



# 2021 OPERATING BUDGET ▶▶▶

METROPOLITAN AIRPORTS COMMISSION ▶ MINNEAPOLIS-SAINT PAUL, MN



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# TABLE OF CONTENTS

The Table of Contents is hyperlinked. Click on a section title to view that page.



## Mission

Connecting you to your world

## Vision

Providing your best airport experience



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[mspairport.com](http://mspairport.com)

## 5 Executive Summary

- 5 Budget Targets
- 5 Fund Overview
- 6 2021 Consolidated Enterprise Fund
- 7 Budget Development
- 11 Organizational Strategic Plan
- 12 Performance Measures
- 14 Acknowledgement
- 15 GFOA Budget Award
- 16 Awards Received by MAC During 2020

## 17 The Organization

- 17 The Commission
- 20 Organizational Chart
- 21 Full-Time Equivalent Positions (FTEs)

## 25 Budget Process & Financial Policies

- 25 Budget Process
- 26 Budget Schedule
- 27 Calendar
- 29 Approved Summary of Operating and Non-Operating Revenue and Expense
- 31 Summary of Operating Revenue and Expense (GAAP)
- 32 Financial Policies
- 36 Compliance Statement

## 37 Fund Structure

- 37 Flow of Funds
- 38 Fund Balance Summary
- 39 Taxing Authority
- 40 Sources and Uses of Funds

## 43 Operating Budget Revenue

- 45 Revenue Assumptions and Guidelines
- 45 Airline Rates and Charges
- 49 Concessions
- 51 Rentals/Fees
- 53 Utilities & Other Revenue

## 55 Operating Budget Expense

- 57 Expense Assumptions and Guidelines
- 57 Personnel
- 58 Administrative Expenses
- 59 Professional Services
- 60 Utilities
- 61 Operating Services/Expenses
- 61 Maintenance
- 62 Other
- 63 2020 Budget Expenses by Subledger

**67 Construction Fund**

- 67 Capital Project Selection Criteria
- 68 Capital Equipment Projects
- 69 Technology-Related Projects
- 70 Equipment and Technology-Related Expenditures
- 70 Capital Improvement Program Expenditures
- 75 2021 Capital Improvement Projects
- 75 2021 Capital Improvement Program Narratives
- 82 2021 Capital Improvement Project Funding Sources
- 84 2022 Capital Improvement Program Narratives
- 94 2021 Capital Improvement Program Funding Sources
- 97 2023-2027 Capital Improvement Plan
- 101 Sources and Uses of Funds

**105 Debt Service Fund**

- 105 Debt Service Requirement
- 105 Long Term Debt
- 109 Bond Ratings
- 110 Sources and Uses of Funds

**111 Service Center Summaries****111 Executive Division**

- 113 Executive – Commissioner
- 114 Executive – General
- 115 Executive – Operations
- 117 Internal Audit
- 119 Information Technology
- 121 Governmental Affairs
- 123 Legal Affairs

**125 Strategy & Stakeholder Engagement Division**

- 127 Strategy & Stakeholder Engagement
- 129 Strategic Communications
- 131 Air Service Business Development
- 133 Strategic Marketing
- 135 Stakeholder Engagement
- 137 Community Relations

**139 Finance & Revenue Development Division**

- 141 Finance & Administration
- 143 Live Well, Stay Well
- 145 Insurance/Risk Management
- 147 Finance
- 149 MAC General
- 150 Purchasing
- 152 Commercial Management & Airline Affairs
- 153 Concessions & Business Development
- 155 MSP Airport Conference Center

**157 Human Resources & Labor Relations Division**

- 159 Human Resources & Labor Relations
- 161 Employee Development & Engagement
- 162 Diversity
- 163 Employee Relations

**165 Planning & Development Division**

- 167 Planning & Development
- 168 Airport Development
- 170 Building Official
- 172 Environmental Affairs

**175 Management & Operations Division**

- 177 Management & Operations
- 179 Customer Experience
- 181 Landside-Administration
- 183 Facilities – Terminal 2
- 185 Facilities – Terminal 1
- 187 Facilities – Energy Management Center
- 189 Trades – Administration
- 191 Trades – Electricians
- 193 Trades – Painters
- 195 Trades – Carpenters
- 197 Trades – Plumbers
- 199 Field Maintenance
- 201 Airside Operations
- 203 Relievers – Administration
- 205 Relievers – St. Paul
- 207 Relievers – Lake Elmo
- 208 Relievers – Airlake
- 209 Relievers – Flying Cloud
- 211 Relievers – Crystal
- 213 Relievers – Anoka County-Blaine
- 215 Police
- 217 Fire

**219 Statistics & Informative Facts**

- 219 Historical Operating Revenue/Operating Expense and Facility Comparisons
- 221 Activity/Operations Statistics
- 223 National Comparisons
- 225 Informative Facts about Minnesota
- 226 Minnesota at a Glance
- 230 Interesting Facts about the Metropolitan Airports Commission

**237 Glossary**

## Executive Summary

December 21, 2020

To the Public:

We are pleased to present the 2021 Metropolitan Airports Commission (MAC) Budget which was adopted by the Board of Commissioners (Commission) on December 21, 2020. Total Operating Revenue for 2021 is projected to be \$331,453,660 and Total Operating Expense is \$194,505,968, excluding depreciation and noise amortization. Non-operating expense, including non-operating revenue, are budgeted to be \$113,387,680. The approved 2021 budget results in \$23,560,012 of Net Revenues Available for Designation.

The 2021 budget process commenced in May 2020. Some of the key short-term issues and associated risk factors faced by the MAC in developing the overall targets for the 2021 Operating Budget included:

- The effects of the COVID-19 pandemic and the significant impact on travel demand
- Changes in the state of the economy and the airline industry in 2021
- The impact of the 2021-2023 Capital Improvement Program, which totaled \$627 million
- Continued low interest-rate environment

Details on how each of these critical issues was addressed in our development of the budget are noted later in the Fund Overview section of this summary.

Embedded in this discussion is our Mission Statement and Vision Statement.

**Mission Statement:** Connecting you to your world

**Vision Statement:** Providing your best airport experience

### **Budget Targets**

The Commission identified four targets that were used in developing the 2021 Operating Budget. These targets and their respective budget results are listed below.

**Target:** The MAC will maintain a coverage ratio of at least 2.4x on Senior General Airport Revenue Bonds (GARBs) and an overall coverage of at least 1.4x (with transfer).

**Results:** The coverage ratio will be 5.71x on Senior GARBs and 1.43x on total coverage (with transfer).

**Target:** The MAC will maintain a six-month Operating Fund reserve.

**Results:** The current reserve covers six months of operating expenses.

**Target:** The Airline Cost Per Enplaned Passenger will be in the lower one-third of large hub airports.

**Results:** We anticipate MSP will remain in the lowest one-third of large hub airports.

**Target:** The budget shall have the financial resources to operate the MAC's system of airports, meet its debt service obligations and fund its reserves and capital requirements of the Commission.

**Results:** The budget forecasts \$23.6 million in Net Revenues Available for Designation.

### **Fund Overview**

The MAC is accounted for as an Enterprise Fund. For internal purposes, three funds are maintained. Each fund relates to a specific function: 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 at least six months of operating expenses (excluding depreciation and noise amortization). Transfers from the Operating Fund to the Debt Fund are made in June and December of each year to make debt service payments and to 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 transferred to the Construction Fund.

The table below shows a consolidated schedule of revenue and expenses and other sources and uses for all funds. The table shows the trend in revenue and expenses. With the pandemic in 2020, revenue is estimated much lower than 2019 with a gradual increase in future years. Because of the drop in revenue, expenses and capital projects were reduced MAC-wide as cost saving measures were implemented in 2020 and will continue through 2023. The 2022-2023 projections identified in the table below were prepared using passenger growth expected at the time of budget creation and inflation estimates.

**Summary Fund Table**

<b>2021 CONSOLIDATED ENTERPRISE FUND</b>						
<b>(\$ = 000)</b>						
	<b>2019</b>	<b>2020</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b>Actual</b>	<b>Budget</b>	<b>Estimate</b>	<b>Budget</b>	<b>Projection</b>	<b>Projection</b>
<b>Sources All Funds</b>						
Balance Carried Forward January 1 <sup>1</sup>	\$ 972,929	\$ 977,513	\$ 1,009,292	\$ 729,335	\$ 694,036	\$ 757,770
<b>Operating Fund Revenues</b>						
Airline Rates & Charges	131,397	136,308	89,829	131,208	132,520	133,845
Concessions	191,113	194,280	73,221	131,310	160,198	179,422
Other Operating Revenues	78,351	78,143	52,013	68,935	72,876	75,683
Interest Earnings	9,728	4,500	6,800	4,864	4,913	4,962
Other & Self-Liquidating Revenue	2,865	3,318	91,132	3,501	2,150	700
Transfers in Equipment Financing	1,800	3,395	3,395	-	3,500	2,000
Working Capital/Other	-	-	-	-	-	-
<b>Construction Fund Revenues</b>						
PFC Funding	77,430	77,529	28,669	53,298	64,871	72,502
Federal & State Grants	7,301	60,820	17,588	41,320	45,550	20,780
Interest Income	11,989	8,050	3,839	2,400	1,100	450
Bond/Notes Proceeds	176,358	-	476	-	100,000	-
Short-Term Funding Program	-	39,800	11	58,000	20,000	24,500
Other Receipts	-	-	-	-	-	-
Transfers In - Operating Fund	76,478	69,700	77,798	23,533	50,886	56,209
<b>Debt Fund Revenues</b>						
Interest Earnings	1,961	2,993	2,353	2,457	2,447	2,429
Bond Proceeds	24,387	-	-	-	27,500	-
Transfers from Operating Fund and PFCs	134,140	126,649	129,217	128,686	129,296	139,180
<b>Total All Receipts</b>	<b>\$ 1,898,227</b>	<b>\$ 1,782,998</b>	<b>\$ 1,585,633</b>	<b>\$ 1,378,847</b>	<b>\$ 1,511,843</b>	<b>\$ 1,470,432</b>
<b>Uses All Funds</b>						
<b>Operating Fund Expenses</b>						
Personnel	95,070	98,079	94,336	94,207	94,207	95,149
Administration	1,753	2,495	984	1,352	1,352	1,366
Professional Services	7,122	8,875	5,267	6,310	6,310	6,373
Utilities	18,848	20,164	17,456	19,897	19,897	20,096
Operating Services	30,950	32,893	26,622	27,643	27,643	27,919
Maintenance	46,988	44,465	39,852	41,458	41,458	41,873
Other	4,354	5,532	4,026	3,639	3,639	3,675
Equipment & Other Capital Expenditures	10,796	13,369	8,446	9,422	10,890	11,011
Transfers Out - Debt	112,362	104,675	107,389	107,909	100,882	110,758
Transfers Out - Equipment Financing	4,495	4,545	4,950	4,423	4,348	3,888
Transfers Out - Construction	76,478	69,700	77,798	23,533	50,886	56,209
Working Capital/Other	-	-	-	-	-	-
<b>Construction Fund Expenses</b>						
CIP Project Costs	315,179	288,713	320,317	185,070	230,665	211,000
Debt Service PFC Transfer	26,489	27,786	27,786	27,743	28,415	28,423
<b>Debt Fund Expenses</b>						
Bond Refundings	41,168	-	-	-	-	-
Bond Principal & Interest Payments	96,883	110,745	121,069	132,205	133,481	136,464
<b>Total All Costs</b>	<b>\$ 888,935</b>	<b>\$ 832,036</b>	<b>\$ 856,298</b>	<b>\$ 684,811</b>	<b>\$ 754,073</b>	<b>\$ 754,204</b>
<b>Total Ending All Net Fund Balances</b>	<b>\$ 1,009,292</b>	<b>\$ 950,962</b>	<b>\$ 729,335</b>	<b>\$ 694,036</b>	<b>\$ 757,770</b>	<b>\$ 716,228</b>

<sup>1</sup> Includes Operating Fund, Construction Fund and Debt Service Fund.

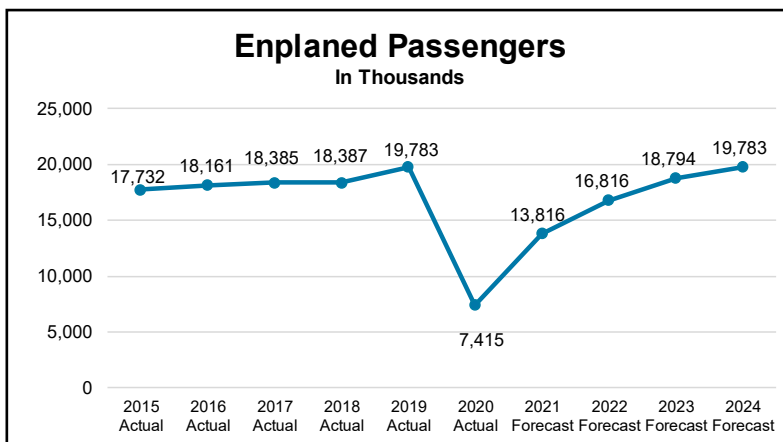
**Budget Development**

The Metropolitan Airports Commission (MAC) is dedicated to providing services that consistently exceed the expectations of its customers and stakeholders. The MAC strives to fulfill its vision statement: Providing your best airport experience. Of importance is ensuring the organization's long-term financial strength.

As part of the budgeting process, long-range financial plans are developed to identify anticipated trends in financial resources, designate appropriate capital resources to future needs and establish a link between the Organizational Strategic Goals and the MAC's long-range financial plans. The forecast is adjusted as each year's actual results are known and as future years are budgeted.

This is done in conjunction with the Capital Improvement Program which is a seven-year forecast with funding sources identified. A number of Organizational Strategic Goals require capital costs such as the construction of an Airport Operations Center (to house Police, Fire and other emergency personnel), Part 139 system transformation and a new common use plan for future front-end efficiencies.

As previously indicated, the Commission's process for developing targets and guidelines for the 2021 budget included a discussion of a number of critical issues around the COVID-19 pandemic. Key to this discussion was delaying or reducing non-essential operating expenses, maintaining our coverage ratios, working with our stakeholder partners to reduce their costs as well as looking for opportunities to derive new revenue and a competitive cost per enplaned passenger.



This graph shows historical as well as forecasted enplaned passenger counts. The MAC experienced positive enplanement growth through 2019 until the COVID-19 pandemic impacted the travel industry. During 2020, enplanements at Minneapolis-St. Paul International Airport (MSP) decreased from 19.8 million to 7.4 million, or a 62.5% decrease compared to 2019. However, based on forecasts obtained from airlines and various other industry forecasts, we are projecting 13.8 million enplanements in 2021, down 30% from 2019 actuals. Forecasted enplanements show recovery

to reach the 2019 enplanement level will not be achieved until 2024. Forecasts will be updated throughout the year.

The 2021 budget was developed on a 13.8 million enplanement projected at the time of budgeting and during the COVID-19 pandemic. No new headcount is budgeted in 2021 and only positions deemed critical and approved by the Executive Director/Chief Executive Officer will be filled. Several non-essential expenditures were reduced or delayed in 2021 such as travel, training, shuttle services, consulting services, select maintenance items, equipment purchases, supplies, and marketing. The Commission has invested resources in an enhanced cleaning regimen, including the formation of high touch point disinfection teams to focus on cleaning door handles, light switches, restroom fixtures, elevator call buttons, handrails, TSA passenger screening tables, bins and baggage rollers. In addition, the Commission has instituted overnight electrostatic disinfectant spraying, commonly referred to as fogging, in the public spaces of both MSP Terminals 1 and 2 to enhance passenger safety. The Commission continues to closely monitor and evaluate expenses for additional savings and to restrict expenses to essential work only.

For details regarding changes in revenues and expenses year over year, see the Operating Budget Revenue and Operating Budget Expense sections of this budget document.

**Operating Budget**

The following table is a summary of 2019 Actual, 2020 Budget, 2020 Estimate, and 2021 Budget Revenue and Expenses. This table includes both operating and non-operating items.

<b>2021 OPERATING BUDGET SUMMARY</b>						
(\$ = 000)						
	<b>2019</b>	<b>2020</b>	<b>2020</b>	<b>2021</b>	<b>2021 Budget vs 2020 Estimate</b>	
	<b>Actual</b>	<b>Budget</b>	<b>Estimate</b>	<b>Budget</b>	<b>Dollar Change</b>	<b>% Change</b>
<b>OPERATING REVENUE</b>						
Airline Rates and Charges	\$ 131,397	\$ 136,308	\$ 89,829	\$ 131,208	\$ 41,379	46.1%
Concessions	191,113	194,280	73,221	131,310	58,089	79.3%
Rentals/Fees	54,042	53,900	38,241	50,504	12,263	32.1%
Utilities & Other Revenues	24,309	24,243	13,772	18,432	4,659	33.8%
<b>Total Operating Revenue</b>	<b>\$ 400,861</b>	<b>\$ 408,730</b>	<b>\$ 215,064</b>	<b>\$ 331,454</b>	<b>\$ 116,390</b>	<b>54.1%</b>
<b>OPERATING EXPENSE</b>						
Personnel	\$ (95,070)	\$ (98,079)	\$ (94,336)	\$ (94,207)	\$ 129	-0.1%
Administrative Expenses	(1,753)	(2,495)	(984)	(1,352)	(368)	37.3%
Professional Services	(7,122)	(8,875)	(5,267)	(6,310)	(1,043)	19.8%
Utilities	(18,848)	(20,164)	(17,456)	(19,897)	(2,441)	14.0%
Operating Services	(30,950)	(32,893)	(26,622)	(27,643)	(1,021)	3.8%
Maintenance	(46,988)	(44,465)	(39,852)	(41,458)	(1,606)	4.0%
Other	(4,354)	(5,532)	(4,026)	(3,639)	387	-9.6%
<b>Total Operating Expense (Excludes Depreciation)</b>	<b>\$ (205,084)</b>	<b>\$ (212,503)</b>	<b>\$ (188,544)</b>	<b>\$ (194,506)</b>	<b>\$ (5,962)</b>	<b>3.2%</b>
<b>Net Operating Revenue</b>	<b>\$ 195,776</b>	<b>\$ 196,227</b>	<b>\$ 26,520</b>	<b>\$ 136,948</b>	<b>\$ 110,428</b>	<b>416.4%</b>
<b>Non-Operating Revenue (Expense)</b>						
Add: Other Non-operating Revenue	\$ 14,393	\$ 11,213	\$ 101,327	\$ 8,365	(92,962)	-91.7%
Less: Debt Service/Equipment/Other	(132,371)	(129,624)	(127,819)	(121,753)	6,066	-4.7%
<b>Total Non-Operating Revenue (Expense)</b>	<b>\$ (117,978)</b>	<b>\$ (118,411)</b>	<b>\$ (26,492)</b>	<b>\$ (113,388)</b>	<b>\$ (86,896)</b>	<b>328.0%</b>
<b>Net Revenue</b>	<b>\$ 77,798</b>	<b>\$ 77,816</b>	<b>\$ 27</b>	<b>\$ 23,560</b>	<b>\$ 23,533</b>	

**Capital Improvement Program**

Milestones for the 2021-2027 Capital Improvement Program (CIP) development schedule are:

- May           MAC departments submit requests CIP projects to the Airport Development Director.
- August       Airport Development develops scope, costs and prioritizations for projects requested.  
Airport Development and Finance identify preliminary target funding sources and amounts.  
Airport Development prepares draft preliminary CIP.
- September   Planning, Development & Environment Committee approves preliminary CIP.
- October       Commission approves preliminary CIP.
- November    Final adjustments and funding analysis are completed.
- December    The Planning, Development & Environment Committee approves final CIP.  
Commission approves final CIP.

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 (2020), the current three-year program (2021-2023) and funding summary. The annual CIP varies as it is built on necessity and funding. To reduce costs during the COVID-19 pandemic, CIP projects were deferred to future years with a gradual increase projected as passengers and revenue increase.

<b>CAPITAL IMPROVEMENT PROGRAM SUMMARY</b>				
<b>(\$=000)</b>				
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Minneapolis-St. Paul International Airport				
End of Life/Replacement Projects	\$ 41,850	\$ 33,300	\$ 52,950	\$ 31,950
Information Technology	12,000	12,600	15,700	11,500
Long-Term Comprehensive Plan Projects	53,600	57,675	75,400	49,900
Maintenance Facility Upgrade Projects	142,560	49,125	36,965	49,080
Ongoing Maintenance Programs	20,050	21,950	40,900	47,320
Noise Mitigation Projects	10,300	1,500	1,000	1,000
Tenant Projects	89,800	-	2,100	500
<b>Total Minneapolis-St. Paul International Airport</b>	<b>370,160</b>	<b>176,150</b>	<b>225,015</b>	<b>191,250</b>
Reliever Airports	19,710	8,920	5,650	19,750
<b>Total All Airports</b>	<b>\$ 389,870</b>	<b>\$ 185,070</b>	<b>\$ 230,665</b>	<b>\$ 211,000</b>
<b>Funding</b>				
Passenger Facility Charges (PFCs)	\$ 69,300	\$ 75,305	\$ 78,425	\$ 43,600
Federal and State Grants	60,820	41,320	45,550	20,780
General Airport Revenue Bonds-Line of Credit	177,000	30,095	53,500	77,800
Internal/Airline Funds	82,750	38,350	53,190	68,820
<b>Total Funding</b>	<b>\$ 389,870</b>	<b>\$ 185,070</b>	<b>\$ 230,665</b>	<b>\$ 211,000</b>

**Debt Service**

The Commission did not issue any new debt in 2020 and it is anticipated the next new debt issue will be in 2022 to finance a number of CIP projects.

*Refundings*

Throughout the past 13 years, the Commission has aggressively pursued the refunding options of its outstanding debt. The following table illustrates the results of these actions. Bond proceeds were also used to retire a portion of the Commission’s older long-term debt. As the following table shows, the Commission realized an average annual debt service savings of approximately \$22.1 million per year.

<b>Debt Service Summary</b>				
<b>(\$=000)</b>				
<b>Series Refunded</b>	<b>Refunding Year</b>	<b>Total Savings</b>	<b>Annual Savings</b>	<b>Present Value % Savings</b>
1998A, 1999A, 2001A & 2001C <sup>1</sup>	2007	\$ 33,050	\$ 2,330	5.19%
1998B <sup>1</sup>	2008	2,440	365	3.32%
1999B & 2000B <sup>1</sup>	2009	8,140	990	4.95%
2001B & 2001D <sup>1</sup>	2010	9,640	1,150	8.94%
GO 13 <sup>2</sup>	2010	633	214	4.50%
2003A <sup>1</sup>	2011	3,318	369	6.10%
2003A <sup>1</sup>	2012	5,272	293	12.50%
2005A, B & C <sup>1</sup>	2014	60,235	3,011	14.69%
2007A & B <sup>1</sup>	2016	164,340	10,956	25.74%
2009A & B & 2010A, B, C & D <sup>1</sup>	2019	39,489	2,468	14.70%
		<b>\$ 326,557</b>	<b>\$ 22,146</b>	
<b>Average Present Value Savings</b>				10.06%
<b>Total Average Interest Rate Prior to Refundings</b>			5.02%	
<b>Total Average Interest Rate After Refundings</b>			3.24%	
<sup>1</sup> General Airport Revenue Bond Refunding				
<sup>2</sup> General Obligation Revenue Bond Refunding				

### 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 chose a revolving line of credit and during 2017, the Commission increased the line of credit from \$75 million to \$150 million. During 2020, the Commission extended the line of credit to September 2021 and decreased the line of credit to \$100 million based on the estimated capital projects and line of credit utilization. The amounts utilized from the line of credit will be paid off with future Passenger Facility Charge(PFC) revenues and bond issues. At December 31, 2020, the Commission had approximately \$56 million outstanding on its line of credit. The Commission estimates an increase in the line of credit to \$150 million in 2021. By December 31, 2021 the Commission will have approximately \$55 million outstanding in its line of credit. This Short-Term Borrowing Program also allows the Commission some flexibility in financing unanticipated or unforeseen capital improvements.

### Air Service

Maintaining and adding air service is vital to the Commission. The Air Service Business Development service center is responsible for three primary areas: 1) developing air service by marketing MSP for new international passenger, cargo and low-fare domestic passenger flights; 2) promoting the facilities and services of MSP and the MAC's system of airports both domestically and internationally; and 3) building community relations by establishing partnerships with public and private sectors to increase their awareness of the importance of air service in the region, and to solicit their support for such services.

As of December 2020 air service had been reduced during the pandemic to the following:

- Service from MSP to 96 domestic destinations and 15 international destinations (111 total)
- Competitive service (at least two airlines providing service) from MSP to 32 domestic destinations and 6 international destinations (38 total)

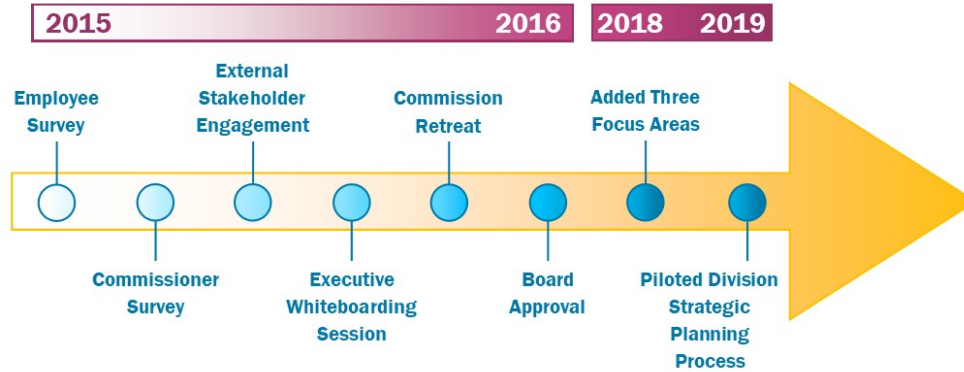


***jetBlue Passenger Airline Departing MSP***

**Organizational Strategic Plan**

In 2016, the MAC Board of Commissioners approved the 2017-2022 strategic plan for the MAC. This new streamlined plan includes goals, objectives and a focus on cross-departmental collaboration.

**MAC 2017-2022 Strategic Plan**



MAC Staff and the Board of Commissioners have advanced a robust engagement and curation process in developing and advancing the 2017-2022 strategic plan.

- Identified strategic priorities for the MAC over the course of the plan
- Determined challenges to these priorities and designed potential solutions to achieving them
- Interviewed representatives from key stakeholder groups
- Reviewed survey results, aligned priorities and set strategic plan framework
- Developed strategic plan mission, vision, goals and objectives
- Approved strategic plan mission, vision, goals and objectives
- Recommitted to strategic plan and added three focus areas

**Strategic Plan Goals, Priorities and Focus Areas**

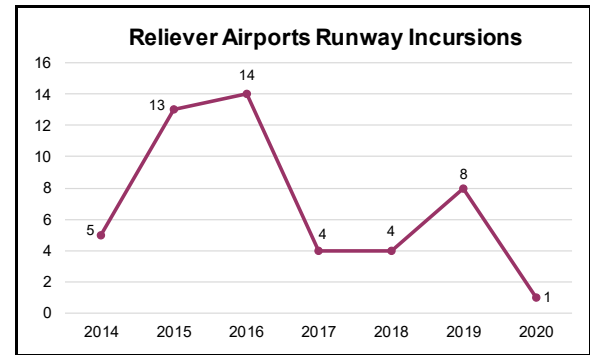
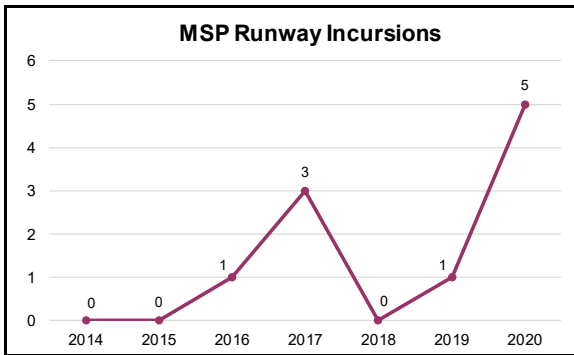
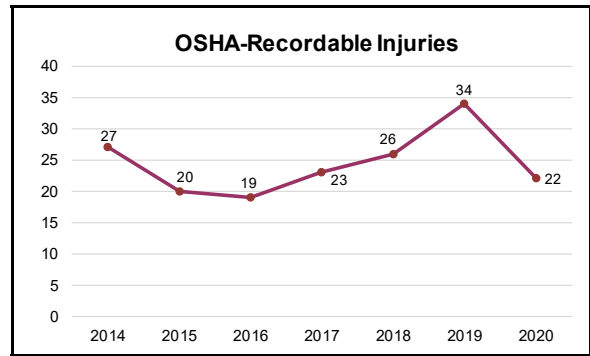
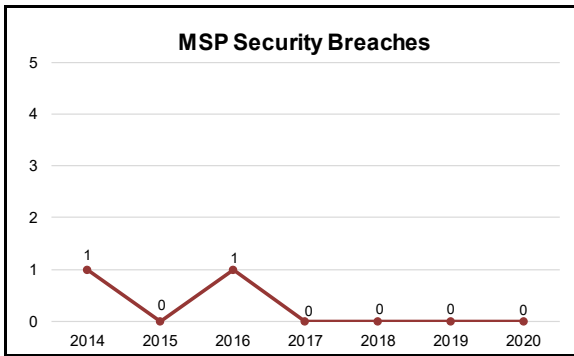
GOALS	PRIORITIES AND FOCUS AREAS
Safety, Security and Preparedness	<ul style="list-style-type: none"> <li>• Airport Operations Center and Concept of Operations Development</li> <li>• Part 139 Program Transformation</li> </ul>
Customer Experience	<ul style="list-style-type: none"> <li>• "One Journey" Experience</li> </ul>
Talent	<ul style="list-style-type: none"> <li>• Employee Development and Performance Management</li> <li>• EnterpriseOne Training and Leverage</li> </ul>
Engagement	<ul style="list-style-type: none"> <li>• Stakeholder and Community Engagement</li> <li>• Messaging and Branding</li> </ul>
Air Service	<ul style="list-style-type: none"> <li>• Air Service Development</li> </ul>
Economic	<ul style="list-style-type: none"> <li>• Financial Strength</li> <li>• Real Estate Assessment and Implementation</li> </ul>
Innovation	<ul style="list-style-type: none"> <li>• Parking Yield Management</li> <li>• True Common Use Plan</li> </ul>

In 2017, the MAC implemented the Strategic Plan, which contains seven goals. These goals are listed in the accompanying graphic. During 2018 and 2019, the MAC's leadership identified nine Priorities and three Focus Areas. These are shown to the right of each corresponding goal.

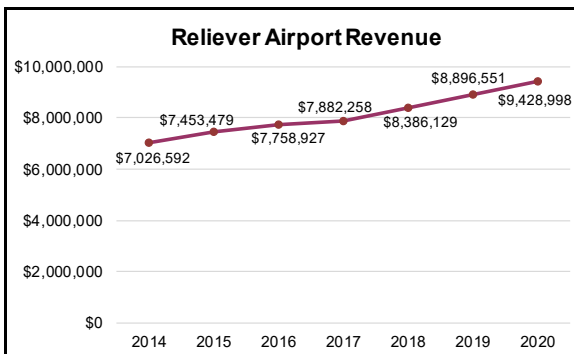
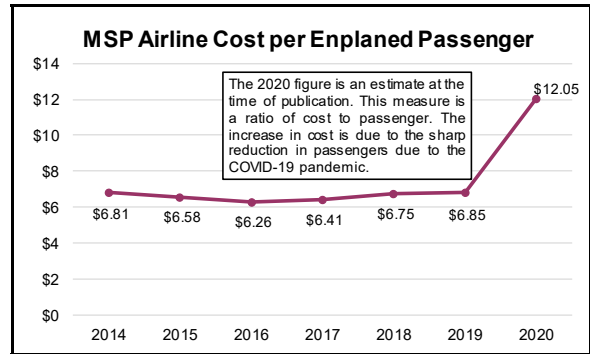
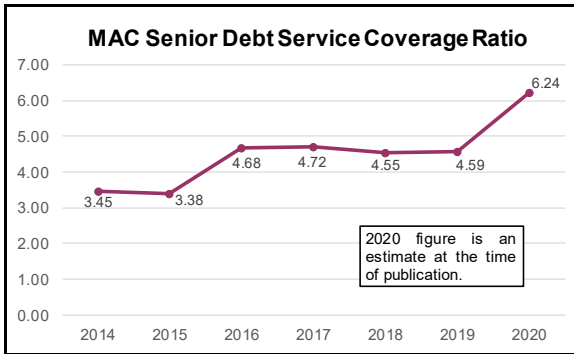
The entire organization works towards all goals, priorities and focus areas. They are the foundation of the MAC's long-term plans. In the Service Center Summaries, matrices will illustrate the connections between each service center's performance measures and the MAC's seven goals.

**Performance Measures**

**Safety and Security**

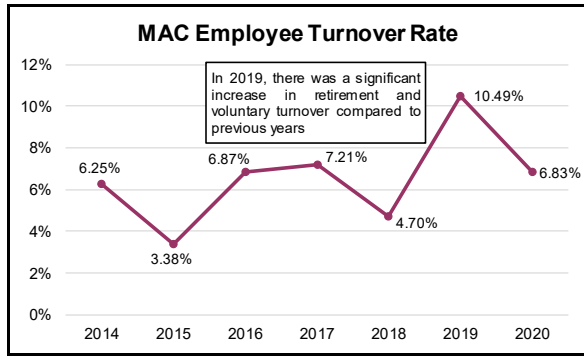


**Financial**

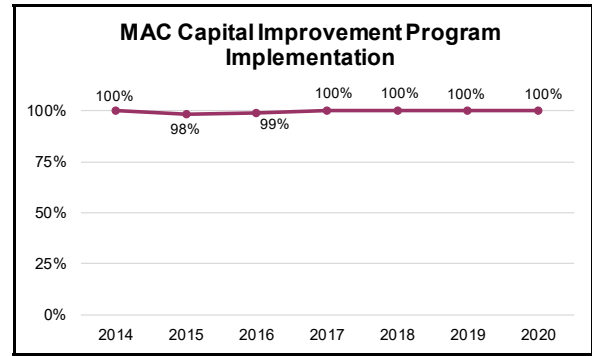


*Interior of a Regional Jet*

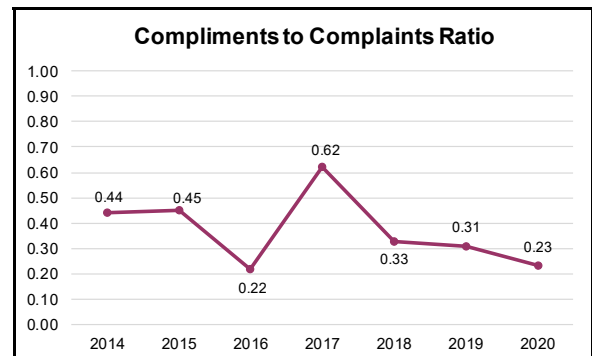
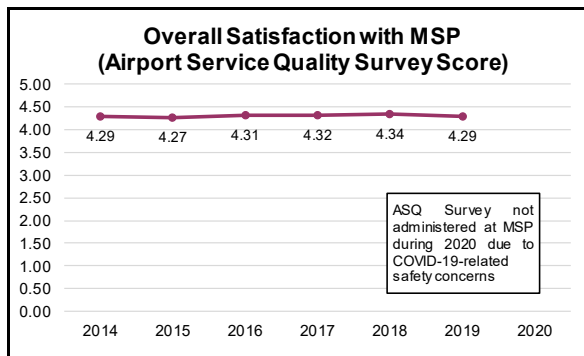
**Employee Engagement**



**Development**

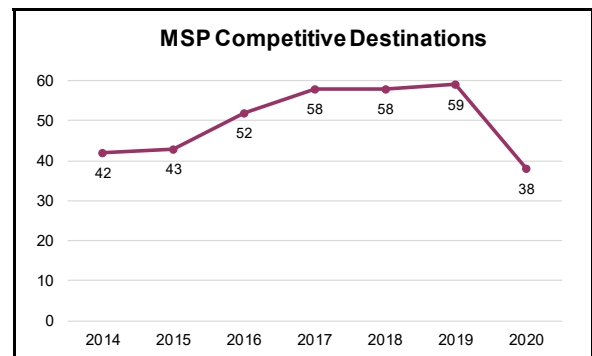
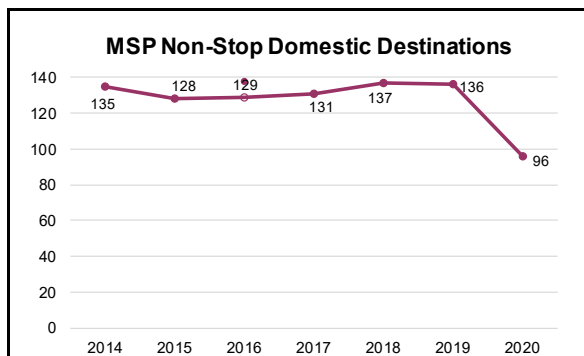
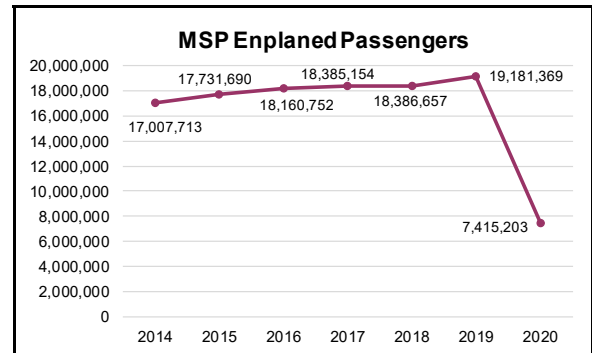
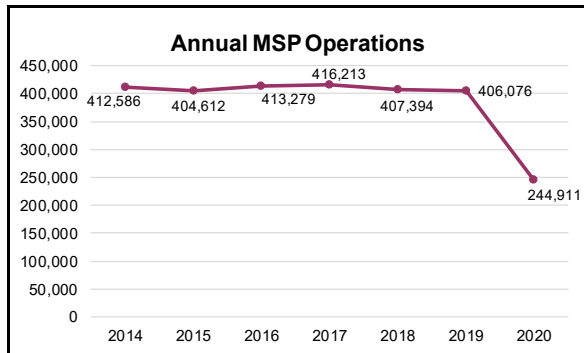


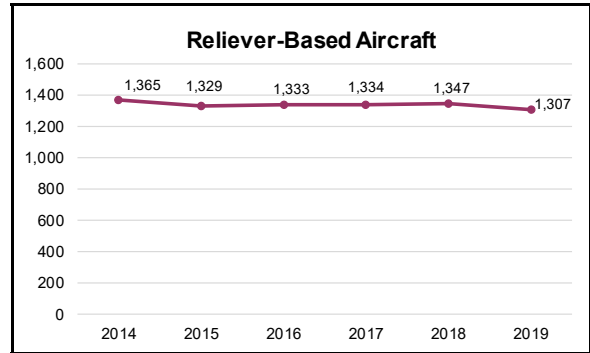
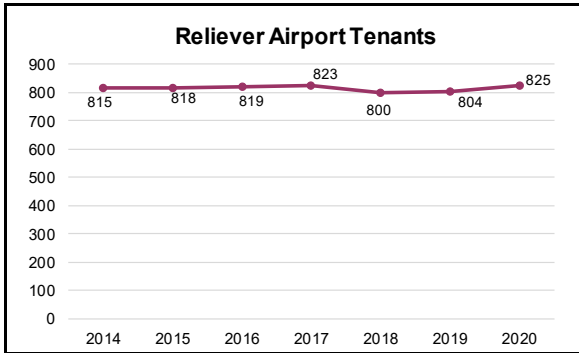
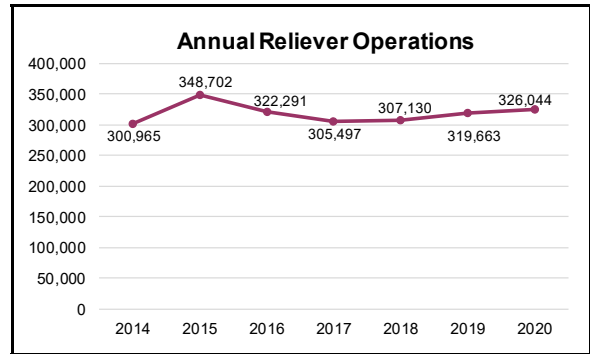
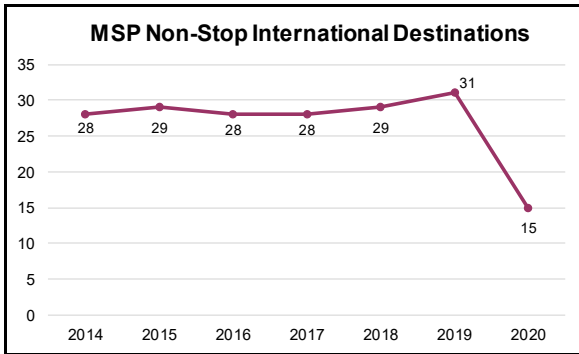
**Customer Experience**



The following Performance Measures are common benchmark measures. The MAC has limited ability to impact these numbers directly. The significant drops on MSP charts are results of the impact of COVID-19 on the air transportation industry.

**Operations**





**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 Operations, Finance & Administration Committee. A very big thank you goes out to all MAC staff in every department who worked hard to develop the final 2021 Budget. The budget was particularly difficult to create this year with frequent moving parts caused by the pandemic. Through this hard work and effort, we hope the MAC will continue to be one of the safest, most 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 the GFOA since 1985.

Respectfully submitted,

Brian Ryks  
Executive Director/CEO

Atif Saeed  
Chief Financial Officer

**2020 Budget Award**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Minneapolis-St. Paul Metro Airport Commission**

**Minnesota**

For the Fiscal Year Beginning

**January 1, 2020**

*Christopher P. Morill*

Executive Director

**2020 GFOA Budget Award**

The Government Finance Officers Association of the United States and Canada (GFOA) presented the Distinguished Budget Presentation Award to the Metropolitan Airports Commission for its annual budget for the fiscal year beginning January 1, 2020. 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.

This 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 the 2021 award.

**Additional Awards Received During 2020**



Best Airport in North America in size category, four consecutive years – [Airports Council International](#)

Best Airport in the U.S., Third Place – [Travel + Leisure Magazine Readers](#)

Best Customer Service (Large Airport), MSP – [Airport Experience News](#)

Best Dining, Hi-Lo Diner – [Airport Experience News](#)

Best Local-Inspired Store, Prince – [Airport Experience News](#)

Best on Time Performance (Worldwide Major Airport), Second Place, MSP – [Official Airline Guide Punctuality League](#)

Branded Content General-Viral, Bronze Award, “Meet Stitches, the First Therapy Cat at MSP” – [The Telly Awards](#)

Branded Content General-Viral, Bronze Award, “MSP Snow Removal: Join the Conga Line” – [The Telly Awards](#)



Certificate of Achievement for Excellence in Financial Reporting, 34 consecutive years – [Government Finance Officers Association](#)

Director General's Roll of Excellence in Airport Service Quality – [Airports Council International](#)

Distinguished Budget Presentation Award, 36 consecutive years – [Government Finance Officers Association](#)

Merit Award for Bituminous Surfacing at Crystal Airport – [Minnesota Asphalt Paving Association in cooperation with MnDOT](#)

Non-Broadcast General-Employee Communications, Silver Award, “MAC New Employee Welcome Video” – [The Telly Awards](#)

Non-Broadcast General-Recruitment, Silver Award, “MAC New Employee Welcome Video” – [The Telly Awards](#)



Non-Broadcast Outdoor/Environmental-Other, Bronze Award, “2019 MSP Airport Record Breaking Snow Removal” – [The Telly Awards](#)

Outstanding Performance in Emergency Management – [Association of Minnesota Emergency Managers](#)

Pride Ambassador Award – [Thunderbird Aviation](#)

Short Form/Social Silver Award, “Meet Stitches, the First Therapy Cat at MSP” – [The Telly Awards](#)

Social Video General-Travel & Tourism, Bronze Award, “Meet Stitches, the First Therapy Cat at MSP” – [The Telly Awards](#)

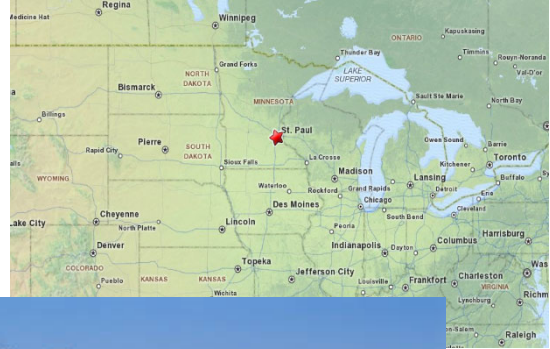
Technology Innovation: Operations – [Government Technology Magazine](#)



## The Organization



**Overlooking Downtown St Paul**



**Overlooking Downtown Minneapolis**

## The Commission

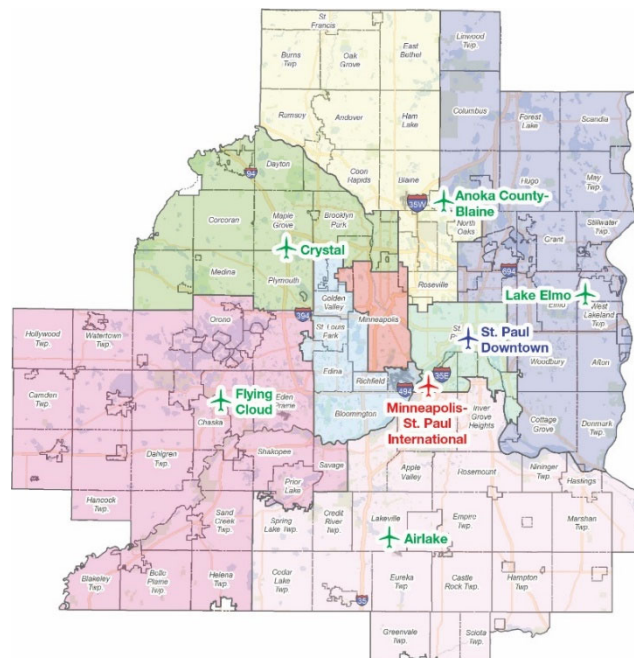
The Minneapolis-St. Paul Metropolitan Airports Commission was created by an act of the Minnesota State Legislature in 1943 as a public corporation of the State. The purpose of the Commission is to:

- 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 the 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. Scheduled air carriers are served by the Minneapolis-St. Paul International Airport (MSP). Six Reliever Airports serve business and general aviation:

- Airlake Airport
- Anoka County-Blaine Airport
- Crystal Airport
- Flying Cloud Airport
- Lake Elmo Airport
- St. Paul Downtown Airport



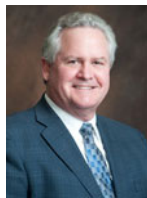
The Chair and fourteen Commissioners govern the Metropolitan Airports Commission (MAC). The Governor of the State of Minnesota appoints the Chair and 12 Commissioners. Of these 12 Commissioners, eight are from designated districts within the metropolitan area and four are from outside of the metropolitan 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.



Rick King  
Commission Chair



Brian Ryks  
Executive Director/CEO



Carl Crimmins  
District A



Braj Agrawal  
District B



James Lawrence  
District C



Timothy Baylor  
District D



James Deal  
District E



Rodney Skoog  
District F



Richard Ginsberg  
District G



Yodit Bizen  
District H



Leili Fatehi  
City of Minneapolis



Ikram Koliso  
City of St Paul



Patti Gartland  
Outstate, St. Cloud



Don Monaco  
Outstate, Duluth



Dixie Hoard  
Outstate, Thief River Falls



Randy Schubring  
Outstate, Rochester

The Commission has two committees: Operations, Finance & Administration (OF&A) and Planning, Development & Environment (PD&E). Each of the committees 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. Typically, Committee and full Commission meetings take place in MSP’s Terminal 1. Meetings are also livestreamed on the MAC’s website with available video archives. Occasionally, the full Commission meets outside the terminal to provide easier access for the general public. During the COVID-19 pandemic, Committee and full Commission meetings are held via teleconference.

Regular meeting times are as follows:

- Planning, Development & Environment Committee: 10:30 a.m., first Monday of the month
- Operations, Finance & Administration Committee: 1:00 p.m., first Monday of the month
- Full Commission: 1:00 p.m., third Monday of the month

When a meeting falls on a holiday, the meeting moves to the Tuesday immediately following.

All financial information is reported to and acted upon at the OF&A meeting and reported to the full Commission. The following information summarizes the general financial areas that the OF&A Committee dealt with in 2020:

<b>Operations, Finance &amp; Administration Committee 2020 Financial Topics</b>	
<b>Audits</b>	<b>Bonds, Debt and Capital Funding</b>
Annual Financial Audit Plan	Short-Term Borrowing Program Extension
Approval of Audit and Financial Statements	
Continuous Audit Report	<b>Leases and Agreements</b>
<b>Operating Budget</b>	Concessions Leases and Agreements
2021 Budget Targets	Equipment Financing and Leases
2021 Preliminary and Final Budgets	Professional Services Agreements
Allocation of 2019 Net Revenues	Property Leases and Agreements
Financial Impacts of COVID-19	Purchasing Actions and Agreements
Monthly Accounts Receivable Summary	Requests for Proposals/Requests for Qualifications
Monthly Budget Variance Report	
Ratification of 2019 Expenditures	<b>Human Resources and Affirmative Action</b>
<b>Financial Policies</b>	Employee Benefits and Compensation
Investment Policy	Human Resources and Affirmative Action Policies and Procedures
Purchasing Policy	Minimum Wage Ordinance Study
Wage Policy	Ratification of Labor Agreements

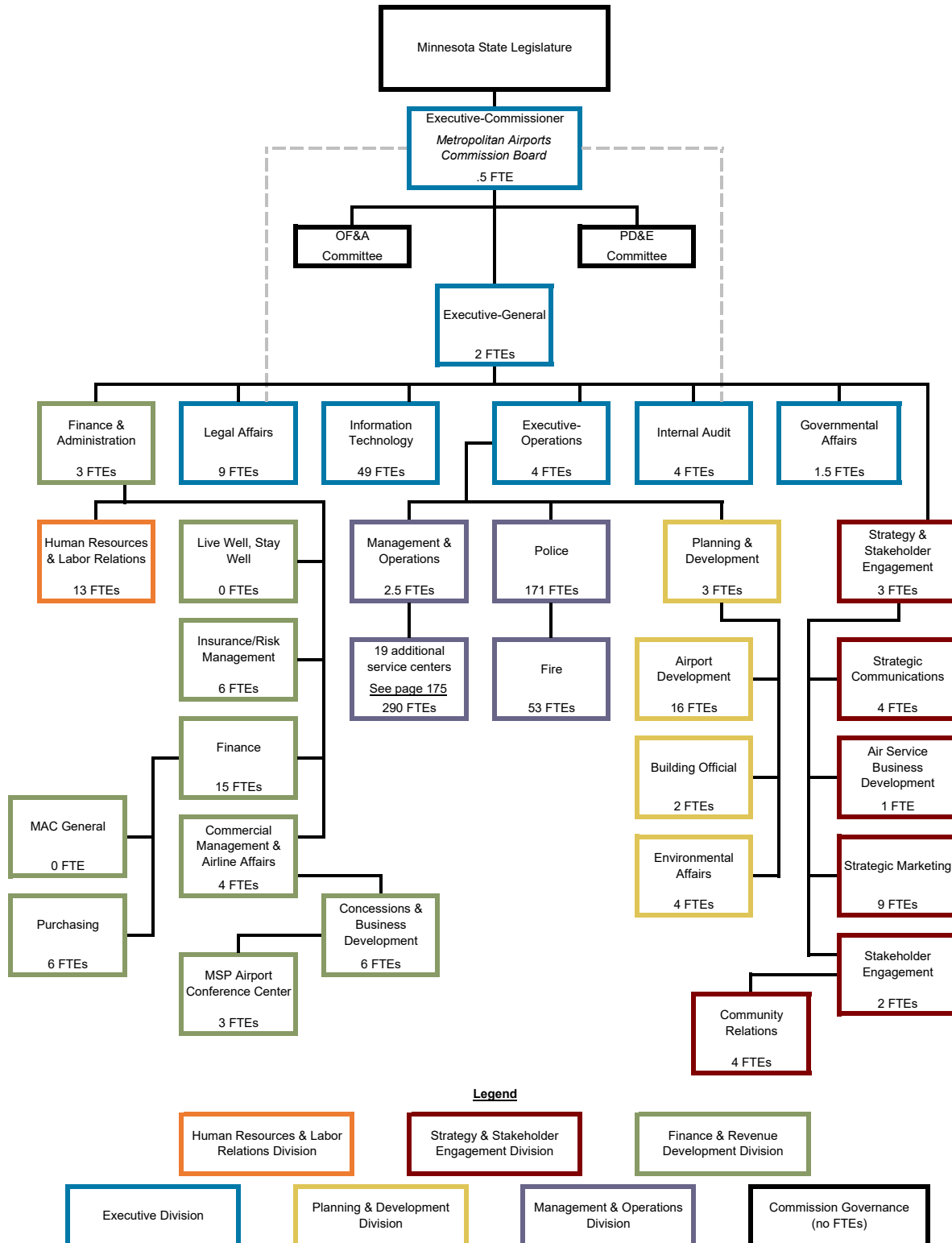
**Divisions**

Under the direction of the Commission, the MAC’s organizational structure consists of six divisions within the Operating Fund. The six divisions are:

1. Executive
2. Finance & Revenue Development
3. Planning & Development
4. Management & Operations
5. Human Resources & Labor Relations
6. Strategy & Stakeholder Engagement

The Executive Division oversees all MAC business and is directly responsible to the MAC's Board of Commissioners. The chart below identifies the organizational structure by division.

## Metropolitan Airports Commission Organizational Chart



<b>ORGANIZATIONAL STRUCTURE BY DIVISION AND SERVICE CENTER</b>	
<b>Executive Division</b>	
75100	Executive-Commissioner
75000	Executive-General
76500	Executive-Operations
78300	Internal Audit
79000	Information Technology
79500	Governmental Affairs
81000	Legal Affairs
<b>Strategy &amp; Stakeholder Engagement Division</b>	
76200	Strategy & Stakeholder Engagement
76000	Strategic Communications
76100	Air Service Business Development
85000	Strategic Marketing
85200	Stakeholder Engagement
85300	Community Relations
<b>Finance &amp; Revenue Development Division</b>	
75600	Finance & Administration
76700	Live Well, Stay Well
76800	Insurance/Risk Management
78000	Finance
78100	MAC General
78200	Purchasing
80000	Commercial Management & Airline Affairs
80100	Concessions & Business Development
82050	MSP Airport Conference Center
<b>Human Resources &amp; Labor Relations Division</b>	
75700	Human Resources & Labor Relations
<b>Planning &amp; Development Division</b>	
75500	Planning & Development
77000	Airport Development
77100	Building Official
85100	Environmental Affairs
<b>Management &amp; Operations Division</b>	
75800	Management & Operations
82000	Customer Experience
83400	Landside-Administration
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
90000	Relievers-Administration
90200	Relievers-St. Paul
90300	Relievers-Lake Elmo
90400	Relievers-Airlake
90500	Relievers-Flying Cloud
90600	Relievers-Crystal
90700	Relievers-Anoka County-Blaine
84200	Police
83600	Fire

**Service Centers**

Service centers are the lowest budget levels in the organization. Sometimes a combination of service centers is 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 as one. For example, Finance includes Purchasing and MAC General. The accompanying table shows a listing of service centers and the divisions in which they reside.

**Full-Time Equivalent Positions (FTEs)**

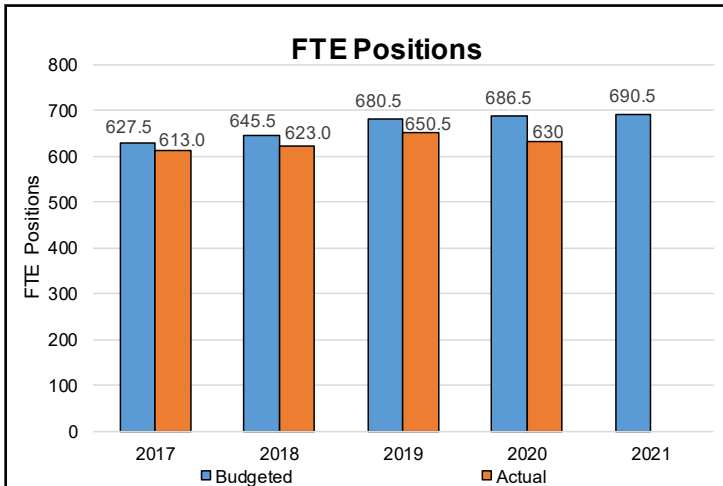
The 2021 FTE budget of 690.5 is an increase of four over the 2020 budget, due to the decision during 2020 to add four Trades staff. The four FTEs were temporary positions that were converted to permanent status. The positions were two painters, one carpenter and one plumber. These FTEs were added to meet an increased workload in their respective service centers. The additional work was a result of construction and growth at MSP.

Seven FTEs were added and one FTE eliminated in 2020, yielding a total of 686.5 approved FTEs. One FTE was eliminated from the Fire Department, following the completion of a trainee program. New FTEs were added to shore up the organization’s cyber security efforts, bolster stakeholder communication and engagement initiatives, increase focus on Part 139 compliance, allow Trades staff to meet regular maintenance needs of MSP’s growing campus and to meet increased maintenance needs at the Anoka County-Blaine Airport.

The overall 2019 budgeted FTEs were 680.5, which was an increase of 35 FTEs over 2018. The additional positions were allocated between the service centers based on needs of the organization. The increased FTE count in 2019 was necessary to address increasing technology needs and airport security, reduce overtime costs within the Fire Department, bolster airside operations staff and address increased airport planning needs. Twenty-seven of the added FTEs were provisional traffic control agents who became full-time employees.

The 18 additional 2018 FTEs addressed enterprise technology needs, airport safety and security, succession planning for the Fire Department and provided flexibility in organization staffing needs. This brought the total approved FTEs in 2018 to 645.5.

In 2017, eight FTEs were added to meet growing technology and airport safety needs. Total approved FTEs in 2017 were 627.5.



The accompanying graph and table below compare budgeted and actual FTEs. Although budgeted FTEs are authorized to meet legal mandates and regulatory requirements, the actual position counts are lower than budget each year because the MAC re-evaluates each vacated position to determine if it is needed, whether it should be changed or if duties can be merged into another position. This process is necessary to control costs. Also, as many staff members are reaching retirement age, a number of retirements occur each year.

The graph shows an overall increase in positions across the years as passenger counts increased and the MAC added positions to cover areas in need of additional staffing. The 2021 budget retains unfilled FTEs in anticipation of filling open positions as passenger traffic returns in 2021 and beyond to pre-pandemic levels.

	2017 Actual As of 12/18/17	2018 Actual As of 12/18/18	2019 Actual As of 12/31/19	2020 Actual As of 12/31/20	2020 Budget	2021 Budget
<b>Executive Division</b>						
75000 Executive-General	3	3	2	2	2	2
75100 Executive-Commissioner	0.5	0.5	0.5	0.5	0.5	0.5
76500 Executive-Operations	0	0	4	4	4	4
78300 Internal Audit	4	4	4	4	4	4
79000 Information Technology	37	40	41	46	49	49
79500 Governmental Affairs	1.5	1.5	1.5	1.5	1.5	1.5
81000 Legal Affairs	8	9	9	8	9	9
<b>Division Total</b>	<b>54</b>	<b>58</b>	<b>62</b>	<b>66</b>	<b>70</b>	<b>70</b>
<b>Division Budget</b>	<b>56</b>	<b>63</b>	<b>69</b>	<b>70</b>	<b>70</b>	<b>70</b>
<b>Strategy &amp; Stakeholder Engagement Division</b>						
76000 Strategic Communications	10	9	7	3	9	4 <sup>1</sup>
76100 Air Service Business Development	0	0	0	1	1	1
76200 Strategy & Stakeholder Engagement	1	1	2	3	3	3
85000 Strategic Marketing	3	2	2	6	4	9 <sup>1</sup>
85200 Stakeholder Engagement	0	0	2	2	2	2
85300 Community Relations	5	4	4	4	4	4
<b>Division Total</b>	<b>19</b>	<b>16</b>	<b>17</b>	<b>19</b>	<b>23</b>	<b>23</b>
<b>Division Budget</b>	<b>22</b>	<b>23</b>	<b>22</b>	<b>23</b>	<b>23</b>	<b>23</b>
<b>Finance &amp; Revenue Development Division</b>						
75600 Finance & Administration	3	3	2	3	3	3
76800 Insurance/Risk Management	6	6	6	5	6	6
76700 Live Well Stay Well	0	0	0	0	0	0
78000 Finance	15	15	15	14	15	15
78100 MAC General	0	0	0	0	0	0
78200 Purchasing	6	6	6	6	6	6
80000 Commercial Management & Airline Affairs	5	4	4	3	4	4
80100 Concessions & Business Development	4	5	6	5	6	6
82050 MSP Airport Conference Center	3	3	3	3	3	3
<b>Division Total</b>	<b>42</b>	<b>42</b>	<b>42</b>	<b>39</b>	<b>43</b>	<b>43</b>
<b>Division Budget</b>	<b>42.5</b>	<b>45.5</b>	<b>43</b>	<b>43</b>	<b>43</b>	<b>43</b>

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

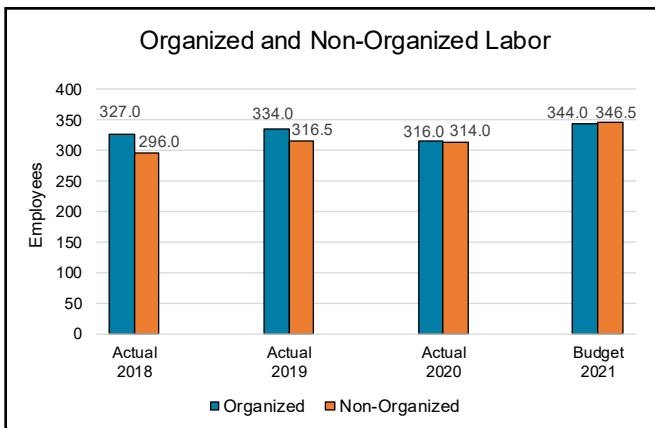
	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2020 Budget	2021 Budget
	As of 12/18/17	As of 12/18/18	As of 12/31/19	As of 12/31/20		
<b>Human Resources &amp; Labor</b>						
<b>Relations Division</b>						
75700 Human Resources & Labor Relations	5	5	5	11.5	13	13
76600 Employee Development & Engagement	3	1	1	0	0	0
80600 Diversity	2	2	2	0	0	0
81500 Employee Relations	3	5	5	0	0	0
<b>Division Total</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>11.5</b>	<b>13</b>	<b>13</b>
<b>Division Budget</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>
<b>Planning &amp; Development Division</b>						
75500 Planning & Development	2	2	3	2	3	3
77000 Airport Development	15	14	13	13	16	16
77100 Building Official	1	2	2	2	2	2
85100 Environmental Affairs	3	3	4	4	4	4
<b>Division Total</b>	<b>21</b>	<b>21</b>	<b>22</b>	<b>21</b>	<b>25</b>	<b>25</b>
<b>Division Budget</b>	<b>23</b>	<b>24</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>
<b>Management &amp; Operations</b>						
75800 Management & Operations	3.5	3.5	1.5	2.5	3.5	2.5 <sup>2</sup>
82000 Customer Experience	3	3	2	2	2	2
82600 Airside Operations	15	15	14	16	16	16
83400 Landside-Administration	36.5	36.5	38	37	38	38
83600 Fire	50	51	53	47	53	53
84200 Police	132	139	160	156	171	171
85500 Facilities-Terminal 2	9	9	9	9	9	9
86100 Facilities-Terminal 1	7	9	9	9	9	9
86300 Facilities-Energy Management Center	22	22	22	21	22	22
88000 Trades-Electricians	19	19	19	17	20	20
88100 Trades-Painters	10	10	10	9	9	11 <sup>3</sup>
88200 Trades-Carpenters	10	10	10	10	10	11 <sup>3</sup>
88300 Trades-Plumbers	10	10	10	10	10	11 <sup>3</sup>
88400 Trades-Administration	2	2	2	2	2	2
89000 Field Maintenance	109	106	107	97	110	111 <sup>2</sup>
90000 Relievers-Administration	7	8	8	8	8	8
90200 Relievers-St. Paul	7	7	7	8	7	7
90300 Relievers-Lake Elmo	1	1	1	1	1	1
90400 Relievers-Airlake	1	1	1	1	1	1
90500 Relievers-Flying Cloud	4	5	4	4	4	4
90600 Relievers-Crystal	3	3	3	3	3	3
90700 Relievers-Anoka County-Blaine	3	3	4	4	4	4
<b>Division Total</b>	<b>464</b>	<b>473</b>	<b>494.5</b>	<b>473.5</b>	<b>512.5</b>	<b>516.5</b>
<b>Division Budget</b>	<b>471</b>	<b>477</b>	<b>508.5</b>	<b>512.5</b>	<b>512.5</b>	<b>516.5</b>
<b>TOTAL ACTUAL FTEs</b>	<b>613</b>	<b>623</b>	<b>650.5</b>	<b>630</b>	<b>N/A</b>	<b>N/A</b>
<b>TOTAL BUDGET FTEs</b>	<b>627.5</b>	<b>645.5</b>	<b>680.5</b>	<b>686.5</b>	<b>686.5</b>	<b>690.5</b>

**FTEs differ between the 2020 and 2021 budgets for the following reasons:**

- Five FTEs were transferred from 76000 to 85000. The four remaining FTEs in 76000 focus on media relations and executive, crisis and customer communications. The transferred FTEs bring the total in 85000 to nine, who focus on adding additional service in the areas of revenue development brand communication, creative services and analytics.
- One FTE moved from 75800 to 89000. This Part 139 manager will work with Field Maintenance and Airside Operations to maintain the MAC's compliance with airfield regulations.
- Two painters, one carpenter and one plumber moved from temporary to permanent FTE status within their respective service centers. The Trades service centers have taken on additional responsibility over the last several years as the MAC takes over the maintenance of areas previously maintained by tenants or airlines, expands square footage within terminal buildings and builds new facilities at the MSP campus. These new permanent FTEs were needed to maintain service levels in the additional space.

### Regular Status Full-Time Equivalent Position Count by Job Classification

	2018 Actual	2019 Actual	2020 Actual	2021 Budget
<b>Organized</b>				
70 - Operating Engineers	22	23	21	22
49 - Equipment Maintenance	20	20	18	20
320 - MSP International - Field	72	71	68	76
320 - MSP International - Facilities	0	0	0	0
320 - Reliever Airports	22	20	21	20
386 - Painters	10	9	9	11
CAR - Carpenters	10	10	10	11
034 - Plumbers	10	9	10	11
292 - Electricians	19	19	17	20
Emergency Communications Specialists	12	10	11	14
307 - Police Lieutenants, Sergeants	19	18	18	19
302 - Police Officers	66	70	70	71
S6 - Firefighters	36	46	34	40
S6 - Fire Captains	9	9	9	9
<b>Total Organized</b>	<b>327</b>	<b>334</b>	<b>316</b>	<b>344</b>
<b>Non-Organized</b>				
Chairperson, Executive Director/CEO	1.5	1.5	1.5	1.5
Executives, Vice Presidents, Directors, Assistant Directors	29	35	36	38
Managers, Assistant Managers, Supervisors	69	95	93	102
Police Chief, Fire Chief	2	2	2	2
Community Service Officers	5	23	18	28
Passenger Service Assistants	22.5	22	21	22
Fire Marshall, Training Coordinator	2	2	2	2
Police Commander, Deputy Chief, Training Coordinator	3	2	1	2
Administrative, Professional, Technical Support	162	134	139.5	149
<b>Total Non-Organized</b>	<b>296</b>	<b>316.5</b>	<b>314</b>	<b>346.5</b>
<b>Total MAC</b>	<b>623.0</b>	<b>650.5</b>	<b>630.0</b>	<b>690.5</b>



The above table shows staff by job classification. “Organized” refers to those work areas or employees represented by a labor union contract. All unions represented have specific contracts which dictate wages, benefits and work rules. Currently, the MAC has 14 represented labor groups. “Non-Organized” refers to all other employees outside the labor unions. The graph to the left shows that Organized FTE positions and the Non-Organized FTE positions are almost equal in number.



## Budget Process & Financial Policies

### Budget Process



The Metropolitan Airports Commission (MAC)'s mission, vision, values and enterprise strategic plan serve as the foundation for advancing the organization. Staff leads the strategic planning process which includes engagement with staff members, commissioners and other stakeholders, assessment of industry trends and identification of organizational opportunities and challenges. The final enterprise plan is approved by the MAC board. Organizational divisions then develop division strategic plans to ensure their goals and objectives are aligned with the approved enterprise strategic plan. Each year, the annual budget process establishes funding to advance the strategic goals and priorities and ensure the organization's ongoing operational needs are met.

The annual budget targets are presented to the Commission at the beginning of the budgeting process. The targets for the 2021 budget are presented in the Executive Summary section.

Strategic goals and priorities are communicated to the service centers along with guidelines and the budget targets. The service centers link their objectives and performance measures to the organizational priorities and focus areas which link to organizational strategic goals.

The budget is then developed with requests for resources based on organizational priorities. Personnel requests and other costs 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	Embedded cost increases such as scheduled increases in contracts, salary adjustments for organized labor, utility rate increases, etc.
Third priority	Costs to maintain facilities
Fourth priority	Costs to advance organizational strategic goals

### **Controllable Expenses**

The MAC prepares a line item budget for each service center. Controllable expenses allow a service center to budget for those line items for which it has direct responsibility and control. In addition to the account number, expenses are also budgeted using the appropriate subledger, which is part of the account code. Expenses are budgeted to the appropriate subledger through either direct cost or allocation. Expenses of the organization are key factors in revenue calculations. 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. The summarized costs from the subledgers determine the calculation of various rates and charges. The Subledger Report is in the Operating Budget Expense section.

**Budget Schedule**



The MAC’s fiscal year is January through December. Preparation for the next year begins in January with discussions on the Capital Improvement Program (CIP) and organizational priorities. In April, the Operating, Finance & Administration Committee (OF&A) provides direction to staff with regard to growth and allocation of funds and budget targets. The direction provided by the OF&A is communicated to staff at various informational meetings. The Commission approves the targets in May after a 30-day public comment period.

Each service center assigns a budget specialist to coordinate budget information for the respective service center and to input the budget into the database. The database contains history, which includes the prior year actual data. In June, the budget database is available to service center staff to input their data. Staff completes their expense budget then presents it to Senior Staff for approval. Staffing is one of the first items reviewed and approved by Senior Staff. Finance performs an initial review of budget information in July.

August is spent compiling summary reports and completing the revenue budget, with the exception of airline rates and charges. The expense budget must be complete in order to determine airline rates and charges. Once these rates are calculated and final revenue figures are available, total revenue and expense is completed. Non-operating revenue and expenses are also taken into consideration and become part of the budget documents. Staff revisions are made as required to ensure the targets as established are met. Discussion of the upcoming three-year strategic plan is initiated in August.

During September, presentations and supporting documents are prepared for the OF&A, 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. Also, the month of October is reserved for a first draft presentation to the OF&A. Public comment on the upcoming budget is allowed at each Commission meeting in October, November and December. Revisions are made between October and December prior to requesting final approval.

The OF&A receives a budget update by staff in November. Notifications of rate changes are sent at the beginning of December based upon assumed approval from the full Commission. The recommendation from the OF&A for final approval is requested at the December Commission meeting. The proposed budget is adopted at this time. Final approval of the 2021 Operating Budget was given at the December 21, 2020 full Commission meeting. The strategic plan is revised and approved every three years by the full Commission.

**Capital Improvement Program – Schedule**

Initial discussions of the Capital Improvement Program (CIP) begin in January. All requests for projects, along with data related to the proposed projects, are submitted. Airport Development, along with Finance, 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 & Environment Committee (PD&E) for environmental review. At this time, mailings are 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 PD&E 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.

**Calendar**

The following schedule provides additional details for the budget cycle, which begins in January. The Metropolitan Airports Commission fiscal year also begins in January.

<b>January</b>	<ul style="list-style-type: none"> <li>• Initial CIP discussion by Airport Development</li> <li>• Organizational priorities discussion by MAC Staff and Commission</li> </ul>
<b>April</b>	<ul style="list-style-type: none"> <li>• Staff receives direction regarding growth, allocation of funds and budget targets from OF&amp;A Committee</li> <li>• Databases updated and prepared for service centers by Finance</li> </ul>
<b>May</b>	<ul style="list-style-type: none"> <li>• Direction provided to budget specialists by Finance</li> <li>• Information regarding inflation factors, wage and contract adjustments provided to service centers by Finance</li> <li>• Budget targets adopted by Finance after 30-day public comment period</li> </ul>
<b>June</b>	<ul style="list-style-type: none"> <li>• Information entered into budget database by Finance</li> <li>• Preliminary budget presented to the OF&amp;A Committee by Finance, in compliance with State Statutes regarding taxation</li> <li>• Preliminary CIP draft developed by Airport Development</li> </ul>
<b>July</b>	<ul style="list-style-type: none"> <li>• Position and headcount request summaries compiled by Human Resources (HR)</li> <li>• Capital asset requests summary compiled by Finance and MAC Staff</li> <li>• Budget requests presented to the Executive Staff by MAC Departments</li> <li>• Budget revisions initiated by Finance as needed</li> </ul>
<b>August</b>	<ul style="list-style-type: none"> <li>• Preliminary position and headcount requests approved by Executive Staff and HR</li> <li>• Preliminary summary of capital asset requests approved by Executive Staff</li> <li>• Summary of controllable expense requests prepared by Finance</li> <li>• Revenue analysis, projections and forecast compiled by Finance</li> <li>• Initial three-year strategic planning discussion by MAC Staff and Commission</li> </ul>
<b>September</b>	<ul style="list-style-type: none"> <li>• Budget presentation information compiled by Finance</li> <li>• Draft budget presented to MAC staff, OF&amp;A Committee, State Legislature and airlines by Finance</li> <li>• Budget revisions to projected expenses implemented by Finance</li> <li>• Preliminary CIP presented to PD&amp;E Committee by Airport Development</li> <li>• Preliminary CIP approved for environmental purposes by PD&amp;E Committee</li> <li>• CIP mailed to affected communities by Airport Development</li> </ul>
<b>October</b>	<ul style="list-style-type: none"> <li>• Draft budget presented to the OF&amp;A Committee by Finance</li> <li>• Budget revised by Finance as needed</li> <li>• Budget presented to airlines by Finance</li> <li>• Notice of CIP public hearing published by Airport Development</li> </ul>
<b>November</b>	<ul style="list-style-type: none"> <li>• Budget update presented to OF&amp;A Committee by Finance</li> <li>• Budget revised by Finance as needed</li> <li>• Public hearing held by Airport Development regarding CIP</li> </ul>
<b>December</b>	<ul style="list-style-type: none"> <li>• Preliminary notice of rate changes presented to all tenants by Finance</li> <li>• Budget approved by OF&amp;A Committee for recommendation to full Commission</li> <li>• Budget approved by full Commission</li> <li>• Final CIP approved by PD&amp;E Committee</li> <li>• CIP distributed to MAC departments, Metropolitan Council, State Historical Society and affected communities by Airport Development</li> <li>• Three-year Strategic Plan approved by full Commission</li> </ul>
<b>March</b>	<ul style="list-style-type: none"> <li>• Budget document completed by Finance</li> </ul>

**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 category and/or upward or downward revision of that budget in the course of the corporation's fiscal year shall constitute prior approval for each type of expenditure. Authorization by vote of the Commission is required for transfer of budgeted amounts between or among categories or to appropriate additional funds for each category. 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 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 category budget constraints of the annual budget.

During the fiscal year the Commission shall be provided periodic updates of expenditures by category. 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 categories be transferred to those categories 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. After the fiscal year has concluded, a final accounting of expenditures by category shall be presented to the Commission for approval of the final expenditure amounts by category."



**Additional Cleaning and Personal Protection Equipment (PPE) to Protect Passengers from Contracting COVID-19 are New Costs Added to the 2021 Budget**

**Approved Summary of Operating and Non-Operating Revenue and Expense**

The Commission approved the 2021 budget in December 2020. The following tables summarize revenue and expense, including non-operating revenue and expense, and compare the 2021 budget to the 2020 year-end estimate.

