

# 2012

## *BUDGET*



**Minneapolis-St. Paul, Minnesota  
Metropolitan Airports Commission**



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## **Winning Artwork 2012 Budget Book Cover Contest**

### **2012 Budget Book Cover Process**

Children or relatives of employees are invited to participate in the Metropolitan Airports Commission annual Budget Book Cover Contest. All entries are reviewed and voted on by employees of the Finance & Administrative Services Division. The winner for the 2012 Budget Book:

**Siena diNatale – Age 6**  
Granddaughter of Carolyn Johnson – MAC General Offices Receptionist



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## ***Mission***

*“We provide and promote safe, convenient, environmentally sound and cost competitive aviation services for our customers.”*

## ***Vision***

*“To give our customers the best airport experience in North America!”*

## ***Values***

- *Integrity*
- *Fiscal Responsibility*
- *Innovation and Excellence*
- *Commitment to the Community and the Environment*
- *Teamwork*
- *Our Employees*

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**I. BUDGET MESSAGE**

Budget Message .....	11
GFOA Award .....	21
Other Awards .....	22

**II. GOALS, OBJECTIVES AND MEASURES**

Strategic Planning Process .....	27
Organizational Strategic Goals & 2012 Key Initiatives - Outcomes .....	28
Metropolitan Airports Commission Organizational Results Indicators .....	30
2010 Results Report .....	213
2011 Results Report .....	214
2012 Service Center Objectives .....	215
Service Center Results Indicators for Key Area of Performance .....	215

**III. BUDGET PROCESS**

Summary of Operating and Non-Operating Revenue and Expense .....	33
Budget Targets .....	39
Budgeting and Amendment Process .....	40

**IV. ORGANIZATIONAL STRUCTURE**

General Description .....	45
Chart of Organization .....	49
Department List .....	51

**V. ORGANIZATIONAL PERSONNEL**

Personnel Summary .....	53
Personnel Summary by Division .....	55
Personnel Summary by Classification .....	57

**VI. FINANCIAL POLICIES**

Operating & Non-Operating Summary .....	59
Cash Management/Investment .....	61
Capital Projects .....	62
Purchasing .....	64
Debt Service & Reserve Policies .....	65

**VII. OPERATING BUDGET CASH FLOW**

Flow of Funds .....	67
Taxing Authority .....	69
Total Operating Budget Summary (including Non-Operating) .....	70
Sources and Uses .....	71

**VIII. OPERATING BUDGET REVENUE**

Operating Budget Summary .....	73
Operating Revenues .....	74
Revenue Assumptions and Guidelines .....	77

**IX. OPERATING BUDGET EXPENSE**

Operating Expenses .....	97
Expense Assumptions and Guidelines .....	100
Line Items by Subledger .....	114

**X. CAPITAL BUDGET**

Equipment and Technology Expenditures.....	143
Capital Equipment Summary .....	145
Capital Improvement Program.....	158
Capital Improvement Projects 2012.....	163
Capital Improvement Program 2013.....	180
Capital Improvement Plan 2014-2018 .....	190
Sources and Uses of Funds.....	195

**XI. DEBT SERVICE**

Debt Service Requirement.....	201
Long Term Debt .....	202
Bond Ratings.....	206
Debt Service Budget .....	208

**XII. EXECUTIVE DIVISION**

Executive Division .....	211
Executive General Service Center Summary.....	213
Executive – Commissioners/Chair Service Center Summary .....	217
Public Affairs & Marketing Service Center Summary.....	219
Internal Audit Service Center Summary .....	223
Labor and Governmental Affairs Service Center Summary.....	227

**XIII. LEGAL AFFAIRS DIVISION**

Legal Affairs Division .....	233
General Counsel Service Center Summary.....	235

**XIV. HUMAN RESOURCES DIVISION**

Human Resources Division.....	241
Human Resources Service Center Summary .....	243
HRD/Strategic Planning Service Center Summary.....	247
Diversity Service Center Summary.....	251
Employee Relations Service Center Summary .....	255

**XV. ENVIRONMENT AND PLANNING DIVISION**

Environment and Planning Division .....	259
Planning Service Center Summary .....	261
Air Service Business Development Service Center Summary .....	265
Airport Development Service Center Summary .....	269
Airport Development-Building Official Service Center Summary .....	273
Commercial Mgt./Airline Affairs Service Center Summary .....	277
Concessions & Business Development Service Center Summary .....	281
Conference Center .....	285
Environment-General Service Center Summary.....	289
Environment-Environmental Service Center Summary .....	293
Environment-Aviation Noise Program Service Center Summary .....	297

**XVI. FINANCE AND ADMINISTRATIVE SERVICES DIVISION**

Finance & Administrative Services Division .....	301
Finance & Administration Service Center Summary .....	303
Wellness Service Center Summary .....	307
Risk Management Service Center Summary .....	311
Finance Service Center Summary .....	315
MAC General Service Center Summary .....	319
Purchasing Service Center Summary .....	321
Information Services Service Center Summary .....	325

**XVII. OPERATIONS DIVISION**

Operations Division .....	331
Deputy - Operations Service Center Summary .....	333
MSP Operations & Administration Service Center Summary .....	335
Call Center Service Center Summary .....	339
Airside Operations Service Center Summary .....	341
Emergency Communications Service Center Summary .....	345
Landside-Operations Service Center Summary .....	349
Landside-Parking Service Center Summary .....	351
Landside-Administration Service Center Summary .....	353
Fire Service Center Summary .....	357
Police Service Center Summary .....	361
Facilities - Humphrey Terminal Service Center Summary .....	365
Facilities - Lindbergh Terminal Service Center Summary .....	369
Facilities - Energy Management Center Service Center Summary .....	373
Trades – Electricians Service Center Summary .....	377
Trades – Painters Service Center Summary .....	381
Trades – Carpenters Service Center Summary .....	385
Trades – Plumbers Service Center Summary .....	389
Trades – Administration Service Center Summary .....	393
Field Maintenance –Service Center Summary .....	395
Relievers – Administration Service Center Summary .....	399
Relievers - St. Paul Service Center Summary .....	401
Relievers - Lake Elmo Service Center Summary .....	403
Relievers – Airlake Service Center Summary .....	405
Relievers - Flying Cloud Service Center Summary .....	407
Relievers – Crystal Service Center Summary .....	409
Relievers – Anoka Service Center Summary .....	411

**XVIII. STATISTICAL**

Historical Revenue / Expense Comparison .....	413
Activity/Operations Statistics .....	418
National Comparisons .....	421
Other Informational Statistics .....	426

**XIX. GLOSSARY .....** 437

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December 19, 2011

To The Public:

We are pleased to present the 2012 Metropolitan Airports Commission (Commission) Budget which was adopted by the Commission on December 19, 2011. Total Operating Revenue for 2012 is projected to be \$263,808,000 and Operating Expense is \$139,663,000 (excluding depreciation and noise amortization). Non-operating expenses (including non-operating revenue) are budgeted to be \$85,453,000. The approved 2012 budget results in \$38,692,000 of Net Revenues Available for Designation.

In May, 2011 the budget process commenced. Some of the key short term issues that the Commission was faced with in developing the overall targets for the 2012 Operating Budget were:

- Delta airlines prepaying all obligations associated with General Obligation Revenue Bond Series 15.
- A new short-term revolving line of credit was approved in 2011 to be used for project funding.
- Debt refundings which occurred in 2010 and 2011.
- Timing and changes in passenger forecasts throughout 2010 and 2011.
- Changes in the state of the economy and the airline industry in 2011.

(Details on how each of these critical issues were addressed in our development of the budget are noted below in the Fund Overview.)

Imbedded in this discussion was our Mission Statement and Vision Statement (below).

**Mission Statement:** "We provide and promote safe, convenient, environmentally sound and cost competitive aviation services for our customers"

**Vision Statement:** "To give our customers the best airport experience in North America."

## BUDGET TARGETS

As a result of the key issues, the Commission identified four targets that were to be used in developing the 2012 Operating Budget. These targets and their respective budget results are indicated below.

**Target 1:** Senior Debt Service Coverage Ratio maintained at not less than 1.4x.  
**Result:** + 2.99 (Without Transfer).

