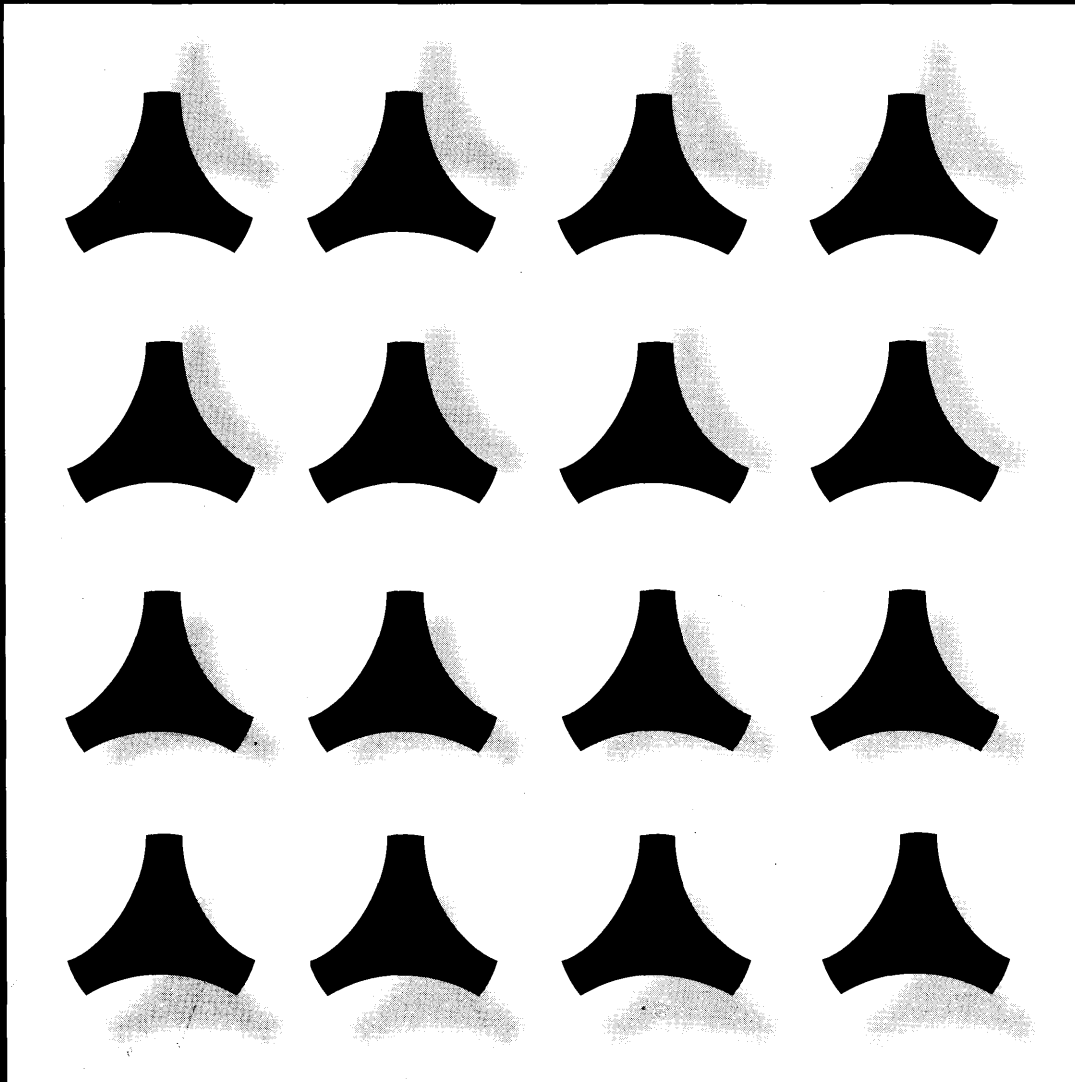




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METROPOLITAN AIRPORTS COMMISSION

OUR VISION

"Excellence in airport services is our vision and the measure of our success."

OUR MISSION STATEMENT

"We provide and promote safe, convenient, environmentally sound and cost effective aviation services for our customers."

OUR VALUES

- Integrity
- Customer Service
- Excellence
- Teamwork
- Commitment to the community and environment

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MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

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MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

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MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

BUDGET MESSAGE – 1999 OPERATING BUDGET

We are pleased to present the 1999 Metropolitan Airports Commission budget that was adopted by the Commission on December 21, 1998. Total operating revenue for 1999 is projected to be \$129,921,787 and operating expense is \$110,386,521.

The 1999 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. A safe and efficient system of airports would be maintained.
5. The MAC would provide excellent service to its tenants and the travelling public.

FINANCE COMMITTEE

The Finance Committee's first full year of policy making was 1998. Items that were reviewed either periodically or annually included: Monthly Operating Results, Tenant Audits, Financial Audit Results, Sales Tax Audit Results, Legislative Audit Results, Audit Plan, and the Financial Management Policies. Areas of direction and oversight in 1998 were: Operating Budget, Utilities Request For Proposal (RFP), Accounting Changes, Process Improvements, General Obligation Revenue Bond Series 13 Refunding and the 1998 Series A, B, and C General Airport Revenue Bonds (GARBs).

In 1999 the Committee will again review the items listed above. It is anticipated that the Commission will issue additional GARBs in 1999 to finance the airport expansion, the Finance Committee will have oversight of this process. The Committee will review the Airline lease Agreement once negotiations are nearly complete. (Updates have been given periodically throughout 1998). Finally the Committee will give direction and oversee the 2000 Operating Budget.

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 four months working capital (\$22.5 million in 1999). 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.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

BUDGET MESSAGE – 1999 OPERATING BUDGET

The table below is an overview of the Operating Fund and the required transfers.

1999 TOTAL OPERATING BUDGET SUMMARY (\$ = 000)					
	<u>1998 Estimate</u>	<u>1998 Budget</u>	<u>1999 Budget</u>	<u>2000 Projection</u>	<u>2001 Projection</u>
1/1 Balance	\$ 20,800	\$ 20,800	\$ 22,500	\$ 22,500	\$ 22,500
Sources of Funds					
Operating Revenues	116,000	114,481	129,922	147,762	167,721
Interest Earnings	5,600	9,300	5,600	5,600	5,600
Total Sources of Funds	<u>\$121,600</u>	<u>\$123,781</u>	<u>\$135,522</u>	<u>\$153,362</u>	<u>\$173,321</u>
Uses of Funds					
Operating Expenses (ex depreciation)	\$(64,430)	\$(62,280)	\$(67,450)	\$(70,148)	\$(72,954)
Equipment Purchases	(6,700)	(8,100)	(6,240)	(4,500)	(5,000)
Debt Service Transfer	(10,305)	(10,822)	(17,164)	(35,402)	(48,659)
Construction Fund Transfer	(40,000)	(39,368)	(42,611)	(45,000)	(47,456)
Total Uses of Funds	<u>(\$121,435)</u>	<u>(\$120,570)</u>	<u>(\$133,465)</u>	<u>(\$155,050)</u>	<u>(\$174,069)</u>
Net Change in Working Capital ²	<u>\$ (165)</u>	<u>(\$ (3,211))</u>	<u>\$ (2,057)</u>	<u>\$ 1,688</u>	<u>\$ 748</u>
12/31 Balance	<u>\$ 20,800</u>	<u>\$ 20,800</u>	<u>\$ 22,500</u>	<u>\$ 22,500</u>	<u>\$ 22,500</u>

¹ Interest Rate Assumed 5% in 1998 - 2001

² Net change in working capital represents fluctuations in year-end operating payments and receivables.

As stated in the Commission's Financial Management Policies, the Operating Fund maintains a fund balance of four months working capital. A more detailed explanation regarding the Flow of Funds is included in the Operating Budget section – Flow of Funds/Taxing Authority.

OPERATING BUDGET

Staff prepared the budget based on focusing the use of funds in areas that are most directly impacted by passengers and operations. In the past the Finance Committee or Budget Task Force had established revenue and expense growth targets. These were typically across the board increases and/or decreases. The 1999 Operating Budget used a process to redirect dollars from areas not impacted by passengers or operations to those areas that were. The Operating Budget yielded projected revenue growth of 13.49% and expense growth of 11.75%.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

BUDGET MESSAGE – 1999 OPERATING BUDGET

The following table is a summary of the 1998 and 1999 budgeted revenues and expenses:

(\$=000)

	1998 Estimate	1998 Budget	1999 Budget
OPERATING REVENUE			
Airline Rates & Charges	\$ 43,621	\$ 44,564	\$ 56,572
Concessions	58,800	56,490	58,084
Other	13,931	13,428	15,266
Total Operating Revenue	\$116,352	\$114,482	\$129,922
OPERATING EXPENSE			
Personnel	\$32,125	\$31,830	\$34,598
Administrative Expenses	1,200	1,176	1,431
Professional Services	3,900	3,722	4,561
Utilities	6,350	5,805	5,364
Operating Services	10,800	10,580	10,692
Maintenance	9,500	8,613	9,873
Depreciation	36,850	36,502	42,937
Other	555	555	931
Total Operating Expense	\$101,280	\$98,783	\$110,387
Net Operating Income	\$15,072*	\$ 15,699*	\$19,535*

* Required as contribution to debt service and construction program financing.

Service centers attempted to concentrate resources on the basic services provided to customers (airlines included), 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.

Revenues for 1999 are projected to grow \$15.44 million or 13.49% to \$129.9 million. Airline rates and charges are estimated to increase \$12.0 million or 26.95% to \$56.6 million. This increase can be attributed to additional depreciation and interest charges associated with runway reconstruction, deicing facilities, maintenance facilities, terminal improvements and new equipment. (See Revenue Assumptions explaining airlines rates and charges.) Concessions are projected to increase \$1.6 million or 2.82% to \$58.1 million. The increase is the result of new tenant agreements (See Revenue Assumptions – Concessions). Other revenue is forecasted to increase \$1.8 million or 13.69% to \$15.3 million. The additional revenue is primarily from the revised fee structure implemented at the Hubert H. Humphrey Terminal.

Operating Expense (excluding depreciation) is projected to increase \$5.2 million over the 1998 budget. Personnel costs are up 8.7% or \$2.8 million due to 53 new positions. Maintenance is increasing \$1.2 million or 13.84% because of expanded facilities. These two areas combine to account for \$4.0 million of the increase in operating expenses. Additional discussion is provided in the Expense Assumptions portion of the Operating Budget.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

BUDGET MESSAGE – 1999 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 covering an additional five years is adopted.

Approved Capital Projects for 1998 is projected to be \$476,840,000. Funding for the program will come from funds currently on hand, federal and state grants, passenger facility charges Federal Letter of Intent (LOI) (See Construction Budget), internally generated funds, interest income, and the issuance of bonds. A summary of the Capital Improvement Program by Facility for 1999 compared with 1998 is as follows:

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

	<u>1999</u>	<u>1998</u>
Minneapolis/St. Paul International		
Field & Runway	\$ 85,900	\$ 57,650
Environmental	42,470	36,860
Self-Liquidating	18,300	10,200
Landside	270,305	303,690
Total Minneapolis/St. Paul International	<u>\$416,975</u>	<u>\$408,400</u>
Reliever Airports		
St. Paul	\$ 11,850	7,050
Flying Cloud	41,350	10,200
Crystal	1,200	300
Anoka	2,900	800
Lake Elmo	405	400
Airlake	2,160	2,400
Total Reliever Airports	<u>\$ 59,865</u>	<u>\$21,150</u>
Total All Facilities	<u><u>\$476,840</u></u>	<u><u>\$429,550</u></u>

A major difference in funding compared to previous years is the Federal Letter of Intent (LOI) (See Glossary for explanation). Bonds that are issued will be General Airport Revenue Bonds. A more detailed discussion of this program is provided in the Construction budget.

DEBT SERVICE

In 1998 the Commission refunded General Obligation Revenue Bond Series 7 at net present value savings of \$9,715,359.70 or 22.52%. The refunding bonds (Series 13) received AAA/aaa/AAA ratings from Standard & Poor's, Moody's and Fitch respectively. The Commission does not anticipate any refundings in 1999 or 2000.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

BUDGET MESSAGE – 1999 OPERATING BUDGET

Also in 1998 the Commission issued its first Series of General Airport Revenue Bonds (GARBs). The Series A, B, C Bonds totaled \$346,925,000 and funded amount other things the parking facility expansion, terminal improvements and runway/taxiway improvements (See Debt Service/Construction Budgets for further details). It is anticipated that in the third quarter of 1999 the Commission will be issuing additional GARBs to fund a portion of the continued MSP capital program. Preliminary forecasts also indicate the likelihood of GARBs being needed in 2000 or 2001. Issuance of bonds may be delayed depending upon timing and phasing of the capital program. Additional information is provided in the Debt Service Budget.

FUTURE OUTLOOK

There are two issues which will have a significant impact on MAC as we proceed into 1999. The first issue is the expansion of MSP International. 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 \$2.1 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

During 1997, Commission staff developed a strategic plan which includes ten strategic goals, a revised mission statement, vision and values for the organization. Employees were invited to participate in the development of the plan; approximately 125 employees got involved in the process. The primary purpose of the plan is to help align work done throughout the organization so we utilize available resources most effectively. This plan will be used to prepare on-going department planning and will be updated regularly.

In 1998, divisions linked their department and individual work to MAC's strategic plan, which was developed in 1997. Human Resource Development (HRD) delivered "Strategic Links" training to all managers and supervisors involved with departmental goal setting to help them link their department goals with MAC's strategic plan. The organization's mission, vision and values continue to be integrated into various processes.

As we move forward, progress updates on the strategic plan are provided twice annually to the Commission and employees. The strategic plan will continue to serve as a basis for on-going planning within each of MAC's divisions. The plan will continue to be reviewed and updated to reflect key issues and trends that face MAC and the airport industry as we move into the 21st century.

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, 1998.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

BUDGET MESSAGE – 1999 OPERATING BUDGET

award of Distinguished Budget Presentation to the Minneapolis–St. Paul Metropolitan Airports Commission for its annual budget for the fiscal year beginning January 1, 1998.

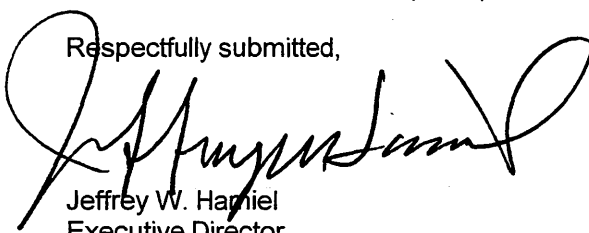
In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.


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.

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 Finance Committee. A special thanks to everyone who helped develop the 1999 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

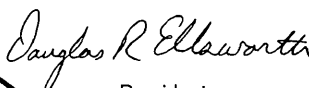


GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO
**Minneapolis/St. Paul Metropolitan Airports Commission,
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**For the Fiscal Year Beginning
January 1, 1998**


Douglas R. Ellsworth
President


Jeffrey L. Essler
Executive Director

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 to explain the changes being made in the document format.
- B. Organizational Structure – Within this section, the Commission description remains the same as in the prior year. Each of the departments (defined below) are listed comparing their 1997 actual, 1998 budget and 1999 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 – Additional information is included at the beginning of this section and incorporates "Non-Operating" accounts. Rather than providing a detailed listing of expenses by service center, the detail is shown by what is referred to as subledgers. Our financial software has 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). The 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 departmental structure are detailed later in this section.

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.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

DESCRIPTION OF BUDGET PREPARATION & AMENDMENT PROCESS

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. The budget is 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 is packaged for each service center. Templates are set up on the system for each service center. Budget specialists are assigned by each department and input of budget information was scheduled for the first part of June.

In late April the Finance Committee provides direction to staff regarding growth and allocation of funds. This information is presented to staff at various meetings and also included in their packages.

Budget packages are distributed in June. All service centers have four weeks to complete them. The Personnel packages are due by mid June. Finance staff reviews all packages and summarizes them during July for senior staff to review. For the 1998 budget, service centers were given the alternative (based on Finance Committee direction) to cut or hold their budgets to no change or submit an increase with justifications for any additional funds required. Over half of the service centers submitted budgets with no change or a decrease as a result of this direction.

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 them revisions are completed as required. During September presentations are prepared for the Finance Committee, senior staff and airlines. Also, supporting schedules are completed. The month of October is reserved for presentations to the Finance Committee and revisions prior to requesting final approval.

Preliminary approval is given by the Finance Committee in October. With the recommendation from the Finance Committee and the informational meetings held, final approval is requested at the October full Commission meeting. Final approval of the 1998 Operating Budget was given at the October Commission meeting. Rate changes are sent out as usual at the beginning of December based upon approval from the full Commission.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

DESCRIPTION OF BUDGET PREPARATION & AMENDMENT PROCESS

This calendar gives an overview of the process:

April	Finance Committee Finance Department Department Management Finance Department	1. Establishes budget direction for expenses of following year. 2. Prepares Service Center historical information. 3. Identifies Budget Specialist 4. Determines templates necessary for budget input.
May	Finance Department	5. Begins training of Budget Specialists. 6. Distributes budget packages (in late May and/or early June). 7. Recommends information regarding inflation factors, wage, and contract adjustments to the Commission. 8. Starts the historical information gathering process. 9. Prepares preliminary budgets.
June	Finance Department	10. Presents preliminary budget to Finance Committee. 11. Compiles positions and headcount requests summary. 12. Compiles summary of capital assets requests. 13. Presents budget update to Finance Committee.
July	Senior Staff Executive Director Finance Department Finance Department and MAC Staff	14. Presents budget requests to Executive Director 15. Approves preliminary position and headcount requests, also ; 16. Approves preliminary summary of capital assets requests. 17. Prepares summary of controllable expense requests and supporting schedules. 18. Concurrently, initiates budget revisions, as needed, for controllable expenses.
August	Finance/CMAA/Landside/ Reliever Airports Finance Department	19. Compile revenue analysis and projections. 20. Presents budget update to Finance Committee. 21. Completes revenue forecast.
September	Finance Department MAC Staff Finance Department and Senior Staff Finance Department	22. Compiles presentation information. 23. Distributes Budget Packages to airlines and the Finance Committee. 24. Implements revisions, as needed, to projected expenses. 25. Presents budget to the airlines. 26. Presents budget to MAC Staff.
October	Finance Department and Senior Staff The Commission	27. Presents budget to the Finance Committee. 28. Approves budget.
November	Finance Department	29. Begins compiling Budget Book.
December	Finance Department	30. Presents notice of rate changes to all tenants. 31. Completes Budget Book.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

DESCRIPTION OF BUDGET PREPARATION & AMENDMENT PROCESS

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."

The individual line-items will include the following:

Personnel

- Salaries & Wages
- Benefits
- Commissioner Per Diem
- Total Personnel

Administrative Expenses

Professional Services

Utilities

Operating Services

- Parking Management
- Shuttle Bus Services
- Service Agreements
- Storm Water Monitoring
- Other
- Total Operating Services

Maintenance

- Trades
- Building
- Field
- Equipment
- Cleaning
- Total Maintenance

Depreciation

Other

- General Insurance
- Other
- Reimbursed Expense
- Total Other

Total Expense

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

1998-1999 GOALS & OBJECTIVES-PROGRESS REPORT-1999 OPERATING BUDGET

The Metropolitan Airports Commission completed its first strategic plan in 1997 and, beginning in 1998, utilized its strategic goals to drive department and individual planning throughout the organization. Mid-year and year-end reports were given to the Commissioners and employees to provide updates on the progress made throughout 1998. Over 100 accomplishments towards the achievement of our strategic plan were completed last year. As part of the planning cycle, developed to carry the plan forward, our first annual review of the strategic plan has been completed and the plan was revised to address future conditions. This annual planning cycle will continue as we begin to lay out plans for the year 2000 and beyond. The year-end report for 1998 is included here.

Goal 1: To operate a safe and secure airport system.

Objective	Results Achieved
<p>A. Develop and implement a comprehensive airport safety program on each of MAC's airports for employees, passengers and airfield users.</p> <p>Status: <i>Year End Actual Completion</i> 70%</p> <p> <i>Year End Estimated Completion</i> 60%</p>	<ul style="list-style-type: none"> ✓ Increased awareness of accident and incident trends by issuing a monthly Safety Report including the number of First Reports of Injury, OSHA-Recordable accidents, Lost Workdays and Restricted Workdays. ✓ Reviewed and modified the Equipment Isolation (Lockout/Tagout) Program. ✓ Implemented a Forklift Safety Training Program. ✓ Conducted hearing tests for affected employees under the Hearing Conservation Program. ✓ Conducted a Workplace Safety Management Evaluation. ✓ Developed an accident/incident review process.
<p>B. Maintain and upgrade the security of the airports.</p> <p>Status: <i>Year End Actual Completion</i> 95%</p> <p> <i>Year End Estimated Completion</i> 95%</p>	<ul style="list-style-type: none"> ✓ Assisted auto rental agencies with implementation of loss prevention program to reduce theft of vehicles. ✓ Developed program with county attorney for uniform prosecution of car thieves. ✓ Placed 2,500 new security signs on perimeter fences, gates and card readers in MAC and tenant locations. ✓ Implemented "Sawbucks" reward system for employees who report security violations leading to enforcement action. ✓ Added Closed Circuit TV to screening checkpoints, ticketing level and Lindbergh Terminal roadways. ✓ Reviewed Public Safety record keeping systems to determine recommendation for Y2K compliant replacement system. ✓ Analyzed Card Access system to determine Y2K compliance resulting in software replacement recommendation.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

1998-1999 GOALS & OBJECTIVES-PROGRESS REPORT-1999 OPERATING BUDGET

Objective	Results Achieved
C. Develop strategies to minimize property and equipment damage. Status: Year End Actual Completion 100% Year End Estimated Completion 100%	<ul style="list-style-type: none"> ✓ Updated the AOA's Driver's Guide. ✓ Adopted a Movement Area Drivers Authorization Process that includes training, a violation review board and an investigation team. ✓ Obtained FAA approval of the MSP surface movement Guidance Control System Plan. ✓ Established an airport-wide SMGCS training program.

Goal 2 To provide world class, customer-oriented transportation facilities at MSP.

Objective	Results Achieved
A. Continuously improve the customer experience. Status: Year End Actual Completion 100% Year End Estimated Completion 100%	<ul style="list-style-type: none"> ✓ Tracked customer comments and their resolution by initiating a Customer Comment Card and complaint tracking system. ✓ Improved the processing of international passengers by procuring additional FIS staff and installing an automated Immigration Entry/Pass System. ✓ Implemented the Concessions Plan. <ul style="list-style-type: none"> • Phase 1 – Daily News, Johnston & Murphy, Red Food Court (Burger King, Cinnabon and California Pizza Kitchen) • Phase 2 – Erwin Pearl, Liz Claiborne, Bath & Body, Split Rock Bar and Grille, Main Food Court (TCBY, Juice Works, Burger King, Cinnabon) • Phase 3 – News & Gifts, Discovery Channel, Simply Books, Starbucks ✓ Conducted a customer satisfaction and public opinion survey.
B. Maintain and upgrade existing airside and Landside facilities. Status: Year End Actual Completion 100% Year End Estimated Completion 100%	<ul style="list-style-type: none"> ✓ Implemented the 1998 Capital Improvement Program by awarding 87 bids with a total value of \$223 million. ✓ Began construction on major projects still underway at year end including: <ul style="list-style-type: none"> • Parking-Auto Rental Expansion • Automated people Mover • Lindbergh Terminal Alternative Cooling System ✓ Completed construction of major projects including: <ul style="list-style-type: none"> • Runway 12R-30L Reconstruction/Twy, W – Seg 1 and 2 • Runway 30L Deicing Pad and Operations Bldg. • Part 150 Residence Sound Insulation ✓ Initiated a Team CIP process for 1999 and beyond ✓ Completed commissioning of the Satellite Landing System.

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Objective	Results Achieved
<p>C. Provide additional facilities through the implementation of the 2010 Plan to support growth and economic vitality.</p> <p>Status: <i>Year End Actual Completion 100%</i></p> <p><i>Year End Estimated Completion 100%</i></p>	<p>✓ Completed the following 1998 activities related to the 2010 Plan implementation:</p> <ul style="list-style-type: none"> • Acquired the Met Center and 80 Prop Inc. properties. • Completed the Dual Track Environmental Impact Statement. • Completed the environmental process for the 4-22 Runway Extension.

Goal 3: *To build and strengthen a productive and rewarding work environment that demonstrates trust and respect.*

Objective	Results Achieved
<p>A. Attract and retain a qualified, diverse work force.</p> <p>Status: <i>Year End Actual Completion 100%</i></p> <p><i>Year End Estimated Completion 100%</i></p>	<p>✓ Provided "Sexual Orientation in the Workplace" training for 200 MAC employees.</p> <p>✓ Sponsored 100 employees to cultural events.</p> <p>✓ Presented Anti-Harassment policy to employee group.</p> <p>✓ Recommended 1998 - 99 Affirmative Action plan for approval and submitted to Commission and State of Minnesota for approval.</p> <p>✓ Expanded Recruitment efforts by:</p> <ul style="list-style-type: none"> • Developing an Employee Referral Program • Advertising with Image Ad in Black Pages to target African American community. • Establishing contacts with education community.
<p>B. Provide resources necessary for employees to do their jobs.</p> <p>Status: <i>Year End Actual Completion 75%</i></p> <p><i>Year End Estimated Completion 90%</i></p>	<p>✓ Hired a Training and Development Specialist to identify needs and to develop core curriculum for executive leadership, management and supervisory training programs.</p> <p>✓ Developed a multi-media resource training library for MAC wide use.</p> <p>✓ Met with state contract vendors to upgrade existing pager system.</p> <p>✓ Created Y2K team, inventoried systems and products for potential Y2K impacts, prepared Y2K letters to manufacturers or vendors, created status matrix for Y2K compliance, coordinated with airport partners and developed "work arounds" contingency plans for all key systems.</p> <p>✓ Enhanced supervisor's ability to manage the unionized workforce by conducting training sessions</p> <p>✓ Enhanced the support of MACNET customers.</p> <p>✓ Conducted on-going classes on Microsoft products.</p> <p>✓ Provided conversion support for databases,</p>

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Objective	Results Achieved
	WordPerfect and Lotus files. ✓ Installed new phone systems for: Airside Ops, Trades, Review ADO and St. Paul Downtown Airport. ✓ Revised and expanded orientation program for new employees.
C. Continuously improve internal customer service. Status: Year End Actual Completion 100% Year End Estimated Completion 100%	✓ Streamlined open enrollment for Employee health Insurance by: <ul style="list-style-type: none"> • Reviewing existing process. • Making process improvements.
D. Improve employee job satisfaction and recognition. Status: Year End Actual Completion 75% Year End Estimated Completion 75%	✓ Implemented the 1998 Wellness Program, which included: <ul style="list-style-type: none"> • Providing statistics on existing programs • Completing a benchmark study to determine overall effectiveness. • Conducting Wellness/Exhibit Health Food Fair. • Implementing Smoking Cessation program. • Conducting Flu Shot program. ✓ Provided statistics on existing Wellness programs. ✓ Completed a benchmark study to determine overall effectiveness of Wellness programs. ✓ Developed a career development program. ✓ Established labor / management committees in all union contracts. ✓ Established tracking system for recognition, streamlined procedures, and trained supervisors and managers on revised recognition procedures.
E. Review existing policies and procedures. Status: Year End Actual Completion 95% Year End Estimated Completion 95%	✓ Developed a Human Resources Policies and Procedures Manual. ✓ Developed an Administrative Policies and Procedure Manual.
F. Establish sound employee relations practices. Status: Year End Actual Completion 100% Year End Estimated Completion 100%	✓ Developed a benefits manual. ✓ Examined promotion guidelines and revised as necessary. ✓ Reviewed salary structure for effectiveness relative to external market. ✓ Developed and tested proto-type format to improve feedback between supervisors and employees.

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Goal 4: To communicate proactively and effectively.

Objective	Results Achieved
A. Strengthen internal communications. Status: Year End Actual Completion 80% Year End Estimated Completion 100%	✓ Determined effectiveness of internal communication programs.
B. Enhance our public image. Status: Year End Actual Completion 100% Year End Estimated Completion 100%	✓ Conducted a public opinion survey. ✓ Prepared MSP 2010 brochure. ✓ Updated MAC's Website. ✓ Developed and Coordinated speakers program for community. ✓ Developed media guide. ✓ Issued NorthStar Chronicle. ✓ Used signage to direct the public, announce projects and keep people informed about MSP 2010 project completion dates. ✓ Conducted a community education campaign to focus on Eden Prairie and Anoka.
C. Provide necessary technology for improved communications. Status: Year End Actual Completion 100% Year End Estimated Completion 100%	✓ Enabled outbound and inbound communications on MACNET. ✓ Implemented Microsoft SMS Services. ✓ Installed frame relay connections. ✓ Connected Landside Operations. ✓ Upgraded Operating Systems. ✓ Implemented new e-mail system and conducted training sessions ✓ Enabled use of group ware tools. ✓ Expanded MACNET connections to the Maintenance, Fire and Police departments. ✓ Created a training center at the Field Maintenance. ✓ Installed new MACNET connections at Flying Cloud, Airlake, Lake Elmo, and Anoka airports.

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Goal 5: To contribute to the economic vitality of the region by expanding and improving air service.

Objective	Results Achieved
<p>A. Develop a strategic marketing plan for MAC's airport system.</p> <p>Status: Year End Actual Completion 100%</p> <p>Year End Estimated Completion 100%</p>	<ul style="list-style-type: none"> ✓ Met with the following airlines to discuss new passenger and air cargo service for MSP: <ul style="list-style-type: none"> • Southwest • Midway • Midwest Express • American Trans Air • Virgin Atlantic • Aeroflot • All Nippon • British Airways • Cathay Pacific • China Airlines • Korean Air • Lufthansa • SAS • Swissair ✓ Developed marketing promotional strategies for the following events: <ul style="list-style-type: none"> • Transportation Club Expo • International Air Cargo Conference and Exhibit • Oshkosh Air Show ✓ Worked with business and government agencies to identify air service needs and opportunities. ✓ Fostered the development of the Airport Task Force. ✓ Customized tours of the terminal and airport property <ul style="list-style-type: none"> • Potential airlines seeking service • Government agencies • Chambers of Commerce

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Goal 6: To meet the capital development, operating and debt service requirements of the airport system while preserving our financial strength.

Objective	Result Achieved
<p>A. Provide creative, responsible funding for completion of the 2010 plan.</p> <p>Status: Year End Actual Completion 95%</p> <p>Year End Estimated Completion 95%</p>	<ul style="list-style-type: none"> ✓ Issued the first series of General Airport Revenue bonds to finance Capital Improvement projects ✓ Secured a letter of Intent (LOI) from the FAA for funding a portion of the North-South Runway
<p>B. Maximize all sources of revenue and maintain competitive rates and charges.</p> <p>Status: Year End Actual Completion 70%</p> <p>Year End Estimated Completion 80%</p>	<ul style="list-style-type: none"> ✓ Completed scheduled internal audits of airport tenants. <ul style="list-style-type: none"> • Dollar Car Rental • Metro Office Park ✓ Issued RFP's and awarded contracts. <ul style="list-style-type: none"> • Ground Handling Agent at the HHH Terminal • Local and Long Distance Phone Services • Hair Salon • Shoe Shine
<p>C. Provide cost effective services.</p> <p>Status: Year End Actual Completion 85%</p> <p>Year End Estimated Completion 90%</p>	<ul style="list-style-type: none"> ✓ Completed scheduled consultant and vendor internal audits. <ul style="list-style-type: none"> • W.D. Schock Company, Inc. • MTCO Airport Shuttle • Forfeiture Fund • Air Tech ✓ Submitted expiring service contracts for bidding or RFP. <ul style="list-style-type: none"> • Parking Management Contract • Glass Cleaning Contract • Elevator/escalator/carousel consultant • Waste hauling/recycling ✓ Issued an RFP for Natural Gas. ✓ Awarded an agreement for computer consulting for software development needs for Landside Operations.

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Goal 7: To maximize the utilization of the Reliever Airport System.

Objective	Results Achieved
<p>A. Improve financial viability of the airports.</p> <p>Status: Year End Actual Completion 60%</p> <p>Year End Estimated Completion 80%</p>	<ul style="list-style-type: none"> ✓ Recommended a new rate structure to help decrease the Reliever Airport deficit. ✓ Reached a conceptual design agreement on the golf course, park and ride facilities, and industrial areas of the Anoka County/ Blaine Airport – all revenue enhancement opportunities for the Reliever Airports.
<p>B. Ensure compatible and orderly development of Airport land and establish guidelines for the use of airport facilities.</p> <p>Status: Year End Actual Completion 65%</p> <p>Year End Estimated Completion 65%</p>	<ul style="list-style-type: none"> ✓ Began “zoning” newly developed areas. ✓ Re-developed an area of the Airlake Airport. ✓ Considered the redevelopment of an area of the St. Paul Downtown Airport.
<p>C. Improving customer service.</p> <p>Status: Year End Actual Completion 100%</p> <p>Year End Estimated Completion 100%</p>	<ul style="list-style-type: none"> ✓ Met with tenants to discuss capital improvement projects and to identify tenant needs and expectations with regard to airport facilities.
<p>D. Strengthen community relations.</p> <p>Status: Year End Actual Completion 100%</p> <p>Year End Estimated Completion 100%</p>	<ul style="list-style-type: none"> ✓ Participated in community and airport events at each airport. ✓ Continued dialog with community leaders surrounding the Reliever Airports. ✓ Formalized dialog with appointed Commissions and Airport Committees.
<p>E. Develop marketing plan(s).</p> <p>Status: Year End Actual Completion 20%</p> <p>Year End Estimated Completion 50%</p>	<ul style="list-style-type: none"> ✓ Currently updating the St. Paul Downtown Airport marketing plan.

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Goal 8: To strengthen partner and stakeholder relationships.

Objective		Results Achieved
A. Develop specific strategies to strengthen relationships.		<ul style="list-style-type: none"> ✓ Presented MAC positions during 1998 Legislative Session. Successfully passed the MNDOT housekeeping bill with maintenance facility language and LRT study/funding legislation. Defeated the following bills – <ul style="list-style-type: none"> • Omnibus Bonding bill provision that would have required MAC to pay Richfield for land leased to the city over the years. • An Amendment limiting the use of revenue by MAC. • Evans bill that would have granted municipalities the authority to review capital projects and forced affected cities and MAC into binding arbitration on unresolved issues. • Garcia bill creating a TIF district in the City of Richfield and airport impact zone. ✓ Established contacts and held meetings with all Minnesota congressional members. ✓ Conducted airport tours and Legislative briefings on the 2010 plan. ✓ Participated in formulating national positions on airport/airline issues by: <ul style="list-style-type: none"> • Attending ACI-NA conference and meetings and representing MAC on ACI Governmental Affairs Committee
Status	Year End Actual Completion 100%	
	Year End Estimated Completion 100%	

Goal 9: To continue our leadership in environmental mitigation.

Objective		Results Achieved
A. Develop and maintain good working relationships with the public, affected communities and regulatory agencies.		<ul style="list-style-type: none"> ✓ Coordinated with multiple community groups at Flying Cloud Airport and Anoka County-Blaine Airport
Status	Year End Actual Completion 100%	
	Year End Estimated Completion 100%	

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Objective		Results Achieved
B. Develop and implement a noise mitigation program to reach MAC airport Status Year End Actual Completion 80% Year End Estimated Completion 80%		<ul style="list-style-type: none"> ✓ Tracked performance of the Stage II Nighttime Voluntary Agreements on a quarterly basis. ✓ Expanded reporting requirements, Nighttime Voluntary Agreements and Stage 3 usage to other carriers through Noise Management Methodology. ✓ Continued the Flying Cloud summer monitoring program. ✓ Reorganized MASAC. ✓ Completed acquisition element in New Ford Town/Rich Acres. ✓ Insulated 912 homes under Part 150 Program.
C. Implement a Water Quality management program at each MAC airport in coordination with affected tenants. Status Year End Actual Completion 75% Year End Estimated Completion 75%		<ul style="list-style-type: none"> ✓ Monitored Water Quality Compliance ✓ Net conditions of interim NPDES (National Pollution Discharge Elimination System) ✓ Prepared background information for 1999 NPDES permit negotiations.
D. Integrate mitigation programs/procedures with each development project. Status Year End Actual Completion 100% Year End Estimated Completion 100%		<ul style="list-style-type: none"> ✓ Development projects included appropriate Wetland/other mitigation.

Goal 10: A commitment to excellence through strategic planning.

Objective		Results Achieved
A. Develop an integrated process that ensures the implementation of strategic planning. Status: Year End Actual Completion 100% Year End Estimated Completion 100%		<ul style="list-style-type: none"> ✓ Trained employees on the annual planning process. ✓ Conducted the organizational planning process.

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Objective	Results Achieved
B. Develop appropriate evaluation measures to track progress, review and update. Status: Year End Actual Completion 100% Year End Estimated Completion 100%	✓ Developed organizational measures.
C. Develop and implement an internal and external process for communicating the strategic plan. Status: Year End Actual Completion 100% Year End Estimated Completion 100%	✓ Prepared and issued a mid-year progress report to Commissioners and employees ✓ Prepared and issued a year end report to commissioners and employees

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The updated strategic plan is provided here, as it will be presented to the Commission in February, 1999. This update was prepared by obtaining input from Commissioners, senior staff, managers, supervisors and employee groups. Several changes were made to each of MAC's goals as contained in our original plan; major changes to the plan are as follows:

- Goal 8 "To strengthen partner and stakeholder relationships" was eliminated and the activities were incorporated into other goals.
- Goal 10 "A commitment to excellence through strategic planning" was eliminated because all of the objectives were achieved.
- A new Goal 8 "To implement the 2010 plan" was added to incorporate the financing and construction activities related to the 2010 plan.

This document continues to be used to help establish organizational priorities and accomplishing important tasks. Although our organization is busier than ever and our issues are more complex, we are more strategically focused as a result of our strategic planning efforts. Each year, this plan will be revisited to ensure that it addresses future conditions and issues that face the MAC.

GOAL 1. To operate a safe and secure airport. *Tim Anderson, Leader*

Objective A. Enhance and ensure safety throughout the MAC system of airports.

1. MAC Employee Safety
 - a. Critique MAC Safety Management Program
 - b. Update the program.
 - c. Measure the effectiveness of the program.
 - d. Modify the program, as needed.
2. Airport System Users
 - a. Evaluate potential injury producing environments.
 - b. Develop and implement countermeasures to minimize injury and/or property loss.
 - c. Determine program effectiveness and modify, as needed.
3. Contractor Safety
 - a. Develop and distribute a Contractor Safety Manual.
 - b. Audit the implementation of the Contractor Safety Program.

Objective B. Maintain and upgrade the security of the airports.

1. Monitor and influence security initiatives at the Federal level.
2. Expand airport security training.
3. Enhance access control measures.

Objective C. Prevent and control property and equipment damage.

1. Create a reporting and measurement system.
2. Ensure that safety standards and Code requirements are incorporated into facility design.

Objective D. Enhance emergency response capabilities.

1. Expand use of Incident Command System.
2. Develop Emergency Operations Center function.

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1999 – 2000 GOALS & OBJECTIVES—1999 OPERATING BUDGET

3. Update Airport Emergency Plan.
4. Design and implement Emergency Operations Plan for MSP.

GOAL 2. To provide world class, customer-oriented transportation facilities at MSP. *Tim Anderson, Leader*

Objective A. Continuously improve the customer experience.

1. Develop a formal partnering plan with tenants.
2. Revive "Through the Customer's Eyes" program.

Objective B. Maintain and upgrade existing airside and landside facilities.

1. Improve the aesthetic appeal of terminals.
2. Improve cleanliness of terminals and terminal complex areas.
3. Provide timely maintenance and restoration of airport facilities.

GOAL 3. To build and strengthen a productive and rewarding work environment that demonstrates trust and respect. *Dave Bergsven, Leader*

Objective A. Recruit, develop, and retain a qualified, diverse work force.

1. Expand recruitment and development efforts.
 - a. Develop and conduct training in leadership, management and supervision.
2. Improve flexibility to employees on issues of compensation, benefits and working conditions that attract and retain qualified employees.
 - a. Conduct a telecommuting feasibility study.
 - b. Implement a Compensation Plan that includes equity adjustments necessary to recruit and retain employees in key positions.
3. Develop and adopt a MAC diversity policy statement.
4. Implement Wellness strategic plan.
5. Reengineer the employee suggestion system.

