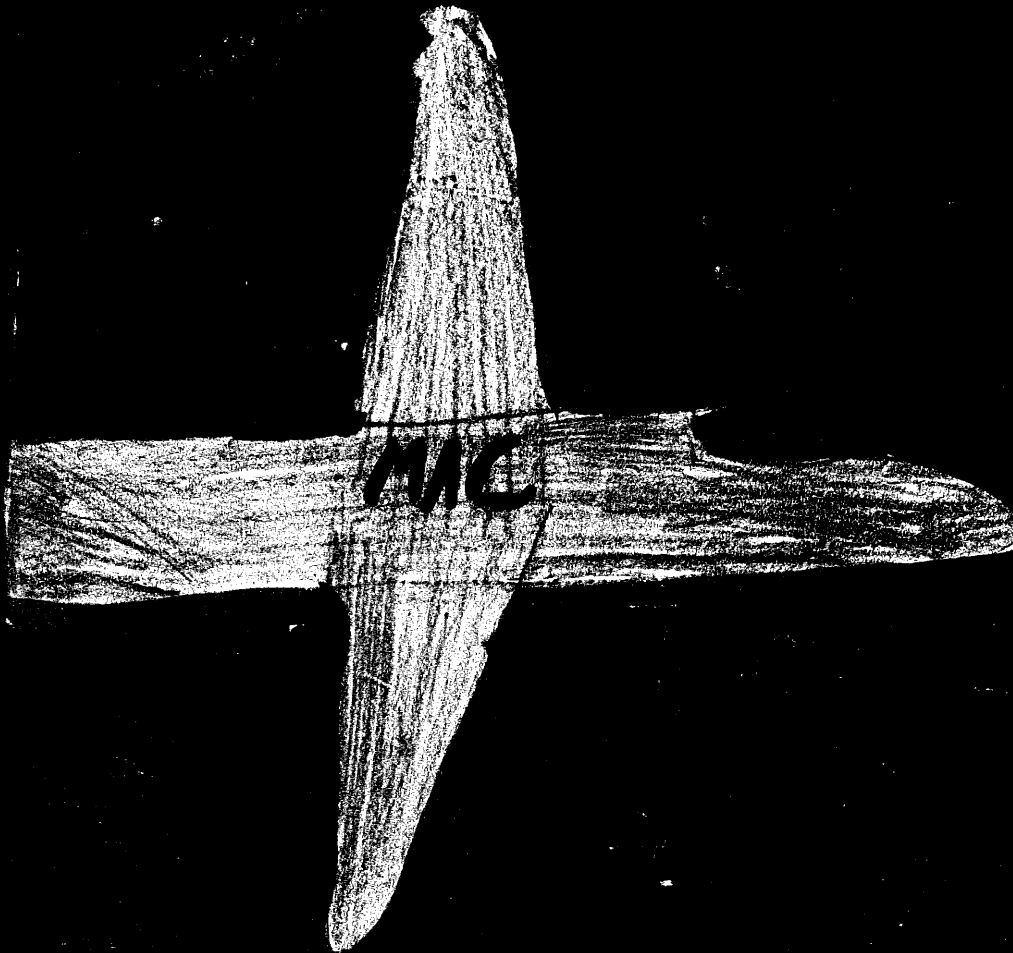


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MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

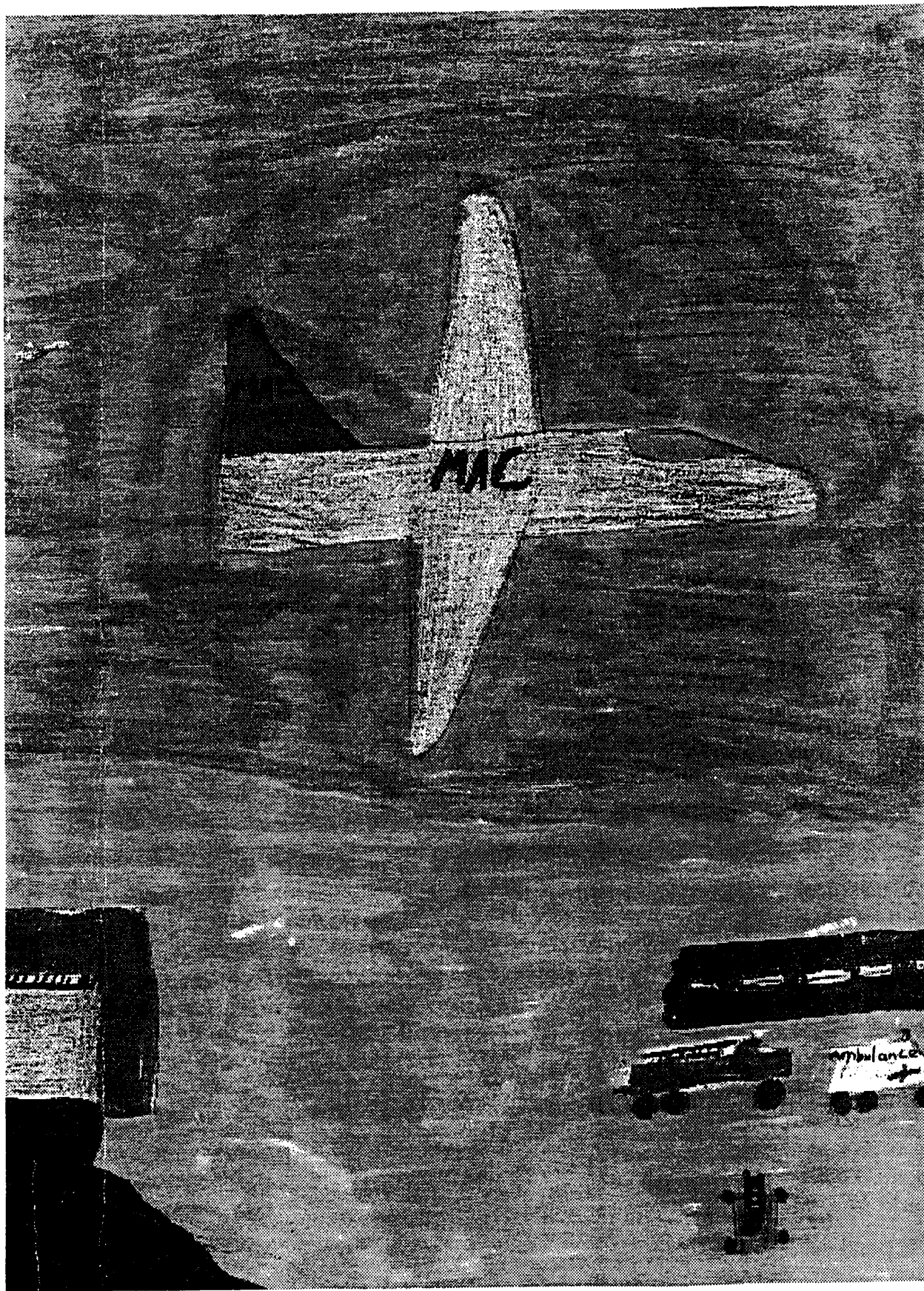
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Министерство транспорта Российской Федерации
Министерство гражданской авиации
Министерство обороны
Министерство внутренних дел
Министерство юстиции
Министерство образования
Министерство здравоохранения
Министерство культуры
Министерство спорта
Министерство труда и социального обеспечения
Министерство финансов
Министерство экономического развития
Министерство промышленности и торговли
Министерство природных ресурсов и экологии
Министерство сельского хозяйства
Министерство связи и массовых коммуникаций
Министерство строительства
Министерство энергетики
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Министерство строительства
Министерство энергетики
Министерство иностранных дел

Introduction

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

BUDGET MESSAGE – 1997 OPERATING BUDGET

We are pleased to present the 1997 Metropolitan Airports Commission budget that was adopted by the Commission on December 16, 1996. Total revenue for 1997 is projected to be \$100,537,612 and operating expense is \$91,733,500.

The 1997 budget reflects the philosophy of MAC staff 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 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 on General Obligation Revenue Bonds and prepare for the issuance of General Airport Revenue Bonds (GARBs).
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.

STAFF REORGANIZATION

In April 1996, Commission staff went through a significant reorganization. The reorganization was not an attempt to downsize the MAC. Instead, it was viewed as an opportunity to respond more effectively and efficiently to the changing needs of the public, our customers and our employees through the realignment of programs into related functional areas.

The basic overall Commission structure now consists of six broad functional areas, each reporting directly to the Executive Director. These major functional areas are: Administrative Services, Operations, Human Resources, Labor and Governmental Affairs, Environment & Development, and Legal Affairs.

With the restructuring into six functional areas, two important objectives will be accomplished: 1) the Commission will operate more along the lines of a private enterprise and be able to respond to public, employee and customer needs more effectively and 2) enhance communications between Commissioners and MAC staff.

FUND OVERVIEW

The Metropolitan Airports Commission (MAC) is accounted for as an Enterprise Fund. For internal purposes, MAC maintains three funds corresponding to three major functions: Operating Fund (Budget), Construction Fund (Budget) and Debt Service Fund (Budget). The Operating Fund maintains a balance of \$16 million. Transfers from this fund are made to both the Debt Service (based upon the required balance) and Construction Funds (remaining balance is transferred after debt service and operating balance are funded). The Construction Fund is used to finance the Capital Improvement Program, while the Debt Service Fund services the Commission's debt. The table below is an overview of these three funds.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

BUDGET MESSAGE – 1997 OPERATING BUDGET

FUND BALANCE SUMMARY – 1997 BUDGET (\$ = 000)

	<u>1996 Estimate</u>	<u>1996 Budget</u>	<u>1997 Budget</u>	<u>1998 Estimate</u>	<u>1999 Estimate</u>
OPERATING FUND					
1/1 Balance	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000
Total Sources of Funds	105,703	95,868	109,838	112,408	122,033
Total Uses of Funds (includes transfers)	(90,363)	(98,819)	(105,891)	(121,866)	(132,723)
Working Capital Changes	<u>(15,340)</u>	<u>2,951</u>	<u>(3,947)</u>	<u>9,458</u>	<u>10,690</u>
Ending Balance	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000
CONSTRUCTION FUND					
1/1 Balance	\$ 92,530	\$ 39,262	\$ 81,372	\$ 44,901	\$161,445
Total Sources of Funds	107,022	180,834	250,578	411,516	949,950
Total Uses of Funds	<u>(160,290)</u>	<u>(138,724)</u>	<u>(287,049)</u>	<u>(294,972)</u>	<u>(881,035)</u>
Ending Balance	\$ 39,262	\$ 81,372	\$ 44,901	\$161,445	\$230,360
DEBT SERVICE FUND					
1/1 Balance	\$ 84,819	\$ 91,150	\$ 88,866	\$113,262	\$143,090
Total Sources of Funds	44,600	49,685	67,504	79,713	120,873
Total Uses of Funds	<u>(44,565)</u>	<u>(51,969)</u>	<u>(43,108)</u>	<u>(49,885)</u>	<u>(57,925)</u>
Ending Balance	\$ 84,854	\$ 88,866	\$113,262	\$143,090	\$206,038

A more detailed explanation regarding the Flow of Funds is included in the Operating Budget section – Flow of Funds/Taxing Authority and their individual budget sections.

OPERATING BUDGET

Staff prepared the budget within the targets established by the Management and Operations Committee. The operating expense target (excluding depreciation) was set at 8.76%. This percentage included one-time charges for water treatment (\$160,000) and AAAE conference fees (\$225,000) as well as accrual of the post-retirement benefit. The results are shown below.

	<u>Target</u>	<u>Results</u>	<u>Difference</u>
Target (includes one-time charges)	4.28%	3.68%	0.6%
Post-Retirement Medical Benefits	<u>4.48</u>	<u>4.48</u>	<u>0.0</u>
Total	8.76%	8.16%	0.6%

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

BUDGET MESSAGE – 1997 OPERATING BUDGET

In order to achieve the results shown, 57% of the service centers were required to decrease their budgets as was the case for the 1996 budget. Another 13% of the service centers were held to no change from 1996. The remaining 30% of the service centers increased because of additional activity and the cost of new contracts.

The table below is a summary of the 1996 and 1997 budgeted revenues and expenses:

	<u>Total 1997 Budget</u>	<u>Budget 1996</u>	<u>Estimated 1996</u>
OPERATING REVENUE			
Airline Rates & Charges	\$ 39,705,042	\$34,207,072	\$34,210,000
Concessions	48,739,609	39,939,415	50,800,000
Other	<u>12,092,961</u>	<u>10,622,029</u>	<u>11,493,000</u>
Total Operating Revenue	\$100,537,612	\$84,768,516	\$96,503,000
OPERATING EXPENSE			
Personnel	\$ 29,970,769	\$26,440,980	\$25,478,000
Administrative Expense	1,134,046	1,083,726	988,000
Professional Services	3,411,287	3,928,786	4,015,000
Utilities	5,299,790	5,080,020	5,516,000
Operating Services	9,052,539	8,757,112	8,468,000
Maintenance	8,085,186	7,430,335	7,375,000
Depreciation	34,395,384	26,701,212	27,500,000
Other	<u>384,499</u>	<u>288,485</u>	<u>302,000</u>
Total Operating Expense	<u>\$ 91,733,500</u>	<u>\$79,710,656</u>	<u>\$79,642,000</u>
Net Revenues	<u>\$ 8,804,112 ^A</u>	<u>\$ 5,057,860 ^A</u>	<u>\$16,861,000 ^A</u>

^A Required as contribution to debt service and construction program financing

To achieve the target growth, service centers attempted to concentrate resources on the basic services provided to customers, the travelling public, cargo shippers, and the owners and operators of general aviation aircraft. This meant shifting budget amounts to areas directly affected by activity or facility increases. The primary focus areas were Maintenance and the Lindbergh Terminal.

During 1997 revenues are projected to grow \$15.8 million or 18.6%. Airline rates and charges are up \$5.5 million or 16.1%. This increase can be attributed directly to expanded facilities such as: Runway 4/22 extension, Southwest Lindbergh Terminal addition, International Arrivals Facility–Gold Concourse and completion of the Ground Transportation Center. Concessions are estimated to be up \$8.8 million or 22.0%. Additional passenger and parking activity forecasted are the primary reasons for the increase. Auto Parking activity continues to exceed projections resulting in the parking ramps closing a record number of times in 1996 even though there was a rate increase. Parking revenues are budgeted at \$31.8 million or a \$6.1 million increase for 1997. All other areas of Concessions are projected to realize double digit percentage increases in 1997. Other Revenue is budgeted for a \$1.5 million increase. The majority of this change (\$1.2 million) can be attributed to an increase in rent for a tenant facility lease.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

BUDGET MESSAGE – 1997 OPERATING BUDGET

Operating Expense (excluding depreciation) is projected to increase 8.16% over the 1996 budget. Personnel costs are up 13.35% or \$3.5 million. This is the result of 13 new positions for 1997, filling of vacant positions, projected wage adjustments and the recording/funding of the post retirement medical benefits. The funding for the Post-Retirement medical benefits was approved in mid-1996 to be effective 1/1/97. The cost of this twenty year funding program is estimated at \$2,375,000 per year. The following permanent positions have been approved for 1997:

<u>Service Center</u>	<u>Position</u>	<u>Start Date</u>	<u>Justification</u>
Human Resources	Secretary	Filled	Added due to reorganization.
Airport Development	Facilities Architect	4/1/97	Increased facilities and construction.
	Asst. Airport Engineer	4/1/97	Increased number of capital projects.
Fire	(2) Firefighters	7/1/97	Aid in ability to respond to medical emergencies.
Electrical Shop	Electrician	4/1/97	Additional facilities.
Paint Shop	Painter	4/1/97	Additional facilities.
Maintenance	Equipment Service Worker	7/1/97	- Equipment increases (double) and
	Equipment Mechanic	7/1/97	reduce down time.
	(4) Seasonal Field Maintenance Workers	11/1/97	- Facility increases.

Professional Services are decreasing 13.2% because of the conclusion of the Dual Track Planning Process. Utilities and Maintenance expenses will both rise due to added facilities and increased passenger and operations activity. Additional discussion is provided in the Expense Assumptions portion of the Operating Budget.

CAPITAL IMPROVEMENT PROGRAM

Each year the MAC approves Capital Projects that will start within the next twelve months, and a Capital Improvement Program which covers all projects which are to start during the second calendar year. In addition, a Capital Improvement Plan which covers an additional five years is adopted.

Approved Capital Projects for 1997 total \$172,410,000. 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. A summary of the Capital Improvement Program by Facility for 1997 compared with 1996 is as follows:

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

BUDGET MESSAGE – 1997 OPERATING BUDGET

CAPITAL IMPROVEMENT PLAN SUMMARY (CIP) (\$ = 000)		
	<u>1997</u>	<u>1996</u>
Minneapolis/St. Paul International		
Field & Runway	\$ 31,580	\$ 14,450
Environmental	28,960	35,700
Self-Liquidating	0	11,500
Landside	<u>98,900</u>	<u>74,550</u>
Total Minneapolis/St. Paul International	\$159,440	\$136,200
Reliever Airports		
St. Paul	\$ 3,300	\$ 7,700
Flying Cloud	6,820	2,080
Crystal	450	450
Anoka	900	700
Lake Elmo	250	250
Airlake	<u>1,250</u>	<u>0</u>
Total Reliever Airports	\$ 12,970	\$ 11,180
Total All Facilities	<u>\$172,240</u>	<u>\$147,380</u>

A major difference in funding than in previous years is the amount of and type of bonds to be issued. If the construction of all projects go according to plan, over 50% of the funding will come from bonds. These bonds will be General Airport Revenue Bonds compared with General Obligation Revenue Bonds in the past. A more detailed discussion of this program is provided in the Construction budget.

DEBT SERVICE

In 1996 the Commission refunded General Obligation Revenue Bond Series 5 at net present value savings of \$851,902.13. The refunding bonds (Series 12) received AAA/Aaa/AAA ratings from Standard & Poor's, Moody's and Fitch respectively. The Commission does not anticipated any refundings in 1997 or 1998.

The Commission in 1997 is projecting the need to issue approximately \$83.2 million in General Airport Revenue Bonds. This amount may be partially delayed depending upon the timing and phasing of the expansion projects at MSP International. Future years will require even more bond funds as the proposed Capital Improvement Program moves forward. Additional information is included in the Debt Service Budget.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

BUDGET MESSAGE – 1997 OPERATING BUDGET

FUTURE OUTLOOK

There are two issues which will have a significant impact on MAC as we proceed into 1997. The first issue is the expansion of MSP International now that the Dual Track Planning Process has concluded. The second issue is Strategic Planning/Goals and Objectives.

MSP International Expansion

In 1996 the Commission and Legislature committed to the expansion of MSP International rather than build a new airport. Since that decision, development plans have focused on prioritizing the projects associated with a \$1.5 billion expansion and upgrade of the existing facilities through the year 2010. The timing of these projects will have a significant impact on which funding source is used. During the 1996 Legislative session, MAC received authority to issue General Airport Revenue Bonds (GARBs), Special Facility Bonds and PFC backed bonds. It is estimated that approximately 50% of the expansion and upgrade will be funded through the issuance of bonds. Other major funding sources will include Passenger Facility Charges and internally generated funds.

Strategic Planning / Goals and Objectives

In 1995 MAC participated in a pilot program in the "public sector" category of the Minnesota Quality Award Program. As a pilot organization the MAC was guaranteed a site visit and a comprehensive feedback report on organizational strengths and weaknesses. One of the more significant areas identified was Improved Strategic Planning. During 1996, Commission staff began development of this process with the aid of a consultant. Work in this area will focus on tying organization goals and objectives to individual service center goals and objectives and have these be incorporated in the budget process.

In addition to this process, a "Data Management" service center has been established. This service center will use data currently available to help individual areas develop specific performance measurements. Two areas developed these measurements for 1997: Finance and Safety.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the Minneapolis–St. Paul Metropolitan Airports Commission for its annual budget for the fiscal year beginning January 1, 1996.

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

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

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

BUDGET MESSAGE – 1997 OPERATING BUDGET

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 Management and Operations Committee. A special thanks to everyone who helped develop the 1997 budget and who share the Commission's determination in making the MAC one of the most efficient and cost effective airport operators in the nation.

Respectfully submitted,


Jeffrey W. Hamiel
Executive Director


Stephen L. Busch
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, 1996

 
President Executive Director

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

1996 OVERVIEW - 1997 OPERATING BUDGET

In 1995, the MAC adopted the following goals and objectives for 1996. They include:

- Dual Track Airport Planning Process
- Develop Integrated Noise Methodology
- Negotiate New Airline Use Agreement
- Active Participation in the Airport Rates and Charges Policy Development
- Continued Evaluation of the NWA Collateral
- Develop Strategic Planning Process
- Improve the Effectiveness of MAC's Employee Involvement Efforts
- Develop Method to Improve Decisions Based on Data
- Coordinate a Plan to Educate the Public of the Metro Area and Those Using Our Facilities
- Coordination of Marketing Plan with the Development of Facilities

The status of the goals is as follows:

DUAL TRACK PLANNING PROCESS

- The financial and economic analyses evaluating development of a new airport or expansion of MSP were completed in early 1996. These were used as input into the MAC/Metropolitan Council and legislative decision making process.
- During early 1996, a series of briefing papers and meetings were held jointly between the MAC and Metropolitan Council to provide information and coordinate a series of findings and conclusions between the two agencies. These activities resulted in a consistent recommendation from the two agencies to the Minnesota Legislature in March 1996.
- As part of the activities leading up to the agency recommendation to the Legislature, initial steps in the Federal/State environmental review process were completed. This process included public and agency review of a draft EIS. Comments received on the draft EIS were made available to members of the two agencies and used as part of the input into the development of a recommendation to the Legislature. With the legislative decision precluding development of a new airport, the environmental review process has continued approximately one year ahead of the original schedule and should be completed during 1997.

INTEGRATED NOISE METHODOLOGY

- The Noise Mitigation Committee was formed. Members included: surrounding communities, Northwest, MAC, Metropolitan Council, and MASAC. MAC provided the Committee technical information from the following sources: the Airport Noise and Operations Monitoring System (ANOMS), the Geographic Information System (GIS) and a portion from the Global Positioning System (GPS).
- Effort to integrate MAC's off-airport noise impact information with operational and land use measures began in MASAC and was folded into the work program of the MSP Noise Mitigation Committee.
- Reports from this committee detail the membership, work program, recommendations and finally, Commission action on a comprehensive noise mitigation program for MSP and integrates all elements of noise mitigation in one document. This program, now adopted by MAC, will provide guidance for staff and the community for all current and future mitigation efforts.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

1996 OVERVIEW - 1997 OPERATING BUDGET

NEGOTIATE NEW AIRLINE USE AGREEMENT

- The existing agreement was extended an additional year from 12/31/96 through 12/31/97 to accommodate the dual track decision. Negotiations are planned to begin during the second quarter of 1997.
- Staff is currently developing goals/objectives, support materials, schedules, and negotiating team.

AIRPORT RATES AND CHARGES

- MAC's involvement in "Airport Rates and Charges" issues was extremely limited in 1996. Staff has monitored several administrative hearings before the United States Department of Transportation involving specific airports as well as litigation challenging the existing policy in the D.C. Circuit Court of Appeals. However, there has been no broad scale review or reconsideration of the existing policy as adopted. We will continue to monitor this issue closely, especially in light of upcoming negotiations on the MSP Airport Use and Lease Agreement.

CONTINUED EVALUATION OF NWA COLLATERAL

- The valuation analysis was completed and reviewed by Commission in August 1996.
- Total collateral value increased by \$6.7 million, from \$540.7 to \$547.4.
- Collateral value currently represents 176.1% of outstanding principal with a minimum of 145% required.
- Reliance on international route values in the collateral package was reduced from 39% to 28% of the total.

STRATEGIC PLANNING PROCESS

- During 1996, the MAC moved ahead with a strategic planning process with the goal of completion of a strategic plan for the organization in mid-1997. The Commission met on three occasions to help establish the mission, vision, critical success factors, core values of the MAC, strengths, opportunities, weaknesses, and threats. In addition, the Strategic Planning Advisory Group and staff spent significant time dealing with each of these areas in preparation for the Commission sessions.

IMPROVE THE EFFECTIVENESS OF MAC'S EMPLOYEE INVOLVEMENT EFFORTS

- MAC employees were involved in the initial stages of our strategic planning process which invited employee groups to identify MAC's strengths, opportunities, weaknesses, and threats, as well as core values of the organization. Information from this employee involvement will be integrated into MAC's overall strategic planning process.
- Various employees were involved with MAC's data driven goal to develop outcome based measurements for areas focusing on finance and safety. Other employees throughout the organization will become involved with this goal as it continues into 1997 and focuses on human resources and customer satisfaction.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

1996 OVERVIEW - 1997 OPERATING BUDGET

- The Cross Functional Team completed its analysis of the 1996 employee survey and made recommendations to senior staff who issued an executive report to all employees. Action items focusing on improving management, leadership and working relationships will continue to be worked on through 1997 and be integrated into the strategic planning process.
- An analysis of teams currently operating is underway as part of our strategic planning process. This study will review all of our teams, their mission statements, membership, and team goals. The purpose of this review is to get a better handle on employee involvement, to improve our team process, to improve internal communications regarding teams, and to design a program to furnish feedback about teams to senior staff.

IMPROVED DECISIONS BASED ON DATA

- The objective is to develop a system wherein data is gathered, analyzed and used to set continuous improvement goals and measure their progress.
- The three-year action plan was completed in mid-1996 by a multi-departmental team of employees.
- Action One: Develop "Key Success Factors/Measures" for two of our six operating philosophies - Safety and Financial Responsibility. "Family of Measures" sets have been completed (12/20/96) by a Finance team and an organization wide Safety team. They are presently being finalized and data collection processes initiated.
- Action Two: Develop and facilitate the learning of a measurement systems process prototype. Deploy it with other functional teams in 1997.
- Integrating the data system with our new strategic plan and developing measures for human resource management and customer satisfaction are in process.

COORDINATE A PLAN TO EDUCATE THE PUBLIC

- The plan's scope includes various elements such as research, media relations, employee communications, crisis prevention and management, communications training, publications, video and speaking engagements, marketing support, and establishment of a web site.
- The plan's key messages are fourfold: 1) Provide safe, convenient and cost-effective service to the traveling public, shippers, tenants, and private pilots. 2) MAC is a responsive public agency, managed like a business. 3) Those who use the airports pay for them. No income, sales or property taxes are levied for MAC operations or improvements. 4) MSP has a major economic impact on the Twin Cities, the state and the region.
- An updated Guide to Roadways, Parking, the Lindbergh and Humphrey Terminals, and Ground Transportation was produced to reflect new service at MSP and the completion of new facilities for international arrivals in the Lindbergh Terminal. Informational brochures in several foreign languages are being developed.
- Public Affairs has continued to expand its still photo and video library for use in public presentations, publications and advertising. Updated video has been used on community television in the Twin Cities as conditions change and new facilities come on-line.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

1996 OVERVIEW - 1997 OPERATING BUDGET

MARKETING FOR INTERNATIONAL FLIGHTS AS RELATED TO AIRPORT FACILITIES

The marketing efforts during 1996 have been closely coordinated with the airport facilities being constructed and planned. New facilities constructed at MSP which relate to international and domestic marketing include:

- New International Arrivals Facility on the Gold Concourse (November 1996).
- Extension of runway 4/22 on 11,000 feet to facilitate takeoff of fully loaded and fueled wide body aircraft to Europe and Asia (October 1996).
- Completion of new FAA Air Traffic Control Tower (January 1997) and Honeywell installation of Global Positioning System (GPS) (April 1997).
- Completion of Ground Transportation project (July 1996) and new elevators (January 1997).
- Creating a Perishable Goods Center with refrigeration and fumigation facilities to facilitate receiving cut flowers and other produce on direct international flights.

Results:

- International flights have increased, from 61 per week during the first quarter of 1995, to 225 per week currently.
- International destinations have also increased, from 15 to 22, including Osaka, Japan, and six cities in Mexico.
- All major cities in Canada from Montreal west are now served out of MSP.
- Three low cost airlines operate from MSP:
- Charter flights by Sun Country and ATA fly more than 250 low cost flights per week during the winter season.
- The regional economy was increased by at least \$800 million from passengers and cargo arriving on international flights.

Summary:

There is no question but that the completion of the new International Arrivals Facility in the Lindbergh Terminal will make MSP one of the more convenient airports for international passengers to enter the U.S., whether to visit Minnesota or connect to other U.S. or Canadian cities. The extension of runway 4/22 to 11,000 feet will enable fully loaded and fueled wide body aircraft to safely depart under any weather conditions for destinations around the world without requiring a fuel stop, or the off-loading of cargo or passengers.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

1997 GOALS AND OBJECTIVES - 1997 OPERATING BUDGET

The Commission and staff developed a series of five overall objectives for 1997. These objectives are organizational and are similar to past practice. With the development and implementation of the Strategic Planning process in 1997 it is anticipated that the goals/objectives process for 1998 will be:

- Measurable
- Incorporated into the budget process.
- Developed at the Service Center/Department level.
- Related to the overall organizational goals/objectives.

The five objectives for 1997 are:

MSP DEVELOPMENT

Objective: To prepare an implementation plan for future MSP development.

During the 1996 Legislative session, both the House and Senate took action on the recommendation related to the Dual Track Airport Planning Process. The action taken by the Legislature directs the MAC to implement the Long Term Comprehensive Plan for MSP.

Based on this action, the Commission should determine those activities necessary to ensure that MSP serves the air transportation needs of the Twin Cities Region, the State and the Upper Midwest. This would include a comprehensive implementation plan for the proposed development at MSP including the timing of implementation of the 2010 Long Term Comprehensive Plan, potential staffing changes, marketing of the airport (international, cargo, domestic scheduled), concessions plan implementation, and the airline lease agreement.

CUSTOMER SERVICE AND SATISFACTION

Objective: It is the goal of the organization to effectively manage the relationship with customers and use information gathered from them to improve customer relationships and decision making.

During 1995, the MAC participated in a pilot program in the public sector for the Minnesota Quality Award (MQA). In the follow up report from the MQA a number of areas that require improvement were identified. These include the development of a systematic approach for defining customer expectations, improving the process for gathering customer data, and the determination of short and long term customer requirements. In addition, the need for a coordinated process for determining customer satisfaction throughout the organization and the establishment of comparative measures to other airports and world-class service organizations were identified. During 1997, efforts will be directed towards addressing the concerns raised by the MQA in this area.

STRATEGIC PLANNING IMPLEMENTATION

Objective: To refine the MAC Strategic Plan to reflect changing conditions.

During 1996, a Strategic Plan for the Metropolitan Airports Commission will be developed. It is likely that this effort will take most of the rest of the year; implementation will take place during early 1997. As changes occur over the next year, and as the Commission develops the implementation plan for MSP, the Strategic Plan should be refined to incorporate these changes. Included in this effort will be the development of an integrated process for the continuation of the Strategic Planning process.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

1997 GOALS AND OBJECTIVES - 1997 OPERATING BUDGET

COST MANAGEMENT

Objective: It is the goal of the organization to provide required services to our customers in a cost effective and efficient manner.

Monitoring and controlling the cost of services has always been important. This is reflected in the fact that the airline cost per enplanement and operating cost per enplanement compare favorably to the airport industry. It will increase in importance as we begin to expand facilities at the existing airport in order to meet the future aviation needs of the region. As a result, during 1997 the organization will review major categories of expense to determine the most cost effective and efficient method of providing services to our customers.

PERFORMANCE PLANNING AND MANAGEMENT

Objective: To develop an agency-wide management philosophy and process that integrates all major planning and management components.

MAC has in place, or is working on, many of the elements of a performance planning and management process through its efforts in continuous improvement. The 1989 Organizational Effectiveness Study, the 1995 Minnesota Quality Award process and the recommendations of the Cross Functional Team identify the need to develop a process to facilitate improved linkage among key management elements such as leadership, strategic planning, budgeting, performance measurement, and staff development.

Following reorganization, which is designed to improve program alignment, a strategic focus for 1997 should be the development of a formal performance planning and measurement process to better integrate departmental goals with organizational strategies. Performance management is a forward moving philosophy and process through which short and long term organizational and individual goals can be identified, planned for, financed, and measured. To fully develop and implement this system will require a minimum of three years.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

DESCRIPTION OF BUDGET PREPARATION & AMENDMENT PROCESS

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 (Generally Accepted Accounting Principles). The accrual basis of accounting attempts to record financial transactions in the period they occur rather than recording them in the period they are paid.

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 1995 actual, 1996 budget and 1997 budgeted expenses. 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, additional information is included at the beginning of this section and incorporates "Non-Operating" accounts. Second 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.
- 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 the most recent attainable comparisons with other airports.

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

Divisions

Effective 1996, MAC reorganized its reporting and responsibility structure. The seven divisions have direct responsibility for the oversight and management of all the day to day functions associated with the departments reporting through each respective division. The Deputy Executive Directors of each division comprise the senior staff and report directly to the Executive Director. The divisions and associated departments structure are detailed later in this section.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

DESCRIPTION OF BUDGET PREPARATION & AMENDMENT 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.

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 budget forms are completed and proceed for signature. In addition, the budget specialist also inputs and forecasts the budget on the personal computer.

Controllable Expenses

Because MAC receives reimbursement for operating MSP International via the rates charged to the airlines the budget was also prepared on the same concept. Expenses were budgeted and charged through subledger 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 vendors and 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. They are then allocated through subledgers (described above).

Bottom Line Management

Typically budget variances are reviewed by line item. In 1994, budget variances started being reviewed by bottom line total. The budget is still prepared by line item, but department directors 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 June.

In late April the Management and Operations Committee established expense targets and net operating targets to be used. This information was presented to staff at various meetings and also included in their packages.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

DESCRIPTION OF BUDGET PREPARATION & AMENDMENT PROCESS

Personnel packages are distributed in May and the balance of the budget packages are distributed in June. All service centers had four weeks to complete them. The Personnel packages are due in late June. Finance staff reviewed all packages and summarized them during July for senior staff to review.

Internal budget hearings were held in early August in order to make certain the Management and Operations Committee expense target was met. The remainder of August is spent compiling summary and historical data. Revisions to expense are done while revenue figures are being compiled. Airline rates are then calculated and final revenue figures are available. When all revenue and expense is completed, staff reviews and revisions are completed as required. During September presentations are prepared for the Management and Operations Committee, senior staff and airlines. Also, supporting schedules are completed. The month of October is reserved for presentations to the Management and Operations Committee and revisions prior to requesting final approval.

Preliminary approval is given by the Management and Operations Committee in October. With the recommendation from the Management and Operations Committee and the informational meetings held, final approval is requested at the November full Commission meeting. Final approval of the 1997 Operating Budget is expected at the November Commission meeting. Rate changes will be sent out as usual at the beginning of December based upon approval from the full Commission.

This calendar gives an overview of the process:

<u>MONTH</u>	<u>TASK</u>
April	<ul style="list-style-type: none">- Management and Operations Committee establishes 1997 targets for expense and net revenues- Service Center historical information prepared- Budget specialists identified- Templates for service centers set up on computers
May	<ul style="list-style-type: none">- Training of budget specialists- Packages distributed – Personnel, Equipment, Operating Expenses (late May)- Determine inflation factors, wage and contracts adjustments- Historical information gathering process started- Prepare preliminary budget- Positions and headcount summary compiled
June	<ul style="list-style-type: none">- Present preliminary budget to Management & Operations Committee- Management & Operations Committee update- Preliminary approval for position and headcount requests
July	<ul style="list-style-type: none">- Summary information/schedules prepared- Revenue analysis begins- Revisions to expense initiated- All budget packages are due
August	<ul style="list-style-type: none">- Management & Operations Committee update- Revenue completed- Internal budget hearings held- Expense revisions

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

DESCRIPTION OF BUDGET PREPARATION & AMENDMENT PROCESS

<u>MONTH</u>	<u>TASK</u>
September	<ul style="list-style-type: none">- Presentation information compiled- Packages distributed to airlines and Management & Operations Committee- Expense revisions- Presentation/meeting with the airlines- Staff presentation
October	<ul style="list-style-type: none">- Presentation to Management & Operations Committee- Preliminary Commission approval
November	<ul style="list-style-type: none">- Final Commission approval
December	<ul style="list-style-type: none">- Notice of rate changes to all tenants

AMENDING PROCESS

The process to amend the budget is set forth in the MAC bylaws, Article 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 procedures and be subject to the line-item budget constraints of the annual budget.

