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MINNEAPOLIS-ST. PAUL METROPOLITAN AIRPORTS COMMISSION

1989
OPERATING
BUDGET



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1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

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Budget Message *OCTOBER 19, 1988*

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Members of the Metropolitan Airports Commission:

Presented here for your information is the 1989 Operating Budget for the Metropolitan Airports Commission. It reflects the continued reliance on the fundamental financial policies which have guided MAC operations for a majority of its history, including the need to generate necessary revenues from users of the airport system and not through use of taxes. We also continue to rely heavily on a variety of experts and professionals hired to assist MAC rather than having these various functions performed by MAC employees.

Organization of the information presented in this year's budget has been improved to help understanding by bringing information on related topics into closer proximity. As a result of a formal study done to review our information needs throughout the organization, format improvements have been made in the line items of our expense budget for 1989. Expenses for professional services and contract services will receive more visibility and will provide the information desired by various groups in a more relevant manner.

As shown below, 1989 revenues are estimated to increase 3.3 percent and expenses to increase by 10.4 percent from estimated 1988 levels.

| | 1987 Actual | 1988 Estimate | 1989 Budget | % 88 to 89 Change |
|--------------------------------|---------------------|---------------------|---------------------|----------------------|
| Revenue | | | | |
| Traffic | \$ 13,264,000 | \$ 13,142,000 | \$ 14,237,797 | 8.3% |
| Commercial | | | | |
| Concession | 24,427,000 | 24,692,000 | 26,042,872 | 5.4 |
| Rentals | 20,247,000 | 21,162,000 | 20,541,369 | (2.9) |
| Utilities | 1,191,000 | 1,050,000 | 1,110,100 | 5.7 |
| Miscellaneous | 752,000 | 1,054,000 | 1,163,000 | 10.3 |
| Total Operating Revenue | \$59,881,000 | \$61,100,000 | \$63,095,138 | 3.3% |
| Expense | | | | |
| Personnel | \$ 14,783,000 | \$ 14,754,000 | \$ 17,452,856 | 18.3% |
| Administrative Supplies | 413,000 | 406,000 | 500,461 | 23.3 |
| Professional Services | 2,178,000 | 2,625,000 | 3,486,993 | 32.8 |
| Utilities | 3,070,000 | 3,675,000 | 4,072,380 | 10.8 |
| Operating Services | 3,282,000 | 3,737,000 | 4,017,603 | 7.5 |
| Maintenance | 4,520,000 | 5,112,000 | 5,931,530 | 16.0 |
| Depreciation & Interest | 20,282,000 | 20,600,000 | 20,911,556 | 1.5 |
| Other | 1,621,000 | 1,394,000 | 1,365,180 | (2.1) |
| Total Operating Expense | \$50,149,000 | \$52,303,000 | \$57,738,559 | 10.4% |
| Net Revenues | \$ 9,732,000 | \$ 8,797,000 | \$ 5,356,579 | (39.1%) |

Several important revenue impacts are reflected in the 1989 Budget. We are planning significantly lower revenues as a result of parking spaces taken out of service during construction of the new multi-level parking deck at Minneapolis/Saint Paul International Airport. Increased revenues are planned as a result of new concession agreements (with auto rental firms, advertising, barber shop and shoeshine concessions, which have been negotiated and implemented for 1989.)

Budget Message OCTOBER 19, 1988 (CONTINUED)

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

At this time, 1988 appears to have been an abnormally good winter with little snow and ice. Several categories of expenses that directly reflect snow and ice conditions will be significantly below 1988 budgeted levels. The 1989 Budget for these categories will appear substantially higher when compared with 1988 actual expenses; but, in fact, are representative of normal winter weather. We have expanded our discussion of these items to highlight the fluctuations.

For the second year in a row, the growth in revenues has been less than the growth in expenditures. While this is a temporary situation, due primarily to lost parking revenue during construction, we have attempted to analyze and explain the causes of our growth in expenditures by highlighting our past relationships between expenditures and revenues and the changes in service levels required of the Metropolitan Airports Commission.

Respectfully Submitted,

A handwritten signature in cursive script, reading "Lynn D. Richardson". The signature is written in dark ink and is positioned above the printed name and title.

Lynn D. Richardson
Director of Finance

1989 Objectives

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

The Metropolitan Airports Commission was created in order to provide facilities and services as required by the users of air transportation in the Twin Cities Metropolitan Area. The Commission continually reviews and evaluates the quality of services and facilities it provides—striving each year to improve its effectiveness and efficiency. For 1989, significant objectives have been established in a number of areas; the most significant of these are summarized below.

NOISE ABATEMENT

A major focus of Commission activities continues to be in the area of noise abatement programs. The blueprint of action for improving the environmental compatibility of Minneapolis/St. Paul International Airport (MSP) with the surrounding communities continues to be the 27-Point Noise Abatement Program adopted by the Commission in 1986. Regular reviews continue to monitor the work being done on each of the 27 tasks. Some have been completed. Most are showing progress and are on schedule.

During 1988, monthly progress under the voluntary noise agreements is being published for community review. Through October, the Noise Energy Index has been significantly below the budgeted levels with reductions exceeding 24 percent as shown in the chart on Page 5.

Major emphasis in 1989 will be:

- 1) To complete and evaluate the results of a test program to distribute noise and air traffic more equitably around MSP, emphasizing low density or compatible land use areas.
- 2) To complete Phase II of a noise insulation program at two community schools in the noise impacted areas.
- 3) Begin insulation treatment of an additional two schools for sound abatement purposes.

GROUND TRANSPORTATION

On July 1, 1988, the Commission began operation of a new auto rental shuttle facility and common shuttle bus program for all auto rental companies serving MSP. This date was also the effective date of new concession agreements and operating permits for "on" and "off" premises operators. This marked the culmination of a long study, negotiation, and bidding process to deal with the services provided by this major form of ground transportation at MSP. The result of the changes made in operating methods and location of this group was significant improvements in the congestion in front of the Lindbergh Terminal Building and on the surrounding roadway.

During 1989, study and analysis will continue on the problems and needs of passengers, operators, and the airport with all other modes of ground transportation—including taxis, limousines, courtesy vehicles, and buses. Major milestones in 1989 will include:

- 1) Completing contract negotiations and construction of a "convenience" center for use by taxi and limousine operators, as well as the general public. This facility is intended to provide a needed staging area as well as facilities needed to service the vehicles used in these modes of ground transportation.
- 2) Complete the design and receive Commission approval for facility improvements for the balance of the ground transportation operators at MSP.
- 3) Complete construction in November, 1989, of the seven-level parking structure, which will greatly alleviate the lack of adequate parking facilities available today.
- 4) Complete construction of a major roadway improvement program at MSP in November, 1989.

1989 Objectives (CONTINUED)

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

LEASE NEGOTIATIONS

The primary lease agreement between MAC and the airlines serving MSP which covers the payments of landing fees and terminal rentals expires on January 20, 1989. Thus far in 1988, preliminary discussions have been held with the airlines, and formal meetings are scheduled to begin in October, 1988. In spite of Commission activities in other areas, including noise abatement, auto rental negotiations, and the negotiations and planning for a major maintenance hangar facility at MSP for Northwest Airlines, we anticipate that lease negotiations with the airlines will be completed in late 1988 with implementation as feasible during 1989.

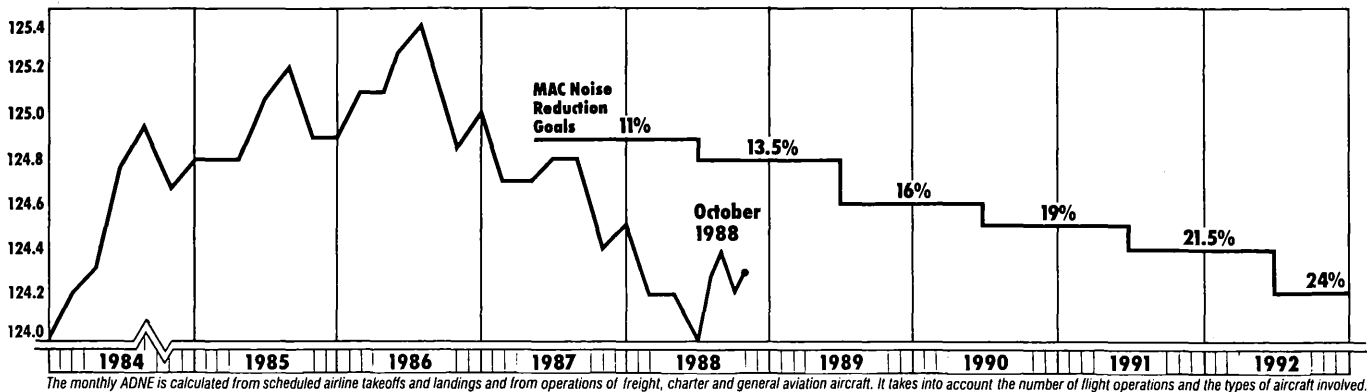
RELIEVER AIRPORT ACTIVITIES

The complete review of our current system of reliever airport rates and charges was begun in September, 1988, and is anticipated to become completed in January, 1989. This review will include analysis of the system of collecting fees from tenants, as well as the level of these fees to support the cost of operating all six reliever airports. An ad hoc committee of Commission members from the Operations and Environment and Management Committees has been given the responsibility for developing the necessary recommendations and studying the policy implications. Major facility improvements to be completed in 1989 include the extension of Runway 8/26 at Anoka Airport and several rehabilitation projects at Downtown Saint Paul Airport.

AIRPORT DEVELOPMENT—MPLS./ST. PAUL INT'L

In 1989 a major decision will be made by Northwest Airlines concerning the location of a new maintenance facility for its A-320 aircraft, which will begin service in their fleet in 1989. This will be a major economic generator for the community selected as well as bringing about an improvement in environmental compatibility through the use of this Stage III aircraft as a replacement for the older, noisier Stage II aircraft. The Metropolitan Airports Commission has requested that MSP be considered a candidate in the selection process and has authorized the preparation of a proposal highlighting the facility possibilities, financial terms, and locational advantages of selecting the Twin Cities as the location of this maintenance facility. A major effort will be made to secure this substantial project for the community. Other major efforts in 1989 will include completion of the MSP Master Plan and the major reconstruction of Runway 4/22.

AVERAGE DAILY NOISE ENERGY



Distinguished Budget Presentation Award

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award for Distinguished Budget Presentation to Minneapolis/St. Paul Metropolitan Airports Commission for its annual budget for the fiscal year beginning January 1, 1988.

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

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



Organizational Structure

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

The Minneapolis-Saint Paul Metropolitan Airports Commission was created by an act of the Minnesota State Legislature in 1943 as a public corporation of the State to promote air navigation and transportation, international, national and local, in and through the State of Minnesota, and to promote the efficient, safe and economic handling of air commerce as well as to assure residents of the Metropolitan Area of minimum environmental impact from air navigation and transportation. The area over which the Commission exercises its jurisdiction is the Minneapolis-Saint Paul Metropolitan Area which includes Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties, and which extends approximately 35 miles out in all directions from the Minneapolis and Saint Paul City Halls. The Commission owns and operates seven airports within the Metropolitan Area, including the Minneapolis-Saint Paul International Airport, which serves the scheduled air carriers, and six reliever airports, serving business and general aviation.

The Commission is governed by eleven Commissioners. Eight Commissioners are appointed by the Governor of the State of Minnesota from designated districts within the Metropolitan Area. The Mayor of Saint Paul and the Mayor of Minneapolis also have seats on the Commission with the option to appoint a surrogate to serve in their place. The Chairperson of the Commission is appointed by the Governor for a four year term.

The Commission has set up six standing committees. Three of the committees, Planning and Physical Development, Operations and Environmental Affairs, and Management, meet on a monthly basis. The remaining three, Personnel, Affirmative Action and the Audit, Compliance and Oversight Committee, meet on an as-needed basis. The committees are responsible for all aspects of business which fall under their respective jurisdiction. Recommendations on all action items are made by the committees to the full Commission which meets monthly.

There are four functions within the organizational structure which report to the Executive Director: Operations—headed by Deputy Executive Director-Operations; Administration—headed by Deputy Executive Director-Administration; General Counsel—headed by MAC's in-house General Counsel; and Affirmative Action. For 1989, Affirmative Action has been separated from General Counsel as required by the legislature. A brief description of these Departments follows:

OPERATIONS

1. Airport Development

This department supervises planning, engineering and construction of all Commission facilities; also, coordinates and administers the Capital Improvement Program (CIP). In addition, this department is responsible for the coordination of those functions with the appropriate local, state, and federal agencies, and for monitoring federal and state aid programs.

2. MSP International Airport Director

This department, in conjunction with the Maintenance Department, is responsible for the overall management and operation of the Minneapolis-Saint Paul International Airport. The following cost centers fall under the supervision of this department: Fire, Police WCF Administration, WCF Operations, and the HHH Terminal.

3. MSP International Maintenance

This department, in conjunction with the Airport Director's department, is responsible for the overall maintenance of the field & buildings at the Minneapolis-Saint Paul International Airport. The following cost centers fall under the supervision of this department: Terminal Complex, Boiler Plant and Field & Runways.

Organizational Structure (CONTINUED)

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4. Noise Abatement and Reliever Operations

Noise Abatement is responsible for implementing the programs and efforts of the Commission to attenuate undesirable impacts on the environment resulting from the operation of the Commission's facilities. In addition, this Department is responsible for supervising and coordinating the management, operation, and maintenance of the Commission's six reliever airport facilities.

ADMINISTRATION

1. Finance

This department is responsible for the Commissions' accounting & cash management, preparation of the annual operating budget, CAFR, and financial analysis and planning.

2. Properties

This department is responsible for planning, negotiating and administering the Commission's contracts, leases and concession agreements. Management of space with regards to the Terminal Complex and available land on the field are also responsibilities of this department.

3. Employee and Legislative Relations

This department is responsible for three separate functions: Personnel activities, Legislative liaisons, and Labor relations. Each of these has its own responsibilities and/or duties. Personnel is responsible for hiring, administering employee benefits, and maintaining accurate personnel files. The Legislative function is responsible for coordinating relations with legislative agencies, state agencies, the Governor's office and municipalities, as well as assessing the impact of legislation involving or having the potential to involve the Commission. The Labor function deals with negotiating and administering the contracts of the nine labor unions currently at the Commission and any other Labor-Management problems that may occur.

4. Data Processing

This department is responsible for planning, selecting and implementing all computer and office automation systems. In addition, the department processes information and produces computerized reports used throughout the MAC.

GENERAL COUNSEL

1. General Counsel

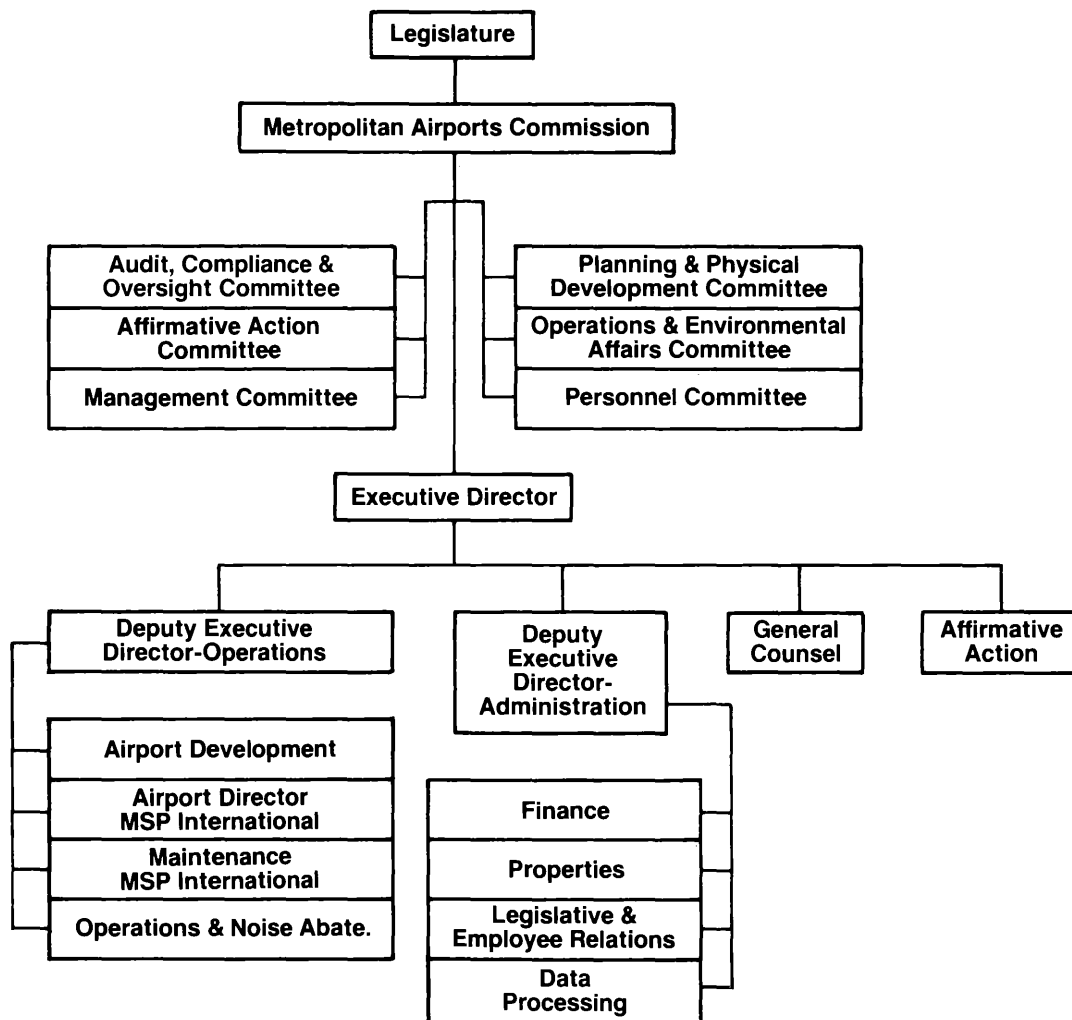
The Commission's in-house general counsel is responsible for representing the Commission on legal matters, preparation of legal documents, monitoring and coordinating outside legal counsel and relations with legislative and administrative agencies.

AFFIRMATIVE ACTION

1. This department plans programs and responds to all questions, policies, reports, and/or planning that deal with Affirmative Action requirements.

Organizational Chart

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION



Description of Budget Preparation & Amendment Process

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

The following paragraphs describe how the budget is prepared, amended, and the relationship between airport lease agreements and the way MAC accumulates costs.

BUDGET PROCESS

The budget process at the Metropolitan Airports Commission (MAC) is essentially a year-round project. Preparation of the budget takes seven months, is prepared in accordance with GAAP, and operates on an accrual basis. Work begins in April and concludes in October. Budget related information, however, is gathered throughout the entire year, making the process a full-year project.

Preliminary work on the budget begins in April. Initially, all budgeting forms are updated so they reflect changes made from the previous year. In addition, a determination of the various percentages that will be used in the budget is made. These percentages include labor contract and wage adjustments, inflation factors and others. A historical analysis regarding various expense categories also begins at this time and continues through July.

Once the preliminary information is gathered, the budget packages are assembled and distributed to each department supervisor. This year's package was distributed in two parts. The first part dealt with the personnel area and was to be completed and returned by late May. The second part dealt with operating supplies, miscellaneous expense, and equipment purchases and was to be completed and returned by mid-June.

During the month of June, all new positions requested are reviewed in detail and Commission approval given for inclusion in the budget. All of the salary and wage estimates are calculated based upon information gathered from the department heads. The data is processed, reviewed, and revised until the output is approved by the Executive Director. In addition, specific information is requested during the month from all of the airlines that serve Minneapolis/St. Paul International Airport regarding activity projected for the upcoming budget year.

In late June and early July, the historical analysis for expense is completely updated and preparation of the actual departmental budgets begin. The expense budget is reviewed and revised throughout July. In addition, equipment requests are reviewed in detail during July and approval given by the Executive Director. At the same time, the historical analysis for all revenue items is initiated and completed.

By August the expense budget is completed, and the revenue portion is well underway. The revenue portion of our budget is based upon the lease agreement with the airlines and various other lease agreements with concessionaires. Because much of what is needed for revenue is determined by expense projections, revenue is calculated after expense.

During September the budget package is distributed to all MAC Commissioners. They have approximately one month to review the package and meet with the Finance Dept. to explore in more detail any questions they have. During this period of time, the budget is also distributed to other interested parties, such as the airlines. A formal presentation of the budget is made by Finance Department staff at the October Planning & Physical Development & Management Committee public meetings. The Management Committee accepts the budget and recommends it to the full Commission for final approval. The budget is then adopted by a vote of the Commissioners at the full Commission meeting in October.

The final step takes place in November when notices regarding rate changes are sent to all tenants. The calendar below gives a brief overview of the process.

Description of Budget Preparation & Amendment Process (CONTINUED)

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

| Month | Task |
|-----------|--|
| April | <ul style="list-style-type: none">— Update budget packages— Determine inflation factors, wage adjustments, and labor contracts— Begin historical analysis |
| May | <ul style="list-style-type: none">— Distribute personnel packages— Distribute expense packages— Prepare preliminary budget |
| June | <ul style="list-style-type: none">— Present preliminary budget to Management Committee— Personnel Section completed— Continue historical analysis |
| July | <ul style="list-style-type: none">— Complete historical analysis— Expense packages completed & reviewed |
| August | <ul style="list-style-type: none">— Total expenses completed— Revenue completed |
| September | <ul style="list-style-type: none">— Distribute budget to all MAC Commissioners for review |
| October | <ul style="list-style-type: none">— Presentation of budget package to Management and Planning & Physical Committees— Management Committee approval— Commission Approval— Distribution of budget to interested parties |
| November | <ul style="list-style-type: none">— Notice of rate changes to all tenants |

AMENDING PROCESS

The process to amend the budget is set forth in the MAC bylaws, Article III, Section 8(a), and presented below:

“8 (a) Establishment of the annual budget setting out anticipated expenditures by type of expenditure and/or upward or downward revision of that budget in the course of the corporation’s fiscal year shall constitute prior approval of each type of expenditure. Authorization by vote of the Commission is required for transfer of budgeted amounts between or among line items or to appropriate additional funds for each line item. The Executive Director is directed to provide for the daily operation and management of the Commission within the expenditure guidelines of the annual budget. Commission approval of a contract shall constitute prior approval of disbursements made pursuant to terms of the contract within the constraints of the budget for all contract payments, except final construction contract payments which shall require Commission approval.