Objective B. Develop business continuation capability.

1. Apply Y2K contingency planning to business continuity.
2. Automate record retention.
3. Develop a business continuation plan, including disaster related elements.
4. Research and develop a succession planning strategy.

Objective C. Implement a performance management system.

1. Implement the two-way feedback program.

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Objective D. Enhance internal communications.

1. Improve communication between MAC departments, management and employees and staff and commissioners.
2. Facilitate communication between MAC departments where there are plans that will have a wider impact than a single department.

Objective E. Implement technology improvements.

1. Complete implementation of MACNET 2000 Plan.
2. Update IS strategic plan.

GOAL 4. To generate understanding, acceptance and support for MAC's mission. **Wendy Burt, Leader**

Objective A. Educate and inform the public of MAC's mission and the role of the airport system.

1. Inform the public about the economic impact of the MAC's airports.
2. Report to the community about noise mitigation efforts.
3. Provide timely, accurate and focused messages to the media and public.
4. Facilitate communication among MAC departments where there are potential impacts to other departments and the public.

Objective B. Expand public affairs activities to communicate the MSP 2010 Plan.

1. Develop a print and broadcast advertising campaign to educate and generate support for the MSP 2010 development plan.
2. Create media events, signage, updates to the website, brochures and other materials for the public explaining the terminal, airfield and landside development projects.

GOAL 5. To expand and improve air service alternatives. **Jeff Hamiel, Leader**

Objective A. Increase domestic and international airline competition at MSP.

1. Identify and recruit new entrants.
2. Evaluate all service incentive programs.
3. Monitor service levels
4. Evaluate the regional air transportation market.
5. Determine where there is a potential for new service.

Objective B. Increase public awareness of air service options throughout the Midwest region.

1. Generate public awareness about the number and variety of airlines serving MSP.
2. Create public understanding that consumers have a role in fostering competition.
3. Communicate with the public, business leaders, elected officials and the travel industry the benefits of being a hub.

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1999 – 2000 GOALS & OBJECTIVES—1999 OPERATING BUDGET

GOAL 6. **Effectively manage revenues and expenses to minimize the issuance of debt and maximize the use of operating funds to offset construction costs.**
Denise Kautzer, Leader

Objective A. **Maximize all sources of revenue and maintain competitive rates and charges.**

1. Review and analyze existing and potential sources of non-aeronautical revenue.
2. Renegotiate the Airline Lease.

Objective B. **Limit growth in controllable expenses.**

1. Review expense categories and identify potential savings.
 2. Perform cost/benefit analysis on budget additions.
-

GOAL 7. **To improve the utilization and reputation of the Reliever Airports.**
Tim Anderson, Leader

Objective A. **Improve the financial viability of the airports.**

1. Implement the new rate structure.
2. Revise and update cost minimization plan.
3. Develop and maximize alternative revenue sources.

Objective B. **Establish guidelines and policies for the use of airport facilities.**

1. Create and implement a "zoning" policy.
2. Review current use of land at St. Paul Downtown Airport for potential redevelopment.
3. Update lease policies and forms.
4. Update Commission policy on flying clubs.

Objective C. **Develop marketing plans.**

1. Update existing marketing plan for St. Paul Downtown Airport.
 2. Develop marketing plan for the other five Reliever Airports.
-

GOAL 8. **To implement the 2010 Plan.**
Nigel Finney, Leader

Objective A. **Provide additional facilities through the implementation of the 2010 Plan to support growth.**

1. Review and refine development projects necessary to implement 2010 plan.
2. Involve partners and users in identifying and prioritizing of development projects.
3. Include support facilities, utilities and staffing needed to support new construction.
4. Maximize use of existing facilities.

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5. Refine and expand public information/media program.

Objective B. *Provide creative, responsible funding for completion of the 2010 Plan.*

1. Refine the Capital Improvement Funding Plan.
2. Maximize the use of federal and state funding.
3. Determine the need and, if necessary, issue General Airport Revenue Bonds.

Goal 9. To continue our leadership in environmental mitigation
Nigel Finney, Leader

Objective A. *Complete negotiations for a renewed NPDES Permit with the MPCA.*

1. Review History, compliance and accomplishments under the current permit.
2. Survey aviation industry and regulatory agency storm water management practices and requirements nationwide.
3. Involve tenant carriers as co-permitees.
4. Develop a permit proposal to begin negotiations with MPCA.
5. Complete negotiations with MPCA resulting in a draft NPDES permit for public review.

Objective B. *Conduct Part 150 Study Update*

1. Develop the Purpose, Goals and Organization of the Update Process.
2. Establish the existing conditions.
3. Define future MSP conditions.
4. Recommend Noise Compatibility Program.
5. Implementation of Program.
6. Community Coordination.

Objective C. *Complete Low Frequency Noise Policy Committee Analysis*

1. Review existing low frequency noise information for SFO, BOS, BWI, LAX and other published studies.
2. Conduct necessary studies.
3. Convene an Expert Technical Panel.
4. Present recommendations regarding appropriate noise metric, compatibility standards, and recommended programs, measures or techniques.
5. Prepare report.

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1999 OPERATING BUDGET

As in 1998, the operating revenue and operating expense assumptions have been prepared comparing the previous year's budget (1998) with the current year's budget (1999).

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 includes 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 expense by subledger section.

In April 1998, the Finance Committee directed staff to prepare the 1999 Operating Budget. The direction given staff was significantly different than prior years. In the past, specific targets were identified for both revenue and expenses. This year the Committee suggested the budget be prepared on a "what is required" basis. The guideline given to staff was that any change greater than 3% would require extensive justification to be considered for approval.

As the table below indicates, significant increases are projected for both revenue and expenses. Assumptions and changes in both revenue and expense are explained further on in the detail area of this section.

(\$ = 000)	1998 Budget	1999 Budget	\$ Variance	% Variance
Operating Revenue	\$ 114,482	\$ 129,922	\$15,440	13.49%
Operating Expense	98,783	110,387	11,604	11.75%
Operating Revenue	\$ 15,699	\$ 19,535	\$ 3,836	

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. Operating Budget Policies

1. The Commission will pay all current expenditures from current revenues.
2. The Commission will maintain a working capital balance approximately four months of operating expenses. If the Commission deems it appropriate to reduce working capital for the portion above the formula amount, such reductions shall not exceed 50% of the excess in any one year.
3. The operating budget will be submitted with revenues exceeding expenditures with a sufficient margin to provide for replacement of property, plant and equipment.
4. In the event of a revenue shortfall in a current budget year, the Executive Director may recommend a transfer from the Commission's Operating Fund.
5. The budget will provide for adequate funding of all retirement systems.

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1999 OPERATING BUDGET

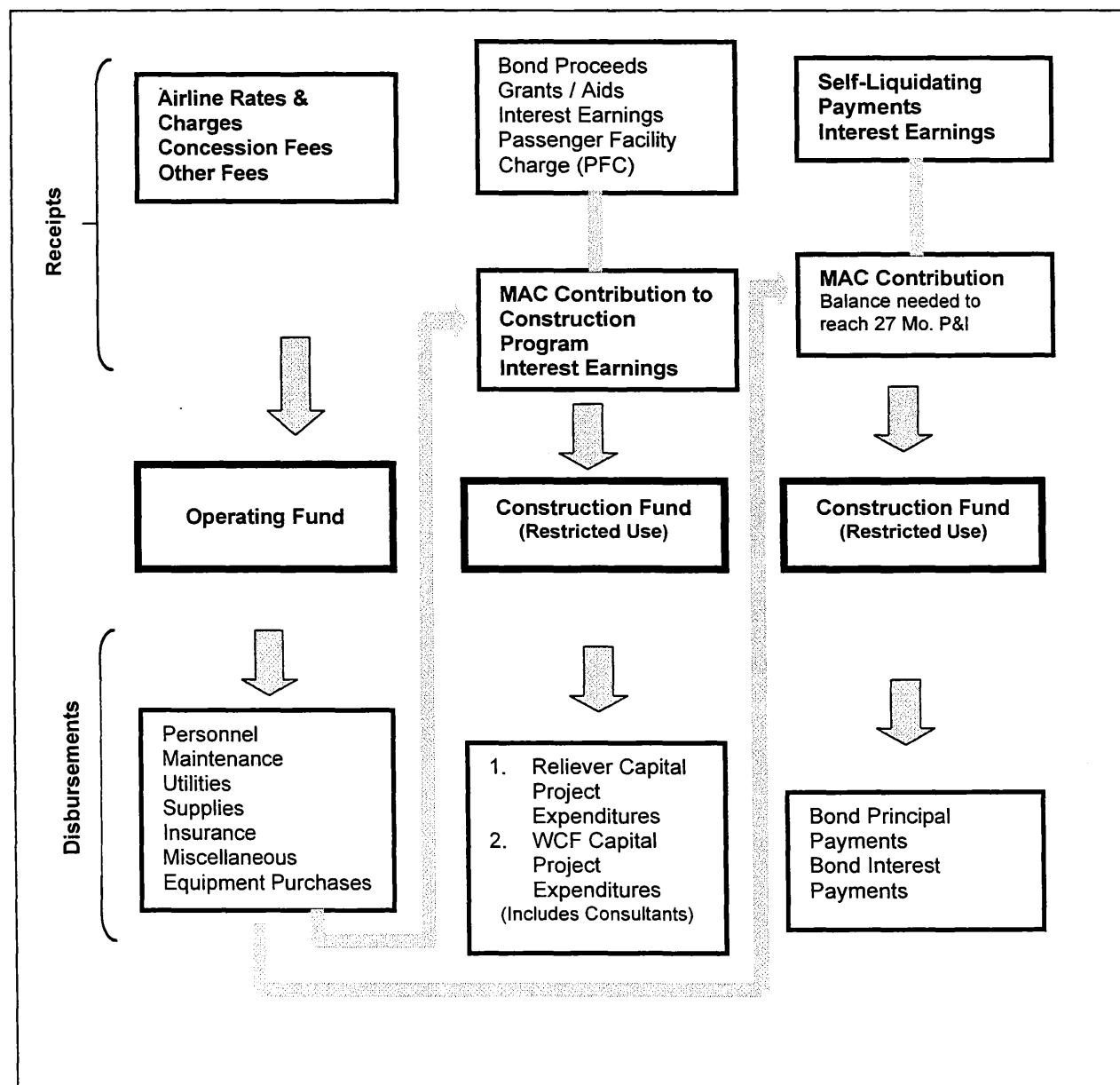
6. The Finance Department will prepare monthly variance reports comparing actual versus budget revenue and expense.
 7. The budget will provide summary information regarding the Operating Fund, Construction Fund and Debt Service Fund projected for the next three years.
 8. Where possible the Commission will integrate performance measurement and/or efficiency indicators in the budget.
 9. Department heads will review monthly reports comparing actual revenues and expenses to budgeted amounts. Any variance in revenue, spending category or capital expenditures for their department as a whole projected to exceed \$100,000 by year-end, will be reported in writing to the Director of Finance and the Executive Director.
 10. The operating budget shall be submitted which has adequate revenues to cover all accrual based expenses except for depreciation on PFC or non-airport owned assets (airport noise abatement of off airport property).
- B. Operating Reserve - established by staff at four months working capital.
- C. Investment/Cash Management Policies
1. Cash Management
 - a) All securities are safekept at one institution.
 - b) All deposits must be insured or collateralized.
 2. Investments
 - a) Investment purchases are made only from dealers with offices located in the state of Minnesota.
 - b) All investment purchases require bids to be taken from several different dealers.
 - c) Investments purchased will be diversified under legal requirements trying to maximize Rate of Return.
 - d) The average Rate of Return will exceed the six month treasury bill.
 - e) All repurchase agreements are required to be collateralized.
 - f) The maturity of any investment shall not exceed three years.
 - g) To the extent possible, the MAC will attempt to match its investments with anticipated cash flow requirements.
 - h) The MAC will have at least 98% of its cash funds earning interest.
 - i) The addition of new accounts to the approved wire transfer list shall require the written authorization of the Finance Director and Executive Director.
 3. Collateral
 - a) Collateral must always be held by an independent third party with whom the MAC has a custodial agreement.
 - b) A clear marked evidence of ownership (safekeeping) must be supplied to the entity and retained.
 - c) To the extent that funds deposited are in excess of the available Federal Deposit Insurance, the MAC shall require the financial institutions to furnish collateral, security or corporate surety bond executed by a company authorized to do business in the state.
 - d) The MAC shall not own investments held in Government Accounting Standard No. 3 Risk Category Three for longer than four days and in no event shall Risk Category Three exceed 5% of the MAC's investment.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

FLOW OF FUNDS/TAXING AUTHORITY – 1999 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 – 1999 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.

FUND BALANCE SUMMARY – 1998 BUDGET (\$=000)

	<u>1997 Estimate</u>	<u>1997 Budget</u>	<u>1998 Budget</u>	<u>1999 Estimate</u>	<u>2000 Estimate</u>
OPERATING FUND					
1/1 Balance	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000
Total Sources of Funds	112,530	109,974	123,782	134,120	147,868
Total Uses of Funds	(107,217)	(105,886)	(124,309)	(126,756)	(149,818)
Transfers & Working Capital Changes	(5,313)	(4,088)	527	(7,364)	1,950
Ending Balance	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000
CONSTRUCTION FUND					
1/1 Balance	\$ 71,888	\$ 81,372	\$ 36,469	\$ 56,711	\$ 76,919
Total Sources of Funds	87,956	250,578	253,122	258,644	278,742
Total Uses of Funds	(123,375)	(287,049)	(232,880)	(238,436)	(257,340)
Ending Balance	\$ 36,469	\$ 44,901	\$ 56,711	\$ 76,919	\$ 98,321
DEBT SERVICE FUND					
1/1 Balance	\$ 88,927	\$ 88,866	\$ 90,272	\$115,287	\$126,846
Total Sources of Funds	44,332	67,504	73,500	73,500	73,500
Total Uses of Funds	(42,987)	(43,108)	(48,485)	(61,941)	(75,329)
Ending Balance	\$ 90,272	\$113,262	\$115,287	\$126,846	\$125,017

- (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 – 1999 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 1996/1997 taxable market value, the maximum amount available for maintenance and operations of the Commission would have been approximately \$7,900,000.

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.

FUND BALANCE SUMMARY - 1999 BUDGET

(\$ = 000)

	<u>1998 Estimate</u>	<u>1998 Budget</u>	<u>1999 Budget</u>	<u>2000 Projection</u>	<u>2001 Projection</u>
OPERATING FUND					
1/1 Balance	\$ 20,800	\$ 20,800	\$ 22,500	\$ 22,500	\$ 22,500
Sources Of Funds					
Operating Revenues	116,000	114,481	129,922	147,762	167,721
Interest Earnings	<u>5,600</u>	<u>9,300</u>	<u>5,600</u>	<u>5,600</u>	<u>5,600</u>
Total Sources of Funds	\$ 121,600	\$ 123,781	\$ 135,522	\$ 153,362	\$ 173,321
Uses of Funds					
Operating Expenses(excluding depreciation)	(64,430)	(62,280)	(67,450)	(70,148)	(72,954)
Equipment Purchases	(6,700)	(8,100)	(6,240)	(4,500)	(5,000)
Debt Service Transfer	(10,305)	(10,822)	(17,164)	(35,402)	(48,659)
Construction Fund Transfer	<u>(40,000)</u>	<u>(39,368)</u>	<u>(42,611)</u>	<u>(45,000)</u>	<u>(47,456)</u>
Total Uses of Funds	(121,435)	(120,570)	(133,465)	(155,050)	(174,069)
Net Change in Working Capital	<u>(165)</u>	<u>(3,211)</u>	<u>(2,057)</u>	<u>1,688</u>	<u>748</u>
12/31 Balance	\$ <u>20,800</u>	\$ <u>20,800</u>	\$ <u>22,500</u>	\$ <u>22,500</u>	\$ <u>22,500</u>

¹ Interest Rate Assumed 5% in 1998 - 2001

² Net change in working capital represents fluctuations in year end operating payments and receivables.

SOURCES AND USES

SOURCES

There are two sources of funding: operating revenues (airline rates and charges, concessions, and other rentals/miscellaneous) which are described in detail in the Revenue Assumptions section and interest earnings. Interest earnings are assumed to be at 5% for 1998 and 2001. 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).

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

TOTAL OPERATING BUDGET SUMMARY

USES

The Operating Fund starts with a \$20,800,000 balance in January and builds to a \$35–\$65 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 (For General Obligation Bonds and Airport Improvement Bonds) (See Debt Service Budget for complete details.) The balance then increases until December at which time the Commission transfers the required amount for the GARB reserve and analyzes the fund, making sure that all operating expenses have been paid including capital equipment purchases, the debt service transfers made and the four months working capital balance is funded at \$20,800,000 (\$22,500,000 for 1999-2001) million in 1998. If there are net funds after this analysis, they are transferred to the Construction Fund. This transfer is estimated at \$42.6 million in 1999.

There are two related significant changes between the 1998 and 1999 budget years. First of all there is an increase in Operating Revenue of \$15,441,000. This increase is explained in detail in the Revenue Assumptions section. The other significant change is seen in the Debt Service Fund Transfer. The increase in the Debt Service transfer for the General Airport Revenue Bonds (GARB's) issued in 1998 and anticipated in 1999 and 2000 is required to ensure all balances are maintained according to the Master Trust Indenture. The Construction Fund Transfer and Debt Service Transfer are explained in detail in their respective sections.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

APPROVED EQUIPMENT REQUESTS – 1999 OPERATING BUDGET

The approved equipment requests for 1999 are represented below. The total cost of each piece of equipment is amortized over its useful life through depreciation charges. Snow plowing equipment qualifies for state and federal aid. 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 \$40,000.

Summary	1998 Budget	1999 Budget
Main Office	\$ 766,600	\$1,417,475
MSP International	6,282,312	\$4,530,055
Relievers	764,750	\$292,000
Total	\$7,813,662	\$6,239,530

<u>Service Center Name</u>	<u>Description of Equipment</u>	<u>Purchase Price</u>	<u>Purpose</u>
<u>Main Office</u>			
Finance	Document Management System	\$100,000	A document management system will reduce the time needed to retrieve, duplicate, and automate the workflow documents. The 1999 budget will provide for imaging of JDE documents.
MIS	MACNET Infrastructure-Ongoing Support/Upgrade	\$405,000	TCP/IP, Printer Strategy, AS/400 Capacity, Server Upgrades, Security Enhancements, Remote Access, Network Monitoring, AS/400 Technical Support, etc.
MIS	Minor Equipment Computer	\$562,475	Department equipment requests not in MAC2000. Plus equipment upgrades needed as a result of Y2K.
MIS	Fleet Management System	\$50,000	Final implementation and upgrades to the fleet management system installed in the MAC Field Maintenance Department.
MIS	Support of MACNET Customers	\$200,000	Customer training, Intranet/decision support, GroupWare application development, complimentary software
Main Office	Other Equipment <\$40,000	<u>\$100,000</u>	Includes software additions for JD Edwards and Purchasing, purchasing of a 4WD vehicle for Airport Development equipped with all required radios, lights, etc. to safely operate on the "operational areas" of the airports and continued management of the GIS system.
Total Main Office Purchases		<u>\$1,417,475</u>	

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

APPROVED EQUIPMENT REQUESTS – 1999 OPERATING BUDGET

<u>Service Center Name</u>	<u>Description of Equipment</u>	<u>Purchase Price</u>	<u>Purpose</u>
<u>MSP International</u> Airside Operations	MSP Driver Licensing System	\$50,000	Computerized training and licensing system for drivers at MSP. This system is part of the Runway Incursion Prevention Program and will allow MAC to better manage, control and train drivers at MSP.
Police – Security	Access Control System Head End	\$150,000	Controlling software and hardware for FAR 107.14 badging/access control system. Includes software, file server, LAN devices, and alarm monitoring/computer workstations.
Field Maintenance	(13) Dump trucks	\$367,467	These pieces are needed to replace 11 trade in units and add 2 to our fleet. Some of the trade ins have over 200,000 mi. on them. Cost of maintaining these vehicles is becoming more than the vehicle is worth. The add't units are needed for future growth.
Field Maintenance	(2) Batwing Trucks	\$650,000	Without updating and adding to our fleet, airport safety and availability could be comprised. These plows are needed for the additional pavements in 1999. Some of those areas are extension 12R, Whiskey Taxiway, Green concourse, etc.
Field Maintenance	(2) Blowers	\$657,000	These blowers are needed to replace one existing blower (trade in) and add one to remove snow from the additional pavement in the upcoming snow season. Some of these areas are the extension of 12R, Whiskey Taxiway, Green Concourse, and other new pavement areas.
Field Maintenance	(2) 18 ft. Runway Brooms	\$660,000	These brooms are needed to enhance our snow removal process. With added in-pavement lighting on runways, we will no longer use steel blades. These brooms will assist our rubberblade plows in removing snow and ice from all pavements.
Field Maintenance	(2) ¾ Ton Trucks with attachments	\$59,000	These trucks (1 additional) are required to respond more quickly and with greater efficiency to emergency field service repairs performed by the fleet repair technicians.
Field Maintenance	(3) 4 door Pickup Trucks (3) ¾ ton, 4 Wheel Drive, 4 Door Pickup with Hitch	\$68,667	These pieces are needed to do everyday jobs. Without updating and adding to our fleet, airport safety and availability could be compromised. Equipment needed to move personnel and equipment.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

APPROVED EQUIPMENT REQUESTS – 1999 OPERATING BUDGET

<u>Service Center Name</u>	<u>Description of Equipment</u>	<u>Purchase Price</u>	<u>Purpose</u>
<u>MSP International - Continued</u>			
Field Maintenance	(5) Small Utility Tractors	\$75,000	These 5 pieces are needed to replace 3 older pieces, which were purchased in 1995. We also need the additional tractors for added taxiway and runway lights that need mowing, plowing, blowing and brooming of snow at our HHH and Main terminal.
Field Maintenance	(6) Pickup Trucks – ½ ton, 4 wheel Drive Pickup with Lift Gate	\$114,000	These pieces are needed to do our everyday jobs in assisting in everyday duties and responsibilities. Without updating and adding to our fleet, airport safety and availability could be compromised.
Field Maintenance	Skid Steer with attachment	\$50,000	This piece of equipment is needed for additional and on-going construction projects including the pavement rehab program for all gate areas.
Field Maintenance	Small Sweeper	\$50,000	To assist in sweeping of airside gates, taxiways and runways during construction. Other areas of use would include services areas, parking facilities, roads and annual cleaning of parking decks.
Field Maintenance	Large Street Sweeper	\$106,000	This piece of equipment is replacing a trade in sweeper. The sweeper is needed due to the addition of both airside and landside pavements along with additional roads, parking areas and structures.
Field Maintenance	Other Equipment <\$40,000	<u>\$612,921</u>	Includes: upgrading non-MACNET system to be Y2K compliant, installing Wire Grid System to prevent waterfowl on the AOA at MSP, replace/upgrade Main Terminal announcement system, replacement of older pick up trucks, update the current telephone system, new furniture for New Trades Building, new cutting saws and floor hoist, and new large and small street sweeper, Year 2000 compliant NT Server for AVI lab, Light duty, 4-door vehicle, Vehicle for Managers-Airside Operations, a 4-door 4 x 4 vehicle for Fire Rescue, marked police vehicles used to patrol, aerial lift, air compressors, (4) Ramp Pusher Plows
Total MSP International Purchases		<u>\$4,530,055</u>	

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

APPROVED EQUIPMENT REQUESTS – 1999 OPERATING BUDGET

<u>Service Center Name</u>	<u>Description of Equipment</u>	<u>Purchase Price</u>	<u>Purpose</u>
<u>Relievers</u>			
Reliever Airports – Flying Cloud	Integrated Tool Carrier – Caterpillar – 18 or Similar	\$114,000	This type loader replaces 616-428, which was purchased in 1988. The present model is a Caterpillar IT-12 and has outlived its useful life. We are requesting to replace it with a size larger. The machine is used to move dirt, snow, lift and carry.
Reliever Airports	Other Equipment<\$40,000	<u>\$178,000</u>	Includes: new 1 ton dump truck at Airlake, new 1 ton dump truck at Anoka, new riding mower at Anoka to replace 618-570 industrial mower, new 4WD vehicle at Anoka, 300 gallon sprayer with booms at Crystal and Flying Cloud, 4WD vehical at Crystal, 1 ton dump truck at Flying Cloud, and a rotary mower at St. Paul.
Total Reliever Purchases		<u>\$292,000</u>	
Total All Purchases		<u>\$6,239,530</u>	

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

SUMMARY OF REVENUE AND EXPENSE – 1999 OPERATING BUDGET

(\$ = 000)

REVENUE CATEGORY	1997 <u>Actual</u>	1997 <u>Budget</u>	1998 <u>Estimate</u>	1998 <u>Budget</u>	1999 <u>Budget</u>	1998 Budget vs 1999 Budget	
						Dollar <u>Change</u>	Percentage <u>Change</u>
Airline Rates & Charges	\$ 41,838	\$ 39,841	\$ 43,621	\$ 44,564	\$ 56,572	\$ 12,008	26.95%
Concessions	52,270	48,740	58,800	56,490	58,084	1,594	2.82%
Other	<u>11,010</u>	<u>12,093</u>	<u>13,931</u>	<u>13,428</u>	<u>15,266</u>	<u>1,838</u>	13.69%
Total Operating Revenue	\$105,118	\$100,674	\$ 116,352	\$ 114,482	\$ 129,922	\$ 15,440	13.49%

OPERATING EXPENSE	1997 <u>Actual</u>	1997 <u>Budget</u>	1998 <u>Estimate</u>	1998 <u>Budget</u>	1999 <u>Budget</u>	1998 Budget vs 1999 Budget	
						Dollar <u>Change</u>	Percentage <u>Change</u>
Personnel	\$ 30,653	\$ 29,971	\$ 32,125	\$ 31,830	\$ 34,598	\$ 2,768	8.70%
Administrative Expenses	1,108	1,109	1,200	1,176	1,431	255	21.68%
Professional Services	4,069	3,436	3,900	3,722	4,561	839	22.54%
Utilities	5,889	5,300	6,350	5,805	5,364	(441)	-7.60%
Operating Services	9,934	9,053	10,800	10,580	10,692	112	1.06%
Maintenance	8,809	8,037	9,500	8,613	9,805	1,192	13.84%
Depreciation	33,304	34,395	36,850	36,502	42,937	6,435	17.63%
Other	<u>170</u>	<u>433</u>	<u>555</u>	<u>555</u>	<u>999</u>	<u>444</u>	80.12%
Total Operating Expense	\$ <u>93,936</u>	\$ <u>91,734</u>	\$ <u>101,280</u>	\$ <u>98,783</u>	\$ <u>110,387</u>	\$ <u>11,604</u>	11.75%

Operating Income \$ 11,182* \$ 8,940* \$ 15,072* \$ 15,699* \$ 19,535*

* Required as a contribution to debt service and construction program financing.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

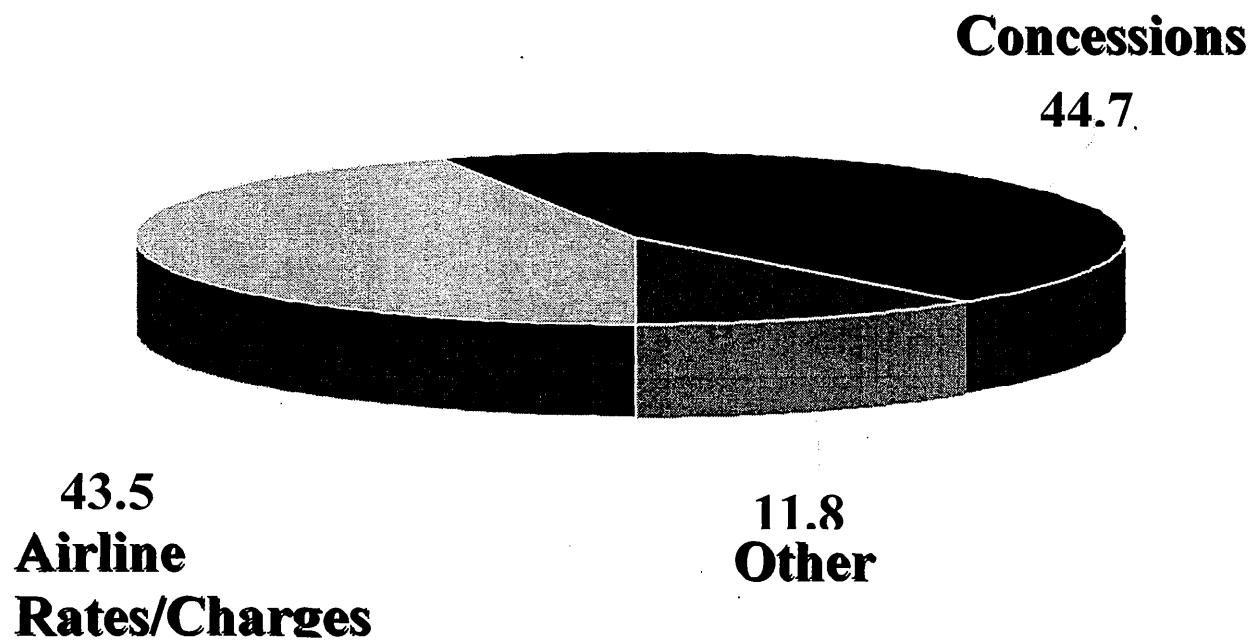
OPERATING REVENUES – 1999 OPERATING BUDGET

					1998 Budget vs 1999 Budget	
	1997 <u>Actual</u>	1998 <u>Estimate</u>	1998 <u>Budget</u>	1999 <u>Budget</u>	Dollar <u>Change</u>	% <u>Change</u>
Airline Rates & Charges						
Landing Fees	\$ 24,372,332	\$ 24,400,000	\$ 26,001,228	\$ 31,646,134	\$ 5,644,906	21.7%
Ramp Fees	4,203,115	4,000,000	4,258,025	4,869,347	611,322	14.4%
Terminal Rentals-Agreement	10,490,871	11,800,000	10,938,772	16,492,047	5,553,275	50.8%
Terminal Rentals-Other	420,765	421,000	420,765	420,765	-	0.0%
Terminal Rentals-IAF Facility	1,463,481	2,100,000	2,068,041	2,340,800	272,759	13.2%
Carrouseles & Conveyors	231,438	210,000	157,105	182,845	25,740	16.4%
Noise Surcharge	<u>656,368</u>	<u>690,000</u>	<u>719,925</u>	<u>619,624</u>	<u>(100,301)</u>	-13.9%
Total Airline Rates & Charges	\$ 41,838,370	\$ 43,621,000	\$ 44,563,861	\$ 56,571,562	\$ 12,007,701	26.9%
Concessions						
Landside						
Parking	\$ 31,674,854	\$ 37,000,000	\$ 37,127,363	\$ 36,345,404	\$ (781,959)	-2.1%
Auto Rental	9,506,699	10,500,000	9,081,090	9,553,274	472,184	5.2%
Ground Transportation Fees	<u>2,093,677</u>	<u>1,810,000</u>	<u>1,807,088</u>	<u>2,358,501</u>	<u>551,413</u>	30.5%
Total Landside	\$ 43,275,230	\$ 49,310,000	\$ 48,015,541	\$ 48,257,179	\$ 241,638	0.5%
Terminal/Other						
Food & Beverage	\$ 2,541,289	\$ 2,780,000	\$ 2,762,420	\$ 3,213,123	\$ 450,703	16.3%
Merchandise & Services	3,432,741	3,710,000	3,230,708	3,182,094	(48,614)	-1.5%
Other Concessions/Services	<u>3,020,248</u>	<u>3,000,000</u>	<u>2,481,034</u>	<u>3,431,699</u>	<u>950,665</u>	38.3%
Total Terminal/Other	\$ 8,994,278	\$ 9,490,000	\$ 8,474,162	\$ 9,826,916	\$ 1,352,754	16.0%
Total Concessions	\$ 52,269,508	\$ 58,800,000	\$ 56,489,703	\$ 58,084,095	\$ 1,594,392	2.8%
Other						
Building Rentals	\$ 3,519,479	\$ 3,656,000	\$ 3,743,204	\$ 3,690,070	\$ (53,134)	-1.4%
Lobby Fees - HHH Terminal	862,101	1,050,000	1,121,930	2,774,370	1,652,440	147.3%
Ground - SW Cargo Area	1,005,878	1,010,000	980,982	1,036,747	55,765	5.7%
Ground - Other	2,061,813	3,015,000	3,052,877	2,832,545	(220,332)	-7.2%
Utilities	1,515,746	1,900,000	1,445,115	1,821,774	376,659	26.1%
Other	<u>2,045,521</u>	<u>3,300,000</u>	<u>3,083,511</u>	<u>3,110,624</u>	<u>27,113</u>	0.9%
Total	\$ 11,010,538	\$ 13,931,000	\$ 13,427,619	\$ 15,266,130	\$ 1,838,511	13.7%
Total Operating Revenue	\$105,118,416	\$116,352,000	\$114,481,183	\$129,921,787	\$15,440,604	13.5%

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OPERATING REVENUES – 1998 OPERATING BUDGET

1999 Budget Operating Revenues



MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

REVENUE ASSUMPTIONS – 1999 OPERATING BUDGET

Estimates of revenue for 1999 are made by 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 1998 budget versus 1999 budget figures.

(\$ = 000)						1998 Budget vs 1999 Budget	
REVENUE CATEGORY	1997 Actual	1997 Budget	1998 Estimate	1998 Budget	1999 Budget	Dollar Change	Percentage Change
Airline Rates & Charges	\$ 41,838	\$39,841	\$ 43,621	\$44,564	\$56,572	\$ 12,008	26.95%
Concessions	52,270	48,740	58,800	56,490	58,084	1,594	2.82%
Other	11,010	12,093	13,931	13,428	15,266	1,838	13.69%
Total Operating Revenue	<u>\$ 105,118</u>	<u>\$100,674</u>	<u>\$116,352</u>	<u>\$ 114,482</u>	<u>\$ 129,922</u>	<u>\$ 15,440</u>	13.49%

AIRLINE RATES AND CHARGES

The current airline use agreement expired on 12/31/98. Negotiations were taking place at the time the 1999 budget was prepared. Rates and charges for the airlines were calculated based on the proposed agreement. The formulas are basically the same, however the percentages for allocations were updated to reflect current activity.

Approximately \$57 million, or 43%, of MAC's \$130 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 proposed airline use agreement. In addition the 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 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 1999 the landing fee rate is based upon a break even philosophy in which total revenue equals total expense.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

REVENUE ASSUMPTIONS – 1999 OPERATING BUDGET

A comparison of estimated 1998, 1998 budgeted and 1999 budgeted landing fee rates, landed weight and revenue of the major carriers follows:

	<u>1998 Estimate</u>	<u>1998 Budget</u>	<u>1999 Budget</u>	<u>% Change Budget to Budget</u>
Landing Fee	\$ 1.11	\$ 1.07	\$ 1.26	17.76%
Landed Weight	22,000,000	24,187,327	25,113,921	3.83%
Revenue	\$24,400,000	\$ 26,001,228	\$ 31,646,134	21.71%

The landing fee change between 1998 and 1999 can be attributed to the following combination:

1. Landed weight projections provided by the airlines indicate a 3.83% increase over the 1998 budget. This change reflects domestic and international activity. The increase in weight results in a \$.04 decrease in the fee.
2. Depreciation and Interest associated with several reconstruction and rehabilitation projects results in an increase of \$.049 or \$1,238,000. These projects include:
 - Runway 12R/30L reconstruction segment 1 (\$279,000).
 - Runway 12L deicing apron (\$590,000).
 - Runway 12R/30L reconstruction segment 3 (\$369,000).
3. Equipment & Building Depreciation and Interest associated with Trades Building, Materials Storage Building, Equipment Building Addition and new equipment result in an increase of \$.057 or \$1,432,000.
- A. Maintenance Labor allocation - 17 positions - (2) electricians, (1) painter, (1) plumber, (1) carpenter, (2) equipment workers, (8) field maintenance, (1) shop foreman, and (1) administrative. These positions are necessary to maintain existing conditions and improve aging facilities. 50% of these costs are charged to the landing fee.
- B. Administrative allocation - 8 positions - These positions will be allocated throughout the Commission's facilities. Approximately 25% of these costs are charged to the landing fee.
5. In the Master Trust Indenture for the 1998 Series A, B, and C General Airport Revenue Bonds (Garbs) and the proposed new agreement, there is a coverage provision allowing the proportionate share of the coverage account to be charged to the appropriate service center. This coverage portion for 1999 adds \$.047 to the landing fee.
6. All other direct expenses (additional winter supplies and storm water monitoring \$.018, Airside Operations and Environmental increases \$.020) and the remaining allocations from Police, Fire, and Administration comprise the balance (\$.052) of the change in landing fee.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

REVENUE ASSUMPTIONS – 1999 OPERATING BUDGET

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. The major carriers are responsible for 8,496 feet and the regional carriers are responsible for 378 feet. This is a change from the prior airline agreement (MAC subsidized the regional portion in the past) in that now all costs are recovered.

The following is a comparison of estimated 1998, budgeted 1998 and budgeted 1999 ramp rates, revenue and expense.

	<u>1998 Estimate</u>	<u>1998 Budget</u>	<u>1999 Budget</u>	<u>% Change Budget to Budget</u>
Ramp Fee (per lineal foot)	\$ 473.02	\$ 501.19	\$ 548.72	9.48%
Ramp Footage	8,874	8,874	8,874	0.00%
Revenue	\$ 4,197,579	\$ 4,447,534	\$ 4,869,341	9.48%

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

1. Equipment & Building Depreciation and Interest associated with Trades Building, Materials Storage Building, Equipment Building Addition and new equipment result in an increase of \$47.64 per foot increase or \$422,724.
2. Depreciation & Interest associated with the temporary regional ramp area account for \$24.03 of the increase or approximately \$213,000.
3. Changes in allocations from the old agreement to the proposed agreement combine for a reduction in the rate of \$30.27 or \$267,000. These changes are:
 - Maintenance Labor - Increase ramp allocation percentage from 5% to 8%. This amounts to an increase of \$39.50 per foot or approximately \$351,000.
 - Police - Decrease in allocation percentage from 8% to 0%. This amounts to a decrease of \$49.01 per foot or approximately \$434,000.
 - Fire - Decrease in allocation percentage from 5% to 0%. This amounts to a decrease of \$20.76 per foot or approximately \$184,000.

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.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

REVENUE ASSUMPTIONS – 1999 OPERATING BUDGET

A comparison of estimated 1998, budgeted 1998 and 1999 rates follows:

	<u>1998 Estimate</u>	<u>1998 Budget</u>	<u>1999 Budget</u>	<u>% Change Budget to Budget</u>
Exclusive (Per Sq. Ft.)	\$ 31.50	\$ 28.27	\$ 34.64	22.53%
Exclusive Janitored (Per Sq. Ft.)	\$ 35.15	\$ 31.83	\$ 38.54	21.08%

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

1. Terminal building direct expense - There is a net increase of \$.98 per sq. ft. This increase is due primarily from the Green Concourse being included in the Terminal calculation in the proposed agreement vs being billed separately in the old agreement.
2. Depreciation & Interest - The following projects and changes in the agreement comprise the majority of the \$3.73 per sq. ft. increase:
 - Green Concourse – Previously this was a separate lease and not included in the Terminal calculation. Under the proposed new agreement all costs associated with the Green Concourse are now included in the Terminal rates and charges (\$1,390,000).
 - Green Concourse - Moving Walkways project completed in 1998 (\$579,000).
 - Energy Management Center Cooling Towers (\$229,000).
 - Green Concourse Mechanical Conversion (\$256,000).
 - Carpet Replacement - (\$77,000).
3. Changes in allocations from the old agreement to the proposed agreement combine for a increase of \$.92 per sq. ft. These changes are:
 - Maintenance Labor - Increase in allocation percentage from 7.6% to 14.5% (\$.76/sq. ft.).
 - Maintenance Equipment/Building Allocation - Increase in allocation percentage from 0.95% to 1% (\$.01/sq. ft.).
 - Fire - Increase in allocation percentage from 5% to 20% (\$.67/sq. ft.).
 - Police - Decrease in allocation percentage from 18% to 11% (-\$.67/sq. ft.).
 - Administration - This increase is not due to a change in percentage allocation but rather it can be attributed to increased staff in 1999 (17 positions) (\$.14/sq. ft.).

