



# 2022 OPERATING BUDGET ▶▶▶

METROPOLITAN AIRPORTS COMMISSION ▶ MINNEAPOLIS-SAINT PAUL, MN



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## MISSION

Connecting you  
to your world

## VISION

Providing your best  
airport experience

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

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Investor Relations page of the website:  
<https://metroairports.org/doing-business/investor-relations>



# EXECUTIVE SUMMARY

## DECEMBER 20, 2021

To the Public:

We are pleased to present the 2022 Metropolitan Airports Commission (MAC) Budget which was adopted by the Board of Commissioners (Commission) on December 20, 2021. Total Operating Revenue for 2022 is projected to be \$360,670,095 and Operating Expense is \$214,973,180 excluding depreciation and noise amortization. Non-operating expense, including non-operating revenue, is budgeted to be \$107,351,031. The approved 2022 budget results in \$38,345,884 of Net Revenues Available for Designation.

The 2022 budget process commenced in May 2021. Some of the key short-term issues and associated risk factors faced by the MAC in developing the overall targets for the 2022 Operating Budget included:

- The effects of the COVID-19 pandemic and the impact on travel demand
- Changes in the state of the economy and the airline industry in 2022
- The impact of the 2022-2024 Capital Improvement Program (CIP), which totaled \$500.4 million
- Rising interest environment

How these critical issues were addressed in our development of the budget are explained in the Fund Structure section of this Budget Document.

Our Mission Statement and Vision Statement guide the MAC's decisions and actions.

**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 2022 Operating Budget. These targets and their respective budget results are presented.

**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).

**Result** The coverage ratio will be 6.27x on Senior GARBS and 1.47x on total coverage (with transfer).

**Target** The MAC will maintain a minimum of a six-month reserve in the Operating Fund.

**Result** 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.

**Result** 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.

**Result** The budget forecasts \$38.3 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.

## EXECUTIVE SUMMARY

The table below presents a consolidated schedule of revenue, expenses and other sources and uses for all funds, showing the trend in revenue and expenses. From the pandemic in 2020, operating revenue dropped below 2019 actual revenue and is projected to gradually increase in future years. Due to the decrease in revenue, expenses and capital projects were reduced MAC-wide as cost saving measures. These measures were implemented in 2020 and will continue through 2024. The 2023-2024 projections were prepared using passenger growth expectations and inflation estimates.

## Consolidated Enterprise Fund ►►►

(\$ = 000)	2020 Actual	2021 Budget	2021 Estimate	2022 Budget	2023 Projection	2024 Projection
<b>Sources All Funds</b>						
Balance Carried Forward January 1 <sup>1</sup>	\$ 1,009,292	\$ 729,335	\$ 741,002	\$ 619,650	\$ 825,900	\$ 689,574
<b>Operating Fund Revenues</b>						
Airline Rates & Charges	94,259	131,208	117,397	132,060	146,090	149,011
Concessions	76,636	131,310	120,512	155,507	173,981	186,915
Other Operating Revenues	57,181	68,935	65,803	73,102	75,907	77,899
Interest Earnings	7,192	4,864	4,864	5,107	5,209	5,261
Other & Self-Liquidating Revenue	90,998	3,501	75,222	51,573	738	772
Transfers in Equipment Financing	3,395	-	-	2,850	3,500	4,000
Working Capital/Other	-	-	-	-	-	-
<b>Construction Fund Revenues</b>						
PFC Funding	34,719	53,298	46,568	61,072	72,502	77,430
Federal & State Grants	17,588	41,320	12,965	44,845	18,180	45,000
Interest Income	4,256	2,400	2,613	3,420	3,400	7,900
Bond/Notes Proceeds	-	-	-	153,410	-	354,250
Short-Term Funding Program	-	58,000	23,000	38,000	8,500	8,300
Other Receipts	-	-	-	-	-	-
Transfers In - Operating Fund	77,798	23,533	23,495	70,050	72,811	87,000
<b>Debt Fund Revenues</b>						
Interest Earnings	735	2,457	2	1,009	1,088	1,182
Bond Proceeds	-	-	-	65,349	-	21,239
Transfers In (PFC and GARB Requirements)	129,218	128,686	128,686	128,446	137,900	140,489
<b>Total All Receipts</b>	<b>\$ 1,603,267</b>	<b>\$ 1,378,847</b>	<b>\$ 1,362,129</b>	<b>\$ 1,605,450</b>	<b>\$ 1,545,706</b>	<b>\$ 1,856,223</b>
<b>Uses All Funds</b>						
<b>Operating Fund Expenses</b>						
Personnel	89,901	94,207	92,853	100,680	102,694	104,747
Administration	1,056	1,352	1,010	1,465	1,494	1,524
Professional Services	5,159	6,310	5,266	7,392	7,540	7,691
Utilities	17,383	19,897	20,034	21,519	21,949	22,388
Operating Services	28,338	27,643	25,772	32,004	32,644	33,297
Maintenance	37,647	41,458	3,838	45,767	46,682	47,616
Other	4,027	3,639	3,995	6,146	6,269	6,394
Equipment & Other Capital Expenditures	9,237	9,422	9,422	14,153	13,271	14,309
Transfers Out - Debt	101,967	107,909	106,376	108,779	118,223	122,126
Transfers Out - Equipment Financing	4,317	4,423	4,423	4,415	3,888	3,971
Transfers Out - Construction	77,798	23,533	23,495	70,050	72,811	87,000
Working Capital/Other	98	-	-	-	-	-
<b>Construction Fund Expenses</b>						
CIP Project Costs	320,317	185,070	222,839	162,402	278,420	325,609
Debt Service PFC Transfer	27,786	27,743	27,743	19,667	19,677	18,363
<b>Debt Fund Expenses</b>						
Bond Refundings	-	-	-	55,598	-	-
Bond Principal & Interest Payments	137,234	132,205	195,413	129,513	130,569	132,394
<b>Total All Costs</b>	<b>\$ 862,265</b>	<b>\$ 684,811</b>	<b>\$ 742,479</b>	<b>\$ 779,550</b>	<b>\$ 856,131</b>	<b>\$ 927,430</b>
<b>Total Ending All Net Fund Balances</b>	<b>\$ 741,002</b>	<b>\$ 694,036</b>	<b>\$ 619,650</b>	<b>\$ 825,900</b>	<b>\$ 689,574</b>	<b>\$ 928,793</b>

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

## BUDGET DEVELOPMENT

The Metropolitan Airports Commission 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 and reaching the Organizational Strategic Plan Goals and Priorities.

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.

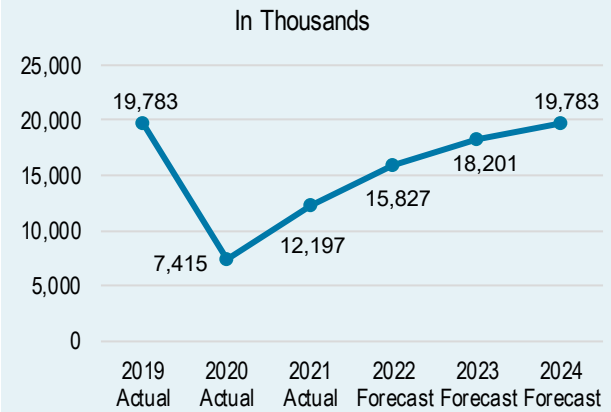
This is done in conjunction with the Capital Improvement Program which is a seven-year forecast with funding sources identified. The construction of an Airport Operations Center to house Police, Fire and other emergency personnel is an example of capital costs used to reach the Organizational Strategic Goals.

As previously indicated, the Commission's process for developing targets and guidelines for the 2022 budget included a discussion of a number of critical issues around the COVID-19 pandemic recovery. 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.



*Terminal 1 Remembrance of the 20<sup>th</sup> Anniversary of the 9/11 Terrorist Attack*

## Enplaned Passengers ▶▶▶



The line 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 sources, the MAC projects continued growth and enplanements up to 15.8 million in 2022. Enplanement forecasts show recovery to reach the 2019 enplanement level will not be achieved until 2024. Forecasts are updated throughout the year.

The 2022 budget was developed on 15.8 million enplanements projected at the time of budgeting and during the ongoing pandemic recovery. Based on this projection, one new headcount is budgeted in 2022 as a Reliever Airport maintenance worker and the plan is to gradually hire unfilled FTEs that were frozen from the pandemic in 2020. The Commission continues to closely monitor and evaluate expenses for additional savings and to restrict expenses to only what is truly needed during the year.



## EXECUTIVE SUMMARY

## OPERATING BUDGET

The following table is a summary of Revenue, Expense and Non-Operating Revenue and Expense from 2020 actual through 2022 Budget. Details regarding changes in revenues and expenses year over year are within the Operating Budget Revenue and Operating Budget Expense sections of this document.

## Operating Budget Summary ►►►

(\$ = 000)

2022 Budget vs 2021 Estimate

	2020 Actual	2021 Budget	2021 Estimate	2022 Budget	Dollar Change	% Change
<b>Operating Revenue</b>						
Airline Rates and Charges	\$ 94,259	\$ 131,208	\$ 117,397	\$ 132,060	\$ 14,663	12.5%
Concessions	76,636	131,310	120,512	155,507	34,996	29.0%
Rentals/Fees	41,471	50,504	48,893	53,464	4,572	9.4%
Utilities & Other Revenues	15,710	18,432	16,910	19,638	2,728	16.1%
<b>Total Operating Revenue</b>	<b>\$ 228,076</b>	<b>\$ 331,454</b>	<b>\$ 303,712</b>	<b>\$ 360,670</b>	<b>\$ 56,959</b>	<b>18.8%</b>
<b>Operating Expense</b>						
Personnel	\$ (89,901)	\$ (94,207)	\$ (92,853)	\$ (100,680)	\$ (7,827)	8.4%
Administrative Expenses	(1,056)	(1,352)	(1,010)	(1,465)	(455)	45.1%
Professional Services	(5,159)	(6,310)	(5,266)	(7,392)	(2,126)	40.4%
Utilities	(17,383)	(19,897)	(20,034)	(21,519)	(1,484)	7.4%
Operating Services	(28,338)	(27,643)	(25,772)	(32,004)	(6,232)	24.2%
Maintenance	(37,647)	(41,458)	(38,380)	(45,767)	(7,387)	19.2%
Other	(4,027)	(3,639)	(3,995)	(6,146)	(2,151)	53.8%
<b>Total Operating Expense <sup>1</sup></b>	<b>\$ (183,511)</b>	<b>\$ (194,506)</b>	<b>\$ (187,310)</b>	<b>\$ (214,973)</b>	<b>\$ (27,662)</b>	<b>14.8%</b>
<b>Net Operating Revenue</b>	<b>\$ 44,564</b>	<b>\$ 136,948</b>	<b>\$ 116,401</b>	<b>\$ 145,697</b>	<b>\$ 29,296</b>	<b>25.2%</b>
<b>Non-Operating Revenue (Expense)</b>						
Add: Other Non-operating Revenue	\$ 101,585	\$ 8,365	\$ 80,086	\$ 21,230	\$ (58,856)	-73.5%
Less: Debt Service/Equipment/Other	(122,654)	(121,753)	(120,220)	(128,582)	(8,362)	7.0%
<b>Total Non-Operating Revenue (Expense)</b>	<b>\$ (21,069)</b>	<b>\$ (113,388)</b>	<b>\$ (40,135)</b>	<b>\$ (107,351)</b>	<b>\$ (67,218)</b>	<b>167.5%</b>
<b>Net Revenue</b>	<b>\$ 23,495</b>	<b>\$ 23,560</b>	<b>\$ 76,266</b>	<b>\$ 38,346</b>	<b>\$ (37,920)</b>	<b>-49.7%</b>

<sup>1</sup> Excludes depreciation

## CAPITAL IMPROVEMENT PROGRAM

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 is provided. Milestones for the 2022-2028 Capital Improvement Program development schedule are:



## EXECUTIVE SUMMARY

The following table summarizes the most recent past program year (2021), the current three-year program (2022-2024) 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 increase as well as revenue.

## Capital Improvement Program Summary ►►►

(\$=000)

	Budget 2021	Budget 2022	Budget 2023	Budget 2024
<b>Projects - All Airports</b>				
<b>Minneapolis-St. Paul International Airport</b>				
End of Life/Replacement Projects	\$ 33,300	\$ 63,160	\$ 50,090	\$ 59,635
Information Technology	12,600	18,360	10,850	12,210
Long-Term Comprehensive Plan Projects	57,675	86,750	45,425	210,000
Maintenance Facility Upgrade Projects	49,125	47,920	47,595	164,790
Ongoing Maintenance Programs	21,950	40,600	55,620	52,470
Noise Mitigation Projects	1,500	500	500	1,000
Tenant Projects	-	3,100	6,500	2,700
<b>Total Minneapolis-St. Paul International Airport</b>	<b>\$ 176,150</b>	<b>\$ 260,390</b>	<b>\$ 216,580</b>	<b>\$ 502,805</b>
<b>Reliever Airports</b>	<b>8,920</b>	<b>6,900</b>	<b>16,550</b>	<b>22,850</b>
<b>Total Projects - All Airports</b>	<b>\$ 185,070</b>	<b>\$ 267,290</b>	<b>\$ 233,130</b>	<b>\$ 525,655</b>
<b>Funding</b>				
Passenger Facility Charges (PFCs)	\$ 75,305	\$ 67,105	\$ 46,725	\$ 29,050
Federal and State Grants	41,320	44,845	18,180	45,000
General Airport Revenue Bonds-Line of Credit	30,095	88,110	91,250	362,550
Internal/Airline Funds	38,350	67,230	76,975	89,055
<b>Total Funding</b>	<b>\$ 185,070</b>	<b>\$ 267,290</b>	<b>\$ 233,130</b>	<b>\$ 525,655</b>

### DEBT

#### Long-Term Debt

The Commission anticipates a new long-term debt issue in 2022 to finance a number of capital improvement program projects in the amount of \$225 million. The last debt issued was in 2019.

#### Short-Term Debt

For the past 10 years, the Commission has used a revolving line of credit for short-term borrowing to finance various projects. This Short-Term Borrowing Program also allows the Commission some flexibility in financing unanticipated or unforeseen capital improvements.

During 2022, the Commission has a line of credit of \$150 million based on the estimated capital projects and line of credit utilization. In 2022, the MAC used the line of credit to refund General Airport Revenue Bonds 2011 Series A and 2012 series B. Total savings will be determined once new bonds are issued in 2022. As of December 31, 2021, the Commission has utilized \$113 million on its line of credit.

## Refundings

For many years, the Commission has aggressively pursued the refunding options of its outstanding debt. Bond proceeds were also used to retire a portion of the Commission's older long-term debt. The Commission realized an average annual debt service savings of approximately \$22.1 million per year.

## Debt Refundings Summary ► ► ►

(\$=000)

Series Refunded	Refunding Year	Total Savings	Annual Savings	Present Value % Savings
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>				<b>10.06%</b>
<b>Total Average Interest Rate Prior to Refundings</b>			<b>5.02%</b>	
<b>Total Average Interest Rate After Refundings</b>			<b>3.24%</b>	

<sup>1</sup> General Airport Revenue Bond Refunding

<sup>2</sup> General Obligation Revenue Bond Refunding

## AIR SERVICE

Maintaining and adding air service is vital to the Commission. The Air Service 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 January 2022, the following air service is provided by MSP:

- Service to 118 domestic destinations and 19 international destinations for a total of 137.
- Competitive service with at least two airlines providing service to 55 domestic destinations and 9 international destinations for a total of 64.

Air service has been greatly affected by the pandemic. Service to domestic and international destinations was much lower in 2020 than in previous years. In 2022, service is rebounding as airlines are adding more flights to their schedules.



# 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 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 updated priorities and focus areas

## STRATEGIC PLAN GOALS, PRIORITIES AND FOCUS AREAS

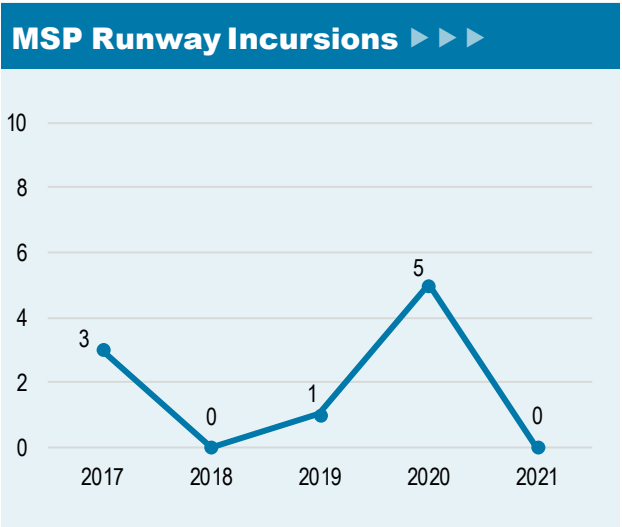
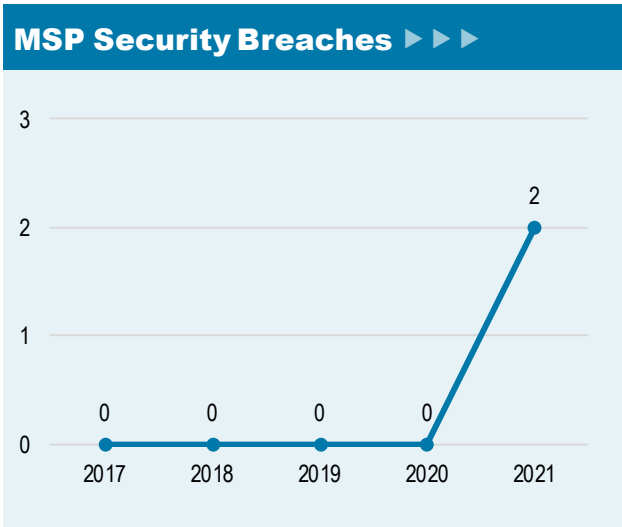
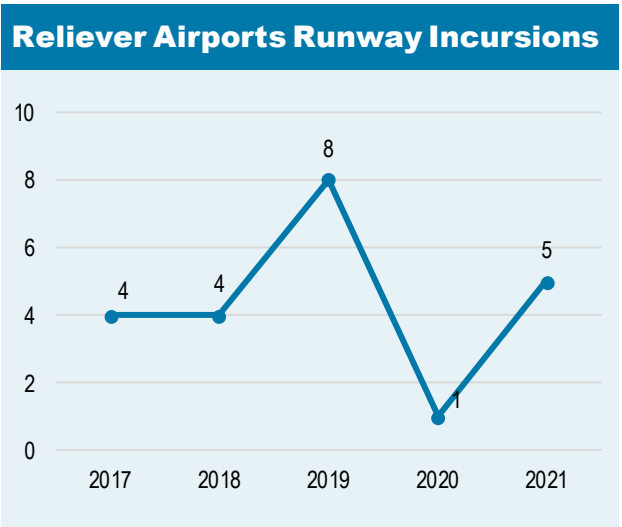
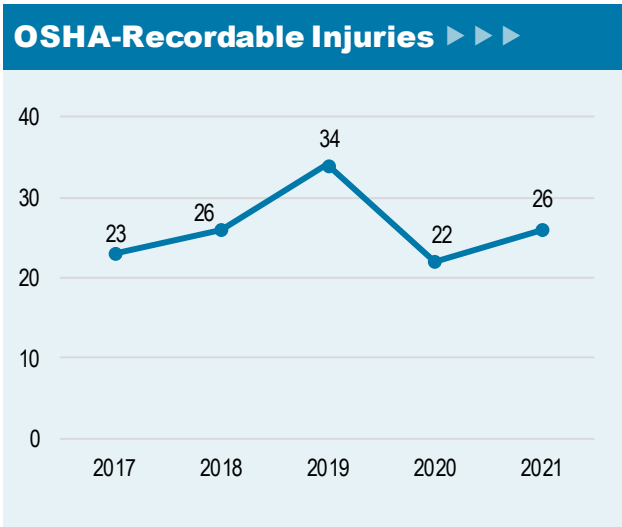
In 2017, the MAC implemented the Strategic Plan, which contains seven goals. These goals are listed in the accompanying graphic. Since 2018, the MAC’s leadership has identified and updated Priorities and Focus Areas. These are shown to the right of each corresponding goal. The entire organization works towards all goals, priorities and focus areas. They are the foundation of the MAC’s

long-term plans and related budget decisions. The Service Center Summaries will demonstrate the connections between each service center’s performance measures, its objectives, its division goals and MAC’s goals

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></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>► Enterprise One Training and Leverage</li></ul>
Engagement	<ul style="list-style-type: none"><li>► Stakeholder and Community Engagement</li></ul>
Air Service	<ul style="list-style-type: none"><li>► Air Service Development</li></ul>
Economic	<ul style="list-style-type: none"><li>► New Strategies to Enhance Financial Strength</li><li>► Real Estate Assessment and Implementation</li></ul>
Innovation	<ul style="list-style-type: none"><li>► Parking Yield Management</li><li>► Data Governance</li></ul>

PERFORMANCE MEASURES

SAFETY AND SECURITY

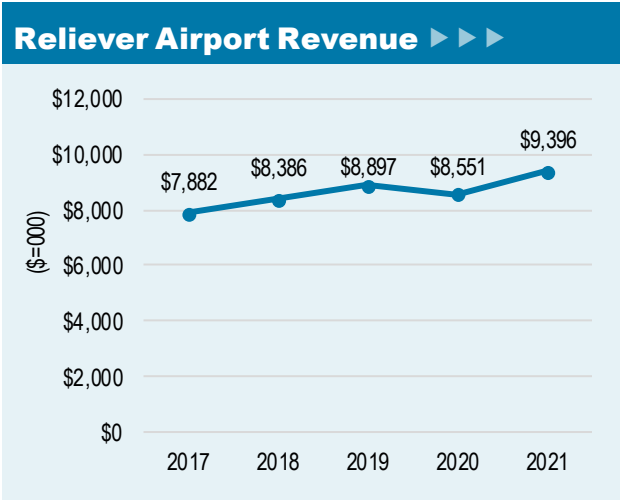


There were two security breaches in 2021. They did not impact airport operations; however, they did impact specific flights and passengers. In both instances, passengers were delayed due to the passengers and planes being rescreened.

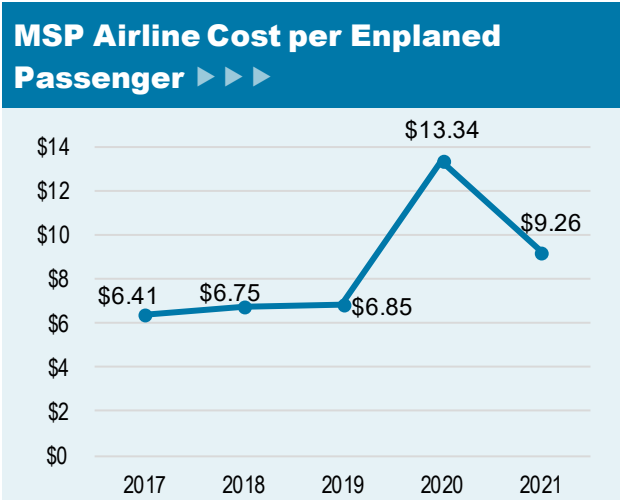


MAC Reliever Airports Host a Variety of Special Events That Feature Unique and Historical Aircraft

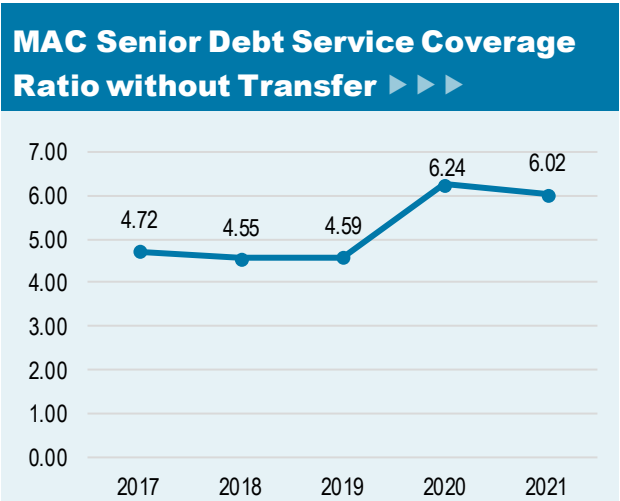
FINANCIAL



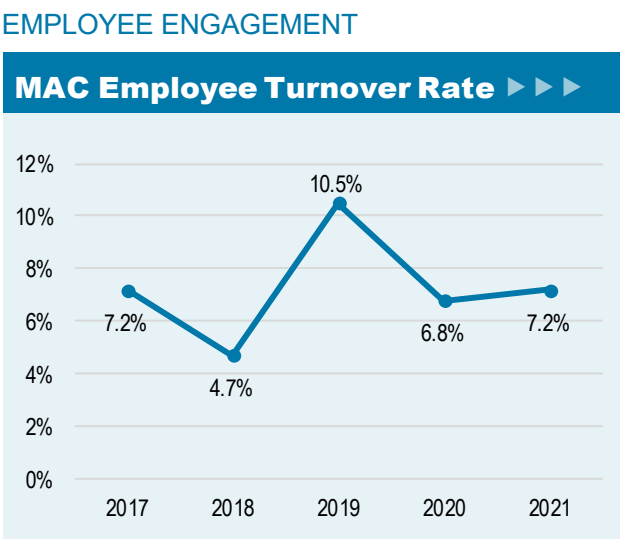
2021 data is an estimate at time of publication.



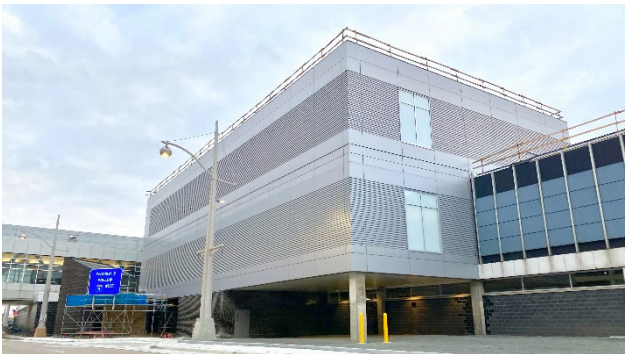
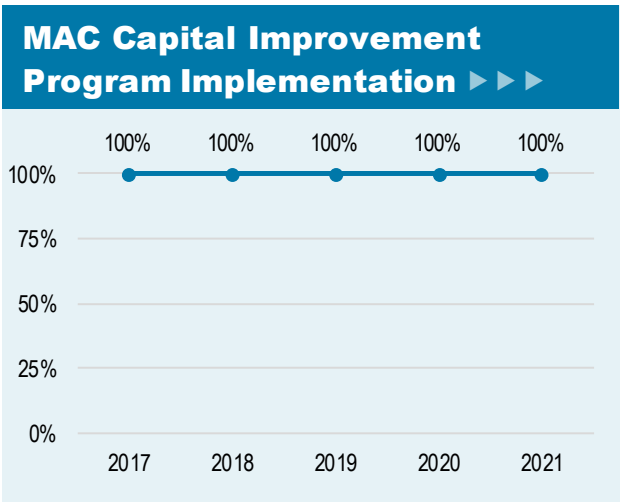
2021 data is an estimate at time of publication.



2021 data is an estimate at time of publication.



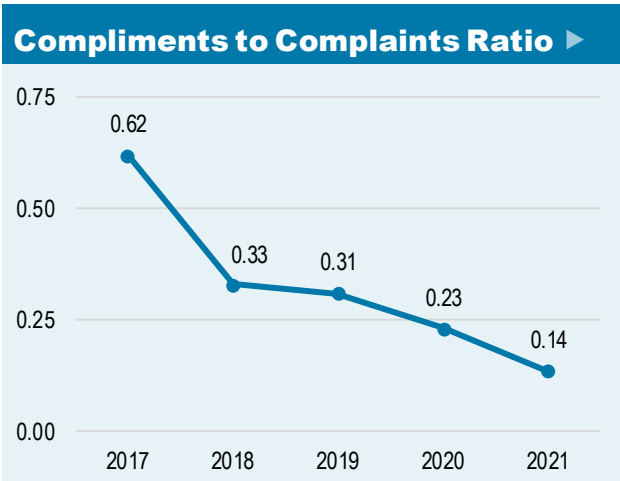
DEVELOPMENT



The G Concourse was Built Out to Expand a Passenger Traffic Juncture and to Create Space for an Airline Club



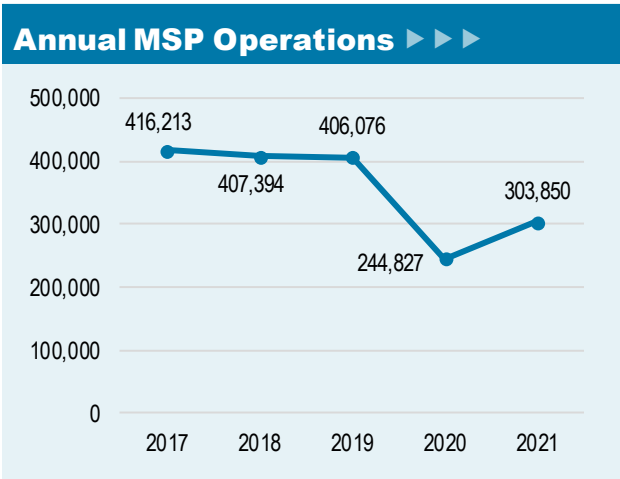
CUSTOMER EXPERIENCE



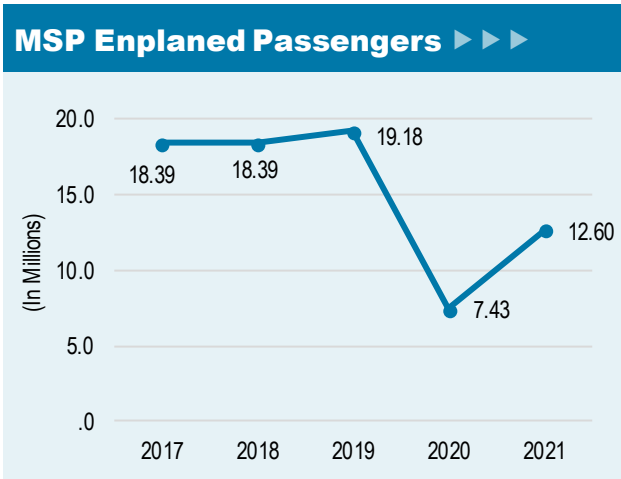
2021 data is not available at time of publication.

OPERATIONS

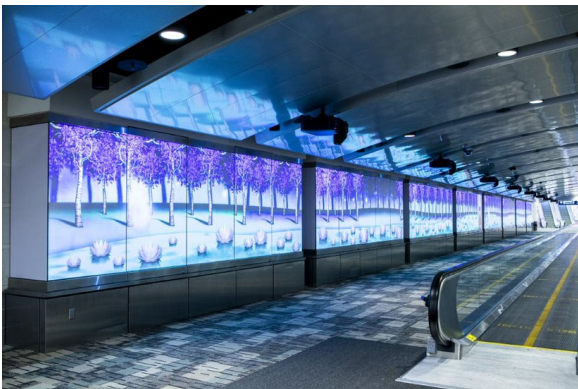
The following Performance Measures are common benchmark measures; however, the MAC has limited ability to impact these numbers directly.



Air operations were significantly affected at the onset of the pandemic in 2020.



Enplanements were significantly affected at the onset of the pandemic in 2020.

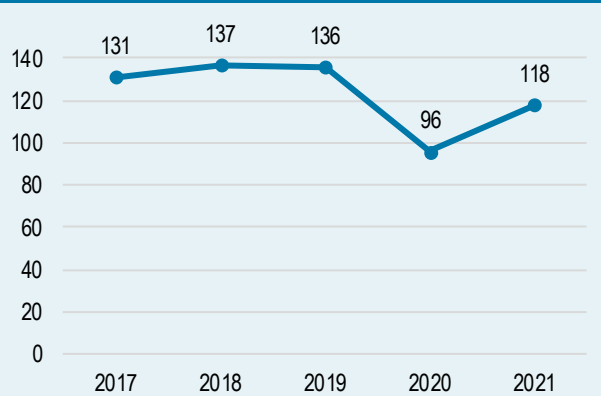


*"Manifesto" is a Digital Installation on Concourse B  
Construction Projects Provide Opportunities for the MAC to Commission Local Artists to Create Unique Installations at MSP*



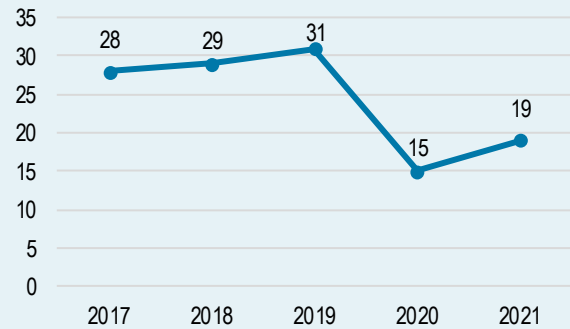
*"Aurora" is Visible in the Arrivals and Departure Halls*

### MSP Non-Stop Domestic Destinations



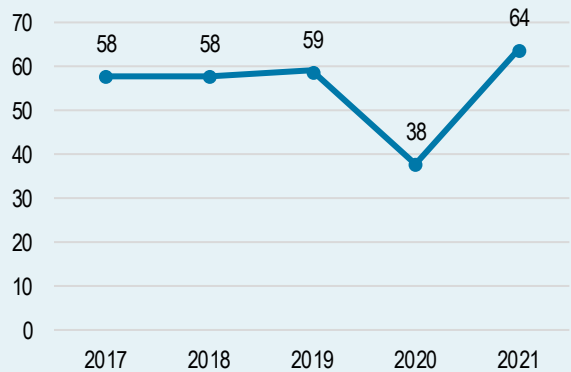
In 2020, airlines paused many routes in response to the pandemic. Now in the recovery phase, routes are returning and being added.

### MSP Non-stop International Destinations



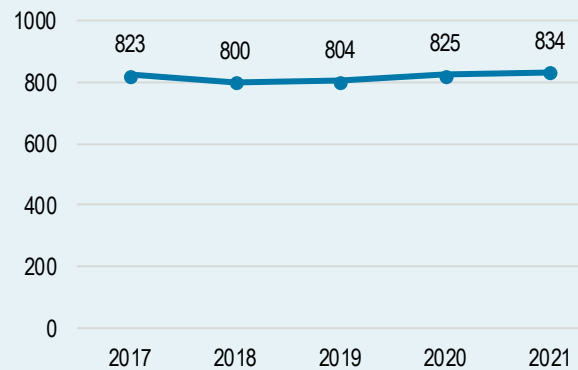
International flight was significantly curtailed at the onset of the pandemic in 2020. International flight has begun to return, but the pace of recovery is not as rapid as domestic flight.

### MSP Competitive Destinations

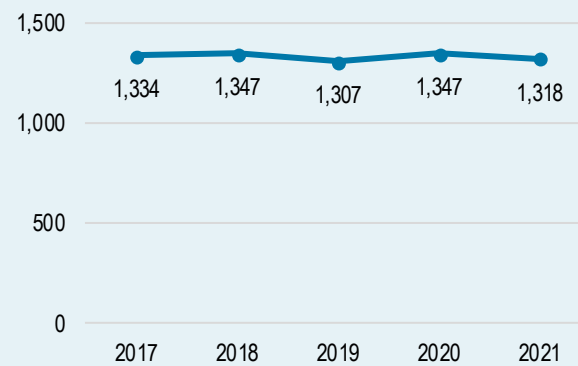


In 2020, airlines paused many routes in response to the pandemic. This reduced the number of competitive destinations. Now in the recovery phase, routes are returning and being added.

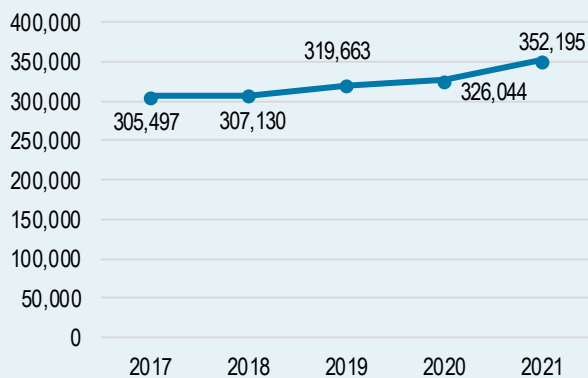
### Reliever Airport Tenants



### Reliever-based Aircraft



### Annual Reliever Operations



## ACKNOWLEDGMENT

The budget is the result of countless hours of work by the Finance Department staff. A very big thank you goes out to MAC staff in all departments and the Commission who worked hard to develop the final 2022 Budget. The budget was difficult to create this year with frequent moving parts caused by the ongoing pandemic. Through this hard work and effort, we are confident 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

## 2021 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, 2021. 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 2022 award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

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

For the Fiscal Year Beginning

**January 01, 2021**

*Christopher P. Morill*

Executive Director



## Awards Received During 2021 ►►►

Award	Project	Given by
Above and Beyond Award	-	Employer Support of the Guard and Reserve
Airport Business Project of the Year	Terminal 1 Silver Ramp	Airport Business Magazine
Airport Carbon Accreditation – Level 2 Recertification	-	Airports Council International – North America
Airport Health Accreditation	-	Airports Council International
Balchen Post Award, runner up for 2020-2021	Snow and Ice Control	American Association of Airport Executives International Aviation Snow Symposium
Certificate of Achievement for Excellence in Financial Reporting, 35 consecutive years	Annual Comprehensive Financial Report	Government Finance Officers Association
Commercial Airport Airside Project of the Year	MSP Runway 4-22 Conversion to Dual Use Taxiway	American Association of Airport Executives International, Great Lakes Chapter
Distinguished Budget Presentation Award, 37 consecutive years	Annual Budget Document	Government Finance Officers Association
Engineering Excellence: Best Design of a Mixed-Use Parking & Transportation Facility	Terminal 1 Silver Ramp	International Parking & Mobility Institute
Excellence in Concrete Paving	Terminal 1 Silver Ramp	Minnesota Department of Transportation & the Concrete Paving Association
Grand Award for Engineering Excellence	Terminal 1 Silver Ramp	American Council of Engineering Consultants of Minnesota
Merit Award	Terminal 1 Silver Ramp	American Institute of Architects Minnesota
Merit Award for Bituminous Surfacing	Crystal Airport	Minnesota Asphalt Paving Association, in cooperation with Minnesota Department of Transportation
Most Efficient North American Airport, large airport category, fourth time in five years	MSP Airport	Air Transport Research Society
New Construction Merit Award	MSP Taxiway D Reconstruction	American Concrete Pavement Association & Minnesota Department of Transportation
Non-Broadcast Bronze Award, Editing	Travel Confidently at MSP	The Telly Awards
Non-Broadcast Bronze Award, Use of Music	Travel Confidently at MSP	The Telly Awards
Patriotic Employer Award	-	U.S. Department of Defense
Project of the Year Award	MSP Taxiway D Reconstruction & Runway 4/22 Conversion to Dual Use Taxiway	Minnesota Council of Airports
Retail/Restaurant – COVID/Retro Refit	People's Organic at MSP Airport	Minnesota Real Estate Journal

AWARDS Continued on next page

## Awards Received During 2021 ►►►

Award	Project	Given by
Social Video Bronze Award, Travel & Tourism	Travel Confidently at MSP	The Telly Awards
STAR™ Facility Accreditation	-	Global Biorisk Advisory Council, a division of International Sanitary Supply Association
Third Best Airport for Customer Satisfaction in North America, Mega-Airport Category	MSP Airport	J.D. Power
Top airport in the Digital Airport Index of North America	MSP's Digital Assets	Mijksenaar
Top Projects	Terminal 1 Silver Ramp	Finance and Commerce newspaper

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# THE ORGANIZATION

## 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 Saint 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



# BOARD MEMBERS

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



**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 Saint Paul



**Patti Gartland**  
Outstate St. Cloud



**Donald Monaco**  
Outstate Duluth



**Dixie Hoard**  
Outstate Thief River Falls



**Randy Schubring**  
Outstate Rochester



## THE ORGANIZATION

The Commission has two committees: Operations, Finance & Administration (OF&A) and Planning, Development & Environment (PD&E). Each committee meets monthly. The committees are responsible for all aspects of business which fall under their respective jurisdictions. Recommendations on all action items are made by the committees to the full Commission. The Commission also meets monthly.

## Operations, Finance & Administration Committee ►

### 2021 Financial Topics

#### Audits

Annual Financial Audit Plan  
Approval of Audit and Financial Statements  
Continuous Audit Quarterly Report  
Professional Services Agreements Audit

#### Operating Budget

2022 Budget Targets  
2022 Preliminary and Final Budgets  
Accounts Receivable Monthly Summary  
Allocation of 2020 Net Revenues  
Commission Travel Quarterly Report  
Employee Benefits and Compensation  
Financial Impacts of COVID-19  
Financial Relief Related to COVID-19  
Monthly Budget Variance Report

#### Bonds, Debt and Capital Funding

Bond Counsel Continuing Consultant Services  
Issuance and Occurance of Bonds  
Short-Term Borrowing Program  
Passenger Facility Charge Application

#### Investments

Investment Portfolio Quarterly Report

#### Leases and Agreements

Concessions Leases, Agreements and Amendments  
Equipment Financing and Leases  
Professional Service Authorizations Quarterly Report  
Professional Services Agreements  
Requests for Proposals, Qualifications and Bids  
Service Contracts

Typically, Committee and Commission meetings take place in MSP's Terminal 1. Meetings are also livestreamed and archived on the MAC's website. Occasionally, the full Commission meets outside the terminal to provide easier access for the general public.

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.

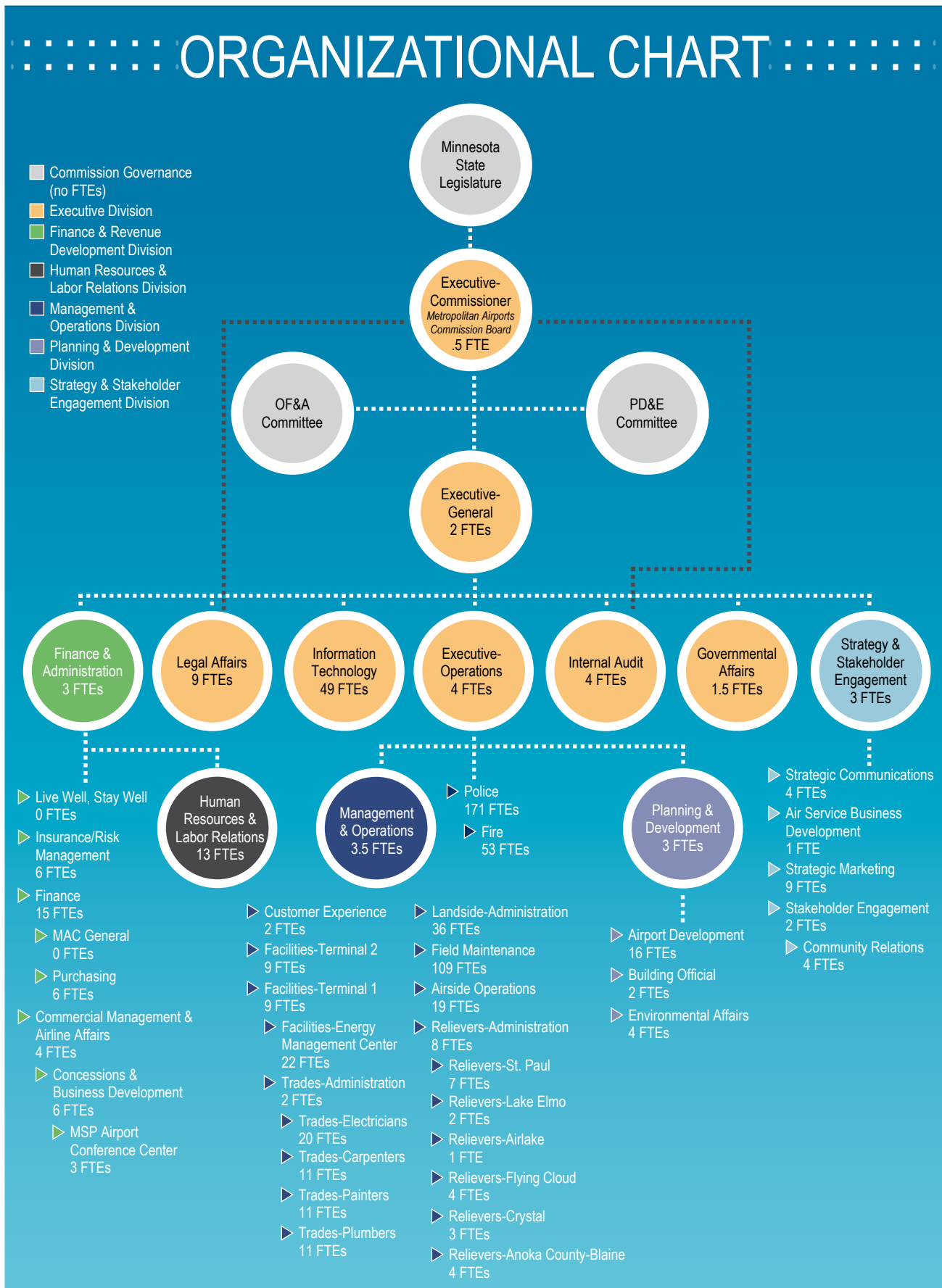
Financial information generally is reported to and acted upon at the OF&A Committee meeting and then reported to the full Commission. The table to the left summarizes the general financial areas that the Committee dealt with in 2021.

In some cases, financial information is reported to a different body before reaching the Commission. The Capital Improvement Program is reported to and acted on by the PD&E Committee. The Other Post-Employment Benefit (OPEB) Trust Board oversees OPEB reports and actions.

## DIVISIONS

Under the direction of the Commission, the MAC's organizational structure consists of six divisions within the Operating Fund. The Executive Division oversees all MAC business and is directly responsible to the MAC's Board of Commissioners. The six divisions are:

- Executive
- Finance & Revenue Development
- Planning & Development
- Management & Operations
- Human Resources & Labor Relations
- Strategy & Stakeholder Engagement



## THE ORGANIZATION

## 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 the opportunity to review together related functions that they manage. For example, Finance includes Purchasing and MAC General. The table below shows a listing of service centers and the divisions in which they reside.

## ORGANIZATIONAL STRUCTURE ► ► ►

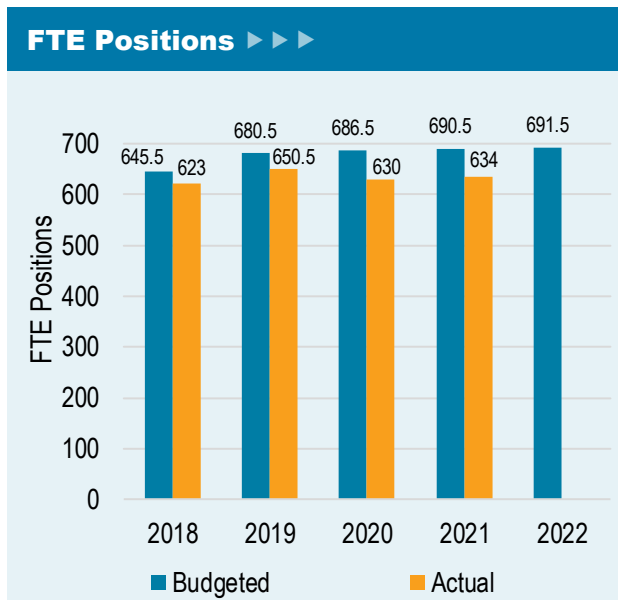
By Division and Service Center

Executive Division		Planning & Development Division	
75100	Executive-Commissioner	75500	Planning & Development
75000	Executive-General	77000	Airport Development
76500	Executive-Operations	77100	Building Official
78300	Internal Audit	85100	Environmental Affairs
79000	Information Technology		
79500	Governmental Affairs		
81000	Legal Affairs		
Strategy & Stakeholder Engagement Division		Management & Operations Division	
76200	Strategy & Stakeholder Engagement	75800	Management & Operations
76000	Strategic Communications	82000	Customer Experience
76100	Air Service Business Development	82600	Airside Operations
85000	Strategic Marketing	83400	Landside-Administration
85200	Stakeholder Engagement	85500	Facilities-Terminal 2
85300	Community Relations	86100	Facilities-Terminal 1
		86300	Facilities-Energy Management Center
		88400	Trades-Administration
		88000	Trades-Electricians
		88100	Trades-Painters
		88200	Trades-Carpenters
		88300	Trades-Plumbers
Finance & Revenue Development Division		89000	Field Maintenance
75600	Finance & Administration	90000	Relievers-Administration
76700	Live Well, Stay Well	90200	Relievers-St. Paul
76800	Insurance/Risk Management	90300	Relievers-Lake Elmo
78000	Finance	90400	Relievers-Airlake
78100	MAC General	90500	Relievers-Flying Cloud
78200	Purchasing	90600	Relievers-Crystal
80000	Commercial Management & Airline Affairs	90700	Relievers-Anoka County-Blaine
80100	Concessions & Business Development	84200	Police
82050	MSP Airport Conference Center	83600	Fire
Human Resources & Labor Relations Division			
75700	Human Resources & Labor Relations		



## FULL-TIME EQUIVALENT POSITIONS (FTEs)

In 2022, the FTE budget increased by one over the 2021 budget, bring the total to 691.5 FTEs. This FTE is an airport maintenance worker for the Relievers-Lake Elmo service center. A newly extended runway and a new fixed-base operator have increased the maintenance needs for the reliever. This additional FTE will enable the MAC to maintain safety, security and maintenance standards at the airport.



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 the 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 the 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 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.

The graph to the left and the following table compare budgeted and actual FTEs. Actual FTE counts are lower than budget each year. The primary reason for this difference is the temporary vacancy due to natural attrition and the time it takes to fill an open position. Additionally, 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.

The graph shows an overall increase in budgeted positions across the years. This increase is correlated to an overall increase in passenger activity over time.

In response to the COVID-19 pandemic and ensuing reduction in passenger traffic, the MAC instituted a hiring freeze in 2020. Unfilled FTEs remained authorized in 2021. However, most were not included in the 2021 budget because they were expected to remain open throughout the year. As traffic levels began to increase, it became necessary to begin filling critical open positions. At the end of 2021, 56.5 FTEs remained unfilled. The 2022 budget process incorporates restaffing plans that include projected hiring timeframes for the open FTEs. These timeframes are based on passenger traffic forecasts.

## Regular Status FTE Position Count ►►►

by Division and Service Center

	2018 Actual <small>As of 12/18/18</small>	2019 Actual <small>As of 12/31/19</small>	2020 Actual <small>As of 12/31/20</small>	2021 Actual <small>As of 12/31/21</small>	2021 Budget	2022 Budget
<b>EXECUTIVE DIVISION</b>						
75000 Executive-General	3.0	2.0	2.0	2.0	2.0	2.0
75100 Executive-Commissioner	0.5	0.5	0.5	0.5	0.5	0.5
76500 Executive-Operations	0.0	4.0	4.0	3.0	4.0	4.0
78300 Internal Audit	4.0	4.0	4.0	4.0	4.0	4.0
79000 Information Technology	40.0	41.0	46.0	46.0	49.0	49.0
79500 Governmental Affairs	1.5	1.5	1.5	1.5	1.5	1.5
81000 Legal Affairs	9.0	9.0	8.0	8.0	9.0	9.0
Division Total	58.0	62.0	66.0	65.0	70.0	70.0
Division Budget	63.0	69.0	70.0	70.0	70.0	70.0
<b>STRATEGY &amp; STAKEHOLDER ENGAGEMENT DIVISION</b>						
76000 Strategic Communications	9.0	7.0	3.0	4.0	4.0	4.0
76100 Air Service Business Development	0.0	0.0	1.0	1.0	1.0	1.0
76200 Strategy & Stakeholder Engagement	1.0	2.0	3.0	3.0	3.0	3.0
85000 Strategic Marketing	2.0	2.0	6.0	7.0	9.0	9.0
85200 Stakeholder Engagement	0.0	2.0	2.0	2.0	2.0	2.0
85300 Community Relations	4.0	4.0	4.0	4.0	4.0	4.0
Division Total	16.0	17.0	19.0	21.0	23.0	23.0
Division Budget	23.0	22.0	23.0	23.0	23.0	23.0
<b>FINANCE &amp; REVENUE DEVELOPMENT DIVISION</b>						
75600 Finance & Administration	3.0	2.0	3.0	3.0	3.0	3.0
76700 Live Well, Stay Well	0.0	0.0	0.0	0.0	0.0	0.0
76800 Insurance/Risk Management	6.0	6.0	5.0	6.0	6.0	6.0
78000 Finance	15.0	15.0	14.0	14.0	15.0	15.0
78100 MAC General	0.0	0.0	0.0	0.0	0.0	0.0
78200 Purchasing	6.0	6.0	6.0	6.0	6.0	6.0
80000 Commercial Management & Airline Affairs	4.0	4.0	3.0	3.0	4.0	4.0
80100 Concessions & Business Development	5.0	6.0	5.0	5.0	6.0	6.0
82050 MSP Airport Conference Center	3.0	3.0	3.0	1.0	3.0	3.0
Division Total	42.0	42.0	39.0	38.0	43.0	43.0
Division Budget	45.5	43.0	43.0	43.0	43.0	43.0
<b>HUMAN RESOURCES &amp; LABOR RELATIONS DIVISION</b>						
75700 Human Resources & Labor Relations	5.0	5.0	11.5	12.5	13.0	13.0
76600 Employee Development & Engagement	1.0	1.0	0.0	0.0	0.0	0.0
80600 Diversity	2.0	2.0	0.0	0.0	0.0	0.0
81500 Employee Relations	5.0	5.0	0.0	0.0	0.0	0.0
Division Total	13.0	13.0	11.5	12.5	13.0	13.0
Division Budget	13.0	13.0	13.0	13.0	13.0	13.0

## Regular Status FTE Position Count Cont. ►►►

	2018 Actual <small>As of 12/18/18</small>	2019 Actual <small>As of 12/31/19</small>	2020 Actual <small>As of 12/31/20</small>	2021 Actual <small>As of 12/31/21</small>	2021 Budget	2022 Budget
<b>PLANNING &amp; DEVELOPMENT DIVISION</b>						
75500 Planning & Development	2.0	3.0	2.0	3.0	3.0	3.0
77000 Airport Development	14.0	13.0	13.0	13.0	16.0	16.0
77100 Building Official	2.0	2.0	2.0	2.0	2.0	2.0
85100 Environmental Affairs	3.0	4.0	4.0	4.0	4.0	4.0
Division Total	21.0	22.0	21.0	22.0	25.0	25.0
Division Budget	24.0	25.0	25.0	25.0	25.0	25.0
<b>MANAGEMENT &amp; OPERATIONS DIVISION</b>						
75800 Management & Operations	3.5	1.5	2.5	2.5	2.5	3.5 <sup>1</sup>
82000 Customer Experience	3.0	2.0	2.0	2.0	2.0	2.0
82600 Airside Operations	15.0	14.0	16.0	17.0	16.0	19.0 <sup>2,3</sup>
83400 Landside-Administration	36.5	38.0	37.0	34.0	38.0	36.0 <sup>1,2</sup>
83600 Fire	51.0	53.0	47.0	49.0	53.0	53.0
84200 Police	139.0	160.0	156.0	150.0	171.0	171.0
85500 Facilities-Terminal 2	9.0	9.0	9.0	10.0	9.0	9.0
86100 Facilities-Terminal 1	9.0	9.0	9.0	9.0	9.0	9.0
86300 Facilities-Energy Management Center	22.0	22.0	21.0	21.0	22.0	22.0
88000 Trades-Electricians	19.0	19.0	17.0	18.0	20.0	20.0
88100 Trades-Painters	10.0	10.0	9.0	10.0	11.0	11.0
88200 Trades-Carpenters	10.0	10.0	10.0	11.0	11.0	11.0
88300 Trades-Plumbers	10.0	10.0	10.0	10.0	11.0	11.0
88400 Trades-Administration	2.0	2.0	2.0	2.0	2.0	2.0
89000 Field Maintenance	106.0	107.0	97.0	102.0	111.0	109.0 <sup>3</sup>
90000 Relievers-Administration	8.0	8.0	8.0	8.0	8.0	8.0
90200 Relievers-St. Paul	7.0	7.0	8.0	7.0	7.0	7.0
90300 Relievers-Lake Elmo	1.0	1.0	1.0	1.0	1.0	2.0 <sup>4</sup>
90400 Relievers-Airlake	1.0	1.0	1.0	1.0	1.0	1.0
90500 Relievers-Flying Cloud	5.0	4.0	4.0	4.0	4.0	4.0
90600 Relievers-Crystal	3.0	3.0	3.0	3.0	3.0	3.0
90700 Relievers-Anoka County-Blaine	3.0	4.0	4.0	4.0	4.0	4.0
Division Total	473.0	494.5	473.5	475.5	516.5	517.5
Division Budget	477.0	508.5	512.5	516.5	516.5	517.5
TOTAL ACTUAL FTEs	623.0	650.5	630.0	634.0	N/A	N/A
TOTAL BUDGET FTEs	645.5	680.5	686.5	690.5	690.5	691.5

FTEs differ between the 2021 and 2022 budgets for the following reasons:

<sup>1</sup> One FTE was transferred from 83400 to 75800 and will be used to hire a Geographic Information Systems Analyst.

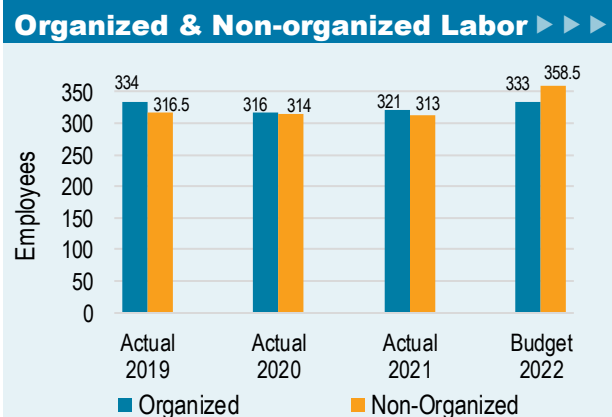
<sup>2</sup> One FTE was transferred from 83400 to 82600. The Management & Organization Division is in the midst of reorganization based on a new Concept of Operations model. In this model, this FTE will be used as an Assistant Director of Airside Operations and Training.

<sup>3</sup> As part of the new Concept of Operations model mentioned above, two FTEs were transferred from 89000 to 82600. One FTE will be used to hire a Manager of Airport Operations Training & Data. The second will be used as a Director of Integrated Operations.

<sup>4</sup> One new FTE was added to 90300. This FTE will be used to hire an Airport Maintenance Worker.

## THE ORGANIZATION

The table below lists staff by job classification. “Organized” refers to those work areas or employees which are represented by a labor union contract. All unions represented have specific contracts which dictate wages, benefits and work rules. The MAC has 14 represented labor groups. “Non-Organized” refers to all other employees outside the labor unions. The graph to the right shows that the number of actual Organized FTEs is consistently greater than the actual Non-Organized FTEs. In 2021, the actual number of FTEs was 1.3% more Organized than Non-Organized employees. In contrast, there are 3.7% fewer Non-Organized employees in the 2022 Budget than Organized.



## Regular Status FTE Position Count ►►►

By Job Classification

	2019 Actual	2020 Actual	2021 Actual	2022 Budget
<b>ORGANIZED</b>				
70 - Operating Engineers	23.0	21.0	21.0	22.0
49 - Equipment Maintenance	20.0	18.0	19.0	20.0
320 - MSP International - Field	71.0	68.0	72.0	76.0
320 - MSP International - Facilities	0.0	0.0	0.0	0.0
320 - Reliever Airports	20.0	21.0	20.0	21.0
386 - Painters	9.0	9.0	10.0	11.0
CAR - Carpenters	10.0	10.0	11.0	11.0
034 - Plumbers	9.0	10.0	10.0	11.0
292 - Electricians	19.0	17.0	18.0	20.0
Emergency Communications Specialists	10.0	11.0	12.0	2.0
307 - Police Lieutenants, Sergeants	18.0	18.0	18.0	19.0
302 - Police Officers	70.0	70.0	66.0	71.0
S6 - Firefighters	46.0	34.0	35.0	40.0
S6 - Fire Captains	9.0	9.0	9.0	9.0
<b>TOTAL ORGANIZED</b>	<b>334.0</b>	<b>316.0</b>	<b>321.0</b>	<b>333.0</b>
<b>NON-ORGANIZED</b>				
Chairperson, Executive Director/CEO	1.5	1.5	2.0	2.0
Executives, Vice Presidents, Directors, Assistant Directors	35.0	36.0	37.0	38.0
Managers, Assistant Managers, Supervisors	95.0	93.0	134.0	142.0
Police Chief, Fire Chief	2.0	2.0	2.0	2.0
Community Service Officers	23.0	18.0	16.0	27.0
Passenger Service Assistants	22.0	21.0	18.0	20.0
Fire Marshall, Training Coordinator	2.0	2.0	2.0	2.0
Police Commander, Deputy Chief, Training Coordinator	2.0	1.0	3.0	3.0
Administrative, Professional, Technical Support	134.0	139.5	99.0	122.5
<b>TOTAL NON-ORGANIZED</b>	<b>316.5</b>	<b>314.0</b>	<b>313.0</b>	<b>358.5</b>
<b>TOTAL MAC</b>	<b>650.5</b>	<b>630.0</b>	<b>634.0</b>	<b>691.5</b>



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# BUDGET PROCESS

The Metropolitan Airports Commission's (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 2022 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 PROCESS & FINANCIAL POLICIES****BUDGET SCHEDULE**

The MAC's fiscal year is January through December. Preparation for the next year begins in January with discussions on organizational priorities. In April, staff presents and requests approval from the Operating, Finance & Administration Committee (OF&A) regarding growth, allocation of funds and budget targets. The budget database is prepared for entries. The Commission approves the targets in May after a 30-day public comment period. The long-range financial plan analysis begins in May.

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 historical data, which includes the prior year actual data. In June, the budget database is available to service center staff to input their data. Staff uses their strategic planning goals to complete their budgets. Divisions present their budgets to Executive staff in early July. Staffing is one of the first items reviewed and approved. Finance also 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 complete. Non-operating revenue and expense are also taken into consideration and become part of the budget documents. Budget revisions are made by staff as required to ensure the established targets are met.

During September, presentations and supporting documents are prepared for the OF&A, Senior Leadership 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

to those affected 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 2022 Operating Budget was given at the December 20, 2021 full Commission meeting.

**CAPITAL IMPROVEMENT PROGRAM – SCHEDULE**

Initial discussions of the Capital Improvement Program (CIP) begin in May. Project proposals and related data are submitted by service centers. Airport Development and Finance analyze the project scope, costs and priorities with a preliminary draft developed in August.

In September, approval for environmental review is requested for the preliminary CIP plan from the Planning, Development & Environment Committee (PD&E). Mailings are sent to the affected communities and municipalities. In October, a 30-day notice is published for the public hearing that is held in November.

At the December Commission meeting, the PD&E recommends the CIP for approval. Upon the successful approval, the CIP is distributed to MAC departments, the Metropolitan Council, State Historical Society and affected communities.



*Runway 14-32 Replacement is Part of the Multi-Phase Long-Term Comprehensive Plan at Lake Elmo Airport*

**CALENDAR**

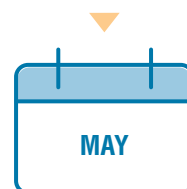
The following schedule provides additional details for the budget cycle, which begins in January. The Metropolitan Airports Commission fiscal year also begins in January.



- Organizational priorities discussion by MAC Staff and Commission



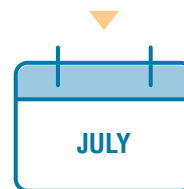
- Staff presents and requests approval from OF&A Committee regarding growth, allocation of funds and budget targets
- Database updated and prepared for service centers by Finance



- Staff begins long-range financial plan analysis and related CIP plan for next several years
- Direction provided to budget specialists by Finance
- Information regarding the enplanement forecast, COVID-19 cost reductions and wage and contract adjustments provided to service centers by Finance
- Budget targets adopted by Finance after 30-day public comment period



- Information entered into budget database by MAC staff
- Preliminary budget presented to the OF&A Committee by Finance, in compliance with State Statutes regarding taxation
- Preliminary CIP draft developed by Airport Development



- Position and headcount request summaries compiled by Human Resources (HR)
- Budget requests presented to the Executive Staff by MAC Departments
- Budget revisions initiated by Finance as needed



- Preliminary position and headcount requests approved by Executive Staff and HR
- Preliminary summary of capital asset requests approved by Executive Staff
- Summary of controllable expense requests prepared by Finance
- Revenue analysis, projections and forecast compiled by Finance

## BUDGET PROCESS &amp; FINANCIAL POLICIES



- Budget presentation information compiled by Finance
- Draft budget presented to MAC staff, OF&A Committee, State Legislature and airlines by Finance
- Budget revisions to projected expenses implemented by Finance
- Preliminary CIP presented to PD&E Committee by Airport Development
- Preliminary CIP approved for environmental purposes by PD&E Committee
- CIP mailed to affected communities by Airport Development



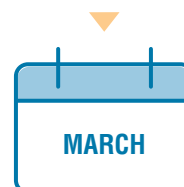
- Draft budget presented to the OF&A Committee by Finance
- Budget revised by Finance as needed
- Budget presented to airlines by Finance
- Notice of CIP public hearing published by Airport Development



- Budget update presented to OF&A Committee by Finance
- Budget revised by Finance as needed
- Public hearing held by Airport Development regarding CIP



- Preliminary notice of rate changes presented to all tenants by Finance
- Budget approved by OF&A Committee for recommendation to full Commission
- Budget approved by full Commission
- Final CIP approved by PD&E Committee
- CIP distributed to MAC departments, Metropolitan Council, State Historical Society and affected communities by Airport Development



- Budget document completed by Finance



## BUDGET PROCESS &amp; FINANCIAL POLICIES

## 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.”*

## APPROVED SUMMARY OF OPERATING AND NON-OPERATING REVENUE AND EXPENSE

The Commission approved the 2022 budget in December 2021. The Operating & Non-Operating Summary Report summarizes revenue and expense, including non-operating revenue and expense, and compares the 2022 budget to the 2021 year-end estimate.