The Executive Director shall have the responsibility of securing adequate quantities of office, janitorial maintenance and repair materials and supplies, and the rent of sufficient equipment necessary for the smooth, continuous operation of the Commission’s system of airports and all facilities associated with the system of airports. The Executive Director’s authority to secure these items shall be subject to the Commission’s purchasing procedures and be subject to the line-item budget constraints of the annual budget.

At any time during the fiscal year, the Executive Director may recommend to the full Commission that all or any unencumbered appropriation balances of individual line-items be transferred to those line-items that require additional budgeted funds. In addition, the Executive Director may recommend to the full Commission the appropriation of additional funds above and beyond those approved at the time of budget adoption.”

Description of Budget Preparation & Amendment Process (CONTINUED)

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

The individual line-items will include the following:

| | |
|-----------------------------------|---------------------------------------|
| 1. Personnel | 6. Maintenance |
| Salaries & Wages | Building |
| Benefits | Field |
| Commissioner Per Diem | Equipment |
| Total Personnel | Cleaning |
| 2. Administrative Expenses | Total Maintenance |
| 3. Professional Services | 7. Depreciation & Interest |
| 4. Utilities | 8. Other |
| 5. Operating Services | General Insurance |
| Parking Management | Rental-Snow Equipment |
| Shuttle Bus | Rental-Other Equipment |
| Other | Other |
| Total Operating Services | Total Other |
| | Total Expense |

BUDGET FORMAT

The Commission has entered into various agreements with the airlines and other parties which impact the accumulation and reporting of revenues and expenses. Included in these are the following:

- The Airport Lease Agreement which governs the landing fee, ramp fee, and the leasing of space in the terminal buildings; (The current agreement expires 1/20/89. It was assumed for budget purposes that a similar follow-on agreement would be negotiated.)
- Other Building Leases covering the cargo area and miscellaneous hangar facilities;
- Concession Agreements relating to the sale of goods and services at MSP International;
- Self-liquidating leases which relate to the construction of buildings and facilities for a specific airline or tenant.

The Commission organizational chart deals with departments and their assigned responsibilities. However, because of the various lease agreements, there is a need for cost accumulation purposes to sub-divide MAC's structure into locations and further into cost centers. The locations identified are the Main Office, MSP Int'l and Reliever Airports. The Main Office includes most of the administrative staff and building, MSP Int'l encompasses the whole airport facility. The cost centers for MSP Int'l are listed below and are used for allocating costs by specific formulas in order to calculate the different rates charged by MAC at MSP Int'l.

COST CENTER

| | | |
|-------------------|----------------------|-------------------------------|
| — Administration | — Cargo Area | — Parking Facilities |
| — Operations | — HHH Terminal | — Other Roads |
| — Fire | — Terminal Building | — Maintenance Building |
| — Police | — Boiler Plant | — Self Liquidating Facilities |
| — Noise | — Terminal Roads | — Green Concourse |
| — Field & Runways | — West Terminal Area | — Hangars & Other Building |
| — Ramp Area | — Control Tower | — Maintenance Employees |
| | | — Equipment Maintenance |

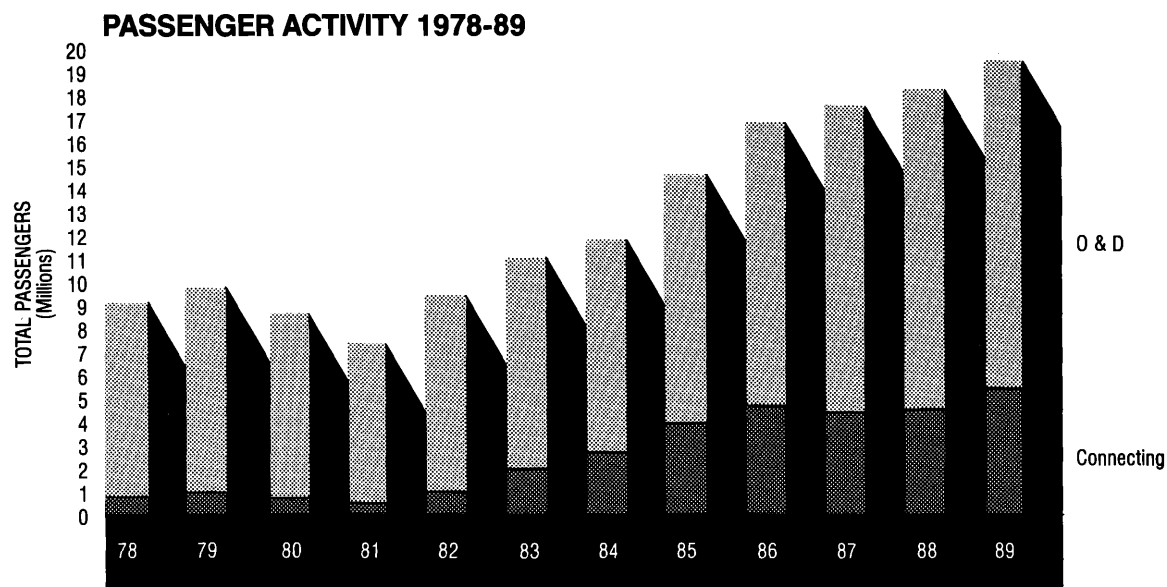
The Airport Director and Director of Maintenance share the responsibility of making sure that MSP Int'l is managed, operated, and maintained in order to continue its rating as one of the safest airports in the world.

The final location is the Reliever Airports. This area can be further divided into the East side (includes St. Paul, Lake Elmo, & Airlake facilities) and the West side (includes Flying Cloud, Crystal, and Anoka facilities).

Activity Statistical Section

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In this section we look at the historical and forecasted levels of activity for the period 1978 through 1989 in the MAC's system of airports. The Passenger, Operations, and Cargo results show that since 1981/1982 all activity has been increasing (with the exception of 1987 and 1988 Operations at MSP which decreased because of the Northwest/Republic merger and the implementation of voluntary noise restriction agreements). After each graph will be a brief explanation of the activity.



The above chart shows how passenger traffic has increased at MSP International since 1981. From 1978 through 1982, MSP was almost exclusively an O & D (origination and final destination) passenger airport with less than 10% of the passengers being connecting (those transferring directly to another flight). However, since 1983, MSP International has changed to a connecting airport with approximately 25% to 28% of all passengers being connecting while the O & D passenger percentage has fallen from 90% in 1982 to 72% estimated in 1989.

PASSENGER STATISTICS — MAJOR AIRLINES

Estimates of passenger activity form an important element in forecasting revenues each year. The chart below represents actual passenger statistics for 1987 and estimates for 1988 and 1989. The three categories are listed because each is used in a particular way to calculate certain types of revenue. Three examples are given:

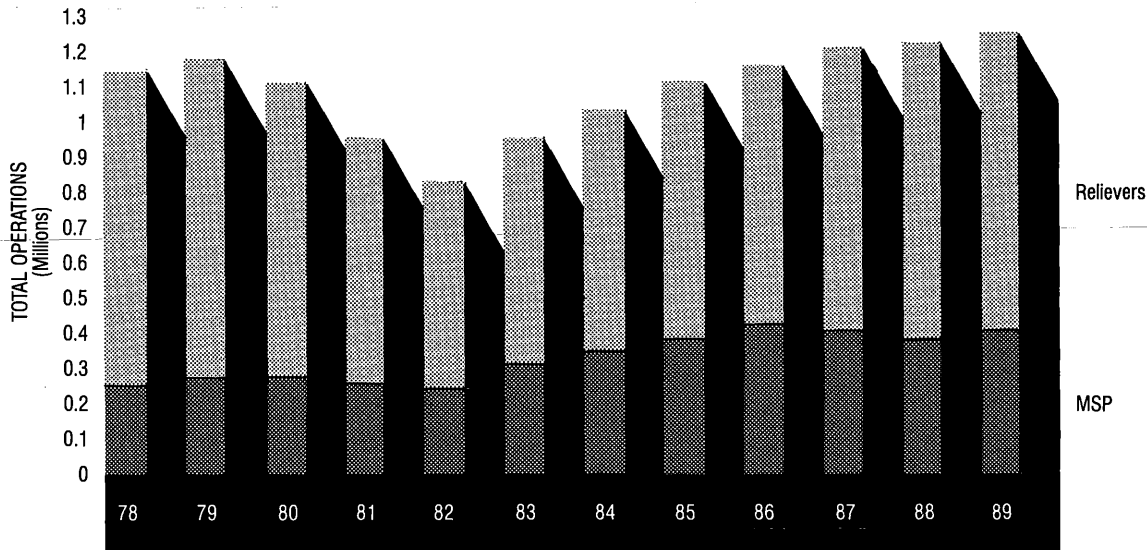
- 1) Enplaned (originating) passengers plus connecting passengers are used in forecasting most concession revenues.
- 2) Deplaned (final destination) passengers are used in the process of estimating auto rental revenue.
- 3) Enplaned (originating) passengers, excluding connecting, are used in estimating common use and carousel & conveyor percentages for billing the airlines.

| Passenger Type | 1987 Actual | 1988 Estimate | 1989 Estimate |
|----------------|-------------------|-------------------|-------------------|
| Enplaned | 6,661,000 | 6,845,000 | 7,153,000 |
| Deplaned | 6,662,000 | 6,863,000 | 7,140,000 |
| Connecting | 4,536,000 | 4,692,000 | 5,510,000 |
| TOTAL | 17,859,000 | 18,400,000 | 19,803,000 |

Activity Statistical Section (CONTINUED)

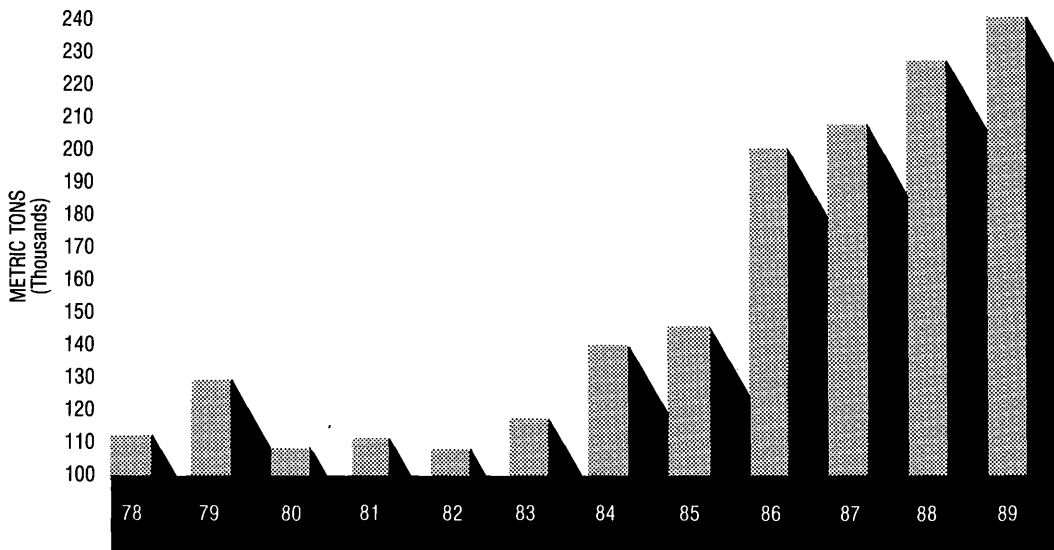
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OPERATIONS ACTIVITY 1978-89



Total operations for the MAC system have increased 45% since 1982. (An operation represents one takeoff or landing.) Reliever airport operations have increased 44% from 587,000 in 1982 to an estimated 845,000 in 1989. With the exception of St. Paul Downtown and Anoka Airports, very minimal increases are projected. These two airports, however, are projecting increased operations in 1989 because of expanded facilities. Operations at MSP International are estimated to increase to 375,000 in 1989 after two years of decline. This decline in 1987 and estimated 1988 was the result of the Northwest/Republic merger and the implementation of voluntary noise restriction agreements.

CARGO/MAIL ACTIVITY 1978-89



Cargo/Mail activity has increased by almost 94% since 1982. This increase can be attributed to the improved Cargo facilities of the airport through the development of the Southwest Cargo area. Increased Mail and Cargo volumes are anticipated to continue.

Historical Revenue/Expense and Facility Comparison

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In this section, three comparisons are analyzed:

1. A snapshot comparison with dollars and percentages of 1978 revenue and expense versus 1987 revenue and expense.
2. A comparison of revenue and expense with dollars and percentages of 1987 actual, estimated 1988 and budgeted 1989.
3. A comparison of facilities in 1978 and 1987.

These comparisons are shown to point out that both revenue and expense have increased from 1978, and that categories within revenue and expense do fluctuate as a percentage of total, but overall, the change in percentages are minor. Also, the facilities comparison shows that expanded facilities at the MAC affect all areas.

HISTORICAL COMPARISON REVENUE AND EXPENSE 1978 VS 1987

| | 1978 \$ | % | 1987 \$ | % | 1978-1987 Change \$ | Annual % Increase |
|--------------------------|--------------------------------|---------|--------------------------------|---------|---------------------------|----------------------|
| Revenue | | | | | | |
| Traffic | \$5,660,000 | 24.22% | \$13,264,000 | 22.15% | \$7,604,000 | 9.92% |
| Concessions | 9,165,000 | 39.22% | 24,427,000 | 40.79% | 15,262,000 | 11.51% |
| Rentals | 7,493,000 | 32.06% | 20,247,000 | 33.81% | 12,754,000 | 11.68% |
| Other | 1,052,000 | 4.51% | 1,943,000 | 3.25% | 891,000 | 7.05% |
| Total Operating Revenues | \$23,370,000 | 100.00% | \$59,881,000 | 100.00% | \$36,511,000 | 11.02% |
| Expense | | | | | | |
| Personnel | \$6,549,000 | 29.73% | \$14,783,000 | 29.48% | \$8,234,000 | 9.47% |
| Administrative Expense | 133,000 | 0.60% | 413,000 | 0.82% | 280,000 | 13.42% |
| Professional Services | 576,000 | 2.61% | 2,178,000 | 4.34% | 1,602,000 | 15.93% |
| Utilities | 1,649,000 | 7.49% | 3,070,000 | 6.12% | 1,421,000 | 7.15% |
| Operating Services | 1,601,000 | 7.27% | 3,282,000 | 6.54% | 1,681,000 | 8.30% |
| Maintenance | 1,718,000 | 7.80% | 4,520,000 | 9.01% | 2,802,000 | 11.35% |
| Depreciation & Interest | 9,465,000 | 42.97% | 20,282,000 | 40.44% | 10,817,000 | 8.84% |
| Other | 337,000 | 1.53% | 1,621,000 | 3.25% | 1,284,000 | 19.07% |
| Total Operating Expenses | \$22,028,000 | 100.00% | \$50,149,000 | 100.00% | \$28,121,000 | 9.57% |
| Net Revenues | \$1,342,000^A | | \$9,732,000^A | | \$8,390,000 | |

A) Required as contribution toward debt service payments and construction program financing.

The first comparison, 1978 versus 1987 emphasizes the following two results:

1. Even though both revenue and expense have increased by more than 125% from 1978, the actual percentages of the total for each individual category in 1978 and 1987 have changed very little. (i.e.; In 1978, Traffic made up 24.22% of total revenue, whereas in 1987, traffic made up 22.15% of total revenue.)
2. The annual percentage increase in revenue from 1978 to 1987 (11.02%) was greater than the annual percentage increase in expense from 1978 to 1987 (9.5%). This tells us that over this ten year period revenues have been growing at a greater pace than expenses.

Historical Revenue/Expense and Facility Comparison (CONTINUED)

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

| | Actual 1987 | | Estimated 1988 | | Budgeted 1989 | | 1987-1989 | Annual % |
|-------------------------|--------------------------------|---------|--------------------------------|---------|--------------------------------|---------|-------------|----------|
| | \$ | % | \$ | % | \$ | % | Change | Increase |
| | | | | | | | \$ | |
| Revenue | | | | | | | | |
| Traffic | \$13,264,000 | 22.15% | \$13,142,000 | 21.51% | \$14,237,797 | 22.57% | \$973,797 | 3.61% |
| Concessions | 24,427,000 | 40.79% | 24,692,000 | 40.41% | 26,042,872 | 41.28% | 1,615,872 | 3.25% |
| Rentals | 20,247,000 | 33.81% | 21,162,000 | 34.64% | 20,541,369 | 32.56% | 294,369 | 0.72% |
| Other | 1,943,000 | 3.25% | 2,104,000 | 3.44% | 2,273,100 | 3.59% | 330,100 | 8.16% |
| Total Operating Revenue | \$59,881,000 | 100.00% | \$61,100,000 | 100.00% | \$63,095,138 | 100.00% | \$3,214,138 | 2.65% |
| Expense | | | | | | | | |
| Personnel | \$14,783,000 | 29.48% | \$14,754,000 | 28.21% | \$17,452,856 | 30.23% | 2,669,856 | 8.66% |
| Administrative Expense | 413,000 | 0.82% | 406,000 | 0.78% | 500,461 | 0.87% | 87,461 | 10.08% |
| Professional Services | 2,178,000 | 4.34% | 2,625,000 | 5.02% | 3,486,993 | 6.04% | 1,308,993 | 26.53% |
| Utilities | 3,070,000 | 6.12% | 3,675,000 | 7.03% | 4,072,380 | 7.05% | 1,002,380 | 15.17% |
| Operating Services | 3,282,000 | 6.54% | 3,737,000 | 7.14% | 4,017,603 | 6.96% | 735,603 | 10.64% |
| Maintenance | 4,670,000 | 9.31% | 5,112,000 | 9.77% | 5,931,530 | 10.27% | 1,261,530 | 12.70% |
| Depreciation & Interest | 20,282,000 | 40.44% | 20,600,000 | 39.39% | 20,911,556 | 36.22% | 629,556 | 1.54% |
| Other | 1,471,000 | 2.95% | 1,394,000 | 2.66% | 1,365,180 | 2.36% | (105,820) | (3.66%) |
| Total Operating Expense | \$50,149,000 | 100.00% | \$52,303,000 | 100.00% | \$57,738,559 | 100.00% | \$7,589,559 | 7.30% |
| Net Revenue | \$9,732,000^A | | \$8,797,000^A | | \$5,356,579^A | | | |

A) Required as contribution toward debt service payments and construction program financing.

The second comparison shows 1987 actual, 1988 estimated and 1989 budgeted revenue and expense categories with dollars and percentages. There are three items in this comparison that need further comment.

1. Revenue is projected to increase 5.4% from actual 1987 to budgeted 1989. Actual percentages of total revenue for the individual categories change very little. (i.e., Traffic in 1987 was 22.15% of total revenue while in 1989, it is budgeted to be 22.57% of total revenue.) Concession revenue growth is temporarily hampered by reduced parking revenue. Over 1900 parking spaces have been lost due to the construction of the new parking ramp. When construction is completed in November 1989, parking revenue will begin to increase.
2. Expense is projected to increase 15.1% from actual 1987 to budgeted 1989. (This increase is explained in the Expense Assumptions section.) The percentages for the individual expense categories change very little, with the exception of Depreciation and Interest, which shows a 4.23% drop in total from actual 1987 to budgeted 1989. The primary reasons for this are: A) a number of older facilities became fully depreciated in 1988 and 1989, and B) a number of major projects and improvements will be finished in late 1988 and late 1989.
3. The annual percentage increase in revenue from 1987 to 1989 is 2.65%, whereas the annual percentage increase in expenses from 1987 to 1989 is 7.3%. This reversal of the trend from 1978 to 1987 where revenue grew at a greater pace than expenses is caused by the following: A) Parking revenue will be down in 1988 and 1989 as construction of the new ramp will not be complete until November 1989. Parking is the major source of revenue for the Commission. B) Expenses for 1987 reflect the mild winter that was experienced. The budget for 1989 is based upon an average winter.

Historical Revenue/Expense and Facility Comparison (CONTINUED)

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

FACILITY EXPANSION

| | 1978 | 1987 | Increase | % Increase |
|-------------------------------|-------------|-------------|-----------------|-------------------|
| Lindbergh & Regional Terminal | | | | |
| Square Footage | 959,900* | 1,311,739 | 351,839 | 36.65% |
| Number of Gates | 39* | 62 | 23 | 58.97% |
| Parking—Number of Spaces | 4,978 | 9,783 | 4,805 | 96.52% |
| Ramp—Lineal Feet | 5,730 | 8,445 | 2,715 | 47.38% |

*Figures are from the 1976 MSP Master Plan and are actual 1974 numbers. Since no major terminal building expansion occurred between 1974 and 1978, these figures represent approximately what was in existence during 1978.