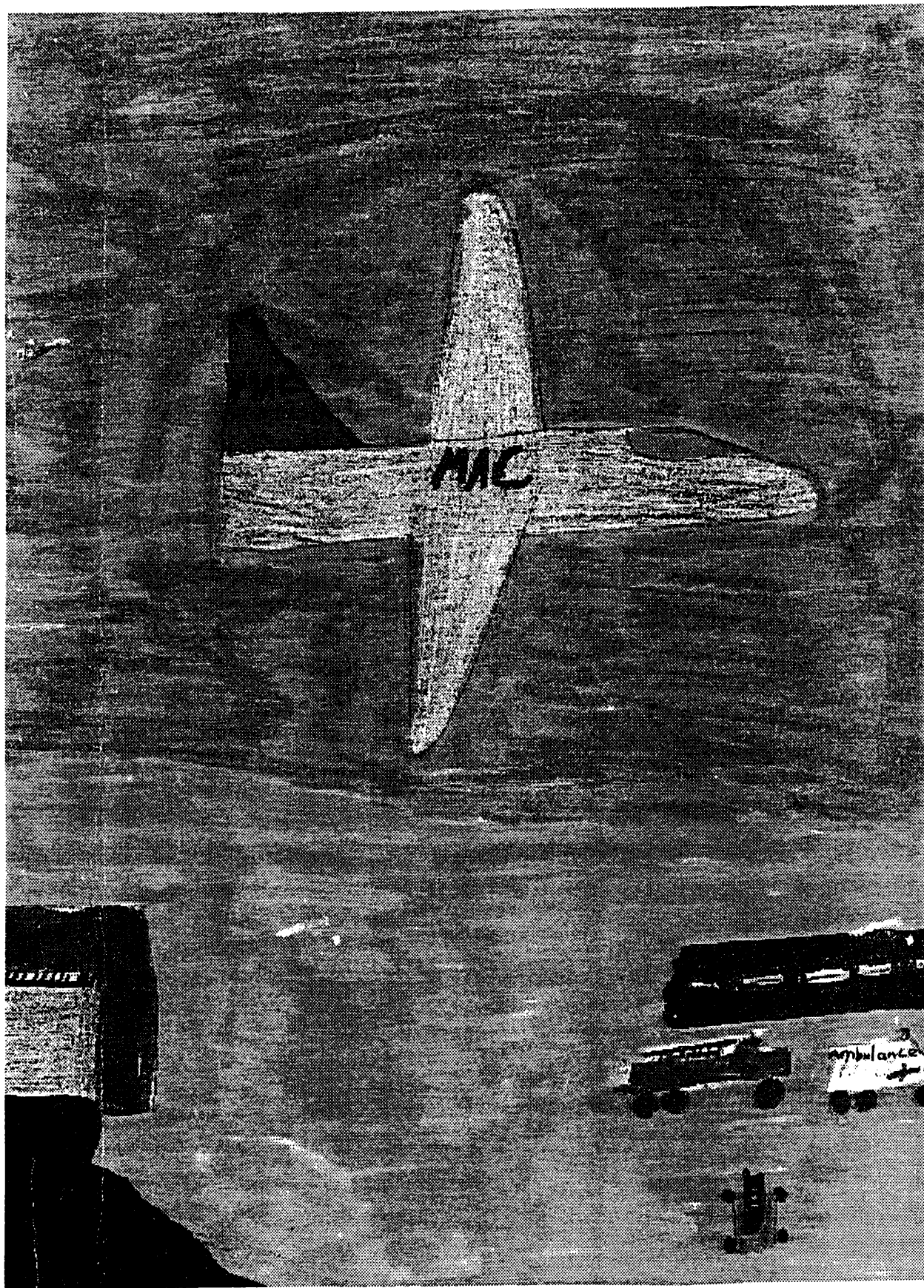
At any time during the fiscal year, the Executive Director may recommend to the full Commission that all or any unencumbered appropriation balances of individual line-items be transferred to those line-items that require additional budgeted funds. In addition, the Executive Director may recommend to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

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

DESCRIPTION OF BUDGET PREPARATION & AMENDMENT PROCESS

The individual line-items will include the following:

- | | |
|---|---|
| <ul style="list-style-type: none">1. Personnel<ul style="list-style-type: none">Salaries & WagesBenefitsCommissioner Per DiemTotal Personnel2. Administrative Expenses3. Professional Services4. Utilities5. Operating Services<ul style="list-style-type: none">Parking ManagementShuttle Bus ServicesService AgreementsStorm Water MonitoringOtherTotal Operating Services | <ul style="list-style-type: none">6. Maintenance<ul style="list-style-type: none">TradesBuildingFieldEquipmentCleaningTotal Maintenance7. Depreciation8. Other<ul style="list-style-type: none">General InsuranceOtherReimbursed ExpenseTotal OtherTotal Expense |
|---|---|

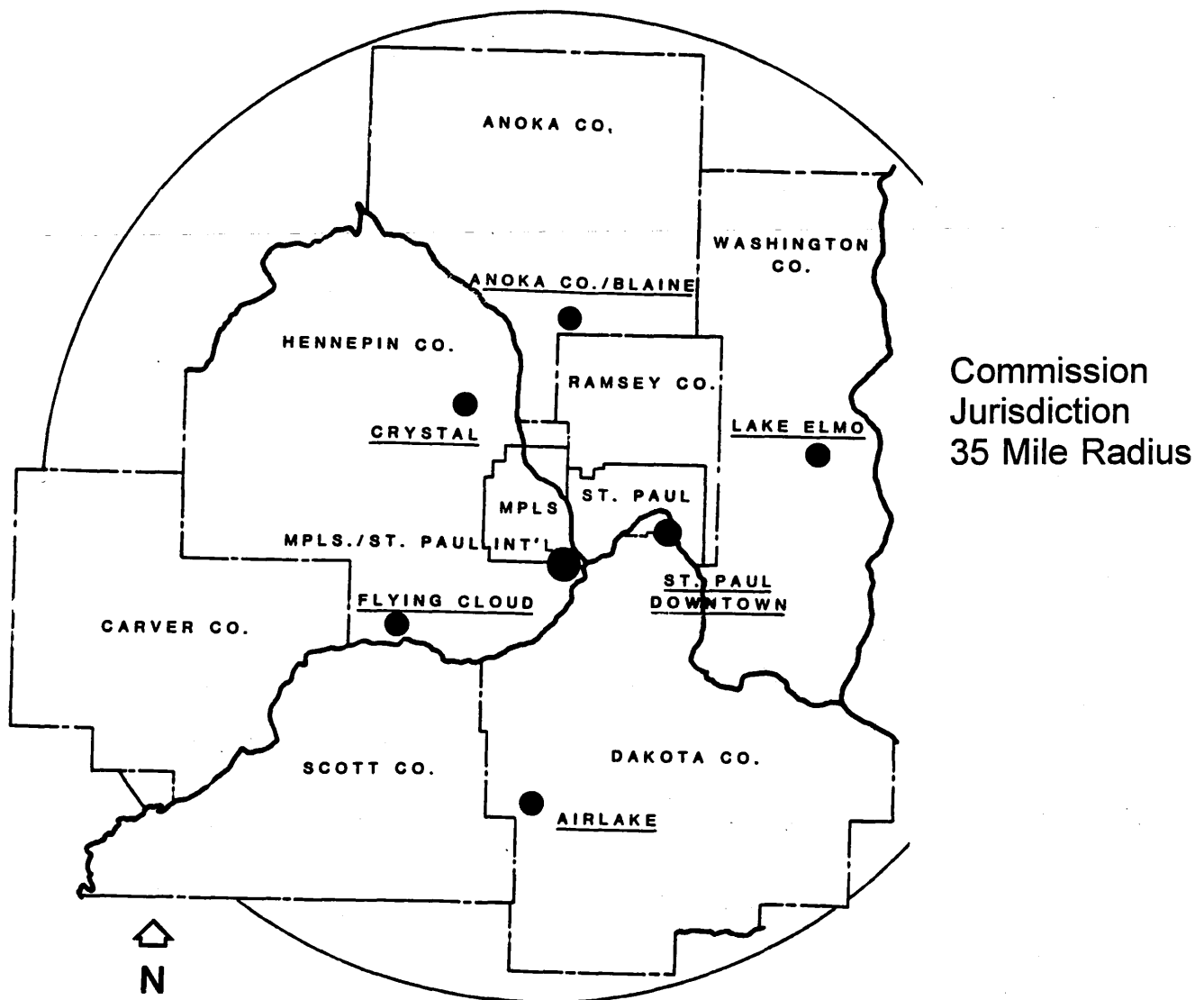


Миннеаполис/Ст. Роду Метрополитан Аирपोर्टс Коммисион Оператинг Бюджет 1997
Organizational Structure

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE - 1997 OPERATING BUDGET

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.



MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1997 OPERATING BUDGET

The Commission is governed by 14 Commissioners and a chairperson. Twelve Commissioners 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 Commission is appointed by the Governor for a four-year term.

Chairperson: Pierson Grieve

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 John Dowdle

District H Louis Miller

City of Minneapolis Steve Cramer

City of St. Paul Dick Long

Representing Greater
Minnesota Area: Carl D'Aquila
John Kahler
Paul Rehkamp
Georgiann Stenerson

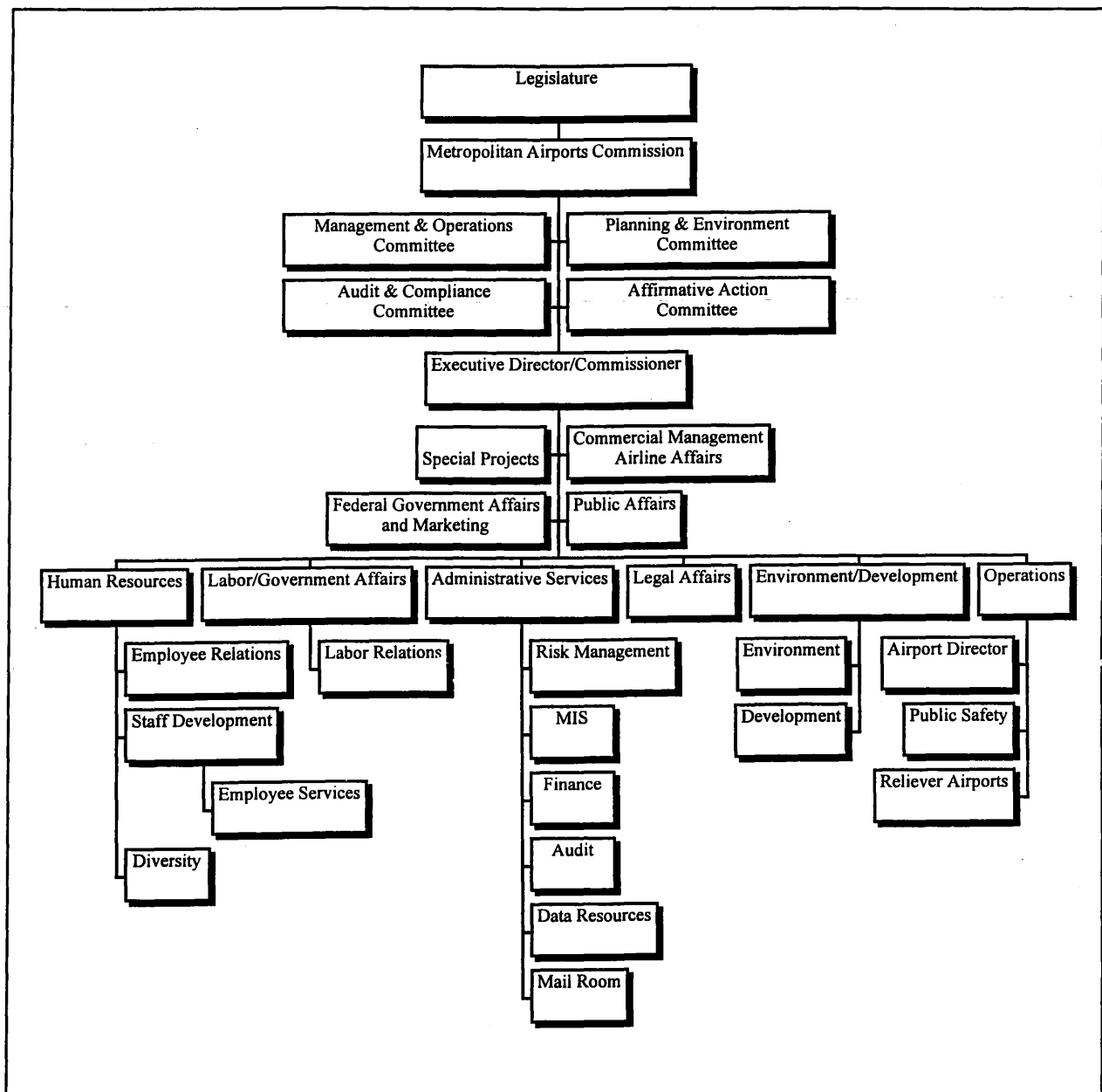
Executive Director: Jeffrey W. Hamiel

The Commission has set up four standing committees. Two of the committees, Planning & Environment and Management & Operations, meet on a monthly basis. The remaining two, Affirmative Action and the Audit and Compliance Committee, meet on an as-needed basis. The committees are responsible for all aspects of business which fall under their respective jurisdiction. Recommendations on all action items are made by the committees to the full Commission which meets monthly.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1997 OPERATING BUDGET

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 headcount table. This table includes positions by department, positions by classification and a summary of changes/vacancies/new positions. The last area 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.



MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1997 OPERATING BUDGET

Organizational Structure by Division, Department, and Service Center			
Division	Department	Service Center	
		Number	Name
Executive Director / Commissioner	Executive / Commission	75000	Executive – General / Special Projects
		75100	Executive – Commissioners / Chairman
	Public Affairs	76000	Public Affairs
	Federal Government Affairs and Marketing	76100	Federal Government Affairs and Marketing
	Commercial Management / Airline Affairs	80000	Commercial Management / Airline Affairs
Human Resources	Deputy – Human Resources	75700	Deputy – Human Resources
	Staff Development	76600	Staff Development
		79100	Employee Services
	Employee Relations	81500	Employee Relations
	Office Of Diversity	80600	Office Of Diversity
Labor / Government Affairs	Labor / Government Affairs	79500	Labor Relations
Administrative Services	Deputy – Administrative Services	75600	Deputy – Administrative Services / Data Resources / Mail Room
	Wellness	76700	Deputy Airports – Wellness
	Deputy Airports – Insurance	76800	Deputy Airports – Insurance
		85400	Environment – Safety
	MIS	79000	MIS
	Finance	78000	Finance
		78200	Purchasing
	Audit	78300	Audit
	MAC General	78100	MAC General / AAAE
Legal Affairs	General Counsel	81000	General Counsel
Environment / Development	Planning	75500	Planning
	Environment	85000	Environment – General
		85100	Environment – Environmental
		85200	Environment – Part 150
	Airport Development	85300	Environment – Aviation Noise Program
		77000	Airport Development

(Continued on next page)

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1997 OPERATING BUDGET

Organizational Structure by Division, Department, and Service Center			
Division	Department	Service Center	
		Number	Name
Operations	Deputy – Operations	75800	Deputy – Operations
	Airport Directors Office	82000	ADO – General
		82100	ADO – Telecommunication
	Airside Operations	82600	Airside Operations
		82650	Airside Operations – Internship Program
	Landside Operations	83000	Landside – Operations
		83300	Landside – Parking
		83400	Landside – Administration
	HHH Terminal	85500	HHH Terminal
	Facilities – Lindbergh Terminal	86000	Facilities – Administration
		86100	Facilities – Lindbergh Terminal
		86300	Facilities – Energy Management Center
	West Terminal Area	87000	Facilities – West Terminal
	Trades	88000	Trades – Electricians
		88100	Trades – Painters
		88200	Trades – Carpenters
		88300	Trades – Plumbers
	Maintenance	89000	Maintenance – Field
		89100	Maintenance – Repairs
		89200	Maintenance – Equipment Purchasing
		89300	Maintenance – General
	Communications	82700	Communications
	Fire	83500	Fire – Training
		83600	Fire – Rescue
	Police	84000	Police – General Office
		84100	Police – Narcotics / Investigations
		84200	Police – Administration / Training
		84300	Police – Patrol / CSO's
		84400	Police – Security
	Reliever Airports	90000	Relievers – Administration
		90200	Relievers – St. Paul
		90800	Reliever – Airport Maintenance

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1997 OPERATING BUDGET

EXECUTIVE / COMMISSIONER	1995 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	189,979	203,224	208,994	5,770	2.84%
Administrative Expenses	158,116	126,074	126,064	(10)	(.01)
Professional Services	6,100	0	8,400	8,400	.00
Utilities	906	1,400	1,400	0	.00
Operating Services/Expenses	1,023	700	1,115	415	59.29
Other	<u>12,328</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>	<u>.00</u>
Expenses	368,452	341,398	355,973	14,575	4.27%

<u>HEADCOUNT SUMMARY</u>	1995 <u>Actual</u>	1996 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>
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 for the implementation of all Commission policies. The Office of the Executive Director is directly accountable to the Board of Commissioners 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. No operational changes are projected for 1997.

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 noise and pursuit of the highest levels of safety at all Commission airports.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1997 OPERATING BUDGET

PUBLIC AFFAIRS	1995	1996	1997	\$	%
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>Variance</u>	<u>Variance</u>
Personnel	261,266	302,583	121,965	(180,618)	(59.69%)
Administrative Expenses	109,830	121,700	73,450	(48,250)	(39.65)
Professional Services	334,465	247,500	121,187	(126,313)	(51.04)
Utilities	2,069	1,500	300	(1,200)	(80.00)
Operating Services/Expenses	108,377	165,000	126,900	(38,100)	(23.09)
Other	5,089	500	300	(200)	(40.00)
Expenses	821,096	838,783	444,102	(394,681)	(47.05%)

HEADCOUNT SUMMARY	1995	1996	1996	1997
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Public Affairs	4	2	5	2

Responsibility/Function

This function is responsible for internal and external communications, media relations and communications to the public. Also assists with the Commission's marketing through advertising – promoting the resources of MSP International and the reliever airports both domestically and internationally. Effective 1996, this department was divided into Public Affairs and Federal Government Affairs/Marketing. Both departments will maintain separate budgets for 1997. The 1995 actual and 1996 budget expenses by category reflect the combined departments.

FEDERAL GOVERNMENT AFFAIRS AND MARKETING	1995	1996	1997	\$	%
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>Variance</u>	<u>Variance</u>
Personnel	0	0	159,732	159,732	.00%
Administrative Expenses	0	0	45,170	45,170	.00
Professional Services	0	0	107,830	107,830	.00
Utilities	0	0	1,200	1,200	.00
Operating Services/Expenses	0	0	11,300	11,300	.00
Other	0	0	300	300	.00
Expenses	0	0	325,532	325,532	.00%

HEADCOUNT SUMMARY	1995	1996	1996	1997
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Federal Government Affairs and Marketing	0	3	0	3

Responsibility/Function

This department is responsible for two areas: 1) Air Service – Marketing MSP for more international passenger and cargo flights and for more low cost domestic passenger flights. Promoting the facilities and services of MSP and MAC's system of airports both domestically and internationally. 2) U.S. Government Affairs – Influencing U.S. Government policy relating to airports and aviation to facilitate adequate funding and appropriate regulation by Congress, the FAA, and other governmental and aviation agencies and organizations. The actual 1995 and budget 1996 figures for this area are shown in Public Affairs above.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1997 OPERATING BUDGET

COMMERCIAL DEVELOPMENT / AIRLINE AFFAIRS	1995 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	279,761	295,623	295,374	(249)	(.08%)
Administrative Expenses	31,843	39,100	39,000	(100)	(.26)
Professional Services	38,916	115,000	106,000	(9,000)	(7.83)
Utilities	129	300	300	0	.00
Operating Services/Expenses	9,230	16,500	18,000	1,500	9.09
Other	<u>3,771</u>	<u>115</u>	<u>115</u>	<u>0</u>	<u>.00</u>
Expenses	363,650	466,638	458,789	(7,849)	1.68%

<u>HEADCOUNT SUMMARY</u>	1995 <u>Actual</u>	1996 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>
Commercial Development / Airline Affairs	5	4	5	5

Responsibility/Function

This area is responsible for managing the use and leasing activities of concessions and airlines related to the following airport properties: land, terminals, buildings, warehouses, hangars and other properties; negotiates with prospective tenants to develop bid criteria and specifications for the award of concession leases; negotiates non-bid use and rental leases and other agreements for concessions, airlines and other tenants; prepares written reports and recommendations for the Commission for maximizing revenues, awarding leases and other contracts; acts as primary contact with tenants for compliance with contractual obligations, airport policy and for coordination of property maintenance, coordinates property and tenant related issues with other airport departments. In the Professional Services area the decrease can be attributed to consulting services for lease negotiations and terminal building concept development. The airlines agreed to extend the airline agreement for a short term basis rather than renegotiate. Concept development and feasibility was completed in 1996.

DEPUTY – HUMAN RESOURCES	1995 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	0	0	111,840	111,840	.00%
Administrative Expenses	0	0	8,400	8,400	.00
Professional Services	0	0	2,000	2,000	.00
Utilities	0	0	500	500	.00
Operating Services/Expenses	<u>0</u>	<u>0</u>	<u>4,000</u>	<u>4,000</u>	<u>.00</u>
Expenses	0	0	126,740	126,740	.00%

<u>HEADCOUNT SUMMARY</u>	1995 <u>Actual</u>	1996 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>
Deputy – Human Resources	0	2	0	2

Responsibility/Function

This was a newly created department resulting from the 1996 reorganization. This area is responsible for the oversight and management of Employee Relations, Staff Development, Employee Services, and the Office of Diversity. Each of these areas has a separate budget which is detailed later in this section.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE - 1997 OPERATING BUDGET

STAFF DEVELOPMENT	1995 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	78,770	89,506	143,748	54,242	60.60%
Administrative Expenses	8,005	15,900	12,800	(3,100)	(19.50)
Professional Services	17,147	22,000	19,000	(3,000)	(13.64)
Operating Services/Expenses	1,184	2,000	0	(2,000)	(100.00)
Other	4,729	0	0	0	.00
Expenses	109,835	129,406	175,548	46,142	35.66%

<u>HEADCOUNT SUMMARY</u>	1995 <u>Actual</u>	1996 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>
Staff Development	1	1	1	1

Responsibility/Function

This department incorporates employee services, quality and several new areas involving leadership and management development, as well as performance planning and management. Staff Development was formerly the Quality department. The actual expense for 1995 and budget for 1996 are based upon the old Quality department.

EMPLOYEE SERVICES	1995 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	37,974	41,576	46,408	4,832	11.62%
Administrative Expenses	1,829	0	4,100	4,100	.00
Operating Services/Expenses	35,660	42,500	45,500	3,000	7.06
Other	7,510	8,000	3,350	(4,650)	(58.13)
Expenses	82,973	92,076	99,358	7,282	7.91%

<u>HEADCOUNT SUMMARY</u>	1995 <u>Actual</u>	1996 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>
Employee Services	1	1	1	1

Responsibility/Function

This area is responsible for planning and coordinating employee and retiree programs. The reporting structure for this department has moved from MIS to Staff Development. No significant changes are projected for 1997.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1997 OPERATING BUDGET

EMPLOYEE RELATIONS	1995 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	344,064	363,751	295,145	(68,606)	(18.86%)
Administrative Expenses	28,750	14,000	13,800	(200)	(1.43)
Professional Services	26,674	22,000	27,000	5,000	22.73%
Utilities	(8)	0	0	0	.00%
Operating Services/Expenses	21,950	20,100	15,000	(5,100)	(25.37)
Other	<u>23,797</u>	<u>10,400</u>	<u>0</u>	<u>(10,400)</u>	<u>(100.00)</u>
Expenses	445,227	430,251	350,945	(79,306)	(18.43%)

<u>HEADCOUNT SUMMARY</u>	1995 <u>Actual</u>	1996 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>
Employee Relations	6	6	7	7

Responsibility/Function

This area is responsible for hiring, administering employee benefits and maintaining accurate personnel files. Personnel and Operating Services are decreasing as a result of a transfer of responsibilities and funding for organizational training and pager rental from this area to Staff Development and Telecommunications respectively.

OFFICE OF DIVERSITY	1995 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	219,917	216,142	234,012	17,870	8.27%
Administrative Expenses	19,749	17,600	16,600	(1,000)	(5.68)
Professional Services	17,860	15,830	15,000	(830)	(5.24)
Operating Services/Expenses	3,042	8,950	9,900	950	10.61
Other	<u>1,477</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>.00</u>
Expenses	262,045	258,522	275,512	16,990	6.57%

<u>HEADCOUNT SUMMARY</u>	1995 <u>Actual</u>	1996 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>
Office of Diversity	4	4	4	4

Responsibility/Function

This area is responsible for contract compliance of the Federal Disadvantaged Business Enterprise Program and the State of Minnesota Targeted Group Business Program, the Affirmative Action Officer role/manager and for promoting the issue of diversity for MAC. No significant changes are forecasted for 1997.

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ORGANIZATIONAL STRUCTURE – 1997 OPERATING BUDGET

LABOR / GOVERNMENT AFFAIRS	1995 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	197,341	199,240	189,771	(9,469)	(4.75%)
Administrative Expenses	12,179	17,600	17,300	(300)	(1.70)
Professional Services	118,521	113,000	111,000	(2,000)	(1.77)
Utilities	540	1,300	1,250	(50)	(3.85)
Operating Services/Expenses	6,808	8,700	8,200	(500)	(5.75)
Expenses	335,389	339,840	327,521	(12,319)	(3.62%)

<u>HEADCOUNT SUMMARY</u>	1995 <u>Actual</u>	1996 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>
Labor / Government Affairs	3	3	3	3

Responsibility/Function

This division is responsible for two separate areas: 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, monitoring and influencing legislation involving or having the potential to impact the Commission. The labor function deals with negotiating and administering the contracts of nine labor unions at the Commission, interacting and mediating disputes between outside unions and contractors which could jeopardize Commission operations, and any other labor-management problems that may occur. The decrease in Personnel dollars is attributed to the promotion and replacement of the Labor Relations manager. The result of the net salary change was a decrease in Personnel dollars for 1997.

DEPUTY – ADMINISTRATIVE SERVICES	1995 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	0	0	189,565	189,565	.00%
Administrative Expenses	0	0	8,988	8,988	.00
Professional Services	0	0	10,000	10,000	.00
Utilities	0	0	150	150	.00
Operating Services/Expenses	0	0	800	800	.00
Maintenance	0	0	0	0	.00
Other	0	0	0	0	.00
Expenses	0	0	209,503	209,503	.00%

<u>HEADCOUNT SUMMARY</u>	1995 <u>Actual</u>	1996 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>
Deputy – Administrative Services	0	3	0	3

Responsibility/Function

This is a newly created department resulting from the 1996 reorganization. This area is responsible for the oversight and management of Risk Management, MIS, Finance, Purchasing, Audit, Data Resources Management, and the mail room.

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ORGANIZATIONAL STRUCTURE – 1997 OPERATING BUDGET

WELLNESS	1995 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Operating Services/Expenses	149,728	124,000	121,500	(2,500)	(2.02%)
Other	1,779	0	0	0	0.00
Expenses	151,507	124,000	121,500	(2,500)	(2.02%)

Responsibility/Function

The MAC Wellness Program provides opportunities to increase knowledge of health issues and to support and encourage healthier lifestyle choices, which may provide a positive impact on productivity, morale, absenteeism, care costs and employee self-worth. No significant changes are forecast for 1997.

RISK MANAGEMENT / SAFETY	1995 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	2,479,724	3,253,635	3,178,902	(74,733)	(2.30%)
Administrative Expenses	10,220	7,800	11,600	3,800	48.72
Professional Services	38,060	91,500	91,500	0	.00
Operating Services/Expenses	2,845	40,650	2,500	(38,150)	(93.85)
Other	1,055,698	1,114,400	1,301,797	187,397	16.82
Expenses	3,586,547	4,507,985	4,586,299	78,314	1.74%

<u>HEADCOUNT SUMMARY</u>	1995 <u>Actual</u>	1996 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>
Risk Management / Safety	2	3	2	3

Responsibility/Function

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

Safety supports part of the MAC operating philosophy of "Safety is our number one priority," which ensures continued improvement towards a goal of accident and incident free operations. Safety procedures and programs also comply with applicable safety standards.

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ORGANIZATIONAL STRUCTURE – 1997 OPERATING BUDGET

MIS	1995 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	364,582	471,539	465,814	(5,725)	(1.21%)
Administrative Expenses	27,783	39,500	34,500	(5,000)	(12.66)
Professional Services	25,341	71,000	20,000	(51,000)	(71.83)
Utilities	105	600	600	0	.00
Operating Services/Expenses	97,601	129,300	129,300	0	.00
Other	67,583	0	0	0	.00
Expenses	582,995	711,939	650,214	(61,725)	(8.67%)

<u>HEADCOUNT SUMMARY</u>	1995 <u>Actual</u>	1996 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>
MIS	7	7	7	7

Responsibility/Function

This area is responsible for the recommendation, installation and support of hardware and software resources connected to the MACNET network. In addition, the department is responsible for providing assistance in the implementation of business solutions at MAC which utilize computer technology. The reduction in Professional Services is the result of expense transfer to the Finance department.

FINANCE	1995 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	951,107	1,003,682	1,003,676	(6)	.00%
Administrative Expenses	97,523	120,517	120,060	(457)	(.38)
Professional Services	115,838	120,440	164,250	43,810	36.37
Utilities	143	150	0	(150)	(100.00)
Operating Services/Expenses	106,275	100,278	99,500	(778)	(.78)
Maintenance	520	2,000	2,580	580	29.00
Other	7,294	24,000	25,000	1,000	4.17
Expenses	1,278,700	1,371,067	1,415,066	43,999	3.21%

<u>HEADCOUNT SUMMARY</u>	1995 <u>Actual</u>	1996 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>
Finance	20	19	20	19

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), and purchasing Commission supplies. Financial planning and analysis are also major areas of focus. Effective 1997, Finance will monitor the consultant cost for the MAC's Financial and Human Resource software. This is a transfer of expenses from MIS. The decrease in headcount for 1997 results from the promotion of the former Director of Finance to Deputy Executive Director—Administrative Services.

As stated in the 1996 Overview section of the budget, the Finance Department is the first area to develop measurements. This process was lengthy and resulted in a number of measures. In addition to the areas listed below, other measures were developed to aid internal process improvement and efficiencies. The items to be measured and reported on an organizational basis are:

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- Concessions Report	Monthly	Compares certain MAC concessions with other large airports.
- Ratios	Annually	Compares MAC's financial condition to other large airports.
• Cost/enplaned passenger		
• Debt service coverage		
• Operation ratio		
• Enplanements/employee		
• Debt/enplaned passenger		
• Concessions/enplaned passenger		
- Budget Variance	Monthly, Quarterly, Annually	Indicates how departments are managing their budgets.
- Accounts Payable - Payment according to terms	Monthly	Indicates problems/delays within the system to be addressed.
- Accounts Receivable - Average days outstanding	Monthly	Internal use to determine how fast cash is collected.
- Purchasing - Exceptions to \$25,000 purchase order limit	Monthly	Indicates problems in processing purchase orders.
- Investments - Return on investment	Monthly	Goal is to exceed six month Treasury bill.

AUDIT	1995 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	93,348	107,420	115,630	8,210	7.64%
Administrative Expenses	2,655	4,150	4,050	(100)	(2.41)
Professional Services	0	12,000	12,000	0	.00
Operating Services/Expenses	54	200	200	0	.00
Other	4,242	0	0	0	.00
Expenses	100,299	123,770	131,880	8,110	6.55%

<u>HEADCOUNT SUMMARY</u>	1995 <u>Actual</u>	1996 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>
Audit	2	2	2	2

Responsibility/Function

This area is responsible for conducting audits according to internal auditing standards and applicable compliance requirements. The objectives of our audits include, but are not limited to, evaluation of controls, verification of revenues and expenditures, effectiveness and efficiency of policies and procedures. Our audits include MAC tenants, concessionaires, consultants, and vendors. We communicate our audit results to the appropriate agency heads and committees.

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ORGANIZATIONAL STRUCTURE – 1997 OPERATING BUDGET

MAC GENERAL	1995 Actual	1996 Budget	1997 Budget	\$ Variance	% Variance
Personnel	3,021,801	3,023,699	5,431,830	2,408,131	79.64%
Administrative Expenses	52,817	54,840	52,260	(2,580)	(4.70)
Professional Services	187,707	40,000	40,000	0	.00
Utilities	5,329,344	5,050,560	5,267,240	216,680	4.29
Operating Services/Expenses	1,552,150	1,767,800	1,893,668	125,868	7.12
Maintenance	525,554	633,000	572,300	(60,700)	(9.59)
Other	(1,209,109)	(1,201,442)	(1,265,300)	(63,858)	5.32
Gross Depreciation	16,098,250	20,656,684	34,395,384	13,738,700	66.51
Expenses	25,558,514	30,025,141	46,387,382	16,362,241	54.50%

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, and electricity), Storm Water Monitoring, Depreciation, and Reimbursed Expense. From an operations view, significant changes are forecasted in Personnel, Utilities, Operating Services, and Depreciation. The Personnel category only includes costs for post retirement funding and pension. Post retirement funding was approved by the Commission in August 1996. The funding requirement for this item totals \$2,375,000 for 1997. For Utilities, a projected increase from 1996 is the result of the completion of several projects: Ground Transportation Center, International Arrivals Facility/Southwest Lindbergh Terminal Addition and the roadway projects. For Operating Services, MAC was selected in 1992 as the site for the 1997 American Association of Airport Executives (AAAE) conference. The Commission approved \$225,000 for the estimated conference expenses. AAAE is estimating 2,500 plus members will attend the conference. This is a one-time expenditure. Storm water monitoring is projected to decrease because testing of a leased sweeper projected in 1996 was cancelled due to the unavailability of the sweeper. For Depreciation – see expense assumptions for a listing of projects.

GENERAL COUNSEL	1995 Actual	1996 Budget	1997 Budget	\$ Variance	% Variance
Personnel	254,392	247,202	303,319	56,117	22.70%
Administrative Expenses	25,849	29,600	29,600	0	.00
Professional Services	680,060	606,000	593,100	(12,900)	(2.13)
Utilities	871	1,000	1,000	0	.00
Operating Services/Expenses	2,773	1,100	1,100	0	.00
Other	390	0	0	0	.00
Expenses	964,335	884,902	928,119	43,217	4.88%

HEADCOUNT SUMMARY	1995 Actual	1996 Actual	1996 Budget	1997 Budget
General Counsel	4	5	5	5

Responsibility/Function

The Commission's General Counsel is responsible for providing legal advice and representation to the Commission on legal matters, preparing legal documents and monitoring/coordinating outside legal counsel. Personnel is increasing as a result of hiring an attorney in 1996. The 1996 budget included the attorney's salary for the last quarter of 1996. The increase in 1997 is the result of budgeting a full years salary.

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ORGANIZATIONAL STRUCTURE – 1997 OPERATING BUDGET

PLANNING	1995 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	130,674	136,444	140,895	4,451	3.26%
Administrative Expenses	54,920	64,300	47,000	(17,300)	(26.91)
Professional Services	2,714,577	1,050,000	650,000	(400,000)	(38.10)
Operating Services/Expenses	29,267	23,300	10,300	(13,000)	(55.79)
Other	403	0	1,200	1,200	.00%
Expenses	2,929,841	1,274,044	849,395	(424,649)	(33.33%)

<u>HEADCOUNT SUMMARY</u>	1995 <u>Actual</u>	1996 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>
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 Airport Planning Process (i.e. expansion of MSP International or new airport). The Dual Track Airport Planning Process was completed in 1995. The 1996 Legislative session agreed with MAC's recommendation to expand MSP International. The significant change from 1996 budget to 1997 budget is the completion of tasks by the Noise Mitigation Committee which was appointed by the 1996 Legislative session. This will result in a \$400,000 decrease in Professional Services.

ENVIRONMENT / PART 150 / NOISE	1995 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	593,687	679,246	660,681	(18,565)	(2.73%)
Administrative Expenses	77,856	65,920	63,370	(2,550)	(3.87)
Professional Services	668,653	701,500	692,500	(9,000)	(1.28)
Utilities	223	240	1,440	1,200	500.00
Operating Services/Expenses	128,771	244,900	235,650	(9,250)	(3.78)
Maintenance	38	0	0	0	.00
Other	75,653	80,100	85,700	5,600	6.99
Expenses	1,544,881	1,771,906	1,739,341	(32,565)	(1.84%)

<u>HEADCOUNT SUMMARY</u>	1995 <u>Actual</u>	1996 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>
Environment/Part 150/Noise	13	11	15	14

Responsibility/Function

Integrate emerging technologies through research, development and implementing innovative solutions while striving for a balance between a better environment and the needs of the National Airspace System. The decrease in Personnel is attributed to a transfer of reporting responsibility for the Safety area. Effective 1997, Safety will report to the Risk Management/Safety area.

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ORGANIZATIONAL STRUCTURE – 1997 OPERATING BUDGET

AIRPORT DEVELOPMENT	1995 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	622,862	665,279	793,590	128,311	19.29%
Administrative Expenses	32,741	42,385	46,590	4,205	9.92
Professional Services	232,864	330,000	303,600	(26,400)	(8.00)
Utilities	1,295	720	960	240	33.33
Operating Services/Expenses	7,643	1,000	1,200	200	20.00
Maintenance	32,455	0	0	0	0.00
Other	12,499	2,000	18,900	16,900	845.00
Expenses	942,359	1,041,384	1,164,840	123,456	11.85%

<u>HEADCOUNT SUMMARY</u>	1995 <u>Actual</u>	1996 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>
Airport Development	10	11	11	13

Responsibility/Function

This area is responsible for plans, programs and administering the implementation of the Capital Improvement Program. Coordinates those actions with appropriate local, state and federal agencies. Monitors state and federal aid program. The significant increase from 1996 budget to 1997 budget is a result of additional staff. The increase in staff is due to anticipated increases in workload developing the Capital Improvement Program and to prepare for the retirement of the incumbent Facilities Architect.