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.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

REVENUE ASSUMPTIONS – 1999 OPERATING BUDGET

The table below shows the fees for estimated 1998, budgeted 1998 and budgeted 1999:

	<u>1998 Estimate</u>	<u>1998 Budget</u>	<u>1999 Budget</u>	<u>% Change Budget to Budget</u>
Total Costs	\$2,268,000	\$2,218,041	\$2,340,800	5.53%
Passengers	550,000	500,000	590,000	18.00%
Fee/Passenger	\$4.12	\$4.44	\$3.97	-10.56%

The increase in the fee can be directly attributed to the passenger estimates provided by the airlines.

CARROUSELS AND CONVEYORS

The budget for 1999, a \$25,740 increase from 1998, reflects the actual costs for 1998 and increased maintenance.

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.

	<u>1998 Estimate</u>	<u>1998 Budget</u>	<u>1999 Budget</u>	<u>% Change Budget to Budget</u>
Stage II and Stage III Landings	148,600	157,000	150,000	-4.46%
Off Airport Noise Costs	\$730,000	\$719,925	\$619,624	-13.93%
Noise Surcharge/Landing	\$4.91	\$4.59	\$4.13	-9.92%

The change in the charge from 1998 to 1999 is due to some of the initial schools that were part of the program's first year are now fully depreciated.

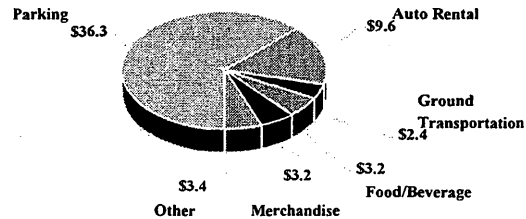
In addition to the surcharge, there is also a Noise Differential and Stage III Credit. These fees are calculated on an airline-by-airline basis. They are both based upon the airlines' Stage II and Stage III activity. This is not additional revenue to MAC but rather a shift in the cost among the various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

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

REVENUE ASSUMPTIONS – 1999 OPERATING BUDGET

CONCESSIONS

The 1999 budget for Concessions revenues shows a 2.82% increase from the budgeted 1998 amount. The two major components of concessions are Auto Parking (which accounts for approximately 63% of total concessions) and Auto Rental fees (which accounts for approximately 16% of total concessions). Other components of this category include Food & Beverage, Merchandise & Personal Services, Ground Transportation Fees, and Other Concessions/Services.



PARKING

Parking revenues are projected to decrease from \$37,127,363 to \$36,345,404 or 2.1%. Certain facilities will show an increase in revenue for 1999 (econolot and garage), however, due to the large number of spaces lost in the general lot, overall there will be a reduction in total parking revenue. The amount of the actual revenue decrease that will be realized is directly related to the completion of spaces in the new parking decks currently under construction.

AUTO RENTAL

Auto Rental fees are projected to increase by \$472,184 or 5.20% over the 1998 budget amount. Auto Rental firms pay a minimum rental fee plus a percentage of gross revenue above the minimum fee. The change in revenue is attributed to recent activity increases. These activity level changes have averaged just over 5% increases for the past five years. 1999 assumes a 5% growth in activity. A new contract is currently being negotiated. In developing the budget an agreement similar to the existing one was assumed.

GROUND TRANSPORTATION

These fees are set by Ordinance. The fees include licenses, permits, dwell time and trip fees. Types of transportation subject to these fees includes taxis, limos, hotel/motel vans, off-air auto rental firms and some buses. Taxi license fees and off-airport rental car fees are the primary reason for the \$551,413 increase.

FOOD & BEVERAGE

Food and Beverage is projected to increase 16.32% from to \$2,762,420 to \$3,213,123. This significant change can be attributed to the following:

1. The 1998 budget anticipated significant growth from facilities where construction was completed. The final phase of this program will be completed by early 2nd quarter. (All facilities will be open)
2. Passenger activity continues to grow.
3. As more and more brand name facilities come on-line revenue continues to grow. An example of this trend is Starbucks Coffee which is at the top or near the top nationwide in sales per square foot.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

REVENUE ASSUMPTIONS – 1999 OPERATING BUDGET

MERCHANDISE & PERSONAL SERVICES

This area is projected to decrease 1.50% from \$3,230,708 to \$3,182,094. The change can be attributed to more closings due to construction. The final phase of the overall concession project is impacting Merchandise and Services more than Food & Beverage. Revenue from this category will be affected by the timing of the store openings.

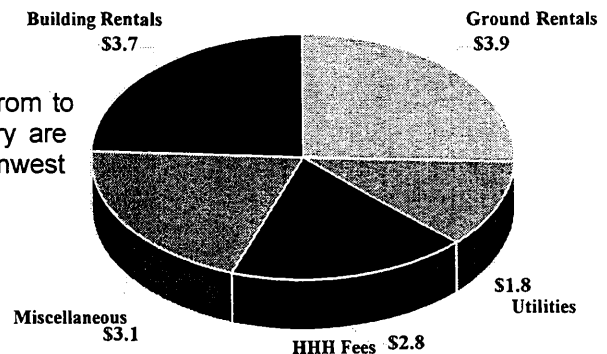
OTHER CONCESSIONS

This area includes advertising (indoor and outdoor), telephones, vending, auto services, and in-flight catering. The increase of 38.32% from \$2,481,034 to \$3,431,699 can be attributed to the following:

1. A new contract for telephone service in the Lindbergh Terminal was bid in 1998. The 1998 Budget assumed a contract similar to the previous one. The actual bid agreed upon raised the minimum guarantee from \$700,000 to approximately \$1,500,000.
2. Changes in the indoor advertising contract account for the balance of the increase in this area.

OTHER

The Other category is projected to increase 13.69% from \$13,427,619 to \$15,266,130. Included in this category are Building Rentals, Lobby Fees, Ground Rent–Southwest Cargo Area, Ground Rent–Other, Utilities, and Other.



LOBBY FEES/HHH TERMINAL FEES

The Lobby Fees or Humphrey Terminal Use Fees are projected to increase \$1,652,440 or 147.3%. The Commission approved Ordinance 84 in December 1997. This Ordinance established a new fee structure for the Humphrey Terminal. The new fee was to be phased in over a two year period with 1998 being the first year. In 1999 the full fee is incorporated into the budget. The change in the fee structure was made in order to make the facility break even.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

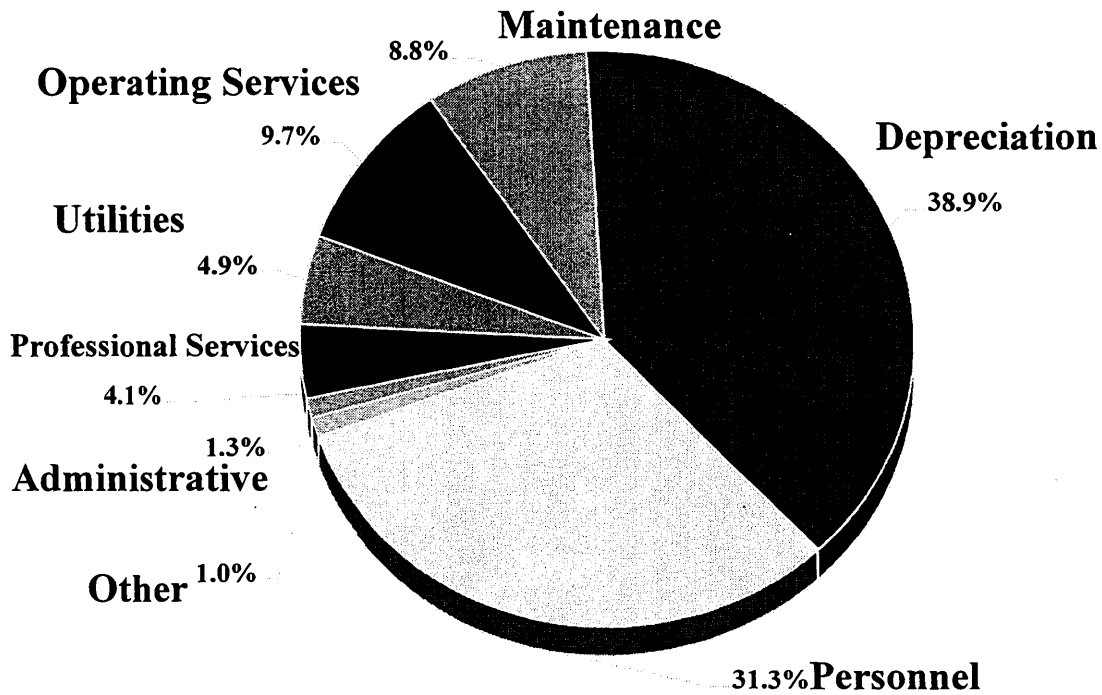
OPERATING EXPENSES – 1999 OPERATING BUDGET

	1997 <u>Actual</u>	1997 <u>Budget</u>	1998 <u>Estimate</u>	1998 <u>Budget</u>	1999 <u>Budget</u>	1998 Budget vs 1999 Budget	
						Dollar <u>Change</u>	% <u>Change</u>
Personnel							
Salaries & Wages	\$21,598,702	\$20,817,565	\$22,906,000	\$22,744,230	\$24,720,101	\$ 1,975,871	8.69%
Benefits	9,029,094	9,123,854	9,190,000	9,056,229	9,848,636	792,407	8.75%
Commissioner Per Diem	<u>25,100</u>	<u>29,350</u>	<u>29,000</u>	<u>29,350</u>	<u>29,350</u>		0.00%
Total Personnel	\$ 30,652,896	\$ 29,970,769	\$ 32,125,000	\$ 31,829,809	\$ 34,598,087	\$ 2,768,278	8.70%
Administrative Expenses	\$ 1,108,168	\$ 1,109,050	\$ 1,200,000	\$ 1,176,468	\$ 1,431,434	\$ 254,966	21.67%
Professional Services	\$ 4,069,170	\$ 3,436,283	\$ 3,900,000	\$ 3,721,798	\$ 4,560,978	\$ 839,180	22.55%
Utilities	\$ 5,889,440	\$ 5,300,090	\$ 6,350,000	\$ 5,804,849	\$ 5,363,930	\$ (440,919)	-7.60%
Operating Services							
Parking Management	\$ 4,073,817	\$ 3,655,750	\$ 4,338,000	\$ 4,038,250	\$ 4,418,404	\$ 380,154	9.41%
Shuttle Bus Services	2,258,881	1,631,967	2,724,000	2,774,714	2,127,869	(646,845)	-23.31%
Service Agreements	749,276	858,662	890,000	932,658	1,151,278	218,620	23.44%
Storm Water Monitoring	1,408,571	1,370,000	1,200,000	1,225,000	1,300,000	75,000	6.12%
Other	<u>1,437,705</u>	<u>1,535,860</u>	<u>1,648,000</u>	<u>1,609,397</u>	<u>1,694,238</u>	<u>84,841</u>	5.27%
Total Operating Services	\$ 9,928,250	\$ 9,052,239	\$ 10,800,000	\$ 10,580,019	\$ 10,691,789	\$ 111,770	1.06%
Maintenance							
Trades	\$ 701,005	\$ 608,634	\$ 865,000	\$ 623,134	\$ 682,972	\$ 59,838	9.60%
Field	1,474,084	1,468,588	1,475,000	1,660,553	2,092,557	432,004	26.02%
Building	1,742,834	1,403,209	1,960,000	1,484,816	1,525,767	40,951	2.76%
Equipment	1,246,480	960,305	1,075,000	1,079,975	1,407,555	327,580	30.33%
Cleaning	<u>3,644,410</u>	<u>3,595,999</u>	<u>4,125,000</u>	<u>3,764,228</u>	<u>4,095,797</u>	<u>331,569</u>	8.81%
Total Maintenance	\$ 8,808,813	\$ 8,036,735	\$ 9,500,000	\$ 8,612,706	\$ 9,804,648	\$ 1,191,942	13.84%
Depreciation	\$ 33,304,323	\$ 34,395,384	\$ 36,850,000	\$ 36,502,136	\$ 42,936,521	\$ 6,434,385	17.63%
Other							
General Insurance	\$ 951,974	\$ 1,237,097	\$ 1,150,000	\$ 1,237,097	\$ 1,337,097	\$ 100,000	8.08%
Minor Equipment	297,033	239,460	371,000	283,770	618,545	334,775	117.97%
Other	236,932	234,392	562,000	311,832	321,492	9,660	3.10%
Reimbursed	<u>(1,315,704)</u>	<u>(1,278,000)</u>	<u>(1,528,000)</u>	<u>(1,278,000)</u>	<u>(1,278,000)</u>	\$ -	0.00%
Expense Total Other	<u>\$ 170,235</u>	<u>\$ 432,949</u>	<u>\$ 555,000</u>	<u>\$ 554,699</u>	<u>\$ 999,134</u>	<u>\$ 444,435</u>	80.12%
Total Operating Expense	\$ 93,931,295	\$ 91,733,499	\$101,280,000	\$ 98,782,484	\$ 110,386,521	\$11,604,037	11.75%

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OPERATING EXPENSES – 1999 OPERATING BUDGET

1998 Budget Operating Expenses (\$ = 000)



MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

EXPENSE ASSUMPTIONS – 1999 OPERATING BUDGET

The Finance Committee, after lengthy discussion with the staff, determined that the 1999 expense budget should be developed under the following guidelines:

- Any changes from the 1998 service center budgets that exceeded 3% growth needed justification and detailed analysis to support the change.
- The year 1999 would be a year in which capital equipment purchases would catch up with what staff felt was required to do their job.

Based on the information supplied by budget specialists, utility companies, suppliers and historical analysis the 1999 expense budget is projected to increase 11.75% from to \$98,782,484 to \$110,386,521.

OPERATING EXPENSE						1998 Budget vs 1999 Budget	
	1997 Actual	1997 Budget	1998 Estimate	1998 Budget	1999 Budget	Dollar Change	Percentage Change
Personnel	\$30,653	\$29,971	\$32,125	\$31,830	\$34,598	\$2,768	8.70%
Administrative Expenses	1,108	1,109	1,200	1,176	1,431	255	21.68%
Professional Services	4,069	3,436	3,900	3,722	4,561	839	22.54%
Utilities	5,889	5,300	6,350	5,805	5,364	(441)	-7.60%
Operating Services	9,934	9,053	10,800	10,580	10,692	112	1.06%
Maintenance	8,809	8,037	9,500	8,613	9,805	1,192	13.84%
Depreciation	33,304	34,395	36,850	36,502	42,937	6,435	17.63%
Other *	170	433	555	555	999	444	80.12%
Total Operating Expense	<u>\$93,936</u>	<u>\$91,734</u>	<u>\$101,280</u>	<u>98,783</u>	<u>\$110,387</u>	<u>\$11,604</u>	11.75%

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

PERSONNEL

Personnel costs are projected to increase 8.70% or \$2,768,278 over the 1998 budget. The increase can be attributed to the following items:

1. Headcount – Staff has proposed an increase of 53 positions over the current staffing level of 461. The new positions for 1999 are:
 - Administrative Secretary, Deputy Administrative Services – This employee will provide administrative support to the Deputy Executive Director – Administrative Services, Data Resource Manager, Director of MIS and the Internal Audit Department. This individual will also coordinate travel for the entire organization, which will streamline the process, providing both organizational and financial benefits.
 - Associate Accountant, Finance – This position will provide backup and support to non-managerial positions, support for bond documentation and compliance, PFC #4, budget support and the 1999 bond work.
 - Safety Specialist, Risk/Safety – This individual will assist in the prevention of employee and passenger injuries.
 - Administrative Assistant Building Permits, Airside Project Manager (2), Building Permit Manager, Civil Technician, Secretary and Senior Planner, Airport Development – The Administrative Assistant, Building Permits and the Manager position represent a new oversight area of Airport Development. They will monitor tenant changes and all projects in the Lindbergh Terminal much like a city does. The remaining positions are all necessary to aid the Department in the development and monitoring of the 2010 Plan.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

EXPENSE ASSUMPTIONS – 1999 OPERATING BUDGET

- Assistant Cargo Manager, Commercial Management & Airline Affairs – This individual will assist with lease negotiations and management of MSP airside/landside contracts.
- Customer Service Telephone Operators (6), Airport Director's Office – These personnel will provide immediate response to our customers in the terminal buildings who are in need of directional/operational questions. Telephones placed throughout the terminals would have direct access to these personnel. Three of these positions will be filled initially.
- Systems Technician, Airside Operations – This position will maintain Airside Operations department specific applications and hardware as well as provide an additional backup to Secured Area Access Control System under the direction of the Airport Police department.
- Passenger Service Assistants (6 permanent part time positions and 1 full time position), Landside Operations – The part time permanent employees will be used to staff the information booths at the baggage claim and Ground Transportation Center areas.

Currently MAC used part time employees to staff these areas. Because of the high turnover rate with part time temporary positions, it is counter productive to recruit, interview, conduct background checks and train new temporary personnel. One full time Passenger Service Assistant will assist the traveling public at the taxi starter booth according to MAC Ordinance 81 and strict Landside policies.

- Police Officers (4), Police Sergeant (1), Police – The Police Officers will be responsible for law enforcement duties at the airport, which include patrol, filed security, calls for service and crime prevention. The other full time position will be a Police Sergeant that will supervise and develop the police personnel in the patrol division. In addition, he or she would be accountable for facilities and division equipment.
- Part 150 Noise Monitoring Technician, Aviation Noise Program – The Noise Monitoring Technician will perform daily analysis of monitored Part 150 noise level data and analyze, evaluate and report the monitored data using ANOMS and GIS capabilities.
- Assistant Manager HHH/IAF, HHH/IAF – The Assistant Manager position will aid in the coordination and administrative duties of common use terminal facilities including the HHH Terminal, IAF and other MAC controlled facilities.
- Assistant Facilities Manager, Facilities Administration – This position will aid in the supervision of Trades work, carousel, elevator/escalator and automated door maintenance. Also monitor the Public Address system, roof maintenance, window replacement, waste removal/recycle, and monitor all building construction projects.
- Airport Facilities Assistant, Facilities Lindbergh Terminal – This position will escort all deliveries from "D" street checkpoint to loading docks, stock main terminal, HHH terminal, Concourses and Auto Rental Building with restroom supplies. Also put out informational brochures at kiosks, arrange terminal furniture as directed, pick up paper for recycle from offices. Required to do lifting and stocking of supplies, maintaining an inventory of supplies, working with the Facilities Office staff to make sure adequate supplies are ordered and in stock.
- Operating Engineers (2), Energy Management Center – These positions will aid in monitoring the temperature control equipment for the Lindbergh Terminal and all other facilities located nearby. These include the IAF, Parking structures, (new), Auto Rental facilities (new) and the expanded Green Concourse.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

EXPENSE ASSUMPTIONS – 1999 OPERATING BUDGET

- Electricians (2), Trades/Electricians – Two additional Electricians to aid in the maintenance of the new taxiways, deicing facility, parking ramp, expanded Green Concourse and all new areas that require maintenance. With the addition of the new staff the Electric Shop will not need temporary Electricians to maintain the current level of operation or the increased levels of responsibilities.
- Painter, Trades/Painters – To continue general upkeep of expanding MAC facilities an additional painter is required. This position will allow this area to maintain and repair both existing and new facilities on a timely basis.
- Carpenter, Trades/Carpenters - To continue general upkeep of expanding MAC facilities an additional painter is required. This position will allow this area to maintain and repair both existing and new facilities on a timely basis..
- Plumber, Trades/Plumbers - To continue general upkeep of expanding MAC facilities an additional painter is required. This position will allow this area to maintain and repair both existing and new facilities on a timely basis.
- Field Maintenance Receptionist (1), Heavy Equipment Operators (2), Field Maintenance Workers (8) and Shop Foreman (1), Field Maintenance – One of the positions will be a full time receptionist. He or she will perform day to day operations such as office administrative, phone answering, office inventory, processing of time sheets, purchase order process, supply ordering and receiving, etc. There are two heavy equipment operators. With the expansion and onset of winter conditions, he or she will provide a safer and more efficient maintenance service at MSP. There are eight field maintenance workers. These individuals will provide a safer more efficient environment and will also facilitate increased annual turf restoration, grass cutting, signage work, pollution control, trash and debris cleanup, etc. The Shop Foreman will allow for better control and monitoring of equipment maintenance.

These 53 positions will add approximately \$1,000,000 to the 1999 budget.

2. Wages for 1999 will increase as a result of salary and contract adjustments. These are estimated at \$800,000.
3. The balance of the increase, \$700,000 is in employee insurance and pensions. Employee insurance (\$200,000) increase is due to a slight premium adjustment and new employees for 1998 and 1999. The pension increase (\$500,000) can be attributed to new employees for 1998/1999 and an adjustment in allocations from the Minneapolis Employees Retirement Fund (MERF).

ADMINISTRATIVE

This category is projected to increase 21.68% or \$254,966. The increase can be attributed primarily to increased staff/Commissioner travel (\$90,000 – participation in airport related seminars and national boards) and additional office and computer supplies (\$112,000) to accommodate staff.

PROFESSIONAL SERVICES

Professional Services are estimated to increase 22.54% or \$839,180. The majority of the increase can be attributed to the following items:

1. Marketing – Commercial Management/Airline Affairs \$195,000 – These fees relate to three specific areas of focus for 1999:
 - \$125, 000 of the increase is targeted at presenting proposals to Southwest Airlines, Midwest Express, Midway, Virgin Atlantic and EVA in order to persuade one or more of these carriers to provide service to MSP.
 - \$45,000 of the increase is for the development of a new Business Conference Center for business travelers at MSP.
 - \$25,000 of the increase is for the development of the new business cargo facility. This facility is anticipated to provide additional cargo service.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

EXPENSE ASSUMPTIONS – 1999 OPERATING BUDGET

2. Communications/Advertising – Public Affairs \$50,000 – These dollars will be used to provide increased support for MAC's 2010 Plan and aid in implementing a new reliever airport community outreach program.
3. Legal – General Counsel \$80,000 – The increase is the result of transferring the responsibility prosecuting MAC Police cases from the City of Minneapolis to this department. Benefits of this transfer include less travel time, elimination of outside agendas, and attorneys would be knowledgeable about MAC issues and ordinances.
4. Noise – Environment – Aviation Noise Program \$160,000 – An additional continuing consultant is requested for noise monitoring and evaluation requirements. This consultant is vital to MAC's active participation in the FAA's Government and Industry Partnership Program.
5. The remainder of this increase represents costs spent throughout the organization.

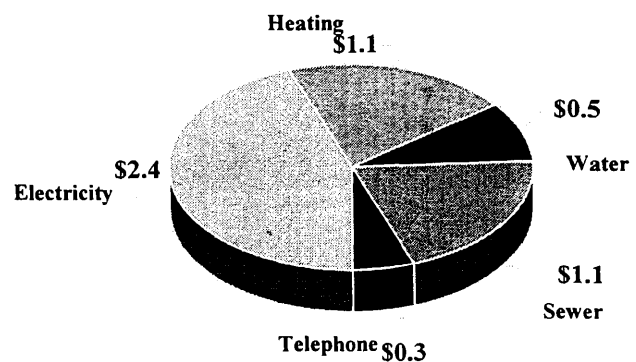
The following table identifies the major consulting areas:

Type of Service	Department	Dollars
Accounting & Audit Fees	Finance	\$ 179,000
Legal Fees	General Counsel	539,300
	Environmental/Noise	97,600
	Reliever Airports	40,900
Engineering Fees	Planning & Development - General	297,000
	Planning & Development - MSP	650,000
Environmental Engineering	Environmental - MSP/Relievers	685,500
Legislative	Labor/Legislative – Local	90,000
	Labor/Legislative – National	100,000
Computer Services	Landside Operations	152,100
Strategic Planning	Human Resource Development	100,000
Communications	Public Affairs	59,800
	Commercial Development/Airlines Affairs	\$ 154,300
Total		\$3,145,500

UTILITIES

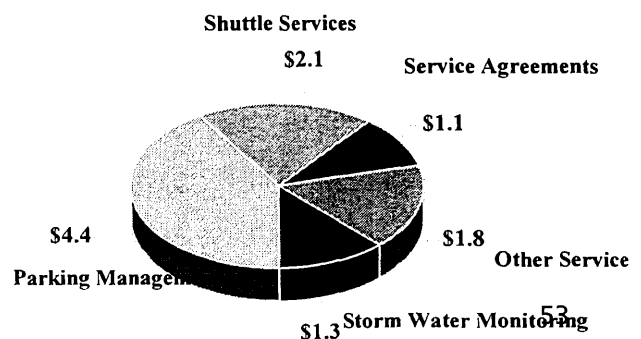
Utilities are decreasing 7.60% or \$440,919 from the 1998 budget. These changes can be attributed to the following items:

1. Based on the issuance of an RFP for electrical service in early 1999, the electricity budget has been reduced by approximately \$236,000. It is difficult to determine the amount of savings that this might yield.
2. Based on recent historical consumption figures and the remetering of certain facilities the 1999 budget is estimating a reduction in water and sewer expense of approximately \$286,000.



OPERATING SERVICES

Operating Services are projected to increase 1.06% or \$111,770. Major components of this category include Shuttle Bus Services, Parking Management Contracts, Service Agreements and Storm Water Monitoring. Together these items comprise over 83% of this category. The increase can be attributed to a combination of all of the major components.



MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

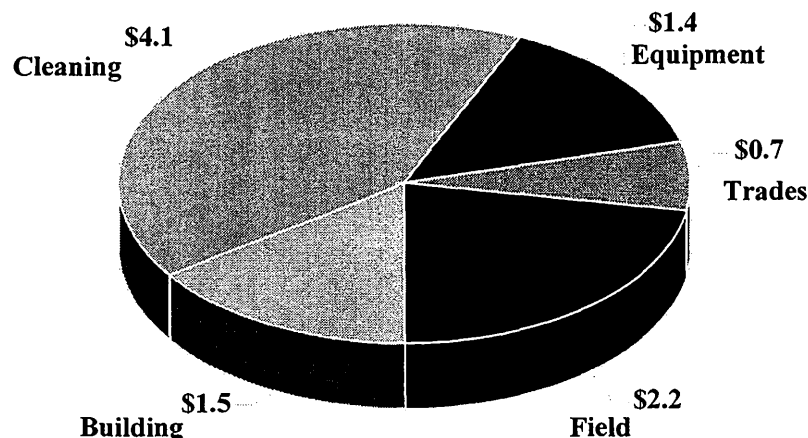
EXPENSE ASSUMPTIONS – 1999 OPERATING BUDGET

1. Shuttle Bus Services – Decrease of \$647,000. This is the result of eliminating the Regional Terminal Shuttle service. With the completion of the Moving Walkways on the Green Concourse this shuttle was no longer necessary and was eliminated in late 1998.
2. Parking Management Contract – Increase of \$330,650. The 1998 budget included a smaller increase in wages and benefits for the new APCOA contract than was actually settled on. As a result, 1999 represents a year in which the budget is adjusted upward to reflect the conditions in the contract.
3. Service Agreements – Increase \$217,000. The change in these accounts is due to two factors:
 - (a) Expiration of longer-term agreements occurred in 1998. When these agreements are renewed it is anticipated that a substantial increase will be realized.
 - (b) A significant number of new personal computers will be purchased in 1999 to accommodate the additional staff resulting in a large increase in computer-service agreements.
4. A new category on the operating expense side is for Year 2000 compliance. Staff has budgeted \$100,000 for the year.
5. Storm Water Monitoring – Increase \$75,000. With continued expansion of the airfield and recent annual increases in trucking costs, it is anticipated that this area will rise \$75,000.

MAINTENANCE

This category has five components: Trades (Painters, Carpenters, Electricians and Plumbers), Field, Building, Equipment and Cleaning. In total, the increase in this category is 13.84% or approximately \$1,191,700. The table below identifies the changes in the individual components:

Components	1998	1999	Change	
	Budget	Budget	Dollars	Percentage
Trades	\$ 623,000	\$ 682,972	\$ 59,972	9.63%
Field	1,661,000	2,092,557	431,557	25.98%
Building	1,485,000	1,525,767	40,767	2.75%
Equipment	1,080,000	1,407,555	327,555	30.33%
Cleaning	3,764,000	4,095,797	331,797	8.82%
Totals	\$8,613,000	\$9,804,648	\$1,191,648	13.84%



TRADES

The approximately \$60,000 increase is spread nearly evenly throughout the four trades areas. New facilities and continued upkeep of aging existing facilities combined with projected passenger growth result in the need for these requested changes.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

EXPENSE ASSUMPTIONS – 1999 OPERATING BUDGET

FIELD

The \$432,000 increase can be attributed to the following:

1. **Snow Removal Materials** – The Commission continues to review and analyze alternatives that are more environmentally friendly than urea deicer. As a result, the liquid substitutes are being incorporated more into the snow removal process. These liquids are much more expensive. The budget includes an increase in Liquid Anti-Icer from \$43,000 to \$149,000.
2. **Snow Removal Equipment** – Two areas in this category are rising significantly: Snow Haulers (up \$66,000) and Rental Equipment (up \$270,000). As MAC continues to implement the 2010 Construction Program, less and less land is available to dump snow. Because of this limited space, more and more snow must be plowed and hauled away from operational areas and ultimately hauled off the airport. Rather than buy all of the equipment required to efficiently and safely remove snow during a storm, additional equipment is required and as such the Commission has decided to lease a portion of the equipment necessary.

BUILDING

The \$41,000 increase is due primarily to additional costs associated with elevator and escalator maintenance, in particular the new moving walkways which come off warranty in the fourth quarter of 1999.

EQUIPMENT

It is projected this area will increase in cost by \$328,000. This is a result of:

1. **Parts** – Because of new lighting on runways 12R/30L and 22/4 required by the FAA, the type of plow cutting edges used has to be changed from steel to polyurethane. The polyurethane edges are more costly and their useful life is much shorter. This change accounts for approximately \$177,000 of the increase.
2. **Parts – Equipment and autos** – As the maintenance fleet continues to grow due to expanded facilities, the additional repairs also grow. This area is estimated to increase \$79,000.
3. **Shop Supplies** – An increase of \$62,000 is projected because of the additional fleet size and wear & tear on equipment on the equipment.

CLEANING

This area is estimated to increase \$331,000. New areas to be cleaned in 1999 include the moving walkways and adjacent areas on the Green Concourse, additional glass areas on the Green Concourse and the auto rental/parking expansion.

DEPRECIATION

MAC records depreciation on a gross basis for both budget and financial statement purposes. Depreciation will comprise 39% of the total 1999 budget. It will increase 17.63% or \$6,434,385 in 1999. Estimates for depreciation are derived from four sources:

1. Current Fixed Asset Listing (September 1998).
2. The 1998 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. The 1999 Preliminary Capital Improvement Plan.
4. The 1999 Budgeted Capital Equipment purchases.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

EXPENSE ASSUMPTIONS – 1999 OPERATING BUDGET

The table below identifies major projects to be closed in 1998 and 1999.

<u>Major Projects Scheduled for Closing 1998/1999</u>	<u>Gross Depreciation</u>
Rwy 12R/30L Reconstruction – Seg. 1 & Taxiway W – Seg. 1	\$ 734,100
Green Concourse – Moving Walks	579,000
Runway 12L Deicing Apron	590,000
Trades Shop Building	245,600
Green Concourse Mechanical Conversion	256,000
Taxiway W – Segment 2	305,000
1997-1998 Equipment Building Addition	174,280
Lindbergh Terminal Concessions Modification Phases 2 & 3	114,000
Commercial Vehicle Passenger Shelter	123,933
Runway 12R/30L Reconstruction – Segment 3	368,750
Taxiway W – Segment 3	108,125
Energy Management Center – Cooling Towers	228,750
1998/1999 Equipment	<u>609,765</u>
Totals	<u>\$4,437,303</u>

OTHER

There are four major areas in this category: General Insurance, Minor Equipment, Reimbursed Expense and Other. No change is forecasted for the Other and Reimbursed Expense areas. General Insurance is projected to increase \$100,000. This covers the cost of additional property/casualty insurance. This coverage is needed due to the liability associated with the increase in new construction. The majority of the total increase (\$214,000 of \$444,000) is in the Airside Operations area. This additional amount is for the implementation of the TracLink system and replacing equipment with Y2K compliant equipment. The balance of the increase in Minor Equipment is spread throughout the organization and is primarily for office furniture to accommodate new staff.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1999 OPERATING BUDGET

	Total	Lindbergh Terminal	Energy Mgmt. Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads / Landscape	Parking Lot	Int'l Arrival
Personnel									
Wages									
Regular	22,343,765	557,852	647,915				852,704		
Double-time Regular	591,546		21,126						
Overtime - Regular	1,353,592	14,029	35,412				46,345		
Overtime - Special Events	1,592								
Total Overtime/Double-time	1,946,730	14,029	56,538				46,345		
Commissioner Per Diem	29,350								
Temps - Administration	267,498						46,594		
Snow Shovellers	13,000								
Temporary 49ers	88,308								
Grass Cutters	60,800								
Total Wages	24,749,451	571,881	704,453				945,643		
Benefits									
Employee Insurance Family	2,975,000	69,348	97,427				134,956		
Pension - FICA (Social Security)Base	3,341,850	84,622	92,179				116,406		
Training									
Continuing Education (College)	166,954	3,030	1,500				6,695		
Executive Leadership Training	45,000								
Management Requirements	74,915	1,420	1,000				1,545		
Organizational Requirements	78,100	500							
Regulatory Requirements	30,500								
Local Seminars	118,510	3,210					515		
Total Training	513,979	8,160	2,500				8,755		
Post Retirement Benefits	2,424,000	22,340	72,608				100,535		
Workers Compensation	250,000	7,232	10,446				3,214		
Unemployment Tax	15,000								
Uniforms									
Uniforms - Police/Fire All	62,775								
Uniforms - Rental	52,614	1,800	1,000				4,686		
Uniforms - Safety Shoes	19,094	840	500						
Total Uniforms	134,483	2,640	1,500				4,686		
Severance - Contract Allowance	194,324	4,575	5,636				7,192		
Total Benefits	9,848,636	198,917	282,296				375,744		
Total Personnel	34,598,087	770,798	986,749				1,321,387		
Administrative Expenses									
Supplies									
Office Supplies & Material	105,528	1,200	800		5,000		5,356		
Computer Supplies									
Computer Supplies General	63,280	500							
Computer Supplies Software	125,879						75,000	12,875	
Total Computer Supplies	189,159	500					75,000	12,875	
Special Supplies									
Special Supplies - Badging	18,000								
Special Supply - Film/Photo	39,050				4,000		2,000		
Special Supplies - Other	9,345								
Total Special Supplies	66,395				4,000		3,545		
Total Supplies	361,082	1,700	800		9,000		83,901	12,875	
Travel									
Travel - Lodging	29,315				2,100				
Travel - Meals	8,950				650				
Travel - Miscellaneous	2,185								
Travel - Transport/Airfare	391,295	4,000	1,000		31,000		6,700		
Travel - Shuttle/Taxi/Auto	2,030								
Total Travel - Transportation	393,325	4,000	1,000		31,000		6,700		
Registration Fees	35,230	500			6,000				
Mileage	48,129	1,500	350		480		750		
Total Travel	517,134	6,000	1,350		40,230		7,450		
Other Administrative Expenses									
Local Meetings									
Local Mtgs. - On Airport	19,173	800					773		
Local Mtgs. - Off Airport	43,480	800	150				300		
Total Local Meetings	62,653	1,600	150				1,073		

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1999 OPERATING BUDGET

	<u>Total</u>	<u>Lindbergh Terminal</u>	<u>Energy Mgmt. Center</u>	<u>Ramp Fees</u>	<u>Field & Runways</u>	<u>Control Tower</u>	<u>Terminal Roads / Landscape</u>	<u>Parking Lot</u>	<u>Int'l Arrival</u>
Information Sources									
Memberships/Dues/Pro Assoc.	132,830				900		2,060		
Other Information Source	72,575	1,900	150				850		
Publications/Subscription	<u>44,445</u>	<u>750</u>			<u>3,600</u>				
Total Information Sources	249,850	2,650	150		4,500		2,910		
Printing Costs									
Printing - Publications	101,650						4,600		
Printing - Color Charts	12,300								
Printing - Forms	19,525						2,575		
Printing Stationary/Envelopes	<u>20,450</u>				<u>5,000</u>				
Total Printing Costs	153,925				5,000		7,175		
Delivery Services	18,570	750	200		2,450		120		
Freight Charges	3,740	1,000	200		600				
Postage	<u>64,480</u>				<u>750</u>				
Total Other Administrative Expenses	<u>553,218</u>	<u>6,000</u>	<u>700</u>		<u>13,300</u>		<u>11,278</u>		
Total Administrative Expenses	1,431,434	13,700	2,850		62,530		102,629	12,875	
Professional Services									
Accounting/Audit Fees	179,000								
Affirmative Action Fees	14,000								
Airline Agreement	50,000								
Architect Fees - Concessions	25,000								
Concept Development/Feasibility	<u>26,000</u>								
Total Appraisal/RFP/Lease Evaluation	121,000								
Computer Services									
General									
Hardware Consulting	42,500								
Software Consulting	<u>160,000</u>								
Total General	202,500								
Terminal Services									
Terminal Services - Ground Transportation	73,267						73,267		
Terminal Services - Parking	<u>78,750</u>							<u>78,750</u>	
Total Terminal Services	<u>152,017</u>						<u>73,267</u>	<u>78,750</u>	
Total Computer Services	354,517						73,267	78,750	
Engineering Fees	908,000	130,098	14,663	19,826	221,884		15,000	25,000	
Graphic Design	68,955								
Labor Relations	30,000								
Legal Fees									
Legal - Environmental	97,601								
Legal - General	464,377							4,635	
Legal - Federal	74,902								
Legal - Relievers	<u>40,855</u>								
Total Legal Fees	677,735							4,635	
Legislative									
Legislative - Local	90,000								
Legislative - National	<u>147,500</u>								
Total Legislative	237,500								
Medical Fees	24,500								
Planning - MSP International	650,000				650,000				
Strategic Planning	100,000								
Pollution/Environmental Fees	9,000				3,000				
Public Information Service	50,905								
Recruiting & Employment Fees	65,000								
Safety Consultants									
Safety Training	44,870	3,000	2,500						
Safety General	<u>1,500</u>								
Total Safety Consultants	46,370	3,000	2,500						
Communications Consultant	256,648						2,000		
Other/Miscellaneous	<u>767,848</u>	<u>14,000</u>			<u>60,950</u>		<u>32,000</u>	<u>36,500</u>	
Total Professional Services	4,560,978	149,598	17,163	19,826	935,834		122,267	144,885	
Utilities									
Electricity	2,240,000	1,104,000	249,600		140,160	4,320	165,600	195,840	
Heating Natural Gas	1,095,300	4,800	696,900		10,800	1,800	42,000		
Heating Fuel Oil	104,700		90,000						
Total Heating Fuel	1,200,000	4,800	786,900		10,800	1,800	42,000		

