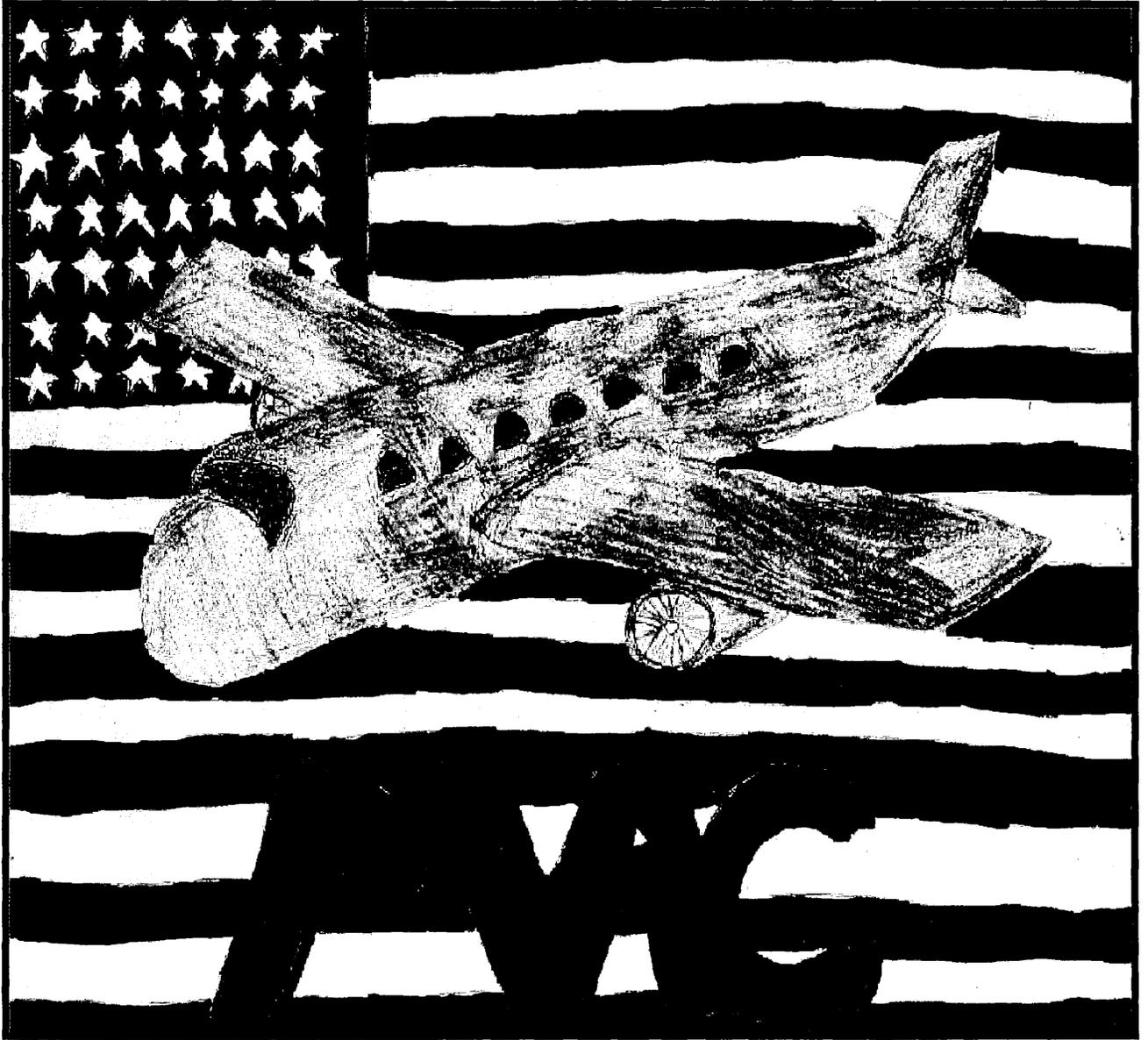


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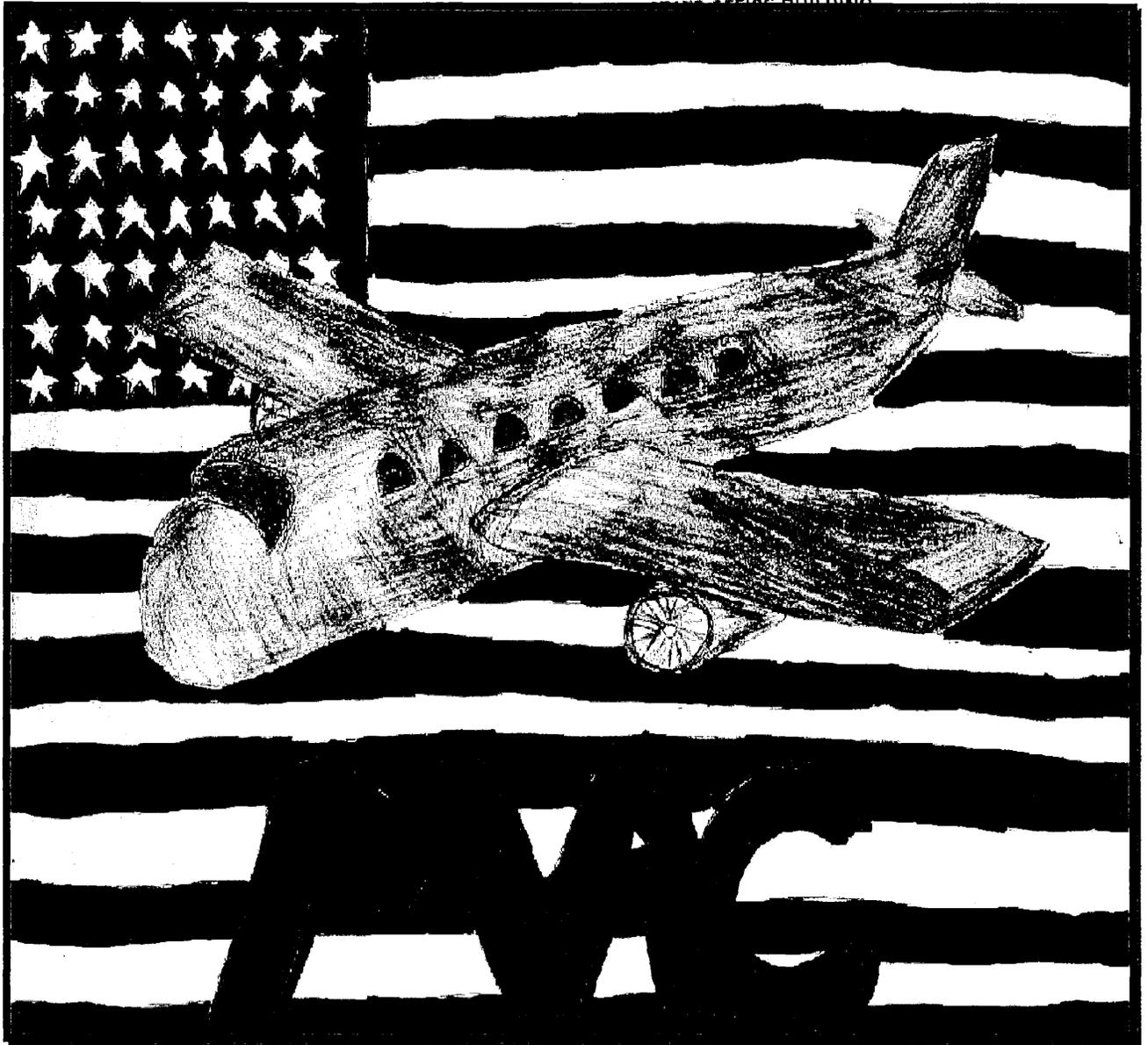
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2002 Operating Budget

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Parent: Karen Kelly
MAC Commercial Management/Airline Affairs***

METROPOLITAN AIRPORTS COMMISSION

OUR VISION

"Setting standards of excellence for airports"

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

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

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MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

BUDGET MESSAGE – 2002 OPERATING BUDGET

December 17, 2001

To The Public:

We are pleased to present the 2002 Metropolitan Airports Commission budget that was adopted by the Commission on December 17, 2001. Total operating revenue for 2002 is projected to be \$164,807,000 and operating expense is \$161,871,000. The fourth quarter of 2001 and the final preparation of the 2002 budget was a very difficult time for all involved in the air transportation system.

When staff started the 2002 budget process last summer, the economic environment was very different. MAC's greatest concern involved the possibility of a recession and how that might impact the aviation industry and airport revenues. Staff worked hard to develop a plan that would allow us to build on our progress while respecting the fiscal limitations produced by a softening economy. At that point in time and at the request of the air carriers serving MSP, staff reviewed the fourth quarter spending projections. As a result of this review MAC cut its 2001 fourth quarter budget by \$4.2 million or in excess of 20%. Then came the tragic events of September 11.

The aviation industry has been devastated. In September, passenger traffic at MSP fell 30% and landings and takeoffs declined 20%. MAC receipts from passenger facility charges, parking, and other concessions also declined. At the same time, costs for maintaining the security of the airport and safety of airport users increased. The Commission's previous plans for careful, responsible, budget growth for 2002 have yielded to a new economic reality that allows only for activities which are essential to airport operations. There is no indication that overall revenues will recover anytime soon, and the MAC has amassed sizeable debt through its expansion - debt that must be paid according to schedule to keep this organization fiscally sound. The table below identifies the various proposals for the 2002 budget that were presented to Senior Staff and/or the Board.

	2001 Estimate	2001 Budget	Pre 9/11 2002 Budget Proposal	December Budget Proposal	Final 2002 Budget Adopted	% Change Final 2002 vs 2001
Operating Revenue	\$ 175,481	\$ 179,590	\$ 202,500	\$ 168,961	\$ 164,807	-8.23%
Operating Expense	(89,120)	(89,120)	(97,000)	(86,462)	(85,354)	-4.23%
Depreciation	(66,875)	(66,875)	(86,000)	(76,517)	(76,517)	14.42%
Net Revenues	\$ 19,486	\$ 23,595	\$ 19,500	\$ 5,982	\$ 2,936	

In addition to the adjustments that were made to the Operating Budget as indicated above, the Capital Improvement Program Budget for both the fourth quarter of 2001 and for 2002 were reduced significantly. The fourth quarter construction program for 2001 deferred approximately \$120 million in project costs. Most of this deferral (+ \$93 million) is being postponed until 2003. The balance will be included in 2002's schedule. Originally the Capital Program for 2002 scheduled approximately \$370 million in projects. After the events of September 11, this Program was revised to \$76 million. The balance or \$294 million has been deferred to 2003. It is not certain at this time what level of Capital Program the Commission will move forward with in 2003. At the present time MAC is taking a wait and see position and will adjust accordingly as 2002 progresses.

With the above factors in mind, staff prepared the final budget using the following guidelines:

1. No taxes would be assessed to support MAC operations.
2. Debt service costs would be fully funded by revenues.
3. Airline rates and charges in total would be equal to or less than 2001.
4. Only those construction projects that are essential to the operation of the airport would be initiated in 2002.
5. Only essential maintenance and operating expenditures would be approved in 2002.
6. A safe and efficient system of airports would be maintained.
7. The MAC would continue to provide excellent service to its tenants and the travelling public.
8. No new debt would be issued in 2002.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

BUDGET MESSAGE – 2002 OPERATING BUDGET

- 9. Interns or temps would not be retained for 2002.
- 10. A hiring freeze on all authorized open positions will be in place for 2002.

FINANCE COMMITTEE

During 2001 the Finance Committee reviewed and/or acted on the following major activities: 2000 financial audit, 2001 GARB Series A, B, C & D Bonds, Northwest Airlines Special Facility Bonds, initiation and rescission of the Bond Anticipation Note program, General Obligation Revenue Bond Series 8 (14) refunding, General Obligation Revenue Bond Series 9 (15) refunding and the 2002 Operating Budget.

With regards to the Operating Budget for 2002, the Committee originally established the following general financial targets:

Target: Establish target increases over the 2001 budget of 8.3% for operating revenue and 15.2% for operation and maintenance costs excluding depreciation.

Targets established for revenue and expense were based on the 2002 feasibility study (Completed in May 2001). The 2002 budget shows a decline in operating revenue and expense from the figures shown in the feasibility study.

\$ = 000	2002		\$	%
	Feasibility Study	2002 Budget		
Operating Revenue	\$ 198,013	\$ 164,807	\$ (33,206)	-16.8%
Operating Expense	\$ 102,035	\$ 85,354	\$ (16,681)	-16.3%

Target: Maintain a coverage ratio of 1.6x on General Obligation Revenue and Senior General Airport Revenue Bonds.

The target debt service coverage was based on the feasibility study contained in the Official Statement for the 2001 General Airport Revenue Bond issue. The debt service coverage ratio measures the ability of an organization to meet principal payments on outstanding debt. As a result of the reduction in revenue, the projected coverage ratio for 2002 is 1.32x. This ratio is below the target but still above the required 1.25x coverage on the senior lien debt.

Target: Transfer \$28,579,000 to the construction fund to be used for capital improvement project costs.

Based on the economic recession and the events of September 11, there will not be a transfer from the Operating Fund to the Construction Fund due to the projected decrease in revenue.

Target: Maintain an average airline cost/enplanement of \$5.15 and a deferral not to exceed \$6,790,000.

The airline cost/enplanement figure has increased because the number of passengers has decreased. The airline cost/enplanement is a common measure used in the airport industry to compare the costs of airlines to operate at various airports. It is calculated by dividing the total airline costs by the number of enplaning passengers.

	Airline Agreement	2002 Budget
Cost/Enplanement	\$ 5.15	\$ 5.73
Deferral	\$ 6,790,000	\$ -

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

BUDGET MESSAGE – 2002 OPERATING BUDGET

The airline agreement assumed total passengers of 16,500,000. Projected passengers for 2002 are now 14,405,000 or 2,100,000 less than estimated.

The deferral is something that is unique to our airline agreement. It allows for a gradual increase in the airline cost/enplanement during the heavy period of construction, MAC agreed to defer the payment of airline rates and charges that exceeded a specified target.

It is difficult to present a budget that does not meet any of the targets previously established by the Commission. We are, however, dealing with a new economic reality. This new reality has caused us to reorder our priorities and reallocate our resources.

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 - Capital Improvement Program) and Debt Service (Budget). The Operating Fund balance as set by Commission Policy is four months working capital (\$29 million by year-end 2001). Based on information obtained from other airports the Commission will be evaluating this balance in 2002. Most airports have a 1, 2, or 3 month balance. 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 Debt Service Fund services the Commission's debt. As stated above MAC is currently not anticipating a transfer to the Construction Fund for 2001 and 2002.

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

FUND BALANCE SUMMARY - 2002 BUDGET

(\$ = 000)

	<u>2001 Estimate</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2003 Projection</u>	<u>2004 Projection</u>
OPERATING FUND					
1/1 Balance	\$ 25,000	\$ 25,000	\$ 28,451	\$ 29,873	\$ 31,367
Sources Of Funds					
Operating Revenues	175,481	179,590	164,807	177,168	190,455
Interest Earnings 1	<u>2,000</u>	<u>8,732</u>	<u>2,000</u>	<u>4,000</u>	<u>5,000</u>
Total Sources of Funds	177,481	188,322	166,807	181,168	195,455
Uses of Funds					
Operating Expenses(excluding depreciation)	(89,023)	(89,120)	(85,354)	(89,621)	(94,102)
Equipment Purchases	(10,000)	(10,177)	(1,000)	(7,500)	(10,000)
Debt Service Transfer	(57,882)	(57,882)	(72,042)	(91,466)	(91,570)
Construction Fund Transfer	0	(42,500)	0	0	0
Other Operating Fund Expenses 3	<u>(10,700)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Uses of Funds	(167,605)	(199,679)	(158,396)	(188,587)	(195,672)
Net Change in Working Capital 2	<u>(10,376)</u>	<u>14,357</u>	<u>(6,600)</u>	<u>9,321</u>	<u>625</u>
12/31 Balance	\$ 24,500	\$ 28,000	\$ 30,262	\$ 31,775	\$ 31,775

1 Interest Rate Assumed 2.5% in 2001 - 2004

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

3 Represents payments from the Operating Fund for Coverage account, City of Richfield and to bring balance for 2002 up 4 mth level.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

BUDGET MESSAGE – 2002 OPERATING BUDGET

OPERATING BUDGET

As stated above staff prepared the budget based on the current economic conditions and the events of September 11. As such, the guidelines identified earlier were used as a basis to put the budget together. See the Operating Budget Section - Revenue and Expense Assumptions for details.

The following table is a summary of the 2001 estimated, 2001 budget and 2002 budget revenue and expenses.

\$ = 000	2001 <u>Estimate</u>	Revised 2001 <u>Budget</u>	2002 <u>Budget</u>
OPERATING REVENUE			
Airline Rates and Charges	\$ 74,402	\$ 73,397	\$ 74,896
Concessions	70,230	76,436	61,503
Other	<u>30,849</u>	<u>29,757</u>	<u>28,408</u>
Total Operating Revenue	\$ 175,481	\$ 179,590	\$ 164,807
OPERATING EXPENSE			
Personnel	\$ 41,581	\$ 42,317	\$ 41,581
Administrative Expenses	1,825	2,100	1,172
Professional Services	5,250	5,822	3,955
Utilities	11,600	9,517	10,755
Operating Services	13,803	13,777	12,925
Maintenance	14,535	14,074	14,343
Depreciation	66,875	67,442	76,517
Other	<u>429</u>	<u>946</u>	<u>623</u>
Total Operating Expenses	\$ 155,898	\$ 155,995	\$ 161,871
Net Operating Revenues*	\$ 19,583	\$ 23,595	\$ 2,936

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

Operating Revenues are projected to decrease \$14.8 million or 8.23% to \$164.8 million. Airline rates and charges are estimated to increase \$1.5 million or 2.04% to \$74.9 million. This increase can be attributed to additional depreciation and interest charges associated with runway and terminal projects. (See Revenue Assumptions explaining airline rates and charges). Concessions are projected to decrease \$14.9 million or 19.54%. The decrease can be directly attributed to the decline in passengers and their affect on terminal and parking facilities. (See Revenue Assumptions - Concessions). Other revenue is forecasted to decline \$1.3 million or 4.53%. This decline can be attributed to the decision by Sun Country Airlines to either significantly cut back or reduce service all together. (See Revenue Assumptions - Other Revenues).

Operating Expenses are projected to increase \$5.9 million or 3.77%. All areas of expense are forecasted to decrease with the exception of Other and Depreciation. Other is projected to increase \$194,000 or 45.22%. This increase can be attributed entirely to additional General Insurance premiums. Depreciation will increase \$9.6 million or 14.42%. This increase can again be attributed to the new facilities coming on line in 2001 and 2002. (See Expense Assumptions sections for detailed explanations of all expense categories).

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

BUDGET MESSAGE – 2002 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 2002 total \$103.3 million. Funding for the program will come from funds on, federal and state grants, passenger facility charges, Federal Letter of Intent, interest income, and current bond funds on hand. A summary of the Capital Improvement Program by facility for 2002 compared with 2001 is as follows:

CAPITAL IMPROVEMENT PLAN SUMMARY (CIP)

(\$ = 000)

	<u>2001</u>	<u>2002</u>
Minneapolis/St. Paul International		
Field & Runway	\$ 227,607	\$ 50,100
Environmental	45,500	12,400
Landside & Terminals	<u>341,800</u>	<u>38,935</u>
Total Minneapolis/St. Paul International	\$ 614,907	\$ 101,435
Reliever Airports	\$ 37,705	\$ 1,900
Total All Facilities	\$ 652,612	\$ 103,335

As stated earlier, the economy and events of September 11 had a dramatic impact on the construction program for 2002. Only essential projects (primarily rehab or repair) will move forward in 2002. In excess of \$375 million of projects scheduled for 2001 and 2002 have been deferred. A more detailed discussion of this program is provided in the Construction Section of this Budget.

DEBT SERVICE

In 2001 the Commission issued its fourth Series of General Airport Bonds (GARBs). The Series A/B Bonds were issued on a Senior basis (meaning they have a higher priority on revenues) and the Series C/D Bonds were issued on a Subordinate basis. The total issue was \$450.8 million and funded among other things, terminal improvements and runway/taxiway improvements. (See Debt Service and Construction Budget sections for further details.) The Commission also issued Bond Anticipation Notes (BANs) in August. This \$125 million issue was a one-year note and was in anticipation of a long-term debt issue in 2002. Because of the circumstances which occurred, MAC placed 75% of this issue in escrow, ceased using these funds and will pay off the 25% already expended with funds on hand. In October, MAC refunded General Obligation Revenue Bond Series 8/14, recognizing present value savings of 11.25%. In addition the Commission along with Northwest Airlines began work on the refunding of General Obligation Revenue Bond Series 9/15. This refunding is scheduled for January 2002 and is currently projected to yield present value savings of 10% to 15%. As 2002 progresses the MAC will monitor and evaluate the Capital Program and if conditions warrant, begin construction of selected deferred projects. At the present time however, the Commission does not plan on any new financings or refundings in 2002.

FUTURE OUTLOOK

There are two key issues which will have a significant impact on MAC operations in 2002. The first and by far most important one is the economic recovery of the nation as a whole and in particular the airline industry. The second issue is Strategic Planning/Goals and Objectives.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

BUDGET MESSAGE – 2002 OPERATING BUDGET

Economic Recovery & Airline Industry

Since September 11, MAC has seen its various revenue streams, particularly concessions, rebound very gradually. This recovery must continue for both airports and airlines as well as the whole travel industry. MAC has taken significant steps for 2002 to maintain financial security. If conditions continue to improve economically for the airlines it will help strengthen the nation as a whole. Just as the fourth quarter of 2001 was difficult for all in this industry, 2002 will be more difficult which in turn will carry over into 2003. The next 24 - 30 months will be by far the most important and strenuous period in aviation history. For these reasons MAC has committed to move forward very conservatively and will be constantly monitoring all activity so that if any additional budget adjustments are necessary they can be implemented immediately.

Strategic Planning/Performance Leadership

Through strategic planning, MAC has improved the manner in which organizational goals are deployed to its divisions. Over the past couple of years department heads and their staffs have worked to link their objectives to the strategic plan, through MAC's strategic Links process.

Technology has greatly improved the planning and reporting process. Semi-annual updates to the strategic plan are provided to the Commission and employees to keep all involved informed and updated with the progress being made.

The use of individual planning along with on-going coaching and feedback was continuing very well in 2001. These discussions enhance two-way communication between employee and supervisor. However, based on the economic reality of 2001 and the tragic event, staff has significantly adjusted goals and objectives for 2002. No new initiatives will be implemented in the year 2002. Staff will work diligently to continue to provide excellent customer service with the resources currently on hand. Continued feedback not only between employees and their supervisor, but all departments and staff will be critical in 2002.

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, 2001.

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

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

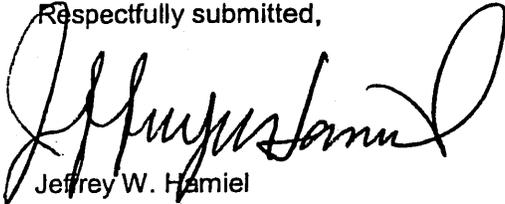
MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

BUDGET MESSAGE – 2002 OPERATING BUDGET

ACKNOWLEDGEMENT

The 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 all MAC staff who worked especially hard under the current circumstances to develop the final 2002 budget. Through this hard work and effort we hope that the MAC will continue to be 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



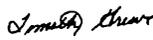
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Distinguished Budget Presentation Award

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**Minneapolis/St. Paul Metro Airport Commission
Minnesota**

For the Fiscal Year Beginning
January 1, 2001


President


Executive Director

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2001 ORGANIZATIONAL GOALS & OBJECTIVES – PROGRESS REPORT

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. The updated Strategic Plan was presented to the Commission in February 2001. This update was prepared by obtaining input from Commissioners, senior staff, managers, supervisors and employee groups. Through strategic planning, MAC has improved the manner in which organizational goals are deployed to its divisions. Over the past couple of years, department heads and their staffs have worked to link their objectives to the strategic plan through MAC's Strategic Links process. Consequently, the alignment of department objectives with MAC's strategic direction has improved significantly. Annual updates to the strategic plan continue to be provided to Commissioners and employees to keep them informed of MAC's progress.

MAC's five strategic goals were developed around the following three broad themes:

- ➔ **Creating a Better Airport**
- ➔ **Creating a Better Community**
- ➔ **Creating a Better Workplace**

These strategic themes cascaded throughout the organization by our department planning process. This is where objectives and tasks will be identified that support MAC's goals. The 2001 progress report for the individual departments are listed in the division sections of this book.

The organizational progress report for the 2001 Strategic Plan was presented and approved by the Commission March 2002.

Goal	Accomplishments
<i>Create a customer friendly environment at all airports.</i>	<ul style="list-style-type: none"> ➔ Identified by the IATA Global Monitor as one of the top ten international airports in overall customer satisfaction (ranked 6th). ➔ Won all 5 categories in Airport Retail News Best Concession Poll for 2002 – Best Concessions program Design, Best Redeveloped Program, Best Management Team, Most Innovative Services and Best Overall Program. ➔ Through-The-Customers-Eyes Program showed a 9% improvement in ratings for the appearance of MSP facilities. ➔ Survey America scores for the year 2001 rose 3.6% over 2000 scores. ➔ Incorporated customer service as a core competency for annual performance reviews. ➔ Trained 170 front line employees in delivering customer service.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

2001 ORGANIZATIONAL GOALS & OBJECTIVES – PROGRESS REPORT

Goal	Accomplishments
<p><i>Continue implementation of the 2010 plan.</i></p>	<ul style="list-style-type: none"> → Issued the following bonds that were used to finance the 2010 plan: <ul style="list-style-type: none"> ▪ \$184,005,000 General Airport Revenue Bonds ▪ \$266,810,000 Subordinate General Airport Revenue Bonds ▪ \$125,000,000 Bond Anticipation Notes → Secured federal aid of approximately \$30,000,000. → Awarded bids on 75 projects with a value of \$272 million. → Completed or substantially completed the following major projects – <ul style="list-style-type: none"> ▪ HHH Replacement Terminal ▪ Green Concourse Apron Expansion ▪ Green Concourse People Mover ▪ MSP Airport Mail Center ▪ West Cargo Apron ▪ 2001 Rwy 17-35 Site Prep ▪ Rwy 17-35 Stormwater Tunnel
<p><i>Enhance airport compatibility with adjacent communities and other areas.</i></p>	<ul style="list-style-type: none"> → Insulated 734 homes in the Part 150 program. → Signed a lease with the Minnesota Amateur Sports commission to develop the Anoka County Golf Course. → Negotiated a memorandum of understanding with the City of Eden Prairie to obtain their concurrence with the development plan for Flying Cloud in exchange for noise restrictions. → Completed reliever airport utility projects at Crystal and Anoka-County Blaine Airports.
<p><i>Expand air service alternatives for the region's residents and businesses.</i></p>	<ul style="list-style-type: none"> → 138 non-stop destinations were served from MSP. → 18 non-stop destinations were served by two or more carriers. → An international carrier, British Midland, filed for route authority.
<p><i>Build a rewarding work environment.</i></p>	<ul style="list-style-type: none"> → Had a 7% employee turnover rate. → Internally promoted 24 employees. → Devoted approximately 3000 people hours to performance leadership training. → Settled union contracts with Lakes and Plains Regional Council of Carpenters, Painters Local 386, Plumbers Local 34, International Brotherhood of Electrical Workers Local 292, International union of Operating Engineers Local 49, International Association of Fire Fighters Local S-6, and the Metropolitan Airports Police Federation. → Incorporated job satisfaction into the performance reviews. → Implemented individual development plans. → Secured a vendor for employees to purchase Long Term Care insurance. → Implemented a Post Employment Health Plan (PEHP). → Revised vacation carryover policy to allow an additional ten (10) days to be carried forward.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

2002 ORGANIZATIONAL GOALS AND OBJECTIVES

The updated Strategic Plan is provided here, as was presented and approved by the Commission in April 2002. This update was prepared by obtaining input from Commissioners, senior staff, managers, supervisors and employee groups. Through strategic planning, MAC has improved the manner in which organizational goals are deployed to its divisions.

The strategic goals continues to be used to help establish organizational priorities and to accomplish 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 MAC's strategic plan will be revisited to ensure that it addresses future conditions and issues that face the MAC. Department heads and their staffs have worked to link their objectives to the strategic plan through MAC's Strategic Links process. Individual department goals and objectives are listed in the division section of this book.

2002 and Beyond Goals and Objectives

Goal	Objective	Activity	Tasks	Measures
Provide a Safe and Secure Airport System	Meet security mandates	Explosive Detection System (EDS) installation plan	<ul style="list-style-type: none"> → Provide input to Transportation Security Administration (TSA) on requirements → Identify bag screening system requirements: <ul style="list-style-type: none"> - machine type size - location - number required - supporting infrastructure - adaptability to new technology → Develop installation plan 	<ul style="list-style-type: none"> → Plan completed and system operational
		Verify identity of security badge-holders	<ul style="list-style-type: none"> → Fingerprint all existing badge-holders → Redraft badge application form → Coordinate with tenants on program requirements → Reevaluate MSP identification badges 	<ul style="list-style-type: none"> → Successful audit(s) internal/external
		Contribute to development of general aviation requirements	<ul style="list-style-type: none"> → Actively participate in decision process: <ul style="list-style-type: none"> - AAAE/ACI Committees - TSA Taskforce(s) - Conference calls - Review written materials - Complete requested surveys → Work to understand user needs and security impacts (tenants, FBO's transients) <ul style="list-style-type: none"> - 12,500 #rule - PAX/crew screening - Fixed base operator physical Security 	<ul style="list-style-type: none"> → Positive user feedback → Successful audits

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

2002 ORGANIZATIONAL GOALS AND OBJECTIVES

Goal	Objective	Activity	Tasks	Measures
	Develop coordinated response plan to security events	Develop response plan for unresolved EDS alarms	<ul style="list-style-type: none"> → Identify and coordinate responsibilities with affected parties (airlines, TSA, tenants, law enforcement) → Review/analyze resources and staffing needs 	<ul style="list-style-type: none"> → Effective response to EDS alarms
		Create terminal building(s) evacuation plan	<ul style="list-style-type: none"> → Police Dept./ADO interact to develop evacuation plan 	<ul style="list-style-type: none"> → Completed Plans
		Contribute to development of general aviation requirements	<ul style="list-style-type: none"> → Actively participate in decision process: <ul style="list-style-type: none"> - AAAE/ACI Committees - TSA Taskforce(s) - Conference calls - Review written materials - Complete requested surveys → Work to understand user needs and security impacts (tenants, FBO's transients) <ul style="list-style-type: none"> - 12,500 #rule - PAX/crew screening - Fixed base operator physical Security 	<ul style="list-style-type: none"> → Positive user feedback → Successful audits
Maintain the Economic Viability of the Airport System	Maintain sufficient liquidity to meet operating and debt service requirements.	Manage non-airline revenue so it is equal to or greater than the target of \$87,710,000.	Review parking fees and recommend changes to the existing structure. Complete negotiations for a new Caribou Coffee site. Bid Outdoor Advertising Concession contract. Complete negotiations for vehicle storage lease with Hertz.	Revenue generated from new sources. Comparison of actual revenue to 2002 budgeted revenue. Year-end reserve balance in the Operating Fund.
		Manage operating expenses, excluding depreciation, so they are at or below the target of \$85,354,000.	<ul style="list-style-type: none"> → Proactively manage and respond to expense variances. → Identify and implement short and long term cost saving measures. 	<ul style="list-style-type: none"> → Comparison of actual expenses to 2002 budgeted expense. → Year-end reserve balance in the Operating Fund.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

2002 ORGANIZATIONAL GOALS AND OBJECTIVES

Goal	Objective	Activity	Tasks	Measures
		Maintain a coverage ratio of 1.4.	→ Fund the coverage account to the maximum of \$14,991,373.	→ Bond rating on senior general airport revenue bond as rated by Standard & Poors and Fitch.
		Secure funding for airport safety and security enhancements.	→ Identify internal and external sources of funding.	→ Dollar amount of external funding received. → Comparison of actual vs. budgeted security costs.
	Maintain a competitive airline cost structure.	Manage total airline costs so they are at or below the target of \$84,975,000.	→ Monitor expenses that enter the airline rate base. → Prepare a mid-year projection of airline rates and charges.	→ MAC's ranking in the industry as determined by an airport industry survey.
	Continue implementation of the 2010 Plan within the limits of available funding.	Determine available funding.	→ Update model used to project funding requirements. → Complete PFC Application #6. → Identify alternative sources of funding.	→ Plan completed. → Execution of plan has begun and target dates have been met.
		Develop 2003 – 2009 CIP.	→ Identify and prioritize projects within financial constraints. → Develop draft CIP, obtain approval, mail to affected communities and submit to Legislative Committees. → Prepare environmental documentation and conduct public hearings. → Approve final CIP.	→ Plan completed within the time frame identified.

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MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

2002 OPERATING BUDGET SUMMARY

The Operating Budget 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. (See the Budget Message and Cash Flow sections.) In the second, part only revenue and expense derived from operating the Commissions facilities are presented. The budget for the Commission is prepared based on an accrual basis. Revenue derived from user fees includes various fees from the airlines, concessions and miscellaneous/utilities/rental fees. The expense detail includes Personnel, Administrative, Professional Services, Utilities, Operating Services, Maintenance, Gross Depreciation, and Other. Capital equipment purchases are detailed in the Capital Equipment section.

As the following table indicates, significant decreases are projected for both revenue and expense.

(\$=000)	2001 Estimate	2001 Revised Budget**	2002 Budget	2001 Vs 2002 Budget	
				Dollar Change	% Change
REVENUE					
Airline Rates & Charges	\$ 74,402	\$ 73,397	\$ 74,896	\$ 1,499	2.04%
Concessions	70,230	76,436	61,503	(14,933)	-19.54%
Other	<u>30,849</u>	<u>29,757</u>	<u>28,408</u>	<u>(1,349)</u>	-4.53%
Operating Revenue	\$ 175,481	\$ 179,590	\$ 164,807	\$ (14,783)	-8.23%
EXPENSE					
Personnel	\$ 41,584	\$ 41,584	\$ 41,581	\$ (3)	-0.01%
Administrative Expenses	1,825	1,825	1,172	(653)	-35.78%
Professional Services	5,250	5,250	3,955	(1,295)	-24.67%
Utilities	11,600	11,600	10,755	(845)	-7.28%
Operating Services	13,897	13,897	12,925	(972)	-6.99%
Maintenance	14,535	14,535	14,343	(192)	-1.32%
Other*	<u>429</u>	<u>429</u>	<u>623</u>	<u>194</u>	45.22%
Operating Expense Excludes Depreciation	\$ 89,120	\$ 89,120	\$ 85,354	\$ (3,766)	-4.23%
Depreciation	<u>\$ 66,875</u>	<u>\$ 66,875</u>	<u>\$ 76,517</u>	<u>\$ 9,642</u>	14.42%
Total Operating Expense Included Depreciation	<u>\$ 155,995</u>	<u>\$ 155,995</u>	<u>\$ 161,871</u>	<u>\$ 5,876</u>	3.77%
Operating Income	\$ 19,486	\$ 23,595	\$ 2,936	\$ (20,659)	-87.56%
* Includes General Insurance, Minor Equipment, Reimbursed Expense and miscellaneous items					
** The revised 2001 budget reduced Parking Revenue by the estimated sales tax. The Expense budget moved existing dollars between budget categories. The reallocation did not change the total 2001 budget.					

Revenue

MAC's total Operating Revenues of \$164.8 million is \$14.8 million or 8.23% below the revised 2001 Budget of \$179.6 million. The projected budget for Airline Rates and Charges, which are 45% of total Revenue, is \$74.9 million for 2002. The estimated increase of \$1.5 million or 2.04% is attributed to increased depreciation and interest charges associated with runway and terminal projects. Concession, which is 37% of total Revenue, is estimated to decrease \$14.9 million or 19.54%. The estimated decrease is due to the anticipated decline in parking. Other, which is 18% of total Revenue, is projected to decrease \$1.3 million or 4.53%. The reductions are based on the revision of the rates charged for the Humphrey Terminal.

Expense

MAC's total Operating Expense of \$161.9 million is \$5.9 or 3.77% above the revised 2001 Budget of \$156.0 million. With the exception of Other (up \$194 thousand) and Depreciation (up \$9,642 million) expenses for 2002 are projected to decrease. The increases in Other and Depreciation are attributed to MAC facilities (HHH Terminal, Concourses A/B/C, and Apron expansion) that are either expanding or will be opening late in 2001 and 2002.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

2002 OPERATING BUDGET SUMMARY

Budget Targets

In June 2001, the Finance Committee directed staff to prepare the 2002 Operating Budget. The directions given staff were based on the feasibility study and the airline agreement. Budget targets were established in the areas of revenue and expense growth, debt service coverage, transfer to the construction fund and airline cost/enplanement.

Target: Establish target increases over the 2001 budget of 8.3% for operating revenue and 15.2% for operations and maintenance costs excluding depreciation.

Results:

(\$=000)	2002 Feasibility Study	2002 Budget	\$ Change	% Change	Target
Operating Revenue	\$198,013	\$164,807	\$(33,206)	-16.8%	8.3%
Operating Expense	\$102,035	\$85,354	\$(16,681)	-16.3%	15.2%

Target: Maintain a coverage ratio of 1.6x on the General Obligation Revenue and Senior General Airport Revenue Bonds.

Results:

	2002 Budget	Target
Debt Service Coverage – Senior Lien Debt	1.32x	1.6x

The ratio is below the target but still is above the required 1.25x coverage on the senior lien debt and does not include the coverage account transfer. If included the coverage ratio increases to 1.41x.

Target: Transfer \$28,579,000 to the construction fund to be used for capital improvement project costs.

Results:

	2002 Budget	Target
Transfer to the Construction Fund	\$0	\$28,579,000

Target: Maintain an average airline cost/enplanement of \$5.15 and a deferral not to exceed \$6,790,000.

Results:

	2002 Budget	Target
Cost/Enplanement	\$5.73	\$5.15
Deferral	\$0	\$6,790,000

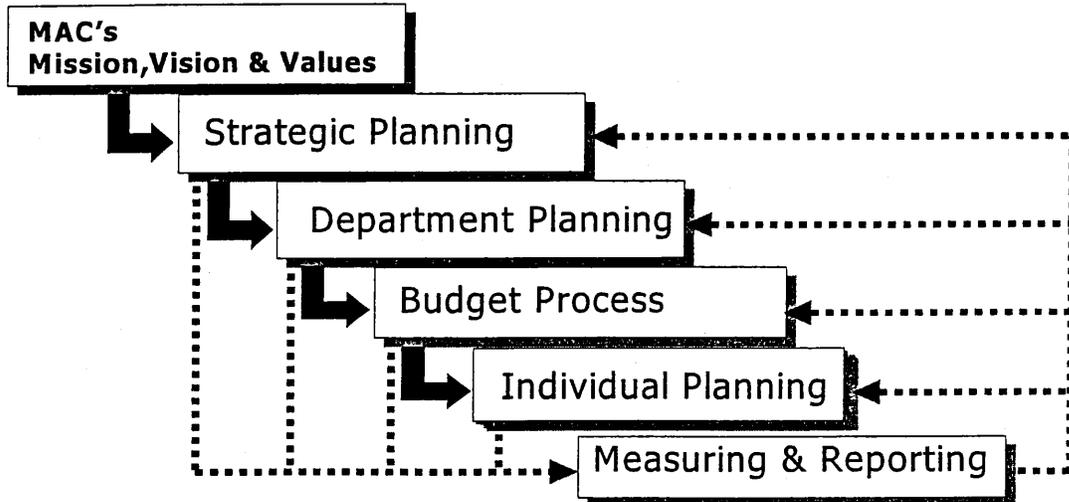
The consequences of September 11 have devastated the airline industry. As of year-end, passenger and operation activity is down 6.6% and 4.2% respectfully. Because of a weak economy, it is difficult to determine the duration of the reduction or when the airline industry will see economic improvements. In response, MAC is presenting a budget that (excluding depreciation) reduces operating expense \$3,766 million or 4.23%, and includes only the essential expense to maintain airport operations, and defers \$294 million of the 2002 Capital Improvement Program budget.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

DESCRIPTION OF BUDGET PREPARATION & AMENDMENT PROCESS

BUDGET PROCESS

The budget process is the fourth step in MAC's overall strategic planning process, internally called 'Strategic Links', as indicated in the following chart. The Strategic Links process at the Metropolitan Airports Commission (MAC) is essentially a year-round project.



The first step of the process reviews MAC's mission, vision, and values. Based upon the current conditions Senior Staff is reviewing MAC's mission, vision, and values again, no materials were available for publication. The previous vision statement was "Setting standards of excellence for airports".

A major portion of strategic and department planning consists of determining individual goal/objectives, additional resources necessary, and required internal/external relationships needed. These strategic (organizational) and department goals are used to generate budget requests and prioritize department spending. Departments were asked to use the guidelines below for their prioritization.

Headcount Additions	
First priority	Headcount necessary to meet regulatory requirements.
Second priority	Headcount necessary to maintain the new facilities that will be completed in 2002.
Last priority	All other requests.
Other Costs	
First priority	Additional costs required to meet regulatory requirements.
Second priority	Imbedded cost increases (i.e., scheduled increases in contracts, salary adjustments for existing workforce, utility rate increases, etc.)
Third priority	Additional costs to maintain facilities completed in 2001 and 2002.
Last Priority	Discretionary costs increases.

MAC has not achieved all of the steps in its strategic links process. Measuring and reporting of outcomes continues to be a manual process. The planned purchase of software to assist departments with aligning their plans with goals and objectives, specific outcomes and the reporting of measures has been deferred.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

DESCRIPTION OF BUDGET PREPARATION & AMENDMENT PROCESS

The fourth step, the budget process, 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.

Preparation for the entire process begins in April. As related to the budget process, the Finance Department prepares the following for each service center, historical reports, budget-input templates, and database design. An assessment of the necessary training is completed and training materials are created. Each department assigns a Budget Specialist to input the budget and coordinate budget information for their service center.

In late June, the Finance Committee provides direction to staff regarding growth and allocation of funds or budget targets. The direction provided by the Finance Committee is communicated to staff at various informational meetings and included in their budget packages.

Budget packages are distributed in June. All service centers have four weeks to complete their budget. Finance reviews all packages and summarizes information. The staffing matrix is the first item reviewed by Senior Staff. The Executive Director requests preliminary approval for additional positions from the Finance Committee. The interim approval permits the organization to plan accurate projections. August is spent compiling summary reports and completing the revenue budget, with the exception of airline rates and charges. Senior staff determines final budget cuts and revenue figures are compiled. Airline rates and charges are calculated based on a break-even philosophy. Expense incurred for the operation of the airport will be recovered through the airline rates and charges. The expense budget must be complete in order to determine the rates and subsequent revenue. Once airline rates and charges are calculated and final revenue figures are available, total revenue and expense is completed. Staff revisions are completed as required. During September, presentations and supporting documents are prepared for the Finance Committee, senior staff, and airlines. The month of October is reserved for presentations to the Finance Committee and revisions prior to requesting final approval.

The Finance Committee gives preliminary approval in October. With the recommendation from the Finance Committee and the informational meetings held, final approval is typically requested at the October full Commission meeting, however, due to the numerous budget revisions, final approval was requested in December. Final approval of the 2002 Operating Budget was given at the December Commission meeting. Rate changes are sent out as usual at the beginning of December based upon approval from the full Commission.

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.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

DESCRIPTION OF BUDGET PREPARATION & AMENDMENT PROCESS

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

DESCRIPTION OF BUDGET PREPARATION & AMENDMENT PROCESS

This table is an overview of the typical budget process. The budget process is adjusted based on the request from Senior Staff, MAC Commissioners and organizational need. Despite any changes to the time frame all of the individual tasks are completed.

Month	Responsibility	Task
April	Finance Committee	1. Establishes budget direction for expenses of following year.
	Finance Department Department Management Finance Department	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	14. Presents budget requests to Executive Director
	Executive Director Finance Department Finance Department and MAC Staff	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	22. Compiles presentation information. 23. Distributes Budget Packages to airlines and the Finance Committee.
	MAC Staff Finance Department and Senior Staff Finance Department	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

2002 OPERATING BUDGET SUMMARY

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.
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.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

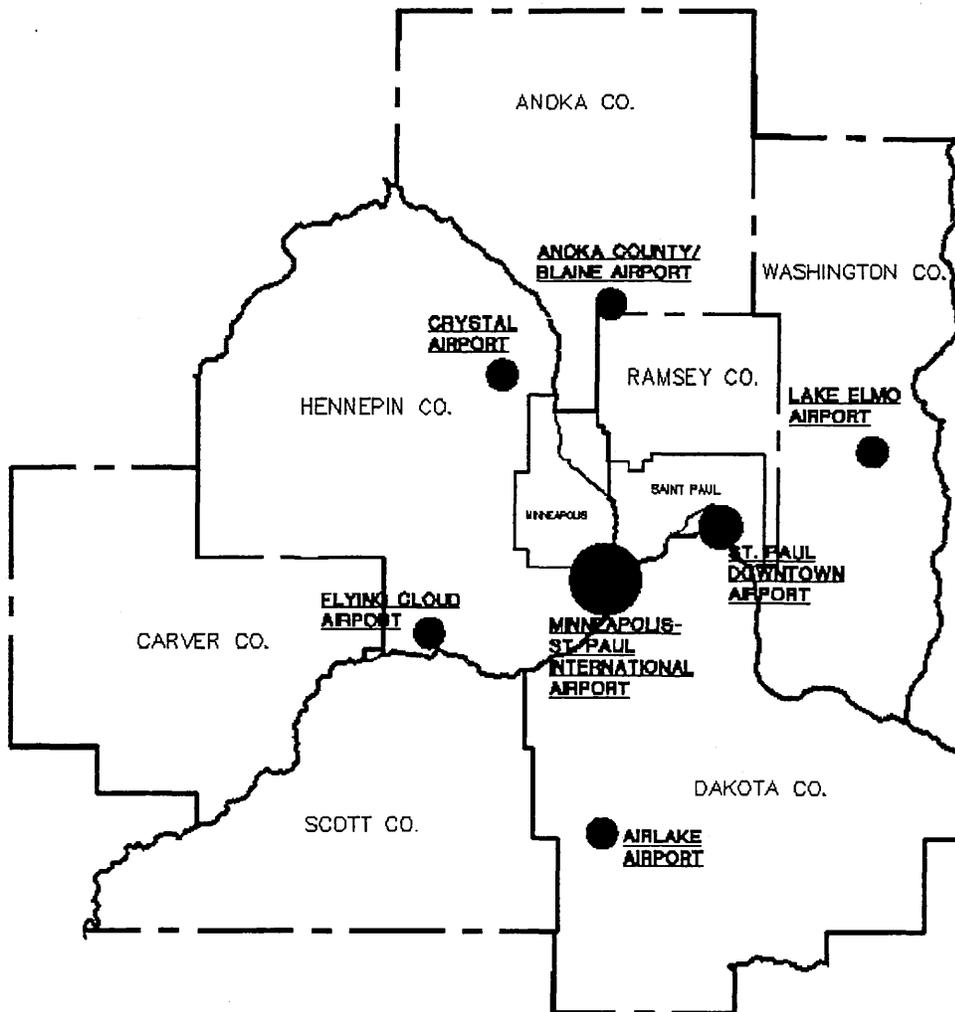
2002 OPERATING BUDGET SUMMARY

- 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

ORGANIZATIONAL STRUCTURE – 2002 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.



Commission Jurisdiction 35 Mile Radius

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 2002 OPERATING BUDGET

Fourteen Commissioners and a Chairman govern the Airports Commission. The Governor of the State of Minnesota appoints twelve Commissioners. 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.

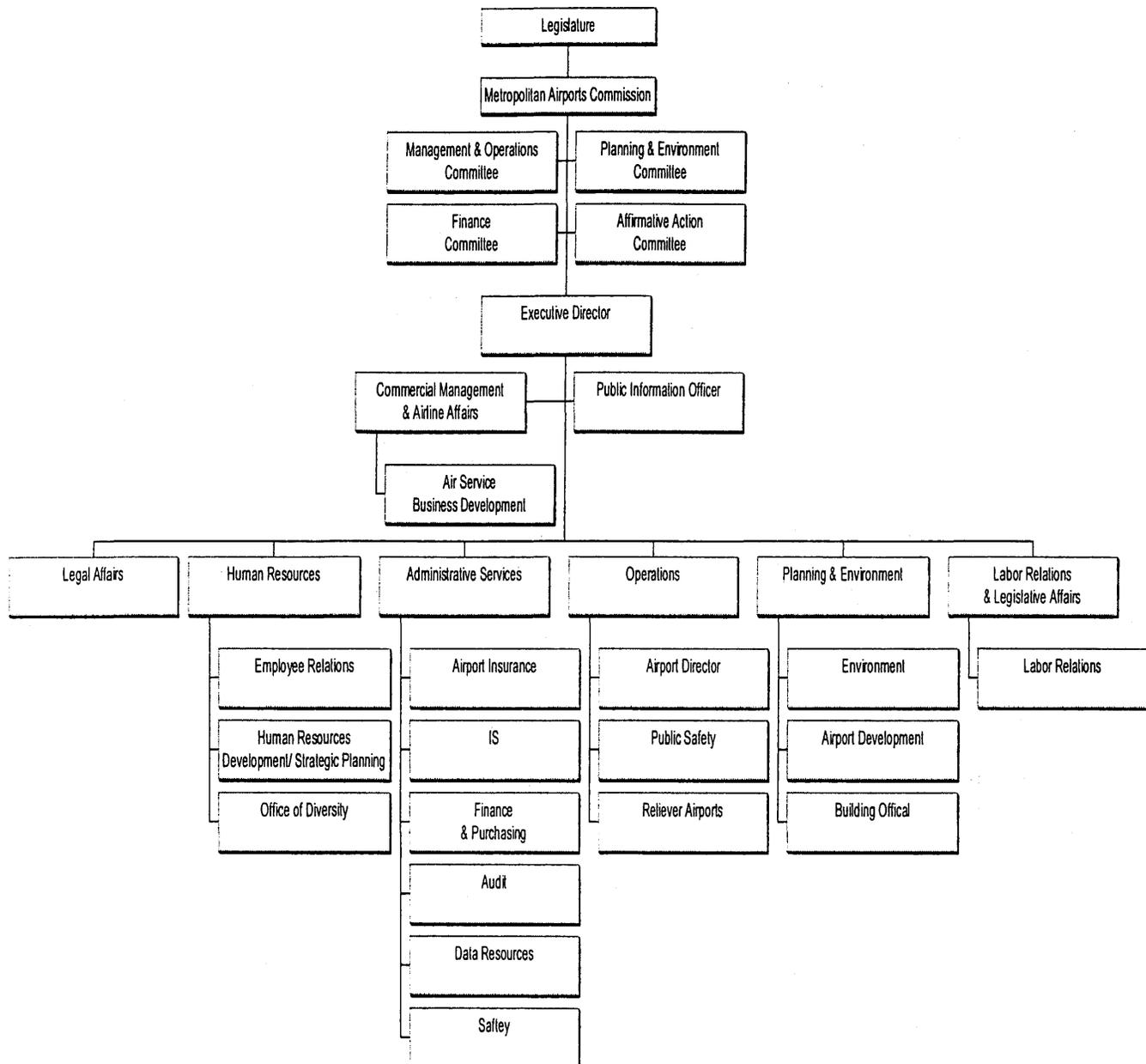
Chairperson:	Charles Nichols
Commissioners:	
District A	Paul Weske
District B	Daniel Fortier
District C	Coral Houle
District D	John Williams
District E	William Erhart
District F	Nancy Speer
District G	Thomas Foley
District H	Bert McKasy
City of Minneapolis	Roger Hale
City of St. Paul	Dick Long
Representing Greater Minnesota Area:	Carl D'Aquila Mike Landy Paul Rehkamp Robert Mars
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 – 2002 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 roll-up. The seven division summary sections contain the following information by department or service center: expenses by major category, explanation of major changes, position summary, and a brief description of the department's responsibility/function.



MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 2002 OPERATING BUDGET

Divisions

There are seven divisions at the Metropolitan Airports Commission which are directly responsible 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 that relate to one another. The department format is also a way that department directors can review functions they control.

Service Center

Service Centers are the lowest levels of the department detail. Many of the departments at MAC include several areas of responsibility and control. These areas have been identified as service centers. Previously there was not a separate budget for each service center. 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.

Subledgers

Revenues collected for rates and charges from the airlines are governed by the airline agreement. The airline agreement is based on a break-even philosophy, expenses incurred for the operation of the airport facility are divided among the airlines based on their participation. The budget is prepared using the same formula. Expenses were budgeted to the appropriate subledger, activity area, through either allocation or direct cost. Managing the multiple allocations and maintaining department budgets became overwhelming. Adding the subledger code to the object account for each line item helped to simplify the process. The summarized costs from the subledgers determine the calculation of various rates and charges. The line item details of the subledgers are in the Operating Budget Expense section.

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 processed for signature. The Finance department considers the specialist the department budget expert. Each year budget process overviews are conducted specifically for the Budget Specialist.

Controllable Expenses

MAC prepares a line item budget for each service center. Controllable expenses allow a service center to budget for those line items for which they have direct responsibility and control, regardless of subledger association.

Bottom Line Management

Monthly and quarterly budget variance reports are reviewed based on budget line item. In addition, the budget is prepared by line item, but department directors have the authority to make alternate decisions for actual expenditures based upon department needs.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 2002 OPERATING BUDGET

Organizational Structure by Division, Department, and Service Center			
Division	Department	Service Center	
		Number	Name
Executive Director / Commissioner	Executive / Commission	75000	Executive – General / Special Projects
		75100	Executive – Commissioners / Chairman
	Public Affairs	76000	Public Affairs
	Air Service Business Development	76100	Air Service Business Development
	Commercial Management / Airline Affairs	80000	Commercial Management / Airline Affairs
Human Resources	Human Resources	75700	Human Resources
	Human Resources Development	76600	Human Resources Development
	Employee Relations	81500	Employee Relations
	Office Of Diversity	80600	Office Of Diversity
Legislative and Labor Relations	Legislative and Labor Relations	79500	Legislative and Labor Relations
Administrative Services	Administrative Services	75600	Administrative Services /Data Resources
	Wellness	76700	Wellness
	Airports Insurance	76800	Airports Insurance
	Safety	85400	Safety
	IS	79000	IS
	Finance	78000	Finance
		78200	Purchasing
	Internal Audit	78300	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
	Airport Development – Building Official	77100	Airport Development – Building Official

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

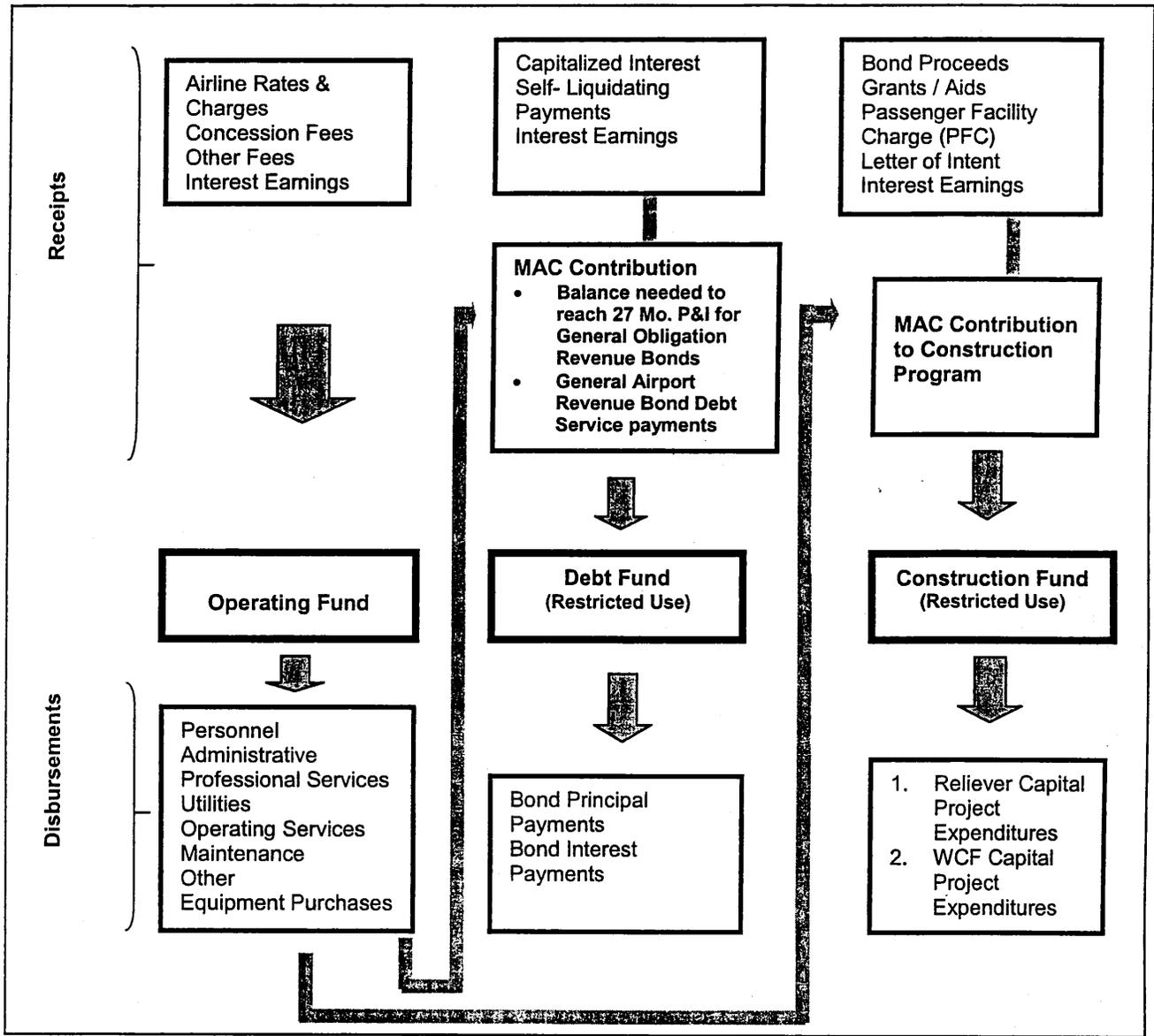
ORGANIZATIONAL STRUCTURE – 2002 OPERATING BUDGET

Organizational Structure by Division, Department, and Service Center			
Division	Department	Service Center	
		Number	Name
Operations	Deputy – Operations	75800	Deputy – Operations
	Airport Directors Office	82000	ADO – General
		82050	Conference Center
		82600	Airside Operations
	Airside Operations	83000	Landside – Operations
		83300	Landside – Parking
	Landside Operations	83400	Landside – Administration
	Airline Operation/Facility	85500	Airline Operation/Facility
	Facilities – Lindbergh Terminal	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
	Communications	82700	Communications
	Fire	83600	Fire
	Police	84200	Police
	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

FLOW OF FUNDS - 2002 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, Construction Fund and Debt Redemption Fund.

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



MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

FLOW OF FUNDS - 2002 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 - 2002 BUDGET

(\$ = 000)

	2001 Estimate	2001 Budget	2002 Budget	2003 Projection	2004 Projection
OPERATING FUND					
1/1 Balance	\$ 25,000	\$ 25,000	\$ 28,451	\$ 29,873	\$ 31,367
Total Sources Of Funds	177,481	188,322	166,807	181,168	195,455
Total Uses Of Funds	(167,605)	(199,679)	(158,395)	(188,587)	(195,672)
Transfers & Working Capital Changes	<u>(10,376)</u>	<u>14,357</u>	<u>(6,601)</u>	<u>9,321</u>	<u>625</u>
Ending Balance	\$ 24,500	\$ 28,000	\$ 30,262	\$ 31,775	\$ 31,775
CONSTRUCTION FUND					
1/1 Balance	\$265,298	\$258,796	\$472,156	\$ 56,145	\$ 38,430
Total Sources Of Funds	604,581	284,415	71,782	287,667	287,861
Total Uses Of Funds	<u>(397,723)</u>	<u>(459,881)</u>	<u>(487,793)</u>	<u>(305,382)</u>	<u>(279,673)</u>
Ending Balance	\$472,156	\$ 83,330	\$ 56,145	\$ 38,430	\$ 46,618
DEBT SERVICE FUND					
1/1 Balance	\$180,662	\$182,626	\$252,849	\$253,139	\$259,909
Total Sources Of Funds	166,131	182,880	246,962	136,243	136,376
Total Uses Of Funds	<u>(93,944)</u>	<u>(76,314)</u>	<u>(246,672)</u>	<u>(129,473)</u>	<u>(129,455)</u>
Ending Balance	\$252,849	\$289,192	\$253,139	\$259,909	\$266,830

- (1) Funds are described in detail and show all sources and uses of funds in their respective section of the 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.

FLOW OF FUNDS - 2002 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 2000/2001 taxable market value, the maximum amount available for maintenance and operations of the Commission would have been approximately \$12.5 Million.

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 - 2002 BUDGET

(\$ = 000)

	<u>2001 Estimate</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2003 Projection</u>	<u>2004 Projection</u>
OPERATING FUND					
1/1 Balance	\$ 25,000	\$25,000	\$ 28,451	\$ 29,873	\$ 31,367
Sources Of Funds					
Operating Revenues	175,481	179,590	164,807	177,168	190,455
Interest Earnings ¹	<u>2,000</u>	<u>8,732</u>	<u>2,000</u>	<u>4,000</u>	<u>5,000</u>
Total Sources of Funds	177,481	188,322	166,807	181,168	195,455
Uses of Funds					
Operating Expenses(excluding depreciation)	(89,023)	(89,120)	(85,354)	(89,621)	(94,102)
Equipment Purchases	(10,000)	(10,177)	(1,000)	(7,500)	(10,000)
Debt Service Transfer	(57,882)	(57,882)	(72,042)	(91,466)	(91,570)
Construction Fund Transfer	0	(42,500)	0	0	0
Other Operating Fund Expenses ³	<u>(10,700)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Uses of Funds	(167,605)	(199,679)	(158,396)	(188,587)	(195,672)
Net Change in Working Capital ²	<u>(10,376)</u>	<u>14,357</u>	<u>(6,600)</u>	<u>9,321</u>	<u>625</u>
12/31 Balance	\$ 24,500	\$28,000	\$ 30,262	\$ 31,775	\$ 31,775

1 Interest Rate Assumed 2.5% in 2001 - 2004

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

3 Represents payments from the Operating Fund for Coverage account, City of Richfield and to bring balance for 2002 up to 4 mth level.

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 2.5% for 2001 and 2004. 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 will start 2002 with a \$28,451,000 balance in January and builds to a \$30–\$50 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 was made and the four months working capital balance is funded at \$28,451,000 for 2002. If there are net funds after this analysis, they are transferred to the Construction Fund. This transfer is estimated to be \$0 in 2002.