*Commission Chambers Where the Annual Budget and Amendments are Approved*

## BUDGET PROCESS &amp; FINANCIAL POLICIES

# Operating & Non-Operating Summary Report ►►►

Metropolitan Airports Commission  
2022 Budget

2022 Budget vs 2021 Estimate

	2020 Actual	2021 Budget	2021 Estimate	2022 Budget	Dollar Change	% Change
<b>OPERATING REVENUE</b>						
<b>Airline Rates &amp; Charges</b>						
<b>Airline Agreement</b>						
Landing Fees	44,806,095	72,841,520	69,262,721	72,841,520	3,578,799	5.2%
Ramp Fees	6,220,917	6,654,847	6,475,058	6,654,847	179,789	2.8%
Airline R&R	4,858,031	5,308,502	5,254,260	5,467,757	213,497	4.1%
T1 Rentals	26,709,022	40,386,342	31,535,414	40,386,342	8,850,928	28.1%
T1 Other	6,997,962	8,949,314	8,173,886	9,040,732	866,846	10.6%
Concessions Rebate	(6,606,423)	(15,606,069)	(15,966,459)	(16,255,417)	(288,958)	1.8%
<b>Total Airline Agreement</b>	<b>\$ 82,985,604</b>	<b>\$ 118,534,456</b>	<b>\$ 104,734,880</b>	<b>\$ 118,135,781</b>	<b>\$ 13,400,901</b>	<b>12.8%</b>
T2 Lobby	8,539,880	9,992,646	9,971,622	10,601,014	629,392	6.3%
T2 Other /Passenger	2,733,473	2,681,159	2,690,157	3,323,285	633,128	23.5%
<b>Total Airline Rates &amp; Charges</b>	<b>\$ 94,258,957</b>	<b>\$ 131,208,261</b>	<b>\$ 117,396,659</b>	<b>\$ 132,060,080</b>	<b>\$ 14,663,421</b>	<b>12.5%</b>
<b>Concessions</b>						
<b>Terminal</b>						
Food & Beverage	9,974,193	17,201,015	15,454,160	21,398,705	5,944,545	38.5%
News	1,955,079	3,521,672	4,094,268	4,039,040	(55,228)	-1.3%
Retail Stores	1,668,198	3,749,742	2,386,838	4,528,962	2,142,124	89.7%
Passenger Services	4,074,085	5,628,112	4,577,225	6,659,970	2,082,745	45.5%
<b>Total Terminal</b>	<b>\$ 17,671,555</b>	<b>\$ 30,100,541</b>	<b>\$ 26,512,491</b>	<b>\$ 36,626,677</b>	<b>\$ 10,114,186</b>	<b>38.1%</b>
<b>Parking/Ground Transportation</b>						
Parking	42,351,337	69,702,000	67,427,594	86,797,790	19,370,196	28.7%
Ground Transportation	5,969,689	9,717,331	7,733,955	10,284,819	2,550,864	33.0%
Auto Rental - On Airport	8,671,385	19,292,132	16,372,420	19,292,134	2,919,714	17.8%
<b>Total Parking/Ground Transport</b>	<b>\$ 56,992,411</b>	<b>\$ 98,711,463</b>	<b>\$ 91,533,969</b>	<b>\$ 116,374,743</b>	<b>\$ 24,840,774</b>	<b>27.1%</b>
<b>Other Concessions</b>	<b>1,971,856</b>	<b>2,498,017</b>	<b>2,465,395</b>	<b>2,506,057</b>	<b>40,662</b>	<b>1.6%</b>
<b>Total Concessions</b>	<b>\$ 76,635,822</b>	<b>\$ 131,310,021</b>	<b>\$ 120,511,855</b>	<b>\$ 155,507,477</b>	<b>\$ 34,995,622</b>	<b>29.0%</b>
<b>Rentals &amp; Fees</b>						
Buildings & Facilities	12,619,353	14,765,952	14,594,060	15,181,278	587,218	4.0%
Auto Rental CFC	8,779,064	15,485,478	13,150,299	15,973,559	2,823,260	21.5%
Ground Rentals	11,521,205	11,636,049	12,292,714	13,291,963	999,249	8.1%
Reliever Airports	8,551,540	8,616,329	8,855,711	9,017,580	161,869	1.8%
<b>Total Rentals &amp; Fees</b>	<b>\$ 41,471,162</b>	<b>\$ 50,503,808</b>	<b>\$ 48,892,784</b>	<b>\$ 53,464,380</b>	<b>\$ 4,571,596</b>	<b>9.4%</b>
<b>Utilities &amp; Other Revenues</b>						
Utilities	4,876,137	4,996,628	4,561,357	5,196,430	635,073	13.9%
General Aviation/Airside Fees	4,830,798	4,679,938	5,319,590	6,039,405	719,815	13.5%
Maintenance, Cleaning &						
Distribution Fees	1,691,184	2,772,944	2,623,019	3,272,410	649,391	24.8%
Other Revenues	1,478,183	2,373,060	1,906,298	1,975,913	69,615	3.7%
Reimbursed Expense	2,833,390	3,609,000	2,500,000	3,154,000	654,000	26.2%
<b>Total Utilities &amp; Other Revenue</b>	<b>\$ 15,709,692</b>	<b>\$ 18,431,570</b>	<b>\$ 16,910,264</b>	<b>\$ 19,638,158</b>	<b>\$ 2,727,894</b>	<b>16.1%</b>
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 228,075,633</b>	<b>\$ 331,453,660</b>	<b>\$ 303,711,562</b>	<b>\$ 360,670,095</b>	<b>\$ 56,958,533</b>	<b>18.8%</b>

## BUDGET PROCESS &amp; FINANCIAL POLICIES

## Operating & Non-Operating Summary Report ►►►

Metropolitan Airports Commission  
2022 Budget

2022 Budget vs 2021 Estimate

	2020 Actual	2021 Budget	2021 Estimate	2022 Budget	Dollar Change	% Change
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 228,075,633</b>	<b>\$ 331,453,660</b>	<b>\$ 303,711,562</b>	<b>\$ 360,670,095</b>	<b>\$ 56,958,533</b>	<b>18.8%</b>
<b>OPERATING EXPENSE</b>						
Personnel	89,901,041	94,206,500	92,852,503	100,679,525	7,827,022	8.4%
Administrative Expenses	1,056,441	1,351,569	1,009,929	1,464,985	455,056	45.1%
Professional Services	5,159,053	6,310,316	5,266,154	7,392,117	2,125,963	40.4%
Utilities	17,382,555	19,896,708	20,034,486	21,518,919	1,484,433	7.4%
Operating Services/Expenses	28,338,367	27,643,462	25,772,382	32,004,333	6,231,951	24.2%
Maintenance	37,647,137	41,458,294	38,380,103	45,767,349	7,387,246	19.2%
Other	4,026,995	3,639,119	3,995,100	6,145,952	2,150,852	53.8%
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 183,511,589</b>	<b>\$ 194,505,968</b>	<b>\$ 187,310,657</b>	<b>\$ 214,973,180</b>	<b>\$ 27,662,523</b>	<b>14.8%</b>
Excludes Depreciation and Noise Amortization						
<b>NET OPERATING REVENUE</b>	<b>\$ 44,564,044</b>	<b>\$ 136,947,692</b>	<b>\$ 116,400,905</b>	<b>\$ 145,696,915</b>	<b>\$ 29,296,010</b>	<b>25.2%</b>
<b>NON-OPERATING REVENUE (EXPENSE)</b>						
<b>Other Non-Operating Revenue</b>						
Interest Income	7,192,000	4,864,000	4,864,000	5,107,000	243,000	5.0%
Self-Liquidating Income	3,168,000	3,321,000	3,371,905	2,079,000	(1,292,905)	-38.3%
	<b>\$ 10,360,000</b>	<b>\$ 8,185,000</b>	<b>\$ 8,235,905</b>	<b>\$ 7,186,000</b>	<b>\$ (1,049,905)</b>	<b>-12.7%</b>
<b>Debt Service</b>						
Short Term Financing	(4,096,000)	(6,964,500)	(5,431,970)	(7,896,000)	(2,464,030)	45.4%
Bond Principal/Int-Operating Fund Transfer	(97,871,000)	(100,943,700)	(100,943,698)	(100,882,500)	61,198	-0.1%
Equip Financing Principal/Interest Payments	(4,317,000)	(4,422,630)	(4,422,630)	(4,415,000)	7,630	-10.6%
	<b>\$ (106,284,000)</b>	<b>\$ (112,330,830)</b>	<b>\$ (110,798,298)</b>	<b>\$ (113,193,500)</b>	<b>\$ (2,395,202)</b>	<b>2.2%</b>
<b>Equipment</b>						
Capital Expenditures	(1,256,000)	(1,150,000)	(1,150,000)	(1,150,000)	0	0.0%
Equipment Purchases	(7,981,000)	(8,271,850)	(8,271,850)	(13,003,050)	(4,731,200)	57.2%
Equipment Financing	3,395,000	-	-	2,850,000	2,850,000	
	<b>\$ (5,842,000)</b>	<b>\$ (9,421,850)</b>	<b>\$ (9,421,850)</b>	<b>\$ (11,303,050)</b>	<b>\$ (1,881,200)</b>	<b>20.0%</b>
<b>Other</b>						
Six Month Reserve Transfer	(7,035,000)	-	-	(1,234,909)	(1,234,909)	-
Interstate Settlement/ Medicare D	169,000	180,000	124,557	180,000	55,443	44.5%
CARES Act Grant Reimbursements	87,661,000	-	71,725,136	11,014,428	(60,710,708)	-84.6%
Gain (Loss) on Equipment & Other	(98,000)	-	-	-	-	-
	<b>\$ 80,697,000</b>	<b>\$ 180,000</b>	<b>\$ 71,849,693</b>	<b>\$ 9,959,519</b>	<b>\$ (61,890,174)</b>	<b>-86.1%</b>
<b>TOTAL NON-OPERATING REVENUE (EXPENSE)</b>	<b>\$ (21,069,000)</b>	<b>\$ (113,387,680)</b>	<b>\$ (40,134,550)</b>	<b>\$ (107,351,031)</b>	<b>\$ (67,216,481)</b>	<b>167.5%</b>
<b>Net Revenue Available for Designation</b>	<b>\$ 23,495,044</b>	<b>\$ 23,560,012</b>	<b>\$ 76,266,355</b>	<b>\$ 38,345,884</b>	<b>\$ (37,920,471)</b>	<b>-49.7%</b>

## BUDGET PROCESS &amp; FINANCIAL POLICIES

**SUMMARY OF OPERATING REVENUE AND EXPENSE (GAAP)**

The following table is shown 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.

As shown in the GAAP presentation Summary, the 2021 estimate shows a smaller operating loss compared to 2020 with the increase in revenue during the pandemic recovery. Covid-19-related federal grants received in 2021 provide a positive change in net position. The 2022 budget projects a slightly higher gain in net position as passenger enplanements increase with the continued pandemic recovery.

**GAAP Presentation Summary ► ► ►**

## Operating &amp; Non-Operating Summary

Metropolitan Airports Commission

2022 Budget

2022 Budget vs 2021 Estimate

(\$=000)

	2020 Actual	2021 Budget	2021 Estimate	2022 Budget	Dollar Change	% Change
<b>OPERATING REVENUE</b>						
Airline Rates & Charges	\$ 94,259	\$ 131,208	\$ 117,397	\$ 132,060	\$ 14,663	12.5%
Concessions	76,636	131,310	120,512	155,507	34,996	29.0%
Rentals/Fees	41,471	50,504	48,893	53,464	4,572	9.4%
Utilities & Other Revenues	15,710	18,432	16,910	19,638	2,728	16.1%
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 228,076</b>	<b>\$ 331,454</b>	<b>\$ 303,712</b>	<b>\$ 360,670</b>	<b>\$ 56,959</b>	<b>18.8%</b>
<b>OPERATING EXPENSE</b>						
Personnel <sup>1</sup>	\$ 79,146	\$ 99,207	\$ 97,853	\$ 105,680	\$ 7,827	8.0%
Administrative Expenses	1,057	1,352	1,010	1,465	342	33.8%
Professional Services	5,160	6,310	5,266	7,392	1,044	19.8%
Utilities	17,382	19,897	20,034	21,519	(138)	-0.7%
Operating Services/Expenses	26,256	27,643	25,772	32,004	1,871	7.3%
Maintenance	39,707	41,458	38,380	45,767	3,078	8.0%
Other	4,051	3,639	3,995	6,146	(356)	-8.9%
Depreciation	160,889	178,466	178,514	182,125	3,611	2.0%
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 333,648</b>	<b>\$ 377,972</b>	<b>\$ 370,825</b>	<b>\$ 402,098</b>	<b>\$ 17,279</b>	<b>8.4%</b>
<b>OPERATING GAIN (LOSS)</b>	<b>\$ (105,572)</b>	<b>\$ (46,518)</b>	<b>\$ (67,113)</b>	<b>\$ (41,428)</b>	<b>\$ 39,679</b>	<b>-38.3%</b>
<b>NON-OPERATING REVENUE (EXPENSE) &amp; CONTRIBUTIONS</b>						
Interest Income and Other	\$ 14,384	\$ 15,390	\$ 4,284	\$ 4,421	\$ 137	3.2%
Passenger Facility Charges	28,669	53,298	48,544	61,072	12,528	25.8%
Interest Expense	(49,329)	(66,245)	(66,108)	(63,132)	2,976	-4.5%
Capital Contributions & Grants	94,013	41,320	96,656	58,159	(38,497)	-39.8%
<b>REVENUE (EXPENSE) &amp; CONTRIBUTIONS</b>	<b>\$ 87,737</b>	<b>\$ 43,763</b>	<b>\$ 83,376</b>	<b>\$ 60,520</b>	<b>\$ (22,856)</b>	<b>-27.4%</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ (17,835)</b>	<b>\$ (2,756)</b>	<b>\$ 16,263</b>	<b>\$ 19,092</b>	<b>\$ 2,829</b>	<b>17.4%</b>

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

**BUDGET PROCESS & FINANCIAL POLICIES****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 adequate funding for all retirement plans.
- 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 as at least six months of operating expenses less depreciation. The 2022 operating budget expenses are \$215.0 million and the reserve account is carrying a balance of \$107.5 million. 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 wage adjustments, reduce discretionary spending, decrease capital and project expenditures and may recommend a transfer from the Commission's operating reserve.



## BUDGET PROCESS &amp; FINANCIAL POLICIES

## Revenue

The Commission monitors revenues on a monthly basis and deviations from budget are identified and explained.

- 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 previously mentioned 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.

**BUDGET PROCESS & FINANCIAL POLICIES****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 2021 estimates in the reporting of the 2022 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****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.

**BUDGET PROCESS & FINANCIAL POLICIES**

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-oriented 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:
  1. Projects which the Commission has made a commitment to complete
  2. Projects that enhance or ensure continued safety at each of the airports in the airport system
  3. Projects that cannot be accomplished by Commission maintenance crews but are essential for reasons of economics or continued operation
  4. Projects that are necessitated by regulatory requirements such as FAA regulations and local, state or federal laws
  5. Projects which address various environmental issues ranging from asbestos abatement to wetland mitigation
  6. Projects constituting preventative maintenance
  7. Projects which improve customer service and/or convenience

8. 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
9. The estimated useful life of a capital improvement project typically ranges from 5 to 40 years

**Capital Equipment**

All equipment purchases for 2022 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.

**BUDGET PROCESS & FINANCIAL POLICIES**

- 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.
- Commission approval is required for procurement that is over \$175,000.

**FINANCIAL POLICIES – DEBT SERVICE AND RESERVE POLICIES****Debt**

- The Commission is currently 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.
- Staff will adhere to Administrative Policy 2701 dealing with Special Facility Financing which defines project evaluation, reimbursement of costs, and investment criteria.
- Regarding Derivative Financing Products, staff will adhere to Administrative Policy 2702 which defines its purpose, eligible counterparties, solicitation method, and accounting treatment.
- Policy 2703 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.

**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.

**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 \$150 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.

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# 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:

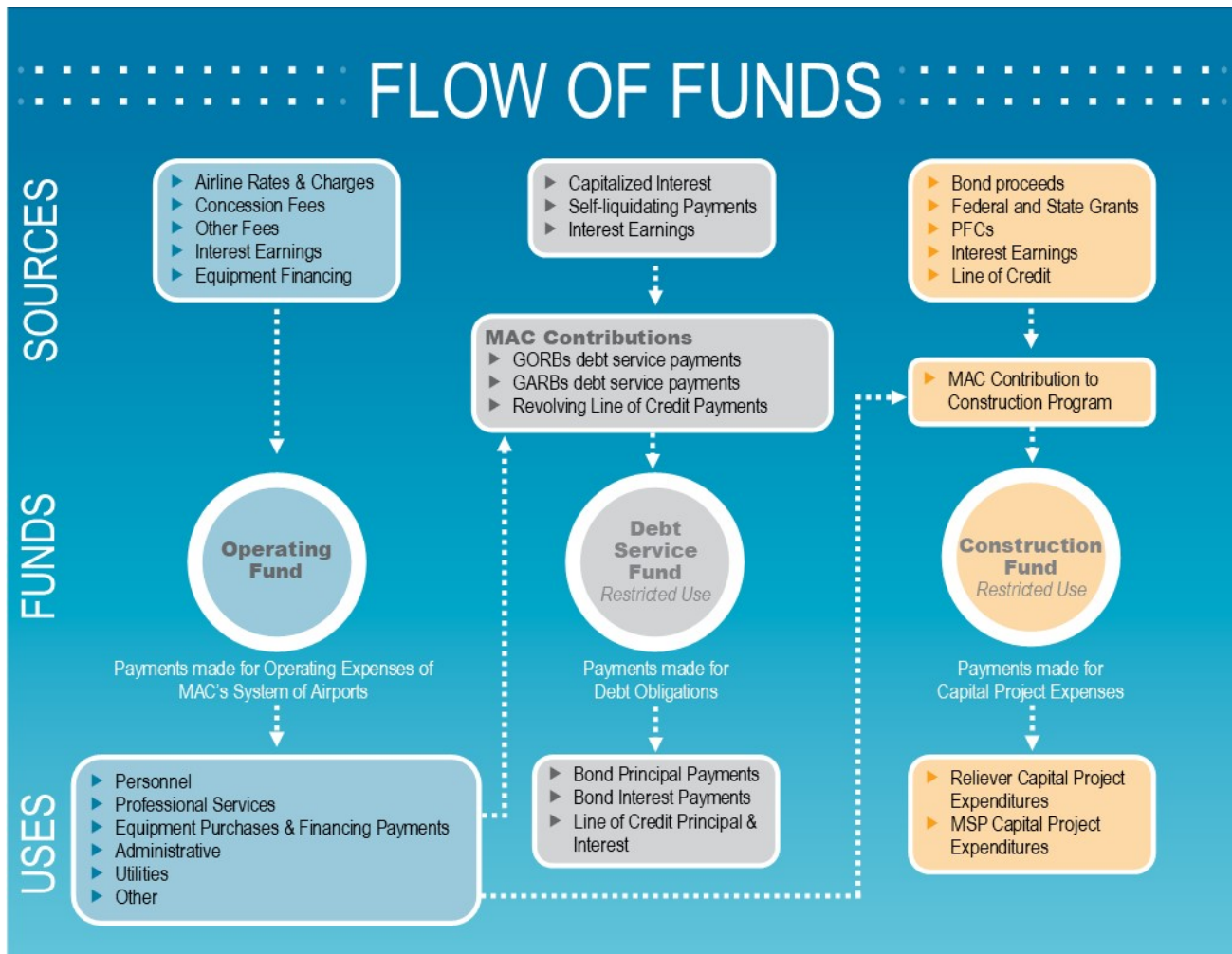
- ▶ Operating Fund
- ▶ Construction Fund
- ▶ Debt Service Fund

The budgets for all three Segregated Fund 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 Plan (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.



## FUND STRUCTURE

## FUND BALANCE SUMMARY

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 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. Footnotes explain fund balance changes greater than 10% from the 2021 Estimate to the 2022 Budget. Funds are described in detail, including all sources and uses, in their respective sections within this document.

## Fund Balance Summary ►►►

(\$ = 000)

	2020 Actual	2021 Budget	2021 Estimate	2022 Budget	2023 Projection	2024 Projection
<b>Operating Fund</b>						
Balance Carried Forward January 1	\$ 191,997	\$ 121,261	\$ 144,730	\$ 232,044	\$ 239,873	\$ 217,832
Total Sources of Funds	329,661	339,818	383,798	420,199	405,425	423,859
Total Uses of Funds	(299,130)	(316,260)	(272,989)	(342,320)	(354,654)	(364,064)
Transfers	(77,798)	(23,533)	(23,495)	(70,050)	(72,811)	(87,000)
<b>Operating Fund December 31 Balance</b>	<b>\$ 144,730</b>	<b>\$ 121,286</b>	<b>\$ 232,044</b>	<b>\$ 239,873</b>	<b>\$ 217,832</b>	<b>\$ 190,627</b>
<b>Construction Fund</b>						
Balance Carried Forward January 1	\$ 566,845	\$ 347,123	\$ 353,103	\$ 211,162	\$ 399,890	\$ 277,186
Total Sources of Funds	134,361	178,551	108,641	370,797	175,393	579,880
Total Uses of Funds	(348,103)	(212,813)	(250,582)	(182,069)	(298,097)	(343,972)
<b>Construction Fund December 31 Balance</b>	<b>\$ 353,103</b>	<b>\$ 312,861</b>	<b>\$ 211,162</b>	<b>\$ 399,890 <sup>1</sup></b>	<b>\$ 277,186</b>	<b>\$ 513,094</b>
<b>Debt Service Fund</b>						
Balance Carried Forward January 1	\$ 250,450	\$ 260,951	\$ 243,169	\$ 176,444	\$ 186,137	\$ 194,556
Total Sources of Funds	129,953	131,143	128,688	194,804	138,988	162,910
Total Uses of Funds	(137,234)	(132,205)	(195,413)	(185,111)	(130,569)	(132,394)
<b>Debt Service Fund December 31 Balance</b>	<b>\$ 243,169</b>	<b>\$ 259,889</b>	<b>\$ 176,444</b>	<b>\$ 186,137</b>	<b>\$ 194,556</b>	<b>\$ 225,072</b>
<b>Total All Funds</b>						
Balance Carried Forward January 1	\$ 1,009,292	\$ 729,335	\$ 741,002	\$ 619,650	\$ 825,900	\$ 689,574
Total Sources of Funds	593,975	649,512	621,127	985,800	719,806	1,166,649
Total Uses of Funds	(784,467)	(661,278)	(718,984)	(709,500)	(783,320)	(840,430)
Transfers	(77,798)	(23,533)	(23,495)	(70,050)	(72,811)	(87,000)
<b>Total All Funds December 31 Balance</b>	<b>\$ 741,002</b>	<b>\$ 694,036</b>	<b>\$ 619,650</b>	<b>\$ 825,900 <sup>2</sup></b>	<b>\$ 689,574</b>	<b>\$ 928,793</b>

<sup>1</sup> The year-end balance of \$399.9 million budgeted for the 2022 Construction Fund is an 89% increase over the 2021 Estimate. The largest factor driving this significant increase is the bond issue planned for 2022. Funding Capital Improvement Program projects through the Construction fund is one reason the MAC issues bonds.

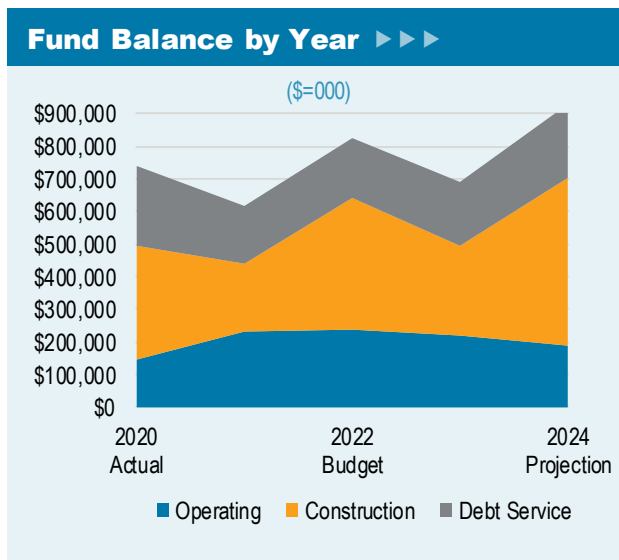
<sup>2</sup> At the end of 2022, the total balance of all funds is budgeted to be \$825.9 million, a 33% increase over the 2021 year-end estimate. The Construction Fund increase mentioned in Footnote 1 is the primary driving factor of the All Funds ending balance increase.

The Operating Fund is used for day-to-day operations. The overall change in this fund balance from the 2020 Actual ending balance of \$145 million to the 2024 Projected ending balance of \$191 million is a total increase of \$46 million. The overall increase is driven by incremental recovery to pre-pandemic passenger activity. The fund balance increase is tempered during this period by larger in transfers to the Construction Fund.

The Construction Fund is used to pay capital costs associated with the CIP. It had an ending balance of \$353 million in 2020 and is projected to have a 2024 ending balance of \$513 million. The overall increase of \$160 million is primarily the result of bond issues to fund projects, scheduled for 2022 and 2024.

The Debt Service Fund is used to pay required debt principal and interest payments. It had a 2020 ending balance of \$243 million and is projected to decrease \$18 million to a 2024 year-end balance of \$225 million. Estimated 2021 interest earnings are \$2 million less than budget, while principal and interest paid are \$63 million more than budget. This will be offset by bond proceeds in 2022 and 2024.

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:

- ▶ The power to levy property taxes on land leased at the Airport for operation, police and fire protection, and maintenance of roadway systems.
- ▶ 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 \$34.9 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:

- ▶ Operating Reserve Transfer
- ▶ Operating Revenues
- ▶ Other Non-Operating Revenues

In general, there are three uses of revenues:

- ▶ Operating Expenses
- ▶ Non-Operating Expenses
- ▶ Unrestricted Net Transfer Out-Construction

## FUND STRUCTURE

The table below summarizes the Operating Fund sources and uses from 2020 through 2024.

## Operating Fund Sources and Uses ►►►

(\$ = 000)	2020 Actual	2021 Budget	2021 Estimate	2022 Budget	2023 Projection	2024 Projection
<b>Sources</b>						
Balance Carried Forward January 1	\$ 191,997	\$ 121,261	\$ 144,730	\$ 232,044	\$ 239,873	\$ 217,832
<b>Operating Revenues</b>						
Airline Rates & Charges	94,259	131,208	117,397	132,060	146,090	149,011
Concessions	76,636	131,310	120,512	155,507	173,981	186,915
Other Operating Revenues	57,181	68,935	65,803	73,102	75,907	77,899
<b>Subtotal Operating Revenues</b>	<b>\$ 228,076</b>	<b>\$ 331,453</b>	<b>\$ 303,712</b>	<b>\$ 360,669</b>	<b>\$ 395,978</b>	<b>\$ 413,825</b>
<b>Other/Non Operating Revenues</b>						
Interest Earnings <sup>1</sup>	7,192	4,864	4,864	5,107	5,209	5,261
Other & Self-Liquidating Revenue	90,998	3,501	75,222	51,573	738	772
Transfers In Equipment Financing	3,395	-	-	2,850	3,500	4,000
Gain (Loss) on Assets and Other	-	-	-	-	-	-
<b>Subtotal Other/Non Operating Revenue</b>	<b>\$ 101,585</b>	<b>\$ 8,365</b>	<b>\$ 80,086</b>	<b>\$ 59,530</b>	<b>\$ 9,447</b>	<b>\$ 10,033</b>
<b>Total Sources</b>	<b>\$ 329,661</b>	<b>\$ 339,818</b>	<b>\$ 383,798</b>	<b>\$ 420,199</b>	<b>\$ 405,425</b>	<b>\$ 423,859</b>
<b>Uses</b>						
<b>Operating Expenses</b>						
Personnel	\$ 89,901	\$ 94,207	\$ 92,853	\$ 100,680	\$ 102,694	\$ 104,747
Administrative Expenses	1,056	1,352	1,010	1,465	1,494	1,524
Professional Services	5,159	6,310	5,266	7,392	7,540	7,691
Utilities	17,383	19,897	20,034	21,519	21,949	22,388
Operating Services	28,338	27,643	25,772	32,004	32,644	33,297
Maintenance	37,647	41,458	3,838	45,767	46,682	47,616
Other	4,027	3,639	3,995	6,146	6,269	6,394
<b>Subtotal Operating Expenses</b>	<b>\$ 183,511</b>	<b>\$ 194,506</b>	<b>\$ 152,768</b>	<b>\$ 214,973</b>	<b>\$ 219,272</b>	<b>\$ 223,658</b>
<b>Non Operating Expenses</b>						
<b>Equipment</b>						
Equipment & Other Capital Expenditures	9,237	9,422	9,422	14,153	13,271	14,309
Transfers Out - Equipment Financing	4,317	4,423	4,423	4,415	3,888	3,971
<b>Subtotal Equipment</b>	<b>\$ 13,554</b>	<b>\$ 13,845</b>	<b>\$ 13,845</b>	<b>\$ 18,568</b>	<b>\$ 17,159</b>	<b>\$ 18,280</b>
<b>Debt Service</b>						
Transfers Out - Debt Service	101,967	107,909	106,376	108,779	118,223	122,126
<b>Subtotal Debt Service</b>	<b>\$ 101,967</b>	<b>\$ 107,909</b>	<b>\$ 106,376</b>	<b>\$ 108,779</b>	<b>\$ 118,223</b>	<b>\$ 122,126</b>
<b>Working Capital/Other</b>	<b>\$ 98</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Uses</b>	<b>\$ 299,130</b>	<b>\$ 316,260</b>	<b>\$ 272,989</b>	<b>\$ 342,320</b>	<b>\$ 354,654</b>	<b>\$ 364,064</b>
<b>Unrestricted Net Transfer Out-Construction</b>	<b>77,798</b>	<b>23,533</b>	<b>23,495</b>	<b>70,050</b>	<b>72,811</b>	<b>87,000</b>
<b>Operating Fund Balance</b>	<b>\$ 144,730</b>	<b>\$ 121,286</b>	<b>\$ 232,044</b>	<b>\$ 239,873</b>	<b>\$ 217,832</b>	<b>\$ 190,627</b>

<sup>1</sup> Interest Rate Assumed 1.0%-2.0% for the period 2022 through 2024.

### 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 2022 is \$107.5 million.

#### Operating Revenues

Operating Revenues consist of Airline Rates & Charges, Concessions, Rentals & Fees and Utilities & Other Revenues. The changes in each

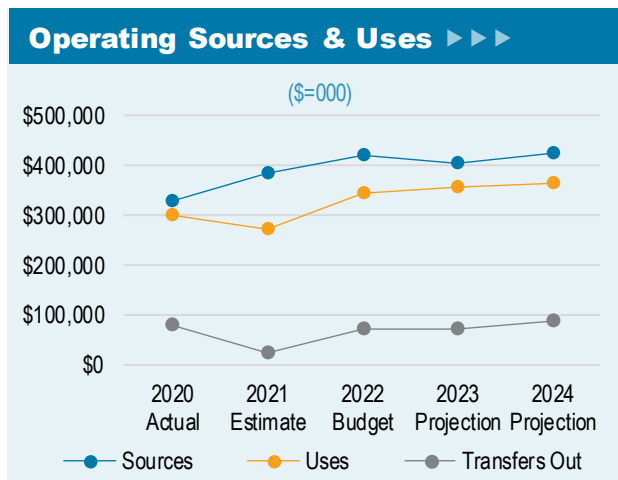
of these areas are explained in detail in the Operating Budget Revenue Section.

In general, Airline Rates & Charges will increase in 2022 due to growth from the travel industry's COVID-19 pandemic recovery. Concessions are also expected to rise in most areas. Two primary factors drive the expected increase. First, the increased passenger activity driven by the pandemic recovery will increase sales per concessions store. Second, more units are expected to be open and to be open for more hours in 2022 than in 2021.

Operating Revenue of \$360.7 million is budgeted for 2022. Closed units continue to open as passenger traffic drive demand and as employees are hired. As mentioned later in the Statistics & Informative Facts chapter, the 2021 unemployment rate in the Minneapolis-St. Paul Metropolitan Statistical Area was a very low 2.2%. Low unemployment continues to challenge employers to find sufficient staff to be open and maintain full contractual hours.

#### 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 1-2% for the period 2022-2024. Interest is earned on the balance in the Operating Fund which includes self-liquidating leases. Interest earnings are affected by a change 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 budgeted expense for 2022 is \$215.0 million.

### Non-Operating Expenses

Non-Operating Expenses are comprised of an Equipment category and a Debt Service category.

- ▶ 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 2022 is \$14.2 million and includes other capital expenditures. Equipment Financing of \$4.4 million will offset equipment expense. 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 reserve. The debt service portion also includes payments on the Commission's revolving line of credit. Total payments for these two items are expected to be approximately \$108.8 million in 2022.

### 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.

A transfer of \$70.1 million is budgeted for 2022, based on the 2021 Estimate. Based on the 2022 Budget, a \$72.8 million transfer is projected in 2023. These transfer amounts are typical, after a significantly lower 2021 transfer. The low transfer was due to decreased 2020 revenues resulting from pandemic impacts.



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## OPERATING BUDGET REVENUE

# OPERATING BUDGET REVENUE

Airlines, concessionaires and other stakeholders serving the airport continue to be impacted by the COVID-19 pandemic as a number of airline routes are suspended and fewer passengers are traveling by air. The number of flight operations in and out of MSP are expected to be fewer in 2022 than pre-pandemic. The 2022 revenue budget is based on a recovery forecast of 80% of 2019 passenger enplanements. Full recovery is not expected until 2024. Total operating budget revenue for 2022 is \$360.7 million, which is a \$57.0 million or 18.8% increase compared to the 2021 estimate. Operating Budget Revenue is divided into four categories: Airline Rates & Charges, Concessions, Rentals/Fees and Utilities & Other Revenue.

## Revenue Summary ►►►

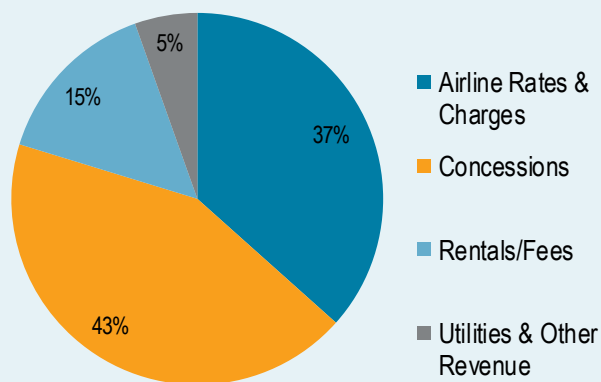
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2022 Budget vs 2021 Estimate

	2020 Actual	2021 Budget	2021 Estimate	2022 Budget	Dollar Change	% Change
<b>Airline Rates &amp; Charges</b>	\$94,259	\$131,208	\$117,397	\$132,060	\$14,663	12.5%
<b>Concessions</b>	76,636	131,310	120,512	155,507	34,996	29.0%
<b>Rentals/Fees</b>	41,471	50,504	48,893	53,464	4,572	9.4%
<b>Utilities &amp; Other Revenue</b>	15,710	18,432	16,910	19,638	2,728	16.1%
<b>Total Operating Revenue</b>	<b>\$228,076</b>	<b>\$331,454</b>	<b>\$303,712</b>	<b>\$360,670</b>	<b>\$56,959</b>	<b>18.8%</b>

## 2022 Operating Budget Revenue ►►►

\$360,670,095



The 2021 revenue estimates are lower than the 2021 budget in all categories. Airline Rates & Charges shows the largest decrease in year-end estimated revenue. This decrease is derived from a combination of the MAC's COVID-19 relief program for airlines and lower airfield costs than budgeted. Concessions revenue also shows a substantial drop. Food & beverage, retail and other service concessionaires located in the terminals experienced declines in sales and many locations are temporarily closed as the result of reduced passengers and limited staffing in 2021. In addition, the reduction in air travel has had an adverse effect on parking, ground transportation companies and auto rentals. As the airline industry continues to recover in 2022, revenue in all categories is projected to be higher.

The pie chart 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

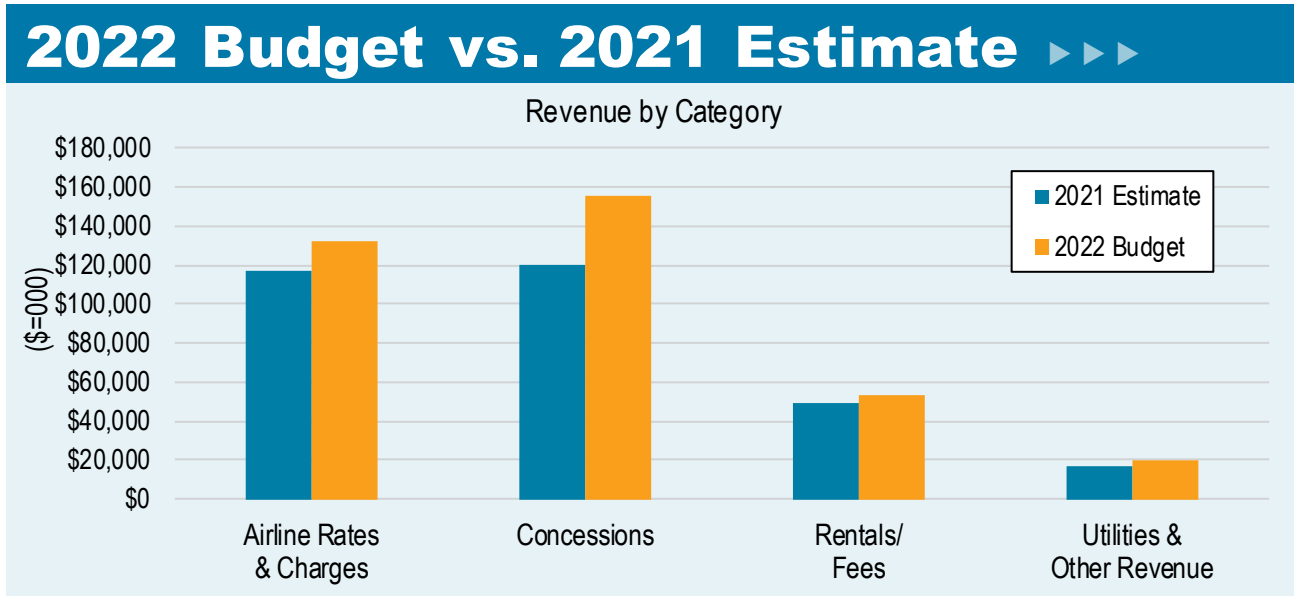
## 2022 Operating Revenue ►►►

2022 Budget vs 2021 Estimate

	2020 Actual	2021 Budget	2021 Estimate	2022 Budget	Dollar Change	% Change
<b>Airline Rates &amp; Charges</b>						
<b>Airline Agreement</b>						
Landing Fees	44,806,095	72,841,520	69,262,721	72,841,520	3,578,799	5.2%
Ramp Fees	6,220,917	6,654,847	6,475,058	6,654,847	179,789	2.8%
Airline R&R	4,858,031	5,308,502	5,254,260	5,467,757	213,497	4.1%
T1 Rentals	26,709,022	40,386,342	31,535,414	40,386,342	8,850,928	28.1%
T1 Other	6,997,962	8,949,314	8,173,886	9,040,732	866,846	10.6%
Concessions Rebate	(6,606,423)	(15,606,069)	(15,966,459)	(16,255,417)	(288,958)	1.8%
<b>Total Airline Agreement</b>	<b>\$ 82,985,604</b>	<b>\$ 118,534,456</b>	<b>\$ 104,734,880</b>	<b>\$ 118,135,781</b>	<b>\$ 13,400,901</b>	<b>12.8%</b>
T2 Lobby	8,539,880	9,992,646	9,971,622	10,601,014	629,392	6.3%
T2 Other /Passenger	2,733,473	2,681,159	2,690,157	3,323,285	633,128	23.5%
<b>Total Airline Rates &amp; Charges</b>	<b>\$ 94,258,957</b>	<b>\$ 131,208,261</b>	<b>\$ 117,396,659</b>	<b>\$ 132,060,080</b>	<b>\$ 14,663,421</b>	<b>12.5%</b>
<b>Concessions</b>						
<b>Terminal</b>						
Food & Beverage	9,974,193	17,201,015	15,454,160	21,398,705	5,944,545	38.5%
News	1,955,079	3,521,672	4,094,268	4,039,040	(55,228)	-1.3%
Retail Stores	1,668,198	3,749,742	2,386,838	4,528,962	2,142,124	89.7%
Passenger Services	4,074,085	5,628,112	4,577,225	6,659,970	2,082,745	45.5%
<b>Total Terminal</b>	<b>\$ 17,671,555</b>	<b>\$ 30,100,541</b>	<b>\$ 26,512,491</b>	<b>\$ 36,626,677</b>	<b>\$ 10,114,186</b>	<b>38.1%</b>
<b>Parking/Ground Transportation</b>						
Parking	42,351,337	69,702,000	67,427,594	86,797,790	19,370,196	28.7%
Ground Transportation	5,969,689	9,717,331	7,733,955	10,284,819	2,550,864	33.0%
Auto Rental - On Airport	8,671,385	19,292,132	16,372,420	19,292,134	2,919,714	17.8%
<b>Total Parking/Ground Transport</b>	<b>\$ 56,992,411</b>	<b>\$ 98,711,463</b>	<b>\$ 91,533,969</b>	<b>\$ 116,374,743</b>	<b>\$ 24,840,774</b>	<b>27.1%</b>
Other Concessions	1,971,856	2,498,017	2,465,395	2,506,057	40,662	1.6%
<b>Total Concessions</b>	<b>\$ 76,635,822</b>	<b>\$ 131,310,021</b>	<b>\$ 120,511,855</b>	<b>\$ 155,507,477</b>	<b>\$ 34,995,622</b>	<b>29.0%</b>
<b>Rentals &amp; Fees</b>						
Buildings & Facilities	12,619,353	14,765,952	14,594,060	15,181,278	587,218	4.0%
Auto Rental CFC	8,779,064	15,485,478	13,150,299	15,973,559	2,823,260	21.5%
Ground Rentals	11,521,205	11,636,049	12,292,714	13,291,963	999,249	8.1%
Reliever Airports	8,551,540	8,616,329	8,855,711	9,017,580	161,869	1.8%
<b>Total Rentals &amp; Fees</b>	<b>\$ 41,471,162</b>	<b>\$ 50,503,808</b>	<b>\$ 48,892,784</b>	<b>\$ 53,464,380</b>	<b>\$ 4,571,596</b>	<b>9.4%</b>
<b>Utilities &amp; Other Revenues</b>						
Utilities	4,876,137	4,996,628	4,561,357	5,196,430	635,073	13.9%
General Aviation/Airside Fees	4,830,798	4,679,938	5,319,590	6,039,405	719,815	13.5%
Maintenance, Cleaning & Distribution Fees	1,691,184	2,772,944	2,623,019	3,272,410	649,391	24.8%
Other Revenues	1,478,183	2,373,060	1,906,298	1,975,913	69,615	3.7%
Reimbursed Expense	2,833,390	3,609,000	2,500,000	3,154,000	654,000	26.2%
<b>Total Utilities &amp; Other Revenue</b>	<b>\$ 15,709,692</b>	<b>\$ 18,431,570</b>	<b>\$ 16,910,264</b>	<b>\$ 19,638,158</b>	<b>\$ 2,727,894</b>	<b>16.1%</b>
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 228,075,633</b>	<b>\$ 331,453,660</b>	<b>\$ 303,711,562</b>	<b>\$ 360,670,095</b>	<b>\$ 56,958,533</b>	<b>18.8%</b>

## OPERATING BUDGET REVENUE

The bar chart below compares the 2022 budget with the 2021 estimate. Revenues are projected to be higher in all categories in 2022. The largest dollar increase is in Concessions as the expectation is an increase in enplanements and all concessions to be eventually open as air travel continues to recover.



### REVENUE ASSUMPTIONS AND GUIDELINES

The revenue projections for 2022 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 projected airline industry recovery from the COVID-19 pandemic
  - Expense estimates which determine Airline Rates & Charges
  - Lease agreements, contracts and MAC Ordinances
  - Federal Aviation Administration publications
  - Utility consultants

- The revenue assumptions explained within the following paragraphs are based on a comparison of the 2022 budget to the 2021 estimates. The 2021 revenue estimates show the effect of the on-going pandemic and are below the 2021 budget.

### AIRLINE RATES & CHARGES

The Airline Rates & Charges category, which is approximately \$132.1 million or 37% of the MAC's \$360.7 million in revenues, is generated from rates charged to the airlines. This category is projected to increase \$14.7 million or 12.5% from the 2021 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 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 IAF service centers and are detailed in the Operating Budget Expense section.

## OPERATING BUDGET REVENUE

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 \$16.3 million represents the revenue sharing found in the Airline Use Agreement.

## Airline Rates & Charges ►►►

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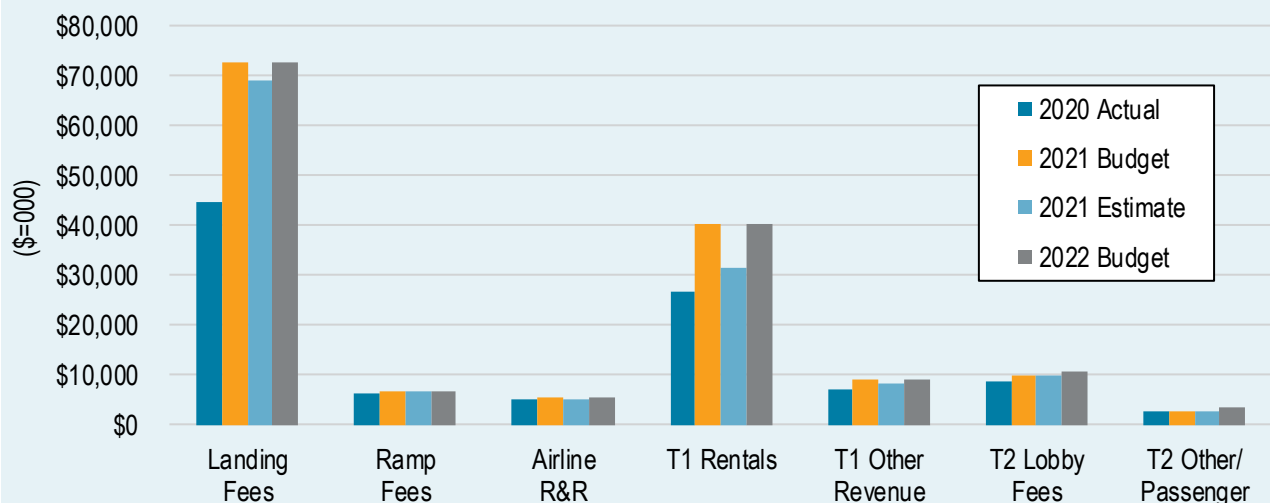
2022 Budget vs 2021 Estimate

	2020 Actual	2021 Budget	2021 Estimate	2022 Budget	Dollar Change	% Change
<b>Landing Fees</b>	\$44,806	\$72,842	\$69,263	\$72,842	\$3,579	5.2%
<b>Ramp Fees</b>	6,221	6,655	6,475	6,655	180	2.8%
<b>Airline R&amp;R</b>	4,858	5,309	5,254	5,468	213	4.1%
<b>T1 Rentals</b>	26,709	40,386	31,535	40,386	8,851	28.1%
<b>T1 Other Revenue</b>	6,998	8,949	8,174	9,041	867	10.6%
<b>Concessions Rebate</b>	(6,606)	(15,606)	(15,966)	(16,255)	(289)	1.8%
<b>T2 Lobby Fees</b>	8,540	9,993	9,972	10,601	629	6.3%
<b>T2 Other/Passenger</b>	2,733	2,681	2,690	3,323	633	23.5%
<b>Total Airline Rates &amp; Charges</b>	<b>\$94,259</b>	<b>\$131,208</b>	<b>\$117,397</b>	<b>\$132,060</b>	<b>\$14,663</b>	<b>12.5%</b>

The chart below provides a picture of the changes in total revenue per category year over year. Revenue is projected to increase slightly in all categories with the largest dollar increase in T1 Rentals.

## Airline Rates & Charges by Category ►►►

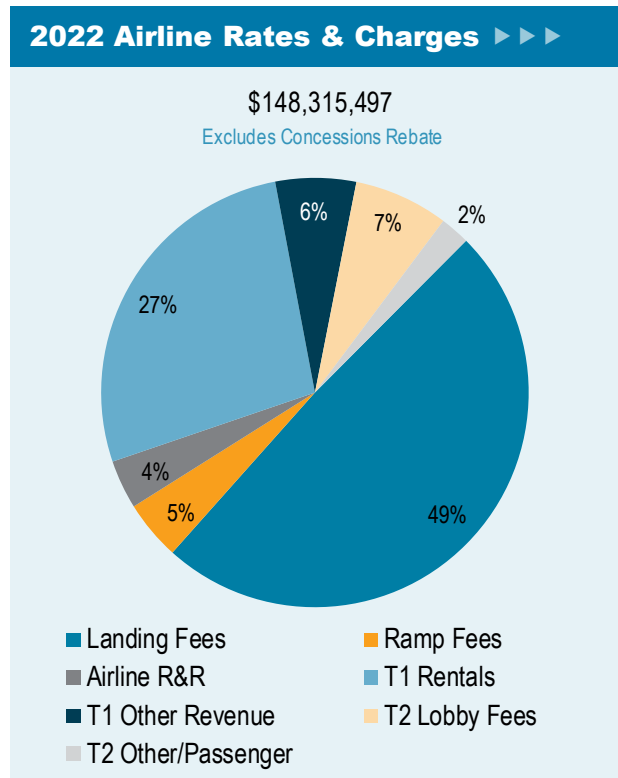
Excludes Concessions Rebate





## OPERATING BUDGET REVENUE

The pie chart below indicates each revenue source as a percentage of the total Airline Rates & Charges revenue category. Landing Fees are the greatest revenue source with 49% of the total.



## LANDING FEES

Total landing fees are projected to increase \$3.6 million or 5.2% compared to the 2021 estimate. The landing fee is based upon total estimated expense in the Field & Runway service center. Dividing total field and runway expenses by the estimated landed weight, a budgeted landing fee is established for use during the year.

Landing Fee ►►►				
	2020 Actual	2021 Budget	2021 Estimate	2022 Budget
Landing Fee	\$5.09	\$3.94	\$3.94	\$3.68
Landed Weight (lbs. in 000)	8,803	18,488	17,579	19,794
Revenue (\$ in 000)	\$44,806	\$72,842	\$69,263	\$72,842

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 decrease \$0.26 in 2022 from the 2021 estimate. Estimated landed weight for 2022 is projected to increase by 1.3 million pounds over the 2021 estimate due to a greater number of flights expected. In an effort to provide relief from the pandemic, the MAC has agreed to hold airfield recoverable costs to the 2021 budget resulting in a lower landing fee rate.

## RAMP FEES

Aircraft parking ramp fees are calculated in the same manner as landing fees. Ramp fees are determined by dividing 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.

Ramp Fee ►►►				
	2020 Actual	2021 Budget	2021 Estimate	2022 Budget
Ramp Fee (Per Lineal Ft.)	\$582.46	\$604.93	\$588.59	\$604.93
Ramp Footage	11,001	11,001	11,001	11,001
Revenue (\$=000)	\$6,221	\$6,655	\$6,475	\$6,655

The 2022 ramp fee per lineal foot is \$604.93 which is slightly higher than the 2021 estimate. Although ramp maintenance costs are expected to increase in 2022, the MAC has agreed to hold the ramp fee to the 2021 budget in an effort to provide relief to the airlines.

## 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% as stated in the airline agreement. The rate for 2022 is \$8.64 per lineal foot and total R&R is estimated to be \$213,497 higher than the 2021 estimate.

## OPERATING BUDGET REVENUE

## 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.

Terminal 1 Rental Rates ►►►				
	2020 Actual	2021 Budget	2021 Estimate	2022 Budget
<b>Exclusive</b> (Per Sq. Ft.)	\$58.12	\$60.23	\$58.25	\$66.61
<b>Exclusive Janitored</b> (Per Sq. Ft.)	\$66.84	\$71.61	\$69.61	\$79.08
<b>Total Revenue</b> (\$ in 000)	\$26,709	\$40,386	\$31,535	\$40,386

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 2021 estimate of \$58.25 to \$66.61 per square foot in 2022 and the janitored rate is increasing from the 2021 estimate of \$69.61 to \$79.08 per square foot in 2022.

Terminal 1 Rental fees revenue is \$8.9 million or 28.1% higher than the 2021 estimate. The variance is due to a one-time rent credit granted to airlines as part of the MAC's approved pandemic relief program that lowered the 2021 estimate. Higher terminal building costs such as additional cleaning and maintenance relate to the anticipated recovery of the pandemic in 2022.

## TERMINAL 1 OTHER

Revenue from Terminal 1 Other is expected to increase \$866,846 or 10.6% over the 2021 estimate. Revenues in this area are generated by International Arrival Fees, 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 and IAF revenue.

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. Based on passenger enplanements and total costs, the 2022 budget expects a lower fee per passenger.

International Arrival Fees ►►►				
	2020 Actual	2021 Budget	2021 Estimate	2022 Budget
<b>Total Cost</b> (\$=000)	\$3,287	\$4,422	\$4,000	\$4,538
<b>Passengers</b>	231,274	534,058	300,075	500,000
<b>Fee per Passenger</b>	\$14.21	\$8.28	\$13.33	\$9.08

## 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 2022.

For the 2022 budget, the concessions rebate is projected to be \$16.3 million. The \$288,958 increase over the 2021 estimate is due to revenue growth from food and beverage, news, retail and auto rental sales as passengers are expected to return to air travel while the world recovers from the COVID-19 pandemic.

## TERMINAL 2 LOBBY FEES

Terminal 2 Lobby Fees are expected to increase \$629,392 or 6.3% over the 2021 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.

## OPERATING BUDGET REVENUE

Each gate at Terminal 2 has a revenue cap. For 2022, the gate cap is \$813,098 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 13 of these gates will reach the revenue cap and one will not. The MAC estimates the revenue from non-priority gate use and the non-capped gates based upon operational data obtained from historical sources and from the airlines.

The 2022 budget increase in revenue from the 2021 estimate is predominately due to an increase in the rates and charges.

## TERMINAL 2 OTHER / PASSENGER FEES

Terminal 2 Other/Passenger Fees include 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 \$633,128 or 23.5% over the 2021 estimate. International flight schedules were significantly disrupted in 2021

amidst the pandemic but are projected to return slowly in 2022.

## CONCESSIONS

The Concessions revenue category is \$155.5 million or 43% of total operating revenue for 2022 and is projected to increase \$35.0 million or 29.0% over the estimated 2021 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. The rates charged for parking are approved by the Commission, while ground transportation fees are authorized according to MAC Ordinances.

Food & Beverage, News, Retail Stores and Auto Rental-On Airport concessions were provided with a relief package to lower their costs as the result of the pandemic in which no Minimum Annual Guarantee (MAG) revenue was to be paid to the MAC from January through June of 2021. The MAG was reduced to 60% for the remainder of the year.

## Concessions ►►►

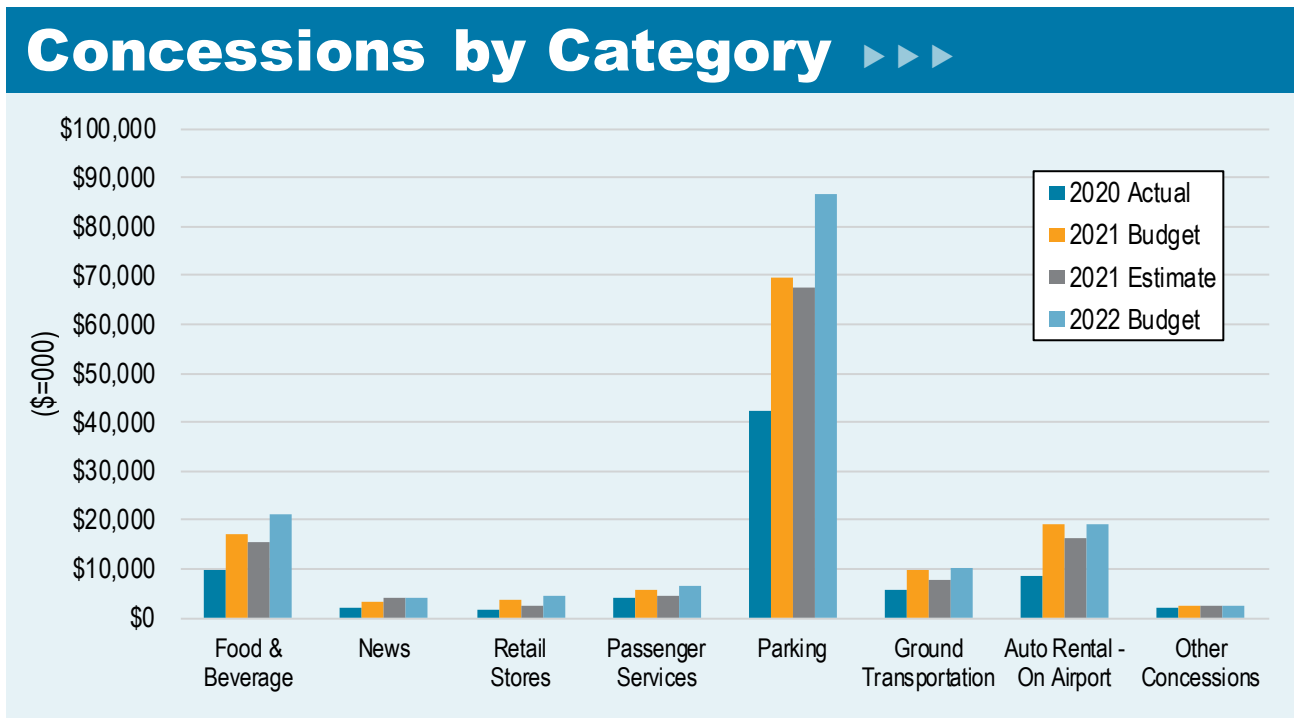
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2022 Budget vs 2021 Estimate

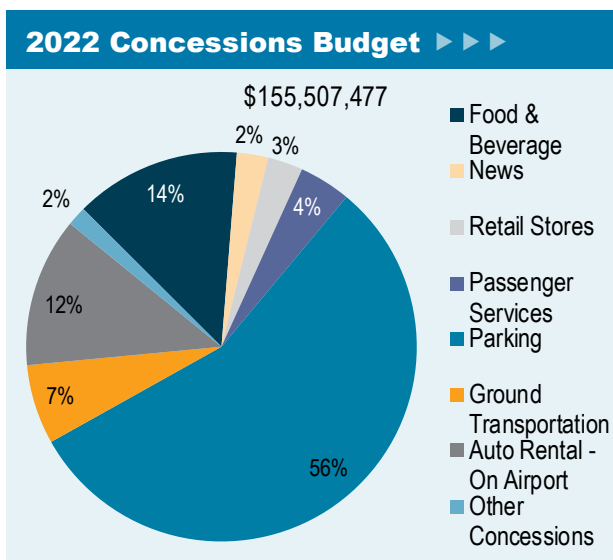
	2020 Actual	2021 Budget	2021 Estimate	2022 Budget	Dollar Change	% Change
<b>Food &amp; Beverage</b>	\$9,974	\$17,201	\$15,454	\$21,399	\$5,945	38.5%
<b>News</b>	1,955	3,522	4,094	4,039	(55)	-1.3%
<b>Retail Stores</b>	1,668	3,750	2,387	4,529	2,142	89.7%
<b>Passenger Services</b>	4,074	5,628	4,577	6,660	2,083	45.5%
<b>Parking</b>	42,351	69,702	67,428	86,798	19,370	28.7%
<b>Ground Transportation</b>	5,970	9,717	7,734	10,285	2,551	33.0%
<b>Auto Rental - On Airport</b>	8,671	19,292	16,372	19,292	2,920	17.8%
<b>Other Concessions</b>	1,972	2,498	2,465	2,506	41	1.6%
<b>Total Concessions</b>	<b>\$76,636</b>	<b>\$131,310</b>	<b>\$120,512</b>	<b>\$155,507</b>	<b>\$34,996</b>	<b>29.0%</b>

## OPERATING BUDGET REVENUE

The chart below provides a picture of the changes in total revenue per category year over year. Revenue dipped in 2021 but is expected to rebound in 2022.



The pie chart below indicates each revenue source as a percentage of the total Concessions revenue category. Parking revenue is projected to generate over half of total Concession revenue followed by Food & Beverage and Auto Rentals.



## FOOD &amp; BEVERAGE

Food & Beverage revenue is expected to increase \$5.9 million or 38.5% from the 2021 estimate. The low 2021 year-end estimate relates to the greater than expected number of food & beverage concessions that were closed due to the decrease in passengers and limited staffing availability.

In 2022, food & beverage concessions are expected to increase staffing and be open additional hours based on the projected passenger increase. In addition, MAG revenue is budgeted for the whole year.

## NEWS

Revenue from News concessions is expected to decrease slightly by \$55,228 or 1.3% from the 2021 estimate. News-related sales are exceeding the budget in 2021. Passengers purchased more products such as grab and go foods and beverages to carry onto the planes as airlines discontinued food during flights as a safety measure during the pandemic.

The 2022 budget revenue is based on the projected number of enplanements and a full year of MAG revenue.

## OPERATING BUDGET REVENUE

## RETAIL STORES

Revenue from Retail Stores is projected to increase \$2.1 million or 89.7% compared to the 2021 estimate. The estimate is expected to be below budget with fewer travelers and more temporarily closed concessions than expected. The 2022 budget is higher based on the forecasted increase in enplanements and a full year of MAG revenue.

## PASSENGER SERVICES

Revenue from Passenger Services is budgeted to increase \$2.1 million or 45.5% over the 2021 estimate. The below budget 2021 estimate results from MAG waivers granted to passenger services concessionaires. The 2022 budget expects all passenger services concessionaires to pay full MAG.

## PARKING

Parking revenue is expected to increase over the 2021 estimate by \$19.4 million or 28.7%. Parking revenue is estimated to be slightly lower than budget in 2021 as the result of the decline in passengers due to the pandemic. The increase in revenue in 2022 is based on enplaned passenger projection of 80% of total passengers in 2019 and a parking rate adjustment.

## GROUND TRANSPORTATION FEES

Ground Transportation fees are projected to increase \$2.6 million or 33.0% over the 2021 estimate. This increase in revenue is based on the expected enplaned passenger projection for 2022.

## ON-AIRPORT AUTO RENTAL

On-Airport Auto Rental revenue is projected to increase from the 2021 estimate of \$16.4 million to \$19.3 million in the 2022 budget, a positive variance of \$2.9 million or 17.8%. The 2022 budget is based on the projected increase in enplaned passengers and a full year of MAG revenue.

## 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 \$40,662 or 1.6% increase over the 2021 estimate. As with all concession revenue sources, the expectation is that the economy will continue to recover from the COVID-19 pandemic and traffic at the airport will gradually return to normal.

## RENTALS/FEES

Rentals/Fees revenue is \$53.5 million or 15% of total operating revenue for 2022 and is projected to increase \$4.6 million or 9.4% over the 2021 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 revenues and a portion of reliever airport revenue are based on MAC Ordinances, while the remaining revenue items are based on leases and agreements.

## Rentals/Fees ►►►

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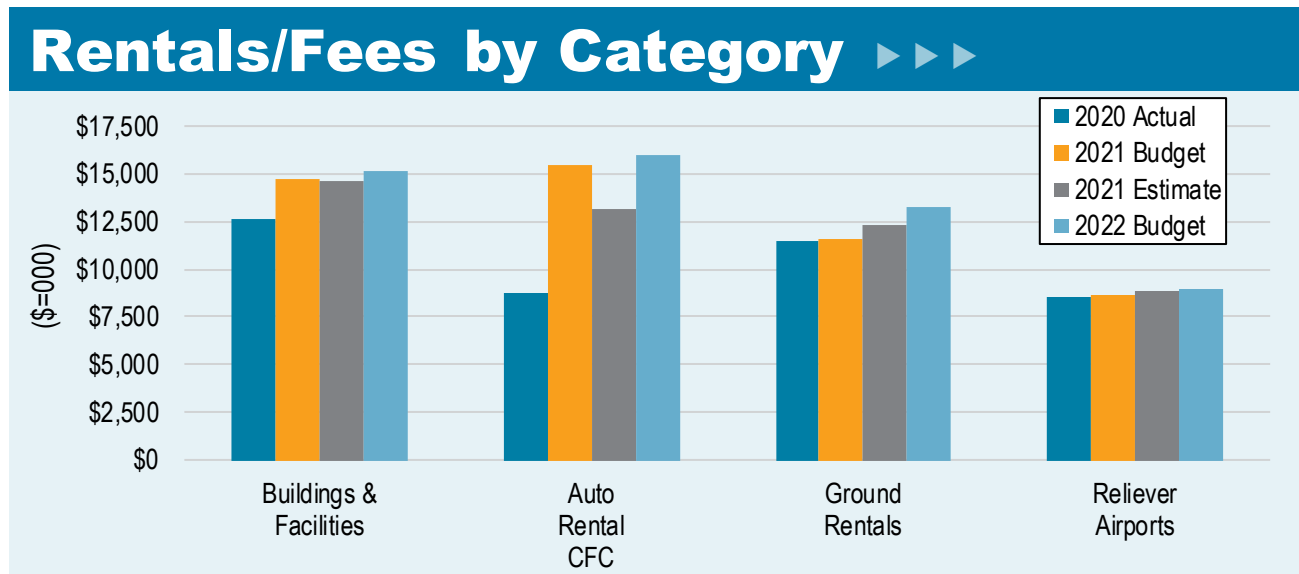
2022 Budget vs 2021 Estimate

	2020 Actual	2021 Budget	2021 Estimate	2022 Budget	Dollar Change	% Change
<b>Buildings &amp; Facilities</b>	\$12,619	\$14,766	\$14,594	\$15,181	\$587	4.0%
<b>Auto Rental CFC</b>	8,779	15,485	13,150	15,974	2,823	21.5%
<b>Ground Rentals</b>	11,521	11,636	12,293	13,292	999	8.1%
<b>Reliever Airports</b>	8,552	8,616	8,856	9,018	162	1.8%
<b>Total Rentals/Fees</b>	<b>\$41,471</b>	<b>\$50,504</b>	<b>\$48,893</b>	<b>\$53,464</b>	<b>\$4,572</b>	<b>9.4%</b>

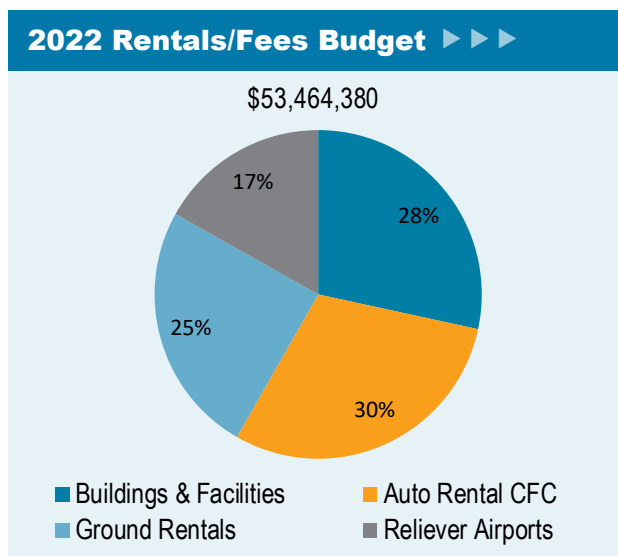


OPERATING BUDGET REVENUE

The chart below provides a picture of the changes in total revenue per category year over year. Auto Rental CFCs follow rental car sales and are more volatile than the other revenue sources.



The pie chart illustrates that Auto Rental CFC revenue is expected to bring in the highest percentage of Rentals/Fees, accounting for 30% of the total. Buildings & Facilities revenue is close behind at 28%.



#### AUTO RENTAL-CUSTOMER FACILITY CHARGE

The revenue from Auto Rental CFCs is budgeted to increase \$2.8 million or 21.5% over the 2021 estimate. The CFC rate is \$5.90 per auto rental transaction per day and is used to repay the debt obligation and maintenance for the auto rental facility within the Silver Ramp. The CFC increase in 2022 is proportional to the projected passenger increase for 2022.

#### GROUND RENTALS

Compared to the 2021 estimate, Ground Rentals are budgeted to increase \$999,249 or 8.1%. Ground Rental rates are also dictated in MAC Ordinance. The ordinance contains a rent escalator of 10% for 2022.

#### RELIEVER AIRPORTS

With a slight revenue increase expected in 2022, Reliever Airports revenue is projected to increase \$161,869 or 1.8% from 2021 estimated levels.

#### BUILDINGS & FACILITIES

Buildings & Facilities revenue is projected to increase \$587,218 or 4.0% from the 2021 estimate. The 2022 budget reflects new lease terms and contract escalators ranging from 2.5%-3.0%.

## OPERATING BUDGET REVENUE

## UTILITIES &amp; OTHER REVENUE

Utilities & Other Revenue is \$19.6 million or 5% of total operating revenue for 2022 and is projected to increase \$2.7 million or 16.1% from the 2021 estimated level. Included in this category are Utilities, General Aviation/Airside Fees, Maintenance, Cleaning and Distribution (MCD) Fees, Other Revenues and Reimbursed Expense.