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1999 OPERATING BUDGET

	Total	Lindbergh Terminal	Energy Mgmt. Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads / Landscape	Parking Lot	Int'l Arrival
Sewer	1,056,900	360,000	7,500			1,500	3,000	1,800	
Water	526,500	180,000	4,500			900	13,800	2,400	
Telephone									
Telephone - Regular	300,000	2,700			900				
Telephone - Cellular	40,530	650	640		3,000		1,500		
Total Telephone	340,530	3,350	640		3,900		1,500		
Total Utilities	5,363,930	1,652,150	1,049,140		154,860	8,520	225,900	200,040	
Operating Services/Expenses									
Advertising									
Advertising - Bids	6,000								
Advertising - Employment	25,750								
Advertising - Events									
Advertising - Airport Days	22,500								
Advertising Special Events	5,000								
Total Advertising - Events	27,500								
Advertising - General	221,330							500	
Advertising - Parking	120,000							120,000	
Advertising - Relievers	45,000								
Total Advertising	445,580							120,500	
Environmental Control									
Hazardous Waste - General	20,250	1,000	500						
Pollution Control - Supplies	30,000		2,000	25,000					
Industrial Waste Management	37,000				37,000				
Laboratory Services	4,500								
Solvent Reclamation Service	6,000		750						
Spill Response	6,000								
Tire Disposal	2,040								
Other	600					600			
Total Environmental Control	106,390	1,000	3,250	25,000	37,600				
Ground Transportation Service									
AV ID Readers/Controllers	19,570						19,570		
AV ID Tags	30,900						30,900		
Commercial Roadway Ticket	3,500						3,500		
Total Ground Transportation Service	53,970						53,970		
Shuttle Services									
Auto Rental	750,000						750,000		
Lindbergh/Regional									
Lindbergh/Humphrey	1,377,869	549,912					551,972		
Total Shuttle Services	2,127,869	549,912					1,301,972		
Parking Lots									
Lot Tickets	49,500							49,500	
Management Contract	4,368,904							4,368,904	
Total Parking Lots	4,418,404							4,418,404	
Met Council Fees - General Fees	170,000				170,000				
Employee Programs									
ERRT									
ERRT - Awards	18,000								
ERRT - Recognition	50,700	1,800	1,200				2,900		
Total ERRT	68,700	1,800	1,200				2,900		
Holidays									
Holiday - Catering	7,500								
Holiday - Miscellaneous	1,710								
Total Holidays	9,210								
Picnic	3,000								
Hospital Fund	1,500								
Retirement - Awards	5,500								
Service - Awards	10,000								
Wellness									
Wellness - Fitness Program	88,600								
Wellness - Health/Wellness	6,545								
Wellness Nutrition/Stress	25,000								
Total Wellness	120,145								
Total Employee Programs	218,055	1,800	1,200				2,900		
Events									
Airport Days									
Airport Days - Catering									
Airport Days - Other Expenses	14,600				2,000				
Airport Days - Rentals	60,000								

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1999 OPERATING BUDGET

	Total	Lindbergh Terminal	Energy Mgmt. Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads / Landscape	Parking Lot	Int'l Arrival
Total Airport Days	74,600				2,000				
Career Days	1,000								
Emergency Response Other	7,000								
Picnic/Other Events	28,700						2,000		
Total Events	111,300				2,000		2,000		
Other Charges/Fees									
Bank Charges	175,000							60,000	
Security Services	130,000								
Recycling	1,700								
Copy Agreement	103,300								
Mediation Fees	7,800								
Miscellaneous Charges/Fee	67,143								
Jail Fees	4,000								
Y2K Project Costs	100,000								
Total Other Charges/Fees	588,943							60,000	
Service Agreements									
Service - Computers	466,275							6,675	
Service - Fitness Equipment	5,000								
Service - Ground Transportation Equip	121,364						121,364		
Service - Office Equipment	28,807	1,000			1,080				
Service - Other Equipment	85,688	6,600			480		7,725		
Service - Parking Equipment	196,052							196,052	
Service - Telephone Systems	36,404								
Service - Secured Access	120,000				120,000				
Service - Radios	91,688	1,767			24,940			709	
Storm Water Monitoring	1,300,000				1,300,000				
Total Service Agreements	2,451,278	9,367			1,446,500		129,089	203,436	
Total Operating Services/Expenses	10,691,789	562,079	4,450	25,000	1,656,100		1,489,931	4,802,340	
Maintenance									
Trades - Painters									
Paint									
Equipment - Paint	12,000	12,000							
Exterior - Paint	10,000	10,000							
Interior - Paint	13,000	8,000							
Paint - Other	7,000						3,000		
Traffic Paint - Parking	12,059							12,059	
Reliever Airport - Paint	11,000								
Traffic Paint - Roads	6,433								
Traffic Paint - Runways	27,408				27,408				
Total Paint	98,900	30,000			27,408		3,000	12,059	
Signs									
Regulatory - Signs	13,000								
Exterior Sign Materials	6,000								
Interior Sign Materials	4,000								
Reliever Airport Signs	8,000								
Total Signs	31,000								
Supplies									
Brushes & Supplies	5,000								
Paint Supplies - Other	3,500								
Equipment Spray	6,800								
Paint Tools	2,000								
Total Supplies	17,300								
Trades - Painters	147,200	30,000			27,408		3,000	12,059	
Trades - Carpenters									
Locks									
Locks - Doors	41,715	18,761			1,635			2,524	
Locks - Other	1,000	400							
Total Locks	42,715	19,161			1,635			2,524	
Flags - Material	450								
Lumber									
Lumber - Cabinets	11,050	5,000			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	16,430	6,000			850			1,100	
Total Lumber	52,880	17,720			2,200			2,940	
Other									
Other - Floor Coverings	7,500	2,000							

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1999 OPERATING BUDGET

	Total	Lindbergh Terminal	Energy Mgmt. Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads / Landscape	Parking Lot	Int'l Arrival
Other - Hardware	9,000	3,880			400			560	
Other - Miscellaneous	1,030	1,030							
Other - Saw Blades	1,050	250			50			50	
Other - Tools	<u>10,550</u>	<u>4,800</u>			<u>450</u>			<u>630</u>	
Total Other	<u>29,130</u>	<u>11,960</u>			<u>900</u>			<u>1,240</u>	
Trades - Carpenters	125,175	48,841			4,735			6,704	
Trades - Plumbers									
Contractor Requirements - Water Meters	1,850	500				50	500		
Fire Protection System	27,424	4,894	750						
General Plumbing Supplies	17,170	8,000				335	500		
Irrigation Supplies	6,500	1,800							
Pumps	2,950	1,300							
Underground Utilities	2,100	1,100					330		
Water Distribution System	6,700	2,000				1,050	800		
Water Meters	4,000								
Plumbing - Tools	2,870	1,000					400		
Plumbing - Other	<u>23,000</u>	<u>1,000</u>				<u>100</u>	<u>500</u>		
Total Trades - Plumbers	<u>94,564</u>	<u>21,594</u>	<u>750</u>			<u>1,535</u>	<u>3,030</u>		
Trades - Electricians									
Repairs									
Electrical - Exterior	9,000								
Electrical - Interior	<u>29,000</u>								
Total Repairs	38,000								
Other									
Other - Batteries	4,000								
Other - Field Lights/Sensors	147,000			9,000	138,000				
Other - Gate Supplies	38,000	38,000							
Other - General Supplies	64,533								
Other - Motor	8,000								
Other - Secured Access System	10,000				10,000				
Other - Tools	<u>6,500</u>								
Total Other	<u>278,033</u>	<u>38,000</u>		<u>9,000</u>	<u>148,000</u>				
Total Trades - Electricians	316,033	38,000		9,000	148,000				
Maintenance - Field									
Snow Removal - Materials									
Materials - Liquid Anti Icer	149,000			12,283	136,717				
Materials - Sodium Formate	32,304				32,304				
Materials - Other Ice Control	6,000			888	3,912		228	744	
Materials - Salt	48,540						23,520		
Materials - Sand	116,940				81,564		10,188	10,188	
Materials - Urea	<u>290,020</u>			<u>27,444</u>	<u>254,076</u>				
Total Snow Removal - Materials	642,804			40,615	508,573		33,936	10,932	
Snow Removal - Equipment									
Equipment - Bobcats	25,000							25,000	
Equipment - Four Wheel Drive	50,000						10,000	40,000	
Equipment - Snow Haulers	118,941			11,694	93,553			11,694	
Equipment - Other	55,700			10,000	5,000			10,000	
Equipment - Rent - No Operator	156,148			12,302	59,302		1,757	1,757	
Equipment - Rental - No Operator - 5	<u>319,052</u>			<u>111,668</u>	<u>111,668</u>		<u>23,929</u>	<u>23,929</u>	
Total Snow Removal - Equipment	724,841			145,664	269,523		35,686	112,380	
Snow Removal - Miscellaneous									
Snow Removal - Meals	11,367				11,367				
Snow Removal - Plow Blades	24,000			4,800	4,800		4,800	4,800	
Snow Removal - Runway Brooms	<u>28,000</u>				<u>28,000</u>				
Total Snow Removal - Miscellaneous	63,367			4,800	44,167		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 Blade	28,100			8,100	15,000				
Surface Repair - Hot Sealant	<u>34,500</u>			<u>2,000</u>			<u>2,000</u>	<u>18,000</u>	
Total Summer Maintenance - Surface	204,320			29,380	70,300		6,125	30,990	

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1999 OPERATING BUDGET

	Total	Lindbergh Terminal	Energy Mgmt. Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads / Landscape	Parking Lot	Int'l Arrival
Summer Maint Landscape									
Summer Maintenance - Fencing	36,500				21,500				
Landscape/Turf - Materials	99,365				24,000		43,750		
Summer Maint - Equip Rental - LT	111,100			21,720	21,720		16,290	16,290	
Summer Maint - Equip Rental	30,000			10,500	10,500		1,500	1,500	
Landscape/Turf - Agreement	91,000						61,750		
Total Summer Maintenance - Landscape	367,965			32,220	77,720		123,290	17,790	
Maintenance Field - Other									
Field Maintenance - Other/Emergencies	62,000	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	89,260	20,000		9,160	29,600	10,000			
Total Maintenance - Field	2,092,557	20,000		261,839	999,883	10,000	203,837	176,892	
Maintenance - Building									
Building - Temperature Control									
Temperature Control - Contracts	399,280	187,800				13,000	14,742	14,000	
Temperature Control - Filters	113,200		100,500			300			
Total Building - Temp Control	512,480	187,800	100,500			13,300	14,742	14,000	
Building - Mechanical Areas									
Mechanical Areas - Carrousel	78,740	25,740							
Mechanical Areas - Conveyors	197,790	117,985							39,120
Mechanical Areas - Doors	7,500								
Mechanical Areas - Doors/Pub	35,500	10,250					2,300	9,150	
Mechanical Areas - Doors/Tug	16,400	5,000							
Mechanical Areas - Elevators	235,367	118,500					13,195	65,752	8,093
Mechanical Areas - Escalators	204,015	95,491					5,672	34,852	5,150
Mechanical Areas - Other	19,852	13,250							
Total Building - Mechanical Areas	795,164	386,216					21,167	109,754	52,363
Building - Other									
Other - Boiler Chemicals	11,500		11,000						
Other - Floors/Repairs	4,000	4,000							
Other - Outside Plumb/Sewer	17,500								
Other - Roofing	54,200	8,500					2,000		
Other - Supplies	114,908	28,624	10,000				35,656	13,719	
Other - Tools	13,015	1,736	2,200				1,446	1,843	
Total Building - Other	215,123	42,860	23,200				39,102	15,562	
Apt Development Projects	3,000								
Total Maintenance Building	1,525,767	616,876	123,700			13,300	75,011	139,316	52,363
Maintenance - Cleaning									
Cleaning Services									
Cleaning Services - Janitor	3,088,897	1,783,044					28,856	113,957	285,669
Cleaning Services - Windows	285,353	149,376					21,694	35,754	11,188
Total Cleaning Services	3,374,250	1,932,420					50,550	149,711	296,857
Cleaning Supplies									
Cleaning Supplies - Bathroom	276,053	191,043					10,167	10,167	
Cleaning Supplies - General	20,716	2,000	600						
Total Cleaning Supplies	296,769	193,043	600				10,167	10,167	
Rubbish Disposal									
Rubbish Disposal - Recycle	35,560	25,000			3,900				
Rubbish Disposal - Regular	382,200	72,000			150,000		1,800	9,000	
Total Rubbish Disposal	417,760	97,000			153,900		1,800	9,000	
Towel & Laundry Services	3,570	1,000							
Other Cleaning Expenses	3,448								
Total Maintenance - Cleaning	4,095,797	2,223,463	600		153,900		62,517	168,878	296,857
Maintenance - Equipment									
Equipment - Parts									
Parts - Automobiles	486,300								
Parts - Chiller Energy Management	36,040		36,040						
Parts - Equipment	165,690							32,960	
Parts - Other Equipment	253,900	5,000			37,900				
Total Equipment - Parts	941,930	5,000	36,040		37,900			32,960	
Equipment - Shop									
Shop - Garbage Bags	12,500				12,000				
Shop - Batteries	14,000								
Shop - Cleaners/Degreasers	37,000								

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1999 OPERATING BUDGET

	Total	Lindbergh Terminal	Energy Mgmt. Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads / Landscape	Parking Lot	Int'l Arrival
Shop - Oil & Filters	47,500								
Shop - Other Supplies	33,000		2,000						
Shop - Tires	65,000								
Shop - Tools	35,000								
Total Equipment - Shop	244,000		2,000		12,000				
Gas Propane	890								
Gas Unleaded	195,100		1,000					2,700	
Equipment - Gas - Unleaded	195,990		1,000					2,700	
Equipment - Extinguishers									
Extinguishers - Purchase	1,000								
Extinguishers - Repair	1,000								
Extinguishers - Reservice	1,000								
Total Equipment - Extinguishers	3,000								
Total Equipment - Miscellaneous Expenses	22,635						4,635		
Total Maintenance - Equipment	1,407,555	5,000	39,040		49,900		4,635	35,660	
Total Maintenance	9,804,648	3,003,774	164,090	270,839	1,383,826	24,835	352,030	539,509	349,220
Other									
General Insurance - Airport Liability Safety	1,337,097	323,851		43,549	74,051		25,237	91,061	
Safety - Training Materials	4,950		500						
Safety - Supplies	47,500		4,000						
Safety - Equipment	7,500								
Total Safety	59,950		4,500						
Medical Information/Supplies									
Medical - Routine Supplies	15,737	2,165	487						
Medical - Emergency Response	4,000	4,000							
Total Medical Information/Supplies	19,737	6,165	487						
Rentals									
Rental - Copiers	11,700	1,200							
Rental - Pagers	10,400								
Rental - Other Equipment	30,950								
Total Rentals	53,050	1,200							
Licenses/Permits									
Licenses - Autos/Equipment	16,020								
Licenses - Environmental	4,520								
Licenses - Other	6,635								
Total Licenses/Permits	27,175								
Miscellaneous Expenses									
Misc. - Fire Fighting Foam									
Misc. - Firearm/Equip./Supplies	53,130								
Misc. - Emergency Response	56,880	300							
Misc. - Other	51,570	10,000							
Total Miscellaneous Expenses	161,580	10,300							
Reimbursed Expense	1,278,000	45,000		36,000	150,000		9,000		
Capital Assets									
Minor Equipment/Assets									
Minor Assets - Tools	158,868	8,000					72,100		
Minor Assets - Office Furniture	151,797	7,332			9,950		4,635		
Minor Assets - Computers	132,625							12,875	
Minor Assets - Radios	86,710								
Minor Assets - Other	88,545								
Total Minor Equipment/Assets	618,545	15,332			9,950		76,735	12,875	
Total Capital Assets	618,545	15,332			9,950		76,735	12,875	
Other	999,134	311,848	4,987	7,549	65,999		92,972	103,936	
Gross Depreciation - Main Office	42,936,521	6,540,786	601,024	758,030	9,131,275		3,149,255	4,312,747	1,429,435
Total Expenses	110,386,521	13,004,733	2,830,453	1,081,244	13,258,426	33,355	6,856,371	10,116,332	1,778,655

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1999 OPERATING BUDGET

	<u>Cargo Area</u>	<u>HHH Terminal</u>	<u>Public Area RD.</u>	<u>W. Term. Area Bldg.</u>	<u>Hangars & Otr Bldg</u>	<u>Maint. Employee</u>	<u>Equip. Maint.</u>	<u>Inventory Trades</u>	<u>Green Concourse</u>
Personnel									
Wages									
Regular		90,127				5,801,244			
Overtime/Double-time									
Double-time - Regular						462,871			
Overtime - Regular						475,839			
Overtime - Special Events									
Total Overtime/Double-time						938,710			
Commissioner PerDiem									
Temps - Administration						21,680			
Snow Shovellers						13,000			
Temporary 49ers						88,308			
Grass Cutters						60,800			
Total Wages		90,127				6,923,742			
Benefits									
Employee Insurance Family		11,029		18,318		718,622			
Pension Fica (Social Security)Base		11,221				901,766			
Training									
Continuing Ed (College)		3,000				6,579			
Executive Leadership Train									
Management Requirement		500				7,150			
Organizational Requirement						3,600			
Regulatory Requirements						1,200			
Local Seminars		250				8,160		800	
Total Training		3,750				26,689		800	
Post Retirement Benefits		5,585		11,171		681,400			
Workers Compensation		179		1,607		87,589			
Uniforms									
Uniforms-Police/Fire Allow								1,900	
Uniforms-Rental						30,035			
Uniforms - Safety Shoes						14,697		421	
Total Uniforms						44,732		2,321	
Severance - Contract Allowance		721				53,920			
Total Benefits		32,485		31,096		2,514,718		3,121	
Total Personnel		122,612		31,096		9,438,460		3,121	
Administrative Expenses									
Supplies									
Office Supplies & Materials		500						5,030	
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		500						300	
Total Special Supplies		550						500	
Total Supplies		1,050						5,530	
Travel									
Travel - Lodging								750	
Travel - Meals								750	
Travel - Miscellaneous								100	
Travel - Transportation									
Travel - Transport/Airfare		4,500						8,825	
Travel - Shuttle/Taxi/Auto								150	
Total Travel - Transportation		4,500						8,975	
Registration Fees		1,000						1,450	
Mileage		900						125	
Total Travel		6,400						12,150	

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1999 OPERATING BUDGET

	<u>Cargo Area</u>	<u>HHH Terminal</u>	<u>Public Area RD.</u>	<u>W. Term. Area Bldg.</u>	<u>Hangars & Otr Bldg</u>	<u>Maint. Employee</u>	<u>Equip. Maint.</u>	<u>Inventory Trades</u>	<u>Green Concourse</u>
Other Administrative Expense									
Local Meetings									
Local Mtgs - On Airport/GO								1,000	
Local Mtgs - Off Airport		900						3,000	
Total Local Meetings		900						4,000	
Information Sources									
Memberships/Dues/Pro Assoc								750	
Other Information Sources						150			
Publications/Subscriptions		250						1,075	
Total Information Sources		250				150		1,825	
Printing Costs									
Printing-Publications									
Printing - Color Charts									
Printing - Forms									
Printing-In House Color									
Printing-Stationary/Envelopes									
Total Printing Costs									
Delivery Services								220	
Freight Charges								120	
Postage									
Total Other Administrative Expense		1,150				150		6,165	
Total Administrative Expenses		8,600				150		23,845	
Professional Services									
Accounting/Audit Fees									
Affirmative Action Fees									
Appraisal/RFP/Lease Fees									
Appraisals									
RFP/Leases									
Airline Agreement									
Architect Fees-Concessions									
Concept Develop/Feasible									
Electronic Message									
RFP/Lease Evaluation									
Total RFP/Leases									
Computer Services									
General									
ANOMS Consulting									
Hardware Consulting									
Software Consulting									
Total General									
Terminal Services									
Terminal Services-Grd Tran									
Terminal Services-Parking									
Terminal Lan									
Total Terminal Services									
Total Computer Services									
Engineering Fees		12,000	15,000						
Graphic Design									
Insurance Consultants									
Investigations									
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									
New Airport									
Relievers									
Strategic Planning									
Pollution/Environmental Fees									

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1999 OPERATING BUDGET

	<u>Cargo Area</u>	<u>HHH Terminal</u>	<u>Public Area RD.</u>	<u>W. Term. Area Bldg.</u>	<u>Hangars & Otr Bldg</u>	<u>Maint. Employee</u>	<u>Equip. Maint.</u>	<u>Inventory Trades</u>	<u>Green Concourse</u>
Public Information Services									
Recruiting & Employment Fees									
Safety Consultants									
Safety - Training						12,170		9,500	
Safety - General									
Total Safety Consultants						12,170		9,500	
Communications Consultant		500							
Other/Miscellaneous		1,250				5,400			2,000
Total Professional Services		13,750	15,000			17,570		9,500	2,000
Utilities									
Electricity		105,600	5,760	19,200	39,360			66,080	
Heating - Natural Gas		57,000		42,000	129,000			51,000	
Heating - Fuel Oil				5,400	5,400			3,000	
Heating Fuel		57,000		47,400	134,400			54,000	
Sewer		600	660,000	1,500				6,300	
Water		6,000	300,000	900				5,400	
Telephones									
Telephone - Regular		900						1,200	
Telephone - Cellular		900						3,010	
Total Telephones		1,800						4,210	
Total Utilities		171,000	965,760	69,000	173,760			135,990	
Operating Services/Expenses									
Advertising									
Advertising - Bids									
Advertising - Employment									
Advertising - Events									
Advertising-Airport Days									
Advertising Special Events									
Total Advertising - Events									
Advertising - General									
Advertising - Grd Transport									
Advertising - Noise									
Advertising - Parking									
Advertising - Relievers									
Total Advertising									
Environmental Control									
Hazardous Waste - General							2,000	14,000	
Pollution Ctrl-Supplies							3,000		
Industrial Waste Mgmt									
Laboratory Services									
Solvent Reclamation Service							2,000	750	
Spill Response							2,000	1,000	
Tire Disposal							840		
Other									
Total Environmental Control							9,840	15,750	
Grd Transportation Services									
AV ID Readers/Controllers									
AV ID Tags									
Commercial Roadway Tickets									
Landside Operations Starter									
Total Ground Transportation Services									
Shuttle Services									
Auto Rental									
Lindbergh/Regional									
Lindbergh/Humphery		275,985							
Total Shuttle Services		275,985							
Parking Lots									
Lot Tickets									
Management Contract									
Total Parking Lots									
Met Council Fees - General Fees									
Employee Programs									
ERRT									
ERRT - Awards									
ERRT - Reception									
ERRT - Recognition		100				15,100			
Total ERRT		100				15,100			

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1999 OPERATING BUDGET

	<u>Cargo Area</u>	<u>HHH Terminal</u>	<u>Public Area RD.</u>	<u>W. Term. Area Bldg.</u>	<u>Hangars & Otr Bldg</u>	<u>Maint. Employee</u>	<u>Equip. Maint.</u>	<u>Inventory Trades</u>	<u>Green Concourse</u>
Holidays									
Holiday Catering									
Holiday Miscellaneous									
Total Holidays									
Picnic									
Hospital Fund									
Retirement - Awards									
Service - Awards									
Wellness									
Wellness - Fitness Program									
Wellness-Health/Wellness									
Wellness-Other Programs									
Wellness-Nutrition/Stress									
Total Wellness									
Total Employee Programs		100				15,100			
Events									
Airport Days									
Airport Days-Other Expense						1,000		2,500	
Airport Days-Rentals									
Total Airport Days						1,000		2,500	
Emergency Response - 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						3,050			
Jail Fees									
Y2K Project Costs									
Total Other Charges/Fees						3,050			
Service Agreements									
Service-Computers									
Service-Fitness Equipment									
Service-Grd Trans Equip									
Service-Office Equipment		1,200				300			
Service-Other Equipment		13,500						100	
Service-Parking Equipment									
Service-Telephone Systems		1,250							
Service-Secured Access									
Service-Radios							29,519		
Storm Water Monitoring									
Total Service Agreements		15,950				300	29,519	100	
Total Operating Services/Expenses		292,035				19,450	39,359	18,350	
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			6,433						
Traffic Paint - Runways									
Total Paint		1,000	6,433	1,000			3,000	4,000	
Signs									
Regulatory - Signs								13,000	
Exterior Sign Materials								6,000	
Interior Sign Materials								4,000	
Reliever Airport Signs									
Total Signs								23,000	
Supplies									
Brushes & Supplies								5,000	
Paint Supplies - Other								3,000	

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1999 OPERATING BUDGET

	<u>Cargo Area</u>	<u>HHH Terminal</u>	<u>Public Area RD.</u>	<u>W. Term. Area Bldg.</u>	<u>Hangars & Otr Bldg</u>	<u>Maint. Employee</u>	<u>Equip. Maint.</u>	<u>Inventory Trades</u>	<u>Green Concourse</u>
Solvents									
Equipment Spray								6,800	
Paint Tools						2,000			
Total Supplies						2,000		14,800	
Total Trades - Painters		1,000	6,433	1,000		2,000	3,000	41,800	
Trades - Carpenters									
Locks									
Locks - Cabinets									
Locks - Doors		3,912	3,778	2,575	3,751				
Locks - Other		200		100	100				
Total Locks		4,112	3,778	2,675	3,851				
Flags - Material								200	
Lumber									
Lumber-Cabinets		600	850	500	750				
Lumber-Acoustical Ceiling		120	180	100	160				
Lumber-Furniture									
Lumber-New Construction		1,000	1,500	850	1,300				
Lumber-Other									
Lumber-Remodeling		1,000	1,400	800	1,300				
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 - Roofing									
Other - Saw Blades		60	50	50	50				
Other - Tools		540	800	450	720				
Total Other		1,080	1,570	6,400	1,410				
Total Trades - Carpenters		7,912	9,278	11,325	8,771			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	600					3,000
Irrigation Supplies			3,800						
Pumps		500							1,000
Underground Utilities				520					
Water Distribution Systems		800	300	300					800
Water Meters								4,000	
Plumbing - Tools		500		270					500
Plumbing - Other		500	200	200					500
Total Trades - Plumbers		8,800	4,950	2,990				4,000	7,350
Trades - Electricians									
Repairs									
Electrical - Exterior									
Electrical - Interior									
Total Repairs									
Other									
Other - Batteries								4,000	
Other-Field Lights/Sensors									
Other - Gate Supplies									
Other - General Supplies								64,533	
Other - Miscellaneous									
Other - Motor								8,000	
Other - Secured Access Sys									
Other - Tools								6,500	
Total Other								83,033	
Total Trades - Electricians								83,033	
Maintenance - Field									
Snow Removal - Materials									
Materials-Liquid Anti Icer									
Materials - Sodaum Formate									
Materials-Other Ice Ctrl			228						
Materials - Salt			23,520						
Materials - Sand									
Materials - Urea									

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1999 OPERATING BUDGET

	<u>Cargo Area</u>	<u>HHH Terminal</u>	<u>Public Area RD.</u>	<u>W. Term. Area Bldg.</u>	<u>Hangars & Otr Bldg</u>	<u>Maint. Employee</u>	<u>Equip. Maint.</u>	<u>Inventory Trades</u>	<u>Green Concourse</u>
Total Snow Removal - Materials			23,748						
Snow Removal - Equipment									
Equipment - Bobcats									
Equipment - Four Wheel Dr									
Equipment - Snow Haulers									
Equipment - Other						25,000			
Equipment-Rent-No Operator			7,030						
Equip Rent-No Operator-5.5			47,858						
Total Snow Removal - Equipment			54,888			25,000			
Snow Removal - Miscellan									
Snow Removal - Meals									
Snow Removal - Plow Blades			4,800						
Snow Removal - Runway Brooms									
Total Snow Removal - Miscellaneous			4,800						
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			5,625						
Summer Maintenance - Landscape									
Summer Maintenance - Fencing									
Landscape/Turf - Materials			5,600						
Summer Maint - Equip. Rent-LT			32,580						
Summer Maint - Equip. Rent-No Op			6,000						
Landscape/Turf - Agreement			4,200						
Total Summer Maintenance - Landscape			48,380						
Maintenance Field - Other									
Field Maint - Other/Emerg			12,000						
Field Maint - Other - Material									
Field Maint - Other - Supplies									
Field Maint - Other - Tools									
Total Maintenance Field-Other			12,000						
Total Maintenance - Field			149,441			25,000			
Maintenance Building									
Building - Temperature Control									
Temp Control - Contracts		32,738		26,000	19,500			32,500	10,000
Temp Control - Filters				300	450			750	
Total Building - Temp Control		32,738		26,300	19,950			33,250	10,000
Building-Mechanical Areas									
Mechanical Areas - Carrousel		53,000							
Mechanical Areas - Conveyors		40,685							
Mechanical Areas - Doors									
Mechanical Areas - Doors/Pub		3,800			10,000				
Mechanical Areas - Doors/Tug		700		5,400					300
Mechanical Areas - Elevators		3,263			1,500				18,564
Mechanical Areas - Escalator									62,850
Mechanical Areas - Other									600
Total Building - Mechanical Areas		101,448		5,400	11,500				82,314
Building - Other									
Other - Boiler Chemicals									
Other - Floors/Repairs									
Other - Outside Plumbing/Sewer						1,000	13,500	3,000	
Other - Roofing		2,100		3,000	6,000			4,000	2,500
Other - Supplies		10,300		4,000				1,000	609
Other - Tools		1,446		300				1,000	544
Total Building - Other		13,846		7,300	6,000	1,000	13,500	9,000	3,653
Apt Development Projects								3,000	
Total Maintenance Building		148,032		39,000	37,450	1,000	13,500	45,250	95,967
Maintenance - Cleaning									
Cleaning Services									

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1999 OPERATING BUDGET

	<u>Cargo Area</u>	<u>HHH Terminal</u>	<u>Public Area RD.</u>	<u>W. Term. Area Bldg.</u>	<u>Hangars & Otr Bldg</u>	<u>Maint. Employee</u>	<u>Equip. Maint.</u>	<u>Inventory Trades</u>	<u>Green Concourse</u>
Cleaning Services - Janitor		242,860		45,752	17,157			17,157	471,830
Cleaning Services - Windows		8,741		1,125	125			750	54,000
Total Cleaning Services		251,601		46,877	17,282			17,907	525,830
Cleaning Supplies									
Cleaning Supplies - Bathroom		30,500		3,957	440			2,638	25,382
Cleaning Supplies - General				5,325			600	350	1,741
Total Cleaning Supplies		30,500		9,282	440		600	2,988	27,123
Rubbish Disposal									
Rubbish Disposal - Recycle		3,600		960			1,200		900
Rubbish Disposal - Regular		27,900	1,800	39,000				18,000	10,800
Total Rubbish Disposal		31,500	1,800	39,960			1,200	18,000	11,700
Towel & Laundry Services							720	250	
Other Cleaning Expenses									
Total Maintenance - Cleaning		313,601	1,800	96,119	17,722		2,520	39,145	564,653
Maintenance - Equipment									
Equipment - Parts									
Parts - Automobiles							416,638		
Parts - Chiller Energy Mgmt									
Parts - Equipment									
Parts - Other Equipment		10,000					190,000	1,000	
Total Equipment - Parts		10,000					606,638	1,000	
Equipment - Shop									
Shop - Gargbage Bags									
Shop - Batteries							12,000		
Shop - Cleaners/Degreasers							36,000		
Shop - Oil & Filters							43,000		
Shop - Other Supplies								4,000	
Shop - Tires							57,000		
Shop - Tools							27,000	2,000	
Total Equipment - Shop							175,000	6,000	
Equipment Gas - Propane								890	
Gas - Unleaded							109,200		
Total Equipment - Gas							109,200	890	
Equipment - Extinguishers									
Extinguishers - Purchase									
Extinguishers - Repair									
Extinguishers - Reservice									
Total Equipment - Extinguishers									
Total Equipment - Miscellaneous Expense		3,000							
Total Maintenance - Equipment		13,000					890,838	7,890	
Total Maintenance		492,345	171,902	150,434	63,943	28,000	909,858	221,318	667,970
Other									
Gen Ins - Airport Liability		45,192	25,237	21,857	6,449		140,459	8,177	
Safety									
Safety - Training Materials							1,700	1,000	
Safety - Supplies						20,500		13,000	
Safety - Equipment						1,000			
Total Safety						21,500	1,700	14,000	
Medical Information/Supply									
Medical - Routine Supplies								200	
Medical - Emergency Response									
Total Medical Information/Supply								200	
Rentals									
Rental - Copier						1,500		500	
Rental - Pagers									
Rental - Other Equipment						8,000		500	
Total Rentals						9,500		1,000	
Licenses/Permits									
Licenses - Autos/Equipment									
Licenses - Environmental									
Licenses - Other								1,500	
Total Licenses/Permits								1,500	
Miscellaneous Expenses									

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1999 OPERATING BUDGET

	<u>Cargo</u> <u>Area</u>	<u>HHH</u> <u>Terminal</u>	<u>Public</u> <u>Area RD.</u>	<u>W. Term.</u> <u>Area Bldg.</u>	<u>Hangars</u> <u>& Otr Bldg</u>	<u>Maint.</u> <u>Employee</u>	<u>Equip.</u> <u>Maint.</u>	<u>Inventory</u> <u>Trades</u>	<u>Green</u> <u>Concourse</u>
Misc-Fire Fighting Foam									
Misc-Firearm/Equip/Supplies									
Misc-Emergency Response									
Misc-Other									
Misc-Taxes(Petroleum/Use)									
Total Miscellaneous Expenses									
Reimbursed Expense		(18,000)					(6,000)	(3,000)	
Capital Assets									
Minor Equipment/Assets									
Minor Assets-Tools						7,000	43,555	3,450	
Minor Assets-Office Furn							7,495	10,775	
Minor Assets-Computers									
Minor Assets-Radios							20,000		
Minor Assets-Other							800	7,800	
Total Minor Equipment/Assets						7,000	71,850	22,025	
Total Capital Assets						7,000	71,850	22,025	
Other		27,192	25,237	21,857	6,449	38,000	208,009	43,902	
Gross Depreciation - Main Office	261,313	886,113	268,685	120,189	39,817		1,416,987	1,017,743	
Total Expenses	<u>261,313</u>	<u>2,013,647</u>	<u>1,446,584</u>	<u>392,576</u>	<u>283,969</u>	<u>9,541,630</u>	<u>2,574,213</u>	<u>1,473,769</u>	<u>669,970</u>

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1999 OPERATING BUDGET

	<u>Police</u>	<u>Fire</u>	<u>Administration</u>	<u>Communication /Operation</u>	<u>Environment Noise</u>	<u>Reliever Airports</u>
Personnel						
Wages						
Regular	3,683,016	2,117,684	5,494,087	1,043,643	766,316	1,289,177
Special Pay						
Overtime/Double-time						
Overtime - Regular	311,410	163,460	74,424	123,890	7,550	101,233
Overtime - Special Events			1,592			
Total Overtime/Double-time	311,410	163,460	76,016	123,890	7,550	208,782
Commissioner Per Diem			29,350			
Temps - Administration	20,000		142,780			36,444
Snow Shovellers						
Temporary 49ers						
Grass Cutters						
Total Wages	4,014,426	2,281,144	5,742,233	1,167,533	773,866	1,534,403
Benefits						
Employee Insurance Family	601,507	279,673	588,224	142,245	113,086	200,565
Pension FICA (Social Security)Base	582,320	324,272	751,197	150,281	96,346	231,240
Training						
Continuing Ed (College)	30,000	4,000	69,650	4,000	18,000	20,500
Executive Leadership Train			45,000			
Management Requirement		3,000	52,750	6,750	800	
Organizational Requirement	8,500		41,000	24,000	500	
Regulatory Requirements		25,800	2,000	1,500		
Local Seminars	19,000	1,000	78,850	1,500	5,225	
Total Training	57,500	33,800	289,250	37,750	24,525	20,500
Post Retirement Benefits	457,991	223,410	513,842	106,120	78,194	150,804
Workers Compensation	65,893	30,536	15,536	3,393	2,678	21,697
Unemployment Tax			15,000			
Uniforms						
Uniforms - Police/Fire Allow	44,175	18,600				
Uniforms - Rental			1,200			11,993
Uniforms - Safety Shoes						2,636
Total Uniforms	44,175	18,600	1,200			14,629
Severance Contract Allowance	31,955	18,249	44,532	9,369	6,191	11,984
Total Benefits	1,841,341	928,540	2,218,781	449,158	321,020	651,419
Total Personnel	5,855,767	3,209,684	7,961,014	1,616,691	1,094,886	2,185,822
Administrative Expenses						
Supplies						
Office Supplies & Materials	11,000	5,000	52,484	3,158	9,500	6,500
Computer Supplies						
Computer Supplies - General			51,780	4,500	3,500	3,000
Computer Supplies - Software			29,004	4,000	5,000	
Computer - Tools						
Total Computer Supplies			80,784	8,500	8,500	3,000
Special Supplies						
Special Supplies - Badging	18,000					
Special Supply - Film/Photo	6,200		22,300	300	4,000	
Special Supplies - Other	1,100		3,850	1,500	550	
Total Special Supplies	25,300		26,150	1,800	4,550	
Total Supplies	36,300	5,000	159,418	13,458	22,550	9,500
Travel						
Travel - Lodging	7,625		11,500		4,340	3,000
Travel - Meals	3,000		2,650		900	1,000
Travel - Miscellaneous	300		785			1,000
Travel - Transportation						
Travel - Transport/Airfare	15,075	8,600	275,245	13,600	15,750	7,000
Travel - Shuttle/Taxi/Auto	700		700		80	400
Total Travel - Transportation	15,775	8,600	275,945	13,600	15,830	7,400
Registration Fees	6,200		16,780		1,300	2,000
Mileage	2,500	2,000	34,704	100	4,220	500
Total Travel	35,400	10,600	342,364	13,700	26,590	14,900

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1999 OPERATING BUDGET

	<u>Police</u>	<u>Fire</u>	<u>Administration</u>	<u>Communication /Operation</u>	<u>Environment Noise</u>	<u>Reliever Airports</u>
Other Administrative Expense						
Local Meetings						
Local Mtgs - On Airport/GO	500		13,000	700	1,900	500
Local Mtgs - Off Airport	4,500		31,580		250	2,000
Total Local Meetings	5,000		44,580	700	2,150	2,500
Information Sources						
Memberships/Dues/Pro Assoc	2,975	600	118,870	2,625	2,250	1,800
Other Information Sources	1,075	7,300	47,100	2,350	10,200	1,500
Publications/Subscriptions	2,550	2,040	31,030	1,150	2,000	
Total Information Sources	6,600	9,940	197,000	6,125	14,450	3,300
Printing Costs						
Printing - Publications	5,750		88,500			2,800
Printing - Color Charts			4,000	6,800	1,000	500
Printing - Forms	2,000		14,450	500		
Printing - In House Color						
Printing - Stationary/Envelopes	2,000	600	12,850			
Total Printing Costs	9,750	600	119,800	7,300	1,000	3,300
Delivery Services	500	60	13,470	200	300	300
Freight Charges	200	120	1,200			300
Postage	1,100		61,400			1,230
Total Other Administrative Expense	23,150	10,720	437,450	14,325	17,900	10,930
Total Administrative Expenses	94,850	26,320	939,232	41,483	67,040	35,330
Professional Services						
Accounting/Audit Fees			179,000			
Affirmative Action Fees			14,000			
Appraisal/RFP/Lease Fees						
Airline Agreement			50,000			
Architect Fees - Concessions			25,000			
Concept Develop/Feasible			26,000			
RFP/Lease Evaluation			20,000			
Total Appraisal/RFP/Lease Fees			121,000			
Computer Services						
General						
ANOMS Consulting						
Hardware Consulting			12,500		30,000	
Software Consulting			110,000		50,000	
Total General			122,500		80,000	
Terminal Services						
Terminal Services - Ground Transportation						
Terminal Services - Parking						
Total Terminal Services						
Total Computer Services			122,500		80,000	
Engineering Fees			62,750		59,773	332,006
Graphic Design			68,955			
Labor Relations			30,000			
Legal Fees						
Legal - Environmental					97,601	
Legal - General			459,742			
Legal - Federal			74,902			
Legal - Relievers						40,855
Total Legal Fees			534,644		97,601	40,855
Legislative						
Legislative - Local			90,000			
Legislative - National			147,500			
Total Legislative			237,500			
Medical Fees		10,500	9,000		5,000	
Planning						
MSP Int'l						
New Airport						
Relievers						
Planning						
Strategic Planning			100,000			

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1999 OPERATING BUDGET

	<u>Police</u>	<u>Fire</u>	<u>Administration</u>	<u>Communication /Operation</u>	<u>Environment Noise</u>	<u>Reliever Airports</u>
Pollution/Environmental Fees					3,000	3,000
Public Information Services			50,905			
Recruiting & Employment Fees			65,000			
Safety Consultants						
Safety - Training	2,600	2,600	3,000	1,500		8,000
Safety - General					1,500	
Total Safety Consultants	2,600	2,600	3,000	1,500	1,500	8,000
Communications Consultant	1,400		249,748	500		
Other/Miscellaneous	19,000		333,752	58,000	160,000	44,996
Total Professional Services	23,000	13,100	2,181,754	60,000	406,874	428,857
Utilities						
Electricity		8,640	43,200		3,360	89,280
Heating - Natural Gas			24,000			36,000
Heating - Fuel Oil			900			
Total Heating Fuel			24,900			36,000
Sewer		900	8,400			5,400
Water		600	8,400			3,600
Telephone						
Telephone - Regular	900	1,500	132,000	87,000	39,900	33,000
Telephone - Cellular	3,000	1,800	16,030	7,000	1,800	1,200
Total Telephones	3,900	3,300	148,030	94,000	41,700	34,200
Total Utilities	3,900	13,440	232,930	94,000	45,060	168,480
Operating Services/Expenses						
Advertising						
Advertising - Bids			6,000			
Advertising - Employment			25,750			
Advertising - Events						
Advertising - Airport Days			22,500			
Advertising Special Events			5,000			
Total Advertising - Events			27,500			
Advertising - General	7,500		213,330			
Advertising - Parking						
Advertising - Relievers						45,000
Total Advertising	7,500		272,580			45,000
Environmental Control						
Hazardous Waste - General	500	500				1,750
Pollution Ctrl - Supplies						
Industrial Waste Mgmt						
Laboratory Services					4,500	
Solvent Reclamation Service		1,000				1,500
Spill Response		1,000			1,000	1,000
Tire Disposal						1,200
Other						
Total Environmental Control	500	2,500			5,500	5,450
Ground Transportation Services						
AV ID Readers/Controllers						
AV ID Tags						
Commercial Roadway Tickets						
Landside Operations Starter						
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			