**Target 2:** Maintain a Six Month Reserve in the Operating Fund.  
**Result:** A transfer of \$2.464 million will be made to the fund on 1/3/12.

**Target 3:** Airline Cost/Enplaned Passenger will be in the lower 1/3 of Large Hub Airports.  
**Result:** The Commission ranked 7th lowest out of 24 Large Hub Airports surveyed.

**Target 4:** The Commission will have a Balanced Budget.  
**Result:** The budget forecasts \$38.7 million in Net Revenues available for designation.

The remainder of this message will discuss the structure of the Commission, Fund summaries (Overall, Operating, Construction and Debt), the near term (2012-2013) and long term (2014 and beyond) issues that will be critical to the Commission in evaluating the future and finally the GFOA Award and acknowledgement.

## COMMISSION/COMMITTEE STRUCTURE

The Metropolitan Airports Commission currently has three standing committees which report directly to the Full Commission. During 2011, the Commission revised the Committee structure. All finance and human resource items or issues now report to the new committee called the Finance and Administration Committee. The other new committee referred to as the Planning, Development & Environment Committee handles issues on airport development, planning, and environment. No changes were made to the Management and Operations Committee. All of the Committee meetings, as well as the Full Commission meeting, take place in Terminal 1-Lindbergh.

Committee	Meeting Time	Meeting Place
Finance and Administration (F&A)	Meetings are held on the first Monday of each month at 9:30 a.m.	Terminal 1 (Lindbergh)
Planning, Development & Environment (PD&E)	Meetings are held on the first Monday of each month at 11:00 a.m.	Terminal 1 (Lindbergh)
Management & Operations (M&O)	Meetings are held on the first Monday of each month at 1:00 p.m.	Terminal 1 (Lindbergh)
Full Commission	Meetings are held on the third Monday of each month at 1:00 p.m.	Terminal 1 (Lindbergh)

All financial information is reported to and acted upon at the Finance and Administration Committee (F&A) and reported to the Full Commission. The following information summarizes the general financial areas that the F&A Committee dealt with in 2011:

- Audits
  - Financial Audit
  - Tenant Audits
  - Internal Policy/Procedure Audits
  - Internal Audit Plan
- Operating Budget
  - Monthly Reports
  - Ratification of 2010 Expenditures
  - Distribution of 2010 Net Revenues/Unrestricted Cash
  - 2012 Budget Targets
  - 2012 Preliminary and Final Budgets
- Bonds/Debt/Capital Funding
  - 2011 Series A Bond Refunding (Partial Refunding & Bond Series 2003A)
  - Short-term funding program
  - Passenger facility charge application and amendments.
- Human Resources and Affirmative Action
  - Human Resource and Affirmative Action Policies and Procedures
  - Employee benefits
  - Labor Agreements ratifications

## FUND OVERVIEW

The Commission is accounted for as an Enterprise Fund. For internal purposes, three funds are maintained relating to three specific functions: Operating Fund (Budget - operations of the airport), Construction Fund (Budget – Capital Improvement Program) and Debt Service Fund (Debt). The Operating Fund reserve is set by the Commission. Based on current policy, that reserve amount needs to be equivalent to six months of operating expenses (excluding depreciation and noise amortization). Transfers from this Fund to the Debt Fund are made in June and December of each year to make debt service payments and ensure that the respective debt service reserve accounts are fully funded. At the end of the year, after all operating expenses and debt service have been funded, any balance not designated is, in most cases, transferred to the Construction Fund.

The table below shows a consolidated schedule of revenue and expenses for all funds. Descriptions and key issues for each of the three funds follow the summary table.

## FUND OVERVIEW

Consolidated Enterprise Fund \$ = 000	2010 <u>Actual</u>	2011 <u>Estimated</u>	2011 <u>Budget</u>	2012 <u>Budget</u>	2013 <u>Projection</u>	2014 <u>Projection</u>
<b>Sources All Funds</b>						
Total Beginning All Fund Balances <sup>1</sup>	\$ 577,067	\$ 696,697	\$ 702,010	\$ 639,853	\$ 624,961	\$ 636,909
<b>Operating Fund Revenues</b>						
Airline Rates & Charges	90,376	98,350	95,666	99,530	101,521	103,551
Concessions	112,503	117,900	114,645	124,794	127,914	131,112
Other Operating Revenues	42,164	38,750	37,214	39,483	39,878	40,277
Interest Earnings	6,788	6,000	7,000	7,000	7,100	7,200
Other & Self-Liquidating Revenue	3,946	4,145	4,996	3,606	3,800	3,800
Transfers in Construction Fund	-	-	-	-	-	-
Transfers in Equipment Financing	2,509	1,423	1,382	2,000	2,500	2,500
<b>Construction Fund Revenues</b>						
PFC Funding	57,262	62,000	58,500	63,550	64,503	65,471
Federal Grants	22,710	14,000	7,040	24,550	32,650	1,250
State Grants	4,107	1,000	1,500	-	6,400	1,700
Interest Earnings	3,847	2,108	5,000	2,500	3,000	3,000
Bond Proceeds	124,006	-	-	-	-	-
Short-Term Funding Program	-	-	-	9,700	12,800	-
Other Receipts	-	-	-	600	-	-
Federal Letter of Intent (LOI)	5,000	-	-	-	-	-
Transfers In	55,300	46,700	43,374	34,347	38,692	40,035
<b>Debt Fund Revenues</b>						
Interest Earnings	10,661	2,279	1,308	620	714	661
Bond Proceeds	44,167	57,901	-	-	-	-
Self-Liquidating Payments	28,719	198,569	27,751	2,901	2,836	-
Transfers In (PFCs and Garb Require.)	92,105	102,248	104,702	111,965	116,027	117,394
<b>Total All Receipts</b>	<b>\$ 1,283,237</b>	<b>\$ 1,450,070</b>	<b>\$ 1,212,088</b>	<b>\$ 1,166,999</b>	<b>\$ 1,185,296</b>	<b>\$ 1,154,859</b>
<b>Uses All Funds</b>						
<b>Operating Fund Expenses</b>						
Personnel	63,412	66,575	65,423	68,133	69,496	70,886
Administration	1,271	1,350	1,327	1,372	1,386	1,400
Professional Services	3,519	4,060	3,938	4,339	4,404	4,470
Utilities	16,238	17,190	17,203	17,784	18,140	18,502
Operating Services	17,278	18,000	17,848	18,663	19,036	19,417
Maintenance	27,088	26,925	25,873	26,670	27,203	27,747
Other/Insurance	2,583	3,450	3,126	2,701	2,728	2,755
Equipment & Other Capital Expenditures	7,714	7,623	7,623	8,121	8,202	8,284
Transfers Out - Debt	71,169	76,700	82,100	84,593	88,307	89,024
Transfers Out - Equipment Financing	2,341	2,076	2,582	2,881	2,000	1,750
Transfers Out - Construction	55,300	46,700	43,374	39,840	38,692	40,035
Working Capital/Other	-	-	-	-	-	-
<b>Construction Fund Expenses</b>						
Capital Project Costs	100,269	105,814	125,467	121,400	122,400	60,000
Commercial Paper	30,587	-	-	-	-	-
Debt Service Reserve	26,803	25,918	26,798	28,461	28,395	28,399
Transfer out-Operating Fund	-	-	-	-	-	-
<b>Debt Fund Expenses</b>						
Bond Refundings	36,875	284,531	-	-	-	-
Bond Principal & Interest Payments	124,093	123,305	123,305	117,080	117,998	120,053
<b>Total All Costs</b>	<b>586,540</b>	<b>\$ 810,217</b>	<b>\$ 545,987</b>	<b>\$ 542,038</b>	<b>\$ 548,387</b>	<b>\$ 492,723</b>
<b>Total Ending All Net Fund Balances</b>	<b>\$ 696,697</b>	<b>\$ 639,853</b>	<b>\$ 666,101</b>	<b>\$ 624,961</b>	<b>\$ 636,909</b>	<b>\$ 662,136</b>

<sup>1</sup> Includes Operating Fund, Construction Fund and Debt Service Fund.