## Utilities & Other Revenue ►►►

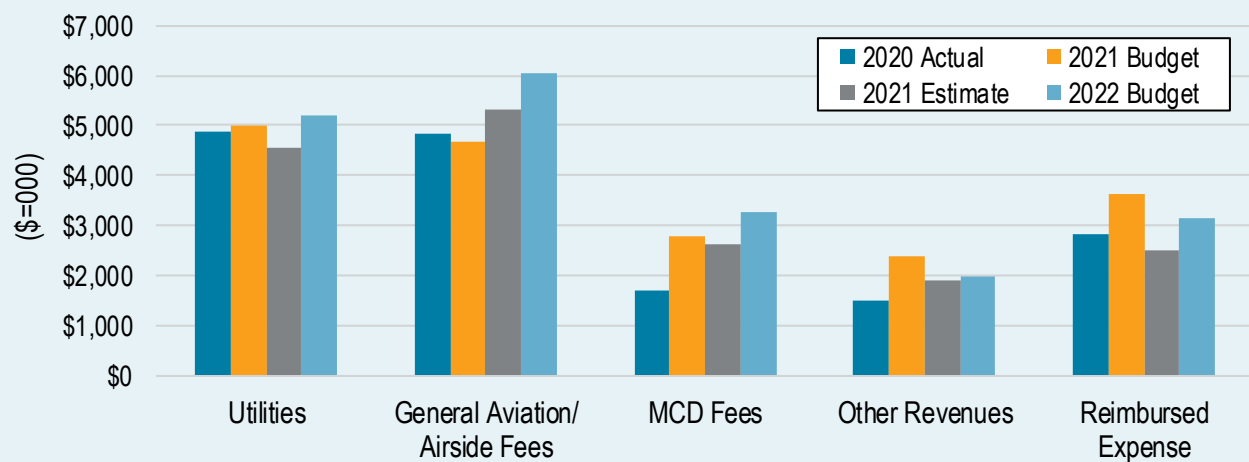
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2022 Budget vs 2021 Estimate

	2020 Actual	2021 Budget	2021 Estimate	2022 Budget	Dollar Change	% Change
<b>Utilities</b>	\$4,876	\$4,997	\$4,561	\$5,196	\$635	13.9%
<b>General Aviation/ Airside Fees</b>	4,831	4,680	5,320	6,039	720	13.5%
<b>MCD Fees</b>	1,691	2,773	2,623	3,272	649	24.8%
<b>Other Revenues</b>	1,478	2,373	1,906	1,976	70	3.7%
<b>Reimbursed Expense</b>	2,833	3,609	2,500	3,154	654	26.2%
<b>Total Utilities &amp; Other Revenue</b>	<b>\$15,710</b>	<b>\$18,432</b>	<b>\$16,910</b>	<b>\$19,638</b>	<b>\$2,728</b>	<b>16.1%</b>

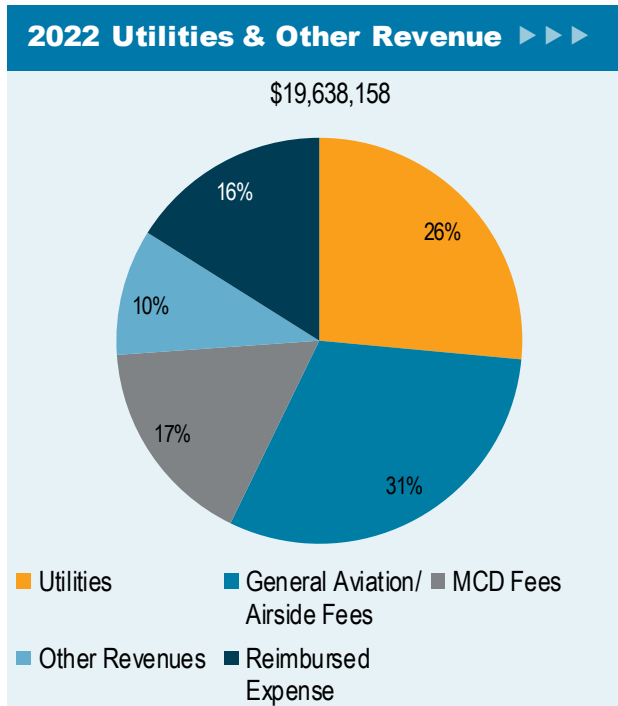
The chart below provides a picture of the changes in total revenue per category year over year. Most revenue sources are projected to bring in a considerable increase over the 2021 estimate.

## Utilities & Other Revenue by Category ►



## OPERATING BUDGET REVENUE

The pie chart illustrates General Aviation/Airside Fees and Utilities are projected to bring in over half of the revenue with 31% and 26% of the total, respectively.



### UTILITIES

Included in Utilities are water, sewer, electricity, heating fuel and ground power costs reimbursed by airlines and concessionaires. Compared to the 2021 estimate, Utilities revenue is projected to increase \$635,073 or 13.9%. The low estimate is due to low utilization of airport facilities and temporarily closed concessions due to COVID-19 and limited staffing availability. A minor increase in reimbursed utility expenses is projected in 2022 as these areas reopen.



*MSP During the Summer*

### GENERAL AVIATION / AIRSIDE FEES

This category includes general aviation landing fees, ramp fees, general aviation fuel flowage fees and apron services. This category is expected to increase \$719,815 or 13.5% from the 2021 estimate based on an expected increase in revenue from airside services, including aircraft cleaning, deicing and other services during the pandemic recovery.

### MAINTENANCE, CLEANING & DISTRIBUTION FEES

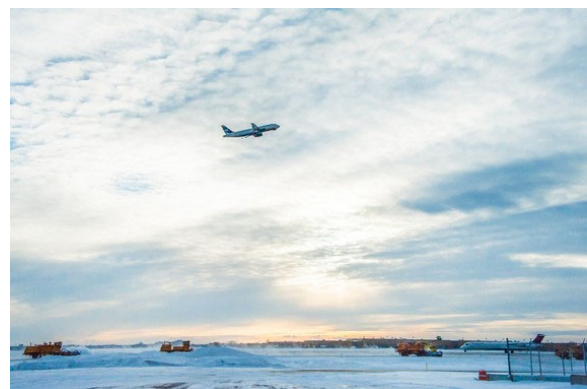
MCD fees are expected to increase \$649,391 or 24.8% over the 2021 estimate. These fees are based on a percent of concession sales. As concession sales are projected to increase in 2022, MCD fees should increase as well.

### OTHER REVENUES

The Other Revenues category is projected to increase \$69,615 or 3.7% compared to the 2021 estimate. Included in this category are parking fines, auction revenue, building permits, security badges and other miscellaneous revenues. A slight revenue increase is expected in 2022.

### REIMBURSED EXPENSES

Reimbursed Expenses are projected to increase \$654,000 or 26.2% over the 2021 estimate. This increase in expenses reimbursed by others is derived from a lower than budget 2021 estimate. The 2021 budget projected reimbursements for Reliever Airports, which are not expected to occur. As a result, the year-end estimate dropped below budget.



*MSP During the Winter*

## OPERATING BUDGET EXPENSE

# OPERATING BUDGET EXPENSE

Expenses that arise from daily operations are within the Operating Fund. Since the COVID-19 pandemic began in 2020, the MAC has reduced expenses in response to the decline in revenue.

In preparing the 2022 budget, the MAC analyzed data provided by partner airlines and consultants. This analysis resulted in a final expense budget based on an 87% recovery of enplaned passenger traffic compared to 2019 traffic. Each department was charged with examining all expenses and determining which resources would be necessary in 2022 to maintain a healthy financial path that would support MAC's recovery and promote its strategic priorities.

Expenses are also key factors in determining revenue. For example, Rates & Charges revenue collected from the airlines is based on expenses. It is governed by the Airline Use Agreement. Lower expenses bring in less revenue in certain cases.

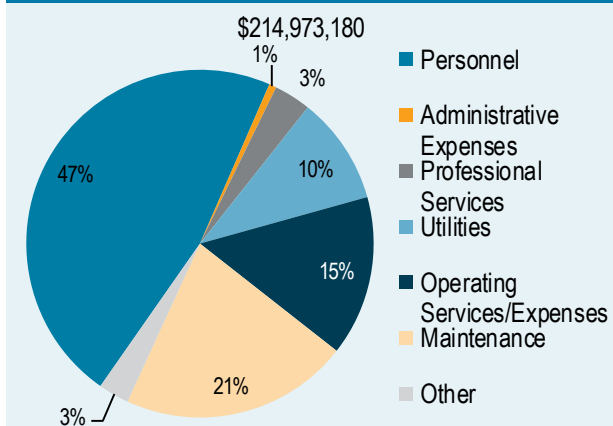
## Expense Summary ►►►

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2022 Budget vs 2021 Estimate

	2020 Actual	2021 Budget	2021 Estimate	2022 Budget	Dollar Change	% Change
<b>Personnel</b>	\$89,901	\$94,207	\$92,853	\$100,680	\$7,827	8.4%
<b>Administrative Expenses</b>	1,056	1,352	1,010	1,465	455	45.1%
<b>Professional Services</b>	5,159	6,310	5,266	7,392	2,126	40.4%
<b>Utilities</b>	17,383	19,897	20,034	21,519	1,484	7.4%
<b>Operating Services/Expenses</b>	28,338	27,643	25,772	32,004	6,232	24.2%
<b>Maintenance</b>	37,647	41,458	38,380	45,767	7,387	19.2%
<b>Other</b>	4,027	3,639	3,995	6,146	2,151	53.8%
<b>Total Operating Expense</b>	<b>\$183,512</b>	<b>\$194,506</b>	<b>\$187,311</b>	<b>\$214,973</b>	<b>\$27,663</b>	<b>14.8%</b>

## 2022 Operating Budget Expense ►►►



Total Operating Budget Expense for 2022 is \$215.0 million, excluding depreciation and amortization, which is an increase of \$27.7 million or 14.8% from the 2021 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 47% of the total. Maintenance and Operating Services/Expenses follow with 21% and 15%, respectively.

## OPERATING BUDGET EXPENSE

## 2022 Operating Expense ►►►

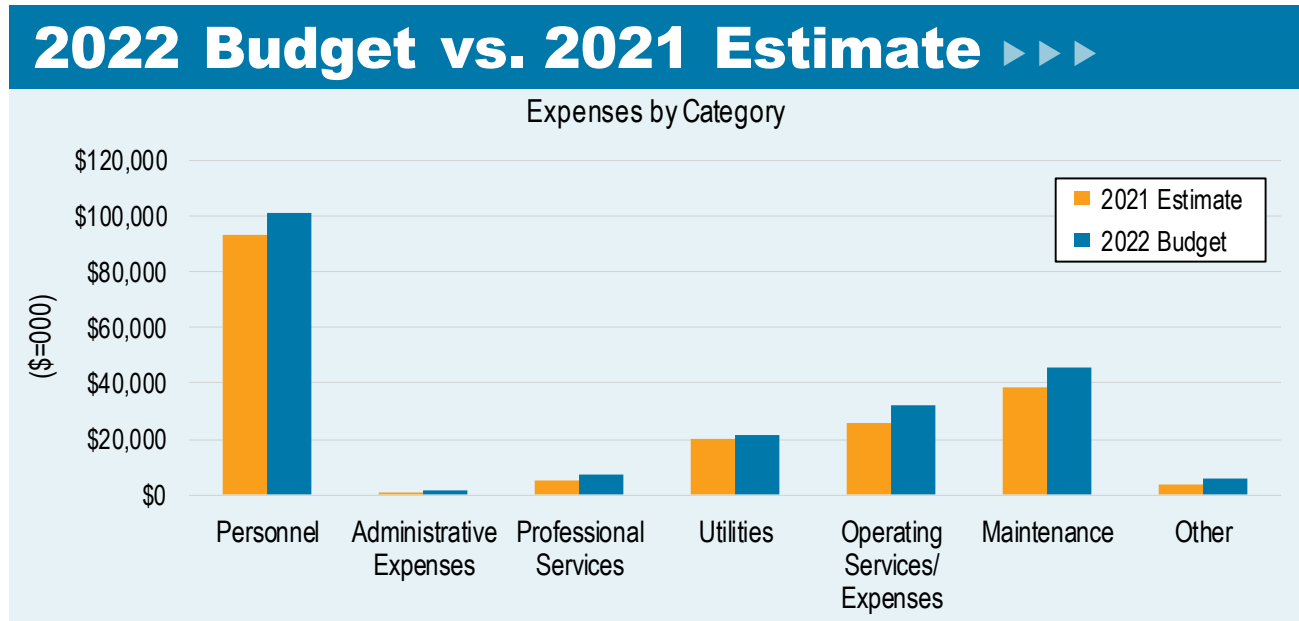
2022 Budget vs 2021 Estimate

	2020 Actual	2021 Budget	2021 Estimate	2022 Budget	Dollar Change	% Change
<b>Personnel</b>						
Salaries & Wages	63,125,252	63,196,668	61,027,847	68,480,868	7,453,021	12.2%
Benefits	26,775,789	31,009,833	31,824,656	32,198,657	374,001	1.2%
<b>Total Personnel</b>	<b>\$ 89,901,041</b>	<b>\$ 94,206,500</b>	<b>\$ 92,852,503</b>	<b>\$ 100,679,525</b>	<b>\$ 7,827,022</b>	<b>8.4%</b>
<b>Administrative Expenses</b>	<b>\$ 1,056,441</b>	<b>\$ 1,351,569</b>	<b>\$ 1,009,929</b>	<b>\$ 1,464,985</b>	<b>\$ 455,056</b>	<b>45.1%</b>
<b>Professional Services</b>	<b>\$ 5,159,053</b>	<b>\$ 6,310,316</b>	<b>\$ 5,266,154</b>	<b>\$ 7,392,117</b>	<b>\$ 2,125,963</b>	<b>40.4%</b>
<b>Utilities</b>						
Electricity	12,135,290	13,612,468	13,420,216	14,477,085	1,056,869	7.9%
Heating Fuel	1,736,264	3,012,638	2,884,047	3,560,402	676,355	23.5%
Water & Sewer	2,865,210	2,583,172	3,125,584	2,739,828	(385,756)	-12.3%
Telephones	645,791	688,430	604,639	741,604	136,965	22.7%
<b>Total Utilities</b>	<b>\$ 17,382,555</b>	<b>\$ 19,896,708</b>	<b>\$ 20,034,486</b>	<b>\$ 21,518,919</b>	<b>\$ 1,484,433</b>	<b>7.4%</b>
<b>Operating Services/Expenses</b>						
Storm Water Monitoring	1,954,062	1,585,000	1,354,878	1,885,000	530,122	39.1%
Shuttle Bus Services	1,278,733	965,902	1,012,114	986,000	(26,114)	-2.6%
Parking Management	4,302,482	4,627,512	3,997,479	5,276,870	1,279,391	32.0%
Service Agreements	12,077,225	12,751,341	11,987,247	14,355,718	2,368,471	19.8%
Operating Services - Other	8,725,864	7,713,707	7,420,663	9,500,745	2,080,082	28.0%
<b>Total Operating Services/Expenses</b>	<b>\$ 28,338,367</b>	<b>\$ 27,643,462</b>	<b>\$ 25,772,382</b>	<b>\$ 32,004,333</b>	<b>\$ 6,231,951</b>	<b>24.2%</b>
<b>Maintenance</b>						
Trades	2,204,723	2,225,753	1,870,297	2,474,873	604,576	32.3%
Field	4,985,199	4,751,168	4,055,777	4,786,315	730,538	18.0%
Building	15,147,585	15,399,747	14,384,751	17,133,606	2,748,855	19.1%
Cleaning	13,264,577	16,468,846	15,975,069	18,624,740	2,649,671	16.6%
Equipment	2,045,053	2,612,780	2,094,209	2,747,815	653,606	31.2%
<b>Total Maintenance</b>	<b>\$ 37,647,137</b>	<b>\$ 41,458,294</b>	<b>\$ 38,380,103</b>	<b>\$ 45,767,349</b>	<b>\$ 7,387,246</b>	<b>19.2%</b>
<b>Other</b>						
General Insurance	1,809,130	2,790,000	3,087,317	3,543,001	455,684	14.8%
Minor Equipment	280,770	194,599	94,016	163,158	69,142	73.5%
Other - Other	1,937,096	654,520	813,767	2,439,793	1,626,026	199.8%
<b>Total Other</b>	<b>\$ 4,026,995</b>	<b>\$ 3,639,119</b>	<b>\$ 3,995,100</b>	<b>\$ 6,145,952</b>	<b>\$ 2,150,852</b>	<b>53.8%</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 183,511,588</b>	<b>\$ 194,505,968</b>	<b>\$ 187,310,657</b>	<b>\$ 214,973,180</b>	<b>\$ 27,662,524</b>	<b>14.8%</b>



## OPERATING BUDGET EXPENSE

The bar chart below compares the 2022 budget with the 2021 estimate. Expenses are expected to increase in all categories, with the largest dollar increases in Personnel, Maintenance and Operating Services/Expenses.



## EXPENSE ASSUMPTIONS AND GUIDELINES

The operating expense budget is compiled with information provided by the MAC's service centers, utility companies, vendors and historical analyses. The expense budget projections for 2022 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.
- 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.
- 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 necessary to meet the objectives.
- Personnel decisions will be based on business needs.
  - One new Full-time Equivalent (FTE) is included in the 2022 budget.
  - Managers evaluated open FTEs and identified which positions needed to be filled and the month in which the position would be filled.
  - A vacancy factor of \$750,000 decreased the Personnel budget to account for additional positions that become open during 2022 due to retirements or other employee separations.
- Cost increases, such as scheduled contract increases, salary adjustments for existing organized and non-organized workforce, utility rate changes and insurance rate adjustments are included. A wage adjustment was included in the Personnel budget.
- The budget was prepared by thoroughly reviewing each line item to determine its need. Expenses were prioritized based on projected passenger and flight activity levels. Due to the projected growth in passenger and flight activity, the budget for all expense categories increased in 2022 over 2021.

## OPERATING BUDGET EXPENSE

## PERSONNEL

Personnel costs are projected to increase \$7.8 million or 8.4% from the 2021 estimate.

## Personnel ►►►

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2022 Budget vs 2021 Estimate

	2020 Actual	2021 Budget	2021 Estimate	2022 Budget	Dollar Change	% Change
Salaries & Wages	\$63,125	\$63,197	\$61,028	\$68,481	\$7,453	12.2%
Benefits	26,776	31,010	31,825	32,199	374	1.2%
<b>Total Personnel</b>	<b>\$89,901</b>	<b>\$94,207</b>	<b>\$92,853</b>	<b>\$100,680</b>	<b>\$7,827</b>	<b>8.4%</b>

Major differences between the 2022 budget and 2021 estimate are as follows:

### SALARIES & WAGES

Salaries & Wages are projected to increase \$7.5 million or 12.2%. One contributing factor is that 56.5 FTEs were unfilled at the end of 2021. Most of these will be filled during 2022, which accounts for \$4.4 million of the increase.

A wage adjustment for employees is included in the 2022 budget and accounts for \$1.3 million of the Salaries & Wages increase over the 2021 estimate. The remaining increase is attributable to an increase in overtime and temporary employee wages, largely due to the anticipated growth in passenger activity in 2022 over 2021. The increased budget will support overtime pay and temporary staff who cover a number of needs, including airfield and other maintenance during snow events, holiday coverage and increased staff during periods with elevated customer traffic.

### BENEFITS

Included in Benefits are employee insurance, post-retirement healthcare, Social Security, Medicare, retirement plan contributions, severance, workers' compensation and other miscellaneous items. An increase of \$374,000 or 1.2% is projected over the 2021 estimate.

Market-related insurance increases account for a \$797,000 variance in the 2022 budget over the 2021 estimate. Post-retirement benefit payments increase \$761,000. These are offset by a \$1.0 million decrease in projected funding expenses for the Other Post-Employment Benefits (OPEB) trust, which is based on the recommendation of an actuarial consultant.

The remaining variance of approximately \$184,000 is the result of increased training, education and miscellaneous expenses. Due to the pandemic, many of these expenses were cut to austerity levels for the 2021 budget. The 2022 budget also includes some expenses that were delayed in the previous year.

## Full-Time Equivalent Positions ►►►

	2018	2019	2020	2021	2022
Actual	623.0	650.5	630.0	634.0	n/a
Authorized	645.5	680.5 <sup>a</sup>	686.5 <sup>b</sup>	690.5 <sup>c</sup>	691.5 <sup>d</sup>

<sup>a</sup> Authorized FTEs increased by 35 on 1/1/2019. Eight were new FTEs and 27 temporary FTEs became permanent.

<sup>b</sup> Authorized FTEs increased by 6 on 1/1/2020.

<sup>c</sup> Four temporary Trades staff moved from temporary to permanent status during 2020.

<sup>d</sup> One new FTE was authorized on 1/1/2022.

## OPERATING BUDGET EXPENSE

## ADMINISTRATIVE EXPENSES

Administrative Expenses are projected to increase in 2022 by \$456,056 or 45.1% from 2021 estimates, as identified in the table below.

## Administrative Expenses ►►►

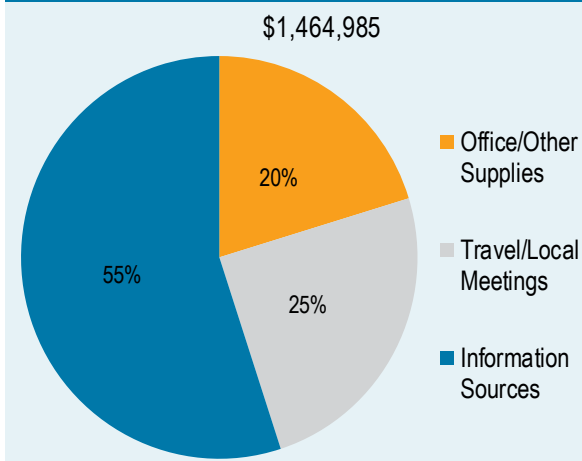
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2022 Budget vs 2021 Estimate

	2020 Actual	2021 Budget	2021 Estimate	2022 Budget	Dollar Change	% Change
Office/Other Supplies	\$252	\$311	\$295	\$297	\$2	0.7%
Travel/Local Meetings	111	263	108	362	254	235.2%
Information Sources	693	778	607	806	199	32.8%
<b>Total Administrative Expenses</b>	<b>\$1,056</b>	<b>\$1,352</b>	<b>\$1,010</b>	<b>\$1,465</b>	<b>\$455</b>	<b>45.1%</b>

As shown in the pie chart below, Information Sources account for the majority of this budget category, at 55% of Administrative Expenses.

### 2022 Administrative Expenses ►►►



### TRAVEL / LOCAL MEETINGS

The Travel/Local Meetings budget for 2022 increased \$254,000 or 235.2% over the 2021 estimate. Travel in 2021 was limited to essential travel only. The increase results from allowing additional, though still limited, travel in 2022 when a business need exists.

### INFORMATION SOURCES

Information Sources are projected to increase \$199,000 or 32.8% over the 2021 estimate. Memberships for professional associations, brochures for MAC departments, mailings to community stakeholders and administrative needs for strategic planning initiatives make up the majority of the increase. In general, these expenses were temporarily paused during the initial stages of the pandemic. As the travel industry grows in 2022, they will resume as needed by the MAC and its stakeholders.

### OFFICE / OTHER SUPPLIES

The 2022 budget predicts a \$2,000 increase in Office/Other Supplies expenses over the 2021 estimate. MAC staff continue to budget conservatively and only for what is necessary. The small increase is in office and specialty supplies.



*A Plane Takes off at MSP During Sunset*

## OPERATING BUDGET EXPENSE

## PROFESSIONAL SERVICES

Professional Services are estimated to increase \$2,125,963 or by 40.4% from 2021 estimates.

## Professional Services ►►►

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2022 Budget vs 2021 Estimate

	2020 Actual	2021 Budget	2021 Estimate	2022 Budget	Dollar Change	% Change
Accounting/Audit/ Insurance	\$571	\$675	\$678	\$760	\$82	12.1%
Concessions/ Engineering/MSP	907	1,352	1,244	1,373	\$129	10.4%
Software Consulting	811	921	1,098	850	(\$248)	-22.6%
Legal/Legislative	903	901	666	899	\$233	35.0%
Public Information/ Community	559	828	472	2,145	\$1,673	354.4%
Human Resources/ Employment	94	90	16	136	\$120	750.0%
Other/Miscellaneous	1,314	1,543	1,092	1,229	137	12.5%
<b>Total Professional Services</b>	<b>\$5,159</b>	<b>\$6,310</b>	<b>\$5,266</b>	<b>\$7,392</b>	<b>\$2,126</b>	<b>40.4%</b>

The accompanying pie chart shows the distribution of Professional Services expenses. Almost half of the budget category is made up of Public Information/Community and Concessions/Engineering/MSP, at 29% and 19%, respectively.

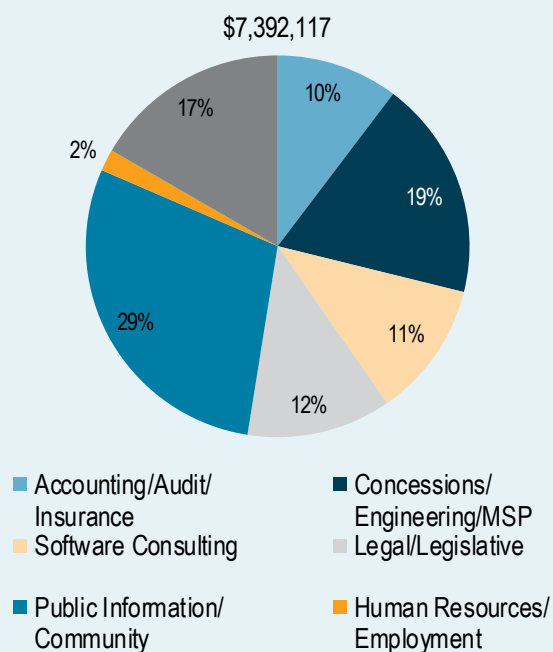
### ACCOUNTING / AUDIT / INSURANCE

The \$82,000 or 12.1% 2022 budget increase is due to rising medical fee consultant costs.

### CONCESSIONS / ENGINEERING / MSP

The 2022 budget is \$129,000 or 10.4% over the 2021 estimate. Approximately \$64,000 of this increase is due to engineering fees for environmental activities, projects and compliance consultants at both MSP and the Reliever Airports. These include both ongoing and new activities to maintain compliance. An asset valuation project accounts for \$55,000 of the increase and is related to development of concession opportunities. The remaining increase is attributable to airport planning, zoning and appraisal costs, as well as expenses for preparing Requests for Proposals for concession opportunities.

## 2022 Professional Services ►►►



## OPERATING BUDGET EXPENSE

## SOFTWARE CONSULTING

The decrease of \$248,000 or 22.6% in Software Consulting arises from the completion of several enterprise system, infrastructure and operations projects in 2021. These costs are not included in the 2022 budget.

## LEGAL / LEGISLATIVE

The Legal/Legislative 2022 budget is an increase of \$233,000 or 35.0% over the 2021 estimate. Legal projects and legislative activity at the local and national level each account for approximately half of the increase in the consulting budget.

## PUBLIC INFORMATION / COMMUNITY

The 2022 Public Information/Community budget is increasing \$1.7 million or 354.4% over the 2021 estimate. Strategic planning increases include \$645,000 for consulting services to develop and launch a new enterprise strategic plan, \$270,000 to support marketing related to strategic initiatives and \$185,000 to provide operations strategic planning services.

Strategic planning consultants were cut almost entirely as an austerity measure in 2021. At the time the pandemic began, the MAC was preparing for strategic planning at the organizational level. Several divisions were already engaged in division-level or project-level planning. The

additional funds will be used to resume and continue these processes.

The remainder of the \$1.7 million increase will be used to supplement staff during busy times with public information including crisis communication, digital marketing and video production.

## HUMAN RESOURCES / EMPLOYMENT

The increase of \$120,000 or 750.0% in Human Resources/Employment is due to planned recruiting activity. Significant recruiting and hiring activity is expected in 2022 as the MAC begins to fill positions that have remained open.

## OTHER / MISCELLANEOUS

The Other/Miscellaneous budget is projected to increase \$137,000 or 12.5% over the 2021 estimate. Modest increases to safety, mechanical and miscellaneous consultants make up the increase.

## UTILITIES

Utilities is budgeted to increase \$1.5 million or 7.4% from 2021 estimates and are explained as follows.

## Utilities ►►►

(\$=000)

2022 Budget vs 2021 Estimate

	2020 Actual	2021 Budget	2021 Estimate	2022 Budget	Dollar Change	% Change
Electricity	\$12,135	\$13,612	\$13,420	\$14,477	\$1,057	7.9%
Heating Fuel	1,736	3,013	2,884	3,560	676	23.5%
Water & Sewer	2,865	2,583	3,126	2,740	(386)	-12.3%
Telephones	646	688	605	742	137	22.7%
<b>Total Utilities</b>	<b>\$17,383</b>	<b>\$19,897</b>	<b>\$20,034</b>	<b>\$21,519</b>	<b>\$1,484</b>	<b>7.4%</b>

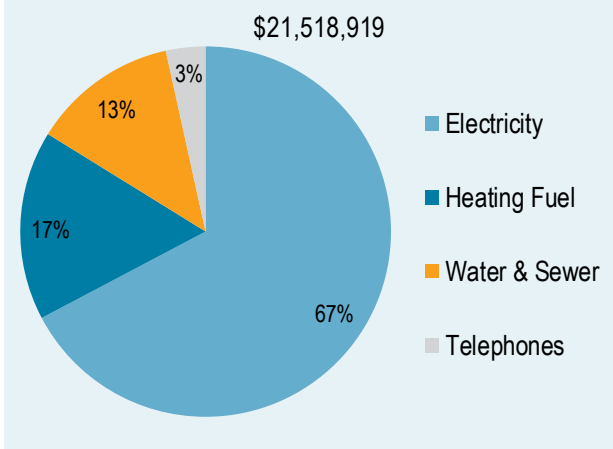
## ELECTRICITY

The increase in Electricity of \$1.1 million or 7.9% compared to the 2021 estimate is the result of two factors. The first is the increasing cost of electricity. The second is the opening of facilities that have remained closed during 2021 but are expected to open during 2022.



## OPERATING BUDGET EXPENSE

## 2022 Utilities ►►►



## HEATING FUEL

The \$676,000 or 23.5% increase in the Heating Fuel budget over the 2021 estimate is primarily due to increasing prices for natural gas usage.

## WATER &amp; SEWER

The 2022 budget for Water & Sewer decreased \$386,000 or 12.3% from the 2021 estimate. Reduced water usage is the result of enplaned passenger level forecasts and efficiencies built into recent capital projects.

## TELEPHONES

An increase of \$137,000 or 22.7% in the 2022 budget is projected over the 2021 estimate. This increase is the result of several factors. Regular telephone costs add approximately \$50,000 to the budget. Upgraded technology will allow a flexible communication setup for staff, particularly when working remotely.

Newly issued cellular stipends for most police personnel account for about \$40,000 of the increase. The stipends will enable better communication within the department and facilitate engagement with the airport community.

The remaining increase is the result of many departments adding a cell phone stipend, data card, laptop or mobile phone to the 2022 budget. These will support post-pandemic operations by decreasing device sharing and allowing social distancing.

## OPERATING SERVICES / EXPENSES

Operating Services/Expenses is projected to increase \$6.2 million or 24.2%. The following chart lists the major components in this category.

## Operating Services/Expenses ►►►

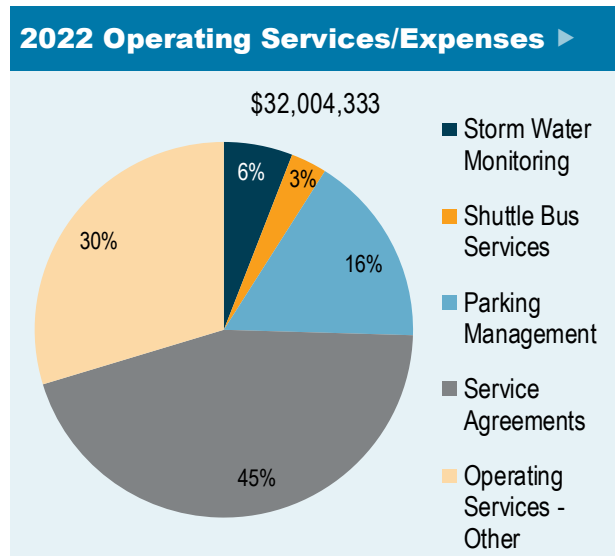
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2022 Budget vs 2021 Estimate

	2020 Actual	2021 Budget	2021 Estimate	2022 Budget	Dollar Change	% Change
Storm Water Monitoring	\$1,954	\$1,585	\$1,355	\$1,885	\$530	39.1%
Shuttle Bus Services	1,279	966	1,012	986	(26)	-2.6%
Parking Management	4,302	4,628	3,997	5,277	1,279	32.0%
Service Agreements	12,077	12,751	11,987	14,356	2,368	19.8%
Operating Services - Other	8,726	7,714	7,421	9,501	2,080	28.0%
<b>Total Operating Services/Expenses</b>	<b>\$28,338</b>	<b>\$27,643</b>	<b>\$25,772</b>	<b>\$32,004</b>	<b>\$6,232</b>	<b>24.2%</b>

## OPERATING BUDGET EXPENSE

As the pie chart below indicates, Service Agreement and Operating Services – Other make up 45% and 30% of the Operating Services/Expenses budget, respectively. This is 75% of the category.



### STORM WATER MONITORING

Storm Water Monitoring expenses are projected to increase \$530,000 or 39.1% over the 2021 estimate. The additional funds are included in the 2022 budget for projects that will require permits in compliance with the National Pollutant Discharge Elimination System.

### SHUTTLE BUS SERVICES

Shuttle Bus Services are decreasing \$26,000 or 2.6% from the 2021 estimate. Expenses in 2022 for Shuttle Bus Services are expected to be close to the 2021 estimate.

### PARKING MANAGEMENT

Compared to the 2021 estimate, Parking Management costs are budgeted to increase \$1.3 million or 32.0% in 2022. This is driven by a request to the parking management company for increased coverage, in light of the 2022 passenger enplanement forecast. The management company will adjust staffing based on actual demand. The budgeted increase assumes the Quick Ride Ramp will remain closed during 2022.

### SERVICE AGREEMENTS

Service Agreements are projected to increase \$2.4 million or 19.8% over the 2021 estimate. The loading dock contract at MSP is expected to increase \$105,000 to bolster staffing levels to adequately serve growing passenger levels.

Several notable new agreements are listed below.

- Data analytics and optimization (\$200,000)
- Business management (\$60,000)
- Digital network architecture (\$50,000)
- Additional miscellaneous new agreements (\$300,000)

Wherever possible in 2021, technology-related service levels and associated costs were reduced. These will increase in 2022 as passenger activity continues to recover and accounts for the remaining increase.

### OPERATING SERVICES – OTHER

The Operating Services – Other budget is projected to increase \$2.1 million or 28.0% from the 2021 estimate.

Approximately one-third of the increased budget is attributable to the Airports Council International-North American (ACI-NA) conference for which MSP is the 2022 host. Other area events for which the MAC will incur additional expenses add \$202,000 to the budget. These events include the NCAA Women's Final Four tournament, Reliever Airport events, Customer Service Action Council programs, and various other events.

As passenger traffic increases, customer experience services including porter, queue line and other services are budgeted to increase \$625,000 over 2021 estimates.

At the onset of the pandemic, the MAC paused several recognition and wellness programs. Some are slated to return in 2022 and will increase the budget \$116,000 over 2021 estimates.

## OPERATING BUDGET EXPENSE

An additional \$260,000 is included in the budget related to Environmental care. The increase is due in part to the projected passenger and aircraft traffic. Additionally, replacement of some materials was delayed in 2021 due to the pandemic. As replacements and repairs occur in 2022, disposal will increase.

Emergency response costs will increase \$63,000 in 2022, largely due to a program to replace the fire retardant used by the Airport Rescue and Firefighting department. This will be the first of a three-year program to replace the entire supply.

The remaining Operating Services – Other increase is made up of advertising programs, miscellaneous services and fees, which will increase in relation to passenger activity levels.

**MAINTENANCE**

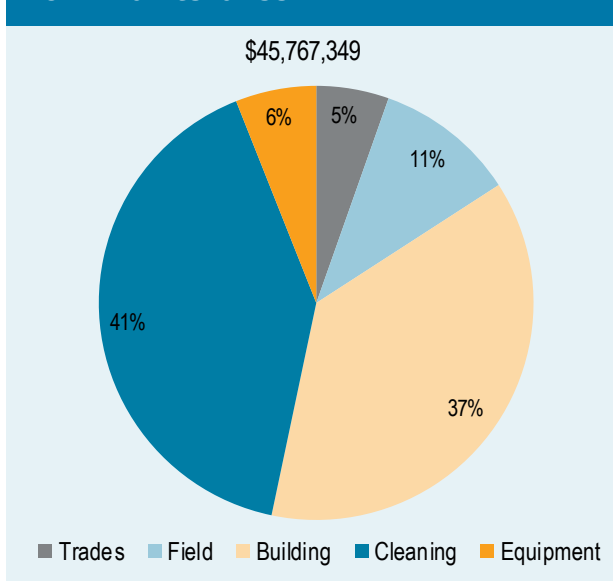
The Maintenance budget includes a \$7.4 million or 19.2% increase over the 2021 estimate. The following chart lists the major components in this category.

**Maintenance ►►►**

(\$=000)

2022 Budget vs 2021 Estimate

	2020 Actual	2021 Budget	2021 Estimate	2022 Budget	Dollar Change	% Change
<b>Trades</b>	\$2,205	\$2,226	\$1,870	\$2,475	\$605	32.3%
<b>Field</b>	4,985	4,751	4,056	4,786	731	18.0%
<b>Building</b>	15,148	15,400	14,385	17,134	2,749	19.1%
<b>Cleaning</b>	13,265	16,469	15,975	18,625	2,650	16.6%
<b>Equipment</b>	2,045	2,613	2,094	2,748	654	31.2%
<b>Total Maintenance</b>	<b>\$37,647</b>	<b>\$41,458</b>	<b>\$38,380</b>	<b>\$45,767</b>	<b>\$7,387</b>	<b>19.2%</b>

**2022 Maintenance ►►►**

The pie chart to the left shows the distribution of Maintenance expenses in the 2022 budget. Building and Cleaning maintenance together make up 78% of the Maintenance budget.

**TRADES**

The projected \$605,000 or 32.3% increase in Trades expenses over the 2021 estimate is driven by several notable projects.

- Electrical parts and materials (\$249,000)
- Fire protection systems upgrade (\$75,000)
- Landside and airside painting (\$50,000)
- High-traffic carpet replacement (\$43,000)
- Runway paint upgrades (\$29,000)

The remaining increase will cover additional repair and replacement of hardware, seating, tug doors and other MAC-owned equipment throughout Terminal 1, Terminal 2 and the Reliever Airports.

## OPERATING BUDGET EXPENSE



*Cleaning and Sanitizing Protocols have Increased Throughout the Entire Airport Experience*

scheduled. These increases are partially offset by reductions in supplies kept on hand and special 2021 projects that are not part of the 2022 budget.

## CLEANING

The 2022 Cleaning budget is increasing \$2.7 million or 16.6% compared to the 2021 estimate. More than half of this increase is the result of \$1.5 million in additional janitorial services. The added cleaning is necessary for facilities and terminal areas that will reopen or extend open hours as passenger activity increases in 2022. Also included in the janitorial increases are funds for new or expanded facilities.

## FIELD

Budgeted Field costs increase \$731,000 or 18.0% over 2021 estimates. Airfield maintenance costs continue to be limited to essential expenses to maintain a safe and secure airfield. The increase is due to a rise in material prices, such as tar and concrete, and equipment rental rate increases for winter and summer maintenance.

Window cleaning will increase \$540,000, as it was reduced during the early stages of the pandemic as a cost-saving measure. The remaining increase is the result of higher costs for restroom supplies, rubbish disposal and recycling disposal.

## BUILDING

A \$2.8 million or 19.1% increase is projected for Building maintenance costs. The temperature control contract increase is \$345,000, atheresult of the system growing by more than 50% in the last five years.

## EQUIPMENT

Equipment costs are budgeted to increase \$654,000 or 31.2% over 2021 estimates. Rises in the price of parts, supplies and fuel contribute significantly to the increase. Parts for additional duct filtering, police special equipment and equipment repairs throughout all MAC-owned facilities are the remaining factors.

Mechanical area expenses will increase by \$1.3 million for people movers. Several new units will come online, and contractual increases are

## OTHER

The Other expense category is projected to increase \$2.1 million or 53.8%. The table below identifies the changes in this category.

## Other ►►►

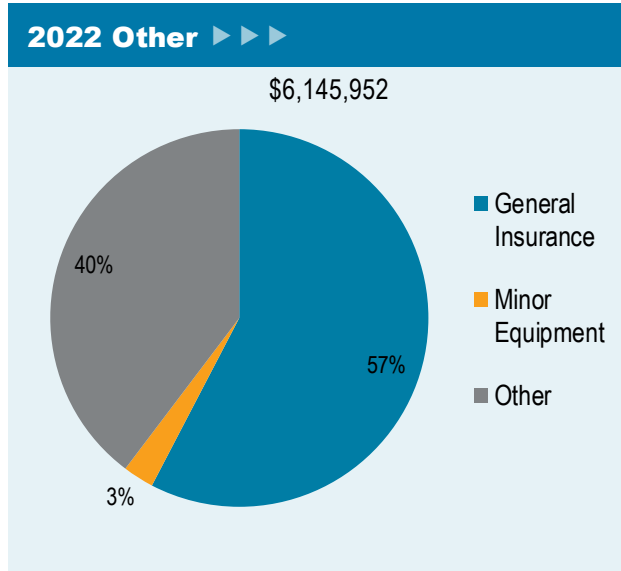
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2022 Budget vs 2021 Estimate

	2020 Actual	2021 Budget	2021 Estimate	2022 Budget	Dollar Change	% Change
General Insurance	1,809	2,790	3,087	3,543	456	14.8%
Minor Equipment	281	195	94	163	69	73.5%
Other	1,937	655	814	2,440	1,626	199.8%
<b>Total Other</b>	<b>\$4,027</b>	<b>\$3,639</b>	<b>\$3,995</b>	<b>\$6,146</b>	<b>\$2,151</b>	<b>53.8%</b>

## OPERATING BUDGET EXPENSE

As illustrated in the pie chart, General Insurance expenses make up more than half of Other expenses in the 2022 budget.



### GENERAL INSURANCE

General Insurance is expected to increase \$456,000 or 14.8% over the 2021 estimate. The increase is directly attributable to higher insurance rates, which increased across the board. MAC purchases liability, property, crime, auto, equipment and a number of other insurance products.

### MINOR EQUIPMENT

Minor equipment is equipment that is less than \$10,000. It is projected to increase \$69,000 or 73.5% from the 2021 estimate. Service centers continued to budget only for essential minor equipment. The increase is due to necessary purchases of tools, office furniture, radios and miscellaneous items. This is offset by a decrease in computer purchases.

### OTHER

The Other category consists of expenses for safety, medical and other equipment, license fees and other miscellaneous expenses. The 2022 budget is projected to increase \$1.6 million or 199.8% over the 2021 estimate. Discretionary spending and non-critical projects remain on hold due to COVID-19. The main driver of the budget variance is a \$1.4 million increase for air service incentives. These are an integral part of MAC's strategy to retain and grow air service. This is particularly important as aviation activity grows after the sharp decrease in response to the pandemic. The remaining increase is driven by contractual increases, safety supplies, licensing and other miscellaneous costs.



*MAC Continues to Attract New Air Service to Meet the Needs of the Traveling Public.*



## OPERATING BUDGET EXPENSE

**2022 Budget Expenses by Subledger ►►►**

	Terminal 1	Terminal 1 IAF	EMC	Ramp Fees
<b>PERSONNEL</b>				
Wages	\$ 838,089	\$ -	\$ 1,977,180	\$ -
Benefits	531,433	-	1,054,369	-
<b>TOTAL PERSONNEL</b>	<b>\$ 1,369,522</b>	<b>\$ -</b>	<b>\$ 3,031,550</b>	<b>\$ -</b>
<b>ADMINISTRATIVE EXPENSES</b>				
Supplies	7,500	-	1,763	-
Travel	425	-	-	-
Other Administrative Expense	950	-	-	-
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>\$ 8,875</b>	<b>\$ -</b>	<b>\$ 1,763</b>	<b>\$ -</b>
<b>PROFESSIONAL SERVICES</b>				
Accounting/Audit Fees	-	-	-	-
Appraisals	-	-	-	-
RFP/Leases	-	-	-	-
Concept Development/Feasibility	-	-	-	-
Computer Services	-	-	-	-
Engineering Fees	-	-	40,000	-
Graphic Design	-	-	-	-
Insurance Consultants	-	-	-	-
Legal Fees	-	-	-	-
Legislative	-	-	-	-
Medical Fees	-	-	-	-
Planning	-	-	-	-
Pollution/Environmental Fees	-	-	-	-
Public Information	-	-	-	-
Recruiting Expenses	-	-	-	-
Safety Consultants	-	-	-	-
Communications Consultant	-	-	-	-
Miscellaneous Expenses	260,972	-	-	-
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>\$ 260,972</b>	<b>\$ -</b>	<b>\$ 40,000</b>	<b>\$ -</b>
<b>UTILITIES</b>				
Electricity	9,660,778	-	-	-
Heating Fuel	267,830	-	1,989,231	-
Sewer	335,415	-	60,404	-
Water	360,334	-	133,035	-
Telephone	5,500	-	18,524	-
<b>TOTAL UTILITIES</b>	<b>\$ 10,629,857</b>	<b>\$ -</b>	<b>\$ 2,201,194</b>	<b>\$ -</b>



## OPERATING BUDGET EXPENSE

**2022 Budget Expenses by Subledger ►►►**

	Terminal 1	Terminal 1 IAF	EMC	Ramp Fees
<b>OPERATING SERVICES/ EXPENSES</b>				
Advertising	\$ -	\$ -	\$ -	\$ -
Environmental Control	-	-	600	-
GISW Management	-	-	-	-
Grd Transportation Services	-	-	-	-
Shuttle Services	270,300	-	-	-
Parking Lots	-	-	-	-
Met Council Fees	-	-	-	-
Employee Programs	-	-	-	-
Conference Center	-	-	-	-
Events & Exercises	25,000	-	-	-
Other Charges/Fees	2,433,724	-	-	-
Service Agreements	3,889,580	123,000	-	-
<b>TOTAL OPERATING SERVICES/EXPENSES</b>	<b>\$ 6,618,604</b>	<b>\$ 123,000</b>	<b>\$ 600</b>	<b>\$ -</b>
<b>MAINTENANCE</b>				
Trades - Painters	15,500	-	1,000	-
Trades - Carpenters	176,545	-	-	-
Trades - Plumbers	143,500	-	5,850	-
Trades - Electricians	475,000	-	17,000	-
Maintenance - Field	-	-	-	99,000
Maintenance Building	11,022,008	7,500	254,000	-
Maintenance-Cleaning	13,414,369	237,602	-	-
Maintenance-Equipment	168,000	1,800	294,152	-
<b>TOTAL MAINTENANCE</b>	<b>\$ 25,414,922</b>	<b>\$ 246,902</b>	<b>\$ 572,002</b>	<b>\$ 99,000</b>
<b>OTHER</b>				
General Insurance	1,061,087	-	156,848	100,996
Safety	2,000	-	3,500	-
Medical Information/Supply	250	-	83	-
Rentals	-	-	-	-
Licenses/Permits	-	-	1,072	-
Miscellaneous Expenses	-	14,750	-	-
Capital Assets	3,000	-	-	-
<b>TOTAL OTHER</b>	<b>\$ 1,066,337</b>	<b>\$ 14,750</b>	<b>\$ 161,503</b>	<b>\$ 100,996</b>
<b>GRAND TOTAL</b>	<b>\$ 45,369,089</b>	<b>\$ 384,652</b>	<b>\$ 6,008,612</b>	<b>\$ 199,996</b>

## OPERATING BUDGET EXPENSE

**2022 Budget Expenses by Subledger ►►►**

	Field & Runways	Control Tower	Terminal Roads/Landside	Parking Facilities
<b>PERSONNEL</b>				
Wages	\$ 1,499,866	\$ -	\$ 2,580,741	\$ -
Benefits	166,044	-	1,123,966	-
<b>TOTAL PERSONNEL</b>	<b>\$ 1,665,910</b>	<b>\$ -</b>	<b>\$ 3,704,707</b>	<b>\$ -</b>
<b>ADMINISTRATIVE EXPENSES</b>				
Supplies	5,000	-	10,500	-
Travel	-	-	800	-
Other Administrative Expense	4,275	-	13,700	-
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>\$ 9,275</b>	<b>\$ -</b>	<b>\$ 25,000</b>	<b>\$ -</b>
<b>PROFESSIONAL SERVICES</b>				
Accounting/Audit Fees	-	-	-	-
Appraisals	-	-	-	-
RFP/Leases	-	-	-	-
Concept Development/Feasibility	-	-	-	-
Computer Services	-	-	-	-
Engineering Fees	495,000	-	-	-
Graphic Design	-	-	-	-
Insurance Consultants	-	-	-	-
Legal Fees	-	-	-	-
Legislative	-	-	-	-
Medical Fees	-	-	-	-
Planning	-	-	-	-
Pollution/Environmental Fees	-	-	-	-
Public Information	-	-	-	-
Recruiting Expenses	-	-	-	-
Safety Consultants	-	-	-	-
Communications Consultant	-	-	-	-
Miscellaneous Expenses	60,000	-	-	120,000
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>\$ 555,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 120,000</b>
<b>UTILITIES</b>				
Electricity	254,220	-	194,613	683,285
Heating Fuel	52,497	14,401	65,481	20,186
Sewer	48,421	-	9,636	10,729
Water	15,847	-	9,799	7,381
Telephone	16,800	-	6,600	-
<b>TOTAL UTILITIES</b>	<b>\$ 387,785</b>	<b>\$ 14,401</b>	<b>\$ 286,129</b>	<b>\$ 721,581</b>

## OPERATING BUDGET EXPENSE

**2022 Budget Expenses by Subledger ►►►**

	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>OPERATING SERVICES/ EXPENSES</b>				
Advertising	\$ -	\$ -	\$ -	\$ -
Environmental Control	20,000	-	-	-
GISW Management	1,800,000	-	-	-
Grd Transportation Services	-	-	24,000	-
Shuttle Services	-	-	259,700	456,000
Parking Lots	-	-	-	5,276,870
Met Council Fees	300,000	-	-	-
Employee Programs	-	-	-	-
Conference Center	-	-	-	-
Events & Exercises	500	-	-	-
Other Charges/Fees	1,022,988	-	10,000	434,201
Service Agreements	202,450	-	493,321	921,587
<b>TOTAL OPERATING SERVICES/EXPENSES</b>	<b>\$ 3,345,938</b>	<b>\$ -</b>	<b>\$ 787,021</b>	<b>\$ 7,088,658</b>
<b>MAINTENANCE</b>				
Trades - Painters	325,000	-	-	-
Trades - Carpenters	-	-	-	-
Trades - Plumbers	4,150	-	1,425	-
Trades - Electricians	398,000	-	5,000	172,777
Maintenance - Field	1,268,680	-	156,500	953,800
Maintenance Building	43,720	-	1,626,956	534,599
Maintenance-Cleaning	49,111	-	310,392	606,235
Maintenance-Equipment	-	-	38,537	34,280
<b>TOTAL MAINTENANCE</b>	<b>\$ 2,088,661</b>	<b>\$ -</b>	<b>\$ 2,138,810</b>	<b>\$ 2,301,691</b>
<b>OTHER</b>				
General Insurance	170,151	-	58,752	204,705
Safety	6,000	-	-	-
Medical Information/Supply	750	-	-	-
Rentals	-	-	-	-
Licenses/Permits	9,000	-	-	-
Miscellaneous Expenses	24,000	-	-	-
Capital Assets	-	-	-	-
<b>TOTAL OTHER</b>	<b>\$ 209,901</b>	<b>\$ -</b>	<b>\$ 58,752</b>	<b>\$ 204,705</b>
<b>GRAND TOTAL</b>	<b>\$ 8,262,470</b>	<b>\$ 14,401</b>	<b>\$ 7,000,419</b>	<b>\$ 10,436,635</b>

## OPERATING BUDGET EXPENSE

**2022 Budget Expenses by Subledger ►►►**

	Cargo Area	Terminal 2	Public Area/ Roads	Hangars & Other Buildings
<b>PERSONNEL</b>				
Wages	\$ -	\$ 781,949	\$ -	\$ -
Benefits	-	251,552	-	-
<b>TOTAL PERSONNEL</b>	<b>\$ -</b>	<b>\$ 1,033,501</b>	<b>\$ -</b>	<b>\$ -</b>
<b>ADMINISTRATIVE EXPENSES</b>				
Supplies	-	2,500	-	-
Travel	-	7,925	-	-
Other Administrative Expense	-	550	-	-
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>\$ -</b>	<b>\$ 10,975</b>	<b>\$ -</b>	<b>\$ -</b>
<b>PROFESSIONAL SERVICES</b>				
Accounting/Audit Fees	-	-	-	-
Appraisals	-	-	-	-
RFP/Leases	-	-	-	-
Concept Development/Feasibility	-	-	-	-
Computer Services	-	-	-	-
Engineering Fees	-	-	60,000	-
Graphic Design	-	-	-	-
Insurance Consultants	-	-	-	-
Legal Fees	-	-	-	-
Legislative	-	-	-	-
Medical Fees	-	-	-	-
Planning	-	-	-	-
Pollution/Environmental Fees	-	-	-	-
Public Information	-	-	-	-
Recruiting Expenses	-	-	-	-
Safety Consultants	-	-	-	-
Communications Consultant	-	-	-	-
Miscellaneous Expenses	-	24,761	-	-
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>\$ -</b>	<b>\$ 24,761</b>	<b>\$ 60,000</b>	<b>\$ -</b>
<b>UTILITIES</b>				
Electricity	210,773	1,579,109	350,281	414,213
Heating Fuel	199,759	428,437	34,623	73,845
Sewer	13,223	-	923,669	936
Water	2,706	126,039	592,923	5,151
Telephone	-	2,280	-	-
<b>TOTAL UTILITIES</b>	<b>\$ 426,461</b>	<b>\$ 2,135,865</b>	<b>\$ 1,901,496</b>	<b>\$ 494,145</b>

## OPERATING BUDGET EXPENSE

**2022 Budget Expenses by Subledger ►►►**

	Cargo Area	Terminal 2	Public Area/ Roads	Hangars & Other Buildings
<b>OPERATING SERVICES/ EXPENSES</b>				
Advertising	\$ -	\$ -	\$ -	\$ -
Environmental Control	-	-	33,000	-
GISW Management	-	-	-	-
Grd Transportation Services	-	-	-	-
Shuttle Services	-	-	-	-
Parking Lots	-	-	-	-
Met Council Fees	-	-	-	-
Employee Programs	-	-	-	-
Conference Center	-	-	-	-
Events & Exercises	-	-	-	-
Other Charges/Fees	-	1,342,941	-	-
Service Agreements	-	1,005,648	-	-
<b>TOTAL OPERATING SERVICES/EXPENSES</b>	<b>\$ -</b>	<b>\$ 2,348,589</b>	<b>\$ 33,000</b>	<b>\$ -</b>
<b>MAINTENANCE</b>				
Trades - Painters	-	2,000	-	-
Trades - Carpenters	-	46,963	-	-
Trades - Plumbers	-	33,700	1,100	22,950
Trades - Electricians	-	92,000	30,000	26,704
Maintenance - Field	50,500	23,500	82,200	-
Maintenance Building	89,583	2,040,137	-	75,083
Maintenance-Cleaning	5,439	2,570,080	-	100,632
Maintenance-Equipment	-	33,300	-	9,600
<b>TOTAL MAINTENANCE</b>	<b>\$ 145,522</b>	<b>\$ 4,841,680</b>	<b>\$ 113,300</b>	<b>\$ 234,969</b>
<b>OTHER</b>				
General Insurance	-	103,649	57,977	52,872
Safety	-	-	-	-
Medical Information/Supply	-	-	-	-
Rentals	-	-	-	-
Licenses/Permits	-	-	-	-
Miscellaneous Expenses	-	12,500	-	-
Capital Assets	-	2,600	-	-
<b>TOTAL OTHER</b>	<b>\$ -</b>	<b>\$ 118,749</b>	<b>\$ 57,977</b>	<b>\$ 52,872</b>
<b>GRAND TOTAL</b>	<b>\$ 571,983</b>	<b>\$ 10,514,120</b>	<b>\$ 2,165,773</b>	<b>\$ 781,986</b>

## OPERATING BUDGET EXPENSE

**2022 Budget Expenses by Subledger ►►►**

	Maintenance Employees	Equipment Maintenance	Inventory/ Trades	Concourses A-D
<b>PERSONNEL</b>				
Wages	\$ 15,491,574	\$ -	\$ -	\$ -
Benefits	8,166,510	-	4,336	-
<b>TOTAL PERSONNEL</b>	<b>\$ 23,658,084</b>	<b>\$ -</b>	<b>\$ 4,336</b>	<b>\$ -</b>
<b>ADMINISTRATIVE EXPENSES</b>				
Supplies	-	1,000	4,500	-
Travel	-	-	-	-
Other Administrative Expense	-	-	1,200	-
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>\$ -</b>	<b>\$ 1,000</b>	<b>\$ 5,700</b>	<b>\$ -</b>
<b>PROFESSIONAL SERVICES</b>				
Accounting/Audit Fees	-	-	-	-
Appraisals	-	-	-	-
RFP/Leases	-	-	-	-
Concept Development/Feasibility	-	-	-	-
Computer Services	-	-	-	-
Engineering Fees	-	-	-	-
Graphic Design	-	-	-	-
Insurance Consultants	-	-	-	-
Legal Fees	-	-	-	-
Legislative	-	-	-	-
Medical Fees	-	-	-	-
Planning	-	-	-	-
Pollution/Environmental Fees	-	-	-	-
Public Information	-	-	-	-
Recruiting Expenses	-	-	-	-
Safety Consultants	-	-	-	-
Communications Consultant	-	-	-	-
Miscellaneous Expenses	10,000	-	345,000	-
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>\$ 10,000</b>	<b>\$ -</b>	<b>\$ 345,000</b>	<b>\$ -</b>
<b>UTILITIES</b>				
Electricity	-	-	380,656	-
Heating Fuel	-	-	167,093	-
Sewer	-	-	11,194	-
Water	-	-	14,874	-
Telephone	11,320	-	34,200	-
<b>TOTAL UTILITIES</b>	<b>\$ 11,320</b>	<b>\$ -</b>	<b>\$ 608,017</b>	<b>\$ -</b>



## OPERATING BUDGET EXPENSE

**2022 Budget Expenses by Subledger ►►►**

	Maintenance Employees	Equipment Maintenance	Inventory/ Trades	Concourses A-D
<b>OPERATING SERVICES/ EXPENSES</b>				
Advertising	\$ -	\$ -	\$ -	\$ -
Environmental Control	-	18,500	14,500	-
GISW Management	-	-	-	-
Grd Transportation Services	-	-	-	-
Shuttle Services	-	-	-	-
Parking Lots	-	-	-	-
Met Council Fees	-	-	-	-
Employee Programs	-	-	-	-
Conference Center	-	-	-	-
Events & Exercises	-	-	-	-
Other Charges/Fees	-	-	-	-
Service Agreements	2,500	21,000	58,000	-
<b>TOTAL OPERATING SERVICES/EXPENSES</b>	<b>\$ 2,500</b>	<b>\$ 39,500</b>	<b>\$ 72,500</b>	<b>\$ -</b>
<b>MAINTENANCE</b>				
Trades - Painters	-	-	40,450	-
Trades - Carpenters	-	-	63,668	-
Trades - Plumbers	-	3,500	49,000	-
Trades - Electricians	-	-	35,000	-
Maintenance - Field	-	1,983,962	-	-
Maintenance Building	-	17,000	111,870	-
Maintenance-Cleaning	-	2,000	8,701	-
Maintenance-Equipment	-	1,304,748	75,900	-
<b>TOTAL MAINTENANCE</b>	<b>\$ -</b>	<b>\$ 3,311,210</b>	<b>\$ 384,589</b>	<b>\$ -</b>
<b>OTHER</b>				
General Insurance	-	326,617	17,335	-
Safety	23,000	6,000	19,500	-
Medical Information/Supply	-	-	-	-
Rentals	-	-	20,000	-
Licenses/Permits	425	7,400	-	-
Miscellaneous Expenses	-	54,069	-	-
Capital Assets	-	12,150	29,894	-
<b>TOTAL OTHER</b>	<b>\$ 23,425</b>	<b>\$ 406,236</b>	<b>\$ 86,729</b>	<b>\$ -</b>
<b>GRAND TOTAL</b>	<b>\$ 23,705,329</b>	<b>\$ 3,757,946</b>	<b>\$ 1,506,871</b>	<b>\$ -</b>

## OPERATING BUDGET EXPENSE

**2022 Budget Expenses by Subledger ►►►**

	Police	Fire	Administration	Building Official
<b>PERSONNEL</b>				
Wages	\$ 13,747,482	\$ 5,761,559	\$ 17,143,499	\$ 1,017,423
Benefits	6,900,336	2,790,058	7,232,694	353,115
<b>TOTAL PERSONNEL</b>	<b>\$ 20,647,819</b>	<b>\$ 8,551,618</b>	<b>\$ 24,376,193</b>	<b>\$ 1,370,538</b>
<b>ADMINISTRATIVE EXPENSES</b>				
Supplies	119,239	2,000	97,504	3,300
Travel	41,625	5,710	207,996	13,360
Other Administrative Expense	23,885	4,300	731,630	1,975
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>\$ 184,749</b>	<b>\$ 12,010</b>	<b>\$ 1,037,130</b>	<b>\$ 18,635</b>
<b>PROFESSIONAL SERVICES</b>				
Accounting/Audit Fees	-	-	239,200	-
Appraisals	-	-	105,000	-
RFP/Leases	-	-	-	17,500
Concept Development/Feasibility	-	-	55,000	-
Computer Services	-	-	850,000	-
Engineering Fees	-	95,000	-	-
Graphic Design	-	-	15,000	-
Insurance Consultants	-	-	348,000	-
Legal Fees	-	-	520,000	-
Legislative	-	-	219,000	-
Medical Fees	74,875	10,000	87,500	-
Planning	-	-	30,000	-
Pollution/Environmental Fees	-	-	-	-
Public Information	-	-	496,936	-
Recruiting Expenses	-	-	136,000	-
Safety Consultants	-	-	45,750	-
Communications Consultant	-	-	2,000	-
Miscellaneous Expenses	-	-	1,720,381	-
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>\$ 74,875</b>	<b>\$ 105,000</b>	<b>\$ 4,869,767</b>	<b>\$ 17,500</b>
<b>UTILITIES</b>				
Electricity	-	143,025	303,832	-
Heating Fuel	-	59,626	52,749	-
Sewer	-	1,946	1,995	-
Water	-	7,085	4,169	-
Telephone	81,851	16,800	465,481	6,036
<b>TOTAL UTILITIES</b>	<b>\$ 81,851</b>	<b>\$ 228,482</b>	<b>\$ 828,226</b>	<b>\$ 6,036</b>

## OPERATING BUDGET EXPENSE

**2022 Budget Expenses by Subledger ►►►**

	Police	Fire	Administration	Building Official
<b>OPERATING SERVICES/ EXPENSES</b>				
Advertising	\$ -	\$ -	\$ 187,020	\$ 3,500
Environmental Control	-	155,000	48,000	-
GISW Management	-	-	50,000	-
Grd Transportation Services	-	-	-	-
Shuttle Services	-	-	-	-
Parking Lots	-	-	-	-
Met Council Fees	-	-	-	-
Employee Programs	-	500	123,400	-
Conference Center	-	-	-	20,000
Events & Exercises	-	-	1,034,927	-
Other Charges/Fees	71,450	-	960,367	919,927
Service Agreements	522,828	48,137	6,188,984	3,000
<b>TOTAL OPERATING SERVICES/EXPENSES</b>	<b>\$ 594,278</b>	<b>\$ 203,637</b>	<b>\$ 8,592,698</b>	<b>\$ 946,427</b>
<b>MAINTENANCE</b>				
Trades - Painters	-	-	-	-
Trades - Carpenters	-	-	1,000	-
Trades - Plumbers	-	21,000	4,100	-
Trades - Electricians	-	26,000	31,500	-
Maintenance - Field	7,500	-	-	-
Maintenance Building	-	20,742	10,742	1,147,091
Maintenance-Cleaning	-	80,811	23,480	1,032,833
Maintenance-Equipment	197,805	81,319	38,932	-
<b>TOTAL MAINTENANCE</b>	<b>\$ 205,305</b>	<b>\$ 229,872</b>	<b>\$ 109,754</b>	<b>\$ 2,179,924</b>
<b>OTHER</b>				
General Insurance	356,252	264,806	181,909	-
Safety	20,000	-	10,000	-
Medical Information/Supply	3,000	5,000	-	-
Rentals	-	-	7,000	-
Licenses/Permits	-	-	-	650
Miscellaneous Expenses	212,352	40,000	500	1,886,047
Capital Assets	44,116	49,520	2,000	500
<b>TOTAL OTHER</b>	<b>\$ 635,720</b>	<b>\$ 359,326</b>	<b>\$ 201,409</b>	<b>\$ 1,887,197</b>
<b>GRAND TOTAL</b>	<b>\$ 22,424,597</b>	<b>\$ 9,689,945</b>	<b>\$ 40,015,177</b>	<b>\$ 6,426,257</b>

## OPERATING BUDGET EXPENSE

**2022 Budget Expenses by Subledger ►►►**

	Communication/ Operations	Noise & Environment	Total Reliever Airports	TOTAL
<b>PERSONNEL</b>				
Wages	\$ 3,563,672	\$ 890,956	\$ 3,186,876	\$ 68,480,868
Benefits	1,719,694	491,933	1,412,617	32,198,657
<b>TOTAL PERSONNEL</b>	<b>\$ 5,283,366</b>	<b>\$ 1,382,888</b>	<b>\$ 4,599,493</b>	<b>\$ 100,679,525</b>
<b>ADMINISTRATIVE EXPENSES</b>				
Supplies	26,050	4,350	11,800	297,006
Travel	12,487	300	17,935	308,563
Other Administrative Expense	29,310	29,892	17,749	859,416
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>\$ 67,847</b>	<b>\$ 34,542</b>	<b>\$ 47,484</b>	<b>\$ 1,464,985</b>
<b>PROFESSIONAL SERVICES</b>				
Accounting/Audit Fees	-	-	-	239,200
Appraisals	-	-	-	105,000
RFP/Leases	-	-	-	17,500
Concept Development/Feasibility	-	-	-	55,000
Computer Services	-	-	-	850,000
Engineering Fees	-	73,000	133,000	896,000
Graphic Design	-	-	-	15,000
Insurance Consultants	-	-	-	348,000
Legal Fees	-	95,000	65,000	680,000
Legislative	-	-	-	219,000
Medical Fees	-	-	-	172,375
Planning	-	-	90,000	120,000
Pollution/Environmental Fees	-	1,500	18,500	20,000
Public Information	-	-	-	496,936
Recruiting Expenses	-	-	-	136,000
Safety Consultants	-	-	-	45,750
Communications Consultant	-	-	-	2,000
Miscellaneous Expenses	102,928	143,000	187,314	2,974,356
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>\$ 102,928</b>	<b>\$ 312,500</b>	<b>\$ 493,814</b>	<b>\$ 7,392,117</b>
<b>UTILITIES</b>				
Electricity	-	2,184	300,116	14,477,085
Heating Fuel	-	-	134,644	3,560,402
Sewer	-	-	37,820	1,455,388
Water	-	-	5,097	1,284,440
Telephone	27,090	27,100	22,022	741,604
<b>TOTAL UTILITIES</b>	<b>\$ 27,090</b>	<b>\$ 29,284</b>	<b>\$ 499,699</b>	<b>\$ 21,518,919</b>

## OPERATING BUDGET EXPENSE

**2022 Budget Expenses by Subledger ►►►**

	Communication/ Operations	Noise & Environment	Total Reliever Airports	TOTAL
<b>OPERATING SERVICES/ EXPENSES</b>				
Advertising	\$ -	\$ -	\$ -	\$ 190,520
Environmental Control	-	3,000	26,800	319,400
GISW Management	-	35,000	-	1,885,000
Grd Transportation Services	-	-	-	24,000
Shuttle Services	-	-	-	986,000
Parking Lots	-	-	-	5,276,870
Met Council Fees	-	-	-	300,000
Employee Programs	-	-	-	123,900
Conference Center	-	-	-	20,000
Events & Exercises	1,400	-	5,300	1,067,127
Other Charges/Fees	2,000	-	258,200	7,455,798
Service Agreements	504,680	364,703	6,300	14,355,718
<b>TOTAL OPERATING SERVICES/EXPENSES</b>	<b>\$ 508,080</b>	<b>\$ 402,703</b>	<b>\$ 296,600</b>	<b>\$ 32,004,333</b>
<b>MAINTENANCE</b>				
Trades - Painters	-	-	9,015	392,965
Trades - Carpenters	-	-	59,251	347,427
Trades - Plumbers	-	-	19,725	310,000
Trades - Electricians	-	-	115,500	1,424,481
Maintenance - Field	-	-	160,673	4,786,315
Maintenance Building	-	-	132,575	17,133,606
Maintenance-Cleaning	21,565	-	161,490	18,624,740
Maintenance-Equipment	46,473	1,567	421,402	2,747,815
<b>TOTAL MAINTENANCE</b>	<b>\$ 68,038</b>	<b>\$ 1,567</b>	<b>\$ 1,079,631</b>	<b>\$ 45,767,349</b>
<b>OTHER</b>				
General Insurance	15,466	11,052	402,527	3,543,001
Safety	4,500	-	3,070	97,570
Medical Information/Supply	-	-	476	9,559
Rentals	-	-	-	27,000
Licenses/Permits	-	9,000	4,985	32,532
Miscellaneous Expenses	15,000	-	13,914	2,273,132
Capital Assets	19,378	-	-	163,158
<b>TOTAL OTHER</b>	<b>\$ 54,344</b>	<b>\$ 20,052</b>	<b>\$ 424,972</b>	<b>\$ 6,145,952</b>
<b>GRAND TOTAL</b>	<b>\$ 6,111,693</b>	<b>\$ 2,183,536</b>	<b>\$ 7,441,693</b>	<b>\$ 214,973,180</b>

# 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 (CIP) 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 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 to 40 years

## Moveable equipment:

3 to 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 CIP expenditures, a monthly report of all final payments, including any change orders, are reviewed and approved by the Commission.