For 2001 there has been added another line item under uses; Other Operating Fund Expenses. This item includes other cash payments and/or transfers made in 2001. These are a payment to the City of Richfield for property acquisition, funding the Operating Reserve up to four months and a transfer to the Coverage Account.

There are two related significant changes between the 2001 and 2002 budget years. First of all there is a decrease in Operating Revenue of \$17,953,000. This decrease 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 2001 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.

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2002 OPERATING BUDGET SUMMARY

(\$=000)

	2000 <u>Actual</u>	2000 <u>Budget</u>	2001 <u>Estimate</u>	2001 <u>Revised Budget</u>	2002 <u>Budget</u>	2001 Budget vs. 2002 Budget	
						Dollar Change	% Change
REVENUE							
Airline Rates & Charges	\$ 65,170	\$ 63,243	\$ 74,402	\$ 73,397	\$ 74,896	\$ 1,499	2.04%
Concessions	70,760	67,136	70,230	76,436	61,503	(14,933)	-19.54%
Other	27,483	24,453	30,849	29,757	28,408	(1,349)	-4.53%
Total Operating Revenue	\$ 163,413	\$ 154,832	\$ 175,481	\$ 179,590	\$ 164,807	\$(14,783)	-8.23%
EXPENSE							
Personnel	\$ 39,814	\$ 37,209	\$ 41,584	\$ 41,584	\$ 41,581	\$ (736)	-1.74%
Administrative Expenses	1,686	1,758	1,825	1,825	1,172	(928)	-44.19%
Professional Services	6,357	4,801	5,250	5,250	3,955	(1,867)	-32.07%
Utilities	8,678	6,705	11,600	11,600	10,755	1,238	13.01%
Operating Services	11,972	11,160	13,897	13,897	12,925	(852)	-6.18%
Maintenance	12,238	11,504	14,535	14,535	14,343	269	1.91%
Other*	277	783	429	429	623	(323)	-34.14%
Total Operating Expense (Excludes Depreciation)	\$ 81,022	\$ 73,920	\$ 89,120	\$ 89,120	\$ 85,354	\$ (3,199)	-3.61%
Depreciation	51,028	51,885	66,875	66,875	76,517	9,075	13.46%
Total Operating Expense	\$132,050	\$125,805	\$155,995	\$155,995	\$161,871	\$5,876	3.77%
Operating Income	\$ 31,363	\$ 29,027	\$ 19,486	\$ 23,595	\$ 2,936	\$(20,659)	-87.56%

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

OPERATING REVENUES - 2002 OPERATING BUDGET

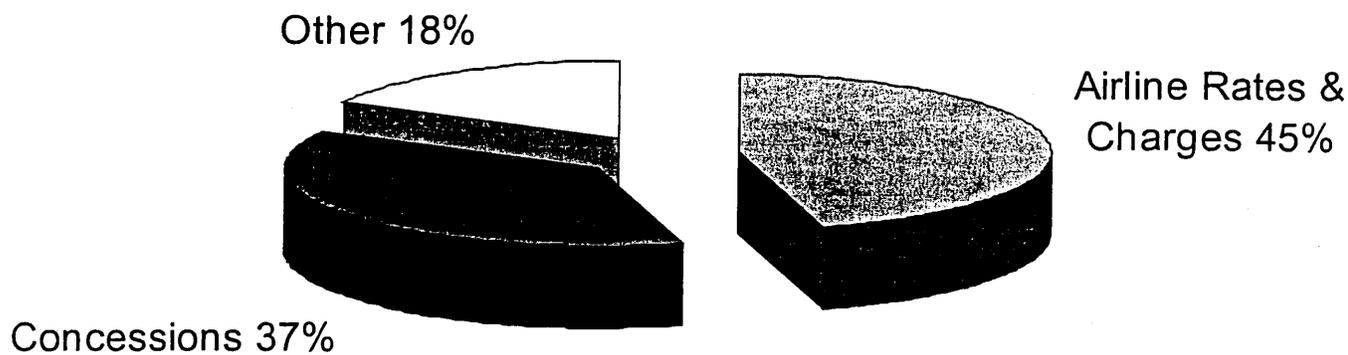
	2000 <u>Actual</u>	2001 <u>Estimate</u>	2001 <u>Revised Budget</u>	2002 <u>Budget</u>	2001 Budget vs 2002 Budget	
					<u>Dollar Change</u>	<u>% Change</u>
Airline Rates & Charges						
Landing Fees	\$ 38,088,604	\$ 41,281,000	\$ 40,178,324	\$ 40,601,778	\$ 423,454	1.05%
Ramp Fees	5,297,439	5,600,000	5,820,058	5,569,458	(250,600)	-4.31%
Terminal Rentals- Agreement	19,429,633	24,200,000	24,236,422	25,751,935	1,515,513	6.25%
Terminal Rentals-Other	420,765	421,000	420,765	420,765	-	0.00%
Terminal Rentals-IAF Facility	1,683,458	2,700,000	2,498,140	2,332,606	(165,534)	-6.63%
Carrousel & Conveyors	249,704	200,000	243,725	219,352	(24,373)	-10.00%
Noise Surcharge	-	-	-	-	-	0.00%
Total Airline Rates & Charges	\$ 65,169,603	\$ 74,402,000	\$ 73,397,434	\$ 74,895,894	\$ 1,498,460	2.04%
Concessions						
Landside						
Parking	\$ 42,950,460	\$ 42,000,000	\$ 47,156,228	\$ 32,724,522	\$ (14,431,706)	-30.60%
Auto Rental	12,384,944	12,630,000	13,460,940	13,597,000	136,060	1.01%
Ground Transportation Fees	<u>2,793,508</u>	<u>2,800,000</u>	<u>2,512,162</u>	<u>2,895,677</u>	<u>383,515</u>	15.27%
Total Landside	\$ 58,128,912	\$ 57,430,000	\$ 63,129,330	\$ 49,217,199	\$ (13,912,131)	-22.04%
Terminal /Other						
Food & Beverage	\$ 3,533,909	\$ 4,000,000	\$ 4,470,018	\$ 3,610,000	\$ (860,018)	-19.24%
Merchandise & Services	4,925,077	4,200,000	4,617,712	4,301,000	(316,712)	-6.86%
Other						
Concessions/Services	<u>4,172,410</u>	<u>4,600,000</u>	<u>4,218,788</u>	<u>4,374,852</u>	<u>156,064</u>	3.70%
Total Terminal/Other	\$ <u>12,631,396</u>	\$ <u>12,800,000</u>	\$ <u>13,306,518</u>	\$ <u>12,285,852</u>	\$ <u>(1,020,666)</u>	-7.67%
Total All Concessions	\$ <u>70,760,308</u>	\$ <u>70,230,000</u>	\$ <u>76,435,848</u>	\$ <u>61,503,051</u>	\$ <u>(14,932,797)</u>	-19.54%
Other						
Building Rentals	\$ 12,916,823	\$ 16,360,500	\$ 16,220,302	\$ 14,650,747	\$ (1,569,555)	9.68%
HHH Terminal Common Use	562,462	992,271	992,271	2,201,055	1,208,784	121.82%
Ground - SW Cargo	652,714	1,016,016	1,016,016	1,016,016		0.00%
Ground - Other	4,381,457	3,564,914	3,420,252	3,564,914	144,662	4.23%
Utilities	1,968,397	2,475,000	2,225,758	1,923,570	(302,188)	-13.58%
Other	<u>7,002,018</u>	<u>6,440,748</u>	<u>5,881,845</u>	<u>5,051,834</u>	<u>(830,011)</u>	-14.11%
Total Other	\$ <u>27,483,871</u>	\$ <u>30,849,449</u>	\$ <u>29,756,444</u>	\$ <u>28,408,136</u>	\$ <u>(1,348,308)</u>	-4.53%
Total Operating Revenue	\$ <u>163,413,782</u>	\$ <u>175,481,449</u>	\$ <u>179,589,726</u>	\$ <u>164,807,081</u>	\$ <u>(14,782,645)</u>	-8.23%

OPERATING REVENUES - 2002 OPERATING BUDGET

	Mpls.-St. Paul <u>International</u>	Reliever <u>Airports</u>	Total 2002 <u>Budget</u>	2001 <u>Revised</u> <u>Budget</u>	2001 Budget vs. 2002 Budget	
					<u>Dollar</u> <u>Change</u>	<u>%</u> <u>Change</u>
Airline Rates & Charges						
Landing Fees	\$ 40,601,778	\$ -	\$ 40,601,778	\$ 40,178,324	\$ 423,454	1.05%
Ramp Fees	5,569,458	-	5,569,458	5,820,058	(250,600)	-4.31%
Terminal Rentals- Agreement	25,751,935	-	25,751,935	24,236,422	1,515,513	6.25%
Terminal Rentals- Other	420,765	-	420,765	420,765	-	0.00%
Terminal Rentals-IAF Facility	2,332,606	-	2,332,606	2,498,140	(165,534)	-6.63%
Carrouseles & Conveyors	219,352	-	219,352	243,725	(24,373)	-10.00%
Noise Surcharge	-	-	-	-	-	0.00%
Total Airline Rates & Charges	\$ 74,895,894	\$ -	\$ 74,895,894	\$ 73,397,434	\$,498,460	2.04%
Concessions						
Landside						
Parking	\$ 32,724,522	\$ -	\$ 32,724,522	\$ 47,156,228	\$(14,431,706)	-30.60%
Auto Rental	13,597,000	-	13,597,000	13,460,940	136,060	1.01%
Ground Transportation Fees	2,895,677	-	2,895,677	2,512,162	383,515	15.27%
Total Landside	\$ 49,217,199	\$ -	\$ 49,217,199	\$ 63,129,330	\$(13,912,131)	-22.04%
Terminal /Other						
Food & Beverage	\$ 3,610,000	\$ -	\$ 3,610,000	\$ 4,470,018	\$ (860,018)	-19.24%
Merchandise & Services	4,301,000	-	4,301,000	4,617,712	(316,712)	-6.86%
Other	-	-	-	-	-	-
Concessions/Services	4,374,852	-	4,374,852	4,218,788	156,064	3.70%
Total Terminal/Other	\$ 12,285,852	\$ -	\$ 12,285,852	\$ 13,306,518	\$ (514,148)	-7.67%
Total All Concessions	\$ 61,503,051	\$ -	\$ 61,503,051	\$ 76,435,848	\$ (14,932,797)	-19.54%
Other						
Building Rentals	\$ 14,447,306	\$ 203,441	\$ 14,650,747	\$ 16,220,302	\$ (1,569,555)	-9.68%
Lobby Fees - HHH	2,201,055	-	2,201,555	992,271	1,208,784	121.82%
Terminal						
Ground - SW Cargo	1,016,016	-	1,016,016	1,016,016	-	0.00%
Ground - Other	2,103,951	1,460,963	3,564,914	3,420,252	144,662	4.23%
Utilities	1,923,570	-	1,923,570	2,225,758	(302,188)	-13.58%
Other	4,428,337	623,497	5,051,834	5,881,845	(830,011)	-14.11%
Total Other	\$ 26,120,235	\$ 2,287,901	\$ 28,408,136	\$ 29,756,444	\$ (1,348,308)	-4.53%
Total Operating Revenue	\$ 162,519,180	\$ 2,287,901	\$ 164,807,081	\$ 179,589,726	\$(14,782,645)	-8.23%

OPERATING REVENUE - 2002 OPERATING BUDGET

2002 Operating Revenue
Percentage of Total Budget



MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

REVENUE ASSUMPTIONS – 2002 OPERATING BUDGET

Total revenue for 2002 is \$164,807,081, which is a \$14,782,645 or 8.23% decrease compared to 2001 budget. The majority of the decrease in revenue is due to Concessions – Parking (down \$14,431,706 or 30.60%) and Other – Building Rental (down \$1,569,555 or 9.68%). The detailed explanations for the major changes in revenue are included in this section.

REVENUE CATEGORY	2000 <u>Actual</u>	2000 <u>Budget</u>	2001 <u>Estimate</u>	2001		2001 Budget vs. 2002 Budget	
				<u>Revised Budget</u>	<u>2002 Budget</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Airline Rates & Charges	\$ 65,170	\$ 63,243	\$ 74,402	\$ 73,397	\$ 74,896	\$ 1,499	2.04%
Concessions	70,760	67,136	70,230	76,436	61,503	(14,933)	(19.54)%
Other	<u>27,483</u>	<u>24,453</u>	<u>30,849</u>	<u>29,757</u>	<u>28,408</u>	<u>(1,349)</u>	<u>(4.53)%</u>
Total Operating Revenue	<u>\$ 163,413</u>	<u>\$154,832</u>	<u>\$ 175,481</u>	<u>\$ 179,590</u>	<u>\$ 164,807</u>	<u>\$ (14,783)</u>	<u>(8.23)%</u>

The revenue budget is divided into three categories, Airline Rates and Charges, Concessions, and Other. Airline Rates and Charges, which is \$74, 895,894 or 45% of MAC total revenue for 2002, consists primarily of revenue paid by the airlines as user fees for landing fees, ramp fees, and terminal building rates. The Concession category, which is \$61,503,051 or 37% of total revenue for 2002, includes revenue from the following areas: parking, ground transportation fees, taxicab license fees, auto rental, food and beverage, merchandise and personnel services. The rates charged for parking, ground transportation fees, and taxicab license fees are authorized according to MAC ordinances. The revenues from auto rental, food and beverage, merchandise and personnel services are based on various lease agreements, which allow the concessionaires to operate at MAC facilities. Other revenue, which is \$28,408,136 or 18% of total revenue, consists of building rental (excluding the terminal building), ground space, utilities, and general aviation fees. All of these Other revenue sources are based on leases and agreements. In addition, Other revenue includes HHH terminal common use fees that are based on MAC ordinances.

Revenue Assumptions/Guidelines:

The revenue projections for 2002 are based on the following assumptions and guidelines:

- Revenue will be prepared on an accrual basis
- The revenue projections are based on estimates compiled from the following sources:
 - Lease agreements
 - Contracts
 - Projected enplaned passengers and operations activity provided by the airlines and other users of MAC facilities
 - Expense projections which determine rates and charges per the airline agreement
 - Historical trends
- All tenants will remit the minimum revenue based on their lease agreements
- Passenger projections will be consistent with the fourth quarter of 2001
- Parking revenue would decrease compared to previous years

The explanations for revenue assumptions are based on a comparison of 2001-revised budget versus 2002 budget figures.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

2002 OPERATING BUDGET/ REVENUE ASSUMPTIONS

AIRLINE RATES AND CHARGES

Approximately \$75 million, or 45%, of MAC's \$164 million in revenue is generated from rates charged to the airlines. The formulas for the rates (landing fee, ramp fee, terminal rates, and the Lindbergh Terminal International Arrivals Facility (IAF)) are established in the airline use agreement. In accordance with this agreement, expenses from the Police, Fire, Maintenance Labor, Maintenance Equipment, Airside Operations and Administration service centers are allocated to the Field & Runway, Ramp, Terminal Building, and IAF service centers (detailed in the Operating Budget Expense section of the book) 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.

Category	Percentage of Airline Rates and Charges Revenue
Landing Fees	54.21%
Ramp Fees	7.44%
Terminal Rentals-Agreement	34.38%
Terminal Rentals-Other	0.56%
Terminal Rentals-IAF Facility	3.11%
Carrouseles & Conveyors	0.29%

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 and historical data), a budgeted landing fee is established for use during the year. In 2002 the landing fee rate is based upon a break even philosophy in which total revenue equals total expense.

A comparison of estimated 2001, 2001 budgeted and 2002 budgeted landing fee rates, landed weight and revenue of the major carriers follows:

	2001 <u>Estimate *</u>	2001 <u>Budget</u>	2002 <u>Budget</u>	% Change Budget to Budget
Landing Fee	\$ 1.56	\$ 1.40	\$ 1.67	19.29%
Landed Weight	26,007,631	28,655,819	24,290,624	-15.33%
Revenue	\$ 40,700,000	\$ 40,177,798	\$ 40,601,778	1.06%

*= Preliminary - Not Final

The majority of the landing fee change between 2001 and 2002 can be attributed to the following combination:

- Landed weight projections provided by the airlines and historical data indicate a 15.33% decrease from the 2001 budget. This change reflects domestic and international activity.
- Depreciation and Interest associated with the completion of the following projects will result in an increase of approximately \$.164 or \$2,037,256.
These projects include:
 - Post Office road relocation (\$310,000)
 - Runway 30R Deicing Pad (\$156,000)
 - Barton Elementary School Noise Abatement (\$171,000)
 - Naval Air Reserve facility relocation (\$396,000)
- Direct expenses associated with the Field and Runway are estimated to increase \$.048 or \$480,479
 - Additional security on terminal roads that access the airfield
 - Increased general insurance

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

REVENUE ASSUMPTIONS – 2002 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. This is a change from the prior airline agreement (MAC subsidized the regional portion in the past) now all costs are recovered.

The following is a comparison of estimated 2001, budgeted 2001 and budgeted 2002 ramp rates and revenue.

	<u>2001</u> <u>Estimate*</u>	<u>2001</u> <u>Budget</u>	<u>2002</u> <u>Budget</u>	<u>% Change</u> <u>Budget to</u> <u>Budget</u>
Ramp Fee (per lineal foot)	\$639.93	\$620.74	\$536.35	-13.60%
Ramp Footage	9,376	9,376	10,384	10.75%
Revenue	\$6,000,000	\$5,820,017	\$5,569,436	-4.31%
* = Preliminary – Not Final				

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

1. The lineal feet increased from 9,376 to 10,384 an increase of 1,008 lineal feet or 10.75%. The Regional terminal ramp will open in June of 2002, the additional lineal footage was added to the 2001 lineal feet. The ramp footage of 10,384 is the weighted average used to calculate the 2002 ramp fees.
2. Depreciation & Interest results in an increase of \$25.84/LF or \$350,902
 - Per the airline agreement, depreciation and Interest expenses associated with the ramp were extended in occurrence with the terminal building depreciation schedule.
3. Equipment allocation will increase \$112,172, however the ramp fee will decrease \$20.55/LF, this is due to increased ramp footage.
 - Depreciation and interest expense resulting from new and replacement equipment purchased in 2001 for the expansion of the ramp.
3. Administrative allocation results in a decrease of \$21.75/LF or \$153,701.
 - 26.5 positions were placed on administrative hold for 2001.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

2002 OPERATING BUDGET/ REVENUE ASSUMPTIONS

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. Previously the Concourse C was a separate lease and not included in the Terminal calculation. Under the new airline lease agreement all costs associated with the Concourse C are now included in the Terminal rates and charges. Phase one of Concourse C was completed and added to the rentable square footage in June 2000. Phase two will come on line in June 2002, the additional square footage was prorated and the average weight was use to determine the 2002 rates.

A comparison of estimated 2001, budgeted 2001 and 2002 rates follows:

	<u>2001</u> <u>Estimate*</u>	<u>2001</u> <u>Budget</u>	<u>2002</u> <u>Budget</u>	<u>% Change</u> <u>Budget to</u> <u>Budget</u>
Exclusive (Per Sq. Ft.)	\$ 46.00	\$ 45.54	\$ 39.05	-14.25%
Exclusive Janitored (Per Sq. Ft.)	\$ 51.00	\$ 50.45	\$ 43.87	-13.04%

*= Preliminary, Not Final

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

1. Terminal building - Direct Expenses increased \$1.10/SF or \$2,357,742
 - The increase resulted from additional utility costs associated with the terminal facility-electricity.
 - A full year of maintenance agreements for the people mover systems.
2. Depreciation & Interest decrease \$4.34/SF or \$1,285,504.
 - Per the airline agreement, depreciation and interest on Concourse C are deferred until 2006. The 2001 budget deferred only a portion of these charges.
3. Administrative allocation results in a decrease of \$1.47/SF or \$760,554.
 - 26.5 positions were placed on administrative hold for 2001.
4. Energy Management Center - Direct expense decrease \$1.43/SF or \$597,245
 - The increase is due to projected reduction in heating costs (decrease in natural gas prices).

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

REVENUE ASSUMPTIONS – 2002 OPERATING BUDGET

LINDBERGH TERMINAL INTERNATIONAL ARRIVAL FACILITY (IAF)

The agreement for this facility includes a fee calculation similar to the ramp and landing fees (break even/revenue equals expense). Users of the facility will be charged a use fee based upon projected expenses. At year end an adjustment will be made for any overage or shortage.

The table below shows the fees for estimated 2001, budgeted 2001 and budgeted 2002:

	<u>2001 Estimate*</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>% Change Budget to Budget</u>
Total Costs	\$2,246,352	\$2,378,016	\$2,332,606	-1.91%
Passengers	624,820	660,000	589,042	-10.75%
Fee/Passenger	\$3.60	\$3.60	\$3.96	9.91%

*= Preliminary, not final

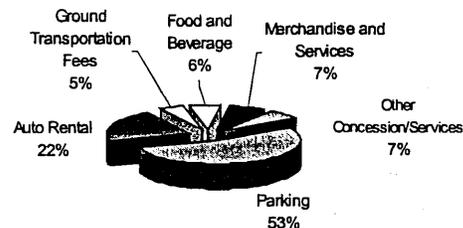
The increase in the fee can be to general attributed to maintenance expenses and the decline in passengers.

CARROUSELS AND CONVEYORS

Carrouseles and conveyors revenue will remain consistent with the 2001 budget.

CONCESSIONS

The 2002 Budget for Concessions revenue is projected to decrease \$14,932,797 or 19.54% from the 2001 budget. Concessions revenue consists of the following categories:



	<u>2001 Estimate</u>	<u>2001 Revised Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Parking	42,000,000	47,156,228	32,724,522	(14,431,706)	-30.60%
Auto Rental	12,630,000	13,460,940	13,597,000	136,060	1.01%
Ground Transportation Fees	2,800,000	2,512,162	2,895,677	383,515	15.27%
Food and Beverage	4,000,000	4,470,018	3,610,000	(860,018)	-19.24%
Merchandise and Services	4,200,000	4,617,712	4,301,000	(316,712)	-6.86%
Other Concess.Serv.	4,600,000	4,218,788	4,374,852	156,064	3.70%
Total	70,230,000	76,435,848	61,503,051	(14,932,797)	-19.54%

PARKING

Parking revenue is projected to decrease \$ 14,431,706 or 30.60% from the 2001 budget. In 2001 budget, parking revenue was MAC's largest single source of revenue. Parking revenue for January-August was running slightly below revenue compared to the same period in 2000. This decline was due to a decline in passenger activity. However after September 11, parking demand declined even more. Because of the

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

2002 OPERATING BUDGET/ REVENUE ASSUMPTIONS

changes in airport security, 'well wishers' are not parking and escorting passengers to their gate. The Federal Aviation Administration has also banned parking within the 300 feet of the terminal building. As a result, MAC has lost 2,100 parking spaces. The 2002 revenue projections were based on the current utilization and decreased passenger activity.

Parking Lot	Total Parking	Closed Spaces	Open Spaces
		As of 12/31/01	As of 12/31/01
Humphrey – Valet	438	438	0
Lindbergh – General	11,900	1,507	10,393
Lindbergh – Short Term	922	119	803
Lindbergh – Valet	480	480	0
EconoLot	2193	634*	1,559

*= Spaces closed due to construction

AUTO RENTAL

Auto rental fees are projected to increase by \$136,060 or 1.01% from the 2001 budget. Based on the Auto Rental Concession Agreement, auto rental firms pay a minimum rental fee (which is a guarantee that the firm bids) plus a percentage of gross revenue above the minimum fee. The 2002 budget is based on the minimum guarantees only. The additional percentage revenue is very dependent on the business travel activity, which has declined significantly year-to-date.

FOOD/ BEVERAGE

Food and beverage is projected to decrease by \$860,018 or 19.24% from the 2001 budget. The 2002 budget is based on minimum rental fees and a slight increase resulting from the increased dwell time of passengers. However, the minimum for 2002 is based on sales from the previous year. Year-to-date food and beverage revenue is less than the same period in 2000.

MERCHANDISE & PERSONAL SERVICES

Merchandise and Personal Services are projected to decrease \$316,712 or 6.86% from the 2001 budget. The 2002 budget is based on minimum guarantees only, which are based on the prior year revenue, and projected passenger activity. Year-to-date revenue from Merchandise and Personal Services has been less compared to the same period in 2000.

OTHER CONCESSIONS

Other Concessions is projected to increase \$156,064 or 3.70% from the 2001 budget. This area includes advertising (indoor and outdoor), telephones, vending, auto services and in-flight catering. The increase is primarily in advertising (indoor and outdoor). Based on the current contract agreements the minimum guarantees for both indoor and outdoor advertising will increase for 2002.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

REVENUE ASSUMPTIONS – 2002 OPERATING BUDGET

OTHER

In total this category is projected to decrease \$1,348,308 or 4.53% from the 2001 budget. Included in this category are Building Rentals, HHH Terminal Common Use, and Ground Rent – Southwest Cargo Area, Ground Rental – Other, Utilities, and Other.

BUILDING RENTALS

Building Rentals are projected to decrease \$1,569,555 or 9.68% from the 2001 budget. This category includes all building rental not included in airline rates and charges. The decrease in revenue is the result of a change in revenue calculations for the HHH Terminal. Revenue that was considered building rentals are now included in HHH Terminal Common Use.

HHH TERMINAL COMMON USE

HHH Terminal Common Use is projected to increase \$1,208,784 or 121.82% from 2001 budget. Rates and charges for the HHH Terminal are based on the recovery of operating and maintenance costs plus a reduction in activity. This is a change from the breakeven revenue structure that was used to determine the 2001 budget. MAC will re-evaluate the HHH Terminal revenue projection at mid-year.

OTHER

Other is projected to decrease \$830,011 or 14.11% from the 2001 budget. Other includes non-signatory airline landing fees and ramp fees. Based on the current activity and the reduction of Sun Country operations, the 2002 budget is projected to decrease.

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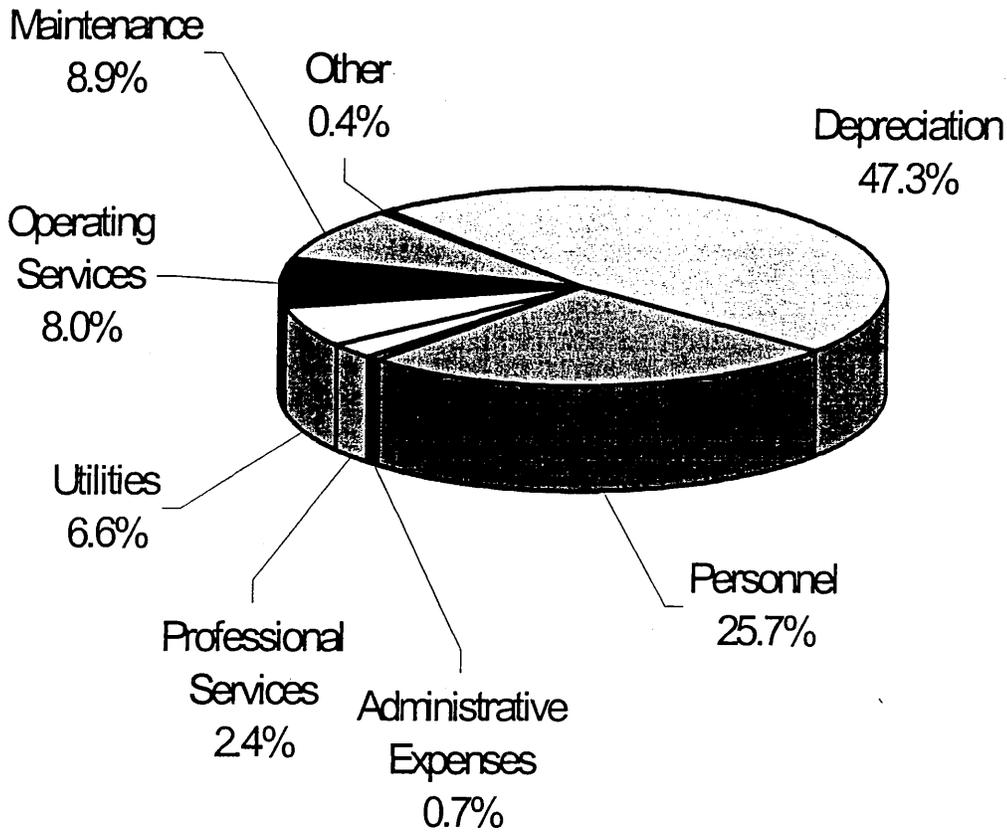
MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OPERATING EXPENSES - 2002 OPERATING BUDGET

	2000 <u>Actual</u>	2000 <u>Budget</u>	2001 <u>Estimate</u>	2001 <u>Revised Budget</u>	2002 <u>Budget</u>	2001 Budget Vs 2002 Budget	
						Dollar <u>Change</u>	% <u>Change</u>
Personnel							
Salaries & Wages	\$ 28,430,499	\$ 27,035,995	\$ 29,825,383	\$ 29,825,383	\$ 30,387,671	\$ 562,288	1.89%
Benefits	11,354,202	10,143,393	11,729,367	11,729,367	11,163,933	(565,434)	-4.82%
Commissioner Per Diem	<u>29,225</u>	<u>29,350</u>	<u>29,350</u>	<u>29,350</u>	<u>29,350</u>	-	0.0%
Total Personnel	\$ 39,813,926	\$ 37,208,738	\$ 41,584,954	\$ 41,584,954	\$ 41,580,954	\$ (3,146)	-0.01%
Administrative Expenses	\$ 1,685,914	\$ 1,758,001	\$ 1,825,000	\$ 1,825,000	\$ 1,172,285	\$ (652,715)	-35.77%
Professional Services	\$ 6,356,845	\$ 4,800,699	\$ 5,250,000	\$ 5,250,000	\$ 3,954,287	\$ (1,295,713)	-24.68%
Utilities	\$ 8,678,074	\$ 6,705,480	\$ 11,600,000	\$ 11,600,000	\$ 10,755,267	\$ (844,733)	-7.28%
Operating Services							
Parking Management	\$ 5,347,634	\$ 4,820,378	\$ 6,892,158	\$ 6,892,158	\$ 6,376,135	\$ (516,023)	-7.49%
Shuttle Bus Services	2,756,233	1,791,466	2,049,605	2,049,605	1,647,000	(402,605)	-19.64%
Service Agreements	780,253	1,348,221	1,402,757	1,402,757	1,573,017	170,260	12.14%
Storm Water Monitoring	1,349,906	1,250,000	1,100,000	1,100,000	1,100,000	-	0.00%
Other	<u>1,737,519</u>	<u>1,949,543</u>	<u>2,452,580</u>	<u>2,452,580</u>	<u>2,228,990</u>	<u>(223,590)</u>	-9.12%
Total Operating Services	\$ 11,971,545	\$ 11,159,608	\$ 13,897,100	\$ 13,897,100	\$ 12,925,142	\$ (971,958)	-6.99%
Maintenance							
Trades	\$ 652,076	\$ 718,552	\$ 930,664	\$ 930,664	\$ 881,824	\$ (48,840)	-5.25%
Field	3,001,866	2,435,490	3,040,480	3,040,480	2,193,136	(847,344)	-27.87%
Building	2,022,837	1,885,618	3,334,656	3,334,656	4,283,855	949,199	28.46%
Equipment	1,492,811	1,203,253	1,231,984	1,231,984	1,277,078	45,094	3.66%
Cleaning	<u>5,068,574</u>	<u>4,261,364</u>	<u>5,997,216</u>	<u>5,997,216</u>	<u>5,706,770</u>	<u>(290,446)</u>	-4.84%
Total Maintenance	\$ 12,238,164	\$ 11,504,277	\$ 14,535,000	\$ 14,535,000	\$ 14,342,663	\$ (192,337)	1.32%
Gross Depreciation	\$ 51,027,584	\$ 51,885,207	\$ 66,875,000	\$ 66,875,000	\$ 76,517,352	\$ 9,642,352	14.42%
Other							
General Insurance	\$ 1,102,240	\$ 1,335,489	\$ 1,222,429	\$ 1,222,429	\$ 1,857,830	\$ 635,401	51.98%
Minor Equipment	386,999	351,688	198,021	198,021	160,462	(37,559)	-18.97%
Other	444,286	373,096	396,560	396,560	341,618	(54,942)	-13.85%
Reimbursed Expense	<u>(1,656,038)</u>	<u>(1,277,750)</u>	<u>(1,387,939)</u>	<u>(1,387,939)</u>	<u>(1,736,713)</u>	<u>(348,774)</u>	25.13%
Total Other	\$ 277,487	\$ 782,523	\$ 429,071	\$ 429,071	\$ 623,197	\$ 194,126	45.24%
Total Operating Expenses	<u>\$ 132,049,539</u>	<u>\$ 125,804,533</u>	<u>\$ 155,995,271</u>	<u>\$ 155,995,271</u>	<u>\$ 161,871,147</u>	<u>\$ 5,875,876</u>	3.77%

OPERATING EXPENSES - 2002 OPERATING BUDGET

2002 Operating Expense Percentage of Total Budget



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EXPENSE ASSUMPTIONS - 2002 OPERATING BUDGET

Total Expense for 2002 is \$161,871,147, which is \$5,875,876 or 3.77% increase compared to the revised 2001 budget. With the exception of Other (up \$194,126) and Depreciation (up \$9,642,352), all of the expense categories in the budget are projected to decrease. The economic impacts of September 11, devastated the airline industry. Prior to September 11, passenger activity was approximately 2% under the prior year. After September 11, both passenger and operations activity decreased 6.6% and 4.2% respectively for 2001.

(\$=000)	2000		2001		2002		2002 Budget	
	Actual	Budget	Estimate	Revised Budget	Budget	Dollar Change	% Change	
Personnel	\$ 39,814	\$ 37,209	\$ 41,584	\$ 42,584	\$ 41,581	\$ (3)	-0.01%	
Administrative Expenses	1,686	1,758	1,825	1,825	1,172	(653)	-35.77%	
Professional Services	6,357	4,801	5,250	5,250	3,955	(1,296)	-24.68%	
Utilities	8,678	6,705	11,600	11,600	10,755	(845)	-7.28%	
Operating Services	11,972	11,160	13,897	13,897	12,925	(971)	-6.99%	
Total Maintenance	12,238	11,504	14,535	14,535	14,343	(192)	-1.32%	
Depreciation	51,028	51,885	66,875	66,875	76,517	9,642	14.42%	
Other *	\$ 277	\$ 783	\$ 429	\$ 429	\$ 623	\$ 194	45.24%	
Total Operating Expenses	\$ 132,050	\$ 125,805	\$ 155,995	\$ 155,995	\$ 161,871	\$ 5,876	3.77%	

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

Expense Assumptions/Guidelines

The budget is based on information provided MAC departments, utility companies, vendors, and historical analysis. The detailed explanation for the major changes is included in this section.

The expense budget projections for 2002 are based on the following assumptions and guidelines:

- MAC will continue to maintain all facilities at the standard established with our tenants and traveling public.
- MAC will provide a safe and secure airport.
- 26.5 positions will be placed on administrative hold. Critical positions that experience turnover will be reviewed on a case by case basis.
- Salary adjustments for non-organized employees will be postponed until mid-year at which point the feasibility of any adjustment will be determined based on MAC's economic condition.
- 21 new hires (ten Police Officers and eleven Community Service Officers) will be hired as a result of the increased security requirements.
- Only a limited number of interns and temporary employees will be retained in 2002.
- Only essential travel will be approved, all travel requests must be reviewed and approved by a Senior Staff member.
- Reduced passenger activity.
- Limited project completions for 2002.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

EXPENSE ASSUMPTIONS - 2002 OPERATING BUDGET

Personnel

Personnel costs will decrease \$3,145 or .01% compared to the revised 2001 budget. The major decreases are in Overtime (down \$408,591), Double-time (down \$116,528), Temporary Employee (down \$863,935), and Training (down \$537,054). However, regular wages for organized employees projected to increase \$1,219,901 or 4.6%. (Non-organized employee wages are frozen.)

Personnel Budget Summary				
	2001 Budget	2002 Budget	\$ Variance	% Variance
Salaries & Wages	\$29,825,383	\$30,387,671	\$562,288	1.89%
Benefits	11,729,367	11,163,933	(\$565,434)	-4.82%
Commission Per Diem	29,350	29,350	\$0	0.00%
Total Personnel	\$41,584,100	\$41,580,955	(\$3,145)	-0.01%

Wages – Regular will increase 1,952,935 or 7.56% compare to the revised 2001 budget.

- Because of the current condition of the economy and the airline industry, MAC initiated a hiring freeze for year-end 2001 and 2002. 26.5 full-time equivalent positions were placed on administrative hold. These positions are included in the total authorized positions; however, salary and wages were not included in the budget. (See the Full Time Equivalent Position Summary table).
- The increase also includes a full year of salary and wage for new hires approved in 2001, compared to a partial year of wages included in the 2001 budget.
- In order to comply with the enhanced security requirements established by the FAA, MAC will need to hire 21 employees (ten police officers and eleven community service officers).
 - The Police department is responsible for the safety, protection and law enforcement duties at the airport. The officers' duties include law enforcement action of Federal, State and local laws and ordinances that pertain to the operations and activities within the jurisdiction of MAC. The additional officers will be used to meet the FAA requirements for added checkpoints, and increased police presence on each shift.
 - The additional community service officers will provide parking enforcement, traffic direction control, and public assistance.

Full Time Equivalent Position Summary					
	2001 Budget	2002 Staffing Requests	2002 Approved	Administrative Hold	2002 Approved
Positions	572.5	21	593.5	26.5	567

Total Overtime/Double Time will decrease \$526,711 or 18.3% compared to the 2001 budget. Typically, overtime and double time are based on historical usage. Only minimal hours were included in the 2002 budget. Only essential overtime and double-time will be authorized for 2002.

Temporary Employees will decrease \$863,935 or 78.2% compared to the 2001 budget. Projects that are done with temporary employees will be deferred or completed by existing staff as time permits.

Training will decrease \$537, 054 or 81.2%. All training has been postponed.

Administrative Expenses

Administrative Expenses are projected to decrease \$652,715 or 35.77% from the 2001 budget. The major expenses in this category are Office Supplies (down \$18,201), Computer Supplies (down \$83,039), Travel (down \$450,133), and Printing-Publications (down \$165,000).

Travel: Organizational travel has been restricted to the minimum required. The travel budget was eliminated in several departments; consequently, departments will not be attending essential industry conferences or training. Minimal travel remains in a limited number of departments. Travel will be approved based on the essential requirements of the trip.

Office and Computer Supplies: Included in this category is computer software upgrades, licenses, and maintenance agreements. The preventive maintenance schedule will be postponed. Replacement of organizational equipment will be done on an as needed basis.

Printing-Publications: Departments either eliminated or reduced the expenses related to annual brochures, reports to the public, passenger assistance brochures, and duplicate documentation available at public meetings.

Professional Services

Professional Services are projected to decrease \$1,295,713 or 24.68% from the revised 2001 budget. The decrease is the result of the following significant changes:

1. **Commercial Management /Airport Affairs (down \$463,000)** – The department has reduced the following expenses for 2002: Cargo team expenses associated with creating, bidding, development, and planning of a new ground handling contract for all the new cargo facilities plus, MACs' continuing concession planning & development.
2. **Public Affairs (down \$263,500)** – The department will eliminate the number of consultants that supplemented the current staff. This may reduce response time to the public relations committee.
3. **Air Service Business Development (down \$428,000)** - The department has limited the work done with International route proposal preparation and competition consultant, Domestic route preparation consultant, Cargo carrier proposal, Graphic Design, and the Economic Impact Study.
4. **Environment-Aviation Noise Program (down \$115,000)**, the completion dates for the environmental assessment of the Southwest runway pushed out to 2003. In addition, the budget reduced the application development/design of GIS projects that support information provided for MASAC.

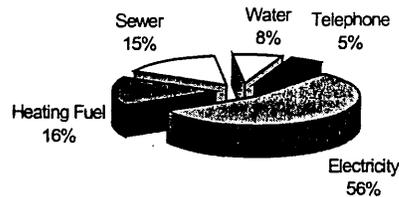
MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION
EXPENSE ASSUMPTIONS - 2002 OPERATING BUDGET

The following table indicates the costs associated with the major consulting services to for 2002.

Type of Service	Department	2002 Budget
Accounting & Audit	Finance/ Internal Audit	\$ 212,280
Software Consulting	Information Services, Finance, Airport Development – Building Official, Noise Aviation Satellite Program	331,500
Legal Fees	General Counsel	880,500
Engineering Fees	Airport Development Landside – Parking, Environment- Environmental, Planning & Development-MSP	797,800
Planning	Planning	508,297
Legislative	Labor/Legislative	260,000
Total		\$ 2,990,377

Utilities

Utilities are projected to decrease \$844,733 or 7.28% from the revised 2001 budget.



Electricity: The projected budget decrease is \$1,522,139 or 20.627%. The revised 2001 budget increased the electricity budget by approximately \$2,083,000. Throughout the second half of 2001, the rates for electricity have declined. Based on projections provided by the utility company and an outside consultant, the rates for electricity should continue to fall. The 2002 budget does anticipate a slight increase in usage. The expansion of the Lindbergh Terminal during the second quarter of 2002 will add a significant amount of square footage to the terminal building. The budget calculation includes a partial year of terminal building space.

Heating Fuel: The projected budget increase is \$423,946 or 28.0%. The expansion of the Lindbergh Terminal during the second quarter of 2002 will add a significant amount of square footage. The budget calculation includes a partial year of the additional terminal building space and a slight increase in rates for 2002.

Sewer/Water: The projected budget increase is \$158,616 or 10.9% and \$205,389 or 27.3% respectively. The budget increase is due to the projected rate increases and additional terminal space.

Telephone: The projected budget decrease is \$130,451 or 32.2%. MAC will install a Private Branch Exchange (PBX) system during the second quarter of 2002. The Commission originally approved the PBX project in 2001. This will allow MAC to administer the majority of telephone services and lines provided by outside a firm. Consequently, we can expect immediate response to issues and reduced monthly expenses, including long distance. The budget reduction is based on the anticipated partial year savings.

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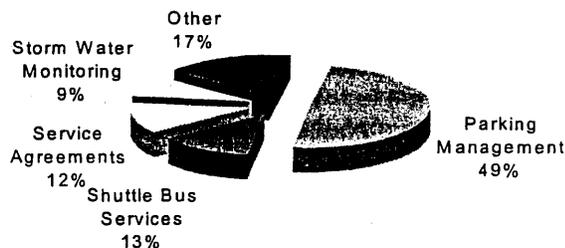
EXPENSE ASSUMPTIONS - 2002 OPERATING BUDGET

The following table below compares utility costs for 2001 and 2002.

Type of Service	2000 Actual	2001 Revised Budget	2002 Budget	\$ Variance	% Variance
Electricity	\$4,097,048	\$7,382,180	\$5,860,041	(\$1,522,139)	-20.62%
Heating Fuel	1,611,176	1,507,630	1,935,576	\$427,946	28.39%
Sewer	1,548,158	1,455,374	1,613,990	\$158,616	10.90%
Water	842,498	751,655	957,044	\$205,389	27.32%
Telephone Regular	476,595	405,451	275,000	(\$130,451)	-32.17%
Telephone Cellular	102,595	97,710	113,616	\$15,906	16.28%
Total	\$8,678,070	\$11,600,000	\$10,755,267	(\$844,733)	-7.28%

Operating Services

Operating Services is projected to decrease \$971,958 or 6.99%. The following chart lists the major components of this category. The significant changes for 2002 are in Parking Management, Shuttle Bus Service, Service Agreement, and Other.



	2000 Actual	2001 Revised Budget	2002 Budget	\$ Variance	% Variance
Parking Management	5,347,634	6,892,158	6,376,135	(516,023)	-7.49%
Shuttle Bus Services	2,756,233	2,049,605	1,647,000	(402,605)	-19.64%
Service Agreements	780,253	1,402,757	1,573,017	170,260	12.14%
Storm Water Monitoring	1,349,906	1,100,000	1,100,000	-	0.00%
Other	1,737,519	2,452,580	2,228,990	(223,590)	-9.12%
Total	11,971,545	13,897,100	12,925,142	(971,958)	-6.99%

Parking Management: APOCA, MAC's parking management firm, operates the following parking lots:

Parking Lot	Total Parking	Closed Spaces	Open Spaces
		As of 10/31/01	As of 10/31/01
Humphrey - Valet	146	146	0
Lindbergh - General	11,900	1,544	10,356
Lindbergh - Short Term	922	119	803
Lindbergh - Valet	480	480	0
EconoLot	2193	636*	1,557

*= Spaces closed due to construction

Per the service agreement, all of the personnel and operating expense related to parking management are reimbursed. The operation of a valet service is very labor intensive. Because revenue for the Humphrey-Valet lot was lower than anticipated, the service was discontinued. MAC will initiate the service in late October 2002 after the completion of the new parking facility.

Shuttle Bus Services: MAC has made a revision in the shuttle bus route that will result in decrease in costs.

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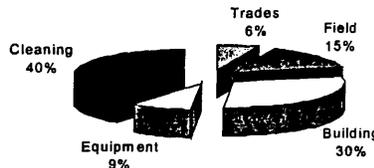
EXPENSE ASSUMPTIONS - 2002 OPERATING BUDGET

Service Agreement: In 2001 MAC installed Common Use Terminal Equipment in the HHH Terminal. This gate management system requires an annual service agreement that is available 24 hours-a-day/ 7 days a week.

Other: Based on federal requirements the perimeter security for the airfield will require MAC to physically check the ID of all persons entering the field. Security checks will need to be performed 24 hours a day/ seven days a week. The additional expense is estimated at \$905,200. However based upon budget reductions in the other areas within this category there is a net decrease of \$223,590.

Maintenance

Maintenance is projected to decrease \$192,337 or 1.32%. The five major components for this category are Trades (Painters, Carpenters, Electricians, and Plumbers), Field (Snow Removal, Surface Repair, and Landscaping), Building (Carrousel/Conveyors, Elevators/Escalators, Moving Walks, and Automated People Mover), Cleaning (Janitorial, Windows, Cleaning Supplies, and Rubbish), and Equipment (Parts, Shop Supplies, and Gas).



The following table identifies the changes in the five major components:

	<u>2000 Actual</u>	<u>2001 Revised Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Trades	\$652,076	\$930,664	\$881,824	(\$48,840)	-5.25%
Field	3,001,866	3,040,480	2,193,136	(\$847,344)	-27.87%
Building	2,022,837	3,334,656	4,283,855	\$949,199	28.46%
Equipment	1,492,811	1,231,984	1,277,078	\$45,094	3.66%
Cleaning	<u>5,068,574</u>	<u>5,997,216</u>	<u>5,706,770</u>	<u>(\$290,446)</u>	-4.84%
Total	\$12,238,164	\$14,535,000	\$14,342,663	(\$192,337)	-1.32%

Trades: The major changes are in the areas of floor coverings (down \$29,000), Gate Supplies (down \$10,000), Field Lights/Sensors (down \$11,000). The 2002 budget was based on current supplies and anticipated expenditures for 2002.

Field: Typically, MAC has hired outside contractors to haul snow from the runway. Starting 2002, the Maintenance department will assume these duties.

Building: The majority of the increase is due to a full year versus the partial year used in the 2001 budget for a maintenance contract for the HUB Tram. In addition, the Concourse Tram is anticipated to be complete by June 2002. Associated cost for the maintenance agreement has been include in the 2002 budget.

Cleaning: MAC will stop the above 8ft window cleaning and reduce the frequency of the remaining window cleaning.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION
EXPENSE ASSUMPTIONS - 2002 OPERATING BUDGET

Other

Other is projected to increase \$194,126 or 45.24% from the revised 2001 budget.

General Insurance is projected to increase \$635,401 or 51.98% from 2001, due to the expansion of MAC facilities and increased premiums.

Minor Equipment is projected to decrease \$37,559 or 18.97% from 2001. MAC has completed the majority of 2001 office expansion; the remaining budget for 2002 will be used for equipment on an as required basis.

Reimbursed expenses, which are recorded as a credit to expense is projected to increase \$348,774 or 25.13% over the 2001 budget. MAC's typical sources for reimbursement are via the airline agreement, tenant lease agreement, MAC ordinance, state/federal Aid, and property damage. Per the lease agreement with the auto rental agencies, maintenance and operation costs associated with the their facility will be prorated and reimbursed to MAC.

Gross Depreciation

Gross depreciation is projected to increase \$9,642,352 or 14.42% from the 2001 budget. The increase is the result of the completion of several projects throughout MAC. The budget is based on Gross Depreciation, which is used for both the operating budget and financial statements. Net depreciation is used to calculate rates and charges. The estimates for depreciation are derived from the following sources:

1. Current outstanding fixed assets, as of October 2001.
2. Items that were budgeted for 2001 but have not yet been purchased or constructed. (These items are reviewed and a status determined, i.e. to extend the completion date or place on hold).
3. The Preliminary Capital Improvement Plan.

The following table identifies the major projects to be closed in 2001 and 2002.

<u>MAJOR PROJECTS SCHEDULED FOR CLOSING 2001/2002</u>	<u>GROSS DEPRECIATION</u>
Runway 30R Deicing Pad	601,515
MSP Air Mail Center	108,511
HHH Replacement Terminal Developments	939,902
Second Bank Baggage-Concourse D	111,667
MSP Air Mail Center	133,172
Parking/RAC Expansion-Transit Center	193,570
Longfellow Ave. Improvements-Service Roads	467,500
Maintenance Equipment Addition-Office Bunkroom	110,800
Several projects Airports People Mover-Parking	446,800
Naval Air Reserve Center Relocation	395,833
Green Concourse Expansion-2000	290,694
Cargo Projects Development Program-Fed Exp, UPS, etc.	213,750
2001 Lindbergh Terminal Interior Rehabilitation	169,444
Lindbergh Terminal Ground Power Systems	209,917
Green Concourse-Airport People Mover	878,333
Green Concourse Expansion Phase 2-Regional Terminal, Conc A & B	1,022,638
Miscellaneous Projects <\$100,000	1,290,193
<i>TOTAL PROJECT CLOSINGS FOR 2001 & 2002</i>	<i>7,584,239</i>

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MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 2002 OPERATING BUDGET

Account Description	Total	Lindbergh Terminal	International Arrival	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/Landscape
Personnel								
Wages								
Regular	27,793,607	\$ 788,476	\$ -	\$ 855,594	\$ -	\$ -	\$ -	\$ 992,307
Overtime/Double-time								
Double-time - Regular	1,047,882	-	-	21,978	-	-	-	-
Overtime - Regular	1,305,187	-	-	36,828	-	-	-	-
Overtime - Special Events	-	-	-	-	-	-	-	-
Total Overtime	2,353,069	-	-	58,806	-	-	-	-
Commissioner PerDiem	29,350	-	-	-	-	-	-	-
Temps - Administration	137,299	15,300	-	-	-	-	-	106,999
Snow Shovelers	15,013	-	-	-	-	-	-	-
Temporary 49ers	88,683	-	-	-	-	-	-	-
Grass Cutters	-	-	-	-	-	-	-	-
Total Wages	30,417,021	803,776	-	914,400	-	-	-	1,099,306
Benefits								
Employee Insurance Family	4,434,618	108,447	-	131,683	-	-	-	220,764
Employee Pension	4,001,777	89,978	-	115,629	-	-	-	132,891
Training								
Continuing Ed (College)	4,500	-	-	-	-	-	-	-
Executive Leadership Train	-	-	-	-	-	-	-	-
Management Requirement	1,100	-	-	-	-	-	-	-
Organizational Requirement	15,000	-	-	-	-	-	-	-
Regulatory Requirements	38,000	-	-	-	-	-	-	-
Local Seminars	65,850	-	-	-	-	-	-	-
Total Training	124,450	-	-	-	-	-	-	-
Post Retirement Benefits	1,818,401	16,759	-	54,468	-	-	-	75,418
Workers Compensation	262,201	6,254	-	7,594	-	-	-	13,847
Post Employ Health Plan	100,000	3,000	-	1,000	-	-	-	6,000
Unemployment Tax	15,000	-	-	-	-	-	-	-
Uniforms								
Uniforms-Police/Fire Allow	95,000	-	-	-	-	-	-	-
Uniforms-Rental	66,222	-	-	1,800	-	-	-	9,200
Uniforms - Safety Shoes	27,264	-	-	2,000	-	-	-	-
Total Uniforms	188,486	-	-	3,800	-	-	-	9,200
Severance/Contract Allowance	219,000	4,733	-	6,556	-	-	-	7,342
Total Benefits	11,163,933	229,171	-	320,730	-	-	-	465,462
Total: Personnel	\$ 41,580,954	\$ 1,032,947	\$ -	\$ 1,235,130	\$ -	\$ -	\$ -	\$ 1,564,768
Administrative Expenses								
Supplies								
Office Supplies & Materials	\$ 142,682	\$ 2,000	\$ -	\$ 600	\$ -	\$ -	\$ -	\$ 12,100
Computer Supplies								
Computer Supplies-General	32,630	700	-	-	-	-	-	-
Computer Supplies-Software	132,355	1,500	-	800	-	3,500	-	75,000
Total Computer Supplies	164,985	2,200	-	800	-	3,500	-	75,000
Special Supplies								
Special Supplies-Badging	58,000	-	-	-	-	40,000	-	-
Special Supply-Film/Photo	20,688	-	-	-	-	1,000	-	-
Special Supplies-Other	22,112	-	-	-	-	-	-	-
Total Special Supplies	100,800	-	-	-	-	41,000	-	-
Total Supplies	408,467	4,200	-	1,400	-	44,500	-	87,100
Travel								
Travel - Lodging	15,838	-	-	-	-	3,000	-	3,188
Travel - Meals	4,239	-	-	-	-	500	-	564
Travel - Miscellaneous	1,988	-	-	-	-	-	-	338
Travel - Transport/Airfare	102,969	-	-	-	-	8,500	-	2,369
Travel - Shuttle/Taxi/Auto	2,584	-	-	-	-	-	-	234
Training - Out of Town	-	-	-	-	-	-	-	-
Total Travel - Transportation	127,618	-	-	-	-	12,000	-	6,693
Registration Fees	13,957	-	-	-	-	3,000	-	1,307
Mileage	42,005	-	-	250	-	480	-	1,000
Total Travel	183,580	-	-	250	-	15,480	-	9,000
Other Administrative Expense								
Local Meetings	-	-	-	-	-	-	-	-
Local Mtgs - On Airport/GO	11,180	-	-	-	-	-	-	2,000
Local Mtgs - Off Airport	16,680	-	-	50	-	-	-	360
Total Local Meetings	27,860	-	-	50	-	-	-	2,360

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 2002 OPERATING BUDGET

Account Description	Total	Lindbergh Terminal	International Arrival	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/Landscape
Information Sources								
Memberships/Dues/Pro Assoc	168,628	-	-	-	-	900	-	3,600
Other Information Sources	59,850	-	-	50	-	-	-	-
Publications/Subscriptions	41,564	-	-	-	-	1,500	-	-
Total Information Sources	270,042	-	-	50	-	2,400	-	3,600
Printing Costs								
Printing - Publications	92,400	-	-	-	-	-	-	-
Printing - Color Charts	2,000	-	-	-	-	-	-	-
Printing - Forms	41,360	-	-	-	-	-	-	30,000
Printing - Stationary/Envelop	31,400	-	-	-	-	3,000	-	-
Delivery Services	21,128	-	-	50	-	500	-	600
Freight Charges	1,430	100	-	50	-	-	-	-
Postage	92,618	-	-	-	-	1,000	-	10,988
Total Printing Costs	282,336	100	-	100	-	4,500	-	41,588
Total Administrative Expenses	\$ 1,172,285	\$ 4,300	\$ -	\$ 1,850	\$ -	\$ 66,880	\$ -	\$ 143,648
Professional Services								
Accounting/Audit Fees	212,280	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Affirmative Action Fees	14,000	-	-	-	-	-	-	-
Appraisal/RFP/Lease Fees								
Appraisals	-	-	-	-	-	-	-	-
Airline Agreement	30,000	-	-	-	-	-	-	-
RFP/Lease Evaluation	-	-	-	-	-	-	-	-
Concept Develop/Feasible	-	-	-	-	-	-	-	-
Architect Fees-Concessions	12,000	-	-	-	-	-	-	-
Total Appraisal/RFP/ Lease Fees	42,000	-	-	-	-	-	-	-
Computer Services								
General								
Hardware Consulting	30,000	-	-	-	-	-	-	-
Software Consulting	301,500	-	-	-	-	-	-	-
Total General	331,500	-	-	-	-	-	-	-
Terminal Services								
Terminal Services-Parking	8,000	-	-	-	-	-	-	-
Terminal LAN	15,000	-	-	-	-	-	-	15,000
Total Terminal Services	23,000	-	-	-	-	-	-	15,000
Total Computer Services	354,500	-	-	-	-	-	-	15,000
Engineering Fees	797,800	197,300	-	9,300	10,300	155,300	-	12,500
Graphic Design	27,500	-	-	-	-	-	-	-
Labor Relations	15,000	-	-	-	-	-	-	-
Legal Fees								
Legal - Environmental	257,750	-	-	-	-	-	-	-
Legal - General	345,000	-	-	-	-	-	-	-
Legal - Federal	127,500	-	-	-	-	-	-	-
Legal - Relievers	150,250	-	-	-	-	-	-	-
Total Legal Fees	880,500	-	-	-	-	-	-	-
Legislative								
Legislative - Local	80,000	-	-	-	-	-	-	-
Legislative - National	180,000	-	-	-	-	-	-	-
Total Legislative	260,000	-	-	-	-	-	-	-
Medical Fees	38,900	-	-	-	-	-	-	-
Planning								
Strategic Planning	-	-	-	-	-	-	-	-
MSP Int'l	508,297	-	-	-	-	508,297	-	-
Total Planning	508,297	-	-	-	-	508,297	-	-
Pollution/Environmental Fees	6,000	-	-	-	-	2,000	-	-
Public Information Services	59,000	-	-	-	-	-	-	-
Recruiting & Employment Fees	20,000	-	-	-	-	-	-	-
Safety								
Safety - Training	31,100	1,500	-	1,500	-	-	-	-
Safety - General	1,500	-	-	-	-	-	-	-
Total Safety	32,600	1,500	-	1,500	-	-	-	-
Communications Consultant	81,500	-	-	-	-	-	-	2,000
Other/Miscellaneous	604,412	116,000	-	-	-	21,500	-	12,000
Total: Professional Services	\$ 3,954,289	\$ 314,800	\$ -	\$ 10,800	\$ 10,300	\$ 687,097	\$ -	\$ 41,500

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 2002 OPERATING BUDGET

Account Description	Total	Lindbergh Terminal	International Arrival	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/Landscape
Utilities								
Electricity	\$ 5,860,041	\$ 3,685,562	\$ -	\$ 435,805	\$ -	\$ 526,153	\$ -	\$ 364,065
Heating Fuel								
Heating - Natural Gas	1,831,201	46,374	-	856,780	-	246,018	-	30,909
Heating - Fuel Oil	104,375	6,628	-	69,102	-	-	-	-
Total Heating Fuel	1,935,576	53,002	-	925,882	-	246,018	-	30,909
Sewer	1,613,990	497,087	-	33,030	-	-	1,012	600
Water	957,044	240,532	-	20,801	-	-	637	5,793
Telephone								
Telephone - Regular	275,000	1,935	-	-	-	2,980	-	-
Telephone - Cellular	113,616	-	-	2,000	-	18,600	-	3,000
Total Telephone	388,616	1,935	-	2,000	-	21,580	-	3,000
Total: Utilities	\$ 10,755,267	\$ 4,478,118	\$ -	\$ 1,417,518	\$ -	\$ 793,751	\$ 1,649	\$ 404,367
Operating Services/Expenses								
Advertising								
Advertising - Bids	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advertising - Employment	50,000	-	-	-	-	-	-	-
Advertising - General	95,150	-	-	-	-	-	-	-
Advertising - Parking	93,000	-	-	-	-	-	-	-
Advertising - Relievers	9,000	-	-	-	-	-	-	-
Total Advertising	249,650	-	-	-	-	-	-	-
Environmental Control								
Hazardous Waste - General	12,250	1,000	-	500	-	-	-	-
Pollution Control								
Pollution Ctrl-Booms	11,000	-	-	-	-	-	-	-
Pollution Ctrl-Supplies	7,000	-	-	1,000	5,000	-	-	-
Total Pollution Control	18,000	-	-	1,000	5,000	-	-	-
Industrial Waste Mgmt	30,000	-	-	-	-	30,000	-	-
Laboratory Services	2,000	-	-	-	-	-	-	-
Solvent Reclamation Service	13,000	-	-	2,000	-	-	-	-
Spill Response	1,500	-	-	-	-	-	-	-
Tire Disposal	2,040	-	-	-	-	-	-	-
Other	100,000	-	-	-	-	-	-	-
Total Environment Control	148,540	-	-	2,000	-	30,000	-	-
Ground Transportation Services								
AV ID Readers/Controllers	7,500	-	-	-	-	-	-	7,500
AV ID Tags	5,000	-	-	-	-	-	-	5,000
Commercial Roadway Tickets	3,500	-	-	-	-	-	-	3,500
Total Ground Transportation Services	16,000	-	-	-	-	-	-	16,000
Shuttle Services								
Auto Rental-Main	559,980	-	-	-	-	-	-	-
Auto Rental-HHH	-	-	-	-	-	-	-	-
Lindbergh/Humphery	1,087,020	559,980	-	-	-	-	-	247,050
Total Shuttle Services	1,647,000	559,980	-	-	-	-	-	247,050
Parking Lots								
Management Contract	6,376,135	-	-	-	-	-	-	-
Total Parking Lots	6,376,135	-	-	-	-	-	-	-
General Fees	169,200	-	-	-	-	169,200	-	-
Wellness								
Wellness-Health/Wellness	5,000	-	-	-	-	-	-	-
Total Wellness	5,000	-	-	-	-	-	-	-
Events								
Employee Programs								
MEAR								
Mear Awards	-	-	-	-	-	-	-	-
Mear Recognition	-	-	-	-	-	-	-	-
Total MEAR	-	-	-	-	-	-	-	-
Holidays/Picnic/Hospital Fund	-	-	-	-	-	-	-	-
Retirement Service Awards	-	-	-	-	-	-	-	-
Catering								
Catering	50,000	-	-	-	-	-	-	-
Other Expense	-	-	-	-	-	-	-	-
Total Catering	50,000	-	-	-	-	-	-	-
Career Days	-	-	-	-	-	-	-	-
Emergency Response Other	13,550	-	-	-	-	5,000	-	-
Other Events	63,400	-	-	-	-	-	-	1,000
Total Events	76,950	-	-	-	-	5,000	-	1,000