**Minneapolis-St. Paul International Airport (Terminal 1) – Check-in Area**

### Operating Budget

As indicated above, the Commission, in developing targets/guidelines for the 2012 budget, discussed a number of critical issues that needed to be addressed in the short term. Key to this discussion was maintaining a firm grip on expenses, especially in light of mandated additional costs, contract increases, the uncertainty in passenger forecasts and the stagnant economy. At the start of the budget process in May, staff was dealing with a slight increase in passenger activity based on year-to-date activity. The job market and the economy were still viewed to be flat at best. As a result, the budget was initially prepared very conservatively from both a revenue and expense view. As the process moved forward, both the economy and passenger projections showed slight improvement. This was especially true on the passenger side as we started to see a slight increase in activity which had been forecasted to occur earlier in the year. As a result, revenues were increased slightly while expenses were held to as close to no increase as possible.

The following table is a summary of 2010 Actual, 2011 Budget, 2011 Estimate and 2012 Budget Revenue and Expenses. This table includes both operating and non-operating items. (Explanations below are based on a comparison of estimated 2011 and budget 2012.)

2012 OPERATING BUDGET SUMMARY (\$ = 000)							2011 Estimate vs 2012 Budget	
	2010 Actual	2011 Budget	2011 Estimate	2012 Budget	Dollars	Percentage		
<b>OPERATING REVENUE</b>								
Airline Rates and Charges	\$ 90,365	\$ 95,666	\$ 98,350	\$ 99,530	\$ 1,180	1.2%		
Concessions	112,503	114,645	117,900	124,794	6,894	5.8%		
Rentals/Fees	29,609	25,092	26,150	26,903	753	2.9%		
Utilities & Other Revenues	12,555	12,123	12,600	12,581	(19)	-0.2%		
<b>Total Operating Revenue</b>	<b>\$ 245,032</b>	<b>\$ 247,526</b>	<b>\$ 255,000</b>	<b>\$ 263,808</b>	<b>\$ 8,808</b>	<b>3.5%</b>		
<b>OPERATING EXPENSE</b>								
Personnel	\$ 63,412	\$ 65,423	\$ 66,575	\$ 68,133	\$ 1,558	2.3%		
Administrative Expenses	1,271	1,326	1,350	1,372	22	1.6%		
Professional Services	3,519	3,938	4,060	4,339	279	6.9%		
Utilities	16,238	17,203	17,190	17,784	594	3.5%		
Operating Services	17,279	17,848	18,000	18,663	663	3.7%		
Maintenance	27,088	25,873	26,925	26,670	(255)	-0.9%		
Other	2,583	3,126	3,450	2,702	(748)	-21.7%		
<b>Total Operating Expenses (Excludes Depreciation)</b>	<b>\$ 131,390</b>	<b>\$ 134,737</b>	<b>\$ 137,550</b>	<b>\$ 139,663</b>	<b>\$ 2,113</b>	<b>1.5%</b>		
<b>Net Operating Revenues</b>	<b>\$ 113,642</b>	<b>\$ 112,789</b>	<b>\$ 117,450</b>	<b>\$ 124,145</b>	<b>\$ 6,695</b>	<b>5.7%</b>		
<b>Non Operating Revenues &amp; Expenses</b>								
Add: Other Non Operating Revenue	\$ 10,734	\$ 11,145	\$ 10,145	\$ 10,606	\$ 461	4.5%		
Less: Debt Service/Equipment/Other	<u>\$ (77,676)</u>	<u>\$ (94,096)</u>	<u>\$ (87,755)</u>	<u>\$ (96,059)</u>	<u>\$ (8,304)</u>	9.5%		
<b>Total Non Operating Revenues &amp; Exp.</b>	<b><u>(66,942)</u></b>	<b><u>(82,951)</u></b>	<b><u>(77,610)</u></b>	<b><u>(85,453)</u></b>	<b><u>(7,843)</u></b>	<b>10.1%</b>		
<b>Net Revenues Available for Designation</b>	<b><u>\$ 46,700</u></b>	<b><u>\$ 29,838</u></b>	<b><u>\$ 39,840</u></b>	<b><u>\$ 38,692</u></b>	<b><u>\$ (1,148)</u></b>	<b>-2.9%</b>		

Airline rates and charges increased by 1.2% resulting primarily from increases in debt service and building maintenance expenses offset slightly from lower Terminal 2 Gate and International Arrival Facility fees. Debt service is the major component used in developing airline rates and charges. The following table summarizes the major airline rates.

AIRLINE FEE TABLE						
	2010 Actual	2011 Budget	2011 Estimate	2012 Budget		
Landing Fee (Per 1,000 lbs.)	\$ 2.31	\$ 2.29	\$ 2.42	\$ 2.42		
Terminal 1						
Ramp Fee (Per Lineal Ft.)	\$ 522.40	\$ 532.48	\$ 541.19	\$ 555.37		
Space Rate (Per Square Ft.)	\$ 52.64	\$ 58.55	\$ 59.27	\$ 60.46		
Terminal 2 Gate Fee	\$ 632,990	\$ 714,784	\$ 714,784	\$ 738,101		

Concessions increased 5.8%. The majority of the increase was related to a \$2 public parking rate adjustment at the Terminal 1 General Parking ramp. The last parking increase was done in 2009. This rate increase will be effective on January 1, 2012 and accounts for the majority of the increase in concessions. Also increasing in concessions are On Airport-Auto Rentals as a result of a new lease agreement finalized in 2011 as well as increases in passenger services and other concessions.

As previously stated, controlling expenses was a difficult challenge for staff. To offset the increase in personnel costs from benefits, wage adjustments and headcount, staff looked at all areas to minimize the impact of these added costs. Contracts were reviewed and, if possible, re-bid. Utilities were analyzed with an eye toward more aggression in the natural gas hedging area and implementing energy efficient technologies where appropriate. Field maintenance was decreased significantly to account for average winters over a four year history.

For details regarding changes in for revenues and expenses year over year, see the Operating Budget Revenue section and Operating Budget Expense section of the budget.

Non-operating revenues/expenses increased because of the planned added debt service payments and a new short-term debt issue. We believe the debt portfolio has positioned the Commission well by not having any risk and having very low fixed interest (4.8%) at the end of a \$2.8 billion Capital Improvement Program.

#### Capital Improvement Process

Each year the Commission approves a seven-year Capital Improvement Program which is divided into three areas. The first area is approval of projects that will be initiated in year one of the program. The second area identifies projects which may be reviewed in detail to determine cost and feasibility. The third area of the program is the identification of potential projects in years three through seven. At the same time the final Capital Improvement Program is presented for approval, a plan for funding the first three years of the program is provided. The following table summarizes the most recent past Program year (2011), the current three-year program (2012 – 2014) and funding summary.

<b>CAPITAL IMPROVEMENT PLAN (CIP) SUMMARY</b> (\$=000)						
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>		
<u>CIP</u>						
Minneapolis/St. Paul International Airport						
Field & Runway	\$ 22,150	\$ 13,450	\$ 3,725	\$ 1,550		
Environment/Noise	17,950	8,950	3,900	3,830		
Terminal/Landside	79,900	92,550	111,225	28,465		
Total Minneapolis/St. Paul International	120,000	114,950	118,850	33,845		
Reliever Airports	5,450	4,600	4,350	3,600		
Total All Airports	\$ 125,450	\$ 119,550	\$ 123,200	\$ 37,445		
<u>Funding</u>						
Passenger Facility Charges (PFCs)	\$ 52,515	\$ 15,600	\$ 9,450	\$ -		
Federal & State Aid	8,540	24,550	39,050	2,950		
2010 General Airport Revenue Bonds	21,200	44,250	9,100	-		
Internal/Airline Funds	41,085	24,850	52,800	34,495		
Other	2,200	10,300	12,800	-		
Total Funding	\$ 125,540	\$ 119,550	\$ 123,200	\$ 37,445		

Going into the future, the Commission is not planning on any new debt to fund the capital program until expansion is needed. As a result, approximately \$30 million of "Demand Driven" projects (Those projects which will not move forward until there is sufficient activity and agreement from the airlines that will require expansion.) are **not** included in the table above. The current focus is on maintaining our existing facilities.

Debt Service*Refundings*

Throughout the past four years, the Commission has aggressively pursued the refunding options of its outstanding debt. The following table illustrates the results of this action.

