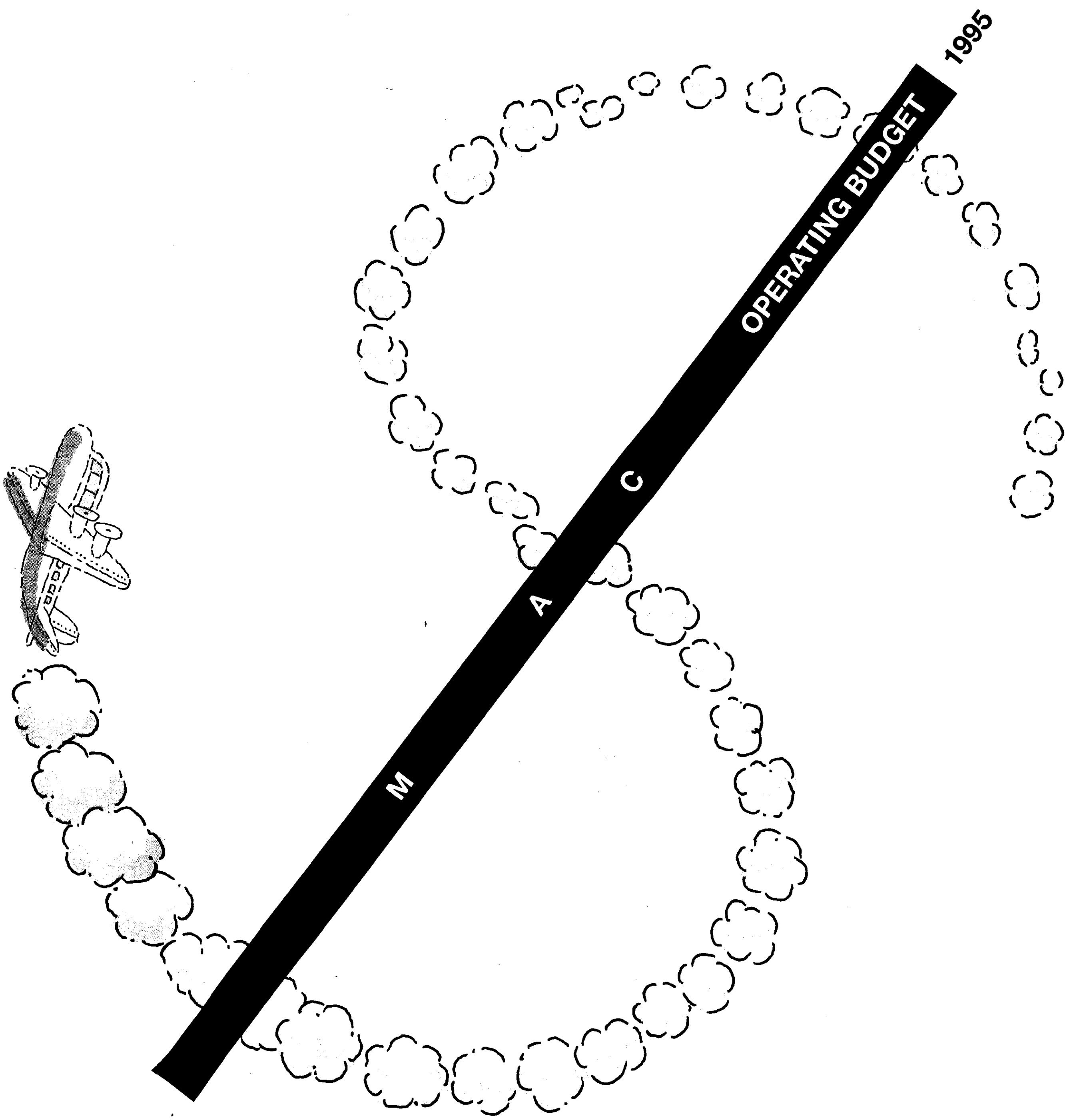

Pursuant to Minn. Stat. 473.621;
Minn. Stat. 473.163


OPERATING BUDGET
1995

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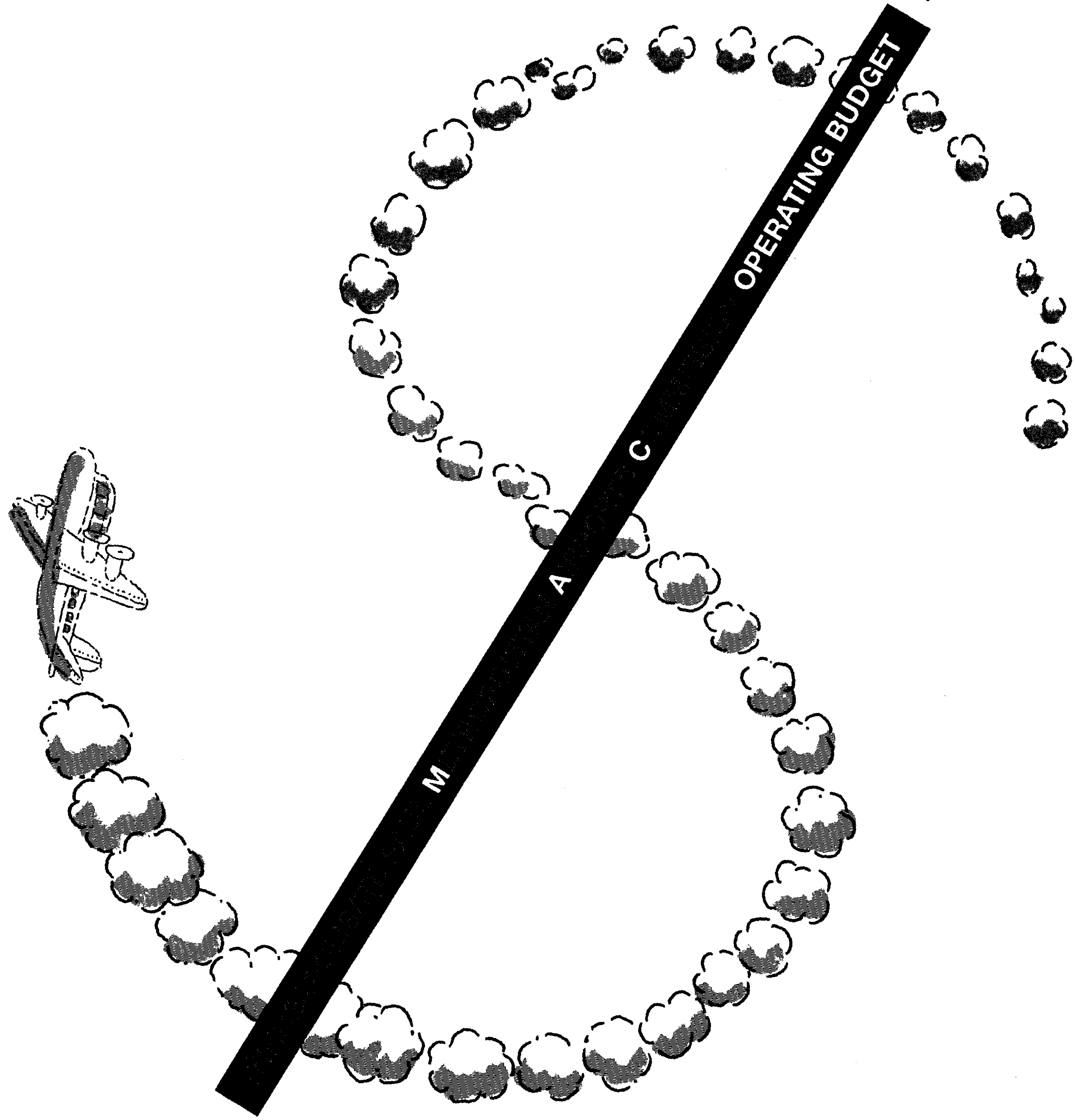
INTRODUCTION



Budget Message

1995 BUDGET MESSAGE

We are pleased to present the 1995 Metropolitan Airports Commission budget that was adopted by the Commission on December 19, 1994. Total revenue for 1995 is projected to be $78,661,479 and operating expense is $72,956,126.

The 1995 budget reflects the philosophy that the Commission should operate as a business and was prepared with the following guidelines in mind:

1. No taxes would be assessed to support MAC operations.
2. Debt service and at least a portion of construction costs would be fully funded by revenues.
3. Airline charges and rates would be reasonable as compared to other major airports.
4. The MAC would retain its AAA bond rating.
5. A safe and efficient system of airports would be maintained.
6. The MAC would provide excellent service to its tenants and the travelling public.

BUDGET OVERVIEW

The Budget Task Force has taken numerous actions throughout the year concerning the 1995 budget. These actions included the establishment of budget targets, the addition of 12 new positions for 1995 and approval of a Capital Equipment Budget totalling $3,092,951. As a whole, the Commission established the Goals and Objectives for 1995. A description of them follows this letter.

In addition to the Budget Task Force, the Operating Budget has been reviewed by the air carriers serving Minneapolis-St. Paul International Airport and interested members of the public. A meeting was held with the airlines on September 21, 1994 and revisions were made to the initial budget based on comments received from the airlines. The Commission is required by law to conduct a Truth in Taxation hearing that is open to the public which was held on December 5, 1994.

During the 1993 budget process, the Commission found itself in a situation where expenses were increasing at a higher rate than revenue, and operating income as a percentage of operating revenue was declining. To address this issue in future budgets the Budget Task Force has established targets for revenue growth that exceed growth in expenses for the budget. Specific targets for 1995 are as follows:

1. Revenue growth would equal or exceed 4.25%.
2. Expense growth would be limited to 4.0%.
3. Operating income would equal or exceed $5 million.

The table, below is a summary of budgeted 1994 and 1995 revenues and expenses.

	Budget 1994	Budget 1995	% Variance
Operating Revenue	$75,799	$78,661	3.78%
Operating Expense	70,519	72,956	3.46%
Operating Income	$ 5,280	$ 5,705	

Targets for growth in expense and operating income were met. The revenue target was not met. Actual growth in revenue was 3.78%. Because the growth in revenue exceeded the growth in expense the Budget Task Force did not require any additional action be taken to increase revenue.

During 1995 growth in concession revenue will occur in the areas of auto parking and auto rental. Auto parking will increase approximately $970,000 as a result of increased traffic. A new agreement with the auto rental firms went into affect on May 1, 1994, which will generate $170,000 in additional revenue in 1995. Newly renegotiated leases for existing facilities will add approximately $600,000. Revenue from Airline Rates and Charges will rise as a result of increases in expenses that enter into the rate calculations.

Personnel costs will increase $1,448,944 as the result of adding twelve new positions, filling existing vacancies, implementing wage adjustments and additional pension and workers compensation costs. Professional Services will rise $407,945 due to an expanded marketing program, the implementation of the new computer system, and participation in the design and construction of a new radio system for the metropolitan area. In addition, increased costs will be incurred to maintain the secured access system and to meet additional monitoring requirements of the 1990 Clean Air Act. Utilities will increase by $633,447 as a result of heating holding ponds for glycol, the elimination of a credit for gas charges and a billing error identified for water and sewer charges.

Not all costs have increased. The Commission is required to monitor the various elements in the storm water run-off which is discharged into the Minnesota River and Duck Lake. In 1994, $1,940,000 was budgeted for this item. Costs were not incurred at this rate and this figure was reduced to $1,200,000 in the 1995 budget. In addition, cleaning costs have been reduced by $84,356 as the result of a renegotiated cleaning contract.

CAPITAL IMPROVEMENT PROGRAM

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.

Approved Capital Projects for 1995 total $161,379,000. Funding for the program will come from money currently on hand, federal and state grants, passenger facility charges, internally generated funds, interest income, and the issuance of bonds.

THE FUTURE OUTLOOK

There are three issues that will have a significant impact on the MAC as we proceed into 1995. These issues are the status of the Airport Improvement Program (AIP), the health of the airline industry and the need to provide for future air transportation needs. Each of these issues is discussed below.

FEDERAL FUNDING PROGRAM

The Clinton Administration's plans to cut government costs and shrink many federal government programs will affect the national aviation system. Current proposals would significantly reduce the amount of Airport Improvement Program (AIP) funds that would be available for funding airport capital improvement projects. It is currently estimated that 24% of the funding for the MAC's Capital Improvement Program through the end of 1997 will come from this program.

Final changes to the existing program are not known at this point. Two things, however, are apparent. First, there will be less AIP funds available for airport projects. Second, there will be more responsibility at the local level to raise funds through user fees and/or taxes. Final changes to the program could significantly impact the ability of the MAC to fund the Capital Improvement Program originally approved by the Commission.

INDUSTRY HEALTH

The economic condition of the air carriers continues to have a profound effect on the MAC and its ability to fund both operational activities and capital improvements in 1995 and beyond. Although no major air carriers are currently in bankruptcy, two are perilously close. Northwest Airline, the largest carrier servicing MSP, recently completed their fifth consecutive profitable quarter. They are, however, more the exception than the rule.

The long awaited recovery of the airline industry did not occur during 1994. The airline industry continues to suffer from low fares, increased competition and lower profit margins. As a result, they continue to look for ways of reducing their cost structure. Increasingly, they are turning to airports for reductions in airport rates and charges. The challenge moving forward will be to provide a high level of service to our customers while continuing to control costs.

PLANNING FOR FUTURE AVIATION NEEDS

The MAC has been working with the Metropolitan Council to determine how the region should plan and invest to meet air transportation needs through the year 2020 and beyond. In 1989, the Legislature established the Dual Track Planning Process which requires the simultaneous study of two options: improving the existing major airport or building a replacement at a new location. The Legislature will receive the recommendation from the MAC and the Metropolitan Council by July 1, 1996.

Until the recommendation is presented to the Legislature, the Commission will continue to make necessary improvements to the existing facilities. To avoid influencing the Dual Track Process, however, the Commission has established the goal of a 10 year and no more than a 15 year payback for the cost of major projects constructed at MSP. As a result, each proposed improvement is carefully reviewed. The challenge facing the Commission will be balance the need to improve the existing facilities with the potential that a new airport may be constructed.

AWARDS

The Government Finance Officers Association of the United States and Canada presented its Distinguished Budget Presentation Award to the Minneapolis-St. Paul Metropolitan Airports Commission for its annual budget for the 1994 fiscal year. To qualify for this award, the government unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan, and a communications medium.

We believe the 1995 budget conforms to those guidelines and we shall submit it to GFOA for its consideration for another award.

ACKNOWLEDGEMENT

This budget is the result of countless hours of work by the staff of the Finance Department and by Commissioners who served on the Budget Task Force. A special thanks to everyone who helped develop the 1995 budget and who share the Commission's determination in making MAC one of the most efficient and cost effective airport operators in the nation.

Respectfully submitted,

Jeffrey W. Hamiel
Executive Director

Denise A. Kautzer
Director of Finance

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Minneapolis/St. Paul Metropolitan Airports Commission, Minnesota

For the Fiscal Year Beginning January 1, 1994

President

Executive Director

1994 Overview

For 1994 the MAC identified three "Areas of Emphasis" on which the organization would place special attention. Those areas were:

- Metropolitan Governance
- Customer Service
- Marketing MAC Airports

METROPOLITAN GOVERNANCE

The Minnesota Legislature, in its 1992 session, created a Council on Metropolitan Governance which was established to advise the legislature on the roles of the Metropolitan Council, the Metropolitan agencies and local government. The Citizens' League also reviewed metropolitan government to recommend ways to make metro governments more efficient and responsive to their constituencies. The Governor's Commission on Reform and Efficiency also studied this issue.

The MAC was one of the agencies reviewed and the major qustion affecting the MAC was whether or not it should maintain its independent status or be under the direction of the Metropolitan Council. The MAC felt strongly that its independence should be preserved and that its continued effectiveness as an international leader in airport management would be enhanced by the MAC remaining independent.

The MAC was very pro-active in participating in the discussions with the various groups considering reform and reorganization, including the 1994 legislative session. While two metropolitan agencies were brought under the supervision of the Metropolitan Council (Metropolitan Waste Control Commission and the Metropolitan Transit Commission) and a third agency abolished (Regional Transit Board), the legislature determined that the region would best be served by the Metropolitan Airports Commission remaining an independent agency, as envisioned by the legislature when it created the MAC in 1943.

CUSTOMER SERVICE

At a 1993 commissioner offsite seminar, the topic of customer service and customer relations received considerable discussion. The previous year, the Terminal Services and Business Plan had been started and was completed in 1993. It contained an extensive survey of passenger attitudes and opinions which led MAC to conclude that a more comprehensive analysis of its customers, their needs and expectations should be accomplished.

Last year, all MAC departments began a survey to identify their customers, what services are provided to them by each department, and that customers' opinion on the quality of the services it receives.

A Customer Service Action Team was formed to create and implement an action plan. It is known as PACE (People's Awareness of Customer Expectations) and it has four phases:

- Identification of customers
- Instruction to the departments on methods to obtain from the customer valid, useable information
- Using that information to formulate action plans to close the gap between customer expectations and experiences
- Continue soliciting feedback, thus establishing customer service as a routine way of doing business at the MAC.

Phase 1 has been completed and the training sessions for completion of Phase 2 have been held. Six of the MAC serice centers have begun Phase 3, having already completed the earlier processes. All service centers are expected to be in Stage 3 by spring 1995.

MARKETING MAC AIRPORTS

In continued discussions with commissioners in 1993, considerable enthusiasm was expressed for stepping up the marketing of MAC's facilities from the project-oriented approach of past years. The objectives of the new program were focused on obtaining additional international service at MSP, either from an incumbent carrier (NWA) or from an airline not currently serving MSP.

MAC's specific objectives were to:

- retain consultant to assist the MAC in developing a comprehensive marketing plan for MSP for strategic domestic and international flights.
- develop a plan to build appropriate infrastructure to attract and accommodate additional international passenger and cargo flights.
- form a task force with members of other agencies and companies promoting international trade and tourism. This organization would be the voice of international trade and could have significant influence in getting improved service at MSP.

1995 GOALS AND OBJECTIVES

In 1994 the Commission and staff developed a series of 1995 objectives that comprise significant activities that will be undertaken and/or completed during the 1995 calendar year. These objectives were refined from a list of nearly 50 important subjects to which the Commission and staff will devote extraordinary time and resources in 1995.

The 1995 objectives include:

DUAL TRACK AIRPORT PLANNING PROCESS

During 1995 the Metropolitan Airports Commission will move into the final phases of the Dual Track Airport Planning Process. In February, the MAC will select a preferred alternative for continued development of Minneapolis-St. Paul International Airport; in April a similar decision will be made for a potential new airport development concept. This will allow the comparison process of these two options to begin.

A key element of the comparison is the environmental review process. The MAC will be responsible for completion of State environmental review, acting under the provisions of an Alternative Environmental Review Process approved by the Minnesota EQB. The Federal Aviation Administration will be responsible for compliance with Federal environmental requirements. Coordination meetings will take place between MAC and the FAA in order to prepare a joint environmental review document; this will provide a more understandable process for the interested public. Scoping activities will begin in April with the draft EIS being prepared during the remainder of the year.

Financial and economic issues will also be evaluated during 1995. Costs of the development alternatives are being developed as part of the comprehensive planning process. It will be necessary to determine how these costs will be paid as part of the evaluation process. A financing plan will be developed for both MSP and the potential new airport to assist decision-makers in making a final choice. Costs associated with infrastructure improvements will also be provided, however at a more general level than the on-airport costs. A separate evaluation will consider economic impacts. The importance of aviation to the economy of the Twin Cities, and state at large will be evaluated. The study will look at the potential impacts of doing nothing, and of MSP expansion or development of a replacement airport.

To provide additional input into the environmental process, the MAC has authorized studies of a Remote Runway concept and of Site Preservation. The Remote Runway Study contemplates a separation between the runways and certain terminal functions, continuing to use the existing terminal building with the runways located within the Search Area in Dakota County. Site Prevention is a concept whereby land for future development would be set aside; the decision to begin development of airport facilities would be made at the time when demand had reached a predetermined level.

Public involvement has been an integral part of the planning process since it was begun in 1989. Regular newsletters for the public and legislators, brochures summarizing major activities, and public hearing and presentations will serve to keep interested parties aware of ongoing activities. Community input will also be received through an advisory Task Force, similar in nature to those that have been in place throughout the various stages of the Dual Track.

APPROVE STORM WATER DISCHARGE PLAN FOR MSP

The National Pollutant Discharge Elimination Systems (NPDES) Permit issued by the Minnesota Pollution Control Agency to MAC required a 50 percent reduction in the 1993-94 deicing season from the previous year in carbonaceous biochemical oxygen demand from the storm water discharge at MSP. The primary source of CBOD is the glycol used by the airlines to deice aircraft during the winter months. Aircraft deicing is absolutely critical to the safety of flight, and glycol is the only product currently used for that purpose.

Deicing fluid which has run off the aircraft is collected in the MSP storm sewers which have been plugged to prevent the fluid from flowing into the Minnesota River. The fluid is pumped out of the storm sewers into tanker trucks and transported to holding ponds for metered discharge to the Metropolitan treatment plant. Through this process, the MAC was able to meet its NPDES permit limitation for CBOD discharge by a wide margin. This successful effort is the result of the cooperation of many MAC departments, the airlines, and the MSP deicing task force.

The permit limitation for 1994-95 will be reduced by another 25 percent. Several collection and containment improvements, plus the cooperation of all involved parties, indicate another successful effort in the winter season.

DEVELOP/IMPROVE INTEGRATED NOISE POLICY FOR MSP

In 1994 the MAC committed to develop a New Noise Management Methodology which proposes three basic objectives.

- Provide an overall noise management plan applicable to all carriers serving MSP, streamlining the existing agreements with various carriers and providing continuity to noise programs at MSP.
- Insure that improvements to the noise environment from increased utilization of Stage 3 aircraft remains at least at current levels (no backsliding.)
- Formalize for MSP the existing federal provision that after December 31, 1999, only Stage 3 aircraft will be allowed to operate at airports in the United States. (Federal Aviation regulation Part 91.853).

APPROVE NEGOTIATING OBJECTIVES FOR NEW AIRLINE USE AGREEMENT; IMPLEMENT CONCESSIONS PLAN

In 1995 the MAC will begin preparations to renegotiate the operating agreement between the MAC and the airlines. In 1996, MAC will open negotiations with the airlines on the agreement. Over the years, the agreement has changed somewhat, principally in duration. The agreement that expired in 1988 was a 30-year agreement. The last one was only eight years and the next one will likely be for a similar period.

This agreement covers the major airlines serving MSP. Included in the pact are the terms for landing fees, ramp, terminal space rentals, and off-airport noise surcharge, etc. The agreement does not cover hangars or ramp spaces away from the terminal building. In 1994 the MAC and Northwest Airlines concluded difficult negotiations on the carrier's original main base lease, which was extended to the year 2002.

1995 Goals And Objectives CONTINUED

The MAC will convert its strategic concessions plan into an implementation plan in 1995. And in 1996 funds will be spent from the MAC's Capital Improvement Program to upgrade concessions space in the Lindbergh terminal.

The 1994 plan outlines the transformation of the present concessions environment into an "airport mall" with significant renovation and re-merchandising aimed at pleasing the millennium air traveller. It projects a 35 percent increase in the revenue-generating capacity of the proposed environment over the current environment. In 1995 both Starbucks and Caribou gourmet coffee shops will be featured at MSP for the first time.

- The properties department will negoitate an agreement with Northwest Airlines documenting construction and specifying how the new Lindbergh Terminal International Arrivals facility on the Gold Concourse will be operated. The ability of the MAC to attract new international service to MSP is severely handicapped by arriving passengers having to clear customs at an already overcrowded and inadequate Humphrey Terminal. And those passengers who connect to other flights at the Lindbergh Terminal are faced with riding a bus linking the HHH Terminal and Lindbergh facility to make that connection. Carriers have told staff that the existing HHH facilities are the largest single obstacle to MSP acquiring new international service. Design of the Gold Concourse facility is now in progress and bidding documents are being prepared. Contracts will be awarded and construction should be under way before year-end.

ADOPT A NEW PROCESS FOR DEVELOPING MUTLI-YEAR ORGANIZATIONAL GOALS AND IDENTIFYING THE SPECIFIC ROLE THE COMMISSION WILL PLAY

The executive director has developed a new process to improve organizational goal-setting. This improved process will allow more formalized commissioner involvement and encourage all employees to participate in setting annual organizational goals. Specifically, each year the Metropolitan Airports Commission will conduct a one-day seminar setting organizational direction and identifying policy priorities for the next three years. Once the commission has established those priorities, the staff will determine the specific administrative requirements, using departmental expertise, needed to achieve those goals. Once adopted by the commission the organization goals will be used to determine the annual budget requirements for the coming year, develop Capital Improvement Program priorities for the three-year period and provide direction for future decision-making.

DEVELOP AND APPROVE A NEW BUDGET PROCESS AND THE COMMISSION'S ROLE IN THAT PROCESS

In 1993 the commission established the budget task force for the purpose of reviewing and recommending the annual operating budget for approval. In the past, the task force has established annual targets for revenue and expense growth.

In 1995, multi-year targets will be established to assist in planning for periods beyond the current budget cycle.

Additionally, the task force will look at strategies for reducing the financial dependence of the MAC on Northwest Airlines, its major tenant. Northwest is the largest carrier serving MSP with approximately 30 percent of the MAC's operating income and 73 percent of total major airline revenue derived from that source.

DEVELOP A COMPREHENSIVE MARKETING PLAN FOR MSP

The MAC, in 1994, created a Global Task Force, established to assist the MAC in obtaining new international passenger and cargo service at MSP. One of the first topics addressed by the task force was the adequacy of MSP's facilities. The group concluded that it would be virtually impossible to obtain new international service with the crowded facilites at HHH International arrivals terminal. The group also identified the congested conditions at the Humphrey terminal for charter passengers and for additional length for runway 4/22 to accommodate fully loaded international widebody jets as conditions needing immediate correction.

The commission, at the urging of key members of the task force and with the full support of the Twin Cities media, approved major projects for construction of Federal Inspection Facilities on the Gold Concourse for international arrivals and expansion of the Humphrey terminal. The commission currently is considering approving extension of runway 4/22.

In 1995, the MAC will employ a consultant to determine which international destinations are most in demand by Upper Midwest passengers and shippers and identify those airlines most likely to meet those demands.

Appropriate staff (and perhaps others) then will begin contacts with those carriers to stimulate interest in the Twin Cities market. Northwest and KLM have been strong participants in the task force and have either increased their international service at MSP or have announced service increases scheduled to begin later. Included in those schedule additionas are additional flights to Amsterdam (14 flights weekly beginning in Spring 1995) and the inauguration of service to Vancouver from MSP via Spokane.

Northwest, with MAC's support, also has applied for new nonstop service to Montreal, Toronto and Vancouver from MSP and award of route authority in two of those markets is anticipated by Spring 1995.

REVIEW AND ANALYZE GENERAL AVIATION ACTIVITY AND ESTABLISH A PLAN TO MOVE APPROPRIATE AIRCRAFT AND OPERATIONS TO THE RELIEVER AIRPORTS

The reliever airports, as traffic increases at MSP, are playing an ever-increasing role in meeting the air transportation needs of the region. Without the reliever airports, there would be considerable congestion at MSP and significant delays of scheduled flights at MSP would be routine. One of MAC's policies has been to attract as much general aviation activity as possible from MSP to the relievers to eliminate congestion and delays and to prevent an incompatible mix of aircraft at this commercial hub airport.

In 1995 continued attention will be focused on the reliever airports. Efforts will include implementation of minimum standards, the establishment of new rates and charges for operators and tenants on the reliever airports, the development of a "MAC reliever airport operating philosophy," and the establishment of a Holman Field Use policy.

The MAC has been very active in promoting and obtaining federal Congressional support for the construction of new air traffic control towers at Anoka County/Blaine and St. Paul Downtown Airports. Those efforts, in 1994, paid off and Congress has approved construction of new towers at both MAC airports.

1995 Goals And Objectives CONTINUED

DEVELOP A PROGRAM TO IDENTIFY AND IMPROVE THE OVERALL PUBLIC PERCEPTION OF THE MAC AND ITS OPERATING PHILOSOPHY

In 1995 a number of events involving the MAC and its facilities will take place which will afford the MAC the opportunity to reacquaint the public with the organization, its facilities and objectives, and the impact of those facilities in meeting the economic and transportation needs of the region.

The MAC has enjoyed a strong, positive relationship with the Twin Cities media for several years. That relationship results from several factors. The MAC has an open door policy between the media and those MAC staff members most knowledgeable about the topic of media interest. That policy has been very helpful to reporters who are on a tight deadline and seeking information for a story. It also has been beneficial for the MAC in obtaining positive press coverage and maintaining good press relations.

A partial list of events that will attract media attention in 1995 includes the construction of new control towers at MSP, St. Paul and Anoka; the updated economic impact study for MSP; updates on the Dual Track process as it nears completion; new construction on the Gold Concourse, the HHH Terminal, and, possibly, runway 4/22. We will continue to promote special activities, such as Fly-Ins, the confederate Air Force visit to St. Paul, Airport Days, peak travel periods and other activities of interest on MAC facilities. MAC also will keep the public informed on aircraft noise progress as the use of Stage 3 aircraft at MSP approaches 50 percent. And the MAC will continue its highly successful editorial board briefings with *Star Tribune* and *Pioneer Press* newspapers. And for the first time, MAC staff will launch an effort to obtain greater media coverage in outstate Minnesota, particularly related to the Dual Track process and the economic/transportation importance of MSP to the entire state and region.

IMPLEMENT A CONTINUING PROGRAM TO MONITOR THE AIRLINE INDUSTRY AND NWA DEVELOPMENTS AND TRENDS IN FINANCIAL STATUS, MARKETING PROGRAMS, TECHNOLOGY AND FEDERAL PROGRAMS

The various segments of the aviation industry, including airlines, airports general aviation and government agencies have been characterized by an incredible amount of change over the past several years. That rate of change seems to be increasing each year. As part of MAC's need to stay in touch with the expectations of its customers and to find ways to understand as well as influence these changes, MAC staff plans to schedule quarterly presentations to the commission and staff by influential industry experts which will provide opportunities to learn about recent developments and trends in a variety of industry segments and to discuss their impact on the MAC.

DESCRIPTION OF BUDGET PREPARATION & AMENDMENT PROCESS

The following paragraphs describe how the budget is prepared and amended.

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.

This budget document has undergone major format changes from previous years. These changes can be attributed to comments received from internal staff and GFOA reviewers. Significant changes are described below:

A. Format—The Budget Preparation & Amendment Process section is moved to this area in order to explain the changes being made in the document format.

B. Organizational Structure—Within this section, the Commission description remains the same as in prior years. Previously the six staff functions were described next. In this years document, each of the departments (defined below) is listed comparing their 1994 budget with 1995 budget. Also included is a brief description of the responsibilities/functions of the department and their historical headcount is presented. At the end of this section a total personnel summary is shown.

