer be obtained.	\$30,000	1		\$30,000
<b>Facilities-Energy Management Center Total:</b>				<b>\$157,000</b>

**Facilities-Terminal 1**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>Light-Duty Pickup Truck with Topper</b> Light-Duty Pickup Truck with 2WD, lockable topper for use by MAC Pest Control Technician to transport pest elimination products and conduct service throughout the MSP Campus and MAC Reliever Airports.  Truck pricing includes topper, radio, beacon, tax and license.	\$25,600	1		\$25,600
<b>Loading Dock Leveler</b> Replacement of the existing Loading Dock Leveler at the base of Concourse E. The existing leveler is the original equipment when the E Concourse was built and is finally in need of replacement.	\$20,000	1		\$20,000
<b>Organics Compactor</b> New compactor for the organics recycling program recommended by MAC Environment.	\$25,000	1		\$25,000
<b>Paging System Upgrade</b> Facilitates the next phase in the upgrade of the Paging System utilized throughout both terminals.	\$250,000	1		\$250,000
<b>Facilities-Terminal 1 Total:</b>				<b>\$320,600</b>

**MANAGEMENT & OPERATIONS DIVISION****Field Maintenance**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>Airfield sander/liquid deicer</b> Replacement equipment for high-hour, high-maintenance vehicle used for routine airfield winter operations.	\$256,000	1	\$5,000	\$251,000
<b>Airfield/Street Sweeper</b> 2013 lease payments for airfield/street sweeper equipment.	\$200,000	2		\$400,000
<b>Crew cab dump truck</b> Replacement equipment for high-mileage, high-maintenance vehicles used for routine summer and winter maintenance operations.	\$64,000	2	\$4,000	\$124,000
<b>Crew cab pick-up truck</b> Replacement equipment for high-mileage, high-maintenance vehicles used for crew transportation in support of routine maintenance operations.	\$34,000	2	\$2,000	\$66,000
<b>Director vehicle</b> Replacement equipment for high-mileage, high-maintenance vehicle.	\$36,000	1	\$2,000	\$34,000
<b>Drill press and accessories</b> Replacement equipment and new press tools for the Equipment Repair Shop.	\$14,000	1		\$14,000
<b>Field tractor</b> Replacement equipment for high-hour, high-maintenance equipment used for routine summer and winter airfield maintenance operations.	\$180,500	1	\$20,000	\$160,500
<b>Front-end loader</b> 2013 lease payments for front-end loader equipment.	\$150,000	4		\$600,000
<b>Manager vehicle</b> Replacement equipment for a high-mileage, high-maintenance vehicle.	\$36,000	1	\$2,000	\$34,000
<b>Parking ramp sweeper</b> Replacement equipment for high-hour, high-maintenance equipment used for routine parking ramp (T1 and T2) maintenance operations.	\$82,500	2	\$4,000	\$161,000
<b>Public roadway maintenance trucks</b> Replacement equipment for high-mileage, high-maintenance trucks used for routine summer and winter maintenance operations on public roadways.	\$200,000	2	\$30,000	\$370,000
<b>Quad-cab pick-up</b> Replacement equipment for high-mileage, high-maintenance vehicles used 24/7 for routine maintenance operations.	\$31,500	4	\$4,000	\$122,000

**MANAGEMENT & OPERATIONS DIVISION****Field Maintenance**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>Rotary runway brooms</b> Replacement equipment for high-maintenance, fully amortized rotary runway broom vehicles used for snow removal operations.	\$635,000	1	\$15,000	\$620,000
<b>Tables and chairs</b> Replacement furniture and fixtures for Field Maintenance Building training, crew briefing and break rooms.	\$22,500	1		\$22,500
<b>Utility vehicle - fence and sign truck</b> Replacement equipment for high-mileage, high-maintenance vehicle used for routine maintenance of the airport security fence and other airport facilities.	\$112,000	1	\$2,000	\$110,000
<b>Field Maintenance Total:</b>				<b>\$3,089,000</b>

**Fire**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>3000 Gallon ARFF Vehicle with Penetrating Nozzle</b> This vehicle would replace a 1998 Oshkosh T-series ARFF truck equipped with Snozzle device. The current truck has become extremely problematic with extended downtime for maintenance and upkeep. The older ARFF vehicle design also poses a greater hazard during response and operations when compared to current ARFF vehicle designs. A new ARFF vehicle would be part of the required apparatus under Part 139 requirements. This vehicle would also be considered a specialized piece of apparatus as it would be equipped with the articulating penetrating nozzle which can be used for deep seated fires on cargo and passenger aircraft as well as operate as an elevated high-flow water stream on larger fires including structural applications.	\$1,200,000	1		\$1,200,000
<b>Foam Tender/Tanker</b> This vehicle would replace a 1992 Ford Super Duty chassis which was converted to a stake bed truck after serving as a primary response rescue truck for almost ten years. The current foam tender has limitations to the amount of foam it can safely carry and is also beyond a reasonable life expectancy for an emergency response vehicle. The new foam tender would be capable of resupplying multiple ARFF units out in the field or supplying additional foam quantities to the new fuel farm fire protection system. The vehicle would provide a more efficient and safe means of transporting and off-loading foam via a vehicle specifically designed for transporting large quantities of liquid.	\$100,000	1		\$100,000
<b>Fire Total:</b>				<b>\$1,300,000</b>

**MANAGEMENT & OPERATIONS DIVISION****Landside-Operations**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>Software Enhancement - Virtual Taxicab Dispatching</b> Modify MAVIS to include a virtual holding feature where taxis can physically check into the holding lot to be placed on the dispatch list then leave the premises and wait off-airport until summoned back when needed to service passengers via a text message. Virtual holding would alleviate current facility constraint issues and reduce operating costs associated with requiring hundreds of drivers and taxicabs to remain on Airport property between fares.	\$48,357	1		\$48,357
<b>Landside-Operations Total:</b>				<b>\$48,357</b>

**MANAGEMENT & OPERATIONS DIVISION****Landside-Parking**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>MAVIS website software upgrade</b> The MAVIS website is a very important tool for Landside customers who want access to their account information 24 x 7. Install new website to include access to MAC created business forms. Build new website using ASP.NET 4.0 per MAC specifications. Update MAVIS ZipPass reporting services to SQL 2008 R2. New ZipPass site must have support for the current popular browsers e.g., Chrome, Firefox, IE, etc.). The MAVIS website is four years old. This upgrade will satisfy growing customer expectations and ensure continued use of the website. This upgrade will improve customer experience.	\$40,000	1	\$0	\$40,000
<b>Replace MAVIS handheld device software</b> Replace MAVIS handheld device software to run on 64 bit server OS (Windows Server 2008 R2 x 64). Handheld devices are used by Landside staff to enforce ordinances and facilitate taxicab dispatching. Existing devices are running on hardware that is four years old. To guarantee uninterrupted and future use of these devices and ensure the reliable collection of revenue, the software must be replaced.	\$10,000	1	\$0	\$10,000
<b>Replace MAVIS servers</b> Migrate eight MAVIS communication servers to Windows Server 2008 R1. Migrate two Point of Sale (POS) servers to Windows Server 2008 R2. These communication servers need to be replaced to ensure the reliable collection of revenue and provide support to MAVIS and keep MAVIS operating without interruption.	\$28,714	1	\$0	\$28,714
<b>Two replacement pickup trucks</b> Replacement pickup trucks for trucks currently used by Ampco staff to manage parking operations. These current vehicles are 2007 model year, are experiencing mechanical issues and nearing the end of their useful life. Vehicle wrap cost is included in the price.	\$19,500	2	\$0	\$39,000
<b>Upgrade Point of Sale (POS) workstations</b> Update all MAVIS POS programs to run on Windows 7 x 64. Update MAVIS POS drivers to run new receipt printers. MAVIS POS hardware and software is four years old. This upgrade is required to run the new receipt printers and will extend driver life for an additional five years.	\$27,339	1	\$0	\$27,339
<b>Landside-Parking Total:</b>				<b>\$145,053</b>

**MANAGEMENT & OPERATIONS DIVISION****Police**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>Police Vehicle</b> Replacement and outfitting of one police vehicle used for patrol and investigative purposes that have in excess of 100,000 miles. They are recommended for replacement by the APD and MAC's maintenance foreman.	\$60,000	1		\$60,000
<b>Police Vehicle</b> Replacement and outfitting of three police vehicles that have extended their useful lives.	\$40,000	3		\$120,000
<b>Police Total:</b>				<b>\$180,000</b>

**Relievers - Airlake**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>20ft. Plow Truck Pusher Plow</b> Replacement plow for existing 20 year-old Pusher Plow.	\$26,000	1	\$500	\$25,500
<b>Relievers - Airlake Total:</b>				<b>\$25,500</b>

**Relievers - Crystal**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>14 foot snow plow blade</b> Replacment snow blade for 1995 blade that has exceeded its shelf life and is no longer reliable or efficient.	\$15,000	1	\$0	\$15,000
<b>20 foot snow pusher</b> Replacment snow pusher for 1995 pusher that has exceeded its shelf life and is no longer reliable or efficient.	\$25,000	1	\$0	\$25,000
<b>Relievers - Crystal Total:</b>				<b>\$40,000</b>

**MANAGEMENT & OPERATIONS DIVISION****Relievers - Flying Cloud**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>14 foot snow plow blade</b> Replacement snow blade for 1995 blade that has exceeded its shelf life and is no longer reliable or efficient.	\$15,000	1	\$0	\$15,000
<b>20 ft snow pusher</b> Replacement snow pusher for 1995 pusher that has exceeded its shelf life and is no longer reliable or efficient.	\$25,000	1	\$0	\$25,000
<b>4 wheel drive tractor</b> Purchase of a 4 wheel drive tractor used for snow removal and grass cutting. The existing tractor was purchased in 1986 and is unreliable.	\$130,000	1	\$0	\$130,000
<b>Relievers - Flying Cloud Total:</b>				<b>\$170,000</b>

**Relievers - St. Paul**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>14ft. Plow Truck Snow Plow Blade</b> Replacement blade for existing 20 year-old Snow Plow Blade.	\$17,000	1	\$500	\$16,500
<b>20ft. Plow Truck Pusher Plow</b> Replacement plow for existing 20 year-old Pusher Plow.	\$26,000	1	\$500	\$25,500
<b>Relievers - St. Paul Total:</b>				<b>\$42,000</b>

**Trades - Plumbers**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>Upgrade vector truck vacuum pump and debris tank</b> Replace vacuum pump and debris tank with more reliable and functional pump and debris tank.	\$31,972	1		\$31,972
<b>Trades - Plumbers Total:</b>				<b>\$31,972</b>

**PLANNING, DEVELOPMENT & ENVIRONMENT DIVISION****Aviation Noise Program**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>Replacement vehicle for Noise Office</b>	\$40,000	1	\$1,000	\$39,000

A replacement vehicle for the current 1999 Dodge Durango with approximately 87,000 miles and many safety issues. Serving primarily for the maintenance of noise and aircraft tracking systems, the vehicle is also used to facilitate utility-locating, noise monitoring projects, miscellaneous Environment Department duties, and traveling to meetings.

<b>Aviation Noise Program Total:</b>	<b>\$39,000</b>
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**Building Official**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>Department Vehicle</b>	\$17,700	1	\$1,000	\$16,700

The department's current vehicle is twelve years old and has 121,000 miles on it. This vehicle is used daily to conduct site and field inspections throughout the campus. The MAC vehicle repair shop recommended the vehicle be replaced because of the amount of repairs required to maintain this vehicle.

<b>Building Official Total:</b>	<b>\$16,700</b>
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<b>Capital Asset Grand Total:</b>	<b>\$12,175,663</b>
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**Capital Improvement Program Expenditures**

On December 17, 2012, the Commission adopted the 2013-2019 Capital Improvement Program (CIP). The 7-year CIP relating to construction projects on the Commission's airport system consists of the following elements:

1. **Capital Improvement Projects 2013** – These are projects that have been reasonably defined for implementation in the upcoming calendar year; in this case 2013.
2. **Capital Improvement Program 2014** – These are projects that have been identified in the second year of the program which have a need or potential need but require further study in order to properly determine the scope, feasibility and cost of the project.
3. **Capital Improvement Plan 2015-2019** – This encompasses the last five years of the total program and consists of projects that appear likely to be needed during the period. This portion of the program assists in financial planning and meets the requirements of the Metropolitan Council's Investment Framework.



***Spirit Airlines Operates out of Minneapolis-St. Paul International Airport***

The projects identified for the Capital Improvement Programs are summarized by year and totaled as follows:

Capital Improvement Projects	Year			
	2013	2014	2015-2019	Total
Projects	(\$ = 000)			
<b>Noise Mitigation Program</b>				
Noise Mitigation Settlement	\$ 800	\$ 900		\$ 1,700
<b>Terminal 1 - Lindbergh</b>				
<b>Safety/Security Projects</b>				
Automated External Defibrillator Notification System			\$ 550	\$ 550
Telecom Room Equipment Continuity and Security	\$ 1,000	\$ 3,300	\$ 8,500	\$ 12,800
Fall Protection Program	\$ 100	\$ 100		\$ 200
Baggage Claim Fire Protection System	\$ 4,000			\$ 4,000
TSA West Checked Baggage Inspection System Upgrade	\$ 12,000			
Blast Mitigation Assessment	\$ 100		\$ 20,000	\$ 20,100
<b>Facility Rehabilitation</b>				
Electrical Infrastructure Rehabilitation Program	\$ 2,500	\$ 2,500	\$ 8,450	\$ 13,450
Terminal Miscellaneous Modifications	\$ 1,000	\$ 2,000	\$ 12,500	\$ 15,500
Emergency Power Upgrades	\$ 1,250	\$ 2,300	\$ 10,500	\$ 14,050
Lower Level Roadway/GTC Water Infiltration Mitigation		\$ 2,500		\$ 2,500
Restroom Upgrade Program	\$ 1,000	\$ 2,000	\$ 8,000	\$ 11,000
Air Handling Unit Replacement	\$ 1,000	\$ 1,500	\$ 14,000	\$ 16,500
Conveyance System Upgrades	\$ 500		\$ 2,000	\$ 2,500
Passenger Boarding Bridge Replacements			\$ 14,000	\$ 14,000
Plumbing Infrastructure Upgrade Program	\$ 500	\$ 500	\$ 500	\$ 1,500
Baggage Claim Operational Improvements			\$ 70,000	\$ 70,000
Ticket Lobby/Mezzanine Operational Improvements			\$ 50,000	\$ 50,000
Folded Plate Roofing Replacement			\$ 34,000	\$ 34,000
Way-Finding Sign Backlighting Replacement			\$ 4,800	\$ 4,800
Conference Center Upgrades			\$ 300	\$ 300
Terminal Curtainwall Repair	\$ 100	\$ 100		\$ 200
Concourses C-G Connector Soffit Repair	\$ 200			\$ 200
Lighting Infrastructure Technology and Equipment		\$ 1,400	\$ 12,800	\$ 14,200
<b>Passenger Amenities</b>				
Art in the Terminal	\$ 250	\$ 250	\$ 1,250	\$ 1,750
Meeter/Greeter/Freedom of Speech Booth Upgrades			\$ 225	\$ 225
Concession Revenue Development Upgrades	\$ 200	\$ 200	\$ 800	\$ 1,200
Terminal Seating Improvements			\$ 800	\$ 800
Ticket Counter Upgrades			\$ 800	\$ 800
Commission Chambers Telecoil Installation			\$ 200	\$ 200
Way-Finding Signage Improvements	\$ 300			\$ 300
Elevator Access to Observation Deck			\$ 750	\$ 750
Concourse Service Center Upgrades			\$ 2,000	\$ 2,000
Electronic Video Information Display Systems	\$ 200		\$ 400	\$ 600
Custom Border Patrol Global Entry Program Enrollment Center	\$ 100			\$ 100
<b>Operational Improvements</b>				
Concourse C Elevator to D Street		\$ 450		\$ 450
Open Architecture Building Automation	\$ 1,250	\$ 1,700	\$ 5,100	\$ 8,050
Fiber Optic Cable Infrastructure Upgrade/Expansion	\$ 150	\$ 1,200	\$ 4,000	\$ 5,350
Wireless Network Control System	\$ 450	\$ 500	\$ 1,000	\$ 1,950
Landside Operations Offices Upgrade			\$ 500	\$ 500
Custom Border Patrol Primary Expansion	\$ 14,000			\$ 14,000
Custom Border Patrol Primary Relocation Gates G8-G9 Infill & Penthouse			\$ 51,000	\$ 51,000

Capital Improvement Projects Projects	Year			
	2013	2014	2015-2019	Total
	(\$ = 000)			
<b><u>Operational Improvements-Cont.</u></b>				
Facilities Monitoring System Software Update	\$ 450			\$ 450
MACNET Upgrade - Connectivity Elements	\$ 1,500	\$ 3,000	\$ 2,500	\$ 7,000
Data Center Computer Hardware	\$ 200			\$ 200
<b><u>Concourse G Improvements</u></b>				
Concourse G Roof Replacement	\$ 6,000		\$ 3,000	\$ 9,000
Exterior Panel/Sealant/Replacement			\$ 5,100	\$ 5,100
<b><u>T-1 Lindbergh Expansion/Remodeling</u></b>				
Concourse E Remodeling/Expansion			\$ 37,000	\$ 37,000
MAC Operations Center			\$ 1,250	\$ 1,250
Concourse G Expansion			\$ 87,000	\$ 87,000
Roadway and Parking Expansion			\$ 10,500	\$ 10,500
<b><u>Energy Management Center</u></b>				
Energy Savings Projects	\$ 1,000	\$ 1,000	\$ 16,000	\$ 18,000
Alternative Energy Projects	\$ 100		\$ 900	\$ 1,000
Modular Cooling Tower Installation			\$ 1,800	\$ 1,800
<b><u>Field and Runway</u></b>				
Airside Bituminous Rehabilitation/Electrical Construction	\$ 500	\$ 500	\$ 2,000	\$ 3,000
Pavement Joint Sealing/Repair	\$ 650	\$ 650	\$ 2,600	\$ 3,900
Pavement Rehabilitation - Aprons	\$ 1,900		\$ 10,500	\$ 12,400
Pavement Reconstruction - Taxiway Delta			\$ 7,500	\$ 7,500
Miscellaneous Airfield Construction	\$ 400	\$ 400	\$ 1,600	\$ 2,400
Baggage Quarantine Building			\$ 1,300	\$ 1,300
SIDA Incursion Upgrades			\$ 850	\$ 850
South Field Maintenance Building Wash Bay			\$ 1,300	\$ 1,300
Runway 12R/30L Tunnel Rehabilitation	\$ 300			\$ 300
Sanitary Sewer Replacements			\$ 4,950	\$ 4,950
Perimeter Gate Security Improvements			\$ 750	\$ 750
<b><u>Terminal Roads/Landside</u></b>				
Tunnel/Bridge Rehabilitation	\$ 100	\$ 100	\$ 400	\$ 600
Upper Level Roadway Rehabilitation			\$ 1,800	\$ 1,800
Upper Level Roadway Electrical System Rehabilitation		\$ 450		\$ 450
<b><u>Parking</u></b>				
T1/T2 Parking Structure Rehabilitation	\$ 2,500	\$ 2,500	\$ 16,000	\$ 21,000
T2-Humphrey GTC Core Building Modifications			\$ 850	\$ 850
T1-Lindbergh Short Term Parking Redesignation			\$ 350	\$ 350
T1-Lindbergh Valet/Commercial Entrance Lanes Mods			\$ 1,000	\$ 1,000
T1-Lindbergh Intelligent Parking Guidance System			\$ 500	\$ 500

Capital Improvement Projects		Year		
Projects	2013	2014	2015-2019	Total
	(\$ = 000)			
<b><i>Terminal 2 - Humphrey</i></b>				
<b><u>Safety/Security Projects</u></b>				
Checked Baggage Inspections System (CBIS) Program	\$ 47,000			\$ 47,000
<b><u>Passenger Amenities</u></b>				
Skyway to LRT Flooring Installation			\$ 800	\$ 800
Curbside Canopy Extension			\$ 1,500	\$ 1,500
<b><u>Operational Improvements</u></b>				
Rental Car Companies Facilities	\$ 12,600	\$ 22,800		\$ 35,400
Incident Response Friends & Relatives Fit-up		\$ 1,300		\$ 1,300
<b><u>T-2 Humphrey Expansion</u></b>				
Terminal-2 Humphrey North Expansion		\$ 51,300		\$ 51,300
Terminal-2 Humphrey South Expansion			\$ 228,000	\$ 228,000
Roadway Realignment			\$ 6,000	\$ 6,000
Terminal-2 Humphrey Parking			\$ 50,000	\$ 50,000
<b><i>Public Areas/Roads</i></b>				
Landside Pavement Rehabilitation	\$ 400	\$ 400	\$ 3,600	\$ 4,400
Roadway Fixture Refurbishment	\$ 100	\$ 100		\$ 200
I-494/34th Ave Interchange Enhancements-Diverging Diamond Interchange		\$ 6,000		\$ 6,000
Taxicab Break Room Expansion			\$ 500	\$ 500
<b><i>Hangars and other Buildings</i></b>				
Roof Replacements	\$ 800		\$ 4,000	\$ 4,800
Zantop Hangar	\$ 900			\$ 900
Impark Building Rehabilitation		\$ 600		\$ 600
Drivers Training Facility Rehabilitation		\$ 550		\$ 550
General Office Building Modifications	\$ 700			\$ 700
FAA Building Parking Lot Upgrades			\$ 1,050	\$ 1,050
<b><i>Trades/Maintenance Buildings</i></b>				
Trades Building Cooling System Improvements	\$ 600			\$ 600
<b><i>Police</i></b>				
Perimeter Fence Intrusion Detection System			\$ 3,000	\$ 3,000
CCTV Improvements (iViSN)	\$ 1,300	\$ 2,000	\$ 5,700	\$ 9,000
Public Safety Facility		\$ 100	\$ 17,000	\$ 17,100
<b><i>Fire</i></b>				
MSP Campus Fire Alarm System Upgrade			\$ 1,700	\$ 1,700

Capital Improvement Projects	Year			
	2013	2014	2015-2019	Total
Projects	(\$ = 000)			
<b>Environment</b>				
Storm Sewer Rehabilitation - Deicing Areas	\$ 500		\$ 1,700	\$ 2,200
Mother Lake Stormwater Diversion			\$ 850	\$ 850
Runway 12R/30L Glycol Forecmain			\$ 1,100	\$ 1,100
MAC Multilateration System			\$ 1,300	\$ 1,300
Concourse C & G Compactor Canopies		\$ 450		\$ 450
Runway 30R Deicing Pad Subdrain			\$ 800	\$ 800
Ground Service Equipment Electrical Charging Stations			\$ 1,000	\$ 1,000
<b>Reliever Airports</b>				
<b>St. Paul</b>				
Joint and Crack Repairs		\$ 100	\$ 200	\$ 300
MAC Building Maintenance		\$ 250	\$ 400	\$ 650
Pavement Rehabilitation		\$ 500	\$ 3,500	\$ 4,000
Storm Sewer Improvements	\$ 500			\$ 500
Holman Terminal Subdrain			\$ 600	\$ 600
Electrical Vault Improvements		\$ 800		\$ 800
Roof Repairs/Replacement			\$ 200	\$ 200
Airfield Signage/Wind Cone Upgrade			\$ 500	\$ 500
Cold Equipment Storage Building			\$ 750	\$ 750
<b>Lake Elmo</b>				
Runway 14/32 Replacement			\$ 5,000	\$ 5,000
Pavement Rehabilitation	\$ 300			\$ 300
Airport Layout Plan (ALP)	\$ 200			\$ 200
East Building Area Development			\$ 2,800	\$ 2,800
East Side Parallel Taxiway			\$ 1,200	\$ 1,200
Alleyway Rehabilitation			\$ 900	\$ 900
Materials Storage Building			\$ 600	\$ 600
<b>Airlake</b>				
Pavement Rehabilitation	\$ 200		\$ 400	\$ 600
Airport Layout Plan (ALP)	\$ 200			\$ 200
South Building Area Development			\$ 2,700	\$ 2,700
Runway 12/30 Extension			\$ 8,000	\$ 8,000
South Building Area Alleyway Development			\$ 1,000	\$ 1,000
Maintenance Building Improvements		\$ 100		\$ 100
Materials Storage Building			\$ 600	\$ 600
<b>Flying Cloud</b>				
East/West Perimeter Road	\$ 250			\$ 250
Roof Repairs/Replacement			\$ 100	\$ 100
South Building Area Development			\$ 600	\$ 600
Commercial Development - All Relievers		\$ 200		\$ 200
Runway 18/36 Safety Improvements	\$ 1,900			\$ 1,900
Pavement Rehabilitation -Taxiway D & E Mill/Overlay			\$ 1,200	\$ 1,200
Pavement Rehabilitation -Taxiway A Phase 1			\$ 800	\$ 800
Pavement Rehabilitation - Taxiway A Phase 2			\$ 900	\$ 900
Equipment Storage Building			\$ 2,500	\$ 2,500

Capital Improvement Projects		Year		
Projects	2013	2014	2015-2019	Total
	(\$ = 000)			
<b><u>Crystal</u></b>				
Pavement Rehabilitation		\$ 700		\$ 700
Roof Repairs/Replacement		\$ 250		\$ 250
Airport Layout Plan (ALP)	\$ 200			\$ 200
Alley Rehabilitation			\$ 550	\$ 550
Obstruction Removals			\$ 300	\$ 300
Runway 14R/32L Modifications			\$ 1,000	\$ 1,000
Materials Storage Building			\$ 600	\$ 600
<b><u>Anoka County - Blaine</u></b>				
Roof Repairs/Replacement			\$ 250	\$ 250
Pavement Rehabilitation - Alleyways	\$ 850			\$ 850
Building Area Development - East Annex			\$ 2,400	\$ 2,400
Building Area Development - Xylite			\$ 1,000	\$ 1,000
Building Area Development - West Annex			\$ 850	\$ 850
Taxiway Charlie - A2/C2 Extension			\$ 900	\$ 900
Materials Storage Building			\$ 600	\$ 600
Airfield Signage/Electrical Improvements			\$ 500	\$ 500

### **Capital Improvement Projects 2013**

As stated above, these are projects that have been reasonably defined for implementation in the upcoming calendar year - in this case 2013. ***The vast majority of capital projects in the CIP are considered routine projects for a major airport and do not affect the annual operating budget. Any project with a 2013 operating budget impact will be disclosed as part of the project description below.*** A description of 2013 capital improvement projects, along with a table with their funding sources, is as follows:

### **2013 Capital Improvement Program Narratives Minneapolis-St. Paul International Airport**

#### **Noise Mitigation Settlement**

**\$800,000**

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 2013 project budget will reimburse homeowners in the 2005 60-64 DNL contours for approved noise mitigation work (Phase 3).

#### **10 –Terminal 1- Lindbergh Safety/Security Projects**

##### **Telecommunications Room Equipment Continuity and Security**

**\$1,000,000**

The MAC network (MACNet) carries credit card data from the Landside Parking Revenue Control System. The credit card industry has created security standards which merchants, like the MAC, are required to meet to protect card holder data. Among these requirements are security standards for the physical locations where MACNet equipment is located. Additionally, the network equipment itself must have added security features to prevent unauthorized network access. This program will address these standards by providing security equipment and relevant network hardware for the 150 telecommunications rooms on the MAC campus. This program is being coordinated with the iVISN and Fiber Optic Cable Infrastructure Upgrade/Expansion programs to avoid duplication of effort and cost. This will be a multi-year program.

**Fall Protection Program****\$100,000**

The Occupational Safety and Health Administration (OSHA) requires that employers protect their employees who work on roof tops, next to roof edges, and other locations where there could be the potential for injuries due to falls. Options range from warning signage and spotters to guardrail and tie-off systems. A Roof Fall Protection Committee has been reviewing roof areas around the MSP campus to determine potential hazards and mitigation options. This program is being implemented to address those roof areas deemed to present an imminent fall hazard which are not being addressed in other roof repair projects.

**Baggage Claim Fire Protection System****\$4,000,000**

As required by the MAC Building Official and Fire Marshal, this project will install fire suppression and visual and auditory (voice evacuation) notification systems in the Baggage Claim area to meet current codes.

**TSA West CBIS Equipment Upgrade****\$12,000,000**

In 2005 the Commission approved construction of the West Checked Baggage Inspection System (CBIS) which included a TSA contribution of seven CTX devices, supporting technologies and equipment and staff. Subsequently, the CTX devices have begun to approach end-of-life status based on current required maintenance cost, as determined by the TSA. The TSA has offered for negotiation a 100% funded (no MAC cost) "Other Transaction Agreement" (OTA) for design and construction services for device replacement and other required upgrades to accommodate the new technology. The OTA for the design phase has been approved and executed by both MAC and TSA. A second OTA for the construction phase will be negotiated in 2013. This project will provide for the design and installation of TSA furnished devices and other required equipment at no cost to the MAC.

**Blast Mitigation Assessment****\$100,000**

This project will provide for the preparation of vulnerability and risk assessments to evaluate the cost-effectiveness of proposed physical security enhancements that are being considered for future implementation at Terminal 1-Lindbergh. The proposed assessment method follows a risk-based decision-making approach that has been developed and implemented for several transportation agencies in the United States. Options will be prioritized on the basis of risk, budget, schedule, short and long term operational impacts and effectiveness.

**Facilities Rehabilitation****Electrical Infrastructure Rehabilitation Program****\$2,500,000**

There are fifty-three electrical substations that serve Terminal 1-Lindbergh complex. It is imperative that these substations be inspected, cleaned, and the equipment upgraded in order to ensure their continued performance. This is a continuation of a multi-year program that began in 2009.

**Terminal Miscellaneous Modifications****\$1,000,000**

Each year there is a list of "maintenance" projects that are beyond the capability of MAC's maintenance staff and trades to accomplish. These projects are prioritized and completed either as a series of contracts or as purchase orders. The list of potential projects will be compiled and prioritized in early 2013.

Summarized below are the categories of the projects that are included in the Terminal Miscellaneous Modifications program:

**Building Exterior Rehabilitation**

A continuation of the program to rehabilitate the exterior of the terminals and other MAC buildings including roof and curtainwall rehabilitation.

**Terminal Electrical Modifications**

An ongoing program to address electrical issues in the terminals due to age and deterioration of the existing systems or modifications necessary for improved reliability.

**Terminal Mechanical Modifications**

An ongoing program to address mechanical issues in the terminals due to age and deterioration of the existing systems or modifications necessary for improved reliability.

**Terminal Miscellaneous Modifications**

An ongoing program to update and remodel areas within the terminals to keep abreast with changing requirements. This may be accomplished through a series of small individual projects to meet the requirements of the various tenants or may be consolidated into a single project.

**MSP Campus Modifications**

An ongoing program to modify or remodel areas within other facilities around the MSP Campus to meet the needs of the various tenants/general public/MAC departments utilizing the facilities.

**Emergency Power Upgrades****\$1,250,000**

Studies and surveys of Terminal 1-Lindbergh transfer switches and emergency lighting were completed in 2008. This year's project will continue the design and implementation of emergency power and lighting corrective work identified in this study.

**Restroom Upgrade Program****\$1,000,000**

A study of all restrooms in Terminal 1-Lindbergh was completed in 2010 and a program developed to upgrade/modernize the restrooms at Terminal 1-Lindbergh. From this study, each restroom was prioritized as to its condition. This program will provide for the phased modernization of the T-1 restrooms to include upgraded finishes, lighting, air quality, energy saving upgrades, and ADA compliance. Estimated 2013 budget impact \$50,000.

**Air Handling Unit Replacement****\$1,000,000**

There are existing air handling units serving Terminal 1-Lindbergh that were installed with the original terminal construction in 1958-60 and are over 40 years old. A study of these units has been completed that evaluated each unit's age, condition, and its ability to adequately heat or cool the spaces it serves. A multi-year program to provide for the replacement of the units that have been identified as needing replacement will be implemented. The project costs include modifications to building walls to facilitate the removal of existing equipment and installation of the new units, upgraded electrical and temperature controls and asbestos abatement.

**Conveyance System Upgrades****\$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 useful life of each system including the availability of replacement parts and technical support of the equipment. 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 was implemented in 2010 to modernize and replace outdated elements of the conveyance systems.

**Plumbing Infrastructure Upgrade Program****\$500,000**

In 2010, MAC staff prepared a preliminary study of the reliability and maintainability of the existing plumbing infrastructure. Portions of the existing plumbing infrastructure serving Terminal 1-Lindbergh are over 40 years old, have systems that are undersized for today's demands, contain isolation valves that are either inaccessible or no longer functional, and utilize aging water meter systems. There are also deteriorated sections of the existing sanitary and storm water systems. The focus of the 2013 project will be to survey and upgrade the sump pumps and controls that remove ground water from the APM Tram tunnel.

**Terminal Curtainwall Repair****\$100,000**

The rubber gaskets that are integral to sealing the perimeter curtainwall system from air infiltration heating and cooling loss and water intrusion have been failing and require replacement in many locations. The gasket failures result in increased heating and cooling costs and repair costs resulting from water damage to the building wall assembly. This multi-year program that was implemented in 2012 will provide for the replacement of failing gaskets and related repairs to the curtainwall system.

**Concourses C-G Connector Soffit Repair** **\$200,000**

The soffit under the Concourse C-G connector is constructed of individual insulated panels fastened to the connector structure. A number of these panels have been damaged by high winds over the years. Additional panels have been damaged by leaking oil pans related to the moving walkway belts. This project would remove and replace the damaged panels as well as provide an opportunity for the inspection of the structure supporting the panels to determine if additional repair is required.

**Passenger Amenities****Art in the Terminal** **\$250,000**

This project is a continuation of the partnership with the Airport Foundation to provide opportunities for the display of permanent and temporary/rotating art exhibits.

**Concessions Revenue Development/Upgrades** **\$200,000**

This is an annual program to fund miscellaneous upgrades such as finishes, furniture, condiment stations, signage, and/or modified connections to utilities for the Concession Programs at Terminal 1-Lindbergh.

**Way-Finding Signage Improvements** **\$300,000**

With the change in terminal designation from Lindbergh Terminal to Terminal1-Lindbergh, there is a need to update additional interior and exterior signage. In addition, there is also a need to add Light Rail Transit (LRT) signage to improve access/visibility to the public, add elevator signs, and modify overhead illuminated and non-illuminated signage to improve passenger way-finding.

**Electronic Video Information Display Systems** **\$200,000**

The installation of Electronic Video Information Display Systems (EVIDS) including Multi-User Flight Information Display (MUFIDS) throughout T1-Lindbergh and T2-Humphrey has been so successful that there have been requests for the installation of these electronic information tools in other areas. These areas include the Custom Border Patrol (CBP)/Federal Inspection Services (FIS) areas in both terminals and the T2-Humphrey baggage claim area. This project would also provide for the replacement of monitors that were installed in 2009 with newer LED backlit technology.

**CBP Global Entry Program Enrollment Center** **\$100,000**

This project will provide for an office in T1-Lindbergh that Custom Border Patrol (CBP) staff can use to conduct interviews with applicants for acceptance into the Global Entry Program. Global Entry is a registered traveler program that allows approved program participants to use kiosks in the FIS and special lanes at check points. Enrollment in this program allows for faster processing of passengers who frequently travel internationally.

**Operational Improvements****Open Architecture Building Automation (OABA)** **\$1,250,000**

This is a continuation of a multi-year program to upgrade all MAC building automation systems to the LonMark open architecture protocol so that MAC can bid maintenance and construction contracts more competitively. This project will replace sole-source controllers such as Siemens and Legacy Honeywell with LonMark controllers from Honeywell, Circon, Distech, or TAC systems that are all LonMark certified product lines.

**Fiber Optic Cable Infrastructure Upgrade/Expansion** **\$150,000**

Fiber optic cable infrastructure is the basic vehicle that allows for broader use of both new and existing communications and computer-based technologies. The cable infrastructure requires ongoing upgrade, replacement and expansion. This multi-year project will provide for the expansion of cabling infrastructure, including replacing materials that don't meet current MAC standards, and adding capacity between locations where existing capacity has been used up.

**Wireless Network Control System** **\$450,000**

This project will provide a campus-wide wireless network to be implemented over a multi-year period. This system will allow remote wireless access to the MAC Facilities Intelligent Monitoring and Control System (IMACS). The system will allow access to data and drawings from the MAC network as well as from remote vehicles on the airfield.

**Custom Border Patrol (CBP) Primary Expansion (G8 Hold Room)** **\$14,000,000**

In 1995 the Commission approved construction of the Federal Inspection Services (FIS) facility on Concourse G. The FIS facility is connected to ten gates (G1-G10) by a sterile corridor. The ten gates can accommodate five wide-body aircraft simultaneously. However, processing of international passengers becomes congested when two wide-body aircraft arrive at the same time. There are times when a third wide-body aircraft arrives early that make processing of passengers in a timely manner extremely challenging. Recent discussions with Delta Air Lines have highlighted the need to identify short-term, low cost measures that will provide a higher level of service for processing international passengers and to conduct long-term planning that would increase the primary and secondary processing space, as well as the baggage claim space, to support expanded international service.

This project will improve the operation and level of service of the FIS facility. The primary check-in and queue area will be relocated and expanded by displacing the Gate 8 gate lobby and existing concession and commissary for expanded international baggage claim. The two existing claim devices will be lengthened to 300 feet, providing adequate accommodation of the existing fleet-mix and scheduled arrivals. Estimated 2013 budget impact is \$250,000.

**Facilities Monitoring System Software Update** **\$450,000**

The Facilities Monitoring System (FMS) monitors equipment including automated doors, moving walkways, escalators, elevators, power systems, MUFIDS, baggage systems, and soon to be added passenger boarding bridges and restrooms. This system ensures quick response times when equipment malfunctions. The existing software platform that powers the FMS is outdated and in need of upgrading. This project will provide for the migration of the FMS to a new software platform.

**MACNet Upgrade – Connectivity Elements** **\$1,500,000**

The MACNet provides the critical and required infrastructure to support all of the current and future MAC voice, data and video systems. This includes systems supporting mission critical applications and systems that are used by airside and landside operations, public safety, airport planning and development, environment and noise, finance and accounting, human resources and overall MAC administration. This system has been modified over time to support the current systems in place as well as new systems, business, and operational requirements as they have been identified. The current version of MACNet, however, has reached its operational capacity and is not capable of supporting future growth. The upgraded MACNet will be implemented over a number of years to provide the necessary infrastructure to support all next generation systems and applications to be implemented in upcoming years.

**Data Center Computer Hardware** **\$200,000**

This project will provide for purchasing computer hardware required to equip the new Data Center facility scheduled for completion in 2013. Computer equipment includes servers, switches and networked storage. All equipment is available via State of Minnesota contracts.

**Concourse G Improvements****Concourse G Roof Replacement** **\$6,000,000**

An inspection of the Concourse G roof by the MAC's roofing consultant indicates that a complete re-roofing of the concourse with the exception of the roof over the FIS facility is required. The project would include upgrading the insulation to MAC energy standards and the repair/replacement of the clerestory curtain wall system that is failing. Required drains, roof hatch guardrails, and removal and reattachment of roof top units would also be included. Delta Air Lines is responsible for maintaining Concourse G and has requested that MAC undertake this project with reimbursement to be made to the MAC in accordance with the agreements that have been negotiated as part of the Delta Air Lines/OTG concessions upgrade project. This will be a multi-year project. Estimated 2013 budget impact is \$600,000.

**13 – Energy Management Center****Energy Savings Projects****\$1,000,000**

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 Centerpoint 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.

**Alternative Energy Projects****\$100,000**

This project will evaluate potential alternative energy projects including wind power, solar power and the use of geothermal technology for heating and cooling of new buildings.

**21 - Field and Runway****Airside Bituminous Rehabilitation/Electrical Construction****\$500,000**

This is an ongoing program to construct or reconstruct bituminous pavements and airfield electrical or lighting within the Air Operations Area (AOA). Inspection of taxiway pavements, lighting and electrical circuits determines what areas are to be prioritized for rehabilitation under each year's project. In addition to the rehabilitation work, this project will include the installation of radio frequency signs at the end of each runway as a part of the ongoing effort to reduce runway incursions at the airport.

**Pavement Joint Sealing/Repair****\$650,000**

This is an ongoing program to provide for the resealing of joints in existing concrete pavements. The areas scheduled for sealing will be as defined in the overall joint sealing program. This project will also provide for limited crack and surface repairs. Estimated 2013 budget impact is \$40,000.

**Pavement Rehabilitation – Aprons****\$1,900,000**

This is an ongoing program to replace sections of concrete pavement in the aircraft operational areas that have deteriorated to a point where routine maintenance is no longer a viable option. This year's project will replace approximately 6,000 square yards of concrete apron located adjacent to Concourse C between Gates C7 and C9.

**Miscellaneous Airfield Construction****\$400,000**

This is an ongoing program to consolidate various incidental repairs beyond the work load capabilities of the Field Maintenance personnel or to handle airfield problems requiring repair which come up unexpectedly.

**Runway 12R/30L Tunnel Rehabilitation – Mill and Overlay****\$300,000**

This project includes the mill and overlay of the tunnel approach pavements as well as the section of pavement within the south parallel Runway 12R/30L tunnel.

**26 - Terminal Roads/Landside****Tunnel/Bridge Rehabilitation****\$100,000**

The MSP campus has MAC owned bridges and tunnels. Bridge and tunnel inspections are conducted each year and maintenance repairs are then implemented.

**31 – Parking****T1/T2 Parking Structure Rehabilitation****\$2,500,000**

This is an annual 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 annually.

**36 – Terminal 2 – Humphrey****Safety/Security Projects****Checked Baggage Inspection System (CBIS) Program****\$47,000,000**

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 have been redesigned to meet the new TSA furnished high-speed screening equipment with the TSA funding 90 percent of the eligible design efforts through an Other Transaction Agreement (OTA) for Design Services. MAC has now received an OTA to provide funding for 90% of the eligible construction costs. Once this project is complete, the existing screening process located in the ticketing lobby will be moved behind the scenes. The removal of the EDS equipment from the lobby will provide additional customer queuing space and area to install additional ticket counters as required. This project will also expand the baggage make-up area and upgrade the existing paging system at T2-Humphrey to comply with current codes for emergency evacuation.

### **Operational Improvements**

#### **RAC Ready/Return Expansion**

**\$12,600,000**

RAC ready/return demand at T2-Humphrey has been increasing. Previous needs for additional RAC ready/return space have been met by expanding operations on the Ground level of the Purple Ramp. This project will expand RAC ready/return operations at T2-Humphrey to include the Mezzanine level of the Purple Ramp while maintaining ready/return operations on the Ground level. The RAC operations on the Mezzanine level will require additional pedestrian vertical circulation between the Ground and Mezzanine levels. This project includes the addition of an expanded interior vertical circulation core that will include two new elevators and escalators. A canopy will also be constructed over the south area of the Purple Ramp on the Mezzanine level. The expansion of the ready/return operations will also require roadway modifications to the entrance/exit and ground level of the Purple Ramp.

### **39 – Public Areas/Roads**

#### **Landside Pavement Rehabilitation**

**\$400,000**

This is an ongoing program to construct or reconstruct bituminous pavements outside of the Air Operations Area AOA). Inspection of pavements and appurtenances determines what areas are to be prioritized for rehabilitation under each year's project.

#### **Roadway Fixture Refurbishment**

**\$100,000**

Many of the light poles, clearance restriction bars, sign units, fence sections, and canopies on the airport roadways are in need of repainting and maintenance. This is a multi-year program that provides for refurbishment of these fixtures utilizing both MAC staff and temporary seasonal staff as available.

### **46 – Hangars and other Buildings**

#### **Roof Replacements**

**\$800,000**

MAC's roofing consultant has completed a study that assessed the condition of the roof systems of the buildings on the MAC campus and developed a roof management program. The roof on Concourse F requires replacement in 2013.

#### **Zantop Hangar Demolition**

**\$900,000**

A study was completed in 2012 that identified older buildings on the airport that were either being used for auxiliary storage or are owned by MAC and being leased/partially leased. The Zantop Hangar was included in the study. The hangar is a two story precast structure built in the late 1950s that is located near the air traffic control tower. There is 22,770 square feet of area on the hangar floor level and 3,000 square feet in an office area on the west end. MAC has used this facility over the years for seasonal (winter) storage. The facility's aging infrastructure contains asbestos and mold and the facility will need a complete roof replacement in the near future. Currently, the cost to maintain the hangar is approximately \$72,000 while a new roof would cost \$400,000. This building is no longer required for seasonal storage and the recommendation is that the hangar be demolished.

#### **General Office Building Modifications**

**\$700,000**

This project provides for the remodeling of the MAC General Office public entrance and reception area to portray a theme and image of MAC's mission, vision, and service to the public and our partners. The lobby is much more than a reception area, as it is used as a transition space and a formal and informal conversational and meeting area for MAC staff and visitors. The proposed modifications will address all existing lobby functions and enhance them to be more informative and functional while addressing present-day safety and security risks.

**56 – Trades/Maintenance Buildings****Trades Building Cooling System Improvements****\$600,000**

The Trades building was constructed in 1997 and included an air-cooled chiller that provides cooling to the administrative offices area. The existing chiller has been subject to frequent service and repair due to short cycling of the two reciprocating compressors. This short cycling wastes energy and accelerates the wear on the compressors. Options to improve the cooling system have been evaluated with the following goals: (1) improve the efficiency and reliability of the central cooling plant; (2) add cooling to other areas within the Trades Building; and (3) add an air handler to the records retention trailer adjacent to the Trades Building to improve dehumidification. A new split chiller comprised of an air cooled condensing unit (outdoors) connected to an indoor evaporator utilizing six compressors was the system that provided for the best energy payback.

**63 – Police****iVISON (CCTV) Improvements****\$1,300,000**

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. A CCTV Systems Integrator has been selected to assist in the development and installation of new Video Management System (VMS) and Physical Security Information System (PISM) software. New IP cameras were evaluated. This is the continuation of the program to systematically replace and integrate the approximately 1800 existing cameras and to add expand the camera coverage as required. A grant application has been submitted to TSA requesting funding for eligible project costs.

**76 – Environment****Storm Sewer Rehabilitation – Deicing Areas****\$500,000**

This is a phased program to rehabilitate the storm sewer pipes and manholes at locations where aircraft deicing occurs. Sealing leaking pipes and manholes will enhance the collection and storage of glycol impacted storm water resulting from deicing operations. The 2013 project will concentrate on the apron between Concourses E and F.

**81 – St. Paul****Storm Sewer Improvements****\$500,000**

This project will investigate and correct poor storm drainage on the west side of the airport. The old storm sewer system infrastructure is not removing storm water from the site as effectively as it should. Improvements will also aid in fighting floods by insuring no ground water is infiltrating the old system and backing up into the airfield, which in the past has required additional groundwater pumping capacity to keep up. This project will also include work associated with MnDOT and the highway directional signage for the airport.

**82 – Lake Elmo****Pavement Rehabilitation****\$300,000**

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 includes rehabilitation of the Runway 4/22 pavements and portions of the parallel taxiway.

**Airport Layout Plan (ALP)****\$200,000**

In accordance with FAA and MnDOT requirements for obtaining AIP or state funds, MAC must update the Lake Elmo Airport Layout Plan (ALP). This project will include the preparation of an update to the ALP to match the long term comprehensive plans for the airport, reflect the existing configuration and any proposed future changes for the airfield, and be in compliance with FAA/MnDOT requirements for ALP preparation.

**83 – Airlake****Pavement Rehabilitation****\$200,000**

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 includes rehabilitation of the runway and taxiway pavements, full depth crack repairs and crack sealing.

**Airport Layout Plan (ALP)****\$200,000**

In accordance with FAA and MnDOT requirements for obtaining AIP or state funds, MAC must update the Airlake Airport Layout Plan (ALP). This project will include the preparation of an update to the ALP to match the long term comprehensive plans for the airport, reflect the existing configuration and any

proposed future changes for the airfield, and be in compliance with FAA/MnDOT requirements for ALP preparation.

**84 - Flying Cloud****Runway 18/36 Safety Improvements****\$1,900,000**

Segment 3 of Runway 18/36 includes the Runway end 36 to the Runway 10R/28L safety area boundary. This portion of the runway will be rehabilitated, along with lighting and cable replacement. 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 relocation and replacement of the Runway End Identifier Lights (REILs), installation of new Precision Approach Path Indicator (PAPI) systems for the runway, and a supplemental wind cone on the airfield.

**East/West Perimeter Road****\$250,000**

As part of the runway incursion reduction steps MAC is taking at Flying Cloud, an east/west perimeter road will be constructed to allow for tenants, fueling trucks and maintenance vehicles access across the north end of the airfield without direct access to the taxiways or runways.

**85 – Crystal****Airport Layout Plan (ALP)****\$200,000**

In accordance with FAA and MnDOT requirements for obtaining AIP or state funds, MAC must update the Crystal Airport Layout Plan (ALP). This project will include the preparation of an update to the ALP to match the long term comprehensive plans for the airport, reflect the existing configuration and any proposed future changes for the airfield, and be in compliance with FAA/MnDOT requirements for ALP preparation.