DEPUTY – OPERATIONS	1995 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	0	0	123,000	123,000	.00%
Administrative Expenses	0	0	11,450	11,450	.00
Professional Services	0	0	6,000	6,000	.00
Utilities	0	0	500	500	.00
Operating Services/Expenses	0	0	700	700	.00
Expenses	0	0	141,650	141,650	.00%

<u>HEADCOUNT SUMMARY</u>	1995 <u>Actual</u>	1996 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>
Deputy – Operations	2	2	2	2

Responsibility/Function

Responsible for oversight and administration of those departments that manage the day to day operations of MAC's system of airports. These department incorporate Police, Fire, Landside and Airside Operations, Reliever Airports, and Maintenance. A primary role is that of staff liaison for the Management and Operations Committee. Working with the Chair of the Committee, the responsibility is to ensure the effective conduct of business through the committee process of all operations issues. Finally, the position involves substantial participation at the senior staff level in policy development, strategic planning and interdepartmental coordination.

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ORGANIZATIONAL STRUCTURE – 1997 OPERATING BUDGET

AIRPORT DIRECTORS OFFICE	1995 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	302,197	319,528	250,226	(69,302)	(21.69%)
Administrative Expenses	32,424	35,700	31,100	(4,600)	(12.89)
Professional Services	37,262	35,400	26,700	(8,700)	(24.58)
Utilities	352	780	500	(280)	(35.90)
Operating Services/Expenses	65,252	93,300	86,970	(6,330)	(6.78)
Other	<u>10,571</u>	<u>9,800</u>	<u>21,260</u>	<u>11,460</u>	<u>116.94</u>
Expenses	448,058	494,508	416,756	(77,752)	(15.72%)

<u>HEADCOUNT SUMMARY</u>	1995 <u>Actual</u>	1996 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>
Airport Directors Office	6	6	7	5

Responsibility/Function

This area responds to both the operational and maintenance needs of the travelling public, outside agencies, airlines, and other tenants. Considered the "landlord" of WCF, customer service is a key element of this department. Special events and terminal complex activities are coordinated through this office. The reductions shown are the result of transferring responsibility and funding from this department to Telecommunications Department and the Deputy Executive Director–Operations Department.

AIRSIDE OPERATIONS	1995 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	529,162	592,374	572,443	(19,931)	(3.36%)
Administrative Expenses	13,735	19,505	13,552	(5,953)	(30.52)
Professional Services	79,317	18,000	10,500	(7,500)	(41.67)
Utilities	5,585	6,000	6,000	0	.00
Operating Services/Expenses	23,802	8,275	6,650	(1,625)	(19.64)
Maintenance	2,256	7,475	7,425	(50)	(.67)
Other	<u>10,016</u>	<u>6,490</u>	<u>24,800</u>	<u>18,310</u>	<u>282.13</u>
Expenses	663,873	658,119	641,370	(16,749)	(2.54%)

<u>HEADCOUNT SUMMARY</u>	1995 <u>Actual</u>	1996 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>
Airside Operations	9	9	9	9

Responsibility/Function

The primary responsibility/function for this area is maintaining a safe and efficient airfield at MSP. This is accomplished by providing the following three key services: 1) Continuously monitoring and reporting airfield conditions and related information such as weather forecasts and conditions. This is done from both the Airside Operations Center and/or from a vehicle on the airfield; 2) Participating in the planning and coordination of airfield operations, airfield systems, airfield projects, and airfield emergency response. This is done by working closely with other MAC departments, airfield tenants and regulatory agencies; and 3) Receiving, evaluating and forwarding calls for service for the airfield at MSP, as well as non-airfield facilities and other MAC airports that do not have staff available 24 hours per day.

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ORGANIZATIONAL STRUCTURE – 1997 OPERATING BUDGET

TELECOMMUNICATIONS	1995 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	0	0	48,385	48,385	.00%
Administrative Expenses	0	0	2,350	2,350	.00
Professional Services	0	0	27,600	27,600	.00
Operating Services/Expenses	0	0	121,160	121,160	.00
Other	0	0	10,774	10,774	.00
Expenses	0	0	210,269	210,269	.00%

<u>HEADCOUNT SUMMARY</u>	1995 <u>Actual</u>	1996 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>
Telecommunications	0	1	1	1

Responsibility/Function

This department is responsible for the coordination of evaluating and maintaining existing or proposed telecommunications systems with the MAC. The 1997 budget is the result of both fund and responsibility transfers from several other departments.

LANDSIDE OPERATIONS	1995 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	499,233	587,598	589,475	1,877	.32%
Administrative Expenses	40,863	22,155	27,520	5,365	24.22
Professional Services	251,099	207,970	205,970	(2,000)	(.96)
Utilities	921	1,200	1,200	0	.00
Operating Services/Expenses	5,445,884	5,516,967	5,723,426	206,459	3.74
Maintenance	70,615	36,500	36,500	0	.00
Other	34,994	54,050	52,650	(1,400)	(2.59)
Expenses	6,343,609	6,426,440	6,636,741	210,301	3.27%

<u>HEADCOUNT SUMMARY</u>	1995 <u>Actual</u>	1996 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>
Landside Operations	14	15	18	18

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 airport employees, 400 taxicabs and 10,000 public parking spaces. Another major area of involvement is the on-going construction and design work for the ground transportation center and passenger movement systems. Operating Services are increasing as a result of the increased cost for the management of the public parking facilities. Parking usage has increased significantly over 1996. As a result, additional hours and staff were added.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1997 OPERATING BUDGET

HHH TERMINAL	1995 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	48,825	54,275	58,291	4,016	7.40%
Administrative Expenses	4,144	4,300	5,950	1,650	38.37
Professional Services	600	1,000	500	(500)	(50.00)
Operating Services/Expenses	2,294	9,700	4,200	(5,500)	(56.70)
Maintenance	18,652	7,500	13,000	5,500	73.33
Other	1,611	0	0	0	.00
Expenses	76,126	76,775	81,941	5,166	6.73%

<u>HEADCOUNT SUMMARY</u>	1995 <u>Actual</u>	1996 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>
HHH Terminal	1	1	1	1

Responsibility/Function

Provide and manage safe, accessible and well maintained passenger terminal and federal inspections facilities for international arrivals and charter flights at MSP International located at the HHH Terminal and Lindbergh Terminal Gold Concourse.

FACILITIES – LINDBERGH TERMINAL	1995 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	357,108	384,414	377,114	(7,300)	(1.90%)
Administrative Expenses	2,012	11,900	11,900	0	.00
Professional Services	0	2,500	2,500	0	.00
Utilities	602	350	350	0	.00
Operating Services/Expenses	1,054	5,200	4,800	(400)	(7.69)
Maintenance	3,630,357	3,373,885	4,025,085	651,200	19.30
Other	32,800	34,640	10,805	(23,835)	(68.81)
Gross Depreciation	399	0	0	0	.00
Expenses	4,024,332	3,812,889	4,432,554	619,665	16.25%

<u>HEADCOUNT SUMMARY</u>	1995 <u>Actual</u>	1996 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>
Facilities – Lindbergh Terminal	9	9	9	9

Responsibility/Function

This area is responsible for maintaining and operating the terminal facility. Duties include oversight of various service contracts as well as responding to both tenant and public concerns. Additionally, we work with the Airport Development department to make sure projects are completed with the least amount of disruption to our operation. Our goal is to maintain the airport to a level that our customers expect. The increase in Maintenance is attributed to the increase in the terminal building area. This is the result of contract changes and increased terminal square footage.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1997 OPERATING BUDGET

ENERGY MANAGEMENT CENTER	1995 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	589,249	613,095	635,002	21,907	3.57%
Administrative Expenses	948	2,500	2,600	100	4.00
Utilities	529	640	640	0	.00
Operating Services/Expenses	4,875	1,200	1,200	0	.00
Maintenance	227,179	133,800	138,000	4,200	3.14
Other	1,776	200	387	187	93.50
Expenses	824,556	751,435	777,829	26,394	3.51%

<u>HEADCOUNT SUMMARY</u>	1995 <u>Actual</u>	1996 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>
Energy Management Center	13	13	13	13

Responsibility/Function

This area is responsible for heating and cooling the Lindbergh Terminal, Red, Blue, Green and Gold Concourses. The regional terminal, revenue building, HHH Terminal, auto rental facility, and glycol building are heated and cooled separately with boilers and roof top air conditioning units. The eleven operating engineers do all the maintenance of the equipment such as filter changing, belt changing, greasing/changing bearings, power wash heating/cooling coils, operating computer for the energy systems, respond to all incoming trouble calls and operate steam driven turbine chillers. This area logs all repair work completed, as well as gas, oil, water, and steam usage. A computerized preventative maintenance program has been started. No significant changes are forecasted for 1997.

WEST TERMINAL AREA	1995 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	91,484	96,338	101,460	5,122	5.32%
Administrative Expenses	1,503	2,700	2,700	0	.00
Professional Services	3,726	10,000	0	(10,000)	(100.00)
Utilities	289	300	300	0	.00
Operating Services/Expenses	17,194	30,350	5,350	(25,000)	(82.37)
Maintenance	390,992	347,863	347,565	(298)	(.09)
Other	12,472	16,832	16,832	0	.00
Expenses	517,660	504,383	474,207	(30,176)	(5.98%)

<u>HEADCOUNT SUMMARY</u>	1995 <u>Actual</u>	1996 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>
West Terminal Area	2	2	2	2

Responsibility/Function

This area is responsible for maintaining and operation of all MAC facilities on the west side of the airport. These include all maintenance buildings, the MAC's general office and various office and hangar facilities. The decrease in Operating Services and Professional Services is the result of transferring responsibility and funding for the general office phone system from this area to Telecommunications.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1997 OPERATING BUDGET

TRADES	1995 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	1,321,600	1,282,562	1,469,541	186,979	14.58%
Administrative Expenses	17,354	10,040	10,242	202	2.01
Professional Services	5,759	5,400	5,400	0	.00
Utilities	863	900	1,360	460	51.11
Operating Services/Expenses	5,396	3,700	6,100	2,400	64.86
Maintenance	428,082	553,510	531,374	(22,136)	4.00
Other	11,901	35,300	24,503	(10,797)	(30.59)
Expenses	1,790,955	1,891,412	2,048,520	157,108	8.31%

<u>HEADCOUNT SUMMARY</u>	1995 <u>Actual</u>	1996 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>
Trades	27	27	27	29

Responsibility/Function

The Trades area is comprised of carpenters, electricians, painters, and plumbers. The dollars shown in the table above represent the costs associated with the combined Trades area. The increase in Personnel can be attributed to an additional electrician and painter approved for 1997. The following is a description of the responsibility/function for each area:

Carpenters – To ensure that our facilities are safe, secure and aesthetically pleasing for MAC, its tenants and the travelling public in general. To provide quality service to the other departments in a timely manner. This includes floor to roof, wall to wall service consisting of: locksmith services, furniture and cabinet making, carpet, floor tile, ceilings, demountable furniture and partitions, drywall and acoustical applications, concrete form work, stairs, special and varied projects.

Electricians – To provide maintenance and repairs of electrical equipment and lighting fixtures in and around the terminal. To maintain and repair all directional signs and runway and taxiway lights to FAA specifications throughout the airport. To maintain and test new airfield lighting regulator and emergency generator building.

Painters – To maintain a clean, comfortable and safe environment for the travelling public using the airport terminals (i.e. Lindbergh, regional, HHH, and St. Paul Downtown). To insure that all information signage is correct and completed, not only in the terminals, but also on the roadways and in the parking areas. To insure that only the best materials are utilized in accomplishing these tasks. Responsible for the correct markings used on public roadways for safe driving. Responsible for maintaining runway, taxiway and ramp markings in accordance with FAA regulations.

Plumbers – To provide maintenance and repair to all water and sewer systems used by both MAC and its tenants.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1997 OPERATING BUDGET

MAINTENANCE	1995 Actual	1996 Budget	1997 Budget	\$ Variance	% Variance
Personnel	3,469,626	3,736,834	3,962,378	225,544	6.04%
Administrative Expenses	22,234	44,030	58,364	14,334	32.56
Professional Services	38,864	60,000	46,000	(14,000)	(23.33)
Utilities	2,099	3,340	3,400	60	1.80
Operating Services/Expenses	77,327	102,200	12,200	(90,000)	(88.06)
Maintenance	1,631,176	1,732,352	1,784,208	51,856	2.99
Other	61,075	46,500	49,191	2,691	5.79
Expenses	5,302,401	5,725,256	5,915,741	190,485	3.33%

HEADCOUNT SUMMARY	1995 Actual	1996 Actual	1996 Budget	1997 Budget
Maintenance	80	81	82	88

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 increase in Personnel is the result of headcount additions for 1997. The decrease in Operating Services can be attributed to a transfer of responsibility and funding from this department to Telecommunications Department. The increase in Maintenance is attributed to the extension of runway 4/22.

COMMUNICATIONS	1995 Actual	1996 Budget	1997 Budget	\$ Variance	% Variance
Personnel	419,716	443,015	462,921	19,906	4.49%
Administrative Expenses	7,558	12,650	11,950	(700)	(5.53)
Professional Services	0	12,000	0	(12,000)	(100.00)
Utilities	0	500	500	0	.00%
Operating Services/Expenses	5,727	51,900	18,150	(33,750)	(65.03)
Maintenance	20	0	0	0	.00%
Other	7,413	10,200	9,850	(350)	(3.43)
Expenses	440,434	530,265	503,371	(26,894)	(5.07)

HEADCOUNT SUMMARY	1995 Actual	1996 Actual	1996 Budget	1997 Budget
Communications	9	8	9	9

Responsibility/Function

This 24 hour per day department has daily interaction with police, fire, EMS, FAA, and other state and federal agencies in determining priorities according to changing conditions. The Communications Center is the 911 public safety answering point for the Minneapolis-St. Paul International Airport community. The staff analyzes and makes critical decisions to ensure the safety of the tenants, passengers, police officers, fire fighters, and other users of the airport. This includes the operation of the Secured Area Access System as well as other fire and security systems. Professional Services and Operating Services are decreasing due to a transfer of responsibility and funding from this department to Telecommunications Department.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1997 OPERATING BUDGET

FIRE	1995	1996	1997	\$	%
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>Variance</u>	<u>Variance</u>
Personnel	1,923,948	2,092,568	2,167,913	75,345	3.60%
Administrative Expenses	13,534	19,680	26,320	6,640	33.74
Professional Services	6,312	10,500	10,500	0	.00
Utilities	797	1,440	1,800	360	25.00
Operating Services/Expenses	21,779	23,120	21,553	(1,567)	(6.78)
Maintenance	9,129	4,800	4,948	148	3.08
Other	48,998	42,100	47,680	5,580	13.25
Expenses	2,024,497	2,194,208	2,280,714	86,506	3.94%

HEADCOUNT SUMMARY	1995	1996	1996	1997
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Fire	38	38	38	40

Responsibility/Function

Training is the key to the Fire department's efficiency. By providing an effective training program we continue our commitment of providing professional fire protection and emergency medical 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 24 hour basis. Two additional firefighters were approved for 1997. The increase in staff will aid the Fire department's ability to respond to medical calls and aircraft emergency service.

POLICE	1995	1996	1997	\$	%
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>Variance</u>	<u>Variance</u>
Personnel	3,267,950	3,511,703	3,612,771	101,068	2.88%
Administrative Expenses	72,969	82,875	88,700	5,825	7.03
Professional Services	11,144	21,750	25,750	4,000	18.39
Utilities	2,279	2,800	3,200	400	14.29
Operating Services/Expenses	282,793	230,372	247,647	17,275	7.50
Maintenance	25,636	78,900	66,900	(12,000)	(15.21)
Other	7,220	20,300	19,505	(795)	(3.92)
Expenses	3,669,991	3,948,700	4,064,473	115,773	2.93%

HEADCOUNT SUMMARY	1995	1996	1996	1997
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Police	80	75	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 1996, but are expected to be filled in early 1997. The increase in Operating Services is due to badging supplies. The Police department has projected a major increase in badging due to the International Arrivals Facility and FAA regulations. The decrease in Maintenance is attributed to budgeting more in line with recent actual expenditures.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1997 OPERATING BUDGET

RELIEVER AIRPORTS	1995 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	1,260,226	1,393,543	1,452,458	58,915	4.23%
Administrative Expenses	10,824	28,180	32,050	3,870	13.73
Professional Services	33,848	24,996	28,996	4,000	16.00
Utilities	3,470	4,000	4,000	0	.00
Operating Services/Expenses	56,792	58,900	59,000	100	.17
Maintenance	242,943	518,750	506,850	(11,900)	(2.29)
Other	9,449	30,200	28,050	(2,150)	(7.12)
Expenses	1,617,552	2,058,569	2,111,404	52,835	2.57%

<u>HEADCOUNT SUMMARY</u>	1995 <u>Actual</u>	1996 <u>Actual</u>	1996 <u>Budget</u>	1997 <u>Budget</u>
Reliever Airports	26	27	27	27

Responsibility/Function

The Reliever Airport staff is responsible for maintenance and safe operation of the MAC's six reliever facilities. In addition to responding to various tenant requests, lease issues are also reviewed and responded to. The reductions shown are the result of a number of small cuts in service and 1997 budget figures being at a level more consistent with recent actual expenditures.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1997 OPERATING BUDGET

ORGANIZATIONAL PERSONNEL

The personnel information below shows the changes between 1995 actual and 1997 budget. The information this year is divided into three sections: Headcount by Department, Headcount by Classification Position and Summary Information. Within the Headcount by Department chart, 1996 actual reflects the changes made as a result of the organization which took place in April 1996. The Summary section details transfers/changes and vacancies as of 12/31/96.

<u>Headcount By Department</u>	<u>1995 Actual</u>	<u>1996^A Actual</u>	<u>1996 Budget</u>	<u>1997 Budget</u>
Executive / Commissioner	3	3	3	3
Planning	2	2	2	2
Deputy – Administrative Services	0	3	0	3
Deputy – Human Resources	0	2	0	2
Deputy – Operations	0	2	0	2
Deputy – Airports	3	0	3	0
Federal Government Affairs and Marketing	0	3	0	3
Public Affairs	4	2	4	2
Risk Management / Safety	2	3	2	3
Airport Development	10	11	11	13
Finance / Purchasing	20	19	20	19
Internal Audit	2	2	2	2
MIS	7	7	7	7
Labor / Governmental Affairs	3	3	3	3
Commercial Development / Airline Affairs	5	4	5	5
Office Of Diversity	4	4	4	4
General Counsel	4	5	5	5
Staff Development / Employee Services	2	2	2	2
Employee Relations	6	6	7	7
Airport Directors Office	6	6	7	5
Airside Operations / Communications ^B	19	18	19	19
Landside Operations	14	15	18	18
Fire	38	38	38	40
Police	80	75	82	82
Environment / Part 150 / Noise	13	11	15	14
HHH Terminal	1	1	1	1
Facilities – Lindbergh Terminal	9	9	9	9
Energy Management Center	13	13	13	13
West Terminal Area	2	2	2	2
Trades	27	27	27	29
Maintenance	80	81	82	88
Reliever Airports	<u>26</u>	<u>27</u>	<u>27</u>	<u>27</u>
Total Personnel	405	406	420	434

^A As of 11/30/96

^B Includes Telecommunications also in 1996 and 1997

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1997 OPERATING BUDGET

<u>Headcount By Classification</u>	<u>1995 Actual</u>	<u>1996^A Actual</u>	<u>1996 Budget</u>	<u>1997 Budget</u>
Organized				
Local 70 Operating Engineers	11	11	11	11
49er's Equipment Maintenance	12	12	12	13
320's – MSP Int'l – Field	59	60	60	65
320's – MSP Int'l – Lindbergh Terminal	6	5	6	5
320's – Reliever Airports	20	20	20	20
Painters	5	5	5	6
Carpenters	5	5	5	5
Plumbers	4	4	4	4
Electricians	12	12	12	13
Police Officers	36	37	37	37
Firefighters	<u>28</u>	<u>28</u>	<u>28</u>	<u>30</u>
Total Organized	198	199	200	209
Total Non-Organized				
Chairperson / Executive Director	2	2	2	2
Deputy Directors / Directors	12	16	12	16
Managers / Supervisors	72	70	77	78
Police Chief / Fire Chief ^B	2	0	2	0
Community Service Officers (CSO's)	23	16	24	23
Passenger Assistants	9	7	10	9
Fire Captains / Fire Training	8	9	8	9
Police Sergeants / Lieutenants	13	13	13	13
Administrative Support	<u>66</u>	<u>74</u>	<u>72</u>	<u>75</u>
Total Non-Organized	207	207	220	225
Total MAC	405	406	420	434

^A As of 12/31/96.

^B Positions shifted as a result of the reorganization.

Summary Information

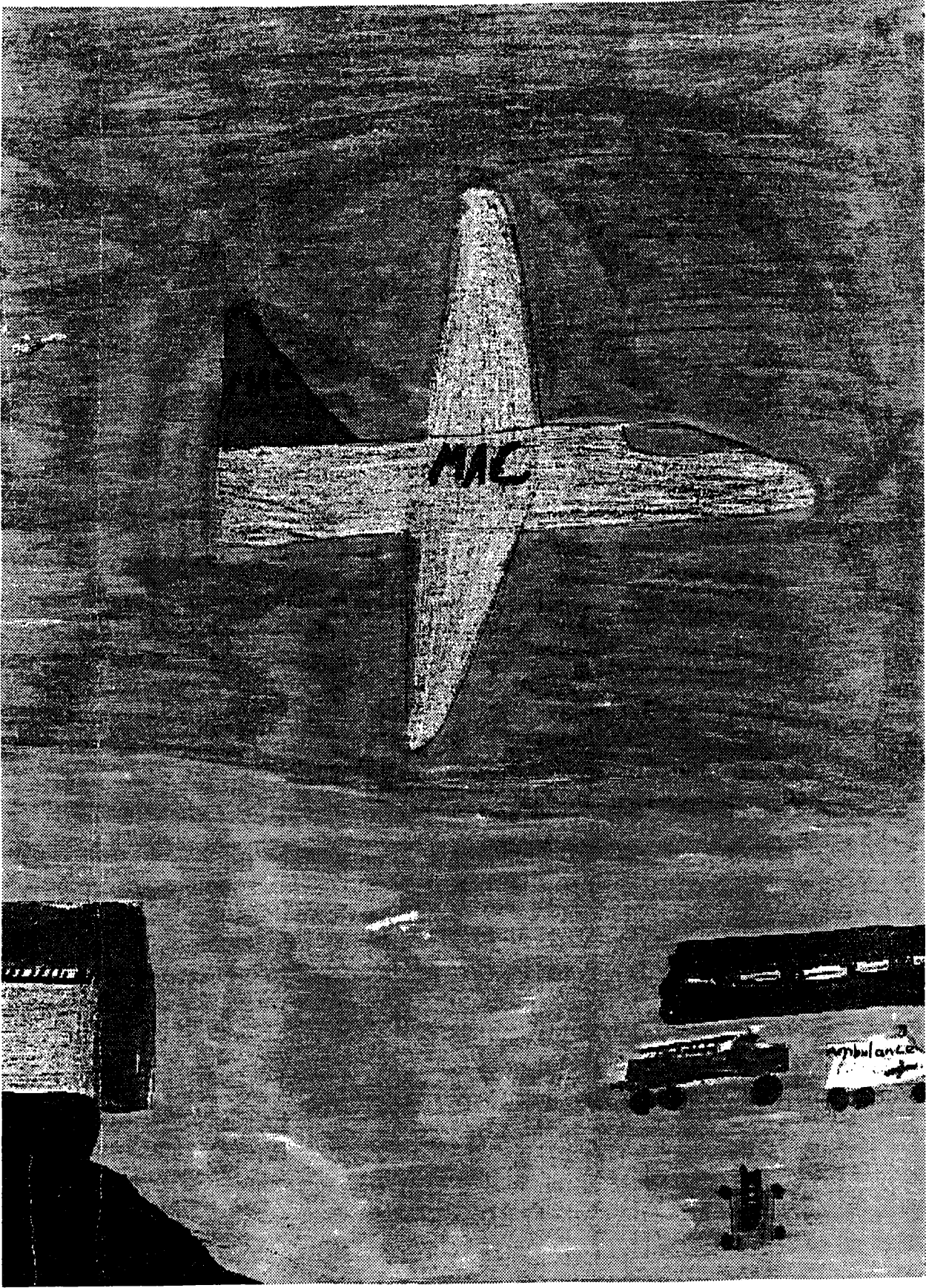
The following positions were vacant as of 12/31/96:

Safety Specialist – Risk Management	– 1	Aviation Noise Specialists – Noise	– 2
Manager – Commercial Development/Airline Affairs	– 1	Dispatcher – Communications	– 1
CSO – Police	– 7	Passenger Assistants – Landside	– 2

As a result of the reorganization there was a net addition of one position. A deputy position was created as was an administrative support position. Finance, through a restructuring, was able to eliminate a position. A number of positions were retitled and were shifted to other service centers or had new service centers created in order to accommodate the reorganization.

New Positions for the 1997 Budget:

Assistant Engineer – Airport Development	– 4/1/97	Painter – Painting	– 5/1/97
Architect – Airport Development	– 4/1/97	Mechanic – Maintenance	– 7/1/97
Firefighters (2) – Fire	– 7/1/97	Equipment Worker – Maintenance	– 7/1/97
Electrician – Electrical	– 4/1/97	Field Maintenance (4) – Maintenance	– 11/1/97
Administrative Support – Deputy Human Resources	– 1/1/97	Permanent Seasonal	



MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORT-2 COMMISSION OPERATING BUDGET 1997
Operating Budget

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

1997 OPERATING BUDGET

As in 1996, the operating revenue and operating expense assumptions have been prepared comparing the previous year's budget (1996) with the current year's budget (1997).

The Operating Budget section is presented in two sections. In the first 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. In the second 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. Equipment purchases are also detailed at the end of the detail expense by subledger.

In April 1996, the Management and Operations Committee established the following targets for the 1997 operating budget:

1. Revenue growth would exceed expense growth.
2. Expense growth would be limited to a range from 8.76% including the two one-time charges for water treatment and AAAE conference fees.

As the table below shows, both targets established were met. Assumptions and changes in both revenue and expense are explained in the second section, or operational portion of the budget.

(\$ = 000)	1996 <u>Budget</u>	1997 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Operating Revenue	\$84,768	\$100,538	\$15,770	18.61%
Operating Expense	<u>79,711</u>	<u>91,734</u>	12,023	15.08%
Operating Income	<u>\$ 5,057</u>	<u>\$ 8,804</u>		

FINANCIAL POLICIES – OPERATING BUDGET

The following represent the basic Operating Budget and Cash Management/Investment Policies under which this portion of the budget were prepared:

A. Budget

1. No taxes - certify to the seven county metropolitan auditors there will be no tax levy in 1997. (See also Flow of Funds - Tax Authority section.)
2. Cost effectiveness and efficiencies are monitored through monthly budget variance reports.
3. Executive Director at his/her discretion can direct movement of budget dollars as needed.
4. Targets are established by Management and Operations Committee.

B. Operating Reserve - established by staff at four months working capital. Approximately \$16 million.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

1997 OPERATING BUDGET

C. Cash Management/Investments

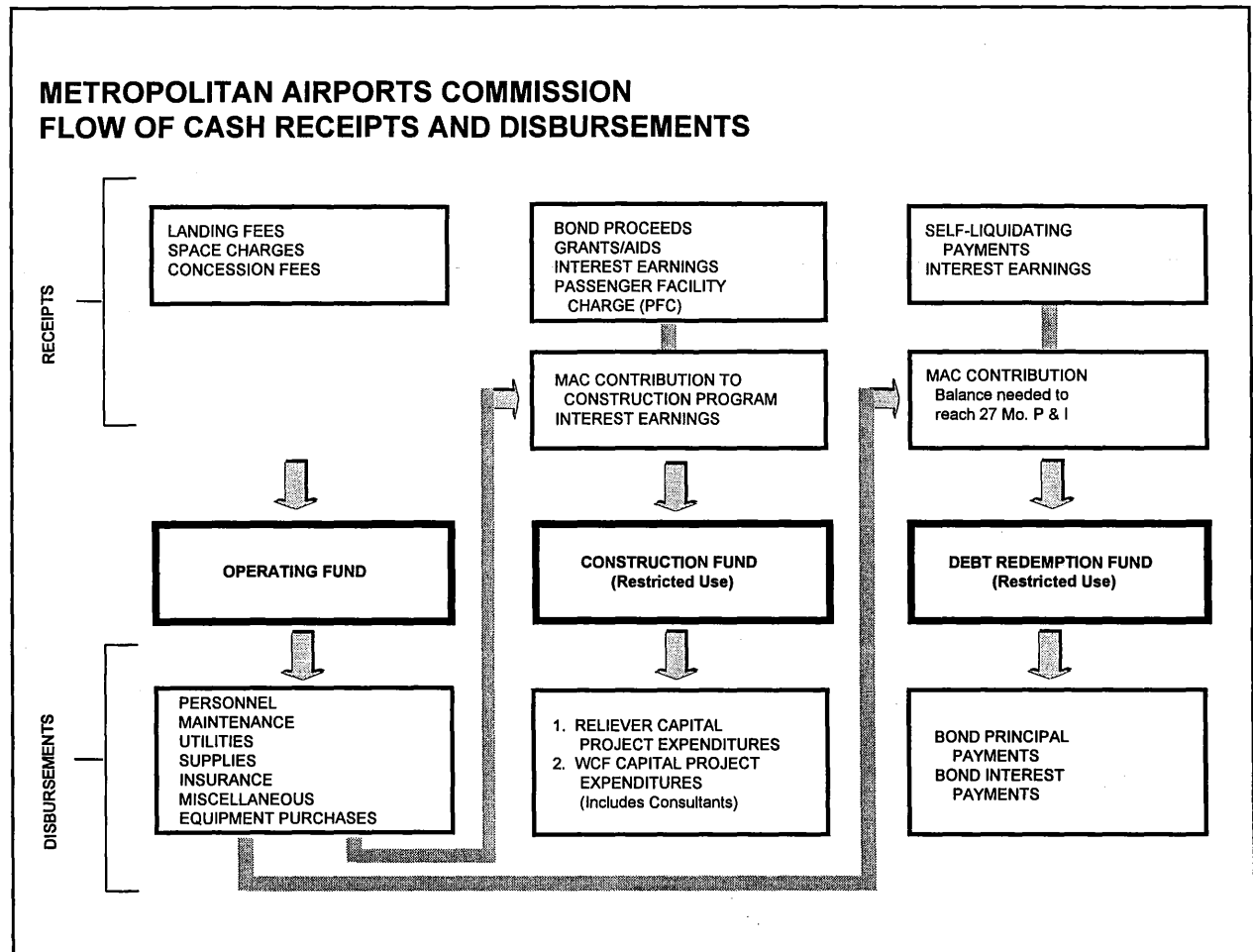
1. All deposits must be insured or collateralized.
2. Types of investments are authorized by Minnesota statutes.
 - a. United States or its agencies
 - b. General obligations of the State of Minnesota or any of its municipalities
 - c. Commercial paper rated A1 by Standard and Poors or P1 by Moody's
 - d. Bankers acceptances
 - e. Repurchase agreements
 - f. Certificates of deposit
3. Awarded Certificate of Excellence Award by the Municipal Treasurers' Association of the United States and Canada.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

FLOW OF FUNDS/TAXING AUTHORITY – 1997 OPERATING BUDGET

The MAC is accounted for as an Enterprise Fund. An Enterprise Fund accounts for all cost allocations including depreciation while its cost of services are recovered through user fees/charges. Amounts are 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).

The Flow of Funds chart below identifies the sources and uses of dollars within each fund and between funds. This chart is followed by a general summary of the three funds.



MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

FLOW OF FUNDS/TAXING AUTHORITY – 1997 OPERATING BUDGET

The table below is presented to show the general flow of funds and the amount of dollars moving through each fund on an annual basis. The details for each fund are shown in their respective sections of the budget.

PROJECTION OF FUND BALANCES – GENERAL SUMMARY (\$=000)

	<u>1996 Estimate</u>	<u>1996 Budget</u>	<u>1997 Budget</u>	<u>1998 Estimate</u>	<u>1999 Estimate</u>
OPERATING FUND					
1/1 Balance	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000
Total Sources of Funds	105,703	95,868	109,838	112,408	122,033
Total Uses of Funds	(55,142)	(56,319)	(60,639)	(63,789)	(66,962)
Working Capital Changes	(15,640)	2,951	(3,947)	9,458	10,690
Available for Construction Programs ³	(25,367)	(22,500)	(34,430)	(38,667)	(38,575)
Debt Service Transfer ³	(9,554)	(20,000)	(10,822)	(19,410)	(27,186)
Ending Balance	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000
CONSTRUCTION FUND					
1/1 Balance	\$ 92,530	\$ 39,262	\$ 81,372	\$ 44,901	\$161,445
Total Sources of Funds	107,022	180,834	250,578	411,516	949,950
Total Uses of Funds	(160,290)	(138,724)	(287,049)	(294,972)	(881,035)
Ending Balance	\$ 39,262	\$ 81,372	\$ 44,901	\$161,445	\$230,360
DEBT SERVICE FUND					
1/1 Balance	\$ 84,819	\$ 91,150	\$ 88,866	\$113,262	\$143,090
Total Sources of Funds	44,600	49,685	67,504	79,713	120,873
Total Uses of Funds	(44,565)	(51,969)	(43,108)	(49,885)	(57,925)
Ending Balance	\$ 84,854	\$ 88,866	\$113,262	\$143,090	\$206,038

- (1) Funds are described in detail and show all sources and uses of funds in their respective sections of this document.
- (2) Net change in working capital represents fluctuations in year end operating payments and receivables.
- (3) These figures are included in the Sources of Funds under the Construction Fund and Debt Service Fund respectively.

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.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

FLOW OF FUNDS/TAXING AUTHORITY – 1997 OPERATING BUDGET

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 rental received by the Commission, together with other charges, 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 1995/1996 taxable market value, the maximum amount available for maintenance and operations of the Commission would have been approximately \$7,750,000.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

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.

1996 TOTAL OPERATING BUDGET SUMMARY

(\$ = 000)

	<u>1996 Estimate</u>	<u>1996 Budget</u>	<u>1997 Budget</u>	<u>1998 Estimate</u>	<u>1999 Estimate</u>
1/1 Balance	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000
Sources of Funds					
Operating Revenues	96,503	84,768	100,538	103,308	113,233
Interest Earnings	<u>9,200</u>	<u>11,100</u>	<u>9,300</u>	<u>9,100</u>	<u>8,800</u>
Total Sources of Funds	\$105,703	\$ 95,868	\$109,838	\$112,408	\$122,033
Uses of Funds					
Operating Expenses (excluding depreciation)	(52,142)	(53,009)	(57,339)	(60,489)	(63,662)
Equipment Purchases	(3,300)	(3,310)	(3,300)	(3,300)	(3,300)
Debt Service Transfer	(9,554)	(20,000)	(10,822)	(19,410)	(27,186)
Construction Fund Transfer	<u>(25,367)</u>	<u>(22,500)</u>	<u>(34,430)</u>	<u>(38,667)</u>	<u>(38,575)</u>
Total Uses of Funds	(\$ 90,363)	(\$ 98,819)	(\$105,891)	(\$121,866)	(\$132,723)
Net Change in Working Capital ²	(\$ 15,340)	\$ 2,951	(\$ 3,947)	\$ 9,458	\$ 10,690
12/31 Balance	<u>\$ 16,000</u>	<u>\$ 16,000</u>	<u>\$ 16,000</u>	<u>\$ 16,000</u>	<u>\$ 16,000</u>

¹ Interest Rate Assumed 5.50% in 1996-99.