## CAPITAL EQUIPMENT & TECHNOLOGY PROJECTS

### SELECTION PROCESS

The MAC completes its capital requests annually. Requests are made by staff for new or replacement equipment. They are then reviewed by division and MAC leadership. Capital requests are prioritized, first with the goal of maintaining safety and security, followed by effective operations.

Technology requests include a review by the Information Technology (IT) Department. Projects are categorized as either non-discretionary or discretionary projects. Non-discretionary projects meet one or more of the following criteria:

- regulatory or compliance-based
- operational continuity requirements or needs
- 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.

### FUNDING

Capital equipment and technology projects are funded in two ways. First, those pieces of equipment which are chargeable to the tenants and airlines are acquired through notes payable or other equipment financing. The term of those financings is 10 years. The principal and interest associated with those equipment financings are charged based on the appropriate rate outlined in the Airline Use and Lease Agreement, resulting in the recovery of all or a portion of the total financed. The remaining value of capital equipment is funded with funds generated internally.

The 2022 budget includes \$13.0 million for capital equipment and technology projects. Of this, \$2.9 million will be financed, with the remainder funded internally. Compared to the 2021 estimate, total 2022 budgeted Capital Equipment and Technology Projects increased by \$4.6 million or 54.7%.

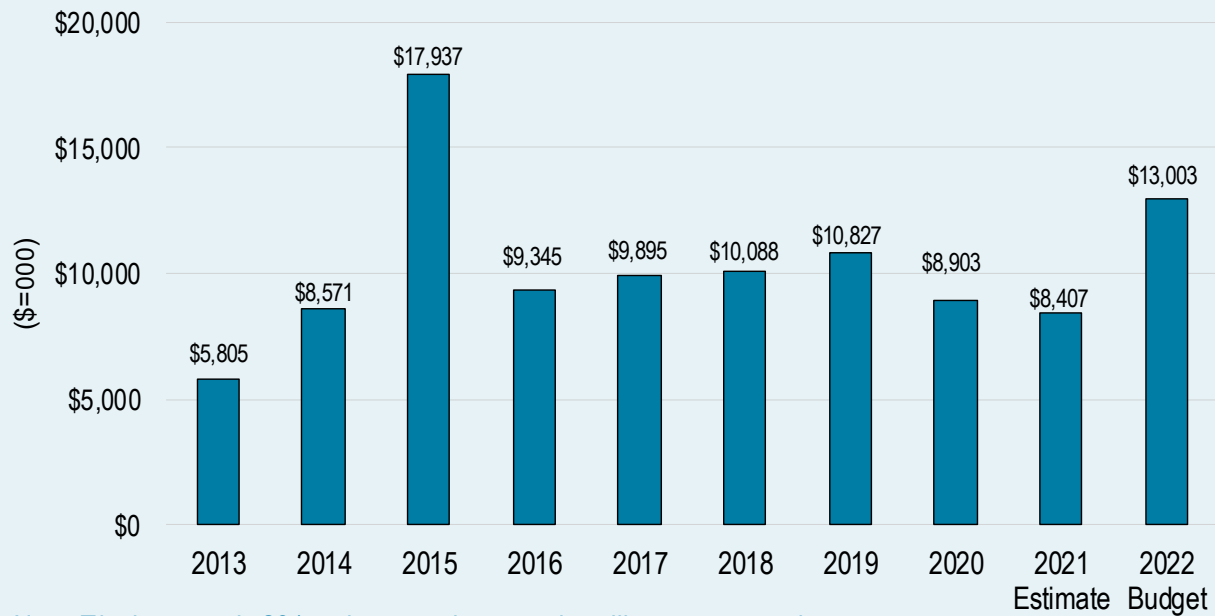


**CONSTRUCTION FUND**
**EQUIPMENT & TECHNOLOGY BUDGET**

The \$4.5 million 2022 capital equipment budget is approximately \$344,000 or 8.2% greater than the 2021 estimate of \$4.2 million. Technology projects in 2022 are budgeted at \$8.5 million, approximately twice the \$4.2 million 2021 estimate for technology projects.

The Technology Refresh project accounts for \$6.4 million, or 75.2% of the technology total. Critical hardware will be replaced throughout MAC systems. A description of all projects and costs is found later in this chapter.

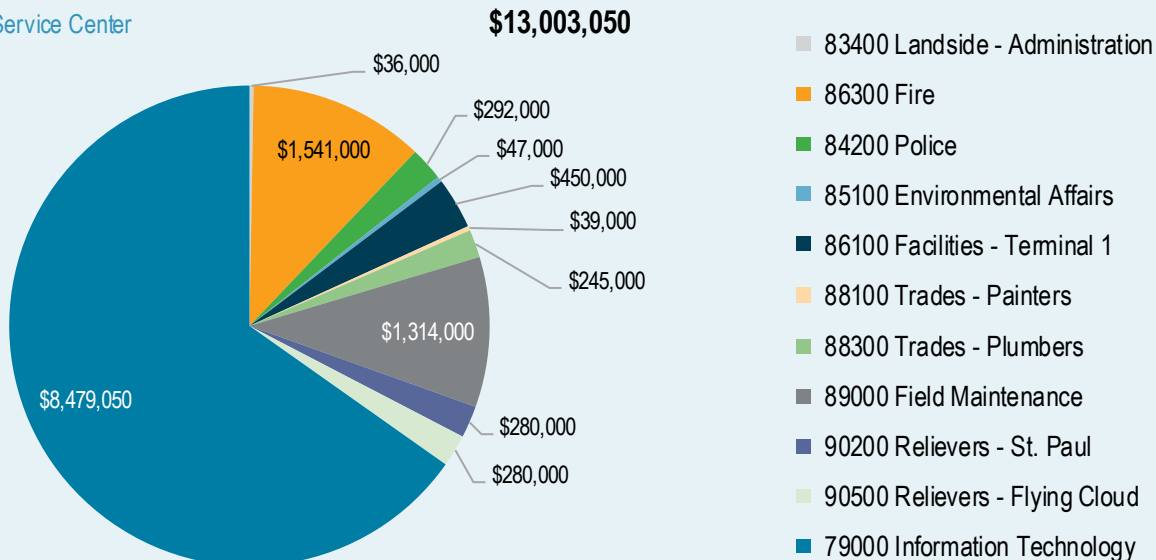
The chart below compares equipment and technology purchases for the past 10 years.

**2022 Capital Equipment & Technology Budget >>>**


Note: The increase in 2015 relates to a baggage handling system purchase.

**2022 Capital Equipment & Technology Projects >>>**

By Service Center



## 2022 Capital Equipment & Technology Projects Report ►►►

	Service Center	Acquisition	Individual Cost	Trade-in Value	Quantity	Total
<b>Capital Equipment Projects</b>						
Landside Pickup Truck	83400	Replacement	\$37,000	\$1,000	1	\$36,000
Airport Rescue and Firefighting Vehicle	86300	Replacement	1,500,000	85,000	1	1,415,000
Staff Vehicles	86300	Replacement	65,000	4,000	2	126,000
K9 Police Vehicles	84200	Replacement	53,000	4,000	2	102,000
Police Vehicles	84200	Replacement	45,000	4,000	2	86,000
Police Vehicles	84200	Replacement	54,000	4,000	2	104,000
Half-Ton Crew Cab Four-Wheel Drive	85100	Replacement	50,000	3,000	1	47,000
Blast Resistant Trash and Recycling Cans	86100	Replacement	500,000	50,000	1	450,000
Half-Ton Quad Cab Truck	88100	Replacement	40,000	1,000	1	39,000
Vactor Truck	88300	Replacement	200,000	0	1	200,000
Van	88300	Replacement	46,000	1,000	1	45,000
Air Conditioner Recovery Unit	89000	New	15,000	n/a	1	15,000
Garbage Truck	89000	Replacement	300,000	40,000	1	260,000
Punch Press	89000	Replacement	18,000	1,000	1	17,000
Rubber Removal/Paint Marking Removal Machine	89000	Replacement	850,000	25,000	1	825,000
Skid Loader Blade/Pusher Attachment	89000	New	22,000	n/a	1	22,000
Small 70-Inch Mower and Broom	89000	Replacement	50,000	12,000	2	88,000
Zero Turn Mowers	89000	Replacement	22,000	1,000	4	87,000
Deice Truck	90200	Replacement	300,000	20,000	1	280,000
Deice Truck	90500	Replacement	300,000	20,000	1	280,000
<b>Subtotal Capital Equipment Projects</b>						<b>\$4,524,000</b>
<b>Technology Projects</b>						
Cybersecurity	79000	New	\$315,000	n/a	1	\$315,000
Enterprise Work Order Maturation	79000	New	655,000	n/a	1	655,000
Regulatory Compliance for Driver's Training	79000	New	200,000	n/a	1	200,000
Technology Functionality Enhancements	79000	New	935,000	n/a	1	935,000
Technology Refresh	79000	New	6,374,050	n/a	1	6,374,050
<b>Subtotal Technology Projects</b>						<b>\$8,479,050</b>
<b>GRAND TOTAL</b>						<b>\$13,003,050</b>

**CONSTRUCTION FUND****CAPITAL EQUIPMENT NARRATIVES****Landside Pickup Truck**

Landside day to day operations require the use of two vehicles. The department currently has two 2008 vehicles with more than 160,000 miles. A new pickup truck will replace one of the vehicles, which has had a number of mechanical issues.

**Airport Rescue and Firefighting Vehicle**

The airport rescue and firefighting vehicle will replace a 2005 Oshkosh striker vehicle. The striker vehicle reached the 12-year life expectancy recommended by the Federal Aviation Administration (FAA). The purchase of the airport rescue and firefighter vehicle was postponed due to COVID-19 related budget cuts. The new vehicle will provide an additional high reach extendable turret device for aircraft responses.

**Staff Vehicles**

These new vehicles will replace a 2011 truck assigned to the Fire Chief and a 2007 truck assigned to the Fire Inspector. Both vehicles are used daily for emergency response and to travel to and from airport business meetings. These vehicles will carry fire and medical equipment and may be used for initial incident command functions.

**K9 Police Vehicles**

These two K9 police vehicles will be outfitted for patrol purposes. They will replace vehicles that are recommended for replacement by the Airport Police Department (APD) and MAC's equipment superintendent. The current vehicles exceed the recommended threshold of 100,000 miles or 13 years of age. These vehicles are reimbursable through the Transportation Security Administration (TSA).

**Police Vehicles**

These police vehicles will be outfitted for patrol purposes. They will replace vehicles that are recommended for replacement by the Airport Police Department (APD) and MAC's equipment superintendent. The current vehicles exceed the recommended threshold of 100,000 miles or 13 years of age.

**Half-Ton Crew Cab Four-Wheel Drive**

Environmental Affairs requires a vehicle for responsibilities both on and off the MSP airfield. The replacement vehicle will be used in spill

response and in oversight of activities with environmental compliance elements. This vehicle will replace a 2007 truck with excessive corrosion that has compromised the vehicle's physical integrity and appearance. The replacement vehicle will improve fuel efficiency and emissions, consistent with the MAC's sustainability goals, and provide passenger safety enhancements.

**Blast Resistant Trash and Recycling Cans**

These replacement blast resistant trash and recycling cans will replace trash cans and recycling cans outside terminal security at MSP. This includes public terminal areas, parking ramps and curbside areas. Other complimentary amenities in the pre-security area, such as ash urns and benches, may also be replaced.

Replacement cans will meet the updated blast mitigation standards of the American Society for Testing and Materials. Blast resistant cans are required per MSP's Airport Security Plan. MAC has approximately 200 legacy blast resistant trash and recycling cans in the public spaces at MSP.

**Half-Ton Quad Cab Truck**

This half-ton truck will replace a 2000 truck currently used by staff. The replacement vehicle will be equipped with a toolbox and lift gate. It will carry four passengers instead of two.

**Vactor Truck**

This one-ton truck with vacuum capabilities will replace the current 1998 truck. The replacement truck will be smaller than the current one, allowing for tight applications in places where the current truck cannot reach.

**Van**

This three-quarter-ton truck will replace a 2000 truck. The replacement vehicle will be equipped with a toolbox and lift gate.

**Air Conditioner Recovery Unit**

This recovery unit is needed for compliance with current air conditioning refrigerant requirements.

**Garbage Truck**

This will replace a high-maintenance vehicle that has reached end-of-life. The new truck will be able to reach smaller spaces.

**Punch Press**

A new punch press will replace malfunctioning equipment with intermittent issues.

**CONSTRUCTION FUND****Rubber Removal/Paint Marking Removal Machine**

The replacement machine will be dual purpose, able to remove rubber and paint markings on the airfield. The updated machine will ensure equipment reliability. Two machines will be traded-in to offset the replacement cost.

**Skid Loader Blade/Pusher Attachment**

This new skid loader attachment will assist with ramp plowing.

**Small 70-Inch Mower and Broom**

These 70-inch mowers with broom attachments will replace older models. The new mowers will be used in both summer for mowing and winter for snow removal operations.

**Zero Turn Mowers**

These zero turn mowers will replace older equipment. They are used for finish mowing around campus.

**Deice Truck**

A deice truck is a critical piece of equipment used to provide a safe landing surface for aircraft. The new truck will replace a 1995 truck that has become inoperable. It will have a tandem axle chassis and 2,000-gallon storage capacity.

**TECHNOLOGY PROJECT NARRATIVES****Cybersecurity**

This project is part of a multi-year plan to mature the cybersecurity program. Components upgraded throughout the plan include end-point security, forensics tools, a Privileged Access Management Tool and a ServiceNow voicemail module.

**Enterprise Work Order Maturation**

This is part of a multi-year project to expand the Part 139 modernization program. This phase includes maintenance management software enhancements, as well as inventory and fleet integration.

**Regulatory Compliance for Driver's Training**

This project enables regulatory compliance for the Non-Movement Area Driver's Training program.

**Technology Functionality Enhancements**

This project will upgrade or enhance existing technology, including Interactive Terminal 1 and Terminal 2 Parking Ramp Call for Assistance

boxes, Common Use Self-Service Kiosks for Terminal 2, APD body camera deployment, business continuity, Enterprise Resource Planning-Accounts Payable Automation and North STAR Center situational awareness.

**Technology Refresh**

This project will refresh end-of-life hardware components including radios, boarding gate readers and scanners, network storage, Common Use System Equipment, Flight Information Display Systems, Integrated Video Systems Network (IVISN), printers, switches, the MAC employee internal website platform, the MSP employee platform, license plate reader and tram display remediation.

**CAPITAL IMPROVEMENT PROGRAM EXPENDITURES**

On December 20, 2021, the Commission adopted the 2022-2028 Capital Improvement Program. The seven-year CIP forecasts construction projects in the MAC's system of airports.

Planning for the Capital Improvement Program was significantly impacted by COVID-19. During 2020 and 2021, many scheduled projects were delayed or paused. To develop the 2022-2028 CIP, all deferred, paused and newly proposed projects were reviewed and categorized as follows:

**2022 CIP Projects (Year 1):**

Projects reasonably defined for implementation in the upcoming calendar year.

**2023 CIP Projects (Year 2):**

Identified needs or potential needs requiring further study to determine project scope, feasibility and cost.

**2024-2028 CIP Projects (Years 3-7):**

Projects that appear to be needed in the last five years of the total program. Forecasting years three to seven assists in financial planning and meets the requirements of the Metropolitan Council's Investment Framework.

The projects identified for the CIP are summarized by year in the 2022-2028 Capital Improvement Program Report.

## 2022-2028 Capital Improvement Program Report ►►►

Funding by Year

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### MSP End of Life/Replacement Projects

#### Terminal 1

	2022	2023	2024-2028
Concourse and Hub Tram Replacement	\$ -	\$ 500	\$ 600,000
LRT Ground Water Drainage Infrastructure Upgrades	3,500	-	-
Passenger Boarding Bridge Replacements	4,000	10,000	44,000
Recarpeting Program	-	-	21,000
TSA Recapitalization	22,500	-	-

#### Energy Management Center

Boiler and Chiller Replacement Study	-	155	-
Concourses E and F Bridge Heating and Cooling System Replacement	-	2,100	4,000
Ground Transportation Center Dual-Temperature Pump Improvements	-	1,800	-
Heating Pump Upgrades	900	-	-
Variable Air Volume Box Replacement	935	935	1,870

#### Field and Runway

30L Deicing Pad Reconstruction	-	10,000	20,000
30L EMAS Replacement	-	-	19,000
Airfield Snow Melter Replacement/Upgrades	1,800	1,800	9,400
Bituminous Shoulder Reconstruction	1,500	-	28,500
Concourse G Apron Pavement Reconstruction	11,000	7,500	33,250
Runway 12L-30R and 4-22 Intersection Reconstruction	-	-	11,000
Taxiway A Pavement Reconstruction	-	-	24,500
Taxiway B Pavement Reconstruction	6,125	4,000	8,000
Taxiway P Pavement Reconstruction	9,000	-	-

#### Terminal Roads/Landside

Lower Level Roadway Rehabilitation	-	-	1,100
Upper Level Roadway Electrical System Rehabilitation	-	-	1,000
Upper Level Roadway Rehabilitation	-	-	2,000
UPS Loop Pavement Reconstruction	-	-	1,600
Variable Message Signs Replacement, Phase 3	-	-	1,600

#### Parking

Parking Ramp Snow Melter Replacement/Upgrades	-	-	2,700
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#### Terminal 2

Pre-conditioned Air Units	-	2,000	-
Recarpeting Program	500	500	1,000

#### Public Areas/Roads

East 62nd Street Reconstruction	-	-	3,500
East 70th Street Reconstruction	-	-	2,300
Post Road Reconstruction Project	-	-	4,500

#### Trades/Maintenance Buildings

MSP Liquid Deicer Storage Facility	-	7,300	-
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## 2022-2028 Capital Improvement Program Report ►►►

Funding by Year

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	2022	2023	2024-2028
<b>Fire Alarm System Transition</b>			
Fire Alarm System Transition	1,400	1,500	5,400
<b>General Office/Administration</b>			
Variable Air Volume Replacement and Upgrade	-	-	2,000
<b>MSP End of Life/Replacement Projects Subtotal</b>	<b>\$ 63,160</b>	<b>\$ 50,090</b>	<b>\$ 853,220</b>
<b>MSP IT Projects</b>			
<b>Terminal 1</b>			
Concourses C and G Digital Directory Replacement	-	-	200
Customs Border Protection Camera System Upgrade	1,800	850	1,000
Intelligent Monitoring and Control Systems	1,750	-	-
MAC Technology Upgrades	10,000	10,000	50,000
Telecom Room Equipment Continuity	1,510	-	1,510
<b>Police</b>			
Card Access Modifications	1,300	-	1,500
Radio Distributed Antenna System Coverage Deficiency Resolution	2,000	-	-
<b>MSP IT Projects Subtotal</b>	<b>\$ 18,360</b>	<b>\$ 10,850</b>	<b>\$ 54,210</b>
<b>MSP Long Term Comprehensive Plan Projects</b>			
<b>Terminal 1</b>			
Airport Layout Plan	800	-	1,000
Baggage Claim/Ticket Lobby Operational Improvements	42,100	45,425	15,000
Baggage Handling System	42,650	-	-
Checkpoint Expansion	-	-	11,000
D-Pod Outbound Baggage System	-	-	5,000
Expand and Remodel International Arrivals Facility	-	-	5,000
Long Term Comprehensive Plan	1,200	-	-
Unstaffed Exit Lanes	-	-	2,500
<b>Field and Runway</b>			
Runway 30R Parallel Taxiway	-	-	36,000
<b>Terminal 2</b>			
North Gate Expansion	-	-	195,000
<b>MSP Long Term Comprehensive Plan Projects Subtotal</b>	<b>\$ 86,750</b>	<b>\$ 45,425</b>	<b>\$ 270,500</b>
<b>MSP Maintenance/Facility Upgrade Projects</b>			
<b>Terminal 1</b>			
Airport Director's Office Expansion	-	-	4,000
Art Display Areas	150	200	250
Arts Master Plan	765	665	4,570
C/G Connector Lighting Improvements	-	-	1,000
Concourse A Heating System Upgrade	-	-	4,900
Concourse G Moving Walks	-	-	6,000
Curbside Canopy Repairs and Lighting Upgrades	-	-	350
Delivery Node Redevelopment	500	2,700	22,120



## 2022-2028 Capital Improvement Program Report ►►►

Funding by Year

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	2022	2023	2024-2028
Employee Breakroom	-	-	450
F/G Connector & Skyclub Repairs and Improvements	-	-	1,100
Folded Plate Repairs	8,900	-	43,400
Lavatory Building Overhead Door Upgrades	-	-	200
Lighting Infrastructure Technology and Equipment	-	2,300	5,100
Mechanical Room C-1043	-	9,800	-
Public Walk Aisle Terrazzo Floor Installation	-	-	17,800
Restroom Upgrade Program	-	2,050	10,250
Steam System Upgrade Program	-	-	8,000
Tug Door Replacement	555	-	-
Tug Drive Heater Replacement	-	1,500	2,000
Tug Drive Waterproofing	-	-	11,600
Wayfinding Sign Backlighting Replacement	-	2,000	4,000
<b>Energy Management Center</b>			
Chiller Plant Optimization	-	-	3,000
Concourse B Heating System Upgrades	5,600	-	-
Energy Savings Program	-	2,000	4,000
Indoor Air Quality Monitoring System	2,250	-	-
MAC Automation Infrastructure Program	-	2,300	11,800
Material Storage Building - Boiler Room Addition	-	1,830	-
PowerNet Server Decommissioning and Electrical Meter Replacement	900	-	-
Roof Replacement and Break Room Remodel	9,800	-	-
Steam Trap Monitoring System	-	-	3,000
Terminal 2 Penthouse Chiller Plant Infrastructure Upgrades	-	-	5,500
Victaulic Piping Replacement	-	-	4,000
<b>Field and Runway</b>			
Apron Lighting LED Upgrade	-	-	10,000
Localizer Array Upgrade	-	2,000	-
Runway LED Lighting Upgrade	-	1,500	4,400
Taxiways B & Q Islands	700	-	-
Taxiway T Centerline Lights	1,000	-	-
Terminal 2 Glycol Lift Station/Forcemain	-	-	1,100
Tunnel Lighting LED Upgrade	-	-	4,600
<b>Parking</b>			
Orange Ramp Metal Panel Replacement	600	-	-
Parking Guidance System	-	-	6,500
Parking Ramp Railing Refinishing	1,000	-	3,000
Red/Blue Parking Levels 2 & 3	-	-	8,000
<b>Terminal 2</b>			
Employee Breakroom	350	-	-
Gate Area Passenger Amenities	-	-	1,000
Gate Desk/Podium Replacement	-	-	450
Ground Transportation Waiting Area Expansion	-	-	400
MUFIDS/EVIDS Millwork Upgrades	-	-	350

## 2022-2028 Capital Improvement Program Report ►►►

Funding by Year

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	2022	2023	2024-2028
Rentable Space Build-out	700	-	-
Skyway to LRT Flooring Installation	-	-	800
Terminal Door Locks and Emergency Egress Upgrades	-	-	400
<b>Public Areas/Roads</b>			
34th Avenue Traffic Control Improvements	-	-	200
Diverging Diamond Intersection Rehabilitation	-	-	340
Terminal 1 Ground Transportation Modifications	-	750	-
Terminal 1 Inbound Roadway Median Improvements	-	-	3,000
Tunnel Fan Replacement	-	-	11,500
<b>Hangars and Other Buildings</b>			
MAC Storage Facility	-	10,000	-
Safety and Security Center	-	-	100,600
<b>Trades/Maintenance Buildings</b>			
South Field Maintenance Building Wash Bay	-	-	3,500
<b>Police</b>			
Perimeter Fence Intrusion Detection System	-	-	1,000
Perimeter Gate Security Improvements	8,300	-	13,000
Public Safety Modifications	-	1,000	1,000
RAC Terminal 1 QTA Security Enhancements	1,350	-	-
Terminal 1 APD Locker Room Expansion	1,200	-	-
<b>Fire</b>			
Campus Fire Protection	2,800	-	7,700
<b>General Office/Administration</b>			
Building Improvements	500	-	-
<b>Environment</b>			
Glycol Sewer & Storm Sewer Inspection/Rehabilitation	-	-	1,900
Ground Support Equipment Electrical Charging Stations	-	3,000	-
Lift Station at Ponds 1 and 2	-	-	1,400
Runway 12R-30L Glycol Forcemain Environmental Improvements	-	2,000	-
Terminal 2 Remote Ramp Lot/Drainage Improvements	-	-	2,000
<b>MSP Maintenance/Facility Upgrade Projects Subtotal</b>	<b>\$ 47,920</b>	<b>\$ 47,595</b>	<b>\$ 366,530</b>
<b>MSP Noise Mitigation Consent Decree Amendment</b>	<b>\$ 500</b>	<b>\$ 500</b>	<b>\$ 1,000</b>
<b>MSP Ongoing Maintenance Programs</b>			
<b>Terminal 1</b>			
Air Handling Unit Replacement	6,500	6,500	25,500
Baggage System Upgrades	500	500	2,500
Concourse G Rehabilitation	4,000	5,000	20,000
Conveyance System Upgrades	3,000	-	3,000
Electrical Infrastructure Program	2,000	2,500	10,000
Electrical Substation Replacement	2,500	2,500	5,100
Emergency Power Upgrades	-	6,600	10,000
Plumbing Infrastructure Upgrade Program	600	600	3,500

## 2022-2028 Capital Improvement Program Report ►►►

Funding by Year

(\$=000)

	2022	2023	2024-2028
Terminal Building Remediation Program	2,000	3,000	15,000
Terminal Miscellaneous Modifications	2,500	2,500	13,000
<b>Energy Management Center</b>			
Life Safety Infrastructure Program	-	-	9,500
Plant Upgrades	2,000	1,800	1,500
<b>Field and Runway</b>			
Airside Electrical Construction	2,000	2,000	7,000
Airside Roadway Pavement Restoration	1,200	1,200	6,000
Glycol Tank Repairs	800	-	-
Miscellaneous Airfield Construction	3,500	1,500	1,500
Pavement Joint Sealing and Repair	800	800	4,000
<b>Terminal Roads/Landside</b>			
Tunnel Approaches Reconstruction	-	2,370	-
Tunnel and Bridge Inspections	100	100	630
Tunnel and Bridge Miscellaneous Modifications	-	-	2,000
<b>Parking</b>			
Parking Structure Rehabilitation	3,000	3,000	15,000
<b>Public Areas/Roads</b>			
34th Ave Sanitary Sewer Replacement	-	-	2,200
34th Avenue Bus Area Reconstruction	-	-	700
34th Avenue Reconstruction	-	-	14,000
Concrete Joint Repair	400	900	5,800
Landside Pavement Rehabilitation	500	500	2,100
Landside Utility Rehabilitation	750	750	2,250
Roadway Fixture Refurbishment	150	150	150
<b>Hangars and Other Buildings</b>			
Campus Building Rehabilitation Program	500	1,500	4,500
Campus Parking Lot Reconstructions	-	650	1,350
End of Life Campus Building Demolition	-	400	3,700
MSP Campus Building Roof Replacements	1,300	8,300	30,800
<b>Trades/Maintenance Buildings</b>			
Sump Pump Controls	-	-	11,500
<b>MSP Ongoing Maintenance Programs Subtotal</b>	<b>\$ 40,600</b>	<b>\$ 55,620</b>	<b>\$ 233,780</b>
<b>MSP Tenant Projects</b>			
<b>Terminal 1</b>			
Concessions Upgrades/Revenue Development	100	100	1,000
Concourse G Infill - Pod 2-3	-	1,500	100,000
Delta Re-booking Station	-	200	-
Elevator and Concourse Improvements	-	200	1,000
FIS Gate Common Use Additions	-	1,500	5,000
Pre-conditioned Air Units	2,000	-	2,500

## 2022-2028 Capital Improvement Program Report ►►►

Funding by Year

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	2022	2023	2024-2028
<b>Terminal 2</b>			
Concessions Development	-	2,800	-
<b>Hangars and Other Buildings</b>			
Delta Building B Tunnel Water Mitigation	1,000	-	-
Ground Support Equipment Maintenance Facility	-	200	2,000
<b>MSP Tenant Projects Subtotal</b>	<b>\$ 3,100</b>	<b>\$ 6,500</b>	<b>\$ 111,500</b>
<b>Reliever Airports Long Term Comprehensive Plan Projects</b>			
<b>St. Paul Airport</b>			
Airport Layout Plan	-	400	-
Long Term Comprehensive Plan	-	400	-
<b>Lake Elmo Airport</b>			
Long Term Comprehensive Plan	-	-	100
Runway 14-32 Replacement	4,000	-	-
<b>Airlake Airport</b>			
Long Term Comprehensive Plan	-	-	100
Runway 12-30 Improvements	-	3,500	-
<b>Flying Cloud Airport</b>			
Airport Layout Plan	300	-	-
Long Term Comprehensive Plan	250	-	-
Purchase and Demolition of Hangars	-	1,300	-
South Building Area Utilities	-	-	600
<b>Crystal Airport</b>			
Long Term Comprehensive Plan	-	-	100
<b>Anoka County-Blaine Airport</b>			
Airport Layout Plan	-	-	400
Building Area Development - Xylite St. Relocation	-	-	1,000
Long Term Comprehensive Plan Update	-	-	400
<b>Reliever Airports Long Term Comprehensive Plan Projects Subtotal</b>	<b>\$ 4,550</b>	<b>\$ 5,600</b>	<b>\$ 2,700</b>
<b>Reliever Airports Maintenance/Facility Upgrade Projects</b>			
<b>Reliever Airports</b>			
Building Miscellaneous Modifications	400	400	2,000
Obstruction Removal	-	300	600
Pavement Rehabilitation Miscellaneous Modifications	300	300	1,500
<b>St. Paul Airport</b>			
Airport Perimeter Roads	-	-	500
Airport Road and Eaton Street Retaining Wall	-	-	700
Cold Equipment Storage Building	-	-	750
Customs and Border Protection General Aviation Facility	-	-	2,000
Floodwall Inspection and Repairs	-	200	-
Intelligent Monitoring and Control System Expansion	-	-	2,250
LED Edge Lighting Upgrades	-	500	1,500
MAC Building Improvements	-	200	400
Pavement Rehabilitation-Taxilanes/Tower Road	-	-	500

## 2022-2028 Capital Improvement Program Report ►►►

Funding by Year

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	2022	2023	2024-2028
Runway 13-31 Pavement Reconstruction	-	-	5,000
Runway 14-32 EMAS Replacement	-	-	10,000
Runway 14-32 Lighting Replacement	700	-	-
Runway 14-32 Reconstruction	-	-	10,000
Storm Sewer Improvements	-	-	1,500
Taxiway B Rehabilitation	-	-	800
Taxiway Lima Rehabilitation	-	-	200
Vehicle Gate Replacement	-	500	-
<b>Lake Elmo Airport</b>			
Intelligent Monitoring and Control System	-	-	1,150
Materials Storage Building	-	-	500
North Building Area Pavement Rehabilitation	-	-	900
North Service Roads Rehabilitation	-	-	500
Northside Taxiway Reconstruction	-	-	600
Runway 04-22 Pavement Rehabilitation	-	-	4,000
<b>Airlake Airport</b>			
Existing Runway 12-30 Reconstruction	-	3,500	-
Intelligent Monitoring and Control System	-	-	1,150
LED Edge Lighting	-	200	-
Maintenance Building Renovation	-	-	750
North Service Road Pavement Rehabilitation	-	-	400
North Taxilanes Pavement Rehabilitation	-	-	1,000
South Building Area Utilities and Taxilanes	-	-	1,300
<b>Flying Cloud Airport</b>			
Airport Access Roads and Tango Lane	-	-	500
Airport Access Roads Pavement Rehabilitation	-	-	1,000
Electrical Vault Modifications	-	-	500
Gate Replacements	-	-	500
Intelligent Monitoring and Control System	-	-	2,250
MAC Building Improvements	-	-	600
Runway 10R-28L Pavement Rehabilitation	-	-	2,450
Underground Fuel Storage Tank Replacement	-	-	400
<b>Crystal Airport</b>			
Existing Hangar Revitalization	-	-	800
Intelligent Monitoring and Control System	-	-	1,150
LED Edge Lighting Upgrade	-	400	-
North Building Area Sewer/Water for Future Hangars	200	-	-
Runway 6L-24R Pavement Rehabilitation	-	-	2,000
Service Roads	-	1,200	-
Taxilanes Pavement Rehabilitation	550	750	1,200
Underground Fuel Storage Tank Replacement	-	-	400
<b>Anoka County-Blaine Airport</b>			
Building Demolition	200	-	-
Electrical Vault Improvements	-	-	750

## 2022-2028 Capital Improvement Program Report ►►►

Funding by Year

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	2022	2023	2024-2028
Equipment Storage and Maintenance Building	-	700	-
Gate Controller Upgrades	-	-	400
Intelligent Monitoring and Control System	-	-	1,150
Pavement Rehabilitation - Taxiway A and Edge Lights	-	1,800	-
Runway 18-36 Pavement Rehabilitation	-	-	2,500
Underground Fuel Storage Tank Replacement	-	-	400
West Perimeter Road	-	-	1,500
<b>Reliever Airports Maintenance/Facility Upgrade Projects Subtotal</b>	<b>\$ 2,350</b>	<b>\$ 10,950</b>	<b>\$ 72,900</b>
<b>MSP SUBTOTAL</b>	<b>\$ 260,390</b>	<b>\$ 216,580</b>	<b>\$ 1,890,740</b>
<b>RELIEVERS SUBTOTAL</b>	<b>\$ 6,900</b>	<b>\$ 16,550</b>	<b>\$ 75,600</b>
<b>GRAND TOTAL</b>	<b>\$ 267,290</b>	<b>\$ 233,130</b>	<b>\$ 1,966,340</b>



**CONSTRUCTION FUND****2022 CAPITAL IMPROVEMENT PROJECTS**

As stated previously, these are projects that have been reasonably defined for implementation in the upcoming calendar year, in this case 2022. The following narratives describe the 2022 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 a major airport and do not affect the annual operating budget. Explanations of whether the project affects the Operating Budget are noted within the narratives.

In addition, those 2022 projects that will positively impact the MAC's 2030 Sustainability Goals include the following symbol:

- Emissions reduction
- Water use reduction
- Waste reduction

**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.

**TERMINAL 1****Light Rail Transit Station (LRT) Ground Water Drainage Infrastructure Upgrades**

► \$3,500,000

This project will replace the piping in LRT platform that drains ground water in the interstitial space above the Terminal 1 LRT station ceiling. Over time the piping has become filled with mineral deposits and is completely blocked, rendering the drains in the interstitial space unusable.

In addition to replacing the piping, this project will provide an automated bulk chemical feed system with piping routed in the interstitial space to each floor drain to prevent the new drainage piping from plugging up with mineral deposits. The project will also waterproof the flooring above the LRT electrical rooms to prevent any further damage from water entering the electrical rooms below.

This is a project that replaces end-of-life equipment and improves systems to extend the

life of the new equipment. The project has minimal or no impact on the current or future operating budget.

**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 the gate hold area. It is assumed fixed walkways may need to be replaced or added to meet Americans with Disabilities Act (ADA) slope requirements. 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**

► \$22,500,000

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 a 100% funded Other Transaction Agreement for design and construction services for device replacement and other required upgrades to accommodate the new technology. This project will provide for the design and installation of TSA furnished devices and other required equipment at no cost to the MAC.

This is a project that replaces end-of-life equipment. It has minimal or no impact on the current or future operating budget.

**CONSTRUCTION FUND****ENERGY MANAGEMENT CENTER (EMC)****Heating Pump Upgrades**

► \$900,000

Elastomeric fittings have a life expectancy of 15-20 years. The proposed project includes removal and replacement of over 100 fittings of this type that are at or past the end of their useful life. The project would replace the fittings with piping where possible and steel braided fittings in other locations. When these pipes and fittings fail it is typically a small pin hole leak, unlike the major failure that occurred in July 2018.

This is a project 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.

**Variable Air Volume Box Replacement ►**

► \$935,000

This program will replace Variable Air Volume boxes throughout Terminal 1 with more efficient equipment connected to the Intelligent Monitoring and Control Systems (IMACS) and located for maintenance accessibility. This project is projected to reduce operating expenses by approximately \$7,800 annually.

**FIELD AND RUNWAY****Airfield Snow Melter Replacement/Upgrades**

► \$1,800,000

This project will replace, modify and/or upgrade snow melters on the airfield that are beyond their useful life. 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.

**Bituminous Shoulder Reconstruction**

► \$1,500,000

This project provides for the 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 ►**

► \$11,000,000

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 ►**

► \$6,125,000

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 ►**

► \$9,000,000

This project provides for the reconstruction of concrete pavement along Taxiway P between Taxiway M and Taxiway P10. 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.

**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 finishes are replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.

**CONSTRUCTION FUND****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.

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.

**MSP IT PROJECTS**

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

**TERMINAL 1****Customs and Border Protection (CBP) Camera System Upgrade**

► \$1,800,000

The CBP's security camera system has reached the end of its functional and repairable life. The agency requires a standalone camera system that is not integrated with the MAC IVISN system. The 2022 project includes audio recording in interview rooms and processing podiums at Terminal 1, exterior gate camera coverage, Terminal 1 Federal Inspection Services (FIS) corridor and G Concourse seating areas. Also included is the entirety of the Terminal 2 FIS processing, baggage, corridors and exterior gates.

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.

**Intelligent Monitoring and Control Systems ►**

► \$1,750,000

This is a continuation of a multi-year program to upgrade all MAC building automation systems to an open architecture protocol so that MAC can bid maintenance and construction contracts more competitively. This project will replace sole-source controllers with LonMark certified products.

This recurring project supports more efficient operation and maintenance of mechanical

systems throughout the campus. These efficiencies contribute to the savings noted in the other projects, including the Variable Air Volume Box Replacement project.

**MAC Technology Upgrades**

► \$10,000,000

IT projects that are beyond MAC staff's resources to accomplish are prioritized and completed 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 or upgrades. 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**

► \$1,510,000

The MAC network 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 MAC network 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 MAC campus.

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.

**CONSTRUCTION FUND****POLICE****Card Access Modifications**

► \$1,300,000

This is a multi-year program to replace end-of-life card access security readers and to add outdoor biometric readers, mobile card readers and other readers as needed throughout the campus. It will also align card access control with other surveillance technology, including IVISN.

This is a recurring project 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.

**Radio Distributed Antenna System Coverage Deficiency Resolution**

► \$2,000,000

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 or no impact on the current or future operating budget.

**MSP LONG TERM COMPREHENSIVE PLAN PROJECTS**

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

**TERMINAL 1****Airport Layout Plan (ALP)**

► \$800,000

This project will prepare a new MSP ALP and Exhibit A Property Map using updated Airport Geospatial Information System (AGIS) survey data.

This is a project to maintain compliance with FAA guidelines and requirements. It has minimal or no impact on the current or future operating budget.

**Baggage Claim/Ticket Lobby Operational Improvements** ►

► \$42,100,000

This is continuation of a program that will provide the level of service requirements for short- and medium-term growth of the Origin & Destination passengers, addressing issues of congestion and

functionality in the Terminal 1 Arrivals and Departures areas.

This phase 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 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 phase of the program has minimal or no impact on the current or future operating budget.

**Baggage Handling System**

► \$42,650,000

This project includes baggage handling system work associated with the north half of Terminal 1 that is related to several phases of operational improvements between the baggage claim and ticket lobby levels.

Improvements to the inbound system include new baggage claim devices and conveyors. The outbound system improvements include self-service bag drop devices, related conveyors, oversize bag screening and tub returns.

This is a recurring project with minimal or no impact on the current or future operating budget.

**Long Term Comprehensive Plan**

► \$1,200,000

The MSP 2030 LTCP, previously completed in April 2010, was scheduled to be updated in 2020. Work that had already started with forecasting and gap analyses was paused early in 2020. Work resumed during 2021 and 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.

**CONSTRUCTION FUND****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.

**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**

► \$765,000

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.

**Delivery Node Redevelopment**

► \$500,000

MAC's delivery node and storage system provides for safe and efficient delivery by the logistics contractor to MAC and airport tenants. The system requires long-term improvements at Terminal 2 and at Terminal 1 on Concourses A, C, E, F and G. This program will improve or replace existing nodes with more centralized locations to include loading docks, elevators, adjacent storage, trash, recycling and other elements, as needed.

The main dock at Terminal 1 was replaced by the MAC Receiving and Distribution Center. The Terminal 1 dock space will be studied to find its highest use. This phase will study needs and opportunities to refine the budgets for future construction phases. This study will have minimal or no impact on the current or future operating budget.

**Folded Plate Repairs ►**

► \$8,900,000

This is the first phase of work to repair and replace the roof assembly on the folded plate roof at Terminal 1. This is a non-recurring project that ensures end-of-life materials are replaced in a timely manner. The project has minimal or no impact on the current or future operating budget. When all phases are complete, it is anticipated that energy savings due to improved insulation will provide a reduction in the operating budget.

**Tug Door Replacement**

► \$555,000

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 signage. Several existing high-speed rolling doors will be connected to IMACS monitoring as part of this work.

This is a non-recurring project 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.

**ENERGY MANAGEMENT CENTER****Concourse B Heating System Upgrades ►**

► \$5,600,000

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. The project is projected to reduce the utilities expenses in the operating budget by approximately \$16,000 annually.

**Indoor Air Quality Monitoring System**

► \$2,250,000

This multi-year project adds carbon dioxide and nitrogen dioxide sensors where required. It also ties new and existing sensors to IMACS for remote monitoring and automatic safety ventilation. The project will provide the EMC with temporary sensors to install temporarily at any location with IMACS connectivity. The project will also upgrade controls wiring for the post fire smoke evacuation systems. This project primarily provides a safety improvement. It has minimal to no impact on current and future operating budgets.



**CONSTRUCTION FUND****PowerNet Server Decommissioning and Electrical Meter Replacement**

► \$900,000

This project will replace an end-of-life server's operating system and the 13 electrical power quality meters it supports around campus. These meters assist the MAC with billing, troubleshooting, planning and the day-to-day operation of the MSP Electrical System.

This project replaces end-of-life equipment. It has minimal to no impact on current or future operating budgets

**Roof Replacement and Break Room Remodel ►**

► \$9,800,000

This project will upgrade and rebuild portions of the EMC including replacing the entire roof, replacing a narrow curtain wall system at the north exit, and building an addition to house new locker room facilities and a new workshop. This project has minimal or no impact on the current or future operating budget.

**FIELD AND RUNWAY****Taxiways B and Q Islands**

► \$700,000

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

**Taxiway T Centerline Lights**

► \$1,000,000

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 Airport Lighting Electrical Center North building. This non-recurring project primarily provides a safety improvement. It has minimal impact on current and future operating budgets.

**PARKING****Orange Ramp Metal Panel Replacement**

► \$600,000

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 non-recurring

project provides repairs and has no impact on current and future operating budgets.

**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, resulting in concrete repair work in the surrounding areas.

This is a recurring maintenance project that has minimal or no impact on the current or future operating budget.

**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 project remodels existing space for employee support. The project has minimal to no impact on the current or future operating budget.

**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. This project remodels existing space for lease to tenants. The project is anticipated to provide additional revenue through rent.

**POLICE****Perimeter Gate Security Improvements ►**

► \$8,300,000

This project provides for the reconstruction of Gate 269 with a full crash beam gate, updated electrical controls, and a new guard booth. This new building will increase utilities and janitorial an estimated \$50,000 per year in the future operating budget.



**CONSTRUCTION FUND****Rental Auto Companies (RAC) Terminal 1 Quick Turn Around (QTA) Security Enhancements**

► \$1,350,000

This project provides for construction of additional security enhancements at the Terminal 1 RAC QTA on the ground level of the Red and Blue Parking Ramps. Improvements include security doors in the fence line, slide gates on the spine road, additional perimeter fencing, improvements to emergency egress routes, additional security cameras and a crash/security gate located on the southwest corner of the Red Ramp.

This non-recurring project primarily provides a security improvement. It has minimal impact on current and future operating budgets.

**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. Existing facilities are distributed along the mezzanine hallway, having been installed in found spaces as the APD staff count grew. This project will consolidate these distributed spaces. This project remodels existing space. The project has minimal to no impact on the current or future operating budget.

**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 compliance with the Minnesota State Fire and Building Codes, as well as the MAC Design and 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 both in the terminals and throughout the MSP campus.

This recurring project primarily provides a safety improvement. It has minimal impact on current and future operating budgets.

**GENERAL OFFICE/ADMINISTRATION****General Office Building Improvements ►**

► \$500,000

The General Office Building, built in the 1960's, 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 is replaced in a timely manner. 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 MAC 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 March 2014.

**ENVIRONMENT****Noise Mitigation Consent Decree Amendment**

► \$500,000

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



*Window Replacement is One Component of Noise Mitigation*

**CONSTRUCTION FUND****MSP ONGOING MAINTENANCE PROJECTS**

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.

**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 and are over 50 years old. A study of these units has been completed that evaluated each unit's age, condition and ability to adequately heat or cool the spaces it serves. A multi-year program has been implemented to provide for the replacement of units that have been identified as requiring replacement. The project includes modifications to building walls to facilitate the removal of existing equipment and installation of new units, upgraded electrical and temperature controls and asbestos abatement.

This is a recurring project that ensures end-of-life equipment is replaced in a timely manner. The project is expected to reduce the utilities expenses in the operating budget by approximately \$31,000 annually.

**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 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. Work includes replacing elevators, as well as modifying and replacing structural, electrical and mechanical systems. This project is projected to reduce the utilities expenses in the operating budget by approximately \$19,000 annually.

**Conveyance System Upgrades**

► \$3,000,000

According to a recent study, MSP campus conveyance 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 maintenance of facilities over a period of years. 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 routinely inspected, cleaned, and upgraded to ensure their continued performance. This is a recurring project that ensures maintenance of equipment in a timely manner. The project has minimal or no impact on the current or future operating budget.

**Electrical Substation Replacement**

► \$2,500,000

This is a multi-year program to replace end-of-life electrical substations and improve system redundancy. This is a recurring project 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

According to a 2010 study, 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 upgrades the plumbing infrastructure system to meet current code requirements and MAC standards. 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.

**CONSTRUCTION FUND****Terminal Building Remediation Program ►****► \$2,000,000**

Continual maintenance of the terminal buildings is imperative to passenger comfort and safety, as well as to sustainability of MAC assets. Age and weather contribute to building deterioration, mold and other health issues. Building and concourse envelope projects include repair or replacement of curtain wall systems, glazing, sealants, louvers, metal panels, soffits and insulation systems.

This is a recurring project with rotating work that ensures maintenance of facilities over a period of years. This individual project has minimal or no impact on the current or future operating budget.

**Terminal Miscellaneous Modifications****► \$2,500,000**

Each year, there is a list of maintenance projects that are beyond the resources of 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 building systems, loading dock work and similar projects. The list of potential projects will be compiled and prioritized in early 2022.

This is a recurring project with rotating work that ensures maintenance of facilities over a period of years. The project has minimal or no impact on the current or future operating budget.

**ENERGY MANAGEMENT CENTER****Plant Upgrades ►****► \$2,000,000**

This multi-year program provides upgrades to the EMC Boiler and Chiller Plants at both Terminal 1 and Terminal 2. The work includes upgrades to the aging chilled water and heated 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 that ensures end-of-life equipment is replaced in a timely manner. The project has minimal impact on the current or future operating budget.

**FIELD AND RUNWAY****Airside Electrical Construction ►****► \$2,000,000**

This program provides for the removal and replacement of airfield lighting and signage with Light-Emitting Diode (LED) technology, and lighting control upgrades.

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.

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

This is an ongoing program to rehabilitate roadways on the airfield 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 areas most in need of repair on an annual basis.

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.

**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 non-recurring project that ensures equipment and associated facilities are appropriately maintained. The project has minimal or no impact on the current or future operating budget.

**CONSTRUCTION FUND****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 that may 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 and 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 to maintain compliance with FAA guidelines and requirements. It has minimal or no impact on the current or future operating budget.

**TERMINAL ROADS/LANDSIDE****Tunnel and Bridge Inspections****► \$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 to maintain compliance with Department of Transportation guidelines and requirements. It has minimal or no impact on the current or future operating budget.

**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 maintenance project that has minimal or no impact on the current or future operating budget.

**PUBLIC AREAS/ROADS****Concrete Joint Repair****► \$400,000**

This project will 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 and are replaced when reaching end of life. 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 slows deterioration rates, extends pavement service life and delays total reconstruction. Inspection of pavements and appurtenances determines what areas are to be prioritized for rehabilitation each year.

This is a recurring project with rotating work that ensures roadways 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.

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

Each year there are numerous landside utility projects that are beyond the resources of 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 reflect current priorities.

This is a recurring project with rotating work that ensures utilities 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.



**CONSTRUCTION FUND****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 fixture refurbishment. This is a recurring project with rotating work that ensures fixtures are appropriately maintained and end-of-life fixtures are replaced. The project has minimal or no impact on the current or future operating budget.

**HANGARS AND OTHER BUILDINGS****Campus Building Rehabilitation Program ►**

► \$500,000

Continual maintenance of MAC non-terminal buildings is imperative in providing stable infrastructure and to meeting the MAC's sustainability goals. Age and weather contribute to building deterioration, mold and other health issues. Building and concourse envelope projects include repair or replacement of curtain wall systems, glazing, sealants, louvers, metal panels, painting, tuck-pointing and insulation systems. This program will also include repair or replacement related to interior issues.

This is part of an on-going program to maintain MAC buildings as assets. It ensures maintenance of facilities 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

Each year, one half of the roofs of MSP campus buildings are evaluated, prioritized and programmed for repair. The 2022 project will focus on roof drain repairs at Terminal 2 and replacing portions of the South Field Maintenance Building roof. Funds for emergency repairs of other roofs are included in this program.

This is a recurring project with rotating work that ensures maintenance of facilities 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 MAC supports, with the tenants reimbursing the costs to MAC for work within leasehold spaces.

**TERMINAL 1****Concessions Upgrades/Revenue Development**

► \$100,000

This annual program funds miscellaneous upgrades such as finishes, furniture, signage and modified connections to utilities for the concession programs or other revenue generating programs at the airport. This is a recurring project with rotating work over a period of years. The project has minimal or no impact on the current or future operating budget.

**Pre-conditioned Air Units ►**

► \$2,000,000

This program will provide or replace pre-conditioned air units serving passenger boarding bridges. These units eliminate the use of idling airplane engines to heat and cool the ambient air. This program will reduce emissions on the campus. This project will minimally increase electrical expenses in the future operating budget.

**HANGARS AND OTHER BUILDINGS****Delta Building B Tunnel Water Mitigation**

► \$1,000,000

This project will install a permanent lift station and directionally bored piping at the end of the existing drain tile to pump water to the sanitary sewer to keep the tunnel dry. This is a non-recurring project that ensures equipment and associated facilities are appropriately maintained. The project has minimal or no impact on the current or future operating budget.

**CONSTRUCTION FUND****RELIEVER AIRPORTS LONG TERM COMPREHENSIVE PLAN PROJECTS**

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

**LAKE ELMO AIRPORT****Runway 14-32 Replacement**

► \$4,000,000

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 fourth phase of construction for this project and 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.

**FLYING CLOUD AIRPORT****Airport Layout Plan**

► \$300,000

The new ALP will show both current conditions and any development proposed in the 2040 LTCP. A portion of the budget will be used to acquire new AGIS base mapping to create a new ALP set that complies with current FAA guidelines and criteria. This is a project to maintain compliance with FAA guidelines and requirements. It has minimal or no impact on the current or future operating budget.

**Long Term Comprehensive Plan**

► \$250,000

Flying Cloud Airport (FCM) is part of the MAC's system of reliever airports designated by the FAA to reduce congestion at the Minneapolis-St. Paul International Airport and to provide improved general aviation facilities in the overall community. This project continues the 2021 effort to review current FCM facilities, identify service gaps and better facilitate the safe movement of aircraft.

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.

**RELIEVER AIRPORTS MAINTENANCE/FACILITY UPGRADE PROJECTS**

Reliever Airport 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.

**RELIEVER AIRPORTS****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 the St. Paul 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 2022. This is a recurring project with rotating work that has minimal or no impact on the current or future operating budget.

**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 2022. 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.

**ST. PAUL AIRPORT****Runway 14-32 Lighting Replacement**

► \$700,000

This project will replace lights, conduit, wires and signs for Runway 14-32. MAC electricians have been monitoring this circuit during quarterly testing. It continues to expend more power than it is using. The poor condition of the circuit requires that it be completed now, rather than during future runway reconstruction. This project is expected to provide a partial reduction to the annual electricity budget for the St. Paul Airport. The new LED lights should save approximately 90% in energy costs over the life of the bulbs.



**CONSTRUCTION FUND****CRYSTAL****North Building Area Sewer/Water for Future Hangars**

► \$200,000

This project is planned to provide sewer and water availability for new hangar construction in the new north building area at the Crystal Airport. Leasing these improved lots will create annual operating revenue plus a percent rent. These rates will be determined at a later date.

**Taxilanes Pavement Rehabilitation**

► \$550,000

This is an ongoing program to rehabilitate aircraft operational areas, such as runways, taxiways and aprons. Work will include bituminous overlays, seal coats or in 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.

**ANOKA COUNTY-BLAINE AIRPORT****Building Demolition** ►

► \$200,000

This project will demolish the former Anoka Technical College building, which is owned by the MAC. This will facilitate future lease potential for a tenant construction project. Leasing this land will create annual operating revenue plus a percent rent. These rates will be determined at a later date.

**2022 CAPITAL IMPROVEMENT PROJECT FUNDING SOURCES**

The pie chart below indicates the funding sources for the 2022 Capital Improvement Projects. The Line of Credit/GARBS funding source is the largest contributor to the 2022 CIP. The table to the left summarizes the distribution of 2022 CIP funds by subledger. A cash flow summary of the CIP appears later in this chapter. The following report provides funding sources for each project.

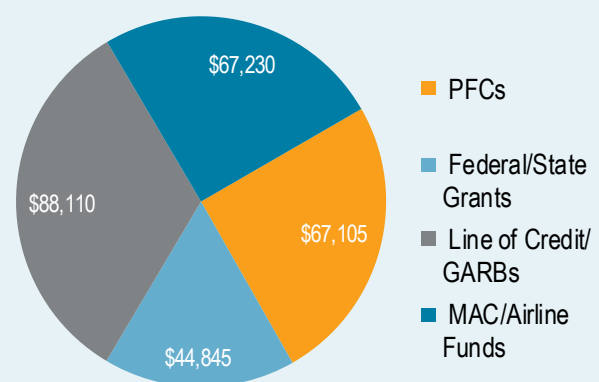
**2022 CIP Funds by Subledger** ► ► ►

(\$=000)

	2022 CIP Funds	Percent of 2022 Funds
Terminal 1	\$169,280	63.3%
EMC	\$21,485	8.0%
Field and Runways	\$39,425	14.7%
Terminal Roads/Landside	\$100	0.0%
Parking	\$4,600	1.7%
Terminal 2	\$1,550	0.6%
Public Areas/Roads	\$1,800	0.7%
Hangars and Other Buildings	\$2,800	1.0%
Police	\$14,150	5.3%
Fire	\$4,200	1.6%
General Office	\$500	0.2%
Environment	\$500	0.2%
Reliever Miscellaneous	\$700	0.3%
St. Paul Airport	\$700	0.3%
Lake Elmo Airport	\$4,000	1.5%
Airlake Airport	\$0	0.0%
Flying Cloud Airport	\$550	0.2%
Crystal Airport	\$750	0.3%
Anoka County-Blaine Airport	\$200	0.1%
<b>Total 2022 CIP Funds</b>	<b>\$267,290</b>	<b>100.0%</b>

**2022 CIP Funding Sources** ► ► ►

(\$=000)



## 2022 CIP Funding by Source Report ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/ GARBS	MAC/Airline Funds	Total
<b>MSP End of Life/Replacement Projects</b>					
<b>Terminal 1</b>					
LRT Ground Water Drainage Infrastructure Upgrades	\$ -	\$ -	\$ 3,500	\$ -	\$ 3,500
Passenger Boarding Bridge Replacements	4,000	-	-	-	4,000
TSA Recapitalization	-	22,500	-	-	22,500
<b>Energy Management Center</b>					
Heating Pump Upgrades	-	-	-	900	900
Variable Air Volume Box Replacement	-	-	-	935	935
<b>Field and Runways</b>					
Airfield Snow Melter Replacement/Upgrades	-	-	1,800	-	1,800
Bituminous Shoulder Reconstruction	300	900	-	300	1,500
Concourse G Apron Pavement Reconstruction	2,200	4,950	3,850	-	11,000
Taxiway B Pavement Reconstruction	2,625	3,500	-	-	6,125
Taxiway P Reconstruction	3,080	4,620	1,300	-	9,000
<b>Terminal 2</b>					
Recarpeting Program	-	-	-	500	500
<b>Fire</b>					
Fire Alarm System Transition	-	-	-	1,400	1,400
<b>MSP End of Life/Replacement Projects Subtotal</b>	<b>\$ 12,205</b>	<b>\$ 36,470</b>	<b>\$ 10,450</b>	<b>\$ 4,035</b>	<b>\$ 63,160</b>
<b>MSP IT Projects</b>					
<b>Terminal 1</b>					
Customs Border Protection Camera System Upgrade	-	-	-	1,800	1,800
Intelligent Monitoring and Control Systems	-	-	-	1,750	1,750
MAC Technology Upgrades	-	-	-	10,000	10,000
Telecom Room Equipment Continuity	-	-	1,510	-	1,510
<b>Police</b>					
Card Access Modifications	1,300	-	-	-	1,300
Radio Distributed Antenna System Coverage Deficiency Resolution	-	-	-	2,000	2,000
<b>MSP IT Projects Subtotal</b>	<b>\$ 1,300</b>	<b>\$ -</b>	<b>\$ 1,510</b>	<b>\$ 15,550</b>	<b>\$ 18,360</b>

## 2022 CIP Funding by Source Report ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/ GARBS	MAC/Airline Funds	Total
<b>MSP Long Term Comprehensive Plan Projects</b>					
<b>Terminal 1</b>					
Airport Layout Plan	-	-	-	800	800
Baggage Claim/Ticket Lobby Operational Improvements	30,000	-	12,100	-	42,100
Baggage Handling System	20,000	-	22,650	-	42,650
Long Term Comprehensive Plan	-	-	-	1,200	1,200
<b>MSP Long Term Comprehensive Plan Subtotal</b>	<b>\$ 50,000</b>	<b>\$ -</b>	<b>\$ 34,750</b>	<b>\$ 2,000</b>	<b>\$ 86,750</b>
<b>Terminal 1</b>					
Art Display Areas	-	-	-	150	150
Arts Master Plan	-	-	-	765	765
Delivery Node Redevelopment	-	-	-	500	500
Folded Plate Repairs	-	-	8,900	-	8,900
Tug Door Replacement	-	-	-	555	555
<b>Energy Management Center</b>					
Concourse B Heating System Upgrades	-	-	-	5,600	5,600
Indoor Air Quality Monitoring System	-	-	-	2,250	2,250
PowerNet Server Decommissioning and Electrical Meter Replacement	-	-	-	900	900
Roof Replacement and Breakroom Remodel	-	-	-	9,800	9,800
<b>Field and Runways</b>					
Taxiways B & Q Islands	-	-	700	-	700
Taxiway T Centerline Lights	-	-	1,000	-	1,000
<b>Parking</b>					
Orange Ramp Metal Panel Replacement	-	-	600	-	600
Parking Ramp Railing Refinishing	-	-	1,000	-	1,000
<b>Terminal 2</b>					
Employee Breakroom	-	-	-	350	350
Rentable Space Build-out	-	-	-	700	700
<b>Police</b>					
Perimeter Gate Security Improvements	3,600	4,700	-	-	8,300
RAC Terminal 1 QTA Security Enhancements	-	-	-	1,350	1,350
Terminal 1 APD Locker Room Expansion	-	-	-	1,200	1,200
<b>Fire</b>					
Campus Fire Protection	-	-	-	2,800	2,800
<b>General Office</b>					
General Office Building Improvements	-	-	500	-	500
<b>MSP Maintenance/Facility Upgrades Projects Subtotal</b>	<b>\$ 3,600</b>	<b>\$ 4,700</b>	<b>\$ 12,700</b>	<b>\$ 26,920</b>	<b>\$ 47,920</b>

## 2022 CIP Funding by Source Report ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/ GARBS	MAC/Airline Funds	Total
<b>MSP Noise Mitigation Projects</b>					
<b>Environment</b>					
Noise Mitigation Consent Decree Amendment	-	-	-	500	500
<b>MSP Noise Mitigation Projects Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 500</b>	<b>\$ 500</b>
<b>MSP Ongoing Maintenance Programs</b>					
<b>Terminal 1</b>					
Air Handling Unit Replacement	-	-	6,500	-	6,500
Baggage System Upgrades	-	-	-	500	500
Concourse G Rehabilitation	-	-	4,000	-	4,000
Conveyance System Upgrades	-	-	-	3,000	3,000
Electrical Infrastructure Program	-	-	2,000	-	2,000
Electrical Substation Replacement	-	-	2,500	-	2,500
Plumbing Infrastructure Upgrade Program	-	-	-	600	600
Terminal Building Remediation Program	-	-	2,000	-	2,000
Terminal Miscellaneous Modifications	-	-	-	2,500	2,500
<b>Energy Management Center</b>					
Plant Upgrades	-	-	-	2,000	2,000
<b>Field and Runways</b>					
Airside Electrical Construction	-	-	-	2,000	2,000
Airside Roadway Pavement Restoration	-	-	1,200	-	1,200
Glycol Tank Repairs	-	-	-	800	800
Miscellaneous Airfield Construction	-	-	3,500	-	3,500
Pavement Joint Sealing/Repair	-	-	-	800	800
<b>Terminal Roads/Landside</b>					
Tunnel and Bridge Inspections	-	-	-	100	100
<b>Parking</b>					
Parking Structure Rehabilitation	-	-	3,000	-	3,000
<b>Public Areas/Roads</b>					
Concrete Joint Repair	-	-	-	400	400
Landside Pavement Rehabilitation	-	-	-	500	500
Landside Utility Rehabilitation	-	-	-	750	750
Roadway Fixture Refurbishment	-	-	-	150	150
<b>Hangars &amp; Other Buildings</b>					
Campus Building Rehabilitation Program	-	-	-	500	500
MSP Campus Building Roof Replacements	-	-	-	1,300	1,300
<b>MSP Ongoing Maintenance Programs Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24,700</b>	<b>\$ 15,900</b>	<b>\$ 40,600</b>

## 2022 CIP Funding by Source Report ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/ GARBS	MAC/Airline Funds	Total
<b>MSP Tenant Projects</b>					
<b>Terminal 1</b>					
Concession Upgrades/Revenue Development	-	-	-	100	100
Pre-conditioned Air Units	-	-	2,000	-	2,000
<b>Hangars and Other Buildings</b>					
Delta Building B Tunnel Water Mitigation	-	-	-	1,000	1,000
<b>MSP Tenant Projects Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,000</b>	<b>\$ 1,100</b>	<b>\$ 3,100</b>
<b>Reliever Airports Long Term Comprehensive Plan Projects</b>					
<b>Lake Elmo Airport</b>					
Runway 14-32 Replacement	-	3,400	-	600	4,000
<b>Flying Cloud Airport</b>					
Airport Layout Plan	-	150	-	150	300
Long Term Comprehensive Plan	-	125	-	125	250
<b>Reliever Airports Long Term Comprehensive Plan Projects Subtotal</b>	<b>\$ -</b>	<b>\$ 3,675</b>	<b>\$ -</b>	<b>\$ 875</b>	<b>\$ 4,550</b>
<b>Reliever Airports Maintenance/Facility Upgrade Projects</b>					
<b>Reliever Miscellaneous</b>					
Building Miscellaneous Modifications	-	-	-	400	400
Pavement Rehabilitation Miscellaneous Modifications	-	-	-	300	300
<b>St. Paul Airport</b>					
Runway 14-32 Lighting Replacement	-	-	-	700	700
<b>Crystal Airport</b>					
North Building Area Sewer/Water for Future Hangars	-	-	-	200	200
Taxilanes Pavement Rehabilitation	-	-	-	550	550
<b>Anoka County - Blaine Airport</b>					
Building Demolition	-	-	-	200	200
<b>Reliever Airports Maintenance/Facility Upgrade Projects Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,350</b>	<b>\$ 2,350</b>
<b>MSP SUBTOTAL</b>	<b>\$ 67,105</b>	<b>\$ 41,170</b>	<b>\$ 86,110</b>	<b>\$ 66,005</b>	<b>\$ 260,390</b>
<b>RELIEVER SUBTOTAL</b>	<b>\$ -</b>	<b>\$ 3,675</b>	<b>\$ -</b>	<b>\$ 3,225</b>	<b>\$ 6,900</b>
<b>GRAND TOTAL</b>	<b>\$ 67,105</b>	<b>\$ 44,845</b>	<b>\$ 86,110</b>	<b>\$ 69,230</b>	<b>\$ 267,290</b>

**CONSTRUCTION FUND****2023 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.

**TERMINAL 1****Concourse and Hub Tram Replacement**  
► \$500,000

This project funds a study to evaluate equipment and procurement options for the replacement of the Hub Core and Concourse C Trams, which are nearing the end of their useful life. This is a study which will have no impact on the current or future operating budget.