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1999 OPERATING BUDGET

	<u>Police</u>	<u>Fire</u>	<u>Administration</u>	<u>Communication /Operation</u>	<u>Environment Noise</u>	<u>Reliever Airports</u>
ERRT - Reception						
ERRT - Recognition	8,700	3,900	10,800	1,900	1,600	2,700
Total ERRT	8,700	3,900	28,800	1,900	1,600	2,700
Holidays						
Holiday Catering			7,500			
Holiday Miscellaneous			1,710			
Total Holidays			9,210			
Picnic			3,000			
Hospital Fund			1,500			
Retirement - Awards			5,500			
Service - Awards			10,000			
Wellness						
Wellness - Fitness Program			88,600			
Wellness - Health/Wellness			6,545			
Wellness - Other Programs						
Wellness - Nutrition/Stress			25,000			
Total Wellness			120,145			
Total Employee Programs	8,700	3,900	178,155	1,900	1,600	2,700
Events						
Airport Days						
Airport Days - Other Expense	1,000	2,500	2,400	1,000		2,200
Airport Days - Rentals			60,000			
Total Airport Days	1,000	2,500	62,400	1,000		2,200
Career Days	1,000					
Emergency Response Other			7,000			
Emergency Response Exercise			7,000			
Picnic/Other Events	2,000		24,700			
Total Events	4,000	2,500	94,100	1,000		2,200
Other Charges/Fees						
Bank Charges			115,000			
Security Services	90,000					40,000
Recycling			1,700			
Copy Agreement			102,300			1,000
Mediation Fees			7,800			
Miscellaneous Charges/Fees	27,100	120	35,373			1,500
Jail Fees	4,000					
Y2K Project Costs			100,000			
Total Other Charges/Fees	121,100	120	362,173			42,500
Service Agreements						
Service - Computers	18,300		283,300		158,000	
Service - Fitness Equipment			5,000			
Service - Grd Trans Equip						
Service - Office Equipment	3,000		15,783	6,444		
Service - Other Equipment	3,750	13,233	20,900	11,000	4,400	4,000
Service - Parking Equipment						
Service - Telephone Systems	750	1,800	24,604	8,000		
Service - Secured Access						
Service - Radios	12,315	11,152	2,128	3,000		6,158
Storm Water Monitoring						
Total Service Agreements	38,115	26,185	351,715	28,444	162,400	10,158
Total Operating Services/Expenses	179,915	35,205	1,258,723	31,344	169,500	108,008

Maintenance

Trades - Painters						
Paint						
Equipment - Paint						
Exterior - Paint						
Interior - Paint						
Paint - Other						
Traffic Paint - Parking						
Reliever Airport - Paint						11,000
Traffic Paint - Roads						
Traffic Paint - Runways						
Total Paint						11,000

Signs

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1999 OPERATING BUDGET

	<u>Police</u>	<u>Fire</u>	<u>Administration</u>	<u>Communication /Operation</u>	<u>Environment Noise</u>	<u>Reliever Airports</u>
Other Sign Material/Etc						
Regulatory - Signs						
Exterior Sign Materials						
Interior Sign Materials						
Reliever Airport Signs						8,000
Total Signs						8,000
Supplies						
Brushes & Supplies						
Paint Supplies - Other						500
Solvents						
Equipment Spray						
Paint Tools						
Total Supplies						500
Total Trades - Painters						19,500
Trades - Carpenters						
Locks						
Locks - Cabinets						
Locks - Doors	1,635	1,635	1,194	15		300
Locks - Other	100		100			
Total Locks	1,735	1,635	1,294	15		300
Flags - Material						250
Lumber						
Lumber - Cabinets	500	500	900	400		
Lumber - Acoustical Ceiling	100	100	200	80		
Lumber - Furniture						
Lumber - New Construction	800	800	1,600	650		
Lumber - Other						7,000
Lumber - Remodeling	850	850	1,600	680		
Total Lumber	2,250	2,250	4,300	1,810		7,000
Other						
Other - Ceilings						
Other - Doors						
Other - Floor Coverings						
Other - Hardware	400	400	800	320		
Other - Miscellaneous						
Other - Roofing						
Other - Saw Blades	50	50	50	40		300
Other - Tools	450	450	900	360		
Total Other	900	900	1,750	720		300
Total Trades - Carpenters	4,885	4,785	7,344	2,545		7,850
Trades - Plumbers						
Contractor Water Meters		50	100			
Fire Protection System			1,230			15,000
General Plumbing Supplies		335	800			
Irrigation Supplies			900			
Pumps		150				
Underground Utilities		100	50			
Water Distribution Systems		150	500			
Water Meters						
Plumbing - Tools			200			
Plumbing - Other		100	3,400			16,500
Total Trades - Plumbers		885	7,180			31,500
Trades - Electricians						
Repairs						
Electrical - Exterior						9,000
Electrical - Interior						29,000
Total Repairs						38,000
Other						
Other - Batteries						
Other - Field Lights/Sensors						
Other - Gate Supplies						
Other - General Supplies						
Other - Miscellaneous						
Other - Motor						

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1999 OPERATING BUDGET

	<u>Police</u>	<u>Fire</u>	<u>Administration</u>	<u>Communication /Operation</u>	<u>Environment Noise</u>	<u>Reliever Airports</u>
Other - Secured Access Sys						
Other - Tools						
Total Other						
Total Trades - Electricians						38,000
Maintenance - Field						
Snow Removal - Materials						
Materials - Liquid Anti Icer						
Materials - Sodium Formate						
Materials - Other Ice Ctrl						
Materials - Salt						1,500
Materials - Sand						15,000
Materials - Urea						8,500
Total Snow Removal - Materials						25,000
Snow Removal - Equipment						
Equipment - Bobcats						
Equipment - Four Wheel Dr						
Equipment - Snow Haulers						2,000
Equipment - Other						5,700
Equipment - Rent - No Operator						74,000
Equip Rent - No Operator - 5.5						
Total Snow Removal - Equipment						81,700
Snow Removal - Miscellaneous						
Snow Removal - Meals						
Snow Removal - Other						
Snow Removal - Plow Blades						
Snow Removal - Runway Brm						
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 Maint - Landscape						
Summer Maintenance - Fencing						15,000
Landscape/Turf - Materials			7,015			19,000
Summer Maint - Equip Rent LT						2,500
Summer Maint - Equip Rent No Op						
Landscape/Turf - Agreement			25,050			
Total Summer Maint - Landscape			32,065			36,500
Maintenance Field - Other						
Field Maint - Other - Garbage						
Non Runway Brooms						
Field Maint - Other/Emergency						
Field Maint - Other - Material						2,500
Field Maint - Other - Supplies						3,500
Field Maint - Other - Tools						2,500
Total Maintenance Field - Other						8,500
Total Maintenance - Field			32,065			213,600
Maintenance Building						
Building - Temp Control						
Temp Control - Contracts		15,600	16,900		6,500	10,000
Temp Control - Filters		360	390		150	10,000
Total Building - Temp Control		15,960	17,290		6,650	20,000
Building - Mechanical Areas						
Mechanical Areas - Carrousel						
Mechanical Areas - Conveyors						
Mechanical Areas - Doors						7,500
Mechanical Areas - Doors/Pub						
Mechanical Areas - Doors/Tug		5,000				
Mechanical Areas - Elevators			1,500			5,000
Mechanical Areas - Escalator						

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 1999 OPERATING BUDGET

	<u>Police</u>	<u>Fire</u>	<u>Administration</u>	<u>Communication /Operation</u>	<u>Environment Noise</u>	<u>Reliever Airports</u>
Mechanical Areas - Other						6,002
Total Building - Mechanical Areas		5,000	1,500			18,502
Building - Other						
Other - Boiler Chemicals						500
Other - Floors/Repairs						
Other - Outside Plumb/Sewer						
Other - Roofing		4,000	2,100			20,000
Other - Supplies						11,000
Other - Tools						2,500
Total Building - Other		4,000	2,100			34,000
Total Maintenance Building		24,960	20,890		6,650	72,502
Maintenance - Cleaning						
Cleaning Services						
Cleaning Services - Janitor			34,315			48,300
Cleaning Services - Windows			500			2,100
Total Cleaning Services			34,815			50,400
Cleaning Supplies						
Cleaning Supplies - Bathroom			1,759			
Cleaning Supplies - General						10,100
Total Cleaning Supplies			1,759			10,100
Rubbish Disposal						
Rubbish Disposal - Recycle						
Rubbish Disposal - Regular			30,000			21,900
Total Rubbish Disposal			30,000			21,900
Towel & Laundry Services						1,600
Other Cleaning Expenses		1,948				1,500
Total Maintenance - Cleaning		1,948	66,574			85,500
Maintenance - Equipment						
Equipment - Parts						
Parts - Automobiles	42,281	23,281		600		3,500
Parts - Chiller Energy Mgmt						
Parts - Equipment	4,500		1,030			127,200
Parts - Other Equipment						10,000
Total Equipment - Parts	46,781	23,281	1,030	600		140,700
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						6,000
Total Equipment - Shop						49,000
Total Equipment - Gas - Unleaded	17,700	8,100	12,600	3,900	900	39,000
Equipment - Extinguishers						
Extinguishers - Purchase		1,000				
Extinguishers - Repair		1,000				
Extinguishers - Reservice		1,000				
Total Equipment - Extinguishers		3,000				
Total Equipment - Miscellaneous Exp						15,000
Total Maintenance - Equipment	64,481	34,381	13,630	4,500	900	243,700
Total Maintenance	69,366	66,959	147,683	7,045	7,550	712,152
Other						
Gen Ins - Airport Liability	159,587	114,947	70,908	6,449	4,717	175,369
Safety						
Safety - Training Materials	750	250	250			500
Safety - Supplies	750	750	800			7,200
Safety - Equipment					500	
Total Safety	1,500	1,000	1,050		7,000	7,700
Medical Information/Supplies						
Medical - Routine Supplies	3,200	4,000	1,750	400		3,535
Medical - Emergency Response						

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

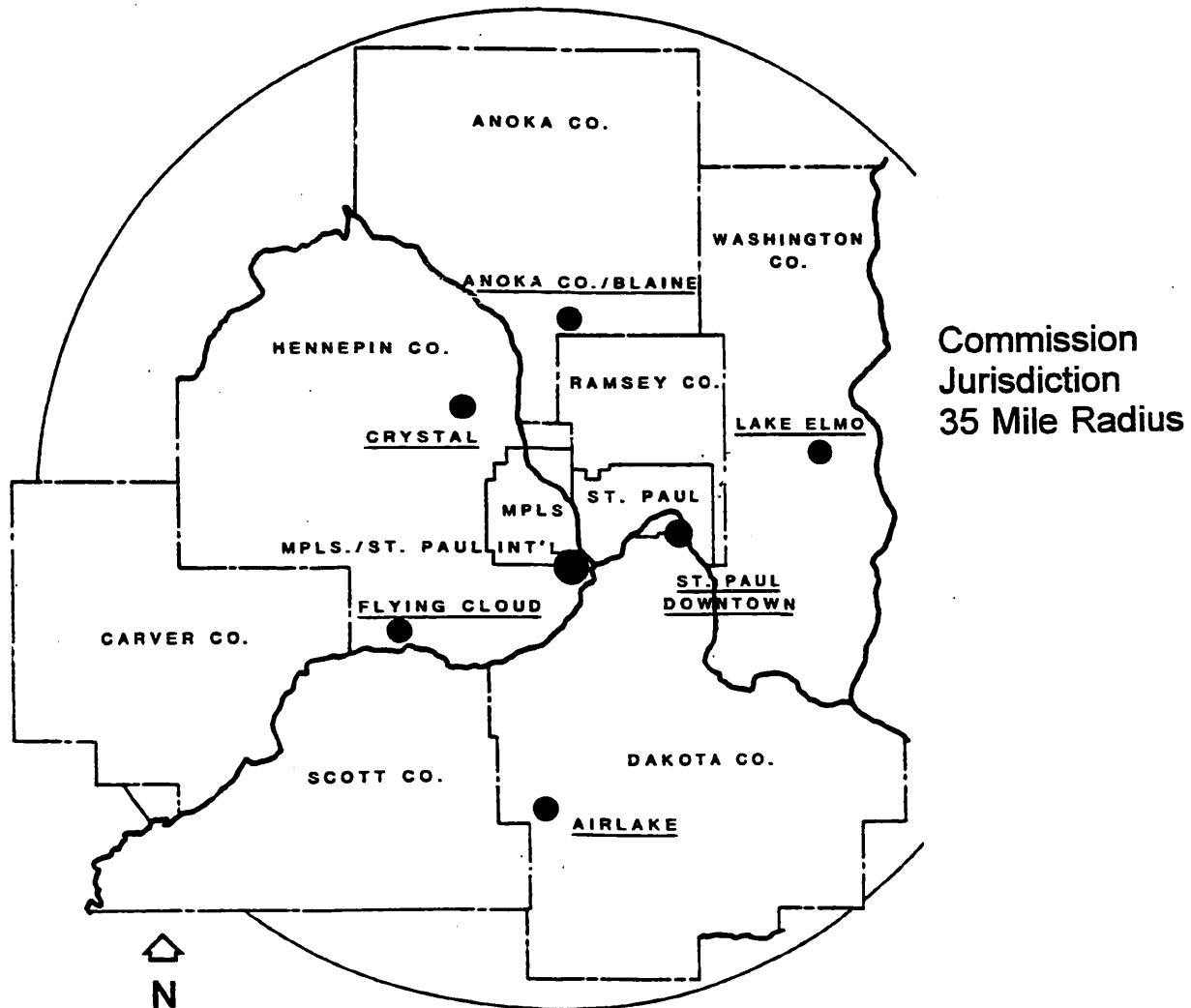
OBJECT ACCOUNT BY SUBLEDGER - 1999 OPERATING BUDGET

	<u>Police</u>	<u>Fire</u>	<u>Administration</u>	<u>Communication /Operation</u>	<u>Environment Noise</u>	<u>Reliever Airports</u>
Medical Information/Supplies	3,200	4,000	1,750	400		3,535
Rentals						
Rental - Copier			8,500			
Rental - Pagers			10,400			
Rental - Other Equipment	1,250		13,300		6,000	1,900
Total Rentals	1,250		32,200		6,000	1,900
Licenses/Permits						
Licenses - Autos/Equipment			15,000			1,020
Licenses - Environmental					3,500	1,020
Licenses - Other		100			1,000	4,035
Total Licenses/Permits		100	15,000		4,500	6,075
Miscellaneous Expenses						
Misc - Fire Fighting Foam						
Misc - Firearm/Equip/Supplies	7,000	42,080		4,050		
Misc - Emergency Response	500	46,500				9,580
Misc - Other	7,240	22,480	7,850	3,000		1,000
Misc - Taxes(Petroleum/Use)						
Total Miscellaneous Expenses	14,740	111,060	7,850	7,050		10,580
Reimbursed Expense	(393,000)	(174,000)	(228,000)			(216,000)
Capital Assets						
Minor Equipment/Assets						
Minor Assets - Tools	3,000	4,000	4,500	10,513	2,000	750
Minor Assets - Office Furn	1,000	6,000	79,450	9,160	6,000	10,000
Minor Assets - Computers			31,500	78,500	5,000	4,750
Minor Assets - Radios		2,000		61,460	1,000	2,250
Minor Assets - Other		28,800	9,800	38,825	1,500	1,020
Total Minor Equipment/Assets	4,000	40,800	125,250	198,458	15,500	18,770
Total Capital Assets	4,000	40,800	125,250	198,458	15,500	18,770
Other	(208,723)	97,907	26,008	212,357	37,717	7,929
Gross Depreciation - Main Office	75,995	203,872	801,414	129,356	8,078,192	3,714,293
Total Expenses	<u>6,094,070</u>	<u>3,666,487</u>	<u>13,548,758</u>	<u>2,192,276</u>	<u>9,906,819</u>	<u>7,360,871</u>

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 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 – 1999 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 Darwin Reedy

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

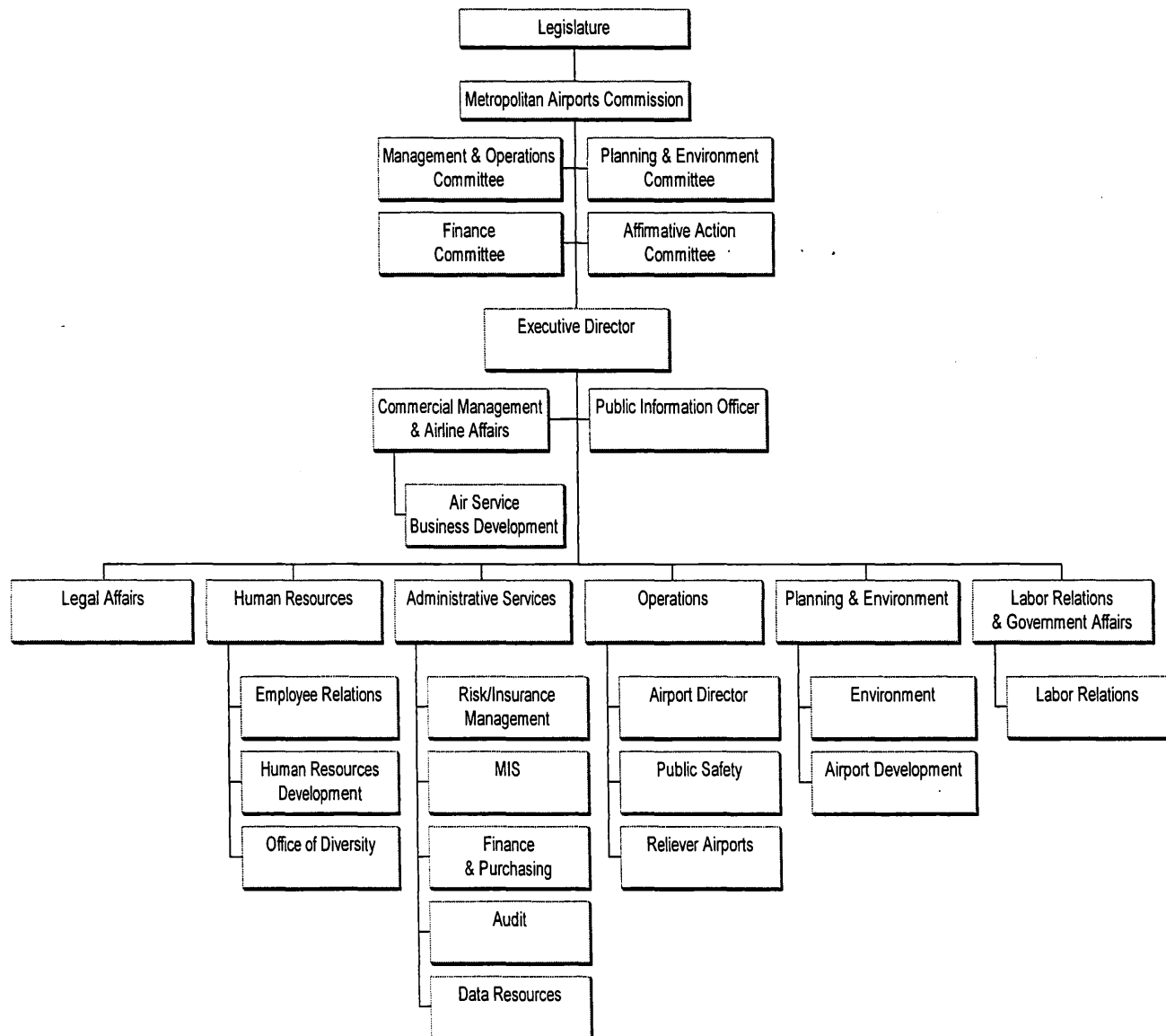
Executive Director: Jeffrey W. Hamiel

The Commission has set up four standing committees. Three of the committees, Planning & Environment, Management & Operations and Finance meet on a monthly basis. The remaining committee, Affirmative Action, meets 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 – 1999 OPERATING BUDGET

This section details 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: organization charts, expense by major category, 1999 Goals and Objectives, headcount summary and a brief description of the department's responsibility/ function.



MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

This section details 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: organization charts, expense by major category, 1999 Goals and Objectives, headcount summary and a brief description of the departments responsibility/function.

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
	Air Service Business Development	76100	Air Service Business Development
	Commercial Management / Airline Affairs	80000	Commercial Management / Airline Affairs
Human Resources	Deputy – Human Resources	75700	Deputy – Human Resources
	Human Resources Development	76600	Human Resources 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 /
	Wellness	76700	Mail Room
	Deputy Airports – Insurance	76800	Deputy Airports – Wellness
		85400	Deputy Airports – Insurance
	MIS	79000	Environment – Safety
	Finance	78000	MIS
		78200	Finance
	Internal Audit	78300	Purchasing Internal Audit
Legal Affairs	General Counsel	81000	General Counsel
Environment / Development	Planning	75500	Planning
	Environment	85000	Environment – General
		85100	Environment – Environmental
		85300	Environment – Aviation Noise Program
	Airport Development	77000	Airport Development

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

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
	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
		90300	Reliever – Lake Elmo
		90400	Reliever – Air Lake
		90500	Reliever – Flying Cloud
		90600	Reliever – Crystal
		90700	Reliever – Anoka
MAC General	MAC General	78100	MAC General

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

ORGANIZATIONAL PERSONNEL

The personnel information below shows the changes between 1995 actual and 1999 budget. The information this year is divided into three sections: Headcount by Department, Headcount by Classification and Summary Information. The Summary section details transfers/changes and vacancies as of 10/09/98. Additionally the chart below reflects the changes made as a result of the reorganization which took place in April 1995.

<u>Headcount By Department</u>	<u>1995 Actual</u>	<u>1996 Actual</u>	<u>1997 Actual</u>	<u>1998(a) Actual</u>	<u>1998 Budget</u>	<u>1999 Budget</u>
Executive/Commissioner	3	3	3	3	3	3
Planning	2	2	2	2	2	2
Deputy Administrative Services	0	3	3	3	3	4
Deputy Human Resources	0	2	2	3	3	2
Deputy Operations	0	2	2	2	2	2
Deputy Airports	3	0	0	0	0	0
Public Affairs	0	3	3	3	3	3
Air Service – Business Development	4	2	3	3	3	3
Risk Insurance/Safety	2	2	3	3	3	4
Airport Development	10	11	10	13	15	22
Finance/Purchasing	20	19	18	19	19	20
Internal Audit	2	2	2	2	3	3
MIS	8	7	6	6	8	8
Labor/Government Affairs	3	3	3	3	3	3
Commercial Mgmt & Airline Affairs	5	4	4	5	5	6
Office of Diversity	4	4	4	4	4	4
General Counsel	4	5	4	5	5	5
Human Resource Development/Services	0	2	2	2	2	3
Employee Relations	7	7	6	7	7	7
Airport Directors Office	6	6	5	3	5	11
Telecommunications	0	1	1	1	1	1
Airside Operations	9	9	9	9	9	10
Communications	10	8	10	11	11	11
Landside Operations	14	15	17	19	20	27
Fire	38	38	38	39	40	40
Police	80	75	73	76	83	88
Noise/Environment/Part 150	13	11	13	13	14	15
HHH Terminal	1	1	1	1	1	2
Facilities – Lindbergh Terminal	9	9	9	9	10	14
Energy Management Center	13	13	13	13	13	15
West Terminal Area	2	2	2	2	2	0
Trades	27	27	28	31	31	36
Maintenance	81	82	84	94	101	113
Reliever Airports	26	27	27	27	27	27
Total Personnel	406	407	410	436	461	514

(a) As of 10/09/98

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

<u>Headcount By Classification</u>	<u>1995 Actual</u>	<u>1996 Actual</u>	<u>1997 Actual</u>	<u>1998(a) Actual</u>	<u>1998 Budget</u>	<u>1999 Budget</u>
Organized						
Local 70 Operating Engineers	11	11	11	11	11	14
49er's Equipment Maintenance	12	12	12	15	15	17
320's – MSP Int'l – Field	59	60	59	69	76	83
320's – MSP Int'l – Lindbergh Terminal	6	5	5	5	6	6
320's – Reliever Airports	20	20	20	20	20	20
Painters	5	5	6	6	6	7
Carpenters	5	5	5	6	6	7
Plumbers	4	4	4	4	4	5
Electricians	12	12	12	14	14	17
Police Officers	36	37	36	33	37	41
Firefighters	28	28	27	30	30	30
Total Organized	198	199	197	213	225	247
Total Non-Organized						
Chairperson/Executive Director	2	2	2	2	2	2
Deputy Directors/Directors	12	16	16	14	16	14
Managers/Supervisors	72	70	75	77	81	84
Police Chief/Fire Chief (b)	2	0	0	0	0	0
Community Service Officers (CSO's)	23	16	19	20	23	23
Passenger Assistants	9	7	9	9	9	17
Fire Captains/Fire Training	8	9	9	8	9	9
Police Sergeants/Commanders (c)	13	13	13	13	13	14
Administrative Support	67	75	70	80	83	104
Total Non-Organized	208	208	213	223	236	267
Total MAC	406	407	410	436	461	514

a. As of 10/09/98

b. Positions shifted as a result of the reorganization

c. Effective 8/21/98, the police title of Lieutenant has been changed to Commander.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

<u>Summary of Open Headcount</u>	<u>Service Center</u>	<u>Headcount</u>
The following positions were vacant as of 10/09/98		
Director	Airport Development	1
Reliever Engineer	Airport Development	1
Internal Auditor	Internal Audit	1
Director	MIS	1
System Supervisor	MIS	1
Secretary	ADO	1
Tour Guide Coordinator	ADO	1
Assistant Manager	Landside Operations	1
Fire Chief	Fire	1
CSO's	Police	3
Police Officer	Police	4
Aviation Noise Program Coordinator	Environment	1
Auto Technician	Facilities	1
Permanent Seasonal 320's	Field Maintenance	4
Maintenance Worker 320's	Field Maintenance	3
Total 1998 Open Positions		25

<u>Summary of New Positions for 1999</u>	<u>Service Center</u>	<u>Headcount</u>
Administrative Secretary	Deputy-Administrative Services	1
Administrative Assistant Building Permit	Airport Development	1
Airside Project Managers	Airport Development	2
Building Permit Manager	Airport Development	1
Civil Technician	Airport Development	1
Secretary	Airport Development	1
Senior Planner	Airport Development	1
Part 150 Noise Monitoring Technician	Environment – Noise	1
Finance Associate Accountant	Finance	1
Assistant Manager Cargo	Comm. Mgmt. Airline Affairs	1
Safety Specialist	Risk/Insurance/Safety	1
Systems Technician	Airside Operations	1
Customer Service Telephone Operators	WCF Administration	6
Journeyman Electricians	Trades – Electricians	2
Operating Engineers	Energy Management Center	2
Airport Facilities Assistant	Facilities Management	1
Assistant Facilities Manager	Facilities Management	1
Field Maintenance Workers	Field Maintenance	8
Heavy Equipment Operators	Field Maintenance	2
Field Maintenance Receptionist	Field Maintenance	1
Shop Foreman	Field Maintenance	1
Assistant Manager HHH/IAF	HHH/IAF	1
Passenger Service Assistant	Landside Administration	1
Passenger Service Assistant (P/T)	Landside Administration	6
Painter	Trades – Painters	1
Police Officers	Police	4
Police Sergeant	Police	1
Carpenter	Trades – Carpenters	1
Journeyman Plumber	Trades – Plumbers	1
Total 1999 New Positions		53

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

EXECUTIVE/COMMISSIONER

	1997 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	273,656	231,365	239,248	7,883	3.41%
Administrative Services	153,342	136,274	153,900	17,626	12.93%
Professional Services	1,022	58,400	60,000	1,600	2.74%
Utilities	2,090	1,400	1,400		.00%
Operating Service /Expenses	2,438	1,115	1,115		.00%
Other	<u>6,452</u>	<u>14,000</u>	<u>14,000</u>		.00%
Expenses	439,000	442,554	469,663	27,109	6.13%

	1997 <u>Actual</u>	1998 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>
HEADCOUNT SUMMARY				
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. The increase in Personnel expenses are associated with the Executive Director participating in a senior level management seminar as directed by the Executive Committee of the Commission as part of his professional development. The increase in Professional Services is for unanticipated need to utilize the services of consultants to prepare documents in response to Commission/Chairman requests. The increase in Other is due to increased use of rental aircraft for Commission travel in meeting with smaller airport members of ACI that may not have convenient/economical air service.

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.

MAJOR 1999 OPERATING BUDGET CHANGES

Administrative Expenses	\$17,626 - This increase represents costs related to additional travel associated with the Executive Director's ACI position and costs associated with increased commissioner travel.
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MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

PUBLIC AFFAIRS

	<u>1997</u> <u>Actual</u>	<u>1998</u> <u>Budget</u>	<u>1999</u> <u>Budget</u>	<u>\$</u> <u>Variance</u>	<u>%</u> <u>Variance</u>
Personnel	138,482	169,100	173,825	4,725	2.79%
Administrative Services	64,315	73,450	92,450	19,000	25.87%
Professional Services	401,208	146,182	200,000	53,818	36.82%
Utilities	1,234	300	800	500	166.67%
Operating Service/Expenses	128,459	186,900	186,900		0.00%
Other	<u>9,815</u>	<u>300</u>	<u></u>	<u>(300)</u>	<u>100.00%</u>
Expenses	743,513	576,232	653,975	77,743	132.15%

<u>HEADCOUNT SUMMARY</u>	<u>1997</u> <u>Actual</u>	<u>1998</u> <u>Actual</u>	<u>1998</u> <u>Budget</u>	<u>1999</u> <u>Budget</u>
Public Affairs	3	3	3	3

RESPONSIBILITY/FUNCTION

The responsibility and function of the Public Affairs department is to educate and inform the public of MAC's mission and the role of the airport system. Public Affairs provides information about the economic impact of the MAC's airports; report to the community about noise mitigation efforts; provides timely, accurate and focused messages to the media and the public; and facilitates communication among MAC departments where there are potential impacts to other departments and the public. Public Affairs implements print and broadcast advertising and media relations to educate and generate support for airport development. Public Affairs also creates media events, places signage, updates the Web site and prepares brochures and other materials that explain the terminal, airfield and landside projects. Dollars for professional services allows Public Affairs to continue implementing and maintaining programs developed for the media, the public, tenants and employees.

MAJOR 1999 OPERATING BUDGET CHANGES

Administrative Expenses	\$15,000 - of this increase is for greater and improved usage of PR Newswire to monitor media coverage and distribution of media information.
	Each of these budget increases is critical to MAC's overall effort toward developing a favorable image of MSP and the relievers. This goal can only be attained with improved communication within the business community.
Professional Services	\$53,818 - This increase represents an increase in budget for our continuing communications consultant, Padilla Speer Beardsley (PSB). PSB will provide continued and increased support for MAC's MSP 2010 Plan and will be implementing a new reliever airport community outreach program, as well. Their added services will yield an increased awareness of the MSP 2010 Plan and MAC's reliever airports, which will result in a more positive public image for MAC.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

COMMERCIAL DEVELOPMENT/AIRLINE AFFAIRS

	<u>1997</u> <u>Actual</u>	<u>1998</u> <u>Budget</u>	<u>1999</u> <u>Budget</u>	<u>\$</u> <u>Variance</u>	<u>%</u> <u>Variance</u>
Personnel	249,863	308,166	349,626	41,460	13.45%
Administrative Services	48,791	44,365	51,500	7,135	16.08%
Professional Services	368,737	162,000	162,000		0.00%
Utilities	443	300	1,000	700	233.33%
Operating Service/ Expense	6,819	14,600	14,600		0.00%
Other		<u>16,200</u>	<u>15,600</u>	<u>(600)</u>	<u>(3.70)%</u>
Expenses	674,653	545,631	594,326	48,695	259.16%

<u>HEADCOUNT SUMMARY</u>	<u>1997</u> <u>Actual</u>	<u>1998</u> <u>Actual</u>	<u>1998</u> <u>Budget</u>	<u>1999</u> <u>Budget</u>
Commercial Dev/Airline Affairs	4	5	5	6

RESPONSIBILITY/FUNCTION

This area is responsible for managing the use and leasing activities of businesses, concessions and airlines related to the following airport properties: land, terminals, buildings, warehouses, hangars and other properties; develops bid criteria and specifications for the award of concession leases; negotiates non-bid use and rental leases and other agreements for businesses, 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.

MAJOR 1999 OPERATING BUDGET CHANGES

Personnel	<p>\$34,200 - of this increase is attributable to the 1999 head count increase of one full time employee. The Assistant Manager Cargo will assist with lease negotiations and management of MSP airside/landside contracts.</p> <p>The remainder of the increase is due to annual wage increases and salary adjustments for 1999.</p>
Administrative Expenses	<p>\$3,500 - of this increase is due to the need for additional office supplies as a result of the increase in headcount. Included are: office supplies required for the employee to complete work, a binder bin, a wall partition and a workstation and chair.</p> <p>\$3,635 - of this increase is due to an increase in travel expenses and meeting costs associated with both on and off airport meetings.</p>

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

AIR SERVICE – BUSINESS DEVELOPMENT

	1997 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	163,168	155,726	172,809	17,083	10.97%
Administrative Services	53,216	50,970	72,500	21,530	42.24%
Professional Services	218,269	140,300	255,300	115,000	81.97%
Utilities	356	1,200	1,200		.00%
Operating Service/Expenses	60,610	60,300	85,300	25,000	41.46%
Other		300	300		.00%
Expenses	495,619	408,796	587,409	178,613	176.64%

<u>HEADCOUNT SUMMARY</u>	1997 <u>Actual</u>	1998 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>
Air Service – Business Development	3	3	3	3

RESPONSIBILITY/FUNCTION

This department has responsibilities in three primary areas: 1) Air Service Development – Marketing MSP for new international passenger and cargo flights and for new low cost domestic passenger flights. Promoting the facilities and services of MSP and MAC's system of airports both domestically and internationally; 2) Secondary and/or subordinate responsibility for 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; 3) Build community relations - establishing partnerships with public and private sectors to increase their awareness of the importance of air service in the region and solicit their support for such services.

MAJOR 1999 OPERATING BUDGET CHANGES

Personnel	\$17,083 - This increase is attributable to the change in an employee status from ½ time to full time. In addition, the 1998 budget included only a partial year of wages for the Manager as compared to a full year of wages in 1999.
Administrative Expenses	\$21,530 - This increase is attributable to an increase in travel and airfare expenses in order to increase exposure at carrier presentation trips and trade shows. This increase allows the Air Service Business Officer to make twelve trips in 1999, two of which will be international. The assistant manager and the project coordinator will each be taking four trips, as well. This increase in travel will enable MAC to expand its advertising and make additional contacts.
Professional Services	Each of the following increases supports the critical objective of increasing MSP's marketing strategy and will enable MAC to fully sell MSP's assets. \$125,000 - of this increase is budgeted for airline proposals targeted at the following airlines: Southwest, Midwest Express, Midway, Virgin Atlantic and EVA. \$25,000 - of this increase is budgeted for the development of the new business cargo facility. Development of the facility will provide for additional air service and, in turn, will produce additional revenue. \$45,000 - of this increase is for the development of the Grieve Business Conference Center, which will serve as a world class business office center for business travelers at MSP.
Operating Services	This budget increase will provide staff the ability to further the marketing of the reliever airport system, which will stimulate an increase in reliever airport usage. \$20,000 - of this increase is for reliever airport advertising and publications. \$5,000 - of this increase is for projected additional marketing costs.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

GENERAL COUNSEL

	1997 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	303,553	304,905	330,455	25,550	8.38%
Administrative Services	27,048	29,600	30,488	888	3.00%
Professional Services	663,789	593,100	673,100	80,000	13.49%
Utilities	815	1,000	1,030	30	3.00%
Operating Service/ Expense	4,501	1,100	1,133	33	3.00%
Other	1,928				0.00%
Expenses	1,001,634	929,705	1,036,206	106,501	30.87%

<u>HEADCOUNT SUMMARY</u>	1997 <u>Actual</u>	1998 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>
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. No changes are foreseen.

MAJOR 1999 OPERATING BUDGET CHANGES

Personnel \$6,720 - of this increase is a result of the addition of a summer intern who will aid staff in assignments. The increase also includes a promotion for an existing employee. The remainder of this increase is a result of annual wage increases and salary adjustments for 1999.

Professional Services \$80,000 - This increase is due to the need for additional legal consultant services. Currently the city of Minneapolis prosecutes MAC's police department cases. Although this process has worked in the past, there are several benefits of transferring this responsibility to the Legal Department. These benefits include: (1) the availability of a small group of attorneys to work exclusively with the MAC (currently a multitude of city prosecutors are assigned to MAC cases), (2) these attorneys will be able to prioritize and focus on MAC issues (especially MAC ordinances) better than the current prosecutors, (3) a change in venue for court appearances to the Southdale Branch from Downtown Minneapolis will result in a reduction of time and money spent for court appearances, and (4) the elimination of other cities' agendas. This process will also provide for more expedient prosecution.

This expenditure supports MAC's strategic goals of operating a safe and secure airport and building and strengthening a productive work environment.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

DEPUTY – HUMAN RESOURCES

	<u>1997</u> <u>Actual</u>	<u>1998</u> <u>Budget</u>	<u>1999</u> <u>Budget</u>	<u>\$</u> <u>Variance</u>	<u>%</u> <u>Variance</u>
Personnel	115,529	114,408	124,002	9,594	8.39%
Administrative Services	10,551	18,580	23,580	5,000	26.91%
Professional Services	4,975	2,000	6,000	4,000	200.00%
Utilities	136	300	300		0.00%
Operating Service/ Expenses		400	1,073	673	168.25%
Other	<u>4,130</u>	<u> </u>	<u> </u>	<u> </u>	<u>0.00%</u>
	135,321	135,688	154,955	19,267	403.55%

<u>HEADCOUNT SUMMARY</u>	<u>1997</u> <u>Actual</u>	<u>1998</u> <u>Actual</u>	<u>1998</u> <u>Budget</u>	<u>1999</u> <u>Budget</u>
Deputy – Human Resources	2	2	2	2

RESPONSIBILITY/FUNCTION

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.

MAJOR 1999 OPERATING BUDGET CHANGES

Personnel	\$9,594 - The increase is due to estimated wage increases and salary adjustments for 1999.
Administrative Expenses	\$5,000 - This increase is due to expenses related to the printing and distribution of two new manuals - the Pre-Retirement Manual and the Personnel Policy & Procedures Manual. These manuals will allow supervisors to administer policy with more clarity and consistency and will enable employees to better prepare for retirement.
Professional Services	\$4,000 - This budget increase is for securing a consultant who will review and advise on MAC's Pre – Retirement Employee Manual. This low-cost manual will benefit both long-term and newer employees by providing pre-retirement education. The manual will also be a retention incentive.

An outside advising source is required to assure information and data accuracy.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

HR DEVELOPMENT/STRATEGIC PLANNING

	1997 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	81,930	193,748	282,661	88,913	45.89%
Administrative Services	28,265	12,800	12,800		0.00%
Professional Services	48,053	119,000	119,000		0.00%
Operating Service/ Expense	40				0.00%
Other	<u>11,197</u>	<u>5,000</u>	<u>5,000</u>	<u> </u>	<u>0.00%</u>
Expenses	169,485	330,548	419,461	88,913	45.89%

<u>HEADCOUNT SUMMARY</u>	1997 <u>Actual</u>	1998 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>
HR Development/Strategic Planning	3	3	3	3

RESPONSIBILITY/ FUNCTION

This department works to facilitate the development of a high performing organization by assessing the learning and development needs of the organization, identifying resources that positively impact performance, influencing the development of policies and systems that drive organizational behavior and performance and by providing training that addresses organization-wide needs. Formerly known as staff development, HRD is also responsible for developing and administering the strategic planning process throughout the organization.