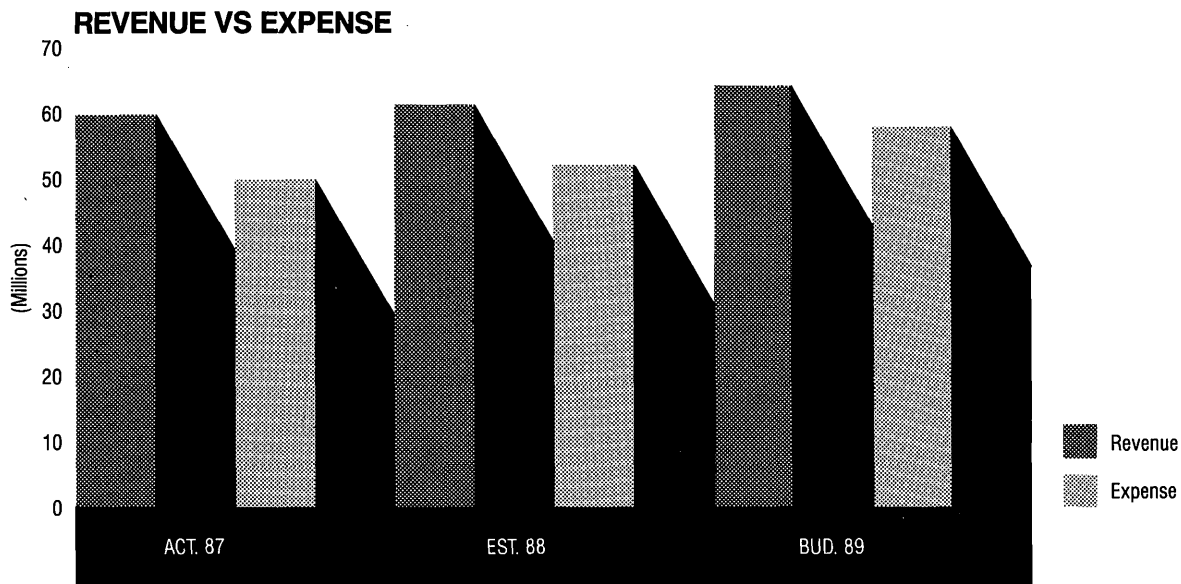
The final chart in this section deals with facilities. This comparison shows how the major facilities at MSP International have expanded since 1978. The Reliever Airports have expanded also. In 1978, there were five airports in the reliever system. In 1983, a sixth, Airlake, was added. Also, expanded and improved facilities at St. Paul Downtown and Anoka Airports have been or will be completed by year end 1989. The significance of growth at MSP International is reflected in the increases in revenue and expense. New facilities occupied by tenants will generate additional rental income. Expenses affect maintenance, both labor and material, repairs, utilities, security and administrative costs. All areas of MAC are impacted by changes in facilities. Since 1987, the following additions have been made: Auto Rental facilities, South Lindbergh Terminal addition, NWA Hangar, Mesaba Hangar, and additional parking spaces to compensate for the loss of spaces for construction of the new ramp.

Summary of Revenue and Expense

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

| | Main Office | Mpls-St. Paul International | Reliever Airports | Total 1989 Budget | 1988 Estimate | 1987 Actual |
|-------------------------|--------------------|-----------------------------|--------------------|------------------------------|------------------------------|------------------------------|
| Revenue | | | | | | |
| Traffic | 0 | 14,128,869 | 108,928 | 14,237,797 | 13,142,000 | 13,264,000 |
| Commercial | | | | | | |
| Concession | 0 | 26,031,220 | 11,652 | 26,042,872 | 24,692,000 | 24,427,000 |
| Rentals | 0 | 19,969,944 | 571,425 | 20,541,369 | 21,162,000 | 20,247,000 |
| Utilities | 0 | 1,110,000 | 100 | 1,110,100 | 1,050,000 | 1,191,000 |
| Miscellaneous | 0 | 1,041,000 | 122,000 | 1,163,000 | 1,054,000 | 752,000 |
| Total Operating Revenue | 0 | 62,281,033 | 814,105 | 63,095,138 | 61,100,000 | 59,881,000 |
| Expense | | | | | | |
| Personnel | 3,200,730 | 13,033,581 | 1,218,545 | 17,452,856 | 14,754,000 | 14,783,000 |
| Administrative Supplies | 289,163 | 202,718 | 8,580 | 500,461 | 406,000 | 413,000 |
| Professional Services | 1,410,783 | 1,686,410 | 389,800 | 3,486,993 | 2,625,000 | 2,178,000 |
| Utilities | 88,166 | 3,847,694 | 136,520 | 4,072,380 | 3,675,000 | 3,070,000 |
| Operating Services | 0 | 4,017,603 | 0 | 4,017,603 | 3,737,000 | 3,282,000 |
| Maintenance | 89,415 | 5,620,164 | 221,951 | 5,931,530 | 5,112,000 | 4,520,000 |
| Depreciation & Interest | 356,226 | 19,537,148 | 1,018,182 | 20,911,556 | 20,600,000 | 20,282,000 |
| Other | 50,274 | 1,120,528 | 194,378 | 1,365,180 | 1,394,000 | 1,621,000 |
| Total Operating Expense | 5,484,757 | 49,065,846 | 3,187,956 | 57,738,559 | 52,303,000 | 50,149,000 |
| Net Revenues | (5,484,757) | 13,215,187 | (2,373,851) | 5,356,579^A | 8,797,000^A | 9,732,000^A |

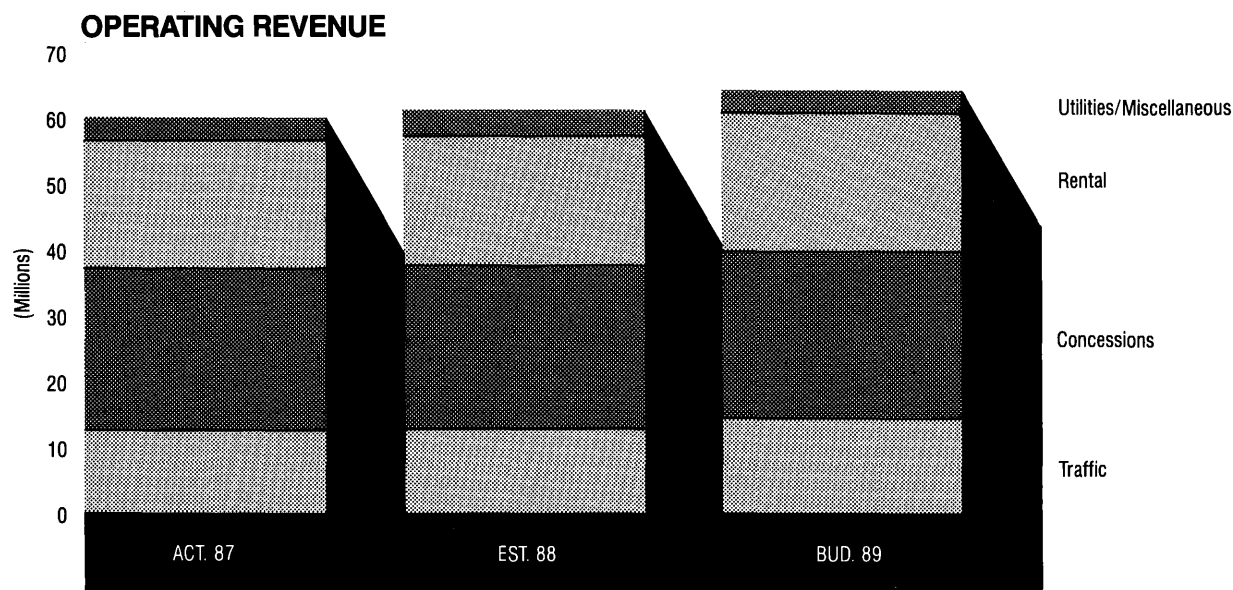
A) Required as contribution toward debt service payments and construction program financing.



Operating Revenue

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

| | Mpls-St. Paul International | Reliever Airports | Total 1989 Budget | 1988 Estimate | 1987 Actual |
|--------------------------------|--------------------------------|----------------------|----------------------|-------------------|-------------------|
| Traffic | | | | | |
| Landing Fees | 11,847,657 | 7,986 | 11,855,643 | 10,924,000 | 11,468,000 |
| Ramp Charges | 2,106,912 | 0 | 2,106,912 | 1,930,000 | 1,559,000 |
| Apron & Other Services | 174,300 | 100,942 | 275,242 | 288,000 | 237,000 |
| Total Traffic | 14,128,869 | 108,928 | 14,237,797 | 13,142,000 | 13,264,000 |
| Commercial | | | | | |
| Concessions | | | | | |
| Food Service | 1,335,000 | 11,652 | 1,346,652 | 1,287,000 | 1,176,000 |
| Auto Rental | 4,537,164 | 0 | 4,537,164 | 4,400,000 | 4,516,000 |
| News & Gifts | 1,155,424 | 0 | 1,155,424 | 1,150,000 | 1,094,000 |
| Auto Parking | 16,675,000 | 0 | 16,675,000 | 16,100,000 | 16,112,000 |
| In-Flight Catering | 410,000 | 0 | 410,000 | 405,000 | 399,000 |
| Other | 1,918,632 | 0 | 1,918,632 | 1,350,000 | 1,130,000 |
| Total Concessions | 26,031,220 | 11,652 | 26,042,872 | 24,692,000 | 24,427,000 |
| Rentals | | | | | |
| Terminal-Airlines | 6,830,091 | 0 | 6,830,091 | 7,600,000 | 6,455,000 |
| Terminal-Other | 408,492 | 0 | 408,492 | 275,000 | 284,000 |
| Ground & Building-Airlines | 10,464,635 | 0 | 10,464,635 | 10,530,000 | 10,791,000 |
| Ground & Building-Other | 2,266,726 | 571,425 | 2,838,151 | 2,757,000 | 2,717,000 |
| Total Rentals | 19,969,944 | 571,425 | 20,541,369 | 21,162,000 | 20,247,000 |
| Total Commercial | 46,001,164 | 583,077 | 46,584,241 | 45,854,000 | 44,674,000 |
| Utilities | 1,110,000 | 100 | 1,110,100 | 1,050,000 | 1,191,000 |
| Miscellaneous | 1,041,000 | 122,000 | 1,163,000 | 1,054,000 | 752,000 |
| Total Operating Revenue | 62,281,033 | 814,105 | 63,095,138 | 61,100,000 | 59,881,000 |



Revenue Assumptions

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Estimates of revenue for 1989 have been made by compiling information on anticipated levels of passenger activity and operations from airlines using MSP, leases, contracts, and other agreements at both MSP and the reliever airports that will be in effect during the year and from analyzing historical trends of these various activities. The following is a brief summary of projected 1989 revenues with a comparison to estimated 1988 results.

(Thousands)

| Revenue Category | 1987 Actual | 1988 Budget | 1988 Estimate | 1989 Budget | 1988 Est. vs 1989 Budget | |
|----------------------|-----------------|-----------------|------------------|-----------------|--------------------------|----------------------|
| | | | | | Dollar Change | Percentage Change |
| Traffic | \$13,264 | \$13,664 | \$13,142 | \$14,238 | 1,096 | 8.3% |
| Concessions | 24,427 | 25,083 | 24,692 | 26,043 | 1,351 | 5.5% |
| Rentals | 20,247 | 21,865 | 21,162 | 20,541 | (621) | (2.9%) |
| Utilities | 1,191 | 870 | 1,050 | 1,110 | 60 | 5.7% |
| Miscellaneous | 752 | 1,058 | 1,054 | 1,163 | 109 | 10.3% |
| TOTAL REVENUE | \$59,881 | \$62,540 | \$61,100 | \$63,095 | \$1,995 | 3.3% |

TRAFFIC: LANDING FEES

Landing Fees for 1989 were calculated based upon the assumption that an agreement similar to the current agreement with the airlines will be in place. (The current agreement with the airlines expires 1/20/89.) Under terms of the current agreement, the Landing Fee is based upon the total estimated expense in the Field & Runway cost center. By dividing total field and runway costs by total landed weight a landing fee is established for use during the year. The landing fee rate is based upon a breakeven philosophy in which total revenue received will equal total expense.

A comparison of actual 1985, 1986, and 1987, budgeted and estimated 1988, and budgeted 1989 landing fee rates, landed weight and revenue/expense (i.e., this is a breakeven category where revenues = expense) of the major carriers follows:

| | 1985 Actual | 1986 Actual | 1987 Actual | 1988 Budget | 1988 Estimate | 1989 Budget |
|--------------------------------------|----------------|----------------|----------------|----------------|------------------|----------------|
| Landing Fee (rate per 1,000 Lbs.) | \$.57 | \$.55 | \$.65 | \$.56 | \$.66 | \$.64 |
| Landed Weight (000 lbs.) | 15,862,100 | 17,627,600 | 16,714,700 | 19,215,500 | 16,500,000 | 17,395,000 |
| Revenue/Expense | \$9,041,400 | \$9,695,200 | \$10,864,600 | \$10,760,000 | \$10,890,000 | \$11,133,000 |

From the above chart there are two items that require further explanation: 1) The increase in the actual landing fee from 1986 (\$.55) to 1987 (\$.65) and 2) The relationship between the actual landing fee for 1987 (\$.65), budgeted 1988 (\$.56) and estimated 1988 (\$.66).

The majority of the increase (75%) in the rate between 1986 and 1987 is the result of an increase in expenses of 12% or \$1,169,000 between the two years. The added expense was due to additional overtime hours in the fire and operations departments, substantial increases in the cost of employee insurance and consultant fees regarding noise issues. This increase in expenses coupled with a 5% drop in landed weight (expenses divided by weight = landing fee) between the two years caused the rate to move from \$.55 in 1986 to \$.65 in 1987. Landed weight declined due to the merger of Republic and Northwest airlines both of which had their home base located at MSP and the implementation of voluntary noise restriction agreements.

As stated above, the landing fee is calculated by dividing total field and runway costs by total landed weight. From the chart, it can be seen that the numerator (expenses) has remained relatively constant (a 2.5% increase for 1987 Actual and 1989 Budget).

Revenue Assumptions (CONTINUED)

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

The denominator (landed weight) is also relatively constant (a 4.0% increase for 1987 Actual to 1989 Budget), with the exception of the 1988 Budget provided by the airlines. Because the landed weight for 1988 Budget is substantially greater than both prior years actual and 1988 and 1989 estimates, the landing fee is much less for the 1988 Budget.

1989 budget numbers provided by the airlines represent figures that the Commission feels reflects what has happened the past couple of years and are consistent with 1987 actual and the 1988 estimate.

TRAFFIC: RAMP FEES

Aircraft parking ramp fees are calculated in the same manner as landing fees. The calculation is based upon the current agreement with the airlines (as stated above the budget was prepared under the assumption that the new agreement will be similar to the existing one.) Ramp rental fees are determined by dividing the total estimated Terminal Ramp expenses by total lineal feet of ramp available. The rate is also based upon a breakeven philosophy where total revenue equals total expenses.

A comparison of actual 1985, 1986, and 1987 budgeted and estimated 1988 and budgeted 1989 ramp rates are as follows:

| | 1985 Actual | 1986 Actual | 1987 Actual | 1988 Budget | 1988 Estimate | 1989 Budget |
|------------------------------------|----------------|----------------|----------------|----------------|------------------|----------------|
| Ramp Fee (Rate per lineal foot) | \$185.64 | \$186.34 | \$177.15 | \$204.48 | \$212.00 | \$231.18 |

Ramp fees will generate \$2,107,000 in revenue in 1989. The base for the calculation of the fee has not changed during the years shown above and is relatively small, 8,496 lineal feet. Because this base is small, any type of increase in expense (ramp fees are breakeven: revenue = expense) will have a substantial impact on the rate. The 24% increase in rate from actual 1985 (\$185.64) to budgeted 1989 (\$231.18) is the result in increased labor costs, maintenance allocations, and rental allocations of \$380,000.

CONCESSIONS

The 1989 budget for concessions revenues shows a 5% increase from the estimated 1988 amount. The two major components of concessions: Auto Parking (which accounts for approximately 64% of Total Concessions) and Auto Rental fees (which accounts for approximately 17% of Total Concessions) are both anticipated to show increases for 1989.

Parking Revenues are projected to show a 4% increase from the estimated 1988 level of \$16,100,000. The increase is due to the completion of the new ramp. Approximately one-third of the new facility is anticipated to be open by June 1, 1989, and the total facility open by November 1, 1989.

Auto Rental fees are projected to increase by 3.1% to \$4,537,000 in 1989 over 1988 estimates. The 1989 projection is based on the new Auto Rental contract which became effective July 1, 1988. The trend in the industry has been contracts with lower percentages paid to airports but increased activity resulting in relatively stable revenue for MAC.

All other revenues from remaining concessions are projected to increase 15.2%. The majority of the increase is the result of rebidding the advertising concession. This contract was phased in during 1988 and was fully in place by November, 1988. Remaining concessions were estimated by examining both historical data and current lease terms. Projections were then made for each item individually. In those cases where concession activity is directly related to passenger levels, passenger estimates provided by the airlines were utilized to project revenues.

Revenue Assumptions (CONTINUED)

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

RENTALS: AIRLINE TERMINAL BUILDING RENTAL RATES

Terminal building rentals are calculated based upon the current agreement with the airlines. (As stated above, the current agreement expires 1/20/89, and the 1989 Budget was prepared under the assumption that an agreement similar to the existing one will be negotiated.) Under the terms of this agreement (which does not include the Green or Gold Concourses) rates are calculated by allocating expense over the total square footage in the Lindbergh Terminal. Airlines are then charged for the space they occupy. Unlike landing fees and ramp fees, airline terminal building rates are not based upon a breakeven philosophy. The MAC recovers approximately 1/3 of the expense associated with the terminal through these charges to the airlines.

A comparison of actual 1987, budgeted 1988, and projected 1989 rates with percentage changes between 1988 and 1989 budget is as follows:

| Terminal Building Rentals | 1987 Actual | 1988 Budget | 1989 Budget | % Change |
|---------------------------|-----------------|-----------------|-----------------|-------------|
| Common Use | \$15.15/sq. ft. | \$16.24/sq. ft. | \$16.35/sq. ft. | 0.6% |
| Unfinished | \$12.24/sq. ft. | \$13.46/sq. ft. | \$13.85/sq. ft. | 2.9% |
| Finished | \$12.69/sq. ft. | \$13.97/sq. ft. | \$14.25/sq. ft. | 2.0% |
| Finished-Janitored | \$18.32/sq. ft. | \$19.24/sq. ft. | \$19.07/sq. ft. | (0.9%) |

Lindbergh Terminal Building rates for 1989 reflect the projected changes in costs associated with the terminal cost center. These costs along with those allocated for Police, Fire and Administrative show only a slight increase between the 1989 budget and the 1988 budgeted rates.

The decrease in the Terminal-airlines revenue category of \$770,000 from 1988 to 1989 is the result of the expiration of the surcharge for the Braniff/Western gates and the south terminal expansion. The surcharge for the Braniff/Western gates is due to MAC's purchasing the gates from Braniff because of bankruptcy and from Western due to substantial cut-backs in service in 1983. MAC in turn leased these gates back to other carriers from the period of purchase in 1983 until the current agreement with the airlines expires January 20, 1989. By eliminating the surcharges of \$1,299,000 from the 1988 revenue, this category is projected to increase approximately \$605,000 for the continuing activity due to the additional charges for carousels and conveyors of \$50,000 with the balance due to additional space being rented.

Self-liquidating building rentals are fees received for the rental of facilities constructed for a specific airline such as the Green and Gold Concourse. (The lease for the Green Concourse expires at the same time as the airline agreement 1/20/89. It was assumed for the budget that a similar agreement to the existing one will be negotiated. The lease for the Gold Concourse expires 12/31/15.) Leases or lease amendments are negotiated for each of these facilities to assure that the payment of all associated costs of constructing, financing, and maintaining it are reimbursed to MAC. Revenues for 1989 are comparable to those for 1988.

UTILITIES

Utilities is comprised of two items:

- 1) Chilled water and steam that are produced by the Boiler Plant and billed directly to large users.
- 2) Water and Sewer charges that are billed to the MAC by the City of Minneapolis and reimbursed by tenants.

This revenue category has been over budget slightly all year due to increased consumption. Therefore, revenue for 1989 is expected to be 6% higher than the 1988 amount.

Revenue Assumptions (CONTINUED)

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

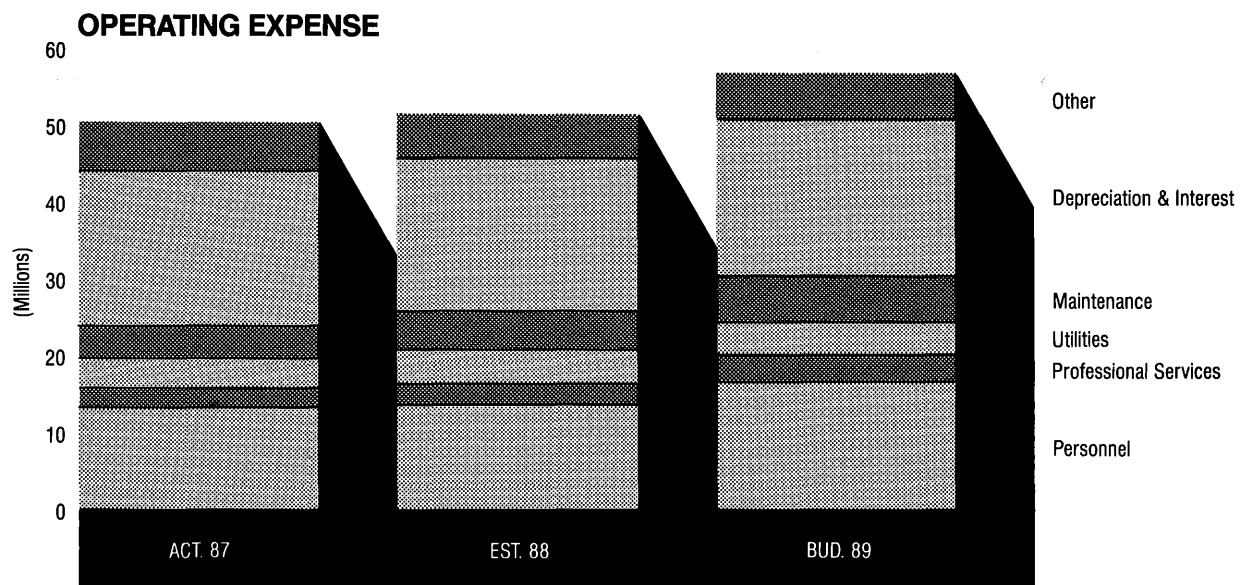
MISCELLANEOUS

The majority of revenue generated in this category is from reimbursed expense and shuttle bus services. Reimbursed expense consists of costs which are paid by the MAC initially and then billed back to tenants and makes up approximately 35% of the total in this category. The other major source of revenue is shuttle bus services and accounts for approximately 37% of revenue in this category. MAC took over the Lindbergh/Humphrey Terminal shuttle system in 1987. This shuttle service generates approximately \$390,000 in revenue. This is a breakeven system as it generates \$390,000 in expense also. Remaining revenue in this category is from items such as parking tickets and cleaning & maintenance services contracted out for by various airlines.