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 2002 OPERATING BUDGET

Account Description	Total	Lindbergh Terminal	International Arrival	Energy Managment Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/Landscape
Other Charges/Fees								
Bank Charges	170,000	-	-	-	-	-	-	-
Security Services	905,200	-	-	-	-	306,600	-	-
Recycling	1,700	-	-	-	-	-	-	-
Copy Agreement	200,000	-	-	-	-	-	-	-
Mediation Fees	7,500	-	-	-	-	-	-	-
Miscellaneous Charges/Fees	190,000	-	-	-	-	5,500	-	135,500
Jail Fees	9,000	-	-	-	-	-	-	-
Total Other Charges/Fees	1,483,400	-	-	-	-	312,100	-	135,500
Service Agreements								
Service-Bldg Inspection	5,000	5,000	-	-	-	-	-	-
Service-Facilities C.M.M.I.S.	10,000	10,000	-	-	-	-	-	-
Service-Computers	371,969	-	-	-	-	-	-	-
Service-Fitness Equipment	5,000	-	-	-	-	-	-	-
Service-Grd Trans Equip	145,000	-	-	-	-	-	-	145,000
Service-Office Equipment	43,963	-	-	-	-	2,000	-	-
Service-Other Equipment	460,936	3,500	-	-	-	-	-	8,436
Service-Parking Equipment	308,451	-	-	-	-	-	-	-
Service-Telephone Systems	17,298	-	-	-	-	-	-	-
Service-Secured Access	140,000	-	-	-	-	140,000	-	-
Service-Radios	65,400	-	-	-	-	30,000	-	-
Storm Water Monitoring	1,100,000	-	-	-	-	1,100,000	-	-
Total Service Agreements/Storm Water	2,673,017	18,500	-	-	-	1,272,000	-	153,436
Total: Operating Services	\$ 12,925,142	\$ 579,480	\$ -	\$ 3,500	\$ 5,000	\$ 1,788,300	\$ -	\$ 552,986
Maintenance								
Trades - Painters								
Paint								
Equipment - Paint	\$ 10,200	\$ 10,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Exterior - Paint	10,200	10,200	-	-	-	-	-	-
Interior - Paint	11,050	6,800	-	-	-	-	-	-
Paint - Other	7,650	-	-	-	-	-	-	3,400
Traffic Paint - Parking	11,900	-	-	-	-	-	-	-
Reliever Airport - Paint	11,250	-	-	-	-	-	-	-
Traffic Paint - Roads	5,950	-	-	-	-	-	-	-
Traffic Paint - Runways	25,925	-	-	-	-	25,925	-	-
Total Paint	94,125	27,200	-	-	-	25,925	-	3,400
Signs								
Other Sign Material/Etc	4,250	-	-	-	-	-	-	-
Regulatory - Signs	11,050	-	-	-	-	-	-	-
Exterior Sign Materials	5,100	-	-	-	-	-	-	-
Interior Sign Materials	5,525	1,275	-	-	-	-	-	-
Reliever Airport Signs	7,700	-	-	-	-	-	-	-
Total Signs	33,625	1,275	-	-	-	-	-	-
Supplies								
Brushes & Supplies	4,250	-	-	-	-	-	-	-
Paint Supplies - Other	3,825	-	-	-	-	-	-	-
Equipment Spray	5,950	-	-	-	-	-	-	-
Paint Tools	2,550	-	-	-	-	-	-	-
Total Supplies	16,575	-	-	-	-	-	-	-
Total: Trades Painters	\$ 144,325	\$ 28,475	\$ -	\$ -	\$ -	\$ 25,925	\$ -	\$ 3,400
Trades - Carpenters								
Locks								
Locks - Doors	\$ 45,300	\$ 43,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Flags								
Flags - Material	750	-	-	-	-	-	-	-
Lumber								
Lumber-Other	49,000	40,000	-	-	-	-	-	-
Other								
Other - Ceilings	1,300	500	-	-	-	-	-	-
Other - Doors	6,000	5,000	-	-	-	-	-	-
Other - Floor Coverings	25,500	20,000	-	-	-	-	-	-
Other - Hardware	10,425	8,425	-	-	-	-	-	-
Other - Miscellaneous	250	250	-	-	-	-	-	-
Other - Auto Door Supplies RPL	5,000	5,000	-	-	-	-	-	-
Other - Saw Blades	350	350	-	-	-	-	-	-
Other - Screws/Bolts	1,500	-	-	-	-	-	-	-
Other - Seating Replacement	9,500	5,000	-	-	-	-	-	-
Other - Tools	9,300	7,000	-	-	-	-	-	-
Other - Tug Drive Floor Maint	2,000	2,000	-	-	-	-	-	-
Other - Wall Protection	2,500	-	-	-	-	-	-	-
Total Other	73,625	53,625	-	-	-	-	-	-
Total: Trades Carpenters	\$ 168,675	\$ 136,525	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 2002 OPERATING BUDGET

Account Description	Total	Lindbergh Terminal	International Arrival	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/Landscape
Trades - Plumbers								
Contractor Requirements								
Contractor Fill Stations	\$ 3,230	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fire Protection System	22,171	6,894	-	638	-	-	-	-
General Plumbing Supplies	16,890	11,050	-	-	-	-	-	-
Irrigation Supplies	2,380	850	-	-	-	-	-	-
Pumps	4,335	1,785	-	850	-	-	-	-
Water Distribution Systems	4,421	2,253	-	-	-	-	-	-
Water Meters	3,400	-	-	-	-	-	-	-
Plumbing - Other	16,500	-	-	-	-	-	-	-
Total: Trades Plumbers	\$ 73,327	\$ 22,832	\$ -	\$ 1,488	\$ -	\$ -	\$ -	\$ -
Trades - Electricians								
Repairs								
Electrical Exterior	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Generator Maint. Contract	10,000	10,000	-	-	-	-	-	-
Electrical - Interior	30,000	-	-	-	-	-	-	-
Unit Maint. Contract	10,000	10,000	-	-	-	-	-	-
Total Repairs	\$ 60,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other								
Other - Batteries	3,000	-	-	-	-	-	-	-
Other - Field Lights/Sensors	200,000	-	-	-	-	200,000	-	-
Other - Gate Supplies	30,000	-	-	-	-	30,000	-	-
Other - General Supplies	180,000	80,000	-	-	-	-	-	-
Other - Motor	2,500	2,500	-	-	-	-	-	-
Other - Secured Access Sys	8,000	-	-	-	-	8,000	-	-
Other - Tools	12,000	-	-	-	-	-	-	-
Total Other	435,500	82,500	-	-	-	238,000	-	-
Total: Trades Electrician	\$ 495,500	\$ 102,500	\$ -	\$ -	\$ -	\$ 238,000	\$ -	\$ -
Maintenance - Field								
Snow Removal - Materials								
Materials - Liquid Anti Icer	\$ 330,000	\$ -	\$ -	\$ -	\$ 30,000	\$ 300,000	\$ -	\$ -
Materials - Sodium Formate	100,000	-	-	-	-	100,000	-	-
Materials - Other Ice Ctrl	18,000	-	-	-	2,520	11,700	-	720
Materials - Salt	41,500	-	-	-	-	-	-	20,000
Materials - Sand	115,000	-	-	-	-	82,000	-	9,000
Materials - Urea	8,500	-	-	-	-	-	-	-
Total Snow Removal - Materials	613,000	-	-	-	32,520	493,700	-	29,720
Snow Removal - Equipment								
Equipment - Bobcats	80,000	-	-	-	-	-	-	-
Equipment - Four Wheel Dr	90,000	-	-	-	-	-	-	18,000
Equipment - Snow Haulers	2,000	-	-	-	-	-	-	-
Equipment - Other	114,750	-	-	-	1,900	1,250	-	-
Equipment-Rent-No Operator	148,220	-	-	-	19,792	19,792	-	9,896
Equip Rent-No Operator-5.5	296,880	-	-	-	98,960	98,960	-	24,740
Total Snow Removal - Equipment	731,850	-	-	-	120,652	120,002	-	52,636
Snow Removal - Miscellaneous								
Snow Removal - Meals	25,000	-	-	-	-	25,000	-	-
Snow Removal - Plow Blades	135,000	-	-	-	27,000	27,000	-	27,000
Snow Removal - Runway Bm	198,000	-	-	-	-	198,000	-	-
Total Snow Removal - Miscellaneous	358,000	-	-	-	27,000	250,000	-	27,000
Summer Maintenance-Surface								
Surface Repair-Aggregate	12,400	-	-	-	-	-	-	-
Surface Repair-Asphalt	52,100	-	-	-	10,000	10,000	-	-
Surface Repair-Cement	8,000	-	-	-	2,250	2,250	-	-
Surface Repair-Other	-	-	-	-	-	-	-	-
Surface Repair-Re-Bar	-	-	-	-	-	-	-	-
Surface Rubber Removal	23,820	-	-	-	-	16,320	-	-
Surface Repair-Saw Blades	10,000	-	-	-	3,000	7,000	-	-
Surface Repair-Hot Sealant	-	-	-	-	-	-	-	-
Total Summer Maintenance - Surface	106,320	-	-	-	15,250	35,570	-	-
Summer Maint-Landscape								
Summer Maintenance-Fencing	34,500	-	-	-	-	21,500	-	-
Landscape/Turf-Materials	49,000	-	-	-	-	18,000	-	6,000
Summer Maint-Equip Rent LT	77,626	-	-	-	19,792	19,792	-	9,896
Summer Maint-Equip Rent No Op	49,480	-	-	-	9,896	9,896	-	9,896
Landscape/Turf-Agreement	91,000	-	-	-	-	-	-	61,750
Total Summer Maintenance - Landscape	301,606	-	-	-	29,688	69,188	-	87,542

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 2002 OPERATING BUDGET

Account Description	Total	Lindbergh Terminal	International Arrival	Energy Managment Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landscape
Maintenance Field-Other								
Non Runway Brooms	23,600	-	-	-	-	-	-	23,600
Field Maint-Other/Emerg	30,000	10,000	-	-	-	10,000	10,000	-
Field Maint-Other-Material	2,000	-	-	-	-	-	-	-
Field Maint-Other-Supplies	13,100	-	-	-	4,800	4,800	-	-
Field Maint-Other-Tools	13,660	-	-	-	5,360	5,800	-	-
Total Maintenance Field - Other	82,360	10,000	-	-	10,160	20,600	10,000	23,600
Total: Maintenance-Field	\$ 2,193,136	\$ 10,000	\$ -	\$ -	\$ 235,270	\$ 988,060	\$ 10,000	\$ 220,498
Maintenance Building								
Building-Temp Control								
Temp Control-Contracts	\$ 622,398	\$ 401,541	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ 21,467
Temp Control-Filters	83,323	70,900	-	-	-	-	250	-
Total Building - Temp Control	705,721	472,441	-	-	-	-	10,250	21,467
Building - Mechanical Areas								
Automated People Mover	2,033,898	1,315,751	-	-	-	-	-	718,147
Mechanical Areas-Conveyors	338,876	219,352	35,208	-	-	-	-	-
Mechanical Areas-Doors	7,500	-	-	-	-	-	-	-
Mechanical Areas-Doors/Pub	32,002	18,870	-	-	-	-	-	2,125
Mechanical Areas-Doors/Tug	14,705	14,705	-	-	-	-	-	-
Mechanical Areas-Elevators	227,300	157,778	3,991	-	-	-	-	16,186
Mechanical Areas-Escalator	221,721	152,544	3,104	-	-	-	-	7,760
Mechanical Areas-Moving Walk	221,721	-	-	-	-	-	-	-
Mechanical Areas-Other	6,002	-	-	-	-	-	-	-
Total Building - Mechanical Areas	3,103,725	1,879,000	42,303	-	-	-	-	744,218
Building-Other								
Other-Boiler Chemicals	213,500	-	-	38,000	-	-	-	-
Other-Floors/Repairs	3,000	3,000	-	-	-	-	-	-
Other-Jetbridge Repairs	35,000	-	-	-	-	-	-	-
Other-Outside Plumb/Sewer	22,610	-	-	-	-	-	-	-
Other-Paging Systems Contract	20,000	20,000	-	-	-	-	-	-
Other-Roofing	45,749	17,170	-	-	-	-	-	1,870
Sump/Septic Plumbing	12,750	-	-	-	-	-	-	-
Other-Supplies	107,360	28,220	-	8,000	-	-	-	33,150
Other-Tools	13,590	2,000	-	3,000	-	-	-	1,000
Apt Development Projects	850	-	-	-	-	-	-	-
Total Building - Other	474,409	70,390	-	49,000	-	-	-	36,020
Total: Maintenance-Building	\$ 4,283,855	\$ 2,421,831	\$ 42,303	\$ 49,000	\$ -	\$ -	\$ 10,250	\$ 801,705
Maintenance-Cleaning								
Cleaning Services								
Cleaning Services-Janitor	\$ 4,732,979	\$ 3,705,831	\$ 270,393	\$ -	\$ -	\$ -	\$ -	\$ 28,842
Cleaning Services-Windows	44,300	28,000	1,180	-	-	-	-	2,300
Total Cleaning Services	4,777,279	3,733,831	271,573	-	-	-	-	31,142
Cleaning Supplies								
Cleaning Supplies-Bathroom	350,800	290,000	-	-	-	-	-	10,700
Cleaning Supplies-General	21,300	4,000	-	100	-	-	-	-
Total Cleaning Supplies	372,100	294,000	-	100	-	-	-	10,700
Rubbish Disposal								
Rubbish Disposal-Recycle	46,664	39,149	-	-	-	1,084	-	-
Rubbish Disposal-Regular	460,707	102,818	-	-	-	172,353	-	2,396
Total Rubbish Disposal	507,371	141,967	-	-	-	173,437	-	2,396
Towel & Laundry Services	3,520	-	-	-	-	-	-	-
Other Cleaning Expenses	1,500	-	-	-	-	-	-	-
Total: Maintenance-Cleaning	\$ 5,661,770	\$ 4,169,798	\$ 271,573	\$ 100	\$ -	\$ 173,437	\$ -	\$ 44,238
Maintenance-Equipment								
Equipment-Parts								
Parts-Automobiles	\$ 122,501	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Parts-Chiller Energy Mgmt	64,800	-	-	64,800	-	-	-	-
Parts- Duct Cleaning	45,000	45,000	-	-	-	-	-	-
Parts-Equipment	468,520	-	-	-	-	-	-	-
Parts-Other Equipment	98,415	4,675	-	-	-	33,500	-	-
Total Equipment - Parts	799,236	49,675	-	64,800	-	33,500	-	-

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 2002 OPERATING BUDGET

Account Description	Total	Lindbergh Terminal	International Arrival	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landscape
Equipment-Shop								
Shop-Garbage Bags	7,500	-	-	-	-	7,000	-	-
Shop-Batteries	14,000	-	-	-	-	-	-	-
Shop-Cleaners/Degreasers	37,000	-	-	-	-	-	-	-
Shop-Oil & Filters	57,500	-	-	-	-	-	-	-
Shop-Other Supplies	74,550	-	-	2,000	-	-	-	-
Shop-Tires	75,000	-	-	-	-	-	-	-
Shop-Tools	47,950	-	-	-	-	-	-	-
Total Equipment - Shop	313,500	-	-	2,000	-	7,000	-	-
Equipment - Gas								
Gas-Propane	5,192	935	-	-	-	-	-	-
Gas-Unleaded	129,464	2,380	-	1,775	-	4,567	-	-
Total Equipment - Gas	134,656	3,315	-	1,775	-	4,567	-	-
Equipment - Extinguishers								
Extinguishers-Purchase	800	-	-	-	-	-	-	-
Extinguishers-Repair	800	-	-	-	-	-	-	-
Extinguishers-Reservice	800	-	-	-	-	-	-	-
Equipment-Miscellaneous Exp	72,282	-	-	-	-	-	-	57,782
Total Equipment - Extinguishers	74,682	-	-	-	-	-	-	57,782
Total: Maintenance-Equipment	\$ 1,322,074	\$ 52,990	\$ -	\$ 68,575	\$ -	\$ 45,067	\$ -	\$ 57,782
Total: Maintenance	\$ 14,342,662	\$ 6,944,951	\$ 313,876	\$ 119,163	\$ 235,270	\$ 1,471,489	\$ 20,250	\$ 1,127,623
Other								
General Insurance								
Gen Ins-Airport Liability	\$ 1,857,830	\$ 449,974	\$ -	\$ -	\$ 60,509	\$ 102,890	\$ -	\$ 35,066
Safety								
Safety-Training Materials	2,050	-	-	100	-	-	-	-
Safety-Supplies	29,708	400	-	2,800	-	-	-	-
Safety-Equipment	7,000	-	-	-	-	-	-	-
Total Safety	38,758	400	-	2,900	-	-	-	-
Medical Information/Supply								
Medical-Routine Supplies	20,547	300	-	487	-	9,000	-	-
Medical-Emergency Response	3,000	3,000	-	-	-	-	-	-
Total Medical Information/Supply	23,547	3,300	-	487	-	9,000	-	-
Rentals								
Rental-Copier	35,500	-	-	-	-	-	-	-
Rental-Pagers	25,400	-	-	-	-	-	-	-
Rental-Other Equipment	35,608	-	-	-	-	5,000	-	10,808
Total Rentals	96,508	-	-	-	-	5,000	-	10,808
Licenses/Permits								
Licenses-Autos/Equipment	5,020	-	-	-	-	-	-	-
Licenses-Environmental	4,020	-	-	-	-	-	-	-
Licenses-Other	6,875	-	-	-	-	-	-	-
Total Licenses/Permits	15,915	-	-	-	-	-	-	-
Miscellaneous Expenses								
Misc-Firearm/Equip/Supplies	65,500	-	-	-	-	-	-	-
Misc-Emergency Response	50,500	500	-	-	-	-	-	-
Misc-Other	50,890	500	-	-	-	-	-	-
Total Miscellaneous Expenses	166,890	1,000	-	-	-	-	-	-
Reimbursed Expense	(1,736,713)	-	-	-	-	(6,572)	-	(250,000)
Minor Equipment/Assets								
Minor Assets-Tools	42,946	3,000	-	-	-	-	-	-
Minor Assets-Office Furn	29,012	2,500	-	-	-	5,500	-	-
Minor Assets-Computers	1,800	-	-	-	-	-	-	-
Minor Assets-Radios	50,933	500	-	-	-	-	-	-
Minor Assets-Other	35,770	-	-	-	-	-	-	-
Total Minor Equipment/Assets	160,461	6,000	-	-	-	5,500	-	-
Total: Other	\$ 623,196	\$ 460,674	\$ -	\$ 3,387	\$ 60,509	\$ 115,818	\$ -	\$ (204,126)
Gross Depreciation	\$ 76,517,352	\$ 14,065,165	\$ 1,429,139	\$ 611,389	\$ 1,239,719	\$ 14,128,890	\$ -	\$ 7,995,513
Grand Total Excluding Depreciation	\$ 85,353,795	\$ 13,815,270	\$ 313,876	\$ 2,791,348	\$ 311,079	\$ 4,923,335	\$ 21,899	\$ 3,630,766
Grand total With Depreciation	\$ 161,871,147	\$ 27,880,435	\$ 1,743,015	\$ 3,402,737	\$ 1,550,798	\$ 19,052,225	\$ 21,899	\$ 11,626,279

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 2002 OPERATING BUDGET

<u>Account Description</u>	<u>Parking Lot</u>	<u>Cargo Area</u>	<u>HHH</u>	<u>Public Area/ Roads</u>	<u>West Terminal</u>	<u>Hangars & Other Bldgs</u>	<u>Maintenance Employee</u>	<u>Equipment Maintenance</u>
Personnel								
Wages								
Regular	\$ -	\$ -	\$ 154,153	\$ -	\$ -	\$ -	\$ 6,789,410	\$ -
Overtime/Double-time								
Double-time - Regular	-	-	-	-	-	-	876,644	-
Overtime - Regular	-	-	-	-	-	-	532,647	-
Overtime - Special Events	-	-	-	-	-	-	-	-
Total Overtime	-	-	-	-	-	-	1,409,291	-
Commissioner PerDiem	-	-	-	-	-	-	-	-
Temps - Administration	-	-	-	-	-	-	5,000	-
Snow Shovelers	-	-	-	-	-	-	15,013	-
Temporary 49ers	-	-	-	-	-	-	88,683	-
Grass Cutters	-	-	-	-	-	-	-	-
Total Wages	-	-	154,153	-	-	-	8,307,397	-
Benefits								
Employee Insurance Family	-	-	23,239	-	-	-	1,247,123	-
Employee Pension	-	-	19,742	-	-	-	1,097,281	-
Training								
Continuing Ed (College)	-	-	-	-	-	-	-	-
Executive Leadership Train	-	-	-	-	-	-	-	-
Management Requirement	-	-	-	-	-	-	1,100	-
Organizational Requirement	-	-	-	-	-	-	-	-
Regulatory Requirements	-	-	-	-	-	-	-	-
Local Seminars	-	-	-	-	-	-	17,000	-
Total Training	-	-	-	-	-	-	18,100	-
Post Retirement Benefits	-	-	4,189	-	8,380	-	511,162	-
Workers Compensation	-	-	1,340	-	-	-	74,596	-
Post Employ Health Plan	-	-	1,000	-	-	-	6,000	-
Unemployment Tax	-	-	-	-	-	-	-	-
Uniforms								
Uniforms-Police/Fire Allow	-	-	-	-	-	-	-	-
Uniforms-Rental	-	-	-	-	-	-	37,934	-
Uniforms - Safety Shoes	-	-	-	-	-	-	21,120	-
Total Uniforms	-	-	-	-	-	-	59,054	-
Severance/Contract Allowance	-	-	1,122	-	-	-	59,716	-
Total Benefits	-	-	50,632	-	8,380	-	3,073,032	-
Total: Personnel	\$ -	\$ -	\$ 204,785	\$ -	\$ 8,380	\$ -	\$ 11,380,429	\$ -
Administrative Expenses								
Supplies								
Office Supplies & Materials	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ -	\$ 9,000
Computer Supplies								
Computer Supplies-General	-	-	500	-	-	-	-	-
Computer Supplies-Software	5,100	-	-	-	-	-	500	-
Total Computer Supplies	5,100	-	500	-	-	-	500	-
Special Supplies								
Special Supplies-Badging	-	-	-	-	-	-	-	-
Special Supply-Film/Photo	-	-	150	-	-	-	250	-
Special Supplies-Other	-	-	1,500	-	-	-	-	-
Total Special Supplies	-	-	1,650	-	-	-	250	-
Total Supplies	5,100	-	3,650	-	-	-	750	9,000
Travel								
Travel - Lodging	-	-	-	-	-	-	-	-
Travel - Meals	-	-	-	-	-	-	-	-
Travel - Miscellaneous	-	-	-	-	-	-	-	-
Travel - Transport/Airfare	-	-	-	-	-	-	-	-
Travel - Shuttle/Taxi/Auto	-	-	-	-	-	-	-	-
Training - Out of Town	-	-	-	-	-	-	-	-
Total Travel - Transportation	-	-	-	-	-	-	-	-
Registration Fees	-	-	-	-	-	-	-	-
Mileage	-	-	1,500	-	-	-	-	-
Total Travel	-	-	1,500	-	-	-	-	-
Other Administrative Expense								
Local Meetings	-	-	-	-	-	-	-	-
Local Mtgs - On Airport/GO	-	-	-	-	-	-	-	-
Local Mtgs - Off Airport	-	-	-	-	-	-	-	-
Total Local Meetings	-	-	-	-	-	-	-	-

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 2002 OPERATING BUDGET

Account Description	Parking Lot	Cargo Area	HHH	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employee	Equipment Maintenance
Information Sources								
Memberships/Dues/Pro Assoc	-	-	-	-	-	-	-	-
Other Information Sources	-	-	-	-	-	-	-	-
Publications/Subscriptions	-	-	-	-	-	-	-	-
Total Information Sources	-	-	-	-	-	-	-	-
Printing Costs								
Printing - Publications	-	-	-	-	-	-	-	-
Printing - Color Charts	-	-	-	-	-	-	-	-
Printing - Forms	-	-	-	-	-	-	-	-
Printing - Stationary/Envelop	-	-	-	-	-	-	-	-
Delivery Services	-	-	-	-	-	-	-	-
Freight Charges	-	-	-	-	-	-	-	-
Postage	-	-	-	-	-	-	-	-
Total Printing Costs	-	-	-	-	-	-	-	-
Total Administrative Expenses	\$ 5,100	\$ -	\$ 5,150	\$ -	\$ -	\$ -	\$ 750	\$ 9,000
Professional Services								
Accounting/Audit Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Affirmative Action Fees	-	-	-	-	-	-	-	-
Appraisal/RFP/Lease Fees								
Appraisals	-	-	-	-	-	-	-	-
Airline Agreement	-	-	-	-	-	-	-	-
RFP/Lease Evaluation	-	-	-	-	-	-	-	-
Concept Develop/Feasible	-	-	-	-	-	-	-	-
Architect Fees-Concessions	-	-	-	-	-	-	-	-
Total Appraisal/RFP/ Lease Fees	-	-	-	-	-	-	-	-
Computer Services								
General								
Hardware Consulting	-	-	-	-	-	-	-	-
Software Consulting	-	-	-	-	-	-	-	-
Total General	-	-	-	-	-	-	-	-
Terminal Services								
Terminal Services-Parking	8,000	-	-	-	-	-	-	-
Terminal LAN	-	-	-	-	-	-	-	-
Total Terminal Services	8,000	-	-	-	-	-	-	-
Total Computer Services	8,000	-	-	-	-	-	-	-
Engineering Fees	-	-	7,500	12,500	-	-	-	-
Graphic Design	-	-	-	-	-	-	-	-
Labor Relations	-	-	-	-	-	-	-	-
Legal Fees								
Legal - Environmental	-	-	-	-	-	-	-	-
Legal - General	5,000	-	-	-	-	-	-	-
Legal - Federal	-	-	-	-	-	-	-	-
Legal - Relievers	-	-	-	-	-	-	-	-
Total Legal Fees	5,000	-	-	-	-	-	-	-
Legislative								
Legislative - Local	-	-	-	-	-	-	-	-
Legislative - National	-	-	-	-	-	-	-	-
Total Legislative	-	-	-	-	-	-	-	-
Medical Fees	-	-	-	-	-	-	-	-
Planning								
Strategic Planning	-	-	-	-	-	-	-	-
MSP Int'l	-	-	-	-	-	-	-	-
Total Planning	-	-	-	-	-	-	-	-
Pollution/Environmental Fees	-	-	-	-	-	-	-	-
Public Information Services	-	-	-	-	-	-	-	-
Recruiting & Employment Fees	-	-	-	-	-	-	-	-
Safety								
Safety - Training	-	-	-	-	-	-	10,000	-
Safety - General	-	-	-	-	-	-	-	-
Total Safety	-	-	-	-	-	-	10,000	-
Communications Consultant	-	-	-	-	-	-	-	-
Other/Miscellaneous	11,500	-	1,250	-	-	-	-	7,500
Total: Professional Services	\$ 24,500	\$ -	\$ 8,750	\$ 12,500	\$ -	\$ -	\$ 10,000	\$ 7,500

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 2002 OPERATING BUDGET

Account Description	Parking Lot	Cargo Area	HHH	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employee	Equipment Maintenance
Utilities								
Electricity	\$ -	\$ 41,553	\$ 139,904	\$ 7,206	\$ -	\$ 154,673	\$ -	\$ 1,176
Heating Fuel								
Heating - Natural Gas	-	-	345,966	-	41,552	62,051	-	-
Heating - Fuel Oil	28,645	-	-	-	-	-	-	-
Total Heating Fuel	28,645	-	345,966	-	41,552	62,051	-	-
Sewer	10,646	-	-	1,055,197	1,224	-	-	-
Water	7,992	-	10,650	609,227	35,263	7,059	-	-
Telephone								
Telephone - Regular	-	-	471	-	-	-	-	-
Telephone - Cellular	-	-	1,800	-	-	-	-	-
Total Telephone	-	-	2,271	-	-	-	-	-
Total: Utilities	\$ 47,283	\$ 41,553	\$ 498,791	\$ 1,671,630	\$ 78,039	\$ 223,783	\$ -	\$ 1,176
Operating Services/Expenses								
Advertising								
Advertising - Bids	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advertising - Employment	-	-	-	-	-	-	-	-
Advertising - General	650	-	-	-	-	-	-	-
Advertising - Parking	93,000	-	-	-	-	-	-	-
Advertising - Relievers	-	-	-	-	-	-	-	-
Total Advertising	93,650	-	-	-	-	-	-	-
Environmental Control								
Hazardous Waste - General	-	-	-	-	-	-	-	1,000
Pollution Control								
Pollution Ctrl-Booms	-	-	-	11,000	-	-	-	-
Pollution Ctrl-Supplies	-	-	-	-	-	-	-	1,000
Total Pollution Control	-	-	-	11,000	-	-	-	1,000
Industrial Waste Mgmt	-	-	-	-	-	-	-	-
Laboratory Services	-	-	-	-	-	-	-	-
Solvent Reclamation Service	-	-	-	-	-	-	-	4,000
Spill Response	-	-	-	-	-	-	-	250
Tire Disposal	-	-	-	-	-	-	-	840
Other	-	-	-	-	-	-	-	-
Total Environment Control	-	-	-	-	-	-	-	5,090
Ground Transportation Services								
AV ID Readers/Controllers	-	-	-	-	-	-	-	-
AV ID Tags	-	-	-	-	-	-	-	-
Commercial Roadway Tickets	-	-	-	-	-	-	-	-
Total Ground Transportation Services	-	-	-	-	-	-	-	-
Shuttle Services								
Auto Rental-Main	559,980	-	-	-	-	-	-	-
Auto Rental-HHH	-	-	-	-	-	-	-	-
Lindbergh/Humphery	-	-	279,990	-	-	-	-	-
Total Shuttle Services	559,980	-	279,990	-	-	-	-	-
Parking Lots								
Management Contract	6,376,135	-	-	-	-	-	-	-
Total Parking Lots	6,376,135	-	-	-	-	-	-	-
General Fees	-	-	-	-	-	-	-	-
Wellness								
Wellness-Health/Wellness	-	-	-	-	-	-	-	-
Total Wellness	-	-	-	-	-	-	-	-
Events								
Employee Programs								
MEAR								
Mear Awards	-	-	-	-	-	-	-	-
Mear Recognition	-	-	-	-	-	-	-	-
Total MEAR	-	-	-	-	-	-	-	-
Holidays/Picnic/Hospital Fund	-	-	-	-	-	-	-	-
Retirement Service Awards	-	-	-	-	-	-	-	-
Catering								
Catering	-	-	-	-	-	-	-	-
Other Expense	-	-	-	-	-	-	-	-
Total Catering	-	-	-	-	-	-	-	-
Career Days	-	-	-	-	-	-	-	-
Emergency Response Other	-	-	250	-	-	-	-	-
Other Events	-	-	-	-	-	-	-	-
Total Events	-	-	250	-	-	-	-	-

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 2002 OPERATING BUDGET

Account Description	Parking Lot	Cargo Area	HHH	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employee	Equipment Maintenance
Other Charges/Fees								
Bank Charges	65,000	-	-	-	-	-	-	-
Security Services	-	-	131,400	-	-	-	-	-
Recycling	-	-	-	-	-	-	-	-
Copy Agreement	-	-	-	-	-	-	-	-
Mediation Fees	-	-	-	-	-	-	-	-
Miscellaneous Charges/Fees	-	-	-	-	-	-	-	-
Jail Fees	-	-	-	-	-	-	-	-
Total Other Charges/Fees	65,000	-	131,400	-	-	-	-	-
Service Agreements								
Service-Bldg Inspection	-	-	-	-	-	-	-	-
Service-Facilities C.M.M.I.S.	-	-	-	-	-	-	-	-
Service-Computers	-	-	-	-	-	-	-	-
Service-Fitness Equipment	-	-	-	-	-	-	-	-
Service-Grd Trans Equip	-	-	-	-	-	-	-	-
Service-Office Equipment	-	-	3,000	-	-	-	300	-
Service-Other Equipment	-	-	355,000	-	-	-	-	-
Service-Parking Equipment	308,451	-	-	-	-	-	-	-
Service-Telephone Systems	-	-	4,500	-	-	-	-	-
Service-Secured Access	-	-	-	-	-	-	-	-
Service-Radios	-	-	-	-	-	-	-	25,000
Storm Water Monitoring	-	-	-	-	-	-	-	-
Total Service Agreements/Storm Water	308,451	-	362,500	-	-	-	300	25,000
Total: Operating Services	\$ 7,403,216	\$ -	\$ 774,140	\$ 11,000	\$ -	\$ -	\$ 300	\$ 32,090
Maintenance								
Trades - Painters								
Paint								
Equipment - Paint	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Exterior - Paint	-	-	-	-	-	-	-	-
Interior - Paint	-	-	850	-	850	-	-	2,550
Paint - Other	-	-	-	-	-	-	-	-
Traffic Paint - Parking	11,900	-	-	-	-	-	-	-
Reliever Airport - Paint	-	-	-	-	-	-	-	-
Traffic Paint - Roads	-	-	-	5,950	-	-	-	-
Traffic Paint - Runways	-	-	-	-	-	-	-	-
Total Paint	11,900	-	850	5,950	850	-	-	2,550
Signs								
Other Sign Material/Etc	-	-	-	-	-	-	4,250	-
Regulatory - Signs	-	-	-	-	-	-	-	-
Exterior Sign Materials	-	-	-	-	-	-	-	-
Interior Sign Materials	-	-	-	-	-	-	-	-
Reliever Airport Signs	-	-	-	-	-	-	-	-
Total Signs	-	-	-	-	-	-	4,250	-
Supplies								
Brushes & Supplies	-	-	-	-	-	-	-	-
Paint Supplies - Other	-	-	-	-	-	-	-	-
Equipment Spray	-	-	-	-	-	-	-	-
Paint Tools	-	-	-	-	-	-	-	-
Total Supplies	-	-	-	-	-	-	-	-
Total: Trades Painters	\$ 11,900	\$ -	\$ 850	\$ 5,950	\$ 850	\$ -	\$ 4,250	\$ 2,550
Trades - Carpenters								
Locks								
Locks - Doors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Flags								
Flags - Material	-	-	-	-	-	-	-	-
Lumber								
Lumber-Other	-	-	-	-	-	-	-	-
Other								
Other - Ceilings	-	-	-	-	-	-	-	-
Other - Doors	-	-	-	-	-	-	-	-
Other - Floor Coverings	-	-	-	-	3,000	-	-	-
Other - Hardware	-	-	-	-	-	-	-	-
Other - Miscellaneous	-	-	-	-	-	-	-	-
Other - Auto Door Supplies RPL	-	-	-	-	-	-	-	-
Other - Saw Blades	-	-	-	-	-	-	-	-
Other - Screws/Bolts	-	-	-	-	-	-	-	-
Other - Seating Replacement	-	-	4,500	-	-	-	-	-
Other - Tools	-	-	-	-	-	-	-	-
Other - Tug Drive Floor Maint	-	-	-	-	-	-	-	-
Other - Wall Protection	-	-	-	-	-	-	-	-
Total Other	-	-	4,500	-	3,000	-	-	-
Total: Trades Carpenters	\$ -	\$ -	\$ 4,500	\$ -	\$ 3,000	\$ -	\$ -	\$ -

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 2002 OPERATING BUDGET

Account Description	Parking Lot	Cargo Area	Public Area/ HHH	Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employee	Equipment Maintenance
Trades - Plumbers								
Contractor Requirements								
Contractor Fill Stations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fire Protection System	-	-	850	-	893	-	-	-
General Plumbing Supplies	-	-	680	-	1,305	-	-	2,550
Irigation Supplies	-	-	-	850	-	-	-	-
Pumps	-	-	-	-	1,700	-	-	-
Water Distribution Systems	-	-	680	-	1,488	-	-	-
Water Meters	-	-	-	-	-	-	-	-
Plumbing - Other	-	-	-	-	-	-	-	-
Total: Trades Plumbers	\$ -	\$ -	\$ 2,210	\$ 850	\$ 5,386	\$ -	\$ -	\$ 2,550
Trades - Electricians								
Repairs								
Electrical Exterior	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Generator Maint. Contract	-	-	-	-	-	-	-	-
Electrical - Interior	-	-	-	-	-	-	-	-
Unit Maint. Contract	-	-	-	-	-	-	-	-
Total Repairs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other								
Other - Batteries	-	-	-	-	-	-	-	-
Other - Field Lights/Sensors	-	-	-	-	-	-	-	-
Other - Gate Supplies	-	-	-	-	-	-	-	-
Other - General Supplies	-	-	-	-	-	-	-	100,000
Other - Motor	-	-	-	-	-	-	-	-
Other - Secured Access Sys	-	-	-	-	-	-	-	-
Other - Tools	-	-	-	-	-	-	-	-
Total Other	-	-	-	-	-	-	-	100,000
Total: Trades Electrician	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Maintenance - Field								
Snow Removal - Materials								
Materials - Liquid Anti Icer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Materials - Sodium Formate	-	-	-	-	-	-	-	-
Materials - Other Ice Ctrl	2,340	-	-	720	-	-	-	-
Materials - Salt	-	-	-	20,000	-	-	-	-
Materials - Sand	9,000	-	-	-	-	-	-	-
Materials - Urea	-	-	-	-	-	-	-	-
Total Snow Removal - Materials	11,340	-	-	20,720	-	-	-	-
Snow Removal - Equipment								
Equipment - Bobcats	80,000	-	-	-	-	-	-	-
Equipment - Four Wheel Dr	72,000	-	-	-	-	-	-	-
Equipment - Snow Haulers	-	-	-	-	-	-	-	-
Equipment - Other	1,900	-	-	-	-	-	104,000	-
Equipment-Rent-No Operator	9,896	-	-	14,844	-	-	-	-
Equip Rent-No Operator-5.5	24,740	-	-	49,480	-	-	-	-
Total Snow Removal - Equipment	188,536	-	-	64,324	-	-	104,000	-
Snow Removal - Miscellaneous								
Snow Removal - Meals	-	-	-	-	-	-	-	-
Snow Removal - Plow Blades	27,000	-	-	27,000	-	-	-	-
Snow Removal - Runway Brn	-	-	-	-	-	-	-	-
Total Snow Removal - Miscellaneous	27,000	-	-	27,000	-	-	-	-
Summer Maintenance-Surface								
Surface Repair-Aggregate	6,370	-	-	630	-	-	-	-
Surface Repair-Asphalt	2,500	-	-	2,500	-	-	-	-
Surface Repair-Cement	250	-	-	250	-	-	-	-
Surface Repair-Other	-	-	-	-	-	-	-	-
Surface Repair-Re-Bar	-	-	-	-	-	-	-	-
Surface Rubber Removal	-	-	-	-	-	-	-	-
Surface Repair-Saw Blades	-	-	-	-	-	-	-	-
Surface Repair-Hot Sealant	-	-	-	-	-	-	-	-
Total Summer Maintenance - Surface	9,120	-	-	3,380	-	-	-	-
Summer Maint-Landscape								
Summer Maintenance-Fencing	-	-	-	-	-	-	-	-
Landscape/Turf-Materials	-	-	-	2,100	-	-	-	-
Summer Maint-Equip Rent LT	9,896	-	-	17,250	-	-	-	-
Summer Maint-Equip Rent No Op	9,896	-	-	9,896	-	-	-	-
Landscape/Turf-Agreement	-	-	-	4,200	-	-	-	-
Total Summer Maintenance - Landscape	19,792	-	-	33,446	-	-	-	-

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 2002 OPERATING BUDGET

Account Description	Parking Lot	Cargo Area	HHH	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employee	Equipment Maintenance
Maintenance Field-Other								
Non Runway Brooms	-	-	-	-	-	-	-	-
Field Maint-Other/Emerg	-	-	-	-	-	-	-	-
Field Maint-Other-Material	-	-	-	-	-	-	-	-
Field Maint-Other-Supplies	-	-	-	-	-	-	-	-
Field Maint-Other-Tools	-	-	-	-	-	-	-	-
Total Maintenance Field - Other	-	-	-	-	-	-	-	-
Total: Maintenance-Field	\$ 255,788	\$ -	\$ -	\$ 148,870	\$ -	\$ -	\$ 104,000	\$ -
Maintenance Building								
Building-Temp Control								
Temp Control-Contracts	\$ 19,516	\$ -	\$ 45,374	\$ -	\$ 39,000	\$ 15,500	\$ -	\$ -
Temp Control-Fillers	-	-	-	-	315	450	-	-
Total Building - Temp Control	19,516	-	45,374	-	39,315	15,950	-	-
Building - Mechanical Areas								
Automated People Mover	-	-	-	-	-	-	-	-
Mechanical Areas-Conveyors	-	-	84,316	-	-	-	-	-
Mechanical Areas-Doors	-	-	-	-	-	-	-	-
Mechanical Areas-Doors/Pub	7,777	-	3,230	-	-	-	-	-
Mechanical Areas-Doors/Tug	-	-	-	-	-	-	-	-
Mechanical Areas-Elevators	32,815	-	1,552	-	-	-	-	-
Mechanical Areas-Escalator	20,842	-	-	-	-	-	-	-
Mechanical Areas-Moving Walk	-	-	-	-	-	-	-	-
Mechanical Areas-Other	-	-	-	-	-	-	-	-
Total Building - Mechanical Areas	61,434	-	89,098	-	-	-	-	-
Building-Other								
Other-Boiler Chemicals	-	-	175,000	-	-	-	-	-
Other-Floors/Repairs	-	-	-	-	-	-	-	-
Other-Jetbridge Repairs	-	-	35,000	-	-	-	-	-
Other-Outside Plumb/Sewer	-	-	-	-	-	-	-	13,260
Other-Paging Systems Contract	-	-	-	-	-	-	-	-
Other-Roofing	-	-	1,870	-	2,720	-	-	-
Sump/Septic Plumbing	-	-	-	-	-	-	-	12,750
Other-Supplies	12,240	-	9,265	-	3,000	-	-	-
Other-Tools	1,000	-	1,000	-	400	-	-	-
Apt Development Projects	-	-	-	-	-	-	-	-
Total Building - Other	13,240	-	222,135	-	6,120	-	-	26,010
Total: Maintenance-Building	\$ 94,190	\$ -	\$ 356,607	\$ -	\$ 45,435	\$ 15,950	\$ -	\$ 26,010
Maintenance-Cleaning								
Cleaning Services								
Cleaning Services-Janitor	\$ 108,157	\$ -	\$ 450,656	\$ -	\$ 77,600	\$ -	\$ -	\$ -
Cleaning Services-Windows	3,800	-	3,500	-	120	-	-	-
Total Cleaning Services	111,957	-	454,156	-	77,720	-	-	-
Cleaning Supplies								
Cleaning Supplies-Bathroom	11,100	-	32,000	-	4,200	-	-	-
Cleaning Supplies-General	-	-	-	-	5,000	-	-	2,000
Total Cleaning Supplies	11,100	-	32,000	-	9,200	-	-	2,000
Rubbish Disposal								
Rubbish Disposal-Recycle	-	-	1,900	1,622	1,805	-	-	296
Rubbish Disposal-Regular	13,386	-	70,713	2,489	40,253	-	-	-
Total Rubbish Disposal	13,386	-	72,613	4,111	42,058	-	-	296
Towel & Laundry Services	-	-	-	-	-	-	-	720
Other Cleaning Expenses	-	-	-	-	-	-	-	-
Total: Maintenance-Cleaning	\$ 136,443	\$ -	\$ 558,769	\$ 4,111	\$ 128,978	\$ -	\$ -	\$ 3,016
Maintenance-Equipment								
Equipment-Parts								
Parts-Automobiles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,179
Parts-Chiller Energy Mgmt	-	-	-	-	-	-	-	-
Parts- Duct Cleaning	-	-	-	-	-	-	-	-
Parts-Equipment	55,000	-	-	-	-	-	-	343,620
Parts-Other Equipment	-	-	3,000	-	-	-	-	30,000
Total Equipment - Parts	55,000	-	3,000	-	-	-	-	430,799

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 2002 OPERATING BUDGET

Account Description	Parking Lot	Cargo Area	HHH	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employee	Equipment Maintenance
Equipment-Shop								
Shop-Garbage Bags	-	-	-	-	-	-	-	-
Shop-Batteries	-	-	-	-	-	-	-	12,000
Shop-Cleaners/Degreasers	-	-	-	-	-	-	-	36,000
Shop-Oil & Filters	-	-	-	-	-	-	-	53,000
Shop-Other Supplies	-	-	-	-	-	-	-	50,000
Shop-Tires	-	-	-	-	-	-	-	67,000
Shop-Tools	-	-	-	-	-	-	-	37,000
Total Equipment - Shop	-	-	-	-	-	-	-	255,000
Equipment - Gas								
Gas-Propane	-	-	-	-	-	-	-	3,500
Gas-Unleaded	-	-	-	-	-	-	-	66,048
Total Equipment - Gas	-	-	-	-	-	-	-	69,548
Equipment - Extinguishers								
Extinguishers-Purchase	-	-	-	-	-	-	-	-
Extinguishers-Repair	-	-	-	-	-	-	-	-
Extinguishers-Reservice	-	-	-	-	-	-	-	-
Equipment-Miscellaneous Exp	-	-	4,000	-	-	-	-	-
Total Equipment - Extinguishers	-	-	4,000	-	-	-	-	-
Total: Maintenance-Equipment	\$ 55,000	\$ -	\$ 7,000	\$ -	\$ -	\$ -	\$ -	\$ 755,347
Total: Maintenance	\$ 553,321	\$ -	\$ 929,936	\$ 159,781	\$ 183,649	\$ 15,950	\$ 108,250	\$ 889,473
Other								
General Insurance								
Gen Ins-Airport Liability	\$ 126,525	\$ -	\$ 62,792	\$ 35,066	\$ 30,369	\$ 8,961	\$ -	\$ 195,161
Safety								
Safety-Training Materials	-	-	-	-	-	-	-	400
Safety-Supplies	-	-	-	15,000	-	-	500	-
Safety-Equipment	-	-	-	-	-	-	1,000	-
Total Safety	-	-	-	15,000	-	-	1,500	400
Medical Information/Supply								
Medical-Routine Supplies	-	-	-	-	-	-	-	-
Medical-Emergency Response	-	-	-	-	-	-	-	-
Total Medical Information/Supply	-	-	-	-	-	-	-	-
Rentals								
Rental-Copier	-	-	-	-	-	-	-	-
Rental-Pagers	-	-	-	-	-	-	-	-
Rental-Other Equipment	-	-	6,000	-	-	-	-	-
Total Rentals	-	-	6,000	-	-	-	-	-
Licenses/Permits								
Licenses-Autos/Equipment	-	-	-	-	-	-	-	-
Licenses-Environmental	-	-	-	-	-	-	-	-
Licenses-Other	-	-	-	-	-	-	-	-
Total Licenses/Permits	-	-	-	-	-	-	-	-
Miscellaneous Expenses								
Misc-Firearm/Equip/Supplies	-	-	-	-	-	-	-	-
Misc-Emergency Response	-	-	-	-	-	-	-	-
Misc-Other	-	-	500	-	-	-	-	-
Total Miscellaneous Expenses	-	-	500	-	-	-	-	-
Reimbursed Expense	-	-	200	-	-	-	-	-
Minor Equipment/Assets								
Minor Assets-Tools	-	-	-	-	-	-	-	20,000
Minor Assets-Office Furn	-	-	3,500	-	-	-	-	2,500
Minor Assets-Computers	-	-	-	-	-	-	-	-
Minor Assets-Radios	-	-	-	-	-	-	-	30,000
Minor Assets-Other	-	-	500	-	-	-	-	-
Total Minor Equipment/Assets	-	-	4,000	-	-	-	-	52,500
Total: Other	\$ 126,525	\$ -	\$ 73,492	\$ 50,066	\$ 30,369	\$ 8,961	\$ 1,500	\$ 248,061
Gross Depreciation	\$ 8,831,142	\$ 475,063	\$ 4,018,902	\$ 913,353	\$ 144,312	\$ 148,407	\$ -	\$ 2,146,245
Grand Total Excluding Depreciation	\$ 8,159,945	\$ 41,553	\$ 2,495,044	\$ 1,904,977	\$ 300,437	\$ 248,694	\$ 11,501,229	\$ 1,187,300
Grand total With Depreciation	\$ 16,991,087	\$ 516,616	\$ 6,513,946	\$ 2,818,330	\$ 444,749	\$ 397,101	\$ 11,501,229	\$ 3,333,545

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 2002 OPERATING BUDGET

Account Description	Inventory/ Trades	Green Concourse	Police	Fire	Administration	Building Official	Communication/ Operations	Noise Abatement	Total Reliever Airports
Personnel									
Wages									
Regular	\$ -	\$ -	\$ 4,931,508	\$ 2,495,958	\$ 7,038,662	\$ 253,774	\$ 1,380,294	\$ 647,198	\$ 1,466,273
Overtime/Double-time									
Double-time - Regular	-	-	-	-	-	-	-	-	149,260
Overtime - Regular	-	-	350,000	72,900	21,326	-	136,204	-	155,282
Overtime - Special Events	-	-	-	-	-	-	-	-	-
Total Overtime	-	-	350,000	72,900	21,326	-	136,204	-	304,542
Commissioner PerDiem	-	-	-	-	29,350	-	-	-	-
Temps - Administration	-	-	-	-	10,000	-	-	-	-
Snow Shovelers	-	-	-	-	-	-	-	-	-
Temporary 49ers	-	-	-	-	-	-	-	-	-
Grass Cutters	-	-	-	-	-	-	-	-	-
Total Wages	-	-	5,281,508	2,568,858	7,099,338	253,774	1,516,498	647,198	1,770,815
Benefits									
Employee Insurance Family	-	-	739,753	356,320	1,018,613	15,493	224,638	123,907	224,638
Employee Pension	-	-	692,089	337,592	955,604	15,585	197,659	102,007	245,720
Training									
Continuing Ed (College)	-	-	-	-	2,000	-	-	-	2,500
Executive Leadership Train	-	-	-	-	-	-	-	-	-
Management Requirement	-	-	-	-	-	-	-	-	-
Organizational Requirement	-	-	-	-	15,000	-	-	-	-
Regulatory Requirements	-	-	-	24,000	4,000	-	10,000	-	-
Local Seminars	-	-	23,000	400	19,850	-	5,600	-	-
Total Training	-	-	23,000	24,400	40,850	-	15,600	-	2,500
Post Retirement Benefits	-	-	343,569	167,595	385,467	-	79,608	58,658	113,128
Workers Compensation	-	-	43,328	20,547	60,301	893	13,400	7,147	12,954
Post Employ Health Plan	-	-	14,000	4,000	47,000	1,000	9,000	5,000	3,000
Unemployment Tax	-	-	-	-	15,000	-	-	-	-
Uniforms									
Uniforms-Police/Fire Allow	-	-	68,000	27,000	-	-	-	-	-
Uniforms-Rental	1,955	-	-	-	2,300	-	-	-	13,033
Uniforms - Safety Shoes	510	-	-	-	1,040	-	-	-	2,594
Total Uniforms	2,465	-	68,000	27,000	3,340	-	-	-	15,627
Severance/Contract Allowance	-	-	37,620	18,954	52,571	885	11,214	5,795	12,492
Total Benefits	2,465	-	1,961,359	956,408	2,578,746	33,856	551,119	302,514	630,059
Total: Personnel	\$ 2,465	\$ -	\$ 7,242,867	\$ 3,525,266	\$ 9,678,084	\$ 287,630	\$ 2,067,617	\$ 949,712	\$ 2,400,874
Administrative Expenses									
Supplies									
Office Supplies & Materials	\$ 7,376	\$ -	\$ 13,000	\$ 6,000	\$ 65,423	\$ 1,000	\$ 8,958	\$ 9,225	6,500
Computer Supplies									
Computer Supplies-General	-	-	-	-	13,705	-	13,000	1,725	3,000
Computer Supplies-Software	1,645	-	2,000	800	22,065	1,200	14,420	1,825	2,000
Total Computer Supplies	1,645	-	2,000	800	35,770	1,200	27,420	3,550	5,000
Special Supplies									
Special Supplies-Badging	-	-	18,000	-	-	-	-	-	-
Special Supply-Film/Photo	638	-	10,800	-	7,150	-	500	200	-
Special Supplies-Other	-	-	3,500	-	5,950	-	2,212	-	8,950
Total Special Supplies	638	-	32,300	-	13,100	-	2,712	200	8,950
Total Supplies	9,659	-	47,300	6,800	114,293	2,200	39,090	12,975	20,450
Travel									
Travel - Lodging	-	-	6,000	-	1,000	-	-	1,150	1,500
Travel - Meals	-	-	2,050	-	300	-	-	450	375
Travel - Miscellaneous	-	-	500	-	50	-	-	-	1,100
Travel - Transport/Airfare	-	-	6,000	5,500	72,500	-	4,000	2,100	2,000
Travel - Shuttle/Taxi/Auto	-	-	2,150	-	100	-	-	-	100
Training - Out of Town	-	-	-	-	-	-	-	-	-
Total Travel - Transportation	-	-	16,700	5,500	73,950	-	4,000	3,700	5,075
Registration Fees	-	-	6,000	-	2,150	-	-	100	1,400
Mileage	300	-	2,800	700	33,705	-	100	670	500
Total Travel	300	-	25,500	6,200	109,805	-	4,100	4,470	6,975
Other Administrative Expense									
Local Meetings									
Local Mtgs - On Airport/GO	-	-	1,000	-	7,825	-	255	-	100
Local Mtgs - Off Airport	-	-	2,000	-	11,700	-	170	400	2,000
Total Local Meetings	-	-	3,000	-	19,525	-	425	400	2,100

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 2002 OPERATING BUDGET

Account Description	Inventory/ Trades	Green Concourse	Police	Fire	Administration	Building Official	Communication/ Operations	Noise Abatement	Total Reliever Airports
Information Sources									
Memberships/Dues/Pro Assoc	378	-	2,500	400	156,045	-	3,755	750	300
Other Information Sources	-	-	500	4,800	43,000	-	2,000	7,700	1,800
Publications/Subscriptions	164	-	1,250	1,200	33,750	-	2,000	500	1,200
Total Information Sources	542	-	4,250	6,400	232,795	-	7,755	8,950	3,300
Printing Costs									
Printing - Publications	-	-	4,250	-	59,150	-	5,000	20,000	4,000
Printing - Color Charts	-	-	-	-	1,000	-	-	1,000	-
Printing - Forms	-	-	1,500	-	8,360	1,500	-	-	-
Printing - Stationary/Envelop	-	-	1,500	300	26,600	-	-	-	-
Delivery Services	120	-	300	40	18,918	-	200	100	300
Freight Charges	500	-	100	80	600	-	-	-	-
Postage	-	-	1,100	-	79,030	-	-	-	500
Total Printing Costs	620	-	8,750	420	193,658	1,500	5,200	21,100	4,800
Total Administrative Expenses	\$ 11,121	\$ -	\$ 88,800	\$ 19,820	\$ 670,076	\$ 3,700	\$ 56,570	\$ 47,895	\$ 37,625
Professional Services									
Accounting/Audit Fees	\$ -	\$ -	\$ -	\$ -	212,280	\$ -	\$ -	\$ -	-
Affirmative Action Fees	-	-	-	-	14,000	-	-	-	-
Appraisal/RFP/Lease Fees									
Appraisals	-	-	-	-	-	-	-	-	-
Airline Agreement	-	-	-	-	30,000	-	-	-	-
RFP/Lease Evaluation	-	-	-	-	-	-	-	-	-
Concept Develop/Feasible	-	-	-	-	-	-	-	-	-
Architect Fees-Concessions	-	-	-	-	12,000	-	-	-	-
Total Appraisal/RFP/ Lease Fees	-	-	-	-	42,000	-	-	-	-
Computer Services									
General									
Hardware Consulting	-	-	-	-	-	-	-	30,000	-
Software Consulting	-	-	-	-	255,000	11,500	-	35,000	-
Total General	-	-	-	-	255,000	11,500	-	65,000	-
Terminal Services									
Terminal Services-Parking	-	-	-	-	-	-	-	-	-
Terminal LAN	-	-	-	-	-	-	-	-	-
Total Terminal Services	-	-	-	-	-	-	-	-	-
Total Computer Services	-	-	-	-	255,000	11,500	-	65,000	-
Engineering Fees	-	-	-	-	60,000	-	-	118,300	214,800
Graphic Design	-	-	-	-	25,000	-	-	-	2,500
Labor Relations	-	-	-	-	15,000	-	-	-	-
Legal Fees									
Legal - Environmental	-	-	-	-	-	-	-	257,750	-
Legal - General	-	-	-	-	340,000	-	-	-	-
Legal - Federal	-	-	-	-	127,500	-	-	-	-
Legal - Relievers	-	-	-	-	-	-	-	-	150,250
Total Legal Fees	-	-	-	-	467,500	-	-	257,750	150,250
Legislative									
Legislative - Local	-	-	-	-	80,000	-	-	-	-
Legislative - National	-	-	-	-	180,000	-	-	-	-
Total Legislative	-	-	-	-	260,000	-	-	-	-
Medical Fees	-	-	-	8,900	30,000	-	-	-	-
Planning									
Strategic Planning	-	-	-	-	-	-	-	-	-
MSP Int'l	-	-	-	-	-	-	-	-	-
Total Planning	-	-	-	-	-	-	-	-	-
Pollution/Environmental Fees	-	-	-	-	-	-	-	2,000	2,000
Public Information Services	-	-	-	-	55,000	-	-	-	4,000
Recruiting & Employment Fees	-	-	-	-	20,000	-	-	-	-
Safety									
Safety - Training	7,000	-	2,600	2,000	1,500	-	-	-	5,000
Safety - General	-	-	-	-	1,500	-	-	-	-
Total Safety	7,000	-	2,600	2,000	3,000	-	-	-	5,000
Communications Consultant	-	-	-	-	66,000	-	13,500	-	-
Other/Miscellaneous	7,500	2,000	4,000	-	166,162	-	146,000	62,000	47,000
Total: Professional Services	\$ 14,500	\$ 2,000	\$ 6,600	\$ 10,900	\$ 1,690,942	\$ 11,500	\$ 159,500	\$ 505,050	\$ 425,550

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 2002 OPERATING BUDGET

Account Description	Inventory/ Trades	Green Concourse	Police	Fire	Administration	Building Official	Communication/ Operations	Noise Abatement	Total Reliever Airports
Utilities									
Electricity	\$ 225,593	\$ -	\$ -	\$ 6,985	\$ 121,191	\$ -	\$ -	\$ 1,203	148,972
Heating Fuel									
Heating - Natural Gas	111,157	-	-	-	44,117	-	-	-	46,277
Heating - Fuel Oil	-	-	-	-	-	-	-	-	-
Total Heating Fuel	111,157	-	-	-	44,117	-	-	-	46,277
Sewer	10,352	-	-	926	860	-	-	-	3,056
Water	14,224	-	-	1,162	754	-	-	-	2,950
Telephone									
Telephone - Regular	662	-	750	815	133,696	-	79,235	28,032	26,524
Telephone - Cellular	24,566	-	7,500	8,800	34,100	700	8,450	1,800	2,300
Total Telephone	25,128	-	8,250	9,615	167,796	700	87,685	29,832	28,824
Total: Utilities	\$ 386,454	\$ -	\$ 8,250	\$ 18,688	\$ 334,718	\$ 700	\$ 87,685	\$ 31,035	\$ 230,079
Operating Services/Expenses									
Advertising									
Advertising - Bids	\$ -	\$ -	\$ -	\$ -	2,500	\$ -	\$ -	\$ -	\$ -
Advertising - Employment	-	-	-	-	50,000	-	-	-	-
Advertising - General	-	-	4,000	-	90,500	-	-	-	-
Advertising - Parking	-	-	-	-	-	-	-	-	-
Advertising - Relievers	-	-	-	-	-	-	-	-	9,000
Total Advertising	-	-	4,000	-	143,000	-	-	-	9,000
Environmental Control									
Hazardous Waste - General	7,750	-	500	500	-	-	-	-	1,000
Pollution Control									
Pollution Ctrl-Booms	-	-	-	-	-	-	-	-	-
Pollution Ctrl-Supplies	-	-	-	-	-	-	-	-	-
Total Pollution Control	-	-	-	-	-	-	-	-	-
Industrial Waste Mgmt	-	-	-	-	-	-	-	-	-
Laboratory Services	-	-	-	-	2,000	-	-	-	-
Solvent Reclamation Service	2,500	-	-	2,000	-	-	-	-	2,500
Spill Response	250	-	-	250	-	-	-	500	250
Tire Disposal	-	-	-	-	-	-	-	-	1,200
Other	-	-	-	-	-	-	-	-	100,000
Total Environment Control	2,750	-	-	2,250	2,000	-	-	500	103,950
Ground Transportation Services									
AV ID Readers/Controllers	-	-	-	-	-	-	-	-	-
AV ID Tags	-	-	-	-	-	-	-	-	-
Commercial Roadway Tickets	-	-	-	-	-	-	-	-	-
Total Ground Transportation Services	-	-	-	-	-	-	-	-	-
Shuttle Services									
Auto Rental-Main	-	-	-	-	-	-	-	-	-
Auto Rental-HHH	-	-	-	-	-	-	-	-	-
Lindbergh/Humphery	-	-	-	-	-	-	-	-	-
Total Shuttle Services	-	-	-	-	-	-	-	-	-
Parking Lots									
Management Contract	-	-	-	-	-	-	-	-	-
Total Parking Lots	-	-	-	-	-	-	-	-	-
General Fees	-	-	-	-	-	-	-	-	-
Wellness									
Wellness-Health/Wellness	-	-	-	-	5,000	-	-	-	-
Total Wellness	-	-	-	-	5,000	-	-	-	-
Events									
Employee Programs									
MEAR									
Meat Awards	-	-	-	-	-	-	-	-	-
Meat Recognition	-	-	-	-	-	-	-	-	-
Total MEAR	-	-	-	-	-	-	-	-	-
Holidays/Picnic/Hospital Fund	-	-	-	-	-	-	-	-	-
Retirement Service Awards	-	-	-	-	-	-	-	-	-
Catering									
Catering	-	-	-	-	50,000	-	-	-	-
Other Expense	-	-	-	-	-	-	-	-	-
Total Catering	-	-	-	-	50,000	-	-	-	-
Career Days	-	-	-	-	-	-	-	-	-
Emergency Response Other	-	-	-	-	8,300	-	-	-	-
Other Events	-	-	1,500	-	60,900	-	-	-	-
Total Events	-	-	1,500	-	69,200	-	-	-	-