C. Operating Budget—This has been changed in two ways. First of all, rather than providing a detailed listing of expenses by service center, the detail is shown by what is referred to as subledgers. With our new financial software, there is the ability to sort information in a number of ways. Internally expenses are reviewed two ways: by service center and by subledger. (The Service Center information is described below.) Subledgers represent the method by which the Commission records expenses for rate calculations. This detail is presented at the end of the Expense Assumptions section. Second, additional information is included at the end of this section and incorporates "Non-Operating" accounts.

D. Construction Budget—This section was expanded to include increased information on the CIP (Capital Improvement Program). This information includes projects in process funding and major project descriptions.

E. Debt Service Budget—Increased information in this section relates to outstanding debt, future debt and refundings.

F. Statistical—This section includes various comparisons with other airports.

Explanations regarding other terms and changes are listed next, followed by the budget process.

Department

A department represents a combination of service centers. These service centers are responsible for specific functions which relate to one another. The department format is also a way for the Commission to summarize costs in a way that department directors can review functions they control.

Desription of Budget Preparation & Amendment Process CONTINUED

Service Center

Service Centers are the lowest level of the department detail. Many of the departments at MAC actually include several areas of responsibility and control. These areas have been deemed service centers. Previously there was not a separate budget for each of the service centers. Budgeting for these areas was included in the department balance. This prevented a department director from having a separate budget for each service center. Now departments can budget at the service center level of detail.

Budget Specialist

The budget specialist is an employee from each department or service center who is responsible for making sure all forms are completed and proceed for signature. In addition, the budget specialist also inputs the budget on the personnel computer.

Controllable Expenses

Because MAC receives reimbursement for operating of MSP Int'l via the rates charged to the airlines the budget was also prepared on the same concept. Expenses were budgeted and charged through allocations to all appropriate departments. Therefore, an individual budget would include line items in which the department head had no responsibility or control. This made monitoring of the department budget very difficult. In addition, this also confused the budgeting process. Often these costs were budgeted by a multitude of departments. Each had to be summarized and allocated by line item and department.

Controllable expenses allow a service center to budget for those line items they have direct responsibilities and control, regardless of the use by any other service areas.

Bottom Line Management

Typically budget variances are reviewed by line item. Starting in 1994, budget variances were reviewed by bottom line total. The budget is still prepared by line item, but department directors will have the authority to make alternate decisions based upon department needs.

Budget Process

Preliminary work on the budget begins in April. During this month historical information was packaged for each service center. Templates were set up on the system for each service center. Budget specialists were assigned by each department and input of budget information was scheduled for the first part of May.

In May all budget specialists were trained on the use of Lotus for budget purposes. Upon completion of training, the budget packages were distributed. Specialists and their respective departments had three weeks to complete the Personnel section, three weeks for the Equipment section and four-five weeks to complete the Operating Expense section. While this was in the process, inflation factors were updated, labor contracts and wage adjustments estimated, preliminary budget prepared, and meetings to update the Budget Task Force were held.

Personnel and new equipment requests were reviewed during June. Upon approval by Senior Staff these requests were presented to the Budget Task Force for review and recommendation. For 1995 twelve new positions were approved and approximately $3.2 million in capital equipment.

During the balance of June, all of July and the first half of August summary information on expense is compiled and historical revenue data is put together. Airline rates are then calculated and final revenue figures are available. Revisions to expense are done while revenue figures are being compiled. When all revenue and expense is completed, staff reviews and revisions are completed as required.

Description of Budget Preparation & Amendment Process CONTINUED

During September presentations are prepared for the Budget Task Force, Senior Staff and airlines. Also, supporting schedules are completed. The month of October is reserved for presentations to the Budget Task Force and revisions prior to requesting preliminary approval.

Preliminary approval is given by the Budget Task Force in late October. With the recommendation from the Budget Task Force and the informational meetings held, preliminary approval is requested at the October full Commission meeting. The reason for preliminary approval is because MAC is now required to hold "Truth in Taxation" hearings. This legislation passed in early 1993. Two hearings must be held, both in early December. MAC is not proposing to levy taxes in 1995 and has not levied taxes since 1969. Final approval of the 1995 Operating Budget is expected at the December Commission meeting. Rate changes will be sent out as usual at the beginning of December based upon preliminary approval from the full Commission.

This calendar gives an overview of the process:

MONTH	TASK
April	- Service Center historical information prepared - Budget specialists identified - Templates for service centers set up on computers - Training schedule prepared
May	- Training of budget specialists - Packages distributed-Personnel, Equipment, Operating Expenses - Determine inflation factors, wage and contracts adjustments - Historical information gathering process started - Prepare preliminary budget - Personnel section completed
June	- Present preliminary budget to Management & Operations Committee - Budget Task Force update - Equipment requests due and reviewed - Operating Expense section due late in month
July	- Equipment requests finalized - Summary information/schedules prepared - Revenue analysis begins - Revisions to expense initiated
August	- Budget Task Force update - Revenue completed - Expense revisions
September	- Presentation information compiled - Packages distributed to airlines and Budget Task Force - Expense revisions - Presentation/meeting with the airlines
October	- Presentation (2) to Budget Task Force - Preliminary Commission approval
November	- Staff presentation
December	- Note of rate changes to all tenants - Continuation of Truth in Taxation hearing as required - Final Commission approval

Description of Budget Preparation & Amendment Process CONTINUE

AMENDING PROCESS

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

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

The Executive Director 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 procedure 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
2. **Administrative Expenses**
3. **Professional Services**
4. **Utilities**
5. **Operating Services**
   - Parking Management
   - Shuttle Bus Services
   - Service Agreements
   - Storm Water Monitoring
   - Other

   Total Operating Services
6. **Maintenance**
   - Trades
   - Building
   - Field
   - Equipment
   - Cleaning

   Total Maintenance
7. **Depreciation**
8. **Other**
   - General Insurance
   - Other
   - Reimbursed Expense

   Total Other

   Total Expense

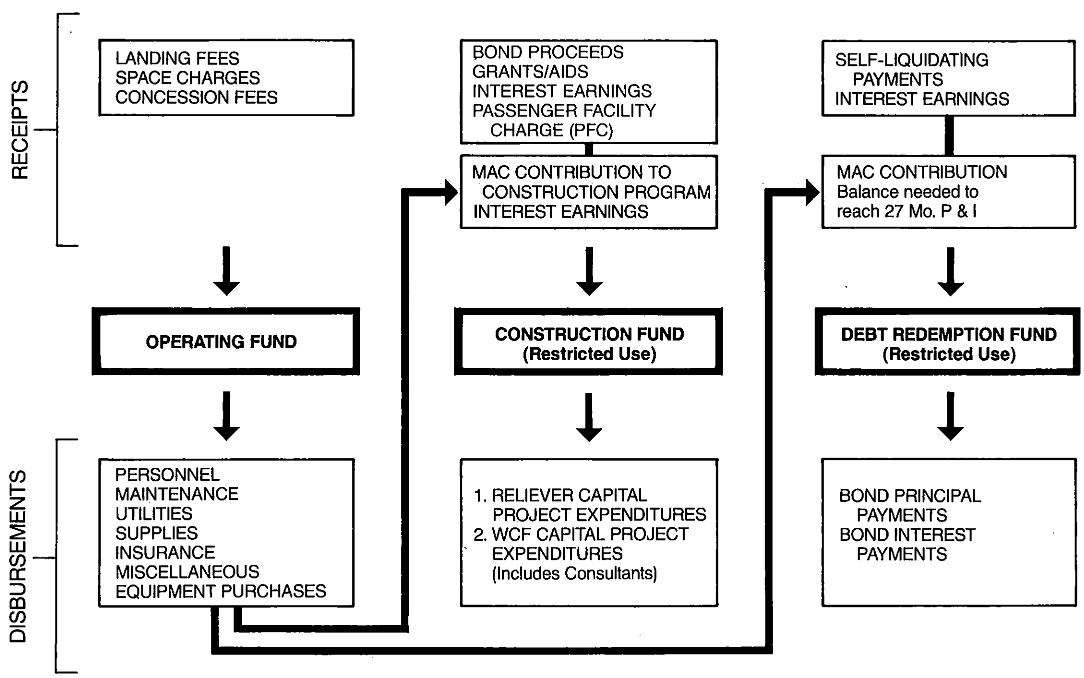
Budget Overview/Revised Format

The MAC is accounted for as an Enterprise Fund with amounts restricted for construction and debt redemption. For internal purposes, MAC maintains three funds corresponding to three major functions: Operating Fund (Budget), Construction Fund (Budget) and Debt Redemption Fund (Budget).

In prior budget documents, MAC presented only the detail and assumptions dealing with the Operating Budget. This year, the budget section includes the Construction budget and Debt Redemption budget. The Construction budget has added explanations and incorporates the Capital Improvement Plan (CIP) into the detail and assumptions on a summary level. The Debt Redemption budget includes more information about current debt and the MAC's funding requirements.

The Flow of Funds chart below identifies the sources and uses of dollars within each fund and between funds.

METROPOLITAN AIRPORTS COMMISSION
FLOW OF CASH RECEIPTS AND DISBURSEMENTS



The basic financial policy of the MAC is as follows:

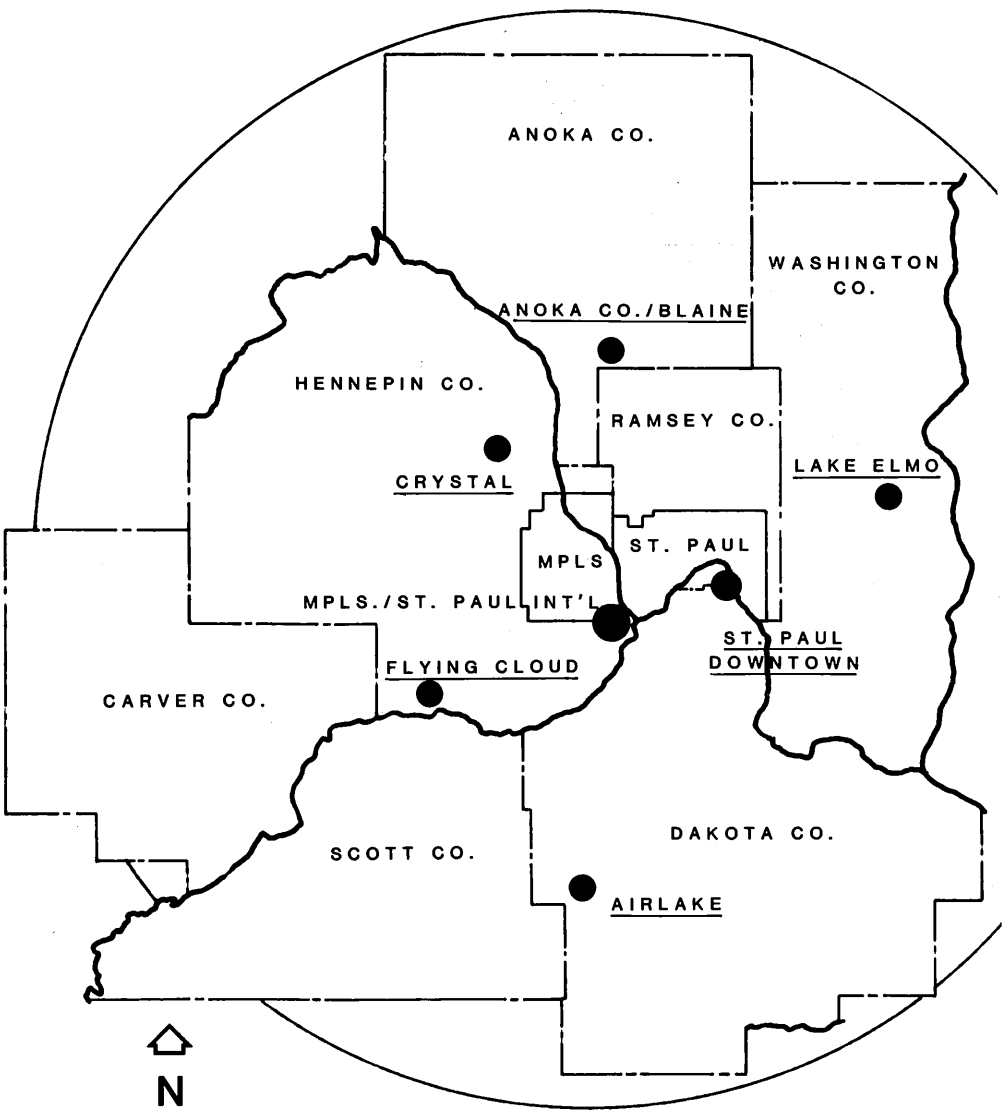
1. On October 10 of each year, MAC is required to have 27 months of principal and interest in the Debt Service Fund. (Described in more detail in the Debt Redemption Budget on page 87.)
2. On December 31 of each year, MAC determines the balance required to maintain four months of working capital in its Operating Fund. This amount for 1995 is $16.0 million. Any excess dollars over and above this $16.0 million balance is transferred to the Construction Fund. (See Construction Budget on page 78.)
3. Maintain the current AAA bond rating given MAC by Moody's and Standard and Poor's.
4. Generate sufficient revenue to support the entire system without the use of taxes. (MAC has not levied for debt service or operations since 1969. See Taxing Authority on page 60.)

ORGANIZATIONAL STRUCT

M A C OPERATING BUDGET

Organizational Structure

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.



Commission Jurisdiction 35 Mile Radius

Organizational Structure CONTINUED

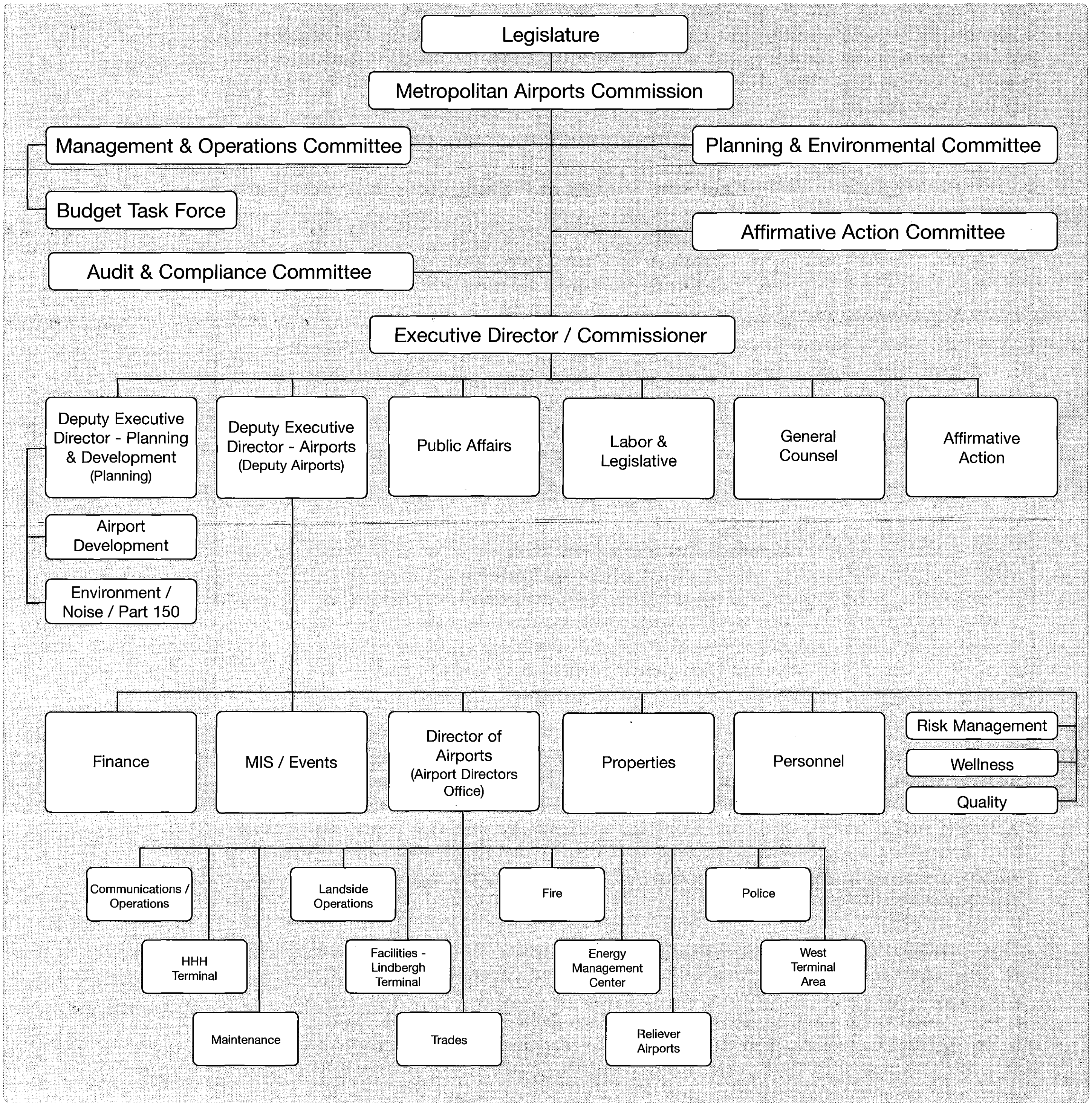
The Commission is givemed by 15 Commissioners. Twelve Commissions are appointed by the Governor of the State of Minnesota. Of these twelve, eight are from designated districts within the Metropolitan Area and four are from outstate. The Mayor of St. Paul and the Mayor of Minneapolis also have seats on the Commission with the option to appoint a surrogate to serve in their place. The Chairperson of the Commision is appointed by the Governor for a four-year term.

Chairman:	Wayne Popham
Commissioners:	
District A	Darcy Hitesman
District B	Daniel Johnson
District C	John Himle
District D	Alton Gasper
District E	Edward Fiore
District F	Tommy Merickel
District G	Patrick O'Neill
District H	Louis Miller
City of Minneapolis	Steve Cramer
City of St. Paul	Nick Mancini
Representing Greater Minnesota Area:	Mark Brataas
	Laurel Erickson
	Paul Rehkamp
	Georgiann Stenerson
Executive Director:	Jeffrey W. Hamiel

The Commision 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.

The remainder of this section includes detailed information on the organizational structure. The organizational chart below identifies the structure and departmental levels. This chart is followed by a table which lists the departments and the associated service centers which roll up into it. Next is the summary by department. Each department shows the following information: expense by major category, this again is for departmental use, headcount summary and a brief description of the departments responsibility/function. At the end of these summaries is an organizational personnel table. This table lists all departments and their respective headcounts for 1993 actual, 1994 actual (as of 11/30/94), 1994 budget, and 1995 budget. In addition, a summary of vacancies, new positions for 1995 and positions which will not be filled in 1995 is shown.

Organizational Structure CONTINUED



Organizational Structure CONTINUED

Department/Service Center Listing

Department	**Service Center Listing**
Executive/Commission	Executive (75000) and Commissioner (75100)
Planning	Planning (75500)
Public Affairs	Public Affairs (76000)
Deputy Airports	Deupty Airports (76500), Quality (76600), Wellness (76700), Risk Management (76800)
Airport Development	Airport Development (77000)
Finance	Finance (78000), Purchasing (78200) and Audit (78300)
MIS/Events	MIS (79000) and Events (79100)
Labor/Legislative	Labor/Legislative (79500)
Properties	Properties (80000)
Affirmative Action	Affirmative Action (80500)
General Counsel	General Counsel (81000)
Personnel	Personnel (81500)
Airport Directors Office	Airport Directors Office (82000) and Technical Support (82100)
Operations/Communications	General Comm/Ops (82500), Operations (82600) and Communications (82700)
Landside Operations	Ground Transportation (83000), Parking Facilities (83300) and Landside Administration (83400)
Fire	Training (83500) and Rescue (83600)
Police	General Office (84000), Narcotics/Investigation (84100), Administration/Training (84200), Patrol/CSO's (84300), Security & Investigations (84400)
Noise/Environment/Part 150	General (85000), Safety/Environmental (85100), Part 150 (85200) and Noise (85300)
HHH Terminal	HHH Terminal (85500)
Facilities-Lindbergh Terminal	Facilities-Lindbergh Terminal (86100) and Administration (86000)
Energy Management Center	Energy Management Center (86300)
West Terminal Area	West Terminal Area (87000)
Trades	Electricians (88000), Painters (88100), Carpenters (88200) and Plumbers (88300)
Maintenance	Field (89000), Equpment Maintenance (89100), Equipment Purchase (89200), General (89300)
Reliever Airports	Administration (90000), St. Paul (90200), Lake Elmo (90300), Airlake (90400), Flying Cloud (90500), Crystal (90600) and Anoka (90700)

Organizational Structure CONTINUED

EXECUTIVE/COMMISSIONER

	1994 Budget	1995 Budget	$ Variance	% Variance
Personnel	187,495	190,014	2,519	1.34
Administrative Expenses	134,950	135,300	350	.26
Professional Services	0	0	0	.00
Utilities	2,400	2,400	0	.00
Operating Services/Expenses	600	600	0	.00
Maintenance	0	0	0	.00
Other	7,500	9,500	2,000	26.67
Gross Depreciation	0	0	0	.00
Expenses	332,945	337,814	4,869	1.46

Headcount Summary	1993 Actual	1994 Actual	1994 Budget	1995 Budget
Executive/Commissioner	3	3	3	3

Responsibility/Function

Office of the Executive Director

The Executive Director is responsible for the overall administration of the Metropolitan Airports Commission and is responsible for the implementation of all Commission policies. The Office of Executive Director is directly accountable to the Board of Commissions for the safe and efficient operation of the seven airports under its jurisdiction. Responsibilities include the coordination, direction and implementation of programs and services of the Commission as well as external relations with those regulatory agencies and governmental bodies concerned with the operation and administration of the Commission.

Metropolitan Airports Commission Board

It is the responsibility of the Board of Commissioners to: 1) Promote the public welfare; 2) Promote national, international, state and local air transportation; 3) Promote the safe, efficient and economical handling of air commerce both nationally and internationally and to fully develop the potential of the metropolitan area as an aviation center providing for the most economical and effective use of aeronautical facilities and services; 4) Assure residents of the metropolitan area minimum environmental impact from air transportation by promoting the overall goals of the State's environmental policies minimizing the public's exposure to nosie and pursuit of the highest levels of safety at all Commission airports.

MAC GENERAL

	1994 Budget	1995 Budget	$ Variance	% Variance
Personnel	2,821,146	2,958,986	137,840	4.89
Administrative Expenses	70,100	62,200	7,900	11.27-
Professional Services	60,000	60,000	0	.00
Utilities	4,360,000	5,001,785	641,785	14.72
Operating Services/Expenses	2,228,116	1,488,000	740,116-	33.22-
Maintenance	668,000	654,000	14,000-	2.10-
Other	-1,250,000	1,250,000-	0	0
Gross Depreciation	18,961,329	19,174,867	213,538	1.13
Expenses	27,918,691	28,149,838	231,147	0.83-

Responsibility/Function

Oversight of this area is the responsibility of the Finance department. The costs listed in the table above represent general organization costs or requirements. Included in these are: Pensions, Postage, Utilities (heating, water, sewer, telephone & electricity), Storm Water Monitoring, Depreciation and Reimbursed Expense. There are no personnel.

Organizational Structure CONTINUED

PLANNING

	1994 Budget	1995 Budget	$ Variance	% Variance
Personnel	127,592	133,411	5,819	4.56
Administrative Expenses	69,700	69,400	300-	.43-
Professional Services	1,677,500	1,696,800	19,300	1.15
Utilities	600	0	600-	100.00-
Operating Services/Expenses	15,100	18,300	3,200	21.19
Maintenance	0	0	0	.00
Other	500	0	500	100.00-
Gross Depreciation	0	0	0	.00
Expenses	1,890,992	1,917,911	26,919	1.42

Headcount Summary	1993 Actual	1994 Actual	1994 Budget	1995 Budget
Planning	2	2	2	2

Responsibility/Function

This area supervises planning, engineering and construction of all Commission Facilities. A major focus is on the dual Track Planning process (i.e. expansion of MSP Int'l or New Airport).

PUBLIC AFFAIRS

	1994 Budget	1995 Budget	$ Variance	% Variance
Personnel	212,516	256,413	43,897	20.66
Administrative Expenses	94,530	133,100	38,570	40.80
Professional Services	173,000	265,000	92,000	53.18
Utilities	4,800	1,800	3,000-	62.50-
Operating Services/Expenses	95,300	128,000	32,700	34.31
Maintenance	0	0	0	.00
Other	0	2,500	2,500	.00
Gross Depreciation	0	0	0	.00
Expenses	580,146	786,813	206,667	35.62

Headcount Summary	1993 Actual	1994 Actual	1994 Budget	1995 Budget
Public Affairs	3	3	3	4

Responsibility/Function

This function is responsible for industry and congressional relations, internal and external communications, media relations, special events and communications to the public. Also, serves as the Commission's marketing division—promoting the resources of MSP Int'l and the reliever airports both domestically and internationally. The increase in staff can be attributed to the emphasis on marketing MSP Int'l to attract new tenants.

Organizational Structure CONTINUED

DEPUTY AIRPORTS

	1994 Budget	1995 Budget	$ Variance	% Variance
Personnel	3,664,789	3,713,381	48,592	1.33
Administrative Expenses	32,200	36,250	4,050	12.58
Professional Services	99,000	99,000	0	.00
Utilities	0	0	0	.00
Operating Services/Expenses	105,100	135,100	30,000	28.54
Maintenance	0	0	0	.00
Other	946,320	1,038,450	92,130	9.74
Gross Depreciation	0	0	0	.00
Expenses	4,847,409	5,022,181	174,772	3.59

Headcount Summary	1993 Actual	1994 Actual	1994 Budget	1995 Budget
Deputy Airports	4	4	4	5

Responsibility/Function

The major function of this area is the oversight and management of all of the daily functions associated with the operation, maintenance and administration of MAC's system of 7 airports. The Organization chart on page shows all of the responsibilities that report through the Deputy Executive Director-Airports. The dollars shown in the table above represent only the costs associated with some of the administrative function as described below:

Quality Program—supporting MAC's goal to become a more customer-driven organization by providing resources and facilitating programs related to customer expectations, employee involvement and others. This effort resulted in the transfer of a position into the service center in 1995.

Wellness Program—providing opportunities for employee efforts to improve the physical, mental and emotional well being of employees and their families by providing opportunities for fitness, nutrition, stress management and fun.

Insurance/Risk Management—responsibile for all MAC risk management efforts as well as formal insurance programs including Health, Property, Liability, Workers Compensation, and other miscellaneous coverages.

AIRPORT DEVELOPMENT

	1994 Budget	1995 Budget	$ Variance	% Variance
Personnel	563,810	651,638	87,828	15.58
Administrative Expenses	26,856	43,152	16,296	60.68
Professional Services	340,000	340,000	0	.00
Utilities	720	360	360-	50.00-
Operating Services/Expenses	800	900	100	12.50
Maintenance	0	0	0	.00
Other	2,300	10,108	7,808	339.48
Gross Depreciation	0	0	0	.00
Expenses	934,486	1,046,158	111,672	11.95

Headcount Summary	1993 Actual	1994 Actual	1994 Budget	1995 Budget
Airport Development	9	9	10	11

Responsibility/Function

Coordinates and administers the Capital Improvement Program (CIP). Also, this area is responsible for the coorindation of those functions with the appropriate local, state, and federal agencies, and for monitoring federal and state aid programs. The increase in staff is the result of the need to provide assistance and support for the New Ford Town/Rich Acres buyout and the home insulation program.

Organizational Structure CONTINUED

FINANCE

	1994 Budget	1995 Budget	$ Variance	% Variance
Personnel	989,770	1,064,865	75,095	7.59
Administrative Expenses	180,320	122,975	57,345-	31.80-
Professional Services	157,610	160,360	2,750	1.74
Utilities	192	192	0	.00
Operating Services/Expenses	84,525	89,000	4,475	5.29
Maintenance	1,000	3,000	2,000	200.00
Other	21,470	34,350	12,880	60.00
Gross Depreciation	0	0	0	.00
Expenses	1,434,887	1,474,742	39,855	2.78

Headcount Summary	1993 Actual	1994 Actual	1994 Budget	1995 Budget
Finance	24	22	22	22

Responsibility/Function

This area is responsible for the Commission's accounting and cash management, preparation of the annual operating budget, Comprehensive Annual Financial Report (CAFR), purchasing Commission supplies and auditing tenants. Financial planning and analysis are also major areas of focus. The change in staff size between 1993 and 1994 is the result of an internal audit position and a reorganization with Landside Operations (formerly Ground Transportation).

MIS/EVENTS

	1994 Budget	1995 Budget	$ Variance	% Variance
Personnel	362,193	474,255	112,062	30.94
Administrative Expenses	39,400	39,500	100	.25
Professional Services	23,000	75,000	52,000	226.09
Utilities	600	600	0	.00
Operating Services/Expenses	196,200	196,300	100	.05
Maintenance	0	0	0	.00
Other	116,882	106,300	10,582-	9.05-
Gross Depreciation	0	0	0	.00
Expenses	738,275	891,955	153,680	20.82

Headcount Summary	1993 Actual	1994 Actual	1994 Budget	1995 Budget
MIS/Events	7	7	7	8

Responsibility/Function

This area is responsible for planning, selecting and implementing all computer and office automation systems. The increase in staff will assist in implementation of MAC-wide connectivity, improve reliability and availability of the network, increase customer support and reduce network vulnerability to downtime. Also combined is the MAC Events coordinator who is responsible for planning and coordinating employee and retiree programs.

Organizational Structure CONTINUED

LABOR/LEGISLATIVE

	1994 Budget	1995 Budget	$ Variance	% Variance
Personnel	184,850	191,569	6,719	3.63
Administrative Expenses	13,800	17,700	3,900	28.26
Professional Services	120,000	120,000	0	.00
Utilities	1,300	1,300	0	.00
Operating Services/Expenses	10,200	10,200	0	.00
Maintenance	0	0	0	.00
Other	0	0	0	.00
Gross Depreciation	0	0	0	.00
Expenses	330,150	340,769	10,619	3.22

Headcount Summary	1993 Actual	1994 Actual	1994 Budget	1995 Budget
Labor/Legislative	3	3	3	3

Responsibility/Function

This function 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.

PROPERTIES

	1994 Budget	1995 Budget	$ Variance	% Variance
Personnel	303,300	275,500	27,800-	9.17-
Administrative Expenses	38,100	40,100	2,000	5.25
Professional Services	160,000	147,000	13,000-	8.13-
Utilities	0	300	300	.00
Operating Services/Expenses	500	10,800	10,300	2,060.00
Maintenance	0	0	0	.00
Other	0	3,165	3,165	.00
Gross Depreciation	0	0	0	.00
Expenses	501,900	476,865	25,035-	4.99-

Headcount Summary	1993 Actual	1994 Actual	1994 Budget	1995 Budget
Properties	5	5	5	5

Responsibility/Function

This area is responsible for managing the Commission's leases and concessions agreements at the Minneapolis/St. Paul Int'l Airport. Includes planning the concessions and lease program, negoitating respective contracts, managing terminal and land space, and delivering day-to-day customer/vendor service.