**Passenger Boarding Bridge Replacements**  
► \$10,000,000

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 the gate hold area. It is assumed fixed walkways may need to be replaced or added to meet Americans with Disabilities Act slope requirements. 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.

**ENERGY MANAGEMENT CENTER****Boiler and Chiller Replacement Study**  
► \$155,000

This is a study to review the Terminal 1 boilers and chillers for replacement. The study will look at replacement equipment with a more efficient design, as well as building impacts to remove the old equipment and bring the new equipment into the building. This is a study which will have no impact on the current or future operating budget.

**Concourse E and F Bridge Heating and Cooling System Replacement**

► \$2,100,000

This is the first of three phases of work to replace and improve the heating and cooling systems on the bridges to Concourses E and F. In this phase, the original chilled water piping will be replaced and located in an accessible soffit. A redundant cooling loop will be added to minimize impacts to the concourses during disruptions and construction relocations. This project will have minimal to no impact on the current or future operating budget.

**Ground Transportation Center Dual-temperature Pump Improvements**

► \$1,800,000

This project will replace end-of-life pumps and supporting infrastructure. This is a non-recurring project 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.

**Variable Air Volume Box Replacement**

► \$935,000

This program will replace Variable Air Volume boxes throughout Terminal 1 with more efficient equipment connected to IMACS and located for maintenance accessibility. This project is projected to reduce operating expenses by approximately \$7,800 annually.

**FIELD AND RUNWAY****30L Deicing Pad Reconstruction**

► \$10,000,000

This is the first of three phases to reconstruct the deicing pad at Runway 30L. The project ensures maintenance of the airfield over a period of years. The project has minimal or no impact on the current or future operating budget.

**Airfield Snow Melter Replacement/Upgrades**

► \$1,800,000

This project will replace, modify and/or upgrade snow melters on the airfield that are beyond their useful life. 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.



**CONSTRUCTION FUND****Concourse G Apron Pavement Reconstruction**

► \$7,500,000

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**

► \$4,000,000

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.

**TERMINAL 2****Pre-conditioned Air Units**

► \$2,000,000

This project will replace outdated pre-conditioned air units at Gates H1-H10 at Terminal 2 with new units that meet the MAC standard. This project may minimally increase electrical expenses in the future operating budget.

**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 finishes are replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.

**TRADES/MAINTENANCE BUILDINGS****MSP Liquid Deicer Storage Facility**

► \$7,300,000

This project will replace the airfield runway deicer storage and off-loading facility with additional offload ports, upload ports and increased liquid capacity for airfield runway deicing chemicals. The project has minimal or no impact on the current or future operating budget.

**FIRE****Fire Alarm System Transition**

► \$1,500,000

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.

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.

**MSP IT PROJECTS**

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

**TERMINAL 1****Customs and Border Protection Camera System Upgrade**

► \$850,000

The CBP's security camera system has reached the end of its functional and repairable life. The agency requires a standalone camera system that is not integrated with the MAC IVISN system. The 2023 project will complete gaps in coverage and add cameras to support CBP operational needs.

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.

**MAC Technology Upgrades**

► \$10,000,000

IT projects that are beyond MAC staff's resources to accomplish are prioritized and completed 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 or upgrades. Projects will be compiled and prioritized in early 2023.

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.

**CONSTRUCTION FUND****MSP LONG TERM COMPREHENSIVE PLAN PROJECTS**

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

**TERMINAL 1****Baggage Claim/Ticket Lobby Operational Improvements**

► \$45,425,000

This is continuation of a program that will provide the level of service requirements for short- and medium-term growth of the Origin & Destination passengers, addressing issues of congestion and functionality in the Terminal 1 Arrivals and Departures areas.

This phase will include walkways that meet required codes, public seating areas, centralized meet and greet space, unclaimed baggage storage, baggage service offices, concessions, improved lighting, fire protection throughout the space, structural enhancements, improved sight lines, curbside lighting and access, ticket counter consolidations, airline ticket offices, improved vestibules and access, east mezzanine removal/reduction, structural enhancements, curtain wall replacement and other operational improvements.

This phase of the program 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.

**TERMINAL 1****Art Display Areas**

► \$200,000

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**

► \$665,000

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.

**Delivery Node Redevelopment**

► \$2,700,000

MAC's delivery node and storage system provides for safe and efficient delivery by the logistics contractor to MAC and airport tenants. The system requires long-term improvements at Terminal 2 and at Terminal 1 on Concourses A, C, E, F and G. This program will improve or replace existing nodes with more centralized locations to include loading docks, elevators, adjacent storage, trash, recycling and other elements, as needed.

The main dock at Terminal 1 was replaced by the MAC Receiving and Distribution Center. The 2023 project will redevelop this space to achieve highest use. This project is projected to have minimal or no impact on the current or future operating budget.

**Lighting Infrastructure Technology and Equipment**

► \$2,300,000

This multi-year program will analyze, assemble, and organize lighting system upgrade recommendations for the MSP campus. Annual investment in lighting infrastructure ensures its safe operation, reduces energy and maintenance costs and implements technology that improves lighting quality and energy efficiency. The project is projected to reduce the utilities expenses in the operating budget by approximately \$1,500 annually.

**CONSTRUCTION FUND****Mechanical Room C-1043**

► \$9,800,000

Mechanical Room C-1043 houses very large, aging mechanical equipment. This includes a high pressure steam pressure reducing station, a domestic water main meter assembly, heating, ventilation and air conditioning pumps, fire protection valves, electrical conduits and similar equipment. This project will expand the system, separate portions into unused rooms and replace portions with equipment that will be safer, more efficient, meet current code requirements and be reliable.

The project is projected to reduce the utilities expenses in the operating budget, but the calculations are not complete at time of publication.

**Restroom Upgrade Program**

► \$2,050,000

A study of all restrooms in Terminal 1 was completed in 2010. Restrooms were prioritized based on their conditions and a program was developed to upgrade and modernize them. This program will provide for the phased modernization of the Terminal 1 restrooms to include upgraded finishes, lighting, air quality, energy saving upgrades and ADA compliance.

This is a recurring project with rotating work that ensures end-of-life facilities are replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.

**Tug Drive Heater Replacement**

► \$1,500,000

This project will replace all existing Terminal 1 tug drive steam unit heaters with hot water unit heaters. This is a non-recurring project 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.

**Way-Finding Sign Backlighting Replacement**

► \$2,000,000

Wayfinding is a critical customer service piece of our passenger's experience at MSP. Existing wayfinding signs are outdated, provide information no longer relevant or are no longer illuminated. This program replaces the failed cold-cathode illumination at Terminal 1 and 2 with LED backlit signs, updates sign information and locations and provides new illuminated or digital

signs where needed. It also supports repair beyond maintenance.

This program enhances the customer service experience for travelers. The program has minimal or no impact on the MAC's current or future operating budget.

**ENERGY MANAGEMENT CENTER****Energy Savings Program**

► \$2,000,000

The scope of this year's project involves work at both Terminal 1 and Terminal 2 and includes the replacement of valves, boilers, lighting controls and motors with high efficiency models, as well as other work as needed.

This recurring project supports more efficient operation and maintenance of mechanical systems throughout the campus. The project is projected to reduce the utilities expenses in the operating budget, but the calculations are not complete at time of publication.

**MAC Automation Infrastructure Program**

► \$2,300,000

This is a continuation of a multi-year program to upgrade all MAC building automation systems to an open architecture protocol so that MAC can bid maintenance and construction contracts more competitively. This project will replace sole-source controllers with LonMark certified products.

This recurring project supports more efficient operation and maintenance of mechanical systems throughout the campus. These efficiencies contribute to savings noted in the other projects.

**Material Storage Building – Boiler Room Addition**

► \$1,830,000

This project will replace corroded boiler equipment that has become a safety concern. This project will build a new boiler room to hold new boilers, pumps, piping, controls, electrical power, variable frequency drives and unit heater. Existing equipment will be removed.

This is a project that replaces end-of-life equipment and improves systems to extend the life of the new equipment. The project has minimal or no impact on the current or future operating budget.

**CONSTRUCTION FUND****FIELD AND RUNWAY****Localizer Array Upgrade**

► \$2,000,000

This project will upgrade the localizer arrays for the parallel runways to improve instrument approaches signal clarity. This is a non-recurring project to maintain compliance with FAA guidelines and requirements. It has minimal or no impact on the current or future operating budget.

**Runway LED Lighting Upgrade**

► \$1,500,000

This project will replace lighting on Runway 12R-30L with LED lighting. This project is expected to provide a partial reduction to the annual electricity budget for MSP. The new LED lights should save approximately 90% in energy costs over the life of the bulbs.

**PUBLIC AREAS/ROADS****Terminal 1 Ground Transportation Modifications**

► \$750,000

This project will relocate the Taxi, Transportation Network Companies and other transportation services at the Terminal 1 Ground Transportation Center. Configuration of existing east and west commercial areas will be revised. Work includes variable message sign relocation, pavement marking, signage and other related items.

This program enhances the customer service experience for travelers. The project has minimal or no impact on the current or future operating budget.

**HANGARS AND OTHER BUILDINGS****MAC Storage Facility**

► \$10,000,000

This project will construct a new building to provide storage and associated workspace to replace storage currently spread around the campus. These existing spaces are in buildings that can no longer provide adequate protection from the elements and pests.

This project will increase the future operating budget for utilities and janitorial services, but because design work has not begun, calculations are not available at time of publication.

**POLICE****Public Safety Modifications**

► \$1,000,000

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 is a recurring project 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.

**ENVIRONMENT****Ground Support Equipment (GSE) Electrical Charging Stations**

► \$3,000,000

This project will purchase and install charging stations for electric ground support equipment. These fast, energy-efficient charging stations allow for simultaneous charging, adjustable charging rates and automatic shut-off when the equipment is fully charged. The stations will be installed at Terminal 1 for use by Delta GSE. The project also fits into the proposed long-term goal of reducing overall air emissions and noise pollution at MSP by converting all Delta fossil fuel GSE to electric equipment.

Delta will pay for electric usage of the charging units, so utility costs will be net zero to MAC. This project has minimal or no impact on the current or future operating budget.

**Runway 12R-30L Glycol Forcemain****Environmental Improvements**

► \$2,000,000

This project provides for construction of glycol pumping stations and forcemains to convey glycol-impacted stormwater from the Runway 30R and 30L deicing pads to the existing glycol sewers west of Runway 4-22 and the glycol management facility.

This project has minimal or no impact on the current or future operating budget.

**CONSTRUCTION FUND****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 MAC 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 March 2014.

**ENVIRONMENT****Noise Mitigation Consent Decree Amendment**

► \$500,000

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

**MSP ONGOING MAINTENANCE PROJECTS**

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.

**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 and are over 50 years old. A study of these units has been completed that evaluated each unit's age, condition and ability to adequately heat or cool the spaces it serves. A multi-year program has been implemented to provide for the replacement of units that have been identified as requiring replacement. The project includes modifications to building walls to facilitate the removal of existing equipment and installation of new units, upgraded electrical and temperature controls and asbestos abatement.

This is a recurring project that ensures end-of-life equipment is replaced in a timely manner. The

project is expected to reduce the utilities expenses in the operating budget by approximately \$31,000 annually.

**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 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**

► \$5,000,000

This multi-year program will provide operational improvements to the existing concourse over time. Work includes replacing elevators, as well as modifying and replacing structural, electrical and mechanical systems. This project is projected to reduce the utilities expenses in the operating budget by approximately \$19,000 annually.

**Electrical Infrastructure Program**

► \$2,500,000

There are 53 electrical substations that serve the Terminal 1 complex. It is imperative that these substations be routinely inspected, cleaned, and upgraded to ensure their continued performance. This is a recurring project that ensures maintenance of equipment in a timely manner. The project has minimal or no impact on the current or future operating budget.

**Electrical Substation Replacement**

► \$2,500,000

This is a multi-year program to replace end-of-life electrical substations and improve system redundancy. This is a recurring project 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.

**Emergency Power Upgrades**

► \$6,600,000

This is part of a multi-year program that will continue to design and implement emergency power and lighting corrective work identified in a 2008 study of Terminal 1 transfer switches and emergency lighting. This is a recurring project 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.



**CONSTRUCTION FUND****Plumbing Infrastructure Upgrades**

► \$600,000

According to a 2010 study, 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 upgrades the plumbing infrastructure system to meet current code requirements and MAC standards. 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**

► \$3,000,000

Continual maintenance of the terminal buildings is imperative to passenger comfort and safety, as well as to sustainability of MAC assets. Age and weather contribute to building deterioration, mold, and other health issues. Building and concourse envelope projects include repair or replacement of curtain wall systems, glazing, sealants, louvers, metal panels, soffits and insulation systems.

This is a recurring project with rotating work that ensures maintenance of facilities over a period of years. This individual project has minimal or no impact on the current or future operating budget.

**Terminal Miscellaneous Modifications**

► \$2,500,000

Each year, there is a list of maintenance projects that are beyond the resources of 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 building systems, loading dock work, and similar projects. The list of potential projects will be compiled and prioritized in early 2023.

This is a recurring project with rotating work that ensures maintenance of facilities over a period of years. The project has minimal or no impact on the current or future operating budget.

**ENERGY MANAGEMENT CENTER****Plant Upgrades**

► \$1,800,000

This multi-year program provides upgrades to the EMC Boiler and Chiller Plants at both Terminal 1 and Terminal 2. The work includes upgrades to the aging chilled water and heated 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 that ensures end-of-life equipment is replaced in a timely manner. The project has minimal impact on the current or future operating budget.

**FIELD AND RUNWAY****Airside Electrical Construction**

► \$2,000,000

This program provides for the removal and replacement of airfield lighting and signage with LED technology and lighting control upgrades.

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.

**Airside Roadway Pavement Restoration**

► \$1,200,000

This is an ongoing program to rehabilitate roadways on the airfield 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 areas most in need of repair on an annual basis.

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.



**CONSTRUCTION FUND****Miscellaneous Airfield Construction**

► \$1,500,000

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 that may 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 to maintain compliance with FAA guidelines and requirements. It has minimal or no impact on the current or future operating budget.

**TERMINAL ROADS/LANDSIDE****Tunnel Approaches Reconstruction**

► \$2,370,000

This project will reconstruct the approaches to Tunnels Y-3 and 17-35. These tunnels were constructed roughly 20 years ago and have had undergone typical periodic maintenance.

The existing concrete approaches for Tunnel Y-3 are in need of reconstruction. The pavement has been repaired but the repairs require yearly maintenance efforts that only provide a temporary solution. This project will be a permanent solution to correct the panel movements and other ongoing issues of the approach sections. The tunnel approaches to Tunnel 17-35 face similar issues, but further review is needed to determine whether rehabilitation or reconstruction is the best solution.

This project maintains compliance with Department of Transportation guidelines and requirements. It has minimal or no impact on the current or future operating budget.

**Tunnel and Bridge Inspections**

► \$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 to maintain compliance with Department of Transportation guidelines and requirements. It has minimal or no impact on the current or future operating budget.

**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 maintenance project that has minimal or no impact on the current or future operating budget.

**PUBLIC AREAS/ROADS****Concrete Joint Repair**

► \$900,000

This project will 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 and are replaced when reaching end of life. 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 slows deterioration rates, extends pavement service life and delays total reconstruction. Inspection of pavements and appurtenances determines what areas are to be prioritized for rehabilitation each year.

This is a recurring project with rotating work that ensures roadways 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.

**CONSTRUCTION FUND****Landside Utility Rehabilitation**

► \$750,000

Each year there are numerous landside utility projects that are beyond the resources of 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. An annual update to the initial projects study will reflect current priorities.

This is a recurring project with rotating work that ensures utilities 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.

**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 fixture refurbishment. This is a recurring project with rotating work that ensures fixtures are appropriately maintained and end-of-life fixtures are replaced. The project has minimal or no impact on the current or future operating budget.

**HANGARS AND OTHER BUILDINGS****Campus Building Rehabilitation Program**

► \$1,500,000

Continual maintenance of MAC non-terminal buildings is imperative in providing stable infrastructure and to meeting the MAC's sustainability goals. Age and weather contribute to building deterioration, mold and other health issues. Building and concourse envelope projects include repair or replacement of curtain wall systems, glazing, sealants, louvers, metal panels, painting, tuck-pointing and insulation systems. This program will also include repair or replacement related to interior issues.

This is part of an on-going program to maintain MAC buildings as assets. It ensures maintenance of facilities over a period of years. The project has minimal or no impact on the current or future operating budget.

**Campus Parking Lot Reconstruction**

► \$650,000

This is an ongoing program of preventative maintenance activities such as crack sealing, surface treatments and resurfacing of parking lots. This program effectively slows deterioration rates, extends service life and delays the need for total reconstruction of parking lot pavements. Inspection of pavements and appurtenances determines what areas are to be prioritized for rehabilitation under each year's project. The 2023 project is planned to reconstruct the pavement around the MAC Field Maintenance facility.

This is a recurring project with rotating work that ensures facilities 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.

**End of Life Campus Building Demolition**

► \$400,000

This is the first of multiple years of demolition of buildings to be replaced by the MAC Storage Facility described previously. This is a recurring project with rotating work that removes facilities that no longer adequately serve their intended purpose and are not able to be rehabilitated. The project will provide savings to the operating budget, but current calculations were not available at the time of publication.

**MSP Campus Building Roof Replacement**

► \$8,300,000

Each year, one half of the roofs of MSP campus buildings are evaluated, prioritized and programmed for repair. The 2023 project will focus on replacing portions of the roofs of the South Field Maintenance, North Field Maintenance and Cold Storage buildings. Funds for emergency repairs of other roofs are included in this program.

This is a recurring project with rotating work that ensures maintenance of facilities over a period of years. The project has minimal or no impact on the current or future operating budget.

**CONSTRUCTION FUND****MSP TENANT PROJECTS**

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

**TERMINAL 1**
**Concessions Upgrades/Revenue Development**  
 ► \$100,000

This annual program funds miscellaneous upgrades such as finishes, furniture, signage and modified connections to utilities for the concession programs or other revenue generating programs at the airport. This is a recurring project with rotating work over a period of years. The project has minimal or no impact on the current or future operating budget.

**Concourse G Infill – Pod 2-3**  
 ► \$1,500,000

This project allocates fees to complete a programming study and preliminary design for the infill of Concourse G between pods 2 and 3. This is a study which will have no impact on the current or future operating budget.

**Delta Re-booking Station**  
 ► \$200,000

This project will remodel space near Gate C1 to locate existing vending machines in a designated alcove, allowing Delta to maintain a re-booking station consistent with others in the terminal. This project enhances the customer service experience for travelers. It has minimal or no impact on the MAC's current or future operating budget.

**Elevator and Concourse Improvements**  
 ► \$200,000

This project allocates fees to study the feasibility of relocating the United Club to the area above Concourse E that will be vacated by Airside Operations during a future project. This is a study which will have no impact on the current or future operating budget.

**FIS Gate Common Use Additions**  
 ► \$1,500,000

This project will install two common use podiums, backwalls, boarding pass reader podiums and associated IT equipment for two Concourse G gates connected to the Terminal 1 FIS facility.

This project will provide capacity for additional international air service which may increase revenue via airline agreements.

**TERMINAL 2**
**Concessions Development**  
 ► \$2,800,000

This project develops concessions restaurants and news stores in the middle of Terminal 2. The current Terminal concessions program expires in three to five years. Redevelopment will include a back of house corridor for product delivery to the concessions, as well as expanded seating areas, vending alcoves and mobile ordering kiosks to reduce queue lines. The project will right size concessions and positioning them to maximum efficiency.

Leasing this space will increase revenue to the future operating budget through concessions lease provisions.

**HANGARS AND OTHER BUILDINGS**
**Ground Support Equipment Maintenance Facility**  
 ► \$200,000

This project allocates fees to study the programmatic needs for a Ground Support Equipment Maintenance Facility and identify a site on campus for the stand-alone facility. This is a study which will have no impact on the current or future operating budget.

**RELIEVER AIRPORTS LONG TERM  
COMPREHENSIVE PLAN PROJECTS**

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

**ST. PAUL AIRPORT**
**Airport Layout Plan**  
 ► \$400,000

The new ALP will show current conditions and any development proposed in the LTCP. A portion of the budget will be used to acquire new AGIS base mapping to create a new ALP set that complies with current FAA guidelines and criteria.

This is a project to maintain compliance with FAA guidelines and requirements. It has minimal or no impact on the current or future operating budget.

**CONSTRUCTION FUND****Long Term Comprehensive Plan****► \$400,000**

The St. Paul Airport (STP) is part of the MAC's system of reliever airports designated by the FAA to reduce congestion at the Minneapolis-St. Paul International Airport and to provide improved general aviation facilities in the overall community. This project will review current STP facilities, identify service gaps and better facilitate the safe movement of aircraft.

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.

**AIRLAKE AIRPORT****Runway 12-30 Improvements****► \$3,500,000**

This project will provide for the extension of Runway 12-30 from 4,098 feet to approximately 4,850 feet. The latter is the maximum feasible length that can be provided by using declared distances without having to physically relocate Cedar Avenue, which lies directly east of the airfield. The project will also include taxiway and roadway modifications and electrical lighting upgrades. MAC and the FAA will determine what level of environmental review is needed as the project timeline approaches. This project has minimal or no impact on the current or future operating budget.

**FLYING CLOUD AIRPORT****Purchase and Demolition of Hangars****► \$1,300,000**

This project will purchase and demo all or portions of five hangars within the taxilane object free area of Flying Cloud's Taxiway A. This project has minimal or no impact on the current or future operating budget.

**RELIEVER AIRPORTS MAINTENANCE/  
FACILITY UPGRADE PROJECTS**

Reliever Airport 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.

**RELIEVER AIRPORTS****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 the St. Paul 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 2023. This is a recurring project with rotating work that has minimal or no impact on the current or future operating budget.

**Obstruction Removal****► \$300,000**

This program will address ongoing needs for obstruction removals at the six reliever airports. The list of potential projects will be compiled and prioritized in early 2023. This is a recurring project with rotating work that ensures runway safety areas are appropriately maintained over a period of years. The project has minimal or no impact on the current or future operating budget.

**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 2023. 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.

**ST. PAUL AIRPORT****Floodwall Inspection and Repairs****► \$200,000**

This project will include a complete inspection of all floodwall components. Identified issues will be repaired, ensuring all components are functioning properly when the wall is put into service. This project has minimal impact on the current or future operating budget.

**LED Edge Lighting Upgrades****► \$500,000**

This project will replace taxiway edge lighting and signage with LED lighting. The new LED lights should save approximately 90% in energy costs over the life of the bulbs.

**CONSTRUCTION FUND****MAC Building Improvements**

► \$200,000

This is an ongoing program to provide facility modifications that ensure continued efficient operation of MAC buildings or are necessary to meet tenant requirements. Priorities will be set early in 2023. This project has minimal impact on the current or future operating budget.

**Vehicle Gate Replacement**

► \$500,000

This project will replace vehicle gates that are aging and have ongoing maintenance issues. Gates will be prioritized based on greatest need and most frequent use. This project has minimal impact on the current or future operating budget.

**AIRLAKE AIRPORT****Existing Runway 12-30 Reconstruction**

► \$3,500,000

This project will reconstruct the pavement of the existing portion of Runway 12-30 while new pavement is constructed for the runway improvement. This project maintains airfield pavement in compliance with FAA guidelines and requirements. It has minimal or no impact on the current or future operating budget.

**LED Edge Lighting**

► \$200,000

This project will replace edge lighting and signs with new LED lighting. The new LED lights should save approximately 90% in energy costs over the life of the bulbs.

**CRYSTAL AIRPORT****LED Edge Lighting Upgrade**

► \$400,000

This project will replace edge lighting and signs with new LED lighting. This project is expected to provide a partial reduction to the annual electricity budget for the Crystal Airport. The new LED lights should save approximately 90% in energy costs over the life of the bulbs.

**Service Roads**

► \$1,200,000

As part of the LTCP, this project will develop three new service roads to improve safety on the airport. This project has minimal impact on the current or future operating budget.

**Taxilanes Pavement Rehabilitation**

► \$750,000

This is an ongoing program to rehabilitate aircraft operational areas, such as runways, taxiways and aprons. Work will include bituminous overlays, seal coats or in 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.

**ANOKA COUNTY-BLAINE AIRPORT****EQUIPMENT STORAGE AND MAINTENANCE BUILDING**

► \$700,000

This project will construct a new equipment storage and maintenance building for the Anoka County-Blaine Airport to replace airport staff's use of a leasable hangar to support this function. The project is expected to have minimal or no impact on the current or future operating budget because the expense of additional square footage will be offset by rental revenue.

**PAVEMENT REHABILITATION – TAXIWAY A AND EDGE LIGHTS**

► \$1,800,000

This project will rehabilitate the taxiway and add edge lighting. The work begins at taxiway A1 and ends at the north end of taxiway A. This is a recurring project with rotating work that ensures pavements are appropriately maintained over a period of years. This project is expected to provide a partial reduction to the annual electricity budget for the Anoka County-Blaine Airport. The new LED lights should save approximately 90% in energy costs over the life of the bulbs.

**2023 & 2024-2028 CAPITAL IMPROVEMENT FUNDING SOURCES**

The following two reports provide funding sources for each project in 2023 and in 2024-2028, respectively.



## 2023 CIP Funding by Source Report ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/GARs	MAC/Airline Funds	Total
<b>MSP End of Life/Replacement Projects</b>					
<b>Terminal 1</b>					
Concourse and Hub Tram Replacement	\$ -	\$ -	\$ -	\$ 500	\$ 500
Passenger Boarding Bridge Replacements	10,000	-	-	-	10,000
<b>Energy Management Center</b>					
Boiler and Chiller Replacement Study	-	-	-	155	155
Concourses E and F Bridge Heating and Cooling System Replacement	-	-	-	2,100	2,100
Ground Transportation Center Dual-temperature Pump Improvements	-	-	-	1,800	1,800
Variable Air Volume Box Replacement	-	-	-	935	935
<b>Field and Runways</b>					
30L Deicing Pad Reconstruction	5,800	4,200	-	-	10,000
Airfield Snow Melter Replacement/Upgrades	-	-	1,800	-	1,800
Concourse G Apron Pavement Reconstruction	3,000	4,500	-	-	7,500
Taxiway B Pavement Reconstruction	1,500	2,500	-	-	4,000
<b>Terminal 2</b>					
Pre-conditioned Air Units	-	-	2,000	-	2,000
Recarpeting Program	-	-	-	500	500
<b>Trades/Maintenance Buildings</b>					
MSP Liquid Deicer Storage Facility	-	-	7,300	-	7,300
<b>Fire</b>					
Fire Alarm System Transition (FAST)	-	-	-	1,500	1,500
<b>MSP End of Life/Replacement Projects Subtotal</b>	<b>\$ 20,300</b>	<b>\$ 11,200</b>	<b>\$ 11,100</b>	<b>\$ 7,490</b>	<b>\$ 50,090</b>
<b>MSP IT Projects</b>					
<b>Terminal 1</b>					
Customs and Border Protection Camera System Upgrade	-	-	-	850	850
MAC Technology Upgrades	-	-	-	10,000	10,000
<b>MSP IT Projects Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,850</b>	<b>\$ 10,850</b>
<b>MSP Long Term Comprehensive Plan Projects</b>					
<b>Terminal 1</b>					
Baggage Claim/Ticket Lobby Operational Improvements	25,425	-	20,000	-	45,425
<b>MSP Long Term Comprehensive Plan Subtotal</b>	<b>\$ 24,425</b>	<b>\$ -</b>	<b>\$ 20,000</b>	<b>\$ -</b>	<b>\$ 45,425</b>



## 2023 CIP Funding by Source Report ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/ GARBS	MAC/Airline Funds	Total
<b>MSP Maintenance/Facility Upgrade Projects</b>					
<b>Terminal 1</b>					
Art Display Areas	-	-	-	200	200
Arts Master Plan	-	-	-	665	665
Delivery Node Redevelopment	-	-	-	2,700	2,700
Lighting Infrastructure Technology and Equipment	-	-	-	2,300	2,300
Mechanical Room C-1043	-	-	9,800	-	9,800
Restroom Upgrade Program	-	-	2,050	-	2,050
Tug Drive Heater Replacement	-	-	-	1,500	1,500
Way-Finding Sign Backlighting Replacement	-	-	-	2,000	2,000
<b>Energy Management Center</b>					
Energy Savings Program	-	-	-	2,000	2,000
MAC Automation Infrastructure Program	-	-	-	2,300	2,300
Material Storage Building - Boiler Room Addition	-	-	-	1,830	1,830
<b>Field and Runways</b>					
Localizer Array Upgrade	-	-	2,000	-	2,000
Runway LED Lighting Upgrade	-	-	1,500	-	1,500
<b>Public Areas/Roads</b>					
Terminal 1 Ground Transportation Modifications	-	-	-	750	750
<b>Hangars and Other Buildings</b>					
MAC Storage Facility	-	-	10,000	-	10,000
<b>Police</b>					
Public Safety Modifications	1,000	-	-	-	1,000
<b>Environment</b>					
Ground Support Equipment Electrical Charging Stations	-	-	-	3,000	3,000
Runway 12R-30L Glycol Forcemain Environmental Improvements	-	-	2,000	-	2,000
<b>MSP Maintenance/Facility Upgrades Projects Subtotal</b>					
	<b>\$ 1,000</b>	<b>\$ -</b>	<b>\$ 27,350</b>	<b>\$ 19,245</b>	<b>\$ 47,595</b>
<b>MSP Noise Mitigation Projects</b>					
<b>Environment</b>					
Noise Mitigation Consent Decree Amendment	-	-	-	500	500
<b>MSP Noise Mitigation Projects Subtotal</b>					
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 500</b>	<b>\$ 500</b>

## 2023 CIP Funding by Source Report ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/GARs	MAC/Airline Funds	Total
<b>MSP Ongoing Maintenance Programs</b>					
<b>Terminal 1</b>					
Air Handling Unit Replacement	-	-	6,500	-	6,500
Baggage System Upgrades	-	-	-	500	500
Concourse G Rehabilitation	-	-	5,000	-	5,000
Electrical Infrastructure Program	-	-	-	2,500	2,500
Electrical Substation Replacement	-	-	2,500	-	2,500
Emergency Power Upgrades	-	-	6,600	-	6,600
Plumbing Infrastructure Upgrade Program	-	-	-	600	600
Terminal Building Remediation Program	-	-	3,000	-	3,000
Terminal Miscellaneous Modifications	-	-	-	2,500	2,500
<b>Energy Management Center</b>					
Plant Upgrades	-	-	-	1,800	1,800
<b>Field and Runways</b>					
Airside Electrical Construction	-	-	2,000	-	2,000
Airside Roadway Pavement Restoration	-	-	1,200	-	1,200
Miscellaneous Airfield Construction	-	-	1,500	-	1,500
Pavement Joint Sealing/Repair	-	-	-	800	800
<b>Terminal Roads/Landside</b>					
Tunnel Approaches Reconstruction	-	-	-	2,370	2,370
Tunnel and Bridge Inspections	-	-	-	100	100
<b>Parking</b>					
Parking Structure Rehabilitation	-	-	3,000	-	3,000
<b>Public Areas/Roads</b>					
Concrete Joint Repair	-	-	-	900	900
Landside Pavement Rehabilitation	-	-	-	500	500
Landside Utility Rehabilitation	-	-	-	750	750
Roadway Fixture Refurbishment	-	-	-	150	150
<b>Hangars &amp; Other Buildings</b>					
Campus Building Rehab Program	-	-	-	1,500	1,500
Campus Parking Lot Reconstructions	-	-	-	650	650
End of Life Campus Building Demolition	-	-	-	400	400
MSP Campus Building Roof Replacements	-	-	-	8,300	8,300
<b>MSP Ongoing Maintenance Programs Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 31,300</b>	<b>\$ 24,320</b>	<b>\$ 55,620</b>

## 2023 CIP Funding by Source Report ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/ GARBS	MAC/Airline Funds	Total
<b>MSP Tenant Projects</b>					
<b>Terminal 1</b>					
Concessions Upgrades/Revenue Development	-	-	-	100	100
Concourse G Infill - Pod 2-3	-	-	1,500	-	1,500
Delta Re-booking Station	-	-	-	200	200
Elevator and Concourse Improvements Related to Relocated United Club	-	-	-	200	200
FIS Gate Common Use Additions	-	-	-	1,500	1,500
<b>Terminal 2</b>					
Concessions Development	-	-	-	2,800	2,800
<b>Hangars &amp; Other Buildings</b>					
Ground Support Equipment Maintenance Facility	-	-	-	200	200
<b>MSP Tenant Projects Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,500</b>	<b>\$ 5,000</b>	<b>\$ 6,500</b>
<b>St. Paul Airport</b>					
Airport Layout Plan	-	200	-	200	400
Long Term Comprehensive Plan	-	-	-	400	400
<b>Airlake Airport</b>					
Runway 12-30 Improvements	-	2,500	-	1,000	3,500
<b>Flying Cloud Airport</b>					
Purchase and Demolition of Hangars	-	-	-	1,300	1,300
<b>Reliever Airports Long Term Comprehensive Plan Projects Subtotal</b>	<b>\$ -</b>	<b>\$ 2,700</b>	<b>\$ -</b>	<b>\$ 2,900</b>	<b>\$ 5,600</b>
<b>Reliever Airports Maintenance/Facility Upgrade Projects</b>					
<b>Reliever Miscellaneous</b>					
Building Miscellaneous Modifications	-	-	-	400	400
Obstruction Removal	-	-	-	300	300
Pavement Rehabilitation Miscellaneous Modifications	-	-	-	300	300
<b>St. Paul Airport</b>					
Floodwall Inspection and Repairs	-	-	-	200	200
LED Edge Lighting Upgrades	-	350	-	150	500
MAC Building Improvements	-	-	-	200	200
Vehicle Gate Replacement	-	-	-	500	500
<b>Airlake Airport</b>					
Existing Runway 12-30 Reconstruction	-	2,500	-	1,000	3,500
LED Edge Lighting	-	125	-	75	200

## 2023 CIP Funding by Source Report ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/ GARBS	MAC/Airline Funds	Total
<b>Crystal Airport</b>					
LED Edge Lighting Upgrade	-	225	-	175	400
Service Roads	-	-	-	1,200	1,200
Taxilanes Pavement Rehabilitation	-	-	-	750	750
<b>Anoka County - Blaine Airport</b>					
Equipment Storage and Maintenance Building	-	-	-	700	700
Pavement Rehabilitation - Taxiway A and Edge Lights	-	1,080	-	720	1,800
<b>Reliever Airports Maintenance/Facility Upgrade Projects Subtotal</b>	<b>\$ -</b>	<b>\$ 4,280</b>	<b>\$ -</b>	<b>\$ 6,670</b>	<b>\$ 10,950</b>
<b>MSP SUBTOTAL</b>	<b>\$ 46,725</b>	<b>\$ 11,200</b>	<b>\$ 91,250</b>	<b>\$ 67,405</b>	<b>\$ 216,580</b>
<b>RELIEVER SUBTOTAL</b>	<b>\$ -</b>	<b>\$ 6,980</b>	<b>\$ -</b>	<b>\$ 9,570</b>	<b>\$ 16,550</b>
<b>GRAND TOTAL</b>	<b>\$ 46,725</b>	<b>\$ 18,180</b>	<b>\$ 91,250</b>	<b>\$ 76,975</b>	<b>\$ 233,130</b>

**2024-2028 CIP Funding by Source Report ►►►**

(\$=000)

	PFCs	Federal/ State Grants	Line of Credit/ GARBS	MAC/ Airline Funds	Unfunded	Total
<b>MSP End of Life/Replacement Projects</b>						
<b>Terminal 1</b>						
Concourse and Hub Tram Replacement	\$ -	\$ -	\$ -	\$ -	\$ 600,000	\$ 600,000
Passenger Boarding Bridge Replacements	36,500	7,500	-	-	-	44,000
Recarpeting Program	-	-	-	21,000	-	21,000
<b>Energy Management Center</b>						
Concourses E and F Bridge Heating and Cooling System Replacement	-	-	-	4,000	-	4,000
Variable Air Volume Box Replacement	-	-	-	1,870	-	1,870
<b>Field and Runway</b>						
30L Deicing Pad Reconstruction	8,000	12,000	-	-	-	20,000
30L EMAS Replacement	4,750	14,250	-	-	-	19,000
Rehabilitation	-	-	-	2,000	-	2,000
UPS Loop Pavement Reconstruction	-	-	-	1,600	-	1,600
Variable Message Signs Replacement, Phase 3	-	-	-	1,600	-	1,600
<b>Parking</b>						
Parking Ramp Snow Melter Replacement/Upgrades	-	-	1,350	1,350	-	2,700
<b>Terminal 2</b>						
Recarpeting Program	-	-	-	1,000	-	1,000
<b>Public Areas/Roads</b>						
East 62nd Street Reconstruction	-	-	-	3,500	-	3,500
East 70th Street Reconstruction	-	-	-	2,300	-	2,300
Post Road Reconstruction Project	-	-	-	4,500	-	4,500
<b>Fire</b>						
Fire Alarm System Transition	-	-	-	5,400	-	5,400
<b>General Office/Administration</b>						
Variable Air Volume Replacement and Upgrade	-	-	-	2,000	-	2,000
<b>MSP End of Life/Replacement Projects Subtotal</b>						
	\$ 78,300	\$ 109,950	\$ 3,150	\$ 61,820	\$ 600,000	\$ 853,220
<b>MSP IT Projects</b>						
<b>Terminal 1</b>						
Concourses C and G Digital Directory Replacement	-	-	-	200	-	200
Customs and Border Protection Camera System Upgrade	-	-	-	1,000	-	1,000
MAC Technology Upgrades	-	-	-	50,000	-	50,000
Telecom Room Equipment Continuity	-	-	-	1,510	-	1,510
<b>Police</b>						
Card Access Modifications	1,500	-	-	-	-	1,500
<b>MSP IT Projects Subtotal</b>						
	\$ 1,500	\$ -	\$ -	\$ 52,710	\$ -	\$ 54,210

## 2024-2028 CIP Funding by Source Report ►►►

(\$=000)

	PFCs	Federal/ State Grants	Line of Credit/ GARBS	MAC/ Airline Funds	Unfunded	Total
<b>MSP Long Term Comprehensive Plan Projects</b>						
<b>Terminal 1</b>						
Airport Layout Plan	-	-	-	1,000	-	1,000
Baggage Claim/Ticket Lobby						
Operational Improvements	10,000	-	5,000	-	-	15,000
Checkpoint Expansion	11,000	-	-	-	-	11,000
D-Pod Outbound Baggage System	5,000	-	-	-	-	5,000
Expand and Remodel International Arrivals Facility	-	-	5,000	-	-	5,000
Unstaffed Exit Lanes	-	-	-	2,500	-	2,500
<b>Field and Runway</b>						
Runway 30R Parallel Taxiway	9,500	26,500	-	-	-	36,000
<b>Terminal 2</b>						
North Gate Expansion	-	-	195,000	-	-	195,000
<b>MSP Long Term Comprehensive Plan Subtotal</b>						
	<b>\$ 35,500</b>	<b>\$ 26,500</b>	<b>\$ 205,000</b>	<b>\$ 3,500</b>	<b>\$ -</b>	<b>\$ 270,500</b>
<b>MSP Maintenance/Facility Upgrade Projects</b>						
<b>Terminal 1</b>						
Airport Director's Office Expansion	-	-	-	4,000	-	4,000
Art Display Areas	-	-	-	250	-	250
Arts Master Plan	-	-	-	4,570	-	4,570
C/G Connector Lighting Improvements	-	-	-	1,000	-	1,000
Concourse A Heating System Upgrade	-	-	4,900	-	-	4,900
Concourse G Moving Walks	-	-	6,000	-	-	6,000
Curbside Canopy Repairs and Lighting Upgrades	-	-	-	350	-	350
Delivery Node Redevelopment	-	-	7,800	14,320	-	22,120
Employee Breakroom	-	-	-	450	-	450
F/G Connector & Skyclub Repairs and Improvements	-	-	-	1,100	-	1,100
Folded Plate Repairs	19,000	-	24,400	-	-	43,400
Lavatory Building Overhead Door Upgrades	-	-	-	200	-	200
Lighting Infrastructure Technology and Equipment	-	-	-	5,100	-	5,100
Public Walk Aisle Terrazzo Floor Installation	-	-	-	17,800	-	17,800
Restroom Upgrade Program	10,250	-	-	-	-	10,250
Steam System Upgrade Program	-	-	-	8,000	-	8,000
Tug Drive Heater Replacement	-	-	-	2,000	-	2,000
Tug Drive Waterproofing	-	-	-	11,600	-	11,600
Way-Finding Sign Backlighting Replacement	-	-	-	4,000	-	4,000



## 2024-2028 CIP Funding by Source Report ►►►

(\$=000)

	PFCs	Federal/ State Grants	Line of Credit/ GARBS	MAC/ Airline Funds	Unfunded	Total
<b>Energy Management Center</b>						
Chiller Plant Optimization	-	-	-	3,000	-	3,000
Energy Savings Program	-	-	-	4,000	-	4,000
MAC Automation Infrastructure Program	-	-	11,800	-	-	11,800
Steam Trap Monitoring System	-	-	-	3,000	-	3,000
Terminal 2 Penthouse Chiller Plant Infrastructure Upgrades	-	-	-	5,500	-	5,500
Victaulic Piping Replacement	-	-	2,000	2,000	-	4,000
<b>Field and Runway</b>						
Apron Lighting LED Upgrade	1,000	6,750	2,000	250	-	10,000
Runway LED Lighting Upgrade	-	2,875	-	1,525	-	4,400
Terminal 2 Glycol Lift Station/Forcemain	-	-	1,100	-	-	1,100
Tunnel Lighting LED Upgrade	625	3,450	-	525	-	4,600
<b>Parking</b>						
Parking Guidance System	-	-	6,500	-	-	6,500
Parking Ramp Railing Refinishing	-	-	1,000	2,000	-	3,000
Red/Blue Parking Levels 2 & 3	-	-	8,000	-	-	8,000
<b>Terminal 2</b>						
Gate Area Passenger Amenities	-	-	-	1,000	-	1,000
Gate Desk/Podium Replacement	-	-	-	450	-	450
Ground Transportation Waiting Area Expansion	-	-	-	400	-	400
MUFIDS/EVIDS Millwork Upgrades	-	-	-	350	-	350
Skyway to LRT Flooring Installation	-	-	-	800	-	800
Terminal Door Locks and Emergency Egress Upgrades	-	-	-	400	-	400
<b>Public Areas/Roads</b>						
34th Avenue Traffic Control Improvements	-	-	-	200	-	200
Diverging Diamond Intersection Rehabilitation	-	-	-	340	-	340
Terminal 1 Inbound Roadway Median Improvements	-	-	-	3,000	-	3,000
Tunnel Fan Replacement	-	-	4,700	6,800	-	11,500
<b>Hangars and Other Buildings</b>						
Safety and Security Center	-	-	100,600	-	-	100,600
<b>Trades/Maintenance Buildings</b>						
South Field Maintenance Building Wash Bay	-	-	3,500	-	-	3,500
<b>Police</b>						
Perimeter Fence Intrusion Detection System	1,000	-	-	-	-	1,000
Perimeter Gate Security Improvements	3,250	9,750	-	-	-	13,000
Public Safety Modifications	1,000	-	-	-	-	1,000
<b>Fire</b>						
Campus Fire Protection	-	-	-	7,700	-	7,700

## 2024-2028 CIP Funding by Source Report ►►►

(\$=000)

	PFCs	Federal/ State Grants	Line of Credit/ GARBS	MAC/ Airline Funds	Unfunded	Total
<b>Environment</b>						
Glycol Sewer & Storm Sewer Inspection/Rehabilitation	-	-	-	1,900	-	1,900
Lift Station at Ponds 1 and 2	-	-	-	1,400	-	1,400
Terminal 2 Remote Ramp Lot/Drainage Improvements	-	-	2,000	-	-	2,000
<b>MSP Maintenance/Facility Upgrades Projects Subtotal</b>	<b>\$ 36,125</b>	<b>\$ 22,825</b>	<b>\$ 186,300</b>	<b>\$ 121,280</b>	<b>\$ -</b>	<b>\$ 366,530</b>
<b>MSP Ongoing Maintenance Programs</b>						
<b>Terminal 1</b>						
Air Handling Unit Replacement	-	-	6,500	19,000	-	25,500
Baggage System Upgrades	-	-	-	2,500	-	2,500
Concourse G Rehabilitation	-	-	5,000	15,000	-	20,000
Conveyance System Upgrades	-	-	-	3,000	-	3,000
Electrical Infrastructure Program	-	-	-	10,000	-	10,000
Electrical Substation Replacement	-	-	2,500	2,600	-	5,100
Emergency Power Upgrades	-	-	-	10,000	-	10,000
Plumbing Infrastructure Upgrade Program	-	-	-	3,500	-	3,500
Terminal Building Remediation Program	-	-	3,000	12,000	-	15,000
Terminal Miscellaneous Modifications	-	-	-	13,000	-	13,000
<b>Energy Management Center</b>						
Life Safety Infrastructure Program	-	-	-	9,500	-	9,500
Plant Upgrades	-	-	-	1,500	-	1,500
<b>Field and Runway</b>						
Airside Electrical Construction	-	-	7,000	-	-	7,000
Airside Roadway Pavement Restoration	-	-	2,400	3,600	-	6,000
Miscellaneous Airfield Construction	-	-	1,500	-	-	1,500
Pavement Joint Sealing and Repair	-	-	-	4,000	-	4,000
<b>Terminal Roads/Landside</b>						
Tunnel and Bridge Inspections	-	-	-	630	-	630
Tunnel and Bridge Miscellaneous Modifications	-	-	-	2,000	-	2,000
<b>Parking</b>						
Parking Structure Rehabilitation	-	-	3,000	12,000	-	15,000
<b>Public Areas/Roads</b>						
34th Ave Sanitary Sewer Replacement	-	-	-	2,200	-	2,200
34th Avenue Bus Area Reconstruction	-	-	-	700	-	700
34th Avenue Reconstruction	-	-	-	14,000	-	14,000
Concrete Joint Repair	-	-	-	5,800	-	5,800
Landside Pavement Rehabilitation	-	-	-	2,100	-	2,100
Landside Utility Rehabilitation	-	-	-	2,250	-	2,250
Roadway Fixture Refurbishment	-	-	-	150	-	150

## CONSTRUCTION FUND

## 2024-2028 CIP Funding by Source Report ►►►

(\$=000)

	PFCs	Federal/ State Grants	Line of Credit/ GARBS	MAC/ Airline Funds	Unfunded	Total
<b>Hangars and Other Buildings</b>						
Campus Building Rehabilitation Program	-	-	-	4,500	-	4,500
Campus Parking Lot Reconstructions	-	-	-	1,350	-	1,350
End of Life Campus Building Demolition	-	-	-	3,700	-	3,700
MSP Campus Building Roof Replacements	-	-	16,300	14,500	-	30,800
Trades/Maintenance Buildings Sump Pump Controls	-	-	11,500	-	-	11,500
<b>MSP Ongoing Maintenance Programs Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 58,700</b>	<b>\$ 175,080</b>	<b>\$ -</b>	<b>\$ 233,780</b>
<b>MSP Tenant Projects</b>						
<b>Terminal 1</b>						
Concessions Upgrades/ Revenue Development	-	-	-	1,000	-	1,000
Concourse G Infill - Pod 2-3	-	-	100,000	-	-	100,000
Elevator and Concourse Improvements	-	-	-	1,000	-	1,000
FIS Gate Common Use Additions	2,000	2,000	-	1,000	-	5,000
Pre-conditioned Air Units	-	-	-	2,500	-	2,500
<b>Hangars and Other Buildings</b>						
Ground Support Equipment Maintenance Facility	-	-	-	2,000	-	2,000
<b>MSP Tenant Projects Subtotal</b>	<b>\$ 2,000</b>	<b>\$ 2,000</b>	<b>\$ 100,000</b>	<b>\$ 7,500</b>	<b>\$ -</b>	<b>\$ 111,500</b>
<b>MSP Noise Mitigation Projects</b>						
<b>Environment</b>						
Noise Mitigation Consent Decree Amendment	-	-	-	1,000	-	1,000
<b>MSP Noise Mitigation Projects Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,000</b>	<b>\$ -</b>	<b>\$ 1,000</b>
<b>Reliever Airports Long Term Comprehensive Plan Projects</b>						
<b>Lake Elmo Airport</b>						
Long Term Comprehensive Plan	-	-	-	100	-	100
<b>Airlake Airport</b>						
Long Term Comprehensive Plan	-	-	-	100	-	100
<b>Flying Cloud Airport</b>						
South Building Area Utilities	-	-	-	600	-	600
<b>Crystal Airport</b>						
Long Term Comprehensive Plan	-	-	-	100	-	100
<b>Anoka County - Blaine Airport</b>						
Airport Layout Plan	-	200	-	200	-	400
Building Area Development - Xylite St. Relocation	-	-	-	1,000	-	1,000
Long Term Comprehensive Plan Update	-	-	-	400	-	400
<b>Reliever Airports Long Term Comprehensive Plan Projects Subtotal</b>	<b>\$ -</b>	<b>\$ 200</b>	<b>\$ -</b>	<b>\$ 2,500</b>	<b>\$ -</b>	<b>\$ 2,700</b>

## 2024-2028 CIP Funding by Source Report ►►►

(\$=000)

	PFCs	Federal/ State Grants	Line of Credit/ GARBS	MAC/ Airline Funds	Unfunded	Total
<b>Reliever Airports Maintenance/Facility Upgrade Projects</b>						
<b>Reliever Miscellaneous</b>						
Building Miscellaneous						
Modifications	-	-	-	2,000	-	2,000
Obstruction Removal	-	-	-	600	-	600
Pavement Rehabilitation						
Miscellaneous Modifications	-	-	-	1,500	-	1,500
<b>St. Paul Airport</b>						
Airport Perimeter Roads	-	-	-	500	-	500
Airport Road and Eaton Street						
Retaining Wall	-	-	-	700	-	700
Cold Equipment Storage Building	-	-	-	750	-	750
Customs and Border Protection						
General Aviation Facility	-	2,000	-	-	-	2,000
Intelligent Monitoring and Control						
System Expansion	-	-	-	2,250	-	2,250
LED Edge Lighting Upgrades	-	1,075	-	425	-	1,500
MAC Building Improvements	-	-	-	400	-	400
Pavement Rehabilitation-						
Taxilanes/Tower Road	-	-	-	500	-	500
Runway 13-31 Pavement						
Reconstruction	-	3,600	-	1,400	-	5,000
Runway 14-32 EMAS Replacement	-	8,000	-	2,000	-	10,000
Runway 14-32 Reconstruction	-	7,200	-	2,800	-	10,000
Storm Sewer Improvements	-	-	-	1,500	-	1,500
Taxiway B Rehabilitation	-	575	-	225	-	800
Taxiway Lima Rehabilitation	-	-	-	200	-	200
<b>Lake Elmo Airport</b>						
Intelligent Monitoring and Control						
System	-	-	-	1,150	-	1,150
Materials Storage Building	-	-	-	500	-	500
North Building Area Pavement						
Rehabilitation	-	-	-	900	-	900,000
North Service Roads Rehabilitation	-	-	-	500	-	500
Northside Taxiway Reconstruction	-	-	-	600	-	600
Runway 04-22 Pavement						
Rehabilitation	-	2,875	-	1,125	-	4,000
<b>Airlake Airport</b>						
Intelligent Monitoring and Control						
System	-	-	-	1,150	-	1,150
Maintenance Building Renovation	-	-	-	750	-	750
North Service Road Pavement						
Rehabilitation	-	-	-	400	-	400
North Taxilanes Pavement						
Rehabilitation	-	-	-	1,000	-	1,000
South Building Area Utilities and						
Taxilanes	-	-	-	1,300	-	1,300

**2024-2028 CIP Funding by Source Report ►►►**

(\$=000)

	PFCs	Federal/ State Grants	Line of Credit/ GARBS	MAC/ Airline Funds	Unfunded	Total
<b>Flying Cloud Airport</b>						
Airport Access Roads and Tango Lane	-	350	-	150	-	500
Airport Access Roads Pavement Rehabilitation	-	-	-	1,000	-	1,000
Electrical Vault Modifications	-	-	-	500	-	500
Gate Replacements	-	-	-	500	-	500
Intelligent Monitoring and Control System	-	-	-	2,250	-	2,250
MAC Building Improvements	-	-	-	600	-	600
Runway 10R-28L Pavement Rehabilitation	-	1,600	-	850	-	2,450
Underground Fuel Storage Tank Replacement	-	-	-	400	-	400
<b>Crystal Airport</b>						
Existing Hangar Revitalization	-	-	-	800	-	800
Intelligent Monitoring and Control System	-	-	-	1,150	-	1,150
Runway 6L-24R Pavement Rehabilitation	-	1,500	-	500	-	2,000
Taxilanes Pavement Rehabilitation	-	400	-	800	-	1,200
Underground Fuel Storage Tank Replacement	-	-	-	400	-	400
<b>Anoka County - Blaine Airport</b>						
Electrical Vault Improvements	-	-	-	750	-	750
Gate Controller Upgrades	-	-	-	400	-	400
Intelligent Monitoring and Control System	-	-	-	1,150	-	1,150
Runway 18-36 Pavement Rehabilitation	-	1,875	-	625	-	2,500
Underground Fuel Storage Tank Replacement	-	-	-	400	-	400
West Perimeter Road	-	900	-	600	-	1,500
<b>Reliever Airports Maintenance/Facility Upgrade Projects Subtotal</b>	\$ -	\$ 31,950	\$ -	\$ 40,950	\$ -	\$ 72,900
<b>MSP Subtotal</b>	\$ 153,425	\$ 161,275	\$ 553,150	\$ 422,890	\$ 600,000	\$ 1,890,740
<b>Reliever Subtotal</b>	\$ -	\$ 32,150	\$ -	\$ 43,450	\$ -	\$ 75,600
<b>GRAND TOTAL</b>	\$ 153,425	\$ 193,425	\$ 553,150	\$ 466,340	\$ 600,000	\$ 1,966,340

## CONSTRUCTION FUND

## SOURCES AND USES OF FUNDS

From December 31, 2019 through December 31, 2024, the MAC has identified multiple funding sources totaling \$1.4 billion, in addition to a beginning balance of \$566.8 million in funds. During this period, the MAC will expend \$1.42 billion, leaving a net balance of \$513.0 million at the end of 2023. This balance represents a portion of the 2022, 2023 and 2024 CIP projects that were started but not completed by December 31, 2024 and PFCs to pay future debt service.

The Construction Fund Budget below represents anticipated sources and uses of funds during the years 2020-2024. The information for the 2021 estimate includes expected transactions during the fourth quarter.

## Construction Fund Budget ►►►

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	2020 Actual	2021 Budget	2021 Estimate	2022 Budget	2023 Projected	2024 Projected	Total Projected
Balance 12/31/19	\$ 566,845						\$ 566,845
Balance Carried Forward January 1		\$ 347,123	\$ 353,103	\$ 211,162	\$ 399,890	\$ 277,186	
<b>Sources of Funds</b>							
Transfer From Operating Fund	77,798	23,533	23,495	70,050	72,811	87,000	331,154
PFC Funding	34,719	53,298	46,568	61,072	72,502	77,430	292,291
Federal/State Grants	17,588	41,320	12,965	44,845	18,180	45,000	138,578
Interest Income <sup>1</sup>	4,256	2,400	2,613	3,420	3,400	7,900	21,589
Short-Term Line of Credit	-	58,000	23,000	38,000	8,500	8,300	77,800
Principal Amount of Bonds/Notes	-	-	-	153,410	-	354,250	507,660
Other Receipts	-	-	-	-	-	-	-
<b>Total Sources of Funds</b>	<b>\$ 134,361</b>	<b>\$ 178,551</b>	<b>\$ 108,641</b>	<b>\$ 370,797</b>	<b>\$ 175,393</b>	<b>\$ 579,880</b>	<b>\$ 1,369,072</b>
<b>Uses of Funds</b>							
CIP Project Costs	(320,317)	(185,070)	(222,839)	(162,402)	(278,420)	(325,609)	(1,309,587)
Debt Service PFC Transfer	(27,786)	(27,743)	(27,743)	(19,667)	(19,677)	(18,363)	(113,236)
<b>Total Uses of Funds</b>	<b>\$ (348,103)</b>	<b>\$ (212,813)</b>	<b>\$ (250,582)</b>	<b>\$ (182,069)</b>	<b>\$ (298,097)</b>	<b>\$ (343,972)</b>	<b>\$ (1,422,823)</b>
Ending Balance December 31	\$ 353,103	\$ 312,861	\$ 211,162	\$ 399,890	\$ 277,186	\$ 513,094	\$ 513,094

Interest Rate Assumed is 1%-2% for the period 2022 through 2024.

## SOURCES OF FUNDS

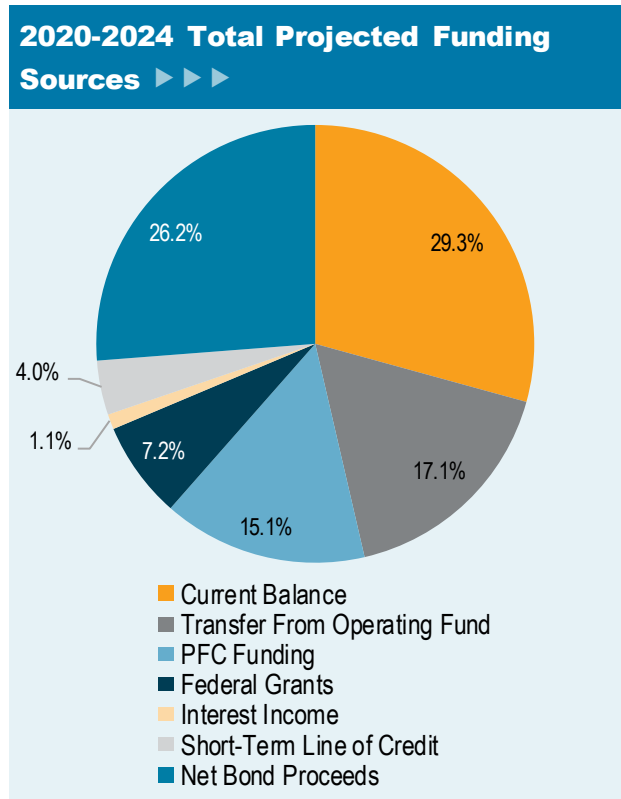
At the end of each year, the Operating Fund transfer is made after debt service and working capital obligations are funded. The 2022 budget includes a \$70.1 million transfer, based on estimated 2021 net revenues. Air travel saw incremental growth in 2021, driving the increase in the net revenues to be transferred in 2022.

In 2023 and 2024, incremental revenue growth is expected to continue, leading to increases in the Operating Fund transfer. The balance to be transferred for the 2020-2024 period is estimated at \$331.2 million or 17.1% of all funding sources.



**CONSTRUCTION FUND**

Excluding the current balance, the pie chart below illustrates that Net Bond Proceeds, Transfer from Operating Fund and PFC Funding are the main funding sources for 2020-2024 construction projects.

**Federal and State Grants**

Federal Grants are funds which are used for FAA-approved projects. These include field, runways and certain terminal building projects at the MAC's airports. Grant money may be issued by the FAA if criteria are met. State Grants follow a similar application to Federal Grants, while on a much smaller funding scale. Total grants are \$138.6 million or 7.2% of total funding.

**Interest Income**

Interest Income is based on the balance in the fund. An interest rate range of 1%-2% is assumed for 2022 through 2024. This figure can vary significantly depending upon approval of projects and their starting dates. Interest Income of \$21.6 million or 1.1% of sources is projected.

**Passenger Facility Charges**

PFCs provide a significant funding source of \$292.3 million or 15.1% 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 table below shows the status of all applications.

**PFC Summary Table ►►►**

(\$=000)

Application Number	Amended Approval Amount	Collection as of 12/31/2021	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	565,239	Open
7	14,479	14,479	Open
8	147,986	99,682	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	28,636	Open
14	126,557	125,227	Open
15	334,177	236,064	Open
	<b>\$ 2,075,669</b>	<b>\$ 1,696,850</b>	

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

**CONSTRUCTION FUND**

updated Competition Plan was submitted in September 2016 and approved in 2017.

**Short-Term Line of Credit**

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 has a short-term line of credit of \$150 million. The MAC expects to issue \$77.8 million from its line of credit from 2020-2024.

**Long-Term Debt**

In 2022, the Commission expects to issue General Airport Revenue Bonds with an anticipated net of approximately \$153.4 million in construction proceeds. The 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 92% of the total, while a Debt Service PFC Transfer total of \$113.2 million accounts for the remaining 8%. Debt Service PFC Transfer refers to the transfer of funding to pay a portion of PFC projects that have been funded by long term debt.

In addition to construction costs, CIP project costs include architectural, engineering and similar service fees. Projects in process are also included in this figure. Significant project costs include those associated with parking facilities, Reliever Airports and airfield and terminal projects. The balance carried forward is a result of projects scheduled to begin the next year. This figure is re-estimated annually.

The table below lists capital projects currently in process with project costs in excess of \$2 million.

**Projects in Process ►►►**

(\$ = 000)

As of November 30, 2021

	Estimated Project Cost	Payments to Date	% Completion
2019 MSP Long Term Comprehensive Plan	\$ 2,200	\$ 2,186	99.4%
2020 Concourse G Energy Efficiency	2,000	1,514	75.7%
2020 IT Miscellaneous Modifications	2,346	1,672	71.3%
2020 Sanitary Sewer Replacement - Taxiway R	4,100	3,764	91.8%
2020 T1 Redundant Power	3,500	3,204	91.5%
2020/2021 Victaulic Piping Replacement	2,337	2,057	88.0%
2021 Concourse G Apron Pavement Reconstruction	9,500	7,237	76.2%
2021 Glumack Drive Reconstruction	3,600	1,816	50.4%
2021 Safety and Security Center Phase 1	43,860	7,388	16.8%
2021 Taxiway A Pavement Reconstruction	13,900	11,951	86.0%
2021 Taxiway B Pavement Reconstruction	5,800	1,795	30.9%
Baggage Claim-Ticket Lobby Improvements	251,090	163,862	65.3%
Baggage Handling Systems	79,200	34,516	43.6%
Concourse G Delta Skyclub	82,500	69,207	83.9%
Concourse G Rehabilitations	8,000	2,090	26.1%
Crystal Reliever Airport - 2020 Runway 14R/32L & Taxiway E Modifications	5,852	5,638	96.3%
Electrical Infrastructures Phases 12,13	3,500	1,511	43.2%
Intelligent Monitoring and Control Systems	4,750	1,705	35.9%
Lake Elmo Reliever Airport - 2020 Runway 14-32 Replacement Phase 2	5,000	1,934	38.7%
Lake Elmo Reliever Airport - 2020 Airfield Modifications	3,000	1,660	55.3%
MSP Campus Fire Alarm System Transition Upgrades	2,000	1,608	80.4%
Noise Mitigation Consent Decree Amendment	40,500	34,751	85.8%
Parking Structure Rehabilitations	8,500	4,245	49.9%
Passenger Boarding Bridges	8,100	2,230	27.5%
Terminal 1 Parking Ramp Modifications	13,800	12,292	89.1%
All Other Projects in Process	413,711	44,332	10.7%
<b>Total</b>	<b>\$ 1,022,646</b>	<b>\$ 426,165</b>	

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## DEBT SERVICE FUND

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

### LONG-TERM DEBT

#### GENERAL OBLIGATION REVENUE BONDS

Since 1976, GORBs have been issued and they become general obligations of the Commission, payments of which are secured by the pledge of all operating revenues of the Commission. In order to pay outstanding debt service on GORBs, the Commission has the power to levy ad valorem property taxes upon all taxable property in the seven-county metropolitan area. An ad valorem tax is a tax in which the amount is based on the assessed valuation of property. If levied, the Commission must repay the taxes.

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 requirements of GORBs, as well as Airport Improvement Bonds. The Commission currently has existing legislative authorization to issue up to approximately \$55 million of GORBs.

#### GENERAL AIRPORT REVENUE BONDS

The Minnesota State Legislature authorized the Commission to issue GARBs in 1996. In 1998, the Commission began issuing GARBs. These bonds may be secured by the pledge of all operating revenues of the Commission and are not backed by the Commission's ad valorem taxing power. 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 2022 on Senior Debt Obligations is 6.02 times. With the optional coverage transfer, this figure is 6.27 times. The overall projected coverage ratio is expected to be 1.41 times and 1.47 times 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 through airline rates and charges. As of December 31, 2021, the Commission has \$40,383,000 notes payable outstanding.

#### REVOLVING LINE OF CREDIT

In 2021, the Commission entered into a \$150.0 million Revolving Line of Credit to interim fund certain capital improvement projects. As of December 31, 2021, the Commission has utilized \$113.1 million of the line of credit and will have utilized \$69.0 million at December 31, 2022.

#### DERIVATIVE/SWAP DEBT

The Commission has no derivative/swap debt nor has there ever been any instrument of this type in the debt portfolio.

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

## Current Long-Term Debt ►►►

(\$=000)

Outstanding as of Year End

	Issue Date	Original Amount	Final Payment Year	2021	2022
<b>General Airport Revenue Bonds</b>					
2014 Series A - 2.00-5.00%	10/08/14	217,790	2035	\$200,905	\$192,135
2014 Series B - 2.00-5.00%	10/08/14	46,590	2026	22,870	18,365
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	91,640	67,345
2016 Series C - 2.00-5.00%	12/20/16	207,250	2046	195,860	191,755
2016 Series D - 2.00-5.00%	12/20/16	23,410	2041	21,165	20,525
2016 Series E - 2.00-5.00%	12/20/16	171,690	2034	145,435	136,300
2019 Series A - 4.00-5.00%	10/04/19	96,615	2049	93,590	92,825
2019 Series B - 5.00%	10/04/19	164,320	2049	146,245	137,570
2019 Series C - 5.00%	10/04/19	31,035	2028	27,675	23,770
<b>Total General Airports Revenue Bonds</b>				<b>\$1,276,075</b>	<b>\$1,211,280</b>
<b>Total Bonds Outstanding</b>				1,276,075	1,211,280
<b>Notes Payable and Revolving Line of Credit</b>				157,393	101,532
<b>Total Long-Term Debt</b>				<b>\$1,433,468</b>	<b>\$1,312,812</b>

### DEBT SERVICE REQUIREMENTS

The Commission has agreed to collect rates, tolls, fees, rentals, and charges so that net revenues and any permitted transfer will equal at least 125% aggregate annual debt service on the outstanding Senior Lien GARBs and 110% on outstanding Subordinate Lien GARBs. This agreement is pursuant to the terms of the Master Trust Indenture entered into by the Commission in connection with its issuance of GARBs.



*Bonds Provided Funds to Build the New Silver Ramp with its Beautiful Glazed Terracotta Baguette Exterior*

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

### GARB Debt Service Requirement ►►

Date	Funding Requirement
January 1, 2022	\$129,512,543
January 1, 2023	130,568,613
January 1, 2024	132,393,698
January 1, 2025	131,495,491
January 1, 2026	132,762,641

## DEBT SERVICE FUND

The following table shows future debt requirements for current long-term debt on an annual calendar year basis after December 31, 2021 for the remaining terms. The table does not take into consideration any future bond issues or notes payable issued after 2021.

