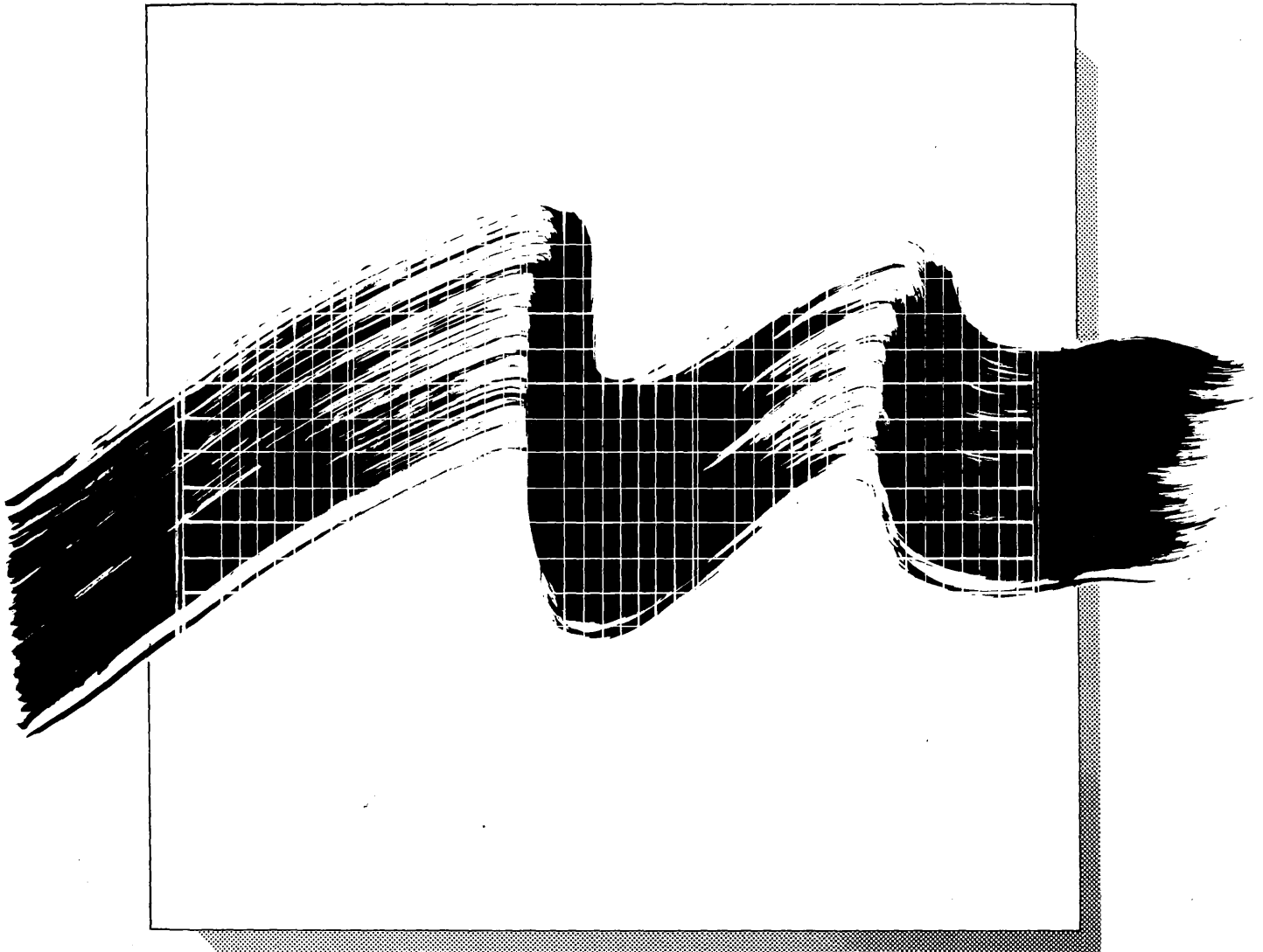




MINNEAPOLIS-ST. PAUL
METROPOLITAN AIRPORTS COMMISSION



OPERATING BUDGET
1990

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I. INTRODUCTION	PAGES
Letter to the Public	5-8
GFOA Award	9
1989 Overview	10-12
1990 Goals & Objectives	13-14
Organization Structure	15-17
 II. BUDGET	
Revenue/Expense Summary	20
Revenue	21
Revenue Assumptions	22-25
Expense	26
Expense Assumptions	27-32
Detail Expense	33-45
Total	33-35
Main Office	36-37
MSP Int'l	38-41
West Reliever Airports	42-43
East Reliever Airports	44-45
Budget Preparation/Amending Process	46-49
Personnel Activity	50
 III. DEBT SERVICE/CAPITAL SPENDING	
Debt Administration	52
Capital Projects	52
Flow of Receipts & Disbursements	54
Projection of Fund Balances	55
Approved Equipment Requests	56
 IV. STATISTICAL	
Historical Comparison Revenue/Expense	58-60
Facility Comparison	60
Statistics—Passengers, Operations, Cargo/Mail	61-63
 V. GLOSSARY	67-70

Members of the Metropolitan Airports Commission:

The Metropolitan Airports Commission (MAC) is pleased to present the 1990 Operating Budget. This document represents the culmination of many months of work by the Finance Department and is presented in a manner, we believe, is useful to the public we serve. It is an important tool that reflects the goals and objectives identified for the coming year.

One of the strengths of the MAC has been its commitment to excellence in public service and sound financial principles which form a foundation for continued safe and efficient operation. These principles are reflected in the mission statement and operating philosophy stated below.

MISSION STATEMENT

It is the mission of the MAC to provide a system of airports that promote regional, national and international transportation of passengers and cargo. This system is operated in a safe, efficient and financially responsible manner with minimal environmental impact consistent with the public interest and the budgeting process.

OPERATING PHILOSOPHY

1. PUBLIC SERVICE

The Metropolitan Airports Commission (MAC) is a public agency dedicated to serving the following groups of individuals and balancing their needs:

- General and traveling public
- Airport employees
- Tenants
- Other users of Commission facilities

Our goal in public service is to accommodate and satisfy the needs of the public as identified above. As a result, we will provide the following:

- Appropriate airline service
- Accessibility to airport facilities and services
- Timely and accurate information involving the status and availability of airport services and facilities
- Appropriate, well-maintained facilities
- A safe and secure environment
- Environmentally compatible airport systems

2. FINANCIAL RESPONSIBILITY

All of our actions will be in accordance with sound financial policy, designed to produce the best facilities and services for the least cost to the users and the general public. Our costs will be recovered from the users first and the general public only if absolutely necessary.

In conducting its affairs, MAC should exercise a high degree of financial responsibility and accountability by:

- Primary reliance on user fees rather than property taxes
- Maximize bond rating
- Capital financing by maximum use of grants, internal funds and minimum use of debt
- Effective budgeting system, financial controls, and reports to maximize its financial resources

3. ECONOMIC WELL-BEING OF REGION

MAC, as an operator of a major commercial airport and reliever airport system, is a catalyst for the creation of jobs and generation of billions of dollars for the regional economy.

Aviation facilities must be continually developed and enhanced to meet demands for air services to support a positive economic result in the region.

4. ENVIRONMENTAL POLICY

As a public agency, the Metropolitan Airports Commission recognizes its responsibility for preserving environmental resources. Therefore, it shall be the policy of the MAC to:

- Take all practical steps necessary to eliminate or reduce to the greatest degree practical, any adverse environmental impact on the quality of the surrounding environment.
- Manage the operations of its airports in a manner which will allow the maximum compatibility of its operations and the environment.
- Strive to achieve environmental safety and preservation beyond those standards proscribed by federal, state, and local regulations.
- Preserve natural habitat on its facilities.

5. HUMAN RESOURCES MANAGEMENT

The MAC is committed to a safe and nondiscriminatory work environment.

Employees will have opportunities to realize their work potential while in pursuit of accomplishing the mission of the MAC.

The Commission will strive to maximize individual skills, education, experience to provide a safe work environment, equitable compensation and benefits, and fair and equal opportunities for advancement. In return, employees will be expected to accomplish work objectives in support of MAC's overall mission, and be accountable for work results.

6. PUBLIC TRUST AND ACCOUNTABILITY

The Metropolitan Airports Commission is committed to the high standards of governance exemplified by Minnesota statutes regarding public information, full disclosure, the right to be heard, open meetings, due process, and access to public records. While effectively and efficiently taking action in the public interest, the MAC will strive to strategically plan, program and budget its activities so as to assure due process and provide for the fullest possible commission and public review of its proposed actions. MAC will further require employees to demonstrate high ethical conduct in the daily implementation of the MAC mission.

1990 BUDGET

The 1990 budget represents the Metropolitan Airports Commission's continued reliance on user fees to support its operations. The following is a summary of 1988 actual, 1989 estimated and projected 1990 figures.

	1988 Actual	1989 Estimated	1990 Budget	% 89 to 90 Change
Revenue				
Traffic	\$13,150,000	\$14,842,000	\$16,691,800	12.46%
Commercial				
Concessions	23,546,000	25,886,700	28,059,500	8.39%
Rentals	21,320,000	20,835,000	24,414,500	17.18%
Utilities	1,172,000	1,050,000	1,230,100	17.15%
Miscellaneous	1,694,000	1,975,000	1,674,000	(15.24%)
Total Operating Revenue	\$60,882,000	\$64,588,700	\$72,069,900	11.58%
Expenses				
Personnel	\$15,112,600	\$17,378,000	\$18,593,700	7.00%
Administrative Expense	405,400	501,000	613,800	22.51%
Professional Services	2,318,300	2,859,700	3,665,400	28.17%
Utilities	3,809,100	3,922,000	4,056,800	3.44%
Operating Services	4,374,800	5,145,900	5,362,800	4.22%
Maintenance	5,352,400	5,849,900	7,207,300	23.20%
Depreciation & Interest	21,150,500	20,779,000	27,969,500	34.60%
Other	1,102,700	1,435,000	1,354,300	(5.62%)
Total Operating Expenses	\$53,625,800	\$57,870,500	\$68,823,600	18.93%
Net Revenues	\$ 7,256,200	\$ 6,718,200	\$ 3,246,300	(51.68%)

Several important items have had an impact on 1990 budgeted revenue. First, the current agreement with the airlines expired 1/20/89, and under the proposed agreement, formulas for calculating the landing fee, ramp fee and terminal building rentals were changed. The new revised airline rates and charges have been used to prepare the 1990 budget. In addition, revenue from the parking facilities reflect the fact that the new parking ramp, which will be completed in late October 1989, will be open for an entire year. Lastly, as a result of the completion of the Northwest Airlines 747 Hangar, we will receive a full year's rental on that facility during 1990.

The 1990 budgeted expense reflects the reorganization that took place during 1989, as well as eight new positions approved for 1990. Depreciation and interest continue to increase as major projects such as the parking structure and 747 hangar are completed.

During 1989, the MAC and the Metropolitan Council implemented a "dual track" planning and development process to allow for capacity enhancement at Minneapolis/St. Paul Airport, while keeping open the option of a new major airport. The significant amount of consultant fees associated with this planning process, which will continue for several years, are reflected in the 1990 budget.

The organization of the 1990 Budget has been improved by dividing the information into four sections—Introductory, Budget, Debt Service and Capital Spending, and Statistical. The Introductory Section includes the budget message, goals and objectives, a description of the MAC organization and an organizational chart. The Budget Section includes a summary and detail of revenue and expense, budget assumptions, a description of the budgeting process, and approved personnel for 1990. The Debt Service and Capital Spending Section includes a summary of debt service and capital spending, flow of cash receipts and disbursements, a projection of fund balances, and approved equipment requests for 1990. The Statistical Section includes selected financial and activity information generally presented on a multi-year basis.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation to the Minneapolis/St. Paul Metropolitan Airports Commission, Minnesota for its annual budget for the fiscal year beginning January 1, 1989.

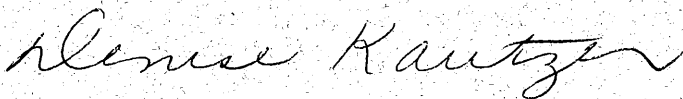
In order to qualify for this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications medium.

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

ACKNOWLEDGEMENTS

The preparation of the 1990 Operating Budget was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has my sincere appreciation for the contribution made in preparation for this document.

Respectfully submitted,



Denise A. Kautzer
Director of Finance



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO
**Minneapolis/St. Paul Metropolitan
Airports Commission**

For the Fiscal Year Beginning
January 1, 1989

President

Executive Director

NOISE ABATEMENT

Last year was one of the busiest for the MAC's comprehensive noise abatement program. Early in the year, Phase I of the runway 4/22 rehabilitation project was completed. Over the years the runway pavement had deteriorated and had to be replaced. The rehabilitation program, planned and accomplished with the cooperation of the Metropolitan Aircraft Sound Abatement Council (MASAC), provided for the reconstruction to be done in two phases. The project was split into phases so that each phase could be accomplished during the late winter/early spring, before the onset of the warm weather "open window" season to minimize the impact of construction and aircraft noise on surrounding neighborhoods. Phase I, involving the southwest 6,000 feet, began in March 1989. Except for interruptions because of inclement weather, it continued day and night until it was completed in June. Phase II will include rehabilitation of the remaining 2,200 feet of runway with plans to begin in early spring in order to minimize noise effects.

A proposed Runway Use Program tested for 180 days during the last half of 1988 and into January 1989 was proposed by MASAC to replace the outdated Preferential Runway Use System (PRS). The PRS had been developed in the early 1970s to place arriving and departing traffic over the least populated areas around the airport. Although the PRS was effective for several years, the increase in traffic caused by airline deregulation and the development of MSP as a hub by Republic and Northwest Airlines forced the use of the parallel runways to the virtual exclusion of Runway 4/22 operations. The proposed Runway Use System recommended by MASAC and now being considered by the MAC would encourage greater use of 4/22 to provide noise relief for South Minneapolis. Also, the tower would be instructed to balance operations as equitably as possible off each runway end when 4/22 is in use, thus dispersing the aircraft noise fairly over Bloomington/South Richfield and St. Paul's Highland Park. The Runway Use proposal will be considered by the Planning and Environment Committee in early 1990.

The commission in 1989 approved the purchase and installation of an off-airport noise monitoring system which includes the installation of 20 permanent noise monitoring and recording microphones in neighborhoods near the airport. The monitoring system will give the MAC the capability of accurately measuring aircraft noise, identifying aircraft, and recording flight track data. System specifications are being drafted and installation may begin in the summer of 1990.

Work was completed on three of the four schools included in the \$5.2 million sound insulation program. Hale, Centennial and Wenonah public schools have been completed with a mix of new windows, central air conditioning, and other building modifications providing major noise reductions in the learning environment. Resurrection School, now eligible for funding under current federal appropriations legislation, will be completed in the summer of 1990.

In mid-October, the FAA notified the MAC that its Noise Exposure Maps, submitted as part of its Part 150 Noise Compatibility Program, have been found "in compliance with applicable requirements of the program". The FAA has 180 days, a period ending April 2, 1990, to approve or disapprove the MAC's noise compatibility program.

GROUND TRANSPORTATION

An agreement providing for the construction and operation of a \$1.5 million ground transportation convenience center at Minneapolis/St. Paul International Airport was concluded in October between the SuperAmerica Corporation and the MAC. The center will provide accommodations for more than 400 taxicab and limousine operators who serve the airport and includes a "convenience center" which is open to the public. The facility will occupy five acres on airport property located at the intersection of Highway 5 and 494. The transportation center will have fueling islands for cabs and privately owned vehicles, and a car wash, convenience store, bakery and delicatessen. It will provide a large exclusive parking area and queuing line for taxi operators where they will be given a priority number while waiting for the call to the Lindbergh Terminal. The drivers can walk around between fares, fuel their cabs, go through the automatic car wash, have a meal in an exclusive cab driver's dining area or use special rest room facilities. A closed circuit television will keep drivers informed of their progress in the priority line. Ground breaking for the center is scheduled for April 1990 and the grand opening planned for June.

In October, the construction of a seven level parking structure was completed. The addition of approximately 2100 spaces will help to alleviate the shortage of parking spaces that has existed at the Lindbergh Terminal complex. In addition, a major roadway improvement program at MSP was completed.

LEASE NEGOTIATIONS

A lease agreement between the MAC and the airlines was reached in September which covers landing fees, ramp fees, and terminal building rentals. The agreement is retroactive to January 1, 1989. The eight-year pact is the first in the nation to impose a surcharge on airlines operating noisier, Stage II aircraft. The surcharge is expected to yield \$1 to \$2 million annually and will be used for off-airport noise attenuation efforts. Other key provisions of the lease include:

- airline payment of 50 percent of planning costs for proposed new airport;
- "use it or share it" provision which assists in control of scarce gate and ramp resources;
- restricted airline review of proposed field and runway projects for which they will be charged;
- update calculation of rates and charges, allocation of indirect costs, and language pertaining to bankruptcy, discrimination, liability, and indemnification; and
- retention of airport's ability to fund entire system of MAC airports from concessions and other revenues.

RELIEVER AIRPORT ACTIVITIES

The commission approved a request by the reliever airports staff to hold public hearings on proposed minimum standards for commercial operators on the MAC's six reliever airports. The absence of minimum standards has created numerous problems for staff and has delayed implementation of a new reliever airports rates and charges structure.

Facility improvements on the relievers during the year include Regent Aviation's new terminal and ramp in the west side development area at St. Paul Downtown Airport. Additional improvements are ramp and taxiway paving projects on several of the airports as well as the installation of a new automated 24-hour weather reporting system for St. Paul Downtown Airport.

AIRPORT DEVELOPMENT - MINNEAPOLIS/ST. PAUL INTERNATIONAL

MSP will be a strong contender for Northwest Airlines' A320 maintenance base, according to the company's new chairman, Alfred Checchi. A presentation by the MAC and the Minnesota Department of Economic Development is planned to acquaint Northwest's senior management team with the benefits of locating its A320 base in Minnesota. MSP is currently the headquarters of Northwest's worldwide maintenance activities and is the site of its new \$60 million 747-400 maintenance hangar opened in December 1989.

As mandated by the 1989 Minnesota legislative session, the MAC and the Metropolitan Council began the "dual track" planning and development process which provides for the continued development of MSP while planning begins for the location and possible site acquisition for a new major airport in case one is needed. The planning process will be completed in 1996 when the legislature will determine whether or not to proceed with the construction of a new major airport.