Organizational Structure CONTINUED

AFFIRMATIVE ACTION

	1994 Budget	1995 Budget	$ Variance	% Variance
Personnel	223,391	207,065	16,326-	7.31-
Administrative Expenses	18,420	18,620	200	1.09
Professional Services	18,250	20,000	1,750	9.59
Utilities	0	0	0	.00
Operating Services/Expenses	3,300	3,950	650	19.70
Maintenance	0	0	0	.00
Other	60	2,700	2,640	4,400.00
Gross Depreciation	0	0	0	.00
Expenses	263,421	252,335	11,086-	4.21-

Headcount Summary	1993 Actual	1994 Actual	1994 Budget	1995 Budget
Affirmative Action	4	4	4	4

Responsibility/Function

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

GENERAL COUNSEL

	1994 Budget	1995 Budget	$ Variance	% Variance
Personnel	228,242	235,954	7,712	3.38
Administrative Expenses	34,150	35,400	1,250	3.66
Professional Services	645,000	661,000	16,000	2.48
Utilities	1,500	1,000	500-	33.33-
Operating Services/Expenses	340	840	500	147.06
Maintenance	0	0	0	.00
Other	550	0	550-	100.00-
Gross Depreciation	0	0	0	.00
Expenses	909,782	934,194	24,412	2.68

Headcount Summary	1993 Actual	1994 Actual	1994 Budget	1995 Budget
General Counsel	4	4	4	4

Responsibility/Function

The Commision'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.

Organizational Structure CONTINUED

PERSONNEL

	1994 Budget	1995 Budget	$ Variance	% Variance
Personnel	299,739	348,360	48,621	16.22
Administrative Expenses	10,50	14,000	3,500	33.33
Professional Services	33,000	25,000	8,000-	24.24-
Utilities	0	0	0	.00
Operating Services/Expenses	45,700	46,700	1,000	2.19
Maintenance	0	0	0	.00
Other	10,000	10,400	400	4.00
Gross Depreciation	0	0	0	.00
Expenses	398,939	444,460	45,521	11.41

Headcount Summary	1993 Actual	1994 Actual	1994 Budget	1995 Budget
Personnel	6	6	6	6

Responsibility/Function
This service center is responsible for hiring, administering employee benefits, and maintaining accurate personnel files.

AIRPORT DIRECTORS OFFICE

	1994 Budget	1995 Budget	$ Variance	% Variance
Personnel	438,489	430,572	7,917-	1.81-
Administrative Expenses	39,275	43,675	4,400	11.20
Professional Services	35,000	38,700	3,700	10.57
Utilities	780	780	0	.00
Operating Services/Expenses	95,600	96,700	1,100	1.15
Maintenance	0	0	0	.00
Other	18,450	24,472	6,022	32.64
Gross Depreciation	0	0	0	.00
Expenses	627,594	634,899	7,305	1.16

Headcount Summary	1993 Actual	1994 Actual	1994 Budget	1995 Budget
Airport Directors Office	7	7	7	7

Responsibility/Function
This area responds to both the operations and maintenance needs of the traveling public, outside agencies, airlines and other tenants. In addition special events that occur at MSP Int'l are coordinated through this area and statistical data for reporting purposes are compiled in this area.

Organizational Structure CONTINUED

OPERATIONS/COMMUNICATIONS

	1994 Budget	1995 Budget	$ Variance	% Variance
Personnel	832,235	909,034	76,799	9.23
Administrative Expenses	24,515	25,360	845	3.45
Professional Services	23,000	75,300	52,300	227.39
Utilities	5,000	5,000	0	.00
Operating Services/Expenses	64,770	58,920	5,850-	9.03-
Maintenance	8,175	6,605	1,570-	19.20-
Other	15,600	45,280	29,680	190.26
Gross Depreciation	0	0	0	.00
Expenses	973,295	1,125,499	152,204	15.63

Headcount Summary	1993 Actual	1994 Actual	1994 Budget	1995 Budget
Operations/Communications	17	17	17	19

Responsibility/Function

This area combines Airside Operations and Communications. Airside Operations is responsible for planning, developing, communicating and implementing systems and procedures which maintain and improve both safety and efficiency on the airfield at MSP Int'l. Communications is responsible for the 911 public safety system and analyzing information to ensure safety of tenants, passengers, police, fire and other users of the airport. The additional staff can be attributed to an increase in calls regarding new FFA security requirements and increased fire alarm system coverage.

LANDSIDE OPERATIONS

	1994 Budget	1995 Budget	$ Variance	% Variance
Personnel	310,999	353,282	42,283	13.60
Administrative Expenses	18,770	20,700	1,930	10.28
Professional Services	286,500	292,500	6,000	2.09
Utilities	0	1,200	1,200	.00
Operating Services/Expenses	5,488,425	5,776,649	288,224	5.25
Maintenance	14,500	16,500	2,000	13.79
Other	11,600	28,400	16,800	144.83
Gross Depreciation	0	0	0	.00
Expenses	6,130,794	6,489,231	358,437	5.85

Headcount Summary	1993 Actual	1994 Actual	1994 Budget	1995 Budget
Landside Operations	3	6	6	6

Responsibility/Function

This area is responsible for management oversight of all public parking facilities, employee parking facilities, ground transportation, commercial vehicle access, taxicab licensing and control, and contracted shuttle bus services. Involves dealing with 3,000 employees, 400 taxicabs, and 10,000 public parking spaces. Another major area of involvement is the ongoing construction and design work for the ground transportation center and passenger movement systems. The staff increase can be attributed to a reorganization of the Ground Transportation area and Finance. Three staff transferred from finance.

Organizational Structure CONTINUED

FIRE

	1994 Budget	1995 Budget	$ Variance	% Variance
Personnel	1,715,668	1,994,598	278,930	16.26
Administrative Expenses	12,380	17,880	5,500	44.43
Professional Services	15,300	13,200	2,100-	13.73-
Utilities	1,440	1,440	0	.00
Operating Services/Expenses	23,120	23,120	0	.00
Maintenance	8,800	6,800	1,000-	22.73-
Other	45,700	44,700	1,000-	2.19-
Gross Depreciation	0	0	0	.00
Expenses	1,822,408	2,101,738	279,330	15.33

Headcount Summary	1993 Actual	1994 Actual	1994 Budget	1995 Budget
Fire	37	37	38	38

Responsibility/Function

The Fire Department offers professional fire protection and emergency assistance to airlines, airline passengers, airport employees, tenants, visitors and others who use the airport. Firefighters are prepared to respond to fires, accidents, and medical emergencies on a twenty-four hour basis.

POLICE

	1994 Budget	1995 Budget	$ Variance	% Variance
Personnel	3,268,377	3,474,762	206,385	6.31
Administrative Expenses	47,048	85,037	37,989	80.75
Professional Services	88,505	159,850	71,345	80.61
Utilities	2,300	2,800	500	21.74
Operating Services/Expenses	327,337	204,611	122,726-	37.49-
Maintenance	21,700	16,900	4,800-	22.12-
Other	24,185	23,500	685-	2.83-
Gross Depreciation	0	0	0	.00
Expenses	3,779,452	3,967,460	188,008	4.97

Headcount Summary	1993 Actual	1994 Actual	1994 Budget	1995 Budget
Police	73	76	82	82

Responsibility/Function

Police consists of the following areas: Training & Administration, Security & Investigation, Narcotics Investigations, and Patrol Operations. The main focus is to provide a safe and secure environment for the travelling public, all tenants and employees. A number of CSO positions were vacant at year end 1994 but are expected to be filled in early 1995.

Organizational Structure CONTINUED

NOISE/ENVIRONMENT/PART 150

	1994 Budget	1995 Budget	$ Variance	% Variance
Personnel	650,371	639,106	11,265-	1.73-
Administrative Expenses	62,750	76,700	13,950	22.23
Professional Services	660,000	744,900	84,900	12.86
Utilities	0	240	240	.00
Operating Services/Expenses	380,700	251,200	129,500-	34.02-
Maintenance	0	0	0	.00
Other	49,900	88,500	38,600	77.35
Gross Depreciation	0	0	0	.00
Expenses	1,803,721	1,800,646	3,075-	0.17-

Headcount Summary	1993 Actual	1994 Actual	1994 Budget	1995 Budget
Noise/Environment/Part 150	15	15	15	15

Responsibility/Function

This area 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.

HHH TERMINAL

	1994 Budget	1995 Budget	$ Variance	% Variance
Personnel	47,735	53,746	6,011	12.59
Administrative Expenses	4,420	3,890	530-	11.99-
Professional Services	2,000	1,000	1,000-	50.00-
Utilities	0	0	0	.00
Operating Services/Expenses	8,875	9,250	375	4.23
Maintenance	5,650	7,800	2,100	38.05
Other	6,150	8,625	2,475	40.24
Gross Depreciation	0	0	0	.00
Expenses	74,830	84,311	9,481	12.67

Headcount Summary	1993 Actual	1994 Actual	1994 Budget	1995 Budget
HHH Terminal	1	1	1	1

Responsibility/Function

This terminal is the Commision's International arrival facility. It also is utilized by a number of charter operators.

Organizational Structure CONTINUED

FACILITIES-LINDBERGH TERMINAL

	1994 Budget	1995 Budget	$ Variance	% Variance
Personnel	424,713	349,585	75,128-	17.69-
Administrative Expenses	12,600	12,410	190-	1.51-
Professional Services	0	0	0	.00
Utilities	7,680	240	7,440-	96.88-
Operating Services/Expenses	2,600	5,200	2,600	100.00
Maintenance	3,554,650	3,517,255	37,395-	1.05-
Other	4,999	11,490	6,491	129.85
Gross Depreciation	0	0	0	.00
Expenses	4,007,242	3,896,180	111,062-	2.77-

Headcount Summary	1993 Actual	1994 Actual	1994 Budget	1995 Budget
Facilities-Lindbergh Terminal	14	10	10	8

Responsibility/Function

This area is responsible for maintaining and operating the terminal facility. Duties include oversight of a large number and dollar amount of various service contracts as well as responding to both tenant and public concerns. The reduction in staff is due to a number of retirements in positions the Commission has decided not to fill.

ENERGY MANAGEMENT CENTER

	1994 Budget	1995 Budget	$ Variance	% Variance
Personnel	554,609	595,601	40,992	7.39
Administrative Expenses	2,350	2,700	350	14.89
Professional Services	0	0	0	.00
Utilities	540	640	100	18.52
Operating Services/Expenses	1,200	1,200	0	.00
Maintenance	91,800	131,800	40,000	43.57
Other	600	5,350	4,750	791.17
Gross Depreciation	0	0	0	.00
Expenses	651,099	737,291	86,192	13.24

Headcount Summary	1993 Actual	1994 Actual	1994 Budget	1995 Budget
Energy Managmeent Center	12	13	13	13

Responsibility/Function

The Energy Management Center (formerly Boiler Plant) is responsible for maintenance and operation of the heating and cooling systems within the Lindbergh Terminal

Organizational Structure CONTINUED

WEST TERMINAL AREA

	1994 Budget	1995 Budget	$ Variance	% Variance
Personnel	102,132	83,457	18,675-	18.29-
Administrative Expenses	2,500	2,500	0	.00
Professional Services	0	0	0	.00
Utilities	300	300	0	.00
Operating Services/Expenses	5,550	5,350	200-	3.60-
Maintenance	353,900	357,000	3,100	.88
Other	10,000	16,532	6,532	65.32
Gross Depreciation	0	0	0	.00
Expenses	474,382	465,139	9,243-	1.95-

Headcount Summary	1993 Actual	1994 Actual	1994 Budget	1995 Budget
West Terminal Area	2	2	3	2

Responsibility/Function
This area is responsible for maintaining and operation of all Commission facilities on the west side of the airport. These include all maintenance buildings, the Commission's general office, and various office and hangar facilities.

TRADES

	1994 Budget	1995 Budget	$ Variance	% Variance
Personnel	1,125,579	1,275,161	149,582	13.29
Administrative Expenses	6,162	8,515	2,353	38.19
Professional Services	5,400	5,400	0	.00
Utilities	276	900	624	226.09
Operating Services/Expenses	4,364	3,464	900-	20.62-
Maintenance	565,814	576,283	10,469	1.85
Other	26,700	29,750	3,050	11.42
Gross Depreciation	0	0	0	.00
Expenses	1,734,295	1,899,473	165,178	9.52

Headcount Summary	1993 Actual	1994 Actual	1994 Budget	1995 Budget
Trades	24	26	26	27

Responsibility/Function
Trades is comprised of painters, carpenters, electricians, and plumbers. Each of these areas provide their respective service throughout the MAC's system of airports. The increase in staff from 1993 can be attributed to increased traffic and demand for service. The three staff are a plumber (1995), an electrician and an administrative position.

Organizational Structure CONTINUED

MAINTENANCE

	1994 Budget	1995 Budget	$ Variance	% Variance
Personnel	3,319,225	3,551,508	232,280	7.00
Administrative Expenses	48,830	52,280	3,450	7.07
Professional Services	55,000	60,000	5,000	9.09
Utilities	2,880	3,480	600	20.83
Operating Services/Expenses	71,800	94,800	23,000	32.03
Maintenance	1,772,371	1,814,067	41,696	2.35
Other	56,450	60,250	3,800	6.73
Gross Depreciation	0	0	0	.00
Expenses	5,326,556	5,636,385	309,829	5.82

Headcount Summary	1993 Actual	1994 Actual	1994 Budget	1995 Budget
Maintenance	73	74	76	82

Responsibility/Function

Maintenance is responsible for maintaining the ramp area, field/runway/taxiway area, the road system on airport property, parking facilities and responding to tenant requests. In addition this area maintains MAC's equipment and vehicle fleets and prepares the specifications for all vehicle purchases. The staff size is budgeted to increase six positions in 1995. The increase includes four maintenance workers, one supervisor and one secretary. The secretary will share time with the Lindbergh facilities area. With additional security restrictions, and increased operations these additional staff will help to provide needed attention to areas which coverage is currently delayed particularly in snow storms.

RELIEVER AIRPORTS

	1994 Budget	1995 Budget	$ Variance	% Variance
Personnel	1,326,998	1,321,974	5,024-	.38-
Administrative Expenses	26,855	26,010	845-	3.15-
Professional Services	0	24,996	24,996	.00
Utilities	4,000	4,000	0	.00
Operating Services/Expenses	58,200	66,700	8,500	14.60
Maintenance	546,996	556,750	9,754	1.78
Other	68,356	41,400	26,956-	39.43-
Gross Depreciation	0	0	0	.00
Expenses	2,031,405	2,041,830	10,425	0.51

Headcount Summary	1993 Actual	1994 Actual	1994 Budget	1995 Budget
Reliever Airports	27	26	27	27

Responsibility/Function

The reliever airport staff is responsible for maintenance and safe operation of the Commission's six reliever facilities. In addition to responding to various tenant requests, lease issues are also reviewed and responded upon.

Organizational Structure CONTINUED

ORGANIZATION PERSONNEL

The chart below shows personnel changes between 1993 actual and 1995 budget. The summary information details transfers/changes and vacancies as of 11/30/94. The listing is based on department level staff. Service Centers which roll up into these departments are listed after the summary information.

	1993 Actual	1994 Actual	1994 Budget	1995 Budget
Executive/Commissioner	3	3	3	3
Planning	2	2	2	2
Public Affairs	3	3	3	4
Deputy Airports	4	4	4	5
Airport Development	9	9	10	11
Finance	24	22	22	22
MIS/Events	7	7	7	8
Labor/Legislative	3	3	3	3
Properties	5	5	5	5
Affirmative Action	4	4	4	4
General Counsel	4	4	4	4
Personnel	6	6	6	6
Airport Directors Office	7	7	7	7
Operations/Communications	17	17	17	19
Landside Operations	3	6	6	6
Fire	37	37	38	38
Police	73	76	82	82
Noise/Environment/Part 150	15	16	16	15
HHH Terminal	1	1	1	1
Facilities—Lindbergh Terminal	14	10	10	8
Energy Management Center	12	13	13	13
West Terminal Area	2	2	3	2
Trades	24	26	26	27
Maintenance	73	74	76	82
Reliever Airports	27	26	27	27
Total Personnel	379	383	395	404

Summary Information

The following positions were vacant as of November 30, 1994:

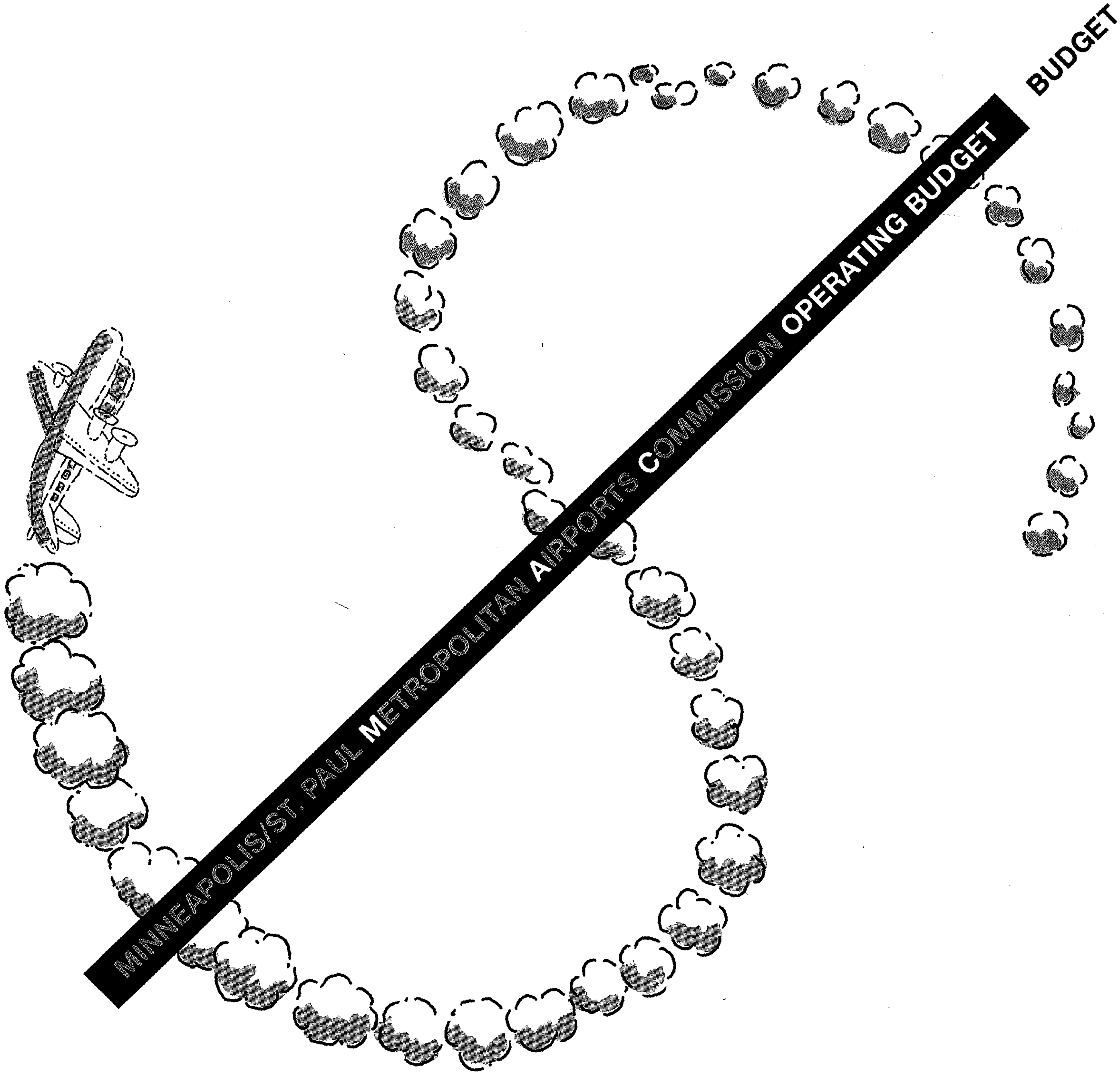
1 Secretary-Airport Development
1 Firefighter-Fire
4 CSO's-Police
2 Officers-Police
1 Building Worker-West Terminal Area
2 Maintenance Workers-Maintenance
1 Maintenance Worker-Reliever Airports

There are 12 new positions budgeted in 1995:

1 Quality Manager-Quality (Deputy Airports)
1 MIS Supervisor of Technical Support-MIS/Events
1 Part 150 Manager-Airport Development
1 Maintenance Secretary-½ time Maintenance and ½ time Lindbergh Terminal
1 Assistant Supervisor-Maintenance
4 Maintenance Workers-Maintenance
2 Communications Coordinators-Communications (Operations/Communications)
1 Plumber-Trades

The following positions will not be filled in 1995:

1 Building Worker-West Terminal Area
2 Building Service Workers-Lindbergh Terminal


BUDGET
MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION OPERATING BUDGET

1995 Operating Budget

A major change in the presentation of the information has been incorporated into this year's budget. At the request of the Budget Task Force the operating revenue and operating expense assumptions have been prepared comparing the previous year's budget (1994) with the current year's budget (1995). In the past the comparison was made based on estimates versus budget.

The Operating Budget section is presented in two sections. In the first part only revenue and expense derived from operating the Commissions facilities are presented. Revenue derived from user fees include various fees from the airlines, concessions and miscellaneous/utilities/rental fees. Expenses detailed include Personnel, Administrative, Professional Services, Utilities, Operating Services, Maintenance, Depreciation, and Other. In the second section, the total revenues and expenses detailed from operations are incorporated into the Total Operating Budget summary. This schedule includes revenue and expense items which are non-operating. These include interest income and transfers to other funds. Equipment purchases are also detailed in part two.

In April 1994, the Budget Task Force established the following targets for the 1995 budget:

1. Revenue growth would equal or exceed 4.25%.
2. Expense growth would be limited to 4.00%.
3. Operating income would equal or exceed $5 million.

As the table below shows, two of the three targets established were met. Revenue did not reach its target because of late changes to the landing fees. (Landing fee revenue is calculated after expenses are compiled for the Field & Runway service center. See Revenue Assumptions section for detailed explanation.)

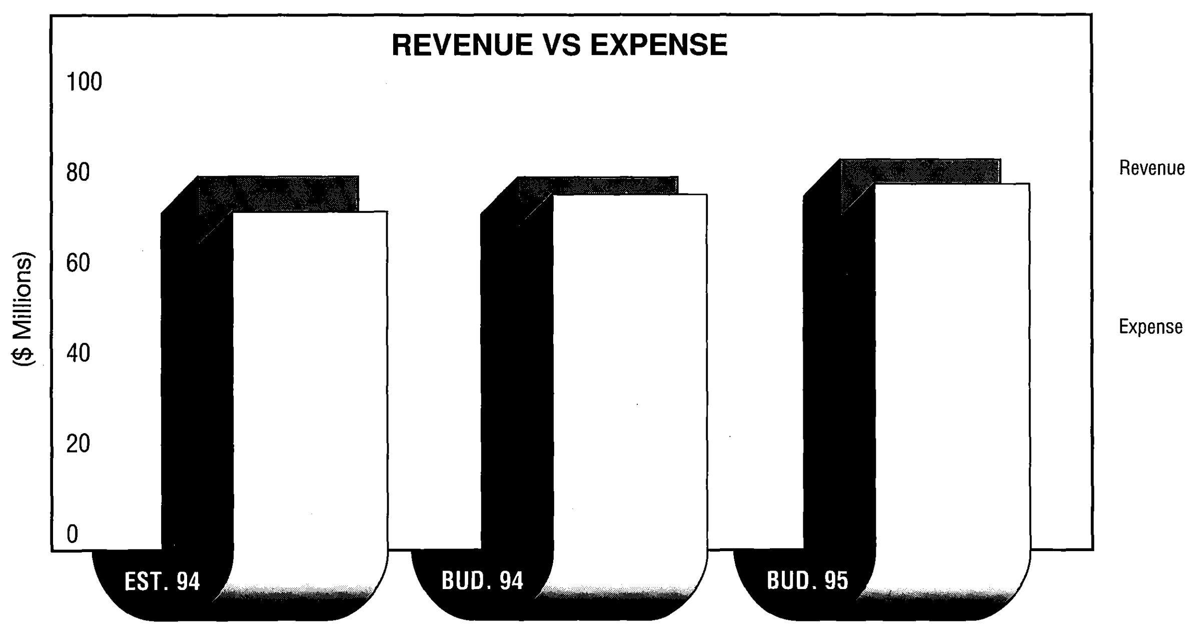
($ = 000)	1994 Budget	1995 Budget	$ Variance	% Variance
Operating Revenue	$75,676	$78,661	$2,985	3.78%
Operating Expense	70,519	72,956	$ 2,437	3.46%
Operating Income	$ 5,157	$ 5,705		

The next table represents the 1995 Operating Budget by major revenue and expense category.

Summary of Revenue and Expense

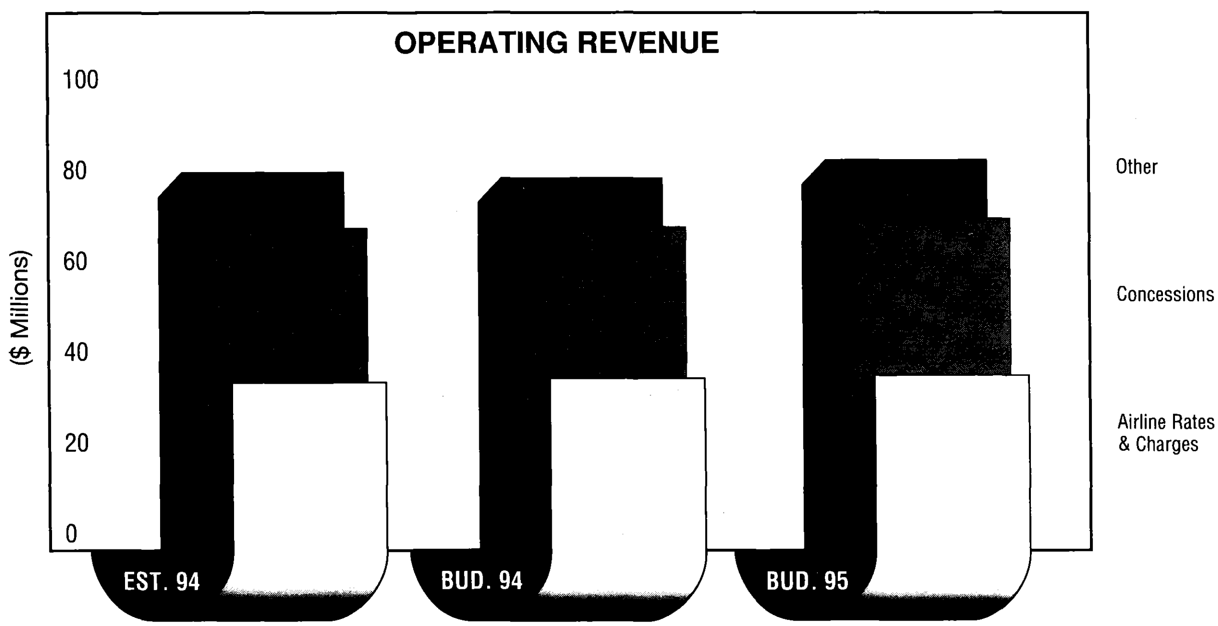
	Main Office	Mpls.-St. Paul International	Reliever Airports	Total 1995 Budget	Budget 1994	Estimated 1994
OPERATING REVENUE						
Airline Rates & Charges	$0	$33,360,127	$0	$33,360,127	$32,113,632	$31,000,000
Concessions	0	34,717,950	11,652	34,729,602	33,863,901	34,750,000
Other	0	9,751,903	819,847	10,571,750	9,821,110	9,775,000
Total Operating Revenue	$0	$77,829,980	$831,499	$78,661,479	$75,798,643	$75,525,000
OPERATING EXPENSE						
Personnel	$10,702,525	$13,710,412	$1,321,966	$25,734,903	$24,285,959	$24,250,000
Administrative Expenses	766,597	351,647	26,010	1,144,254	1,071,081	970,000
Professional Services	3,669,160	1,390,850	25,000	5,085,010	4,677,065	4,673,000
Utilities	5,009,735	17,020	4,000	5,030,755	4,397,308	4,647,000
Operating Services	2,128,690	6,530,464	66,700	8,725,854	9,318,322	8,100,000
Maintenance	657,000	6,451,011	556,750	7,664,761	7,613,356	6,890,000
Depreciation	19,174,867	0	0	19,174,867	18,961,329	18,875,000
Other	(32,527)	386,849	41,400	395,722	194,272	100,000
Total Operating Expense	$42,076,047	$28,838,253	$2,041,826	$72,956,126	$70,518,692	$68,505,000
Net Revenues	**$(42,076,047)**	**$48,991,727**	**$(1,210,327)**	**$5,705,353[A]**	**$5,279,951[A]**	**$7,020,000[A]**

[A]Required as contribution to debt service and construction program financing



Operating Revenues

	Mpls.-St. Paul International	Reliever Airports	Total 1995 Budget	Budget 1994	Estimated 1994
Airline Rates & Charges					
Landing Fees	$20,360,530	$0	$20,360,530	$19,752,702	$18,730,000
Ramp Fees	3,157,498	0	3,157,498	3,156,349	2,880,000
Terminal Rentals-Agreement	8,726,292	0	8,726,292	8,443,001	8,475,000
Terminal Rentals-Other	431,256	0	431,256	431,256	431,250
Carrousels & Conveyors	208,000	0	208,000	208,000	150,750
Noise Surcharge	476,551	0	476,551	122,324	333,000
Total Airline Rates & Charges	$33,360,127	$0	$33,360,127	$32,113,632	$31,000,000
Concessions					
Food/Beverage	$1,531,200	$11,652	$1,542,852	$1,613,652	$1,640,000
Merchandise & Services	1,987,100	0	1,987,100	2,009,200	2,025,000
Auto Rental	6,400,000	0	6,400,000	6,230,000	6,300,000
Parking	21,544,000	0	21,544,000	20,574,250	21,875,000
Grd Transportation Fees	830,650	0	830,650	1,000,356	425,000
Other Concessions/Services	2,425,000	0	2,425,000	2,436,443	2,485,000
Total Concessions	$34,717,950	$11,652	34,729,602	$33,863,901	$34,750,000
Other					
Building Rentals	$2,394,608	$547,584	$2,942,192	$2,501,000	$2,808,000
Lobby Fees—HHH Term	1,200,000	0	1,200,000	1,213,000	1,375,000
Ground-SW Cargo Area	844,691	0	844,691	1,160,981	1,030,000
Ground-Other	1,430,040	54,863	1,484,903	1,270,029	1.250,000
Utilities	1,203,000	100	1,203,100	1,221,100	1,212,000
Other	2,679,564	217,300	2,896,864	2,455,000	2,100,000
Total	$9,751,903	$819,847	$10,571,750	$9,821,110	$9,775,000
Total Operating Revenue	**$77,829,980**	**$831,499**	**$78,661,479**	**$75,798,643**	**$75,525,000**



Revenue Assumptions CONTINUED

Estimates of revenue for 1995 have been made compiling information from the following sources:

- Projected passenger activity and operations from airlines using MSP.
- Leases
- Contracts
- Other agreements at MSP and the Reliever Airports
- Historical trends

The explanations for revenue assumptions are based on a comparison of 1994 budget versus 1995 budget figures. The following is a brief summary:

($ = 000)						1994 Budget vs 1995 Budget	
REVENUE CATEGORY	**1993 Actual**	**1993 Budget**	**1994 Estimate**	**1994 Budget**	**1995 Budget**	**Dollar Change**	**Percentage Change**
Airline Rates & Charges	$29,115	$29,444	$31,000	$32,113	$33,360	$1,247	3.88%
Concessions	32,626	29,662	34,750	33,864	34,730	866	2.56%
Other	9,388	9,437	9,775	9,822	10,572	750	7.63%
Total Operating Revenue	$71,129	$68,543	$75,525	$75,799	$78,662	$2,863	3.78%

AIRLINE RATES AND CHARGES

Approximately $33 million, or 42%, of MAC's $79 million in revenue is generated from rates charged to the airlines. The formulas for the rates (landing fee, ramp fee, noise surcharge, and terminal rates) are established in the current airline use agreement. In accordance with this agreement, expenses from the Police, Fire, Maintenance Labor, Maintenance Equipment and Administration service centers are allocated to the Field & Runway, Ramp and Terminal Building service centers. Total costs plus the allocations are then used to determine the airline rates and charges. As a result, fluctuations in the allocated costs can cause a change in the airline rates.