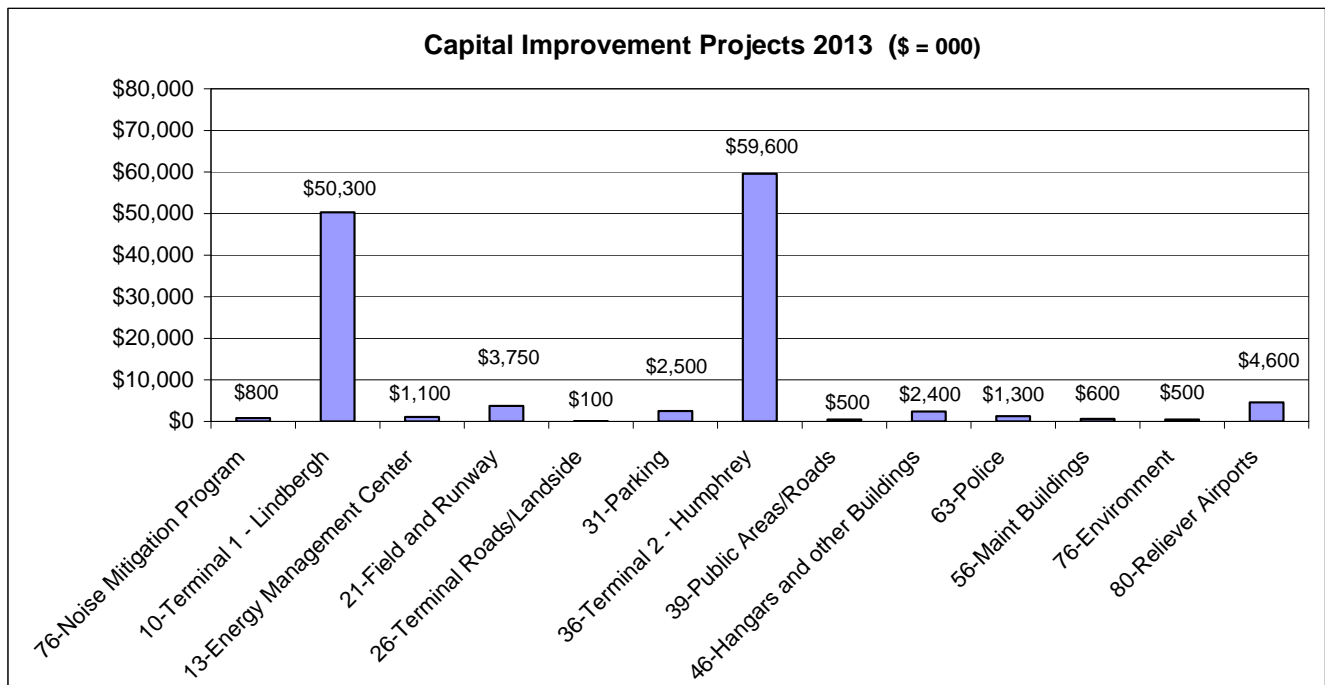
**86 – Anoka County – Blaine****Pavement Rehabilitation - Alleyways****\$850,000**

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 includes rehabilitation of the alleyways in the east building area.



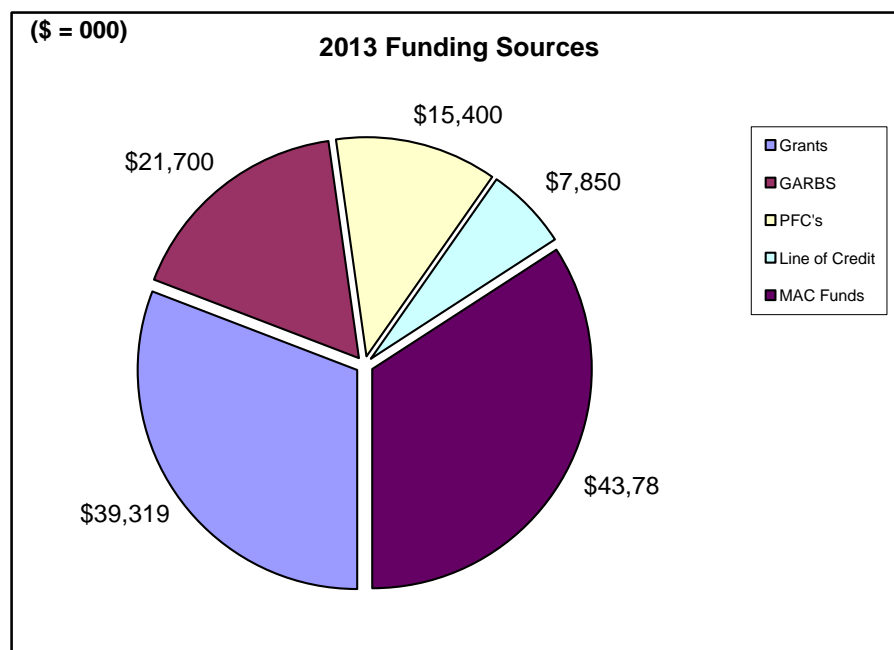
***Landing at Minneapolis-St Paul International Airport***

The following chart summarizes the 2013 capital improvement projects by various areas of the airport:



#### 2013 Capital Improvement Project Funding Source

The following pie chart indicates the funding sources for 2013:



Below is a table of funding sources of the 2013 capital improvement projects. A cash flow summary of the CIP will appear later in this section.

## 2013 Capital Improvement Projects

(\$ in 000)

(\$ in 000)						
Projects	Project Cost	Federal/State Grants	GARBS	PFC's	Line of Credit	MAC Funds
<b>Noise Mitigation Program</b>						
Noise Mitigation Settlement	\$800					\$ 800
Subtotal Noise Mitigation Program	\$800	\$ -	\$ -	\$ -	\$ -	\$ 800
<b>10 - Terminal 1 - Lindbergh</b>						
<b><u>Safety/Security Projects</u></b>						
Baggage Claim Fire Protection System	\$4,000					\$ 4,000
TSA West CBIS Equipment Upgrade	\$12,000	\$ 12,000				
Blast Mitigation	\$100					\$ 100
Telecom Room Equipment Continuity and Security	\$1,000					\$ 1,000
Fall Protection Program	\$100					\$ 100
Subtotal Safety/Security Projects	\$17,200	\$ 12,000	\$ -	\$ -	\$ -	\$ 5,200
<b><u>Facility Rehabilitation</u></b>						
Electrical Infrastructure Rehabilitation Program	\$2,500		\$ 2,500			
Terminal Miscellaneous Modifications	\$1,000					\$ 1,000
Emergency Power Upgrades	\$1,250					\$ 1,250
Restroom Upgrade Program	\$1,000					\$ 1,000
Air Handling Unit Replacement	\$1,000		\$ 1,000			
Conveyance System Upgrades	\$500					\$ 500
Plumbing Infrastructure Upgrade Program	\$500			\$ 500		
Terminal Curtainwall Repair	\$100					\$ 100
C-G Connector Soffit Repair	\$200					\$ 200
Subtotal Facility Rehabilitation	\$8,050	\$ -	\$ 3,500	\$ 500	\$ -	\$ 4,050
<b><u>Passenger Amenities</u></b>						
Art in the Terminal	\$250					\$ 250
Concessions Revenue Development/Upgrades	\$200					\$ 200
MUFIDS/Electronic Video Information Display	\$200					\$ 200
CBP Global Entry Program Enrollment Center	\$100					\$ 100
Way-Finding Signage Improvements	\$300					\$ 300
Subtotal Passenger Amenities	\$1,050	\$ -	\$ -	\$ -	\$ -	\$ 1,050
<b><u>Operational Improvements</u></b>						
Open Architecture Building Automation (OABA)	\$1,250					\$ 1,250
CBP Primary Expansion (G8 Hold Room)	\$14,000	\$ 2,000		\$ 10,300	\$ 1,700	
Facilities Monitoring Systems Software Upgrade	\$450					\$ 450
MACNET Upgrade	\$1,500					\$ 1,500
Data Center Computer Hardware	\$200					\$ 200
Fiber Optic Cable Infrastructure Upgrade/Expansion	\$150					\$ 150
Wireless Network Control System	\$450					\$ 450
Subtotal Operational Improvements	\$18,000	\$ 2,000	\$ -	\$ 10,300	\$ 1,700	\$ 4,000
<b><u>Concourse G Improvements</u></b>						
Concourse G Roof Replacement	\$6,000				\$ 5,500	\$ 500
Subtotal Concourse G Improvements	\$6,000	\$ -	\$ -	\$ -	\$ 5,500	\$ 500
Subtotal Terminal 1-Lindbergh	\$50,300	\$ 14,000	\$ 3,500	\$ 10,800	\$ 7,200	\$ 14,800

## 2013 Capital Improvement Projects

(\$ in 000)

Projects	Project Cost	Funding Source				
		Federal/State Grants	GARBS	PFC's	Line of Credit	MAC Funds
<b>13 - Energy Management Center</b>						
Energy Savings Projects	\$1,000					\$ 1,000
Alternative Energy Projects	\$100					\$ 100
Subtotal Energy Management Center	\$1,100	\$ -	\$ -	\$ -	\$ -	\$ 1,100
<b>21 - Field and Runway</b>						
Airside Bituminous Rehabilitation/Electrical Construction	\$500					\$ 500
Pavement Joint Sealing/Repair	\$650				\$ 650	
Pavement Rehabilitation - Aprons	\$1,900	\$ 1,400		\$ 500		
Miscellaneous Airfield Construction	\$700					\$ 700
Subtotal Field and Runway	\$3,750	\$ 1,400	\$ -	\$ 500	\$ 650	\$ 1,200
<b>26 - Terminal Roads/Landside</b>						
Tunnel/Bridge Rehabilitation	\$100					\$ 100
Subtotal Terminal Roads/Landside	\$100	\$ -	\$ -	\$ -	\$ -	\$ 100
<b>31 - Parking</b>						
T1/T2 Parking Structure Rehabilitation	\$2,500					\$ 2,500
Subtotal Parking	\$2,500	\$ -	\$ -	\$ -	\$ -	\$ 2,500
<b>36 - Terminal 2 - Humphrey</b>						
<b>Safety/Security Projects</b>						
Checked Baggage Inspection System (CBIS)	\$47,000	\$ 20,400	\$ 5,600	\$ 2,300		\$ 18,700
Subtotal Safety/Security Projects	\$47,000	\$ 20,400	\$ 5,600	\$ 2,300	\$ -	\$ 18,700
<b>Operational Improvements</b>						
Rental Car Ready Return Expansion	\$12,600		\$ 12,600			\$ -
Subtotal Passenger Amenities	\$12,600	\$ -	\$ 12,600	\$ -	\$ -	\$ -
Subtotal Terminal 2 - Humphrey	\$59,600	\$20,400	\$18,200	\$2,300	\$0	\$18,700
<b>39 - Public Areas/Roads</b>						
Landside Pavement Rehabilitation	\$400					\$ 400
Roadway Fixture Refurbishment	\$100					\$ 100
Subtotal Public Areas/Roads	\$500	\$ -	\$ -	\$ -	\$ -	\$ 500
<b>46 - Hangars and other Buildings</b>						
Roof Replacement	\$800					\$ 800
General Office Security Enhancements	\$700					\$ 700
Zantop Hangar Demolition	\$900					\$ 900
Subtotal Public Areas/Roads	\$2,400	\$ -	\$ -	\$ -	\$ -	\$ 2,400

## 2013 Capital Improvement Projects

(\$ in 000)

(\$ in 000)		Federal/State				
Projects	Project Cost	Grants	GARBS	PFC's	Line of Credit	MAC Funds
<b>56 - Trades/Maintenance Buildings</b>						
Trades Building Cooling System Improvements	\$600					\$ 600
Subtotal Hangars and other Buildings	\$600	\$ -	\$ -	\$ -	\$ -	\$ 600
<b>63 - Police</b>						
iViSN (CCTV) Improvements	\$1,300	\$ -		\$ 1,300		
Subtotal Police	\$1,300	\$ -	\$ -	\$ 1,300	\$ -	\$ -
<b>76 - Environment</b>						
Storm Sewer Rehab - Deicing Areas	\$500			\$ 500		
Subtotal Environment	\$500	\$ -	\$ -	\$ 500	\$ -	\$ -
<b>Reliever Airports</b>						
<b>81 - St. Paul</b>						
Storm Sewer Improvements	\$500	\$ 300				\$ 200
Subtotal St. Paul	\$500	\$ 300	\$ -	\$ -	\$ -	\$ 200
<b>82- Lake Elmo</b>						
Pavement Rehabilitation	\$300	\$ 244				\$ 56
Airport Layout Plan	\$200	\$ 140				\$ 60
Subtotal Lake Elmo	\$500	\$ 384	\$ -	\$ -	\$ -	\$ 116
<b>83- Airlake</b>						
Pavement Rehabilitation	\$200	\$ 180				\$ 20
Airport Layout Plan	\$200	\$ 140				\$ 60
Subtotal Lake Elmo	\$400	\$ 320	\$ -	\$ -	\$ -	\$ 80
<b>84 - Flying Cloud</b>						
Runway 18/36 Safety Improvements	\$1,900	\$ 1,500				\$ 400
East/West Perimeter Road	\$250	\$ 225				\$ 25
Subtotal Flying Cloud	\$2,150	\$ 1,725	\$ -	\$ -	\$ -	\$ 425
<b>85 - Crystal</b>						
Airport Layout Plan	\$200	\$ 140				\$ 60
Subtotal Crystal	\$200	\$ 140	\$ -	\$ -	\$ -	\$ 60
<b>86 - Anoka County - Blaine</b>						
Pavement Rehabilitation						
Alleyways	\$850	\$ 650				\$ 200
Subtotal Anoka County - Blaine	\$850	\$ 650	\$ -	\$ -	\$ -	\$ 200
Subtotal Reliever Airports	\$4,600	\$ 3,519	\$ -	\$ -	\$ -	\$ 1,081
Total 2013 Capital Improvement Projects	\$128,050	\$39,319	\$21,700	\$15,400	\$7,850	\$43,781

## 2014 Capital Improvement Program Narratives

These are projects that have been identified in the second year of the program which have a need or potential need but require further study in order to properly determine the scope, feasibility and cost of the project. ***The vast majority of capital projects in the CIP are considered routine projects for a major airport and do not affect the annual operating budget.*** A description of 2014 Capital Improvement Program projects, along with a table with their funding sources, is as follows:

### Minneapolis-St. Paul International Airport

#### Noise Mitigation Settlement

**\$900,000**

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 2014 project budget will reimburse homeowners in the 2005 60-64 DNL contours for approved noise mitigation work (Phase 3).

### 10 –Terminal 1- Lindbergh Safety/Security Projects

#### Telecommunications Room Equipment Continuity and Security

**\$3,300,000**

The MAC network (MACNet) carries credit card data from the Landside Parking Revenue Control System. The credit card industry has created security standards which merchants, like the MAC, are required to meet to protect card holder data. Among these requirements are security standards for the physical locations where MACNet equipment is located. Additionally the network equipment itself must have added security features to prevent unauthorized network access. This program will address these standards by providing security equipment and relevant network hardware for the 150 telecommunications rooms on the MAC campus. This program is being coordinated with the iVSN and Fiber Optic Cable Infrastructure Upgrade/Expansion programs to avoid duplication of effort and cost. This will be a multi-year program.

#### Fall Protection Program

**\$100,000**

The Occupational Safety and Health Administration (OSHA) requires that employers protect their employees that work on roof tops, next to roof edges, and other locations where there could be the potential for injuries due to falls. Options range from warning signage and spotters to guardrail and tie-off systems. A Roof Fall Protection Committee has been reviewing roof areas around the MSP campus to determine potential hazards and mitigation options. This program is being implemented to address those roof areas deemed to present an imminent fall hazard which are not being addressed in other roof repair projects.

### Facilities Rehabilitation

#### Electrical Infrastructure Rehabilitation Program

**\$2,500,000**

There are fifty-three electrical substations that serve the Terminal 1-Lindbergh complex. It is imperative that these substations be inspected, cleaned and upgraded in order to ensure their continued performance. This is a continuation of a multi-year program that began in 2009.

#### Terminal Miscellaneous Modifications

**\$2,000,000**

Each year, there is a list of “maintenance” projects that are beyond the capability of MAC’s maintenance staff and trades to accomplish. These projects are prioritized and completed either as a series of contracts or as purchase orders. The list of potential projects will be compiled and prioritized in early 2014.

Summarized below are the categories of the projects that are included in the Terminal Miscellaneous Modifications program:

**Building Exterior Rehabilitation**

A continuation of the program to rehabilitate the exterior of the terminals and other MAC buildings including roof and curtainwall rehabilitation.

**Terminal Electrical Modifications**

An ongoing program to address electrical issues in the terminals due to age and deterioration of the existing systems or modifications necessary for improved reliability.

**Terminal Mechanical Modifications**

An ongoing program to address mechanical issues in the terminals due to age and deterioration of the existing systems or modifications necessary for improved reliability.

**Terminal Miscellaneous Modifications**

An ongoing program to update and remodel areas within the terminals to keep abreast with changing requirements. This may be accomplished through a series of small individual projects to meet the requirements of the various tenants or may be consolidated into a single project.

**MSP Campus Modifications**

An ongoing program to modify or remodel areas within other facilities around the MSP Campus to meet the needs of the various tenants/general public/MAC departments utilizing the facilities.

**Emergency Power Upgrades****\$2,300,000**

Studies and surveys of Terminal 1-Lindbergh transfer switches and emergency lighting were completed in 2008. This year's project will continue the design and implementation of emergency power and lighting corrective work identified in this study.

**Lower Level Roadway/GTC Water Infiltration Mitigation****\$2,500,000**

Water infiltration through the structural concrete slab above the Ground Transportation Center and lower level of Terminal 1-Lindbergh has required the use of buckets and other containers to collect the water. Long-term water infiltration of structural members will result in deterioration of the structural concrete and will shorten the life of the structure. This project will determine the causes of the infiltration and develop a mitigation solution to be implemented.

**Restroom Upgrade Program****\$2,000,000**

A study of all restrooms in Terminal 1-Lindbergh was completed in 2010 and a program developed to upgrade/modernize the restrooms at Terminal 1-Lindbergh. From this study, each restroom was prioritized as to its condition. This program will provide for the phased modernization of the T-1 restrooms to include upgraded finishes, lighting, air quality, energy saving upgrades and ADA compliance.

**Air Handling Unit Replacement****\$1,500,000**

There are existing air handling units serving Terminal 1-Lindbergh that were installed with the original terminal construction in 1958-60 and are over 40 years old. A study of these units has been completed that evaluated each unit's age, condition and its ability to adequately heat or cool the spaces it serves. A multi-year program to provide for the replacement of the units that have been identified as needing replacement will be implemented. The project costs include modifications to building walls to facilitate the removal of existing equipment and installation of the new units, upgraded electrical and temperature controls and asbestos abatement.

**Plumbing Infrastructure Upgrade Program****\$500,000**

In 2010, MAC staff prepared a preliminary study of the reliability and maintainability of the existing plumbing infrastructure. Portions of the existing plumbing infrastructure serving Terminal 1-Lindbergh are over 40 years old, have systems that are undersized for today's demands, contain isolation valves that are either inaccessible or no longer functional and utilize aging water meter systems. There are also deteriorated sections of the existing sanitary and storm water systems. A four year program was implemented in 2012 to upgrade the plumbing infrastructure system to meet current code requirements and MAC standards. The 2014 project will focus on the replacement of aging water meter assemblies and the upgrade of the meter reading to the MAC OABA building automation system.

**Terminal Curtainwall Repair** **\$100,000**

The rubber gaskets that are integral to sealing the perimeter curtainwall system from air infiltration heating and cooling loss and water intrusion have been failing and require replacement in many locations. The gasket failures result in increased heating and cooling costs and repair costs resulting from water damage to the building wall assembly. This three-year program will provide for the replacement of failing gaskets and related repairs to the curtainwall system.

**Lighting Infrastructure Technology and Equipment** **\$1,400,000**

This is a multi-year program that will analyze, assemble and organize lighting system upgrade recommendations for the MSP campus. Annual investment in lighting infrastructure is necessary to ensure its safe operation, reduce energy and maintenance costs and to implement technology upgrades to improve lighting quality. Light fixtures age and degrade due to time, heat or exterior elements. Lighting technologies also change and upgrades will provide for more energy efficient lighting systems.

**Passenger Amenities****Art in the Terminal** **\$250,000**

This project is a continuation of the partnership with the Airport Foundation to provide opportunities for the display of permanent and temporary/rotating art exhibits.

**Concessions Revenue Development/Upgrades** **\$200,000**

This is an annual program to fund miscellaneous upgrades such as finishes, furniture, condiment stations, signage and/or modified connections to utilities for the concession programs at Terminal 1-Lindbergh.

**Operational Improvements****Concourse C Elevator to D Street** **\$450,000**

Currently, the Concourse C elevator stops at the concourse level. MAC staff has requested that this elevator be modified to allow for access to D Street. The extension of the elevator to ramp level would allow the MAC trades to get lift equipment used to change lights and clean high areas to the east end of Concourse C.

**Open Architecture Building Automation (OABA)** **\$1,700,000**

This is a continuation of a multi-year program to upgrade all MAC building automation systems to the LonMark open architecture protocol so that MAC can bid maintenance and construction contracts more competitively. This project will replace sole-source controllers such as Siemens and Legacy Honeywell with LonMark controllers from Honeywell, Circon, Distech, or TAC systems that are all LonMark certified product lines.

**Fiber Optic Cable Infrastructure Upgrade/Expansion** **\$1,200,000**

Fiber optic cable infrastructure is the basic vehicle that allows for broader use of both new and existing communications and computer-based technologies. The cable infrastructure requires ongoing upgrade, replacement, and expansion. This multi-year project will provide for the expansion of cabling infrastructure including replacing materials that don't meet current MAC standards and adding capacity between locations where existing capacity has been used up.

**Wireless Network Control System** **\$500,000**

This project will provide a campus-wide wireless network to be implemented over a three year period. This system will allow remote wireless access to the MAC Facilities Intelligent Monitoring and Control System (IMACS). The system will allow access to data and drawings from the MAC network as well as from remote vehicles on the airfield.

**MACNet Upgrade – Connectivity Elements** **\$3,000,000**

The MACNet provides the critical and required infrastructure to support all of the current and future MAC voice, data and video systems. This includes systems supporting mission critical applications and systems that are used by airside and landside operations, public safety, airport planning and development, environment and noise, finance and accounting, human resources and overall MAC administration. This system has been modified over time to support the current systems in place as well as new systems, business and operational requirements as they have been identified. The

current version of MACNet, however, has reached its operational capacity and is not capable of supporting future growth. The upgraded MACNet will be implemented over a number of years to provide the necessary infrastructure to support all next generation systems and applications to be implemented in upcoming years.

### **13 – Energy Management Center**

#### **Energy Savings Projects**

**\$1,000,000**

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 Centerpoint 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.

### **21 - Field and Runway**

#### **Airside Bituminous Rehabilitation/Electrical Construction**

**\$500,000**

This is an ongoing program to construct or reconstruct bituminous pavements and airfield electrical or lighting within the Air Operations Area (AOA). Inspection of taxiway pavements, lighting and electrical circuits determines what areas are to be prioritized for rehabilitation under each year's project.

#### **Pavement Joint Sealing/Repair**

**\$650,000**

This is an ongoing program to provide for the resealing of joints in existing concrete pavements. The areas scheduled for sealing will be as defined in the overall joint sealing program. This project will also provide for limited crack and surface repairs.

#### **Miscellaneous Airfield Construction**

**\$400,000**

This is an ongoing program to consolidate various incidental repairs beyond the work load capabilities of the Field Maintenance personnel or to handle airfield problems requiring repair which come up unexpectedly.

### **26 - Terminal Roads/Landside**

#### **Tunnel/Bridge Rehabilitation**

**\$100,000**

The MSP campus has MAC owned bridges and tunnels. Bridge and tunnel inspections are conducted each year and maintenance repairs are then implemented.

#### **Upper Level Roadway Electrical System Rehabilitation**

**\$450,000**

This project provides for the reconstruction for the upper level roadway electrical system infrastructure, and includes electrical removals and the installation of electrical devices, conduits and cable.

### **31 – Parking**

#### **T1/T2 Parking Structure Rehabilitation**

**\$2,500,000**

This is an annual 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 annually.

### **36 – Terminal 2 – Humphrey**

#### **Operational Improvements**

##### **RAC Customer Service Building**

**\$6,400,000**

Rental Auto Car (RAC) operations at T2-Humphrey have been steadily increasing. Currently, RAC related customer service space has been provided in the Ground level core building on the west side of the Purple Ramp. Recent assessments of RAC customer service demands indicate that additional space is required to accommodate current and projected demands. Working with the RAC companies, a plan was developed that will provide for the construction of a new RAC Customer Service Building (CSB) on the east side of the Purple Ramp core building. The new CSB will include space to accommodate up to ten (10) rental companies and will include counters, offices, customer queuing and lobby areas, storage, and potential counter expansion. The CSB has been sized to allow all current RAC counter operations to vacate their existing space and is planned to accommodate projected RAC counter space needs through 2020.

**RAC Quick Turnaround (QTA) Facility****\$16,400,000**

Current RAC operations at T2-Humphrey utilize off-site fueling and wash facilities and have limited space for vehicle staging. As RAC ready/return operations at T2-Humphrey continue to expand, the need for a Quick Turnaround (QTA) facility in close proximity to T2-Humphrey is recommended. This project will construct a new RAC QTA facility at T2-Humphrey to support expanding ready/return operations. The QTA will be constructed on the Building F lot on a portion of the space that will be reclaimed when Building F is demolished. The QTA will provide carwash and fueling facilities and car stacking/storage space. Specifically, the facility is planned to provide eight (8) car wash locations, twenty-four (24) fueling positions, and space for approximately seven-hundred (700) stored/stacked RAC vehicles. Canopies will cover the car wash and fueling positions. Two new right turn lanes will be provided to accommodate the additional RAC related traffic accessing the site.

**Incident Response Friends and Relatives Fit-up****\$1,300,000**

MAC has used several different locations over the years to serve as a Friends and Relatives Incident Response center in the event of an airline incident, weather related event such as a tornado, or possibly a terrorist incident. This facility would be available for family and friends of those killed/injured in the incident to gather for incident updates and counseling. The 2012 Emergency Preparedness Exercise used the old Navy Administration Building as the "survivor" center. The MAC Fire Marshall, however, has stated that this building does not have the required facilities and does not meet the current codes to function in this capacity. This project will build out a currently undeveloped area on the first level of T2-Humphrey that has been created with the construction of the Security Check Point project. The project will provide a large room that would house up to 100 people with tables and chairs, phones, TVs and data connections. There would also be small rooms for families and a re-unification room for family and airport personnel. A kitchenette with cabinets, sink, refrigerator and coffee machines would be included. New restrooms would also be constructed. This facility could be rented out to help defray the cost of construction.

**Terminal 2-Humphrey North Expansion****Apron/Fueling Expansion****\$15,300,000**

The expansion of Terminal 2-Humphrey will require the expansion of the terminal apron. This project will provide for the concrete apron expansion and installation of aircraft fueling pits to the north of the terminal to accommodate future gate expansion. The expansion of the apron will also require the reconfiguration of the ARFF Station No. 1 parking lot, and any required storm water modifications will also be completed.

**Gates 11 – 13****\$35,000,000**

This project will provide three new gates with associated gate lobbies, and four new passenger boarding bridges for current and future fleet mixes, with ground boarding accommodation at the northern most gate, providing maximum short and long-term flexibility. Modified passenger boarding bridge routes will create more accessible routes to all planned aircraft types, from regional to large narrow-body aircraft. Gate lobbies will provide 85% of seating for the planned aircraft, improving the waiting experience for the customer. The upper level build-out will include: public walkways; gate lobby space, restrooms, concessions (including vending and future build-outs), mechanical/penthouse space and equipment, fire/life-safety systems, other required appurtenances, publicly accessible power, EVIDS/MUFIDS installations and way-finding signage revisions on the north end of the terminal. This expansion will make use of the first half of the apron and fueling expansion project, and will provide additional access to Remain Over Night (RON) and for the ground boarding of smaller regional aircraft.

**Terminal Utilities Relocation****\$1,000,000**

This project will provide the airside and landside utilities consisting of storm water drainage improvements, water main extensions, and fiber cable installation to support the construction of Gates 11 – 13.

**39 – Public Areas/Roads****Landside Pavement Rehabilitation****\$400,000**

This is an ongoing program to construct or reconstruct bituminous pavements outside of the Air Operations Area (AOA). Inspection of pavements and appurtenances determines what areas are to be prioritized for rehabilitation under each year's project.

**Roadway Fixture Refurbishment****\$100,000**

Many of the light poles, clearance restriction bars, sign units, fence sections and canopies on the airport roadways are in need of repainting and maintenance. This is a multi-year program that provides for refurbishment of these fixtures utilizing both MAC staff and temporary seasonal staff as available.

**I-494/34<sup>th</sup> Ave Interchange Enhancements****Diverging Diamond Interchange (DDI)****\$6,000,000**

The I-494 and 34<sup>th</sup> Avenue South interchange is located at the border of MSP and the City of Bloomington, between Airport Lane and American Boulevard East. During peak hours of traffic movement, the eastbound exit ramp from I-494 to northbound 34<sup>th</sup> Avenue results in traffic queues that extend two-thirds the length of the ramp. As traffic demand increases, the existing interchange will be unable to safely and efficiently handle the traffic. As this interchange is critical to both MSP's and the City of Bloomington's long range plans, MAC and the City have partnered to apply for a grant through the Transportation Economic Development (TED) pilot program. This program provides state funding for a share of the costs for projects that will improve the statewide transportation network while promoting economic growth. The proposed interchange improvements will convert the existing diamond interchange to a Diverging Diamond Interchange (DDI), increasing capacity and decreasing queue lengths and conflict points at a cost far below that of completely replacing the existing interchange. Approximately 85% of this project will be funded by a combination of a TED grant (70%) and reimbursement by the City of Bloomington (15%). Construction will include paving, lighting, storm water improvements, and reconstruction of interface areas with the Metro Transit LRT tracks.

**46 – Hangars and other Buildings****Impark Building Rehabilitation****\$600,000**

A study was completed in 2012 that identified older buildings on the airport that were either being used for auxiliary storage or are owned by MAC and being leased/partially leased. The Impark Building was included in the study. The building is a one story concrete block structure that was constructed in the 1960's. The entire 22,800 square foot building is used by the MAC Trades for material and equipment storage and also houses a paint booth blast area. Unlike the Zantop Hangar, the building does not contain asbestos or mold. MAC staff is recommending that this building should be maintained based on the need by the Trades for storage of materials and equipment. The building is structurally sound but needs exterior repair to prevent moisture damage. This project will provide for the repair of exterior walls, windows and doors as well as some modifications to the bead blasting booth area.

**Drivers Training Facility Rehabilitation****\$550,000**

Another building that was included in the 2012 study of older buildings was Building H. This is a one story concrete block structure that was built in 1985. A new roof was installed on this building in 2011. The MAC Drivers Training Center (DTC) is located in this building. This facility is currently planned to remain in Building H for the next 8-10 years and the building, therefore, requires some upgrades to improve the current level of customer service and security. This project will add card access security to exterior doors as well as add a security system to exterior windows and doors. The driver's administration/check-in/licensing area would be remodeled and the restrooms upgraded to meet ADA compliance.

**63 – Police****Public Safety Building****\$100,000**

This project will relocate the MAC Police Department to a new stand alone facility outside of the terminal complex. The new facility will have convenient access to both the airside and landside with improved response to both terminals via airside or public roadways. The building is envisioned as a multi-story structure that will accommodate future growth and consolidation of the Emergency Call Center and Airport Operations into one building.

**iVISON (CCTV) Improvements****\$2,000,000**

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. A CCTV Systems Integrator has been selected to assist in the development and installation of new Video Management System (VMS) and Physical Security Information System (PISM) software. New IP cameras were evaluated. This is the continuation of the program to systematically

replace and integrate the approximately 1800 existing cameras and to add expand the camera coverage as required. A grant application has been submitted to TSA requesting funding for eligible project costs.

**76 – Environment****Concourses C/G Compactor Canopies****\$450,000**

The airside trash/recycling materials staging areas on Concourses C and G utilize 90-gallon carts for recyclables, collected within the terminal, and have dumpsters/compactors for trash. These staging areas are fully exposed to the elements and become extremely difficult to properly operate during the winter months. This project will provide canopies over each trash/recycling area to protect the areas from rain and snow.

**81 - St. Paul****Joint and Crack Repairs****\$100,000**

Given the extremely poor subgrade materials at this airport, the need for crack repair and joint sealing is critical to maintain pavement strength and pavement life. An inspection of the pavement will be completed to determine the areas most in need of repair.

**MAC Building Maintenance****\$250,000**

This is an ongoing program to provide for facility modifications to ensure continued efficient operation of MAC buildings or modifications necessary to meet the requirements of the tenants.

**Pavement Rehabilitation****\$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 rehabilitation of Taxiway Bravo and Taxiway Charlie, along with other minor areas.

**Electrical Vault Improvements****\$800,000**

The current electrical vault controlling the airfield lighting systems is reaching its life expectancy and requires improvements to become compliant with the National Electric code. This project will upgrade the facility and replace electrical equipment to meet current code and safety regulations.

**83 – Airlake****Maintenance Building Improvements****\$100,000**

This project will include improvements to the existing maintenance building, specifically in the restroom and shower areas.

**84 – Flying Cloud****Commercial Development – All Relievers****\$200,000**

Similar to the costs expended in 2011 for a revenue generating parcel at Flying Cloud, these costs allow MAC to research and/or prepare sites at the Reliever Airports for potential development. Costs may include site preparation, surveying, marketing, and/or other development related costs. Funds expended for each parcel will be assessed to the developer who ultimately takes on the commercial development.

**85 - Crystal****Pavement Rehabilitation****\$700,000**

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 includes rehabilitation of portions of Taxiway Bravo on the west side of the airport along with other pavement repairs and crack sealing.

**Roof Repairs/Replacement****\$250,000**

A site inspection has identified deficiencies in some of the roof structures on MAC-owned buildings at the Crystal Airport. This project will include further investigation of existing problems, determine if repairs or replacement is needed, evaluate the benefits and costs, and complete the improvements if warranted.

2014 Capital Improvement Program Funding Sources

Below is a table of funding sources of the 2014 Capital Improvement Program projects. A cash flow summary of the CIP will appear later in this section.

**2014 Capital Improvement Program**

(\$ in 000)

<b>Projects</b>	<b>Project Cost</b>
<b>Noise Mitigation Program</b>	
Noise Mitigation Settlement	\$ 900
<b>Subtotal Noise Mitigation Program</b>	<b>\$ 900</b>

**10 - Terminal 1 - Lindbergh****Safety/Security Projects**

Telecom Room Equipment Continuity and Security	\$ 3,300
Fall Protection Program	\$ 100
<b>Subtotal Safety/Security Projects</b>	<b>\$ 3,400</b>

**Facility Rehabilitation**

Electrical Infrastructure Rehabilitation Program	\$ 2,500
Terminal Miscellaneous Modifications	\$ 2,000
Emergency Power Upgrades	\$ 2,300
Restroom Upgrade Program	\$ 2,000
Air Handling Unit Replacement	\$ 1,500
Lower Level Roadway/GTC Water Infiltration Mitigation	\$ 2,500
Plumbing Infrastructure Upgrade Program	\$ 500
Lighting Infrastructure Technology and Equipment	\$ 1,400
Terminal Curtainwall Repair	\$ 100
<b>Subtotal Facility Rehabilitation</b>	<b>\$ 14,800</b>

**Passenger Amenities**

Concessions Revenue Development/Upgrades	\$ 200
Art in the Terminal	\$ 250
<b>Subtotal Passenger Amenities</b>	<b>\$ 450</b>

**Operational Improvements**

Open Architecture Building Automation (OABA)	\$ 1,700
Fiber Optic Cable Infrastructure Upgrade/Expansion	\$ 1,200
Concourse C Elevator to D Street	\$ 450
MACNET Upgrade	\$ 3,000
Wireless Network Control System	\$ 500
<b>Subtotal Operational Improvements</b>	<b>\$ 6,850</b>

**Subtotal Terminal 1-Lindbergh**

	\$ 25,500
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**13 - Energy Management Center**

Energy Savings Projects	\$ 1,000
<b>Subtotal Energy Management Center</b>	<b>\$ 1,000</b>

**Funding Source**

<b>Federal/State Grants</b>	<b>GARBS</b>	<b>PFC's</b>	<b>Line of Credit</b>	<b>MAC Funds</b>
				\$ 900
\$ -	\$ -	\$ -	\$ -	\$ 900

				\$ 3,300
				\$ 100
\$ -	\$ -	\$ -	\$ -	\$ 3,400

				\$ 2,500
				\$ 2,000
				\$ 2,300
				\$ 2,000
				\$ 1,500
				\$ 2,500
				\$ 500
				\$ 1,400
				\$ 100
\$ -	\$ -	\$ -	\$ -	\$ 14,800

				\$ 200
				\$ 250
\$ -	\$ -	\$ -	\$ -	\$ 450

				\$ 1,700
				\$ 1,200
				\$ 450
				\$ 3,000
				\$ 500
\$ -	\$ -	\$ -	\$ -	\$ 6,850

\$ -	\$ -	\$ -	\$ -	\$ 25,500
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				\$ 1,000
\$ -	\$ -	\$ -	\$ -	\$ 1,000

## 2014 Capital Improvement Program

(\$ in 000)

Projects	Project Cost
<b>21 - Field and Runway</b>	
Airside Bituminous Rehabilitation/Electrical Construction	\$ 500
Pavement Joint Sealing/Repair	\$ 650
Miscellaneous Airfield Construction	\$ 400
Subtotal Field and Runway	\$ 1,550

**26 - Terminal Roads/Landside**

Upper Level Roadway/Electrical System Rehabilitation	\$ 450
Tunnel/Bridge Rehabilitation	\$ 100
Subtotal Terminal Roads/Landside	\$ 550

**31 - Parking**

T1/T2 Parking Structure Rehabilitation	\$ 2,500
Subtotal Parking	\$ 2,500

**36 - Terminal 2 - Humphrey****Operational Improvements**

Rental Auto Customer Service Building	\$ 6,400
Rental Auto Quick Turnaround Facility	\$ 16,400
Incident Response Friends & Relatives Fit Up	\$ 1,300
Subtotal Safety/Security Projects	\$ 24,100

**Terminal 2 - Humphrey North Expansion**

Terminal Expansion Utility Relocation	\$ 1,000
Gates 11-13	\$ 35,000
Apron/Fueling Expansion - North	\$ 15,300
Subtotal Terminal 2 -Humphrey North Expansion	\$ 51,300

Subtotal Terminal 2-Humphrey	\$ 75,400
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**39 - Public Areas/Roads**

Landside Pavement Rehabilitation	\$ 400
Roadway Fixture Refurbishment	\$ 100
I-494/34th Ave. Interchange Enhancements	
Diverging Diamond Interchange (DDI)	\$ 6,000
Subtotal Public Areas/Roads	\$ 6,500

**46 - Hangars and other Buildings**

Impark Building Rehabilitation	\$ 600
Drivers Training Facility Rehabilitation	\$ 550
Subtotal Hangars and other Buildings	\$ 1,150

**63 - Police**

Public Safety Facility	\$ 100
iVSN (CCTV) Improvements	\$ 2,000
Subtotal Trades/Maintenance Buildings	\$ 2,100

## Funding Source

Federal/State Grants	GARBS	PFC's	Line of Credit	MAC Funds	Unfunded
				\$ 500	
				\$ 650	
				\$ 400	
\$ -	\$ -	\$ -	\$ -	\$ 1,550	\$ -
				\$ 450	
				\$ 100	
\$ -	\$ -	\$ -	\$ -	\$ 550	\$ -
				\$ 2,500	
\$ -	\$ -	\$ -	\$ -	\$ 2,500	\$ -
	\$ 6,400				
	\$ 16,400				
				\$ 1,300	
\$ -	\$ 22,800	\$ -	\$ -	\$ 1,300	\$ -
					\$ 1,000
					\$ 35,000
\$ 10,400		\$ 3,900		\$ 1,000	\$ -
\$ 10,400	\$ -	\$ 3,900	\$ -	\$ 1,000	\$ 36,000
\$ 10,400	\$ 22,800	\$ 3,900	\$ -	\$ 2,300	\$ 36,000
				\$ 400	
				\$ 100	
\$ 5,100				\$ 900	
\$ 5,100	\$ -	\$ -	\$ -	\$ 1,400	\$ -
				\$ 600	
				\$ 550	
\$ -	\$ -	\$ -	\$ -	\$ 1,150	\$ -
				\$ 100	
				\$ 2,000	
\$ -	\$ -	\$ -	\$ -	\$ 2,100	\$ -

**2014 Capital Improvement Program**

(\$ in 000)

		Funding Source					
Projects	Project Cost	Federal/State Grants	GARBS	PFC's	Line of Credit	MAC Funds	Unfunded
<b>76 - Environment</b>							
Concourses C & G Compactor Canopy	\$450					\$ 450	
Subtotal Environment	\$450	\$ -	\$ -	\$ -	\$ -	\$ 450	\$ -
<b>Reliever Airports</b>							
<b>81 - St. Paul</b>							
Joint & Crack Repairs	\$100					\$ 100	
MAC Building Maintenance	\$250					\$ 250	
Electrical Vault Improvements	\$800	\$ 550				\$ 250	
Pavement Rehabilitation - Taxiway B & C	\$500	\$ 300				\$ 200	
Subtotal St. Paul	\$1,650	\$ 850	\$ -	\$ -	\$ -	\$ 800	\$ -
<b>83 - Airlake</b>							
Maintenance Building Improvements	\$100					\$ 100	
Subtotal Airlake	\$100	\$ -	\$ -	\$ -	\$ -	\$ 100	\$ -
<b>84 - Flying Cloud</b>							
Commercial Development-All Relievers	\$200					\$ 200	
Subtotal Flying Cloud	\$200	\$ -	\$ -	\$ -	\$ -	\$ 200	\$ -
<b>85 - Crystal</b>							
Pavement Rehabilitation	\$700	\$ 550				\$ 150	
Roof Repairs and Replacements	\$250					\$ 250	
Subtotal Crystal	\$950	\$ 550	\$ -	\$ -	\$ -	\$ 400	\$ -
Subtotal Reliever Airports	\$ 2,900	\$ 1,400	\$ -	\$ -	\$ -	\$ 1,500	\$ -
Total 2014 Capital Improvement Program	\$120,500	\$ 16,900	\$ 22,800	\$ 3,900	\$ -	\$40,900	\$36,000

**Capital Improvement Plan 2015-2019**

This encompasses the last five years of the total program and consists of projects that appear likely to be needed during the period. The Commission only funds the CIP out to 2014. A large number of unfunded projects exist in the following table. These projects are labeled as "Demand Driven" projects. These types of projects will only be undertaken if demand exists for such projects.

**2015-2019 Capital Improvement Plan**

(\$ in 000)

Projects	Project Cost
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**Funding Source**

Federal/State Grants	GARBS	PFC's	Line of Credit	MAC Funds	Unfunded
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**10 - Terminal 1 - Lindbergh****Safety/Security Projects**

Automated External Defibrillator Notification System	\$ 550			\$ 550	\$ -
Telecom Room Equipment Continuity and Security	\$ 8,500			\$ 2,000	\$ 6,500
Blast Mitigation Assessment	\$ 20,000				\$ 20,000
<b>Subtotal Safety/Security Projects</b>	<b>\$ 29,050</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 26,500</b>

**Facility Rehabilitation**

Electrical Infrastructure Rehabilitation Program	\$ 8,450			\$ 2,000	\$ 6,450
Terminal Miscellaneous Modifications	\$ 12,500			\$ 2,500	\$ 10,000
Emergency Power Upgrades	\$ 10,500			\$ 2,000	\$ 8,500
Restroom Upgrade Program	\$ 8,000			\$ 2,000	\$ 6,000
Air Handling Unit Replacement	\$ 14,000			\$ 2,500	\$ 11,500
Conveyance System Upgrades	\$ 2,000			\$ 1,000	\$ 1,000
Passenger Boarding Bridge Replacements	\$ 14,000				\$ 14,000
Plumbing Infrastructure Upgrade Program	\$ 500			\$ 500	\$ -
Baggage Claim Operational Improvements	\$ 70,000				\$ 70,000
Ticket Lobby/Mezzanine Operational Improvements	\$ 50,000				\$ 50,000
Folded Plate Roof Replacement	\$ 34,000				\$ 34,000
Way-Finding Sign Backlighting Replacement	\$ 4,800				\$ 4,800
Conference Center Upgrades	\$ 300				\$ 300
Lighting Infrastructure Technology and Equipment	\$ 12,800			\$ 1,600	\$ 11,200
<b>Subtotal Facility Rehabilitation Projects</b>	<b>\$ 241,850</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 227,750</b>

**Passenger Amenities**

Art in the Terminal	\$ 1,250			\$ 250	\$ 1,000
Meeter/Greeter/Freedom of Speech Booth Upgrades	\$ 225			\$ 200	\$ 25
Concessions Revenue Development/Upgrades	\$ 800				\$ 800
Terminal Seating Improvements	\$ 800			\$ 800	
Ticket Counter Upgrades to ADA	\$ 800				\$ 800
Commission Chambers Telecoil Installation	\$ 200				\$ 200
Elevator Access to Observation Deck	\$ 750			\$ 750	
Concourse Service Center Upgrades	\$ 2,000			\$ 1,000	\$ 1,000
Electronic Video Information Display System	\$ 400			\$ 400	
<b>Subtotal Passenger Amenities</b>	<b>\$ 7,225</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,825</b>

## 2015-2019 Capital Improvement Plan

(\$ in 000)

Projects	Project Cost
<b>Operational Improvements</b>	
Open Architecture Building Automation (OABA)	\$ 5,100
Fiber Optic Cable Infrastructure Upgrade/Expansion	\$ 4,000
Wireless Network Control System	\$ 1,000
Landside Operations Offices Upgrades	\$ 500
MACNET Upgrade - Connectivity Elements	\$ 2,500
Custom Border Patrol Primary Relocation Gates G8-G9	\$ 51,000
Subtotal Operational Improvements	\$ 64,100

**Concourse G Improvements**

Concourse G Roof Replacement	\$ 3,000
Exterior Panel/Sealant/Replacement	\$ 5,100
Subtotal Concourse G Improvements	\$ 8,100

**T-1 Lindbergh Expansion/Remodeling**

<b>Terminal Remodeling</b>	
Concourse E Remodeling/Expansion	\$ 37,000
MAC Operations Center	\$ 1,250
Subtotal Terminal Remodeling	\$ 38,250

**Concourse G Expansion**

Concourse G Tram - Equipment Procurement	\$ 50,000
Apron Improvements	\$ 17,000
Airside Tunnel Expansion	\$ 20,000
Subtotal Concourse G Expansion	\$ 87,000

**Roadway and Parking Expansion**

Lower Level Curbside Expansion	\$ 10,500
Subtotal Roadway and Parking Expansion	\$ 10,500

Subtotal Terminal 1-Lindbergh	\$ 486,075
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**13 - Energy Management Center**

Energy Savings Projects	\$ 16,000
Modular Cooling Tower Installation	\$ 1,800
Alternative Energy Projects	\$ 900
Subtotal Energy Management Center	\$ 18,700

**21 - Field and Runway**

Airside Bituminous Rehabilitation/Electrical Construction	\$ 2,000
Pavement Joint Sealing/Repair	\$ 2,600
Pavement Rehabilitation - Aprons	\$ 10,500
Pavement Reconstruction-Taxiway Delta (W toS)	\$ 7,500
Miscellaneous Airfield Construction	\$ 1,600
Baggage Quarantine Building	\$ 1,300
SIDA Incursion Upgrades	\$ 850
South Field Maintenance Building Wash Bay	\$ 1,300
Sanitary Sewer Replacements	\$ 4,950
Perimeter Gate Security Improvements	\$ 750
Subtotal Field and Runway	\$ 33,350

## Funding Source

Federal/State Grants	GARBS	PFC's	Line of Credit	MAC Funds	Unfunded
				\$ 1,700	\$ 3,400
				\$ 500	\$ 3,500
					\$ 1,000
				\$ 500	
				\$ 2,500	
					\$ 51,000
\$ -	\$ -	\$ -	\$ -	\$ 5,200	\$ 58,900
					\$ 3,000
					\$ 5,100
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,100
					\$ 37,000
					\$ 1,250
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,250
					\$ 50,000
					\$ 17,000
					\$ 20,000
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,000
					\$ 10,500
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,500
\$ -	\$ -	\$ -	\$ -	\$ 25,250	\$ 460,825
				\$ 2,500	\$ 13,500
					\$ 1,800
				\$ 900	\$ -
\$ -	\$ -	\$ -	\$ -	\$ 3,400	\$ 15,300
				\$ 500	\$ 1,500
				\$ 650	\$ 1,950
					\$ 10,500
					\$ 7,500
				\$ 400	\$ 1,200
					\$ 1,300
					\$ 850
					\$ 1,300
					\$ 4,950
					\$ 750
\$ -	\$ -	\$ -	\$ -	\$ 1,550	\$ 31,800

## 2015-2019 Capital Improvement Plan

(\$ in 000)

Projects	Project Cost
<b>26 - Terminal Roads/Landside</b>	
Tunnel/Bridge Rehabilitation	\$ 400
Upper Level Roadway Rehabilitation	\$ 1,800
Subtotal Terminal Roads/Landside	\$ 2,200

**31 - Parking**

T1/T2 Parking Structure Rehabilitation	\$ 16,000
T2-Humphrey GTC Core Building Modifications	\$ 850
T1-Lindbergh Short Term Parking Redesignation	\$ 350
T1-Lindbergh Valet/Commercial Entrance Lanes Mods	\$ 1,000
T1-Lindbergh Intelligent Parking Guidance System	\$ 500
Subtotal Parking	\$ 18,700

**36 - Terminal 2 - Humphrey****Passenger Amenities**

Skyway to LRT Flooring Installation	\$ 800
Curbside Canopy Extension	\$ 1,500
Subtotal Passenger Amenities	\$ 2,300

**Terminal 2 - Humphrey Expansion**

Terminal 2 - Humphrey Expansion-South	\$ 228,000
Roadway Realignment	\$ 6,000
Terminal 2 - Parking	\$ 50,000
Subtotal Terminal 2 - Expansion	\$ 56,000

Subtotal Terminal 2-Humphrey	\$ 58,300
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**39 - Public Areas/Roads**

Landside Pavement Rehabilitation	\$ 3,600
Taxicab Break Room Expansion	\$ 500
Subtotal Public Areas/Roads	\$ 4,100

**46 - Hangars and Other Buildings**

Roof Replacements	\$ 4,000
FAA Building Parking Lot Upgrades	\$ 1,050
Subtotal Hangars and Other Buildings	\$ 5,050

## Funding Source

Federal/State Grants	GARBS	PFC's	Line of Credit	MAC Funds	Unfunded
				\$ 100	\$ 300
					\$ 1,800
\$ -	\$ -	\$ -	\$ -	\$ 100	\$ 2,100

				\$ 2,500	\$ 13,500
					\$ 850
					\$ 350
				\$ 1,000	\$ -
					\$ 500
\$ -	\$ -	\$ -	\$ -	\$ 3,500	\$ 15,200

					\$ 800
					\$ 1,500
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,300

					\$ 228,000
					\$ 6,000
					\$ 50,000
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,000

\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,300
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				\$ 2,000	\$ 1,600
					\$ 500
\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ 2,100

					\$ 4,000
					\$ 1,050
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,050

## 2015-2019 Capital Improvement Plan

(\$ in 000)

Projects	Project Cost
<b>63 - Police</b>	
Public Safety Facility	\$ 17,000
Perimeter Fence Intrusion Detection System	\$ 3,000
CCTV Improvements	\$ 5,700
Subtotal Police	\$ 25,700

**66 - Fire**

MSP Campus Fire Alarm System Upgrade	\$ 1,700
Subtotal Fire	\$ 1,700

**76 - Environment**

Storm Sewer Rehabilitation - Deicing Areas	\$ 1,700
Mother Lake Stormwater Diversion	\$ 850
Runway 12R/30L Glycol Forcemain	\$ 1,100
MAC Multilateration System	\$ 1,300
Runway 30R Deicing Pad Subdrain	\$ 800
Ground Service Equipment Electrical Charging Stations	\$ 1,000
Subtotal Environment	\$ 6,750

**Reliever Airports****81 - St. Paul**

Holman Terminal Subdrain	\$ 600
Joint and Crack Repairs	\$ 200
MAC Building Maintenance	\$ 400
Pavement Rehabilitation	\$ 3,500
Roof Repairs/Replacement	\$ 200
Airfield Signage/Wind Cone Upgrade	\$ 500
Cold Equipment Storage Building	\$ 750
Subtotal St. Paul	\$ 6,150

**82 - Lake Elmo**

East Building Area Development	\$ 2,800
East Side Parallel Taxiway	\$ 1,200
Runway 14/32 Replacement	\$ 5,000
Alleyway Rehabilitation	\$ 900
Materials Storage Building	\$ 600
Subtotal Lake Elmo	\$ 10,500

**83 - Airlake**

Pavement Rehabilitation	\$ 400
South Building Area Development	\$ 2,700
Runway 12/30 Extension	\$ 8,000
South Building Area Alleyway Development	\$ 1,000
Materials Storage Building	\$ 600
Subtotal Airlake	\$ 12,700

## Funding Source

Federal/State Grants	GARBS	PFC's	Line of Credit	MAC Funds	Unfunded
				\$ 1,500	\$ 4,200
\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ 24,200

				\$ 850	\$ 850
\$ -	\$ -	\$ -	\$ -	\$ 850	\$ 850

				\$ 550	\$ 1,150
					\$ 850
					\$ 1,100
					\$ 1,300
					\$ 800
					\$ 1,000
\$ -	\$ -	\$ -	\$ -	\$ 550	\$ 6,200

\$ 1,075				\$ 425	\$ 2,000
					\$ 200
					\$ 500
					\$ 750
\$ 1,075	\$ -	\$ -	\$ -	\$ 425	\$ 4,650

					\$ 2,800
					\$ 1,200
					\$ 5,000
\$ 600				\$ 300	\$ -
					\$ 600
\$ 600	\$ -	\$ -	\$ -	\$ 300	\$ 9,600

					\$ 400
					\$ 2,700
					\$ 8,000
					\$ 1,000
					\$ 600
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,700

## 2015-2019 Capital Improvement Plan

(\$ in 000)

Projects		Funding Source					
		Federal/State Grants	GARBS	PFC's	Line of Credit	MAC Funds	Unfunded
<b>84 - Flying Cloud</b>							
Pavement Rehabilitation - Taxiway A-Phase 1	\$ 800	\$ 600				\$ 200	\$ -
Pavement Rehabilitation - Taxiway A-Phase 2	\$ 900						\$ 900
Pavement Rehabilitation - Taxiway D & E Mill/Overlay	\$ 1,200						\$ 1,200
Roof Repairs/Replacement	\$ 100						\$ 100
South Building Area Development	\$ 600						\$ 600
Equipment Storage Building	\$ 2,500						\$ 2,500
Subtotal Flying Cloud	\$ 6,100	\$ 600	\$ -	\$ -	\$ -	\$ 200	\$ 5,300
<b>85 - Crystal</b>							
Alleyway Rehabilitation	\$ 550						\$ 550
Obstruction Removals	\$ 300						\$ 300
Runway 14R/32L Modifications	\$ 1,000	\$ 700				\$ 300	\$ -
Materials Storage Building	\$ 600						\$ 600
Subtotal Crystal	\$ 2,450	\$ 700	\$ -	\$ -	\$ -	\$ 300	\$ 1,450
<b>86 - Anoka County - Blaine</b>							
Building Area Development - East Annex	\$ 2,400						\$ 2,400
Building Area Development - Xylite St. Relocation	\$ 1,000						\$ 1,000
Building Area Development - West Annex	\$ 850						\$ 850
Roof Repairs/Replacement	\$ 250						\$ 250
Taxiway Charlie - A2/C2 Extension	\$ 900	\$ 675				\$ 225	\$ -
Materials Storage Building	\$ 600						\$ 600
Airfield Signage/Electrical Improvements	\$ 500	\$ 350				\$ 150	\$ -
Subtotal Anoka County - Blaine	\$ 6,500	\$ 1,025	\$ -	\$ -	\$ -	\$ 375	\$ 5,100
Subtotal Reliever Airports	\$ 44,400	\$ 4,000	\$ -	\$ -	\$ -	\$ 1,600	\$ 38,800
Total 2015-2019 Capital Improvement Plan	\$ 705,025	\$ 4,000	\$ -	\$ -	\$ -	\$ 40,300	\$ 660,725



On the Go Concept – T1-G Concourse



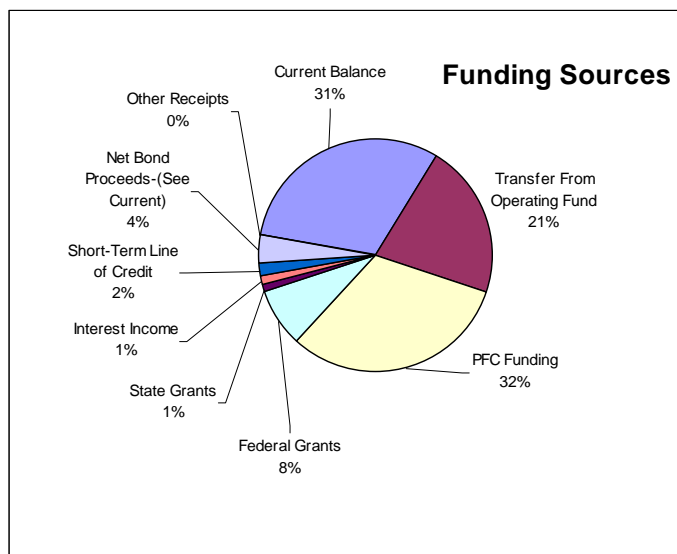
**SOURCES AND USES OF FUNDS**

From December 31, 2010 through 2015, MAC has identified eight funding sources totaling \$685,332,000 including a beginning balance of \$310,292,000. During this period, MAC will expend \$697,030,000 leaving a net balance of \$298,594,000 at the end of 2015. This balance represents a portion of the 2014 and 2015 CIP projects that were started but not completed by December 31, 2015.