NORTHWEST ACQUISITION

During the year, Northwest Airlines, which carries approximately 75 percent of the passengers at Minneapolis/St. Paul International Airport and the MAC's principal tenant at the airport was purchased by an investment group headed by Alfred Checchi. This change in ownership is significant to the Commission in a variety of areas including planning for future facility needs, Twin Cities economic development, environmental concerns and financial stability. The Commission has begun a series of discussions and meetings with the new management of Northwest Airlines to develop the issues and strategies for working together in the future.

The Metropolitan Airports Commission was created 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 1990, significant objectives have been established that reflect the mission statement and operating philosophy of the MAC as stated in the budget message. The goals and objectives are summarized below.

PUBLIC SERVICE

1. In accordance with FAR Part 107, Section 14, design and begin implementation of an airfield card access system at Minneapolis-St. Paul International Airport.
2. Develop a commercial ground transportation ordinance. Finalize plans for a ground transportation center at the Lindbergh Terminal.
3. Implement revised rates and charges at the reliever airports.
4. Complete the development of minimum standards for Fixed Base Operators at MSP and the reliever airports.
5. Complete a concessions study for the Lindbergh Terminal.
6. Complete an Airport Land Use and Appraisal Study for MSP.

FINANCIAL RESPONSIBILITY

1. Maintain the GFOA Certificate of Achievement for Excellence in Financial Reporting and the Distinguished Budget Presentation Award.
2. Review and more fully integrate the Capital Improvement Program and budgeting process.
3. Complete a feasibility study to identify the most cost effective operation of the three shuttle bus services.

ECONOMIC WELL-BEING OF THE REGION

1. Complete the first phase of a conceptual design for a new major airport as required by legislation passed in 1989. The conceptual design study and plan are to describe and satisfy transportation needs for a prospective 30 year period. It will include an analysis of estimated costs, potential financing methods and sources of public and private funding, and construction time.
2. Complete the MSP Long Term Development Plan as required by legislation passed in 1989. The document must identify a 20-year development program and a conceptual plan for an additional 10 years.
3. Continue to pursue the selection of MSP as the site for the proposed Northwest Airlines A320 Maintenance Facility.

ENSURE ENVIRONMENTAL COMPATIBILITY

1. Develop a Part 150 noise compatibility implementation program at MSP.
2. Continue investigation of landfills at MSP, Anoka County and Flying Cloud airports and implement site remediation procedures.
3. Continue Lake Elmo groundwater contamination investigation.
4. Install a permanent noise monitoring system in neighborhoods surrounding MSP.
5. Develop a noise abatement program for each of the reliever airports.
6. Update spill prevention control plans for all airports.

HUMAN RESOURCE MANAGEMENT

1. Formalize the job performance evaluation system.
2. Update MAC's Affirmative Action Plan and training program.
3. Select software and install the Purchasing, Finance and Human Resources Departments on the Local Area Network.

The Minneapolis/St. Paul Metropolitan Airports Commission was created by an act of the Minnesota State Legislature in 1943 as a public corporation of the State. This was done for the following reasons: 1) to promote air navigation and transportation, international, national and local, in and through the State of Minnesota; 2) to promote the efficient, safe and economic handling of air commerce; and 3) 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/St. Paul Metropolitan Area which includes Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties, and which extends approximately 35 miles out in all directions from the Minneapolis and St. Paul City Halls. The Commission owns and operates seven airports within the Metropolitan Area, including the Minneapolis/St. Paul International Airport, which serves the scheduled air carriers, and six reliever airports, serving business and general aviation.

The Commission is governed by 15 Commissioners. Eight Commissioners are appointed by the Governor of the State of Minnesota from designated districts within the Metropolitan Area. The Mayor of St. Paul and the Mayor of Minneapolis also have seats on the Commission with the option to appoint a surrogate to serve in their place. In 1989, the Commission was expanded by the Governor to include four outstate Commissioners. The Chairperson of the Commission is appointed by the Governor for a four-year term.

The Commission has set up four standing committees. Two of the committees, Planning & Environment and Management & Operations, meet on a monthly basis. The remaining two, Affirmative Action and the Audit and Compliance 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.

In 1989, MAC staff reorganized into six functions which report to the Executive Director: Management & Operations—headed by the Deputy Executive Director-Airports; Planning/Environmental—headed by the Deputy Executive Director-Planning/Environment; Public Affairs—headed by the Assistant Executive Director; General Counsel—headed by MAC's in-house General Counsel; Labor/Legislative Relations; and Affirmative Action. A brief description of these functions follows.

MANAGEMENT & OPERATIONS

1. MSP International Airport Director

This department, in conjunction with the Maintenance Department, is responsible for the overall management and operation of the Minneapolis/St. Paul International Airport. The following cost centers fall under the supervision of this department: Fire, Police, WCF Administration, WCF Operations, HHH Terminal, Terminal Complex, Boiler Plant and Field & Runways.

2. Reliever Airports

These departments are responsible for supervising and coordinating the management, operation and maintenance of the Commission's six reliever airport facilities.

3. Finance

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

4. Personnel

This department is responsible for hiring, administering employee benefits, and maintaining accurate personnel files.

5. Management Information Systems

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.

6. 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 at Wold Chamberlain Field and the reliever airports are also responsibilities of this department.

PLANNING/ENVIRONMENTAL**1. Airport Planning & 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. Noise Abatement/Environmental

This department 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.

PUBLIC AFFAIRS**1. Public Affairs**

This department was created in the 1989 staff reorganization and is responsible for industry and congressional relations, internal and external communications, media relations, special events and communications to the public. The department also serves as the Commission's marketing division—promoting the resources of MSP International and the reliever airports both domestically and internationally.

LABOR & LEGISLATIVE RELATIONS**1. Labor and Legislative Relations**

This department is responsible for two separate functions: Legislative liaisons and Labor relations. Each has its own responsibilities and duties. 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.

GENERAL COUNSEL

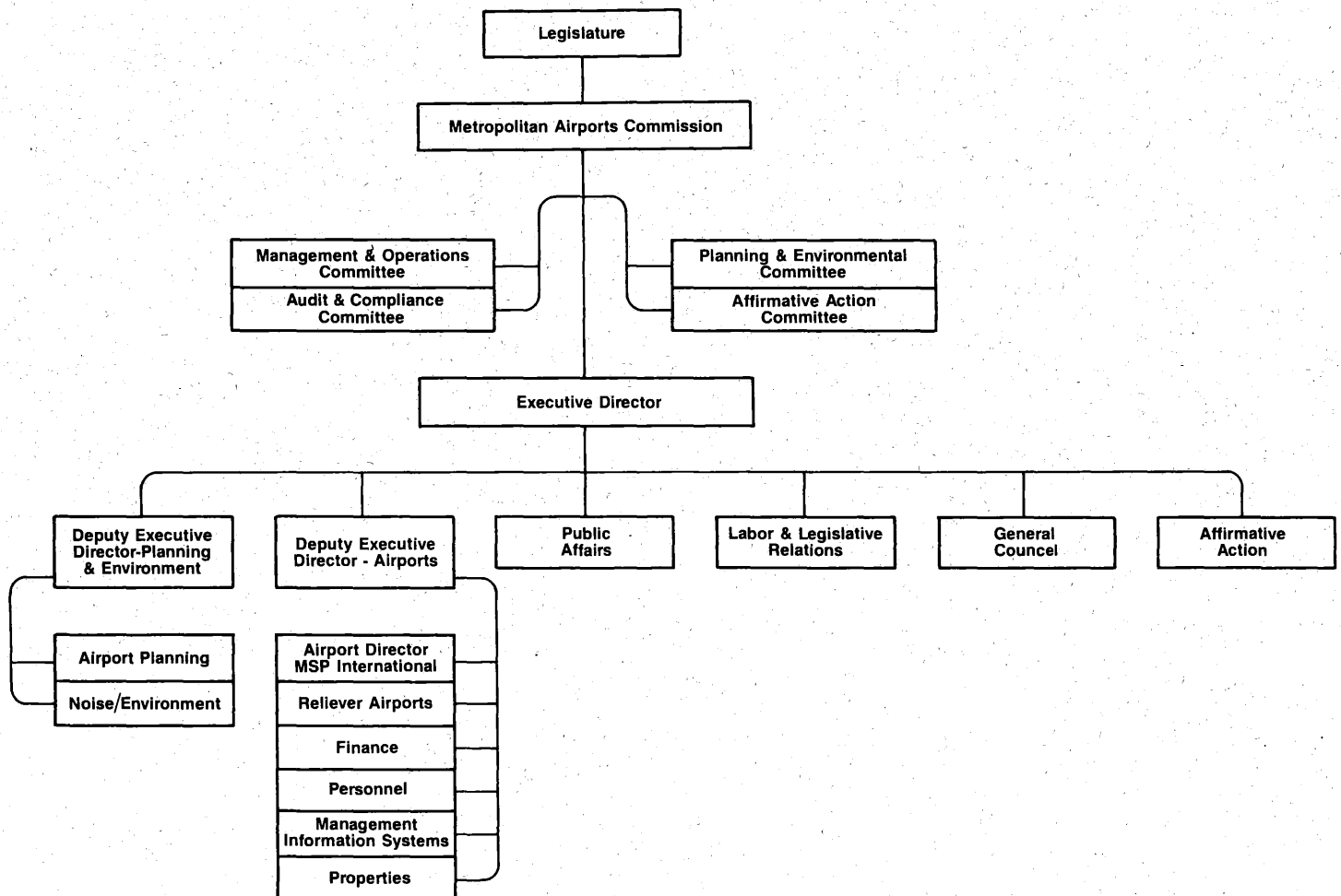
1. General Counsel

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. Affirmative Action

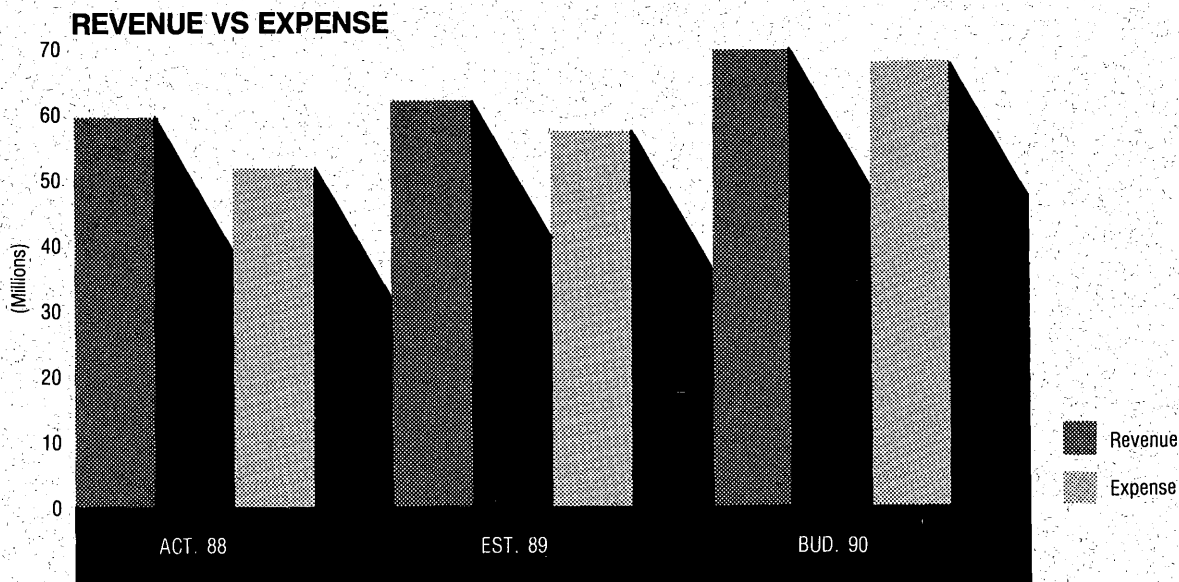
This department plans programs and responds to all questions, policies, reports, and/or planning that deal with Affirmative Action requirements.

Organizational Chart

SUMMARY OF REVENUE AND EXPENSE

	Main Office	Mpls-St. Paul International	Reliever Airports	Total 1990 Budget	Estimate 1989	Actual 1988
REVENUE						
Traffic	0	16,579,574	112,220	16,691,794	14,842,000	13,150,000
Commercial				0		
Concessions	0	28,047,862	11,652	28,059,514	25,886,700	23,546,000
Rentals	0	23,797,113	617,405	24,414,518	20,835,000	21,320,000
Utilities	0	1,230,000	100	1,230,100	1,050,000	1,172,000
Miscellaneous	0	1,550,016	124,000	1,674,016	1,975,000	1,694,000
Total Operating Revenue	0	71,204,565	865,377	72,069,942	64,588,700	60,882,000
EXPENSES						
Personnel	3,722,287	13,495,339	1,376,041	18,593,667	17,378,000	15,112,600
Administrative Expense	378,745	219,793	15,300	613,838	501,000	405,400
Professional Services	1,064,396	2,235,024	366,000	3,665,420	2,859,700	2,318,300
Utilities	83,760	3,824,248	148,801	4,056,809	3,922,000	3,809,100
Operating Services	290,268	5,072,553	0	5,362,821	5,145,900	4,374,800
Maintenance	111,278	6,616,687	479,334	7,207,299	5,849,900	5,352,400
Depreciation & Interest	465,619	26,324,837	1,179,071	27,969,527	20,779,000	21,150,500
Other	67,856	1,103,321	183,084	1,354,261	1,435,000	1,102,700
Total Operating Expenses	6,184,209	58,891,802	3,747,631	68,823,642	57,870,500	53,625,800
Net Revenues	(6,184,209)	12,312,763	(2,882,254)	3,246,300 ^A	6,718,200 ^A	7,256,200 ^A

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



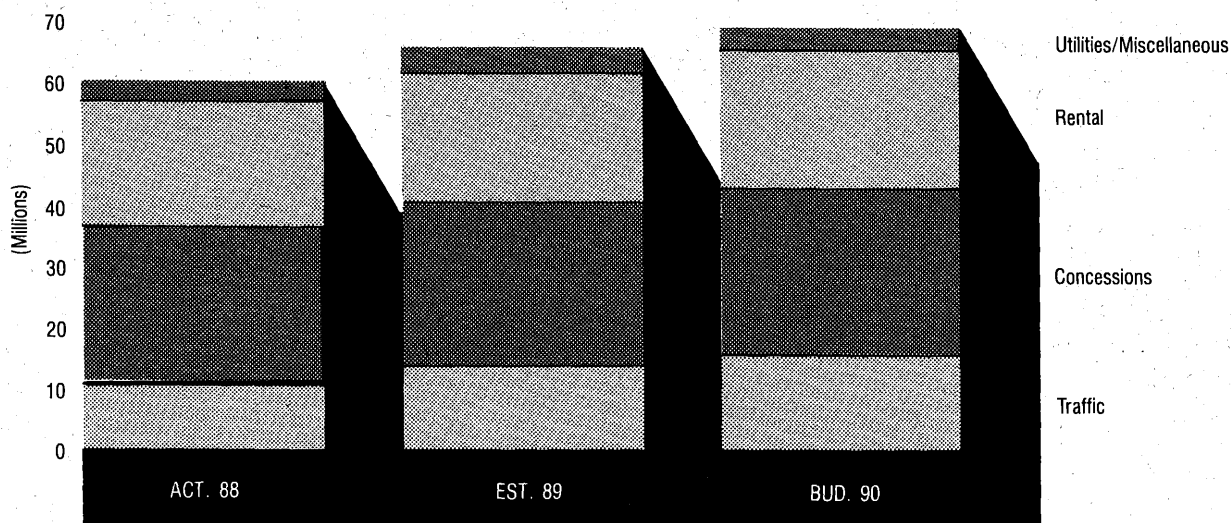
Operating Revenue

1990 OPERATING BUDGET

MINNEAPOLIS/ST. PAUL
METROPOLITAN
AIRPORTS
COMMISSION

	Mpls-St. Paul International	Reliever Airports	Total 1990 Budget	Estimate 1989	Actual 1988
REVENUE					
Traffic					
Landing Fees	13,458,178	0	13,458,178	11,610,000	10,935,000
Ramp Charges	2,950,096	0	2,950,096	2,955,000	1,949,000
Apron & Other Service	171,300	112,220	283,520	277,000	266,000
Total Traffic	16,579,574	112,220	16,691,794	14,842,000	13,150,000
Commercial					
Concessions					
Food Service	1,611,000	11,652	1,622,652	1,411,700	1,303,000
Auto Rental	5,138,836	0	5,138,836	4,650,000	4,595,000
News & Gifts	1,361,028	0	1,361,028	1,275,000	1,218,000
Auto Parking	17,735,000	0	17,735,000	16,200,000	14,750,000
In-Flite Catering	410,000	0	410,000	400,000	413,000
Other	1,791,998	0	1,791,998	1,950,000	1,267,000
Total Concessions	28,047,862	11,652	28,059,514	25,886,700	23,546,000
Rentals					
Terminal-Airlines	6,895,596	0	6,895,596	6,800,000	7,593,000
Terminal-Other	763,404	0	763,404	760,000	308,000
Ground & Building-Airlines	13,851,518	0	13,851,518	10,425,000	10,549,000
Ground & Building-Other	2,286,595	617,405	2,904,000	2,850,000	2,870,000
Total Rentals	23,797,113	617,405	24,414,518	20,835,000	21,320,000
Total Commercial	51,844,975	629,057	52,474,032	46,721,700	44,866,000
Utilities	1,230,000	100	1,230,100	1,050,000	1,172,000
Miscellaneous	1,550,016	124,000	1,674,016	1,975,000	1,694,000
Total Operating Revenue	71,204,565	865,377	72,069,942	64,588,700	60,882,000

OPERATING REVENUE



Estimates of revenue for 1990 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 current agreement with the airlines expired 1/20/89. Negotiations had not been finalized at the time the 1990 Budget was prepared. It was anticipated that an agreement would be reached by the end of 1989. Under the proposed agreement, the formulas for calculating the landing fee, ramp fee and terminal building rates were revised. The formulas were changed so that the calculation of the various rates would be simplified yet keep MAC revenue and charges to the airlines similar to those under the old calculation. Major changes occurred in the way Police, Fire, Equipment and Maintenance Labor were allocated to the various cost centers to determine the rates. The allocations for the landing fee calculation changed very little. Allocations for the ramp area and the terminal building changed substantially. Charges to the ramp increased while charges to the terminal building decreased. The base square footage used to determine the terminal building rates also changed.