LANDING FEES

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

Revenue Assumptions

A comparison of actual 1994 and 1995, budgeted landing fee rates, landed weight and revenue of the major carriers follows:

	1994 [1] Budget	1995 Budget
Landing Fee	$0.96	$0.98
Landed Weight (000 lbs.)	20,611,733	20,776,052
Revenue	$19,752,702	$20,360,530
Expense	$19,875,026	$20,812,230

[1] Based on original budget approved

The landing fee increase between budgeted 1994 and 1995 can be attributed to an increase in expenses.

1. Personnel costs increased $340,000 due to:
   a. Contract and wage adjustments to the administrative and union personnel.
   b. The 1995 budget includes 8.5 new positions which have an impact either direct or through allocations on the landing fee. These include: one half-time secretary, four field workers, one assistant field supervisor, one plumber (up to 50% of the costs for these positions are charged to the landing fee), and two communications coordinators whose costs are a direct charge to the landing fee.

2. Depreciation and interest expenses associated with a number of runway and taxiway rehabilitation projects resulted in a $250,000 increase.

3. Total costs allocated in the rate calculation increased $574,000. The following table indicates changes in allocations between the two budget years.

($ = 000)	1994 Budget	1995 Budget	Net Change
Total Allocations	$19,818	$21,585	$1,767
Field & Runway Allocations	$ 6,805	$ 7,379	$ 574

Significant increase affecting allocations are depreciation (maintenance building, fire engine and equipment) and personnel (wage and pension adjustments-see Personnel section under expense).

RAMP FEES

Aircraft parking ramp fees are calculated in the same manner as landing fees (except for new airport planning costs). Ramp fees are determined by dividing the total estimated Terminal Ramp expenses by total lineal feet of ramp available. The rate is based upon a breakeven philosophy, except for a portion (761 lineal feet) of ramp that is used by the regional carriers. This area has increased from 378 lineal feet due to the addition of gate 78 to the regional ramp.

Revenue Assumptions CONTINUED

The following is a comparison of budgeted 1994 and budgeted 1995 ramp rates, revenue and expense.

	1994 Budget	1995 Budget
Ramp Fee (Per Lineal Foot)	$371.51	$389.19
Major Airline Ramp Footage	8,496	8,113
Total Ramp Lineal Footage	8,874	8,874
Revenue (Airline)	$3,156,359	$3,157,498
Expense Total	$3,296,780	$3,453,672

The increase in the rate between the two years is directly attributed to allocations, in particular, Equipment Maintenance/Building, the additional depreciation associated with the new maintenance building (completed in 1994) and new equipment for 1995 are the items contributing the most to the increase.

AIRLINE TERMINAL BUILDING RENTAL RATES

Airline building rates are calculated by allocating expense over the total rentable square footage in the Lindbergh Terminal. Airlines are charged for the space they occupy. Unlike landing fees and ramp fees, airline terminal building rates are not based upon a near breakeven or breakeven philosophy. Under this calculation, costs are recovered from the airlines in proportion to the rentable space they occupy in the terminal building.

A comparison of budget of 1994 and 1995 rates follows:

	1994 Budget	1995 Budget	% Change
Exclusive (Per Sq. Ft.)	$20.41	$20.68	1.32%
Exclusive Janitored (Per Sq. Ft.)	$26.51	$26.85	1.28%

The rate change results in approximately $90,000 in additional revenue. The remainder of the increase in Terminal Rental-Airlines is due to increases associated with the Green Concourse. The Green Concourse is a separate agreement with Northwest Airlines. Under the terms of this agreement, the Commission is to be reimbursed for all costs (capital and direct).

OFF-AIRPORT NOISE SURCHARGE

The current agreement with the airlines calls for a Noise Surcharge and a cost center (service center) for Off-Airport Noise projects. Projects included in this cost center are those for insulation, replacement of windows and installation of air conditioning at four schools. These schools are located in neighborhoods highly impacted by noise. Also included are the noise monitoring system and Part 150 implementation.

The Surcharge is determined by dividing the total estimated expenses in the Off-Airport cost center by the total estimated number of Stage II and Stage III landings during the year. The Surcharge is based upon a break even philosohy where total revenue equals total expenses.

Revenue Assumptions CONTINUED

Depreciation and Interest for Off-Airport projects are the only costs included in this cost center. The following is a summary of activity dealing with the Surcharge and the Off-Airport cost center for signatory carriers.

	1994 Budget	1995 Budget
Stage II and Stage III Landings	131,000	130,000
Off Airport Noise Costs	$122,324	$476,551
Noise Surcharge/Landing	$0.93	$3.66

In addition to the surcharge, there is also a Noise Differential and Stage III Credit. These fees are calculated on an airline-by-airline basis. They are both based upon the airlines' Stage II and Stage III activity. This is not additional revenue to MAC but rather a shift in the cost among the various airlines, depending upon their type of activity (Stage II vs Stage III).

The significant increase between the two years is due to a change in the classification of Passenger Facility Charges (PFC). The change occurred in 1994 and was reflected in the mid-year airline rate adjustment. Also contributing to the increase is the projected reduction in Stage II and Stage III landings.

CONCESSIONS

The 1995 budget for Concessions revenues shows a 2.56% increase from the budgeted 1994 amount. The two major components of concessions are Auto Parking (which accounts for approximately 62% of total concessions) and Auto Rental fees (which accounts for approximately 18% of total concessions).

Parking revenues are projected to increase 4.7%, or approximately $970,000 from the 1994 budget. This increase can be attributed to the following items:

1. Rates increased in April 1993. 1994 was projected to be stable with only a slight increase projected due to a complete year of increased rates. Actual activity levels for 1994 were stronger than anticipated throughout the first eight months. The 1995 budget assumes this continued level of activity.
2. Construction of the upper and lower level roadways will probably result in increased traffic through the short term lot. In addition, staff has implemented an aggressive advertising campaign to promote parking and keep vehicles off these roadways during construction.

Auto Rental fees are projected in increase by $170,000, or 2.73%, over the 1994 budget amount. A new agreement for this concession went into effect May 1, 1994. These firms pay a minimum rental fee plus a percentage (8.5%) of gross revenue above the minimum fee. The increase in revenue is attributed to additional minimum fees bid by the auto rental firms.

All other revenues from remaining concessions are projected to decrease $274,000, or 3.9%. There are three reasons for this decrease:

1. The Ground Transportation Access Fee was initiated in June 1994. The 1994 budget established that this fee would result in approximately $1.0 million in increased revenue. With the changes made to the Ordinance (#79) as a result of numerous public hearings estimated revenue for 1995 will be approximately $170,000 less than the 1994 budgeted amount.

2. Based on recent trends, projections for Food/Beverage, Merchandise and Other revenues should remain stable or near 1994 budgeted levels. However, with the implementation of the Concession Plan and various phases of construction occurring, we are assuming a slight decrease in revenue for 1995.
3. No new services or agreement renewals are projected for 1995.

OTHER

This category is 13.4% of 1995 operating revenues. It is budgeted to increase approximately $750,000. Building Rentals includes facilities rented to various tenants throughout the MAC system of airports. Examples of these facilities are Lindbergh Terminal space rented to non-airline tenants, hangar rentals and office space located in other MAC buildings. The increase in this area can be attributed to new lease agreements on existing facilities of various tenants.

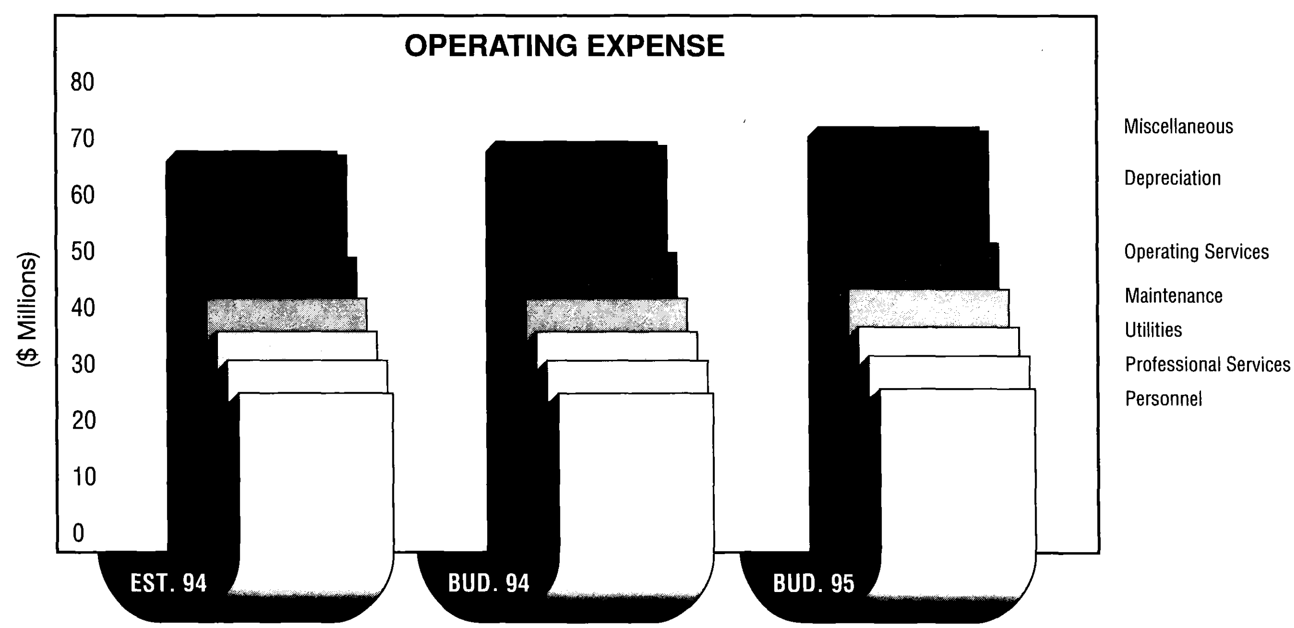
Lobby Fees represent a per-passenger fee for use of the Humphrey Terminal. A slight decrease in fees from the 1994 budget is being projected due to uncertainty about the use of the whole facility. The 1995 budget is down significantly from estimated 1994 which is expected to be a record year. Expansion of this facility is being considered in the proposed CIP. (This project is discussed in detail in the Construction Budget section.)

Ground Rentals (SW Cargo & Other) and Utilities are projected to decrease $120,000. This can be attributed to some areas being vacated by tenants in late 1994.

The Other category includes landing fees, ramp fees and apron services (services provided to maintain, clean and fuel aircraft) from the Humphrey Terminal location, the cargo areas and the regional/commuter terminal. These fees for 1995 are expected to increase $20,000. Also in this category are parking fines (no change in 1995), employee parking (expected to increase $55,000), fuel flowage fees, and miscellaneous items. The fuel flowage fee is a charge at the reliever airports for gallons of fuel sold. The fee in 1994 was two cents per gallon. This fee is being reviewed and is budgeted to increase to five cents per gallon in 1995.

Operating Expenses

	Total 1995 Budget	Budget 1994	Estimated 1994
EXPENSES			
Personnel			
Salaries & Wages	$18,789,686	$17,542,286	$17,532,000
Benefits	6,915,217	6,714,573	6,690,000
Commissioner Per Diem	30,000	29,100	28,000
Total Personnel	25,734,903	24,285,959	24,250,000
Administrative Expense	1,144,254	1,071,081	970,000
Professional Services	5,085,010	4,677,065	4,673,000
Utilities	5,030,755	4,397,308	4,647,000
Operating Services			
Parking Management	3,349,905	3,268,200	3,225,000
Shuttle Bus	1,598,950	1,490,675	1,575,000
Service Agreements/Storm Water Monitoring	2,043,489	2,856,021	1,850,000
Other	1,733,510	1,703,426	1,450,000
Total Operating Services	8,725,854	9,318,322	8,100,000
Maintenance			
Trades	664,620	640,700	555,000
Building	1,340,395	1,268,680	1,170,000
Field	1,494,547	1,448,951	990,000
Equipment	900,897	906,367	845,000
Cleaning	3,264,302	3,348,658	3,330,000
Total Maintenance	7,664,761	7,613,356	6,890,000
Depreciation	19,174,867	18,961,330	18,875,000
Other			
General Insurance	1,036,000	945,000	1,025,000
Minor Equipment	372,587	288,482	290,000
Other	237,135	210,790	235,000
Reimbursed Expense	(1,250,000)	(1,250,000)	(1,450,000)
Total Other	395,722	194,272	100,000
Total Operating Expenses	**$72,956,126**	**$70,518,693**	**$68,505,000**



Expense Assumptions

OPERATING EXPENSES

The Budget Task Force established a target for 1995 budgeted expenses to not exceed the 1994 budget by more than 4%. Based upon the information supplied by budget specialists,utility companies, various suppliers and detailed analysis of historical spending patterns, the 1995 expense budget is projected to increase $2,437,434 or 3.46% over 1994 budgeted expenses. Again, as in 1994, depreciation related to all assets constructed with Passenger Facility Charges and related to Off-Airport Noise insulation and the property acquisition program have been excluded from the operating budget.

Explanations for expense assumptions are based upon comparing 1994 budget figures with projected 1995.

($=000) EXPENSE CATEGORY	1993 Actual	1993 Budget	1994 Estimate	1994 Budget	1995 Budget	1994 Budget vs 1995 Budget: Dollar Change	1994 Budget vs 1995 Budget: Percentage Change
Personnel	$22,739	$23,324	$24,250	$24,286	$25,735	$1,449	5.97%
Admin. Expenses	966	1,059	970	1,071	1,144	73	6.82%
Professional Services	4,984	4,227	4,673	4,677	5,085	408	8.72%
Utilities	4,974	4,100	4,647	4,397	5,031	634	14.42%
Operating Services	5,809	6,609	8,100	9,318	8,726	(592)	-6.35%
Maintenance	7,406	7,462	6,890	7,613	7,665	52	0.68%
Depreciation	19,258	18,610	18,875	18,961	19,175	214	1.13%
Other*	352	67	100	195	396	201	103.08%
Total Operating Expense	$66,488	$65,458	$68,505	$70,518	$72,957	$2,439	3.46%

* Includes General Insurance, Minor Equipment, Reimbursed Expenses and Miscellaneous items.

PERSONNEL

Personnel costs are projected to increase 5.97% or $1,448,944 over the 1994 budget. This increase is attributed to the following items:

1. The Budget Task Force approved twelve (12) new positions for 1995. They are:
   - 1—Quality Manager
   - 1—MIS Supervisor of Technical Support
   - 1—Part 150 Construction Manager
   - 1—Plumber
   - 1—Maintenance Secretary
   - 1—Asst. Field Maintenance Supervisor
   - 4—Field Maintenance Workers
   - 2—Communications Coordinators

These positions are budgeted to be filled at various times during 1995. Including overtime and double time, the increase to the 1995 budget for these positions is approximately $200,000.

Expense Assumptions CONTINUED

2. As of 11/30/94 there are twelve (12) vacancies. These positions are anticipated to be filled between now and the end of the first quarter in 1995. When overtime and double time are included, these positions increase wages for 1995 by an estimated $250,000.

3. Wage adjustments are estimated to $600,000 for 1995.

4. Pension costs are projected to increase $135,000 in 1995. This is the result of the new employees and vacancies being filled.

5. Premium/rate adjustments for workers compensation are increasing $38,000.

6. Training costs will increase $95,000 due to the following: a) substantial training for the new financial system as all departments are brought on line and b) the employee continuing education program (i.e. college).

ADMINISTRATIVE EXPENSE

This category is projected to increase 6.83% or $73,173. The change results from travel and marketing. Travel is estimated to be up $33,000 due to additional staff and continued participation by staff and the commissioners on various national airport committees. Also, costs associated with the marketing emphasis in 1995 (meetings, printing costs, dues, and travel) are increasing $50,000.

PROFESSIONAL SERVICES

Professional Services are estimated to increase 8.72% or $407,945. This additional amount is the result of the following significant items:

1. Marketing—With the additional emphasis on this area for 1995, costs attributed to the program are anticipated to go up $92,000.

2. New Computer System—As the system is "rolled out" to all of the service centers in the first half of 1995, consulting fees associated with post-implementation, audit, performance monitoring and upgrade assistance result in a $52,000 increase in fees.

3. VHF & UHF Frequency Spectrum—This represents MAC's share of design and construction of a new network for an 800 Mhz, Digital Trunked Radio System for the metropolitan area. This system would provide efficient radio service for all public service agencies. MAC's portion as identified by the Metropolitan Council (at the direction of the State Legislature) is approximately $50,000.

4. Secured Access System—Services required to update and maintain this system are projected in 1995 to increase $70,000.

5. Environment—Amendments to the 1990 Clean Air Act require the Commission to obtain a permit and produce a model identifying the kind and amount of emissions at the airport. This will result in $110,000 of increased fees.

Expense Assumptions CONTINUED

The following chart shows a more complete list of the major professional service categories, the respective departments and dollars allocated for 1995:

TYPE OF SERVICE	DEPARTMENT	DOLLARS
Accounting & Audit Fees	Finance	$ 144,000
Public Information	Public Affairs	155,000
	Parking	25,000
Legal Fees	General Counsel	520,000
	Reliever Airports	40,000
Legal—Environment	Noise/Environment	100,000
Computer Services	Parking/Ground Transportation	300,000
Legislative	Public Affairs—National	70,000
	Labor/Legislative—Local	75,000
Engineering	Field and Runway	800,000
	Planning/Development	340,000
Environmental Engineering	Field and Runway	575,000
New Airport Planning	Field and Runway	800,000
Project Closings		60,000
		$4,004,000

UTILITIES

Utilities are increasing 14.41% or $633,447 over the 1994 budget.

Anticipated rate changes for 1995 were obtained from various utility companies that provide service to the MAC. Types of service and anticipated rate changes include:

Electricity:	5%—7%	The increase is anticipated to occur in late 1994 or early 1995.
Natural Gas:	7%—9%	Minnegasco, NSP and Peoples Natural Gas provide the majority of this service. These companies combined provide 99.5% of the natural gas consumed by MAC.
Fuel Oil:	8% Increase	
Water:	4% Increase	
Sewer:	15% Increase	

Within the current budget, electricity accounts for 45% of the utility budget and natural gas and fuel oil together comprise 20% and water & sewer charges represent 32% of the utility budget.

Some significant factors have contributed to the large increase in utilities. These include:

1. Additional charges relating to the heating of the holding ponds for the glycol. These charges were underestimated in the 1994 budget.
2. Over the past four years, Minnegasco has been able to purchase gas more cheaply than anticipated. As a result, MAC built this credit factor into the budget process. In late 1993 and throughout 1994 the credit for gas has been eliminated and in some months a premium charge has been incurred. As a result, the 1995 budget has eliminated the credit factor and returned to the regular rate.
3. In mid 1994 the City of Minneapolis identified an error in its billing process. This resulted in a 10% increase in rates. MAC staff is currently reviewing the problem with the City and hope to resolve it by year end 1994.

Expense Assumptions CONTINUED

OPERATING SERVICES

Operating Services are projected to decrease 6.36% or $592,468 from 1994 budgeted figures. In this category 70% of the expenses are incurred from the parking management contract, shuttle bus contracts and storm water monitoring (glycol). Significant changes in this category include:

1. Parking Management Contract—Under terms of the agreement, APCOA, the parking management firm, is reimbursed for all personnel and other operational costs. The additional cost for 1995 ($80,000) is attriubted to increased wages and employee benefits.
2. Shuttle Bus Services—The Commission currently has three contracts for services: Auto Rental Shuttle which travels from the Lindbergh Terminal to the Auto Rental facility, Regional Shuttle which operates between the Regional Terminal and the Lindbergh Terminal, and the Humphrey Shuttle which operates between the employee lot, Econolot, Humphrey Terminal and the Lindbergh Terminal. These contracts are projected to increase $105,000 in 1995. The reasons for this change are: a) The Regional shuttle contract has expired and the Commission authorized staff to prepare an RFP (request for proposal) for a new contract. It is expected to increase $30,000. This is the result of increased ridership (two shuttles during peak times—one was budgeted) and a larger vehicle. b) The Auto Rental shuttle will increase approximately $53,000 due to increased ridership. c) The Humphrey shuttle is anticipated to increase $23,000.
3. Storm Water Monitoring—The Commission is required to monitor the various elements combined in the storm water run-off which are discharged into the Minnesota River and Duck Lake. The run-off will be transported to temporary storage ponds by truck. In 1994 $1,940,000 was budgeted for this item. It appears that this amount was too high. As a result, this figure has decreased to $1,200,000 in the 1995 budget.
4. The budget for 1994 anticipated a decrease in the Landside Starter contract due to the implementation of the Dispatching System which was to have been in place. This system will not be in place until late 1995. In addition, the Landside Starter contract was terminated in mid-1994. The starter service is currently being operated by Passenger Assistants and MAC staff. At this time it has not been determined whether MAC will continue to operate this service or if it will be put out for bid. Because of these circumstances, this service is projected to increase $80,000 in 1995.

MAINTENANCE

This category has five components: field, equipment, building, trades, and cleaning. These costs are projected to increase by $51,405 or .68% in 1995. Each area is discussed separately.

Maintenance—Field: Field expenses are projected to increase $45,596 in 1995. Total field expenses are estimated to be $1,494,547. The increase is in the area of snow removal. In 1995 MAC will be increasing its use of Potassium Acetate. This material will partially replace the use of urea. Potassium acetate is more expensive, but reduces the amount of ammmonia residue caused by urea. Potassium acetate also works better at lower temperatures resulting in a safer airport in certain circumstances.

Maintenance—Equipment: This area is projected to decrease $5,470 in 1995 compared to 1994. Expenses in this category are directly related to the amount of snow. 1995 is budgeted at an average snowfall amount. The decrease is the result of repairs to equipment decreasing slightly in recent years.

Maintenance—Building: This area is projected to increase $71,715. The additional expenses are for filters being replaced to maintain a good air quality in the terminal. Also, elevators and escalators are no longer under warranty in 1994.

Expense Assumptions CONTINUED

Maintenance—Trades: This category is made up of carpentry, electrical, painting, and plumbing. The increase in 1995 of $23,920 can be attributed to replacement of numerous locks by the carpenters. Parts are no longer obtainable to repair these locks so they must be replaced.

Maintenance—Cleaning: This category is budgeted to decrease $84,356 from the 1994 budget. The negotiations for the cleaning contract were completed in 1994. This resulted in the decrease noted above. The new contract is for a three year period.

DEPRECIATION

Depreciation will make up 26% of the total budget for 1995. Estimates for Depreciation are derived from four sources:

1. Current Fixed Asset listing (as of 9/30/94).
2. 1994 budgeted items not yet purchased or constructed. (These items are reviewed to determine their status i.e. to be constructed or purchased or a decision made not to move on them.)
3. 1995 Capital Improvement Plan. (To be discussed under the Construction Fund Budget—see page 78.)
4. 1995 budgeted capital equipment purchases. (These are detailed later in the Operating Budget.)

Major Projects	Estimated Total Cost*	1995 Additional Depreciation
Snow Removal Equipment Building	$3,900,000	$ 51,000
Reliever Airports—Runways/Taxiways/ Pavement Rehabilitations & Construction	2,711,668	38,319
1995 Lindbergh Terminal—Roof Rehabilitation	1,500,000	20,000
1994-95 Parking Structure Rehabilitations	1,000,000	12,500
1994-95 Miscellaneous Constructions	750,000	27,084
Runup Pad Blast Fence	650,000	10,833
1994 Lindbergh Terminal—Interior Rehabilitation	600,000	18,000
1995 Lindbergh Terminal—Door Replacement	500,000	6,667
1995 Lindbergh Terminal—Restroom Rehabilitation	500,000	6,667
1995 Snow Removal Equipment Storage Building	500,000	5,000
Communications/Operations Center Modifications	425,000	14,167
1995 Landside Bituminous Construction	400,000	6,667
	$13,436,668	$216,904
New Equipment—1995	3,062,951	187,463
New Equipment—1994		112,596
	$16,499,619	$516,963

*Represents total cost less estimated Federal and State aid.

Expense Assumptions CONTINUED

OTHER

There are four items in this category: General Insurance, Minor Equipment, Other, and Reimbursed Expense. General Insurance which includes Property, Liability, Crime, Auto & Equipment, and Miscellaneous is expected to increase approximately $91,000 due to higher premiums.

Minor Equipment is made up of furniture, computers and various equipment costing between $500 and $5,000. The $84,000 increase can be attributed to: a) installation of new phones in the elevators, b) general emergency & safety equipment for Fire, c) signal monitors for the automated Ground Transportation system, d) training center furniture, and, e) information booth and play area for children in the Lindbergh Terminal.

The Other category in this section includes safety materials, miscellaneous rentals, medical information & supplies, licenses/permits, and miscellaneous expenses. This section is budgeted to increase $26,345. The increase can be attributed to additional required safety materials.

Reimursed Expenses consist of costs which are incurred by MAC initially and then billed back to tenants. These amounts are a direct reduction to expense. No change in this category is anticipated in 1995 and the total dollars will remain at $1,250,000.

Total Operating Budget Summary

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

The summary below illustrates how dollars are received and disbursed.

1995 TOTAL OPERATING BUDGET SUMMARY
($ = 000)

	—Estimated 1994—		—Budget 1994—		—Budget 1995—	
1/1 Balance		$16,000		$16,000		$16,000
Receipts						
Operating Revenues	75,525		75,799		78,661	
Interest Earnings[1]	11,500		12,500		12,500	
Total Receipts		$87,025		$88,299		$91,161
Disbursements						
Operating Expenses (Excluding Depreciation)	(49,630)		(51,523)		(53,781)	
Equipment Purchases	(2,050)		(2,085)		($3,093)	
Debt Service Transfer	(19)		(20,172)		($20,000)	
Construction Fund Transfer	(14,000)		(12,500)		($12,000)	
Total Disbursements		($65,699)		($86,280)		($88,874)
Net Change in Working Capital[2]		($2,131)		($2,019)		($2,287)
12/31 Balance		$35,195		$16,000		$16,000

1 Interest Rate Assumed 4.50% in 1994 and 5.00% in 1995.
2 Net change in working capital represents fluctuations in year end operating payments and receivables.

RECEIPTS AND DISBURSEMENTS

There are two sources of funding: operating revenues (airline rates and charges, concessions, and other rentals/miscellaneous) which were described in detail earlier in this budget and interest earnings. Interest earnings are assumed to be at 4.5% for 1994 and 5.0% for 1995. The interest is earned on the balance in the Operating Fund and on MAC funded leases (i.e Self-Liquidating—those facilities built by MAC and then leased to tenant).

The Operating Fund starts with a $16,000,000 balance in January and builds to a $28 to $32 million balance toward September. On October 10th of each year, MAC must contribute from its Operating Fund to the Debt Service Fund an amount necessary to bring that fund balance up to the 27 month principal and interest level required by law. (See Debt Service Budget for complete details.) This transfer for the past few years has averaged about $20 million. The balance then increases until December at which time the Commission analyzes the fund marking sure that all operating expenses have been paid including capital equipment purchases, the debt service transfer made and the four months working capital balance is funded at $16 million. If there are net funds after this analysis, they are transferred to the Construction Fund. This transfer is $12 million in 1995.

The only significant change between the two budget years is the $1.0 million increase in capital equipment. This increase can be attributed to the following extraordinary purchases: 1) Replacement of a 40 foot transit bus used on the employee shuttle route, 2) additional 3,000 gallon ARFF (aircraft rescue and fire fighting) vehicle and 3) a significant upgrade in the Communication Center. These three items as well as all other capital purchases are described as follows.

Approved Equipment Requests 1995

The approved equipment requests for 1995 are represented below. 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, 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 includes individual detail justifications for those service centers whose total approved equipment requests exceed $45,000.

Summary

Main Office	$198,000
MSP International	2,605,451
Relievers	289,500
Total	$3,092,951

Service Center Name	Description Of Equipment	Purchase Price	Purpose
Main Office			
Airport Development	Geographical Information System (GIS)	$48,000	Will be used to compile AutoCad drawings into centralized system for record keeping and base maps/drawings for new consultants.
MIS	1995 MACNET infra-structure	$130,000	Implementation as designed in the Strategic Information Plan. Includes: Terminal Bldg segment, MACNET software, General Office segment, and Maintenance Building segment.
Main Office	Other Equipment $45,000	$20,000	Disk and memory upgrade to AS/400 if new applications are required. Also includes business continuity plans for back-up and recovery.
Total Main Office Purchases		$198,000	
MSP International			
Landside Operations	Transit Bus w/Luggage Rack And Perimeter Seating-40 ft.	$239,625	Will replace a 1987 Saab bus with 341,000 miles. Old bus will provide back-up on an as needed basis.
Fire	3000 Gallon ARFF Vehicle	$400,000	This additional vehicle will provide sufficient water and agent capacity to meet FAA Part 139 requirements.
Communications	Upgrade Existing Equipment	$150,000	Because of increased staff and demands for service it is necessary to upgrade and expand the facilities and equipment capabilities.
Maintenance	Airport Plow Truck	$220,000	This unit has a 17′ plow and will replace a 13 year old unit with a 12′ plow.
	Batwing Plow Truck	$252,000	This 24′ batwing plow will replace a 13 year old FWD high speed truck with a 12′ plow.
	Anti-Icing Ruck	$145,000	This anti-icing truck will apply liquid deicer to runways, taxiways, and high speed turnoffs. The FAA approved deicing fluids work at lower temps than the currently used urea to give MSP a safer airport in icing conditions.
	Snow Blower	$280,000	This blower will replace a 12 year old Oshkosh unit with significant downtime. It also has a larger blowing capacity.
	Street Sweeper	$90,000	This unit will replace a 1989 unit with 10,000 hours on it. Existing sweeper is experiencing significant downtime.
	Other Equipment $45,000	$828,826	Includes: 2 plows, 3 mowers, skid steer attachment, tactical rescue equipment, 2 police cars, scissors lift, paging/alarm system in fire, boiler in electric shop, electronic information station at HHH Terminal, water jet sewer cleaner, 3 pick-ups for Electricians and Painters, 24′ genie lift, walk behind striper, computer equipment and upgrades for the Part 150 and Noise programs, pick-up for parking facility, sweeper/scrubber for parking garage, 9 automatic gates for general parking lot, hand held AVI reader, tags, parts, and signage for Landside and Parking facilities.
Total MSP International Purchases		$2,605,451	
Relievers			
Lake Elmo	Plow Truck With Sander	$72,000	This vehicle will replace an 11 year old one which is experiencing numerous repairs and significant down time.
Cystal	Plow Truck With Sander	$72,000	This truck will replace a 1985 Ford L-8000 which is no longer useful.
Relievers	Other Equipment $45,000	$145,500	Includes: 2 vehicles, portable light station, 3 mowers, 2 plows, and a 250 gallon ag-sprayer with trailer.
Total Reliever Purchases		$289,500	
Total All Purchases		$3,092,951	

Operating Budget Taxing Authority

TAXING AUTHORITY

The Commission has the ability to levy ad valorem property taxes upon properties at the Airport and under certain circumstances, upon all taxable property within the Metropolitan Area. Such taxing authority includes:

1. The power to levy property taxes on land leased at the Airport for police and fire protection, operation, and maintenance of roadway systems.