The Construction Fund Budget below represents anticipated sources and uses of funds during the years 2011-2015. The information for 2012 indicates expected transactions during the fourth quarter.

<b>CONSTRUCTION FUND BUDGET 2013</b> (\$ = 000)							
	<b>Actual 2011</b>	<b>Estimated 2012</b>	<b>Budget 2012</b>	<b>Budget 2013</b>	<b>Projected 2014</b>	<b>Projected 2015</b>	<b>Projected Total</b>
<b>Sources of Funds</b>							
Balance 12/31/10	\$ 310,292						\$ 310,292
Balance Carried Forward		\$ 306,363	\$ 304,367	\$ 309,689	\$ 308,754	\$ 303,305	
Transfer From Operating Fund	46,700	43,300	34,347	40,664	40,357	40,900	211,921
PFC Funding	62,431	62,000	63,550	62,620	63,246	63,879	314,176
Federal Grants	16,801	12,938	24,550	36,249	11,000	1,500	78,488
State Grants	221	177	0	3,070	5,900	2,500	11,868
Interest Income (1)	2,518	1,241	2,500	2,000	2,200	2,000	9,959
Short-term line of credit	-	11,300	9,700	7,850	0	-	19,150
Principal Amount of Bonds	-	39,770	-	-	-	-	39,770
Other Receipts	-	-	600	-	-	-	-
<b>Total Sources of Funds</b>	<b>\$ 128,671</b>	<b>\$ 170,726</b>	<b>\$ 135,247</b>	<b>\$ 152,453</b>	<b>\$ 122,703</b>	<b>\$ 110,779</b>	<b>\$ 685,332</b>
<b>Uses of Funds</b>							
CIP Project Costs	\$ (106,377)	\$ (135,000)	(121,400)	(125,000)	(100,000)	(85,000)	\$ (551,377)
Debt Service Reserve Transfer	(26,223)	(32,400)	(28,461)	(28,388)	(28,152)	(30,490)	(145,653)
<b>Total Use of Funds</b>	<b>\$ (132,600)</b>	<b>\$ (167,400)</b>	<b>\$ (149,861)</b>	<b>\$ (153,388)</b>	<b>\$ (128,152)</b>	<b>\$ (115,490)</b>	<b>\$ (697,030)</b>
Balance Carried Forward	\$ 306,363	\$ 309,689	\$ 289,754	\$ 308,754	\$ 303,305	\$ 298,594	\$ 298,594
1 Interest Rate Assumed 0.50% for the period 2013 through 2015.							
<b>Funding Source Summary</b>							
Current Balance			31.17%				
Transfer From Operating Fund			21.29%				
PFC Funding			31.56%				
Federal Grants			7.88%				
State Grants			1.19%				
Interest Income			1.00%				
Short-Term Line of Credit			1.92%				
Net Bond Proceeds-(See Current)			3.99%				
Other Receipts			0.00%				
<b>Total Sources of Funds</b>			100.00%				

Excluding the current balance, the chart shows that transfers from the Operating Fund and funds from PFCs are the main funding sources for construction projects.



**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 2013, a transfer of \$40.7 million is anticipated based on 2012 estimated net revenues. The transfers for the period 2014 through 2015 are relatively stable over the forecast period. The balance to be transferred for the period is estimated at \$211.9 million or 21.29%.

PFC funding or Passenger Facility Charge funding is the largest funding source at \$314.2 million or 31.56% 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.

<b>PFC Summary Table</b>				
(\$ in 000)				
<b>Application Number</b>	<b>Amended Approval Amount</b>	<b>Est. Collections 12/31/2012 est.</b>	<b>Status</b>	
1	\$ 92,714	\$ 92,714	Closed	
2	140,717	140,717	Closed	
3	36,377	36,377	Closed	
4	47,801	47,801	Closed	
5	112,533	112,533	Closed	
6 (a)	779,146	328,781	Open	
7	14,109	2,467	Open	
8 (a)	191,380	50,373	Open	
9	8,659	8,659	Open	
10	128,448	64,211	Open	
	<u>\$ 1,551,884</u>	<u>\$ 884,633</u>		

(a) PFC applications are currently in the process of being amended

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 and certain terminal building security projects at the various Commission airports. These funds are estimated at \$78.5 million or 7.9% 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 \$11.9 million or 1.19% of the total funding through 2015.

Interest Income is based on the balance in the fund. As noted above, a 0.50% rate is assumed for 2013 through 2015. This figure can vary significantly depending upon approval of projects and their starting dates. Interest Income of \$10.0 million or 1.0% of sources is projected.

Short-Term Line of Credit

In 2011, the Commission entered into a \$75 million revolving line of credit. This program replaces the Commercial Paper program the Commission previously participated in. Short-term funding allows the Commission to interim fund certain projects until either the receipt of grants or to be taken out with a future long-term debt issue.

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

**USES**

There are two general categories of uses listed. The first, CIP project costs (\$551.4 million) represent 79.1% of the total. The Debt Service Transfer of \$145.7 million, or 20.9% of this total, represents the transfer of PFC funding to pay a portion of PFC projects funded by long-term debt.

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.

<b>Projects in Process (As of November 30, 2012)</b> <b>(\$ = 000)</b>			
<b>Project Description</b>	<b>Estimated Project Cost</b>	<b>Payments To Date</b>	<b>% Completion</b>
Runway 30R MALSF	\$1,900	\$1,162	61.2%
North Side Storm Sewer (3&4)	\$5,000	\$2,650	53.0%
2009 Perimeter. Fence Security Improvement	\$3,000	\$2,686	89.5%
2012 Pavement Rehabilitation - Aprons	\$1,700	\$1,368	80.5%
LT Restrooms Upgrade	\$2,600	\$1,852	71.2%
LT In-line Baggage Screening (TSA) - Phase Two	\$33,150	\$26,740	80.7%
Energy:Phase 14/15/16 Heat Recovery. Ltg. Environment	\$3,000	\$2,744	91.5%
Open Arch. Bldg Automation (OABA) Phase 3 & 4	\$3,350	\$1,972	58.9%
2010/2011 Conveyance System Upgrades	\$4,450	\$2,740	61.6%
Skyway HVAC	\$1,500	\$933	62.2%
LT Restroom Upgrade-Phase 1	\$2,000	\$1,469	73.5%
IS Data Center Facilities - Phase 1 & 2	\$22,000	\$8,533	38.8%
Energy Improvements: Phase 17/18/19	\$3,000	\$1,875	62.5%
T1 Jet Bridge Replacement - Phase 1 & 2	\$17,300	\$12,340	71.3%
2011 Miscellaneous Modifications - Phase 1 & 2	\$2,500	\$2,264	90.6%
Electrical Infrastructure - Phase 4	\$2,000	\$1,593	79.7%
Concourse E & F Pedestrians Bridge Modifications	\$2,100	\$1,322	63.0%
2012 Air Handling Unit (AHU) Replacement	\$2,100	\$1,480	70.5%
2011/2012 Folded Plate Drain-Roof Repair	\$11,100	\$9,141	82.4%
Post Road Fuel Farm Fire Protect	\$2,000	\$1,917	95.9%
T2: Security Check Point (HHH Terminal)	\$16,900	\$15,742	93.1%
2012 Parking Structure Rehabilitation	\$3,500	\$2,272	64.9%
T2: Security Check Point Renovation (HHH Terminal)	\$2,100	\$846	40.3%
Curbside Canopy/Monument Repair	\$1,100	\$923	83.9%
Building F Tower Demolition	\$1,500	\$828	55.2%
Concourse G Fire Protection - Phase 1 to 3 & Asbestos Abate	\$11,800	\$5,932	50.3%
Part 150 Sound Insulation Projects (Homes,Multi-Family)	\$100,100	\$75,403	75.3%
St. Paul Reliever Airport: 2012 Pavement Rehabilitation	\$1,000	\$902	90.2%
Parking Revenue Control System	\$2,600	\$2,426	93.3%
HHH Fuel Facility Relocation	\$8,200	\$6,602	80.5%
Humphrey Terminal Expansion Projects - 2020 Vision Phase 1	\$121,950	\$12,857	10.5%
2020 Vision Remaining Projects - Phase One	\$33,605	\$2,415	7.2%
All Other Projects in Process	\$211,124	\$30,714	14.5%
<b>Totals:</b>	<b>\$641,229</b>	<b>\$244,643</b>	

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. After October 10, 2014, the Commission will have fully funded all outstanding GORBs. Therefore, no further deposits will be necessary. The required balance as of October 10 in this Debt Service Account for the next four years is as follows (in thousands):

October 10, 2013	\$ 6,310
October 10, 2014	2,897
October 10, 2015	0

(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, 2013	115,112
January 1, 2014	122,555
January 1, 2015	122,534
January 1, 2016	122,459
January 1, 2017	122,847

(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, a revolving line of credit, 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 2013 on Senior Debt Obligations is 2.89x. With the optional coverage transfer this figure is 3.13x.

**NOTES PAYABLE**

The Commission from time to time has financed certain pieces of equipment and certain capital improvement projects 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.

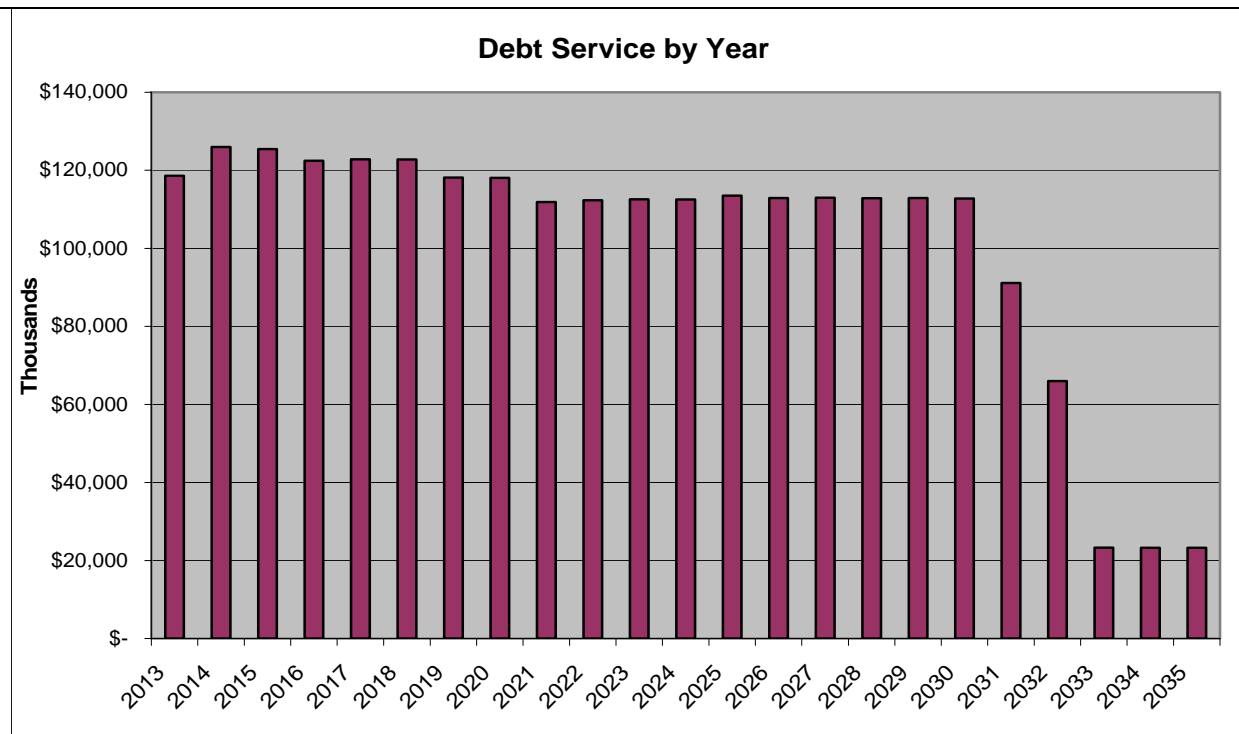
**REVOLVING LINE OF CREDIT**

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. In 2011, the Commission entered into a \$75 million Revolving Line of Credit to interim fund certain capital improvement projects. As of December 31, 2012, the Commission has utilized \$11,300,000 of the line of credit.

The table below shows future debt requirements for existing debt on an annual calendar year basis after December 31, 2012 for the next five years, as well as a cumulative total for the period 2018-2035. The chart below does not take into consideration any future bond issues or notes payable issued after 2012. The dollars shown are in thousands.

(\$ = 000)	Notes/Line of Credit	General Obligation Bonds	General Airport Revenue Bonds	Total Outstanding Principal	Total All Interest	Total Principal & Interest
<u>Year(s)</u>	<u>(Principal)</u>	<u>(Principal)</u>	<u>(Principal)</u>			
2013	\$ 3,107	\$ 3,165	\$ 44,870	\$ 51,142	\$ 70,772	\$ 119,135
2014	3,282	3,235	54,600	61,117	68,301	129,418
2015	3,225	2,840	57,015	63,080	65,717	128,797
2016	3,203	-	59,560	62,763	63,015	125,778
2017	3,128	-	62,760	65,888	60,177	126,065
2018-2035	2,139	-	1,223,870	1,226,009	489,395	1,715,404
	<u>\$ 18,084</u>	<u>\$ 9,240</u>	<u>\$ 1,502,675</u>	<u>\$ 1,529,999</u>	<u>\$ 817,377</u>	<u>\$ 2,344,597</u>

(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 future bond issues.)



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	
				2013	2012
<b><u>General Obligation Revenue Bonds:</u></b>					
Series 16 - 4.0%	11/17/10	12,205	2015	\$ 6,075	\$ 9,240
Total General Obligation Revenue Bonds				\$ 6,075	\$ 9,240
<b><u>General Airport Revenue Bonds:</u></b>					
2005 Series A - 4.25 to 5.00%	06/02/05	136,110	2035	129,485	136,110
2005 Series B - 5.00%	06/02/05	113,155	2026	81,610	86,695
2005 Series C - 3.00 to 5.00%	06/02/05	123,750	2032	121,315	121,700
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	30,200	39,355
2009 Series A - 2.0-5.0%	11/10/09	23,075	2022	17,735	19,595
2009 Series B - 4.0-5.0%	11/10/09	128,835	2022	101,690	111,455
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	71,175	72,575
2010 Series C - 3.00-5.00%	11/10/10	21,600	2024	14,520	18,190
2010 Series D - 4.00-5.00%	11/10/10	68,790	2024	55,720	62,645
2011 Series A - 3.50-5.00%	11/02/11	52,015	2025	52,015	52,015
2012 Series A - 0.46-2.755%	11/20/12	39,770	2020	39,770	39,770
2012 Series B - 5.00%	11/20/12	42,015	2031	42,015	42,015
Total General Airport Revenue Bonds				\$ 1,457,805	\$ 1,502,675
<b>TOTAL BONDS OUTSTANDING</b>				\$ 1,463,880	\$ 1,511,915
<b>NOTES PAYABLE &amp; REVOLVING LINE OF CREDIT</b>				14,977	18,084
<b>TOTAL LONG TERM BONDS AND NOTES PAYABLE</b>				\$ 1,478,857	\$ 1,529,999

**BOND REFUNDINGS**

On November 20, 2012, the Commission issued \$42,015,000 of General Airport Revenue Bonds; Series 2011B to advance refund the General Airport Revenue Bonds Series 2003A and will be called on January 1, 2013.

As a result of the November 20, 2012 refunding, the Commission reduced its total debt service requirements by \$8,652,748, 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 \$5,721,129.

The Commission, along with its financial advisors, regularly reviews the Commission debt structure to look for refunding candidates provided that they meet the 3% net present value savings.

(The Commission has no Derivative/Swap debt nor has there ever been any instrument of this type in the Debt Portfolio.)

**NEW ISSUES**

The most recent bond issue the Commission issued was on November 20, 2012. The MAC issued \$39,770,000 Series 2012A General Airport Revenue Bonds to finance certain improvements at the airport for the Auto Rental industry operating at Terminal 2.

The Capital Improvement Program approved by the Commission in December 2012 for the period 2013-2019 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.

**BOND RATINGS**

The Commission has maintained excellent ratings for many years. The Commission is one of the few airports with an AA- rating. Most airports are in the A rating category. The Commission's bond ratings as of December 31, 2012 are as follows:

	<u>Moody's</u>	<u>Standard &amp; Poors</u>	<u>Fitch Ratings</u>
General Obligation Bonds	Aaa	AAA	AAA
General Airport Revenue Bonds	N/A	AA-	AA-

Standard & Poors bond ratings range from AAA (highest quality) to C (lowest quality) for long term obligations. Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. The ratings for the Commission's long term debt are 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

### ***Employee Art on Display in Terminal 1***

See Statistical section for statistics commonly analyzed by the rating agencies.

## **DEBT SERVICE BUDGET**

The Debt Service Budget is shown below.

<b>2013 DEBT SERVICE BUDGET (\$=000)</b>						
	<b>Actual 2011</b>	<b>Estimated 2012</b>	<b>Budget 2012</b>	<b>Budget 2013</b>	<b>Projected 2014</b>	<b>Projected 2015</b>
January 1 Balance	\$ 275,528	\$ 228,523	\$ 228,690	\$ 229,183	\$ 236,744	\$ 234,451
Source Of Funds:						
Transfer from Operating Fund	75,996	83,155	83,504	92,970	94,759	92,651
Transfer from PFCs <sup>3</sup>	26,223	28,282	28,461	28,388	28,152	30,490
Interest earnings <sup>1</sup>	2,821	605	620	776	764	765
Bond Proceeds <sup>2</sup>	58,816	52,730	-	-	-	-
Delta Airline payments	198,591	2,901	2,901	2,871	-	-
Total Sources Of Funds	\$ 362,447	\$ 167,673	\$ 115,486	\$ 125,005	\$ 123,675	\$ 123,906
Uses Of Funds						
Bond Refundings	\$ (286,147)	\$ (49,933)	\$ -	\$ -	\$ -	\$ -
Rebate Payment	-	-	-	-	-	-
Total Principal/Interest Paid <sup>2</sup>	(123,305)	(117,080)	(117,080)	(117,444)	(125,968)	(125,431)
Ending Balance	\$ 228,523	\$ 229,183	\$ 227,096	\$ 236,744	\$ 234,451	\$ 232,926

1 Interest Rate Assumed 0.50% for the entire period.  
2 Includes Debt Reserve, Capitalized Interest & Issuance Costs.  
3 Used to pay in existing debt which was formerly paid for with operating funds.

## SOURCES OF FUNDS

Each source of funding is discussed below.

The transfer from the operating fund occurs each October 10<sup>th</sup> for General Obligation Revenue Bonds. For General Airport Revenue Bonds the transfer occurs in late June and December each year. This transfer will fluctuate due to interest earnings, refundings and new issues.

The PFC transfer represents the use of PFCs to pay a portion of existing debt beginning in 2003 for various general airport revenue bonds instead of operating funds. This transfer will fluctuate due to interest earnings, scheduled increases in annual debt service amounts, refundings and new issues.

Interest earnings are assumed at 0.50% for 2013-15. In projecting interest income, the Commission typically takes a conservative approach.



***Aircraft Operation at MSP Airport***

Bond proceeds are made up of reserves, issuances costs and capitalized interest. The proceeds in 2011 and 2012 represent a new General Airport Revenue Bond Series 2012A along with the refunding of General Airport Revenue Bonds Series 2003A. A portion of the 2003A bonds were refunded in 2011 and the remainder of the 2003 bonds were refunded in 2012.

Delta Airline payments represent the principal and interest due on the following bond issues:

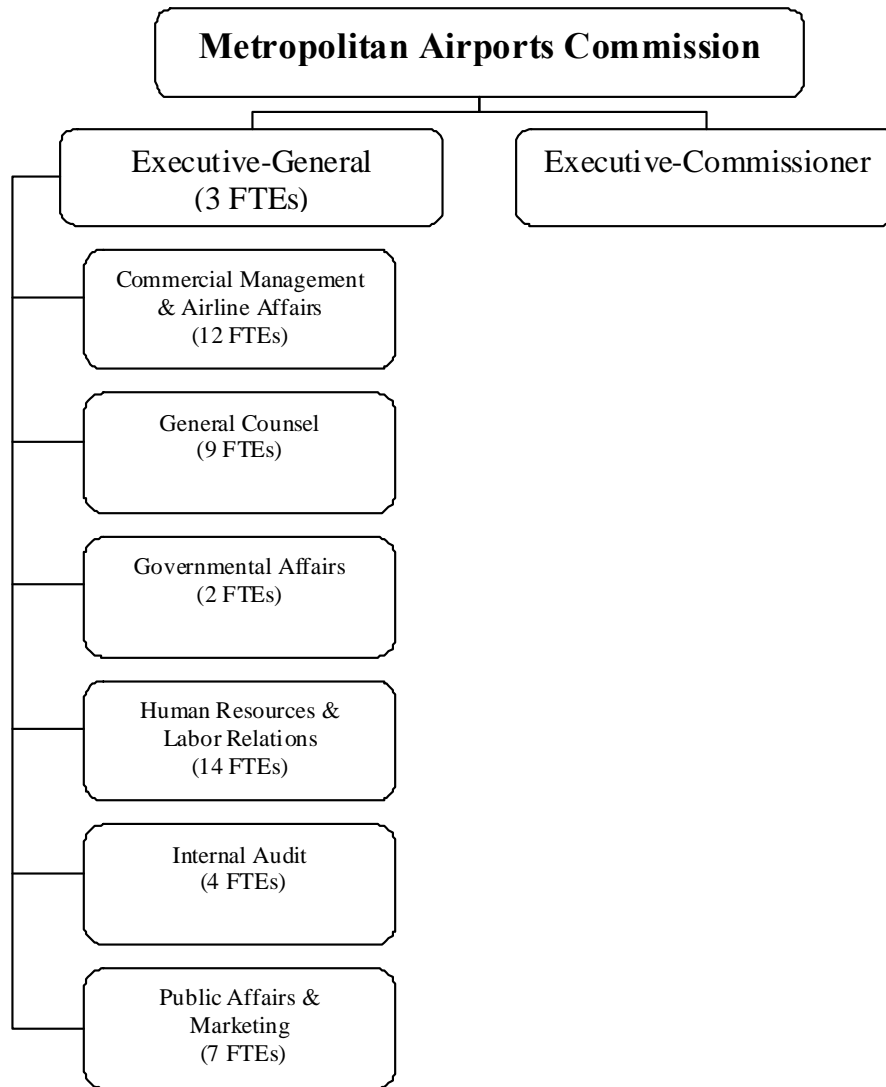
- General Obligation Series 15 (2011)
- General Obligation Series 16 (2015)

In October 2011, Delta paid all of its obligations associated with General Obligation Series 15. As a result of this prepayment, the Commission retired or defeased the bonds on January 1, 2012.

## 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. In 2011 and 2012, the Commission refunded or defeased General Obligation Revenue Bond Series 15 and General Airport Revenue Bonds Series 2003. These refundings accounted for the increase in uses from 2011-2012. In 2014, the Commission will experience an increase in its debt service payment due to the new General Obligation Revenue Bond Series 2012A.

## Executive Division



**Notations to Service Center Summaries:**

- \* Variance (dollars and %) is computed between 2012 Budget and 2013 Budget
- \* The explanation for the variances is based upon the 2012 Budget and 2013 Budget
- \* Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

**EXECUTIVE - GENERAL**

The Executive Director/CEO 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/CEO 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**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	253,392	258,693	422,547	163,854	63.34%
Administrative Expenses	168,656	167,266	173,025	5,759	3.44%
Professional Services	53,081	40,000	40,000	0	0.00%
Utilities	714	816	2,000	1,184	145.10%
Operating Services/Expenses	740	612	621	9	1.47%
Other	2,348	2,626	4,000	1,374	52.32%
<b>Total Budget</b>	<b>478,931</b>	<b>470,013</b>	<b>642,193</b>	<b>172,180</b>	<b>36.63%</b>
<b>FTE Total</b>	<b>2</b>	<b>2</b>	<b>3</b>		

**BUDGET HIGHLIGHTS**

Personnel	The increase in Personnel is due to a new position (Executive Vice President) added to the service center in 2013 as well as wage structure adjustments and step increases.
Administrative Expenses	Administrative Expenses increased in 2013 for delivery charges and additional travel expenses for the new position within the Executive service center.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
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.	New commissioners were appointed and received an orientation from members of senior staff. A change to MAC bylaws regarding the committee structure and meeting times was drafted and approved by the board.
Complete a review of the Reliever Airports financial model.	Financial model in place that sustains the Reliever Airports.	Staff is in the final stages of drafting a revised financial model for consideration by the board. Policies have been modified to give MAC greater control over future airport development, environmental issues, future capital projects and changes in airport management. New lease terms have been developed and new revenue opportunities identified. The model revisions are part of a larger effort to strengthen the MAC's general aviation system.

**EXECUTIVE - GENERAL****2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Work with the Commission to address environmental issues that concern the surrounding communities.	MAC's positive relationships with surrounding communities are preserved.	Implementation of the noise mitigation settlement continues on schedule. In addition, the MAC continues to engage communities and industry partners through the Noise Oversight Committee (NOC). The NOC has continued to explore ways of reducing noise impacts through measures such as Runway Area Navigation (RNAV), which was successfully piloted at MSP.
Oversee the strategies to implement MAC's Long Term Comprehensive Plans.	Initial strategies move forward with phased implementation of plans.	The MAC has begun design and environmental assessment work for the first two phases of the MSP 2030 long term comprehensive plan and continues to review plans for long term reliever projects based on finances and demand.
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.	The MAC has developed and implemented a Management Forum initiative to help prepare the next generation of MAC leaders for success. In addition, MAC is in the process of developing a shadowing program to establish mentoring relationships and broaden the organizational knowledge of existing staff. An HR Department assesement was conducted that resulted in a change in a transition in leadership and a more functional department.

**2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
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.	Prepared posting and interview strategies for selection of a Vice President-Planning and Environment to be hired in the first quarter 2013.

**EXECUTIVE - GENERAL****2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
New business plans in place for each of the reliever airports.	Continued financial viability for the reliever airport system.	In 2011 MAC staff completed a study of the operational practices and capital funding of the Reliever Airports. Rather than develop individual business plans for each airport it was recommended seven separate work plans be implemented. In 2012 work was completed on five of the seven plans including the first three which dealt with the financial viability of the Reliever Airports. The first three plans were: 1) Recognizing the value of the Reliever Airports to MSP; 2) Setting a strategy to fund capital projects on the Reliever Airports; and 3) Assessing the composition of general aviation fees at MAC's airports to ensure competitiveness within the system. In mid-2012 the Commission approved a new financial model for MAC's general aviation system which included general aviation activities at MSP. The model gives recognition to the Reliever Airports' value to MSP and identifies the funding strategy for capital projects. Also mid-year the Commission enacted a new ordinance dealing with rates and charges on the Reliever Airports. The new ordinance both identified new fees and adjusted existing fees to create a 'level playing field' to ensure competitiveness within the system.
Champion expanded knowledge transfer and leadership development programs for MAC's emerging leaders.	Processes in place to build a strong leadership pipeline across the entire organization.	Involved key MAC leaders in a Franklin Covey Four Disciplines of Execution training seminar and held follow-up meetings with staff to determine how best to incorporate best practices into the MAC's 2014 Strategic Planning and project implementation processes.
Promote regional economic growth by strengthening our partnership with Greater MSP.	Strong working partnership established with Greater MSP.	In partnership with Greater MSP, Delta Airlines and the Dayton Administration developed a strategy to successfully lure Pinnacle Airline's headquarters and related employment from Memphis to MSP.
Enhance and expand MAC's air service incentive program and business promotion efforts to airlines.	Competitive air service incentive program in place.	Obtained board approval for an enhanced incentives program that includes incentives for seasonal international service as well as first-time domestic incentives, for direct service to Hawaii.

**EXECUTIVE - GENERAL****2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal:</b> <i>N/A</i>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
N/A	Ensure implementation of the 2013 Strategic Plan.	2013 Key Initiatives completed.

<b>Organizational Strategic Goal:</b> <i>Strengthen Partnerships and Relationships</i>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
Sponsor dialogues with regional business leaders.	Facilitate dialogues with region business leaders.	Dialogues with regional business leaders that result in greater shared understanding of how MAC can meet their needs now and in the future.

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

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Employee Engagement	NA	NA	3.79	3.74	3.85	=4.0 or >
<b>SC Performance Indicator:</b> Employee Engagement Index <b>Comments:</b>						
Operations	4.18	4.16	4.21	4.24	>4.0	=>4.0 of 5
<b>SC Performance Indicator:</b> Airport service performance rating (ACI survey) <b>Comments:</b>						
Finance	2.06x	2.22x	2.38x	3.26x est.	3.13x	=>2 x
<b>SC Performance Indicator:</b> Debt service coverage <b>Comments:</b>						

**EXECUTIVE - COMMISSIONER**

The responsibilities of the Board are 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 metropolitan area residents that the environmental impact from air transportation will be minimized 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**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	34,584	36,062	36,138	76	0.21%
Administrative Expenses	40,320	29,478	29,800	322	1.09%
Professional Services	0	0	0		
Utilities	0	0	0		
Operating Services/Expenses	0	0	0		
Other	0	0	0		
<b>Total Budget</b>	<b>74,904</b>	<b>65,540</b>	<b>65,938</b>	<b>398</b>	<b>0.61%</b>
<b>FTE Total</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>		

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**HUMAN RESOURCES & LABOR RELATIONS**

MAC's Human Resources and Labor Relations Division is responsible for two main areas. The Labor Relations area negotiates and administers the contracts of the fourteen labor unions at the Commission. Labor Relations also interacts with and mediates disputes between outside unions and contractors which could jeopardize Commission operations. Human Resources 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.

**BUDGET SUMMARY**

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>\$</b>	<b>%</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Variance</b>	<b>Variance</b>
Personnel	192,822	202,664	243,479	40,815	20.14%
Administrative Expenses	9,595	10,855	14,300	3,445	31.74%
Professional Services	34,566	113,000	116,210	3,210	2.84%
Utilities	1,488	1,000	1,015	15	1.50%
Operating Services/Expenses	75	0	2,700	2,700	100.00%
Maintenance	0	0	0		
Other	179	0	0		
<b>Total Budget</b>	<b>238,726</b>	<b>327,519</b>	<b>377,704</b>	<b>50,185</b>	<b>15.32%</b>
<b>FTE Total</b>	<b>2</b>	<b>2</b>	<b>3</b>		

**BUDGET HIGHLIGHTS**

Personnel	The increase in personnel is attributable to the annual wage structure adjustments and step increases as well as one additional open FTE.
Administrative Expenses	Additional expenses are the result of combining the functions of Labor Relations with Human Resources as well as adding travel for the new director to attend industry related conferences.
Professional Services	Professional Services increased due to transferring funds from the Labor Relations & Governmental Affairs budget to Human Resources and Labor Relations.
Operating Services/Expenses	Operating expenses for mediation fees have moved from Labor Relations and Governmental Affairs to Human Resources and Labor Relations.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
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.	HR facilitated discussions on leadership development with the Executive Director and the Deputy Executive Directors resulting in the design and development of a MAC Management Forum which began to transfer knowledge about various leadership success factors which have contributed to MAC's high performance; the first two rounds of the Forum were completed in 2011. A third and final forum will be held 1st quarter of 2012.

**HUMAN RESOURCES & LABOR RELATIONS****2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
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.	Talent review discussions were completed with all Deputy Executive Directors.
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.	The utilization of the E1 employee self-service and manager self-service was expanded greatly in 2011. Additional efforts to communicate and market the functionality of these tools will continue in 2012.
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.	A feasibility study was completed to determine if NEOgov would be an appropriate tool to manage the performance review process. It was determined that NEOgov is not the appropriate tool at this time.
Implement the New Commissioner Orientation Process.	New Commissioners receive orientation to the organization and their role.	New Commissioner Orientation was delivered in April 2011.
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.	Leadership profiles and competencies were developed for two levels of management. Additional profile and competencies will continue to be developed throughout 2012.

**2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Expand workforce planning discussions with Director-level staff throughout MAC organization	Workforce planning discussions completed with each director and an increased number of individual development plans initiated	Work completed with Operations Division and is ongoing. Work started with Finance & Administration Division
Support transition of organization through leadership change by expanding development opportunity via expanded marketing of tuition reimbursement, individual development planning relative to defined competencies, and shadowing/mobility assignments.	Increased utilization of individual development plans as a measurable objective.	Marketing of discounted college programs expanding. Individual development planning activity ongoing through workforce planning discussions.

**HUMAN RESOURCES & LABOR RELATIONS****2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Define, communicate and implement Human Resources service standards.	Discuss and establish agreement of defined Human Resources service standards. Meet with management staff for feedback. Complete survey of service delivery. Conduct Human Resources training regarding service standards. Execute work process based upon standards. Assess service through performance feedback process.	This project has been moved to 2013.
Deliver new manager orientation sessions to newly hired or new managers/supervisors.	Completed orientation sessions on schedule.	Review of the manager orientation process is continuing with HRD manager.
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.	Continued to represent MAC by serving as a member of the Board of Directors for the Minnesota Public Employers Labor Relations Association (MPELRA) and the Twin Cities Area Labor Management Council (TCALMC).
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 services.	Met with MAC managers and supervisors as needed to advise them on grievance and contract issues.
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 grievance hearings.
Conclude negotiations with Teamsters Local 320 for 2011-2014 Collective Bargaining Agreement. Research market data, labor laws and current issues and develop strategies for next round of bargaining.	Terms and conditions of employment consistent with Commission goals. Union salaries on average are competitive with market.	Collective Bargaining Agreements are complete for all twelve MAC union bargaining units. Worked on current issues with several bargaining units and developed strategies for next round of bargaining.
Mediate disputes between outside unions, contractors and airports 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. Worked with Airport Development on prevailing wage reporting standards.

**HUMAN RESOURCES & LABOR RELATIONS****2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal:</b> <i>Match Employee Talent with Changing Business Needs.</i>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
Implement internship programs.	Establish an internship program.	Internship program developed and implemented.
Implement a leadership development/career enrichment program.	Establish a leadership development program.	Leadership development program developed and implemented.
NA	Establish a Labor Management Committee with Emergency Communications Specialists Staff and Management.	Improved working relationships with all levels of staff.

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

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Employee Engagement	3.36%	3.38%	5.11%	5.27%	5.25%	<10% Turnover.
<b>SC Performance Indicator:</b> Employee Turnover Rate <b>Comments:</b> Our goal is to monitor employee turnover and identify the factors that lead employees to leave the organization.						
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Performance reviews completed within department <b>Comments:</b> Our goal is to complete 100% of employee performance reviews within the department annually.						
Employee Engagement	NA	NA	NA	3.74	3.8	5.0
<b>SC Performance Indicator:</b> Employee Engagement Index <b>Comments:</b> The Employee Engagement Index is a new performance indication for 2012. Our goal is to improve every year.						

**PUBLIC AFFAIRS & MARKETING**

The Public Affairs and Marketing (PAM) 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 travelers and tenants. The department 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. As part of a MAC-wide reorganization in 2012, the Information and Paging Office (Call Center) staff and responsibilities were transferred to the Public Affairs and Marketing Department, providing informational services to our customers 14 hours a day, 365 days a year.

**BUDGET SUMMARY**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	319,834	395,886	564,966	169,080	42.71%
Administrative Expenses	81,770	87,648	91,799	4,151	4.74%
Professional Services	211,131	343,995	269,722	-74,273	-21.59%
Utilities	3,384	2,613	3,456	843	32.26%
Operating Services/Expenses	432,542	513,070	445,212	-67,858	-13.23%
Maintenance	8,280	15,300	15,000	-300	-1.96%
Other	139	10,500	9,598	-902	-8.59%
<b>Total Budget</b>	<b>1,057,078</b>	<b>1,369,012</b>	<b>1,399,753</b>	<b>30,741</b>	<b>2.25%</b>
<b>FTE Total</b>	<b>5</b>	<b>5</b>	<b>7</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel and overtime will increase substantially in 2013 to incorporate the Information and Paging Office (Call Center) into Public Affairs and Marketing as part of the MAC reorganization in 2012. The overtime is largely related to the 14 hour-a-day, 365 days-per-year operation of the Information and Paging Office and the need for additional staff during peak call periods. In addition, 2013 is the first full year for the in-house graphic designer. Annual salary adjustments and step increases are included.
Administrative Expenses	The increase in Administrative Expenses is due largely to the shift in the responsibility and budget for ordering office supplies for Public Affairs and Marketing, Concessions, and the MSP Airport Operations from MSP Airport Operations to PAM as part of the 2012 reorganization.
Professional Services	The decrease in Professional Services is the result of hiring a graphic designer on staff and of completion of the economic impact study conducted in 2012.
Operating Services/Expenses	The reduction in Operating Services/Expenses is due to the presence of an on-staff graphic designer and increased use of in-terminal digital marketing media.
Other	The decrease in the Other Expenses category is the result of an anticipated reduction in costs for media and public affairs events.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Overhaul metro airports Website to improve navigation, streamline content and better reflect the	Revamp Website look, feel and experience.	Conducted an audit of the existing <a href="http://www.metroairports.org">www.metroairports.org</a> Web site and met with representatives from various MAC

**PUBLIC AFFAIRS & MARKETING****2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
MAC's mission and vision.		departments to identify functional needs and scope of a new site. Actual development of the revamped site will occur in 2012.
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.	Deferred improvements to existing interactive directories and expansion of the program until 2012 due to Phase 3 MUFIDS timing and internal resource considerations.
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.	Conducted a smaller scale survey than originally planned following Commission actions to extend some existing concession agreements and to enter into an agreement with OTG and Delta Air Lines for new concessions on Concourse G.
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.	Marketed the Web portal and the MSP-wide employee health fair at MAC and tenant meetings and in MAC and tenant newsletters.

**2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Update and test the MAC's disaster communications plan.	Plan has been updated, tested, and reassessed as necessary based on lessons learned.	MAC's disaster communication plan has been updated, tested and revised again based on lessons learned.
Enhance the use of social media to provide real time customer interaction.	Increased real-time interactions with customers via Twitter, Facebook other social media.	The Information and Paging Office was merged into Public Affairs and Marketing during the MAC reorganization. Training is underway to teach Information and Paging employees to monitor and respond when appropriate to Tweets and Facebook inquiries regarding MSP.
Assess the contribution of MSP to the local, state and regional economy and communicate that information to stakeholders.	Updated MSP economic impacts study available and key results communicated to stakeholders.	InterVistas presented a draft Economic Impact Study which is being revised and will be completed and publicized in 2013.
Work with Greater MSP to promote the Twin Cities as a travel destination and a place to live, work, study and enjoy.	Promotional materials reflecting the mutual interests of Greater MSP and the MAC are created and disseminated.	The MAC engaged Greater MSP in the annual 'State of the Airport' luncheon and featured the organization's video promoting the Twin Cities as a great place to live and do business.

**PUBLIC AFFAIRS & MARKETING****2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: N/A</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
N/A	Improve information flow and employee access to needed facts by developing and initiating a plan for improved internal communications.	Plan completed and in the process of being executed.
N/A	Create and distribute an internal MAC branding document, providing standards and guidelines for use and appearance of MAC-branded documents.	A brand document is in place and available to all MAC employees.
N/A	Improve the customer experience and enhance MAC business and communication objectives by updating the Website for the Metropolitan Airports Commission, www.metroairports.org	Updated Website launched and in use

<b>Organizational Strategic Goal: Strengthen Partnerships and Relationships</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Enhance community understanding of the key role MSP plays in supporting and growing Minnesota's economy by promoting the new Economic Impact Study.	Various MSP economic impact message materials distributed and/or displayed.

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

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Annual employee performance reviews completed <b>Comments:</b> Percent completed.						
Finance	NA	NA	NA	NA	6	6
<b>SC Performance Indicator:</b> Produce six Eat Shop Relax guides <b>Comments:</b> New results indicator starting in 2013.						
Employee Engagement	NA	NA	NA	NA	45	45
<b>SC Performance Indicator:</b> Produce at least 45 MAC Update issues <b>Comments:</b> New results indicator starting in 2013.						
Employee Engagement	NA	NA	NA	NA	12	12
<b>SC Performance Indicator:</b> Produce 12 CSAC e-News issues <b>Comments:</b> New results indicator starting in 2013.						

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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**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	75,137	66,541	0	-66,541	-100.00%
Administrative Expenses	19,257	40,374	33,840	-6,534	-16.18%
Professional Services	114,365	130,000	130,000	0	0.00%
Utilities	0	0	0	0	0.00%
Operating Services/Expenses	100,000	0	0	0	0.00%
Other	0	0	0		
<b>Total Budget</b>	<b>308,759</b>	<b>236,915</b>	<b>163,840</b>	<b>-73,075</b>	<b>-30.84%</b>
<b>FTE Total</b>	<b>0.5</b>	<b>0.5</b>			

**BUDGET HIGHLIGHTS**

Personnel	Personnel decreased overall for 2013 as the sole employee of the Air Service Business Development Department retired.
Administrative Expenses	Travel expenses are reduced in Administrative Expenses due to the location change for the Air Service conferences in 2013.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
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.	This item has converted to working with the Greater MSP organization for access to corporations throughout the area.
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.	Meeting with Delta Air Lines completed February 15, 2011.

**AIR SERVICE BUSINESS DEVELOPMENT****2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
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 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</p>	Attendance at Network USA, Jumpstart, and Routes World completed in Q1, Q2, and Q3 respectively
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.	Based on meetings with the airlines at industry conferences in 2011, more detailed headquarters meetings were not necessary in 2011, but will be in 2012.

**2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Research, analyze, and recommend to the Commission an enhanced and more broad air service incentive program.	Commission approval.	Commission reviewed and approved an enhanced air service incentive program November 19, 2012.
Market MSP to incumbent and new entrant airlines through airline headquarter meetings.	At least 2 airline headquarters meetings in 2012.	Item closed. Delta headquarters meeting completed, additional headquarters meetings not justified in 2012.
Market MSP to incumbent and new entrant airlines through participation in air service forums.	<p>Attendance and participation at the following air service forums:</p> <p>Network USA - March 2012 Jumpstart - June 2012 Routes World - October 2012</p>	Attendance at Network, Jumpstart, and Routes World all completed.

**AIR SERVICE BUSINESS DEVELOPMENT****2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Enhance Air Service at MSP.</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Market MSP to incumbent and new entrant airlines through participation in air service development forums	Attendance and participation at the following air service forums:  Network USA - March 2013 Jumpstart - June 2013 Routes World - October 2013
NA	Market MSP to incumbent and new entrant airlines through airline headquarters meetings.	At least 2 airline headquarters meetings in 2013

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

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Operations	2	3	3	3	3	3 per year
<b>SC Performance Indicator:</b> Airline Meetings - Conferences <b>Comments:</b> Plan to meet with 7-10 airlines at each conference.						
Operations	0	3	1	1	2	3 per year
<b>SC Performance Indicator:</b> Airline Meetings - Headquarters <b>Comments:</b> Meetings with both incumbent and new entrant carriers at their headquarters.						
Operations	1	2	2	2	2	2 per year
<b>SC Performance Indicator:</b> LASAC Meetings <b>Comments:</b> Meetings are with outstate airports to discuss air service related issues for the smaller communities in the state of Minnesota.						