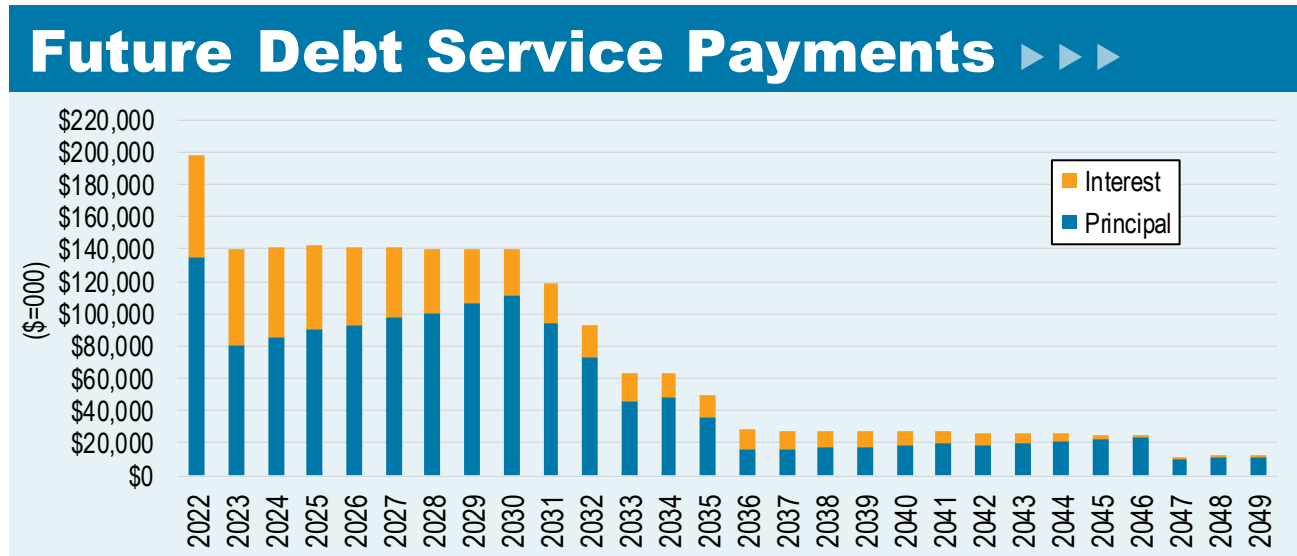
## Debt Service Requirements ►►►

(\$=000)

	Notes / Line of Credit Principal	GARBs Principal	Total Outstanding Principal	Total All Interest	Total Principal & Interest
2022	\$64,293	\$70,350	\$134,643	63,627	\$198,270
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	2,361	103,955	106,316	34,091	140,407
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	0	16,270	16,270	11,005	27,275
2038	0	17,085	17,085	10,171	27,256
2039	0	17,950	17,950	9,295	27,245
2040	0	18,840	18,840	8,376	27,216
2041	0	19,790	19,790	7,410	27,200
2042	0	19,075	19,075	6,438	25,513
2043	0	20,015	20,015	5,461	25,476
2044	0	21,030	21,030	4,435	25,465
2045	0	22,080	22,080	3,357	25,437
2046	0	23,180	23,180	2,226	25,406
2047	0	10,440	10,440	1,385	11,825
2048	0	10,965	10,965	850	11,815
2049	0	11,515	11,515	288	11,803
<b>Total</b>	<b>\$100,817</b>	<b>\$1,341,915</b>	<b>\$1,442,732</b>	<b>\$598,232</b>	<b>\$2,040,964</b>



The following chart shows expected future debt principal and interest:



#### BOND REFUNDINGS AND NEW ISSUES

On January 1, 2022, the Commission refunded the General Airport Revenue Bonds Series 2011A and 2012B using the MAC's Revolving Line of Credit (LOC). The Commission plans to refund the LOC notes in 2022 with fixed rate bonds in addition to funding new money needs.

As a result of the refunding, the Commission reduced its total debt service requirements, which resulted in an estimated economic gain (present value savings) in the amount of approximately \$10,000,000.

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.

#### CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program approved by the Commission in December 2021 for the period 2022-2028 does include funding of projects with a new long-term debt issue. The MAC anticipates a new long-term debt issue in 2022 of approximately \$153.4 million. Some of the projects to be funded with the 2022 bond proceeds include the following:

##### 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 areas. 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 \$102,525,000.

##### Folded Plate Repairs

This is the first phase of a multi-year project to repair and replace the roof assembly on the folded plate roof at Terminal 1. The estimated total cost is \$52,300,000.

##### Air Handling Unit Replacement

This is a multi-year project to replace outdated air handling units. The project includes modifications to building walls to install the new units, upgrade electrical and temperature controls and provide asbestos abatement. The estimated total cost is \$38,500,000.

##### Concourse G Rehabilitation

This is a multi-year project to provide operational improvements to the existing concourse over time. Included in this project is modifying and replacing structural, electrical and mechanical systems as well as replacing elevators. The estimated total cost is \$9,000,000.

## SOURCES AND USES OF FUNDS

The table below shows sources and uses of funds in the Debt Service Fund. Bonds were defeased on January 1, 2022. With the new bond issue in 2022 comes increasing principal and interest payments through 2024.

### Debt Service Budget ►►►

(\$=000)

	2020 Actual	2021 Budget	2021 Estimate	2022 Budget	2023 Projected	2024 Projected
<b>Beginning Balance January 1</b>	\$250,450	\$260,951	\$243,169	\$176,444	\$186,137	\$194,556
<b>SOURCES OF FUNDS</b>						
Transfer from Operating Fund	\$101,432	\$100,943	\$100,943	\$108,779	\$118,223	\$122,126
Transfer from PFCs <sup>1</sup>	27,786	27,743	27,743	19,667	19,677	18,363
Interest Earnings <sup>2</sup>	735	2,457	2	1,009	1,088	1,182
Bond Proceeds <sup>3</sup>	-	-	-	65,349	-	21,239
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$129,953</b>	<b>\$131,143</b>	<b>\$128,688</b>	<b>\$194,804</b>	<b>\$138,988</b>	<b>\$162,910</b>
<b>USES OF FUNDS</b>						
Bond Refundings	-	-	-	(\$55,598)	-	-
Principal & Interest Paid	(137,234)	(132,205)	(195,413)	(129,513)	(130,569)	(132,394)
<b>TOTAL USES OF FUNDS</b>	<b>(\$137,234)</b>	<b>(\$132,205)</b>	<b>(\$195,413)</b>	<b>(\$185,111)</b>	<b>(\$130,569)</b>	<b>(\$132,394)</b>
<b>Ending Balance December 31</b>	<b>\$243,169</b>	<b>\$259,889</b>	<b>\$176,444</b>	<b>\$186,137</b>	<b>\$194,556</b>	<b>\$225,072</b>

<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

A transfer from the operating fund would occur each October 10th to cover the debt service if the Commission had outstanding GORBs. Since the Commission currently has no GORBs outstanding, no transfer is required during 2020-2024. For General Airport Revenue Bonds, 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 provide grant assistance to airports which reimburses eligible expenses. In 2021, the MAC received a total grant reimbursement of approximately \$125.9 million from the CARES Act grant. Part of this grant reimbursed the required debt service payments.

The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) is another federal grant to provide additional relief in the transit industry to respond to COVID-19. In 2021, the MAC received a total grant reimbursement of approximately \$33.5 million from CRRSAA. Required debt service payments were also reimbursed through this grant.

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 2022-2024. In projecting interest income, the MAC

**DEBT SERVICE FUND**

typically takes a conservative approach. Bond proceeds are made up of reserves, issuance costs and capitalized interest. The bond proceeds in 2022 and 2024 represent new bond issues, which represents the required debt service reserve and capitalized interest.

**USES OF FUNDS**

Disbursements represent bond refundings and principal and interest payments made during the year by bond series. As stated previously, bonds were refunded in 2022 with the line of credit.

In 2021, the increase in principal and interest payments are primarily due to the advance on the line of credit to refund the two bond series. The principal and interest is now reflected in the current year due instead of spread out per previous bond maturities. Interest is a cost of carrying debt and reduces available funds for operations.

**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, 2021 are as follows:

**SENIOR DEBT**

- **Standard & Poors** A+
- **Fitch Ratings** AA-

**SUBORDINATE DEBT**

- **Standard & Poors** A
- **Fitch Ratings** A+

Standard & Poors bond ratings range from AAA (highest quality) to C (lowest quality) for long-term obligations. 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 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

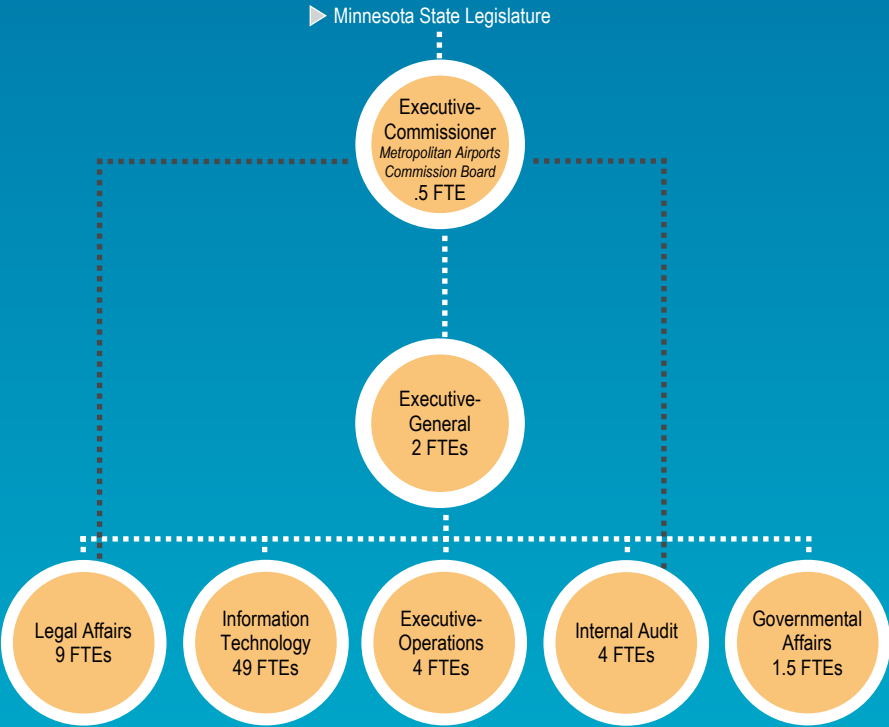
Fitch Ratings also uses a rating system similar to that of Standard & Poors. Ratings from AAA to CCC may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

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.

EXECUTIVE DIVISION



Commission Governance (no FTEs) Executive Division

## SERVICE CENTER SUMMARIES

Executive Division: Goals ►►►					
	Economic	Engagement	Innovation	Safety, Security & Preparedness	Talent
Executive - Commissioner		►			
Executive - General		►			
Executive - Operations		►			
Internal Audit	►				►
Information Technology			►		
Governmental Affairs		►		►	
Legal Affairs					►

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 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.

Many service centers have selected new performance measures for either the 2021 or 2022 budget year. Therefore, historical results are not available in some instances.

The COVID-19 pandemic had a significant effect on the air travel industry. Unprecedented challenges may have had negative impacts on some of the 2021 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, developing the potential of the metropolitan area as an aviation center and 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 ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 47,849	\$ 48,000	\$ 56,062	\$ 8,062	16.8%
Administrative Expenses	6,592	9,382	10,175	793	8.5%
Professional Services	-	-	-	-	-
Utilities	-	600	600	-	-
Operating Services/Expenses	-	-	-	-	-
Maintenance	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Budget</b>	<b>\$ 54,441</b>	<b>\$ 57,982</b>	<b>\$ 66,837</b>	<b>\$ 8,855</b>	<b>15.3%</b>
Full-Time Equivalent (FTE) Total	0.5	0.5	0.5		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is due to more in-person meetings as pandemic-era restrictions decrease.

#### ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses is due to more in-person meetings as pandemic-era restrictions decrease.

### 2021 PERFORMANCE MEASURE RESULTS

**PERFORMANCE MEASURE** ► Commission and Senior Staff offsite meeting to advance the strategic plan

**TARGET** ► Minimum of 1

**RESULT** ► 0

**NOTE** ► The Commission and Senior Staff offsite meeting was unable to be held in 2021 due to the pandemic.

### 2022 GOALS, OBJECTIVES & MEASURES

**ORGANIZATIONAL GOAL** ► Engagement

**DIVISION GOAL** ► Grow stakeholder and community engagement

**OBJECTIVE** ► In partnership with the CEO, ensure Commission and staff alignment with enterprise strategic plan

**PERFORMANCE MEASURE** ► Commission approval of the enterprise strategic plan for period 2023-2027



## SERVICE CENTER SUMMARIES

## 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 ►►►

	2022 Budget vs 2021 Budget				
	2020 Actual	2021 Budget	2022 Budget	Dollar Change	% Change
Personnel	\$ 450,908	\$ 456,226	\$ 471,909	\$ 15,683	3.4%
Administrative Expenses	188,389	187,256	187,213	(43)	-
Professional Services	-	-	-	-	-
Utilities	5,408	5,340	1,200	(4,140)	-77.5%
Operating Services/Expenses	-	-	400,000	400,000	100.0%
Maintenance	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Budget</b>	<b>\$ 644,705</b>	<b>\$ 648,822</b>	<b>\$ 1,060,322</b>	<b>\$ 411,500</b>	<b>63.4%</b>
Full-Time Equivalent (FTE) Total	2.0	2.0	2.0		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

#### UTILITIES

The decrease in Utilities is the result of lower monthly data charges.

#### OPERATING SERVICES/EXPENSES

The increase in Operating Services/Expenses is related to the Airport Council International-North America (ACI-NA) 2022 Annual Conference & Exhibition in Minneapolis in September.

### 2022 GOALS, OBJECTIVES & MEASURES

#### ORGANIZATIONAL GOAL ► Engagement

DIVISION GOAL ► Enhance internal and external stakeholder communication and community engagement

OBJECTIVE ► Advance organization in alignment with enterprise strategic plan

PERFORMANCE MEASURE ► Develop the enterprise strategic plan for period 2023 to 2027 and recommend to it the Commission for approval

PERFORMANCE MEASURE TARGET ► Minimum of 1

### 2021 PERFORMANCE MEASURE RESULTS

PERFORMANCE MEASURE ► Senior Staff meetings on curated topics that guide and advance the strategic plan and organization's mission, vision and goals

TARGET ► Minimum of 6

RESULT ► 12

## 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 ►►►

	2022 Budget vs 2021 Budget				
	2020 Actual	2021 Budget	2022 Budget	Dollar Change	% Change
Personnel	\$ 548,250	\$ 520,147	\$ 540,700	\$ 20,553	4.0%
Administrative Expenses	5,995	15,420	14,195	(1,225)	-7.9%
Professional Services	5,716	45,000	41,000	(4,000)	-8.9%
Utilities	1,800	1,200	1,200	-	-
Operating Services/Expenses	82,989	41,200	123,200	82,000	199.0%
Maintenance	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Budget</b>	<b>\$ 644,750</b>	<b>\$ 622,967</b>	<b>\$ 720,295</b>	<b>\$ 97,328</b>	<b>15.6%</b>
<b>Full-Time Equivalent (FTE) Total</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

#### ADMINISTRATIVE EXPENSES

The decrease in Administrative Expenses is driven by fewer printing projects.

#### PROFESSIONAL SERVICES

The decrease in Professional Services is the result of fewer survey hours.

#### OPERATING SERVICES/EXPENSES

The increase in Operating Services/Expenses is due to the reinstatement of the MSP Nice Celebration, Customer Service Action Council (CSAC) Benchmarking, CSAC Forums, Airport Service Quality (ASQ) surveys, English language learner training, and Safety Management System gap analysis.

### 2022 GOALS, OBJECTIVES & MEASURES

#### ORGANIZATIONAL GOAL ► Engagement

DIVISION GOAL ► Grow stakeholder and community engagement

OBJECTIVE ► Promote coordination, engagement and community support for the One Journey concept throughout the MAC's operations

PERFORMANCE MEASURE ► Customer Service Action Council meetings

PERFORMANCE MEASURE TARGET ► Minimum of 9

### 2021 PERFORMANCE MEASURE RESULTS

PERFORMANCE MEASURE ► Customer Service Action Council Meetings

TARGET ► Minimum of 9

RESULT ► 11

## SERVICE CENTER SUMMARIES

# 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. This 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 ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 489,286	\$ 493,573	\$ 507,961	\$ 14,388	2.9%
Administrative Expenses	2,473	2,592	3,107	515	19.9%
Professional Services	34,862	20,000	30,000	10,000	50.0%
Utilities	600	660	660	-	-
Operating Services/Expenses	-	3,000	-	(3,000)	-100.0%
Maintenance	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Budget</b>	<b>\$ 527,221</b>	<b>\$ 519,825</b>	<b>\$ 541,728</b>	<b>\$ 21,903</b>	<b>4.2%</b>
Full-Time Equivalent (FTE) Total	4.0	4.0	4.0		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

#### ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses is due to an increase in memberships and dues for professional organizations.

#### PROFESSIONAL SERVICES

The increase in Professional Services is driven by additional construction auditing services scheduled for 2022.

#### OPERATING SERVICES/EXPENSES

The decrease in Operating Services/Expenses is the result of transferring the fraud hotline service contract to the Information Technology service center, which manages all software service contracts.

### 2022 GOALS, OBJECTIVES & MEASURES

#### ORGANIZATIONAL GOAL ► Talent

DIVISION GOAL ► Employee development & performance management

OBJECTIVE ► Audit staff earn sufficient continuing professional education credits in 2022 to maintain certifications

PERFORMANCE MEASURE ► Percent of staff who earn sufficient training for certification

PERFORMANCE MEASURE TARGET ► Minimum of 100%

#### ORGANIZATIONAL GOAL ► Economic

DIVISION GOAL ► Internal Audit Plan

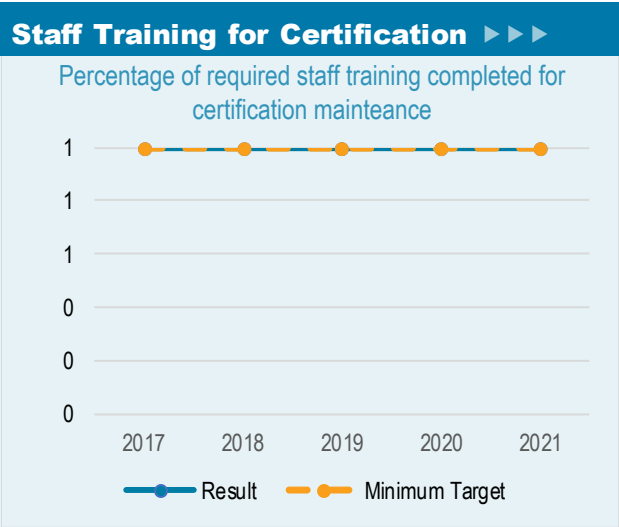
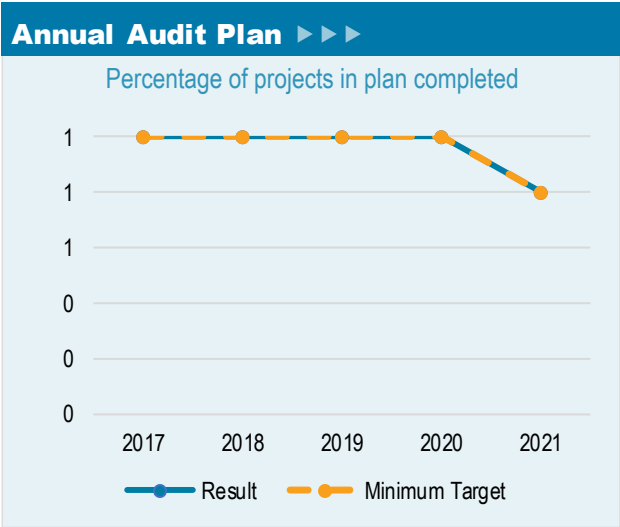
OBJECTIVE ► Complete Commission-approved Annual Audit Plan

PERFORMANCE MEASURE ► Percent of Annual Audit Plan completed

PERFORMANCE MEASURE TARGET ► Minimum of 100%

**INTERNAL AUDIT** Continued on next page

2021 PERFORMANCE MEASURE RESULTS



## 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 ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 5,840,967	\$ 5,779,599	\$ 6,270,616	\$ 491,017	8.5%
Administrative Expenses	107,550	104,400	98,500	(5,900)	-5.7%
Professional Services	810,915	921,000	850,000	(71,000)	-7.7%
Utilities	373,314	429,218	427,635	(1,583)	-0.4%
Operating Services/Expenses	9,319,552	9,867,487	11,247,655	1,380,168	14.0%
Maintenance	-	-	-	-	-
Other	137,891	83,000	-	(83,000)	-100.0%
<b>Total Budget</b>	<b>\$16,590,188</b>	<b>\$17,184,704</b>	<b>\$18,894,406</b>	<b>\$1,709,702</b>	<b>9.9%</b>
Full-Time Equivalent (FTE) Total	46.0	49.0	49.0		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and the scheduled hiring of FTEs whose positions remained unfilled during 2021.

#### ADMINISTRATIVE EXPENSES

The decrease in Administrative Expenses is the result of a reduced need for automated passport control kiosk paper and supplies.

#### PROFESSIONAL SERVICES

The decrease in Professional Services is the result of identifying project work and funding for select consultant resources instead of operational needs, as well as the conversion of a contractor to a regular FTE.

#### OPERATING SERVICES/EXPENSES

The increase in Operating Services/Expenses is attributable to service agreement cost increases as projects progress from implementation to production, becoming operational. Additional increases are the result of the expiration of COVID-discounts given by select vendors.

#### OTHER

The Other expenses budget has been transferred to Capital Technology Projects, which includes a project to manage hardware life cycles.

## SERVICE CENTER SUMMARIES

**2022 GOALS, OBJECTIVES & MEASURES****ORGANIZATIONAL GOAL** ► Innovation**DIVISION GOAL** ► To support and enable MAC via efficient & secure technology delivery and digital transformation**OBJECTIVE** ► Refresh and modernize the common use systems at MSP, including Resource Management System, corresponding data infrastructure and passenger processing components**PERFORMANCE MEASURE** ► Percent of legacy components replaced by common use applications**PERFORMANCE MEASURE TARGET** ► Minimum of 100%**2021 PERFORMANCE MEASURE RESULTS****PERFORMANCE MEASURE** ► Percentage of the Part 139 application, and associated datasets, that are deployed, accepted and in production**TARGET** ► 100% Completion**RESULT** ► 100% - Complete



## GOVERNMENTAL AFFAIRS

Governmental Affairs provides oversight and management of all MAC state and federal legislative issues. This 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 ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 211,368	\$ 237,194	\$ 246,375	\$ 9,181	3.9%
Administrative Expenses	58,789	48,400	49,125	725	1.5%
Professional Services	126,002	221,000	219,000	(2,000)	-0.9%
Utilities	600	600	600	-	-
Operating Services/Expenses	-	-	-	-	-
Maintenance	-	-	-	-	-
Other	1,872	3,200	4,400	1,200	37.5%
<b>Total Budget</b>	<b>\$ 398,632</b>	<b>\$ 510,394</b>	<b>\$ 519,500</b>	<b>\$ 9,106</b>	<b>1.8%</b>
Full-Time Equivalent (FTE) Total	1.5	1.5	1.5		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

#### OTHER

The increase in Other expenses reflects bus rental expenses for the expected return of state legislative committees and other visitors to MSP.

### 2022 GOALS, OBJECTIVES & MEASURES

**ORGANIZATIONAL GOAL** ► Safety, Security & Preparedness

**DIVISION GOAL** ► Safely operate and maintain the MAC system of airports with a purposeful approach to delivering customer service and financial sustainability

**OBJECTIVE** ► Work with the FAA to properly prioritize replacement of the Flying Cloud Airport tower

**PERFORMANCE MEASURE** ► Written documentation from the FAA that the tower is included on the priority list

**ORGANIZATIONAL GOAL** ► Engagement

**DIVISION GOAL** ► Grow stakeholder and community engagement

**OBJECTIVE** ► Keep MAC Commissioners properly informed of legislative matters

**PERFORMANCE MEASURE** ► Presentations to the Board of Commissioners

**PERFORMANCE MEASURE TARGET** ► Minimum of 4

### 2021 PERFORMANCE MEASURE RESULTS

**PERFORMANCE MEASURE** ► Total number of presentations to the MAC Board of Commissioners

**TARGET** ► Minimum of 4

**RESULT** ► 7

**PERFORMANCE MEASURE** ► Total number of stated airport trade association goals aligned with MAC goals

**TARGET** ► Minimum of 4

**RESULT** ► 4

## 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 ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 1,112,824	\$ 1,125,537	\$ 1,139,932	\$ 14,395	1.3%
Administrative Expenses	82,091	55,680	55,680	-	-
Professional Services	777,411	680,000	680,000	-	-
Utilities	5,600	4,800	4,800	-	-
Operating Services/Expenses	12,299	1,400	1,400	-	-
Maintenance	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Budget</b>	<b>\$ 1,990,226</b>	<b>\$ 1,867,417</b>	<b>\$ 1,881,812</b>	<b>\$ 14,395</b>	<b>0.8%</b>
Full-Time Equivalent (FTE) Total	8.0	9.0	9.0		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

### 2022 GOALS, OBJECTIVES & MEASURES

#### ORGANIZATIONAL GOAL ► Talent

DIVISION GOAL ► Partner with business clients to deliver legal products with convenient and efficient designs

OBJECTIVE ► Implement contract form bank initiative

PERFORMANCE MEASURE ► Complete pilot with Risk Management Department

### 2021 PERFORMANCE MEASURE RESULTS

#### PERFORMANCE MEASURE ► Clients

Participating in Feedback Process

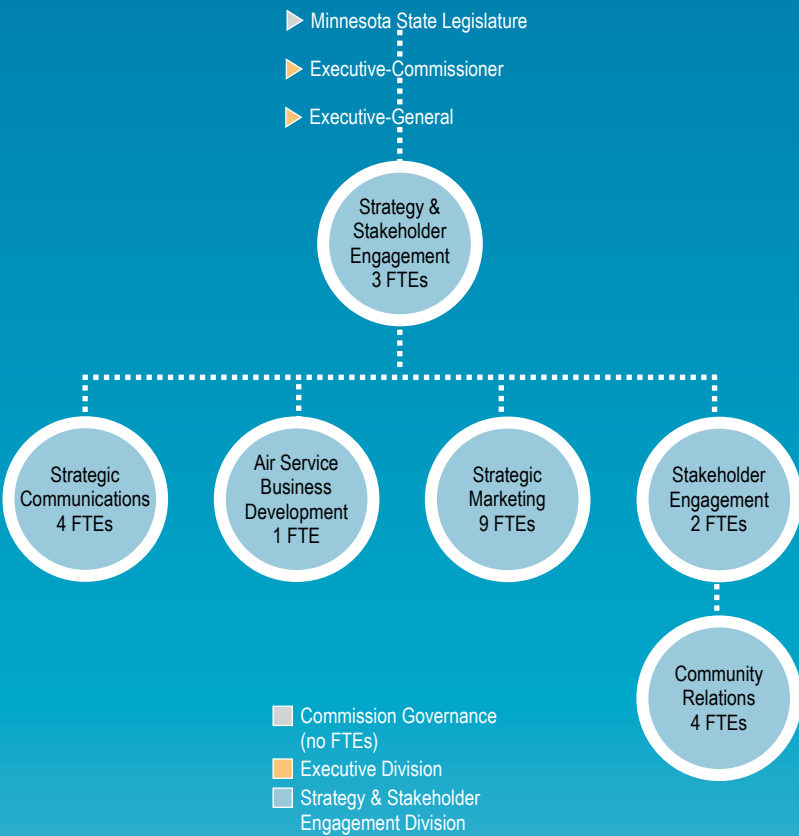
TARGET ► Minimum of 75%

RESULT ► 0

NOTE ► Project execution moved to 2022 due to staffing demands

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# STRATEGY & STAKEHOLDER ENGAGEMENT DIVISION



## Strategy & Stakeholder Engagement

### Division: Goals ▶▶▶

	Air Service	Customer Experience: One Journey Initiative	Economic	Engagement
Strategy & Stakeholder Engagement			▶	▶
Strategic Communications		▶		
Air Service Business Development	▶			
Strategic Marketing			▶	
Stakeholder Engagement				▶
Community Relations				▶

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 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.

Many service centers have selected new performance measures for either the 2021 or 2022 budget year. Therefore, historical results are not available in some instances.

The COVID-19 pandemic had a significant effect on the air travel industry. Unprecedented challenges may have had negative impacts on some of the 2021 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 ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 341,126	\$ 350,495	\$ 362,886	\$ 12,391	3.5%
Administrative Expenses	9,178	12,400	13,825	1,425	11.5%
Professional Services	220,587	340,000	1,045,000	705,000	207.4%
Utilities	1,100	600	1,200	600	100.0%
Operating Services/Expenses	-	-	20,000	20,000	100.0%
Maintenance	-	-	-	-	-
Other	295	10,000	-	(10,000)	-100.0%
<b>Total Budget</b>	<b>\$ 572,286</b>	<b>\$ 713,495</b>	<b>\$ 1,442,911</b>	<b>\$ 729,416</b>	<b>102.2%</b>
Full-Time Equivalent (FTE) Total	3.0	3.0	3.0		

## BUDGET HIGHLIGHTS

### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

### ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses is due to costs associated with enterprise strategic planning meetings and the resumption of membership dues for a sustainability organization that waved dues in 2021 due to the pandemic.

### PROFESSIONAL SERVICES

The increase in Professional Services is due to additional sustainability consulting support to produce a climate resiliency plan, submit grants and accelerate movement on 2030 enterprise sustainability goals, as well as additional strategic planning consulting fees to develop a new five-year MAC enterprise strategic plan.

### UTILITIES

The increase in utilities is the result of one additional staff monthly cell phone stipend.

### OPERATING SERVICES/EXPENSES

The increase in Operating Services/Expenses is due to the replacement of approximately 775 wraps on trash and recycling bins throughout terminals, in preparation for 2022 ACI-NA annual conference to be held in Minneapolis.

### OTHER

The reduction in Other expenses is the result of removing a one-time 2021 recycling training project from the budget.

## 2022 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



## SERVICE CENTER SUMMARIES

**ORGANIZATIONAL GOAL ► Economic**

**DIVISION GOAL ►** Establish a fully integrated and adopted sustainability planning process with clear impact measurements

**OBJECTIVE ►** Coordinate with consultants to identify and apply for sustainability related grants in support of achieving the 2030 Sustainability Goals

**PERFORMANCE MEASURE ►** Completed and submitted sustainability grant applications

**PERFORMANCE MEASURE TARGET ►** Minimum of 3

**2021 PERFORMANCE MEASURE RESULTS**

**PERFORMANCE MEASURE ►** Total number of curated strategic planning meetings over the course of 2021

**TARGET ►** Minimum of 6

**RESULT ►** 12

**PERFORMANCE MEASURE ►** Total number of sustainability-related articles published on the MAC's internal communications platform

**TARGET ►** Minimum of 4

**RESULT ►** 4

# 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 ►►►

	2022 Budget vs 2021 Budget				
	2020 Actual	2021 Budget	2022 Budget	Dollar Change	% Change
Personnel	\$ 501,483	\$ 508,679	\$ 612,886	\$ 104,207	20.5%
Administrative Expenses	192,381	111,800	73,936	(37,864)	-33.9%
Professional Services	453,394	55,000	34,600	(20,400)	-37.1%
Utilities	2,446	1,800	1,800	-	-
Operating Services/Expenses	270,679	4,500	2,250	(2,250)	-50.0%
Maintenance	4,995	-	-	-	-
Other	(4)	1,000	-	(1,000)	-100.0%
<b>Total Budget</b>	<b>\$ 1,425,375</b>	<b>\$ 682,779</b>	<b>\$ 725,472</b>	<b>\$ 42,693</b>	<b>6.3%</b>
<b>Full-Time Equivalent (FTE) Total</b>	<b>3.0</b>	<b>4.0</b>	<b>4.0</b>		

## BUDGET HIGHLIGHTS

### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and the scheduled hiring of FTEs whose positions remained unfilled during 2021. It is partially offset by a reduction in part-time provisional wages for the Customer Communications Office.

### ADMINISTRATIVE EXPENSES

The decrease in Administrative Expenses is the result of lower chat and text service costs and a general reduction in administrative service costs.

### PROFESSIONAL SERVICES

The decrease in Professional Services is driven by filling an open FTE, whose work had been temporarily completed by a consultant.

### OPERATING SERVICES/EXPENSES

The decrease in Operating Services/Expenses reflects a reduction in budget for news release distribution services.

### OTHER

The reduction in Other expenses is the result of anticipating fewer miscellaneous needs during 2022.

## 2022 GOALS, OBJECTIVES & MEASURES

**ORGANIZATIONAL GOAL** ► Customer Experience: One Journey Initiative

**DIVISION GOAL** ► Grow stakeholder and community engagement

**OBJECTIVE** ► Create plan for improving Customer Communications Office performance, efficiency and effectiveness, including a thorough review of the staffing model, tools and resource capabilities and gaps.

**PERFORMANCE MEASURE** ► Actionable plan is approved

## 2021 PERFORMANCE MEASURE RESULTS

**PERFORMANCE MEASURE** ► Percentage of all news releases distributed by the MAC featured in corresponding LinkedIn posts

**TARGET** ► Minimum of 75%

**RESULT** ► 69%

**NOTE** ► Only 69% of MAC news releases were a good fit for the LinkedIn platform.

## SERVICE CENTER SUMMARIES

## 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 ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 148,848	\$ 166,891	\$ 172,789	\$ 5,898	3.5%
Administrative Expenses	38,816	24,850	27,098	2,248	9.0%
Professional Services	101,840	180,000	180,000		
Utilities	476	600	600		
Operating Services/Expenses					
Maintenance					
Other					
<b>Total Budget</b>	<b>\$ 289,980</b>	<b>\$ 372,341</b>	<b>\$ 380,487</b>	<b>\$ 8,146</b>	<b>2.2%</b>
Full-Time Equivalent (FTE) Total	1.0	1.0	1.0		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

#### ADMINISTRATIVE EXPENSES

The increase Administrative Expenses is the result of resuming memberships that were put on hold during the pandemic, as well as the rising cost of air service development data.

### 2022 GOALS, OBJECTIVES & MEASURES

#### ORGANIZATIONAL GOAL ► Air Service

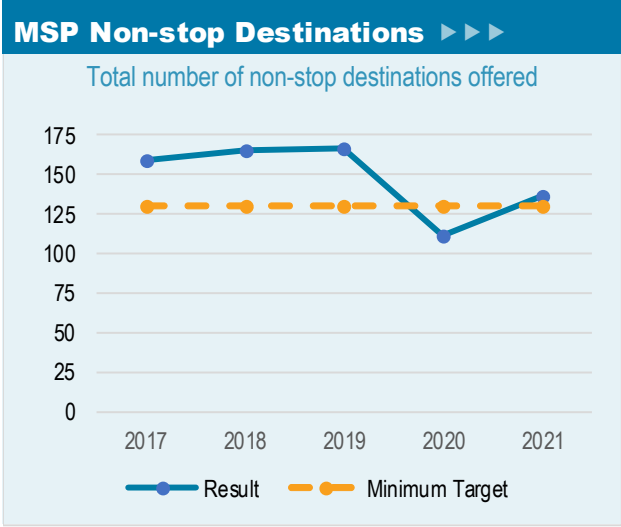
DIVISION GOAL ► Win and retain air service routes

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

2021 PERFORMANCE MEASURE RESULTS



**PERFORMANCE MEASURE ►** Total number of written and distributed communications to travel gatekeepers

**TARGET ►** Minimum of 24

**RESULT ►** 91

## SERVICE CENTER SUMMARIES

# STRATEGIC MARKETING

Strategic Marketing serves as stewards of the MAC and MSP brands. This 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 ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 581,343	\$ 630,668	\$ 853,315	\$ 222,647	35.3%
Administrative Expenses	870	169,303	162,987	(6,316)	-3.7%
Professional Services	95,991	555,986	657,336	101,350	18.2%
Utilities	2,700	3,000	3,000	-	-
Operating Services/Expenses	335	563,120	609,820	46,700	8.3%
Maintenance	-	19,200	20,600	1,400	7.3%
Other	12,759	-	-	-	-
<b>Total Budget</b>	<b>\$ 693,998</b>	<b>\$ 1,941,277</b>	<b>\$ 2,307,058</b>	<b>\$ 365,781</b>	<b>18.8%</b>
Full-Time Equivalent (FTE) Total	6.0	9.0	9.0		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and the scheduled hiring of FTEs whose positions remained unfilled during 2021.

#### PROFESSIONAL SERVICES

The increase in Professional Services is due to an increase in revenue driving initiatives including parking yield management along with contract support for open FTEs.

#### OPERATING SERVICES/EXPENSES

The increase in Operating Services/Expenses is due to an increase in advertising initiatives for MAC's General Aviation airports, along with marketing support for the enterprise strategic planning process.

#### MAINTENANCE

The increase in Maintenance is due to in-terminal directory updates needed to ensure effective and efficient passenger journey.

### 2022 GOALS, OBJECTIVES & MEASURES

#### ORGANIZATIONAL GOAL ► Economic

DIVISION GOAL ► Support non-aeronautical revenue with effective marketing spend

OBJECTIVE ► Implement an integrated marketing campaign for pre-book parking utilizing yield management

PERFORMANCE MEASURE ► Percent growth of pre-book parking customers

PERFORMANCE MEASURE TARGET ► Minimum of 30%

### 2021 PERFORMANCE MEASURE RESULTS

PERFORMANCE MEASURE ► Percentage of surveyed internal clients who indicate "satisfied"

TARGET ► Minimum of 75%

RESULT ► 100%

PERFORMANCE MEASURE ► Percentage of prebook parking customer who are new

TARGET ► Minimum of 30%

RESULT ► 34%

## 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. This 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 ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 215,909	\$ 216,185	\$ 225,244	\$ 9,059	4.2%
Administrative Expenses	7,622	12,400	34,375	21,975	177.2%
Professional Services	3,879	17,000	32,000	15,000	88.2%
Utilities	550	600	600	-	-
Operating Services/Expenses	587	21,600	382,500	360,900	1670.8%
Maintenance	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Budget</b>	<b>\$ 228,546</b>	<b>\$ 267,785</b>	<b>\$ 674,719</b>	<b>\$ 406,934</b>	<b>152.0%</b>
Full-Time Equivalent (FTE) Total	2.0	2.0	2.0		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

#### ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses is due to resuming the Stakeholder Advisory Panel, public engagement for the MSP Long-Term Comprehensive Plan (LTCP), engagement support for the Flying Cloud Airport LTCP and Airlake Airport Environmental Assessment

#### PROFESSIONAL SERVICES

The increase in Professional Services is due to consulting support to resume engagement on the MSP LTCP, placing extra focus on Diversity, Equity and Inclusion outreach, as well as public relations consulting support for the Flying Cloud Airport LTCP.

#### OPERATING SERVICES/EXPENSES

The increase in Operating Services/Expenses is due to one-time expenses for hosting the ACI-NA National Conference, as well as costs for resuming Reliever and MSP terminal events that were scaled back due to the pandemic.

### 2022 GOALS, OBJECTIVES & MEASURES

ORGANIZATIONAL GOAL ► Engagement

DIVISION GOAL ► Grow stakeholder and community engagement

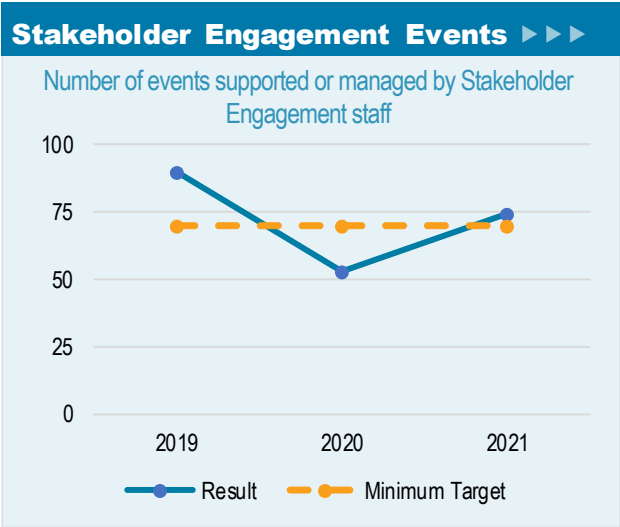
OBJECTIVE ► Develop and implement priority engagement activities

PERFORMANCE MEASURE ► Number of internal and external engagement events and meetings

PERFORMANCE MEASURE TARGET ► Minimum of 70



2021 PERFORMANCE MEASURE RESULTS



## SERVICE CENTER SUMMARIES

## 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 ►►►

	2022 Budget vs 2021 Budget				
	2020 Actual	2021 Budget	2022 Budget	Dollar Change	% Change
Personnel	\$ 440,235	\$ 433,408	\$ 452,966	\$ 19,558	4.5%
Administrative Expenses	6,688	2,700	3,700	1,000	37.0%
Professional Services	63,255	118,000	100,000	(18,000)	-15.3%
Utilities	21,116	26,100	24,300	(1,800)	-6.9%
Operating Services/Expenses	37,274	85,800	106,300	20,500	23.9%
Maintenance	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Budget</b>	<b>\$ 568,567</b>	<b>\$ 666,008</b>	<b>\$ 687,266</b>	<b>\$ 21,258</b>	<b>3.2%</b>
<b>Full-Time Equivalent (FTE) Total</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

#### ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses is due to the need to resupply office materials as staff resume regularly working onsite.

#### PROFESSIONAL SERVICES

The reduction in Professional Services is the result of negotiating a reduced fee for the 2021 MSP Annual Contour Report and moving the work for the remainder of the MSP Long Term Plan Forecast Contour development to the associated CIP project.

#### UTILITIES

The decrease in Utilities costs are the result of right-sizing the monthly communications fees budget to actual spending.

### OPERATING SERVICES/EXPENSES

The Operating Services/Expenses increase is the result of programmed replacement of remote monitoring equipment.

### 2022 GOALS, OBJECTIVES & MEASURES

#### ORGANIZATIONAL GOAL ► Engagement

DIVISION GOAL ► Grow stakeholder and community engagement

OBJECTIVE ► Increase the amount of time devoted to engaging with stakeholders

PERFORMANCE MEASURE ► Number of hours spent engaging with our stakeholders

PERFORMANCE MEASURE TARGET ► Minimum of 300 hours

### 2021 PERFORMANCE MEASURE RESULTS

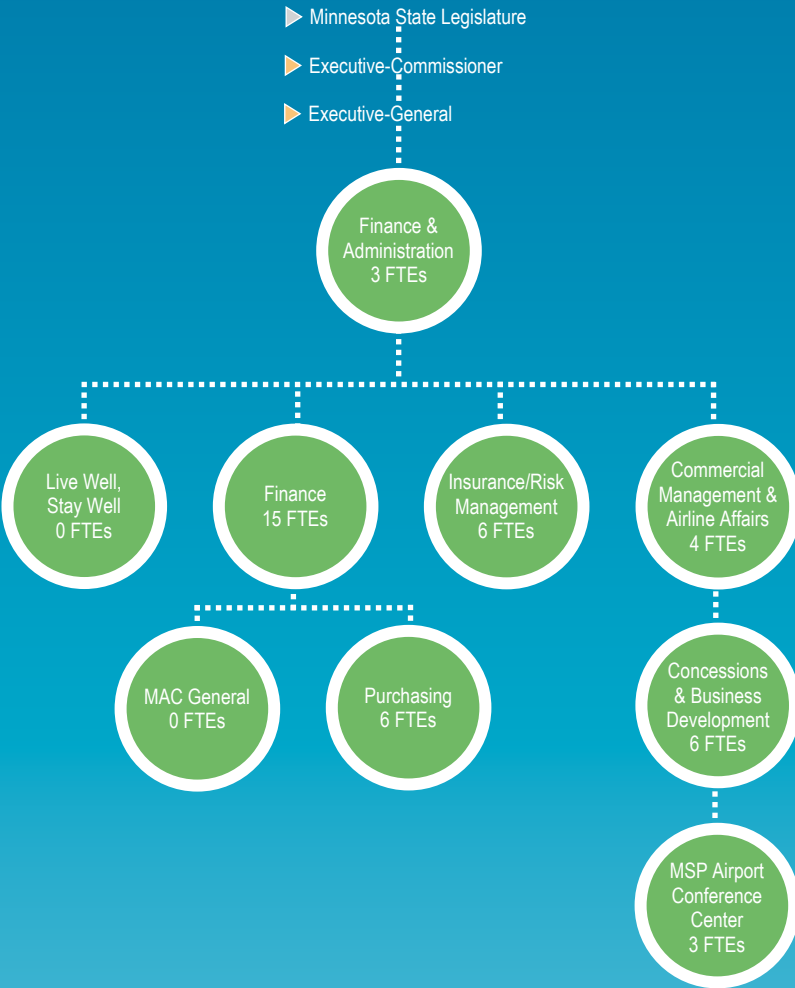
PERFORMANCE MEASURE ► Total number of written communications from Community Relations staff

TARGET ► Minimum of 35

RESULT ► 56

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# FINANCE & REVENUE DEVELOPMENT DIVISION



- Commission Governance (no FTEs)
- Executive Division
- Finance & Revenue Development Division

## SERVICE CENTER SUMMARIES

Finance & Revenue Development Division: Goals ►►►					
	Deliver Financial Excellence	Economic	Engagement	Safety, Security & Preparedness	Talent
Finance & Administration		►			
Live Well, Stay Well					►
Insurance/Risk Management				►	
Finance	►				
MAC General					
Purchasing		►			
Commercial Management & Airline Affairs		►			
Concessions & Business Development		►			
MSP Airport Conference Center			►		

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 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.

Many service centers have selected new performance measures for either the 2021 or 2022 budget year. Therefore, historical results are not available in some instances.

The COVID-19 pandemic had a significant effect on the air travel industry. Unprecedented challenges may have had negative impacts on some of the 2021 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. These policies also allow 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 ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 391,735	\$ 452,457	\$ 470,548	\$ 18,091	4.0%
Administrative Expenses	1,574	575	800	225	39.1%
Professional Services	33,000	-	50,000	50,000	100.0%
Utilities	950	1,200	1,200	-	-
Operating Services/Expenses	-	-	12,500	12,500	100.0%
Maintenance	-	-	-	-	-
Other	11,268	-	-	-	-
<b>Total Budget</b>	<b>\$ 438,527</b>	<b>\$ 454,232</b>	<b>\$ 535,048</b>	<b>\$ 80,816</b>	<b>17.8%</b>
Full-Time Equivalent (FTE) Total	3.0	3.0	3.0		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

#### ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses is due to an increase in membership and dues costs.

#### PROFESSIONAL SERVICES

The increase in Professional Services reflects the transfer of consultant services for financial advisors and bond counsel from MAC General.

#### OPERATING SERVICES/EXPENSES

The increase in Operating Services/Expenses is due to hosting the American Association of Airport Executives (AAAE) National Airport Economic Development conference in Minneapolis in 2022.

### 2022 GOALS, OBJECTIVES & MEASURES

#### ORGANIZATIONAL GOAL ► Economic

#### DIVISION GOAL ► Deliver financial excellence

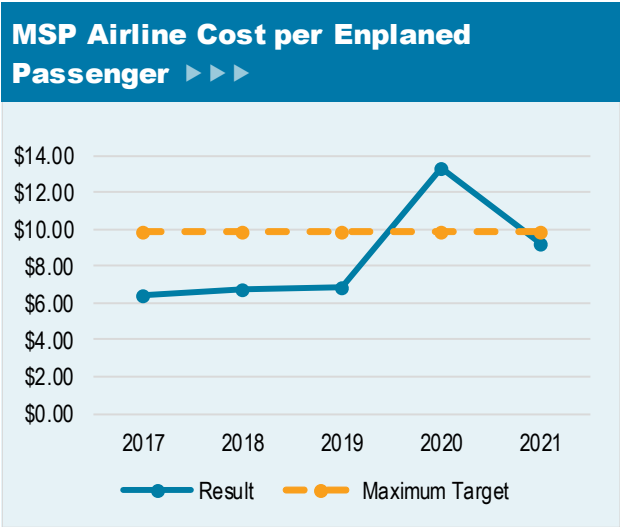
OBJECTIVE ► Guide the organization to ensure revenues and expenses are sufficient to meet bondholder requirements

PERFORMANCE MEASURE ► Overall debt service coverage

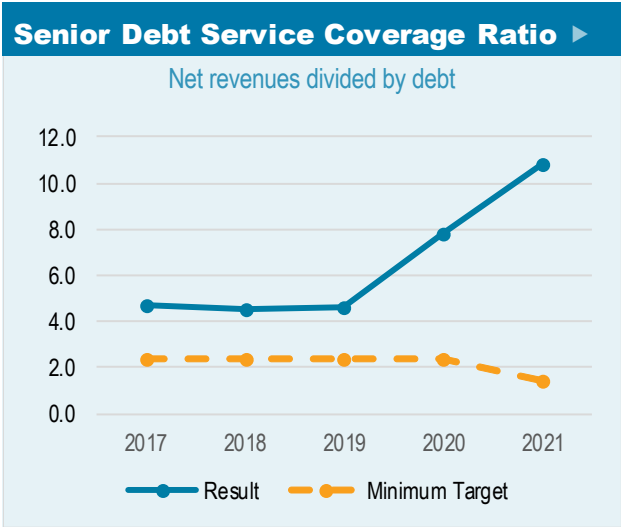
PERFORMANCE MEASURE TARGET ► Minimum of 1.4x's



2021 PERFORMANCE MEASURE RESULTS



The 2021 figure is an estimate at the time of publication.



The 2021 figure is an estimate at the time of publication.

## SERVICE CENTER SUMMARIES

# 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 ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ -	\$ 100	\$ -	\$ (100)	-100.0%
Administrative Expenses	1,258	4,500	2,500	(2,000)	-44.4%
Professional Services	1,040	-	-	-	-
Utilities	428	800	800	-	-
Operating Services/Expenses	51,840	6,600	92,000	85,400	1293.9%
Maintenance	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Budget</b>	<b>\$ 54,566</b>	<b>\$ 12,000</b>	<b>\$ 95,300</b>	<b>\$ 83,300</b>	<b>694.2%</b>
Full-Time Equivalent (FTE) Total	0.0	0.0	0.0		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The reduction in Personnel is the result of removing local seminar expenses from the 2022 budget.

#### ADMINISTRATIVE EXPENSES

The reduction in Administrative Expenses is due to lower costs for supplies related to the annual employee appreciation event.

#### OPERATING SERVICES/EXPENSES

The increase in Operating Services/Expenses is due to resuming the Move to Improve gift card incentive to encourage wellness with MAC staff.

### 2022 GOALS, OBJECTIVES & MEASURES

#### ORGANIZATIONAL GOAL ► Talent

DIVISION GOAL ► Provide exceptional customer service

OBJECTIVE ► Finalize Live Well, Stay Well committee leadership team

PERFORMANCE MEASURE ► Leadership team is complete by end of first quarter

#### ORGANIZATIONAL GOAL ► Talent

DIVISION GOAL ► Provide exceptional customer service

OBJECTIVE ► Create a strategic plan for the Live Well, Stay Well committee

PERFORMANCE MEASURE ► Facilitated strategic plan meetings

PERFORMANCE MEASURE TARGET ► Minimum of 2

### 2021 PERFORMANCE MEASURE RESULTS

PERFORMANCE MEASURE ► Total number of facilitated discussions to develop robust governance structure

TARGET ► Minimum of 4

RESULT ► 4

## SERVICE CENTER SUMMARIES

# 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 ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 12,379,279	\$ 16,514,961	\$ 1,198,564	\$(15,316,397)	-92.7%
Administrative Expenses	4,637	5,050	8,991	3,941	78.0%
Professional Services	336,100	434,950	396,250	(38,700)	-8.9%
Utilities	2,291	1,800	2,400	600	33.3%
Operating Services/Expenses	6,000	7,500	13,000	5,500	73.3%
Maintenance	-	-	2,500	2,500	100.0%
Other	1,811,108	2,795,700	3,555,501	759,801	27.2%
<b>Total Budget</b>	<b>\$14,539,415</b>	<b>\$19,759,961</b>	<b>\$ 5,177,206</b>	<b>\$(14,582,755)</b>	<b>-73.8%</b>
Full-Time Equivalent (FTE) Total	5.0	6.0	6.0		

## BUDGET HIGHLIGHTS

### PERSONNEL

The decrease in Personnel is the result of transferring medical, dental, life and disability insurance to the MAC General service center. This is partially offset by wage structure adjustments and step increases.

### ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses is due to resuming staff conferences that were paused as the result of the pandemic.

### PROFESSIONAL SERVICES

The decrease in Professional Services is the result of delaying a resource management study until a future budget year.

### UTILITIES

The increase in Utilities expense is the result of adding a monthly cell phone stipend for one employee.

### OPERATING SERVICES/EXPENSES

The increase in Operating Services/Expenses is driven by resuming onsite safety testing, such as hearing and respiratory testing, that was paused during the pandemic.

### MAINTENANCE

Maintenance on testing equipment was deferred for 2021. The 2022 budget contains funds to maintain testing equipment to keep it operating accurately.

### OTHER

The increase in Other expenses is the result of increased property values and rising insurance costs.

SERVICE CENTER SUMMARIES

2022 GOALS, OBJECTIVES & MEASURES

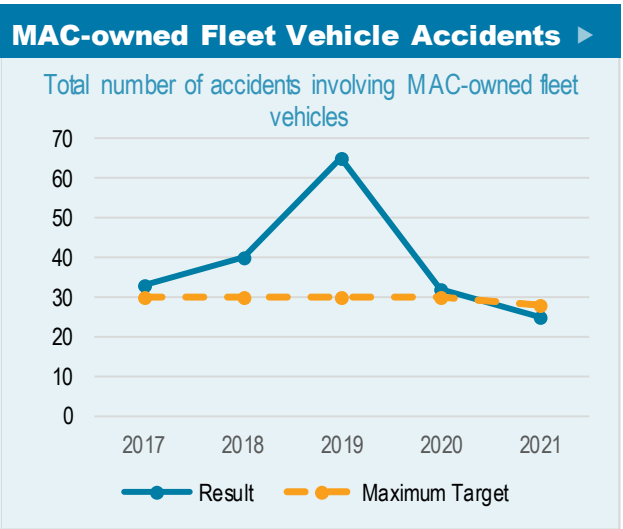
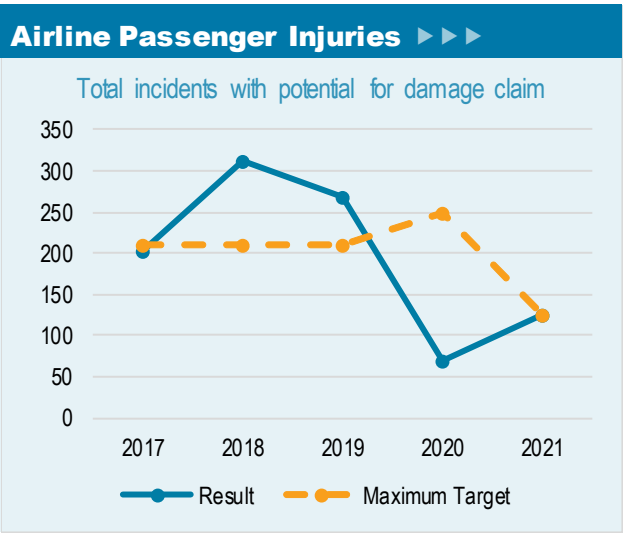
ORGANIZATIONAL GOAL Safety, Security & Preparedness

DIVISION GOAL Control risks and associated costs

OBJECTIVE Use data analysis to drive proactive and preventative training topics

PERFORMANCE MEASURE Reduce fleet accidents year over year

2021 PERFORMANCE MEASURE RESULTS



## SERVICE CENTER SUMMARIES

# FINANCE

Finance is responsible for the Commission's accounting and cash management functions, the preparation of the annual operating budget and the 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 ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 1,443,926	\$ 1,420,583	\$ 1,520,686	\$ 100,103	7.0%
Administrative Expenses	7,106	8,655	8,471	(184)	-2.1%
Professional Services	181,640	247,500	211,200	(36,300)	-14.7%
Utilities	2,586	3,000	3,000	-	-
Operating Services/Expenses	197,444	227,950	210,667	(17,283)	-7.6%
Maintenance	-	-	-	-	-
Other	620	-	2,000	2,000	100.0%
<b>Total Budget</b>	<b>\$ 1,833,322</b>	<b>\$ 1,907,688</b>	<b>\$ 1,956,024</b>	<b>\$ 48,336</b>	<b>2.5%</b>
<b>Full-Time Equivalent (FTE) Total</b>	<b>14.0</b>	<b>15.0</b>	<b>15.0</b>		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and the scheduled hiring of an FTE whose position remained unfilled during 2021.

#### PROFESSIONAL SERVICES

The decrease in Professional Services derives from aligning various budgets to recent actual spending. Also, assistance to prepare Requests for Proposals and Requests for Qualifications was a one-time cost in the 2021 budget.

#### OPERATING SERVICES/EXPENSES

The decrease in Operating Services/Expenses results from aligning bank and other fee budgets to recent actual spending.

#### OTHER

The increase in Other expenses is driven by a one-time furniture purchase included in the 2022 budget.

### 2022 GOALS, OBJECTIVES & MEASURES

**ORGANIZATIONAL GOAL** ► Deliver Financial Excellence

**DIVISION GOAL** ► Reduce or eliminate discretionary spending while maintaining regulatory and compliance requirements

**OBJECTIVE** ► Assist MAC business units in managing revenues and expenses by providing up-to-date information

**PERFORMANCE MEASURE** ► Percent of months in which accounts payable was closed on-time

**PERFORMANCE MEASURE TARGET** ► Minimum of 100%

**FINANCE** Continued on next page

## SERVICE CENTER SUMMARIES

**ORGANIZATIONAL GOAL** ▶ Deliver Financial Excellence

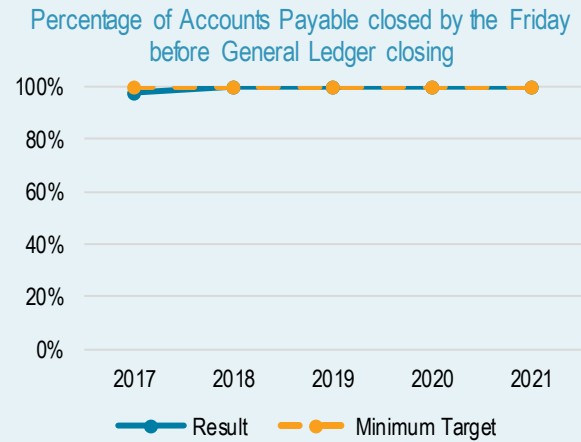
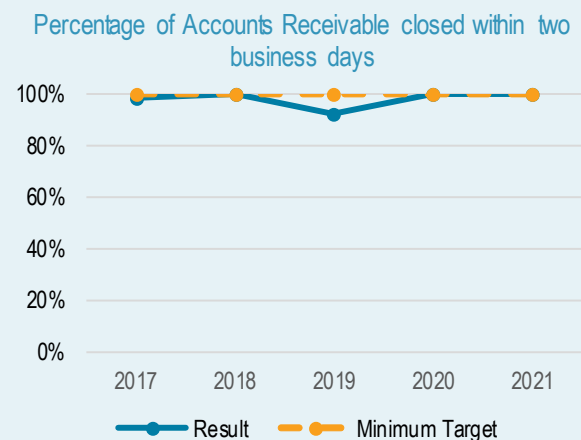
**DIVISION GOAL** ▶ Reduce or eliminate discretionary spending while maintaining regulatory and compliance requirements

**OBJECTIVE** ▶ Assist MAC business units in managing revenues and expenses by providing up-to-date information

**PERFORMANCE MEASURE** ▶ Percent of months in which accounts receivable was closed on-time

**PERFORMANCE MEASURE TARGET** ▶ Minimum of 100%

## 2021 PERFORMANCE MEASURE RESULTS

**Accounts Payable Closed On-time** ▶▶▶

**Accounts Receivable Closed On-time** ▶


## SERVICE CENTER SUMMARIES

## 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, insurance, 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 ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 13,696,294	\$ 13,434,347	\$ 29,240,625	\$ 15,806,279	117.7%
Administrative Expenses	15	183,414	275,626	92,212	50.3%
Professional Services	300,927	-	-	-	-
Utilities	16,736,764	19,208,278	20,777,315	1,569,037	8.2%
Operating Services/Expenses	968,549	1,100,438	919,927	(180,511)	-16.4%
Maintenance	2,560,473	2,131,492	1,931,589	(199,903)	-9.4%
Other	1,230,873	265,983	1,952,030	1,686,047	633.9%
<b>Total Budget</b>	<b>\$35,493,896</b>	<b>\$36,323,952</b>	<b>\$55,097,112</b>	<b>\$18,773,161</b>	<b>51.7%</b>
Full-Time Equivalent (FTE) Total	0.0	0.0	0.0		

### BUDGET HIGHLIGHTS

#### PERSONNEL

Personnel increased as Medical, Dental, Life and Disability insurance costs moved to Finance from Insurance/Risk Management.

#### ADMINISTRATIVE EXPENSES

Administrative Expenses increased as staff are allowed to travel in 2022 and all travel costs moved to MAC General. This is a measure to control costs during the COVID-19 pandemic recovery.

#### UTILITIES

Utilities are higher than in 2021 and are based on a consultant's estimate of usage as passengers are expected to increase.

#### OPERATING SERVICES/EXPENSES

Operating Services/Expenses decreased as COVID-related emergency supplies and cleaning were budgeted in 2021 but are not budgeted in 2022.

#### MAINTENANCE

Maintenance decreased as fuel is budgeted based on a four-year average.

#### OTHER

The Other expenses budget increased for airline incentive payments. This is the result of the return of international flight during the pandemic recovery.



## SERVICE CENTER SUMMARIES

# PURCHASING

Purchasing oversees the acquisition of materials, equipment, and supplies; coordination of minor construction; and repair/maintenance of equipment 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 MAC staff and maintains blanket orders, including insurance certificates, for contracts generated by Purchasing. Purchasing's responsibilities also include disposal of surplus property by distributing items between the MAC service centers, selling items on the open market, and donating items to various charities. Purchasing also assists in staffing the General Office's reception desk and coordinating the operation of the Service Center.

## Budget Summary ►►►

	2022 Budget vs 2021 Budget				
	2020 Actual	2021 Budget	2022 Budget	Dollar Change	% Change
Personnel	\$ 515,148	\$ 504,601	\$ 523,796	\$ 19,195	3.8%
Administrative Expenses	27,254	32,700	32,300	(400)	-1.2%
Professional Services	-	-	-	-	-
Utilities	-	-	-	-	-
Operating Services/Expenses	480,284	194,558	182,000	(12,558)	-6.5%
Maintenance	-	-	-	-	-
Other	5,829	750	7,000	6,250	833.3%
<b>Total Budget</b>	<b>\$ 1,028,515</b>	<b>\$ 732,609</b>	<b>\$ 745,096</b>	<b>\$ 12,487</b>	<b>1.7%</b>
Full-Time Equivalent (FTE) Total	6.0	6.0	6.0		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

#### OPERATING SERVICES/EXPENSES

Other expenses increased as MAC-wide vehicle tab renewals for tax exempt vehicles occur primarily in even-numbered years.

#### OTHER

The Other expenses increase is related to MAC-wide vehicle tab renewals for tax exempt vehicles, which occur primarily in even-numbered years.

### 2022 GOALS, OBJECTIVES & MEASURES

#### ORGANIZATIONAL GOAL ► Economic

DIVISION GOAL ► Reducing or eliminating discretionary spending while maintaining regulatory and compliance requirements

OBJECTIVE ► Create user training videos to reduce procurement process input errors

PERFORMANCE MEASURE ► Number of procurement process videos created

PERFORMANCE MEASURE TARGET ► Minimum of 2

### 2021 PERFORMANCE MEASURE RESULTS

PERFORMANCE MEASURE ► Number of procedure/sequence documents developed for the Emergency Operations Center Logistics Handbook

TARGET ► Minimum of 1

RESULT ► 1

## SERVICE CENTER SUMMARIES

# 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 ►►►

2022 Budget vs 2021 Budget					
	2020 Actual	2021 Budget	2022 Budget	Dollar Change	% Change
Personnel	\$ 433,883	\$ 395,606	\$ 534,733	\$ 139,127	35.2%
Administrative Expenses	10,347	4,575	3,850	(725)	-15.8%
Professional Services	29,248	155,000	105,000	(50,000)	-32.3%
Utilities	2,310	1,800	1,800	-	-
Operating Services/Expenses	1,165	500	300	(200)	-40.0%
Maintenance	178,340	271,700	243,850	(27,850)	-10.3%
Other	-	-	-	-	-
<b>Total Budget</b>	<b>\$ 655,293</b>	<b>\$ 829,181</b>	<b>\$ 889,533</b>	<b>\$ 60,352</b>	<b>7.3%</b>
<b>Full-Time Equivalent (FTE) Total</b>	<b>3.0</b>	<b>4.0</b>	<b>4.0</b>		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and the scheduled hiring of an FTE whose position remained unfilled during 2021.

#### ADMINISTRATIVE EXPENSES

The Administrative Expenses decrease is the result of ordering fewer supplies when staff are working remotely.

#### PROFESSIONAL SERVICES

The Professional Services decrease is the result of eliminating expenses for appraisal work that was completed in 2021.

#### OPERATING SERVICES/EXPENSES

The decrease in Operating Services/Expenses is due to eliminating certain advertising expenses that are not planned for 2022.

#### MAINTENANCE

The decrease in Maintenance is driven by fewer maintenance projects planned in 2022.

### 2022 GOALS, OBJECTIVES & MEASURES

#### ORGANIZATIONAL GOAL ► Economic

DIVISION GOALS ► Develop new strategies to enhance financial strength ► Real estate assessment & implementation

OBJECTIVE ► Develop additional non-aeronautical land leases

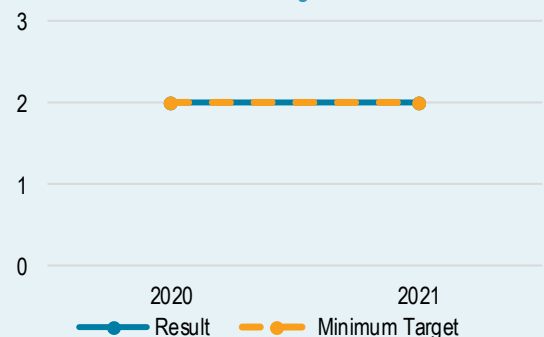
PERFORMANCE MEASURE ► New non-aeronautical leases

PERFORMANCE MEASURE TARGET ► Minimum of 2

### 2021 PERFORMANCE MEASURE RESULTS

#### Ground Leases ►►►

Total number of new ground leases



# 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 ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 525,567	\$ 519,090	\$ 636,111	\$ 117,020	22.5%
Administrative Expenses	5,272	2,025	2,275	250	12.3%
Professional Services	37,613	5,000	72,500	67,500	1350.0%
Utilities	2,481	3,240	3,240	-	-
Operating Services/Expenses	56	1,000	2,000	1,000	100.0%
Maintenance	-	-	-	-	-
Other	(190)	500	500	-	-
<b>Total Budget</b>	<b>\$ 570,799</b>	<b>\$ 530,855</b>	<b>\$ 716,626</b>	<b>\$ 185,770</b>	<b>35.0%</b>
Full-Time Equivalent (FTE) Total	5.0	6.0	6.0		

## BUDGET HIGHLIGHTS

### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and the scheduled hiring of an FTE whose position remained unfilled during 2021.

### ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses is due to more in-person meetings as pandemic-era restrictions decrease.

### PROFESSIONAL SERVICES

The increase in Professional Services is driven by a number of contract and lease projects that will require consultant work.