2. The power to levy property taxes not in excess of .00806 percent in each year upon the taxable market value of all property in the Metropolitan Area for Airport operation and maintenance costs of airport facilities, provided revenues are not otherwise available.

Although the Commission may levy property taxes for operation and maintenance expenses, the Commission is not currently levying taxes for these purposes. The Commission has entered into agreements in accordance with the Airport Law and the Resolution, whereby rentals received by the Commission, together with other changes, rates, and fees imposed by the Commission, are sufficient to meet all expense of operation and maintenance of the Commission's property.

If the Commission were to have levied a tax based on the 1993/1994 taxable market value, the maximum amount available for maintenance and operations of the Commission would have been approximately $7,400,000.

Total Detail Expense Summary

	Total	Lindbergh Terminal	Energy Management Center	Ramp Area	Field & Runways	Control Tower
Expenses						
Personnel						
Wages						
Regular	16,975,398	323,393	535,450	0	60,000	0
Overtime/Doubletime	1,471,862	14,392	55,151	0	0	0
Commissioner PerDiem	30,000	0	0	0	0	0
Temps—Agency	342,424	7,280	0	0	0	0
Total Wages	18,819,684	345,065	590,601	0	60,000	0
Benefits						
Employee Insurance	3,082,000	62,975	96,313	0	0	0
Pension	2,840,718	63,407	75,828	0	0	0
Training	469,577	3,320	4,000	0	0	0
Workers Compensation	300,000	8,257	12,626	0	0	0
Uniforms	103,550	,1,200	1,000	0	0	0
Severance	119,368	2,198	3,837	0	0	0
Total Benefits	6,915,213	141,357	193,604	0	0	0
Total Personnel	**25,734,897**	**486,422**	**784,205**	**0**	**60,000**	**0**
Administrative Expenses						
Supplies						
Office Supplies & Materials	66,095	1,200	300	0	3,600	0
Computer Supplies	81,550	0	0	0	0	0
Special Supplies	60,947	210	0	0	1,500	0
Total Supplies	208,592	1,410	300	0	5,100	0
Travel						
Travel	343,115	4,000	1,400	0	34,975	0
Training—Out of Town	9,000	0	0	0	3,000	0
Mileage	42,200	800	300	0	480	0
Total Travel	394,315	4,800	1,700	0	38,455	0
Other Administrative Expense						
Local Meetings	62,950	2,800	200	0	2,000	0
Information Sources	228,756	2,400	100	0	4,775	0
Printing Costs	156,730	0	0	0	0	0
Delivery Services	15,971	500	200	0	1,350	0
Freight Charges	6,890	500	200	0	600	0
Postage	70,050	0	0	0	0	0
Total Other Admin. Expense	541,347	6,200	700	0	8,725	0
Total Administrative Expenses	**1,144,254**	**12,410**	**2,700**	**0**	**52,280**	**0**
Professional Services						
Accounting/Audit Fees	160,360	0	0	0	0	0
Affirmative Action Fees	20,000	0	0	0	0	0
Appraisal/RFP/Lease Fees	147,000	0	0	0	0	0
Computer Services						
General	122,000	0	0	0	0	0
Terminal Services	225,000	0	0	0	0	0
Total Computer Services	347,000	0	0	0	0	0
Engineering Fees	1,030,900	154,000	0	0	277,900	0
Graphic Design	70,000	0	0	0	0	0
Insurance Consultants	0	0	0	0	0	0
Labor Relations	35,000	0	0	0	0	0
Legal Fees						
Legal—Environmental	91,000	0	0	0	0	0
Legal—General	510,000	0	0	0	0	0
Legal—Federal	60,000	0	0	0	0	0
Legal—Relievers	40,000	0	0	0	0	0
Total Legal Fees	701,000	0	0	0	0	0
Legislative						
Legislative—Local	85,000	0	0	0	0	0
Legislative—National	70,000	0	0	0	0	0
Total Legislative	155,000	0	0	0	0	0

Total Detail Expense Summary CONTINUED

	Total	Lindbergh Terminal	Energy Management Center	Ramp Area	Field & Runways	Control Tower
Medical Fees	23,000	0	0	0	0	0
Planning						
MSP Int'l	818,400	0	0	0	818,400	0
New Airport	878,400	0	0	0	878,400	0
Total Planning	1,696,800	0	0	0	1,696,800	0
Pollution/Environmental Fees	12,000	0	0	0	3,000	0
Public Information Services	70,000	0	0	0	0	0
Recruiting & Employment Fees	12,500	0	0	0	0	0
Safety Consultants	55,000	2,750	20,900	0	0	0
Communications Consultant	66,700	0	0	0	0	0
Other/Miscellaneous	482,750	18,000	0	0	16,900	0
Total Professional Services	**5,085,010**	**174,750**	**20,900**	**0**	**1,994,600**	**0**
Utilities						
Electricity	2,240,016	1,120,008	188,162	0	112,000	22,400
Heating Fuel	980,339	225,478	490,169	0	12,744	7,843
Sewer	990,170	318,934	2,376	0	0	693
Water	600,661	165,302	1,442	0	0	420
Telephone						
Telephone—Regular	190,559	3,717	629	0	2,573	0
Telephone—Cellular	28,972	240	640	0	3,480	0
Total Telephone	219,571	3,957	640	0	3,480	0
Total Utilities	**5,030,757**	**1,833,679**	**683,418**	**0**	**130,797**	**31,356**
Operating Services						
Advertising						
Advertising—Bids	6,000	0	0	0	0	0
Advertising—Employment	20,000	0	0	0	0	0
Advertising—Events	25,500	0	0	0	0	0
Advertising—General	117,000	0	0	0	0	0
Advertising—Parking	92,000	0	0	0	0	0
Advertising—Relievers	29,000	0	0	0	0	0
Total Advertising	289,500	0	0	0	0	0
Environmental Control						
Hazardous Waste	23,000	0	0	0	0	0
Pollution Control	37,000	0	2,000	32,000	0	0
Industrial Waste Mgmt	40,000	0	0	0	40,000	0
Laboratory Services	15,000	0	0	0	0	0
Solvent Reclamation Service	10,000	0	1,000	0	0	0
Spill Response	4,500	0	0	0	0	0
Tire Disposal	1,340	0	0	0	840	0
Other	600	0	0	0	600	0
Total Environment Control	131,440	0	3,000	32,000	41,400	0
Ground Transportation Services						
AV ID Tags	26,250	0	0	0	0	0
Commercial Roadway Tickets	4,500	0	0	0	0	0
Landside Operations Starter	295,000	0	0	0	0	0
Total Ground Transportation	325,750	0	0	0	0	0
Shuttle Services						
Auto Rental	642,700	0	0	0	0	0
Lindbergh/Regional	180,000	180,000	0	0	0	0
Lindbergh/Humphrey	776,250	313,125	0	0	0	0
Total Shuttle Services	1,598,950	493,125	0	0	0	0
Parking Facilities						
Lot Tickets	46,500	0	0	0	0	0
Management Contract	3,349,905	0	0	0	0	0
Total Parking Facilities	3,396,405	0	0	0	0	0
Met Council Fees	150,000	0	0	0	150,000	0
Employee Programs						
ERRT	66,400	1,600	1,200	0	0	0
Holidays	7,500	0	0	0	0	0
Hospital Fund	1,500	0	0	0	0	0
Retirement	6,500	0	0	0	0	0
Service	18,500	0	0	0	0	0
Wellness	125,000	0	0	0	0	0
Total Employee Programs	225,400	1,600	1,200	0	0	0

Total Detail Expense Summary CONTINUED

	Total	Lindbergh Terminal	Energy Management Center	Ramp Area	Field & Runways	Control Tower
Events						
Airport Days	57,150	0	0	0	0	0
Emergency Response Exercise	7,200	0	0	0	0	0
Picnic/Other Events	39,300	0	0	0	0	0
Total Events	103,650	0	0	0	0	0
Other Charges/Fees						
Bank Charges	147,200	0	0	0	0	0
Security Services	130,000	0	0	0	0	0
Recycling	8,400	2,400	0	0	0	0
Copy Agreement	140,500	0	0	0	0	0
Mediation Fees	10,000	0	0	0	0	0
Miscellaneous Charges/Fees	16,670	0	0	0	0	0
Jail Fees	5,000	0	0	0	0	0
Total Other Charges/Fees	457,700	2,400	0	0	0	0
Service Agreements						
Service—Computers	295,826	0	0	0	0	0
Service—Fitness Equipment	2,500	0	0	0	0	0
Service—Grd Trans Equip	76,004	0	0	0	0	0
Service—Office Equipment	21,504	600	0	0	1,080	0
Service—Other Equipment	72,980	600	0	0	480	0
Service—Parking Equipment	159,640	0	0	0	0	0
Service—Telephone Systems	70,250	0	0	0	0	0
Service—Secured Access	68,285	0	0	0	68,285	0
Service—Radios	80,000	1,500	0	0	21,600	0
Total Service Agreements	846,989	2,700	0	0	91,445	0
Storm Water Monitoring	1,200,000	0	0	0	1,200,000	0
Total Operating Services	**8,725,854**	**499,825**	**4,200**	**32,000**	**1,482,885**	**0**
Maintenance						
Trades—Painters						
Paint	94,000	23,000	0	0	32,000	0
Signs	23,000	0	0	0	0	0
Supplies	10,800	0	0	0	0	0
Total Trades—Painters	127,800	23,000	0	0	32,000	0
Trades—Carpenters						
Locks	21,700	7,800	0	0	1,000	0
Flags	800	0	0	0	0	0
Lumber	58,150	16,560	0	0	2,300	0
Other	29,500	15,480	0	0	900	0
Total Trades—Carpenters	110,150	39,840	0	0	4,200	0
Trades—Plumbers						
Contractor Requirements	5,000	2,100	0	0	0	50
Fire Protection System	15,170	6,080	750	0	0	0
General Plumbing Supplies	33,499	14,070	0	0	0	335
Irrigation Supplies	10,000	2,000	0	0	0	0
Pumps	15,000	6,300	0	0	0	150
Underground Utilities	3,000	1,260	0	0	0	30
Water Distribution Systems	15,000	6,300	0	0	0	150
Water Meters	6,000	0	0	0	0	0
Plumbing—Tools	4,500	1,890	0	0	0	45
Plumbing—Other	30,000	4,200	0	0	0	100
Total Trades—Plumbers	137,169	44,200	750	0	0	860
Trades—Electrians						
Repairs	48,000	0	0	0	0	0
Other	241,500	40,000	0	20,000	118,000	0
Total Trades—Electricians	289,500	40,000	0	20,000	118,000	0
Maintenance—Field						
Snow Removal—Materials	470,700	0	0	32,000	350,400	0
Snow Removal—Equipment	412,674	0	0	121,737	83,737	0
Summer Maintenance—Miscellaneous	43,200	0	0	6,000	13,200	0
Summer Maintenance—Surface	183,400	0	0	22,780	63,180	0
Summer Maint—Landscape	269,573	0	0	23,432	62,432	0
Maintenance Field—Other	115,000	24,000	0	13,500	39,500	0
Total Maintenance—Field	1,494,547	24,000	0	219,449	612,449	0

Total Detail Expense Summary CONTINUED

	Total	Lindbergh Terminal	Energy Management Center	Ramp Area	Field & Runways	Control Tower
Maintenance Building						
Building—Temp Control	560,820	196,800	100,000	0	0	13,300
Building—Mechanical Areas	535,395	361,410	0	0	0	0
Building—Other	243,880	55,400	18,000	0	0	1,500
Airport Development Projects	0	0	0	0	0	0
Total Maintenance—Building	1,340,095	613,610	118,000	0	0	14,800
Maintenance—Cleaning						
Cleaning Services	2,569,981	1,317,400	0	0	0	0
Cleaning Supplies	193,969	119,000	300	0	0	0
Rubbish Disposal	475,200	76,500	0	0	216,900	0
Towel & Laundry Services	8,620	2,400	0	0	0	0
Other Cleaning Expenses	16,832	11,000	0	0	0	0
Total Maintenance—Cleaning	3,264,602	1,526,300	300	0	216,900	0
Maintenance—Equipment						
Equipment—Parts	504,675	0	12,000	0	0	0
Equipment—Shop	185,892	0	1,500	0	15,000	0
Equipment—Gas	180,000	0	0	0	0	0
Equipment—Extinguishers	5,000	0	0	0	0	0
Equipment—Miscellaneous Exp.	25,330	0	0	0	0	0
Total Maintenance—Equipment	900,897	0	13,500	0	15,000	0
Total Maintenance	**7,664,760**	**2,310,950**	**132,550**	**239,449**	**998,549**	**15,660**
Other						
General Insurance	1,036,000	352,000	10,360	25,900	46,620	0
Safety						
Safety—Training Materials	6,175	0	500	0	0	0
Safety—Supplies	48,000	0	4,320	0	0	0
Safety—Equipment	7,000	0	0	0	0	0
Total Safety	61,175	0	4,820	0	0	0
Medical Information/Supply						
Medical—Routine Supplies	12,590	1,840	0	0	0	0
Medical—Emergency Response	4,000	4,000	0	0	0	0
Total Med Inform/Supply	16,590	5,840	0	0	0	0
Rentals						
Rental—Copier	8,500	0	0	0	0	0
Rental—Pagers	10,400	0	0	0	0	0
Rental—Other Equipment	40,340	0	0	5,000	2,000	0
Total Rentals	59,240	0	0	5,000	2,000	0
Licenses/Permits						
Licenses—Auto/Equipment	20,000	0	0	0	0	0
Licenses—Other	5,600	0	0	0	0	0
Total Licenses/Permits	25,600	0	0	0	0	0
Miscellaneous Expenses						
Misc—Firearm/Equip/Supplies	48,235	0	0	0	0	0
Misc—Emergency Response	13,600	0	0	0	0	0
Misc—Other	20,695	0	0	0	0	0
Total Miscellaneous Expenses	82,530	0	0	0	0	0
Reimbursed Expense	1,250,000-	54,000-	0	31,000-	31,000-	0
Minor Equipment/Assets	364,587	9,650	5,350	0	6,400	0
Total Other	**395,722**	**313,490**	**20,530**	**100-**	**24,020**	**0**
Gross Depreciation	**19,174,867**	**2,888,977**	**173,916**	**509,652**	**4,261,288**	**0**
Total Operating Expenses	**72,956,117**	**8,520,503**	**1,822,419**	**781,001**	**9,004,419**	**47,016**

Total Detail Expense Summary CONTINUED

	Terminal Roads /Landscape	Parking Facilities	Cargo Area	Humphrey Terminal	Public Area /Other Rds	West Terminal Area
Expenses						
Personnel						
Wages						
Regular	0	0	0	51,496	0	80,297
Overtime/Doubletime	0	0	0	0	0	0
Commissioner PerDiem	0	0	0	0	0	0
Temps—Agency	0	0	0	0	0	0
Total Wages	0	0	0	51,496	0	80,297
Benefits						
Employee Insurance	0	0	0	7,409	0	14,817
Pension	0	0	0	0	0	0
Training	4,100	0	0	2,250	0	2,500
Workers Compensation	0	0	0	241	0	1,942
Uniforms	4,000	0	0	0	0	660
Severance	0	0	0	337	0	520
Total Benefits	8,100	0	0	10,237	0	20,439
Total Personnel	**8,100**	**0**	**0**	**61,733**	**0**	**100,736**
Administrative Expenses						
Supplies						
Office Supplies & Materials	0	0	0	400	0	300
Computer Supplies	0	0	0	0	0	0
Special Supplies	0	0	0	0	0	0
Total Supplies	0	0	0	400	0	300
Travel						
Travel	0	0	0	2,600	0	0
Training—Out of Town	0	0	0	0	0	0
Mileage	0	0	0	240	0	1,000
Total Travel	0	0	0	2,840	0	1,000
Other Administrative Expense						
Local Meetings	0	0	0	0	0	200
Information Sources	0	0	0	650	0	250
Printing Costs	0	0	0	0	0	0
Delivery Services	0	0	0	0	0	250
Freight Charges	0	0	0	0	0	500
Postage	0	0	0	0	0	0
Total Other Admin. Expense	0	0	0	650	0	1,200
Total Administrative Expenses	**0**	**0**	**0**	**3,890**	**0**	**2,500**
Professional Services						
Accounting/Audit Fees	0	0	0	0	0	0
Affirmative Action Fees	0	0	0	0	0	0
Appraisal/RFP/Lease Fees	0	0	0	0	0	0
Computer Services						
General	0	0	0	0	0	0
Terminal Services	105,000	120,000	0	0	0	0
Total Computer Services	105,000	120,000	0	0	0	0
Engineering Fees	20,000	0	0	8,250	10,000	0
Graphic Design	0	0	0	0	0	0
Insurance Consultants	0	0	0	0	0	0
Labor Relations	0	0	0	0	0	0
Legal Fees						
Legal—Environmental	0	0	0	0	0	0
Legal—General	0	7,500	0	0	0	0
Legal—Federal	0	0	0	0	0	0
Legal—Relievers	0	0	0	0	0	0
Total Legal Fees	0	7,500	0	0	0	0
Legislative						
Legislative—Local	0	0	0	0	0	0
Legislative—National	0	0	0	0	0	0
Total Legislative	0	0	0	0	0	0

Total Detail Expense Summary CONTINUED

	Terminal Roads /Landscape	Parking Facilities	Cargo Area	Humphrey Terminal	Public Area /Other Rds	West Terminal Area
Medical Fees	0	0	0	0	0	0
Planning						
MSP Int'l	0	0	0	0	0	0
New Airport	0	0	0	0	0	0
Total Planning	0	0	0	0	0	0
Pollution/Environmental Fees	0	0	0	0	0	0
Public Information Services	0	25,000	0	0	0	0
Recruting & Employment Fees	0	0	0	0	0	0
Safety Consultants	0	0	0	0	0	0
Communications Consultant	5,000	0	0	0	0	0
Other/Miscellaneous	17,000	40,000	0	3,000	0	0
Total Professional Services	**147,000**	**192,500**	**0**	**11,250**	**10,000**	**0**
Utilities						
Electricity	141,121	237,442	2,240	58,240	6,721	56,000
Heating Fuel	20,587	0	0	69,604	0	17,646
Sewer	1,188	1,089	0	2,376	620,345	888
Water	8,169	2,763	0	1,802	393,613	541
Telephone						
Telephone—Regular	0	0	0	991	0	496
Telephone—Cellular	1,200	0	0	0	0	300
Total Telephone	1,200	0	0	991	0	796
Total Utilities	**172,265**	**241,294**	**2,240**	**133,013**	**1,020,679**	**75,871**
Operating Services						
Advertising						
Advertising—Bids	0	0	0	0	0	0
Advertising—Employment	0	0	0	0	0	0
Advertising—Events	0	0	0	0	0	0
Advertising—General	0	500	0	0	0	0
Advertising—Parking	0	92,000	0	0	0	0
Advertising—Relievers	0	0	0	0	0	0
Total Advertising	0	92,500	0	0	0	0
Environmental Control						
Hazardous Waste	0	0	0	0	0	0
Pollution Control	0	0	0	0	0	0
Industrial Waste Mgmt	0	0	0	0	0	0
Laboratory Services	0	0	0	0	0	0
Solvent Reclamation Service	0	0	0	0	0	0
Spill Response	0	0	0	0	0	0
Tire Disposal	0	0	0	0	0	0
Other	600	0	0	0	0	0
Total Environment Control	0	0	0	0	0	0
Grd Transportation Services						
AV ID Tags	26,250	0	0	0	0	0
Commercial Roadway Tickets	4,500	0	0	0	0	0
Landside Operations Starter	295,000	0	0	0	0	0
Total Ground Transportation	325,750	0	0	0	0	0
Shuttle Services						
Auto Rental	642,700	0	0	0	0	0
Lindbergh/Regional	0	0	0	0	0	0
Lindbergh/Humphrey	313,125	0	0	150,000	0	0
Total Shuttle Services	955,825	0	0	150,000	0	0
Parking Facilities						
Lot Tickets	0	46,500	0	0	0	0
Management Contract	0	3,349,905	0	0	0	0
Total Parking Facilities	0	3,396,405	0	0	0	0
Met Council Fees	0	0	0	0	0	0
Employee Programs						
ERRT	500	0	0	0	0	100
Holidays	0	0	0	0	0	0
Hospital Fund	0	0	0	0	0	0
Retirement	0	0	0	0	0	0
Service	0	0	0	0	0	0
Wellness	0	0	0	0	0	0
Total Employee Programs	500	0	0	0	0	100

Total Detail Expense Summary CONTINUED

	Terminal Roads /Landscape	Parking Facilities	Cargo Area	Humphrey Terminal	Public Area /Other Rds	West Terminal Area
Events						
Airport Days	0	0	0	0	0	0
Emergency Response Exercise	0	0	0	0	0	0
Picnic/Other Events	1,500	0	0	300	0	0
Total Events	1,500	0	0	300	0	0
Other Charges/Fees	0	75,000	0	0	0	0
Bank Charges	0	0	0	0	0	0
Security Services	0	0	0	0	0	0
Recycling	0	0	0	0	0	0
Copy Agreement	0	0	0	0	0	0
Mediation Fees	0	0	0	0	0	0
Miscellaneous Charges/Fees	0	0	0	0	0	0
Jail Fees						
Total Other Charges/Fees	0	75,000	0	0	0	0
Service Agreements						
Service—Computers	0	47,400	0	0	0	0
Service—Fitness Equipment	0	0	0	0	0	0
Service—Ground Trans Equip	76,004	0	0	0	0	0
Service—Office Equipment	0	0	0	1,000	0	250
Service—Other Equipment	3,000	0	0	7,500	0	5,000
Service—Parking Equipment	0	159,640	0	0	0	0
Service—Telephone Systems	0	0	0	450	0	0
Service—Secured Access	0	0	0	0	0	0
Service—Radios	0	600	0	0	0	0
Total Service Agreements	79,004	207,640	0	8,950	0	5,250
Storm Water Monitoring	0	0	0	0	0	0
Total Operating Services	**1,362,579**	**3,771,545**	**0**	**159,250**	**0**	**5,350**
Maintenance						
Trades—Painters						
Paint	2,000	14,000	0	1,000	8,000	1,000
Signs	0	0	0	0	0	0
Supplies	0	0	0	0	0	0
Total Trades—Painters	2,000	14,000	0	1,000	8,000	1,000
Trades—Carpenters						
Locks	0	1,400	0	2,100	1,800	1,600
Flags	0	0	0	0	0	0
Lumber	0	3,220	0	2,760	4,140	2,300
Other	0	1,260	0	1,080	1,620	3,400
Total Trades—Carpenters	0	5,880	0	5,940	7,560	7,300
Trades—Plumbers						
Contractor Requirements	500	0	0	1,000	100	100
Fire Protection System	0	0	0	4,560	0	1,050
General Plumbing Supplies	3,349	0	0	6,700	670	670
Irrigation Supplies	0	0	0	0	7,000	0
Pumps	1,500	0	0	3,000	300	300
Underground Utilities	300	0	0	600	60	60
Water Distribution Systems	1,500	0	0	3,000	300	300
Water Meters	0	0	0	0	0	0
Plumbing—Tools	450	0	0	900	90	90
Plumbing—Other	1,000	0	0	2,000	200	200
Total Trades—Plumbers	8,599	0	0	21,760	8,720	2,770
Trades—Electrians						
Repairs	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Trades—Electricians	0	0	0	0	0	0
Maintenance—Field						
Snow Removal—Materials	29,400	7,800	0	0	18,000	0
Snow Removal—Equipment	20,534	90,534	0	0	42,132	0
Summer Maintenance—Miscellaneous	6,000	6,000	0	0	6,000	0
Summer Maintenance—Surface	5,025	20,190	0	0	5,625	0
Summer Maint—Landscape	94,348	3,348	0	0	21,513	0
Maintenance Field—Other	0	15,000	0	0	15,000	0
Total Maintenance—Field	155,307	142,872	0	0	108,270	0

Total Detail Expense Summary CONTINUED

	Terminal Roads /Landscape	Parking Facilities	Cargo Area	Humphrey Terminal	Public Area /Other Rds	West Terminal Area
Maintenance Building						
Building—Temp Control	19,742	14,000	0	32,738	0	26,600
Building—Mechanical Areas	9,925	52,000	0	58,400	0	0
Building—Other	12,513	16,044	0	12,673	0	49,000
Apt Development Projects	0	0	0	0	0	0
Total Maintenance—Building	42,180	82,044	0	103,811	0	75,600
Maintenance—Cleaning						
Cleaning Services	116,800	131,200	0	342,400	0	46,877
Cleaning Supplies	6,000	6,000	0	18,000	0	9,282
Rubbish Disposal	13,200	25,200	0	57,600	6,900	18,600
Towel & Laundry Services	0	0	0	1,800	0	0
Other Cleaning Expenses	0	0	0	0	0	0
Total Maintenance—Cleaning	136,000	162,400	0	419,800	6,900	74,759
Maintenance—Equipment						
Equipment—Parts	0	12,000	0	6,000	0	0
Equipment—Shop	0	0	0	0	0	0
Equipment—Gas	0	0	0	0	0	0
Equipment—Extinguishers	0	0	0	0	0	0
Equipment—Miscellaneous Exp.	4,500	0	0	0	0	
Total Maintenance—Equipment	4,500	12,000	0	6,000	0	0
Total Maintenance	**348,586**	**419,196**	**0**	**558,311**	**139,450**	**161,429**
Other						
General Insurance	16,580	62,160	0	31,080	15,540	10,360
Safety						
Safety—Training Materials	0	0	0	0	0	0
Safety—Supplies	0	0	0	0	0	0
Safety—Equipment	0	0	0	0	0	0
Total Safety	0	0	0	0	0	0
Medical Information/Supply						
Medical—Routine Supplies	0	0	0	0	0	0
Medical—Emergency Response	0	0	0	0	0	0
Total Med Inform/Supply	0	0	0	0	0	0
Rentals						
Rental—Copier	0	0	0	0	0	0
Rental—Pagers	0	0	0	0	0	0
Rental—Other Equipment	0	5,000	0	0	0	0
Total Rentals	0	5,000	0	0	0	0
Licenses/Permits						
Licenses—Auto/Equipment	0	0	0	0	0	0
Licenses—Other	0	0	0	0	0	0
Total Licenses/Permits	0	0	0	0	0	0
Miscellaneous Expenses						
Misc—Firearm/Equip/Supplies	0	0	0	0	0	0
Misc—Emergency Response	0	0	0	0	0	0
Misc—Other	0	0	0	600	0	10,000
Total Miscellaneous Expenses	0	0	0	600	0	10,000
Reimbursed Expense	3,000-	3,000-	0	0	0	54,000-
Minor Equipment/Assets	28,400	0	0	8,025	0	6,532
Total Other	**41,980**	**64,160**	**0**	**39,705**	**15,540**	**27,108-**
Gross Depreciation	**1,376,510**	**3,366,339**	**262,812**	**910,606**	**244,163**	**26,249**
Total Operating Expenses	**3,457,020**	**8,055,034**	**265,052**	**1,877,758**	**1,429,832**	**345,027**

Total Detail Expense Summary CONTINUED

	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades/ Equipment Buildings	Green Concourse	Police
Expenses						
Personnel						
Wages						
Regular	0	4,009,303	0	0	0	3,123,056
Overtime/Doubletime	0	615,677	0	0	0	249,786
Commissioner PerDiem	30,000	0	0	0	0	0
Temps—Agency	0	156,879	0	0	0	0
Total Wages	0	4,781,859	0	0	0	3,372,842
Benefits						
Employee Insurance	0	903,843	0	0	0	607,513
Pension	0	675,176	0	0	0	596,495
Training	0	23,310	0	0	0	65,245
Workers Compensation	0	105,378	0	0	0	79,640
Uniforms	0	21,500	0	0	0	36,675
Severance	0	29,975	0	0	0	21,924
Total Benefits	0	1,759,182	0	0	0	1,407,492
Total Personnel	**0**	**6,541,041**	**0**	**0**	**0**	**4,780.334**
Administrative Expenses						
Supplies						
Office Supplies & Materials	0	0	0	2,150	0	9,000
Computer Supplies	0	0	0	0	0	0
Special Supplies	0	0	0	0	0	24,487
Total Supplies	0	0	0	2,150	0	33,487
Travel						
Travel	0	0	0	5,600	0	22,000
Training—Out of Town	0	0	0	0	0	4,000
Mileage	0	0	0	100	0	6,000
Total Travel	0	0	0	5,700	0	32,00
Other Administrative Expense						
Local Meetings	0	0	0	0	0	2,500
Information Sources	0	0	0	225	0	5,000
Printing Costs	0	0	0	0	0	9,300
Delivery Services	0	0	0	220	0	1,500
Freight Charges	0	0	0	220	0	200
Postage	0	0	0	0	0	1,050
Total Other Admin. Expense	0	0	0	665	0	19,550
Total Administrative Expenses	**0**	**0**	**0**	**8,515**	**0**	**85,037**
Professional Services						
Accounting/Audit Fees	0	0	0	0	0	0
Affirmative Action Fees	0	0	0	0	0	0
Appraisal/RFP/Lease Fees	0	0	0	0	0	0
Computer Services						
General	0	0	0	0	0	0
Terminal Services	0	0	0	0	0	0
Total Computer Services	0	0	0	0	0	0
Engineering Fees	0	0	0	0	0	0
Graphic Design	0	0	0	0	0	0
Insurance Consultants	0	0	0	0	0	0
Labor Relations	0	0	0	0	0	0
Legal Fees						
Legal—Environmental	0	0	0	0	0	0
Legal—General	0	0	0	0	0	32,500
Legal—Federal	0	0	0	0	0	0
Legal—Relievers	0	0	0	0	0	0
Total Legal Fees	0	0	0	0	0	32,500
Legislative						
Legislative—Local	0	0	0	0	0	0
Legislative—National	0	0	0	0	0	0
Total Legislative	0	0	0	0	0	0