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 2002 OPERATING BUDGET

Account Description	Inventory/ Trades	Green Concourse	Police	Fire	Administration	Building Official	Communication/ Operations	Noise Abatement	Total Reliever Airports
Other Charges/Fees									
Bank Charges	-	-	-	-	105,000	-	-	-	-
Security Services	-	-	467,200	-	-	-	-	-	-
Recycling	-	-	-	-	1,700	-	-	-	-
Copy Agreement	-	-	-	-	200,000	-	-	-	-
Mediation Fees	-	-	-	-	7,500	-	-	-	-
Miscellaneous Charges/Fees	-	-	42,500	-	5,400	-	-	-	1,100
Jail Fees	-	-	9,000	-	-	-	-	-	-
Total Other Charges/Fees	-	-	518,700	-	319,600	-	-	-	1,100
Service Agreements									
Service-Bldg Inspection	-	-	-	-	-	-	-	-	-
Service-Facilities C.M.I.S.	-	-	-	-	-	-	-	-	-
Service-Computers	-	-	6,000	-	221,000	-	10,000	134,969	-
Service-Fitness Equipment	-	-	-	-	5,000	-	-	-	-
Service-Grd Trans Equip	-	-	-	-	-	-	-	-	-
Service-Office Equipment	-	-	4,500	-	13,370	200	4,993	15,600	-
Service-Other Equipment	1,000	-	21,500	12,200	29,800	-	22,100	3,400	4,000
Service-Parking Equipment	-	-	-	-	-	-	-	-	-
Service-Telephone Systems	-	-	-	1,800	3,300	-	7,698	-	-
Service-Secured Access	-	-	-	-	-	-	-	-	-
Service-Radios	-	-	4,000	1,500	1,900	-	-	-	3,000
Storm Water Monitoring	-	-	-	-	-	-	-	-	-
Total Service Agreements/Storm Water	1,000	-	36,000	15,500	274,370	200	44,791	153,969	7,000
Total: Operating Services	\$ 11,500	\$ -	\$ 560,700	\$ 18,250	\$ 863,170	\$ 200	\$ 44,791	\$ 154,469	\$ 122,050
Maintenance									
Trades - Painters									
Paint									
Equipment - Paint	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Exterior - Paint	-	-	-	-	-	-	-	-	-
Interior - Paint	-	-	-	-	-	-	-	-	-
Paint - Other	4,250	-	-	-	-	-	-	-	-
Traffic Paint - Parking	-	-	-	-	-	-	-	-	-
Reliever Airport - Paint	-	-	-	-	-	-	-	-	11,250
Traffic Paint - Roads	-	-	-	-	-	-	-	-	-
Traffic Paint - Runways	-	-	-	-	-	-	-	-	-
Total Paint	4,250	-	-	-	-	-	-	-	11,250
Signs									
Other Sign Material/Etc	-	-	-	-	-	-	-	-	-
Regulatory - Signs	11,050	-	-	-	-	-	-	-	-
Exterior Sign Materials	5,100	-	-	-	-	-	-	-	-
Interior Sign Materials	4,250	-	-	-	-	-	-	-	-
Reliever Airport Signs	-	-	-	-	-	-	-	-	7,700
Total Signs	20,400	-	-	-	-	-	-	-	7,700
Supplies									
Brushes & Supplies	4,250	-	-	-	-	-	-	-	-
Paint Supplies - Other	3,825	-	-	-	-	-	-	-	-
Equipment Spray	5,950	-	-	-	-	-	-	-	-
Paint Tools	2,550	-	-	-	-	-	-	-	-
Total Supplies	16,575	-	-	-	-	-	-	-	-
Total: Trades Painters	\$ 41,225	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,950
Trades - Carpenters									
Locks									
Locks - Doors	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300
Flags									
Flags - Material	500	-	-	-	-	-	-	-	250
Lumber									
Lumber-Other	4,000	-	-	-	-	-	-	-	5,000
Other									
Other - Ceilings	800	-	-	-	-	-	-	-	-
Other - Doors	1,000	-	-	-	-	-	-	-	-
Other - Floor Coverings	2,500	-	-	-	-	-	-	-	-
Other - Hardware	2,000	-	-	-	-	-	-	-	-
Other - Miscellaneous	-	-	-	-	-	-	-	-	-
Other - Auto Door Supplies RPL	-	-	-	-	-	-	-	-	-
Other - Saw Blades	-	-	-	-	-	-	-	-	-
Other - Screws/Bolts	1,500	-	-	-	-	-	-	-	-
Other - Seating Replacement	-	-	-	-	-	-	-	-	-
Other - Tools	2,300	-	-	-	-	-	-	-	-
Other - Tug Drive Floor Maint	-	-	-	-	-	-	-	-	-
Other - Wall Protection	2,500	-	-	-	-	-	-	-	-
Total Other	12,600	-	-	-	-	-	-	-	-
Total: Trades Carpenters	\$ 19,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,550

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 2002 OPERATING BUDGET

Account Description	Inventory/ Trades	Green Concourse	Police	Fire	Administration	Building Official	Communication/ Operations	Noise Abatement	Total Reliever Airports
Trades - Plumbers									
Contractor Requirements									
Contractor Fill Stations	\$ 3,230	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fire Protection System	-	850	-	-	1,046	-	-	-	11,000
General Plumbing Supplies	-	-	-	625	680	-	-	-	-
Irrigation Supplies	-	-	-	-	680	-	-	-	-
Pumps	-	-	-	-	-	-	-	-	-
Water Distribution Systems	-	-	-	-	-	-	-	-	-
Water Meters	3,400	-	-	-	-	-	-	-	-
Plumbing - Other	-	-	-	-	-	-	-	-	16,500
Total: Trades Plumbers	\$ 6,630	\$ 850	\$ -	\$ 625	\$ 2,406	\$ -	\$ -	\$ -	\$ 27,500
Trades - Electricians									
Repairs									
Electrical Exterior	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,000
Generator Maint. Contract	-	-	-	-	-	-	-	-	-
Electrical - Interior	1,000	-	-	-	-	-	-	-	29,000
Unit Maint. Contract	-	-	-	-	-	-	-	-	-
Total Repairs	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,000
Other									
Other - Batteries	3,000	-	-	-	-	-	-	-	-
Other - Field Lights/Sensors	-	-	-	-	-	-	-	-	-
Other - Gate Supplies	-	-	-	-	-	-	-	-	-
Other - General Supplies	-	-	-	-	-	-	-	-	-
Other - Motor	-	-	-	-	-	-	-	-	-
Other - Secured Access Sys	-	-	-	-	-	-	-	-	-
Other - Tools	12,000	-	-	-	-	-	-	-	-
Total Other	15,000	-	-	-	-	-	-	-	-
Total: Trades Electrician	\$ 17,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 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 - Plow Blades	-	-	-	-	-	-	-	-	-
Snow Removal - Runway Bm	-	-	-	-	-	-	-	-	-
Total Snow Removal - Miscellaneous	-	-	-	-	-	-	-	-	-
Summer Maintenance-Surface									
Surface Repair-Aggregate	-	-	-	-	-	-	-	-	5,400
Surface Repair-Asphalt	-	-	-	-	-	-	-	-	27,100
Surface Repair-Cement	-	-	-	-	-	-	-	-	3,000
Surface Repair-Other	-	-	-	-	-	-	-	-	-
Surface Repair-Re-Bar	-	-	-	-	-	-	-	-	-
Surface Rubber Removal	-	-	-	-	-	-	-	-	7,500
Surface Repair-Saw Blades	-	-	-	-	-	-	-	-	-
Surface Repair-Hot Sealant	-	-	-	-	-	-	-	-	-
Total Summer Maintenance - Surface	-	-	-	-	-	-	-	-	43,000
Summer Maint-Landscape									
Summer Maintenance-Fencing	-	-	-	-	-	-	-	-	13,000
Landscape/Turf-Materials	-	-	-	-	3,900	-	-	-	19,000
Summer Maint-Equip Rent LT	-	-	-	-	-	-	-	-	1,000
Summer Maint-Equip Rent No Op	-	-	-	-	-	-	-	-	-
Landscape/Turf-Agreement	-	-	-	-	25,050	-	-	-	-
Total Summer Maintenance - Landscape	-	-	-	-	28,950	-	-	-	33,000

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 2002 OPERATING BUDGET

Account Description	Inventory/ Trades	Green Concourse	Police	Fire	Administration	Building Official	Communication/ Operations	Noise Abatement	Total Reliever Airports
Maintenance Field-Other									
Non Runway Brooms	-	-	-	-	-	-	-	-	-
Field Maint-Other/Emerg	-	-	-	-	-	-	-	-	-
Field Maint-Other-Material	-	-	-	-	-	-	-	-	2,000
Field Maint-Other-Supplies	-	-	-	-	-	-	-	-	3,600
Field Maint-Other-Tools	-	-	-	-	-	-	-	-	2,500
Total Maintenance Field - Other	-	-	-	-	-	-	-	-	8,000
Total: Maintenance-Field	\$ -	\$ -	\$ -	\$ -	\$ 28,950	\$ -	\$ -	\$ -	\$ 190,700
Maintenance Building									
Building-Temp Control									
Temp Control-Contracts	\$ 29,000	\$ -	\$ -	\$ 12,600	\$ 12,900	\$ -	\$ -	\$ 5,500	\$ 10,000
Temp Control-Filters	650	-	-	300	300	-	-	158	10,000
Total Building - Temp Control	29,650	-	-	12,900	13,200	-	-	5,658	\$ 20,000
Building - Mechanical Areas									
Automated People Mover	-	-	-	-	-	-	-	-	-
Mechanical Areas-Conveyors	-	-	-	-	-	-	-	-	-
Mechanical Areas-Doors	-	-	-	-	-	-	-	-	7,500
Mechanical Areas-Doors/Pub	-	-	-	-	-	-	-	-	-
Mechanical Areas-Doors/Tug	-	-	-	-	-	-	-	-	-
Mechanical Areas-Elevators	-	9,313	-	-	665	-	-	-	5,000
Mechanical Areas-Escalator	-	37,471	-	-	-	-	-	-	-
Mechanical Areas-Moving Walk	-	221,721	-	-	-	-	-	-	-
Mechanical Areas-Other	-	-	-	-	-	-	-	-	6,002
Total Building - Mechanical Areas	-	268,505	-	-	665	-	-	-	18,502
Building-Other									
Other-Boiler Chemicals	-	-	-	-	-	-	-	-	500
Other-Floors/Repairs	-	-	-	-	-	-	-	-	-
Other-Jetbridge Repairs	-	-	-	-	-	-	-	-	-
Other-Outside Plumbi/Sewer	9,350	-	-	-	-	-	-	-	-
Other-Paging Systems Contract	-	-	-	-	-	-	-	-	-
Other-Roofing	-	-	-	3,570	1,870	-	-	-	16,679
Sump/Septic Plumbing	-	-	-	-	-	-	-	-	-
Other-Supplies	3,485	-	-	-	-	-	-	-	10,000
Other-Tools	3,290	-	-	-	-	-	-	-	1,900
Apt Development Projects	850	-	-	-	-	-	-	-	-
Total Building - Other	16,975	-	-	3,570	1,870	-	-	-	29,079
Total: Maintenance-Building	\$ 46,625	\$ 268,505	\$ -	\$ 16,470	\$ 15,735	\$ -	\$ -	\$ 5,658	\$ 67,581
Maintenance-Cleaning									
Cleaning Services									
Cleaning Services-Janitor	\$ -	\$ -	\$ -	\$ -	\$ 45,000	\$ -	\$ -	\$ -	\$ 46,500
Cleaning Services-Windows	-	-	-	-	350	-	-	-	5,050
Total Cleaning Services	-	-	-	-	45,350	-	-	-	51,550
Cleaning Supplies									
Cleaning Supplies-Bathroom	-	-	-	-	2,800	-	-	-	-
Cleaning Supplies-General	100	-	-	-	-	-	-	-	10,100
Total Cleaning Supplies	100	-	-	-	2,800	-	-	-	10,100
Rubbish Disposal									
Rubbish Disposal-Recycle	-	404	-	-	404	-	-	-	-
Rubbish Disposal-Regular	8,267	10,615	-	-	5,167	-	-	-	32,260
Total Rubbish Disposal	8,267	11,019	-	-	5,571	-	-	-	32,260
Towel & Laundry Services	-	-	-	-	1,200	-	-	-	1,600
Other Cleaning Expenses	-	-	-	1,500	-	-	-	-	-
Total: Maintenance-Cleaning	\$ 8,367	\$ 11,019	\$ -	\$ 1,500	\$ 54,921	\$ -	\$ -	\$ -	\$ 95,500
Maintenance-Equipment									
Equipment-Parts									
Parts-Automobiles	\$ -	\$ -	\$ 34,911	\$ 24,911	\$ -	\$ -	\$ 2,000	\$ -	\$ 3,500
Parts-Chiller Energy Mgmt	-	-	-	-	-	-	-	-	-
Parts-Duct Cleaning	-	-	-	-	-	-	-	-	-
Parts-Equipment	-	-	22,500	-	200	-	-	-	47,200
Parts-Other Equipment	3,740	-	17,500	-	-	-	-	-	6,000
Total Equipment - Parts	3,740	-	74,911	24,911	200	-	2,000	-	56,700

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

OBJECT ACCOUNT BY SUBLEDGER - 2002 OPERATING BUDGET

Account Description	Inventory/ Trades	Green Concourse	Police	Fire	Administration	Building Official	Communication/ Operations	Noise Abatement	Total Reliever Airports
Equipment-Shop									
Shop-Garbage Bags	-	-	-	-	-	-	-	-	500
Shop-Batteries	-	-	-	-	-	-	-	-	2,000
Shop-Cleaners/Degreasers	-	-	-	-	-	-	-	-	1,000
Shop-Oil & Filters	-	-	-	-	-	-	-	-	4,500
Shop-Other Supplies	3,550	-	-	-	-	-	-	-	19,000
Shop-Tires	-	-	-	-	-	-	-	-	8,000
Shop-Tools	4,950	-	-	-	-	-	-	-	6,000
Total Equipment - Shop	8,500								41,000
Equipment - Gas									
Gas-Propane	757	-	-	-	-	-	-	-	-
Gas-Unleaded	-	-	24,800	5,615	3,215	-	3,699	850	16,515
Total Equipment - Gas	757		24,800	5,615	3,215		3,699	850	16,515
Equipment - Extinguishers									
Extinguishers-Purchase	-	-	-	800	-	-	-	-	-
Extinguishers-Repair	-	-	-	800	-	-	-	-	-
Extinguishers-Reservice	-	-	-	800	-	-	-	-	-
Equipment-Miscellaneous Exp	-	-	-	-	500	-	-	-	10,000
Total Equipment - Extinguishers				2,400	500				10,000
Total: Maintenance-Equipment	\$ 12,997	\$ -	\$ 99,711	\$ 32,926	\$ 3,915	\$ -	\$ 5,699	\$ 850	\$ 124,215
Total: Maintenance	\$ 151,944	\$ 280,374	\$ 99,711	\$ 51,521	\$ 105,927	\$ -	\$ 5,699	\$ 6,508	\$ 567,996
Other									
General Insurance									
Gen Ins-Airport Liability	\$ 11,362	\$ -	\$ 221,738	\$ 159,713	\$ 98,523	\$ -	\$ 8,961	\$ 6,554	\$ 243,666
Safety									
Safety-Training Materials	300	-	750	-	200	-	-	-	300
Safety-Supplies	5,683	-	700	825	300	-	-	-	3,500
Safety-Equipment	-	-	-	-	6,000	-	-	-	-
Total Safety	5,983		1,450	825	6,500				3,800
Medical Information/Supply									
Medical-Routine Supplies	455	-	3,500	3,400	550	-	355	-	2,500
Medical-Emergency Response	-	-	-	-	-	-	-	-	-
Total Medical Information/Supply	455		3,500	3,400	550		355		2,500
Rentals									
Rental-Copier	7,500	-	-	-	22,000	-	6,000	-	-
Rental-Pagers	-	-	-	-	25,400	-	-	-	-
Rental-Other Equipment	-	-	-	-	9,000	-	-	3,000	1,800
Total Rentals	7,500				56,400		6,000	3,000	1,800
Licenses/Permits									
Licenses-Autos/Equipment	-	-	-	-	4,000	-	-	-	1,020
Licenses-Environmental	-	-	-	-	-	-	-	3,000	1,020
Licenses-Other	2,400	-	-	-	975	-	-	500	3,000
Total Licenses/Permits	2,400				4,975			3,500	5,040
Miscellaneous Expenses									
Misc-Firearm/Equip/Supplies	-	-	15,000	35,500	-	-	15,000	-	-
Misc-Emergency Response	-	-	5,000	39,000	-	-	-	-	6,000
Misc-Other	-	-	13,440	18,500	14,450	-	-	2,500	1,000
Total Miscellaneous Expenses			33,440	93,000	14,450		15,000	2,500	7,000
Reimbursed Expense	-	-	(541,440)	(241,440)	(411,533)	-	-	-	(285,928)
Minor Equipment/Assets									
Minor Assets-Tools	11,933	-	-	3,400	2,400	-	1,913	-	300
Minor Assets-Office Furn	-	-	5,500	-	3,400	-	2,612	-	3,500
Minor Assets-Computers	-	-	-	-	-	-	-	-	1,800
Minor Assets-Radios	-	-	10,000	3,400	-	-	3,533	500	3,000
Minor Assets-Other	9,750	-	-	18,500	1,000	-	5,000	-	1,020
Total Minor Equipment/Assets	21,683		15,500	25,300	6,800		13,058	500	9,620
Total: Other	\$ 49,383	\$ -	\$ (265,812)	\$ 40,798	\$ (223,335)	\$ -	\$ 43,374	\$ 16,054	\$ (12,502)
Gross Depreciation	\$ 1,447,206	\$ -	\$ 95,019	\$ 244,470	\$ 1,599,651	\$ -	\$ 152,756	\$ 12,058,617	\$ 4,772,394
Grand Total Excluding Depreciation	\$ 627,367	\$ 282,374	\$ 7,741,116	\$ 3,685,243	\$ 13,119,582	\$ 303,730	\$ 2,465,236	\$ 1,710,723	\$ 3,771,672
Grand total With Depreciation	\$ 2,074,573	\$ 282,374	\$ 7,836,135	\$ 3,929,713	\$ 14,719,233	\$ 303,730	\$ 2,617,992	\$ 13,769,340	\$ 8,544,066

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CAPITAL EQUIPMENT SUMMARY - 2002 OPERATING BUDGET

Annually MAC completes its capital equipment requests for new and replacement equipment. Prior to September 11, the capital equipment requests for 2002 totaled approximately \$9,389,315, which was a \$635,834 or 6.34% decrease from the 2001 budget. Consequently, after September 11 all equipment requests were deferred until 2003. MAC realizes that some pieces of capital equipment will be purchased in 2002. These purchases will be based on cash flow and organizational requirements.

All equipment purchases for 2002 will be expensed based on MAC's capital equipment guidelines:

- 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. Total eligible aid is limited.
- Aid for equipment purchases must compete with eligible construction projects.
- All equipment purchases must follow MAC's purchasing policies.
- All equipment or project costs must be greater than or equal to \$5,000.

2002 CAPITAL EQUIPMENT SUMMARY

	<u>2001 Budget</u>	<u>Deferred Capital Equipment Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Total Equipment	\$10,025,149	\$9,389,315	(\$635,834)	(6.34)%

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MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 2002 OPERATING BUDGET

ORGANIZATIONAL PERSONNEL

The information in this section is divided into five parts: Full time equivalent (FTE) by Department, FTE by Classification, Detailed Position Summary, Vacant positions as of December 10, 2001, and New Positions for 2002 by Service Center, positions on administrative hold, and year-end open positions. The detailed explanation for all new hires has been included in the expense assumptions.

<u>Full Time Equivalent By Department</u>	<u>1998</u> <u>Actual</u>	<u>1999</u> <u>Actual</u>	<u>2000</u> <u>Actual</u>	<u>2001 a</u> <u>Actual</u>	<u>2001</u> <u>Budget</u>	<u>2002</u> <u>Budget</u>
Actual for '98 and '99 based on Headcount						
Executive/Commissioner	3	3	3	3	3	3
Planning	2	2	2	2	2	2
Administrative Services	3	5	4	4	4	4
Human Resources	3	3	3	3	3	3
Operations	2	2	2	2	2	2
Public Affairs	3	3	3	3	3	3
Air Service-Business Development	3	3	2.5	2.5	2.5	2.5
Airport Insurance/Safety	3	4	4	3.5	4	4
Airport Development/ Building Official	13	15	20	20	23	23
Finance/Purchasing	19	20	19	21	21	21
Internal Audit	2	3	2	2	4	4
IS	6	7	10	16	18	18
Legislative and Labor Relations	3	3	3	4.5	4.5	4.5
Commercial Mgmt & Airline Affairs	5	6	8	9	9	9
Office Of Diversity	4	3	3	3	3	3
General Counsel	5	6	6	7	8	8
Human Resource Development/Services	2	3	3	3	3.5	3.5
Employee Relations	7	7	5.5	6	6	6
Airport Directors Office	3	3	5	5	5	5
Conference Center	0	3	5	5.5	7	7
Telecommunications (combined with IS)	1	1	0	0	0	0
Airside Operations	9	9	10	12	15	15
Communications	11	10	13.5	14	14	14
Landside Operations	19	22	20.5	26.5	28.5	28.5
Fire	39	38	41	45	46	46
Police	76	73	79.5	94	95.5	116.5
Aviation Noise Pro/Environmental/General	13	13	11	12	14	14
Airline Operations/Facilities	1	2	2	2	3	3
Facilities - Lindbergh Terminal	9	13	14	14	14	14
Energy Management Center	13	15	15	17	17	17
West Terminal Area	2	0	0	0	0	0
Trades	31	33	32	35	40	40
Maintenance	94	109	110	113	121	121
Reliever Airports	27	27	27	28	29	29
Total Personnel	436	469	488.5	537.5	572.5	593.5

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 2002 OPERATING BUDGET

Full Time Equivalent By Classification

Actual for '98 and '99 based on headcount.

	<u>1998</u> <u>Actual</u>	<u>1999</u> <u>Actual</u>	<u>2000</u> <u>Actual</u>	<u>2001 a</u> <u>Actual</u>	<u>2001</u> <u>Budget</u>	<u>2002</u> <u>Budget</u>
Organized						
Local 70 Operating Engineers	11	13	13	15	15	15
49er's Equipment Maintenance	15	17	20	20	21	21
320's - MSP Int'l - Field	69	79	77	81	88	88
320's - MSP Int'l - Lindbergh Terminal	5	6	6	6	6	6
320's - Reliever Airports	20	20	19	19	20	20
Painters	6	6	7	7	8	8
Carpenters	6	6	7	8	8	8
Plumbers	4	4	6	5	7	7
Electricians	14	14	10	13	15	15
Police Officers	33	37	39	47	49	59
Firefighters	<u>30</u>	<u>28</u>	<u>31</u>	<u>35</u>	<u>36</u>	<u>36</u>
Total Organized	213	230	235.0	256.0	273.0	283.0
Non-Organized						
Chairperson/Executive Director	2	2	2	2	2	2
Deputy Directors/Directors	14	16	14	15	15	15
Managers/Supervisors	77	81	82.5	85.5	89.5	89.5
Police Chief/Fire Chief (b)	0	0	1	1	1	1
Community Service Officers	20	23	17	21.5	23	34
Passenger Assistants	9	9	9.5	14.5	16.5	16.5
Fire Captains/Fire Training	8	9	8	8	8	8
Police Sergeants/Commanders (c)	13	13	15	17	15	15
Administrative Support	<u>80</u>	<u>86</u>	<u>104.5</u>	<u>117</u>	<u>129.5</u>	<u>129.5</u>
Total Non-Organized	223	239	253.5	281.5	299.5	310.5
Total MAC	436	469	488.5	537.5	572.5	593.5

a. As of 12/10/01

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 – 2002 OPERATING BUDGET

2001 OPEN POSITIONS AS OF 12/10/01

<u>SERVICE CENTER</u>	<u>POSITION</u>	<u>FULL TIME EQUIVALENT</u>
Airport Insurance	Risk Insurance Technician	1.00
Airport Development	Civil Engineering Technician	1.00
	Landscape Project Manager	1.00
	Senior Planner	1.00
Internal Audit	Auditor	2.00
IS	Technical Services Manager	1.00
	Network Analyst (MACNET)	1.00
General Counsel	Attorney I	1.00
Conference Center	Customer Information Assistant	1.50
Airside Operations	Airside Operations Licensing Clerk	3.00
Landside Operations	Passenger Service Assistant	1.00
	PSA Program Coordinator	1.00
Fire	Firefighter	1.00
Police	Police Officer	1.00
	Community Service Officer	.50
Aviation Noise Program	ANOMS Coordinator	1.00
	Noise Phone Clerk	1.00
Airline Operations/Facilities	Airline Operations/Facilities Asst.	1.00
Trades-Electrician	Electrician	2.00
Trades-Painters	Painter	1.00
Trades-Plumber	Plumber	2.00
Maintenance	Airport Maintenance Worker	6.00
	Equipment Mechanic Specialist	1.00
	Equipment Service Worker	1.00
Relievers-St. Paul	Airport Maintenance Work	1.00
TOTAL		35.00

ORGANIZATIONAL STRUCTURE – 2002 OPERATING BUDGET

2002 Additional Full Time Equivalent Positions

<u>Service Center</u>	<u>Position</u>	<u>FTE</u>
Police	Police Officer	10.00
	Community Service Officer	11.00
Total		21.00

ORGANIZATIONAL STRUCTURE – 2002 OPERATING BUDGET

Detailed Position Summary	2001 FTE	2002 FTE	2002 FTE
Positions	Budget	Position Additions	Budget
Executive - General			
Admin Aide/Exec Dir.	1.00	0.00	1.00
Executive Director	1.00	0.00	1.00
Total	2.00	0.00	2.00
Executive - Commissioners / Chairman			
Chairman	1.00	0.00	1.00
Total	1.00	0.00	1.00
Planning			
Deputy Exec Dir. Planning/Environ	1.00	0.00	1.00
Planning/Environment Coordinator	1.00	0.00	1.00
Total	2.00	0.00	2.00
Administrative Services			
Administrative Assistant	2.00	0.00	2.00
Data Resources Manager	1.00	0.00	1.00
Deputy Executive Dir. Admin Service	1.00	0.00	1.00
Total	4.00	0.00	4.00
Human Resources			
Administrative Assistant	1.00	0.00	1.00
Deputy Executive Director H.R.	1.00	0.00	1.00
Human Resources Project Coordinator	1.00	0.00	1.00
Total	3.00	0.00	3.00
Operations			
Administrative Assistant	1.00	0.00	1.00
Deputy Executive Director Ops	1.00	0.00	1.00
Total	2.00	0.00	2.00
Public Affairs			
Assistant Public Info Officer	1.00	0.00	1.00
Public Information Officer	1.00	0.00	1.00
Public Information Specialist	1.00	0.00	1.00
Total	3.00	0.00	3.00
Air Service Business Development			
Air Service - Bus Development Officer	1.00	0.00	1.00
Ass. Mgr. Cargo & Airside Leasing	0.50	0.00	0.50
Marketing Specialist	1.00	0.00	1.00
Total	2.50	0.00	2.50
Human Resources Development			
Administrative Assistant (PT)	0.50	0.00	0.50
Employee Service And Training Coordinator	1.00	0.00	1.00
HRD & Strategic Planning Mgr.	1.00	0.00	1.00
Organization Development Consultant	1.00	0.00	1.00
Total	3.50	0.00	3.50
Airport Insurance			
Risk Insurance Manager	1.00	0.00	1.00
Risk Insurance Technician	1.00	0.00	1.00
Total	2.00	0.00	2.00

ORGANIZATIONAL STRUCTURE – 2002 OPERATING BUDGET

Detailed Position Summary	2001 FTE	2002 FTE	2002 FTE
Positions	Budget	Position Additions	Budget
Airport Development			
Administrative Assistant	2.00	0.00	2.00
Airport Architect	2.00	0.00	2.00
Airport Development Projects Manager	1.00	0.00	1.00
Airport Planner	1.00	0.00	1.00
Airside Development Director	1.00	0.00	1.00
Airside Project Manager	4.00	0.00	4.00
Assistant Manager-Contracts/Grants	1.00	0.00	1.00
Civil Technician	1.00	0.00	1.00
Landside Development Director	1.00	0.00	1.00
Landside Project Manager	2.00	0.00	2.00
Part 150 Program Manager	1.00	0.00	1.00
Project Development Engineer	1.00	0.00	1.00
Records Coordinator-Airport Development	1.00	0.00	1.00
Senior Civil Technician	1.00	0.00	1.00
Senior Planner	1.00	0.00	1.00
Total	21.00	0.00	21.00
Airport Development-Building			
Administrative Assistant	1.00	0.00	1.00
Building Official	1.00	0.00	1.00
Total	2.00	0.00	2.00
Finance			
Accountant	2.00	0.00	2.00
Accounting Manager	1.00	0.00	1.00
Accounts Payable Specialist	1.00	0.00	1.00
Accounts Receivable Clerk	1.00	0.00	1.00
Associate Accountant	1.00	0.00	1.00
Billing Coordinator	1.00	0.00	1.00
Finance/ Accounts Payable Asst.	1.00	0.00	1.00
Finance Coordinator	1.00	0.00	1.00
Finance Director	1.00	0.00	1.00
Financial Analyst	1.00	0.00	1.00
Financial Analyst, Senior	1.00	0.00	1.00
Parking Vender Service Supervisor	1.00	0.00	1.00
Payroll Specialist	1.00	0.00	1.00
Administrative Assistant	1.00	0.00	1.00
Total	15.00	0.00	15.00
Purchasing			
Administrative Assistant	1.00	0.00	1.00
General Office Clerk	1.00	0.00	1.00
Associate Buyer	1.00	0.00	1.00
Buyer	1.00	0.00	1.00
Purchasing Coordinator	1.00	0.00	1.00
Purchasing Manager	1.00	0.00	1.00
Total	6.00	0.00	6.00
Internal Audit			
Audit Manager	1.00	0.00	1.00
Auditor	3.00	0.00	3.00
Total	4.00	0.00	4.00

ORGANIZATIONAL STRUCTURE – 2002 OPERATING BUDGET

Detailed Position Summary	2001 FTE	2002 FTE	2002 FTE
Positions	Budget	Position Additions	Budget
IS			
Administrative Assistant	1.00	0.00	1.00
Business Analyst	1.00	0.00	1.00
Database Administrator	0.00	0.00	0.00
Desktop Support Specialist	2.00	0.00	2.00
Director Information Systems	1.00	0.00	1.00
Help Desk Manager	1.00	0.00	1.00
Manager of Application Development	1.00	0.00	1.00
Network Analyst (MACNET)	3.00	0.00	3.00
Sr. Programmer Analyst	1.00	0.00	1.00
Programmer Analyst	0.00	0.00	0.00
System Support Analyst	3.00	0.00	3.00
Technical Services Manager	1.00	0.00	1.00
Telecommunications Analyst	1.00	0.00	1.00
Telecommunications Technician	1.00	0.00	1.00
Web Master	1.00	0.00	1.00
Total	18.00	0.00	18.00
Labor Relations			
Administrative Assistant	1.50	0.00	1.50
Administrative Assistant (PT)	0.00	0.00	0.00
Deputy Executive Dir. Lab & Le	1.00	0.00	1.00
Labor Relations Manager	1.00	0.00	1.00
Manager of Labor Relations /Gov't Affairs	1.00	0.00	1.00
Total	4.50	0.00	4.50
Commercial Management Airline Affairs			
Admin. Tenant Relations/Leases	1.00	0.00	1.00
Admin. Retail and Concessions	0.00	0.00	0.00
Administrative Assistant	1.00	0.00	1.00
Airline Affairs Asst. Manager	1.00	0.00	1.00
Concession/ Bus. Development. Asst. Mgr.	1.00	0.00	1.00
Asst. Mgr. Cargo & Airside Leasing	1.00	0.00	1.00
Comm Mgmt & Airline Affairs Dir.	1.00	0.00	1.00
Comm Mgmt & Airline Affairs Mgr.	1.00	0.00	1.00
Lease Technician	1.00	0.00	1.00
Retail & Concessions Mgr.	1.00	0.00	1.00
Total	9.00	0.00	9.00
Office of Diversity			
Contract Compliance Admin	1.00	0.00	1.00
Diversity Manager	1.00	0.00	1.00
Human Resources Administrator	1.00	0.00	1.00
Total	3.00	0.00	3.00

ORGANIZATIONAL STRUCTURE – 2002 OPERATING BUDGET

Detailed Position Summary		2001 FTE	2002 FTE	2002 FTE
Positions		Budget	Position Additions	Budget
General Counsel				
Administrative Assistant		1.00	0.00	1.00
Attorney I		1.00	0.00	1.00
Attorney II		1.00	0.00	1.00
Attorney III		1.00	0.00	1.00
Deputy General Counsel		1.00	0.00	1.00
General Counsel		1.00	0.00	1.00
Legal Office Assistant		0.00	0.00	0.00
Legal Administrator		1.00	0.00	1.00
Paralegal		1.00	0.00	1.00
Total		8.00	0.00	8.00
Employee Relations				
Assoc. Employee Relations Admin		2.00	0.00	2.00
Clerk, Receptionist		1.00	0.00	1.00
Employee Relations Admin		1.00	0.00	1.00
Employee Relations Manager		1.00	0.00	1.00
General Office Clerk		1.00	0.00	1.00
Total		6.00	0.00	6.00
ADO - General				
Administrative Assistant		1.00	0.00	1.00
Administrative Supervisor		1.00	0.00	1.00
Airports Director		1.00	0.00	1.00
MSP Contract Admin & Plan Mgr.		1.00	0.00	1.00
Tour Coordinator		1.00	0.00	1.00
Total		5.00	0.00	5.00
Conference Center				
Customer Service & Adm. Services Supervisor		1.00	0.00	1.00
Customer Service Associate		3.00	0.00	3.00
Customer Information Assistant		3.00	0.00	3.00
Total		7.00	0.00	7.00
Airside Operation				
Airside Operation Asst. Manager		8.00	0.00	8.00
Airside Operations Manager		2.00	0.00	2.00
Airside Operations Licensing Clerk		3.00	0.00	3.00
Asst. Airport Dir./Airside Ops		1.00	0.00	1.00
Systems Administrator		1.00	0.00	1.00
Total		15.00	0.00	15.00
Communications				
Communications Manager		1.00	0.00	1.00
Communications Coordinator		11.00	0.00	11.00
Lead Communications Coordinator		1.00	0.00	1.00
Computer Aid Dispatch Specialist		1.00	0.00	1.00
Total		14.00	0.00	14.00

ORGANIZATIONAL STRUCTURE – 2002 OPERATING BUDGET

Detailed Position Summary		2001 FTE	2002 FTE	2002 FTE
Positions		Budget	Position Additions	Budget
Landside Operations				
Asst. Airport Dir./Landside Ops		1.00	0.00	1.00
Business Cashier Clerk		2.00	0.00	2.00
Landside Operations Agent		4.00	0.00	4.00
Landside Operations Asst. Manager		1.00	0.00	1.00
Landside Operations Manager		1.00	0.00	1.00
Landside Ops Admin		1.00	0.00	1.00
Landside Ops Ordinance Tech		1.00	0.00	1.00
Landside Ops/Parking Asst. Mgr.		1.00	0.00	1.00
Passenger Service Asst. Part Time		2.50	0.00	2.50
Passenger Service Asst.		13.00	0.00	13.00
PSA Program Coordinator		1.00	0.00	1.00
Total		28.50	0.00	28.50
Fire				
Administrative Assistant		1.00	0.00	1.00
Fire Captain		6.00	0.00	6.00
Fire Chief		1.00	0.00	1.00
Fire Driver Operator		15.00	0.00	15.00
Fire Marshal		1.00	0.00	1.00
Firefighter		21.00	0.00	21.00
Training Officer, Fire		1.00	0.00	1.00
Total		46.00	0.00	46.00
Police				
Administrative Assistant		3.00	0.00	3.00
Administrative Services Supervisor		1.00	0.00	1.00
Administrative Training Coordinator		1.00	0.00	1.00
Commander		4.00	0.00	4.00
Community Service Officer		20.00	11.00	31.00
Community Service Officer (PT)		0.00	0.00	0.00
CSO Supervisor		1.00	0.00	1.00
Lead CSO		2.00	0.00	2.00
Lost and Found Clerk		1.50	0.00	1.50
Lost/Found Badge Coordinator		1.00	0.00	1.00
Police Officer		49.00	10.00	59.00
Police Sergeant		11.00	0.00	11.00
Public Safety Director		1.00	0.00	1.00
Total		95.50	21.00	116.50
Environment – General				
Environment Director		1.00	0.00	1.00
Administrative Assistant		1.00	0.00	1.00
Total		2.00	0.00	2.00
Environment - Aviation Noise Program				
ANOMS Coordinator		1.00	0.00	1.00
ANOMS Specialist		1.00	0.00	1.00
Computer Programmer/TIN Coordinator		1.00	0.00	1.00
GIS Technician		1.00	0.00	1.00
Noise Abatement Manager		1.00	0.00	1.00
Noise Program Specialist		2.00	0.00	2.00
Noise Phone Clerk		2.00	0.00	2.00
Total		9.00	0.00	9.00

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 2002 OPERATING BUDGET

Detailed Position Summary	2001 FTE	2002 FTE	2002 FTE
Positions	Budget	Position Additions	Budget
Environment - Environmental			
Environmental Affairs Manager	1.00	0.00	1.00
Environmental Compliance Spec	1.00	0.00	1.00
Waste Management Specialist	1.00	0.00	1.00
Total	3.00	0.00	3.00
Safety			
Assistant Manager of Safety	1.00	0.00	1.00
Safety Specialist	1.00	0.00	1.00
Total	2.00	0.00	2.00
HHH Terminal			
Airline Operations/ Facilities	1.00	0.00	1.00
Airline Operations Facilities Manager	1.00	0.00	1.00
Airline Ops/facilities Asst. Mgr.	1.00	0.00	1.00
Total	3.00	0.00	3.00
Facilities - Administration			
Administrative Assistant	2.00	0.00	2.00
Administrative Assistant (PT)	0.00	0.00	0.00
Airport Facilities Assistant	2.00	0.00	2.00
Asst. Facilities Maintenance Supervisor	1.00	0.00	1.00
Building Service Worker	4.00	0.00	4.00
Facilities Coordinator	0.00	0.00	0.00
Facilities Maintenance Supervisor	2.00	0.00	2.00
Facilities Asst. Airport Dir.	1.00	0.00	1.00
Manager, Asst. Facilities Maintenance	1.00	0.00	1.00
Vending Technician	1.00	0.00	1.00
Total	14.00	0.00	14.00
Energy Management Center			
Asst. Chief Engineer	1.00	0.00	1.00
Chief Engineer	1.00	0.00	1.00
Operating Engineer	15.00	0.00	15.00
Total	17.00	0.00	17.00
Electricians			
Administrative Assistant	1.00	0.00	1.00
Electrician	12.00	0.00	12.00
Electrician - General Foreman	2.00	0.00	2.00
Electrician Foreman	1.00	0.00	1.00
Trades Manager	1.00	0.00	1.00
Total	17.00	0.00	17.00
Painters			
Painter	6.00	0.00	6.00
Painter General Foreman	1.00	0.00	1.00
Painter Foreman	1.00	0.00	1.00
Total	8.00	0.00	8.00
Carpenters			
Carpenter	7.00	0.00	7.00
Carpenter Foreman	1.00	0.00	1.00
Total	8.00	0.00	8.00

ORGANIZATIONAL STRUCTURE – 2002 OPERATING BUDGET

Detailed Position Summary	2001 FTE	2002 FTE	2002 FTE
Positions	Budget	Position Additions	Budget
Plumbers			
Plumber	6.00	0.00	6.00
Plumber Foreman	1.00	0.00	1.00
Total	7.00	0.00	7.00
Maintenance - Field			
Administrative Assistant	1.00	0.00	1.00
Airport Maintenance Worker	72.00	0.00	72.00
Equipment Maintenance Manager	1.00	0.00	1.00
Equipment Mechanic Specialist	9.00	0.00	9.00
Equipment Service Worker	5.00	0.00	5.00
Equipment Shop Foreman	3.00	0.00	3.00
Field Maintenance Asst. Manager	5.00	0.00	5.00
Field Maintenance Coordinator	1.00	0.00	1.00
Heavy Equipment Operator	8.00	0.00	8.00
Machinist Welder	2.00	0.00	2.00
Manager Field Maintenance/Admin	1.00	0.00	1.00
Manager Field Maintenance/Operations	1.00	0.00	1.00
Parts Room Technician	3.00	0.00	3.00
Working Foreman	9.00	0.00	9.00
Total	121.00	0.00	121.00
Relievers - Administration / Training			
Administrative Assistant	2.00	0.00	2.00
Anoka/Airlake Airports Manager	1.00	0.00	1.00
Lease Technician	1.00	0.00	1.00
Reliever Airports Admin Manager	2.00	0.00	2.00
Reliever Airports Director	1.00	0.00	1.00
St. Paul Downtown Airport Mgr.	1.00	0.00	1.00
Tenant Relations Asst. Manager	0.00	0.00	0.00
Total	8.00	0.00	8.00
Relievers - St. Paul			
Airport Maintenance Worker	5.00	0.00	5.00
Maintenance Mechanic	1.00	0.00	1.00
Sr. Airport Maintenance Worker	1.00	0.00	1.00
Total	7.00	0.00	7.00
Relievers - Lake Elmo			
Airport Maintenance Worker	1.00	0.00	1.00
Sr. Airport Maintenance Worker	1.00	0.00	1.00
Total	2.00	0.00	2.00
Relievers - Air Lake			
Airport Maintenance Worker	1.00	0.00	1.00
Sr. Airport Maintenance Worker	1.00	0.00	1.00
Total	2.00	0.00	2.00
Relievers - Flying Cloud			
Airport Maintenance Worker	2.00	0.00	2.00
Sr. Airport Maintenance Worker	1.00	0.00	1.00
Total	3.00	0.00	3.00

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE – 2002 OPERATING BUDGET

Detailed Position Summary	2001 FTE	2002 FTE	2002 FTE
Positions	Budget	Position	Budget
		Additions	
Relievers - Crystal			
Airport Maintenance Worker	2.00	0.00	2.00
Maintenance Mechanic	1.00	0.00	1.00
Sr. Airport Maintenance Worker	1.00	0.00	1.00
Total	4.00	0.00	4.00
Relievers - Anoka			
Airport Maintenance Worker	1.00	0.00	1.00
Sr. Airport Maintenance Worker	2.00	0.00	2.00
Total	3.00	0.00	3.00
Total	572.50	21.00	593.50

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET**SERVICE CENTER SUMMARY: EXECUTIVE - GENERAL**

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	218,524	241,069	216,677	-24,392	-10.12%
Administrative Expenses	198,615	144,000	126,000	-18,000	-12.50%
Professional Services	69,927	60,000	25,000	-35,000	-58.33%
Utilities	1,081	1,800	1,800	0	0.00%
Operating Services/Expenses	1,146	1,115	315	-800	-71.75%
Other	10,759	12,000	7,500	-4,500	-37.50%
Total Budget	500,052	459,984	377,292	-82,692	-17.98%

FULL TIME EQUIVALENT SUMMARY	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	2	2	2	0
Part Time	0	0	0	0
Total:	2	2	2	0

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.

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 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000**Personnel:**

The Personnel category includes expenses for continuing education and overtime. Expenses for both areas were eliminated from the budget.

Administrative Expenses:

During 2001, Ex. Director Hamiel served a one-year term as Chairman of the ACI. The position required extensive traveling throughout the U.S. and internationally. The termination of the responsibilities reduced the travel budget for 2002.

Professional Services:

The budget is used for unexpected project requests for the Commission. Requests that exceed the 2002 budget limitation will be deferred.

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ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: EXECUTIVE - COMMISSIONERS/CHMN

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	50,148	50,817	50,496	-321	-0.63%
Administrative Expenses	72,838	45,400	35,900	-9,500	-20.93%
Utilities	1,088	0	7,500	7,500	0.00%
Total Budget	124,075	96,217	93,896	-2,321	-2.41%

FULL TIME EQUIVALENT SUMMARY	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	1	1	1	0
Part Time	0	0	0	0
Total:	1	1	1	0

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.

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MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Administrative Expenses:

The budget decrease is due to travel. The budget for the number of Commissioner attending annual conferences or out of state meetings will be reduced for 2002..

Professional Services:

The significant amount of the communication with the Chairmen and Commissioners is not included in the regular utility payments. Historically this expense has gone unfunded.

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ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET**SERVICE CENTER SUMMARY: PUBLIC AFFAIRS**

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	118,893	204,239	183,831	-20,408	-9.99%
Administrative Expenses	164,787	205,000	106,700	-98,300	-47.95%
Professional Services	415,952	350,000	86,500	-263,500	-75.29%
Utilities	1,265	1,200	2,500	1,300	108.33%
Operating Services/Expenses	94,395	115,300	52,000	-63,300	-54.90%
Other	5,380	7,000	8,000	1,000	14.29%
Total Budget	800,672	882,739	439,531	-443,208	-50.21%

FULL TIME EQUIVALENT SUMMARY	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	3	3	3	0
Part Time	0	0	0	0
Total:	3	3	3	0

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; reports 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 about airport services and changes. Public Affairs also creates media events, places signage, updates the Web site and prepares brochures and other materials. Dollars for professional services allows Public Affairs to continue implementing and maintaining programs developed for the media, the public, tenants and employees.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000**Personnel:**

Periodically, Public Affairs works excessive hours which allows them to be available for media deadlines and provide immediate feedback to the public of any critical issues. Department overtime was drastically reduced in the 2002 budget. The department will reallocate duties in order to compile with the requests from the media and public. In addition, the 2002 budget eliminated the Summer Intern position.

Administrative Expenses:

The majority of the 2001 budget reduction is due to the biannual report to the public. The report to the public will not be printed in 2002. In addition, the usage of a wire service that provided national newspaper clippings of the Metropolitan Airports Commission was reduced by 30%.

Professional Services:

Typically the department used consultants to assist with the production of the biannual report to the public, Tailwinds and MSP Insider (tenant newsletters), MSP website, and the update of terminal brochures; all of these projects have been deferred or scaled down. Public Affairs will continue to update and brochures and provide newsletters via in-house expertise at a reduced size and content.

Operating Services/Expenses:

Major changes and ongoing updates to the airport facilities are communicated to the public through advertising. Because of the reduction/postponement of several Capital Improvement Projects, MAC's advertising budget was reduced proportionally. The advertising budget was cut 52% from 2001.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Provide information within the MAC that can help managers and staff achieve organizational goals

Expected Results:

More widespread, comprehensive understanding of key issues, activities and goals so that MAC staff can act as advocates for the MAC in their dealings with tenants, travelers and the general public. Also, better coordination among MAC depts.

Service Center Objectives:

Identify, monitor and help address issues that might impact the MAC's activities, goals and reputation

Expected Results:

Enhanced ability for the MAC to carry out desired activities and fulfill goals as efficiently as possible, with less public resistance or misunderstanding.

Service Center Objectives:

Enhance the experience of airport users by providing customer service information to tenants and the traveling public

Expected Results:

More informed airport customers and tenants and a more positive airport experience

Service Center Objectives:

Build public support for the MAC and its programs through effective media relations, public information and outreach programs

Expected Results:

Greater understanding of and support for the commission's goals and activities among the news media, airport neighbors and general public

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

Provide information within the MAC that can help managers and staff achieve organizational goals

Expected Results:

More widespread, comprehensive understanding of key issues, activities and goals so that MAC staff can act as advocates for the MAC in their dealings with tenants, travelers and the general public. Also better internal coordination among various depts.

Service Center Objectives:

Identify, monitor and help address issues that might impact the MAC's activities, goals and reputation

Expected Results:

Enhanced ability for the MAC to carry out desired activities and fulfill goals as efficiently as possible, with less public resistance or misunderstanding

Service Center Objectives:

Enhance the experience of airport users by providing customer service information to the traveling public

Expected Results:

More informed airport customers and a more positive airport experience for travelers

Service Center Objectives:

Build public support for the MAC and its programs through effective media relations, public information and outreach programs

Expected Results:

Greater understanding of and support for the commission's goals and activities among the news media, airport neighbors and general public

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: AIR SERVICE BUSINESS DEVELOP

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	181,499	183,771	155,928	-27,843	-15.15%
Administrative Expenses	106,862	129,709	25,995	-103,714	-79.96%
Professional Services	379,889	438,000	10,000	-428,000	-97.72%
Utilities	1,357	1,800	0	-1,800	-100.00%
Operating Services/Expenses	90,953	126,300	30,000	-96,300	-76.25%
Other	3,100	0	0	0	0.00%
Total Budget	763,660	879,580	221,923	-657,657	-74.77%

FULL TIME EQUIVALENT SUMMARY	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	2	2	2	0
Part Time	0.5	0.5	0.5	0
Total:	2.5	2.5	2.5	0

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 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Personnel:

The 2001 budget incorrectly increased the total hours worked for the department staff. The correction was made to the 2002 budget.

Administrative Expenses:

All departmental travel and any expense incurred for hosting local meetings were eliminated from the 2002 budget.

Professional Services:

Consultant services that would assist with preparation and/or analysis of virtual reality preparation, international and domestic route proposal preparation, competition analysis, cargo carrier proposals, advertising, graphic design, and economic impact studies were eliminated from the 2002 budget.

Operating Services/Expenses:

The budget decrease reflects a reduction in the marketing of MAC facilities. The remaining budget includes a minimal marketing budget for the Grieve Conference Center. The efforts will include hosting meetings at the airport for travel agencies and associations, chambers, CVBs and promotional items.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Expand Air Cargo service alternatives

Measurement:

Opportunities for increased air service competition; more organized local air cargo industry group.

Results:

Completed Cargo Diagnostic study. Completed SITA study and introduced it to important constituents. Continued progress with Amherst Group toward Shipper/Forwarder cooperation.

Percentage Complete: 100%

2001 - Goal:

Market The Pierson M. Grieve Conference Center

Measurement:

Attract and introduce new commercial business to generate new revenue to MAC

Results:

Until 9/11/01, 2001 marketing plan was producing revenue which would have exceeded \$300,000, far in excess of initial projections.

Percentage Complete: 100%

2001 - Goal:

Market MSP Airport and the community to new airlines, both international and domestic, not currently serving Minneapolis/St. Paul.

Measurement:

Attract and introduce new, competitive air service to MSP

Results:

New Entrant Midwest Express announced inaugural service to commence 3/02/02. Significant progress with two new low-cost entrants. Progress with 3 new international airlines; one has filed for route authority to MSP.

Percentage Complete: 100%

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Coordinate planning and design of new cargo facilities

Expected Results:

Creation of a functional cargo complex that facilitates the growth of cargo at MSP

Service Center Objectives:

Market The Pierson M. Grieve Conference Center, locally, nationally and internationally.

Expected Results:

New source of revenue to MAC. Enhance reputation for MAC. Provide expanded customer services and increase revenues.

Service Center Objectives:

Promote MSP in a leadership role in air service competitiveness.

Expected Results:

Establish MSP as a worldwide leader in competitive air service and as a world-class airport.

Service Center Objectives:

Market MSP Airport to new airlines not currently serving Minneapolis/St. Paul.

Expected Results:

Attract and introduce new, competitive air service at MSP, with emphasis on low-cost domestic airlines, full-service international airlines, non-U.S. charter carriers and all-cargo airlines. Regional Economic Development.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Meet and provide for the air cargo needs of the region

Expected Results:

New cargo service alternatives at MSP

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

Establish leadership position in economic development through cargo initiatives and the establishment of regional/community coalitions..

Expected Results:

Additional economic development in the community and region, thus creating new revenue sources for MAC and MSP airport.

Service Center Objectives:

Establish MSP as a viable cargo airport.

Expected Results:

Full service cargo operations at MSP.

Service Center Objectives:

Promote MSP as the major contributor to Economic Development in the region

Expected Results:

Community acceptance of the importance of MSP to the community and it's role in the economic vitality and viability of the regional and world economy.

Service Center Objectives:

Promote MSP as a leading proponent of competitive air service, both international and domestic.

Expected Results:

Gain national and international recognition as a leader in competitive air service.

Service Center Objectives:

Market MSP to targeted new international and domestic airlines.

Expected Results:

New, competitive international and domestic air service at MSP resulting in more choices and lower costs to regional air passengers.

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ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: COMMERCIAL MGT/AIRLINE AFFAIRS

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	535,798	614,480	602,996	-11,484	-1.87%
Administrative Expenses	57,481	64,506	17,000	-47,506	-73.65%
Professional Services	188,407	505,000	42,000	-463,000	-91.68%
Utilities	2,704	5,400	0	-5,400	-100.00%
Operating Services/Expenses	41,044	9,000	4,000	-5,000	-55.56%
Other	34,551	4,250	600	-3,650	-85.88%
Total Budget	859,985	1,202,636	666,596	-536,040	-44.57%

FULL TIME EQUIVALENT SUMMARY	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	9	9	9	0
Part Time	0	0	0	0
Total:	9	9	9	0

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 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Personnel:

The temporary Paralegal position used to assist with the review of MAC tenant leases was eliminated from the budget. This project was deferred to a future date.

Administrative Expenses:

All department travel was eliminated from the 2002 budget.

Professional Services:

Professional services associated with the following areas were either reduced or eliminated from the 2002 budget:

CARGO: services associated with creating, bidding, development, and planning of a new ground handling contract for all the new cargo facilities.

CONCESSIONS: 1. Conduct research and prepare a report regarding concession management alternatives available to MAC; 2. Design and implement a customer research program; 3. Assist staff with concession planning and development issues (space use, design); and 4. Assist staff with developing and analyzing RFPs.

Utilities:

The expenses associated with cell phones usage were eliminated from the budget.

Operating Services/Expenses:

Advertising expenses for future RFPs were reduced for 2002.

Other:

The 2001 budget was for office furniture that was purchased in 2001.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Investigate the potential to contract for a wireless communication management firm to manage a common use wireless communication system at MSP

Measurement:

Eliminate redundant wireless antenna systems within the airport and improve wireless communication revenue to MAC.

Results:

Percentage Complete: 100%

2001 - Goal:

Develop and implement HHH concessions program

Measurement:

Establish "vacation" theme in retail and F&B resulting in sales of more than \$2.0 Mil in F&B and \$700,000 in retail

Results:

Percentage Complete: 100%

2001 - Goal:

Review the MSP fueling operation and possible alternatives to the fuel consortium.

Measurement:

Ensure fair and equal treatment to all of the MSP airline tenants with regard to access and fuel prices.

Results:

Percentage Complete: 100%

2001 - Goal:

Conduct bi-annual gate plots and summary of all airline schedules.

Measurement:

Provide MAC with an ongoing analysis of gate utilization by each airline and what cities are being served by which airlines.

Results:

Percentage Complete: 100%

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Implement F Concourse retail facilities.

Expected Results:

Creation of 3 additional retail facilities and a game room to enhance the passenger's experience at MSP and to serve expressed need for varied retail facilities with varied products.

Service Center Objectives:

Completion of lease agreements and amendments related to the expansion of the Lindbergh Terminal

Expected Results:

Define operational conditions and create additional revenue to MAC

Service Center Objectives:

Relocation of the Belly Cargo tenants to buildings H and I in Air Cargo City.

Expected Results:

Move existing tenants from their existing location to make way for the Humphrey terminal development.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Create a new ground handling contract for the new cargo facilities

Expected Results:

Hire a ground handling agent that will see to the tenants cargo needs and provide them at a reasonable price.

Service Center Objectives:

Development of Rental Auto Service Sites and stacking space.

Expected Results:

The removal of several existing sites that are currently in the way of other airport related projects. Additional revenue to MAC.

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

Develop a new rental car counter and ready space at the new Humphrey Terminal

Expected Results:

Improved rental car service for the traveling public.

Service Center Objectives:

Redevelop use of the old Southwest cargo ramp facilities for potential GSE operations

Expected Results:

Increased operational efficiency for the Humphrey terminal.

Service Center Objectives:

Continued development of the MAC cargo program related to the MAC common cargo building and the airline Belly cargo facility

Expected Results:

Improved facilities and cargo access to MSP as well as potential new revenue opportunities

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ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: GENERAL COUNSEL

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	464,874	472,623	522,807	50,184	10.62%
Administrative Expenses	30,387	44,800	23,780	-21,020	-46.92%
Professional Services	1,302,809	1,030,000	875,500	-154,500	-15.00%
Utilities	952	1,000	1,000	0	0.00%
Operating Services/Expenses	601	1,500	1,255	-245	-16.33%
Other	1,192	16,000	0	-16,000	-100.00%
Total Budget	1,800,816	1,565,923	1,424,342	-141,581	-9.04%

FULL TIME EQUIVALENT SUMMARY

	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	7	8	8	1
Part Time	0	0	0	0
Total:	7	8	8	1

RESPONSIBILITY/FUNCTION

The General Counsel's Office 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 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Personnel:

Prior period salary and wage adjustment made after the completion of the 2001 budget. The 2002 budget reflects the impact of the adjustment.

Administrative Expenses:

Only essential travel will be authorized in 2002. Department travel was significantly reduced.

Professional Services:

Based on forecasted expense for 2002 legal fees, the budget for Professional Services was reduced.

Other:

The prior year budget was for office furniture which was purchased in 2001.

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Maintain proficiency in all areas of airport law through attendance at seminars and participation appropriate trade organizations.

Measurement:

Continued expertise in airport law.

Results:

Percentage Complete: 100%

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Represent MAC on outside boards, commissions and task forces which directly bring visibility and influence to Mac's efforts.

Measurement:

Successful representation/participation.

Results:

Continued involvement in professional organizations to maintain proficiency, such as ACI-NA, IMLA Assoc., MN Assoc. or Legal Administrators, Data Practices Committee of the Public Law Section of the MN Bar Assoc., Corporate Counsel, U of M Construction Contracts Group, Women Lawyers, Paralegal Assoc.,

Percentage Complete: 100%

2001 - Goal:

Representation (actual or potential litigation, administrative hearings, proposed legislation or regulations, miscellaneous commercial or other legal claims) of MAC and all MAC employees (primarily management employees), and MAC Commissioners.

Measurement:

Successful representation.

Results:

1. Frontier Taylor Shea v. MAC (100%); 2. U.S. v. DeMoss amicus brief (100%); 3. U.S. ex rel Pham Nguyen v. Cleveland et al (Glycol Class Action) (10%); 4. Data requests from Northwest Airlines/Dorsey Law firm (multiple Request) (100%), WCCO, The Detroit News, Pioneer Press (security badge holders) (100%); 5. Continued work related to Runway 17/35: Purchase Sheraton Hotel and Exel Inn; ongoing negotiations w/Double Tree Grand; Xcel Energy substation acquisition and relocation; McClay VFW; Amoco/BP; Budget Rent A Car; Super America Station; Mall of America/Met Center Land Swap (50%); 6. Discover Aviation v. MAC (75%); 7. Workers Comp. Claims (100%); 8. Taxi Cab Hearings (100%); Enterprise v. MAC [won] (100%); 9. Magdi Hafez v. MAC [won] (100%); 10. Continuing to defend MAC in litigation with Laxman Sundae (100%) ; 11. Anoka Flight Training v. MAC [settled] (100%); 12. Bankruptcy: TWA Airline, ANC Corp/National/Alamo Car Rental, Sun Country Airlines (100%); 13. Tenant Defaults (100%); 14. Assisted in RFP's for Indoor Advertising and Amusement Machines;

Percentage Complete: 100%

2001 - Goal:

Draft, negotiate and/or review documents (e.g., leases, ordinances) for all MAC management employees (supervisors, managers, directors, senior staff); especially CMAA, Airport Development and Purchasing, MAC Commissioners, ACI.

Measurement:

Provide opportunity for meaningful input from various sources.

Results:

1. Lease negotiations with Reliever Tenants: AFT; AAS; Helicopter Flights Inc.; 3M; Regent Aviation(100%); 2. Sewer and Water Amendment (100%); 3. Northwest Airlines Term Sheet: Post Office/Mail Concourse; Sun Country Hangar; Special Facility Bonds; Building C; Building B; Extending Airline Lease (100%); 4. Implemented new Data Practices Act law into MAC RFP/RFQ process (100%). 5. Completed new Reliever Airport Storage and Commercial Lease forms (100%); 5. Completed new Fed. Express Facility Lease (100%); 6. Completed new Humphrey Ordinance (100%); 7. Completed new Humphrey Operating Procedures & Leases (100%).

Percentage Complete: 100%

2001 - Goal:

Provide legal advice to all MAC Management (supervisors, managers, directors, senior staff) and MAC Commissioners.

Measurement:

Provide timely legal advice.

Results:

1. Reviewing & analyzing property tax statements from several counties (50%); 2. Waste Management Fees(50%); 3. Donahue Construction Claim (50%); 4. Airport Mail Center Construction Claims (50%); 5. Lunda Construction Claim (20%); 6. Beech Audit (75%); 7. Security Issues/FAA Regulations (100%); 8. Northwest Airlines collateral evaluation/internal audit (100%); 9. Tenant Collections (100%).

Percentage Complete: 100%

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Maintain proficiency in all areas of airport law through attendance at seminars and participation in appropriate trade organizations.

Expected Results:

Proficiency in all areas of airport law.

Service Center Objectives:

Draft, negotiate and/or review documents (e.g., leases, ordinances) for all MAC management employees (supervisors, managers, directors, senior staff); especially CMAA, Relievers, Airport Development and Purchasing, MAC Commissioners, ACI.

Expected Results:

Provide opportunity for meaningful input from various sources.

Service Center Objectives:

Represent MAC on outside boards, commissions and task forces, directly bringing visibility and influence to MAC's efforts.

Expected Results:

Successful legal representation and participation.

Service Center Objectives:

Representation (actual or potential litigation, administrative hearings, proposed legislation or regulations, misc. commercial or other legal claims) of MAC and all MAC employees (primarily management employees), and MAC Commissioners.

Expected Results:

Successful legal representation.

Service Center Objectives:

Provide legal advice to all MAC management employees (supervisors, managers, directors, senior staff) and MAC Commissioners.

Expected Results:

Provide timely legal advice.

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

Maintain proficiency in all areas of airport law through attendance at seminars and participation in appropriate trade organizations.

Expected Results:

Proficiency in all areas of airport law.

Service Center Objectives:

Representation (actual or potential litigation, administrative hearings, proposed legislation or regulations, misc. commercial or other legal claims) of MAC and all MAC employees (primarily management employees), and MAC Commissioners.

Expected Results:

Successful legal representation.

Service Center Objectives:

Represent MAC on outside boards, commissions and task forces, directly bringing visibility and influence to MAC's efforts.

Expected Results:

Successful legal representation and participation.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

Draft, negotiate and/or review documents (e.g., leases, ordinances) for all MAC management employees (supervisors, managers, directors, senior staff); especially CMAA, Relievers, Airport Development and Purchasing, MAC Commissioners, ACI.

Expected Results:

Provide opportunity for meaningful input from various sources.

Service Center Objectives:

Provide legal advice to all MAC management employees (supervisors, managers, directors, senior staff) and MAC Commissioners.