In 1998, divisions linked their department and individual work to MAC's strategic plan, which was developed in 1997. HRD delivered "Strategic Links" training to all managers and supervisors involved with departmental goal setting to help them link their department goals with MAC's strategic plan. The organization's mission, vision and values continue to be integrated into various processes.

As we move forward, progress updates on the strategic plan are provided twice annually to the Commission and employees. The strategic plan will continue to serve as a basis for on-going planning within each of MAC's divisions. The plan will continue to be reviewed and updated to reflect key issues and trends that face MAC and the airport industry as we move into the 21st Century.

MAJOR 1999 OPERATING BUDGET CHANGES

Personnel This increase is due to the transfer of \$46,901 in salary from cost center 79100 (Employee Services).

The remainder of the increase is due to the addition of an employee in 1998, which was budgeted in service center 75700 (Deputy-Human Relations).

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

EMPLOYEE SERVICES

	1997 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	44,666	49,950	3,049	(46,901)	(93.90)%
Administrative Services	9,187	4,100	4,100		.00%
Operating Service/Expense	32,999	45,500	45,500		.00%
Other	<u>14,259</u>	<u>3,350</u>	<u>3,350</u>		.00%
Expenses	101,111	102,900	55,999	(46,901)	(93.90)%

<u>HEADCOUNT SUMMARY</u>	1997 <u>Actual</u>	1998 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>
Employee Services	0	0	0	0

RESPONSIBILITY/FUNCTION

This area oversees programs for employee recognition and administers other employee services such as MAC logowear and various employee discount programs.

MAJOR 1999 OPERATING BUDGET CHANGES

Personnel Decrease in budget - \$46,901 in salaries and wages transferred to 76600 (Staff Development).

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

EMPLOYEE RELATIONS

	1997 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	317,163	321,249	335,705	14,456	4.50%
Administrative Services	20,694	13,800	14,214	414	3.00%
Professional Services	54,953	57,000	98,710	41,710	73.18%
Utilities	63				0.00%
Operating Service/ Expense	52,113	25,000	25,750	750	3.00%
Other	<u>17,626</u>				<u>0.00%</u>
Expenses	462,612	417,049	474,379	57,330	83.68%

<u>HEADCOUNT SUMMARY</u>	1997 <u>Actual</u>	1998 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>
Employee Relations	6	7	7	7

RESPONSIBILITY/FUNCTION

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

MAJOR 1999 OPERATING BUDGET CHANGES

Personnel	This increase is due to annual wage increases and salary adjustments for 1999.
Professional Services	\$40,000 - of this increase is for support of the 1999 hiring process.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

OFFICE OF DIVERSITY

	<u>1997</u> <u>Actual</u>	<u>1998</u> <u>Budget</u>	<u>1999</u> <u>Budget</u>	<u>\$</u> <u>Variance</u>	<u>%</u> <u>Variance</u>
Personnel	231,385	244,920	257,525	12,605	5.15%
Administrative Services	12,851	16,600	17,098	498	3.00%
Professional Services	17,358	19,000	24,000	5,000	26.32%
Operating Service/ Expense	5,422	9,900	10,197	297	3.00%
Other	19				0.00%
Expenses	267,035	290,420	308,820	18,400	37.47%

<u>HEADCOUNT SUMMARY</u>	<u>1997</u> <u>Actual</u>	<u>1998</u> <u>Actual</u>	<u>1998</u> <u>Budget</u>	<u>1999</u> <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 1999.

MAJOR 1999 OPERATING BUDGET CHANGES

Personnel	This increase is due to annual wage increases and salary adjustments for 1999.
Professional Services	\$5,000 - This increase is in support of the Partnership for Diversity Awareness Committee's initiatives, an employee organized group whose mission is to promote diversity awareness throughout MAC.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

LABOR RELATIONS/GOVERNMENT AFFAIRS

	1997 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	195,655	212,616	220,935	8,319	3.91%
Administrative Services	10,216	17,300	37,300	20,000	115.61%
Professional Services	78,384	111,000	220,000	109,000	98.20%
Utilities	611	1,250	1,250		0.00%
Operating Service/ Expense	601	8,200	8,200		0.00%
Other			7,000	7,000	0.00%
Expenses	285,467	350,366	494,685	144,319	217.72%

<u>HEADCOUNT SUMMARY</u>	1997 <u>Actual</u>	1998 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>
Labor Relations/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.

MAJOR 1999 OPERATING BUDGET CHANGES

Administrative Expenses \$20,000 - This increase is due to additional travel expenses associated with the transfer of national/federal legislative responsibilities to this department from the Air Services Business Development department. It reflects actual expenditures, not previously budgeted amounts.

Professional Services \$20,000 - of this increase is the result of the need to retain on-site consultant services in Washington D.C. due to the transfer of national/ federal legislative responsibilities to this department and is reflective of actual expenditures rather than previously budgeted amounts.

\$9,000 - of this increase is due to the increase in consultant costs associated with local state legislative services. These services will aid in staff's efforts to educate legislators on airport issues and provide for a longer session.

\$80,000 - of this increase is due to the transfer of Government affairs responsibilities from Air Services and Business Development.

These increases will allow staff to direct and coordinate federal and state programs and present MAC's positions on aviation/airport-related issues to appropriate political bodies and governmental units. This, in turn, will lead to effective aviation legislation and funding. They will also aid in producing better-educated and supportive stakeholders.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

PLANNING

	<u>1997</u> <u>Actual</u>	<u>1998</u> <u>Budget</u>	<u>1999</u> <u>Budget</u>	<u>\$</u> <u>Variance</u>	<u>%</u> <u>Variance</u>
Personnel	143,188	146,513	150,753	4,240	2.89%
Administrative Services	21,764	47,000	47,000		0.00%
Professional Services	554,252	650,000	650,000		0.00%
Operating Service/Expenses	200	10,300	10,300		0.00%
Other	<u>1,392</u>	<u>1,200</u>	<u>1,500</u>	<u>300</u>	<u>25.00%</u>
Expenses	720,796	855,013	859,553	4,540	.53%

<u>HEADCOUNT SUMMARY</u>	<u>1997</u> <u>Actual</u>	<u>1998</u> <u>Actual</u>	<u>1998</u> <u>Budget</u>	<u>1999</u> <u>Budget</u>
Planning	2	2	2	2

RESPONSIBILITY/FUNCTION

This area supervises property acquisition, planning, design, engineering and construction of all Commission facilities, as well as all Commission related environmental issues including noise, air quality and water quality. Relationships with other local, State and Federal agencies are part of the overall responsibilities.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

AIRPORT DEVELOPMENT/PART 150

	1997 Actual	1998 Budget	1999 Budget	\$ Variance	% Variance
Personnel	789,846	939,413	569,817	(369,596)	39.34-%
Administrative Expenses	54,980	56,090	89,000	32,910	58.67%
Professional Services	247,448	258,000	355,000	97,000	37.60%
Utilities	1,190	960	5,000	4,040	420.83%
Operating Services/Expense	6,649	9,200	14,000	4,800	52.17%
Maintenance	1,704				0.00%
Other	6,333	18,900	32,000	13,100	69.31%
Expenses	1,108,150	1,282,563	1,064,817	(217,746)	16.98-%

HEADCOUNT SUMMARY	1997 Actual	1998 Actual	1998 Budget	1999 Budget
Airport Development	10	13	15	22

RESPONSIBILITY/FUNCTION

Airport Development is charged with managing all aspects of the Commission's Capital Improvement Program (CIP) including, but not limited to: design consultants; construction management consultants; construction bid/award process; construction/consultant contracts; construction activities; coordination with other MAC departments, the public, tenants, state/local/federal agencies, etc; payment processes; federal/state grant-in-aid programs; and project close-out. The increase from the 1998 budget to the 1999 budget is a result of additional staff. The Commission is in the midst of the most ambitious construction program ever undertaken and the magnitude of the Capital Improvement Program requires additional management and support staff to accomplish the tasks. Beyond the CIP focussed tasks, Airport Development staff also must address issues associated with the existing airport system infrastructure, tenant requests, interagency issues, master planning, building and AOA permitting, and FAA coordination. Effective 1/1/99 the Part 150 Department has been incorporated into Airport Development.

MAJOR 1999 OPERATING BUDGET CHANGES

Personnel	Personnel costs will decrease \$369,596 from 1998. Personnel cost for positions related to the Construction Improvement Planning (CIP) will be included in the related CIP project. The 1999 budget includes seven additional positions. These positions will aid Airport Development in the increasing construction plan for MAC's 2010 Plan. Along with positions, \$18,500 was added to the budget for approximately four weeks of temporary secretarial help in order to cover vacations. The balance of the increase is for training and the participation in the continuing education program for seven new employees.
Administrative Expenses	Approximately 20% (\$9,500) of the increase is related to the incorporation of Part 150 functions into Airport Development. Approximately 30% (\$15,000) is associated with the AutoCAD/GIS software acquisition/upgrades to accommodate additional staffing needs. The remainder of the increase is related to numerous budget line item increases associated with anticipated staff increases.
Professional Services	A major component of the increase in this category (\$50,000) is anticipated costs to develop a project management system capable of interacting with JD Edwards data, which will result in construction/ consultant reports needed for proper management of the construction program. The remaining increase is needed to address non-project issues resulting from the increased complexity of airport operations.
Operating Services	The increases in this category are related to the incorporation of Part 150 efforts into Airport Development (\$8,000), and \$3,500 for general advertising associated with non – project issues.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

AIRPORT DEVELOPMENT - CONTINUED

Other	The total increase in this category are costs associated with office accommodations for anticipated staff increases.
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MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

ENVIRONMENT-PART 150

	1997	1998	1999	\$	%
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>Variance</u>	<u>Variance</u>
Personnel	80,917	81,003		(81,003)	(100.00)%
Administrative Services	12,774	9,500		(9,500)	(100.00)%
Professional Services		3,500		(3,500)	(100.00)%
Operating Service/ Expense	1,392	8,000		(8,000)	(100.00)%
Maintenance	1,704				0.00%
Other	<u>934</u>	<u> </u>	<u> </u>	<u> </u>	<u>0.00%</u>
Expenses	97,721	102,003		(102,003)	(400.00)%
<hr/>					
<u>HEADCOUNT SUMMARY</u>		<u>1997</u>	<u>1998</u>	<u>1998</u>	<u>1999</u>
Environment-Part 150		<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
		1	1	1	0

MAJOR 1999 BUDGET CHANGES

Both the Personnel and 1999 Operating Budget were transferred to the Airport Development Department.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

ENVIRONMENT/NOISE

	1997	1998	1999	\$	%
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>Variance</u>	<u>Variance</u>
Personnel	425,996	645,730	701,678	55,948	8.66%
Administrative Expenses	106,922	63,670	61,510	(2,160)	-3.39%
Professional Services	549,007	634,500	794,500	160,000	25.22%
Utilities	2,845	1,440	2,800	1,360	94.44%
Operating Services/Expense	121,798	213,650	264,250	50,600	23.68%
Other	<u>61,752</u>	<u>(2,266)</u>	<u>25,000</u>	<u>27,266</u>	<u>-1203.27%</u>
Expenses	1,268,320	1,556,724	1,849,738	293,014	18.82%

<u>HEADCOUNT SUMMARY</u>	1997	1998	1998	1999
Environment/Development	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
	13	13	14	15

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. Various types of analysis will help evaluate the existing home insulation modification packages and provide insight into development of future packages as the program proceeds beyond the currently approved DNL 65 Contour. Finally, this individual will assist with community noise monitoring requests and maintenance of the remote monitoring towers associated with ANOMS.

MAJOR 1999 OPERATING BUDGET CHANGES

Consistent with this mission the new position would conduct in-depth analysis by correlating actual aircraft overflights, from the state of the art Airport Noise and Operations Monitoring System, with both "pre" and "post" Part 150 home monitoring. This individual will also assist with community noise monitoring requests and maintenance of the remote monitoring towers associated with ANOMS.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

DEPUTY - ADMINISTRATIVE SERVICES

	1997 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	202,615	198,184	239,193	41,009	20.69%
Administrative Services	14,678	8,988	8,988		0.00%
Professional Services	9,650	50,000	52,000	2,000	4.00%
Utilities	215	150	150		0.00%
Operating Service/ Expenses	683	800	800		0.00%
Other	<u>237</u>	<u> </u>	<u>1,000</u>	<u>1,000</u>	<u>0.00%</u>
Expenses	228,078	258,122	302,131	44,009	24.69%

<u>HEADCOUNT SUMMARY</u>	1997 <u>Actual</u>	1998 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>
Deputy – Administrative Services	3	3	3	4

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, IS, Finance, Purchasing, Audit, Data Resources Management, and the mailroom.

MAJOR 1999 OPERATING BUDGET CHANGES

- Personnel \$19,467- of this increase is due to the one additional headcount included in the 1999 preliminary headcount approval. This employee will provide administrative support to the Deputy Executive Director – Administrative Services, Data Resource Manager, Director of MIS and the Internal Audit Department. This individual will also coordinate travel for the entire organization, which will streamline the process, providing both organizational and financial benefits. This person will also assist those individuals currently without secretarial support.
- \$1,000 - of this increase is for training costs associated with the new employee.
- \$10,200 - of this increase is associated with the addition of a temporary employee from January 1, 1999 through March 31, 1999.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

RISK MANAGEMENT/SAFETY

	1997	1998	1999	\$	%
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>Variance</u>	<u>Variance</u>
Personnel	3,268,204	3,244,899	3,460,153	215,254	6.63%
Administrative Expenses	18,005	14,730	14,230	(500)	(3.39)%
Professional Services	90,155	88,370	88,370		0.00%
Utilities	479				0.00%
Operating Services/Expense	319	2,500	2,500		0.00%
Other	<u>980,646</u>	<u>1,301,797</u>	<u>1,401,797</u>	<u>100,000</u>	<u>7.68%</u>
Expenses	4,357,808	4,652,296	4,967,050	314,754	6.77%

	1997	1998	1998	1999
<u>HEADCOUNT SUMMARY</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Risk Management	3	3	3	4

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. The slight increase in Personnel is due to insurance costs for new employees.

MAJOR 1999 OPERATING BUDGET CHANGES

Personnel This increase in employee insurance represents costs due to inflation and the addition of 53 employees. Keeping up with these costs will enable MAC to maintain employee benefits at their current level, which in turn will help retain and attract employees in the future. \$29,640 of this increase is due to the addition of a Safety Specialist. This person will assist in the prevention of employee and passenger injuries. \$4,820 of the remaining balance of increases is in training and estimated salaries and wage adjustments for existing personnel.

Other This increase covers the cost of additional property/casualty insurance, which is needed due to the liability associated with the increase in new construction on MAC property and could potentially save MAC millions of dollars.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

WELLNESS

	<u>1997 Actual</u>	<u>1998 Budget</u>	<u>1999 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Expenses					
Personnel	737				0.00%
Administrative Services	36				0.00%
Operating Service/ Expense	<u>126,545</u>	<u>121,500</u>	<u>125,145</u>	<u>3,645</u>	<u>3.00%</u>
Expenses	127,318	121,500	125,145	3,645	3.00%

HEADCOUNT SUMMARY

	<u>1997 Actual</u>	<u>1998 Actual</u>	<u>1998 Budget</u>	<u>1999 Budget</u>
Wellness	0	0	0	0

(The Wellness Committee is staffed by
Employee Volunteers)

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.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

FINANCE /PURCHASING

	1997	1998	1999	\$	%
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>Variance</u>	<u>Variance</u>
Personnel	1,009,586	1,063,083	1,126,178	63,095	5.94%
Administrative Expenses	89,027	109,922	116,740	6,818	6.20%
Professional Services	117,227	153,500	159,000	5,500	3.58%
Utilities	(19)				0.00%
Operating Services/Expense	103,372	116,700	249,100	132,400	113.45%
Maintenance	407	1,000	1,030	30	3.00%
Other	<u>6,071</u>	<u>24,500</u>	<u>24,750</u>	<u>250</u>	<u>1.02%</u>
Expenses	1,325,671	1,468,705	1,676,798	208,093	14.17%

<u>HEADCOUNT SUMMARY</u>	<u>1997 Actual</u>	<u>1998 Actual</u>	<u>1998 Budget</u>	<u>1999 Budget</u>
Finance/Purchasing	18	19	19	20

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 1998, Finance will monitor the consultant cost for the MAC's Financial and Human Resource software. This is a transfer of expenses from MIS.

The measures established in previous years are currently being reviewed to determine if and/or how they relate it to the Strategic Plan Goals/Objectives/tasks.

MAJOR 1999 OPERATING BUDGET CHANGES

Personnel	\$20,520 - of this increase is due to the one additional headcount included in the 1999 preliminary headcount approval. Associate Accountant will provide backup and support to non-managerial positions, support for bond documentation and compliance, PFC #4, budget support and the 1999 bond work.
Professional Services	\$5,500 - This budget increase is required in order to administer the Arbitrage Calculation as required for 1998 Series A, B, C revenue bonds. This feature complies with the IRS tax regulations and Master Bond Indenture.
Operating Services	\$55,000 – for service agreements with existing software providers JD Edwards and Showcase Strategy. \$13,000 - for fees associated with the 1998 Series A, B, C revenue bonds.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

INTERNAL AUDIT

	<u>1997</u> <u>Actual</u>	<u>1998</u> <u>Budget</u>	<u>1999</u> <u>Budget</u>	<u>\$</u> <u>Variance</u>	<u>%</u> <u>Variance</u>
Personnel	106,336	158,901	214,851	55,950	35.21%
Administrative Services	7,881	4,050	14,550	10,500	259.26%
Professional Services	4,408	25,000	60,000	35,000	140.00%
Operating Service/ Expense	151	200	2,200	2,000	1000.00%
Other	603		2,600	2,600	0.00%
Expenses	119,379	188,151	294,201	106,050	1434.47%

<u>HEADCOUNT SUMMARY</u>	<u>1997</u> <u>Actual</u>	<u>1998</u> <u>Actual</u>	<u>1998</u> <u>Budget</u>	<u>1999</u> <u>Budget</u>
Internal Audit	2	2	3	3

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. An additional staff person was authorized by the Commission to facilitate the existing audit function. Also a number of audits will be outsourced, resulting in increased Professional Services.

MAJOR 1999 OPERATING BUDGET CHANGES

Personnel	\$17,240 - This variance is due to budgeting a full year of salary of the additional Auditor that was approved in 1998. The remaining balance of the variance is due to estimated salary and wage adjustments for existing personnel. \$37,440 - of this increase is for temporary employee services. The temporary employees will help aid the staff with the completion of the 1999 audit schedule.
Administrative Expenses	The variance in this category results mainly from the increase in temporary personnel. With the additional staffing, there is an increased demand for office supplies and other fees in order to complete daily tasks. The remaining dollar variance is due to the increase in staff size. Money has been added for mileage, supplies, lodging, etc.
Professional Services	\$35,000 - this increase is the result of the complexity and the numerous requests for internal audits.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

MAC GENERAL

	<u>1997 Actual</u>	<u>1998 Budget</u>	<u>1999 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	5,522,341	5,474,584	5,975,174	500,590	9.14%
Administrative Services	40,794	48,600	48,180	(420)	(.86)%
Professional Services	191,513	40,000	40,000		0.00%
Utilities	5,838,554	5,771,299	5,323,400	(447,899)	(7.76)%
Operating Service/ Expense	1,827,816	1,525,468	1,752,768	227,300	14.90%
Maintenance	567,532	602,380	602,860	480	0.08%
Other	(976,952)	(1,263,000)	(1,263,000)		0.00%
Gross Depreciation	24,363,253	36,502,136	42,936,521	6,434,385	17.63%
Expenses	37,374,851	48,701,467	55,415,903	6,714,436	33.13%

<u>HEADCOUNT SUMMARY</u>	<u>1997 Actual</u>	<u>1998 Actual</u>	<u>1998 Budget</u>	<u>1999 Budget</u>
MAC General	0	0	0	0

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 Utilities, Operating Services and Depreciation. An RFP for electric and gas purchases is currently being developed to bid both electric and gas, effective March 1, 1999. For Gross Depreciation – see expense assumptions for a listing of projects.

MAJOR 1999 OPERATING BUDGET CHANGES

Personnel	Increase in pension costs due to added personnel and wage adjustments (\$263,999) change in Merf calculation (\$120,000), severance change (\$80,000) for new employees and an adjustment in allocation %. Also an adjustment to the post retirement fund of \$49,000. Unemployment fees in the past have not been budgeted but have averaged \$14,000 to \$17,000. The 1999 Budget for unemployment fees is \$15,000.
Operating Services	We have budgeted \$100,000 for Y2K. Transferred \$60,000 from Airport Director's budget for Airport Days and also based on prior history increased the Airport Days budget by \$20,000 for a total of \$80,000. Storm Water Monitoring fees are projected to increase \$75,000 to \$1,300,000, which is the average for the past four years.
Utilities	Utilities will decrease \$447,899 from 1998. An RFP for gas and electric will be issued for 1999.
Gross Depreciation	See attached listing of major projects scheduled to be closed in 1998 and 1999 that are causing this increase.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

MIS

	1997 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	421,946	515,333	534,201	18,868	3.66%
Administrative Services	67,581	37,704	39,400	1,696	4.50%
Professional Services	1,845		25,000	25,000	0.00%
Utilities	652	600	1,000	400	66.67%
Operating Service/ Expense	134,084	154,700	174,000	19,300	12.48%
Other	<u>(483)</u>	<u> </u>	<u>10,000</u>	<u>10,000</u>	<u>0.00%</u>
Expenses	625,625	708,337	783,601	75,264	87.31%

<u>HEADCOUNT SUMMARY</u>	1997 <u>Actual</u>	1998 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>
MIS	6	6	8	8

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.

Personnel	The increase includes two promotions of existing employees. The balance of the increase due to annual wage increases and salary adjustments for 1999.
Professional Services	\$25,000 - increase is due to costs associated with research and advisory services for hardware and software, essential to the MIS department. The use of these services will greatly assist MIS staff in the decision making process.
Operating Services	\$19,300 - increase is a result of <i>new</i> service contracts and cost increases in <i>existing</i> service contracts designed to support MACNET.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

DEPUTY-OPERATIONS

	1997 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	135,260	133,620	137,585	3,965	2.97%
Administrative Services	6,056	11,450	11,450		0.00%
Professional Services	6,210	6,000	6,000		0.00%
Utilities	1,047	500	500		0.00%
Operating Service/Expenses	<u>400</u>	<u>700</u>	<u>700</u>	<u> </u>	<u>0.00%</u>
Expenses	148,973	152,270	156,235	3,965	2.97%

<u>HEADCOUNT SUMMARY</u>	1997 <u>Actual</u>	1998 <u>Actual</u>	1998 <u>Budget</u>	1999 <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 departments 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. No significant changes are foreseen.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE - 1999 OPERATING BUDGET

ADO - GENERAL

	1997 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	246,346	264,966	324,874	59,908	22.61%
Administrative Services	32,536	32,000	36,700	4,700	14.69%
Professional Services	24,149	23,250	26,050	2,800	12.04%
Utilities	1,912	500	600	100	20.00%
Operating Service/ Expense	72,081	90,780	33,210	(57,570)	(63.42)%
Other	28,295	15,300	12,750	(2,550)	(16.67)%
Expenses	405,319	426,796	434,184	7,388	(10.75)%

<u>HEADCOUNT SUMMARY</u>	1997 <u>Actual</u>	1998 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>
ADO - General	5	3	5	11

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. Funds have been shifted to accommodate changing needs. In general, no changes are foreseen.

MAJOR 1999 OPERATING BUDGET CHANGES

Personnel	<p>\$43,092 - This increase is due to 6 new positions, Customer Service Telephone Operators. These employees will provide immediate response to our customers in the terminal buildings who are in need of directional/operational questions. Telephones placed throughout the terminals would have direct access to these personnel.</p> <p>\$8,000 - This increase is attributed to training for the Customer Service Telephone Operators.</p> <p>\$8,816 - The balance of the increase is due adjustments to salaries and wages of existing staff.</p>
Administrative Expenses	\$4,700 - This increase in Administrative Expenses is a direct result of the increase in headcount. Increases were allocated to cover the cost of supplies and travel.
Professional Services	\$2,800 - The costs for bird control have increased slightly each year. The budget for the past two years has not increased accordingly.
Operating Services	\$2,430 - The increase is due a combination of maintenance contracts. The ADO is responsible for the contracts for the terminal kiosks and electronic boards.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

TELECOMMUNICATIONS

	<u>1997</u> <u>Actual</u>	<u>1998</u> <u>Budget</u>	<u>1999</u> <u>Budget</u>	<u>\$</u> <u>Variance</u>	<u>%</u> <u>Variance</u>
Personnel	59,078	64,147	66,351	2,204	3.44%
Administrative Services	4,582	5,174	5,174		0.00%
Professional Services	11,252	35,600	35,600		0.00%
Utilities	390	800	800		0.00%
Operating Service/ Expense	79,907	106,610	113,292	6,682	6.27%
Other	11,363	10,400	10,400		0.00%
Expenses	166,572	222,731	231,617	8,886	9.71%

<u>HEADCOUNT SUMMARY</u>	<u>1997</u> <u>Actual</u>	<u>1998</u> <u>Actual</u>	<u>1998</u> <u>Budget</u>	<u>1999</u> <u>Budget</u>
Telecommunication	1	1	1	1

RESPONSIBILITY/FUNCTION

This department is responsible for the coordination of evaluating and maintaining existing or proposed telecommunications systems with the MAC.

MAJOR 1999 OPERATING BUDGET CHANGES

Personnel	\$2,204 – This increase is due to estimated salaries and wage adjustments for existing personnel.
Operating Services	\$6,682 – This increase is due to the service contracts for radios. The radio service contract includes all departments at MAC. As equipment increases so does the need for additional radios.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

AIRSIDE OPERATIONS

	1997 Actual	1998 Budget	1999 Budget	\$ Variance	% Variance
Personnel	579,710	610,410	711,976	101,566	16.64%
Administrative Expenses	12,719	19,472	33,375	13,903	71.40%
Professional Services	8,642	8,500	58,500	50,000	588.24%
Utilities	4,927	6,000	6,500	500	8.33%
Operating Services/Expense	3,402	14,300	12,650	(1,650)	(11.54)%
Maintenance	3,013	1,625	600	(1,025)	(63.08)%
Other	20,128	900	215,125	214,225	23802.78%
Expenses	632,541	661,207	1,038,726	377,519	57.10%

HEADCOUNT SUMMARY	1997 Actual	1998 Actual	1998 Budget	1999 Budget
Airside Operations	9	9	9	10

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.

MAJOR 1999 OPERATING BUDGET CHANGES

Personnel	<p>\$95,906 – This increase results of the following:</p> <ul style="list-style-type: none"> Two existing Airside Operations Assistant Managers were promoted to managers. One additional head count was requested, Systems Technician. This position will maintain Airside Operations department specific applications and hardware as well as provide an additional backup to Secured Area Access Control System under the direction of the Airport Police department. The applications include FAXNET, Airport Message Sending System; they will support and track all department radio/telephony systems. \$24,000 - This increase is due to training. With the addition of numerous computer systems within the department, the duties of the Airside Operations staff have become increasingly complex. To realize the full potential of both the systems and staff, increased training is needed. This training will provide the Airside Operations staff the ability to adequately manage, maintain and use the complex systems that are needed to provide a safe and efficient airport. Necessary for Non – MACNET computer systems in use by Airside Operations.
Administrative Expenses	<p>Increase results from general network systems maintenance, parts and supplies. In addition, the rising budget is a result of color printing and copying of forms and charts for the following projects: MSP's Runway Incursion Prevention, Wildlife Management/Awareness, Surface Movement Guidance Control System Program and MSP's Movement and Non – Movement Area Driving Programs.</p>
Professional Services	<p>The \$50,000 increase in this area is a result of the MSP driver Licensing System. This system is a part of the Runway Incursion Prevention Program and will enable MAC to better manage, control and train drivers at MSP through this computerized training.</p>

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

AIRSIDE OPERATIONS – CONTINUED

Utilities	\$500 increase for additional cell phone service for managers in order to maintain communication.
Other	<p>The total increase for Other is \$189,525. The increase is the results of the following:</p> <ul style="list-style-type: none">• \$3,800 increase for supplies for Wildlife Management Program per recommendations by USDA Wildlife Services Ecological Survey.• \$3,000 increase for inclement weather clothing for staff since the current items are scheduled for replacement as a result of the wear and tear.• \$6,600 increase attributable to office furniture necessary for a new position established in ADO. New modular pieces for existing Ops Center workspace system in order to support TracLink hardware are needed.• \$20,000 increase to cover the costs associated with Fiber Optic Cable infrastructure purchase and installation.• \$51,000 increase is a result of the need for two TracLink workstations, two printers and two Mobile Command Vehicle System laptops.• \$7,000 increase is due to the purchasing of 20 radios and Mobil Data Transmitters.• \$27,500 has been budgeted in order to secure Y2K compliance needs and new programs

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

LANDSIDE OPERATIONS

	1997 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	810,261	693,484	959,084	265,600	38.30%
Administrative Expenses	31,526	39,770	115,504	75,734	190.43%
Professional Services	198,395	222,050	228,652	6,602	2.97%
Utilities	711	1,200	1,500	300	25.00%
Operating Services/Expense	6,763,930	7,423,839	7,117,459	(306,380)	(4.13)%
Maintenance	22,581	36,500	37,595	1,095	3.00%
Other	40,039	87,000	89,610	2,610	3.00%
Expenses	7,867,443	8,503,843	8,549,404	45,561	0.54%

<u>HEADCOUNT SUMMARY</u>	1997 <u>Actual</u>	1998 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>
Landside Operations	17	19	20	27

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. This 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.

MAJOR 1999 OPERATING BUDGET CHANGES

Personnel \$102,796 - This increase is due to six additional Passenger Service Assistants, permanent part time employees and One Full time Passenger Service Assistant. The part time permanent employees will be used to staff the information booths at the baggage claim and Ground Transportation Center areas. Currently MAC uses part time employees to staff these areas. Because of the high turnover rate with part time temporary positions, it is counter productive to recruit, interview, conduct background checks, and train new temporary personnel. One full time Passenger Service Assistant will assist the traveling public at the taxi starter booth according to MAC Ordinance 81 and strict Landside policies. The taxi business has increased from an average trip per day of 1,200 in 1997 to 1,700 in 1998.

\$46,594 - Part Time Temporary Passenger Service Assistant for the main the information booths. Currently Landside Operations has authorization for 9 full time Passenger Service Assistance. Temporary personnel are used to fill the balance of staff coverage. Because of the existing personnel policy, temporary employees will be terminated after a two year period. Six of the temporary positions have been moved to permanent part time.

\$54,370 - The increase is due to promotions of existing employees and estimated salary and wage adjustments.

With the increases in staff Landside Operations will be able to provide acceptable taxi starter service at the Lindbergh Terminal, a presence at the information booth to assist passengers, and begin a taxi starter service at the HHH terminal during charter season.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

LANDSIDE OPERATIONS – CONTINUED

Administrative Expense \$75,734 - This increase is due to software and hardware replacement required for the year 2000.

Utilities Increase result of cell phones added for better communications with Landside agents operating in the field.

Operating Services \$374,838 - APOCA salaries and wages for the existing contract were slightly under funded in the 1998 budget. 38% of the 1999 increase will adjust the budget to the current expense levels. The balance of the increase is due to the 1999 increases in wages and fringe benefits for Apcoa employees.

\$306,380 - Previously MAC would transport passengers a short distance to the ready car lots via motor coach. The new Auto Rental Facility is currently under construction. All auto rental ready car lots have been moved to off-airport facilities. Temporary shuttle services to transport passengers back and forth to these locations will be included in the fee structure.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

HHH TERMINAL

	1997 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	56,895	62,901	93,877	30,976	49.25%
Administrative Services	816	5,950	8,600	2,650	44.54%
Professional Services	300	500	500		0.00%
Utilities			900	900	0.00%
Operating Service/ Expense	237	11,900	16,050	4,150	34.87%
Maintenance	13,878	13,000	13,000		0.00%
Expenses	72,126	94,251	132,927	38,676	128.66%

<u>HEADCOUNT SUMMARY</u>	1997 <u>Actual</u>	1998 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>
HHH Terminal	1	1	1	2

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.

MAJOR 1999 OPERATING BUDGET CHANGES

Personnel	\$30,976 - This increase is due to the addition of an Assistant Manager -HHH/IAF. The Assistant Manager position will aid in the coordination and administrative duties of common use terminal facilities including the HHH Terminal, IAF and other MAC controlled facilities. The balance of the increase is due to estimated salary and wage adjustments for existing personnel and training for both positions.
Administrative Expenses	\$2,150 - Additional costs associated with new employee such as, travel allocation and mileage.
Utilities	\$900 - Cellular phone for Dept. Manager. The budget includes the one time cost for the purchase of the cellular phone.
Operating Services	\$3,300 - Is a result of an increase to cover the service agreements for equipment in the IAF.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

FACILITIES-LINDBERGH TERMINAL

	1997 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	381,078	413,557	582,681	169,124	40.89%
Administrative Expenses	4,882	11,900	13,700	1,800	15.13%
Professional Services	8,996	2,500	2,500		0.00%
Utilities	438	350	650	300	85.71%
Operating Services/Expense	6,154	4,800	10,400	5,600	116.67%
Maintenance	4,503,271	4,251,691	4,811,454	559,763	13.17%
Other	22,978	10,805	28,997	18,192	168.37%
Expenses	4,927,797	4,695,603	5,450,382	754,779	16.07%

	1997 <u>Actual</u>	1998 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>
HEADCOUNT SUMMARY				
Facilities – Lindbergh Terminal	9	9	10	14

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.

MAJOR 1999 OPERATING BUDGET CHANGES

Personnel \$33,758 - This increase is due preliminary approval of one additional staff position, Airport Facilities Assistant. This position will escort all deliveries from "D" street checkpoint to loading docks, stock main terminal, HHH terminal, Concourses and Auto Rental Building with restroom supplies. Also put out informational brochures at kiosks, arrange terminal furniture as directed, pick up paper for recycle from offices. Required to do lifting and stocking of supplies, maintaining an inventory of supplies, working with the Facilities Office staff to make sure adequate supplies are ordered and in stock. A portion of the increase is due budgeting a full year of salary for the Auto Tech. This was a position that was approved during the 1998 budget process. Salaries and wages for the Auto Tech were based on a partial year due to the projected hiring date. The Personnel budget also includes the addition of 2 headcounts from the West Terminal Building Department. The duties and responsibilities related to the West Terminal were allocated to Facilities, Energy Management Center, Plumbing and Reliever Airports.

Maintenance \$375,963 - The increase in this category is due to the following items:

- Windows - due to increased glass from the Green Concourse renovation.
- Janitorial - due to additional space (square footage) added - i.e. moving sidewalks on Green Concourse.
- Elevators & Escalators - additional equipment coming out of warranty that the in-house company will be taking over. One elevator, in the operations area, eight elevators and eight escalators in the GTC area.
- A lift was added to the boiler plant area, also, moving sidewalks on the green.
- An additional shift will be added to the coverage given buy the in-house elevator company for a 4-month period starting in September.
- P/A system – the system is old and the increase is a true reflection of the cost of maintaining it. A new system will be installed in 1999 through the CIP program.
- The additional MAC facilities responsibilities added to Facilities-Lindbergh Terminal are Maintenance buildings, General Office, and various office and hangar facilities.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

FACILITIES-ENERGY MANAGEMENT CENTER

	1997 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	653,556	648,517	708,453	59,936	9.24%
Administrative Services	678	2,800	2,850	50	1.79%
Utilities	6,166	640	640		0.00%
Operating Service/ Expense	543	1,200	1,200		0.00%
Maintenance	165,067	155,700	295,040	139,340	89.49%
Other	2,494	487	487		0.00%
Expenses	828,504	809,344	1,008,670	199,326	100.52%

<u>HEADCOUNT SUMMARY</u>	1997 <u>Actual</u>	1998 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>
Facilities-Energy Management Center	13	13	13	15

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

MAJOR 1999 OPERATING BUDGET CHANGES

Personnel	\$59,936 - The majority of this increase is due to the preliminary approval of two Operating Engineers. The balance is attributed to estimated salary and wage adjustments for existing personnel.
Maintenance	\$139,340 – In an effort to reduce duplicate work effort, a portion of the duties and responsibilities associated with the West Terminal were centralized in the Energy Management Center. The increase in the Maintenance budget is a result of the expanded area of service.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

WEST TERMINAL AREA

	<u>1997 Actual</u>	<u>1998 Budget</u>	<u>1999 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	102,715	106,036		(106,036)	(100.00%)
Administrative Expenses	734	2,700		(2,700)	(100.00%)
Professional Services	5,526				(100.00%)
Utilities	342	300		(300)	(100.00%)
Operating Services/Expenses	10,378	5,350		(5,350)	(100.00%)
Maintenance	394,276	347,565		(347,565)	(100.00%)
Other	<u>15,628</u>	<u>16,832</u>		<u>(16,832)</u>	<u>(100.00%)</u>
Expenses	529,599	478,783	0	(478,783)	(600.00%)

<u>HEADCOUNT SUMMARY</u>	<u>1996 Actual</u>	<u>1997 Actual</u>	<u>1998 Budget</u>	<u>1999 Budget</u>
West Terminal Area	2	2	2	0

RESPONSIBILITY/FUNCTION

In an effort to reduce redundant work effort and centralize duties and responsibilities, the West Terminal building budget has been allocated to Facilities-Linbergh, Energy Management Center, Plumbers, and Reliever Airports.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

TRADES

	1997 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	1,613,856	1,619,451	1,818,985	199,534	12.32%
Administrative Expenses	3,857	10,250	12,570	2,320	22.63%
Professional Services	3,176	5,400	5,400		0.00%
Utilities	1,312	1,360	2,360	1,000	73.53%
Operating Services/Expense	11,030	6,200	7,100	900	14.52%
Maintenance	550,462	542,874	610,992	68,118	12.55%
Other	8,120	35,803	31,450	(4,353)	(12.16)%
Expenses	2,191,813	2,221,338	2,488,857	267,519	12.04%

<u>HEADCOUNT SUMMARY</u>	1997 <u>Actual</u>	1998 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>
Trades	28	31	31	36

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 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.

MAJOR 1999 OPERATING BUDGET CHANGES

Trades-Electricians

Personnel - Electricians \$86,463 - The increase in personnel is attributed to 1999 Preliminary Headcount approval. The Electric shop requested two additional Electricians to aid in the maintenance of the new taxiways, deicing facility, parking ramp, expanded Green Concourse and all new areas that require maintenance. With the addition of the new staff the Electric Shop will not need temporary Electricians to maintain the current level of operation or the increased levels of responsibilities. \$28,763 of the variance estimated salary and wage adjustments for existing personnel and the full year verses partial year of wages for the 1998 approved Electrician.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

TRADES - CONTINUED

Maintenance - Electricians The increase in this category is due to the following factors:

- 1.) \$10,000 increase in the cost of Field Lights/ Sensors. Additional taxiways and lighting has been added and the style of the lights was changed.
- 2.) \$2,000 increase associated with Gate Supplies. The increase is due to the movement, addition, and replacement of several gates.
- 3.) \$13,433 increase for General Supplies. Over the year several different types of fixtures and lamps have been installed throughout MAC property. Several of the newer fixtures have very costly lamps. In addition, the cost of routine lamps has increased since last year.

Trades – Painters

Personnel - Painters \$32,522 - A large portion of this increase is related to the 1999 Preliminary Headcount Approval of one full time painter position. The remainder of the increase is due to estimated salaries and wage adjustments for existing personnel.

Trades – Carpenters

Personnel - Carpenters \$38,382 - The majority of the variance is due to the preliminary approval of one Carpenter. The remaining increase in this area is due to estimated salary and wage adjustments for existing personnel and the full year verses partial year of wages for the 1998 approved Carpenter. It should also be noted that \$601 has been allocated in order to cover fees for another uniform for the added employee.

Maintenance - Carpenters \$11,585 - The department reallocated funds from the Other category. The funds were added to maintenance doors. As our facilities age, items are requiring frequent replacement or repair.