<b>DEBT SERVICE SUMMARY</b> (\$=000)					
<b>Series Refunded</b>	<b>Refunding Year</b>	<b>Total Savings</b>	<b>Annual Savings</b>	<b>Present Value % Savings</b>	
Refund 1998A, 1999A, 2001A, & 2001C (1)	2007	\$ 33,050	\$ 2,330	5.19%	
Refund 1998B (1)	2008	2,440	365	3.32%	
Refund 1999B & 2000B (1)	2009	8,140	990	4.95%	
Refund 2001B & 2001D (1)	2010	9,640	1,150	8.94%	
Refund GO 13 (2)	2010	633	214	4.50%	
Refund 2003A (1)	2011	3,318	369	6.10%	
		\$ 57,221	\$ 5,418		
Average Present Value Savings				5.83%	
Total Average Interest Rate Prior to Refundings				5.25%	
Total Average Interest Rate After Refundings				4.78%	
(1) General Airport Revenue Bond (Garb) Refunding					
(2) General Obligation Revenue Bond (GO/Gorb) Refunding					

*New Debt*

As previously stated, the Commission issued \$135 million in new debt in 2010. This financing focused on needed terminal building projects that were prioritized to take advantage of the low interest rates and the Federal Stimulus package. (Under the Stimulus Package, terminal building projects which normally carry an AMT (Alternative Minimum Tax) status could be funded at the lower non-AMT rate.) In the near term (2012 – 2014) there are no plans to issue any new debt. The only possible deviation from this planned action is if there is an activity increase and a willingness by one or more carriers to solidify a lease to pay for desired facilities.

*Short Term Debt*

In 2011, the Commission entered into a Short-Term Borrowing Program which replaced a Commercial Paper Program that was terminated in 2010. The Commission looked at many financing alternatives and selected a \$75 million revolving line of credit. This Short-Term Borrowing Program will allow the Commission some flexibility in financing unanticipated or unforeseen capital improvements.

## FUTURE OUTLOOK

We have identified in prior sections the current or near term issues facing the Commission in this budget year. Looking to the future, the following will be the areas where we will focus our resources. These include

- Assure Financial Viability
- Provide a great customer experience
- Match employee talent with changing business needs
- Leverage Resources and Technology
- Strengthen Partnerships and Relationships
- Enhance Air Service at MSP.
- Long Term Comprehensive Plan (LTCP)/Demand

### Assure Financial Viability

As one of our strategic goals, we will ensure that MAC has the financial resources necessary to operate our airport system and meet all debt service requirements in any scenario and maintain our existing bond ratings. Items that we will be focusing on during 2012 include the following:

- Ensuring the continued financial viability of the Reliever Airport System by completing new business plans for each of the Reliever Airports.
- Fully incorporating three-year operations and capital equipment planning into our budgeting process starting with the 2013 budget cycle.
- Develop and deliver a plan for dealing with excess real estate at MSP.

### Provide a Great Customer Experience

The Commission strives to ensure that all our customers – the traveling public, regional businesses, airport tenants, concessionaires, airline industry, general aviation and the citizens of the region have the best airport experience in North America. Items we are working on include:

- Remove a major source of customer dissatisfaction by providing free Wi-Fi throughout both MSP terminals.
- Improve the traveling public's customer experience by implementing phase 1 of the public restroom remodeling program in Terminal 1.
- Improve the traveling public's customer experience by expanding the arts and culture program at MSP.

### Match Employee Talent with Changing Business Needs

As employees retire or leave the Commission, we want to make sure that the right people with the right skills and experience are in the right place to fulfill MAC's mission and achieve our vision. For 2012 we plan to continue to promote programs which started in 2011 that provide knowledge transfers and leadership development.

### Leverage Resources and Technology

We want to take full advantage of resources and technology to improve performance, increase productivity and deliver cost-effective services. For 2012, we will increase the use of existing technology internally at the MAC and externally with customers. Some specific items include:

- Training the staff in the use of upgraded Windows 7 Operating System and Office 2010.
- Expand the use of MAC's Enterprise Resource Planning product.
- Enhance the use of social media such as Twitter and Facebook to provide real time customer interaction.

## **Strengthen Partnerships and Relationships**

We plan to expand effectiveness through internal teamwork and strengthening external relationships and partnerships with tenants, concessionaires, airlines, neighboring communities, regional businesses and governmental agencies. The key focus areas for 2012 include the following:

- Assess the contribution of MSP to the local, state and regional economy by conducting an economic impact study.
- Strengthen our partnership with Greater MSP. Greater MSP is a private-public partnership whose mission is to stimulate economic growth and prosperity in the Minneapolis Saint Paul region.

## **Enhance Air Service at MSP**

We strive to provide airlines and the travelling public with expanded alternatives by enhancing domestic, regional and international service at MSP. In 2012, we plan to enhance and expand MSP's air service incentive program.

## **Long Term Comprehensive Plan (LTCP)**

The MAC is preparing a MSP 2020 Environmental Assessment (EA) to evaluate the potential environmental impacts of proposed development of Phases I and II of the MSP 2030 Long Term Comprehensive Plan (LTCP). The LTCP, completed and approved in 2010, established a 20-year plan for developing airport facilities to accommodate forecast growth in a safe, environmentally focused and efficient manner with a high level of customer service at MSP.

The purpose of Phase I and II of the LTCP is to accommodate expected demand at MSP such that the level of service is acceptable through the planning timeframe considered. The proposed action includes terminal and landside improvements needed by the year 2020. Phase I will expand Terminal 2-Humphrey and relocate all non-SkyTeam airlines (all airlines except Delta Air Lines and its alliance partners) to Terminal 2-Humphrey. Phase II provides for modernization and expansion of Terminal 1-Lindbergh including a new International Arrivals Facility.

The MSP 2020 EA will assess the environmental consequences of the proposed action and the reasonable alternatives and identify the Capital Improvement Program projects necessary for both Terminal 1-Lindbergh and Terminal 2-Humphrey to accommodate forecast growth in a safe and efficient manner with a high level of customer service at MSP. The EA is the initial step in the phased expansion. The projects associated with this plan have been identified as "Demand Driven" and will not move forward until such time that passenger activity justifies action and the airline or airlines sign an agreement to fund their portion.



**Minneapolis-St. Paul International Airport - Terminal 1 Ground Transportation Center**

## AWARDS

The Government Finance Officers Association (GFOA) of the United States and Canada 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, 2011.

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

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

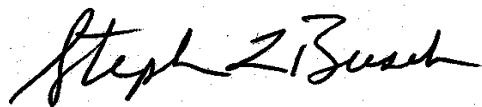
## ACKNOWLEDGEMENT

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 and Administration Committee. A special thanks goes out to all MAC staff who worked especially hard under the current circumstances to develop the final 2012 Budget. Through this hard work and effort, we hope that the MAC will continue to be one of the most safe, efficient and cost effective airport operators in the nation. It is significant to note that the Distinguished Budget Presentation Award has been presented to the Commission annually by GFOA since 1985.

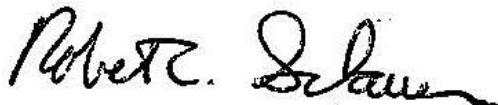
Respectfully submitted



Jeffrey W. Hamiel  
Executive Director



Stephen L. Busch  
Deputy Executive Director –  
Finance & Administrative Services