Expected Results:

Provide timely legal advice.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET**SERVICE CENTER SUMMARY: HUMAN RESOURCES**

	2000 Actual	2001 Budget	2002 Budget	\$ Variance	% Variance
Personnel	182,687	183,022	184,979	1,957	1.07%
Administrative Expenses	25,074	24,080	9,800	-14,280	-59.30%
Professional Services	0	6,000	10,158	4,158	69.30%
Utilities	239	300	300	0	0.00%
Operating Services/Expenses	300	1,073	0	-1,073	-100.00%
Other	5,597	0	0	0	0.00%
Total Budget	213,896	214,475	205,237	-9,238	-4.31%

FULL TIME EQUIVALENT SUMMARY	2001 Actual	2001 Budget	2002 Budget	2002 On Hold
Full Time	3	3	3	0
Part Time	0	0	0	0
Total:	3	3	3	0

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 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000**Administrative Expenses:**

Expenses in the following areas have been either eliminated or significantly reduced in the 2002 budget: office supplies, travel and printing costs.

Professional Services:

The budget increase is a result of expense reallocation.

2002 GOALS AND OBJECTIVES**Service Center Objectives:**

Provide and Maintain HR Information on MACNET and MAC's Intranet

Expected Results:

Information available to the organization is accurate, user friendly, easily accessible and distributed in a timely manner.

Service Center Objectives:

Oversee HR Process Improvements

Expected Results:

Key HR processes are documented, streamlined and improved with technology, where feasible, to improve service to customers.

Service Center Objectives:

Update HR Policies & Procedures Manual

Expected Results:

Organization has current information on policies and procedures.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Develop Strategic Plan for HR Division

Expected Results:

A contemporary HR Division that provides responsive and prompt services to its customers.

Service Center Objectives:

Develop a Human Resources Plan for MAC

Expected Results:

MAC has a comprehensive blueprint for the organization's human resources to facilitate its ability to continue as a high performing organization.

Service Center Objectives:

Integrate MAC Values

Expected Results:

Policies and practices support and reflect organizational values.

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

Implement Succession Plan for HR Division

Expected Results:

Work analysis completed and division structure reviewed and revised as necessary to accommodate upcoming retirements of HR staff.

Service Center Objectives:

Implement HRIS System

Expected Results:

Integrated system with self-service capability in place to provide accurate and real-time employee data for effective HR planning.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET**SERVICE CENTER SUMMARY: HRD/STRATEGIC PLANNING**

	2000 Actual	2001 Budget	2002 Budget	\$ Variance	% Variance
Personnel	215,157	326,038	218,512	-107,526	-32.98%
Administrative Expenses	28,265	18,100	10,150	-7,950	-43.92%
Professional Services	56,551	74,000	0	-74,000	-100.00%
Utilities	1,665	0	0	0	0.00%
Operating Services/Expenses	62,983	80,500	0	-80,500	-100.00%
Other	16,377	3,350	3,350	0	0.00%
Total Budget	380,999	501,988	232,012	-269,976	-53.78%

FULL TIME EQUIVALENT SUMMARY	2001 Actual	2001 Budget	2002 Budget	2002 On Hold
Full Time	3	3	3	0
Part Time	0.5	0.5	0.5	0
Total:	3.5	3.5	3.5	0

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.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000**Personnel:**

The decrease in the Personnel category can be attributed to the elimination of the following organizational training: Executive training \$45,000, Manager training \$45,000, Organizational requirements \$10,000.

Administrative Expenses:

Travel expenses have been eliminated from the 2002 budget.

Professional Services:

The decrease in the Professional Services category can be attributed to the postponement of changes to the process and software program used for MAC's Strategic Planning process.

Operating Services/Expenses:

The Employee Recognition and Service Award programs have been postponed for 2002. The programs are under evaluation for future budgeting.

2001 GOALS AND OBJECTIVES - PROGRESS REPORT**2001 - Goal:**

Continue to implement Performance Leadership Process

Measurement:

Strategic Links, feedback and performance review processes are operational.

Results:

This is an ongoing process of training and development to strengthen our process and on-the-job practices. Major strides were made in 2001.

Percentage Complete: 100%

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Develop skill assessment capability.

Measurement:

Assessment tools available to measure skill levels of workforce.

Results:

This objective was not accomplished. However, research was done that will start to be implemented in 2002 within our limited resources.

Percentage Complete: 0%

2001 - Goal:

Continue to deliver effective leadership, management and skills training for employees.

Measurement:

Skilled workforce.

Results:

Performance Leadership training was provided to all management and non-management employees. This was a major effort that will lay the foundation for future development.

Percentage Complete: 100%

2001 - Goal:

Design career development process, including succession planning.

Measurement:

Documented integration of development into job descriptions, job postings, career paths as feasible; automated with technology

Results:

Elements of the career development process were identified. The performance review system now includes more emphasis on individual planning for current jobs as well as career goals for employees. This will become more comprehensive as we move through 2002.

Percentage Complete: %

2001 - Goal:

Revise and expand meaningful employee services to support the 30% increase in MAC's workforce since 1996.

Measurement:

Increased employee satisfaction ratings with MAC's employee services; recognition tied more directly to performance.

Results:

Most of these activities were accomplished but due to the events of Sept. 11 many previous services have been discontinued or scaled back.

Percentage Complete: 0%

2001 - Goal:

Implement training management software

Measurement:

Capability of training management system is fully realized by organization.

Results:

PLM administrators in safety and customer service were identified and trained. Administrator software was installed at Field Maintenance and APD but is not being used. Student access to the MAC Learning Center was piloted in Admin. Services group.

Percentage Complete: 50%

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Document HRD processes.

Measurement:

Processes are improved and cycle times are reduced

Results:

The documentation of processes was started along with improved documentation of HRD course offerings. This will be continued into 2002 and be expanded to the HR division processes.

Percentage Complete: 0%

2001 - Goal:

Expand HRD's capacity to deliver products and services.

Measurement:

Volume of products and services delivered is increased; cycle time for course development decreased.

Results:

Course offerings were expanded in 2001. Emphasis was on the Performance Leadership Process. We also expanded the use of PLM (our learning management software) in the areas of customer service and safety training.

Percentage Complete: 0%

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Clarify and improve the employee separation and exit process.

Expected Results:

Improved implementation of policy when employees leave the organization.

Service Center Objectives:

Facilitate enhanced quality and timeliness of the hiring process.

Expected Results:

Reduced cycle time and expense in providing high quality candidates for all open positions.

Service Center Objectives:

Facilitate the implementation of HR's strategic plan at the division and organizational levels.

Expected Results:

HR policies and practices are congruent. HR is a strategic business partner that contributes to the success of the organization.

Service Center Objectives:

Integrate the business demographics component of MAC's HR Plan.

Expected Results:

Managers have timely, relevant and useful employee demographic data for use in decision making.

Service Center Objectives:

Develop and deliver an organization-wide training and development program.

Expected Results:

Employees have the opportunity for internal competence and career development.

Service Center Objectives:

Facilitate the development of "bench strength" within the HR Division.

Expected Results:

At least two people in the department fully trained in all HR technical skills. Every HR employee able to provide answers to Most Frequently Asked Questions and able to access information from JDE. LDPs in place that address skill gaps.

2002 GOALS AND OBJECTIVES

Service Center Objectives:

To strengthen Performance Leadership practices within the organization.

Expected Results:

On-the-job application of Performance Leadership practices will increase significantly from 2001 levels based on Performance Reviews completed, the use of planning software, and Learning Development Plans.

Service Center Objectives:

Enhance and integrate the Career Development component of MAC's Human Resources Plan.

Expected Results:

Job competencies and career paths are identified. Assessment tools are available to help employees determine strengths and developmental needs. Individual development plans are on record for most employees.

Service Center Objectives:

Implement business continuation process for HRD.

Expected Results:

In the event of disaster HRD will be able to retrieve information and continue to function.

Service Center Objectives:

To formalize succession planning for key leadership and technical positions.

Expected Results:

A replacement strategy is in place for key positions. A pool of qualified internal candidates are available for key positions.

Potential candidates are identified for critical positions.

Development needs are identified and development plans established.

Service Center Objectives:

Strengthen MAC's ability to track internal and external training.

Expected Results:

All internal and external training will be tracked on MAC's Learning Center Software. Employees have instant access to training records. Skill and knowledge gaps will be identified and programs and processes to close those gaps will be offered.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: EMPLOYEE RELATIONS

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	370,025	400,112	360,593	-39,519	-9.88%
Administrative Expenses	26,166	14,614	3,935	-10,679	-73.07%
Professional Services	87,346	129,710	61,004	-68,707	-52.97%
Utilities	-11	0	0	0	0.00%
Operating Services/Expenses	89,906	70,000	50,000	-20,000	-28.57%
Maintenance	258	0	0	0	0.00%
Other	1,406	0	0	0	0.00%
Total Budget	575,095	614,436	475,532	-138,905	-22.61%

FULL TIME EQUIVALENT SUMMARY

	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	5	5	5	0
Part Time	1	1	1	0
Total:	6	6	6	0

RESPONSIBILITY/FUNCTION

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

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Personnel:

The 2002 budget decrease eliminated the temporary staff position that assisted with staffing processes, which include replacement activity for continuing employee retirements/terminations, promotions and transfers, and the on-going staffing of remaining new positions.

Administrative Expenses:

The majority of decrease is due to significant reductions in travel and printing costs.

Professional Services:

Staffing requests for 2002 are expected to decrease. MAC has placed 26.5 FTE positions on administrative hold. These positions will not be filled in 2002 and were not included in the budget. Correspondingly, the reduction in MAC's staffing effort will reduce the costs associated with the hiring process (medical fees, recruiting and employment fees).

Operating Services/Expenses:

Similar to Professional Services, staffing requests for 2002 are expected to decrease. MAC has placed 26.5 FTE positions on administrative hold. These positions will not be filled in 2002 and were not included in the budget. Correspondingly, the reduction in MAC's staffing effort will reduce the costs associated with the hiring process (advertising - employment).

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Transfer employee relations data to computer-based format, and advance use of intranet to administer and maintain data.

Measurement:

Increase efficiency of Employee Relations Department staff, and increase capability of employees to administer employee data.

Results:

Excellent progress with hyperlinking new performance review forms, with assistance of HRD Department. Also, forms have been placed on the intranet, but they are now being reviewed, re-ordered alphabetically, and will be reviewed for hyperlinking and completion on line.

Percentage Complete: 1%

2001 - Goal:

Continue process measurement activity (cost per hire, exit interview process, turnover statistics by job family, employee injury administration time, logging of employee relations problems, and position reclassification processing time).

Measurement:

Improvement in timing and quality of services provided to employees.

Results:

A more comprehensive data measurement/data retrieval system is required in order to better measure and assess HR support activity. Also, more rapid data retrieval time is required.

Percentage Complete: 0%

2001 - Goal:

With the Human Resource Development Department, establish a succession planning process.

Measurement:

Ensure the continued effective performance of the organization with the implementation of a succession planning process, and ensure leadership continuity in key positions.

Results:

Partnering work with the HRD Department has begun with some succession planning work with the Airport Director's Office and the Executive Director.

Percentage Complete: 0%

2001 - Goal:

Institutionalize a performance management system at MAC.

Measurement:

Establish an employee measurement and recognition tool of department accomplishments linked to the MAC strategic plan.

Results:

Assisting the Human Resource Development Department with continuing implementation of performance management process. Procedures have been established for completing the process, and these procedures have been communicated to the managers and supervisors.

Percentage Complete: 1%

2001 - Goal:

Continuously review/update MAC policies and procedures that support the strategic plan.

Measurement:

Maintain employment conditions that assist managers and supervisors in achieving objectives.

Results:

The staffing/selection policy is undergoing a total review, as is a leave of absence policy (Holiday). A performance management policy is to be created and reviewed.

Percentage Complete: 0%

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Continue to develop and maintain an effective compensation structure and program that strengthens the performance management system.

Measurement:

Improve the success measurement process of all MAC organizations and to recognize individual contribution to that success

Results:

The MAC compensation structure and program was equitably administered in 2001. The MAC compensation structure was certified to be in total compliance with the state pay equity law.

Percentage Complete: 1%

2001 - Goal:

On a continuous basis, provide staffing, compensation, benefits, information services and general employee relations support services to the MAC organization.

Measurement:

Establish a high level of employee satisfaction with employee relations services and assist all department employees with achieving objectives.

Results:

Services in the noted employee relations functions noted were delivered continuously to the entire MAC organization. This included the completion of 161 staffing/selection transactions, administration of compensation for all employees, and administration of benefits. staffing/selection transactions during the year, as well as administering compensation and benefits to the entire organization.

Percentage Complete: 1%

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Provide employee relations services - staffing/recruitment, compensation, HRIS, and benefits/insurance services.

Expected Results:

Services are provided in a prompt, responsive manner.

Service Center Objectives:

Review and update the compensation structure and plan.

Expected Results:

Maintain a competitive plan that attracts and retains a talented, diverse workforce.

Service Center Objectives:

Continuously review/update MAC policies and procedures.

Expected Results:

Support MAC's ability to remain a high performing organization.

Service Center Objectives:

Systematize performance leadership practices.

Expected Results:

Align performance with organizational direction, and increase employee satisfaction.

Service Center Objectives:

Formalize succession planning for key leadership and technical positions.

Expected Results:

System that prepares employees for leadership positions at MAC.

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Document and streamline key processes while enhancing the quality of outputs.

Expected Results:

Reduce cycle time and increase the quality of employee relations services.

Service Center Objectives:

Enhance the quality of employee information to the MAC organization.

Expected Results:

Increase efficiency and value of department staff member's work, and provide more timely and accurate information.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: OFFICE OF DIVERSITY

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	222,869	226,246	225,176	-1,070	-0.47%
Administrative Expenses	25,144	17,298	3,950	-13,348	-77.16%
Professional Services	13,753	24,000	14,000	-10,000	-41.67%
Utilities	232	0	0	0	0.00%
Operating Services/Expenses	7,274	10,197	2,500	-7,697	-75.48%
Other	2,567	0	0	0	0.00%
Total Budget	271,839	277,741	245,626	-32,115	-11.56%

FULL TIME EQUIVALENT SUMMARY	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	3	3	3	0
Part Time	0	0	0	0
Total:	3	3	3	0

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.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Administrative Expenses:

The majority of the decrease is due to travel expense, which were restricted for the 2002 budget.

Professional Services:

Miscellaneous expense for employee participation in several diverse ethnic events was deferred for 2002.

Operating Services/Expenses:

Employment advertisement placed in several ethnic news papers was significantly reduced for 2002. MAC has placed 26.5 FTE positions on administrative hold. These positions will not be filled in 2002 and were not included in the budget. Correspondingly, the reduction in MAC's staffing effort will reduce the amount of employment advertising placed.

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Work with MAC Employee Affirmative Action Committee.

Measurement:

Review the Affirmative Action Plan and make recommendations for changes, implementation of the AA plan.

Results:

The AA Committee met 3 times in 2001 MAC staff reported to the committee on AA compliance issues. A "new" MAC Employee AA Committee met 4 times in 2001.

Percentage Complete: 100%

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Implement Dispute Resolution Program

Measurement:

Have an alternative means to resolve employee conflicts mediation.

Results:

Not completed. There is more work that needs to be done to make this a real option for MAC employees.

Percentage Complete: 25%

2001 - Goal:

Monitor hiring patterns ensure that MAC's affirmative action hiring goals are considered.

Measurement:

To improve the number of women, minorities in areas of under-utilization.

Results:

There was some problems identified in this area, it is also clear that the MAC's Affirmative Action Officer will be required to be more closely involved in the recruitment and selection planning process.

Percentage Complete: 60%

2001 - Goal:

Report annually to the Minnesota Department of Employee Relations.

Measurement:

Report MAC's hiring patterns, promotions, separations, disciplinary actions, eeo complaints/ disposition and organizational demographics.

Results:

The report was completed and submitted to the Minnesota Department of Employee Relations. See MAC Intranet for report.

Percentage Complete: 100%

2001 - Goal:

Maintain internal complaint system to process allegations of discrimination/ harassment by MAC staff, public members, or contractor employees.

Measurement:

The complaint system will resolve the majority of complaints internally.

Results:

Ten internal complaints were resolved in 2001. There were other complaints that were dismissed or referred to resolution outside of this complaint system. Two complaint went to the EEOC , one complaint was dismissed and one complaint is still pending with EEOC.

Percentage Complete: 100%

2001 - Goal:

Maintain liaison to protect class organizations and work with relevant government agencies. .

Measurement:

Support and work with Airport Minority Advisory Council, Minority Contractors and Women Contractors Associations, Minnesota Cultural Diversity Center, MN DOT, Met Council

Results:

Goal accomplished by staff

Percentage Complete: 100%

2001 - Goal:

Develop family measures and place information on intranet.

Measurement:

Provide access to AA,EEO,TGB and DBE reports to other MAC staff by placing the reports on the Intranet.

Results:

This project was completed.

Percentage Complete: 100%

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Improve contract compliance with the TGB Program

Measurement:

The TGB goal for 2001 is 8% based on expected program rule revisions. Report MAC's TGB goal achievement to the state of Minnesota. Resolve TGB contract issues and concerns.

Results:

MAC reported 6.3% or \$22.5M in TGB contracts. MAC did not meet the TGB overall goals but the construction projects were \$25M less during this period.

Percentage Complete: 85%

2001 - Goal:

Contract compliance with the Disadvantaged Business Enterprise Program. Implement Joint certification Program. Implement new rules for the DBE Program in concessions.

Measurement:

The MAC DBE goal for 2001 will be determined at a later date. Our objective is to meet or exceed this goal. A DBE Joint Certification program will be implemented consistent with federal rules. Resolve DBE issues. Report DBE goals to federal agency.

Results:

The DBE goal was for 2000-2001 was 20% and the MAC report is not completed at this time but the goal is expected to be met or exceeded. The Concessions DBE goal was 10% and MAC accomplished 10.3% or \$24M in revenues to DBE firms. The joint certification Program will be implemented in the first quarter of 2002. A Memorandum of Understanding has had the effects of the Uniform Certification Program since 2000.

Percentage Complete: 100%

2001 - Goal:

Provide diversity educational strategies to increase knowledge, of the differences in the workplace, change attitudes, modify negative behaviors to support the employee diversity at MAC.

Measurement:

A work environment that values the uniqueness of all people who help MAC meet its organizational objectives. Provide learning opportunities for all employees. The goal is to have 125 MAC employees attend diversity learning programs..

Results:

Over 13 diversity programs were offered to MAC employees in 2001. 65 MAC employee attended these program in 2001. This program option was no longer provided due to budget consideration after September 2001. The MAC sponsored the 2001 Sharing Diversity Calendar and the 2001 Diversity Teleconference. The MAC provided training on sexual harassment issues to over 100 employees in 2001.

Percentage Complete: 100%

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Community Outreach/Relations.

Expected Results:

Maintain relationships and act as liaison with diverse communities, agencies and groups.

Service Center Objectives:

Administer MAC's Recruitment and Selection process to hire various personnel throughout MAC.

Expected Results:

The goal is to support 15% of the R&S for 2002

Service Center Objectives:

Contract Compliance with Targeted Group Business Program. Do an research and analysis to develop a race gender neutral program to replace the MAC's TGB for MAC.

Expected Results:

Participation goals for TGB of 3%

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Maintain contract compliance for the Disadvantage Business Enterprise Program.

Expected Results:

Keep MAC in compliance with FAA Civil Rights Office.

Service Center Objectives:

Prepare and submit MAC's 2002-2004 Affirmative Action Plan for review and approval by MAC and the Minnesota Department of Employee Relations. Management of the policies and procedures of the MAC's 2002-2004 Affirmative Action Plan.

Expected Results:

Maintaining harassment discrimination free workplace. Monitoring and reporting of AA goal attainment for MAC. Resolution of internal discrimination complaints.

Service Center Objectives:

Managing Diversity: Provide educational strategies to MAC employees, increase awareness, knowledge of differences in the workplace, modify negative behaviors and support employee diversity. Assist MAC managers in diversity related issues and concerns.

Expected Results:

A work place culture that values the differences that all MAC employees bring to the work place.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET**SERVICE CENTER SUMMARY: LEGISLATIVE & LABOR RELATIONS**

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	255,363	328,158	365,420	37,262	11.35%
Administrative Expenses	33,460	43,300	21,200	-22,100	-51.04%
Professional Services	212,851	330,000	275,000	-55,000	-16.67%
Utilities	1,625	3,000	3,000	0	0.00%
Operating Services/Expenses	401	8,100	7,700	-400	-4.94%
Other	6,861	8,500	1,500	-7,000	-82.35%
Total Budget	510,562	721,058	673,820	-47,238	-6.55%

FULL TIME EQUIVALENT SUMMARY	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	4	4	4	0
Part Time	0.5	0.5	0.5	0
Total:	4.5	4.5	4.5	0

RESPONSIBILITY/FUNCTION

This division is responsible for two separate areas: governmental affairs and labor relations. Each has its own responsibilities and duties. The legislative function is responsible for coordinating relations with Congress and the Administration, the State Legislature, federal and state agencies, the Governor's office, counties 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, resolving any other labor problems that may occur and improving labor/management relations.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000**Personnel:**

The budget increase in the Personnel category is due to salary and wage adjustments for 2001 that were greater than forecasted in the budget. In addition, the new hire for 2001 was budgeted at a partial year salary compared to a full year in 2002.

Administrative Expenses:

As a result of the organizational restrictions on travel, the department budget was reduced providing for a maximum of eight trips.

Professional Services:

The consultant budget for national and local legislative services was reduction \$55,000.

Other:

The budget for office equipment was deferred for 2001 and 2002.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Represent MAC and participate in formulating national positions on airport/airline issues to be presented to Congress and the Administration.

Measurement:

Effective aviation legislation.

Results:

Attended ACI-NA and AAAE committee meetings and conferences. Helped formulate positions on contract tower, environmental review process, airline mergers / competition and airport security. Met with congressmen and legislators to present positions.

Percentage Complete: 100%

2001 - Goal:

Explore/acquire additional funding via the Federal AIP / PFC process.

Measurement:

Effective aviation legislation and funding.

Results:

Secured millions of dollars for airport CIP and expansion programs and runway improvements. Helped to establish new passenger security charge to fund new airport security requirements.

Percentage Complete: 100%

2001 - Goal:

Work with MN Congressional delegation and staff to facilitate completion of North/South runway.

Measurement:

Effective aviation legislation and increased airport capacity.

Results:

Completed Wildlife Refuge agreement between MAC, FAA, Fish and Wildlife, Department of Interior and Minnesota DNR. All legislation necessary at this time to complete the North/South runway has been secured.

Percentage Complete: 100%

2001 - Goal:

Monitor legislation and present MAC position on issues to appropriate State political bodies and/or persons in an effort to modify and/or initiate legislation that will support MAC's organizational goals.

Measurement:

Effective aviation legislation consistent with Commission goals.

Results:

Worked on numerous issues at the State level for the MAC. Monitored legislation and presented Commission positions supporting or opposing bills. See 2001 legislative summary for specific details.

Percentage Complete: 110%

2001 - Goal:

Maintain contact with Minnesota Congressional delegation and other congressional members/staff of key committees, monitor federal legislation, and when necessary, present MAC's position on aviation/air commerce issues.

Measurement:

Effective aviation legislation.

Results:

Maintained frequent contact with congressional members and staff and traveled to Washington as necessary. Presented MAC positions on airport security including FAA mandates and unfunded liability as well as other legislation resulting from the 9-11 event. Briefed Minnesota congressional delegation staff on Flying Cloud airport issues and negotiations with City of Eden Prairie. Continued to work with Department of Navy on deicing pad land. Completed Camp Coldwater involvement and determined it was not necessary to purchase the adjacent Bureau of Mines property because of events prior to and as a result of 9-11.

Percentage Complete: 110%

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET**2001 GOALS AND OBJECTIVES - PROGRESS REPORT****2001 - Goal:**

Educate appropriate political bodies and governmental units on airports (MSP & Relievers) and present MAC's position on issues including airport planning / development and airline competition.

Measurement:

Educated and supportive stakeholders.

Results:

Participated in numerous meetings on various issues in 2001. Provided legislative briefings and airport tours to state legislators and staff as well as congressional staff. Briefed them on specific issues pertaining to the MAC as well as airports and the aviation industry as a whole.

Percentage Complete: 100%

2001 - Goal:

Continue transition of federal, state and intergovernmental responsibilities to Governmental Affairs Manager.

Measurement:

Educated and effective staff and business continuity.

Results:

Continued transition of state and intergovernmental responsibilities to Governmental Affairs Manager and increased his involvement in activities and responsibilities at the federal level to effectuate a smooth transition.

Percentage Complete: 100%

2001 - Goal:

Negotiate construction project labor agreements when beneficial to MAC.

Measurement:

Effective airport operations free of labor disputes for the traveling public.

Results:

Negotiated Project Labor Agreements where beneficial to MAC on behalf of Airport Development.

Percentage Complete: 100%

2001 - Goal:

Coordinate Labor/Management Committee activity.

Measurement:

Improved labor/management environment.

Results:

Continued current committees and established formal committees with the (4) unionized trade groups.

Percentage Complete: 100%

2001 - Goal:

Represent MAC in mediation, arbitration and veterans preference hearings.

Measurement:

Terms and conditions of employment consistent with Commission goals.

Results:

Represented MAC at numerous mediation sessions with several unions and in arbitration with the Police Federation to facilitate the settlement of labor agreements.

Percentage Complete: 110%

2001 - Goal:

Continue negotiations and settle remaining labor contracts with MAC unions.

Measurement:

Terms and conditions of employment that are consistent with Commission goals.

Results:

Successfully negotiated the remaining (7) open labor agreements effectively achieving settlement of all labor agreements through at least the end of 2002.

Percentage Complete: 110%

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Hear all grievances on behalf of the Executive Director.

Measurement:

Terms and conditions of employment consistent with Commission goals.

Results:

Favorably resolved several grievances.

Percentage Complete: 100%

2001 - Goal:

Conduct management training in labor relations.

Measurement:

Improved labor/management environment.

Results:

Began cooperative efforts with Human Resources and HRD to design and deliver a training system in employee performance documentation and discipline.

Percentage Complete: 20%

2001 - Goal:

Assist managers and supervisors in contract interpretation, grievances and labor/management cooperative issues.

Measurement:

Improved labor/management environment.

Results:

Met with managers and supervisors as needs arose to provide assistance in resolving issues.

Percentage Complete: 100%

2001 - Goal:

Mediate disputes between outside unions, contractors, airport tenants and other stakeholders

Measurement:

Effective airport operations free of labor disruptions for the traveling public.

Results:

Assisted in resolving numerous issues under the Project Labor Agreements including a major dispute on the Post Office project that resulted in the timely completion of the project as well as full pay and benefits paid to union members pursuant to their labor agreements.

Percentage Complete: 110%

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Continue transition of federal, state and intergovernmental responsibilities to Governmental Affairs Manager.

Expected Results:

Educated and effective staff and business continuity.

Service Center Objectives:

Assist managers and supervisors in contract interpretation, grievances and labor/management cooperative issues.

Expected Results:

Improved labor/management environment.

Service Center Objectives:

Conduct management training in labor relations.

Expected Results:

Improved labor/management environment.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET**2002 GOALS AND OBJECTIVES****Service Center Objectives:**

Hear all grievances on behalf of the Executive Director.

Expected Results:

Terms and conditions of employment consistent with Commission goals.

Service Center Objectives:

Prepare for and begin negotiating nine (9) labor contracts with MAC unions.

Expected Results:

Develop terms and conditions of employment to be negotiated that are consistent with Commission goals.

Service Center Objectives:

Represent MAC in mediation, arbitration and veterans preference hearings.

Expected Results:

Terms and conditions of employment consistent with Commission goals.

Service Center Objectives:

Coordinate Labor/Management Committee activity.

Expected Results:

Improved labor/management environment.

Service Center Objectives:

Mediate disputes between outside unions, contractors, airport tenants and other stakeholders

Expected Results:

Effective airport operations free of labor disruptions for the traveling public.

Service Center Objectives:

Gather relevant information regarding other employer practices to assist with setting negotiation and management strategies.

Expected Results:

Improved labor/management environment and ability to support Commission goals.

Service Center Objectives:

NOTE 12/21/01: Although the Labor and Governmental Affairs Division budget has been reduced significantly, we do not plan to make any revisions to our 2002 plan. Department objectives have not changed.

Expected Results:

We must continue to focus our efforts on state/federal legislative matters and labor/management activities in the best interests of the MAC.

Service Center Objectives:

Educate appropriate political bodies and governmental units on airports (MSP & Relievers) and present MAC's position on issues including airport planning / development and airline competition.

Expected Results:

Educated and supportive stakeholders.

Service Center Objectives:

Maintain contact with Minnesota Congressional delegation and other congressional members/staff of key committees, monitor federal legislation, and when necessary, present MAC's position on aviation/air commerce issues.

Expected Results:

Effective aviation legislation.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Monitor legislation and present MAC position on issues to appropriate State political bodies and/or persons in an effort to modify and/or initiate legislation that will support MAC's organizational goals.

Expected Results:

Effective aviation legislation consistent with Commission goals.

Service Center Objectives:

Work with MN Congressional delegation and staff facilitate completion of North/South runway.

Expected Results:

Effective aviation legislation and increased airport capacity.

Service Center Objectives:

Explore/acquire additional funding via the Federal AIP / PFC process.

Expected Results:

Effective aviation legislation and funding.

Service Center Objectives:

Represent MAC and participate in formulating national positions on airport/airline issues to be presented to Congress and the Administration.

Expected Results:

Effective aviation legislation.

Service Center Objectives:

Negotiate construction project labor agreements when beneficial to MAC.

Expected Results:

Effective airport operations free of labor disputes for the traveling public.

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

Direct and coordinate MAC's State legislative program and present MAC's position on airport issues.

Expected Results:

Effective aviation legislation.

Service Center Objectives:

Direct and coordinate MAC's federal legislative program and, when necessary, present MAC's position on aviation issues.

Expected Results:

Effective aviation and legislative funding.

Service Center Objectives:

Present MAC's position on airport planning and future development considerations to appropriate political bodies and governmental units.

Expected Results:

Educated and supportive stakeholders

Service Center Objectives:

Negotiate labor contracts consistent with Commission goals.

Expected Results:

Terms and conditions of employment consistent with Commission goals.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

Coordinate labor relations activity with unions and other stakeholders

Expected Results:

Effective airport operations free of labor disruptions for the traveling public.

Service Center Objectives:

Coordinate and communicate an improved labor relations environment with employees.

Expected Results:

Improved labor/management environment.

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ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET**SERVICE CENTER SUMMARY: PLANNING**

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	162,930	173,768	166,191	-7,577	-4.36%
Administrative Expenses	24,613	46,000	14,400	-31,600	-68.70%
Professional Services	1,277,378	576,500	508,297	-68,203	-11.83%
Utilities	424	1,000	500	-500	-50.00%
Operating Services/Expenses	750	10,700	10,000	-700	-6.54%
Other	3,482	0	0	0	0.00%
Total Budget	<u>1,469,577</u>	<u>807,968</u>	<u>699,388</u>	<u>-108,580</u>	<u>-13.44%</u>

FULL TIME EQUIVALENT SUMMARY	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	2	2	2	0
Part Time	0	0	0	0
Total:	<u>2</u>	<u>2</u>	<u>2</u>	<u>0</u>

RESPONSIBILITY/FUNCTION

This area supervises property acquisition, planning, design, engineering and architecture, 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

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000**Administrative Expenses:**

A reduction in travel and professional memberships attributed to the reduction in Administrative Expense.

Professional Services:

The reduction in Professional Services is associated with forecasted expense for MAC's Part 150 program.

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ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET**SERVICE CENTER SUMMARY: AIRPORT DEVELOPMENT**

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	652,822	576,079	517,452	-58,627	-10.18%
Administrative Expenses	73,005	128,500	38,200	-90,300	-70.27%
Professional Services	712,102	425,000	387,500	-37,500	-8.82%
Utilities	9,767	10,000	5,000	-5,000	-50.00%
Operating Services/Expenses	9,628	16,500	7,500	-9,000	-54.55%
Other	22,562	10,500	0	-10,500	-100.00%
Total Budget	<u>1,479,885</u>	<u>1,166,579</u>	<u>955,652</u>	<u>-210,927</u>	<u>-18.08%</u>

FULL TIME EQUIVALENT SUMMARY	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	18	21	21	3
Part Time	0	0	0	0
Total:	<u>18</u>	<u>21</u>	<u>21</u>	<u>3</u>

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000**Personnel:**

The reduction in the Personnel category is due to the elimination of temporary administrative staff and interns for 2002. Plus department expense for continuing education has been postponed.

Administrative Expenses:

The reduction in this area can be attributed to the elimination of computer software and support for legacy system. An alternative solution is currently being reviewed. The department also eliminated supplies for the photo identify project.

Professional Services:

After September 11, MAC reviewed the 2002 Capital Improvement Plan, several projects for 2002 and 2003 were deferred or postponed to future dates. Correspondingly, engineering fees associated with prospective projects that were deferred or postponed were reduced in the 2002 budget.

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ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET**SERVICE CENTER SUMMARY: AIRPORT DEVELOPMENT-BUILDING**

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	0	174,041	121,699	-52,342	-30.07%
Administrative Expenses	0	12,063	3,700	-8,363	-69.33%
Professional Services	0	11,500	11,500	0	0.00%
Utilities	0	700	700	0	0.00%
Operating Services/Expenses	0	300	200	-100	-33.33%
Other	0	10,500	0	-10,500	-100.00%
Total Budget		<u>209,104</u>	<u>137,799</u>	<u>-71,305</u>	<u>-34.10%</u>

FULL TIME EQUIVALENT SUMMARY	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	2	2	2	0
Part Time	0	0	0	0
Total:	<u>2</u>	<u>2</u>	<u>2</u>	<u>0</u>

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000**Personnel:**

The elimination of temporary positions was a large portion of the budget decrease in this area.

Administrative Expenses:

A reduction in this area was due to the reduction of travel expenses.

Other:

Office furniture was purchased in 2001. No additional budget funds are required.

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ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: ENVIRONMENT-GENERAL

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	41,340	121,088	130,730	9,642	7.96%
Administrative Expenses	6,887	10,820	7,620	-3,200	-29.57%
Utilities	-182	0	0	0	0.00%
Operating Services/Expenses	3,290	17,200	15,600	-1,600	-9.30%
Other	641	0	0	0	0.00%
Total Budget	51,977	149,108	153,950	4,842	3.25%

FULL TIME EQUIVALENT SUMMARY	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	2	2	2	0
Part Time	0	0	0	0
Total:	2	2	2	0

RESPONSIBILITY/FUNCTION

Environmental Affairs

This office is responsible for ensuring and maintaining compliance with environmental regulations at the MSP International and six Reliever Airports. Several of the compliance activities include Storm Water Management, Soil Investigation and Remediation, Underground Storage Tank/Aboveground Storage Tank Administration, Environmental Audits, Solid Waste Management and Recycling, Hazardous Waste Management, Pollution Prevention, and Hydrogeological Investigations.

This office must have an ongoing understanding of and experience with federal, state and local environmental regulations, rules and ordinances. It is also very important that this office maintain an effective working relationship with state and local units of government. The activities of this office establish sound environmental strategies and reduce impacts on surrounding communities.

Several programs in Environmental Affairs include: the Environmental Compliance Program (ECP) at the Reliever Airports, Recycling and the Glycol Recovery Program.

Aviation Noise and Satellite Programs

The Metropolitan Airports Commission's Aviation Noise and Satellite Programs office is centered around using technologies and communications to address environmental noise issues for MAC's system of seven airports. The primary methods used to address this effort is through the following applications: Airport Noise and Operations Monitoring Systems (ANOMS), Geographic Information Systems (GIS), Global Positioning System (GPS), Information Dissemination through the Internet and the Federal Aviation Regulation (FAR) Part 150 Program.

The continuous tracking and recording of aircraft overflight events at MSP is accomplished through the use of twenty nine remote monitoring towers (RMTs) and radar flight tracking data from the FAA. The plethora of information available from these sources is analyzed and reported on a monthly basis to interested citizen groups, airlines, commissioners and the public. The ability to maintain this system and to publish the information is a continuous process. As computer systems age, upgrades and hardware replacements are essential to maintain a continuous historical file of airport and community noise levels.

Integration of ANOMS information with emerging GIS software products such as ARC/IMS (Internet Map Server) allows for the timely distribution of collected noise data to interested parties. The ability to analyze airspace activity with existing and planned land uses allows staff and users to adjust to the changing community and National Airspace System (NAS).

The GPS base station is once again proving beneficial for the continued development at MSP. As the Government and Industry Partnership (GIP) program continues, MSP will be one of the first airports to receive an upgrade to the new Local Area Augmentation System (LAAS) standards scheduled for late 2001. Future uses of the LAAS system will use the same precision available for landing, for precision departures, missed approaches, terminal area navigation and variable geometry flight paths. The use of GPS technology will enhance flight safety while providing a tool for airport officials to help manage noise impacts to surrounding communities.

The Aviation Noise and Satellite Program office continues to maintain an independent internet site for information dissemination and serves as a public communication tool. With the vast array of time sensitive information available through ANOMS and GIS, the internet is an efficient mechanism for accurate and timely dissemination of community and airport activities as well as the large volumes of factual data available through ANOMS. The Internet Website is a

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

significant tool in facilitating the distribution of important Part 150 information to interested public constituents that would like to make informed comments about airport operational activity.

The Part 150 program is a significant project that will provide an overall approach for the MAC to address the environmental impacts of noise. MSP operational procedures as well as proposed mitigation activities will be established through this process. MAC has enlisted the assistance of independent noise consultants to complete some of the many tasks identified in the 1996 Noise Mitigation Committee Report.

The above services are part of the Aviation Noise and Satellite Programs office's overall approach to bridge the gaps between communities surrounding the airport and the users of this regional asset. Proper evaluation of the noise impacts and potential capabilities of technological advancements will assist MAC in developing reasonable approaches to noise mitigation and operational procedures.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Personnel:

The increase in the Personnel category is due to salary and wage adjustments for 2001 that were made after the completion of the 2001 budget. The 2002 budget is based on the updated wage.

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Establish and Integrate programs/procedures for environmental issues for MAC projects

Measurement:

Results:

Ongoing implementation process

Percentage Complete: 80%

2001 - Goal:

Maintain good working relationships with public, affected communities and regulatory agencies.

Measurement:

Results:

Working cooperatively with communities and airlines to enhance relationships and with regulating agencies to complete necessary requirements.

Percentage Complete: 90%

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Establish and integrate programs/procedures for environmental issues for MAC projects.

Expected Results:

Increased efficiency, coordination and service to MAC departments and customers

Service Center Objectives:

Maintain good working relationships with public, affected communities and regulatory agencies.

Expected Results:

Increased coordination, efficiency, understanding and relationships

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: ENVIRONMENT-ENVIRONMENTAL

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	152,276	167,098	163,570	-3,528	-2.11%
Administrative Expenses	4,501	12,150	3,275	-8,875	-73.05%
Professional Services	535,206	342,500	314,300	-28,200	-8.23%
Utilities	678	2,000	500	-1,500	-75.00%
Operating Services/Expenses	55,240	82,250	62,750	-19,500	-23.71%
Maintenance	185	0	0	0	0.00%
Other	3,176	15,400	6,000	-9,400	-61.04%
Total Budget	751,261	621,398	550,395	-71,003	-11.43%

FULL TIME EQUIVALENT SUMMARY

	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	3	3	3	0
Part Time	0	0	0	0
Total:	3	3	3	0

RESPONSIBILITY/FUNCTION

Environmental Affairs

This office is responsible for ensuring and maintaining compliance with environmental regulations at the MSP International and six Reliever Airports. Several of the compliance activities include Storm Water Management, Soil Investigation and Remediation, Underground Storage Tank/Aboveground Storage Tank Administration, Environmental Audits, Solid Waste Management and Recycling, Hazardous Waste Management, Pollution Prevention, and Hydrogeological Investigations.

This office must have an ongoing understanding of and experience with federal, state and local environmental regulations, rules and ordinances. It is also very important that this office maintain an effective working relationship with state and local units of government. The activities of this office establish sound environmental strategies and reduce impacts on surrounding communities.

Several programs in Environmental Affairs include: the Environmental Compliance Program (ECP) at the Reliever Airports, Recycling and the Glycol Recovery Program.

Aviation Noise and Satellite Programs

The Metropolitan Airports Commission's Aviation Noise and Satellite Programs office is centered around using technologies and communications to address environmental noise issues for MAC's system of seven airports. The primary methods used to address this effort is through the following applications: Airport Noise and Operations Monitoring Systems (ANOMS), Geographic Information Systems (GIS), Global Positioning System (GPS), Information Dissemination through the Internet and the Federal Aviation Regulation (FAR) Part 150 Program.

The continuous tracking and recording of aircraft overflight events at MSP is accomplished through the use of twenty nine remote monitoring towers (RMTs) and radar flight tracking data from the FAA. The plethora of information available from these sources is analyzed and reported on a monthly basis to interested citizen groups, airlines, commissioners and the public. The ability to maintain this system and to publish the information is a continuous process. As computer systems age, upgrades and hardware replacements are essential to maintain a continuous historical file of airport and community noise levels.

Integration of ANOMS information with emerging GIS software products such as ARC/IMS (Internet Map Server) allows for the timely distribution of collected noise data to interested parties. The ability to analyze airspace activity with existing and planned land uses allows staff and users to adjust to the changing community and National Airspace System (NAS).

The GPS base station is once again proving beneficial for the continued development at MSP. As the Government and Industry Partnership (GIP) program continues, MSP will be one of the first airports to receive an upgrade to the new Local Area Augmentation System (LAAS) standards scheduled for late 2001. Future uses of the LAAS system will use the same precision available for landing, for precision departures, missed approaches, terminal area navigation and variable geometry flight paths. The use of GPS technology will enhance flight safety while providing a tool for airport officials to help manage noise impacts to surrounding communities.

The Aviation Noise and Satellite Program office continues to maintain an independent internet site for information dissemination and serves as a public communication tool. With the vast array of time sensitive information available

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

through ANOMS and GIS, the internet is an efficient mechanism for accurate and timely dissemination of community and airport activities as well as the large volumes of factual data available through ANOMS. The Internet Website is a significant tool in facilitating the distribution of important Part 150 information to interested public constituents that would like to make informed comments about airport operational activity.

The Part 150 program is a significant project that will provide an overall approach for the MAC to address the environmental impacts of noise. MSP operational procedures as well as proposed mitigation activities will be established through this process. MAC has enlisted the assistance of independent noise consultants to complete some of the many tasks identified in the 1996 Noise Mitigation Committee Report.

The above services are part of the Aviation Noise and Satellite Programs office's overall approach to bridge the gaps between communities surrounding the airport and the users of this regional asset. Proper evaluation of the noise impacts and potential capabilities of technological advancements will assist MAC in developing reasonable approaches to noise mitigation and operational procedures.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Administrative Expenses:

The 2002 budget changes are in supplies and travel. Both areas were reduced approximately 90% compared to 2001.

Professional Services:

Engineering Fees for Environmental constants were reduced as projects were deferred.

Operating Services/Expenses:

The organizational budget for pollution control supplies was reduced approximately 45% compared to 2001. All MAC departments is expected to supply supplies as needed.

Other:

The budget for minor assets was deferred for 2001 and 2002.

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Implement Water Quality Programs

Measurement:

Results:

Continuing to work with new MPCA staff to complete permitting requirements

Percentage Complete: 90%

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Continue participation in negotiations of the renewed MSP NPDES permit

Expected Results:

Minimize environmental impacts associated with airport operations

Service Center Objectives:

Improve and maintain sustainable environmental compliance at MAC-owned facilities.

Expected Results:

Minimize environmental impacts associated with airport operations

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: ENVIRONMENT-AVIATION NOISE PRO

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	387,766	466,556	352,898	-113,658	-24.36%
Administrative Expenses	80,591	88,290	37,000	-51,290	-58.09%
Professional Services	213,024	335,000	220,000	-115,000	-34.33%
Utilities	1,976	1,800	1,800	0	0.00%
Operating Services/Expenses	79,456	162,400	138,369	-24,031	-14.80%
Other	18,870	21,500	3,500	-18,000	-83.72%
Total Budget	781,683	1,075,546	753,567	-321,979	-29.94%

FULL TIME EQUIVALENT SUMMARY	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	7	9	9	2
Part Time	0	0	0	0
Total:	7	9	9	2

RESPONSIBILITY/FUNCTION

Environmental Affairs

This office is responsible for ensuring and maintaining compliance with environmental regulations at the MSP International and six Reliever Airports. Several of the compliance activities include Storm Water Management, Soil Investigation and Remediation, Underground Storage Tank/Aboveground Storage Tank Administration, Environmental Audits, Solid Waste Management and Recycling, Hazardous Waste Management, Pollution Prevention, and Hydrogeological Investigations.

This office must have an ongoing understanding of and experience with federal, state and local environmental regulations, rules and ordinances. It is also very important that this office maintain an effective working relationship with state and local units of government. The activities of this office establish sound environmental strategies and reduce impacts on surrounding communities.

Several programs in Environmental Affairs include: the Environmental Compliance Program (ECP) at the Reliever Airports, Recycling and the Glycol Recovery Program.

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The continuous tracking and recording of aircraft overflight events at MSP is accomplished through the use of twenty nine remote monitoring towers (RMTs) and radar flight tracking data from the FAA. The plethora of information available from these sources is analyzed and reported on a monthly basis to interested citizen groups, airlines, commissioners and the public. The ability to maintain this system and to publish the information is a continuous process. As computer systems age, upgrades and hardware replacements are essential to maintain a continuous historical file of airport and community noise levels.

Integration of ANOMS information with emerging GIS software products such as ARC/IMS (Internet Map Server) allows for the timely distribution of collected noise data to interested parties. The ability to analyze airspace activity with existing and planned land uses allows staff and users to adjust to the changing community and National Airspace System (NAS).

The GPS base station is once again proving beneficial for the continued development at MSP. As the Government and Industry Partnership (GIP) program continues, MSP will be one of the first airports to receive an upgrade to the new Local Area Augmentation System (LAAS) standards scheduled for late 2001. Future uses of the LAAS system will use the same precision available for landing, for precision departures, missed approaches, terminal area navigation and variable geometry flight paths. The use of GPS technology will enhance flight safety while providing a tool for airport officials to help manage noise impacts to surrounding communities.

The Aviation Noise and Satellite Program office continues to maintain an independent internet site for information dissemination and serves as a public communication tool. With the vast array of time sensitive information available through ANOMS and GIS, the internet is an efficient mechanism for accurate and timely dissemination of community

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

and airport activities as well as the large volumes of factual data available through ANOMS. The Internet Website is a significant tool in facilitating the distribution of important Part 150 information to interested public constituents that would like to make informed comments about airport operational activity.

The Part 150 program is a significant project that will provide an overall approach for the MAC to address the environmental impacts of noise. MSP operational procedures as well as proposed mitigation activities will be established through this process. MAC has enlisted the assistance of independent noise consultants to complete some of the many tasks identified in the 1996 Noise Mitigation Committee Report.

The above services are part of the Aviation Noise and Satellite Programs office's overall approach to bridge the gaps between communities surrounding the airport and the users of this regional asset. Proper evaluation of the noise impacts and potential capabilities of technological advancements will assist MAC in developing reasonable approaches to noise mitigation and operational procedures.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Personnel:

The decrease in the Personnel category is due to the following:

- Two FTE positions that were previously approved and budgeted in 2001 were placed on administrative hold. Salary and wages for these positions were excluded from the 2002 budget.
- The starting salary and wages for 2001 new hires that replaced existing staff after the completion of the 2001 budget is less than previous budgeted.
- The budget for training was postponed.

Administrative Expenses:

The Part-150 Noise Program was significantly reduced for 2002. In conjunction with the program reductions, the department reduced the printing costs of materials provided to home owners by 60%.

Professional Services:

In early September 2001, the FAA upgraded the airport radar system at MSP. As a result, the current method used to acquire flight track data from the FAA as part of the Airport Noise and Operations Monitoring System (ANOMS) will be obsolete. Therefore, MAC Aviation Noise and Satellite Program staff is required to upgrade the data acquisition hardware and subsequent Memorandum of Agreement (MOA) with the FAA for use of their data. As part of this requirement, Dimensions International was selected (Commission selection on July 17, 2000) as the contractor to provide a new flight track acquisition system - ACES (ARTS Collection and Editing System). The associated MOA with the FAA has been developed and approved predicated on the use of ACES for the flight track data acquisition function. On Tuesday, July 10, the system and associated hardware was installed in the MSP FAA Control Tower and the MAC Aviation Noise and Satellite Programs office. On Thursday, July 12, the system was tested focusing on FAA required data filtering and transfer functions. Following the system testing, full integration with ANOMS was completed.

The majority of the project was completed in 2001 resulting in budget decrease for 2002.

Operating Services/Expenses:

Old equipment that had a service agreement was replaced in 2001. The new equipment is either under warranty or the individual replacement of a couple of pieces of equipment is less than the cost of service agreement.

Other:

The minor assets budgeted in 2001 were purchased.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Implement Noise Mitigation Measures for each MAC airport

Measurement:

Results:

Continued support of noise reduction programs/efforts at all MAC airports including development of an extensive noise website, analysis supporting noise program/policy implementation, enhanced relationships with the airlines and communities and support to all airport noise related committees.

Percentage Complete: 80%

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Provide comprehensive noise information dissemination through the utilization of available technical capabilities and resources

Expected Results:

Enhanced Relationships with Airport Stakeholders and Information Distribution

Service Center Objectives:

Implement noise mitigation measures for each MAC airport

Expected Results:

Minimize environmental impacts associated with airport operations

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ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET**SERVICE CENTER SUMMARY: ADMINISTRATIVE SERVICES**

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	292,417	332,305	286,310	-45,995	-13.84%
Administrative Expenses	15,982	10,550	4,550	-6,000	-56.87%
Professional Services	14,185	48,500	20,000	-28,500	-58.76%
Utilities	-14	150	0	-150	-100.00%
Operating Services/Expenses	1,545	1,300	0	-1,300	-100.00%
Other	7,138	1,000	500	-500	-50.00%
Total Budget	331,253	393,805	311,360	-82,445	-20.94%

FULL TIME EQUIVALENT SUMMARY	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	4	4	4	0
Part Time	0	0	0	0
Total:	4	4	4	0

RESPONSIBILITY/FUNCTION

This area is responsible for the oversight and management of Finance, Purchasing, Information Systems, Risk Management, Safety, Internal Audit, Data Resources Management, and the mailroom.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000**Personnel:**

The majority of the budget reduction in Personnel can be attributed to the transfer of an employee to the Purchasing department.

Administrative Expenses:

Organizational travel is restricted to essential trips, the department travel budget was eliminated for 2002.

Professional Services:

Consultant service for development of measurement tools related to organizational and department goals and objectives were postponed.

2001 GOALS AND OBJECTIVES - PROGRESS REPORT**2001 - Goal:**

Assist in the development of an organization wide business continuity plan.

Measurement:

A business continuity plan is in place for the entire organization.

Results:

Organization wide business continuity plan on hold due to lack of additional resources.

Percentage Complete: 0%

2001 - Goal:

Utilize the Intranet to communicate Administrative Services Division information.

Measurement:

Information is available to the entire organization.

Results:

Not started.

Percentage Complete: 0%

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET**2001 GOALS AND OBJECTIVES - PROGRESS REPORT****2001 - Goal:**

Oversee the financing of the 2010 plan.

Measurement:

Funding is available to meet capital improvement program requirements.

Results:

The following financings were completed in 2001 - \$184,005,000 General Airport Revenue Bonds, \$266,810,000 Subordinate Airport Revenue Bonds and \$125,000,000 Bond Anticipation Notes

Percentage Complete: 0%

2001 - Goal:

Implement the Strategic Planning and budgeting processes.

Measurement:

Improved linkage between the two processes.

Results:

Three year budgeting was implemented using an Access data base. Performance measures will be incorporated into the 2001 Strategic Plan report to the Commission.

Percentage Complete: 80%

2001 - Goal:

Continuous Improvement: Initiate projects with appropriate service centers to implement and document continuous projects.

Measurement:

Publicity for continuous improvement results.

Results:

Project efforts were focused in Customer Service and Wellness with continuous improvement documented in both functions. MAC/MSP achieved a goal of being in the top 10 International airports in "Overall Customer Satisfaction" for calendar year 2000. Internal quarterly reporting/publicity documents indicated MSP holding it own through 2001. The annual Health Risk Assessment report for 2001 documents growth in participation and wellness within the MAC population.

Percentage Complete: 100%

2001 - Goal:

Department Development: Continue to develop the skills of department staff in utilizing computer technology for performance measurement.

Measurement:

Software proficiencies

Results:

Department personnel are working proficient in MAC standard softwares: Microsoft Office, Word, Excel, and Access, and can utilize Power Point. Certifications have not been pursued due to time and budget constraints.

Percentage Complete: 90%

2001 - Goal:

Data Access: To continue development of a "data-driven" reporting format

Measurement:

MAC's performance metric readily available to internal customers on the intranet or published annually in a report.

Results:

The objective was altered somewhat to developing a reporting format for the Strategic Plan. A Strategic Plan report was developed (is in draft format). Numbers are yet to be finalized for the 2000 Calendar year. Several metric documents are published on the intranet in Data Resources and other departmental segments; although a defined presentation of service center(s) metrics is not yet posted.

Percentage Complete: 80%

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET**2001 GOALS AND OBJECTIVES - PROGRESS REPORT****2001 - Goal:**

Prototype/Partnering: Plan and execute one, two, or three performance measurement projects with service centers of the MAC.

Measurement:

Project service centers document and display measures of their achievements and continuous improvement.

Results:

Project efforts were focused in Customer Service and Wellness with continuous improvement documented in both functions. MAC/MSP achieved a goal of being in the top 10 International airports, ranking 6th (score 3.70), in "Overall Customer Satisfaction" for calendar year 2000, documented in the IATA Global Airport Monitor-June 2001. Internal quarterly reporting/publicity (2001) documents MSP holding it own through 2001 with 1st, 2nd, and 3rd quarter scores of 3.78, 3.66, and 3.69. The annual Health Risk Assessment report for 2001 documents growth in participation and wellness within the MAC population. No project materialized with the Reliever Airport System.

Percentage Complete: 100%

2001 - Goal:

Organizational Training: Train employees to plan and measure the achievement of strategic and organizational goals and objectives.

Measurement:

Documentation of a Performance Measurement training module.

Results:

A Performance Measurement Training module was developed (is in draft format) with a decision made that the organization was not ready yet to include it in the "Strategic Links" business planning process.

Percentage Complete: 80%

2002 GOALS AND OBJECTIVES**Service Center Objectives:**

Integrate "Performance Measurement" into the MAC business planning process.

Expected Results:

Institutionalized performance measurement ethic; Commission satisfaction; Continued MAC/GFOA award status.

Service Center Objectives:

Develop Data Resources to improve the MAC business planning & decision processes.

Expected Results:

Institutionalized systems: Setting of Continuous Improvement Targets based on Data Resources Information.

Service Center Objectives:

Create a customer service culture at MAC/MSP

Expected Results:

Continued IATA recognition as Top Ten airport. Positive perception of MSP concessions staffing. Top Ten Airports status for "Courtesy, Friendliness of Airport Staff"

Service Center Objectives:

Update the Administrative Policies and Procedures Manual.

Expected Results:

Updated policies and procedures are available to the organization.

Service Center Objectives:

Develop a plan to meet all operation and maintenance, debt service and construction obligations in 2003 and beyond.

Expected Results:

MAC remains self-supporting with no outside funding being sought.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Communicate and educate the Commission, MAC staff & state legislators about MAC's financial situation.

Expected Results:

Current funding system stays in tact. Revenues are not diverted.

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

Develop and implement improved administrative policies and procedures.

Expected Results:

Efficient procedures that support organizational processes.

Service Center Objectives:

Oversee the financing of the 2010 plan.

Expected Results:

Financing is in place to complete the construction of the plan is 2003.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET**SERVICE CENTER SUMMARY: WELLNESS**

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Administrative Expenses	534	0	0	0	0.00%
Operating Services/Expenses	153,215	175,000	10,000	-165,000	-94.29%
Total Budget	153,749	175,000	10,000	-165,000	-94.29%

FULL TIME EQUIVALENT SUMMARY	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	0	0	0	0
Part Time	0	0	0	0
Total:	0	0	0	0

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.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000**Operating Services/Expenses:**

The Wellness program was eliminated for 2002. The budget remains for the annual flu shots offered to MAC Staff, their spouses and retirees. The cost to MAC would increase dramatically if employees went to their own doctor.

2001 GOALS AND OBJECTIVES - PROGRESS REPORT**2001 - Goal:**

Increase management support participation

Measurement:

Senior Staff, Directors and managers support/participation in Wellness programs

Results:

80% of senior staff participated in the Health Risk Assessment/Wellness program; and Senior Staff help present the celebration breakfast event.

Percentage Complete: 0%

2001 - Goal:

Increase participation in Wellness Programs

Measurement:

Increased participation by targeted groups.

Completion of surveys

Documentation numbers of participation

Results:

68.5% of (348 of 508) MAC employees, highest absolute number ever, completed the health risk questionnaire.

47% (up 6%) completed the entire health assessment program.

Percentage Complete: 0%

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Encourage healthy and reduce unhealthy lifestyles

Measurement:

Measures of participation and improvement

Results:

Average score of MAC employees continued and upward trend to a "Good Health" standing. Man achieved the highest average ever. 52.6% of the participants scored in the excellent range. Seven year participants averaged in the excellent range.

Percentage Complete: 0%

2001 - Goal:

Address "high risk" health issues

Measurement:

Health Risk Report.

Completion of health risk assessment. Programs developed and in place for targeted issues. Measures of improvement in target issues.

Results:

Lack of exercise and poor nutritional habits are the primary health risks of the MAC population. The MAC population displayed modes improvements of 1% and 2% in health risks.

Percentage Complete: 0%

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Maintain existing exercise facility.

Expected Results:

Provide cleaning and maintenance of the MAC equipment and facility.

Service Center Objectives:

Encourage participation in flu shots.

Expected Results:

Healthier employee reduce cost associated with lost time and consequently health insurance costs.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: INSURANCE

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	4,806,746	4,605,329	4,789,926	184,597	4.01%
Administrative Expenses	8,450	12,600	2,700	-9,900	-78.57%
Professional Services	45,707	80,000	70,000	-10,000	-12.50%
Utilities	825	0	0	0	0.00%
Operating Services/Expenses	351	400	0	-400	-100.00%
Other	1,102,240	1,540,000	1,857,830	317,830	20.64%
Total Budget	5,964,318	6,238,329	6,720,456	482,127	7.73%

FULL TIME EQUIVALENT SUMMARY	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	1	2	2	1
Part Time	0	0	0	0
Total:	1	2	2	1

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.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Personnel:

Employee Insurance is forecasted to increase 6% from 2001. The increase is attributed to increased staff and utilization.

Administrative Expenses:

Much of the reduction is due to a reduction in expenses for travel, office supplies, and mileage.

Professional Services:

Consultant service for actuarial studies was reduced for the 2002 budget.

Other:

The events of September 11 and expansion MAC facilities will cause a significant increase in insurance premiums for 2002.

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Monitor risk avoidance through ins. Cert. Tracking

Measurement:

Transfer of risk

Results:

Percentage Complete: 0%

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Expand the LRT OCIP to include 2010 construction projects at MSP

Measurement:

Cost savings, DBE involvement

Results:

Percentage Complete: 0%

2001 - Goal:

Evaluate Benefits to enhance and control costs

Measurement:

Promote employee awareness of benefits and control costs through innovation

Results:

Percentage Complete: 0%

2001 - Goal:

Planning, organizing and administration of risk programs to safeguard MAC assets.

Measurement:

Risk Management techniques in place to protect MAC assets in the event of a loss from identified perils.

Results:

Percentage Complete: 0%

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Evaluate alternative medical and dental plans

Expected Results:

customize benefits for employees and control cost

Service Center Objectives:

Restructure Claims Handling

Expected Results:

enhance the process and control costs

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

Conduct an OCIP

Expected Results:

Cost Savings

Service Center Objectives:

Create a Captive Insurance Company

Expected Results:

Control costs and allocate funds to cost centers

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: SAFETY

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	106,071	115,243	116,534	1,291	1.12%
Administrative Expenses	3,705	10,150	2,850	-7,300	-71.92%
Professional Services	17,229	63,150	48,000	-15,150	-23.99%
Utilities	817	1,000	1,000	0	0.00%
Operating Services/Expenses	0	2,500	2,000	-500	-20.00%
Other	8,899	20,500	15,600	-4,900	-23.90%
Total Budget	136,720	212,543	185,984	-26,559	-12.50%

FULL TIME EQUIVALENT SUMMARY	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	2	2	2	0
Part Time	0	0	0	0
Total:	2	2	2	0

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.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Administrative Expenses:

The majority of the decrease is in travel which was significantly decreased for 2002.

Professional Services:

The budget for consultants that provide safety - training was reduced approximate 24% . Limited training will be provided by internal staff.

Other:

In conjunction with safety training, the budgets for safety supplies and training materials were reduced approximately 24%.

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Develop a comprehensive Fleet Safety Program.

Measurement:

A centralized formal fleet safety program that identifies the legal requirements of all MAC drivers, documentation of training and certifications along with accident statistics.

Results:

The draft program is completed but there needs to be some document clarification from HR and LR yet. Vehicle accident forms are currently being filled out and turned in.

Percentage Complete: 70%

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Continue to respond in a timely fashion to safety concerns of MAC employees and pursue the implementation of appropriate corrective actions.

Measurement:

A reduction in the number of employee accidents and the improvement in the safety culture and attitude at the MAC.

Results:

This is performed on a continual basis.

Percentage Complete: 100%

2001 - Goal:

Continue to work with Airport Development to ensure the safe performance of other construction activities on the MAC property such as the New Humphrey Terminal, the N/S runway, various tunnels etc.

Measurement:

Completed construction activities with a minimum of serious accidents or injuries.

Results:

Generally Mac construction projects have been very safe although there was a fatality at the FedEx building which was a the result of a building fabrication issue and not an employee safety issue.

Percentage Complete: 100%

2001 - Goal:

Coordinate the implementation of the Safety Components of the OCIP program in relation to the construction of the LRT Tunnel on MAC property.

Measurement:

A safe construction project with a minimum number of accidents and no fatalities.

Results:

Accidents have been kept to a minimum and there have been no lost time accidents so far.

Percentage Complete: 100%

2001 - Goal:

Continue to improve the quality and effectiveness of MAC employee safety programs.

Measurement:

Lower accident rates and number of severe or OSHA Recordable accidents.

Results:

Our rates actually went up a little this year but we are not doing too bad. We are still trying to get all departments to participate in Safety meetings and training is going along ok.

Percentage Complete: 100%

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Continue to respond in a timely fashion to safety concerns of MAC personnel.

Expected Results:

A safer work environment.

Service Center Objectives:

Continue to improve the quality and effectiveness of MAC employee safety programs.