The revised allocation percentages were the result of surveys taken with the Police, Fire and Maintenance Departments about how and where time and equipment are used. The last time these percentages were changed was in the early 1960s.

The following is a brief summary of projected 1990 revenues with a comparison to estimated 1989 results.

REVENUE CATEGORY	(Thousands)					1989 Est. vs 1990 Budget	
	1988 Budget	1988 Actual	1989 Budget	1989 Estimate	1990 Budget	Dollar Change	Percentage Change
Traffic	\$13,664	\$13,150	\$14,238	\$14,842	\$16,692	\$1,850	12.5%
Concessions	25,083	23,546	26,043	25,887	28,060	2,173	8.4%
Rental	21,865	21,320	20,541	20,835	24,415	3,580	17.2%
Utilities	870	1,172	1,110	1,050	1,230	180	17.1%
Miscellaneous	1,058	1,694	1,163	1,975	1,674	<301>	<15.2%>
Total Revenue	<u>\$62,540</u>	<u>\$60,882</u>	<u>\$63,095</u>	<u>\$64,589</u>	<u>\$72,071</u>	<u>\$7,482</u>	<u>11.6%</u>

TRAFFIC: LANDING FEES

The Landing Fee is based upon total estimated expense (excluding MAC's portion of New Planning Costs) in the Field & Runway cost center. By dividing total field and runway costs by the estimated landed weight (provided by the airlines), a landing fee is established for use during the year. In the past, the landing fee rate was based upon a breakeven philosophy in which total revenue equals total expense. Now, however, there will be a deficit in this cost center. This deficit is the result of New Airport Planning Costs, which are shared by MAC and the airlines. The deficit in this cost center will be equal to MAC's share of the New Airport Planning costs.

A comparison of actual 1986, 1987, and 1988, budgeted and estimated 1989, and budgeted 1990 landing fee rates, landed weight and revenue of the major carriers follows:

	1986 Actual	1987 Actual	1988 Actual	1989 Budget	1989 Estimate	1990 Budget
Landing Fee (rate per 1,000 lbs.)	\$.55	\$.65	\$.62	\$.64	\$.62	\$.70
Landed Weight (lbs.)	17,627,600	16,714,700	16,406,918	17,395,000	17,282,766	17,493,000
REVENUE	\$ 9,695,200	\$10,864,600	\$10,149,300	\$11,133,000	\$10,800,000	\$12,265,300

The increase in the rate between budgeted 1989 and budgeted 1990 is the result of an increase in expenses. The additional expense is due to: a) New Airport Planning consultants; b) Increased charges from the Metropolitan Council associated with their research on a possible new airport; and c) Additional noise costs relative to environmental concerns, insulation projects and increased staff. During this same period of time landed weight remained relatively constant.

The increase 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.

1990 budget numbers for landed weight provided by the airlines represent figures that we feel reflect what has happened the past couple of years and are consistent with 1988 actual and the 1989 estimate.

TRAFFIC: RAMP FEES

Aircraft parking ramp fees are calculated in the same manner as landing fees. The calculation is based upon a revised formula proposed in the airline lease negotiations. Ramp rental fees are determined by dividing the total estimated Terminal Ramp expenses by total lineal feet of ramp available. The rate is still based upon a break even philosophy where total revenue equals total expenses.

A comparison of actual 1986, 1987, and 1988, budgeted and estimated 1989 and budgeted 1990 ramp rates and revenue are as follows:

	1986 Actual	1987 Actual	1988 Actual	1989 Budget	1989 Estimate	1990 Budget
Ramp Fee (Rate per lineal foot)	\$186.34	\$177.15	\$186.48	\$332.11	\$321.17	\$335.60
REVENUE	\$1,653,581	\$1,572,029	\$1,654,824	\$2,947,144	\$2,850,063	\$2,978,147

From the chart it can be seen that there is a dramatic increase from actual 1988 to 1989 and 1990 rates. The figures for 1989 budget, 1989 estimate and 1990 budget represent rates calculated under the revised formula which reflects the changes in the expense allocations. In the revised formula, allocations for equipment, police, fire and administration increased. The base for the calculation remains the same under the revised formula and has not changed during the years shown (8,874 lineal feet). Because the base is small, any type of increase in expense will have a substantial impact on the rate.

CONCESSIONS

The 1990 budget for Concessions Revenues shows an 8.4% increase from the estimated 1989 amount. The two major components of concessions: Auto Parking (which accounts for approximately 63% of Total Concessions) and Auto Rental fees (which accounts for approximately 18% of Total Concessions) are both anticipated to show increases for 1990.

Parking Revenues are projected to show a 9.5% increase from the estimated 1989 level of \$16,200,000. The increase is due to the completion of the new ramp in October, 1989. Auto Rental fees are projected to increase by 10.5% to \$5,139,000 in 1990 over 1989 estimates. The 1990 projection is based upon information in the current lease which became effective July 1, 1988. The Auto Rental lease requires the firms to pay minimum rental fees plus a percentage (8.5%) of any gross revenue above these minimums. The additional revenue is a direct result of increased minimum fees.

All other revenues from remaining concessions are projected to increase 3.0%. These 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.

RENTALS: AIRLINE TERMINAL BUILDING RENTAL RATES

Terminal building rentals are calculated based upon a revised formula proposed in the airline lease negotiations. Under terms of the proposal (which does not include the Green or Gold Concourses) rates are calculated by allocating expense over the total rentable 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 break even or near break even philosophy. Under the proposed calculation, costs are recovered from the airlines in proportion to the rentable space they occupy in the terminal building.

A comparison of actual 1988, estimated 1989, and projected 1990 rates with percentage changes between 1989 and 1990 budget is as follows:

TERMINAL BUILDING RENTALS	1988 Actual	1989 Estimated	1990 Budget	% Change
Common Use	\$16.06/sq. ft.	\$16.22/sq. ft.	\$16.28/sq. ft.	0.4%
Unfinished	\$13.56/sq. ft.	\$16.22/sq. ft.	\$16.28/sq. ft.	0.4%
Finished	\$14.06/sq. ft.	\$16.22/sq. ft.	\$16.28/sq. ft.	0.4%
Finished-Janitored	\$18.76/sq. ft.	\$20.70/sq. ft.	\$20.22/sq. ft.	(2.3%)

In the table, the rates for 1989 estimate and 1990 budget have been calculated under the revised formula. Note that the 1989 estimate and 1990 budget have two rates rather than the four separate rates for 1988. The new rate structure is Exclusive (includes Common Use, Finished and Unfinished) and Finished Janitored. Little change in revenue is forecasted for Terminal Rent-Airlines between 1989 and 1990.

The Ground and Building-Airlines category of revenue shows an increase from estimated 1989 revenue of \$10,425,000 to \$13,852,000 in 1990. This increase is due to self-liquidating rentals, which 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 expired 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. The completion of the Northwest Airlines 747 Maintenance Facility in early 1990 will add approximately \$2,795,000 in self-liquidating rental revenue.

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.

The 10% increase is the result of adding new meters and replacing meters that were not functioning properly during 1988 and 1989.

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 Metropolitan Airports Commission initially and then billed back to tenants and makes up approximately 55% of the total in this category. In prior years, Reimbursed Expense accounted for approximately 35% of the revenue in Miscellaneous. However, beginning in 1989, charges for Police/Fire/Administration were billed back to Northwest Airlines for the Gold Concourse in accordance with their lease. The other major source of revenue is shuttle bus services which accounts for approximately 28% of revenue in this category. MAC took over the Lindbergh/Humphrey Terminal shuttle system in 1987. This shuttle service generates approximately \$432,000 in revenue from employees purchasing parking cards. Remaining revenue in this category is from items such as parking tickets and cleaning & maintenance services contracted out for by various airlines.

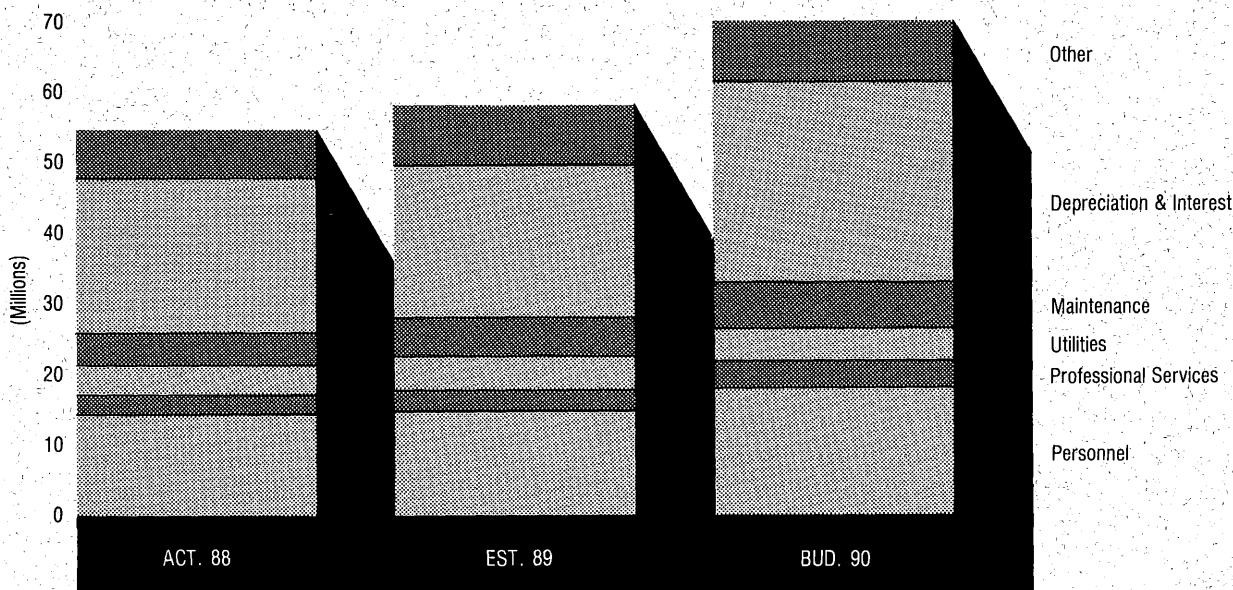
Operating Expense

1990 OPERATING BUDGET

MINNEAPOLIS/ST. PAUL
METROPOLITAN
AIRPORTS
COMMISSION

	Main Office	Mpls-St. Paul International	Reliever Airports	Total 1990 Budget	Estimate 1989	Actual 1988
EXPENSES						
Personnel						
Salaries & Wages	2,884,015	10,494,881	1,071,181	14,450,077	13,250,000	11,768,900
Benefits	811,872	3,000,458	304,860	4,117,190	4,100,000	3,311,800
Commissioner Per Diem	26,400	0	0	26,400	28,000	31,900
Total Personnel	3,722,287	13,495,339	1,376,041	18,593,667	17,378,000	15,112,600
Administrative Expense	378,745	219,793	15,300	613,838	501,000	405,400
Professional Services	1,064,396	2,235,024	366,000	3,665,420	2,859,700	2,318,300
Utilities	83,760	3,824,248	148,801	4,056,809	3,922,000	3,809,100
Operating Services						
Parking Management	0	3,020,306	0	3,020,306	2,725,000	2,409,600
Shuttle Bus	0	1,302,185	0	1,302,185	1,175,000	897,500
Other	290,268	750,062	0	1,040,330	1,245,900	1,067,700
Total Operating Services	290,268	5,072,553	0	5,362,821	5,145,900	4,374,800
Maintenance						
Building	18,753	1,543,257	49,130	1,611,140	1,500,000	1,682,900
Field	0	1,361,915	301,640	1,663,555	1,025,000	1,003,100
Equipment	57,275	1,100,779	86,782	1,244,836	949,900	513,000
Cleaning	35,250	2,610,736	41,782	2,687,768	2,375,000	2,153,400
Total Maintenance	111,278	6,616,687	479,334	7,207,299	5,849,900	5,352,400
Depreciation & Interest	465,619	26,324,837	1,179,071	27,969,527	20,779,000	21,150,500
Other						
General Insurance	41,256	684,264	111,624	837,144	850,000	837,500
Rental-Snow Equipment	0	272,112	60,000	332,112	425,000	116,800
Rental-Other Equipment	1,000	65,778	500	67,278	50,000	30,000
Other	25,600	81,167	10,960	117,727	110,000	118,400
Total Other	67,856	1,103,321	183,084	1,354,261	1,435,000	1,102,700
Total Operating Expenses	6,184,209	58,891,802	3,747,631	68,823,642	57,870,500	53,625,800

OPERATING EXPENSE



The 1990 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 \$68,823,642.

The chart shows the major expense categories and the variances between the 1989 estimates and the proposed 1990 budget.

EXPENSE CATEGORY	(Thousands)					1989 Est. vs 1990 Budget	
	1988 Budget	1988 Actual	1989 Budget	1989 Estimates	1990 Budget	Dollar Change	Percentage Change
Personnel	\$15,513	\$15,113	\$17,453	\$17,378	\$18,594	\$1,216	7.0%
Admin. Supplies	481	405	501	501	614	113	22.6%
Prof. Services	2,062	2,318	2,710	2,860	3,665	805	28.1%
Utilities	3,698	3,809	4,072	3,922	4,057	135	3.4%
Operating Serv.	4,515	4,375	4,785	5,146	5,363	217	4.2%
Maintenance	5,589	5,352	5,941	5,850	7,207	1,357	23.2%
Depr. & Int.	20,626	21,151	20,911	20,779	27,970	7,191	34.6%
Other	1,540	1,103	1,365	1,435	1,354	< 81 >	< 5.6% >
Total Expense	<u>\$54,024</u>	<u>\$53,626</u>	<u>\$57,738</u>	<u>\$57,871</u>	<u>\$68,824</u>	<u>\$10,953</u>	<u>18.9%</u>

PERSONNEL

Personnel costs for 1990 are projected to increase 7%, or \$1.2 million over estimated 1989 costs. This increase is due to additional staff hired in 1989 and personnel approved for 1990.

In 1989, a reorganization within the MAC took place. The Commission approved the reorganization along with eight new positions. This change along with the nine new positions approved for 1990 will help MAC provide a number of additional services to its employees, airport tenants and traveling public. These include: creation of a Communications/Public Information Department to keep both the MAC employees and the public abreast of changes taking place at the airport; additional police support for the Narcotics Division; a Ground Transportation Department to coordinate and monitor all of the various Ground Transportation Systems at the airport; additional Environmental/Noise Staff to handle public concerns and coordinate and report on environmental problems at all MAC airports; additional Maintenance Staff to respond to equipment, field problems, and tenant requests in a more timely manner.

The salaries and benefits for the positions (see personnel chart on page 50) make up approximately 60% of the increase. The remainder of the increase is attributed to projected wage adjustments and contract settlements.

Benefit costs are projected to increase \$17,000 over 1989 estimates. The following table illustrates the fluctuations in benefits from 1988 to 1990.

	<u>Budget 1988</u>	<u>Actual 1988</u>	<u>Budget 1989</u>	<u>Estimated 1989</u>	<u>Budget 1990</u>
Benefits (000)	\$2,782	\$3,312	\$3,682	\$4,100	\$4,117

Employee Pension and Employee Insurance together make up approximately 87% of benefits. In 1989, there were three extraordinary items which caused benefits to be \$418,000 over budget: 1) MERF (Minnesota Employees Retirement Fund) charged to MAC \$107,000 in additional fees because the actual unfunded liability portion and administrative costs were much greater than the figures they provided for the 1989 budget; 2) Major losses not anticipated in the employee insurance area totaled \$225,000; 3) Greater utilization of the MAC health plan than anticipated equaled \$75,000 of the variance.

ADMINISTRATIVE SUPPLIES

This category is projected to increase 22.6% or \$113,000 from 1989 to 1990. The majority of the increase (75%) is the result of the additional Commissioner travel. In 1989, a law was passed creating four outstate positions on the Commission. These four new Commissioners are anticipated to average two to three trips to the Twin Cities per month to attend regular meetings. In addition, they are budgeted for two outstate trips to participate in AOCI, AAAE, and Legislative Conferences that will involve MAC.

PROFESSIONAL SERVICES

During 1989, MAC staff did an analysis of the Professional Services category. It was determined that a number of items currently being classified as professional services should not be in that category. For that reason, a number of items were reclassified from Professional Services to Operating Services. The major items and the 1990 budgeted dollars reclassified were advertising costs for ad placement (\$287,000), environmental maintenance (\$210,000), Met Council fees (\$96,000), bank charges (\$61,800), security charges (\$90,000), noise information reproduction charges and copy center operating costs (\$66,500), printing, typesetting and miscellaneous fees (\$48,000). In all expense charts, Professional Services and Operating Services have been restated to reflect these changes.

Professional Services are projected to increase 28.1% or \$805,000 in 1990 over the 1989 estimates. The increase is due to consultant costs associated with the New Airport Planning and the Airport Master Plan. These consultants will be responsible for the conceptual design and layout of the potential new airport. These plans will aid the Met Council in their search for a site. This conceptual plan is required by law, and 1990 costs are estimated at \$800,000.

The following chart shows a more complete list of some of the major professional service categories, the respective departments, and dollars allocated for the 1990 budget.

TYPE OF SERVICE	DEPARTMENT	DOLLARS
Accounting & Audit Fees	Finance	\$119,000
Insurance Consultants	Deputy-Airports	\$86,000
Public Information	Communications/Public Info.	\$100,000
	Field & Runway	\$24,000
Legal	Noise/Environmental	\$150,000
	General Counsel	\$286,000
	Reliever Airports	\$50,000
Computer Services	Management Inform. Services	\$32,000
	Airport Development	\$10,000
	Parking Facilities	\$256,000
Legislative	Labor/Legislative Relations	\$75,000
	General Counsel	\$24,000
Engineering	Reliever Airports	\$65,000
	Field & Runway	\$767,000
	Terminal Building	\$114,000
Environmental	Reliever Airports	\$251,000
	Noise/Environmental	\$252,000
Architects	Terminal Bldg.	\$119,000
New Airport Planning	Field & Runway	\$406,000
Appraisal/RFP/Lease	Properties	\$110,000
		\$3,296,000

UTILITIES

Anticipated price changes for 1990 were obtained from various utility companies that provide service to the MAC. Types of service and anticipated changes include:

Electricity: 5% Increase

Natural Gas: Minnegasco and NSP project no increase in price while Peoples Natural Gas projects an 11% increase. (These companies provide 99.5% of the natural gas consumed by MAC.)