Total Detail Expense Summary CONTINUED

	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades/ Equipment Buildings	Green Concourse	Police
Medical Fees	0	0	0	0	0	0
Planning						
MSP Int'l	0	0	0	0	0	0
New Airport	0	0	0	0	0	0
Total Planning	0	0	0	0	0	0
Pollution/Environmental Fees	0	0	0	0	0	0
Public Information Services	0	0	0	0	0	0
Recruiting & Employment Fees	0	0	0	0	0	0
Safety Consultants	0	11,000	0	0	0	2,750
Communications Consultant	0	0	0	0	0	0
Other/Miscellaneous	0	0	8,000	5,400	0	127,350
Total Professional Services	**0**	**11,000**	**8,000**	**5,400**	**0**	**162,600**
Utilities						
Electricity	20,160	0	0	89,601	0	0
Heating Fuel	28,430	0	0	62,742	0	0
Sewer	0	0	0	3,070	0	0
Water	60	0	0	1,562	0	0
Telephone						
Telephone—Regular	0	0	0	2,363	0	7,757
Telephone—Cellular	0	0	0	900	0	2,800
Total Telephone	0	0	0	3,263	0	10,557
Total Utilities	**48,650**	**0**	**0**	**160,238**	**0**	**10,557**
Operating Services						
Advertising						
Advertising—Bids	0	0	0	0	0	0
Advertising—Employment	0	0	0	0	0	0
Advertising—Events	0	0	0	0	0	0
Advertising—General	0	0	0	0	0	2,500
Advertising—Parking	0	0	0	0	0	0
Advertising—Relievers	0	0	0	0	0	0
Total Advertising	0	0	0	0	0	2,500
Environmental Control						
Hazardous Waste	0	0	3,000	15,000	0	200
Pollution Control	0	0	3,000	0	0	0
Industrial Waste Mgmt	0	0	0	0	0	0
Laboratory Services	0	0	0	0	0	0
Solvent Reclamation Service	0	0	6,000	750	0	0
Spill Response	0	0	1,575	675	0	0
Tire Disposal	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Environment Control	0	0	13,575	16,425	0	200
Ground Transportation Services						
AV ID Tags	0	0	0	0	0	0
Commercial Roadway Tickets	0	0	0	0	0	0
Landside Operations Starter	0	0	0	0	0	0
Total Ground Transportation	0	0	0	0	0	0
Shuttle Services						
Auto Rental	0	0	0	0	0	0
Lindbergh/Regional	0	0	0	0	0	0
Lindbergh/Humphrey	0	0	0	0	0	0
Total Shuttle Services	0	0	0	0	0	0
Parking Facilities						
Lot Tickets	0	0	0	0	0	0
Management Contract	0	0	0	0	0	0
Total Parking Facilities	0	0	0	0	0	0
Met Council Fees	0	0	0	0	0	0
Employee Programs						
ERRT	0	10,500	0	0	0	8,200
Holidays	0	0	0	0	0	0
Hospital Fund	0	0	0	0	0	0
Retirement	0	0	0	0	0	0
Service	0	0	0	0	0	0
Wellness	0	0	0	0	0	0
Total Employee Programs	0	10,500	0	0	0	8,200

Total Detail Expense Summary CONTINUED

	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades/ Equipment Buildings	Green Concourse	Police
Events						
Airport Days	0	0	0	1,000	0	0
Emergency Response Exercise	0	0	0	0	0	0
Picnic/Other Events	0	0	0	0	0	0
Total Events	0	0	0	1,000	0	0
Other Charges/Fees						
Bank Charges	0	0	0	0	0	0
Security Services	0	0	0	0	0	90,000
Recycling	0	0	0	0	0	0
Copy Agreement	0	0	0	0	0	0
Mediation Fees	0	0	0	0	0	0
Miscellaneous Charges/Fees	0	0	0	0	0	3,050
Jail Fees	0	0	0	0	0	5,000
Total Other Charges/Fees	0	0	0	0	0	98,050
Service Agreements						
Service—Computers	0	0	0	0	0	18,676
Service—Fitness Equipment	0	0	0	0	0	0
Service—Grd Trans Equip	0	0	0	0	0	0
Service—Office Equipment	0	0	0	264	0	4,100
Service—Other Equipment	0	0	3,000	0	0	3,800
Service—Parking Equipment	0	0	0	0	0	0
Service—Telephone Systems	0	0	0	0	0	1,000
Service—Secured Access	0	0	0	0	0	0
Service—Radios	0	0	27,000	0	0	11,400
Total Service Agreements	0	0	30,000	264	0	38,976
Storm Water Monitoring	0	0	0	0	0	0
Total Operating Services	**0**	**10,500**	**43,575**	**17,689**	**0**	**147,926**
Maintenance						
Trades—Painters						
Paint	0	0	3,000	4,000	0	0
Signs	0	0	0	18,000	0	0
Supplies	0	0	0	8,800	0	0
Total Trades—Painters	0	0	3,000	30,800	0	0
Trades—Carpenters						
Locks	2,100	0	0	0	0	1,100
Flags	0	0	0	600	0	0
Lumber	3,680	0	0	0	0	2,300
Other	1,440	0	0	0	0	900
Total Trades—Carpenters	7,220	0	0	600	0	4,300
Trades—Plumbers						
Contractor Requirements	0	0	0	0	750	0
Fire Protection System	0	0	0	0	1,500	0
General Plumbing Supplies	0	0	0	0	5,025	0
Irrigation Supplies	0	0	0	0	0	0
Pumps	0	0	0	0	2,250	0
Underground Utilities	0	0	0	0	450	0
Water Distribution Systems	0	0	0	0	2,250	0
Water Meters	0	0	0	6,000	0	0
Plumbing—Tools	0	0	0	0	675	0
Plumbing—Other	0	0	0	0	1,500	0
Total Trades—Plumbers	0	0	0	6,000	14,400	0
Trades—Electrician						
Repairs	0	0	0	0	0	0
Other	0	0	0	63,400	0	0
Total Trades—Electricians	0	0	0	63,400	0	0
Maintenance—Field						
Snow Removal—Materials	0	0	0	0	0	0
Snow Removal—Equipment	0	0	0	0	0	0
Summer Maintenance—Miscellaneous	0	0	0	0	0	0
Summer Maintenance—Surface	0	0	0	0	0	0
Summer Maint—Landscape	0	0	0	0	0	0
Maintenance Field—Other	0	0	0	0	0	0
Total Maintenance—Field	0	0	0	0	0	0

Total Detail Expense Summary CONTINUED

	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades/ Equipment Buildings	Green Concourse	Police
Maintenance Building						
Building—Temp Control	19,950	0	0	33,250	42,540	0
Building—Mechanical Areas	11,500	0	0	0	16,160	0
Building—Other	6,000	0	0	9,000	3,750	0
Airport Development Projects	0	0	0	0	0	0
Total Maintenance—Building	37,450	0	0	42,250	62,450	0
Maintenance—Cleaning						
Cleaning Services	17,282	0	0	17,907	514,800	0
Cleaning Supplies	440	0	600	3,028	14,960	0
Rubbish Disposal	0	0	0	19,800	19,800	0
Towel & Laundry Services	0	0	720	900	0	0
Other Cleaning Expenses	0	0	0	1,032	3,000	0
Total Maintenance—Cleaning	17,722	0	1,320	42,667	552,560	0
Maintenance—Equipment						
Equipment—Parts	0	0	351,000	0	0	36,400
Equipment—Shop	0	0	132,400	1,992	0	0
Equipment—Gas	0	0	101,000	0	0	22,300
Equipment—Extinguishers	0	0	0	0	0	0
Equipment—Miscellaneous Exp.	0	0	0	0	0	0
Total Maintenance—Equipment	0	0	584,400	1,992	0	58,700
Total Maintenance	**62,392**	**0**	**588,720**	**187,709**	**629,410**	**63,000**
Other						
General Insurance	15,540	0	93,240	5,180	0	97,380
Safety						
Safety—Training Materials	0	0	2,000	1,250	0	1,175
Safety—Supplies	0	20,640	0	12,000	0	960
Safety—Equipment	0	0	0	0	0	0
Total Safety	0	20,640	2,000	13,250	0	2,135
Medical Information/Supply						
Medical—Routine Supplies	0	0	0	0	0	3,750
Medical—Emergency Response	0	0	0	0	0	0
Total Med Inform/Supply	0	0	0	0	0	3,750
Rentals						
Rental—Copier	0	0	0	0	0	0
Rental—Pagers	0	0	0	0	0	0
Rental—Other Equipment	0	0	0	2,000	0	1,140
Total Rentals	0	0	0	2,000	0	1,140
Licenses/Permits						
Licenses—Auto/Equipment	0	0	0	0	0	0
Licenses—Other	0	0	0	1,200	0	0
Total Licenses/Permits	0	0	0	1,200	0	0
Miscellaneous Expenses						
Misc—Firearm/Equip/Supplies	0	0	0	0	0	6,735
Misc—Emergency Response	0	0	0	0	0	2,000
Misc—Other	0	0	0	0	0	0
Total Miscellaneous Expenses	0	0	0	0	0	8,735
Reimbursed Expense	0	0	0	0	0	465,000-
Minor Equipment/Assets	0	0	53,850	14,550	0	8,700
Total Other	**15,540**	**20,640**	**149,090**	**36,180**	**0**	**343,160-**
Gross Depreciation	**22,356**	**0**	**760,668**	**310,728**	**0**	**48,342**
Total Operating Expenses	**148,938**	**6,583,181**	**1,550,053**	**726,459**	**629,410**	**4,954,636**

Total Detail Expense Summary CONTINUED

	Fire	Administration	Communications/ Operations	Environment /Noise	Reliever Airports
Expenses					
Personnel					
Wages					
Regular	1,777,803	4,556,790	800,843	594,799	1,062,168
Overtime/Doubletime	163,490	90,792	86,091	9,987	186,496
Commissioner PerDiem	0	30,000	0	0	0
Temps—Agency	0	137,435	0	3,920	36,910
Total Wages	1,941,293	4,815,017	886,934	608,706	1,285,574
Benefits					
Employee Insurance	281,530	655,670	140,765	111,130	200,035
Pension	301,680	690,363	109,891	69,924	257,954
Training	36,100	258,252	16,100	30,400	24,000
Workers Compensation	36,906	20,595	4,578	3,614	26,223
Uniforms	17,205	2,910	6,000	0	12,400
Severance	12,615	30,208	5,763	3,877	8,114
Total Benefits	686,036	1,657,998	283,097	218,945	528,726
Total Personnel	**2,627,329**	**6,473,015**	**1,170,031**	**827,651**	**1,814,300**
Administrative Expenses					
Supplies					
Office Supplies & Materials	2,900	36,995	2,450	4,800	2,000
Computer Supplies	0	65,400	0	15,300	850
Special Supplies	0	32,920	1,630	200	0
Total Supplies	2,900	135,315	4,080	20,300	2,850
Travel					
Travel	7,600	222,700	13,850	17,500	10,890
Training—Out of Town	0	2,000	0	0	0
Mileage	2,000	27,200	600	1,920	1,540
Total Travel	9,600	251,920	14,450	19,420	12,430
Other Administrative Expense					
Local Meetings	0	47,820	750	3,680	3,000
Information Sources	4,600	193,771	3,805	6,700	6,480
Printing Costs	600	121,730	1,400	23,700	0
Delivery Services	60	9,666	325	1,400	500
Freight Charges	120	1,750	550	1,500	750
Postage	0	69,000	0	0	0
Total Other Admin. Expense	5,380	443,737	6,830	36,980	10,730
Total Administrative Expenses	**17,880**	**830,972**	**25,360**	**76,700**	**26,010**
Professional Services					
Accounting/Audit Fees	0	160,360	0	0	0
Affirmative Action Fees	0	20,000	0	0	0
Appraisal/RFP/Lease Fees	0	147,000	0	0	0
Computer Services					
General	0	75,000	0	47,000	0
Terminal Services	0	0	0	0	0
Total Computer Services	0	75,000	0	47,000	0
Engineering Fees	0	37,750	0	160,000	363,000
Graphic Design	0	70,000	0	0	0
Insurance Consultants	0	0	0	0	0
Labor Relations	0	35,500	0	0	0
Legal Fees					
Legal—Environmental	0	0	0	91,000	0
Legal—General	0	470,000	0	0	0
Legal—Federal	0	60,000	0	0	0
Legal—Relievers	0	0	0	0	40,000
Total Legal Fees	0	530,000	0	91,000	40,000
Legislative					
Legislative—Local	0	85,000	0	0	0
Legislative—National	0	70,000	0	0	0
Total Legislative	0	155,000	0	0	0

Total Detail Expense Summary CONTINUED

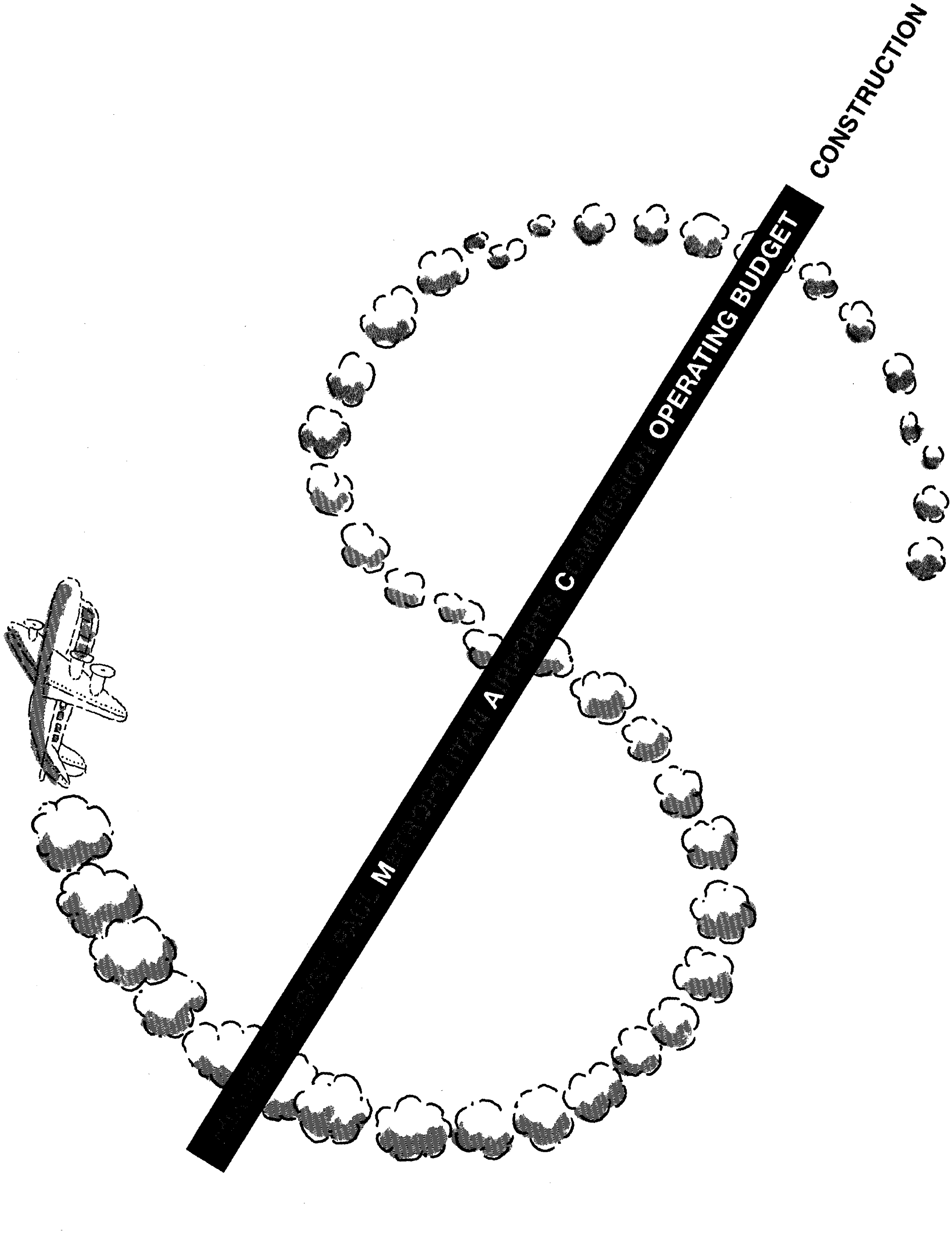
	Fire	Adminis-tration	Communications/ Operations	Environment /Noise	Reliever Airports
Medical Fees	10,500	12,500	0	0	0
Planning					
MSP Int'l	0	0	0	0	0
New Airport	0	0	0	0	0
Total Planning	0	0	0	0	0
Pollution/Environmental Fees	0	0	0	6,000	3,000
Public Information Services	0	45,000	0	0	0
Recruting & Employment Fees	0	12,500	0	0	0
Safety Consultants	5,500	0	1,100	11,000	0
Communications Consultant	2,700	49,000	10,000	0	0
Other/Miscellaneous	0	154,800	65,300	0	26,996
Total Professional Services	**18,700**	**1,503,910**	**76,400**	**315,000**	**432,996**
Utilities					
Electricity	11,200	42,560	0	8,960	123,201
Heating Fuel	0	8,823	0	4,902	31,371
Sewer	396	1,188	0	0	37,627
Water	360	841	0	0	23,786
Telephone					
Telephone—Regular	3,450	85,045	39,168	23,501	20,909
Telephone—Cellular	1,440	8,732	5,000	240	4,000
Total Telephone	4,890	93,777	44,168	23,741	24,909
Total Utilities	**16,846**	**147,189**	**44,168**	**37,603**	**240,894**
Operating Services					
Advertising					
Advertising—Bids	0	6,000	0	0	0
Advertising—Employment	0	20,000	0	0	0
Advertising—Events	0	25,000	0	0	0
Advertising—General	0	114,000	0	0	0
Advertising—Parking	0	0	0	0	0
Advertising—Relievers	0	0	0	0	29,000
Total Advertising	0	165,500	0	0	29,000
Environmental Control					
Hazardous Waste	200	0	0	0	4,600
Pollution Control	0	0	0	0	0
Industrial Waste Mgmt	0	0	0	0	0
Laboratory Services	0	0	0	15,000	0
Solvent Reclamation Service	750	0	0	0	1,500
Spill Response	900	0	0	450	900
Tire Disposal	0	0	0	0	500
Other	0	0	0	0	0
Total Environment Control	1,850	0	0	15,450	7,500
Grd Transportation Services					
AV ID Tags	0	0	0	0	0
Commercial Roadway Tickets	0	0	0	0	0
Landside Operations Starter	0	0	0	0	0
Total Ground Transportation	0	0	0	0	0
Shuttle Services					
Auto Rental	0	0	0	0	0
Lindbergh/Regional	0	0	0	0	0
Lindbergh/Humphrey	0	0	0	0	0
Total Shuttle Services	0	0	0	0	0
Parking Facilities					
Lot Tickets	0	0	0	0	0
Management Contract	0	0	0	0	0
Total Parking Facilities	0	0	0	0	0
Met Council Fees	0	0	0	0	0
Employee Programs					
ERRT	3,700	35,600	2,000	400	2,600
Holidays	0	7,500	0	0	0
Hospital Fund	0	1,500	0	0	0
Retirement	0	6,500	0	0	0
Service	0	18,500	0	0	0
Wellness	0	125,000	0	0	0
Total Employee Programs	3,700	194,600	2,000	400	2,600

Total Detail Expense Summary CONTINUED

	Fire	Administration	Communications/ Operations	Environment /Noise	Reliever Airports
Events					
Airport Days	2,500	48,900	1,850	800	2,100
Emergency Response Exercise	0	7,200	0	0	0
Picnic/Other Events	0	37,250	250	0	0
Total Events	2,500	93,350	2,100	800	2,100
Other Charges/Fees					
Bank Charges	0	72,200	0	0	0
Security Services	0	0	0	0	40,000
Recycling	0	2,000	0	4,000	0
Copy Agreement	0	138,000	0	0	2,500
Mediation Fees	0	10,000	0	0	0
Miscellaneous Charges/Fees	120	3,500	0	0	10,000
Jail Fees	0	0	0	0	0
Total Other Charges/Fees	120	225,700	0	4,000	52,500
Service Agreements					
Service—Computers	0	116,750	0	113,000	0
Service—Fitness Equipment	0	2,500	0	0	0
Service—Ground Trans Equip	0	0	0	0	0
Service—Office Equipment	0	3,390	7,320	3,500	0
Service—Other Equipment	15,000	27,100	7,500	0	0
Service—Parking Equipment	0	0	0	0	0
Service—Telephone Systems	1,800	27,000	40,000	0	0
Service—Secured Access	0	0	0	0	0
Service—Radios	10,400	1,800	0	0	5,700
Total Service Agreements	27,200	178,540	54,820	116,500	5,700
Storm Water Monitoring	0	0	0	0	0
Total Operating Services	**35,370**	**857,690**	**58,920**	**137,150**	**99,400**
Maintenance					
Trades—Painters					
Paint	0	0	0	0	6,000
Signs	0	0	0	0	5,000
Supplies	0	0	0	0	2,000
Total Trades—Painters	0	0	0	0	13,000
Trades—Carpenters					
Locks	1,000	900	200	0	700
Flags	0	0	0	0	200
Lumber	2,300	4,600	1,840	0	12,150
Other	900	1,800	720	0	0
Total Trades—Carpenters	4,200	7,300	2,760	0	13,050
Trades—Plumbers					
Contractor Requirements	50	350	0	0	0
Fire Protection System	0	1,230	0	0	0
General Plumbing Supplies	335	2,345	0	0	0
Irrigation Supplies	0	1,000	0	0	0
Pumps	150	1,050	0	0	0
Underground Utilities	30	210	0	0	0
Water Distribution Systems	150	1,050	0	0	0
Water Meters	0	0	0	0	0
Plumbing—Tools	45	315	0	0	0
Plumbing—Other	100	700	0	0	20,000
Total Trades—Plumbers	860	8,250	0	0	20,000
Trades—Electrians					
Repairs	0	0	0	0	48,000
Other	0	0	0	0	100
Total Trades—Electricians	0	0	0	0	48,100
Maintenance—Field					
Snow Removal—Materials	0	0	0	0	33,100
Snow Removal—Equipment	0	0	0	0	54,000
Summer Maintenance—Miscellaneous	0	0	0	0	6,000
Summer Maintenance—Surface	0	0	0	0	66,600
Summer Maint—Landscape	0	13,000	0	0	51,500
Maintenance Field—Other	0	0	0	0	8,000
Total Maintenance—Field	0	13,000	0	0	219,200

Total Detail Expense Summary CONTINUED

	Fire	Administration	Communications/ Operations	Environment /Noise	Reliever Airports
Maintenance Building					
Building—Temp Control	15,960	17,290	0	6,650	22,000
Building—Mechanical Areas	10,000	1,500	0	0	14,500
Building—Other	4,000	3,000	0	0	53,000
Apt Development Projects	0	0	0	0	0
Total Maintenance—Building	29,960	21,790	0	6,650	89,500
Maintenance—Cleaning					
Cleaning Services	0	34,815	0	0	30,500
Cleaning Supplies	0	1,759	0	0	14,600
Rubbish Disposal	0	0	0	0	20,700
Towel & Laundry Services	0	0	0	0	2,800
Other Cleaning Expenses	1,800	0	0	0	0
Total Maintenance—Cleaning	1,800	36,574	0	0	68,600
Maintenance—Equipment					
Equipment—Parts	19,500	3,000	4,775	0	60,000
Equipment—Shop	0	0	0	0	35,000
Equipment—Gas	9,500	5,700	3,900	600	37,000
Equipment—Extinguishers	5,000	0	0	0	0
Equipment—Miscellaneous Exp.	0	0	1,830	0	19,000
Total Maintenance—Equipment	34,000	8,700	10,505	600	151,000
Total Maintenance	**70,820**	**95,614**	**13,265**	**7,250**	**622,450**
Other					
General Insurance	67,340	52,040	5,180	5,180	124,320
Safety					
Safety—Training Materials	250	0	0	500	500
Safety—Supplies	960	1,920	0	0	7,200
Safety—Equipment	0	0	0	7,000	0
Total Safety	1,210	1,920	0	7,500	7,700
Medical Information/Supply					
Medical—Routine Supplies	4,000	1,600	500	0	900
Medical—Emergency Response	0	0	0	0	0
Total Med Inform/Supply	4,000	1,600	500	0	900
Rentals					
Rental—Copier	0	8,500	0	0	0
Rental—Pagers	0	10,400	0	0	0
Rental—Other Equipment	0	9,700	0	6,000	9,500
Total Rentals	0	28,600	0	6,000	9,500
Licenses/Permits					
Licenses—Auto/Equipment	0	20,000	0	0	0
Licenses—Other	100	0	0	0	4,300
Total Licenses/Permits	100	20,000	0	0	4,300
Miscellaneous Expenses					
Misc—Firearm/Equip/Supplies	40,000	0	1,500	0	0
Misc—Emergency Response	600	0	0	0	11,000
Misc—Other	0	9,495	600	0	0
Total Miscellaneous Expenses	40,600	9,495	2,100	0	11,000
Reimbursed Expense	192,000-	282,000-	0	0	135,000-
Minor Equipment/Assets	0	147,850	42,680	16,900	15,700
Total Other	**78,750-**	**20,495-**	**50,460**	**35,580**	**38,420**
Gross Depreciation	**175,086**	**518,809**	**79,578**	**322,969**	**2,915,819**
Total Operating Expenses	**2,883,281**	**10,406,704**	**1,518,182**	**1,759,903**	**6,190,289**


OPERATING BUDGET
CONSTRUCTION

Construction Budget

As with the Operating Budget a number of changes and additional information have been incorporated into the presentation of the Construction Budget. The Capital Improvement Plan (CIP) is detailed first, followed by a chart and discussion on sources and uses within this budget. This is followed by a brief summary of projects in process. Finally, a detailed description of the major projects by category along with a summary of how these projects will affect operating costs.

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.

Anticipated project totals planned for 1995, 1996, 1997, and the extended period 1998-2001 (i.e. the proposed Capital Improvement Plan for 1995) are summarized below by location. The amounts shown represent the estimated total cost for the projects in the year construction will begin. These figures differ from those shown in the "Use of Funds" section in the Construction Budget detailed further below because the figures listed there represent anticipated actual costs for that year.

All project costs listed in this section are in 1994 dollars.

CAPITAL IMPROVEMENT PLAN SUMMARY (CIP)
($ = 000)

	1995	1996	1997	1998-2001	Total 1995-2001
Minneapolis/St. Paul Int'l					
Field & Runway	$ 23,975	$ 22,305	$ 20,553	$182,650	$249,483
Environmental	24,600	21,600	21,600	112,486	180,286
Self-Liquidating	14,410	0	1,000	0	15,410
Landside	88,389	22,970	8,400	10,500	130,259
Total Minneapolis/St. Paul Int'l	$151,374	$ 66,875	$ 51,553	$305,636	$575,438
Reliever Airports					
St. Paul	$ 3,155	$ 4,050	$ 4,950	$ 980	$ 13,135
Flying Cloud	1,750	10,100	700	1,500	14,050
Crystal	960	150	150	600	1,860
Anoka	1,950	200	0	2,610	4,760
Lake Elmo	250	2,150	700	200	3,300
Airlake	1,940	200	100	100	2,340
Total Reliever Airports	$ 10,005	$ 16,850	$ 6,600	$ 5,990	$ 39,445
Total All Facilities	$161,379	$83,725	$58,153	$311,626	$614,883

The seven year total of approximately $615 million represents an increase of $78 million from the previous year's CIP. This increase can be attributed to Landside projects. Some of the major projects are Lindbergh Terminal Alternate Coding System ($5.5 million), Auto Rental Parking Expansion ($24 million), Gold Concourse FIS Facility ($19.8 million), and HHH Terminal Expansion ($5.0 million). These projects are discussed in more detail later in this section.

Construction Budget CONTINUED

The Construction Budget below represents anticipated sources and uses of funds during the years 1995-1996. The information for 1994 indicates expected transactions during the fourth quarter.

CONSTRUCTION BUDGET 1995
($ = 000)

	Estimated 1994	Budget 1995	Projected 1996	Projected 1997	Projected Total
Sources of Funds					
Balance 9/30/94	$ 65,499				$ 65,499
Balance Carried Forward		$ 67,534	$ 33,477	$ 4,042	
NWA Loan Repayment	1,215	4,859	4,859	4,859	15,792
Transfer From Operating Fund		14,000	12,000	12,000	38,000
PFC Funding	6,900	27,600	28,704	29,852	93,056
Federal Grants	1,200	18,836	18,237	11,241	49,514
Federal Noise Aid	2,124	10,812	10,582	10,572	34,090
State Grants	240	3,305	1,657	1,047	6,249
Interest Income [1]	3,190	5,529	2,563	191	11,473
Principal Amount of Bonds	0	12,845	27,027	0	39,872
Total Sources of Funds	$ 14,869	$ 97,786	$105,629	$69,762	$288,046
Uses of Funds					
CIP Project Costs	($8,000)	($110,074)	($108,487)	($35,609)	($262,170)
CIP Noise Costs	(4,834)	(20,163)	(23,198)	(22,838)	(71,033)
Debt Service Reserve	0	(1,349)	(2,838)	0	(4,187)
Issuance Expenses	0	(257)	(541)	0	(798)
Total Use of Funds	($ 12,834)	($131,843)	($135,064)	($58,447)	($338,188)
Balance Carried Forward	$ 67,534	$ 33,477	$ 4,042	$15,357	$ 15,357

[1] Interest Rate Assumed 4.50% in 1994 and 5.00% in 1995-1997.

Funding Source Summary	
Current Balance	18.5%
NWA Loan Repayment	4.5
Operating Budget Transfer	10.7
PFC Funding	26.3
Federal Grants	14.0
Federal Noise Aid	9.6
State Grants	1.8
Interest Income	3.3
Bond Proceeds	11.3
	100.0%

SOURCES AND USES

From the fourth quarter 1994 through 1997, MAC has identified nine funding sources totalling $353,544,000 including a beginning balance of $65,499,000. During this period MAC will expend $338,188,000 leaving a net balance of $15,357,000 at the end of 1997.

Construction Budget CONTINUED

SOURCES

Each source of funding is dicussed below.

The NWA loan repayment respresnets a $45,000,000 loan made to Northwest in 1992. This loan is being repaid quarterly over a 20-year period at an interest rate of 8.9%. From the fourth quarter 1994 through 1997, this repayment will total $15.8 million of 4.5% of the sources of funds.

The transfer from the operating budget is made at the end of each year afte the debt service requirement and working capital balance have been funded. This transfer has typically been in the $12 million to $15 million range. It is projected that $38 million will be transferred over this three year period or 10.7% of the total sources of funds.