Trades – Plumbers

Personnel – Plumbers \$42,167 – The increase in personnel is a result of the Preliminary Headcount Approval for 1999. The additional employee will be a full time journeyman plumber. His or her responsibilities will be based on the current contract. The balance of the increase is due to estimated salaries and wage adjustments for existing personnel.

Other - Plumbers \$3,000 - For the purchase of a utilities locator. This electronic device will locate underground sewer and water systems.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

MAINTENANCE

	1997 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	4,477,260	4,333,128	5,176,299	843,171	19.46%
Administrative Expenses	28,447	59,089	58,205	(884)	1.50-%
Professional Services	40,304	46,000	45,000	(1,000)	2.17-%
Utilities	3,788	3,500	3,650	150	4.29%
Operating Services/Expense	26,212	15,250	19,950	4,700	30.82%
Maintenance	2,146,908	1,976,173	2,720,477	744,304	37.66%
Other	54,398	59,226	92,575	33,349	56.31%
Expenses	6,777,317	6,492,366	8,116,156	1,623,790	25.01%

<u>HEADCOUNT SUMMARY</u>	1997 <u>Actual</u>	1998 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>
Maintenance	84	94	101	113

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 Maintenance is because the added MSP Airside and Landside pavement surfaces will require additional quantities of deicing chemicals to provide safe, efficient and accessible pavement surfaces for all users. In addition, 1998 NPDES permit compliance may require MAC to discontinue urea deicer usage, pending successful testing of suitable replacement deicers. To date, solid sodium formate and liquid potassium acetate have shown promise as possible urea substitutes, however, costs of sodium formate may be five to six times that of urea, and potassium acetate may be 20 times as expensive as urea. To accommodate additional pavements, expanded deicer testing, and a forecasted 50% increase in the supplier's delivered cost for urea, the Field Maintenance line item cost for pavement deicers must be increased.

MAJOR 1999 OPERATING BUDGET CHANGES

Personnel

The increase in personnel is partially the result of preliminary headcount approval figures for 1999. Funds have been allocated for the addition of twelve new employees. One of the positions will be a full time receptionist. He or she will perform day to day operations such as office administrative, phone answering, office inventory, processing of time sheets, purchase order process, supply ordering and receiving, etc. There are two heavy equipment operators. With the expansion and onset of winter conditions, he or she will provide a safer and more efficient maintenance service at MSP. There are eight field maintenance workers. These individuals will provide a safer more efficient environment and will also facilitate increased annual turf restoration, grass cutting, signage work, pollution control, trash and debris cleanup, etc. An additional shop foreman is requested to aid in the oversight of the maintenance of MAC's expanded fleet. These positions will add approximately \$400,000 to the budget. Annual wage and salary adjustments add \$126,000. Overtime and double time account for \$470,000 of the increase. As more area is added and demands placed on maintenance increase by air carriers to get runways back in operation quicker, the budget figures are more in line with historical operations.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

MAINTENANCE - CONTINUED

Maintenance

The increase can be attributed to the following: The changes in plow cutting edges (from steel to polyurethane). This change was due to the FAA requiring new additional runway edge, centerline and touchdown lighting systems on 12R/30L and 22/4. This change adds approximately \$170,000 to the budget. In addition, the size of fleet has grown in 1998 and 1999. Recent history has indicated that expenditures have been between \$150,000 and \$225,000 over budget, therefore \$200,000 has been added to the budget. The balance of the increase is attributed to the additional cost of operating and maintaining our facility. With expanded areas, longer distances to drive, the increase in these costs is projected to be in line with the average amount expended over the past three years. Additional supplies, materials, and environmental testing all are included in this increase.

Other

Previously minor equipment tools have not been budgeted. The average expenditures for this line item have been \$8,000 - \$10,000 for the past four years.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

COMMUNICATIONS

	1997 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	453,732	505,687	536,907	31,220	6.17%
Administrative Services	9,360	11,950	12,308	358	3.00%
Professional Services	1,170				0.00%
Utilities	457	500	500		0.00%
Operating Service/ Expense	14,958	18,150	18,694	544	3.00%
Other	7,528	9,850	16,083	6,233	63.28%
Expenses	487,205	546,137	584,492	38,355	75.45%

<u>HEADCOUNT SUMMARY</u>	1997 <u>Actual</u>	1998 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>
Communications	10	11	11	11

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. The present staff provides 24-hour coverage 365 days a year. From 1990 to 1996 activity has increased in the following areas: police calls for service – 42%, fire calls – 27%, facility alarms – 79%, and secured area access points (FAA mandated) – 98%.

MAJOR 1999 OPERATING BUDGET CHANGES

Personnel	<p>\$28,220 - This increase is due to estimated salaries and wage adjustments for existing personnel.</p> <p>\$3,000 - This increase is due to additional budgeted hours for overtime. The total number of overtime hours for 1996 and 1997 were 2,238 and 2,471 respectively. The budgeted overtime was 2,000 hours per year. The \$3,000 increase will increase the overtime hours approximately 106 hours, based on the average hourly wage for the department.</p>
Other	<p>\$6,233 - This increase is the results of a growing department. Budgeting for these items was not included in previous budgets. The following are the various adjustments and a brief justification for each increase:</p> <ul style="list-style-type: none"> • \$963 increase in order to add caller ID functions to existing position telephones at three dispatcher workstations. Also, a portion of this adjustment is to replace binoculars with upgraded jocularity. • \$2,560 increase is a result of the addition of two rolling file cabinets and the replacement of two worn out console chairs. • \$460 increase for the replacement of two headsets. • \$2,250 increase to supersede 1 UPS/uninterruptible power supply battery, two cell phone batteries and a television monitor.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

FIRE

	1997 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	2,088,038	2,406,052	2,333,544	(72,508)	3.01-%
Administrative Expenses	17,651	26,320	26,320		0.00%
Professional Services	5,340	10,500	10,500		0.00%
Utilities	1,040	1,800	1,800		0.00%
Operating Services/Expense	14,802	21,553	21,553		0.00%
Maintenance	7,127	4,948	4,948		0.00%
Other	69,003	115,160	155,960	40,800	35.43%
Expenses	2,203,001	2,586,333	2,554,625	(31,708)	1.23-%

<u>HEADCOUNT SUMMARY</u>	1997 <u>Actual</u>	1998 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>
Fire	38	39	40	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. Fire fighters are prepared to respond to fires, accidents and medical emergencies on a 24 hour basis.

MAJOR 1999 OPERATING BUDGET CHANGES

Personnel	\$72,508 – This decrease is the result of adjusting for prior period changes.
Other	\$40,800 – This increase is due to the need for an emergency reserve supply of lightwater and replacement of old and damaged fire fighting safety equipment.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

POLICE

	1997 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	3,505,519	3,774,065	4,116,101	342,036	9.06%
Administrative Expenses	70,929	96,750	110,600	13,850	14.32%
Professional Services	39,989	59,900	55,300	(4,600)	7.68-%
Utilities	3,784	3,200	3,000	(200)	6.25-%
Operating Services/Expense	224,653	260,654	287,100	26,446	10.15%
Maintenance	27,061	59,400	61,400	2,000	3.37%
Other	(272,503)	33,405	23,940	(9,465)	28.33-%
Expenses	3,599,432	4,287,374	4,657,441	370,067	8.63%

<u>HEADCOUNT SUMMARY</u>	1997 <u>Actual</u>	1998 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>
Police	73	76	83	88

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.

MAJOR 1999 OPERATING BUDGET CHANGES

Police-Administration/Training

Personnel	<p>\$336,736 - This increase is due to estimated salaries and wages adjustments, overtime, Temporaries, and training.</p> <ul style="list-style-type: none"> \$103,298 of the increase in personnel is based on 1999 Preliminary Headcount addition of five employees and annual wage and salary adjustments. The Police Officers will be responsible for law enforcement duties at the airport, which include patrol, filed security, calls for service and crime prevention. The other full time position will be a Police Sergeant that will supervise and develop the police personnel in the patrol division. In addition, he or she would be accountable for facilities and division equipment. \$96,865 in overtime expenses. This is an increase from 8,000 hours in 1998 to 9,200 hours in 1999. The increase is needed as a result of the construction of the Car Rental Return Facility and the dedication of the officers for traffic control. \$8,500 represents the lease of Maple Grove Training Facility for firearm qualifications. \$530 increase for personnel to attend local courses, conferences and workshops. \$2,100 increase denotes the cost of annual uniform allowance (\$525 per officer) and the additional headcount.
Administrative Expenses	\$13,700 – Additional costs relate to changing of the badging system and continued increase in the number of badges issued. Additional dollars are also for travel to participate in two national conferences for ALEAN (Airport Law Enforcement Network).
Operating Services	\$22,975 - This increase in costs can be attributed to the service agreement costs and parts associated with the Secured Access System.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

POLICE - CONTINUED

Maintenance

Increase due to replacement of existing equipment carried in each squad car (i.e. first aid equipment, medical bags, disposable blankets, flares, lockout tools, flex cuffs and evidence collection kits) and maintenance costs for fingerprint machine. There is a minimum of a \$600 charge to respond and repair.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 1999 OPERATING BUDGET

RELIEVERS

	1997 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	1,483,274	1,500,995	1,569,532	68,537	4.57%
Administrative Expenses	21,728	37,050	34,550	(2,500)	(6.75)%
Professional Services	87,227	28,996	44,996	16,000	55.18%
Utilities	13,393	4,000	1,200	(2,800)	(70.00)%
Operating Services/Expense	90,106	59,000	57,600	(1,400)	(2.37)%
Maintenance	405,526	605,850	645,252	39,402	6.50%
Other	17,463	45,450	40,860	(4,590)	(10.10)%
Expenses	2,118,717	2,281,341	2,393,990	112,649	4.94%

HEADCOUNT SUMMARY

	1997 <u>Actual</u>	1998 <u>Actual</u>	1998 <u>Budget</u>	1999 <u>Budget</u>
Relievers	27	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 increase in Maintenance is created by the control tower at the Anoka County/Blaine Airport. This building and its contents are owned and maintained by the MAC. Included in the maintenance is a contract to maintain the electronic equipment to FAA standards. Also included is a contract for monthly window washing, which is a FAA requirement.

MAJOR 1999 OPERATING BUDGET CHANGES

Relievers

Personnel	This increase is due to estimated salaries and wage adjustments for existing personnel.
Maintenance	Increases due to the transfer of responsibilities and budget from West Terminal. The West Terminal budget included maintenance for the Main Office Building.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 1999 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.
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, and 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.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 1999 OPERATING BUDGET

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 1999, 2000, 2001, and the extended period 2002-2005 (i.e. the proposed Capital Improvement Plan for 1999) 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 1998 dollars.

CAPITAL IMPROVEMENT PLAN SUMMARY (CIP)					
(\$ = 000)					
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002-2005</u>	<u>Total 1999-2005</u>
Minneapolis/St. Paul Int'l					
Field & Runway	\$ 85,900	\$166,050	\$ 121,700	\$160,300	\$ 533,950
Environmental	42,470	31,070	29,570	101,996	205,106
Self-Liquidating	18,300	800	1,400	1,100	21,600
Landside	270,305	115,950	51,950	35,300	473,505
Total Minneapolis/St. Paul Int'l	<u>\$416,975</u>	<u>\$313,870</u>	<u>\$204,620</u>	<u>\$298,696</u>	<u>\$1,234,161</u>
Reliever Airports					
St. Paul	\$ 11,850	\$ 100	\$ 500	\$ 900	\$ 13,350
Flying Cloud	41,350	8,700	5,700	5,250	61,000
Crystal	1,200	700	450	550	2,900
Anoka	2,900	900	14,100	5,250	23,150
Lake Elmo	405	2,400	200	4,600	7,605
Airlake	2,160	1,100	0	8,200	11,460
Total Reliever Airports	<u>\$ 59,865</u>	<u>\$ 13,900</u>	<u>\$20,950</u>	<u>\$ 24,750</u>	<u>\$ 119,465</u>
Total All Facilities	<u><u>\$476,840</u></u>	<u><u>\$327,770</u></u>	<u><u>\$225,570</u></u>	<u><u>\$323,446</u></u>	<u><u>\$1,353,626</u></u>

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 1999 OPERATING BUDGET

The seven-year total of approximately \$1,354 million represents an increase of \$202 million from the previous year's CIP. This increase can be attributed to adjustments/revisions to the dual track decision to expand MSP International.

The Construction Budget below represents anticipated sources and uses of funds during the years 1999-2001. The information for 1998 indicates expected transactions during the fourth quarter.

CONSTRUCTION BUDGET 1999 (\$ = 000)

	<u>Estimated 1998</u>	<u>Budget 1999</u>	<u>Projected 2000</u>	<u>Projected 2001</u>	<u>Projected Total</u>
Sources of Funds					
Balance 12/31/97	\$123,320				\$123,320
Balance Carried Forward		\$ 111,342	\$165,622	\$178,185	
Transfer From Operating Fund	40,000	42,611	45,000	47,456	175,067
PFC Funding	36,531	37,262	38,007	38,767	150,567
Federal Grants	6,163	7,207	7,356	7,449	28,175
State Grants	1,200	1,200	1,200	1,200	4,800
Interest Income ¹	5,028	5,000	5,500	5,250	20,778
Net Bond Proceeds – 1998	297,392	0	0	0	297,392
Principal Amount of Bonds	0	350,000	300,000	0	650,000
Federal Letter of Intent (LOI)	0	9,000	10,000	13,000	32,000
Total Sources of Funds	\$ 386,314	\$452,280	\$407,063	\$113,122	\$1,358,779
Uses of Funds					
CIP Project Costs	(\$398,292)	(\$350,000)	(\$350,000)	(\$250,000)	(\$1,348,292)
Debt Service Reserve	0	(22,500)	(21,000)	0	(43,500)
Capitalized Interest	0	(22,500)	(21,000)	0	(43,500)
Issuance Expenses	0	(3,000)	(2,500)	0	(5,500)
Total Use of Funds	(\$398,292)	(\$398,000)	(\$394,500)	(\$250,000)	(1,440,792)
Balance Carried Forward	<u>\$ 111,342</u>	<u>\$165,622</u>	<u>\$178,185</u>	<u>\$41,307</u>	<u>\$41,307</u>

¹ Interest Rate Assumed 5.0 in 1998 through 2001.

Funding Source Summary

Current Balance	8.32%
Transfer From Operating Budget	11.81%
PFC Funding	10.16%
Federal Grants	1.90%
State Grants	0.32%
Interest Income	1.40%
Net Bond Proceeds - 1998	20.07%
Principal Amount of Bonds	43.86%
Federal Letter of Intent (LOI)	2.16%
Total Sources of Funds	100.00%

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 1999 OPERATING BUDGET

SOURCES AND USES

From 12/31/98 through 2000, MAC has identified nine funding sources totaling \$1,482,099,000 including a beginning balance of \$123,320,000. During this period, MAC will expend \$1,440,792,000 leaving a net balance of \$41,307,000 at the end of 2001.

SOURCES

Each source of funding is discussed below.

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. The significant increase from 1999 to 2000 can be attributed to the rise in concessions revenue and airline rates and charges. The concessions increase is due to the completion of a major renovation project; a new agreement to manage these concessions with Host-Marriott included new branded facilities (a branded facility is typically a national franchise, i.e. McDonalds) and increased passenger activity. Airline rates and charges revenue will increase due to the completion of some significant rehabilitation projects. It is projected that \$175.1 million will be transferred over this four-year period or 11.81% of the total sources of funds.

PFC funding or Passenger Facility Charge funding is the fourth largest funding source at \$150.6 million or 10.16% 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. The \$66 million application was completed (i.e. funded) on July 31, 1994. A second application was approved in 1994 totaling \$113 million. Collection on this application began on August 1, 1994, and will continue through December 1999. This application was submitted to be amended in November 1997. The amendment requested additional funding of \$18,846,000 and an extension of the collection period from May 1999 through December 1999. This amendment was necessary due to a reduction in anticipated Federal Aid. A decision on the amendment was expected in December 1997 or January 1998. A third application for \$32.7 million was approved in December 1995. Collection on this application began in August 1996 and was fully funded in 1997. The Commission submitted a fourth application totaling \$55 million in July 1998. Approval of this application by the Federal Aviation Administration was received in December 1998. This will allow PFC funding to continue through mid 2000.

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 \$28.2 million or 1.90% of the sources listed above. Certain criteria must be met when an application for a project is submitted to the FAA. If the criteria are met, the grant money may be issued.

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 \$4.8 million or 0.32% of the total funding through 2001.

Interest Income is based on the balance in the fund. As noted above, a 5.0% rate is assumed for 1998 through 2001. This figure can vary significantly depending upon approval of projects and their starting dates. Interest Income of \$20.8 million or 1.40% of sources is projected.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 1999 OPERATING BUDGET

Net Bond Proceeds – 1998 represents the amount from the General Airport Revenue Bonds (GARBs) that were issued in June 1998. Three series were issued for various projects. (See Debt Service section for further details. These proceeds comprise 20.07% or \$297.4 million of the total funding sources.

Bond Funding, the largest source, will make up \$650.0 million or 43.86% of the total. The Commission will issue approximately \$740.0 million in debt. This figure includes estimated proceeds of \$650.0 million and debt service reserve, capitalized interest, and issuance costs of approximately \$90.0 million. These bond issues are discussed in more detail in the Debt Service Budget.

Federal Letter Of Intent (LOI) is a grant program similar to Federal Grants listed above. MAC submitted an application in June 1998 totaling \$186 million. As of the date of budget approval, the amount of LOI funding approved or to be approved was not yet known. Staff, based on similar circumstances at other airports has identified \$32 million or 2.16% over the four-year period shown above.

USES

There are four general categories of uses listed. The first, CIP project costs (\$1,348.3 million) represent 93.5% of the total. The other three categories relate to the bond issues described above and in the Debt Service Budget and comprise the other 6.5% 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. Significant project costs include those associated with construction of runway 17/35, land acquisition for runway 17/35, public parking facilities, and additional terminal facilities.

The balance carried forward at the end of 2001 can be attributed to a number of significant projects scheduled to begin in early 2001. It is quite possible that this balance will be quite different 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 whose estimated cost is greater than \$5.0 million.

PROJECTS IN PROCESS (As of December 1, 1998)		
(\$ = 000)		
Project Description	Estimated Project Cost	Payments To Date
Runway 4/22 Extension	\$11,062	\$10,898
MAC Trades Building	5,508	5,148
Green Concourse Moving Walkways	12,605	11,905
Parking Facilities	115,747	28,612
Part 150 Sound Insulation Projects (Homes & Schools)	67,399	52,385
Taxiway W & Runway 12R/30L Reconstruction	23,000	22,811
Humphrey Terminal Fuel Farm Facility	5,629	5,399
Runway 12L Deicing Apron	9,350	8,320
Automated People Mover	12,774	2,343
All Other Projects In Process	58,284	34,395
Total All	<u>\$321,358</u>	<u>\$182,216</u>

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 1999 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 1999 and 2000. The reason you see projects listed below and in the Projects In Process chart on the previous page is due to the different phases a particular project may have.

CAPITAL IMPROVEMENT PROJECTS (Dollars in Thousands)

MSP International

Field and Runways

Green Concourse Apron Expansion

The expansion of the Green Concourse will require the expansion of the apron and fueling hydrant system which will be required to serve the new gates. The apron and fueling system will be constructed in phases beginning in 1999 as gates are added to the concourse. The apron and fueling system required to serve the first 4 new gates will be included in the 1999 project.

\$7,000

Green Concourse Temporary Regional Apron

To accommodate the growing fleet of regional aircraft, additional apron is required in the vicinity of the Regional Terminal. As the Green Concourse is extended, the Regional Terminal will be relocated and new permanent apron constructed. This project will be constructed in two-phases. The project to construct the apron required for the first four gates on the Green Concourse will be bid in 1999. The project in 2000 will provide for the construction of the apron to serve the remainder of the new gates on the Green Concourse as well as the new Regional Terminal.

\$2,500

\$2,500

Pavement Rehabilitation – Aprons

An ongoing project 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. 1999's project will include the reconstruction of the apron adjacent to Gates 21, 24, 26 and 30 on the Red Concourse. Joint sealing of existing concrete pavements will also be part of this project. The 2000 projects will include the reconstruction of the apron adjacent to Gates 1 and 2 on the Gold Concourse and also a segment on the north side of the Blue Concourse.

\$3,500

\$3,500

Runway 12R Deicing/Holding Pad

This project will construct the airport's deicing/holding pad on Runway 12R to allow for the efficient deicing of aircraft and collection of glycol as well as for the holding of aircraft for operational reasons. The construction of Taxiway B from Taxiway M west around the 12R pad to the end of Runway 12R/30L will be included with this project. Taxiway B will provide the primary access to the pad.

\$18,000

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 1999 OPERATING BUDGET

MSP International

	1999 \$	2000 \$
<u>Pavement Rehabilitation – Runway 12R/30L</u>	\$14,500	
This is the continuation of the reconstruction of Runway 12R/30L and includes the reconstruction of the southeast 2900 feet of the runway and the realignment of Taxiway A from A1 to A3.		
<u>Runway 17/35 Construction</u>	\$39,500	
There are four major projects to be bid in 1999 associated with the construction of Runway 17/35. These projects include the following:		
<ul style="list-style-type: none"> • Grading and utility construction in the New Ford Town area • Site preparation and utility installation in the infield area bordered by Runways 17/35, 4/22 and 12R/30L • Site preparation for the Runway 17/35 deicing pad • Trunk storm sewer construction from 66th Street to 494 		
There will be five major projects bid in 2000 associated with the construction of Runway 17/35. These projects include:		
<ul style="list-style-type: none"> • Placing subbase, base and concrete pavement on the north segment of the runway and parallel taxiway • Site preparation and earthwork on the west side north of the tunnel • Site preparation and earthwork on the west side south of the tunnel • Paving of the FED EX and UPS aprons • Paving of the deicing pad • These projects will be bid in 2000 with work continuing into 2001. 		\$117,900
<u>Runway 30L Deicing/Holding Pad</u>	\$3,500	
This will Provide a larger area for the deicing of aircraft utilizing Runway 30L for departures. This project will provide for the paving of the area bordered by Taxiway A on the south, the Northwest Airlines apron on the north, and Exit Taxiways A2 and A3 on the west and east.		
<u>Runway 30L Safety Area Improvements</u>	\$3,000	
The length of the Runway 30L safety area (RSA) does not meet the current FAA standard of 1000 feet. Northwest Drive will be realigned in 1999 to extend the length of the RSA from 865 feet to 900 feet. In order to enhance the safety of aircraft operating on this runway, this project will construct an Engineered Materials Arresting System (EMAS). An EMAS is comprised of cellular cement located beyond the end of the runway and is designed to minimize the potential for structural damage to aircraft overrunning the runway during an aborted takeoff or while landing. The EMAS is a passive system that exerts predictable deceleration forces on an aircraft's landing gear as the cellular cement is crushed beneath the weight of an aircraft.		
<u>Runway 17/35 Land Acquisition</u>		
This will be a continuation of the acquisition of off-airport land as well as lease extinguishment required to provide for the Runway 17/35 Protection Zone (RPZ). Cost for these items will be determined based on negotiations with the impacted property owners. No cost estimate available at current time.		

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 1999 OPERATING BUDGET

MSP International

	1999 \$	2000 \$
<u>Runway 4/22 Extension</u> This project will provide for the construction of a 1,000 foot extension to the northeast end of Runway 4/22 to accommodate non-stop air serve to the Pacific Rim countries. Land required for the runway extension will also be acquired under this project.		\$7,000
<u>Runway 4/22 Reconstruction – Segment 3</u> Reconstruction of the northeast 2000 feet of Runway 4/22 is required as the pavements have reached the end of their useful life.		\$8,500
<u>Stormwater Collection/Detention Ponds</u> The Commission's National Pollutant Discharge Elimination System (NPDES) permit contains significant restrictions on the contaminants allowed to enter the Minnesota River in storm water runoff from the airport. Additional storm water storage as a result of an increase in the paved areas on the airport will be required in order to control the discharge of settleable solids to the Minnesota River. This project will construct a new a storm water detention pond for the Minnesota River South drainage basin. The 2000 portion of the project will construct a new larger earthen dam and concrete spillway in the ravine near the Trunk Highway 5 embankment to provide the required storage.	\$1,500	\$4,000
<u>Taxiway W Construction</u> This project is the last phase in the program to construct Taxiway W and includes the construction of the southeast 3200 feet of the taxiway.	\$8,500	
Other Field & Runway Projects Less Than \$3,000,000	<u>\$2,400</u>	<u>\$4,650</u>
Total Field & Runway Projects	<u>\$85,900</u>	<u>\$166,050</u>
Environmental		
<u>Residential Sound Insulation Program (Inside 65 DNL)</u> An ongoing project to insulate residential houses within the certified 1996 DNL 65 noise contour.	\$25,500	\$25,500
<u>School Noise Abatement Projects</u> This project will provide for noise insulation for Washburn High School in Minneapolis and Assumption and Elliot schools in Richfield. The 2000 CIP will be a continuation of the program to insulate schools. Two yet to be identified schools in Minneapolis will be insulated under this project.	\$15,000	\$4,000
<u>Ventilation Testing /Remediation of Past Homes</u> The second phase in a program to remediate problems associated with indoor air quality in houses which were insulated in the period from June 1992 to April 1997.	\$1,570	\$1,570
Other Environmental Projects Less Than \$3,000,000	<u>\$400</u>	<u>\$0</u>
Total Environmental Projects	<u>\$42,470</u>	<u>\$31,070</u>

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 1999 OPERATING BUDGET

MSP International	1999 \$	2000 \$
Self-Liquidating		
<u>Fuel Hydrant Loop Extension</u> This is the second phase in the project to loop the fuel hydrant system to the Green Concourse from the fuel farm on Post Road and includes installation of a new 20-inch fuel line from the fuel farm to the southeast corner of Northwest Airlines Building B. The third phase in a program to loop the fuel hydrant system from the fuel farm on Post to the Green Concourse is included in the 2000 CIP. This project will provide for the installation of an 18-inch fuel line along the south side of the inbound roadway adjacent to the Northwest Airlines Building B complex.	\$3,000	\$800
<u>HHH Terminal Development</u> The construction of the new HHH Terminal will include several projects which are self-liquidating and will be paid for by the tenants. These projects include the ground service equipment storage and maintenance facility and the hydrant fueling system.	\$4,300	
<u>Post Office – Airline Concourse</u> The construction of a new post office facility will include a mail drop-off/pickup concourse to be utilized by all airlines. This project will provide for the installation of the concourse, the cost of which will be repaid by the airlines utilizing the facility.	\$11,000	
Other Self-Liquidating Projects Less Than \$3,000,000	<u>\$0</u>	<u>\$800</u>
Total Self-Liquidating Projects	<u>\$18,300</u>	<u>\$800</u>
Landside		
<u>Emergency Power Generation</u> This project provides for the construction of an emergency power generation facility, diesel generators and supporting auxiliary and electrical equipment to provide emergency standby power for the new parking ramp, parking management building and the Lindbergh Terminal complex. The emergency power generation facility will provide load shedding capability which will reduce utility costs.	\$4,000	
<u>Energy Management Center - Chiller Connection</u> Projects were awarded in 1998 to purchase and install a new chiller in the Energy Management Center. This project will provide for the installation of the pumps, piping and controls to connect the chiller to the existing EMC systems. In addition, chilled water piping will be installed along the Green Concourse to provide an increase in the chilled water capacity to the Green Concourse and Lindbergh Terminal.	\$3,700	

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 1999 OPERATING BUDGET

MSP International

General Office Modifications

This project provides for the renovation of the existing General Office facility including reconfiguration of office spaces, installation of new lighting and carpeting and replacement of the existing mechanical systems which are at capacity and nearing the end of their useful life. This project will also provide new furniture and finishes for the new and remodeled facilities.

1999
\$
\$5,700

2000
\$

Green/Gold/Connector and Transit Center

The Green/Gold connector will provide a bridge and moving walkway connection between the Green and Gold Concourses at the east end of the new parking expansion. Concession space will be incorporated into the connector. This project will also incorporate a transit center which will provide an at-grade connection to the Green/Gold connector to passengers arriving at the airport by bus.

\$22,000

Building Area Development – Runway 17/35

The Runway 17/35 development program will include the construction of MAC owned cargo buildings which will be leased out to airport tenants. This project will provide for the construction of a MAC cargo building and a "belly" cargo building for the airlines including all required aircraft apron and auto/truck parking areas.

\$10,900

Landside – Continued

Econolot/Employee Parking Structure

The construction of the southeast segment of Taxiway W will impact approximately 300 parking spaces in the employee lot on Post Road. There is also a need to expand the EconoLot to serve the proposed HHH facility as well as provide additional public parking for the Lindbergh Terminal. A new parking structure to serve both needs located at the south end of the EconoLot site is being studied.

\$6,000

Green Concourse Expansion

In order to meet the future needs of the airlines, an easterly extension to the Green Concourse will be constructed. Phase I, to commence in 1999, will provide four new gates. Ground power and pre-conditioned air will be installed by NSP. The Year 2000 portion of the project will provide for the construction of eight new gates and a new Regional Terminal Facility with 29 parking positions. The relocation of the inbound/outbound roadway required by the alignment of the Green Concourse extension is also part of this project.

\$40,500

\$71,000

Green Concourse People Mover

This project will provide a people mover system on the Green Concourse similar to that currently under construction with the parking project that would complement the moving walkway system. The system would be a "horizontal elevator" which would traverse the length of the Green Concourse with one intermediate stop.

\$36,000

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 1999 OPERATING BUDGET

MSP International

	1999 \$	2000 \$
<u>Green/Gold Connector Bag Belt</u>	\$5,000	
There is consideration being given to providing ticket counter and bag check facilities in the core building of the parking structure adjacent to the Green/Gold connector. This project would provide the baggage conveyor system from the bag check facilities to the terminal.		
<u>HHH Terminal Development</u>	\$57,600	
MAC has evaluated a replacement facility for the existing HHH Terminal. The HHH facility cannot adequately serve the demands of the charter market at MSP which has forced certain charter airlines to operate out of the Lindbergh Terminal. A replacement facility which will provide gates for eight narrow body/four wide body aircraft will be constructed on the HHH remote apron including a new short term parking lot. The Commission approved this concept in 1998.		
<u>Lindbergh Terminal Interior Rehabilitation</u>	\$3,700	\$1,000
An ongoing program to renovate the interior of the Lindbergh Terminal. Proposed improvements include modifications to the lighting and ceiling in the bag claim area and the installation of new airport directories. The Year 2000 project will include a second phase in the upgrading of the bag claim area and will include corridor flooring and ceiling replacement and an upgrading of the existing toilet facilities.		
<u>Lindbergh/Regional Terminal PA System</u>	\$4,000	
The public address (PA) system that provides airline flight announcements, general paging, security and emergency notices and background music throughout the public areas of the terminal complex will be upgraded with state-of-the-art equipment.		
<u>Maintenance Facility Modifications</u>		\$3,000
The addition of maintenance staff required as the amount of pavement and facilities continue to expand will require that additional locker rooms, bathrooms, and break-area space be provided. A new receiving area to allow delivery trucks to unload without having to go through security will also be constructed.		
<u>Materials Storage Building</u>	\$5,500	
The materials storage building will provide expanded storage for sand, salt and the solid and liquid runway deicing chemicals currently being utilized. This facility will also incorporate the replacement of a cold storage building that was removed to allow for the construction of an addition to the maintenance facility.		
<u>Navy Relocation</u>	\$12,500	
MAC staff is working with the Navy to acquire their existing land on the airport in exchange for a new office/drill floor complex to be located on the north side of the airport. The Navy property will be used for construction of the Runway 12R deicing pad as well as Taxiway B. This project will provide for the construction of a replacement facility for the Navy		

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 1999 OPERATING BUDGET

MSP International	1999 \$	2000 \$
<u>Northwest Drive Improvements</u> This project will provide for modifications to Northwest Drive including relocating the roadway to the east to increase the distance for the Runway 30L Protection Zone and installing a traffic signal at the Northwest Drive and Post Road intersection.	\$3,500	
<u>Post Office – Building B Replacement Parking</u> The construction of a new post office facility will require removal of additional Northwest Airlines parking. This project will provide the replacement of approximately 400 spaces in a structure above the new Post Office facility.	\$6,000	
<u>Public Parking/Auto Rental Expansion Miscellaneous</u> This project will provide miscellaneous projects associated with the new parking structures including the installation of snow melters, helix enclosures, maintenance gates at helixes, a maintenance building and directional signage. These are project elements of the parking project approved in 1998 but not yet bid.	\$6,000	
<u>Red Concourse Infill</u> In order to maximize the capacity of the existing terminal complex, it will be necessary to infill areas on the Blue, Red and Gold Concourses. This project will add additional space on the Red Concourse to provide for additional concession space, toilet facilities and phones and to provide storage space for the MAC and the airlines.		\$3,000
<u>Public Parking Roadways Realignment</u> The construction of the new parking structures will require the realignment/reconstruction of the inbound/outbound roadway system to the airport. Additional capacity to the roadway will also be provided. The roadways project is part of the parking project approved in 1998.	\$27,000	
<u>Roadway Development – Runway 17/35 - \$5,500,000</u> The Runway 17/35 development program includes the construction of roads that provide access to the airside facilities. The roadway construction projects to be implemented in 1999 include the following: I-494 North Frontage Road Longfellow Road 77 th Street/24 th Avenue east of Longfellow Road	\$5,500	\$11,300
Projects in the year 2000 include the following: Air Cargo Service Road (east segment) 66 th Street Interchange		
Other Landside Projects Less than \$3,000,000	<u>\$22,105</u>	\$10,750
Total Landside Projects	<u>\$270,305</u>	<u>\$115,950</u>

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 1999 OPERATING BUDGET

MSP International	1999 \$	2000 \$
<u>Reliever Airports</u>		
St. Paul Downtown Airport		
<u>Building Area Apron</u>	\$4,400	
This project will provide the pavements in the new south building area including the extension of Eaton Street, Taxiway B and the aprons to serve the new hangars within the building area. Security fencing and street lighting along Eaton Street will also be part of this project.		
Other St. Paul Downtown Airport Projects Less than \$3,000,000	<u>\$7,450</u>	<u>\$100</u>
Total St. Paul Downtown Airport Projects	<u>\$11,850</u>	<u>\$100</u>
<u>Reliever Airports - Continued</u>		
Flying Cloud Airport		
	\$35,000	
<u>Land Acquisition</u>		
There has been and continues to be considerable residential development to the east and north/northwest of the Flying Cloud airport. The degree of development has raised concerns about the ability to adequately protect existing airport facilities from encroachment by non-compatible land uses. 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 350 acres of property immediately south and west of the existing airport boundaries to provide approach and transitional surface zone protection.		
<u>Runway 9R/27L Extension/Reconstruction</u>		\$8,100
This project includes the reconstruction and extension of Runway 9R/27L and south parallel taxiway, drainage improvements, MALSR installation, runway and taxiway lighting, VOR relocation and the installation of new signage. The runway will also be renumbered to 10L/28R and 10R/28L to account for the change in the magnetic declination.		
<u>Sanitary Sewer/Water Main Installation</u>	\$4,500	
Flying Cloud Airport is on the fringe of the developed area of Eden Prairie. Studies have therefore evaluated alternatives for extending municipal utilities consisting of sanitary sewer and watermain to the airport. With the adoption of the Sewer and Water Installation Policy for the Reliever Airports, negotiations with the city of Eden Prairie will continue so as to reach final agreement on the alternative to be implemented. Construction of the utilities will begin in 1999.		
Crystal Airport		
Projects Less Than \$3,000,000	\$1,200	\$700
Anoka County – Blaine Airport		
Projects Less Than \$3,000,000	\$2,900	\$900

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 1999 OPERATING BUDGET

MSP International	1999 \$	2000 \$
Lake Elmo Airport		
Projects Less Than \$3,000,000	\$405	\$2,400
Airlake Airport		
Projects Less Than \$3,000,000	\$2,160	\$1,100
Total Reliever Airport Projects	\$59,865	\$13,900
<u>Summary</u>		
	<u>1999</u>	<u>2000</u>
MSP International Projects		
Field & Runways	\$85,900	\$166,050
Environmental	\$42,470	\$31,070
Self-Liquidating	\$18,300	\$800
Landside	\$270,305	\$115,950
Total MSP International	\$416,975	\$313,870
Reliever Airport Projects	\$59,865	\$13,900
TOTAL ALL PROJECTS	\$476,840	\$327,770

MAINTENANCE AND OPERATION

As the Commission moves further into the expansion plans identified, certain projects will require additional maintenance and personnel. The Commission will continue to focus on cost effective methods to accomplish projects and day to day maintenance. The table below summarizes the impact of the 1999 and 2000 projects on operating expenses. Of the projects listed above for 1999 and 2000, the following table summarizes their impact on operating costs.

<u>Category</u>	<u>1999 – 2000 Impact</u>
Field & Runway	Of the \$252 million of projects listed, \$46 million are rehabilitation projects and will have no impact on expenses. Approximately \$157 million relates to Runway 17/35 which will not be completed until 2003 and also will have no impact. The balance of the \$49 million in projects does have an immediate impact which is reflected in the 1999 budget. The budget includes 10 maintenance personnel directly related to these expanded areas plus additional equipment and supplies. The estimated impact for 1999 is \$125,000 in personnel and \$400,000 in equipment, supplies and parts.
Environmental	There are no expected maintenance costs associated with this category as all projects relate to the Off Airport Noise Program.
Self-Liquidating	All of these projects are tenant related and will have no impact on operating expenses.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 1999 OPERATING BUDGET

Landside

The total projects in Landside, \$386 million can be divided as follows:

- A) Approximately \$206 million will not be completed by the end of 2000. These include Humphrey Terminal, Green Concourse Expansion (2nd Phase), Green Concourse People Mover, Employee Parking expansion and the 17/35 Building Area Development.
- B) Projects with no expected impact on maintenance costs total \$100 million and include a number of rehabilitation projects and replacement facilities.
- C) Projects with a potential impact on maintenance and operating costs total \$83 million. The bulk of this figure is from two projects; Green Concourse/Gold Concourse Connector and the Green Concourse Expansion (Phase 1). Both of these projects are not anticipated to be completed until late 2000. As a result the impact in 1999 and 2000 for these projects will be minimal, possibly \$100,000.

Relievers

The major projects at the relievers include land acquisition, water and sewer installation and the runway extension at Flying Cloud. Either of these projects will not require any additional maintenance and operating expenses or they will not be completed by the end of 2000.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

DEBT SERVICE BUDGET – 1999 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:

Debt Service and Reserve

A. Debt

- 1) Currently the Commission is able to issue Airport Improvement Bonds, General Obligation Revenue Bonds and General Airport Revenue Bonds, both fixed and variable rate.
- 2) Funds will be managed to avoid any property tax levy.
- 3) MAC will maintain the highest rating available from Fitches, Moodys and/or Standard and Poor's on Airport Improvement Bonds and General Obligation Revenue Bonds.
- 4) Procedures/mechanisms will be developed to obtain the highest possible rating on the General Airport Revenue Bonds.
- 5) All refundings of Airport Improvement Bonds and General Obligation Revenue Bonds must show a minimum 3% Net Present Value (NPV) savings as specified in Minnesota Statute Section 475.67, Subd. 12.
- 6) The current authorized level of issuance for General Obligation Revenue Bonds is \$55 million.
- 7) The MAC will endeavor to keep the total maturity length of General Obligation Bonds below 20 years and retire at least 50% of the principle within 10 years. In all cases, the maturity shall be shorter than the life of the related assets.

- B. Reserve - The Commission is required to have a restricted cash and temporary cash investment balance on October 10 each year in an amount sufficient 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 Improvement Bonds to provide funds for its capital improvement program. Since 1976 General Obligation Revenue Bonds have been issued which are backed by Commission revenues and the authority to levy any required taxes on the assessed valuation of the seven-county metropolitan area have been used. In 1998 the Commission will begin to issue General Airport Revenue Bonds (GARBs) which are not backed by the Commission's ad valorem taxing power. Additionally, the Commission has agreed, pursuant to the terms of the Master Trust Indenture entered into by the Commission in connection with its issuance of GARBs, to collect rates, tolls, fee, rentals and charges, so that during each fiscal year the Net Revenues, together with any permitted transfer, will be equal to at least 125% of aggregate annual debt service on the outstanding 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, 1999	\$77,073
October 10, 2000	\$77,225
October 10, 2001	\$78,489
October 10, 2002	\$79,958
October 10, 2003	\$78,185

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

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

DEBT SERVICE BUDGET – 1999 OPERATING BUDGET

The annual actual debt service and coverage requirement for the next five years for the GARB issue 1998 Series A, B, C is:

January 1, 1999	\$19,568
January 1, 2000	\$18,063
January 1, 2001	\$22,705
January 1, 2002	\$22,697
January 1, 2003	\$22,687

The table below shows future debt requirements on an annual calendar year basis after December 31, 1998, for the next five years as well as a cumulative total for the period 2004-2030. The dollars shown are in thousands.