Operating Expense

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

| | Main Office | Mpls-St. Paul International | Reliever Airports | Total 1989 Budget | 1988 Estimate | 1987 Actual |
|------------------------------------|------------------|--------------------------------|----------------------|----------------------|-------------------|-------------------|
| Personnel | | | | | | |
| Salaries & Wages | 2,468,034 | 10,306,639 | 958,446 | 13,733,119 | 10,865,000 | 11,091,000 |
| Benefits | 694,896 | 2,726,942 | 260,099 | 3,681,937 | 3,852,000 | 3,662,000 |
| Commissioner Per Diem | 37,800 | 0 | 0 | 37,800 | 37,000 | 30,000 |
| Total Personnel | 3,200,730 | 13,033,581 | 1,218,545 | 17,452,856 | 14,754,000 | 14,783,000 |
| Administrative Expenses | 289,163 | 202,718 | 8,580 | 500,461 | 406,000 | 413,000 |
| Professional Services | 1,410,783 | 1,686,410 | 389,800 | 3,486,993 | 2,625,000 | 2,178,000 |
| Utilities | 88,166 | 3,847,694 | 136,520 | 4,072,380 | 3,675,000 | 3,070,000 |
| Operating Services | | | | | | |
| Parking Management | 0 | 2,559,655 | 0 | 2,559,655 | 2,570,000 | 2,417,000 |
| Shuttle Bus | 0 | 1,159,752 | 0 | 1,159,752 | 875,000 | 521,000 |
| Other | 0 | 298,196 | 0 | 298,196 | 292,000 | 344,000 |
| Total Operating Services | 0 | 4,017,603 | 0 | 4,017,603 | 3,737,000 | 3,282,000 |
| Maintenance | | | | | | |
| Building | 13,071 | 1,357,170 | 36,360 | 1,406,601 | 1,277,000 | 1,320,000 |
| Field | 0 | 1,083,733 | 76,910 | 1,160,643 | 935,000 | 896,000 |
| Equipment | 45,960 | 827,922 | 77,025 | 950,907 | 654,000 | 515,000 |
| Cleaning | 30,384 | 2,351,339 | 31,656 | 2,413,379 | 2,246,000 | 1,789,000 |
| Total Maintenance | 89,415 | 5,620,164 | 221,951 | 5,931,530 | 5,112,000 | 4,520,000 |
| Depreciation & Interest | 356,226 | 19,537,148 | 1,018,182 | 20,911,556 | 20,600,000 | 20,282,000 |
| Other | | | | | | |
| General Insurance | 41,574 | 701,754 | 115,502 | 858,830 | 900,000 | 1,119,000 |
| Rental — Snow Equipment | 0 | 317,464 | 29,376 | 346,840 | 310,000 | 290,000 |
| Rental — Other Equipment | 0 | 47,238 | 0 | 47,238 | 75,000 | 5,000 |
| Other | 8,700 | 54,072 | 49,500 | 112,272 | 109,000 | 207,000 |
| Total Other | 50,274 | 1,120,528 | 194,378 | 1,365,180 | 1,394,000 | 1,621,000 |
| Total Operating Expense | 5,484,757 | 49,065,846 | 3,187,956 | 57,738,559 | 52,303,000 | 50,149,000 |



Expense Assumptions

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

The 1989 expense budget was prepared from data supplied by department heads, utility companies, various suppliers, and detailed analysis of historical spending patterns. This information forms the basis for the proposed expense budget of \$57,738,559.

The chart below shows the major expense categories and the variances between the 1988 estimates and the proposed 1989 budget.

(Thousands)

| Expense Category | 1987 Actual | 1988 Budget | 1988 Estimate | 1989 Budget | 1988 Est. vs 1989 Budget | |
|-------------------------|-----------------|-----------------|------------------|-----------------|--------------------------|----------------------|
| | | | | | Dollar Change | Percentage Change |
| Personnel | \$14,783 | \$15,513 | \$14,754 | \$17,453 | \$2,699 | 18.3% |
| Administrative Supplies | 413 | 481 | 406 | 500 | 94 | 23.2% |
| Professional Services | 2,178 | 2,666 | 2,625 | 3,487 | 862 | 32.8% |
| Utilities | 3,070 | 3,698 | 3,675 | 4,072 | 397 | 10.8% |
| Operating Services | 3,282 | 3,911 | 3,737 | 4,018 | 281 | 7.5% |
| Maintenance | 4,670 | 5,589 | 5,112 | 5,932 | 820 | 16.0% |
| Depreciation & Interest | 20,282 | 20,626 | 20,600 | 20,912 | 312 | 1.5% |
| Other | 1,471 | 1,540 | 1,394 | 1,365 | (29) | (2.1%) |
| Total Expense | \$50,149 | \$54,024 | \$52,303 | \$57,739 | \$5,436 | 10.4% |

It should be noted the estimate for 1988 expenses was based upon the relatively mild winter that was experienced between January and April, and the 1989 budgeted figures are based upon an average winter.

PERSONNEL

Personnel costs for 1988 are anticipated to be under budget by 5%, or \$759,000. This is caused by: 1) There were 13 positions (both existing and new) budgeted to be filled in the early part of 1988 that were not filled until the third and fourth quarters of 1988 or not at all. These positions include two fire, four police, six maintenance, and one administrative. 2) Due to the mild weather experienced in the first quarter of 1988, personnel costs related to snow removal will be under budget by \$225,000.

During 1988, the Commission approved creation of the following positions which were not anticipated in the budget: contract administrator, secretary, two maintenance workers, and 24 community service officers (CSO's). (The community service officers were hired to allow the sworn police officers more time to meet the law enforcement challenges at the airport.) With the addition of the CSO's, the number of sworn police officers has been reduced to 33 excluding lieutenants and sergeants. Along with these positions, the 1989 budget shows a need for 8 new positions in various departments. (See personnel chart on page 48.)

The majority of the \$2.7 million increase between estimated 1988 and budgeted 1989 personnel expense can be attributed to the following elements: 30% due to employee benefits, 25% due to positions being filled later in the year than anticipated (i.e., the 13 positions mentioned above) and the creation of the new positions both in 1988 and 1989; 25% due to the wage adjustment and contract settlements and 18% due to mild weather (i.e., lack of snow in early 1988).

PROFESSIONAL SERVICES

Professional Services is budgeted to increase 33% in 1989 over the 1988 estimate. This increase is due to the following elements:

1. A change was made in the way that our various insurance consultants are paid. Previously, these fees were charged either directly to employee insurance or general insurance. We now pay them a set fee and classify them as consultants in this category.

Expense Assumptions (CONTINUED)

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

2. Two special items are scheduled for 1989.
 - a. A concession study will be done to determine if different types of concessions could be established at MSP Int'l to generate additional concessions income.
 - b. Operation and staffing of a Tourism/Convention Bureau at the Lindbergh Terminal.
3. Continued extensive use of consultants for noise abatement programs and the possibility of legal proceedings involving MAC and noise issues.

The chart below shows a more complete list of some of the major professional service categories, the respective departments, and dollars allocated for the 1989 budget.

| Type of Service | Department | Dollars |
|----------------------------|--------------------------------|--------------------|
| Accounting & Audit Fees | Finance | \$146,000 |
| Insurance Consultants | Finance | \$126,000 |
| Public Information | Operations/Reliever Airports | \$57,000 |
| Legal | Noise | \$130,000 |
| | Noise | \$100,000 |
| | Operations/Reliever Airports | \$36,000 |
| | General Counsel | \$370,000 |
| Computer Services | Data Processing | \$26,000 |
| | Noise | \$15,000 |
| | Parking | \$70,000 |
| | Airport Development | \$15,000 |
| Engineers | Noise | \$50,000 |
| | Parking | \$63,000 |
| | Terminal Bldg. | \$95,000 |
| | Field & Runways | \$149,000 |
| Architects | Operations/Reliever Airports | \$350,000 |
| | Terminal Bldg. | \$106,000 |
| | Parking | \$236,000 |
| | Noise | \$120,000 |
| Miscellaneous ¹ | Field & Runway | \$198,000 |
| | Police | \$94,000 |
| | Properties | \$70,000 |
| | WCF-Admin. | \$105,000 |
| | Noise | \$50,000 |
| | Employee/Legislative Relations | \$40,000 |
| | Admin./Executive | \$66,000 |
| | | <u>\$2,883,000</u> |

¹Description of major miscellaneous services:

- a.) Field and Runway—Met Council Fees \$193,000, b.) Police—Security firm for D Street \$94,000, c.) Properties—Concessions Study \$60,000, d.) WCF Administration—Convention Bureau Tourism \$78,000, e.) Noise—Environmental consultants \$40,000, f.) Employee/Legislative Relations—MAC Newsletter \$30,000, g.) Admin./Executive—Senior management training and federal legislation \$54,000.

UTILITIES

Anticipated price changes for 1989 were obtained from various utility companies that provide service to the MAC. Types of service and anticipated changes are listed below:

- Electricity: 4% Increase
- Natural Gas: Minnegasco and NSP project a 4% increase in price while north Central projects no increase. (These companies provide 99.5% of the natural gas consumed by MAC.)
- Fuel Oil: 8% Increase
- Water: 3% Increase

Expense Assumptions (CONTINUED)

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Within the current budget, electricity accounts for 42%; natural gas and fuel oil form the entire fuel category or 30% of the utility budget. Water and sewer charges represent 25% of the utility budget and have increased because of additional meters installed both on the field and in the Lindbergh Terminal.

The City of Minneapolis bills MAC for the total consumption of water and sewer at the airport. MAC recovers the majority of these charges in one of two ways: 1) Metered individual tenants are billed for their consumption on a monthly or quarterly basis. 2) A portion of the charges are recovered through the terminal building rates. The balance of these charges are for MAC operations.

Because of the price increases for the various utilities and the additional meters for water and sewer, utilities are projected to be 10.8% greater than the 1988 estimated costs.

OPERATING SERVICES

The majority of the expenses in this category, 93%, are incurred from the parking management contract and shuttle bus services.

The parking management contract covers both operating expenses of the parking facility and the management fee. Total contract expenses vary according to gross parking receipts and in 1988 averaged about 16% of gross revenue. These costs are projected to be approximately the same in 1989 as estimated 1988 costs.

Shuttle bus services are anticipated to increase 33% in 1989 due to the addition of service for the Auto Rental Facility/Lindbergh Terminal in 1988. The three services now in place are: Regional Terminal/Lindbergh Terminal, Humphrey Terminal/Lindbergh Terminal and the Auto Rental Facility/Lindbergh Terminal.

The remainder of this category consists of pollution control, parking lot tickets, and the taxicab starter service.

MAINTENANCE

This category has four components: building, field, equipment and cleaning. These costs are projected to increase by \$819,000 over the estimated 1988 costs.

Approximately 85% of this increase is in the field, equipment, and cleaning categories.

Field expenses are projected to increase \$226,000 or 24% in 1989 over 1988 estimates.

The major item in this category is snow removal. Snow removal costs include materials such as sand, salt, urea, along with rented equipment for plowing and hauling snow. (This equipment is not leased but contracted out to various operators of bobcats and tandem trucks on an as needed basis. See Rental-Snow Equipment below in the "Other" category). This increase is due to the mild winter weather in 1988. The 1989 estimates are based upon average winter weather conditions and are in line with 1988 budgeted amounts.

| | 1988 Budget | 1988 Estimate | 1989 Budget |
|--------------------|--------------------|----------------------|--------------------|
| Snow Removal Costs | \$721,000 | \$630,000 | \$723,000 |

Equipment maintenance expenses are projected to increase \$297,000 or 45% in 1989 over 1988. Repair parts are the major item in this category, and as with snow removal above, costs of parts vary with the use of equipment and the degree of severity in winter weather. Approximately \$100,000 of this increase is the budget for a security card access system. This required system is for entering/exiting the Lindbergh Terminal to and from the ramp area. This was budgeted for in 1988 but will not be put into service until mid 1989.

Cleaning expenses are anticipated to increase \$167,000. The major item in this category is contract cleaning services. The increase is due to the following additional areas: Main office addition, Auto Rental Facility, new added areas in the Lindbergh Terminal.

Expense Assumptions (CONTINUED)

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

DEPRECIATION AND INTEREST

Depreciation and Interest are substantial cost elements of the budget, and in 1989 will make up approximately 36% of the total MAC budget. During 1988 and 1989, approximately \$82 million worth of projects are expected to be closed. This will include the following major items:

| Major Projects | Estimated Total Cost | Impact on 1989 Budget |
|---------------------------------------|-----------------------------|------------------------------|
| Runway 4/22 reconstruction | \$14,000,000 | \$269,163 |
| Parking Structure | 26,000,000 | 499,874 |
| Auto Rental Facility | 7,100,000 | 816,519 |
| Inbound/outbound Roadway Improvements | 4,600,000 | 462,926 |
| Mesaba Airlines Maintenance Hangar | 4,050,000 | 48,891 |
| 1988 Pavement Rehabilitation | 2,500,000 | 114,428 |
| Noise Insulation-Schools | 2,600,000 | 24,993 |
| Folded Plate Ceiling Rehabilitation | 2,000,000 | 140,474 |
| General Office Addition | 1,750,000 | 122,915 |
| Holman Field Development—Phase III | 3,150,000 | 15,750 |
| | <u>\$67,750,000</u> | <u>\$2,515,933</u> |

At the time projects are closed (completed), the total cost is amortized over a predetermined useful life through depreciation charges. The depreciation costs are then used to calculate the various rates charged to tenants throughout the year. These rates include terminal building rates, landing fee, ramp fee and also in the negotiation of leases both field and building at MSP and the reliever airports.

Along with projects, equipment purchases are amortized over their useful life through depreciation charges. (See equipment request page 49 for details.) The total equipment approved for the 1989 budget was \$1,956,490. This total has an impact through depreciation and interest charges on the 1989 budget of \$216,820.

Due to the long lead time required for approval, design and construction estimates for budget purposes are based on a significant number of assumptions which determine the anticipated projects' financial impact.

All of these assumptions are based upon the Capital Improvement Projects Program and Plan which will be recommended to the Commission in late fall, 1988.

Commission action on the Capital Improvement Program and subsequent approval of construction contracts will have a substantial impact upon the actual increases in depreciation and interest costs.

OTHER

The majority of expenses in this category, 88%, are incurred from general insurance and Rental-Snow equipment.

The costs for general insurance are projected to decrease in 1989 by \$41,000 from estimated 1988 levels. During 1988, the insurance industry began lowering premiums to attract new customers. Because of this intense competition MAC's costs for general insurance will fall from a high in 1987 of \$1,119,000 to a 1989 level of \$859,000.

Rental-Snow Equipment consists of tractors and front-end loaders that are either on an annual or six-month lease. MAC employees operate these pieces of equipment which are used to move the snow from the ramp area and parking facilities. Costs in this category for 1989 will be similar to those experienced in 1988.

Remaining items in this category include licenses and taxes, other equipment rental, and a miscellaneous account.

Total Detail Expense Summary

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

| | Total | Main Office | Mpls/St. Paul Int'l | Reliever Airports |
|--------------------------------------|------------|----------------|------------------------|----------------------|
| Personnel Costs | | | | |
| Exempt | 2,586,547 | 1,413,976 | 1,047,832 | 124,739 |
| Non-exempt | 2,517,691 | 809,879 | 1,643,891 | 63,921 |
| Public Safety | 2,971,252 | 0 | 2,971,252 | 0 |
| Maintenance | 4,445,410 | 8,733 | 3,729,956 | 706,721 |
| Temp/Seasonal | 560,938 | 103,338 | 440,526 | 17,074 |
| Holiday | 518,249 | 104,496 | 376,992 | 36,761 |
| Sick | 133,032 | 27,612 | 96,190 | 9,230 |
| Pension Plan | 1,238,295 | 182,498 | 946,981 | 108,816 |
| FICA | 521,829 | 131,385 | 371,227 | 19,217 |
| Employee Insurance | 1,422,096 | 252,228 | 1,069,956 | 99,912 |
| Workers' Comp | 200,004 | 13,836 | 170,148 | 16,020 |
| Continuing Education | 144,000 | 96,500 | 44,000 | 3,500 |
| Uniforms | 62,908 | 1,528 | 55,080 | 6,300 |
| Commissioners Per Diem | 37,800 | 37,800 | 0 | 0 |
| Other | 92,805 | 16,921 | 69,550 | 6,334 |
| Total Personnel Costs | 17,452,856 | 3,200,730 | 13,033,581 | 1,218,545 |
| Admin Supplies & Expenses | | | | |
| Office Supplies | 61,203 | 40,000 | 20,463 | 740 |
| Computer Supplies | 25,200 | 20,500 | 4,700 | 0 |
| Engineering Supplies | 2,100 | 2,100 | 0 | 0 |
| Stationary, Print, Dupl. | 16,100 | 2,000 | 14,100 | 0 |
| Postage | 34,244 | 25,000 | 8,244 | 1,000 |
| Delivery Services | 4,502 | 2,452 | 2,050 | 0 |
| Freight & Drayage | 9,750 | 150 | 9,600 | 0 |
| Travel | 200,828 | 138,372 | 58,156 | 4,300 |
| Membership, Subscr, Etc. | 54,305 | 43,890 | 9,375 | 1,040 |
| Local Meetings | 16,899 | 13,499 | 2,500 | 900 |
| All Other | 75,330 | 1,200 | 73,530 | 600 |
| Total Admin Suppl & Exp | 500,461 | 289,163 | 202,718 | 8,580 |
| Professional Services | | | | |
| Audit & Accounting Fees | 146,335 | 146,335 | 0 | 0 |
| Insurance Consultants | 125,800 | 125,800 | 0 | 0 |
| Graphic Design & Prtg | 35,500 | 35,500 | 0 | 0 |
| Underwriting Fees | 6,000 | 6,000 | 0 | 0 |
| Public Information Fees | 187,000 | 57,000 | 130,000 | 0 |
| Legal Fees | 515,000 | 375,000 | 100,000 | 40,000 |
| Labor Relations Fees | 40,000 | 40,000 | 0 | 0 |
| Computer Services Fees | 144,650 | 46,000 | 98,650 | 0 |
| Legislative Fees | 90,000 | 90,000 | 0 | 0 |
| Engineering Fees | 739,300 | 32,500 | 357,000 | 349,800 |
| Architectural Fees | 127,750 | 21,500 | 106,250 | 0 |
| Recruit & Emplmt Fees | 16,000 | 16,000 | 0 | 0 |
| Appraisal/RFP/Lease | 95,000 | 95,000 | 0 | 0 |
| Advertising Fees | | | | |
| Recruiting & Employ. | 50,000 | 50,000 | 0 | 0 |
| Parking | 235,500 | 0 | 235,500 | 0 |
| Noise | 120,000 | 12,000 | 108,000 | 0 |
| Miscellaneous Services | | | | |
| Metro Council Fees | 192,500 | 0 | 192,500 | 0 |
| Registrar & Pay Agent | 4,500 | 4,500 | 0 | 0 |
| Medical Retainer | 31,200 | 12,000 | 19,200 | 0 |
| Duplicating Agreement | 61,688 | 56,688 | 5,000 | 0 |
| Other | 523,270 | 188,960 | 334,310 | 0 |
| Total Professional Serv. | 3,486,993 | 1,410,783 | 1,686,410 | 389,800 |

Total Detail Expense Summary (CONTINUED)