<b>Metropolitan Airports Commission Operating &amp; Non-Operating Summary 2021 Budget</b>						
					<b>2021 Budget vs 2020 Estimate</b>	
	<b>2019 Actual</b>	<b>2020 Budget</b>	<b>2020 Estimate</b>	<b>2021 Budget</b>	<b>Dollar Change</b>	<b>% Change</b>
<b>OPERATING REVENUE</b>						
<b>Airline Rates &amp; Charges</b>						
Airline Agreement						
Landing Fees	\$ 75,030,875	\$ 76,936,069	\$ 46,528,412	\$ 72,841,520	\$ 26,313,108	56.6%
Ramp Fees	7,304,050	7,110,152	6,671,266	6,654,847	(16,419)	-0.2%
Airline R&R	4,858,031	5,153,885	5,153,885	5,308,502	154,617	3.0%
T1 Rentals	39,895,046	41,099,768	22,239,068	40,386,342	18,147,274	81.6%
T1 Other	8,580,634	9,246,668	6,472,667	8,949,314	2,476,647	38.3%
Concessions Rebate	<u>(18,576,157)</u>	<u>(17,410,418)</u>	<u>(7,577,768)</u>	<u>(15,606,069)</u>	<u>(8,028,301)</u>	105.9%
Total Airline Agreement	117,092,479	122,136,124	79,487,530	118,534,456	39,046,926	49.1%
T2 Lobby	11,424,307	11,240,000	9,254,204	9,992,646	738,442	8.0%
T2 Other /Passenger	<u>2,879,987</u>	<u>2,931,540</u>	<u>1,087,674</u>	<u>2,681,159</u>	<u>1,593,485</u>	146.5%
<b>Total Airline Rates &amp; Charges</b>	<b>\$ 131,396,773</b>	<b>\$ 136,307,664</b>	<b>\$ 89,829,408</b>	<b>\$ 131,208,261</b>	<b>\$ 41,378,853</b>	<b>46.1%</b>
<b>Concessions</b>						
Terminal						
Food & Beverage	\$ 25,498,610	\$ 25,843,183	\$ 9,802,371	\$ 17,201,015	\$ 7,398,644	75.5%
News	5,067,660	5,353,368	2,023,606	3,521,672	1,498,066	74.0%
Retail Stores	5,968,894	5,906,500	1,789,454	3,749,742	1,960,288	109.5%
Passenger Services	<u>7,646,875</u>	<u>7,478,222</u>	<u>2,555,000</u>	<u>5,628,112</u>	<u>3,073,112</u>	120.3%
Total Terminal	44,182,038	44,581,273	16,170,431	30,100,541	13,930,110	86.1%
Parking/Ground Transportation						
Parking	108,130,272	109,012,771	39,546,999	69,702,000	30,155,001	76.3%
Ground Transportation	15,569,780	17,247,890	4,457,356	9,717,331	5,259,975	118.0%
Auto Rental - On Airport	<u>20,845,118</u>	<u>20,872,862</u>	<u>11,224,226</u>	<u>19,292,132</u>	<u>8,067,906</u>	71.9%
Total Parking/Ground Transport	144,545,169	147,133,523	55,228,581	98,711,463	43,482,882	78.7%
Other Concessions	<u>2,385,610</u>	<u>2,565,173</u>	<u>1,822,000</u>	<u>2,498,017</u>	<u>676,017</u>	37.1%
<b>Total All Concessions</b>	<b>\$ 191,112,818</b>	<b>\$ 194,279,969</b>	<b>\$ 73,221,012</b>	<b>\$ 131,310,021</b>	<b>\$ 58,089,009</b>	<b>79.3%</b>
<b>Rentals &amp; Fees</b>						
Buildings & Facilities	\$ 11,697,044	\$ 12,246,520	\$ 12,246,520	\$ 14,765,952	\$ 2,519,432	20.6%
Auto Rental CFC	22,185,499	22,308,000	7,321,050	15,485,478	8,164,428	111.5%
Ground Rentals	11,163,161	10,956,789	10,956,789	11,636,049	679,260	6.2%
Reliever Airports	<u>8,996,552</u>	<u>8,388,792</u>	<u>7,716,960</u>	<u>8,616,329</u>	<u>899,369</u>	11.7%
<b>Total Rentals &amp; Fees</b>	<b>\$ 54,042,255</b>	<b>\$ 53,900,101</b>	<b>\$ 38,241,319</b>	<b>\$ 50,503,808</b>	<b>\$ 12,262,489</b>	<b>32.1%</b>
<b>Utilities &amp; Other Revenue</b>						
Utilities	\$ 6,072,039	\$ 6,730,754	\$ 3,616,508	\$ 4,996,628	\$ 1,380,120	38.2%
General Aviation/Airside Fees	6,913,214	6,712,463	3,691,855	4,679,938	988,083	26.8%
Maintenance, Cleaning & Distribution Fees	4,413,136	4,556,364	1,540,585	2,772,944	1,232,359	80.0%
Other Revenues	3,296,390	2,800,138	1,979,564	2,373,060	393,496	19.9%
Reimbursed Expense	<u>3,613,946</u>	<u>3,443,000</u>	<u>2,943,861</u>	<u>3,609,000</u>	<u>665,139</u>	22.6%
<b>Total Utilities &amp; Other Revenue</b>	<b>\$ 24,308,724</b>	<b>\$ 24,242,719</b>	<b>\$ 13,772,373</b>	<b>\$ 18,431,570</b>	<b>\$ 4,659,197</b>	<b>33.8%</b>
<b>Total Operating Revenue</b>	<b>\$ 400,860,570</b>	<b>\$ 408,730,453</b>	<b>\$ 215,064,112</b>	<b>\$ 331,453,660</b>	<b>\$ 116,389,548</b>	<b>54.1%</b>

<b>Metropolitan Airports Commission Operating &amp; Non-Operating Summary 2021 Budget</b>						
					<b>2021 Budget vs 2020 Estimate</b>	
	<b>2019 Actual</b>	<b>2020 Budget</b>	<b>2020 Estimate</b>	<b>2021 Budget</b>	<b>Dollar Change</b>	<b>% Change</b>
<i>Total Operating Revenue</i>	\$ 400,860,570	\$ 408,730,453	\$ 215,064,112	\$ 331,453,660	\$ 116,389,548	54.1%
<b>OPERATING EXPENSE</b>						
Personnel	\$ 95,069,950	\$ 98,079,129	\$ 94,336,495	\$ 94,206,500	\$ (129,995)	-0.1%
Administrative Expenses	1,752,579	2,494,627	983,915	1,351,569	367,654	37.4%
Professional Services	7,122,181	8,874,944	5,267,472	6,310,316	1,042,844	19.8%
Utilities	18,847,659	20,164,196	17,456,183	19,896,708	2,440,525	14.0%
Operating Services/Expenses	30,949,903	32,893,216	26,621,917	27,643,462	1,021,545	3.8%
Maintenance	46,987,998	44,464,753	39,852,087	41,458,294	1,606,207	4.0%
Other	4,354,092	5,532,495	4,026,236	3,639,119	(387,117)	-9.6%
<b>Total Operating Expense</b>	<b>\$ 205,084,362</b>	<b>\$ 212,503,360</b>	<b>\$ 188,544,305</b>	<b>\$ 194,505,968</b>	<b>\$ 5,961,663</b>	<b>3.2%</b>
<i>(Excludes Depreciation and Noise Amortization)</i>						
<b>Net Operating Revenue</b>	<b>\$ 195,776,208</b>	<b>\$ 196,227,093</b>	<b>\$ 26,519,807</b>	<b>\$ 136,947,692</b>	<b>\$ 110,427,885</b>	<b>416.4%</b>
<b>NON-OPERATING REVENUE (EXPENSE)</b>						
<b>Other Non-Operating Revenue</b>						
Interest Income	\$ 9,728,000	\$ 4,500,000	\$ 6,800,000	\$ 4,864,000	\$ (1,936,000)	-28.5%
Self-Liquidating Income	2,745,000	3,168,000	3,168,000	3,321,000	153,000	4.8%
	\$ 12,473,000	\$ 7,668,000	\$ 9,968,000	\$ 8,185,000	\$ (1,783,000)	-17.9%
<b>Debt Service</b>						
Short Term Financing	\$ (4,710,000)	\$ (5,712,000)	\$ (5,957,000)	\$ (6,964,500)	\$ (1,007,500)	16.9%
Bond Principal/Int-Operating Fund Transfer	(107,652,000)	(98,963,000)	(101,432,000)	(100,943,700)	488,300	-0.5%
Equip Financing Principal/Int Pymts	(4,495,000)	(4,545,000)	(4,949,606)	(4,422,630)	526,976	-10.6%
	\$ (116,857,000)	\$ (109,220,000)	\$ (112,338,606)	\$ (112,330,830)	\$ 7,776	0.0%
<b>Equipment</b>						
Capital Expenditures	\$ (1,103,000)	\$ (1,186,000)	\$ (1,300,000)	\$ (1,150,000)	\$ 150,000	-11.5%
Equipment Purchases	(9,693,000)	(12,183,000)	(7,146,170)	(8,271,850)	(1,125,680)	15.8%
Equipment Financing	1,800,000	3,395,000	3,395,000	-	(3,395,000)	-100.0%
	\$ (8,996,000)	\$ (9,974,000)	\$ (5,051,170)	\$ (9,421,850)	\$ (4,370,680)	86.5%
<b>Other</b>						
Six Month Reserve Transfer	\$ (4,718,000)	\$ (7,035,000)	\$ (7,035,000)	\$ -	\$ 7,035,000	-100.0%
Interstate Settlement/Medicare D	120,000	150,000	164,000	180,000	16,000	9.8%
CARES Act Grant Reimbursements	-	-	87,800,000	-	(87,800,000)	-100.0%
Gain (Loss) on Equipment & Other	-	-	-	-	-	-
	\$ (4,598,000)	\$ (6,885,000)	\$ 80,929,000	\$ 180,000	\$ (80,749,000)	-99.8%
<b>Total Non-Operating Revenue (Expense)</b>	<b>\$ (117,978,000)</b>	<b>\$ (118,411,000)</b>	<b>\$ (26,492,776)</b>	<b>\$ (113,387,680)</b>	<b>\$ (86,894,904)</b>	<b>328.0%</b>
<b>Net Revenue Available for Designation</b>	<b>\$ 77,798,208</b>	<b>\$ 77,816,093</b>	<b>\$ 27,031</b>	<b>\$ 23,560,012</b>	<b>\$ 23,532,981</b>	<b>87059.2%</b>

**Summary of Operating Revenue and Expense (GAAP)**

The following table is shown below for Generally Accepted Accounting Principles (GAAP) purposes. The financial statements are issued in conformance with GAAP. The “Basis of Budgeting” in this section explains the differences in the approved budget and the GAAP statement.

<b>Metropolitan Airports Commission</b>						
<b>Operating &amp; Non-Operating Summary</b>						
<b>GAAP Presentation Summary</b>						
<b>2021 Budget</b>						
<b>(\$ in 000)</b>						
					<b>2021 Budget vs 2020 Estimate</b>	
<b>OPERATING REVENUE</b>	<b>2019</b>	<b>2020</b>	<b>2020</b>	<b>2021</b>	<b>Dollar</b>	<b>%</b>
	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Budget</u>	<u>Change</u>	<u>Change</u>
Airline Rates & Charges	\$ 131,397	\$ 136,308	\$ 89,829	\$ 131,208	\$ 41,379	46.1%
Concessions	191,113	194,280	73,221	131,310	58,089	79.3%
Rentals/Fees	54,042	53,900	38,241	50,504	12,262	32.1%
Utilities & Other Revenue	24,309	24,243	13,772	18,432	4,659	33.8%
<b>Total Operating Revenue</b>	<b>\$ 400,861</b>	<b>\$ 408,730</b>	<b>\$ 215,064</b>	<b>\$ 331,454</b>	<b>\$ 116,390</b>	<b>54.1%</b>
<b>OPERATING EXPENSE</b>						
Personnel <sup>1</sup>	\$ 90,845	\$ 103,079	\$ 99,336	\$ 99,207	\$ (130)	-0.1%
Administrative Expenses	1,753	2,495	984	1,352	1,511	153.5%
Professional Services	7,123	8,875	5,267	6,310	3,607	68.5%
Utilities	18,847	20,164	17,456	19,897	2,708	15.5%
Operating Services/Expenses	30,950	32,893	26,622	27,643	6,271	23.6%
Maintenance	46,988	44,465	39,852	41,458	4,613	11.6%
Other	4,354	5,532	4,026	3,639	1,506	37.4%
Depreciation	150,549	169,432	161,145	177,262	16,117	10.0%
<b>Total Operating Expense</b>	<b>\$ 351,409</b>	<b>\$ 386,935</b>	<b>\$ 354,689</b>	<b>\$ 376,768</b>	<b>\$ 36,203</b>	<b>6.2%</b>
<b>Operating Gain (Loss)</b>	<b>\$ 49,452</b>	<b>\$ 21,795</b>	<b>\$ (139,625)</b>	<b>\$ (45,314)</b>	<b>\$ 80,186</b>	<b>-67.5%</b>
<b>NON-OPERATING REVENUE (EXPENSE) &amp; CONTRIBUTIONS</b>						
Interest Income and Other	\$ 26,300	\$ 13,200	\$ 14,616	\$ 15,390	\$ 774	5.3%
Passenger Facility Charges (PFCs)	\$ 77,430	\$ 77,529	\$ 25,142	\$ 78,692	\$ 53,550	213.0%
Interest Expense	\$ (53,270)	\$ (65,000)	\$ (66,303)	\$ (66,200)	\$ 103	-0.2%
Capital Contributions & Grants	\$ 9,550	\$ 34,925	\$ 104,119	\$ 41,320	\$ (62,799)	-60.3%
<b>Total Non-Operating Revenue (Expense)</b>	<b>\$ 60,010</b>	<b>\$ 60,654</b>	<b>\$ 77,574</b>	<b>\$ 69,202</b>	<b>\$ (8,372)</b>	<b>-10.8%</b>
<b>Change in Net Position</b>	<b>\$ 109,462</b>	<b>\$ 82,449</b>	<b>\$ (62,051)</b>	<b>\$ 23,888</b>	<b>\$ 85,939</b>	<b>-138.5%</b>

<sup>1</sup> Personnel includes GASB 68 Pension Adjustment

As shown in the GAAP presentation Summary, the 2020 estimate shows an operating loss as well as a negative change in net position. The revenue shortfall stems from the COVID 19 pandemic. The 2021 budget projects a better outcome as passenger enplanement increases with the pandemic recovery.

## **Financial Policies**

The following categories contain summaries of the Metropolitan Airports Commission Financial Policies:

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

The Commission utilizes these policies to provide structure and to ensure the development of the budget meets its mission, vision and values and enterprise strategic plan.

### **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:

#### **Operating Budget Policies**

- The Commission will pay all current expenditures from current revenues.
- The budget shall be prepared under the accrual basis of accounting.
- 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.
- The budget will provide for adequate funding of all retirement systems.
- The Finance Department will assist service centers in reviewing monthly variance reports comparing actual versus budget revenue and expense on the financial software system.
- The budget will provide summary information using the Operating Fund, Construction Fund and Debt Service Fund projected for the next three years.
- Where possible, the Commission will integrate performance measurement and/or efficiency indicators in the budget.
- Department heads will review monthly reports comparing actual revenues and expenses to budgeted amounts. Any variance in expense (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.

#### **Budget Targets**

The Commission will adopt budget targets to provide direction to staff in the preparation of the annual Operating Budget for the following 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 union and vendor contracts. To allow for public input into the Operating Budget, the following will occur:

- 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.
- A draft of the Operating Budget must be presented to the Commission and mailed to the appropriate legislative committees by September, 90 days prior to final adoption.

#### **Operating Reserve**

The Operating Reserve was established by the Operations, Finance & Administration Committee at least six months of operating expenses less depreciation. The 2021 operating budget expenses are \$194.5 million and the reserve account is carrying a balance of \$106.3 million, exceeding six months of expenses. 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. 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.



## Revenue

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

- One-Time Revenues include, but are not limited to, grants and rebates. Grants are accounted for as contributions 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.
- The Commission maintains a diversified revenue system which is consistently monitored to help protect from possible short-term fluctuations.
- 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.

Each year the Finance Department projects revenue for the upcoming budget year with the assistance of Airport Development, Landside-Administration, Reliever Airports, Concessions and Commercial Management service centers.

## Basis of Budgeting

The annual Operating Budget is prepared based on targets established by the Commission. The MAC uses the accrual basis of accounting for budgeting. The accrual basis of accounting in the operating budget contains certain elements that are not expensed under GAAP such as debt service and reserve requirements. In addition, the budget excludes depreciation, noise amortization and GASB 68 pension expense while these expenses are included on the financial statements.

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, 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. By December of each year, the Commission will adopt an annual 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 or as designated by Commission approval.

**Use of Estimates**

The use of 2020 estimates in the reporting of the 2021 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 MAC Board of Commissioners.

**Financial Policies – Investment/Cash Management**

The Investment/Cash Management Policies are as follows:

**Investment/Cash Management Policies****Cash Management**

- All securities are safekept at one institution.
- All deposits must be insured or collateralized.

**Investments**

- All investment purchases require bids to be taken from several different dealers.
- Investments purchased shall meet the primary objectives of 1) Safety of principal, 2) Liquidity, 3) Return on investment.
- The average rate of return on MAC managed investments will exceed the six-month Treasury Bill.
- All repurchase agreements are required to be collateralized. The maturity of any investment shall not exceed four years (average portfolio life of no greater than 12 years for post-retirement medical funds).
- 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 Chief Financial Officer and Executive Director/Chief Executive Officer.

**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.

**Financial Policies – Capital Projects**

Each year, the Commission reviews, revises and approves capital projects that will start within the next 12 months and adopts a CIP, which covers all projects 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. 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.

## Projects

Commission policies for Capital Projects:

- Capital projects are safety-and customer service-oriented.
- The Commission will maximize all federal aid.
- Metropolitan Council approval is required on Reliever Airport projects in excess of \$2 million and MSP projects in excess of \$5 million if they are viewed as having a metropolitan significance.
- Projects follow priority categories, in order of importance:
  - a) Projects which the Commission has made a commitment to complete
  - b) Projects that enhance or ensure continued safety at each of the airports in the airport system
  - c) Projects that cannot be accomplished by Commission maintenance crews but are essential for reasons of economics or continued operation
  - d) Projects that are necessitated by regulatory requirements such as FAA regulations and local, state or federal laws
  - e) Projects which address various environmental issues ranging from asbestos abatement to wetland mitigation
  - f) Projects constituting preventative maintenance
  - g) Projects which improve customer service and/or convenience
  - h) 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
  - i) The estimated useful life of a capital improvement project typically ranges from 5 to 40 years

## Capital Equipment

All equipment purchases for 2021 will be accounted for based on the MAC's capital equipment guidelines:

- The total cost of each piece of equipment is amortized over its useful life through depreciation charges.
- Snow plowing equipment qualifies for state and federal aid. Total eligible aid is limited.
- Aid for equipment purchases must compete with eligible construction projects.
- All equipment purchases must follow the MAC's purchasing policies.
- All equipment or project costs must be greater than or equal to \$10,000.
- Estimated useful life for capital equipment ranges from 3 to 15 years.

## Financial Policies – Purchasing

Purchasing oversees the acquisition of materials, services and equipment to meet the needs of end users by using the method resulting in the most efficient use of MAC resources. Purchasing also administers the Commercial Card program for the MAC staff. Purchasing also disposes of surplus property by selling items on the open market, donating items to various charities or distributing between the MAC service centers.

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

- Purchases will ensure fair and equitable treatment of all suppliers.
- The procurement procedures followed by the MAC should foster public confidence.
- Purchases will comply with applicable state and federal laws.
- Advantages and economies derived from a standardized purchasing system will be secured.
- The Commission will promote 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

- Currently the Commission is able to issue General Obligation Revenue Bonds (GORBs) and General Airport Revenue Bonds (GARBs), both fixed and variable rate.
- Funds will be managed to avoid any property tax levy.
- The MAC will maintain the highest possible rating available from Fitch, Moody's and/or Standard and Poor's Rating Agencies.
- Procedures/mechanisms will be developed and maintained to obtain the highest possible rating on the GARBs.
- All refundings of GORBs or Airport Revenue Bonds must show a minimum 3% Net Present Value savings as specified in Minnesota Statute Section 475.67, Subdivision 12.
- The current remaining authorized level of issuance for GORBs is \$55 million.
- The MAC will endeavor to keep the total maturity length of GORBs below 20 years and retire at least 50% of the principal within 10 years. In all cases, the maturity shall be shorter than the life of the related assets.
- Regarding Special Facility Bonds, staff will adhere to Administrative Policy 2701 dealing with Special Facility Financing.
- In December 2003, the Commission approved a policy to deal with derivative financing products. The Commission, along with its Financial Advisor and Bond Counsel, refined this policy further in February 2018. The refinements include establishing separate savings criteria and efficiency criteria in dealing with derivative financing products.
- In February 2018, the Commission approved an updated Administrative Policy 2703 on Debt Issuance and Management. The policy defines the roles and responsibilities, types of debt, debt limits, investment of proceeds, compliance with Federal Tax law and market disclosure obligations, rating agencies and investor relations.

**B. Reserve** - The Commission is required to have a restricted investment balance on October 10 each year for GORBs 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 available forms of indebtedness: Short-term borrowing, GARBs, and GORBs. The GORB instrument has the most straightforward legal limit. Currently the Commission is authorized to issue up to \$55,051,875 of additional GORB debt without statutory authorization and without having to meet the requirements of the additional bonds test set forth in the Senior Indenture. Prior to issuing GORB debt in excess of the above mentioned limit, the Commission would be required to seek authorization from the Minnesota State Legislature and would have to comply with the additional bonds test set forth in the Senior Indenture or Subordinate Indenture.

With regard to Revolving Line of Credit, the total authorized limit is currently \$100 million.

The legal limit for GARBs is based on the Commission's ability to generate sufficient revenues to pass the additional bonds test described in the applicable Senior Indenture or Subordinate Indenture. As long as there are adequate revenues to pass the test, additional debt can be issued.

### Compliance Statement

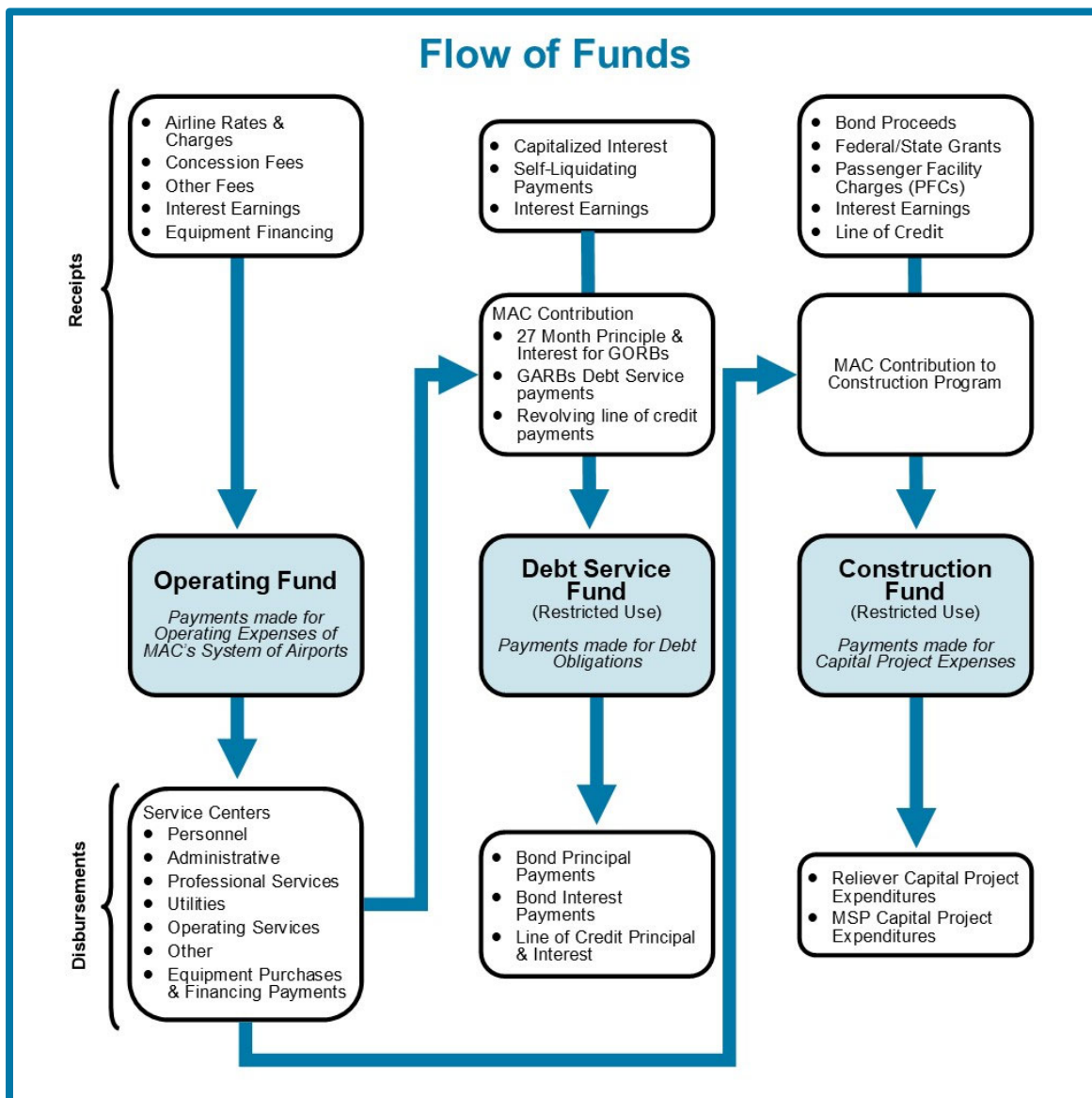
The Metropolitan Airports Commission is in compliance with all policies. The complete MAC policies are available upon request.

## Fund Structure

The Metropolitan Airports Commission (MAC) is accounted for as an Enterprise Fund. An Enterprise Fund reports any activity for which a fee is charged to users for goods or services. For internal purposes, the MAC maintains three funds corresponding to three major functions: Operating Fund, Construction Fund and Debt Service Fund. The budgets for all three Segregated Funds identified here are prepared using the accrual basis of accounting in accordance with Generally Accepted Accounting Principles (GAAP) and is the same method used for MAC accounting. These funds are not appropriated by the State of Minnesota. The Operating Fund is unrestricted, while the Construction and Debt Service Funds are restricted funds.

Budgeted and projected uses of funds reflect expenses that have been approved because they will further the MAC’s pursuit of its Strategic Plan. The Strategic Plan is outlined in the Executive Summary. The Service Center section notes the primary Strategic Plan goals and objectives for which each service center budgets. The Construction Fund section notes how the Strategic Plan drives the Capital Improvement Program (CIP). Projecting the Debt Service Fund is driven by the Strategic Plan, as the fund’s purpose is to pay required debt principal and interest payments for debt obligations that fund Strategic Plan initiatives.

Service center expenses are within the Operating Fund as shown in the chart below.



**This Flow of Funds Chart Identifies the Sources and Uses of Dollars Within Each Fund and Between Funds**

**Fund Balance Summary**

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. Footnotes provide additional information regarding any year-over-year changes of 10% or more.

<b>FUND BALANCE SUMMARY - 2021 BUDGET<sup>1</sup></b>						
<b>(\$=000)</b>						
	<b>2019 Actual</b>	<b>2020 Budget</b>	<b>2020 Estimate</b>	<b>2021 Budget</b>	<b>2022 Projection</b>	<b>2023 Projection</b>
<b>OPERATING FUND</b>						
January 1 Balance	185,959	\$ 186,962	\$ 191,997	\$ 121,261	\$ 121,286	\$ 135,931
Total Sources of Funds	415,254	419,944	316,390	339,818	376,157	396,612
Total Uses of Funds	(332,738)	(335,092)	(309,328)	(316,260)	(310,626)	(322,108)
Transfers	(76,478)	(69,700)	(77,798)	(23,533)	(50,886)	(56,209)
December 31 Balance	\$ 191,997	\$ 202,114	\$ 121,261 <sup>4</sup>	\$ 121,286	\$ 135,931 <sup>7</sup>	\$ 154,226 <sup>9</sup>
<b>CONSTRUCTION FUND</b>						
January 1 Balance	\$ 558,957	\$ 565,730	\$ 566,845	\$ 347,123	\$ 312,861	\$ 336,188
Total Sources of Funds	349,556	255,899	128,381	178,551	282,407	174,441
Total Uses of Funds	(341,668)	(316,499)	(348,103)	(212,813)	(259,080)	(239,423)
December 31 Balance	\$ 566,845	\$ 505,130 <sup>3</sup>	\$ 347,123 <sup>5</sup>	\$ 312,861 <sup>6</sup>	\$ 336,188	\$ 271,206 <sup>10</sup>
<b>DEBT SERVICE FUND</b>						
January 1 Balance	\$ 228,013	\$ 224,821	\$ 250,450	\$ 260,951	\$ 259,889	\$ 285,651
Total Sources of Funds	160,488	129,642	131,570	131,143	159,243	141,609
Total Uses of Funds	(138,051)	(110,745)	(121,069)	(132,205)	(133,481)	(136,464)
December 31 Balance	\$ 250,450 <sup>2</sup>	\$ 243,718	\$ 260,951	\$ 259,889	\$ 285,651 <sup>8</sup>	\$ 290,796
<b>TOTAL ALL FUNDS</b>						
January 1 Balance	\$ 972,929	\$ 977,513	\$ 1,009,292	\$ 729,335	\$ 694,036	\$ 757,770
Total Sources of Funds	925,298	805,485	576,341	649,512	817,807	712,662
Total Uses of Funds	(812,457)	(762,336)	(778,500)	(661,278)	(703,187)	(697,995)
Transfers	(76,478)	(69,700)	(77,798)	(23,533)	(50,886)	(56,209)
December 31 Balance	\$ 1,009,292	\$ 950,962	\$ 729,335 <sup>4,5</sup>	\$ 694,036	\$ 757,770	\$ 716,228

<sup>1</sup> Funds are described in detail, including all sources and uses, in their respective sections of the document.

<sup>2</sup> The Debt Service Fund 2019 Actual balance increased 10% over the 2018 Actual. This increase is driven by a new bond issue in 2019.

<sup>3</sup> The Construction Fund 2020 Budget balance decreased 11% over the 2019 Actual. The primary driver of this is the reduction of funds being restricted for construction projects in 2020.

<sup>4</sup> The Operating Fund 2020 Estimate is 40% lower than the 2020 Budget, a direct result of COVID-19 impacts on the travel industry. The pandemic led to an unprecedented decrease in the number of passengers during 2020, which reduced revenue.

<sup>5</sup> The Construction Fund 2020 Estimated balance decreased 31% from the 2020 Budget. The decrease is a result of the COVID-19 impacts on the travel industry, which resulted in impacts on MAC revenue sources.

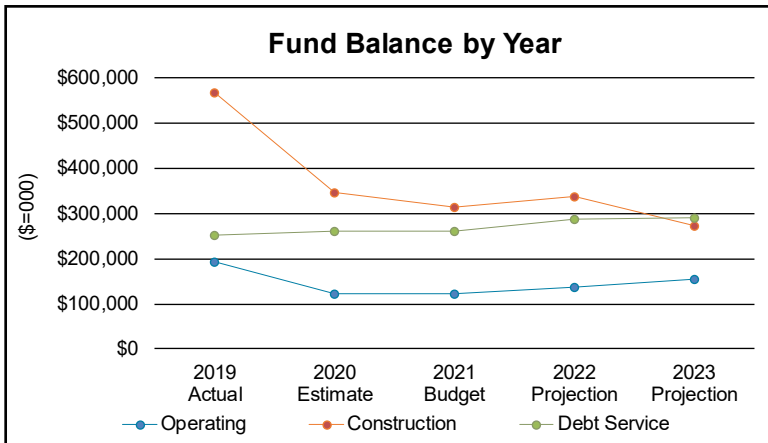
<sup>6</sup> The Construction Fund 2021 Budget balance is a decrease of 10% over the 2020 Estimate. The decrease is a result of the COVID-19 impacts on the travel industry, which resulted in impacts on MAC revenue sources.

<sup>7</sup> The Operating Fund 2022 Projection is a 12% increase over the 2021 Budget. The increase is a result of anticipated growth of passenger activity, which will increase MAC revenue sources.

<sup>8</sup> The Debt Service Fund 2022 Projection balance increases 10% over the 2021 Budget. This increase is driven by a new bond issue planned for 2022.

<sup>9</sup> The Operating Fund 2023 Projection is a 13% increase over the 2022 Projection. The increase is a result of anticipated growth of passenger activity, which will increase MAC revenue sources.

<sup>10</sup> The Construction Fund 2023 Projection balance is 19% less than the 2022 Projection. The decrease is a result of the COVID-19 impacts on the travel industry.



A fund balance is the net value of a fund’s assets less its liabilities at a point in time. When assets exceed liabilities, the balance is positive. Conversely, the balance is negative when its liabilities exceed assets. Additionally, a fund balance may be designated as unreserved or reserved. Unreserved fund balances are free to be authorized for future expenditures, while reserved balances may not be designated for future expenditures.

The Operating Fund is used for day-to-day operations. The overall change in this fund balance from the 2019 actual of \$192 million to the 2023 Projected balance of \$154 million is a total decrease of \$37 million. Operating revenues decrease for the first year, followed by a steady recovery over the remaining three years of the period shown in the adjacent chart. These changes are due first to the COVID-19 pandemic and then to the expected recovery pace of the travel industry.

The Construction Fund is used for day-to-day operations. The overall change in this fund

The Construction Fund is used to pay capital costs associated with the Capital Improvement Program (CIP). It had a balance of \$567 million in 2019. When the COVID-19 pandemic began to have an impact on the travel industry, the sources of funds for the Construction Fund decreased below the 2020 Budget. After dropping to an estimated balance of \$347 million to end 2020, the balance is expected to remain within approximately \$75 million of the 2020 estimate through 2023. This relative return to a stable balance has two main driving factors: reduced spending on capital projects during these years and the anticipated recovery of the travel industry as the global pandemic is brought to an end.

The Debt Service Fund is used to pay required debt principal and interest payments. It is expected to reach an overall increase from a 2019 balance of \$250 million to a balance of \$291 million in 2023. The increase in fund balance in the final two years is a result projecting the new 2022 bond issue. For new money bond issues, the Commission typically borrows the capitalized interest portion of that bond issue to cover the interest payments due on the debt during the period of construction. The Commission will collect the debt service requirements from the users of MSP upon completion of the associated project.

**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 operation, police and fire protection, and maintenance of roadway systems.
2. The power to levy property taxes not in excess of .00806% in each year upon the net tax capacity of all taxable 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 expenses of operation and maintenance of the Commission's property.

If the Commission were to have levied a tax based on recent values, the maximum amount available for maintenance and operation of the Commission would have been approximately \$31.0 million.

**Sources and Uses of Funds**

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

Generally, there are three sources of revenues within the Operating Fund:

1. Operating Reserve Transfer
2. Operating Revenues
3. Other Non-Operating Revenues

In general, there are three uses of revenues:

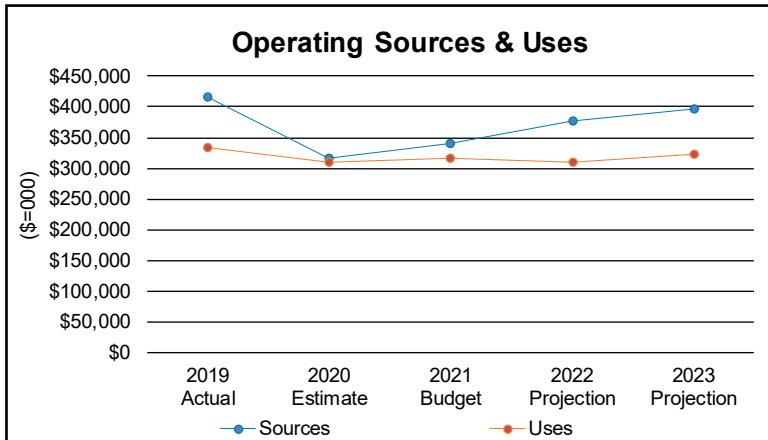
1. Operating Expenses
2. Non-Operating Expenses
3. Unrestricted Net Transfer Out-Construction

The table below summarizes the sources and uses of funds in the Operating Fund from 2019 through 2023:

<b>SOURCES AND USES OF FUNDS (\$ = 000)</b>						
<b>OPERATING FUND</b>						
	<b>2019</b>	<b>2020</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b>Actual</b>	<b>Budget</b>	<b>Estimate</b>	<b>Budget</b>	<b>Projection</b>	<b>Projection</b>
<u>Sources</u>						
January 1 Balance	\$ 185,959	\$ 186,962	\$ 191,997	\$ 121,261	\$ 121,286	\$ 135,931
Operating Revenue						
Airline Rates & Charges	131,397	136,308	89,829	131,208	132,520	133,845
Concessions	191,113	194,280	73,221	131,310	160,198	179,422
Other Operating Revenue	78,351	78,143	52,013	68,935	72,876	75,683
Subtotal Operating Revenue	\$ 400,861	\$ 408,731	\$ 215,063	\$ 331,453	\$ 365,594	\$ 388,950
Other/Non Operating Revenue						
Interest Earnings <sup>1</sup>	9,728	4,500	6,800	4,864	4,913	4,962
Other & Self-Liquidating Revenue	2,865	3,318	91,132	3,501	2,150	700
Transfers In Equipment Financing	1,800	3,395	3,395	-	3,500	2,000
Gain (Loss) on Assets and Other	-	-	-	-	-	-
Subtotal Other/Non Operating Revenue	\$ 14,393	\$ 11,213	\$ 101,327	\$ 8,365	\$ 10,563	\$ 7,662
Total Sources	\$ 415,254	\$ 419,944	\$ 316,390	\$ 339,818	\$ 376,157	\$ 396,612
<u>Uses</u>						
Operating Expense						
Personnel	\$ (95,070)	\$ (98,079)	\$ (94,336)	\$ (94,207)	\$ (94,207)	\$ (95,149)
Administrative Expenses	(1,753)	(2,495)	(984)	(1,352)	(1,352)	(1,366)
Professional Services	(7,122)	(8,875)	(5,267)	(6,310)	(6,310)	(6,373)
Utilities	(18,848)	(20,164)	(17,456)	(19,897)	(19,897)	(20,096)
Operating Services	(30,950)	(32,893)	(26,622)	(27,643)	(27,643)	(27,919)
Maintenance	(46,988)	(44,465)	(39,852)	(41,458)	(41,458)	(41,873)
Other	(4,354)	(5,532)	(4,026)	(3,639)	(3,639)	(3,675)
Subtotal Operating Expense	\$ (205,085)	\$ (212,503)	\$ (188,543)	\$ (194,506)	\$ (194,506)	\$ (196,451)
Non Operating Expense						
Equipment						
Equipment & Other Capital Expenditures	(10,796)	(13,369)	(8,446)	(9,422)	(10,890)	(11,011)
Transfers Out - Equipment Financing	(4,495)	(4,545)	(4,950)	(4,423)	(4,348)	(3,888)
Subtotal Equipment	\$ (15,291)	\$ (17,914)	\$ (13,396)	\$ (13,845)	\$ (15,238)	\$ (14,899)
Debt Service						
Transfers Out - Debt Service	(112,362)	(104,675)	(107,389)	(107,909)	(100,882)	(110,758)
Subtotal Debt Service	\$ (112,362)	\$ (104,675)	\$ (107,389)	\$ (107,909)	\$ (100,882)	\$ (110,758)
Total Uses	\$ (332,738)	\$ (335,092)	\$ (309,328)	\$ (316,260)	\$ (310,626)	\$ (322,108)
Unrestricted Net Transfer Out-Construction	(76,478)	(69,700)	(77,798)	(23,533)	(50,886)	(56,209)
Operating Fund Balance	\$ 191,997	\$ 202,114	\$ 121,261	\$ 121,286	\$ 135,931	\$ 154,226

<sup>1</sup> Interest Rate Assumed .5%-2.0% for the period 2021 through 2023.





**Sources of Funds**

*Operating Reserve Transfer*

The January 1 Balance reflects the Operating Reserve established by the Commission plus the amount to be transferred to the Construction Fund in the following year. In 2006, the Commission established a six-month reserve of operating expenses. The minimum operating reserve balance for 2021 is \$97.3 million.

*Operating Revenues*

Operating Revenues consist of Airline Rates & Charges, Concessions, Rentals & Fees and Utilities & Other Revenues. The changes in each of these areas are explained in detail in the Operating Budget Revenue Section. In general, Airline Rates & Charges will increase in 2021 due to growth from the travel industry’s COVID-19 pandemic recovery. Concessions rose in most areas as a result of additional passenger activity. The majority of units were closed during 2020, as fewer travelers led to a decreased demand from concessionaires. The additional passengers will allow the reopening of most or all Concessions units. Operating Revenues total \$331.5 million for 2021.

*Other Non-Operating Revenues*

Other Non-Operating Revenues consist of Interest Earnings, Self-Liquidating Revenue and Gain/Loss on Disposal of Assets and Other Sources. Interest Earnings is assumed to be 0.5-2.0% for the period 2021-2023. Interest is earned on the balance in the Operating Fund which includes self-liquidating leases. Interest earnings are decreasing due to a decrease in the assumed rate of interest. Self-liquidating leases are those facilities built by the MAC and then leased to tenants.

**Uses of Funds**

*Operating Expenses*

Operating Expenses consist of Personnel, Administrative Expenses, Professional Services, Utilities, Operating Services/Expenses, Maintenance and Other expenses. Details of changes for each of these areas are identified in the Operating Budget Expense section. The total expense for 2021 is \$194.5 million.

*Non-Operating Expenses*

Non-Operating Expenses is comprised of an Equipment section and Debt Service section.

- Equipment includes capital equipment to be purchased based on Commission approval. The MAC has a \$10,000 threshold for capital equipment. The anticipated amount for 2021 is \$9.4 million and includes other capital expenditures. There is no 2021 Equipment Financing to offset the equipment expense and no equipment will be leased. Finally, miscellaneous other capital expenditures are included.
- Debt Service consists of transfers that are required to cover all debt service. In June and December, the Commission must transfer the required amount for the General Airport Revenue Bonds (GARBs) reserve. The debt service portion also includes payments on the Commission revolving line of credit. The total payments for the GARBs and the revolving line of credit are expected to be approximately \$107.9 million in 2021.

*Unrestricted Net Transfer Out-Construction*

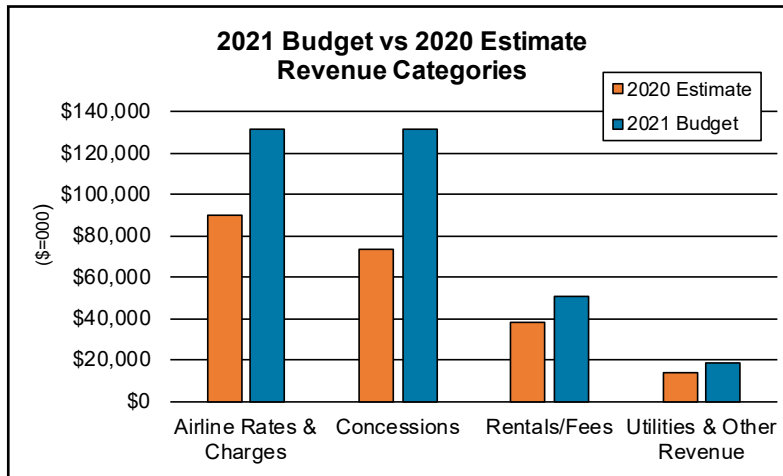
Unrestricted Net Transfer Out-Construction represents the amount of internally generated funds that are transferred to the Construction Fund after payment of all operating expenses have been made, all debt service requirements accounted for and the Operating Reserve is funded at six months of Operating Expenses. \$27,031 is anticipated for 2021 based on the 2020 Estimate and \$23.6 million anticipated for 2022 based on the 2021 Budget. These transfer amounts are significantly lower than typical years due to decreased revenues resulting from the COVID-19 pandemic.

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## Operating Budget Revenue

The COVID-19 pandemic and the related restrictions have had an adverse effect on both international and domestic travel and travel-related industries, including airlines, concessionaires and auto rental companies serving the airport. Passenger airlines have experienced a significant downturn in demand, causing the cancellation of numerous flights. With this turn of events, the 2020 estimate is lower than the 2020 budget. In comparison, total operating budget revenue for 2021 is \$331.5 million, which is a \$116.4 million or 54.1% increase compared to the 2020 estimate, with expectations of partial recovery of the air travel industry. Operating Budget Revenue is divided into four categories: Airline Rates & Charges, Concessions, Rentals/Fees and Utilities & Other Revenue.

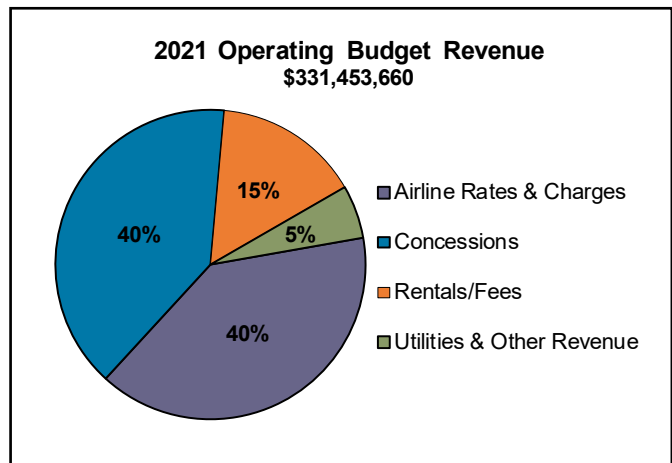
Revenue Summary (\$=000)	2019 Actual	2020 Budget	2020 Estimate	2021 Budget	2021 Budget vs 2020 Estimate	
					Dollar Change	% Change
<b>REVENUE</b>						
Airline Rates & Charges	\$131,397	\$136,308	\$89,829	\$131,208	\$41,379	46.1%
Concessions	191,113	194,280	73,221	131,310	58,089	79.3%
Rentals/Fees	54,042	53,900	38,241	50,504	12,262	32.1%
Utilities & Other Revenue	24,309	24,243	13,772	18,432	4,659	33.8%
<b>Total Operating Revenue</b>	<b>\$400,861</b>	<b>\$408,730</b>	<b>\$215,064</b>	<b>\$331,454</b>	<b>\$116,390</b>	<b>54.1%</b>



The bar chart compares 2021 budget to 2020 estimate by revenue category. Because of the downturn in the airline industry due to the COVID-19 pandemic, 2020 revenue is estimated to be significantly below budget. The 2020 estimate was affected when governments across the globe closed their borders to non-essential travel, which reduced flights. Food & beverage, retail and other service concessionaires located in the terminals show significant declines in sales and many locations are temporarily closed as a result of reduced passenger levels. In addition, the reduction in air travel has had an

adverse effect on parking, ground transportation companies and auto rentals. With the expected partial recovery of the industry in 2021, revenue in all categories is projected to be considerably higher.

The pie chart to the right illustrates revenue categories as a percentage of the total. Airline Rates & Charges and Concessions are the two largest revenue sources with 80% of total revenue.



## Operating Budget Revenue

## 2021 Operating Revenue

## 2021 Budget vs 2020 Estimate

	2019 Actual	2020 Budget	2020 Estimate	2021 Budget	Dollar Change	% Change
<b>Airline Rates &amp; Charges</b>						
Airline Agreement						
Landing Fees	75,030,875	76,936,069	46,528,412	72,841,520	26,313,108	56.6%
Ramp Fees	7,304,050	7,110,152	6,671,266	6,654,847	(16,419)	-0.2%
Airline R&R	4,858,031	5,153,885	5,153,885	5,308,502	154,617	3.0%
T1 Rentals	39,895,046	41,099,768	22,239,068	40,386,342	18,147,274	81.6%
T1 Other	8,580,634	9,246,668	6,472,667	8,949,314	2,476,647	38.3%
Concessions Rebate	(18,576,157)	(17,410,418)	(7,577,768)	(15,606,069)	(8,028,301)	105.9%
<i>Total Airline Agreement</i>	117,092,479	122,136,124	79,487,530	118,534,456	39,046,926	49.1%
Terminal 2 Fees						
T2 Lobby	11,424,307	11,240,000	9,254,204	9,992,646	738,442	8.0%
T2 Other/Passenger	2,879,987	2,931,540	1,087,674	2,681,159	1,593,485	146.5%
<b>Total Airline Rates &amp; Charges</b>	131,396,773	136,307,664	89,829,408	131,208,261	41,378,853	46.1%
<b>Concessions</b>						
Terminal						
Food & Beverage	25,498,610	25,843,183	9,802,371	17,201,015	7,398,644	75.5%
News	5,067,660	5,353,368	2,023,606	3,521,672	1,498,066	74.0%
Retail Stores	5,968,894	5,906,500	1,789,454	3,749,742	1,960,288	109.5%
Passenger Services	7,646,875	7,478,222	2,555,000	5,628,112	3,073,112	120.3%
<i>Total Terminal</i>	44,182,038	44,581,273	16,170,431	30,100,541	13,930,110	86.1%
Parking/Grnd Transport						
Parking	108,130,272	109,012,771	39,546,999	69,702,000	30,155,001	76.3%
Ground Transportation	15,569,780	17,247,890	4,457,356	9,717,331	5,259,975	118.0%
Auto Rental - On Airport	20,845,118	20,872,862	11,224,226	19,292,132	8,067,906	71.9%
<i>Total Parking/Grnd Transport</i>	144,545,169	147,133,523	55,228,581	98,711,463	43,482,882	78.7%
Other						
Other Concessions	2,385,610	2,565,173	1,822,000	2,498,017	676,017	37.1%
<b>Total Concessions</b>	191,112,818	194,279,969	73,221,012	131,310,021	58,089,009	79.3%
<b>Rentals/Fees</b>						
Buildings & Facilities	11,697,044	12,246,520	12,246,520	14,765,952	2,519,432	20.6%
Auto Rental CFC	22,185,499	22,308,000	7,321,050	15,485,478	8,164,428	111.5%
Ground Rentals	11,163,161	10,956,789	10,956,789	11,636,049	679,260	6.2%
Reliever Airports	8,996,552	8,388,792	7,716,960	8,616,329	899,369	11.7%
<b>Total Rentals/Fees</b>	54,042,255	53,900,101	38,241,319	50,503,808	12,262,489	32.1%
<b>Utilities &amp; Other Revenue</b>						
Utilities	6,072,039	6,730,754	3,616,508	4,996,628	1,380,120	38.2%
GA/Airside Fees	6,913,214	6,712,463	3,691,855	4,679,938	988,083	26.8%
MCD Fees	4,413,136	4,556,364	1,540,585	2,772,944	1,232,359	80.0%
Other Revenues	3,296,390	2,800,138	1,979,564	2,373,060	393,496	19.9%
Reimbursed Expense	3,613,946	3,443,000	2,943,861	3,609,000	665,139	22.6%
<b>Total Utilities &amp; Other Revenue</b>	24,308,724	24,242,719	13,772,373	18,431,570	4,659,197	33.8%
<b>Total Operating Revenue</b>	<b>400,860,570</b>	<b>408,730,453</b>	<b>215,064,112</b>	<b>331,453,660</b>	<b>116,389,548</b>	<b>54.1%</b>

**Revenue Assumptions and Guidelines**

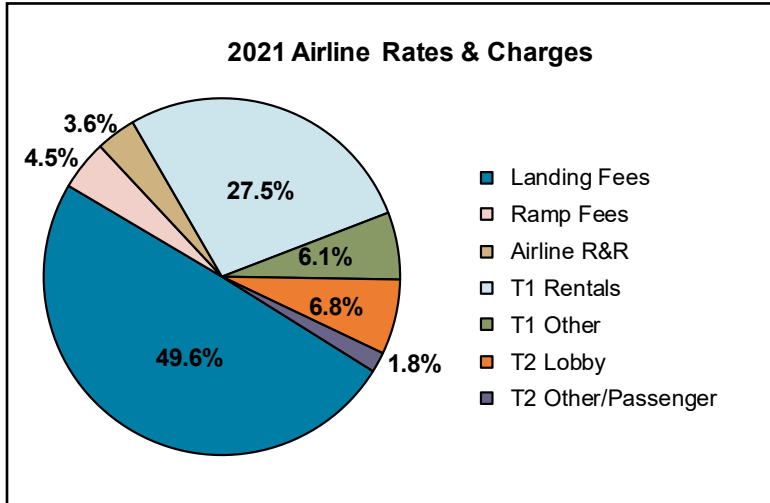
The revenue projections for 2021 are based on the following assumptions and guidelines:

- Airline Rates & Charges are based on the current Airline Use Agreement.
- Revenue projections are prepared on an accrual basis. This basis of accounting records financial transactions in the period in which they occur, rather than recording them in the period in which they are received. The Commission uses this method for both accounting and budgeting.
- The revenue projections are based on estimates and assumptions compiled from the following sources:
  - Historical trends and future expected airline industry recovery after the COVID-19 pandemic
  - Expense projections which determine Airline Rates & Charges
  - Lease agreements, contracts and MAC Ordinances
  - Federal Aviation Administration publications
  - Utility consultants and a consultant to predict enplanements for 2021
- The explanations for revenue assumptions are based on a comparison of the 2021 budget to the 2020 estimates. The 2020 estimates show the effect of the pandemic and are below the 2020 budget.

**Airline Rates & Charges**

The Airline Rates & Charges category, which is approximately \$131.2 million or 40% of the MAC’s \$331.5 million in revenues, is generated from rates charged to the airlines. This category is projected to increase \$41.4 million or 46.1% from the 2020 estimate. The formulas for the rates are established in the Airline Use Agreement and are composed of landing fees, ramp fees, airline Terminal 1 rental rates and the Terminal 1 International Arrivals Facility (IAF) use fees. This agreement incorporates 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 Arrivals Facility service centers and are detailed in the Operating Budget Expense section. Total costs plus allocations are then used to determine Airline Rates & Charges. Fluctuations in allocated costs can cause a change in the airline rates. Rates for Terminal 2 are set by ordinance, which is primarily based on the recovery of budgeted operating and maintenance costs. The Concessions Rebate of \$15.6 million represents the revenue sharing found in the Airline Use Agreement.

<b>Airline Rates &amp; Charges (\$=000)</b>	<b>2021 Budget vs 2020 Estimate</b>					
	<b>2019 Actual</b>	<b>2020 Budget</b>	<b>2020 Estimate</b>	<b>2021 Budget</b>	<b>Dollar Change</b>	<b>% Change</b>
<b>Airline Rates &amp; Charges</b>						
Landing Fees	\$75,031	\$76,936	\$46,528	\$72,842	\$26,313	56.6%
Ramp Fees	7,304	7,110	6,671	6,655	(16)	-0.2%
Airline R&R	4,858	5,154	5,154	5,309	155	3.0%
T1 Rentals	39,895	41,100	22,239	40,386	18,147	81.6%
T1 Other Revenue	8,581	9,247	6,473	8,949	2,477	38.3%
Concessions Rebate	(18,576)	(17,410)	(7,578)	(15,606)	(8,028)	105.9%
T2 Lobby Fees	11,424	11,240	9,254	9,993	738	8.0%
T2 Other/Passenger	2,880	2,932	1,088	2,681	1,593	146.5%
<b>Total Airline Rates &amp; Charges</b>	<b>\$131,397</b>	<b>\$136,308</b>	<b>\$89,829</b>	<b>\$131,208</b>	<b>\$41,379</b>	<b>46.1%</b>



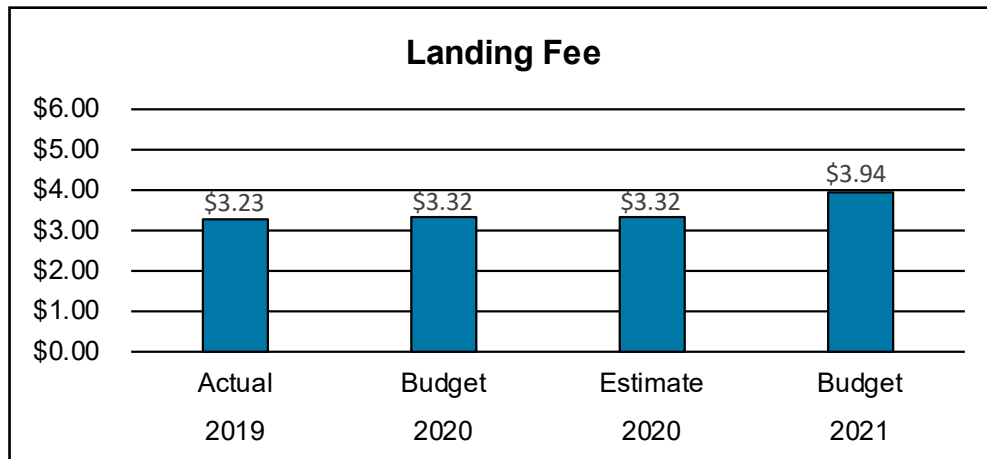
The pie chart to the left indicates each revenue source as a percentage of the total Airline Rates & Charges revenue category. This chart excludes the Concessions Rebate. Landing Fees are the greatest revenue source with 49.6% of the total.

**Landing Fees**

Total landing fees are projected to increase \$26.3 million or 56.6% compared to the 2020 estimate. 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.

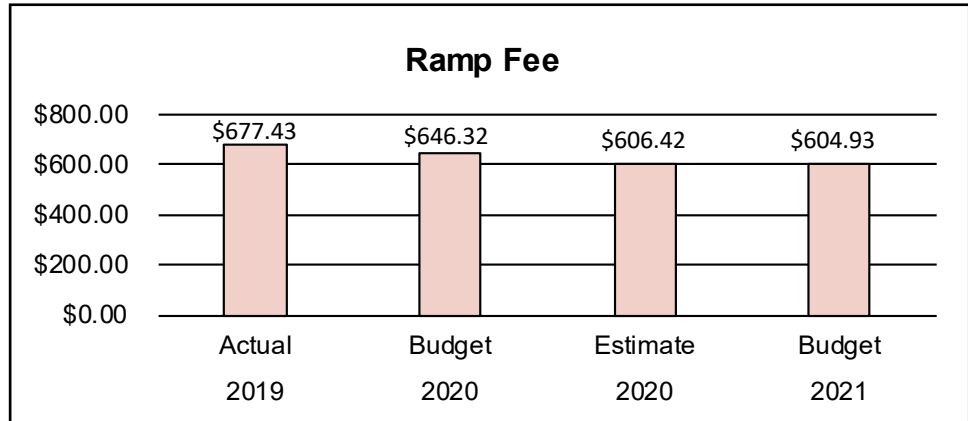
The landing fee is expected to increase \$0.62 in 2021 from the 2020 estimate. Total estimated expenses in the Field & Runway service center are slightly higher than 2020 and estimated landed weight is projected to increase by 4.5 million pounds over the 2020 estimate due to a greater number of flights expected.



<u>Landing Fee</u>	2019	2020	2020	2021
	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Budget</u>
Landing Fee	\$3.23	\$3.32	\$3.32	\$3.94
Landed Weight (lbs. in 000)	23,229	23,174	14,015	18,488
Revenue (\$ in 000)	\$75,031	\$76,936	\$46,528	\$72,842

**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 2021 ramp fee per lineal foot is \$1.49 lower than the 2020 estimate as ramp expenses have been reduced in the 2021 budget.

<u>Ramp Fee</u>	<b>2019</b>	<b>2020</b>	<b>2020</b>	<b>2021</b>
	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Budget</u>
Ramp Fee (Per Lineal Ft.)	\$677.43	\$646.32	\$606.42	\$604.93
Ramp Footage (Per Lineal Ft.)	11,001	11,001	11,001	11,001
Revenue (\$=000)	\$7,304	\$7,110	\$6,671	\$6,655

**Airline Repair and Replacement Surcharge**

Per the Airline Lease Amendment, there is an additional Repair and Replacement surcharge (R&R) for the airlines leasing space at Terminal 1. This surcharge increases annually at a rate of 3%. The rate for 2021 is \$8.41 per lineal foot and total R&R is estimated to be \$154,617 higher than the 2020 estimate.

**Terminal 1 Rentals**

Airline Terminal 1 Rental rates are calculated by allocating Terminal 1 building expenses over the total rentable square footage in Terminal 1. Airlines are charged for the space they occupy. Unlike landing fees and ramp fees, which are residual calculations, airline Terminal 1 building rates are a compensatory calculation. Under this calculation method, costs are recovered from the airlines in proportion to the rentable space they occupy in the terminal building. The Terminal 1 building rate does not include the R&R surcharge. The Terminal 1 rental rate is increasing from the 2020 estimate of \$57.15 to \$60.23 per square foot in 2021 and the janitored rate is increasing from the 2020 estimate of \$68.12 to \$71.61 per square foot in 2021.

<u>Terminal 1 Rental Rates</u>	<b>2019</b>	<b>2020</b>	<b>2020</b>	<b>2021</b>
	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Budget</u>
Exclusive (Per Sq. Ft.)	\$62.92	\$63.95	\$57.15	\$60.23
Exclusive Janitored (Per Sq. Ft.)	\$72.81	\$75.07	\$68.12	\$71.61
Total Revenue (\$ in 000)	\$39,895	\$41,100	\$22,239	\$40,386

Terminal 1 Rental fees revenue is \$18,1 million or 81.6% higher than the 2020 estimate. The variance is due to a one-time rent credit that was granted to airlines in 2020 as part of the MAC’s approved pandemic relief program and higher terminal building costs such as additional cleaning and maintenance related to the anticipated recovery of the pandemic in 2021.

**Terminal 1 Other**

Revenue from Terminal 1 Other is expected to increase \$2.5 million or 38.3% over the 2020 estimate. Revenues in this area are generated by International Arrival Fees (IAF), porter service fees, baggage claim maintenance fees, queue line management fees, employee screening fees, flight information displays maintenance, public address system maintenance and common use gates. The highest projected revenues in Terminal 1 Other are baggage claim maintenance reimbursement, employee screening revenue, IAF revenue and queue line management fees.

The airline agreement for the IAF includes a fee calculation similar to the residual calculation for ramp and landing fees. 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. The following table shows the IAF fees for actual 2019, budgeted 2020, estimated 2020 and budgeted 2021.

<b>International Arrival Fee</b>				
	<b>2019</b>	<b>2020</b>	<b>2020</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget</b>	<b>Estimate</b>	<b>Budget</b>
Total Cost (\$=000)	\$3,803	\$4,459	\$4,030	\$4,422
Passengers	866,287	821,179	300,074	534,058
Fee Per Passenger	\$4.39	\$5.43	\$13.43	\$8.28

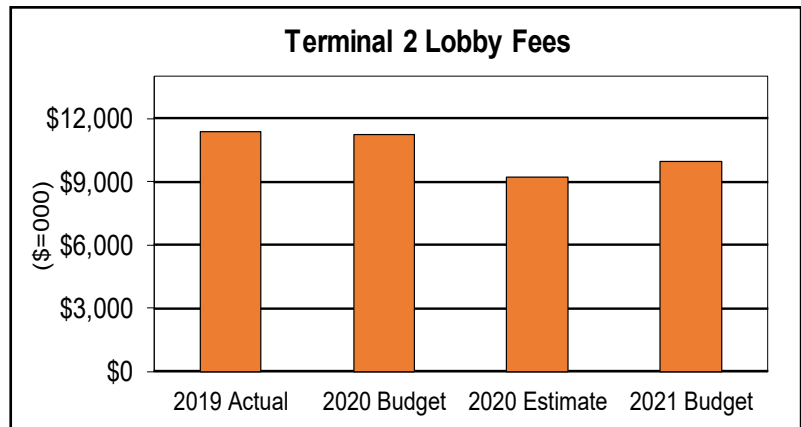
The higher IAF fee in 2020 arises from the drastic drop in international travel as travel bans were put into place across the globe to control the spread of COVID-19. Expenses were covered by fewer international passengers. In 2021, expenses are comparable to 2020; however, passengers are expected to increase which decreases the IAF fee.

**Concessions Rebate**

As part of the Airline Use Agreement, airlines share selected concessions revenue from food and beverage, news, retail and on-airport auto rental revenues. The amount of concessions revenue shared with the airlines is 33% of selected revenues for 2021. The airlines are also entitled to share additional revenue based on passenger growth that exceeds 1% if passengers exceed the 2019 passenger level. For the 2021 budget, the concessions rebate is projected to be \$15.6 million. The \$8.0 million increase over the 2020 estimate is due to rising food and beverage, news, retail and auto rental revenues as passengers return to flying as the world recovers from the COVID-19 pandemic.

**Terminal 2 Lobby Fees**

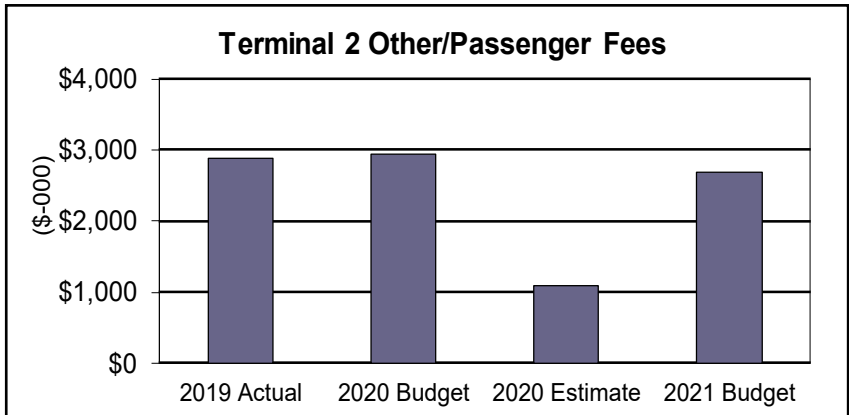
Terminal 2 Lobby Fees are expected to increase \$738,442 or 8.0% over the 2020 estimate. Lobby fees are set by a MAC Ordinance that sets rates on a budgetary basis, with no true-up based on actual expenses or year-end operational activity. Each gate at Terminal 2 has a revenue cap. For 2021, the gate cap is \$735,218 per airline associated with it, based upon the number of aircraft operations. The MAC has a total of 14 gates at Terminal 2 and assumes that 12 of these gates will reach the revenue cap and two will not. The MAC estimates the revenue from the non-capped gates based upon operational data obtained from historical sources and from the airlines. The 2021 budget increase in revenue from the 2020 estimate is due to an increase in operational activity on the uncapped gates.





**Terminal 2 Other/Passenger Fees**

Terminal 2 Other/Passenger Fees includes Federal Inspection Service (FIS) charges for international passengers, Terminal 2 building rentals, apron fees and non-signatory landing fees. As with Lobby Fees mentioned previously, the FIS charges are based on budgetary data with no year-end true up of actual expenses. Revenue in this category is budgeted to increase \$1.6 million or 146.5% over the 2020 estimate. International flights schedules were significantly disrupted in 2020 amidst the pandemic but are projected to return slowly in 2021.



**Concessions**

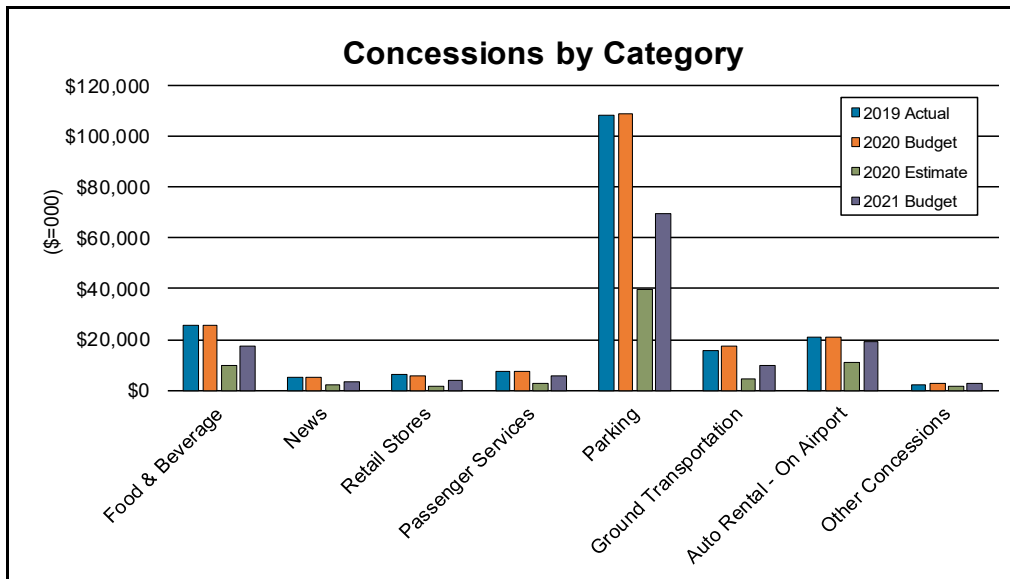
The Concessions revenue category is \$131.3 million or 40% of total operating revenue for 2021 and is projected to increase \$58.1 million or 79.3% from the estimated 2020 level. Revenues from food and beverage, news, retail, passenger services and auto rental are based on various lease agreements which allow the concessionaires to operate in MAC facilities.

Concessions (\$=000)	2019 Actual	2020 Budget	2020 Estimate	2021 Budget	2021 Budget vs 2020 Estimate	
					Dollar Change	% Change
<b>Concessions</b>						
Food & Beverage	\$25,499	\$25,843	\$9,802	\$17,201	\$7,399	75.5%
News	5,068	5,353	2,024	3,522	1,498	74.0%
Retail Stores	5,969	5,907	1,789	3,750	1,960	109.5%
Passenger Services	7,647	7,478	2,555	5,628	3,073	120.3%
Parking	108,130	109,013	39,547	69,702	30,155	76.3%
Ground Transportation	15,570	17,248	4,457	9,717	5,260	118.0%
Auto Rental - On Airport	20,845	20,873	11,224	19,292	8,068	71.9%
Other Concessions	2,386	2,565	1,822	2,498	676	37.1%
<b>Total All Concessions</b>	<b>\$191,113</b>	<b>\$194,280</b>	<b>\$73,221</b>	<b>\$131,310</b>	<b>\$58,089</b>	<b>79.3%</b>

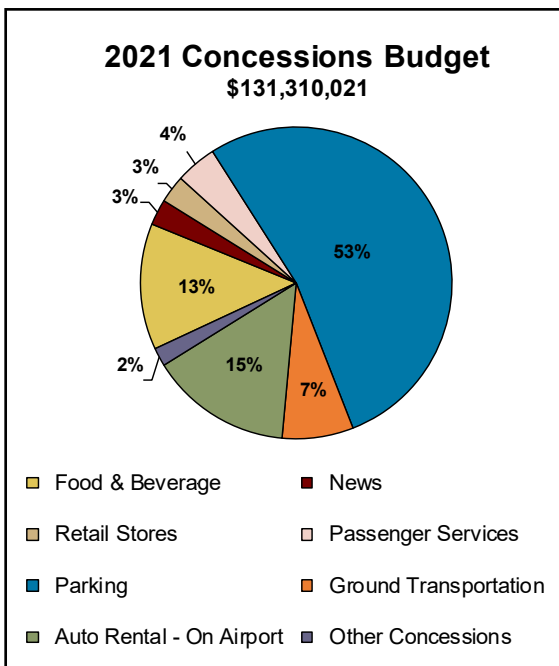


*Passengers in the Mall at Terminal 1*

The bar chart shows Parking is the largest revenue generating category. The rates charged for parking are approved by the Commission, while ground transportation fees are authorized according to MAC Ordinances.



The pie chart below indicates each revenue source as a percentage of the total Concessions revenue category.



**Food & Beverage, News and Retail**

Food & Beverage revenue is projected to increase \$7.4 million or 75.5% from the 2020 estimate. Revenue from News concessions is estimated to increase \$1.5 million or 74.0% and revenue from Retail Stores is projected to increase \$2.0 million or 109.5% compared to the 2020 estimate. Fewer travelers, temporarily closed concessions and Minimum Annual Guarantee (MAG) waivers provided through the relief program approved by the MAC in 2020 reduced the year-end estimate. MAG waivers and reduced waivers were also granted to concessionaires in 2021. Aggressive remodel of most concessions finalized in 2020 and with the anticipated return of travelers in need of food and beverage, essentials and souvenirs, concession sales are expected to rise in 2021.

**Passenger Services**

Revenue from Passenger Services is budgeted to increase \$3.1 million or 120.3% over the 2020 estimate. The estimate takes into consideration MAG waivers granted to passenger services concessionaires, as well as service reductions such as indoor advertising and foreign exchange services affected by COVID-19 and international travel bans. The 2021 budget expects an increase in essential passenger services as air travel continues to recover.

**Parking**

Parking is expected to increase from the 2020 estimate by \$30.2 million or 76.3% compared to the 2020 estimate. Parking revenue dropped dramatically in 2020 due to the pandemic. The increase in revenue in 2021 is due to the expectation that passengers will return to flying and will need parking at Minneapolis-St. Paul International Airport (MSP).

**Ground Transportation Fees**

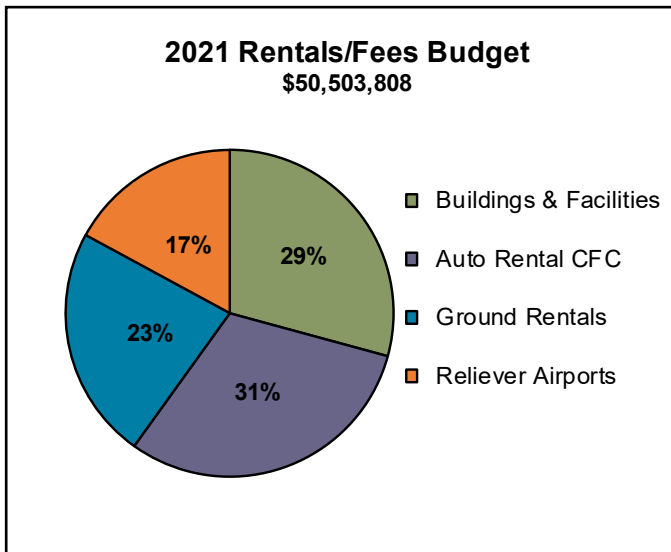
Ground Transportation fees are projected to increase \$5.3 million or 118.0% over the 2020 estimate. This increase in revenue is based on the expected recovery of the COVID-19 pandemic.

**On-Airport Auto Rental**

On-Airport Auto Rental revenue is projected to increase from the 2020 estimate of \$11.2 million to \$19.3 million in the 2021 budget, a positive variance of \$8.1 million or 71.9%. The 2020 estimate is the result of implementing nine months of MAG relief for the auto rental companies. The 2021 budget amount represents full MAG rent.

**Other Concessions**

Revenue in the Other Concessions category consists of outdoor advertising, auto services, in-flight catering, shared services and additional miscellaneous concessions. Other Concessions revenue will drive a budgeted \$676,017 or 37.1% increase over the 2020 estimate. As with all concession revenue sources, the expectation is that the economy will slowly recover from the pandemic and traffic at MSP will gradually return to normal.



**Rentals/Fees**

Rentals/Fees revenue is \$50.5 million or 15% of total operating revenue for 2021 and is projected to increase \$12.3 million or 32.1% from the 2020 estimated level. These revenue sources consist of the non-airline building rentals, Auto Rental-Customer Facility Charge (CFC), ground rental space and reliever airport fees. Ground rental space revenue and a portion of reliever airport revenue are based on MAC Ordinances, while the remaining revenue items are based on leases and agreements.

The pie chart illustrates that Auto Rental CFC and Buildings & Facilities are projected to bring in most of the revenue, accounting for 31% and 29% of the total, respectively.

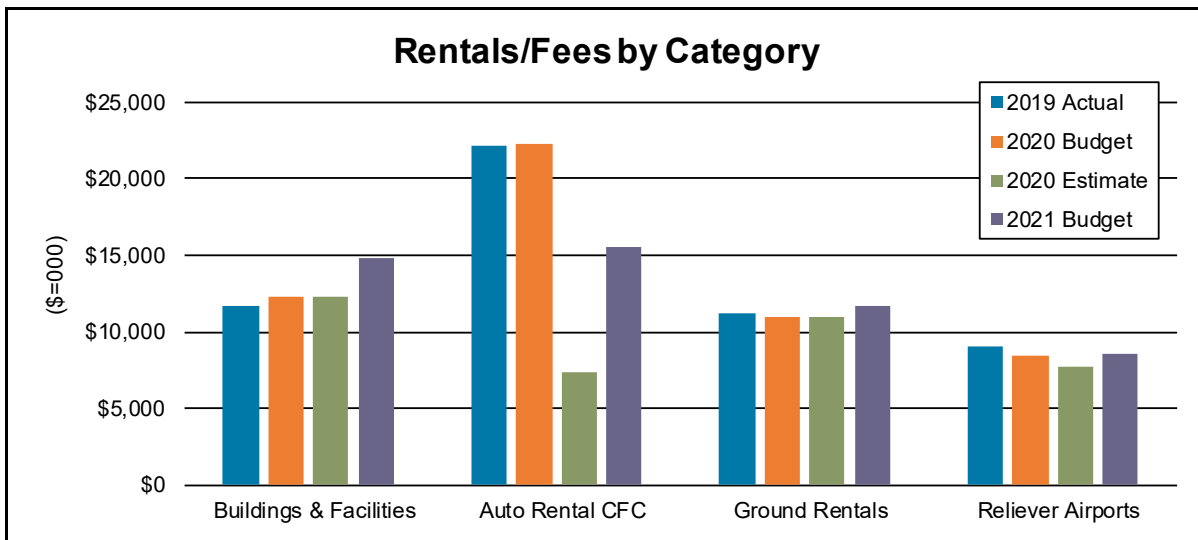
**Airlake Airport,  
One of the MAC's  
Reliever Airports**



The table below shows each revenue source in the Rentals/Fees category year over year.

Rentals/Fees (\$=000)					2021 Budget vs 2020 Estimate	
	2019 Actual	2020 Budget	2020 Estimate	2021 Budget	Dollar Change	% Change
<b>Rentals/Fees</b>						
Buildings & Facilities	\$11,697	\$12,247	\$12,247	\$14,766	\$2,519	20.6%
Auto Rental CFC	22,185	22,308	7,321	15,485	8,164	111.5%
Ground Rentals	11,163	10,957	10,957	11,636	679	6.2%
Reliever Airports	8,997	8,389	7,717	8,616	899	11.7%
<b>Total Rentals/Fees</b>	<b>\$54,042</b>	<b>\$53,900</b>	<b>\$38,241</b>	<b>\$50,504</b>	<b>\$12,262</b>	<b>32.1%</b>

The revenue chart below shows Auto Rental Customer Facility Charge (CFC) is the most volatile as it is an activity-based revenue. The CFC dips sharply in 2020 with low activity during the pandemic and rises dramatically in 2021 as Minneapolis-St. Paul International Airport (MSP) recovers from the pandemic and related restrictions.



**Buildings & Facilities**

Buildings & Facilities revenue is projected to increase \$2.5 million or 20.6% from the 2020 estimate. This increase comes from the new auto rental facility located in the new Silver Ramp at MSP, which is significantly larger in size than the older facility and which generates more revenue. In addition, new leases are creating new revenue and updated building leases are generating additional revenue.

**Auto Rental-Customer Facility Charge**

The revenue from Auto Rental CFCs is budgeted to increase \$8.2 million or 111.5% over the 2020 estimate. The CFC rate is \$5.90 per auto rental transaction per day and is used to repay the debt obligation on the auto rental facility within the Silver Ramp. The CFC increase in 2021 is proportional to the projected passenger increase for 2021, following an atypical year in 2020 due to the pandemic.

**Ground Rentals**

Compared to the 2020 estimate, Ground Rentals are budgeted to increase \$679,260 or 6.2%. Ground Rental rates are dictated in MAC Ordinance. As part of the MAC-approved pandemic relief program, the rental rate was not increased for 2021. The 2021 budget increase arises from three new leases.

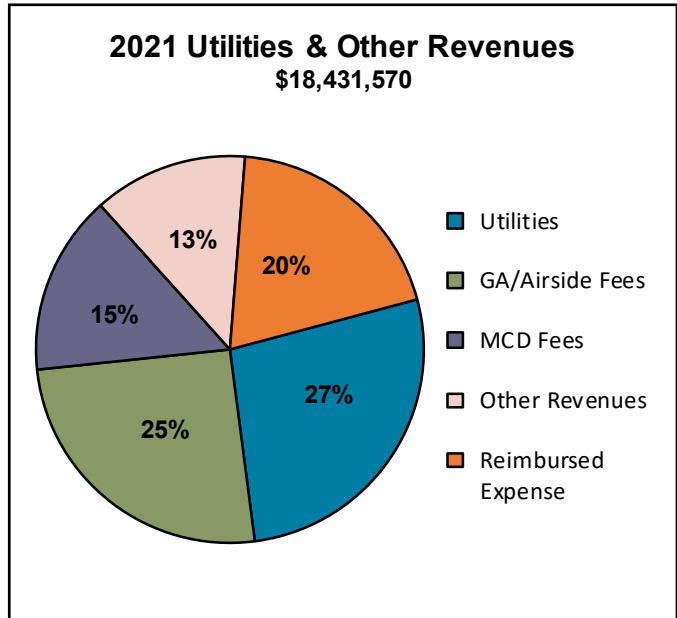
**Reliever Airports**

Operations remained steady at Reliever Airports during 2020. With a slight revenue increase expected in 2021, Reliever Airports revenue is projected to increase \$899,369 or 11.7% from 2020 estimated levels.

**Utilities & Other Revenues**

Utilities & Other Revenues is \$18.4 million or 5% of total operating revenue for 2021 and is projected to increase \$4.7 million or 33.8% from the 2020 estimated level. Included in this category are Utilities, General Aviation/Airside Fees, Maintenance, Cleaning and Distribution (MCD) Fees, Other Revenues and Reimbursed Expense.