(\$=000) Year(s)	Airport Improvement Bonds (Principal)	General Obligation Bonds (Principal)	General Airport Revenue Bonds (Principal)	Total Outstanding Bonds	Interest	Total Principal & Interest
1999	\$ 1,505	\$ 8,535	\$ -	\$ 10,040	\$ 48,549	\$ 58,589
2000	300	8,575	-	8,875	47,175	56,050
2001	315	9,455	4,785	14,555	46,569	61,124
2002	330	9,610	5,070	15,010	45,791	60,801
2003	0	12,175	5,375	17,550	44,810	62,360
2004-2030	0	328,935	331,695	660,630	576,728	1,237,358
	<u>\$ 2,450</u>	<u>\$377,285</u>	<u>\$346,925</u>	<u>\$726,660</u>	<u>\$809,621</u>	<u>\$1,536,281</u>

(The October 10, 1998-2002, 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, General Obligation Revenue Bonds and General Airport Revenue Bonds (GARBs). 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.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

DEBT SERVICE BUDGET – 1999 OPERATING BUDGET

The 1996 Minnesota State Legislature authorized the Commission to issue General Airport Revenue Bonds (GARBs). 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. The Commission's authority to issue additional GARBs is subject to an additional bonds debt service coverage ratio test. (This ratio demonstrates the current ability to repay debt.) This ratio cannot fall below 1.10 coverage if historical net revenue coverage's are used and 1.25 coverage if projected net revenues are used. These coverage ratios include debt service on the General Obligation Revenue Bonds. The estimated coverage for 1999 is 2.15. The bonds projected to be issued in 2000 and 2001 will reduce this ratio to a range of 1.50 to 1.70.

Bonds Payable, due serially (\$ = 000):	Issue Date	Original Amount	Final Payment In	— Outstanding as of — December 31	
				1999	1998
Airport Improvement Bonds:					
Series 20 – 4.5 to 6.0%	10-1-72	5,000	2002	945	1,225
Series 22 – 2.6 to 3.85%	2-1-94	5,625	1999	0	1,225
				\$ 945	\$ 2,450
General Obligation Revenue Bonds:					
Series 2 – 4.25 to 5.2%	12-1-77	\$ 10,000	2002	\$ 2,025	\$ 2,625
Series 3 – 5.2 to 5.75%	1-1-79	15,000	2000	1,200	2,400
Series 8 – 4.25 to 6.6%	2-1-92	45,000	2011	34,600	36,550
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	15,265	17,555
Series 11 – 4.6 to 5.3%	10-1-94	5,615	2002	2,885	3,880
Series 12 – 4.2 to 4.55%	11-1-96	5,525	2002	4,025	5,525
Series 13 – 4.0 to 5.25%	11-1-98	38,750	2015	\$ 38,750	\$ 38,750
General Airport Revenue Bonds:					
1998 Series A – 5.00 to 5.20%	6-1-98	\$225,885	2030	\$225,885	\$225,885
1998 Series B – 5.00 to 5.50%	6-1-98	84,000	2016	84,000	84,000
1998 Series C – 5.94 to 6.27%	6-1-98	37,040	2007	37,040	37,040
				\$346,925	\$346,925
TOTAL BONDS OUTSTANDING				\$716,620	\$726,60

BOND REFUNDING

In November 1998 the Commission issued General Obligation Revenue Bond Series 13 to refund General Obligation Revenue Bond Series 7. As a result of this refunding, the Commission reduced its total debt service requirements by \$13,972,187.50. This equates to net present value savings of \$9,715,359.70 or 22.52%. Per the Commission Financial Management Policies all refundings must show a minimum 3% Net Present Value (NPV) savings. The series 13 bonds received AAA/Aaa/AAA ratings from Standard & Poor's, Moody's and Fitch respectively. For 1999 and 2000 the Commission currently does not anticipate any other refundings.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

DEBT SERVICE BUDGET – 1999 OPERATING BUDGET

GARB ISSUE – 1998

In June 1998 the Commission issued Series 1998 A-C GARBs. This Series totaled \$346,925,000 and is the largest financing undertaken by the Commission to date. The principal portion of these bonds were placed in the years which would result in the lowest possible debt service for MAC while achieving level annual aggregate debt service for the GARBs. To minimize this cost, the highest cost bonds are amortized first and the lower cost bonds are amortized later. The Series C bonds are the highest cost, are taxable and are amortized first. The AMT bonds (Series B) are the next highest cost and as such are amortized next. The lowest cost non-AMT (Series A) are amortized last. All of the Series A, B, C bonds were insured. The net proceeds to be used for construction financing total \$306,781,078. The balance of the \$40 million was used for cost of issuance, capitalized interest and the reserve fund. A single Reserve Fund was established for the Series A-C Bonds. The reserve requirement is the maximum annual aggregate debt service of the Series 1998 A-C Bonds. During the capitalized interest period, Reserve Fund earnings are used to meet capitalized interest requirements. After each respective project's Capitalized Interest End Date, an allocable portion of the Reserve Fund earnings flow through the Commission as revenues in the form of interest income. These bonds were rated AAA/AAA by Standard & Poor's and Fitch respectively based on the Municipal Bond Insurance Policy. Without taking into account the Municipal Bond Insurance Policy the bonds were rated AA- by Standard & Poor's and A+ by Fitch.

NEW ISSUES

Based on the Capital Improvement Plan (CIP) presented in late fall 1998, it appears that in 1999 and 2000 the Commission will likely 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 capitalized interest/issuance costs attributed to the anticipated GARBs to be issued for the period 1999-2000:

(\$ = 000)	Gross Bond Proceeds	Net Bond Proceeds	Capitalized Interest/ Issuance Costs
1999	398,000	350,000	48,000
2000	344,500	300,000	44,500
	<u>\$742,500</u>	<u>\$650,000</u>	<u>\$92,500</u>

A mixed rating of A/a/A to AA/Aa/AA was used in our analysis.

OTHER ISSUES

As mentioned above, the Commission is still authorized to issue approximately \$55 million in General Obligation Revenue Bonds. Staff is currently evaluating this as an option to finance part of the construction program. If issued, these bonds would likely be rated AAA/Aaa/AAA and as such come with a slightly lower interest rate than the General Airport Revenue Bonds (GARBs) shown in the table above.

In November 1997, the Commission approved a short term borrowing program. This approval authorized staff to issue Commercial Paper to fund short term or interim cash shortages that may arise as a result of the proposed construction program. This program will allow the Commission to either accumulate short term debt up to a threshold (not yet determined) and then issue long term debt or to possibly pay off the debt with internal funds as they become available. Although authorized, the program has not yet been implemented.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

DEBT SERVICE BUDGET – 1999 OPERATING BUDGET

DEBT SERVICE BUDGET

The Debt Service Budget is shown below.

1999 DEBT SERVICE BUDGET (\$ = 000)					
	<u>Budget 1998</u>	<u>Estimated 1998</u>	<u>Budget 1999</u>	<u>Projected 2000</u>	<u>Projected 2001</u>
JANUARY 1 BALANCE	\$88,866	\$87,996	\$ 128,782	\$173,057	\$229,610
SOURCES OF FUNDS:					
Transfer from Operating Fund	10,822	10,305	17,164	35,402	48,659
Interest Earnings ¹	4,500	5,426	10,000	10,000	9,000
Bond Proceeds ²	23,036	83,490	48,000	44,500	-
NWA payments	29,146	28,087	27,700	27,700	27,700
TOTAL SOURCES OF FUNDS	<u>\$67,504</u>	<u>\$127,308</u>	<u>\$102,864</u>	<u>\$117,602</u>	<u>\$ 85,359</u>
USES OF FUNDS:					
Principal & Interest payments ³	<u>\$(43,108)</u>	<u>\$(86,522)</u>	<u>\$(58,589)</u>	<u>\$(61,050)</u>	<u>\$(89,124)</u>
ENDING BALANCE	\$113,262	\$128,782	\$173,057	\$229,610	\$225,845

1 Interest Rate Assumed 5.0% for the entire period.
2 Includes Proceeds of Refunding Bonds Series 13.
3 Includes payoff of Series 7 Bonds.

SOURCES OF FUNDS

Each source of funding is discussed below.

The transfer from the operating fund occurs each October 10th for Airport Improvement Bonds and General Obligation Revenue Bonds. For General Airport Revenue Bonds the transfer occurs in late December each year. Over the past few years the transfer has been in the \$9–\$12 million range. This will fluctuate due to interest earnings, refundings and new issues. The years 1999-2001 reflect new bond issues (GARBs).

Interest earnings are assumed at 5.0% for 1998 through 2001. In projecting interest income the Commission typically takes a conservative approach.

Bond proceeds for 1999–2001 represent the reserve required on the issuance of General Airport Revenue Bonds (see above table) and capitalized interest for these issues.

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

- General Obligation Series 9
- General Obligation Series 11 (11.68%)
- General Obligation Series 12
- General Obligation Series 13

USES OF FUNDS

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

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

STATISTICAL – 1999 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 1988 revenue and expense versus 1997 revenue and expense.
2. A comparison of revenue and expense with dollars and percentages of 1997 actual, estimated 1998 and budgeted 1999.
3. A comparison of facilities in 1989 and 1998.

These comparisons are shown to point out that both revenue and expense from 1988 have increased 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 1988 VS 1997

(\$ = 000)	1988		1997		1988-1997	Annual
	\$	% Of Total	\$	% Of Total	Change \$	% Change
Operating Revenue						
Airline Rates & Charges	\$20,888	41.60%	\$41,838	39.45%	\$20,950	8.02%
Concessions	23,554	46.90%	52,279	49.29%	28,725	9.26%
Other	5,773	11.50%	11,944	11.26%	6,171	8.41%
Total Operating Revenue	\$50,215	100.00 %	\$106,061	100.00 %	\$55,846	8.66%
Operating Expenses						
Personnel	\$15,116	34.31%	\$30,653	32.63%	\$15,537	8.17%
Administrative Expenses	406	0.92%	1,108	1.18%	702	11.80%
Professional Services	3,063	6.95%	4,069	4.33%	1,006	3.21%
Utilities	3,809	8.65%	5,889	6.27%	2,080	4.96%
Operating Services	3,600	8.17%	9,935	10.57%	6,335	11.94%
Maintenance	5,451	12.37%	8,809	9.38%	3,358	5.48%
Depreciation b)	12,461	28.28%	33,304	35.45%	20,843	11.54%
Other	150	0.35%	170	0.19%	20	1.40%
		100.00 %		100.00 %		
Total Operating Expenses	\$44,056	%	\$93,937	%	\$49,881	8.78%
Net Revenues	\$6,159	a)	\$12,124	a)	\$5,965	

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

b) Depreciation figures for these years are net, not gross, as the 1988 figure could not be ascertained.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

STATISTICAL – 1999 OPERATING BUDGET

The first comparison, 1988 versus 1997, emphasizes the following three results:

1. The largest increase in revenue is in the Concessions category (9.26%). This is a result of increasing Auto Parking fees and changes/renewals to the Auto Rental contracts. These are the two major components of concession (See Revenue Assumptions–Parking and Auto Rental).
2. The annual percentage increase in revenue from 1988 to 1997 (8.66%) was less than the annual percentage increase in expense from 1988 to 1997 (8.78%). Over this ten year period expenses grew at a slightly higher rate than revenue. This table shows that this spread between 1988 and 1997 revenue to expense is 0.1% (i.e. 8.66% in revenue growth versus 8.78% in expense growth).
3. Personnel costs from 1988 to 1997 increased \$15.5 million. This equates to an average annual increase of 8.17%. With this increase however, the percentage of total for personnel dropped from 34.31% to 32.63%. Depreciation, on the other hand, rose \$20.8 million or at an average rate of 11.54%. This has resulted in the Depreciation percentage of total expense rising from 28.28% in 1988 to the largest expense component in 1997 at 35.45% (See Expense Assumptions—Personnel and Depreciation).

HISTORICAL OPERATING REVENUE & OPERATING EXPENSE SUMMARY 1997 VS 1999								
(\$ = 000)								
	Actual 1997		Estimateed 1998		Budgeted 1999		1997-1999	Annual
	\$	% Of Total	\$	% Of Total		% Of Total	Change \$	% Change
Operating Revenue								
Airline Rates & Charges	\$41,838	39.45%	\$43,621	37.49%	\$56,572	43.54%	\$14,734	16.28%
Concessions	52,279	49.28%	58,800	50.54%	58,084	44.71%	5,805	5.41%
Other	11,944	11.27%	13,931	11.97%	15,266	11.75%	3,322	13.05%
Total Operating Revenue	\$106,061	100.00%	\$116,352	100.00%	\$129,922	100.00%	\$23,861	10.68%
Operating Expenses								
Personnel	\$30,653	32.63%	\$32,125	31.72%	\$34,598	31.34%	\$3,945	6.24%
Administrative Expenses	1,108	1.18%	1,200	1.18%	1,431	1.30%	323.00	13.64%
Professional Services	4,069	4.33%	3,900	3.85%	4,561	4.13%	492.00	5.87%
Utilities	5,889	6.27%	6,350	6.28%	5,364	4.86%	-525.00	-4.56%
Operating Services	9,935	10.57%	10,800	10.66%	10,692	9.69%	757.00	3.74%
Maintenance	8,809	9.38%	9,500	9.38%	9,873	8.94%	1,064.00	5.87%
Depreciation	33,304	35.45%	36,850	36.38%	42,937	38.90%	9,633.00	13.54%
Other	170	0.19%	555	0.55%	931	0.84%	761.00	134.02%
Total Operating Expenses	\$93,937	100.00%	\$101,280	100.00%	\$110,387	100.00%	\$16,450	8.40%
Net Revenue	\$12,124 ^{a)}		\$15,072 ^{a)}		\$19,535 ^{a)}			

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

The second comparison shows 1997 actual, 1998 estimated and 1999 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 an average of 10.68% annually from actual 1997 to budgeted 1999. During this period Airline Rates & Charges shows the most significant dollar change (\$14.7 million) however, percentage of total revenue changes from 39.45% to 43.54%. This increase is based upon the new airline agreement and new facilities that are becoming operational. The Concessions percentage of total revenue changed from 49.28% to 44.71%. This is due to the construction of the Concession plan and the significant number of projects that have been completed affecting airline rates and charges. (See Revenue Assumptions--Airline Rates & Charges and Concessions).

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

STATISTICAL – 1999 OPERATING BUDGET

2. Expense is projected to increase an average of 8.40% annually from actual 1997 to budgeted 1999. During this period Depreciation expense shows the most significant dollar change (\$9.6 million). Its percentage of total expense changes in this period from 35.45% to 38.90%. This is due to major projects both new and renovations being completed. Other expense is budgeted to increase due to additional Insurance costs and minor equipment/furniture needed in conjunction with the new positions. (See Expense Assumptions-Depreciation and Other).
3. The annual percentage increase in revenue from 1997 to 1999 is 10.68% whereas the annual percentage increase in expenses from 1997 to 1999 is 8.40%. This is a reversal of the trend from 1988 to 1997 where expense grew at a greater pace than revenue. The principle cause of this increase in revenue is the Airline Lease Agreement which governs the landing fee, ramp fee, terminal rentals, and the major projects being completed that are charged to the airlines. (See Revenue Assumptions).

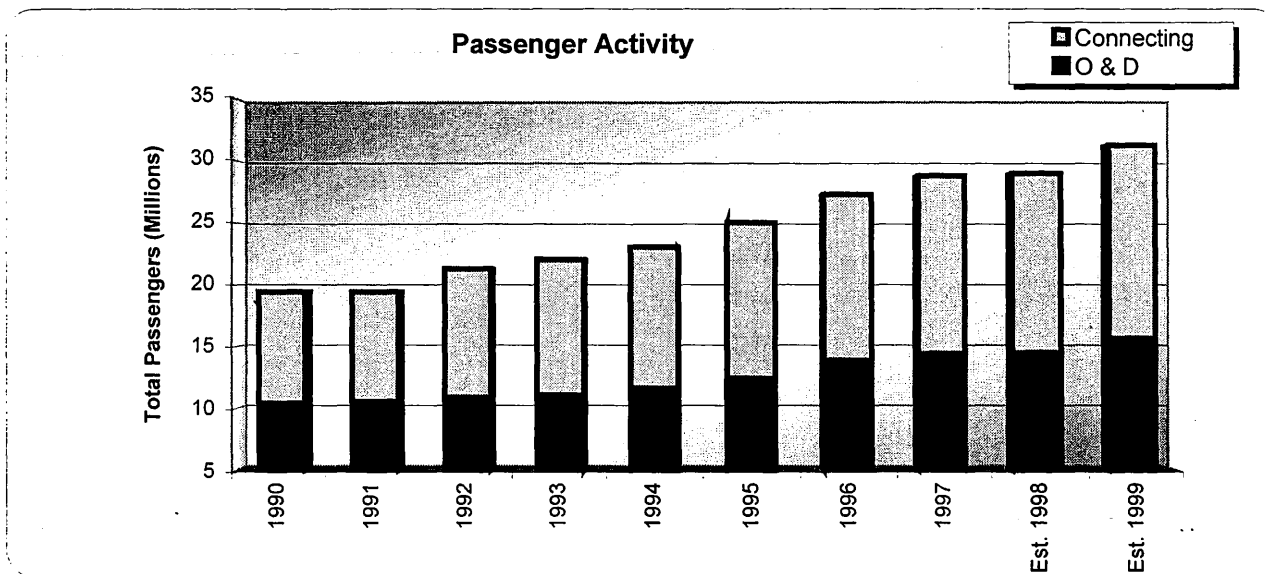
FACILITY EXPANSION				
	1989	1998	Increase	% Increase
Lindbergh & Regional				
Terminal Square Footage	1,510,400	1,962,612	452,212	29.94%
Number of Gates	62	69	7	11.29%
(Aircraft Loading Positions)				
Ramp Lineal Footage	8,874	8,874	0	0.00%
Parking	7,579	11,315	3,736	49.29%
Tenants -- All Airports	521	944	423	81.19%
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 1989. The significance of growth at MSP International is reflected in the increase 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 1988, 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. During 1997, Mesaba Airlines moved into the Temporary Regional Terminal, consequently, the end of the Gold concourse had been restructured for more jet bridges. This has caused the increase of gates at MSP International Airport.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ACTIVITY STATISTICS – 1998 OPERATING BUDGET

This section contains the historical and forecasted levels of activity for the period 1990 through 1998 in the MACs system of airports. The Passenger, Operations and Cargo results have generally been increasing. The reduction in Cargo that occurred in 1996 is explained in the cargo section



This chart shows how passenger traffic has increased at MSP International since 1990. In 1990, MSP International had approximately 46% of its passengers being connecting (those transferring directly to another flight). Since 1990, MSP International has changed to more of a connecting airport with approximately 50% of all passengers being connecting while the O & D passenger percentage has fallen from 54% in 1990 to 50% estimated in 1999.

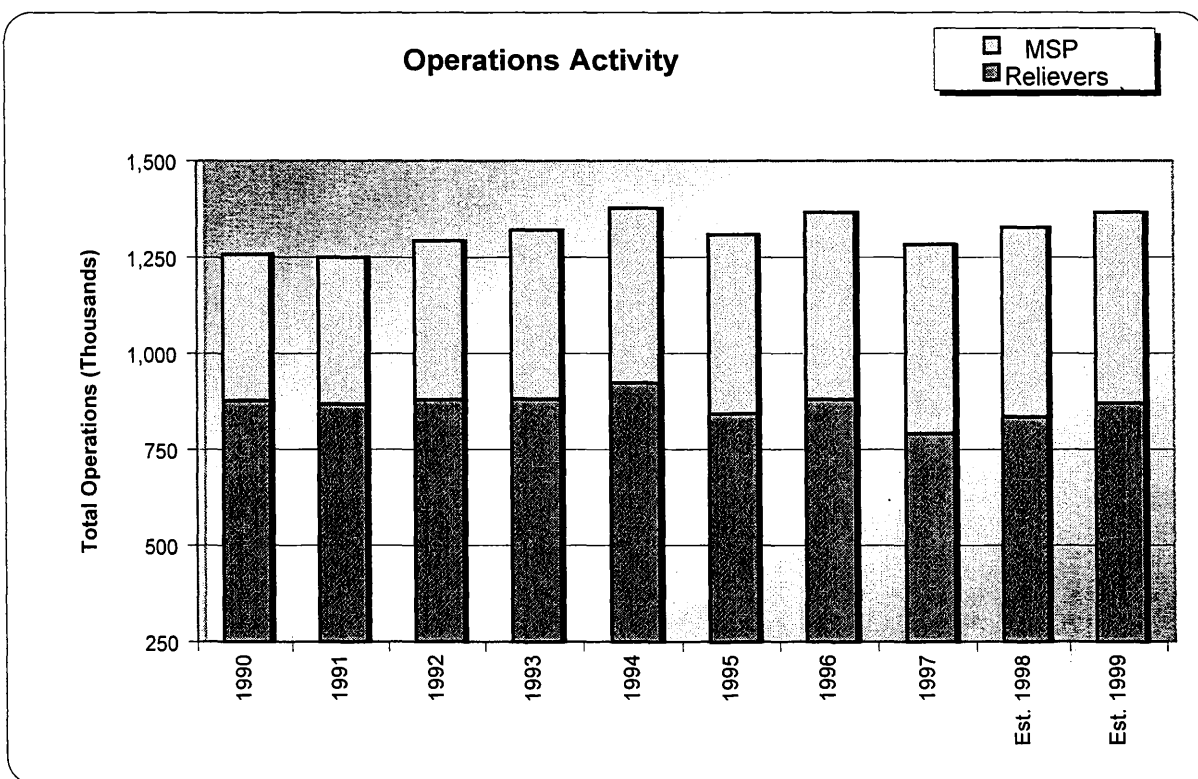
Estimates of passenger activity form an important element in forecasting revenue each year. The chart below represents actual passenger statistics for 1996 and 1997 and estimates for 1998 and 1999. The three categories are listed because each is used in a particular way to calculate certain types of 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 – 1998 OPERATING BUDGET

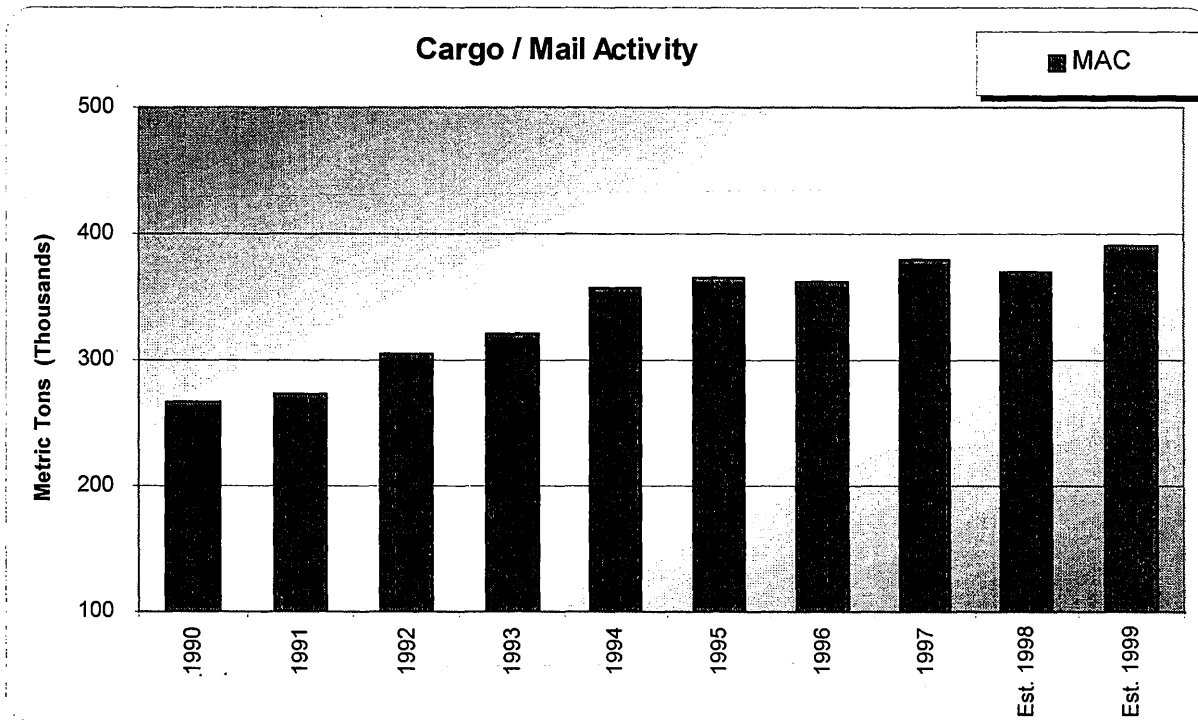
Passenger Type	1996 Actual	1997 Actual	1998 Estimate	1999 Estimate
Enplaned	6,731,000	7,185,000	7,249,000	7,820,000
Deplaned	7,107,000	7,231,000	7,244,000	7,830,000
Connecting	13,431,000	14,350,000	14,490,000	15,600,000
	<u>27,269,000</u>	<u>28,766,000</u>	<u>28,983,000</u>	<u>31,250,000</u>



Total operations for the MAC system have increased 9% since 1990. (An operation represents one takeoff or landing.) This equates to an average annual increase of 1.1% for the period 1990 through estimated 1999. Operations at MSP International are estimated to rise to 497,000 in 1999. 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 – 1999 OPERATING BUDGET



Cargo/Mail activity has increased annually since 1990 with the exception of 1996. 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 decrease in 1996 from 1995 is the result of freight/cargo hauled by major and commuter carriers. The most likely reason is that as load factors (% of seats filled) increase for these carriers, there is less space available for cargo/freight. Due to the Pilots' strike at Northwest Airlines in September 1998, the Cargo/Mail volume was down slightly from 1997. The estimate for 1999 is 390,000 metric tons.

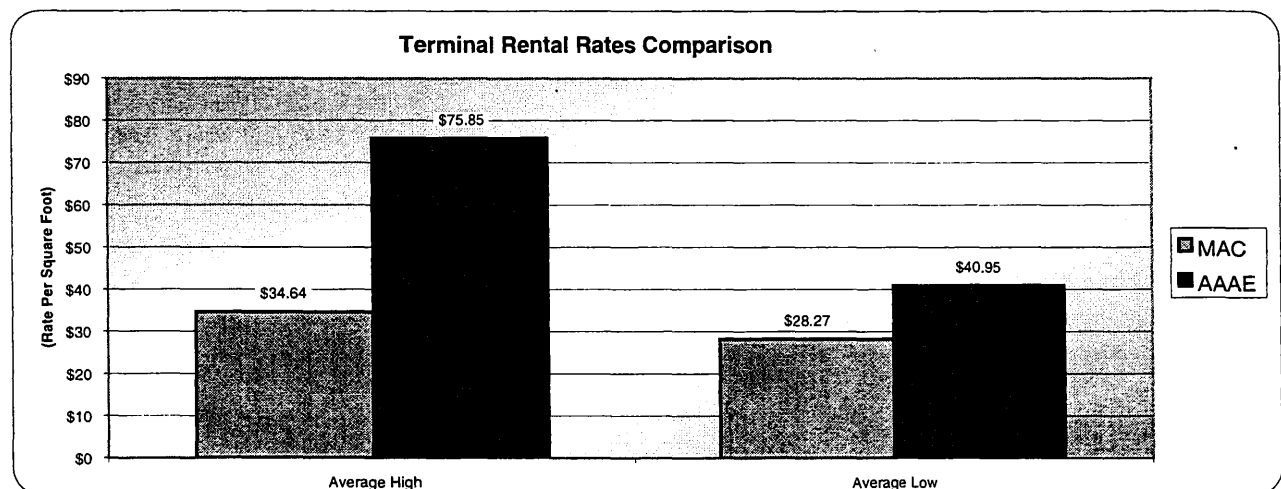
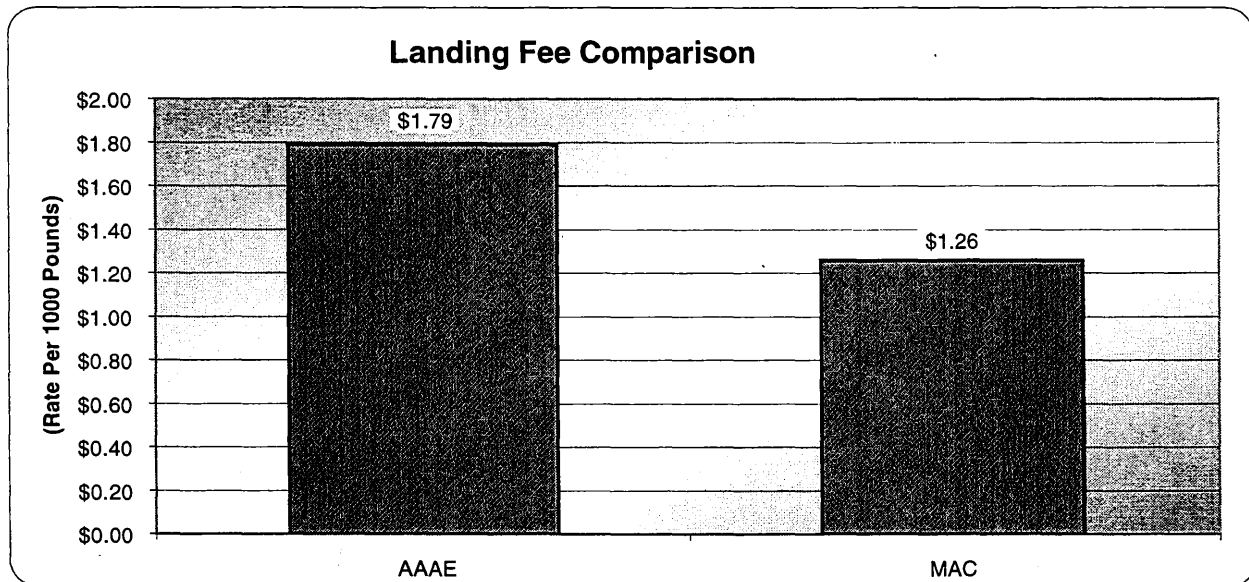
MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

NATIONAL COMPARISON – 1999 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.

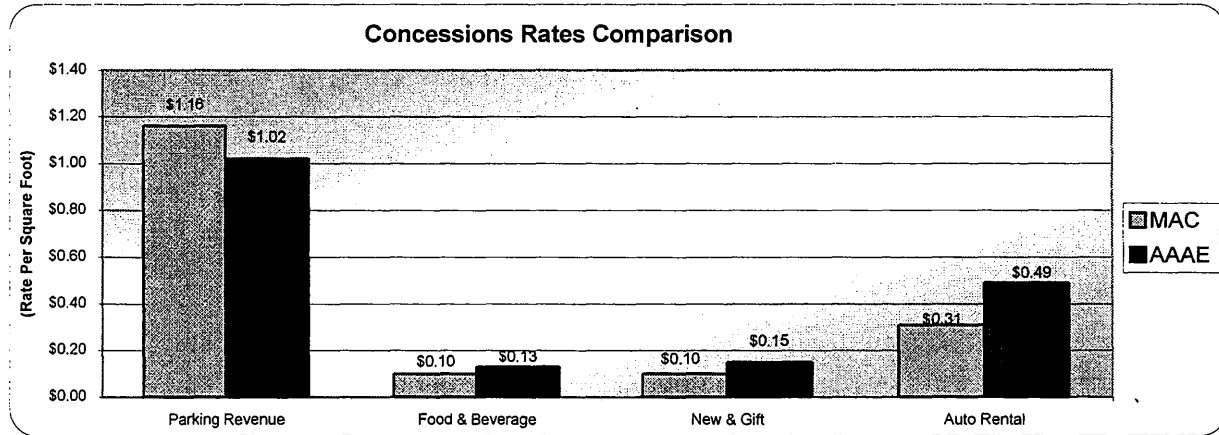
RATE AND CONCESSIONS

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 1997/1998. The numbers for MAC are from the 1999 budget.



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NATIONAL COMPARISON – 1999 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. As a result, the Commission has undertaken a significant remodeling and expansion of 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 and a variety of retail options.

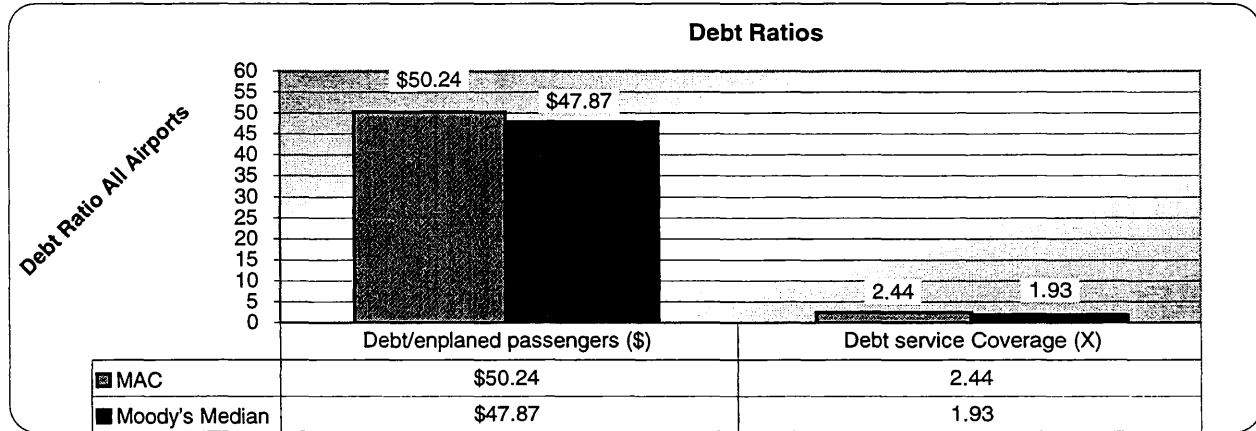
INDUSTRY

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 1997 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 1998 information.

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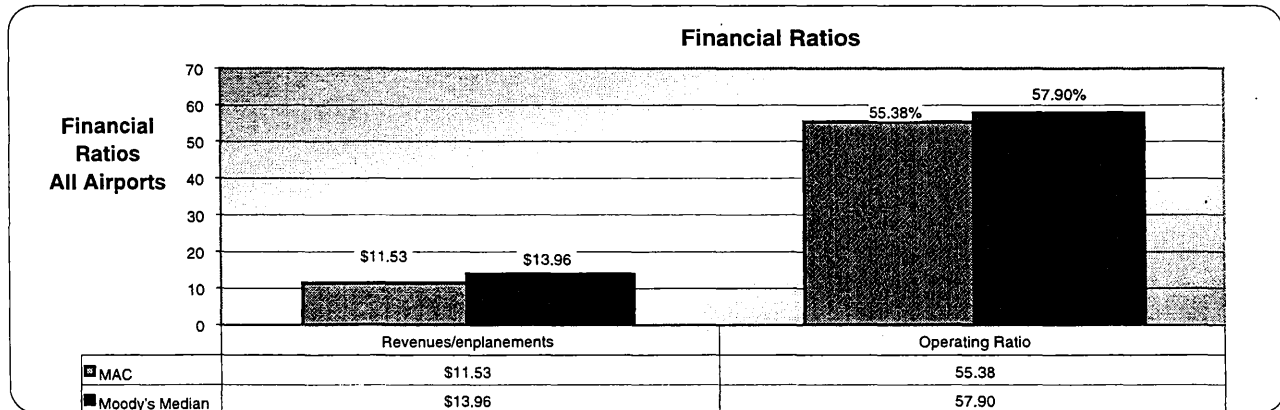
NATIONAL COMPARISON – 1999 OPERATING BUDGET



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 slightly above the industry average. The current figure includes the \$270 million dollar NWA financing, the \$38,750,000 General Obligation Revenue Refunding Bond Series 13, and the \$346,925,000 Series 1998 ABC General Airport Revenue Bonds.

Debt service coverage demonstrates the current ability to repay debt. The MAC's coverage ratio is above the median.



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

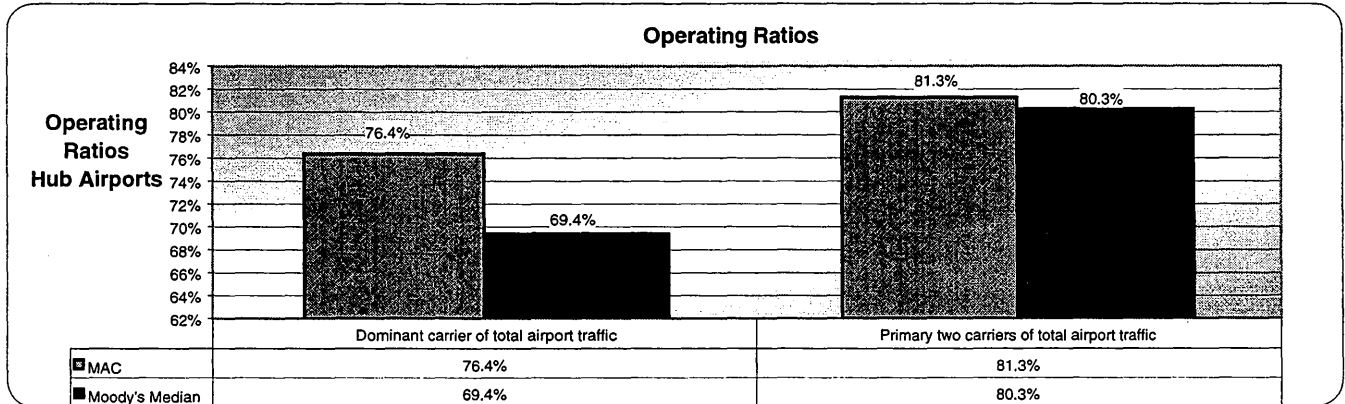
Revenue/enplanement is calculated by dividing the total of operating and non-operating income by total enplaned passengers. MAC's revenue/enplaned passengers exceeds the median by \$2.43/enplanement.

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 lower 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.

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NATIONAL COMPARISON – 1999 OPERATING BUDGET

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 operating income; as a result, operating income is higher and the operating ratio is lower.



The dominant carrier at MSP is Northwest Airlines. Their percentage of total traffic is 76.4% compared to the industry median of 69.4%. The second largest carrier is United.

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 lower than the industry average. Differences in the Operating Ratio are attributed to differences in accounting for long term leases.
3. MSP is a fortress hub with NWA serving 76.4% of the airport traffic. The next largest carrier, United, services 4.9% of total airport traffic.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

GLOSSARY – 1999 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 12/31/97. 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.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

GLOSSARY – 1999 OPERATING BUDGET

Debt Redemption Fund (Sinking Fund) – A special account whose monies are set aside to retire debt. (See Debt Service Budget.)

Deficit – Represents the negative difference between operating revenues less operating expenses (including depreciation).

Differential Landing Fees – A measure that requires older, noisier aircraft (Stage II) to pay a higher fee or "noise surcharge" than quieter aircraft (Stage III) as a means of encouraging the use of newer, "quiet-technology" aircraft. This is part of the Noise Surcharge calculation.

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. The decision to expand MSP International was made in March 1996.

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 Airport Revenue Bonds (GARBs) – These bonds are 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.

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.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

GLOSSARY – 1999 OPERATING BUDGET

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. (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 10/31/97 these include American, America West, Air Canada, Continental, Delta, KLM, 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.

Minor Equipment – Includes items whose cost is less than \$5,000. These items are minor equipment, computers & accessories and office furniture.

NWA – Northwest Airlines.

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

O & D Passengers – Originating and final destination passengers-originating passengers initiate their travel from Mpls./St. Paul 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.)

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

GLOSSARY – 1999 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.

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

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

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

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

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.

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.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

GLOSSARY – 1999 OPERATING BUDGET

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.)

Surplus – Represents the positive difference between operating revenues less operating expenses (including depreciation).

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.)

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