Expected Results:

A continuation in the lowering in the number and severity of injuries to MAC employees.

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Continue to work with Airport Development to ensure the safe performance of construction activities on the MAC Campus.

Expected Results:

The performance of safe construction activities with a minimum number of injuries.

Service Center Objectives:

Maintain and refine the MAC Fleet Safety Program.

Expected Results:

A comprehensive record of fleet accidents, their associated costs and a process to help eliminate them.

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MINNEAPOLIS/ ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: FINANCE

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	904,668	957,885	909,827	-48,058	-5.02%
Administrative Expenses	37,849	43,040	31,200	-11,840	-27.51%
Professional Services	153,376	168,000	136,000	-32,000	-19.05%
Utilities	17	0	0	0	0.00%
Operating Services/Expenses	106,526	228,600	151,500	-77,100	-33.73%
Maintenance	990	1,030	200	-830	-80.58%
Other	14,700	8,570	4,800	-3,770	-43.99%
Total Budget	1,218,127	1,407,125	1,233,527	-173,598	-12.34%

FULL TIME EQUIVALENT SUMMARY

	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	15	15	15	0
Part Time	0	0	0	0
Total:	15	15	15	0

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). Financial planning including but not limited to issuance of all debt, rate development and financial analysis. Purchasing is responsible for the acquisition/ disposal of materials, equipment and supplies.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Personnel:

The reduction in this area is due to the elimination of overtime, continuing education and a reduction in employee training.

Administrative Expenses:

Organizational travel restriction limit travel to essential trips. The department travel budget was eliminated for 2002.

Professional Services:

A reduction in the area of software consultant services contributed to the reduction in Professional Services.

Operating Services/Expenses:

Finance also eliminated maintenance contracts for software agreements. MAC will pay per incident for repairs. Regular upgrades will not be supplied.

Other:

The reduction is due to minor tools and office furniture which are not required in 2002.

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Departmental Training

Measurement:

Continued department improvements for customer service, efficiency and exposure to other MAC departments

Results:

Completed

Percentage Complete: 100%

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:
Initiate Request For Qualifications (RFQ) for Airport Consultant

Measurement:
Completion of evaluation process of qualified firms

Results:
Postponed due to delays in issuing some of MAC debt.

Percentage Complete: 0%

2001 - Goal:
Financial Reporting Compliance

Measurement:
Receive GFOA awards for Budget and CAFR, No findings in financial and legislative audits. Complete updated Post Retirement Actuarial Calculation and implement GASB 32

Results:
Complete, received both GFOA awards the Post Retirement Actuarial Calculation was postponed.

Percentage Complete: 75%

2001 - Goal:
Update various financial models and development of new fee structure for HHH Terminal, Cargo areas and Locker RFP.

Measurement:
Financial models align with previous forecasts, a fee structure at HHH and Cargo areas to generate additional revenue and issuance of Locker RFP

Results:
Complete

Percentage Complete: 100%

2001 - Goal:
Debt Financing

Measurement:
Issue required debt to fund 2010 plan if needed

Results:
Based on the requirements for 2001, this is complete. The PFC application was postponed until 2003

Percentage Complete: 100%

2001 - Goal:
Process Improvements

Measurement:
Determine status of payroll checks and process, implement imaging system, and determine use if at all of JetForms software

Results:
Auto payroll is working through an outside vendor. Jetforms software is being analyzed.

Percentage Complete: 50%

2001 - Goal:
Customer Service/Communications

Measurement:
Improved accounts payable response time on any payment problems. Also application of cash balances more timely on the accounts receivable side.

Results:
Completed

Percentage Complete: 100%

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Evaluation of JDE Software

Measurement:

Improvements to Property Mgmt System, Depreciation & Imputed Int, more user friendly for non-finance staff, and do 2002 budget on JDE.

Results:

All activities were started in 2001. Due to budget constraints, these will all carryover into 2002 and possibly into 2003

Percentage Complete: 50%

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Implement the transfer from the current level of JD Edwards software to One-World.

Expected Results:

It is expected that the Finance Department will see an increase in both flexibility and efficiency with this upgrade in software

Service Center Objectives:

Improve Customer Service and Communications

Expected Results:

Provide accurate and reliable information to customers within the organization and outside the organization

Service Center Objectives:

Process Improvements

Expected Results:

Determine the next phase of Payroll and Budget improvements to be made. Evaluate recording of depreciation & interest. In addition reorganize Off-Site Storage records and implement Imaging system. Improve Landside/ Finance coordination of information.

Service Center Objectives:

Prepare financial models and reports in accordance with requirements

Expected Results:

Complete the following reports: Budget, CAFR, Budget Variances, Tenant Fee Structures, Post Retirement and implementation of GASB 34

Service Center Objectives:

Evaluate and determine continuing consultants in the following areas: Bond Counsel, Financial Auditor, and Airport Consultant

Expected Results:

Selection of the most qualified firm in each case through a Request for Qualification (RFQ) Process.

Service Center Objectives:

Financing projects in the CIP/2010 Plan - PFC #6 and General Airport Revenue Bonds.

Expected Results:

Identify all projects that can be included in PFC #6 based on timing and airline approval.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

Selection of Financial Advisor

Expected Results:

Prepare and issue an RFQ for Financial Advisor consulting

Service Center Objectives:

Debt Financing

Expected Results:

Continued evaluation of the CIP and 2010 Plan with regards to funding and issuance of Debt

Service Center Objectives:

Continued evaluation of JDE software

Expected Results:

Improved usage by all departments to provide them with the information necessary to complete their tasks

Service Center Objectives:

Succession Planning

Expected Results:

Evaluate and ensure all existing positions have support and requirements necessary in the event of personnel change

Service Center Objectives:

Implementation of detailed concessions reporting and analysis

Expected Results:

Monthly reporting of sales and other related information to track trends.

MINNEAPOLIS/ ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: PURCHASING

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	276,459	294,479	311,987	17,508	5.95%
Administrative Expenses	68,990	41,250	41,100	-150	-0.36%
Professional Services	0	1,000	1,000	0	0.00%
Operating Services/Expenses	3,645	4,600	8,500	3,900	84.78%
Maintenance	0	0	500	500	0.00%
Other	8,849	2,000	5,000	3,000	150.00%
Total Budget	357,943	343,329	368,087	24,758	7.21%

FULL TIME EQUIVALENT SUMMARY

	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	6	6	6	0
Part Time	0	0	0	0
Total:	6	6	6	0

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). Financial planning including but not limited to issuance of all debt, rate development and financial analysis. Purchasing is responsible for the acquisition/ disposal of materials, equipment and supplies.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Personnel:

The increase can be attributed to a headcount transfer from Administrative Services.

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Objective number 6: Publish an annual Purchasing Department report for the Commission

Measurement:

- 1. Better communications with the commission by reporting performance results.

Results:

Did not complete for 2001. However we will have a report of expenditure reductions completed for presentation by the end of January 2002

Percentage Complete: 10%

2001 - Goal:

Objective number 5: Execute at least one contract with the Airport Purchasing Group

Measurement:

- 1. Lower prices using higher volume from several airports 2. Execute addenda to the APG contract if necessary

Results:

Processed bids for airfield lighting but did not execute contracts pending negotiations with the vendors. By-laws and incorporation completed with APG

Percentage Complete: 20%

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Objective number 4: Promote open communications with all departments.

Measurement:

1. Reduce confusion in policy and procedures steps 2. Increase the number of favorable survey results 3. Consistent updates to Intranet to the newsletter, policies, and procedures and calendar 4. Improve customer service by providing more info.

Results:

Held 5 of 6 planned In Touch meetings. Published Purchasing policies and procedures and made them available on the Intranet. We need to implement our news letter ASAP

Percentage Complete: 50%

2001 - Goal:

Objective number 3: Begin to use the internet to distribute bid opportunities to vendors

Measurement:

1. Increase number of bid responses 2. Decrease printing and postage costs. 3. Decrease advertising costs.

Results:

On hold until beta tests of the system are completed at other airport locations. This could be brought into the implementation test phase yet in 2002. We are using the internet via e-bay to sell materials

Percentage Complete: 0%

2001 - Goal:

Objective number 2: Utilize an outside audit firm to review our purchasing card process.

Measurement:

1. Discover any errors, or potential problems associated with any aspect of the commercial card process.

Results:

Deloitte and Touche' audit on hold for budget reasons.

Percentage Complete: 0%

2001 - Goal:

Objective number 1: Produce blanket order report with current data and user friendly that all departments can use.

Measurement:

1. A report all Departments will find user friendly 2. Provide accurate data of all blanket order contracts 3. Reduce the amount paid for goods and services by using blanket order and TGB vendors and fewer non-blanket order vendors.

Results:

Need to complete an accurate list of Blanket orders and their expiration date and put them on the Intranet.

Percentage Complete: 50%

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Develop at least four contracts for the Airport Purchasing Group and conduct regular administration steps that will ensure the quality of those contracts

Expected Results:

Product and administrative cost savings.

Service Center Objectives:

Finalize disposal of personal property policy.

Expected Results:

A. Increase revenue from the sale of items. B standardized disposal process.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Develop an expertise of the utilities industry.

Expected Results:

More efficient methods of using energy at the most efficient cost.

Service Center Objectives:

Promote open communications and sharing of information between all MAC departments

Expected Results:

By educating our departments and keeping communications open, departments will rely on the expertise of the purchasing department to acquire the commodities or service that will meet their need.

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

Plan a regional meeting of airports from the Midwest area.

Expected Results:

Locate cooperative purchasing opportunities.

Service Center Objectives:

Plan and implement a process for departments to enter requisitions at the desk top

Expected Results:

On-line entry and approval with more accountability.

Service Center Objectives:

Refine the emergency preparedness process for the department

Expected Results:

more efficient acquisition process during an emergency

Service Center Objectives:

Provide leadership role with the APE

Expected Results:

Improve efficiencies of purchasing

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MINNEAPOLIS/ ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: INTERNAL AUDIT

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	209,101	302,588	135,369	-167,219	-55.26%
Administrative Expenses	11,224	16,050	8,550	-7,500	-46.73%
Professional Services	93,074	105,280	105,280	0	0.00%
Utilities	994	0	0		
Operating Services/Expenses	138	400	0	-400	-100.00%
Other	2,175	6,000	0	-6,000	-100.00%
Total Budget	316,706	430,318	249,199	-181,119	-42.09%

FULL TIME EQUIVALENT SUMMARY	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	2	4	4	2
Part Time	0	0	0	0
Total:	2	4	4	2

RESPONSIBILITY/FUNCTION

The Internal Audit Department 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

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Personnel:

The decrease in Personnel is due to two positions which are on administrative hold and the elimination of a Temporary Auditor position for 2002.

Administrative Expenses:

Organizational travel restriction limit travel to essential trips. The department travel budget was eliminated for 2002.

Other:

The prior year budget was for office furniture which was purchased in 2001.

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Hire & train Internal Auditors

Measurement:

Continue to improve the airports collections of revenues & reduction of expenses by identifying improper reporting practices & overbillings to MAC.

Results:

The Audit Department has two (2) open auditor positions and will not be able to fill these vacant positions due to MAC's hiring freeze. These two positions represent 50% of the Audit Department's full time employee complement. One auditor was scheduled to start on 9/24/01; however, the future employee withdrew two days prior to his start date due to layoff concerns associated with the 9/11/01 crisis and its financial impact on the airport. The Audit Department will not be able to substitute temporary employees during 2002 due to 100% elimination of temporary employee funding.

Percentage Complete: 0%

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Develop a process to download JDE information utilizing audit software

Measurement:

To identify trends & material financial transactions. Develop informational reports.

Results:

The Audit Department identified billing errors of \$41,248 by developing an alternative method to retrieve specific information from JDE. The Audit Department will continue to work toward developing this alternative method to retrieve other JDE information as audit resources permit.

Percentage Complete: 65%

2001 - Goal:

Establish a quality assurance program for the Internal Audit Department

Measurement:

Internal auditing standards model

Results:

Lack of Audit Department resources has postponed completion of this objective.

Percentage Complete: 25%

2001 - Goal:

Develop, maintain & adjust the annual audit schedule for 2001

Measurement:

Obtain lost revenue & refunds due to improper reporting & overbilling by entities having contracts with MAC.

Results:

The Audit Department has worked on ten (10) audits which resulted in this department identifying \$1,078,034 in unpaid fees due to the MAC. The Audit Department has provided assistance on fifteen (15) reviews at the request of other MAC departments.

Percentage Complete: 75%

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Develop & monitor annual audit schedule

Expected Results:

Increased revenues & decreased costs to MAC

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

Conduct audits & monitor progress of audits

Expected Results:

Reduced costs & potential refunds to MAC

MINNEAPOLIS/ ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: IS

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	653,194	1,197,621	1,041,028	-156,593	-13.08%
Administrative Expenses	-248	106,570	29,335	-77,235	-72.47%
Professional Services	61,223	75,200	250,000	174,800	232.45%
Utilities	6,762	6,700	5,000	-1,700	-25.37%
Operating Services/Expenses	335,372	264,492	272,400	7,908	2.99%
Other	76,140	47,400	25,400	-22,000	-46.41%
Total Budget	1,132,443	1,697,983	1,623,163	-74,820	-4.41%

FULL TIME EQUIVALENT SUMMARY	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	16	18	18	2
Part Time	0	0	0	0
Total:	16	18	18	2

RESPONSIBILITY/FUNCTION

The department provides assistance to all MAC departments in analyzing needs and implementing business solutions that use computer and telecommunications technology. This includes analysis, design, selection, acquisition, installation and support of hardware, software, network and telecommunications technologies.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Personnel:

The decreases in the Personnel budget are due to the elimination of the following budget items: Temporaries and Interns which supplemented department staffing, organizational training, and department training.

Administrative Expenses:

The budget for Administrative Expenses has been adjusted to more closely reflect the projected actual expenditures for 2001. These adjustments include a decrease for supplies and a reduction in the travel budget.

Professional Services:

Consultants service for ongoing projects that previously included in the Capital Budget have been moved to the Operating Budget where they more appropriately belong. These consultant contracts provide for customization of existing software and database support. The balance of the increase is for a Wireless Communications contract for the Lindbergh Terminal. The cost for the wireless communication will be offset by added revenues.

Operating Services/Expenses:

The Operating Services budget has been increased to include all scheduled service agreement renewals for computers and software packages. The 2002 budget reflects IBM's new approach to licensing which requires renewal every three years. The balance of the category budget is a decrease in service agreements for telephones, radios, and other.

Other:

The 2001 budget was for office furniture that was purchased in 2001. Additional furniture was not necessary in 2002.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Develop electronic work flow process

Measurement:

Enable electronic circulation of documents including approval processing

Results:

Not completed. Deferred based on other priorities.

Percentage Complete: 0%

2001 - Goal:

Continue development of MAC Internet and Intranet

Measurement:

Allow interaction including transactions with external, internal customers. Examples: job postings and applications.

Results:

Job postings are on the Intra and Internet sites. Applications can be filled out and emailed to the MAC.

Percentage Complete: 100%

2001 - Goal:

Create and maintain the infrastructure needed to use technology successfully

Measurement:

The preconditions for technology success are in place: standards, communications backbone

Results:

Standards identified and published. Telecomm backbone installed and operational.

Percentage Complete: 100%

2001 - Goal:

Develop and maintain an overall plan for using technology to support the airport system.

Measurement:

Reduced duplication of effort, reduced costs and increased application of technology to priorities established for the airport system.

Results:

Scope established; methods identified; data still being collected and analyzed; technologies still being reviewed.

Percentage Complete: 60%

2001 - Goal:

Strengthen automated financial systems

Measurement:

Staff will be able to use the financial systems to support more of their work without needing to create additional, separate systems.

Results:

JD Edwards structure changes not complete. Requirements for lease management system 50% complete; solution not determined. Automation of utility billings 50% complete.

Percentage Complete: 40%

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Support IS-developed strategic planning system for the 2003 planning cycle.

Expected Results:

Ability to capture results of strategic planning process.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Analyze lease management processes to identify possible improvements as well as ways to use existing information systems.

Expected Results:

Improve management of leases with existing resources: software, staff

Service Center Objectives:

Develop an information technology project review and priority setting process with Senior Staff.

Expected Results:

Clear management decisions about which IT projects should be done and in what order.

Service Center Objectives:

Support IS-developed budget system through the 2003 budget cycle

Expected Results:

Improved budgeting for operations, capital equipment and staffing including three year forecast preparation.

Service Center Objectives:

Enhance Police MAC radio system to provide coverage in dead spaces

Expected Results:

Improve key communications capabilities for public safety, security

Service Center Objectives:

Continue Internet, Intranet, Extranet development in concert with Public Affairs, Human Resources, Airport Development

Expected Results:

Internet site provides info per Public Affairs plans. Intranet site provide employee services per Human Resource plans. Extranet provides construction plans and GIS info and standards per Airport Development plans.

Service Center Objectives:

Develop GIS applications collaboratively among departments using existing resources: software, staff

Expected Results:

New capability to share drawings and map information from a single source for the MAC facilities and campuses.

Service Center Objectives:

Complete upgrades to existing PCs including operating system software to Windows NT, memory

Expected Results:

Preserve existing PCs beyond planned replacement dates for two-thirds of those installed

Service Center Objectives:

Develop information to create a Business Continuity Plan for the MAC

Expected Results:

Documentation and analysis on MAC's key functions and the resources needed to carry them out.

Service Center Objectives:

Install new telephone and voice mail systems including training for MAC staff on system use

Expected Results:

Save money - new telephone system will pay back investment in approximately 13 months.

Service Center Objectives:

Review and revise documentation and procedures for the Information Services department

Expected Results:

Updated documentation and procedures

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Support MAC information technology infrastructure including networks, system software, servers

Expected Results:

Infrastructure is available to support MAC operations

Service Center Objectives:

Support MAC hardware and software

Expected Results:

MAC computers are available for use, and staff are supported in using standard software

Service Center Objectives:

Continue work on the installation of a wireless access infrastructure in the Lindbergh Terminal

Expected Results:

Capability to deliver wireless internet access to MSP passengers in the Lindbergh Terminal

Service Center Objectives:

Explore and implement ways to get more out of the JD Edwards software for the MAC including training for staff

Expected Results:

Better information for MAC staff; increased automation support of jobs

Service Center Objectives:

Conduct regular review and any needed revisions of MAC IS department disaster recovery plan including tests of offsite backup site

Expected Results:

Confirm effective IS disaster recovery plan is in place

Service Center Objectives:

Conduct analysis of Human Resources department information systems needs

Expected Results:

Potentially improved HR processes plus plan for future information systems support as resources are available

Service Center Objectives:

Continue work to support Airport Development department's project administration and management reporting

Expected Results:

Improved financial controls as well as more accurate, timely information on the progress of the 2010 Plan

Service Center Objectives:

Conduct training on SONET technology for IS department staff

Expected Results:

Increased skill in managing key MAC infrastructure

Service Center Objectives:

Develop MAC-wide information technology security policies and obtain Senior Staff and Commission approval

Expected Results:

Established MAC-wide information technology security policies

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

Develop and maintain an overall plan for using technology to support the MAC.

Expected Results:

Effective application of technology to high priority organizational activities.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

Develop and maintain capabilities for gathering and sharing information across the organization.

Expected Results:

Improved organizational performance through better information for decision-making.

Service Center Objectives:

Build organization-wide IS / technology coordination.

Expected Results:

Better use of technology because of better planning and less duplication of effort.

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MINNEAPOLIS/ ST. PAUL METROPOLITAN AIRPORTS COMMISSION

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: MAC GENERAL

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	6,065,667	6,418,937	6,154,178	-264,759	-4.12%
Administrative Expenses	69,416	68,000	69,030	1,030	1.51%
Professional Services	27,150	40,000	34,000	-6,000	-15.00%
Utilities	8,575,478	9,419,110	10,641,651	1,222,541	12.98%
Operating Services/Expenses	1,735,730	1,513,000	1,469,200	-43,800	-2.89%
Maintenance	661,536	541,512	606,835	65,323	12.06%
Other	-1,546,866	-1,373,189	-1,736,913	-363,724	26.49%
Capital Assets	51,027,584	67,442,110	76,517,352	9,075,242	13.46%
Total Budget	66,615,695	84,069,480	93,755,333	9,685,853	11.52%

FULL TIME EQUIVALENT SUMMARY

	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	0	0	0	0
Part Time	0	0	0	0
Total:	0	0	0	0

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Personnel:

The decrease is due to an adjustment to the post retirement fund.

Utilities:

The 2002 budget is based on current activity and rate projections provided by MAC's energy consultant.

Operating Services/Expenses:

The majority of the decrease is due to a revision in MAC's service agreement for copy center services.

Maintenance:

The 2002 budget is based on the approved bid for waste and recycling removal for MAC facilities.

Other:

Reimbursed expenses are estimated to increase \$363,724 or 26.49%. Per the lease agreement the Auto Rental area will reimbursement MAC for a portion of the HUB Tram costs.

Capital Assets:

The depreciation budget is centralized under MAC General. The information provided is based on gross depreciation. The detailed explanation of budget changes due to major projects scheduled to closed in 2001 and 2002 is provided in the expense assumptions section.

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ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET**SERVICE CENTER SUMMARY: OPERATIONS**

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	148,575	159,117	157,607	-1,510	-0.95%
Administrative Expenses	14,732	11,550	5,743	-5,808	-50.28%
Professional Services	0	6,000	0	-6,000	-100.00%
Utilities	52	500	500	0	0.00%
Operating Services/Expenses	450	700	300	-400	-57.14%
Other	461	0	0	0	0.00%
Total Budget	<u>164,270</u>	<u>177,867</u>	<u>164,150</u>	<u>-13,718</u>	<u>-7.71%</u>

FULL TIME EQUIVALENT SUMMARY	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	2	2	2	0
Part Time	0	0	0	0
Total:	<u>2</u>	<u>2</u>	<u>2</u>	<u>0</u>

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.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000**Administrative Expenses:**

Organizational travel restrictions will limit all department travel to essential trips. The department travel budget was eliminated for 2002.

Professional Services:

All Professional Services have been eliminated from the department budget.

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ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET**SERVICE CENTER SUMMARY: ADO - GENERAL**

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	361,722	331,616	316,488	-15,128	-4.56%
Administrative Expenses	65,622	62,025	25,150	-36,875	-59.45%
Professional Services	104,431	107,500	165,250	57,750	53.72%
Utilities	1,405	1,350	2,500	1,150	85.19%
Operating Services/Expenses	16,532	140,860	12,400	-128,460	-91.20%
Maintenance	203,003	100,000	134,000	34,000	34.00%
Other	36,345	9,750	10,000	250	2.56%
Total Budget	789,058	753,101	665,788	-87,313	-11.59%

FULL TIME EQUIVALENT SUMMARY	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	5	5	5	0
Part Time	0	0	0	0
Total:	5	5	5	0

RESPONSIBILITY/FUNCTION

The Airport Directors Office responds to both the operational and maintenance needs of the traveling public, outside agencies, airlines, and tenants. Considered the "landlord" of MSP, Customer service is a key element of this department. Special events and terminal complex activities are coordinated through this office.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000**Personnel:**

The department eliminated overtime and training from the 2002 budget.

Administrative Expenses:

The budget decrease is due to a reduction in travel and the elimination of the update and printing of terminal building brochures.

Professional Services:

The increase is due to inspections, PM maintenance and repairs of the numerous moving walkways, elevators, escalators and Trams at MSP.

Operating Services/Expenses:

The decrease in this category is the result of expenses transferred to a different department (Maintenance). Emergency Response costs decreased because equipment (radios and alert systems) were purchased in 2001 and the annual emergency drill was held in 2001.

Maintenance:

The increase in this category is the result of the canopy snow removal. The department reallocated expense to accommodate the budget increase.

Other:

The increase in this category is the result of monies transferred from Operating Services.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Improve radio frequency coverage in the MN River Valley/State Park area.

Measurement:

Provide uninterrupted radio communications between emergency responders in the event of a disaster in the Minnesota River State Park area.

Results:

Percentage Complete: 0%

2001 - Goal:

Hire a consultant to assist with all aspects of airport emergency planning

Measurement:

To improve the emergency preparedness at MSP which includes written plans, procedures, training, exercises, and emergency notifications.

Results:

Percentage Complete: 0%

2001 - Goal:

Develop the new Emergency Operations Center (EOC)

Measurement:

Have a functional EOC in the event of a large scale emergency that impacts the MAC.

Results:

EOC basically complete and will be used/tested for May exercise.

Percentage Complete: 1%

2001 - Goal:

Develop and conduct the 2001 Airport Disaster Exercise

Measurement:

Test the MAC Airport Emergency Plan with all participants as required by the FAA.

Results:

Exercise delayed to 5/02 due to terrorism. Response by staff to 9/11 was excellent and assured everyone that the airport can respond to disasters on short notice and do an excellent job.

Percentage Complete: 1%

2001 - Goal:

To continue involvement in all airport-wide construction activities to ensure projects are designed and built with the end user and maintainability in mind.

Measurement:

Better facilities would help staff be more efficient at operating & maintaining the infrastructure after it is completed.

Results:

Great success w/ electronic gates(standard specs. derived from end users). Staying involved in all projects. Continuing

Percentage Complete: 0%

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Create a single call point, 24-hour/day Airport Ops Center to respond to concerns of tenants and traveling public for all operational problems/customer concerns.

Expected Results:

The pooling of personnel by various operational departments will provide efficiencies by having one, 24-hour operation to handle all operational problems/customer concerns.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: CONFERENCE CENTER

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	122,118	333,107	291,279	-41,828	-12.56%
Administrative Expenses	10,169	19,145	15,160	-3,985	-20.81%
Professional Services	19,333	0	0	0	0.00%
Operating Services/Expenses	77,391	216,500	108,300	-108,200	-49.98%
Maintenance	719	600	1,200	600	100.00%
Other	1,879	3,525	4,025	500	14.18%
Total Budget	231,608	572,877	419,964	-152,913	-26.69%

FULL TIME EQUIVALENT SUMMARY	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	4	4	4	0
Part Time	1.5	3	3	1.5
Total:	5.5	7	7	0

RESPONSIBILITY/FUNCTION

This department is responsible for two areas: overall management and operation of The Pierson M. Grieve Conference Center and overall management and operation of the Call Center. Each has its own responsibilities and duties.

The conference center is a revenue-generating operation and service for the public, tenants, and MAC use. Because of its location, this department sometimes serves as customer service point of contact for the public.

The Call Center is a service for the public, tenants, and MAC that is responsible for answering the airport general information line, answering the courtesy phones, and paging.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Personnel:

The budget decrease is the result of 1.5 full time equivalent (FTE) positions which are on administrative hold for 2002. These positions were previous approved and budgeted to be filled in 2001.

Operating Services/Expenses:

The changes in security access for the Lindbergh Terminal building has made it very difficult to access the Conference Center. Individuals without boarding passes who require access must either be personally escorted or listed on the daily attendance sheets. The information is provided to one specific check point, which must be used by all customers. Because of these changes the department anticipated that revenue would decrease from the previous year. Subsequent, expense to operate the Conference Center decreased.

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Initiate and coordinate customer service training

Measurement:

Positive customer experience, professional customer orientated personnel, increase ranking of airport

Results:

The Through the Customer's Eyes program was revived in 2001. We used this survey to help track our customer service (through CSAC). This program ceased after 9/11. It is planned to revive the program at a future date. The customer service training is being done through MAC trainers. There has been approximately 170 people who have been trained. The goal is to continue the training in 2002.

Percentage Complete: 40%

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Increase business services/revenue of conference center.

Measurement:

Satisfied - repeat customers, leader in airport conference center industry, and become a profitable and successful business.

Results:

The Conference Center was enjoying a very successful year prior to 9/11. Our projections show that we would have exceeded year 2000's revenue which was \$248,968. We are in the process of seeing our clientele (tenants and external clients) starting to return to the center. Prior to 9/11, I would say this objective was 70% completed.

Percentage Complete: 70%

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Making sure the Call Center staff are informed with current, up-to-date information in a timely manner.

Expected Results:

Call Center will be updated and will be able to supply the most current information to the customer calling the airport general information line or using an airport courtesy phone.

Service Center Objectives:

To restore business to the conference center.

Expected Results:

Clients will find that new security procedures are not difficult; that the conference center is still a convenient place to hold a meeting; as business increases, the center will again become profitable.

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

Establish and maintain a Call Center that provides customer service to the public.

Expected Results:

Positive customer experience when using the services of the Call Center which include: general information, paging, and courtesy phones.

Service Center Objectives:

Establish a partnership with Traveler's Assistance to improve customer service.

Expected Results:

Improve services for the traveling public by learning from the situations TA deals with when helping the traveling public face-to-face. Ability to share information between MAC and TA.

Service Center Objectives:

Increase business services/revenue of conference center.

Expected Results:

Satisfied repeat customers, leader in airport conference center industry, and become a profitable and successful business.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: AIRSIDE OPERATIONS

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	761,253	948,933	843,666	-105,267	-11.09%
Administrative Expenses	84,368	88,500	44,975	-43,525	-49.18%
Professional Services	97,175	168,500	146,500	-22,000	-13.06%
Utilities	7,773	7,000	7,500	500	7.14%
Operating Services/Expenses	6,541	62,500	27,000	-35,500	-56.80%
Maintenance	130	2,000	2,000	0	0.00%
Other	23,532	47,700	26,100	-21,600	-45.28%
Total Budget	980,773	1,325,133	1,097,741	-227,392	-17.16%

FULL TIME EQUIVALENT SUMMARY

	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	12	15	15	3
Part Time	0	0	0	0
Total:	12	15	15	3

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; 2) Participating in the planning, coordination and managing 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 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Personnel:

The Personnel Category has decreased due to the elimination of all temporary positions (Interns) for 2002. In addition, regulatory training was reduced significantly compared to the 2001.

Administrative Expenses:

A limited amount of organizational travel will be authorized in 2002, the department travel budget was eliminated. Printing cost for brochures/training materials was cut by 80%.

Professional Services:

The Professional Services Category has decreased when compared to the 2001 budget.

Utilities:

The increase in the Utilities Category is due to the increased need of cellular phone service by staff.

Operating Services/Expenses:

The Operating Services/Expenses Category has decreased when compared to the 2001 budget. The service agreement for radio repairs was transferred to Telecommunications.

Other:

The budget decrease in Other is due to office furniture which was eliminated from the 2002 budget.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Airport Self-inspection Program - Establish a comprehensive airfield safety inspection program providing 7-day/16-hour airfield coverage while maintaining 7/24 office coverage.

Measurement:

7/16 inspections to maintain airfield safety during construction and thereafter with a 33% increase in movement area surfaces. FAR Part 139 response changed from reactive to proactive. 7/24 office coverage will enhance tenant/customer service.

Results:

Loss of graduate intern impacting office coverage percentages.

Percentage Complete: 90%

2001 - Goal:

Collaborative Decision Making -- Participate in the existing joint government/industry initiative aimed at improving traffic flow with collaborative technologies and procedures.

Measurement:

Better management of traffic flow at MSP through increased communication with NWA SOC and MSP FAA ATCT, possibly resulting in greater dollar savings to the airlines through a reduction of aircraft/passenger delays at MSP as a result of runway closures.

Results:

ON HOLD. No funding was allocated for FY 2001.

Percentage Complete: 0%

2001 - Goal:

Driving Simulator -- Integrate a virtual reality driving simulator system into the airport drivers training program.

Measurement:

Increased SAFETY, efficiency and productivity through more thorough and enhanced training. Reduced training, personnel and equipment costs.

Results:

Staff has entered into a contract with the vendor, ETC, to develop the MSP Driving Simulator. Barring any major construction or funding delays, the project is expected to be completed by 5/1/02.

Percentage Complete: 60%

2001 - Goal:

Drivers Licensing -- Implement an administrative licensing and enforcement system and center for all persons required to operate a vehicle on the airport.

Measurement:

The creation of a Drivers Licensing Center and the licensing and tracking of 15,000 - 18,000 drivers at MSP.

Results:

ON HOLD. Staff has designed and proposed an administrative licensing and enforcement system as well as a Drivers' Training Center. Due to funding shortfalls, the project has been placed on hold until at least 2003.

Percentage Complete: 25%

2001 - Goal:

Drivers Training -- Develop a comprehensive training program for all persons required to operate a vehicle on the airport, as required by FAR Part 139 regulations.

Measurement:

Reduction of Movement Area surface incidents by 50% of the 1999 level.

Results:

ON HOLD. This goal was an integral part of the Drivers' Licensing Objective. Staff will continue to develop the training program, but will be unable to complete this goal due to lack of funding and staffing resources. Due to these shortfalls, the project has been placed on hold until at least 2003.

Percentage Complete: 25%

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET**2001 GOALS AND OBJECTIVES - PROGRESS REPORT****2001 - Goal:**

Airport Disaster Exercise -- Develop a full-scale disaster exercise for the fall of 2001 per requirements in FAR Part 139 regulations.

Measurement:

Participation in the federally required exercise by all appropriate MAC department and mutual aid agencies.

Results:

Planning and development were nearly completed by September 11, 2001. After the terrorist attacks, the exercise was postponed. Rescheduled for May 9, 2002.

Percentage Complete: 90%

2001 - Goal:

Airside Operations 2003 Plan -- Identify new and/or expanded Airside Operations duties associated with runway 17-35 development. Identify staffing, facilities and equipment needs prior to the commissioning of new airside facilities in 2003.

Measurement:

Propose an operational plan to the Airport Director by the end of 2000. Prepare implementation plan in 2001.

Results:

Operational plan was prepared. Implementation plan has been delayed for six months due to the delay in expected opening of runway 17/35.

Percentage Complete: 50%

2001 - Goal:

Surface Friction Testing -- Procure replacement continuous friction measuring device and implement comprehensive pavement evaluation program based on FAA Advisory Circular criteria.

Measurement:

Have available a state-of-the-art and reliable friction measuring device, relegating 10-year old equipment to back-up status. Reduce excessively high costs for parts and maintenance on existing equipment.

Results:

Completed.

Percentage Complete: 100%

2001 - Goal:

Construction Planning -- Participate in the planning and implementation of airside construction projects included in the MAC 2010 Plan including runway 17-35 development, de-ice facilities, green concourse extension and regional aircraft facilities.

Measurement:

Provide proactive operation/safety input into construction projects to eliminate the need to change or alter facilities post-construction.

Results:

Completed.

Percentage Complete: 100%

2001 - Goal:

Airport Systems Control Center -Participate in Identifying a physical location to house a 24-hour central monitoring / airports systems control facility and tenant/customer service center.

Measurement:

Determine location and allocate CIP funds for construction of core facility. Establish multi-departmental task force to determine operational parameters, staffing needs and design of physical plant.

Results:

First phase to relocate customer information assistants to Comm/Ops deferred. Office reconfiguration required prior to move; funds not available.

Percentage Complete: 20%

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Foreign Object Debris (FOD) prevention - - Establish and implement an MSP FOD prevention program

Expected Results:

Reduce aircraft engine damage, reduce taxiway and runway downtime to remove FOD, and increase safety for customers

Service Center Objectives:

Conduct bi-monthly small-scale emergency exercises.

Expected Results:

Test the functional annexes of the MAC Airport Emergency Plan (AEP).

Service Center Objectives:

Provide Emergency Response Training for MAC Police, Fire, Airside Operations, Field Maintenance and Communications Departments.

Expected Results:

All of the departments identified will be able to respond to incidents and use the incident command structure for managing emergency response.

Service Center Objectives:

Driving Simulator -- Continue with the integration of the MSP Driving Simulator System into the MSP Drivers' Training Program.

Expected Results:

The use of the driving simulator as part of the Movement Area Training Program.

Service Center Objectives:

Drivers' Training -- Continue with the implementation and administration of a comprehensive training program for all persons required to operate a vehicle on the airport, as required by FAR Part 139.

Expected Results:

Training programs that meet the needs of all airport drivers so that they can meet the requirements of the MSP Drivers' Licensing Program.

Service Center Objectives:

Drivers' Licensing -- Continue with the implementation of an administrative licensing, enforcement and appeals program for all drivers required to operate a vehicle on the airport.

Expected Results:

A comprehensive system that provides authorization, rules and consequences for non-compliance for all drivers on the on the airport.

Service Center Objectives:

Ft. Snelling National Cemetery Wildlife Management Program -- Manage the administration and implementation of the Ft. Snelling National Cemetery Wildlife Management Program.

Expected Results:

The development of a collaborative attitude and effort between the MAC and the Cemetery in reducing wildlife hazards to air operations at MSP, posed by wildlife at the Cemetery.

Service Center Objectives:

2002 Airport Construction Information -- Disseminate to the community and airport users operational impacts associated with 2002 construction.

Expected Results:

Provide the community with projected runway use associated with a shortened runway 04-22. Advertise airport restrictions to air carrier flight operations departments to facilitate load planning and eliminate last-minute changes and flight delays.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Airport Operations Control (interim) Facility -- Provide increased tenant/customer service by relocating customer information assistants to the Airside Operations center. Funds needed for reconfiguration of airside office.

Expected Results:

Operate an interim AOC in the current Airside office. AOC personnel will monitor airport systems, answer the main airport telephone line, provide customer service/information, initiate terminal pages and process facilities service calls.

Service Center Objectives:

FAR Part 139 Training -- Establish a recurrent airfield regulations training and review program for Airside personnel.

Expected Results:

Have in place training procedures and record keeping in advance of proposed requirements defined in the draft revision of FAR Part 139 -- Certification and Operation of Air Carrier Airports.

Service Center Objectives:

Regional Aircraft Ground Movement -- Facilitate discussions between regional carriers, air traffic control and the MAC to establish procedures delegating control and responsibility for aircraft movement in a ramp area to the regional carriers.

Expected Results:

Initiate procedures for the safe and efficient movement of aircraft in and out of the ramp adjacent to the A and B concourses. Establish a blueprint for future 'ramp control' operations at other MSP ramp locations.

Service Center Objectives:

Runway Incursion Prevention / SMGCS -- Install above ground runway guard lights at all taxiway intersections with runway 12R-30L.

Expected Results:

The installation and activation of runway guard lights along runway 12R-30L to warn aircraft and vehicles they are approaching a runway environment. Designed for low-visibility operations, continuous operation planned to prevent runway incursions.

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

MSP Bald Eagle Study -- Oversee the implementation of the study and control of Bald Eagles in the vicinity of MSP.

Expected Results:

Provide information and recommendations that will lead to good management of Bald Eagles around MSP in order to provide a safer environment for aircraft operations.

Service Center Objectives:

Runway 17-35 Operations -- Evaluate procedures for safe and efficient movement of aircraft and vehicles on new airport surfaces associated with runway 17-35 development.

Expected Results:

Assign taxiway identification in a logical manner and provide adequate signage. Identify low-visibility procedures. Identify vehicle control procedures and install pavement markings to protect the runway/taxiway environment and prevent incursions.

Service Center Objectives:

Aircraft Deicing -- Identify ultimate MSP deicing operations and procedures, taking into consideration operational safety and environmental factors.

Expected Results:

Evaluate deicing options available with the completion of all five dedicated MSP deice pads: 1) continue current 'off-gate' deicing to augment deice pads, 2) mandate deice pad only operations, 3) consortium deicing, 4) other

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

Airport Operations Control (AOC) Facility -- Establish a facility to monitor airport systems and serve as a 24/7 MAC point of contact for tenants and customers.

Expected Results:

Define scope and responsibilities of an AOC facility. Construct the physical facility and furnish with appropriate furnishings, fixtures and equipment. Assign/hire appropriate personnel. Initiate service.

Service Center Objectives:

Vehicle Registration -- Develop an administrative program which will approve, identify and track vehicles authorized to operate on the ADA per the MSP Drivers' Licensing Program

Expected Results:

1. MAC will be able to approve and authorize vehicle usage for all vehicles operating on the AOA.
 2. Along with Airside Safety needs, this program will meet the liability and security needs and requirements of Risk Management and Airport Police.
-

Service Center Objectives:

Implement program for using the NASA Future Flight Central technology to simulate operations on new airfield infrastructure.

Expected Results:

Reduce delays by establishing efficient and safe operation procedures in a virtual environment, prior to activating new runways, taxiways and ramps at MSP.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: COMMUNICATIONS

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	603,634	716,990	688,432	-28,558	-3.98%
Administrative Expenses	18,522	14,158	11,595	-2,563	-18.10%
Professional Services	0	26,000	13,000	-13,000	-50.00%
Utilities	783	750	950	200	26.67%
Operating Services/Expenses	5,603	22,100	17,791	-4,309	-19.50%
Maintenance	240	0	0	0	0.00%
Other	18,904	9,156	8,314	-842	-9.20%
Total Budget	647,686	789,154	740,082	-49,072	-6.22%

FULL TIME EQUIVALENT SUMMARY

	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	14	14	14	0
Part Time	0	0	0	0
Total:	14	14	14	0

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Personnel:

The budget decrease is due to the elimination of the temporary position. The position supplemented the department staff during vacations and worked on several special projects.

Professional Services:

The Professional Services budget was cut 50% for 2002. Special projects related to the department goals and objective were postponed.

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Staff development and certification. Each Communications Coordinator to take on- line interactive course certification from APCO Basic Telecommunication course.

Measurement:

Each Coordinator certified as APCO Telecommunication.

Results:

Money was not available for entire staff to do this, however 3 staff members took on-line training class, supervisor took class, as well as 2 new employees taking basic course.

Percentage Complete: 30%

2001 - Goal:

Continuation of Dialogic emergency notification system development.

Measurement:

Improved capabilities for alpha numeric pagers and message sending and retrieval. Enhanced Airport Emergency notification process.

Results:

New system called Alert Cast was implemented instead of upgrading the Dialogic system. System has been tested and is up and running.

Percentage Complete: 75%

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Continue development of time synchronization capabilities.

Measurement:

Times on all operating systems with in Communications Center synchronized to existing Spectracom W.W.V.B equipment.

Results:

This project will be included in the new phone system that will be installed in 2002.

Percentage Complete: 20%

2001 - Goal:

Continue development of Logging Recorder capabilities

Measurement:

Add Teac software to MACNET on a limited basis.

Results:

Unable to complete this project at this time. Funds not available.

Percentage Complete: 0%

2001 - Goal:

Procure upgraded telephone and intercom system

Measurement:

Improved ability for existing staff to effectively manage call load during daily operation as well as emergency situations.

Results:

Enhanced phone system was started in December and carried over to next year. New system was defined.

Percentage Complete: 20%

2001 - Goal:

Continue Development of departmental policy procedures and training standards

Measurement:

Operating consistency and reduction of liability

Results:

Due to staff shortages and need for department management to be redefined, this only got started at the end of the year.

Percentage Complete: 10%

2001 - Goal:

Expansion of existing space, addition or move to new location

Measurement:

Placement of systems and workstations determined by function and operational efficiency.

Results:

Rearranged work stations. Added two offices, did not increase main work area or other areas.

Percentage Complete: 20%

2001 - Goal:

Meet needs of existing projects which resulted in added devices, doors, detectors, elevators, escalators, moving sidewalks and security checkpoints.

Measurement:

Separate specific tasks to designated staff during peak hours of operation. To maintain existing level of service to Public Safety and the Airport Community.

Results:

Positions were not broken out, unable to increase headcount. Additional work stations were not added. Did reposition existing work stations.

Percentage Complete: 10%

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Tenant education campaign to address use of 911 and security checkpoint procedures.

Expected Results:

Airport community receives knowledge of how to use existing reporting systems. Tenant keyholder database is kept current. Police & fire resources used effectively. Improves communications center's ability to handle incidents.

Service Center Objectives:

Develop departmental leadership strategies

Expected Results:

Development of creating a better workplace & meet needs of staff. As department gets busier, there is a need to have a contact person on shift to handle immediate issues & problems that arise. Lead will make decisions in the absence of manager & suprv.

Service Center Objectives:

Further development of training program, in house only.

Expected Results:

Improved, updated training manual. Reduction of liability. Continued improvement in computer use. Improved communication with police & fire. Improved documentation of dept. training activities. Consistency with all personal receiving same information

Service Center Objectives:

Mapping integration. Further develop CAD and/or phone system to integrate mapping capabilities.

Expected Results:

Comply with Phase II wireless regulations (FCC 94-102) that mandate PSAP's to provide mapping for wireless carrier locations. Ability to track wireless 911 calls and locate callers easier, therefore increasing their safety.

Service Center Objectives:

Continue development and revision of communications policy manual.

Expected Results:

Operating consistency, reduction of liability. Standard operating guidelines will require updates and changes according to operating needs.

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

Back up emergency dispatch center

Expected Results:

Provide uninterrupted service to airport community. Reduction of liability in the event a major element of existing communication system were to be destroyed or rendered inoperative due to crash or other natural disaster.

Service Center Objectives:

Further development of data base sharing.

Expected Results:

Improved customer service and ordinance enforcement. Information more readily available after hours.

Service Center Objectives:

Reorganization of communications center tasking. Separate alarm monitoring function.

Expected Results:

Sufficient support for public safety departments. Provide excellent customer service while also concentrating on various alarm monitoring systems.

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

Evaluate department staffing and equipment needs for the next five years.

Expected Results:

Meet needs of department staffing and equipment. Document effects of growth, light rail, and increase in alarm monitoring capabilities. Increase staffing and equipment as needed.

Service Center Objectives:

Expand space for communications department needs. Current space is insufficient to accommodate equipment and staffing.

Expected Results:

New facility able to meet current and future department needs.

Service Center Objectives:

Development of back up emergency dispatch center

Expected Results:

Reduction of liability in the event a major element of existing communications system were to be destroyed or rendered inoperative due to a crash or other natural disaster. Ability to continue to provide service to airport community.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: LANDSIDE-OPERATIONS

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	22,611	0	0	0	0.00%
Administrative Expenses	1,312	89,500	100,000	10,500	11.73%
Professional Services	98,217	95,000	15,000	-80,000	-84.21%
Utilities	269	0	0	0	0.00%
Operating Services/Expenses	298,386	380,000	296,500	-83,500	-21.97%
Maintenance	38,419	24,782	57,782	33,000	133.16%
Other	8,638	2,400	0	-2,400	-100.00%
Total Budget	467,853	591,682	469,282	-122,400	-20.69%

FULL TIME EQUIVALENT SUMMARY

	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	0	0	0	0
Part Time	0	0	0	0
Total:	0	0	0	0

RESPONSIBILITY/FUNCTION

This area is responsible for management oversight of all public parking facilities which are expected to produce \$50 million in parking fees in 2001, employee parking facilities, ground transportation, commercial vehicle access, taxicab permitting, taxi driver licensing, and contracted shuttle bus services. This involves dealing with 4,500 airport employees, 400 taxicab owners, 900 taxicab drivers, 150 commercial vehicle operators and 15,100 public parking spaces. Three other major areas of involvement are: 1. monitoring the efficient usage of the in-bound and out-bound roadways, 2. the activation and efficient usage of the Transit Hub, and 3. design, construction and activation of the two Humphrey parking ramps.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Administrative Expenses:

The MAC ordinance which governs taxicab procedures has been changed annually by Commission action. Updated brochures are printed and distributed to all taxicab operators.

Professional Services:

The department has completed a substantial portion of the revenue control system that manages taxicabs and parking revenue. The final phase of the project should be complete by the second quarter of 2002. The expense for system development were reduced accordingly.

Operating Services/Expenses:

New AV ID readers/controllers were purchased in 2001. The budget for 2002 is for tag replacement as needed.

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ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET**SERVICE CENTER SUMMARY: LANDSIDE-PARKING**

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Administrative Expenses	2,630	5,100	5,100	0	0.00%
Professional Services	26,075	77,740	13,000	-64,740	-83.28%
Operating Services/Expenses	8,156,641	9,277,726	8,490,236	-787,490	-8.49%
Maintenance	4,295	42,960	55,000	12,040	28.03%
Other	19,586	0	0	0	0.00%
Total Budget	8,209,227	9,403,526	8,563,336	-840,190	-8.93%

FULL TIME EQUIVALENT SUMMARY	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	0	0	0	0
Part Time	0	0	0	0
Total:	0	0	0	0

RESPONSIBILITY/FUNCTION

This area is responsible for management oversight of all public parking facilities which are expected to produce \$50 million in parking fees in 2001, employee parking facilities, ground transportation, commercial vehicle access, taxicab permitting, taxi driver licensing, and contracted shuttle bus services. This involves dealing with 4,500 airport employees, 400 taxicab owners, 900 taxicab drivers, 150 commercial vehicle operators and 15,100 public parking spaces. Three other major areas of involvement are: 1. monitoring the efficient usage of the in-bound and out-bound roadways, 2. the activation and efficient usage of the Transit Hub, and 3. design, construction and activation of the two Humphrey parking ramps.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000**Professional Services:**

The 2001 budget included additional funds for engineering fees and miscellaneous expenses associated with the MAC parking structure. Any additional consulting service will be budget by Airport Development.

Operating Services/Expenses:

The Landside department has made a change in the shuttle bus route which will result in a decrease in costs. In addition, The agreement with APCOA, the parking management firm, stipulates that all personnel an operating costs are reimbursable expenses. The decrease in parking facility utilization has reduced the number of exit booths which need to be open during off peak hours of operation.

Maintenance:

The budget increase is for the replacement of 14,000 lost/damaged employee parking cards.

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ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: LANDSIDE-ADMINISTRATION

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	1,039,188	1,444,339	1,108,506	-335,833	-23.25%
Administrative Expenses	41,794	49,593	43,648	-5,945	-11.99%
Professional Services	0	2,000	2,000	0	0.00%
Utilities	3,146	3,000	3,000	0	0.00%
Operating Services/Expenses	11,342	13,736	9,436	-4,300	-31.30%
Other	13,108	15,808	10,808	-5,000	-31.63%
Total Budget	1,108,579	1,528,476	1,177,398	-351,078	-22.97%

FULL TIME EQUIVALENT SUMMARY	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	24	26	26	1
Part Time	2.5	2.5	2.5	0
Total:	26.5	28.5	28.5	1

RESPONSIBILITY/FUNCTION

This area is responsible for management oversight of all public parking facilities which are expected to produce \$50 million in parking fees in 2001, employee parking facilities, ground transportation, commercial vehicle access, taxicab permitting, taxi driver licensing, and contracted shuttle bus services. This involves dealing with 4,500 airport employees, 400 taxicab owners, 900 taxicab drivers, 150 commercial vehicle operators and 15,100 public parking spaces. Three other major areas of involvement are: 1. monitoring the efficient usage of the in-bound and out-bound roadways, 2. the activation and efficient usage of the Transit Hub, and 3. design, construction and activation of the two Humphrey parking ramps.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Personnel:

The majority of the budget decrease in the Personnel category is due to salary reduction for position which were placed on administrative hold for 2002. These positions will not be filled in 2002. The remaining balance of the budget decrease is due to a elimination of temporary, Summer Interns, positions for 2002.

Administrative Expenses:

Organizational travel will be restricted to essential trips for 2002, the department budget was reduced accordingly.

Other:

The budget for office furniture that was purchased 2001 was cut from 2002.

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Contract a shuttle service to replace the tram during scheduled insertion of two additional trams and supplement tram service during peak traffic periods.

Measurement:

Passenger movements to and from the Blue and Red parking ramps and the Auto Rental Facility to the Lindbergh Terminal will continue to flow smoothly during tram scheduled down times.

Results:

All expected results were met.

Percentage Complete: 0%

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Design and equip the commercial vehicle holding lot for use.

Measurement:

Re-configure the temporary South Post Road Employee Parking lot for commercial vehicle staging. Provide an adequate staging area for commercial vehicles including shared ride vehicles to avoid vehicles parking on road shoulders.

Results:

This lot was converted into the Humphrey Employee Parking Lot instead to meet a more critical demand.

Percentage Complete: 0%

2001 - Goal:

Provide Passenger Service Assistants to staff the information booth in the Transit Hub and one additional part-time PSA at the GTC information booth.

Measurement:

The PSAs will provide the traveling public with necessary information to guide them to the services and/or tenants they need throughout the airport. Also, PSAs will provide the traveling public with transportation information and parking assistance.

Results:

Objective was successfully accomplished.

Percentage Complete: 0%

2001 - Goal:

Provide taxi starter service at the new Humphrey Terminal.

Measurement:

Humphrey passengers utilizing taxis will receive consistent taxi service that complies with Ordinance 81.

Results:

Accomplished. Currently service is provided on an "as-needed" basis due to flight operation reductions.

Percentage Complete: 0%

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Provide information services in the Transit Hub.

Expected Results:

Get maximum usage of the new transit hub facility. Customers arriving at the airport will receive directions to their flight and persons arriving at the transit hub will receive information relating to their ground transportation options.

Service Center Objectives:

Add AVI access and controls to public parking.

Expected Results:

Market parking to corporate customers and improve convenience.

Service Center Objectives:

Automate commercial vehicle operations at the Humphrey Terminal.

Expected Results:

Manage commercial vehicle traffic while increasing revenues and reducing congestion.

Service Center Objectives:

Implement the revised taxi Ordinance.

Expected Results:

Improve the service received by taxi passengers.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

Convert the Employee Parking Lots on Post Road to Commercial Vehicle lots.

Expected Results:

More efficient commercial vehicle holding parking. Less congestion in front of the terminal as non-taxi commercial operators wait in holding versus waiting in the commercial lanes.

Service Center Objectives:

Move employee parkers from the Post Road lots to the new Humphrey ramp.

Expected Results:

Decreased shuttle expenses and total employee parking spaces increase.

Service Center Objectives:

Re-bid the maintenance and support contract for the parking revenue control system.

Expected Results:

Assure 24x7 operation of parking revenue control systems and peripherals. Facilitate the timely movement of parking patrons and accurate collections and reporting of parking revenues.

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ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: FIRE - RESCUE

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	2,344,819	2,412,215	2,620,258	208,043	8.62%
Administrative Expenses	30,750	30,320	19,820	-10,500	-34.63%
Professional Services	7,652	13,100	10,900	-2,200	-16.79%
Utilities	3,235	3,020	8,800	5,780	191.39%
Operating Services/Expenses	28,195	22,253	14,000	-8,253	-37.09%
Maintenance	3,102	4,948	3,900	-1,048	-21.18%
Other	75,507	145,710	122,325	-23,385	-16.05%
Total Budget	2,493,261	2,631,566	2,800,003	168,437	6.40%

FULL TIME EQUIVALENT SUMMARY

	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	45	46	46	0
Part Time	0	0	0	0
Total:	45	46	46	0

RESPONSIBILITY/FUNCTION

To provide high quality fire protection and emergency medical services to all our customers at MSP.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Personnel:

The budget increase is a result of a full-year compared to a practical year of salary/wages for new hires approved and hired in 2001. In addition the union contract increase for 2001 was greater than projected in the 2001 budget. The 2002 budget reflects a full-year of salary/wages at the current contract values.

Administrative Expenses:

The decrease is due to office supplies, travel, and information sources.

- Office supplies were reduced 25% based on prior year spending.
- Organizational travel is restricted to the minimum required. The department reduced a portion of the travel budget. The remaining budget is for regulatory requirements.
- The budget for information sources has been reduced based on prior year spending.

Utilities:

The Fire department is changing the type of communication equipment necessary during emergency operations when VHF radios do not work. The 2002 budget is for the equipment cost and monthly service fee.

Operating Services/Expenses:

The budgets for employee recognition and fire awareness event were eliminated from the 2002 budget.

Other:

The budget reduction is in fire alarm equipment/supplies and miscellaneous emergency response equipment. The 2002 budget is comparable to actual costs for 2001.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Purchase a mobile propane portable fire extinguisher training unit.

Measurement:

This would provide a safer training environment for all of our students attending a fire extinguisher class. This would also be much more protective of the environment overall.

Results:

Cut from 2001 Budget as we were unable to locate a unit that would meet our needs

Percentage Complete: 0%

2001 - Goal:

Transition all training programs to performance based programs.

Measurement:

This will help insure skill mastery for all department personnel in the majority of skills necessary for fire-fighting and rescue operations

Results:

Will be completed by mid 2002

Percentage Complete: 50%

2001 - Goal:

Train all Department personnel to the Hazardous Materials Technician level

Measurement:

Improved understanding of hazardous materials and an improved skill level in dealing with emergencies involving petroleum products.

Results:

On-going, six department personnel are currently in training

Percentage Complete: 25%

2001 - Goal:

Continue work on planning for the new ARFF Facilities, one main station and one satellite.

Measurement:

When both new stations are in operation our goal is to have a two minute drive time to the ends of all runways. This means at least one ARFF vehicle will be able to reach the end of any runway within two minutes (drive time).

Results:

Budget cuts have delayed the project at least until 2003

Percentage Complete: 40%

2001 - Goal:

Implement program to use on-duty personnel as Fire Inspectors.

Measurement:

Bi-annual inspections of all buildings and facilities at MSP, Increased inspections of fueling operations and fuel storage facilities.

Results:

Inspectors still need to complete the Fire Inspector 1 Certification process

Percentage Complete: 90%

2001 - Goal:

Conduct research into EMS delivery here at MSP

Measurement:

A full analysis of our current system looking for ways to make improvements or changes in the current system with a goal of providing the best service to the Airport Community

Results:

This process is ongoing but should be fully completed by 12/31/02

Percentage Complete: 50%

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET**2001 GOALS AND OBJECTIVES - PROGRESS REPORT****2001 - Goal:**

Purchase a 4X4 pick up truck

Measurement:

This vehicle would be used to transport personnel and equipment to and from emergency scenes. To tow any of the three department trailers cob, disaster or the airboat. The vehicle would also be used by the on-duty shift fire inspectors.

Results:

Percentage Complete: 100%

2001 - Goal:

Purchase replacement ARFF vehicle for Res #7 a T-3000 Oshkosh

Measurement:

Improved ARFF vehicle performance in overall operations and also in safety. The vehicle was originally purchased in 1986 and will have been in service for 15 years in 2001.

Results:

Unable to complete due to budget cuts. This will be a problem in future years as two or three vehicles will need replacement in the same budget year. The Fire Department is looking at other funding sources

Percentage Complete: 0%

2001 - Goal:

Increase minimum on-duty staffing to 11

Measurement:

This will provide enough personnel on-duty to better respond to ARFF, EMS and structural calls. Theses additional personnel allow for a more aggressive approach to fire-fighting operations while still maintaining our ARFF FAR 139 requirements.

Results:

Completed

Percentage Complete: 100%

2002 GOALS AND OBJECTIVES**Service Center Objectives:**

Install automatic external defibrillators throughout the terminal complex, HHH Terminal and all other MAC Facilities.

Expected Results:

The ability to deliver a life saving shock to victims of sudden cardiac arrest with-in one or two minutes.

Service Center Objectives:

Mandatory physical fitness program for all employees

Expected Results:

Improved fitness will improve overall job performance and long term health and wellness for department personnel. This will allow us to meet the OSHA requirements for medical exams and the NFPA standards.

Service Center Objectives:

Develop a program to use current employees as instructors conducting a number of training activities while on-duty for their assigned shifts.

Expected Results:

Improved training sessions with employees more involved in actual training presentations and evaluations.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Continue work on the New Main Fire Station design while moving ahead with planning for the relocation of the satellite station.

Expected Results:

Well planned facilities able to meet our needs for the next 25 + years

Service Center Objectives:

Improve inspection activities reporting and documentation.

Expected Results:

Provide monthly reports to the Chief showing the departments inspection activities. Provide the same information for the departments quarterly and annual reports.

Service Center Objectives:

Improve Documentation of Department training activities.

Expected Results:

Provide monthly reports to the Chief showing department and individual training activities. In addition provide the same information for the departments quarterly and annual reports.

Service Center Objectives:

Continue to move all department training to performance based training. Also provide written goals, objectives and lesson plans for all training sessions.

Expected Results:

Improved training with all personnel receiving the same information and being tested and evaluated by the same criteria.

Service Center Objectives:

Complete the IFSAC ARFF Certification for all uniformed personnel

Expected Results:

All personnel would have met the minimum standards for certification and have successfully completed the written and practical exams.

Service Center Objectives:

Increase minimum staffing level to 12 personnel on-duty

Expected Results:

Improved response capability in all areas ARFF, structural, emergency medical services and hazardous materials

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

Evaluate department staffing and equipment needs for the next five years 2005-2010.

Expected Results:

Detailed analysis of department staffing and equipment needs over the next four years. With a written report presented to Director of Public Safety.

Service Center Objectives:

Develop specifications for five pieces of fire apparatus a foam tanker, aerial, pumper, airboat and airstairs.

Expected Results:

High levels of employee involvement in the specification development has led to better overall equipment design and performance. The goal is to develop specifications that will meet our needs for the full life of the vehicle.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

Secure property for our satellite fire station.

Expected Results:

Working with the Air Force and MN ANG secure property allowing the construction of a fire station in 2005-2010

Service Center Objectives:

Increase minimum on-duty staffing to 15 personnel by 2005.

Expected Results:

Improved overall response capability here at MSP

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ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: POLICE - ADMIN/TRAINING

	2000 Actual	2001 Budget	2002 Budget	\$ Variance	% Variance
Personnel	4,491,562	4,565,220	5,372,508	807,288	17.68%
Administrative Expenses	120,548	200,615	141,300	-59,315	-29.57%
Professional Services	53,141	32,700	28,100	-4,600	-14.07%
Utilities	5,110	12,700	7,500	-5,200	-40.94%
Operating Services/Expenses	300,036	497,940	1,139,700	641,760	128.88%
Maintenance	52,591	67,200	83,500	16,300	24.26%
Other	66,894	53,490	53,690	200	0.37%
Total Budget	5,089,883	5,429,865	6,826,298	1,396,433	25.72%

FULL TIME EQUIVALENT SUMMARY

	2001 Actual	2001 Budget	2002 Budget	2002 On Hold
Full Time	92	94	115	0
Part Time	2	1.5	1.5	0
Total:	94	95.5	116.5	0

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 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Personnel:

The increase in the Personnel category is due to the following:

- The security mandates for increased presence and the elimination of curbside dwell time will require MAC to hire additional Police Officer (10) and Community Service Officers (11). Based on the anticipated hire date, a proportionate share of wages for 2002 was included in the budget.

- During the 2001 budget process, MAC was still in the process of negotiating the union contract for the Police department. Projected contract increases used in the 2001 budget, based on conservative estimates for wage adjustments, were less than the actual contract values. In addition, all new hires for 2001 were only budgeted at a partial year salary and wage. The 2002 budget reflects a full-year of salary and wage at the updated contract values.

Administrative Expenses:

The 2001 budget included the expense for rebadging the entire Airport. Approximately 30% of the budget for badging supplies was cut from the 2002 budget. The remaining budget reflects the anticipated cost of an additional re-validation of the Airport per the FAA's request. The greatest portion of the remaining budget decrease is due to travel. Because of the restrictions on organizational travel, the department travel budget was reduced for 2002.

Operating Services/Expenses:

The federal requirement for perimeter security of the airfield will require MAC to set up security check points that operate 24 hour a day/ seven days a week. The additional expense to will increase the budget approximately \$650,000.