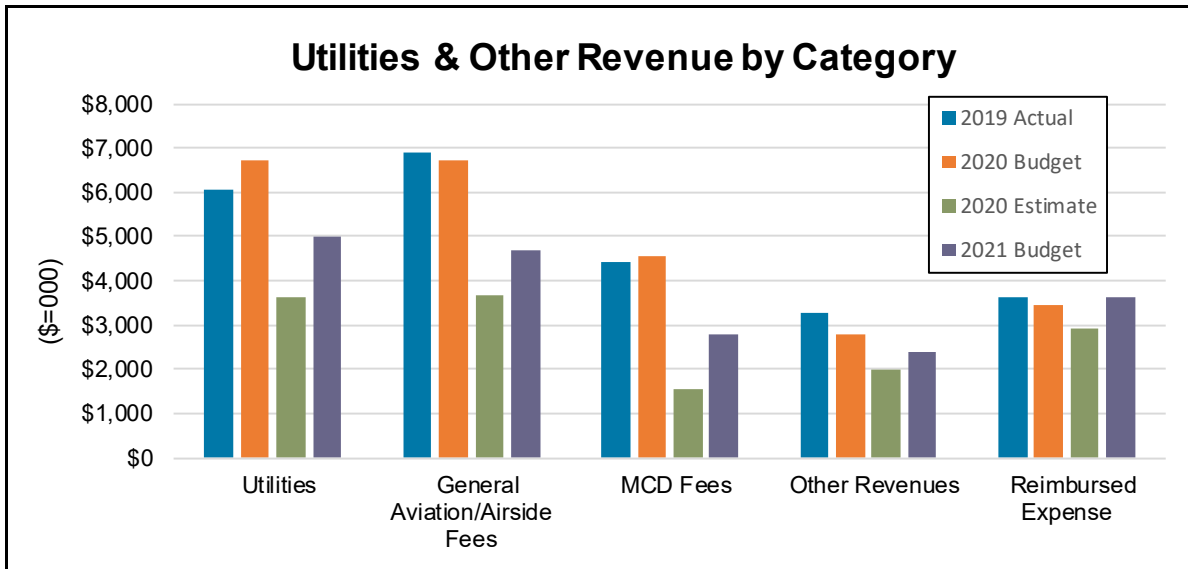
The pie chart illustrates Utilities and General Aviation/Airside Fees are projected to bring in over half of the revenue with 27% and 25% of the total, respectively.



The following table shows each revenue source in Utilities & Other Revenue year over year.

Utilities & Other Revenue (\$=000)	2019 Actual	2020 Budget	2020 Estimate	2021 Budget	2021 Budget vs 2020 Estimate	
					Dollar Change	% Change
<b>Utilities &amp; Other Revenue</b>						
Utilities	\$6,072	\$6,731	\$3,617	\$4,997	\$1,380	38.2%
General Aviation/Airside Fees	6,913	6,712	3,692	4,680	988	26.8%
MCD Fees	4,413	4,556	1,541	2,773	1,232	80.0%
Other Revenues	3,296	2,800	1,980	2,373	393	19.9%
Reimbursed Expense	3,614	3,443	2,944	3,609	665	22.6%
<b>Total Utilities &amp; Other Revenue</b>	<b>\$24,309</b>	<b>\$24,243</b>	<b>\$13,772</b>	<b>\$18,432</b>	<b>\$4,659</b>	<b>33.8%</b>

The chart below provides a picture of the changes in total revenue per category year over year.



**Utilities**

Included in Utilities are water, sewer, electricity, heating fuel and ground power costs reimbursed by airlines and concessionaires. Compared to the 2020 estimate, Utilities revenue increased \$1.4 million or 38.2%. The low estimate is due to portions of the MSP campus being closed temporarily due to COVID-19 and a minor increase in reimbursed utility expenses in 2021 as these areas reopen.

**General Aviation/Airside Fees**

This category includes general aviation landing fees, ramp fees, fuel flowage fees and apron services. This category is expected to increase \$988,083 or 26.8% from the 2020 estimate based on an expected increase in revenue from airside services, including aircraft cleaning, deicing and other services.

**Maintenance, Cleaning and Distribution (MCD) Fees**

MCD fees are expected to increase \$1.2 million or 80.0% over the 2020 estimate. These fees are based on a percent of concession sales. As concession sales are projected to increase in 2021, MCD fees will increase as well.

**Other Revenues**

The Other Revenues category is projected to increase \$393,496 of 19.9% compared to the 2020 estimate. Included in this category are parking fines, auction revenue, building permits, security badges and other miscellaneous revenues. The increase in revenue is mainly from the expectation that security badges revenue and building permits will be higher than in 2020.

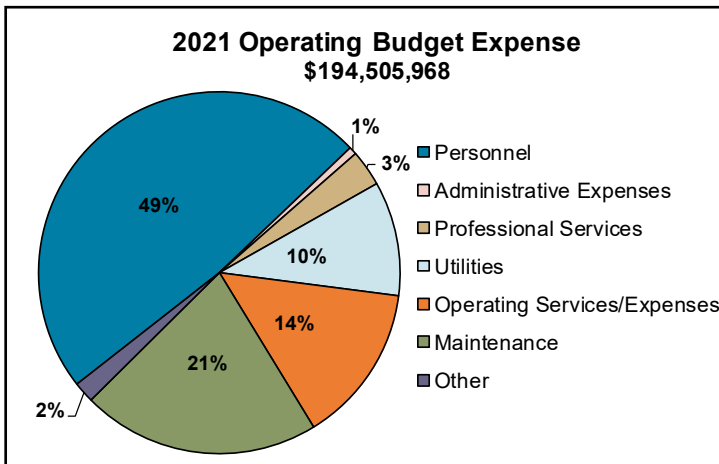
**Reimbursed Expenses**

Reimbursed Expenses are projected to increase \$665,139 or 22.6% over the 2020 estimate. This increase in expenses reimbursed by others is derived from a lower 2020 estimate plus additional monies from Transportation Security Administration checkpoint cleaning in 2021.

### Operating Budget Expense

Expenses that arise from daily operations are within the Operating Fund. Because of the COVID-19 pandemic that struck in March 2020 and related downturn in air service, expenses in 2020 were reduced when revenue decreased sharply. As a cost savings measure, expenses in the 2021 budget were restricted to essential work only. Expenses are also key factors in determining revenue. For example, Rates & Charges revenue collected from the airlines is based on expenses and is governed by the Airline Use Agreement. Lower expenses bring in less revenue.

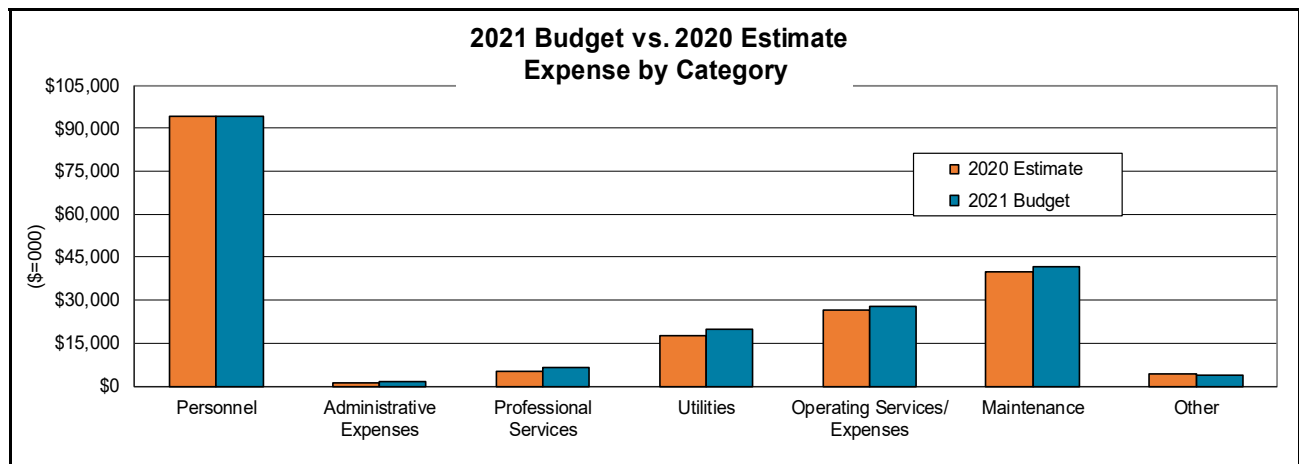
EXPENSE	2019	2020	2020	2021	2021 Budget vs 2020 Estimate	
	Actual	Budget	Estimate	Budget	Dollar Change	% Change
Personnel	\$95,070	\$98,079	\$94,336	\$94,207	(\$130)	-0.1%
Administrative Expenses	1,752	2,495	984	1,352	368	37.4%
Professional Services	7,122	8,875	5,267	6,310	1,043	19.8%
Utilities	18,848	20,164	17,456	19,897	2,441	14.0%
Operating Services/Expenses	30,950	32,893	26,622	27,643	1,022	3.8%
Maintenance	46,988	44,465	39,852	41,458	1,606	4.0%
Other	4,354	5,532	4,026	3,639	(387)	-9.6%
<b>Total Operating Expense</b>	<b>\$205,084</b>	<b>\$212,503</b>	<b>\$188,544</b>	<b>\$194,506</b>	<b>\$5,962</b>	<b>3.2%</b>



Total Operating Budget Expense for 2021 is \$194.5 million, excluding depreciation and amortization, which is an increase of \$6.0 million or 3.2% from the 2020 estimate. Operating Budget Expense is divided into seven categories: Personnel, Administrative Expenses, Professional Services, Utilities, Operating Services/Expenses, Maintenance and Other.

The pie chart to the left shows that Personnel is the largest expense category with 49% of the total. Maintenance and Operating Services/Expenses follow with 21% and 14%, respectively.

The bar chart below compares the 2021 budget with the 2020 estimate. Expenses are expected to increase slightly in all categories except in Personnel and Other with the largest dollar increase in Utilities.



## Operating Budget Expense

## 2021 Operating Expense

## 2021 Budget vs 2020 Estimate

	2019 Actual	2020 Budget	2020 Estimate	2021 Budget	Dollar Change	% Change
<b>Personnel</b>						
Salaries & Wages	65,200,389	67,283,431	65,155,879	63,196,668	(1,959,211)	-3.0%
Benefits	29,869,562	30,795,697	29,180,616	31,009,833	1,829,217	6.3%
<b>Total Personnel</b>	95,069,950	98,079,129	94,336,495	94,206,501	(129,994)	-0.1%
<b>Administrative Expenses</b>	1,752,579	2,494,627	983,915	1,351,569	367,654	37.4%
<b>Professional Services</b>	7,122,181	8,874,944	5,267,472	6,310,316	1,042,844	19.8%
<b>Utilities</b>						
Electricity	12,478,654	14,223,931	12,081,051	13,612,468	1,531,417	12.7%
Heating Fuel	2,933,890	2,627,295	2,035,794	3,012,638	976,844	48.0%
Water & Sewer	2,849,031	2,709,739	2,709,739	2,583,172	(126,567)	-4.7%
Telephones	586,084	603,231	629,599	688,430	58,831	9.3%
<b>Total Utilities</b>	18,847,659	20,164,196	17,456,183	19,896,708	2,440,525	14.0%
<b>Operating Services/Expenses</b>						
Storm Water Monitoring	1,955,696	1,640,000	2,001,711	1,585,000	(416,711)	-20.8%
Shuttle Bus Services	1,872,064	2,376,835	1,090,554	965,902	(124,652)	-11.4%
Parking Management	6,540,856	7,225,924	5,163,471	4,627,512	(535,959)	-10.4%
Service Agreements	12,337,014	12,101,830	10,808,604	12,751,341	1,942,737	18.0%
Operating Services - Other	8,244,274	9,548,627	7,557,577	7,713,707	156,130	2.1%
<b>Total Operating Services/Expenses</b>	30,949,903	32,893,216	26,621,917	27,643,462	1,021,545	3.8%
<b>Maintenance</b>						
Trades	2,068,747	2,345,949	2,325,449	2,225,753	(99,696)	-4.3%
Field	9,403,116	5,536,420	5,926,872	4,751,168	(1,175,704)	-19.8%
Building	16,908,069	16,541,923	14,983,297	15,399,747	416,450	2.8%
Cleaning	15,440,178	17,089,859	14,113,707	16,468,846	2,355,139	16.7%
Equipment	3,167,888	2,950,602	2,502,762	2,612,780	110,018	4.4%
<b>Total Maintenance</b>	46,987,998	44,464,753	39,852,087	41,458,294	1,606,207	4.0%
<b>Other</b>						
General Insurance	2,490,556	2,215,999	2,232,338	2,790,000	557,662	25.0%
Minor Equipment	606,400	795,363	615,177	194,599	(420,578)	-68.4%
Other - Other	1,257,135	2,521,133	1,178,721	654,520	(524,201)	-44.5%
<b>Total Other</b>	4,354,092	5,532,495	4,026,236	3,639,119	(387,117)	-9.6%
<b>Total Operating Expense</b>	<b>205,084,362</b>	<b>212,503,360</b>	<b>188,544,305</b>	<b>194,505,969</b>	<b>5,961,664</b>	<b>3.2%</b>



**Expense Assumptions and Guidelines**

The operating expense budget is compiled with information provided by the Metropolitan Airports Commission (MAC) service centers, utility companies, vendors and historical analyses. The expense budget projections for 2021 are based on the following assumptions and guidelines:

- The MAC will continue to maintain all facilities at the standards expected by its tenants and the traveling public.
- The MAC will provide a safe and secure airports system.
- In light of the industry impacts of COVID-19, each of the MAC’s expenses will be evaluated. Service Centers will budget only for what is absolutely necessary to meet their Strategic Plan objectives.
- As positions in the organization become vacant due to retirement or separation, each open position will be reviewed to determine if it is essential and must be filled immediately.
  - No new headcount will be added in 2021.
  - The hiring freeze that began during 2020 will remain in place; only essential positions will be filled. Positions that were vacant were not included in the 2021 budget.
  - A vacancy factor of \$750,000 decreased the Personnel budget to account for additional positions that become open, due to retirements or other employee separations, during 2021. A \$500,000 contingency was added to the Personnel budget to account for any vacant FTEs that become essential and are subsequently filled during 2021.
  - The 2020 budget included seven new FTE positions to meet the workload demands and increasing complexity of issues facing the MAC. Three unfunded FTE positions for Information Technology were added to the authorized headcount when savings were achieved in other areas of the Information Technology service center’s budget. These positions were conditionally approved in 2018. Of these 10 positions, only the filled FTEs were included in the 2021 budget. They were included at the full-year impact in the budget.
- Cost increases, such as scheduled contract increases, salary adjustments for existing organized and non-organized workforce, utility rate changes and insurance rate adjustments have been included. A cost of living adjustment was not included in the 2021 Personnel budget.
- The budget was prepared by thoroughly reviewing each line item to determine its need. Expenses were prioritized, based on passenger and flight activity levels. Funds were either moved to critical areas or were increased or decreased based on primacy. This review resulted in lower expenses in most areas in 2021.
- Expenses are prepared on an accrual basis. This basis of accounting attempts to record financial transactions in the period in which they occur rather than recording them in the period in which they are paid. The Commission uses this method for both accounting and budgeting.

**Personnel**

Personnel costs are projected to decrease by \$129,995 or by 0.1% from the 2020 estimates.

Personnel (\$=000)					2021 Budget vs 2020 Estimate	
	2019 Actual	2020 Budget	2020 Estimate	2021 Budget	Dollar Change	% Change
<b>Personnel</b>						
Salaries & Wages	\$65,200	\$67,283	\$65,156	\$63,197	(\$1,959)	-3.0%
Benefits	29,870	30,796	29,181	31,010	1,829	6.3%
<b>Total Personnel</b>	<b>\$95,070</b>	<b>\$98,079</b>	<b>\$94,336</b>	<b>\$94,207</b>	<b>(\$130)</b>	<b>-0.1%</b>

Major differences between the 2021 budget and 2020 estimate are as follows:

**Salaries & Wages**

<b>Full-Time Equivalent Positions</b>					
	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Actual</b>	613	623	650.5	630	690.5 <sup>a</sup>
<b>Authorized</b>	627.5	645.5 <sup>b</sup>	680.5 <sup>c</sup>	686.5 <sup>d</sup>	690.5
<sup>a</sup> Budgeted (not Actual) FTEs					
<sup>b</sup> Authorized FTEs increased by 13 on 1/1/2018					
<sup>c</sup> Authorized FTEs increased by 35 on 1/1/2019: 8 were new FTEs and 27 temporary FTEs became permanent					
<sup>d</sup> Authorized FTEs increased by 6 on 1/1/2020					
<sup>e</sup> Authorized FTEs increased by 3 during 2020					

The projected decrease of \$2.0 million or 3.0% is due primarily to a temporary hiring freeze that the MAC instituted when the COVID-19 pandemic began affecting air travel. The freeze is expected to remain in effect through 2021, with the MAC filling only essential open positions. An adjustment in wages to reflect a vacancy factor is included to account for unanticipated open positions and for the time necessary to review and fill critical positions. The accompanying table indicates that the MAC has authorized 690.5 positions in 2021. It is expected that a number of these positions will remain open, due to the hiring freeze. The lower passenger volume is also expected to result in reduced overtime and temporary employee costs. The decrease is offset by step increases of \$746,000.

**Benefits**

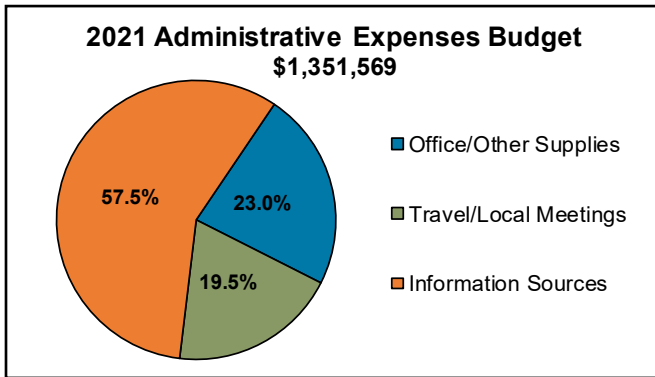
Included in benefits are employee insurance and post-retirement healthcare, Social Security, Medicare, retirement plans, severance, workers’ compensation and other miscellaneous items. As shown in the previous Personnel table, an increase of \$1.8 million or 6.3% is projected over the 2020 estimate for the following reasons:

- A projected increase of 12.0% over the 2020 estimate for employee insurance, due to medical inflation.
- An estimated decrease of 3.2% for retirement plans, Social Security and Medicare contributions, due to positions expected to be held open in 2021.

**Administrative Expenses**

Administrative Expenses are projected to increase in 2021 by \$367,654 or 37.4% from 2020 estimates, as identified in the table below. The increase in 2021 results from the cost reductions made in 2020. The 2021 budget remains below recent year’s actual expense and budgets, at 54% of the 2020 budget and 77% of 2019 actual expenditures. Most of the increase from the 2020 estimate is in Information Sources, which accounts for 57.5% of the 2021 Administrative Expenses budget.

<b>Administrative Expenses (\$=000)</b>	<b>2019 Actual</b>	<b>2020 Budget</b>	<b>2020 Estimate</b>	<b>2021 Budget</b>	<b>2021 Budget vs 2020 Estimate</b>	
					<b>Dollar Change</b>	<b>% Change</b>
<b>Administrative Expenses</b>						
Office/Other Supplies	\$432	\$566	\$235	\$311	\$76	32.3%
Travel/Local Meetings	570	743	103	263	160	155.3%
Information Sources	751	1,186	646	778	132	20.4%
<b>Total Administrative Expenses</b>	<b>1,753</b>	<b>2,495</b>	<b>984</b>	<b>1,352</b>	<b>368</b>	<b>37.4%</b>



**Office/Other Supplies**

Service Centers reduced 2020 spending on office, computer and special supplies to approximately 42% of the 2020 budget, purchasing only bare essentials. While cost cutting measures remain in place, the 2021 budget includes an increase of \$75,883 or 32.3% over the 2020 Estimate. This is driven by the addition of necessities in the budget that were delayed during 2020. Discretionary spending and non-critical projects in these categories remain on hold due to COVID-19.

**Travel/Local Meetings**

The budget increase of \$159,996 or 155.3% over the 2020 estimate is based on higher essential travel during 2021. When the travel industry impacts of the COVID-19 pandemic began, a non-essential travel ban was put in place for MAC employees. Only travel for staff who serve on national committees or who have job-mandated training that requires travel was allowed in 2020 and is included in the 2021 Budget.

**Information Sources**

The budget increase of \$132,086, or 20.4% over the 2020 estimate is primarily a result of increases in membership dues for professional organizations. This is a result of continuing the austerity policy instituted in 2020 in the wake of the pandemic, which restricts spending on memberships in this budget category to professional organization that are essential to employees or the MAC.

**Professional Services**

Professional Services are estimated to increase \$1,042,844 or by 19.8% from 2020 estimates.

Professional Services (\$=000)	2019	2020	2020	2021	2021 Budget vs 2020 Estimate	
	Actual	Budget	Estimate	Budget	Dollar Change	% Change
<b>Professional Services</b>						
Accounting/Audit/Insurance	\$739	\$709	\$584	\$675	\$91	15.6%
Concessions/Engineering/MSP	1,305	1,795	\$926	1,352	426	46.0%
Software Consulting	1,713	1,500	\$828	921	93	11.2%
Legal/Legislative	650	923	\$922	901	(21)	-2.3%
Public Information/Community	334	1,132	\$570	828	258	45.2%
Human Resources/Employment	143	115	\$96	90	(6)	-5.8%
Other/Miscellaneous	2,238	2,701	\$1,341	1,544	202	15.1%
<b>Total Professional Services</b>	<b>\$7,122</b>	<b>\$8,875</b>	<b>\$5,267</b>	<b>\$6,310</b>	<b>\$1,043</b>	<b>19.8%</b>

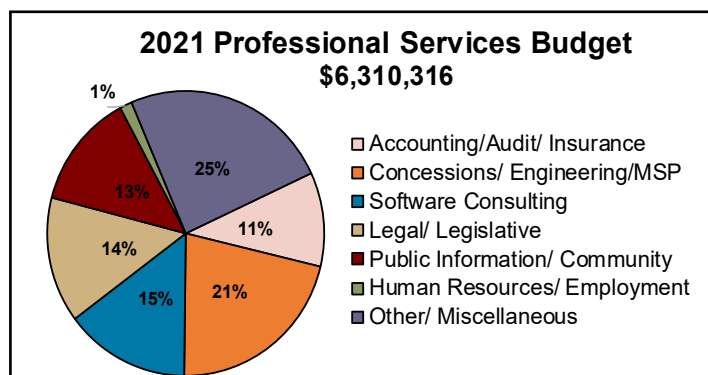
Significant Professional Services variances can be attributed to the following:

**Accounting/Audit/Insurance**

The budget is increasing \$91,200 or 15.6% due to rising benefits and insurance consultant charges.

**Concessions/Engineering/MSP**

The budget increase of \$425,941 or 46.0% is a result of several projects, including permit reviews and project development. Project management fees also increase the budget, as do funds for regulatory compliance.



**Software Consulting**

The increase of \$93,043 or 11.2% in Software Consulting arises from additional consulting for enterprise systems, technology infrastructure, operations, cybersecurity and the Project Management Office.

**Public Information/Community**

The 2021 Public Information/Community Budget is increasing \$257,563 or 45.2% over the 2020 estimate. Several key items drive the increase, including communications work, corporate communications, marketing related to strategic priorities and strategic planning consultation.

**Other/Miscellaneous**

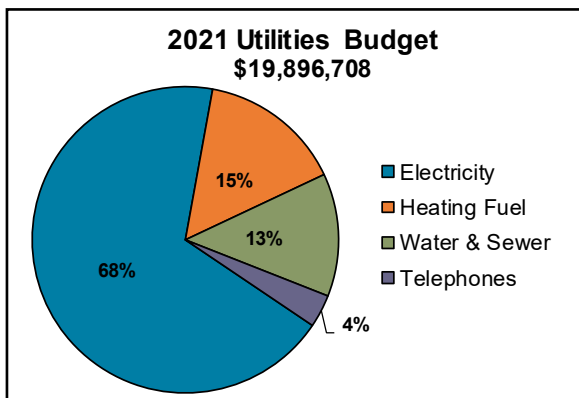
Other/Miscellaneous contains safety, environmental and mechanical areas. The 2021 budget in this category is a \$202,069 or 15.1% increase from the 2020 estimate. There are several cost increases incorporated into the budget:

- Wildlife management and consultation fees increased.
- Facilities Maintenance will require additional mechanical consultants.
- Additional training consultants are included in the budget.

**Utilities**

Utilities is budgeted to increase \$2,440,525 or 14.0% from 2020 Estimates; variances are explained as follows:

Utilities (\$=000)	2019 Actual	2020 Budget	2020 Estimate	2021 Budget	2021 Budget vs 2020 Estimate	
					Dollar Change	% Change
<b>Utilities</b>						
Electricity	\$12,479	\$14,224	\$12,081	\$13,612	\$1,531	12.7%
Heating Fuel	2,934	2,627	2,036	3,013	977	48.0%
Water & Sewer	2,849	2,710	2,710	2,583	(127)	-4.7%
Telephones	586	603	630	688	59	9.3%
<b>Total Utilities</b>	<b>\$18,848</b>	<b>\$20,164</b>	<b>\$17,456</b>	<b>\$19,897</b>	<b>\$2,441</b>	<b>14.0%</b>



**Electricity**

The increase in Electricity of \$1,531,417 or 12.7% compared to the 2020 estimate is related to the low 2020 estimate from closed within MSP's terminals. These areas are expected to open in 2021 causing electricity usage to increase.

**Heating Fuel**

The \$976,844 or 48.0% increase in the Heating Fuel 2021 budget over the 2020 estimate is primarily related to an anticipated increase in natural gas usage, accounting for approximately \$345,000 of the increase. Additionally, the

Jet Fuel budget is based on a four-year average of actual usage. This led to an increase of about \$40,000 in the 2021 budget.

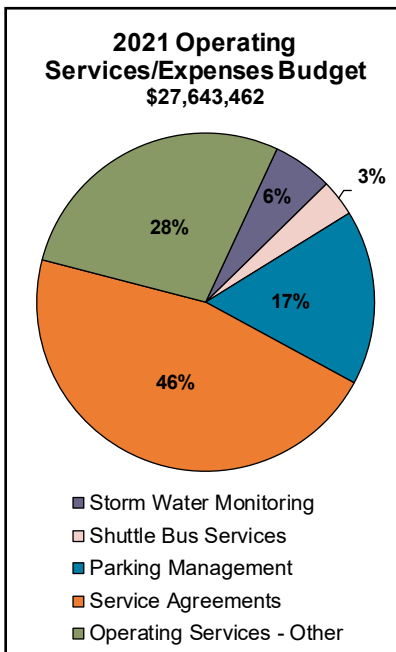
**Water & Sewer**

The 2021 budget for Water & Sewer decreased \$126,567 or 4.7% from the 2020 estimate. Reduced water usage is a result of lower passenger traffic forecasts and efficiencies built into recent capital projects.

**Operating Services/Expenses**

Operating Services/Expenses is projected to increase \$1,021,545 or 3.8%. The following chart lists the major components in this category.

Operating Services/Expenses (\$=000)	2019 Actual	2020 Budget	2020 Estimate	2021 Budget	2021 Budget vs 2020 Estimate	
					Dollar Change	% Change
<b>Operating Services/Expenses</b>						
Storm Water Monitoring	\$1,956	\$1,640	\$2,002	\$1,585	(\$417)	-20.8%
Shuttle Bus Services	1,872	2,377	1,091	966	(125)	-11.4%
Parking Management	6,541	7,226	5,163	4,628	(536)	-10.4%
Service Agreements	12,337	12,102	10,809	12,751	1,943	18.0%
Operating Services - Other	8,244	9,549	7,558	7,714	156	2.1%
<b>Total Operating Services/Expenses</b>	<b>\$30,950</b>	<b>\$32,893</b>	<b>\$26,622</b>	<b>\$27,643</b>	<b>\$1,022</b>	<b>3.8%</b>



**Storm Water Monitoring**

Storm Water Monitoring expenses are projected to decrease \$416,711 or 20.8% from the 2020 estimate. The 2020 estimate is comparable to 2019 actual costs. However, these costs are expected to be lower for 2021.

**Shuttle Bus Services**

Shuttle Bus Services is decreasing \$124,652 or 11.4% from the 2020 estimate as staff anticipates that the Quick Ride Ramp at MSP will be closed throughout 2021. The parking ramp is expected to remain closed due to decreased travel related to COVID-19.

**Parking Management**

Compared to the 2020 estimate, the \$535,959 or 10.4% projected decrease in Parking Management costs is driven by lower enplaned passenger projections. As a result of these projections, staff anticipates that Valet Parking and the Quick Ride Ramp will remain closed throughout 2021.

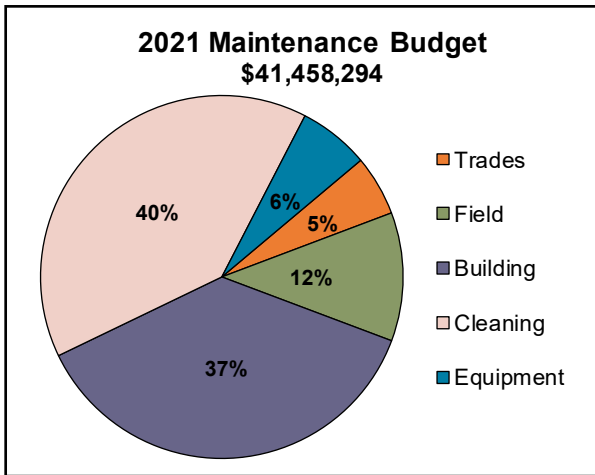
**Service Agreements**

Service Agreements are projected to increase \$1,942,737 or 18.0% from the 2020 estimate. Notable expenses include annual contractual bill rate increases, additional technical service agreements for security and increased passenger technology needs and additional frontline support services for the ever-changing technology environment.

**Maintenance**

The Maintenance category has five components: Trades (Painters, Carpenters, Electricians and Plumbers); Field (Snow Removal, Summer Maintenance and Landscaping); Building (Carousel/Conveyors, Elevators/Escalators, Moving Walks and Automated People Movers); Equipment (Parts, Shop Supplies and Gas); and Cleaning (Janitorial, Windows, Cleaning Supplies and Refuse Removal). Total maintenance will increase \$1.6 million or 4.0% from 2020 estimates.

Maintenance (\$=000)	2019 Actual	2020 Budget	2020 Estimate	2021 Budget	2021 Budget vs 2020 Estimate	
					Dollar Change	% Change
<b>Maintenance</b>						
Trades	\$2,069	\$2,346	\$2,325	\$2,226	(\$100)	-4.3%
Field	9,403	5,536	5,927	4,751	(1,176)	-19.8%
Building	16,908	16,542	14,983	15,400	416	2.8%
Cleaning	15,440	17,090	14,114	16,469	2,355	16.7%
Equipment	3,168	2,951	2,503	2,613	110	4.4%
<b>Total Maintenance</b>	<b>\$46,988</b>	<b>\$44,465</b>	<b>\$39,852</b>	<b>\$41,458</b>	<b>\$1,606</b>	<b>4.0%</b>



**Field**

Field costs decreased \$1.2 million or 19.8% from 2020 estimates. Costs include snow removal, summer maintenance and landscaping. Snow removal costs make up the majority of this \$4.8 million budget. The budget for 2021 uses an average winter and average material and equipment costs to determine snow removal expenses. The 2021 budget includes a decrease of \$405,415 for rented equipment. Based on the anticipated air traffic levels for 2021, fewer additional pieces of equipment will be needed to maintain safe runways.

**Cleaning**

The 2021 Cleaning budget is increasing \$2,355,139 or 16.7% compared to the 2020 estimate as a result of ongoing cleaning practices in light of the COVID-19 pandemic and in recently expanded spaces on the MSP campus.

**Other**

Other (\$=000)					2021 Budget vs 2020 Estimate	
	2019 Actual	2020 Budget	2020 Estimate	2021 Budget	Dollar Change	% Change
<b>Other</b>						
General Insurance	\$2,491	\$2,216	\$2,232	\$2,790	\$558	25.0%
Minor Equipment	606	795	615	195	(421)	-68.4%
Other	1,257	2,521	1,179	655	(524)	-44.5%
<b>Total Other</b>	<b>\$4,354</b>	<b>\$5,532</b>	<b>\$4,026</b>	<b>\$3,639</b>	<b>(\$387)</b>	<b>-9.6%</b>

The Other expense category is projected to decrease \$387,117 or 9.6%. This category includes General Insurance, Minor Equipment (less than \$10,000) and miscellaneous items. The preceding table identifies the changes in these components.

**General Insurance**

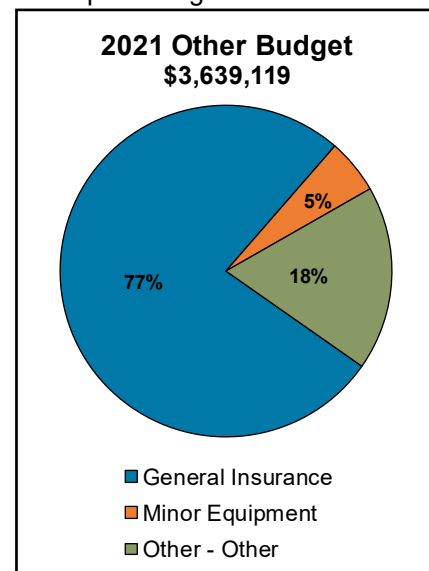
General Insurance is expected to increase \$557,662 or 25.0% over the 2020 estimate. The insurance market is based upon factors worldwide, including losses under the deductible, litigation costs, history of cost and inflationary factors. The increase reflects an expected rise in property and crime insurance premiums.

**Minor Equipment**

Minor equipment is projected to decrease \$420,578 or 68.4% from the 2020 estimate. Service centers reduced office furniture, computers and radio equipment to bare essentials. Discretionary spending and non-critical projects in these categories are on hold due to COVID-19.

**Other**

The Other category consists of expenses for safety, medical and other equipment; license fees and other miscellaneous expenses. Discretionary spending and non-critical projects in these categories are on hold due to COVID-19, which resulted in a decrease of \$524,201 or 44.5%.



2021 Budget Expenses by Subledger

	Total	Terminal 1	Terminal 1 International Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside
<b>Personnel</b>								
Wages	63,196,668	792,120	29,456	1,782,756	-	1,392,369	-	2,578,525
Benefits	31,009,833	412,727	(189)	924,752	-	151,837	-	1,347,041
<b>Total Personnel</b>	<b>94,206,501</b>	<b>1,204,847</b>	<b>29,268</b>	<b>2,707,508</b>	<b>-</b>	<b>1,544,206</b>	<b>-</b>	<b>3,925,566</b>
<b>Administrative Expenses</b>								
Supplies	310,114	2,500	20,000	2,000	-	3,700	-	10,500
Travel	219,960	100	-	-	-	5,600	-	1,200
Other Administrative Expense	821,495	978	-	-	-	4,125	-	13,695
<b>Total Administrative Expenses</b>	<b>1,351,569</b>	<b>3,578</b>	<b>20,000</b>	<b>2,000</b>	<b>-</b>	<b>13,425</b>	<b>-</b>	<b>25,395</b>
<b>Professional Services</b>								
Accounting/Audit Fees	245,500	-	-	-	-	-	-	-
Appraisals	155,000	-	-	-	-	-	-	-
RFP/Leases	5,000	-	-	-	-	-	-	-
Computer Services	921,000	-	-	-	-	-	-	-
Engineering Fees	902,000	-	-	35,000	-	485,000	-	-
Graphic Design	20,000	-	-	-	-	-	-	-
Insurance Consultants	389,000	-	-	-	-	-	-	-
Legal Fees	680,000	-	-	-	-	-	-	-
Legislative	221,000	-	-	-	-	-	-	-
Medical Fees	40,300	-	-	-	-	-	-	-
Planning	110,000	-	-	-	-	-	-	-
Pollution/Environmental Fees	5,000	-	-	-	-	-	-	-
Public Information	425,986	-	-	-	-	-	-	-
Recruiting Expenses	90,000	-	-	-	-	-	-	-
Safety Consultants	47,450	-	-	-	-	-	-	-
Miscellaneous Expenses	2,053,080	168,670	-	-	-	-	-	-
<b>Total Professional Services</b>	<b>6,310,316</b>	<b>168,670</b>	<b>-</b>	<b>35,000</b>	<b>-</b>	<b>485,000</b>	<b>-</b>	<b>-</b>
<b>Utilities</b>								
Electricity	13,612,468	8,401,871	-	-	-	874,714	-	496,062
Heating Fuel	3,012,638	276,932	-	1,754,710	-	63,763	10,580	67,356
Sewer	1,340,630	301,057	-	53,410	-	58,719	-	2,716
Water	1,242,542	341,265	-	125,955	-	16,974	-	4,732
Telephone	688,430	5,500	-	13,008	-	13,400	-	6,600
<b>Total Utilities</b>	<b>19,896,708</b>	<b>9,326,625</b>	<b>-</b>	<b>1,947,083</b>	<b>-</b>	<b>1,027,570</b>	<b>10,580</b>	<b>577,466</b>
<b>Operating Services/Expenses</b>								
Advertising	153,120	-	-	-	-	-	-	-
Environmental Control	198,300	-	-	500	-	20,000	-	-
GISW Management	1,585,000	-	-	-	-	1,500,000	-	-
Grd Transportation Services	21,000	-	-	-	-	-	-	21,000
Shuttle Services	965,902	270,300	-	-	-	-	-	259,700
Parking Lots	4,627,512	-	-	-	-	-	-	-
Met Council Fees	280,000	-	-	-	-	280,000	-	-
Employee Programs	14,770	-	-	-	-	-	-	-
Conference Center	20,000	-	-	-	-	-	-	-
Events & Exercises	445,141	200,000	-	-	-	500	-	-
Other Charges/Fees	6,581,376	2,047,111	-	-	-	1,259,111	-	15,000
Service Agreements	12,751,341	3,744,547	272,305	-	-	223,108	-	478,953
<b>Total Operating Services/Expenses</b>	<b>27,643,462</b>	<b>6,261,958</b>	<b>272,305</b>	<b>500</b>	<b>-</b>	<b>3,282,719</b>	<b>-</b>	<b>774,653</b>
<b>Maintenance</b>								
Trades - Painters	327,100	18,650	-	1,000	-	255,000	-	-
Trades - Carpenters	295,253	152,683	-	-	-	-	-	-
Trades - Plumbers	255,150	123,700	-	4,800	-	3,100	-	1,400
Trades - Electricians	1,348,250	458,500	-	10,000	-	362,000	-	5,000
Maintenance - Field	4,751,168	-	-	-	203,500	1,393,280	-	130,650
Maintenance Building	15,399,747	9,514,162	-	259,000	-	42,217	-	1,564,509
Maintenance-Cleaning	16,468,846	11,342,328	213,055	-	-	39,663	-	294,463
Maintenance-Equipment	2,612,780	162,915	-	271,428	-	40	-	18,170
<b>Total Maintenance</b>	<b>41,458,294</b>	<b>21,772,938</b>	<b>213,055</b>	<b>546,228</b>	<b>203,500</b>	<b>2,095,300</b>	<b>-</b>	<b>2,014,192</b>
<b>Other</b>								
General Insurance	2,790,000	778,807	-	127,100	81,841	137,880	-	47,609
Safety	66,783	-	-	3,500	-	5,300	-	-
Medical Information/Supply	9,981	250	-	200	-	750	-	-
Rentals	24,200	-	-	-	-	-	-	-
Licenses/Permits	25,758	-	-	1,200	-	9,000	-	-
Miscellaneous Expenses	527,798	-	1,500	-	-	4,000	-	-
Capital Assets	194,599	3,000	-	-	-	-	-	-
<b>Total Other</b>	<b>3,639,119</b>	<b>782,057</b>	<b>1,500</b>	<b>132,000</b>	<b>81,841</b>	<b>156,930</b>	<b>-</b>	<b>47,609</b>
<b>GRAND TOTAL</b>	<b>194,505,969</b>	<b>39,520,673</b>	<b>536,128</b>	<b>5,370,319</b>	<b>285,341</b>	<b>8,605,150</b>	<b>10,580</b>	<b>7,364,881</b>

2021 Budget Expenses by Subledger

	Parking Facilities	Cargo Area	Terminal 2	Public Area/ Roads	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<b>Personnel</b>								
Wages	-	-	714,053	-	-	14,095,234	-	-
Benefits	-	-	334,862	-	-	7,842,288	-	3,000
<b>Total Personnel</b>	-	-	<b>1,048,915</b>	-	-	<b>21,937,522</b>	-	<b>3,000</b>
<b>Administrative Expenses</b>								
Supplies	-	-	21,500	-	-	-	750	4,500
Travel	-	-	365	-	-	435	-	-
Other Administrative Expense	-	-	825	-	-	-	-	1,200
<b>Total Administrative Expenses</b>	-	-	<b>22,690</b>	-	-	<b>435</b>	<b>750</b>	<b>5,700</b>
<b>Professional Services</b>								
Accounting/Audit Fees	-	-	-	-	-	-	-	-
Appraisals	-	-	-	-	-	-	-	-
RFP/Leases	-	-	-	-	-	-	-	-
Computer Services	-	-	-	-	-	-	-	-
Engineering Fees	-	-	-	-	-	-	-	-
Graphic Design	-	-	-	-	-	-	-	-
Insurance Consultants	-	-	-	-	-	-	-	-
Legal Fees	-	-	-	-	-	-	-	-
Legislative	-	-	-	-	-	-	-	-
Medical Fees	-	-	-	-	-	-	-	-
Planning	-	-	-	-	-	-	-	-
Pollution/Environmental Fees	-	-	-	-	-	-	-	-
Public Information	-	-	-	-	-	-	-	-
Recruiting Expenses	-	-	-	-	-	-	-	-
Safety Consultants	-	-	-	-	-	-	-	-
Miscellaneous Expenses	90,000	-	30,000	-	-	-	-	320,000
<b>Total Professional Services</b>	<b>90,000</b>	-	<b>30,000</b>	-	-	-	-	<b>320,000</b>
<b>Utilities</b>								
Electricity	529,004	179,745	1,404,206	297,500	373,469	-	-	310,847
Heating Fuel	8,562	145,693	361,186	31,111	54,021	-	-	117,113
Sewer	9,838	17,890	-	845,370	932	-	-	10,283
Water	6,449	3,266	126,149	590,511	1,085	-	-	12,438
Telephone	-	-	1,750	-	-	4,800	-	35,361
<b>Total Utilities</b>	<b>553,853</b>	<b>346,594</b>	<b>1,893,291</b>	<b>1,764,492</b>	<b>429,507</b>	<b>4,800</b>	-	<b>486,042</b>
<b>Operating Services/Expenses</b>								
Advertising	-	-	-	-	-	-	-	-
Environmental Control	-	-	-	20,000	-	-	25,100	14,500
GISW Management	-	-	-	-	-	-	-	-
Grd Transportation Services	-	-	-	-	-	-	-	-
Shuttle Services	435,902	-	-	-	-	-	-	-
Parking Lots	4,627,512	-	-	-	-	-	-	-
Met Council Fees	-	-	-	-	-	-	-	-
Employee Programs	-	-	-	-	-	-	-	-
Conference Center	-	-	-	-	-	-	-	-
Events & Exercises	-	-	55,000	75,366	-	-	-	-
Other Charges/Fees	489,559	-	640,784	-	-	-	-	-
Service Agreements	910,004	-	923,964	-	-	18,513	20,000	47,450
<b>Total Operating Services/Expenses</b>	<b>6,462,977</b>	-	<b>1,619,748</b>	<b>95,366</b>	-	<b>18,513</b>	<b>45,100</b>	<b>61,950</b>
<b>Maintenance</b>								
Trades - Painters	1,000	-	2,300	-	-	-	-	41,450
Trades - Carpenters	-	-	36,376	-	-	-	-	58,668
Trades - Plumbers	-	-	22,600	1,000	16,600	-	5,000	48,850
Trades - Electricians	170,500	-	87,000	30,000	16,000	-	-	39,500
Total Maintenance - Field	852,200	45,000	6,000	76,800	-	-	1,906,085	-
Maintenance Building	511,478	134,340	1,879,802	-	56,340	-	10,000	111,792
Maintenance-Cleaning	1,214,180	5,263	2,136,876	-	137,693	-	12,000	8,366
Maintenance-Equipment	43,591	-	36,822	-	8,886	-	1,327,841	71,661
<b>Total Maintenance</b>	<b>2,792,949</b>	<b>184,603</b>	<b>4,207,776</b>	<b>107,800</b>	<b>235,519</b>	-	<b>3,260,926</b>	<b>380,287</b>
<b>Other</b>								
General Insurance	165,880	-	83,991	46,982	42,844	-	264,671	14,047
Safety	-	-	-	-	-	21,500	3,000	18,500
Medical Information/Supply	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	21,000
Licenses/Permits	-	-	-	-	-	450	1,100	-
Miscellaneous Expenses	-	-	2,000	-	-	-	54,069	-
Capital Assets	-	-	1,540	-	-	-	2,300	8,964
<b>Total Other</b>	<b>165,880</b>	-	<b>87,531</b>	<b>46,982</b>	<b>42,844</b>	<b>21,950</b>	<b>325,140</b>	<b>62,511</b>
<b>Grand Total</b>	<b>10,065,659</b>	<b>531,197</b>	<b>8,909,951</b>	<b>2,014,640</b>	<b>707,870</b>	<b>21,983,220</b>	<b>3,631,916</b>	<b>1,319,490</b>



2021 Budget Expenses by Subledger

	Concourses A- D	Police	Fire	Admin-istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Personnel</b>								
Wages	-	12,526,602	5,269,064	15,742,275	919,336	3,298,148	1,066,125	2,990,606
Benefits	-	6,289,052	2,915,184	7,102,383	392,769	1,415,844	442,580	1,435,702
<b>Total Personnel</b>	-	<b>18,815,654</b>	<b>8,184,248</b>	<b>22,844,658</b>	<b>1,312,105</b>	<b>4,713,992</b>	<b>1,508,705</b>	<b>4,426,308</b>
<b>Administrative Expenses</b>								
Supplies	-	123,399	2,000	98,085	1,700	9,550	1,250	8,680
Travel	-	23,282	2,200	166,103	4,250	13,250	300	2,875
Other Administrative Expense	-	22,223	4,550	710,247	875	17,276	31,122	14,379
<b>Total Administrative Expenses</b>	-	<b>168,904</b>	<b>8,750</b>	<b>974,435</b>	<b>6,825</b>	<b>40,076</b>	<b>32,672</b>	<b>25,934</b>
<b>Professional Services</b>								
Accounting/Audit Fees	-	-	-	245,500	-	-	-	-
Appraisals	-	-	-	155,000	-	-	-	-
RFP/Leases	-	-	-	-	5,000	-	-	-
Computer Services	-	-	-	921,000	-	-	-	-
Engineering Fees	-	-	-	235,000	-	-	35,000	112,000
Graphic Design	-	-	-	20,000	-	-	-	-
Insurance Consultants	-	-	-	389,000	-	-	-	-
Legal Fees	-	-	-	520,000	-	-	95,000	65,000
Legislative	-	-	-	221,000	-	-	-	-
Medical Fees	-	300	-	40,000	-	-	-	-
Planning	-	-	-	20,000	-	-	-	90,000
Pollution/Environmental Fees	-	-	-	-	-	-	1,500	3,500
Public Information	-	-	-	425,986	-	-	-	-
Recruiting Expenses	-	-	-	90,000	-	-	-	-
Safety Consultants	-	1,500	-	45,950	-	-	-	-
Miscellaneous Expenses	-	65,000	59,360	850,000	-	105,130	208,000	156,920
<b>Total Professional Services</b>	-	<b>66,800</b>	<b>59,360</b>	<b>4,178,436</b>	<b>5,000</b>	<b>105,130</b>	<b>339,500</b>	<b>427,420</b>
<b>Utilities</b>								
Electricity	-	-	123,598	255,251	-	-	2,280	363,921
Heating Fuel	-	-	32,303	43,197	-	-	-	46,111
Sewer	-	-	1,540	1,951	-	-	-	36,924
Water	-	-	6,653	2,342	-	-	-	4,723
Telephone	-	41,011	18,050	407,981	6,036	26,758	28,200	79,975
<b>Total Utilities</b>	-	<b>41,011</b>	<b>182,144</b>	<b>710,722</b>	<b>6,036</b>	<b>26,758</b>	<b>30,480</b>	<b>531,654</b>
<b>Operating Services/Expenses</b>								
Advertising	-	-	-	151,120	2,000	-	-	-
Environmental Control	-	-	5,000	5,000	-	-	1,000	107,200
GISW Management	-	-	-	50,000	-	-	35,000	-
Grd Transportation Services	-	-	-	-	-	-	-	-
Shuttle Services	-	-	-	-	-	-	-	-
Parking Lots	-	-	-	-	-	-	-	-
Met Council Fees	-	-	-	-	-	-	-	-
Employee Programs	-	-	500	14,270	-	-	-	-
Conference Center	-	-	-	-	20,000	-	-	-
Events & Exercises	-	-	-	108,375	-	400	-	5,500
Other Charges/Fees	-	71,823	-	969,350	900,438	-	-	188,200
Service Agreements	-	484,383	46,767	4,704,490	-	419,652	449,364	7,841
<b>Total Operating Services/Expenses</b>	-	<b>556,206</b>	<b>52,267</b>	<b>6,002,605</b>	<b>922,438</b>	<b>420,052</b>	<b>485,364</b>	<b>308,741</b>
<b>Maintenance</b>								
Trades - Painters	-	-	500	-	-	-	-	7,200
Trades - Carpenters	-	-	-	1,000	-	-	-	46,526
Trades - Plumbers	-	-	10,600	4,300	-	-	-	13,200
Trades - Electricians	-	-	32,000	31,000	-	-	-	106,750
Maintenance - Field	-	-	-	-	-	-	-	137,653
Maintenance Building	-	-	19,328	13,689	1,200,000	-	-	83,090
Maintenance-Cleaning	-	-	107,791	17,363	776,089	20,736	-	142,980
Maintenance-Equipment	-	168,265	69,943	30,420	-	23,575	1,838	377,385
<b>Total Maintenance</b>	-	<b>168,265</b>	<b>240,162</b>	<b>97,772</b>	<b>1,976,089</b>	<b>44,311</b>	<b>1,838</b>	<b>914,784</b>
<b>Other</b>								
General Insurance	-	288,685	214,583	147,408	-	12,533	8,956	326,183
Safety	-	3,000	-	5,000	-	4,500	-	2,483
Medical Information/Supply	-	3,000	5,000	-	-	-	-	781
Rentals	-	-	-	3,200	-	-	-	-
Licenses/Permits	-	-	-	-	588	-	9,000	4,420
Miscellaneous Expenses	-	198,615	32,000	11,700	200,000	12,000	-	11,914
Capital Assets	-	14,677	71,500	83,000	500	9,118	-	-
<b>Total Other</b>	-	<b>507,977</b>	<b>323,083</b>	<b>250,308</b>	<b>201,088</b>	<b>38,151</b>	<b>17,956</b>	<b>345,781</b>
<b>Grand Total</b>	-	<b>20,324,817</b>	<b>9,050,014</b>	<b>35,058,936</b>	<b>4,429,581</b>	<b>5,388,470</b>	<b>2,416,515</b>	<b>6,980,622</b>

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## Construction Fund

All capital asset expenditures are within the Construction Fund and are broken down into two categories:

- 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 Metropolitan Airport Commission (MAC)'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 of all final payments, including any change orders, are reviewed and approved by the Commission.

### Capital Project Selection Criteria

#### Capital Equipment Budget

As a result of COVID-19, capital equipment purchases were limited to essential purchases during 2021. Departments were asked to analyze their 2021 capital equipment requests to determine if they were necessary to purchase in 2021. As noted in the Executive section, Safety, Security and Preparedness is the first of the MAC's seven Strategic Plan Goals; equipment was deemed necessary if it was required to maintain the safety, security or operation of one or more of the MAC's airports. Equipment that did not meet this criterion was deferred for purchase in a future year. As a result of this process, two capital equipment purchases were included in the 2021 budget.

#### Technology Capital Budget

Technology projects are categorized as non-discretionary and discretionary projects. Non-discretionary projects meet one or more of the following criteria: regulatory or compliance-based, necessary for operational continuity or end of life hardware or software that will not run for another year.

Due to their critical nature, non-discretionary projects are funded first. Then, discretionary projects are selected using the remaining funds available. Discretionary projects are organized into high-, medium- and low-priority categories, based on the MAC's strategic goals and objectives. These ratings dictate which projects receive the remaining funds. Discretionary projects are business process improvements. These initiatives have sound returns on investment, such as providing efficiency or producing revenue. Considering the effects of the COVID-19 pandemic, only non-discretionary projects were selected in 2021.

#### Capital Improvement Program

Planning for the 2021 Capital Improvement Program (CIP) was impacted significantly by COVID-19. First, Airport Development reviewed the 2020-2026 CIP. All projects in this plan originally scheduled for 2021-2026 were pushed back one year to 2022-2026. Projects that were part of the 2020 plan that could be stopped or delayed were paused. As circumstances allowed, these paused projects were pushed back three to four years.

Next, Airport Development met with the Management & Operations division to determine which 2021 projects could be scheduled in a later year. In a similar manner to capital equipment and technology projects, the strategic plan goals and objectives were used to determine how these projects were re-prioritized. Projects deemed critical were retained in 2021. Finally, the Operational Improvements program was stretched by an additional year to reduce the annual use of funds on this project.

The results of these steps were incorporated into the 2021-2027 CIP.

**Capital Equipment Projects**

**83600 Fire**

**Self Contained Breathing Apparatus (SCBAs)**

<b>Acquisition:</b>	Replacement	These new SBCAs will replace all fire and rescue personal protective breathing apparatus units. The National Fire Prevention Association guidelines indicate that the current units will reach end of life during 2021. Additionally, the new equipment will provide greater safety for firefighters due to recent technological advancement. Air packs, masks, spare bottles, testing, maintenance equipment and end user training are included.
<b>Individual Cost:</b>	\$650,000	
<b>Trade-in Value:</b>	\$0	
<b>Quantity:</b>	1	
<b>Total:</b>	\$650,000	

**Fire**

**Total:** \$650,000

**88100 Trades - Painters**

**EZ Liner Aviation Paint Truck**

<b>Acquisition:</b>	New	This specialized pavement marking vehicle is designed specifically for the aviation industry. The vehicle will assist the MAC Paint Shop with maintaining Part 139 Certification.
<b>Individual Cost:</b>	\$500,000	
<b>Trade-in Value:</b>		
<b>Quantity:</b>	1	
<b>Total:</b>	\$500,000	

**Trades - Painters**

**Total:** \$500,000

**Capital Equipment Total: \$1,150,000**

**Technology-Related Projects**

**Cybersecurity**

<b>Acquisition:</b>	New	This project is part of a multi-year program to develop and enhance data loss prevention and management of firewalls, identities, mobile devices, privileged access, and records.
<b>Individual Cost:</b>	\$595,000	
<b>Quantity:</b>	1	
<b>Total:</b>	\$595,000	

**Enterprise Geographic Information System (GIS) Expansion**

<b>Acquisition:</b>	New	This project will expand the enterprise GIS program with the MSP Airspace Surface Viewer and the addition of data build-out for Utilities.
<b>Individual Cost:</b>	\$377,500	
<b>Quantity:</b>	1	
<b>Total:</b>	\$377,500	

**Part 139 Program**

<b>Acquisition: Individual Cost:</b>	New	This is part of a multi-year project to expand the Part 139 modernization program. Components include Foundational Part 139, Enterprise Fleet Telematics & Global Positioning System, Geospatial Assets and Work Orders.
<b>Quantity:</b>	\$1,653,750	
<b>Total:</b>	1	
	\$1,653,750	

**Regulatory/Compliance**

<b>Acquisition:</b>	New	This project will enhance programs needed to support regulatory and compliance requirements, including Asset Management, Enterprise Document Storage Strategy, Key Audit Application, MAVIS Web-based PCI upgrade and Environmental Compliance Data.
<b>Individual Cost:</b>	\$743,250	
<b>Quantity:</b>	1	
<b>Total:</b>	\$743,250	

**Runway Friction Prediction Tool**

<b>Acquisition:</b>	Upgrade	Airsides Operations has been working with the National Center for Atmospheric Research to implement a program that will automate and leverage atmospheric and surface friction variables to provide a safer and more accurate analysis of when to close runways due to reduced runway friction and poor weather during winter operations. In lieu of proceeding with Phase II and III of the project, this project is for maintenance of the Runway Friction Prediction Tool to cover any hardware issues, operating system upgrades/changes, software issues, maintenance of the web-display and to ensure the display is working properly.
<b>Individual Cost:</b>	\$30,000	
<b>Quantity:</b>	1	
<b>Total:</b>	\$30,000	

**Technology Refresh**

<b>Acquisition:</b>	New	This project will refresh end-of-life hardware components, including network drives, digital content displays, end-user computers, IVISN servers, network extenders and repeaters, power MIS, power CIP refresh for 9-1-1 systems and radio replacements.
<b>Individual Cost:</b>	\$3,094,600	
<b>Quantity:</b>	1	
<b>Total:</b>	\$3,094,600	

**Technology Upgrade and Functionality Enhancements**

<b>Acquisition:</b>	New	This project will upgrade or enhance existing technology systems, including enhancement of collaboration capabilities for campus conference rooms, retirement of legacy IT applications, migration of Airport Development's change management system, upgrading Finance's enterprise resource planning scheduling tool and enhancing Operation's resource management common use system.
<b>Individual Cost:</b>	\$1,777,750	
<b>Quantity:</b>	1	
<b>Total:</b>	\$1,777,750	

**Technology-Related Total:** \$8,271,850

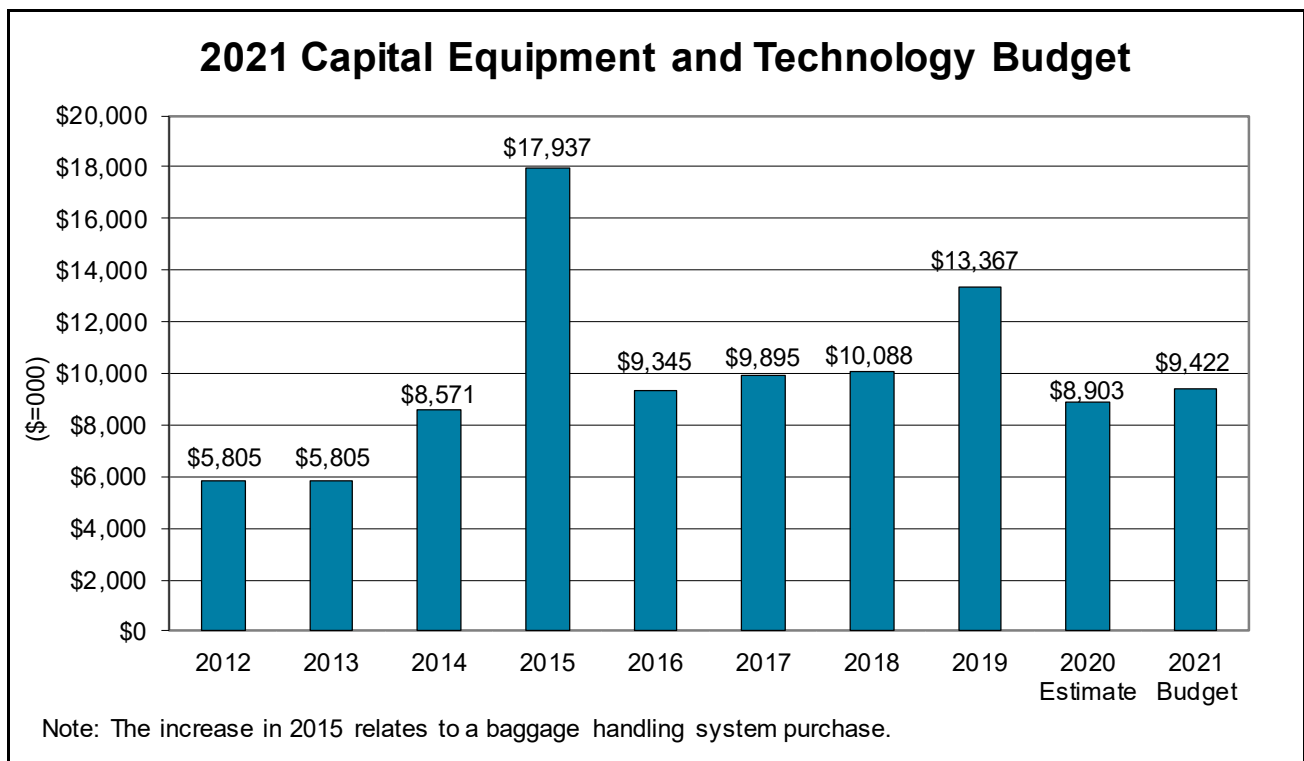
**GRAND TOTAL:** \$9,421,850

**Equipment and Technology-Related Expenditures**

The MAC completes its capital equipment requests for new and replacement equipment annually. All technology-related capital equipment is also reviewed by Information Technology (IT). The capital equipment requests in the 2021 budget increased by \$519,000 or 5.8% from the 2020 estimate.

Typically, the equipment and technology budget is funded in two ways. First, those pieces of equipment which are chargeable to the tenants and airlines are acquired through equipment financing (Notes Payable). The term of those financings is 10 years. The principal and interest associated with those equipment financings would be charged back based on the appropriate percentage found in the Airline Use and Lease Agreement. This would result in the recovery of all or a portion of the total dollars. The remaining value of capital equipment would be funded with internally-generated funds. Due to austerity measures taken in response to the pandemic’s effects on the travel industry, equipment and technology purchases were limited to essential purchases that are not chargeable to airlines. Thus, the entire \$9.4 million will be funded with internally-generated funds.

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



**Capital Improvement Program Expenditures**

On December 21, 2020, the Commission adopted the 2021-2027 Capital Improvement Program. The seven-year CIP forecasts construction projects in the MAC’s system of airports and consists of the following elements:

1. **2021 Capital Improvement Projects** – These are projects that have been reasonably defined for implementation in the upcoming calendar year, in this case 2021.
2. **2022 Capital Improvement Program** – 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. **2023-2027 Capital Improvement Plan** – This encompasses the last five years of the total program and consists of projects that appear 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.

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

## 2021-2027 Capital Improvement Funding by Year

Projects	2021	2022	2023-2027	TOTAL
<b>MSP END OF LIFE/REPLACEMENT PROJECTS</b>				
<b>10 - Terminal 1</b>				
Concourse and Hub Tram Replacement			\$ 600,500,000	\$ 600,500,000
Passenger Boarding Bridge Replacements	\$ 4,100,000	\$ 4,000,000	\$ 20,000,000	\$ 28,100,000
TSA Recapitalization		\$ 24,000,000	\$ 21,000,000	\$ 45,000,000
<b>13 - Energy Management Center</b>				
Concourses E and F Bridge Heating and Cooling System Replacement			\$ 5,700,000	\$ 5,700,000
Ground Transportation Center Dual-Temperature Pump Improvements			\$ 1,800,000	\$ 1,800,000
Heating Pump Upgrades		\$ 900,000		\$ 900,000
Variable Air Volume Box Replacement		\$ 750,000	\$ 2,250,000	\$ 3,000,000
<b>21 - Field and Runways</b>				
30L Engineered Material Arresting System Replacement			\$ 19,000,000	\$ 19,000,000
Airfield Snow Melter Replacement/Upgrades		\$ 1,800,000	\$ 9,200,000	\$ 11,000,000
Bituminous Shoulder Reconstruction		\$ 5,000,000	\$ 35,000,000	\$ 40,000,000
Concourse G Apron Pavement Reconstruction	\$ 9,500,000	\$ 4,000,000	\$ 23,000,000	\$ 36,500,000
Taxiway A Pavement Reconstruction	\$ 13,900,000		\$ 16,000,000	\$ 29,900,000
Taxiway B Pavement Reconstruction	\$ 5,800,000	\$ 2,000,000	\$ 13,000,000	\$ 20,800,000
Taxiway P Reconstruction		\$ 10,000,000		\$ 10,000,000
<b>26 - Terminal Roads/Landside</b>				
Lower Level Roadway Rehabilitation			\$ 1,100,000	\$ 1,100,000
United Parcel Service Loop Pavement Reconstruction			\$ 1,600,000	\$ 1,600,000
Upper Level Roadway Electrical System Rehabilitation			\$ 1,000,000	\$ 1,000,000
Upper Level Roadway Rehabilitation			\$ 2,000,000	\$ 2,000,000
Variable Message Signs Replacement, Phase 3			\$ 1,600,000	\$ 1,600,000
<b>31 - Parking</b>				
Parking Ramp Snow Melter Replacement/Upgrades			\$ 2,700,000	\$ 2,700,000
<b>36 - Terminal 2</b>				
Recarpeting Program		\$ 500,000	\$ 1,500,000	\$ 2,000,000
<b>39 - Public Areas/Roads</b>				
28th Avenue South Reconstruction			\$ 2,270,000	\$ 2,270,000
East 62nd Street Reconstruction			\$ 3,500,000	\$ 3,500,000
<b>MSP END OF LIFE/REPLACEMENT SUBTOTAL</b>	<b>\$ 33,300,000</b>	<b>\$ 52,950,000</b>	<b>\$ 783,720,000</b>	<b>\$ 869,970,000</b>
<b>MSP IT PROJECTS</b>				
<b>10 - Terminal 1</b>				
Concourse C and G Digital Directory Replacement			\$ 200,000	\$ 200,000
Fire Alarm System Transition			\$ 1,500,000	\$ 1,500,000
Intelligent Monitoring and Control Systems	\$ 1,500,000	\$ 1,500,000		\$ 3,000,000
MAC Technology Upgrades	\$ 8,500,000	\$ 10,000,000	\$ 50,000,000	\$ 68,500,000
Telecom Room Equipment Continuity		\$ 1,500,000	\$ 1,500,000	\$ 3,000,000
<b>63 - Police</b>				
Card Access Modifications	\$ 200,000	\$ 1,300,000	\$ 1,500,000	\$ 3,000,000
Radio Distributed Antenna System Coverage Deficiency Resolution	\$ 600,000		\$ 2,000,000	\$ 2,600,000
<b>66 - Fire</b>				
Fire Alarm System Transition	\$ 1,800,000	\$ 1,400,000	\$ 5,400,000	\$ 8,600,000
<b>MSP IT SUBTOTAL</b>	<b>\$ 12,600,000</b>	<b>\$ 15,700,000</b>	<b>\$ 62,100,000</b>	<b>\$ 90,400,000</b>
<b>MSP LONG TERM COMPREHENSIVE PLAN PROJECTS</b>				
<b>10 - Terminal 1</b>				
Baggage Claim/Ticket Lobby Operational Improvements	\$ 57,425,000	\$ 34,730,000	\$ 59,900,000	\$ 152,055,000
Baggage Handling System		\$ 39,120,000		\$ 39,120,000
Checkpoint Expansion			\$ 11,000,000	\$ 11,000,000
D-Pod Outbound Baggage System			\$ 5,000,000	\$ 5,000,000
Expand and Remodel International Arrivals Facility			\$ 5,000,000	\$ 5,000,000
MSP Airport Layout Plan		\$ 800,000		\$ 800,000
MSP Long Term Comprehensive Plan	\$ 250,000	\$ 750,000		\$ 1,000,000
Unstaffed Exit Lanes			\$ 2,500,000	\$ 2,500,000
<b>21 - Field and Runways</b>				
Runway 30R Parallel Taxiway			\$ 36,000,000	\$ 36,000,000
<b>36 - Terminal 2</b>				
Terminal 2 North Gate Expansion			\$ 100,000,000	\$ 100,000,000
<b>MSP LONG TERM COMPREHENSIVE PLAN SUBTOTAL</b>	<b>\$ 57,675,000</b>	<b>\$ 75,400,000</b>	<b>\$ 219,400,000</b>	<b>\$ 352,475,000</b>

## 2021-2027 Capital Improvement Funding by Year

Projects	2021	2022	2023-2027	TOTAL
<b>MSP MAINTENANCE/FACILITY UPGRADE PROJECTS</b>				
<b>10 - Terminal 1</b>				
ADO Office Expansion			\$ 4,000,000	\$ 4,000,000
Art Display Areas	\$ 150,000	\$ 150,000	\$ 450,000	\$ 750,000
Art Master Plan	\$ 275,000	\$ 1,050,000	\$ 4,190,000	\$ 5,515,000
Concourse G Moving Walks			\$ 6,000,000	\$ 6,000,000
Delivery Node Redevelopment		\$ 500,000	\$ 19,770,000	\$ 20,270,000
Folded Plate Repairs		\$ 8,900,000	\$ 17,800,000	\$ 26,700,000
Lighting Infrastructure Technology and Equipment			\$ 7,250,000	\$ 7,250,000
Public Walk Aisle Terrazzo Floor Installation			\$ 4,500,000	\$ 4,500,000
Restroom Upgrade Program			\$ 10,000,000	\$ 10,000,000
Terminal 1 Employee Breakroom		\$ 225,000		\$ 225,000
Terminal 1 Mechanical Room C-1043			\$ 9,600,000	\$ 9,600,000
Terminal 1 Public Walk Aisle Terrazzo Floor Installation			\$ 13,300,000	\$ 13,300,000
Terminal 1 Tug Door Replacement		\$ 540,000		\$ 540,000
Terminal 1 Tug Drive Heater Replacement			\$ 900,000	\$ 900,000
Way-Finding Sign Backlighting Replacement			\$ 1,600,000	\$ 1,600,000
<b>13 - Energy Management Center</b>				
Concourse B Heating System Upgrades	\$ 1,150,000	\$ 2,050,000		\$ 3,200,000
Chiller Plant Optimization			\$ 3,000,000	\$ 3,000,000
EMC Roof Replacement and Break Room Remodel		\$ 8,300,000		\$ 8,300,000
Energy Savings Program	\$ 700,000		\$ 6,000,000	\$ 6,700,000
Indoor Air Quality Monitoring System	\$ 700,000			\$ 700,000
LED Lighting Conversion in Valet	\$ 500,000			\$ 500,000
MAC Automation Infrastructure Program			\$ 10,000,000	\$ 10,000,000
Material Storage Building - Boiler Room Addition			\$ 1,800,000	\$ 1,800,000
Victaulic Piping Replacement	\$ 1,000,000		\$ 4,000,000	\$ 5,000,000
<b>21 - Field and Runways</b>				
Apron Lighting LED Upgrade			\$ 10,000,000	\$ 10,000,000
Runway LED Lighting Upgrade			\$ 5,900,000	\$ 5,900,000
Taxiway B & Q Islands	\$ 700,000			\$ 700,000
Taxiway T Centerline Lights		\$ 700,000		\$ 700,000
Terminal 2 Glycol Lift Station/Forcemain			\$ 1,100,000	\$ 1,100,000
Tunnel Lighting LED Upgrade			\$ 3,400,000	\$ 3,400,000
<b>31 - Parking</b>				
Orange Ramp Metal Panel Replacement		\$ 500,000		\$ 500,000
Parking Guidance System			\$ 6,500,000	\$ 6,500,000
Parking Ramp Railing Refinishing		\$ 1,000,000	\$ 2,000,000	\$ 3,000,000
<b>36 - Terminal 2</b>				
Gate/Desk Podium Replacement			\$ 450,000	\$ 450,000
Terminal 2 Employee Breakroom		\$ 350,000		\$ 350,000
Terminal 2 Gate Area Passenger Amenities			\$ 1,000,000	\$ 1,000,000
Terminal 2 Ground Transportation Waiting Area Expansion			\$ 400,000	\$ 400,000
Terminal 2 MUFIDS/EVIDS Millwork Upgrades			\$ 350,000	\$ 350,000
Terminal 2 Pre-Conditioned Air Replacement	\$ 2,000,000			\$ 2,000,000
Terminal 2 Rentable Space Buildout		\$ 700,000		\$ 700,000
Terminal 2 Skyway to Light Rail Transit Flooring Installation			\$ 800,000	\$ 800,000
<b>39 - Public Areas/Roads</b>				
34th Avenue Traffic Control Improvements			\$ 200,000	\$ 200,000
Diverging Diamond Intersection Rehabilitation			\$ 340,000	\$ 340,000
Terminal 1 Ground Transportation Modifications			\$ 750,000	\$ 750,000
Terminal 1 Inbound Roadway Median Improvements			\$ 3,000,000	\$ 3,000,000
Tunnel Fan Replacement			\$ 11,500,000	\$ 11,500,000
<b>46 - Hangars and Other Buildings</b>				
MAC Maintenance Building Efficiency Study	\$ 150,000			\$ 150,000
MAC Storage Facility			\$ 10,000,000	\$ 10,000,000
Safety and Security Center	\$ 36,200,000		\$ 100,600,000	\$ 136,800,000
<b>56 - Trades/Maintenance Buildings</b>				
South Field Maintenance Building Wash Bay			\$ 3,500,000	\$ 3,500,000
<b>63 - Police</b>				
Badging Office Relocation	\$ 4,100,000			\$ 4,100,000
Perimeter Fence Intrusion Detection System			\$ 1,000,000	\$ 1,000,000
Perimeter Gate Security Improvements		\$ 7,500,000	\$ 13,000,000	\$ 20,500,000
Public Safety Modifications	\$ 1,500,000		\$ 2,000,000	\$ 3,500,000
Terminal 1 APD Locker Room Expansion		\$ 1,200,000		\$ 1,200,000



2021-2027 Capital Improvement Funding by Year				
Projects	2021	2022	2023-2027	TOTAL
<b>MSP MAINTENANCE/FACILITY UPGRADE PROJECTS CONTINUED</b>				
<b>66 - Fire</b>				
Campus Fire Protection		\$ 2,800,000	\$ 5,800,000	\$ 8,600,000
<b>70 - General Office</b>				
General Office Building Improvements		\$ 500,000		\$ 500,000
<b>76 - Environment</b>				
Glycol Sewer & Storm Sewer Inspection/Rehabilitation			\$ 1,900,000	\$ 1,900,000
Ground Service Equipment Electrical Charging Stations			\$ 3,000,000	\$ 3,000,000
Lift Station at Ponds 1 and 2			\$ 1,400,000	\$ 1,400,000
Runway 12R-30L Glycol Forcemain Environmental Improvements			\$ 2,000,000	\$ 2,000,000
Terminal 2 Remote Ramp Lot/Drainage Improvements			\$ 2,000,000	\$ 2,000,000
<b>MSP MAINTENANCE/FACILITY UPGRADES SUBTOTAL</b>	<b>\$ 49,125,000</b>	<b>\$ 36,965,000</b>	<b>\$ 318,050,000</b>	<b>\$ 404,140,000</b>
<b>MSP ONGOING MAINTENANCE PROGRAMS</b>				
<b>10 - Terminal 1</b>				
Air Handling Unit Replacement		\$ 6,500,000	\$ 29,000,000	\$ 35,500,000
Baggage System Upgrades	\$ 500,000	\$ 500,000	\$ 2,500,000	\$ 3,500,000
Concourse G Rehabilitation	\$ 4,000,000	\$ 4,000,000	\$ 25,000,000	\$ 33,000,000
Conveyance System Upgrades		\$ 3,000,000	\$ 3,000,000	\$ 6,000,000
Electrical Infrastructure Program		\$ 2,000,000	\$ 10,000,000	\$ 12,000,000
Electrical Substation Replacement	\$ 1,400,000	\$ 1,400,000	\$ 5,200,000	\$ 8,000,000
Emergency Power Upgrades	\$ 2,000,000		\$ 10,000,000	\$ 12,000,000
Plumbing Infrastructure Upgrade Program	\$ 600,000	\$ 600,000	\$ 3,400,000	\$ 4,600,000
Terminal Building Remediation Program		\$ 2,000,000	\$ 15,000,000	\$ 17,000,000
Terminal Miscellaneous Modifications	\$ 2,400,000	\$ 2,400,000	\$ 12,500,000	\$ 17,300,000
<b>13 - Energy Management Center</b>				
EMC Plant Upgrades		\$ 1,500,000	\$ 2,800,000	\$ 4,300,000
<b>21 - Field and Runways</b>				
Airside Electrical Construction		\$ 4,000,000	\$ 7,300,000	\$ 11,300,000
Airside Roadway Pavement Restoration		\$ 1,200,000	\$ 6,000,000	\$ 7,200,000
Glycol Tank Repairs		\$ 800,000		\$ 800,000
Miscellaneous Airfield Construction	\$ 3,000,000	\$ 3,500,000	\$ 4,000,000	\$ 10,500,000
Pavement Joint Sealing/Repair	\$ 1,200,000	\$ 800,000	\$ 4,000,000	\$ 6,000,000
<b>26 - Terminal Roads/Landside</b>				
Glumack Drive Reconstruction	\$ 3,600,000			\$ 3,600,000
Tunnel Approaches Reconstruction			\$ 2,370,000	\$ 2,370,000
Tunnel/Bridge Rehabilitation	\$ 100,000	\$ 100,000	\$ 540,000	\$ 740,000
<b>31 - Parking</b>				
Parking Structure Rehabilitation	\$ 3,000,000	\$ 3,000,000	\$ 15,000,000	\$ 21,000,000
<b>39 - Public Areas/Roads</b>				
34th Ave Sanitary Sewer Replacement			\$ 2,200,000	\$ 2,200,000
34th Avenue Bus Area Reconstruction			\$ 700,000	\$ 700,000
34th Avenue Reconstruction			\$ 14,000,000	\$ 14,000,000
Concrete Joint Repair		\$ 400,000	\$ 3,800,000	\$ 4,200,000
Landside Pavement Rehabilitation		\$ 500,000	\$ 2,000,000	\$ 2,500,000
Landside Utility Rehabilitation		\$ 750,000	\$ 3,000,000	\$ 3,750,000
Roadway Fixture Refurbishment	\$ 150,000	\$ 150,000	\$ 300,000	\$ 600,000
<b>46 - Hangars &amp; Other Buildings</b>				
Campus Building Rehab Program		\$ 500,000	\$ 6,000,000	\$ 6,500,000
Campus Parking Lot Reconstructions			\$ 1,300,000	\$ 1,300,000
End of Life Campus Building Demolition			\$ 4,100,000	\$ 4,100,000
MSP Campus Building Roof Replacements		\$ 1,300,000	\$ 6,900,000	\$ 8,200,000
<b>MSP ONGOING MAINTENANCE SUBTOTAL</b>	<b>\$ 21,950,000</b>	<b>\$ 40,900,000</b>	<b>\$ 201,910,000</b>	<b>\$ 264,760,000</b>
<b>Projects</b>				
<b>MSP NOISE MITIGATION PROJECTS</b>				
<b>76 - Environment</b>				
Noise Mitigation Consent Decree Amendment	\$ 1,500,000	\$ 1,000,000	\$ 2,000,000	\$ 4,500,000
<b>MSP NOISE MITIGATION SUBTOTAL</b>	<b>\$ 1,500,000</b>	<b>\$ 1,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 4,500,000</b>
<b>MSP TENANT PROJECTS</b>				
<b>10 - Terminal 1</b>				
Concession Upgrades/Revenue Development		\$ 100,000	\$ 900,000	\$ 1,000,000
Terminal 1 Pre-Conditioned Air		\$ 2,000,000	\$ 2,000,000	\$ 4,000,000
United Club Elevator and Concourse Improvements			\$ 200,000	\$ 200,000
<b>46 - Hangars &amp; Other Buildings</b>				
Ground Service Equipment Maintenance Facility			\$ 200,000	\$ 200,000
<b>MSP TENANT SUBTOTAL</b>	<b>\$ -</b>	<b>\$ 2,100,000</b>	<b>\$ 3,300,000</b>	<b>\$ 5,400,000</b>

<b>2021-2027 Capital Improvement Funding by Year</b>				
<b>Projects</b>	<b>2021</b>	<b>2022</b>	<b>2023-2027</b>	<b>TOTAL</b>
<b>RELIEVER AIRPORTS LONG TERM COMPREHENSIVE PLAN PROJECTS</b>				
<b>81 - St. Paul</b>				
Airport Layout Plan			\$ 400,000	\$ 400,000
<b>82 - Lake Elmo</b>				
Long Term Comprehensive Plan			\$ 100,000	\$ 100,000
Runway 14-32 Replacement	\$ 5,000,000	\$ 3,500,000		\$ 8,500,000
<b>83 - Airlake</b>				
Long Term Comprehensive Plan			\$ 100,000	\$ 100,000
Runway 12-30 Improvements			\$ 3,500,000	\$ 3,500,000
<b>84 - Flying Cloud</b>				
Airport Layout Plan		\$ 300,000		\$ 300,000
Purchase and Demolition of Hangars			\$ 1,300,000	\$ 1,300,000
South Building Area Utilities			\$ 600,000	\$ 600,000
<b>85 - Crystal</b>				
Long Term Comprehensive Plan			\$ 100,000	\$ 100,000
<b>86 - Anoka County - Blaine</b>				
Airport Layout Plan		\$ 400,000		\$ 400,000
Building Area Development - Xylite Street Relocation			\$ 1,000,000	\$ 1,000,000
<b>RELIEVER AIRPORTS LONG TERM COMPREHENSIVE PLAN SUBTOTAL</b>	<b>\$ 5,000,000</b>	<b>\$ 4,200,000</b>	<b>\$ 7,100,000</b>	<b>\$ 16,300,000</b>
<b>RELIEVER AIRPORTS MAINTENANCE/FACILITY UPGRADE PROJECTS</b>				
<b>80 - Reliever Miscellaneous</b>				
Reliever Building Miscellaneous Modifications	\$ 400,000	\$ 400,000	\$ 2,000,000	\$ 2,800,000
Reliever Obstruction Removal			\$ 900,000	\$ 900,000
Reliever Pavement Rehabilitation Miscellaneous Modifications	\$ 300,000	\$ 300,000	\$ 1,500,000	\$ 2,100,000
<b>81 - St. Paul</b>				
Airport Perimeter Roads			\$ 500,000	\$ 500,000
Cold Equipment Storage Building			\$ 750,000	\$ 750,000
Custom & Border Protection General Aviation Facility			\$ 2,000,000	\$ 2,000,000
Intelligent Monitoring and Control System Expansion			\$ 2,250,000	\$ 2,250,000
LED Edge Lighting Upgrades	\$ 500,000		\$ 2,000,000	\$ 2,500,000
MAC Building Improvements	\$ 400,000		\$ 600,000	\$ 1,000,000
Pavement Rehabilitation-Taxilanes/Tower Road			\$ 500,000	\$ 500,000
Runway 13-31 Pavement Reconstruction			\$ 5,000,000	\$ 5,000,000
Runway 14-32 EMAS Replacement			\$ 10,000,000	\$ 10,000,000
Runway 14-32 Reconstruction			\$ 10,000,000	\$ 10,000,000
Storm Sewer Improvements			\$ 1,500,000	\$ 1,500,000
Taxiway B Rehabilitation			\$ 800,000	\$ 800,000
Taxiway Lima Rehabilitation			\$ 200,000	\$ 200,000
<b>82 - Lake Elmo</b>				
Intelligent Monitoring and Control System			\$ 1,150,000	\$ 1,150,000
Material Storage Building			\$ 500,000	\$ 500,000
North Building Area Pavement Rehabilitation			\$ 900,000	\$ 900,000
North Service Roads Rehabilitation			\$ 500,000	\$ 500,000
Northside Taxiway Reconstruction			\$ 600,000	\$ 600,000
Runway 04-22 Pavement Rehabilitation			\$ 4,000,000	\$ 4,000,000
<b>83 - Airlake</b>				
Existing Runway 12-30 Reconstruction			\$ 3,500,000	\$ 3,500,000
Intelligent Monitoring and Control System			\$ 1,150,000	\$ 1,150,000
Joint and Crack Repairs	\$ 150,000			\$ 150,000
LED Edge Lighting			\$ 200,000	\$ 200,000
North Service Road Pavement Rehabilitation			\$ 400,000	\$ 400,000
North Taxilanes Pavement Rehabilitation			\$ 1,000,000	\$ 1,000,000
South Building Area Sewer and Water Expansion		\$ 200,000		\$ 200,000
South Building Area Utilities and Taxilanes			\$ 1,300,000	\$ 1,300,000
<b>84 - Flying Cloud</b>				
Airfield Improvements	\$ 500,000			\$ 500,000
Airport Access Roads and Tango Lane			\$ 500,000	\$ 500,000
Electrical Vault Modifications			\$ 500,000	\$ 500,000
Gate Replacements			\$ 500,000	\$ 500,000
Intelligent Monitoring and Control System			\$ 2,250,000	\$ 2,250,000
MAC Building Improvements	\$ 520,000		\$ 600,000	\$ 1,120,000
Runway 10R-28L Pavement Rehabilitation			\$ 2,300,000	\$ 2,300,000
Underground Fuel Storage Tank Replacement			\$ 400,000	\$ 400,000

<b>2021-2027 Capital Improvement Funding by Year</b>				
Projects	2021	2022	2023-2027	TOTAL
<b>RELIEVER AIRPORTS MAINTENANCE/FACILITY UPGRADE PROJECTS CONTINUED</b>				
<b>85 - Crystal</b>				
Existing Hangar Revitalization			\$ 800,000	\$ 800,000
Intelligent Monitoring and Control System			\$ 1,150,000	\$ 1,150,000
LED Edge Lighting Upgrade	\$ 400,000		\$ 400,000	\$ 800,000
Obstruction Removal			\$ 300,000	\$ 300,000
Runway 6L-24R Pavement Rehabilitation			\$ 2,000,000	\$ 2,000,000
Service Roads			\$ 1,200,000	\$ 1,200,000
Taxilane Pavement Rehabilitation		\$ 550,000	\$ 1,950,000	\$ 2,500,000
Underground Fuel Storage Tank Replacement			\$ 400,000	\$ 400,000
<b>86 - Anoka County - Blaine</b>				
Electrical Vault Improvements			\$ 750,000	\$ 750,000
Intelligent Monitoring and Control System			\$ 1,150,000	\$ 1,150,000
Runway 18-36 Pavement Rehabilitation			\$ 2,500,000	\$ 2,500,000
Taxilane Pavement Rehabilitation	\$ 750,000			\$ 750,000
Taxiway A Pavement Rehabilitation and Edge Lights			\$ 1,800,000	\$ 1,800,000
Underground Fuel Storage Tank Replacement			\$ 400,000	\$ 400,000
West Perimeter Road			\$ 1,500,000	\$ 1,500,000
<b>RELIEVER AIRPORTS MAINTENANCE/FACILITY UPGRADE SUBTOTAL</b>	<b>\$ 3,920,000</b>	<b>\$ 1,450,000</b>	<b>\$ 79,050,000</b>	<b>\$ 84,420,000</b>
<b>MSP SUBTOTAL</b>	<b>\$ 176,150,000</b>	<b>\$ 225,015,000</b>	<b>\$ 1,590,480,000</b>	<b>\$ 1,991,645,000</b>
<b>RELIEVER SUBTOTAL</b>	<b>\$ 8,920,000</b>	<b>\$ 5,650,000</b>	<b>\$ 86,150,000</b>	<b>\$ 100,720,000</b>
<b>TOTAL</b>	<b>\$ 185,070,000</b>	<b>\$ 230,665,000</b>	<b>\$ 1,676,630,000</b>	<b>\$ 2,092,365,000</b>

**2021 Capital Improvement Projects**

As stated previously, these are projects that have been reasonably defined for implementation in the upcoming calendar year, in this case 2021. The following narratives describe the 2021 Capital Improvement Projects, along with a table of their funding sources. The vast majority of capital projects in the CIP are considered routine projects for airports such as MSP and the MAC's Reliever Airports and do not affect the annual operating budget. Explanations of whether the project affects the Operating Budget are noted in red throughout the narratives.