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**HRD & STRATEGIC PLANNING**

The HRD & Strategic Planning Department gains high performance in the organization by facilitating the organizational strategic planning process, influencing the development of policies and systems, and guiding 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**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	327,614	377,637	395,130	17,494	4.63%
Administrative Expenses	3,187	1,300	4,036	2,736	210.44%
Professional Services	40,906	20,000	20,000	0	0.00%
Utilities	0	0	0		
Operating Services/Expenses	6,528	7,200	8,136	936	13.00%
Maintenance	0	0	0		
Other	0	0	0	0	0.00%
<b>Total Budget</b>	<b>378,235</b>	<b>406,137</b>	<b>427,302</b>	<b>21,165</b>	<b>5.21%</b>
<b>FTE Total</b>	<b>3</b>	<b>3</b>	<b>3</b>		

**BUDGET HIGHLIGHTS**

Personnel	The increase in Personnel stems from wage structure adjustments and step increases.
Administrative Expenses	Additional travel explains the increase in Administrative Expenses. Also, a replacement computer is needed.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
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.	MAC's Management Forum designed to transfer knowledge and wisdom of senior leaders was delivered in two -eight session programs in 2011. Sixty managers attended the two programs. A third and final forum will be conducted in the first quarter of 2012
Expand the use of Org Publisher as a planning and communication tool.	Published chart available to managers on demand.	Org publisher training was cut so this project is on hold until 2nd quarter of 2012.
Migrate to the new Learning Management System (LMS) in coordination with IS, Airside Operations and the APD.	Migration complete from Pinnacle Learning Manager to Learn.com with current capabilities to track and report training maintained.	IS is developing a RFP for a new learning management system, learning content management system, assessment, and elearning authoring tool.
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.	Employee Relations has taken the lead in this process. Individual development plans will expand in the first half of 2012 as part of our leadership development process.

**HRD & STRATEGIC PLANNING****2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Integrate new video into New Employee Orientation and New Commissioner Orientation processes.	Video distributed to new employees and Commissioners.	This objective has been completed. The new Employee Orientation video has been incorporated into new employee and new Commissioner orientations.
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.	Emerging leaders developed and presented the external environmental scan to Senior Staff. Directors and a team of thirty-two emerging leaders reviewed the current performance indicators in the strategic plan. They will present recommended changes to the measures to Senior Staff in the third quarter.
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.	It was determined that neither NEO Gov or E1 have the capabilities needed for our performance review process. We will continue to look for systems that may meet our needs.

**2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Develop and pilot a shadowing program. HRD and Diversity will be working together to develop a pilot program in 2012.	Pilot shadowing program developed and implemented.	Program content has been completed. Participants created individual development plans that they continue to work on. Feedback was very positive from the participants but they recommended not repeating the program if a leadership development program is going to be offered in 2013.
Facilitate the third and final session of MAC's Management Forum.	Third knowledge and wisdom transfer program completed.	The third and final MAC Management Forum series was completed in the second quarter. 92 employees completed the three Management Forums.
Participate in the selection and implementation of a new Learning Management System.	LMS selected and employee training records migrated to the new system.	Certpoint Systems was selected and approved by the Commission for the new LMS system. Training and migration of current training records to the new system has begun. Migration of our current training record to Certpoint VLS has been moved to 1st quarter 2013.
Expand the use of Org Publisher as a planning and communication tool.	Published chart available to managers on demand.	Expanded training on Org Publisher was completed and an updated data link to E1 completed. New charts containing vacation and sick leave were created. We are still working on making charts available to managers on demand.
Increase the use of Individual Development Plans (IDPs) within the organization by 10%.	10% increase achieved.	Some progress has been made on this goal but we are not at a 10% increase yet.

**HRD & STRATEGIC PLANNING****2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Provide training classes and elearning opportunities in support of the migration to Windows 7 and Office 2010.	Needs based computer training made available to all MAC employees and a smooth transition to the new programs.	It now appears the organization will not move to Windows 7 and Office 2010 until mid 2013. This training is on hold until the migration occurs.
Expand tuition reimbursement marketing with the goal of increasing use of the program by 10% in 2012.	10% increase in the number of employees participating in MAC's tuition reimbursement of 2011 levels.	New partnerships were developed with several colleges that result in lower tuition for MAC employees. We have exceeded the 10% increase in participation this goal.
Work with departments to develop job specific performance review forms.	Performance review forms that are more reflective of job content.	New trades and EMC review forms were developed.
Partner with IS and Finance to develop redesigned planning software capable of incorporating three year capital equipment and operating plans.	Planning program redesigned and ready to implement in 2013.	HR and IS has designed the new planning interface. Testing will begin soon. The goal is to have it operational 1st quarter of 2013.
Expand competency model to include managers and supervisors.	Competencies identified for manager and supervisory level positions.	This goal is on hold for now.

**2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal:</b> <i>Match Employee Talent with Changing Business Needs.</i>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
Implement a leadership development/career enrichment program.	Facilitate the use of new execution strategies in the strategic planning process.	One or two overarching goals established for the organization for 2014, lag and lead measures identified, tracking process in place for lag and lead measures, weekly accountability meetings taking place.
Implement a leadership development/career enrichment program.	Implement leadership development program for current leaders.	Program in place to ensure current leaders have the knowledge and skill needed to move the organization forward.

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

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Employee Performance Reviews Completed						
<b>Comments:</b> Our goal is to complete 100% of employee performance reviews annually.						

**HRD & STRATEGIC PLANNING****SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> % of new supervisors, foremen, and leads receiving basic management training within first six months on the job.						
<b>Comments:</b> Our goal is to ensure all new supervisors receive basic management training in their first six months on the job.						

**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 management and to the Commission.

**BUDGET SUMMARY**

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>\$</b>	<b>%</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Variance</b>	<b>Variance</b>
Personnel	362,632	376,786	387,050	10,263	2.72%
Administrative Expenses	3,689	14,080	14,000	-80	-0.57%
Professional Services	0	5,000	3,500	-1,500	-30.00%
Utilities	0	0	540	540	100.00%
Operating Services/Expenses	4,675	5,080	6,920	1,840	36.22%
Maintenance	0	0	0		
Other	0	0	0		
<b>Total Budget</b>	<b>370,996</b>	<b>400,946</b>	<b>412,010</b>	<b>11,063</b>	<b>2.76%</b>
<b>FTE Total</b>	<b>4</b>	<b>4</b>	<b>4</b>		

**BUDGET HIGHLIGHTS**

Personnel	The increase in Personnel is due to wage structure adjustments and step increases.
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**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
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.	Two audit projects were completed and one project was presented to the Commission for approval. The 2012 Annual Audit Plan was also presented to the Commission for approval.
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.	The Internal Quality Assurance Review was completed. The Institute of Internal Auditors has been contacted to schedule an Independent Validation of the Quality Assurance Review.
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.	Automated programs to analyze data generated by the Enterprise One System have been developed and are being enhanced and expanded to incorporate a review of Enterprise One subledgers.

**INTERNAL AUDIT****2012 RESULTS REPORT**

Service Center Objective	Measurement	Results
Complete the 2012 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.	The audit plan has been substantially completed. One project included in the audit plan is not yet completed but is currently in process.
Enhance and expand on our efforts to further automate the audit process. Develop automated programs to review and analyze MAC financial data in order to make our audit efforts more timely and thorough.	New automated data analysis scripts are developed and put into regular use. Results of analytics are reviewed and used as a basis for further audit testing.	Basic data analysis scripts have been completed in all planned areas. Staff are working to expand this process and begin regular reports to the Commission on data analysis results in 2013

**2013 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Employ a continuous audit process to perform monthly analysis and testing of financial transactions in all material revenue and expense areas. Expand and enhance continuous coverage of all material financial areas in each quarter.	Document continuous testing processes and results and begin quarterly reporting to the Commission beginning with 2013 second quarter transactions.

Organizational Strategic Goal: <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Complete 2013 Audit Plan Projects that were approved by the Commission	Audit testing and documentation is complete with reporting to appropriate parties.

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

Organizational Key Areas of Performance	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Est.	Goal
Finance	80%	80%	85%	85%	90	90%
<b>SC Performance Indicator:</b> Percentage of Audit Projects Completed that were scheduled in the Annual Audit Plan  <b>Comments:</b> Scheduled Audit Projects are presented to the Commission annually for their approval. Actual audits begun and completed frequently differ from planned projects due to changing organizational priorities and new direction from Commissioners and Senior Management. Any planned projects that are not completed in a given timeframe, are replaced by other audit projects that have assumed a higher priority than those originally planned.						

**INTERNAL AUDIT****SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Employee Engagement	100%	100%	100%	100%	100	100%
<b>SC Performance Indicator:</b> Complete required staff training to maintain certifications <b>Comments:</b> Staff training is critical both to maintain professional certifications and to enhance employee knowledge related to audit testing and determination of risk areas.						
Employee Engagement	100%	100%	100%	100%	100	100%
<b>SC Performance Indicator:</b> Complete staff performance reviews <b>Comments:</b> Annual performance reviews are required by policy and give employees feedback on their strengths, weaknesses and areas of possible improvement.						

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**GOVERNMENTAL AFFAIRS**

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**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	281,788	268,754	178,761	-89,993	-33.49%
Administrative Expenses	20,142	24,175	22,225	-1,950	-8.07%
Professional Services	189,904	253,000	230,000	-23,000	-9.09%
Utilities	1,020	1,040	1,035	-5	-0.48%
Operating Services/Expenses	843	3,400	1,650	-1,750	-51.47%
Maintenance	0	0	0		
Other	50	1,400	1,400	0	0.00%
<b>Total Budget</b>	<b>493,747</b>	<b>551,769</b>	<b>435,071</b>	<b>-116,698</b>	<b>-21.15%</b>
<b>FTE Total</b>	<b>3</b>	<b>3</b>	<b>2</b>		

**BUDGET HIGHLIGHTS**

Personnel	One Staff position moved to the Human Resources department. Also included are wage adjustments and step increases.
Professional Services	Professional Services decreased to more accurately reflect the consulting costs on the national level.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Represent MAC on outside boards, commissions and task forces, directly relating to and bringing visibility and influence to MAC's efforts.	Visibility and influence to MAC's efforts.	Active member of The Greater Metropolitan Area Foreign Trade Zone Commission. Attended meetings as member of Minnesota Governmental Relations Council. Participated in ACI-NA Governmental Affairs group discussions.
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.	Monitored legislation and presented MAC positions supporting or opposing issues in Washington and at State Legislature. Briefed congressional and legislative staff during MSP airport site visits.
Participate in formulating airport trade group positions on aviation related legislation.	Airport trade group positions closely aligned with MAC strategy and goals.	Monitored AAAE and ACI-NA airport finance policy discussion. Frequent communication with ACI-NA staff.
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.	Briefed legislators and presented MAC positions during 2011 State Legislative Session and interim.

**GOVERNMENTAL AFFAIRS****2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Respond to Legislators' questions regarding constituent concerns.	Issues resolved.	Coordinated responses to state legislators on constituent issues including noise, reliever airport funding and taxi operations.
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. Served on Board of Directors for Twin City Area Labor Management Council. Member of Twin Cities Area Negotiators Roundtable. Participated in meetings of MAC labor management committees.
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.	Met with MAC managers and supervisors as needed to advise them on grievance and contract issues.
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 grievance hearings and contract mediation. Served as Hearing Officer for Taxi and Security hearings.
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.	Completed Collective Bargaining Agreements for eleven of the twelve MAC union bargaining units. Successfully concluded negotiations with LELS Local 302 Police Officers, LELS Local 307 Police Supervisors, LELS Local 358 Emergency Communication Specialists, IBEW Local 292 Electricians, North Central States Regional Council of Carpenters, Plumbers Local 34, Painters Local 386, IAFF Local S-6 Fire Fighters and Fire Captains, and Local 70 and Local 49 Operating Engineers. Commenced negotiations with Teamsters Local 320 to be continued into 2012.
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 numerous labor issues relating to construction projects.

**GOVERNMENTAL AFFAIRS****2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Educate appropriate political bodies and government units on airports (MSP and Relievers) and present MAC's views on issues.	Educated and supportive stakeholders.	Met with key airport legislators to see if they had any questions or concerns regarding MAC operations. Monitored legislation and presented MAC positions supporting or opposing issues in Washington and at the State Legislature. Briefed legislators and staff during MSP airport site visits. Met with committee chairs and key staff members regarding constituent and legislator issues. Briefed new Transportation Policy Liaison and LD in Governor Dayton's office. Check in and update DC office staff for MN Congressional Delegation. Updated key members of the Legislature, Congress, and their staff on MSP EA and RNAV.
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 bill introductions. Researched bills that may have an impact on MAC. Informed MAC staff of potential legislation and discussed issues with key legislators. Monitored AAAE and ACI Airport Policy Development. Researched and monitored G10 Airport Funding Proposal.
Respond to Legislators' questions regarding constituent concerns including MSP's Environmental Assessment, Reliever Airport policies, taxi ordinances and other airport related issues.	Issues resolved / concerns addressed.	Provided background information and answered specific questions regarding aircraft flight paths, Delta/MAC lease and agreements, off airport parking policies, MSP RNAV procedures, Eden Prairie Commercial Development.

**2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: N/A</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
N/A	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.
N/A	Educate appropriate political bodies and government units on airports (MSP and Relievers) and present MAC's views on issues.	Educated and supported stakeholders.

**GOVERNMENTAL AFFAIRS****2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal:</b> <i>N/A</i>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
N/A	Respond to Legislators' questions regarding constituent concerns including MSP's Environment Assessment, Reliever Airport policies, taxi ordinances, and other airport related issues.	Issues resolved / concerns addressed.

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

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Employee Engagement	N/A	100%	0	100%	100%	100%
<b>SC Performance Indicator:</b> Completion of employee performance evaluations. <b>Comments:</b> Employee retirement, staffing shortage and department reorganization adversely impacted this initiative.						
Employee Engagement	N/A	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Completion of evaluations for continuing consultants for legislative services. <b>Comments:</b> All evaluations completed in conjunction with Professional Services Authorization process.						

**COMMERCIAL MANAGEMENT & AIRLINE AFFAIRS**

Commercial Management & Airline Affairs is responsible for revenue generation at all MAC airports. The department manages MAC property and real estate, develops concessions and other business and recruits air service.

**BUDGET SUMMARY**

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>\$</b>	<b>%</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Variance</b>	<b>Variance</b>
Personnel	416,317	424,254	445,938	21,684	5.11%
Administrative Expenses	12,132	13,800	14,700	900	6.52%
Professional Services	60,910	40,000	40,000	0	0.00%
Utilities	2,817	3,456	3,456	0	0.00%
Operating Services/Expenses	2,261	700	2,995	2,295	327.86%
Maintenance	98,221	157,275	235,304	78,029	49.61%
Other	0	0	0	0	0.00%
<b>Total Budget</b>	<b>592,658</b>	<b>639,485</b>	<b>742,393</b>	<b>102,908</b>	<b>16.09%</b>
<b>FTE Total</b>	<b>5</b>	<b>5</b>	<b>5</b>		

**BUDGET HIGHLIGHTS**

Personnel	The increase in Personnel is attributable to wage structure adjustments and step increases.
Maintenance	The oversight and budgeting of the janitorial services for the FAA Building has been shifted from MAC Facilities to the MAC CMAA Department resulting in a large increase in the budget for maintenance expenses. These expenses, however, are recovered in the FAA's rent payment to MAC.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Complete extension of the Airline Agreement through 2014 or 2015 based on the status of the LTCP.	Completion of execution documents.	Execution documents have been forwarded to the applicable airlines extending the Term of the Airline Agreement to December 31, 2015
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 Lindbergh Terminal vacancies.	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 United/Continental merger.	\$1.00 per square foot vacancy surcharge to be implemented in 2012 and possibly 2013.
Expand the rental auto operating facility at T-2 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 rent a car during peak business hours.	Staff is working with the industry as well as a consultant to make the necessary changes to the T2 facility to accommodate the customer growth. The first phase of this project should be done by July.
Focus on finding a developer for new commercial development site located along Pioneer Trail at the Flying Cloud (FCM) Airport.	Develop a new revenue source for the Reliever Airports financial model with a goal to exceed \$60k of annual revenue.	Staff will present an action plan for land development in 2012 at the January 2012 Commission meeting.

**COMMERCIAL MANAGEMENT & AIRLINE AFFAIRS****2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Implement a fuel flowage fee at MSP applicable to general aviation users through revision of Ordinance No. 96.	Commission approval of Ordinance revision	Ordinance revision approved by the Commission in August. Fuel flowage fee to be implemented January 1, 2013. Item closed.
Establish two commercial development contracts on available real estate at the Reliever Airports.	Enter into two commercial development land lease agreements at the Reliever Airports. The revenue generated from these agreements will go towards maintaining and developing aviation related projects. The goal would be to generate in excess of \$50k annually for the Reliever program.	Item closed, internal decision made to not complete land appraisal process in 2012.
Rebid the rental auto concession agreement.	Look for opportunities to increase the revenue stream from the rental auto concession. Staff will attempt to achieve a 3% revenue growth over the previous contract.	The Commission approved the project and staff is working through the plan design work now with the first stage of construction to begin this spring with the counter development and the ready return area. The QTA facility will not begin construction until 2014.

**2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Assure Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Enter into an agreement to develop a 3 mega watt solar energy project for MSP.	Establish a solar energy project that will be able to produce enough electricity to power the parking garage at T-1 from a renewable energy source. Additionally, this project will include a marketing component that will provide additional revenue either to MAC or to fund a portion of the development cost.
Explore options for expanding non-aeronautical revenue.	Rebid the Rental Auto contract that covers both T-1 and T-2 facilities.	Rebid the contract with a goal of increasing the annual revenue to MAC by 2% over the current agreement.
Explore options for expanding non-aeronautical revenue.	Complete RFP process for the establishment of a gas station located at Hwy 494 and 34th Avenue	Completion of RFP and execution of a lease agreement with a goal of increasing revenue to MAC by at least \$60k annually.

**COMMERCIAL MANAGEMENT & AIRLINE AFFAIRS****2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Assure Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
Closely monitor and manage the performance of the new General Aviation model to ensure it delivers financial viability.	Enter into two commercial development land leases at the Reliever Airports.	Following the lessee signing and development of these properties, the goal will be to increase revenue to the Reliever Airport model by \$50k annually.

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

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Employee Engagement	NA	NA	NA	100%	100%	100%
<b>SC Performance Indicator:</b> Staff performance evaluations completed timely <b>Comments:</b> This is a new target in 2012.						

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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**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	318,221	383,022	405,511	22,489	5.87%
Administrative Expenses	6,141	8,136	9,130	994	12.22%
Professional Services	0	16,000	16,000	0	0.00%
Utilities	2,880	3,456	3,456	0	0.00%
Operating Services/Expenses	1,817	3,500	3,500	0	0.00%
Maintenance	0	0	0		
Other	0	0	0		
<b>Total Budget</b>	<b>329,059</b>	<b>414,114</b>	<b>437,597</b>	<b>23,483</b>	<b>5.67%</b>
<b>FTE Total</b>	<b>3</b>	<b>4</b>	<b>4</b>		

**BUDGET HIGHLIGHTS**

Personnel	The increase in Personnel is attributable to wage structure adjustments and step increases.
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**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Extend the current concession leases to match up with the timing associated with the Long Term Comprehensive Plan (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.	Taco Bell, La Tapenade, and Pei Wei all opened in fourth quarter and are performing up to projections. XpresSpa's first location is doing extremely well and the 2nd location will open in January of 2012. Chick-fil-A is scheduled for a May 1st opening date.
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, possible additional retail offerings for T-2, expansion of the Retail Cart program.	A consultant has been hired for designing additional concessions space at T-2 to tie into our new security checkpoint opening date of September 2012. XpresSpa is under construction in the second location.
To improve the customer experience at MSP in order to make MSP the airport of choice for travelers.	Utilize Bestmark shop reports to evaluate service levels. Achieve an increase in average score of 2% over 2010. Work with Customer Service Action Council (CSAC) to roll out airport-wide training video and track results of progress of getting people through the program.	The Freeman Group's PSA has been signed and approved and they have begun work on creating new templates for the revised mystery shopping program. They are scheduled to begin shopping the concession units by the end of 1st quarter 2012 with a more challenging program designed to raise customer service levels.

**CONCESSIONS & BUSINESS DEVELOPMENT****2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Improve the customer experience at MSP in order to make MSP the airport of choice for travelers.	Utilize The Freeman Group, a new company who won the RFQ issued in 2011, to evaluate service levels. Achieve an increase in average unit score of 2% over 2011. Continue working with CSAC to roll out airport-wide training program for all airport and airline employees. Track results of getting people through the program.	The RFQ was completed and Bestmark was selected as the winner by the review team. The recommendation will go to the M&O committee in January. Pending commission approval, the new program will be rolled out in February of 2013.
Evaluate all current concession leases to look for opportunities to either extend or begin making plans for an upcoming RFP process. Evaluate all real estate to ensure the best concept is in the appropriate location.	An increase in sales for those particular unit locations, as well as positive feedback from the traveling public and internal customers.	Staff is continuing this ongoing process. John Greer will be analyzing all current concessions for the upcoming RFP process in 2014.
Look for additional revenue generating opportunities with both current leases and new out of the box ideas.	Successful new contracts with: XpresSpa on F concourse, BluWire (replacing Bijoux Turner), Tumi (replacing Tumi/Brics), Aveda (replacing Hugo Boss), Minute Suites, Chick-fil-A (replacing Godfather's and A&W on C), Hot Dish (replacing Houlihan's), replacing the Natural Element concept with something TBD, roll out RFP for Terminal 2 concession expansion, and determine best use of space for the mezzanine level above French Meadow Main.	The McDonalds negotiations were completed and is going to M&O in February. The new Terminal 2 concessions are underway- the news and gift location opened in December. Caribou opened in January, Subway in February, and Barrio in Feb/March of 2013. The golf negotiations are still underway and hopefully the project will gain momentum in 2013.

**2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Assure Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
Explore options for expanding non-aeronautical revenue.	Look for additional revenue generating opportunities with both current leases and new, out of the box, ideas.	Successful new contracts with McDonalds, Vending, Golf Experience, T-2 Temp Bar, Outdoor Advertising, Hotel, Retail Cart Program, and Terminal 2 concession expansion. The goal for the new T-2 concessions is to grow the annual concessions revenue at T-2 by 2% in 2013.

**CONCESSIONS & BUSINESS DEVELOPMENT****2013 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Evaluate all current concession leases to prepare for the concessions program rebid in 2015. Evaluate all real estate to ensure the best concepts will be placed in the best possible locations.	To establish a draft plan for the RFP model.
N/A	Look for additional ways for the MAC concessions program to follow green practices.	Successful roll out of the organic waste and composting program to the remainder of the concession tenants at MSP.

Organizational Strategic Goal: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Improve the customer experience at MSP in order to make MSP the airport of choice for travelers.	Utilize our new company, Bestmark, to evaluate service levels of all shops, restaurants, and passenger services at MSP. Achieve higher scores on our mystery shop reports than in the past by 2% per year.

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

Organizational Key Areas of Performance	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Est.	Goal
Finance	80%	82.2%	82.8%	N/A	85%	85%
<b>SC Performance Indicator:</b> Mystery Shop Scores <b>Comments:</b> Our new company, The Freeman Group, ceased operations without any notice, and therefore all reporting for the year was lost. We will start with our new company, Bestmark, in 2013.						
Finance	-5.7%	+9%	+1.7%	+4%	+2%	2%
<b>SC Performance Indicator:</b> Food & Beverage & Retail Revenues <b>Comments:</b> Look for additional opportunities to increase concessions revenue for the MAC. Results should be measured by total rent received to rent for 2012 compared to rent received for 2011 in Retail and News and Food and Beverage.						
Finance	+11.5%	+30.33%	+9.8%	+4.6%	+2%	7%
<b>SC Performance Indicator:</b> Passenger Services Revenue <b>Comments:</b> Look for additional opportunities to increase concessions revenue for the MAC. Results should be measured by total rent received to rent for 2012 compared to rent received for 2011 in Passenger Services.						

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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**

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>\$</b>	<b>%</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Variance</b>	<b>Variance</b>
Personnel	170,885	179,697	183,467	3,769	2.10%
Administrative Expenses	14,399	14,245	15,250	1,005	7.06%
Professional Services	8,655	10,000	8,800	-1,200	-12.00%
Utilities	864	885	877	-8	-0.90%
Operating Services/Expenses	1,162	2,000	1,200	-800	-40.00%
Other	0	0	0	0	0.00%
<b>Total Budget</b>	<b>195,965</b>	<b>206,827</b>	<b>209,594</b>	<b>2,766</b>	<b>1.34%</b>
<b>FTE Total</b>	<b>2</b>	<b>2</b>	<b>2</b>		

**BUDGET HIGHLIGHTS**

Personnel	The increase in Personnel is attributable to wage structure adjustments and step increases.
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**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Research, review and recommend a mentoring and/or coaching process for employees.	A successful process for mentoring or coaching is completed. Be a part of the roll out of the process. Evaluate successes and challenges	The process will roll out in first quarter of 2012. The challenge has been the change in leadership in HR.
Develop next steps for the Multi-Point Diversity Plan.	Orchestrate involvement across the organization. Have several first attempts at new initiatives.	The Multi-Point Plan went to Senior Staff and the Commission several times. The issue of Diversity in the organization has been discussed with several groups of management.

**2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Complete an employee disability survey	Distribute survey to employees and include the results in the annual EEO reports.	The survey has been completed but not sent out to employees.

**DIVERSITY****2012 RESULTS REPORT**

Service Center Objective	Measurement	Results
Complete an online process so disadvantaged business enterprises can submit an online application.  Start an electronic process for DBE applications.	The online process is available to the business customer.  Online applications are accepted and filed electronically.	The application has been created and is published on the Minnesota Uniform Certification Program of which the Metropolitan Airports Commission is a key stakeholder.

**2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal:</b> N/A		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Perform field monitoring of DBEs on federal construction work sites.	1. Inform Airport Development of objective 2. Choose from federal contracting list 50% of the project 3. Plan and visit project site once
N/A	Work on a committee with a member non-profit organization to promote business development and networking.	1. Chose organization 2. Volunteer for a committee 3. Participate on committee 4. Deliver a program to the non profit organization
N/A	Gather information on percentage of employees with disabilities to set reasonable hiring goals.	1. Develop a survey 2. Get approval for survey 3. Send survey out 4. Report employees results

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

Organizational Key Areas of Performance	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Est.	Goal
Employee Engagement	N/A	25%	25%	25%	25%	27%
<b>SC Performance Indicator:</b> Percentage of female employees						
<b>Comments:</b>						
Employee Engagement	N/A	8.8%	9%	9%	9%	10%
<b>SC Performance Indicator:</b> Percentage of minority employees						
<b>Comments:</b>						
Development	10%	8%	7.7%	10.7%	10.7%	12%
<b>SC Performance Indicator:</b> Disadvantaged Business Enterprise (DBE) Construction goal						
<b>Comments:</b>						

**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**

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>\$</b>	<b>%</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Variance</b>	<b>Variance</b>
Personnel	840,094	812,007	904,133	92,126	11.35%
Administrative Expenses	41,833	35,501	40,303	4,802	13.53%
Professional Services	890,326	680,000	700,000	20,000	2.94%
Utilities	2,412	1,224	3,800	2,576	210.46%
Operating Services/Expenses	862	1,222	875	-347	-28.40%
Other	0	500	0	-500	-100.00%
<b>Total Budget</b>	<b>1,775,527</b>	<b>1,530,454</b>	<b>1,649,111</b>	<b>118,657</b>	<b>7.75%</b>
<b>FTE Total</b>	<b>8</b>	<b>8</b>	<b>9</b>		

**BUDGET HIGHLIGHTS**

Personnel	The increase in Personnel is attributable to one additional FTE along with wage structure adjustments and step increases.
Administrative Expenses	The need for additional computer software increased the 2013 budget for Administrative Expenses.
Professional Services	Estimated fees for legal services increased Professional Services in 2013.
Utilities	The increase in Utilities more accurately reflects actual costs.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Represent MAC on outside boards, commissions and task forces, directly relating to and bringing visibility and influence to MAC's efforts.	Visibility and influence to MAC's efforts.	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 conferences and seminars and other trade organization seminars.
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 Taxicab regulation, administrative policies, including DBE and TGB policies, police practices and compliance with Federal regulations, FAA Civil Rights Audit, and numerous employment matters. Drafted and proposed Commission Bylaws.

**GENERAL COUNSEL****2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Draft, negotiate and/or review documents (e.g., leases, ordinances) for all MAC management employees, especially CMAA, Relievers, Airport Development, Police, Fire, Purchasing, Landside, MAC Commissioners, ACI.	Complete in timely manner. Decrease reliance on outside legal counsel.	Worked on various RFPs, including loading document management RFP. Drafted and assisted in negotiation of various leases and agreements. Drafted and assisted in negotiation of OTG Term Sheet, OTG Concession Agreement and Airline Agreement Amendment. Worked on Minimum Standards Ordinance revision, Reliever Rates and Charges Ordinance revision, and Reliever tenant financial workouts. Drafted and assisted in various non-aeronautical leases.
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 litigation/potential litigation.
Data Practices Legislation/Data Requests	Respond in timely manner.	Responded to numerous data requests. Attended Data Practices Committee meetings.

**2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Provide legal advice to all MAC management employees and MAC Commissioners.	Provide research and advice when requested. Complete in a timely manner. Decrease reliance on outside legal counsel.	Researched legal issues as requested by MAC departments and MAC Commissioners. Provided advice on such issues as taxicab regulation, administrative and HR policies, police practices and compliance with federal regulations, numerous employment matters, and MSP 2020 Improvements, Environmental Assessment (EA) and Environmental Assessment Worksheet (EAW).
Draft, negotiate and/or review documents (e.g., leases, ordinances, RFPs and RFQs) 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.	Drafted and assisted with negotiation of various leases and agreements. Drafted and assisted with various RFP and RFQ processes.

**GENERAL COUNSEL****2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
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 litigation and potential litigation, including trial of O'Neill v. City of Bloomington and Crossroads Aviation Part 16 Complaint.
Data Practices Legislation/Data Requests.	Respond in timely manner.	Responded to numerous data requests. Attended Data Practices Committee meetings.

**2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal:</b> <i>N/A</i>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
N/A	Draft, negotiate and/or review documents (e.g., leases, ordinances, RFPs and RFQs) 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.
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	Provide legal advice to all MAC management employees and MAC Commissioners	Provide research and advice when requested. Complete in a timely manner. Decrease reliance on outside legal counsel.
N/A	Data Practices Legislation/Data Requests.	Respond in timely manner.

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

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Completion of an average of 15 Continuing Legal Education (CLE) hours per attorney						
<b>Comments:</b> Complete an average of 15 CLE hours per attorney.						

**GENERAL COUNSEL****SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Finance	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Completion of 100% of continuing consultant evaluations <b>Comments:</b> Complete 100% of evaluations for all continuing consultants.						
Employee Engagement	Completed	Completed	Completed	Completed	Completion	Complete
<b>SC Performance Indicator:</b> Completion of an annual update of Data Practices Policy <b>Comments:</b> Complete annual update of Data Practices Policy.						

**EMPLOYEE RELATIONS**

Employee Relations staff are responsible for: 1) administering compensation programs for all employees; 2) maintaining all personnel data, files and the HRIS system; 3) developing, maintaining and distributing personnel policies and management reports; 4) counseling management and non-management employees with regard to HR policies and practices; 5) working with supervisors and leaders to strengthen skills related to employee relations issues; 6) administer all policies related to recruitment and staffing for all open positions.

**BUDGET SUMMARY**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	491,943	477,508	498,056	20,548	4.30%
Administrative Expenses	7,230	4,756	10,844	6,088	128.01%
Professional Services	40,469	52,814	46,318	-6,496	-12.30%
Utilities	0	29	29	0	0.00%
Operating Services/Expenses	2,362	1,173	7,300	6,127	522.34%
Maintenance	0	0	0		
Other	0	0	0	0	0.00%
<b>Total Budget</b>	<b>542,005</b>	<b>536,280</b>	<b>562,547</b>	<b>26,267</b>	<b>4.90%</b>
<b>FTE Total</b>	<b>6</b>	<b>6</b>	<b>6</b>		

**BUDGET HIGHLIGHTS**

Personnel	The increase in Personnel is attributable to wage structure adjustments and step increases.
Administrative Expenses	Travel expenses were budgeted in this account to better track and manage projected business travel activity.
Professional Services	Professional Services decreased to better reflect realistic expenses anticipated even with increased staffing activity in 2013.
Operating Services/Expenses	The increase in Operating Services/Expenses is due to the annual service/license fee for NeoGov, the staffing/recruiting software used by MAC.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
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.	A processing option to administer step increases was rolled out and is being utilized on a regular basis. The creation of this functionality in E1 eliminates the risk of human error when calculating step increases.
Deliver training to all managers regarding performance review/performance management process and disciplinary action/due process.	Strengthen support activity for broad talent management philosophy.	Work on development of presentations is continuing for both offerings.
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.	Course outline and presentation material completed. Delivery of training to occur in first half of 2012.

**EMPLOYEE RELATIONS****2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
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.	Discussions completed with all division heads with follow-up action plans executed.
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.	Work on the objective is continuing.
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.	Review and approval of all policies within Section 4 completed, including approval by the Commission. Work on policies within Sections 10 and 16 - 20 now beginning.
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.	Work on this objective is continuing. Electronic conversion complete on nearly two-thirds of employee files.
Document detailed procedures for all department processes in order to use for knowledge transfer and training purposes	Availability of detailed procedures as an instructive guide for consistent administration of processes	Immediate availability of procedures manual for all HR employees that provides administration guidance

**2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Implement a new employee orientation program for temporary employees.	A program is put in place and delivered to all newly hired temporary employees.	An orientation program designed specifically for temporary and provisional employees has been completed and implemented.
Implement a survey to collect information on the performance of the hiring process.	A survey is sent to the Hiring Authority upon the completion of each hiring process. The results are collected and utilized to improve the hiring process.	A hiring survey was created and feedback was solicited for hiring processes that occurred in 2011.
Work with the Diversity Manager and MAC Staff to identify shadowing or mobility opportunities as staffing needs or vacancies become available.	Employees will assume a shadowing or mobility assignment.	Continuing to look for opportunities and stretch assignments for employees as vacancies arise.
Formulate a recruitment brand for hiring and soliciting new employees.	Identify a recruitment brand, design materials, publish and disseminate as applicable throughout the hiring process.	The recruiting tagline of "Destination Success" was created. An image of the tagline was constructed and added to the front wall of Human Resources. The job description template as well as letterhead has been created and is being utilized to support the recruiting brand.

**EMPLOYEE RELATIONS****2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Complete the electronic scanning and storage project of terminated employee files.	Scan all terminated employee files and store electronically.	Scanning of terminated files is near completion. There are approximately 75 records left to scan.
Create a storage and retention plan for employment background files completed by the Airport Police Department.	Employment background files for Emergency Communications and Fire candidates will be stored in the Human Resources Division. A retention schedule will be developed and maintained.	Background files from the ECC and Fire Departments have been relocated to HR. A filing and retention system has been designed and implemented.
Survey MAC departments regarding Human Resources service needs that best support achieving business objectives	Execute action plans that address desired service level of Human Resources services	Received positive feedback regarding administration of staffing/recruitment/selection process. Surveying continuing with other functions in 2013. Feedback received from workforce planning discussions resulted in project work that is continuing in 2013.
Deliver training regarding performance management process, disciplinary action/due process and conflict management	Complete all training offerings toward further development of management staff	A performance management training module has been developed and will be delivered in 2013.

**2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Leverage Resources and Technology</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
Expanded use of MAC's Enterprise Resources Planning product, EnterpriseOne, including automated time entry, capital project management and maintenance management.	Complete scan of terminated employee files and expand the electronic scanning/storage of Human Resources Department compensation documentation.	Scan all designated Human Resources document files and store electronically.

<b>Organizational Strategic Goal: <i>Match Employee Talent with Changing Business Needs.</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
Implement a leadership development/career enrichment program.	Continue management training regarding performance management and disciplinary action/due process.	Complete training offerings toward increased development of management staff
Implement a leadership development/career enrichment program.	Continue workforce planning discussions with MAC departments to best support department business needs.	Execute action plans that address and support achievement of business objectives.

**EMPLOYEE RELATIONS****SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Employee separation completions according to policies, procedures and law <b>Comments:</b> Employee separation administration process completed in timely manner.						
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Leaves of absence according to policy <b>Comments:</b> Return employees to active employment status upon receipt of medical clearance.						
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Annual employee performance reviews completed <b>Comments:</b> Performance reviews remain current.						

**MSP AIRPORT CONFERENCE CENTER**

The MSP Airport Conference Center (ACC) 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. Exceptional food and beverage service is provided as requested by clients. The Center is responsible for providing catering services, maintaining audio-visual equipment, and invoicing internal/external clients.

**BUDGET SUMMARY**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	136,605	149,506	154,213	4,707	3.15%
Administrative Expenses	9,063	10,550	10,310	-240	-2.27%
Professional Services	0	0	0		
Utilities	576	865	864	-1	-0.12%
Operating Services/Expenses	37,226	37,500	39,033	1,533	4.09%
Maintenance	0	0	0	0	0.00%
Other	5,539	5,200	5,936	736	14.15%
<b>Total Budget</b>	<b>189,009</b>	<b>203,621</b>	<b>210,356</b>	<b>6,735</b>	<b>3.31%</b>
<b>FTE Total</b>	<b>3</b>	<b>3</b>	<b>3</b>		

**BUDGET HIGHLIGHTS**

Personnel	The increase in Personnel is attributable to wage structure adjustments and step increases.
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**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
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.	The conference center has provided good quality catering in a cost effective manner without compromising safety standards. Catering rates have been adjusted as food costs rise. With the addition of a seasonal menu, the conference center has had the opportunity to increase profit margins while reducing the amount of staff time to prepare food items.
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.	The ACC staff is positioned based on their greatest strengths and has the ability to stand in for either position as necessary. The Managing Supervisor has implemented a quarterly change in position duties to ensure that in an emergency all staff has the ability to stand in for one another, or if necessary, run the entire operation seamlessly.

**MSP AIRPORT CONFERENCE CENTER****2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Increase financial stability by increasing the revenue profit margin.	Monitor expenditures to ensure the 1/3 cost, 1/3 prep, and 1/3 profit margins are being met or exceeded.	The ACC has exceeded their financial stability objective. The catering expenditures have produced a 75% profit margin on food and beverage while the overall profit margin for the ACC is at 33% (not including depreciation).
Continue to provide a first class customer experience to the internal and external customer without compromising revenue generation.	Attempt to meet every client needs by searching for solutions to all special requests. If we don't offer the service, assist them in finding a viable solution. Use compliments and complaints to judge success.	Staff continues to meet or exceed client requests with flexible hours of operation and creative ways to rent space outside the conference rooms. We are continuing to look at additional ways to provide first class customer service, and many clients have complimented the ACC on the great service they have received.
Ensure that client information is being properly received, stored, and transmitted. Protect the safety of the traveling public regarding conference center and kitchen equipment.	Double check client data and oversee installation of new credit card processing system. Properly store kitchen and conference center equipment and double check security of the items.	A temporary system was created and approved by MAC IS Security to store client data. The Commission approved the purchase and implementation of the Ungerboeck reservation system to ensure PCI compliance. The implementation is underway with a go live date of Q2 2013. Staff continues to properly secure equipment in the kitchen and conference rooms to protect the safety of the traveling public.

**2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Assure Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Maintain the financial viability of the Airport Conference Center by continuing to focus on repeat customers, marketing and promoting the ACC and by developing a plan to increase offerings to our clients.	Continue to monitor expenditures, increase repeat business by 5% and new business by 2%, increase promoting of the ACC and add revenue generating services to our business.

<b>Organizational Strategic Goal: <i>N/A</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
N/A	Implement the new PCI compliant software to gain a secured environment to store client data and maintain audit requirements. Continue to provide a secure environment for the catering equipment in an effort to protect the traveling public.	Go live with the new PCI compliant software. Develop an inventory plan in accordance with audit requirements. Properly store kitchen equipment. Measure these efforts by working with the appropriate MAC departments to ensure compliance and maintaining zero violations.

**MSP AIRPORT CONFERENCE CENTER****2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Provide a Great Customer Experience</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Continue to provide a first class customer experience to the internal and external customer.	Attempt to meet every client's needs by searching for solutions to special requests. If we don't offer the service, assist them in finding a viable solution. Physically measure success through compliments and complaints.

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

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Finance	200,400	260,185	286,673	271,178	300,000	300,000
<b>SC Performance Indicator:</b> ACC gross revenues increase year over year						
<b>Comments:</b>						
Safety & Security	0	0	0	0	0	0 offenses
<b>SC Performance Indicator:</b> Secure area offenses						
<b>Comments:</b>						

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**CALL CENTER**

In 2013, the Call Center merged into Public Affairs and Marketing.

**BUDGET SUMMARY**

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>\$</b>	<b>%</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Variance</b>	<b>Variance</b>
Personnel	164,414	0	0	0	-100.00%
Administrative Expenses	0	0	0		
Professional Services	0	0	0		
Utilities	0	0	0		
Operating Services/Expenses	0	0	0		
Maintenance	0	0	0		
Other	0	0	0		
<b>Total Budget</b>	<b>164,414</b>	<b>0</b>		<b>0</b>	<b>-100.00%</b>
<b>FTE Total</b>	<b>2</b>				

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Improve service levels and lower costs through greater use of labor.	Improve schedules with new hire replacement for retiring employee in 2011.	Training of all employees to better respond to customer social media questions.
Provide great service to Deaf & Hard of Hearing & Blind community in project partnership.	Continue to set "stretch goals" with Commission of deaf, deafblind, hard of hearing Minnesotans (MCDHH) and the American Foundation for the Blind (AFB).	Visual paging on-line 3rd quarter.
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.	Working with IS to determine needs and dollar amount required.

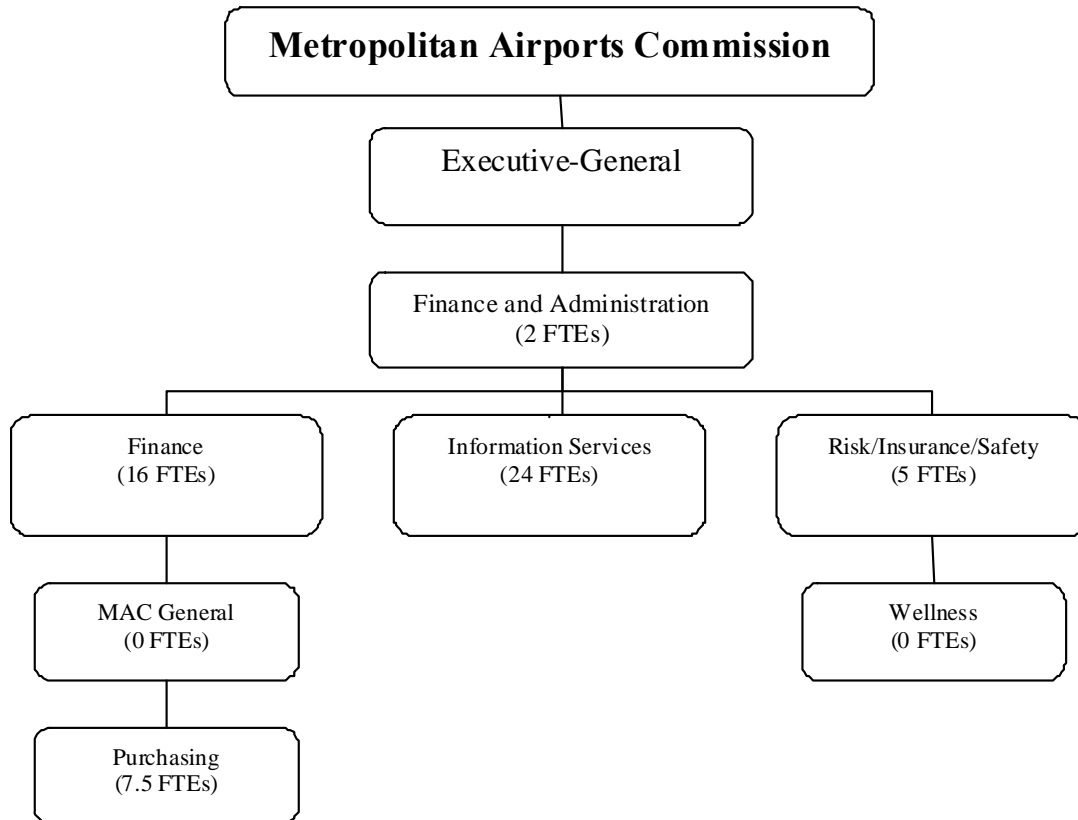
**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Employee Engagement	100%	100%	100%	NA	NA	100%
<b>SC Performance Indicator:</b> Annual employee performance reviews completed						
<b>Comments:</b> All Call Center staff have performance reviews documented in 2011.						

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## Finance & Administration Division



**Notations to Service Center Summaries:**

- \* Variance (dollars and %) is computed between 2012 Budget and 2013 Budget
- \* The explanation for the variances is based upon the 2012 Budget and 2013 Budget
- \* Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

**FINANCE & ADMINISTRATION**

The Finance and Administration 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**

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>\$</b>	<b>%</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Variance</b>	<b>Variance</b>
Personnel	287,004	311,989	212,730	-99,259	-31.81%
Administrative Expenses	3,126	6,000	6,075	75	1.25%
Professional Services	1,275	1,000	1,200	200	20.00%
Utilities	540	540	540	0	0.00%
Operating Services/Expenses	0	0	0		
Maintenance	0	200	100	-100	-50.00%
Other	0	600	850	250	41.67%
<b>Total Budget</b>	<b>291,944</b>	<b>320,329</b>	<b>221,495</b>	<b>-98,834</b>	<b>-30.85%</b>
<b>FTE Total</b>	<b>2</b>	<b>3</b>	<b>2</b>		

**BUDGET HIGHLIGHTS**

Personnel	The decrease in Personnel costs from the 2012 budget can be attributed mainly to the transfer of the two Customer Service employees to different departments. Annual salary adjustments and step increases are included.
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**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Evaluate and analyze rate structure at T1 and T2.	A rate structure of both terminals together or individually is proposed.	Based on the current status of the economy and passenger data, this process has been delayed until 2012.
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.	Final funding for the 2012 - 2014 Capital Improvement Program was presented to the Commission in December, 2011. There were no comments.
Analyze the type and viability of a Short Term Borrowing Program.	Based on analysis, a new Short Term Borrowing Program is in place.	An analysis of the Short Term Borrowing Program was completed. There were two alternatives: Commercial Paper and Short Term Direct/Direct Loan. The Evaluation Team determined that the Direct Loan Program was the most cost effective for the Commission. A 3-year agreement was signed with Wells Fargo during the 4th Quarter of 2011.
Enhance the lease development process.	To identify the process involved with a new lease or amended lease working with CMAA and Legal.	Process has been completed.

**FINANCE & ADMINISTRATION****2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Aid in the restructuring of the Finance Department based upon management report by BKD.	Improved processes and internal controls within the Finance Department.	Staff is making final adjustments to various controls and processes. This will be complete by the end of February 2012.
Participate in development and review of leases associated with those airlines that do not have a 2020 lease.	Leases are revised and/or extended.	A lease extension through 2015 will be offered to the carriers in October, 2011. This extension includes a surcharge for space returned so that MAC may be made whole. Lease document was completed in October, 2011. Airlines are in the process of returning their signed leases.

**2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Complete 2013 - 2015 Capital Improvement Program funding with no new long term debt or additional passenger facility charges.	Funding for the 2013 - 2015 Capital Improvement Program is complete and does not require any new long term debt or additional passenger facility charges.	Funding has been completed. There is a bond issue associated with the 2013 CIP exclusively for the Auto Rental Facilities.
Provide an updated financial model forecast of the current operating environment and provide alternatives associated with Demand Driven Projects.	The financial model is updated to provide a view of the future based on the current operating environment. Alternatives will be developed to show the potential impact of various portions of the 2020 plan.	This process has been completed. Staff will be working on alternative forecasts in 2013.
Evaluate and update the Commission's Investment Policy	The Investment Policy, whether changed or unchanged, is approved by the full Commission.	Staff has identified a proposed calendar to complete an overview and presentation to the Finance and Administration Committee during the 2nd quarter of 2012. This was completed. Staff presented additional requested information to the Finance and Administration Committee in August. Staff has prepared language changes to present to the Legislature regarding our investments in 2013.
Finalize the updated Reliever Airport Financial model.	The updated model shows sustainability for the reliever airport system and is incorporated into the required Ordinances.	The Financial model has been completely revised. The revised Airport Financial Model has been incorporated into the 2013 budget.
Work with Airport Development to redesign the annual Capital Improvement Program presentation to aid Finance in other reporting requirements.	The Capital Improvement Program is presented to show "Ongoing" capital projects and "Demand Driven" projects in separate tables.	This objective is still in process and will be completed in 2013.

**FINANCE & ADMINISTRATION****2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Incorporate forecasted additional billings for Delta agreements into the billing and budget process.	Delta billings for the G Concourse (roof, sprinkler and energy), Bldg. F tower and CCTV have all been incorporated into our systems.	Completed in the 1st quarter. Staff completed work with Delta to streamline the billing and payment process so that issues or problems which arise in the Accounts Receivable report can be resolved earlier. Indications are that all issues have been resolved with the exception of two minor items.
Prepare to incorporate three year operations and capital equipment planning into our budgeting process starting with the 2013 budget cycle.	Process in place to incorporate both three-year operating budget plan and a three-year capital equipment plan starting with the 2013 budget cycle.	This was completed in June, 2012.

**2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Assure Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Complete evaluation and update of the Commission's Investment Policy through Legislative changes if necessary and Commission changes if necessary.	Staff presents to the Legislature as required any information needed for them to evaluate the proposal. Any changes are presented to the Finance and Administration Committee for their review and approval.
NA	Develop various financial model scenarios associated with the 2020 Long Term Comprehensive Plan.	Various financing scenarios are presented to Airport Development and Senior Staff regarding financing of this Plan.
NA	Complete 2014-2016 Capital Improvement Program funding. Determine any new long term debt required. Minimize use of Passenger Facility Charges.	Complete the funding for 2014-2016. All financing elements have been researched and no additional use of PFCs is factored in.

<b>Organizational Strategic Goal: <i>Leverage Resources and Technology</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Develop a detailed process for recordkeeping associated with Long Term Comprehensive Plan projects in conjunction with the annual CIP process.	A process is in place for staff, both in Finance and Airport Development, to readily record and track costs and funding associated with these projects.

**FINANCE & ADMINISTRATION****2014 - 2017 LONG TERM OBJECTIVES**

Objective	Expected Results
Review and evaluate the process identified for implementing the G Concourse into MAC facilities and rate mechanisms.	G Concourse is fully incorporated into MAC facility at T-1 and the rate setting mechanism developed is the most beneficial to MAC.
Evaluate the rate structures at both T-1 and T-2 and the options available going into the future.	A review by staff of existing cost structures and evaluating new costs structures and rate setting mechanisms.