Fuel Oil: 6% Increase

Water: No Increase

Sewer: 4% Increase

Within the current budget, electricity accounts for 41%; natural gas and fuel oil together comprise 21% of the utility budget. Water and sewer charges represent 34% of the utility budget. They have increased because new meters have been added and non-functioning meters in the field and the Lindbergh Terminal have been replaced.

The City of Minneapolis bills MAC for the total consumption of water and sewer at the airport. MAC recovers the majority of these charges by billing tenants for their consumption on a monthly or quarterly basis. In addition, a portion of the charges are recovered through the terminal building rates.

Usage for Fuel Oil, Natural Gas and Electricity is anticipated to remain relatively constant compared to estimated consumption in 1989 and actual 1988.

OPERATING SERVICES

In this category, 80% of the expenses 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 average about 18% of gross revenue. These costs are projected to increase approximately 10% in 1990 over the 1989 estimated costs. The increase in operational costs is the result of added expense associated with the new parking deck, including eight new exit booths, eight full-time employees, and eight part-time employees.

Shuttle bus services are anticipated to increase 11% in 1990 over 1989 estimates due to additional service between the Humphrey/Lindbergh Terminal. The three routes currently in place are: The Regional Terminal/Lindbergh Terminal, Humphrey Terminal/Lindbergh Terminal and the Auto Rental Facility/Lindbergh Terminal.

In 1990 a number of expense items were reclassified from Professional Services to Operating Services. (See Professional Services explanation for details.) All expense and summary charts have been restated to reflect these changes.

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

MAINTENANCE

This category has four components: building, field, equipment and cleaning. These costs are projected to increase by \$1,147,000 over the estimated 1989 costs. Approximately 90% of this increase is in the field, equipment, and cleaning categories.

Field expenses are projected to increase \$428,000 or 42% in 1990 over 1989 estimates. The two major items which make up the increase are snow removal and asphalt/cement costs.

During 1989, the moisture content of the snow was very low and as a result, little amounts of sand, salt and urea were used. The 1990 budget is based upon average winter weather conditions and are in line with 1989 budgeted amounts as shown in the chart:

	<u>1989 Budget</u>	<u>1989 Estimate</u>	<u>1990 Budget</u>
Snow Removal Costs	\$723,000	\$537,000	\$702,000

Asphalt and cement costs include materials needed to repair the ramp area, runways and roads. These costs are projected to increase \$200,000 in 1990 over 1989 estimates. This increase is attributed to the fact that in 1989 we were able to use material left over from previous years and we were able to pick up a contractor's excess at a substantial savings. In addition, the Maintenance Department typically repairs 15 to 20 gate areas on the ramp per year. However, due to necessary repairs to the runways, only 2-4 gate areas will be completed in 1989. The delay in gate area repairs has caused costs for cement and concrete saw blades to increase in 1990.

Equipment maintenance expenses are projected to increase \$296,000 or 31% in 1990 over 1989 estimates. Repair parts for field equipment is the major item in this category. The costs and installation of these parts tends to vary with the degree of severity in winter weather. Also, additional dollars have been budgeted in 1990 for parts to maintain the new revenue control system used in the parking facilities.

DEPRECIATION AND INTEREST

Depreciation and Interest will make up 40.6% of the total MAC budget in 1990. Estimates for Depreciation and Interest are based on the Capital Improvement Program and Plan which will be recommended to the Commission in late Fall 1989. 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 for 1990. During 1989 and 1990, approximately \$145 million worth of projects are expected to be completed. This total includes the following major items:

<u>Major Projects</u>	<u>Estimated Total Cost</u>	<u>1990 Additional Depreciation and Interest</u>
General Office Addition	\$ 1,950,000	\$202,895
Noise Insulation-Schools	3,500,000	271,853
Inbound/Outbound Roadway Improvements	5,200,000	598,422
1989 Pavement Rehabilitation	1,700,000	49,026
Runway 4/22 Rehabilitation	9,500,000	341,165
1990 Pavement Rehabilitation	3,500,000	16,878
Runway 11R/29L Pavement Rehabilitation	9,000,000	43,399
Taxiway E Realignment & Exit Taxiway	2,700,000	13,020
Folded Plate Ceiling Rehabilitation	2,175,000	228,495
Red Concourse Interior Rehabilitation and Mechanical System Conversion	3,300,000	116,303
Parking Structure	28,500,000	3,279,876
NWA Hangar	45,000,000	2,794,850
	<u>\$116,025,000</u>	<u>\$7,956,182</u>
New Equipment	\$ 2,183,000	\$ 266,210
TOTALS	<u>\$118,208,000</u>	<u>\$8,222,392</u>

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 proposed projects' financial impact.

OTHER

General Insurance and the rental of snow removal equipment comprise 86% of the expense in this category. Both of these items are projected to be in line with 1989 budgeted levels:

	1988 Actual	1989 Budget	1989 Estimates	1990 Budget
General Insurance	\$837,500	\$858,800	\$850,000	\$837,000
Rental - Snow Equipment	\$116,800	\$346,800	\$425,000	\$332,100

The chart shows that General Insurance has very little fluctuation in dollars between 1988 actual and 1990 budget. However, Rental-Snow Equipment moves up and down substantially between 1988 actual and 1990 budget. The reason for this is that a number of invoices for 1988 activity were received and paid well after 1988 was closed out, thus making 1988 expense low and 1989 expense high.

The remaining items in this category include licenses and taxes and other equipment rental.

Total Detail Expense Summary

1990 OPERATING BUDGET

MINNEAPOLIS/ST. PAUL

METROPOLITAN

AIRPORTS

COMMISSION

	Total	Main Office	Mpls/St. Paul Int'l	Reliever Airports
Personnel				
Exempt	3,179,666	1,814,740	1,225,421	139,505
Non-Exempt	3,486,228	812,815	2,572,022	101,391
Public Safety	1,846,277	0	1,846,277	0
Maintenance	4,803,737	9,449	4,093,169	701,119
Temps/Seasonal	372,881	78,576	220,815	73,490
Holiday	545,012	120,571	384,032	40,409
Sick	216,276	47,864	153,145	15,267
Pension	1,863,178	356,159	1,363,248	143,771
Employee Insurance	1,705,812	313,992	1,269,972	121,848
Workers Compensation	200,004	12,804	169,020	18,180
Continuing Education	172,050	107,850	57,700	6,500
Uniforms	77,682	1,505	68,577	7,600
Per Diem	26,400	26,400	0	0
Other	98,464	19,562	71,941	6,961
Total Personnel	18,593,667	3,722,287	13,495,339	1,376,041
Administration Supplies				
Office Supplies	75,008	41,350	32,408	1,250
Computer Supplies	43,125	35,175	6,950	1,000
Engineering Supplies	2,500	2,500	0	0
Stationery/Printing	25,285	9,840	14,445	1,000
Postage	40,740	30,000	9,240	1,500
Delivery Service	9,665	6,940	2,725	0
Freight	2,360	1,000	1,360	0
Travel	275,778	186,118	81,460	8,200
Memberships, Subscripts, etc.	51,843	39,643	10,850	1,350
Local Meetings	21,894	16,599	4,295	1,000
Other	65,640	9,580	56,060	0
Total Administration Supplies	613,838	378,745	219,793	15,300
Professional Services				
Accounting & Audit	119,300	119,300	0	0
Insurance Consultants	86,484	86,484	0	0
Graphic/Printer	17,800	17,800	0	0
Underwriting Fees	6,000	6,000	0	0
Public Information Fees	124,008	100,008	24,000	0
Legal Fees	486,004	286,004	150,000	50,000
Labor Relations	40,000	40,000	0	0
Computer Services	307,200	43,700	263,500	0
Legislative Fees	99,000	99,000	0	0
Engineering Fees	966,032	10,000	891,032	65,000
Environmental Consultants	503,004	0	252,004	251,000
Architectural Fees	139,000	10,000	129,000	0
New Airport Planning	406,288	0	406,288	0
Employment Fees	19,000	19,000	0	0
Appraisal/RFP/Lease	110,000	110,000	0	0
Miscellaneous - Medical	39,200	12,000	27,200	0
Miscellaneous - Other	197,100	105,100	92,000	0
Total Professional Services	3,665,420	1,064,396	2,235,024	366,000

Total Detail Expense Summary (CONTINUED)

1990 OPERATING BUDGET

MINNEAPOLIS/ST. PAUL

METROPOLITAN

AIRPORTS

COMMISSION

	Total	Main Office	Mpls/St. Paul Int'l	Reliever Airports
Utilities				
Telephone	133,500	35,400	83,460	14,640
Electricity	1,665,584	32,638	1,550,332	82,614
Sewer	856,454	852	850,950	4,652
Water	536,653	935	531,768	3,950
Heating Fuel	864,618	13,935	807,738	42,945
Total Utilities	4,056,809	83,760	3,824,248	148,801
Operating Services				
Parking - Management Exp	3,020,306	0	3,020,306	0
Parking - Lot Tickets	49,050	0	49,050	0
Advertising - Employment	28,000	28,000	0	0
Advertising - Noise	75,000	0	75,000	0
Advertising - Parking	133,000	0	133,000	0
Advertising - Other	51,000	51,000	0	0
Cab Starter	240,000	0	240,000	0
Metropolitan Council	96,000	0	96,000	0
Pollution Control	42,000	0	42,000	0
Shuttle Bus	1,302,185	0	1,302,185	0
Security	90,000	0	90,000	0
Bank Charges	61,800	61,800	0	0
Copy Agreements	66,508	56,508	10,000	0
Miscellaneous	107,972	92,960	15,012	0
Total Operating Services	5,362,821	290,268	5,072,553	0
Maintenance - Building				
Electrical	92,316	1,820	77,396	13,100
Shop	31,375	0	28,875	2,500
Plumbing	101,870	3,063	94,197	4,610
Painting	59,830	0	57,830	2,000
Carpentry	55,778	930	52,348	2,500
Temperature Control	422,446	10,720	400,826	10,900
Roofing	36,700	530	31,370	4,800
Doors	75,426	190	72,236	3,000
Elevators	68,334	1,500	66,834	0
Carousels	385,500	0	385,500	0
Tools	30,152	0	28,652	1,500
Other	251,413	0	247,193	4,220
Total Maintenance - Building	1,611,140	18,753	1,543,257	49,130
Maintenance - Field				
Electrical	136,440	0	119,980	16,460
Shop Supplies	15,000	0	15,000	0
Painting	46,105	0	37,145	8,960
Carpentry	5,580	0	5,580	0
Sand	110,500	0	98,000	12,500
Salt	132,607	0	132,007	600
Asphalt/Cement	293,506	0	271,506	22,000
Landscaping/Turf Maintenance	18,000	0	15,500	2,500
Snow	245,500	0	240,000	5,500
Fencing	55,800	0	51,300	4,500
Urea	213,697	0	209,997	3,700
Tools	69,600	0	68,400	1,200
Environment	210,000	0	0	210,000
Other	111,220	0	97,500	13,720
Total Maintenance - Field	1,663,555	0	1,361,915	301,640

Total Detail Expense Summary (CONTINUED)

1990 OPERATING BUDGET

MINNEAPOLIS/ST. PAUL

METROPOLITAN

AIRPORTS

COMMISSION

	Total	Main Office	Mpls/St. Paul Int'l	Reliever Airports
Maintenance - Equipment				
Parts	807,945	5,725	767,620	34,600
Radio Maintenance	27,300	3,000	21,540	2,760
Gas & Oil	154,558	6,000	116,186	32,372
Minor Equipment	149,830	25,750	116,780	7,300
Shop Supplies	29,750	0	26,000	3,750
Other	75,453	16,800	52,653	6,000
Total Maintenance - Equipment	1,244,836	57,275	1,100,779	86,782
Maintenance - Cleaning				
Towel/Laundry	8,610	0	8,610	0
Janitor Contract	2,076,216	35,100	2,021,136	19,980
Rubbish Disposal	408,100	0	395,100	13,000
Janitor Supplies	194,842	150	185,890	8,802
Total Maintenance - Cleaning	2,687,768	35,250	2,610,736	41,782
Depreciation And Interest				
Depreciation	15,004,450	282,672	13,542,707	1,179,071
Interest	12,965,077	182,947	12,782,130	0
Total Depreciation and Interest	27,969,527	465,619	26,324,837	1,179,071
Other				
General Insurance	837,144	41,256	684,264	111,624
Rental - Snow Equipment	332,112	0	272,112	60,000
Rental - Field Equipment	24,318	0	24,318	0
Rental - Copier	7,800	0	7,800	0
Rental - Other	35,160	1,000	33,660	500
Licenses & Taxes	57,000	2,000	45,000	10,000
Other	60,727	23,600	36,167	960
Total Other	1,354,261	67,856	1,103,321	183,084
Grand Total	68,823,642	6,184,209	58,891,802	3,747,631

Main Office Summary

1990 OPERATING BUDGET

MINNEAPOLIS/ST. PAUL
METROPOLITAN
AIRPORTS
COMMISSION

	Total	Main Office Building/ Executive	Public Information	Deputy Airports	Planning & Development	Finance	Mgmt Inform Systems	Labor/ Legislative Relations	Properties	Affirmative Action	General Counsel	Personnel
Personnel												
Exempt	1,814,740	91,462	123,792	127,723	410,270	394,449	61,397	117,845	164,052	81,396	115,093	127,261
Non-Exempt	812,815	91,524	30,732	0	48,331	392,085	88,066	0	63,188	21,170	30,958	46,761
Maintenance	9,449	9,449	0	0	0	0	0	0	0	0	0	0
Temps/Seasonal	78,576	0	3,264	0	0	7,944	0	0	3,264	3,264	7,056	53,784
Holiday	120,571	8,207	7,048	5,720	20,562	35,125	6,746	5,290	10,268	4,685	6,788	10,132
Sick	47,864	3,368	2,844	2,348	8,386	14,163	2,750	2,165	4,144	1,874	2,669	3,153
Pension	356,159	26,079	20,918	16,159	60,162	105,008	21,431	16,289	30,327	14,440	19,038	26,308
Employee Ins	313,992	28,116	14,064	9,372	46,860	112,464	18,744	9,372	23,436	14,064	14,064	23,436
Workers Comp	12,804	1,164	576	384	1,944	4,468	780	384	976	576	576	976
Cont Education	107,850	2,800	4,000	0	10,400	6,950	9,200	60,000	5,000	5,000	4,500	0
Uniforms	1,505	280	0	0	0	1,225	0	0	0	0	0	0
Per Diem	26,400	26,400	0	0	0	0	0	0	0	0	0	0
Other	19,562	1,358	1,146	952	3,412	5,862	1,113	880	1,691	763	1,091	1,294
Total Personnel	3,722,287	290,207	208,384	162,658	610,327	1,079,743	210,227	212,225	306,346	147,232	201,833	293,105
Administration Supplies												
Office Supplies	41,350	26,100	2,500	1,100	2,000	5,400	200	1,200	1,000	750	600	500
Computer Supplies	35,175	0	500	0	12,000	3,375	17,000	300	1,500	0	300	200
Engineer Supplies	2,500	0	0	0	2,500	0	0	0	0	0	0	0
Stationery/Printing	9,840	0	5,040	0	0	3,000	0	1,000	0	800	0	0
Postage	30,000	30,000	0	0	0	0	0	0	0	0	0	0
Delivery Service	6,940	1,300	1,100	250	1,200	300	0	840	1,000	0	750	200
Freight	1,000	1,000	0	0	0	0	0	0	0	0	0	0
Travel	186,118	85,900	8,900	6,500	20,000	11,718	2,400	5,150	19,000	9,600	11,800	5,150
Memb, Subs, etc.	39,643	20,770	1,400	325	1,000	2,248	2,400	2,000	2,000	2,500	4,000	1,000
Local Meetings	16,599	1,200	2,500	0	1,000	949	900	4,175	600	900	200	4,175
Other	9,580	2,100	480	0	1,600	1,200	0	0	500	3,000	500	200
Total Admn Supplies	378,745	168,370	22,420	8,175	41,300	28,190	22,900	14,665	25,600	17,550	18,150	11,425
Professional Services												
Account & Audit	119,300	0	0	0	0	119,300	0	0	0	0	0	0
Insurance Consult	86,484	0	0	86,484	0	0	0	0	0	0	0	0
Graphic/Printer	17,800	0	0	3,300	0	14,500	0	0	0	0	0	0
Underwriting Fees	6,000	0	0	0	0	6,000	0	0	0	0	0	0
Public Info Fees	100,008	0	100,008	0	0	0	0	0	0	0	0	0
Legal Fees	286,004	0	0	0	0	0	0	0	0	0	286,004	0
Labor Relations	40,000	0	0	0	0	0	0	40,000	0	0	0	0
Computer Servcs	43,700	0	0	0	10,000	1,400	32,300	0	0	0	0	0
Legislative Fees	99,000	0	0	0	0	0	0	75,000	0	0	24,000	0
Engineering Fees	10,000	0	0	0	10,000	0	0	0	0	0	0	0
Architectural Fees	10,000	0	0	0	10,000	0	0	0	0	0	0	0
Employment Fees	19,000	0	0	0	0	0	0	0	0	0	0	19,000
Apprais/Rfp/Lease	110,000	0	0	0	0	0	0	0	110,000	0	0	0
Misc - Medical	12,000	0	0	0	0	0	0	0	0	0	0	12,000
Misc - Other	105,100	17,000	15,000	50,200	0	0	0	0	0	18,900	0	4,000
Total Pro Services	1,064,396	17,000	115,008	139,984	30,000	141,200	32,300	115,000	110,000	18,900	310,004	35,000
Utilities												
Telephone	35,400	35,400	0	0	0	0	0	0	0	0	0	0
Electricity	32,638	32,638	0	0	0	0	0	0	0	0	0	0
Sewer	852	852	0	0	0	0	0	0	0	0	0	0
Water	935	935	0	0	0	0	0	0	0	0	0	0
Heating Fuel	13,935	13,935	0	0	0	0	0	0	0	0	0	0
Total Utilities	83,760	83,760	0	0	0	0	0	0	0	0	0	0