**2021 Capital Improvement Program Narratives**

**MSP END OF LIFE/REPLACEMENT PROJECTS**

End of Life/Replacement projects include systems, components and pavements that can no longer be economically or feasibly maintained and must be replaced.

**10 – Terminal 1**

*Passenger Boarding Bridge Replacements* \$4,100,000

This program provides for the replacement of jet bridges at Terminal 1. Bridges to be replaced are determined based on a condition assessment and input from the airlines. Aircraft parking positions will be optimized at the impacted gates and fuel pits adjusted as necessary. Podiums and door openings may also be adjusted to optimize the gate hold area. It is assumed fixed walkways may need to be replaced or added to meet slope requirements of the Americans with Disabilities Act (ADA). All gate hold areas will be upgraded with security doors, card readers and cameras. This is a recurring project with rotating work that ensures end-of-life equipment is replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.

**21 – Field and Runways**

*Concourse G Apron Pavement Reconstruction* \$9,500,000

This project will reconstruct a portion of the apron area near Gates G15 through G19. Work will include removals, excavation, granular material, crushed aggregate base, concrete pavement, fuel pits and pavement marking. This is a recurring project with rotating work that ensures maintenance of the airfield over a period of years. The project has minimal or no impact on the current or future operating budget.

**Taxiway A Pavement Reconstruction** **\$13,900,000**

The project provides for reconstruction of Taxiway A from Taxiway A3 to just west of the 12R-30L Tunnel. In addition, it includes a 75-foot-wide strip of the pavement within the Taxiway A safety area. Work will include removals, excavation, granular material, crushed aggregate base, concrete pavement, bituminous shoulders, pavement marking and taxiway centerline and edge lights. **This is a recurring project with rotating work that ensures maintenance of the airfield over a period of years. The project has minimal or no impact on the current or future operating budget.**

**Taxiway B Pavement Reconstruction** **\$5,800,000**

This project will reconstruct a portion of Taxiway B. Work will include removals, excavation, granular material, crushed aggregate base, concrete pavement, bituminous shoulders, pavement marking and taxiway centerline lights. **This is a recurring project with rotating work that ensures maintenance of the airfield over a period of years. The project has minimal or no impact on the current or future operating budget.**

**MSP IT PROJECTS**

MSP IT Projects include those that have a significant amount of technology-related enhancements, maintenance or restructuring.

**10 – Terminal 1****Intelligent Monitoring and Control Systems (IMACS)** **\$1,500,000**

This is a continuation of a multi-year program to upgrade all MAC building automation systems to an open architecture protocol so that the MAC can bid maintenance and construction contracts more competitively. This project will replace sole-source controllers with LonMark certified products. **This non-recurring project supports more efficient operation and maintenance of mechanical systems throughout the campus. These efficiencies contribute to the \$2.8 million savings noted in the Variable Air Volume Box Replacement project.**

**MAC Technology Upgrades** **\$8,500,000**

Each year, there are a number of IT projects that are beyond the resources of MAC's staff and operating budget to accomplish. These projects are prioritized and completed either as a series of contracts or as purchase orders. Work may include Fiber Optic Cable Upgrades, MACNet maintenance and upgrades, digital signs, Wireless System enhancements and MAC Public Address System maintenance and upgrades. The list of potential projects will be compiled and prioritized in early 2021. **This series of recurring projects ensure that miscellaneous IT equipment maintenance, enhancement and replacements happen in a timely manner. The projects have minimal or no impact on the current or future operating budget.**

**36 – Police****Radio Distributed Antenna System Coverage Deficiency Resolution** **\$600,000**

This project will continue efforts to improve the public safety radio signal coverage on the MSP campus by expanding the Distributed Antenna System. **This is a recurring project with minimal to no impact on the current or future operating budget.**

**Card Access Modifications** **\$200,000**

This is a multi-year program to refresh the inventory of card access security readers as they reach end of life status, add outdoor biometric readers, add mobile card readers, add other readers as needed throughout the campus and align card access control with other surveillance technology. **This is a recurring project with rotating work that ensures end-of-life equipment is replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.**

**66 – Fire****MSP Campus Fire Alarm System Transition** **\$1,800,000**

To improve monitoring reliability and eliminate the existing single point of failure configuration, this multi-year project will include database redundant systems, device controller upgrades and the decentralization of the fire alarm master control equipment. **The project has minimal or no impact on the current or future operating budget. Beginning in 2023, it will be a recurring project with rotating work that ensures end-of-life equipment is replaced in a timely manner.**

**MSP LONG TERM COMPREHENSIVE PLAN PROJECTS**

MSP Long Term Comprehensive Plan projects include projects that enhance or expand the airport facilities to meet existing or forecasted passenger needs.

**10 – Terminal 1**

*Baggage Claim/Ticket Lobby Operational Improvements* \$57,425,000

This is continuation of a program that will provide the level of service requirements for short- and medium-term growth of Origin & Destination passengers, addressing issues of congestion and functionality in the Terminal 1 Arrivals and Departures areas. This program will complete the expansion of the east terminal façade, including walkways that meet required codes, public seating areas, curtain wall replacement, improved lighting and sight lines, east mezzanine removal/reduction, structural enhancements and improved vestibules and curbside. In the Departures Hall this program will increase the depth of the check-in area and include airline check-in facilities, ticket offices and Transportation Security Administration (TSA) space. The South Security Checkpoint will be expanded to eight lanes and an employee screening portal will be added. The Center Mezzanine will be expanded with a cantilevered corridor, allowing security observation and facilitating future remodeling. On the Arrivals Level, baggage claim device capacity will be increased. **This program adds space to Terminal 1, which will increase Terminal 1 janitorial expenses approximately 2%.**

*MSP Long Term Comprehensive Plan* \$250,000

The MSP 2030 Long Term Comprehensive Plan update was paused during 2020. This project will resume in 2021, building on the forecasting and gap analyses that have been completed already. **This is a recurring project to maintain compliance with Federal Aviation Administration (FAA) guidelines and requirements. It has minimal or no impact on the current or future operating budget.**

**MSP MAINTENANCE/FACILITY UPGRADE PROJECTS**

MSP Maintenance/Facility Upgrade projects include those that provide improvements to individual buildings or systems across the campus on a one-time or short-term basis.

**10 – Terminal 1**

*Art Display Areas* \$150,000

This program is a continuation of the existing program, which is a partnership with the Airport Foundation MSP. It provides opportunities and building of space for displaying permanent, temporary and rotating art exhibits. **This program enhances the customer service experience for travelers and airport employees. Art program costs are funded by the Airport Foundation MSP. The program has minimal or no impact on the MAC’s current or future operating budget.**

*Arts Master Plan* \$275,000

This program supports procurement of commissioned art and rotating exhibits as part of the Percent for Arts program. **The Arts Master Plan is funded by the capital program based on a percentage of the MAC’s capital projects. There is no impact on the operating budget.**

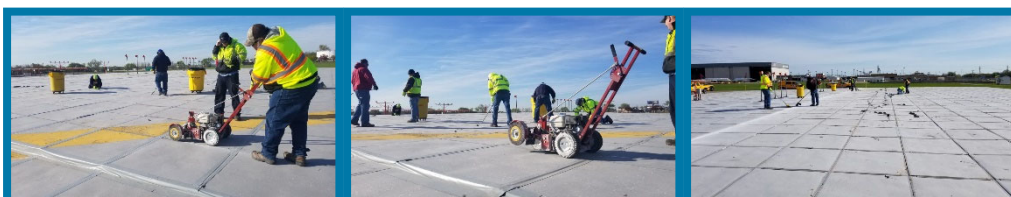
**13 – Energy Management Center (EMC)**

*Concourse B Heating System Upgrades* \$1,150,000

This project will upgrade the Concourse B fin tube radiation and variable air volume boxes. The current equipment is inefficient, expensive to operate and at the end of its expected life. This project will also address a steam pressure station in need of code-required upgrades. **This project is expected to provide approximately 0.5% reduction to the EMC’s annual \$1.6 million natural gas budget.**

*Energy Savings Program* \$700,000

The scope of this year’s project involves work at both Terminal 1 and Terminal 2 and generally includes the replacement of valves, boilers, lighting controls and motors with new high efficiency models. **This project is expected to provide approximately 1% reduction to the EMC’s annual \$1.6 million natural gas budget.**



**MAC Trades and Maintenance Crews Repair the Engineered Material Arresting System at MSP**

**Indoor Air Quality Monitoring System** **\$700,000**

This project will install needed carbon dioxide sensors in common return air ducts and tie all sensors to the MAC's building automation system. This will allow remote monitoring and automatic safety ventilation. It will also provide the EMC with advanced modular indoor air quality sensors to install temporarily at any location that has building automation to detect ultra-fine particles, volatile organic compounds, carbon dioxide, carbon monoxide, nitrogen dioxide and other gasses in the area if an indoor air quality complaint is filed. This will enable the EMC to accurately assess the problem and determine the best solution. The project will also upgrade controls wiring for the post fire smoke evacuation systems. **This non-recurring project primarily provides a safety improvement. It has minimal to no impact on current and future operating budgets.**

**LED Lighting Conversion in Valet** **\$500,000**

This project replaces light fixtures in the valet parking area with light-emitting diode (LED) fixtures for improved energy efficiency in support of the MAC's Carbon Management Plan. **This project is expected to provide a partial reduction to Parking's annual \$500,000 electricity budget. The new LED lights should save approximately 90% in energy costs over the life of the bulbs.**

**Victaulic Piping Replacement** **\$1,000,000**

This 5-year program will replace the Victaulic piping and valves in Terminal 1 Concourse E, Concourse F, Concourse C, the Concourse C tunnel and Terminal 2. The MAC discovered that the joints in Victaulic piping leak as the seals shrink when cooled due to shutdowns and service disruptions. The seals then do not hold tight when the system is restored to normal operation. Shutdowns and disruptions occur frequently at MSP. **This non-recurring project provides a safety improvement. It has minimal to no impact on current and future operating budgets.**

**21 – Field and Runway****Taxiway B & Q Islands** **\$700,000**

This project will construct taxiway islands created by Taxiways A, B, C, D, P and Q. **This non-recurring project provides a safety improvement. It has minimal to no impact on current and future operating budgets.**

**36 – Terminal 2****Terminal 2 Pre-Conditioned Air Replacement** **\$2,000,000**

This project will replace the existing pre-conditioned air units at Terminal 2 Gates H1-H10 with units that meet the MAC's updated standards and are sized to meet the needs of B737 and larger aircraft. **This project has customer service and environmental impacts, with minimal to no impact on the current or future operating budget.**

**48 – Hangars and Other Buildings****MAC Maintenance Building Efficiency Study** **\$150,000**

An efficiency study will assess existing conditions associated with the glycol tanks, glycol building, facility size, facility functionality, parking lot and other items at the MAC Maintenance Facility. The study will be used to plan for future safety and efficiency improvements. The study will assess operational needs, identify deferred maintenance items, develop schematic design concepts and generate budgets for future CIP planning purposes. **This phase of the project will provide insight into expense changes for the completed project.**

**Safety and Security Center** **\$36,200,000**

The project will construct a replacement fire station and relocate airfield navigational aids impacted by the planned construction. A future phase will construct a building to house a new Airport Operations Center to include Airside Operations and the Emergency Communications Center, a dedicated primary Emergency Operations Center, and consolidated Airport Police Department facilities. This combined facility is intended to bring together stakeholders in the daily operations of MSP to improve collaboration and coordination. **A \$35,000 increase in utilities is the anticipated impact on the future operating budget.**

**63 – Police****Badging Office Relocation** **\$4,100,000**

This project will co-locate all Airport Police Badging Office functions to the spaces formerly occupied by the Rental Car Agencies in the Red/Blue parking ramp core. **This project has customer service impacts, with minimal to no impact on the current or future operating budget.**

**Public Safety Modifications** **\$1,500,000**

This program enhances the safety of the MSP campus through door hardware, signage, security controls and other equipment to provide for egress requirements, code compliance, security conformity and emergency responder access. **This non-recurring project provides a safety improvement. It has minimal to no impact on current and future operating budgets.**

**MSP ONGOING MAINTENANCE PROGRAMS**

MSP On-Going Maintenance projects include buildings, systems, pavements and other infrastructure that require improvements on an annual basis in order to maintain the facilities and manage MAC assets.

**10 – Terminal 1****Baggage System Upgrades** **\$500,000**

This multi-year program will provide necessary upgrades to the inbound and outbound baggage system not covered by general system maintenance. **This is a recurring project with rotating work that ensures end-of-life equipment is replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.**

**Concourse G Rehabilitation** **\$4,000,000**

This multi-year program will provide operational improvements to the existing concourse over time, including replacing elevators and modifying and replacing structural, electrical and mechanical systems. **This is a replacement project that has minimal or no impact on the current or future operating budget.**

**Electrical Substation Replacement** **\$1,400,000**

This is a multi-year program to replace electrical substations which are at or very near end of life. This program will also improve redundancy. **This is a recurring project with rotating work that maintains or replaces equipment over a period of years. The project has minimal or no impact on the current or future operating budget.**

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

A study and survey of Terminal 1 transfer switches and emergency lighting was completed in 2008. This year's project is part of a multi-year program that will continue the design and implementation of emergency power and lighting corrective work identified in this study. **This non-recurring project provides a safety improvement. It has minimal to no impact on current and future operating budgets.**

**Plumbing Infrastructure Upgrade Program** **\$600,000**

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 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. This ongoing program was implemented in 2012 to upgrade the plumbing infrastructure system to meet current code requirements and MAC standards. The focus of the 2021 project is to continue the replacement of aging plumbing systems. **This is a recurring project with rotating work that ensures equipment is maintained to appropriate standards. The project has minimal or no impact on the current or future operating budget.**

**Terminal Miscellaneous Modifications** **\$2,400,000**

Each year, there is a list of maintenance projects that are beyond the resources of the MAC's maintenance and trades staff to accomplish. These projects are prioritized and completed either as a series of contracts or as purchase orders. Typical work includes door replacements, emergency upgrades to mechanical, electrical, plumbing or HVAC systems, loading dock work, etc. The list of potential projects will be compiled and prioritized in early 2021. **This is a recurring project that has minimal or no impact on the current or future operating budget.**

**21 – Field and Runways****Miscellaneous Airfield Construction** **\$3,000,000**

This program supports Part 139 Airport Certification through grading and drainage improvements within runway safety areas, airfield pavement marking modifications and other miscellaneous airside projects that are too small to accomplish independently or arise unexpectedly. **This is a recurring project to maintain compliance with FAA guidelines and requirements. It has minimal or no impact on the current or future operating budget.**

**Pavement Joint Sealing/Repair** **\$1,200,000**

This is an ongoing program to provide for the resealing of joints, sealing of cracks, and limited surface repairs on existing concrete pavements. The areas scheduled for sealing will be as defined in the overall joint sealing program or as identified by staff inspection in the early spring of each year. **This is a recurring project with rotating work that ensures maintenance of the environmental safety equipment over a period of years. The project has minimal or no impact on the current or future operating budget.**

**26 – Terminal Roads/Landside****Glumack Drive Reconstruction** **\$3,600,000**

This project will replace a portion of the outbound roadway section of Glumack Drive with concrete pavement to match recently constructed segments of the roadway. **By replacing asphalt with concrete, this project anticipates a maintenance cost-savings of up to 50% over the lifetime of the roadway.**

**Tunnel/Bridge Rehabilitation** **\$100,000**

The MSP campus has MAC-owned bridges and tunnels. Bridge and tunnel inspections are conducted each year to identify required maintenance and repairs which are then implemented in a timely fashion. **This is a recurring project with rotating work that ensures bridges and tunnels are appropriately maintained over a period of years. The project has minimal or no impact on the current or future operating budget.**

**31 – Parking****Parking Structure Rehabilitation** **\$3,000,000**

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 is a recurring project with rotating work that ensures parking structures are appropriately maintained over a period of years. The project has minimal or no impact on the current or future operating budget.**

**39 – Public Areas/Roads****Roadway Fixture Refurbishment** **\$150,000**

Many of the light poles, clearance restriction boards, sign units, fence sections and canopies on the airport roadways need repainting and maintenance. This project provides for refurbishment of these fixtures. **This is a recurring project with rotating work that ensures fixtures are appropriately maintained and are replaced when reaching end of life. The project has minimal or no impact on the current or future operating budget.**

**MSP NOISE MITIGATION PROJECTS**

Noise Mitigation Projects are completed in compliance with the Consent Decree First Amendment. It is a residential noise mitigation program that began in March 2014 under the terms of an amended legal agreement between the Metropolitan Airports Commission and the cities of Richfield, Minneapolis and Eagan. The agreement has been approved by the Hennepin County District Court and is effective until December 31, 2024. Under this program, eligibility of single-family and multi-family homes will be determined annually, based upon actual noise contours that are developed for the preceding calendar year, beginning in March 2014.

**76 – Environment****Noise Mitigation Consent Decree Amendment** **\$1,500,000**

This project will provide noise mitigation for those single-family and multi-family homes meeting the eligibility requirements of the program. **There are no operating budget impacts of this project, which is funded through capital sources.**

**RELIEVER AIRPORTS LONG TERM COMPREHENSIVE PLAN PROJECTS**

Reliever Airports Long Term Comprehensive Plan projects include projects that enhance or expand facilities at the MAC's Reliever Airports to meet existing or forecasted operational needs.

**82 – Lake Elmo****Runway 14-32 Replacement** **\$5,000,000**

The updated long term comprehensive plan for this airport proposes relocating and extending the primary runway northeast of its current alignment. This year's scope includes the third phase of construction for this project, focusing on construction of the new runway. **This project has minimal or no impact on the current or future operating budget.**



**RELIEVER AIRPORTS MAINTENANCE/FACILITY UPGRADE PROJECTS**

Reliever Airports Maintenance/Facility Upgrade projects include improvements to buildings, systems, pavements and other infrastructure across the Reliever Airport system on a one-time or short-term basis.

**80 – Reliever Airports**

*Reliever Building Miscellaneous Modifications* \$400,000

This program will address ongoing needs for repairs and modifications of MAC-owned buildings at five of the reliever airports, excluding St. Paul Downtown Airport. These items may include crew rest areas, heating, air conditioning, structural repairs and aesthetic updates. The list of potential projects will be compiled and prioritized in early 2021. **This is a recurring project that has minimal or no impact on the current or future operating budget.**

*Reliever Pavement Rehabilitation Miscellaneous Modifications* \$300,000

This program will address ongoing needs for crack sealing, joint repairs, pavement rejuvenation and pavement repairs at the six Reliever Airports. The list of potential projects will be compiled and prioritized in early 2021. **This is a recurring project with rotating work that ensures pavements are appropriately maintained over a period of years. The project has minimal or no impact on the current or future operating budget.**

**81 – St. Paul**

*LED Edge Lighting Upgrades* \$500,000

This program will replace taxiway edge lighting and signage with LED lighting. This year's project will address taxiways East of Runway 14-32. **This project is expected to provide a partial reduction to the annual \$148,000 electricity budget for the St. Paul Airport. The new LED lights should save approximately 90% in energy costs over the life of the bulbs.**

*MAC Building Improvements* \$400,000

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. **This is a recurring project with rotating work that ensures the MAC buildings are appropriately maintained over a period of years. These projects may provide minor impacts on the current or future operating budget.**

**83 – Airlake**

*Joint and Crack Repairs* \$150,000

This project will execute joint and crack repairs on taxiways and taxiway connectors. **This is a recurring project with rotating work that ensures roadways are appropriately maintained over a period of years. The project has minimal or no impact on the current or future operating budget.**

**84 – Flying Cloud**

*Airfield Improvements* \$500,000

This project will install LED taxiway edge lighting on the remaining portions without lighting and make improvements to the Runway 10R Hold Pad. **This project is expected to provide a partial reduction to the annual \$70,000 electricity budget for Flying Cloud Airport. The new LED lights should save approximately 90% in energy costs over the life of the bulbs.**

*MAC Building Improvements* \$520,000

This year's project will focus on mitigating water infiltration at the electrical vault building. Other improvement work will address the most urgent issues identified during design. **This is a recurring project with rotating work that ensures MAC buildings are appropriately maintained over a period of years. These projects may provide minor impacts on the current or future operating budget.**

**85 – Crystal**

*LED Edge Lighting Upgrades* \$400,000

This project will replace existing edge light with LED lights. Existing lights have reached end of life. Airfield signage improvements are also part of this program. **This project is expected to provide a partial reduction to the annual \$21,000 electricity budget for Crystal Airport. The new LED lights should save approximately 90% in energy costs over the life of the bulbs.**

**86 – Anoka County – Blaine**

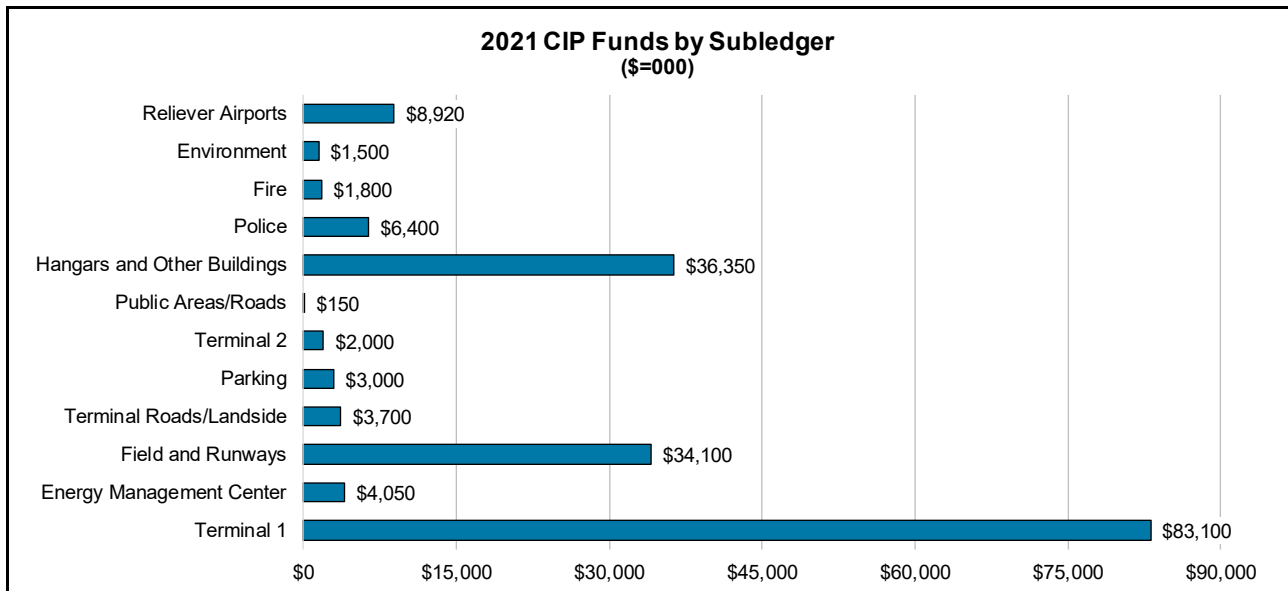
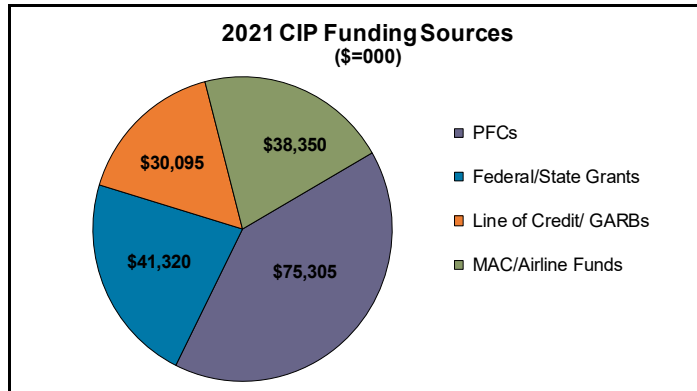
*Taxilane Pavement Reconstruction*

\$750,000

This is an ongoing program to reconstruct aircraft operational areas through bituminous overlays, seal coats or reconstruction to restore the surfaces to a smooth, even condition and improve overall operating conditions. The pavement condition index report as well as an inspection of the pavement will be completed to determine the area most in need of repair. **This is a recurring project with rotating work that ensures pavements are appropriately maintained over a period of years. The project has minimal or no impact on the current or future operating budget.**

**2021 Capital Improvement Project Funding Sources**

The pie chart below indicates the funding sources for the 2021 Capital Improvement Projects. Passenger Facility Charges (PFCs) are the largest contributor to the 2021 CIP. The below bar graph summarizes the distribution of 2021 CIP funds by subledger. A cash flow summary of the CIP will appear later in this section.



***The Fuel System at Crystal Airport Opened in July 2020***

## 2021 Capital Improvement Funding Sources

Projects	PFCs	Federal/State Grants	Line of Credit/GARBs	MAC/Airline Funds	Total Funding
<b>MSP END OF LIFE/REPLACEMENT PROJECTS</b>					
<b>10 - Terminal 1</b>					
Passenger Boarding Bridge Replacements	\$ 4,100,000				\$ 4,100,000
<b>21 - Field and Runways</b>					
Concourse G Apron Pavement Reconstruction	\$ 5,000,000	\$ 4,500,000			\$ 9,500,000
Taxiway A Pavement Reconstruction	\$ 5,560,000	\$ 7,400,000	\$ 940,000		\$ 13,900,000
Taxiway B Pavement Reconstruction	\$ 2,320,000	\$ 3,000,000	\$ 480,000		\$ 5,800,000
<b>MSP END OF LIFE/REPLACEMENT SUBTOTAL</b>	<b>\$ 16,980,000</b>	<b>\$ 14,900,000</b>	<b>\$ 1,420,000</b>	<b>\$ -</b>	<b>\$ 33,300,000</b>
<b>MSP IT PROJECTS</b>					
<b>10 - Terminal 1</b>					
Intelligent Monitoring and Control Systems				\$ 1,500,000	\$ 1,500,000
MAC Technology Upgrades				\$ 8,500,000	\$ 8,500,000
<b>63 - Police</b>					
Card Access Modifications	\$ 200,000				\$ 200,000
Radio Distributed Antenna System Coverage Deficiency Resolution				\$ 600,000	\$ 600,000
<b>66 - Fire</b>					
Fire Alarm System Transition				\$ 1,800,000	\$ 1,800,000
<b>MSP IT SUBTOTAL</b>	<b>\$ 200,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,400,000</b>	<b>\$ 12,600,000</b>
<b>MSP LONG TERM COMPREHENSIVE PLAN PROJECTS</b>					
<b>10 - Terminal 1</b>					
Baggage Claim/Ticket Lobby Operational Improvements	\$ 40,425,000		\$ 17,000,000		\$ 57,425,000
MSP Long Term Comprehensive Plan				\$ 250,000	\$ 250,000
<b>MSP LONG TERM COMPREHENSIVE PLAN SUBTOTAL</b>	<b>\$ 40,425,000</b>	<b>\$ -</b>	<b>\$ 17,000,000</b>	<b>\$ 250,000</b>	<b>\$ 57,675,000</b>
<b>MSP MAINTENANCE/FACILITY UPGRADE PROJECTS</b>					
<b>10 - Terminal 1</b>					
Art Display Areas				\$ 150,000	\$ 150,000
Art Master Plan				\$ 275,000	\$ 275,000
<b>13 - Energy Management Center</b>					
Concourse B Heating System Upgrades				\$ 1,150,000	\$ 1,150,000
Energy Savings Program				\$ 700,000	\$ 700,000
Indoor Air Quality Monitoring System				\$ 700,000	\$ 700,000
LED Lighting Conversion in Valet				\$ 500,000	\$ 500,000
Victaulic Piping Replacement				\$ 1,000,000	\$ 1,000,000
<b>21 - Field and Runways</b>					
Taxiway B & Q Islands			\$ 700,000		\$ 700,000
<b>36 - Terminal 2</b>					
Terminal 2 Pre-Conditioned Air Replacement				\$ 2,000,000	\$ 2,000,000
<b>46 - Hangars and Other Buildings</b>					
MAC Maintenance Building Efficiency Study				\$ 150,000	\$ 150,000
Safety and Security Center	\$ 16,200,000	\$ 20,000,000			\$ 36,200,000
<b>63 - Police</b>					
Badging Office Relocation			\$ 4,100,000		\$ 4,100,000
Public Safety Modifications	\$ 1,500,000				\$ 1,500,000
<b>MSP MAINTENANCE/FACILITY UPGRADES SUBTOTAL</b>	<b>\$ 17,700,000</b>	<b>\$ 20,000,000</b>	<b>\$ 4,800,000</b>	<b>\$ 6,625,000</b>	<b>\$ 49,125,000</b>
<b>MSP ONGOING MAINTENANCE PROGRAMS</b>					
<b>10 - Terminal 1</b>					
Baggage System Upgrades				\$ 500,000	\$ 500,000
Concourse G Rehabilitation				\$ 4,000,000	\$ 4,000,000
Electrical Substation Replacement				\$ 1,400,000	\$ 1,400,000
Emergency Power Upgrades			\$ 2,000,000		\$ 2,000,000
Plumbing Infrastructure Upgrade Program				\$ 600,000	\$ 600,000
Terminal Miscellaneous Modifications				\$ 2,400,000	\$ 2,400,000
<b>21 - Field and Runways</b>					
Miscellaneous Airfield Construction		\$ 1,125,000	\$ 1,875,000		\$ 3,000,000
Pavement Joint Sealing/Repair				\$ 1,200,000	\$ 1,200,000
<b>26 - Terminal Roads/Landside</b>					
Glumack Drive Reconstruction		\$ 850,000		\$ 2,750,000	\$ 3,600,000
Tunnel/Bridge Rehabilitation				\$ 100,000	\$ 100,000

2021 Capital Improvement Funding Sources					
Projects	PFCs	Federal/State Grants	Line of Credit/GARBs	MAC/Airline Funds	Total Funding
<b>MSP ONGOING MAINTENANCE PROGRAMS CONTINUED</b>					
<b>31 - Parking</b>					
Parking Structure Rehabilitation			\$ 3,000,000		\$ 3,000,000
<b>39 - Public Areas/Roads</b>					
Roadway Fixture Refurbishment				\$ 150,000	\$ 150,000
<b>MSP ONGOING MAINTENANCE SUBTOTAL</b>	\$ -	\$ 1,975,000	\$ 6,875,000	\$ 13,100,000	\$ 21,950,000
<b>MSP NOISE MITIGATION PROJECTS</b>					
<b>76 - Environment</b>					
Noise Mitigation Consent Decree Amendment				\$ 1,500,000	\$ 1,500,000
<b>MSP NOISE MITIGATION SUBTOTAL</b>	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000
<b>RELIEVER AIRPORTS LONG TERM COMPREHENSIVE PLAN PROJECTS</b>					
<b>82 - Lake Elmo</b>					
Runway 14-32 Replacement		\$ 3,600,000		\$ 1,400,000	\$ 5,000,000
<b>RELIEVER AIRPORTS LONG TERM COMPREHENSIVE PLAN SUBTOTAL</b>	\$ -	\$ 3,600,000	\$ -	\$ 1,400,000	\$ 5,000,000
<b>RELIEVER AIRPORTS MAINTENANCE/FACILITY UPGRADE PROJECTS</b>					
<b>80 - Reliever Miscellaneous</b>					
Reliever Building Miscellaneous Modifications				\$ 400,000	\$ 400,000
Reliever Pavement Rehabilitation Miscellaneous Modifications				\$ 300,000	\$ 300,000
<b>81 - St. Paul</b>					
LED Edge Lighting Upgrades		\$ 360,000		\$ 140,000	\$ 500,000
MAC Building Improvements				\$ 400,000	\$ 400,000
<b>83 - Airlake</b>					
Joint and Crack Repairs				\$ 150,000	\$ 150,000
<b>84 - Flying Cloud</b>					
Airfield Improvements		\$ 200,000		\$ 300,000	\$ 500,000
MAC Building Improvements				\$ 520,000	\$ 520,000
<b>85 - Crystal</b>					
LED Edge Lighting Upgrades		\$ 285,000		\$ 115,000	\$ 400,000
<b>86 - Anoka County - Blaine</b>					
Taxilane Pavement Rehabilitation				\$ 750,000	\$ 750,000
<b>RELIEVER AIRPORTS MAINTENANCE/FACILITY UPGRADE SUBTOTAL</b>	\$ -	\$ 845,000	\$ -	\$ 3,075,000	\$ 3,920,000
<b>MSP SUBTOTAL</b>	\$ 75,305,000	\$ 36,875,000	\$ 30,095,000	\$ 33,875,000	\$ 176,150,000
<b>RELIEVER SUBTOTAL</b>	\$ -	\$ 4,445,000	\$ -	\$ 4,475,000	\$ 8,920,000
<b>TOTAL</b>	\$ 75,305,000	\$ 41,320,000	\$ 30,095,000	\$ 38,350,000	\$ 185,070,000

**2022 Capital Improvement Program Narratives**

**MSP END OF LIFE/REPLACEMENT PROJECTS**

End of Life/Replacement projects include systems, components and pavements that can no longer be economically or feasibly maintained and must be replaced.

**10 – Terminal 1**

*Passenger Boarding Bridge Replacements*

\$4,000,000

This project provides for the replacement of jet bridges at Terminal 1. Bridges to be replaced will be determined based on a condition assessment and input from the airlines. Aircraft parking positions will be optimized at the impacted gates and fuel pits adjusted as necessary. Podiums and door openings may also be adjusted to optimize gate hold areas. It is assumed fixed walkways may need to be replaced or added to meet ADA slope requirements and all gate hold areas will be upgraded with security doors, card readers, and cameras. **This is a recurring project with rotating work that ensures end-of-life equipment is replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.**

**TSA Recapitalization** **\$24,000,000**

In 2005 the Commission approved construction of the West Checked Baggage Inspection System, which included a TSA contribution of seven Computer Tomography X-Ray (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. There will be two OTAs, one for the design phase and a second OTA for the construction phase will be negotiated in 2021. This project will provide for design and installation of TSA-furnished devices and other required equipment at no cost to the MAC. **This project replaces end-of-life equipment and will have minimal or no impact on the current or future operating budget.**

**13 – Energy Management Center****Heating Pump Upgrades** **\$900,000**

The elastomeric fittings have a life expectancy of 15-20 years and are at or past the end of their useful life. The proposed project includes removal and replacement of over 100 fittings of this type. The project would replace the fittings with piping where possible and steel braided fittings in other locations. **This project replaces end-of-life equipment and will have minimal or no impact on the current or future operating budget.**

**Variable Air Volume Box Replacement** **\$750,000**

This program will replace variable air volume boxes throughout Terminal 1 with more efficient equipment connected to the IMACS system and located for maintenance accessibility. **When this four-year nonrecurring capital project is completed, it will reduce maintenance contracts for this equipment by \$2.8 million over the life of the new equipment.**

**21 – Field and Runway****Airfield Snow Melter Replacement/Upgrades** **\$1,800,000**

Replace, modify and/or upgrade snow melters on the airfield that are beyond their useful life. **This project replaces end-of-life equipment and will have minimal or no impact on the current or future operating budget.**

**Bituminous Shoulder Reconstruction** **\$5,000,000**

This project provides for reconstruction of full depth bituminous shoulder at the end of Runway 30R from Taxiway P1 to Taxiway P3. Work will include removals, crushed aggregate base, bituminous pavement, pavement marking, and electrical construction. **This is a recurring project with rotating work that ensures maintenance of the airfield over a period of years. The project has minimal or no impact on the current or future operating budget.**

**Concourse G Apron Pavement Reconstruction** **\$4,000,000**

This project will reconstruct a portion of the apron area adjacent to Concourse G. Work will include removals, excavation, granular material, crushed aggregate base, concrete pavement, fuel pits, and pavement marking. **This is a recurring project with rotating work that ensures maintenance of the airfield over a period of years. The project has minimal or no impact on the current or future operating budget.**

**Taxiway B Pavement Reconstruction** **\$2,000,000**

This project will reconstruct a portion of Taxiway B. Work will include removals, excavation, granular material, crushed aggregate base, concrete pavement, bituminous shoulders, pavement marking, and taxiway centerline lights. **This is a recurring project with rotating work that ensures maintenance of the airfield over a period of years. The project has minimal or no impact on the current or future operating budget.**

**Taxiway P Pavement Reconstruction** **\$10,000,000**

This project provides for the reconstruction of concrete pavement along Taxiway P between Taxiway M and Taxiway P10 and from Taxiway P1 to Taxiway P3. Work will include removals, concrete pavement, pavement markings and electrical construction. **This is a recurring project with rotating work that ensures maintenance of the airfield over a period of years. The project has minimal or no impact on the current or future operating budget.**

**36 – Terminal 2****Terminal 2 Recarpeting Program** **\$500,000**

This multi-year program will replace end of life carpeting throughout Terminal 2. **This is a recurring project with rotating work that ensures end-of-life carpet is replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.**

**MSP IT PROJECTS**

MSP IT Projects include those that have a significant amount of technology-related enhancements, maintenance or restructuring.

**10 – Terminal 1**

*Intelligent Monitoring and Control Systems (IMACS)* \$1,500,000

This is a continuation of a multi-year program to upgrade all MAC building automation systems to an open architecture protocol so that the MAC can bid maintenance and construction contracts more competitively. This project will replace sole-source controllers with LonMark certified products. **This non-recurring project supports more efficient operation and maintenance of mechanical systems throughout the campus. These efficiencies contribute to the \$2.8 million savings noted in the Variable Air Volume Box Replacement project.**

*MAC Technology Upgrades* \$10,000,000

Each year, there are a number of IT projects that are beyond the resources of the MAC’s staff and operating budget to accomplish. These projects are prioritized and completed either as a series of contracts or as purchase orders. Work may include Fiber Optic Cable Upgrades, MACNet maintenance and upgrades, Electronic Visual Information Display system (EVIDs) and Multi-User Flight Information Display systems (MUFIDs) digital signs, Wireless System enhancements, and MAC Public Address System maintenance and upgrades. The list of potential projects will be compiled and prioritized in early 2022. **This series of recurring projects ensure that miscellaneous IT equipment maintenance, enhancement and replacements happen in a timely manner. The projects have minimal or no impact on the current or future operating budget.**

*Telecommunications Room Equipment Continuity* \$1,500,000

The MAC network (MACNet) carries, along with other information, credit card data collected from the landside parking revenue control system. Merchants like the MAC are required to meet credit card security standards created 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 multi-year program addresses these standards by providing security equipment and relevant network hardware for the 150 telecommunications rooms on the MSP campus. **This non-recurring project protects customer data and MAC revenue. There is minimal or no impact on the current or future operating budget beyond the intangible impacts of protecting customer and entity data and financial information.**

**63 – Police**

*Card Access Modifications* \$1,300,000

This is a multi-year program to refresh the inventory of card access security readers as they get to end of life, add outdoor biometric readers, add mobile card readers, add other readers as needed throughout the campus, and align card access control with other surveillance technology including Integrated Video and Information System Network. **This is a recurring project with rotating work that ensures end-of-life equipment is replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.**

**66 – Fire**

*Fire Alarm System Transition* \$1,400,000

In an effort to improve monitoring reliability and eliminate the existing single point of failure configuration, this multi-year project will include database redundant systems, device controller upgrades and the decentralization of the fire alarm master control equipment. Beginning in 2022, this project will move to end-of-life upgrade and maintenance status. **The project has minimal or no impact on the current or future operating budget. Going forward, it will be a recurring project with rotating work that ensures end-of-life equipment is replaced in a timely manner.**



**“Project Bike Retrospective” at the Thomson Reuters Concourse C Art Gallery**

## MSP LONG TERM COMPREHENSIVE PLAN PROJECTS

MSP Long Term Comprehensive Plan projects include projects that enhance or expand the airport facilities to meet existing or forecasted passenger needs.

### 10 – Terminal 1

*Baggage Claim/Ticket Lobby Operational Improvements* \$34,730,000

This is continuation of a program that will provide the level of service requirements for short- and medium-term growth of the origin and destination passengers, addressing issues of congestion and functionality in the Terminal 1 Arrivals and Departures areas. This program will complete the expansion of the east terminal façade, including walkways that meet required codes, public seating areas, curtain wall replacement, improved lighting and sight lines, east mezzanine removal/reduction, structural enhancements, improved vestibules and curbside. In the Departures Hall this program will increase the depth of the check-in area and include airline check-in facilities, ticket offices, and TSA space. The South Security Checkpoint will be expanded to eight lanes and add an employee screening portal. The Center Mezzanine will be expanded with a cantilevered corridor, allowing security observation, and facilitating future remodeling. On the Arrivals Level, baggage claim device capacity will be increased. **This program adds space to Terminal 1, which will increase Terminal 1 janitorial expenses approximately 2%.**

*Baggage Handling System* \$39,120,000

This project includes baggage handling system (BHS) work associated with the south half of Terminal 1 related to several phases of operational improvements between the baggage claim and ticket lobby levels. Improvements to the inbound BHS include new baggage claim devices and conveyors. The outbound BHS improvements include self-service bag drop devices, related conveyors, oversize bag screening and tub returns. **This project ensures end-of-life equipment is replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.**

*MSP Airport Layout Plan* \$800,000

This project will prepare a new Airport Layout Plan and Exhibit A Property Map using updated airport geospatial information system survey data. **This is a recurring project to maintain compliance with FAA guidelines and requirements. It has minimal or no impact on the current or future operating budget.**

*MSP Long Term Plan* \$750,000

The MSP 2030 Long Term Comprehensive Plan (LTCP), previously completed in April 2010, was scheduled to be updated in 2020. While work that had already started with forecasting and gap analyses was paused early in 2020, efforts to continue work on the LTCP document started in 2021, will continue in 2022. **This is a recurring project to maintain compliance with FAA guidelines and requirements. It has minimal or no impact on the current or future operating budget.**

## MSP MAINTENANCE/FACILITY UPGRADE PROJECTS

MSP Maintenance/Facility Upgrade projects include those that provide improvements to individual buildings or systems across the campus on a one-time or short-term basis.

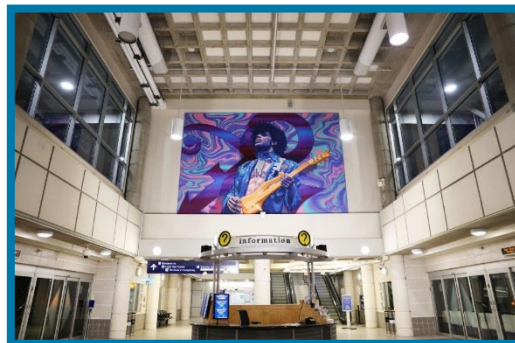
### 10 – Terminal 1

*Art Display Areas* \$150,000

This program is a continuation of the existing program, in partnership with the Airport Foundation MSP, to provide opportunities and space build out for the display of permanent and temporary/rotating art exhibits. **This program enhances the customer service experience for travelers and airport employees. Art program costs are funded by the Airport Foundation MSP. The program has minimal or no impact on the MAC's current or future operating budget.**

*Arts Master Plan* \$1,050,000

This program supports procurement of commissioned art and rotating exhibits as part of the Percent for Arts program. **The Arts Master Plan is funded by the capital program based on a percentage of the MAC's capital projects. There is no impact on the operating budget.**



**Prince Mural in the Hub Core  
an Airport Foundation MSP  
Temporary Exhibit**

**Delivery Node Redevelopment** **\$500,000**

The MAC's existing node delivery and storage system requires long-term improvements at Terminal 2, and Terminal 1 (Concourses A, C, E, F, and G) to provide for safe and efficient delivery, by the logistics company, to MAC and airport tenants. This program will improve or replace existing nodes with more centralized locations that should include loading docks, elevators where needed, adjacent storage, trash and recycling, etc. The existing main dock at Terminal 1, replaced by the MAC Receiving and Distribution Center, will also be studied to find highest use, including the possibility of D-Street becoming Security Information Display Area access. This phase will study needs and opportunities to refine the budgets for future construction phases. **This phase of the project will provide insight into expense changes for the completed project.**

**Folded Plate Repairs** **\$8,900,000**

This is the first of four phases to repair and replace the roof assembly on the folded plate roof at Terminal 1. **This project ensures end-of-life equipment is replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.**

**Terminal 1 Employee Breakroom** **\$225,000**

This project will provide an MSP employee breakroom that will have a quiet area for employees who work multiple shifts on the campus to eat, read, etc. By providing this quality work support area, front line and other employees will be able to rest and eat out of the view of the public. **This program enhances the customer service experience for travelers and airport employees. It has minimal or no impact on the MAC's current or future operating budget.**

**Terminal 1 Tug Door Replacement** **\$540,000**

This project includes the removal and replacement of high-speed rolling doors at Terminal 1 in the Main Tug Drive Area and in Concourse D. Included with the door replacement is the addition of new door controls, sensors and ground loops. Also included in this project is the installation of new bollards, guardrails, speedbumps and miscellaneous signage. Several existing high-speed rolling doors will be connected to IMACS monitoring as part of this work. **This project ensures end-of-life equipment is replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.**

**13 – Energy Management Center****Concourse B Heating System Upgrades** **\$2,050,000**

This project will upgrade Concourse B's fin tube radiation and variable air volume boxes as they are inefficient, expensive to operate and at the end of their expected life. **This project is expected to provide approximately 0.5% reduction to the EMC's annual \$1.6 million natural gas budget.**

**EMC Roof Replacement and Break Room Remodel** **\$8,300,000**

This project will upgrade and rebuild portions of the EMC including replacing the entire roof, replacing narrow curtain wall system at the north exit and building an addition to house new locker room facilities and a new workshop. **This project ensures the end-of-life roof is replaced in a timely manner and improves the employee experience by increasing work support space. The project has minimal or no impact on the current or future operating budget.**

**21 – Field and Runway****Taxiway T Centerline Lights** **\$700,000**

This project provides for the construction of taxiway centerline lighting systems for Taxiway T through the infield apron between the connectors from Taxiway M and Taxiway Y. Work includes installation of taxiway centerline lights and conductors, and modifications at the Airfield Lighting Electrical Center North building. **This project is expected to increase the airfield's annual \$218,000 electricity budget by approximately 0.5%.**

**31 – Parking****Orange Ramp Metal Panel Replacement** **\$500,000**

This project will provide a permanent installation to replace the temporary repair completed immediately following damage done by a high wind event in December 2017. **This nonrecurring project repairs an existing structure and maintains its lifespan. It has minimal or no impact on the current or future operating budget.**



**Parking Ramp Railing Refinishing** \$1,000,000  
 This multi-year project will address the parking ramp metal railings that have weathered and degraded over time. The paint has chipped and peeled away, which caused the exposed metal rail to rust and corrode. If not repaired, the degraded metal railings could become at risk for detachment. The rust has stained the concrete walls and concrete slabs creating an unsightly appearance for airport customers and resulting in concrete repair work in the surrounding areas. **This project ensures end-of-life structures are replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.**

**36 – Terminal 2**

**Terminal 2 Employee Breakroom** \$350,000  
 This project will provide an MSP employee break room that will have a quiet area for employees who work multiple shifts on the campus to eat, read, etc. By providing this quality work support area, front line and other employees will be able to rest and eat out of view of the public. **This program enhances the customer service experience for travelers and airport employees. It has minimal or no impact on the MAC’s current or future operating budget.**

**Terminal 2 Rentable Space Build-out** \$700,000  
 This project will build out previously vacant and unfinished rentable spaces in the terminal to support additional airline accommodations as well as existing tenant growth. **Rentable space created by this project is anticipated to increase future operating revenue by at least \$47.13 per square foot.**

**63 – Police**

**Perimeter Gate Security Improvements** \$7,500,000  
 This project provides for the reconstruction of Gate 269 with a full crash beam gate, updated electrical controls and a new guard booth. **The primary impact of this project is to improve safety by upgrading equipment. No current or future operating budget impacts are anticipated as a result of this project.**

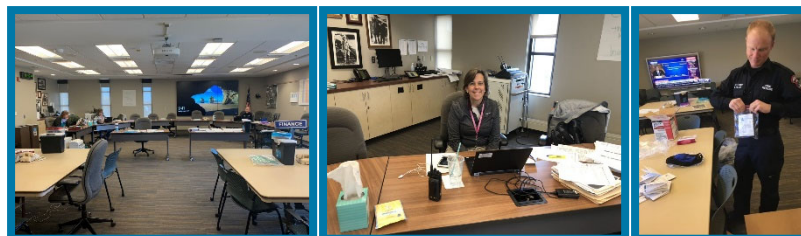
**Terminal 1 APD Locker Room Expansion** \$1,200,000  
 This project will reconfigure spaces in the Airport Police Department administration space to expand the locker rooms, consolidating those facilities that have been distributed along the mezzanine hallway in found spaces as the staff count grew. **This improves the employee experience by consolidating work support space. The project has minimal or no impact on the current or future operating budget.**

**66 – Fire**

**Campus Fire Protection** \$2,800,000  
 This program addresses deficiencies in water-based fire protection systems and firefighting water supplies. It will provide for needed compliance with the Minnesota State Fire and Building Codes, the MAC Design Standards and the MAC Construction Standards. It will ensure continued capability for the Airport Fire Department to respond to fire emergencies, and to fight fires and mitigate hazards effectively and efficiently. In 2022, the project scope will address issues in the terminals and throughout the MSP campus. **This is a recurring project with rotating work that ensures end-of-life equipment is replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.**

**70 – General Office/Administration**

**General Office Building Improvements** \$500,000  
 Continual maintenance of MAC buildings is necessary for comfort and safety as well as sustainability of the MAC asset. Age and weather contribute to building deterioration, mold, and other health issues. The General Office Building, built in the 1960s, has experienced a number of window and building issues that need to be corrected including window sealing and replacements, curtain wall sealing, roof repairs, and valve replacements. This program will also address replacement of end-of-life finishes as required. **This is a recurring project with rotating work that ensures end-of-life equipment and structures are replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.**



**MAC’s Centralized Pandemic Response and Recovery Headquarters**

**MSP NOISE MITIGATION PROJECTS**

Noise Mitigation Projects are completed in compliance with the Consent Decree First Amendment. It is a residential noise mitigation program that began in March 2014 under the terms of an amended legal agreement between the Metropolitan Airports Commission and the cities of Richfield, Minneapolis and Eagan. The agreement has been approved by the Hennepin County District Court and is effective until December 31, 2024. Under this program, eligibility of single-family and multi-family homes will be determined annually, based upon actual noise contours that are developed for the preceding calendar year, beginning in March 2014.

**76 – Environment**

*Noise Mitigation Consent Decree Amendment* \$1,000,000

This project will provide noise mitigation for those single-family and multi-family homes meeting the eligibility requirements of the program. **There are no operating budget impacts of this project, which is funded through capital sources.**

**MSP ONGOING MAINTENANCE PROGRAMS**

MSP Ongoing Maintenance projects include buildings, systems, pavements and other infrastructure that require improvements on an annual basis in order to maintain the facilities and manage MAC assets.

**10 – Terminal 1**

*Air Handling Unit Replacement* \$6,500,000

There are existing air handling units serving Terminal 1 that were installed with the original terminal construction in 1958-60 and are over 60 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 has been implemented to provide for the replacement of the units that have been identified as needing replacement. 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. **This project is expected to provide approximately 2% reduction to the Terminal 1 \$9.4 million annual electricity budget.**

*Baggage System Upgrades* \$500,000

This multi-year program will provide necessary upgrades to the inbound and outbound baggage system not covered by general system maintenance. **This is a recurring project with rotating work that ensures end-of-life equipment is replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.**

*Concourse G Rehabilitation* \$4,000,000

This multi-year program will provide operational improvements to the existing concourse over time, including replacing elevators, modifying and replacing structural, electrical and mechanical systems. **This is a replacement project that has minimal or no impact on the current or future operating budget.**

*Conveyance System Upgrades* \$3,000,000

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. This multi-year program modernizes and replaces elements of the conveyance systems and installs new conveyance systems if needed. **This is a recurring project with rotating work that ensures end-of-life equipment is replaced in a timely manner and all equipment includes appropriate safety equipment. The project has minimal or no impact on the current or future operating budget.**

*Electrical Infrastructure Program* \$2,000,000

There are 53 electrical substations that serve the Terminal 1 complex. It is imperative that these substations be inspected, cleaned and upgraded routinely in order to ensure their continued performance. **This is a recurring project with rotating work that maintains or replaces equipment over a period of years. The project has minimal or no impact on the current or future operating budget.**

*Electrical Substation Replacement* \$1,400,000

This is a multi-year program to replace electrical substations which are at or very near end of life. This program will also improve redundancy. **This is a recurring project with rotating work that ensures end of life equipment is replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.**

**Plumbing Infrastructure Upgrades** **\$600,000**

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 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. This ongoing program was implemented in 2012 to upgrade the plumbing infrastructure system to meet current code requirements and the MAC's standards. The focus of the 2021 project is to continue the replacement of aging plumbing systems. **This is a recurring project with rotating work that ensures equipment is maintained to appropriate standards. The project has minimal or no impact on the current or future operating budget.**

**Terminal Building Remediation Program** **\$2,000,000**

Continual maintenance of the terminal buildings is imperative to passenger comfort and safety as well as sustainability of the MAC asset. Age and weather contribute to building deterioration, mold and other health issues. Building and concourse envelope issues include curtain wall systems, glazing, sealant repair/replacement, louver repair/replacement, metal panel repair/replacement, and soffit repair/replacement and insulation systems. **This is a recurring project with rotating work that ensures structures are maintained to appropriate standards. The project has minimal or no impact on the current or future operating budget.**

**Terminal Miscellaneous Modifications** **\$2,400,000**

Each year, there is a list of maintenance projects that are beyond the resources of the MAC's maintenance and trades staff to accomplish. These projects are prioritized and completed either as a series of contracts or as purchase orders. Typical work includes door replacements, emergency upgrades to mechanical, electrical, plumbing or HVAC systems, loading dock work, etc. The list of potential projects will be compiled and prioritized in early 2022. **This is a recurring project that has minimal or no impact on the current or future operating budget.**

**13 – Energy Management Center****EMC Plant Upgrades** **\$1,500,000**

This multi-year program provides upgrades to the EMC's Boiler and Chiller Plants at both Terminal 1 and Terminal 2. The work includes upgrades to the aging Chilled Water and Heating Water systems throughout both terminals. The pumping and piping systems on both the heating and cooling systems are aging and in need of repair work beyond regular maintenance. **This is a recurring project with rotating work that ensures equipment is maintained to appropriate standards. The project has minimal or no impact on the current or future operating budget.**

**21 – Field and Runway****Airside Electrical Construction** **\$4,000,000**

This program provides for the removal and replacement of airfield lighting and signage with LED technology and lighting control upgrades. **This project is expected to provide a partial reduction to the airfield's annual \$218,000 electricity budget. The new LED lights should save approximately 90% in energy costs over the life of the bulbs.**

**Airside Roadway Pavement Restoration** **\$1,200,000**

This is an ongoing program to rehabilitate roadways on the airfield through bituminous overlays, seal coats, or in some instances, reconstruction, to restore the surfaces to a smooth, even condition and improve overall operating conditions. The pavement condition index report as well as an inspection of the pavement will be completed to determine the areas most in need of repair on an annual basis. **This is a recurring project with rotating work that ensures maintenance of the airfield over a period of years. The project has minimal or no impact on the current or future operating budget.**

**Glycol Tank Repairs** **\$800,000**

This project provides for repair of leaking construction joints and cracks in concrete walls and floors of the glycol tanks located at the MSP Glycol Management Facility. The 2022 project will include liner repairs to all three tanks as well as regrading and restoration of the turf area west of the tanks. **This is a recurring project with rotating work that ensures maintenance of the environmental safety equipment over a period of years. The project has minimal or no impact on the current or future operating budget.**

**Miscellaneous Airfield Construction** **\$3,500,000**

This program supports Part 139 Airport Certification through grading and drainage improvements within runway safety areas, airfield pavement marking modifications, and other miscellaneous airside projects that are too small to accomplish independently or arise unexpectedly. **This is a recurring project to maintain compliance with FAA guidelines and requirements. It has minimal or no impact on the current or future operating budget.**

**Pavement Joint Sealing/Repair** **\$800,000**

This is an ongoing program to provide for the resealing of joints, sealing of cracks, and limited surface repairs on existing concrete pavements. The areas scheduled for sealing will be as defined in the overall joint sealing program or as identified by staff inspection in the early spring of each year. **This is a recurring project with rotating work that ensures maintenance of the environmental safety equipment over a period of years. The project has minimal or no impact on the current or future operating budget.**

**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 to identify maintenance and repairs which are then implemented in a timely fashion. **This is a recurring project with rotating work that ensures bridges and tunnels are appropriately maintained over a period of years. The project has minimal or no impact on the current or future operating budget.**

**31 – Parking****Parking Structure Rehabilitation** **\$3,000,000**

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 is a recurring project with rotating work that ensures parking structures are appropriately maintained over a period of years. The project has minimal or no impact on the current or future operating budget.**

**39 – Public Areas/Roads****Concrete Joint Repair** **\$400,000**

This project is to complete landside pavement joint repair on MSP campus roadways as a preventative maintenance activity to prolong the existing pavement from reconstruction. **This is a recurring project with rotating work that ensures roadways are appropriately maintained over a period of years. The project has minimal or no impact on the current or future operating budget.**

**Landside Pavement Rehabilitation** **\$500,000**

This is an ongoing program of preventative maintenance activities such as crack sealing, surface treatments, and resurfacing on roadways located outside of the Air Operations Area. This program effectively slows deterioration rates, extends service life and delays need for total reconstruction of bituminous and concrete pavements. Inspection of pavements and appurtenances determines what areas are to be prioritized for rehabilitation under each year's project. **This is a recurring project with rotating work that ensures pavements are appropriately maintained over a period of years. The project impacts future capital work and has minimal or no impact on the current or future operating budget.**

**Landside Utility Rehabilitation** **\$750,000**

Each year there are a number of landside utility projects that are beyond the resources of the MAC's staff and operating budget to accomplish. These projects are prioritized annually and completed with either a series of contracts or purchase orders. Electric power, sanitary sewer, storm sewer and watermain improvements will be addressed with this program. Also, a study will be conducted as part of the first year's project to identify future potential projects. The study will be updated annually to reflect current priorities. **This is a recurring project that typically has no impact on the operating budget. Any operating budget impact is unknown until the project is planned during the project year.**

**Roadway Fixture Refurbishment** **\$150,000**

Many of the light poles, clearance restriction boards, sign units, fence sections, and canopies on the airport roadways are in need of repainting and maintenance. This project provides for refurbishment of these fixtures. **This is a recurring project with rotating work that ensures fixtures are appropriately maintained and are replaced when reaching end of life. The project has minimal or no impact on the current or future operating budget.**

**46 – Hangars and Other Buildings**

*Campus Building Rehab Program* \$500,000

Continual maintenance of MAC non-terminal buildings is imperative in providing a stable infrastructure and meeting the MAC’s sustainability goals. Age and weather contribute to building deterioration, mold and other health issues. Building envelope issues include curtain wall systems, glazing, sealant repair/replacement, louver repair/replacement, metal panel replacement and/or painting/tuck-pointing, structural repair and insulation systems. This program will also include repair/replacement related to interior issues. This is part of an on-going program to maintain MAC buildings as assets. **This is a recurring project with rotating work that ensures MAC structures are appropriately maintained over a period of years. The project has minimal or no impact on the current or future operating budget.**

*MSP Campus Building Roof Replacement* \$1,300,000

A report has been developed within the MAC that evaluates one-half of the roofs every other year. This on-going program allows these roofs that have been evaluated to be prioritized and programmed for repair. The focus of the 2022 project will be on the replacement of the roof on the Field Maintenance Building. Emergency repairs may also be needed on some other roofs; this program will provide dollars for such instances. **This is a recurring project with rotating work that ensures roofs on MSP campus structures are appropriately maintained or replaced over a period of years. The project has minimal or no impact on the current or future operating budget.**

**MSP Tenant Projects**

*MSP tenant projects include those that enhance or expand tenant or leasehold facilities that the MAC supports, with the tenants reimbursing the costs to the MAC for work within leasehold space.*

**10 – Terminal 1**

*Concessions Upgrades/Revenue Development* \$100,000

This is an annual program to fund miscellaneous upgrades such as finishes, furniture, signage, and/or modified connections to utilities for the concession programs or other revenue generating programs at the airport. **This recurring program has no impact on the operating budget.**

*Terminal 1 Pre-Conditioned Air* \$2,000,000

This program will provide and/or replace pre-conditioned air units serving passenger boarding bridges to eliminate the use of idling airplane engines to heat and cool the ambient air. This program will reduce emissions on the campus. **This project has customer service and environmental impacts, with minimal to no impact on the current or future operating budget.**

**RELIEVER AIRPORTS LONG TERM COMPREHENSIVE PLAN PROJECTS**

Reliever Airports Long Term Comprehensive Plan projects include projects that enhance or expand the airport facilities to meet existing or forecasted operational needs.

**82 – Lake Elmo**

*Runway 14-32 Replacement* \$3,500,000

The updated long term comprehensive plan for this airport proposes relocating and extending the primary runway northeast of its current alignment. This year’s scope includes the fourth phase of construction for this project which focuses on converting the old Runway 14-32 to a taxiway. **This project has minimal or no impact on the current or future operating budget.**



**Lake Elmo Construction Replaces Runway 14-32, Adds Taxiways and Realigns 30<sup>th</sup> Street**

**84 – Flying Cloud**

*Airport Layout Plan* \$300,000

Acquire new airport geospatial information system base mapping that will be used to create a new Airport Layout Plan (ALP) set that complies with current FAA guidelines and criteria. The new ALP will show current conditions and any development proposed in the 2040 Long-Term Comprehensive Plan. **The ALP is a recurring project to maintain compliance with FAA guidelines and requirements. This project is a one-time cost and has minimal or no impact on the current or future operating budget.**

**86 – Anoka County-Blaine**

*Airport Layout Plan*

\$400,000

Acquire new airport geospatial information system base mapping that will be used to create a new ALP set that complies with current FAA guidelines and criteria. The new ALP will show current conditions and any development proposed in the 2040 Long-Term Comprehensive Plan. **The ALP is a recurring project to maintain compliance with FAA guidelines and requirements. This project is a one-time cost and has minimal or no impact on the current or future operating budget.**

**RELIEVER AIRPORTS MAINTENANCE/FACILITY UPGRADE PROJECTS**

Reliever Airports Maintenance/Facility Upgrade projects include improvements to buildings, systems, pavements and other infrastructure across the Reliever Airport system on a one-time or short-term basis.

**80 – Reliever Airports**

*Reliever Building Miscellaneous Modifications*

\$400,000

This program will address ongoing needs for repairs and modifications of MAC-owned buildings at five of the Reliever Airports, excluding St. Paul. These items may include: crew rest areas, heating, air conditioning, structural repairs and aesthetic updates. The list of potential projects will be compiled and prioritized in early 2021. **This is a recurring project that has minimal or no impact on the current or future operating budget.**

*Reliever Pavement Rehabilitation Miscellaneous Modifications*

\$300,000

This program will address ongoing needs for crack sealing, joint repairs, pavement rejuvenation, and pavement repairs at the six Reliever Airports. The list of potential projects will be compiled and prioritized in early 2021. **This is a recurring project with rotating work that ensures pavements are appropriately maintained over a period of years. The project has minimal or no impact on the current or future operating budget.**

**83 – Airlake**

*South Building Area Sewer and Water Expansion*

\$200,000

This project will expand sewer and water service to four large lots in the south building area to improve the lease ability of these lots. **Leasing these improved lands will create annual operating revenue of \$19,000-\$42,000, plus a percent rent.**

**85 – Crystal**

*Taxilanes Pavement Rehabilitation*

\$550,000

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. The pavement condition index report as well as an inspection of the pavement will be completed to determine the area most in need of repair. **This is a recurring project with rotating work that ensures pavements are appropriately maintained over a period of years. The project has minimal or no impact on the current or future operating budget.**

**2022 Capital Improvement Program Funding Sources**

The following table shows the funding sources for the 2022 Capital Improvement Program projects. A cash flow summary appears later in the section.

<b>2022 Capital Improvement Funding Sources</b>					
Projects	PFCs	Federal/State Grants	Line of Credit/GARBs	MAC/Airline Funds	Total Funding
<b>MSP END OF LIFE/REPLACEMENT PROJECTS</b>					
<b>10 - Terminal 1</b>					
Passenger Boarding Bridge Replacements	\$ 4,000,000				\$ 4,000,000
TSA Recapitalization		\$ 24,000,000			\$ 24,000,000
<b>13 - Energy Management Center</b>					
Heating Pump Upgrades				\$ 900,000	\$ 900,000
Variable Air Volume Box Replacement				\$ 750,000	\$ 750,000
<b>21 - Field and Runways</b>					
Airfield Snow Melter Replacment/Upgrades			\$ 1,800,000		\$ 1,800,000
Bituminous Shoulder Reconstruction	\$ 2,000,000	\$ 3,000,000			\$ 5,000,000
Concourse G Apron Pavement Reconstruction	\$ 1,600,000	\$ 2,400,000			\$ 4,000,000
Taxiway B Pavement Reconstruction	\$ 800,000	\$ 1,200,000			\$ 2,000,000
Taxiway P Reconstruction	\$ 3,000,000	\$ 6,000,000	\$ 1,000,000		\$ 10,000,000
<b>36 - Terminal 2</b>					
Recarpeting Program				\$ 500,000	\$ 500,000
<b>MSP END OF LIFE/REPLACEMENT SUBTOTAL</b>	<b>\$ 11,400,000</b>	<b>\$ 36,600,000</b>	<b>\$ 2,800,000</b>	<b>\$ 2,150,000</b>	<b>\$ 52,950,000</b>

2022 Capital Improvement Funding Sources					
Projects	PFCs	Federal/State Grants	Line of Credit/GARBs	MAC/Airline Funds	Total Funding
<b>MSP IT PROJECTS</b>					
<b>10 - Terminal 1</b>					
Intelligent Monitoring and Control Systems				\$ 1,500,000	\$ 1,500,000
MAC Technology Upgrades				\$ 10,000,000	\$ 10,000,000
Telecom Room Equipment Continuity			\$ 1,500,000		\$ 1,500,000
<b>63 - Police</b>					
Card Access Modifications	\$ 1,300,000				\$ 1,300,000
<b>66 - Fire</b>					
Fire Alarm System Transition				\$ 1,400,000	\$ 1,400,000
<b>MSP IT SUBTOTAL</b>	<b>\$ 1,300,000</b>	<b>\$ -</b>	<b>\$ 1,500,000</b>	<b>\$ 12,900,000</b>	<b>\$ 15,700,000</b>
<b>MSP LONG TERM COMPREHENSIVE PLAN PROJECTS</b>					
<b>10 - Terminal 1</b>					
Baggage Claim/Ticket Lobby Operational Improvements	\$ 24,730,000		\$ 10,000,000		\$ 34,730,000
Baggage Handling System	\$ 39,120,000				\$ 39,120,000
MSP Airport Layout Plan				\$ 800,000	\$ 800,000
MSP Long Term Plan				\$ 750,000	\$ 750,000
<b>MSP LONG TERM COMPREHENSIVE PLAN SUBTOTAL</b>	<b>\$ 63,850,000</b>		<b>\$ 10,000,000</b>	<b>\$ 1,550,000</b>	<b>\$ 75,400,000</b>
<b>MSP MAINTENANCE/FACILITY UPGRADE PROJECTS</b>					
<b>10 - Terminal 1</b>					
Art Display Areas				\$ 150,000	\$ 150,000
Arts Master Plan				\$ 1,050,000	\$ 1,050,000
Delivery Node Redevelopment				\$ 500,000	\$ 500,000
Folded Plate Repairs			\$ 8,900,000		\$ 8,900,000
Terminal 1 Employee Breakroom				\$ 225,000	\$ 225,000
Terminal 1 Tug Door Replacement				\$ 540,000	\$ 540,000
<b>13 - Energy Management Center</b>					
Concourse B Heating System Upgrades				\$ 2,050,000	\$ 2,050,000
EMC Roof Replacement and Break Room Remodel				\$ 8,300,000	\$ 8,300,000
<b>21 - Field and Runways</b>					
Taxiway T Centerline Lights			\$ 700,000		\$ 700,000
<b>31 - Parking</b>					
Orange Ramp Metal Panel Replacement			\$ 500,000		\$ 500,000
Parking Ramp Railing Refinishing			\$ 1,000,000		\$ 1,000,000
<b>36 - Terminal 2</b>					
Terminal 2 Employee Breakroom				\$ 350,000	\$ 350,000
Terminal 2 Rentable Space Buildout				\$ 700,000	\$ 700,000
<b>63 - Police</b>					
Perimeter Gate Security Improvements	\$ 1,875,000	\$ 5,625,000			\$ 7,500,000
Terminal 1 APD Locker Room Expansion				\$ 1,200,000	\$ 1,200,000
<b>66 - Fire</b>					
Campus Fire Protection				\$ 2,800,000	\$ 2,800,000
<b>70 - General Office</b>					
General Office Building Improvements			\$ 500,000		\$ 500,000
<b>MSP MAINTENANCE/FACILITY UPGRADES SUBTOTAL</b>	<b>\$ 1,875,000</b>	<b>\$ 5,625,000</b>	<b>\$ 11,600,000</b>	<b>\$ 17,865,000</b>	<b>\$ 36,965,000</b>
<b>MSP ONGOING MAINTENANCE PROGRAMS</b>					
<b>10 - Terminal 1</b>					
Air Handling Unit Replacement			\$ 6,500,000		\$ 6,500,000
Baggage System Upgrades				\$ 500,000	\$ 500,000
Concourse G Rehabilitation			\$ 4,000,000		\$ 4,000,000
Conveyance System Upgrades				\$ 3,000,000	\$ 3,000,000
Electrical Infrastructure Program			\$ 2,000,000		\$ 2,000,000
Electrical Substation Replacement			\$ 1,400,000		\$ 1,400,000
Plumbing Infrastructure Upgrade Program				\$ 600,000	\$ 600,000
Terminal Building Remediation Program			\$ 2,000,000		\$ 2,000,000
Terminal Miscellaneous Modifications				\$ 2,400,000	\$ 2,400,000
<b>13 - Energy Management Center</b>					
EMC Plant Upgrades				\$ 1,500,000	\$ 1,500,000
<b>21 - Field and Runways</b>					
Airside Electrical Construction			\$ 4,000,000		\$ 4,000,000
Airside Roadway Pavement Restoration			\$ 1,200,000		\$ 1,200,000
Glycol Tank Repairs				\$ 800,000	\$ 800,000
Miscellaneous Airfield Construction			\$ 3,500,000		\$ 3,500,000
Pavement Joint Sealing/Repair				\$ 800,000	\$ 800,000

## 2022 Capital Improvement Funding Sources

Projects	PFCs	Federal/State Grants	Line of Credit/GARBs	MAC/Airline Funds	Total Funding
<b>MSP ONGOING MAINTENANCE PROGRAMS CONTINUED</b>					
<b>26 - Terminal Roads/Landside</b>					
Tunnel/Bridge Rehabilitation				\$ 100,000	\$ 100,000
<b>31 - Parking</b>					
Parking Structure Rehabilitation			\$ 3,000,000		\$ 3,000,000
<b>39 - Public Areas/Roads</b>					
Concrete Joint Repair				\$ 400,000	\$ 400,000
Landside Pavement Rehabilitation				\$ 500,000	\$ 500,000
Landside Utility Rehabilitation				\$ 750,000	\$ 750,000
Roadway Fixture Refurbishment				\$ 150,000	\$ 150,000
<b>46 - Hangars &amp; Other Buildings</b>					
Campus Building Rehab Program				\$ 500,000	\$ 500,000
MSP Campus Building Roof Replacements				\$ 1,300,000	\$ 1,300,000
<b>MSP ONGOING MAINTENANCE SUBTOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 27,600,000</b>	<b>\$ 13,300,000</b>	<b>\$ 40,900,000</b>
<b>MSP NOISE MITIGATION PROJECTS</b>					
<b>76 - Environment</b>					
Noise Mitigation Consent Decree Amendment				\$ 1,000,000	\$ 1,000,000
<b>MSP NOISE MITIGATION SUBTOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>
<b>MSP TENANT PROJECTS</b>					
<b>10 - Terminal 1</b>					
Concession Upgrades/Revenue Development				\$ 100,000	\$ 100,000
Terminal 1 Pre-Conditioned Air				\$ 2,000,000	\$ 2,000,000
<b>MSP TENANT SUBTOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,100,000</b>	<b>\$ 2,100,000</b>
<b>RELIEVER AIRPORTS LONG TERM COMPREHENSIVE PLAN PROJECTS</b>					
<b>82 - Lake Elmo</b>					
Runway 14-32 Replacement		\$ 2,975,000		\$ 525,000	\$ 3,500,000
<b>84 - Flying Cloud</b>					
Airport Layout Plan		\$ 150,000		\$ 150,000	\$ 300,000
<b>86 - Anoka County - Blaine</b>					
Airport Layout Plan		\$ 200,000		\$ 200,000	\$ 400,000
<b>RELIEVER AIRPORTS LONG TERM COMPREHENSIVE PLAN SUBTOTAL</b>	<b>\$ -</b>	<b>\$ 3,325,000</b>	<b>\$ -</b>	<b>\$ 875,000</b>	<b>\$ 4,200,000</b>
<b>RELIEVER AIRPORTS MAINTENANCE/FACILITY UPGRADE PROJECTS</b>					
<b>80 - Reliever Miscellaneous</b>					
Reliever Building Miscellaneous Modifications				\$ 400,000	\$ 400,000
Reliever Pavement Rehabilitation Miscellaneous Modifications				\$ 300,000	\$ 300,000
<b>83 - Airlake</b>					
South Building Area Sewer and Water Expansion				\$ 200,000	\$ 200,000
<b>85 - Crystal</b>					
Taxilane Pavement Rehabilitation				\$ 550,000	\$ 550,000
<b>RELIEVER AIRPORTS MAINTENANCE/FACILITY UPGRADE SUBTOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,450,000</b>	<b>\$ 1,450,000</b>
<b>MSP SUBTOTAL</b>	<b>\$ 78,425,000</b>	<b>\$ 42,225,000</b>	<b>\$ 53,500,000</b>	<b>\$ 50,865,000</b>	<b>\$ 225,015,000</b>
<b>RELIEVER SUBTOTAL</b>	<b>\$ -</b>	<b>\$ 3,325,000</b>	<b>\$ -</b>	<b>\$ 2,325,000</b>	<b>\$ 5,650,000</b>
<b>TOTAL</b>	<b>\$ 78,425,000</b>	<b>\$ 45,550,000</b>	<b>\$ 53,500,000</b>	<b>\$ 53,190,000</b>	<b>\$ 230,665,000</b>



**St. Paul Downtown Airport Tenants Continue Improvements to Traveler Amenities**



**2023-2027 Capital Improvement Plan**

This encompasses the last five years of the total program and consists of projects that appear likely to be needed during the period.