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

| | Total | Main Office | Mpls/St. Paul Int'l | Reliever Airports |
|------------------------------|-----------|----------------|------------------------|----------------------|
| Utilities | | | | |
| Telephone | 131,280 | 35,400 | 82,800 | 13,080 |
| Electricity | 1,689,889 | 34,976 | 1,583,824 | 71,089 |
| Sewage | 574,662 | 655 | 571,094 | 2,913 |
| Water | 444,286 | 809 | 441,717 | 1,760 |
| Heating Fuel | 1,232,263 | 16,326 | 1,168,259 | 47,678 |
| Total Utilities | 4,072,380 | 88,166 | 3,847,694 | 136,520 |
| Operating Services | | | | |
| Parking | | | | |
| Parking Mgmt Fees | 2,559,655 | 0 | 2,559,655 | 0 |
| Parking Lot Tickets | 55,000 | 0 | 55,000 | 0 |
| Taxicab Starter | 218,196 | 0 | 218,196 | 0 |
| Storm Sewer/Pollution | 25,000 | 0 | 25,000 | 0 |
| Shuttle Bus Service | 1,159,752 | 0 | 1,159,752 | 0 |
| Total Operating Services | 4,017,603 | 0 | 4,017,603 | 0 |
| Maintenance-Building | | | | |
| Electrical | 106,460 | 1,800 | 95,950 | 8,710 |
| Shop | 85,540 | 0 | 81,000 | 4,540 |
| Plumbing | 88,804 | 2,890 | 84,714 | 1,200 |
| Painting | 48,470 | 0 | 41,610 | 6,860 |
| Carpentry | 45,616 | 1,088 | 38,318 | 6,210 |
| Temperature Control | 407,780 | 5,830 | 397,150 | 4,800 |
| Roofing | 18,000 | 800 | 17,200 | 0 |
| Doors | 107,113 | 253 | 106,860 | 0 |
| Elevators | 111,964 | 410 | 111,554 | 0 |
| Carrousels | 325,750 | 0 | 325,750 | 0 |
| Tools | 23,999 | 0 | 21,339 | 2,660 |
| Misc & Sundry Supplies | 37,105 | 0 | 35,725 | 1,380 |
| Total Maintenance-Bldg | 1,406,601 | 13,071 | 1,357,170 | 36,360 |
| Maintenance-Field | | | | |
| Electrical | 79,290 | 0 | 73,200 | 6,090 |
| Shop Supplies | 17,320 | 0 | 15,000 | 2,320 |
| Painting | 39,619 | 0 | 37,489 | 2,130 |
| Carpentry | 4,736 | 0 | 3,536 | 1,200 |
| Sand | 106,880 | 0 | 98,000 | 8,880 |
| Salt | 374,350 | 0 | 370,500 | 3,850 |
| Asphalt/Cement | 75,020 | 0 | 65,000 | 10,020 |
| Turf Maint/Landscaping | 26,440 | 0 | 15,000 | 11,440 |
| Snow Removal | 242,050 | 0 | 227,000 | 15,050 |
| Fencing | 27,000 | 0 | 27,000 | 0 |
| Tools | 93,278 | 0 | 90,008 | 3,270 |
| Misc & Sundry Supplies | 74,660 | 0 | 62,000 | 12,660 |
| Total Maintenance-Field | 1,160,643 | 0 | 1,083,733 | 76,910 |
| Maintenance-Equipment | | | | |
| Parts | 478,908 | 0 | 446,508 | 32,400 |
| Radio Maintenance | 48,160 | 6,160 | 35,400 | 6,600 |
| Gasoline & Motor Oil | 154,645 | 6,000 | 124,020 | 24,625 |
| Minor Equipment | 101,200 | 23,000 | 69,000 | 9,200 |
| Shop Supplies | 129,664 | 0 | 126,664 | 3,000 |
| Misc & Sundry Supplies | 38,330 | 10,800 | 26,330 | 1,200 |
| Total Maint.-Equipment | 950,907 | 45,960 | 827,922 | 77,025 |

Total Detail Expense Summary (CONTINUED)

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

| | Total | Main Office | Mpls/St. Paul Int'l | Reliever Airports |
|------------------------------------|-------------------|------------------|------------------------|----------------------|
| Maintenance-Cleaning | | | | |
| Towel & Laundry Service | 14,930 | 0 | 14,930 | 0 |
| Contract Cleaning | 2,007,444 | 30,000 | 1,955,484 | 21,960 |
| Rubbish Disposal | 188,160 | 0 | 183,144 | 5,016 |
| Cleaning Supplies | 202,845 | 384 | 197,781 | 4,680 |
| Total Maint.-Cleaning | 2,413,379 | 30,384 | 2,351,339 | 31,656 |
| Depreciation & Interest | | | | |
| Depreciation | 11,755,215 | 222,509 | 10,514,524 | 1,018,182 |
| Interest | 9,156,341 | 133,717 | 9,022,624 | 0 |
| Total Deprec & Interest | 20,911,556 | 356,226 | 19,537,148 | 1,018,182 |
| Other | | | | |
| General Insurance | 858,830 | 41,574 | 701,754 | 115,502 |
| Facilities Rent | 0 | 0 | 0 | 0 |
| Equipment Rental | | | | |
| Snow | 346,840 | 0 | 317,464 | 29,376 |
| Field | 15,578 | 0 | 15,578 | 0 |
| Computer | 0 | 0 | 0 | 0 |
| Copy | 6,000 | 0 | 6,000 | 0 |
| Other | 25,660 | 0 | 25,660 | 0 |
| Licenses & Taxes | 62,400 | 900 | 42,000 | 19,500 |
| Other | 49,872 | 7,800 | 12,072 | 30,000 |
| Total Other | 1,365,180 | 50,274 | 1,120,528 | 194,378 |
| Total Expenses | <u>57,738,559</u> | <u>5,484,757</u> | <u>49,065,846</u> | <u>3,187,956</u> |

Main Office Expense Summary

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

| | Total | Executive | Admin. | Reliever Operations | Airport Planning & Develop- ment | Finance | Data Processing | Employee & Legislative Relations | Properties | General Counsel | Affirmative Action | Main Office Building |
|--------------------------------------|------------------|----------------|----------------|------------------------|---|----------------|--------------------|---|----------------|--------------------|-----------------------|----------------------------|
| Personnel Costs | | | | | | | | | | | | |
| Exempt | 1,413,976 | 92,653 | 190,246 | 13,725 | 257,630 | 325,246 | 42,065 | 154,448 | 140,380 | 109,723 | 87,860 | 0 |
| Non-Exempt | 809,879 | 0 | 166,959 | 33,023 | 76,559 | 346,141 | 81,780 | 41,749 | 23,187 | 23,830 | 16,651 | 0 |
| Maintenance | 8,733 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,733 |
| Temp/Seasonal | 103,338 | 0 | 0 | 0 | 0 | 2,068 | 0 | 99,270 | 2,000 | 0 | 0 | 0 |
| Holiday | 104,496 | 3,402 | 15,831 | 5,845 | 14,849 | 29,214 | 5,549 | 11,858 | 7,330 | 5,940 | 4,678 | 0 |
| Sick | 27,612 | 927 | 4,326 | 1,592 | 4,051 | 7,964 | 1,496 | 2,365 | 1,995 | 1,614 | 1,282 | 0 |
| Pension Plan | 182,498 | 10,326 | 37,939 | 8,983 | 20,505 | 43,754 | 13,767 | 14,902 | 12,854 | 5,997 | 13,471 | 0 |
| FICA | 131,385 | 1,248 | 12,435 | 7,918 | 22,350 | 44,011 | 3,952 | 18,581 | 8,970 | 10,594 | 1,326 | 0 |
| Employee Insurance | 252,228 | 3,684 | 55,404 | 9,732 | 26,700 | 82,740 | 13,344 | 22,620 | 19,692 | 9,732 | 8,580 | 0 |
| Workers' Comp | 13,836 | 420 | 2,124 | 636 | 1,704 | 4,680 | 852 | 1,284 | 852 | 642 | 642 | 0 |
| Continuing Education | 96,500 | 3,500 | 5,500 | 0 | 14,400 | 3,550 | 2,950 | 60,000 | 3,600 | 1,500 | 1,500 | 0 |
| Uniforms | 1,528 | 0 | 280 | 0 | 0 | 1,248 | 0 | 0 | 0 | 0 | 0 | 0 |
| Commissioners Per Diem | 37,800 | 37,800 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 16,921 | 562 | 2,642 | 985 | 2,470 | 4,943 | 915 | 1,443 | 1,207 | 991 | 763 | 0 |
| Total Personnel Costs | 3,200,730 | 154,522 | 493,686 | 82,439 | 441,218 | 895,559 | 166,670 | 428,520 | 222,067 | 170,563 | 136,753 | 8,733 |
| Admin Supplies & Expenses | | | | | | | | | | | | |
| Office Supplies | 40,000 | 0 | 1,600 | 1,200 | 4,500 | 6,000 | 200 | 0 | 1,000 | 600 | 600 | 24,300 |
| Computer Supplies | 20,500 | 0 | 1,000 | 0 | 1,200 | 3,000 | 13,800 | 0 | 1,500 | 0 | 0 | 0 |
| Engineering Supplies | 2,100 | 0 | 0 | 0 | 2,100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Stationary, Print, Dupl. | 2,000 | 0 | 2,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Postage | 25,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 25,000 |
| Delivery Services | 2,452 | 0 | 100 | 252 | 1,200 | 0 | 0 | 100 | 300 | 500 | 0 | 0 |
| Freight & Drayage | 150 | 0 | 150 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Travel | 138,372 | 34,050 | 23,550 | 4,200 | 17,200 | 12,664 | 2,808 | 9,400 | 13,500 | 12,000 | 9,000 | 0 |
| Membership, Subscr, etc. | 43,890 | 18,640 | 8,750 | 1,500 | 1,000 | 3,000 | 2,000 | 3,000 | 2,000 | 2,000 | 2,000 | 0 |
| Local Meetings | 13,499 | 950 | 950 | 0 | 1,000 | 1,299 | 650 | 8,350 | 300 | 0 | 0 | 0 |
| All Other | 1,200 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,200 | 0 | 0 | 0 |
| Total Admin Suppl & Exp | 289,163 | 53,640 | 38,100 | 7,152 | 28,200 | 25,963 | 19,458 | 20,850 | 19,800 | 15,100 | 11,600 | 49,300 |
| Professional Services | | | | | | | | | | | | |
| Audit & Accounting Fees | 146,335 | 0 | 0 | 0 | 0 | 146,335 | 0 | 0 | 0 | 0 | 0 | 0 |
| Insurance Consultants | 125,800 | 0 | 0 | 0 | 0 | 125,800 | 0 | 0 | 0 | 0 | 0 | 0 |
| Graphic Design & Prtg | 35,500 | 0 | 5,000 | 10,000 | 0 | 20,500 | 0 | 0 | 0 | 0 | 0 | 0 |
| Underwriting Fees | 6,000 | 0 | 0 | 0 | 0 | 6,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Public Information Fees | 57,000 | 0 | 0 | 57,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Legal Fees | 375,000 | 0 | 0 | 0 | 0 | 5,000 | 0 | 0 | 0 | 370,000 | 0 | 0 |
| Labor Relations Fees | 40,000 | 0 | 0 | 0 | 0 | 0 | 0 | 40,000 | 0 | 0 | 0 | 0 |
| Computer Services Fees | 46,000 | 0 | 0 | 0 | 15,000 | 5,000 | 26,000 | 0 | 0 | 0 | 0 | 0 |
| Legislative Fees | 90,000 | 0 | 15,000 | 0 | 0 | 0 | 0 | 75,000 | 0 | 0 | 0 | 0 |
| Engineering Fees | 32,500 | 0 | 10,000 | 0 | 22,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Architectural Fees | 21,500 | 0 | 10,000 | 0 | 11,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Recruit & Emplmnt Fees | 16,000 | 0 | 0 | 0 | 0 | 0 | 0 | 16,000 | 0 | 0 | 0 | 0 |
| Appraisal/Rfp/Lease | 95,000 | 0 | 15,000 | 0 | 0 | 40,000 | 0 | 0 | 40,000 | 0 | 0 | 0 |
| Advertising Fees | | | | | | | | | | | | |
| Recruiting & Empl. | 50,000 | 0 | 0 | 0 | 0 | 0 | 0 | 50,000 | 0 | 0 | 0 | 0 |
| Noise | 12,000 | 0 | 0 | 12,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous Services | | | | | | | | | | | | |
| Registrar & Pay Agent | 4,500 | 0 | 0 | 0 | 0 | 4,500 | 0 | 0 | 0 | 0 | 0 | 0 |
| Medical Retainer | 12,000 | 0 | 0 | 0 | 0 | 0 | 0 | 12,000 | 0 | 0 | 0 | 0 |
| Duplicating Agreement | 56,688 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 56,688 |
| Other | 188,960 | 39,000 | 25,000 | 11,000 | 0 | 1,960 | 0 | 40,000 | 70,000 | 0 | 0 | 2,000 |
| Total Professional Serv. | 1,410,783 | 39,000 | 80,000 | 90,000 | 49,000 | 355,095 | 26,000 | 233,000 | 110,000 | 370,000 | 0 | 58,688 |

Main Office Expense Summary (CONTINUED)

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

| | Total | Executive | Admin. | Reliever Operations | Airport Planning & Develop- ment | Finance | Data Processing | Employee & Legislative Relations | Properties | General Counsel | Affirmative Action | Main Office Building |
|------------------------------------|------------------|----------------|----------------|------------------------|---|------------------|--------------------|---|----------------|--------------------|-----------------------|----------------------------|
| Utilities | | | | | | | | | | | | |
| Telephone | 35,400 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 35,400 |
| Electricity | 34,976 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 34,976 |
| Sewage | 655 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 655 |
| Water | 809 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 809 |
| Heating Fuel | 16,326 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 16,326 |
| Total Utilities | 88,166 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 88,166 |
| Maintenance-Building | | | | | | | | | | | | |
| Electrical | 1,800 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,800 |
| Plumbing | 2,890 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,890 |
| Carpentry | 1,088 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,088 |
| Temperature Control | 5,830 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,830 |
| Roofing | 800 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 800 |
| Doors | 253 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 253 |
| Elevators | 410 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 410 |
| Total Maintenance-Bldg | 13,071 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 13,071 |
| Maintenance-Equipment | | | | | | | | | | | | |
| Radio Maintenance | 6,160 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,160 |
| Gasoline & Motor Oil | 6,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,000 |
| Minor Equipment | 23,000 | 0 | 6,000 | 0 | 5,000 | 0 | 0 | 0 | 0 | 0 | 0 | 12,000 |
| Misc & Sundry Supplies | 10,800 | 0 | 0 | 0 | 0 | 0 | 10,800 | 0 | 0 | 0 | 0 | 0 |
| Total Maint.-Equipment | 45,960 | 0 | 6,000 | 0 | 5,000 | 0 | 10,800 | 0 | 0 | 0 | 0 | 24,160 |
| Maintenance-Cleaning | | | | | | | | | | | | |
| Contract Cleaning | 30,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 30,000 |
| Cleaning Supplies | 384 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 384 |
| Total Maint.-Cleaning | 30,384 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 30,384 |
| Depreciation & Interest | | | | | | | | | | | | |
| Depreciation | 222,509 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 222,509 |
| Interest | 133,717 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 133,717 |
| Total Deprec & Interest | 356,226 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 356,226 |
| Other | | | | | | | | | | | | |
| General Insurance | 41,574 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 41,574 |
| Licenses & Taxes | 900 | 0 | 900 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 7,800 | 0 | 0 | 0 | 0 | 7,800 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Other | 50,274 | 0 | 900 | 0 | 0 | 7,800 | 0 | 0 | 0 | 0 | 0 | 41,574 |
| Total Expenses | 5,484,757 | 247,162 | 618,686 | 179,591 | 523,418 | 1,284,417 | 222,928 | 682,370 | 351,867 | 555,663 | 148,353 | 670,302 |

Minneapolis/St. Paul International Expense Summary

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

| | Total | Field & Runways | Field Maintenance Employees | Equipment Maintenance | Maintenance Building | Noise Abatement | Ramp | Terminal Building | Green Concourse | Boiler Plant | Terminal Roads |
|--------------------------------------|------------|-----------------------|-----------------------------------|--------------------------|-------------------------|--------------------|------|----------------------|--------------------|-----------------|-------------------|
| Personnel Costs | | | | | | | | | | | |
| Exempt | 1,047,832 | 0 | 302,869 | 0 | 0 | 83,929 | 0 | 139,971 | 0 | 43,444 | 0 |
| Non-Exempt | 1,643,891 | 0 | 20,370 | 0 | 0 | 112,047 | 0 | 26,827 | 0 | 398,162 | 0 |
| Public Safety | 2,971,252 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Maintenance | 3,729,956 | 0 | 3,286,672 | 0 | 20,875 | 0 | 0 | 381,012 | 0 | 0 | 0 |
| Temp/Seasonal | 440,526 | 0 | 277,088 | 0 | 0 | 85,952 | 0 | 5,370 | 0 | 38,616 | 0 |
| Holiday | 376,992 | 0 | 135,212 | 0 | 0 | 9,759 | 0 | 22,928 | 0 | 18,776 | 0 |
| Sick | 96,190 | 0 | 35,418 | 0 | 0 | 1,756 | 0 | 6,224 | 0 | 5,153 | 0 |
| Pension Plan | 946,981 | 0 | 295,326 | 0 | 0 | 6,931 | 0 | 45,326 | 0 | 44,679 | 0 |
| FICA | 371,227 | 0 | 207,470 | 0 | 0 | 18,946 | 0 | 28,770 | 0 | 20,000 | 0 |
| Employee Insurance | 1,069,956 | 0 | 386,676 | 0 | 0 | 19,452 | 0 | 69,312 | 0 | 51,804 | 0 |
| Workers' Comp | 170,148 | 0 | 65,700 | 0 | 0 | 1,284 | 0 | 10,620 | 0 | 8,460 | 0 |
| Continuing Education | 44,000 | 0 | 4,000 | 0 | 0 | 1,500 | 0 | 700 | 0 | 2,000 | 0 |
| Uniforms | 55,080 | 0 | 4,200 | 0 | 0 | 0 | 0 | 6,400 | 0 | 0 | 0 |
| Other | 69,550 | 0 | 27,387 | 0 | 0 | 1,140 | 0 | 4,214 | 0 | 3,287 | 0 |
| Total Personnel Costs | 13,033,581 | 0 | 5,048,388 | 0 | 20,875 | 342,696 | 0 | 747,674 | 0 | 634,381 | 0 |
| Admin Supplies & Expenses | | | | | | | | | | | |
| Office Supplies | 20,463 | 1,800 | 0 | 0 | 480 | 2,400 | 0 | 0 | 0 | 75 | 0 |
| Computer Supplies | 4,700 | 0 | 0 | 0 | 0 | 1,200 | 0 | 600 | 0 | 0 | 0 |
| Stationary, Print, Dupl. | 14,100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Postage | 8,244 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Delivery Services | 2,050 | 1,000 | 0 | 0 | 0 | 1,000 | 0 | 0 | 0 | 0 | 0 |
| Freight & Drayage | 9,600 | 7,800 | 0 | 0 | 0 | 1,000 | 0 | 800 | 0 | 0 | 0 |
| Travel | 58,156 | 11,520 | 0 | 0 | 2,000 | 8,000 | 0 | 500 | 0 | 900 | 0 |
| Membership, Subscr., Etc. | 9,375 | 400 | 0 | 0 | 50 | 3,000 | 0 | 75 | 0 | 0 | 0 |
| Local Meetings | 2,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| All Other | 73,530 | 23,800 | 0 | 0 | 0 | 11,310 | 0 | 1,560 | 0 | 600 | 0 |
| Total Admin Suppl & Exp | 202,718 | 46,320 | 0 | 0 | 2,530 | 27,910 | 0 | 3,535 | 0 | 1,575 | 0 |
| Professional Services | | | | | | | | | | | |
| Public Information Fees | 130,000 | 0 | 0 | 0 | 0 | 130,000 | 0 | 0 | 0 | 0 | 0 |
| Legal Fees | 100,000 | 0 | 0 | 0 | 0 | 100,000 | 0 | 0 | 0 | 0 | 0 |
| Computer Services Fees | 98,650 | 0 | 0 | 0 | 0 | 15,000 | 0 | 0 | 0 | 0 | 0 |
| Engineering Fees | 357,000 | 149,000 | 0 | 0 | 0 | 50,000 | 0 | 95,000 | 0 | 0 | 0 |
| Architectural Fees | 106,250 | 0 | 0 | 0 | 0 | 0 | 0 | 106,250 | 0 | 0 | 0 |
| Advertising Fees | | | | | | | | | | | |
| Parking | 235,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Noise | 108,000 | 0 | 0 | 0 | 0 | 108,000 | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous Services | | | | | | | | | | | |
| Metro Council Fees | 192,500 | 192,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Medical Retainer | 19,200 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Duplicating Agreement | 5,000 | 0 | 0 | 0 | 0 | 5,000 | 0 | 0 | 0 | 0 | 0 |
| Other | 334,310 | 5,000 | 0 | 0 | 0 | 52,000 | 0 | 16,000 | 0 | 0 | 15,000 |
| Total Professional Serv. | 1,686,410 | 346,500 | 0 | 0 | 0 | 460,000 | 0 | 217,250 | 0 | 0 | 15,000 |
| Utilities | | | | | | | | | | | |
| Telephone | 82,800 | 1,200 | 0 | 0 | 4,200 | 1,860 | 0 | 9,000 | 0 | 360 | 0 |
| Electricity | 1,583,824 | 100,671 | 0 | 0 | 48,564 | 0 | 0 | 965,235 | 0 | 146,835 | 101,313 |
| Sewage | 571,094 | 0 | 0 | 0 | 2,360 | 0 | 0 | 229,249 | 0 | 4,847 | 41,921 |
| Water | 441,717 | 0 | 0 | 0 | 1,620 | 0 | 0 | 198,000 | 0 | 2,880 | 53,101 |
| Heating Fuel | 1,168,259 | 0 | 0 | 0 | 29,851 | 0 | 0 | 16,730 | 0 | 867,801 | 0 |
| Total Utilities | 3,847,694 | 101,871 | 0 | 0 | 86,595 | 1,860 | 0 | 1,418,214 | 0 | 1,022,723 | 196,335 |
| Operating Services | | | | | | | | | | | |
| Parking | | | | | | | | | | | |
| Parking Mgmt Fees | 2,559,655 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parking Lot Tickets | 55,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Taxicab Starter | 218,196 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 218,196 |
| Storm Sewer/Pollution | 25,000 | 25,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Shuttle Bus Service | 1,159,752 | 0 | 0 | 0 | 0 | 0 | 0 | 275,000 | 0 | 0 | 609,752 |
| Total Operating Services | 4,107,603 | 25,000 | 0 | 0 | 0 | 0 | 0 | 275,000 | 0 | 0 | 827,948 |

DETAIL OF EXPENSE

Minneapolis/St. Paul International Expense Summary (CONTINUED)