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 the Revenue Assumptions section and interest earnings. Interest earnings are assumed to be at 5.5% for 1996 and 1997. 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 \$35 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 making 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 estimated at \$34.4 million in 1997.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

TOTAL OPERATING BUDGET SUMMARY

There are two related significant changes between the 1996 and 1997 budget years. First of all there is an increase in Operating Revenue of \$15,770,000. This increase is explained in detail in the Revenue Assumptions. The other significant change is seen in the Construction Fund Transfer. This increase of \$11,930,000 can be attributed to the increase in Net Revenues between the two years and a conservative estimate used for the transfer in 1996. One other item is the projected increase in the Debt Service Transfer from 1997 to 1998. This can be attributed to the issuance of bonds. See the Debt Service Budget section for a more detailed explanation.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

APPROVED EQUIPMENT REQUESTS – 1997 OPERATING BUDGET

The approved equipment requests for 1997 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	1997 Budget	1996 Budget
Main Office	\$ 975,300	\$ 679,075
MSP International	1,989,100	2,454,145
Relievers	<u>335,500</u>	<u>177,234</u>
Total	\$3,299,900	\$3,310,454

Service Center Name	Description of Equipment	Purchase Price	Purpose
Main Office			
MIS	1997 Strategic Implementation	\$922,800	Per the Strategic Information Plan, implement the MACNET to Microsoft strategy which includes the addition or replacement of MACNET hardware and software resources, and improved access to external information resources and e-mail. This amount also provides for technical support for both the AS/400 hardware and for JDEdwards software. Includes resources for backup and recovery of MACNET hardware/software and for acquisition of products to enhance existing software.
Main Office	Other Equipment < \$45,000	52,500	New vehicle will replace old, unsafe, and expensive to repair vehicle. Install interactive training stations, which would implement a 24 hour training network capable of allowing training and information to be disseminated to MAC employees near their work locations at convenient times for the employees.
Total Main Office Purchases		\$975,300	

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

APPROVED EQUIPMENT REQUESTS – 1997 OPERATING BUDGET

<u>Service Center Name</u>	<u>Description of Equipment</u>	<u>Purchase Price</u>	<u>Purpose</u>
MSP International			
Police	Ford Crown Victoria Squad/	43,000	The Patrol Division projects one vehicle will reach 100,000 by June 1997. The second will be six years old by June 1997.
	Ford Explorer Squad		
Environment	Sun workstations	45,000	Unix based Sun Spark 20 workstation linked to Geographical Information System (GIS) via the technical information network. GIS will be utilized to maintain a large scale data base information system for the environmental audit program. This program is an on-going project with continuous improvements and data updates.
	Mobile data terminals	50,000	TracLink, a real time automatic vehicle location/2-way digital communication system for asset management, will be implemented with DGPS ground station installation in 1996. TracLink will allow vehicles equipped with mobile data terminals (MDT) to be located with DGPS accuracy. This capability allows for the status and position of equipped vehicles on the airport surface to be display and recorded on a scalable moving map. An on-going program of MDT procurement is necessary to implement meaningful uses for the ground vehicle tracking system.
Maintenance	Sixteen yard field sanders (2)	300,000	These are needed to replace 616-322, a 13 year old Volvo spreader and 616-334, a 12 year old White spreader. Both existing trade-in units are badly corroded to the point that performance may affect critical effectiveness on the AOA.
	Snow Dozer w/plows	520,000	These are needed to replace 616-309, a 14 year old FWD and 616-319, a 13 year old FWD which are used on runways, taxiways and ramps. The existing trade-in units are no longer made and parts are no longer readily available, creating the potential for lengthy unscheduled downtime.
	Snow Blower	310,000	This snow blower is needed to replace existing trade-in unit 616-363, a 12 year old Oshkosh rotary snow blower which experiences many repairs and much critical downtime. The new blower will have a much larger snow blowing capacity, enabling more work to be done in less time.
	Street Sweeper	90,000	This street sweeper is needed to replace 616-496, a 6 year old Elgin. A replacement sweeper is vital to continue to maintain year-round airport safety and cleanliness without the downtime the old sweeper would incur.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

APPROVED EQUIPMENT REQUESTS – 1997 OPERATING BUDGET

<u>Service Center Name</u>	<u>Description of Equipment</u>	<u>Purchase Price</u>	<u>Purpose</u>
<u>MSP International - Continued</u>			
Maintenance - Cont.	14,000 GVW dump truck (2)	80,000	These units are needed to provide faster coverage and back-up depth during winter operations on parking deck helixes, roadways, parking lots and the entrances and exits, ramp roads, ramp gate positions, and other areas where large sand/salt/urea trucks are unable to gain access due to size and load weight restrictions.
	Industrial Sweeper	48,000	This additional unit is required for speedier sweeping of sand and debris in tight spaces of the AOA, parking lots and decks, tug drive, and in public areas.
	Articulated tool carrier	90,000	This 4-wheel drive multi-purpose tractor is needed to provide speedier winter snow plowing, blow-loading and sanding in congested public areas, as well as for power washing parking lots and public areas during other seasons.
	Roto mill	170,000	This roto mill is required to increase speed, efficiency and volume in removing increasingly deteriorated airport taxi and runway pavements.
	Other Equipment < \$45,000	243,100	Includes: 2- four wheel drive vehicles - Airport Directors Office and Fire, positron telephone set, pick-up truck, copy machine, radio system/antenna, Ford Explorer, kitchen remodeling, skid steer w/attachments, articulated roller/compactor, vehicle diagnostic unit, tow -type 15' mower.
Total MSP International Purchases		\$1,989,100	
<u>Relievers</u>			
St. Paul Downtown	4WD airport snow plow w/sander	\$ 160,000	This vehicle will replace 616-414, repairs are becoming expensive and it is difficult to find parts.
Flying Cloud	36,000 GVWR truck w/plow and sander	65,000	This vehicle will replace 616-353 which is a 1985 similar truck. This replacement is in keeping within the replacement schedule of Reliever Airports equipment.
Relievers	Other Equipment < \$45,000	110,500	Includes: portable computer, 2-15' bat wing mowers, 2-4WD - 4 door sedans, 2 propane burners, 250 gallon ag-sprayer with trailer, insert sander, pavement crack saw.
Total Reliever Purchases		\$ 335,500	
Total All Purchases		<u>\$3,299,900</u>	

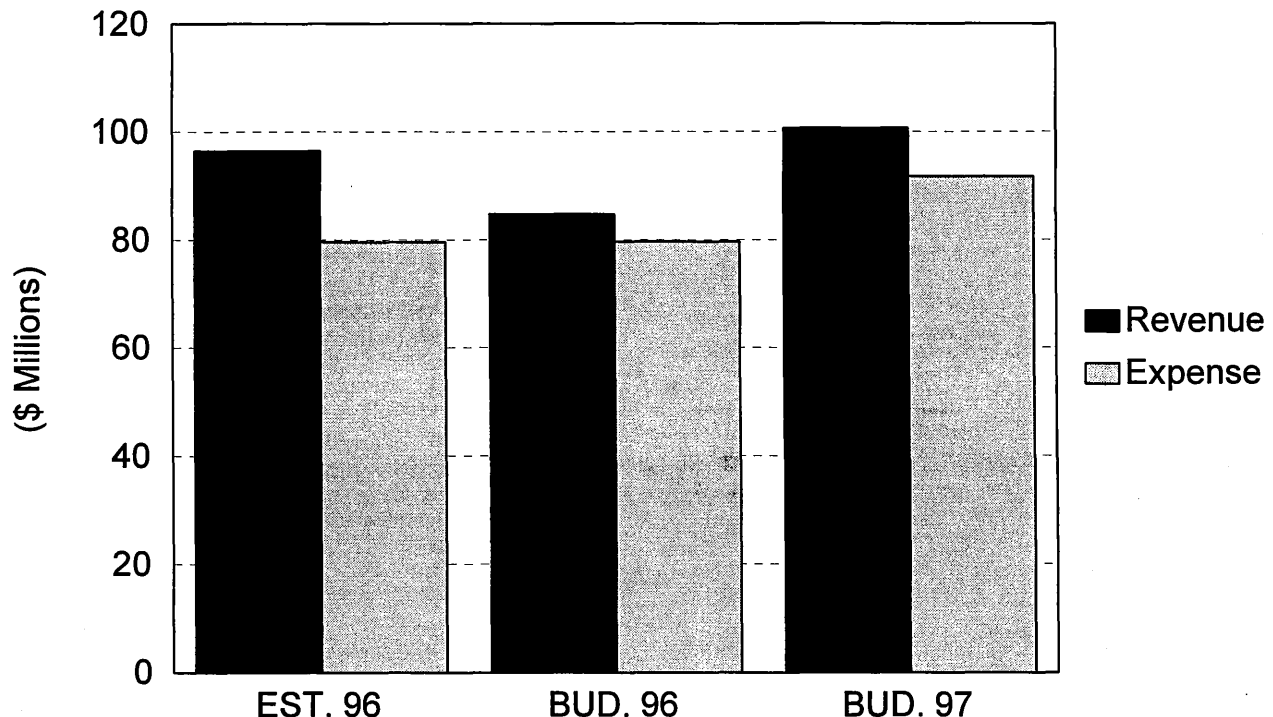
MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

SUMMARY OF REVENUE AND EXPENSE – 1997 OPERATING BUDGET

	Main Office	Mpls.-St. Paul International	Reliever Airports	Total 1997 Budget	Budget 1996	Estimated 1996
OPERATING REVENUE						
Airline Rates & Charges	\$ 0	\$39,841,387	\$ 0	\$ 39,841,387	\$34,207,072	\$34,210,000
Concessions	0	48,739,609	11,653	48,739,609	39,939,415	50,800,000
Other	0	11,183,772	909,189	12,092,961	10,622,029	11,493,000
Total Operating Revenue	\$ 0	\$99,764,768	\$ 920,842	\$100,673,957	\$84,768,516	\$96,503,000
OPERATING EXPENSE						
Personnel	\$ 7,271,966	\$20,625,599	\$2,073,204	\$ 29,970,769	\$26,440,980	\$25,478,000
Administrative Expenses	753,999	322,341	32,710	1,109,050	1,083,726	988,000
Professional Services	1,345,217	1,706,820	384,246	3,436,283	3,928,786	4,015,000
Utilities	160,160	4,973,530	166,400	5,300,090	5,080,020	5,516,000
Operating Services	1,052,113	7,891,676	108,450	9,052,239	8,757,112	8,468,000
Maintenance	112,174	7,359,511	565,050	8,036,735	7,430,335	7,375,000
Depreciation	1,156,020	30,138,280	3,101,084	34,395,384	26,701,000	27,500,000
Other	(67,623)	484,874	15,698	432,949	288,485	302,000
Total Operating Expense	<u>\$11,784,026</u>	<u>\$73,502,631</u>	<u>\$6,446,842</u>	<u>\$ 91,733,499</u>	<u>\$79,710,444</u>	<u>\$79,642,000</u>
Net Operating Income	<u>(\$11,784,026)</u>	<u>\$26,262,137</u>	<u>(\$5,526,000)</u>	<u>\$ 8,940,458</u> ^A	<u>\$ 5,058,072</u> ^A	<u>\$16,861,000</u> ^A

^A Required as contribution to debt service and construction program financing

REVENUE VS EXPENSE

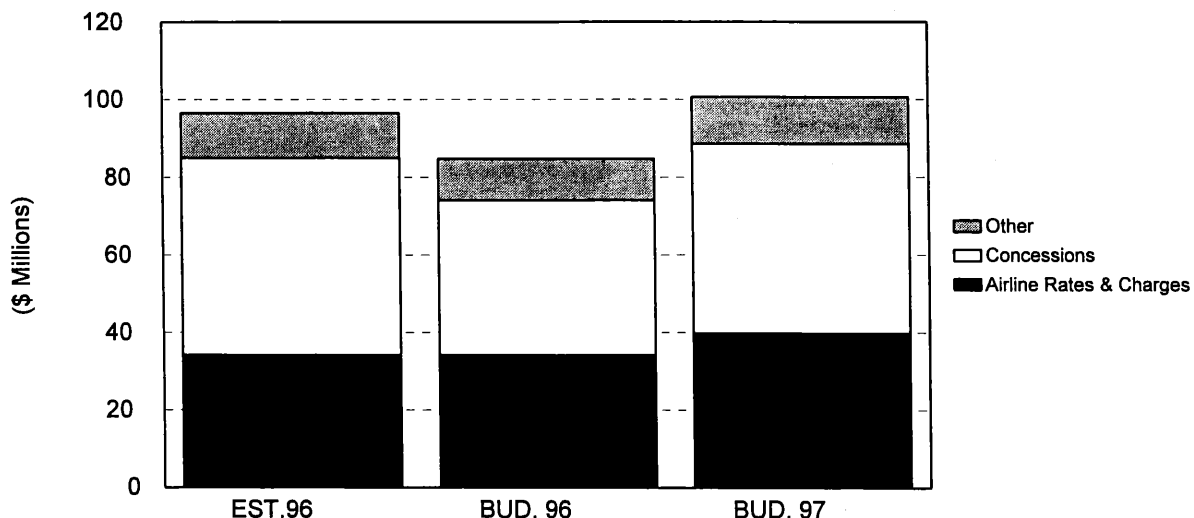


MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OPERATING REVENUES – 1997 OPERATING BUDGET

	Mpls.-St. Paul International	Reliever Airports	Total 1997 Budget	Budget 1996	Estimated 1996
Airline Rates & Charges					
Landing Fees	\$22,610,096	\$ 0	\$ 22,610,096	\$20,490,321	\$20,200,000
Ramp Fees	3,745,212	0	3,745,212	3,273,516	3,200,000
Terminal Rentals–Agreement	10,850,088	0	10,850,088	9,447,072	9,700,000
Terminal Rentals–Other	341,334	0	341,334	431,256	410,000
Terminal Rentals–IA Facility	1,672,686	0	1,672,686	0	0
Carousels & Conveyors	113,880	0	113,880	140,000	200,000
Noise Surcharge	508,091	0	508,091	424,907	500,000
Total Airline Rates & Charges	\$39,841,387	\$ 0	\$ 39,841,387	\$34,207,072	\$34,210,000
Concessions					
Landside					
Parking	\$31,832,680	\$ 0	\$ 31,832,680	25,714,530	\$34,000,000
Auto Rental	8,152,244	0	8,152,244	6,939,000	8,400,000
Ground Transportation Fees	1,128,560	0	1,128,560	841,000	850,000
Total Landside	\$41,113,484	\$ 0	\$ 41,113,484	\$33,494,530	\$43,250,000
Terminal / Other					
Food & Beverage	\$ 2,041,500	\$ 11,653	\$ 2,053,153	\$ 1,651,652	\$ 2,250,000
Merchandise & Services	2,442,696	0	2,442,696	2,079,500	2,450,000
Other Concessions / Services	3,130,276	0	3,130,276	2,713,733	2,850,000
Total Terminal / Other	\$ 7,614,472	\$ 11,653	\$ 7,626,125	\$ 6,444,885	\$ 7,550,000
Total All Concessions	\$48,739,609	\$ 11,653	\$ 48,739,609	\$39,939,415	\$50,800,000
Other Revenue					
Building Rentals	\$ 3,354,034	\$576,696	\$ 3,930,730	\$ 2,721,856	\$ 2,950,000
Lobby Fees–HHH Terminal	1,000,000	0	1,000,000	990,000	1,150,000
Ground Rent–SW Cargo Area	1,006,850	0	1,006,850	993,348	993,000
Ground Rent–Other	2,037,994	206,267	2,244,261	1,680,285	2,000,000
Utilities	1,225,900	100	1,226,000	1,213,900	1,300,000
Other	2,558,994	126,126	2,685,120	3,022,640	3,100,000
Total Other Revenues	\$11,183,772	\$909,189	\$ 12,092,961	\$10,622,029	\$11,493,000
Total Operating Revenue	\$99,764,768	\$920,842	\$100,673,957	\$84,768,516	\$96,503,000

OPERATING REVENUE



MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

REVENUE ASSUMPTIONS – 1997 OPERATING BUDGET

Estimates of revenue for 1997 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 1996 budget versus 1997 budget figures.

REVENUE CATEGORY	(\$ = 000)					1996 Budget vs 1997 Budget	
	1995	1995	1996	1996	1997	Dollar Change	Percentage Change
	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Budget</u>	<u>Budget</u>		
Airline Rates & Charges	\$35,193	\$33,360	\$34,210	\$34,207	\$ 39,704	\$ 5,497	16.07%
Concessions	41,838	34,730	50,800	39,939	48,740	8,801	22.04%
Other	10,225	10,572	11,493	10,622	12,093	1,471	13.85%
Total Operating Revenue	<u>\$87,256</u>	<u>\$78,662</u>	<u>\$96,503</u>	<u>\$84,768</u>	<u>\$100,537</u>	<u>\$15,769</u>	18.60%

AIRLINE RATES AND CHARGES

Approximately \$40 million, or 40%, of MAC's \$101 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 addition the new Lindbergh Terminal International Arrivals Facility (IAF) is included in this category. In accordance with these agreements, expenses from the Police, Fire, Maintenance Labor, Maintenance Equipment, and Administration service centers are allocated to the Field & Runway, Ramp, Terminal Building, and IAF 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 for the years 1989–1996) in the Field & Runway service 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 1997 the landing fee rate is based upon a break even philosophy in which total revenue equals total expense. For the period 1989–1996 there was a deficit in this service center. This deficit was the result of the New Airport Planning Costs, which were shared equally by MAC and the airlines.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

REVENUE ASSUMPTIONS – 1997 OPERATING BUDGET

A comparison of estimated 1996, 1996 budgeted and 1997 budgeted landing fee rates, landed weight and revenue of the major carriers follows:

	<u>1996 Estimate</u>	<u>1996 ¹ Budget</u>	<u>1997 Budget</u>	<u>% Change Budget to Budget</u>
Landing Fee	\$0.91	\$0.91	\$0.95	4.40%
Landed Weight (000 lbs)	22,480,000	22,460,913	23,723,109	5.62
Revenue	\$20,500,000	\$20,490,321	\$22,618,967	10.39
Gross Expense ²	\$20,900,000	\$20,765,321	\$22,618,967	8.93

¹ Based on original budget approved.
² This figure includes MAC's portion of New Airport Planning Costs for 1996.

The landing fee change between budgeted 1996 and 1997 can be attributed to the following combination:

1. Landed weight projections provided by the airlines indicate a 5.62% increase over the 1996 budget. This change is based upon both domestic and international increased activity. The change in weight results in a \$.05 decrease in the fee.
2. Additional personnel, contract adjustments and benefits adjustments (discussed in the Personnel section of expense assumptions) result in an increase of \$.045 (\$955,000) to the landing fee.
3. Depreciation and interest costs associated with several reconstruction and rehabilitation projects including runway 4/22 – segment 2, electrical distribution replacement, airfield lighting center, runway 11R/29L – segment 1 rehabilitation, and pavement rehabilitation result in an increase of \$.05 (\$1,100,000).

RAMP FEES

Aircraft parking ramp fees are calculated in the same manner as landing fees. 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 break even philosophy, except for a portion (378 lineal feet) of ramp that is used by the regional carriers.

The following is a comparison of estimated 1996, budgeted 1996 and budgeted 1997 ramp rates, revenue and expense.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

REVENUE ASSUMPTIONS – 1997 OPERATING BUDGET

	<u>1996 Estimate</u>	<u>1996 Budget</u>	<u>1997 Budget</u>	<u>% Change Budget to Budget</u>
Ramp Fee (Per Lineal foot)	\$400.00	\$403.50	\$440.98	9.29%
Major Airline Ramp Footage	8,496	8,496	8,496	-
Total Ramp Lineal Footage	8,874	8,874	8,874	-
Revenue (Airline)	\$3,398,400	\$3,428,136	\$3,746,566	9.29
Expense Total	\$3,549,600	\$3,580,659	\$3,913,257	9.29

The increase in the rate between the two years can be attributed to the following:

1. Additional personnel, contract adjustments and benefit adjustments (see Expense Assumptions–Personnel section) result in an increase of \$5.86 per lineal foot or \$52,000.
2. Depreciation and interest attributed to apron projects add \$6.54 per lineal foot or \$58,000.
3. Allocations from Police, Fire, Administration and Equipment Buildings/Equipment Maintenance add \$26.14 per lineal foot or \$232,000. These areas increased as a result of wage and benefit adjustments (Police, Fire and Administration), additional equipment and repairs (equipment buildings/equipment maintenance).

TERMINAL AIRLINES – AGREEMENT

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 break even or break even 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 estimated 1996, budgeted 1996 and 1997 rates follows:

	<u>1996 Estimate</u>	<u>1996 Budget</u>	<u>1997 Budget</u>	<u>% Change Budget to Budget</u>
Exclusive (Per Sq. Ft.)	\$23.25	\$22.32	\$26.83	20.21%
Exclusive Janitored (Per Sq. Ft.)	\$26.50	\$25.86	\$29.73	14.97

The rate change for exclusive space results from the items listed below:

1. Wage and benefit adjustments in 1997 will add \$.59 per square foot or \$354,000. (See Personnel section of Expense Assumptions.)

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

REVENUE ASSUMPTIONS – 1997 OPERATING BUDGET

2. Terminal expansion resulting from the Southwest Terminal area and the Ground Transportation Center caused direct expenses such as utilities, maintenance, insurance, depreciation, and interest to increase. In addition allocations from Police, Fire and Administration also increased. The amount of costs per square foot are:

Utilities	\$.52/sq. ft.
Maintenance	\$.27/sq. ft.
Depreciation/Interest	\$2.72/sq. ft.
Allocations and Insurance	\$.41/sq. ft.

In general the Lindbergh Terminal became a major focus for 1997. In order to improve appearance and maintain the significant space increases with continued passenger activity growth, budget dollars were allocated in a greater percentage to this area.

LINDBERGH TERMINAL – IAF

In November of 1996 a new International Arrivals Facility (Lindbergh Terminal IAF) was completed on the Gold Concourse. The agreement negotiated for this facility includes a fee calculation similar to the ramp and landing fees (break even/revenue equals expense). Users of the facility will be charged a use fee based upon projected expenses. At year end an adjustment will be made for any overage or shortage. The 1997 budget is based upon estimated uses provided by the airlines (2,775). The budget for 1997 is \$1,672,686.

CARROUSELS AND CONVEYORS

The budget for 1997, a \$27,000 decrease from 1996, reflects the actual costs in recent years and a new maintenance contract.

NOISE SURCHARGE

The current agreement with the airlines calls for a Noise Surcharge and a cost 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 Noise 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 philosophy where total revenue equals total expenses.

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 Noise cost center for signatory carriers.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

REVENUE ASSUMPTIONS – 1997 OPERATING BUDGET

	<u>1996 Estimate</u>	<u>1996 Budget</u>	<u>1997 Budget</u>	<u>% Change Budget to Budget</u>
Stage II and Stage III Landings	154,000	141,000	155,000	9.93%
Off Airport Noise Costs	\$525,000	\$424,907	\$501,789	18.09
Noise Surcharge/Landing	\$3.40	\$3.01	\$3.24	7.55

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 change in the charge from 1996 to 1997 is due to the amount of PFCs charged to these projects and the Federal Aid anticipated to be received in 1996 and 1997.

CONCESSIONS

The 1997 budget for Concessions revenues shows a 22.03% increase from the budgeted 1996 amount. The two major components of concessions are Auto Parking (which accounts for approximately 65% of total concessions) and Auto Rental fees (which accounts for approximately 17% of total concessions). Other components of this category include Food & Beverage, Merchandise & Personal Services, Ground Transportation Fees, and Other Concessions/Services.

FOOD & BEVERAGE

Food and Beverage increased 24.3% from \$1,651,652 to \$2,053,153. The 1996 budget projected a slight decrease in revenue due to the construction of the International Arrivals Facility/Southwest Expansion and the concessions program. In conjunction with the concession plan three branded facilities opened, two in June 1995 (Starbucks and Caribou Coffee) and one in June 1996 (Chilis). Revenues reported in 1996 for these locations have exceeded expectations. Based upon current activity from new food concessions in the Southwest addition and projected increases in passengers, Food and Beverage revenue is projected to increase over 1996.

MERCHANDISE & PERSONAL SERVICES

The 17.47% increase from \$2,079,500 to \$2,442,696 is the result of additional merchandise shops and increased passenger activity. Review Food and Beverage for additional details.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

REVENUE ASSUMPTIONS – 1997 OPERATING BUDGET

AUTO RENTAL

Auto Rental fees are projected to increase by \$1,213,000 or 17.48% over the 1996 budget amount. Auto Rental 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 recent activity increases. A new contract will be negotiated in 1997. In developing the budget an agreement similar to the existing one was assumed.

PARKING

Parking revenues are projected to increase 23.79% or approximately \$6,118,000 from the 1996 budget. This increase can be attributed to the following items:

1. The average length of stay by patrons for all facilities continues to increase. These changes are summarized below:

1994–1995	5%
1995–1996	3%
1997	0%
2. The number of patrons using the facility continues to grow at a greater percentage than was forecasted. These changes are summarized below:

1994–1995	12%
1995–1996	7%
1997	4%
3. A rate increase implemented in late 1995 after the 1996 budget was completed resulted in the 1996 year to date actual far exceeding the 1996 year to date budget. Had the rate change been factored into the 1996 budget the increase from 1996 budget to 1997 budget would be approximately 4%.

OTHER CONCESSIONS

Other Concessions includes advertising (indoor and outdoor), telephones, vending, games, and in-flight catering. This area is projected to increase 15.35% from \$2,713,733 to \$3,130,276. The increase can be attributed to increased guarantees for the long distance telephone concession (\$265,000) and increased minimum rentals for outdoor advertising concessions. Two outdoor advertising contracts were rebid in 1996.

OTHER

The Other category is projected to increase 13.85% from \$10,622,029 to \$12,092,961. Included in this category are Building Rentals, Lobby Fees, Ground Rent–Southwest Cargo Area, Ground Rent–Other, Utilities, and Other.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

REVENUE ASSUMPTIONS – 1997 OPERATING BUDGET

BUILDING RENTALS

This category 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 from \$2,721,856 to \$3,930,730 is attributed to rate changes for existing facilities and previously budgeted vacant space in the West Terminal being occupied.

LOBBY FEES

Lobby Fees represent a per-passenger fee for use of the Humphrey Terminal. A minor increase is projected for 1997. With the movement of the majority of the international arrival activity to the new Lindbergh facility, a new fee structure for the Humphrey Terminal is being reviewed.

GROUND RENT – OTHER

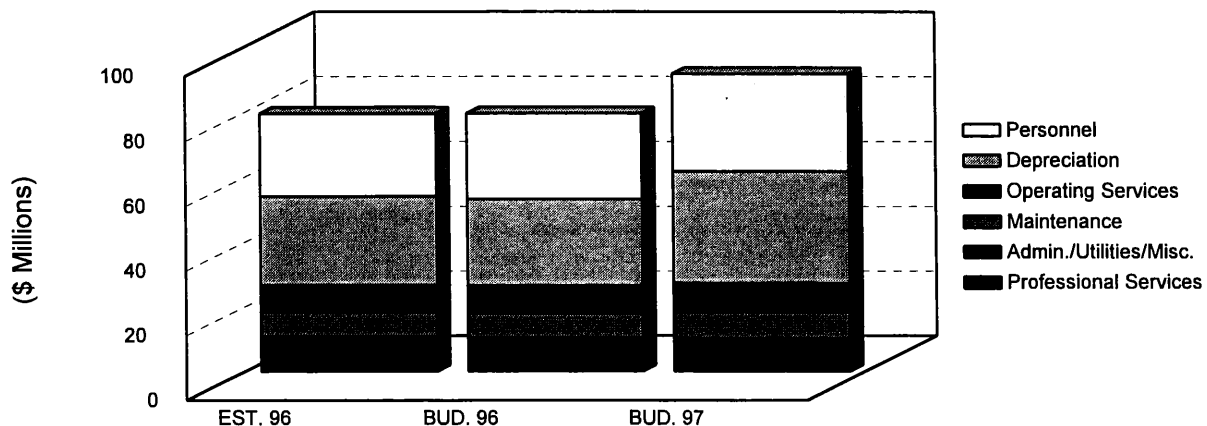
A rate change that went into effect for the auto rental firms is the reason for this increase.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OPERATING EXPENSES – 1997 OPERATING BUDGET

	<u>Total 1997 Budget</u>	<u>Budget 1996</u>	<u>Estimated 1996</u>
EXPENSES			
Personnel			
Salaries & Wages	\$20,817,565	\$19,733,689	\$20,360,000
Benefits	9,123,854	6,677,291	5,091,000
Commissioner Per Diem	29,350	30,000	27,000
Total Personnel	29,970,769	26,440,980	25,478,000
Administrative Expenses	1,109,050	1,083,726	988,000
Professional Services	3,436,283	3,928,786	4,015,000
Utilities	5,300,090	5,080,020	5,516,000
Operating Services			
Parking Management	3,655,750	3,431,500	3,860,000
Shuttle Bus Services	1,631,967	1,624,879	1,600,000
Service Agreements	858,662	875,523	710,000
Storm Water Monitoring	1,370,000	1,475,000	1,144,000
Other	1,535,860	1,350,210	1,154,000
Total Operating Services	9,052,239	8,757,112	8,468,000
Maintenance			
Trades	608,634	642,760	600,000
Building	1,403,209	1,148,288	1,591,000
Field	1,468,588	1,405,832	1,591,000
Equipment	960,305	978,115	915,000
Cleaning	3,595,999	3,255,350	2,678,000
Total Maintenance	8,036,735	7,430,345	7,375,000
Depreciation	34,395,384	26,701,000	27,500,000
Other			
General Insurance	1,237,097	1,047,700	1,114,000
Minor Equipment	239,460	25,722	366,000
Other	234,392	484,555	54,000
Reimbursed Expenses	(1,278,000)	(1,269,492)	(1,232,000)
Total Other	432,949	288,485	302,000
Total Operating Expenses	<u>\$91,733,499</u>	<u>\$79,710,444</u>	<u>\$79,642,000</u>

OPERATING EXPENSE



MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

EXPENSE ASSUMPTIONS – 1997 OPERATING BUDGET

The Management and Operations Committee established an original target of 3.97% increase in 1997 (excluding depreciation). This target was subsequently changed to an 8.87% increase due to two one-time expenditures (water treatment charges and the AAAE conference) and action taken by the full Commission changing employee benefits in 1997. Based upon information supplied by budget specialists, utility companies, various suppliers, and detailed historical patterns, the 1997 expense budget (excluding depreciation) is projected to increase 8.17% or \$4,328,672. Recording of depreciation in the budget has been changed to reflect our audited financial statements. The change is explained in the Depreciation section. The total budget change from 1996 (restated depreciation) to 1997 is a 15.08% or \$12,022,844. The 1997 budget is \$91,733,500.

(\$ = 000)						1996 Budget vs 1997 Budget	
OPERATING EXPENSE	1995 Actual	1995 Budget	1996 Estimate	1996 Budget	1997 Budget	Dollar Change	Percentage Change
Personnel	\$24,360	\$25,735	\$25,478	\$26,441	\$29,971	\$ 3,530	13.35%
Administrative Expenses	1,003	1,143	988	1,084	1,134	50	4.61
Professional Services	5,705	5,085	4,015	3,929	3,411	(518)	(13.18)
Utilities	5,354	5,031	5,516	5,080	5,300	220	4.33
Operating Services	8,263	8,726	8,468	8,757	9,053	296	3.38
Maintenance	7,236	7,665	7,376	7,430	8,085	655	8.82
Depreciation	22,656	22,844	27,500	26,701	34,395	7,694	28.82
Other *	327	396	302	288	384	96	33.33
Total Operating Expense	<u>\$74,904</u>	<u>\$76,625</u>	<u>\$79,642</u>	<u>\$79,710</u>	<u>\$91,733</u>	<u>\$12,023</u>	15.08%

* Includes General Insurance, Minor Equipment, Reimbursed Expense and miscellaneous items.

PERSONNEL

Personnel costs are projected to increase 13.35% or \$3,529,789 over the 1996 budget. The increase can be attributed to the following items:

1. Headcount – Staff is proposing an increase of 13 positions over the 1996 budgeted total of 420. The new positions for 1997 are:

Secretary – This position will report to the Deputy Executive Director of Human Resources which is a newly created division resulting from the 1996 staff reorganization. This person will also provide support for Staff Development and Employee Resources.

Assistant Airport Engineer – This position is the result of the increasing number of major projects throughout the airport system. This position is scheduled to start April 1997.

Facilities Architect – We have made significant increases to facilities. An additional Facilities Architect is needed for tenant space changes and major construction projects. This position is scheduled to start April 1997.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

EXPENSE ASSUMPTIONS – 1997 OPERATING BUDGET

(2) Fire Fighters – Two additional fire fighters will aid the Fire Department's ability to provide the first response for medical calls and aircraft emergency service. This position is scheduled to start July 1997.

Electrician – This position is needed as a result of the increased terminal building and runway lighting systems. The position is scheduled to start in April 1997.

Painter – The increasing size of the airport system requires an additional painter. The painters also support all of the reliever airports. The position is scheduled to start April 1997.

Equipment Service Worker and Equipment Mechanic – The number of MAC vehicles and equipment has doubled over the past ten years. During that same period MAC went from one shift to three shifts and many of the pieces of equipment are in use around the clock. This position will help reduce the amount of down time of equipment, increase required preventative maintenance and aid in the demand for specialized vehicle modifications. This position is scheduled to start July 1997.

(4) Field Maintenance Workers (Permanent Seasonal) – As the airport increases due to the addition of pavement, taxiways, runways, and parking lots additional field maintenance workers are needed to maintain current operations. These positions are scheduled to start November 1997.

The total dollar impact of these positions on the 1997 budget is \$350,000.

2. Wages for 1997 will increase as a result of salary and contract adjustments. These are estimated at \$592,000.
3. In August 1996, the Commission approved the recording and funding of the post retirement medical benefits. The cost of this 20 year program is estimated at \$2,375,000 per year.

ADMINISTRATIVE

This category is projected to increase 4.64% or \$50,320. The increases are seen in the following areas: Travel, Mileage, Information Sources, Local Meetings, and Printing Costs.

PROFESSIONAL SERVICES

Professional Services are estimated to decrease 13.17% or \$517,499. This reduced amount is the result of the following significant items:

1. Planning – The Dual Track Process concluded in 1996. Planning expenses are anticipated to decrease \$400,000 from \$1,050,000 to \$650,000 (\$200,000 capitalized and \$200,000 eliminated).
2. A number of other areas are showing reduced fees for 1997. These include: Engineering Fees \$31,000, Legislative \$23,500, Legal Fees \$12,900, and Appraisals/RFPs/Leases \$9,000.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

EXPENSE ASSUMPTIONS – 1997 OPERATING BUDGET

The following table identifies the major consulting areas:

<u>Type of Service</u>	<u>Department</u>	<u>Dollars</u>
Accounting & Audit Fees	Finance	\$ 116,000
Appraisal/RFP/Leases	Commercial Development/Airline Affairs	90,000
Legal Fees	General Counsel	471,000
	Environmental/Noise	86,000
	Reliever Airports	36,000
	Planning & Development	299,000
Engineering Fees	Field & Runways	650,000
Environmental Engineering	Field & Runways	328,000
	Reliever Airports	256,000
	Marketing Affairs - National	64,000
Legislative	Labor/Legislative - Local	81,000
Computer Services	Landside Operations	175,000
	MIS	62,000
	Environment/Noise	54,000
		<u>\$2,768,000</u>

UTILITIES

Utilities are increasing 4.33% or \$219,770 over the 1996 budget. The following utility increases are the result of rate changes by the respective utility companies.

<u>Category</u>	<u>Company</u>	<u>Rate Increase</u>	<u>1997 Budget Increase</u>
Electricity	NSP	None *	\$103,700
Sewer/Water	City of Minneapolis	\$.06/\$.15	\$63,000/\$19,800
Natural Gas	Minnegasco	7%	\$13,400

All of these increases can be attributed to the expanded facilities within the terminal as well as increased activity. Telephone costs are projected to show little or no change from 1996 budget figures.

* NSP will not be raising their rates. However, customers will absorb the costs for environmental work performed by NSP.

OPERATING SERVICES

Operating Services are projected to decrease 3.37% or \$295,427 from 1996 budget. Significant changes occurred within the categories of Parking Management, Events-AAAE Conference and Storm Water Monitoring. Each significant change is discussed separately.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

EXPENSE ASSUMPTIONS – 1997 OPERATING BUDGET

PARKING MANAGEMENT CONTRACT

Under terms of the agreement, APCOA, the parking management firm, is reimbursed for all personnel and other operational costs. As a result of increasing activity, additional personnel hours will be added during peak activity times. The estimated increase for 1997 is \$226,000. The current contract will expire in 1997 and will require the contract to be bid. Expenses (outside the activity increase) are expected to remain consistent with 1996.

SPECIAL EVENTS

In 1992 MAC was selected as the site for the 1997 American Association of Airport Executives conference. The Commission approved \$225,000 for the estimated conference expenses. AAAE is estimating 2,500 plus members will attend the conference. This is a one-time expenditure.

STORM WATER MONITORING

The 1996 budget included \$225,000 for the testing of the vacuum sweeper. The sweeper was not available for the test and has been eliminated from the budget. The reduction for 1997 is \$105,000.

MAINTENANCE

This category has five components: field, equipment, building, trades, and cleaning. These costs are projected to increase \$654,851 or 8.81% in 1997. Slight increases are projected in the areas of field, equipment, and trades. The majority of the increase is in the area of facility maintenance. The 1997 budget focused on areas affected by increasing activity. As a result of the new Lindbergh IAF facility, Ground Transportation Center, and Southwest Terminal addition, the cleaning contract and elevator/escalator contracts will be increasing. The facilities maintenance budget is projected to increase \$651,200 for 1997.

DEPRECIATION

In recording depreciation on projects constructed with Passenger Facility Charges (PFCs), the MAC in its budget document recorded depreciation on a net basis. This decision was based upon MAC's belief that the Government Accounting Standards Board (GASB) was going to rule on the accounting for PFCs. Currently, the GASB still has not ruled on the recording of PFCs, but it appears the netting of depreciation is not one of the current alternatives the GASB is studying. As a result, the MAC will begin recording depreciation on a gross basis. This method is consistent with the recording that is currently being done on MAC's audited financial statements.

Depreciation will comprise 38% of the total budget for 1997. Estimates for depreciation are derived from four sources:

1. Current Fixed Asset listing (as of 9/05/96).
2. 1996 budgeted items not yet purchased or constructed. (These items are reviewed to determine status, i.e. to be constructed or purchased or a decision made not to move on them.)
3. 1997 Preliminary Capital Improvement Plan.
4. 1997 Budgeted Capital Equipment purchases.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

EXPENSE ASSUMPTIONS – 1997 OPERATING BUDGET

The table below identifies major projects to be closed in 1996 and 1997.