Maintenance:

The close circuit television system warranty for the cameras/equipment expired year-end 2001. The budget for 2002 represents potential costs for repairs and replacement.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Develop customer service program involving entire police department

Measurement:

Improved working relationships with the airport community and within the department

Results:

Police Department employees attended MAC Customer Service Training. Monthly meetings occurred with air carriers until 9/11 when they became more frequent.

Percentage Complete: 75%

2001 - Goal:

Provide adequate staffing levels to meet requirements placed on department by FAA and increased demands for service from the airport community and traveling public

Measurement:

Timely response to calls for service, proactive patrol and crime prevention

Results:

The bike patrol program has been implemented with great success. Increased patrols of concourses and the AOA has allowed for an increase in uniform presence and positive contacts with the public.

Percentage Complete: 90%

2001 - Goal:

Increase security check interaction with tenants and air carriers

Measurement:

Enhanced security awareness and accountability for/with tenants and air carriers

Results:

Through the use of Operation SCAN and security checks along with contacts ensures compliance with rules and regulations along with building a level of trust with the tenants.

Percentage Complete: 80%

2001 - Goal:

Provide SIDA Training for entire airport

Measurement:

Enhanced security awareness from presentation of consistent message delivered by one training source-Airport Police

Results:

Has not been completed but is still very much a goal that would enhance security at MSP.

Percentage Complete: 0%

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Increased security check interaction with tenants and air carriers

Expected Results:

Enhanced security awareness and accountability

Service Center Objectives:

Update and implement Civil Aviation Mandates

Expected Results:

Enhanced security awareness and accountability

Service Center Objectives:

Provide initial and recurrent training for SIDA badge holders and security training for non-SIDA badge holders

Expected Results:

Enhanced security awareness from one presentation source-Airport Police

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Provide adequate staffing levels to meet requirements placed on department by FAA and increased demands for service from the airport community and traveling public

Expected Results:

Timely response to calls for service, proactive patrol, crime prevention, and meeting regulatory requirements

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

Update and implement Civil Aviation Mandates

Expected Results:

Enhanced security awareness and accountability

Service Center Objectives:

Provide adequate staffing levels to meet requirements placed on department by FAA and increased demands for service from the airport community and traveling public

Expected Results:

Timely response to calls for service, proactive patrol, crime prevention, and meeting regulatory requirements.

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ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET**SERVICE CENTER SUMMARY: AIRLINE OPERATIONS/FACILITIES**

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	142,825	177,294	154,153	-23,141	-13.05%
Administrative Expenses	2,668	14,575	5,150	-9,425	-64.67%
Utilities	889	1,800	1,800	0	0.00%
Operating Services/Expenses	8,428	16,700	362,750	346,050	2072.16%
Maintenance	1,353	12,500	46,500	34,000	272.00%
Other	316	13,000	10,700	-2,300	-17.69%
Total Budget	156,479	235,869	581,053	345,184	146.35%

FULL TIME EQUIVALENT SUMMARY	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	2	3	3	1
Part Time	0	0	0	0
Total:	2	3	3	1

RESPONSIBILITY/FUNCTION

To Provide safe, accessible and properly maintained passenger terminal and federal inspections facilities for international arrival flights, scheduled airline service and charter operations at MSP Airport Lindbergh and Humphrey Terminals.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000**Personnel:**

The budget decrease is due to salary for an 2001 approved position which was places on administrative hold for 2002. Salary for this position were excluded from the budget.

Administrative Expenses:

Organizational travel is restricted to the minimum required. The department travel budget was eliminated for 2002.

Operating Services/Expenses:

The 2002 budget includes a new monthly service agreement fee for CUTE & RMS Systems (SITA Contract). These expenses are charged to the Humphrey Terminal cost center and are included in the Humphrey Terminal Use Fee calculation for Ord. No. 95.

Maintenance:

MAC is now directly responsible for all jetbridge maintenance on common-use gates, there will be 5 common-use gates (jetbridges) in 2002. The budget is intended to cover cost of regular Preventative (scheduled) maintenance plus minor replacement parts as needed/expected. Replacement of major parts/components if/when needed would likely exceed this budgeted amount.

2001 GOALS AND OBJECTIVES - PROGRESS REPORT**2001 - Goal:**

Develop Preventative Maintenance Plan for new Humphrey Terminal.

Measurement:

Ensure cost effective and timely maintenance of the new terminal and all related systems.

Results:

Percentage Complete: 0%

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Complete Expansion Plans for Lindbergh FIS.

Measurement:

Commission approval of plans and funding for expansion/redevelopment of Lindbergh Terminal FIS Facility. This facility is operating above design capacity during some peak periods. Expansion is necessary to accommodate new/additional int'l service.

Results:

Percentage Complete: 0%

2001 - Goal:

Create/Expand Humphrey Terminal Safety Committee.

Measurement:

Ongoing Committee of Humphrey airline users, MAC and other related parties who's purpose is to address safety related matters specific to the Humphrey and continuous improvement of the overall safety at the Humphrey Terminal.

Results:

Percentage Complete: 0%

2001 - Goal:

Implementation of C.U.T.E. System in Humphrey Terminal.

Measurement:

Maximum efficiency in processing of passengers and aircraft through use of CUTE technology.

Results:

Percentage Complete: 0%

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

Expand CUTE System and Common Use facilities into the Lindbergh Terminal.

Expected Results:

Successful implementation of CUTE system into the TNT area of the Lindbergh the throughout. Creation & Mgt. of common-use facilities in the Lindbergh Terminal; gates, counters, etc...

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: FACILITIES-LINDBERGH TERMINAL

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	730,310	683,099	653,786	-29,313	-4.29%
Administrative Expenses	16,705	19,700	6,000	-13,700	-69.54%
Professional Services	0	2,500	1,000	-1,500	-60.00%
Utilities	3,328	2,500	3,000	500	20.00%
Operating Services/Expenses	8,883	11,700	19,500	7,800	66.67%
Maintenance	6,280,274	8,403,844	9,059,555	655,711	7.80%
Other	42,920	56,000	7,300	-48,700	-86.96%
Total Budget	7,082,420	9,179,343	9,750,141	570,798	6.22%

FULL TIME EQUIVALENT SUMMARY

	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	14	14	14	0
Part Time	0	0	0	0
Total:	14	14	14	0

RESPONSIBILITY/FUNCTION

This department is responsible for operation, maintenance, and cleaning of the Terminal Facilities and many of the MAC Campus Buildings. The Facilities Management Department has oversight responsibility for the Energy Management Center as well as the Trades Work Groups (Electricians, Painters, Carpenters, Plumbers).

The Facilities Management Department provides management oversight for various service, operation and management contracts as well as responding to both immediate & long term tenant and public concerns. Additionally, the entire department works with the Airport Development Staff to ensure that Capital Improvement Projects are completed with the least amount of disruption to the Terminal Buildings operation.

Our goal is to maintain the Airport at a level consistent with the current high expectations the our internal & external customers and tenants impose & expect.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Personnel:

The budget decrease is due to reductions, elimination or postponement of overtime, training, and a temporary position.

Administrative Expenses:

The majority of the decrease is due to travel. Organizational travel is restricted to the essential trips.

Operating Services/Expenses:

The major increases in this category are the Building Inspection Services Contract and the Facilities Computer Maintenance Management Information Services (C.M.M.I.S.) Support Service Contract.

Maintenance:

The largest increase in this category are the Automated People Movers (Trams). With the anticipated completion of the Concourse Tram in June, 2002 and a full year of Hub Tram operation, associated costs will increase .

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Solid Waste Hauling & Recycling Services Contract

Expected Results:

Per newly signed contracts with BFI & Waste Management. Cost increases per contract result in an additional \$30,000 per year for solid waste hauling & recycling services.

Service Center Objectives:

Concourse Tram - Operation & Maintenance

Expected Results:

Per Contract. Yearly operation & maintenance of the Concourse Tram. Only \$2,033,898 needed in 2002 as anticipated start date is June, 2002.

Service Center Objectives:

Paging System Maintenance Contract

Expected Results:

Warranty expirations. Proper maintenance & management of the newly installed Paging systems at the Lindbergh & Humphrey Terminals.

Service Center Objectives:

Facilities Monitoring Support Services Contract

Expected Results:

Management and maintenance of the Facilities Monitoring System forthcoming in late 2001 to manage all elevators/escalators/moving walks (and anything else mechanical that impacts MAC customers).

Service Center Objectives:

Uninterrupted Power Supply (UPS) Maintenance Contract

Expected Results:

Warranty expirations. Management of MAC's UPS systems. There are currently hundreds of units throughout MSP with all of the 2010 plan additions!

Service Center Objectives:

Chiller Maintenance Contract

Expected Results:

Warranty expiration. Continual proper service of MAC's chillers, allowing Energy Management Center to provide air conditioning to MAC buildings.

Service Center Objectives:

Lindbergh Terminal Seating Replacement

Expected Results:

New seating will improve both the physical and visual comfort of all customers within the Lindbergh Terminal. Current seating is very old, impossible to repair, and unsightly - especially in newly constructed or newly remodeled areas, as often pointed to

Service Center Objectives:

Building Inspection Services Program Contract

Expected Results:

Inspection of MAC buildings to incorporate into MAC's CIP program as well as development of proactive maintenance schedule for all facilities.

Service Center Objectives:

Generator Maintenance Contract

Expected Results:

Warranty expiration. Maintenance of MSP's Generator system.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Tug Drive Floor Maintenance Contract

Expected Results:

Warranty expiration. Prevention of erosion/crumbling of Tug drive flooring which would create safety hazard & hinder Tug Drive operations.

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

Lindbergh Terminal Public Seating Replacement Program.

Expected Results:

New Seating. Results will be both the physical and aesthetic improvement to customers and the traveling public.

Service Center Objectives:

Tug Drive Floor Maintenance Contract.

Expected Results:

Warranty expired. Prevention program to resolve erosion/crumbling of the Lindbergh terminal Tug Drive Flooring. Prevent hazards & hindrances to Tug Drive operations.

Service Center Objectives:

Generator Maintenance Contract

Expected Results:

Warranties expired. Proper maintenance of MSP's Generator System.

Service Center Objectives:

Building Inspection Services Program Contract.

Expected Results:

Proper inspection of MAC buildings to incorporate needed changes/additions & fixes into MAC's CIP Program as well as develop proactive maintenance schedule for all facilities.

Service Center Objectives:

Chiller Maintenance Contract

Expected Results:

Warranties expired. Continual Service of MAC's Chillers, thereby allowing EMC to continue providing air conditioning to MAC buildings & terminals.

Service Center Objectives:

Uninterrupted Power Supply (UPS) Maintenance Contract.

Expected Results:

Warranties expired. Proper management & maintenance of MAC's UPS system.

Service Center Objectives:

Facilities Monitoring Support Services Contract

Expected Results:

Management of all mechanical systems throughout MSP via computer monitoring system.

Service Center Objectives:

Paging system Maintenance Contract

Expected Results:

Warranty expired. Proper maintenance, management & upgrades of newly installed paging systems at the Lindbergh & Humphrey Terminals.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

Concourse Tram - Operation & Maintenance

Expected Results:

Per Contract. Yearly operation & maintenance of the Concourse Tram.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET**SERVICE CENTER SUMMARY: ENERGY MANAGEMENT CENTER**

	2000 Actual	2001 Budget	2002 Budget	\$ Variance	% Variance
Personnel	777,521	852,613	918,200	65,587	7.69%
Administrative Expenses	2,555	3,850	1,850	-2,000	-51.95%
Utilities	1,725	900	2,000	1,100	122.22%
Operating Services/Expenses	1,582	1,600	0	-1,600	-100.00%
Maintenance	346,933	438,080	358,723	-79,357	-18.11%
Other	3,862	2,987	2,987	0	0.00%
Total Budget	1,134,179	1,300,030	1,283,760	-16,270	-1.25%

FULL TIME EQUIVALENT SUMMARY	2001 Actual	2001 Budget	2002 Budget	2002 On Hold
Full Time	17	17	17	0
Part Time	0	0	0	0
Total:	17	17	17	0

RESPONSIBILITY/FUNCTION

We are responsible for the heating, cooling, and HVAC maintenance of the Lindbergh Terminal, including the concourses and connectors. On the G concourse we provide heating and cooling utility supply only. We also service the Humphrey, GO, Parking Management Building, Trades and Maintenance buildings, All parking booths, West terminal and, Sand Barn. Some of the airport campus facilities are heated and cooled with separate boilers and rooftop air conditioning units. The 15 Operation Engineers provide 24 hour, 7 day a week service. The operators within the EMC operate 4-2000 ton chillers, 4-cooling towers, 4-60,000 pound an hour boilers, fired on natural gas, and back up fuel source of jet fuel. (2001-02 seasons). They also operate compressors and all the pumps and VFD's that go along with the different heating and cooling systems. The operators do the maintenance on equipment such as bearing replacement, leak repair, power wash heating and cooling coils and belt and filter changes, and they trouble shoot all the HVAC equipment. They operate two advanced computerized building management systems and CO monitors. They respond to all incoming trouble calls. They operate low and high-pressure steam boilers, Hot Water boilers, electric and steam driven turbine chillers. We keep department logs on all repair work, as well as gas, oil water and steam usage. A computerized preventative maintenance program has been installed and is on going.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000**Personnel:**

New hires for 2001 were only budgeted at a partial year wage compared to a full-year in 2002. In addition, the contract increase was greater than was projected in the 2001 budget. The 2002 budget reflects the current contract wage and a full-year of wages for all positions.

Maintenance:

The budgets for filters, temperature control, and parts were reduced as a result of the following:

- new systems were installed which are still under warranty
- maintenance contract on existing equipment
- transfer to the responsible department

2002 GOALS AND OBJECTIVES**Service Center Objectives:**

Provide operating engineers with safe transportation to and from job sites, throughout the airport campus.

Expected Results:

Better customer service by the addition of 2 MAC vehicles for emergencies, avoid wasting employee hours riding shuttle to Humphrey, better response time, improved mobility of department.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Provide air conditioning for MAC facilities- Primarily at the new Humphrey Terminal

Expected Results:

Proper temperature control for MAC campus, primarily for the new Humphrey chillers

Service Center Objectives:

Maintain carbon monoxide (CO) monitoring systems.

Expected Results:

Improved safety due to better management of the increased facilities as implemented for the 2010 plan.

Service Center Objectives:

Maintain building monitoring control systems.

Expected Results:

improved building control system. Better management of the current control system & improved efficiency & safety.

Service Center Objectives:

Safe operation and maintenance of Humphrey terminal, Phase 1 and Phase 2 on the C concourse, in fill projects within and including the Lindbergh terminal

Expected Results:

Safer, lower energy cost, longevity of equipment.

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

Carbon Monoxide (C.O.) monitoring system upgrade.

Expected Results:

Improved safety due to better management of the increased facilities as implemented in the 2010 Plan.

Service Center Objectives:

Provide Air Conditioning for MAC facilities - Primarily at new Humphrey Terminal. Need to utilize Trane services through warranty period.

Expected Results:

Proper temperature control for MAC campus, primarily the new Humphrey Chillers.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: TRADES - ELECTRICIANS

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	1,102,387	1,059,575	1,055,139	-4,436	-0.42%
Administrative Expenses	4,998	12,070	5,770	-6,300	-52.20%
Professional Services	4,400	7,500	7,500	0	0.00%
Utilities	7,159	5,000	10,000	5,000	100.00%
Operating Services/Expenses	4,107	2,000	300	-1,700	-85.00%
Maintenance	272,011	463,600	438,850	-24,750	-5.34%
Other	13,174	26,650	26,200	-450	-1.69%
Total Budget	1,408,237	1,576,395	1,543,759	-32,636	-2.07%

FULL TIME EQUIVALENT SUMMARY	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	15	17	17	0
Part Time	0	0	0	0
Total:	15	17	17	0

RESPONSIBILITY/FUNCTION

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 protect the health of the public through the maintenance and repair of the domestic water and sanitary sewer systems throughout the airport campus. To provide valuable customer services to Tenants and MAC departments and timely assistance to the contractors and consultants for new construction projects, by being responsible in locating under ground utilities when excavation is needed, and operating the water main system when shut downs take place.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Administrative Expenses:

Organizational travel has been restricted, the department travel was eliminated from the 2002 budget.

Utilities:

Electricians are primarily in the field with no telephone access. Cell phones/radios are frequently their only means of communications. The increase in the budget is the result of additional equipment and the monthly service fee.

Maintenance:

Based on prior period spending and the department inventory, the budget was reduced slightly.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 GOALS AND OBJECTIVES

Service Center Objectives:

To operate a safe & efficient Electrical Department by providing additional personnel With the increase of new tasks and responsibility in lighting areas, the Electrical shop must also increase

Expected Results:

Necessary to maintain existing facilities and new lighting to buildings, runways, taxiways & all roadways.

Service Center Objectives:

To continue and to enlarge the educational opportunities that exist in the Electrical Department

Expected Results:

A well rounded Electrician that is more confident in his/her job. With safety as an important issue.

Service Center Objectives:

2 new pickup trucks to expand work coverage and the need to remove tools and such at the end of a shift.

Expected Results:

To provide Electricians with transportation. Increased productivity.

Service Center Objectives:

Purchase a fifty foot lift with a jib to keep lighting and associated maintenance at the new Humphrey Bldg. Also for use with other projects throughout the Airport.

Expected Results:

Safer lighting. Less complaints from the traveling public. Aesthetically a better looking Airport.

Service Center Objectives:

Able to implement a re-lamping procedure in different areas around airport in a timely manner.

Expected Results:

Better looking Airport for the traveling public. Better security and preventive maintenance.

Service Center Objectives:

Maintain Security Gates with preventive & proper maintenance. This will eliminate security problems here and at the Relievers.

Expected Results:

More reliability with gates, plus better security.

Service Center Objectives:

Administrative Assistant to the Trades office to handle addition work loads.

Expected Results:

Increased work load, new systems & programs being implemented. being Eliminate the need of Temporary office help.

Service Center Objectives:

Bring staffing up to authorized headcount so dept can be run efficiently.

Expected Results:

Necessary to maintain existing buildings, and new buildings being completed, roadways, runways & signage that will be completed in the next year.

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

Start a re-lamp procedure to get re-lamping done at proper times.

Expected Results:

better looking Airport for the traveling public

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

maintain updated new technology to keep personnel current with new standards

Expected Results:

more knowledgeable crew of electricians

Service Center Objectives:

provide support for general foreman and foreman so they can get paper work done not going on repair missions

Expected Results:

better maintain the new facilities coming on line in the next year

Service Center Objectives:

maintain sec at gates with proper maintenance eliminating sec problems

Expected Results:

better sec, more reliability with the gates

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ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: TRADES - PAINTERS

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	354,186	355,873	373,228	17,355	4.88%
Administrative Expenses	155	1,975	489	-1,486	-75.25%
Utilities	375	0	3,360	3,360	0.00%
Operating Services/Expenses	105	600	0	-600	-100.00%
Maintenance	127,675	153,000	130,050	-22,950	-15.00%
Other	0	6,000	5,100	-900	-15.00%
Total Budget	<u>482,496</u>	<u>517,448</u>	<u>512,227</u>	<u>-5,221</u>	<u>-1.01%</u>

FULL TIME EQUIVALENT SUMMARY

	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	7	8	8	0
Part Time	0	0	0	0
Total:	<u>7</u>	<u>8</u>	<u>8</u>	<u>0</u>

RESPONSIBILITY/FUNCTION

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 protect the health of the public through the maintenance and repair of the domestic water and sanitary sewer systems throughout the airport campus. To provide valuable customer services to Tenants and MAC departments and timely assistance to the contractors and consultants for new construction projects, by being responsible in locating under ground utilities when excavation is needed, and operating the water main system when shut downs take place.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Personnel:

New hires for 2001 were only budgeted for a partial year wage compared to a full-year in 2002.

Maintenance:

Based on prior period spending and the department inventory, the budget was reduced.

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Paint/ sign crew continuing education, product-equipment seminars, Product or equipment certifications

Expected Results:

Better trained, updated technology, more productive workers

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Look at staffing options

Expected Results:

Better fulfilling of workload

Service Center Objectives:

Organize shop and inventories

Expected Results:

Greater productivity, space management

Service Center Objectives:

Upgrade hazardous waste/ flammable materials inventory manifests

Expected Results:

Get into compliance with state and federal mandates

Service Center Objectives:

Upgrade Equipment-Paint products

Expected Results:

1- Increased productivity. 2-Safety. 3-Longer periods between project rescheduling

Service Center Objectives:

Start using Asset Handler work order system

Expected Results:

1-Will be able to track time usage on different areas. 2-It will be easier to prioritize work load.

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

Evaluate long term personnel requirements

Expected Results:

maintain sign-paint shop workload in expanding workload environment

Service Center Objectives:

Evaluate future equipment needs, change outs and upgrades to maintain airside, landside facilities

Expected Results:

Easier budgeting in future

Service Center Objectives:

Exterior paint projects at M.S.P. and reliever airports to be organized into scheduled projects

Expected Results:

Easier to budget personnel time, equipment, paint and other related expenses

Service Center Objectives:

A.O.A. field painting at M.S.P. and reliever airports to be organized into scheduled painting projects.

Expected Results:

Easier to budget personnel time, equipment, paint and all related expenses for up coming year

Service Center Objectives:

long term personnel requirements for paint and sign shop

Expected Results:

Meet work requirements at MSP and reliever airports

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: TRADES - CARPENTERS

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	466,386	415,102	449,712	34,610	8.34%
Administrative Expenses	1,915	7,000	1,250	-5,750	-82.14%
Utilities	4,280	7,680	7,500	-180	-2.34%
Operating Services/Expenses	1,102	1,300	1,000	-300	-23.08%
Maintenance	126,117	141,820	135,950	-5,870	-4.14%
Other	7,352	11,450	7,600	-3,850	-33.62%
Total Budget	607,151	584,352	603,012	18,660	3.19%

FULL TIME EQUIVALENT SUMMARY	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	8	8	8	0
Part Time	0	0	0	0
Total:	8	8	8	0

RESPONSIBILITY/FUNCTION

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.

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MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Personnel:

New hires for 2001 were only budgeted at a partial year wage compared to a full-year in 2002.

Administrative Expenses:

Department travel was eliminated from the 2002 budget.

Maintenance:

The budget for tools and supplies were decreased slightly based on 2001 actual expense.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

To continue and enlarge the educational opportunities that exist in the Carpentry Department and through out MAC.

Measurement:

A well rounded Carpenter that is more confident in his/her job.

Results:

Percentage Complete: 0%

2001 - Goal:

To insure that the Carpentry Department holds the high standards that MAC assigns to it.

Measurement:

Revised job description of Working Carpenter Foremen to be implemented. The Foreman would report directly to the Carpenter Superintendent. His/her responsibility would be job estimating, assignments to crew, material ordering and inventory, etc.

Results:

Percentage Complete: 0%

2001 - Goal:

To insure a high standard of security through out the main campus and reliever airports.

Measurement:

New position of Locksmith would maintain security by using the MAC keying system and recording it through the key database being designed. These records are kept for security, maintenance access and reports requested by the FAA.

Results:

Percentage Complete: 0%

2001 - Goal:

To insure that all construction relating to Carpentry and Locksmithing be held to MAC standards of excellence.

Measurement:

New position of Superintendent would eliminate last minute holdups and construction shortcuts that may be a safety concern.

Results:

Percentage Complete: 0%

2002 GOALS AND OBJECTIVES

Service Center Objectives:

To insure that the Carpentry Department holds the high standards that it and MAC assigns to it. The two positions of Carpenter Foreman would share certain responsibilities of running the crew on both sides of the airport and relievers.

Expected Results:

Priority #2 Necessary to maintain existing facilities and new facilities that are completed in 2002. These positions will be a step up for two of the present carpenters.

Service Center Objectives:

To operate a safe and efficient carpentry department by providing additional personnel when needed

Expected Results:

Priority #2 Necessary to maintain existing facilities and new buildings that are completed in 2002.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 GOALS AND OBJECTIVES

Service Center Objectives:

To keep Trades Center garage and Trades Shops clean and provide a safe work environment. This would be a shared expense between departments in the Trades Center.

Expected Results:

To provide a safe work environment

Service Center Objectives:

To continue and to enlarge the educational opportunities that exist in the Carpentry/Locksmith Department.

Expected Results:

A well rounded Carpenter that is more confident in his or her job.

Service Center Objectives:

To provide Carpenters and other Trades personnel with transporting of equipment by means of an escalating trailer.

Expected Results:

Priority #2 Necessary to maintain existing facilities and new buildings completed in 2002. Offering a safe way to transport lifts to and from job site.

Service Center Objectives:

To provide Carpenters with transportation to and from the main terminal, perimeter buildings and relievers.

Expected Results:

Priority #2 Necessary to maintain existing facilities and those that will be completed in 2002.

Service Center Objectives:

Establishing a contact person within the department who understands the numbering system that was developed by HGA for the main terminal. He/she would be contacted by architects, facilities or airport development with questions that relate to this field.

Expected Results:

Priority #1 Keeping the door numbering system updated for the key database and current blueprints. For architects who need to tie into our existing numbering scheme because of a remodel project or new additions, a faster response time is available.

Service Center Objectives:

To insure a high standard of security through out the main campus and relievers. The carpenter/locksmith is responsible for the compliance of FAA Federally Mandated Lock and Key Program/ Inventory. This is tied into the present MAC system and database.

Expected Results:

Priority #1/Federally Mandated by FAA. This person is responsible for security of all doors, AOA gates, card access wall switches on the main campus as well as relievers. He/she would maintain security by using the MAC keying system and database.

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

Establishing a contact person within the department who understands the numbering system that was developed by HGA for the main terminal. He/she would be contacted by architects, facilities or airport development with questions that relate to this field.

Expected Results:

Priority #1 Keeping door numbering system update for the key database and current blueprints. For architects who need to tie into our existing numbering scheme because of a remodel project or new additions, a faster response time is available.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

To provide the General Foreman and working Foreman with office assistance. An office assistant will allow the foreman to perform in a more productive manor.

Expected Results:

Priority #2 Necessary to maintain existing facilities and new buildings that are complete in 2002.

Service Center Objectives:

To operate a safe and efficient carpentry department by providing additional personnel. With the increase of new tasks and responsibility in building area, the carpentry shop must also increase.

Expected Results:

Priority #2 Necessary to maintain existing facilities and new buildings that are completed in 2002. Additional personnel will insure the traveling public a safe traveling experience.

Service Center Objectives:

To insure a high standard of security through out the main campus and relievers. The carpenter/locksmith is responsible for the compliance of FAA Federally Mandated Lock and Key Program/Inventory. This is tied into the present MAC system and database.

Expected Results:

Priority#1/Federally Mandated by FAA. This person is responsible for the security of all doors, AOA gates, card access wall switches on the main campus as well as relievers. He/she would maintain security by using the MAC keying system and database.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: TRADES - PLUMBERS

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	398,836	421,915	347,206	-74,709	-17.71%
Administrative Expenses	6,453	6,730	4,361	-2,370	-35.21%
Utilities	5,355	4,360	3,706	-654	-15.00%
Operating Services/Expenses	1,438	700	0	-700	-100.00%
Maintenance	159,744	109,554	97,555	-11,999	-10.95%
Other	1,825	5,200	4,420	-780	-15.00%
Total Budget	573,651	548,459	457,248	-91,211	-16.63%

FULL TIME EQUIVALENT SUMMARY

	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	5	7	7	0
Part Time	0	0	0	0
Total:	5	7	7	0

RESPONSIBILITY/FUNCTION

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 protect the health of the public through the maintenance and repair of the domestic water and sanitary sewer systems throughout the airport campus. To provide valuable customer services to Tenants and MAC departments and timely assistance to the contractors and consultants for new construction projects, by being responsible in locating under ground utilities when excavation is needed, and operating the water main system when shut downs take place.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Personnel:

Wages for the open position (Plumber) were only budgeted for a partial year compared to a full-year in 2002. In addition, the Temporary Plumber position was eliminated from the budget for 2002.

Maintenance:

The budget for outdoor plumbing/sewer, sump pump, and septic were reduced based on 2001 actual expenses. However, the 2002 budget is less than historical average spending in these accounts.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

To react to emergency pumping of sanitary sewer and storm sewer lift stations and manholes.

Measurement:

Less damage due to flooding. Quicker response time due to equipment on hand. More self sufficient.

Results:

Percentage Complete: 0%

2001 - Goal:

Provide means of transportation to mobilize personnel.

Measurement:

Effectively move personnel and equipment to various area's on the MAC campus, to perform work functions.

Results:

Percentage Complete: 0%

2001 - Goal:

Maintain sanitary and storm sewers inside building on the MAC campus. Purchase drain cleaning equipment.

Measurement:

Ensure positive flow through sewer system. Less back ups, reduced down time.

Results:

Percentage Complete: 0%

2001 - Goal:

Obtain additional personnel to provide the necessary maintenance for the safe operation of the plumbing systems on the MAC campus.

Measurement:

Better response time to plumbing issues, more coverage, more training opportunities. Less down time, improved customer service.

Results:

Percentage Complete: 0%

2001 - Goal:

Provide another means of transportation for the plumbers at the Lindbergh Terminal for Terminal Maintenance.

Measurement:

Execute a more effective response time to service calls, and provide another source of mobilization so to be in two places at once.

Results:

Percentage Complete: 0%

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Contract outside services for technical support of our lift stations and computerized maintenance system.

Expected Results:

Reliability of the system, timely upgrades, and periodical programming of system.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 GOALS AND OBJECTIVES

Service Center Objectives:

To maintain the knowledge of the collection industry, and to comply with the new industry regulations through training opportunities.

Expected Results:

Knowledgeable staff, mandatory certification by the Minnesota Pollution Control Agency for collection system operators.

Service Center Objectives:

To provide the Plumbing personnel with the proper equipment to complete certain tasks.

Expected Results:

To safely and effectively transport personnel and equipment from job to job, and effectively thaw frozen sanitary and storm drainage.

Service Center Objectives:

Asset inventory of the sewer collection system.

Expected Results:

Asset attributes such as ,locations, size, age, material, capacity, etc.

Service Center Objectives:

To protect the health of the airport through proactive sewer and water management, and to meet the new regulatory requirements in the waste water industry.

Expected Results:

To operate a safe and efficient plumbing system with cost savings due to conservation and preventative maintenance.

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

To continue with the strategy of a detailed storm and sanitary inventory that will acquire accurate attribute data on these systems.

Expected Results:

Improve preventive and corrective maintenance and management practices.

Service Center Objectives:

Complete automation of the domestic hot water systems in the Lindbergh Terminal and the new HHH facility.

Expected Results:

Cost savings due to efficiency, time saving on maintenance, less risk of health issues.

Service Center Objectives:

To enhance our water meter management system by updating current water meters with advanced technology.

Expected Results:

Reduced saving for owner and tenants by providing more accurate readings.

Service Center Objectives:

To keep pace with the growth activity, and to provide the necessary resources to maintain our capitol assets using the best practices in the utility industry and comply with the regulatory requirements of the Sanitary Sewer Overflow Regulations.

Expected Results:

Better management of our collection system, increased life of the pump stations, compliance of regulatory requirements, such as the Sanitary Sewer Overflow regulations.

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ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET**SERVICE CENTER SUMMARY: MAINTENANCE - FIELD**

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	6,726,705	6,481,795	6,156,730	-325,065	-5.02%
Administrative Expenses	53,827	59,180	23,380	-35,800	-60.49%
Professional Services	2,304	0	0		
Utilities	13,400	7,000	18,600	11,600	165.71%
Operating Services/Expenses	24,013	48,520	18,840	-29,680	-61.17%
Maintenance	3,575,816	3,009,971	2,617,281	-392,690	-13.05%
Other	124,033	129,575	92,000	-37,575	-29.00%
Total Budget	10,520,097	9,736,041	8,926,831	-809,210	-8.31%

FULL TIME EQUIVALENT SUMMARY	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	113	121	121	8
Part Time	0	0	0	0
Total:	113	121	121	8

RESPONSIBILITY/FUNCTION

Maintenance is responsible for maintaining the ramp areas, field/runway/taxiway area, the road system on airport property, parking facilities, and responding to tenant requests. In the spring maintenance takes care of repair of blast fence, parking level power cleaning, tunnel washing, winter damage to turf (139 inspection), rubber removal, snow fence removal, ramp and runway sand removal and hauling, AOA drivers training, smith system training, service area garbage, parking levels cleaning, removal, gate and fence repair, prioritize and plan summer construction.

During the summer maintenance takes care of surface repairs (concrete and blacktop), on runways, taxiways, ramps, roads, gate areas and parking lots, pollution control, fence and gate repair, joint sealing, paving of shoulders, roads, ramps and parking lots, service area garbage removal, parking levels cleaning, landscaping, grass cutting, tree trimming, sodding, seeding, planting, herbicide spraying and sprinkler systems, AOA training, signs, weekend clean-up, mail and parts runner and setting up all contracts for winter.

In the winter maintenance takes care of snow removal on runways, taxiways, ramps, gate areas, parking lots, roads and sidewalks, snow melting, chemical usage, fence and gate repair, pollution control, signs, service area garbage removal, parking levels cleaning, snow hauling, asses budgeting needs, equipment and personnel.

In addition, this department maintains, services, repairs and fabricates MAC's equipment and vehicle fleet of over 500 and prepares the specifications, contracts and bids for all equipment and vehicle purchases.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000**Personnel:**

The 2002 budget is based on a light winter season. The budget for overtime and double time is significantly less than historical actual. In addition, the budget for temporary snow shoveller and grass cutter was reduced. The department will try to schedule temporary manpower based on critical need. The balance of the decrease is due to department training which is postponed.

Administrative Expenses:

The majority of the decrease is due to office supplies and travel. The budget for office supplies was reduced 50%. The 2002 budget is much less than the three year average of actual expenses. Organizational travel has been restricted to the minimum required. The department travel budget was cut approximately 78%. As a result the department was not seen as many representative to the annual conferences and training.

Utilities:

The increase is due to the foreman having nextel phones to better communicate with other MAC personnel via direct connect. Also, future bid documents will indicate that snow removal contractors have nextel phones. That would enable them to communicate directly with MAC staff, freeing up the maintenance radio channel for MAC personnel.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

Operating Services/Expenses:

The decrease is part for ERRT (Employee Recognition) and the balance for emergency response. The ERRT program has been postponed for 2002. Plans to improve and upgrade the current systems were deferred due to budgetary limitations.

Maintenance:

The 2002 budget is based on a light winter snow season and the postponement of several summer preventive maintenance projects.

Other:

The decrease is due to expense reallocations based on prior period actual .

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

To continue to review, redesign and improve the way we approach, coordinate and perform all of our snow removal efforts at MSP.

Measurement:

To be among the safest, continually operational and best snow removal airport in the world.

Results:

We are trying to do more with less and are constantly reviewing how we do this.

Percentage Complete: 0%

2001 - Goal:

To continue to find new, existing and different ways of repairing, replacing and refurbishing existing pavements and landscapes at MSP.

Measurement:

To have pavements and landscapes safe and operational at all times at MSP.

Results:

This is a continuing and on-going objective. Our goal is to keep an open mind and try and test new products and services to keep our efficiency as a department at its highest.

Percentage Complete: 0%

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Continue to build a south field (17/35) snow removal crew.

Expected Results:

To keep the high standards of snow removal for the traveling public.

Service Center Objectives:

Expand maintenance paving and repair projects.

Expected Results:

To keep the existing and new pavements of MAC usable through all types of weather.

Service Center Objectives:

To establish a landscaping crew through schooling and training.

Expected Results:

To reduce the existing landscaping contract and oversee all new and existing landscaping.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 LONG TERM GOALS AND OBJECTIVES

Service Center Objectives:

To expand our summer pavement and landscaping crews. To be able to have two surface repair crews and a joint sealing crew on nights and a landscaping crew on days.

Expected Results:

To be able to maintain all existing and future pavements. To be proactive instead of reactive in our paving projects.

Service Center Objectives:

To continue to expand the maintenance crew to provide both summer and winter services for the additional pavement in the 2010 plan.

Expected Results:

To provide a safe, efficient and operational airport into the future.

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ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: RELIEVERS - ADMINISTRATION

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	528,532	548,974	531,173	-17,801	-3.24%
Administrative Expenses	15,874	34,750	22,875	-11,875	-34.17%
Professional Services	12,000	30,000	12,000	-18,000	-60.00%
Utilities	6,969	2,300	2,300	0	0.00%
Operating Services/Expenses	7,514	9,400	6,100	-3,300	-35.11%
Other	1,705	11,000	5,600	-5,400	-49.09%
Total Budget	<u>572,594</u>	<u>636,424</u>	<u>580,048</u>	<u>-56,376</u>	<u>-8.86%</u>

FULL TIME EQUIVALENT SUMMARY	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	8	8	8	0
Part Time	0	0	0	0
Total:	<u>8</u>	<u>8</u>	<u>8</u>	<u>0</u>

RESPONSIBILITY/FUNCTION

The Reliever Airport staff is responsible for the safe operation, maintenance, and administration of the MAC's six reliever airport facilities. The department staff responds to tenant, airport user, and surrounding community questions and concerns. In addition, over 800 airport leases are administered by the department. Unique to the system is the maintenance of an air traffic control tower at the Anoka County-Blaine Airport.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Personnel:

The Personnel category includes Overtime and Training, both of which were reduced for the 2002 budget. Projects related to these expenses have been postponed.

Administrative Expenses:

The budget decrease is in Travel and Printing-Publications. Organizational travel has been restricted to the minimum required. The department travel budget was significantly reduced. The annual report about the Reliever airport systems has been postponed.

Professional Services:

The reduction in Professional Services is due to the postponement of consultant services related to the completion strategic goals.

Other:

The majority of the decrease is due to office furniture that was purchased in 2001.

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Develop a plan for the regulation of flying clubs on the Reliever Airports.

Measurement:

Minimization of illegal flight training by flying clubs or flying club members.

Results:

Unable to undertake this objective due to other time consuming projects on the airports.

Percentage Complete: 0%

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2001 GOALS AND OBJECTIVES - PROGRESS REPORT

2001 - Goal:

Complete review and approval of new lease forms.

Measurement:

Commission adoption of a lease form that reflects industry standards in leasing.

Results:

Staff completed the development of the Lease Policies and lease forms. All documents were submitted to and approved by the Commission.

Percentage Complete: 100%

2001 - Goal:

Update Ordinance No. 51 consistent with the agreement reached between MAC and the City of Eden Prairie.

Measurement:

Improved access to the Flying Cloud Airport for corporate air traffic.

Results:

Part 161 Analysis and Hearing are Complete. Awaiting response from FAA on whether a stage 2 ban is going to be a violation of Grant Assurances.

Percentage Complete: 50%

2001 - Goal:

Continue marketing efforts for the St. Paul Downtown Airport and begin to expand those efforts to the other Reliever Airports

Measurement:

Increased transient traffic, public awareness of airports' facilities and services, and positive image of the airports.

Results:

Marketing plan complete. Rest of objective on hold due to budget cuts.

Percentage Complete: 33%

2001 - Goal:

Execute new leases with Reliever Airport tenants.

Measurement:

Execute new lease forms and provide tenants with policy information.

Results:

The lease forms are complete and were approved by the Commission in 2001. Staff has contacted all tenants to update contact information. Staff is currently preparing the lease documents for tenant execution and will execute a lease with a tenant once staff has verified that all items required for lease renewal are complete.

Percentage Complete: 20%

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Benchmark MAC Reliever Airport system against other reliever airport systems.

Expected Results:

Identify: marketing efforts, relationships with communities, status of policies/ procedures, relationship off-airport rates to airport services provided, and other sources of revenue for other airport systems in an effort to improve upon current practices.

Service Center Objectives:

Develop and implement a comprehensive global information system (GIS) based mapping system for the Reliever Airports.

Expected Results:

Increased efficiency and time saving of Reliever Airport employees. Increased effectiveness of presentations.

ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

2002 GOALS AND OBJECTIVES

Service Center Objectives:

Implement new Reliever Airport lease forms approved by the Commission in 2001.

Expected Results:

Renew the 650+ leases that have been carried on year to year terms while staff updated lease policies and developed new lease forms.

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ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: RELIEVERS - ST. PAUL

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	369,110	458,179	444,067	-14,112	-3.08%
Administrative Expenses	8,719	5,800	4,300	-1,500	-25.86%
Professional Services	51,102	35,000	35,000	0	0.00%
Utilities	1,779	0	0	0	0.00%
Operating Services/Expenses	52,893	45,000	4,200	-40,800	-90.67%
Maintenance	166,419	227,543	208,279	-19,264	-8.47%
Other	3,466	16,210	12,060	-4,150	-25.60%
Total Budget	653,488	787,732	707,906	-79,826	-10.13%

FULL TIME EQUIVALENT SUMMARY

	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	6	7	7	1
Part Time	0	0	0	0
Total:	6	7	7	1

RESPONSIBILITY/FUNCTION

The Reliever Airport staff is responsible for the safe operation, maintenance, and administration of the MAC's six reliever airport facilities. The department staff responds to tenant, airport user, and surrounding community questions and concerns. In addition, over 800 airport leases are administered by the department. Unique to the system is the maintenance of an air traffic control tower at the Anoka County-Blaine Airport.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Personnel:

The Personnel category includes temporary positions and training. Projects that were typically assigned to summer temporary employees will be postponed. Organization wide training has been postponed.

Operating Services/Expenses:

The department budget forecasted a change in the security requirements for the St. Paul Airport. As a result security services were included in a separate department.

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ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: RELIEVERS - LAKE ELMO

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	106,580	119,492	116,155	-3,337	-2.79%
Administrative Expenses	0	350	350	0	0.00%
Utilities	11	0	0		
Operating Services/Expenses	0	400	200	-200	-50.00%
Maintenance	42,604	46,530	40,130	-6,400	-13.75%
Other	110	5,600	4,350	-1,250	-22.32%
Total Budget	149,304	172,372	161,185	-11,187	-6.49%

FULL TIME EQUIVALENT SUMMARY

	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	2	2	2	0
Part Time	0	0	0	0
Total:	2	2	2	0

RESPONSIBILITY/FUNCTION

The Reliever Airport staff is responsible for the safe operation, maintenance, and administration of the MAC's six reliever airport facilities. The department staff responds to tenant, airport user, and surrounding community questions and concerns. In addition, over 800 airport leases are administered by the department. Unique to the system is the maintenance of an air traffic control tower at the Anoka County-Blaine Airport.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Maintenance:

The budget for the annual summer maintenance to runway surfaces and area fences has been postponed for 2002.

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ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: RELIEVERS - AIRLAKE

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	106,967	112,721	111,365	-1,356	-1.20%
Administrative Expenses	283	350	350	0	0.00%
Utilities	223	0	0		
Operating Services/Expenses	220	400	200	-200	-50.00%
Maintenance	8,708	44,030	38,530	-5,500	-12.49%
Other	191	3,350	1,350	-2,000	-59.70%
Total Budget	116,592	160,851	151,795	-9,056	-5.63%

FULL TIME EQUIVALENT SUMMARY

	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	2	2	2	0
Part Time	0	0	0	0
Total:	2	2	2	0

RESPONSIBILITY/FUNCTION

The Reliever Airport staff is responsible for the safe operation, maintenance, and administration of the MAC's six reliever airport facilities. The department staff responds to tenant, airport user, and surrounding community questions and concerns. In addition, over 800 airport leases are administered by the department. Unique to the system is the maintenance of an air traffic control tower at the Anoka County-Blaine Airport.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Maintenance:

Summer maintenance to runway surfaces and area fences has been postponed for 2002.

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ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: RELIEVERS - FLYING CLOUD

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	181,453	182,387	181,593	-794	-0.44%
Administrative Expenses	1,045	500	350	-150	-30.00%
Utilities	11	0	0		
Operating Services/Expenses	0	500	200	-300	-60.00%
Maintenance	55,354	66,014	62,514	-3,500	-5.30%
Other	2,122	3,850	2,200	-1,650	-42.86%
Total Budget	239,984	253,251	246,857	-6,394	-2.52%

FULL TIME EQUIVALENT SUMMARY	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	3	3	3	0
Part Time	0	0	0	0
Total:	3	3	3	0

RESPONSIBILITY/FUNCTION

The Reliever Airport staff is responsible for the safe operation, maintenance, and administration of the MAC's six reliever airport facilities. The department staff responds to tenant, airport user, and surrounding community questions and concerns. In addition, over 800 airport leases are administered by the department. Unique to the system is the maintenance of an air traffic control tower at the Anoka County-Blaine Airport.

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ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: RELIEVERS - CRYSTAL

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	209,677	223,610	224,807	1,197	0.54%
Administrative Expenses	2,236	2,700	2,700	0	0.00%
Professional Services	3,875	0	0	0	0.00%
Utilities	39	0	0		
Operating Services/Expenses	110	600	200	-400	-66.67%
Maintenance	42,649	71,817	66,517	-5,300	-7.38%
Other	883	4,600	2,200	-2,400	-52.17%
Total Budget	<u>259,470</u>	<u>303,327</u>	<u>296,424</u>	<u>-6,903</u>	<u>-2.28%</u>

FULL TIME EQUIVALENT SUMMARY	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	4	4	4	0
Part Time	0	0	0	0
Total:	<u>4</u>	<u>4</u>	<u>4</u>	<u>0</u>

RESPONSIBILITY/FUNCTION

The Reliever Airport staff is responsible for the safe operation, maintenance, and administration of the MAC's six reliever airport facilities. The department staff responds to tenant, airport user, and surrounding community questions and concerns. In addition, over 800 airport leases are administered by the department. Unique to the system is the maintenance of an air traffic control tower at the Anoka County-Blaine Airport.

MAJOR 2002 OPERATING BUDGET CHANGES GREATER OR LESS \$4,000

Maintenance:

Summer maintenance to runway surfaces and area fences has been postponed for 2002.

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ORGANIZATIONAL STRUCTURE - 2002 OPERATING BUDGET

SERVICE CENTER SUMMARY: RELIEVERS - ANOKA

	<u>2000 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel	189,677	179,376	179,782	406	0.23%
Administrative Expenses	3,454	2,700	2,700	0	0.00%
Utilities	1,018	0	0		
Operating Services/Expenses	86,143	100,500	100,200	-300	-0.30%
Maintenance	67,039	100,811	97,311	-3,500	-3.47%
Other	878	2,350	1,200	-1,150	-48.94%
Total Budget	348,209	385,737	381,193	-4,544	-1.18%

FULL TIME EQUIVALENT SUMMARY

	<u>2001 Actual</u>	<u>2001 Budget</u>	<u>2002 Budget</u>	<u>2002 On Hold</u>
Full Time	3	3	3	0
Part Time	0	0	0	0
Total:	3	3	3	0

RESPONSIBILITY/FUNCTION

The Reliever Airport staff is responsible for the safe operation, maintenance, and administration of the MAC's six reliever airport facilities. The department staff responds to tenant, airport user, and surrounding community questions and concerns. In addition, over 800 airport leases are administered by the department. Unique to the system is the maintenance of an air traffic control tower at the Anoka County-Blaine Airport.

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MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 2002 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 – 2002 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 2002, 2003, 2004, and the extended period 2005-2008 (i.e. the proposed Capital Improvement Plan for 2002) 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 in that schedule represent anticipated actual costs for that year.

All project costs listed in this section are in 2001 dollars.

CAPITAL IMPROVEMENT PLAN SUMMARY					
(CIP)					
(\$ = 000)					
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005-2008</u>	<u>Total</u> <u>2002-2008</u>
<u>Minneapolis/St. Paul International</u>					
Runway Deicing/Holding Pad	\$ -	\$ 21,150	\$ -	\$ -	\$ 21,150
Runway 17/35	32,700	162,900	86,200	0	281,800
Runway 4/22 Development	5,500	3,000	0	10,000	18,500
Noise Mitigation	7,000	36,500	36,500	100,700	180,700
Taxiway C/D Complex Construction	0	0	0	19,000	19,000
Airfield Rehabilitation	3,500	6,500	9,600	13,000	32,600
Runway Rehabilitation	0	0	0	24,200	24,200
Environmental Remediation	3,000	0	0	0	3,000
Public Parking/Auto Rental Expansion	0	0	0	0	0
Green Concourse Extension	4,050	750	0	0	4,800
Concourse Expansion & Rehabilitation	0	0	0	0	0
Lindbergh Terminal Rehabilitation & Development	1,500	5,500	29,500	4,100	40,600
Humphrey Terminal Development	0	0	0	0	0
Landside Rehabilitation & Repair	2,400	12,450	5,450	12,000	32,300
Miscellaneous Field & Runway	400	2,400	400	1,600	4,800
Miscellaneous Landside	0	86,100	21,100	0	107,200
New Projects	<u>14,250</u>	<u>53,700</u>	<u>23,000</u>	<u>0</u>	<u>90,950</u>
Total Minneapolis/St.Paul International	74,300	390,950	211,750	184,600	861,600
<u>Reliever Airports</u>					
Reliever Airports	300	42,925	16,500	22,300	82,025
Reliever Airports Utility Extension	<u>1,600</u>	<u>5,450</u>	<u>0</u>	<u>0</u>	<u>7,050</u>
Total Reliever Airports	<u>1,900</u>	<u>48,375</u>	<u>16,500</u>	<u>22,300</u>	<u>89,075</u>
Total All Facilities	\$ 76,200	\$ 439,325	\$ 228,250	\$ 206,900	\$950,675
Projects Carried Over From 2001	<u>27,135</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>27,135</u>
Total All Facilities & Projects	\$ 103,335	\$ 439,325	\$ 228,250	\$ 206,900	\$977,810

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The seven-year total of approximately \$978 million represents a decrease of \$305 million from the previous year's CIP. This decrease can be attributed to projects being completed in the 2010 Plan.

The Construction Budget below represents anticipated sources and uses of funds during the years 2002-2004. The information for 2001 indicates expected transactions during the fourth quarter.

CONSTRUCTION BUDGET 2002

(\$ = 000)

	<u>Estimated 2001</u>	<u>Budget 2002</u>	<u>Projected 2003</u>	<u>Projected 2004</u>	<u>Projected Total</u>
Sources of Funds					
Balance 12/31/00	\$ 265,298				\$ 265,298
Balance Carried Forward		\$ 472,156	\$ 56,146	\$ 38,430	
Transfer From Operating Fund	0	0	0	0	0
PFC Funding	52,000	53,000	54,563	56,200	215,763
Federal Grants	21,000	7,500	7,500	7,500	43,500
State Grants	2,428	1,200	1,200	1,200	6,028
Interest Income (1)	9,300	7,082	1,404	961	18,747
Net Bond Proceeds - 2001	509,853	0	0	0	509,853
Commercial Paper Program	0	(10,000)	(13,000)	(11,000)	(34,000)
Principal Amount of Bonds	0	0	225,000	225,000	450,000
Federal Letter Of Intent (LOI)	<u>10,000</u>	<u>13,000</u>	<u>11,000</u>	<u>8,000</u>	<u>42,000</u>
Total Sources of Funds	\$ 604,581	\$ 71,782	\$ 287,667	\$ 287,861	\$ 1,251,890
Uses of Funds					
CIP Project Costs	\$(397,723)	\$(358,360)	\$(271,632)	\$(245,923)	\$(1,273,637)
Bond Anticipation Notes	0	(129,433)	0	0	(129,433)
Debt Service Reserve	0	0	(17,550)	(17,550)	(35,100)
Capitalized Interest	0	0	(13,050)	(13,050)	(26,100)
Issuance Expenses	<u>0</u>	<u>0</u>	<u>(3,150)</u>	<u>(3,150)</u>	<u>(6,300)</u>
Total Use of Funds	<u>(397,723)</u>	<u>(487,793)</u>	<u>(305,382)</u>	<u>(279,673)</u>	<u>(1,470,570)</u>
Balance Carried Forward	\$ 472,156	\$ 56,146	\$ 38,430	\$ 46,618	\$ 46,618

1 Interest Rate Assumed 2.5% for the period 2001 through 2004.

Funding Source Summary

Current Balance	17.49%
Transfer From Operating Fund	0.00%
PFC Funding	14.22%
Federal Grants	2.87%
State Grants	0.40%
Interest Income	1.24%
Net Bond Proceeds - 2001	33.61%
Commercial Paper Program	-2.24%
Principal Amount of Bonds	29.66%
Federal Letter Of Intent (LOI)	<u>2.77%</u>
Total Sources of Funds	100.00%

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 2002 OPERATING BUDGET

SOURCES AND USES

From 12/31/01 through 2004, MAC has identified nine funding sources totaling \$1,517,188,000 including a beginning balance of \$265,298,000. During this period, MAC will expend \$1,470,570,000 leaving a net balance of \$46,618,000 at the end of 2004.

SOURCES

Each source of funding is discussed below.

Typically 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. Based on our current economic conditions and the additional debt service transfer required for the 2000 A-B Bonds and the 2001 A-D Bonds no transfer to the Construction Fund is forecasted for the 2002-2004 period.

PFC funding or Passenger Facility Charge funding is the third largest funding source at \$215.8 million or 14.22% 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 was originally 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 continued 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 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. In October of 1999 the Commission submitted a fifth application totaling \$106.9 million. Approval of the fifth application by the Federal Aviation Administration was received in January 2000. In September 2000, the Commission submitted to the FAA amendments for the following applications:

PFC #1 - 1992	\$26,359,000
PFC #2 - 1994	\$14,557,000
PFC #4 - 1998	\$4,212,000
PFC #5 - 2000	Change in level from \$3.00 to \$4.50

In conjunction with filing these amendments, the Commission was required to file a Competition Plan. Before any approval/consideration could be given to these amendments, the FAA needed to approve this Plan. Approval from the FAA regarding the Competition Plan was received on November 21, 2000. In addition, Congress earlier in 2000 authorized proprietors of commercial service airports to increase the level of PFC up to a maximum of \$4.50. This level of collection required the completion and approval of a Competition Plan for the airport. The Commission received approval of these amendments in January 2001.

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 \$43.5 million or 2.87% 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.

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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 \$6.0 million or 0.40% of the total funding through 2004.

Interest Income is based on the balance in the fund. As noted above, a 2.5% rate is assumed for 2001 through 2004. This figure can vary significantly depending upon approval of projects and their starting dates. Interest Income of \$18.7 million or 1.24% of sources is projected.

Net Bond Proceeds – 2001 represents the amount from the General Airport Revenue Bonds (GARBs) that were issued in May 2001. Four series were issued for various projects. (See Debt Service section for further details.) These proceeds comprise 33.61% or \$509.9 million of the total funding sources and are the largest source of funds.

Bond Funding, the second largest source, will make up \$450.0 million or 29.66% of the total. The Commission will issue approximately \$517.5 million in debt. This figure includes estimated proceeds of \$450.0 million and debt service reserve, capitalized interest, and issuance costs of approximately \$67.5 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. The LOI was approved in mid 1999 at a \$95 million level. The Commission will receive the \$95 million in various amounts until 2010. LOI funding in 2000 was \$9.0 million. In October 2000, the Commission approved and implemented a short-term variable rate program. The vehicle chosen was Commercial Paper. The initial offering was for \$75 million. The primary purpose of this program was to prefund the LOI aid program and to pay the Commercial Paper issue down as the LOI dollars are received. From the table it can be seen that the LOI dollars received in a year are then used to pay down the Commercial Paper Program in the following year. Additional information regarding this program is provided in the Debt Service Budget.

USES

There are four general categories of uses listed. The first, CIP project costs (\$1,273.6 million) represent 86.6% of the total. The other three categories relate to the bond issues described above and in the Debt Service Budget and comprise the other 13.4% 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, and additional terminal facilities.

The balance carried forward at the end of 2004 can be attributed to a number of significant projects scheduled to begin in early 2004. It is quite possible that this balance could be significantly different as the timing of 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.

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CONSTRUCTION BUDGET – 2002 OPERATING BUDGET

The table below identifies current projects in process whose estimated cost is greater than \$3.0 million.

Projects in Process (As of November 5, 2001) (\$ = 000)

<u>Project Description</u>	<u>Estimated Project Cost</u>	<u>Payments To Date</u>
2000 Green Concourse Apron Extension	14,300,000.00	14,081,421.01
Runway 30R Snow Storage/Melting Area	3,800,000.00	318,173.81
Runway 30R Deicing Pad	21,500,000.00	11,539,534.27
Runway 4/22 Reconstruction - Segment 3	10,000,000.00	438,860.92
Runway 12R Deicing Pad	16,500,000.00	651,484.56
2001 Aircraft Fueling System	5,600,000.00	2,997,584.56
Runway 17/35 Land Acquisitions and Developments	422,780,600.00	302,524,379.32
Automated People Mover System	29,637,115.00	26,359,705.58
Green Concourse Expansion - Fees	13,000,000.00	10,456,156.99
Green Concourse People Mover	45,125,000.00	33,328,300.15
Green Concourse Expansion - Phase 2	85,750,000.00	37,910,930.44
2001 Linbergh Terminal Interior Rehabilitation	6,100,000.00	454,763.14
Lindbergh Terminal Concourses Renaming	5,500,000.00	5,383,028.74
EMC - Boiler Replacement	4,405,000.00	3,598,529.28
North Terminal Expansion	14,100,000.00	3,784,432.18
Concourse F Infill	3,500,000.00	1,073,162.48
Second Bank Baggage-Concourse D	3,350,000.00	2,341,056.89
Ground Power Systems	4,870,000.00	1,869,984.99
HHH Replacement Terminal Developments	88,905,000.00	81,696,755.49
Naval Air Reserve Center Relocation	14,600,000.00	13,072,613.83
MSP Air Mail Center	16,150,000.00	12,171,852.58
Parking Expansion-Transit Center	13,000,000.00	8,311,388.47
MAC General Office - Interior Rehabilitation	7,150,000.00	6,870,565.76
Inbound Roadway Entrance Canopies	7,950,000.00	7,615,888.68
Equipment Building - Breakroom/Office Addition	5,800,000.00	5,297,480.91
HHH Terminal - Gate 10 Expansion	3,275,000.00	1,030.16
HHH Terminal Parking Ramp Developments	78,840,000.00	13,999,934.67
LRT Tunnel/Station and Developments	30,110,000.00	28,974,531.44
Cargo Area Developments	17,365,000.00	2,983,573.89
Part 150 Sound Insulation Projects (Homes & Schools)	64,152,000.00	44,052,680.80
Flying Cloud Land Acquisitions	5,062,000.00	4,757,875.50
Anoka/Blaine - 2000 Sanitary Sewer/Water and Pavement	3,150,000.00	2,815,177.33
All Other Projects in Process	89,659,100.00	65,449,966.19
Total:	1,154,985,815.00	757,182,805.01

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The listing below summarizes all construction, and expansion projects whose costs exceed \$5.0 million at MSP and \$2.0 million at the reliever airports. These dollar limits represent the level at which the Metropolitan Council (a regional planning agency) must review and approve projects. In addition, noise projects in excess of \$1.0 million are summarized.

CAPITAL IMPROVEMENT PROJECTS (Dollars in Thousands)

MSP International	2002	2003
	\$	\$
<u>Runway Deicing/Holding Pad Program</u>		\$18,000
<u>12R Deicing/Holding Pad</u>		
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. This project will also include the construction of Taxiway B between the deicing pad and Exit Taxiway B10.		
Runway Deicing/Holding Pad Program Less Than \$5,000,000	<u>\$0</u>	<u>\$3,150</u>
Total Runway Deicing/Holding Projects	<u>\$0</u>	<u>\$21,150</u>
<u>Runway 17/35 Program</u>		
<u>77th Street/24th Avenue Interchange/I-494 Frontage Road</u>	\$6,000	\$5,600
This project will provide for the construction of the 77 th Street/24 th Avenue interchange and roadway system and the frontage road along I-494 from 77 th Street to the east.		
<u>Runway 17/35 Intersection Site Preparation/Paving</u>	\$18,500	
This project provides for the site preparation and paving of Runway 17/35 and 4/22 intersection including a section of Taxiway N.		
<u>Buildings Demolition-Runway Protection Zone</u>		\$9,700
This project provides for the demolition of buildings in the Runway Protection Zone including the McClay VFW, Federal Express, BAX Global, the Amoco and Super America gas stations, and the Double Tree, Sheraton, and Exel hotels.		
<u>Buildings Demolition-Southwest Cargo Apron</u>		\$5,500
This project provides for the demolition of buildings on the Southwest Cargo apron which are within the Runway Protection Zone.		