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

| | Total | Field & Runways | Field Maintenance Employees | Equipment Maintenance | Maintenance Building | Noise Abatement | Ramp | Terminal Building | Green Concourse | Boiler Plant | Terminal Roads |
|------------------------------------|-------------------|-----------------------|-----------------------------------|--------------------------|-------------------------|--------------------|----------------|----------------------|--------------------|------------------|-------------------|
| Maintenance — Building | | | | | | | | | | | |
| Electrical | 95,950 | 0 | 0 | 5,400 | 10,800 | 0 | 0 | 42,300 | 2,300 | 1,800 | 0 |
| Shop | 81,000 | 0 | 0 | 0 | 76,000 | 0 | 0 | 5,000 | 0 | 0 | 0 |
| Plumbing | 84,714 | 0 | 0 | 0 | 5,100 | 0 | 0 | 48,500 | 3,400 | 8,900 | 7,404 |
| Painting | 41,610 | 0 | 0 | 4,176 | 2,500 | 0 | 0 | 10,829 | 6,664 | 0 | 0 |
| Carpentry | 38,318 | 0 | 0 | 0 | 1,368 | 0 | 0 | 18,899 | 575 | 575 | 576 |
| Temperature Control | 397,150 | 0 | 0 | 0 | 8,690 | 0 | 0 | 267,775 | 46,601 | 9,900 | 2,491 |
| Roofing | 17,200 | 0 | 0 | 0 | 4,000 | 0 | 0 | 8,600 | 1,000 | 0 | 0 |
| Doors | 106,860 | 0 | 0 | 0 | 4,500 | 0 | 0 | 73,985 | 3,450 | 127 | 8,064 |
| Elevators | 111,554 | 0 | 0 | 0 | 0 | 0 | 0 | 79,350 | 0 | 0 | 2,304 |
| Carrouseles | 325,750 | 0 | 0 | 0 | 0 | 0 | 0 | 253,500 | 0 | 0 | 0 |
| Tools | 21,339 | 0 | 0 | 0 | 7,008 | 0 | 0 | 11,250 | 750 | 750 | 756 |
| Misc & Sundry Supplies | 35,725 | 2,000 | 0 | 0 | 150 | 0 | 0 | 20,690 | 1,875 | 0 | 528 |
| Total Maintenance — Bldg | 1,357,170 | 2,000 | 0 | 9,576 | 120,116 | 0 | 0 | 840,678 | 66,615 | 22,052 | 22,123 |
| Maintenance — Field | | | | | | | | | | | |
| Electrical | 73,200 | 54,000 | 0 | 0 | 0 | 0 | 3,000 | 0 | 0 | 0 | 12,600 |
| Shop Supplies | 15,000 | 15,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Painting | 37,489 | 26,656 | 0 | 0 | 0 | 0 | 1,666 | 0 | 0 | 0 | 3,336 |
| Carpentry | 3,536 | 2,448 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,088 |
| Sand | 98,000 | 68,600 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9,800 |
| Salt | 370,500 | 245,000 | 0 | 0 | 0 | 0 | 62,500 | 0 | 0 | 0 | 23,500 |
| Asphalt/Cement | 65,000 | 22,500 | 0 | 0 | 0 | 0 | 42,500 | 0 | 0 | 0 | 0 |
| Turf Maint/Landscaping | 15,000 | 9,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,500 |
| Snow Removal | 227,000 | 12,000 | 0 | 0 | 0 | 0 | 76,000 | 0 | 0 | 0 | 0 |
| Fencing | 27,000 | 24,300 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,700 |
| Tools | 90,008 | 29,000 | 0 | 0 | 0 | 0 | 30,000 | 0 | 0 | 0 | 0 |
| Misc & Sundry Supplies | 62,000 | 0 | 0 | 0 | 0 | 0 | 0 | 25,000 | 0 | 0 | 0 |
| Total Maintenance — Field | 1,083,733 | 508,504 | 0 | 0 | 0 | 0 | 215,666 | 25,000 | 0 | 0 | 54,524 |
| Maintenance — Equipment | | | | | | | | | | | |
| Parts | 446,508 | 0 | 0 | 300,000 | 0 | 0 | 0 | 18,200 | 1,404 | 1,400 | 1,404 |
| Radio Maintenance | 35,400 | 0 | 0 | 13,000 | 0 | 0 | 0 | 2,000 | 0 | 0 | 0 |
| Gasoline & Motor Oil | 124,020 | 0 | 0 | 99,170 | 0 | 1,320 | 0 | 0 | 0 | 0 | 0 |
| Minor Equipment | 69,000 | 0 | 0 | 40,000 | 2,000 | 12,300 | 0 | 4,050 | 0 | 0 | 0 |
| Shop Supplies | 126,664 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,800 | 0 |
| Misc & Sundry Supplies | 26,330 | 0 | 0 | 0 | 0 | 0 | 0 | 1,088 | 0 | 720 | 0 |
| Total Maint. — Equipment | 827,922 | 0 | 0 | 452,170 | 2,000 | 13,620 | 0 | 25,338 | 1,404 | 3,920 | 1,404 |
| Maintenance — Cleaning | | | | | | | | | | | |
| Towel & Laundry Service | 14,930 | 0 | 0 | 2,300 | 3,600 | 0 | 0 | 4,200 | 0 | 270 | 0 |
| Contract Cleaning | 1,955,484 | 0 | 0 | 0 | 14,100 | 0 | 0 | 1,179,144 | 358,632 | 0 | 57,648 |
| Rubbish Disposal | 183,144 | 0 | 0 | 0 | 12,000 | 0 | 0 | 122,610 | 3,600 | 600 | 0 |
| Cleaning Supplies | 197,781 | 0 | 0 | 0 | 240 | 0 | 0 | 168,000 | 20,508 | 0 | 4,008 |
| Total Maint. — Cleaning | 2,351,339 | 0 | 0 | 2,300 | 29,940 | 0 | 0 | 1,473,954 | 382,740 | 870 | 61,656 |
| Depreciation & Interest | | | | | | | | | | | |
| Depreciation | 10,514,524 | 848,578 | 0 | 834,414 | 59,244 | 71,062 | 197,538 | 1,755,446 | 0 | 65,684 | 1,026,762 |
| Interest | 9,022,624 | 834,219 | 0 | 147,744 | 50,124 | 67,856 | 155,720 | 1,658,818 | 0 | 94,305 | 1,124,588 |
| Total Deprec & Interest | 19,537,148 | 1,682,797 | 0 | 982,158 | 109,368 | 138,918 | 353,258 | 3,414,264 | 0 | 159,989 | 2,151,350 |
| Other | | | | | | | | | | | |
| General Insurance | 701,754 | 37,052 | 0 | 104,270 | 3,213 | 0 | 21,780 | 285,196 | 0 | 5,612 | 12,375 |
| Equipment Rental | | | | | | | | | | | |
| Snow | 317,464 | 0 | 0 | 0 | 0 | 0 | 190,456 | 0 | 0 | 0 | 47,628 |
| Field | 15,578 | 7,655 | 0 | 6,188 | 0 | 0 | 0 | 0 | 0 | 0 | 1,132 |
| Copy | 6,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 25,660 | 1,920 | 0 | 300 | 20,500 | 0 | 120 | 0 | 480 | 0 | 240 |
| Licenses & Taxes | 42,000 | 0 | 0 | 42,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 12,072 | 0 | 0 | 0 | 0 | 0 | 0 | 7,006 | 305 | 152 | 190 |
| Total Other | 1,120,528 | 46,627 | 0 | 152,758 | 23,713 | 0 | 212,356 | 292,202 | 785 | 5,764 | 61,565 |
| Total Expenses | 49,065,846 | 2,759,619 | 5,048,388 | 1,598,962 | 395,137 | 985,004 | 781,280 | 8,733,109 | 451,544 | 1,851,274 | 3,391,905 |

DETAIL OF EXPENSE

Minneapolis/St. Paul International Expense Summary (CONTINUED)

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

| | Fire | Police | Parking Facilities | Humphrey Terminal | Cargo | Other Roads | West Terminal Area | Control Tower | Hangars & Other Buildings | Admin. | Operations | Self Liquidating Facilities |
|--------------------------------------|-----------|-----------|-----------------------|----------------------|-------|----------------|--------------------------|------------------|------------------------------------|---------|------------|-----------------------------------|
| Personnel Costs | | | | | | | | | | | | |
| Exempt | 47,592 | 150,281 | 0 | 43,310 | 0 | 0 | 0 | 0 | 0 | 158,705 | 77,731 | 0 |
| Non-Exempt | 0 | 525,873 | 0 | 0 | 0 | 0 | 37,054 | 0 | 0 | 111,162 | 412,396 | 0 |
| Public Safety | 1,211,246 | 1,760,006 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Maintenance | 2,627 | 0 | 0 | 0 | 0 | 0 | 13,988 | 5,966 | 18,816 | 0 | 0 | 0 |
| Temp/Seasonal | 0 | 0 | 0 | 0 | 0 | 0 | 2,320 | 0 | 0 | 26,190 | 4,990 | 0 |
| Holiday | 49,984 | 102,169 | 0 | 1,944 | 0 | 0 | 4,179 | 0 | 0 | 12,530 | 19,511 | 0 |
| Sick | 10,407 | 27,085 | 0 | 524 | 0 | 0 | 1,119 | 0 | 0 | 3,215 | 5,289 | 0 |
| Pension Plan | 180,072 | 303,834 | 0 | 1,944 | 0 | 0 | 13,111 | 0 | 0 | 25,784 | 29,974 | 0 |
| FICA | 0 | 41,742 | 0 | 3,440 | 0 | 0 | 2,724 | 0 | 0 | 13,414 | 34,721 | 0 |
| Employee Insurance | 130,944 | 313,152 | 0 | 3,624 | 0 | 0 | 14,040 | 0 | 0 | 35,064 | 45,888 | 0 |
| Workers' Comp | 21,960 | 55,080 | 0 | 204 | 0 | 0 | 2,160 | 0 | 0 | 1,704 | 2,976 | 0 |
| Continuing Education | 6,200 | 16,150 | 0 | 0 | 0 | 0 | 750 | 0 | 0 | 1,000 | 11,700 | 0 |
| Uniforms | 10,850 | 31,680 | 0 | 200 | 0 | 0 | 0 | 0 | 0 | 0 | 1,750 | 0 |
| Other | 9,177 | 17,538 | 0 | 323 | 0 | 0 | 795 | 0 | 0 | 1,995 | 3,694 | 0 |
| Total Personnel Costs | 1,681,059 | 3,344,590 | 0 | 55,513 | 0 | 0 | 92,240 | 5,966 | 18,816 | 390,763 | 650,620 | 0 |
| Admin Supplies & Expenses | | | | | | | | | | | | |
| Office Supplies | 900 | 4,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10,008 | 300 | 0 |
| Computer Supplies | 0 | 2,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 600 | 300 | 0 |
| Stationary, Print, Dupl. | 200 | 12,700 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,200 | 0 | 0 |
| Postage | 0 | 240 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,004 | 0 | 0 |
| Delivery Services | 50 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Freight & Drayage | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Travel | 3,806 | 10,500 | 0 | 0 | 0 | 0 | 1,250 | 0 | 0 | 9,600 | 10,080 | 0 |
| Membership, Subscr, Etc. | 600 | 2,200 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,700 | 350 | 0 |
| Local Meetings | 0 | 500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,000 | 0 | 0 |
| All Other | 60 | 0 | 0 | 750 | 0 | 0 | 0 | 0 | 0 | 32,050 | 3,400 | 0 |
| Total Admin Suppl & Exp | 5,616 | 32,640 | 0 | 750 | 0 | 0 | 1,250 | 0 | 0 | 66,162 | 14,430 | 0 |
| Professional Services | | | | | | | | | | | | |
| Public Information Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Legal Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Computer Services Fees | 0 | 9,650 | 70,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,500 | 0 |
| Engineering Fees | 0 | 0 | 63,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Architectural Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Advertising Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parking | 0 | 0 | 235,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Noise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Metro Council Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Medical Retainer | 7,200 | 7,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,000 | 0 | 0 |
| Duplicating Agreement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 14,000 | 94,860 | 0 | 26,000 | 0 | 0 | 0 | 0 | 0 | 105,000 | 6,450 | 0 |
| Total Professional Serv. | 21,200 | 111,510 | 369,000 | 26,000 | 0 | 0 | 0 | 0 | 0 | 110,000 | 9,950 | 0 |
| Utilities | | | | | | | | | | | | |
| Telephone | 3,000 | 12,000 | 0 | 1,500 | 0 | 0 | 1,680 | 0 | 0 | 24,000 | 24,000 | 0 |
| Electricity | 0 | 0 | 0 | 108,545 | 8,012 | 5,608 | 26,199 | 24,118 | 48,724 | 0 | 0 | 0 |
| Sewage | 1,180 | 0 | 0 | 7,860 | 0 | 281,650 | 588 | 588 | 851 | 0 | 0 | 0 |
| Water | 720 | 0 | 0 | 4,052 | 0 | 180,000 | 488 | 316 | 540 | 0 | 0 | 0 |
| Heating Fuel | 6,155 | 0 | 0 | 79,850 | 0 | 0 | 31,385 | 12,721 | 123,766 | 0 | 0 | 0 |
| Total Utilities | 11,055 | 12,000 | 0 | 201,807 | 8,012 | 467,258 | 60,340 | 37,743 | 173,881 | 24,000 | 24,000 | 0 |
| Operating Services | | | | | | | | | | | | |
| Parking | 0 | 0 | 2,559,655 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parking Mgmt Fees | 0 | 0 | 55,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parking Lot Tickets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Taxicab Starter | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Storm Sewer/Pollution | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Shuttle Bus Service | 0 | 0 | 0 | 275,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Operating Services | 0 | 0 | 2,614,655 | 275,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

DETAIL OF EXPENSE

Minneapolis/St. Paul International Expense Summary (CONTINUED)

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

| | Fire | Police | Parking Facilities | Humphrey Terminal | Cargo | Other Roads | West Terminal Area | Control Tower | Hangars & Other Buildings | Admin. | Operations | Self Liquidating Facilities |
|------------------------------------|------------------|------------------|-----------------------|----------------------|----------------|----------------|--------------------------|------------------|------------------------------------|----------------|----------------|-----------------------------------|
| Maintenance — Building | | | | | | | | | | | | |
| Electrical | 1,800 | 2,750 | 18,000 | 1,800 | 0 | 0 | 5,400 | 1,800 | 0 | 1,800 | 0 | 0 |
| Shop | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Plumbing | 2,890 | 0 | 0 | 2,400 | 0 | 0 | 1,700 | 680 | 3,740 | 0 | 0 | 0 |
| Painting | 1,920 | 0 | 1,360 | 4,998 | 0 | 0 | 4,998 | 0 | 4,165 | 0 | 0 | 0 |
| Carpentry | 1,904 | 3,332 | 4,740 | 3,023 | 0 | 0 | 2,238 | 0 | 1,088 | 0 | 0 | 0 |
| Temperature Control | 2,107 | 0 | 2,492 | 29,721 | 0 | 0 | 0 | 16,370 | 11,003 | 0 | 0 | 0 |
| Roofing | 1,600 | 0 | 0 | 2,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Doors | 2,485 | 252 | 8,053 | 5,312 | 0 | 0 | 632 | 0 | 0 | 0 | 0 | 0 |
| Elevators | 0 | 0 | 28,750 | 1,150 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Carousels | 0 | 0 | 750 | 71,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tools | 0 | 0 | 0 | 750 | 0 | 0 | 0 | 75 | 0 | 0 | 0 | 0 |
| Misc & Sundry Supplies | 0 | 0 | 3,037 | 7,445 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Maintenance — Bldg | 14,706 | 6,334 | 67,182 | 130,099 | 0 | 0 | 14,968 | 18,925 | 19,996 | 1,800 | 0 | 0 |
| Maintenance — Field | | | | | | | | | | | | |
| Electrical | 0 | 0 | 0 | 0 | 0 | 3,600 | 0 | 0 | 0 | 0 | 0 | 0 |
| Shop Supplies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Painting | 0 | 0 | 0 | 0 | 0 | 5,831 | 0 | 0 | 0 | 0 | 0 | 0 |
| Carpentry | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sand | 0 | 0 | 9,800 | 0 | 0 | 9,800 | 0 | 0 | 0 | 0 | 0 | 0 |
| Salt | 0 | 0 | 21,000 | 0 | 0 | 18,500 | 0 | 0 | 0 | 0 | 0 | 0 |
| Asphalt/Cement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Turf Maint/Landscaping | 0 | 0 | 0 | 0 | 0 | 4,500 | 0 | 0 | 0 | 0 | 0 | 0 |
| Snow Removal | 0 | 0 | 139,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fencing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tools | 26,004 | 0 | 0 | 0 | 0 | 5,004 | 0 | 0 | 0 | 0 | 0 | 0 |
| Misc & Sundry Supplies | 37,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Maintenance — Field | 63,004 | 0 | 169,800 | 0 | 0 | 47,235 | 0 | 0 | 0 | 0 | 0 | 0 |
| Maintenance — Equipment | | | | | | | | | | | | |
| Parts | 18,000 | 500 | 101,400 | 1,400 | 0 | 0 | 2,800 | 0 | 0 | 0 | 0 | 0 |
| Radio Maintenance | 3,000 | 12,000 | 400 | 0 | 0 | 0 | 0 | 0 | 0 | 1,000 | 4,000 | 0 |
| Gasoline & Motor Oil | 5,545 | 14,025 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,960 | 0 |
| Minor Equipment | 2,000 | 5,800 | 0 | 450 | 0 | 0 | 0 | 0 | 0 | 0 | 2,400 | 0 |
| Shop Supplies | 11,004 | 113,860 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Misc & Sundry Supplies | 20,250 | 3,600 | 0 | 272 | 0 | 0 | 0 | 0 | 0 | 400 | 0 | 0 |
| Total Maint — Equipment | 59,799 | 149,785 | 101,800 | 2,122 | 0 | 0 | 2,800 | 0 | 0 | 1,400 | 10,360 | 0 |
| Maintenance — Cleaning | | | | | | | | | | | | |
| Towel & Laundry Service | 2,400 | 2,160 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contract Cleaning | 0 | 0 | 35,796 | 221,484 | 0 | 0 | 61,680 | 0 | 27,000 | 0 | 0 | 0 |
| Rubbish Disposal | 12,504 | 0 | 7,320 | 16,470 | 0 | 0 | 0 | 7,200 | 840 | 0 | 0 | 0 |
| Cleaning Supplies | 1,200 | 0 | 0 | 3,000 | 0 | 0 | 720 | 0 | 105 | 0 | 0 | 0 |
| Total Maint. — Cleaning | 16,104 | 2,160 | 43,116 | 240,954 | 0 | 0 | 62,400 | 7,200 | 27,945 | 0 | 0 | 0 |
| Depreciation & Interest | | | | | | | | | | | | |
| Depreciation | 71,082 | 44,082 | 1,302,450 | 540,186 | 332,064 | 100,275 | 10,008 | 0 | 34,903 | 23,964 | 18,738 | 3,178,044 |
| Interest | 25,206 | 8,712 | 967,418 | 543,444 | 295,608 | 106,924 | 2,664 | 0 | 33,078 | 4,656 | 4,692 | 2,896,848 |
| Total Deprec & Interest | 96,288 | 52,794 | 2,269,868 | 1,083,630 | 627,672 | 207,199 | 12,672 | 0 | 67,981 | 28,620 | 23,430 | 6,074,892 |
| Other | | | | | | | | | | | | |
| General Insurance | 59,357 | 83,350 | 44,257 | 22,627 | 0 | 12,375 | 5,564 | 288 | 2,638 | 0 | 1,800 | 0 |
| Equipment Rental | | | | | | | | | | | | |
| Snow | 0 | 0 | 0 | 0 | 0 | 79,380 | 0 | 0 | 0 | 0 | 0 | 0 |
| Field | 0 | 0 | 0 | 0 | 0 | 603 | 0 | 0 | 0 | 0 | 0 | 0 |
| Copy | 0 | 6,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 300 | 360 | 0 | 420 | 360 | 0 | 300 | 360 | 0 | 0 |
| Licenses & Taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 2,304 | 715 | 448 | 0 | 0 | 952 | 0 | 0 | 0 | 0 | 0 |
| Total Other | 59,357 | 91,654 | 45,272 | 23,435 | 0 | 92,778 | 6,876 | 288 | 2,938 | 360 | 1,800 | 0 |
| Total Expenses | 2,028,188 | 3,803,467 | 5,680,693 | 2,039,310 | 635,684 | 814,470 | 253,546 | 70,122 | 311,557 | 623,105 | 734,590 | 6,074,892 |