MINNEAPOLIS/ST. PAUL
METROPOLITAN
AIRPORTS
COMMISSION

	Total	Main Office Building/ Executive	Public Information	Deputy Airports	Planning & Development	Finance	Mgmt Inform Systems	Labor/ Legislative Relations	Properties	Affirmative Action	General Counsel	Personnel
Operating Services												
Advertising-Empl	28,000	0	0	0	0	0	0	0	0	0	0	28,000
Advertising-Other	51,000	0	51,000	0	0	0	0	0	0	0	0	0
Bank Charges	61,800	0	0	0	0	61,800	0	0	0	0	0	0
Copy Agreements	56,508	56,508	0	0	0	0	0	0	0	0	0	0
Miscellaneous	92,960	0	80,000	0	0	12,960	0	0	0	0	0	0
Total Operating Serv	290,268	56,508	131,000	0	0	74,760	0	0	0	0	0	28,000
Maintenance - Building												
Electrical	1,820	1,820	0	0	0	0	0	0	0	0	0	0
Plumbing	3,063	3,063	0	0	0	0	0	0	0	0	0	0
Carpentry	930	930	0	0	0	0	0	0	0	0	0	0
Temp Control	10,720	10,720	0	0	0	0	0	0	0	0	0	0
Roofing	530	530	0	0	0	0	0	0	0	0	0	0
Doors	190	190	0	0	0	0	0	0	0	0	0	0
Elevators	1,500	1,500	0	0	0	0	0	0	0	0	0	0
Total Mainten-Bldg	18,753	18,753	0	0	0	0	0	0	0	0	0	0
Maintenance - Equipment												
Parts	5,725	4,500	0	0	0	1,225	0	0	0	0	0	0
Radio Maintenance	3,000	3,000	0	0	0	0	0	0	0	0	0	0
Gas & Oil	6,000	6,000	0	0	0	0	0	0	0	0	0	0
Minor Equipment	25,750	18,000	3,000	0	4,000	750	0	0	0	0	0	0
Other	16,800	4,500	0	0	0	0	12,300	0	0	0	0	0
Total Maint-Equip	57,275	36,000	3,000	0	4,000	1,975	12,300	0	0	0	0	0
Maintenance - Cleaning												
Janitor Contract	35,100	35,100	0	0	0	0	0	0	0	0	0	0
Janitor Supplies	150	150	0	0	0	0	0	0	0	0	0	0
Total Maint-Cleaning	35,250	35,250	0	0	0	0	0	0	0	0	0	0
Depreciation and Interest												
Depreciation	282,672	282,672	0	0	0	0	0	0	0	0	0	0
Interest	182,947	182,947	0	0	0	0	0	0	0	0	0	0
Total Deprec & Int	465,619	465,619	0	0	0	0	0	0	0	0	0	0
Other												
General Insurance	41,256	41,256	0	0	0	0	0	0	0	0	0	0
Rental-Other	1,000	1,000	0	0	0	0	0	0	0	0	0	0
Licenses & Taxes	2,000	2,000	0	0	0	0	0	0	0	0	0	0
Other	23,600	12,000	0	0	300	7,800	0	0	3,500	0	0	0
Total Other	67,856	56,256	0	0	300	7,800	0	0	3,500	0	0	0
Grand Total	6,184,209	1,227,723	479,812	310,817	685,927	1,333,668	277,727	341,890	445,446	183,682	529,987	367,530

Minneapolis/St. Paul International Expense Summary

1990 OPERATING BUDGET

 MINNEAPOLIS/ST. PAUL
METROPOLITAN
AIRPORTS
COMMISSION

	Total	Field Runway	Field Maintenance Employees	Equipment Maintenance	Maintenance Building	Off- Airport Noise	Noise Abate- ment	Ramp	Terminal Building	Green Con- course	Boiler Plant	Self Liquid Facilities
Personnel												
Exempt	1,225,421	0	325,235	0	0	0	186,615	0	145,101	0	42,864	0
Non-Exempt	2,572,022	0	23,119	0	0	0	147,628	0	24,484	0	0	0
Public Safety	1,846,277	0	0	0	0	0	0	0	0	0	0	0
Maintenance	4,093,169	0	3,263,645	0	21,073	0	0	0	351,694	0	414,607	0
Temps/Seasonal	220,815	0	164,991	0	0	0	27,552	0	3,264	0	0	0
Holiday	384,032	0	139,989	0	0	0	14,242	0	22,612	0	18,081	0
Sick	153,145	0	54,894	0	0	0	5,515	0	9,210	0	7,418	0
Pension	1,363,248	0	498,627	0	0	0	44,201	0	77,489	0	62,155	0
Employee Insurance	1,269,972	0	435,816	0	0	0	60,924	0	70,296	0	56,232	0
Workers Comp	169,020	0	64,440	0	0	0	2,520	0	10,080	0	8,280	0
Continuing Ed	57,700	0	0	0	0	0	8,500	0	400	0	6,000	0
Uniforms	68,577	0	10,200	0	0	0	0	0	6,400	0	0	0
Other	71,941	0	26,608	0	0	0	2,473	0	3,870	0	3,382	0
Total Personnel	13,495,339	0	5,007,564	0	21,073	0	500,170	0	724,900	0	619,019	0
Administration Supplies												
Office Supplies	32,408	2,400	0	0	300	0	3,600	0	200	0	200	0
Computer Supplies	6,950	0	0	0	0	0	1,200	0	750	0	0	0
Stationery/Printing	14,445	2,400	0	0	0	0	0	0	0	0	0	0
Postage	9,240	0	0	0	0	0	0	0	0	0	0	0
Delivery Service	2,725	1,000	0	0	0	0	1,000	0	275	0	0	0
Freight	1,360	480	0	0	0	0	200	0	480	0	0	0
Travel	81,460	11,500	0	0	2,000	0	11,230	0	250	0	900	0
Member/Sub/etc	10,850	450	0	0	50	0	3,375	0	75	0	0	0
Local Meetings	4,295	0	0	0	0	0	495	0	300	0	0	0
Other	56,060	15,000	0	0	1,800	0	15,000	0	1,500	0	500	0
Total Admin Supplies	219,793	33,230	0	0	4,150	0	36,100	0	3,830	0	1,600	0
Professional Services												
Public Info Fees	24,000	24,000	0	0	0	0	0	0	0	0	0	0
Legal Fees	150,000	0	0	0	0	0	150,000	0	0	0	0	0
Computer Services	263,500	0	0	0	0	0	7,500	0	0	0	0	0
Engineering Fees	891,032	767,032	0	0	0	0	0	0	114,000	0	10,000	0
Environmental Cons	252,004	0	0	0	0	0	252,004	0	0	0	0	0
Architectural Fees	129,000	0	0	0	0	0	0	0	119,000	0	10,000	0
New Airport Plan	406,288	406,288	0	0	0	0	0	0	0	0	0	0
Misc - Medical	27,200	0	0	0	0	0	0	0	0	0	0	0
Misc - Other	92,000	31,500	0	0	0	0	0	0	20,400	0	0	0
Total Pro Services	2,235,024	1,228,820	0	0	0	0	409,504	0	253,400	0	20,000	0
Utilities												
Telephone	83,460	1,200	0	0	960	0	1,740	0	2,100	0	240	0
Electricity	1,550,332	99,169	0	0	48,565	0	456	0	977,446	0	133,840	0
Sewer	850,950	0	0	0	2,008	0	0	0	286,561	0	4,290	0
Water	531,768	0	0	0	1,444	0	0	0	247,499	0	2,975	0
Heating Fuel	807,738	36	0	0	21,521	0	0	0	16,810	0	570,331	0
Total Utilities	3,824,248	100,405	0	0	74,498	0	2,196	0	1,530,416	0	711,676	0
Operating Services												
Parking-Mgmt Exp	3,020,306	0	0	0	0	0	0	0	0	0	0	0
Parking-Lot Tickets	49,050	0	0	0	0	0	0	0	0	0	0	0
Advertising-Noise	75,000	0	0	0	0	0	75,000	0	0	0	0	0
Advertising-Parking	133,000	0	0	0	0	0	0	0	0	0	0	0
Cab Starter	240,000	0	0	0	0	0	0	0	0	0	0	0
Metro Council Fees	96,000	96,000	0	0	0	0	0	0	0	0	0	0
Pollution Control	42,000	33,000	0	0	9,000	0	0	0	0	0	0	0
Shuttle Bus	1,302,185	0	0	0	0	0	0	0	145,950	0	0	0
Security	90,000	0	0	0	0	0	0	0	0	0	0	0
Copy Agreements	10,000	0	0	0	0	0	10,000	0	0	0	0	0
Miscellaneous	15,012	0	0	0	0	0	0	0	0	0	0	0
Total Operating Servs	5,072,553	129,000	0	0	9,000	0	85,000	0	145,950	0	0	0

MINNEAPOLIS/ST. PAUL
METROPOLITAN
AIRPORTS
COMMISSION

	Total	Field Runway	Field Maintenance Employees	Equipment Maintenance	Maintenance Building	Off- Airport Noise	Noise Abate- ment	Ramp	Terminal Building	Green Con- course	Boiler Plant	Self Liquid. Facilities
Maintenance-Building												
Electrical	77,396	0	0	1,820	9,100	0	0	0	23,660	1,800	5,460	0
Shop	28,875	0	0	0	15,000	0	0	0	7,000	0	0	0
Plumbing	94,197	0	0	0	8,470	0	0	0	45,620	3,760	9,260	0
Painting	57,830	0	0	4,450	2,670	0	0	0	28,480	7,120	0	0
Carpentry	52,348	0	0	1,240	0	0	0	0	31,390	4,500	0	0
Temp Control	400,826	0	0	0	12,614	0	0	0	252,000	16,060	48,000	0
Roofing	31,370	0	0	0	2,650	0	0	0	6,100	500	0	0
Doors	72,236	0	0	0	3,612	0	0	0	41,225	0	95	0
Elevators	66,834	0	0	0	0	0	0	0	40,087	7,020	0	0
Carrouseles	385,500	0	0	0	0	0	0	0	307,000	0	0	0
Tools	28,652	0	0	0	7,008	0	0	0	14,004	1,000	2,000	0
Other	247,193	0	0	0	2,500	0	0	0	210,000	2,600	0	0
Total Maint-Bldg	1,543,257	0	0	7,510	63,624	0	0	0	1,006,566	44,360	64,815	0
Maintenance-Field												
Electrical	119,980	96,460	0	0	0	0	0	1,820	0	0	0	0
Shop Supplies	15,000	15,000	0	0	0	0	0	0	0	0	0	0
Painting	37,145	23,135	0	0	0	0	0	0	0	0	0	0
Carpentry	5,580	3,100	0	0	0	0	0	0	0	0	0	0
Sand	98,000	68,600	0	0	0	0	0	0	0	0	0	0
Salt	132,007	83,165	0	0	0	0	0	22,440	0	0	0	0
Asphalt/Cement	271,506	37,000	0	0	0	0	0	120,252	0	0	0	0
Land/Turf Main	15,500	11,000	0	0	0	0	0	0	0	0	0	0
Snow	240,000	10,750	0	0	0	0	0	73,100	0	0	0	0
Fencing	51,300	24,300	0	0	0	0	0	0	0	0	0	0
Urea	209,997	132,300	0	0	0	0	0	35,700	0	0	0	0
Tools	68,400	17,500	0	0	0	0	0	32,500	0	0	0	0
Other	97,500	22,500	0	0	0	0	0	12,000	25,000	0	0	0
Total Maint-Field	1,361,915	544,810	0	0	0	0	0	297,812	25,000	0	0	0
Maintenance-Equipment												
Parts	767,620	0	0	460,416	0	0	1,000	0	18,200	1,404	12,100	0
Radio Maintenance	21,540	0	0	10,200	0	0	0	0	1,500	0	0	0
Gas & Oil	116,186	0	0	93,800	0	0	1,320	0	0	0	0	0
Minor Equipment	116,780	0	0	60,000	12,000	0	7,200	0	4,050	0	4,800	0
Shop Supplies	26,000	0	0	12,000	0	0	0	0	1,700	0	1,800	0
Other	52,653	2,000	0	925	4,800	0	2,000	0	1,120	0	500	0
Total Maint-Equip	1,100,779	2,000	0	637,341	16,800	0	11,520	0	26,570	1,404	19,200	0
Maintenance-Cleaning												
Towel/Laundry	8,610	0	0	2,300	600	0	0	0	2,100	0	0	0
Janitor Contract	2,021,136	0	0	0	14,040	0	0	0	1,163,786	367,692	0	0
Rubbish Disposal	395,100	0	0	0	18,000	0	0	0	277,200	21,000	4,200	0
Janitor Supplies	185,890	0	0	0	480	0	0	0	148,680	20,650	0	0
Total Maint-Cleaning	2,610,736	0	0	2,300	33,120	0	0	0	1,591,766	409,342	4,200	0
Deprec & Interest												
Depreciation	13,542,707	966,146	0	776,694	60,852	169,329	91,875	174,450	1,804,031	0	120,290	4,467,327
Interest	12,782,130	965,189	0	126,942	47,772	107,443	57,506	138,254	1,745,773	0	177,742	4,710,972
Total Depre & Interest	26,324,837	1,931,335	0	903,636	108,624	276,772	149,381	312,704	3,549,804	0	298,032	9,178,299
Other												
General Insurance	684,264	37,296	0	104,436	3,672	0	1,800	19,584	276,840	0	6,204	0
Rental-Snow Equip	272,112	0	0	0	0	0	0	163,267	0	0	0	0
Rental-Field Equip	24,318	7,500	0	0	0	0	0	12,000	0	0	0	0
Rental-Copier	7,800	0	0	0	3,000	0	0	0	0	0	0	0
Rental-Other	33,660	12,000	0	0	10,800	0	0	0	0	0	0	0
License & Taxes	45,000	0	0	42,000	0	0	3,000	0	0	0	0	0
Other	36,167	1,500	0	0	750	0	3,000	0	4,932	320	500	0
Total Other	1,103,321	58,296	0	146,436	18,222	0	7,800	194,851	281,772	320	6,704	0
Grand Total	58,891,802	4,027,896	5,007,564	1,697,223	349,111	276,772	1,201,671	805,367	9,139,974	455,426	1,745,246	9,178,299

Minneapolis/St. Paul International Expense Summary (CONTINUED)

1990 OPERATING BUDGET

 MINNEAPOLIS/ST. PAUL
METROPOLITAN
AIRPORTS
COMMISSION

	Terminal Roads	Fire	Police	Parking Facilities	Humphrey Terminal	Cargo	Other Roads	West Terminal/ Control Tower	Hangars & Other Buildings	Admin.	Operations	Ground Trans.
Personnel												
Exempt	0	54,168	117,883	0	45,641	0	0	0	0	175,681	93,243	38,990
Non-Exempt	0	1,204,862	574,520	0	0	0	0	26,741	0	125,758	417,358	27,552
Public Safety	0	0	1,846,277	0	0	0	0	0	0	0	0	0
Maintenance	0	2,909	0	0	0	0	0	21,801	17,440	0	0	0
Temps/Seasonal	0	0	0	0	0	0	0	3,264	0	21,744	0	0
Holiday	0	39,589	106,567	0	2,060	0	0	3,777	0	13,892	20,222	3,001
Sick	0	15,365	43,546	0	844	0	0	1,494	0	5,426	8,211	1,222
Pension	0	180,950	362,871	0	5,776	0	0	13,907	0	43,550	65,298	8,424
Employee Ins	0	145,272	374,892	0	4,692	0	0	14,064	0	37,488	60,924	9,372
Workers Comp	0	21,420	55,440	0	204	0	0	2,160	0	1,572	2,520	384
Continuing Ed	0	6,200	17,750	0	0	0	0	750	0	1,500	15,800	800
Uniforms	4,800	11,315	29,250	0	0	0	0	480	0	0	6,132	0
Other	0	9,198	18,826	0	340	0	0	730	0	2,244	3,773	497
Total Personnel	4,800	1,691,248	3,547,822	0	59,557	0	0	89,168	17,440	428,855	693,481	90,242
Administration Supplies												
Office Supplies	0	900	13,500	0	0	0	0	0	0	10,008	1,000	300
Computer Supplies	0	0	1,500	0	0	0	0	0	0	1,200	1,800	500
Stationery/Printing	0	200	9,395	0	0	0	0	0	0	1,200	500	750
Postage	0	0	240	0	0	0	0	0	0	9,000	0	0
Delivery Service	0	50	50	0	0	0	0	0	0	200	150	0
Freight	0	0	200	0	0	0	0	0	0	0	0	0
Travel	0	4,670	22,150	0	0	0	0	1,300	0	12,400	12,310	2,750
Member, Sub, etc	0	1,200	2,200	0	0	0	0	0	0	2,500	495	505
Local Meetings	0	0	500	0	0	0	0	0	0	3,000	0	0
Other	0	3,910	2,500	0	500	0	0	0	0	11,200	3,400	750
Total Administration Supplies	0	10,930	52,235	0	500	0	0	1,300	0	50,708	19,655	5,555
Professional Services												
Public Info 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	0	0	0	256,000	0	0	0	0	0	0	0	0
Engineering Fees	0	0	0	0	0	0	0	0	0	0	0	0
Environ Consultant	0	0	0	0	0	0	0	0	0	0	0	0
Architectural Fees	0	0	0	0	0	0	0	0	0	0	0	0
New Airport Png	0	0	0	0	0	0	0	0	0	0	0	0
Misc - Medical	0	10,200	12,000	0	0	0	0	0	0	5,000	0	0
Misc - Other	10,000	2,600	6,000	0	400	0	0	200	0	17,000	3,000	900
Total Pro Services	10,000	12,800	18,000	256,000	400	0	0	200	0	22,000	3,000	900
Utilities												
Telephone	600	3,000	21,600	0	1,620	0	0	1,200	0	22,800	26,400	0
Electricity	100,010	0	0	0	105,661	7,817	5,143	46,026	26,199	0	0	0
Sewer	55,000	952	0	400	8,712	0	492,122	644	261	0	0	0
Water	65,450	652	0	272	4,080	0	208,866	360	170	0	0	0
Heating Fuel	0	6,600	0	0	62,360	0	0	43,997	86,083	0	0	0
Total Utilities	221,060	11,204	21,600	672	182,433	7,817	706,131	92,227	112,713	22,800	26,400	0
Operating Supplies												
Parking-Mgmt Exp	0	0	0	3,020,306	0	0	0	0	0	0	0	0
Parking-Lot Tckts	0	0	0	49,050	0	0	0	0	0	0	0	0
Advertising-Noise	0	0	0	0	0	0	0	0	0	0	0	0
Advertising-Park	0	0	0	35,000	0	0	0	0	0	0	0	98,000
Cab Starter	240,000	0	0	0	0	0	0	0	0	0	0	0
Metro Council	0	0	0	0	0	0	0	0	0	0	0	0
Pollution Control	0	0	0	0	0	0	0	0	0	0	0	0
Shuttle Bus	866,994	0	0	0	289,241	0	0	0	0	0	0	0
Security	0	0	90,000	0	0	0	0	0	0	0	0	0
Copy Agreements	0	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous	0	0	10,008	0	0	0	0	0	0	0	5,004	0
Total Operating Sup	1,106,994	0	100,008	3,104,356	289,241	0	0	0	0	0	5,004	98,000