<u>Major Projects Scheduled for Closing 1996/1997</u>	<u>Gross Depreciation</u>
Runway 4/22 Extension	\$ 743,000
Ground Transportation Center	1,030,000
Lindbergh Terminal FIS	1,233,000
Upper/Lower Level Roadway	1,557,000
Pavement Reconstruction – 1996	360,000
Electrical Upgrades	250,000
Southwest Terminal Expansion	277,000
Energy Management Center Improvements	195,000
Anoka Tower/Airport Improvements	139,000
Equipment 1996/1997	470,000
Pavement Reconstruction – 1997	245,000
Lindbergh Terminal Modifications – 1997	195,000
	<u>\$6,694,000</u>

OTHER

There are four items in this category: General Insurance, Minor Equipment, Other, and Reimbursed Expense. This category is projected to increase 33.28% or \$96,014. The majority of the increase was the result of General Insurance which includes Property, Liability, Crime, Auto & Equipment, and Miscellaneous. Expanded facilities is the primary reason for the increase.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1997 OPERATING BUDGET

	Total	Lindbergh Terminal	Energy Mgmt. Center	Ramp Area	Field & Runways	Control Tower	Terminal Roads / Landscape	Parking Lot	Int'l Arrival
Personnel									
Wages									
Regular	19,070,403	363,218	576,313				547,235		
Overtime/Double Time									
Double Time - Regular	491,348		19,277						
Overtime - Regular	996,880	5,876	35,412				15,837		
Overtime - Special Events	1,592								
Total Overtime/Double Time	1,489,820	5,876	54,689				15,837		
Commissioner Per Diem	29,350								
Temps - Administration	149,474						43,708		
Snow Shovellers	13,008								
Temporary 49ers	66,060								
Grass Cutters	28,800								
Total Wages	20,846,915	369,094	631,002				606,780		
Benefits									
Employee Insurance - Family	2,762,217	60,729	87,719				121,457		
Pension - FICA (Social Security) Base	3,046,686	73,301	82,704				73,470		
Training									
Continuing Education (College)	159,950	3,000	1,500				6,500		
Executive Leadership Training	45,000								
Management Requirements	37,720	920	1,000				1,500		
Organizational Requirements	92,400	500							
Regulatory Requirements	29,500								
Local Seminars	99,925	1,800					500		
Total Training	464,495	6,220	2,500				8,500		
Post Retirement Benefit	2,375,000	21,889	71,141				98,502		
Workers Compensation	250,000	7,232	10,446				3,214		
Uniforms									
Uniforms - Police/Fire Allowance	52,550								
Uniforms - Rental	47,443	1,800	1,000				4,550		
Uniforms - Safety Shoes	6,431		500						
Total Uniforms	106,424	1,800	1,500				4,550		
Severance - Contract Allowance	119,032	2,014	3,597				3,156		
Total Benefits	9,123,854	173,185	259,607				312,849		
Total Personnel	29,970,769	542,279	890,609				919,629		
Administrative Expenses									
Supplies									
Office Supplies & Materials	80,097	700	600		4,800		4,600		
Computer Supplies									
Computer Supplies - General	57,420	500							
Computer Supplies - Software	20,500							3,000	
Computer - Tools	1,500								
Total Computer Supplies	79,420	500						3,000	
Special Supplies									
Special Supplies - Badging	12,000								
Special Supplies - Film/Photo	31,300				1,800		2,000		
Special Supplies - Other	14,500						1,500		
Total Special Supplies	57,800				1,800		3,500		
Total Supplies	217,317	1,200	600		6,600		8,100	3,000	
Travel									
Travel - Lodging	10,600								
Travel - Meals	3,500								
Travel - Miscellaneous	1,000								
Travel - Transportation									
Travel - Transportation/Airfare	313,764	4,000	1,000		25,000		6,700		
Travel - Shuttle/Taxi/Auto	500								
Total Travel - Transportation	314,264	4,000	1,000		25,000		6,700		
Registration Fees	23,240				6,000				
Mileage	42,029	500	350		480		700		
Total Travel	394,633	4,500	1,350		31,480		7,400		

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1997 OPERATING BUDGET

	Total	Lindbergh Terminal	Energy Mgmt. Center	Ramp Area	Field & Runways	Control Tower	Terminal Roads / Landscape	Parking Lot	Int'l Arrival
Other Administrative Expenses									
Local Meetings									
Local Meetings – On Airport/GO	17,780	1,400					500		
Local Meetings – Off Airport	<u>37,780</u>	<u>1,400</u>	<u>150</u>				<u>300</u>		
Total Local Meetings	55,560	2,800	150				800		
Information Sources									
Memberships/Dues/Pro. Assoc.	123,625				900		1,500		
Other Information Sources	61,620	1,900	100				850		
Publications/Subscriptions	<u>38,645</u>	<u>500</u>			<u>3,600</u>				
Total Information Sources	223,890	2,400	100		4,500		2,350		
Printing Costs									
Printing – Publications	97,050						3,500		
Printing – Color Charts	3,980								
Printing – Forms	16,450						2,250		
Printing – Stationary/Envelopes	<u>15,200</u>								
Total Printing Costs	132,680						5,750		
Delivery Services	15,620	500	200		1,200		120		
Freight Charges	4,040	500	200		600				
Postage	<u>65,310</u>								
Total Other Administrative Expenses	<u>497,100</u>	<u>6,200</u>	<u>650</u>		<u>6,300</u>		<u>9,020</u>		
Total Administrative Expenses	1,109,050	11,900	2,600		44,380		24,520	3,000	
Professional Services									
Accounting/Audit Fees	129,750								
Affirmative Action Fees	15,000								
Computer Services									
General									
ANOMS Consulting	40,000								
Hardware Consulting	20,000								
Software Consulting	<u>59,600</u>								
Total General	119,600								
Terminal Services									
Terminal Services – Ground Transportation	74,470						74,470		
Terminal Services – Parking	<u>100,000</u>							100,000	
Total Terminal Services	<u>174,470</u>						<u>74,470</u>	<u>100,000</u>	
Total Computer Services	294,070						74,470	100,000	
Engineering Fees	914,500	139,000	10,000	15,000	321,500		10,000		
Graphic Design	63,900								
Labor Relations	30,000								
Legal Fees									
Legal – Environmental	86,000								
Legal – General	409,600							4,500	
Legal – Federal	66,000								
Legal – Relievers	<u>36,000</u>								
Total Legal Fees	597,600							4,500	
Legislative									
Legislative – Local	81,000								
Legislative – National	<u>63,800</u>								
Total Legislative	144,800								
Medical Fees	24,500								
Planning – MSP Int'l	650,000				650,000				
Pollution/Environmental Fees	9,000				3,000				
Public Information Services	67,200							25,000	
Recruiting & Employment Fees	10,000								
Safety Consultants									
Safety – Training	48,000	3,000	2,500						
Safety – General	<u>1,500</u>								
Total Safety Consultants	49,500	3,000	2,500						
Communications Consultant	82,100		2,500				2,000		
Other/Miscellaneous	<u>354,363</u>	<u>13,750</u>			<u>21,950</u>		<u>12,000</u>	<u>12,500</u>	
Total Professional Services	3,436,283	158,250	12,500	15,000	996,450		98,470	142,000	

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1997 OPERATING BUDGET

	Total	Lindbergh Terminal	Energy Mgmt. Center	Ramp Area	Field & Runways	Control Tower	Terminal Roads / Landscape	Parking Lot	Int'l Arrival
Utilities									
Electricity	2,398,200	1,248,000	210,000		147,000	18,000	146,400	196,800	
Heating Fuel – Natural Gas	913,400	24,000	642,000		9,000	2,400	24,000		
Sewer	1,134,800	530,600	5,700				2,400	1,200	
Water	612,300	270,000	3,600			600	12,000	3,000	
Telephones									
Telephones – Regular	208,540	3,600			720				
Telephones – Cellular	<u>32,850</u>	<u>350</u>	<u>640</u>		<u>2,400</u>		<u>1,200</u>		
Total Telephones	241,390	3,950	640		3,120		1,200		
Total Utilities	5,300,090	2,076,550	861,940		159,120	21,000	186,000	201,000	
Operating Services/Expenses									
Advertising									
Advertising – Bids	6,000								
Advertising – Employment	15,000								
Advertising – Events									
Advertising – Airport Days	17,500								
Advertising Special Events	<u>5,000</u>								
Total Advertising – Events	22,500								
Advertising – General	95,750							500	
Advertising – Parking	92,000							92,000	
Advertising – Relievers	<u>45,000</u>								
Total Advertising	276,250							92,500	
Environmental Control									
Hazardous Waste – General	21,250		500						
Pollution Control – Supplies	37,000		2,000	32,000					
Industrial Waste Management	40,000				40,000				
Laboratory Services	5,000								
Solvent Reclamation Service	5,750		750						
Spill Response	5,750								
Tire Disposal	2,040								
Other	<u>600</u>				<u>600</u>				
Total Environmental Control	117,390		3,250	32,000	40,600				
Ground Transportation Services									
AV ID Tags	30,000						30,000		
Commercial Roadway Tickets	<u>2,500</u>						<u>2,500</u>		
Total Ground Transportation Services	32,500						32,500		
Shuttle Services									
Auto Rental	634,000						634,000		
Lindbergh/Regional	179,334	179,334							
Lindbergh/Humphrey	<u>818,633</u>	<u>330,228</u>					<u>330,228</u>		
Total Shuttle Services	1,631,967	509,562					964,228		
Parking Lots									
Lot Tickets	45,000							45,000	
Management Contract	<u>3,610,750</u>							<u>3,610,750</u>	
Total Parking Lots	3,655,750							3,655,750	
Met Council Fees – General Fees	171,000				171,000				
Employee Programs									
ERRT									
ERRT – Award	18,000								
ERRT – Recognition	<u>41,000</u>	<u>1,600</u>	<u>1,200</u>				<u>1,800</u>		
Total ERRT	59,000	1,600	1,200				1,800		
Holidays – Holiday Catering	7,500								
Picnic	3,000								
Hospital Fund	1,500								
Retirement – Awards	5,500								
Service – Awards	10,000								

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1997 OPERATING BUDGET

	Total	Lindbergh Terminal	Energy Mgmt. Center	Ramp Area	Field & Runways	Control Tower	Terminal Roads / Landscape	Parking Lot	Int'l Arrival
Wellness									
Wellness -- Fitness Program	90,000								
Wellness -- Health/Wellness	1,500								
Wellness -- Nutrition/Stress	25,000								
Total Wellness	116,500								
Total Employee Programs	203,000	1,600	1,200				1,800		
Events									
Airport Days									
Airport Days -- Other Expenses	12,350				500				
Airport Days -- Rentals	45,000								
Total Airport Days	57,350				500				
Emergency Response Exercise -- Other	6,350								
Picnic/Other Events	251,450						2,000		
Total Events	315,150				500		2,000		
Other Charges/Fees									
Bank Charges	125,250							42,250	
Security Services	115,000								
Recycling	1,700								
Copy Agreement	129,700								
Mediation Fees	8,000								
Miscellaneous Charges/Fees	35,920								
Jail Fees	5,000								
Total Other Charges/Fees	420,570							42,250	
Service Agreements									
Service -- Computers	260,472							7,200	
Service -- Fitness Equipment	5,000								
Service -- Ground Transportation Equipment	82,416						82,416		
Service -- Office Equipment	20,063	600			1,080				
Service -- Other Equipment	77,926	2,600			480		7,143		
Service -- Parking Equipment	167,900							167,900	
Service -- Telephone Systems	56,685								
Service -- Secured Access	113,200				113,200				
Service -- Radios	75,000	1,500			21,100			600	
Storm Water Monitoring	1,370,000				1,370,000				
Total Service Agreements	2,228,662	4,700			1,505,860		89,559	175,700	
Total Operating Services/Expenses	9,052,239	515,862	4,450	32,000	1,717,960		1,090,087	3,966,200	
Maintenance									
Trades -- Painters									
Paint									
Equipment -- Paint	5,000	5,000							
Exterior -- Paint	14,000	14,000							
Interior -- Paint	13,000	8,000							
Paint -- Other	7,000						3,000		
Traffic Paint -- Parking	14,000							14,000	
Reliever Airport -- Paint	8,000								
Traffic Paint -- Roads	8,000								
Traffic Paint -- Runways	32,000				32,000				
Total Paint	101,000	27,000			32,000		3,000	14,000	
Signs									
Regulatory -- Signs	13,000								
Exterior Sign Materials	2,000								
Interior Sign Materials	4,000								
Reliever Airport Signs	4,800								
Total Signs	23,800								
Supplies									
Brushes & Supplies	5,000								
Paint Supplies -- Other	3,500								
Equipment Spray	1,800								
Paint Tools	2,000								
Total Supplies	12,300								
Total Trades -- Painters	137,100	27,000			32,000		3,000	14,000	

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1997 OPERATING BUDGET

	Total	Lindbergh Terminal	Energy Mgmt. Center	Ramp Area	Field & Runways	Control Tower	Terminal Roads / Landscape	Parking Lot	Int'l Arrival
Trades – Carpenters									
Locks									
Locks – Doors	20,300	7,400			1,000			1,400	
Locks – Other	<u>1,200</u>	<u>400</u>							
Total Locks	21,500	7,800			1,000			1,400	
Flags – Material	450								
Lumber									
Lumber – Cabinets	9,350	3,300			450			600	
Lumber – Acoustical Ceiling	2,000	720			100			140	
Lumber – New Construction	16,400	6,000			800			1,100	
Lumber – Other	7,000								
Lumber – Remodeling	<u>16,430</u>	<u>6,000</u>			<u>850</u>			<u>1,100</u>	
Total Lumber	51,180	16,020			2,200			2,940	
Other									
Other – Floor Coverings	7,500	2,000							
Other – Hardware	9,000	3,880			400			560	
Other – Miscellaneous	1,000	1,000							
Other – Saw Blades	1,050	250			50			50	
Other – Tools	<u>9,890</u>	<u>3,240</u>			<u>450</u>			<u>630</u>	
Total Other	<u>28,440</u>	<u>10,370</u>			<u>900</u>			<u>1,240</u>	
Total Trades – Carpenters	101,570	34,190			4,100			5,580	
Trades – Plumbers									
Contractor Requirements – Water Meters	1,850	500				50	500		
Fire Protection System	17,424	5,894	750						
General Plumbing Supplies	17,170	8,000				335	500		
Irrigation Supplies	8,700	1,800							
Pumps	1,950	300							
Underground Utilities	2,000	1,100				30	300		
Water Distribution Systems	7,300	3,000				50	1,000		
Water Meters	4,000								
Plumbing – Tools	2,870	1,000				45	400		
Plumbing – Other	<u>20,700</u>	<u>1,500</u>				<u>100</u>	<u>1,000</u>		
Total Trades – Plumbers	83,964	23,094	750			610	3,700		
Trades – Electricians									
Repairs									
Electrical – Exterior	9,000								
Electrical – Interior	<u>29,000</u>								
Total Repairs	38,000								
Other									
Other – Batteries	3,000								
Other – Field Lights/Sensors	135,000			9,000	126,000				
Other – Gate Supplies	36,000	36,000							
Other – General Supplies	34,000								
Other – Miscellaneous	17,000								
Other – Motor	8,000								
Other – Secured Access System	10,000				10,000				
Other – Tools	<u>5,000</u>								
Total Other	<u>248,000</u>	<u>36,000</u>		<u>9,000</u>	<u>136,000</u>				
Total Trades – Electricians	286,000	36,000		9,000	136,000				
Maintenance – Field									
Snow Removal – Materials									
Materials – Liquid Anti Icer	33,000			1,300	31,700				
Materials – Sodium Formate	30,000				30,000				
Materials – Other Ice Control	3,600			684	1,980		180	576	
Materials – Salt	37,500						18,000		
Materials – Sand	93,000				62,400		7,800	7,800	
Materials – Urea	<u>218,500</u>			<u>21,000</u>	<u>189,000</u>				
Total Snow Removal – Materials	415,600			22,984	315,080		25,980	8,376	

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1997 OPERATING BUDGET

	Total	Lindbergh Terminal	Energy Mgmt. Center	Ramp Area	Field & Runways	Control Tower	Terminal Roads / Landscape	Parking Lot	Int'l Arrival
Snow Removal - Equipment									
Equipment - Bobcats	25,000							25,000	
Equipment - Four Wheel Drive	50,000						10,000	40,000	
Equipment - Snow Haulers	52,000			40,000	5,000			5,000	
Equipment - Other	25,000			10,000	5,000			10,000	
Equipment - Rent - No Operator	244,212			62,724	62,724		8,961	8,961	
Equip Rent - No Operator - 5.5	35,148			12,302	12,302		1,757	1,757	
Total Snow Removal - Equipment	431,360			125,026	85,026		20,718	90,718	
Snow Removal - Miscellaneous									
Snow Removal - Meals	8,400				8,400				
Snow Removal - Plow Blades	24,000			4,800	4,800		4,800	4,800	
Snow Removal - Runway Brooms	28,000				28,000				
Total Snow Removal - Miscellaneous	60,400			4,800	41,200		4,800	4,800	
Summer Maintenance - Surface									
Surface Repair - Aggregate	13,200							7,020	
Surface Repair - Asphalt	64,500			15,000	15,000			3,000	
Surface Repair - Cement	10,120			2,880	2,800			720	
Surface Repair - Other	7,500						4,125	2,250	
Surface Repair - Re - Bar	1,400			1,400					
Surface Rubber Removal	45,000				37,500				
Surface Repair - Saw Blades	28,100			8,100	15,000				
Surface Repair - Hot Sealant	34,500			2,000			2,000	18,000	
Total Summer Maintenance - Surface	204,320			29,380	70,300		6,125	30,990	
Summer Maintenance - Landscape									
Summer Maintenance - Fencing	30,000				15,000				
Landscape/Turf - Materials	101,000				24,000		49,000		
Summer Maint. - Equip. Rental - LT	37,648			12,302	12,302		1,758	1,758	
Summer Maint. - Equip. Rental - No Op.	30,000			10,500	10,500		1,500	1,500	
Landscape/Turf - Agreement	66,000						44,000		
Total Summer Maintenance - Landscape	264,648			22,802	61,802		96,258	3,258	
Maintenance Field - Other									
Field Maintenance - Other/Emergencies	65,000	20,000			20,000	10,000			
Field Maintenance - Other - Material	2,500								
Field Maintenance - Other - Supplies	13,100			4,800	4,800				
Field Maintenance - Other - Tools	11,660			4,360	4,800				
Total Maintenance Field - Other	92,260	20,000		9,160	29,600	10,000			
Total Maintenance - Field	1,468,588	20,000		214,152	603,008	10,000	153,881	138,142	
Maintenance Building									
Building - Temperature Control									
Temperature Control - Contracts	461,780	212,800				13,000	19,742	14,000	
Temperature Control - Filters	113,200		100,500			300			
Total Building - Temperature Control	574,980	212,800	100,500			13,300	19,742	14,000	
Building - Mechanical Areas									
Mechanical Areas - Carrousel	73,320	23,400							
Mechanical Areas - Conveyors	151,680	90,480							30,000
Mechanical Areas - Doors	27,500								
Mechanical Areas - Doors/Pub	24,825	10,000					2,225	8,900	
Mechanical Areas - Doors/Tug	6,160	5,160							
Mechanical Areas - Elevators	197,488	99,940					11,042	55,210	7,000
Mechanical Areas - Escalator	143,734	92,540					5,507	33,837	5,000
Mechanical Areas - Other	3,850	3,250							
Total Building - Mechanical Areas	628,557	324,770					18,774	97,947	42,000
Building - Other									
Other - Boiler Chemicals	12,500		9,000			1,500			
Other - Floors/Repairs	3,000	3,000							
Other - Outside Plumbing/Sewer	31,565								
Other - Roofing	54,200	5,500					2,000	2,100	
Other - Supplies	86,392	27,824	9,000				10,656	13,320	
Other - Tools	12,015	1,736	2,200				1,446	1,843	
Total Building - Other	199,672	38,060	20,200			1,500	14,102	17,263	
Total Maintenance Building	1,403,209	575,630	120,700			14,800	52,618	129,210	42,000

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1997 OPERATING BUDGET

	Total	Lindbergh Terminal	Energy Mgmt. Center	Ramp Area	Field & Runways	Control Tower	Terminal Roads / Landscape	Parking Lot	Int'l Arrival
Maintenance – Cleaning									
Cleaning Services									
Cleaning Services – Janitor	2,898,781	1,490,000					75,600	204,600	290,000
Cleaning Services – Windows	104,800	55,300					8,800	6,300	5,000
Total Cleaning Services	3,003,581	1,545,300					84,400	210,900	295,000
Cleaning Supplies									
Cleaning Supplies – Bathroom	152,794	100,000					6,000	6,000	
Cleaning Supplies – General	20,356	2,000	300						
Total Cleaning Supplies	173,150	102,000	300				6,000	6,000	
Rubbish Disposal									
Rubbish Disposal – Recycle	26,800	25,000							
Rubbish Disposal – Regular	385,500	86,400			165,000		2,400	12,000	
Total Rubbish Disposal	412,300	111,400			165,000		2,400	12,000	
Towel & Laundry Services	3,520	1,000							
Other Cleaning Expenses	3,448								
Total Maintenance – Cleaning	3,595,999	1,759,700	300		165,000		92,800	228,900	295,000
Maintenance – Equipment									
Equipment – Parts									
Parts – Automobiles	402,075								
Parts – Chiller Energy Management	15,000		15,000						
Parts – Equipment	87,580							32,000	
Parts – Other Equipment	76,900	5,000			51,900				
Total Equipment – Parts	581,555	5,000	15,000		51,900			32,000	
Equipment – Shop									
Shop – Garbage Bags	12,500				12,000				
Shop – Batteries	14,000								
Shop – Cleaners/Degreasers	37,000								
Shop – Oil & Filters	34,500								
Shop – Other Supplies	30,000		2,000						
Shop – Tires	33,000								
Shop – Tools	21,000								
Total Equipment – Shop	182,000		2,000		12,000				
Equipment – Gas – Unleaded	170,000		600					2,000	
Equipment – Extinguishers									
Extinguishers – Purchase	1,000								
Extinguishers – Repair	1,000								
Extinguishers – Reservice	1,000								
Total Equipment – Extinguishers	3,000								
Total Equipment – Miscellaneous Expenses	23,750						4,500		
Total Maintenance – Equipment	960,305	5,000	17,600		63,900		4,500	34,000	
Total Maintenance	8,036,735	2,480,614	139,350	223,152	1,004,008	25,410	310,499	549,832	337,000
Other									
General Insurance – Airport Liability	1,237,097	368,616		35,076	61,733		19,642	77,167	
Safety									
Safety – Training Materials	5,375		500						
Safety – Supplies	46,000		4,000						
Safety – Equipment	6,500								
Total Safety	57,875		4,500						
Medical Information/Supplies									
Medical – Routine Supplies	14,742	2,005	387						
Medical – Emergency Response	4,300	4,000							
Total Medical Information/Supplies	19,042	6,005	387						
Rentals									
Rental – Copiers	10,500								
Rental – Pagers	10,400								
Rental – Other Equipment	26,030								
Total Rentals	46,930								

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1997 OPERATING BUDGET

	<u>Total</u>	<u>Lindbergh Terminal</u>	<u>Energy Mgmt. Center</u>	<u>Ramp Area</u>	<u>Field & Runways</u>	<u>Control Tower</u>	<u>Terminal Roads / Landscape</u>	<u>Parking Lot</u>	<u>Int'l Arrival</u>
Licenses/Permits									
Licenses -- Autos/Equipment	19,500								
Licenses -- Environmental	4,000								
Licenses -- Other	<u>5,600</u>								
Total Licenses/Permits	29,100								
Miscellaneous Expenses									
Misc. -- Firearm/Equip./Supplies	50,080								
Misc. -- Emergency Response	10,000								
Misc. -- Other	<u>21,365</u>								
Total Miscellaneous Expenses	81,445								
Reimbursed Expenses	(1,278,000)	(3,000)		(36,000)	(39,000)		(21,000)		
Capital Assets									
Minor Equipment/Assets									
Minor Assets -- Tools	77,399	2,800					19,100		
Minor Assets -- Office Furniture	73,711	6,000					4,000		
Minor Assets -- Computers	67,750							29,550	
Minor Assets -- Radios	18,600								
Minor Assets -- Other	<u>2,000</u>								
Total Minor Equipment/Assets	<u>239,460</u>	<u>8,800</u>					<u>23,100</u>	<u>29,550</u>	
Total Capital Assets	<u>239,460</u>	<u>8,800</u>					<u>23,100</u>	<u>29,550</u>	
Other	432,949	380,421	4,887	(924)	22,733		21,742	106,717	
Gross Depreciation -- Main Office	<u>34,395,384</u>	<u>5,756,583</u>	<u>369,576</u>	<u>493,884</u>	<u>6,165,383</u>		<u>2,942,932</u>	<u>4,038,357</u>	
Total Expenses	<u>91,733,499</u>	<u>11,922,459</u>	<u>2,285,912</u>	<u>763,112</u>	<u>10,110,034</u>	<u>46,410</u>	<u>5,593,879</u>	<u>9,007,106</u>	<u>337,000</u>

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1997 OPERATING BUDGET

	Cargo Area	HHH Terminal	Public Area Roads	W. Term. Area / Building	Hangars & Other Buildings	Maintenance Employees	Equipment Maintenance	Inventory/ Trades	Green Concourse
Personnel									
Wages									
Regular		56,541		90,147		4,593,979			
Overtime/Double Time									
Double Time – Regular						364,522			
Overtime – Regular				8,153		280,629			
Overtime – Special Events									
Total Overtime/Double Time				8,153		645,151			
Commissioner Per Diem									
Temps – Administration						32,380			
Snow Shovellers						13,008			
Temporary 49ers						66,060			
Grass Cutters						28,800			
Total Wages		56,541		98,300		5,379,378			
Benefits									
Employee Insurance Family		6,748		13,495		663,707			
Pension – FICA (Social Security) Base		6,757		11,747		735,562			
Training									
Continuing Education (College)		1,000				7,700			
Executive Leadership Train									
Management Requirements		500		750		5,250			
Organizational Requirements						2,400			
Regulatory Requirements						1,200			
Local Seminars		250		2,410		5,760		800	
Total Training		1,750		3,160		22,310		800	
Post Retirement Benefits		5,472		10,945		667,627			
Workers Compensation		179		1,607		87,589			
Uniforms									
Uniforms – Police/Fire Allowance									
Uniforms – Rental						24,700		1,800	
Uniforms – Safety Shoes						5,631		300	
Total Uniforms						30,331		2,100	
Severance – Contract Allowance		322		560		29,863			
Total Benefits		21,228		41,514		2,236,989		2,900	
Total Personnel		77,769		139,814		7,616,367		2,900	
Administrative Expenses									
Supplies									
Office Supplies & Materials		250		500				4,502	
Computer Supplies									
Computer Supplies – General									
Computer Supplies – Software									
Computer – Tools									
Total Computer Supplies									
Special Supplies									
Special Supplies – Badging									
Special Supply – Film/Photo		50						200	
Special Supplies – Other								100	
Total Special Supplies		50						300	
Total Supplies		300		500				4,802	
Travel									
Travel – Lodging									
Travel – Meals									
Travel – Miscellaneous									
Travel – Transportation									
Travel – Transportation/Airfare		3,000					3,384	10,300	
Travel – Shuttle/Taxi/Auto									
Total Travel – Transportation		3,000					3,384	10,300	
Registration Fees		1,000						1,450	
Mileage		400		1,000				125	
Total Travel		4,400		1,000			3,384	11,875	

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1997 OPERATING BUDGET

	Cargo Area	HHH Terminal	Public Area Roads	W. Term. Area / Building	Hangars & Other Buildings	Maintenance Employees	Equipment Maintenance	Inventory/ Trades	Green Concourse
Other Administrative Expenses									
Local Meetings									
Local Meetings – On Airport/GO				200				1,000	
Local Meetings – Off Airport		900						1,000	
Total Local Meetings		900		200				2,000	
Information Sources									
Memberships/Dues/Pro. Assoc.								750	
Other Information Sources		100							
Publications/Subscriptions		250		250		250		875	
Total Information Sources		350		250		250		1,625	
Printing Costs									
Printing – Publications									
Printing – Color Charts									
Printing – Forms									
Printing – Stationary/Envelopes									
Total Printing Costs									
Delivery Services				250				170	
Freight Charges				500				120	
Postage									
Total Other Administrative Expenses		1,250		1,200		250		3,915	
Total Administrative Expenses		5,950		2,700		3,634		20,592	
Professional Services									
Accounting/Audit Fees									
Affirmative Action Fees									
Computer Services									
General									
ANOMS Consulting									
Hardware Consulting									
Software Consulting									
Total General									
Terminal Services									
Terminal Services – Ground Transportation									
Terminal Services – Parking									
Total Terminal Services									
Total Computer Services									
Engineering Fees		8,000	10,000						
Graphic Design									
Labor Relations									
Legal Fees									
Legal – Environmental									
Legal – General									
Legal – Federal									
Legal – Relievers									
Total Legal Fees									
Legislative									
Legislative – Local									
Legislative – National									
Total Legislative									
Medical Fees									
Planning – MSP Int'l									
Pollution/Environmental Fees									
Public Information Services									
Recruiting & Employment Fees									
Safety Consultants									
Safety – Training						15,000		9,500	
Safety – General									
Total Safety Consultants						15,000		9,500	
Communications Consultant		500							
Other/Miscellaneous		1,250				5,400			2,000
Total Professional Services		9,750	10,000			20,400		9,500	2,000

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1997 OPERATING BUDGET

	Cargo Area	HHH Terminal	Public Area Roads	W. Term. Area / Building	Hangars & Other Buildings	Maintenance Employees	Equipment Maintenance	Inventory/ Trades	Green Concourse
Utilities									
Electricity	3,600	105,000	300	63,000	18,000			78,000	
Heating Fuel – Natural Gas		66,000		30,000	42,000			45,000	
Sewer		1,500	576,000	2,100				4,800	
Water		5,400	306,000	900	600			3,600	
Telephones									
Telephones – Regular		1,080						1,200	
Telephones – Cellular				300			450	1,910	
Total Telephones		<u>1,080</u>		<u>300</u>			<u>450</u>	<u>3,110</u>	
Total Utilities	3,600	178,980	882,300	96,300	60,600		450	134,510	
Operating Services/Expenses									
Advertising									
Advertising – Bids									
Advertising – Employment									
Advertising – Events									
Advertising – Airport Days									
Advertising Special Events									
Total Advertising – Events									
Advertising – General									
Advertising – Parking									
Advertising – Relievers									
Total Advertising									
Environmental Control									
Hazardous Waste – General							2,000	16,000	
Pollution Control – Supplies							3,000		
Industrial Waste Management									
Laboratory Services									
Solvent Reclamation Service							2,000	750	
Spill Response							2,000	1,000	
Tire Disposal							840		
Other									
Total Environmental Control							<u>9,840</u>	<u>17,750</u>	
Ground Transportation Services									
AV ID Tags									
Commercial Roadway Tickets									
Total Ground Transportation Services									
Shuttle Services									
Auto Rental									
Lindbergh/Regional									
Lindbergh/Humphrey		<u>158,177</u>							
Total Shuttle Services		<u>158,177</u>							
Parking Lots									
Lot Tickets									
Management Contract									
Total Parking Lots									
Met Council Fees – General Fees									
Employee Programs									
ERRT									
ERRT – Awards									
ERRT – Recognition				<u>100</u>		<u>11,000</u>			
Total ERRT				<u>100</u>		<u>11,000</u>			
Holidays – Holiday Catering									
Picnic									
Hospital Fund									
Retirement – Awards									
Service – Awards									

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1997 OPERATING BUDGET

	Cargo Area	HHH Terminal	Public Area Roads	W. Term. Area / Building	Hangars & Other Buildings	Maintenance Employees	Equipment Maintenance	Inventory/ Trades	Green Concourse
Wellness									
Wellness – Fitness Program									
Wellness – Health/Wellness									
Wellness – Nutrition/Stress									
Total Wellness									
Total Employee Programs				100		11,000			
Events									
Airport Days									
Airport Days – Other Expense						1,000		2,500	
Airport Days – Rentals									
Total Airport Days						1,000		2,500	
Emergency Response Exercise – Other									
Picnic/Other Events									
Total Events						1,000		2,500	
Other Charges/Fees									
Bank Charges									
Security Services									
Recycling									
Copy Agreement									
Mediation Fees									
Miscellaneous Charges/Fees									
Jail Fees									
Total Other Charges/Fees									
Service Agreements									
Service – Computers									
Service – Fitness Equipment									
Service – Ground Transportation Equipment									
Service – Office Equipment		1,200		250		300			
Service – Other Equipment		2,500		5,000					
Service – Parking Equipment									
Service – Telephone Systems		500							
Service – Secured Access									
Service – Radios							25,000		
Storm Water Monitoring									
Total Service Agreements		4,200		5,250		300	25,000		
Total Operating Services/Expenses		162,377		5,350		12,300	34,840	20,250	
Maintenance									
Trades – Painters									
Paint									
Equipment – Paint									
Exterior – Paint									
Interior – Paint		1,000		1,000			3,000		
Paint – Other								4,000	
Traffic Paint – Parking									
Reliever Airport – Paint									
Traffic Paint – Roads			8,000						
Traffic Paint – Runways									
Total Paint		1,000	8,000	1,000			3,000	4,000	
Signs									
Regulatory – Signs								13,000	
Exterior Sign Materials								2,000	
Interior Sign Materials								4,000	
Reliever Airport Signs									
Total Signs								19,000	
Supplies									
Brushes & Supplies								5,000	
Paint Supplies – Other								3,000	
Equipment Spray								1,800	
Paint Tools						2,000			
Total Supplies						2,000		9,800	
Total Trades – Painters		1,000	8,000	1,000		2,000	3,000	32,800	

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1997 OPERATING BUDGET

	Cargo Area	HHH Terminal	Public Area Roads	W. Term. Area / Building	Hangars & Other Buildings	Maintenance Employees	Equipment Maintenance	Inventory/ Trades	Green Concourse
Trades – Carpenters									
Locks									
Locks – Doors		1,900	1,800	1,500	2,000				
Locks – Other		<u>200</u>		<u>100</u>	<u>100</u>				
Total Locks		2,100	1,800	1,600	2,100				
Flags – Material								200	
Lumber									
Lumber – Cabinets		600	850	500	750				
Lumber – Acoustical Ceiling		102	180	100	160				
Lumber – New Construction		1,000	1,500	850	1,300				
Lumber – Other									
Lumber – Remodeling		<u>1,000</u>	<u>1,400</u>	<u>800</u>	<u>1,300</u>				
Total Lumber		2,720	3,930	2,250	3,510				
Other									
Other – Floor Coverings				5,500					
Other – Hardware		480	720	400	640				
Other – Miscellaneous									
Other – Saw Blades		60	50	50	50				
Other – Tools		<u>540</u>	<u>800</u>	<u>450</u>	<u>720</u>				
Total Other		<u>1,080</u>	<u>1,570</u>	<u>6,400</u>	<u>1,410</u>				
Total Trades – Carpenters		5,900	7,300	10,250	7,020			200	
Trades – Plumbers									
Contractor Requirements – Water Meters		500	50	50				50	
Fire Protection System		3,000		1,050					1,500
General Plumbing Supplies		3,000	600	60					3,000
Irrigation Supplies			6,000						
Pumps		500							1,000
Underground Utilities		300	60	60					50
Water Distribution Systems		1,000	300	300					1,000
Water Meters								4,000	
Plumbing – Tools		500	90	90					500
Plumbing – Other		<u>1,000</u>	<u>200</u>	<u>200</u>					<u>1,000</u>
Total Trades – Plumbers		9,800	7,300	2,350				4,000	8,100
Trades – Electricians									
Repairs									
Electrical – Exterior									
Electrical – Interior									
Total Repairs									
Other									
Other – Batteries								3,000	
Other – Field Lights/Sensors									
Other – Gate Supplies									
Other – General Supplies				13,000				21,000	
Other – Miscellaneous								17,000	
Other – Motor								8,000	
Other – Secured Access System									
Other – Tools								<u>5,000</u>	
Total Other				<u>13,000</u>				<u>54,000</u>	
Total Trades – Electricians				13,000				54,000	
Maintenance – Field									
Snow Removal – Materials									
Materials – Liquid Anti Icer									
Materials – Sodium Formate									
Materials – Other Ice Control			180						
Materials – Salt			18,000						
Materials – Sand									
Materials – Urea									
Total Snow Removal – Materials			<u>18,180</u>						