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CONSTRUCTION BUDGET – 2002 OPERATING BUDGET
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MSP International	<u>2002</u> \$	<u>2003</u> \$
<p><u>Lease Extinguishment</u> In addition to the acquisition of property for the construction of Runway 17/35 and the Runway Protection Zone (RPZ), there will be a requirement to buy out existing leases of some of the properties to be acquired.</p>		\$6,100
<p><u>MAC Equipment and Materials Storage Building</u> This project will provide for the construction of a facility which will serve as both an equipment storage facility and a storage facility for sand, salt, and other deicing agents to be used on Runway 17/35 and the adjacent service roads.</p>		\$6,900
<p><u>MAC Glycol Facilities Demolition/Construction</u> This project provides for the construction of the pond system used to store the glycol impacted storm water collected during the deicing season from the storm sewers serving the ramp areas.</p>		\$5,000
<p><u>Runway 17/35 Construction-South End</u> This project provides for the site preparation and paving of the runway and taxiway system south of the Runway 4/22 intersection.</p>		\$11,000
<p><u>Runway 17/35 Land Acquisition</u> During 2003, there will be a continuation of the acquisition of off-airport land required to provide for the Runway 17/35 Protection Zone (RPZ). Costs for the land acquisition will be determined based on negotiations with the impacted property owners.</p>		\$80,000
<p><u>Runway 17/35 North End Paving</u> This project will provide for the concrete pavement installation on the north end of the runway and taxiway system.</p>		\$24,500
Other Runway 17/35 Program Projects Less Than \$5,000,000	<u>\$8,200</u>	<u>\$8,600</u>
Total Runway 17/35 Program Projects	<u>\$32,700</u>	<u>\$162,900</u>
<u>Runway 4/22 Development Program</u>		
Other Runway 4/22 Development Program Projects Less Than \$1,000,000	<u>\$5,500</u>	<u>\$3,000</u>
Total Runway 4/22 Development Program Projects	<u>\$5,500</u>	<u>\$3,000</u>
<u>Noise Mitigation Program</u>		
<u>Residential Sound Insulation (Inside 1996 65 DNL)</u> An ongoing program to insulate residential houses within the certified 1996 DNL 65 noise contour.	\$7,000	

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MSP International	2002 \$	2003 \$
<u>Residential Sound Insulation (Inside 1996 65 DNL)</u> This is the last phase in the program to insulate residential houses within the certified 1996 DNL 65 noise contour.		\$29,500
<u>Residential Sound Insulation-Multi-Family (Inside 1996 65 DNL)</u> This project provides for the insulation of multi-family residences within the 1996 DNL 65 noise contour.		\$5,000
Other Noise Mitigation Program Projects Less Than \$5,000,000	<u>\$0</u>	<u>\$2,000</u>
Total Noise Mitigation Program Projects	<u>\$7,000</u>	<u>\$36,500</u>
Environmental Remediation Program		
Other Environmental Remediation Program Projects Less Than \$5,000,000	<u>\$3,000</u>	<u>\$0</u>
Total Environmental Remediation Program Projects	<u>\$3,000</u>	<u>\$0</u>
<u>Airfield Rehabilitation Program</u>		
<u>Pavement Rehabilitation-Aprons</u> An ongoing program to replace sections of concrete pavement in the aircraft operational areas that have deteriorated to a point where maintenance is no longer a viable option.		\$6,000
Airfield Rehabilitation Projects Less Than \$5,000,000	<u>\$3,500</u>	<u>\$500</u>
Total Airfield Rehabilitation Projects	<u>\$3,500</u>	<u>\$6,500</u>
<u>Green Concourse Expansion & Rehabilitation Program</u>		
Green Concourse Expansion & Rehabilitation Projects Less Than \$5,000,000	<u>\$4,050</u>	<u>\$750</u>
Total Green Concourse Expansion & Rehabilitation Projects	<u>\$4,050</u>	<u>\$750</u>
<u>Lindbergh Terminal Rehab & Development Program</u>		
Lindbergh Terminal Rehabilitation & Development Projects Less Than \$5,000,000	<u>\$1,500</u>	<u>\$5,500</u>
Total Lindbergh Rehabilitation & Development Program	<u>\$1,500</u>	<u>\$5,500</u>

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MSP International	2002 \$	2003 \$
<u>Landside Rehabilitation & Repair Program</u>		
Landside Rehabilitation & Repair Projects Less Than \$5,000,000	<u>\$2,400</u>	<u>\$12,450</u>
Total Landside Rehabilitation & Repair Projects	<u>\$2,400</u>	<u>\$12,450</u>
<u>Reliever Airport Program</u>		
Airlake		
<u>South Building Area Development</u> This project is the second phase in the program to develop a new South Building Area and partial parallel taxiway. This year's project will provide for the installation of the pavements and taxiway lighting system.		\$2,100
Anoka		
<u>Runway 9/27 Extension/Widening</u> This project will provide for the widening and extension to 5000 feet of Runway 9/27 including all required wetland mitigation.		\$6,500
<u>Runway 9/27 MALSR/ILS</u> This project provides for the installation of the ILS and MALSR systems for the new 5000 foot runway including all required wetland mitigation.		\$2,600
Flying Cloud		
<u>Rwy 9R/27L Reconstruction/Extension & Rwy 9L/27R Extension</u> This project provides for the reconstruction of Runway 9R/27L and the extension of Runways 9R/27L and 9L/27R. The project includes pavement construction and reconstruction, VOR and MALSR light relocations, and signage changes to reflect the renumbering of the runways to 10/28. A backup generator for airfield lighting and for MAC facilities will also be provided.		\$10,500
<u>South Building Area Development</u> This project will provide for the first phase in the construction of the new South Building Area and will include grading and utility installation.		\$4,900
Lake Elmo		
<u>East Building Area Development</u> This project involves the site development of the new East Building Area including grading, demolition of abandoned buildings and all earthwork associated with the new taxiways, taxilanes and roadway access.		\$3,500

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MSP International	2002 \$	2003 \$
St. Paul		
<u>Flood Protection</u> This project is the second phase in the program to provide flood protection measures at the St. Paul Downtown Airport. This project includes overlays on Taxiways E and A which will provide for partial 25-year flood protection.		\$2,000
<u>Pavement Rehabilitation</u> An ongoing program to rehabilitate aircraft operational areas (runways, taxiways, aprons) through bituminous overlays, sealcoats, or in some instances, reconstruction, to restore the surfaces to a smooth, even condition and improve overall operating conditions. This year's project will include the rehabilitation of Runway 9/27 and the reconstruction of the blast pad.		\$2,150
Reliever Airports Projects Less Than \$2,000,000	<u>\$300</u>	<u>\$8,675</u>
Total Reliever Airports Projects	<u>\$300</u>	<u>\$42,925</u>
<u>Reliever Airports Utility Extension Program</u>		
Flying Cloud		
<u>Sanitary Sewer and Watermain Extensions</u> This project will include phase two in the installation of sanitary sewer and watermain at the Flying Cloud airport.		\$3,400
Reliever Airports Utility Extension Projects Less Than \$5,000,000	<u>\$1,600</u>	<u>\$2,050</u>
Total Reliever Airports Utility Extension Projects	<u>\$1,600</u>	<u>\$5,450</u>
<u>Miscellaneous Field & Runway Projects Program</u>		
Miscellaneous Field & Runway Projects Less Than \$5,000,000	<u>\$400</u>	<u>\$2,400</u>
Miscellaneous Field & Runway Projects	<u>\$400</u>	<u>\$2,400</u>

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 2002 OPERATING BUDGET

MSP International	2002 \$	2003 \$
<u>Miscellaneous Landside Program</u>		
<u>Mesaba Hangar</u> This project provides for the construction of a new maintenance hangar for Mesaba Airlines as part of the Runway 17/35 development.		\$10,400
<u>Overflow Ramp/Employee Parking Structure</u> This project will provide for the construction of the Overflow Ramp at the Humphrey Terminal, which will provide parking for the Humphrey Terminal as well as overflow parking for the Lindbergh Terminal.		\$56,000
<u>Sun Country Hangar</u> This project will provide for the construction of a new maintenance hangar and office for Sun Country Airlines as part of the Runway 17/35 development.		\$12,700
Miscellaneous Landside Projects Less Than \$5,000,000	<u>\$0</u>	<u>\$7,000</u>
Total Miscellaneous Landside Projects	<u>\$0</u>	<u>\$86,100</u>
<u>Projects Carried Over From 2001</u>		
<u>34th Avenue Reconstruction</u> This project provides for the reconstruction of 34 th Avenue from 72 nd Street to I-494 in conjunction with the construction of the LRT tracks.	\$6,500	
<u>Humphrey Parking Structure-Site Work/Snowmelters</u> This project provides for the site work required for the Humphrey Parking structure and the installation of the snowmelters required to serve the Humphrey parking structure.	\$6,900	
Projects Carried Over From 2001 Less Than \$5,000,000	<u>\$13,735</u>	<u>\$0</u>
Total Projects Carried Over From 2001	<u>\$27,135</u>	<u>\$0</u>
<u>New Projects Program</u>		
<u>Cargo Projects Development-BAX</u> This project will provide for the construction of a new hangar for BAX as part of the Runway 17/35 development.		\$5,500
<u>Cargo Projects Development-UPS</u> This project provides for the construction of a new cargo facility for UPS as part of the Runway 17/35 development.		\$8,000

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 2002 OPERATING BUDGET

MSP International	2002 \$	2003 \$
<u>New Projects Program Cont'd</u>		
<u>Cat. II/IIIa System Installations</u> This project will provide new instrument landing systems (ILS) to Runways 12L, 12R and 35 including navigational aids and in-pavement lights. This project will provide the ILS system on Runway 21R.	\$8,000	\$9,000
<u>EMC Chiller Plant Addition</u> This project provides for an addition to the Energy Management Center and the installation of three thousand tons of additional cooling capacity via modular chillers and cooling towers to support current, future and redundant cooling capacity for the terminal complex.	\$6,250	
<u>Maintenance Building Addition</u> This project will provide for the expansion of the maintenance area including additional maintenance bays, expanded parts and receiving areas, expanded shop offices and support facilities and storage areas.		\$10,000
<u>RAC Service Site Relocation</u> This project will provide for the relocation of the RAC service sites to a common location near the MTC bus garage on the south side of the airport.		\$5,000
New Projects Less Than \$5,000,000	<u>\$0</u>	<u>\$16,200</u>
Total New Projects	<u>\$14,250</u>	<u>\$53,700</u>
TOTAL ALL PROGRAMS	<u>\$103,335</u>	<u>\$439,325</u>
<u>Program Summary</u>		
Runway Deicing/Holding Pad	\$0	\$21,150
Runway 17/35	\$32,700	\$162,900
Runway 4/22 Development	\$5,500	\$3,000
Noise Mitigation	\$7,000	\$36,500
Environmental Remediation	\$3,000	\$0
Airfield Rehabilitation	\$3,500	\$6,500
Green Concourse Extension	\$4,050	\$750
Lindbergh Terminal Rehab & Development	\$1,500	\$5,500
Lindbergh Terminal Rehab & Repair	\$2,400	\$12,450
Reliever Airports	\$300	\$42,925
Reliever Airports Utility Extension	\$1,600	\$5,450
Miscellaneous Field & Runway	\$400	\$2,400
Miscellaneous Landside	\$0	\$86,100
2001 Projects Carried Over	\$27,135	\$0
New Projects	<u>\$14,250</u>	<u>\$53,700</u>
<u>TOTAL ALL PROGRAMS</u>	<u>\$103,335</u>	<u>\$439,325</u>

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 2002 OPERATING BUDGET

The following table attempts to identify additional maintenance & operations (M&O) expenses that can be attributed to new projects/facilities coming on line in 2002 and 2003. The 2002 budget dollars for operating expenses include the figures listed in the "Budget Year 2002" column. As stated in the Budget Message, the Capital Improvement Program was significantly reduced for 2002. The underlying reasons were twofold: (1) Defer as much capital costs as possible so as to not issue any new debt in 2002 and (2) Avoid adding additional maintenance and operating (M & O) costs to the budget. The result of these actions is seen in the anticipated M & O expenditures in 2002 and 2003.

Maintenance & Operating Budget Impact of 2002 - 2003 Projects

\$ = 000

<u>Program/Project Areas</u>	<u>2002-2003 Project Cost Totals</u>	<u>Impact Budget Year 2002</u>	<u>Impact Budget Year 2003</u>
Field & Runway/Airside			
1 Rehab/Other Projects	\$ 24,050	\$ -	\$ -
Completion 2001 - 2003	26,900	50	75
1 Post 2003 Completion	<u>216,000</u>	<u>-</u>	<u>-</u>
Totals	\$ 266,950	\$ 50	\$ 75
Environmental			
1 Rehab/Other Projects	\$ 48,900	\$ -	\$ -
Completion 2001 - 2003	-	-	-
1 Post 2003 Completion	<u>-</u>	<u>-</u>	<u>-</u>
Totals	\$ 48,900	\$ -	\$ -
Terminals & Landside			
1 Rehab/Other Projects	\$ 66,985	\$ -	\$ -
Completion 2001 - 2003	20,450	343	725
1 Post 2003 Completion	<u>89,100</u>	<u>-</u>	<u>-</u>
Totals	\$ 176,535	\$ 343	\$ 725
Reliever Airports			
1 Rehab/Other Projects	\$ 16,875	\$ -	\$ -
Completion 2001 - 2003	-	-	-
1 Post 2003 Completion	<u>33,400</u>	<u>-</u>	<u>-</u>
Totals	\$ 50,275	\$ -	\$ -
Total All Areas			
1 Rehab/Other Projects	\$ 156,810	\$ -	\$ -
Completion 2001 - 2003	47,350	393	800
1 Post 2003 Completion	<u>338,500</u>	<u>-</u>	<u>-</u>
Totals	\$ 542,660	\$ 393	\$ 800

1 No budget impact because there were no expanded or new facilities, or noise/sound proofing related or the project will not be completed until post 2003.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

CONSTRUCTION BUDGET – 2002 OPERATING BUDGET

<u>Category</u>	<u>2002 - 2003 Maintenance & Operating Expense Impact</u>
Field & Runway	Of the \$267 million of projects listed, \$24 million are listed in the rehab category and represent either actual rehab projects or property acquisition costs. In either case no M&O costs are anticipated in 2002 or 2003. Approximately \$216 million of projects relate to the runway 17/35 program and will either not be completed by year-end 2003 or will be completed but not operational until after 2003. Of the \$26.9 million in projects listed as being completed in 2001-2003, \$17.0 million is for the Cat II/III System. This system provides new instrument landing systems (ILS) on Runways 12L, 12R and 35. As such, it will not require much maintenance. The remaining projects include a fuel island, Runway Safety Area Improvements and a Snow Melting Area. These projects, because of their nature also require very little maintenance.
Environmental	There are no expected maintenance and operating costs associated with projects in this category.
Landside	Of the \$177 million of projects, \$67.0 million are rehab projects and result in no new areas or facilities so there is no budget impact. Approximately \$89 million of projects will be completed post 2003. At the present time it is too difficult to determine if there could be a budget impact in 2003 for these projects. The balance of the projects, \$20 million, will have a budget impact of \$343,000 in 2002 and \$725,000 in 2003. The majority of the projects to be completed in 2001-2003, will again have a minimal maintenance impact. The bulk of the M & O cost is related to the expansion of the Concourse C Apron (ramp) area. Both materials and labor contribute to these increases in 2002 and 2003.
Relievers	There are no expected maintenance and operating costs associated with projects in this category.

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MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

DEBT SERVICE BUDGET – 2002 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 for General Obligation Revenue Bonds in an amount sufficient to cover debt service to the end of the second following year. For General Airport Revenue Bonds a one-year maximum annual debt service is required.

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 began 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 General Obligation Revenue Bonds payable there from 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, 2002	\$78,876
October 10, 2003	\$77,791
October 10, 2004	\$76,551
October 10, 2005	\$74,000
October 10, 2006	\$72,414

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

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

DEBT SERVICE BUDGET – 2002 OPERATING BUDGET

The annual actual debt service and coverage requirement for the next five years for the GARB issue 1998 Series A, B, C, 1999 Series A, B, 2000 Series A, B and 2001 Series A, B, C, D is:

January 1, 2002	\$78,464
January 1, 2003	\$85,282
January 1, 2004	\$85,225
January 1, 2005	\$85,198
January 1, 2006	\$85,162

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

The table below shows future debt requirements on an annual calendar year basis after December 31, 2001, for the next five years as well as a cumulative total for the period 2007-2032. The dollars shown are in thousands.

(\$ = 000)	General	General	Total	Total All	Total
	Obligation	Airport Rev-			
Year(s)	Bonds	enue Bonds	Bonds		& Interest
	(Principal)	(Principal)			
2002	\$ 7,310	\$ 8,950	\$ 16,260	\$ 96,696	\$ 112,956
2003	12,070	18,580	30,650	93,764	124,414
2004	12,780	19,540	32,320	91,931	124,251
2005	13,400	20,590	33,990	89,974	123,964
2006	13,345	21,705	35,050	87,898	122,948
2007-2032	<u>287,105</u>	<u>1,075,965</u>	<u>1,363,070</u>	<u>1,180,197</u>	<u>2,543,267</u>
	\$ 346,010	\$ 1,165,330	\$ 1,511,340	\$ 1,640,460	\$ 3,151,800

(The October 10, 2002, listing prior to 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).

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. 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 – 2002 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. 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 coverages are used and 1.25 coverage if projected net revenues are used. These coverage ratios include debt service on the General Obligation Revenue Bonds.

Bonds Payable, due serially (\$ = 000):	Issue Date	Original Amount	Final Payment In	Outstanding as of Year End	
				2002	2001
General Obligation Revenue Bonds:					
Series 2 - 4.25 to 5.2%	12/01/77	\$ 10,000	2002	\$ -	\$ 700
Series 8 - 4.25 to 6.6%	02/01/92	45,000	2011	0	30,400
Series 9 - 8.6 to 8.95%	04/01/92	270,000	2022	270,000	270,000
Series 10 - 3.6 to 5.0%	05/01/93	29,025	2006	8,360	10,670
Series 11 - 4.6 to 5.3%	10/01/94	5,615	2002	0	945
Series 12 - 4.2 to 4.55%	11/01/96	5,525	2002	0	1,275
Series 13 - 4.0 to 5.25%	11/01/98	38,750	2015	34,650	36,730
Series 14 - 5.0 to 5.5% (Refund Series 8)	11/01/01	\$ 25,690	2011	<u>25,690</u>	<u>0</u>
Total General Obligation Revenue Bonds				<u>\$ 338,700</u>	<u>\$ 350,720</u>
General Airport Revenue Bonds:					
1998 Series A - 5.00 to 5.20%	06/01/98	\$ 225,885	2030	\$ 225,885	\$ 225,885
1998 Series B - 5.00 to 5.50%	06/01/98	84,000	2016	84,000	84,000
1998 Series C - 5.94 to 6.27%	06/01/98	37,040	2007	32,255	37,040
1999 Series A - 5.125%	07/01/99	132,415	2031	132,415	132,415
1999 Series B - 4.75 to 5.625%	07/01/99	135,095	2022	135,095	135,095
2000 Series A - 5.75 to 5.99%	05/01/00	115,325	2032	115,325	115,325
2000 Series B - 5.25 to 6.20%	05/01/00	88,745	2021	88,745	88,745
2001 Series A - 5.25%	06/01/01		2032	85,190	85,190
		85,190			
2001 Series B - 5.0 to 5.75%	06/01/01		2024	98,815	98,815
		98,815			
2001 Series C - 5.125 to 5.5%	06/01/01	196,600	2032	196,600	196,600
2001 Series D - 5.0 to 5.75%	06/01/01	\$ 70,210	2016	<u>70,210</u>	<u>70,210</u>
Total General Airport Revenue Bonds				<u>\$ 1,264,535</u>	<u>\$ 1,269,320</u>
TOTAL BONDS OUTSTANDING				<u>\$ 1,603,235</u>	<u>\$ 1,620,040</u>

BOND REFUNDING

In October 2001 the Commission refunded General Obligation Revenue Bond Series 8 (14). The Commission through this refunding realized present value savings of 11.25% or approximately \$3.4 million. Staff has also begun the process of refunding General Obligation Revenue Bond Series 9 (15). This Series is a taxable issue. It is currently anticipated that this refunding will be priced in early January 2002 and closed later that same month. Initial indications are that the present value savings on Series 9 (15) will range from 15% to 20% or \$40 million to \$55 million.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

DEBT SERVICE BUDGET – 2002 OPERATING BUDGET

GARB ISSUE – 2001

In May 2001 the Commission issued Series 2001 A-D GARBs. This Series totaled \$450,815,000. 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 AMT bonds (Series B and D) are the highest cost and as such are amortized first. The lowest cost non-AMT (Series A and C) are amortized last. The Series A - D bonds were insured. The net proceeds to be used for construction financing total \$383,853,000. The balance of the \$76 million was used for cost of issuance, capitalized interest and the reserve fund. The A Bonds (\$184,005,000 Non AMT) and B Bonds (\$98,815,000 AMT) were issued on a Senior basis. The C Bonds (\$196,600,000 Non AMT) and D Bonds (\$70,210,000 AMT) were issued on a subordinated basis. The senior bonds have a first lien on revenues and as such have a higher coverage ratio. Subordinate bonds have a secondary lien on revenue and have a lower required coverage ratio. Two Reserve Funds were established, one for the Series A-B Bonds and one for the Series C-D Bonds. The reserve requirement is the maximum annual aggregate debt service of the Series 2000 A-D 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 AA- by Fitch.

NEW ISSUES

Based on the Capital Improvement Plan (CIP) presented in late fall 2001, it appears that in 2003 and 2004 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. It is likely that both of these Series will be somehow supported with Passenger Facility Charge (PFC) Revenue. The table below illustrates gross proceeds, net proceeds and capitalized interest/issuance costs attributed to the anticipated PFC Bonds to be issued for the period 2003-2004:

(\$ = 000)	<u>Gross Bond Proceeds</u>	<u>Net Bond Proceeds</u>	<u>Capitalized Interest/ Issuance Costs</u>
2003	\$225,000	\$191,250	\$33,750
2004	<u>225,000</u>	<u>191,250</u>	<u>33,750</u>
	<u>\$450,000</u>	<u>\$382,500</u>	<u>\$67,500</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.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

DEBT SERVICE BUDGET – 2002 OPERATING BUDGET

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 of \$125 million plus interest, and then issue long term debt or to possibly pay off the debt with internal funds as they become available. In October 2000, the Commission issued \$75 million for various projects. These projects were primarily associated with the 17/35 runway program. Payment of this debt is tied to the Letter of Intent (LOI) approved by the FAA.

In August of 2001, the Commission issued \$125 million in Bond Anticipation Notes (BANs). These notes are issued for one year and are used as an interim funding mechanism. Originally these notes were to be "taken out" with a new long term bond issue in 2002. Because of the events of 9/11/01 the Commission will be taking these Notes out with funds on hand.

DEBT SERVICE BUDGET

The Debt Service Budget is shown below.

2002 DEBT SERVICE BUDGET					
(\$=000)					
	<u>Budget</u> <u>2001</u>	<u>Estimated</u> <u>2001</u>	<u>Budget</u> <u>2002</u>	<u>Projected</u> <u>2003</u>	<u>Projected</u> <u>2004</u>
January 1 Balance	\$ 182,626	\$ 180,662	\$ 252,849	\$253,139	\$259,909
Source Of Funds:					
Transfer from Operating Fund	57,882	58,336	72,042	91,466	91,570
Interest earnings 1	12,000	10,453	9,901	9,615	10,197
Bond Proceeds 2	80,135	61,319	129,433	0	0
NWA payments 3	<u>32,863</u>	<u>36,023</u>	<u>35,586</u>	<u>35,162</u>	<u>34,609</u>
Total Sources Of Funds	182,880	166,131	246,962	136,243	136,376
Uses Of Funds					
Principal/Interest payments 2	<u>(76,314)</u>	<u>(93,944)</u>	<u>(246,672)</u>	<u>(129,473)</u>	<u>(129,455)</u>
Ending Balance	<u>\$ 289,192</u>	<u>\$ 252,849</u>	<u>\$ 253,139</u>	<u>\$259,909</u>	<u>\$266,830</u>
1 Interest Rate Assumed 2.5% for the entire period.					
2 Includes Debt Reserve, Capitalized Interest & Issuance Costs.					
3 NWA payments do not include the refunding of Series 9(15).					

SOURCES OF FUNDS

Each source of funding is discussed below.

The transfer from the operating fund occurs each October 10th for General Obligation Revenue Bonds. For General Airport Revenue Bonds the transfer occurs in late December each year. This transfer will fluctuate due to interest earnings, refundings and new issues. The years 2002-2004 reflect new bond issues (GARBs).

Interest earnings are assumed at 2.5% for 2001 through 2004. In projecting interest income the Commission typically takes a conservative approach.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

DEBT SERVICE BUDGET – 2002 OPERATING BUDGET

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

- General Obligation Series 9 (2022)
- General Obligation Series 11 (11.68%) (2002)
- General Obligation Series 12 (2002)
- General Obligation Series 13 (2015)

USES OF FUNDS

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

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

STATISTICAL - 2002 OPERATING BUDGET

The Statistical section is divided into four parts:

1. Historical Revenue/Expense and Facility Comparison of MAC
2. Activity /Operations Statistics
3. Comparison of MAC to other airports on a national level
4. Other Informational statistics

HISTORICAL REVENUE/EXPENSE AND FACILITY COMPARISONS

The comparisons in this section indicate, that both revenue and expense from 1991 have increased. The majority of categories within revenue and expense do fluctuate as a percentage of the total, however; overall, the changes in percentages are not significant through the year 2000. The estimated 2001 depreciation and budget 2002 depreciation, however; reflects a larger increase due to closing of construction projects. Also, the facilities comparison shows that expanded facilities at the MAC affect all areas.

Three comparisons are analyzed in this section:

A.

HISTORICAL OPERATING REVENUE & OPERATING EXPENSE SUMMARY 1991 VS 2000						
(\$ = 000)						
	1991		2000		1991-2000 Change \$	Annual % Change
	\$	% of Total	\$	% of Total		
Operating Revenue						
Airline Rates & Charges	\$ 25,385	42.0%	\$ 65,170	39.9%	\$ 39,785	11.0%
Concessions	26,405	43.7%	70,760	43.3%	44,355	11.6%
Other	8,649	14.3%	27,483	16.8%	18,834	13.7%
Total Operating Revenue	\$ 60,439	100.0%	\$ 163,413	100.0%	\$ 102,974	11.7%
Operating Expenses						
Personnel	\$ 21,168	36.3%	\$ 39,814	30.2%	\$ 18,646	7.3%
Administrative Expenses	668	1.1%	1,686	1.3%	1,018	10.8%
Professional Services	3,731	6.4%	6,357	4.8%	2,626	6.1%
Utilities	3,665	6.3%	8,678	6.6%	5,013	10.1%
Operating Services	5,581	9.6%	11,971	9.1%	6,390	8.8%
Maintenance	7,003	12.0%	12,238	9.3%	5,235	6.4%
Depreciation b)	16,214	27.8%	51,028	38.6%	34,814	13.6%
Other	276	0.5%	278	0.2%	2	0.1%
Total Operating Expenses	\$ 58,306	100.0%	\$ 132,050	100.0%	\$ 73,744	9.5%
Net Revenues	\$ 2,133	a)	\$ 31,363	a)	\$ 29,230	

a) Required as contribution towards debt service payments and construction program financing.
b) Depreciation figures for these years are net, not gross, as the 1991 figure could not be ascertained

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

STATISTICAL - 2002 OPERATING BUDGET

This first comparison 1991 versus 2000, emphasizes the following results:

1. Changes in revenue are:

- ◆ The largest growth occurred in the Other Revenue category (13.7%), however; Other Revenue represents less than one-fourth of the total revenue. This increase can be attributable to building rentals, HHH terminal common use rates and other fees associated with non-signatory airline landing and ramp fees. (See Operating Budget Revenue Assumptions).
- ◆ The second largest average annual percentage increase is in the Concession Revenue (11.6%). This is a result of increasing auto parking fees and changes/renewals to the Auto Rental contracts and separate concession agreements with various firms to operate concessions in the terminal building, including food/beverage, newsstands, telephones, advertising, games/amusements, etc. Contract agreements for both indoor and outdoor advertising also contributes to the increase. (See Operating Budget Revenue Assumptions).
- ◆ The average annual percentage increase in the Airline Rates and Charges is 11.0%. This is due in part to landing fees and expanded terminal facilities, necessary to accommodate the growth in passenger activity. Landing fees are calculated on a breakeven basis with revenue and expense being equal. An increase in revenue, therefore, is a result of increased costs in the Field and Runway area, directly attributable to increases in maintenance, utilities, and depreciation. The increase between 1991 and 2000 also results from changes in the airline agreement and new facilities that have become operational. (See Operating Budget Revenue Assumptions).

2. The average annual percentage increase in revenue from 1991 to 2000 (11.7%) is greater than the annual percentage increase in expenses from 1991 to 2000 (9.5%). Over this ten year period, revenue grew at a slightly higher rate than expenses. This years budget shows the spread between 1991 and 2000 revenue to expense is 2.2% (or the difference between 11.7% revenue growth and 9.5% expense growth).
3. Personnel costs have increased from 1991 to 2000 by \$18.6 million. This equates to an average annual increase of 7.3%, however, the percentage of total for personnel was reduced from 36.3% in 1991 to 30.2% in 2000. Depreciation by contrast, rose at an average rate of 13.6% or \$34.8 million, resulting in the depreciation percent of total increasing from 27.8% in 1991 to 38.6% in 2000. This change in depreciation can be attributed to the completion of several new and/or expanded facilities.

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

STATISTICAL - 2002 OPERATING BUDGET

B.

HISTORICAL OPERATING REVENUE & OPERATING EXPENSE SUMMARY 2000 VS 2002

	Actual 2000		Estimated 2001		Budget 2002		2000-2002 Change	Annual %
	\$	% of Total	\$	% of Total	\$	% of Total		
Operating Revenue								
Airline Rates & Charges	\$ 65,170	39.9%	\$ 74,402	42.4%	\$ 74,896	45.4%	\$ 9,726	7.2%
Concessions	70,760	43.3%	70,230	40.0%	61,503	37.3%	(9,257)	-6.8%
Other	27,483	16.8%	30,849	17.6%	28,408	17.2%	925	1.7%
Total Operating Revenue	\$ 163,413	100.0%	\$ 175,481	100.0%	\$ 164,807	100.0%	\$ 1,394	0.4%
Operating Expenses								
Personnel	\$ 39,814	30.2%	\$ 41,581	26.7%	41,581	25.7%	\$ 1,767	2.2%
Administrative Expenses	1,686	1.3%	1,825	1.2%	1,172	0.7%	(514)	-16.6%
Professional Services	6,357	4.8%	5,250	3.4%	3,954	2.4%	(2,403)	-21.1%
Utilities	8,678	6.6%	11,600	7.4%	10,755	6.6%	2,077	11.3%
Operating Services	11,972	9.1%	13,803	8.9%	12,925	8.0%	954	3.9%
Maintenance	12,238	9.3%	14,535	9.3%	14,343	8.9%	2,105	8.3%
Depreciation b)	51,028	38.6%	66,875	42.9%	76,517	47.3%	25,489	22.5%
Other	277	0.2%	429	0.3%	623	0.4%	346	49.9%
Total Operating Expenses	\$ 132,050	100.0%	\$ 155,898	100.0%	\$ 161,871	100.0%	\$ 29,821	10.7%
Net Revenues	\$ 31,363 ^{a)}		\$ 19,583 ^{a)}		\$ 2,936 ^{a)}		\$ (28,427)	-69.4%

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

The second table illustrates 2000 actual, 2001 estimated and 2002 budgeted revenue and expense categories with dollars and percentages. The following comparisons are explained:

1. Changes in Revenue are as follows:

- ◆ Revenue is projected to increase slightly, for an average of .4% annually from actual 2000 to budgeted 2002. This is directly associated with the events of September 11th and the slowing economy.
- ◆ Airline Rates and Charges are increasing 7.2%. This is due in part to landing fees and expanded terminal facilities, necessary to accommodate the growth in passenger activity during 1999, 2000 and the first 8 months of 2001. Landing fees are calculated on a breakeven basis with revenue and expense being equal. An increase in revenue, therefore, is a result of increased costs in the Field and Runway area, directly attributable to increases in maintenance, utilities, and depreciation.
- ◆ Concessions are predicted to decline 6.8% as parking revenue is projected to decrease significantly due lower passenger utilization and FAA mandated closure of parking spaces. Also, Merchandise/Personal Services, and Food/Beverage is expected to decline due to lower passenger activity.

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2. Changes in Expenses are as follows:

- ◆ Increases in expenses are projected to be 10.7%, however; both Administrative and Professional Services have been reduced to reflect a negative annual change of 16.6% and 21.1%. Reductions have been made in the Administration expense category reducing or eliminating, travel, computer upgrades and brochures. The decline in expenses for Professional Services reflects limiting and eliminating various consultants in several departments.
- ◆ Personnel expenses have increased annually 2.2%, however; this reflects limited wage growth and incorporates the new hires necessary for improving security.
- ◆ Other expenses have increased 49.9% due to the expected rise in general insurance premiums along with the expansion of the MAC facility.
- ◆ Depreciation expenses show a 22.5% increase due to completion of major projects, both new and renovations.
- ◆ Utilities, Operating Services, and Maintenance have also reduced expenses and the remaining expenses reflect MAC's escalating costs necessary to ensure the security and operation of the airport.

C.

Facility Expansion				
Lindbergh and HHH				
	<u>1992</u>	<u>2001*</u>	<u>Increase</u>	<u>% Increase</u>
Lindbergh & Regional				
Terminal Square Footage	1,586,044	2,319,336	733,292	46.2%
Number of Gates (Aircraft Loading Positions)	66	76	10	15.2%
Ramp Lineal Footage	8,874	9,376	502	5.7%
Parking (All Facilities)	11,594	12,755	1,161	10.0%

*As of 12/31/01

The final chart in this section compares the development and expansion of the major facilities at MSP International between 1992 and 2001. The significance of this growth impacts both revenue and expenses. Similarly, the closing of parking spaces in the last quarter of 2001 due to the events of September 11th had a significant impact in the reduction of revenue for 2001 and budgeted 2002. New facilities occupied by tenants will continue to generate additional income. Expenses

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include maintenance, both labor and materials; repairs; utilities; security and administrative costs. All sections of MAC are impacted by changes in facilities. Since 1991, the following new facilities have been added: Auto Rental Facilities, South Lindbergh Terminal addition, three new parking ramps, Terminal Vertical Circulation/Skyways, International Arrivals facility, Ground Transportation Center, Deicing Facilities, Butler fueling facility, Concourse G-C (Gold/Green) connecting and new HHH terminal. (See Construction Budget for impact of new facilities on the Operating Budget).

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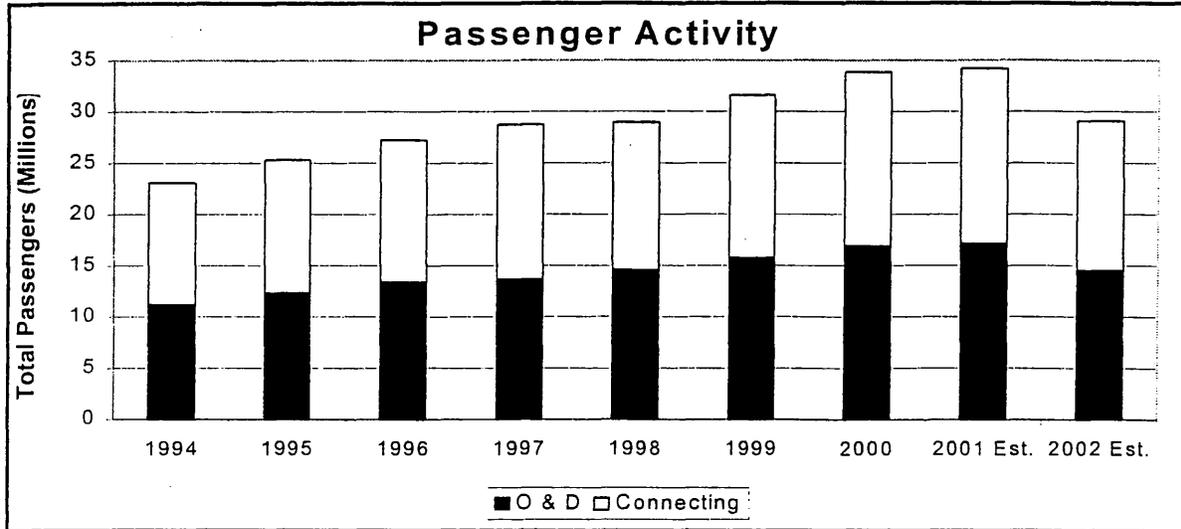
STATISTICAL - 2002 OPERATING BUDGET

ACTIVITY/OPERATIONS STATISTICS

This section contains the historical and forecasted levels of activity for the period 1994 through 2002 in the MAC's system of airports.

Four charts are reviewed in this section:

A.



This chart illustrates that increases in passenger activity occurred at MSP International during the time period 1994 to 2001. Approximately 50% of passengers were connecting passengers (those transferring directly to another flight) in 1994 and has remained consistent through the 2002 budget. The number of passengers is projected to decrease in 2002 from the 2001 budget due to the September events and slowing economy. (O & D = Originating and Destination).

B.

	1999 Actual	2000 Actual	2001 Estimate	2002 Budget
Passenger Type				
Enplaned	7,737,926	8,418,500	8,380,968	7,123,823
Deplaned	8,071,574	8,503,095	8,781,365	7,464,160
Connecting	15,809,500	16,921,595	17,059,667	14,500,717
Total Passengers	31,619,000	33,843,190	34,222,000	29,088,700

Estimates of passenger activity form an important element in forecasting revenue each year. The second chart represents actual passenger statistics for 1999 and 2000 and estimates for 2001

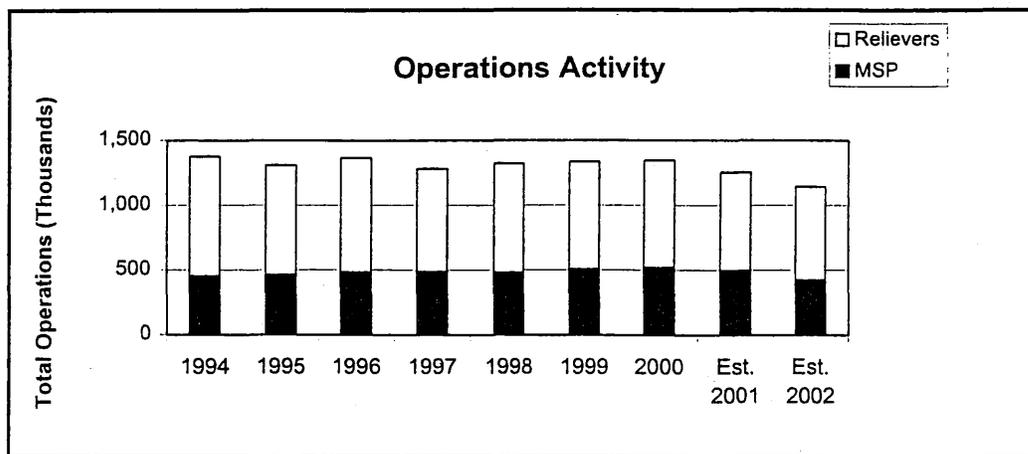
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and 2002. The following categories are each used in a specific manner when calculating revenue:

- ◆ 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.

C.

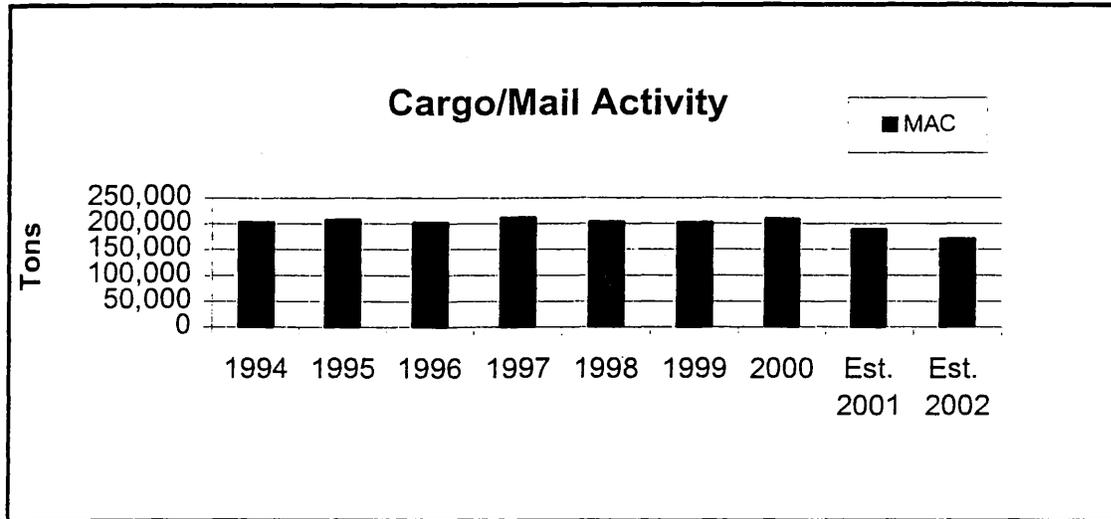


The third chart depicts the total Operations Activity for both the Reliever Airports, and MSP International. An operation represents one takeoff or landing. Total operations for the MAC system have increased from 1994. From 2001 est to 2002 budget total operations are expected to decrease 9% or approximately 112,448 due to the slow economy and events of September 11. The reduction in service by Northwest from this hub, and other airlines in response to the events along with Sun Country's decision to either eliminate all services or reduce services substantially are the reasons for this decline in activity.

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D.



The Cargo / Mail Activity Chart indicates a decrease in activity for the year 1996, with 1998, 1999 and 2000 about the same volume level. This decrease in volume in 1996 is the result of freight/cargo hauled by major and commuter carriers. As load factors (% of seats filled) increase for the carriers, less space is available for cargo/freight. Due to the pilots strike at Northwest Airlines in September 1998, the Cargo/Mail volume was down from 1997. The year 2001 est. along with 2002 est. predicts a decrease in activity due to the economy and construction of Runway 17/35 that required the acquisition of a number of freight facilities. In the future, volume is expected to increase upon building of the new expanded cargo facilities. The replacement facilities should become operational in 2002.

NATIONAL COMPARISONS

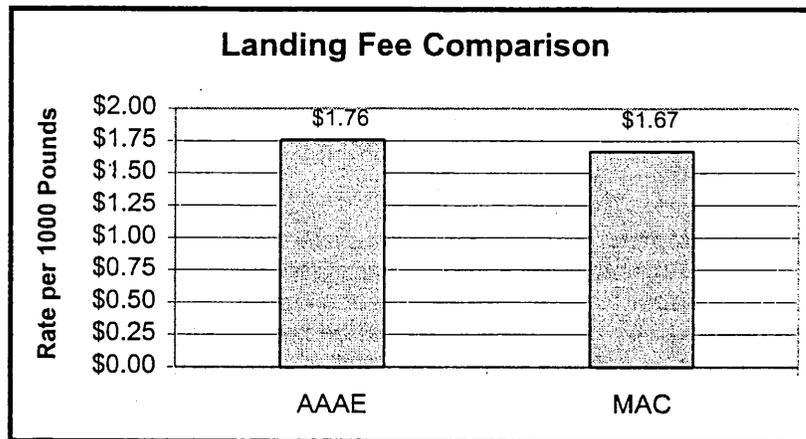
The information presented in this section was obtained from two national surveys. The first set of comparisons was tabulated by the American Association of Airport Executives (AAAE). This survey grouped hub airports into three categories: large, medium, and small. To be considered a large hub for purposes of this survey, an airport must have at least 6,566,889 enplanements (departures). MSP is considered a large hub airport.

The following two subjects are addressed: Rates and Concessions Industry

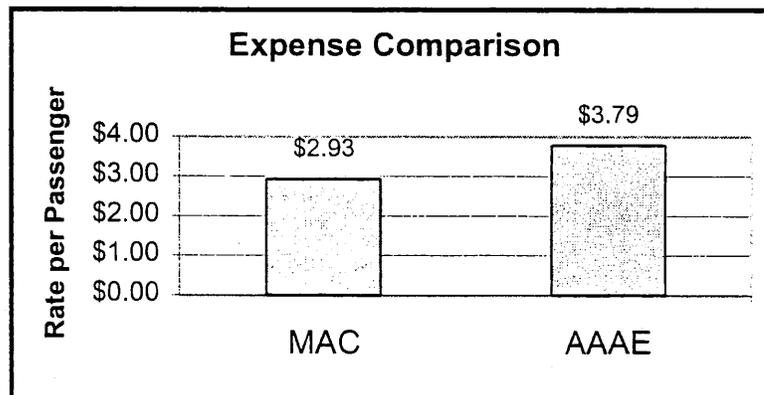
RATES AND CONCESSIONS

Four comparisons will be reviewed in this section utilizing the national statistics from the most recent survey (1999-2000).

A.



B.

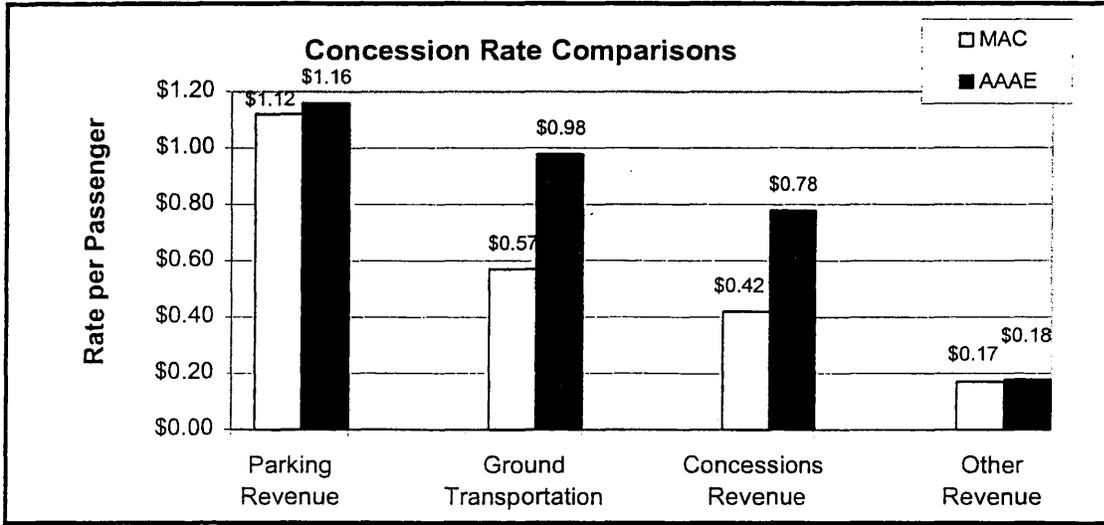


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The first graph (Landing Fee Comparison) indicates MSP's rate of \$1.67 is below the national average of \$1.76. The second graph (Expense Comparison), relates MSP's expenses (less depreciation) per passenger to the average as indicated in the AAEE survey. MAC's expenses of \$2.93 per passenger are lower than the national average of \$3.79. This survey however, was conducted for 1999-2000 and since that time, with the events of September 11, national averages have changed.

C.



The third graph compares passenger revenue from selected concessions. As shown, parking revenue (\$1.12) is lower than the national hub average (\$1.16) for the first time in several years. This is directly attributable to the survey date and using MAC's 2002 budget data which incorporates reductions due to the events of September 11th. This decrease is due to the FAA mandated closure of parking spaces and the reduction in air travel. Ground transportation is affected in the same manner. Concession revenue is also lower than the average due to the events that occurred. In addition, concession areas that were available to the general public are restricted to ticketed passengers only. MAC's averages are close to the national averages in the other category. With the major remodeling/expansion of the concessions program, the newly expanded auto rental facilities, and the improving economy, revenue per passenger should increase in the future.

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D.

Concession Revenues						
(in thousands of dollars)						
Year	Parking	Rental Car	Food & Beverage	General Merchandise	Other	Total
1996	\$ 30,292	\$ 8,496	\$ 2,348	\$ 2,730	\$ 3,997	\$ 47,863
1997	31,675	9,507	2,541	3,432	5,115	52,270
1998	35,052	10,568	2,719	3,664	4,828	56,831
1999	36,670	11,429	3,084	4,043	6,894	62,120
2000	42,950	15,179	3,534	4,925	4,172	70,760
2001E	42,000	15,430	4,000	4,200	4,600	70,230
2002B	32,725	16,492	3,610	4,301	4,375	61,503

2001 figures are estimated
2002 figures are budget

This table presents historical concession revenues from 1996 to 2002.

- ◆ Parking revenues are related to the level of originating traffic at the MSP and parking rates. Expanded facilities in 1999 and 2000 account for the increases in those years. 2001 and 2002 indicate a decrease in revenue due to the closing of parking spaces and the decline in passenger air travel.
- ◆ Rental car revenue can be associated with the level of destination traffic and rental car agreements. The large increase in the year 2000, can be attributable to the expanded facilities in 2000. For the 2002 budget, auto rentals are predicted to increase due to the minimum rental fee each firm pays.
- ◆ Food and beverage had been steadily increasing due to the expanded facilities through 2001. The 2002 budget indicates a reduction based upon lower passenger air travel.
- ◆ General merchandise also had a period of expansion through 2000 related to increases in passenger growth and expanded facilities. For the 2002 budget, a decrease is projected based upon the decline of air traveling passengers.
- ◆ Other revenue consists of advertising both indoor and outdoor, telephones, vending and miscellaneous concession revenue.
- ◆ See Revenue assumptions for further details.

INDUSTRY

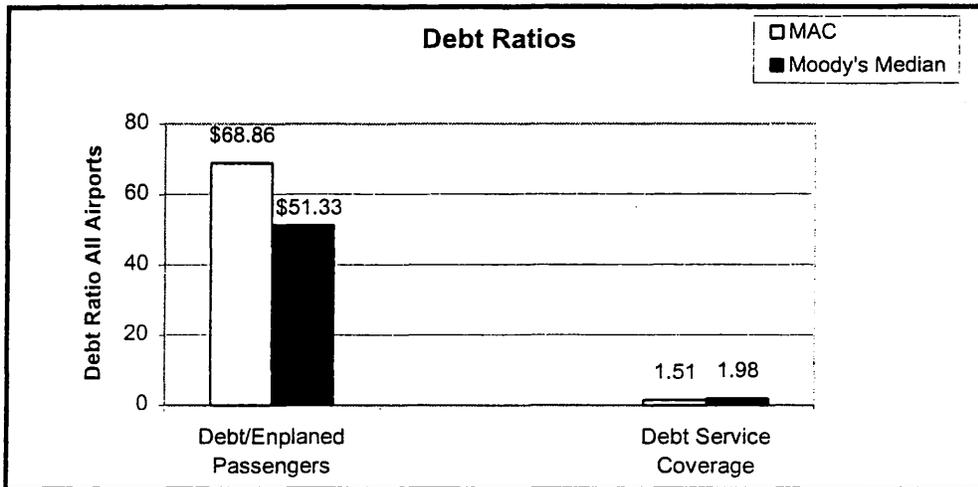
Three charts presented in this segment compare MAC's financial and operating ratios to industry performance ratios. Moody's, one of the bond rating agencies, publishes separate financial and

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operating ratios for Hub and Originating and Destination airports (little or no connecting passenger activities.) These ratios are based on 2001 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. All MAC data is based upon estimated 2001 information.

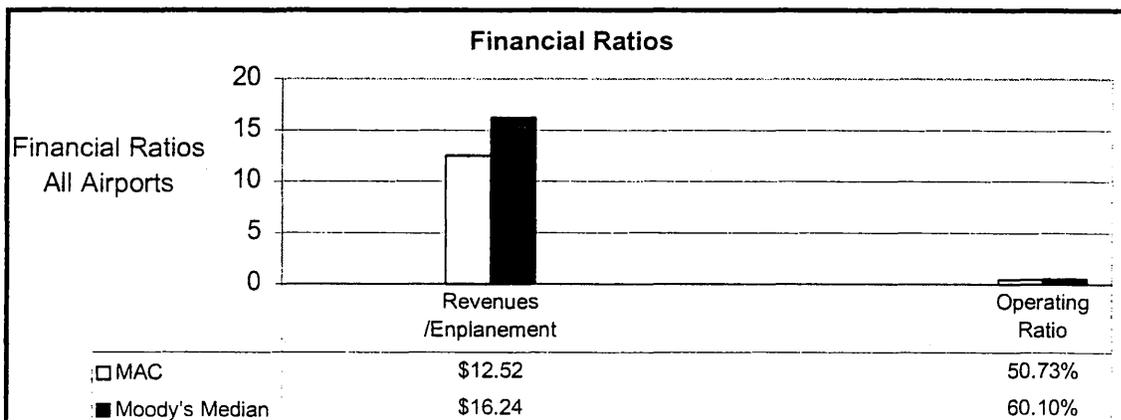
A.



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 above the industry average because of the current construction program (\$3.0 billion).

Debt service coverage demonstrates the current ability to repay debt. The MAC's coverage ratio as shown, is at 1.51x and represents the estimate prior to the events of September 11th. The current projection for 2002 is 1.32x. Both of these ratios are below the median of 1.98x. This indicates MAC's ability to repay the debt from revenue sources is not quite at the average of other airports. Reduction in revenue resulting from September 11th along with many of the projects in the construction program being "in progress" attributes to this lower ratio. A number of them will be completed in 2002, and along with recovering revenue should help push the coverage closer to the average. (See also Debt Service Section).

B.



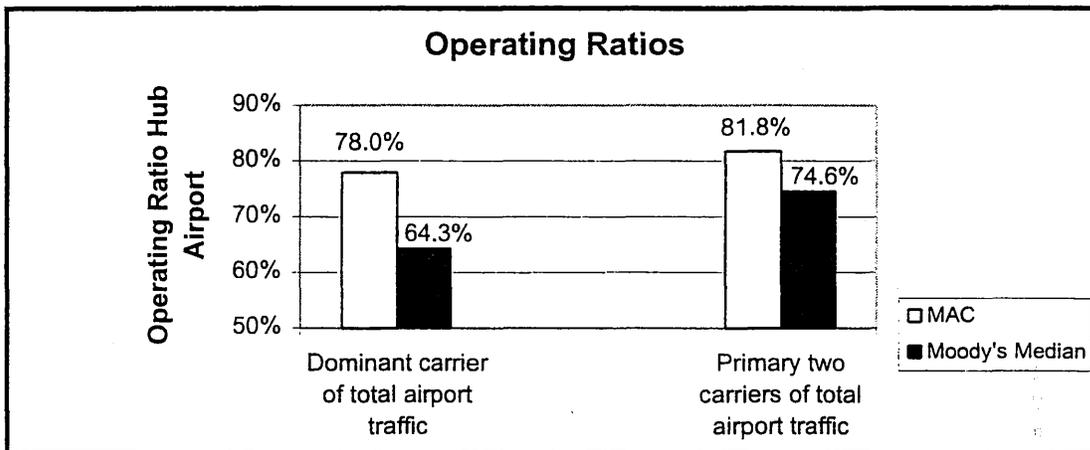
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Ratios derived from the income statement provide measures of profitability. Each ratio is discussed below.

- ◆ Revenue/enplanement is calculated by dividing the total of operating and nonoperating income by total/enplaned passengers. This ratio is below the median by \$3.72/enplanement. Moody's outlook was published prior to September 11th, therefore, the figures represent a higher projection. MAC's revenue was reduced for the last quarter of the year 2001. With an improving economy and completion of concessions along with updated Moody's reports, this ratio difference is expected to become closer.
- ◆ The operating ratio is calculated by dividing total operating expenses, excluding depreciation, by total operating revenues. MAC's operating ratio indicates that operating expenses are a lower percentage of the total operating revenue than the median represents. This difference is partly attributable to the manner in which other airports account for long term leases with the airport tenants and a reduction in revenue.

C.



The dominant carrier at MSP is Northwest Airlines. Their percentage of total traffic is 78.0% compared to the industry median of 64.3%. The second largest carrier is United which serves 3.8% of total airport traffic.

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OTHER INFORMATIONAL STATISTICS

This section will provide information pertaining to the population of Minnesota along with rankings of the Minneapolis-St. Paul airport. Each table will identify its source(s). The following two subjects are reviewed:

Population
Airport Activity

POPULATION

Minnesota ranks 21st in the nation and also ranks 21st in percent population growth over the last decade, according to the 2000 census.

Two tables will be reviewed:

A.

POPULATION (in thousands)					
Calendar Year	United States	Minnesota	Minneapolis-St. Paul MSA	MSA * as % of U.S.	MSA as % of Minnesota
1991	252,127	4,428	2,582	1.0%	58.3%
1992	254,995	4,472	2,617	1.0%	58.5%
1993	257,746	4,524	2,656	1.0%	58.7%
1994	260,289	4,566	2,693	1.0%	59.0%
1995	262,765	4,605	2,730	1.0%	59.3%
1996	265,190	4,648	2,765	1.0%	59.5%
1997	267,744	4,687	2,792	1.0%	59.6%
1998	270,248	4,726	2,831	1.0%	59.9%
1999	272,691	4,776	2,872	1.1%	60.1%
2000	281,422	4,919	2,969	1.2%	60.4%
2005F	287,716	5,005	3,015	1.0%	60.2%

Sources: John F. Brown Co., U.S. Depart. of Commerce, Bureau of the Census
MSA = Metropolitan Statistical Area F= Forecast

The first table presents the population for the nation, the State and the MSA (Metropolitan Statistical Area). The MSA has grown consistently faster than the State and the nation through the 1999 time period. The projected population growth in the MSA from 1999 to 2005 is expected to slow somewhat but is expected to be equal to the State and only slightly less than the nation. Most of the historical population growth is attributed to births outnumbering deaths.

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B.

CIVILIAN UNEMPLOYMENT RATE			
Calendar Year	United States	Minnesota	Minneapolis-St. Paul MSA**
1990*	5.6%	4.8%	4.3%
1991*	6.8%	5.1%	4.6%
1992	7.5%	5.1%	4.5%
1993	6.9%	5.1%	4.3%
1994	6.1%	4.0%	3.3%
1995	5.6%	3.7%	2.9%
1996	5.4%	4.0%	3.1%
1997	4.9%	3.3%	2.5%
1998	4.5%	2.6%	2.0%
1999	4.2%	2.8%	2.2%
2000	4.0%	3.3%	2.2%
2001***	5.8%	3.7%	3.3%

Sources: U.S. Department of Labor, Bureau of Labor Statistics, Employment and Earnings Publications, May 1991 through May 1999 editions; Historical Economic Statistics, 1997 Edition, John F. Brown Co

*Indicates national recession during all or part of year

**The MSA consisted of 11 counties in 1990-1992, and 13 counties in 1993 and beyond.

***Sources U.S. Department of Labor, Bureau of Labor Statistics website accessed 1/23/02

The second table indicates Minnesota's and Minneapolis-St. Paul's historically low unemployment rates. The unemployment rate for the MSA was less than the national unemployment rate in every year, especially in the years that a national recession was indicated including 2001. The unemployment rate for the MSA was also approximately half of the national rate for the 1997 to 2000 time period. As indicated, the 2001 unemployment statistics are at a rate equivalent to approximately 6 years ago. This increase in unemployment affects all aspects relating to revenue in the 2002 budget.

AIRPORT ACTIVITY

The passenger traffic at MSP is affected by the region's economic profile. For example, the amount and type of commerce in the region may affect the level of business travel to (or from) MSP or the amount of personal income in the region may affect the level of discretionary travel from MSP.

Three tables are provided:

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A.

2000 RANKING OF U.S. AIRPORTS					
(For the 12 months ending December 31, 2000)					
Total Passengers* (in millions)			Total Cargo (freight and mail, in thousands of metric tons)		
Rank	Airport	Passengers	Rank	Airport	Cargo
1	Atlanta	80.2	1	Memphis	2,489.1
2	Chicago-O'Hare	72.1	*		
3	Los Angeles	66.4	20	Honolulu	441.2
4	Dallas/Ft. Worth	60.7	21	Toledo	426.7
5	San Francisco	41.0	22	Toronto	392.0
6	Denver	38.8	23	Cincinnati	390.8
7	Las Vegas	36.9	24	Washington DC -Dulles	383.8
8	Minneapolis-St. Paul	36.8	25	Minneapolis-St. Paul	369.9
9	Phoenix	36.0	24	Houston-Bush	368.5
10	Detroit	35.5	25	Phoenix	339.4
11	Houston	35.3	26	Detroit	298.1
12	New York-Newark	34.2	27	Portland	282.0

Source: Airports Council International website 1/23/02
 Note: *Enplaned and deplaned volume

MSP is one of the highest-activity airports in the United States. Approximately 50% of the passengers are connecting while the other 50% is origin-destination. International travelers and a strong demand for charter services also contribute to providing MSP with a strong and diverse passenger base. Although MSP is down one position from 1999 and ranks 8th in the nation, the number of passengers is higher than the previous year.

When ranked with total cargo, MSP placed 25th in the U.S. The prior year placed MSP at 23rd, however, volume is expected to increase upon completion of new expanded cargo facilities. Cargo revenues help to support the viability of scheduled passenger flight operations at MSP as a portion is carried in the belly compartments of passenger flights. The two major all cargo carriers are FedEx, and UPS.

B.

DOMESTIC SCHEDULED PASSENGER JET SERVICE MINNEAPOLIS-ST. PAUL INTERNATIONAL AIRPORT			
(for the second week of March)			
	1996	2001	Change 1995- 2000
U.S. cities served*	81	89	+8
Number of carriers**	12	17	+5
Average weekly departures			
Flights	2,756	3,362	+606
Seats	352,633	437,618	+84,985
Average seats per flight	128	130	+2

Source: John F. Brown Co., Official Airline Guide
 Notes: *number of cities served nonstop by at least 5 schedule jet departures per week on average during period.
 **U.S. carriers which enplaned at least 1,000 passengers on scheduled passenger jet flights
 Table does not reflect Sun Country ceasing of operations in Dec 2001

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A substantial amount of domestic service capacity was added to MSP over the five years between March 1996 and March 2001. However, this table does not reflect Sun Country's decision to cease operations in December 2001 or the reduction in flights by the airlines in response to the weakened economy and the events of September 11th.

C.

INTERNATIONAL SCHEDULED PASSENGER JET SERVICE MINNEAPOLIS-ST. PAUL INTERNATIONAL AIRPORT (for the second week of March)						
Destination Area	Number of Cities Served		Number of Carriers Serving		Weekly Jet Flight Departures	
	1996	2001	1996	2001	1996	2001
Canada	8	8	2	3	132	152
U.K. and Europe	2	3	2	2	15	27
Asia	1	1	1	1	1	10
Mexico	5	7	1	2	5	28
Caribbean	-	3	-	1	-	3
Central America	-	1	-	1	-	1
Total	16	23	4	5	153	221

Source: John F. Brown Co., Official Airline Guide

Table does not reflect that KLM took over operation of a Northwest flight, effective April 1, 2001 or Sun Country ceasing operations Dec 2001

International travel represents a small portion (just over 6 percent in March 2001) of total jet flight operations at MSP. In the 1996-2001 period, however, international service increased at twice the rate for domestic service. Flight service to various cities in Canada, the Caribbean, Tokyo, and Reykjavik was expanded. This table does not reflect Sun Country's decision to cease operations or the reduction in flights since September 11th.

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GLOSSARY – 2002 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.

ACI – Airports Counsel International

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

ADO – Airport Director's Office

Agreement (The) – The airline agreement which expires on 12/31/10. This agreement is the basis for airline rates and charges primarily the landing fee, ramp fee, carrousel 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 carrousel & conveyors) plus other airline terminal rents.

AMSS – Airport Message Sending System

AOA – Airport Operations Area

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.

BIDS – Baggage Information Display System

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.)

C.U.T.E. - Common Use Terminal Equipment - used for ticketing and gate use.

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

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

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

DTN – Data Transmission Network Corporation

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.

EMS – Emergency Medical Services

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.

FIDS – Flight Information Display System

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 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. The Commission has the power to levy property taxes upon all taxable property in the seven-county Metropolitan Area in order to pay debt service on outstanding General Obligation Revenue Bonds.

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

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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.

IS – Information Systems

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 most of the scheduled flights arrive and depart. Also referred to as the "Terminal Building".

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

MAC – Metropolitan Airports Commission.

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

Major Carriers – Those airlines which participate in the airline agreement. As of 11/30/00 these include American, Air Tran, ATA, America West, Air Canada, Continental, Delta, Frontier, 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 five subdivisions: Trades building, field, equipment and cleaning.

MALSR – Medium Approach Lighting System with a Rail (Runway alignment indicator lights)

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

MUFIDS – Multiple Users Flight Information Display

NPDES – National Pollutant Discharge Elimination System

NWA – Northwest Airlines.

NOTAMS – Notice to Airmen System

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.

OAG – Official Airline Guide

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

Operating Services – One of the main expense categories and includes the parking management and

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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 \$1.00, \$2.00, or \$3.00, \$4.00, or \$4.50. 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. On April 1, 2001 the level of PFC's charged by MAC will go to \$4.50.

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.

SAAC – Secured Area Access Control System

SCAN – Spot Challenge and Notify

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.

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.

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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.)

Subledger - Commission terminology for grouping expenses from various service centers to determine rates and charges for tenants and users of the MAC facilities.

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.)

VOR – Visual Omni-Directional Radio

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

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