2023-2027 Capital Improvement Funding Sources						
	PFCs	Federal/State Grants	Line of Credit/GARBs	Unfunded	MAC/Airline Funds	Total
<b>MSP END OF LIFE/REPLACEMENT PROJECTS</b>						
<b>10 - Terminal 1</b>						
Concourse and Hub Tram Replacement				\$ 600,000,000	\$ 500,000	\$ 600,500,000
Passenger Boarding Bridge Replacements	\$ 12,500,000	\$ 7,500,000				\$ 20,000,000
Recarpeting Program					\$ 21,000,000	\$ 21,000,000
<b>13 - Energy Management Center</b>						
Concourses E and F Bridge Heating and Cooling System Replacement					\$ 5,700,000	\$ 5,700,000
Ground Transportation Center Dual-Temperature Pump Improvements					\$ 1,800,000	\$ 1,800,000
Variable Air Volume Box Replacement					\$ 2,250,000	\$ 2,250,000
<b>21 - Field and Runways</b>						
30L Engineered Material Arresting System Replacement	\$ 4,750,000	\$ 14,250,000				\$ 19,000,000
Airfield Snow Melter Replacement/Upgrades	\$ -		\$ 3,600,000		\$ 5,600,000	\$ 9,200,000
Bituminous Shoulder Reconstruction	\$ 9,800,000	\$ 25,200,000				\$ 35,000,000
Concourse G Apron Pavement Reconstruction	\$ 7,025,000	\$ 15,975,000				\$ 23,000,000
Taxiway A Pavement Reconstruction	\$ 4,000,000	\$ 12,000,000				\$ 16,000,000
Taxiway B Pavement Reconstruction	\$ 4,000,000	\$ 9,000,000				\$ 13,000,000
<b>26 - Terminal Roads/Landside</b>						
Lower Level Roadway Rehabilitation					\$ 1,100,000	\$ 1,100,000
United Parcel Service Loop Pavement Reconstruction					\$ 1,600,000	\$ 1,600,000
Upper Level Roadway Electrical System Rehabilitation					\$ 1,000,000	\$ 1,000,000
Upper Level Roadway Rehabilitation					\$ 2,000,000	\$ 2,000,000
Variable Message Signs Replacement, Phase 3					\$ 1,600,000	\$ 1,600,000
<b>31 - Parking</b>						
Parking Ramp Snow Melter Replacement/Upgrades			\$ 1,350,000		\$ 1,350,000	\$ 2,700,000
<b>36 - Terminal 2</b>						
Recarpeting Program					\$ 1,500,000	\$ 1,500,000
<b>39 - Public Areas/Roads</b>						
28th Avenue South Reconstruction					\$ 2,270,000	\$ 2,270,000
East 62nd Street Reconstruction					\$ 3,500,000	\$ 3,500,000
<b>MSP END OF LIFE/REPLACEMENT SUBTOTAL</b>	<b>\$ 42,075,000</b>	<b>\$ 83,925,000</b>	<b>\$ 4,950,000</b>	<b>\$ 600,000,000</b>	<b>\$ 52,770,000</b>	<b>\$ 783,720,000</b>
<b>MSP IT PROJECTS</b>						
<b>10 - Terminal 1</b>						
Concourse C and G Digital Directory Replacement					\$ 200,000	\$ 200,000
Fire Alarm System Transition					\$ 1,500,000	\$ 1,500,000
MAC Technology Upgrades					\$ 50,000,000	\$ 50,000,000
Telecom Room Equipment Continuity					\$ 1,500,000	\$ 1,500,000
<b>63 - Police</b>						
Card Access Modifications	\$ 1,500,000					\$ 1,500,000
Radio Distributed Antenna System Coverage Deficiency Resolution					\$ 2,000,000	\$ 2,000,000
<b>66 - Fire</b>						
Fire Alarm System Transition					\$ 5,400,000	\$ 5,400,000
<b>MSP IT SUBTOTAL</b>	<b>\$ 1,500,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 60,600,000</b>	<b>\$ 62,100,000</b>
<b>MSP LONG TERM COMPREHENSIVE PLAN PROJECTS</b>						
<b>10 - Terminal 1</b>						
Baggage Claim/Ticket Lobby Operational Improvements	\$ 41,900,000		\$ 18,000,000			\$ 59,900,000
Checkpoint Expansion	\$ 11,000,000					\$ 11,000,000
D-Pod Outbound Baggage System	\$ 5,000,000					\$ 5,000,000
Expand and Remodel International Arrivals Facility			\$ 5,000,000			\$ 5,000,000
Unstaffed Exit Lanes					\$ 2,500,000	\$ 2,500,000
<b>21 - Field and Runways</b>						
Runway 30R Parallel Taxiway	\$ 9,000,000					\$ 36,000,000
<b>36 - Terminal 2</b>						
Terminal 2 North Gate Expansion			\$ 100,000,000			\$ 100,000,000
<b>MSP LONG TERM COMPREHENSIVE PLAN SUBTOTAL</b>	<b>\$ 66,900,000</b>	<b>\$ 27,000,000</b>	<b>\$ 123,000,000</b>	<b>\$ -</b>	<b>\$ 2,500,000</b>	<b>\$ 219,400,000</b>

2023-2027 Capital Improvement Funding Sources						
	PFCs	Federal/State Grants	Line of Credit/GARBs	Unfunded	MAC/Airline Funds	Total
<b>MSP MAINTENANCE/FACILITY UPGRADE PROJECTS</b>						
<b>10 - Terminal 1</b>						
ADO Office Expansion					\$ 4,000,000	\$ 4,000,000
Art Display Areas					\$ 450,000	\$ 450,000
Arts Master Plan					\$ 4,190,000	\$ 4,190,000
Concourse G Moving Walks			\$ 6,000,000			\$ 6,000,000
Delivery Node Redevelopment					\$ 19,770,000	\$ 19,770,000
Folded Plate Repairs	\$ 12,400,000				\$ 5,400,000	\$ 17,800,000
Lighting Infrastructure Technology and Equipment					\$ 7,250,000	\$ 7,250,000
Public Walk Aisle Terrazzo Floor Installation					\$ 4,500,000	\$ 4,500,000
Restroom Upgrade Program	\$ 8,000,000		\$ 2,000,000			\$ 10,000,000
Terminal 1 Mechanical Room C-1043			\$ 9,600,000			\$ 9,600,000
Terminal 1 Public Walk Aisle Terrazzo Floor Installation					\$ 13,300,000	\$ 13,300,000
Terminal 1 Tug Drive Heater Replacement					\$ 900,000	\$ 900,000
Way-Finding Sign Backlighting Replacement					\$ 1,600,000	\$ 1,600,000
<b>13 - Energy Management Center</b>						
Chiller Plant Optimization					\$ 3,000,000	\$ 3,000,000
Energy Savings Program					\$ 6,000,000	\$ 6,000,000
MAC Automation Infrastructure Program			\$ 8,000,000		\$ 2,000,000	\$ 10,000,000
Material Storage Building - Boiler Room Addition					\$ 1,800,000	\$ 1,800,000
Victaulic Piping Replacement			\$ 2,000,000		\$ 2,000,000	\$ 4,000,000
<b>21 - Field and Runway</b>						
Apron Lighting LED Upgrade	\$ 1,000,000	\$ 6,750,000	\$ 2,000,000		\$ 250,000	\$ 10,000,000
Runway LED Lighting Upgrade		\$ 2,875,000	\$ 1,925,000		\$ 1,100,000	\$ 5,900,000
Terminal 2 Glycol Lift Station/Forcemain			\$ 1,100,000			\$ 1,100,000
Tunnel Lighting LED Upgrade	\$ 325,000	\$ 2,550,000	\$ 275,000		\$ 250,000	\$ 3,400,000
<b>31 - Parking</b>						
Parking Guidance System			\$ 6,500,000			\$ 6,500,000
Parking Ramp Railing Refinishing			\$ 1,000,000		\$ 1,000,000	\$ 2,000,000
<b>36 - Terminal 2</b>						
Gate/Desk Podium Replacement					\$ 450,000	\$ 450,000
Terminal 2 Gate Area Passenger Amenities					\$ 1,000,000	\$ 1,000,000
Terminal 2 Ground Transportation Waiting Area Expansion					\$ 400,000	\$ 400,000
Terminal 2 MUFIDS/EVIDS Millwork Upgrades					\$ 350,000	\$ 350,000
Terminal 2 Skyway to Light Rail Transit Flooring Installation					\$ 800,000	\$ 800,000
<b>MSP MAINTENANCE/FACILITY UPGRADE PROJECTS CONTINUED</b>						
<b>39 - Public Areas/Roads</b>						
34th Avenue Traffic Control Improvements					\$ 200,000	\$ 200,000
Diverging Diamond Intersection Rehabilitation					\$ 340,000	\$ 340,000
Terminal 1 Ground Transportation Modifications					\$ 750,000	\$ 750,000
Terminal 1 Inbound Roadway Median Improvements					\$ 3,000,000	\$ 3,000,000
Tunnel Fan Replacement			\$ 4,700,000		\$ 6,800,000	\$ 11,500,000
<b>46 - Hangars and Other Buildings</b>						
MAC Storage Facility			\$ 10,000,000			\$ 10,000,000
Safety and Security Center	\$ 10,000,000		\$ 90,600,000			\$ 100,600,000
<b>56 - Trades/Maintenance Buildings</b>						
South Field Maintenance Building Wash Bay			\$ 3,500,000			\$ 3,500,000
<b>63 - Police</b>						
Perimeter Fence Intrusion Detection System	\$ 1,000,000					\$ 1,000,000
Perimeter Gate Security Improvements	\$ 3,250,000	\$ 9,750,000				\$ 13,000,000
Public Safety Modifications	\$ 2,000,000					\$ 2,000,000
<b>66 - Fire</b>						
Campus Fire Protection					\$ 5,800,000	\$ 5,800,000
<b>76 - Environment</b>						
Glycol Sewer & Storm Sewer Inspection/Rehabilitation					\$ 1,900,000	\$ 1,900,000
Ground Service Equipment Electrical Charging Stations					\$ 3,000,000	\$ 3,000,000
Lift Station at Ponds 1 and 2					\$ 1,400,000	\$ 1,400,000
Runway 12R-30L Glycol Forcemain Environmental Improvements			\$ 2,000,000			\$ 2,000,000
Terminal 2 Remote Ramp Lot/Drainage Improvements			\$ 2,000,000			\$ 2,000,000
<b>MSP MAINTENANCE/FACILITY UPGRADES SUBTOTAL</b>	<b>\$ 37,975,000</b>	<b>\$ 21,925,000</b>	<b>\$ 153,200,000</b>	<b>\$ -</b>	<b>\$ 104,950,000</b>	<b>\$ 318,050,000</b>

## 2023-2027 Capital Improvement Funding Sources

	PFCs	Federal/State Grants	Line of Credit/GARBs	Unfunded	MAC/Airline Funds	Total
<b>MSP ONGOING MAINTENANCE PROGRAMS</b>						
<b>10 - Terminal 1</b>						
Air Handling Unit Replacement			\$ 13,000,000		\$ 16,000,000	\$ 29,000,000
Baggage System Upgrades					\$ 2,500,000	\$ 2,500,000
Concourse G Rehabilitation			\$ 10,000,000		\$ 15,000,000	\$ 25,000,000
Conveyance System Upgrades					\$ 3,000,000	\$ 3,000,000
Electrical Infrastructure Program					\$ 10,000,000	\$ 10,000,000
Electrical Substation Replacement			\$ 2,800,000		\$ 2,400,000	\$ 5,200,000
Emergency Power Upgrades					\$ 10,000,000	\$ 10,000,000
Plumbing Infrastructure Upgrade Program					\$ 3,400,000	\$ 3,400,000
Terminal Building Remediation Program			\$ 6,000,000		\$ 9,000,000	\$ 15,000,000
Terminal Miscellaneous Modifications					\$ 12,500,000	\$ 12,500,000
<b>13 - Energy Management Center</b>						
EMC Plant Upgrades					\$ 2,800,000	\$ 2,800,000
<b>21 - Field and Runways</b>						
Airside Electrical Construction			\$ 7,300,000			\$ 7,300,000
Airside Roadway Pavement Restoration			\$ 3,600,000		\$ 2,400,000	\$ 6,000,000
Miscellaneous Airfield Construction			\$ 4,000,000			\$ 4,000,000
Pavement Joint Sealing/Repair					\$ 4,000,000	\$ 4,000,000
<b>26 - Terminal Roads/Landside</b>						
Tunnel Approaches Reconstruction					\$ 2,370,000	\$ 2,370,000
Tunnel/Bridge Rehabilitation					\$ 540,000	\$ 540,000
<b>31 - Parking</b>						
Parking Structure Rehabilitation			\$ 6,000,000		\$ 9,000,000	\$ 15,000,000
<b>39 - Public Areas/Roads</b>						
34th Ave Sanitary Sewer Replacement					\$ 2,200,000	\$ 2,200,000
34th Avenue Bus Area Reconstruction					\$ 700,000	\$ 700,000
34th Avenue Reconstruction					\$ 14,000,000	\$ 14,000,000
Concrete Joint Repair					\$ 3,800,000	\$ 3,800,000
Landside Pavement Rehabilitation					\$ 2,000,000	\$ 2,000,000
Landside Utility Rehabilitation					\$ 3,000,000	\$ 3,000,000
Roadway Fixture Refurbishment					\$ 300,000	\$ 300,000
<b>46 - Hangars &amp; Other Buildings</b>						
Campus Building Rehabilitation Program					\$ 6,000,000	\$ 6,000,000
Campus Parking Lot Reconstructions					\$ 1,300,000	\$ 1,300,000
End of Life Campus Building Demolition					\$ 4,100,000	\$ 4,100,000
MSP Campus Building Roof Replacements					\$ 6,900,000	\$ 6,900,000
<b>MSP ONGOING MAINTENANCE SUBTOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 52,700,000</b>	<b>\$ -</b>	<b>\$ 149,210,000</b>	<b>\$ 201,910,000</b>
<b>MSP NOISE MITIGATION PROJECTS</b>						
			0	0	0	
<b>76 - Environment</b>						
Noise Mitigation Consent Decree Amendment					\$ 2,000,000	\$ 2,000,000
<b>MSP NOISE MITIGATION SUBTOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>
<b>MSP TENANT PROJECTS</b>						
<b>10 - Terminal 1</b>						
Concessions Upgrades/Revenue Development					\$ 900,000	\$ 900,000
Terminal 1 Pre-Conditioned Air					\$ 2,000,000	\$ 2,000,000
United Club Elevator and Concourse Improvements					\$ 200,000	\$ 200,000
<b>46 - Hangars &amp; Other Buildings</b>						
Ground Service Equipment Maintenance Facility					\$ 200,000	\$ 200,000
<b>MSP TENANT SUBTOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,300,000</b>	<b>\$ 3,300,000</b>
<b>RELIEVER AIRPORTS LONG TERM COMPREHENSIVE PLAN PROJECTS</b>						
<b>81 - St. Paul</b>						
Airport Layout Plan		\$ 200,000			\$ 200,000	\$ 400,000
<b>82 - Lake Elmo</b>						
Long Term Comprehensive Plan					\$ 100,000	\$ 100,000
<b>83 - Airlake</b>						
Long Term Comprehensive Plan					\$ 100,000	\$ 100,000
Runway 12-30 Improvements		\$ 2,500,000			\$ 1,000,000	\$ 3,500,000

## 2023-2027 Capital Improvement Funding Sources

	PFCs	Federal/State Grants	Line of Credit/GARBs	Unfunded	MAC/Airline Funds	Total
<b>RELIEVER AIRPORTS LONG TERM COMPREHENSIVE PLAN PROJECTS CONTINUED</b>						
<b>84 - Flying Cloud</b>						
Purchase and Demolition of Hangars					\$ 1,300,000	\$ 1,300,000
South Building Area Utilities					\$ 600,000	\$ 600,000
<b>85 - Crystal</b>						
Long Term Comprehensive Plan					\$ 100,000	\$ 100,000
<b>86 - Anoka County - Blaine</b>						
Building Area Development - Xylite Street Relocation					\$ 1,000,000	\$ 1,000,000
<b>RELIEVER AIRPORTS LONG TERM COMPREHENSIVE PLAN SUBTOTAL</b>						
	\$ -	\$ 2,700,000	\$ -	\$ -	\$ 4,400,000	\$ 7,100,000
<b>RELIEVER AIRPORTS MAINTENANCE/FACILITY UPGRADE PROJECTS</b>						
<b>80 - Reliever Miscellaneous</b>						
Reliever Building Miscellaneous Modifications					\$ 2,000,000	\$ 2,000,000
Reliever Obstruction Removal					\$ 900,000	\$ 900,000
Reliever Pavement Rehabilitation Miscellaneous Modifications					\$ 1,500,000	\$ 1,500,000
<b>81 - St. Paul</b>						
<b>0</b>						
Airport Perimeter Roads					\$ 500,000	\$ 500,000
Cold Equipment Storage Building					\$ 750,000	\$ 750,000
Custom & Border Protection General Aviation Facility					\$ 2,000,000	\$ 2,000,000
Intelligent Monitoring and Control System Expansion					\$ 2,250,000	\$ 2,250,000
LED Edge Lighting Upgrades		\$ 1,425,000			\$ 575,000	\$ 2,000,000
MAC Building Improvements					\$ 600,000	\$ 600,000
Pavement Rehabilitation-Taxilanes/Tower Road					\$ 500,000	\$ 500,000
Runway 13-31 Pavement Reconstruction					\$ 5,000,000	\$ 5,000,000
Runway 14-32 EMAS Replacement		\$ 8,000,000			\$ 2,000,000	\$ 10,000,000
Runway 14-32 Reconstruction		\$ 7,200,000			\$ 2,800,000	\$ 10,000,000
Storm Sewer Improvements					\$ 1,500,000	\$ 1,500,000
Taxiway B Rehabilitation		\$ 575,000			\$ 225,000	\$ 800,000
Taxiway Lima Rehabilitation					\$ 200,000	\$ 200,000
<b>82 - Lake Elmo</b>						
Intelligent Monitoring and Control System					\$ 1,150,000	\$ 1,150,000
Material Storage Building					\$ 500,000	\$ 500,000
North Building Area Pavement Rehabilitation					\$ 900,000	\$ 900,000
North Service Roads Rehabilitation					\$ 500,000	\$ 500,000
Northside Taxiway Reconstruction					\$ 600,000	\$ 600,000
Runway 04-22 Pavement Rehabilitation		\$ 2,875,000			\$ 1,125,000	\$ 4,000,000
<b>83 - Airlake</b>						
Existing Runway 12-30 Reconstruction		\$ 2,500,000			\$ 1,000,000	\$ 3,500,000
Intelligent Monitoring and Control System					\$ 1,150,000	\$ 1,150,000
LED Edge Lighting		\$ 125,000			\$ 75,000	\$ 200,000
North Service Road Pavement Rehabilitation					\$ 400,000	\$ 400,000
North Taxilanes Pavement Rehabilitation					\$ 1,000,000	\$ 1,000,000
South Building Area Utilities and Taxilanes					\$ 1,300,000	\$ 1,300,000
<b>84 - Flying Cloud</b>						
Airport Access Roads and Tango Lane		\$ 350,000			\$ 150,000	\$ 500,000
Electrical Vault Modifications					\$ 500,000	\$ 500,000
Gate Replacements					\$ 500,000	\$ 500,000
Intelligent Monitoring and Control System					\$ 2,250,000	\$ 2,250,000
MAC Building Improvements					\$ 600,000	\$ 600,000
Runway 10R-28L Pavement Rehabilitation		\$ 1,600,000			\$ 700,000	\$ 2,300,000
Underground Fuel Storage Tank Replacement					\$ 400,000	\$ 400,000



**The Arts @ MSP Program Made Masks for the Terminal 1 Snoopy Statues**

2023-2027 Capital Improvement Funding Sources						
	PFCs	Federal/State Grants	Line of Credit/GARBs	Unfunded	MAC/Airline Funds	Total
<b>RELIEVER AIRPORTS MAINTENANCE/FACILITY UPGRADE PROJECTS CONTINUED</b>						
<b>85 - Crystal</b>						
Existing Hangar Revitalization					\$ 800,000	\$ 800,000
Intelligent Monitoring and Control System					\$ 1,150,000	\$ 1,150,000
LED Edge Lighting Upgrade		\$ 225,000			\$ 175,000	\$ 400,000
Obstruction Removal					\$ 300,000	\$ 300,000
Runway 6L-24R Pavement Rehabilitation		\$ 1,500,000			\$ 500,000	\$ 2,000,000
Service Roads					\$ 1,200,000	\$ 1,200,000
Taxilanes Pavement Rehabilitation		\$ 400,000			\$ 1,550,000	\$ 1,950,000
Underground Fuel Storage Tank Replacement					\$ 400,000	\$ 400,000
<b>86 - Anoka County - Blaine</b>						
Electrical Vault Improvements					\$ 750,000	\$ 750,000
Intelligent Monitoring and Control System					\$ 1,150,000	\$ 1,150,000
Runway 18-36 Pavement Rehabilitation		\$ 1,875,000			\$ 625,000	\$ 2,500,000
Taxiway A Pavement Rehabilitation and Edge Lights		\$ 1,080,000			\$ 720,000	\$ 1,800,000
Underground Fuel Storage Tank Replacement					\$ 400,000	\$ 400,000
West Perimeter Road		\$ 900,000			\$ 600,000	\$ 1,500,000
<b>RELIEVER AIRPORTS MAINTENANCE/FACILITY UPGRADE SUBTOTAL</b>	<b>\$ -</b>	<b>\$ 30,630,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 48,420,000</b>	<b>\$ 79,050,000</b>
<b>MSP SUBTOTAL</b>	<b>\$ 148,450,000</b>	<b>\$ 132,850,000</b>	<b>\$ 333,850,000</b>	<b>\$ 600,000,000</b>	<b>\$ 375,330,000</b>	<b>\$ 1,590,480,000</b>
<b>RELIEVER SUBTOTAL</b>	<b>\$ -</b>	<b>\$ 33,330,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 52,820,000</b>	<b>\$ 86,150,000</b>
<b>TOTAL</b>	<b>\$ 148,450,000</b>	<b>\$ 166,180,000</b>	<b>\$ 333,850,000</b>	<b>\$ 600,000,000</b>	<b>\$ 428,150,000</b>	<b>\$ 1,676,630,000</b>

**Sources and Uses of Funds**

From December 31, 2018 through December 31, 2023, the MAC has identified multiple funding sources totaling \$1.1 billion, in addition to a beginning balance of \$559.0 million in funds. During this period, the MAC will expend \$1.4 billion, leaving a net balance of \$271.2 million at the end of 2023. This balance represents a portion of the 2021, 2022 and 2023 CIP projects that were started but not completed by December 31, 2023 and PFCs to pay future debt service.

The Construction Fund Budget below represents anticipated sources and uses of funds during the years 2019-2023. The information for 2020 estimate includes expected transactions during the fourth quarter.

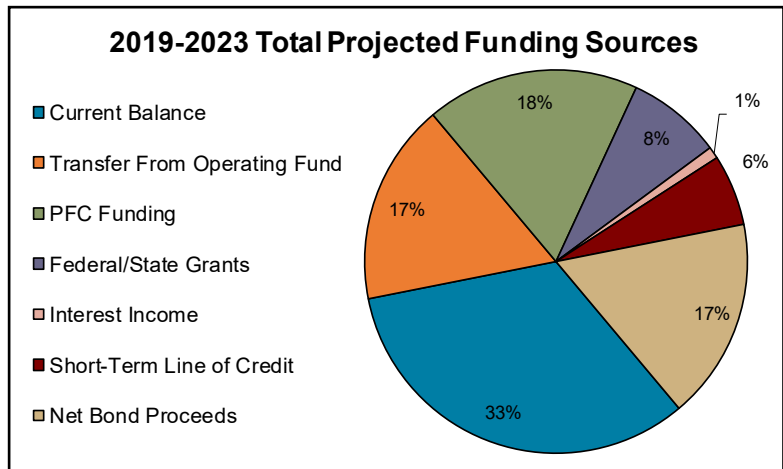
2021 CONSTRUCTION FUND BUDGET (\$ = 000)							
	2019 Actual	2020 Budget	2020 Estimate	2021 Budget	2022 Projected	2023 Projected	Total Projected
<b>Sources of Funds</b>							
Balance 12/31/18	\$ 558,957						\$ 558,957
Balance Carried Forward January 1		\$ 565,730	\$ 566,845	\$ 347,123	\$ 312,861	\$ 336,188	
Transfer From Operating Fund	76,478	69,700	77,798	23,533	50,886	56,209	284,904
PFC Funding	77,430	77,529	28,669	53,298	64,871	72,502	296,770
Federal/State Grants	7,301	60,820	17,588	41,320	45,550	20,780	132,539
Interest Income <sup>1</sup>	11,989	8,050	3,839	2,400	1,100	450	19,778
Short-Term Line of Credit	-	39,800	11	58,000	20,000	24,500	102,511
Principal Amount of Bonds/Notes	176,358	-	476	-	100,000	-	276,834
Other Receipts	-	-	-	-	-	-	-
<b>Total Sources of Funds</b>	<b>\$ 349,556</b>	<b>\$ 255,899</b>	<b>\$ 128,381</b>	<b>\$ 178,551</b>	<b>\$ 282,407</b>	<b>\$ 174,441</b>	<b>\$ 1,113,336</b>
<b>Uses of Funds</b>							
CIP Project Costs	\$ (315,179)	(288,713)	(320,317)	(185,070)	(230,665)	(211,000)	(1,262,231)
Debt Service PFC Transfer	(26,489)	(27,786)	(27,786)	(27,743)	(28,415)	(28,423)	(138,856)
<b>Total Uses of Funds</b>	<b>\$ (341,668)</b>	<b>\$ (316,499)</b>	<b>\$ (348,103)</b>	<b>\$ (212,813)</b>	<b>\$ (259,080)</b>	<b>\$ (239,423)</b>	<b>\$ (1,401,087)</b>
Ending Balance December 31	\$ 566,845	\$ 505,130	\$ 347,123	\$ 312,861	\$ 336,188	\$ 271,206	\$ 271,206

<sup>1</sup> Interest Rate Assumed .5%-2.0% for the period 2021 through 2023.

Excluding the current balance, the pie chart shown here illustrates that transfers from the Operating Fund, bond proceeds and funds from PFCs are the main funding sources for 2019-2023 construction projects.

**Sources of Funds**

At the end of each year, the Operating Fund transfer is made after debt service and working capital obligations are funded. The 2021 budget includes a \$26.5 million transfer, based on estimated net revenues. The decrease from the 2020 estimate is a result of the ongoing COVID-



19 pandemic, which drives an expected reduction in 2021 net revenues. In 2022 and 2023, incremental revenue growth during the pandemic recovery is expected to lead to increases in the Operating Fund transfer. The balance to be transferred for the 2019-2023 period is estimated at \$284.9 million or 17% of all funding sources.

Application Number	Amended Approval Amount (\$=000)	Collection as of 12/31/2020 (\$=000)	Status
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	759,735	544,562	Open
7	14,479	14,479	Open
8	147,986	97,225	Open
9	8,659	8,659	Closed
10	80,577	80,577	Closed
11	52,722	52,722	Closed
12	55,423	55,423	Closed
13	65,212	26,109	Open
14	126,557	125,226	Open
15	\$ 334,177	\$ 186,235	Open
	<b>\$ 2,075,669</b>	<b>\$ 1,621,359</b>	

**Passenger Facility Charges**

PFCs provide a significant funding source of \$296.8 million or 18% of total funding. Congress authorized PFCs to allow the MAC and other commercial service airport proprietors to impose a charge on each passenger enplaned at their airport. Essential Air Service Flights and Frequent Flyers are exempt from this charge. PFCs were authorized 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. PFCs were originally authorized at \$1, \$2 or \$3 per passenger. In 2001, the maximum charge was increased to \$4.50. The MAC's first application began collecting PFCs on June 1, 1992.

Including this first application, the MAC has received approval from the FAA for 15 separate applications. The accompanying table shows the status of all applications.

Before any approval or consideration could be given to these applications and amendments, the FAA needed to approve a Competition Plan filed by the MAC. This plan was also required by Congress in 2000, when it authorized proprietors of commercial service airports with approved

plans to increase their PFCs to a maximum of \$4.50. Approval from the FAA regarding the original Competition Plan was received on November 21, 2000, with approval to increase the PFC level to \$4.50 received in January 2001. An updated Competition Plan was submitted in September 2016 and approved in 2017.

**Federal and State Grants**

Federal Grants are funds which are used for FAA-approved projects. These include field, runways and certain terminal building security projects at the MAC's airports. Criteria must be met when an application for a project is submitted to the FAA. Grant money may be issued if criteria are met. State Grants follow a similar application to Federal Grants, while on a much smaller funding scale. Total grants are \$132.5 million or 8% of total funding.

**Interest Income**

Interest Income is based on the balance in the fund. As noted earlier, a 1.5-2.0% rate is assumed for 2021 through 2023. This figure can vary significantly depending upon approval of projects and their starting dates. Interest Income of \$19.8 million or 1% of sources is projected.

**Short-Term Line of Credit**

In 2017, the MAC increased its short-term line of credit from \$75 million to \$150 million. In 2020, the line of credit was reduced to \$100 million. The MAC anticipates increasing it back to \$150 million during 2021. Short-term funding allows the MAC to interim fund certain projects until the receipt of grants or PFCs. The MAC also uses short-term funding to interim fund a project until the time it can be replaced with a future long-term debt issue. The MAC expects to issue \$102.5 million from its line of credit from 2019-2023.

**Long-Term Debt**

In 2019, the Commission issued General Airport Revenue Bonds (GARBs), which netted approximately \$176.4 million in construction proceeds. The bond proceeds are expected to be used in the Terminal 1 baggage claim and ticket lobby improvements, the building of a new safety and security center, and a remodeled space on Concourse G. In 2022, the Commission expects to issue GARBs with an anticipated net of approximately \$100 million in construction proceeds. The bond proceeds would be used to fund various projects around MSP with the majority of the work to be done in Terminal 1.

**Uses of Funds**

There are two general categories of Uses of Funds. CIP Project Costs of \$1.3 billion account for 90% of the total. Debt Service PFC Transfer refers to the transfer of PFC funding to pay a portion of PFC projects that have been funded by long-term debt. The \$138.9 million transfer accounts for 10% of the total Uses of Funds.

In addition to actual construction costs, CIP project costs include fees such as those for architectural or engineering services. Projects in process are also included in this figure. 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. This figure is re-estimated annually, as a wide variety of factors can affect the start date of a project.

The table below indicates capital projects currently in process with project costs in excess of \$3 million.

Projects in Process (As of November 30, 2020) (\$ = 000)							
Project Description	Estimated Project Cost	Payments To Date	% Completion	Project Description	Estimated Project Cost	Payments To Date	% Completion
2017 Vertical Circulation Improvement Phase 2	\$40,700	\$39,540	97.1%	Intelligent Monitoring and Control Systems (IMACS)	\$4,500	\$2,848	63.3%
2019 MSP Long Term Comprehensive Plan	\$2,200	\$1,954	88.8%	IT Miscellaneous Modifications	\$16,740	\$7,944	47.5%
2019 Runway 4-22 Taxiway Lighting System	\$3,500	\$2,525	72.1%	iVISON Projects (CCTV) Improvements	\$3,700	\$3,187	86.1%
2019 Taxiway B-Q Centerline Lights	\$6,800	\$5,732	84.3%	Noise Mitigation Consent Decree Amendment	\$36,700	\$28,702	78.2%
2020 Miscellaneous Airfield Construction	\$2,700	\$1,618	59.9%	Parking Structure Rehabilitations	\$5,000	\$4,197	83.9%
2020 Sanitary Sewer Replacement - Taxiway R	\$3,300	\$2,267	68.7%	Passenger Boarding Bridges	\$15,376	\$8,579	55.8%
2020 Taxiway D Reconstruction	\$12,000	\$8,518	71.0%	Public Walk Aisle Terrazzo Floor Installation	\$1,700	\$1,561	91.8%
Air Handling Unit (AHU) Replacement	\$2,500	\$2,200	88.0%	Safety and Security Center	\$36,200	\$4,738	13.1%
Automated Security Lanes	\$3,000	\$1,566	52.2%	South Security Exit and Façade Expansion	\$46,300	\$45,046	97.3%
Baggage Claim-Ticket Lobby Improvements	\$224,150	\$108,351	48.3%	T1 - Silver Parking Ramp	\$427,500	\$387,628	90.7%
Baggage Handling Systems	\$60,000	\$25,455	42.4%	T1-Lindbergh Parking Inbound Road Dynamic Signage	\$2,500	\$2,178	87.1%
Concessions Rebid Programs	\$3,425	\$3,272	95.5%	T1-Lindbergh Parking Ramp Modifications	\$13,800	\$5,306	38.4%
Concourse D HVAC Upgrade	\$2,400	\$2,143	89.3%	Terminal 1 Miscellaneous Modifications	\$3,850	\$2,630	68.3%
Concourse G Delta Skyclub	\$45,000	\$30,769	68.4%	Terminal 1 Redundant Power	\$3,500	\$1,723	49.2%
Concourse G Rehabilitations	\$8,000	\$4,116	51.5%	Terminal Building Remediations	\$3,500	\$2,435	69.6%
Electrical Infrastructures Phases 11, 12	\$3,000	\$2,186	72.9%	Valet Parking Lobby and Restroom Upgrade	\$5,000	\$4,635	92.7%
Inbound Roadway Reconstruction	\$6,500	\$3,087	47.5%	All Other Projects in Process	\$199,858	\$66,619	33.3%
<b>Totals:</b>					<b>\$1,254,899</b>	<b>\$825,255</b>	

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## Debt Service Fund

The acquisition and construction of facilities at the airports operated by the Metropolitan Airports Commission (MAC) have been substantially financed by the issuance of General Obligation Revenue Bonds (GORBs) and Airport Improvement Bonds (all of which have been defeased), General Airport Revenue Bonds (GARBs), Notes Payable and a revolving line of credit. Periodically, the Commission approves the issuance of bonds to refund outstanding bonds for interest savings.

### Debt Service Requirement

GORBs and GARBs are the two forms of long-term indebtedness the Commission has issued in the recent past. 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. With regard to GORBs, the MAC is required by law to maintain Debt Service funds sufficient to bring the balance on hand in the Debt Service Account on October 10th of each year to an amount equal to all principal and interest to become due and payable from there to the end of the second following year. The Commission currently has no outstanding GORBs debt.

In 1998, the Commission began to issue GARBs which are not backed by the Commission's ad valorem taxing power. Additionally, pursuant to the terms of the Master Trust Indenture entered into by the Commission in connection with its issuance of GARBs, the Commission has agreed to collect rates, tolls, fees, 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.

The following is the annual actual debt service funding requirements for the next five years for the GARB issues, excluding future bond issues:

January 1, 2021	\$ 132,205,363
January 1, 2022	\$ 133,481,549
January 1, 2023	\$ 136,464,978
January 1, 2024	\$ 137,467,918
January 1, 2025	\$ 139,063,594

### Long-Term Debt

#### **General Obligation Revenue Bonds and General Airport Revenue Bonds**

If the MAC issues GORBs, they become 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 a legal limit of approximately \$55 million of GORBs.

The Minnesota State Legislature authorized the Commission to issue GARBs in 1996. 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 net 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 net 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.

The projected coverage ratio for 2021 on Senior Debt Obligations is 5.46x. With the optional coverage transfer, this figure is 5.71x. The overall projected coverage ratio is expected to be 1.36x and 1.43x with the optional coverage transfer.

**Notes Payable**

From time to time, the Commission 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. As of December 31, 2020, the Commission has \$44,242,786 notes payable outstanding.

**Revolving Line of Credit**

In 2017, the Commission entered into a \$150 million Revolving Line of Credit to interim fund certain capital improvement projects. The Revolving Line of Credit was amended and restated in 2020 to \$100 million and is projected to again increase to \$150 million in 2021. As of December 31, 2020, the Commission has utilized \$43,936,500 of the line of credit and will have approximately \$55 million remaining on December 31, 2021.

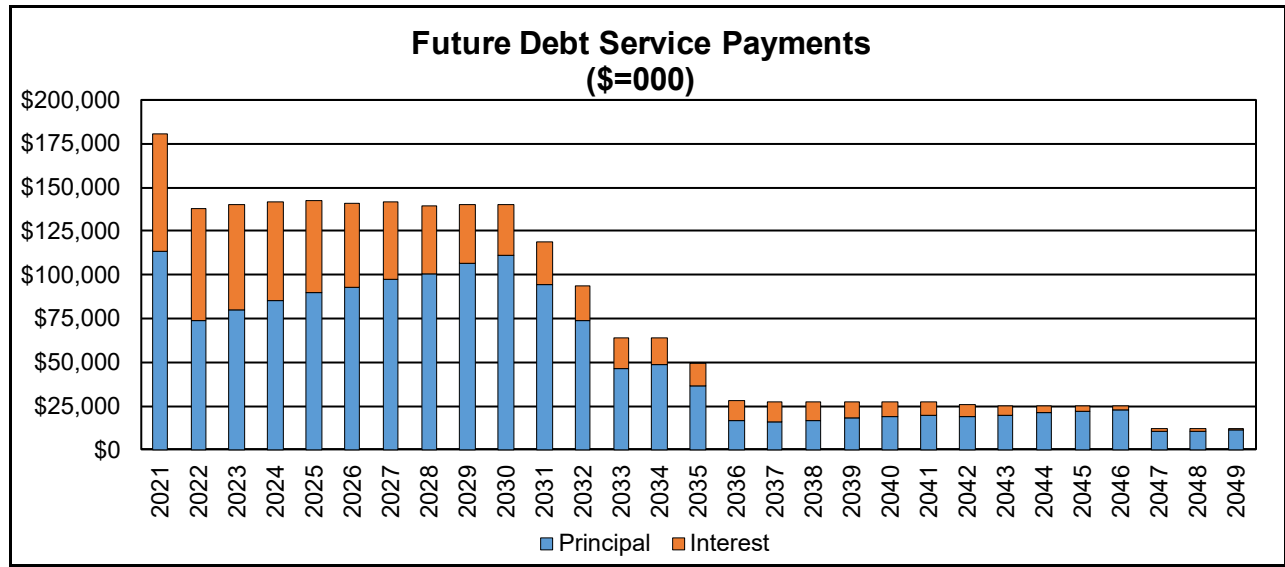
The below table provides summary information for all current long-term debt.

<b>Current Long-Term Debt</b>						
(\$ = 000)	Issue Date	Original Amount	Final Payment Year	Outstanding as of Year End		
				2020	2021	
<b>General Airport Revenue Bonds</b>						
2011 Series A - 3.50-5.00%	11/02/11	52,015	2025	29,115	23,825	
2012 Series B - 5.00%	11/20/12	42,015	2031	42,015	42,015	
2014 Series A - 2.00-5.00%	10/08/14	217,790	2035	202,370	200,905	
2014 Series B - 2.00-5.00%	10/08/14	46,590	2026	27,160	22,870	
2016 Series A - 3.00-5.00%	10/04/16	330,690	2032	330,690	330,690	
2016 Series B - 3.00-5.00%	10/04/16	152,190	2024	108,620	91,640	
2016 Series C - 2.00-5.00%	12/20/16	207,250	2046	199,805	195,860	
2016 Series D - 2.00-5.00%	12/20/16	23,410	2041	21,775	21,165	
2016 Series E - 2.00-5.00%	12/20/16	171,690	2034	154,355	145,435	
2019 Series A - 4.00-5.00%	10/03/19	96,615	2049	96,615	93,590	
2019 Series B - 5.00%	10/03/19	164,320	2049	164,320	146,245	
2019 Series C - 5.00%	10/03/19	31,035	2028	31,035	27,675	
<b>Total General Airport Revenue Bonds</b>				\$1,407,875	\$1,341,915	
<b>Total Bonds Outstanding</b>				\$1,407,875	\$1,341,915	
<b>Notes Payable and Revolving Line of Credit</b>				\$ 88,179	\$ 105,954	
<b>Total Long-Term Debt</b>				\$1,496,054	\$1,447,869	

The following table shows future debt requirements for current long-term debt on an annual calendar year basis after December 31, 2020 for the remaining terms. The table does not take into consideration any future bond issues or notes payable issued after 2020.

<b>Debt Requirements</b>					
<b>(\$ = 000)</b>					
<b>Year</b>	<b>Notes/Line of Credit Principal</b>	<b>GARBs Principal</b>	<b>Total Outstanding Principal</b>	<b>Total All Interest</b>	<b>Principal &amp; Interest</b>
2021	47,797	65,960	113,757	66,806	180,563
2022	3,858	70,350	74,208	63,579	137,787
2023	3,463	76,775	80,238	60,119	140,357
2024	3,603	81,420	85,023	56,419	141,442
2025	3,242	86,940	90,182	52,437	142,619
2026	2,985	89,670	92,655	48,200	140,855
2027	2,580	95,150	97,730	43,745	141,475
2028	2,396	97,945	100,341	39,028	139,369
2029	2,360	103,955	106,315	34,085	140,400
2030	2,124	109,010	111,134	28,878	140,012
2031	2,258	92,320	94,578	23,954	118,532
2032	2,399	71,130	73,529	19,967	93,496
2033	2,547	43,875	46,422	17,183	63,605
2034	2,703	45,955	48,658	15,021	63,679
2035	2,866	33,690	36,556	13,059	49,615
2036	997	15,495	16,492	11,807	28,299
2037	-	16,270	16,270	11,005	27,275
2038	-	17,085	17,085	10,171	27,256
2039	-	17,950	17,950	9,295	27,245
2040	-	18,840	18,840	8,376	27,216
2041	-	19,790	19,790	7,410	27,200
2042	-	19,075	19,075	6,438	25,513
2043	-	20,015	20,015	5,461	25,476
2044	-	21,030	21,030	4,435	25,465
2045	-	22,080	22,080	3,357	25,437
2046	-	23,180	23,180	2,226	25,406
2047	-	10,440	10,440	1,385	11,825
2048	-	10,965	10,965	850	11,815
2049	-	11,515	11,515	288	11,803
	\$ 88,179	\$ 1,407,875	\$ 1,496,054	\$ 664,984	\$ 2,161,037

The following chart shows expected future debt principal and interest:



**Bond Refundings and New Issues**

On October 3, 2019, the Commission issued \$291,970,000 of General Airport Revenue and Revenue Refunding Bonds Series 2019A, 2019B and General Airport Revenue Refunding Bond Series 2019C to refund the General Airport Revenue Bonds Series 2009A, 2009B, 2010A, 2010B, 2010C and 2010D. The Bond Series 2009A and 2009B were called on October 4, 2019 and the Bond Series 2010A, 2010B, 2010C and 2010D were called on January 1, 2020.

As a result of the October 4, 2019 refunding, the Commission reduced its total debt service requirements by \$39,488,600, 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 \$25,282,707.

The Commission, along with its financial advisors, regularly reviews the Commission debt structure to look for refunding candidates provided that they meet a minimum of 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.

As part of the above mentioned bond issue, the Commission also used a portion of the proceeds to repay \$20,650,000 of the revolving line of credit used to fund various Terminal 1 projects and approximately \$176.4 million to fund projects contained in the 2019-2021 Capital Improvement Program.

Some of the projects funded with the 2019 bond proceeds include the following:

*South Security Exit and Facade Expansion*

This project replaces the existing curtain wall system at Terminal 1 with a new system to match the north end of the building, including additional queue area for the South Security Checkpoint. The total cost of this project is \$34.5 million.

*Baggage Claim/Ticket Lobby Operational Improvements*

This is a multi-year project to provide the level of service required for growth of passengers to alleviate congestion in the Terminal 1 arrivals and departures area. The project includes increased baggage carousel frontage, expanded walkways and seating areas, curbside enhancements, increased check-in and security checkpoint areas, as well as an airline check-in facility, ticket offices and Transportation Security Administration space. The estimated total cost is \$192.4 million.

**Safety & Security Center**

The MAC still to construct a building to bring together airport entities that are stakeholders in daily operations, improving collaboration. It will include Airside Operations, the Emergency Communications Center, a dedicated primary Emergency Operations center, consolidated Airport Police Department facilities and a replacement fire station. Due to the COVID-19 financial impact on airport operations the project has been phased over the next several years with the fire station planned in 2021. The bond proceeds were only a portion of the funding for this project and with the project phasing the bond proceeds have been reprioritized to various facility upgrade projects such as the MAC storage facility and parking guidance system. In addition, the proceeds will fund various Field and Runway projects.

**Concourse G Delta Sky Club**

The commission will infill space to improve the gate hold area on Concourse G and construct shell space for Delta’s Sky Club. The project will also make adjustments to concessions spaces as needed for the construction. The estimated cost is \$82.5 million.

The Series 2019A/B Projects are expected to be completed by late 2022. The Capital Improvement Program approved by the Commission in December 2019 for the period 2020-2026 does include funding of projects with a new long-term debt issue. The MAC anticipates a new long-term debt issue in 2022 in the range of \$100 million, primarily for various Terminal 1 projects.

**Bond Ratings**

The Commission has maintained excellent ratings for many years. The MAC is one of the few airport authorities with an AA- rating from Fitch Ratings. Most airports are in the A+ rating category. The Commission’s bond ratings as of December 31, 2020 are as follows:

	<u>Standard &amp; Poors</u>	<u>Fitch Ratings</u>
General Airport Revenue Bonds	A+	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.
- ‘A’ - Strong capacity for a company to meet its financial commitments.

Fitch Ratings also uses a rating system similar to that of Standard & Poors. Ratings from ‘AAA’ to ‘CCC’ may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

The bond rating process is a comprehensive analysis of the MAC’s financial practices and performance. Forecasts of future performance and projected long-term planning practices are also reviewed. The following data are 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

The Statistics & Informative Facts section shows statistics commonly analyzed by the rating agencies.

**Sources and Uses of Funds**

The table below shows sources and uses of funds in the Debt Service Fund. Bonds were refunded in 2019 as part of a new bond issue. Also with the new bond issue, comes increasing principal and interest payments through 2023.

<b>2021 Debt Service Budget</b>						
<b>(\$=000)</b>						
	<b>2019</b>	<b>2020</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b>Actual</b>	<b>Budget</b>	<b>Estimate</b>	<b>Budget</b>	<b>Projected</b>	<b>Projected</b>
Beginning Balance January 1	\$ 228,013	\$ 224,821	\$ 250,450	\$ 260,951	\$ 259,889	\$ 285,651
Source of Funds:						
Transfer from Operating Fund	107,651	98,863	101,432	100,943	100,882	110,758
Transfer from PFCs <sup>1</sup>	26,489	27,786	27,785	27,743	28,414	28,422
Interest Earnings <sup>2</sup>	1,961	2,993	2,353	2,457	2,447	2,429
Bond Proceeds <sup>3</sup>	24,387	-	-	-	27,500	-
<b>Total Sources of Funds</b>	<b>\$ 160,488</b>	<b>\$ 129,642</b>	<b>\$ 131,570</b>	<b>\$ 131,143</b>	<b>\$ 159,243</b>	<b>\$ 141,609</b>
Uses of Funds						
Bond Refundings	\$ (41,168)	\$ -	\$ -	\$ -	\$ -	\$ -
Total Principal/Interest Paid	(96,883)	(110,745)	(121,069)	(132,205)	(133,481)	(136,464)
<b>Total Uses of Funds</b>	<b>\$ (138,051)</b>	<b>\$ (110,745)</b>	<b>\$ (121,069)</b>	<b>\$ (132,205)</b>	<b>\$ (133,481)</b>	<b>\$ (136,464)</b>
Ending Balance December 31	<u>\$ 250,450</u>	<u>\$ 243,718</u>	<u>\$ 260,951</u>	<u>\$ 259,889</u>	<u>\$ 285,651</u>	<u>\$ 290,796</u>

<sup>1</sup> Used to pay existing debt which was formerly paid for with operating funds.  
<sup>2</sup> Interest Rate Assumed 1.0% for the entire period.  
<sup>3</sup> Includes Debt Reserve and Capitalized Interest.

**Sources of Funds**

The transfer from the Operating Fund occurs each October 10th for General Obligation Revenue Bonds (GORBs). The Commission currently has no GORBs outstanding; therefore, there is no funding requirement during 2019-2023. For GARBs, transfers occur in late June and December each year. These transfers will fluctuate due to interest earnings, refundings and new issues.

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) is federal action addressing the crisis created by the COVID-19 pandemic. Provisions of the CARES Act provides grant assistance to airports which reimburses eligible expenses. In 2020, the MAC received a total grant of approximately \$125.9 million and requested reimbursements of approximately \$87 million in CARES Act grants. Part of this grant reimbursed the required debt service payments.

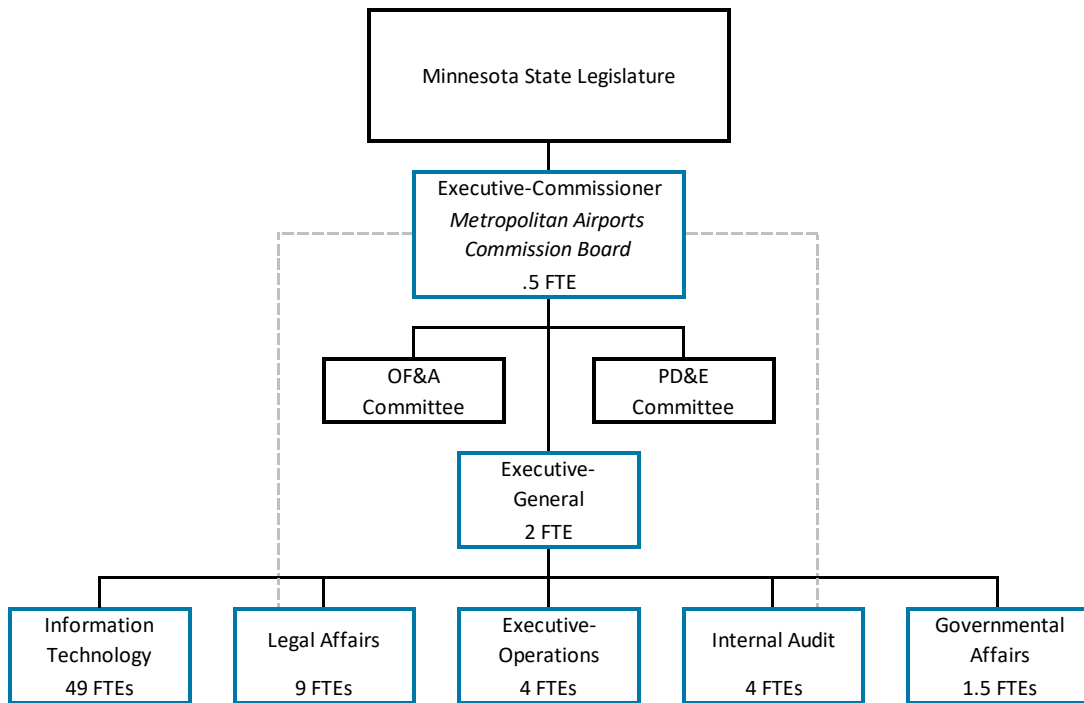
The Passenger Facility Charge (PFC) transfer represents the use of PFCs to pay a portion of existing debt beginning in 2003 for various GARBS instead of operating funds. This transfer will fluctuate due to interest earnings, scheduled increases in annual debt service amounts, refundings and new issues.

Interest earnings are assumed at 1.0% for 2020-2022. In projecting interest income, the MAC typically takes a conservative approach. Bond proceeds are made up of reserves, issuance costs and capitalized interest. The bond proceeds in 2019 and 2022 represent new bond issues, which represents the required debt service reserve and capitalized interest.

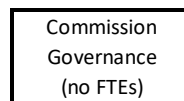
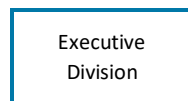
**Uses of Funds**

Disbursements represent principal and interest payments made during the year by bond series. In 2021-2022, increases in principal and interest payments are primarily due to principal payments starting from the new money 2019 bond issue. Interest is a cost of carrying debt and affects operations.

## Executive Division Organizational Chart



### Legend



Executive Division Goals by Service Center	75100 Executive - Commissioner	75000 Executive - General	76500 Executive - Operations	78300 Internal Audit	79000 Information Technology	79500 Governmental Affairs	81000 Legal Affairs
	<b>Organization Goal: Talent</b>						
Division Goal: Employee Development and Performance Management				•			
Division Goal: Strengthen and Enhance Client Relationships							•
<b>Organization Goal: Engagement</b>							
Division Goal: Grow Stakeholder and Community Engagement	•		•			•	
<b>Organization Goal: Economic</b>							
Division Goal: Internal Audit Plan				•			
Division Goal: Develop New Strategies to Enhance Financial Strength						•	
Division Goal: Enhance Internal and External Stakeholder Communication and Community Engagement		•					
<b>Organization Goal: Innovation</b>							
Division Goal: Part 139 Program Transformation					•		

As discussed in the Executive Summary section, each division has direct responsibility for one or more of the Goals outlined in the MAC's Strategic Plan. The divisions have also selected Goals for their work towards the plan. The service centers within each division have developed Objectives to further the division and organization goals, as well as Performance Measures to track progress towards those objectives. This table lists the service centers within the Executive Division and indicates the organization and division goals towards which each service center is working. The following pages describe key budget information for each service center and summarizes its Goals, Objectives and Performance Measures.

The COVID-19 pandemic had a significant effect on the air travel industry. Unprecedented challenges may have had negative impacts on some of the 2020 Performance Measure results on the following pages. While the pandemic and recovery may continue to influence these measures in the short-term, the results are considered anomalies. As the industry recovers, performance measure results are expected to recover also in the long-term.



## EXECUTIVE - COMMISSIONER

The responsibilities of the Board of Commissioners are: 1) promoting public welfare; 2) promoting national, international, state and local air transportation; 3) promoting the safe, efficient and economical handling of air commerce both nationally and internationally, and developing 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) assuring 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 pursuing the highest level of safety at all Commission airports.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	45,799	48,900	48,000	(900)	-1.8%
Administrative Expenses	23,320	40,370	9,382	(30,988)	-76.8%
Professional Services	26,465				
Utilities	300	600	600		
Operating Services/Expenses					
Maintenance					
Other					
<b>Total Budget</b>	<b>95,883</b>	<b>89,870</b>	<b>57,982</b>	<b>(31,888)</b>	<b>-35.5%</b>

**Full-time Equivalent (FTE) Total**                      0.5                      0.5                      0.5

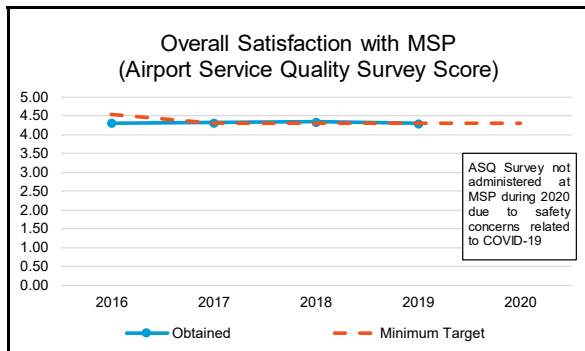
### BUDGET HIGHLIGHTS

- Administrative Expenses                      The decrease in Administrative Expenses results from a pause in nonessential travel during the COVID-19 pandemic and recovery. All essential travel costs have been moved to MAC General.

### 2021 GOALS, OBJECTIVES & MEASURES

- Organizational Goal                      Engagement
- Division Goal                                  Grow Stakeholder and Community Engagement
- Objective                                        In partnership with the CEO, ensure Board and staff alignment around the organization's strategic plan
- Performance Measure                      Board and Senior Staff Offsite
- Performance Measure Target              Minimum of 1

### 2020 PERFORMANCE MEASURE RESULTS



Airport Service Quality Survey Score:  
5-point scale (5 = excellent, 1 = poor)

### EXECUTIVE - GENERAL

The Executive - General service center 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 the Commission's 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 and its airports.

#### BUDGET SUMMARY

	<b>2019 Actual</b>	<b>2020 Budget</b>	<b>2021 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	701,168	397,243	456,226	58,983	14.8%
Administrative Expenses	229,824	222,131	187,256	(34,875)	-15.7%
Professional Services	5,000				
Utilities	5,236	2,931	5,340	2,409	82.2%
Operating Services/Expenses	3,740				
Maintenance					
Other	409				
<b>Total Budget</b>	<b>945,377</b>	<b>622,305</b>	<b>648,822</b>	<b>26,517</b>	<b>4.3%</b>

**Full-time Equivalent (FTE) Total**                                2                                2                                2

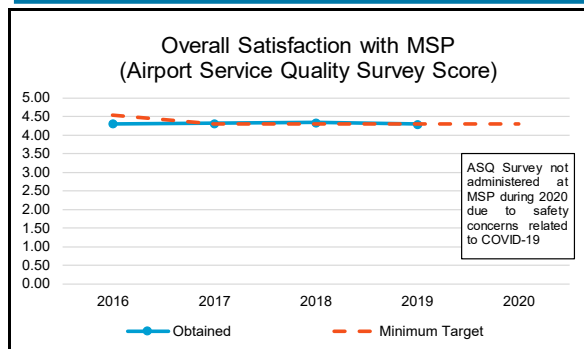
#### BUDGET HIGHLIGHTS

- **Personnel**    The increase in Personnel is attributable to step increases and wage adjustments.
- **Administrative Expenses**    The decrease in Administrative Expenses results from a pause in nonessential travel during the COVID-19 pandemic and recovery. All essential travel costs have been moved to MAC General.
- **Utilities**    The increase in Utilities is due to aligning the budget with previous years' actual expenditures.

#### 2021 GOALS, OBJECTIVES & MEASURES

- > **Organizational Goal**    Engagement
- Division Goal**    Enhance Internal and External Stakeholder Communication and Community Engagement
- Objective**    Develop, advance and integrate the MAC's strategic plan goals and priorities within the organization
- Performance Measure**    Senior Staff meetings on curated topics that guide and advance the strategic plan and organization's mission, vision and goals
- Performance Measure Target**    Minimum of 6

#### 2020 PERFORMANCE MEASURE RESULTS



*Airport Service Quality Survey Score:*  
5-point scale (5 = excellent, 1 = poor)

## EXECUTIVE - OPERATIONS

The Executive - Operations service center is responsible for and provides strategic alignment across the following major areas of the MAC: Management & Operations, Public Safety, Planning & Development, Safety Management Systems and Customer Data & Analytics. The Chief Operating Officer is directly responsible to the Executive Director/CEO and is responsible for the strategic coordination and implementation of the Commission policies related to the planning, development, public safety and daily operations and maintenance of the MAC airports. This service center also chairs and supports the Customer Service Action Council, which focuses on developing, recognizing and motivating airport community personnel. Finally, the service center manages the Safety Management System, which systematically mitigates operational risk elements for the MAC airports.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	155,658	492,683	520,147	27,464	5.6%
Administrative Expenses	7,561	29,877	15,420	(14,457)	-48.4%
Professional Services	18,805	53,000	45,000	(8,000)	-15.1%
Utilities	595	1,200	1,200		
Operating Services/Expenses	73,010	118,860	41,200	(77,660)	-65.3%
Maintenance					
Other	677	1,100		(1,100)	-100.0%
<b>Total Budget</b>	<b>256,305</b>	<b>696,720</b>	<b>622,967</b>	<b>(73,753)</b>	<b>-10.6%</b>

### Full-time Equivalent (FTE) Total

4                      4                      4

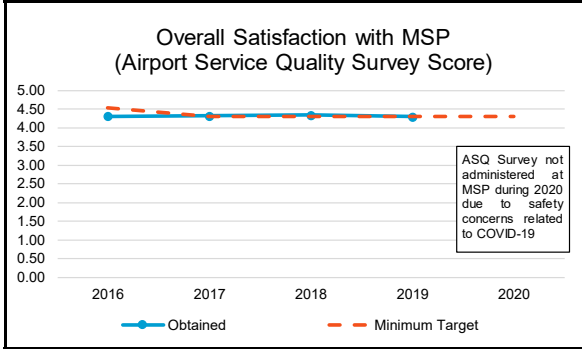
### BUDGET HIGHLIGHTS

- Personnel                      The increase in Personnel is attributable to step increases and wage adjustments.
- Administrative Expenses      The decrease in Administrative Expenses results from a pause in nonessential travel during the COVID-19 pandemic and recovery. All essential travel costs have been moved to MAC General.
- Professional Services              The reduction in Professional Services is due to reprioritization of Gap Analysis for the Safety Management System due to COVID-19 constraints.
- Operating Services/Expenses      The reduction in Operating Services/Expenses is due to reprioritization of the Safety Management System Safety Awards and Customer Service Action Council activities due to COVID-19 constraints.
- Other                                  The decrease in Other is due to pausing the purchase of non-essential miscellaneous items as a result of budget cuts related to the COVID-19 pandemic.

### 2021 GOALS, OBJECTIVES & MEASURES

- Organizational Goal                      Engagement
- Division Goal                                  Grow Stakeholder and Community Engagement
- Objective                                      Promote coordination, engagement and community to support the One Journey concept throughout the MAC's operations
- Performance Measure                      Customer Service Action Council Meetings
- Performance Measure Target              Minimum of 9

**2020 PERFORMANCE MEASURE RESULTS**



*Airport Service Quality Survey Score:  
5-point scale (5 = excellent, 1 = poor)*

### INTERNAL AUDIT

Internal Audit provides an independent and objective assurance and consulting service that is guided by a philosophy of adding value by improving the operations of the MAC. The service center assists the MAC in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization’s risk management, internal control and governance processes.

#### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	468,084	501,286	493,573	(7,713)	-1.5%
Administrative Expenses	29,250	11,135	2,592	(8,543)	-76.7%
Professional Services	15,088	91,000	20,000	(71,000)	-78.0%
Utilities	600	660	660		
Operating Services/Expenses			3,000	3,000	100.0%
Maintenance					
Other					
<b>Total Budget</b>	<b>513,022</b>	<b>604,081</b>	<b>519,825</b>	<b>(84,256)</b>	<b>-13.9%</b>

#### Full-time Equivalent (FTE) Total

4                      4                      4

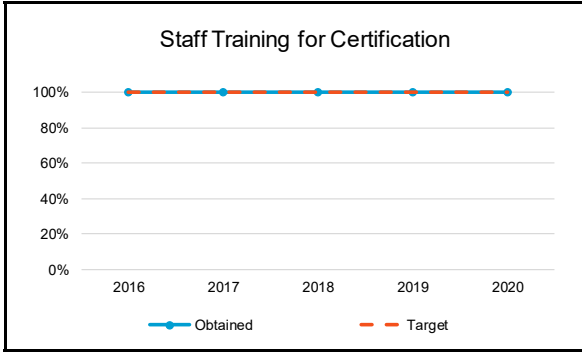
#### BUDGET HIGHLIGHTS

- Personnel                      The decrease in Personnel is attributable to reducing job-related training.
- Administrative Expenses      The decrease in Administrative Expenses results from a pause in nonessential travel during the COVID-19 pandemic and recovery. All essential travel costs have been moved to MAC General.
- Professional Services          The decrease in Professional Services results from decreased consulting for construction auditing during the COVID-19 pandemic and recovery.
- Operating Services/Expenses    The Operating Services/Expenses increased as the fraud hotline expense was transferred from the Finance budget to the Internal Audit budget.

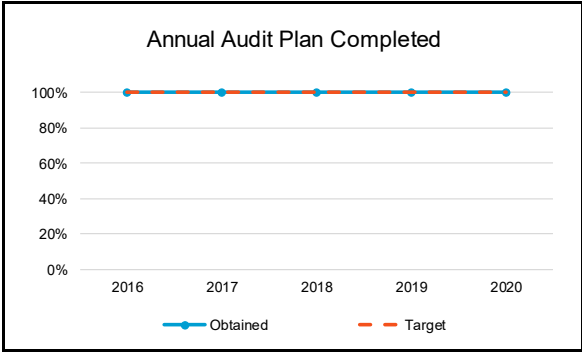
#### 2021 GOALS, OBJECTIVES & MEASURES

- Organizational Goal                      Talent
- Division Goal                              Employee Development and Performance Management
- Objective                                      Audit staff earn sufficient Continuing Professional Education credits in 2021 to maintain certifications
- Performance Measure                      Staff Training for Certification
- Performance Measure Target              100% Completion
  
- Organizational Goal                      Economic
- Division Goal                              Internal Audit Plan
- Objective                                      Completion of Commission-approved 2021 Annual Audit Plan
- Performance Measure                      Annual Audit Plan Completed
- Performance Measure Target              Minimum of 80%

**2020 PERFORMANCE MEASURE RESULTS**



*Percentage of required staff training completed for certification maintenance*



*Percentage of projects in plan completed*

## INFORMATION TECHNOLOGY

Information Technology (IT) provides leadership and direction to the MAC in the areas of information systems and technology. Responsibilities include designing, implementing and maintaining systems, technology plans, budgets and purchases. IT works with all MAC service centers, airport partners and airport customers in analyzing technology capability needs and implementing solutions. The work includes analysis, design, selection, acquisition, installation, documentation and support of hardware, applications, infrastructure systems and technologies.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	4,881,054	5,478,052	5,779,599	301,547	5.5%
Administrative Expenses	186,865	316,500	104,400	(212,100)	-67.0%
Professional Services	1,713,212	1,500,000	921,000	(579,000)	-38.6%
Utilities	330,567	340,000	429,218	89,218	26.2%
Operating Services/Expenses	9,374,079	8,701,598	9,867,487	1,165,889	13.4%
Maintenance					
Other	434,576	450,000	83,000	(367,000)	-81.6%
<b>Total Budget</b>	<b>16,920,353</b>	<b>16,786,150</b>	<b>17,184,704</b>	<b>398,554</b>	<b>2.4%</b>

### Full-time Equivalent (FTE) Total

41                      49                      49

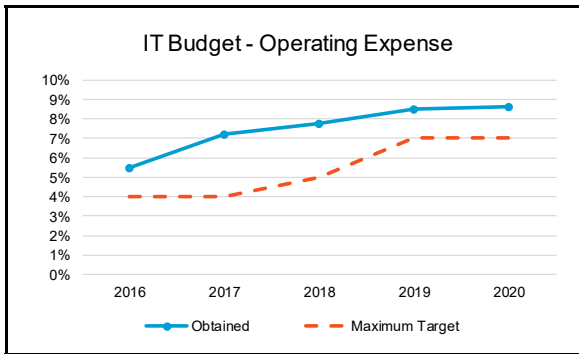
### BUDGET HIGHLIGHTS

- Personnel                      The increase in Personnel is attributable to step increases and wage adjustments.
- Administrative Expenses                      The decrease in Administrative Expenses results from a pause in nonessential travel during the COVID-19 pandemic and recovery as well as a decrease in resource subscriptions. All essential travel costs have been moved to MAC General.
- Professional Services                      The decrease in Professional Services results from a reduced need for professional services as well as a conversion of contractors to FTEs.
- Utilities                      The increase in Utilities is due to additional telecommunications and connectivity infrastructure for the MAC.
- Operating Services/Expenses                      The increase in Operating Services/Expenses is attributable to service agreement cost increases as projects progress from implementation to production.
- Other                      The decrease in Other is due to shifting radio replacement from an operating expense to a capital expense.

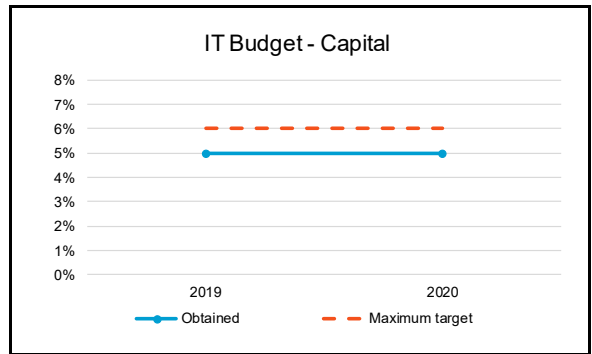
### 2021 GOALS, OBJECTIVES & MEASURES

- Organizational Goal                      Innovation
- Division Goal                      Part 139 Program Transformation
- Objective                      Stabilize and modernize critical systems
- Performance Measure                      Part 139 Application and Associated Datasets Deployed
- Performance Measure Target                      Minimum of 100%

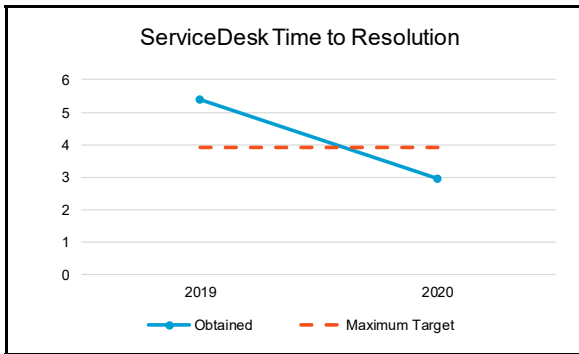
**2020 PERFORMANCE MEASURE RESULTS**



*Percentage of the MAC's total operating expense represented by the IT budget*



*Percentage of the MAC's total capital program devoted to new IT systems and refresh*



*Average time, in hours, to resolution per ticket category*



## GOVERNMENTAL AFFAIRS

Governmental Affairs provides oversight and management of all MAC state and federal legislative issues. The service center monitors and assists in the development of legislative policies that may have an impact on the MAC's goals and objectives. Governmental Affairs staff serves as a first point of contact for federal, state and local elected officials when they are working on MAC-related issues. Governmental Affairs staff also assists the Executive Director/CEO and the Commission on many internal policy development issues.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	188,007	216,804	237,194	20,390	9.4%
Administrative Expenses	68,331	72,500	48,400	(24,100)	-33.2%
Professional Services	144,499	198,000	221,000	23,000	11.6%
Utilities	648	1,200	600	(600)	-50.0%
Operating Services/Expenses					
Maintenance					
Other	3,871	4,400	3,200	(1,200)	-27.3%
<b>Total Budget</b>	<b>405,356</b>	<b>492,904</b>	<b>510,394</b>	<b>17,490</b>	<b>3.5%</b>

**Full-time Equivalent (FTE) Total**                      1.5                      1.5                      1.5

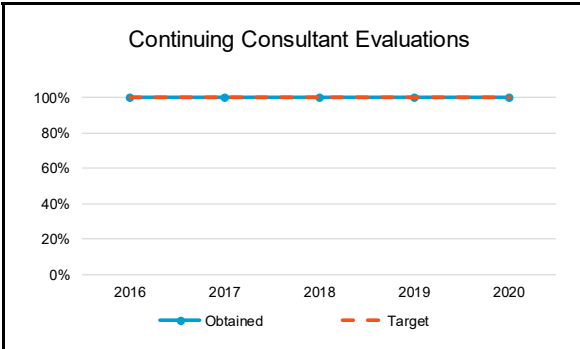
### BUDGET HIGHLIGHTS

- Personnel                      The increase in Personnel is attributable to wage adjustments, step increases and the addition of half of the payroll tax expenses for one FTE shared with Management & Operations.
- Administrative Expenses                      The decrease in Administrative Expenses results from a pause in nonessential travel, in-person meetings and subscriptions during the COVID-19 pandemic and recovery. All essential travel costs have been moved to MAC General.
- Professional Services                      The increase in Professional Services is due to engaging a consultant in Washington, DC.
- Utilities                      The decrease in Utilities results from a reduction in cell phone expense during the COVID-19 pandemic and recovery.
- Other                      The decrease in Other results from no bus rental expenses due to pausing airfield tours during the COVID-19 pandemic and recovery.

### 2021 GOALS, OBJECTIVES & MEASURES

- Organizational Goal                      Economic  
 Division Goal                      Develop New Strategies to Enhance Financial Strength  
 Objective                      Align airport trade association goals with MAC goals  
 Performance Measure                      Trade Association and MAC Goal Alignment  
 Performance Measure Target                      Minimum of 4
- Organizational Goal                      Engagement  
 Division Goal                      Stakeholder and Community Engagement  
 Objective                      Provide legislative and other government-related updates to the MAC Board of Commissioners  
 Performance Measure                      Board Presentations  
 Performance Measure Target                      Minimum of 4

**2020 PERFORMANCE MEASURE RESULTS**



*Percentage of evaluations completed for legislative services consultants*

## LEGAL AFFAIRS

Legal Affairs is responsible for providing legal advice and representation to the Commission, preparing legal documents and monitoring/coordinating outside legal counsel.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	1,067,845	1,110,851	1,125,537	14,686	1.3%
Administrative Expenses	39,809	93,000	55,680	(37,320)	-40.1%
Professional Services	505,302	725,000	680,000	(45,000)	-6.2%
Utilities	5,944	4,800	4,800		
Operating Services/Expenses	824	420	1,400	980	233.3%
Maintenance					
Other	1,988				
<b>Total Budget</b>	<b>1,621,714</b>	<b>1,934,071</b>	<b>1,867,417</b>	<b>(66,654)</b>	<b>-3.4%</b>

### Full-time Equivalent (FTE) Total

9                              9                              9

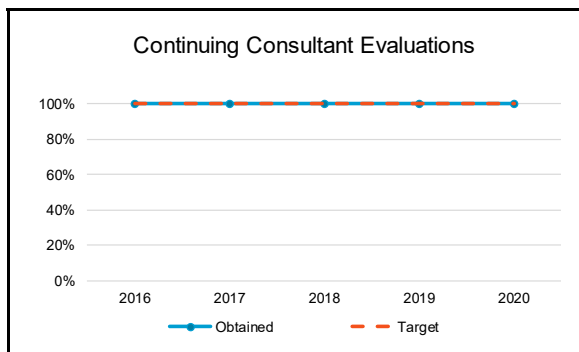
### BUDGET HIGHLIGHTS

- Personnel                              The increase in Personnel is attributable to step increases.
- Administrative Expenses                              The decrease in Administrative Expenses results from a pause in nonessential travel during the COVID-19 pandemic and recovery. All essential travel costs have been moved to MAC General.
- Professional Services                              The decrease in Professional Services is attributable to the anticipation of fewer general legal consulting service needs.
- Operating Services/Expenses                              The increase in Operating Services/Expenses is due to anticipated costs associated with public hearings.