MINNEAPOLIS/ST. PAUL
METROPOLITAN
AIRPORTS
COMMISSION

	Terminal Roads	Fire	Police	Parking Facilities	Humphrey Terminal	Cargo	Other Roads	West Terminal/ Control Tower	Hangars & Other Buildings	Admin.	Operations	Ground Trans.
Maintenance-Bldg												
Electrical	0	1,820	0	20,020	5,460	0	0	3,636	1,820	1,800	1,000	0
Shop	0	1,800	5,075	0	0	0	0	0	0	0	0	0
Plumbing	7,760	3,063	0	2,760	2,760	0	0	8,944	1,800	0	0	0
Painting	0	0	0	7,120	4,450	0	0	3,540	0	0	0	0
Carpentry	600	1,240	1,240	2,170	1,840	0	0	4,408	3,720	0	0	0
Temperature Cont	4,410	4,910	0	3,110	30,182	0	0	20,540	9,000	0	0	0
Roofing	0	1,060	0	16,000	4,000	0	0	1,060	0	0	0	0
Doors	6,490	2,634	0	10,800	6,100	0	0	527	753	0	0	0
Elevators	6,367	0	0	10,020	3,340	0	0	0	0	0	0	0
Carousels	0	0	0	0	78,500	0	0	0	0	0	0	0
Tools	1,000	240	1,000	1,000	1,000	0	0	400	0	0	0	0
Other	1,438	1,200	3,600	6,680	10,475	0	0	2,700	500	0	5,500	0
Total Mainte-Bldg	28,065	17,967	10,915	79,680	148,107	0	0	45,755	17,593	1,800	6,500	0
Maintenance-Field												
Electrical	7,280	0	0	12,600	0	0	1,820	0	0	0	0	0
Shop Supplies	0	0	0	0	0	0	0	0	0	0	0	0
Painting	3,560	0	0	6,000	0	0	4,450	0	0	0	0	0
Carpentry	1,240	0	0	0	0	0	1,240	0	0	0	0	0
Sand	9,800	0	0	9,800	0	0	9,800	0	0	0	0	0
Salt	10,560	0	0	7,921	0	0	7,921	0	0	0	0	0
Asphalt/Cement	9,252	0	0	89,250	0	0	15,752	0	0	0	0	0
Landsc/Turf Maint	1,000	0	0	0	0	0	3,500	0	0	0	0	0
Snow	0	0	0	131,150	0	20,000	5,000	0	0	0	0	0
Fencing	2,700	0	0	0	0	0	24,300	0	0	0	0	0
Urea	16,797	0	0	12,600	0	0	12,600	0	0	0	0	0
Tools	0	18,400	0	0	0	0	0	0	0	0	0	0
Other	0	38,000	0	0	0	0	0	0	0	0	0	0
Total Maint-Field	62,189	56,400	0	269,321	0	20,000	86,383	0	0	0	0	0
Maintenance-Equip												
Parts	1,400	45,000	1,800	218,400	1,400	0	0	1,000	0	0	5,500	0
Radio Maintenance	0	2,460	3,660	480	0	0	0	0	0	780	2,460	0
Gas & Oil	0	4,525	12,581	0	0	0	0	0	0	0	3,960	0
Minor Equipment	0	4,000	10,880	0	450	0	0	750	0	6,000	6,300	350
Shop Supplies	0	10,500	0	0	0	0	0	0	0	0	0	0
Other	0	20,900	14,088	0	1,380	0	0	0	0	3,300	1,640	0
Total Maint-Equip	1,400	87,385	43,009	218,880	3,230	0	0	1,750	0	10,080	19,860	350
Maintenance-Clean												
Towel/Laundry	0	2,400	1,210	0	0	0	0	0	0	0	0	0
Janitor Contract	57,928	0	0	121,212	205,218	0	0	63,180	28,080	0	0	0
Rubbish Disposal	0	12,500	0	6,000	37,800	0	0	16,000	2,400	0	0	0
Janitor Supplies	4,130	1,900	0	0	5,000	0	0	4,950	100	0	0	0
Total Maint-Clean	62,058	16,800	1,210	127,212	248,018	0	0	84,130	30,580	0	0	0
Deprec & Interest												
Depreciation	1,109,619	108,606	38,112	2,563,396	562,482	331,956	112,132	7,818	34,740	23,442	19,410	0
Interest	1,170,745	38,590	8,508	2,508,392	538,074	277,464	117,644	1,590	33,468	5,328	4,734	0
Total Depre & Int	2,280,364	147,196	46,620	5,071,788	1,100,556	609,420	229,776	9,408	68,208	28,770	24,144	0
Other												
General Insur	11,124	54,756	75,852	47,184	22,872	0	11,124	6,696	3,024	0	1,800	0
Rental-Snow Equip	40,817	0	0	0	0	0	68,028	0	0	0	0	0
Rental-Field Equip	1,200	0	0	0	0	0	3,618	0	0	0	0	0
Rental-Copier	0	0	4,800	0	0	0	0	0	0	0	0	0
Rental-Other	0	0	0	0	0	0	10,500	0	0	0	360	0
Licenses & Taxes	0	0	0	0	0	0	0	0	0	0	0	0
Other	825	3,300	2,400	700	540	0	0	1,000	500	15,400	500	0
Total Other	53,966	58,056	83,052	47,884	23,412	0	93,270	7,696	3,524	15,760	2,300	0
Grand Total	3,830,896	2,109,986	3,924,471	9,175,793	2,055,454	637,237	1,115,560	331,634	250,058	580,773	800,344	195,047

West Reliever Summary

1990 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									
Exempt	42,639	42,639	0	0	0	0	0	0	0
Non-Exempt	40,942	40,942	0	0	0	0	0	0	0
Maintenance	340,691	0	0	147,502	0	0	100,924	0	92,265
Temps/Seasonal	40,662	0	0	13,680	0	0	13,491	0	13,491
Holiday	18,196	3,646	0	6,055	0	0	4,413	0	4,082
Sick	6,759	1,497	0	2,298	0	0	1,548	0	1,416
Pension	65,504	11,752	0	24,183	0	0	15,455	0	14,114
Employee Insurance	56,244	9,372	0	18,744	0	0	14,064	0	14,064
Workers Compensation	8,460	1,440	0	2,700	0	0	2,160	0	2,160
Continuing Education	3,000	3,000	0	0	0	0	0	0	0
Uniforms	3,800	300	0	1,500	0	0	1,000	0	1,000
Other	3,130	622	0	1,087	0	0	741	0	680
Total Personnel	630,027	115,210	0	217,749	0	0	153,796	0	143,272
Administration Supplies									
Office Supplies	400	400	0	0	0	0	0	0	0
Computer Supplies	500	500	0	0	0	0	0	0	0
Stationery/Printing	500	500	0	0	0	0	0	0	0
Postage	500	500	0	0	0	0	0	0	0
Travel	4,400	4,400	0	0	0	0	0	0	0
Memberships, Subscriptions, etc	600	600	0	0	0	0	0	0	0
Local Meetings	500	500	0	0	0	0	0	0	0
Total Administration Supplies	7,400	7,400	0	0	0	0	0	0	0
Professional Services									
Legal Fees	24,000	0	0	8,000	0	0	8,000	0	8,000
Engineering Fees	30,000	0	0	10,000	0	0	10,000	0	10,000
Environmental Consultants	8,000	0	0	2,700	0	0	2,600	0	2,700
Total Professional Services	62,000	0	0	20,700	0	0	20,600	0	20,700
Utilities									
Telephone	7,500	4,500	1,200	0	0	0	0	1,800	0
Electricity	33,755	0	3,502	6,300	0	3,709	3,373	1,873	14,998
Sewer	100	0	0	0	0	100	0	0	0
Heating Fuel	13,111	0	6,326	0	0	2,844	0	3,941	0
Total Utilities	54,466	4,500	11,028	6,300	0	6,653	3,373	7,614	14,998
Maintenance - Building									
Electrical	1,200	0	400	0	0	400	0	400	0
Shop	900	0	300	0	0	300	0	300	0
Plumbing	2,250	0	500	0	0	1,250	0	500	0
Painting	900	0	300	0	0	300	0	300	0
Carpentry	900	0	300	0	0	300	0	300	0
Temperature Control	1,500	0	500	0	0	500	0	500	0
Roofing	1,500	0	500	0	0	500	0	500	0
Doors	1,500	0	500	0	0	500	0	500	0
Tools	750	0	250	0	0	250	0	250	0
Other	1,500	0	500	0	0	500	0	500	0
Total Maintenance - Building	12,900	0	4,050	0	0	4,800	0	4,050	0

	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 - Field									
Electrical	5,500	0	0	1,500	0	0	2,500	0	1,500
Painting	6,000	0	0	2,000	0	0	2,000	0	2,000
Sand	4,500	0	0	1,500	0	0	1,500	0	1,500
Asphalt/Cement	9,000	0	0	3,000	0	0	3,000	0	3,000
Landscaping/Turf Maintenance	1,000	0	0	500	0	0	0	0	500
Snow	1,500	0	0	500	0	0	500	0	500
Fencing	1,500	0	0	500	0	0	500	0	500
Urea	1,100	0	0	500	0	0	300	0	300
Tools	600	0	0	200	0	0	200	0	200
Environment	170,000	0	0	100,000	0	0	20,000	0	50,000
Other	11,000	0	0	1,000	0	0	1,000	0	9,000
Total Maintenance - Field	211,700	0	0	111,200	0	0	31,500	0	69,000
Maintenance - Equipment									
Parts	25,000	0	0	0	25,000	0	0	0	0
Radio Maintenance	1,500	0	0	0	1,500	0	0	0	0
Gas & Oil	17,365	0	0	0	17,365	0	0	0	0
Minor Equipment	3,300	0	0	0	3,300	0	0	0	0
Shop Supplies	1,950	0	0	0	1,950	0	0	0	0
Other	4,000	0	0	0	4,000	0	0	0	0
Total Maintenance - Equipment	53,115	0	0	0	53,115	0	0	0	0
Maintenance - Cleaning									
Janitor Contract	1,980	0	0	0	0	1,980	0	0	0
Rubbish Disposal	6,000	0	2,000	0	0	2,000	0	2,000	0
Janitor Supplies	2,250	0	750	0	0	750	0	750	0
Total Maintenance - Cleaning	10,230	0	2,750	0	0	4,730	0	2,750	0
Depreciation									
Depreciation	510,499	0	16,596	75,539	167,892	12,888	46,057	29,652	161,875
Total Depreciation	510,499	0	16,596	75,539	167,892	12,888	46,057	29,652	161,875
Other									
General Insurance	50,604	0	744	7,116	26,544	744	7,116	1,224	7,116
Rental - Snow Equipment	30,000	0	0	20,000	0	0	5,000	0	5,000
Rental - Other	150	0	0	0	150	0	0	0	0
Licenses & Taxes	4,000	0	0	0	4,000	0	0	0	0
Total Other	84,754	0	744	27,116	30,694	744	12,116	1,224	12,116
Grand Total	1,637,091	127,110	35,168	458,604	251,701	29,815	267,442	45,290	421,961

East Reliever Summary

1990 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									
Exempt	96,866	96,866	0	0	0	0	0	0	0
Non-Exempt	60,449	60,449	0	0	0	0	0	0	0
Maintenance	360,428	0	0	218,190	0	0	71,937	0	70,301
Temps/Seasonal	32,828	0	0	5,846	0	0	13,491	0	13,491
Holiday	22,213	6,920	0	8,503	0	0	3,427	0	3,363
Sick	8,508	2,832	0	3,408	0	0	1,146	0	1,122
Pension	78,267	22,072	0	33,591	0	0	12,068	0	10,536
Employee Insurance	65,604	18,744	0	28,116	0	0	9,372	0	9,372
Workers Compensation	9,720	2,700	0	4,140	0	0	1,440	0	1,440
Continuing Education	3,500	3,500	0	0	0	0	0	0	0
Uniforms	3,800	300	0	2,000	0	0	750	0	750
Other	3,831	1,169	0	1,609	0	0	533	0	520
Total Personnel	746,014	215,552	0	305,403	0	0	114,164	0	110,895
Administration Supplies									
Office Supplies	850	850	0	0	0	0	0	0	0
Computer Supplies	500	500	0	0	0	0	0	0	0
Stationery/Printing	500	500	0	0	0	0	0	0	0
Postage	1,000	1,000	0	0	0	0	0	0	0
Travel	3,800	3,800	0	0	0	0	0	0	0
Memberships, Subscripts, etc	750	750	0	0	0	0	0	0	0
Local Meetings	500	500	0	0	0	0	0	0	0
Total Administration Supplies	7,900	7,900	0	0	0	0	0	0	0
Professional Services									
Legal Fees	26,000	0	0	10,000	0	0	8,000	0	8,000
Engineering Fees	35,000	0	0	15,000	0	0	10,000	0	10,000
Environmental Consultants	243,000	0	0	2,600	0	0	237,800	0	2,600
Total Professional Services	304,000	0	0	27,600	0	0	255,800	0	20,600
Utilities									
Telephone	7,140	4,800	0	0	0	900	0	1,440	0
Electricity	48,859	0	17,740	25,918	0	0	3,400	1,703	98
Sewer	4,552	0	4,452	0	0	0	0	100	0
Water	3,950	0	3,850	0	0	0	0	100	0
Heating Fuel	29,834	0	21,444	0	0	3,210	0	5,180	0
Total Utilities	94,335	4,800	47,486	25,918	0	4,110	3,400	8,523	98
Maintenance - Building									
Electrical	11,900	0	10,000	0	0	400	0	1,500	0
Shop	1,600	0	1,000	0	0	300	0	300	0
Plumbing	2,360	0	1,000	0	0	1,000	0	360	0
Painting	1,100	0	500	0	0	300	0	300	0
Carpentry	1,600	0	1,000	0	0	300	0	300	0
Temperature Control	9,400	0	8,400	0	0	500	0	500	0
Roofing	3,300	0	1,800	0	0	1,000	0	500	0
Doors	1,500	0	500	0	0	500	0	500	0
Tools	750	0	250	0	0	250	0	250	0
Other	2,720	0	1,000	0	0	1,000	0	720	0
Total Maintenance - Building	36,230	0	25,450	0	0	5,550	0	5,230	0

East Reliever Summary (CONTINUED)

1990 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 - Field									
Electrical	10,960	0	0	10,000	0	0	480	0	480
Painting	2,960	0	0	2,000	0	0	480	0	480
Sand	8,000	0	0	5,000	0	0	1,500	0	1,500
Salt	600	0	0	500	0	0	50	0	50
Asphalt/Cement	13,000	0	0	10,000	0	0	1,500	0	1,500
Landscaping/Turf Maintenance	1,500	0	0	500	0	0	500	0	500
Snow	4,000	0	0	3,000	0	0	500	0	500
Fencing	3,000	0	0	2,000	0	0	500	0	500
Urea	2,600	0	0	2,000	0	0	300	0	300
Tools	600	0	0	200	0	0	200	0	200
Environment	40,000	0	0	20,000	0	0	0	0	20,000
Other	2,720	0	0	2,000	0	0	360	0	360
Total Maintenance - Field	89,940	0	0	57,200	0	0	6,370	0	26,370
Maintenance - Equipment									
Parts	9,600	0	0	0	9,600	0	0	0	0
Radio Maintenance	1,260	0	0	0	1,260	0	0	0	0
Gas & Oil	15,007	0	0	0	15,007	0	0	0	0
Minor Equipment	4,000	0	0	0	4,000	0	0	0	0
Shop Supplies	1,800	0	0	0	1,800	0	0	0	0
Other	2,000	0	0	0	2,000	0	0	0	0
Total Maintenance - Equipment	33,667	0	0	0	33,667	0	0	0	0
Maintenance - Cleaning									
Janitor Contract	18,000	0	18,000	0	0	0	0	0	0
Rubbish Disposal	7,000	0	3,000	0	0	2,000	0	2,000	0
Janitor Supplies	6,552	0	5,040	0	0	756	0	756	0
Total Maintenance - Clean	31,552	0	26,040	0	0	2,756	0	2,756	0
Depreciation									
Depreciation	668,572	1,542	127,466	249,868	163,980	10,992	11,282	28,543	74,899
Total Depreciation	668,572	1,542	127,466	249,868	163,980	10,992	11,282	28,543	74,899
Other									
General Insurance	61,020	0	12,900	8,904	24,084	372	7,116	528	7,116
Rental - Snow Equipment	30,000	0	0	20,000	0	0	5,000	0	5,000
Rental - Other	350	0	0	0	0	0	0	0	350
Licenses & Taxes	6,000	0	0	0	6,000	0	0	0	0
Other	960	0	960	0	0	0	0	0	0
Total Other	98,330	0	13,860	28,904	30,084	372	12,116	528	12,466
Grand Total	<u>2,110,540</u>	<u>229,794</u>	<u>240,302</u>	<u>694,893</u>	<u>227,731</u>	<u>23,780</u>	<u>403,132</u>	<u>45,580</u>	<u>245,328</u>

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. It is prepared on an accrual basis in accordance with GAAP.

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. An 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 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 from all of the airlines that service 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 begins. 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 Department 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 & Environmental and Management & Operations Committee public meetings. The Management and Operations 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 the rate changes are sent to all tenants. This calendar gives a brief overview of the process.

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 & Operations 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 & Operations and Planning & Environmental Committees - Management & Operations 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 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."

The individual line-items will include the following:

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

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 expired 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 subdivide 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 and are used for allocating costs by specific formulas in order to calculate the different rates charged by MAC at MSP Int'l.

COST CENTERS

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

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).