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1997 OPERATING BUDGET

	Cargo Area	HHH Terminal	Public Area Roads	W. Term. Area / Building	Hangars & Other Buildings	Maintenance Employees	Equipment Maintenance	Inventory/ Trades	Green Concourse
Snow Removal – Equipment									
Equipment – Bobcats									
Equipment – Four Wheel Drive									
Equipment – Snow Haulers									
Equipment – Other									
Equipment – Rental – No Operator			35,842						
Equipment – Rental – No Operator – 5.5			<u>7,030</u>						
Total Snow Removal – Equipment			42,872						
Snow Removal – Miscellaneous									
Snow Removal – Meals									
Snow Removal – Plow Blades			4,800						
Snow Removal – Runway Brooms									
Total Snow Removal – Miscellaneous			<u>4,800</u>						
Summer Maintenance – Surface									
Surface Repair – Aggregate			780						
Surface Repair – Asphalt			3,000						
Surface Repair – Cement			720						
Surface Repair – Other			1,125						
Surface Repair – Re – Bar									
Surface Rubber Removal									
Surface Repair – Saw Blades									
Surface Repair – Hot Sealant									
Total Summer Maintenance – Surface			<u>5,625</u>						
Summer Maintenance – Landscape									
Summer Maintenance – Fencing									
Landscape/Turf – Materials			4,000						
Summer Maintenance – Equip. Rental – LT			7,028						
Summer Maintenance – Equip. Rental – No Op.			6,000						
Landscape/Turf – Agreement			<u>3,000</u>						
Total Summer Maintenance – Landscape			20,028						
Maintenance Field – Other									
Field Maintenance – Other/Emergencies			15,000						
Field Maintenance – Other – Material									
Field Maintenance – Other – Supplies									
Field Maintenance – Other – Tools									
Total Maintenance Field – Other			<u>15,000</u>						
Total Maintenance – Field			106,505						
Maintenance Building									
Building – Temperature Control									
Temperature Control – Contracts		32,738		26,000	19,500			32,500	42,500
Temperature Control – Filters				<u>300</u>	<u>450</u>			<u>750</u>	
Total Building – Temperature Control		32,738		26,300	19,950			33,250	42,500
Building – Mechanical Areas									
Mechanical Areas – Carrousel		49,920							
Mechanical Areas – Conveyors		31,200							
Mechanical Areas – Doors				5,000	10,000				
Mechanical Areas – Doors/Pub		3,700							
Mechanical Areas – Doors/Tug		700							300
Mechanical Areas – Elevators		2,740			1,500				16,056
Mechanical Areas – Escalator									6,850
Mechanical Areas – Other									<u>600</u>
Total Building – Mechanical Areas		88,260		5,000	11,500				23,806
Building – Other									
Other – Boiler Chemicals				1,500					
Other – Floors/Repairs									
Other – Outside Plumbing/Sewer				28,065			3,500		
Other – Roofing		2,100			6,000			4,000	2,500
Other – Supplies		10,000		4,000					592
Other – Tools		<u>1,446</u>		<u>300</u>					<u>544</u>
Total Building – Other		<u>13,546</u>		<u>36,865</u>	<u>6,000</u>		<u>3,500</u>	<u>4,000</u>	<u>3,636</u>
Total Maintenance Building		134,544		68,165	37,450		3,500	37,250	69,942

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1997 OPERATING BUDGET

	Cargo Area	HHH Terminal	Public Area Roads	W. Term. Area / Building	Hangars & Other Buildings	Maintenance Employees	Equipment Maintenance	Inventory/ Trades	Green Concourse
Maintenance – Cleaning									
Cleaning Services									
Cleaning Services – Janitor		259,800		45,752	17,157			17,157	432,600
Cleaning Services – Windows		<u>12,800</u>		<u>1,125</u>	<u>125</u>			<u>750</u>	<u>13,100</u>
Total Cleaning Services		272,600		46,877	17,282			17,907	445,700
Cleaning Supplies									
Cleaning Supplies – Bathroom		18,000		3,957	440			2,638	14,000
Cleaning Supplies – General		<u> </u>		<u>5,325</u>	<u> </u>		<u>600</u>	<u>290</u>	<u>1,741</u>
Total Cleaning Supplies		18,000		9,282	440		600	2,928	15,741
Rubbish Disposal									
Rubbish Disposal – Recycle		960							840
Rubbish Disposal – Regular		<u>36,000</u>	<u>3,300</u>	<u>20,400</u>				<u>21,600</u>	<u>13,200</u>
Total Rubbish Disposal		36,960	3,300	20,400				21,600	14,040
Towel & Laundry Services							720	200	
Other Cleaning Expenses		<u> </u>	<u> </u>	<u> </u>	<u> </u>		<u> </u>	<u> </u>	<u> </u>
Total Maintenance – Cleaning		327,560	3,300	76,559	17,722		1,320	42,635	475,481
Maintenance – Equipment									
Equipment – Parts									
Parts – Automobiles							344,680		
Parts – Chiller Energy Management									
Parts – Equipment									
Parts – Other Equipment		<u>10,000</u>							
Total Equipment – Parts		10,000					344,680		
Equipment – Shop									
Shop – Garbage Bags									
Shop – Batteries							12,000		
Shop – Cleaners/Degreasers							36,000		
Shop – Oil & Filters							30,000		
Shop – Other Supplies								1,000	
Shop – Tires							25,000		
Shop – Tools							<u>15,000</u>		
Total Equipment – Shop							118,000	1,000	
Equipment – Gas – Unleaded							93,000		
Equipment – Extinguishers									
Extinguishers – Purchase									
Extinguishers – Repair									
Extinguishers – Reservice									
Total Equipment – Extinguishers									
Total Equipment – Miscellaneous Expenses		<u>3,000</u>							
Total Maintenance – Equipment		<u>13,000</u>					<u>555,680</u>	<u>1,000</u>	
Total Maintenance		491,804	132,405	171,324	62,192	2,000	563,500	171,885	553,523
Other									
General Insurance – Airport Liability		36,480	19,642	16,836	4,209		123,468	5,612	
Safety									
Safety – Training Materials							1,700	1,000	
Safety – Supplies						20,000		12,000	
Safety – Equipment						<u> </u>	<u> </u>	<u> </u>	
Total Safety						20,000	1,700	13,000	
Medical Information/Supplies									
Medical – Routine Supplies								200	
Medical – Emergency Response				<u>300</u>				<u> </u>	
Total Medical Information/Supplies				300				200	
Rentals									
Rental – Copier						1,500		500	
Rental – Pagers									
Rental – Other Equipment						<u>8,000</u>		<u>500</u>	
Total Rentals						9,500		1,000	

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1997 OPERATING BUDGET

	Cargo Area	HHH Terminal	Public Area Roads	W. Term. Area / Building	Hangars & Other Buildings	Maintenance Employees	Equipment Maintenance	Inventory/ Trades	Green Concourse
Licenses/Permits									
Licenses – Autos/Equipment									
Licenses – Environmental									
Licenses – Other								1,500	
Total Licenses/Permits								1,500	
Miscellaneous Expenses									
Misc. – Firearm/Equip./Supplies									
Misc. – Emergency Response									
Misc. – Other				10,000					
Total Miscellaneous Expenses				10,000					
Reimbursed Expenses		(30,000)					(6,000)		
Capital Assets									
Minor Equipment/Assets									
Minor Assets – Tools				5,200			21,749	11,450	
Minor Assets – Office Furniture				1,332			9,102	1,593	
Minor Assets – Computers									
Minor Assets – Radios							17,600		
Minor Assets – Other									
Total Minor Equipment/Assets				6,532			48,451	13,043	
Total Capital Assets				6,532			48,451	13,043	
Other		6,480	19,642	33,668	4,209	29,500	167,619	34,355	
Gross Depreciation – Main Office	262,692	924,600	236,352	41,097	22,356		1,070,310	374,126	
Total Expenses	<u>266,292</u>	<u>1,857,710</u>	<u>1,280,699</u>	<u>490,253</u>	<u>149,357</u>	<u>7,680,567</u>	<u>1,840,353</u>	<u>768,118</u>	<u>555,523</u>

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1997 OPERATING BUDGET

	<u>Police</u>	<u>Fire</u>	<u>Administration</u>	<u>Communications/ Operations</u>	<u>Environment/ Noise</u>	<u>Reliever Airports</u>
Personnel						
Wages						
Regular	3,277,565	1,843,165	5,025,794	885,277	628,406	1,182,763
Overtime/Double Time						
Double Time - Regular						107,549
Overtime - Regular	214,545	163,460	60,108	103,877	7,750	101,233
Overtime - Special Events			<u>1,592</u>			
Total Overtime/Double Time	214,545	163,460	61,700	103,877	7,750	208,782
Commissioner Per Diem			29,350			
Temps - Administration			40,780		1,886	30,720
Snow Shovellers						
Temporary 49ers						
Grass Cutters						
Total Wages	3,492,110	2,006,625	5,157,624	989,154	638,042	1,422,265
Benefits						
Employee Insurance - Family	553,305	256,410	587,043	128,204	101,214	182,186
Pension FICA (Social Security) Base	585,189	312,783	702,228	125,503	76,264	261,178
Training						
Continuing Education (College)	36,000	4,000	61,350	7,200	14,000	17,700
Executive Leadership Training			45,000			
Management Requirements		3,000	17,750	5,250	1,800	
Organizational Requirements			89,000		500	
Regulatory Requirements		25,800	2,500			
Local Seminars	<u>18,470</u>	<u>1,000</u>	<u>59,910</u>	<u>300</u>	<u>8,225</u>	<u>500</u>
Total Training	54,470	33,800	275,510	12,750	24,525	18,200
Post Retirement Benefits	218,894	448,733	503,456	103,975	76,613	147,753
Workers Compensation	65,893	30,536	15,536	3,393	2,678	21,697
Unemployment Tax						
Uniforms						
Uniforms - Police/Fire Allowance	33,950	18,600				
Uniforms - Rental			1,600			11,993
Uniforms - Safety Shoes						
Total Uniforms	33,950	18,600	1,600			11,993
Severance Contract Allowance	<u>19,905</u>	<u>11,438</u>	<u>28,969</u>	<u>5,638</u>	<u>5,638</u>	<u>7,932</u>
Total Benefits	<u>1,531,606</u>	<u>1,112,300</u>	<u>2,114,342</u>	<u>379,463</u>	<u>286,932</u>	<u>650,939</u>
Total Personnel	5,023,716	3,118,925	7,271,966	1,368,617	924,974	2,073,204
Administrative Expenses						
Supplies						
Office Supplies & Materials	10,000	5,000	33,345	2,800	7,800	5,200
Computer Supplies						
Computer Supplies - General			51,820		3,300	1,800
Computer Supplies - Software			13,500	1,000	3,000	
Computer - Tools			<u>1,500</u>			
Total Computer Supplies			66,820	1,000	6,300	1,800
Special Supplies						
Special Supplies - Badging	12,000					
Special Supplies - Film/Photo	6,100		20,600	300	250	
Special Supplies - Other	<u>3,300</u>		<u>5,750</u>	<u>1,500</u>	<u>2,350</u>	
Total Special Supplies	<u>21,400</u>		<u>26,350</u>	<u>1,800</u>	<u>2,600</u>	
Total Supplies	31,400	5,000	126,515	5,600	16,700	7,000
Travel						
Travel - Lodging	3,600		1,000		3,000	3,000
Travel - Meals	1,500		500		500	1,000
Travel - Miscellaneous						1,000
Travel - Transportation						
Travel - Transportation/Airfare	18,250	8,600	196,930	12,600	17,000	7,000
Travel - Shuttle/Taxi/Auto			<u>100</u>			<u>400</u>
Total Travel - Transportation	18,250	8,600	197,030	12,600	17,000	7,400
Registration Fees	8,200		4,090		500	2,000
Mileage	<u>4,000</u>	<u>2,000</u>	<u>29,954</u>	<u>100</u>	<u>1,920</u>	<u>500</u>
Total Travel	35,550	10,600	232,574	12,700	22,920	14,900

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	<u>Police</u>	<u>Fire</u>	<u>Administration</u>	<u>Communications/ Operations</u>	<u>Environment/ Noise</u>	<u>Reliever Airports</u>
Other Administrative Expense						
Local Meetings						
Local Meetings – On Airport/GO			13,130	650	400	500
Local Meetings – Off Airport	<u>4,000</u>		<u>26,030</u>		<u>2,000</u>	<u>2,000</u>
Total Local Meetings	4,000		39,160	650	2,400	2,500
Information Sources						
Memberships/Dues/Pro. Assoc.	5,000	600	108,200	2,625	2,250	1,800
Other Information Sources		7,300	32,320	2,350	15,200	1,500
Publications/Subscriptions		<u>2,040</u>	<u>28,930</u>	<u>350</u>	<u>1,600</u>	
Total Information Sources	5,000	9,940	169,450	5,325	19,050	3,300
Printing Costs						
Printing – Publications	4,000		86,550	200		2,800
Printing – Color Charts			1,480		2,000	500
Printing – Forms	3,000		11,200			
Printing – Stationary/Envelopes	<u>3,000</u>	<u>600</u>	<u>11,600</u>			
Total Printing Costs	10,000	600	110,830	200	2,000	3,300
Delivery Services	1,500	60	10,670	200	300	450
Freight Charges	200	120	1,200			600
Postage	<u>1,050</u>		<u>63,600</u>			<u>660</u>
Total Other Administrative Expenses	<u>21,750</u>	<u>10,720</u>	<u>394,910</u>	<u>6,375</u>	<u>23,750</u>	<u>10,810</u>
Total Administrative Expenses	88,700	26,320	753,999	24,675	63,370	32,710
Professional Services						
Accounting/Audit Fees			129,750			
Affirmative Action Fees			15,000			
Computer Services						
General						
ANOMS Consulting					40,000	
Hardware Consulting			20,000			
Software Consulting			<u>46,100</u>		<u>13,500</u>	
Total General			66,100		53,500	
Terminal Services						
Terminal Services – Ground Transportation						
Terminal Services – Parking						
Total Terminal Services						
Total Computer Services			66,100		53,500	
Engineering Fees			58,000		35,000	308,000
Graphic Design			63,900			
Labor Relations			30,000			
Legal Fees						
Legal – Environmental					86,000	
Legal – General			405,100			
Legal – Federal			66,000			
Legal – Relievers						<u>36,000</u>
Total Legal Fees			471,100		86,000	36,000
Legislative						
Legislative – Local			81,000			
Legislative – National			<u>63,800</u>			
Total Legislative			144,800			
Medical Fees		10,500	9,000		5,000	
Planning – MSP Int'l						
Pollution/Environmental Fees					3,000	3,000
Public Information Services			42,200			
Recruiting & Employment Fees			10,000			
Safety Consultants						
Safety – Training	2,600	2,600	3,000	1,800		8,000
Safety – General					<u>1,500</u>	
Total Safety Consultants	2,600	2,600	3,000	1,800	1,500	8,000
Communications Consultant	2,000		74,600	500		
Other/Miscellaneous	<u>18,500</u>		<u>227,767</u>	<u>10,000</u>		<u>29,246</u>
Total Professional Services	23,100	13,100	1,345,217	12,300	184,000	384,246

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	<u>Police</u>	<u>Fire</u>	<u>Administration</u>	<u>Communications/ Operations</u>	<u>Environment/ Noise</u>	<u>Reliever Airports</u>
Utilities						
Electricity		10,800	42,000		4,500	106,800
Heating Fuel – Natural Gas		7,500		500	21,000	
Sewer		900	4,800		4,800	
Water		600	2,400		3,600	
Telephones						
Telephones – Regular	5,700	2,040	94,800	49,200	24,000	26,200
Telephones – Cellular	<u>3,200</u>	<u>1,800</u>	<u>8,660</u>	<u>6,500</u>	<u>1,440</u>	<u>4,000</u>
Total Telephones	<u>8,900</u>	<u>3,840</u>	<u>103,460</u>	<u>55,700</u>	<u>25,440</u>	<u>30,200</u>
Total Utilities	8,900	16,140	160,160	55,700	30,440	166,400
Operating Services/Expenses						
Advertising						
Advertising – Bids			6,000			
Advertising – Employment			15,000			
Advertising – Events						
Advertising – Airport Days			17,500			
Advertising Special Events			<u>5,000</u>			
Total Advertising – Events			22,500			
Advertising – General	2,750		92,500			
Advertising – Parking						
Advertising – Relievers						<u>45,000</u>
Total Advertising	<u>2,750</u>		<u>136,000</u>			<u>45,000</u>
Environmental Control						
Hazardous Waste – General	500	500				1,750
Pollution Control – Supplies						
Industrial Waste Management						
Laboratory Services					5,000	
Solvent Reclamation Service		750				1,500
Spill Response		1,000			750	1,000
Tire Disposal						1,200
Other						
Total Environmental Control	<u>500</u>	<u>2,250</u>			<u>5,750</u>	<u>5,450</u>
Ground Transportation Services						
AV ID Tags						
Commercial Roadway Tickets						
Total Ground Transportation Services						
Shuttle Services						
Auto Rental						
Lindbergh/Regional						
Lindbergh/Humphrey						
Total Shuttle Services						
Parking Lots						
Lot Tickets						
Management Contract						
Total Parking Lots						
Met Council Fees – General Fees						
Employee Programs						
ERRT						
ERRT – Awards			18,000			
ERRT – Recognition	<u>8,200</u>	<u>3,900</u>	<u>8,400</u>	<u>1,700</u>	<u>500</u>	<u>2,600</u>
Total ERRT	<u>8,200</u>	<u>3,900</u>	<u>26,400</u>	<u>1,700</u>	<u>500</u>	<u>2,600</u>
Holidays – Holiday Catering			7,500			
Picnic			3,000			
Hospital Fund			1,500			
Retirement – Awards			5,500			
Service – Awards			10,000			

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1997 OPERATING BUDGET

	<u>Police</u>	<u>Fire</u>	<u>Administration</u>	<u>Communications/ Operations</u>	<u>Environment/ Noise</u>	<u>Reliever Airports</u>
Wellness						
Wellness – Fitness Program			90,000			
Wellness – Health/Wellness			1,500			
Wellness – Nutrition/Stress			<u>25,000</u>			
Total Wellness			<u>116,500</u>			
Total Employee Programs	8,200	3,900	170,400	1,700	500	2,600
Events						
Airport Days						
Airport Days – Other Expenses		2,500	2,400	1,250		2,200
Airport Days – Rentals			<u>45,000</u>			
Total Airport Days		2,500	47,400	1,250		2,200
Emergency Response Exercise - Other			6,350			
Picnic/Other Events	<u>3,500</u>		<u>245,700</u>	<u>250</u>		
Total Events	3,500	2,500	299,450	1,500		2,200
Other Charges/Fees						
Bank Charges			83,000			
Security Services	75,000					40,000
Recycling			1,700			
Copy Agreement			127,200			2,500
Mediation Fees			8,000			
Miscellaneous Charges/Fees	11,600	120	22,700			1,500
Jail Fees	<u>5,000</u>					
Total Other Charges/Fees	91,600	120	242,600			44,000
Service Agreements						
Service – Computers	18,922		118,350		116,000	
Service – Fitness Equipment			5,000			
Service – Ground Transportation Equipment						
Service – Office Equipment	3,750		6,583	6,300		
Service – Other Equipment	4,500	13,233	23,770	10,300	4,400	4,000
Service – Parking Equipment						
Service – Telephone Systems	1,225	1,800	48,160	5,000		
Service – Secured Access						
Service – Radios	10,400	9,400	1,800			5,200
Storm Water Monitoring						
Total Service Agreements	<u>38,797</u>	<u>24,433</u>	<u>203,663</u>	<u>21,600</u>	<u>120,400</u>	<u>9,200</u>
Total Operating Services/Expenses	145,347	33,203	1,052,113	24,800	126,650	108,450
Maintenance						
Trades – Painters						
Paint						
Equipment – Paint						
Exterior – Paint						
Interior – Paint						
Paint – Other						
Traffic Paint – Parking						
Reliever Airport – Paint						8,000
Traffic Paint – Roads						
Traffic Paint – Runways						
Total Paint						8,000
Signs						
Regulatory – Signs						
Exterior Sign Materials						
Interior Sign Materials						
Reliever Airport Signs						4,800
Total Signs						4,800
Supplies						
Brushes & Supplies						
Paint Supplies – Other						500
Equipment Spray						
Paint Tools						
Total Supplies						500
Total Trades – Painters						13,300

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1997 OPERATING BUDGET

	<u>Police</u>	<u>Fire</u>	<u>Administration</u>	<u>Communications/ Operations</u>	<u>Environment/ Noise</u>	<u>Reliever Airports</u>
Trades – Carpenters						
Locks						
Locks – Doors	1,000	1,000	800	200		300
Locks – Other	<u>100</u>		<u>100</u>			<u>200</u>
Total Locks	1,100	1,000	900	200		500
Flags – Material						250
Lumber						
Lumber – Cabinets	500	500	900	400		
Lumber – Acoustical Ceiling	100	100	200	80		
Lumber – New Construction	800	800	1,600	650		
Lumber – Other						7,000
Lumber – Remodeling	<u>850</u>	<u>850</u>	<u>1,600</u>	<u>680</u>		
Total Lumber	2,250	2,250	4,300	1,810		7,000
Other						
Other – Floor Coverings						
Other – Hardware	400	400	800	320		
Other – Miscellaneous						
Other – Saw Blades	50	50	50	40		300
Other – Tools	<u>450</u>	<u>450</u>	<u>900</u>	<u>360</u>		<u>900</u>
Total Other	900	900	1,750	720		1,200
Total Trades – Carpenters	4,250	4,150	6,950	2,730		8,950
Trades – Plumbers						
Contractor Water Meters		50	100			
Fire Protection System			1,230			4,000
General Plumbing Supplies		335	800			
Irrigation Supplies			900			
Pumps		150				
Underground Utilities		50	50			
Water Distribution Systems		150	500			
Water Meters						
Plumbing – Tools		45	200			
Plumbing – Other		<u>100</u>	<u>600</u>			<u>15,000</u>
Total Trades – Plumbers		880	4,380			19,000
Trades – Electricians						
Repairs						
Electrical _ Exterior						9,000
Electrical – Interior						<u>29,000</u>
Total Repairs						38,000
Other						
Other – Batteries						
Other – Field Lights/Sensors						
Other – Gate Supplies						
Other – General Supplies						
Other – Miscellaneous						
Other – Motor						
Other – Secured Access System						
Other – Tools						
Total Other						
Total Trades – Electricians						38,000
Maintenance – Field						
Snow Removal – Materials						
Materials – Liquid Anti Icer						
Materials – Sodium Formate						
Materials – Other Ice Control						
Materials – Salt						1,500
Materials – Sand						15,000
Materials – Urea						<u>8,500</u>
Total Snow Removal – Materials						25,000

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1997 OPERATING BUDGET

	<u>Police</u>	<u>Fire</u>	<u>Administration</u>	<u>Communications/ Operations</u>	<u>Environment/ Noise</u>	<u>Reliever Airports</u>
Snow Removal – Equipment						
Equipment – Bobcats						
Equipment – Four Wheel Drive						
Equipment – Snow Haulers						2,000
Equipment – Other						
Equipment – Rent – No Operator						65,000
Equip Rent – No Operator – 5.5						
Total Snow Removal – Equipment						67,000
Snow Removal – Miscellaneous						
Snow Removal – Meals						
Snow Removal – Plow Blades						
Snow Removal – Runway Broom						
Total Snow Removal – Miscellaneous						
Summer Maintenance – Surface						
Surface Repair – Aggregate						5,400
Surface Repair – Asphalt						28,500
Surface Repair – Cement						3,000
Surface Repair – Other						
Surface Repair – Re – Bar						
Surface Rubber Removal						7,500
Surface Repair – Saw Blades						5,000
Surface Repair – Hot Sealant						12,500
Total Summer Maintenance – Surface						61,900
Summer Maintenance – Landscape						
Summer Maintenance – Fencing						15,000
Landscape/Turf – Materials			5,000			19,000
Summer Maintenance – Equip. Rental - LT						2,500
Summer Maintenance – Equip. Rental - No Operator						
Landscape/Turf – Agreement			19,000			
Total Summer Maintenance – Landscape			24,000			36,500
Maintenance Field – Other						
Field Maintenance – Other/Emergencies						
Field Maintenance – Other – Material						2,500
Field Maintenance – Other – Supplies						3,500
Field Maintenance – Other – Tools						2,500
Total Maintenance Field – Other						8,500
Total Maintenance – Field			24,000			198,900
Maintenance Building						
Building – Temperature Control						
Temperature Control – Contracts		15,600	16,900		6,500	10,000
Temperature Control – Filters		360	390		150	10,000
Total Building – Temperature Control		15,960	17,290		6,650	20,000
Building – Mechanical Areas						
Mechanical Areas – Carrousel						
Mechanical Areas – Conveyors						
Mechanical Areas – Doors		5,000				7,500
Mechanical Areas – Doors/Pub						
Mechanical Areas – Doors/Tug						
Mechanical Areas – Elevators			1,500			2,500
Mechanical Areas – Escalator						
Mechanical Areas – Other						
Total Building – Mechanical Areas		5,000	1,500			10,000
Building – Other						
Other – Boiler Chemicals						500
Other – Floors/Repairs						
Other – Outside Plumbing/Sewer						
Other – Roofing		4,000	3,000			20,000
Other – Supplies						11,000
Other – Tools						2,500
Total Building – Other		4,000	3,000			34,000
Total Maintenance Building		24,960	21,790		6,650	64,000

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

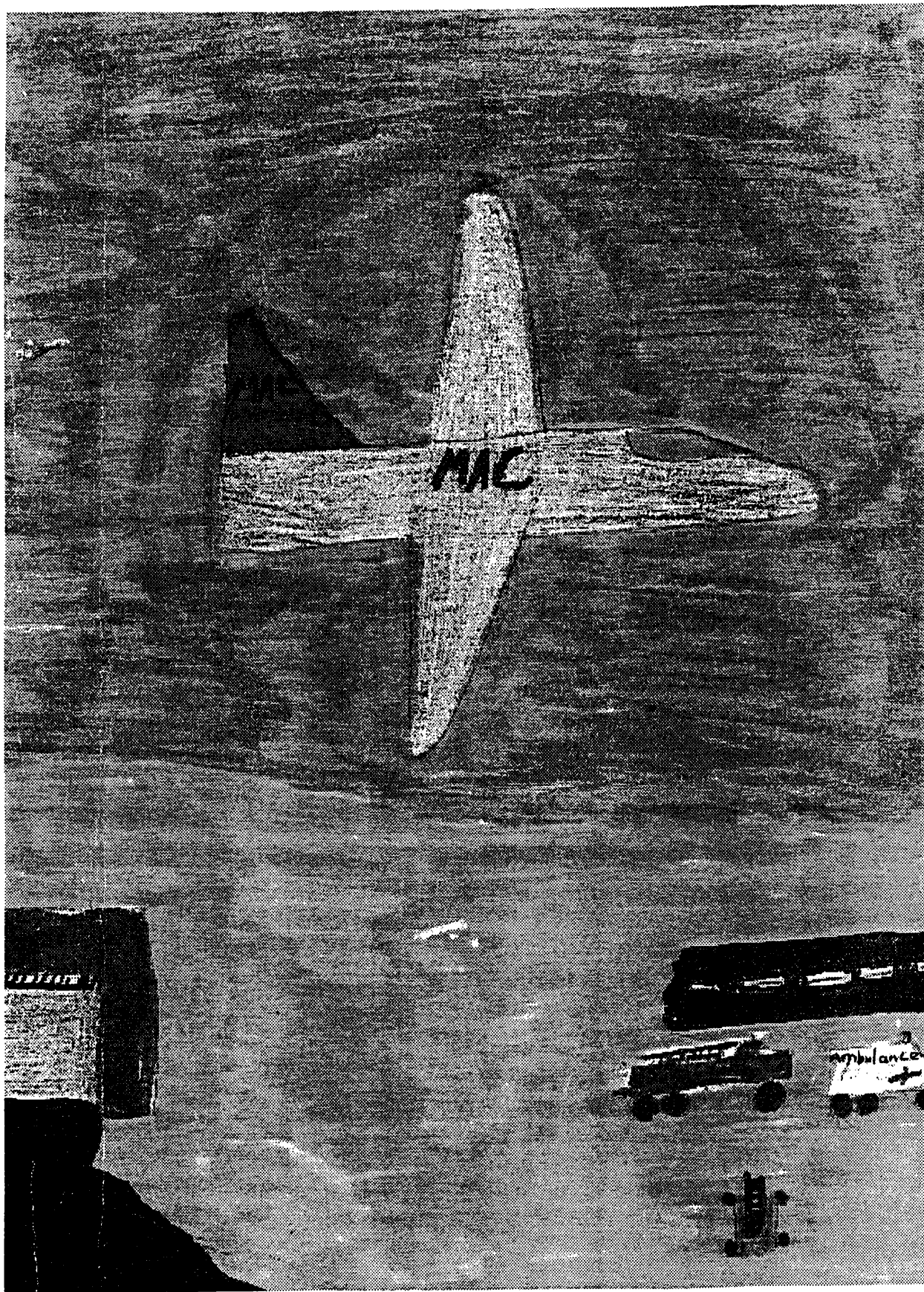
OBJECT ACCOUNT BY SUBLEDGER - 1997 OPERATING BUDGET

	<u>Police</u>	<u>Fire</u>	<u>Administration</u>	<u>Communications/ Operations</u>	<u>Environment/ Noise</u>	<u>Reliever Airports</u>
Maintenance – Cleaning						
Cleaning Services						
Cleaning Services – Janitor			34,315			31,800
Cleaning Services – Windows			<u>500</u>			<u>1,000</u>
Total Cleaning Services			34,815			32,800
Cleaning Supplies						
Cleaning Supplies – Bathroom			1,759			
Cleaning Supplies – General			<u> </u>			<u>10,100</u>
Total Cleaning Supplies			1,759			10,100
Rubbish Disposal						
Rubbish Disposal – Recycle						
Rubbish Disposal – Regular			<u>6,000</u>			<u>19,200</u>
Total Rubbish Disposal			6,000			19,200
Towel & Laundry Services						1,600
Other Cleaning Expenses		<u>1,948</u>				<u>1,500</u>
Total Maintenance – Cleaning		1,948	42,574			65,200
Maintenance – Equipment						
Equipment – Parts						
Parts – Automobiles	34,260	19,260		375		3,500
Parts – Chiller Energy Management						
Parts – Equipment			2,580	5,800		47,200
Parts – Other Equipment			<u> </u>	<u> </u>		<u>10,000</u>
Total Equipment – Parts	34,260	19,260	2,580	6,175		60,700
Equipment – Shop						
Shop – Garbage Bags						500
Shop – Batteries						2,000
Shop – Cleaners/Degreasers						1,000
Shop – Oil & Filters						4,500
Shop – Other Supplies						27,000
Shop – Tires						8,000
Shop – Tools						<u>6,000</u>
Total Equipment – Shop						49,000
Equipment – Gas-Unleaded	19,200	8,700	9,900	2,700	900	33,000
Equipment – Extinguishers						
Extinguishers – Purchase		1,000				
Extinguishers – Repair		1,000				
Extinguishers – Reservice		<u>1,000</u>				
Total Equipment – Extinguishers		3,000				
Total Equipment – Miscellaneous Expenses				<u>1,250</u>		<u>15,000</u>
Total Maintenance – Equipment	<u>53,460</u>	<u>30,960</u>	<u>12,480</u>	<u>10,125</u>	<u>900</u>	<u>157,700</u>
Total Maintenance	57,710	62,898	112,174	12,855	7,550	565,050
Other						
General Insurance – Airport Liability	143,110	99,616	58,928	4,208	2,806	159,948
Safety						
Safety – Training Materials	1,175	250	250			500
Safety – Supplies	750	750	800		500	7,200
Safety – Equipment					<u>6,500</u>	
Total Safety	<u>1,925</u>	<u>1,000</u>	<u>1,050</u>		<u>7,000</u>	<u>7,700</u>
Medical Information/Supplies						
Medical – Routine Supplies	3,800	4,000	1,500	350		2,500
Medical – Emergency Response						
Total Medical Information/Supplies	<u>3,800</u>	<u>4,000</u>	<u>1,500</u>	<u>350</u>		<u>2,500</u>
Rentals						
Rental – Copier			8,500			
Rental – Pagers			10,400			
Rental – Other Equipment	<u>1,230</u>		<u>8,400</u>		<u>6,000</u>	<u>1,900</u>
Total Rentals	1,230		27,300		6,000	1,900

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1997 OPERATING BUDGET

	<u>Police</u>	<u>Fire</u>	<u>Administration</u>	<u>Communications/ Operations</u>	<u>Environment/ Noise</u>	<u>Reliever Airports</u>
Licenses/Permits						
Licenses - Autos/Equipment			19,000			500
Licenses - Environmental					3,500	500
Licenses - Other		100			1,000	3,000
Total Licenses/Permits		100	19,000		4,500	4,000
Miscellaneous Expenses						
Misc. - Firearm/Equip./Supplies	7,500	42,080		500		
Misc. - Emergency Response	500	1,500				8,000
Misc. - Other			11,165	200		
Total Miscellaneous Expenses	8,000	43,580	11,165	700		8,000
Reimbursed Expense	(519,000)	(204,000)	(240,000)			(180,000)
Capital Assets						
Minor Equipment/Assets						
Minor Assets - Tools	3,300			9,550	3,500	750
Minor Assets - Office Furniture	2,000		33,734	3,550	2,000	10,400
Minor Assets - Computers			19,700	13,500	5,000	
Minor Assets - Radios					1,000	
Minor Assets - Other					1,500	500
Total Minor Equipment/Assets	5,300		53,434	26,600	13,000	11,650
Total Capital Assets	5,300		53,434	26,600	13,000	11,650
Other	(355,635)	(55,704)	(67,623)	31,858	33,306	15,698
Gross Depreciation - Main Office	51,630	128,832	1,156,020	91,663	7,167,907	3,101,084
Total Expenses	<u>5,043,468</u>	<u>3,343,714</u>	<u>11,784,026</u>	<u>1,622,468</u>	<u>8,538,197</u>	<u>6,446,842</u>



Миннеаполис/ст. Paul Metropolitan Airport's Commission Operating Budget 1997
Construction Budget

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 1997 OPERATING BUDGET

The construction budget is presented in three sections. 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.

CAPITAL IMPROVEMENT PROGRAM PRIORITY CRITERIA

Staff has developed a set of project priority categories to use as a guide in determining what projects to include in the CIP, particularly the first year, where Commission approval authorizes staff to proceed with plans and specifications and bring the actual bids back to the Commission for contract award.

These priority categories, with a brief explanation, follow:

0. Committed
Commission has made a commitment to complete these projects. Some projects are new while others are phases of a larger project.
1. Safety
This category includes projects that staff feels are required to enhance or insure continued safety at each of the airports in the MAC system.
2. Essential Maintenance
This category is for projects that cannot be accomplished by MAC maintenance forces, but are "essential" for reasons of economics or continued operation. Failure to proceed with the projects allows continued deterioration which leads to higher replacement/repair costs, safety problems or insurance claims.
3. Regulatory Requirements
This category includes projects that are necessitated by regulatory control over the Commission's actions, such as Federal Aviation Regulations and local, state or federal laws.
4. Noise Abatement/Other Environmental
These projects address various environmental issues ranging from asbestos abatement to wetland mitigation and are precipitated by environmental concerns as well as regulations.
5. Preventative Maintenance
These are projects oriented toward the continuous changes occurring at the airports, the need to continuously upgrade older pavements to meet the loadings they receive today, and to avoid larger, disruptive projects in future years.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 1997 OPERATING BUDGET

6. Customer Service/Tenant Projects

These projects, as the name implies, are oriented toward improved customer service and/or convenience.

7. Operational Improvements

These projects have been identified as improving various operational aspects of the airports, whether applicable to aircraft, tenants, MAC staff or off airport service providers.

8. Other

As might be expected, there are always projects that don't logically fall into any category.

The above categories are listed in what staff believes to be a reasonable priority order.

Commission policies for Capital Projects are:

1. Maximize all federal aid.
2. Safety and customer service oriented.
3. Metropolitan Council approval required on Reliever Airport projects in excess of \$2 million and MSP International projects in excess of \$5 million if they are viewed as having a metropolitan significance.
4. Projects are prioritized.

Anticipated project totals planned for 1997, 1998, 1999, and the extended period 2000-2003 (i.e. the proposed Capital Improvement Plan for 1997) 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 1996 dollars.

CAPITAL IMPROVEMENT PLAN SUMMARY (CIP)					
(\$ = 000)					
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000-2003</u>	<u>Total 1997-2003</u>
Minneapolis/St. Paul Int'l					
Field & Runway	\$ 31,580	\$116,120	\$103,650	\$198,350	\$449,700
Environmental	28,960	27,760	24,260	13,300	94,280
Self-Liquidating	0	0	0	0	0
Landside	<u>98,900</u>	<u>159,800</u>	<u>28,600</u>	<u>8,200</u>	<u>295,500</u>
Total Minneapolis/St. Paul Int'l	\$159,440	\$303,680	\$156,510	\$219,850	\$839,480
Reliever Airports					
St. Paul	\$ 3,300	\$ 3,400	\$ 500	600	\$ 7,800
Flying Cloud	6,820	11,610	6,100	700	25,230
Crystal	450	300	300	600	1,650
Anoka	900	0	200	2,350	3,450
Lake Elmo	250	250	700	2,300	3,500
Airlake	<u>2,150</u>	<u>100</u>	<u>100</u>	<u>0</u>	<u>1,450</u>
Total Reliever Airports	\$ 12,970	\$ 15,660	\$ 7,900	\$ 6,550	\$ 43,080
Total All Facilities	<u>\$172,410</u>	<u>\$319,340</u>	<u>\$164,410</u>	<u>\$226,400</u>	<u>\$882,560</u>

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET - 1997 OPERATING BUDGET

The seven year total of approximately \$883 million represents an increase of \$315 million from the previous year's CIP. This increase can be attributed to the dual track decision to expand MSP International.

The Construction Budget below represents anticipated sources and uses of funds during the years 1997-1999. The information for 1996 indicates expected transactions during the fourth quarter.