West Reliever Summary

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

| | Total | West Reliever Admin. | Flying Cloud Facilities | Flying Cloud Field & Runway | West Reliever Equipment Maintenance | Crystal Facilities | Crystal Field & Runway | Anoka Facilities | Anoka Field & Runway |
|--------------------------------------|---------|----------------------------|-------------------------------|--------------------------------------|--|-----------------------|---------------------------------|---------------------|-------------------------------|
| Personnel Costs | | | | | | | | | |
| Exempt | 61,452 | 61,452 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Non-Exempt | 18,416 | 18,416 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Maintenance | 342,039 | 0 | 7,638 | 106,930 | 38,189 | 5,567 | 105,774 | 3,897 | 74,044 |
| Temp/Seasonal | 10,320 | 0 | 0 | 3,440 | 0 | 0 | 3,440 | 0 | 3,440 |
| Holiday | 16,282 | 1,748 | 0 | 6,474 | 0 | 0 | 4,722 | 0 | 3,338 |
| Sick | 3,994 | 478 | 0 | 1,590 | 0 | 0 | 1,152 | 0 | 774 |
| Pension Plan | 45,940 | 1,750 | 0 | 23,096 | 0 | 0 | 9,588 | 0 | 11,506 |
| FICA | 9,561 | 3,097 | 0 | 294 | 0 | 0 | 5,876 | 0 | 294 |
| Employee Insurance | 48,156 | 2,484 | 0 | 17,580 | 0 | 0 | 17,496 | 0 | 10,596 |
| Workers' Comp | 6,840 | 360 | 0 | 2,880 | 0 | 0 | 2,160 | 0 | 1,440 |
| Continuing Education | 2,000 | 2,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Uniforms | 3,000 | 300 | 0 | 1,200 | 0 | 0 | 900 | 0 | 600 |
| Other | 2,729 | 291 | 0 | 1,098 | 0 | 0 | 794 | 0 | 546 |
| Total Personnel Costs | 570,729 | 92,376 | 7,638 | 164,582 | 38,189 | 5,567 | 151,902 | 3,897 | 106,578 |
| Admin Supplies & Expenses | | | | | | | | | |
| Office Supplies | 240 | 240 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Postage | 500 | 500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Travel | 2,300 | 2,300 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Membership, Subscr, Etc. | 540 | 540 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Local Meetings | 500 | 500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| All Other | 600 | 600 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Admin Suppl & Exp. | 4,680 | 4,680 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Professional Services | | | | | | | | | |
| Legal Fees | 18,000 | 0 | 0 | 6,000 | 0 | 0 | 6,000 | 0 | 6,000 |
| Engineering Fees | 229,400 | 0 | 0 | 104,800 | 0 | 0 | 4,800 | 0 | 119,800 |
| Total Professional Serv. | 247,400 | 0 | 0 | 110,800 | 0 | 0 | 10,800 | 0 | 125,800 |
| Utilities | | | | | | | | | |
| Telephone | 6,900 | 2,100 | 2,100 | 0 | 0 | 0 | 0 | 2,700 | 0 |
| Electricity | 32,257 | 0 | 3,063 | 7,182 | 0 | 3,841 | 2,904 | 1,872 | 13,395 |
| Sewage | 120 | 0 | 0 | 0 | 0 | 120 | 0 | 0 | 0 |
| Water | 12,114 | 0 | 6,039 | 0 | 0 | 2,601 | 0 | 3,474 | 0 |
| Total Utilities | 51,391 | 2,100 | 11,202 | 7,182 | 0 | 6,562 | 2,904 | 8,046 | 13,395 |
| Maintenance — Building | | | | | | | | | |
| Electrical | 1,960 | 0 | 360 | 0 | 0 | 400 | 0 | 1,200 | 0 |
| Shop | 1,300 | 0 | 800 | 0 | 0 | 200 | 0 | 300 | 0 |
| Painting | 1,060 | 0 | 360 | 0 | 0 | 200 | 0 | 500 | 0 |
| Carpentry | 1,410 | 0 | 360 | 0 | 0 | 300 | 0 | 750 | 0 |
| Tools | 720 | 0 | 360 | 0 | 0 | 180 | 0 | 180 | 0 |
| Misc & Sundry Supplies | 1,080 | 0 | 600 | 0 | 0 | 240 | 0 | 240 | 0 |
| Total Maintenance — Bldg | 7,530 | 0 | 2,840 | 0 | 0 | 1,520 | 0 | 3,170 | 0 |
| Maintenance — Field | | | | | | | | | |
| Electrical | 2,190 | 0 | 0 | 1,200 | 0 | 0 | 750 | 0 | 240 |
| Shop Supplies | 1,780 | 0 | 0 | 1,000 | 0 | 0 | 480 | 0 | 300 |
| Painting | 1,080 | 0 | 0 | 600 | 0 | 0 | 300 | 0 | 180 |
| Carpentry | 1,200 | 0 | 0 | 720 | 0 | 0 | 300 | 0 | 180 |
| Sand | 2,480 | 0 | 0 | 750 | 0 | 0 | 1,730 | 0 | 0 |
| Salt | 1,050 | 0 | 0 | 300 | 0 | 0 | 750 | 0 | 0 |
| Asphalt/Cement | 4,500 | 0 | 0 | 1,500 | 0 | 0 | 1,500 | 0 | 1,500 |
| Turf Maint/Landscaping | 7,600 | 0 | 0 | 3,400 | 0 | 0 | 2,400 | 0 | 1,800 |
| Snow Removal | 4,100 | 0 | 0 | 1,200 | 0 | 0 | 2,900 | 0 | 0 |
| Tools | 1,840 | 0 | 0 | 1,000 | 0 | 0 | 300 | 0 | 540 |
| Misc & Sundry Supplies | 12,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12,000 |
| Total Maintenance — Field | 39,820 | 0 | 0 | 11,670 | 0 | 0 | 11,410 | 0 | 16,740 |

DETAIL OF EXPENSE

West Reliever Summary (CONTINUED)

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

| | Total | West Reliever Admin. | Flying Cloud Facilities | Flying Cloud Field & Runway | West Reliever Equipment Maintenance | Crystal Facilities | Crystal Field & Runway | Anoka Facilities | Anoka Field & Runway |
|------------------------------------|------------------|----------------------------|-------------------------------|--------------------------------------|--|-----------------------|---------------------------------|---------------------|-------------------------------|
| Maintenance — Equipment | | | | | | | | | |
| Parts | 24,000 | 0 | 0 | 0 | 24,000 | 0 | 0 | 0 | 0 |
| Radio Maintenance | 3,000 | 0 | 0 | 0 | 3,000 | 0 | 0 | 0 | 0 |
| Gasoline & Motor Oil | 10,933 | 0 | 0 | 0 | 10,933 | 0 | 0 | 0 | 0 |
| Minor Equipment | 5,000 | 0 | 0 | 0 | 5,000 | 0 | 0 | 0 | 0 |
| Shop Supplies | 1,200 | 0 | 0 | 0 | 1,200 | 0 | 0 | 0 | 0 |
| Total Maint. — Equipment | 44,133 | 0 | 0 | 0 | 44,133 | 0 | 0 | 0 | 0 |
| Maintenance — Cleaning | | | | | | | | | |
| Contract Cleaning | 1,980 | 0 | 0 | 0 | 0 | 1,980 | 0 | 0 | 0 |
| Rubbish Disposal | 2,556 | 0 | 540 | 0 | 0 | 960 | 0 | 1,056 | 0 |
| Cleaning Supplies | 180 | 0 | 0 | 0 | 0 | 180 | 0 | 0 | 0 |
| Total Maint. — Cleaning | 4,716 | 0 | 540 | 0 | 0 | 3,120 | 0 | 1,056 | 0 |
| Depreciation & Interest | | | | | | | | | |
| Depreciation | 453,796 | 0 | 5,580 | 72,203 | 135,334 | 13,444 | 44,280 | 30,288 | 152,667 |
| Total Deprec & Interest | 453,796 | 0 | 5,580 | 72,203 | 135,334 | 13,444 | 44,280 | 30,288 | 152,667 |
| Other | | | | | | | | | |
| General Insurance | 54,312 | 0 | 624 | 7,920 | 28,250 | 624 | 7,920 | 1,054 | 7,920 |
| Equipment Rental | | | | | | | | | |
| Snow | 14,688 | 0 | 0 | 14,688 | 0 | 0 | 0 | 0 | 0 |
| Licenses & Taxes | 7,500 | 0 | 0 | 0 | 7,500 | 0 | 0 | 0 | 0 |
| Total Other | 76,500 | 0 | 624 | 22,608 | 35,750 | 624 | 7,920 | 1,054 | 7,920 |
| Total Expenses | 1,500,695 | 99,156 | 28,424 | 389,045 | 253,406 | 30,837 | 229,216 | 47,511 | 423,100 |

East Reliever Summary

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

| | Total | East Reliever Admin. | St. Paul Facilities | St. Paul Field & Runway | East Reliever Equipment Maintenance | Lake Elmo Facilities | Lake Elmo Field & Runway | Airlake Facilities | Airlake Field & Runway |
|--------------------------------------|---------|----------------------------|------------------------|----------------------------------|--|-------------------------|-----------------------------------|-----------------------|---------------------------------|
| Personnel Costs | | | | | | | | | |
| Exempt | 63,287 | 63,287 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Non-Exempt | 45,505 | 45,505 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Maintenance | 364,682 | 0 | 12,202 | 170,829 | 61,010 | 3,516 | 66,812 | 2,516 | 47,797 |
| Temp/Seasonal | 6,754 | 3,377 | 0 | 3,377 | 0 | 0 | 0 | 0 | 0 |
| Holiday | 20,479 | 6,313 | 0 | 9,195 | 0 | 0 | 2,852 | 0 | 2,119 |
| Sick | 5,236 | 1,714 | 0 | 2,352 | 0 | 0 | 780 | 0 | 390 |
| Pension Plan | 62,876 | 15,468 | 0 | 32,543 | 0 | 0 | 10,272 | 0 | 4,593 |
| FICA | 9,656 | 5,024 | 0 | 3,328 | 0 | 0 | 0 | 0 | 1,304 |
| Employee Insurance | 51,756 | 10,872 | 0 | 27,348 | 0 | 0 | 6,168 | 0 | 7,368 |
| Workers' Comp | 9,180 | 2,160 | 0 | 4,140 | 0 | 0 | 1,440 | 0 | 1,440 |
| Continuing Education | 1,500 | 1,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Uniforms | 3,300 | 300 | 0 | 1,800 | 0 | 0 | 600 | 0 | 600 |
| Other | 3,605 | 1,079 | 0 | 1,761 | 0 | 0 | 516 | 0 | 249 |
| Total Personnel Costs | 647,816 | 156,599 | 12,202 | 256,673 | 61,010 | 3,516 | 89,440 | 2,516 | 65,860 |
| Admin Supplies & Expenses | | | | | | | | | |
| Office Supplies | 500 | 500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Postage | 500 | 500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Travel | 2,000 | 2,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Membership, Subscr, Etc. | 500 | 500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Local Meetings | 400 | 400 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Admin Suppl & Exp | 3,900 | 3,900 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Professional Services | | | | | | | | | |
| Legal Fees | 22,000 | 0 | 0 | 10,000 | 0 | 0 | 6,000 | 0 | 6,000 |
| Engineering Fees | 120,400 | 0 | 0 | 10,800 | 0 | 0 | 104,800 | 0 | 4,800 |
| Total Professional Serv. | 142,400 | 0 | 0 | 20,800 | 0 | 0 | 110,800 | 0 | 10,800 |
| Utilities | | | | | | | | | |
| Telephone | 6,180 | 3,540 | 0 | 0 | 0 | 1,200 | 0 | 1,440 | 0 |
| Electricity | 38,832 | 0 | 10,197 | 23,063 | 0 | 0 | 3,441 | 2,051 | 80 |
| Sewage | 2,793 | 0 | 2,665 | 0 | 0 | 0 | 0 | 128 | 0 |
| Water | 1,760 | 0 | 1,700 | 0 | 0 | 0 | 0 | 60 | 0 |
| Heating Fuel | 35,564 | 0 | 26,132 | 0 | 0 | 3,210 | 0 | 6,222 | 0 |
| Total Utilities | 85,129 | 3,540 | 40,694 | 23,063 | 0 | 4,410 | 3,441 | 9,901 | 80 |
| Maintenance — Building | | | | | | | | | |
| Electrical | 6,750 | 0 | 4,800 | 0 | 0 | 1,200 | 0 | 750 | 0 |
| Shop | 3,240 | 0 | 3,000 | 0 | 0 | 240 | 0 | 0 | 0 |
| Plumbing | 1,200 | 0 | 1,200 | 0 | 0 | 0 | 0 | 0 | 0 |
| Painting | 5,800 | 0 | 4,800 | 0 | 0 | 600 | 0 | 400 | 0 |
| Carpentry | 4,800 | 0 | 3,600 | 0 | 0 | 750 | 0 | 450 | 0 |
| Temperature Control | 4,800 | 0 | 4,800 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tools | 1,940 | 0 | 900 | 0 | 0 | 240 | 0 | 800 | 0 |
| Misc & Sundry Supplies | 300 | 0 | 0 | 0 | 0 | 300 | 0 | 0 | 0 |
| Total Maintenance — Bldg | 28,830 | 0 | 23,100 | 0 | 0 | 3,330 | 0 | 2,400 | 0 |
| Maintenance — Field | | | | | | | | | |
| Electrical | 3,900 | 0 | 0 | 3,000 | 0 | 0 | 450 | 0 | 450 |
| Shop Supplies | 540 | 0 | 0 | 240 | 0 | 0 | 300 | 0 | 0 |
| Painting | 1,050 | 0 | 0 | 750 | 0 | 0 | 300 | 0 | 0 |
| Sand | 6,400 | 0 | 0 | 6,400 | 0 | 0 | 0 | 0 | 0 |
| Salt | 2,800 | 0 | 0 | 2,800 | 0 | 0 | 0 | 0 | 0 |
| Asphalt/Cement | 5,520 | 0 | 0 | 3,600 | 0 | 0 | 960 | 0 | 960 |
| Turf Maint/Landscaping | 3,840 | 0 | 0 | 2,100 | 0 | 0 | 1,200 | 0 | 540 |
| Snow Removal | 10,950 | 0 | 0 | 10,950 | 0 | 0 | 0 | 0 | 0 |
| Tools | 1,430 | 0 | 0 | 950 | 0 | 0 | 300 | 0 | 180 |
| Misc & Sundry Supplies | 660 | 0 | 0 | 0 | 0 | 0 | 360 | 0 | 300 |
| Total Maintenance — Field | 37,090 | 0 | 0 | 30,790 | 0 | 0 | 3,870 | 0 | 2,430 |

DETAIL OF EXPENSE

East Reliever Summary (CONTINUED)

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

| | Total | East Reliever Admin. | St. Paul Facilities | St. Paul Field & Runway | East Reliever Equipment Maintenance | Lake Elmo Facilities | Lake Elmo Field & Runway | Airlake Facilities | Airlake Field & Runway |
|------------------------------------|------------------|----------------------------|------------------------|----------------------------------|--|-------------------------|-----------------------------------|-----------------------|---------------------------------|
| Maintenance — Equipment | | | | | | | | | |
| Parts | 8,400 | 0 | 0 | 0 | 8,400 | 0 | 0 | 0 | 0 |
| Radio Maintenance | 3,600 | 0 | 0 | 0 | 3,600 | 0 | 0 | 0 | 0 |
| Gasoline & Motor Oil | 13,692 | 0 | 0 | 0 | 13,692 | 0 | 0 | 0 | 0 |
| Minor Equipment | 4,200 | 0 | 0 | 0 | 4,200 | 0 | 0 | 0 | 0 |
| Shop Supplies | 1,800 | 0 | 0 | 0 | 1,800 | 0 | 0 | 0 | 0 |
| Misc & Sundry Supplies | 1,200 | 0 | 0 | 0 | 1,200 | 0 | 0 | 0 | 0 |
| Total Maint. — Equipment | 32,892 | 0 | 0 | 0 | 32,892 | 0 | 0 | 0 | 0 |
| Maintenance — Cleaning | | | | | | | | | |
| Towel & Laundry Service | 19,980 | 0 | 19,980 | 0 | 0 | 0 | 0 | 0 | 0 |
| Rubbish Disposal | 2,460 | 0 | 1,200 | 0 | 0 | 720 | 0 | 540 | 0 |
| Cleaning Supplies | 4,500 | 0 | 4,500 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Maint. — Cleaning | 26,940 | 0 | 25,680 | 0 | 0 | 720 | 0 | 540 | 0 |
| Depreciation & Interest | | | | | | | | | |
| Depreciation | 564,386 | 1,044 | 121,660 | 211,263 | 128,341 | 10,992 | 11,520 | 27,888 | 51,678 |
| Total Deprec & Interest | 564,386 | 1,044 | 121,660 | 211,263 | 128,341 | 10,992 | 11,520 | 27,888 | 51,678 |
| Other | | | | | | | | | |
| General Insurance | 61,190 | 0 | 11,532 | 9,900 | 23,150 | 312 | 7,920 | 456 | 7,920 |
| Equipment Rental | | | | | | | | | |
| Snow | 14,688 | 0 | 0 | 14,688 | 0 | 0 | 0 | 0 | 0 |
| Licenses & Taxes | 12,000 | 0 | 0 | 0 | 12,000 | 0 | 0 | 0 | 0 |
| Other | 30,000 | 0 | 30,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Other | 117,878 | 0 | 41,532 | 24,588 | 35,150 | 312 | 7,920 | 456 | 7,920 |
| Total Expenses | 1,687,261 | 165,083 | 264,868 | 567,177 | 257,393 | 23,280 | 226,991 | 43,701 | 138,768 |

Debt Service/Capital Spending

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

DEBT ADMINISTRATION

The Metropolitan Airports Commission has issued two forms of indebtedness: Airport Revenue Bonds and General Obligation Revenue Bonds. From 1943 to 1975 MAC issued Airport Revenue Bonds to provide funds for its capital improvement program. Since 1976, General Obligation revenue bonds which are backed by Commission revenues and authority to levy any required taxes on the assessed valuation of the seven county metropolitan area have been used. The MAC is required by law to maintain Debt Service funds sufficient to bring the balance on hand in the Debt Service account on October 10 of each year to an amount equal to all principal and interest to become due on all Airport Improvement Bonds and General Obligation Revenue Bonds payable therefrom to the end of the second following year. The required balance as of October 10 in the Debt Service Account for the next five years is as follows:

| | |
|------|--------------|
| 1989 | \$37,243,413 |
| 1990 | \$37,676,715 |
| 1991 | \$37,355,983 |
| 1992 | \$37,059,810 |
| 1993 | \$36,461,502 |

MAC last sold bonds (\$51 million) in August 1988 at which time it received AAA rating from both Moody's and Standard & Poor's rating services. Authority for issuing bonds is obtained from the Minnesota State Legislature. Currently the authorization permits the issuance of an additional \$99 million of bonds.

CAPITAL PROJECTS

Each year the MAC approves Capital Projects that will start within the next 12 months, and a Capital Improvement Program which covers all projects which are to be started during the second calendar year. In addition, a Capital Improvement Plan which covers an additional 5 years is adopted. These serve as a basis for determining funding requirements and other operational planning decisions. Certain projects which have a metropolitan significance are also submitted to the Metropolitan council for review and approval. The Metropolitan Council is a regional planning agency responsible for coordination and planning of certain governmental services for the metropolitan area.

Funds required for completion of all capital projects come from three sources:

a) General Obligation Revenue Bonds, b) state or federal grants and c) internally generated funds from operations. In order to limit the cost of facilities at the reliever airports, MAC uses only grant funds or retained earnings to finance all construction projects at these airports. Capital improvements at MSP are financed from all three sources as appropriate.

Debt Service/Capital Spending (CONTINUED)

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Anticipated projects planned for 1989 and 1990 as well as the extended period 1991-1995 are summarized as follows: (The amounts shown represent the estimated total costs for projects planned to be initiated but not necessarily completed during that period. For budgeting purposes, a September 20, 1988 cut-off was used to determine dollars, timing, and location of projects listed below.) It was originally intended to have the Capital Improvement Program presented at the same time as the budget, however, due to legislative requirements regarding environmental analysis of the Capital Improvement Program, presentation was delayed until late fall 1988. Because of this delay, the amounts shown represent preliminary estimates and may vary from the final numbers presented.

| | 1989 | 1990 | 1991-1995 | TOTAL 1989-1995 |
|----------------------------|----------------------|----------------------|----------------------|----------------------|
| Minneapolis/St. Paul Int'l | | | | |
| Field & Runway | \$ 19,475,000 | \$ 20,000,000 | \$ 48,750,000 | \$ 88,225,000 |
| Self-liquidating | 12,000,000 | 212,000,000 | 4,000,000 | 228,000,000 |
| Terminal Bldg. & Other | 36,555,000 | 9,230,000 | 41,450,000 | 87,235,000 |
| St. Paul Downtown | | | | |
| Airport | 1,850,000 | 4,200,000 | 950,000 | 7,000,000 |
| Flying Cloud Airport | 360,000 | 0 | 750,000 | 1,110,000 |
| Crystal Airport | 375,000 | 400,000 | 600,000 | 1,375,000 |
| Anoka County Airport | 2,050,000 | 350,000 | 1,700,000 | 4,100,000 |
| Lake Elmo Airport | 200,000 | 350,000 | 600,000 | 1,150,000 |
| Airlake Airport | 1,325,000 | 0 | 1,150,000 | 2,475,000 |
| | <u>\$ 74,190,000</u> | <u>\$246,530,000</u> | <u>\$ 99,950,000</u> | <u>\$420,670,000</u> |

Flow of Cash Receipts and Disbursements

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

EXPLANATION OF THE FLOW CHART

MAC maintains three "funds" matching three major functions: An Operating Fund, Construction Fund, and Debt Redemption Fund (sinking fund). Each fund has its own specific sources and uses of money. The Construction Fund and the Debt Redemption Fund are restricted in their uses.

OPERATING FUND

The major sources of revenue for the Operating Fund are landing fees, various space charges, and concession fees. From this fund all operating expenses such as personnel, administrative, professional services, utilities, operating services, maintenance and miscellaneous are paid. In addition to these expenses, equipment purchases during the year are paid from this fund.

On October 10 of each year, MAC must contribute from its Operating Fund to the Debt Redemption Fund an amount necessary to bring the fund balance up to the 27-month principal and interest level as required by law. MAC attempts to keep a balance in the Operating Fund of approximately 3-months working capital, currently \$7.5 million. After all operating expenses are paid and the debt redemption transfer is made, an analysis is prepared to determine the amount of money, if any, which can be made available to the Commission Capital Improvement Program. Any available sums are then transferred to the Construction Fund.

CONSTRUCTION FUND

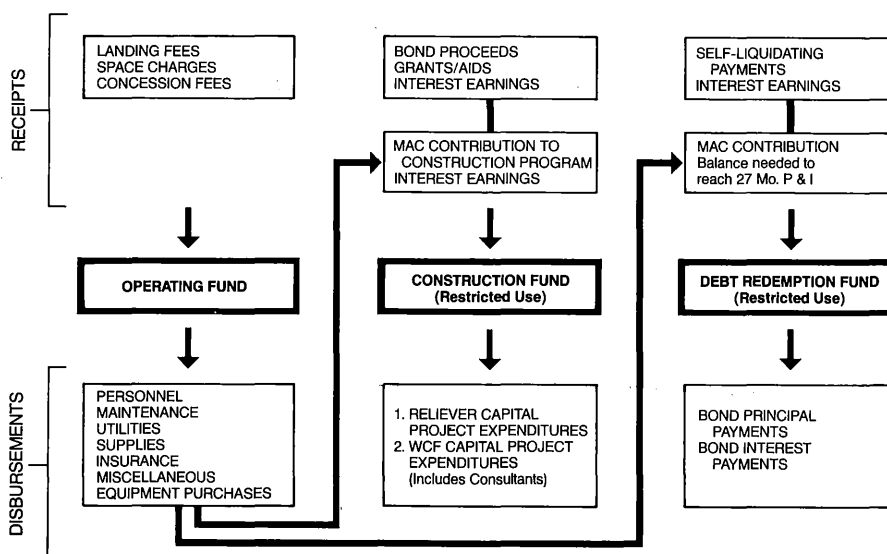
The major sources of cash for the "restricted" Construction Fund include: bond proceeds, grants and/or aid, the interest earned on this money and any transfer from the Operating Fund discussed above. These dollars are used for capital project expenditures, including consulting fees, at all Commission facilities.