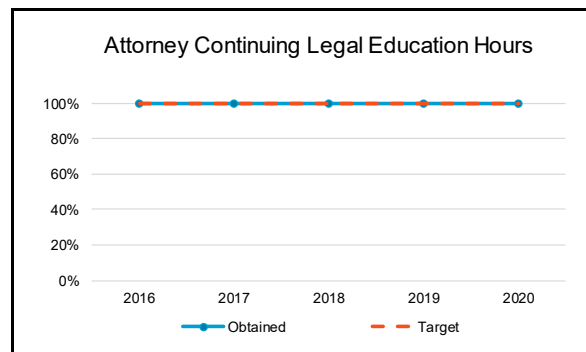
### 2021 GOALS, OBJECTIVES & MEASURES

- Organizational Goal                              Talent
- Division Goal                              Strengthen and Enhance Client Relationships
- Objective                              Implement regular client feedback process
- Performance Measure                              Clients Participating in Feedback Process
- Performance Measure Target                              Minimum of 75%

### 2020 PERFORMANCE MEASURE RESULTS



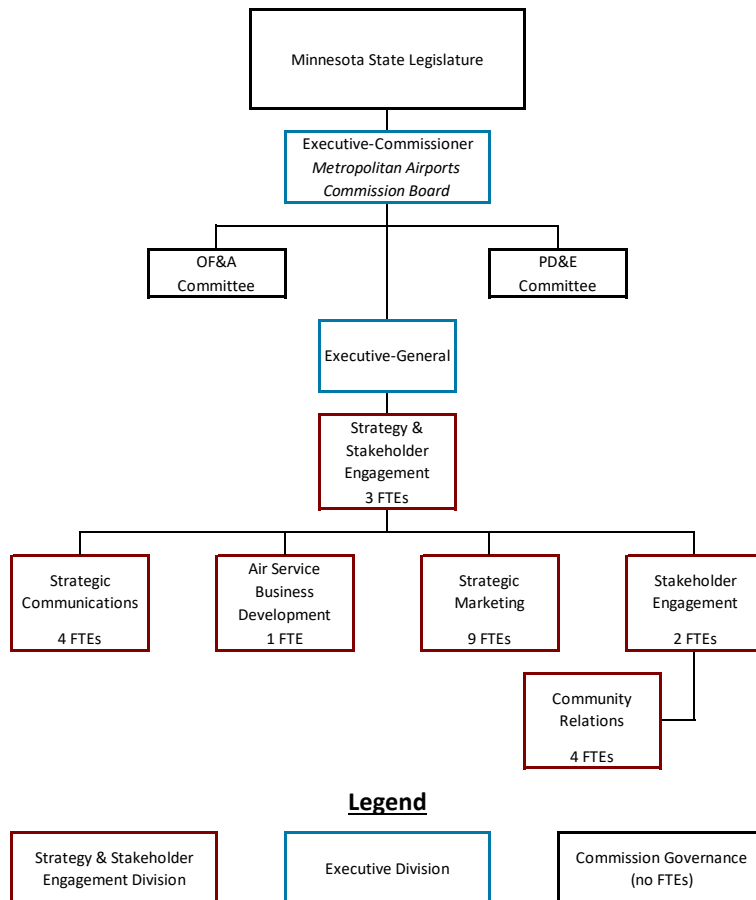
Percentage of continuing consultant evaluations completed



Percentage of attorneys completing an average of 15 Continuing Legal Education hours

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# Strategy & Stakeholder Engagement Division Organizational Chart



<b>Strategy &amp; Stakeholder Engagement Division Goals by Service Center</b>	<b>76200 Strategy &amp; Stakeholder Engagement</b>	<b>76000 Strategic Communications</b>	<b>76100 Air Service Business Development</b>	<b>85000 Strategic Marketing</b>	<b>85200 Stakeholder Engagement</b>	<b>85300 Community Relations</b>
<b>Organization Goal: Engagement</b>						
Division Goal: Establish a Fully Integrated, Adopted and Understood Strategic Planning Process	●					
Division Goal: Establish a Fully Integrated and Adopted Sustainability Planning Process with Clear Impact Measures	●					
Division Goal: Grow Stakeholder and Community Engagement	●	●	●	●	●	●
<b>Organization Goal: Air Service Development</b>						
Division Goal: Win and Retain Air Service Routes			●			
<b>Organization Goal: Economic</b>						
Division Goal: Support Non-Aeronautical Revenue with Effective Marketing Spend			●	●		

As discussed in the Executive Summary section, each division has direct responsibility for one or more of the Goals outlined in the MAC's Strategic Plan. The divisions have also selected Goals for their work towards the plan. The service centers within each division have developed Objectives to further the division and organization goals, as well as Performance Measures to track progress towards those objectives. This table lists the service centers within the Strategy & Stakeholder Engagement Division and indicates the organization and division goals towards which each service center is working. The following pages describe key budget information for each service center and summarizes its Goals, Objectives and Performance Measures.

The COVID-19 pandemic had a significant effect on the air travel industry. Unprecedented challenges may have had negative impacts on some of the 2020 Performance Measure results on the following pages. While the pandemic and recovery may continue to influence these measures in the short-term, the results are considered anomalies. As the industry recovers, performance measure results are expected to recover also in the long-term.

## STRATEGY & STAKEHOLDER ENGAGEMENT

The Strategy & Stakeholder Engagement Division operates as an in-house team serving as stewards of strategy, developing strategic communications and creating stakeholder champions to ensure the MAC delivers on its mission, vision and strategic goals. This service center includes strategic planning, sustainability and division-wide activities.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	273,457	331,636	350,495	18,859	5.7%
Administrative Expenses	28,407	52,578	12,400	(40,178)	-76.4%
Professional Services	398,415	543,500	340,000	(203,500)	-37.4%
Utilities	580	600	600		
Operating Services/Expenses					
Maintenance					
Other	1,169	30,000	10,000	(20,000)	-66.7%
<b>Total Budget</b>	<b>702,028</b>	<b>958,314</b>	<b>713,495</b>	<b>(244,819)</b>	<b>-25.5%</b>

#### Full-time Equivalent (FTE) Total

2                      3                      3

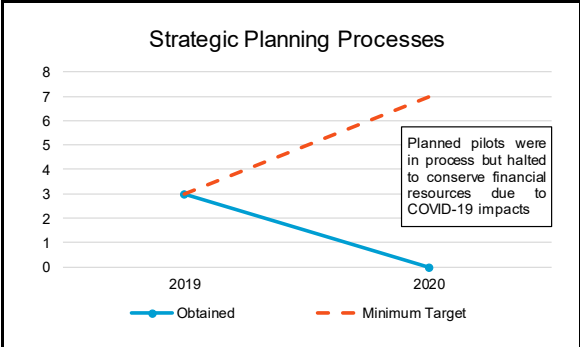
### BUDGET HIGHLIGHTS

- Personnel                      The increase in Personnel is attributable to step increases and wage adjustments.
- Administrative Expenses                      The decrease in Administrative Expenses results from austerity and productivity measures during the COVID-19 pandemic and recovery. Travel, registrations and membership expenses were eliminated, while printing, office supply and Recycle Across America label expenses were greatly reduced. All essential travel costs have been moved to MAC General.
- Professional Services                      Professional Services reductions reflect austerity measures that were achieved by reducing consulting support for sustainability and strategic planning activities.
- Other                      The decrease in Other is a result of anticipating fewer training sessions and translation services for the decreased passenger volumes forecast for 2021.

### 2021 GOALS, OBJECTIVES & MEASURES

- Organizational Goal                      Engagement  
Division Goal                      Establish a Fully Integrated, Adopted and Understood Strategic Planning Process  
  
Objective                      Engage Senior Staff to make strategic choices for the organization and ensure strategic plan priorities guide ongoing conversations  
  
Performance Measure                      Curated Strategic Planning Discussions  
Performance Measure Target                      Minimum of 6
- Organizational Goal                      Engagement  
Division Goal                      Establish a Fully Integrated and Adopted Sustainability Planning Process with Clear Impact Measurements  
  
Objective                      Proactively integrate sustainability into communications and engagement initiatives  
  
Performance Measure                      MACpoint Sustainability Articles  
Performance Measure Target                      Minimum of 4

**2020 PERFORMANCE MEASURE RESULTS**



*Total number of division and department strategic plans completed to enhance and align organizational strategic planning capabilities and practices*



## STRATEGIC COMMUNICATIONS

The Strategic Communications service center activates the voice of the MAC and its airports through responsive communications including media relations, executive communications and customer communications.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	913,602	906,696	508,679	(398,017)	-43.9%
Administrative Expenses	254,639	404,850	111,800	(293,050)	-72.4%
Professional Services	292,824	744,600	55,000	(689,600)	-92.6%
Utilities	17,394	7,200	1,800	(5,400)	-75.0%
Operating Services/Expenses	542,446	1,240,000	4,500	(1,235,500)	-99.6%
Maintenance	10,507	19,200		(19,200)	-100.0%
Other	24,440	5,700	1,000	(4,700)	-82.5%
<b>Total Budget</b>	<b>2,055,852</b>	<b>3,328,246</b>	<b>682,779</b>	<b>(2,645,467)</b>	<b>-79.5%</b>

### Full-time Equivalent (FTE) Total

7                      9                      4

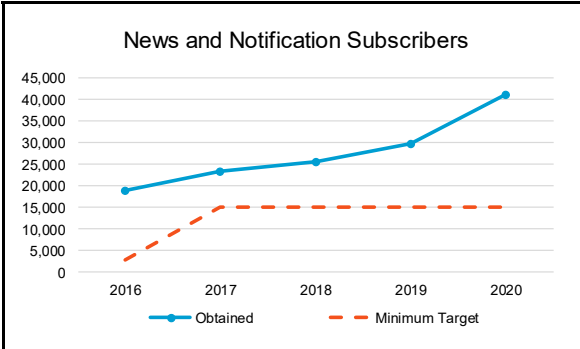
### BUDGET HIGHLIGHTS

- Personnel                      The decrease in Personnel is attributable to transferring five FTEs to Strategic Marketing. This was partially offset by step increases.
- Administrative Expenses                      The reduction in Administrative Expenses is largely due to reorganization, through which many expenses previously budgeted by Strategic Communications shifted to the Strategic Marketing budget. It is also a consequence of austerity measures due to pandemic impacts on MAC finances.
- Professional Services                      The reduction in Professional Services is largely due to reorganization, through which many expenses previously budgeted by Strategic Communications shifted to the Strategic Marketing budget. It is also a consequence of austerity measures due to the pandemic's impacts on MAC finances.
- Utilities                      The reduction in Utilities is largely due to reorganization, through which many expenses previously budgeted by Strategic Communications shifted to the Strategic Marketing budget.
- Operating Services/Expenses                      The reduction in Operating Services/Expenses is largely due to reorganization, through which many expenses previously budgeted by Strategic Communications shifted to the Strategic Marketing budget. It is also a consequence of austerity measures taken due to pandemic impacts on MAC finances.
- Maintenance                      The elimination of Maintenance is largely due to reorganization, through which many expenses previously budgeted by Strategic Communications shifted to the Strategic Marketing budget.
- Other                      The reduction in Other is largely due to reorganization, through which many expenses previously budgeted by Strategic Communications shifted to the Strategic Marketing budget. It is also due to austerity measures taken in light of the pandemic's impacts on MAC finances.

### 2021 GOALS, OBJECTIVES & MEASURES

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>➤ Organizational Goal</li> <li>Division Goal</li> <li>Objective</li> <li>Performance Measure</li> <li>Performance Measure Target</li> </ul> | <p>Engagement<br/>Grow Stakeholder and Community Engagement<br/>Use communication tools to expand engagement and gain a larger audience for news releases<br/>MAC News Releases Featured in LinkedIn Posts<br/>Minimum of 75% of all news releases issued in 2021</p> |
|--|---|

**2020 PERFORMANCE MEASURE RESULTS**



*Number of people subscribing for notices and information through the MAC's subscription news and notification service*

## AIR SERVICE BUSINESS DEVELOPMENT

Air Service Business Development is responsible for three primary areas: 1) developing air service by 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 the MAC's system of airports both domestically and internationally; and 3) building community relations by establishing partnerships with public and private sectors to increase their awareness of the importance of air service in the region and to solicit their support.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel		142,643	166,891	24,248	17.0%
Administrative Expenses	39,864	81,018	24,850	(56,168)	-69.3%
Professional Services	52,768	175,000	180,000	5,000	2.9%
Utilities		600	600		
Operating Services/Expenses	399,799	30,000		(30,000)	-100.0%
Maintenance					
Other					
<b>Total Budget</b>	<b>492,431</b>	<b>429,261</b>	<b>372,341</b>	<b>(56,920)</b>	<b>-13.3%</b>

**Full-time Equivalent (FTE) Total**                      0                      1                      1

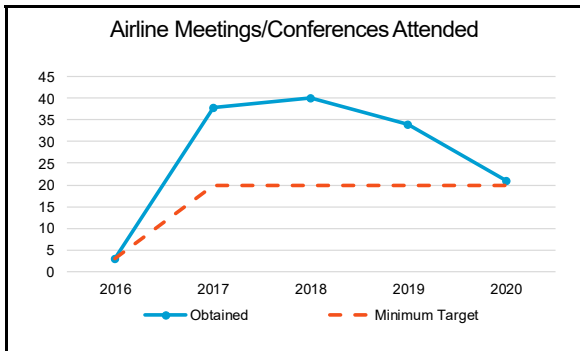
### BUDGET HIGHLIGHTS

- Personnel                      The increase in Personnel is attributable to a wage adjustment.
- Administrative Expenses      The decrease in Administrative Expenses results from a pause in nonessential travel during the COVID-19 pandemic and recovery. All essential travel costs have been moved to MAC General. This is partially offset by an increase to the scope of air service data subscription.
- Professional Services          The Professional Services increase is a result of additional general passenger air service consulting needs, deeper investigation into air service opportunities and development of a strategic marketing plan.
- Operating Services/Expenses    The decrease in Operating Services/Expenses is a result of decreased marketing spending due to austerity measures during the COVID-19 pandemic and recovery.

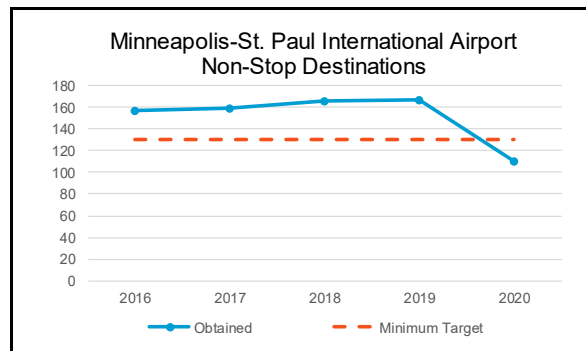
### 2021 GOALS, OBJECTIVES & MEASURES

- Organizational Goal                  Air Service  
 Division Goal                      Win and Retain Air Service Routes  
 Objective                              Increase frequency of engagement with travel gatekeepers such as airline network planners, corporate travel planners and local destination marketing  
 Performance Measure                Travel Gatekeeper Communications  
 Performance Measure Target        Minimum of 24
- Organizational Goal                  Air Service  
 Division Goal                      Win and Retain Air Service Routes  
 Objective                              Increase awareness of the Minneapolis-St. Paul air travel market in partnership with the Regional Air Services Partnership and tourism partners  
 Performance Measures                Minneapolis-St. Paul International Airport Non-Stop Destinations  
 Minneapolis-St. Paul International Airport Competitive Destinations  
 Performance Measure Target        Minimum of 130 Non-Stop Destinations  
 Minimum of 35 Competitive Destinations

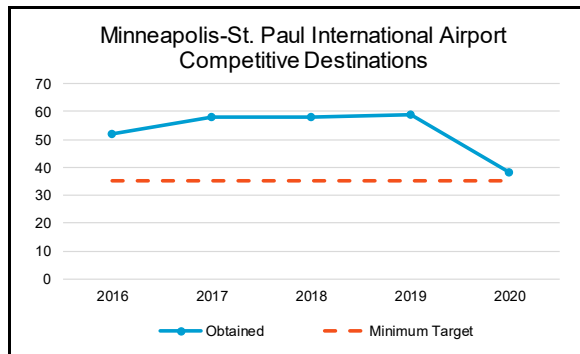
**2020 PERFORMANCE MEASURE RESULTS**



*Number of airline meetings and conferences attended*



*Total of non-stop destinations offered*



*Total number of competitive destinations offered*

## STRATEGIC MARKETING

Strategic Marketing serves as stewards of the MAC and MSP brands. The service center drives revenue through the development of marketing strategy grounded in research, analytics and results tracking. Strategic Marketing collaborates across the Strategy and Stakeholder Engagement Division to ensure all campaigns are executed according to the strategic plan.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	122,998	433,583	630,668	197,085	45.5%
Administrative Expenses	7,842	165,400	169,303	3,903	2.4%
Professional Services	48,125	250,000	555,986	305,986	122.4%
Utilities	445	2,160	3,000	840	38.9%
Operating Services/Expenses		30,000	563,120	533,120	1777.1%
Maintenance			19,200	19,200	100.0%
Other		32,000		(32,000)	-100.0%
<b>Total Budget</b>	<b>179,410</b>	<b>913,143</b>	<b>1,941,277</b>	<b>1,028,134</b>	<b>112.6%</b>

### Full-time Equivalent (FTE) Total

2                      4                      9

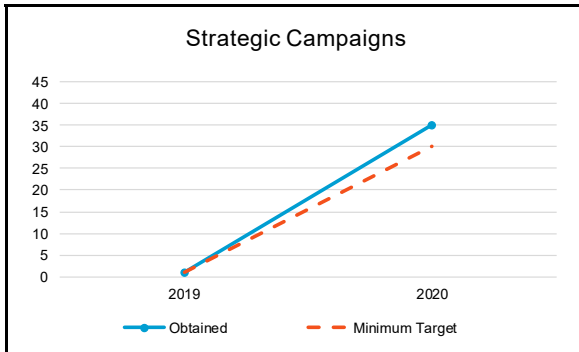
### BUDGET HIGHLIGHTS

- Personnel                      The increase in Personnel is attributable to transferring in five FTEs from Strategic Communications. This is offset by three vacant positions, which are not included in the budget. The MAC has instituted a temporary hiring freeze in response to the COVID-19 pandemic and recovery.
- Administrative Expenses                      The increase in Administrative Expenses is largely due to reorganization, through which many expenses previously budgeted by Strategic Communications shifted to the Strategic Marketing budget. The combined budget for both service centers results in a net decrease.
- Professional Services                      The increase in Professional Services is largely due to reorganization, through which many expenses previously budgeted by Strategic Communications shifted to the Strategic Marketing budget. Each line item was significantly reduced and the combined budget for both service centers results in a net decrease.
- Utilities                      The increase in Utilities results from additional cell phone stipends for FTEs that were transferred from Strategic Communications to Strategic Marketing.
- Operating Services/Expenses                      The increase in Operating Services/Expenses is largely due to reorganization, through which many expenses previously budgeted by Strategic Communications shifted to the Strategic Marketing budget. The combined budget for both service centers results in a net decrease.
- Maintenance                      The increase in Maintenance is largely due to reorganization, through which many expenses previously budgeted by Strategic Communications shifted to the Strategic Marketing budget. The combined budget for both service centers results in a net zero change.
- Other                      The decrease in Other is due to strategic planning and minor asset purchases budgeted in 2020 that will not occur in 2021.

### 2021 GOALS, OBJECTIVES & MEASURES

- Organizational Goal Economic  
Division Goal Support Non-Aeronautical Revenue with Effective Marketing Spend  
Objective Implement an integrated marketing campaign for yield management utilizing prebook parking  
Performance Measure New Prebook Parking Customer Acquisition  
Performance Measure Target Minimum of 30%
  
- Organizational Goal Economic  
Division Goal Support Non-Aeronautical Revenue with Effective Marketing Spend  
Objective Develop and implement an internal customer satisfaction survey to ensure the strategic campaign process is effective and efficient for client partners  
Performance Measure Internal Client Satisfaction  
Performance Measure Target Minimum of 75%

### 2020 PERFORMANCE MEASURE RESULTS



Number of strategic campaigns conducted

## STAKEHOLDER ENGAGEMENT

Stakeholder Engagement connects the MAC to our community by designing and implementing best-in-class engagements and serving as the personal connection of the organization across communities. The service center exists to grow stakeholder and community engagement, one of the MAC's strategic focus areas. The Stakeholder Engagement strategic priorities include team development, strategic approach development, engagement execution and engagement measurement.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	88,919	222,114	216,185	(5,929)	-2.7%
Administrative Expenses	673	69,600	12,400	(57,200)	-82.2%
Professional Services		50,000	17,000	(33,000)	-66.0%
Utilities			600	600	100.0%
Operating Services/Expenses		40,000	21,600	(18,400)	-46.0%
Maintenance					
Other					
<b>Total Budget</b>	<b>89,592</b>	<b>381,714</b>	<b>267,785</b>	<b>(113,929)</b>	<b>-29.8%</b>

Full-time Equivalent (FTE) Total                    2                    2                    2

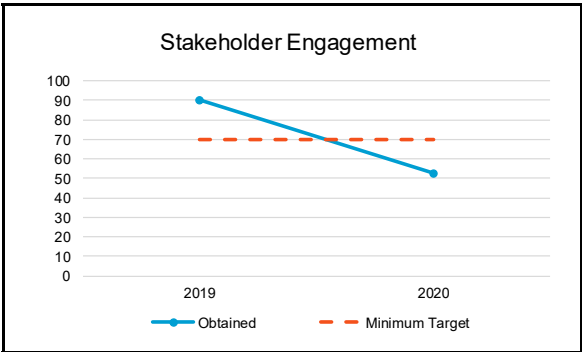
### BUDGET HIGHLIGHTS

- Personnel                                    The decrease in Personnel results from a pause in training during the COVID-19 pandemic and recovery.
- Administrative Expenses                The decrease in Administrative Expenses is primarily due to decreased internal and external event supplies, as well as reduced costs for paused or eliminated MSP Long-Term Plan engagement tactics. Additional reductions result from a pause in nonessential travel during the COVID-19 pandemic and a decreased office supply budget. All essential travel costs have been moved to MAC General.
- Professional Services                    The decrease in Professional Services is primarily due to the reduction in internal and external event supplies, as well as reduced costs for paused or eliminated MSP Long-Term Plan engagement tactics.
- Utilities                                        The increase in Utilities is a result of adding a cell phone stipend for on-site contact and communication with staff during events.
- Operating Services/Expenses            The decrease in Operating Services/Expenses is primarily due to fewer in-person events and smaller event scopes, which were scaled back due to austerity measures in light of the COVID-19 pandemic and recovery.

### 2021 GOALS, OBJECTIVES & MEASURES

- Organizational Goal                        Engagement
- Division Goal                                Grow Stakeholder and Community Engagement
- Objective                                      Develop and implement priority engagement activities
- Performance Measure                       Stakeholder Engagement Events
- Performance Measure Target              Minimum of 70

**2020 PERFORMANCE MEASURE RESULTS**



*Total number of stakeholder engagement events, across divisions, supported or managed by Stakeholder Engagement staff*



## COMMUNITY RELATIONS

Community Relations manages aircraft noise issues and navigation programs through an industry-leading noise program built on extensive technology and collaborative efforts with community and aviation stakeholders. This service center ensures compliance related to assessing noise impacts and corrective measures that includes management of one of the largest community outreach programs at the MAC and the development and operation of sophisticated technical systems in support of the service center's mission. This office continues to build a portfolio of community engagement activities to position the MAC as a trusted resource for interested stakeholders.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	435,848	454,091	433,408	(20,683)	-4.6%
Administrative Expenses	48,749	17,400	2,700	(14,700)	-84.5%
Professional Services	126,882	165,000	118,000	(47,000)	-28.5%
Utilities	13,519	24,000	26,100	2,100	8.8%
Operating Services/Expenses	82,294	80,000	85,800	5,800	7.2%
Maintenance					
Other					
<b>Total Budget</b>	<b>707,292</b>	<b>740,491</b>	<b>666,008</b>	<b>(74,483)</b>	<b>-10.1%</b>

### Full-time Equivalent (FTE) Total

4                      4                      4

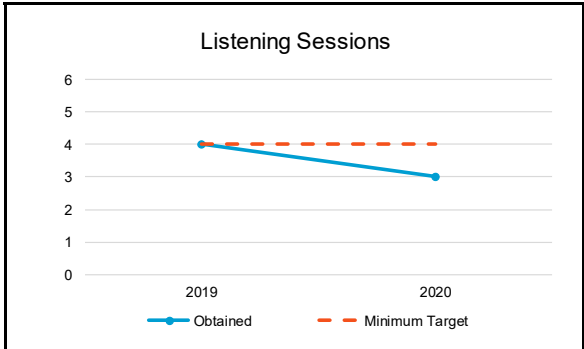
### BUDGET HIGHLIGHTS

- Personnel                      The decrease in Personnel results from a pause in training during the COVID-19 pandemic and recovery.
- Administrative Expenses                      The decrease in Administrative Expenses is primarily a result of eliminating nonessential travel and reducing office supply purchases during the COVID-19 pandemic and recovery. All essential travel costs have been moved to MAC General.
- Professional Services                      The reduction in Professional Services is due to scaling back engagement activities and negotiating a reduced fee for remaining consultation services.
- Utilities                      The increase in Utilities is due to remote card modem communications costs and cell phone stipends for two FTEs.
- Operating Services/Expenses                      The Operating Services/Expenses increase is attributable to scheduled Crystal Noise Level Reduction Testing. A federal grant will be pursued to partially offset the cost.

### 2021 GOALS, OBJECTIVES & MEASURES

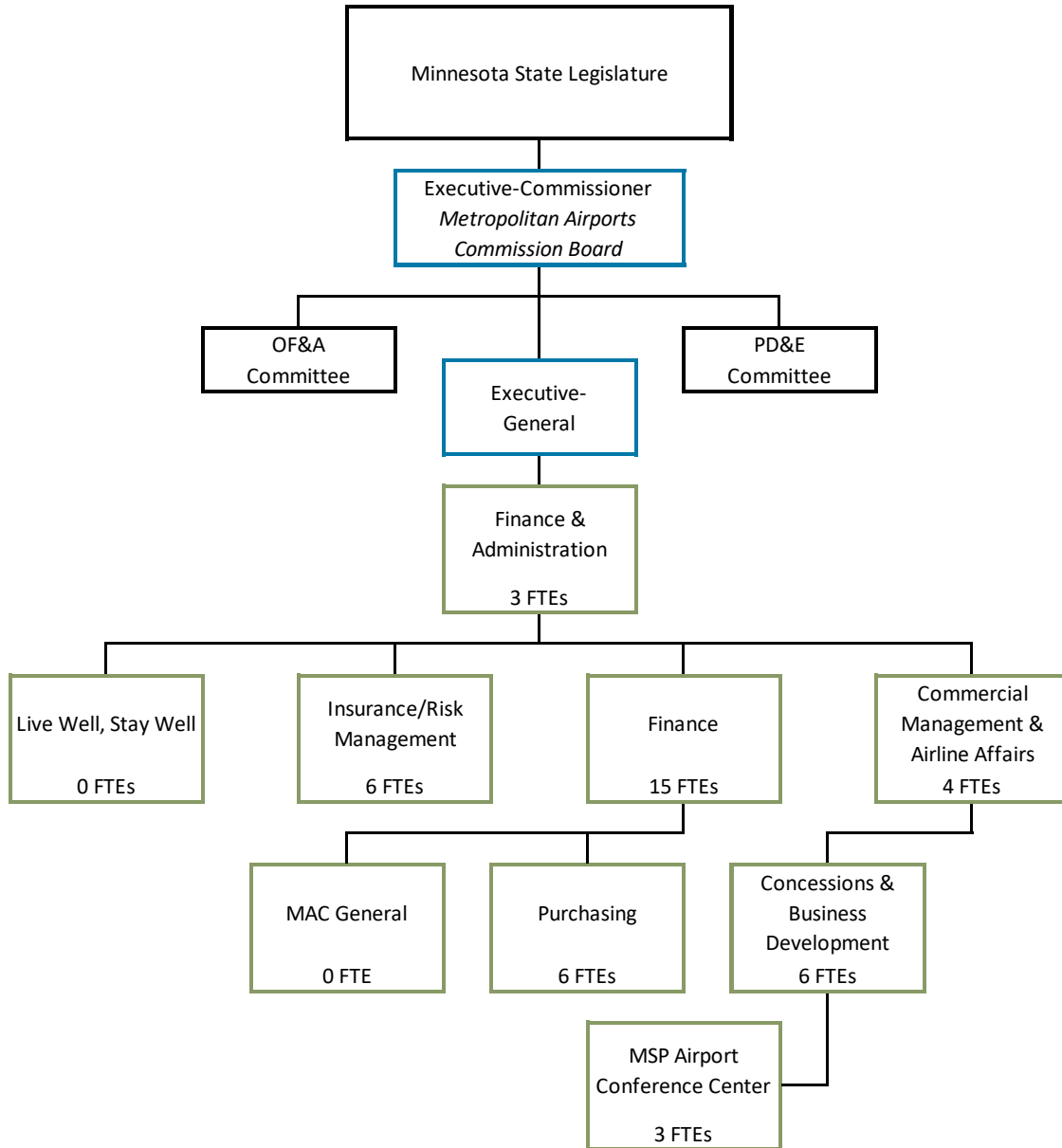
➤ Organizational Goal	Engagement
Division Goal	Grow Stakeholder and Community Engagement
Objective	Increase the number of written engagements with Community Relations staff across channels and settings
Performance Measure	Written Communications
Performance Measure Target	Minimum of 35

**2020 PERFORMANCE MEASURE RESULTS**



Total number of public listening sessions held per year

## Finance & Revenue Development Division Organizational Chart



### Legend

Finance & Revenue  
Development Division

Executive Division

Commission Governance  
(no FTEs)

<b>Finance &amp; Revenue Development Division Goals by Service Center</b>									
	75600 Finance & Administration	76700 Live Well, Stay Well	76800 Insurance/Risk Management	78000 Finance	78100 MAC General	78200 Purchasing	80000 Commercial Management & Airline Affairs	80100 Concessions & Business Development	82050 MSP Airport Conference Center
<b>Organization Goal: Customer Experience</b>									
Division Goal: "One Journey" Experience			●						
<b>Organization Goal: Talent</b>									
Division Goal: Provide Exceptional Customer Service		●							
<b>Organization Goal: Engagement</b>									
Division Goal: Provide Exceptional Customer Service									●
<b>Organization Goal: Air Service</b>									
Division Goal: Air Service Development	●								
<b>Organization Goal: Economic</b>									
Division Goal: Deliver Financial Excellence	●			●					
Division Goal: Control Risks and Associated Costs			●			●			
Division Goal: Grow Revenue Base							●	●	

As discussed in the Executive Summary section, each division has direct responsibility for one or more of the Goals outlined in the MAC's Strategic Plan. The divisions have also selected Goals for their work towards the plan. The service centers within each division have developed Objectives to further the division and organization goals, as well as Performance Measures to track progress towards those objectives. This table lists the service centers within the Finance & Revenue Development Division and indicates the organization and division goals towards which each service center is working. The following pages describe key budget information for each service center and summarizes its Goals, Objectives and Performance Measures.

The COVID-19 pandemic had a significant effect on the air travel industry. Unprecedented challenges may have had negative impacts on some of the 2020 Performance Measure results on the following pages. While the pandemic and recovery may continue to influence these measures in the short-term, the results are considered anomalies. As the industry recovers, performance measure results are expected to recover also in the long-term.

## FINANCE & ADMINISTRATION

Finance & Administration is responsible for overseeing the implementation of the Commission's financial policies, strategic financial planning and analysis, revenue development, commercial management, airline affairs and the establishment of good fiscal and budgetary practices. The Commission's conservative fiscal policies provide funding as required for operating and capital expenditures for its system of airports. The policy also allows for the establishment of good business practices to optimize the generation of revenues, both aeronautical and non-aeronautical. This division also oversees and guides the strategic implementation and management of the organization's Live Well, Stay Well and Insurance/Risk Management service centers. The Vice President, Finance and Revenue Development is the staff liaison to the Commission's Operations, Finance & Administration Committee.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	382,288	434,505	452,457	17,952	4.1%
Administrative Expenses	18,073	15,485	575	(14,910)	-96.3%
Professional Services	22,000				
Utilities	1,000	1,200	1,200		
Operating Services/Expenses	7,604				
Maintenance					
Other		700		(700)	-100.0%
<b>Total Budget</b>	<b>430,965</b>	<b>451,890</b>	<b>454,232</b>	<b>2,342</b>	<b>0.5%</b>

### Full-time Equivalent (FTE) Total

2                      3                      3

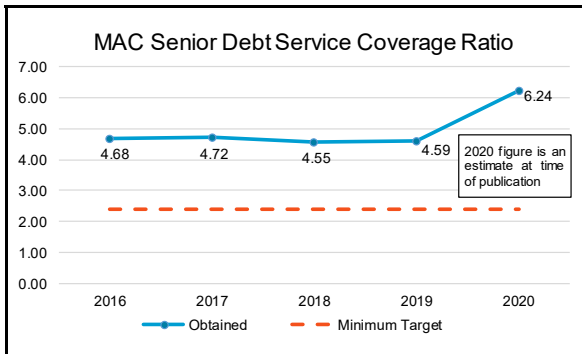
### BUDGET HIGHLIGHTS

- Personnel                      The increase in Personnel is attributable to step increases and wage adjustments.
- Administrative Expenses                      The decrease in Administrative Expenses results from a pause in nonessential travel during the COVID-19 pandemic and recovery. All essential travel costs have been moved to MAC General.
- Other                      The decrease in Other is due to pausing the purchase of non-essential minor equipment during 2021 as a result of budget cuts related to the COVID-19 pandemic.

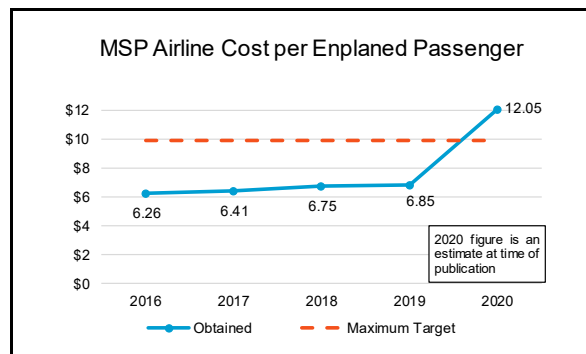
### 2021 GOALS, OBJECTIVES & MEASURES

- Organizational Goal                      Economic
- Division Goal                      Deliver Financial Excellence
- Objective                      Guide the organization to ensure revenues and expenses are sufficient to meet bondholder requirements
- Performance Measure                      Senior Debt Service Coverage Ratio
- Performance Measure Target                      Minimum of 1.4x
  
- Organizational Goal                      Air Service
- Division Goal                      Air Service Development
- Objective                      Maintain a cost-competitive airline cost per enplaned passenger
- Performance Measure                      Airline Cost per Enplaned Passenger
- Performance Measure Target                      \$9.86 Max

**2020 PERFORMANCE MEASURE RESULTS**



Senior Debt Service Coverage Ratio



Airline Cost per Enplaned Passenger

## LIVE WELL, STAY WELL

Live Well, Stay Well (LWSW) 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, it is also instrumental in reducing healthcare costs.

### BUDGET SUMMARY

	<b>2019 Actual</b>	<b>2020 Budget</b>	<b>2021 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	315	350	100	(250)	-71.4%
Administrative Expenses	7,613	9,795	4,500	(5,295)	-54.1%
Professional Services	8,240	6,000		(6,000)	-100.0%
Utilities	809	840	800	(40)	-4.8%
Operating Services/Expenses	137,006	179,550	6,600	(172,950)	-96.3%
Maintenance					
Other	1,161	5,000		(5,000)	-100.0%
<b>Total Budget</b>	<b>155,144</b>	<b>201,535</b>	<b>12,000</b>	<b>(189,535)</b>	<b>-94.0%</b>

**Full-time Equivalent (FTE) Total**                      0                      0                      0

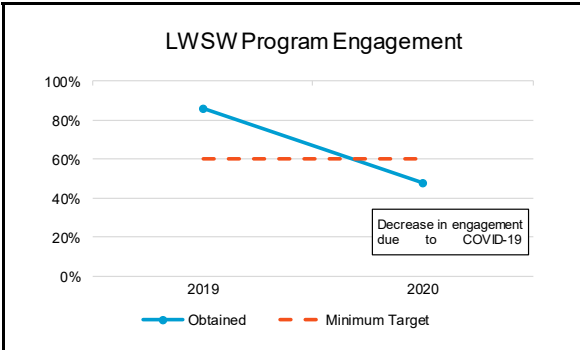
### BUDGET HIGHLIGHTS

- Personnel                      The decrease in Personnel is due to fewer seminars planned for 2021 as a result of budget cuts related to the COVID-19 pandemic.
- Administrative Expenses                      The decrease in Administrative Expenses is due to fewer supply purchases planned for 2021 as a result of budget cuts related to the COVID-19 pandemic.
- Professional Services                      The decrease in Professional Services is due to pausing a personal training benefit during 2021 as a result of budget cuts related to the COVID-19 pandemic.
- Utilities                      The decrease in Utilities is a result of matching budget expenses to actual expenses.
- Operating Services/Expenses                      The decrease in Operating Services/Expenses is due to pausing most wellness benefits during 2021 as a result of budget cuts related to the COVID-19 pandemic.
- Other                      The decrease in Other is due to pausing the purchase of minor equipment for the employee fitness center during 2021 as a result of budget cuts related to the COVID-19 pandemic.

### 2021 GOALS, OBJECTIVES & MEASURES

- Organizational Goal                      Talent
- Division Goal                      Provide Exceptional Customer Service
- Objective                      Assess LWSW committee governance structure to enhance program delivery and engagement
- Performance Measure                      Facilitated Discussions
- Performance Measure Target                      Minimum of 4

**2020 PERFORMANCE MEASURE RESULTS**



*Percentage of all MAC employees who engaged with the Live Well, Stay Well Program during the year*



## INSURANCE/RISK MANAGEMENT

Insurance/Risk Management is responsible for the planning, organizing and administering of risk and insurance programs to safeguard the MAC's assets from the risk of accidental loss through the use of recognized risk management techniques. Responsibilities include risk identification, evaluation and measurement; preventative strategies; claims administration; purchase of insurance coverage; and evaluation of financing alternatives. Areas of responsibility also include employee benefit program administration, workers' compensation, the MAC's health engagement program, liability and property insurance coverage, employee and fleet safety and maintaining a safe airports system.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	15,560,768	15,453,192	16,514,961	1,061,769	6.9%
Administrative Expenses	12,234	24,000	5,050	(18,950)	-79.0%
Professional Services	447,363	396,750	434,950	38,200	9.6%
Utilities	2,613	1,800	1,800		
Operating Services/Expenses	20	18,000	7,500	(10,500)	-58.3%
Maintenance		2,358		(2,358)	-100.0%
Other	2,493,624	2,238,994	2,795,700	556,706	24.9%
<b>Total Budget</b>	<b>18,516,623</b>	<b>18,135,094</b>	<b>19,759,961</b>	<b>1,624,867</b>	<b>9.0%</b>

### Full-time Equivalent (FTE) Total

6                      6                      6

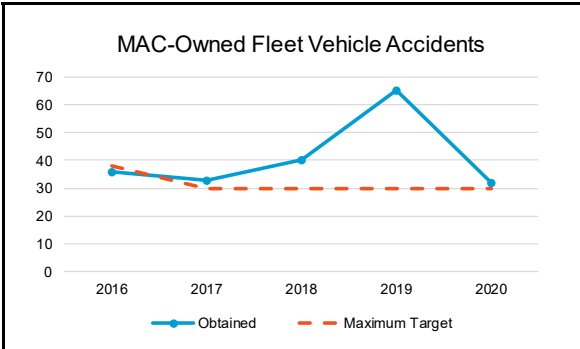
### BUDGET HIGHLIGHTS

- Personnel                      The increase in Personnel is attributable to the increase in health care costs associated with employee benefits.
- Administrative Expenses      The decrease in Administrative Expenses results from a pause in nonessential travel during the COVID-19 pandemic and recovery. All essential travel costs have been moved to MAC General.
- Professional Services              The Professional Services increase is a result of higher insurance premiums, which equate to higher broker fees and commissions.
- Operating Services/Expenses      The Operating Services/Expenses decrease is a result of reduced on-site safety testing anticipated because of the COVID-19 pandemic.
- Maintenance                      Maintenance expenses are eliminated in 2021, as no repair or calibration of equipment is anticipated.
- Other                              The increase in Other is a result of the expected rise in property insurance premiums. The increase in premiums is anticipated in response to a recent appraisal of Terminal 1, which indicates Terminal 1 is undervalued for insurance purposes.

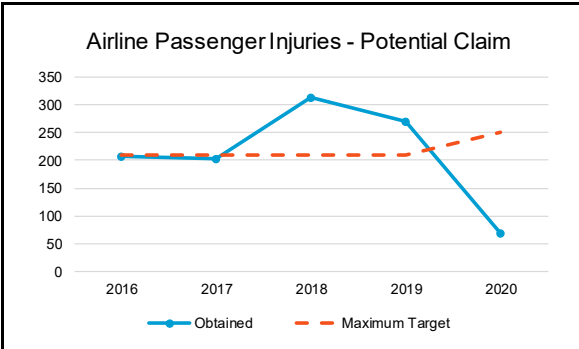
### 2021 GOALS, OBJECTIVES & MEASURES

- Organizational Goal                      Economic  
 Division Goal                              Control Risks and Associated Costs  
 Objective                                      Assess risks to control costs while providing a safe and healthy work environment  
 Performance Measure                      MAC-owned Fleet Vehicle Accidentss  
 Performance Measure Target              Maximum of 28
  
- Organizational Goal                      Customer Experience  
 Division Goal                              "One Journey" Experience  
 Objective                                      Reduce airline passenger injuries with potential for damage claim  
 Performance Measure                      Airline Passenger Injuries – Potential Claim  
 Performance Measure Target              Maximum of 125

**2020 PERFORMANCE MEASURE RESULTS**



*Total number of accidents involving MAC-owned fleet vehicles*



*Total injuries with potential for damage claim*

## FINANCE

Finance is responsible for the Commission's accounting and cash management functions, the preparation of the annual operating budget and the Comprehensive Annual Financial Report. Finance oversees financial planning which includes, but is not limited to, issuance of all debt, development of tenant rates and charges, cost-benefit analysis, financial analysis and request for proposal assistance.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	1,544,697	1,575,275	1,420,583	(154,692)	-9.8%
Administrative Expenses	13,088	21,620	8,655	(12,965)	-60.0%
Professional Services	209,421	234,800	247,500	12,700	5.4%
Utilities	3,000	3,000	3,000		
Operating Services/Expenses	194,857	235,175	227,950	(7,225)	-3.1%
Maintenance					
Other	809	900		(900)	-100.0%
<b>Total Budget</b>	<b>1,965,873</b>	<b>2,070,770</b>	<b>1,907,688</b>	<b>(163,082)</b>	<b>-7.9%</b>

### Full-time Equivalent (FTE) Total

15	15	15
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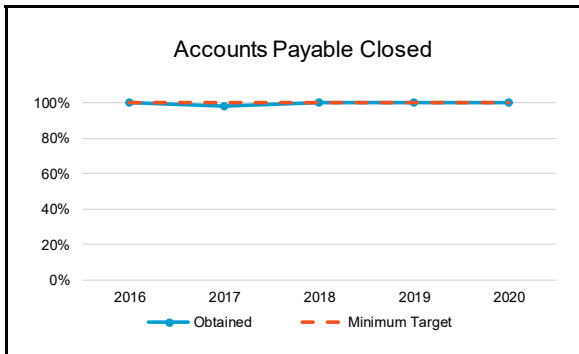
### BUDGET HIGHLIGHTS

- Personnel
 The decrease in Personnel is attributable to the removal of wages for a vacant position. The MAC has instituted a temporary hiring freeze in response to the COVID-19 pandemic and recovery. This decrease is offset by step increases.
  
- Administrative Expenses
 The decrease in Administrative Expenses results from a reduction in supplies and membership fees to match expectations plus a pause in nonessential travel during the COVID-19 pandemic and recovery. All essential travel costs have been moved to MAC General.
  
- Professional Services
 Professional Services increased for financial advisor and bond counsel assistance needed for a number of upcoming financial Requests for Qualifications.
  
- Operating Services/Expenses
 Operating Services/Expenses decreased as various bank fees were budgeted at the 2019 actual total.

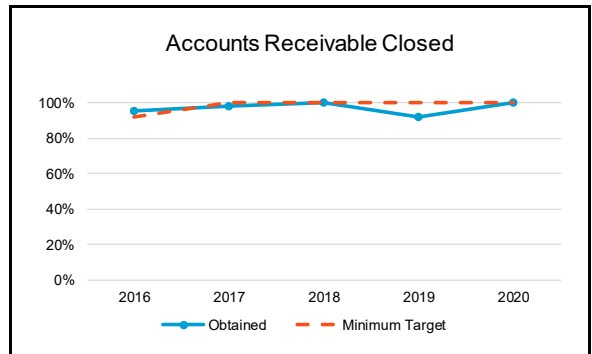
### 2021 GOALS, OBJECTIVES & MEASURES

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>➤ Organizational Goal</li> <li>Division Goal</li> <li>Objective</li> <li>Performance Measure</li> <li>Performance Measure Target</li> </ul> | <ul style="list-style-type: none"> <li>Economic</li> <li>Deliver Financial Excellence</li> <li>Assist MAC business units in managing revenues and expenses with current information</li> <li>Accounts Payable Closed On-Time</li> <li>Minimum of 100%</li> </ul>    |
| <ul style="list-style-type: none"> <li>➤ Organizational Goal</li> <li>Division Goal</li> <li>Objective</li> <li>Performance Measure</li> <li>Performance Measure Target</li> </ul> | <ul style="list-style-type: none"> <li>Economic</li> <li>Deliver Financial Excellence</li> <li>Assist MAC business units in managing revenues and expenses with current information</li> <li>Accounts Receivable Closed On-Time</li> <li>Minimum of 100%</li> </ul> |

### 2020 PERFORMANCE MEASURE RESULTS



*Percentage of Accounts Payable closed by the Friday before General Ledger closing*



*Percentage of Monthly General Ledger closed by the second Monday of the month*

## MAC GENERAL

The MAC General service center contains expenses that are not specific to any one service center such as FICA/Medicare taxes, retirement plans, utilities and fuel for MAC vehicles. Open positions that have not been allocated to a specific service center reside in this service center. Finance is responsible for the budgeting of the MAC General service center.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	13,168,020	13,846,183	13,434,347	(411,836)	-3.0%
Administrative Expenses	70		183,414	183,414	100.0%
Professional Services	518,628				
Utilities	18,261,575	19,560,965	19,208,278	(352,687)	-1.8%
Operating Services/Expenses	998,008	940,655	1,100,438	159,783	17.0%
Maintenance	3,350,620	2,513,156	2,131,492	(381,664)	-15.2%
Other	770,438	1,866,336	265,983	(1,600,353)	-85.7%
<b>Total Budget</b>	<b>37,067,360</b>	<b>38,727,295</b>	<b>36,323,952</b>	<b>(2,403,343)</b>	<b>-6.2%</b>

### Full-time Equivalent (FTE) Total

0                      0                      0

### BUDGET HIGHLIGHTS

- Personnel                      The decrease in Personnel is attributable to the removal of benefit expenses for vacant FTEs throughout the organization. The MAC has instituted a temporary hiring freeze in response to the COVID-19 pandemic and recovery.
- Administrative Expenses                      Administrative Expenses increased as all travel expenses moved to this service center. This is a measure to control costs during the COVID-19 pandemic and recovery.
- Utilities                      Utilities decreased based on a consultant's estimate of usage.
- Operating Services/Expenses                      Operating Services/Expenses increased for additional cleaning of the terminals and COVID-19 prevention supplies.
- Maintenance                      Maintenance decreased as a three-year average was used for bag handling system maintenance expenses.
- Other                      The decreased Other budget is due to a lower estimate of airline incentive expenses in 2021 than in 2020. This is a result of the decreased number of scheduled flights during the pandemic response.

## PURCHASING

Purchasing oversees the acquisition of materials, equipment and supplies; coordination of minor construction; and repair or performance of minor maintenance to meet the needs of end-users by using the method that results in the most efficient use of MAC resources. Purchasing administers the Commercial Card Program for the MAC and maintains blanket orders, including insurance certificates, for contracts generated by Purchasing. Purchasing's responsibilities also include disposing of surplus property by distributing items between the MAC service centers, selling items on the open market and donating items to various charities.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	476,713	504,339	504,601	262	0.1%
Administrative Expenses	39,138	40,975	32,700	(8,275)	-20.2%
Professional Services					
Utilities					
Operating Services/Expenses	205,164	200,200	194,558	(5,642)	-2.8%
Maintenance					
Other	582	7,500	750	(6,750)	-90.0%
<b>Total Budget</b>	<b>721,597</b>	<b>753,014</b>	<b>732,609</b>	<b>(20,405)</b>	<b>-2.7%</b>

**Full-time Equivalent (FTE) Total**

6

6

6

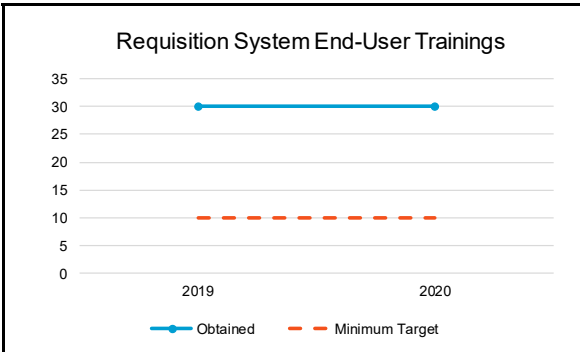
### BUDGET HIGHLIGHTS

- Administrative Expenses      The decrease in Administrative Expenses results from a pause in nonessential travel, a reduction in office supply purchases and printing of MAC-wide business cards during the COVID-19 pandemic and recovery. All essential travel costs have been moved to MAC General.
- Operating Services/Expenses      The decrease in Operating Services/Expenses is due to a recent change in the MAC-wide copy agreement which upgraded the units to printing, scanning and faxing machines capable of color printing. This has greatly reduced the need for stand-alone printers. In addition, many MAC staff members are working remotely and printing or copying fewer documents.
- Other      Other expenses include the MAC-wide vehicle registration renewals, which are primarily renewed in even-numbered years. 2020 included 300 renewals, but 2021 will include fewer renewals.

### 2021 GOALS, OBJECTIVES & MEASURES

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>➤ Organizational Goal</li> <li>Division Goal</li> <li>Objective</li> <li>Performance Measure</li> <li>Performance Measure Target</li> </ul> | <ul style="list-style-type: none"> <li>Economic</li> <li>Control Risks and Associated Costs</li> <li>Reduce Procurement Process Input Errors</li> <li>Procedure/Sequence Document for EOC Logistics Handbook</li> <li>Minimum of 1</li> </ul> |
|--|---|

**2020 PERFORMANCE MEASURE RESULTS**



*Number of trainings for end-users on the MAC's Purchasing requisition system to support employees' use of the system*

## COMMERCIAL MANAGEMENT & AIRLINE AFFAIRS

Commercial Management & Airline Affairs (CMAA) oversees revenue generation from airline and airport concession agreements, MSP leases and system-wide non-aeronautical leases. CMAA also manages MAC property and real estate.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	526,258	540,345	395,606	(144,739)	-26.8%
Administrative Expenses	23,532	29,370	4,575	(24,795)	-84.4%
Professional Services	202,537	452,500	155,000	(297,500)	-65.7%
Utilities	2,874	2,400	1,800	(600)	-25.0%
Operating Services/Expenses	950	800	500	(300)	-37.5%
Maintenance	395,321	271,700	271,700		
Other					
<b>Total Budget</b>	<b>1,151,471</b>	<b>1,297,115</b>	<b>829,181</b>	<b>(467,934)</b>	<b>-36.1%</b>

Full-time Equivalent (FTE) Total

4                      4                      4

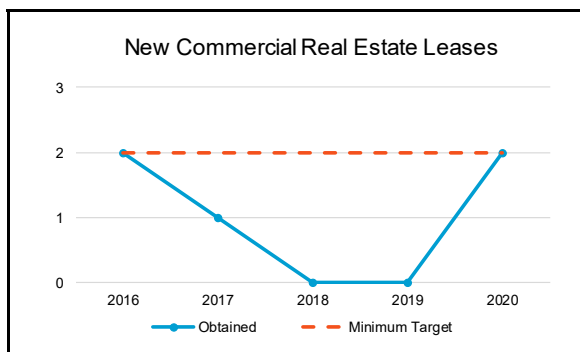
### BUDGET HIGHLIGHTS

- Personnel                      The decrease in Personnel is attributable to the removal of wages for a vacant position. The MAC has instituted a temporary hiring freeze in response to the COVID-19 pandemic and recovery.
- Administrative Expenses                      The decrease in Administrative Expenses is mainly the result of a pause in nonessential travel during the COVID-19 pandemic and recovery. All essential travel costs have been moved to MAC General.
- Professional Services                      The decrease in Professional Services is a result of a land evaluation project that took place in 2020 that will not continue into 2021.
- Utilities                      The decrease in Utilities is a result of reducing the number of cell phone stipends for a temporarily vacant position.
- Operating Services/Expenses                      The reduction in Operating Services/Expenses is caused by a lower expectation for advertising as a result of the completion of the real estate study.

### 2021 GOALS, OBJECTIVES & MEASURES

- Organizational Goal                      Economic
- Division Goal                      Grow Revenue Base
- Objective                      Develop additional non-aeronautical land leases
- Performance Measure                      New Ground Leases
- Performance Measure Target                      Minimum of 2

### 2020 PERFORMANCE MEASURE RESULTS



Number of real estate leases entered into at MAC Reliever Airports



## CONCESSIONS & BUSINESS DEVELOPMENT

Concessions & Business Development oversees revenue generation from airport concession agreements and implements new concepts to improve the customer experience and revenue generation at MSP. Concessions & Business Development manages MAC property and real estate within the terminals.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	530,868	666,264	519,090	(147,174)	-22.1%
Administrative Expenses	7,138	20,212	2,025	(18,187)	-90.0%
Professional Services	5,000	20,000	5,000	(15,000)	-75.0%
Utilities	2,000	3,240	3,240		
Operating Services/Expenses	(2)	2,000	1,000	(1,000)	-50.0%
Maintenance					
Other	3,147	5,000	500	(4,500)	-90.0%
<b>Total Budget</b>	<b>548,152</b>	<b>716,716</b>	<b>530,855</b>	<b>(185,861)</b>	<b>-25.9%</b>

**Full-time Equivalent (FTE) Total**                      6                      6                      6

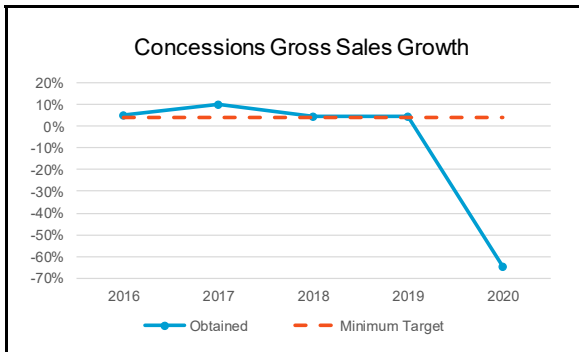
### BUDGET HIGHLIGHTS

- Personnel                      The decrease in Personnel is attributable to the removal of wages for a vacant position. The MAC has instituted a temporary hiring freeze in response to the COVID-19 pandemic and recovery.
- Administrative Expenses                      Administrative Expenses were dramatically reduced due to a temporary reduction in travel, local meeting attendance and office supplies due to COVID-19 pandemic impacts. All essential travel costs have been moved to MAC General.
- Professional Services                      The Professional Services budget was cut due to delaying larger lease Requests for Proposals during the COVID-19 pandemic and recovery.
- Operating Services/Expenses                      Operating Services/Expenses decreased as a result of reducing published marketing materials for the concessions program while fewer travelers fly during the pandemic.
- Other                      The decrease in Other is due to eliminating the purchase of office furniture as a result of staff working remotely during the COVID-19 pandemic.

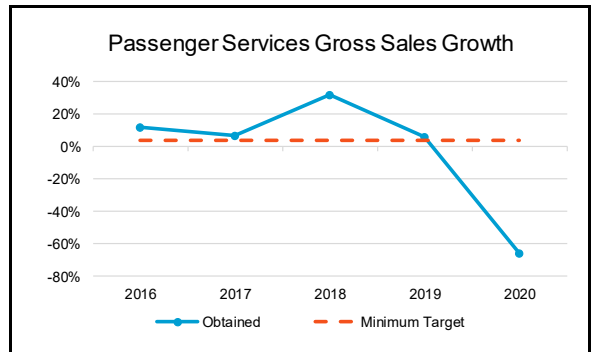
### 2021 GOALS, OBJECTIVES & MEASURES

- Organizational Goal Division                      Economic
- Goal                      Grow Revenue Base
- Objective                      Diversify the MSP food and beverage program
- Performance Measure                      Increased Food & Beverage Sales by Enplaned Passengers
- Performance Measure Target                      Minimum of 15%

**2020 PERFORMANCE MEASURE RESULTS**



*Year-over-year percentage change in food, beverage and retail concessions gross sales*



*Year-over-year percentage change in passenger services gross sales*



*Annual average mystery shopper score observed by third party*

### MSP AIRPORT CONFERENCE CENTER

The MSP Airport Conference Center provides first-class customer service to the external and internal customer. Staff are responsible for the management and promotion of the conference center, providing catering services, maintaining audio-visual equipment and invoicing internal/external clients.

#### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	208,359	265,969	212,842	(53,127)	-20.0%
Administrative Expenses	4,369	7,500	900	(6,600)	-88.0%
Professional Services					
Utilities	600	600	600		
Operating Services/Expenses	27,601	33,700	21,000	(12,700)	-37.7%
Maintenance					
Other	3,392	9,610	588	(9,022)	-93.9%
<b>Total Budget</b>	<b>244,321</b>	<b>317,379</b>	<b>235,930</b>	<b>(81,449)</b>	<b>-25.7%</b>

**Full-time Equivalent (FTE) Total**                              3                              3                              3

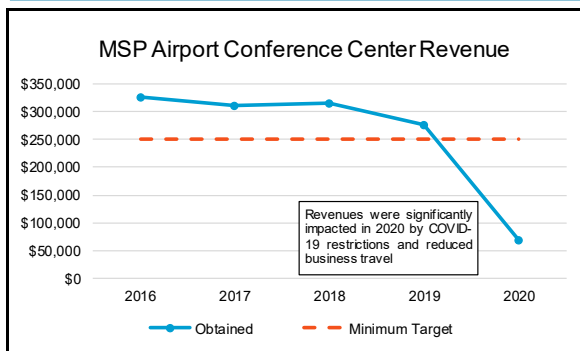
#### BUDGET HIGHLIGHTS

- Personnel                              The decrease in Personnel is attributable to eliminating overtime and temporary employee expenses, a result of reduced passenger traffic affecting conference center usage.
- Administrative Expenses                              The decrease in Administrative Expenses results from a reduction in office supply expenses and the temporary elimination of a membership fee.
- Operating Services/Expenses                              The decrease in Operating Services/Expenses is a result of a reduced need for food and beverage inventory for resale.
- Other                              The decrease in Other is due to pausing the purchase and rental of non-essential minor equipment during 2021 as a result of budget cuts related to the COVID-19 pandemic.

#### 2021 GOALS, OBJECTIVES & MEASURES

- Organizational Goal                              Engagement
- Division Goal                              Provide Exceptional Customer Service
- Objective                              Welcome repeat customers from 2019 and 2020
- Performance Measure                              Welcome Back Marketing Emails
- Performance Measure Target                              Minimum of 50

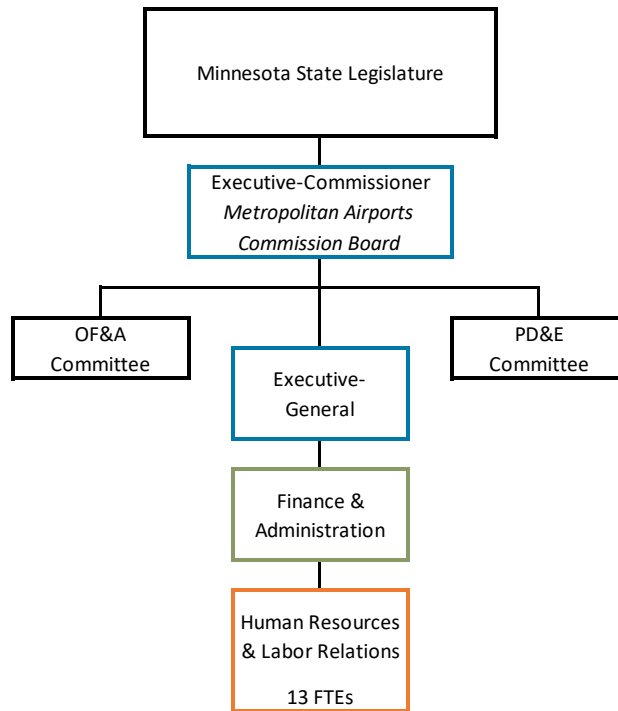
#### 2020 PERFORMANCE MEASURE RESULTS



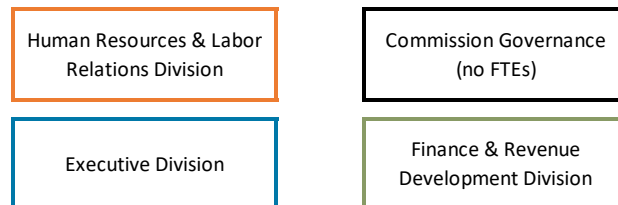
Gross revenue generated

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## Human Resources & Labor Relations Division Organizational Chart



### Legend



<b>Human Resources &amp; Labor Relations Division Goals</b>
<b>Organization Goal: Talent</b>
Division Goal: Employee Development and Performance Management
<b>Organization Goal: Engagement</b>
Division Goal: Employee Development and Performance Management

As discussed in the Executive Summary section, each division has direct responsibility for one or more of the Goals outlined in the MAC's Strategic Plan. The divisions have also selected Goals for their work towards the plan. The service centers within each division have developed Objectives to further the division and organization goals, as well as Performance Measures to track progress towards those objectives. The Human Resources & Labor Relations Division consists of one service center. This table indicates the organization and division goals towards which it is working. The following pages describe key budget information for the service center and summarizes its Goals, Objectives and Performance Measures.

The COVID-19 pandemic had a significant effect on the air travel industry. Unprecedented challenges may have had negative impacts on some of the 2020 Performance Measure results on the following pages. While the pandemic and recovery may continue to influence these measures in the short-term, the results are considered anomalies. As the industry recovers, performance measure results are expected to recover also in the long-term.

## HUMAN RESOURCES & LABOR RELATIONS

Human Resources & Labor Relations is responsible for various functions that enable the MAC to remain a high-performing organization where employees experience excellence in leadership, inclusiveness for all, challenging work and opportunities for growth and development while being rewarded competitively. This service center is responsible for all traditional human resource functions including but not limited to policy development and enforcement; compensation management and hiring; employee development and engagement; labor relations; and diversity, equity and inclusion functions. These functions also include responsibility for the Affirmative Action/Equal Opportunity plan; compliance with obligations relating to the Americans with Disabilities Act, Title VI, the Minnesota Human Rights Act and Title VII; contract compliance, community outreach/relations and the Target Group Business/Disadvantaged Business Enterprise programs.

### BUDGET SUMMARY

	<b>2019 Actual</b>	<b>2020 Budget</b>	<b>2021 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	543,781	1,934,268	1,282,710	(651,558)	-33.7%
Administrative Expenses	17,786	58,695	34,061	(24,634)	-42.0%
Professional Services	134,811	182,000	130,000	(52,000)	-28.6%
Utilities	840	3,600	3,600		
Operating Services/Expenses	20,482	71,500	22,870	(48,630)	-68.0%
Maintenance					
Other		6,000		(6,000)	-100.0%
<b>Total Budget</b>	<b>717,700</b>	<b>2,256,063</b>	<b>1,473,241</b>	<b>(782,822)</b>	<b>-34.7%</b>

<b>Full-time Equivalent (FTE) Total</b>	5	13	13
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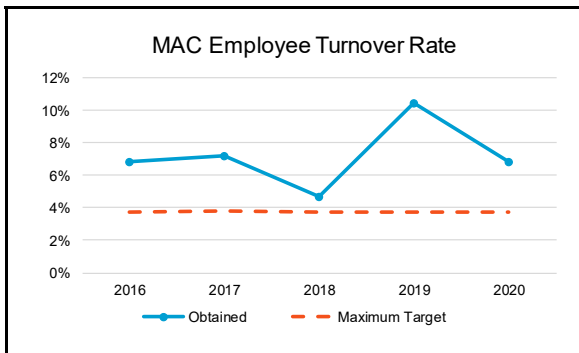
### BUDGET HIGHLIGHTS

- Personnel                      The decrease in Personnel expenses is attributable to budget reductions in response to the COVID-19 pandemic and recovery. Reductions include eliminating the Tuition Reimbursement program, limiting attendance at local seminars for Human Relations staff and reducing executive training and coaching expenses.
- Administrative Expenses     The decrease in Administrative Expenses results from a pause in nonessential travel during the COVID-19 pandemic and recovery. All essential travel costs have been moved to MAC General.
- Professional Services        The decrease in Professional Services is a result of reducing expenses related to hiring new employees. Due to the COVID-19 pandemic, the MAC instituted a temporary hiring freeze for non-essential vacancies. Therefore, the hiring of new employees will be reduced.
- Operating Services/Expenses   The decrease in Operating Services/Expenses results from a pause in the recognition budget. Due to the COVID-19 pandemic there will not be an employee event for all employees.
- Other                              The Other expense budget in 2020 was used to combine three departments into one department. This expense is no longer needed.

**2021 GOALS, OBJECTIVES & MEASURES**

- Organizational Goal: Engagement  
 Division Goal: Employee Development and Performance Management  
 Objective: Support employee engagement by conducting an employee engagement survey by December 31, 2021  
 Performance Measure: Completed Employee Engagement Surveys  
 Performance Measure Target: Minimum of 450
  
- Organizational Goal: Talent  
 Division Goal: Employee Development and Performance Management  
 Objective: Provide diversity, equity and inclusion training for management and employees  
 Performance Measure: Employee Diversity, Equity and Inclusion Trainings  
 Performance Measure Target: Minimum of 80%

**2020 PERFORMANCE MEASURE RESULTS**



Percentage rate of employee turnover



## EMPLOYEE DEVELOPMENT & ENGAGEMENT

Employee Development & Engagement merged into Human Resources & Labor Relations, which absorbed all of the service center's responsibilities.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	149,755				
Administrative Expenses					
Professional Services	96,888				
Utilities					
Operating Services/Expenses	6,827				
Maintenance					
Other					
<b>Total Budget</b>	<b>253,471</b>				

**Full-time Equivalent (FTE) Total**

1

0

0

### BUDGET HIGHLIGHTS

- Personnel

Employee Development & Engagement merged into Human Resources and Labor Relations in 2020; therefore, the respective budgets have moved to that service center.

## DIVERSITY

Diversity merged into Human Resources & Labor Relations, which absorbed all of the service center's responsibilities.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	177,516				
Administrative Expenses	18,880				
Professional Services					
Utilities	550				
Operating Services/Expenses	3,587				
Maintenance					
Other					
<b>Total Budget</b>	<b>200,533</b>				

**Full-time Equivalent (FTE) Total**

2

0

0

### BUDGET HIGHLIGHTS

- Personnel

Diversity merged into Human Resources and Labor Relations in 2020; therefore, the respective budgets have moved to that service center.

## EMPLOYEE RELATIONS

Employee Relations merged into Human Resources & Labor Relations, which absorbed all of the service center's responsibilities.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	638,885				
Administrative Expenses	9,826				
Professional Services	94,394				
Utilities	1,200				
Operating Services/Expenses	4,106				
Maintenance					
Other					
<b>Total Budget</b>	<b>748,410</b>				

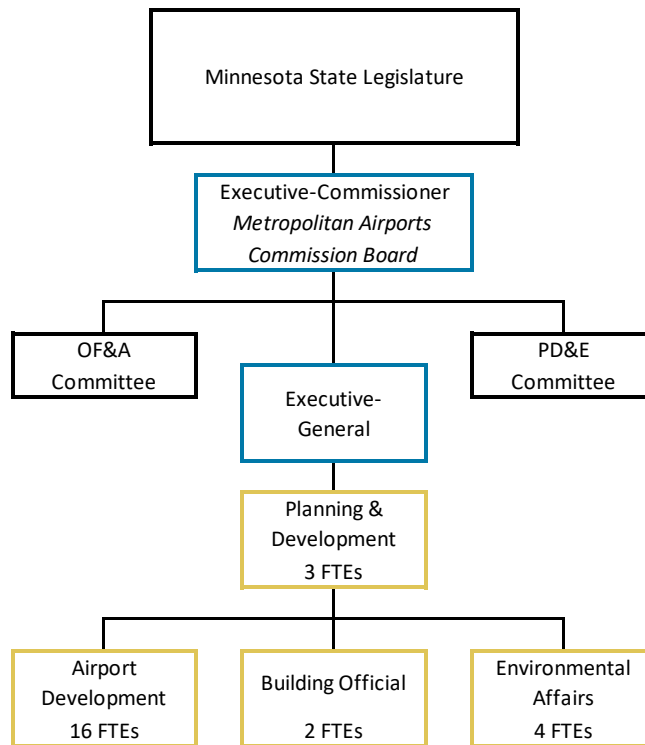
<b>Full-time Equivalent (FTE) Total</b>	5	0	0
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### BUDGET HIGHLIGHTS

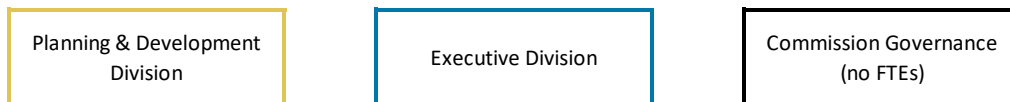
- Personnel Employee Relations merged into Human Resources and Labor Relations in 2020; therefore, the respective budgets have moved to that service center.

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## Planning & Development Division Organizational Chart



### Legend



<b>Planning &amp; Development Division Goals by Service Center</b>	<b>75500 Planning &amp; Development</b>	<b>77000 Airport Development</b>	<b>77100 Building Official</b>	<b>85100 Environmental Affairs</b>
<b>Organization Goal: Customer Experience</b>				
Division Goal: Grow Stakeholder and Community Engagement			●	
<b>Organization Goal: Economic</b>				
Division Goal: Utilize Strategies for Maintaining Financial Strength	●	●		
Division Goal: Grow Stakeholder and Community Engagement				●

As discussed in the Executive Summary section, each division has direct responsibility for one or more of the Goals outlined in the MAC's Strategic Plan. The divisions have also selected Goals for their work towards the plan. The service centers within each division have developed Objectives to further the division and organization goals, as well as Performance Measures to track progress towards those objectives. This table lists the service centers within the Planning & Development Division and indicates the organization and division goals towards which each service center is working. The following pages describe key budget information for each service center and summarizes its Goals, Objectives and Performance Measures.

The COVID-19 pandemic had a significant effect on the air travel industry. Unprecedented challenges may have had negative impacts on some of the 2020 Performance Measure results on the following pages. While the pandemic and recovery may continue to influence these measures in the short-term, the results are considered anomalies. As the industry recovers, performance measure results are expected to recover also in the long-term.

## PLANNING & DEVELOPMENT

Planning & Development supervises property acquisition, planning, design, engineering, architecture, construction of all Commission facilities and grants management. Planning & Development also supervises the Building Official and Environmental Affairs service centers. In addition, the division is responsible for maintaining good relationships with local, state and federal government partners and airport stakeholders.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	365,131	379,689	278,263	(101,427)	-26.7%
Administrative Expenses	13,894	13,550	2,830	(10,720)	-79.1%
Professional Services	133,785	198,000	110,000	(88,000)	-44.4%
Utilities	1,295	1,200	600	(600)	-50.0%
Operating Services/Expenses	345,737	334,000	295,000	(39,000)	-11.7%
Maintenance					
Other					
<b>Total Budget</b>	<b>859,842</b>	<b>926,439</b>	<b>686,693</b>	<b>(239,747)</b>	<b>-25.9%</b>

Full-time Equivalent (FTE) Total

3                      3                      3

### BUDGET HIGHLIGHTS

- Personnel                      The decrease in Personnel is attributable to the removal of wages for a vacant position. The MAC has instituted a temporary hiring freeze in response to the COVID-19 pandemic and recovery.
- Administrative Expenses      The decrease in Administrative Expenses results from reductions in office supplies, travel expenses, mileage and conference fees during the COVID-19 pandemic and recovery. All essential travel costs have been moved to MAC General.
- Professional Services              The decrease in Professional Services results from a reduction in planning authorizations during the COVID-19 pandemic and recovery.
- Utilities                              The decrease in Utilities is due to the removal of cellular service expenses for a vacant position.
- Operating Services/Expenses      The decrease in Operating Services/Expenses is due to the reduction in advertising due to anticipated limitations on Joint Airport Zoning Board efforts during the COVID-19 pandemic and recovery, as well as reduced Metropolitan Council fees.

### 2021 GOALS, OBJECTIVES & MEASURES

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>➤ Organizational Goal</li> <li>Division Goal</li> <li>Objective</li> <li>Performance Measure</li> <li>Performance Measure Target</li> </ul> | <ul style="list-style-type: none"> <li>Economic</li> <li>Utilize Strategies for Maintaining Financial Strength</li> <li>Support implementation of scheduled CIP projects</li> <li>First-Year CIP Projects Implemented</li> <li>Minimum 100%</li> </ul> |
|--|--|

## AIRPORT DEVELOPMENT

Airport Development develops and implements the Commission's Capital Improvement Program (CIP). Within the CIP, the service center supervises the planning, design, engineering, architecture and construction of all Commission facilities at MSP and the Commission's six reliever airports.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	377,091	780,806	265,787	(515,019)	-66.0%
Administrative Expenses	18,408	42,800	21,881	(20,919)	-48.9%
Professional Services	309,130	475,000	498,000	23,000	4.8%
Utilities	5,444	5,550	5,021	(529)	-9.5%
Operating Services/Expenses			300	300	100.0%
Maintenance					
Other		2,700		(2,700)	-100.0%
<b>Total Budget</b>	<b>710,073</b>	<b>1,306,856</b>	<b>790,989</b>	<b>(515,867)</b>	<b>-39.5%</b>

### Full-time Equivalent (FTE) Total

13                      16                      16

### BUDGET HIGHLIGHTS

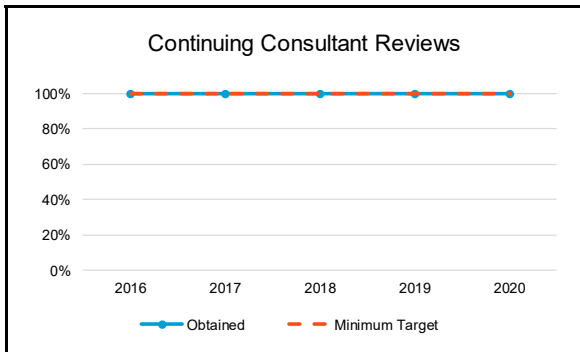
- Personnel                      The decrease in Personnel is attributable to the removal of wages for three vacant FTEs. The MAC has instituted a temporary hiring freeze in response to the COVID-19 pandemic and recovery.
- Administrative Expenses      The decrease in Administrative Expenses results from a pause in nonessential travel during the COVID-19 pandemic and recovery. All essential travel costs have been moved to MAC General.
- Professional Services          The increase in Professional Services is due to additional project management services in lieu of filling a vacant position in Airport Development during the COVID-19 pandemic and recovery.
- Operating Services/Expenses    The increase in Operating Services/Expenses results from a 2021 advertisement requirement for three Continuing Consultant Requests for Qualifications.
- Other                              The decrease in Other results from a pause in replacing office furniture that will not be required due to unfilled positions during the COVID-19 pandemic and recovery.

### 2021 GOALS, OBJECTIVES & MEASURES

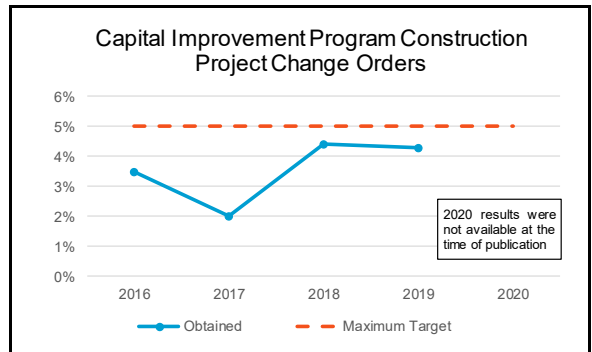
- Organizational Goal                      Economic  
 Division Goal                              Utilize Strategies for Maintaining Financial Strength  
 Objective                                      Complete continuing consultant reviews to evaluate level of service to MAC staff and stakeholders  
 Performance Measure                      Continuing Consultant Reviews  
 Performance Measure Target            Minimum of 100%
  
- Organizational Goal                      Economic  
 Division Goal                              Utilize Strategies for Maintaining Financial Strength  
 Objective                                      Maintain construction cost oversight  
 Performance Measure                      CIP Construction Projects within Change Order Parameters  
 Performance Measure Target            Minimum of 100%



**2020 PERFORMANCE MEASURE RESULTS**



*Percentage of annual performance review completed by year-end*



*Percentage of CIP construction projects within historic change order parameters*

## BUILDING OFFICIAL

The Building Official is responsible for the overall administration of the Metropolitan Airports Commission building code ordinance. Service center responsibilities include the application, administration, implementation and enforcement of the State of Minnesota building code and the MAC construction standards, procedures and guidelines. Duties include plan review, issuance of permits, inspections and retention of inspection history and building construction plans. In addition, the service center provides construction coordination for retail, food and beverage construction build-outs and remodeling of existing tenant spaces within Terminal 1 and Terminal 2.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	176,918	186,879	188,403	1,524	0.8%
Administrative Expenses	1,317	5,060	1,250	(3,810)	-75.3%
Professional Services					
Utilities	1,728	900	2,196	1,296	144.0%
Operating Services/Expenses		100		(100)	-100.0%
Maintenance					
Other					
<b>Total Budget</b>	<b>179,963</b>	<b>192,939</b>	<b>191,849</b>	<b>(1,090)</b>	<b>-0.6%</b>

#### Full-time Equivalent (FTE) Total

2                      2                      2

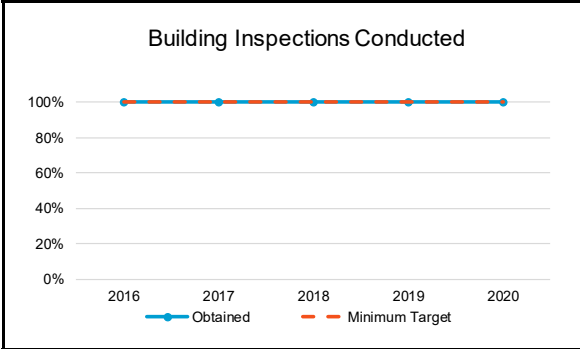
### BUDGET HIGHLIGHTS

- Personnel                      The increase in Personnel is attributable to step increases.
- Administrative Expenses                      The decrease in Administrative Expenses results from a pause in nonessential travel during the COVID-19 pandemic and recovery. All essential travel costs have been moved to MAC General.
- Utilities                      The increase in Utilities is a result of realigning cell phone usage expenses with the service center that uses them.
- Operating Services/Expenses                      The decrease in Operating Services/Expenses is due to pausing the purchase of non-essential items as a result of budget cuts related to the COVID-19 pandemic.