### OPERATING SERVICES/EXPENSES

The Operating Services/Expenses increase is due to additional marketing funds to promote food and beverage, retail and passenger services through printed materials, events and online promotions.

Concessions Gross sales dipped in 2020 and shows recovery in 2021 from the Pandemic.

## 2022 GOALS, OBJECTIVES & MEASURES

### ORGANIZATIONAL GOAL ► Economic

#### DIVISION GOALS ► Grow revenue base

► Develop new strategies to enhance financial strength

OBJECTIVE ► Increase food & beverage sales by enplaned passengers

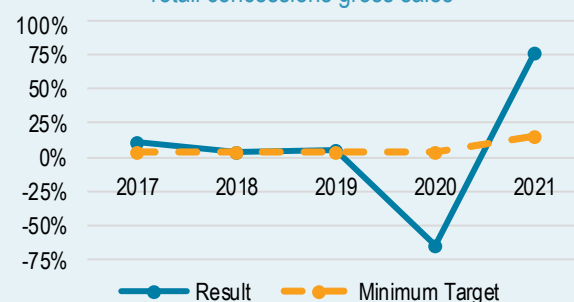
PERFORMANCE MEASURE ► Concessions sales increase over previous year

PERFORMANCE MEASURE TARGET ► Minimum of 15%

## 2021 PERFORMANCE MEASURE RESULTS

### Concessions Gross Sales Growth ►►►

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



## SERVICE CENTER SUMMARIES

# 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 ►►►

	2022 Budget vs 2021 Budget				
	2020 Actual	2021 Budget	2022 Budget	Dollar Change	% Change
<b>Personnel</b>	\$ 212,443	\$ 212,842	\$ 201,430	\$ (11,412)	-5.4%
<b>Administrative Expenses</b>	(966)	900	5,500	4,600	511.1%
<b>Professional Services</b>	-	-	-	-	-
<b>Utilities</b>	600	600	600	-	-
<b>Operating Services/Expenses</b>	13,857	21,000	26,500	5,500	26.2%
<b>Maintenance</b>	-	-	-	-	-
<b>Other</b>	1,848	588	3,250	2,662	452.7%
<b>Total Budget</b>	<b>\$ 227,782</b>	<b>\$ 235,930</b>	<b>\$ 237,280</b>	<b>\$ 1,350</b>	<b>0.6%</b>
<b>Full-Time Equivalent (FTE) Total</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>		

## BUDGET HIGHLIGHTS

### PERSONNEL

The decrease in Personnel is attributable to FTEs that are budgeted to remain vacant all or part of the year. This is offset by budgeted hours for temporary staff during peak service times, as well as to wage structure adjustments and step increases.

### ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses is the result of returning to normal business activity, which was significantly reduced due to the pandemic. The budget is in line with pre-pandemic expenses for office supplies, catering equipment, mileage reimbursement, memberships and the like.

### OPERATING SERVICES/EXPENSES

The increase in Operating Services/Expenses is due to greater purchases of food and beverage for resale purposes, as well as increased equipment costs as business activity returns to normal.

### OTHER

The increase in Other expenses is the result of biannual food and beverage facility expenses that are scheduled for 2022.

## 2022 GOALS, OBJECTIVES & MEASURES

### ORGANIZATIONAL GOAL ► Engagement

DIVISION GOAL ► Provide exceptional customer service

OBJECTIVE ► Welcome back marketing emails

PERFORMANCE MEASURE ► Number of marketing emails sent to customer base welcoming them back

PERFORMANCE MEASURE TARGET ► Minimum of 50

## 2021 PERFORMANCE MEASURE RESULTS

PERFORMANCE MEASURE ► Number of marketing emails sent to customer base welcoming them back in 2021 and offering complimentary fresh baked cookies for their meetings

TARGET ► Minimum of 50

RESULT ► 0

NOTE ► The welcome back marketing emails were put on hold in 2021 due to the pandemic

# HUMAN RESOURCES & LABOR RELATIONS DIVISION



- Commission Governance (no FTEs)
- Executive Division
- Finance & Revenue Development Division
- Human Resources & Labor Relations Division

Human Resources & Labor Relations Division: Goals ►►►

Talent

Human Resources & Labor Relations ►

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 Human Resources & Labor Relations Division and indicates the organization 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.

Many service centers have selected new performance measures for either the 2021 or 2022 budget year. Therefore, historical results are not available in some instances.

The COVID-19 pandemic had a significant effect on the air travel industry. Unprecedented challenges may have had negative impacts on some of the 2021 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.

## SERVICE CENTER SUMMARIES

# 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 Targeted Group Business/Disadvantaged Business Enterprise programs.

## Budget Summary ►►►

2022 Budget vs 2021 Budget					
	2020 Actual	2021 Budget	2022 Budget	Dollar Change	% Change
Personnel	\$ 1,407,900	\$ 1,282,710	\$ 1,485,676	\$ 202,966	15.8%
Administrative Expenses	13,059	34,061	24,723	(9,338)	-27.4%
Professional Services	172,653	130,000	210,000	80,000	61.5%
Utilities	4,230	3,600	4,200	600	16.7%
Operating Services/Expenses	12,944	22,870	53,200	30,330	132.6%
Maintenance	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Budget</b>	<b>\$ 1,610,787</b>	<b>\$ 1,473,241</b>	<b>\$ 1,777,799</b>	<b>\$ 304,558</b>	<b>20.7%</b>
<b>Full-Time Equivalent (FTE) Total</b>	<b>11.5</b>	<b>13.0</b>	<b>13.0</b>		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases, funds for temporary staff, the scheduled hiring of a partial FTE position which remained unfilled during 2021 and a resumption of training that was paused as a result of the pandemic.

#### ADMINISTRATIVE EXPENSES

The Administrative Expenses decrease is the result of eliminating a survey that was scheduled in 2021.

#### PROFESSIONAL SERVICES

The Professional Services increase is the result of consultant work to support a high level of hiring activity that is planned as MAC begins to fill FTEs that remained open during 2021.

#### UTILITIES

The increase in Utilities is the result of adding a monthly cell phone stipend for one employee.

#### OPERATING SERVICES/EXPENSES

The increase in Operating Services/Expenses relates to an anticipated need for employee recognition and Diversity, Equity and Inclusion (DEI) initiatives.

**HUMAN RESOURCES & LABOR RELATIONS** Continued on next page



## SERVICE CENTER SUMMARIES

**2022 GOALS, OBJECTIVES & MEASURES****ORGANIZATIONAL GOAL** ► Talent

**DIVISION GOAL** ► Provide DEI training for frontline and non-management employees

**OBJECTIVE** ► Develop and deliver a DEI training program for the targeted population

**PERFORMANCE MEASURE** ► Percent of frontline and non-management employees that have completed training

**PERFORMANCE MEASURE TARGET** ► Minimum of 90%

**ORGANIZATIONAL GOAL** ► Talent

**DIVISION GOAL** ► Employee development & performance management

**OBJECTIVE** ► Support organizational hiring to allow the MAC to hire talent to fill the backlog of open positions created during the 2021 hiring freeze

**PERFORMANCE MEASURE** ► Percent of approved positions filled within 60 days of approval

**PERFORMANCE MEASURE TARGET** ► Minimum of 95%

**2021 PERFORMANCE MEASURE RESULTS**

**PERFORMANCE MEASURE** ► Percentage of employees who have completed Diversity, Equity and Inclusion training

**TARGET** ► Minimum of 80%

**RESULT** ► 0

**NOTE** ► Employee DEI training was put on hold in 2021 due to COVID safety protocols.

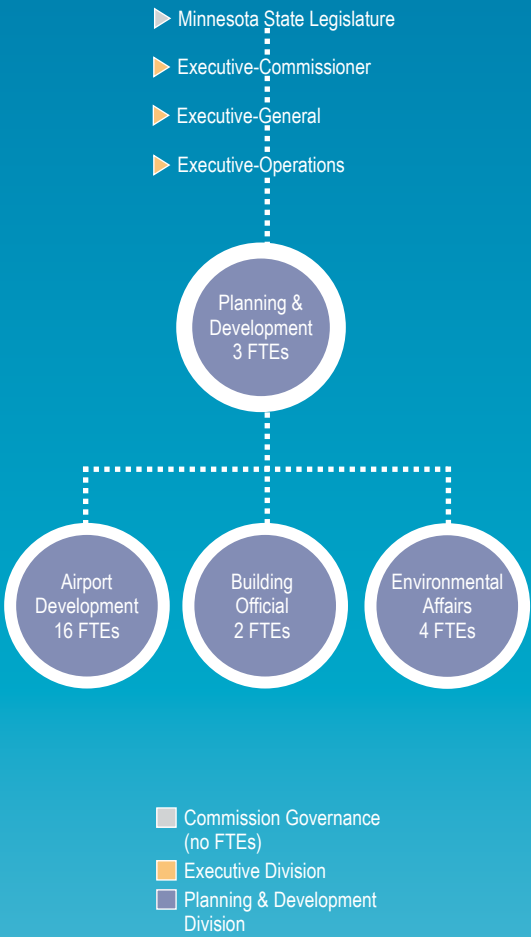
**PERFORMANCE MEASURE** ► Total number of completed employee engagement surveys

**TARGET** ► Minimum of 450

**RESULT** ► 0

**NOTE** ► The employee engagement survey was put on hold in 2021 due to the pandemic.

# PLANNING & DEVELOPMENT DIVISION



Planning & Development Division: Goals ►►►			
	Customer Experience	Economic	Engagement
Planning & Development		►	
Airport Development		►	
Building Official	►		
Environmental Affairs			►

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 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.

Many service centers have selected new performance measures for either the 2021 or 2022 budget year. Therefore, historical results are not available in some instances.

The COVID-19 pandemic had a significant effect on the air travel industry. Unprecedented challenges may have had negative impacts on some of the 2021 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.

## SERVICE CENTER SUMMARIES

# 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 ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 237,780	\$ 265,787	\$ 311,141	\$ 45,353	17.1%
Administrative Expenses	31,983	21,881	23,855	1,974	9.0%
Professional Services	470,786	498,000	323,000	(175,000)	-35.1%
Utilities	4,969	5,021	5,021	-	-
Operating Services/Expenses	33,664	35,250	39,500	4,250	12.1%
Maintenance	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Budget</b>	<b>\$ 772,899</b>	<b>\$ 790,989</b>	<b>\$ 663,217</b>	<b>\$ (127,773)</b>	<b>-16.2%</b>
Full-Time Equivalent (FTE) Total	13.0	16.0	16.0		

## BUDGET HIGHLIGHTS

### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and the scheduled hiring of an FTE whose position remained unfilled during 2021.

### ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses is the result of biannual professional license renewal fees.

### PROFESSIONAL SERVICES

The reduction in Professional Services is the result of eliminating consultants that covered work for an FTE that remained unfilled during 2021. This FTE is scheduled to be hired during 2022.

### OPERATING SERVICES/EXPENSES

The Operating Services/Expenses decrease is the result of fewer continuing consultant reselection Requests for Qualifications.

## 2022 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

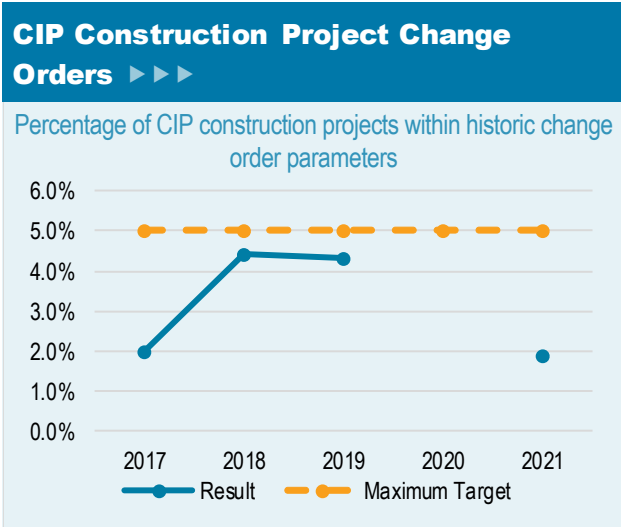
DIVISION GOAL ► Utilize strategies for maintaining financial strength

OBJECTIVE ► Maintain construction cost oversight

PERFORMANCE MEASURE ► CIP construction projects within change order parameters

PERFORMANCE MEASURE TARGET ► Maximum of 5%

2021 PERFORMANCE MEASURE RESULTS



2020 data is not available.



## SERVICE CENTER SUMMARIES

## 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 ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 188,419	\$ 188,403	\$ 192,882	\$ 4,479	2.4%
Administrative Expenses	130	1,250	-	(1,250)	-100.0%
Professional Services	-	-	-	-	-
Utilities	1,991	2,196	2,196	-	-
Operating Services/Expenses	-	-	-	-	-
Maintenance	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Budget</b>	<b>\$ 190,709</b>	<b>\$ 191,849</b>	<b>\$ 195,078</b>	<b>\$ 3,229</b>	<b>1.7%</b>
Full-Time Equivalent (FTE) Total	2.0	2.0	2.0		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

#### ADMINISTRATIVE EXPENSES

The elimination of Administrative Expenses is due to no anticipated supply purchases during 2022.

### 2022 GOALS, OBJECTIVES & MEASURES

**ORGANIZATIONAL GOAL** ► Customer Experience

**DIVISION GOAL** ► Grow stakeholder and community engagement

**OBJECTIVE** ► Maintain a high level of customer service through a timely and efficient building inspection process

**PERFORMANCE MEASURE** ► Building inspections completed within 24 hours of scheduled time

**PERFORMANCE MEASURE TARGET** ► Minimum of 100%

**ORGANIZATIONAL GOAL** ► Customer Experience

**DIVISION GOAL** ► Grow stakeholder and community engagement

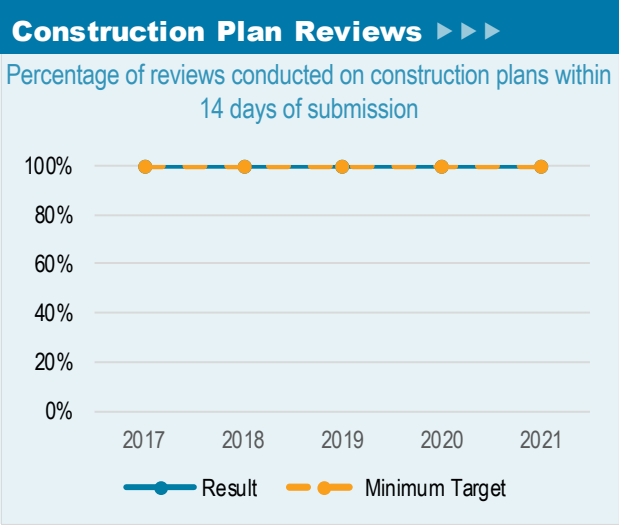
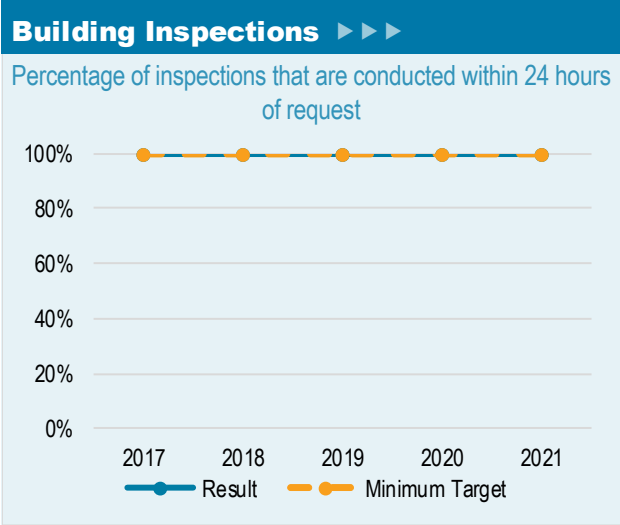
**OBJECTIVE** ► Maintain a high level of customer service through a timely and efficient building inspection process

**PERFORMANCE MEASURE** ► Construction plan reviews completed within 14 days of receipt

**PERFORMANCE MEASURE TARGET** ► Minimum of 100%

**BUILDING OFFICIAL** Continued on next page

2021 PERFORMANCE MEASURE RESULTS





## SERVICE CENTER SUMMARIES

## 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, performs environmental investigations and audits and supports the MAC's sustainability efforts.

### Budget Summary ►►►

	2022 Budget vs 2021 Budget				
	2020 Actual	2021 Budget	2022 Budget	Dollar Change	% Change
Personnel	\$ 427,181	\$ 420,483	\$ 441,020	\$ 20,537	4.9%
Administrative Expenses	2,720	2,530	4,300	1,770	70.0%
Professional Services	303,585	464,000	501,000	37,000	8.0%
Utilities	3,338	3,300	4,000	700	21.2%
Operating Services/Expenses	2,005,862	1,634,200	1,942,900	308,700	18.9%
Maintenance	-	-	-	-	-
Other	7,233	25,350	25,350	-	-
<b>Total Budget</b>	<b>\$ 2,749,918</b>	<b>\$ 2,549,863</b>	<b>\$ 2,918,570</b>	<b>\$ 368,707</b>	<b>14.5%</b>
Full-Time Equivalent (FTE) Total	4.0	4.0	4.0		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

#### ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses is tied to special supplies that will support an Organics Diversion Pilot Project in the MAC General Office. This effort is connected to MAC's 2030 Sustainability Goals and will serve as a model for further expansion of waste diversion programs.

#### PROFESSIONAL SERVICES

The increase in Professional Services is the result of a dedicated project team's focus on reductions in waste, water and emissions in support of MAC's 2030 Sustainability Goals. Also contributing to the increase are additional reliever airport compliance support in response to growth in overall number of tenants and associated constructions, new installations and a greater level of engagement with commercial tenants.

#### UTILITIES

The increase in Utilities is the result of an additional monthly cell phone stipend for one employee.

#### OPERATING SERVICES/EXPENSES

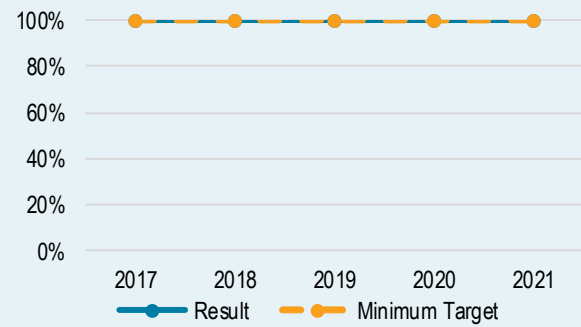
The Operating Services/Expenses increase is the result of aligning with recent actual expenses related to glycol-impacted storm water management and the National Pollutant Discharge Elimination System permit. Additionally, the increase includes higher costs for disposal of regulated waste materials and laboratory services for sampling requirements associated with various projects.

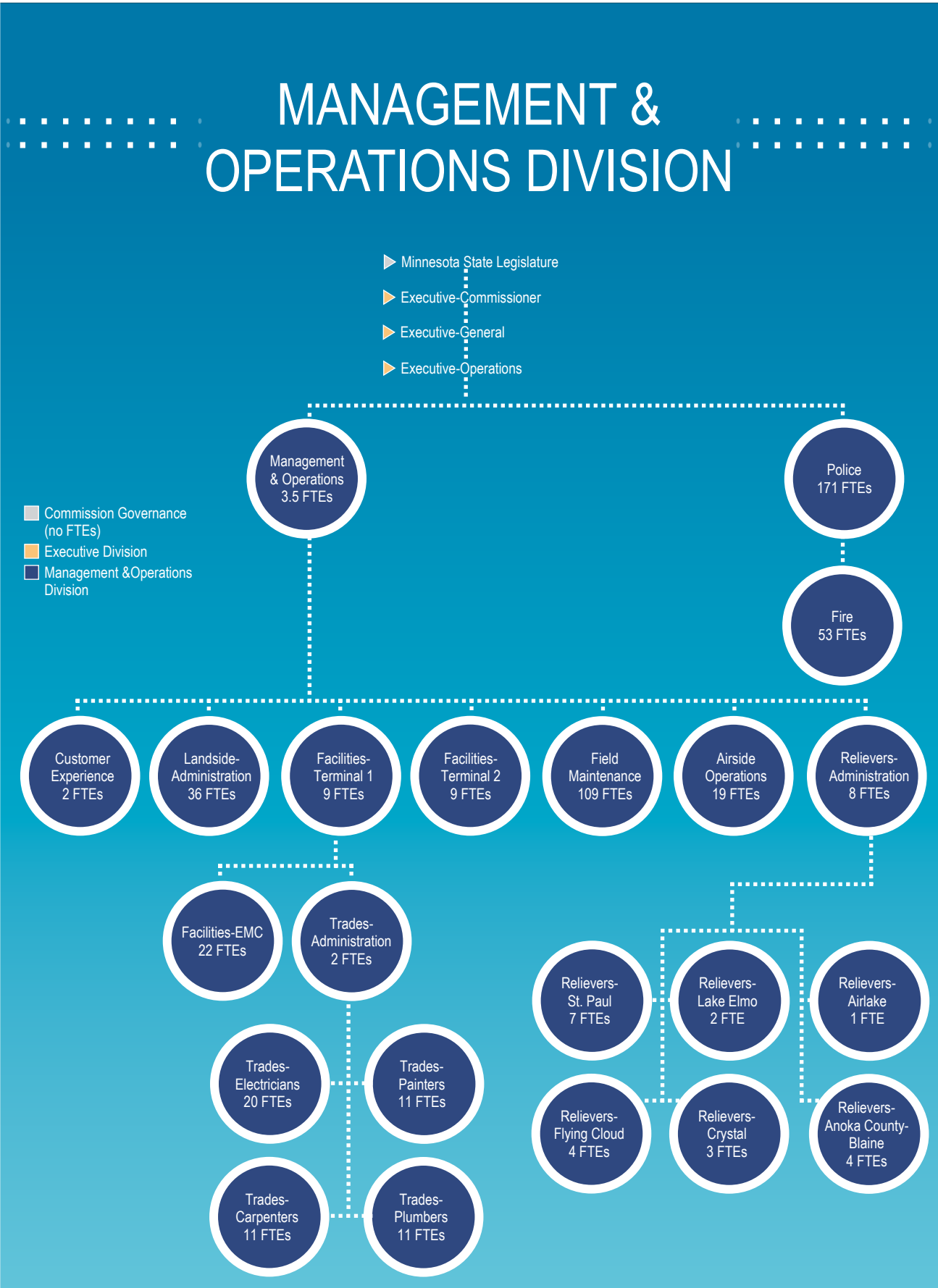
**ENVIRONMENTAL AFFAIRS** Continued on next page

## SERVICE CENTER SUMMARIES

**2022 GOALS, OBJECTIVES & MEASURES****ORGANIZATIONAL GOAL** ► Engagement**DIVISION GOAL** ► Grow stakeholder and community engagement**OBJECTIVE** ► Provide high-level engagement with regulatory entities, internal customers and external customers**PERFORMANCE MEASURE** ► Submitted environmental permits compliance reports**PERFORMANCE MEASURE TARGET** ► Minimum of 100%**2021 PERFORMANCE MEASURE RESULTS****Environmental Permits Compliance Reports** ► ► ►

Percentage of regularly-scheduled compliance reports submitted to regulating agencies





## SERVICE CENTER SUMMARIES

Management & Operations Division: Goals ►►►				
	Safety, Security & Preparedness	Customer Experience	Economic	Talent
Management & Operations	►			
Customer Experience		►		
Airside Operations	►			
Landside – Administration			►	
Facilities – Terminal 2				►
Facilities – Terminal 1	►	►		
Facilities – Energy Management Center				►
Trades – Administration	►			
Trades – Electricians				►
Trades – Painters				►
Trades – Carpenters		►		
Trades – Plumbers			►	
Field Maintenance	►			
Relievers – Administration	►			
Relievers – St. Paul	►			
Relievers – Lake Elmo	►			
Relievers – Airlake	►			
Relievers – Flying Cloud	►			
Relievers – Crystal	►			
Relievers – Anoka County-Blaine	►			
Police	►			►
Fire	►			

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 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.

Many service centers have selected new performance measures for either the 2021 or 2022 budget year. Therefore, historical results are not available in some instances.

The COVID-19 pandemic had a significant effect on the air travel industry. Unprecedented challenges may have had negative impacts on some of the 2021 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 ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 379,965	\$ 364,546	\$ 484,063	\$ 119,517	32.8%
Administrative Expenses	1,381	900	900	-	-
Professional Services	-	150,000	300,000	150,000	100.0%
Utilities	1,200	1,800	1,800	-	-
Operating Services/Expenses	-	60,500	-	(60,500)	-100.0%
Maintenance	-	-	-	-	-
Other	1,304	-	-	-	-
<b>Total Budget</b>	<b>\$ 383,850</b>	<b>\$ 577,746</b>	<b>\$ 786,763</b>	<b>\$ 209,017</b>	<b>36.2%</b>
Full-Time Equivalent (FTE) Total	2.5	2.5	3.5		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and the scheduled hiring of an FTE whose position remained unfilled during 2021.

#### PROFESSIONAL SERVICES

The increase in Professional Services is driven by the implementation of the Concept of Operations (ConOps) plan, including strategic planning and process optimization. Additionally, data analytics, collection, architecture services and enterprise data management planning activities are included in the budget.

#### OPERATING SERVICES/EXPENSES

The Operating Services/Expenses decrease is the result of transferring the data collection activities to the Professional Services category.

### 2022 GOALS, OBJECTIVES & MEASURES

**ORGANIZATIONAL GOAL** ► Safety, Security & Preparedness

**DIVISION GOAL** ► Airport Operations Center and Concept of Operations Development

**OBJECTIVE** ► 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

**PERFORMANCE MEASURE** ► Complete Concept of Operations phase one implementation

### 2021 PERFORMANCE MEASURE RESULTS

**PERFORMANCE MEASURE** ► Percentage of concept of operations roadmap implementation completed

**TARGET** ► Minimum of 25%

**RESULT** ► 95%

## SERVICE CENTER SUMMARIES

## CUSTOMER EXPERIENCE

Customer Experience develops, implements and enhances 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 ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 233,809	\$ 232,812	\$ 241,552	\$ 8,739	3.8%
Administrative Expenses	18,658	35,110	43,400	8,290	23.6%
Professional Services	-	-	-	-	-
Utilities	2,017	1,200	1,200	-	-
Operating Services/Expenses	80,413	938,600	1,688,488	749,888	79.9%
Maintenance	-	-	-	-	-
Other	6,108	-	-	-	-
<b>Total Budget</b>	<b>\$ 341,004</b>	<b>\$ 1,207,722</b>	<b>\$ 1,974,640</b>	<b>\$ 766,917</b>	<b>63.5%</b>
Full-Time Equivalent (FTE) Total	2.0	2.0	2.0		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

#### ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses is due to hosting or attending meetings in person, rather than virtually.

#### OPERATING SERVICES/EXPENSES

The increase in Operating Services/Expenses is the result of increasing the lobby operations support contract for a projected 85% passenger recovery and to prepare MSP for the 2022 NCAA Women's Final Four.

### 2022 GOALS, OBJECTIVES & MEASURES

**ORGANIZATIONAL GOAL** ► Customer Experience

**DIVISION GOAL** ► Provide excellent "One-Journey" customer experiences that exceed expectations through programs that are informed by a comprehensive understanding of the customer

**OBJECTIVE** ► Implement a Voice of the Customer program that brings together established customer feedback mechanisms into one comprehensive system that will be used by MSP stakeholders to make customer experience enhancements

**PERFORMANCE MEASURE** ► Voice of the Customer program is implemented

**ORGANIZATIONAL GOAL** ► Customer Experience

**DIVISION GOAL** ► Provide excellent "One-Journey" customer experiences that exceed expectations through programs that are informed by a comprehensive understanding of the customer

**OBJECTIVE** ► Implement an enhanced customer service training program for MSP employees

**PERFORMANCE MEASURE** ► Phase 1 of enhanced customer service training is implemented

**CUSTOMER EXPERIENCE** Continued on next page

## 2021 PERFORMANCE MEASURE RESULTS

**PERFORMANCE MEASURE** ► Total number of sessions held to develop forecasting tool

**TARGET** ► Minimum of 26

**RESULT** ► 30+

**PERFORMANCE MEASURE** ► Percentage of governance structure transitioned from MAC IT to Customer Experience and Strategic Marketing

**TARGET** ► 100% Completion

**RESULT** ► 100% Complete



## SERVICE CENTER SUMMARIES

## 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 and testing program. Airside Operations is the 24/7 non-emergency point-of-contact for MSP tenants.

### Budget Summary ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
<b>Personnel</b>	\$ 1,666,481	\$ 1,687,281	\$ 1,850,117	\$ 162,836	9.7%
<b>Administrative Expenses</b>	37,187	23,999	50,499	26,500	110.4%
<b>Professional Services</b>	51,206	99,930	102,928	2,998	3.0%
<b>Utilities</b>	17,706	17,158	18,837	1,679	9.8%
<b>Operating Services/Expenses</b>	5,355	849	5,849	5,000	588.9%
<b>Maintenance</b>	2,250	8,488	8,488	-	0.0%
<b>Other</b>	4,132	16,500	19,500	3,000	18.2%
<b>Total Budget</b>	<b>\$ 1,784,317</b>	<b>\$ 1,854,205</b>	<b>\$ 2,056,218</b>	<b>\$ 202,013</b>	<b>10.9%</b>
<b>Full-Time Equivalent (FTE) Total</b>	<b>16.0</b>	<b>16.0</b>	<b>19.0</b>		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributed to wage structure adjustments, step increases, virtual training registrations in lieu of travel and the development of training courses for the Non-Movement Area Drivers' Licensing Program.

#### ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses is attributable to the addition of supplies to implement the Non-Movement Area Drivers' Licensing Program, as well as minor increases related to hosting and conducting the MSP 139 Boot Camp and the AAAE Airport Wildlife Management Course.

#### PROFESSIONAL SERVICES

The Professional Services increase is due to the annual contract increase for U.S. Department of Agriculture Wildlife Services.

#### UTILITIES

The increase in Utilities is due to the addition of two cellular data devices for new Airside vehicle routers.

#### OPERATING SERVICES/EXPENSES

This increase in Operating Services/Expenses is the result of implementing the Non-Movement Area Drivers' Licensing Program.

#### OTHER

The increase in Other expenses is due to the costs associated with the purchase of two Unmanned Aircraft System (UAS) units for MAC's UAS program.

**AIRSIDE OPERATIONS** Continued on next page

## SERVICE CENTER SUMMARIES

**2022 GOALS, OBJECTIVES & MEASURES**

**ORGANIZATIONAL GOAL** ► Safety, Security & Preparedness

**DIVISION GOAL** ► Safely operate and maintain the MAC system of airports with a purposeful approach to delivering customer service and financial sustainability

**OBJECTIVE** ► Obtain a year-over-year reduction in the number of vehicle and pedestrian runway incursions through training and education

**PERFORMANCE MEASURE** ► Vehicle and pedestrian runway incursions

**PERFORMANCE MEASURE TARGET** ► Maximum of 0

**ORGANIZATIONAL GOAL** ► Safety, Security & Preparedness

**DIVISION GOAL** ► Safely operate and maintain the MAC system of airports with a purposeful approach to delivering customer service and financial sustainability

**OBJECTIVE** ► Part 139 Daily Inspection Compliance Checklists will have a completion error free rate of >90%

**PERFORMANCE MEASURE** ► Number of error-free Part 139 Daily Inspection Compliance Checklists per month

**PERFORMANCE MEASURE TARGET** ► Minimum of 54

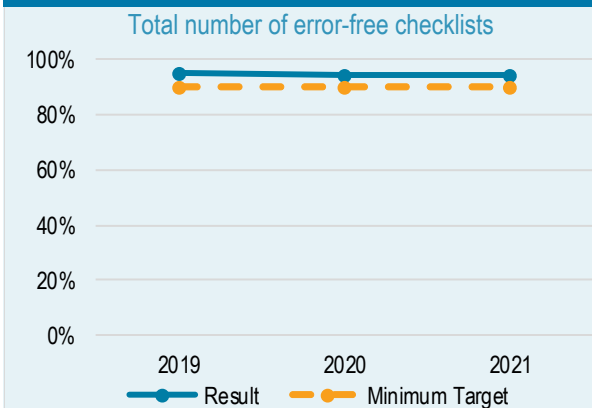
**2021 PERFORMANCE MEASURE RESULTS**

**PERFORMANCE MEASURE** ► Total number of education and outreach activities provided to MSP tenants, contractors and vendors to reduce the number of vehicle/pedestrian runway incursions

**TARGET** ► Minimum of 4

**RESULT** ► 30 movement area training sessions were provided; 119 movement area testing sessions were provided

### Part 139 Inspection Compliance Checklists ►►►



## SERVICE CENTER SUMMARIES

## 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. This 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 ►►►

	2022 Budget vs 2021 Budget				
	2020 Actual	2021 Budget	2022 Budget	Dollar Change	% Change
Personnel	\$ 2,477,538	\$ 2,463,826	\$ 2,467,537	\$ 3,710	0.2%
Administrative Expenses	20,382	25,395	25,000	(395)	-1.6%
Professional Services	-	-	-	-	-
Utilities	7,240	6,600	6,600	-	-
Operating Services/Expenses	5,797,632	6,084,473	6,701,571	617,098	10.1%
Maintenance	16,269	25,000	40,808	15,808	63.2%
Other	-	-	-	-	-
<b>Total Budget</b>	<b>\$ 8,319,395</b>	<b>\$ 8,605,294</b>	<b>\$ 9,241,516</b>	<b>\$ 636,221</b>	<b>7.4%</b>
<b>Full-Time Equivalent (FTE) Total</b>	<b>37.0</b>	<b>38.0</b>	<b>36.0</b>		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

#### OPERATING SERVICES/EXPENSES

The Operating Services/Expenses increase is the result of scheduled contract increases.

#### MAINTENANCE

The increase in Maintenance is the result of adding two portable restrooms to the transportation networking company and taxicab holding lots, to be added during the second half of 2022.

### 2022 GOALS, OBJECTIVES & MEASURES

#### ORGANIZATIONAL GOAL ► Economic

DIVISION GOAL ► Increase parking revenues and enhance MAC's competitive position in relation to its competitors

OBJECTIVE ► Increase parking transactions by developing pricing discounts for pre-booked parking during historically low-volume and underutilized days.

PERFORMANCE MEASURE ► Percent increase in transactions

PERFORMANCE MEASURE TARGET ► Minimum of 1%

#### ORGANIZATIONAL GOAL ► Economic

DIVISION GOAL ► Parking yield management

OBJECTIVE ► Develop new flexible-priced parking systems that leverage technology and data to price, market and manage parking spaces based upon consumer demand and parking space availability

PERFORMANCE MEASURE ► Revenue increase

PERFORMANCE MEASURE TARGET ► Minimum of 3%

### 2021 PERFORMANCE MEASURE RESULTS

PERFORMANCE MEASURE ► Percent increase in pre-booking accounts

TARGET ► Minimum of 1%

RESULT ► 1%

## SERVICE CENTER SUMMARIES

## FACILITIES – TERMINAL 2

Facilities – Terminal 2 is responsible for daily operations management, 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. This service center shares responsibility with Information Technology and Facilities Departments for planning, implementing, operating and support of several common-use and shared-use computer systems and equipment.

### Budget Summary ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 738,201	\$ 743,509	\$ 781,949	\$ 38,439	5.2%
Administrative Expenses	1,273	2,690	3,525	835	31.0%
Professional Services	-	-	-	-	-
Utilities	1,800	1,750	2,280	530	30.3%
Operating Services/Expenses	17,375	696	2,450	1,754	252.0%
Maintenance	1,162,892	1,297,170	1,391,962	94,792	7.3%
Other	5,738	5,040	29,850	24,810	492.3%
<b>Total Budget</b>	<b>\$ 1,927,278</b>	<b>\$ 2,050,855</b>	<b>\$ 2,212,016</b>	<b>\$ 161,160</b>	<b>7.9%</b>
Full-Time Equivalent (FTE) Total	9.0	9.0	9.0		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases, overtime expenses and a graduate intern request.

#### ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses is the result of greater office supplies costs and resumption of mileage expenses.

#### UTILITIES

The increase in Utilities is due to higher rates from the wireless carrier.

#### OPERATING SERVICES/EXPENSES

The Operating Services/Expenses increase is due to an additional common-use gate and additional ticket counters at Terminal 1.

#### MAINTENANCE

The Maintenance increase is the result of a return to regular rates for maintenance contracts, such as passenger boarding bridges and baggage handling system contracts. A number of rate and fee schedules were temporarily decreased during 2021, in response to the pandemic.

#### OTHER

The Other expenses increase is due to anticipated costs in the new Customs and Border Protection lease agreement.

### 2022 GOALS, OBJECTIVES & MEASURES

#### ORGANIZATIONAL GOAL ► Talent

DIVISION GOAL ► Engage and equip employees with the tools and skills to be successful

OBJECTIVE ► Partner with MAC IT to procure a new Resource Management System to improve work efficiencies and operational collaboration with internal and external stakeholders

PERFORMANCE MEASURE ► Procurement plan is complete

**FACILITIES – TERMINAL 2** Continued on next page

SERVICE CENTER SUMMARIES

ORGANIZATIONAL GOAL ► Talent

DIVISION GOAL ► Engage and equip employees with the tools and skills to be successful

OBJECTIVE ► Partner with MAC IT to implement a new Resource Management System in alignment with Concept of Operations progress

PERFORMANCE MEASURE ► Resource Management System implementation is aligned with division Concept of Operations Progress

2021 PERFORMANCE MEASURE RESULTS

PERFORMANCE MEASURE ► Percentage of common-use Resource Management System implemented

TARGET ► 100% Completion

RESULT ► Deferred until 2022

## SERVICE CENTER SUMMARIES

## FACILITIES – TERMINAL 1

Facilities – Terminal 1 is responsible for the overall operation, maintenance, cleaning, heating and cooling of the MSP Terminal facilities and all MAC campus buildings. This service center also provides management oversight for various service, operation and maintenance contracts and responds to both immediate and long-term tenant and public needs. Facilities-Terminal 1 also works with and coordinates with several MAC departments to ensure that Capital Improvement Projects, on-going maintenance projects and facility repairs are completed with the least amount of disruption to the traveling public and terminal building operations in order to maintain MSP at a high level of service consistent with the expectations of its internal and external customers and partners.

### Budget Summary ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 806,472	\$ 792,620	\$ 838,589	\$ 45,969	5.8%
Administrative Expenses	2,597	3,578	3,550	(28)	-0.8%
Professional Services	164,151	219,170	308,614	89,444	40.8%
Utilities	5,444	5,500	5,500	-	-
Operating Services/Expenses	5,642,785	2,658,863	2,765,430	106,567	4.0%
Maintenance	22,710,411	26,534,367	30,001,664	3,467,297	13.1%
Other	2,249	750	750	-	-
<b>Total Budget</b>	<b>\$29,334,110</b>	<b>\$30,214,848</b>	<b>\$33,924,097</b>	<b>\$3,709,249</b>	<b>12.3%</b>
Full-Time Equivalent (FTE) Total	9.0	9.0	9.0		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and a position reclassification.

#### PROFESSIONAL SERVICES

The increase in Professional Services is due to the expanded scope of services for conveyance consulting. The scope was temporarily reduced in 2021 as a cost-saving measure in response to the pandemic. During 2021 and 2022, 34 new units will be added to the maintenance portfolio. These units need to be incorporated in the regular conveyance group inspections.

#### OPERATING SERVICES/EXPENSES

The increase in the Operating Services/Expenses is primarily due to a slight increase in the loading dock and logistics contract, which resumes service levels in alignment with the 2022 passenger activity forecast. Additionally, expenses for luggage carts used by international travelers are reinstated, as international travel is expected to rebound.

#### MAINTENANCE

The increase in Maintenance is the result of greater cleaning frequency, additional trash and recycling maintenance and more restroom supplies in alignment with 2022 passenger activity forecasts. Additionally, contractual increases within janitorial and conveyance agreements, additional conveyance units requiring maintenance and new MAC-owned building spaces requiring janitorial cleaning services contribute to the increase.

**FACILITIES – TERMINAL 1** Continued on next page

## SERVICE CENTER SUMMARIES

**2022 GOALS, OBJECTIVES & MEASURES**

**ORGANIZATIONAL GOAL** ► Customer Experience

**DIVISION GOAL** ► Provide excellent “One-Journey” customer experiences that exceed expectations through programs that are informed by a comprehensive understanding of the customer

**OBJECTIVE** ► Achieve and implement protocols and best practices for reaccreditation and continuation of the Travel Confidently MSP cleaning program

**PERFORMANCE MEASURE** ► Achieve AAAE Global Biorisk Accreditation Center (GBAC) Star Facility reaccreditation

**ORGANIZATIONAL GOAL** ► Customer Experience

**DIVISION GOAL** ► Provide excellent “One-Journey” customer experiences that exceed expectations through programs that are informed by a comprehensive understanding of the customer

**OBJECTIVE** ► Achieve and implement protocols and best practices for reaccreditation and continuation of the Travel Confidently MSP cleaning program

**PERFORMANCE MEASURE** ► Achieve Airports Council International Airport Health Accreditation Program reaccreditation

**ORGANIZATIONAL GOAL** ► Safety, Security & Preparedness

**DIVISION GOAL** ► Airport Operations Center and Concept of Operations Development

**OBJECTIVE** ► 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

**PERFORMANCE MEASURE** ► Concept of Operations is developed and complete

**2021 PERFORMANCE MEASURE RESULTS**

**PERFORMANCE MEASURE** ► Travel Confidently MSP™ Cleaning Program Goals Implemented

**TARGET** ► Minimum of 3

**RESULT** ► 4

**PERFORMANCE MEASURE** ► Total number of staff members trained on the fundamentals of cleaning, disinfection, mitigation, response and prevention of infectious diseases at MSP

**TARGET** ► Minimum of 9

**RESULT** ► 9



## SERVICE CENTER SUMMARIES

## FACILITIES – ENERGY MANAGEMENT CENTER

Facilities – 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 (IMACS) 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 ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 1,856,548	\$ 1,793,506	\$ 1,988,122	\$ 194,616	10.9%
Administrative Expenses	2,395	2,000	1,763	(237)	-11.8%
Professional Services	5,735	35,000	40,000	5,000	14.3%
Utilities	18,524	13,008	18,524	5,516	42.4%
Operating Services/Expenses	14,765	-	-	-	-
Maintenance	1,663,180	1,835,528	2,196,400	360,872	19.7%
Other	3,007	4,900	4,655	(245)	-5.0%
<b>Total Budget</b>	<b>\$ 3,564,155</b>	<b>\$ 3,683,942</b>	<b>\$ 4,249,464</b>	<b>\$ 565,522</b>	<b>15.4%</b>
Full-Time Equivalent (FTE) Total	21.0	22.0	22.0		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and additional overtime.

#### ADMINISTRATIVE EXPENSES

The decrease in Administrative Expenses is the result of reducing office supply inventory to reduce costs.

#### PROFESSIONAL SERVICES

The increase in Professional Services is the result of resuming consulting engineering services that were paused early in the pandemic. The additional services are required as new equipment comes online and aging infrastructure needs require additional expertise.

#### UTILITIES

The increase in Utilities is the result of adding cell phones and eliminating sharing among staff as a measure to prevent the spread of COVID-19.

#### MAINTENANCE

The increase in Maintenance is due to the proposed increase in IMACS contract personnel to accommodate the substantial growth of IMACS use in recent years and planned future growth.

#### OTHER

The decrease in Other expenses is the result of reducing minor non-essential expenses.

SERVICE CENTER SUMMARIES

**2022 GOALS, OBJECTIVES & MEASURES**

ORGANIZATIONAL GOAL ► Talent

DIVISION GOAL ► Engage and equip employees with the tools and skills to be successful

OBJECTIVE ► Train the crew on HVAC sustainability

PERFORMANCE MEASURE ► Training sessions held

PERFORMANCE MEASURE TARGET ► Minimum of 4

**2021 PERFORMANCE MEASURE RESULTS**

PERFORMANCE MEASURE ► HVAC Energy-saving Technology Trainings

TARGET ► Minimum of 4

RESULT ► 4

## SERVICE CENTER SUMMARIES

## TRADES – ADMINISTRATION

Trades – Administration is responsible for the administration and coordination of the Carpenters, Electricians, Painters and Plumbers. This service center works on construction projects, enforces the construction standards, conducts construction inspections and oversees the computerized maintenance management system. Trades – Administration represents the Trades in the Capital Improvement Plan process and interfaces with consultants and vendors on behalf of the Trades group. It is also responsible for the oversight of the MSP Terminal 1 and Terminal 2 emergency generators, Fire Alarm Systems and uninterruptible power supply contracts.

### Budget Summary ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 191,732	\$ 188,171	\$ 194,831	\$ 6,660	3.5%
Administrative Expenses	3,922	4,500	4,500	-	-
Professional Services	159,699	320,000	355,000	35,000	10.9%
Utilities	4,673	1,100	5,100	4,000	363.6%
Operating Services/Expenses	33,664	35,250	39,500	4,250	12.1%
Maintenance	956,078	915,757	948,373	32,616	3.6%
Other	9,881	25,000	24,000	(1,000)	-4.0%
<b>Total Budget</b>	<b>\$ 1,359,649</b>	<b>\$ 1,489,778</b>	<b>\$ 1,571,304</b>	<b>\$ 81,526</b>	<b>5.5%</b>
Full-Time Equivalent (FTE) Total	2.0	2.0	2.0		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

#### PROFESSIONAL SERVICES

The increase in Professional Services is due to consultant support for the 2030 Water Goal Work Group.

#### UTILITIES

The increase in Utilities is the result of routers and data cards to be installed in eight Trades vehicles.

#### OPERATING SERVICES/EXPENSES

The increase in Operating Services/Expenses is due to agreements with the City of Bloomington and the Minnesota Department of Transportation for maintenance of traffic signals around the MSP campus.

#### MAINTENANCE

The increase in Maintenance is the result of approximately 1,800 additional fire alarm devices installed around the MSP campus that will come online throughout 2022.

#### OTHER

The decrease in Other expenses is the result of a lesser need to rent equipment, such as lifts.

## SERVICE CENTER SUMMARIES

**2022 GOALS, OBJECTIVES & MEASURES**

**ORGANIZATIONAL GOAL** ► Safety, Security & Preparedness

**DIVISION GOAL** ► Airport Operations Center and Concept of Operations Development

**OBJECTIVE** ► Support and provide input into the buildout of a mobile work order solution and geospatial information system to capture airfield and terminal assets, optimize workflows and creates efficiencies

**PERFORMANCE MEASURE** ► Implementation of City Works mobile work order solution is complete

**2021 PERFORMANCE MEASURE RESULTS**

**PERFORMANCE MEASURE** ► Special project request process identified and developed

**TARGET** ► 100% Completion

**RESULT** ► 75% Complete

**NOTE** ► Process documents are being finalized to share with the project supervisor.

## SERVICE CENTER SUMMARIES

## 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. This service center also maintains and tests airfield lighting regulators, emergency generator buildings and associated lighting and electrical work within the MAC terminal and 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 ►►►

	2022 Budget vs 2021 Budget				
	2020 Actual	2021 Budget	2022 Budget	Dollar Change	% Change
Personnel	\$ 2,151,138	\$ 2,233,125	\$ 2,630,378	\$ 397,253	17.8%
Administrative Expenses	310	-	-	-	-
Professional Services	-	-	-	-	-
Utilities	14,011	14,000	14,200	200	1.4%
Operating Services/Expenses	178,081	201,000	201,000	-	-
Maintenance	1,439,650	1,348,500	1,425,981	77,481	5.7%
Other	5,539	10,000	12,000	2,000	20.0%
<b>Total Budget</b>	<b>\$ 3,788,729</b>	<b>\$ 3,806,625</b>	<b>\$ 4,283,559</b>	<b>\$ 476,934</b>	<b>12.5%</b>
Full-Time Equivalent (FTE) Total	17.0	20.0	20.0		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and the scheduled hiring of FTEs whose positions remained unfilled during 2021.

#### MAINTENANCE

The Maintenance increase is the result of additional airfield lights, signs and other new electrical assets added through recent airfield projects.

#### OTHER

The increase in Other expenses is due to the higher price of minor equipment that was deferred to 2022.

### 2022 GOALS, OBJECTIVES & MEASURES

#### ORGANIZATIONAL GOAL ► Talent

DIVISION GOAL ► Engage and equip employees with the tools and skills to be successful

OBJECTIVE ► Crosstrain employees on electrical duties associated with MSP's security/card access system, EMC, Reliever Airport duties and new electrical infrastructure added to the MSP Campus

PERFORMANCE MEASURE ► Crosstrain three employees in each area of responsibility

### 2021 PERFORMANCE MEASURE RESULTS

PERFORMANCE MEASURE ► Total number of electricians cross-trained per area

TARGET ► Minimum of 3

RESULT ► 3

## SERVICE CENTER SUMMARIES

## 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 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 ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 897,260	\$ 894,541	\$ 1,082,426	\$ 187,886	21.0%
Administrative Expenses	-	-	-	-	-
Professional Services	2,650	-	-	-	-
Utilities	1,230	1,300	1,300	-	-
Operating Services/Expenses	869	-	-	-	-
Maintenance	278,780	324,400	388,450	64,050	19.7%
Other	837	1,000	2,000	1,000	100.0%
<b>Total Budget</b>	<b>\$ 1,181,625</b>	<b>\$ 1,221,241</b>	<b>\$ 1,474,176</b>	<b>\$ 252,936</b>	<b>20.7%</b>
<b>Full-Time Equivalent (FTE) Total</b>	<b>9.0</b>	<b>11.0</b>	<b>11.0</b>		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and the scheduled hiring of FTEs whose positions remained unfilled during 2021.

#### MAINTENANCE

The Maintenance increase is the result of FAA-required changes to airfield markings at MSP and the Reliever airports.

#### OTHER

The increase in Other expenses is the result of purchasing safety equipment that was deferred in response to the pandemic.

### 2022 GOALS, OBJECTIVES & MEASURES

#### ORGANIZATIONAL GOAL ► Talent

DIVISION GOAL ► Engage and equip employees with the tools and skills to be successful

OBJECTIVE ► Crosstrain employees on new paint equipment

PERFORMANCE MEASURE ► Number of employees crosstrained

PERFORMANCE MEASURE TARGET ► Minimum of 50%

### 2021 PERFORMANCE MEASURE RESULTS

PERFORMANCE MEASURE ► Percentage of MAC Painters cross-trained on new equipment

TARGET ► Minimum of 50%

RESULT ► 50%

## SERVICE CENTER SUMMARIES

## 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 and cost efficient manner. 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 ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 982,068	\$ 1,043,111	\$ 1,039,371	\$ (3,740)	-0.4%
Administrative Expenses	507	800	800	-	-
Professional Services	-	-	-	-	-
Utilities	7,268	8,861	7,500	(1,361)	-15.4%
Operating Services/Expenses	33,663	-	-	-	-
Maintenance	222,011	329,943	364,412	34,469	10.4%
Other	1,087	8,464	8,894	430	5.1%
<b>Total Budget</b>	<b>\$ 1,246,602</b>	<b>\$ 1,391,179</b>	<b>\$ 1,420,977</b>	<b>\$ 29,798</b>	<b>2.1%</b>
Full-Time Equivalent (FTE) Total	10.0	11.0	11.0		

## BUDGET HIGHLIGHTS

## PERSONNEL

The decrease in Personnel is the result of converting a temporary carpenter position to an FTE. This is partially offset by wage structure adjustments and step increases.

## UTILITIES

The reduction in Utilities is the result of aligning the budget with recent actual expenses.

## MAINTENANCE

The increase in Maintenance is driven by additional square footage from the Concourse G Infill project and the Silver Parking Ramp, 96 additional security doors added through recent CIP projects and carpet replacement in preparation for the NCAA women's Final Four tournament and ACI-NA conference.

## OTHER

The Other expenses increase is the result of purchasing shop tools that were deferred in response to the pandemic.

## 2022 GOALS, OBJECTIVES &amp; MEASURES

ORGANIZATIONAL GOAL ► Customer Experience

DIVISION GOAL ► Provide excellent "One-Journey" customer experiences that exceed expectations through programs that are informed by a comprehensive understanding of the customer

OBJECTIVE ► Complete an assessment of facility repair and reconditioning needs in advance of national events held in Minneapolis to ensure MSP airport is in exceptional shape and meets the expectations of MSP stakeholders and customers

PERFORMANCE MEASURE ► Complete assessment and repairs by end of first quarter 2022

## 2021 PERFORMANCE MEASURE RESULTS

PERFORMANCE MEASURE ► Percentage of inventory of Attic stock flooring and ceiling tiles completed

TARGET ► 100% Completion

RESULT ► 100% Complete



## 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 maintenance of the potable water systems, sanitary and storm sewer systems, building plumbing systems, irrigation systems and fire sprinkler systems. The Plumbers are also responsible for completing plumbing inspections, locating appropriate utility lines and reviewing plumbing schematics for new projects.

### Budget Summary ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 1,505,267	\$ 1,779,659	\$ 2,050,647	\$ 270,988	15.2%
Administrative Expenses	199	400	400	-	-
Professional Services	-	-	-	-	-
Utilities	8,175	10,700	10,700	-	-
Operating Services/Expenses	4,626	6,000	6,000	-	-
Maintenance	341,599	366,709	443,765	77,056	21.0%
Other	5,105	6,950	25,425	18,475	265.8%
<b>Total Budget</b>	<b>\$ 1,864,970</b>	<b>\$ 2,170,418</b>	<b>\$ 2,536,937</b>	<b>\$ 366,519</b>	<b>16.9%</b>
Full-Time Equivalent (FTE) Total	10.0	11.0	11.0		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and increase benefit costs as specified in the Trades-Plumbers contract.

#### MAINTENANCE

The increase in Maintenance is the result of required five-year fire systems inspection and testing in compliance with the National Fire Protection Association standards, as well as new fire systems in the Silver Parking Ramp that are incorporated into the regular testing schedule.

#### OTHER

The increase in Other expenses is the result of minor asset tool purchases to replace end-of-life tools or outfit new equipment. Some of these purchases were deferred in response to the pandemic.

### 2022 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 MSP campus water consumption

PERFORMANCE MEASURE ► Year-over-year reduction in total gallons of water used throughout the MSP campus

PERFORMANCE MEASURE TARGET ► Minimum of 1.5%

## SERVICE CENTER SUMMARIES

**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 irrigation water consumption

**PERFORMANCE MEASURE ►** Year-over-year reduction in total gallons of water used for irrigation

**PERFORMANCE MEASURE TARGET ►** Minimum of 1.5%

**2021 PERFORMANCE MEASURE RESULTS**

**PERFORMANCE MEASURE ►** Percentage reduction in total gallons of water used in comparison to previous year usage

**TARGET ►** Minimum of 1.25% reduction

**RESULT ►** 32% increase

**NOTE ►** Water usage in 2021 increased 32% over 2020 water consumption. However, 2020 water consumption was drastically down as the result of historically low passenger traffic in response to the pandemic. Using 2014-2015 as a baseline for comparison, 2021 water use was down nearly 16%.

## SERVICE CENTER SUMMARIES

## 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 ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 9,804,381	\$ 9,377,610	\$ 10,029,361	\$ 651,750	7.0%
Administrative Expenses	8,496	7,875	8,275	400	5.1%
Professional Services	11,400	-	60,000	60,000	100.0%
Utilities	25,745	17,600	23,520	5,920	33.6%
Operating Services/Expenses	114,931	97,350	158,230	60,880	62.5%
Maintenance	5,580,559	5,434,815	5,550,268	115,453	2.1%
Other	37,356	32,850	47,900	15,050	45.8%
<b>Total Budget</b>	<b>\$15,582,868</b>	<b>\$14,968,100</b>	<b>\$15,877,554</b>	<b>\$ 909,453</b>	<b>6.1%</b>
<b>Full-Time Equivalent (FTE) Total</b>	<b>97.0</b>	<b>111.0</b>	<b>109.0</b>		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and the scheduled hiring of FTEs whose positions remained unfilled during 2021.

#### ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses is the result of additional membership dues for new management and a minimal increase in office supplies.

#### PROFESSIONAL SERVICES

The increase in Professional Services is the result of adding an irregular operations workshop for MSP and surrounding regional airports and an annual integrity inspection and structural integrity test for the Engineered Material Arresting System (EMAS) beds at MSP and St. Paul.

#### UTILITIES

The increase in Utilities is the result of adding routers to vehicles for computer usage by staff.

#### OPERATING SERVICES/EXPENSES

The increase in Operating Services/Expenses is driven by environmental inspections and cleaning, such as oil/water separators, flammable waste trap cleanouts and fuel farm inspections, as required by environmental regulations. In addition, it includes glycol impacted sand recycling that was deferred due to the pandemic.

#### MAINTENANCE

The increase in Maintenance is the result of forecasted material cost increases for anti-ice and chemical deicers.

#### OTHER

The increase in Other expenses is the result of purchasing minor assets, which were deferred in response to the pandemic.

**FIELD MAINTENANCE** Continued on next page

## SERVICE CENTER SUMMARIES

**2022 GOALS, OBJECTIVES & MEASURES**

**ORGANIZATIONAL GOAL** ► Safety, Security & Preparedness

**DIVISION GOAL** ► Airport Operations Center and Concept of Operations Development

**OBJECTIVE** ► 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

**PERFORMANCE MEASURE** ► Percentage 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** ► Provide on-site vehicle and equipment operation training for shop personnel

**PERFORMANCE MEASURE** ► On-site training sessions

**PERFORMANCE MEASURE TARGET** ► Minimum of 3

**2021 PERFORMANCE MEASURE RESULTS**

**PERFORMANCE MEASURE** ► Total number of vehicle equipment trainings provided

**TARGET** ► Minimum of 4

**RESULT** ► 4

**PERFORMANCE MEASURE** ► Percentage of errors in work order closeouts in CityWorks application

**TARGET** ► Maximum of 10%

**RESULT** ► The CityWorks software application deployment was delayed during the 2021 calendar year.

## SERVICE CENTER SUMMARIES

# RELIEVERS – ADMINISTRATION

Relievers – Administration is responsible for the operation, management and maintenance of the MAC's six Reliever Airports. This service center is also responsible for the administration of over 800 tenant leases and contracts on the airport properties.

## Budget Summary ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 854,388	\$ 836,186	\$ 881,882	\$ 45,695	5.5%
Administrative Expenses	7,622	4,144	7,756	3,612	87.2%
Professional Services	50,909	10,000	-	(10,000)	-100.0%
Utilities	6,123	6,000	6,720	720	12.0%
Operating Services/Expenses	203	1,500	1,500	-	-
Maintenance	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Budget</b>	<b>\$ 919,245</b>	<b>\$ 857,830</b>	<b>\$ 897,858</b>	<b>\$ 40,027</b>	<b>4.7%</b>
Full-Time Equivalent (FTE) Total	8.0	8.0	8.0		

## BUDGET HIGHLIGHTS

### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

### ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses is the result of office supplies needed with return to the office and the renewal of over 600 leases, as well as membership fees to access vital industry information and professional networking opportunities.

### PROFESSIONAL SERVICES

The elimination of Professional Services expenses is the result of completing consulting projects prior to 2022.

### UTILITIES

The increase in Utilities is the result of higher costs for cellular services.

## 2022 GOALS, OBJECTIVES & MEASURES

**ORGANIZATIONAL GOAL** ► Safety, Security & Preparedness

**DIVISION GOAL** ► Safely operate and maintain the MAC system of airports with a purposeful approach to delivering customer service and financial sustainability

**OBJECTIVE** ► Review standard operating procedures with airport managers, senior airport maintenance workers and mechanics to ensure best management practices are followed

**PERFORMANCE MEASURE** ► Number of review sessions

**PERFORMANCE MEASURE TARGET** ► Minimum of 4

## 2021 PERFORMANCE MEASURE RESULTS

**PERFORMANCE MEASURE** ► Number of virtual Post-Irregular Operations hot wash sessions focused on what went well and what can be done better

**TARGET** ► Minimum of 4

**RESULT** ► 7

**PERFORMANCE MEASURE** ► Number of reviews of Standard Operating Procedures with airport manager, senior airport maintenance employees and mechanics to ensure best management practices are followed

**TARGET** ► Minimum of 4

**RESULT** ► 4

## SERVICE CENTER SUMMARIES

## 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. Staff also respond to tenant, airport user and community issues and concerns.

## Budget Summary ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 638,560	\$ 743,787	\$ 767,733	\$ 23,946	3.2%
Administrative Expenses	7,181	4,510	5,210	700	15.5%
Professional Services	6,825	22,070	22,969	899	4.1%
Utilities	3,189	3,720	3,720	-	-
Operating Services/Expenses	17,979	12,800	12,800	-	-
Maintenance	232,161	207,800	292,720	84,920	40.9%
Other	4,697	1,500	2,400	900	60.0%
<b>Total Budget</b>	<b>\$ 910,591</b>	<b>\$ 996,187</b>	<b>\$ 1,107,552</b>	<b>\$ 111,365</b>	<b>11.2%</b>
Full-Time Equivalent (FTE) Total	8.0	7.0	7.0		

## BUDGET HIGHLIGHTS

## PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

## ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses is the result of supplies related to returning to onsite work.

## PROFESSIONAL SERVICES

The increase in Professional Services is due to contract increases for wildlife control services.

## MAINTENANCE

The increase in Maintenance is driven by restocking essential supplies such as sand, urea, sodium acetate, oil, filters and plow blades. Essential supplies were depleted as staff managed expenses early in the pandemic response, and increases in material prices are forecasted. Staff is working toward enhancing the maintenance standards to extend the useful life of facilities and equipment.

## OTHER

The increase in Other expenses is the result of aligning the budget with recent actual expenses.

## 2022 GOALS, OBJECTIVES &amp; MEASURES

ORGANIZATIONAL GOAL ► Safety, Security & Preparedness

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 "hot wash" exercise with key airport stakeholders after significant snow and ice events of one inch of snow or an entire crew callout

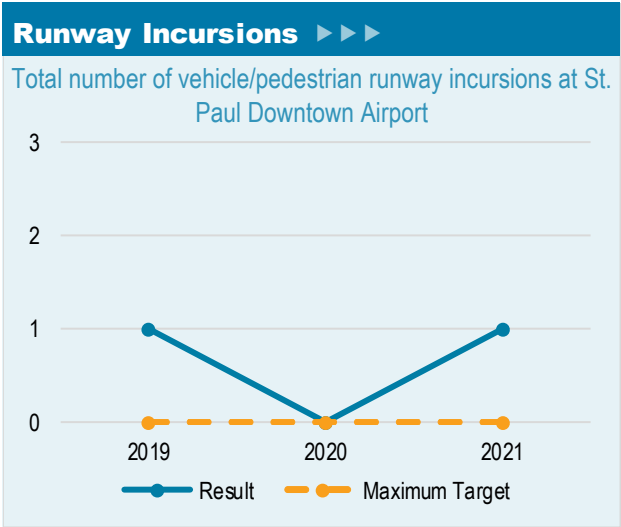
PERFORMANCE MEASURE ► Number of virtual "hot wash" exercise meetings held after significant snow events

PERFORMANCE MEASURE TARGET ► Minimum of 100%

RELIEVERS – ST. PAUL Continued on next page



2021 PERFORMANCE MEASURE RESULTS



## SERVICE CENTER SUMMARIES

## RELIEVERS – LAKE ELMO

Relievers – Lake Elmo is responsible for the operation, maintenance and administration of the Lake Elmo Airport. Service center staff manage the properties, including the administration of leases. Staff also respond to tenant, airport user and community issues and concerns.

## Budget Summary ►►►

	2022 Budget vs 2021 Budget				
	2020 Actual	2021 Budget	2022 Budget	Dollar Change	% Change
Personnel	\$ 131,140	\$ 137,582	\$ 168,310	\$ 30,728	22.3%
Administrative Expenses	216	1,260	1,950	690	54.8%
Professional Services	6,825	22,070	57,969	35,899	162.7%
Utilities	1,184	1,140	1,099	(41)	-3.6%
Operating Services/Expenses	25	-	-	-	-
Maintenance	13,575	30,150	39,100	8,950	29.7%
Other	50	250	300	50	20.0%
<b>Total Budget</b>	<b>\$ 153,014</b>	<b>\$ 192,452</b>	<b>\$ 268,728</b>	<b>\$ 76,276</b>	<b>39.6%</b>
<b>Full-Time Equivalent (FTE) Total</b>	<b>1.0</b>	<b>1.0</b>	<b>2.0</b>		

## BUDGET HIGHLIGHTS

## PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and one new FTE to be hired late in 2022.

## ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses is due to the resumption of community events, which were curtailed in response to the pandemic.

## PROFESSIONAL SERVICES

The increase in Professional Services is due to the management and operation of the storm water management plan with the Valley Branch Watershed District during airfield modifications, including the runway extension and relocation. Professional Services is also impacted by contractual increases for wildlife control services.

## UTILITIES

The Utilities budget decrease is attributable to a small decrease in expected cell phone usage.

## MAINTENANCE

The increase in Maintenance is driven by restocking essential supplies such as sand, urea, sodium acetate, oil, filters and plow blades. Essential supplies were depleted as staff managed expenses early in the pandemic response, and increases in material prices are forecasted. Staff is working toward enhancing the maintenance standards to extend the useful life of facilities and equipment.

## OTHER

The increase in Other expenses is due to replacement of safety supplies for the maintenance shop.

RELIEVERS – LAKE ELMO Continued on next page

**2022 GOALS, OBJECTIVES & MEASURES**

**ORGANIZATIONAL GOAL** ► Safety, Security & Preparedness

**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 "hot wash" exercise with key airport stakeholders after significant snow and ice events of one inch of snow or an entire crew callout

**PERFORMANCE MEASURE** ► Number of virtual "hot wash" exercise meetings held after significant snow events

**PERFORMANCE MEASURE TARGET** ► Minimum of 100%

## SERVICE CENTER SUMMARIES

## 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. Staff also respond to tenant, airport user and community issues and concerns.

## Budget Summary ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 121,281	\$ 129,606	\$ 134,753	\$ 5,148	4.0%
Administrative Expenses	161	2,175	2,250	75	3.4%
Professional Services	6,825	22,070	22,969	899	4.1%
Utilities	1,184	1,140	1,104	(36)	-3.2%
Operating Services/Expenses	25	-	-	-	-
Maintenance	19,382	28,625	32,154	3,529	12.3%
Other	115	479	476	(3)	-0.6%
<b>Total Budget</b>	<b>\$ 148,973</b>	<b>\$ 184,095</b>	<b>\$ 193,706</b>	<b>\$ 9,612</b>	<b>5.2%</b>
Full-Time Equivalent (FTE) Total	1.0	1.0	1.0		

## BUDGET HIGHLIGHTS

## PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

## ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses is the result of increased supply prices.

## PROFESSIONAL SERVICES

The increase in Professional Services is due to contract increases for wildlife control services.

## UTILITIES

The Utilities budget decrease is attributable to a small decrease in expected cell phone usage.

## MAINTENANCE

The increase in Maintenance is driven by restocking essential supplies such as sand, urea, sodium acetate, oil, filters and plow blades. Essential supplies were depleted as staff managed expenses early in the pandemic response, and increases in material prices are forecasted. Staff is working toward enhancing the maintenance standards to extend the useful life of facilities and equipment.

## 2022 GOALS, OBJECTIVES &amp; MEASURES

ORGANIZATIONAL GOAL ► Safety, Security & Preparedness

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 "hot wash" exercise with key airport stakeholders after significant snow and ice events of one inch of snow or an entire crew callout

PERFORMANCE MEASURE ► Number of virtual "hot wash" exercise meetings held after significant snow events

PERFORMANCE MEASURE TARGET ► Minimum of 100%

## SERVICE CENTER SUMMARIES

## RELIEVERS – FLYING CLOUD

Relievers – Flying Cloud is responsible for the operation, maintenance and administration of the Flying Cloud Airport. The service center staff manage the properties, including the administration of leases. Staff also respond to tenant, airport user and community issues and concerns.