Robert Schauer  
Director – Finance



**GOVERNMENT FINANCE OFFICERS ASSOCIATION**  
**"DISTINGUISHED BUDGET PRESENTATION AWARD"**

**2011 BUDGET**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

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

For the Fiscal Year Beginning

**January 1, 2011**

*Linda C. Danison Jeffrey P. Emmer*

President

Executive Director

Metropolitan Airports Commission Awards			
Year	Source of Award	AWARD	Group Judged/Rated
2011	Federal Aviation Administration	Airport Partnership for Excellence in Wildlife Management	FAA-certified Airports
2011	Airports Council Int'l – NA	Excellence in Communications – 2 <sup>nd</sup> Place – MSP Value Parking	Airports – Radio Advertising Category
2011	Airports Council Int'l – North America	Excellence in Airport Concessions – 2nd Place – Concourse C Cart Program	Large Airports – Best Specialty Retail Program
2011	Airports Council Int'l – North America	Excellence in Airport Concessions – 1st Place – Surdyk's Flights	Large Airports – Best New Food & Beverage Specialty Retail Program
2010	U.S. Dept. of Homeland Security, TSA	Partnership Award – Outstanding Support of TSA Mission in Minnesota	TSA Stakeholders
2010	Zagat	Sixth highest airport quality rating among U.S. airports	30 U.S. Airports
2010	Travel + Leisure	3 <sup>rd</sup> Best Airport in America Overall #1 in U.S. for Food and Shopping 3 <sup>rd</sup> Best for Entertainment	U.S. Airports
2011	American Council of Engineering Companies – MN Chapter	Merit Award: MSP Airport Taxiway C-D Complex	State of Minnesota Level Competition
2010	International Parking Institute	Award of Merit for design of the Orange "Value Ramp" at Terminal 2	Commercial parking facilities
2010	Minnesota Society of Professional Engineers	Seven Wonders of Engineering Award for the Orange "Value Ramp" at Terminal 2	Engineering projects in Minnesota
2010	Minnesota Society of Professional Engineers	Seven Wonders of Engineering Merit Award for the St. Paul Downtown Airport Flood Protection Improvements	Engineering projects in Minnesota
2010	Public Relations Society of America, Minnesota Chapter	Classics Award for the top video in the public service announcements category, for promotion of MSP Value Parking	Public service announcements in Minnesota
2010	American Council of Engineering Companies	Honor Award for the St. Paul Downtown Airport Floodwall Protection System	Civil engineering projects
2010	Minnesota Department of Transportation	Partnership Award – Outstanding Contributions	TSA Employee and Stakeholders
2010	Transportation Security Administration (TSA)	Seven Wonders of Engineering Award for the Orange "Value Ramp" at Terminal 2	Engineering projects in Minnesota

Metropolitan Airports Commission Awards			
Year	Source of Award	AWARD	Group Judged/Rated
2010	Minnesota Council of Airports	Project of the Year Award for the Flying Cloud Airport expansion	Improvement projects at Minnesota airports
2010	J.D. Power and Associates	2 <sup>nd</sup> Best Large Airport in America (tie with Denver)	U.S. Airports with 30 million or more passengers per year
2010	<i>Minnesota Lawyer Magazine</i>	2010 Unsung Legal Heroes Award presented to Tammy Rader	Legal staff of various law firms
2010	Conde Nast digital travel publication <i>Jaunted</i>	Top 5 Airport for Traveling with Children	U.S. Airports
1985 through 2011	Government Finance Officers Association	Distinguished Budget Presentation Award	Submitted budget documents from various government organizations.
1984 through 2010	Government Finance Officers Association	Certificate of Achievement for Excellence in Financial Reporting	Submitted report must be easily readable and efficiently organized.
2011, 2010, 2009	American Heart Association	Fit-Friendly Company Award	Companies and governmental agencies with wellness activities/promotions available to employees
2011, 2010	Hennepin County	Wellness by Design – 2010 Silver Award	Companies and governmental agencies with wellness activities/promotions available to employees
2011	American Concrete Paving Association	MSP Taxiway C Extension	Commercial Service and Military Airports
2011	American Council of Engineering – MN Chapter	Merit Award – MSP Airport Taxiway C-D Complex	ACEC – State of Minnesota Level Competition
2009	Transportation Security Administration	Certificate of Appreciation	New security directives involved in airport badging
2009	MN Council of Airports	Large Key Airport “Project of the Year” – Engineered Materials Arresting System at St. Paul Downtown Airport	Various Projects Designed by Minnesota Engineering Companies
2009	American Council of Engineering Companies of MN	Honor Award – Engineered Materials Arrestor System Installation – St. Paul Downtown Airport	Various Projects Designed by Minnesota Engineering Companies
2009	MN Society of Professional Engineers	Orange Ramp Structural Modifications – Seven Wonders of Engineering	Various Projects Designed by Minnesota Engineering Companies
2009	Hennepin County Health at Work	Gold Award – Wellness by Design	Companies and governmental agencies with wellness activities/promotions available to employees
2009	Twin Cities Area Labor Management Council	Earl Willford Labor Management Cooperation and Partnership Award	Companies promoting cooperative labor-management relations in the workplace.
2009	Airports Council Int'l – North America	3 <sup>rd</sup> Place – Overall Passenger Satisfaction	Based on airports serving 25 to 40 million participating in the ACI/Airport Service Quality Program
2009	Nat'l Air Transportation Association	NATA Airport Executive Partnership	U.S. Airports

Metropolitan Airports Commission Awards			
Year	Source of Award	AWARD	Group Judged/Rated
2008	FAA Great Lakes Region	Outstanding Achievement Award for Community and Public Outreach – Communication re opening of Rwy. 17/35	U.S. Airports
2008	Aggregate & Ready Mix Association of Minnesota	Building Excellence Award – Innovative Use of Concrete – HHH Term. Parking Ramp Column Wraps	Minnesota firms
2009	MN Concrete & Masonry Contractors Association	Excellence in Concrete & Masonry for the columns wrap portion - Humphrey Parking Terminal Expansion.	Commercial-Functional category
2009	Airports Council Int'l – North America	2 <sup>nd</sup> Place – Website Award	Communications and marketing projects at North America airports.
2009	Airports Council Int'l – North America	Frequent Traveler Award – Airport with Best Retail Stores	North American airport concessions programs and concepts
2009	Airports Council Int'l – North America	Best Airport of its Size in North America – Air Service Quality Award	Airports around the world
2009	Airports Council Int'l – North America	Seven Wonders of Engineering Award	
2008	Airports Council Int'l – North America – 2008 Concessions Conference Awards	Best New Retail Concept – TALIE (Contemporary Jewelry and Giftware Concession)	Airports
2008	Airports Council Int'l – North America	Excellence in Airport Marketing & Communications – 3 <sup>rd</sup> Place – MSP Concessions Website	Airports
2008	Airports Council Int'l – North America	Outreach, Education and Community Involvement Award – Stewards of Tomorrow's Airport Resources (STAR) Program	Airports
2009	Minnesota Department of Transportation	Concrete Paving Merit Award – Rwy. 12L-30R Reconstruction	Commercial Service and Military Airports
2008	American Concrete Paving Association	Merit Award – Runway 12R-30L Segment 2 Reconstruction	Airports
2008	MN Society of Professional Engineers (MSPE)	Seven Wonders of Engineering – Humphrey Parking Ramp	Minnesota Engineering Projects
2008	Minnesota Department of Transportation	Concrete Paving Merit Award – MSP Taxiway P Reconstruction	Commercial Service and Military Airports
2007	Minnesota Safety Council	Outstanding Achievement Award/Governor's Award for Occupational Safety	Entities throughout the State of Minnesota
2007	Minnesota Society of Professional Engineers	Merit Award – MSP Runway 12R-30L Reconstruction Segment 2	Seven Wonders of Engineering

Metropolitan Airports Commission Awards			
Year	Source of Award	AWARD	Group Judged/Rated
2007	Minnesota Department of Transportation	Merit Award – MSP Runway 12R-30L Reconstruction Segment 2	Commercial Service and Military Airports (Category 8)
2007	US Police Canine Association (USPCA)	1 <sup>st</sup> Place – Region 12 Narcotic Detection Team	Regional K-9 competition (police officers and K-9 partners)
2007	US Police Canine Association (USPCA)	2 <sup>nd</sup> Place – Narcotic Detection Department Team	National K-9 competition (police officers and K-9 partners)
2007	US Police Canine Association (USPCA)	4 <sup>th</sup> Best in the Country – Overall Search Nationwide	National K-9 competition (police officers and K-9 partners)
2007	Airports Council International	1 <sup>ST</sup> Place – Marketing Campaigns – MSP Sure Park real-time parking availability information program	ACI-North America Excellence in Marketing and Communications Contest
2007	Airports Council International	1 <sup>ST</sup> Place – Radio Advertising – MSP Sure Park real-time parking availability information program	ACI-North America Excellence in Marketing and Communications Contest
2007	Airports Council International	1 <sup>ST</sup> Place – Creative Innovations Using Technology – MSP Sure Park real-time parking availability information program	ACI-North America Excellence in Marketing and Communications Contest
2006	Concrete Pavement Association of Minnesota	Merit Award for South End – Runway 17/35 Construction	Concrete Paving - Airports
2006	American Consulting Engineers Council	Grand Award for Runway 17/35	Airports
2006	American Civil Engineering Companies	ACEC Grand Award – MSP Light Rail Transit Tunnel & Station	ACEC National Awards – National Level
2006	American Civil Engineering Companies – MN Chapter	ACEC Grand Award – MSP Light Rail Transit Tunnel & Station	ACEC State of MN Level Competition
2005	American Concrete Pavement Association	National Award for Excellence in Concrete Pavement in Recognition of Outstanding Design and Construction for Runway 17/35 Construction – Gold Winner	Commercial Service & Military Airports
2005	Federal Aviation Administration	Minneapolis OEP Runway 17/35 for Successfully Commissioned on-time with full operational capability	Airports
2005	MN Concrete & Masonry Contractors Association	Honor Award for “Outstanding use of Poured-in-place Concrete” on the Humphrey Parking Facility	Commercial - Functional