DEBT REDEMPTION FUND

The Debt Redemption Fund (sinking fund) is used to retire the debt of the Commission. The money on hand is used to make all principal and interest payments throughout the year. The major source of revenue for this restricted fund is self-liquidating rental payments made from tenants throughout the year. On October 1 each year, Northwest Airlines is required to deposit funds necessary to bring their respective self-liquidating accounts up to the required 15-month or 27-month balance. The other source of cash for this fund is MAC's October 10 transfer from the Operating Fund which was discussed above. In addition to these payments, interest earnings are accumulated in the fund.

The accompanying charts illustrate the flow of money through these major funds and shows actual 1987, estimated 1988 and projected 1989 fund balances.

**METROPOLITAN AIRPORTS COMMISSION
FLOW OF CASH RECEIPTS AND DISBURSEMENTS**



Projection of Fund Balances

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

| | Actual 1987 | Estimated 1988 | Estimated 1989 |
|---|----------------------|----------------------|----------------------|
| OPERATING FUND | | | |
| 1/1 Balance | \$ 8,017,000 | \$ 7,500,000 | \$ 7,500,000 |
| Receipts | | | |
| Operating Revenues | \$ 59,881,000 | \$ 61,100,000 | \$ 63,095,000 |
| Interest Earnings ¹ | 1,491,000 | 1,600,000 | 1,650,000 |
| Total Receipts | \$ 61,372,000 | \$ 62,700,000 | \$ 64,745,000 |
| Disbursements | | | |
| Operating Expenses (excludes Depr. & Int.) | (\$ 27,488,000) | (\$ 31,703,000) | (\$ 36,827,000) |
| Equipment Purchases | (\$ 1,353,000) | (\$ 1,551,000) | (\$ 1,956,000) |
| Sinking Fund Transfer | (\$ 12,486,000) | (\$ 10,169,000) | (\$ 18,677,000) |
| Est. 3 mth. Operating Balance | (\$ 7,500,000) | (\$ 7,500,000) | (\$ 7,500,000) |
| Total Disbursements | (\$ 48,827,000) | (\$ 50,923,000) | (\$ 64,960,000) |
| Available for Const. programs | \$ 20,562,000 | \$ 19,277,000 | \$ 7,285,000 |
| CONSTRUCTION FUND | | | |
| 1/1 Balance | \$ 78,186,000 | \$ 91,887,000 | \$ 128,204,000 |
| Receipts | | | |
| GO VII Bond Proceeds | | \$ 43,440,000 | |
| Transfer from Operating Fund | \$ 20,562,000 | \$ 19,277,000 | \$ 7,285,000 |
| Interest Earnings ¹ | \$ 5,494,000 | \$ 8,400,000 | \$ 5,500,000 |
| Grants/Aids | \$ 14,600,000 | \$ 3,200,000 | \$ 13,020,000 |
| Total Receipts | \$ 40,656,000 | \$ 74,317,000 | \$ 25,805,000 |
| Disbursements | | | |
| Projects-in-Process | (\$ 26,955,000) | (\$ 38,000,000) | (\$ 55,000,000) |
| Proposed Projects | | | (\$ 49,500,000) |
| Total Disbursements | (\$ 26,955,000) | (\$ 38,000,000) | (\$ 104,500,000) |
| Ending Balance | \$ 91,887,000 | \$128,204,000 | \$ 49,509,000 |
| DEBT REDEMPTION FUND (Sinking Fund) | | | |
| Beginning Balance | | | |
| (Includes self-liquidating payments.) | \$ 27,593,000 | \$ 30,861,000 | \$ 35,354,000 |
| GO VI Debt Service Proceeds | \$ 3,748,000 | | |
| GO VII Debt Service Proceeds | | \$ 7,700,000 | |
| Receipts: Interest earnings ¹ | \$ 1,785,000 | \$ 1,768,000 | \$ 2,061,000 |
| Disbursements: Principal + Interest payments | (\$ 14,751,000) | (\$ 15,144,000) | (\$ 18,817,000) |
| Balance before Operating Fund Transfer | \$ 18,375,000 | \$ 25,185,000 | \$ 18,598,000 |
| Operating Fund Transfer Required | \$ 12,486,000 | \$ 10,169,000 | \$ 18,677,000 |
| Required Balance | \$ 30,861,000 | \$ 35,354,000 | \$ 37,275,000 |

¹Interest Rate Assumed @ 8.0%

Personnel Activity

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

| Department | 1986 Actual Manpower | 1987 Actual Manpower | Current Manpower 8/1/88 | 1988 Budgeted Manpower | 1989 Budgeted Manpower | New Positions Requested |
|--------------------------------------|----------------------------|----------------------------|-------------------------------|------------------------------|------------------------------|-------------------------------|
| Administration | | | | | | |
| Executive | 2 | 2 | 2 | 2 | 2 | 0 |
| Admin-Main Office (A) | 3 | 8 | 9 | 9 | 9 | 0 |
| Finance | 15 | 19 | 20 | 20 | 21 | 1 |
| Data Processing | 3 | 3 | 3 | 3 | 4 | 1 |
| Employee & Legislative Relations (A) | 3 | 5 | 6 | 5 | 6 | 0 |
| Properties (B) | 2 | 3 | 4 | 3 | 4 | 0 |
| Total Administration | 28 | 40 | 44 | 42 | 46 | 2 |
| Operations | | | | | | |
| Reliever Airport-Operations | 2 | 3 | 3 | 3 | 3 | 0 |
| Airport Development | 7 | 8 | 8 | 8 | 8 | 0 |
| Noise Abatement | 3 | 5 | 5 | 5 | 5 | 0 |
| Administration-WCF | 7 | 7 | 7 | 7 | 8 | 1 |
| Operations-WCF | 13 | 13 | 13 | 13 | 14 | 1 |
| Fire | 30 | 29 | 28 | 30 | 31 | 1 |
| Police (C) | 54 | 55 | 70 | 61 | 78 | 0 |
| HHH Terminal | 0 | 1 | 1 | 1 | 1 | 0 |
| Terminal Building (D) | 16 | 15 | 14 | 16 | 15 | 0 |
| Boiler Plant | 12 | 12 | 12 | 13 | 12 | 0 |
| West Terminal Area | 3 | 3 | 3 | 3 | 3 | 0 |
| Maintenance (E) | 87 | 89 | 89 | 89 | 93 | 2 |
| West Reliever Airports (F) | 10 | 11 | 10 | 11 | 10 | 0 |
| East Reliever Airports (F) | 10 | 11 | 12 | 12 | 13 | 0 |
| Total Operations | 254 | 262 | 275 | 272 | 294 | 5 |
| General Counsel | | | | | | |
| General Counsel | 2 | 4 | 5 | 5 | 6 | 1 |
| Total MAC | 284 | 306 | 324 | 319 | 346 | 8 |

(A) Employee & Legislative Relations increased from 5 employees in the 1988 budget to 6 employees in 1989 with no new positions added is the result of the Main Office clerk position transferring from Administration. The Administrative department on the other hand shows no change in the number of employees between 1988 and 1989 budget years even though the Main Office clerk position was moved. This is the result of a position in the purchasing department (secretary) being authorized after the 1988 budget was approved.

(B) The increase from 3 employees for the 1988 budget to 4 employees for the 1989 budget with no corresponding request for a new position is the result of a position being authorized after approval of the 1988 budget. (Contract Administrator)

(C) The increase from 61 employees for the 1988 budget to 78 employees for the 1989 budget with no corresponding request for new positions is the result of 24 Community Service Officers (CSO's) authorized after approval of the 1988 budget. Also there was a reduction in the number of authorized officers for 1989 from 41 to 34.

(D) Currently in the terminal building there are 14 employees. The 1988 budget was for 16 employees; however, 2 of these authorized positions will not be filled in 1988 or 1989. Also, 1 position was authorized after the 1988 budget was approved (Asst. Super. Mechanical Systems) resulting in a 1989 budgeted total of 15 positions.

(E) The increase from 89 employees for the 1988 budget to 93 employees for the 1989 budget with only two corresponding requests for new positions is the result of two positions being authorized after the 1988 budget was approved. (Heavy equipment operator and Equipment service worker.)

(F) The change in the east and west reliever airports is the result of the operations technician being re-classified from the west reliever airports to the east reliever airports.

Approved Equipment Requests 1989

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

| DEPARTMENT NAME | DESCRIPTION OF EQUIPMENT | PURCHASE PRICE | PURPOSE |
|---|----------------------------------|---------------------|---|
| SUMMARY | | | <p>The approved equipment requests for 1989 are represented in this section. The total cost of each piece of equipment is amortized over its useful life through depreciation charges.</p> <p>Snowplowing equipment qualifies for state and federal aid. As always the Metropolitan Airports Commission will attempt to maximize the receipt of these funds. Aid however is limited and equipment purchases must compete with eligible construction projects. The equipment purchase detail section will include individual detail justifications on pieces of equipment whose purchase price exceeds \$50,000.</p> |
| Main Office | | \$ 172,050 | |
| MSP | | \$ 1,132,440 | |
| Reliever Airports | | \$ 652,000 | |
| | | \$ 1,956,490 | |
| DETAIL | | | |
| Main Office | | \$ 172,050 | <p>All of these pieces of equipment have purchase prices less than \$50,000. Included in this total are the following items: (2) vehicles, office furniture, (12) IBM PC's, (10) printers, computer networking equipment, software upgrades to both PC's and the main frame, and other miscellaneous office equipment.</p> |
| MSP | | | |
| Operations | Weather radar equip. | \$ 50,000 | This unit will help MAC cooperate with MNDOT Aeronautics to improve reporting capabilities. |
| Fire | Airstairs (1) | \$ 60,000 | Needed for quick entry and access to aircraft in order to attack interior fires and provide emergency exit for passengers. |
| Terminal Building | Lockers | \$ 65,000 | Replacement of lockers from 1974. Some repair parts are no longer available. Most of the old lockers are in need of new locks which are not cost efficient to replace. |
| Terminal Roads | Shuttle bus (1) | \$ 180,000 | Needed to supplement service on the Lindbergh-Humphrey route. |
| Equipment Maintenance | High-speed plow (1) | \$ 130,000 | Replaces unit 616-270 which will be traded-in. This is a newly designed (1) person unit which will utilize equipment and people more efficiently. |
| | Power spray unit (1) | \$ 55,000 | This unit is currently being leased. With the new parking deck to be completed in 1989 and the high price of the existing lease it is more cost efficient to purchase this type of unit. |
| | 3 cubic yard sweeper (1) | \$ 90,000 | This unit will replace 616-316 which can no longer be maintained and repaired efficiently. |
| | Other | \$ 502,440 | All of these pieces of equipment have a purchase price less than \$50,000. Included in this total are the following: (11) vehicles (2 police, 1 noise, 5 maintenance, 1 operations, and 2 administrative), computer equipment, office furniture, and numerous multiple and small miscellaneous purchases. |
| Total MSP Purchases | | \$ 1,132,440 | |
| Relievers | | | |
| St. Paul | Heavy duty dump truck (1) | \$ 65,000 | This unit will replace existing unit whose parts are no longer readily available. |
| Lake Elmo | Rotary blower (1) | \$ 205,000 | This unit will replace existing unit which requires heavy maintenance and is no longer reliable. |
| | Tractor/loader (1) | \$ 62,500 | This unit will replace an 18 year old unit which is no longer cost efficient to operate. |
| Flying Cloud | Heavy duty dump truck w/plow (1) | \$ 75,000 | This unit will replace existing unit which requires heavy maintenance and is no longer reliable. |
| Anoka | Heavy duty dump truck (1) | \$ 65,000 | This unit will replace existing unit which requires heavy maintenance and is no longer reliable. |
| | Tractor w/pusher plow (1) | \$ 68,000 | This unit will replace 618-190 which was used extensively at MSP prior to being transferred to Anoka. |
| | Other | \$ 111,500 | All of these pieces of equipment have a purchase price less than \$50,000. Included in this total are the following: (4) vehicles, (1) trailer, (1) tractor, (1) sweeper, and (1) blade attachment. |
| Total Reliever Airport Purchases | | \$ 652,000 | |

Glossary

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Agreement (The)—Refers to the airline agreement which expires on 1/20/89. This agreement is the basis for airline rates and charges primarily the landing fee, ramp fee, carousel and conveyors, and terminal building rates.

Airport Revenue Bonds—Funds used in construction and acquisition of facilities at the airports operated by the Commission. These funds are repaid from Commission revenue; however, if the principal and interest cannot be paid from revenue, a tax can be levied on property within the cities of Minneapolis and St. Paul, Minnesota, for debt service.

Apron—The extensive paved area immediately adjacent to the Terminal Building area and hangar area.

CSO's—Refers to Community Service Officers.

Capital Improvement Program (CIP)—This program covers projects which will be started during the next two (2) years. Also, a Capital Improvement Plan is used to project an additional five (5) years worth of projects. These serve as a basis for determining funding requirements and other operational planning decisions.

The Commission—Refers to the Metropolitan Airports Commission.

Common Use Space—Area within the Terminal Building leased for common use by the MSP air carriers.

Concessions—Refers to one of the five (5) main revenue categories. This category includes; food, beverage, gifts, parking, auto rental, advertising and numerous other commercial leases.

Concourse—Refers to the long hallway-like structure where loading and unloading of passengers takes place.

Connecting Passengers—Passengers who transfer to another flight—Mpls./St. Paul Int'l not being their final destination.

Construction Fund—A special account whose monies are used for capital project expenditures, including consulting fees, at all Commission facilities. (See discussion on Flow of Cash Receipts and Disbursements.)

Cost Center—The Commission's terminology for a specific department in order to keep track of costs.

Debt Service Account—An account which MAC is required by law to maintain whereby the balance on hand on October 10th of each year is equal to all principal and interest due on all Airport Improvement Bonds and General Obligation Revenue Bonds payable therefrom to the end of the second following year.

Debt Redemption Fund (Sinking Fund)—A special account whose monies are set aside to retire debt. (See discussion on Flow of Cash Receipts and Disbursements)

Differential Landing Fees—A measure that would require older, noisier aircraft (Stage II) to pay a higher landing fee or "noise surcharge" than quieter aircraft (Stage III) as a means of encouraging the use of newer, "quiet-technology" aircraft.

East Reliever Airports—This term is used to refer to St. Paul Downtown, Lake Elmo, and Airlake airports. These airports provide facilities for general aviation activity and reduce traffic and congestion at MSP Int'l.

Enplaned Passengers—The number of passengers boarding an aircraft, including originating and stopover or on-line transfer passengers.

FAA Regulation Part 36—This regulation deals with noise standards, aircraft type, worthiness and certification.

FAA Regulation Part 150—This regulation a) establishes a uniform nationwide system of describing aircraft noise and noise exposure in different communities; b) describes land-use compatability for the guidance of local communities; and c) provides technical assistance to airport operators and other governmental agencies to prepare and execute noise compatability planning.

Glossary (CONTINUED)

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Finished Janitored Space—Refer to finished space below. Also, the Commission furnishes janitorial cleaning for this space.

Finished Space—Space in Terminal Building leased to tenants. This space has painted walls or has finished wallcoverings, finished ceilings with tiles and lights and finished floor coverings.

Fuel Storage Facility—Operated by Butler Aviation and used to provide fuel to the airlines.

General Obligation Bonds—These bonds are general obligations of the Commission, payments of which are secured by the pledge of all operating revenues of the Commission subject to the prior pledge of such revenues for the payment of outstanding Airport Improvement Bonds. The Commission has the power to levy property taxes upon all taxable property in the seven county Metropolitan Area in order to pay debt service on outstanding General Obligation Revenue Bonds.

Hubert H. Humphrey Terminal (HHH Terminal)—Refers to the Commission's terminal where all international and most charter flights arrive and depart.

Imputed Interest—This rate is essentially a weighted average of all outstanding bond issue interest rates. It is used in the calculation of landing fees, ramp fees, and terminal building rates.

In-Flight Catering—Refers to a revenue category under the Concessions heading dealing with fees collected from caterers who supply meals to the airlines for consumption during flights.

Landing Fees—This fee is charged to all airplanes who land at MSP. The fees are calculated by dividing total field and runway costs by total landed weight.

Landed Weight—Refers to the actual weight of a particular plane. The weights for all aircraft are published by the FAA.

Lindbergh Terminal—Refers to the main terminal where all of the scheduled domestic flights arrive and depart. Also referred to as the "Terminal Building".

Lobby Fees—These fees are a per passenger fee charged to airlines when they use the HHH Terminal.

MAC—Metropolitan Airports Commission.

MSP or MSP International—Minneapolis/St. Paul International Airport. This is the name used for the total airport facility.

Major Carriers—Refers to those airlines who participate in the airline agreement. As of 9/15/88 these include American, America West, Braniff, Continental, Delta, Midway, Northwest, Pan Am, Piedmont, TWA, United, and U.S. Air. In addition to these there are several freight carriers and commuter carriers who also participate in the airline agreement.

Master Plan—Refers to the long-range plans for the airport dealing with projects, facilities and capacity. This plan extends out beyond the year 2000.

Metropolitan (Met) Council—This is a regional planning agency responsible for coordination and planning of certain governmental services to the Metropolitan Area.

Minimum Landing Fees—This fee is established by the airport proprietor on a per-operator basis at the airport. This is usually used in conjunction with a landing fee that is based on weight.

Miscellaneous Revenue—Refers to one of the five (5) main revenue categories and includes numerous small dollar items as well as reimbursed expenses.

NWA—Northwest Airlines

O & D Passengers—Term for originating and final destination passengers. Originating passengers are those who initiate their travel from Mpls./St. Paul Int'l. Destination (final) passengers are those who arrive at Mpls./St. Paul Int'l and are not transferring to another flight.

Glossary (CONTINUED)

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Operating Fund—a special fund used to pay all operating expenses such as personnel, maintenance, utilities, supplies, insurance, miscellaneous, and equipment purchases. (See discussion on Flow of Cash Receipts and Disbursements.)

Operation—This term refers to the aircraft operation which represents a takeoff or landing.

Professional Services—This expense category refers to various types of professionals, such as architects, engineers, auditors, lawyers, and other specialists who are hired during the year to perform studies or required work and make recommendations based upon their findings.

Ramp Fees—A fee charged to a particular airline for exclusive use of a specific area of ramp. The fee is calculated by dividing the total estimated costs in the appropriate cost center by the number of lineal feet of ramp space.

Reimbursed Expense—Refers to costs paid by the Commission initially, and then billed back to tenants.

Reliever Airports—This term is used to refer to St. Paul Downtown, Flying Cloud, Crystal, Anoka, Lake Elmo, and Airlake Airports. These airports provide facilities for general aviation activity and reduce traffic and congestion at MSP International.

Rentals—Refers to one of the five (5) major revenue categories and includes the following: Terminal Building space rented to the airlines and other tenants, self-liquidating facilities, ground space, and other buildings such as hangars.

Self-Liquidating Rents—These are fees received for the rental of facilities constructed for a specific airline or tenant. Leases or lease amendments are negotiated for each facility to assure that the payment of all associated costs of constructing, financing and maintaining it are reimbursed to the Commission.

(Seven County) Metropolitan Area—Refers to the seven counties surrounding and including the cities of Minneapolis, St. Paul and MSP International. The counties include Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sinking Fund—A special account whose monies are set aside to retire debt.

South Terminal Expansion—Refers to a construction project completed in August, 1987, which expanded the main terminal southward. This expansion has increased ticket counter areas, common use space, office space and the carousels and conveyors.

Southwest Cargo Area—An area constructed for parking or maintenance by cargo and charter companies. Currently occupied by Federal Express, Sun Country, and Page.

Stage II Aircraft—The second-level “stage” description used by FAA Regulation 36 to identify “middle-aged” and noisy jet aircraft. The Stage II aircraft make up the bulk of the U.S. domestic fleet. (Examples of Stage II Aircraft include Boeing 727’s, some 747’s, and McDonnell Douglas DC-9’s).

Stage III Aircraft—The new generation of “quiet” jet aircraft which comply to the latest noise standards of the FAA Regulation Part 36. (Examples of Stage III Aircraft include Boeing 757’s, 767’s, 747-200’s, 747-400’s, McDonnell Douglas DC10’s, DC9-80’s, and the Lockheed L-1011’s).

Taxiway—Paved areas on the airport to be primarily used for ground movements of aircraft to, from, and between runways, ramp and apron space, and storage areas.

Traffic—refers to one of the five (5) major revenue categories and includes the following: landing fees, ramp fees, and various apron charges.

Unfinished Space—Space in the terminal building leased to tenants. This space has exposed concrete floors, unfinished walls, no tiles in ceiling and no finished light fixtures.

Glossary (CONTINUED)

1989 OPERATING BUDGET • MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

Utilities/Expense—Included in this section are electricity, telephone, water, sewer, and fuel. (Fuel includes both natural gas and fuel oil).

Utilities/Revenue—This is one of the five (5) major revenue categories. Included in this category are water, sewer, steam, and chilled water.

West Reliever Airports—This item is used to refer to Flying Cloud, Crystal, and Anoka Airports. These airports provide facilities for general aviation activity and reduce traffic and congestion at MSP Int'l.

Wold-Chamberlain Field—(WCF)—Refers to the airfield itself excluding the Terminal Building.