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

Organizational Key Areas of Performance	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Est.	Goal
Finance	2.06	2.22	2.38	3.26 est.	3.13	2.0
<b>SC Performance Indicator:</b> Sr. Debt Service Coverage <b>Comments:</b> Our goal is to maintain senior debt service coverage above 2.0.						
Finance	8th	7th	7th	TBD	7th	Our large hub rank will be 8th or less
<b>SC Performance Indicator:</b> Airline Cost Per Enplaned Passenger <b>Comments:</b> Our goal is to maintain airline cost per enplaned passenger in the lower third of large hub airports.						
Employee Engagement	100%	100%	100%	TBD	100%	100%
<b>SC Performance Indicator:</b> Performance reviews completed <b>Comments:</b> Our goal is to complete annual performance reviews with 100% of our employees every year.						

**WELLNESS**

The MAC Wellness Program works to encourage, educate, and support employees in making healthier lifestyle choices and strives to create a positive impact on employee morale and productivity. By achieving these goals, the program is also instrumental in reducing healthcare costs.

**BUDGET SUMMARY**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	25	145	125	-20	-13.79%
Administrative Expenses	414	735	634	-101	-13.74%
Professional Services	0	0	0		
Operating Services/Expenses	128,980	132,224	133,238	1,014	0.77%
Other	4,170	5,000	10,499	5,499	109.98%
<b>Total Budget</b>	<b>133,588</b>	<b>138,104</b>	<b>144,496</b>	<b>6,392</b>	<b>4.63%</b>
<b>FTE Total</b>					

**BUDGET HIGHLIGHTS**

Other	Other expenses increased to allow replacements of aging equipment in the Fitness Center.
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**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Maintain participation of employees in Wellness programming at 60% by keeping 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%.	We met the goal in all four quarters in 2011 for at least one month per quarter and will encourage participation to continue.
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.	New candidates for nutrition counseling continue to contact us. Over 30 participants received initial or follow-up counseling in 2011.
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.	New programs and vendors were introduced at the Health Expo in 2011 with positive reviews from both employees, management and vendor participants.
Maintain the viability of the MAC Wellness Fitness Center by updating equipment.	Successfully acquire a new Treadmill.	We did not acquire adequate funding for a treadmill, but did purchase a new seated elliptical machine and additional hand weights. We will strive to purchase a treadmill to replace the oldest of the present equipment in 2012.

**WELLNESS****2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Maintain participation of employees in Wellness program at 60% by keeping participation in the Move-To-Improve program $\geq 60\%$ 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 2012 Wellness program, specifically Move-to-Improve, with a target of $\geq 60\%$ .	We experienced a slight decrease in participation when we changed from awarding VISA gift cards to including the quarterly award on the employee paycheck. Our rate for the 4th quarter 2012 was 54% participation for at least one month of the quarter.
Provide an opportunity for nutrition counseling to MAC employees and successfully promote it so that maximum possible (6) counseling sessions are completed.	Six (one/every other month) counseling sessions with 10 new employees participating.	A total of 10 MAC employees initiated Nutrition Counseling in 2012. Eleven participants completed nutrition counseling in 2012.
Sponsor 3 nutrition seminars for the year.	At least 20 employees attending each workshop.	We sponsored a nutrition seminar in December which focused on "Strategies to Strengthen Your Immunity."
Deliver, together with Delta Air Lines and the larger airport business community, a Health Expo as well received as in 2011.	Qualitative assessment of successful delivery.	The Health Expo was again well received by airport employees. The event introduced several new vendors from previous years. Participation has been hard to track as it is only determined by the attendees that register tickets for the raffle drawing.
Maintain the viability of the MAC Wellness Fitness Center by updating equipment.	Successfully acquire a new treadmill.	The wellness fitness subcommittee had Push, Pedal, Pull and 2nd Wind exercise equipment evaluate all the fitness center equipment at no cost and provided their recommendations for replacements. A Cybex ARC elliptical was purchased with the 2012 funds allocated, with the intent to replace a treadmill in 2013. In addition, the men's locker room received shower upgrades to make safer, cleaner showering facilities.

**2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: N/A</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
N/A	Deliver, together with Delta Air Lines and the larger airport business community, Health and Wellness Expo, Relay for Life, and Start Heart Walk events. Increase participation from 2012.	Increased participation in Relay for Life and Start Heart Walk events.
N/A	Provide an opportunity for nutrition counseling and nutrition seminars to MAC employees and successfully promote it so new participants are enrolled. Track % of new hires that use the service.	Increased year over year participation in nutrition counseling and nutrition seminars.

**WELLNESS****2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal:</b> <i>N/A</i>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
N/A	Increase participation of employees in the Wellness program at 60% for Move to Improve while keeping exercise requirement at 30 minutes for at least 15 days per month.	60% or greater participation in the Move to Improve program.
N/A	Maintain the viability of the MAC wellness fitness center and evaluate Navy Building future with Air Development. Begin discussions on long-term potential of building.	Purchase a new treadmill. Update showers for women's use.

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

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Employee Engagement	58%	61%	61%	57%	60%	60%
<b>SC Performance Indicator:</b> % employees participating in Wellness <b>Comments:</b> 60% organizational participation is a marker for meaningful impact on health care costs.						
Employee Engagement	68%	69%	62%	58%	75%	75%
<b>SC Performance Indicator:</b> Wellness Team meeting attendance <b>Comments:</b> Wellness Team members shall be present at monthly wellness meeting at least once per quarter.						
Employee Engagement	31	31	31	12	20	18
<b>SC Performance Indicator:</b> # employees receiving nutrition counseling <b>Comments:</b> The nutrition counseling program is presently budgeted and designed to address 20 new and follow-up employees for the year.						

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**RISK/INSURANCE/SAFETY**

Risk/Insurance/Safety 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. Department responsibilities include risk identification, evaluation, and measurement; preventative strategies; claims administration; purchase of coverage; and evaluation of financing alternatives. Areas of responsibility also include employee benefit programs and administration, workers' compensation, wellness, liability and property insurance coverage, employee safety, fleet safety, as well as maintaining a safe airport system.

**BUDGET SUMMARY**

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>\$</b>	<b>%</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Variance</b>	<b>Variance</b>
Personnel	7,839,366	9,044,886	8,914,814	-130,072	-1.44%
Administrative Expenses	16,007	20,800	29,200	8,400	40.38%
Professional Services	163,936	206,500	177,500	-29,000	-14.04%
Utilities	0	4,000	0	-4,000	-100.00%
Operating Services/Expenses	0	5,700	6,450	750	13.16%
Maintenance	0	1,000	1,500	500	50.00%
Other	1,912,877	1,713,384	1,713,702	318	0.02%
<b>Total Budget</b>	<b>9,932,186</b>	<b>10,996,270</b>	<b>10,843,166</b>	<b>-153,104</b>	<b>-1.39%</b>
<b>FTE Total</b>	<b>5</b>	<b>5.5</b>	<b>5</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel expense decreased overall due to two retirements and one subsequent rehire, insurance adjustments for the year and wage adjustments and step increases.
Administrative Expenses	Additional monies needed for travel to the Annual Safety Council Meeting as well as a MSDA online subscription explains the increase in Administrative Expenses in 2013.
Professional Services	Actual costs for Insurance consultants were less than expected, thus the decrease in the Professional Services category for 2013.
Other	The variance in Other Expenses stems from property insurance increases as well as additional equipment needed for the department.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
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.	MAC Audit Department has been asked to conduct an audit in Feb.-March 2012.
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.	ACRP 01-18 will be completed in first quarter of 2012 which will be introduced to MAC. We have introduced the matrix and it is in use.

**RISK/INSURANCE/SAFETY****2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
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.	Staff continues to refine and improve this program.
Review tenant leased spaces to identify potential hazards which could subject MAC to loss.	Number of inspections, recommendations and action taken will be measured.	Staff continues this action.
Develop a system to track construction activities with Risk/Insurance/Safety 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.	This will be integrated into a 2012 objective.
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.	This is an ongoing process. A survey at the end of 2011 indicated very good progress and input for future objectives in 2012.

**2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Enhance and add employee benefits offerings. Communicate to employees the value of these benefits to them and obtain their feedback.	Several new benefits are scheduled for introduction at different times. Solicit employee feedback on the new offerings, determine % participating and what could be enhanced or added.	A list of generic drugs at no cost was added to the HSA medical plan, enhanced preventative services for all medical plans and enhanced autism. A survey will be issued in the first quarter to measure the results compared to the two previous years. The supplemental short term disability (STD) was combined with LTD and life/AD&D for additional savings to participants. Open enrollment is planned for supplemental life/AD&D along with STD in the first quarter. The Health Assessment (HA) participation continues to increase now to over 51% of active employees.
Expand the use of E1 by employees for benefits and updates.	Survey employees and measure to previous years. Goal 100% of active staff use E1 for open enrollment.	Staff worked with IS and all active employees used E1 for open enrollment this year. Classes were available for employees requiring additional help. Staff is also using this approach to get employees to use MyInfo for other benefits it provided. A survey will be conducted in the first quarter to measure feedback from employees that will be compared to the two previous years.

**RISK/INSURANCE/SAFETY****2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Improve accident investigation process to improve safety for employees, fleet, liability and property.	Review the current process, identify and initiate action and review results.	Staff has conducted accident investigation classes for employees at all airports. A new safety belt utilization program called "click it" was started and a video of the training is available to employees to show their family members.
Introduce an Outcome Based Health Assessment/Biometrics program to active employees.	Solicit feedback and measure participation in the program.	Staff is designing and researching an outcome based Health Assessment/Biometrics program tied to a medical plan for 2014. The Affordable Care Act and changes to HIPAA has given the MAC a greater incentive to design and implement. Input has been solicited from various employees, the Wellness Committee and consultants.
Investigate with other U.S. Airports the formation of an insurance program similar to the Canadian Airports Reciprocal Insurance Exchange (CARIE) to improve coverage and reduce costs.	Work with various ACI-NA Committees and assess the progress.	The Risk Management Committee continues to study CARIE. The department is the designated liaison to the Legal and HR Committees. Input will be obtained and shared with the various Committees.

**2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Assure Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
Closely monitor and manage the performance of the new General Aviation model to ensure it delivers financial viability.	Formalize a governance based Enterprise Risk Management (ERM) system that organizationally qualifies and quantifies risks that can be mitigated or taken advantage of.	Form an ERM management structure to establish an effective system of risk assessment.

**RISK/INSURANCE/SAFETY****2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: N/A</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
N/A	Assess the Confined Space Entry Safety process to identify and improve hazards and rescue procedures.	Assess the process, establish and implement procedures followed by audits.
N/A	Develop a continuous improvement process to enhance the effectiveness, efficiency and integrity of all employee benefits data systems.	Conduct scheduled audits of each process.
N/A	Design employee benefits that meet the expectations of a generationally diversified employee population while complying with applicable laws.	Employee input surveys, assessing utilization trends and compliance with applicable laws.
N/A	Improve the safety audit process utilizing a risk matrix to assess safety hazards and take action to eliminate or minimize identified hazards.	The risk matrix process establishes action and time periods to address hazards that have been quantified and qualified.

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

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Safety & Security	28	38	34	22	22	=<30
<b>SC Performance Indicator:</b> Fleet Accidents <b>Comments:</b> Continue to work within the organization to control fleet accidents.						
Employee Engagement	4.3%	5.2%	2.1%	2.1%	3.0%	=<5.0%
<b>SC Performance Indicator:</b> Medical Benefits Cost Trend <b>Comments:</b> National trend is approximately 8% which we want to remain below. Current MSP 5 year trend is a 3.8% average.						
Safety & Security	0.92	0.70	0.72	0.60	.70	1.0
<b>SC Performance Indicator:</b> Experience Modification Factor <b>Comments:</b> Our goal is to remain below 1.0.						
Employee Engagement	96%	95%	95%	95%	95%	>90%
<b>SC Performance Indicator:</b> Percent of employee on MAC benefits plans <b>Comments:</b> Our goal is 90% or better employee participation in MAC's medical/dental benefits plans.						
Safety & Security	150	195	181	140	150	=<200
<b>SC Performance Indicator:</b> Injuries per Passenger <b>Comments:</b> Identify problem areas and take action to control the loss potential.						

**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). The department oversees financial planning which 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**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	1,264,132	1,320,070	1,351,265	31,195	2.36%
Administrative Expenses	18,810	19,006	17,582	-1,424	-7.49%
Professional Services	172,374	195,775	193,287	-2,488	-1.27%
Utilities	1,080	1,080	1,096	16	1.48%
Operating Services/Expenses	196,025	184,018	199,100	15,082	8.20%
Maintenance	0	0	0		
Other	2,431	1,500	1,523	23	1.53%
<b>Total Budget</b>	<b>1,654,852</b>	<b>1,721,449</b>	<b>1,763,853</b>	<b>42,404</b>	<b>2.46%</b>
<b>FTE Total</b>	<b>16</b>	<b>16</b>	<b>16</b>		

**BUDGET HIGHLIGHTS**

Personnel	The increase in Personnel is due to wage structure adjustments and step increases.
Professional Services	The decrease in Professional Services stems from budgeting closer to past accrual costs.
Operating Services/Expenses	The increase in Operating Services/Expenses is due to the expected increase in bank fees and the Whistleblower program put into place in 2012.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Make software improvements.	Streamline the financial reporting process to improve productivity.	Completed
Within the Reliever team, assist with evaluating options for new or revised aspects of reliever airport business components. As the new business plan is developed, create the new financial model.	New Reliever Airport Model.	Proposed new reliever model complete. This is the basis for Ordinance 107's amendment. Reliever model may be further adjusted based on Ordinance 107 final approval.
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.	Completed funding source, but not all projects with life cycle operating costs have yet to be identified.
Pursue new MSP & Reliever Airport revenue opportunities.	Lease agreements approved by the Commission.	Continue to assist overall team pursuing reliever airport non-aero revenue.

**FINANCE****2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
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 \$29 million.	2011 debt Coverage 2.23x. six-month transfer completed. Cost per enplaned passenger 7th out of 24; Construction transfer of \$40 million.
Review, prioritize and implement recommendations found in the BKD management report.	1. Improved departmental efficiency. 2. Improved Internal controls	Completed all work that was scheduled for 2011. Process will continue into 2012.
Make software Improvements.	Improve fixed asset reporting to improve productivity.	Complete
Make software Improvements.	Improve the payroll process with time entry, paycheck efficiency, customer service and internal controls.	Improved the time entry screen in order for managers/supervisors to see employee leave balances. Staff was able to develop reports that enable Payroll to determine what PR changes had occurred from the last payday. Responded to the PR internal audit in which staff will be asking for 2012 funding for an automated time entry system. With the assistance of IS and IS consultants we were able to document an AR reconciliation process.
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).	Established the current data set for utility billings with MAC Environment staff. Documentation has started for gas, electric documentation has started and will complete in the 2012 time frame.

**2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Determine whether any current bond issues are eligible for refunding.	At least 3% or greater Net Present Value Savings.	Refunded the 2003 General Airport Revenue Bond Series 2003 for a net present value dollar savings of \$5.3 million which equates to a 11% Net Present Value Savings
Given the various types of debt issued by MAC, a debt compliance manual/spreadsheet is needed to ensure that MAC is in compliance with its debt covenants.	A completed document available to all Finance employees.	Deferred to 2013 due to staffing vacancies

**FINANCE****2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Monitor Key success measures.	Senior Debt coverage > 1.4x revenues. Maintain 6 month operating reserve. Airline cost per enplaned passenger will be in the lower 1/3 of all large hub airports. Construction fund transfer of at least \$38.7 million.	Based on preliminary 2012 numbers, we will have met all key success indicators
Implement automated time and pay system for certain MAC departments.	Increased productivity, accuracy and stronger internal controls	Process improvement stage is complete. Kickoff meeting is scheduled in January 2013 with an expected project complete date in the early 3rd quarter of 2013.
Review Investment Policy.	To be on the same investment compliance criteria as other governmental entities in Minnesota.	Met with the MN Department of Management and Budget and offered no objections to our proposal. Staff is currently evaluating its next step.

**2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Assure Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Monitor key success measures	Senior Debt coverage > 1.4x revenues. Maintain 6 month operating reserve. Airline cost per enplaned passenger will be in the lower 1/3 of all large hub airports. Construction Fund Transfer will be at least \$40 million.

**FINANCE****2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Leverage Resources and Technology</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
Expanded use of MAC's Enterprise Resources Planning product, EnterpriseOne, including automated time entry, capital project management and maintenance management.	Implement WorkForce Director for Field Maintenance, Fire, Police and Relievers	Eliminate the manual re-keying of time into Enterprise One accomplished through an interface between E1 and Work Force Director.
Expanded use of MAC's Enterprise Resources Planning product, EnterpriseOne, including automated time entry, capital project management and maintenance management.	Implement a new Point of Sale System for the Airport Police Badging Office.	A new point of sale system will have the following features. 1. Accept Credit Cards--Customer Service improvement 2. A stronger capability to track contractor deposits 3. Improve the interface to E1 to include all transaction types (e.g. refunds)

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

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Finance	N/A	100%	90%	92%	92%	92%
<b>SC Performance Indicator:</b> Close Accounts Receivable within 2 business days						
<b>Comments:</b> December takes longer to close						
Finance	90%	90%	90%	92%	92%	92%
<b>SC Performance Indicator:</b> Monthly general ledger close by the 2nd Monday of each month						
<b>Comments:</b> December Takes longer to close						
Finance	N/A	100%	100%	92%	92%	92%
<b>SC Performance Indicator:</b> Close Accounts Payable by the Friday before the General Ledger close						
<b>Comments:</b> December takes longer to close						

**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, utilities (electric, heating, sewer and water), copy agreements, unleaded gas and diesel fuel. The FTE count is all open positions not yet allocated to service centers. The Finance Department is responsible for the budgeting of MAC General.

**BUDGET SUMMARY**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	12,928,771	11,299,432	11,187,928	-111,504	-0.99%
Administrative Expenses	32,927	0	0	0	0.00%
Professional Services	389,816	0	0	0	0.00%
Utilities	16,082,431	17,264,121	17,264,106	-15	0.00%
Operating Services/Expenses	1,884,236	183,001	34,000	-149,001	-81.42%
Maintenance	2,409,011	936,710	1,107,096	170,386	18.19%
Other	675,260	68,889	65,402	-3,487	-5.06%
<b>Total Budget</b>	<b>34,402,452</b>	<b>29,752,153</b>	<b>29,658,532</b>	<b>-93,621</b>	<b>-0.31%</b>
<b>FTE Total</b>		<b>5</b>	<b>4</b>		

**BUDGET HIGHLIGHTS**

Personnel	MAC General holds open positions until filled. Personnel decreases are attributable to less unassigned positions than in 2012.
Utilities	The decrease in Utilities is due to lower natural gas prices and water & sewer consumption offset partially by higher electricity rates.
Operating Services/Expenses	Operating Services/Expenses decreased in 2013 because Metropolitan Council general fees were moved to the Planning, Development and Environment department.
Maintenance	Maintenance increased due to the rate and consumption estimate.
Other	The decrease in Other Expenses is due to petroleum use tax budgeted closer to actual cost.

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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 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 T1-Lindbergh and Central Services in the General Office building. In addition, Purchasing administers the Commercial Card program for MAC and maintains blanket order spreadsheets, including insurance certificates, for contracts generated by this department.

**BUDGET SUMMARY**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	478,573	483,594	474,152	-9,442	-1.95%
Administrative Expenses	17,156	41,575	44,270	2,695	6.48%
Professional Services	0	0	0		
Utilities	0	0	0		
Operating Services/Expenses	3,229	119,887	121,411	1,524	1.27%
Maintenance	0	0	0		
Other	1,009	5,000	1,024	-3,976	-79.52%
<b>Total Budget</b>	<b>499,967</b>	<b>650,056</b>	<b>640,857</b>	<b>-9,199</b>	<b>-1.42%</b>
<b>FTE Total</b>	<b>7.5</b>	<b>7.5</b>	<b>7.5</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel expense decreased due to a senior employee retirement and subsequent hire of a junior employee. Also the local seminar budget increased to cover NIGP education expenses. Also, wage adjustments and step increases are included.
Administrative Expenses	The increase in Administrative Expenses stems from the postage budget being moved to the Purchasing Department in 2012.
Operating Services/Expenses	The copy center agreement moved to the Purchasing Department in 2012. Also, the mail machine rental increases in 2013.
Other	License tab renewals peak every other year so 2013 will be lower than 2012 but 2014 will be much higher.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Work with IS Department to improve the MAC Web site to 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.	The email functionality is up and running but IS has indicated that they will not be able to work on allowing vendors the ability to submit responses electronically until a later date.
Continue to improve customer service to external and internal customers.	Issue internal and external customer satisfaction surveys.	Surveys will be issued in 2012.

**PURCHASING****2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Continue to revise and update the policy and procedure documents covering all aspects of purchasing.	The Pcard Policy and other Purchasing Department related policies and processes will be reviewed and revised during 2011.	Ordinance 45, relating to Lost and Found Processes, has been drafted and we are awaiting approval. All Purchasing policies have been updated over the past couple of years.
Move towards making the Purchasing Department paperless.	Move away from hard-copy files and attach more project backup documents in E1 RSS.	Progress is ongoing and almost 100% of our E1 RSS requisitions and purchase orders now have supporting documentation attached online eliminating the need for hard-copy files.
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.	The Vendor Address Book clean-up project has been completed and a 'purge' process has begun for 'old' vendor files. ACH payment (electronic transfer) account information is being added for interested Vendors.

**2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Move towards making the Purchasing Department paperless.	Move away from hard-copy files and attach more project backup documents in E1 RSS. Also, be able to receive proposals electronically.	Purchasing staff and end users continue to expand the use of the BACKUP area of E1 RSS to include attaching quotes, bids, invoices, commission memos, unique project details, etc. We have not begun to receive bid and proposal responses electronically and that will involve some additional programming in our project posting site from the IS department.
Continue to improve customer service to external and internal customers.	Issue an internal customer satisfaction survey.	The survey was issued and the results have been tabulated with 88% of respondents giving us an overall rating of 4 or 5 with 5 being the highest possible.
Continue to revise and update the policy and procedure documents covering all aspects of purchasing, specifically to revise Ordinance 45 related to our Lost & Found processes.	Ordinance 45 related to Lost & Found is revised.	Ordinance 45 related to our Lost & Found processes has been revised and is awaiting review and approval.
A long term objective is to increase the Pcard and one quote threshold from \$2,500 to \$3,500.	Reduce the time and effort spent on lower dollar purchase orders.	Our Pcard program was audited in 2011 and received passing grades but there is currently no plan to increase the one-quote or Pcard threshold from \$2,500 to \$3,500.

**PURCHASING****2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Leverage Resources and Technology</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
Expanded use of MAC's Enterprise Resources Planning product, EnterpriseOne, including automated time entry, capital project management and maintenance management.	Move towards making the Purchasing Department paperless.	Move away from hard-copy files and attach more project backup documents in E1 RSS. Also, be able to receive solicitation responses electronically.

<b>Organizational Strategic Goal: <i>N/A</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
N/A	A long term objective is to increase the Pcard and one quote threshold from \$2,500 to \$3,500.	Reduce the time and effort spent on lower dollar purchase orders.

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

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Completed performance reviews						
<b>Comments:</b>						

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**INFORMATION SERVICES**

The Information Services (IS) Department provides leadership and direction to the MAC in the area of information systems and 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**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	2,142,682	2,465,538	2,461,381	-4,157	-0.17%
Administrative Expenses	333,701	131,494	170,958	39,464	30.01%
Professional Services	352,075	475,000	555,000	80,000	16.84%
Utilities	331,137	376,753	341,576	-35,177	-9.34%
Operating Services/Expenses	2,084,761	2,926,270	3,349,151	422,881	14.45%
Maintenance	2,719	0	5,000	5,000	100.00%
Other	357,535	344,231	433,488	89,257	25.93%
<b>Total Budget</b>	<b>5,604,610</b>	<b>6,719,286</b>	<b>7,316,554</b>	<b>597,268</b>	<b>8.89%</b>
<b>FTE Total</b>	<b>22</b>	<b>24</b>	<b>24</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel expense increased for staff training, after hours help desk staffing, as well as wage adjustments and step increases.
Administrative Expenses	The increase is due to network supplies such as fiber patch cables and connectors, required membership in the Payment Card Industry (PCI) organization and conference fees for the Distributed Antenna System (DAS) that was taken in-house for support as well as the AAAE GIS conference. The DAS conference is part of the ongoing training for MAC staff supporting the DAS.
Professional Services	The increase in Professional Services comes from continuing consultant program management and IT Master Plan work as well as renewed work on the MAC Geographic Information System and CIP projects with IT elements.
Utilities	The decrease in Utilities is attributable to a decrease in phone expense from favorable bids for the services.
Operating Services/Expenses	The increase in Operating Services is attributable to increased hardware and software maintenance and support contracts.
Maintenance	Maintenance expense was added to the Information Services Department budget following data collection in 2011.
Other	The Other Expenses category is more in 2013 because of security upgrades to parking network equipment.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Expand Multi-User Flight Information Displays and Interactive information kiosks in both Terminals 1 and 2.	Displays are installed and operational.	Installation is underway with completion Q1 2012.

**INFORMATION SERVICES****2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Extend use of EnterpriseOne (E1) 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.	Asset management and inventory processes are completed and under review for needed inclusion in the MAC Design and Construction Standards. Time entry via E1 is in place except for Field Maintenance.
Select and implement a Police Records Management System (RMS).	Records Management System (RMS) is implemented and operational.	System is implemented and operational.
Upgrade MSP courtesy telephone system. Upgrade MAC telephone system.	Both system upgrades are complete.	MAC phone upgrade is complete. Courtesy phone system upgrade was delayed by construction of a needed telecom room; upgrade will be done Q1 2012.
Upgrade MSP closed circuit TV system - Phase I.	Governance mechanisms and policies have been created. Target coverage has been identified. Preliminary design is complete.	The governance method, the MAC-wide CCTV Governance Group, has been established and chartered along with the CCTV Working Group. Complete analysis of campus coverage requirements has been completed. The procurement of the main video management system hardware and software will occur Q1 2012. An application for TSA grant funding for some of the system will be submitted to the Department of Homeland Security Q1 2012.
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.	Backbone fiber work has been completed building to building. Mechanical, fire and electrical upgrades to the four key network node locations are underway with completion expected Q1 2012. Purchase of core switches/routers has been deferred until 2012. The Data Center bid package will be issued in 2012.
Complete upgrade of Landside Parking Revenue Control System.	System is operational.	Progress has been slower than planned because of software issues. Initial system rollout has been completed at T2 during December 2011. Completion is expected Q3 2012.

**INFORMATION SERVICES****2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Select and implement a Learning Management System that will provide computer-based training for recurrent security training as well as provide testing and record keeping for required FAA Rules Part 139 training for airport workers.	The System will be operational for ongoing SIDA training as well as required Movement Area drivers training.	The Learning Management System has been selected and implemented. Several courses have already been offered including the annual PCI-required MAC staff security awareness training and seat belt use class. Work continues with the Operations Division on how best to meet the FAA Part 139 requirements for staff training and record keeping. SIDA training classes are being developed by the Police Department using the learning Management System.
Upgrade MAC's network that carries voice, video and data to meet present and future needs. The demands for capacity coming from the iVISN (CCTV) upgrade are driving this effort.	Phase I will be completed in 2012 including network design and implementation planning. The backbone portion of the network will be installed, configured and tested in 2012.	The bid was awarded through the MAC Capital Improvement Program for the network upgrade hardware in December, 2012. Detail design will extend into the first quarter 2013, with the backbone nodes planned for installation during that quarter. The delay was caused by purchasing complications arising from the statutory requirement that equipment be purchased by low bid for a project that has to combine equipment with technical design services. Low cost is only one factor in obtaining the best result for the MAC.
Complete iVISN project Phase I - CCTV upgrade, which includes selecting the system integrator, the Video Management System, Physical Security Information Management System, a test network and environment, and cameras to evaluate.	Phase I installation and configuration will be completed and camera evaluation underway.	The iVISN project is on track with the test lab operational and camera testing underway. Testing will extend into the first quarter 2013. A number of CIP projects already under construction included CCTV elements that were on hold pending the selection of the CCTV system. Work has been required to retrofit those projects with the new iVISN equipment and network elements to complete these projects as scheduled. Included are the T2 - Humphrey Checkpoints and the T1- Lindbergh South Baggage Screening project.
Expand the use of E1 to CIP budgeting; time entry for Fire, Police and Field Maintenance; improving employee self-service portal and extending the maintenance management functions to resource scheduling.	CIP budget reports are available from E1, electronic time entry is available for all MAC departments, the self service portal has additional functions and resource scheduling will be in use.	Resource scheduling using E1 was piloted with the MAC Trades departments. Changes are being made to accommodate issues uncovered during the trial. Moving CIP budgeting and CIP project financial management processes to E1 continues into 2013 because of staff time constraints in 2012. The E1 employee self service portal, MyInfo, now provides complete online annual benefits enrollment for all staff. Time entry for Police, Fire and Field Maintenance is the subject of a separate project where the process will be handled via a hosted solution that is then linked to E1 for payroll processing.

**INFORMATION SERVICES****2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Capture asset data as equipment is installed, label asset, and link asset data with the maintenance management system for ongoing corrective and preventative maintenance.	MAC Design and Construction Standards include the project closeout procedures to capture the data. Field verification and labeling are completed for the next segment of the campus.	The MAC Design and Construction Standard proposed change to require asset data capture as part of project closeout is still pending. Asset data is being captured as part of the Data Center project. Field verification has been completed at the test site and the Trades Center building, and asset bar code labeling will be completed first quarter of 2013.
Upgrade MAC desktop software to Windows version 7 and Microsoft Office 2010.	Software upgrades and training are completed.	This objective is shifted forward to 2013 in order to move to a virtual desktop environment. The virtual desktop allows the software and data to be provided to each workstation from central servers rather than residing at the physical workstation itself. This removes the need to upgrade the desktop computers in order to meet ever increasing hardware requirements. It also enables easy setup and delivery of new software versions to every computer user since these occur centrally rather than at each workstation. The Windows 7 and Office updates will be provided via this environment.
Complete the upgrade of the MSP courtesy phones, replacing central equipment that is obsolete by adding the courtesy phones to the MAC PBX phone system.	Upgrade successfully completed.	The project is complete.
Design and implement a campus-wide operational wireless system enabling staff access to data both in buildings and on the field.	Network design is complete, vendor is selected and installation is underway.	The bid was awarded in December, 2012 and construction begins first quarter 2013. This will be the first of two phases where each phase covers a subset of the number of access points to which staff mobile devices will connect wirelessly upon project completion.
Maintain Payment Card Industry (PCI) credit card security compliance.	MAC assessment confirmed compliance as a Level 2 merchant and service provider.	The MAC achieved PCI compliance as a Level 2 merchant in 2012. The MAC Information Services Security Officer became a PCI qualified compliance assessor, able to review the MAC self assessment.

**INFORMATION SERVICES****2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Leverage Resources and Technology</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
Expanded use of MAC's Enterprise Resources Planning product, EnterpriseOne, including automated time entry, capital project management and maintenance management.	Incorporate CIP budgeting and project financial management into EnterpriseOne, replacing stand alone systems. Support maintenance management by capturing asset data at construction project closeout. Provide pilot mobile access to work order data.	CIP budgets and project financial reports will be generated from EnterpriseOne as the system of record. Asset data capture processes will be in place. Mobile access to work order information will be available on a trial basis.
Upgrade operating system and office productivity suite to Windows 7 and Office 2010 including SharePoint.	Upgrade MAC desktop software to Microsoft Windows 7 and Office 2010 by implementing a virtual desktop environment. Implement Microsoft SharePoint for selected, collaborative functions including automated workflow.	Windows 7 and Office 2010 will be the desktop software in operation. SharePoint will be in use for automated workflow processing of selected documents including digital signatures.

<b>Organizational Strategic Goal: <i>N/A</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
N/A	Migrate information technology systems from current campus locations into the new data center building.	MAC systems planned to reside in the data center are operational from the new location.

<b>Organizational Strategic Goal: <i>Provide a Great Customer Experience</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
Implement technology to inform passengers of security checkpoint wait times.	Provide information on checkpoint wait times to MSP customers including passengers and airlines by web published information through the MAC website and/or via terminal display monitors.	Checkpoint wait times are indicated to customers at T1 - Lindbergh via the MAC's website.

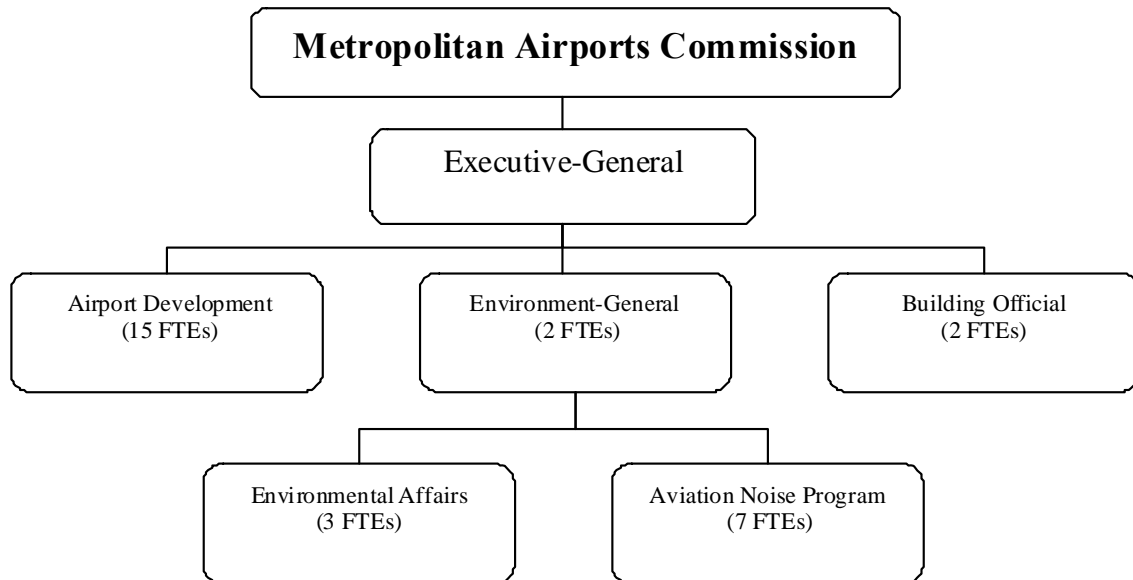
**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Finance	1.55	.75	.77	.78	.80	>1:1,000,000
<b>SC Performance Indicator:</b> IS staff per million passengers <b>Comments:</b> Ratio of 1 IS staff person to 1million passengers.						
Finance	3.77%	3.57%	4.10%	4.6%	5.11%	< 5%
<b>SC Performance Indicator:</b> IS budget as percent of total expense <b>Comments:</b> Maintain appropriate investment in information systems resources.						

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

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Operations	99.9%	99.9%	99.99%	99.99%	99.99%	99.99%
<b>SC Performance Indicator:</b> System availability <b>Comments:</b> 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.						
Employee Engagement	100%	100%	100%	95%	100%	100%
<b>SC Performance Indicator:</b> Completed performance reviews <b>Comments:</b> Our goal is to complete annual performance reviews with 100% of our employees every year.						

## Planning, Development & Environment Division



**Notations to Service Center Summaries:**

- \* Variance (dollars and %) is computed between 2012 Budget and 2013 Budget
- \* The explanation for the variances is based upon the 2012 Budget and 2013 Budget
- \* Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

## PLANNING, DEVELOPMENT & ENVIRONMENT

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

### BUDGET SUMMARY

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	209,349	213,029	185,578	-27,450	-12.89%
Administrative Expenses	6,949	10,160	8,840	-1,320	-12.99%
Professional Services	106,476	232,554	120,350	-112,204	-48.25%
Utilities	864	1,020	1,035	15	1.47%
Operating Services/Expenses	791	27,167	173,200	146,033	537.54%
Maintenance	0	0	0		
Other	0	0	0		
<b>Total Budget</b>	<b>324,430</b>	<b>483,930</b>	<b>489,003</b>	<b>5,074</b>	<b>1.05%</b>
<b>FTE Total</b>	<b>2</b>	<b>2</b>	<b>2.5</b>		

### BUDGET HIGHLIGHTS

Personnel	The overall decrease in Personnel is based upon salary savings from an open position, but increased for wage structure adjustments and step increases as well as an additional half FTE.
Professional Services	The addition in Professional Services reflects an increase in planning needs for 2013.
Operating Services/Expenses	The increase in Operating Services/Expenses is due to the transfer of Metropolitan Council fees to the Planning, Development & Environment Cost Center.

### 2011 RESULTS REPORT

Service Center Objective	Measurement	Results
Oversee implementation of Part 150 Consent Decree.	Completion of steps necessary to meet the milestones set forth on established schedule.	All elements continue on schedule for the 2014 completion.
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.	Efforts are continuing. Staff continues to pursue new leads for a solar application at MSP.
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.	Staff is preparing for a presentation to the Commission (which will occur at the January Commission meeting).

**PLANNING, DEVELOPMENT & ENVIRONMENT****2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Continue Reliever Airport Safety Zoning at St. Paul Airport and Flying Cloud Airport and initiate safety zoning process for the Lake Elmo and Anoka County-Blaine Airport.	Adoption of STP and FCM Joint Airport Zoning Board (JAZB) Ordinances and establishment of JAZB for Lake Elmo and Anoka County-Blaine.	This work is on hold pending resolution of legal matters that affect this effort.
Progress the Environmental Assessment for the Long Term Comprehensive Plan for MSP for eventual adoption by the Commission in 2012.	Commission Progress Reports.	The Environmental Assessment work continues on track for a 3rd Quarter 2012 completion.

**2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Expand the arts and culture program at MSP.	Improve Airport Service Quality (ASQ) score for Airport Environment: Ambience of the airport.	The T-1 Restroom project and the T-2 mosaic floor art are complete.
Complete the MSP 2020 Improvements Environmental Assessment/Environmental Assessment Worksheet.	Approval by the Commission and the FAA and obtain the Record of Decision.	The final EA/EAW documents are complete. Final action by the FAA and MAC are expected in the first quarter of 2013.
Develop the 2013-2019 Capital Improvement Program with input from all stakeholders and Finance.	Present draft of the 2013-2019 CIP to the Commission and Metropolitan Council and surrounding communities in September for environmental review. Adopt the 2013-2019 Capital Improvement Program at the December 17, 2012 Commission Meeting.	The 2013-2019 CIP was approved by the Commission on 12/17/12.
Focus on the four Reliever Airport parcels which the Commission approved for a lease development program with a third party developer.	Provide additional revenue in the form of a long term development agreement for the Reliever Airport financial model by year end.	Priority parcels are identified and the first step in the planning and zoning approval has been completed with the City of Eden Prairie. Land release work continues with the FAA.

**2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal:</b> <i>Assure Financial Viability</i>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
Explore options for expanding non-aeronautical revenue.	Enter into 2 commercial development lease agreements at the Reliever Airports.	Execution of lease agreements with a revenue goal to produce in excess of \$50,000 annually to the Reliever program.

**PLANNING, DEVELOPMENT & ENVIRONMENT****2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Enhance Air Service at MSP.</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
Complete the environmental documentation associated with MSP 2020 improvements.	Complete the MSP 2020 Improvements Environmental Assessment/Environmental Assessment Worksheet.	Approval by the Commission and the FAA and obtain the Record of Decision.

<b>Organizational Strategic Goal: <i>N/A</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
N/A	Continuing refinement of Environmental Management System (EMS) scope and implementation plan for the MAC system of airports in 2014.	Complete scope refinement by mid year. Define implementation process by the end of the year.
N/A	Develop the 2014-2020 Capital Improvement Program with input from all stakeholders and Finance.	Present draft of the 2014-2020 CIP to the Commission and Metropolitan Council and surrounding communities in September for environmental review. Adopt the 2014-2020 Capital Improvement Program at the December 16, 2013 Commission meeting.
N/A	Complete National Pollutant Discharge Elimination System (NPDES) Permit.	Resolve final issues and complete new NPDES Permit with MPCA.

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

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Performance reviews completed <b>Comments:</b> Our goal is to complete annual performance reviews with 100% of our employees every year.						
Environment	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Compliance with Consent Decree Deadlines <b>Comments:</b>						

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**AIRPORT DEVELOPMENT**

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

**BUDGET SUMMARY**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	410,207	451,819	457,040	5,221	1.16%
Administrative Expenses	23,071	43,625	38,100	-5,525	-12.66%
Professional Services	183,500	242,500	247,500	5,000	2.06%
Utilities	2,547	4,000	4,500	500	12.50%
Operating Services/Expenses	983	2,500	2,000	-500	-20.00%
Maintenance	0	1,000	1,000	0	0.00%
Other	60	7,500	4,000	-3,500	-46.67%
<b>Total Budget</b>	<b>620,367</b>	<b>752,944</b>	<b>754,140</b>	<b>1,196</b>	<b>0.16%</b>
<b>FTE Total</b>	<b>15</b>	<b>15</b>	<b>15</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel expense increased for expected overtime in 2013 along with wage structure adjustments and step increases.
Administrative Expenses	Administrative Expenses decreased as less software was needed in 2013 and the ESRI GIS software was transferred to the IS department.
Professional Services	The increase in Professional Services is due to anticipated fee increases.
Other	Other Expenses decreased in 2013 because there was a one-time purchase in 2012.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Implement the 2011 Capital Improvement Program.	Design, bid, award and have under construction all projects in the approved 2011 CIP by December 31, 2011.	95.9% of projects approved by the Commission were implemented in 2011.
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.	Projects authorized for construction in 2011 have been awarded to date. A few projects including the T1 public seating replacement project, the CCTV system Integrator selection and the T1 roadway documentation project have been deferred to first qtr of 2012 to allow sufficient time to properly scope these projects.

**AIRPORT DEVELOPMENT****2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
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.	Commission approved a \$119,550,000 2012 CIP on Dec 19, 2011.
Administer consultant service contracts and Professional Service Authorizations (PSA) in accordance with all applicable MAC policies.	No substantive external or internal audit findings.	Accomplished with minor recommendations for PSA processing improvements.
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.	Consultant fees negotiated within acceptable standards. All consultant annual reviews completed prior to year end.
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.	Currently FAA is working with 23rd continuing resolution without US Congress approving reauthorization/allocation of AIP funding. Annual report provided to the Commission in October 2011.
Manage property acquisition/disposition in conformance with all MAC and agency requirements.	No substantive external or internal audit findings.	Accomplished.

**2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Implement the 2012 Capital Improvement Program.	Design, bid, award and have under construction all projects in the approved 2012 CIP by December 31, 2012.	52 contracts were designed, bid and awarded in 2012. Total 2012 construction bid value was \$67.7 million which equates to 63.7% of the CIP value and 90% of the pre-bid estimate. The average construction cost change average on all closed projects since 2008 amounts to 0.5%; far less than the 5-10% acceptable industry standard.
Direct the ongoing scope refinement and development of the 2012 Capital Improvement Program projects.	Assign project managers and key team members for all 2012 CIP projects. Conduct project development meetings with stakeholders to solidify project scopes for design. Schedule projects for bid and award for 2012.	All assignments are complete.

**AIRPORT DEVELOPMENT****2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Develop the 2013-2019 Capital Improvement Program with input from all stakeholders and Finance.	Present draft of the 2013-2019 CIP to the Commission and Metropolitan Council and surrounding communities in September for environmental review. Adopt the 2013-2019 Capital Improvement Program at the December 17, 2012 Commission meeting.	The draft 2013 - 2019 CIP was presented to the Commission in September to commence the environmental review process. The Assessment of Environmental Effects (AOEE) public hearing occurred at the Nov 5th PD&E Committee meeting. 2013-15 CIP is in sync with the funding plan. The Commission adopted the 2013-19 CIP Dec 17th, 2012. The CIP is scheduled to be approved by the Metropolitan Council on January 23, 2013.
Administer consultant service contracts and Professional Service Authorizations (PSAs) in accordance with all applicable MAC policies.	No substantive external or internal audit findings	Responded to Internal Audit finding relative to Davis-Bacon Compliance monitoring.
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.	All Airport Development continuing consultant annual performance reviews are complete. Fees negotiated throughout the year were within acceptable industry standards.
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.	Submitted grant applications to FAA, MnDOT and TSA for all grant eligible projects. Briefed Commission accordingly. Secured unique \$6M Transportation Economic Development (TED) grant for 34th Ave S interchange project.
Manage property acquisition/disposition in conformance with all MAC and agency requirements.	No substantive external or internal audit findings.	Accomplished

**2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: N/A</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
N/A	Implement the 2013 Capital Improvement Program.	Design, bid, award, and have under construction all projects in the approved 2013 CIP by December 31, 2013.
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.

**AIRPORT DEVELOPMENT****2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: N/A</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
N/A	Develop the 2014-2020 Capital Improvement Program with input from all stakeholders and Finance.	Present draft of the 2014-2020 CIP to the Commission and Metropolitan Council and surrounding communities in September for environmental review. Adopt the 2014-2020 Capital Improvement Program at the December 16, 2013 Commission meeting.
N/A	Administer consultant service contracts and Professional Service Authorizations (PSAs) in accordance with all applicable MAC policies.	No substantive external or internal audit findings.

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

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Employee Engagement	80%	85%	100%	80%	90%	100%
<b>SC Performance Indicator:</b> Complete performance reviews on Airport Development staff						
<b>Comments:</b>						
Development	2.2%	1.6%	2.8%	1.4%	<5%	<5%
<b>SC Performance Indicator:</b> Manage CIP construction projects within historic change order parameters						
<b>Comments:</b>						

**BUILDING OFFICIAL**

The Building Official is responsible for the overall administration of the Metropolitan Airports Commission Building Code Ordinance and is directly accountable to the Vice President - Planning, Development and Environment. Department responsibilities include the application, administration, implementation and enforcement of the State of Minnesota Building Code and the Metropolitan Airports Commission Construction Standards and Procedures, Design Standards and Guidelines. Duties include plan review, issuance of permits, inspections, and retention of inspection history and building construction plans. In addition, the department provides Construction Management responsibilities for retail and food and beverage construction build outs and remodeling of existing tenant spaces within Terminal 1 and Terminal 2.

**BUDGET SUMMARY**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	156,184	157,988	165,530	7,542	4.77%
Administrative Expenses	15,841	18,500	19,023	523	2.83%
Professional Services	0	0	0		
Utilities	0	0	0		
Operating Services/Expenses	0	100	100	0	0.00%
Maintenance	0	0	0		
Other	0	0	0		
<b>Total Budget</b>	<b>172,025</b>	<b>176,588</b>	<b>184,653</b>	<b>8,065</b>	<b>4.57%</b>
<b>FTE Total</b>	<b>2</b>	<b>2</b>	<b>2</b>		

**BUDGET HIGHLIGHTS**

Personnel	The increase in Personnel is due to wage structure adjustments and step increases.
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**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Complete an Airport ADA Compliance Report for T-1 and T-2.	Conduct the reviews using the Americans with Disabilities Act checklist for existing facilities.	Completed approximately 80% review of T-1 and 90% review of T-2. Remodel of customer restrooms in T-1 began late in the fourth quarter of 2011. These upgrades include ADA compliance issues.
Provide the G Concourse with sprinklers and smoke detection.	Work with Delta Air Lines staff and their consultants to complete the task.	All design and engineering was completed in the fourth quarter of 2011 and construction will begin in the first quarter of 2012.
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.	Completed approximately half of the document review in 2011 and will continue the review in 2012.
Purge the department's plans and permits files.	Follow the Department's Record Retention Plan.	Permit files have been purged and sent over to the retention storage building.
Complete Phase 4 Fire Sprinkler and Alarm upgrades at T-1 and T-2.	Rough Inspections and Final Inspections are completed.	Project is complete and final acceptance testing to be completed in the first quarter of 2012.

**BUILDING OFFICIAL****2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Complete G concourse fire protection project.	Project is broken into several phases. As each phase is completed, final commissioning and testing will be conducted.	Interior work is almost complete. The ceiling work at the end of the G concourse near gates G-22 is 95% complete. New exit signage still remains to be installed.
As new or remodel projects complete the design review, we will be responsible to initiate and complete the construction management responsibilities for all the work in each tenant space.	Management responsibilities for tenant space is completed.	News and Gifts Store and Caribou Coffee is complete @ T-2 as well as the food court common area. Subway and Barrio is under construction at T-2 and should be completed in the first quarter of 2013.
Complete ADA compliance review of T-1	Complete the inspections and provide findings to Airport Development.	Bathrooms in the B concourse have been approved to be modified to bring them into ADA compliance. New bathrooms in the E and F concourse are completed.
Complete the construction of the Check Points and terminal expansion of T-2.	Provide the required inspections and complete final inspections.	Work has been completed.
Construct new MAC Data Center Building.	Complete the plan review, issue permits and conduct inspections for the new Data Center building.	Project is complete except for installation of specific IS equipment.
Complete the design work for the Fire protection within the bag claim area at T-1.	Work with the staff within Airport Development and MAC Consultants.	Plans are complete and have been submitted for review. Project is expected to begin in the first quarter of 2013.
Issue construction permits in accordance with the MN State building code and the MAC Design and Construction Standards. Route all permit requests to individuals and departments shown on the division's distribution routing list.	To issue permits within ten to fourteen business days from the application date.	Met objective and measurement goals.
Charge and collect fees for plan reviews and permits in accordance with the MAC Ordinances. Charge and collect SAC (Sewer Availability Charge) fees in accordance with the Metropolitan Council fee schedule.	Review individual permits and determine the required fee amounts from adopted fee schedules.	Met objectives and measurements.
Conduct inspections in accordance with the Building Code and MAC Construction Standards.	Inspections shall be conducted within 24 hours of the request.	Met measurement and objective goals 100% of the time.
Conduct plan reviews in accordance with the Building code and MAC Design and Construction Standards.	Initial plan reviews shall be completed within 10 to 14 days after receiving the plans into our office. Comments shall be given back to the design professional in charge of the project.	Met Objective and measurement requirements 100% of the time.

**BUILDING OFFICIAL****2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Assure Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Review permit fees and make recommendations for possible increases.	Review completed and recommendations developed by 6/01/13.