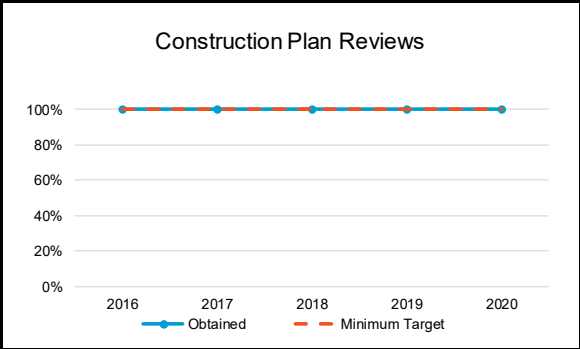
### 2021 GOALS, OBJECTIVES & MEASURES

- Organizational Goal                      Customer Experience  
 Division Goal                      Grow Stakeholder and Community Engagement  
 Objective                      Perform inspections in a timely manner  
 Performance Measure                      Building Inspections Conducted within 14 Days of Request  
 Performance Measure Target                      Minimum of 100%
- Organizational Goal                      Customer Experience  
 Division Goal                      Grow Stakeholder and Community Engagement  
 Objective                      Review plans in a timely manner  
 Performance Measure                      Construction Plan Reviews within 14 Days of Submission  
 Performance Measure Target                      Minimum of 100%

**2020 PERFORMANCE MEASURE RESULTS**



*Percentage of inspections that are conducted within 24 hours of request*



*Percentage of reviews conducted on construction plans within 14 days of submission*

## ENVIRONMENTAL AFFAIRS

Environmental Affairs facilitates compliance with local, state and federal environmental regulations at MAC-owned facilities. Environmental Affairs maintains programs that document environmental impacts related to construction projects, complies with stormwater and soil management requirements, administers underground and aboveground storage tank rules, monitors and reports on air quality, hazardous waste management, solid waste/recycling, implements waste reduction efforts and other pollution prevention programs and performs environmental investigations and audits.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	402,067	418,741	420,483	1,742	0.4%
Administrative Expenses	4,643	10,280	2,530	(7,750)	-75.4%
Professional Services	482,683	631,200	464,000	(167,200)	-26.5%
Utilities	3,369	3,500	3,300	(200)	-5.7%
Operating Services/Expenses	1,989,875	1,697,000	1,634,200	(62,800)	-3.7%
Maintenance					
Other	6,329	19,850	25,350	5,500	27.7%
<b>Total Budget</b>	<b>2,888,966</b>	<b>2,780,571</b>	<b>2,549,863</b>	<b>(230,708)</b>	<b>-8.3%</b>

**Full-time Equivalent (FTE) Total**

4                      4                      4

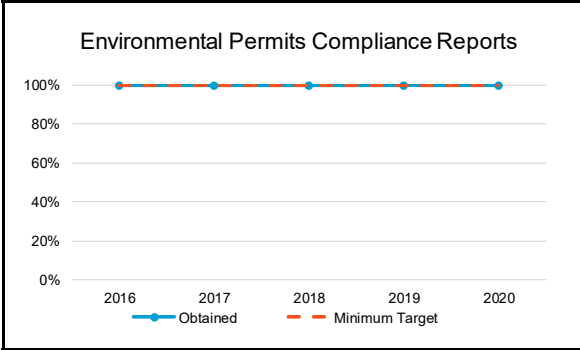
### BUDGET HIGHLIGHTS

- Personnel                      The increase in Personnel is attributable to step increases.
- Administrative Expenses                      The decrease in Administrative Expenses results from a pause in nonessential travel during the COVID-19 pandemic and recovery, as well as reducing expenditures for local seminars, office supplies and special supplies. All essential travel costs have been moved to MAC General.
- Professional Services                      The Professional Services reduction was realized by reducing consultant management services.
- Utilities                      The decrease in Utilities more accurately reflects actual costs for cell phone usage.
- Operating Services/Expenses                      Operating Services/Expenses was reduced for better alignment of actual and anticipated expenditures.
- Other                      The increase in Other is due to better aligning the budgeted and actual costs for regulatory fees and permits.

### 2021 GOALS, OBJECTIVES & MEASURES

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>➤ Organizational Goal</li> <li>Division Goal</li> <li>Objective</li> <li>Performance Measure</li> <li>Performance Measure Target</li> </ul> | <ul style="list-style-type: none"> <li>Economic</li> <li>Grow Stakeholder and Community Engagement</li> <li>Provide high-level engagement with regulatory entities</li> <li>Submitted Environmental Permits Compliance Reports</li> <li>Minimum of 100%</li> </ul> |
|--|--|

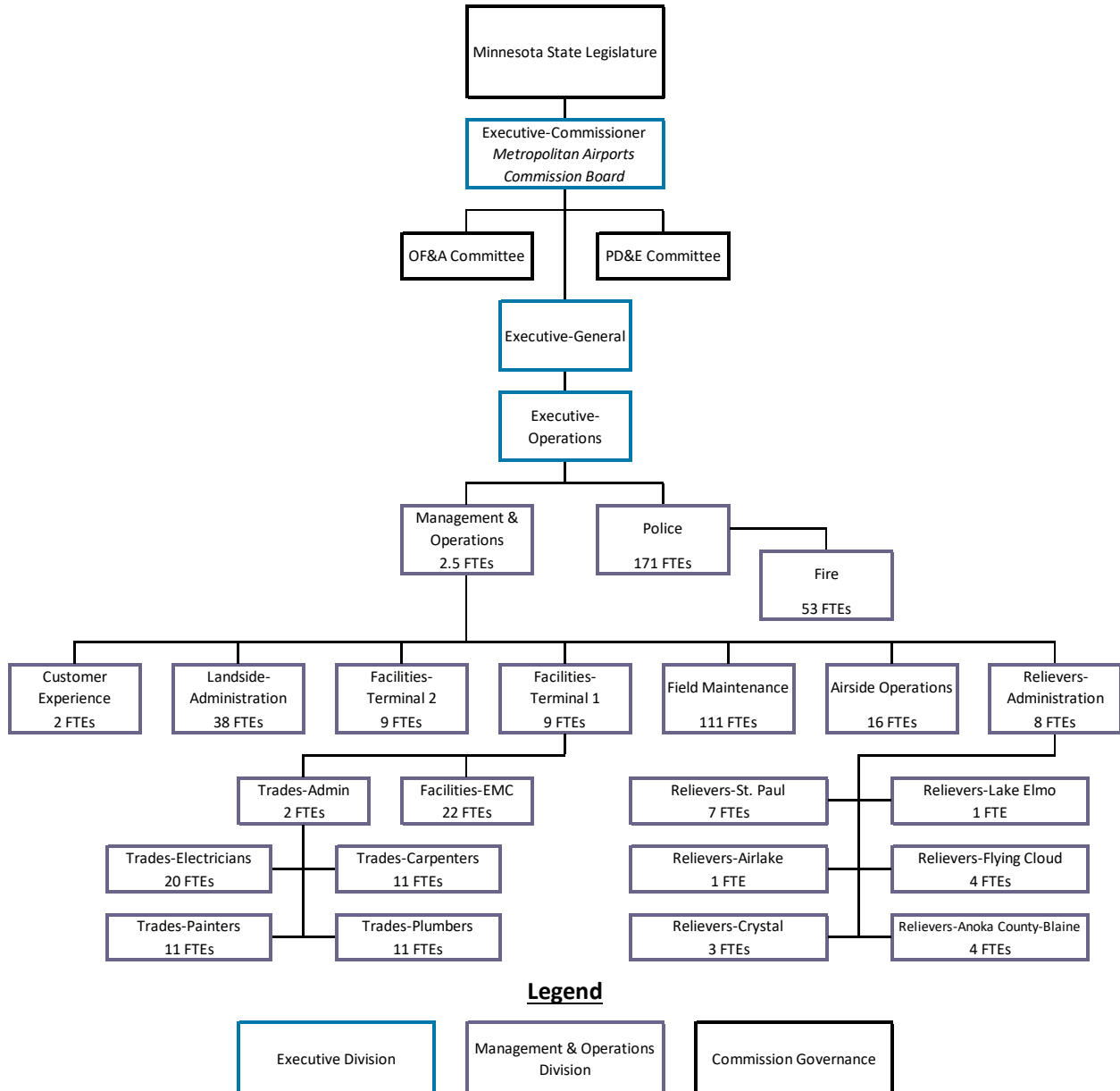
**2020 PERFORMANCE MEASURE RESULTS**



*Percentage of regularly-scheduled compliance reports submitted to regulating agencies*

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## Management & Operations Division Organizational Chart



Management & Operations Division Goals by Service Center	75800 Management & Operations	82000 Customer Experience	83400 Landside-Administration	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	90000 Relievers-Administration	90200 Relievers-St. Paul	90300 Relievers-Lake Elmo	90400 Relievers-AirLake	90500 Relievers-Flying Cloud	90600 Relievers-Crystal	90700 Relievers-Anoka County-Blaine	84200 Police	83600 Fire
	<b>Organization Goal: Safety, Security and Preparedness</b>																					
Division Goal: Safely Operate and Maintain the MAC System of Airports with a Purposeful Approach to Delivering Customer Service and Financial Sustainability										•			•	•	•	•	•	•	•	•		
Division Goal: Develop and Implement a Concept of Operations for an Airport Operations Center with a Focus on Part 139 Program Transformation and Collaborative Decision-Making that Optimizes Processes, Aligns Systems, and Aggressively Leverages Technology												•										
Division Goal: Provide enhanced transparency and accountability surrounding department activities																					•	
<b>Organization Goal: Customer Experience</b>																						
Division Goal: Provide "One Journey" Defined by Excellent Customer Experiences that Exceed Expectations through Programs that are Informed by a Comprehensive Understanding of the Customer	•	•	•																			
Division Goal: Safely Operate and Maintain the MAC System of Airports with a Purposeful Approach to Delivering Customer Service and Financial Sustainability							•	•														
<b>Organization Goal: Talent</b>																						
Division Goal: Engage and Equip Employees with the Tools and Skills to be Successful					•			•				•										
Division Goal: Employee Development and Performance Management																					•	•
<b>Organization Goal: Innovation</b>																						
Division Goal: Develop and Implement a Concept of Operations for an Airport Operations Center with a Focus on Part 139 Program Transformation and Collaborative Decision-Making that Optimizes Processes, Aligns Systems, and Aggressively Leverages Technology	•		•									•										

As discussed in the Executive Summary section, each division has direct responsibility for one or more of the Goals outlined in the MAC's Strategic Plan. The divisions have also selected Goals for their work towards the plan. The service centers within each division have developed Objectives to further the division and organization goals, as well as Performance Measures to track progress towards those objectives. This table lists the service centers within the Management & Operations Division and indicates the organization and division goals towards which each service center is working. The following pages describe key budget information for each service center and summarizes its Goals, Objectives and Performance Measures.

The COVID-19 pandemic had a significant effect on the air travel industry. Unprecedented challenges may have had negative impacts on some of the 2020 Performance Measure results on the following pages. While the pandemic and recovery may continue to influence these measures in the short-term, the results are considered anomalies. As the industry recovers, performance measure results are expected to recover also in the long-term.



## MANAGEMENT & OPERATIONS

Management & Operations is responsible for oversight and administration of the service centers that manage the day-to-day operations of the MAC's system of airports. This service center oversees and is responsible for all operations-related issues and for participating at the senior staff level in policy development, strategic planning and interdepartmental coordination.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	243,786	239,657	364,546	124,889	52.1%
Administrative Expenses	9,300	10,050	900	(9,150)	-91.0%
Professional Services	22,500	24,000	150,000	126,000	525.0%
Utilities	805	1,700	1,800	100	5.9%
Operating Services/Expenses			60,500	60,500	100.0%
Maintenance					
Other	706				
<b>Total Budget</b>	<b>277,098</b>	<b>275,407</b>	<b>577,746</b>	<b>302,339</b>	<b>109.8%</b>

**Full-time Equivalent (FTE) Total**                      1.5                      3.5                      2.5

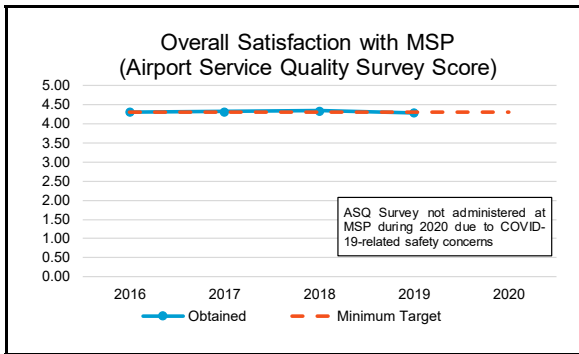
### BUDGET HIGHLIGHTS

- Personnel                      The increase in Personnel is attributable to adding the full year's salary for two FTEs hired during 2020 and step increases. This is partially offset by the transfer of one FTE to Field Maintenance.
- Administrative Expenses                      The decrease in Administrative Expenses results from a pause in nonessential travel during the COVID-19 pandemic and recovery. All essential travel costs have been moved to MAC General.
- Professional Services                      The increase in Professional Services is driven by the accelerated build out of the Concept of Operations portfolio to include operation analysis, planning strategy and key performance indicators. The portfolio will ensure operational integrity and resilience to address the operational challenges associated with COVID-19, effectively partner with stakeholders to develop proactive operations, and include plans that drive alignment, optimization and increased customer service levels.
- Utilities                      The increase in Utilities is due to a cell phone stipend for an additional staff member.
- Operating Services/Expenses                      The increase in Operating Services/Expenses is driven by the accelerated build out of the Concept of Operations portfolio to include operation analysis, planning strategy and key performance indicators. The portfolio will ensure operational integrity and resilience to address the operational challenges associated with COVID-19, effectively partner with stakeholders to develop proactive operations, and include plans that drive alignment, optimization and increased customer service levels.

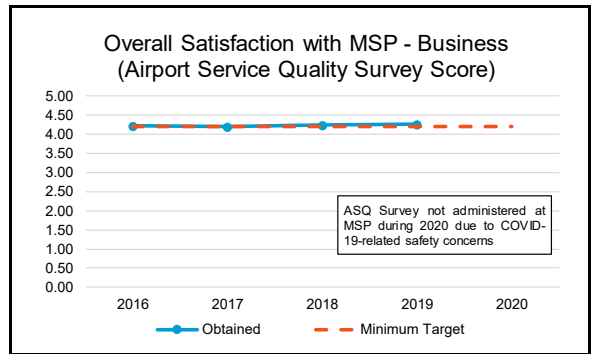
### 2021 GOALS, OBJECTIVES & MEASURES

<ul style="list-style-type: none"> <li>➤ Organizational Goal</li> <li>Division Goal</li>   <li>Objective</li>   <li>Performance Measure</li> <li>Performance Measure Target</li> </ul>	<p>Innovation</p> <p>Develop and Implement a Concept of Operations for an Airport Operations Center with a Focus on Part 139 Program Transformation and Collaborative Decision-Making that Optimizes Processes, Aligns Systems, and Aggressively Leverages Technology</p> <p>Complete development of a new operating model and Concept of Operations</p> <p>Concept of Operations Process Implementation</p> <p>Minimum of 25%</p>
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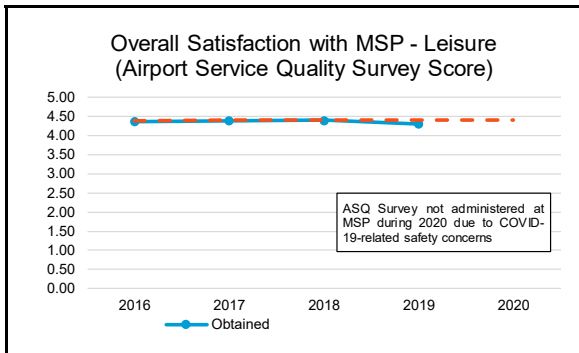
**2020 PERFORMANCE MEASURE RESULTS**



*Airport Service Quality Survey Score:  
5-point scale (5 = excellent, 1 = poor)*



*Airport Service Quality Survey Score:  
5-point scale (5 = excellent, 1 = poor)*



*Airport Service Quality Survey Score:  
5-point scale (5 = excellent, 1 = poor)*

## CUSTOMER EXPERIENCE

Customer Experience develops, implements and improves customer experience programs at MSP. This service center serves as the primary contact at the MAC for customer experience initiatives with airlines, tenants, government agencies and the Airport Foundation MSP. It acts as an operational liaison to the MSP Customer Service Action Council, facilitating the integration of customer experience initiatives into the operation of MSP.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	236,613	245,010	232,812	(12,198)	-5.0%
Administrative Expenses	52,089	41,450	35,110	(6,340)	-15.3%
Professional Services	(67)	90,000		(90,000)	-100.0%
Utilities	3,243	1,200	1,200		
Operating Services/Expenses	118,121	209,500	938,600	729,100	348.0%
Maintenance					
Other	27,588	12,000		(12,000)	-100.0%
<b>Total Budget</b>	<b>437,586</b>	<b>599,160</b>	<b>1,207,722</b>	<b>608,562</b>	<b>101.6%</b>

### Full-time Equivalent (FTE) Total

2                      2                      2

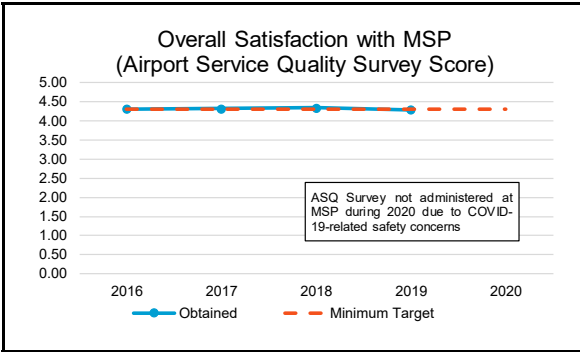
### BUDGET HIGHLIGHTS

- Personnel                      The decrease in Personnel is attributable to reducing job-related training and local meeting attendance.
- Administrative Expenses      The decrease in Administrative Expenses results from a pause in nonessential travel during the COVID-19 pandemic and recovery. All essential travel costs have been moved to MAC General.
- Professional Services              The decrease in Professional Services is due to postponing the Customer Experience initiatives during the COVID-19 pandemic and recovery. The initiatives are related to a customer feedback program and enhanced customer service training.
- Operating Services/Expenses      The increase in Operating Services/Expenses is a result of transferring expenses for the porter service/queue line management contract from Facilities-Terminal 1.
- Other                                      The decrease in Other is due to reducing holiday décor expenses during the COVID-19 pandemic and recovery.

### 2021 GOALS, OBJECTIVES & MEASURES

- Organizational Goal                      Customer Experience  
Division Goal                      Provide "One Journey" Defined by Excellent Customer Experiences that Exceed Expectations through Programs that are Informed by a Comprehensive Understanding of the Customer
- Objective                                      Utilize digital applications to enhance customer experience through timely and relevant information, influence behavior to drive revenue, recognize the airport community and strengthen the MSP brand
- Performance Measure                      Governance Structure Transition
- Performance Measure Target              Minimum of 100%
  
- Organizational Goal                      Customer Experience  
Division Goal                      Provide "One Journey" Defined by Excellent Customer Experiences that Exceed Expectations through Programs that are Informed by a Comprehensive Understanding of the Customer
- Objective                                      Work with Operations Analyst to develop forecasting tool for use in partnership with TSA that helps right-size their staff based on forecasted passenger traffic and thereby minimizes wait times at security checkpoints
- Performance Measure                      Number of Sessions Held to Develop Forecasting Tool
- Performance Measure Target              Minimum of 26

**2020 PERFORMANCE MEASURE RESULTS**



*Airport Service Quality Survey Score:  
5-point scale (5 = excellent, 1 = poor)*

## LANDSIDE - ADMINISTRATION

Landside - Administration is responsible for managing and operating public and employee parking, revenue control systems and associated parking and transportation infrastructure at MSP. The service center also oversees the permitting and regulatory requirements of charter buses, shuttles, limousines, taxicabs and transportation network companies. Landside - Administration includes passenger service assistance personnel, who answer customer questions and assist with the onboarding of taxicabs and transportation network companies at MSP, as well as MSP's lost and found office.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	2,316,202	2,494,039	2,463,826	(30,213)	-1.2%
Administrative Expenses	60,995	62,488	25,395	(37,093)	-59.4%
Professional Services					
Utilities	6,854	6,600	6,600		
Operating Services/Expenses	9,154,668	10,164,679	6,084,473	(4,080,206)	-40.1%
Maintenance	88,382	109,810	25,000	(84,810)	-77.2%
Other	25,338				
<b>Total Budget</b>	<b>11,652,438</b>	<b>12,837,616</b>	<b>8,605,294</b>	<b>(4,232,322)</b>	<b>-33.0%</b>

**Full-time Equivalent (FTE) Total**                      38                      38                      38

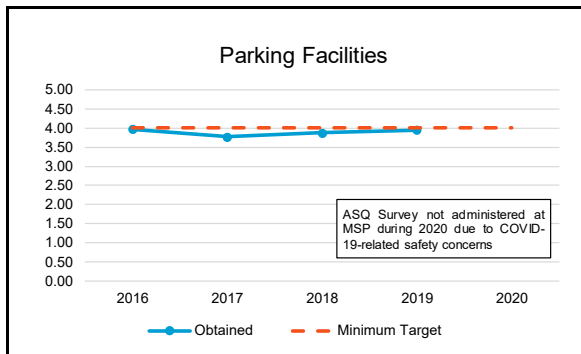
### BUDGET HIGHLIGHTS

- Personnel                      The decrease in Personnel is attributable to reducing staff overtime and job-related training.
- Administrative Expenses                      The decrease in Administrative Expenses results from a pause in nonessential travel during the COVID-19 pandemic and recovery, as well as a reduction in office supplies expense. All essential travel costs have been moved to MAC General.
- Operating Services/Expenses                      The decrease in Operating Services/Expenses reflects the reduction of costs for contracted services that are reduced during the COVID-19 pandemic.
- Maintenance                      The decrease in Maintenance is a result of limiting revenue control infrastructure maintenance and repairs to essentials.

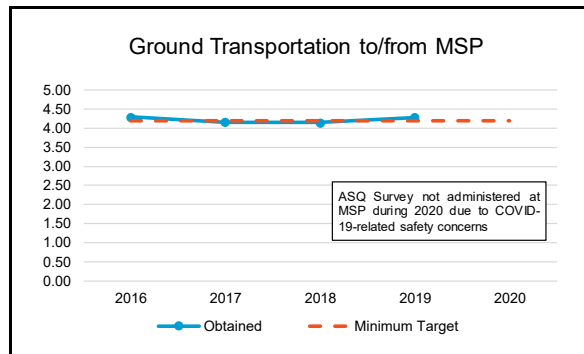
### 2021 GOALS, OBJECTIVES & MEASURES

- Organizational Goal                      Customer Experience
- Division Goal                      Provide "One Journey" Defined by Excellent Customer Experiences that Exceed Expectations through Programs that are Informed by a Comprehensive Understanding of the Customer
- Objective                      Successful launch of variable priced parking at MSP Terminal 1 during 2021
- Performance Measure                      Increase in Pre-Booking Accounts
- Performance Measure Target                      Minimum of 1%

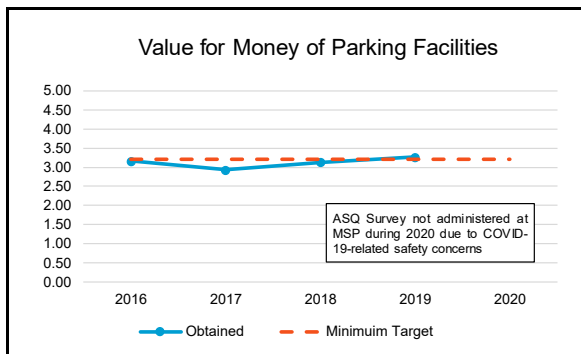
**2020 PERFORMANCE MEASURE RESULTS**



*Airport Service Quality Survey Score:  
5-point scale (5 = excellent, 1 = poor)*



*Airport Service Quality Survey Score:  
5-point scale (5 = excellent, 1 = poor)*



*Airport Service Quality Survey Score:  
5-point scale (5 = excellent, 1 = poor)*

## FACILITIES - TERMINAL 2

Facilities - Terminal 2 is responsible for daily operations management, as well as maintenance and planning of all MSP common-use facilities and related equipment. These responsibilities include all of Terminal 2, common use gates and ticket counters at Terminal 1 and U.S. Customs inspections facilities in both Terminal 1 and Terminal 2. The service center shares responsibility with Information Technology for planning, implementing, operating and support of several common-use and shared-use computer systems and equipment.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	700,643	751,309	743,509	(7,800)	-1.0%
Administrative Expenses	3,540	9,100	2,690	(6,410)	-70.4%
Professional Services					
Utilities	1,800	1,750	1,750		
Operating Services/Expenses	468	5,650	696	(4,954)	-87.7%
Maintenance	1,363,921	1,294,500	1,297,170	2,670	0.2%
Other	4,886	7,625	5,040	(2,585)	-33.9%
<b>Total Budget</b>	<b>2,075,258</b>	<b>2,069,934</b>	<b>2,050,855</b>	<b>(19,079)</b>	<b>-0.9%</b>

**Full-time Equivalent (FTE) Total**                                      9                                      9                                      9

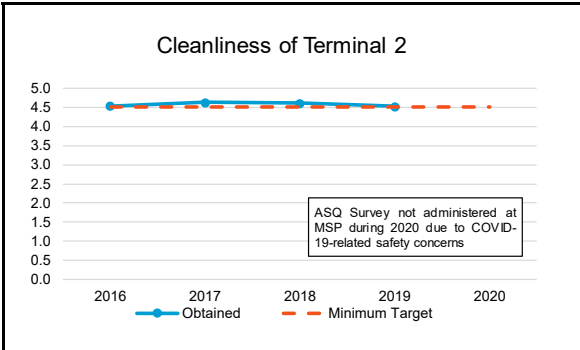
### BUDGET HIGHLIGHTS

- Personnel                                      The decrease in Personnel results from a pause of the MAC Internship program during the COVID-19 pandemic and recovery.
- Administrative Expenses                      The decrease in Administrative Expenses results from a pause in nonessential travel during the COVID-19 pandemic and recovery. All essential travel costs have been moved to MAC General.
- Operating Services/Expenses                  The Operating Services/Expenses reduction is due to lower vendor pricing for luggage scale calibration and maintenance, as well as the transfer of telephone service expenses to Information Technology.
- Other    The decrease in Other is due to pausing the purchase of non-essential minor equipment during 2021 as a result of budget cuts related to the COVID-19 pandemic.

### 2021 GOALS, OBJECTIVES & MEASURES

<p>➤ Organizational Goal Division Goal</p> <p>Objective</p> <p>Performance Measure</p> <p>Performance Measure Target</p>	<p>Innovation</p> <p>Develop and Implement a Concept of Operations for an Airport Operations Center with a Focus on Part 139 Program Transformation and Collaborative Decision-Making that Optimizes Processes, Aligns Systems and Aggressively Leverages Technology</p> <p>Partner with MAC Operations departments, MAC IT and key stakeholders to procure and implement a common-use Resource Management System</p> <p>Common-Use Resource Management System Implementation</p> <p>Minimum of 100%</p>
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**2020 PERFORMANCE MEASURE RESULTS**



*Airport Service Quality Survey Score:  
5-point scale (5 = excellent, 1 = poor)*



## FACILITIES - TERMINAL 1

Facilities - Terminal 1 is responsible for the operation, maintenance and cleaning of the Terminal 1 facilities and all MAC campus buildings, with oversight responsibility for the Energy Management Center and the Trades work groups. The service center also provides management oversight for various service, operation and management contracts and responds to both immediate and long-term tenant and public concerns. Facilities - Terminal 1 works with Airport Development staff to ensure that Capital Improvement Projects are completed with the least amount of disruption to the traveling public and terminal building operations in order to maintain MSP at a level consistent with the expectations of its internal and external customers and partners.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	725,434	797,265	792,620	(4,645)	-0.6%
Administrative Expenses	7,473	9,150	3,578	(5,572)	-60.9%
Professional Services	269,227	534,336	219,170	(315,166)	-59.0%
Utilities	5,465	7,500	5,500	(2,000)	-26.7%
Operating Services/Expenses	3,849,500	4,469,666	2,658,863	(1,810,803)	-40.5%
Maintenance	26,083,975	27,817,624	26,534,367	(1,283,257)	-4.6%
Other	110	3,500	750	(2,750)	-78.6%
<b>Total Budget</b>	<b>30,941,184</b>	<b>33,639,041</b>	<b>30,214,848</b>	<b>(3,424,193)</b>	<b>-10.2%</b>

### Full-time Equivalent (FTE) Total

9                      9                      9

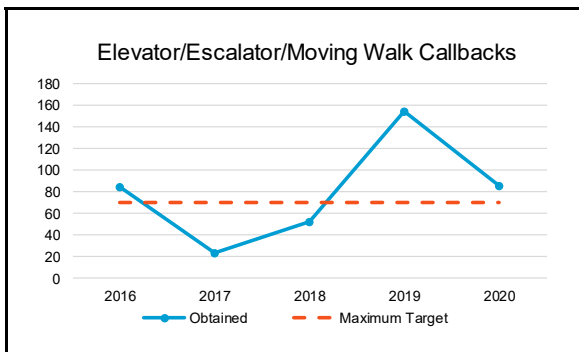
### BUDGET HIGHLIGHTS

- Personnel                      The decrease in Personnel is attributable to reductions in training, professional development and the elimination of overtime expenses due to the COVID-19 pandemic.
- Administrative Expenses                      The decrease in Administrative Expenses results from a pause in nonessential travel during the COVID-19 pandemic and recovery. All essential travel costs have been moved to MAC General.
- Professional Services                      Professional Services reductions were driven by the need to reduce expenses due to the COVID-19 pandemic with reductions coming from conveyance consulting, roof inspection and asbestos mitigation services.
- Utilities                      The reduction in Utilities expense resulted from aligning the budgeted amount with the average actual amount.
- Operating Services/Expenses                      The decrease in Operating Services/Expenses is primarily due to the COVID-19 pandemic, with reductions coming from the loading dock management contract and a reduced allocation of free Federal Inspection Services carts. Additional decreases result from transferring the queue line management and baggage porter contracts to Customer Experience. Reductions were offset by an increased budget for sanitizing and emergency cleaning supplies related to the COVID-19 pandemic.
- Maintenance                      Decreases to Maintenance were primarily a result of reducing expenses to align with the 2021 passenger activity forecast and impacts of the COVID-19 pandemic. Reduced expenses include tram and conveyance maintenance contracts, door maintenance, pest control supplies, window cleaning, restroom supplies and fire extinguisher purchases. These decreases were partially offset by increased janitorial services for a schedule contractual increase, for COVID-19 services and for new building space to be opened in 2021.
- Other                      The decrease in Other is due to pausing the purchase of non-essential minor equipment and miscellaneous items during 2021 as a result of budget cuts related to the COVID-19 pandemic.

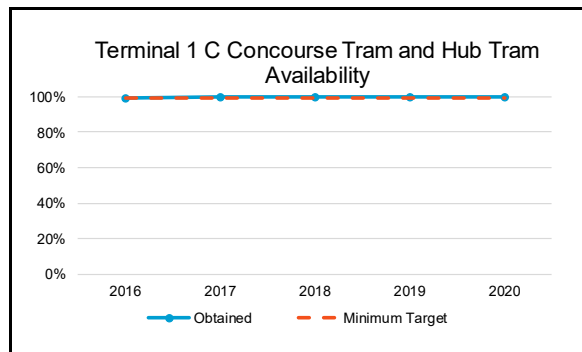
**2021 GOALS, OBJECTIVES & MEASURES**

- Organizational Goal: Customer Experience  
 Division Goal: Provide "One Journey" Defined by Excellent Customer Experiences that Exceed Expectations through Programs that are Informed by a Comprehensive Understanding of the Customer
- Objective: During 2021, implement three Travel Confidently MSP™ cleaning program goals included in MSP's STAR Facility Accreditation program
- Performance Measure: Travel Confidently MSP™ Cleaning Program Goals Implemented
- Performance Measure Target: Minimum of 3
  
- Organizational Goal: Customer Experience  
 Division Goal: Provide "One Journey" Defined by Excellent Customer Experiences that Exceed Expectations through Programs that are Informed by a Comprehensive Understanding of the Customer
- Objective: Provide training opportunities for all Facilities staff on the fundamentals of cleaning, disinfection, mitigation, response and prevention of infectious diseases at MSP
- Performance Measure: Staff Members Trained
- Performance Measure Target: Minimum of 9

**2020 PERFORMANCE MEASURE RESULTS**



*Average number of times per year the vendor is called back to a unit for service for equipment-related failures*



*Average percent availability of both the C Concourse and Hub trams*

## FACILITIES - ENERGY MANAGEMENT CENTER

The Energy Management Center (EMC) is responsible for the heating, ventilation and air conditioning (HVAC) of all MAC facilities. Staff provide 24/7 service while operating and maintaining boilers with jet fuel backup, chillers, cooling towers and numerous miscellaneous components to provide a comfortable environment for all MSP customers, tenants and staff. The EMC utilizes an Intelligent Monitoring and Control System to operate and maintain the complex and growing airport HVAC systems; monitors 200 carbon monoxide sensors spread around the MSP campus; responds to all incoming HVAC-related calls; keeps detailed records of gas, oil, water and steam usage; and tracks all repair work and preventative maintenance.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	1,819,968	1,930,145	1,793,506	(136,639)	-7.1%
Administrative Expenses	1,292	3,491	2,000	(1,491)	-42.7%
Professional Services	47,957	48,000	35,000	(13,000)	-27.1%
Utilities	9,727	10,646	13,008	2,362	22.2%
Operating Services/Expenses					
Maintenance	1,985,998	1,907,904	1,835,528	(72,376)	-3.8%
Other	7,878	6,107	4,900	(1,207)	-19.8%
<b>Total Budget</b>	<b>3,872,820</b>	<b>3,906,293</b>	<b>3,683,942</b>	<b>(222,351)</b>	<b>-5.7%</b>

Full-time Equivalent (FTE) Total

22                  22                  22

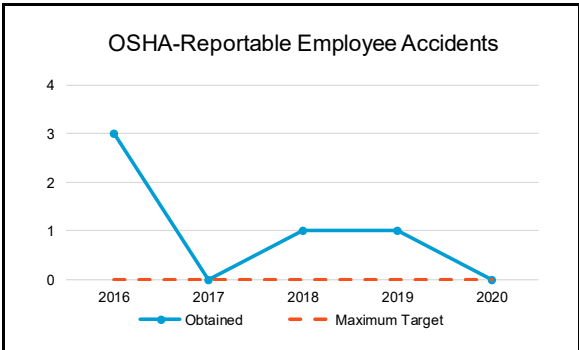
### BUDGET HIGHLIGHTS

- Personnel                      The decrease in Personnel is attributable to the removal of wages for a vacant position. The MAC has instituted a temporary hiring freeze in response to the COVID-19 pandemic and recovery.
- Administrative Expenses      The decrease in Administrative Expenses results from a reduction in office and special supplies.
- Professional Services          The decrease in Professional Services is driven by the need to reduce expenses due to the COVID-19 pandemic, with reductions coming from on-call HVAC consulting services.
- Utilities                          Utilities expenses increased due to the need to provide additional cell phones for the EMC crew to eliminate use of pool phones, prevent the spread of COVID-19 and to align with departmental future mobile technology access.
- Maintenance                      The decrease in Maintenance is the result of the COVID-19 pandemic and need to reduce expenses to align with the 2021 passenger activity forecast. Reductions were made to the controls contract, filters, chemicals and supplies. Other budget items were aligned with the average actual amount.
- Other                              The decrease in Other is due to pausing the purchase of non-essential safety and routine supplies during 2021 as a result of budget cuts related to the COVID-19 pandemic.

### 2021 GOALS, OBJECTIVES & MEASURES

- Organizational Goal                      Talent
- Division Goal                              Engage and Equip Employees with the Tools and Skills to be Successful
- Objective                                    Train EMC employees on HVAC energy-saving technologies
- Performance Measure                    HVAC Energy-saving Technology Trainings
- Performance Measure Target            Minimum of 4

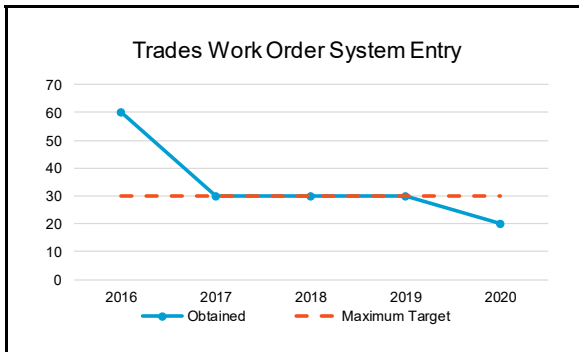
**2020 PERFORMANCE MEASURE RESULTS**



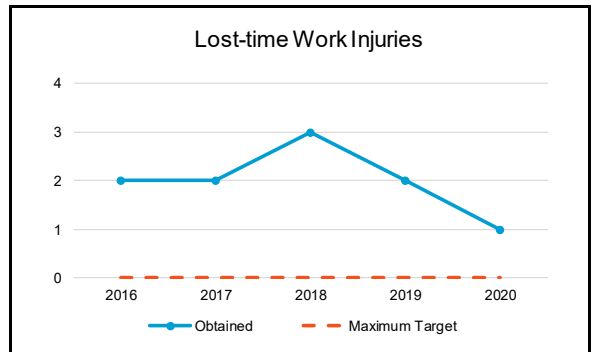
Total number of OSHA-reportable employee accidents



### 2020 PERFORMANCE MEASURE RESULTS



Total number of minutes per day spent by a Foreperson entering data into the Work Order System



Total number of on-the-job injuries sustained by all Trades departments combined

## TRADES - ELECTRICIANS

Trades - Electricians provides maintenance and repairs of 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 throughout the MAC airports to comply with specific Federal Aviation Administration regulations. The service center also maintains and tests airfield lighting regulators, emergency generator buildings and associated lighting and electrical work within the MAC parking facilities. Additional responsibilities include security gates and electronic card readers throughout the MAC's airports system, fire alarms and oversight and repair responsibility for the Light Rail Transit Platform.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	2,391,940	2,313,935	2,233,125	(80,810)	-3.5%
Administrative Expenses	1,933	300		(300)	-100.0%
Professional Services					
Utilities	13,825	16,000	14,000	(2,000)	-12.5%
Operating Services/Expenses	230,294	259,000	201,000	(58,000)	-22.4%
Maintenance	1,368,376	1,348,612	1,348,500	(112)	0.0%
Other	15,311	24,500	10,000	(14,500)	-59.2%
<b>Total Budget</b>	<b>4,021,678</b>	<b>3,962,347</b>	<b>3,806,625</b>	<b>(155,722)</b>	<b>-3.9%</b>

**Full-time Equivalent (FTE) Total**    19    20    20

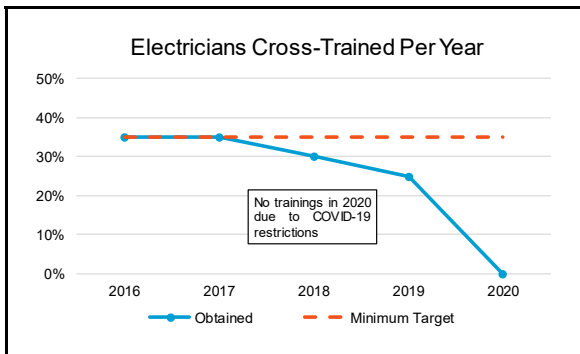
### BUDGET HIGHLIGHTS

- Personnel    The decrease in Personnel is attributable to the removal of wages for three vacant positions. The MAC has instituted a temporary hiring freeze in response to the COVID-19 pandemic and recovery. This is offset by increases in overtime expense, as well as step adjustments and wage increases.
- Administrative Expenses    Reductions in the Administrative Expenses category are due to streamlining these expenses and transferring purchases to Trades-Administration.
- Utilities    The Utilities expense decrease results from aligning the budgeted amount with the average actual amount.
- Operating Services/Expenses    Reductions were made in Operating Services/Expenses due to the COVID-19 pandemic, with reductions coming from vendor contract negotiations that resulted in reduced scope, services and cost.
- Maintenance    The decrease in Maintenance is a result of reducing generator maintenance and electrical gear maintenance contract costs. These were partially offset by the addition of 11 uninterrupted power supply units incorporated into various construction projects.
- Other    Reductions in Other are the result of deferring all non-critical purchases.

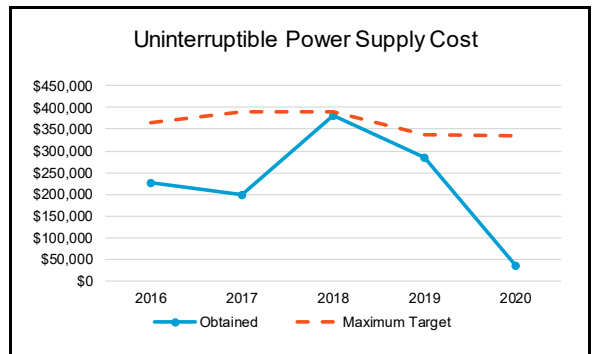
### 2021 GOALS, OBJECTIVES & MEASURES

➤ Organizational Goal	Talent
Division Goal	Safely Operate and Maintain the MAC System of Airports with a Purposeful Approach to Delivering Customer Service and Financial Sustainability
Objective	Cross-train electricians on duties associated with MSP's security/card access system, Energy Management Center and Reliever Airport duties
Performance Measure	Electricians Cross-trained Per Area
Performance Measure Target	Minimum of 3

**2020 PERFORMANCE MEASURE RESULTS**



*Percentage of Electricians cross-trained on a discipline or task they normally do not encounter*



*Total amount of the yearly contract target spent on maintenance*



## TRADES - PAINTERS

The primary role of Trades - Painters is to ensure a full service life to a multitude of surfaces by protecting them from corrosion and deterioration. Additionally, MAC Painters maintain a clean, comfortable, visually pleasing and safe environment for the traveling public and meet all Federal Aviation Administration (FAA)-mandated Airport Operations Area markings at MSP and the Reliever Airports. The Painters are responsible for all paint maintenance on buildings, correct markings used on public roadways and parking ramps and maintenance of runways/taxiways in accordance with FAA regulations. The Painters ensure that the most appropriate and safest materials are utilized and subsequently disposed of in an environmentally responsible manner. The sign shop within this service center is responsible for regulatory roadway, interior and exterior signage, vehicle graphics, security and directional signage at MSP and the Reliever Airports.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	1,079,280	1,086,648	894,541	(192,108)	-17.7%
Administrative Expenses	226				
Professional Services					
Utilities	1,211	1,300	1,300		
Operating Services/Expenses					
Maintenance	217,657	432,700	324,400	(108,300)	-25.0%
Other	12,693		1,000	1,000	100.0%
<b>Total Budget</b>	<b>1,311,067</b>	<b>1,520,648</b>	<b>1,221,241</b>	<b>(299,408)</b>	<b>-19.7%</b>

<b>Full-time Equivalent (FTE) Total</b>	10	9	11
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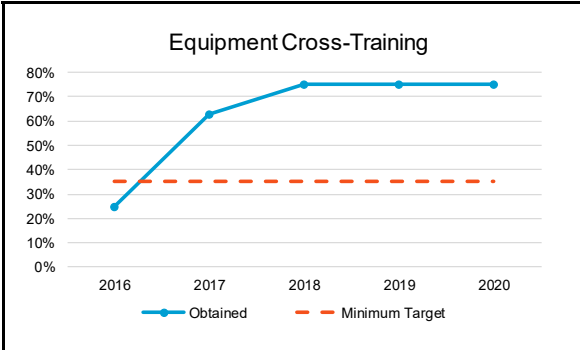
### BUDGET HIGHLIGHTS

- Personnel                    The decrease in Personnel is attributable to the removal of wages for two vacant positions. The MAC has instituted a temporary hiring freeze in response to the COVID-19 pandemic and recovery.
- Maintenance                The decrease in Maintenance is a result of using previous actual amounts to budget for 2021 projects and reducing sign making materials.
- Other                            The increase in Other is a result of adding necessary safety supplies and personal protective equipment.

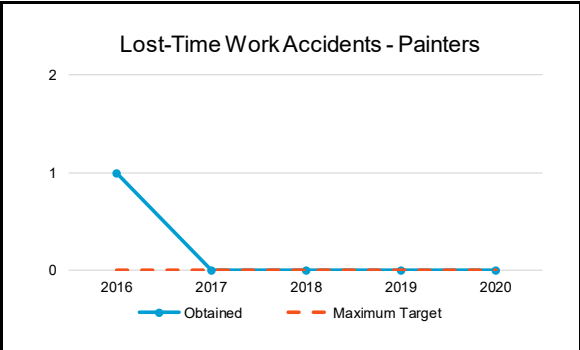
### 2021 GOALS, OBJECTIVES & MEASURES

➤ Organizational Goal	Talent
Division Goal	Engage and Equip Employees with the Tools and Skills to be Successful
Objective	Cross-Train painters on new equipment
Performance Measure	Painters Cross-Trained on New Equipment
Performance Measure Target	Minimum of 50%

**2020 PERFORMANCE MEASURE RESULTS**



Percentage of MAC Painters receiving equipment cross-training



Total number of lost-time work accidents

## TRADES - CARPENTERS

Trades - Carpenters ensures that all of the MAC's terminals and facilities are safe, secure and aesthetically pleasing for the MAC, its tenants and the traveling public. This service center provides high-quality service to all MAC service centers and airport tenants in a timely manner and at a cost savings. Responsibilities include repair and maintenance of a wide variety of facility finishes; securing and separating "non-secured" areas from "secured" areas; and specialty projects such as upholstery, cabinet making, office remodeling and naming/numbering doors and concession spaces with identification tags.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	1,100,325	1,148,291	1,043,111	(105,181)	-9.2%
Administrative Expenses	2,507	4,149	800	(3,349)	-80.7%
Professional Services					
Utilities	8,440	9,529	8,861	(668)	-7.0%
Operating Services/Expenses	48,376				
Maintenance	289,933	375,329	329,943	(45,386)	-12.1%
Other	18,306	27,698	8,464	(19,234)	-69.4%
<b>Total Budget</b>	<b>1,467,887</b>	<b>1,564,996</b>	<b>1,391,179</b>	<b>(173,818)</b>	<b>-11.1%</b>

### Full-time Equivalent (FTE) Total

10                      10                      11

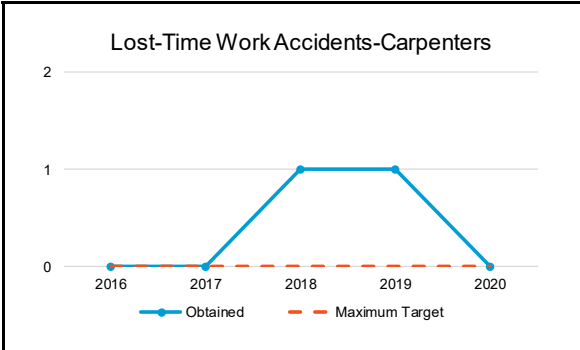
### BUDGET HIGHLIGHTS

- Personnel                      The decrease in Personnel is attributable to the removal of wages for a vacant position. The MAC has instituted a temporary hiring freeze in response to the COVID-19 pandemic and recovery.
- Administrative Expenses      The decrease in Administrative Expenses results from a pause in nonessential travel, training and publication purchases during the COVID-19 pandemic and recovery. All essential travel costs have been moved to MAC General.
- Utilities                      The Utilities expense decrease is a result of reducing cell phone stipends by one FTE.
- Maintenance                      The decrease in Maintenance is related to eliminating special flooring projects and expenses for Engineered Material Arresting System supplies for a completed project.
- Other                      The decrease in Other is due to pausing the purchase of nonessential minor equipment during 2021 as a result of budget cuts related to the COVID-19 pandemic.

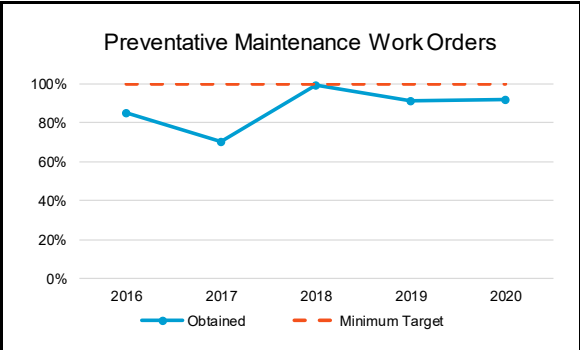
### 2021 GOALS, OBJECTIVES & MEASURES

<ul style="list-style-type: none"> <li>➤ Organizational Goal</li> <li>Division Goal</li>   <li>Objective</li>   <li>Performance Measure</li> <li>Performance Measure Target</li> </ul>	<p>Safety, Security and Preparedness</p> <p>Safely Operate and Maintain the MAC System of Airports with a Purposeful Approach to Delivering Customer Service and Financial Sustainability</p> <p>Develop comprehensive method and consistent approach to inventory and track attic stock materials</p> <p>Completed Inventory of Attic Stock Flooring and Ceiling Tiles</p> <p>Minimum of 100%</p>
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**2020 PERFORMANCE MEASURE RESULTS**



Total number of lost-time work accidents



Percentage of submitted work orders completed

## TRADES - PLUMBERS

Trades - Plumbers are responsible for the water supply available to MSP users, 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 reviewing plumbing schematics for new projects.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	1,671,316	1,758,028	1,779,659	21,631	1.2%
Administrative Expenses	120	2,000	400	(1,600)	-80.0%
Professional Services					
Utilities	7,280	11,400	10,700	(700)	-6.1%
Operating Services/Expenses	1,591	6,000	6,000		
Maintenance	322,102	407,493	366,709	(40,784)	-10.0%
Other	10,250	25,105	6,950	(18,155)	-72.3%
<b>Total Budget</b>	<b>2,012,659</b>	<b>2,210,026</b>	<b>2,170,418</b>	<b>(39,608)</b>	<b>-1.8%</b>

**Full-time Equivalent (FTE) Total**                      10                      10                      11

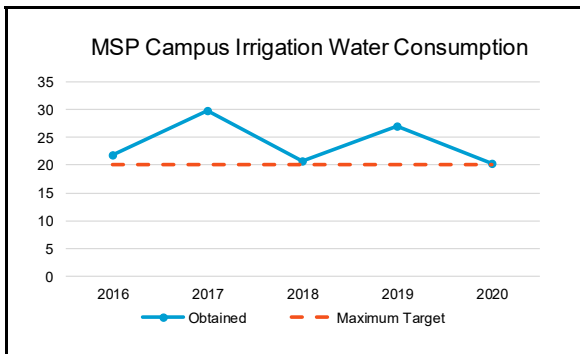
### BUDGET HIGHLIGHTS

- Personnel                                      The increase in Personnel is attributable to step increases.
- Administrative Expenses                      The decrease in Administrative Expenses results from a pause in purchasing aerial photos in 2021.
- Utilities    The decrease in Utilities results from the completion of the modem project for the new Baseline Irrigation System which was budgeted in 2020.
- Maintenance                                      The decrease in Maintenance is a result of removing the Reliever Airports' four sanitary lift stations project, which was completed in 2020.
- Other    The decrease in Other is due to pausing nonessential purchases during 2021 as a result of budget cuts related to the COVID-19 pandemic.

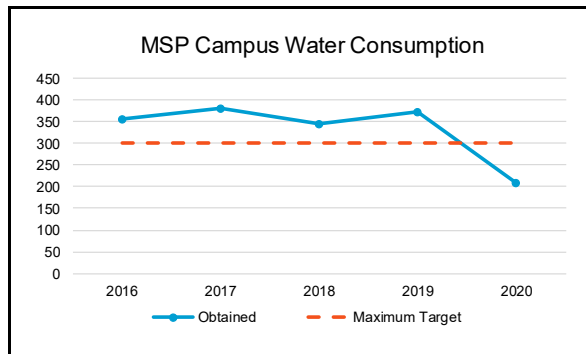
### 2021 GOALS, OBJECTIVES & MEASURES

- Organizational Goal                              Economic
- Division Goal                                      Safely Operate and Maintain the MAC System of Airports with a Purposeful Approach to Delivering Customer Service and Financial Sustainability
- Objective    Reduce total campus water consumption and total campus irrigation water consumption
- Performance Measure                              Total Water Use Reduction
- Performance Measure Target                      Minimum of 1.25%

**2020 PERFORMANCE MEASURE RESULTS**



Total gallons, in millions, of irrigation water usage on the MSP campus



Total gallons of water, in millions, consumed on the Minneapolis-St. Paul International Airport campus

## FIELD MAINTENANCE

Field Maintenance core competencies include Part 139 compliance, snow and ice removal operations, pavement maintenance, parking ramp maintenance, landscaping, signage and fencing, environmental tasks, fleet services, emergency programs, daily customer experience housekeeping and additional miscellaneous duties. Winter responsibilities include the removal of snow from runways, taxiways, ramps, aircraft parking areas, airside roadways, public roadways, terminal sidewalks and around the MAC buildings. Maintenance personnel supervise contracted snow removal operators who remove snow from parking ramps and landside parking areas. Field Maintenance maintains and repairs a fleet of more than 500 vehicles and partners with other MAC service centers to procure vehicles and related equipment.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	12,626,995	9,591,019	9,377,610	(213,409)	-2.2%
Administrative Expenses	47,135	45,000	7,875	(37,125)	-82.5%
Professional Services	49,591	20,500		(20,500)	-100.0%
Utilities	20,675	19,000	17,600	(1,400)	-7.4%
Operating Services/Expenses	136,959	104,000	97,350	(6,650)	-6.4%
Maintenance	9,930,268	6,357,148	5,434,815	(922,333)	-14.5%
Other	101,355	231,950	32,850	(199,100)	-85.8%
<b>Total Budget</b>	<b>22,912,979</b>	<b>16,368,617</b>	<b>14,968,100</b>	<b>(1,400,517)</b>	<b>-8.6%</b>

### Full-time Equivalent (FTE) Total

107                      110                      111

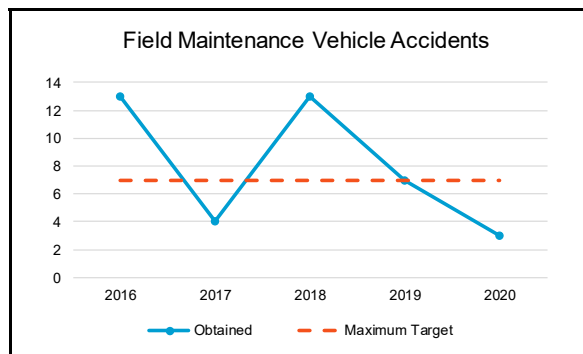
### BUDGET HIGHLIGHTS

- Personnel                      The decrease in Personnel is attributable to reducing the number of temporary employees and adjusting temporary staffing schedules.
- Administrative Expenses                      The decrease in Administrative Expenses results from a pause in nonessential travel and supplies during the COVID-19 pandemic and recovery. All essential travel costs have been moved to MAC General.
- Professional Services                      The decrease in Professional Services is due to deferring the Field Maintenance Building 8 efficiency plans.
- Utilities                      The decrease in Utilities is due to aligning budgeted cell phone expenses with recent actual spending.
- Operating Services/Expenses                      The decrease in Operating Services/Expenses is a result of pausing nonessential expenses during the COVID-19 pandemic, which is partially offset by additional expenses to maintain environmental regulation standards.
- Maintenance                      The decrease in Maintenance results from pausing or decreasing numerous maintenance activities during the pandemic including tire disposal, snow hauling, recycling of sand impacted by glycol, the landscape refresh program, equipment repair contracts, materials purchases, parts purchases and rental snow equipment.
- Other                      The decrease in Other is due to deferring a project to repaint several Field Maintenance interior and exterior areas.

**2021 GOALS, OBJECTIVES & MEASURES**

- Organizational Goal: Safety, Security & Preparedness  
 Division Goal: Develop and Implement a Concept of Operations for an Airport Operations Center with a Focus on Part 139 Program Transformation and Collaborative Decision-Making that Optimizes Processes, Aligns Systems and Aggressively Leverages Technology
- Objective: Provide training and outreach to managers and foremen for using CityWorks to conduct at least 75% of pavement discrepancy documentation, with <10% error rate
- Performance Measure: Percent of errors in work order closeouts in CityWorks application
- Performance Measure Target: Maximum of 10%
  
- Organizational Goal: Talent  
 Division Goal: Engage and Equip Employees with the Tools and Skills to be Successful
- Objective: During 2021, provide training opportunities on vehicle equipment operation
- Performance Measure: Vehicle Equipment Trainings
- Performance Measure Target: Minimum of 4

**2020 PERFORMANCE MEASURE RESULTS**



*Total number of preventable vehicle accidents involving Field Maintenance vehicles*



## AIRSIDE OPERATIONS

Airside Operations' three primary tenets are regulatory compliance, safety and operational efficiency. Airside Operations is responsible for ensuring that MSP is in compliance with federal and state regulations, particularly Federal Aviation Regulations Part 139-Airport Certification; conducts airfield safety inspections to determine the operating status of MSP; and coordinates airfield activities with Federal Aviation Administration Air Traffic Control facilities and air carrier tenants. Airside Operations is responsible for managing the snow and ice control plan, the wildlife control program, construction safety and the airfield driver's training/testing program. Airside Operations is the 24/7 non-emergency point-of-contact for MSP tenants.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	1,667,504	1,708,105	1,687,281	(20,824)	-1.2%
Administrative Expenses	69,186	92,430	23,999	(68,431)	-74.0%
Professional Services	103,094	135,500	99,930	(35,570)	-26.3%
Utilities	15,487	20,202	17,158	(3,044)	-15.1%
Operating Services/Expenses		35,500	849	(34,651)	-97.6%
Maintenance	8,545	11,500	8,488	(3,012)	-26.2%
Other	14,434	25,000	16,500	(8,500)	-34.0%
<b>Total Budget</b>	<b>1,878,250</b>	<b>2,028,237</b>	<b>1,854,205</b>	<b>(174,032)</b>	<b>-8.6%</b>

### Full-time Equivalent (FTE) Total

14

16

16

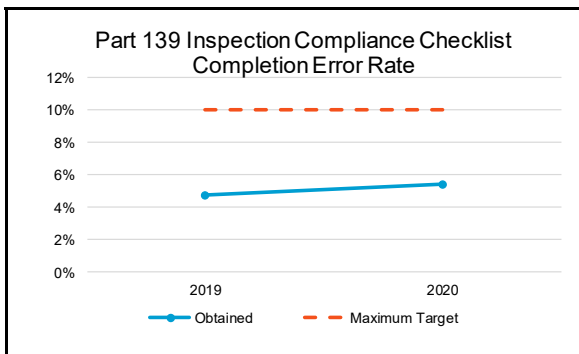
### BUDGET HIGHLIGHTS

- Personnel The decrease in Personnel is attributable to reducing job-related training and staff overtime.
- Administrative Expenses The decrease in Administrative Expenses is primarily attributed to a pause in nonessential travel during the COVID-19 pandemic and a reduction in office and special supply spending. All essential travel costs have been moved to MAC General.
- Professional Services The decrease in Professional Services is due to transferring weather services to Information Technology and to more accurately reflecting actual costs for wildlife management.
- Utilities The decrease in Utilities more accurately reflects actual cell phone expenses.
- Operating Services/Expenses The decrease in Operating Services/Expenses is primarily due to the elimination of the hosting fee for the 2021 Bird Strike Conference.
- Maintenance The decrease in Maintenance is primarily attributed to cuts in surface friction maintenance expenses.
- Other The decrease in Other is due to pausing the purchase of non-essential minor equipment during 2021 and reducing the MSP wildlife hazard management program costs.

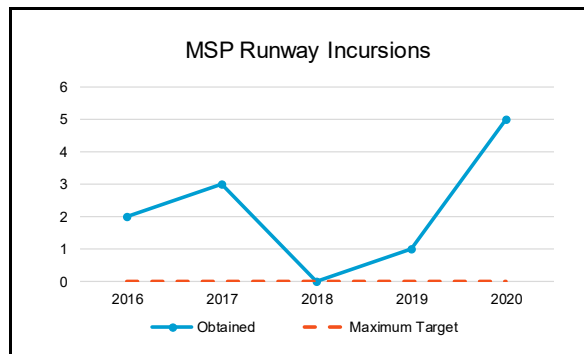
**2021 GOALS, OBJECTIVES & MEASURES**

- Organizational Goal: Safety, Security and Preparedness  
 Division Goal: Safely Operate and Maintain the MAC System of Airports with a Purposeful Approach to Delivering Customer Service and Financial Sustainability  
 Objective: Maintain an error free rate of >90% of the Part 139 Daily Inspection Compliance Checklists  
 Performance Measure: Error-Free Part 139 Monthly Inspection Compliance Checklists  
 Performance Measure Target: Minimum of 54
  
- Organizational Goal: Safety, Security and Preparedness  
 Division Goal: Safely Operate and Maintain the MAC System of Airports with a Purposeful Approach to Delivering Customer Service and Financial Sustainability  
 Objective: Provide training and education to reduce the number of vehicle/pedestrian runway incursions  
 Performance Measure: Education and Outreach Activities  
 Performance Measure Target: Minimum of 4

**2020 PERFORMANCE MEASURE RESULTS**



*Completion error rate of <10% of the Part 139 Inspection Compliance Checklist by Airside Operations staff*



*Total number of vehicle/pedestrian runway incursions over which the MAC has control*

## RELIEVERS - ADMINISTRATION

Relievers - Administration is responsible for the operation, management and maintenance of the MAC's six Reliever Airports. The service center is also responsible for the administration of over 800 tenant leases and contracts on the airport properties.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	808,029	949,276	836,186	(113,090)	-11.9%
Administrative Expenses	17,217	23,065	4,144	(18,921)	-82.0%
Professional Services	44,866	145,000	10,000	(135,000)	-93.1%
Utilities	5,649	5,700	6,000	300	5.3%
Operating Services/Expenses	1,541	1,700	1,500	(200)	-11.8%
Maintenance					
Other					
<b>Total Budget</b>	<b>877,301</b>	<b>1,124,741</b>	<b>857,830</b>	<b>(266,911)</b>	<b>-23.7%</b>

**Full-time Equivalent (FTE) Total**

8                      8                      8

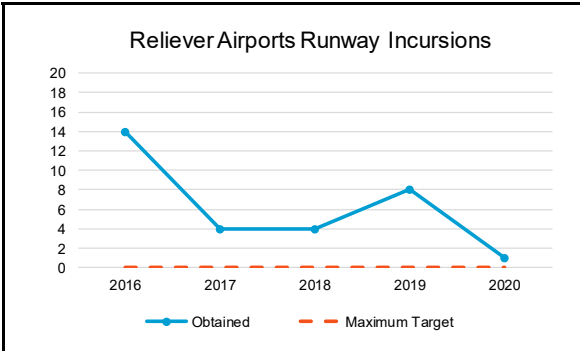
### BUDGET HIGHLIGHTS

- Personnel                      The decrease in Personnel is attributable to a reduction in overtime.
- Administrative Expenses      The decrease in Administrative Expenses results from a pause in nonessential travel and memberships during the COVID-19 pandemic and recovery. All essential travel costs have been moved to MAC General.
- Professional Services              The reduction in Professional Services is due to eliminating consulting service for strategic planning development goals.
- Operating Services/Expenses      The Operating Services/Expenses decrease is due to reducing materials purchases due to inventory on hand and fewer special events anticipated in 2021.

### 2021 GOALS, OBJECTIVES & MEASURES

- Organizational Goal                      Safety, Security and Preparedness  
 Division Goal                      Safely Operate and Maintain the MAC System of Airports with a Purposeful Approach to Delivering Customer Service and Financial Sustainability
- Objective                      Implement operational procedures to drive innovation and financial stewardship that are focused on training, documentation and communication with employees and customers that are in alignment with the airport user surveys
- Performance Measure                      Quarterly Review of Standard Operating Procedures
- Performance Measure Target                      Minimum of 4
  
- Organizational Goal                      Engagement  
 Division Goal                      Safely Operate and Maintain the MAC System of Airports with a Purposeful Approach to Delivering Customer Service and Financial Sustainability
- Objective                      Develop a hotwash exercise with key airport stakeholders after significant snow and ice events
- Performance Measure                      Post-Irregular Operations Hotwash Sessions
- Performance Measure Target                      Minimum of 4

**2020 PERFORMANCE MEASURE RESULTS**



Total vehicle/pedestrian runway incursions, across all MAC-owned Reliever Airports with FAA towers

## RELIEVERS - ST. PAUL

Relievers - St. Paul is responsible for the operation, maintenance and administration of the St. Paul Downtown Airport. The service center staff manage the properties, including the administration of leases. They also respond to tenant, airport user and community issues and concerns.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	733,968	707,764	743,787	36,023	5.1%
Administrative Expenses	7,372	9,900	4,510	(5,390)	-54.4%
Professional Services	17,921	22,300	22,070	(230)	-1.0%
Utilities	2,365	1,800	3,720	1,920	106.7%
Operating Services/Expenses	9,532	7,000	12,800	5,800	82.9%
Maintenance	312,645	202,400	207,800	5,400	2.7%
Other	1,473	2,150	1,500	(650)	-30.2%
<b>Total Budget</b>	<b>1,085,276</b>	<b>953,314</b>	<b>996,187</b>	<b>42,873</b>	<b>4.5%</b>

### Full-time Equivalent (FTE) Total

7                      7                      7

### BUDGET HIGHLIGHTS

- Personnel                      The increase in Personnel is attributable to step increases and the addition of one temporary employee.
- Administrative Expenses                      The decrease in Administrative Expenses results from a pause in nonessential travel and subscriptions during the COVID-19 pandemic and recovery. All essential travel costs have been moved to MAC General.
- Professional Services                      The decrease in Professional Services is due to renegotiating a professional services contract.
- Utilities                      The Utilities increase is due to new mobile internet service for field and equipment service crew.
- Operating Services/Expenses                      The increase in Operating Services/Expenses is a result of the storm sewer property tax assessment from the City of St. Paul.
- Maintenance                      The increase in Maintenance is due to a rise in janitorial expenses associated with traffic levels and COVID-19 cleaning and sanitizing.
- Other                      Other expenses include license renewals, which are renewed in even-numbered years and are not included in the 2021 budget.

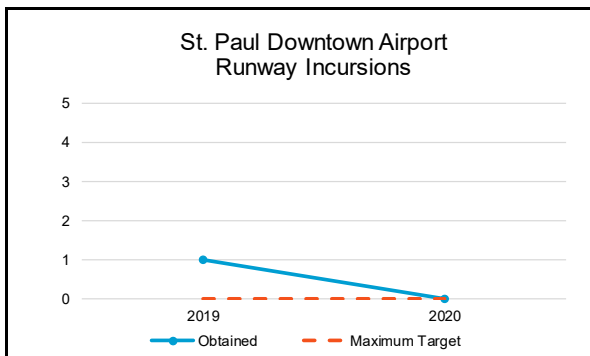
### 2021 GOALS, OBJECTIVES & MEASURES

<ul style="list-style-type: none"> <li>➤ Organizational Goal</li> <li>Division Goal</li>   <li>Objective</li>   <li>Performance Measure</li> <li>Performance Measure Target</li> </ul>	<p>Safety, Security and Preparedness</p> <p>Safely Operate and Maintain the MAC System of Airports with a Purposeful Approach to Delivering Customer Service and Financial Sustainability</p> <p>Implement operational procedures to drive innovation and financial stewardship that are focused on training, documentation and communication with employees and customers that are in alignment with the airport user surveys</p> <p>St. Paul Downtown Airport Runway Incursions</p> <p>Maximum of 0</p>
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**2021 GOALS, OBJECTIVES & MEASURES**

<p>➤ Organizational Goal</p> <p>Division Goal</p> <p>Objective</p> <p>Performance Measure</p> <p>Performance Measure Target</p>	<p>Safety, Security and Preparedness</p> <p>Safely Operate and Maintain the MAC System of Airports with a Purposeful Approach to Delivering Customer Service and Financial Sustainability</p> <p>Implement operational procedures to drive innovation and financial stewardship that are focused on training, documentation and communication with employees and customers that are in alignment with the airport user surveys</p> <p>St. Paul Downtown Airport Runway Incursions</p> <p>Maximum of 0</p>
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**2020 PERFORMANCE MEASURE RESULTS**



*Total number of vehicle/pedestrian runway incursions at St. Paul Downtown Airport*

## RELIEVERS - LAKE ELMO

Relievers - Lake Elmo is responsible for the operation, maintenance and administration of the Lake Elmo Airport. The service center staff manage the properties, including the administration of leases. They also respond to tenant, airport user and community issues and concerns.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	147,792	127,092	137,582	10,490	8.3%
Administrative Expenses	132	2,820	1,260	(1,560)	-55.3%
Professional Services	17,664	22,300	22,070	(230)	-1.0%
Utilities	852	620	1,140	520	83.9%
Operating Services/Expenses					
Maintenance	21,794	41,400	30,150	(11,250)	-27.2%
Other	417	500	250	(250)	-50.0%
<b>Total Budget</b>	<b>188,650</b>	<b>194,732</b>	<b>192,452</b>	<b>(2,280)</b>	<b>-1.2%</b>

### Full-time Equivalent (FTE) Total

1                      1                      1

### BUDGET HIGHLIGHTS

- Personnel                      The increase in Personnel is attributable to step increases and the addition of one temporary employee.
- Administrative Expenses                      The decrease in Administrative Expense is due to pausing work related to strategic plan objectives.
- Professional Services                      The reduction in Professional Services is due to renegotiating a professional services contract.
- Utilities                      The Utilities increase is due to new mobile internet service for field and equipment service crew.
- Maintenance                      The Maintenance decrease is due to aligning budgeted amounts to recent actual spending.
- Other                      The Other decrease reflects a reduction of safety supply purchases to align with actual need.

### 2021 GOALS, OBJECTIVES & MEASURES

- Organizational Goal                      Safety, Security and Preparedness
- Division Goal                      Safely Operate and Maintain the MAC System of Airports with a Purposeful Approach to Delivering Customer Service and Financial Sustainability
- Objective                      Implement operational procedures to drive innovation and financial stewardship that are focused on training, documentation and communication with employees and customers that are in alignment with the airport user surveys

## RELIEVERS - AIRLAKE

Relievers - Airlake is responsible for the operation, maintenance and administration of the Airlake Airport. The service center staff manage the properties, including the administration of leases. They also respond to tenant, airport user and community issues and concerns.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	149,960	143,571	129,606	(13,965)	-9.7%
Administrative Expenses		3,112	2,175	(937)	-30.1%
Professional Services	17,663	22,300	22,070	(230)	-1.0%
Utilities	823	636	1,140	504	79.2%
Operating Services/Expenses					
Maintenance	22,087	31,564	28,625	(2,939)	-9.3%
Other	36	476	479	3	0.6%
<b>Total Budget</b>	<b>190,568</b>	<b>201,659</b>	<b>184,095</b>	<b>(17,564)</b>	<b>-8.7%</b>

### Full-time Equivalent (FTE) Total

1                      1                      1

### BUDGET HIGHLIGHTS

- Personnel                      The Personnel decrease is due to staff turnover during 2020 and aligning projected overtime expenses to recent actual usage.
- Administrative Expenses      The decrease in Administrative Expenses is due to pausing work related to strategic plan objectives.
- Professional Services          The decrease in Professional Services is due to renegotiating a professional services contract.
- Utilities                          The Utilities increase is due to new mobile internet service for field and equipment service crew.
- Maintenance                      Maintenance reductions are due to optimization of materials on hand.

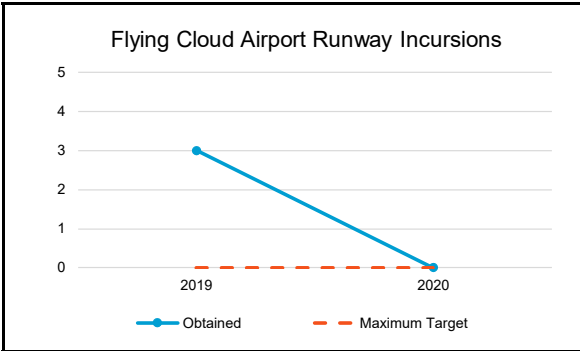
### 2021 GOALS, OBJECTIVES & MEASURES

- Organizational Goal              Safety, Security and Preparedness
- Division Goal                      Safely Operate and Maintain the MAC System of Airports with a Purposeful Approach to Delivering Customer Service and Financial Sustainability
- Objective                              Implement operational procedures to drive innovation and financial stewardship that are focused on training, documentation and communication with employees and customers that are in alignment with the airport user surveys





**2020 PERFORMANCE MEASURE RESULTS**



Total number of vehicle/pedestrian runway incursions at Flying Cloud Airport

## RELIEVERS - CRYSTAL

Relievers - Crystal is responsible for the operation, maintenance and administration of the Crystal Airport. The service center staff manage the properties, including the administration of leases. They also respond to tenant, airport user and community issues and concerns.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	347,641	352,060	338,171	(13,889)	-3.9%
Administrative Expenses	234	3,890	3,850	(40)	-1.0%
Professional Services	19,966	22,300	22,070	(230)	-1.0%
Utilities	1,965	1,200	2,880	1,680	140.0%
Operating Services/Expenses	33		170,000	170,000	100.0%
Maintenance	80,168	108,205	106,565	(1,640)	-1.5%
Other	139	500	500		
<b>Total Budget</b>	<b>450,145</b>	<b>488,155</b>	<b>644,036</b>	<b>155,881</b>	<b>31.9%</b>

**Full-time Equivalent (FTE) Total**                      3                      3                      3

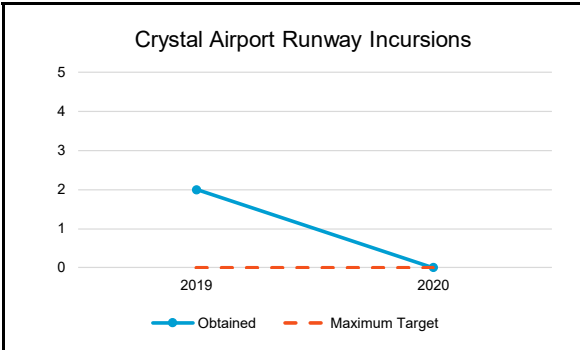
### BUDGET HIGHLIGHTS

- Personnel                      The Personnel decrease is due to staff turnover during 2020 and aligning projected overtime expenses to recent actual usage.
- Administrative Expenses                      The decrease in Administrative Expenses is due to pausing work related to strategic plan objectives. It is partially offset by additional expenses for the new self-serve fuel management system.
- Professional Services                      The Professional Services decrease is due to renegotiating a professional services contract.
- Utilities                      The Utilities increase is due to new mobile internet service for field and equipment service crew.
- Operating Services/Expenses                      The Operating Services/Expenses increase reflects the anticipated fuel expenses for the new self-serve fuel system.
- Maintenance                      The Maintenance decrease aligns budgeted expenses with recent actual expenses. This is partially offset by expenses for essential painting projects.

### 2021 GOALS, OBJECTIVES & MEASURES

<ul style="list-style-type: none"> <li>➤ Organizational Goal</li> <li>Division Goal</li>   <li>Objective</li>   <li>Performance Measure</li> <li>Performance Measure Target</li> </ul>	<p>Safety, Security and Preparedness</p> <p>Safely Operate and Maintain the MAC System of Airports with a Purposeful Approach to Delivering Customer Service and Financial Sustainability</p> <p>Implement operational procedures to drive innovation and financial stewardship that are focused on training, documentation and communication with employees and customers that are in alignment with the airport user surveys</p> <p>Crystal Airport Runway Incursions</p> <p>Maximum of 0</p>
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**2020 PERFORMANCE MEASURE RESULTS**



Total number of vehicle/pedestrian runway incursions at Crystal Airport

**RELIEVERS - ANOKA COUNTY-BLAINE**

Relievers - Anoka County-Blaine is responsible for the operation, maintenance and administration of the Anoka County-Blaine Airport. The service center staff manage the properties, including the administration of leases. They also respond to tenant, airport user and community issues and concerns.

**BUDGET SUMMARY**

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	355,537	290,978	415,425	124,447	42.8%
Administrative Expenses	2,324	4,445	2,895	(1,550)	-34.9%
Professional Services	17,764	38,300	26,070	(12,230)	-31.9%
Utilities	639	615	660	45	7.3%
Operating Services/Expenses	170,509	168,498	119,000	(49,498)	-29.4%
Maintenance	85,868	101,190	94,165	(7,025)	-6.9%
Other	21,292	825	925	100	12.1%
<b>Total Budget</b>	<b>653,933</b>	<b>604,851</b>	<b>659,140</b>	<b>54,289</b>	<b>9.0%</b>

**Full-time Equivalent (FTE) Total**

4                      4                      4

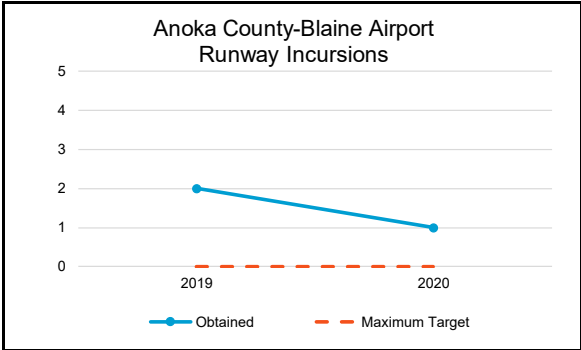
**BUDGET HIGHLIGHTS**

- Personnel                      The increase in Personnel is attributable to step increases and aligning budgeted overtime with recent actual spending.
- Administrative Expenses                      The decrease in Administrative Expenses results from a pause in nonessential travel and work related to strategic planning during the COVID-19 pandemic and recovery. All essential travel costs have been moved to MAC General.
- Professional Services                      The Professional Services decrease is due to reductions in environmental costs and renegotiating a professional services contract.
- Utilities                      The Utilities increase is due to aligning the budget with actual costs of internet access, cell phone and data cards used by the field crew.
- Operating Services/Expenses                      The Operating Services/Expenses decrease anticipates a cost savings when a request for proposal process is completed for the expired control tower equipment service contract. The cost savings will be driven by new and more efficient equipment.
- Maintenance                      The Maintenance decrease aligns budgeted expenses with recent actual expenses. This is partially offset by expenses for essential painting projects.
- Other                      The increase in Other is due to refreshing first aid supplies for the maintenance staff.

**2021 GOALS, OBJECTIVES & MEASURES**

➤ Organizational Goal	Safety, Security and Preparedness
Division Goal	Safely Operate and Maintain the MAC System of Airports with a Purposeful Approach to Delivering Customer Service and Financial Sustainability
Objective	Implement operational procedures to drive innovation and financial stewardship that are focused on training, documentation and communication with employees and customers that are in alignment with the airport user surveys
Performance Measure	Anoka County-Blaine Airport Runway Incursions
Performance Measure Target	Maximum of 0

**2020 PERFORMANCE MEASURE RESULTS**



Total number of vehicle/pedestrian runway incursions at Anoka County-Blaine Airport

## POLICE

With public service as the foundation, every member of the Airport Police Department is committed to the preservation of peace, order and safety. Police personnel are dedicated to the protection of life and property, the prevention of crime and the deterrence of terrorism. The Emergency Communications Center (ECC) is the 911 center for the MSP airport community. ECC staff make critical decisions to ensure the safety of the traveling public, MSP employees and public safety personnel. The department's vision is to be the standard of excellence in aviation policing throughout North America.