CONSTRUCTION BUDGET 1996

(\$ = 000)

	<u>Estimated 1996</u>	<u>Budget 1997</u>	<u>Projected 1998</u>	<u>Projected 1999</u>	<u>Projected Total</u>
Sources of Funds					
Balance 12/31/95	\$ 92,530				\$ 92,530
Balance Carried Forward		\$ 39,262	\$ 81,372	\$ 44,901	
NWA Loan Repayment	4,860	4,860	4,860	4,860	19,440
Transfer From Operating Fund	25,367	34,430	38,667	38,575	137,039
PFC Funding	34,600	34,600	35,192	35,792	140,184
Federal Grants	34,051	18,870	13,126	13,555	79,602
State Grants	1,973	2,000	2,000	2,000	7,973
Interest Income ¹	6,171	2,904	5,619	10,388	25,082
Principal Amount of Bonds	0	83,170	151,114	306,346	540,630
Total Sources of Funds	\$107,022	\$180,834	\$250,578	\$411,516	\$949,950
Uses of Funds					
CIP Project Costs	(\$160,290)	(\$101,434)	(\$178,146)	(\$114,529)	(\$554,399)
CIP Noise Costs	0	(12,463)	(77,876)	(112,359)	(202,698)
Debt Service Reserve	0	(6,818)	(12,389)	(25,115)	(44,322)
Capitalized Interest	0	(16,218)	(15,425)	(36,441)	(68,084)
Issuance Expenses	0	(1,791)	(3,213)	(6,528)	(11,532)
Total Use of Funds	(\$160,290)	(\$138,724)	(\$287,049)	(\$294,972)	(\$881,035)
Balance Carried Forward	<u>\$ 39,262</u>	<u>\$ 81,372</u>	<u>\$ 44,901</u>	<u>\$161,445</u>	<u>\$161,445</u>

¹ Interest Rate Assumed 5.5% in 1996-1999.

Funding Source Summary

Current Balance	8.88%
NWA Loan Repayment	1.86
Transfer From Operating Budget	13.15
PFC Funding	13.45
Federal Grants	7.64
State Grants	0.76
Interest Income	2.41
Bond Proceeds	51.86
Total	100.00%

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 1997 OPERATING BUDGET

SOURCES AND USES

From 12/31/96 through 1999, MAC has identified eight funding sources totalling \$882,190,000 including a beginning balance of \$39,262,000. During this period MAC will expend \$720,725,000 leaving a net balance of \$161,465,000 at the end of 1999.

SOURCES

Each source of funding is discussed below.

The NWA loan repayment represents 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 1996 through 1999, this repayment will total \$19.4 million or 1.86% of the sources of funds.

The transfer from the operating budget is made at the end of each year after the debt service requirement and working capital balance have been funded. This transfer has been in the \$20 to \$24 million range during the 1994 through 1996 period. The significant increase from 1996 to 1997 can be attributed to the rise in concessions revenue, in particular auto parking. (See Revenue Assumptions section for details on concessions.) It is projected that \$137.0 million will be transferred over this four year period or 13.15% of the total sources of funds.

PFC funding or Passenger Facility Charge funding is the second largest funding source at \$190.2 million or 13.45% 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 application began on August 1, 1994, and will continue through February 1999. A third application for \$32.7 million was approved in December 1995. Collection on this application began in August 1996 and will continue until fully funded in February 1999.

Federal Grants are funds which are used for FAA approved projects including approved noise compatibility programs and noise insulation projects for communities surrounding the airport. These funds are estimated at \$79.6 million or 7.64% of the sources listed above. 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 \$11.0 million or 3.02% will be received in Federal Grants.

State Grants are similar to 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 \$8.0 million or 0.76% of the total funding through 1999.

Interest Income is based on the balance in the fund. As noted above, a 5.5% rate is assumed for 1996 through 1999. This figure can vary significantly depending upon approval of projects and their starting dates. Interest Income of \$25.1 million or 2.41% of sources is projected.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 1997 OPERATING BUDGET

Bond Funding, the largest source, will make up \$540.6 million or 51.86% of the total. The Commission will issue approximately \$664.5 million in debt. This figure includes estimated proceeds of \$540.6 million and an issuance capitalized interest and debt service reserve of approximately \$123.9 million. These bond issues are discussed in more detail in the Debt Service Budget.

USES

There are five general categories of uses listed. The first two, CIP project costs (\$554.3 million) and expansion costs (\$202.7 million) represent 85.9% of the total. The other three categories relate to the bond issues described above and also in the Debt Service Budget and comprise the other 14.1% of this total.

CIP project costs include both actual construction costs and any fees (i.e. architectural/engineering) which may be associated with the project. Also included in this figure are projects in process. Expansion costs include those associated with construction of runway 17/35, land acquisition for runway 17/35, public parking facilities, and additional terminal facilities.

The large balance carried forward at the end of 1999 can be attributed to a number of significant projects scheduled to begin in early 2000. It is quite possible that this balance will be much smaller as the timing of the larger projects historically has been delayed for any number of reasons. This timing will be monitored very closely so that if bond funds are required they will not be issued prior to when they are necessary.

The table below identifies current projects in process.

PROJECTS IN PROCESS (As of October 31, 1996) (\$ = 000)		
<u>Project Description</u>	<u>Estimated Project Cost</u>	<u>Payments To Date</u>
Upper and Lower Level Roadway Reconstruction Projects	\$ 29,632	\$27,689
Ground Transportation Center – East/Middle/West Projects	25,893	21,548
Part 150 Sound Insulation Projects (A) (Monthly Bids 1995 through June 1996)	28,030	21,862
New Ford Town/Rich Acres Buyout (B)	55,500	36,445
Southwest Terminal Expansion	6,925	6,422
Runway 4/22 Extension	14,850	12,227
Federal Inspection Service	30,856	23,846
Energy Mgmt Center – Chiller Replacement/Installation/Boiler additions	4,830	4,477
Field Electrical Distribution Center	4,322	4,064
Runway 4/22 Reconstruction – Segment 2	3,785	3,469
All Other Projects In Process	<u>47,576</u>	<u>20,190</u>
	<u>\$252,199</u>	<u>\$182,239</u>
 (A) The Part 150 Sound Insulation projects for the period of 1993 through June 1995 are substantially complete and are awaiting final payment and closeout. This group of projects is on-going. (B) This buyout is scheduled to occur during the 1993 through 1997 time period.		

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 1997 OPERATING BUDGET

The listing below summarizes all construction, expansion and noise projects whose costs exceed \$3.0 million. The listing identifies the project by location, gives a brief description and the estimated costs for 1997 and 1998. The reason you see projects listed below and in the Projects In Process chart on the previous page is because of the different phases a particular project may have.

CAPITAL IMPROVEMENT PROJECTS

(Dollars in Thousands)

	1997 \$	1998 \$
<u>MSP International</u>		
Field and Runways		
<u>Taxiway W Construction</u>	\$6,000	\$9,500
<p>According to the Air Traffic Control (ATC) there are about 250 aircraft operations per day that use facilities on the airport south of Runway 11R/29L. Preliminary findings focus on the number of aircraft that must cross the runway during an average day. This includes charter, international, air cargo and general aviation aircraft. These crossings require an increase in ATC workload, and any time aircraft must cross an active runway there is a safety concern about potential runway incursions. Construction of a taxiway on the south side of Runway 11R/29L will reduce aircraft crossing of the runway by over 45,000 per year (a significant safety enhancement) and reduce aircraft operating delays by \$800,000 annually. This project would be the first phase in a two phase project to construct Taxiway W which would parallel Runway 11R/29L on its south side. This project will include the construction of the taxiway northwest of the Runway 4/22 intersection. The 1998 project will include the construction of the section of taxiway southeast of the Runway 4/22 intersection.</p>		
<u>Pavement Rehabilitation - Aprons</u>	\$3,000	
<p>This is a continuation of a program to replace sections of concrete pavement in the aircraft operational areas that have deteriorated to a point where maintenance is no longer a viable option. This year's project will be the reconstruction of the apron on the west corner of the Red Concourse out to Taxiway D.</p>		
<u>Pavement Rehabilitation - Runway 11R/29L</u>	\$14,800	
<p>The original concrete pavement on Runway 11R/29L which was constructed in the 1950's and 1960's was overlaid with bituminous in 1974 and again in 1983. This overlay was continuing to deteriorate from age and use and the center 80 feet of the runway was therefore milled to a depth of 4 inches and replaced with 4 inches of new bituminous in 1991. The concrete pavement under the bituminous overlays continues to deteriorate and soon will not be able to support additional overlays. It is therefore proposed to reconstruct the runway in a series of three phases over three construction seasons. The section northwest of the intersection with Runway 4/22 will be constructed in 1997. This project will also include a connecting taxiway from Taxiway W to Runway 4/22. This will allow aircraft to operate on Runway 4/22 south of the Runway 4/22 intersection.</p>		

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 1997 OPERATING BUDGET

Field and Runways – Continued	1997 \$	1998 \$
<u>Runway 11L Holding/Deicing Apron</u>		\$12,000
Deicing of aircraft is an environmental issue as the glycol which runoffs can reduce the oxygen levels in bodies of water it comes in contact with. It is therefore proposed that deicing aprons be constructed at the end of each runway which would incorporate a collection system to collect the glycol which runoffs. The apron also would function as an aircraft holding area for aircraft which get to the end of the runway and then are not allowed to depart. The aircraft can then pull onto the hold apron, allowing other aircraft to depart without delays.		
<u>Pavement Rehavilitation - Runway 11L/29R</u>		\$13,300
The original concrete pavement on Runway 11R/29L was overlaid with bituminous in 1974 and again in 1983. This overlay was continuing to deteriorate from age and use and the center 80 feet of the runway was therefore milled to a depth of 4 inches and replaced with 4 inches of new bituminous in 1991. The concrete pavement under the bituminous overlays continues to deteriorate and soon will not be able to support additional overlays. It is therefore proposed to reconstruct the runway in a series of three phases over three construction seasons. This project will reconstruct the southeast 2900 feet of the runway.		
<u>Runway 17/35 Construction</u>		\$75,000
The 1989 Metropolitan Airports Planning Act required the MAC and the Met Council to complete a comprehensive and coordinated study of the region's long term aviation needs. The seven year study came to an end in 1996 when the legislature stopped further study of a new airport and directed the MAC to implement the MSP 2010 Long Term Comprehensive Plan (LTCP). One of the key facility requirements of the LTCP is a new 8,000 foot runway on the west side of the airport. It is proposed to phase the construction of Runway 17/35 starting in 1997. Work proposed to begin in 1998 includes appraisal and purchase of off-airport property and utility relocations.		
Other Field & Runway Projects Less Than \$3,000,000	\$ 6,050	\$ 8,050
Total Field & Runway Projects	<u>\$29,850</u>	<u>\$117,850</u>

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 1997 OPERATING BUDGET

	1997 \$	1998 \$
Environmental		
<u>Home Insulation/Home Buyouts</u>	\$20,760	\$20,760
<p>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 which was initiated in 1992 in the cities of Minneapolis, Richfield, Bloomington, Eagan and Mendota Heights. Previously approved by the Commission.</p>		
<u>New Ford Town/Rich Acres Acquisition</u>	\$5,700	\$3,500
<p>This is a continuation of the land acquisition and relocation project in the New Ford Town/Rich Acres subdivisions begun in 1994, pending the availability of federal aid. Previously approved by the Commission.</p>		
<u>School Noise Abatement Projects (Outside Ldn 65)</u>		\$3,500
<p>The 1996 legislation which terminated further study of a new airport included additional noise abatement requirements. One requirement is that the MAC must insulate six additional schools between 1996 and 2002. Four schools are to be located in Minneapolis and two in Richfield. By the end of 1997, all schools within the Ldn 65 will have been insulated. A process to prioritize schools outside the Ldn 65 contour will have to be established in order to determine which schools in Minneapolis and Richfield will be insulated.</p>		
Other Environmental Projects Less Than \$3,000,000	\$ 2,500	\$ 0
Total Environmental Projects	\$28,960	\$27,760
 Self-Liquidating		
<u>Sun Country Hangar</u>	\$8,500	
<p>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 their operations have expanded to the point where expansion of the existing hangar is required to meet the future maintenance needs of additional aircraft. Northwest and Sun Country have not been able to reach agreement on a new long term lease on this facility. Sun Country will therefore be building a new maintenance hangar in the presently undeveloped "mid field" area south of Runway 11R/29L and Runway 4/22. Previously approved by the Commission.</p>		
Other Self-Liquidating Projects Less Than \$3,000,000	\$ 0	\$ 0
Total Self-Liquidating Projects	\$8,500	\$ 0

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 1997 OPERATING BUDGET

Landside	1997 \$	1998 \$
<u>HHH Terminal Pipeline/Hydrant System</u>	\$6,000	
<p>The existing underground storage tanks which provide jet fuel to the aircraft utilizing the HHH Terminal will have to be removed prior to January 1, 1999 as they do not comply with state and federal regulations. A study has been completed which analyzed the existing fuel distribution and storage facilities at the HHH Terminal and provided recommendations for the facility improvements required to meet its current and future fueling demands. The report recommends that these existing underground fuel tanks be replaced with new above ground fuel storage tanks and that these tanks should be connected to the fuel tank farm on Post Road via an underground trickle line.</p>		
<u>Concession Area Development</u>	\$3,750	
<p>This is the second phase of a program initiated in 1995 to address the recommendations of the 1993 concessions study of the Lindbergh Terminal. Concession development will occur throughout the Lindbergh Terminal. This development will consist of three major components:</p>		
<ol style="list-style-type: none">1. Construction of new concession space for final buildout by the tenant.2. Demolition and reconstruction of existing space for final buildout by the tenant.3. Refurbishing and upgrading much of the existing concession spaces. This project will be phased over a two year period starting in 1997.		
<u>Commercial Vehicle Passenger Shelter</u>	\$3,600	
<p>Once the new ground transportation center and roadway system is complete, airport patrons utilizing the ground transportation system including buses and cabs will cross from the Lindbergh Terminal underneath the roadway system to the new ground transportation staging area. This project would provide an at grade waiting area located between the two elevator towers for those people waiting for cabs, buses, limos, and other modes of ground transportation. The commercial roadway between the elevator towers and short term parking will also be reconstructed under this project.</p>		
<u>Employee Parking Structure</u>	\$13,000	
<p>In 1996 the Commission relocated the employee parking lot which is located on 34th Avenue to a temporary lot on Post Road. This allowed for the expansion of the EconoLot to the North into what was previously a portion of the employee lot. The relocation of the employee lot is temporary as the construction of Taxiway W south of and adjacent to Runway 11R/29L will require this lot to be removed. Construction of this section of Taxiway W is scheduled for 1998. It is therefore, proposed to construct a new 3 level employee parking structure on the east side of 34th avenue just north of the 70th Street intersection.</p>		

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 1997 OPERATING BUDGET

	1997 \$	1998 \$
Landside – Continued		
<u>Green Concourse Mechanical Systems Conversion</u>	\$3,800	
<p>The Green Concourse was constructed in a number of segments (original section, two additions and the "pod"). The original section and first addition are presently served by numerous individual packaged air conditioning units. Most of these units are far beyond their normal life expectancy. In addition, as the concourse interior configuration has evolved over the years, the existing units have not offered the flexibility to provide temperature control zones necessary for total comfort. A study was conducted to identify conversion options, costs, space requirements, et. The study recommends the existing units be removed and replaced with centralized HVAC units utilizing chilled water for cooling. Inasmuch as the concourse ceiling will be affected by this construction, certain components of the interior upgrade packages will also be addressed. Prior to proceeding with construction, asbestos containing pipe insulation will have to be removed.</p>		
<u>HHH Terminal/EconoLot Parking Complex</u>	\$71,000	
<p>Passenger activity at the HHH Terminal has been steadily increasing as charter activity continues to grow. The Commission has also expressed a desire to solicit additional international activity. The existing facility is inadequate to handle the existing level of activity. There is a need for additional gates, terminal area and parking, and FIS processing area. In addition, the EconoLot which provides parking for both the HHH and Lindbergh Terminals is in need of space, especially during the charter season.</p> <p>MAC Staff have been studying solutions for both issues described above. The existing HHH Terminal can be expanded to provide adequate facilities for a maximum of 4 gates. MSP's LTCP indicates a need for 8 gates. A new 4 gate facility which is expandable to 8 gates is therefore also being studied.</p> <p>Providing structural parking at the EconoLot has also been studied. If a structure at the EconoLot is developed, then the capacity of the shuttle bus system, which transports passengers/employees to the Lindbergh Terminal, will need to be increased. Building a new HHH Terminal and removal of the existing facility will provide additional parking at the EconoLot without the need to construct a structure. MAC staff is currently studying both alternatives.</p>		
<u>Regional Air Carrier Relocation</u>	\$3,700	
<p>The 1989 Metropolitan Airports Planning Act required the MAC and the Met Council to complete a comprehensive and coordinated study of the region's long term aviation needs. The seven year study came to an end in 1996 when the legislature stopped further study of a new airport and directed the MAC to implement the MSP 2010 Long Term Comprehensive Plan (LTCP). Besides construction of Runway 17/35, there are also major improvements/additions planned for the Lindbergh and HHH Terminals and the terminal aprons. In addition to the expansion of the Green Concourse, it is also proposed to construct a temporary Regional Terminal, remodel Gate 79 into airline support space, and to relocate the Regional Airlines ticket counter to the main terminal.</p>		

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 1997 OPERATING BUDGET

Landside – Continued	1997 \$	1998 \$
<u>Trades Shop Building</u>	\$6,000	
<p>Currently, the Commission's carpentry, electrical and painting crews occupy individual buildings in the West Terminal area. As the work crews and associated equipment and material inventories have grown to meet the various maintenance demands, their existing facilities are not adequate for their functions. In addition, new state and federal regulations require areas for the storage of hazardous materials such as are used by the painting crews. It is proposed a centralized facility capable of housing the three maintenance functions be evaluated. Each trade area would include a workshop, material storage area and foreman's office; common vehicle garage, toilet facilities and lunch/break room would also be provided.</p>		
<u>Auto Rental/Public Parking Expansion</u>		\$94,000
<p>The parking system at MSP is currently operating with inadequate capacity in both short term and general parking. If additional parking space is not provided, the number of times that parkers will have to be turned away from the airport for lack of available space will increase. The number of occurrences will potentially double by the year 2000. Evaluation of the demand forecasts indicates that an initial increment of at least 5,000 new spaces should be added to the existing parking supply at MSP as soon as it can be constructed. Customer demand patterns indicate that additional general and short term parking should be provided in the Lindbergh Terminal core area. Locations for a new parking structure at the Lindbergh Terminal currently being studied are the Auto Rental Deck site and the Northwest Maintenance Base parking lot.</p> <p>In addition to providing expanded public parking, there is a need to evaluate the expansion requests from the auto rental industry. Assuming that the rental car industry maintains a presence in the terminal area, there is a need for expanded ready and return car space as well as a quick turn around (QTA) facility which provides vehicle washing and fueling. It is proposed that there facilities be incorporated into any public parking expansion.</p>		
<u>Automated People Mover</u>		\$12,000
<p>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 pick-up point; does not meet accessibility requirements mandated by current ADA standards; suffers delays due to slow loading and unloading of passengers and luggage; and suffers from a poor public image.</p>		

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 1997 OPERATING BUDGET

	1997 \$	1998 \$
Landside – Continued		
<p>The automated people mover system would solve the above problems as the system would be completed 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.</p> <p>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 1998. 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.</p>		
<u>Green Concourse Expansion</u>		\$45,000
<p>The 1989 Metropolitan Airports Planning Act required the MAC and the Met Council to complete a comprehensive and coordinated study of the region's long term aviation needs. The seven year study came to an end in 1996 when the legislature stopped further study of a new airport and directed the MAC to implement the MSP 2010 Long Term Comprehensive Plan (LTCP). Besides construction of Runway 17/35, there are also major improvements/additions planned for the Lindbergh and HHH Terminals and the terminal aprons. Projects proposed for 1997 include expansions/upgrades to the Green Concourse including the construction of three gates, a moving walkway along the entire length of the Green Concourse, a new regional air carrier concourse, and an expansion to the Energy Management Center.</p>		
<u>Post Office Relocation</u>		\$25,000
<p>In conjunction with the expansion of the Green Concourse and relocation of the Regional Airlines to the end of the Green Concourse, is the need to relocate the existing Post Office facility. The location for a new facility is currently under study with one possible site being the Northwest Maintenance Base parking lot.</p>		
<u>Revenue Control System Replacement</u>		\$5,000
<p>The Electron Revenue Control System currently used in the General Lot and the Econolot was originally acquired in 1980. The Amano system used in the short term lot was acquired in 1989. The age of the Election equipment requires extensive maintenance and new equipment is no longer available. In order to provide revenue control equipment for future new parking facilities, a new system which will allow for future expansion is required. This project would provide the required revenue control system which will process vehicles into for and out of the various parking lots.</p>		
Other Landside Projects Less Than \$3,000,000	\$ 5,650	\$ 10,800
Total Landside Projects	\$116,500	\$191,800

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 1997 OPERATING BUDGET

	1997	1998
<u>Reliever Airports</u>	<u>\$</u>	<u>\$</u>
Flying Cloud Airport		
<u>Land Acquisition</u>	\$6,500	\$4,450

Flying Cloud Airport is bounded by T.H. 169/212 on the east and south sides; County Road 1 (Pioneer Trail) on the north; and County Road 4 (Spring Road) on the west. The Metropolitan Council's Metropolitan Development Guide, Aviation Chapter, recommends guidelines that communities should use to encourage compatible land uses in airport environs and discourage incompatible land uses. The City of Eden Prairie's comprehensive plan addresses the airport as a "special" plan area and identifies airport zoning standards (acknowledged but not adopted at this time).

However, recently there has been and continues to be considerable residential development to the east and west/northwest of the airport. The degree of development to the west/northwest of the airport brings to question the ability of "comprehensive plans/zoning standards" to adequately protect existing airport facilities from encroachment by non-compatible land uses. Obviously, the most positive method of preventing non-compatible land uses is to acquire the land and control its use.

It is proposed to acquire approximately 245 acres of property immediately south and west of existing airport boundaries and an approximate 3.4 acre parcel north of the airport to provide approach and transitional surface zone protection.

The proposed acquisitions south and west of the airport would consist of those parcels identified to be within the FAA Participation Lines as determined from the location of the existing runway 9R/27L thresholds. The FAA participation lines encompass a rectangular area that extends 5,200 feet along runway centerline from each threshold and laterally 1,550 feet from the runway centerline.

The property acquisition north of the airport consists of a single parcel that abuts airport property. There are structures on the property that are within the Runway Protection Zone and penetrate the 20:1 approach surface.

The proposed acquisitions would be undertaken in accordance with the uniform relocation assistance and Real Property Acquisition Policies Act of 1970, DOT regulations and with FAA order 5100.37, Land Acquisition and Relocation Assistance for Airport Development. This is the first phase in a multi-phase program to acquire the property. The 1997 phase will acquire the property needed for the protection of the current runway configuration. The second phase in 1998 will acquire the parcel on the north side of the airport as well as provide the approach protection for the future runway configuration.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 1997 OPERATING BUDGET

	1997 \$	1998 \$
<u>Reliever Airports – Continued</u>		
Flying Cloud Airport – Continued		
<u>Runway 9R/27L Extension</u>		\$5,500
<p>The Long Term Comprehensive Development Plan for Flying Cloud Airport recommends that runway 9R/27L be lengthened from 3900 feet to 5000 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.</p>		
<u>Utility Extension</u>		\$1,500
<p>Flying Cloud Airport is not currently served by sanitary sewer or water utilities. MAC Staff have been working with staff from the City of Eden Prairie to develop an acceptable plan to extend these utilities to the airport.</p>		
Crystal Airport		
<u>Pavement Rehabilitation</u>		\$150
<p>Periodically, it is necessary to rehabilitate aircraft operational areas (runways, taxiways, aprons) through bituminous overlays, seal coats, or in some instances, reconstruction, to restore the surfaces to a smooth, even condition and improve overall operating conditions. This year's project will include the reconstruction of the pavement on the east side taxiway; the reconstruction of the cross-over taxiway at the southwest end of Runway 5/23; and the reconstruction of the pavement on the West building area taxiway.</p>		
Lake Elmo Airport		
<u>Pavement Rehabilitation</u>		\$250
<p>Periodically, it is necessary to rehabilitate aircraft operational areas (runways, taxiways, aprons) through bituminous overlays, seal coats, or in some instances, reconstruction, to restore the surfaces to a smooth, even condition and improve overall operating conditions. Items to be addressed will be analyzed in 1997 and a recommendation will be available when the CIP is updated for the 1998 construction season.</p>		

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 1997 OPERATING BUDGET

	1997 \$	1998 \$
<u>Reliever Airports – Continued</u>		
Airlake Airport		
<u>Security Fencing</u>		\$100
Airlake Airport is one of the few reliever airports which currently does not have a perimeter security fence. In order to prevent pedestrians or vehicles from entering the air operations area, it is proposed to construct a perimeter security fence over two years beginning in 1998.		
Other Reliever Airport Projects Less Than \$3,000,000	\$ 6,220	\$ 5,260
Total Reliever Airport Projects	\$12,720	\$17,210
Total All Projects	\$196,530	\$354,620

MAINTENANCE AND OPERATION

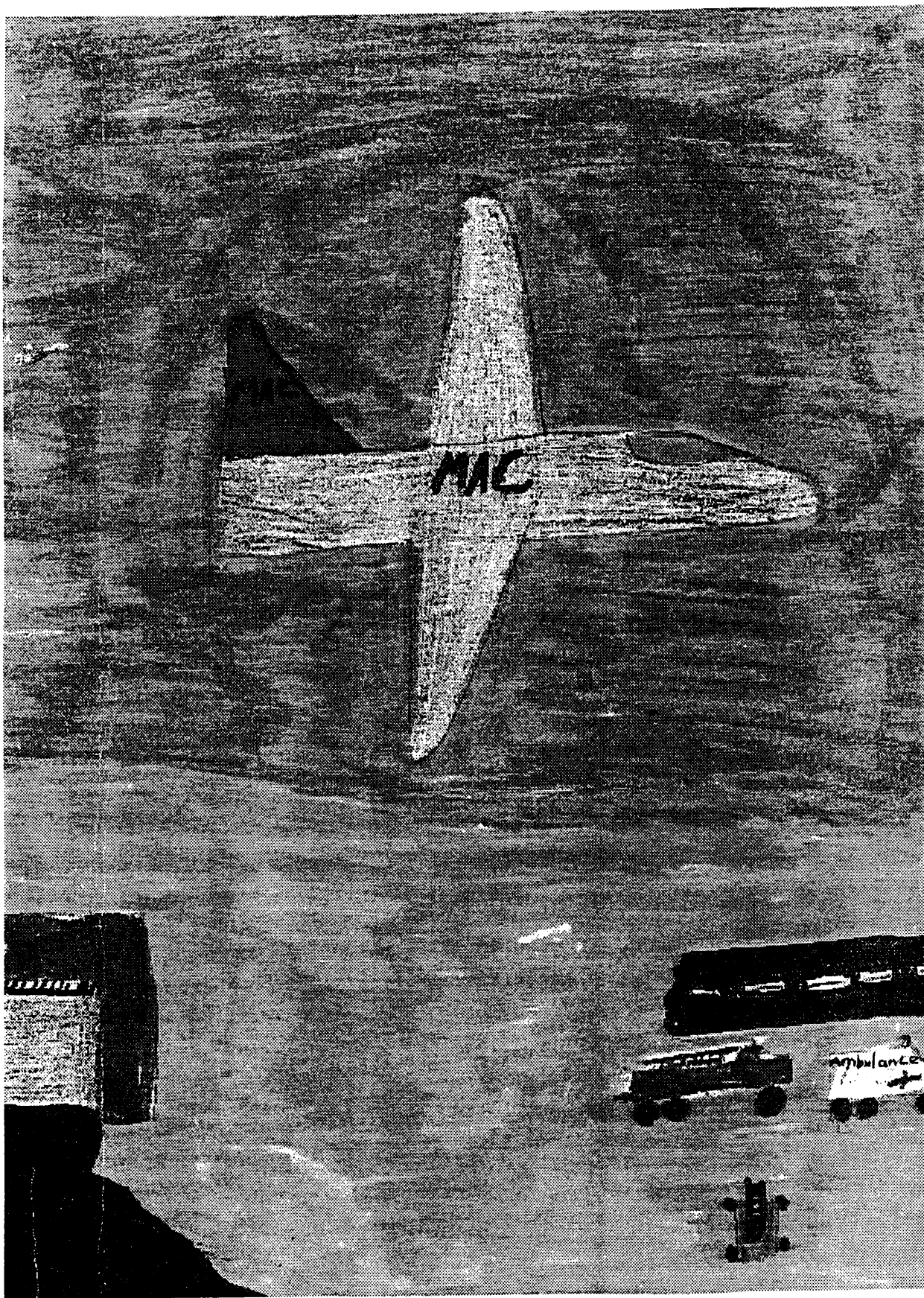
As identified in the 1997 Goals and Objections section, cost management continues to be an area of major focus. During 1996 a number of significant projects were completed: Ground Transportation Center (GTC), Upper Level Roadway, Lower Level Roadway, International Arrivals Facility (IAF), Southwest Terminal Addition, and Runway 4/22 Extension. The impact of these projects on both operating and depreciation expense was considerable. In order to manage these cost increases, staff focused their 1997 efforts on areas that were expanded or directly affect the travelling public. As a result, 57% of the service centers were required to decrease their 1997 budgets and 13% were held to no change. The remaining 30% were increased to accommodate passenger, operations and facility growth. This type of focus is being reviewed constantly. Of the projects listed above for 1997 and 1998 the following table summarizes their impact on operating costs:

<u>Category</u>	<u>1997–1998 Impact</u>
Field & Runway	No impact as projects will either not be completed within these two years or are rehabilitation projects.
Environmental	Estimated maintenance cost of \$35,000 per year for 1997 and 1998. Maintenance is primarily landscape/grass care.
Self-Liquidating	There is still some question as to whether or not this facility will be built. If it is, no additional costs are expected.
Landside	Of the projects listed, only the Commercial Vehicle Passenger Shelter, Regional Air Carrier Relocation and Revenue Control System Replacement are anticipated to be completed in 1997 or 1998. Little affect, if any, on operating costs is expected.
Relievers	All projects listed will either not be completed within the two years or have no affect.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 1997 OPERATING BUDGET

With the decision to expand MSP International made, staff is currently working on longer range expense and personnel needs. As new facilities are planned and completed the Commission must be ready to respond to the needs of the tenants and travelling public.



Міністерство транспорту та інфраструктури
Державне управління
Державний бюджет

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

DEBT SERVICE BUDGET – 1997 OPERATING BUDGET

DEBT SERVICE BUDGET/FINANCIAL POLICIES

This budget section is divided into three areas: Debt Service Requirement, Long Term Debt and the Debt Service Budget. MAC's financial policies regarding Debt Service are as follows:

- A. Debt
 - 1. Currently able to issue Airport Improvement Bonds, General Obligation Revenue Bonds and General Airport Revenue Bonds.
 - 2. No taxes - manage funds so as to not have to levy property taxes.
 - 3. Maintain AAA rating from Standard and Poor's and Aaa rating from Moody's on Airport Improvement Bonds and General Obligation Revenue Bonds.
 - 4. Develop procedures/mechanisms to obtain highest possible rating on the General Airport Revenue Bonds.
 - 5. All refundings must show a minimum 3% Net Present Value (NPV) savings.
 - 6. Current authorized level of issuance for General Obligation Revenue Bonds is \$55 million.
- B. Reserve - Required to have a balance on October 10 each year enough to cover debt service to the end of the second following year.

DEBT SERVICE REQUIREMENT

The Metropolitan Airports Commission in the past 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 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. In 1997 the Commission will begin to issue General Airport Revenue Bonds (GARBs). (See Long Term Debt Section below.)

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 to 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 (in thousands):

October 10, 1997	\$85,073
October 10, 1998	\$83,827
October 10, 1999	\$80,612
October 10, 2000	\$78,816
October 10, 2001	\$80,078

(These figures do not include any new bond issues.)

The table below shows future debt requirements on an annual calendar year basis after December 31, 1996, for the next five years as well as a cumulative total for the period 2002-2022. The dollars shown are in thousands.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

DEBT SERVICE BUDGET – 1997 OPERATING BUDGET

(\$ = 000)	Airport Improvement Bonds	General Obligation Bonds	Total Outstanding Bonds	Interest	Total Principal & Interest
<u>Year(s)</u>					
1997	\$ 3,320	\$ 7,595	\$ 10,915	\$ 32,072	\$ 42,987
1998	2,400	7,950	10,350	31,635	41,985
1999	1,505	9,885	11,390	31,051	42,441
2000	300	9,975	10,275	30,454	40,729
2001	315	8,985	9,300	29,915	39,215
2002-2022	330	352,840	353,170	367,503	720,673
	<u>\$ 8,170</u>	<u>\$397,230</u>	<u>\$405,400</u>	<u>\$522,630</u>	<u>\$928,029</u>

(The October 10, 1997-2001 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 information used to calculate the tables above is the same however.)

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, 1996, permits the issuance of an additional \$55 million of General Obligation Revenue bonds. The other limit on the Commission's authority to issue bonds is the Debt Service Coverage ratio. (This ratio demonstrates the current ability to repay debt.) This ratio cannot fall below 1.25 coverage. The estimated coverage for 1997 is 2.34. The bonds projected to be issued in late 1997 do not affect this ratio as the first payment will not be until 1998. However, the coverage ratio remains well above the 1.25 threshold.

The 1996 Minnesota State Legislature authorized the Commission to issue General Airport Revenue Bonds (GARs). These bonds would be secured by the pledge of all operating revenues of the Commission subject to the prior pledges of such revenues for payment of Airport Improvement Bonds and General Obligation Revenue Bonds.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

DEBT SERVICE BUDGET – 1997 OPERATING BUDGET

Bonds Payable, due serially (\$ = 000):	Issue Date	Original Amount	Final Payment In	— Outstanding as of — December 31	
				1996	1995
<u>Airport Improvement Bonds:</u>					
Series 14 – 3.5 to 4.9%	7-1-67	\$ 17,000	1997	\$ 0	\$ 960
Series 15 – 3.5 to 4.9%	7-1-67	1,000	1997	0	60
Series 16 – 4.25 to 5.0%	1-1-68	16,000	1998	970	1,900
Series 20 – 4.5 to 6.0%	10-1-72	5,000	2002	1,490	1,740
Series 22 – 2.6 to 3.85%	2-1-94	5,625	1999	2,390	3,510
				<u>\$ 4,850</u>	<u>\$ 8,170</u>
<u>General Obligation Revenue Bonds:</u>					
Series 2 – 4.25 to 5.2%	12-1-77	\$ 10,000	2002	\$ 3,200	\$ 3,750
Series 3 – 5.2 to 5.75%	1-1-79	15,000	2000	3,525	4,500
Series 7 – 7.8%	8-1-88	51,150	2015	44,400	45,550
Series 8 – 4.25 to 6.6%	2-1-92	45,000	2011	38,400	40,150
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	19,845	22,140
Series 11 – 4.6 to 5.3%	10-1-94	5,615	2002	4,740	5,615
Series 12 – 4.2 to 4.55%	11-1-96	5,525	2002	5,525	5,525
				<u>\$389,635</u>	<u>\$397,230</u>
				<u>\$394,485</u>	<u>\$405,400</u>
TOTAL BONDS OUTSTANDING					
				<u>\$394,485</u>	<u>\$405,400</u>

BOND REFUNDING

In October 1996 the Commission issued General Obligation Revenue Bond Series 12 to advance refund General Obligation Revenue Bond Series 5. As a result of this refunding, the Commission reduced its total debt service requirements by \$1,150,585.88. This equates to net present value savings of \$851,902.13.

The series 12 bonds received AAA/Aaa/AAA ratings from Standard & Poor's, Moody's and Fitch respectively.

For the budget year 1997 and the projected year 1998 the Commission is not anticipating any refundings.

NEW ISSUES

Based on the Capital Improvement Plan (CIP) presented in late fall 1996, it appears that during late 1997 the Commission may need 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. The table below illustrates gross proceeds, net proceeds and debt reserve/issuance costs for the period 1997–1999:

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

DEBT SERVICE BUDGET – 1997 OPERATING BUDGET

(\$ = 000)	<u>Gross Bond Proceeds</u>	<u>Net Bond Proceeds</u>	<u>Debt Reserve/ Issuance Costs</u>
1997	\$ 83,200	\$ 74,600	\$ 8,600
1998	151,100	135,500	15,600
1999	<u>306,300</u>	<u>274,700</u>	<u>31,600</u>
	<u>\$540,600</u>	<u>\$484,800</u>	<u>\$55,800</u>

The probability of issuing the full \$306.3 million in 1999 is very remote. Some of these dollars will likely slide into the year 2000 due to the timing of projects.

DEBT SERVICE BUDGET

The Debt Service Budget is shown below.