PFC funding or Passenger Facility Charge funding is the largest funding source at $93 million or 26.3% of the total. Passenger Facility Charges (PFCs) were authorized by Congress to allow proprietors of commercial service airports, such as MAC, to impose a charge on enplaning passengers at those airports. The charge can be set at $1, $2, or $3. Essential Air Service Flights and Frequent Flyers are exempted from this charge. The basis for the PFC is to provide needed supplemental revenues to expedite the improvement of airport facilities used by passengers, to mitigate noise impacts and to expand airport system capacity. The Commission's first application began collecting PFCs on June 1, 1992. This $66 million application was completed (i.e. funded) on July 31, 1994. A second application was approved in 1994 totalling $113 million. Collection on this began on August 1, 1994, and will continue through May 31, 1998. Depending upon final approval of the CIP, a third application may be initiated in 1995 in order to maximize use of this funding source.

Federal Grants are funds which are used for FAA approved projects. Certain criteria must be met when an application for a project is submitted to the FAA. If the criteria is met the grant money may be issued. The Commission is projecting $49.5 million or 14.0% will be received in Federal Grants.

Federal Noise Aid is similar to the grants described above. These dollars are used to carry out FAA approved noise compatibility programs and noise insulation projects for communities surrounding the airport. These funds are estimated at $34.1 million or 9.6% of the sources listed above.

State Grants are similar to both types of Federal grants. The dollars are on a much smaller scale, but each application must meet the required criteria in order to receive the grant. This source is estimated at $6.2 million or 1.8% of the total funding through 1997.

Interest Income is based on the balance in the fund. As noted above, a 4.5% rate is assumed for 1994 and a 5% rate for 1995-1997. This figure can vary significantly depending upon approval of projects and their starting dates. Interest Income of $11.5 million or 3.3% of sources is projected.

Bond Funding will make up 11.3% of the sources of funding. The Commission will issue approximately $45 million in debt. This figure includes estimated proceeds of $40 million and an issuance and debt service reserve of approximately $5 million. This bond issue is discussed in more detail in the Debt Service Budget.

USES

There are four general categories of uses listed. the first two, CIP project costs ($262 million) and CIP noise costs ($71 million) represent 98.5% of the total. The other two categories relate to the bond issue described above and also in the Debt Service Budget and comprise the other 1.5% of this total.

Construction Budget CONTINUED

CIP project costs include both actual construction costs and any fees (i.e. architectural/engineering) which may be associated with the project. CIP noise costs are comprised of acquisition costs (i.e. New Ford Town/Rich Acres), home insulation projects, school insulation projects, and any fees which may be associated with the project.

The table below identifies major projects currently underway. Also shown is the estimated total cost of the project and payments through October 30, 1994.

PROJECTS-IN-PROCESS (As of October 30, 1994)
($ = 000)

Project Description	Estimated Project Cost	Payments To Date
Part 150 Sound Insulation Projects (A) (Mthly Bids 1992 thru Sept 1994)	$ 11,119	$ 8,597
Ground Transportation Center—Middle/West Projects	16,411	6,007
Upper Level Roadway Reconstruction	9,721	4,172
Secured Area Access System (B)	5,694	5,681
Various Pavement Rehabilitation Projects	4,034	2,647
New Ford Town/Rich Acres Buyout (C)	55,500	12,731
All Other Projects—In-Process	9,860	6,600
	$112,341	$46,435

(A) The Part 150 Sound Insulation projects for the period 1992 through April 1994 are substantially complete and are awaiting final payment and closeout. This group of projects is on-going.
(B) Secured Area Access System is substantially complete and is awaiting final payment and closeout.
(C) This buyout is scheduled to occur during the 1993 through 1996 time period.

The listing below summarizes all construction and noise projects whose costs exceed $3.4 million. The listing identifies the project by location, gives a brief description and the estimated costs for 1995 and 1996. The reason you see projects listed below and in the Projects In Process chart above is because of the different phases a particular large project may have.

CAPITAL IMPROVEMENT PROJECTS
(Dollars in Thousands)

MSP International	1995 $	1996 $
Field and Runways		
Runway 4/22 Extension	$12,500	
Runway 4/22 Noise Mitigation (Insulation)	$ 6,055	$ 6,055

Field and Runways

Runway 4/22 Extension — $12,500

The Environmental Assessment process for the Runway 4/22 extension is scheduled for completion in 1994 which could allow the construction of the extension of Runway 4/22 to begin in 1995. The extension will add 2,750 feet to Runway 4/22. Previously approved by the Commission.

Runway 4/22 Noise Mitigation (Insulation) — $ 6,055 (1995), $ 6,055 (1996)

The extension of Runway 4/22 will impact approximately 1,300 homes in Boomington and South Richfield. It is therefore proposed to include residential sound insulation as a mitigation measure to the existing 4/22 extension project. The 4/22 mitigation package would involve shifting the cost of sound insulating approximately 1,300 homes (approximately $22.5 million) from Part 150 to the 4/22 extension project as a means of addressing noise impacts associated with the project. The noise mitigation projects would be phased over a three year period starting in 1995. Previously approved by the Commission.

Construction Budget CONTINUED

Taxi C/D Complex		$14,500
Delta taxiway adjacent to the Red and Blue concourses is currently restricted to 727 or smaller aircraft and the pavement of both the Delta and Charley taxiways need replacement. It is proposed to reconstruct these taxiways to allow unrestricted two-way taxiing of aircraft on both taxiways. Previously approved by the Commission.		
Other Field and Runway Projects Less Than $3,400,000	$ 5,420	$ 1,750
Total Field and Runway Projects	$23,975	$22,305
Environmental		
Home Insulation/Home Buyouts	$10,400	$10,400
This item is intended to cover projects identified as part of the Federal Aviation Regulation (FAR) Part 150 program (noise control and compatibility planning for airports) which has been approved, in part, by the FAA. The projects would include items such as property acquisition and sound proofing of homes. The extent of the work will depend on the amount of federal aid available for each type of project. Land acquisition would include selected residences around the airport. The insulation of houses would be a continuation of the program that was initiated in 1992 in the cities of Minneapolis, Richfield, Bloomington, Eagan and Mendota Heights. Previously approved by the Commission.		
New Ford Town/Rich Acres Acquisition	$ 7,200	$ 7,200
This is a continuation of the land acquisition and relocation project in the New Ford Town/Rich Acres subdivision begun in 1994, pending the availability of federal aid. Previously approved by the Commission.		
Noise Suppressor	$ 6,000	
Minnesota statutes require the construction of a noise suppressor to reduce run-up noise. Noise monitoring data collected is being tabulated, analyzed and presented in a report to the Legislature for consideration and further direction on this item. Previously approved by the Commission.		
School Noise Abatement Projects		$ 4,000
This is a continuation of a series of projects to soundproof schools within the Ldn 65 contour that are experiencing interruptions of classroom instruction by aircraft overflights.		
Other Environmental Projects Less Than $3,400,000	$ 1,000	$ 0
Total Environmental Projects	$24,600	$21,600
Self Liquidating		
Sun Country Hangar	$ 8,800	
The Sun Country Hangar is owned by Northwest Airlines and leased back to Sun Country. Sun Country has been trying to buy the hangar for several years as its operations have grown to the point where expansion of the existing hangar is required to meet the future maintenance needs of additional aircraft. Northwest has indicated its unwillingness to sell the hangar but has offered a long term lease. The conditions of the lease were evaluated by Sun Country and have been determined to be not in the best interests of the future plans of Sun Country Airlines. Sun Country has therefore requested that the Commission proceed with the planning and development process associated with the construction of a new hangar for Sun Country Airlines. Previously approved by the Commission.		

NW World Club/Concessions	$ 3,710	
Northwest Airlines has requested that the Commission add a Federal Inspection Service (FIS) facility to the Gold concourse at the Lindbergh Terminal. This project would displace the existing Northwest World Club on the Gold concourse. Northwest is therefore proposing to construct a new World Club which would replace the existing club on the Red as well as the Gold concourses. This would require an expansion of the terminal above the bag make-up area adjacent to the walkway to the Gold concourse. In addition, the concession area on the Gold concourse would also be displaced by the FIS facility and a new concession area would have to be developed.		
Other Self-Liquidating Projects Less Than $3,400,000	$ 1,900	$ 0
Total Self-Liquidating Projects	$14,410	$ 0
Landside		
Elevated Roadway Construction	$ 6,900	
This is a continuation of the project to replace and expand the elevated roadway in front of the terminal building which began in 1993. This year's project will include construction of the canopy and lighting system as well as other final finishes and amenities. Previously approved by the Commission.		
Lindbergh Terminal Alternate Cooling System	$ 5,521	
The Lindbergh terminal is cooled by chillers in the Energy Management Center which utilize groundwater pumped by a series of four wells located on the airport. The cool temperatures of the groundwater aids in reducing the amount of additional cooling required prior to pumping into the chilled water system. Once the warm water is returned to the Energy Management Center, it is discharged to the storm sewer system. The State of Minnesota DNR has mandated that this use of groundwater for "once through" cooling systems must be eliminated on a schedule dependent on the age of the existing cooling components. The Commission has until the year 2000 to install an alternate system for cooling the terminal which does not use groundwater.		
A report has been prepared which recommends replacement of the existing chillers and the use of cooling towers which would cool the warm water returned from cooling units and then recycle this water back through the chillers. Because this water is warmer than the cool groundwater previously used, larger chillers are required.		
It is proposed to phase the conversion of the cooling system by installing new chillers in 1995 and the cooling towers in 1998. The chillers are being replaced at an earlier date because the refrigerants currently being used will no longer be available after 1995. The new refrigerants are not as efficient as those used today and will require larger chillers to provide the same cooling output. Previously approved by the Commission.		
Auto Rental Parking Expansion	$24,000	
The auto rental companies are in need of additional ready and return car space to meet their current and future demands. It is also projected that there will be a need for additional space for public parking within the next two years. It is therefore proposed to add three additional parking levels over the existing two level structure located east of the Green and Gold parking structures.		
The new third level will be used for rental car returns and will house a "quick turnaround" service facility with gas pumps and a car wash. The fourth and fifth levels will be used for long term public parking. Four new elevators will provide access to the public parking levels. The existing rental car building will be modified to connect to the new third level rental car deck.		

Construction Budget CONTINUED

Automated People Movement System — $12,000 — $ 7,000

Replacing the existing shuttle bus system which transports rental car customers from the Lindbergh Terminal to the auto rental building with an "automated people mover" system has been under consideration for several years. The existing system operates at-grade and has conflicts with vehicles utilizing the parking ramps at four crossing points; requires users to walk in an unclimatized route (outside) approximately 300 feet between the terminal building and the bus pickup point; does not meet accessibility requirements mandated by current ADA standards; suffer delays due to slow loading and unloading of passengers and luggage; and suffers from a poor public image.

The automated people mover system would solve those problems as the system would be completely grade-separated, operating from the Ground Transportation Center which is one level below grade; is a completely climatized system; is more accessible by being located within the GTC; meets all current ADA requirements by loading and unloading at one level with no step; is faster than the current system both in travel time and loading and unloading time; and would project an image of being a modern, safe and easy-to-use service.

The concept of a GTC and people mover has been approved in previous capital improvement programs and is currently shown to be implemented in two phases beginning in 1995. Funding for the project in the amount of $19,200,000 has been approved as part of the Commission's first Passenger Facility Charge application. This would be the first of two phases in the construction of the automated people mover system and would include the purchase of the system components. Previously approved by the Commission.

The 1996 segment is the second phase of a project to construct a people movement system from the Lindbergh Terminal to the auto rental building. This phase will provide the tunnel and service facilities for the system equipment which was purchased in Phase 1.

Gold Concourse FIS Facility — $19,825

Northwest Airlines has requested that the Commission add a Federal Inspection Service (FIS) facility to the Gold concourse. Currently, international flights utilize the HHH charter terminal and passengers must use a shuttle bus to the Lindbergh Terminal to link up with connecting flights. This project will provide a second FIS facility on the Gold concourse which would result in a more efficient and convenient passenger connecting route.

HHH Terminal Improvements — $ 5,000

Passenger activity at the HHH Terminal has been steadily increasing as charter activity continues to grow. The Commission has also expressed a desire to increase international flights. The existing facility is inadequate to handle the present level of activity. There is a need for additional gates, terminal area and parking, and FIS processing area. This project would provide for interim development to accommodate the increasing charter operations, recognizing the direction of the LTCP (Long Term Comprehensive Plan) studies currently underway.

GTC Finishes — $4,000

This project is a continuation of the construction of the Ground Transporation Center and includes the remaining finish construction within the lobby area of the GTC. Previously approved by the Commission.

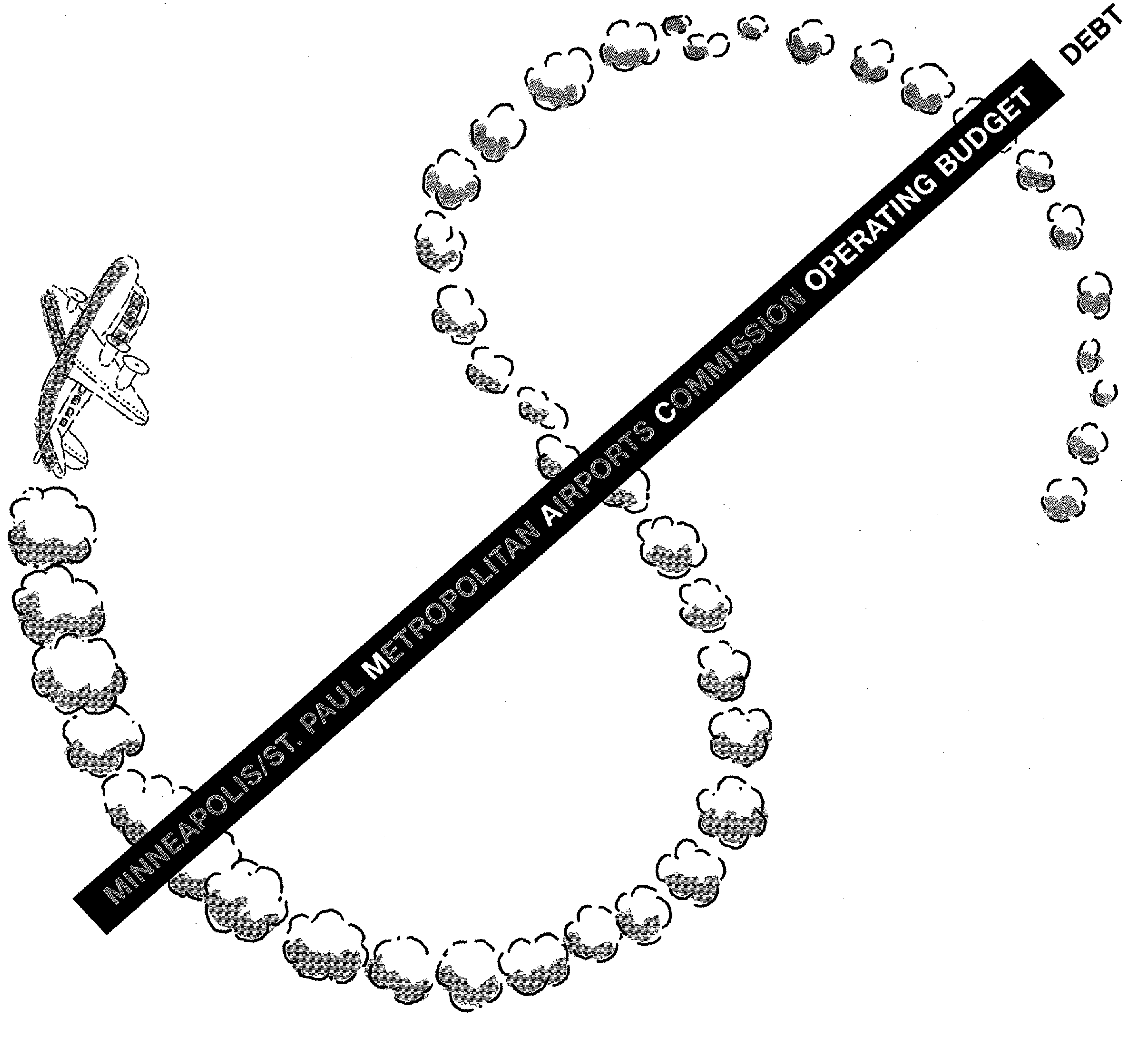
Construction Budget CONTINUED

Concession Area Development		$ 3,500
This is the second phase of a program initiated in 1995 to address the recommendations of the 1993 concessions study of the Lindbergh Terminal. It is expected the extent of the building modifications, etc., will be defined in 1995 and most of the construction will be accomplished in 1996. Previously approved by the Commission.		
Other Landside Projects Less Than $3,400,000	$15,143	$ 8,470
Total Landside Projects	$88,389	$22,970
Reliever Airports		
St. Paul Airport		
Building Area Expansion		$ 3,400
This project will be the last phase in the extension of the building area at the St. Paul downtown Airport. This project will include all necessary embankment construction and required temporary drainage and erosion control to extend the building area from Taxiway A-2 to the end of the building area.		
Flying Cloud Airport		
South Building Area Construction		$ 6,100
The long term comprehensive development plan for Flying Cloud Airport recommends that a new building area be constructed on the south side of the airport. As hangar space is scarce, it is proposed to construct the new building area at this time. A federal and state environmental assessment will be prepared for this project.		
Runway 9R27L Extension		$ 4,000
The long term comprehensive development plan for Flying Cloud Airport recommends that runway 9R/27L be lengthened from 3,900 feet to 5,000 feet to allow for safer operation of light to medium sized business jets and heavy twin engine aircraft. Included with the runway extension would be the extension of the existing north and south parallel taxiways. A federal and state environmental assessment will be prepared for this project. Previously approved by the Commission.		
Other Reliever Airport Projects Less Than $3,400,000	$10,005	$ 3,350
Total Reliever Airport Projects	$10,005	$16,850
Total All Projects	$161,379	$83,725

MAINTENANCE AND OPERATION COSTS

It is not anticipated that any of the projects discussed will significantly increase Maintenance and Operating costs in 1995. The Environmental and Self-Liquidating projects listed will not result in any M&O costs that can be identified now. The Runway 4/22 Extension and Taxiway C/D complex will add maintenance and operating costs in 1996. It is not expected to be significant and should not require additional personnel at this time. All of the Landside and Reliever Airport projects with the exception of the Gold Concourse FIS Facility will eventually add to the maintenance and operating expenses. Based on these projects individually the cost increases are not significant. However, when all are completed additional personnel may be required.

All of the projects listed above have gone through a very detailed review. This review included a detailed project description, financial analysis and a staff recommendation. In the financial analysis section project payback period was a major concern. Because of the Dual Track process, the Commission wanted all major projects to be funded within 10-15 years. This is the estimated period needed if it is decided to build a new airport. (A recommendation by the Commission to the Legislature is scheduled for July 1996).



MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION OPERATING BUDGET

DEBT SERVICE

DEBT SERVICE BUDGET

This budget section is divided into three areas: Debt Service Requirement, Long Term Debt and the Debt Service Budget. As with the Operating and Construction Budgets, this section is incorporating additional information and charts.

DEBT SERVICE REQUIREMENT

The Metropolitan Airports Commission has issued two forms of indebtedness: Airport Improvement 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:

	($ = 000)
October 10, 1995	$90,263
October 10, 1996	$89,569
October 10, 1997	$87,213
October 10, 1998	$84,387
October 10, 1999	$81,171

The table below shows future debt requirements on an annual calendar year basis after December 31, 1994, for the next five years as well as a cumulative total for the period 2000-2022. The dollars shown are in thousands.

($ = 000) Year(s)	Airport Improvement Bonds	General Obligation Bonds	Total Outstanding Bonds	Interest	Total Principal & Interest
1995	$ 3,065	$ 15,210	$ 18,275	$ 34,032	$ 52,307
1996	3,180	8,095	11,275	33,290	44,565
1997	3,320	9,095	12,415	32,661	45,076
1998	2,400	9,450	11,850	32,007	43,857
1999	1,505	9,885	11,390	31,318	42,708
2000-2022	945	372,275	373,220	428,220	801,440
	$14,415	$424,010	$438,425	$591,528	$1,029,953

(The October 10, 1995-1999 listing prior to the above chart and the above chart will not nor are they intended to tie out due to timing of payments and period covered. The figures used to calculate the figures are the same however.)

Debt Service CONTINUED

LONG TERM DEBT

The acquisition and construction of facilities at the airports operated by the Commission have been substantially financed by the issuance of Airport Improvement Bonds and General Obligation Revenue Bonds. Airport Improvement Bonds 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 Saint Paul, Minnesota, for debt service.

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

The Commission has not levied taxes for the payment of debt service since 1969. Since then, Commission revenues have been sufficient to pay principal and interest due to Airport Improvement Bonds and General Obligation Revenue Bonds.

Authority for issuing bonds is obtained from the Minnesota State Legislature. Authorization as of December 31, 1994, permits the issuance of an additional $55 million of bonds.

Bonds Payable, due serially ($ = 000)	Issue Date	Original Amount	Final Payment In	—Outstanding as of— December 31 1995	1994
Airport Improvement Bonds:					
Series 14-3.5 to 4.9%	7-1-67	$ 17,000	1997	$ 1,885	$ 2,775
Series 15-3.5 to 4.9%	7-1-67	1,000	1997	115	165
Series 16-4.25 to 5.0%	1-1-68	16,000	1998	2,790	3,640
Series 20-4.5 to 6.0%	10-1-72	5,000	2002	1,980	2,210
Series 22-2.6 to 3.85%	2-1-94	$ 5,625	1999	4,580	5,625
				$11,350	$14,415
General Obligation Revenue Bonds:					
Series 2-4.25 to 5.2%	12-1-77	$ 10,000	2002	$ 4,275	$ 4,775
Series 3-5.2 to 5.75%	1-1-79	15,000	2000	5,475	6,375
Series 4-6.2 to 6.5%	1-1-80	15,300	2002	0	7,400
Series 5-8.9 to 9.1%	1-1-81	24,500	2002	10,500	12,000
Series 7-7.8%	8-1-88	51,150	2015	46,650	47,650
Series 8-4.25 to 6.6%	2-1-92	45,000	2011	41,850	43,450
Series 9-8.6 to 8.95%	4-1-92	270,000	2022	270,000	270,000
Series 10-3.6 to 5.0%	5-1-93	29,025	2006	24,435	26,745
Series 11-4.6 to 5.3%	10-1-94	$5,615	2002	$5,615	$5,615
				$408,800	$424,010
TOTAL BONDS OUTSTANDING				$420,150	$438,425

Debt Service CONTINUED

BOND REFUNDING

During 1994 the Commission completed two refundings. In February 1994 the Commission issued Airport Improvement Bond Series 22 to refund Airport Improvement Bonds Series 17 and 19. As a result of this refunding, the Commission reduced its total debt service requirements by $1,266,033.47 which resulted in an economic gain (the difference between the present values of the debt service payments on the old and the new debt) in the amount of $292,077.13.

In October 1994 the Commission issued General Obligation Revenue Bond Series 11 to advance refund General Obligation Revenue Bond Series 4. As a result of this refunding, the Commission reduced its total debt service requirements by $1,322,393.12 which resulted in a net present value of $258,468.18. Total savings from both refundings are:

	Debt Service Reduction	Net Present Value of Savings
Series 22	$1,266,033.47	$292,077.13
Series 11	1,322,393.12	258,468.18
	$2,588,426.59	$550,545.31

Each of these bonds (Series 11 and 22) received AAA/Aaa ratings from both Standard & Poor's and Moody's rating services.

NEW ISSUES

Based on the Capital Improvement Plan (CIP) presented in late fall 1994, it appears that during late 1995 the Commission will be required to issue bonds. A number of variables come into consideration as to whether bonds will be issued and if so, when. These include interest rates, projects that are approved, disapproved or put on hold before final approval of the CIP is given and the economic condition of the airline industry. For budget purposes it is projected that a $45 million issue will be required. The $40 million in proceeds (i.e. $5 million in debt reserve and issuance costs) would be spent in late 1995 and throughout 1996. This would reduce the Commission's authorized level of issuance from $55 million to $10 million.

DEBT SERVICE BUDGET

The Debt Service Budget is shown below. As indicated by the Ending Balances, no major changes are projected.

1995 DEBT SERVICE BUDGET
($ = 000)

	—Estimated 1994—		—Budget 1995—		—Projected 1996—	
JANUARY 1 BALANCE		$70,749		$75,976		$72,806
SOURCES OF FUNDS:						
Transfer from Operating Fund	19,214		20,000		21,000	
Interest Earnings [1]	3,015		3,200		3,200	
Bond Proceeds	11,236		4,187			
NWA payments	22,029		21,750		21,500	
TOTAL SOURCES OF FUNDS		$55,494		$49,137		$45,700
USES OF FUNDS:						
Principal & Interest payments		(50,267)		(52,307)		(44,565)
ENDING BALANCE		$75,976		$72,806		$73,941

1 Interest Rate Assumed 4.50% in 1994 and 5.00% in 1995 and 1996.

Debt Service CONTINUED

SOURCES OF FUNDS

Each source of funding is discussed below.

The transfer from the operating fund occurs each October 10th. The gradual increase in 1995 and 1996 is the result of the projected bond issue. Over the past few years the transfer has been in the \$19-\$21 million range. This will fluctuate due to interest earnings, refundings and new issues.

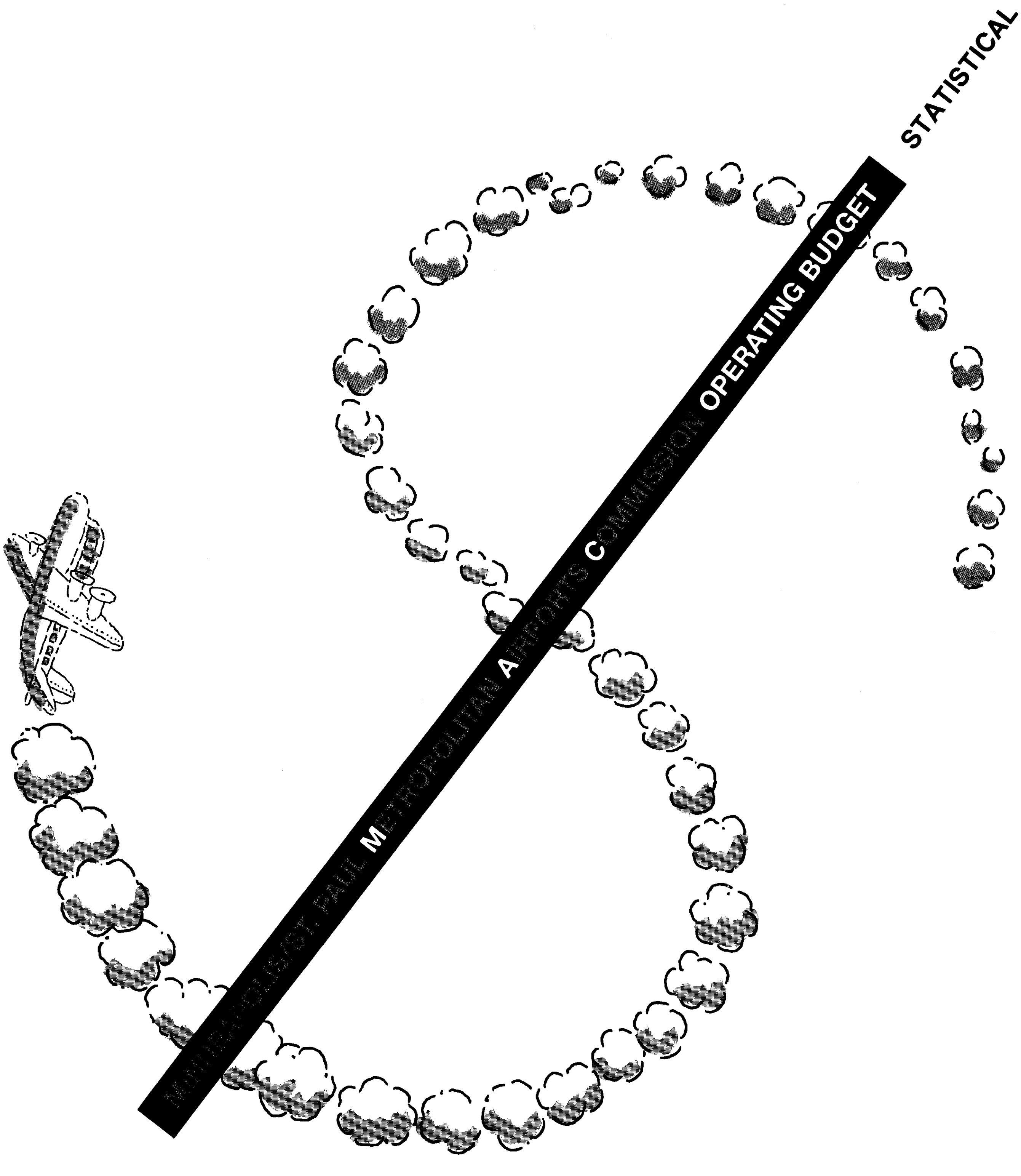
Interest earnings are assumed at 4.5% for 1994 and 5.0% for 1995 and 1996. In projecting interest income the Commission typically takes a conservative approach.

Bond proceeds in 1995 represent the reserve required on the \$45 million new issue.

NWA payments represent the interest due on General Obligation Revenue Bond Series 9 for \$270 million. Only interest is paid on this issue until 2003. The gross amount due each year (payment is made quarterly) is \$23,960,092 and is reduced by the interest earned on the Commission's investments pertaining to the Series 9 reserve on hand.

USES OF FUND

Disbursements represent principal and interest payments made during the year. These figures tie to the preceding chart in the Debt Service Requirement section. The \$7.72 million reduction between 1995 and 1996 is due to final payment of General Obligation Revenue Bond Series 4 which was refunded by Series 11 (see discussion above—Refunding).


MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION OPERATING BUDGET
STATISTICAL

Statistical

The Statistical section is divided into three areas. The first is the "Historical Revenue/Expense and Facility Comparison" of MAC facilities. The second area includes activity or operations statistics. The third area includes a comparison of MAC to other airports on a national level. It includes ratio comparisons with regards to Debt, Financial and Operating as well as Landing Fee and Rental Rate comparisons.

HISTORICAL REVENUE/EXPENSE AND FACILITY COMPARISONS

In this section three comparisons are analyzed:

1. A summary comparison with dollars and percentages of 1984 revenue and expense versus 1993 revenue and expense.
2. A comparison of revenue and expense with dollars and percentages of 1993 actual, estimated 1994 and budgeted 1995.
3. A comparison of facilities in 1985 and 1994.

These comparisons are shown to point out that both revenue and expense from 1984 and that the categories within revenue and expense do fluctuate as a percentage of total, but overall, the changes in percentages are not significant. Also, the facilities compairson shows that expanded facilities at the MAC affect all areas.