<b>Organizational Strategic Goal: <i>N/A</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
N/A	Issue permits and provide construction coordination for new tenant build outs at T-1 and T-2.	Required permits and construction coordination for tenant buildouts is complete.
N/A	Demolition of the Zantop hangar.	The Zantop Hangar is demolished.
N/A	Complete the remodeling of the Permit and Inspection office area.	The Permit and Inspection office area is remodeled.
N/A	Complete the G concourse Fire Protection.	Fire protection process is completed.

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

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Development	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Update Design and Construction Standards <b>Comments:</b> Update the MAC Design and Construction Standards annually or as needed.						
Safety & Security	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Conduct inspections within 24 hours of the request. <b>Comments:</b> Conduct inspections within 24 hours of the request.						
Development	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Conduct Plan Reviews on construction plans within 14 days of submittals. <b>Comments:</b> 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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**ENVIRONMENT-GENERAL**

The Environment Department is responsible for maintaining environmental compliance with state and federal environmental regulations at Commission-owned facilities. The Environmental Affairs Office ensures compliance with policies that include: documenting environmental impact for construction projects; complying with storm water and soil management programs; underground and aboveground storage tank administration; air quality monitoring; hazardous waste management; pollution prevention programs; environmental investigations and audits. The Noise Program Office ensures compliance related to assessing noise impacts and corrective measures. This department understands and is experienced with federal, state and local environmental regulations, rules, and ordinances. The Environment Department 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**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	177,309	180,014	183,875	3,861	2.14%
Administrative Expenses	15,792	13,610	15,788	2,178	16.00%
Professional Services	0	25,000	165,000	140,000	560.00%
Utilities	454	1,200	1,200	0	0.00%
Operating Services/Expenses	312	0	0		
Other	1,447	3,000	0	-3,000	-100.00%
<b>Total Budget</b>	<b>195,313</b>	<b>222,824</b>	<b>365,863</b>	<b>143,039</b>	<b>64.19%</b>
<b>FTE Total</b>	<b>2</b>	<b>2</b>	<b>2</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	Administrative Expenses increased in 2013 for additional travel expenses for out of state conferences.
Professional Services	Additional Professional Services are needed for the development and implementation of the Environmental Management System (EMS).
Other	A negative variance appears in Other Expenses because there was a one-time office furniture purchase in 2012.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
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 the 2011 Annual Noise Contour Report and met Consent Decree requirements. A storm water monitoring program was implemented at all seven MAC airports to meet new Minnesota Pollution Control Agency (MPCA) regulations. A reporting process was also developed to meet new Environment Protection Agency (EPA) requirements.
Implement elements of Environmental Management System.	Draft process for Environmental Management System (EMS).	Completed fifty percent of the EMS definition and scoping process for MAC

**ENVIRONMENT-GENERAL****2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
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.	MAC worked through the STAR program to identify and consider sustainability initiatives. These activities evaluated potential geothermal applicability, potential partnerships with outside entities for teaming opportunities, implementation of Phase 2 of the recycling and composting program at the terminals.
Develop environmental documents to support CIP priorities.	Submit annual Assessment of Environmental Effects (AOEE) and Environmental review documents to support MAC's development goals.	Completed the annual AOEE in December and completed the preliminary technical analysis for the MSP 2020 Improvements Environmental Assessment/Environmental Assessment Worksheet (EA/EAW).

**2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Define and scope an Environmental Management System (EMS) for the MAC system of airports.	Completion of the definition and scoping process to identify the various elements of an EMS.	A MAC-wide EMS scope and definition is complete. The EMS project is being proposed for full development in 2013 and implementation in 2014.
Complete the MSP 2020 Improvements EA/EAW	The MSP 2020 Improvements EA/EAW is submitted to the FAA and MAC for environmental determination.	The MSP 2020 Improvements Draft EA/EAW Public Hearing was held in October 2012. The FAA published the Draft Final EA and Draft Finding of No Significant Impact/Record of Decision Report (FONSI/ROD) in January 2013. The MAC will complete the EAW process in 1st Qtr 2013.

**2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal:</b> <i>N/A</i>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
N/A	Develop an Environmental Management System for the MAC system of airports.	Develop, plan and budget the resources necessary for an Environmental Management System to be implemented in 2014
N/A	Complete the MSP 2020 Improvements EA/EAW	FAA and MAC complete the environmental review of the MSP 2020 Improvements EA/EAW and issue final determinations.

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

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Environment	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Complete airport and community advisory commission work plans <b>Comments:</b>						
Environment	2	3	3	3	3	3
<b>SC Performance Indicator:</b> Develop required environmental documents to support CIP priorities <b>Comments:</b>						
Environment	0	0	0	0	0	0
<b>SC Performance Indicator:</b> Violations identified by a Regulatory Agency <b>Comments:</b>						

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## ENVIRONMENTAL AFFAIRS

MAC Environmental Affairs 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

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	261,964	273,414	280,531	7,118	2.60%
Administrative Expenses	1,845	3,207	3,970	763	23.79%
Professional Services	294,120	304,958	304,578	-380	-0.12%
Utilities	972	587	1,550	963	164.05%
Operating Services/Expenses	32,118	1,686,704	1,613,144	-73,560	-4.36%
Maintenance	0	0	0		
Other	20,124	30,300	30,570	270	0.89%
<b>Total Budget</b>	<b>611,143</b>	<b>2,299,170</b>	<b>2,234,343</b>	<b>-64,826</b>	<b>-2.82%</b>
<b>FTE Total</b>	<b>3</b>	<b>3</b>	<b>3</b>		

## BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Utilities	The increase in Utilities is based on the movement of expenses into this service center.
Operating Services/Expenses	Operating Services/Expenses decreased due to lower GISW Management costs but increased slightly for in-house maintenance of hazardous waste and annual increases for lease payments.

## 2011 RESULTS REPORT

Service Center Objective	Measurement	Results
Continue re-permitting negotiations with the Minnesota Pollution Control Agency (MPCA) and airport stakeholders for a MSP NPDES permit.	Continue monthly meetings with regulators to establish a practicable permit for all stakeholders. The goal is to have a mutually agreed-to draft NPDES permit.	The end goal of a mutually agreeable draft permit is a long-term objective. This objective involves many stakeholders with varying approaches that extend the timeline of completion. At the end of 2011, no MPCA draft permit has been shared with the stakeholders.
Implement Final Above Ground Storage Tank (AST) Permit requirements	Develop procedures to implement negotiated compliance programs. Implementation of permit procedures in cooperation with other named Permittees.	The Final AST permit was not issued by the regulatory entity in the anticipated timeframe. At the end of 2011, no MPCA draft permit has been shared with co-permittees for review and comment.

**ENVIRONMENTAL AFFAIRS****2012 RESULTS REPORT**

Service Center Objective	Measurement	Results
Continue re-permitting negotiations with the MPCA and airport stakeholders for a MSP NPDES permit.	Conduct monthly meetings with regulators to establish a practicable permit for all stakeholders. The goal is to have a mutually agreed to draft NPDES permit issued by MPCA.	The process has reached the point when monthly meetings are no longer necessary. The Airport Stakeholders have received and reviewed several draft NPDES permits. Continuing efforts to obtain mutually agreed upon permit language.
Implement Final AST Permit requirements.	Develop procedures to implement negotiated compliance programs. Implementation of permit procedures in cooperation with other named Permittees.	After a 4+ year process, the Final AST Permit was issued at end of November 2012. Efforts have been made to begin implementation of operator compliance requirements.

**2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal:</b> <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Continuing refinement of Environmental Management System (EMS) scope and implementation plan for the MAC system of airports in 2014.	Complete scope refinement by mid year. Define implementation process by year end.
N/A	Implementation of re-issued NPDES permit requirements.	Develop plans and/or procedures as defined in the permit. Implement and maintain procedures with the end goal of no violations.

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

Organizational Key Areas of Performance	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Est.	Goal
Environment	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Conduct monitoring activities <b>Comments:</b> Stormwater sampling at each airport (per quarter). UST/AST, OWS and stormwater inspection at the 7 airports.						
Environment	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Implement elements of AST permit <b>Comments:</b> Continuing to perform requirements of the expired permit. To date, final AST permit has not been issued by MPCA.						
Environment	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Submit regularly scheduled reports <b>Comments:</b> 42 reports must be submitted either monthly, quarterly or annually to regulatory entities.						

**ENVIRONMENTAL AFFAIRS****SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Environment	100%	100%	100%	95%	100%	100%
<b>SC Performance Indicator:</b> Conduct compliance assistance inspections  <b>Comments:</b> Reliever inspections are performed on a as needed basis (i.e. lease transfers) or at regularly scheduled times for commercial and/or storage based tenants.  In 2012, inspections involved commercial tenants at the Relievers. Staff did a good job working with the FBOs. These inspections take longer and are more challenging than storage tenants.						

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## AVIATION NOISE PROGRAM

The Aviation Noise Program area is dedicated to addressing airport noise issues around the MAC's system of airports, including Minneapolis-St. Paul International Airport. Through the implementation and use of available technologies, the MAC Aviation Noise 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 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

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>\$</b>	<b>%</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Variance</b>	<b>Variance</b>
Personnel	564,464	580,857	615,095	34,239	5.89%
Administrative Expenses	37,394	30,489	35,295	4,806	15.76%
Professional Services	174,422	181,300	174,732	-6,568	-3.62%
Utilities	1,620	1,620	27,620	26,000	1604.96%
Operating Services/Expenses	69,107	96,011	74,790	-21,221	-22.10%
Maintenance	0	0	0		
Other	300	0	0	0	0.00%
<b>Total Budget</b>	<b>847,307</b>	<b>890,277</b>	<b>927,533</b>	<b>37,256</b>	<b>4.18%</b>
<b>FTE Total</b>	<b>7</b>	<b>7</b>	<b>7</b>		

### BUDGET HIGHLIGHTS

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Also, additional training monies are added to the 2013 budget.
Administrative Expenses	An increase in Administrative Expenses is due to additional custom data needed from FlightAware. Much of the increase is offset due to the discontinuation of the paper publication of the MSP Noise News Newsletter which will be published electronically beginning in 2013.
Professional Services	The Professional Services reduction is a result of reduced services provided by Harris, Miller, Miller & Hanson for MACNOMS track and noise data processing. The Noise data will be replaced with a new feed from Larson Davis and the track data was replaced with a new application created by MAC staff.
Utilities	The significant increase in Utilities is the result of moving the cost for cellular communications for the MLAT system from the IS budget to the Noise Program budget.
Operating Services/Expenses	The decrease in Operating Services/Expenses is a result of transferring ESRI GIS software annual support to the IS Budget and a reduction of remote noise monitoring tower (RMT) maintenance.

### 2011 RESULTS REPORT

Service Center Objective	Measurement	Results
Airspace-wide Required Area Navigation (RNAV)/Required Navigation Procedure (RNP) implementation at MSP.	Complete National Environmental Policy Act (NEPA) environmental analysis necessary for procedure implementations.	Start of the NEPA environmental analysis is awaiting FAA finalization of procedure tracks.

**AVIATION NOISE PROGRAM****2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Completion of MSP 2020 development environmental analysis.	Complete noise and land use analysis for the MSP 2020 Development Environmental Assessment (EA).	Drafting of the MSP 2020 Developments EA noise and land use chapters is complete.
Enhance the experience of visitors to the MACNOISE.COM website.	Redesign the entire MACNOISE.COM website.	MACNOISE.COM website redesign has been completed.
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.	The St. Paul and Flying Cloud Zoning Boards are awaiting further legal determinations that will help establish the appropriate way forward for the Boards. It is anticipated this consideration will be significantly influenced by the ongoing litigation in the Interstate Companies, Inc. v. City of Bloomington, et. al and O'Neill v. City of Bloomington, et. al cases, and by further developments in the DeCook case. These findings will help determine the future course of actions by the Boards.
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.	Completed all required work in support of MAC's Consent Decree compliance.

**2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Compliance with noise litigation Consent Decree	Completion/implementation of all elements in 2012 as required by the noise litigation Consent Decree. Provides compliance with court-ordered requirements.	Completed all required work in support of MAC's Consent Decree compliance.
Airspace-wide RNAV/RNP procedure implementation at MSP.	Complete NEPA environmental analysis necessary for procedure implementation.	The NOC process was completed on November 14, 2012 and the MAC Full Commission took action on November 19, 2012 supporting RNAV SID implementation on Runways 12L, 12R and 17 and RNAV/RNP STARs to Runways 30L, 30R, 12L, 12R, and 35. Pending FAA SMS panel review, the RNAV/RNP STARs are planned to be published in July 2014 and the RNAV SIDs are planned to be published in September 2014.
Completion of MSP 2020 Improvements Environmental Assessment.	Finalize noise and land use chapters/analysis and respond to public comments related to these topics.	EA/EAW document, public comment period, and hearing completed. Preparation of the response to comments was completed and the FAA FONSI/ROD is drafted and the related public comment period has been completed. The EA/EAW process should be completed in the March 2013 timeframe.

**AVIATION NOISE PROGRAM****2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Match Employee Talent with Changing Business Needs.</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	New technical staff integration in manner that provides robust internal MACNOMS support and development services in a cost effective manner.	Reduce the need for external support resources that were established to facilitate the transition to new technical staff members following the departure of two key longtime technical staff members.

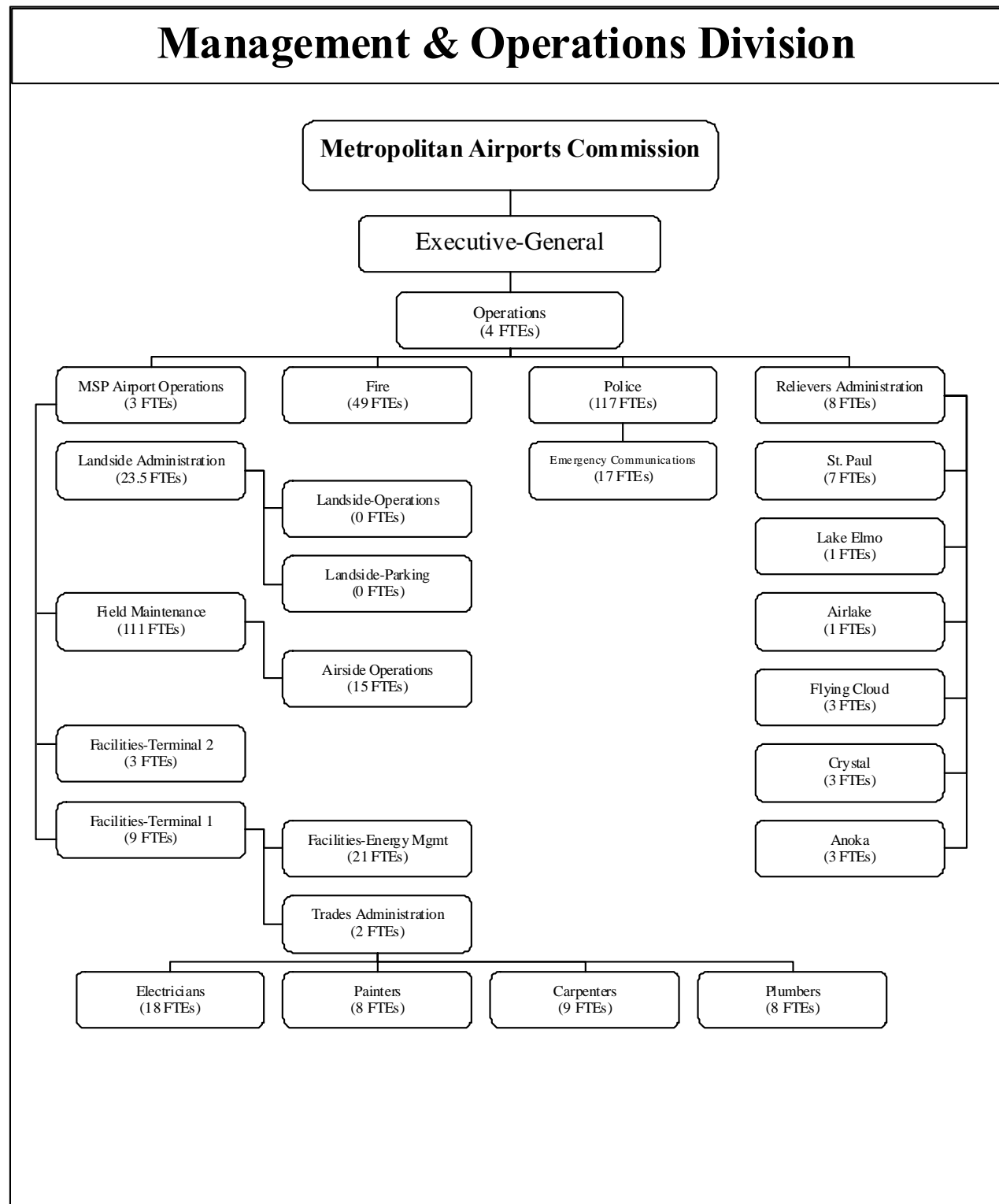
<b>Organizational Strategic Goal: <i>Strengthen Partnerships and Relationships</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Compliance with noise litigation Consent Decree.	Completion/implementation of all elements in 2013 as required by the noise litigation Consent Decree. Provides compliance with court-ordered requirements.
NA	Support the development, FAA approval process and implementation of a residential noise mitigation program around MSP that will address community concerns related to the MSP 2020 Improvement EA/EAW.	Completion of MAC proposed program review by FAA and, if approved, develop the ongoing analytical process and scheduling to determine mitigation eligibility moving forward around MSP.

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

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Finance	Completed	Completed	Completed	Completed	Complete	Complete
<b>SC Performance Indicator:</b> Complete Annual Noise Contour Report						
<b>Comments:</b> Complete Annual MSP Noise Contour Report.						
Environment	Annual NOC Work Plan Completed	Annual NOC Work Plan Completed	Annual NOC Work Plan Completed	Annual NOC Work Plan Completed	Completion of Annual NOC Work Plan	Completion of Annual NOC Work Plan
<b>SC Performance Indicator:</b> Complete all required activities in support of the MSP Noise Oversight Committee						
<b>Comments:</b>						

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# Management & Operations Division



**Notations to Service Center Summaries:**

- \* Variance (dollars and %) is computed between 2012 Budget and 2013 Budget
- \* The explanation for the variances is based upon the 2012 Budget and 2013 Budget
- \* Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

**OPERATIONS**

Operations is responsible for oversight and administration of the departments that manage the day to day operations of MAC's system of airports. These departments include Police, Fire, Airside and Landside Operations, Field Maintenance, Reliever Airports and Customer Service. 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 leadership involves substantial participation at the senior staff level in policy development, strategic planning, and interdepartmental coordination.

**BUDGET SUMMARY**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	235,587	210,563	298,079	87,515	41.56%
Administrative Expenses	14,503	6,759	7,049	290	4.29%
Professional Services	23,810	6,120	6,212	92	1.50%
Utilities	1,152	754	765	11	1.50%
Operating Services/Expenses	791	0	803	803	100.00%
Maintenance	0	0	0		
Other	0	0	0		
<b>Total Budget</b>	<b>275,844</b>	<b>224,196</b>	<b>312,908</b>	<b>88,712</b>	<b>39.57%</b>
<b>FTE Total</b>	<b>3</b>	<b>2</b>	<b>4</b>		

**BUDGET HIGHLIGHTS**

Personnel	The increase in Personnel is due to two FTE's moving into this department. One FTE is from Finance and Administration and one is from MSP Operations. Annual salary adjustments and step increases are included.
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**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
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.	Training program has been created and training will begin February 2012 with employees of HMS Host.
Complete the work of the Reliever Task Force.	Business Plans in place for each Reliever Airport.	Six of seven work plans are completed with action items being accomplished. Work plans will now be used to guide staff in development of separate business plans for each Reliever.

**2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Finalize the Customer Service Brand Promise training program for MSP.	Training being regularly conducted for MAC employees and tenant employees.	CSAC customer training now focused on MSP Nice.

**OPERATIONS****2012 RESULTS REPORT**

Service Center Objective	Measurement	Results
Complete the development of a revised financial model for the MAC General Aviation system	Model in place and functioning	The model is in place and ordinance is complete.

**2013 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Implement a porter program to help customers with baggage at Terminal 1.	Improve customer service by implementing a porter program at Terminal 1-Lindbergh	Porter Service implemented at Terminal 1-Lindbergh to increase customer service.
Assess customer needs of aging and increasingly diverse traveling public.	Identify facility limitations for aging customers.	Develop facility improvement matrix to reduce barriers for travelers with special needs.

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

Organizational Key Areas of Performance	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Est.	Goal
Employee Engagement	4.18	4.16	4.21	4.24	5	5 Rating
<b>SC Performance Indicator:</b> ASQ performance rating (1-5 scale)  <b>Comments:</b> Customer Service Training on the standards for the MSP Brand Promise "MSP Nice: one experience at a time" will be initiated in January 2012 and rolled out to the entire MSP community throughout the year. The goal of this training is to improve the experience for our traveling public at MSP and this should raise this ASQ score in the coming year.						

**MSP AIRPORT OPERATIONS**

MSP Operations & Administration responds to the operational, maintenance and emergency preparedness needs of the traveling public, outside agencies, airlines and tenants. Considered the "landlord" of MSP; customer service is a key element of this department. Furthermore, special events and terminal complex activities are coordinated through this area.

**BUDGET SUMMARY**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	335,710	488,975	297,293	-191,681	-39.20%
Administrative Expenses	38,535	74,455	27,593	-46,862	-62.94%
Professional Services	14,678	35,000	38,920	3,920	11.20%
Utilities	2,872	2,700	3,456	756	28.00%
Operating Services/Expenses	29,654	80,408	89,645	9,237	11.49%
Maintenance	0	0	0		
Other	24,592	20,100	19,397	-703	-3.50%
<b>Total Budget</b>	<b>446,040</b>	<b>701,638</b>	<b>476,305</b>	<b>-225,333</b>	<b>-32.12%</b>
<b>FTE Total</b>	<b>4</b>	<b>6</b>	<b>3</b>		

**BUDGET HIGHLIGHTS**

Personnel	The Information and Paging Office (Call Center) transferred out of MSP Operations and into Public Affairs and Marketing. On the other hand, wage adjustments and step increases increased Personnel.
Administrative Expenses	The primary decrease in this category is the transfer of monies allocated to emergency notification to the IS budget.
Professional Services	The increase in Professional Services is based upon expected 2013 survey expenses.
Utilities	The primary increase in Utilities is for additional cell phone costs associated with emergency go-kits.
Operating Services/Expenses	The increase in Operating Services/Expenses is based on costs for the new Wings for Autism program.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Facilitate good communication and open relationships among airline, TSA, airport tenants and MAC staff.	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.	Held 3 lunches including 9/11 Commemorative with Tom Burnett family. All other activities as planned.
Continue to bring awareness of airport emergency preparedness to MAC staff.	Orient Emergency Manager to MAC and MSP Airport Community. Better develop National Incident Management System (NIMS) standard implementation at MSP.	The MAC Emergency Manager has brought NIMS training for many MAC employees including Senior Staff allowing greater grant eligibility.

**MSP AIRPORT OPERATIONS****2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Ensure FAA certification retained.	All 2011 inspections passed and problems addressed.	Snowy first quarter. Formal winter evaluation is done and hiring recommendation forwarded through budget process.
Become best airport in the U.S. (and perhaps the world) for services offered to deaf community.	As noted by benchmarking.	To our knowledge, we are #1 in this area!

**2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Facilitate good communication and open relationships among airline, TSA, airport tenants & MAC staff.	MSP Director weekly airline manager breakfasts, sponsor 3 all airport luncheons, provide administration support for monthly Airline Managers Council and Security Consortium and host monthly informal TSA/MAC brown bag luncheon and other initiatives as needed. Work to transition OTG staff into airport community. Involvement in CSAC Forum planning.	Good partnership present at MSP. Good Director Lunch in November with presentation by Ms. Tasha Shuh, Ms Wheelchair USA.
Become best airport in the U.S. (and perhaps the world) for services offered to deaf community.	Complete FIDs tasks of paging option on CNN & JCDecaux digital signage.	Still working toward completion. Presented on these issues at Open Doors conference held October 17 & 18, 2012. Also held the first ever Accessibility Fair sponsored by Delta Air Lines September 19, 2012. Will meet with MCDHH for transition issues in early 2013.
Ensure FAA certification retained and safety issues addressed.	All 2011 inspections passed and all problems other than record related issues addressed. Training record problems are being addressed with MAC IT partnership.	Cert Inspection safety discrepancies corrected.
Conduct a triennial exercise that successfully meets the FAA CFR Part 139 requirement.	FAA certified exercise to be held May 16-17, 2012.	FAA certified exercise accomplished.
Continue to offer the National Incident Management System (NIMS) training to all MAC employees who have a response role in the airport emergency plan.	Conduct 2 offerings of the ICS 300 and ICS 400 class in 2012.	Two classes were completed in 2012.

**MSP AIRPORT OPERATIONS****2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: N/A</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
N/A	Continue to offer the National Incident Management System (NIMS) training to all MAC employees who have a response role in the airport emergency plan.	Conduct 2 offerings of the ICS 300 and ICS 400 classes in 2013.
N/A	Remain best airport in the US (and perhaps the world) for services offered to deaf community.	Transition contact list with advocacy communities to new Director of MSP Operations. Build new relationships to strengthen existing bridges.
N/A	Formalize Navigating Autism with MSP program into MAC activities.	Conduct six training sessions for families per year. Coordinate with airlines and TSA partners. Develop strong team of MAC and Travelers Assistance support staff.
N/A	Facilitate good communication and open relationships among airlines, TSA, airport tenants and MAC staff.	Hold MSP Director weekly airline manager breakfasts, sponsor 3 all-airport luncheons, provide administrative support for monthly Airline Managers Meetings and T-2 User Meeting and host monthly informal TSA/MAC brown bag luncheons and other initiatives as needed. Work on transition issues with staff and new Director of MSP Operations.

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

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Safety & Security	NA	NA	NA	NA	100%	100%
<b>SC Performance Indicator:</b> Retain FAA certification retained and safety issues are addressed <b>Comments:</b> This performance indicator begins in 2013. All inspections pass and all issues are addressed.						
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Annual Employee Performance Reviews Complete <b>Comments:</b> All MSP Operational groups included.						

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**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 Operations coordinates airfield activities with FAA Air Traffic Control facilities and air carrier tenants. The department is also 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**

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>\$</b>	<b>%</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Variance</b>	<b>Variance</b>
Personnel	1,294,104	1,318,335	1,315,644	-2,691	-0.20%
Administrative Expenses	99,199	95,655	78,714	-16,941	-17.71%
Professional Services	80,598	82,000	98,199	16,199	19.75%
Utilities	17,910	16,262	18,333	2,071	12.74%
Operating Services/Expenses	102,628	124,090	208,631	84,541	68.13%
Maintenance	37,544	19,000	23,000	4,000	21.05%
Other	33,629	30,000	30,000	0	0.00%
<b>Total Budget</b>	<b>1,665,613</b>	<b>1,685,342</b>	<b>1,772,521</b>	<b>87,179</b>	<b>5.17%</b>
<b>FTE Total</b>	<b>15</b>	<b>15</b>	<b>15</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel decreased due to transfer of temporary employee expenses to another cost center. However, Personnel also increased for wage adjustments and step increases.
Administrative Expenses	The department had a one-time computer software update in 2012. Therefore, Administrative Expenses shows a decrease in 2013.
Professional Services	Additional Professional Services expenses are due to percentage increases in the wildlife services contract, weather forecasting service agreement and for the development of an integrated audio/video distribution system for the Airside Operations Center.
Utilities	Utilities increased for estimated cellular phone service costs.
Operating Services/Expenses	The additional Operating Services/Expenses are associated with the PASSUR OPSNet aircraft information system subscription as recommended and supported by Delta Air Lines. Additional increases in computer software support contracts and hardware maintenance service agreements.
Maintenance	Higher Maintenance expenses are associated with the costs to maintain the MAC Drivers' Training Center facility.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Manage controllable overtime expenses as a percentage of total wages.	Airside Operations overtime costs less than 11% of total wages.	FY'11 performance at 11.3%; target missed largely in part due to the above average snowfall during the first quarter of the year.

**AIRSIDE OPERATIONS****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
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.	FY'11 ended without further guidance from the FAA. The airport industry successfully lobbied the FAA to reevaluate proposed SMS implementation parameters. The FAA is expected to release revised rulemaking during 1Q 2012.

**2012 RESULTS REPORT**

Service Center Objective	Measurement	Results
Manage controllable overtime expenses as a percentage of total wages.	Airside Operations overtime expenses less than 11% of total wages.	Airside OT 10.01% of total wages.
Enhance record-keeping to ensure compliance with FAR Part 139.303 (personnel-training).	In partnership with MAC Information Services, install Learning Management System (LMS) software and have program available for demonstration to the FAA Airport Certification Inspector.	LMS installed and operational. First non-MAC airport employee group training data will be entered into system 1Q 2013.
Implement an electronic logging system for required documentation under FAR Part 139	Installation of selected vendor software during 1Q; training completed and system operational in 3Q.	Configuration not completed in 2012; system operational 1Q 2013.

**2013 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Enhance the efficiency of FAR Part 139-required airfield safety inspections and associated recordkeeping through the use of new technology.	Full performance implementation of the Landrum & Brown Electronic Logging System.
N/A	Transition Airside Operations training record management and retention to the Certpoint Learning Management System (LMS).	Required training assessments built and available for launch through the LMS by 3Q; training and records retention through the Learning Management System (LMS) by the fourth quarter.

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

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Employee Engagement	11.7	10.0	11.3	10.1	10%	11.0%
<b>SC Performance Indicator:</b> Overtime as a % of total wages <b>Comments:</b> Airside overtime as a % of total department wages.						
Safety & Security	0	0	0	0	0	0
<b>SC Performance Indicator:</b> AOA violations <b>Comments:</b> Figures represents MAC staff only.						
Safety & Security	1	2	0	0	0	0
<b>SC Performance Indicator:</b> Vehicle/pedestrian runway incursions <b>Comments:</b> 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 department makes critical decisions to ensure the safety of the passengers, police officers and firefighters. Staff is responsible for dispatching and coordinating police, fire and emergency responses; and they are the operators of the secured card access system. This center also houses the Honeywell fire alarm system which has over 35,000 logical devices. Furthermore, this area operates the CCTV camera system which houses over 1780 cameras. The department controls the audio recording for 60 plus channels of phone and radio traffic providing terminal announcements regarding security issues and weather and provides the only airport-wide paging service from 10 PM to 7 AM.

**BUDGET SUMMARY**

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>\$</b>	<b>%</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Variance</b>	<b>Variance</b>
Personnel	1,115,664	1,213,770	1,292,670	78,899	6.50%
Administrative Expenses	16,992	20,129	49,643	29,514	146.62%
Professional Services	2,765	0	50,806	50,806	100.00%
Utilities	5,128	4,503	3,792	-711	-15.79%
Operating Services/Expenses	34,212	201,201	72,959	-128,242	-63.74%
Maintenance	0	0	0		
Other	7,214	11,925	12,583	658	5.52%
<b>Total Budget</b>	<b>1,181,974</b>	<b>1,451,528</b>	<b>1,482,453</b>	<b>30,924</b>	<b>2.13%</b>
<b>FTE Total</b>	<b>15</b>	<b>16</b>	<b>17</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increased for one additional FTE, overtime to meet minimum staffing requirements in the 911 center, and wage structure adjustments and step increases.
Administrative Expenses	The increase in Administrative Expenses is due to necessary computer supplies and software.
Professional Services	Professional Services increased substantially for a comprehensive job task analysis. This assessment combines staffing, operational and best practices compared to other emergency communications centers. It will also help establish the development and refinement of services delivered, performance improvement and organizational development. Pre-employment background checks are also included in this increase.
Operating Services/Expenses	Operating Services/Expenses decreased due to the transfer of the computer aided dispatch maintenance agreement and Allina CAD interface maintenance support agreement to the IS department.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Implement and maintain quality control program.	Operating consistency, reduction of liability.	This objective has not yet formally started. Working with vendors and staff to find solutions for current voice recording systems.

**EMERGENCY COMMUNICATIONS****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
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.	During the last quarter staff has received some on-going training for dispatching protocols. Due to staffing shortages and new employee training, this objective will continue into 2012.

**2012 RESULTS REPORT**

Service Center Objective	Measurement	Results
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.	We made progress in many areas of training including State Radio Board Best Practice training, Active Shooter and When Seconds Count modules. More extensive training to occur when staffing levels are adequate.

**2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal:</b> <i>Match Employee Talent with Changing Business Needs.</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Evaluate core ECC industry and operational processes to identify changing business needs. Formulate a comprehensive plan to support department sustainability with viable long term solutions.	Analyze staffing and operational functions resulting in formalized recommendations.

<b>Organizational Strategic Goal:</b> <i>Strengthen Partnerships and Relationships</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Provide educational opportunities for the MAC community on the Airport Emergency Communications Center's role in the public safety response continuum; highlighting 911 services and security management.	Host an open house for the MAC community, participate in shared open house/public awareness events.

**EMERGENCY COMMUNICATIONS****SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key Areas of Performance	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Est.	Goal
Operations	83%	87%	88%	83%	88%	=>90%
<b>SC Performance Indicator:</b> Answer 911 calls in appropriate time frame  <b>Comments:</b> 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. 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. Additional staffing requests will be made in the 2013 budget.						
Employee Engagement	4%	3%	3%	3%	2%	0-5%
<b>SC Performance Indicator:</b> Call handling standards on all shifts are met  <b>Comments:</b> 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-Operations oversees the operation, maintenance and design of the Commission's commercial vehicle roadways and automated systems that provide vehicle access and revenue control. The department also governs the revenues generated by the commercial vehicle 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**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	0	0	0		
Administrative Expenses	32,361	19,605	19,899	294	1.50%
Professional Services	0	0	0		
Utilities	0	0	0		
Operating Services/Expenses	250,152	307,180	341,923	34,743	11.31%
Maintenance	40,737	35,579	36,507	928	2.61%
Other	0	0	0		
<b>Total Budget</b>	<b>323,250</b>	<b>362,364</b>	<b>398,329</b>	<b>35,965</b>	<b>9.93%</b>
<b>FTE Total</b>					

**BUDGET HIGHLIGHTS**

Operating Services/Expenses	The increase in Operating Services/Expenses is for a new contract executed with IBI Group for continued maintenance of MAVIS - MAC's parking, commercial vehicle and taxicab management and revenue control system. Recent expansion of MAVIS to include ePark Elite, T-1 Transit Center operations and the taxicab pre-holding area have resulted in additional hardware to be maintained by the agreement and additional lines of coding/software complexity.
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**LANDSIDE-PARKING**

Landside-Parking oversees the operation, maintenance, marketing and design of the Commission's public and employee parking facilities and the automated systems that provide vehicle access and revenue control to the parking structures. The department 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, a wide variety of parking supply and service vendors and parking management operators.

**BUDGET SUMMARY**

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>\$</b>	<b>%</b>
	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Variance</u></b>	<b><u>Variance</u></b>
Personnel	0	0	0		
Administrative Expenses	0	0	5,000	5,000	100.00%
Professional Services	75	0	0	0	0.00%
Operating Services/Expenses	7,662,667	7,861,818	8,008,608	146,790	1.87%
Maintenance	190,660	193,594	193,549	-45	-0.02%
Other	0	0	0	0	0.00%
<b>Total Budget</b>	<b>7,853,401</b>	<b>8,055,412</b>	<b>8,207,157</b>	<b>151,745</b>	<b>1.88%</b>
<b>FTE Total</b>					

**BUDGET HIGHLIGHTS**

Administrative Expenses	New utility software such as Adobe Acrobat Professional, WinTask and Roxio Creator is necessary for Landside and parking management staff to integrate with the upgraded custom revenue control software to produce essential financial reports.
Operating Services/Expenses	The variance is due to increased parking demand and diversions to T-2, increases in health and welfare costs and pay increases within the parking management contract.

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**LANDSIDE-ADMINISTRATION**

Landside-Administration oversees the operation, maintenance, marketing and design of the Commission's public and employee parking facilities and commercial vehicle and taxi programs. This area maintains the systems that provide automated access and revenue control to the parking facilities and commercial vehicle roadways. Landside-Administration 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**

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>\$</b>	<b>%</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Variance</b>	<b>Variance</b>
Personnel	1,627,277	1,544,109	1,673,241	129,133	8.36%
Administrative Expenses	40,358	47,837	55,904	8,067	16.86%
Professional Services	0	0	0		
Utilities	6,438	6,471	6,568	97	1.50%
Operating Services/Expenses	0	0	0		
Maintenance	0	0	0		
Other	7,431	7,378	7,065	-313	-4.24%
<b>Total Budget</b>	<b>1,681,505</b>	<b>1,605,795</b>	<b>1,742,778</b>	<b>136,984</b>	<b>8.53%</b>
<b>FTE Total</b>	<b>23.5</b>	<b>23.5</b>	<b>23.5</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increased in 2013 due to operating at less than full head count for a portion of 2012 as well as wage structure adjustments and step increases.
Administrative Expenses	The increase in administrative expenses is related to annual maintenance and support agreements with SAP, to ensure continued critical report generation functionality of MAVIS and Oracle, for technical assistance including software updates to ensure uninterrupted access to historical count system data.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Complete the parking revenue control system upgrade from Zeag-FCMS to Zeag MSP Orion-ZMS.	Improve MAC Payment Card Industry (PCI) Compliance requirements. Electronic coupons and barcode validations are available in all parking exit lanes.	The software development phase continued during Q4. MSP Orion has been installed on all entrances and all exits at T2 MSP Value and T2 Short-Term. Landside is monitoring performance to verify that speed, accuracy and reliability are operating at or above 99.97%
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.	Updating the RFP is in process.
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.	Process completed and a recommendation was presented.

**LANDSIDE-ADMINISTRATION****2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
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.	Process was completed and a recommendation was made to the Commission.
Use new features of the public parking revenue control system upgrade in the overall parking marketing strategy.	Marketing concepts are developed and delivered.	Marketing concepts were developed and delivered.

**2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Complete the parking revenue control system upgrade from Zeag-FCMS to Zeag MSP Orion-ZMS	<ol style="list-style-type: none"> <li>1. Less than 10 customer complaints during cutover to the new system.</li> <li>2. Bar code validations are available for use by ePark® customers by 3rd Quarter 2012</li> </ol>	Goal achieved. Minor issues with credit card acceptance and ePark utilization were resolved. Barcode validation has been realized but not fully implemented.
Encourage career development of Landside staff.	Each Landside staff member attends and completes eight hours of professional growth career training.	Goal achieved. All Landside staff participated in professional growth and career development training through both internal and external programs including; MAC tuition reimbursement, safety, customer service and supervisor training, defensive driving courses, emergency preparedness, report writing, St. Thomas multicultural workshops, Kaplan Microsoft training and the attendance of many local and national parking and ground transportation conferences.
Operate an electric vehicle for parking management to gain experience that will be used to make recommendations regarding the design of our parking facilities for accommodation of electric vehicles.	<ol style="list-style-type: none"> <li>1. Gather input from operators, maintenance and facilities staff regarding their experience using an electric vehicle and required accommodations.</li> <li>2. Gather similar input from peers in the industry, manufacturers and suppliers.</li> <li>3. Propose a design including location, quantity and operational procedures for accommodating electric vehicles that will be operated by public parkers.</li> </ol>	Staff utilized two electric vehicles to perform a full range of parking services. Climate control and battery life proved problematic in cold weather. One vehicle experienced a repair issue that took weeks to resolve due to parts scarcity. Learning from peers and vendors continue as airports respond to customer demand and vendors respond to improving technology.

**LANDSIDE-ADMINISTRATION****2013 SERVICE CENTER OBJECTIVES****Organizational Strategic Goal:** *Match Employee Talent with Changing Business Needs.*

<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
Implement a leadership development/career enrichment program.	Cross train Landside Office staff to spread knowledge, create a more flexible workforce, improve staff functionality and reduce potential impact from key functional staff absence.	Completion of comprehensive training, information exchange and employee familiarization.

**Organizational Strategic Goal:** *Provide a Great Customer Experience*

<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Revise MAC Taxi Manual.	Revision completion/Manual adoption.
NA	Evaluate and recommend parking capacity and products to meet customer demand for next 5-10 years.	Complete the following action items: Compile data, conduct research, complete surveys and gain other information necessary to formulate recommendations.

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

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Employee Engagement	NA	NA	NA	NA	100%	100%
<b>SC Performance Indicator:</b> Promote career development and professional growth of staff. <b>Comments:</b> Staff development is a new performance indicator in 2013. 100% indicates each staff member had 8 hours or more of training per year.						

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**FIRE**

The MAC Fire Department is responsible for providing aircraft rescue and firefighting, structural firefighting and first response emergency medical services to the airport community. The department is also responsible for investigating all fires that occur within our service area, determining the origin and cause and ensuring proper documentation for state and federal reporting requirements.

**BUDGET SUMMARY**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	3,972,121	4,193,794	4,326,146	132,352	3.16%
Administrative Expenses	14,996	23,774	14,716	-9,058	-38.10%
Professional Services	6,710	6,823	7,025	202	2.96%
Utilities	15,834	18,000	13,000	-5,000	-27.78%
Operating Services/Expenses	33,788	23,000	31,500	8,500	36.96%
Maintenance	80	5,806	6,266	460	7.92%
Other	89,262	79,638	91,800	12,162	15.27%
<b>Total Budget</b>	<b>4,132,791</b>	<b>4,350,835</b>	<b>4,490,453</b>	<b>139,618</b>	<b>3.21%</b>
<b>FTE Total</b>	<b>48</b>	<b>49</b>	<b>49</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	The decrease in administrative expenses stems from moving computer maintenance costs to operating services/expenses.
Utilities	Utilities decreased resulting from lower costs for service from a new cellular vendor.
Operating Services/Expenses	The increase is due to computer maintenance costs moving to Operating Services/Expenses from Administrative Expenses. Also, a slight increase exists in equipment services for costs related to vehicle inspections to meet NFPA standards.
Other	The increase in Other Expenses is related to a one-time purchase of replacement office furniture within minor assets.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
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.	We have reviewed our policies and selected the new format but are still revising some of the current policies and writing a large number of new administrative policies. We expect to have this project all completed by the end of the 3rd quarter 2012.
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.	Completed. A replacement will be requested in our 2013 budget for Crash # 17. We also requested funding to purchase a replacement reserve structural truck as the Air Force cancelled a joint use agreement for 2 vehicles.

**FIRE****2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
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	Ongoing
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.	Ongoing and will continue into 2nd quarter 2012
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. 3. State requirements. 4. 2012-2016 budget requirements.	Present results to Fire Chief with recommendations, updates and changes.	Completed in 3rd quarter.

**2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Complete the International Fire Service Accreditation Congress (IFSAC) Aircraft Rescue and Fire Fighting for employees not currently certified.	Employees pass both the written and practice exams and have receive IFSAC Certification.	Testing information obtained. Unable to complete test during winter months due to need of live fire evolutions at testing site in Duluth. Planned for Spring/Summer of 2013.
Improve the delivery of daily training to all shift personnel.	An overall increase in the documented hours of training for each employee with all training being connected to national standards and using standard curriculum including related evaluation tools for each chapter.	Average individual training hours for 2012 was 122 hours which is more than a 20% increase from previous years. Daily shift training making use of International Fire Service Training Association, National Fire Protection Association and Federal Aviation Administration training materials.
Write or revise fire department standard operating procedures.	All procedures to be written in or show a revised date in 2012.	All operational procedures completed. Final review done in Jan 2013. Expected release and implementation in Feb 2013.
Review effectiveness of fire department records management system.	Evaluate current system against other systems currently available and develop written report with recommendations.	Unable to locate a software package that would provide the same level of service for a reasonable cost. Will review again in 2014.

**FIRE****2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Leverage Resources and Technology</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Conduct study of department needs using MAC IS staff and other consultants as needed to determine technology needs for the next three to five years.	Present report to Director of MAC IS and Vice President of Operations.

<b>Organizational Strategic Goal: <i>N/A</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
N/A	Conduct detailed staffing study to determine minimum staffing levels and what organizational structure would work best at MSP. This study will also look at current fire inspection/ safety programs and what changes may be needed to be more effective.	Detailed report presented to Vice President of Operations and Executive Vice President.
N/A	Conduct detailed analysis / audit of MAC salaries and the generally accepted comparison groups to verify fair and competitive salaries and benefits being offered. This analysis would be done with MAC HR and other consultants as needed.	Report presented to Director of HR and Vice President of Operations.

<b>Organizational Strategic Goal: <i>Provide a Great Customer Experience</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Completion of advanced Incident Command Training (Blue Card) including the 24 hour simulation lab for all Chiefs & Captains.	Blue Card Certification.

**2014 - 2017 LONG TERM OBJECTIVES**

<b>Objective</b>	<b>Expected Results</b>
Review all possible revenue sources outside of the MAC including FAA, billing for service, grants, donations, shared services and forming an independent fire protection district.	Report presented to Vice President of Operations and Executive Vice President.
Develop a detailed fire department leadership succession plan.	Plan reviewed by and approved by MAC HR and the Vice President of Operations

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

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Safety & Security	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Complete FAR 139 required training						
<b>Comments:</b>						
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Complete performance reviews						
<b>Comments:</b>						
Safety & Security	NA	NA	NA	NA	<10	<10
<b>SC Performance Indicator:</b> Less than 10 employee injuries per year.						
<b>Comments:</b> This indicator is new in 2013.						
Employee Engagement	NA	NA	NA	97%	100%	100%
<b>SC Performance Indicator:</b> Complete Customer service Training						
<b>Comments:</b>						

**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**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	9,244,465	9,791,264	9,826,537	35,273	0.36%
Administrative Expenses	211,280	220,800	208,380	-12,420	-5.62%
Professional Services	87,597	97,973	73,911	-24,062	-24.56%
Utilities	24,850	20,000	36,057	16,057	80.29%
Operating Services/Expenses	1,102,622	948,075	952,515	4,440	0.47%
Maintenance	64,440	31,256	35,787	4,531	14.50%
Other	130,543	133,303	138,810	5,507	4.13%
<b>Total Budget</b>	<b>10,865,796</b>	<b>11,242,671</b>	<b>11,271,997</b>	<b>29,326</b>	<b>0.26%</b>
<b>FTE Total</b>	<b>114</b>	<b>117.5</b>	<b>117</b>		

**BUDGET HIGHLIGHTS**

Personnel	The increase in Personnel relates to the TSA reimbursement of part-time officer wage decreasing from \$24/hour to \$20/hour in 2013. Also, wage structure adjustments and step increases raised Personnel.
Administrative Expenses	The decrease in Administrative Expenses is largely attributed to a reduction in badge card stock needed in 2013.
Professional Services	Lower contractual fees for a canine trainer decreased Professional Services in 2013.
Utilities	Access charges for wireless laptops in squad cars was moved from Operating Services/Expenses to Utilities and actual costs to operate department cells phones is reflected in the increase.
Operating Services/Expenses	The Operating Services/Expenses increase is attributed to uncontrollable contractual fees.
Maintenance	The increase In Maintenance is based on the need to replace bikes for use in patrolling airport property.
Other	The variance in Other Expenses is attributed to the increase in APD's share of operating costs of the South Metro Training Facility.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
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.	Tabletop scenarios started in the 4th quarter of 2011 were completed.

**POLICE****2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
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.	Continuing to work with MAC Emergency Manager to identify potential grants to procure for 2012. No available funding was identified in 2011.
Enhance curbside customer service by providing additional training to Community Service Officers.	Community Service Officers will complete additional customer service training.	Customer service training for CSOs has been completed.
Complete a comprehensive review of MAC Ordinance 91.	Commission approval of Ordinance 91.	Review process with MAC Legal is ongoing. Legal has been working closely with APD staff to complete this process by the 2nd quarter of 2012.
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.	Policies continue to be reviewed by contracted legal staff. Policies are being converted to Lexipol format. Completion end of first quarter 2012. Original target was overly optimistic.
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.	Anticipated program start up 2nd quarter 2012. Other departmental priorities took precedence.

**2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
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.	Six MAC employees participated in the MAC Learning and Development Program, which included participation in the APD Ride/Walk Along Program. The program is expected to continue into 2013.
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.	A \$46,000 Minnesota Homeland Security and Emergency Grant was secured and used for overtime costs associated with infrastructure protection.
Complete a comprehensive review of MAC Ordinance 91.	Commission approval of Ordinance 91.	A draft of Ordinance 91 was completed and is in the final review stages. Commission action anticipated by the end of the first quarter of 2013.

**POLICE****2012 RESULTS REPORT**

Service Center Objective	Measurement	Results
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.	The Lexipol policy project work is continuing with completion anticipated by the end of the first quarter of 2013.

**2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal:</b> <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Educate the airport community about the importance of situational/threat awareness, crime prevention, personal safety and available resources.	Create an educational handout to distribute to airport stakeholders at a quarterly Consortium meeting and other selected informational meetings.
N/A	Familiarize MAC employees with daily police operations and responsibilities via participation in the APD Open House Program to over a 3-day period (4 hrs./day) followed by a ride-along with an officer.	Sufficient interest to fill available participant openings for events held during 2013. Participant understanding of APD operations and relationship building with other MAC staff.
N/A	Provide consultant-led behavior detection training to all staff who haven't been previously trained to assist in identifying suspect behaviors in an effort to mitigate safety and security threats.	Ensure all APD staff have received training in behavior detection.

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

Organizational Key Areas of Performance	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Est.	Goal
Employee Engagement	74	46	72	116	120	100%
<b>SC Performance Indicator:</b> Participation in Wellness activities <b>Comments:</b> Encourage department staff to pursue healthy living through participation in wellness activities.						
Safety & Security	9	5	3	3	0	0
<b>SC Performance Indicator:</b> Number of OSHA reportable training injuries <b>Comments:</b> Utilize acceptable forms of stretching and warmup prior to engaging in physically demanding training. Utilize safety officer to oversee all use of force training activities.						
Safety & Security	7	5	3	6	4	0
<b>SC Performance Indicator:</b> Number of sustained CSO complaints <b>Comments:</b> Continued use of audio and video recordings to verify accuracy and validity of customer complaints. Implemented a customer service informational flyer and 24/7 comment line to address terminal roadway concerns. Counsel and coach those with sustained complaints. Continuous reminders of importance of excellent customer service delivery.						