Department	1987 Actual Personnel	1988 Actual Personnel	Current Personnel 8/1/89	1989 Budgeted Personnel	1990 Budgeted Personnel	1990 New Positions Approved
Main Office						
Executive ^A	8	8	5	8	5	—
Communications/Public Information ^A	—	—	3	—	3	—
Deputy-Airports ^A	—	—	2	—	2	—
Airport Planning & Development	7	8	8	8	10	2
Finance	22	23	23	24	23	—
Management Information Systems	3	3	4	4	4	—
Labor & Legislative Relations	2	2	2	2	2	—
Properties	4	5	5	5	5	—
Affirmative Action	1	2	3	3	3	—
General Counsel	3	3	3	3	3	—
Personnel	3	4	4	4	5	1
	<u>53</u>	<u>58</u>	<u>62</u>	<u>61</u>	<u>65</u>	<u>3</u>
MSP International						
Administration ^B	7	7	7	8	8	—
Operations	13	13	13	13	13	—
Ground Transportation	—	—	1	1	2	1
Fire ^B	29	28	30	31	31	—
Police ^B	55	70	73	78	80	2
Noise Abatement/Environmental ^C	5	5	5	5	12	—
HHH Terminal	1	1	1	1	1	—
Terminal Building	15	14	15	15	15	—
Boiler Plant	12	12	12	12	12	—
West Terminal Area	3	3	3	3	3	—
Maintenance ^B	89	89	89	91	93	2
	<u>229</u>	<u>242</u>	<u>249</u>	<u>258</u>	<u>270</u>	<u>5</u>
Relievers						
West	11	11	11	11	12	1
East	13	13	14	14	14	—
	<u>24</u>	<u>24</u>	<u>25</u>	<u>25</u>	<u>26</u>	<u>1</u>
Total	306	324	336	344	361	9

^AIn 1989, two new departments were created—Communications/Public Information and Deputy-Airports. Prior to 1989, the personnel (3) for Communications/Public Information were in the Executive department. The Deputy-Airports department had a new authorized position in 1989 after the budget was approved. (Deputy Executive Director-Airports) The other employee for this department was previously in the Finance Department.

^BThe following cost centers all have vacant budgeted positions as of 8/1/89 which are expected to be filled by the end of the year.

- MSP - Administration (1) Clerical
- Fire (1) Firefighter
- Police (5) CSOs
- Maintenance (1) Shop Foreman and (1) Mechanic

^CSeven new positions were authorized in 1989 after the budget was approved—six Noise Phone Clerks and a Director of Environment.

Because of the organizational changes which took place in 1989, all cost center personnel numbers have been restated back to 1987 to reflect the current organizational structure.

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 the 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:

1990	\$37,676,715
1991	\$37,355,983
1992	\$37,059,810
1993	\$36,461,502
1994	\$35,881,535

MAC last sold bonds (\$51 million) in August of 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 five 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.

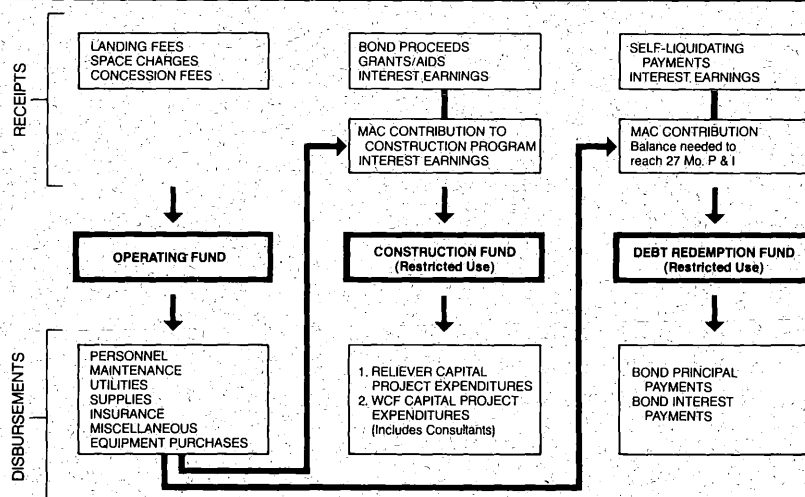
Funds required for completion of all capital projects come from three sources: a) General Obligation Revenue Bonds, b) state or federal grants and c) internally generated funds from operations. In order to limit the cost of facilities at the reliever airports, MAC uses only grant funds or retained earnings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

Anticipated projects planned for 1990 and 1991 as well as the extended period 1992-1996 are summarized here. (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 10, 1989, cut-off was used to determine dollars, timing, and location of projects listed.) 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 1989. Because of this delay, the amounts shown represent preliminary estimates and may vary from the final numbers presented.

	1990	1991	1992-1996	Total 1990-1996
Minneapolis/St. Paul Int'l				
Field & Runway	\$12,550,000	\$33,675,000	\$35,400,000	\$ 81,625,000
Self-liquidating	12,000,000	50,000,000	116,000,000	\$178,000,000
Terminal Bldg & Other	48,460,000	6,725,000	28,200,000	\$ 83,385,000
St. Paul Downtown Airport	2,470,000	3,300,000	900,000	\$ 6,670,000
Flying Cloud Airport	210,000	0	750,000	\$ 960,000
Crystal Airport	375,000	400,000	600,000	\$ 1,375,000
Anoka County Airport	2,050,000	400,000	1,650,000	\$ 4,100,000
Lake Elmo Airport	200,000	350,000	600,000	\$ 1,150,000
Airlake Airport	1,230,000	900,000	1,150,000	\$ 3,280,000
	<u>\$79,545,000</u>	<u>\$95,750,000</u>	<u>\$185,250,000</u>	<u>\$360,545,000</u>

The Capital Improvement Program to be approved late fall 1989 will have little effect on the Operating Budget because depreciation and interest charges begin when the projects are completed. Other operating expenses will not be effected in 1990. They may, however, increase in 1991 and beyond when the projects are complete.

Each year after the Operating Budget is approved, a 10-year forecast is prepared to analyze future bonding needs. This forecast analysis has proved to be very valuable and accurate in planning for future funding of capital projects.



EXPLANATION OF THE FLOWCHART

The MAC is accounted for as an enterprise fund with amounts restricted for construction and debt redemption. For internal purposes, MAC maintains three funds matching three major functions; Operating Fund, Construction Fund, and Debt Redemption Fund (sinking fund). They are described below in greater detail.

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 required by law. MAC attempts to keep a balance in the Operating Fund of approximately three 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 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 1988, estimated 1989 and projected 1990 fund balances.

Projection of Fund Balances**1990 OPERATING BUDGET****MINNEAPOLIS/ST. PAUL
METROPOLITAN
AIRPORTS
COMMISSION**

	Actual 1988	Estimated 1989	Estimated 1990
Operating Fund			
1/1 Balance	\$8,017,000	\$7,500,000	\$7,500,000
Receipts			
Operating Revenues	\$59,909,000	\$64,589,000	\$72,070,000
Interest Earnings-1	<u>1,341,000</u>	<u>1,350,000</u>	<u>1,375,000</u>
Total Receipts	\$61,250,000	\$65,939,000	\$73,445,000
Disbursements			
Operating Expenses (excludes depr. & int.)	(\$31,595,000)	(\$37,092,000)	(\$40,854,000)
Equipment Purchases	(822,000)	(1,718,000)	(2,183,000)
Sinking Fund Transfer	(12,170,000)	(16,039,000)	(22,817,000)
Est. 3 Month Operating Balance	<u>(7,500,000)</u>	<u>(7,500,000)</u>	<u>(7,500,000)</u>
Total Disbursements	<u>(\$52,087,000)</u>	<u>(\$62,349,000)</u>	<u>(\$73,354,000)</u>
Available for Const. Programs	<u>\$17,180,000</u>	<u>\$11,090,000</u>	<u>\$7,591,000</u>
Construction Fund			
1/1 Balance	\$91,887,000	\$120,756,000	\$75,038,000
Receipts			
GO VII Bond Proceeds	\$43,462,000		
Transfer from Operating Fund	17,180,000	\$11,090,000	\$7,591,000
Interest Earnings-1	7,504,000	8,592,000	7,500,000
Grants in Aid of Const.	5,708,000	9,000,000	11,000,000
Proceeds from Disposal of Airports and Facilities	<u>1,052,000</u>		
Total Receipts	\$74,906,000	\$28,682,000	\$26,091,000
Disbursements			
Projects-in-Progress	(\$46,037,000)	(\$74,400,000)	(\$16,070,000)
Proposed Projects			<u>(45,280,000)</u>
Total Disbursements	<u>(\$46,037,000)</u>	<u>(\$74,400,000)</u>	<u>(\$61,350,000)</u>
Ending Balance	<u>\$120,756,000</u>	<u>\$75,038,000</u>	<u>\$39,779,000</u>
Debt Redemption Fund (Sinking Fund)			
1/1 Balance	\$23,274,000	\$27,307,000	\$26,625,000
Receipts			
GO VII Bond Proceeds	\$7,673,000		
Transfer from Operating Fund	12,170,000	\$16,039,000	\$22,817,000
Interest Earnings-1	<u>1,972,000</u>	<u>1,950,000</u>	<u>1,975,000</u>
Total Receipts	\$21,815,000	\$17,989,000	\$24,792,000
Disbursements			
Principal & Interest Payments	<u>(\$17,782,000)</u>	<u>(\$18,671,000)</u>	<u>(\$18,883,000)</u>
Ending Balance	<u>\$27,307,000</u>	<u>\$26,625,000</u>	<u>\$32,534,000</u>

1- Interest Rate Assumed 8.50%

The approved equipment requests for 1990 are represented in this section. The total cost of each piece of equipment is amortized over its useful life through depreciation charges.

Snowplowing equipment qualifies for state and federal aid. As always, the MAC 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 \$35,000.

DEPARTMENT NAME	DESCRIPTION OF EQUIPMENT	PURCHASE PRICE	PURPOSE
SUMMARY			
Main Office		\$ 160,900	
MSP Int'l		1,456,510	
Reliever Airports		566,000	
		\$2,183,410	
DETAIL			
Main Office		\$ 160,900	All pieces of equipment have a purchase price less than \$35,000. Included in this total are the following items: Office furniture, boiler equipment, stamp machine, exercise equipment, (10) IBM PCs, (12) printers, software upgrades, computer networking equipment and upgrading, and other miscellaneous office equipment.
MSP Int'l			
Fire	(1) T-1500 Crash Truck	\$ 300,000	Allows the department to maintain the required minimum water/agent quantity if one of the required CFR vehicles is out of service.
Maintenance	(1) Hi-Speed Plow Unit	145,000	This unit is a one-person unit and will replace 616-271 which is a two-person unit.
Parking	(6) Cashier Audit Terminals	230,000	Phased replacement of obsolete/outdated equipment.
	(1) Revenue Control	209,350	This equipment which included three ticket dispensers and five cashier's terminals is for the Econolot. It is to be installed in conjunction with the remodeling of the lot.
Other		572,160	All of these pieces of equipment have a purchase price less than \$35,000. Included in this total are the following: (13) vehicles (1 Fire, 2 Police, 1 Parking, and 9 Maintenance), computer equipment, office furniture and numerous multiple and small miscellaneous purchases.
Total MSP Purchase		\$1,456,510	
Relievers			
St. Paul	(1) Farm Tractor	\$ 55,000	This unit will replace a 12-year-old existing unit which requires heavy maintenance and is no longer reliable.
Lake Elmo	(1) Farm Tractor	55,000	This unit will replace a 12-year-old existing unit which requires heavy maintenance and is no longer reliable.
Airlake	(1) Tool Carrier w/push attachment	77,500	This unit will replace a 12-year-old existing unit which requires heavy maintenance and is no longer reliable.
Crystal	(1) Tool Carrier w/push attachment	77,500	This unit will replace a 12-year-old existing tractor w/scoop which requires heavy maintenance and is no longer reliable.
Anoka	(1) Rotary Snow Blower	200,000	This unit will replace 616-130 which is 19 years old and no longer reliable.
Other		101,000	All of these pieces of equipment have a purchase price less than \$35,000. Included in this total are the following: (2) computers, (3) vehicles, and (4) equipment attachments.
Total Relievers Purchase		\$ 566,000	

In this section, three comparisons are analyzed:

1. A snapshot comparison with dollars and percentages of 1979 revenue and expense versus 1988 revenue and expense.
2. A comparison of revenue and expense with dollars and percentages of 1988 actual, estimated 1989 and budgeted 1990.
3. A comparison of facilities in 1979 and 1988.

These comparisons are shown to point out that both revenue and expense have increased from 1979, and that categories within revenue and expense do fluctuate as a percentage of total, but overall, the changes in percentages are minor. Also, the facilities comparison shows that expanded facilities at the MAC affect all areas.

HISTORICAL REVENUE & EXPENSE SUMMARY 1979 - 1988

	1979 \$	%	1988 \$	%	1979-1988 Change \$	Annual % Increase
Revenue						
Traffic	6,575,000	25.67%	13,150,000	21.60%	6,575,000	8.01%
Concessions	10,258,000	40.03%	23,546,000	38.67%	13,288,000	9.67%
Rentals	7,747,000	30.23%	21,320,000	35.02%	13,573,000	11.91%
Other	1,043,000	4.07%	2,866,000	4.71%	1,823,000	11.89%
Total Operating Revenue	25,623,000	100.00%	60,882,000	100.00%	35,259,000	10.09%
Expenses						
Personnel	7,198,000	30.11%	15,112,600	28.18%	7,914,600	8.59%
Administrative Expense	187,000	0.78%	405,400	0.76%	218,400	8.98%
Professional Services	963,000	4.03%	2,318,300	4.32%	1,355,300	10.25%
Utilities	1,701,000	7.11%	3,809,100	7.10%	2,108,100	9.37%
Operating Services	2,072,000	8.66%	4,374,800	8.16%	2,302,800	8.66%
Maintenance	2,150,000	8.99%	5,352,400	9.98%	3,202,400	10.67%
Depreciation & Interest	9,357,000	39.13%	21,150,500	39.44%	11,793,500	9.48%
Other	285,000	1.19%	1,102,700	2.06%	817,700	16.22%
Total Operating Expenses	23,913,000	100.00%	53,625,800	100.00%	29,712,800	9.39%
Net Revenues	1,710,000^a		7,256,200^a		5,546,200	

a) Required as contribution towards debt service payments and construction program financing.

The first comparison, 1979 versus 1988, emphasizes the following two results:

1. Even though both revenue and expense have increased by more than 124% from 1979, the actual percentages of the total for each individual category in 1979 and 1988 have changed very little. (For example, in 1979, Traffic made up 25.66% of total revenue, whereas in 1988, Traffic made up 21.60% of total revenue.)
2. The annual percentage increase in revenue from 1979 to 1988 (10.09%) was greater than the annual percentage increase in expense from 1979 to 1988 (9.39%). Over this 10-year period revenues grew at a higher rate than expenses.

	Actual 1988		Estimated 1989		Budgeted 1990		1988-1990	Annual %
	\$	%	\$	%	\$	%	Change	Increase
							\$	
Revenue								
Traffic	13,150,000	21.60%	14,842,000	22.98%	16,691,800	23.16%	3,541,800	12.66%
Concessions	23,546,000	38.67%	25,886,700	40.08%	28,059,500	38.93%	4,513,500	9.16%
Rentals	21,320,000	35.02%	20,835,000	32.26%	24,414,500	33.88%	3,094,500	7.01%
Other	2,866,000	4.71%	3,025,000	4.68%	2,904,100	4.03%	38,100	0.66%
Total Operating Revenue	60,882,000	100.00%	64,588,700	100.00%	72,069,900	100.00%	11,187,900	8.80%
Expenses								
Personnel	15,112,600	28.18%	17,378,000	30.02%	18,593,700	27.02%	3,481,100	10.92%
Administrative Expense	405,400	0.76%	501,000	0.87%	613,800	0.89%	208,400	23.05%
Professional Services	2,318,300	4.32%	2,859,700	4.94%	3,665,400	5.33%	1,347,100	25.74%
Utilities	3,809,100	7.10%	3,922,000	6.78%	4,056,800	5.89%	247,700	3.20%
Operating Services	4,374,800	8.16%	5,145,900	8.89%	5,362,800	7.79%	988,000	10.72%
Maintenance	5,352,400	9.98%	5,849,900	10.11%	7,207,300	10.47%	1,854,900	16.04%
Depreciation & Interest	21,150,500	39.44%	20,779,000	35.91%	27,969,500	40.64%	6,819,000	15.00%
Other	1,102,700	2.06%	1,435,000	2.48%	1,354,300	1.97%	251,600	10.82%
Total Operating Expenses	53,625,800	100.00%	57,870,500	100.00%	68,823,600	100.00%	15,197,800	13.29%
Net Revenues	7,256,200^a		6,718,200^a		3,246,300^a			

a) Required as contribution towards debt service payments and construction program financing.

The second comparison shows 1988 actual, 1989 estimated and 1990 budgeted revenue and expense categories with dollars and percentages. There are four items in this comparison that need further comment.

1. Revenue is projected to increase 18.4% from actual 1988 to budgeted 1990. Actual percentages of total revenue for the individual categories change very little. (For example, traffic in 1988 was 21.60% of total revenue, while in 1990, it is budgeted to be 23.16% of total revenue.) The increases are explained in the Revenue Assumptions section.
2. Expense is projected to increase 28.3% from actual 1988 to budgeted 1990. This increase is explained in the Expense Assumptions section. The percentages for the individual expense categories change very little. (For example, Personnel in 1988 was 28.18% of total revenue, while in 1990 it is budgeted to be 27.02% of total revenue.)
3. The annual percentage increase in revenue from 1988 to 1990 is 8.80% whereas the annual percentage increase in expenses from 1988 to 1990 is 13.29%. This reversal of the trend from 1979 to 1988 where revenue grew at a greater pace than expense is caused by the following: a) Increased consultant fees for new airport planning; b) Expenses related to snow removal in 1988 reflect the mild winter that was experienced; the budget for 1990 is based upon an average winter; and c) Two substantial projects will be completed by early 1990, the new parking deck and the NWA-747 maintenance facility, increasing depreciation and interest.
4. At this time, we feel that the net revenues budgeted for 1990 reflect a more normal level of activity. In order to continue to generate and/or increase this level of net revenues, operating costs will be reviewed much more closely.