HISTORICAL REVENUE & EXPENSE SUMMARY 1984 VS 1993

($ = 000)	1984 $	1984 % Of Total	1993 $	1993 % Of Total	1984-1993 Change $	Annual % Increase
Operating Revenue						
Airline Rates & Charges	13,193	36.20%	29,115	40.93%	15,922	9.19%
Concessions	18,582	50.98%	32,626	45.87%	14,044	6.45%
Other	4,674	12.82%	9,388	13.20%	4,714	8.06%
Total Operating Revenue	36,449	100.00%	71,129	100.00%	34,680	7.71%
Operating Expenses						
Personnel	10,671	34.62%	22,739	34.20%	12,068	8.77%
Administrative Expense	252	0.82%	966	1.45%	714	16.10%
Professional Services	1,141	3.70%	4,984	7.50%	3,843	17.80%
Utilities	3,089	10.02%	4,974	7.48%	1,885	5.44%
Operating Services	3,346	10.86%	5,809	8.74%	2,463	6.32%
Maintenance	3,790	12.30%	7,406	11.14%	3,616	7.73%
Depreciation	8,624	27.98%	19,258	28.96%	10,634	9.34%
Other	(92)	-0.30%	352	0.53%	444	100.00%
Total Operating Expenses	$30,821	100.00%	$66,488	100.00%	$35,667	8.92%
Net Revenues	$5,628[A]		$4,641[A]		($987)	

[A]) Required as contribution towards debt service payments and construction program financing.

The first comparison, 1984 versus 1993, emphasizes the following two results:

1. A greater portion of revenue is now generated from the Traffic category with a corresponding decrease to Concessions. This charge is the result of significant increases in the cost of pollution control requirements and monitoring on the Traffic side (See Revenue Assumptions-Landing Fee and Ramp Fee) and little growth on the Concessions side.
2. The annual percentage increase in revenue from 1984 to 1993 (7.1%) was less than the annual percentage increase in expense from 1984 to 1993 (8.92%). Over this 10-year period expenses grew at a slightly higher rate than revenue. If compared to this same summary in the previous year's budget, it also shows that the gap is shrinking. Last years budget showed an 8.2% annual increase in revenue and a 9.6% annual increase in expense or an annual deficit spread of 1.4%. This year's budget shows that this spread has narrowed to 1.21% (i.e. 7.71% in revenue growth versus 8.92% in expense growth.)

HISTORICAL REVENUE & EXPENSE SUMMARY 1993-1995

($ = 000)	Actual 1993		Estimated 1994		Budgeted 1995		1993-1995 Change	Annual %
	$	% Of Total	$	% Of Total	$	% Of Total	$	Increase
Operating Revenue								
Airline Rates & Charges	29,115	40.93%	31,000	41.05%	33,360	42.41%	4,245	7.04%
Concessions	32,626	45.87%	34,750	46.01%	34,730	44.15%	2,104	3.17%
Other	9,388	13.20%	9,775	12.94%	10,572	13.44%	1,184	6.12%
Total Operating Revenue	$71,129	100.00%	$75,525	100.00%	$78,662	100.00%	$7,533	5.16%
Operating Expenses								
Personnel	22,739	34.20%	24,250	35.40%	25,735	35.27%	2,996	6.38%
Administrative Expenses	966	1.45%	970	1.42%	1,144	1.57%	178	8.82%
Professional Services	4,984	7.50%	4,673	6.82%	5,085	6.97%	101	1.01%
Utilities	4,974	7.48%	4,647	6.78%	5,031	6.90%	57	0.57%
Operating Services	5,809	8.74%	8,100	11.82%	8,726	11.96%	2,917	22.56%
Maintenance	7,406	11.14%	6,890	10.06%	7,665	10.51%	259	1.73%
Depreciation	19,258	28.96%	18,875	27.55%	19,175	26.28%	(83)	-0.22%
Other	352	0.53%	100	0.15%	396	0.54%	44	6.07%
Total Operating Expenses	$66,488	100.00%	$68,505	100.00%	$72,957	100.00%	$6,469	4.75%
Net Revenues	$ 4,641[A]		$ 7,020[A]		$ 5,705[A]			

[A]) Required as contribution towards debt service payments and construction program financing.

The second comparison shows 1993 actual, 1994 estimated and 1995 budgeted revenue and expense categories with dollars and percentages. There are three items in this comparison that need further comment:

1. Revenue is projected to increase 5.16% from actual 1993 to budgeted 1995. Actual percentages of total revenue for the individual categories change very little. (For example, Concessions in 1993 was 45.87% of total revenue, while in 1995, it is budgeted to be 44.15% of total revenue.) Increases are explained in the Revenue Assumptions section.

2. Expense is projected to increase 4.75% from actual 1993 to budgeted 1995. This increase is explained in the Expense Assumptions section. The percentages for the individual expense categories change very little, with the exception of Operating Services. This took a significant jump from 1993 to 1994. The increase can be attributed to the requirements dealing with Storm Water Monitoring (Glycol). (For example, Personnel in 1993 was 34.20% of total expense, while in 1995 it is budgeted to be 35.27% of total expense.)
3. The annual percentage increase in revenue from 1993 to 1995 is 5.16% whereas the annual percentage increase in expenses from 1993 to 1995 is 4.25%. This reversal of the trend from 1984 to 1993 where expense grew at a greater pace than revenue is caused by increases in three revenue categories. Examples of the changes which have occurred in the past few years: Ground Rental Appraisal, Parking Rate increase, and new agreements in a number of concession areas. See Revenue Assumptions section for further details.

FACILITY EXPANSION

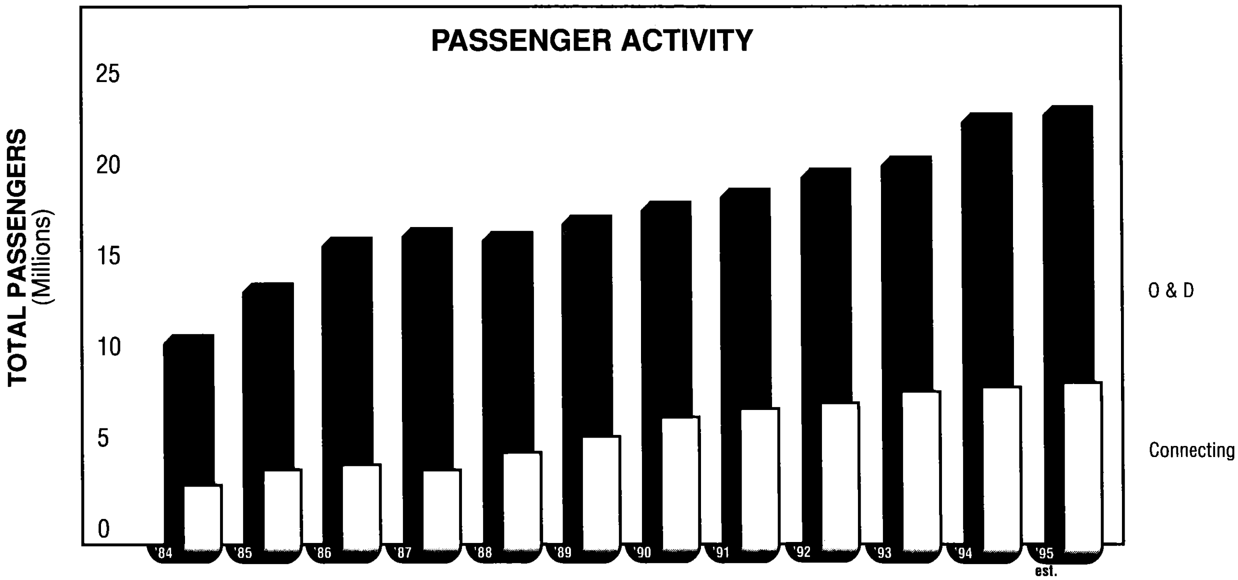
	1985	1994	Increase	% Increase
Lindbergh & Regional Terminal Square Footage	1,396,500	1,585,032	188,532	13.50%
Number of Gates	59	66	7	11.86%
Ramp Lineal Footage	8,219	8,874	655	7.97%
Parking	8,983	11,232	2,249	25.04%
Tenants-All Airports	496	720	224	45.16%

Lindbergh/Regional Terminal Information is from Airport Development Historical Records.

The final chart in this section deals with facilities. This comparison shows how the major facilities at MSP International have expanded since 1985. Expanded and improved facilities at St. Paul Downtown and Anoka Airports were completed in 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 rent 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 new facilities have been added: Auto Rental facilities, South Lindbergh Terminal addition, NWA Hangar, Mesaba Hangar, new parking ramp, Terminal Vertical Circulation/Skyways, and the Butler Fueling facility.

Activity Statistics

This section contains the historical and forecasted levels of activity for the period 1984 through 1995 in the MACs system of airports. The Passenger, Operations and Cargo results have for the most part been steadily increasing. The reductions in cargo that occurred in 1989 and passengers that occurred in 1988 will be explained in their respective sections following each graph.



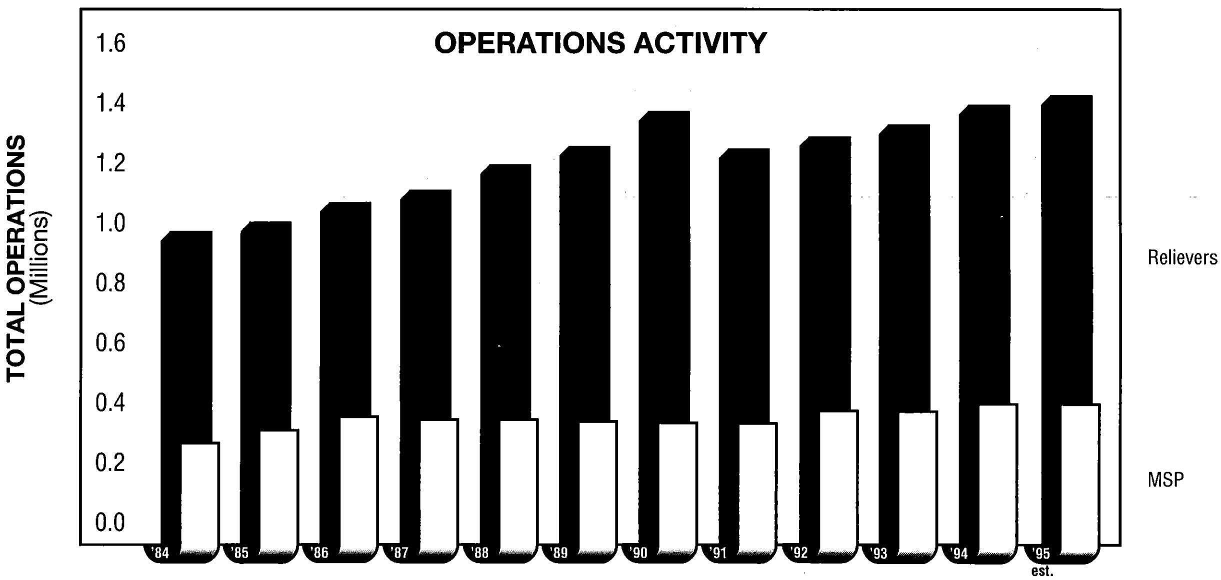
This chart shows how passenger traffic has increased at MSP International since 1984, except for 1988. In late 1988, two carriers eliminated service to MSP International Airport resulting in a decrease of approximately 100,000 passengers. In 1984, MSP International was almost exclusively an O & D (origination and final destination) passenger airport with approximately 10% of the passengers being connecting (those transferring directly to another flight). However, since 1984, MSP International has changed to a connecting airport with approximately 39% of all passengers being connecting while the O & D passenger percentage has fallen from 90% in 1982 to 61% estimated in 1995. The significant increase in passenger activity from 1991 to 1992 can be attributed to the fare war activity during the summer.

Estimates of passenger activity form an important element in forecasting revenue each year. This chart represents actual passenger statistics for 1992 and 1993 and estimates for 1994 and 1995. 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 carrousel and conveyor percentages for billing the airlines.

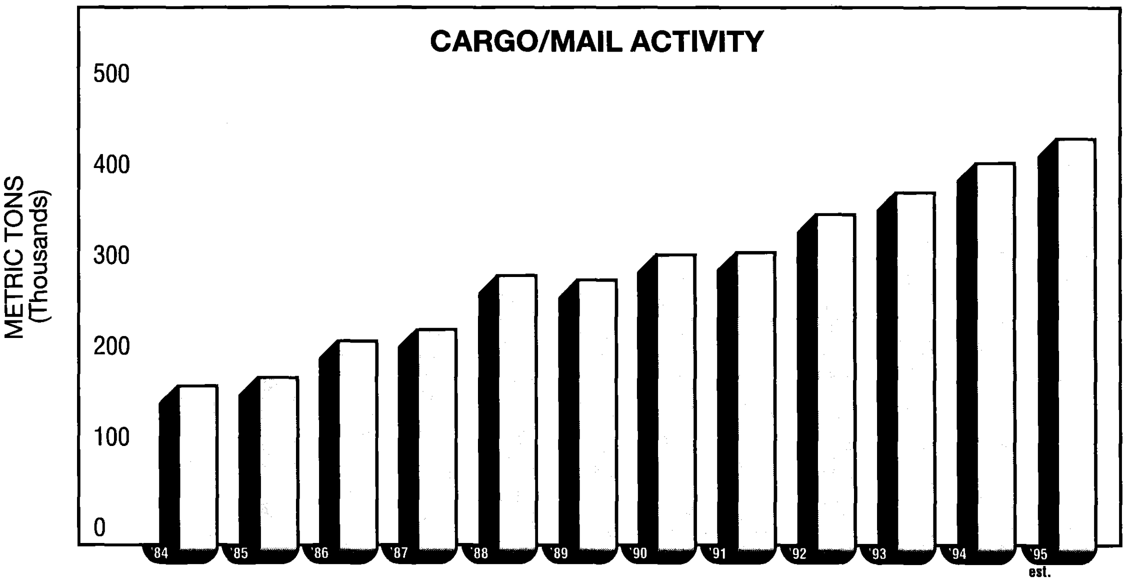
Activity Statistics CONTINUED

	1992 Actual	1993 Actual	1994 Estimate	1995 Estimate
Passenger Type				
Eplaned	6,500,000	6,880,000	7,037,000	7,170,000
Deplaned	6,503,000	6,878,000	7,030,000	7,161,000
Connecting	8,404,000	8,313,000	9,077,000	9,200,000
	21,407,000	22,071,000	23,144,000	23,531,000



Total operations for the MAC system have increased 39% since 1984. (An operation represents one takeoff or landing.) Operations at the reliever facilities are beginning to rebound. These facilities are usually slower to recover after an economic downturn than other sectors. 1995 activity will be approaching the same level as the peak period in 1990. Operations at MSP International are estimated to rise to 460,000 in 1995. Increased service by Northwest from this hub is the reason for this rise in activity.

Activity Statistics CONTINUED



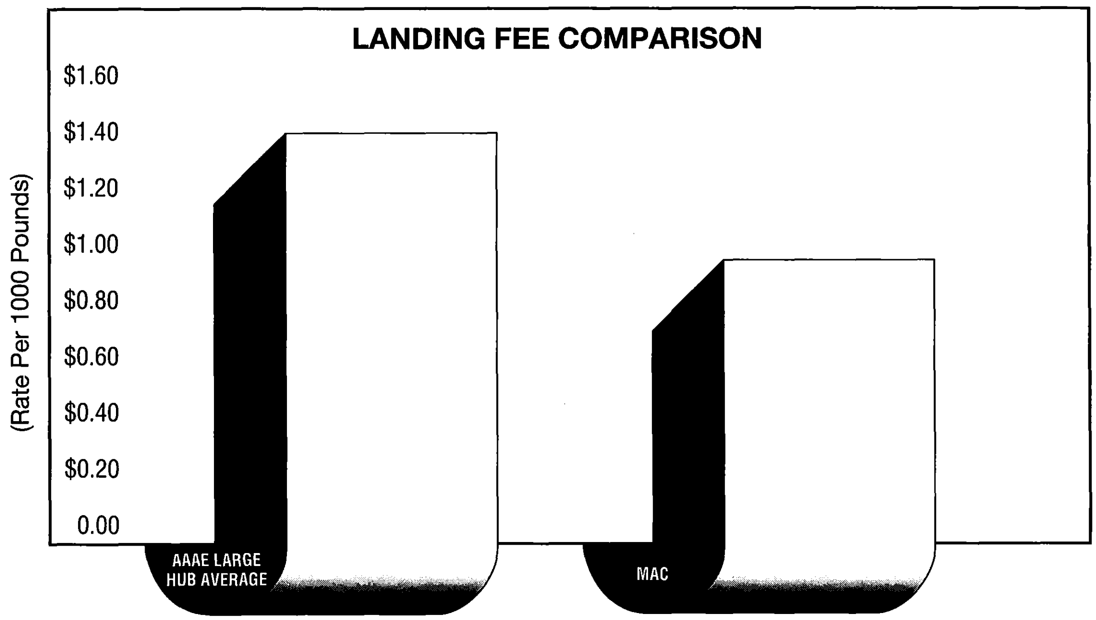
Cargo/Mail activity has increased annually since 1984 with the exception of 1989. The decrease in volume in 1989 from 1988 can be attributed to the merger of Federal Express and Flying Tigers. The significant jump in activity in 1991 and 1992 is due to increased volume carried by the major scheduled carriers. Also, the improved facilities in the Southwest Cargo Area have contributed to this increase.

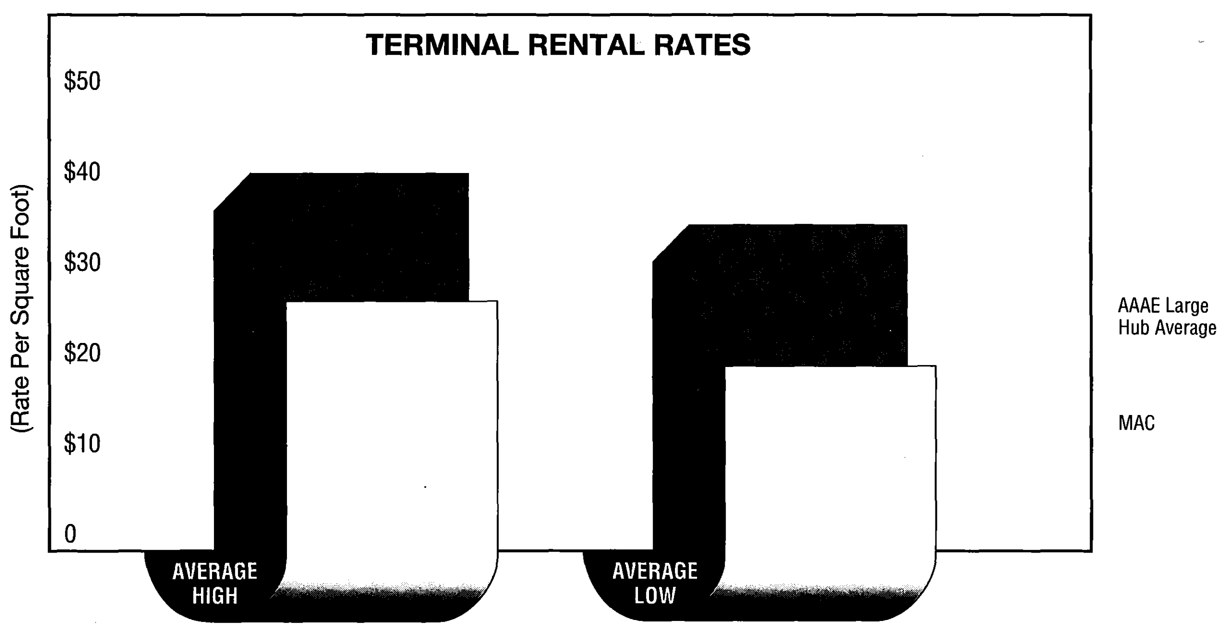
National Comparison

The information presented in this section was obtained from two national surveys. The first set of comparisons was tabulated by the American Association of Airport Executives (AAAE). This survey grouped hub airports into three categories: large, medium and small. In order to be considered a large hub for purposes of this survey, an airport must have had at least 5,125,000 enplanements (departures). MSP is considered a large hub airport.

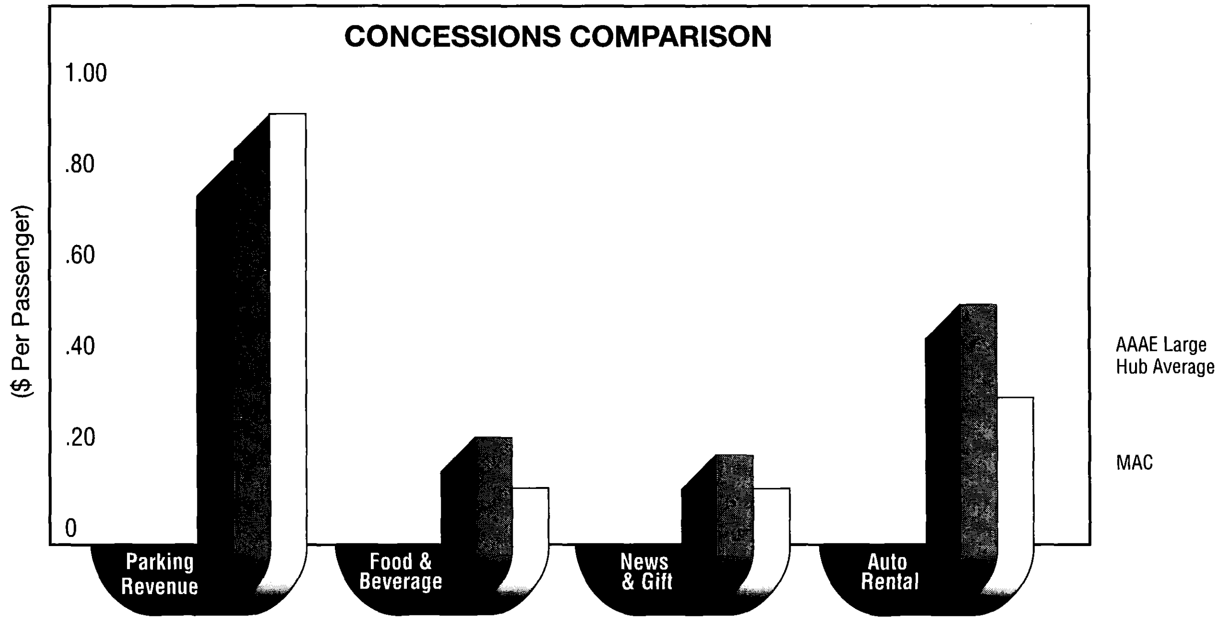
RATE AND CONCESSIONS

From the information detailed in the survey, three comparisons of the large hubs are shown below:





National Comparison CONTINUED



The first two graphs indicate MSP's airline rates (i.e. landing fee and terminal rate) are significantly below the large hub average rate from the survey. One reason for this significant difference in rates may be that the Commissions facilities are older than a number of the facilities of other large hubs. Continued programmed maintenance and improvements as needed should allow these facilities to be fully utilized until major expansion takes place or a new airport is built.

The third graph compares per passenger revenue from selected concessions. As shown, parking revenue is greater than the large hub average. As detailed in the Revenue Assumptions section of the Operating Budget, parking revenue is MAC's largest revenue source. The other three concessions comparisons—auto rental, food & beverage and news & gifts all show a significant negative difference between the large hub averages for these concessions and what the MAC generates. This deficiency has been identified in the past. As a result, the Commission has undertaken a significant study analyzing and reviewing the concessions program in order to generate more revenue on a per passenger basis. Not only will this result in a renovation of the Lindbergh Terminal concessions area, but also a number of new tenants. This project is described in the Construction Budget.

The final area of comparison deals with comparing MAC's financial and operating ratios to industry performance ratios. Moody's, one of the bond rating agencies, publishes separate financial and operating ratios for Hub and O & D airports. These ratios are based on 1993 financial and operating data and have been used for purposes of comparison. The medians published by Moody's are intended to serve as broad indicators. Significant deviation from the median is not necessarily an indicator of credit quality, and may, in fact, highlight a significant event or unusual characteristic of an enterprise.

National Comparison CONTINUED

INDUSTRY

Debt, financial and operating statistics are discussed separately below.

DEBT RATIOS

DEBT RATIO ALL AIRPORTS	MAC	MOODY'S MEDIAN
Debt/enplaned passengers ($)	32.87	41.40
Debt service coverage (X)	1.46	1.6

MAC's ration of debt/enplaned passenger is below the industry average. The current figure includes the $270 million dollar NWA financing. It is expected to rise over the next several years as we begin to issue debt to finance the Capital Improvement Program.

Debt service coverage demonstrates the current ability to repay debt. The MAC's coverage ratio is less than the average but slightly above the target of 1.4x established at the time of the $270 million Northwest Airlines financing.

FINANCIAL RATIOS

FINANCIAL RATIO ALL AIRPORTS	MAC	MOODY'S MEDIAN
Revenues/enplanements ($)	10.13	8.50
Operating Ratio (%)	66.4	52.3
Net Take-Down (%)	57.7	54.6

Ratios derived from the income statement provide measures of profitability. Each ratio is discussed below.

Revenue/enplanement is calculated by dividing the total of operating and non-operating income by total enplaned passengers. MAC's revenue/enplaned passengers exceeds the median by $1.63/enplanement.

The Operating Ratio is calculated by dividing operating and maintenance costs (net of the depreciation) by total operating revenues. MAC's Operating Ratio indicates that operating and maintenance costs are a higher percentage of total operating revenue than the median represents. This difference could be the result of how airports account for long term leases with the airport tenants.

Airports account for long term leases as either operating or non-operating revenue. If an airport accounts for these leases as operating revenues it causes operating income to be higher and the operating ratio to be lower. MAC accounts for these leases as non-operating income; as a result, operating income is lower and the operating ratio is higher.

National Comparison CONTINUED

The Net Take-Down is calculated by dividing net revenue by gross revenue and income (both operating and non-operating). The Net Take-Down for MAC is very similar to the industry median. This is a further indication that the variance in the Operating Ratio can be attributed to a difference in how airports account for long term leases with airport tenants. Gross revenue included in the Net Take-Down calculation includes both operating and non-operating income and as a result differences in accounting for long term leases would not cause any fluctuation.

OPERATING RATIOS

OPERATING RATIOS HUB AIRPORTS	MAC	MOODY'S MEDIAN
Dominant carrier of total airport traffic (%)	75.6	73.5
Primary two carriers of total airport traffic (%)	79.5	80.1
Departures per gate	2,787	1,926
Utilization per gate (O & D traffic)	98,714	65,060
Utilization per gate (total traffic)	161,690	128,426
Number of gates	66	80

The dominant carrier at MSP is obviously Northwest Airlines. Their percentage of total traffic is 75.6% compared to the industry median of 73.5%. The second largest carrier is United.

The Departure and Utilization per gate statisics indicate higher utilization of gate facilities than the average. This is due to the fact that MSP has fewer gates than the median would indicate.

Based on the information presented, it is possible to make the following broad conclusions:

1. The debt/enplaned passenger is lower than the industry average and debt service coverage is sufficient to meet debt payments.
2. Revenue/enplanement and Net Take-Down are higher than the industry average. Differences in the Operating Ratio are attributed to differences in accounting for long term leases.
3. MSP is obviously a fortress hub with NWA serving 75.6% of the airport traffic. The next largest carrier, United, services only 3.9% of total airport traffic.
4. MSP experiences above average utilization of its gate facilities because it has fewer gates than the median would indicate for a hub airport.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION OPERATING BUDGET

GLOSSARY

Glossary

Administrative Expenses—One of the main expense categories and includes the following: office supplies, computer supplies, postage, printing, memberships, and travel.

Agreement (The)—The airline agreement which expired on 1/20/89. This agreement is the basis for airline rates and charges primarily the landing fee, ramp fee, carrousel and conveyors, terminal buiding rates, and the noise surcharge.

Airport Rates and Changes—One of the three main revenue categories. Includes all charges set by the airline agreement (landing fees, ramp fees, terminal rents, noise surcharge, and carrousels & conveyors) plus other airline terminal rents.

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

AVI—Automated Vehicle Identication. Relates to Landside Operations.

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.

Concessions—One of the three main revenue categories. This category includes: food and beverage, news & gifts, parking, auto rental, vending, ground transportation, telephones, and numerous other small lessees.

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

Connecting Passengers—Passengers who transfer to another flight-Mpls./St. Paul 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 Construction Budget.)

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 Debt Service Budget.)

Differential Landing Fees—A measure that requires older, noiser 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.

Glossary CONTINUED

Dual Track Process—The path designated by the Legislature that MAC and the Met Council will follow regarding a new airport. One track deals with a new airport whereas the other track deals with expansion of MSP Int'l.

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 tenant.

Exclusive Use-Janitored—With this space the Commission furnishes janitorial cleaning.

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

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

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

General Insurance—Part of the "Other" expense category. This includes insurance covering property, casualty, liability, crime, auto, and equipment.

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, and terminal building rates.

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. (Excluding ½ New Airport Planning Costs. See Revenue Assumptions section.)

Landed Weight—Actual gross 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.

Glossary CONTINUED

MAC—Metropolitan Airports Commission.

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

Major Carriers—Those airlines which participate in the airline agreement. As of 11/30/94 these include American, America West, Continental, Delta, Northwest, TWA, United, and U.S. Air. In addition to these there are several freight carriers, charter carriers, and commuter carriers that participate in the airline agreement.

Maintenance Expense—One of the main expense categories and includes five subdivisions: trades, building, field, equipment and cleaning.

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

Minor Equipment—Includes items whose cost is less than $5,000. These items are minor equipment, computers & accessories and office furniture. (Under Other Expense)

NWA—Northwest Airlines.

Noise Surcharge—The surcharge established in the new airline agreement. All Stage II and Stage III jet aircraft landings are subject to this surcharge.

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, miscellanous and equipment purchases. (See discussion on Operating Budget.)

Operating Services—One of the main expense categories and includes the parking management and contract, shuttle bus, advertising costs, copy agreement, bank charges, pollution control, service contracts, storm water monitoring, and other charges.

Operation—The aircraft operation which represents a takeoff or landing.

Other Expenses:—One of the main expense categories and includes general insurance, safety materials and miscellaneous items, minor equipment and reimbursed expense.

Other Revenue—One of the three revenue categories and includes building rents, ground rents, utilities, and miscellaneous items.

Passenger Facility Charge (PFC)—An authorization by Congress which allows proprietors of commercial service airports, such as MAC, to impose a passenger facility charge upon revenue passengers enplaning at those airports. The charge can be set at $1, $2, or $3. There are exemptions for passengers flying on Essential Air Service flights. The basis for the PFC is to provide needed supplemental revenues to expedite the improvement of airport facilities used by passengers, to mitigate noise impacts and to expand airport system capacity. MAC's initial application was approved with charges starting June 1, 1992.

Personnel—One of the main expense categories and includes all wages, salaries and benefits.

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.

Glossary CONTINUED

Ramp Fees—A fee charged to a particular airline for exclusive use of 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. (This is in "Other Expenses" as a reduction.)

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.

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

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

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

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

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

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 DC9s.)

Stage III Aircraft—The new generation of "quiet" jet aircraft which comply to the latest noise standards of the FAA Regulation Part 35. (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.

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.)

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.