### BUDGET SUMMARY

	2019 Actual	2020 Budget	2021 Budget	\$ Variance	% Variance
Personnel	15,499,673	16,861,305	15,386,000	(1,475,305)	-8.7%
Administrative Expenses	273,628	257,657	152,784	(104,873)	-40.7%
Professional Services	83,186	112,618	83,000	(29,618)	-26.3%
Utilities	53,747	51,692	49,308	(2,384)	-4.6%
Operating Services/Expenses	2,744,903	3,438,465	3,130,558	(307,907)	-9.0%
Maintenance	49,648	84,682	20,000	(64,682)	-76.4%
Other	222,033	286,239	228,410	(57,829)	-20.2%
<b>Total Budget</b>	<b>18,926,819</b>	<b>21,092,658</b>	<b>19,050,060</b>	<b>(2,042,598)</b>	<b>-9.7%</b>

### Full-time Equivalent (FTE) Total

160                      171                      171

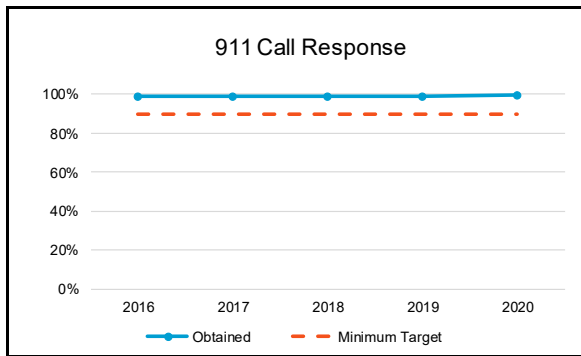
### BUDGET HIGHLIGHTS

- Personnel                      The decrease in Personnel is attributable to the removal of wages for multiple vacant positions, eliminating selected overtime shifts, reducing local seminars and reducing uniform expenses, all of which are in response to pandemic expense reductions.
- Administrative Expenses                      The decrease in Administrative Expenses is due to reducing office, badging and special supplies, travel, memberships and dues. All essential travel costs have been moved to MAC General.
- Professional Services                      The decrease in Professional Services is due to eliminating the use of an outside agency during the hiring process. The MAC has instituted a temporary hiring freeze in response to the COVID-19 pandemic and recovery. As hiring will be greatly reduced, the Airport Police Department staff will have the capacity to manage these tasks internally.
- Utilities                      The decrease in Utilities is related to eliminating mobile and data service no longer needed by the department.
- Operating Services/Expenses                      The Operating Services/Expenses decrease more accurately reflects actual billing rates for contracted security services. A reduction in emergency response expenses also contributes to the decrease.
- Maintenance                      The Maintenance decrease is a result of delaying the purchase of Automated External Defibrillators for additional locations.
- Other                      The decrease is related to the reduction in safety and medical supplies, ammunition, use of force equipment, workspace furnishings and Public Safety portable radios and accessories.

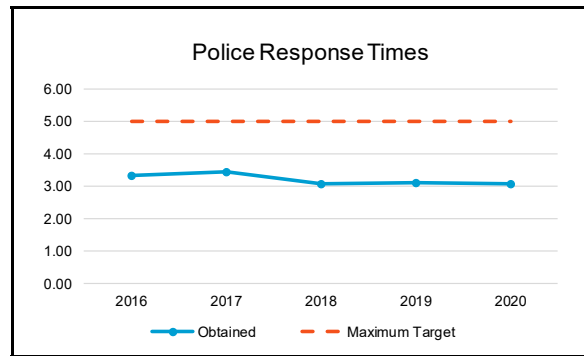
**2021 GOALS, OBJECTIVES & MEASURES**

- Organizational Goal: Safety, Security and Preparedness  
 Division Goal: Provide Enhanced Transparency and Accountability Surrounding Department Activities  
 Objective: Provide access and require use of body cameras for all on duty uniformed staff by the end of second quarter 2022  
 Performance Measure: Body Camera Usage  
 Performance Measure Target: Minimum of 100%
  
- Organizational Goal: Talent  
 Division Goal: Employee Development and Performance Management  
 Objective: Provide one individual emotional wellness consultation for full time peace officers and Emergency Communications Staff, per year, beginning in 2021  
 Performance Measure: Emotional Wellness Consultation Usage  
 Performance Measure Target: Minimum of 80%

**2020 PERFORMANCE MEASURE RESULTS**



*Percentage of 911 calls answered in 10 seconds or fewer*

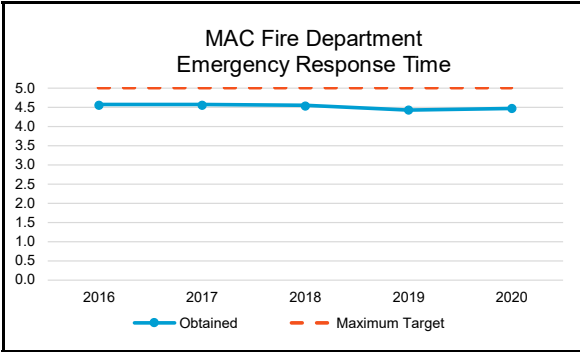


*Response times, in minutes, from dispatch to arrival for Priority 1 and Priority 2 calls*





**2020 PERFORMANCE MEASURE RESULTS**



*Average response time to all emergencies from time of dispatch to arrival on scene, in minutes*

## Statistics & Informative Facts

### Historical Operating Revenue and Operating Expense

The table below compares operating revenue and expenses for the years 2010 and 2019 and emphasizes the changes that occurred when comparing the percentage in each category to the total. The average annual percentage increase in Total Operating Expenses from 2010 to 2019 of 5.1% is lower than the annual percentage increase in Total Operating Revenue of 5.6% from 2010 to 2019.

Historical Operating Revenue & Operating Expense Summary 2010 vs 2019						
(\$ = 000)						
	2010		2019		2010-2019	Average
	\$	% of Total	\$	% of Total	Change \$	Annual % Change
<b>Operating Revenue</b>						
Airline Rates & Charges	\$ 90,365	36.9%	\$ 131,397	32.8%	\$ 41,032	4.2%
Concessions	112,503	45.9%	191,113	47.7%	78,610	6.1%
Rentals/Fees	29,609	12.1%	54,042	13.5%	24,433	6.9%
Utilities & Other Revenue	12,555	5.1%	24,309	6.1%	11,754	7.6%
<b>Total Operating Revenue</b>	<b>\$ 245,032</b>	<b>100.0%</b>	<b>\$ 400,861</b>	<b>100.0%</b>	<b>\$ 155,829</b>	<b>5.6%</b>
<b>Operating Expenses</b>						
Personnel	\$ 63,412	48.3%	\$ 95,070	46.4%	\$ 31,658	4.6%
Administrative Expenses	1,272	1.0%	1,753	0.9%	481	3.6%
Professional Services	3,519	2.7%	7,122	3.5%	3,603	8.1%
Utilities	16,238	12.4%	18,848	9.2%	2,610	1.7%
Operating Services/Expenses	17,278	13.2%	30,950	15.1%	13,672	6.7%
Maintenance	27,088	20.6%	46,988	22.9%	19,900	6.3%
Other	2,583	2.0%	4,354	2.1%	1,771	6.0%
<b>Total Operating Expenses</b>	<b>\$ 131,390</b>	<b>100.0%</b>	<b>\$ 205,084</b>	<b>100.0%</b>	<b>73,694</b>	<b>5.1%</b>
(excludes depreciation and noise amortization)						
<b>Operating Income (Loss)</b>	<b>\$ 113,642</b>		<b>\$ 195,776</b>		<b>\$ 82,134</b>	<b>6.2%</b>
(excludes non operating)						

### Operating Revenue

The following is a high-level explanation of changes in revenue in the categories presented. Changes in revenue are as follows:

- The average annual percentage increase for Airline Rates & Charges was 4.2% between the years of 2010 and 2019. This is due in part to landing fees and expanded terminal facilities necessary to accommodate the growth in passenger activity such as the four new gates at Terminal 2 constructed in 2016. Landing fees are calculated on a breakeven basis with revenue and expense being equal. The increase between 2010 and 2019 also resulted from changes in the 2019 Amendment to the Airline Use Agreement.
- The growth in the Concessions category of 6.1% mainly resulted from increased vehicle parking fees and new revenue from Transportation Network Companies. In addition, the growth in passengers and the wide variety of new and improved concessions in the terminal buildings were factors in this increase.
- The average annual percentage increase for Rentals/Fees was 6.9% between the years of 2010 and 2019. This growth was attributable to increased building rentals, including the Federal Express and UPS building/facilities and additional hangar and lot rents at Reliever Airports. Auto Rental CFCs were on an upward trend with the growth in passenger arrivals.
- In Utilities & Other Revenue, the annual average percentage increase was 7.6%. Concession Utility revenue and Maintenance, Cleaning and Distribution fees grew with the expansion of facilities and concession stores. Climbing miscellaneous revenue such as badging fees also played a part in the increase.

**Operating Expenses**

Expense changes are as follows:

- Personnel expenses increased from 2010 to 2019 by \$31.7 million. This equates to an average annual increase of 4.6%. Actual Full Time Equivalent (FTEs) in 2010 were at 563 while FTE positions in 2019 were at 650.5. Information Technology staff has increased substantially in recent years to stay ahead of new and emerging technology. Additional Fire and Police FTEs have been hired for emergencies and safety throughout the MSP campus. Also, additional staff has been hired to champion the MAC’s new, robust strategic plan. Costs for employee benefits doubled in this time frame and pension costs are much higher as well. Increased personnel also results from Terminal 1 and Terminal 2 expansions and from the addition of other facilities such as the Data Center built in 2012.
- Administrative Expenses have increased 3.6% annually, resulting from the higher costs related to business-related travel expenses and information sources for communications. Additionally, computer software increased for the growing technology needs of the MAC’s airports system.
- Professional Services increased 8.1% annually when comparing 2010 actual expenses to the total expenses for 2019. The majority of the increase relates to consulting for technology requirements and strategic initiatives, additional recruiting services with the onset of retirements as well as construction and environmental engineering.
- The average annual increase in Utilities is 1.7% between 2010 and 2019, reflecting expansion of and improvements in the terminals such as the checked baggage handling system, expansion in the Terminal 2 ticketing area, Terminal 1 food court expansion and completion of a skyway to an on-airport hotel and the addition of other facilities. With these improvements come higher costs of natural gas, electricity and water and sewer.
- Operating Services/Expenses increased 6.7% annually between the years 2010 and 2019 due to additional contracts. This included expenses for management of parking, shuttle buses, employee screening as well as increases in security and other services requested by airlines.
- Maintenance increased 6.3% annually between 2010 and 2019 due to additional facilities and runway surfaces. Contracted maintenance also increased for building mechanical areas including automated people movers, elevators, escalators and moving walks.
- Other Expenses increased 6.0%, primarily as a result of increasing costs for general insurance and minor assets, such as computers. The airline incentive program which encourages flights to locations in need of air service is also a large factor in this increase.

**Facility Expansion**

	<b>Facility Expansion</b>			
	2011	2020	Increase	% Increase
<b>Terminal 1</b>				
Terminal Square Footage	2,833,847	2,840,516	6,669	0.2%
Number of Gates	114	104	(10)	-8.8%
Ramp Lineal Footage	11,302	11,001	(301)	-2.7%
Parking Spaces	13,290	18,412	5,122	38.5%
<b>Terminal 2</b>				
Terminal Square Footage	421,151	585,688	164,537	39.1%
Number of Gates	10	14	4	40.0%
Parking Spaces	8,748	9,189	441	5.0%

This chart compares the expansion of the major facilities at MSP between 2011 and 2020. Both terminals expanded as needed for growth. Gates were reconfigured in Terminal 1 to accommodate larger aircraft reducing the total number of gates. Four gates were constructed at Terminal 2 in 2016.

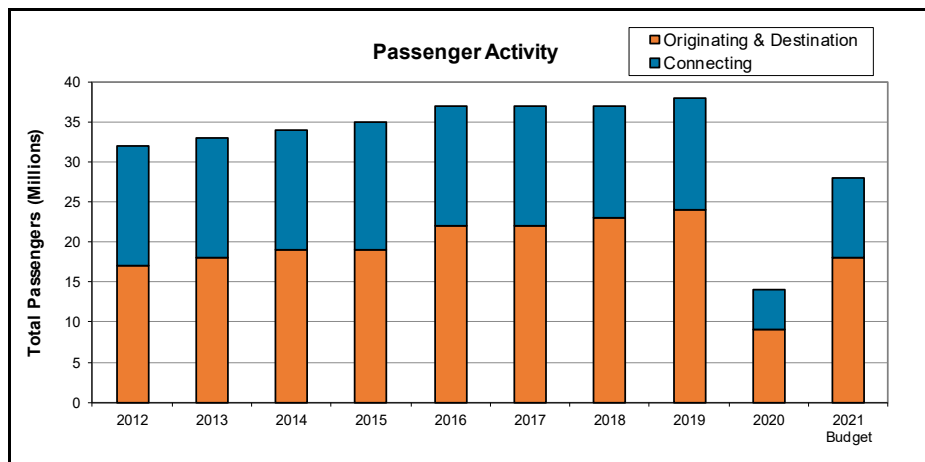
Additional parking spaces were constructed at both terminals. The significance of this growth affects both revenue and expenses. New facilities occupied by tenants will continue to generate additional income. Expenses include maintenance (both labor and materials), repairs, utilities, security and administrative costs.

The following table identifies major new facilities completed since 2011.

Major New Facilities Completed 2011 through 2020			
New Facilities	Closing Date	New Facilities	Closing Date
Concourse G Expansion Site Preparation	2011	Terminal 1 2014/2015 Restrooms Upgrade	2016
Taxiway C Extension to Terminal 2 Remote	2011	Solar Panels on Terminal 2 Parking Ramp	2016
Terminal 1 Sprinkle System - Phase 4	2011	2015 Pavement Rehabilitation-Aprons	2016
FAA Building Upgrades	2011	2016 Passenger Boarding Bridge-Phase 2	2017
2008/2012 Part 150 Noise Sound Insulation Program	2012	2016 Terminal 1 Restrooms Upgrade	2017
Terminal 2 Phase A Security Checkpoint	2012	2016 iViSN (CCTV) Improvements	2017
Terminal 2 Fuel Facility Relocation	2012	2016 Concourse A/B Pre-Conditioned Air Upgrades	2017
Terminal 1 Folded Plate Drain Roof Repair	2012	2016 Food Court Service Elevator Replacement	2017
Perimeter Fence Security Improvement	2012	2017 Automated Security Lanes	2017
Terminal 1 Jet Bridge Replacements	2012	2017 Parking Structure Rehabilitation	2017
Terminal 1 South Baggage Screening – Phase 2	2013	2016 Vertical Circulation Improvements	2018
IT Data Center Facility – Phase 1 & 2	2013	2016 Concourse A-G Connector Bridge Phase 1	2018
Terminal 2 Apron Expansion	2013	2016 Mezzanine HVAC/AHU Replacements & Penthouses	2018
I-494/34 <sup>th</sup> Ave. Interchange (Diverging Diamond)	2013	2018 Taxiway S Reconstruction	2018
Concourse G Roof Replacements	2013	2017 Concourse G Rehabilitation	2018
North Side Storm Sewer (Ponds 3 & 4)	2013	2018 Terminal 1 Main Mall Food Court Expansion	2019
Post Road Fuel Farm Fire Protection Improvement	2013	2018 Mezzanine HVAC/AHU Replacements & Penthouses (North)	2019
Conveyance System Upgrades	2013	2018 Consolidated Loading Dock Facility	2019
2014 Pavement Rehabilitation-Aprons	2014	Delta Baggage Handling Acquisition/BHS Recontrols	2019
Terminal 1 Checked Baggage Inspection System	2014	2017 Baggage Handling System	2019
Terminal 1 Bag Claim Fire Protection System	2014	Terminal 1 Silver Parking Ramp	2020
Terminal 2 Auto Rental Facility	2014	2018 South Security Exit and Façade Expansion	2020
2012 iViSN Projects (CCTV) Phase 1&2, Camera Replacements	2014	2017 Vertical Circulation Improvement Phase 2	2020
Solar Panels on Blue/Red Parking Ramp	2015	2020 Taxiway D Reconstruction	2020
Terminal 1 FIS Expansion Gate 8 Holding Room	2015	2019 Passenger Boarding Bridge	2020
2014 Airline Accommodations	2015	2019 Taxiway B-Q Centerline Lights	2020
2014 iViSN-CCTV Improvements	2015	Runway 14R/32L & Taxiway E Modifications	2020
2015 Terminal 1 Modular Cooling Tower Installment	2015	2019 Valet Parking Lobby and Restroom Upgrade	2020
Terminal 2 Checked Baggage Inspection System	2016	2020 Inbound Roadway Reconstruction	2020
Terminal 2 Gate Expansion	2016	2019 Rwy 14/32 Replacement-Phase 1	2020
Terminal 1 Checkpoint Consolidation	2016		

**Activity/Operations Statistics**

The chart below illustrates passenger activity at MSP during the period 2012 through projected 2021.



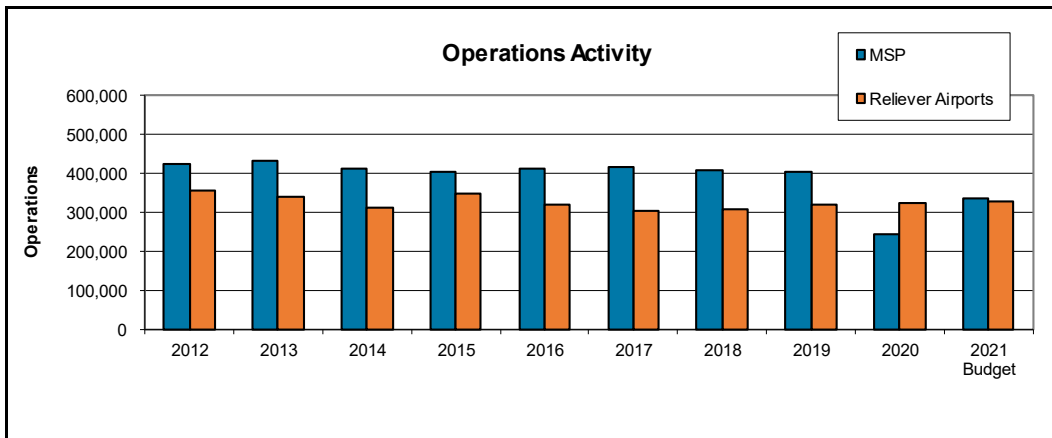
The following highlights recent activity affecting passenger revenue:

- Through 2019, the increase in passengers was due to the continued strengthening of the economy after the recession in 2009.
- In 2020, passenger activity declined sharply as passengers stopped flying due to the fear of contracting COVID-19.
- Compared to the downturn in 2020 passengers, the 2021 budget projects an increase in passenger activity as passengers return to flying for business and pleasure.

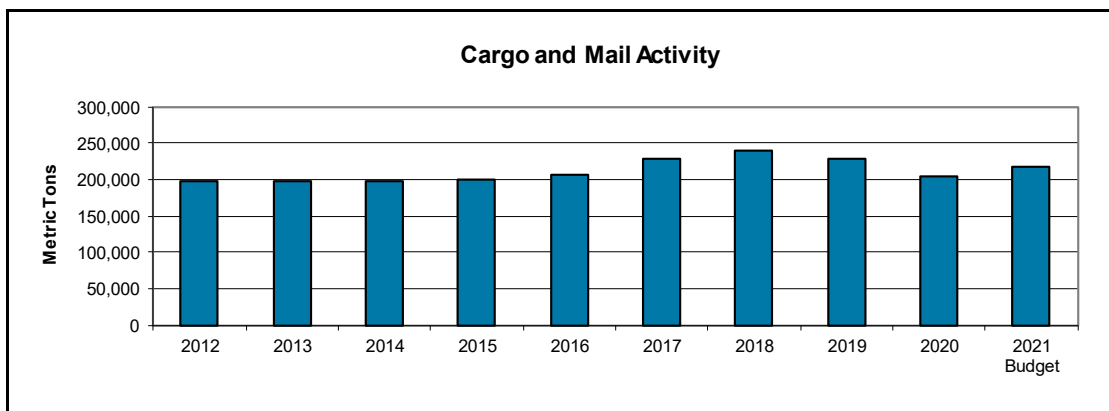
Passenger activity is an important element in forecasting revenue sources such as concession revenue and auto rental revenue. Passenger counts are also used for common use, carousel/conveyor, porter services and queue line management percentages for airline billing. The following chart represents actual passenger statistics for 2017 through 2020 and includes an estimate for the 2021 budget. Actual passengers in 2020 were 37% of the 2019 total due to the pandemic.

	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Budget
<b>Passenger Activity</b>					
Enplaned Originating	11,032,337	11,528,009	12,109,787	4,610,301	8,962,573
Enplaned Connecting	7,352,817	6,858,648	7,071,582	2,496,578	4,853,427
Total Enplaned	18,385,154	18,386,657	19,181,369	7,106,879	13,816,000
Total Deplaned	18,414,824	18,400,491	19,172,044	7,137,652	13,816,000
<b>Total Passengers</b>	36,799,978	36,787,148	38,353,413	14,244,531	27,632,000

The following chart depicts the total operations activity for both MSP and the Reliever Airports. MSP operations shrunk in 2020 from the pandemic and passengers' concern about the close proximity to others while flying. The expectation for 2021 is that operations will rise. Unlike MSP, operations at Reliever Airports rose slightly in 2020 from 2019 with the rising interest in flight lessons as people had more free time. Reliever Airports operations are expected to rise slightly in 2021 as well.



The chart below shows cargo and mail activity reacting to the economy as it rose and peaked in 2018 when the economy flourished but dropped in 2019 and continued to decline from the impact of COVID-19 in 2020 when organizations reduced workload and furloughed staff. In 2021, mail and cargo operations are expected to climb faster than an average annual increase based on the expected pandemic recovery.

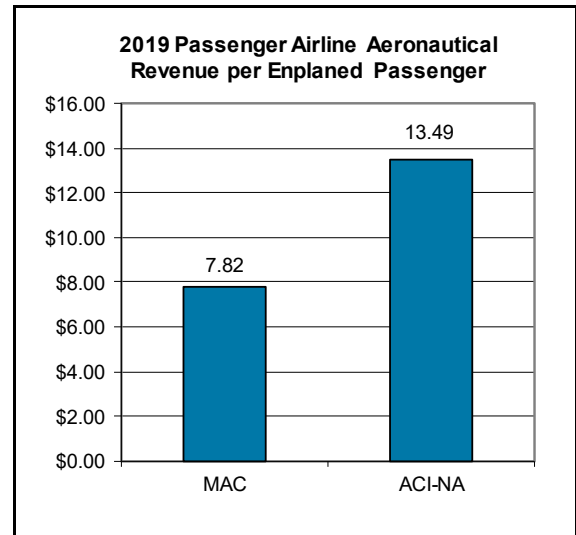
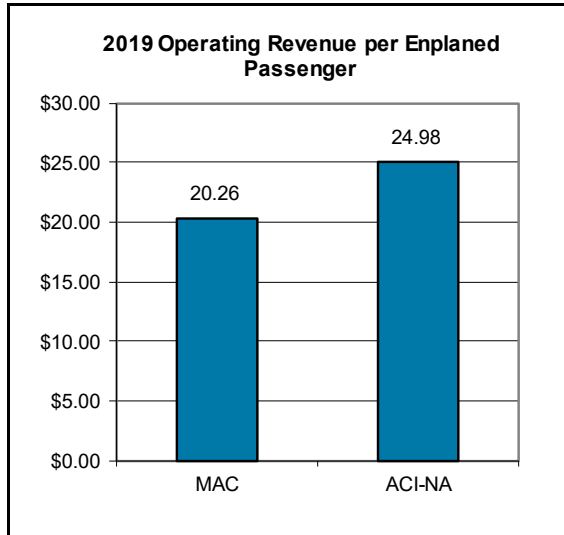


**National Comparisons**

This section compares the MAC to the national averages in revenue and other areas. The information presented is from the most recent National Airport Survey prepared by Airports Council International-North America (ACI-NA) and provides 2019 data. When available, 2020 data will likely show differing results as the pandemic disrupted passenger travel throughout the nation. This survey grouped hub airports into three categories: large, medium and small; MSP is a large hub airport.

**Industry Revenue Comparisons**

Illustrated below are Revenue per Enplaned Passenger and Airline Aeronautical Revenue. The following charts compare the MAC’s revenue with ACI-NA survey results for 2019:



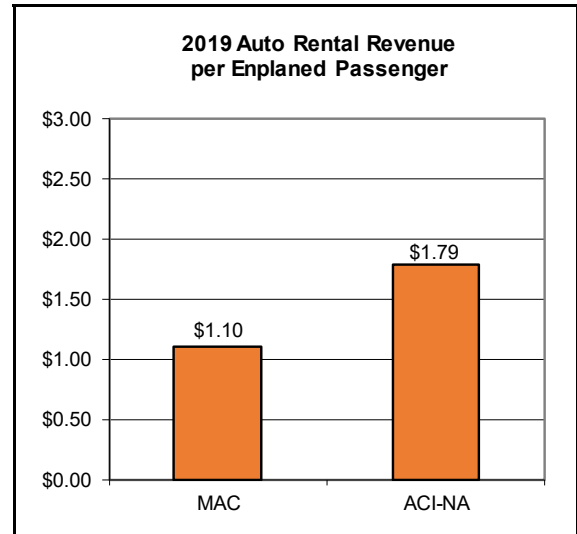
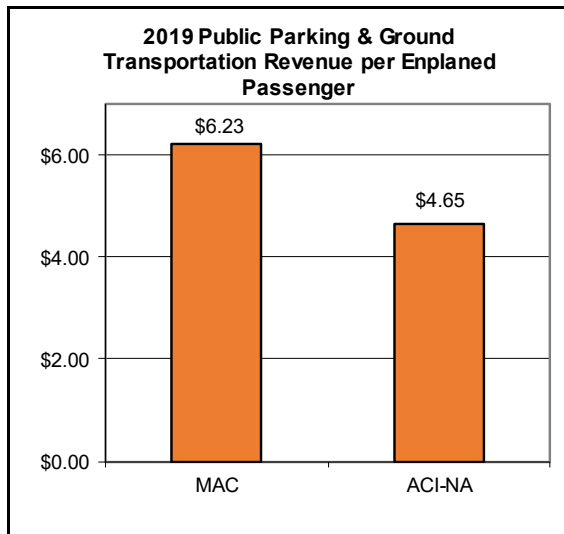
Operating Revenue per Enplaned Passenger compares the MAC’s revenue of \$20.26 per enplaned passenger at MSP to the average of large hub airports at \$24.98. The difference is primarily attributable to the MAC’s lower operating costs, as these costs are used to calculate airline rates and charges.

Passenger Airline Aeronautical Revenue per Enplaned Passenger in the chart above measures how much airlines pay the airport operator on a per enplaned passenger basis. Cargo revenue is not included. The MAC’s ratio is less than the median by \$5.67 per enplanement, primarily because the MAC strives to keep operating costs low. In addition, the airline agreement contains a concession revenue-sharing provision, lowering the airline cost.

The following table presents historical concession revenues from 2012 to 2019, estimates for 2020 and budgeted revenue for 2021. The largest categories of concession revenue are Parking, Rental Car & Ground Transportation, followed by Food & Beverage. Details are explained in the Operating Budget Revenue section.

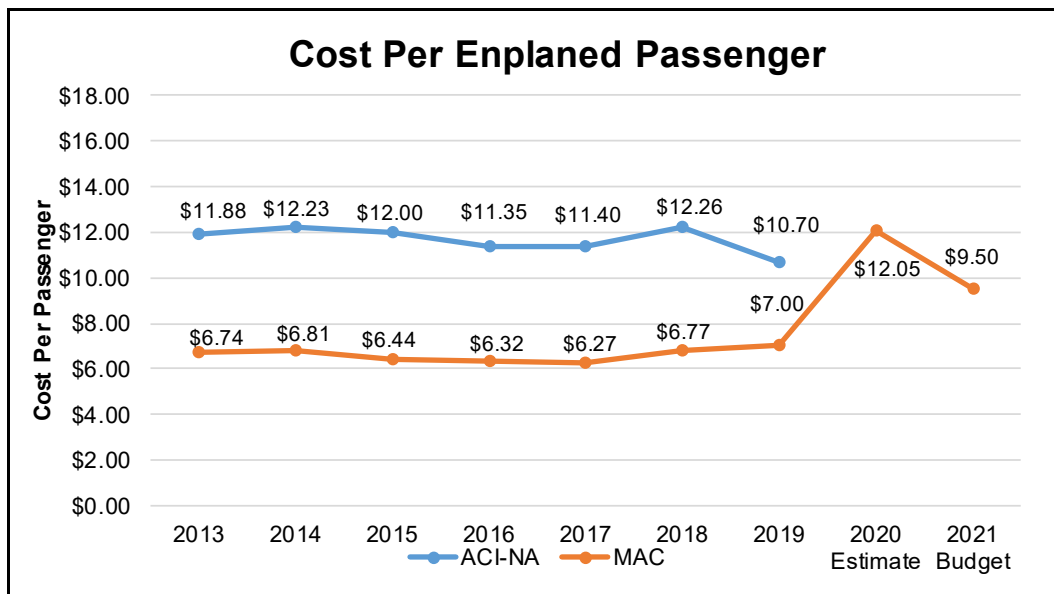
Year	Parking	Rental Car & Ground Transportation	Food & Beverage	News & Retail	Other	Total
2012	75,550	22,574	13,808	8,607	5,860	126,399
2013	78,983	23,133	14,743	8,489	5,973	131,321
2014	83,575	23,751	16,128	8,245	4,745	136,444
2015	90,906	24,694	16,836	8,191	6,266	146,893
2016	94,888	27,783	21,044	8,702	8,274	160,691
2017	99,332	30,907	23,137	10,171	8,929	172,476
2018	98,239	34,338	24,241	11,057	9,501	177,376
2019	107,763	35,588	24,635	10,742	9,100	187,828
2020 Estimate	39,547	15,681	9,802	3,814	4,377	73,221
2021 Budget	69,702	29,009	17,201	7,272	8,126	131,310

The following two charts represent the MAC's comparison of revenue per enplaned passenger with other large hub airports for Parking & Ground Transportation and Auto Rentals. In 2019, the MAC's parking and ground transportation revenue per enplanement was \$1.58 higher than the national average mainly in part due to the increasing revenue from Transportation Network Companies. However, the MAC is lower than average for generating revenue from auto rentals by \$0.69 per enplaned passenger.



**Industry Comparisons – Other**

The following section compares the MAC to industry performance ratios. These ratios are based on 2019 industry financial and operating data, the most recent available and is used for purposes of comparison. All MAC data are based upon actual 2019 information.

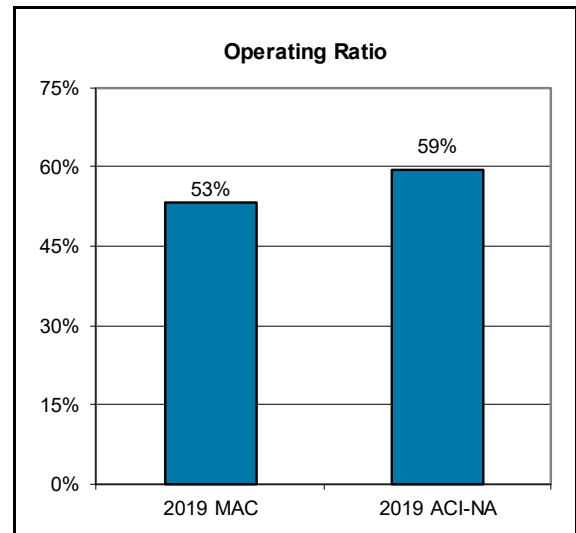
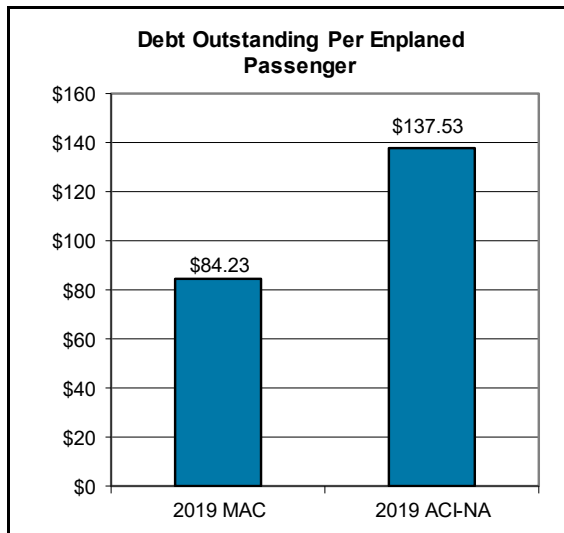


The chart above, Cost per Enplaned Passenger, compares historical operating expenses per enplaned passenger for airlines at MSP to the average cost as indicated in the ACI-NA report. The metric includes airline costs for airfield, ramp, terminal buildings and international facilities. The MAC's 2019 expense of \$7.00 per passenger is in the lower third of large hub airports. It is less than the national average of \$10.70 for large hub airports and is attributable to the MAC's lower operating costs. The 2020 estimate is \$5.05 higher as the passenger count declined substantially in the midst of the COVID-19 pandemic.

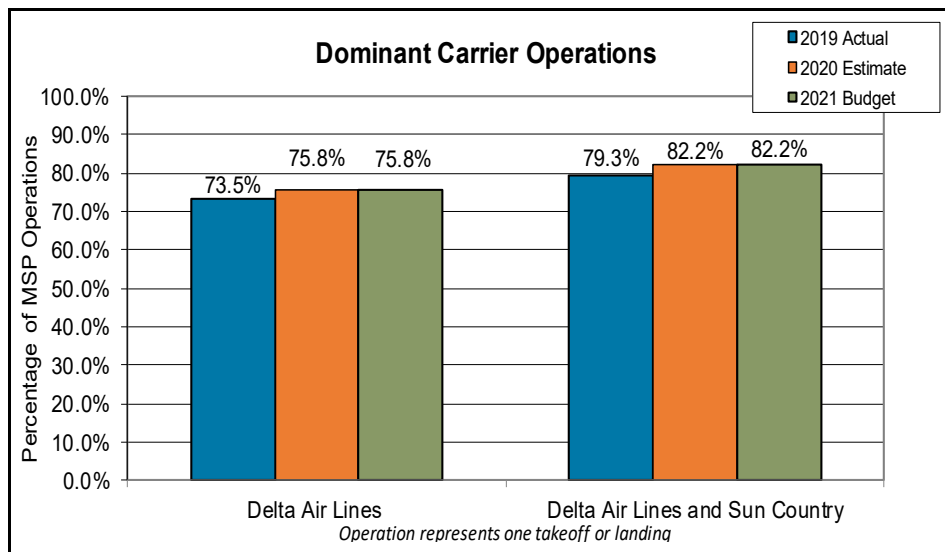


Debt Outstanding per Enplaned Passenger for 2019 is calculated by dividing total outstanding General Airport Revenue Bond (GARB) debt by the number of enplaned passengers. The chart below uses the average for Debt per Enplaned Passenger as published by the ACI-NA for large hub airports. Due to conservative borrowing strategy and timely bond refundings, the MAC's ratio of debt per enplaned passenger is below the industry average.

The 2019 Operating Ratio is calculated by dividing total operating expenses, excluding depreciation, by total operating revenues. As shown below, the MAC's operating ratio indicates that operating expenses are a lower percentage of the total operating revenue than the national average. The MAC strives to keep costs low.



The dominant carrier at MSP is Delta Air Lines. As shown below, the 2021 budget is projecting no change in the Delta Air Lines percentage from the 2020 estimate. The second largest carrier in 2020 was Sun Country Airlines with 6.4% of total airport traffic.



**Informative Facts about Minnesota**

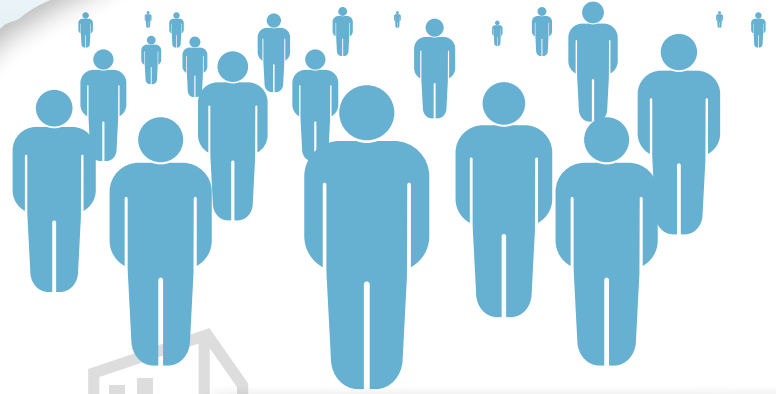
Minnesota is a dynamic and flourishing state for a variety of reasons. The state's culture promotes financial prosperity, as evidenced by the 16 Fortune 500 companies located within Minnesota. Education rates in the state generally exceed the national average. This, in turn, reduces the state unemployment rate, increases per capita income and provides the opportunity to choose from many large employers for employment. The Minneapolis-St. Paul International Airport is the only large hub airport serving scheduled air commerce in the 11 counties of the Minneapolis-St. Paul-Bloomington/MN-WI Metropolitan Statistical Area (MSA). Furthermore, MSP ranks among the top airports in key areas.

# Minnesota AT A GLANCE



POPULATION  
**5.6 MILLION**

Source: U.S. Census Bureau



FORTUNE 500 COMPANIES

**16** generating  
\$572.4 billion  
in revenue

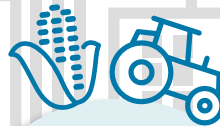
Source: Fortune.com

SMALL BUSINESSES

**520K**



Source: U.S. Small Business Administration



FARMS  
**68,000**

Source: U.S. Department of  
Agriculture

PER CAPITA  
INCOME  
**\$59,314**



Source: U.S. Bureau of  
Economic Analysis

**34.2%**

of adults hold a  
Bachelors Degree  
or higher

Source: U.S. Census Bureau

**93.6%**  
of adults hold a  
High School Diploma  
or higher

Source: U.S. Census Bureau

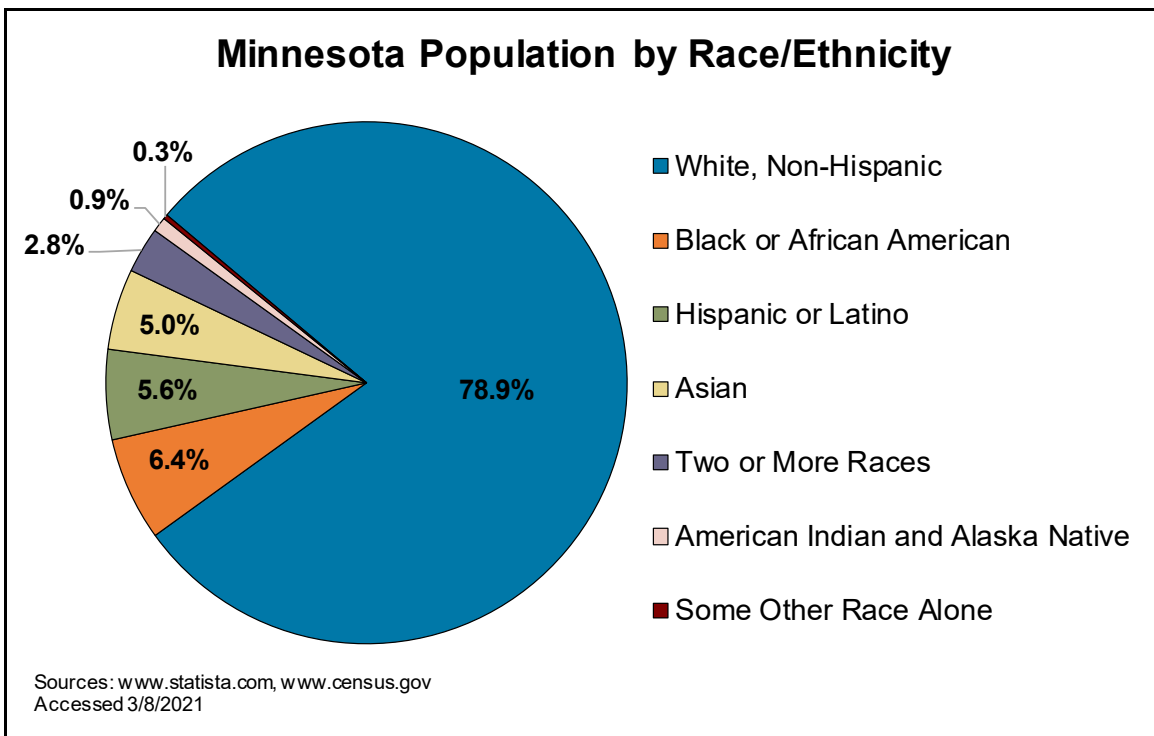


**Population**

<b>POPULATION</b>					
(000)					
<b>Calendar Year</b>	<b>United States</b>	<b>Minnesota</b>	<b>Minneapolis St. Paul MSA</b>	<b>MSA<sup>1</sup> as % of US</b>	<b>MSA<sup>1</sup> as % of Minnesota</b>
2009	307,007	5,266	3,270	1.1%	62.1%
2010	309,326	5,303	3,349	1.1%	63.2%
2011	311,583	5,347	3,389	1.1%	63.4%
2012	313,874	5,380	3,422	1.1%	63.6%
2013	316,129	5,420	3,459	1.1%	63.8%
2014	318,857	5,457	3,428	1.1%	62.8%
2015	322,871	5,490	3,495	1.1%	63.7%
2016	324,304	5,520	3,551	1.1%	64.3%
2017	326,971	5,577	3,601	1.1%	64.6%
2018	328,227	5,611	3,629	1.1%	64.7%
2019	329,213	5,640	3,640	1.1%	64.5%
2020	328,240	*	*	*	*

Source: United States Census Bureau  
<sup>1</sup>MSA=Metropolitan Statistical Area, Minneapolis-St. Paul-Bloomington, MN-WI Metro Area  
 \*Data not available at time of printing

Minnesota’s population has steadily grown since 2009. The table below presents the population for the United States, Minnesota and the MSA. According to the U.S. Census Bureau, Minnesota is the 22<sup>nd</sup> most populous state in the nation, with a 7.1% increase since 2009. The Minnesota Department of Natural Resources website states a population density of 68.5 persons per square mile. Much of the recent population growth is attributable to immigration, births and new residents. As indicated in the population table, 64.5% of Minnesotans live in the MSA. The pie chart below illustrates Minnesota’s population by race.



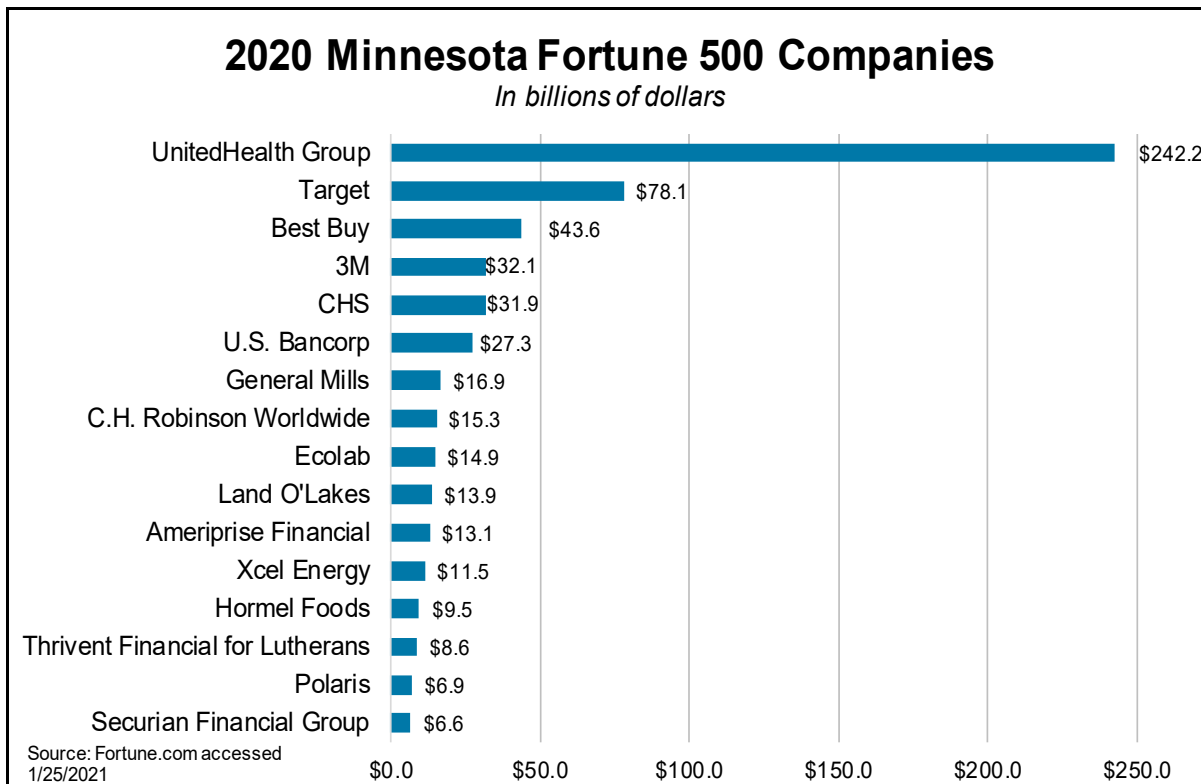
### Employers

Many large, prominent companies are based in Minnesota and reap the benefits of the state’s talent, innovation and trade. In 2020, Mayo Clinic was at the top of the Largest Minnesota Employer listing with 44,697 in-state employees. State and Federal Governments are close behind in the ranking with 40,471 and 35,223 employees in Minnesota, respectively. Target Corporation is still holding strong as one of the top employers. Although not on the list, Delta Air Lines is the largest aviation-related employer with 7,224 in-state employees.

The companies on the Fortune 500 list total \$14.2 trillion in revenues and employ 29.2 million people worldwide. Minnesota is home to 16 Fortune 500 companies, representing a wide variety of industries including health services, financial services, retail sales, manufacturing, distribution and food processing. These companies brought in \$572.4 billion in revenue in 2020. The following chart recognizes the 2020 Minnesota Fortune 500 Companies ranked by revenue. UnitedHealth Group tops the chart with \$242.2 billion in revenue, followed by Target Corporation with \$78.1 billion. Best Buy and 3M are next in line with \$43.6 and \$32.1 billion, respectively. In addition, Minnesota is home to more than 520,000 small businesses and 68,000 farms.

Employer	Number of Minnesota Employees	Industry
Mayo Clinic	44,697	Health Services
State of Minnesota	40,471	Governmental Services
US Federal Government	35,223	Governmental Services
Fairview Health Services	32,778	Health Services
Target Corporation	31,000	Retail
Allina Health System	28,896	Health Services
University of Minnesota	27,000	Education
HealthPartners Inc.	24,963	Health Services
UnitedHealth Group	18,200	Health Services
Wells Fargo Minnesota	18,000	Financial Services
Minnesota State	15,110	Education
3M Company	14,883	Manufacturing
U.S. Bancorp	13,900	Financial Services
CentraCare	12,853	Health Services
United States Postal Service	11,501	Postal Service
Essentia Health	11,246	Health Services
Medtronic	10,800	Health Services
United Natural Foods Inc.	9,229	Retail
Hormel Foods Corp.	8,800	Food Manufacturing
Hennepin County	8,162	Governmental Services

Source: Minneapolis/St. Paul Business Journal



## Employment

The civilian unemployment table reveals that Minnesota and the MSA have historically low unemployment rates. The Minnesota rate has been below the national rate for all but three years displayed in the accompanying table. The recession that began in 2007 resulted in the state's 2009 rate reaching the highest unemployment rate in Minnesota in 22 years. In 2010, the unemployment rate began to decline in Minnesota and the MSA, but it did not decline for the United States until the following year. In 2019, although the Minnesota rate was above the national rate, the difference in the two rates was only 0.1 percent. According to the Bureau of Labor Statistics, Minnesota's 2020 unemployment rate of 4.4% was the 13<sup>th</sup> lowest in the nation. In 2020, unemployment increased for the United States, Minnesota and the MSA due to the effects of the COVID-19 pandemic.

The Minnesota Department of Employment and Economic Development (DEED) statistics show that the state continues to add jobs annually. According to DEED projections, Minnesota will reach almost 3.3 million jobs by 2028. With the Fortune 500 companies, the large number of employers in the state and new jobs added annually, Minnesota remains economically strong and vibrant.

Calendar Year	United States	Minnesota	Minneapolis-St Paul MSA**
2006	4.6%	4.4%	3.8%
2007*	4.6%	4.8%	4.0%
2008*	5.8%	6.5%	5.1%
2009	9.3%	7.7%	7.9%
2010	9.6%	7.0%	7.3%
2011	8.9%	5.8%	6.3%
2012	8.1%	5.4%	5.5%
2013	7.4%	4.7%	4.8%
2014	6.2%	3.6%	3.0%
2015	5.0%	3.5%	2.7%
2016	4.7%	3.8%	3.0%
2017	4.1%	3.1%	2.4%
2018	3.9%	2.8%	2.8%
2019	3.4%	3.5%	3.0%
2020	6.7%	4.4%	3.9%

\*Indicates national recession during all or part of the year  
 \*\*The MSA=Metropolitan Statistical Area  
 Sources: US Department of Labor, Bureau of Labor Statistics accessed 1/25/2021, Minnesota Department of Employment and Economic Development

Year	Minnesota	United States	MSA
2010	42,479	40,545	46,498
2011	45,162	42,727	48,657
2012	47,666	44,582	50,260
2013	47,695	44,826	51,183
2014	49,938	47,025	53,166
2015	51,929	48,940	55,599
2016	52,735	49,831	56,723
2017	54,359	51,640	59,736
2018	57,515	54,420	62,889
2019	59,314	57,002	64,255

Sources: Bureau of Economic Analysis, US Department of Commerce, accessed 1/25/2021

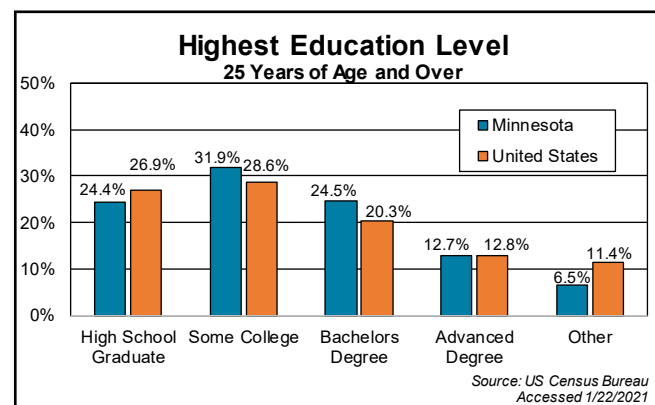
## Income

In 2019, Minnesota ranked 19th in the U.S. for per capita personal income. Minnesota's \$59,314 per capita personal income was 104.1% of the national average of \$57,002. For every year listed in the personal income chart, the MSA's per capita personal income has been higher than the per capita personal income amount for both the nation and the state. This leads to an average higher discretionary disposable income than others throughout Minnesota and the nation and relates positively to the demand for air travel.

## Education

Education is important to Minnesotans. As depicted in the highest education level table, the state has a well-educated workforce. For adults 25 years of age and over, the percentage of Minnesotans with bachelor and advanced degrees is 4.1% greater than the percentage of the United States population as a whole.

Including high school graduates and people with some college education, Minnesota exceeds the nation by 4.9%. Post-secondary education opportunities in the MSA include a variety of institutions: 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. These educational opportunities help situate Minnesota in a competitive economic position.



# Interesting Facts about the Metropolitan Airports Commission

**1917**

A landing strip for airmail service is built on the site of the bankrupt Twin Cities Motor Speedway. It is later renamed Wold-Chamberlain Field.



*Aerial View of the Speedway*

**1927**

Northwest Airways' first passenger flight occurs. The \$50 flight to Chicago includes stops in La Crosse, Madison and Milwaukee.

**1926**

Northwest Airways wins the contract for airmail service to Chicago and bases operations at Wold-Chamberlain Field.

St. Paul develops Holman Field in an effort to give its businesses a competitive edge.

**1928**

The Minneapolis Park Board buys Wold-Chamberlain Field.



*The First U.S. Air Mail Building at Wold-Chamberlain Field*

**1943**

Minnesota passes legislation to form the Minneapolis-St. Paul Metropolitan Airports Commission (MAC)

**1949**

The MAC acquires 160 acres for the Lake Elmo Airport.

**1950**

The MAC acquires 1,200 acres of farmland in Anoka County, which later becomes the Anoka County-Blaine Airport.

**1958**

The MAC breaks ground on a \$47 million expansion at MSP that includes a new terminal, control tower, access roads and upgrades to runways and taxiways.

**1962**

The MAC begins construction of its first fire station at MSP.



*The Blockbuster Movie "Airport" is  
Filmed at MSP in 1969*

**1948**

Wold-Chamberlain gets a new name, becoming the Minneapolis-St. Paul International Airport.

The MAC acquires Crystal Airport and Flying Cloud Airport.

**1955**

MSP reaches the 1 million annual passenger milestone.



*The New Terminal, Including Its Iconic  
Sawtooth Roof, Opens at MSP in 1962*

**1966**

Flying Cloud Airport is second only to Chicago's O'Hare Airport as the busiest airfield in the central United States.

**1969**

Community activism leads to the formation of the Metropolitan Aircraft Sound Abatement Council. The council is comprised of public and airline representatives who work collaboratively to reduce aircraft noise near MSP.

**1976**

The Hubert H. Humphrey Charter Terminal opens at MSP and serves around 60 international charter flights per month.



*The Original Hubert H. Humphrey Charter Terminal in the Late 1970s*

**1981**

The MAC completes the first of 19 school noise mitigation projects.

**1979**

The MAC acquires Airlake Airport in Lakeville, adding a second airport with an instrument landing system.

**1989**

The Minnesota Legislature directs the MAC to take on a “dual track” review of growth strategies, studying both expanding MSP’s existing capacity and building a new airport beyond existing suburban development.

**1984**

A new seven-level, \$20 million parking ramp opens at Terminal 1 with 2,000 spaces.



*MAC's Executive Director Jeff Hamiel (Right) Meets with U.S. Secretary of Transportation Sam Skinner in the Early 1990s*

**1991**

Minnesota approves a \$761 million financial assistance package for Northwest Airlines.

**1996**

MAC Board of Commissioners votes 11-3 on the Dual Track study to recommend expansion of the existing MSP airport.



**2001**  
The Hubert H. Humphrey Charter Terminal is replaced by the modern and spacious Terminal 2 building.

**2005**  
The MAC, FAA, Delta Air Lines and other partners collaborate to reduce fuel usage during landing procedures.  
  
Runway 17-35 opens at MSP.



*The 2016 Terminal 2 Expansion Includes Four New Gates, a Lactation Room, an Indoor Pet-Relief Area and a Green Roof*

**2018**  
Minneapolis hosts Super Bowl LII. On "Getaway Day," there are 60,455 screenings at MSP checkpoints, making it the busiest day ever at MSP. More than 1,100 private planes utilize the MAC's seven airports during the week of events.

**2004**  
The new LRT opens and provides transportation between Terminal 1 and Terminal 2 at MSP.

**2007-2008**  
The new floodwall at the St. Paul Downtown Airport provides reliable year-round operations.



*In 2014, the MAC and Ameresco Announce what was then the World's Largest Structure-Mounted Solar Power Installation, which is Constructed atop MSP Parking Ramps*

**2017**  
38 million passengers are served at MSP.

**2019**  
MSP is named the best airport in North America by Airports Council International for the 3<sup>rd</sup> consecutive year.

## Tourism and Attractions

The Minneapolis-St Paul area has numerous tourist attractions and local activities:

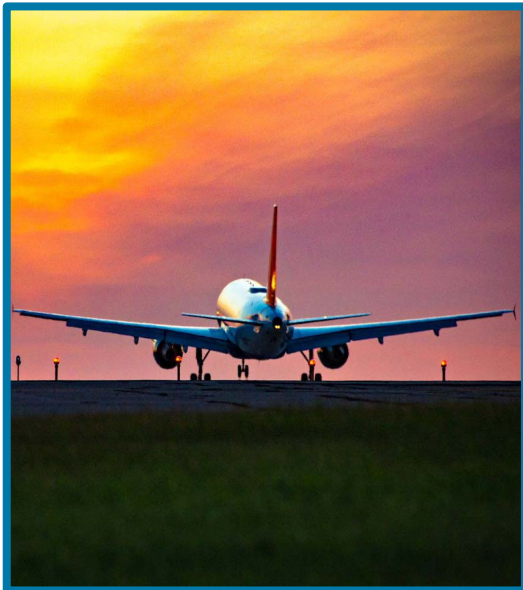
- The Mall of America is the nation’s largest shopping center and entertainment complex. It receives 40 million visitors per year, 40% of whom are tourists. The 4.2 million square foot facility generates \$2 billion of annual economic activity.
- Nationally renowned cultural organizations include the Guthrie Theater, Children’s Theater Company, Minnesota Orchestra, St. Paul Chamber Orchestra, Minnesota Opera, Walker Art Center and Minneapolis Institute of Art.
- Broadway shows and other cultural events are hosted by the State Theater, Orpheum Theatre and Ordway Theatre.
- Six major teams play professional sports in the Twin Cities: the Minnesota Twins (baseball), Minnesota Vikings (football), Minnesota Timberwolves (men’s basketball), Minnesota Lynx (women’s basketball), Minnesota United (men’s soccer) and Minnesota Wild (hockey). In 2016, the brand new U.S. Bank Stadium in downtown Minneapolis hosted its first Minnesota Vikings game. It also hosted the NFL’s Super Bowl LII game in 2018 and the NCAA Men’s Final Four basketball tournament in 2019. Minnesota United opened the 2019 season at the new Allianz Field in St. Paul.
- University of Minnesota Gophers participate in the Big Ten Conference in a number of sports including basketball, hockey, football and soccer.
- Minnesota boasts more than 10,000 lakes and 136,000 acres of parks, trails and wildlife management areas. The state is renowned for its wide variety of outdoor activities, including 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.



**Nickelodeon Universe at the Mall of America**

Source: [exploreminnesota.com](http://exploreminnesota.com)

## Current MSP Information



**Plane at MSP at Sunset**

- 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.
- 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 fewer than 10 minutes.
- The MAC operates one of the nation’s most extensive airport noise mitigation programs around MSP. Since 1992, the Commission has spent approximately \$500 providing mitigation to 19 schools, more than 15,000 single-family homes and more than 3,300 multi-family units.
- There are approximately 18.3 acres of parking lots at MSP and 28,419 parking stalls.
- MSP has 20 miles of airport security fencing, 50.5 acres of trees, shrubs and perennials, 119 acres of landside grass and 1,000 acres of airside turf.
- The four runways at MSP could fit just under 127 football fields.

**MSP Airport Activity**

<b>2019 US Airport Rankings</b>		
<i>For the Year Ended December 31, 2019</i>		
<b>Total Passengers<sup>1</sup></b>		
<i>in thousands</i>		
<b>Rank</b>	<b>Airport</b>	<b>Passengers</b>
1	Atlanta (ATL)	110,531
2	Los Angeles (LAX)	88,068
3	Chicago (ORD)	84,649
4	Dallas/Fort Worth (DFW)	75,067
5	Denver (DEN)	69,016
6	New York (JFK)	62,551
---		
15	Miami (MIA)	45,924
16	Houston (IAH)	45,277
17	Boston (BOS)	42,588
<b>18</b>	<b>Minneapolis (MSP)</b>	<b>39,555</b>
19	Detroit (DTW)	36,769
20	Fort Lauderdale (FLL)	36,748
<b>Total Cargo<sup>2</sup></b>		
<i>in thousands of metric tons</i>		
<b>Rank</b>	<b>Airport</b>	<b>Cargo</b>
1	Memphis (MEM)	4,323
2	Louisville (SDF)	2,790
3	Anchorage (ANC)	2,745
4	Miami (MIA)	2,092
5	Los Angeles (LAX)	2,092
6	Chicago (ORD)	1,758
---		
26	Portland (PDX)	288
27	Washington DC (IAD)	273
<b>28</b>	<b>Minneapolis (MSP)</b>	<b>229</b>
29	Orlando (MCO)	229
30	Baltimore (BWI)	228
31	Detroit (DTW)	213

<sup>1</sup> arriving and departing passengers and direct transit passengers counted once  
<sup>2</sup> loaded and unloaded freight and mail in metric ton  
 Source: ACI 2019 North American Airport Traffic Summary, accessed 1/25/2021

The region's economic profile affects passenger traffic at MSP. For example, the amount and type of commerce in the region may affect the level of business travel to and from MSP or the average regional personal income may affect the level of discretionary travel from MSP.

MSP is one of the highest activity airports in the United States. Approximately 37% of its passengers were connecting in 2019, while the other 63% were origin-destination. In 2002, MSP held 9th place for U.S. airport passenger activity. Several airline bankruptcies and mergers subsequently occurred, as well as a general decline in air travel. This resulted in a drop in rank. As of 2019, MSP ranked 18<sup>th</sup> in the U.S., holding its 2018 rank steady.

In 2019, MSP held 28<sup>th</sup> place in the U.S. for the second year in a row when ranked by total cargo. The Amazon Fulfillment Center located in Minnesota has been open since 2016, which contributes to recent annual increases in cargo at MSP.

The table below indicates which air carriers provide service at MSP. As of January 1, 2021, MSP was served by 39 air carriers, including 20 U.S. Flag carriers providing scheduled service, 12 all-cargo service carriers, and seven foreign-flag carriers. Additionally, 38 of the 111 routes served by the airport are competitive, which means at least two airlines offer scheduled service on the route. A year before, there were 59 competitive carriers out of 167 total routes served. This significant drop is a direct result of the decline in air travel in response to the COVID-19 pandemic. As the pandemic recovery continues, MSP anticipates a return to pre-pandemic route and carrier availability in future years.

Additionally, three branches of the U.S. Armed Forces are represented at MSP: the Air Force Reserve 934th Tactical Airlift Group, the Marine Air Reserve Training Detachment and the Naval Air Reserve-Twin Cities Center. The Minnesota Air National Guard 133rd Tactical Airlift Group is also located at MSP.

<b>Air Carriers Serving MSP Airport<sup>1</sup> as of January 1, 2021</b>					
<b>U.S. Flag Carriers</b>			<b>Foreign Flag Carriers</b>	<b>All Cargo Service</b>	
Air Choice One*	Envoy*	Republic Airlines*	Aer Lingus*	ABX Air*	FedEx*
Air Wisconsin*	Frontier*	Sky West*	Air Canada*	Air Transport International*	IFL
Alaska*	Go Jet*	Southwest*	Air France*	Atlas Air Cargo*	Kalitta*
American*	Horizon*	Spirit*	Condor*	Bemidji*	Mountain Air Cargo
Boutique Air*	JetBlue*	Sun Country*	Icelandair*	CSA Air	Suburban
Delta*	Mesa*	United*	KLM*	Encore Air Cargo*	UPS*
Endeavor*	PSA*		Sky Regional*		

<sup>1</sup> Excludes carriers reporting fewer than 1,000 enplaned passengers per annum.  
 \* Air carriers that are signatory airlines to the Airline Lease Agreement.

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## Glossary

### **accrual basis**

The accrual basis of accounting attempts to record financial transactions during the period in which they occur rather than recording them during the period in which they are paid.

### **ACI-NA: Airports Council International-North America**

ACI-NA represents local, regional and state governing bodies that own and operate commercial airports in the United States and Canada.

### **ADA: Americans with Disabilities Act**

The ADA prohibits discrimination against people with disabilities in employment, transportation, public accommodation, communications and governmental activities. The ADA also establishes requirements for telecommunications relay services.

### **Ad valorem**

An ad valorem tax is a tax in which the amount is based on the value of property. The MAC has the power to levy an ad valorem tax on the seven-county metropolitan area for payment on General Obligation Revenue Bonds.

### **AHU: Air Handling Unit**

### **Airport Foundation MSP**

The Airport Foundation MSP was incorporated in 1982 as the Metropolitan Public Airport Foundation as a non-profit organization by leaders of Minnesota aviation, business, hospitality, airline and travel communities. In 2006, the name was officially changed to Airport Foundation MSP who dedicates itself to enhancing the experience and exceeding the expectations of travelers at MSP as well as supporting the airport and broader aviation community.

### **ALEC: Airfield Lighting Electrical Center**

### **ALP: Airport Layout Plan**

An Airport Layout Plan is a graphical representation of the existing and proposed airport land, terminal and other facilities and structures owned by the airport. The ALP holds drawings and a narrative that includes basic aeronautical forecasts, basis for proposed items of development, environmental factors and other specifications.

### **airside**

Airports are divided into landside and airside areas. Airside is the area at the airport where aircraft movement and related activity is conducted. This area is not open to the public and is tightly controlled.

### **amortization**

Amortization is the systematic allocation of a balance sheet item to expense or revenue on the income statement.

### **APD: Airport Police Department**

### **ARFF: Aircraft Rescue Fire Fighting**

### **audit**

A formal examination of an organization's accounts or financial situation.

### **balanced budget**

In this budget approach, operating revenue is equal to budgeted operating expense plus depreciation.

### **BHS: Baggage Handling System**

### **Bonds**

Bonds are formal promises to pay a specified principal at a future date along with periodic interest on that principal at a specified rate per period.

### **budget**

A budget is an itemized summary of projected income and expenditure over a specified period.

### **capital equipment**

Equipment with a cost of at least \$10,000 will be capitalized and depreciated.

**capital expenditure**

A capital expenditure is money spent by the MAC to acquire or maintain fixed assets, such as land, buildings and equipment.

**CARES Act: The Coronavirus Aid, Relief and Economic Security Act**

The CARES Act is a federal action addressing the crisis created by the COVID-19 pandemic. Provisions of the CARES Act provide grant assistance to airports to reimburse eligible expenses. In 2020, the MAC received approximately \$87 million in CARES Act grants. A portion of these grants reimbursed the required debt service payment made in December of 2020.

**CCTV: Closed Circuit Television****CEO: Chief Executive Officer****CFC: Customer Facility Charge**

A CFC is an on-airport rental car assessment. The assessment allows the MAC to recover the rental car portion of capital costs associated with the construction of the auto rental/public parking garage adjacent to Terminal 1, as well as certain maintenance costs related to the auto rental facilities.

**CIP: Capital Improvement Program**

The CIP is a seven-year plan relating to construction projects in the MAC's system of airports. The CIP's current budget year includes projects that are reasonably defined for implementation during that year. The next budget year includes projects identified as a need or potential need in that year of the program, but require further study in order to properly determine the scope, feasibility and cost of the project. The final five years consist of projects that appear to be needed during that period. This portion assists in financial planning and meets the requirements of the Metropolitan Council's Investment Framework.

**CMAA: Commercial Management and Airline Affairs****Commission: Metropolitan Airports Commission****commercial paper**

Commercial paper is a short-term debt obligation sold with maturity dates of 270 days or less.

**concourse**

A concourse is the long hallway-like structure where loading and unloading of passengers takes place.

**connecting passengers**

Connecting passengers fly to MSP and transfer to another flight in order to reach their final destination.

**Construction Fund**

The Construction Fund is used to pay capital costs associated with the Capital Improvement Program.

**COVID-19: Coronavirus Disease 2019**

COVID-19 is caused by a novel coronavirus first identified in Wuhan, China in December 2019. Coronaviruses, named for the crown-like spikes on their surfaces, are a large family of viruses that are common in people and many different species of animals, including camels, cattle, cats and bats. There are many types of human coronaviruses, including some that commonly cause mild upper-respiratory tract illnesses. COVID-19 is a new disease, caused by a novel (or new) coronavirus that has not previously been seen in humans. Although most people who have COVID-19 have mild symptoms, COVID-19 can also cause severe illness and even death. Some groups, including older adults and people who have certain underlying medical conditions, are at increased risk of severe illness. The disease is highly transmittable and has reached all continents.

**CTX: Computer Tomography X-Ray****debt service**

Debt service is an issuer's obligation to repay the principal and interest.

**debt service account**

The MAC is required by law to maintain a debt service account. The balance on hand on October 10<sup>th</sup> of each year must equal all principal and interest due on all Airport Improvement Bonds and General Obligation Revenue Bonds payable through the end of the second following year.

**DEED:** Department of Employment and Economic Development

**department**

Departments are usually combinations of service centers. The term is sometimes used interchangeably with the term “service center.”

**defeased**

The term defeased refers to bond refundings where the old debt is replaced by a new debt schedule, usually at a lower interest rate.

**depreciation**

This accounting process allocates the cost expiration of tangible plant, property and equipment. The cost is allocated against periodic revenue over the useful life of the asset.

**destination passengers**

Destination passengers arrive at MSP and do not transfer to another flight.

**ECC:** Emergency Communications Center

**EMC:** Energy Management Center

**enplaned passengers**

Enplaned passengers are the number of passengers boarding an aircraft, including originating and connecting passengers.

**enterprise fund**

“Enterprise fund” is a governmental accounting term referring to a fund that provides goods or services to the public for a fee, similar to a commercial enterprise. The MAC uses enterprise fund accounting. The MAC’s cost of providing goods or services to the general public on a continuing basis includes expenses and depreciation. These costs are to be financed or recovered primarily through user charges so operating and capital expenses are paid from revenues generated by users.

**Essential Air Service Flights**

The Essential Air Service program was put into place to guarantee that small communities that were served by certificated air carriers before airline deregulation maintained a minimal level of scheduled air service after deregulation was enacted. The United States Department of Transportation is mandated to provide eligible communities with access to the National Air Transportation System. This is generally accomplished by subsidizing two round trips a day with 30- to 50-seat aircraft, or additional frequencies with aircraft with 9-seat or fewer, usually to a large- or medium-hub airport. The Department currently subsidizes commuter and certificated air carriers to serve approximately 60 communities in Alaska and 115 communities in the lower 48 contiguous states that otherwise would not receive any scheduled air service.

**FAA:** Federal Aviation Administration

The FAA’s mission is to provide the safest, most efficient aerospace system in the world. This translates into a variety of roles, including regulating civil aviation, developing and operating a system of air traffic control and navigation, developing and carrying out programs to control environmental effects of civil aviation.

**EVIDs:** Electronic Visual Information Displays

EVIDs include various kinds of electronic displays operated by the Commission. Displays include MUFIDS displays, digital directories, LED signs over the ticket counters and the variable message displays which are programmed to show a message.

**FCM:** Flying Cloud Airport

Flying Cloud Airport is situated in the southwestern corner of the Twin Cities in Eden Prairie. It is the home base for many corporate business jets and turbo-prop planes. It is one of six reliever airports operated by the MAC.

**FICA:** Federal Insurance Contributions Act

**FIS:** Federal Inspection Services

**Frequent Flyers**

Frequent Flyers are passengers who travel by air regularly and can be part of an airline program in which they earn points for free flights.

**FTE: full-time equivalent**

The MAC allocates employee headcount in terms of the equivalent number of full-time employees.

**Funds**

The Commission segregates its accounting into three funds: Operating, Debt and Construction.

**fund balance**

In a fund at a given point in time, the fund's assets less its liabilities is equal to the fund balance. The fund balance is positive when its assets exceed liabilities. The balance is negative when its liabilities exceed assets. Additionally, a fund balance may be designated as unreserved or reserved. Unreserved fund balances are free to be authorized for future expenditures, while reserved balances may not be designated for future expenditures. Fund balances are residual amounts and may not be a cash amount.

**GAAP: Generally Accepted Accounting Principles**

Generally Accepted Accounting Principles are a set of rules that encompass the details, complexities and legalities of accounting. The Financial Accounting Standards Board uses GAAP as the foundation for its comprehensive set of approved accounting methods and practices.

**GASB: Governmental Accounting Standards Board****GASB 34**

GASB 34 established comprehensive, new financial reporting requirements for governmental units. Under GASB Statement No. 34, the Commission is a special purpose government unit engaged primarily in business type activities. As a result, the Commission prepares its financial statements using the accrual basis of accounting and the economic resources measurement focus.

**GASB 68**

GASB 68 revised and established new financial reporting requirements for most state and local governments that provide their employees with pension benefits. In compliance with GASB 68, the MAC recognizes its long-term obligation for pension benefits as a liability and takes a more comprehensive measurement of the MAC's annual costs of pension benefits.

**GARBs: General Airport Revenue Bonds**

GARBs are bonds secured by the pledge of all operating revenues of the Commission. These bonds are subject to the prior pledges of such revenues for payment of GORBs.

**GFOA: Government Finance Officers Association****GIS: Geospatial Information System****GORBs: General Obligation Revenue Bonds**

GORBs are 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 GORBs.

**HR: Human Resources****HVAC: Heating, Ventilation and Air Conditioning****IAF: International Arrivals Facility or International Arrival Fees****IMACS: Intelligent Monitoring and Control Systems****IT: Information Technology****iViSN: Integrated Video and Information System Network**



**Landside**

Airports are divided into landside and airside areas. Landside is that portion of the airport designated to serve passengers and includes terminal buildings and parking ramps.

**LED:** *Light-Emitting Diode*

**LRT:** *Light-Rail Transit*

**MAC:** *Metropolitan Airports Commission*

Created in 1943 by Minnesota state law, the MAC is a public corporation providing coordinated aviation services throughout the Twin Cities metropolitan area. The MAC operates one of the largest airport systems in the nation, which includes MSP and six general aviation airports. A 15-member Board of Commissioners appointed by Minnesota's Governor and the Mayors of Minneapolis and Saint Paul establishes the Commission's policies. These policies are implemented by the Commission's senior leadership and staff.

**MAG:** *Minimum Annual Guarantee*

The Minimum Annual Guarantee is the annual amount of concession revenue owed by a concessionaire divided by 12 and paid monthly to the MAC for doing business at MSP.

**MAG Waivers/MAG Relief**

MAG waiver/MAG Relief is a program authorized by the Commission due to the COVID-19 pandemic to relieve the concessions of the monthly MAG payment requirement. Certain concessions were allowed MAG waivers in 2020 and 2021 to reduce their costs until MSP recovers from the Pandemic.

**MACNet**

The MAC's computer network, which is the system of transmitting information across the MAC community.

**MACpoint**

The MAC's internal website used by employees to share information with others.

**MCD:** *Maintenance, Cleaning and Distribution*

The MAC provides maintenance and holds the contracts for cleaning and distribution services utilized by food, beverage and retail concessions and airline clubs. These concessionaires pay MCD fees to the MAC in lieu of individually contracting these services.

**Metropolitan Council**

Also known as the Met Council, it is the metropolitan regional planning agency.

**MSA:** *Metropolitan Statistical Area*

A Metropolitan Statistical Area is a core area delineated by the United States Office of Management and Budget and contain substantial population centers. In conjunction with adjacent communities, they have high degrees of economic and social integration with those population centers.

**MSP:** *Minneapolis-St. Paul International Airport*

MSP refers to the total airport facility.

**MUFIDs:** *Multi-User Flight Information Display systems*

**NCAA:** *National Collegiate Athletic Association*

**noise amortization**

Amortization allocates the cost of an intangible asset over a period of years. The MAC amortizes the cost of Part 150 noise mitigation projects.

**OF&A Committee:** *Operations, Finance & Administration Committee*

The OF&A Committee is composed of Commissioners meeting on a monthly basis. This Committee is one of the two standing Committees of the Metropolitan Airports Commission. All financial information is reported to the committee and acted upon at this meeting.

**OPEB:** *Other Post Employment Benefit Trust*

**Operating Fund**

The Operating Fund is used for day-to-day operations.

**operation**

An operation is an aircraft takeoff or landing.

**originating passenger**

An originating passenger is a passenger initiating travel from MSP.

**OSHA: Occupational Safety and Health Administration**

OSHA was created by Congress in 1970 to assure safe and healthful working conditions for workers. OSHA sets and enforces standards and provides training, outreach, education and assistance.

**OTA: Other Transaction Agreement**

Other Transaction Agreements are special vehicles used by federal agencies to obtain or advance research and development or prototypes. OTAs are not contracts, grants or cooperative agreements, and there is no statutory or regulatory definition of "other transaction." Only those agencies that have been provided Other Transaction authority may engage in OTAs.

**Part 139: FAA Regulation Part 139**

FAA Regulation Part 139 requires the FAA to issue airport operating certificates to airports that serve scheduled and unscheduled air carrier aircraft with more than 30 seats, serve scheduled air carrier operations in aircraft with more than 9 seats but fewer than 31 seats and those that the FAA Administrator requires to have a certificate. Airport Operating Certificates serve to ensure safety in air transportation. To obtain a certificate, an airport must agree to certain operational and safety standards and provide for such things as firefighting and rescue equipment.

**Part 150: FAA Regulation Part 150**

This regulation establishes a uniform nationwide system of describing aircraft noise and noise exposure on different communities, describes land-use compatibility for the guidance of local communities and provides technical assistance to airport operators and other governmental agencies to prepare and execute noise compatibility planning.

**PD&E Committee: Planning, Development & Environment Committee**

The PD&E Committee is composed of Commissioners meeting on a monthly basis. This Committee is one of the two standing Committees of the Metropolitan Airports Commission.

**PFC: Passenger Facility Charge**

A PFC is an authorization by Congress which allows proprietors of commercial service airports, such as the MAC, to impose a passenger facility charge upon revenue passengers enplaning at those airports. 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.

**PPE: Personal Protection Equipment**

Personal Protection Equipment is equipment worn to minimize exposure to hazards that cause serious workplace injuries and illnesses. During the COVID-19 pandemic, PPE became widely used throughout the airport campus to protect employees, passengers and tenants from exposure to the virus.

**R & R: Repair and Replacement Surcharges**

Repair and Replacement Surcharges are a component of airline rates and charges.

**ramp fees**

Ramp fees are charged to a particular airline for exclusive use of a specific area of ramp, calculated by dividing the total estimated costs by the number of lineal feet of ramp space.

**reimbursed expense**

Reimbursed expenses are costs paid by the Commission which are billed back to tenants or paid to the MAC by outside sources. Reimbursement receipts are recorded in "Other Revenue."

**reliever airports**

These airports provide facilities for general aviation activity and reduce traffic and congestion at large airports. The MAC owns six reliever airports: St. Paul Downtown, Flying Cloud, Crystal, Anoka County-Blaine, Lake Elmo, and Airlake Airports.

**residual**

Residual is a breakeven revenue calculation where the revenue will equal the expenses coded to that service center with a true up calculation at year-end. Landing fees and ramp fees are examples of residual revenue.

**RFP: request for proposal**

A request for proposal is a business document that announces and provides details about a project, as well as solicits bids from companies interested in completing the project.

**RFQ: request for qualifications**

A request for qualifications is a pre-qualification stage of the procurement process. Interested parties submit their qualifications, and only those who successfully respond to the RFQ and meet the criteria will be included in the selection process.

**self-liquidating**

Self-liquidating fees are received for rental 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 MAC.

**service center**

A service center is the MAC's terminology for a cost center used to track revenue or expenses.

**Seven-County Metropolitan Area**

The counties surrounding MSP: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties. The area includes the cities of Minneapolis and St. Paul.

**signatory carriers/airlines**

Carriers and airlines who have signed the Airline Agreement. They include major, commuter, charter and cargo or freight carrier categories.

**subledger**

A subledger is a term used by the MAC to group expenses from various service centers to determine rates and charges for tenants and users of the MAC facilities.

**subordinated debt**

Subordinated debt is paid after senior debt obligations have been met.

**taxiway**

Taxiways are paved airfield areas primarily used for ground movements of aircraft to, from and between runways, ramps and storage areas.

**T1: Terminal 1****T2: Terminal 2****TSA: Transportation Security Administration****working capital**

Working capital is the change in current assets minus the change in current liabilities.

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