FACILITY EXPANSION

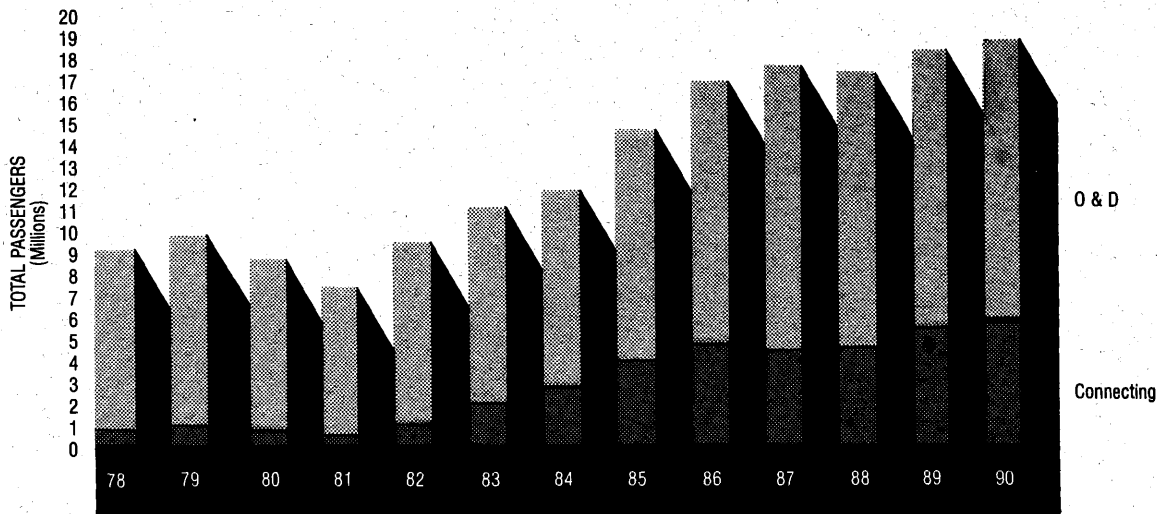
	1979	1988	Increase	% Increase
Lindbergh & Regional Terminal				
Square Footage	1,009,300*	1,510,400	501,100	49.65%
Number of Gates	39*	62	23	58.97%
Parking—Number of Spaces	5,029	7,579	2,550	50.71%
Ramp—Lineal Feet	5,730*	8,874	3,144	54.87%

*Figures are from the Airport Development Department's historical records.

The final chart in this section deals with facilities. This comparison shows how the major facilities at MSP International have expanded since 1979. The Reliever Airports have expanded also. In 1979, 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.

In this section we look at the historical and forecasted levels of activity for the period 1979 through 1990 in the MACs system of airports. The Passenger, Operations and Cargo results have for the most part been steadily increasing. The exception for Cargo, 1989 decrease, and Passengers, 1988 decrease, will be explained in their respective sections following each graph.

PASSENGER ACTIVITY



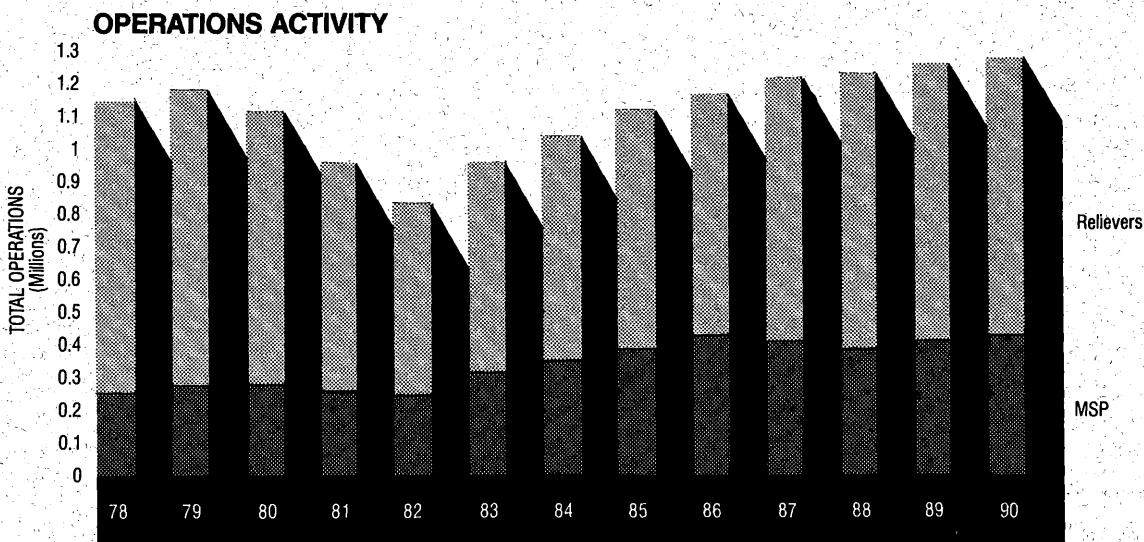
The previous chart shows how passenger traffic has increased at MSP International since 1981, with the exception of 1988. In late 1988, two carriers eliminated service to MSP International Airport resulting in a decrease of approximately 100,000 passengers. From 1979 through 1982, MSP International was 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 28% to 31% of all passengers being connecting while the O & D passenger percentage has fallen from 90% in 1982 to 70% estimated in 1990.

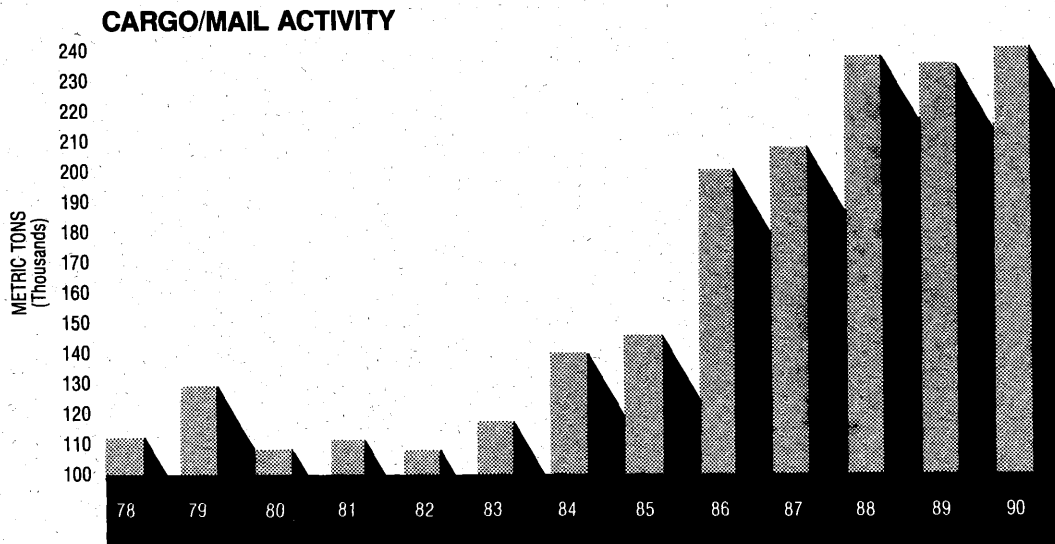
Estimates of passenger activity form an important element in forecasting revenues each year. This chart represents actual passenger statistics for 1987 and 1988 and estimates for 1989 and 1990. The three categories are listed because each is used in a particular way to calculate certain types of revenue. Three examples are given:

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

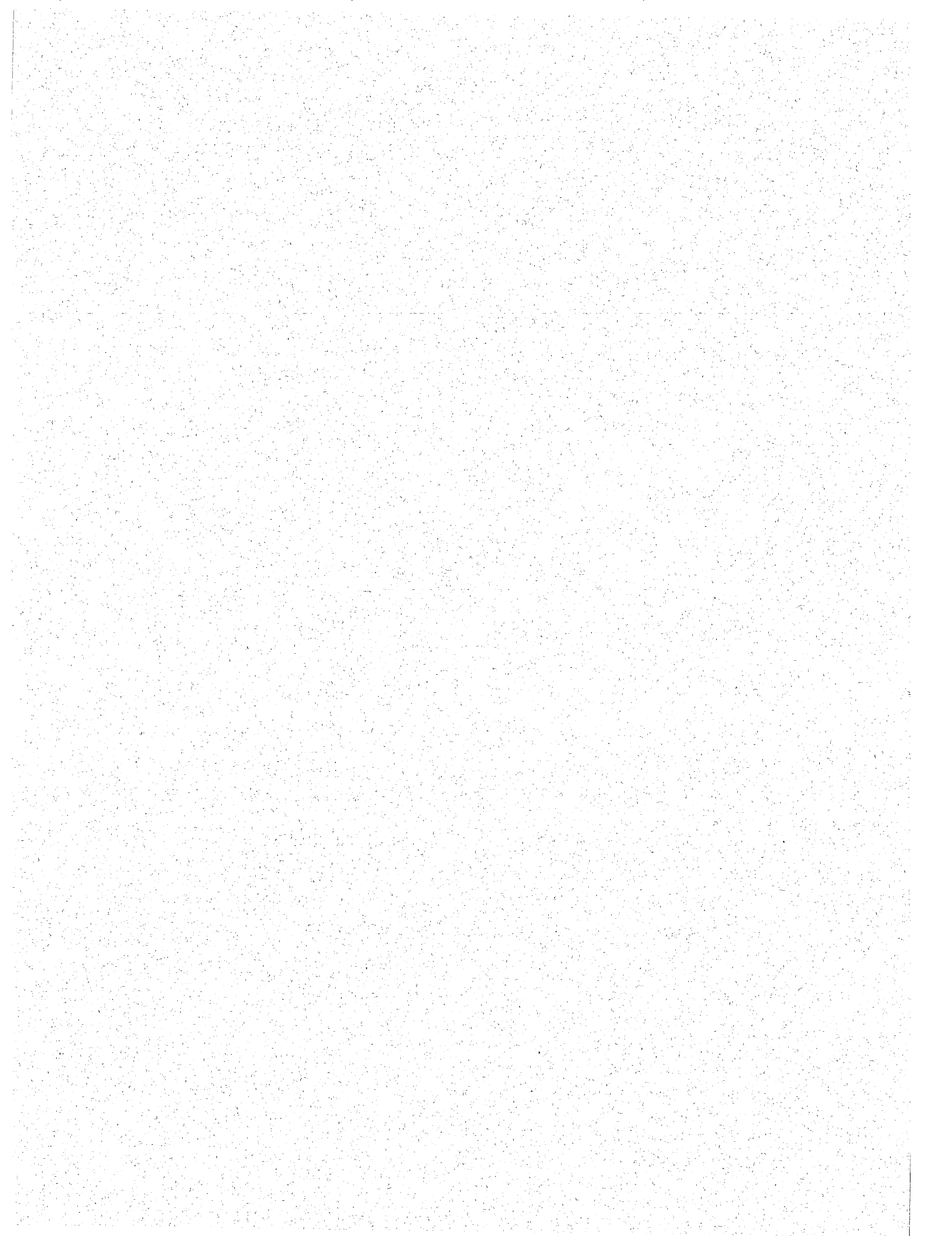
Passenger Type	1987 Actual	1988 Actual	1989 Estimate	1990 Estimate
Enplaned	6,644,000	6,061,000	5,631,000	5,681,000
Deplaned	6,679,000	6,083,000	5,649,000	5,719,000
Connecting	4,536,000	5,590,000	7,120,000	7,600,000
	<u>17,859,000</u>	<u>17,734,000</u>	<u>18,400,000</u>	<u>19,000,000</u>

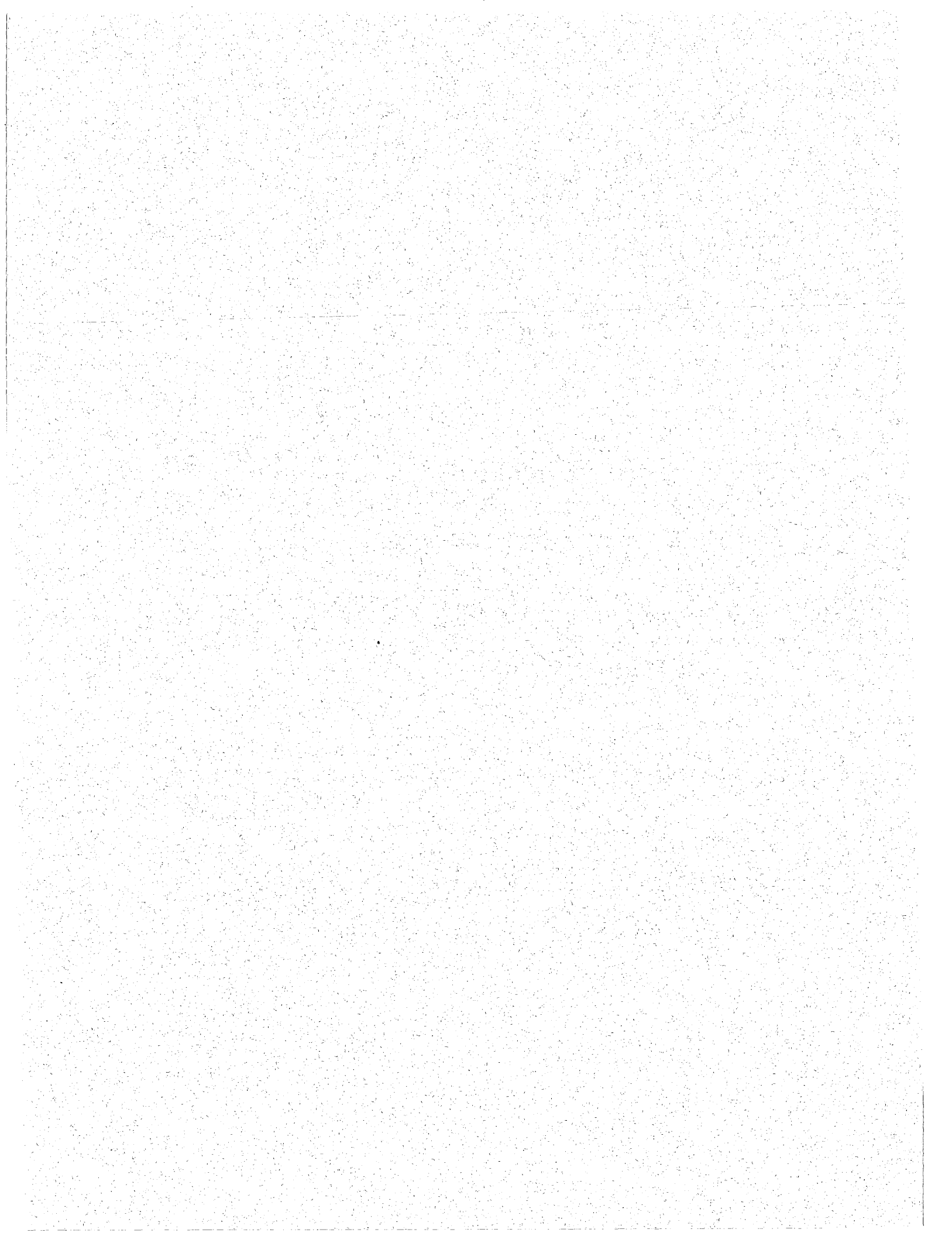
Total operations for the MAC system have increased 48% since 1982. (An operation represents one takeoff or landing.) Reliever airport operations have increased 49% from 587,000 in 1982 to an estimated 875,000 in 1990. With the exception of St. Paul Downtown and Anoka Airports, very minimal increases are projected. These two airports, however, are projecting increased operations because of expanded facilities. Operations at MSP International are estimated to increase to 370,000 in 1990 after three years of decline. This decline in 1987 and estimated 1988 and 1989 was the result of the Northwest/Republic merger and the implementation of voluntary noise restriction agreements.





Cargo/Mail activity has increased by approximately 134% since 1982. This increase can be attributed to the improved cargo facilities of the airport through the development of the Southwest Cargo Area. The decrease in estimated 1989 activity from 1988 is attributed to the merger of Federal Express and Flying Tigers. It is anticipated that 1990 will show an increase in Cargo/Mail activity.





Agreement (The)—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.

CSOs—Community Service Officers.

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

The Commission—Metropolitan Airports Commission.

Common Use Space—Area with the Terminal Building leased for use in common with other air carriers. (Part of Exclusive Use)

Concessions—One of the five main revenue categories. This category includes: food, beverage, gifts, parking, auto rental, vending and numerous other small lessees.

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

Connecting Passengers—Passengers who transfer to another flight—Mpls./St. Paul 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 Serve Account—An account which MAC is required by law to maintain whereby the balance on hand on October 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 refers 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.

Exclusive Use—Space rented to a specific airline (includes Common Use, Finished and Unfinished)

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.

Finished Janitored Space—Refer to Finished Space, and with this space the Commission furnishes janitorial cleaning.

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

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

General Obligation Bonds—General obligations of the Commission, payments of these bonds 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)—The Commission's charter 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—Revenue category under the Concessions heading dealing with fees collected from caterers who supply meals to the airlines during flights.

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

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

Lindbergh Terminal—The main terminal where all of the scheduled 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—Those airlines which 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 that participate in the airline agreement.

Maintenance Expense—One of the main expense categories and includes the following: repairs of various sorts, snow removal, security charges, contract cleaning, rubbish disposal and numerous other similar expenses.

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

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

Minimum Landing Fees—Fee 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 weight based.

Miscellaneous Expenses—One of the main expense categories and includes the following: professional services, shuttle bus, travel, parking management fees, and numerous other miscellaneous expenses.

Miscellaneous Revenue—One of the main revenue categories and includes numerous small dollar items as well as reimbursed expenses.

NWA—Northwest Airlines

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

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—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 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, calculated by dividing the total estimated costs in the appropriate cost center by the number of lineal feet of ramp space.

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

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

Rentals—One of the five 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—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—The counties surrounding and including the cities of Minneapolis, St. Paul and MSP International. The counties include Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

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

Snow Removal—An expense account under the Maintenance Expense category. All costs associated with removal of snow, with the exception of labor, flow into this account. These costs include materials such as salt and sand, and equipment rental used for both hauling and plowing snow.

South Terminal Expansion—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 carrousel 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 727s, some 747s, and McDonnell Douglas DC-9s).

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 757s, 767s, 747-200s, McDonnell Douglas DC10s, DC9-80s, and the Lockheed L-1011s).

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—One of the 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. (Part of Exclusive Use)

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

Utilities/Revenue—One of the major revenue categories. Included in this category are water, sewer, steam, and chilled water.

West Reliever Airports—Refers 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)—The airfield itself excluding the Terminal Building.