<b>Metropolitan Airports Commission Awards</b>			
<b>Year</b>	<b>Source of Award</b>	<b>AWARD</b>	<b>Group Judged/Rated</b>
2005	National Institute of Governmental Purchasing	Best Practices - Lost & Found Program	Agencies implementing an innovation or best practice within the past 2 years resulting in cost savings or implementation benefit.
2005	International Parking Institute	Award of Excellence – Innovation in Parking Operations	Organizations which manage worldwide parking operations
Winters of 2000-2001, 1996-1997, 1991-1992, 1990-1991 1985-1986, 1981-1982	International Aviation Snow Symposium-American Association of Airport Executives	Balchen-Post Award	Large hub U.S. Airports



Our strategic planning process asks a series of questions:

- A – Desired Outcome: **"Where do we want to be?"**
  - Our Vision is "To provide the best airport experience in North America"
- B – Future External Environmental Scan:  
**"What changes in the future external environment may impact our plans?"**
- C – Current State: **"Where are we now?"**
  - What are our internal strengths and weaknesses?
  - What external opportunities and threats exist?
  - What resources do we have?
- D – **"How to we move from where we are to where we want to be?"**
  - Day to Day Key Areas of Performance
    - Departmental Objectives related to Key Areas of Performance
  - Strategic Goals.
    - 2012 Organizational Key Initiatives
    - Departmental Objectives related to Organizations Key Initiative
- E – **"How do we track and measure results?"**
  - Day to Day Results
    - Organizational Results Indicators
    - Departmental Results Indicators
    - Departmental Objectives Results
  - Strategic Results
    - Organizations Key Initiatives Results
    - Departmental Objectives Results

## 2012-2016 Organizational Goals

1. Assure Financial Viability
2. Provide a Great Customer Experience
3. Match Employee Talent with Changing Business Needs
4. Leverage Resources and Technology
5. Strengthen Partnerships & Alliances
6. Enhance Air Service at MSP

<b>Strategic Goal</b>		<b>2012 Key Initiatives</b>	<b>Measurable Outcome</b>
<b>Assure Financial Viability</b>	Ensure MAC has the financial resources necessary to operate our airport system and meet all debt service obligations and maintain our AA- bond rating.	Ensure the continued financial viability of the reliever airport system by completing new business plans for each of the reliever airports.	Financially viable business plans in place for each of the reliever airports.
		Fully incorporating three year operations and capital equipment planning into our budgeting process starting with the 2013 budget cycle.	2013 budget cycle will incorporate both a three-year operating budget plan and a three-year capital equipment plan.
		Develop and deliver a plan for dealing with excess real estate at MSP.	Plan in place for excess real estate at MSP.
<b>Provide a Great Customer Experience</b>	Ensure that all our customers, the Citizens of the Region, the Traveling Public, Regional Businesses, Airport Tenants and Concessionaires, the Airline Industry and General Aviation have the best airport experience in North America.	Remove a major source of customer dissatisfaction by providing free Wi-Fi throughout both MSP terminals.	Improved ASQ score for Airport Facilities: Internet access / Wi-Fi.
		Improve the traveling public's customer experience by implementing Phase One of the public restroom remodeling program in Terminal 1.	Improved long term public perception of restroom cleanliness resulting in improved ASQ score for Airport Facilities: Cleanliness of washrooms / toilets
		Improve the traveling public's experience by expanding the arts and culture program at MSP.	Improved ASQ score for Airport Environment: Ambience of the airport.
<b>Match Employee Talent with Changing Business Needs</b>	Make sure that the right people with the right skills and experience are in the right place to fulfill MAC's mission and achieve our vision	Expand knowledge transfer and leadership development programs.	Program in place to prepare our next generation of leaders.
<b>Leverage Resources and Technology</b>	Take full advantage of resources and technology to improve performance, increase productivity and deliver cost-effective services.	Increase the use of existing technology internally at the MAC and externally with customers.	MAC staff trained in use of upgraded Windows 7 and Office 2010. Expanded use of MAC's Enterprise Resource Planning product by MAC staff. Enhance the use of social media to provide real time customer interaction.
<b>Strengthen Partnerships and Alliances</b>	Expand effectiveness through internal teamwork and strengthening external relationships and partnerships with tenants, concessionaires, airlines, neighboring communities, regional businesses, and governmental agencies.	Assess the contribution of MSP to the local, state and regional economy by conducting an economic impact study.	Economic impact study completed and results communicated to all stakeholders.
		Strengthen our partnership with Greater MSP.	Full engagement with Greater MSP in promoting regional economic growth.
<b>Enhance Air Service at MSP</b>	Provide airlines and the traveling public with expanded alternatives by enhancing domestic, regional and international air service at MSP.	Enhance and expand MSP's air service incentive program.	Expanded air service incentive program developed and implemented.
		Complete the environmental documentation associated with MSP 2020 Improvements that will allow for terminal development necessary to accommodate new air service.	Approval of the environmental documentations for the MSP 2020 Improvements by MAC and the FAA.

## Our Key Areas of Performance

The Metropolitan Airports Commission has identified the following eight areas of day to day performance that are key to the organization fulfilling its mission. Each Key Area of Performance is measured using the results indicators on the following pages.

Departmental objectives impart these key areas of performance and may or may not be linked to organizational Key Initiatives.



## Metropolitan Airports Commission Organizational Results Indicators

<b>Safety and Security</b>	2006	2007	2008	2009	2010	2011
Reportable Crimes	NA	560	403	409	452	0
Security Breaches that Impact Passenger Traffic and/or Airport Operations	NA	2	1	3	0	0
OSHA Recordable Injuries	34	28	24	23	20	0
MSP Runway Incursions	0	0	0	2	2	1
Reliever Runway Incursions (vehicle or pedestrian)	1 vehicle 1 pedestrian	2 vehicles 1 pedestrian	6 vehicles 1 pedestrian	6 vehicles 1 pedestrian	6 vehicles 1 pedestrian	TBD

<b>Financial</b>	2006	2007	2008	2009	2010	2011
Debt Service Coverage Ratio	2.14X	2.30X	2.26X	2.26X	2.33X	0
Airline Cost per Enplaned Passenger	\$5.23	\$5.21	\$5.56	\$6.04	\$6.03	0
Non-Airline Operating Revenue per Enplaned Passenger	\$6.31	\$6.71	\$6.71	\$7.05	\$7.16	0
Reliever Airports Net Operating Revenue (\$ = 000)	\$353.00	\$541.00	\$228.00	\$225.00	\$437.00	0

<b>Environment</b>	2006	2007	2008	2009	2010	2011
Environmental Stewardship Index	34.86	36.20	34.70	39.32	42.04	TBD

<b>Employee Engagement</b>	2006	2007	2008	2009	2010	2011
Employee Engagement Index*	NA	NA	NA	NA	NA	NA
Employee Turnover	4.11%	7.06%	4.96%	3.36%	3.38%	0

<b>Customer Experience</b>	2006	2007	2008	2009	2010	2011
Airport Service Performance Rating (ACI Survey Scale 1-5)	3.82	4.08	4.17	4.18	4.19	NA
Compliments to Complaints Ratio	0.27	0.19	0.29	0.34	0.52	NA

<b>Development</b>	2006	2007	2008	2009	2010	2011
CIP** Implementation	97.8%	96.3%	99.7%	97.5%	97.8%	95.9%
Pay-As-You-Go PFC** Availability	NA	NA	6.5 Years	5 Years	4.4 Years	4.4 Years

\* New Performance Indicator, no historical data exists.