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**FACILITIES-TERMINAL 2**

Facilities-Terminal 2 is responsible for all operations and maintenance activities at Terminal - 2 Humphrey and all common-use facilities on the airport including Terminal - 1 Lindbergh and Terminal-2 FIS Facilities, fueling operations, Terminal-2 Remote Ramp and shared airline technology systems in both terminals. Department personnel works directly with airlines, terminal users/tenants and other MAC Departments to provide and maintain all essential airline operating facilities and equipment. The department routinely participates in airport facilities planning and construction activities, airline lease negotiations and airport operating policy development. The department also serves as the liaison to U.S. Customs and Border Protection (CBP) and works closely with other federal agencies including the Transportation Security Administration (TSA), Department of Homeland Security (DHS) and Center for Disease Control (CDC).

**BUDGET SUMMARY**

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>\$</b>	<b>%</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Variance</b>	<b>Variance</b>
Personnel	506,573	492,407	532,150	39,744	8.07%
Administrative Expenses	6,702	7,550	7,930	380	5.03%
Professional Services	0	0	0		
Utilities	2,587	1,700	2,600	900	52.94%
Operating Services/Expenses	6,233	26,250	6,250	-20,000	-76.19%
Maintenance	181,895	228,500	218,250	-10,250	-4.49%
Other	1,974	1,600	1,000	-600	-37.50%
<b>Total Budget</b>	<b>705,963</b>	<b>758,007</b>	<b>768,180</b>	<b>10,174</b>	<b>1.34%</b>
<b>FTE Total</b>	<b>3</b>	<b>3</b>	<b>3</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel is higher in 2013 as temporary employees increased. These provisional employees are requested to be made permanent FTEs. Personnel also increased due to wage structure adjustments and step increases.
Operating Services/Expenses	Operating Services/Expenses decreased based on estimated actual costs for 2013.
Maintenance	The decrease in Maintenance is based on actual 2012 expenses.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
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.	Final drafts of CCTV (iVISON) documents are being reviewed by MAC Legal Dept. Additional revisions to these documents were required. Adoption of new iVISON Policy will go to the Commission for approval in 1st Qtr. 2012. RFP for Phase I will be issued in February 2012. Agreements with TSA and Delta will come to the Commission in 2nd Quarter 2012 after the RFP has been awarded (known costs).

**FACILITIES-TERMINAL 2****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Revise Ordinance 96 RON aircraft parking fees for T-2. 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.	Deferred to 2012.

**2012 RESULTS REPORT**

Service Center Objective	Measurement	Results
Reduce average security checkpoint wait times by improving checkpoint facilities and information given to passengers about the screening requirements.	Reduced average checkpoint wait times compared to same month previous year.	Checkpoint 2 will reopen February 19th with new EVIDS displays (passenger advisory information). Additional displays at the T-2 Purple Skyway MUFIDS location (new elevators) will be used to display more passenger checkpoint advisory information. T-2 Staff worked with MAC Public Affairs to create additional passenger informational images that will be displayed at this location. Existing displays at the T-2 ticket counters will be used to information passengers of checkpoint operations and eventually wait times.
Implementation of Global Entry Program - a registered traveler program by U.S. Customs & Border Protection.	Installation of kiosks in both terminal FIS facilities and start of program at MSP by Q1 2012.	Global Entry at MSP is fully operational and CBP has a full calendar of passenger interviews 6 months out, thus the long wait times for interviews. CBP is requesting MAC assistance to locate the interview process to Terminal 1, this will require additional office space for CBP. Construction of a GE Enrollment Center has been added to the 2013 T1 Misc. Mods.

**2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal:</b> <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Amend MAC Humphrey Terminal Operating Procedures to more effectively manage and accommodate current airline activity and needs at Terminal 2.	Commission approval in December 2013. Effective date of January 1, 2014.

**FACILITIES-TERMINAL 2****2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Provide a Great Customer Experience</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
Implement a porter program to help customers with baggage at Terminal 1.	Increase passenger check-in capacity to reduce wait times by upgrading self-service kiosks that will service passengers from all airlines operating at T2.	Successful installation of new CUSS (Common-Use Self Service) kiosks at the ticket counters and purple skyway by September 2013.

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

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Operations	35	10	28	TBD	Less than previous year	Less than previous year.
<b>SC Performance Indicator:</b> Passenger/public complaints  <b>Comments:</b> Number of complaints received per "X"/passengers. Number of complaints at T2 in 2012 are expected to increase over 2011 because we've received several complaints related to the checkpoint wait times and lack of concessions. Both areas of complaints have been addressed with construction of checkpoint 1 and additional concessions that will open in early 2013.						
Operations	NA	NA	NA	14.5 min.	15 min.	Average less than 20 minutes.
<b>SC Performance Indicator:</b> Security checkpoint wait time  <b>Comments:</b> Track the amount of time passengers wait in checkpoint queue lines. Work with TSA to identify checkpoint process improvements and efficiency. Awaiting wait time figures from TSA for 2013. We expect wait times to drop with opening of the new checkpoint #1 and reopening of checkpoint #2 in February 2013.						

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**FACILITIES-TERMINAL 1**

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. The department goal is to maintain the MSP Airport at a level consistent with the expectations of its internal and external customers and tenants.

**BUDGET SUMMARY**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	631,221	649,304	609,751	-39,553	-6.09%
Administrative Expenses	26,017	4,773	6,123	1,350	28.29%
Professional Services	209,325	183,708	204,556	20,848	11.35%
Utilities	5,567	5,619	5,703	84	1.49%
Operating Services/Expenses	2,764,655	2,842,201	2,937,792	95,591	3.36%
Maintenance	17,189,715	18,746,016	20,028,738	1,282,722	6.84%
Other	10,205	8,600	17,250	8,650	100.58%
<b>Total Budget</b>	<b>20,836,704</b>	<b>22,440,220</b>	<b>23,809,913</b>	<b>1,369,692</b>	<b>6.10%</b>
<b>FTE Total</b>	<b>10</b>	<b>10</b>	<b>9</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel decreased as one FTE moved to another department; but the decrease is offset slightly for wage structure adjustments and step increases.
Administrative Expenses	The primary increase in this category is additional budgeted monies to cover extra head count in office suite and registration fees for training seminars.
Professional Services	The majority of the increase in Professional Services is due to the Roof Management Program fees associated with the Roof Survey report of buildings needing repairs. Extra monies will be spent on consultant oversight of necessary repairs to MAC campus roofs.
Operating Services/Expenses	The increase in Operating Services/Expenses is due to additional costs to create Porter Service in Baggage Claim.
Maintenance	Maintenance increased due to contractual increases for the operation and maintenance of the Automated People Mover, Carousel & Conveyor, Elevator/Escalator/Moving Walk and Janitorial & Window Cleaning contracts . Also included is the increase to the roofing repair budget which was primarily covered in the past by annual Miscellaneous Modifications projects.
Other	The primary increase in Other Expenses is due to a more accurate estimate for medical supplies at T1-Lindbergh based on a 3 year history and a minor upgrade to the MAC Facilities Conference Room.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Improve tram availability.	Availability % analyzed year-over-year.	Hub Tram - 4th qtr 10 - 99.90, 4th qtr 11 - 99.86; C Tram - 4th qtr 10 - 99.11, 4th qtr 11 - 99.52

**FACILITIES-TERMINAL 1****2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Reduce elevator/escalator/moving walk repair callbacks.	Callbacks analyzed year-over-year.	Callbacks for 4th qtr 10 - 191, callbacks for 4th qtr 11 - 201
Improve Terminal Cleanliness and Restroom Cleanliness Airport Service Quality Scores.	ASQ scores analyzed year-over-year.	Restroom cleanliness ASQ score 3rd qtr 10 - 3.98., 3rd qtr 11 - 4.10; Terminal Cleanliness ASQ score for 3rd qtr 10 - 4.28, 3rd qtr 11 - 4.40. Restroom cleanliness ASQ score 4th qtr 10 - 4.11, 4th qtr 11 - 4.10; Terminal Cleanliness ASQ score for 4th qtr 10 - 4.32, 4th qtr 11 - 4.33

**2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Improve tram availability.	Availability % analyzed year-over-year.	Hub Tram - 4th qtr. 11 - 99.92%, 4th qtr. 12 - 99.82%; C Tram - 4th qtr. 11 - 99.52%, 4th qtr. 12 - 99.03%.
Reduce elevator/escalator/moving walk repair callbacks.	Callbacks analyzed year-over-year.	Callbacks for 4th qtr. 11 - 201, callbacks for 4th qtr. 12 - 199
Improve Terminal Cleanliness and Restroom Cleanliness Airport Service Quality Scores.	ASQ scores analyzed year-over-year.	Restroom cleanliness ASQ score 4th qtr. 11 - 4.10, 4th qtr. 12 - 4.05 ; Terminal Cleanliness ASQ score for 4th qtr. 11 - 4.33 , 4th qtr. 12 - 4.35.
Reduce material delivery visibility within terminals.	Identify and track deliveries going to main node. Develop baseline first then set targets for improvement.	Main dock deliveries - 4th qtr. avg 2011 = 128,640cf; Main dock deliveries - 4th qtr. avg 2012 = 118,485cf
Complete 100% of Staff Performance Reviews.	Number of staff reviewed.	100% of staff received performance reviews.

**2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal:</b> <i>Provide a Great Customer Experience</i>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Reduce material delivery visibility within terminals.	Identify and track deliveries going to main node. Develop baseline for deliveries going to main node in 2013 and set targets for improvement.

**FACILITIES-TERMINAL 1****SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Operations	98%	99%	99.22%	99.16	99.25	99.25%
<b>SC Performance Indicator:</b> C Tram availability <b>Comments:</b> Our performance goal is 99% or better availability of the C Concourse Tram.						
Operations	76.5	70	64.08	73.58	70	70
<b>SC Performance Indicator:</b> Elevator/escalator/moving walk callbacks <b>Comments:</b> Our performance goal is less than 70 callbacks.						
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Annual employee performance reviews completed. <b>Comments:</b>						
Safety & Security	0	0	0	0	0	0
<b>SC Performance Indicator:</b> Lost time work accidents <b>Comments:</b>						

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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. Staff 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 an Open Architectural Building Automation System (OABA) to operate and maintain the growing airport complex HVAC systems. 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**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	1,263,038	1,317,272	1,444,321	127,049	9.64%
Administrative Expenses	5,520	3,870	4,372	502	12.97%
Professional Services	42,488	42,141	42,488	347	0.82%
Utilities	4,360	3,304	3,776	472	14.29%
Operating Services/Expenses	0	0	0		
Maintenance	1,553,072	1,571,936	1,621,195	49,259	3.13%
Other	5,988	5,478	5,975	497	9.07%
<b>Total Budget</b>	<b>2,874,466</b>	<b>2,944,001</b>	<b>3,122,127</b>	<b>178,126</b>	<b>6.05%</b>
<b>FTE Total</b>	<b>16</b>	<b>20</b>	<b>21</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increased for two additional Energy Management trainees as well as wage structure adjustments and step increases.
Maintenance	Maintenance increased in 2013 to replace aging temperature control equipment throughout the airport campus.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Install OABA three HVAC controls.	Complete 100% building automation controls OABA three.	OABA three is 83 % done.
Increase capacity of boilers and chillers to meet the needs of Terminal 2 expansion.	No delays, meet the demands of additional terminal space.	We have expansion plans ready; also boiler and chillers have been through their state inspection.

**2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Implement Operating Engineer trainee position.	Number of licenses dependent upon level of experience of hires.	100% done.
Keep within EMC's approved operating budget.	Actual to budget dollars.	To be determined.
Meet all new state and federal fuel, exhaust requirements.	Number of citations issued.	All boilers will be tuned up on natural gas, jet fuel, oil, complete January of 2013. Had to wait till it got cold enough to run at 100%.

**FACILITIES-ENERGY MANAGEMENT CENTER****2012 RESULTS REPORT**

Service Center Objective	Measurement	Results
Eliminate non-OABA computer system.	Zero sole-sourced computer systems.	OABA 5 will go out for bid end of January 2013.
Reduce customer HVAC complaints.	Reduce number of complaints down from 2011.	On going, but have cut complaints down by 3% from 2011.
No work related injuries.	Number of days from last injury.	No injury reported until November 2012.

**2013 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Ensure the financial viability of operating budget.	0 Balance at end of year.

Organizational Strategic Goal: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Expanded use of MAC's Enterprise Resources Planning product, EnterpriseOne, including automated time entry, capital project management and maintenance management.	Complete OABA 5, eliminate non-OABA systems	Done in 14 months

Organizational Strategic Goal: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	No work related injuries	No injuries

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

Organizational Key Areas of Performance	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Est.	Goal
Operations	4	2	0	0	0	0
<b>SC Performance Indicator:</b> Number of customer complaints <b>Comments:</b> Our goal is no complaints from the flying public.						
Safety & Security	1	1	0	2	0	0
<b>SC Performance Indicator:</b> Employee accidents <b>Comments:</b> Our goal is to remain accident free every year.						

**TRADES - ELECTRICIANS**

The Electrical Department provides maintenance and repairs of most electrical equipment and lighting fixtures throughout the MSP campus and Reliever Airports system. 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. The department also maintains and tests 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, Fire Alarm and oversight and repair responsibility for the LRT Platform.

**BUDGET SUMMARY**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	1,658,154	1,734,215	1,841,772	107,557	6.20%
Administrative Expenses	2,577	1,000	0	-1,000	-100.00%
Professional Services	0	0	0		
Utilities	9,390	9,000	10,000	1,000	11.11%
Operating Services/Expenses	1,004	114,550	150,000	35,450	30.95%
Maintenance	1,503,824	1,175,255	1,356,708	181,453	15.44%
Other	59,290	91,400	46,565	-44,835	-49.05%
<b>Total Budget</b>	<b>3,234,239</b>	<b>3,125,420</b>	<b>3,405,045</b>	<b>279,625</b>	<b>8.95%</b>
<b>FTE Total</b>	<b>18</b>	<b>17</b>	<b>18</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increased for one additional FTE in 2013 as well as wage structure adjustments and step increases.
Administrative Expenses	Administrative Expenses decreased because the 2012 budget included one-time upgrade expenses.
Utilities	The increase in Utilities arises from normal annual cost increases.
Operating Services/Expenses	Additional monies were added to Operating Services/Expenses to fund the switchgear maintenance contract that begins in January 2013.
Maintenance	Maintenance increased because the cost of lamps increased dramatically. Also, MAC Electric now partners with the security system contractor to maintain the system. Replacement materials for the security system are needed in 2013.
Other	The decrease in Other Expenses is due to a cost savings by owning instead of renting an 85' lift.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
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.	We did not get our 18th crew member to assist in this process until November 2011. Therefore we are continuing this effort into 2012.

**TRADES - ELECTRICIANS****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Create a complete re-lamping schedule in Excel for the entire MSP campus.	Having a completed plan in place and ready to implement.	Harris Controls has helped us to get a basic T1 Blueprint started and it will be elaborated through MAC projects becoming more detailed and helpful as time goes on.

**2012 RESULTS REPORT**

Service Center Objective	Measurement	Results
Cross train the crew to familiarize them with all electrical systems in place on the MSP Campus.	Have different personnel rotated into the positions of Relievers, Locating, T-2 and additional Fire Alarm Security Support.	We are holding at 30%. We have exceeded our expectations for the year.
Create a complete re-lamping schedule in Excel for the entire MSP campus.	Having a completed plan in place and ready to implement.	Progress is now at 14%. The MAC Energy Program has updated the OABA program to include Trades. The Security Checkpoint at T-2 is now entered into the OABA lighting plan.
Document work performed and time spent on E1 (CMMS) work orders.	Higher volume of work orders being completed yearly.	We finished the year at 20%.

**2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal:</b> N/A		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Fire Alarm and Security Technician rotations.	Individual employee hours (200 hours) spent training with the current specialist. Target is 5% of electricians per year.
N/A	Implement the new electrical maintenance program ensuring a smooth transition with the best outcome for the traveling public and internal departments.	Minimal customer complaints.

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

Organizational Key Areas of Performance	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Est.	Goal
Finance	\$319,000	\$335,000-1.05%	\$400,000=1.19%	\$400,000-flat	\$425,000-1.06%	0-5% increase
<b>SC Performance Indicator:</b> Uninterrupted Power Supply cost maintenance <b>Comments:</b> Multiple UPS' were added and/or replaced in 2011 and 2012 to replace older UPS'. MAC's goal is to monitor these costs and keep the costs from increasing more than 5% per year.						

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

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Development	0	10%	15%	30%	35%	5% increase in employees cross trained.
<b>SC Performance Indicator:</b> Cross Training <b>Comments:</b> Continual cross training is necessary to improve efficiencies						
Employee Engagement	100%	100%	100%	100%	100%	100% annually
<b>SC Performance Indicator:</b> Employee performance reviews completed <b>Comments:</b> Maintain communication with employees and stress the importance of good customer relations. Insure that 100% of employees have attended MSP Nice Training.						

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**TRADES - PAINTERS**

The primary role of the MAC Painters is to protect a multitude of surfaces from corrosion and deterioration to ensure a full service life to the surface. Additionally, MAC Painters maintain a clean, comfortable, visually pleasing and safe environment for the traveling public and meet all FAA mandated AOA markings at MSP and the Reliever Airports system.

The Painters are responsible for all paint maintenance on building interiors and exteriors throughout the MSP campus. The Painters are also responsible for the correct markings used on public roadways and for the maintenance of runways/taxiways in accordance with FAA regulations, all parking lot/ramp striping and markings. The Painters insure that the most appropriate and safest materials are utilized and disposed of to accomplish these tasks while being environmentally responsible.

The Sign Shop works within the Painters Department and is responsible for accurate and complete signage, way finding signage and MnDOT regulatory signage throughout the airport including terminals, roadways, parking areas, security fencing, vehicle logos and reflective tape, as well as name plates at MSP and the Reliever system.

**BUDGET SUMMARY**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	707,788	817,642	830,387	12,745	1.56%
Administrative Expenses	0	0	0		
Professional Services	0	0	0		
Utilities	1,749	1,000	1,793	793	79.26%
Operating Services/Expenses	20	0	20	20	100.00%
Maintenance	193,554	198,961	224,674	25,713	12.92%
Other	27,876	10,500	12,500	2,000	19.05%
<b>Total Budget</b>	<b>930,987</b>	<b>1,028,103</b>	<b>1,069,374</b>	<b>41,271</b>	<b>4.01%</b>
<b>FTE Total</b>	<b>8</b>	<b>8</b>	<b>8</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Maintenance	Maintenance increased for expected increase in paint costs for parking, roadways airfield and campus needs.
Other	Other Expenses increased in 2013 for additional tools needed to be productive and efficient.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Complex cross training for paint staff.	Achieve training.	Busy schedule did not allow time for cross training. We will put a greater effort in 2012.
Reduce hazardous/non-hazardous waste disposal costs.	Track disposal rates to past years.	2011 has had a substantial reduction in hazardous materials but this is mainly due to the sand blast operation being sidelined until the new enclosure is built. Freshly blasted metals usually require a more high tech coating which generates some hazardous waste. The new solvent recycler is working as advertised.

**TRADES - PAINTERS****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Maintain zero lost days to work injuries.	Zero lost days.	Zero lost days to injury in 2011.

**2012 RESULTS REPORT**

Service Center Objective	Measurement	Results
Reduce hazardous and non hazardous waste.	Reduce waste costs	Hazardous waste reduced from 1300 pounds in 2011 to 820 pounds in 2012. Non hazardous latex paint/sludge 275 gallons in 2011 and 275 gallons in 2012.
Cross train paint staff on complex striping equipment.	Complete cross training.	Video taping of 1 machine was completed in 2012 leaving 3 to complete in 2013.
Complete a customer feedback phone survey from 50% of departments that received painting projects.	Analyze customer feedback to insure they are satisfied with work we are producing and job completion.	We are at near 100% satisfaction level with all surveyed departments. This is a good program that shows our customers that we care that they are satisfied and allows the department know everything was completed.

**2013 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Cross train paint staff on complex striping equipment.	Complete video documentation of all larger more complex stripers
N/A	Complete a customer feedback phone survey from 50% of departments/customers that received painting projects.	Enhanced customer service. Satisfaction with production and quality. Ensure completion.
N/A	Reduce hazardous and non hazardous waste	Reduce volume and disposal costs.

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

Organizational Key Areas of Performance	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Est.	Goal
Environment	250 - 385	220 - 400	1300lbs- 275	820lbs-275	820lbs-275	Zero increase
<b>SC Performance Indicator:</b> Hazardous waste disposal costs  <b>Comments:</b> 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.						

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

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Safety & Security	0	0	0	3	0	0
<b>SC Performance Indicator:</b> Lost days to work accidents <b>Comments:</b> Accidents resulting in lost work days.						
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Annual performance reviews completed <b>Comments:</b> Our goal is to complete annual performance reviews with 100% of our employees every year.						

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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. Carpenters provide a high quality service to MAC departments and the airport tenants in a cost effective and timely manner. Services include repair and maintenance from floor to ceiling consisting of locksmith services that separate the "secured areas" from the "non-secured" areas. Services also include fulfilling the needs of the various tenants as well as the installation and repair of a wide variety of the facility finishes and special projects. The Carpenter Shop works closely with Airport Development in the naming/numbering of doors and concession spaces with identification tags and also maintains this numbering system to reflect the tenants' growing needs.

**BUDGET SUMMARY**

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>\$</b>	<b>%</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Variance</b>	<b>Variance</b>
Personnel	813,438	840,948	833,217	-7,731	-0.92%
Administrative Expenses	3,036	1,355	405	-950	-70.12%
Professional Services	0	0	0		
Utilities	3,698	3,900	3,958	58	1.49%
Operating Services/Expenses	75	350	436	86	24.48%
Maintenance	173,165	223,993	216,888	-7,105	-3.17%
Other	11,662	13,209	7,078	-6,131	-46.42%
<b>Total Budget</b>	<b>1,005,074</b>	<b>1,083,755</b>	<b>1,061,981</b>	<b>-21,773</b>	<b>-2.01%</b>
<b>FTE Total</b>	<b>9</b>	<b>9</b>	<b>9</b>		

**BUDGET HIGHLIGHTS**

Personnel	Although Personnel increased for wage structure adjustments and step increases, this category decreased overall due to an expected decrease in double time.
Maintenance	Maintenance is lower in 2013 because the expectation is that less materials and supplies are needed.
Other	Other Expenses decreased by budgeting cabinets and floor coverings closer to actual historic costs.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Improve staff productivity through new and improved technology. This would be accomplished by completing the integrating of EnterpriseOne and the GIS elements.	Reduced downtime of specific terminal functions (facility monitoring) and additional maintenance performed (computerized maintenance management system).	MAC IS was waiting for the E1 updates to be downloaded before proceeding with the demo of RESOURCE ASSIGNMENTS.
Minimize passenger disruptions during maintenance in public spaces.	Passenger complaints decrease.	Passenger disruptions were minimized by addressing safety concerns as a top priority. Extended repairs will be scheduled to take place during late evening/early morning hours.

**TRADES - CARPENTERS****2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Improve staff productivity through new and improved technology. This would be accomplished by completing the integrating EnterpriseOne and the GIS elements.	Reduced downtime of specific terminal functions (facility monitoring) and additional maintenance performed (computerized maintenance management system). This will be accomplished by the number of work orders completed.	The terminal blocks and new door contact magnets installed on auto doors HC-3AD3A and 3BX and also HC-3AD4A and 4BX are identifying problems immediately and eliminating nuisance call backs. This test has worked effectively and is a good possibility to be used throughout the auto door systems. MAC Carpentry is looking forward to our new relationship with Harris Controls.
Minimize passenger disruptions during maintenance in public spaces.	Passenger complaints decrease.	Department scheduled ceramic floor tile repair and re-fastening of expansion plate covers for early morning hours. The majority of the noise and demo work is done before retail shops and the traveling public are in those areas. The prep work or remaining finishing work is done during the regular work hours.
Cross training in the upholstery division of our department. General Foreman (GF) to select one/two carpenters to get trained in the basics and assist our most experienced carpenter with upholstery tasks.	Two carpenters selected and trained. Every quarter we will monitor their time spent on projects and set goals on what improvements are to be made.	Program will be determined in 2013.
Customer service calls to be placed by the GF to the department managers on specific, large projects that are beyond our normal scope of work.	Measurements would be the number of calls placed.	The GF did not have time to contact the department heads. The department heads sent emails explaining how well the project went, how great it was to work with an experienced staff and where pleased with the results.

**2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Leverage Resources and Technology</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Improve staff productivity through new and improved technology. This would be accomplished by effectively using the E1 CMMS system, asset labeling, using the "tablets" in the field and finally integrating the GIS elements.	Reduction of down time of specific terminal mechanical functions (OABA) and the maintenance performed (CMMS). Effective use of our assets, both mechanical and personal.
NA	Cross training within the Lock Shop of our Department. General Foreman has selected one full time carpenter to train along side of the soon to retire Locksmith to help gain experience and learn the complexities of this craft.	Every quarter we will monitor his time spent on learning the craft, the running of the locksmith section of our department and develop a highly motivated but customer friendly work ethic.

**TRADES - CARPENTERS****2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Provide a Great Customer Experience</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Customer service calls to be placed by the GF to the departments on specific, large projects that are beyond our normal scope of work.	Measurements of the number of calls placed that are beyond our normal scope and if they were successful.
NA	Minimize passenger disruptions during maintenance in public spaces.	Number of work orders issued that might disrupt the "passenger experience" compared to passenger complaints.

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

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Finance	41.5%	47%	50.5%	49.6%	52%	55%
<b>SC Performance Indicator:</b> Preventative maintenance workorders <b>Comments:</b> By increasing the number/percentage of preventative maintenance work orders, we will move from reactive to planned proactive work orders; therefore increasing time and financial effectiveness.						
Safety & Security	0	1	0	0	0	0
<b>SC Performance Indicator:</b> Lost time work accidents <b>Comments:</b>						
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Annual performance reviews <b>Comments:</b> Our goal is to complete annual performance reviews with 100% of our employees every year.						

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**TRADES - PLUMBERS**

The Plumbers are responsible for the water supply available to our customers, tenants and MAC personnel. This is accomplished through the maintenance, repair and ongoing preventive measures 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. Staff stays current with new plumbing technologies, processes and efficiencies by attending training seminars and new equipment and tooling demonstrations throughout the year.

**BUDGET SUMMARY**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	1,188,313	1,349,916	1,292,315	-57,601	-4.27%
Administrative Expenses	2,480	1,125	922	-203	-18.04%
Professional Services	14,966	20,000	20,000	0	0.00%
Utilities	6,632	4,500	8,317	3,817	84.82%
Operating Services/Expenses	3,008	3,000	3,075	75	2.52%
Maintenance	281,879	294,196	316,227	22,031	7.49%
Other	33,219	20,800	6,348	-14,452	-69.48%
<b>Total Budget</b>	<b>1,530,497</b>	<b>1,693,537</b>	<b>1,647,205</b>	<b>-46,332</b>	<b>-2.74%</b>
<b>FTE Total</b>	<b>8</b>	<b>8</b>	<b>8</b>		

**BUDGET HIGHLIGHTS**

Personnel	Although Personnel increased for wage structure adjustments and step increases, this category decreased overall due to a decrease in temporary employees and budgeting trade benefits closer to 2012 actual.
Utilities	The increase in Utilities reflects the additional monthly stipend and cell phones for the General Foreman and crew.
Maintenance	Maintenance increased in 2013 due to required fire system and water/sewer contractor maintenance.
Other	Other Expenses decreased as the copier rental moved to the Trades Administration service center and no tools were needed as in the past.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
To maintain the collection system and lift stations on a preventive maintenance schedule to our industry standards.	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.	Approximately 6000 feet of sanitary sewer and two lift station sumps were cleaned in 2011. Zero sanitary sewer overflows were accomplished. No lost time due to sanitary sewer backups and zero pump replacements at our lift stations.
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.	Irrigation water consumption was up from last year. More irrigation water was consumed toward the later part of 2011 which was needed to compensate for the lack of rain. Overall MAC's water consumption (domestic use and irrigation) was up slightly from the 2010 water usage measuring in for less than a 1% increase.

**TRADES - PLUMBERS****2012 RESULTS REPORT**

Service Center Objective	Measurement	Results
To maintain the collection system and lift stations on a preventive maintenance schedule to our industry standards.	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.  Quarterly review.	We have cleaned 100% of the problem sanitary sewer areas. We report no sanitary sewer overflows in 2012
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.  Quarterly review.	Water usage has increased approximately 2.1% this year compared to the same time period last year primarily due to construction water usage and an increase in passengers at T-2. Unaccountable water is up approximately 1% over the same period last year, most likely due to fire hydrant usage without a meter.

**2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal:</b> <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	To reduce water consumption by promoting water conservation and identify unaccounted water loss.	Measurement can be achieved by water meter accuracy testing and replacement, irrigation water management, and incorporating water saving fixtures in CIP design.

<b>Organizational Strategic Goal:</b> <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	To maintain the collection system and lift stations on a preventative maintenance schedule to our industry standard.	Reductions of sewer overflows and minimizing downtime and replacement cost of pumps and control equipment resulting in the protection of public health and the environment.

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

Organizational Key Areas of Performance	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Est.	Goal
Safety & Security	0	0	0	0	0	0
SC Performance Indicator: Lost time work accidents						
Comments:						

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

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Employee performance reviews completed						
<b>Comments:</b>						

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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**

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>\$</b>	<b>%</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Variance</b>	<b>Variance</b>
Personnel	157,866	167,996	206,796	38,801	23.10%
Administrative Expenses	8,630	4,949	5,536	587	11.86%
Professional Services	58,637	126,291	257,600	131,309	103.97%
Utilities	864	882	864	-18	-2.04%
Operating Services/Expenses	4,812	2,000	44,442	42,442	2122.10%
Other	11,408	13,143	27,763	14,620	111.24%
<b>Total Budget</b>	<b>242,218</b>	<b>315,261</b>	<b>543,001</b>	<b>227,741</b>	<b>72.24%</b>
<b>FTE Total</b>	<b>2</b>	<b>2</b>	<b>2</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel costs increased due to two temporary employees that will be used to help complete the Asset Labeling Project.
Professional Services	Two new PSA's were added for 2013 including Electrical Component Maintenance oversight and Secured Area Card Access Drawing Update - both are through MCE.
Operating Services/Expenses	Operating Services/Expenses increased substantially for the Gopher State One Call Purchase Order that was moved from Electricians. Also, copier rental for all Trades is now in this service center.
Other	This is for the rental and inspections of MAC Lifts - transferred from MAC Electric Budget. With OABA coming online, the Trades personnel will need increased access to the internet. Money is needed to purchase 2 new workstations and software.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Reduce injuries by 5%.	Reduce injuries lower than 2010.	Injuries were lower than 2010.
Improve Training in all admin areas.	Receive more and better training than 2010.	With monitoring, we are continuing our reduction in all admin duties in streamlining our CMMS system and related functions.

**2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Create a OSHA required training matrix for each Trade and follow through with all required training.	Excel Spreadsheet with training matrix. Set up and record required training dates.	OSHA required training matrix for each trade completed. Excel spreadsheet with training matrix with all training records and dates completed.

**TRADES - ADMINISTRATION****2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Locate and record ( in PIMS) all Runway Protection Zones (RPZ) on MAC property to the point where yearly letters can be mailed out.	PIMS updated and letters sent out	All RPZ's recorded in PIM's completed. In 2013, we will need to identify and enter any new tenants.
Progress on Asset Labeling pilot project 100% complete. Automated upload procedure for populating E1 database 100% complete.	Label equipment approved and purchased. Portable handheld work order device purchased and implemented. Identify assets in 2 additional MAC buildings.	Label equipment purchased. Portable hand holds purchased but not implemented. The 2 additional building assets have not been started.
Archive trailer 100% filed. Project spreadsheet up to date. Laser fiche of O & M Manuals 30% complete.	Quarterly Inspections	Archive trailer 100% filed. Project spreadsheets are up to date. Laser fiche of O&M manuals at 49%
100% performance reviews completed.	Annual Review	All trades and administration staff completed.

**2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Leverage Resources and Technology</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
Expanded use of MAC's Enterprise Resources Planning product, EnterpriseOne, including automated time entry, capital project management and maintenance management.	Continue progress on the asset labeling/hand held scanner project.	We should be using this process before the end of 2013.

<b>Organizational Strategic Goal: <i>N/A</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
N/A	Ensure 100% completion of performance reviews.  Look to expand learning/ training opportunities for trades building staff.	Monitor performance review status.  More training offered and received by staff.
N/A	Look for ways to increase the percentage of preventative maintenance type work orders vs. regular reactive type work orders.	Increase preventative maintenance to regular work orders.

**TRADES - ADMINISTRATION****2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal:</b> <i>Provide a Great Customer Experience</i>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Maintain and update OSHA required safety training matrix on all required training.	Excel spread sheet with all training recorded.

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

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Employee Engagement	NA	NA	NA	1 hour	55 min/day	30 min/day
<b>SC Performance Indicator:</b> Foreman Time in WO System to 30 min/Day <b>Comments:</b> This performance indicator began in 2012. The Trades Department is trying to become more efficient. At this time, the average time to complete work orders on the system is about one hour. The department would like to reduce it to 30 mn per foreman.						
Safety & Security	NA	3 total 1 lost time	4 total 2 lost time	4 total 1 lost time	0	0
<b>SC Performance Indicator:</b> Number of on the job Injuries for all Trades Departments <b>Comments:</b> This performance indicator began in 2010.						
Employee Engagement	NA	NA	NA	100%	100%	100%
<b>SC Performance Indicator:</b> Employee performance reviews completed all Trades Depts. <b>Comments:</b> Percent completion.						

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**FIELD MAINTENANCE**

The MAC 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**

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>\$</b>	<b>%</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Variance</b>	<b>Variance</b>
Personnel	8,334,690	8,573,096	8,595,316	22,220	0.26%
Administrative Expenses	34,074	20,030	22,530	2,500	12.48%
Professional Services	24,093	34,500	34,500	0	0.00%
Utilities	12,629	7,800	13,000	5,200	66.67%
Operating Services/Expenses	23,396	29,500	25,000	-4,500	-15.25%
Maintenance	2,758,993	2,504,600	2,564,750	60,150	2.40%
Other	86,007	53,260	43,390	-9,870	-18.53%
<b>Total Budget</b>	<b>11,273,881</b>	<b>11,222,786</b>	<b>11,298,486</b>	<b>75,700</b>	<b>0.67%</b>
<b>FTE Total</b>	<b>111</b>	<b>111</b>	<b>111</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increased due to wage structure adjustments and step increases. However, the Personnel increase is offset because the 2012 budget anticipated a large contractual backpay amount.
Administrative Expenses	The increase in Administrative Expenses is associated with computer hardware and software upgrades.
Utilities	The Utilities increase is for expected costs for cellular telephones.
Operating Services/Expenses	The decrease in Operating Services/Expenses is an estimate based on lower costs over the past three years.
Maintenance	Maintenance expense increase due to vehicle parts and equipment. The deferral of capital equipment purchases has resulted in increased costs associated with the maintenance of an aging fleet.
Other	Other Expenses decreased due to less minor assets-tools needed in 2013 than in prior years.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Integrate applicable elements of EnterpriseOne into Field Maintenance Equipment Repair Shop operations.	Install and run parts and inventory control modules prior to 3Q 2011	Parts and inventory control modules installed; hardware installed for wireless operations; awaiting software installation and training.
Maintain runway environment safety and aircraft movement area safety.	Zero vehicle/pedestrian runway incursions; zero movement area incursions	No vehicle/pedestrian runway incursions during FY'11.

**FIELD MAINTENANCE****2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
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.	No late surface openings; no known missed approaches during FY'11.
Reduce the number of preventable accidents and associated costs through enhanced safe driving techniques training.	Less than seven preventable accidents.	Ten preventable accidents during FY'11.

**2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Maintain runway environment safety and aircraft movement area safety.	Zero vehicle/pedestrian runway incursions; no movement area incursions.	No vehicle/pedestrian runway incursions in 2012.
Reduce the number of preventable vehicle accidents and associated costs through safe driving techniques training.	Less than seven preventable motor vehicle accidents.	Seven preventable accidents in 2012.
Strengthen inter-departmental relationships and internal customer service performance.	Designation of an employee to participate in the 2012 MAC Shadowing Program and issuance of inter-department familiarization assignments at a rate of at least two per month.	Staff familiarization at one per month. Field Maintenance employee completed 12-month mobility assignment to Airside Operations. A second Field Maintenance employee selected for subsequent mobility assignment.

**2013 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal:</b> <i>N/A</i>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
N/A	Reduce the number of preventable motor vehicle accidents and associated costs through safe driving techniques training.	Smith Driving System on-the-road defensive driving instruction for all applicable personnel prior to the 2013-2014 winter season.
N/A	Enhance runway safety and asset management by installing GPS-based vehicle tracking units in vehicles that routinely operate in and around the runway environment.	Identify critical vehicles in 1Q 2013; specify procurement and funding program in 2Q 2013; no vehicle/pedestrian runway incursions during the reporting period.

**FIELD MAINTENANCE****SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

<b>Organizational Key Areas of Performance</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Est.</b>	<b>Goal</b>
Safety & Security	1	2	0	0	0	0
<b>SC Performance Indicator:</b> Vehicle/pedestrian runway incursions <b>Comments:</b> Figures represents runway incursions committed by Field Maintenance personnel.						
Safety & Security	12	7	13	7	6	6
<b>SC Performance Indicator:</b> Field Maintenance vehicle accidents <b>Comments:</b> Figures represent 'preventable' accidents only as rated by MAC Risk/Safety						
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Annual performance reviews completed <b>Comments:</b>						
Safety & Security	1	1	3	4	0	0
<b>SC Performance Indicator:</b> Lost time work accidents <b>Comments:</b>						

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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**

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>\$</b>	<b>%</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Variance</b>	<b>Variance</b>
Personnel	719,157	739,814	746,812	6,998	0.95%
Administrative Expenses	7,097	13,204	14,974	1,770	13.41%
Professional Services	23,753	44,000	44,000	0	0.00%
Utilities	3,981	1,836	4,836	3,000	163.40%
Operating Services/Expenses	1,106	1,115	1,125	10	0.90%
Other	0	0	0		
<b>Total Budget</b>	<b>755,094</b>	<b>799,969</b>	<b>811,747</b>	<b>11,778</b>	<b>1.47%</b>
<b>FTE Total</b>	<b>8</b>	<b>8</b>	<b>8</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	Administrative Expenses increased for office supplies based on 2012 actual costs, travel and increased printer costs. Printer costs were shared last year.
Utilities	Utility expense increased as the result of expense related to Sprint data cards for the airport manager's computers and for the proper allocation of department cellular phone stipends.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
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.	Completed Reliever Airport Advisory Council (RAAC) review and have tenant meetings planned for January 2012

**2012 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Complete the approval process and begin executing new leases with over 600 tenants.	Proposed leases accepted by the Commission and new leases issued to tenants.	Leases were approved by the Commission on February 27, 2012. To date, over 500 leases have been mailed to tenants.

**RELIEVERS - ADMINISTRATION****2012 RESULTS REPORT**

Service Center Objective	Measurement	Results
Amend MAC Ordinance No. 78 (minimum standards for Reliever Airports) to reflect recommendations in the Commission adopted report entitled Operational Practices and Capital Funding of MAC's General Aviation System.	Proposed ordinance accepted by the Commission.	Staff continues to develop new minimum standards and has shared the concepts with impacted commercial operators.
Amend Ord. 107 (Rates and Charges for Reliever Airports) to reflect recommendations in the Commission adopted report entitled "Operational Practices and Capital Funding of MAC's General Aviation System."	Proposed ordinance accepted by the Commission.	Process complete.

**2013 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Amend Ordinance No. 78 (minimum standards for Reliever Airports) to reflect recommendations in the Commission's adopted report entitled "Operational Practices and Capital Funding of MAC's General Aviation System."	Proposed ordinance adopted by the Commission.
NA	Complete the renewal of 600+ Reliever Airport leases.	The execution of 600+ renewal leases.

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

Organizational Key Areas of Performance	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Est.	Goal
Safety & Security	0	5	0	0	0	0
<b>SC Performance Indicator:</b> Vehicle and Pedestrian Incursions <b>Comments:</b>						
Employee Engagement	37%	80%	88%	80%	100%	100%
<b>SC Performance Indicator:</b> Performance reviews successfully completed <b>Comments:</b>						

**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**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	517,923	563,086	531,570	-31,516	-5.60%
Administrative Expenses	2,068	1,705	2,200	495	29.03%
Professional Services	11,997	15,000	15,000	0	0.00%
Utilities	1,789	1,702	1,728	26	1.53%
Operating Services/Expenses	671	10,531	8,200	-2,331	-22.13%
Maintenance	105,853	145,528	141,772	-3,756	-2.58%
Other	568	1,200	931	-269	-22.42%
<b>Total Budget</b>	<b>640,868</b>	<b>738,752</b>	<b>701,401</b>	<b>-37,351</b>	<b>-5.06%</b>
<b>FTE Total</b>	<b>7</b>	<b>7</b>	<b>7</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increased for contractual wage structure adjustments; however, Personnel costs decreased overall due to less overtime and doubletime needed and less cost for uniforms in 2013.
Operating Services/Expenses	Operating Services/Expenses decreased as less major events are expected in 2013.
Maintenance	Maintenance decreased due to the expectation of less sand and salt needed on the runways and roadways. Also, asphalt surface repairs are expected to be less in 2013.

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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**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	88,518	97,536	85,650	-11,886	-12.19%
Administrative Expenses	467	250	400	150	60.00%
Professional Services	17,074	11,220	16,500	5,280	47.06%
Utilities	292	375	304	-71	-18.93%
Operating Services/Expenses	0	0	0		
Maintenance	30,333	23,590	27,010	3,420	14.50%
Other	89	200	200	0	0.00%
<b>Total Budget</b>	<b>136,774</b>	<b>133,171</b>	<b>130,064</b>	<b>-3,107</b>	<b>-2.33%</b>
<b>FTE Total</b>	<b>1</b>	<b>1</b>	<b>1</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel decreased based on employee turnover.
Professional Services	This expense category increased due to additional expected costs for miscellaneous professional services.
Maintenance	Maintenance increased due to the need for additional parts for aging equipment.

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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**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	89,079	94,448	87,560	-6,888	-7.29%
Administrative Expenses	335	366	339	-27	-7.38%
Professional Services	11,997	12,000	12,177	177	1.48%
Utilities	323	330	328	-2	-0.61%
Operating Services/Expenses	0	0	0		
Maintenance	21,353	22,233	22,515	282	1.27%
Other	38	300	302	2	0.67%
<b>Total Budget</b>	<b>123,126</b>	<b>129,677</b>	<b>123,221</b>	<b>-6,456</b>	<b>-4.98%</b>
<b>FTE Total</b>	<b>1</b>	<b>1</b>	<b>1</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel costs decreased overall due to less doubletime needed and less cost for uniform rental in 2013. On the other hand, Personnel increased for contractual wage structure adjustments.
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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**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	224,516	241,250	235,757	-5,493	-2.28%
Administrative Expenses	812	326	331	5	1.53%
Professional Services	14,328	11,220	13,753	2,533	22.58%
Utilities	601	669	250	-419	-62.63%
Operating Services/Expenses	0	0	0		
Maintenance	87,655	46,950	58,942	11,992	25.54%
Other	4,325	120	241	121	100.83%
<b>Total Budget</b>	<b>332,237</b>	<b>300,535</b>	<b>309,274</b>	<b>8,739</b>	<b>2.91%</b>
<b>FTE Total</b>	<b>3</b>	<b>3</b>	<b>3</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel decreased based on employee turnover and less cost for uniform rental in 2013. In addition, wage adjustments and step increases are included.
Professional Services	The increase in Professional Services is based on actual historical costs.
Utilities	Utility expense decreased as the result of properly allocating departmental cellular phone stipends.
Maintenance	Maintenance increased in 2013 due to the expectation of additional gate supplies needed and additional asphalt repairs.
Other	Additional medical supplies are needed in the Other Expense category.

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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**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	240,361	257,763	243,433	-14,330	-5.56%
Administrative Expenses	438	247	251	4	1.62%
Professional Services	11,997	11,220	11,388	168	1.50%
Utilities	844	1,939	514	-1,425	-73.49%
Operating Services/Expenses	163	2,066	1,420	-646	-31.27%
Maintenance	47,601	30,758	33,357	2,599	8.45%
Other	0	0	0		
<b>Total Budget</b>	<b>301,404</b>	<b>303,993</b>	<b>290,363</b>	<b>-13,630</b>	<b>-4.48%</b>
<b>FTE Total</b>	<b>3</b>	<b>3</b>	<b>3</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel decreased overall based mainly on a decrease in temporary employees requested. However, Personnel increased for wage structure adjustments and step increases.
Utilities	Utility expense decreased as the result of properly allocating departmental cellular phone stipends.
Maintenance	Additional gate supplies, batteries, and shop cleaner increased the expenses in the Maintenance area of the budget.

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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**

	<b>2011 Actual</b>	<b>2012 Budget</b>	<b>2013 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	224,771	243,628	249,271	5,643	2.32%
Administrative Expenses	3,444	1,050	1,375	325	30.95%
Professional Services	28,235	31,600	28,700	-2,900	-9.18%
Utilities	288	380	200	-180	-47.37%
Operating Services/Expenses	137,706	146,470	152,500	6,030	4.12%
Maintenance	76,812	61,000	57,335	-3,665	-6.01%
Other	1,341	150	1,000	850	566.67%
<b>Total Budget</b>	<b>472,596</b>	<b>484,278</b>	<b>490,381</b>	<b>6,103</b>	<b>1.26%</b>
<b>FTE Total</b>	<b>3</b>	<b>3</b>	<b>3</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to requested temporary employees as well as wage structure adjustments and step increases.
Administrative Expenses	Administrative Expenses increased due to additional registration fees.
Professional Services	Professional Services decreased based on an estimate of actual decrease in fees.
Operating Services/Expenses	Operating Services/Expenses increased based on expected increase in service fees.
Maintenance	Maintenance decreased in 2013 due to expected decrease in costs for salt and sand for the runways and roadways as well as window cleaning fees.
Other	Other Expenses increased in 2013 for an increase in licensure fees.

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The Statistical sections:

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 following table compares revenue and expense changes (excludes depreciation, noise amortization and non-operating revenue/expense) between 2002 and 2011. The second table compares major facilities as increases affect MAC in all areas.

See Budget Message, Budget Process, Capital Budget and Debt Service sections for non-operating revenue and expense budget approval.

<b>HISTORICAL OPERATING REVENUE &amp; OPERATING EXPENSE SUMMARY 2002 VS 2011</b>						
(\$ = 000)						
	<b>2002</b>		<b>2011</b>		<b>2001-2010</b>	<b>Annual</b>
	<b>\$</b>	<b>% of Total</b>	<b>\$</b>	<b>% of Total</b>	<b>Change \$</b>	<b>% Change</b>
<b>Operating Revenue</b>						
Airline Rates & Charges	\$ 69,233	40.6%	\$ 96,422	37.6%	\$ 27,189	3.7%
Concessions	67,416	39.5%	118,792	46.3%	51,376	6.5%
Rentals/Fees	0	0.0%	27,575	10.7%	27,575	
Utilities & Other Revenue	0	0.0%	13,759	5.4%	13,759	
Other	33,961	19.9%	0	0.0%	(33,961)	-100.0%
<b>Total Operating Revenue</b>	<b>\$ 170,610</b>	<b>100.0%</b>	<b>\$ 256,547</b>	<b>100.0%</b>	<b>\$ 119,898</b>	<b>4.6%</b>
<b>Operating Expenses</b>						
Personnel	\$ 43,074	51.1%	\$ 66,297	48.6%	\$ 23,223	4.9%
Administrative Expenses	880	1.0%	1,532	1.1%	652	6.4%
Professional Services	3,386	4.0%	4,167	3.1%	781	2.3%
Utilities	8,882	10.5%	16,568	12.2%	7,686	7.2%
Operating Services	12,147	14.4%	17,151	12.6%	5,004	3.9%
Maintenance	13,501	16.0%	27,057	19.9%	13,556	8.0%
Other	2,455	2.9%	3,530	2.6%	1,075	4.1%
<b>Total Operating Expenses</b>	<b>\$ 84,325</b>	<b>100.0%</b>	<b>\$ 136,303</b>	<b>100.0%</b>	<b>51,978</b>	<b>5.5%</b>
(excludes depreciation and noise amortization)						
<b>Operating Income (Loss)</b>	<b>\$ 86,285</b>		<b>\$ 120,244</b>		<b>\$ 33,959</b>	<b>3.8%</b>
(excludes non operating)						

The above table is a comparison of the years 2002 versus 2011 and emphasizes the changes that occur when comparing the percentage in categories to the total. The average annual percentage increase in revenue from 2002 to 2011 (4.6%) is greater than the annual percentage increase in expenses from 2002 to 2011 (3.8%). Over this ten-year period, revenue grew 0.8% more than expenses. 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 through 2011. In 2009, passengers and activity were declining due to the economic recession with a slight increase in 2011. (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 2002 (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 is in the Concessions category (6.5%). 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 second average annual percentage increase of 2.2% is in the Other Revenue category (combines Rentals/Fees and Utilities & Other Revenue). 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 2001 through 2007. However, 2008 reporting revenue is 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.)

**Directional Signage**

- ◆ The average annual percentage increase for Airline Rates and Charges is 3.7% between the years of 2002 and 2011. This is due in part to landing fees and expanded terminal facilities necessary to accommodate the growth in passenger activity between 2002 and 2011. 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 operating services. The increase between 2002 and 2011 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. 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.)

### **Operating Expenses**

Expense changes are as follows:

- ◆ Personnel expenses have increased from 2002 to 2011 by \$23.2 million. This equates to an average annual increase of 4.9%. Full Time Equivalents (FTEs) in 2002 were at 543.5 while actual FTE positions in 2011 totaled 566. 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.
- ◆ Administrative Expenses slightly increased from 1.0% to 1.1% and Professional Services decreased from 4.0% to 3.1% when comparing 2002 actual expenses to the total expenses for 2011. 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. The addition of FTE positions also reduced the expense amounts paid in Professional Services.
- ◆ Utilities increased 7.2% between 2002 and 2011, and reflect the higher costs of natural gas and electricity along with an increase in facilities.
- ◆ Operating Services accounted for 14.4% of total expenses in 2002 however, was reduced in 2011 to 12.6% in response to economic conditions and contract reductions. The overall increase between 2002 and 2011 is 3.9%.
- ◆ Maintenance had the largest increase of 8.0% between 2002 and 2011 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.

- ◆ Other expenses increased 4.1% between the years 2002 and 2011. 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.