### Budget Summary ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 392,610	\$ 407,266	\$ 462,063	\$ 54,796	13.5%
Administrative Expenses	3,382	4,425	4,485	60	1.4%
Professional Services	6,825	22,070	22,969	899	4.1%
Utilities	1,813	2,680	2,424	(256)	-9.6%
Operating Services/Expenses	247	-	-	-	-
Maintenance	104,830	123,170	143,300	20,130	16.3%
Other	9,528	1,030	890	(140)	-13.6%
<b>Total Budget</b>	<b>\$ 519,235</b>	<b>\$ 560,641</b>	<b>\$ 636,131</b>	<b>\$ 75,489</b>	<b>13.5%</b>
Full-Time Equivalent (FTE) Total	4.0	4.0	4.0		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and historical overtime averages for snow fall, call-backs and community engagement activities. Community engagement activities were curtailed in response to the pandemic and will resume in 2022.

#### ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses is the result of supplies related to returning to onsite work.

#### PROFESSIONAL SERVICES

The increase in Professional Services is due to contract increases for wildlife control services.

#### UTILITIES

The decrease in Utilities is the result of aligning the budget with recent actual expenses.

#### MAINTENANCE

The increase in Maintenance is driven by restocking essential supplies such as sand, urea, sodium acetate, oil, filters and plow blades. Essential supplies were depleted as staff managed expenses early in the pandemic response, and increases in material prices is forecasted. Staff is working toward enhancing the maintenance standards to extend the useful life of facilities and equipment.

#### OTHER

The decrease in Other expenses is the result of aligning budgeted expenses with recent actual expenses.

**RELIEVERS – FLYING CLOUD** Continued on next page

## SERVICE CENTER SUMMARIES

**2022 GOALS, OBJECTIVES & MEASURES**

**ORGANIZATIONAL GOAL** ► Safety, Security & Preparedness

**DIVISION GOAL** ► Safely operate and maintain the MAC system of airports with a purposeful approach to delivering customer service and financial sustainability

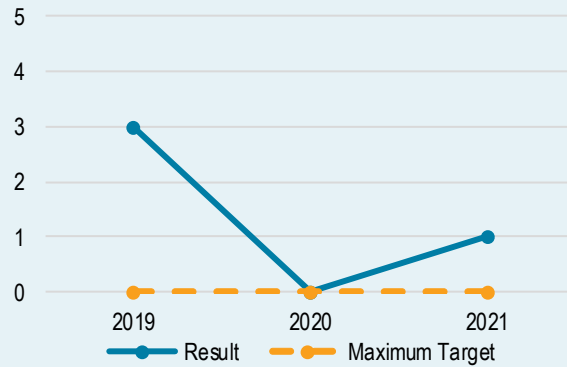
**OBJECTIVE** ► Develop a "hot wash" exercise with key airport stakeholders after significant snow and ice events of one inch of snow or an entire crew callout

**PERFORMANCE MEASURE** ► Number of virtual "hot wash" exercise meetings held after significant snow events

**PERFORMANCE MEASURE TARGET** ► Minimum of 100%

**2021 PERFORMANCE MEASURE RESULTS****Runway Incursions** ► ► ►

Total number of vehicle/pedestrian runway incursions at Flying Cloud Airport



## SERVICE CENTER SUMMARIES

# 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. Staff also respond to tenant, airport user and community issues and concerns.

## Budget Summary ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 277,692	\$ 338,171	\$ 356,831	\$ 18,660	5.5%
Administrative Expenses	6,063	3,850	5,050	1,200	31.2%
Professional Services	6,825	22,070	22,969	899	4.1%
Utilities	3,129	2,880	3,500	620	21.5%
Operating Services/Expenses	68,655	170,000	240,000	70,000	41.2%
Maintenance	85,126	106,565	113,415	6,850	6.4%
Other	380	500	600	100	20.0%
<b>Total Budget</b>	<b>\$ 447,870</b>	<b>\$ 644,036</b>	<b>\$ 742,365</b>	<b>\$ 98,329</b>	<b>15.3%</b>
Full-Time Equivalent (FTE) Total	3.0	3.0	3.0		

## BUDGET HIGHLIGHTS

### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and historical overtime averages for snow fall, call-backs and community engagement activities. Community engagement activities were curtailed in response to the pandemic and will resume in 2022.

### ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses is due to better alignment with actual expenses for recent years, as well as additional supplies for the new self-serve aviation fuel system and the pilot lounge.

### PROFESSIONAL SERVICES

The increase in Professional Services is due to contract increases for wildlife control services.

### UTILITIES

The increase in Utilities is the result of additional data plans for computers and buildings.

### OPERATING SERVICES/EXPENSES

The increase in Operating Services/Expenses is the result of additional fuel purchases and higher fuel prices for the petroleum sold through the new aviation fuel system.

### MAINTENANCE

The increase in Maintenance is driven by restocking essential supplies such as sand, urea, sodium acetate, oil, filters and plow blades. Essential supplies were depleted as staff managed expenses early in the pandemic response, and increases in material prices are forecasted. Staff is working toward enhancing the maintenance standards to extend the useful life of facilities and equipment.

### OTHER

The increase in Other expenses is due to replacement of safety supplies.

**RELIEVERS – CRYSTAL** Continued on next page



2022 GOALS, OBJECTIVES & MEASURES

ORGANIZATIONAL GOAL ► Safety, Security & Preparedness

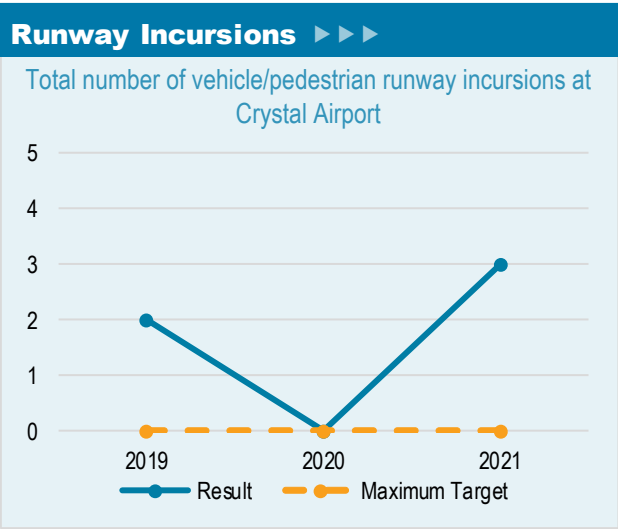
DIVISION GOAL ► Safely operate and maintain the MAC system of airports with a purposeful approach to delivering customer service and financial sustainability

OBJECTIVE ► Develop a "hot wash" exercise with key airport stakeholders after significant snow and ice events of one inch of snow or an entire crew callout

PERFORMANCE MEASURE ► Number of virtual "hot wash" exercise meetings held after significant snow events

PERFORMANCE MEASURE TARGET ► Minimum of 100%

2021 PERFORMANCE MEASURE RESULTS



## SERVICE CENTER SUMMARIES

## 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. Staff also respond to tenant, airport user and community issues and concerns.

### Budget Summary ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 367,865	\$ 415,425	\$ 437,302	\$ 21,877	5.3%
Administrative Expenses	881	2,895	2,960	65	2.2%
Professional Services	8,007	26,070	26,969	899	3.4%
Utilities	704	660	1,580	920	139.4%
Operating Services/Expenses	161,365	119,000	35,000	(84,000)	-70.6%
Maintenance	60,488	94,165	117,800	23,635	25.1%
Other	50	925	2,915	1,990	215.1%
<b>Total Budget</b>	<b>\$ 599,360</b>	<b>\$ 659,140</b>	<b>\$ 624,526</b>	<b>\$ (34,614)</b>	<b>-5.3%</b>
Full-Time Equivalent (FTE) Total	4.0	4.0	4.0		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and historical overtime averages for snow fall, call-backs and community engagement activities. Community engagement activities were curtailed in response to the pandemic and will resume in 2022.

#### PROFESSIONAL SERVICES

The increase in Professional Services is due to contract increases for wildlife control services.

#### UTILITIES

The increase in Utilities is the result of aligning budget for internet access in work spaces to actual recent expenditures.

#### OPERATING SERVICES/EXPENSES

The decrease in Operating Services/Expenses is driven by a new support and maintenance services agreement for new control tower equipment.

#### MAINTENANCE

The increase in Maintenance is driven by restocking essential supplies such as sand, urea, sodium acetate, oil, filters and plow blades. Essential supplies were depleted as staff managed expenses early in the pandemic response, and increases in material prices is forecasted. Staff is working toward enhancing the maintenance standards to extend the useful life of facilities and equipment.

#### OTHER

The increase in Other expenses is the result of the solid waste generator assessment.

## SERVICE CENTER SUMMARIES

## 2022 GOALS, OBJECTIVES &amp; MEASURES

**ORGANIZATIONAL GOAL** ► Safety, Security & Preparedness

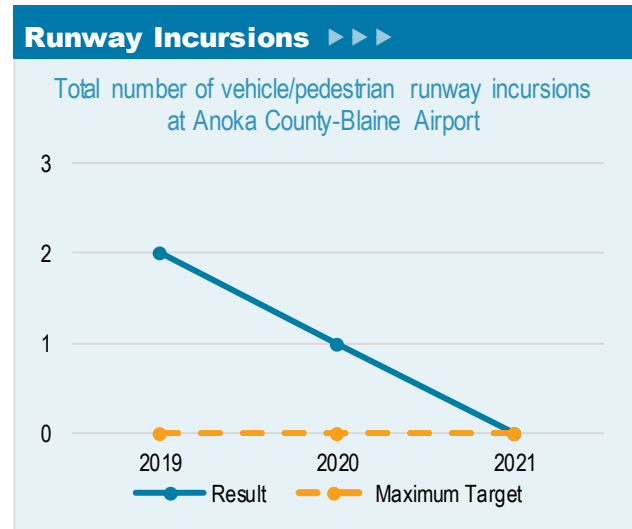
**DIVISION GOAL** ► Safely operate and maintain the MAC system of airports with a purposeful approach to delivering customer service and financial sustainability

**OBJECTIVE** ► Develop a "hot wash" exercise with key airport stakeholders after significant snow and ice events of one inch of snow or an entire crew callout

**PERFORMANCE MEASURE** ► Number of virtual "hot wash" exercise meetings held after significant snow events

**PERFORMANCE MEASURE TARGET** ► Minimum of 100%

## 2021 PERFORMANCE MEASURE RESULTS



## SERVICE CENTER SUMMARIES

# 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 ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 14,953,007	\$ 15,386,000	\$ 16,875,058	\$ 1,489,058	9.7%
Administrative Expenses	112,032	152,784	155,095	2,311	1.5%
Professional Services	62,393	83,000	85,875	2,875	3.5%
Utilities	54,710	49,308	89,924	40,616	82.4%
Operating Services/Expenses	2,355,290	3,130,558	3,303,196	172,638	5.5%
Maintenance	11,304	20,000	65,000	45,000	225.0%
Other	578,124	228,410	298,846	70,436	30.8%
<b>Total Budget</b>	<b>\$18,126,859</b>	<b>\$19,050,060</b>	<b>\$20,872,994</b>	<b>\$1,822,934</b>	<b>9.6%</b>
Full-Time Equivalent (FTE) Total	156.0	171.0	171.0		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and the scheduled hiring of FTEs whose positions remained unfilled during 2021.

#### PROFESSIONAL SERVICES

The increase in Professional Services is the result of recruiting expenses to fill open FTEs.

#### UTILITIES

The increase in Utilities is related to providing all police officers with company-issued cell phones to aid in the performance of their duties.

#### OPERATING SERVICES/EXPENSES

The increase in Operating Services/Expenses is the result of anticipated costs for bleeding control kits, ballistic vests, 800 Mhz radios, disaster supplies and See Something Say Something campaign costs. Grants are anticipated to cover these expenses; if not awarded, purchases will not be made.

#### MAINTENANCE

The Maintenance increase is driven by the Airport Police Department's share of an Explosive Ordnance Disposal robot to be purchased and shared with the Bloomington Police Department.

#### OTHER

The Other expenses increase is attributable to the need to purchase firearms, ammunition, medical/safety supplies, portable radios and related equipment.

**POLICE** Continued on next page

## SERVICE CENTER SUMMARIES

**2022 GOALS, OBJECTIVES & MEASURES**

**ORGANIZATIONAL GOAL** ► Safety, Security & 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 the second quarter in 2022

**PERFORMANCE MEASURE** ► Percent compliance with body camera use requirements

**PERFORMANCE MEASURE TARGET** ► Minimum of 100%

**ORGANIZATIONAL GOAL** ► Talent

**DIVISION GOAL** ► Employee development & performance management

**OBJECTIVE** ► Enhance the department's response to individuals experiencing mental health emergencies by increasing the number of staff who have received 40 hours of Critical Incident Training from 15 to 25

**PERFORMANCE MEASURE** ► Number of trained staff

**PERFORMANCE MEASURE TARGET** ► Minimum of 25

**2021 PERFORMANCE MEASURE RESULTS**

**PERFORMANCE MEASURE** ► Percentage of uniformed police officers utilizing body cameras when interacting with the public

**TARGET** ► 100% Utilization

**RESULT** ► N/A

**NOTE** ► Body camera usage regulations and policy were completed in 2021, however, product delivery was delayed until February 2022.

**PERFORMANCE MEASURE** ► Percentage of full time peace officers and Emergency Communications staff utilizing provided emotional wellness consultation

**TARGET** ► Minimum of 80%

**RESULT** ► 9.6%

**NOTE** ► In 2022 staff will work with the emotional wellness consultation vendor to produce different strategies to increase use of the service. In addition, the service will be available to all Police staff in 2022.

## SERVICE CENTER SUMMARIES

## FIRE

The MSP Airport Fire Department is responsible for providing aircraft rescue and firefighting (ARFF), structural firefighting and first response emergency medical services to the MSP campus and some adjacent areas under agreement. The department is also responsible for fire code enforcement; investigation of all fires that occur within the service area; and maintenance of Federal Aviation Administration ARFF training, response requirements and proper documentation for state and federal reporting requirements.

## Budget Summary ►►►

	2020 Actual	2021 Budget	2022 Budget	2022 Budget vs 2021 Budget	
				Dollar Change	% Change
Personnel	\$ 5,370,761	\$ 5,361,324	\$ 5,853,819	\$ 492,496	9.2%
Administrative Expenses	4,529	6,750	6,750	-	-
Professional Services	7,498	59,360	105,000	45,640	76.9%
Utilities	15,289	18,050	16,800	(1,250)	-6.9%
Operating Services/Expenses	20,219	26,000	180,000	154,000	592.3%
Maintenance	2,786	4,750	4,750	-	-
Other	128,133	108,500	114,520	6,020	5.5%
<b>Total Budget</b>	<b>\$ 5,549,216</b>	<b>\$ 5,584,734</b>	<b>\$ 6,281,639</b>	<b>\$ 696,906</b>	<b>12.5%</b>
Full-Time Equivalent (FTE) Total	47.0	53.0	53.0		

## BUDGET HIGHLIGHTS

## PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and additional overtime to reflect recent actual spending, contracted overtime and minimum staffing levels.

## PROFESSIONAL SERVICES

The Professional Services increase is the result of resuming professional service agreements for fire protection services that were reduced in 2021 as a cost saving measure.

## UTILITIES

The decrease in Utilities is the result of aligning budgeted expenses with recent years' actual costs.

## OPERATING SERVICES/EXPENSES

The Operating Services/Expenses increase is driven by disposal costs for firefighting foam, as required by environmental regulations.

## OTHER

The increase in Other expenses is the result of beginning a three-year plan to replace the firefighting foam inventory with material that does not contain per-and polyfluoroalkyl substances (PFAS).

## 2022 GOALS, OBJECTIVES &amp; MEASURES

ORGANIZATIONAL GOAL ► Safety, Security & Preparedness

DIVISION GOAL ► Employee development & performance management

OBJECTIVE ► Initiate and complete the Consistent Delivery of Services Initiative for all frontline supervisors

PERFORMANCE MEASURE ► Number of frontline supervisors that complete the training program series

PERFORMANCE MEASURE TARGET ► Minimum of 9

**FIRE** Continued on next page

## 2021 PERFORMANCE MEASURE RESULTS

**PERFORMANCE MEASURE** ► Number of all fire officer staff who complete Blue Card training

**TARGET** ► Minimum of 12

**RESULT** ► Eight staff have completed Blue Card Incident Command Training and three staff are partially trained

**NOTE** ► Due to the former chief's retirement we were short one officer for much of the year.



# STATISTICS & INFORMATIVE FACTS

## HISTORICAL OPERATING REVENUE AND OPERATING EXPENSE

The table below compares operating revenue and operating expense for the years 2012 and estimated 2021 and emphasizes the changes that occurred when comparing the percentage in each category to the total. Revenue and expense both increased over this period from growth in the airline industry. However, the COVID-19 pandemic greatly impacted Revenue and Expense in 2020 and 2021. Revenue decreased greater than Expense from the steep decline in passengers, fewer airline operations and MAC approved relief packages granted to airlines and concessionaires.

### Historical Operating Revenue and Expense ►►►

(\$=000)

	2012		2021		2021 vs 2012	
	Actual	% of Total	Estimate	% of Total	Dollar Change	Average % Change
<b>Operating Revenue</b>						
Airline Rates & Charges	\$ 98,437	36.9%	\$ 117,397	38.7%	\$ 18,959	2.0%
Concessions	126,399	47.4%	120,512	39.7%	(5,887)	-0.5%
Rentals/Fees	27,999	10.5%	48,893	16.1%	20,893	6.4%
Utilities & Other Revenue	13,582	5.1%	16,910	5.6%	3,328	2.5%
<b>Total Operating Revenue</b>	<b>\$ 266,418</b>		<b>\$ 303,712</b>		<b>\$ 37,293</b>	<b>1.5%</b>
<b>Operating Expense<sup>1</sup></b>						
Personnel	\$ 68,145	49.9%	\$ 92,853	49.6%	\$ 24,707	3.5%
Administrative Expenses	1,561	1.1%	1,010	0.5%	(552)	-4.7%
Professional Services	4,536	3.3%	5,266	2.8%	730	1.7%
Utilities	16,288	11.9%	20,034	10.7%	3,746	2.3%
Operating Services/Expenses	17,379	12.7%	25,772	13.8%	8,393	4.5%
Maintenance	26,052	19.1%	38,380	20.5%	12,329	4.4%
Other	2,631	1.9%	3,995	2.1%	1,364	4.8%
<b>Total Operating Expense</b>	<b>\$ 136,593</b>		<b>\$ 187,311</b>		<b>\$ 50,718</b>	<b>3.6%</b>
<b>Operating Income (Loss)<sup>2</sup></b>	<b>\$ 129,825</b>		<b>\$ 116,401</b>		<b>\$ (13,424)</b>	<b>-1.2%</b>

<sup>1</sup>Excludes Depreciation and Noise Amortization

<sup>2</sup>Excludes Non-Operating Revenue and Expense

## STATISTICS &amp; INFORMATIVE FACTS

## OPERATING REVENUE

The following are high level explanations of changes in revenue in the categories presented:

- The average annual percentage increase for Airline Rates & Charges was 2.0% between the years of 2012 and 2021. This resulted from the growth in 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 2012 and 2021 also resulted from changes in the 2019 Amendment to the Airline Use Agreement.
- The decrease in the Concessions category of 0.5% resulted from the decline in passenger traffic from the pandemic in 2020 and 2021. New and improved concessions, parking rate increases and additional revenue from transportation network companies boosted revenue in earlier years.
- The average annual percentage increase for Rentals/Fees was 6.4% between the years of 2012 and 2021. This growth was attributable to increased building rentals, including the Federal Express facility, UPS facility and additional Reliever Airport hangar and lot rents.
- In Utilities & Other Revenue, the annual average percentage increase was 2.5%. Concession Utility revenue and Maintenance Cleaning Distribution Fees grew with the expansion of facilities and concession stores. General Aviation brought in additional revenue.

## OPERATING EXPENSE

Expense changes are as follows:

- Personnel expenses increased from 2012 to 2021 by 3.5%. Actual headcount in 2012 was at 564 while staff positions in 2021 rose to 634. Information Technology staff has increased substantially to stay ahead of new and emerging technology. Additional Fire and Police headcount has been hired for emergencies and safety throughout the MSP campus. Also, additional staff has been hired to champion the MAC's robust strategic plan. Costs for employee benefits doubled during this time frame and pension costs are much higher as well. Increased personnel was needed for Terminal 1 and Terminal 2 expansions.
- Administrative Expenses have decreased 4.7% annually, resulting from cost savings necessary during the COVID-19 pandemic in 2020 and 2021.
- Professional Services increased 1.7% when comparing 2012 actual expenses to the estimated expenses for 2021. The increase relates to consulting for technology requirements, new strategic initiatives, mechanical services and disseminating public information.
- The average annual increase in Utilities is 2.3% between 2012 and 2021, reflecting expansion of and improvements in the terminals such as the checked baggage handling system, terminal ticketing areas, Terminal 1 food court expansion, updated bathrooms, completion of the skyway to the hotel and opening of the Silver Parking Ramp. With these improvements come higher costs of natural gas, electricity, water and sewer.
- Operating Services/Expenses increased 4.5% between the years 2012 and 2021 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 4.4% between 2012 and 2021 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 4.8%, 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.

The table below shows historical concessions revenue from 2012 through 2022 budget. Parking, Rental Car & Ground Transportation and Food & Beverage bring in most revenue.

## Historical Concessions Revenue ►►►

(\$=000)

Year	Parking	Rental Car & Ground Transport	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	42,351	14,641	9,974	3,623	6,046	76,636
2021 Estimate	67,428	24,106	15,454	6,481	7,043	120,512
2022 Budget	86,798	29,577	21,399	8,568	9,166	155,507

### FACILITY EXPANSION

The following chart compares the expansion of the major facilities at MSP between 2012 and 2021. Both terminals expanded as needed for growth. The main mall food court and south security exit were both expanded at Terminal 1. Gates were also reconfigured in Terminal 1 to accommodate larger aircraft, reducing the total number of gates. Four gates were constructed at Terminal 2 in 2016 to make room for additional airline service.

Additional parking spaces were constructed at Terminal 1 as enplanements rose. Parking spaces were reduced at Terminal 2 as they were used to build an auto rental facility. 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.

## Facility Expansion ►►►

	2012	2021	Increase (Decrease)	% Change
<b>Terminal 1</b>				
Terminal Square Footage	2,832,741	2,861,496	28,755	1.0%
Number of Gates	114	104	(10)	-8.8%
Ramp Lineal Footage	11,302	11,001	(301)	-2.7%
Parking Spaces	14,341	17,056	2,715	18.9%
<b>Terminal 2</b>				
Terminal Square Footage	421,150	626,165	205,015	48.7%
Number of Gates	10	14	4	40.0%
Parking Spaces	9,993	8,670	(1,323)	-13.2%

The following table identifies major new facilities completed since 2012.

## Major New Facilities Completed ►►►

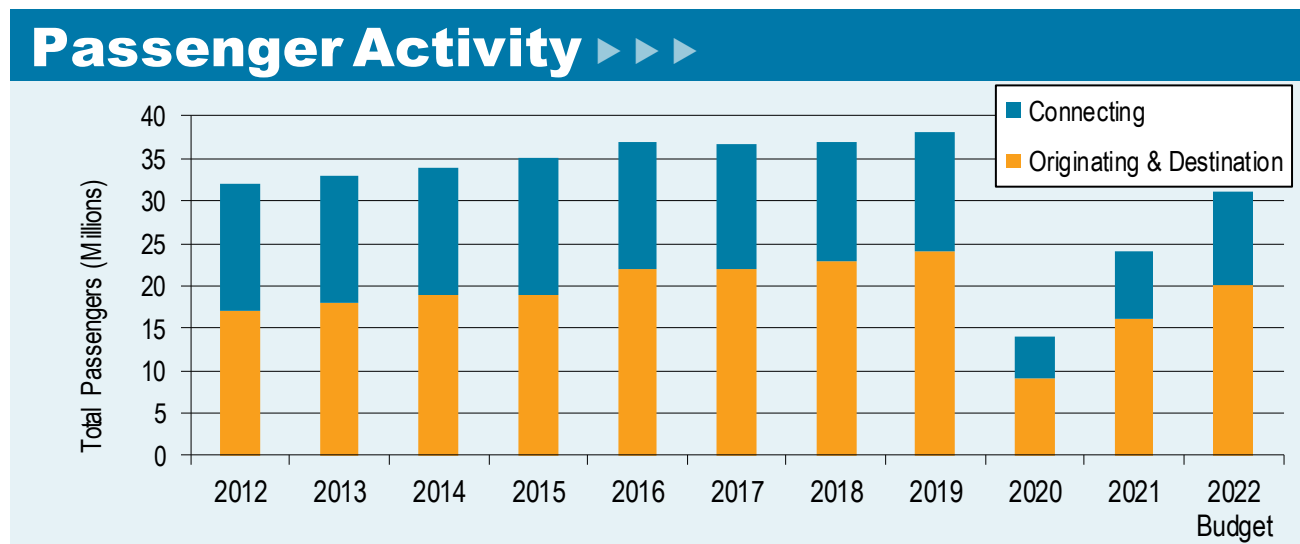
New Facilities	Closing Date	New Facilities	Closing Date
2008/2012 Part 150 Noise Sound Insulation Program	2012	2015 Pavement Rehabilitation-Aprons	2016
Terminal 2 Phase A Security Checkpoint	2012	2016 Passenger Boarding Bridge-Phase 2	2017
Terminal 2 Fuel Facility Relocation	2012	2016 Terminal 1 Restrooms Upgrade	2017
Terminal 1 Folded Plate Drain Roof Repair	2012	2016 iVSN (CCTV) Improvements	2017
Perimeter Fence Security Improvement	2012	2016 Concourse A/B Pre-Conditioned Air Upgrades	2017
Terminal 1 Jet Bridge Replacements	2012	2016 Food Court Service Elevator Replacement	2017
Terminal 1 South Baggage Screening – Phase 2	2013	2017 Automated Security Lanes	2017
Information Technology Data Center Facility – Phase 1 & 2	2013	2017 Parking Structure Rehabilitation	2017
Terminal 2 Apron Expansion	2013	2016 Vertical Circulation Improvements	2018
I-494/34 <sup>th</sup> Ave. Interchange (Diverging Diamond)	2013	2016 Concourse A-G Connector Bridge Phase 1	2018
Concourse G Roof Replacements	2013	2016 Mezzanine HVAC/AHU Replacements & Penthouses	2018
North Side Storm Sewer (Ponds 3 & 4)	2013	2018 Taxiway S Reconstruction	2018
Post Road Fuel Farm Fire Protection Improvement	2013	2017 Concourse G Rehabilitation	2018
Conveyance System Upgrades	2013	2018 Terminal 1 Main Mall Food Court Expansion	2019
2014 Pavement Rehabilitation-Aprons	2014	2018 Mezzanine HVAC/AHU Replacements & Penthouses (North)	2019
Terminal 1 Checked Baggage Inspection System	2014	2018 Consolidated Loading Dock Facility	2019
Terminal 1 Bag Claim Fire Protection System	2014	Delta Baggage Handling Acquisition/BHS Recontrols	2019
Terminal 2 Auto Rental Facility	2014	2017 Baggage Handling System	2019
2012 iVSN Projects (CCTV) Phase 1&2, Camera Replacements	2014	Terminal 1 Silver Parking Ramp	2020
Solar Panels on Blue/Red Parking Ramp	2015	2018 South Security Exit and Façade Expansion	2020
Terminal 1 FIS Expansion Gate 8 Holding Room	2015	2017 Vertical Circulation Improvement Phase 2	2020
2014 Airline Accommodations	2015	2020 Taxiway D Reconstruction	2020
2014 iVSN-CCTV Improvements	2015	2019 Passenger Boarding Bridge	2020
2015 Terminal 1 Modular Cooling Tower Installment	2015	2019 Taxiway B-Q Centerline Lights	2020
Terminal 2 Checked Baggage Inspection System	2016	2019 Baggage Claim-Ticket Lobby Improvement Phase 1	2021
Terminal 2 Gate Expansion	2016	2019 Baggage Claim-Ticket Lobby Improvement Phase 2	2021
Terminal 1 Checkpoint Consolidation	2016	2019 T1 Parking Ramp Modifications	2021
Terminal 1 2014/2015 Restrooms Upgrade	2016	Crystal Reliever Airport-Runway 14R-32L & Taxiway E Modifications	2021
Solar Panels on Terminal 2 Parking Ramp	2016	2020 Sanitary Sewer Replacement - Taxiway R	2021



*Runways and Related Maintenance are Major Construction Projects for the MAC*

## ACTIVITY/OPERATIONS STATISTICS

The chart below illustrates the trend in passenger activity at MSP from 2012 through budgeted 2022.



The following highlights recent activity affecting passenger revenue:

- Through 2019, the increase in passengers was due to the continued strengthening of the economy.
- In 2020, activity declined sharply as passengers stopped flying because of the COVID-19 pandemic.
- Passenger activity in 2021 improved with the return of passengers using air transportation for business and leisure during the COVID-19

recovery. Leisure travelers are returning stronger than business travelers.

- In 2022, passengers are projected to increase 30% over 2021 enplaned passengers as air transportation continues to recover.

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 and conveyor, porter services and queue line management percentages for airline billing. The following table shows actual passenger statistics for 2012 through budgeted 2022.

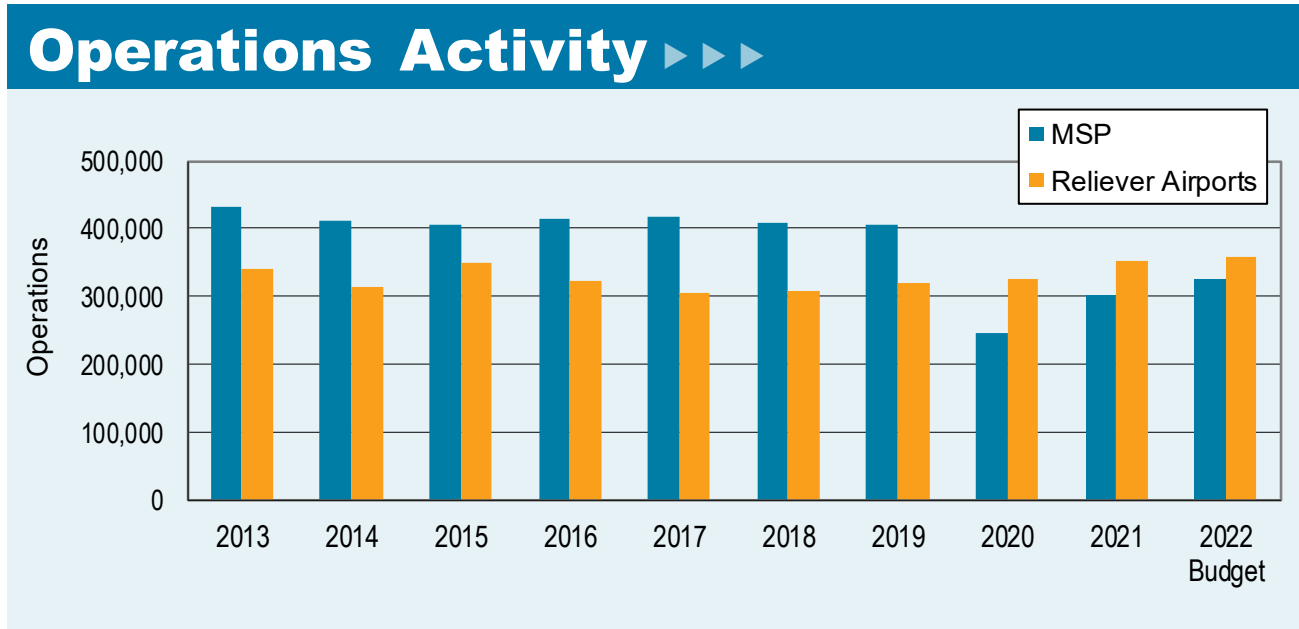
## Revenue Passenger Activity ►►►

(Thousands)

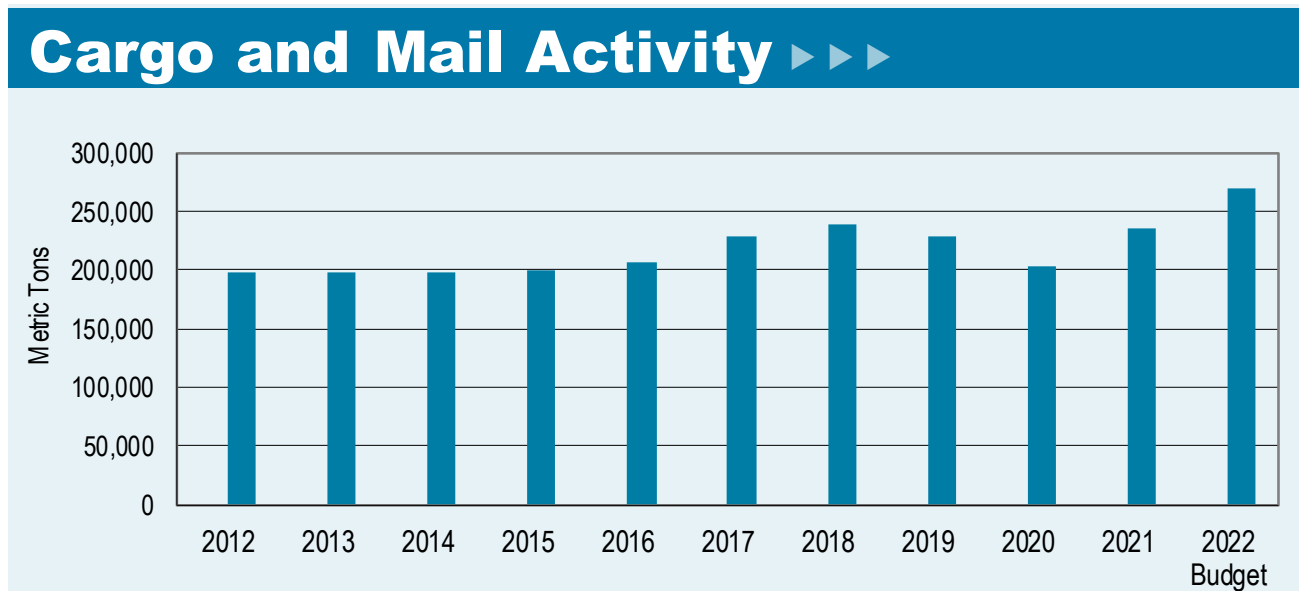
	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Budget
Enplaned Originating Passengers	8,668	8,930	9,299	9,791	10,501	11,032	11,528	12,110	4,614	8,143	10,287
Enplaned Connecting Passengers	14,704	14,880	15,818	15,878	7,660	7,353	6,859	7,072	2,497	4,055	5,539
Total Enplaned Passengers	23,372	23,810	25,117	25,669	18,161	18,385	18,387	19,181	7,110	12,197	15,827
Total Deplaned Passengers	8,698	8,958	8,973	9,825	18,186	18,415	18,400	19,172	7,138	15,327	15,327
Total Passengers	32,071	32,768	34,089	35,494	36,347	36,800	36,787	38,353	14,248	27,524	31,153

## STATISTICS & INFORMATIVE FACTS

The chart below 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. Air transportation slowly began to recover from the pandemic in 2021. The expectation for 2022 is that the number of operations will continue to rise. Unlike MSP, operations at Reliever Airports rose slightly in 2020 and again in 2021 with the increased interest in flight lessons. Operations at Reliever Airports are expected to also rise slightly in 2022.



The following chart shows cargo and mail activity reacting to the economy as it rose and peaked in 2018 when the economy flourished but dropped slightly in 2019 and dipped further in 2020 from the impact of COVID-19 when businesses temporarily closed and furloughed staff. In 2021, mail and cargo operations began to climb as the economy improved, businesses reopened and people ordered online during the pandemic recovery. Cargo and mail activity is projected to grow even further in 2022 with the rise in online shopping.





## INFORMATIVE FACTS ABOUT MINNESOTA

Minnesota is a dynamic and flourishing state with a vibrant metropolitan area. Much of what makes the state a great place to live and to do business is supported by MSP, the state's only large hub airport with scheduled air service.

Minnesota is home to small businesses, Fortune 500 companies and agricultural industry. The population is highly educated, with an unemployment rate below the national average. Furthermore, MSP ranks among the top airports in key areas.

The following pages share key information about the state of Minnesota, the eleven county Minneapolis-St. Paul-Bloomington/MN-WI Metropolitan Statistical Area (MSA) and MSP.

### POPULATION

The Population Comparison table presents the population for the United States, Minnesota and the MSA. According to the U.S. Census Bureau, Minnesota is the 22nd most populous state in the nation and has increased in population 7.6% since 2010. As indicated in the population table, two-thirds of Minnesota residents are concentrated in the MSA.

The pie chart illustrates Minnesota's population by race.

## Population Comparison >>>

(000)

Year	United States	Minnesota	MSA	MSA as % of MN
2010	309,326	5,303	3,349	63.2%
2011	311,583	5,347	3,389	63.4%
2012	313,874	5,380	3,422	63.6%
2013	316,129	5,420	3,459	63.8%
2014	318,857	5,457	3,428	62.8%
2015	322,871	5,490	3,495	63.7%
2016	324,304	5,520	3,551	64.3%
2017	326,971	5,577	3,601	64.6%
2018	328,227	5,611	3,629	64.7%
2019	329,213	5,640	3,640	64.5%
2020	328,240	5,706	3,657	64.1%
2021	331,894	5,707	*	*

Sources: United States Census Bureau, St. Louis Fed

\*Data not available at time of printing

MN = State of Minnesota

MSA = Minneapolis/St. Paul Metropolitan Statistical Area

## Minnesota >>>

### By the Numbers

**5.7M** ▶ **Population**

Source: U.S. Census Bureau

**18** ▶ **# of Fortune 500 companies**

Source: Fortune.com

**\$610.6B** ▶ **Revenue generated by Fortune 500 companies**

Source: Fortune.com

**533K** ▶ **# of small businesses**

Source: U.S. Small Business Administration

**67,500** ▶ **# of farms**

Source: U.S. Department of Agriculture

**\$62,005** ▶ **Per capita income**

Source: Bureau of Economic Analysis

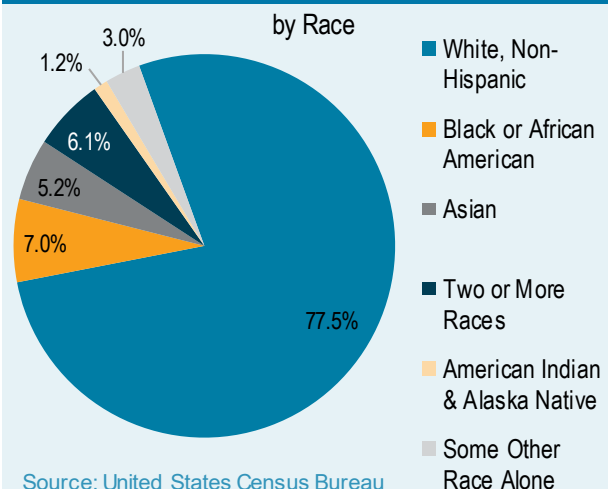
**37.2%** ▶ **% of adults who hold a bachelors degree or higher**

Source: U.S. Census Bureau

**93.5%** ▶ **% of adults with a high school degree or higher**

Source: U.S. Census Bureau

## Minnesota Population >>>





## EMPLOYERS

Minnesota's talent and innovation are highlighted by the large, prominent companies based within the state. The table below lists the 20 largest employers in the state for 2021. The world-renowned Mayo Clinic tops the list with 47,500 in-state employees. Seven additional health services employers are on the top 20 list. The remainder of the top 20 employers are from a variety of industries, including governmental services, education, financial services, retail and more.

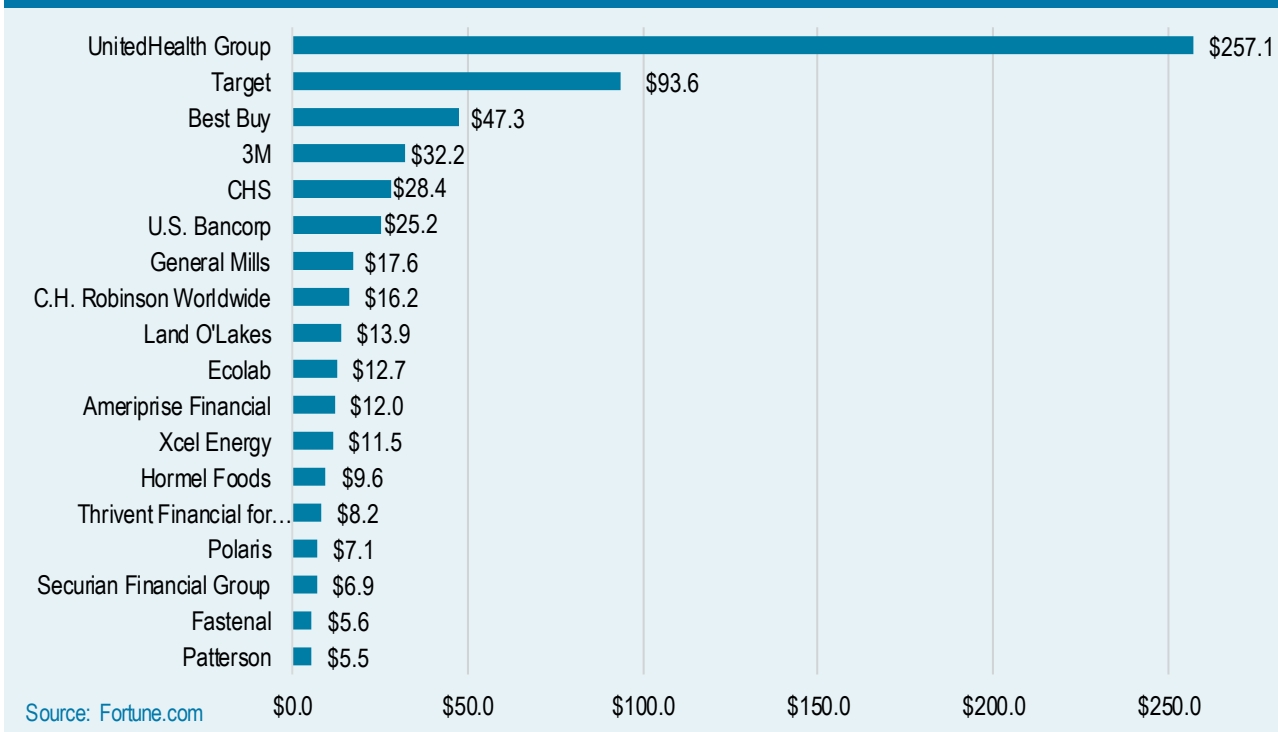
### Top 20 Largest Employers for 2021 ►►►

Rank	Minnesota Employer	# In-state Employees	Industry	Rank	Minnesota Employer	# In-state Employees	Industry
1	Mayo Clinic	47,500	Health Services	11	Minnesota State	14,934	Education
2	State of Minnesota	40,912	Governmental Services	12	3M Company	14,120	Manufacturing
3	US Federal Government	35,301	Governmental Services	13	U.S. Bancorp	13,400	Financial Services
4	Target Corp.	31,000	Retail	14	CentraCare	12,270	Health Services
5	Fairview Health Services	30,370	Health Services	15	United States Postal Service	11,063	Postal Service
6	Allina Health System	28,751	Health Services	16	Essentia Health	10,956	Health Services
7	University of Minnesota	27,000	Education	17	Medtronic	10,463	Health Services
8	HealthPartners Inc.	24,777	Health Services	18	United Natural Foods Inc.	8,968	Supply Chain
9	Wells Fargo Minnesota	18,000	Health Services	19	Hormel Foods Corp.	8,606	Food Production
10	UnitedHealth Group Inc.	17,500	Financial Services	20	Hennepin County	8,015	Governmental Services

Source: Minneapolis/St. Paul Business Journal

Minnesota is home to 18 Fortune 500 companies, representing a wide variety. These companies brought in \$610.6 billion in revenue during 2021 and employed 1.2 billion people worldwide. The following chart recognizes the 2021 Minnesota Fortune 500 Companies ranked by revenue. UnitedHealth Group tops the chart with \$257.1 billion in revenue, followed by Target Corporation with \$93.6 billion. In addition, Minnesota is home to more than 533,000 small businesses and 67,500 farms.

### 2021 Minnesota Fortune 500 Companies ►►►



## STATISTICS &amp; INFORMATIVE FACTS

## EMPLOYMENT

The civilian unemployment rates for both Minnesota and the MSA typically fall below the U.S. rate. The table below indicates that the Minnesota rate has been above the national rate only once since 2012, when it was a tenth of a percent higher in 2019. The MSA's rate has remained below the U.S. rate throughout the same timespan

### Civilian Unemployment Rate ►►►

	United States	Minnesota	Minneapolis-St Paul MSA
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%
2021	3.9%	3.1%	2.2%

Sources: Minnesota Department of Employment and Economic Development, National Conference of State Legislatures

According to the National Conference of State Legislatures, Minnesota's 2021 unemployment rate of 3.1% was the 14th lowest in the nation. In 2021, state unemployment dropped to 3.1% from the initial pandemic spike of 4.4% in 2020. As the table illustrates, the country and the MSA experienced similar 2020 increases and 2021 decreases.

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.

## INCOME

In 2020, Minnesota ranked 13th in the U.S. for per capita personal income. Minnesota's \$62,005 per capita personal income was 104.2% of the national average of \$59,510.

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. It also relates positively to the demand for air travel.

### Per Capita Personal Income ►►►

	United States	Minnesota	Minneapolis-St Paul MSA
2012	44,614	47,822	50,260
2013	44,894	47,977	51,183
2014	47,017	50,157	53,166
2015	48,891	52,229	55,599
2016	49,812	52,890	56,723
2017	51,811	54,670	59,736
2018	54,098	56,986	62,889
2019	56,047	58,426	64,255
2020	59,510	62,005	67,214
2021	62,866	65,544	*

\*Data not available at time of publication

Sources: U.S. Bureau of Economic Analysis, St. Louis Fed



*The MAC's Annual Girls in Aviation Day Encourages Attendees to Explore Aviation-Related Careers*

## EDUCATION

Education is important to Minnesotans. As depicted in the table to the right, 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.

## MSP AIRPORT ACTIVITY

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.

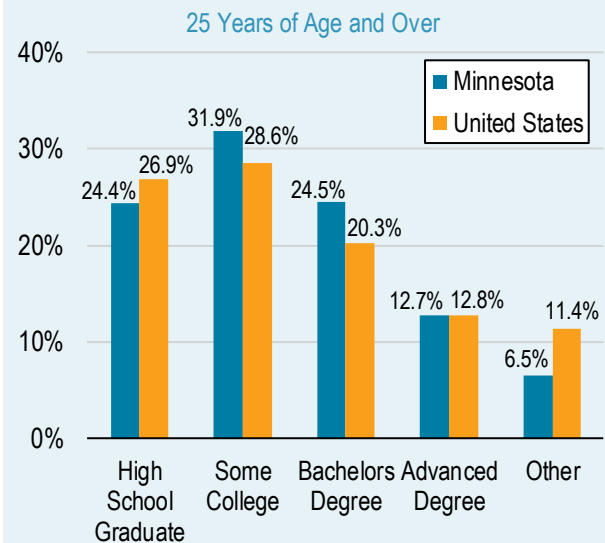
MSP is a high-activity large hub airport. Approximately 35% of its passengers were connecting in 2020, while the other 65% were origin-destination. In 2020, MSP ranked 17th in the U.S., moving up one spot over its 2019 rank.

As a direct result of the COVID-19 Pandemic, passenger traffic in 2020 was drastically lower than recent years at all major airports. While 2021 full-year data is not available at the time of publication, early information indicates a partial recovery to pre-pandemic traffic. The upward trend is expected to continue into 2022.



*Airlines Continue to Bring New Service  
and New Routes to MSP*

## Highest Education Level ►►►



Source: US Census Bureau

## US Airport Rankings:

### Total Passengers\* ►►►

Year Ended December 31, 2020

In thousands

Rank	Airport	Passengers
1	Atlanta (ATL)	42,919
2	Dallas/Fort Worth (DFW)	39,365
3	Denver (DEN)	33,741
4	Chicago (ORD)	30,860
5	Los Angeles (LAX)	28,780
---		
15	San Francisco (SFO)	16,428
16	Newark (EWR)	15,893
17	Minneapolis (MSP)	14,851
18	Detroit (DTW)	14,105
19	Boston (BOS)	12,635
20	Salt Lake City (SLC)	12,559

\*Arriving, departing and direct transit passengers counted once

Source: Airports Council International-North America

The table below provides the 2020 rankings for airports by total cargo in metric tons. Cargo traffic in 2020 at MSP dropped by 15 metric tons to 204 over 2019 total cargo. This led to a drop in rank one place to 29th in the U.S.

## US Airport Rankings: Total Cargo\* ►►►

Year Ended December 31, 2020

In thousands

Rank	Airport	Cargo
1	Memphis (MEM)	4,613
2	Anchorage (ANC)	3,158
3	Louisville (SDF)	2,917
4	Los Angeles (LAX)	2,229
5	Miami (MIA)	2,138
...		
27	Tampa (TPA)	231
28	Salt Lake City (SLC)	215
29	<b>Minneapolis (MSP)</b>	<b>204</b>
30	Orlando (MCO)	202
31	Washington (IAD)	198

\*Loaded and unloaded freight and mail in metric tons

Source: Airports Council International-North America

The table to the right indicates which air carriers provide service at MSP. As of January 1, 2022, MSP is served by 39 air carriers, including 19 U.S. Flag carriers providing scheduled service, 13 all-cargo service carriers, and seven foreign-flag carriers.

As of December 31, 2021, MSP had service to 137 destinations. Of these, 64 were competitive, with at least two airlines offering scheduled service to the destination. At the end of 2020, there were 38 competitive destinations out of 111 total served, down from 59 competitive out of 167 total destinations in 2019. The significant drop from 2019 to 2020 was a result of air travel decline in response to the COVID-19 pandemic. The 2021 statistics show that air travel is progressing towards a return to pre-pandemic levels. This progress is expected to continue during 2022.

## Air Carriers Serving MSP<sup>1</sup> ►

As of January 1, 2022

U.S. Flag Carriers	Foreign Flag Carriers
Air Wisconsin*	Aer Lingus*
Alaska*	Air Canada*
Allegiant*	Air France*
American*	Condor*
Delta*	Icelandair*
Denver Air Connection*	Jazz Aviation*
Envoy*	KLM*
Frontier*	All Cargo Service
Go Jet*	
Horizon*	
JetBlue*	
Mesa*	
PSA*	
Republic Airlines*	
Sky West*	
Southwest*	
Spirit*	
Sun Country*	ABX Air*
United*	Air Transport International*
	Atlas Air Cargo*
	Bemidji*
	CSA Air
	Encore Air Cargo*
	FedEx*
	IFL
	Kalitta*
	Mountain Air Cargo
	Southern Air
	Swift
	UPS*

<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

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.



## STATISTICS &amp; INFORMATIVE FACTS



## 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. The 2022 Women's NCAA Final Four will be held at the Target Center.

- 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.

## CURRENT MSP INFORMATION

- The MSP Airport Surveillance radar sweeps the sky once every 4.8 seconds.
- Runway 17-35 and its taxiways contain enough concrete to build a sidewalk from Minneapolis to New Orleans.
- 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.

# MAC FACTS



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.

*Photo: Aerial View of the Speedway*

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.

1926

1927

Northwest Airways' first passenger flight occurs. The \$50 flight to Chicago includes stops in La Crosse, Madison and Milwaukee.

The Minneapolis Park Board buys Wold-Chamberlain Field.

*Photo: The First U.S. Air Mail Building at Wold-Chamberlain Field*

1928



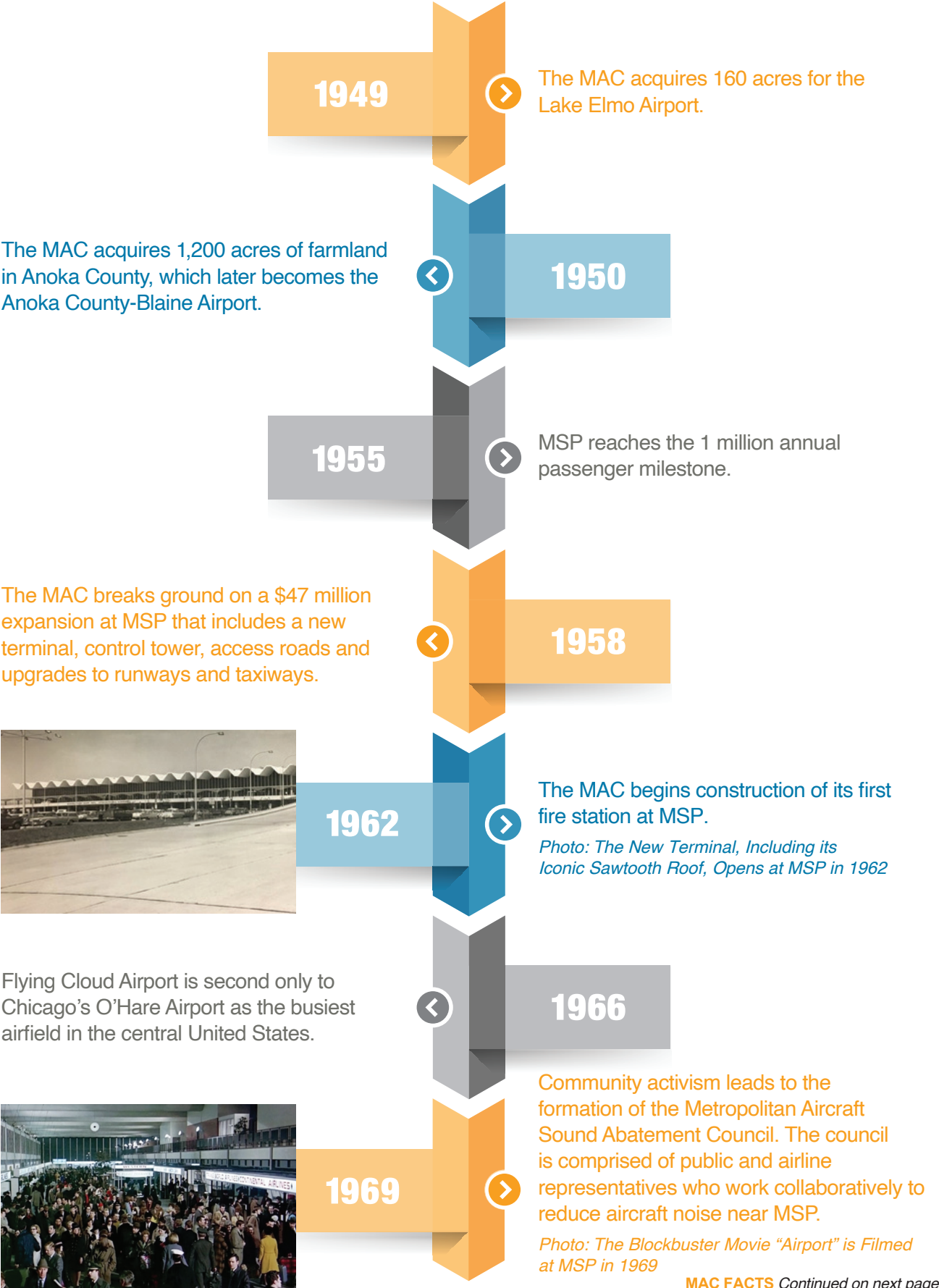
1943

Minnesota passes legislation to form the Minneapolis-St. Paul Metropolitan Airports Commission (MAC)

Wold-Chamberlain gets a new name, becoming the Minneapolis-St. Paul International Airport. The MAC acquires Crystal Airport and Flying Cloud Airport.

1948

MAC FACTS Continued on next page



MAC FACTS Continued on next page





1976

The Hubert H. Humphrey Charter Terminal opens at MSP and serves around 60 international charter flights per month.

*Photo: The Original Hubert H. Humphrey Charter Terminal in the Late 1970s*

The MAC acquires Airlake Airport in Lakeville, adding a second airport with an instrument landing system.

1979

1981

The MAC completes the first of 19 school noise mitigation projects.

A new seven-level, \$20 million parking ramp opens at Terminal 1 with 2,000 spaces.

1984

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.

Minnesota approves a \$761 million financial assistance package for Northwest Airlines.

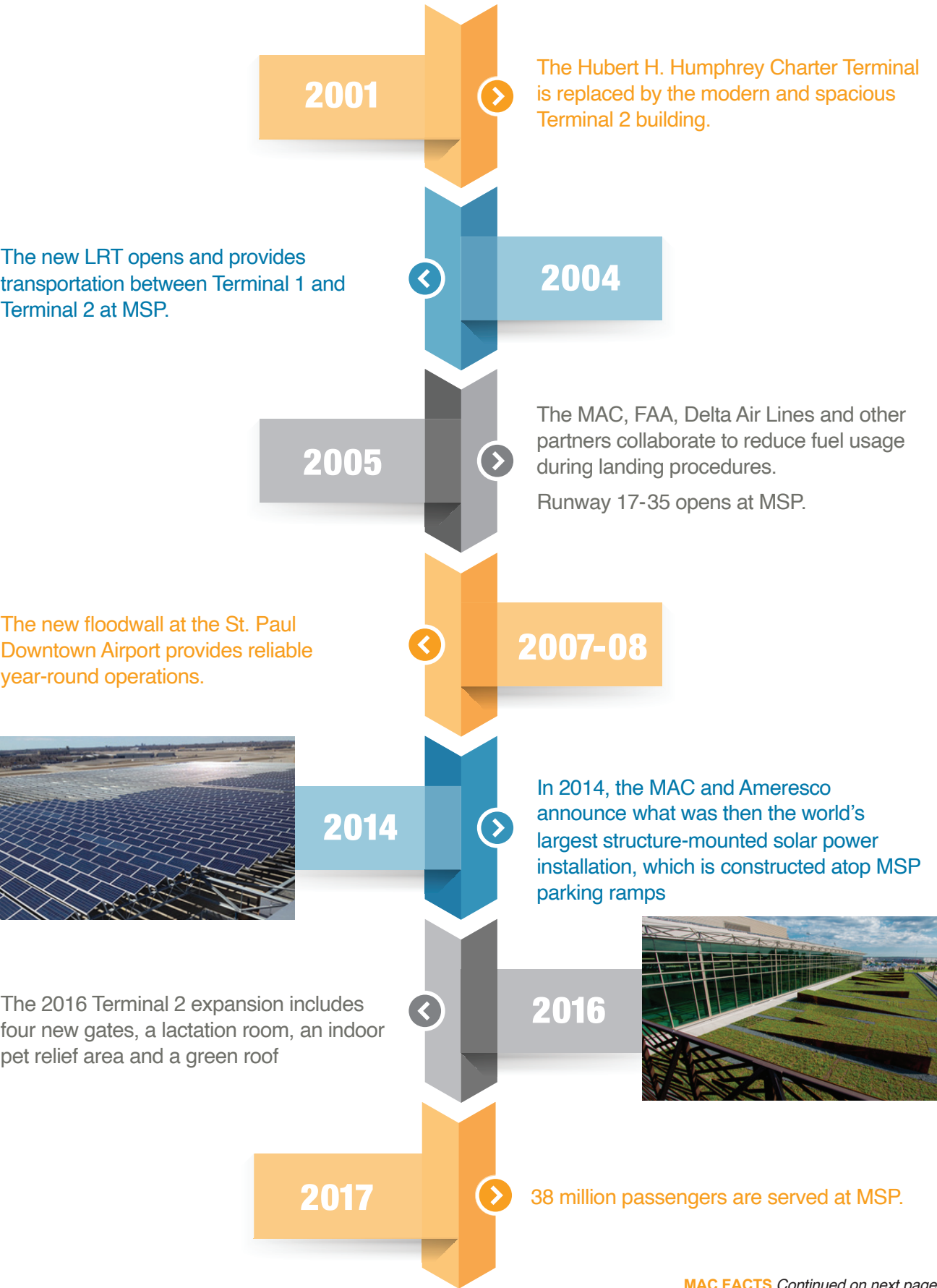
*Photo: MAC’s Executive Director Jeff Hamiel (right) Meets with U.S. Secretary of Transportation Sam Skinner in the Early 1990s*

1991



1996

MAC Board of Commissioners votes 11-3 on the Dual Track study to recommend expansion of the existing MSP airport.



STATISTICS & INFORMATIVE FACTS

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.



2020



2018



MSP is named the best airport in North America by Airports Council International for the 4th consecutive year.

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# GLOSSARY

**AAAE****American Association of Airport Executives**

AAAE is the world's largest professional organization for airport executives, representing thousands of airport management personnel at public-use commercial and general aviation airports.

**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****Airports Council International**

ACI represents the collective interests of airports around the world to promote excellence in the aviation industry.

**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.

**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 of General Obligation Revenue Bonds.

**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.

**AGIS****Airport Geospatial Information System****AHU****Air Handling Unit****AIR OPERATIONS AREA**

The air operations area includes aircraft movement areas, aircraft parking areas, loading ramps, and safety areas.

**AIRLINE R & R****Airline Repair and Replacement Surcharges**

Repair and Replacement Surcharges are a component of airline rates and charges.

**AIRLINE USE AGREEMENT**

Rates and charges revenue collected from the airlines are governed by the Airline Use Agreement and corresponding amendments.

**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.

**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.

**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 includes drawings and a narrative that includes basic aeronautical forecasts, basis for proposed items of development, environmental factors and other specifications.

**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 and Fire Fighting

**ASQ**

Airport Service Quality

**AUDIT**

A formal examination of an organization's accounts or financial situation.

**BALANCED BUDGET**

In a balanced budget, operating revenue is equal to budgeted operating expense plus depreciation.

**BHS**

Baggage Handling System

**BOND**

A bond is a formal promise to pay a specified principal at a future date along with specified periodic interest on that principal.

**BREAKEVEN**

Breakeven is a revenue calculation where the revenue will equal the expenses coded to that service center with a true up calculation at year-end.

**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.

**CBP**

Customs and Border Protection

**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 facilities, as well as certain maintenance costs related to those 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 or the Board of Commissioners

**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 enroute to their final destination.

**CONOPS**

Concept of Operations

**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.

**CRRSAA****Coronavirus Response and Relief Supplemental Appropriations Act**

CRRSAA is a federal grant that provides relief to the transit industry in response to the COVID-19 pandemic.

**CSAC****Customer Service Action Council****CTX****Computer Tomography X-Ray****DAS****Distributed Antenna System****DEBT SERVICE**

Debt service is an issuer's obligation to repay the principal and interest.

**DEBT SERVICE FUND**

The Debt Service Fund is used to pay required debt principal and interest payments.

**DEED****Department of Employment and Economic Development****DEFEASE**

Defeased bonds are refunded or paid off prior to the maturity date.

**DEI****Diversity, Equity and Inclusion****DEPARTMENT**

Departments are usually combinations of service centers. The term is sometimes used interchangeably with the term "service center."

**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.

**DERIVATIVE DEBT**

A derivative is a financial contract whose value is derived from the performance of some underlying market factors

**DESTINATION PASSENGERS**

Destination passengers arrive at MSP and do not transfer to another flight.

**ECC****Emergency Communications Center****ECONOMIC GAIN**

In terms of bond refundings, economic gain is the difference between the present values of the debt service payments on the old and new debt.

**EMAS****Engineered Material Arresting System**

EMAS is a soft ground arrester system that is an alternative solution for runways that have less than the required Safety Area. It is designed not to deform under normal ground vehicle loads.

**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.

**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.

**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; and developing and carrying out programs to control environmental effects of civil aviation.

**FCM****Flying Cloud Airport**

Flying Cloud Airport is one of six reliever airports operated by the MAC. Located in Eden Prairie, it is the home base for many corporate business jets and turbo-prop planes.

**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.

**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.

**FUNDS**

The Commission segregates its accounting into three funds: Operating, Debt and Construction.

**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.

**GARBS****General Airport Revenue Bonds**

GARBs are bonds secured by the pledge of all operating revenues of the Commission.

**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.

**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.

**GBAC**

Global Biorisk Accreditation Center

**GENERAL AVIATION AIRPORTS**

General aviation airports are public-use airports that do not have scheduled service or have scheduled service with less than 2,500 passenger boardings each year.

**GFOA**

Government Finance Officers Association

**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. The Commission does not currently have any outstanding GORBs.

**HOT WASH**

A hot wash is an immediate after-action discussion and evaluation of an exercise, training session or event.

**HVAC**

Heating, Ventilation and Air Conditioning

**IAF**

International Arrivals Facility or International Arrival Fees

**IMACS**

Intelligent Monitoring and Control Systems

**INTEREST**

Interest is the cost of borrowing money and is paid to the lending institution.

**IT**

Information Technology or Information Technology Department

**IVISN**

Integrated Video and Information System Network

**K9**

A K9 is a dog trained to assist law enforcement.

**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

**LTCP**

Long-Term Comprehensive Plan

**LWSW**

Live Well, Stay Well

**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.

**MACNET**

The MAC's computer network, which is the system of transmitting information across the MAC community.

**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 waivers, also known as MAG Relief, is a program authorized by the Metropolitan Airports Commission in response to the COVID-19 pandemic. Through the program, certain concessions were relieved of the monthly MAG payment requirement in 2020 and 2021. This reduced those concessions' costs during a portion of the pandemic and recovery.

**MCD****Maintenance, Cleaning and Distribution**

The MAC provides maintenance and holds the contracts for cleaning and distribution services utilized by food, beverage, news 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.

**MINNEAPOLIS-ST. PAUL 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.

**MSA****Metropolitan Statistical Area**

A Metropolitan Statistical Area is a core area delineated by the United States Office of Management and Budget and contains 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****N/A****Not Applicable****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.

**NON-ORGANIZED EMPLOYEES**

All employees not represented by a labor union.

**NON-SIGNATORY**

Carriers and airlines who have not signed the Airline Agreement.

**NOTE PAYABLE**

A note payable is a written promissory note through which a borrower obtains a specified amount of money from a lender and promises to pay it back with interest over the time period designated in the note.

**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****OPERATING FUND**

The Operating Fund is used for day-to-day operations.

**OPERATION**

An operation is an aircraft takeoff or landing.

**ORGANIZED EMPLOYEES**

Work areas or employees which are represented by a labor union contract.

**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.

**PANDEMIC**

COVID-19 Pandemic

**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.

**PFAS**

per-and polyfluoroalkyl substances

**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.

**QTA**

Quick Turn Around

**R & R**

Repair and Replacement Surcharges

Repair and Replacement Surcharges are a component of airline rates and charges.

**RAC**

Rental Auto Companies

**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.

**REVOLVING LINE OF CREDIT**

Through a revolving line of credit, a borrower is granted a maximum credit limit that allows them to borrow repeatedly up to the limit. It is often used by business for capital projects and to ensure cash flow.

**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.

**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.

**SENIOR LIEN**

A senior lien bond holds priority over other bonds for payments.

**SERVICE CENTER**

A service center is the MAC's terminology for a cost center used to track revenue or expenses.

**SIGNATORY 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.

**SUBORDINATE LIEN**

A subordinate lien bond ranks below more senior lien bonds in terms of claims on payments.

**SUBORDINATED DEBT**

Subordinated debt is paid after senior debt obligations have been met.

**T1**

[Terminal 1](#)

**T2**

[Terminal 2](#)

**TAXIWAY**

Taxiways are paved airfield areas primarily used for ground movements of aircraft to, from and between runways, ramps and storage areas.

**TSA**

[Transportation Security Administration](#)

**UAS**

[Unmanned Aircraft System](#)

**UPS**

[United Parcel Service](#)

**WORKING CAPITAL**

Working capital is the change in current assets minus the change in current liabilities.

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**Minneapolis-St. Paul**  
**METROPOLITAN AIRPORTS COMMISSION**  
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**Minneapolis, MN 55450**  
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