\*\* Capital Improvement Program

\*\*\* Passenger Facilities Charges (Note: projected to go to 5 years in 2012)

## Metropolitan Airports Commission Organizational Results Indicators

The following Operations Results Indicators are common benchmark measures. However, the MAC has very limited ability to directly impact these numbers.

<b>Operations</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Annual MSP Operations	475,668	453,042	450,044	432,395	436,625	TBD
Enplaned Passengers	17,178,000	16,969,000	16,384,000	15,551,000	15,714,000	TBD
Non-stop Domestic Destinations	122	123	123	113	114	TBD
Non-stop International Destination	20	21	21	21	21	TBD
Competitive Destinations	NA	NA	32	33	33	TBD
Annual Reliever Operations	521,239	448,482	424,901	389,843	382,088	TBD
Reliever Airport Tenants	801	801	804	802	814	802
Reliever Based Aircraft	1,734	1,721	1,637	1,531	1,531	1,525

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The 2012 Operating Budget contains both Operating and Non-Operating Revenue and Expenses. Operating revenue and expenses are those items derived from operating the Commission's facilities and includes revenue generated from user fees to airlines, concessions and other (miscellaneous, utilities and rental fees). Operating expense detail includes Personnel, Administrative, Professional Services, Utilities, Operating Services, Maintenance and Other. Depreciation and Noise Amortization are identified in the GAAP table as noted in this section. However, they are not part of the budget approval process since Debt Service is used in determining airline rates and charges. Non-operating entries include interest income and transfers to other funds. (See Budget Message and Cash Flow sections.) Capital equipment purchases and the Capital Improvement Program (CIP) are detailed in the Capital Budget section. The budget cycle and fiscal year for the Metropolitan Airports Commission is January through December.

#### **APPROVED SUMMARY OF OPERATING AND NON-OPERATING REVENUE AND EXPENSE**

The Commission approved the 2012 budget in December 2011. Increases in operating revenue and operating expense, along with increases in non-operating expense, are projected for the 2012 budget when compared to the 2011 estimate. The following tables summarize revenues and expenses including non-operating revenue and expense.



***Take-off to the north (heading over downtown Minneapolis) from MSP International Airport***

**Metropolitan Airports Commission**  
**Operating & Non-Operating Summary**  
**2012 Budget**

									2011 Estimate vs 2012 Budget	
	2010 Actual		2011 Budget		2011 Estimate		2012 Budget		Dollar Change	% Change
<b>OPERATING REVENUES</b>										
<b>Airline Rates &amp; Charges</b>										
Airline Agreement										
Landing Fees	\$ 48,056,653	\$ 49,981,665	\$ 50,600,000	\$ 52,578,170	\$ 1,978,170	\$ 1,978,170	\$ 1,978,170	\$ 1,978,170	3.9%	
Ramp Fees	5,900,810	5,952,594	6,100,000	6,208,439	108,439	108,439	108,439	108,439	1.8%	
Airline R&R	3,207,013	3,302,414	3,300,000	3,393,996	93,996	93,996	93,996	93,996	2.8%	
Lindbergh Terminal - Rentals	30,856,785	34,118,099	34,800,000	34,628,220	(171,780)	(171,780)	(171,780)	(171,780)	-0.5%	
Lindbergh Terminal - Other	3,945,902	4,195,183	4,050,000	4,068,289	18,289	18,289	18,289	18,289	0.5%	
Concessions Rebate	(8,816,945)	(8,988,806)	(9,300,000)	(9,353,616)	(53,616)	(53,616)	(53,616)	(53,616)	0.6%	
Total Airline Agreement	83,150,218	88,561,149	89,550,000	91,523,498	1,973,498	1,973,498	1,973,498	1,973,498	2.2%	
HHH Lobby Fees	5,786,564	5,745,069	7,300,000	6,555,681	(744,319)	(744,319)	(744,319)	(744,319)	-10.2%	
HHH Other / Passenger Fees	1,428,400	1,360,274	1,500,000	1,451,218	(48,782)	(48,782)	(48,782)	(48,782)	-3.3%	
<b>Total Airline Rates &amp; Charges</b>	<b>\$ 90,365,182</b>	<b>\$ 95,666,492</b>	<b>\$ 98,350,000</b>	<b>\$ 99,530,397</b>	<b>\$ 1,180,397</b>	<b>\$ 1,180,397</b>	<b>\$ 1,180,397</b>	<b>\$ 1,180,397</b>	<b>1.2%</b>	
<b>Concessions</b>										
Terminal										
Food & Beverage	\$ 12,902,699	\$ 13,453,294	\$ 13,500,000	\$ 13,357,189	(142,811)	(142,811)	(142,811)	(142,811)	-1.1%	
News	3,214,505	3,439,774	3,350,000	3,435,911	85,911	85,911	85,911	85,911	2.6%	
Retail Stores	4,812,730	5,157,075	4,950,000	4,855,671	(94,329)	(94,329)	(94,329)	(94,329)	-1.9%	
Passenger Services	4,413,411	4,088,566	4,350,000	4,624,909	274,909	274,909	274,909	274,909	6.3%	
Total Terminal/Other	25,343,345	26,138,709	26,150,000	26,273,680	123,680	123,680	123,680	123,680	0.5%	
Parking/Grnd Transport										
Parking	63,682,464	64,900,000	66,800,000	72,957,395	6,157,395	6,157,395	6,157,395	6,157,395	9.2%	
Ground Transportation	4,251,790	4,055,484	4,800,000	4,483,004	(316,996)	(316,996)	(316,996)	(316,996)	-6.6%	
MSP Employee Parking	2,469,026	2,480,079	2,550,000	2,826,433	276,433	276,433	276,433	276,433	10.8%	
Auto Rental - On Airport	15,363,655	15,666,100	16,300,000	16,785,919	485,919	485,919	485,919	485,919	3.0%	
Total Parking/Grnd Transport	85,766,935	87,101,663	90,450,000	97,052,751	6,602,751	6,602,751	6,602,751	6,602,751	7.3%	
Other Concessions	1,392,981	1,404,850	1,300,000	1,467,800	167,800	167,800	167,800	167,800	12.9%	
<b>Total All Concessions</b>	<b>\$ 112,503,261</b>	<b>\$ 114,645,222</b>	<b>\$ 117,900,000</b>	<b>\$ 124,794,231</b>	<b>\$ 6,894,231</b>	<b>\$ 6,894,231</b>	<b>\$ 6,894,231</b>	<b>\$ 6,894,231</b>	<b>5.8%</b>	
<b>Rentals/Fees</b>										
Buildings & Facilities	\$ 5,907,647	\$ 6,224,088	\$ 6,050,000	\$ 6,923,304	\$ 873,304	\$ 873,304	\$ 873,304	\$ 873,304	14.4%	
Auto Rental CFC	9,511,289	5,200,000	5,700,000	5,900,000	200,000	200,000	200,000	200,000	3.5%	
Ground Rentals	9,124,686	8,754,081	9,400,000	8,973,591	(426,409)	(426,409)	(426,409)	(426,409)	-4.5%	
Reliever Airports	5,065,154	4,913,159	5,000,000	5,105,513	105,513	105,513	105,513	105,513	2.1%	
<b>Total Rentals/Fees</b>	<b>\$ 29,608,776</b>	<b>\$ 25,091,328</b>	<b>\$ 26,150,000</b>	<b>\$ 26,902,408</b>	<b>\$ 752,408</b>	<b>\$ 752,408</b>	<b>\$ 752,408</b>	<b>\$ 752,408</b>	<b>2.9%</b>	
<b>Utilities &amp; Other Revenues</b>										
Utilities	\$ 4,064,622	\$ 4,082,152	\$ 4,400,000	\$ 4,333,074	(66,926)	(66,926)	(66,926)	(66,926)	-1.5%	
GA/Airside Fees	2,345,029	2,338,894	2,400,000	2,310,594	(89,406)	(89,406)	(89,406)	(89,406)	-3.7%	
Consortium Fees	1,634,088	1,611,961	1,650,000	1,678,739	28,739	28,739	28,739	28,739	1.7%	
Other Revenues	1,283,837	1,199,803	1,250,000	1,358,676	108,676	108,676	108,676	108,676	8.7%	
Reimbursed Expense	3,227,601	2,890,000	2,900,000	2,900,000	-	-	-	-	0.0%	
<b>Total Utilities &amp; Other Revenues</b>	<b>\$ 12,555,177</b>	<b>\$ 12,122,810</b>	<b>\$ 12,600,000</b>	<b>\$ 12,581,083</b>	<b>\$ (18,917)</b>	<b>\$ (18,917)</b>	<b>\$ (18,917)</b>	<b>\$ (18,917)</b>	<b>-0.2%</b>	
<b>Total Operating Revenues</b>	<b>\$ 245,032,396</b>	<b>\$ 247,525,852</b>	<b>\$ 255,000,000</b>	<b>\$ 263,808,119</b>	<b>\$ 8,808,119</b>	<b>\$ 8,808,119</b>	<b>\$ 8,808,119</b>	<b>\$ 8,808,119</b>	<b>3.5%</b>	