**Minneapolis-St. Paul International  
Airport Terminal 1 – Lindbergh  
Terminal**

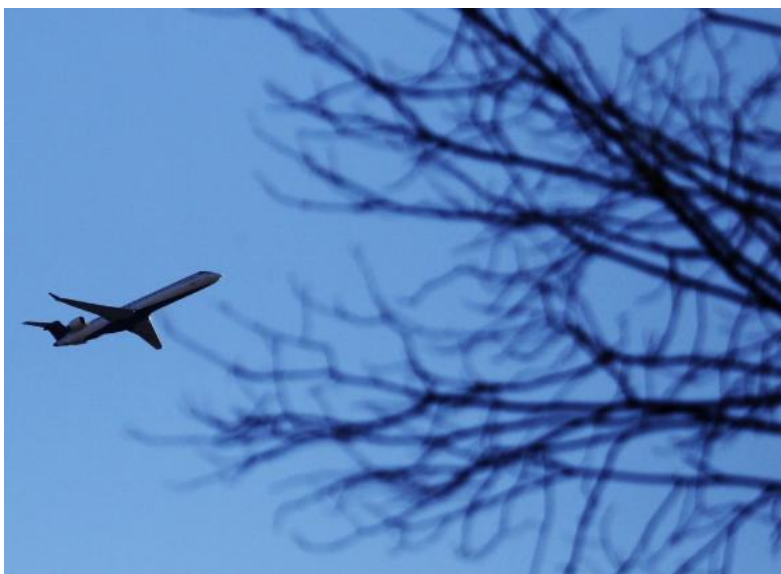


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2012

Facility Expansion Lindbergh and HHH				
	2002	2012	Increase	% Increase
<b>Lindbergh &amp; Regional</b>				
Terminal Square Footage	2,630,818	2,841,143	210,325	8.0%
Number of Gates (Aircraft Loading Positions)	117	114	-3	-2.6%
Ramp Lineal Footage	11,172	11,302	130	1.2%
<b>Humphrey Terminal</b>				
Square Footage	388,428	531,711	143,283	36.9%
Number of Gates	10	10	0	0.0%
Parking (All Facilities)	15,746	22,756	7,010	44.5%



The chart in the above section compares the development and expansion of the major facilities at MSP International between 2002 and 2012. The significance of this growth impacts both revenue and expenses. (The decrease in the number of gates in 2012 is due to a reconfiguration of the area to accommodate the size of the jets.) 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.

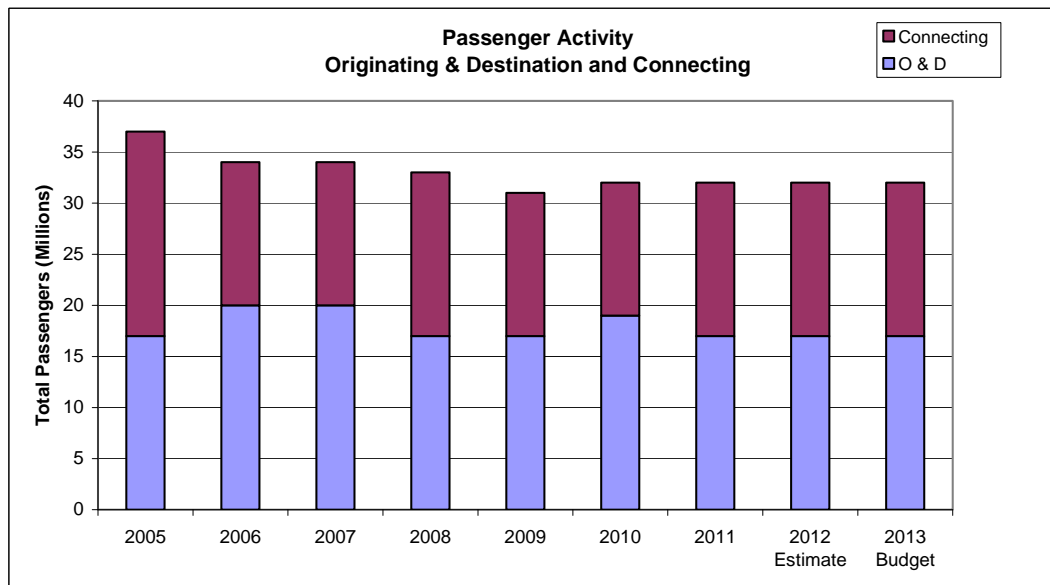
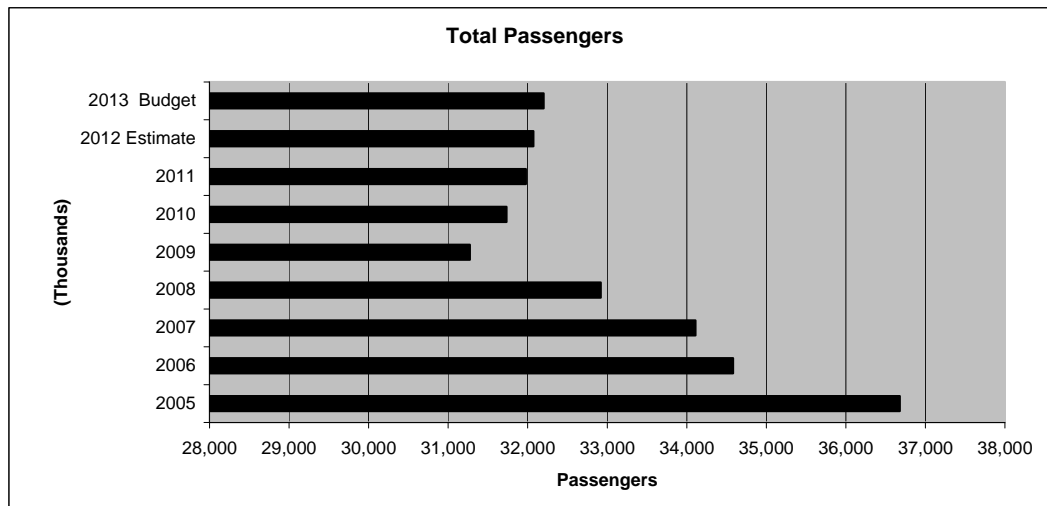
### ***Take Off from MSP International Airport***

The following table identifies major new facilities that have been completed since 2002.

<b>Major New Facilities Completed 2002 through 2012</b>			
<b><u>New Facilities</u></b>	<b><u>Closing Date</u></b>	<b><u>New Facilities</u></b>	<b><u>Closing Date</u></b>
A,B,C Concourse Apron Expansion	2002		
HHH Parking Ramp	2003	Runway 12L/30R Reconstruction - Segment 2	2009
Runway 12R Deicing Pad	2004	North/South Runway-Bloomington Land Acquisition	2009
LRT (Light Rail Transit) Tunnel/Stations	2004	HHH Terminal Parking Facility Expansion	2009
A,B,C Concourse -- Moving Walks, People Mover & Expansion	2004	St. Paul Airport - Flood Protection:Perimeter Dike	2009
		LT Sprinkle System - Phase 3	2009
17/35 Runway	2005	MUFIDS Phase 2	2010
Fire Station No. 1	2005	Lindbergh Terminal Carpet	2010
North Terminal Expansion	2006	HHH Skyway Expansion	2010
Runway 4/22 Tunnel	2006	Flying Cloud Airport -Runway 10R/289L Extension	2010
Trinity School Acquisition	2006	2008/2009 Part 150 Noise Sound Insulation Prog	2010
HHH Terminal Projects	2006	Concourse G Expansion Site Preparation	2011
Lindbergh Terminal EDS Bldg. Shell	2006	Taxiway C Extension to HHH Remote	2011
Taxiway CD Phase 3	2007	LT Sprinle System - Phase 4	2011
In-line Baggage Screening System	2007	FAA Building Upgrades	2011
Runway 12R/30L Reconstruction Segment 2	2007	2008/2012 Part 150 Noise Sound Insulation Prog	2012
St. Paul Airport Runway Improvements	2008	Terminal 2 Phase A Secuirty Check Pt	2012
Humphrey Terminal Parking Expansion	2008	Terminal 2 Fuel Facility Relocation	2012
St. Paul Airport Runway Safety Area	2008	Terminal 1 Folded Plate Drain Roof Repair	2012
Perimeter Fence/Gate Barrier System	2008	Perimeter Fence Security Improvement	2012
St. Paul Airport-Dike Excavation	2008	Terminal 1 Jet Bridge Replacements	2012
Note: Terminal 1 -Lindbergh      Terminal 2 -HHH			

### **ACTIVITY/OPERATIONS STATISTICS**

This section contains the historical and forecasted levels of activity for the period 2005 through 2013 in the MAC's system of airports.



The above charts illustrate passenger activity that occurred at MSP International Airport during the time period 2005 to 2013.

- 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 1.6 million less passengers
- 2010 - Minor increase in passengers (Southwest Airline activity)
- 2011 - Minor increase in passengers
- 2012 Estimate – Minor increase in passengers
- 2013 Budget - Projecting a slight increase in passenger activity based upon airline projections and a recovering economy

- In the last 3 years approximately 47% of passengers were connecting passengers (those transferring directly to another flight). The average since 2005 is 46%.

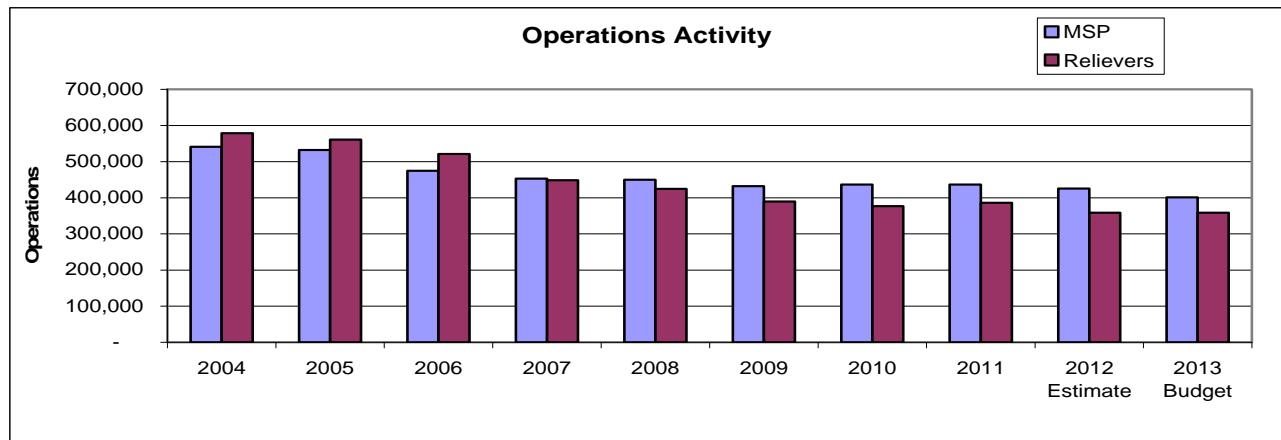
<b>Passenger Type Comparisons 2009 to 2013</b>					
Passenger Type	2009 <u>Actual</u>	2010 <u>Actual</u>	2011 <u>Actual</u>	2012 <u>Estimate</u>	2013 <u>Budget</u>
Enplaned	8,318,949	9,147,140	8,676,764	8,667,889	8,732,100
Deplaned	8,489,905	9,452,236	8,709,549	8,698,441	8,825,312
Connecting	<u>14,464,370</u>	<u>13,135,338</u>	<u>14,590,850</u>	<u>14,704,298</u>	<u>14,662,588</u>
Total Passengers	<u>31,273,224</u>	<u>31,734,714</u>	<u>31,977,163</u>	<u>32,070,628</u>	<u>32,200,000</u>

Estimates of passenger activity form an important element in forecasting revenue each year. The above chart represents actual passenger statistics for 2009, 2010 and 2011 with estimates for 2012 and budget 2013. The following categories are each used in a specific manner when calculating revenue:

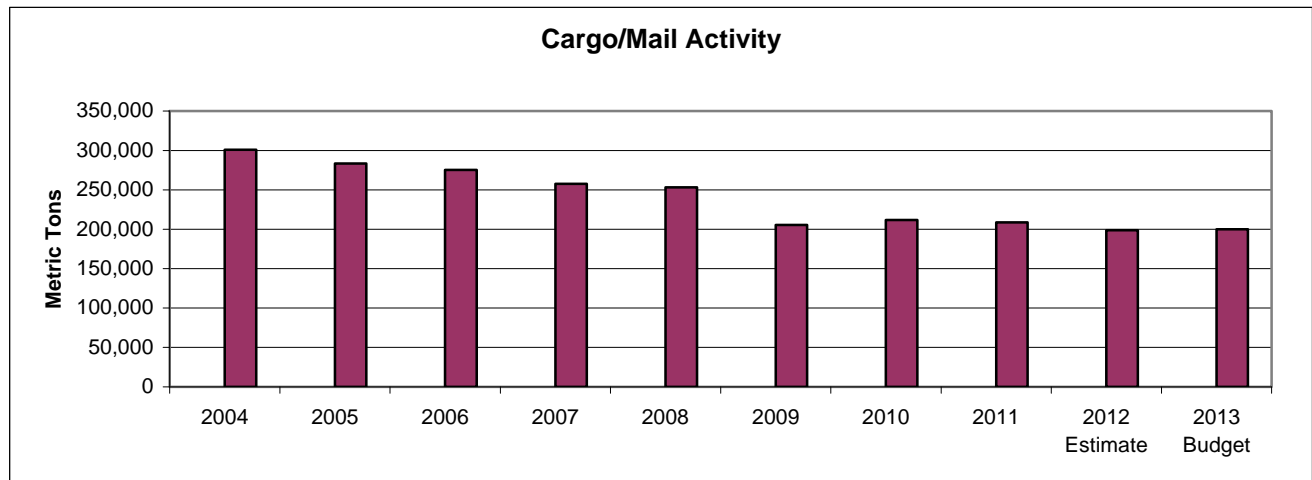
- ◆ Enplaned (originating) passengers plus connecting passengers are used in forecasting most concession revenue.
- ◆ Deplaned (final destination) passengers are used the process of estimating auto rental revenue.
- ◆ Enplaned (originating) passengers, excluding connecting, are used in estimating common use and carrousel and conveyor percentages for billing the airlines.



**Delta Air Lines Operations at Terminal 1-Lindbergh**



The Operations Activity chart depicts the total Operations Activity for both the Reliever Airports and MSP International. An operation represents one takeoff or landing. MSP operations have steady declined as shown above as a result of airline bankruptcies, acquisitions, the recession and aircraft size.



The Cargo/Mail Activity Chart points to a steady decrease in activity from 2004 through 2009. 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 is slightly greater than 2009 due to an increase of activity in the 4<sup>th</sup> quarter of 2010. The 2012 estimate and 2013 budget are expected to remain consistent with 2011 activity.



***Parking Rules Were Enforced at Wold-Chamberlain Field in 1951***

### **NATIONAL COMPARISONS**

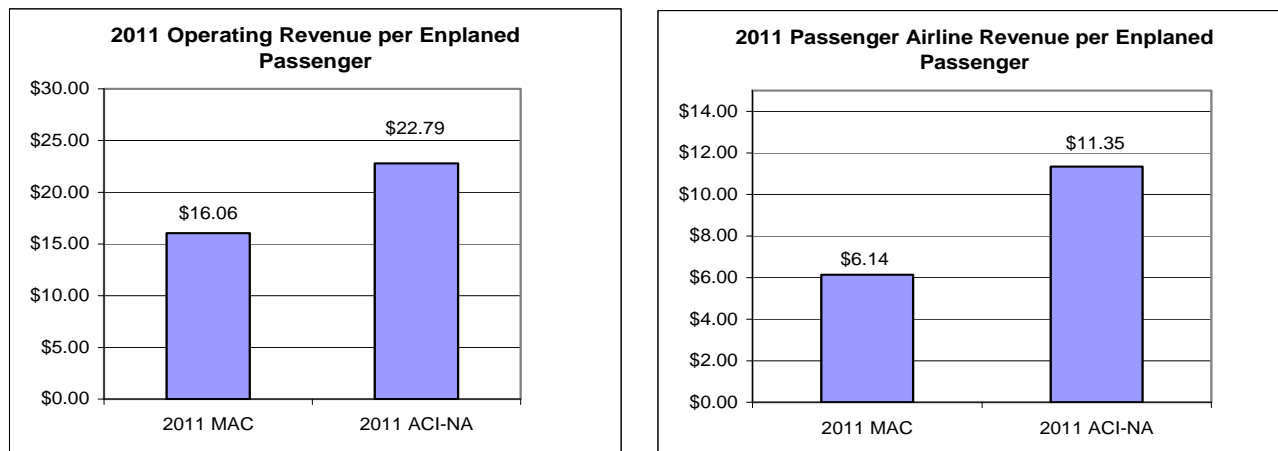
The information presented in this section was obtained from the national airport survey prepared by Airports Council International – North American (ACI - NA) dated October 2012. This survey grouped hub airports into three categories: large, medium, and small. MSP is considered a large hub airport.

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 2011:



Operating Revenue per Enplaned Passenger compares MAC's revenue of \$16.06 per enplaned passenger to other large hub airports of \$22.79. The difference is primarily attributable to MAC's lower operating costs as these costs are used to calculate airline rates and charges.

Passenger Airline Revenue per Enplanement Passenger in the above chart 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 \$5.21/enplanement (\$11.35 ACI-NA survey less \$6.14-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.)

### Concession Revenues

(in thousands of dollars)

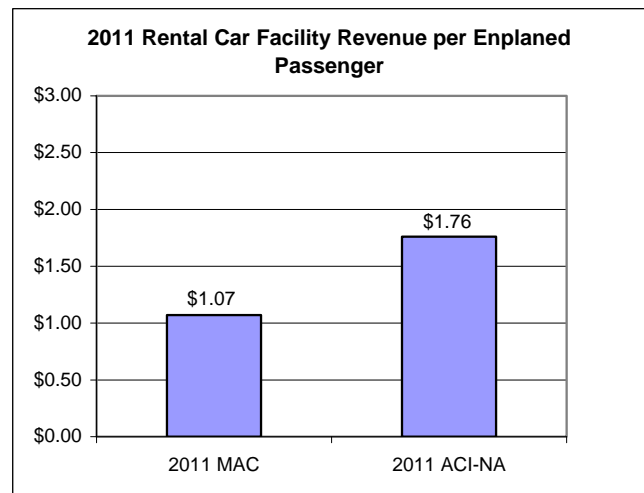
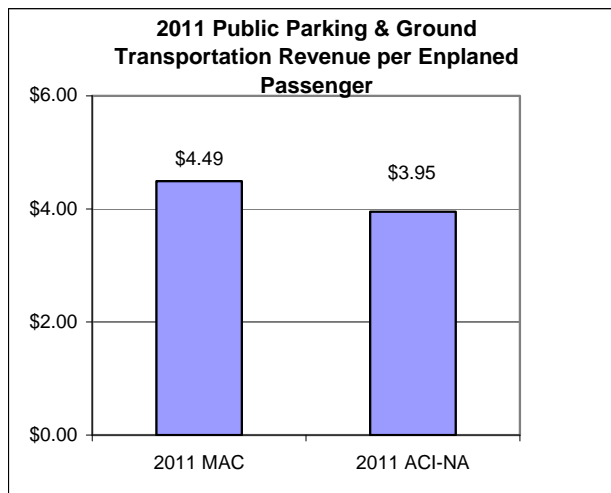
Year	Parking	Rental Car & Ground Transportation	Food & Beverage	General Merchandise	MSP Employee Parking *	Other	Total
2007	66,765	21,373	12,645	8,577		4,435	113,795
2008	62,748	21,409	12,807	8,553	2,424	4,942	112,883
2009	61,546	19,429	13,052	8,082	2,586	2,685	107,380
2010	63,682	19,616	12,957	8,028	2,469	5,752	112,504
2011	66,612	22,246	13,398	8,373	2,578	5,585	118,792
2012 Est	73,100	21,800	13,817	8,579	2,800	5,674	125,770
2013 Budget	74,417	21,756	13,946	8,267	2,883	5,889	127,158

\* Beginning in 2008, MSP Employee Shuttle was reclassified to Concessions Revenue from Other Revenue

The above table presents historical concession revenues from 2007 to 2011, estimate for 2012 and the 2013 budget. (Please see Operating Budget Revenue for additional details.)

- ◆ Parking revenues are related to the level of originating traffic at MSP and decreased in 2008 and 2009 as a result of the economic recession. Even a 2009 rate increase could not overcome the impact of the economic downturn. Revenue in 2010, 2011, 2012, and the 2013 projections show a steady increase with a jump in 2012 from a T1 general parking rate increase.
- ◆ 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 is a reflection of the economic recession. The 2011 actual increase is attributable to greater transactions and activity for Auto Rental – On Airport as well as a new auto rental agreement. Rental car revenue, however, is anticipated to decrease in the 2012 estimate as a result of prior year adjustments included in the revenue for 2011. The revenue for 2013 budget is projected to remain the same.

- ◆ Food & Beverage has shown a steady increase in sales each year from 2007 through 2013 projections with 2009 being the only exception. The 2010 rent decrease shown in the table above is the result of reconciling the lower 2009 sales in 2010. Food & Beverage sales variances are primarily driven by passenger levels. Passengers decreased in 2007, 2008, & 2009 and when combined with the economic downturn sales eventually showed a decrease in 2009. However, since then passengers slightly increased in 2010, 2011, & 2012. A portion of the 2012-rent increase can be attributed to the reconstruction of the G concourse concession program throughout the year, and 2013's projection includes a gain in T2 concession rent from new units being added in 2013.
- ◆ Merchandise rent decreased substantially in 2009 from the economic downturn, and has not truly recovered. Rent in 2010 remained about the same and increased slightly in 2011. The rent increase seen in 2012 can be almost exclusively attributed to a three-month spike in sales at the World Passage store during a Delta employee training program and is not expected to reoccur. The 2013 projected rent decrease reflects the conversion of four retail units to passenger service concepts.
- ◆ 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 is a result of lower demand due to the economy directly attributable to passenger service concepts that did not open along with prior year refunds for lease reconciliations. The increase in 2010, reflects greater passengers. A decrease in 2011 is attributable to prior year credits and adjustments, while the 2012 estimate, and the budget for 2013 is indicating revenue increases as new contracts (Wi-Fi and Outdoor advertising) will be fully implemented.



The above two charts represent MAC's comparison with other large hub airports for Parking and Ground Transportation and Rental Car Facility. MAC in 2011 is higher than the national average for parking and ground transportation by \$0.54. However, MAC is lower in generating revenue from rental car facilities by \$0.69. Rental car leases have been in place for over six years. Contract re-bidding and finalized in 2011 generated additional revenue in 2012.

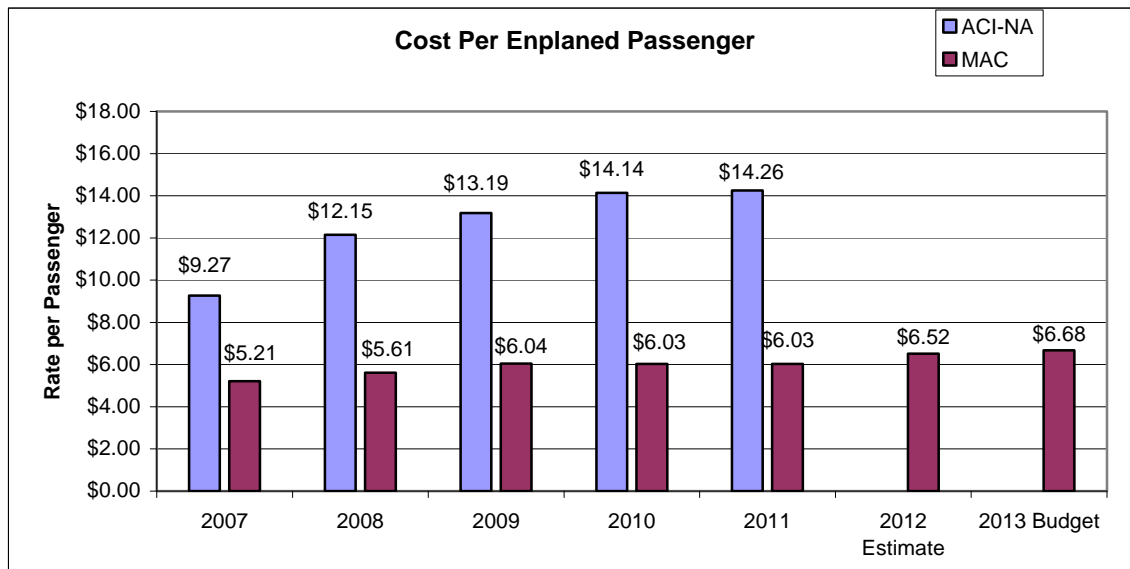
### Industry Comparisons - Other

Four charts presented in this section compare MAC to the following industry performance ratios:

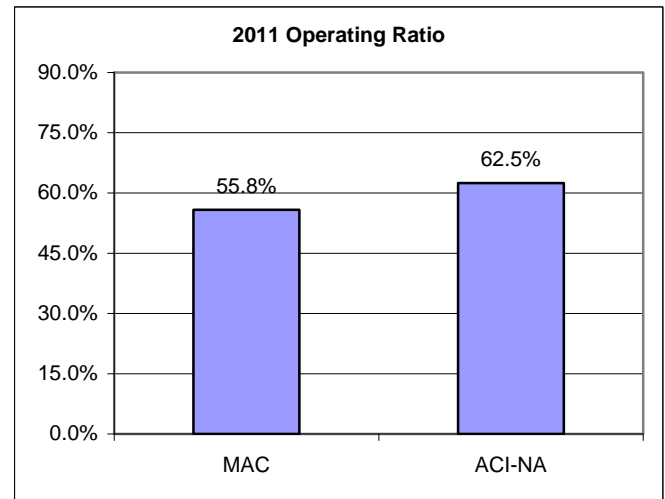
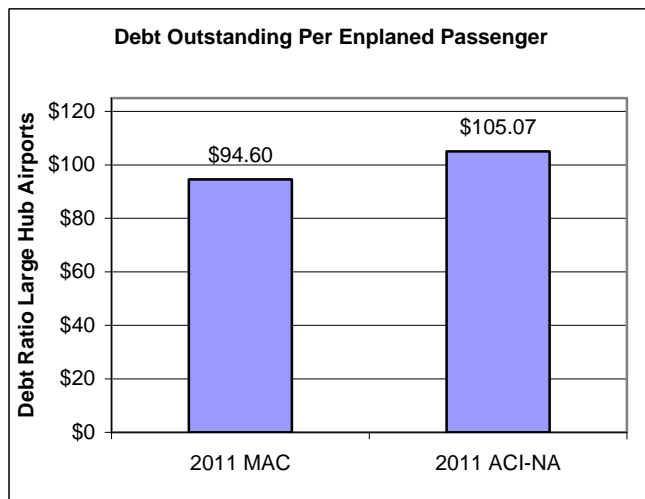
- Cost Per Enplaned Passenger Comparison
- Debt Outstanding Per Enplaned Passenger
- 2010 Operating Ratio
- MAC Operating Ratio – Hub Airports

These ratios are based on 2011 financial and operating data (the most recent available) and have been used for purposes of comparison. All MAC data is based upon actual 2011 information.

Cost per Enplaned Passenger comparison reviewed as follows:

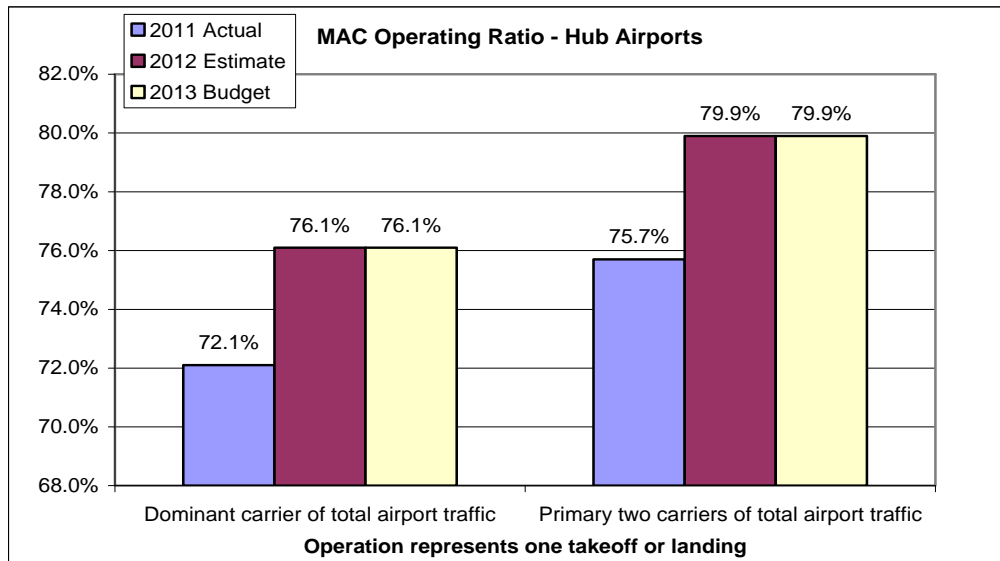


This chart, Cost per Enplaned Passenger Comparison, historically compares MSP's operating expenses for airlines in the airfield, ramp, terminal buildings and international facilities per enplaned passenger to the average cost per enplaned passenger as indicated in the ACI-NA report. In 2011, MAC's expense of \$6.03 per passenger (which is in the lower third of large hub airports) is less than the 2011 national average of \$14.26 and is attributable to MAC's lower operating costs.



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 Debt per Enplaned Passenger as published by the ACI - NA for large hub airports. MAC's ratio of debt/enplaned passenger is below the industry average (\$10.47) due to bond refundings.

The 2011 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.



The dominant carrier at MSP is Delta Air Lines. The 2013 budget is projecting no change in the Delta percentages from 2011. The second largest carrier in 2011 was United Airlines with 3.8% of total airport traffic.

### **OTHER INFORMATIONAL STATISTICS**

Minnesota is an interesting state with a great airport in a great city. It holds a large number of fortune 500 companies. The "higher than US" education rate pays off as Minnesotans have a lower unemployment rate, higher per capita income and many companies to choose from for employment. The Minneapolis-St. Paul International airport is ranked among the top airports in a number of areas. The following information is provided about the state of Minnesota.

- Population
- Employers
- Tourism
- Interesting Facts
- Airport Activity

### **POPULATION**

POPULATION					
(\$ = 000)					
Calendar Year	United States	Minnesota	Minneapolis St. Paul MSA	MSA* as % of U.S.	MSA as % of Minnesota
2000	282,172	4,934	2,981	1.1%	60.4%
2001	285,082	4,983	3,025	1.1%	60.7%
2002	287,804	5,017	3,055	1.1%	60.8%
2003	290,211	5,048	3,082	0.9%	60.9%
2004	293,046	5,079	3,112	1.0%	61.0%
2005	295,753	5,107	3,141	1.0%	61.2%
2006	298,593	5,148	3,175	1.0%	61.6%
2007	301,580	5,191	3,172	1.1%	61.1%
2008	304,375	5,231	3,238	1.1%	61.9%
2009	307,007	5,266	3,270	1.1%	62.1%
2010	309,326	5,311	3,285	1.1%	61.9%
2011	311,588	5,347	3,318	1.1%	62.1%
2012	313,914	5,379	NA	NA	NA

Source: U.S. Depart. of Commerce, Bureau of the Census accessed 1/28/2013  
\*MSA = Metropolitan Statistical Area

The previous table presents the population for the USA, the State of Minnesota and the Metropolitan Statistical Area (MSA). Minnesota, in terms of 2011 population estimates, was the 21<sup>st</sup> largest state in the nation and has the second largest increase in population in the 12-state Midwest region between 2000 and 2010 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.

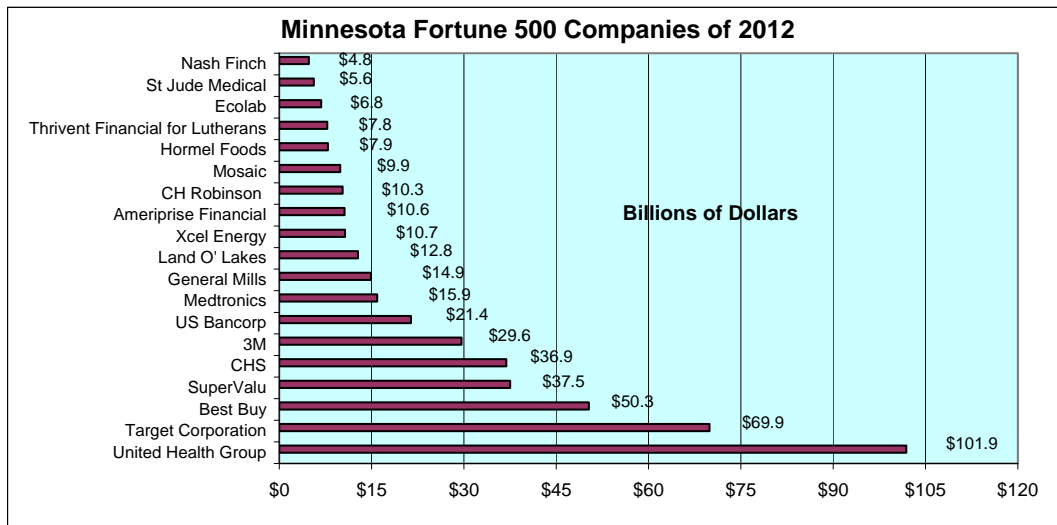
Minneapolis-St. Paul International Airport is the only large hub airport in the MSA serving schedule air commerce.

## EMPLOYERS

Many large private companies are based in Minnesota and reap the benefits of its economy. In 2012, Mayo Foundation was at the top of the Private Employer list with over 32,000 employees when ranked by in-state employees. Minnesota has also hosted many *Fortune 500* companies and has more companies per capita than all but one state. Overall, the State is home to 19 Fortune 500 companies, representing a wide variety of industries including insurance, banking, health care, manufacturing and food processing.

<b><u>Minnesota Top 20 Private Employers</u></b>		
<b><u>Company Name</u></b>	<b><u>Number of Employees</u></b>	<b><u>Industry</u></b>
Mayo Foundation	32,893	Health Services
Target Corporation	30,500	Retail Trade
Allina Health System	23,302	Health Services
Wal-Mart Stores	20,434	Retail Trade
Fairview Health Services	20,178	Health Services
Wells Fargo Bank	20,000	Financial Services
3M Company	15,000	Manufacturing
Delta Air Lines Incorporated	13,000	Passenger Airlines
Health Partners	12,000	Health Services
US Bancorp	10,655	Financial Services
United Health Group, Incorporated	10,000	Health Services
Essential Health	9,100	Health Services
Medtronic, Incorporated	9,000	Medical Technology
Supervalu Incorporated	8,578	Retail Trade
Park Nicollet Health Services	8,274	Health Services
Hormel Foods	7,800	Manufacturing
Best Buy	7,527	Retail Trade
HealthEast Care System	7,345	Health Services
Thomson Reuters Legal	7,100	Legal Services
CentraCare Health System	6,624	Health Services
Source: Minneapolis St. Paul Business Journal, 2012 Book of Lists		

The following chart recognizes the Minnesota Fortune 500 Companies of 2012:



Source: Minnesota Department of Employment and Economic Development website accessed 1/31/2013

## 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 again from 2007 through 2009 with 2009 and 2010 rates being the highest in decades for the United States, Minnesota and the Minneapolis-St. Paul MSA. In 2010, the unemployment rate decreased for Minnesota and the MSA but did not decrease for the United States until 2011. In 2012, the rate continued to drop for the United States, Minnesota and the MSA. In addition, the MSA continues to remain lower than the national average.

In the last year, Minnesota added jobs at a faster rate than the nation. The jobs created over the past year covered many sectors of employment ranging from retail to healthcare to manufacturing. With the Fortune 500 companies and the large number of employers in the state, Minnesota is gaining a larger share of the nation's economic pie.

### Civilian Unemployment Rate

Calendar Year	United States	Minnesota	Minneapolis-St. Paul MSA**
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%
2011	8.9%	5.7%	5.1%
2012	7.6%	5.4%	5.0%

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 1980, 11 counties in 1990-1992 and 13 counties in 1993 and beyond.

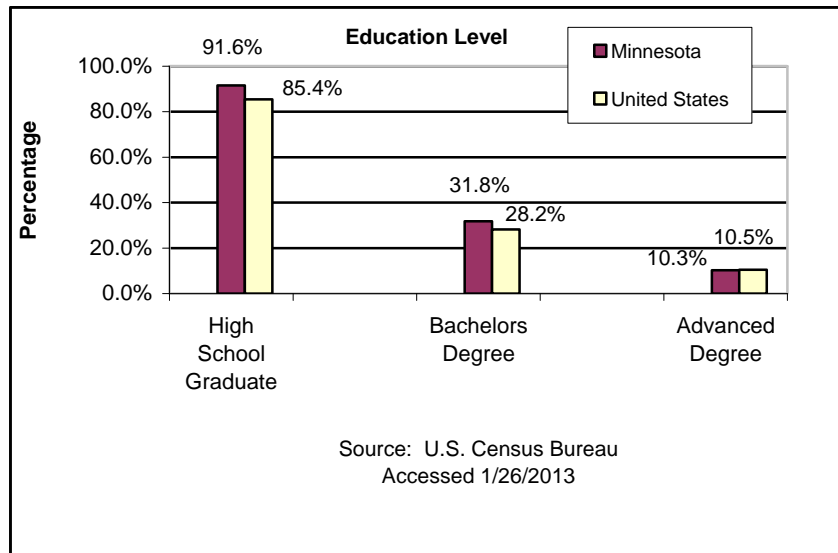
**Check Point #4 –Terminal 1-Lindbergh**

The following two charts depict per capita personal income and education level.

<b>Per Capita Personal Income</b>			
<b>Year</b>	<b>United States</b>	<b>Minnesota</b>	<b>MSA</b>
2004	\$ 33,899	\$ 37,079	\$ 41,633
2005	35,447	37,991	42,740
2006	37,728	40,015	45,002
2007	39,430	41,764	46,853
2008	40,208	43,037	48,207
2009	38,846	41,223	44,977
2010	39,945	42,847	46,498
2011	41,560	44,560	48,657

Source: Bureau of Economic Analysis, US Department of Commerce

For every year within 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. With an additional cost of living, it leads to higher discretionary disposable income, on average, than others throughout the State and the nation and relates positively to the demand for air travel.



In addition, Minnesota has a well-educated workforce with 91.6 percent high school graduates, compared to 85.4 percent in the United States and almost a third with bachelor's degrees compared to 28.2 percent for the United States. Furthermore, the number of Minnesotans with advanced degrees is close to the national average. 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, 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.



***St. Paul Downtown Airport Terminal Building – Year 1939***

**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 13,000 single-family homes and multi-family units at a total cost of approximately \$307 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.

**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 and from MSP or the amount of personal income in the region may affect the level of discretionary travel from MSP.

<b>2011 Ranking of U.S. Airports</b> <b>(for the 12 months ended December 31, 2011)</b>					
<b>Total Passengers<sup>1</sup></b> <b>(in thousands)</b>			<b>Total Cargo<sup>1</sup></b> <b>(Freight and Mail, in thousands of metric tons)</b>		
<b>Rank</b>	<b>Airport</b>	<b>Passengers</b>	<b>Rank</b>	<b>Airport</b>	<b>Cargo</b>
1	Atlanta	92,389	1	Memphis	3,916.4
2	Chicago	66,660	2	Anchorage	2,543.1
3	Los Angeles	61,862	3	Louisville	2,188.4
11	Charlotte	39,044	21	Phoenix	274.0
12	Miami	38,314	22	Boston	251.5
13	Orlando	35,426	23	Denver	248.1
14	Newark	33,711	24	Salt Lake City	233.1
<b>15</b>	<b>Minneapolis-St. Paul</b>	<b>33,118</b>	<b>25</b>	<b>Minneapolis-St. Paul</b>	<b>208.6</b>
16	Seattle	32,467	26	Detroit	206.4
17	Detroit	32,406	27	Portland	194.5
18	Philadelphia	30,839	28	Toledo	163.9
19	Boston	28,908	29	Orlando	146.5

<sup>1</sup> Sum of enplaned and deplaned volume.  
Source: ACI, 2011 North American Traffic Report.

MSP is one of the highest-activity airports in the United States. Approximately 50% of the passengers were connecting while the other 50% were origin-destination. International travelers and a strong demand for charter services also contribute to providing MSP with a strong and diverse passenger base. MSP was in 9<sup>th</sup> place in 2002 thru 2004. However, the 2005 statistics indicate MSP is 10<sup>th</sup> when ranking the U.S. airports for passengers. For 2006, MSP is at 12<sup>th</sup> and 14<sup>th</sup> in 2007 as a result of airline bankruptcies and reduced passenger levels. Due to a decline in air travel along with the merger of Northwest and Delta Airlines, MSP was ranked 16<sup>th</sup> in 2008. In 2009 through 2011, MSP was consistently ranked at 15<sup>th</sup>.

When ranked with total cargo, MSP placed 24<sup>th</sup> in the U.S for 2010 and 25<sup>th</sup> place in 2011. The cargo volume is expected to remain the same for 2012 estimated and 2013 budget, 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 following table presented indicates the Air Carriers providing service at the airport. As of January 1, 2013, the airport was served by 27 air carriers, including 20 U.S.-flag carriers providing scheduled service, five all-cargo service carriers and two foreign-flag carriers.

<b>Minneapolis St. Paul International Airport</b> <b>Air Carriers Serving the Airport<sup>1</sup></b> <b>As of October 1, 2012</b>		
<b>US Flag Carriers</b>		
Air Wisconsin <sup>*2</sup>	Delta <sup>**</sup>	Sky West <sup>*5,6</sup>
Alaska <sup>*</sup>	Frontier <sup>*</sup>	Southwest <sup>*</sup>
American <sup>*3</sup>	GoJet <sup>*6</sup>	Spirit <sup>*</sup>
American Eagle <sup>*3,4</sup>	Great Lakes <sup>*</sup>	Sun Country <sup>*</sup>
Chautauqua <sup>**5</sup>	Pinnacle <sup>**6</sup>	United <sup>*</sup>
Compass <sup>**6</sup>	Republic Airlines <sup>*2,7</sup>	US Airways <sup>*</sup>
Express Jet <sup>*5,6</sup>	Shuttle America <sup>*5,6</sup>	
<b>Foreign Flag Carriers</b>		
Air Canada Jazz <sup>**</sup>	Icelandair <sup>*</sup>	
<b>All Cargo Service</b>		
ABX Air <sup>*8</sup>	Bemidji <sup>**</sup>	UPS <sup>**</sup>
ASTAR Air Cargo <sup>*</sup>	FedEx <sup>**</sup>	

\* Signatory to Airline Lease Agreement that expires on December 31, 2011.

\*\* Signatory to Airline Lease Agreement that expires on December 31, 2020.

<sup>1</sup> Excludes carriers reporting fewer than 1,000 enplaned passengers per annum. Does not indicate which major air carriers codeshare with each other.

<sup>2</sup> Codeshare with US Airways.

<sup>3</sup> AMR Corporation, along with its subsidiaries American Airlines and American Eagle, filed for bankruptcy protection in November of 2011. American Airlines and American Eagle continue to operate at the airport while they reorganize.

<sup>4</sup> Codeshare with American.

<sup>5</sup> Codeshare with United.

<sup>6</sup> Codeshare with Delta.

<sup>7</sup> Codeshare with Frontier.

<sup>8</sup> Provides air service to DHL.

Source: Metropolitan Airports Commission

In addition to the above air carriers, the Air Force Reserve 934th Tactical Airlift Group, the Marine Air Reserve Training Detachment, and the Naval Air Reserve-Twin Cities Center are three branches of the US Armed Forces represented at the Airport. Also, the Minnesota Air National Guard 133<sup>rd</sup> Tactical Airlift Group is located at the Minneapolis St Paul International Airport.

**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.

**ADA** – American with Disabilities Act

**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, carousels and conveyors) plus other airline terminal rents.

**ALEAN** - Airport Law Enforcement Agency Network

**AFB** – American Federation of the Blind

**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 is a tank that stores liquid substances (i.e. jet fuel, glycol, diesel fuel) above ground.

**AVI** – Automated Vehicle Identification is a system which uses radio frequency identification to identify a vehicle by reading a small tag mounted on a vehicle windshield.

**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 is a software program which designs three-dimensional objects.

**Capital Equipment** – Represents equipment with a cost of at least \$10,000 that will be depreciated.

**Capital Expenditure** – Refers to a project or piece of equipment that will be depreciated over its useful life (\$10,000 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

**CDC** – Center for Disease Control

**CFC** – Customer Facility Charge is an on-airport rental car assessment to recover the rental car portion of capital costs associated with construction of the auto rental/public parking garage located adjacent to Terminal 1 as well as to recover certain maintenance costs relating to the auto rental facilities.

**CFR** – Code of Federal Regulations

**CMAA** – Commercial Management and Airline Affairs

**CMMS** – Computerized Maintenance Management System - A software system used to manage assets and to track asset maintenance. A database of information relative to an organization's maintenance operations including work orders, repair history and life-cycle costs.

**CMS** – Content Management System is a computer program which allows publishing, editing and modifying content as well as maintenance from a central interface. The core function of content management systems is to present information on web sites.

**CNN** – Cable News Network

**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 was created in 1999 in response to the State of Minnesota “Quality” initiative. MAC charged CSAC with leadership of its strategic effort to provide world-class, customer oriented air transportation services at MSP.

**CSOs** – Community Service Officers

**CSPI** - Customer Service Partnership Initiative is an inter-organizational approach to managing customer service throughout Minneapolis–St. Paul International Airport.

**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 is a network of wells, on the down-gradient perimeter of MSP, where groundwater quality and elevation data are collected.

**DBE** - Disadvantaged Business Enterprise

**DCS** – Departure Control Systems is an automated passenger and baggage check-in system used by airports.

**Debt Service** – Represents issuer’s obligation to repay the principal and interest.

**Debt Service Account** – An account which MAC is required by law to maintain whereby the balance on hand on October 10<sup>th</sup> of each year is equal to all principal and interest due on all Airport Improvement Bonds and General Obligation Revenue Bonds payable 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

**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 is a software product used by the MAC to handle administrative and financial functions ranging from accounting general ledger to personnel to purchasing to lease management.

**EA** – Environmental Assessment

**ECC** – Emergency Communications Center

**ECP** – Environmental Compliance Program

**EDS** – Explosive Detection Systems - Machine which 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

**ESRI** – Environmental Systems Research Institute

**EVIDS** – Electrical Visual Information Display System includes various kinds of electronic displays operated by the Commission which include MUFIDS displays, digital directories, LED signs over the ticket counters and the variable message displays which are programmed to show a message.

**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&A Committee** – Finance and Administration Committee composed of Commissioners meeting on a monthly basis. (This Committee is one of the three standing Committees under the Committee restructuring which occurred in August, 2011.)

**F&AS** – Finance & Administrative Services

**FCM** – Flying Cloud Airport

**FCMS** – FlexiPark Central Management System

**FIDS** – Flight Information Display System

**FIS** – Federal Inspection Services

**FOD** – Foreign Objects/Debris

**FONSI/ROD** – Finding of No Significant Impact/Record of Decision

**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.

**GA** – General Aviation

**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

**GPU** – Ground Power Unit

**HRD** – Human Resource Development

**HHH Terminal** – Hubert H. Humphrey Terminal – The Commission's Common Use Terminal housing international, domestic scheduled and charter flight activity.

**HMMH** – Harris, Miller, Miller & Hanson

**HQ** – Headquarters

**HRIS** – Human Resources Information Systems

**HT** – Humphrey Terminal

**HVAC** – Heating, Ventilating and Cooling System

**IAF** – International Arrivals Facility

**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 is the company which originally developed and sold EnterpriseOne before that company was purchased first by PeopleSoft and then by Oracle. (See E-1)

**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 a software application for the administration, documentation, tracking, reporting and delivery of education courses or training programs.

**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 is a transportation service provided by the Metropolitan Council (Metro Transit) which moves persons between Terminal 1 and Terminal 2.

**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)

**MAVIS** - MAC Automatic Vehicle Information System - This system controls access in and out of MSP Airport parking facilities, taxi and commercial vehicle lanes through the issuance of a valid AVI tag and records entrance and exit times for fee calculation.

**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 - A notice containing information (not known sufficiently in advance to publicize by other means) concerning the establishment, condition, or change in any component (facility, service, or procedure of, or hazard in the National Airspace System) the timely knowledge of which is essential to personnel concerned with flight operations.

**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

**OTG** – On the Go concession

**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.

**OWS** – Oil Water Separator

**PAM** – Public Affairs and Marketing

**PAV** – Public Access Videophone

**PC Air** – Pre-Conditioned Air

**PCI** - Payment Card Industry - Visa, MasterCard, Discover, American Express and smaller card issuing institutions which have created a security standard for safeguarding data that is transmitted to and from their networks.

**PD&E Committee** – Planning, Development and Environment Committee composed of Commissioners meeting on a monthly basis. (This Committee is one of the three standing Committees under the Committee restructuring which occurred in August, 2011.)

**PERA** – Public Employees Retirement Association

**Personnel** – One of the main expense categories which includes all wages, salaries and benefits.

**PFC - Passenger Facility Charge** – 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.

**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 is a system which controls access in and out of MSP Airport public parking facilities. This system also records entrance and exit times, calculates the fee due based on the applicable rate and then processes and records payment information.

**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** – Runway Area Navigation

**RNP** – Required Navigation Performance

**RON** – Remain Over Night (aircraft parking)

**RPZ** – Runway Protection Zone enhances the protection of people and property on the ground through airport owner control over areas of incompatible objects and activities. Control is preferably exercised through the acquisition of sufficient property interest in the RPZ.

**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 is the portion of the airport, specified in the airport security program, in which security measures specified in 49 CFR Part 1542 are carried out. At MSP this includes the Secured Area and the Air operations 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

**UST/AST** – Underground Storage Tank/Above Ground Storage Tank

**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 team in which deployments augment existing capabilities to detect and deter potential terrorist activity. TSA uses periodic random deployments that are unpredictable in their timing, location, and types of activities. VIPR teams serve as a visible deterrent in all transportation sectors, including general aviation, buses and mass-transit.

**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.

**Minneapolis/St. Paul  
METROPOLITAN AIRPORTS COMMISSION  
6040 - 28<sup>th</sup> Avenue South  
Minneapolis, MN 55450  
[www.metroairports.org](http://www.metroairports.org)**