1996 DEBT SERVICE BUDGET (\$ = 000)					
	<u>Budget 1996</u>	<u>Estimated 1996</u>	<u>Budget 1997</u>	<u>Projected 1998</u>	<u>Projected 1999</u>
JANUARY 1 BALANCE	\$84,819	\$91,150	\$ 88,866	\$113,262	\$143,090
SOURCES OF FUNDS:					
Transfer from Operating Fund	12,000	9,554	10,822	19,410	0
Interest Earnings ¹	3,600	4,621	4,500	3,475	4,500
Bond Proceeds	0	5,516	23,036	27,814	61,556
NWA payments	<u>29,000</u>	<u>29,994</u>	<u>29,146</u>	<u>29,014</u>	<u>27,631</u>
TOTAL SOURCES OF FUNDS	\$44,600	\$49,685	\$ 67,504	\$ 79,713	\$ 93,687
USES OF FUNDS:					
Principal & Interest payments	<u>(44,565)</u>	<u>(51,969)</u>	<u>(43,108)</u>	<u>(49,885)</u>	<u>(57,925)</u>
ENDING BALANCE	\$84,854	\$88,866	\$113,262	\$143,090	\$178,852

¹ Interest Rate Assumed 5.50% for the entire period.

SOURCES OF FUNDS

Each source of funding is discussed below.

The transfer from the operating fund occurs each October 10th. 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. The increase in 1998 and 1999 can be attributed to the issuance of General Airport Revenue Bonds.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

DEBT SERVICE BUDGET – 1997 OPERATING BUDGET

Interest earnings are assumed at 5.5% for 1996 through 1999. In projecting interest income the Commission typically takes a conservative approach.

Bond proceeds in 1996 represent the refunding of General Obligation Revenue Bond Series 5.

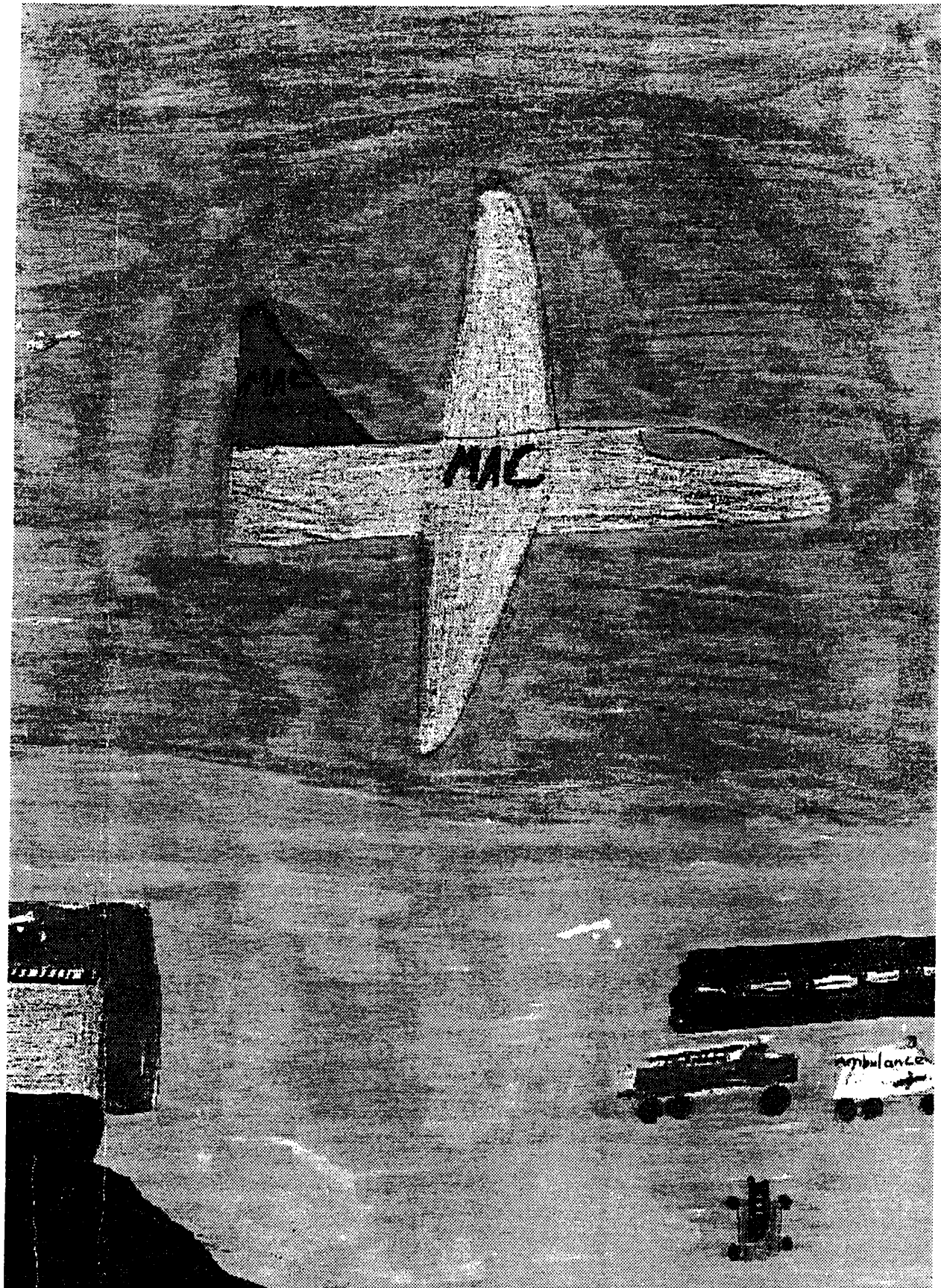
Bond proceeds for 1997–1999 represent the reserve required on the issuance of General Airport Revenue Bonds (see table) and capitalized interest for these issues.

NWA payments represent the principal and interest due on the following bond issues:

- Airport Improvement Series 14
- Airport Improvement Series 15
- Airport Improvement Series 22
- General Obligation Series 7
- General Obligation Series 9
- General Obligation Series 11 (11.68%)
- General Obligation Series 12

USES OF FUNDS

Disbursements represent principal and interest payments made during the year by bond series.



Миннеаполис/Эт. Рэул Метрополитан аэропорт-2 Commission operating Budget 1997
Statistical

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

STATISTICAL – 1997 OPERATING BUDGET

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 1986 revenue and expense versus 1995 revenue and expense.
2. A comparison of revenue and expense with dollars and percentages of 1995 actual, estimated 1996 and budgeted 1997.
3. A comparison of facilities in 1987 and 1996.

These comparisons are shown to point out that both revenue and expense from 1986 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 comparison shows that expanded facilities at the MAC affect all areas.

HISTORICAL OPERATING REVENUE & OPERATING EXPENSE SUMMARY 1986 VS 1995

(\$ = 000)	1986		1995		1986-1995 Change \$	Annual % Increase
	\$	% Of Total	\$	% Of Total		
Operating Revenue						
Airline Rates & Charges	\$16,932	36.85%	\$35,193	40.33%	\$18,261	8.47%
Concessions	23,425	50.98	41,838	47.95	18,413	6.66
Other	<u>5,588</u>	<u>12.17</u>	<u>10,225</u>	<u>11.72</u>	<u>4,637</u>	6.94
Total Operating Revenue	\$45,945	100.00%	\$87,256	100.00%	\$41,311	7.39%
Operating Expenses						
Personnel	\$12,217	33.04%	\$24,360	32.52%	\$12,143	7.97%
Administrative Expenses	76	0.21	1,003	1.34	927	33.20
Professional Services	2,014	5.45	5,705	7.62	3,691	12.26
Utilities	3,134	8.48	5,354	7.15	2,220	6.13
Operating Services	4,048	10.95	8,276	11.05	4,228	8.27
Maintenance	4,742	12.83	7,236	9.66	2,494	4.81
Depreciation ^B	10,217	27.63	22,656	30.24	12,439	9.25
Other	<u>526</u>	<u>1.42</u>	<u>327</u>	<u>0.44</u>	<u>(199)</u>	(5.14)
Total Operating Expenses	\$36,974	100.00%	\$74,917	100.00%	\$37,943	8.16%
Net Revenues	<u>\$ 8,971</u> ^A		<u>\$12,339</u> ^A		<u>\$ 3,368</u>	

^{A)} Required as contribution towards debt service payments and construction program financing.

^{B)} Depreciation figures for these years are net, not gross, as the 1986 figure could not be ascertained.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

STATISTICAL – 1997 OPERATING BUDGET

The first comparison, 1986 versus 1995, emphasizes the following two results:

1. A greater portion of revenue is now generated from the Airline Rates and Charges because of Landing Fees, Northwest Airlines Gold Concourse rent and the Noise Surcharge, with a corresponding decrease in Concessions. (See Revenue Assumptions–Landing Fee, Ramp Fee and Terminal Airlines.)
2. The annual percentage increase in revenue from 1986 to 1995 (7.4%) was less than the annual percentage increase in expense from 1986 to 1995 (8.2%). Over this ten year period expenses grew at a slightly higher rate than revenue. This year's budget shows that this spread has narrowed to 0.8% (i.e. 7.4% in revenue growth versus 8.2% in expense growth).

HISTORICAL OPERATING REVENUE & OPERATING EXPENSE SUMMARY 1995 VS 1997

(\$ = 000)	Actual 1995		Estimated 1996		Budgeted 1997		1995-1997	Annual
	\$	% Of Total	\$	% Of Total	\$	% Of Total	Change	% Increase
Operating Revenue								
Airline Rates & Charges	\$35,193	40.33%	\$34,210	35.45%	\$ 39,705	39.49%	\$ 4,512	6.22%
Concessions	41,838	47.95	50,800	52.64	48,739	48.48	6,901	7.93
Other	10,225	11.72	11,493	11.91	12,093	12.03	1,868	8.75
Total Operating Revenue	\$87,256	100.00%	\$96,503	100.00%	\$100,537	100.00%	\$13,281	7.34%
Operating Expenses								
Personnel	\$24,360	31.13%	\$25,478	31.99%	\$ 29,971	32.67%	\$ 5,611	10.92%
Administrative Expenses	1,003	1.28	988	1.24	1,134	1.24	131	6.33
Professional Services	5,705	7.29	4,015	5.04	3,411	3.72	(2,294)	(22.68)
Utilities	5,354	6.84	5,516	6.93	5,300	5.78	(54)	(0.51)
Operating Services	8,276	10.57	8,468	10.63	9,053	9.87	777	4.59
Maintenance	7,236	9.24	7,375	9.26	8,085	8.81	849	5.70
Depreciation	26,000	33.22	27,500	34.53	34,395	37.49	8,395	15.01
Other	327	0.43	302	0.38	384	0.42	57	8.37
Total Operating Expenses	\$78,261	100.00%	\$79,642	100.00%	\$ 91,733	100.00%	\$13,472	8.26%
Net Revenues	\$ 8,995 ^A		\$16,861 ^A		\$ 8,804 ^A			

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

The second comparison shows 1995 actual, 1996 estimated and 1997 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 7.34% from actual 1995 to budgeted 1997. Actual percentages of total revenue for the individual categories change very little. (For example, Concessions in 1995 was 47.95% of total revenue, while in 1997, it is budgeted to be 48.48% of total revenue.) Increases are explained in the Revenue Assumptions section.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

STATISTICAL – 1997 OPERATING BUDGET

2. Expense is projected to increase 8.26% from actual 1995 to budgeted 1997. This increase is explained in the Expense Assumptions section. The percentages for the individual expense categories change very little, with the exception of Professional Services and Depreciation. The increase and decrease in these areas is explained in the Expense Assumptions section. (For example, Maintenance in 1995 was 9.24% of total expense, while in 1997 it is budgeted to be 8.81% of total expense.)
3. The annual percentage increase in revenue from 1995 to 1997 is 7.34% whereas the annual percentage increase in expenses from 1995 to 1997 is 8.26%. This conforms with the trend from 1986 to 1995 where expense grew at a greater pace than revenue. The principle cause of this increase in expense is the completion of some projects in 1996 (i.e. Upper/Lower Level Roadway, Ground Transportation Center and 4/22 Runway).

FACILITY EXPANSION

	<u>1987</u>	<u>1996</u>	<u>Increase</u>	<u>% Increase</u>
Lindbergh & Regional				
Terminal Square Footage	1,311,739	1,869,267	557,528	42.50%
Number of Gates	62	66	4	6.45%
Ramp Lineal Footage	8,445	8,874	429	5.08%
Parking	9,783	10,850	1,067	10.91%
Tenants – All Airports	496	745	249	50.20%

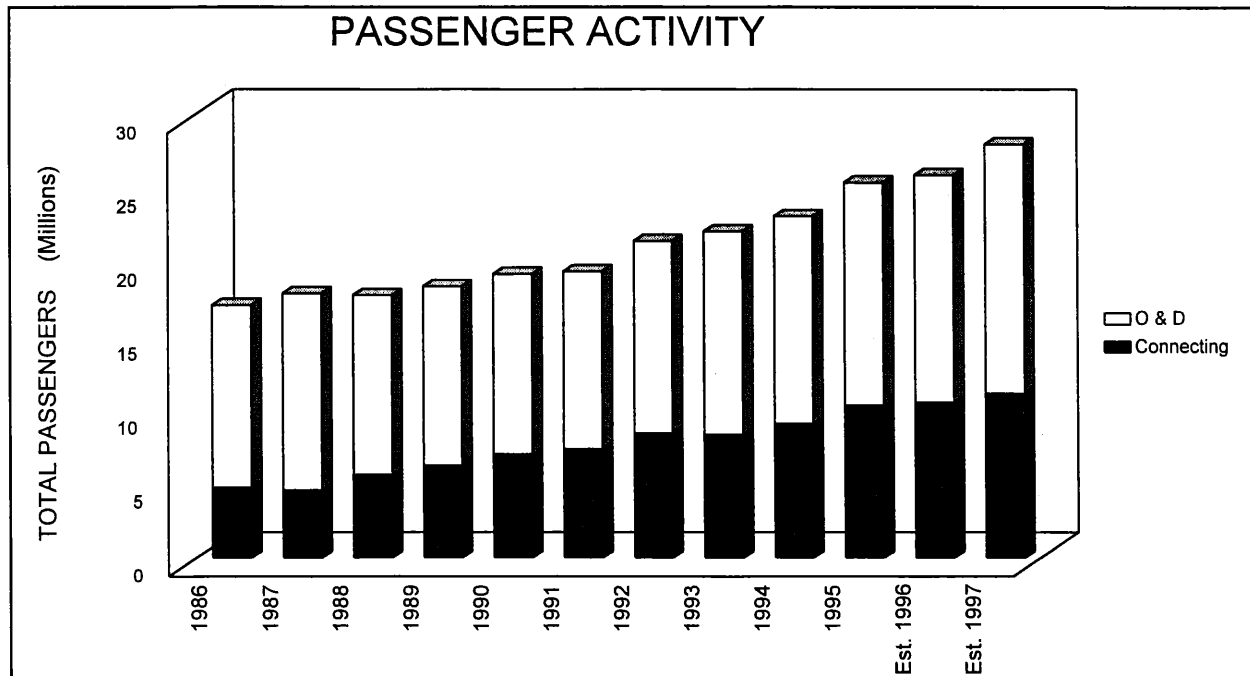
Lindbergh/Regional Terminal Information is from Airport Development Historical Records

The final chart in this section deals with facilities. This comparison shows how the major facilities at MSP International have expanded since 1987. 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 include 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, Southwest Terminal addition, International Arrivals Facility, Ground Transportation Center, and the Butler Fueling facility.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ACTIVITY STATISTICS – 1997 OPERATING BUDGET

This section contains the historical and forecasted levels of activity for the period 1986 through 1997 in the MACs system of airports. The Passenger, Operations and Cargo results have generally been 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 1986, except for 1988. In late 1988, two carriers eliminated service to MSP International Airport resulting in a decrease of approximately 100,000 passengers. In 1986, MSP International had approximately 28% of its passengers being connecting (those transferring directly to another flight). Since 1986, MSP International has changed to more of a connecting airport with approximately 40% of all passengers being connecting while the O & D passenger percentage has fallen from 72% in 1986 to 60% estimated in 1997.

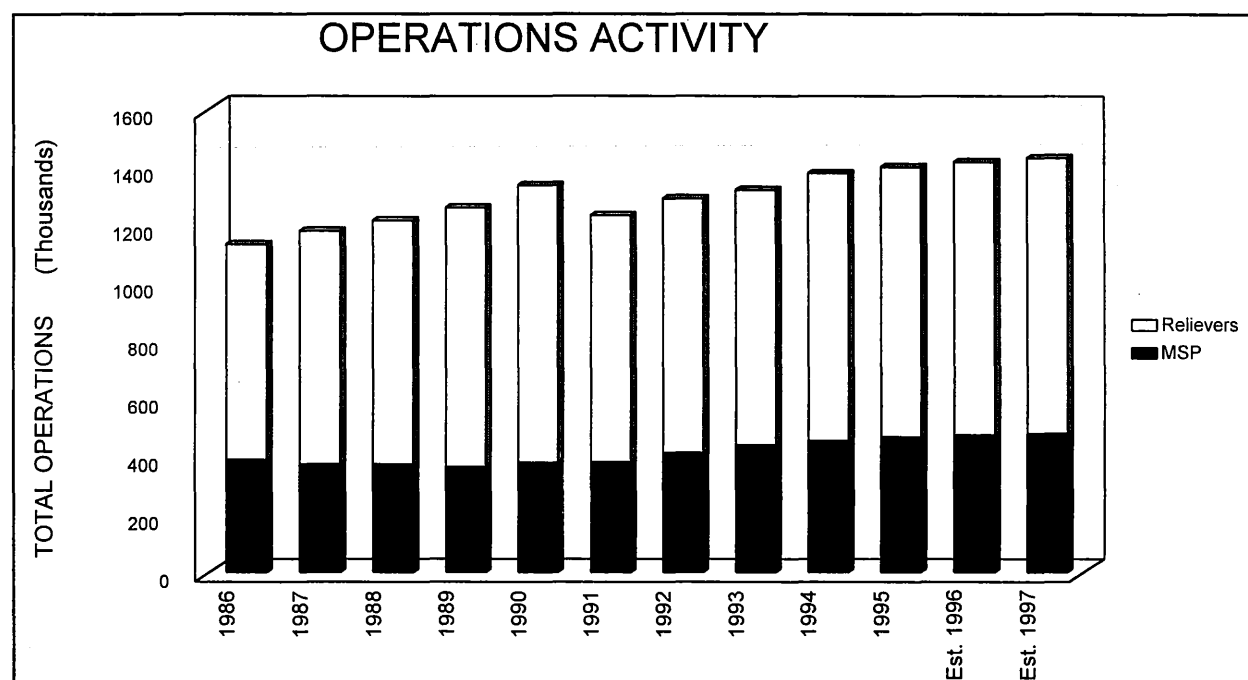
Estimates of passenger activity form an important element in forecasting revenue each year. This chart represents actual passenger statistics for 1994 and 1995 and estimates for 1996 and 1997. The three categories are listed because each is used in a particular way to calculate certain types of revenue. Three examples are given:

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

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ACTIVITY STATISTICS – 1997 OPERATING BUDGET

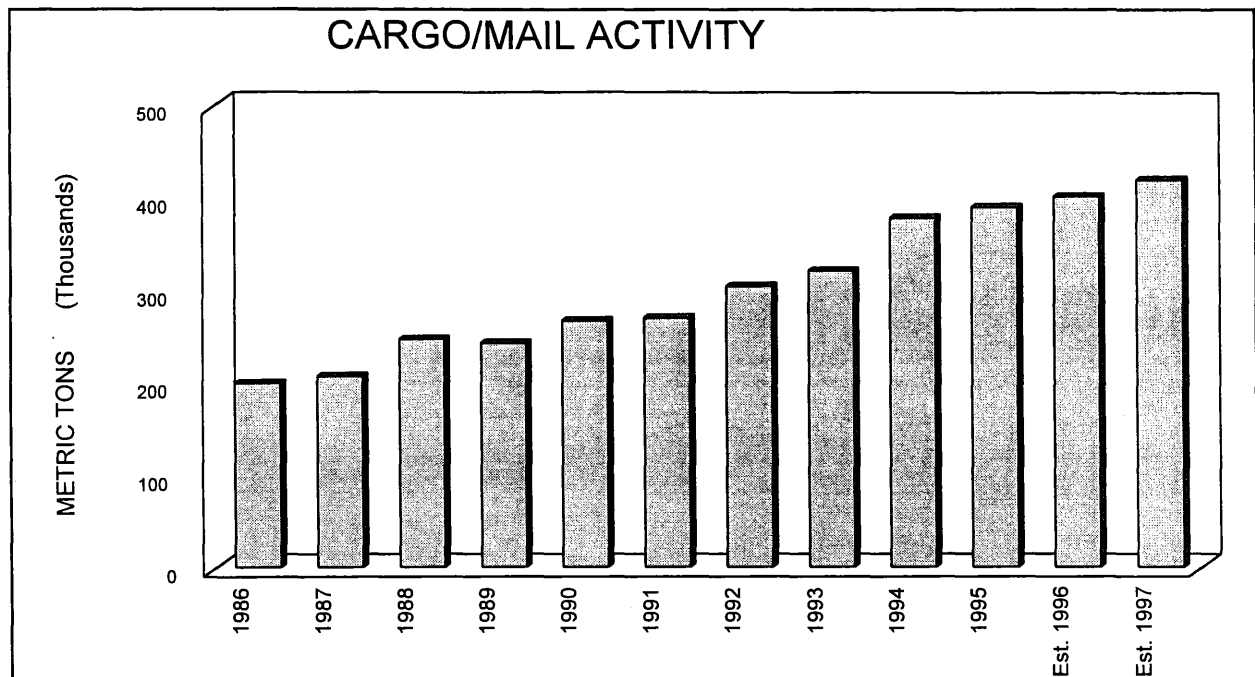
<u>Passenger Type</u>	<u>1994 Actual</u>	<u>1995 Actual</u>	<u>1996 Estimate</u>	<u>1997 Estimate</u>
Enplaned	6,959,000	7,489,000	8,346,000	8,428,000
Deplaned	7,129,000	7,489,000	8,392,000	8,456,000
Connecting	<u>9,077,000</u>	<u>10,355,000</u>	<u>11,034,000</u>	<u>11,116,000</u>
	<u>23,165,000</u>	<u>25,342,000</u>	<u>27,772,000</u>	<u>28,000,000</u>



Total operations for the MAC system have increased 26% since 1986. (An operation represents one takeoff or landing.) This equates to an average annual increase of 2.6% for the period 1986 through estimated 1997. Operations at MSP International are estimated to rise to 480,000 in 1997. Increased service by Northwest from this hub and international activity are the reasons for this rise in activity.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ACTIVITY STATISTICS – 1997 OPERATING BUDGET



Cargo/Mail activity has increased annually since 1986 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. The estimate for 1997 is 420,000 metric tons.

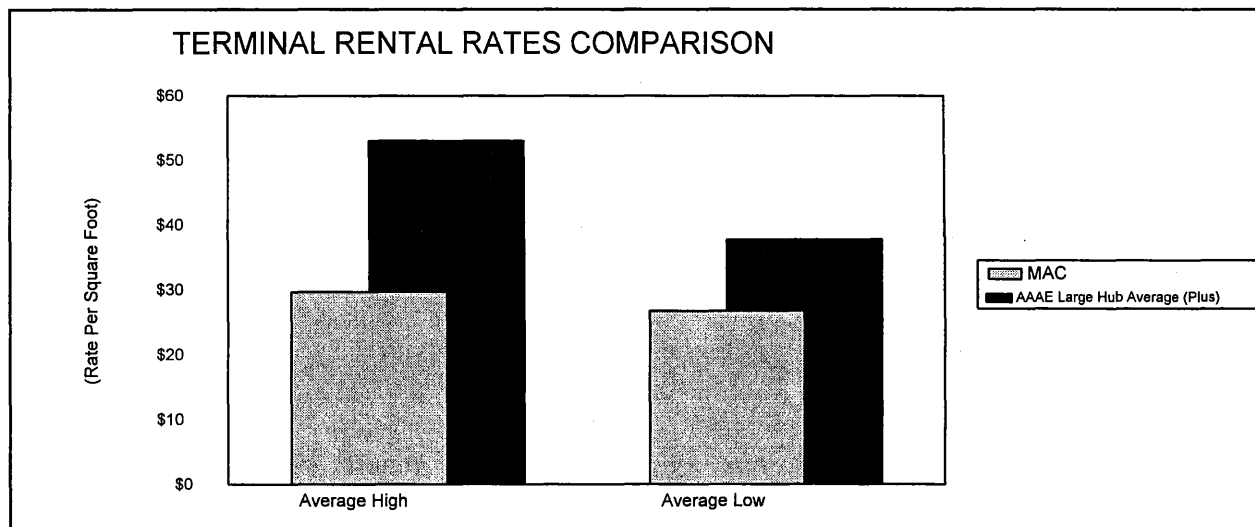
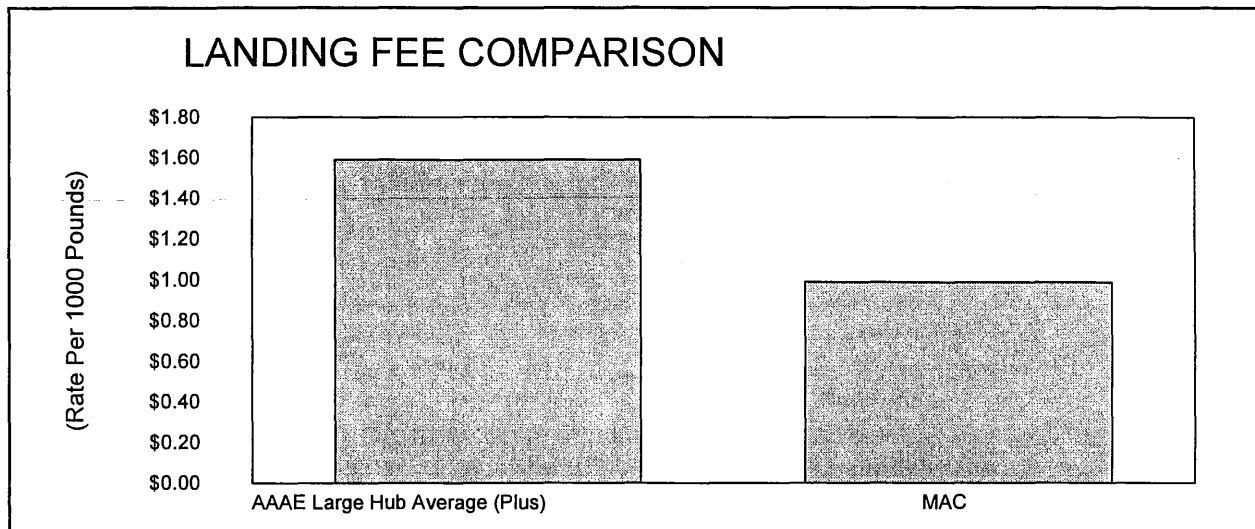
MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NATIONAL COMPARISON – 1997 OPERATING BUDGET

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.

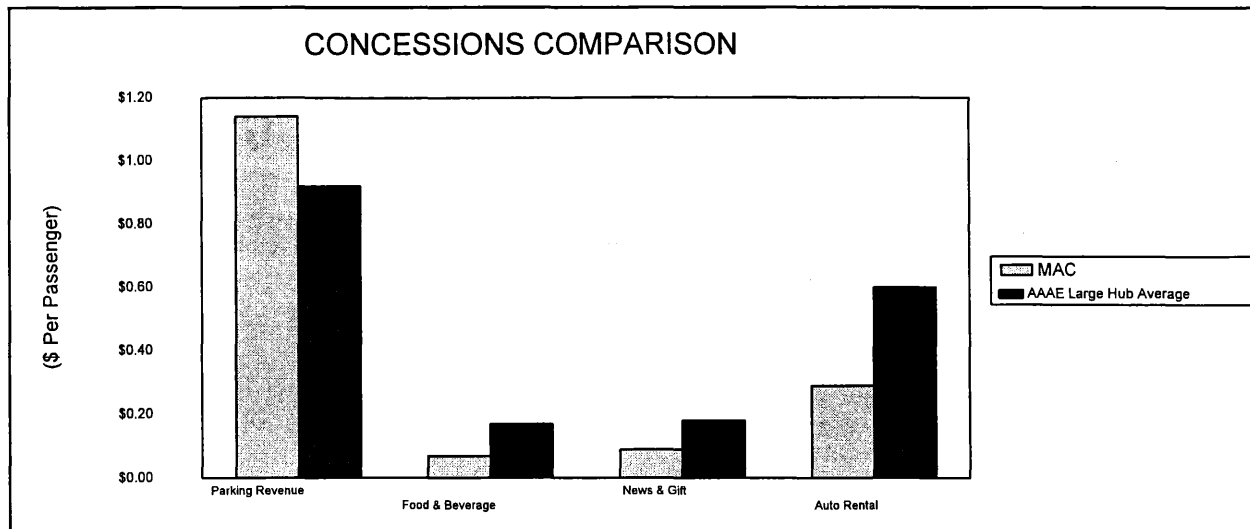
RATE AND CONCESSIONS

From the information detailed in the survey, three comparisons of the large hubs are shown below. The national figures are from the most recent survey which was 1995/1996. The numbers for MAC are from the 1996 budget.



MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NATIONAL COMPARISON – 1997 OPERATING BUDGET



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 Commission's 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.

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.

INDUSTRY

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 1995/1996 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.

Debt, financial and operating statistics are discussed separately below. All MAC figures are based on estimated 1996 information.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NATIONAL COMPARISON – 1997 OPERATING BUDGET

DEBT RATIOS

DEBT RATIO ALL AIRPORTS	MAC	MOODY'S MEDIAN
Debt/enplaned passengers (\$)	28.34	46.07
Debt service coverage (X)	2.34	1.90

Debt per enplaned passenger is calculated by dividing total outstanding debt by the number of enplaned passengers.

MAC's ratio of debt/enplaned passenger is nearly 40% 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 above the average and also above the target of 1.4x established at the time of the \$270 million Northwest Airlines financing.

FINANCIAL RATIOS

FINANCIAL RATIOS ALL AIRPORTS	MAC	MOODY'S MEDIAN
Revenues/enplanements (\$)	10.81	8.33
Operating Ratio (%)	57.9	43.0

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 \$2.48/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 revenue 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.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NATIONAL COMPARISON – 1997 OPERATING BUDGET

OPERATING RATIOS

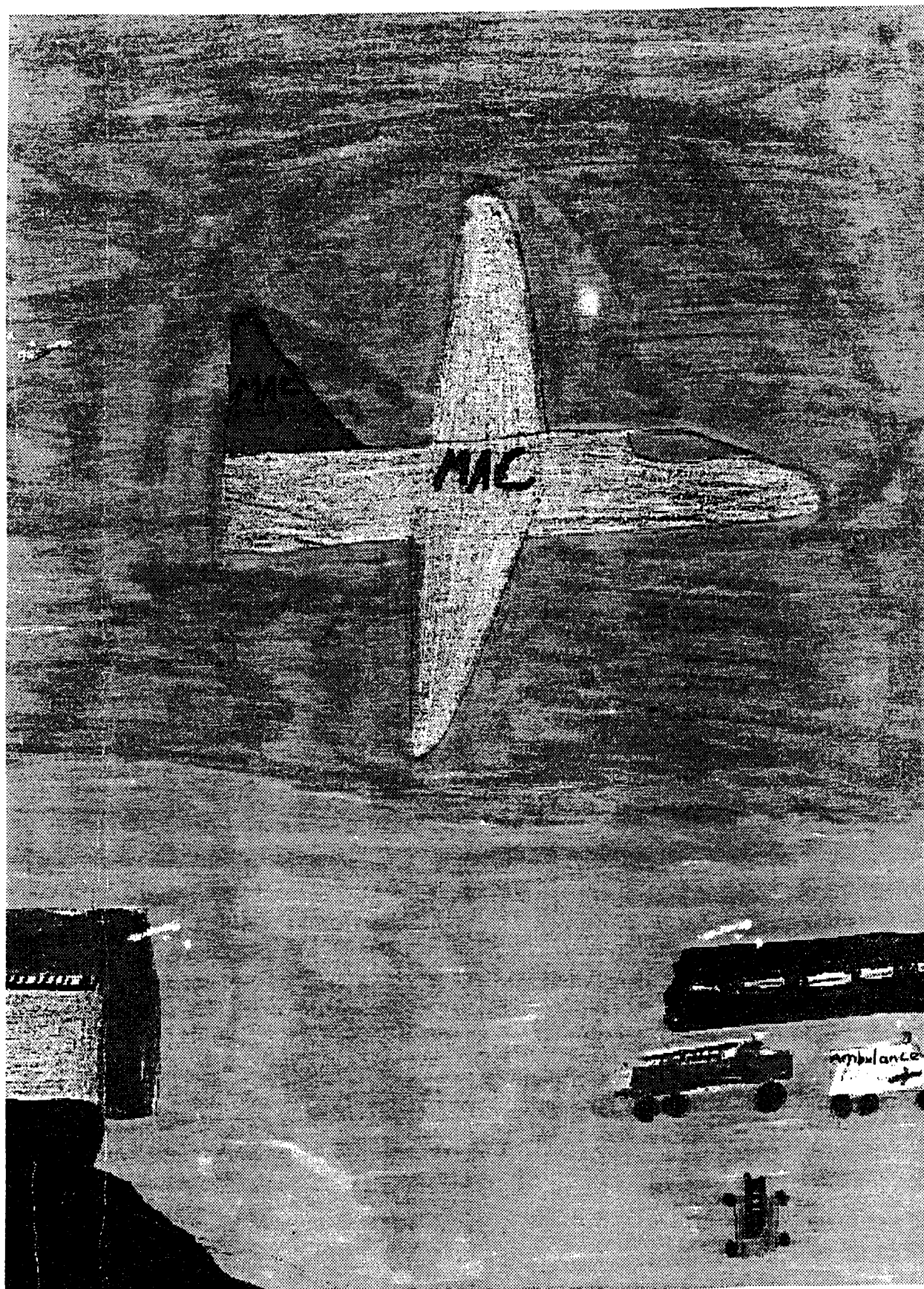
OPERATING RATIOS HUB AIRPORTS	MAC	MOODY'S MEDIAN
Dominant carrier of total airport traffic (%)	76.0	76.1
Primary two carriers of total airport traffic (%)	79.5	83.3
Utilization per gate (O & D traffic)	127,697	63,538
Utilization per gate (total traffic)	211,909	167,120

The dominant carrier at MSP is obviously Northwest Airlines. Their percentage of total traffic is 76.0% compared to the industry median of 76.1%. The second largest carrier is United.

The Utilization per gate statistics indicate higher utilization of gate facilities than the average. This is due to the fact that MSP has fewer gates.

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 is 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 76.0% of the airport traffic. The next largest carrier, United, services only 3.5% of total airport traffic.



Міністерство поліції та транспорту Метрополітанської комісії управління бюджетом 1997

Glossary

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

GLOSSARY – 1997 OPERATING BUDGET

Accrual Basis – This basis of accounting attempts to record financial transactions in the period they occur rather than recording them in the period they are paid.

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 expires on 12/31/96. This agreement is the basis for airline rates and charges primarily the landing fee, ramp fee, carousel and conveyors, terminal building rates, and the noise surcharge.

Airline Rates and Charges – One of the three main revenue categories. Includes all charges set by the airline agreement (landing fees, ramp fees, terminal rents, noise surcharge, and carousels & conveyors) plus other airline terminal rents.

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

Apron – The extensive paved area immediately adjacent to the Terminal Building area and hangar area. Also referred to as Ramp.

AVI – Automated Vehicle Identification. 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 International 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 10th of each year is equal to all principal and interest due on all Airport Improvement Bonds and General Obligation Revenue Bonds payable therefrom to the end of the second following year.

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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, noisier aircraft (Stage II) to pay a higher landing fee or "noise surcharge" than quieter aircraft (Stage III) as a means of encouraging the use of newer, "quiet-technology" aircraft.

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 International.

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 International.

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

Enterprise Fund – This type of fund accounts for all cost allocations including depreciation while its cost of services are recovered through user fees/charges.

Exclusive Use – Space rented to a specific airline.

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 planning.

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

GAAP (Generally Accepted Accounting Principles) – Conventions, rules and procedures necessary to describe accepted accounting practice at a particular time.

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.

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Hubert H. Humphrey Terminal (HHH Terminal) – The Commission's charter terminal where all international and most charter flights arrive and depart.

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

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.

MAC – Metropolitan Airports Commission.

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

Major Carriers – Those airlines which participate in the airline agreement. As of 11/30/95 these include American, America West, Continental, Delta, Northwest, TWA, United, U.S. Air, and Vanguard. 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 four subdivisions: 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.

Miscellaneous Revenue – One of the three revenue categories and includes other building rents, ground rents, utilities, and miscellaneous items.

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.

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

Operating Fund – A special fund used to pay all operating expenses such as personnel, maintenance, utilities, supplies, insurance, miscellaneous, and equipment purchases. (See discussion on 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.

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.

Ramp Fees – A fee charged to a particular airline for exclusive use of a specific area of ramp, calculated by dividing the total estimated costs in the appropriate cost center by the number of lineal feet of ramp space. Also referred to as Apron Area.

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 department in order to keep track of costs.

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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.

Signatory Carriers/Airlines – Refers to those carriers/airlines who have signed the Airline Agreement. This includes carriers/airlines from the major, commuter, charter, and cargo/freight carrier categories.

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

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

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 International.

Wold-Chamberlain Field (WCF) – The airfield itself excluding the Terminal Building.