**Metropolitan Airports Commission**  
**Operating & Non-Operating Summary**  
**2012 Budget**

	2011 Estimate vs 2012 Budget					
	2010 Actual	2011 Budget	2011 Estimate	2012 Budget	Dollar Change	% Change
<b>Total Operating Revenues</b>	\$ 245,032,396	\$ 247,525,852	\$ 255,000,000	\$ 263,808,119	\$ 8,808,119	3.5%
<b>OPERATING EXPENSES</b>						
Personnel	\$ 63,412,464	\$ 65,422,526	\$ 66,575,000	\$ 68,132,919	\$ 1,557,919	2.3%
Administrative Expenses	\$ 1,270,910	\$ 1,326,516	\$ 1,350,000	\$ 1,372,179	\$ 22,179	1.6%
Professional Services	\$ 3,518,876	\$ 3,938,108	\$ 4,060,000	\$ 4,339,212	\$ 279,212	6.9%
Utilities	\$ 16,238,494	\$ 17,202,701	\$ 17,190,000	\$ 17,783,931	\$ 593,931	3.5%
Operating Services/Expenses	\$ 17,278,465	\$ 17,847,714	\$ 18,000,000	\$ 18,662,844	\$ 662,844	3.7%
Maintenance	\$ 27,088,115	\$ 25,873,377	\$ 26,925,000	\$ 26,670,236	\$ (254,764)	-0.9%
Other	\$ 2,582,664	\$ 3,125,803	\$ 3,450,000	\$ 2,701,934	\$ (748,066)	-21.7%
<b>Total Operating Expenses</b>	<b>\$ 131,389,988</b>	<b>\$ 134,736,745</b>	<b>\$ 137,550,000</b>	<b>\$ 139,663,255</b>	<b>\$ 2,113,255</b>	<b>1.5%</b>

(Excludes Depreciation and Noise Amortization)

<b>Net Operating Revenues</b>	<b>\$ 113,642,408</b>	<b>\$ 112,789,107</b>	<b>\$ 117,450,000</b>	<b>\$ 124,144,864</b>	<b>\$ 6,694,864</b>	<b>5.7%</b>
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	2011 Estimate vs 2012 Budget					
	2010 Actual	2011 Budget	2011 Estimate	2012 Budget	Dollar Change	% Change
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
<b>Other Non-Operating Revenue</b>						
Interest Income	\$ 6,788,000	\$ 7,000,000	\$ 6,000,000	\$ 7,000,000	\$ 1,000,000	16.7%
Self-Liquidating Income	\$ 3,946,000	\$ 4,145,000	\$ 4,145,000	\$ 3,606,000	\$ (539,000)	-13.0%
	\$ 10,734,000	\$ 11,145,000	\$ 10,145,000	\$ 10,606,000	\$ 461,000	4.5%
<b>Debt Service</b>						
Commercial Paper	\$ (143,000)	\$ -	\$ -	\$ -	\$ -	-
Bond Principal/Int-Operating Fund Transfer	\$ (71,026,000)	\$ (82,100,000)	\$ (76,700,000)	\$ (84,593,000)	\$ (7,893,000)	10.3%
Principal/Interest Equip Financing	\$ (2,341,000)	\$ (2,582,000)	\$ (2,076,000)	\$ (2,881,000)	\$ (805,000)	38.8%
	\$ (73,510,000)	\$ (84,682,000)	\$ (78,776,000)	\$ (87,474,000)	\$ (8,698,000)	11.0%
<b>Equipment</b>						
Capital Expenditures	\$ (1,018,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,020,000)	\$ (20,000)	2.0%
Equipment Purchases	\$ (6,513,000)	\$ (6,623,000)	\$ (6,623,000)	\$ (7,101,000)	\$ (478,000)	7.2%
Equipment Financing	\$ 2,509,000	\$ 1,382,000	\$ 1,423,000	\$ 2,000,000	\$ 577,000	40.5%
PFC Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	-
	\$ (5,022,000)	\$ (6,241,000)	\$ (6,200,000)	\$ (6,121,000)	\$ 79,000	-1.3%
<b>Other</b>						
2011 Six Month Reserve Transfer	\$ 786,000	\$ (3,173,000)	\$ (2,779,000)	\$ (2,463,613)	\$ 315,387	-11.3%
Gain (Loss) on Equipment & Other	\$ 30,000	\$ -	\$ -	\$ -	\$ -	-
	\$ 816,000	\$ (3,173,000)	\$ (2,779,000)	\$ (2,463,613)	\$ 315,387	-11.3%
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$ (66,982,000)</b>	<b>\$ (82,951,000)</b>	<b>\$ (77,610,000)</b>	<b>\$ (85,452,613)</b>	<b>\$ (7,842,613)</b>	<b>10.1%</b>

<b>Net Revenues Available for Designation</b>	<b>\$ 46,660,408</b>	<b>\$ 29,838,107</b>	<b>\$ 39,840,000</b>	<b>\$ 38,692,251</b>	<b>\$ (1,147,749)</b>	<b>-2.9%</b>
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## Operating Revenue

MAC's total Operating Revenues of \$263.8 million is \$8.8 million or 3.5% greater than the 2011 estimate of \$255 million. Detailed explanations are provided in the Operating Budget Revenue section of the budget book.

The projected budget for Airline Rates and Charges is \$99.5 million for 2012. A historical account of Airline Rates and Charges is as follows:

- Actual airline rates and charges revenue for years 2002, 2003 and 2004 were held constant because of the slow economy and the lack of recovery in the aviation industry (after 9/11/01).
- Actual revenue for 2005 and 2006 was based upon the rates and charges formula in the Airline Agreement 1999. Due to the unstable condition of the airline industry, including bankruptcies of some of the airlines serving MSP, and to maintain MSP's low cost attractiveness, the Commission approved the elimination of both the 2005 and 2006 amounts due to the Commission from year-end reconciliation of airlines rates and charges as outlined in the Airline Agreement. Airline Reconciliation Adjustment credits are reflected in 2005 and 2006 actual revenues.
- 2007 through 2010 actual revenue and 2011 estimates are based upon the 2007 Third Amendment to the Airline Use Agreement that incorporates the following major provisions:
  - Convert the current rate methodology in the Airline Use and Lease Agreement from one of charging depreciation and interest on completed projects to charging debt service (MSP was the only major airport charging depreciation and interest in their airline rates and charges calculation).
  - Limited concessions revenue sharing. Certain parameters were agreed upon whereby if particular conditions were met, the Commission would share a portion of its Food, Beverage, News, Retail and Auto Rental revenues.
  - A prorated chargeback to all airline rate base areas totaling \$15.9 million (escalated at 3%) for repair and rehabilitation projects.
  - Protections to maintain a total annual debt service coverage of at least equal to 1.25x.
  - Various lease adjustments to Delta (formerly Northwest Airlines) facilities - those which could have been rejected in bankruptcy.
  - Assumption of all leases by Delta (formerly Northwest Airlines).
  - Effective date of all changes would be retroactive to January 1, 2006.
- Budget 2012 also takes into consideration the projected enplaned passengers and operations activity provided by the airlines and other users of MAC facilities (along with rates and charges per the Airline Use and Lease Agreement). The economy played a major role in projecting activity.

**Operating Expense**

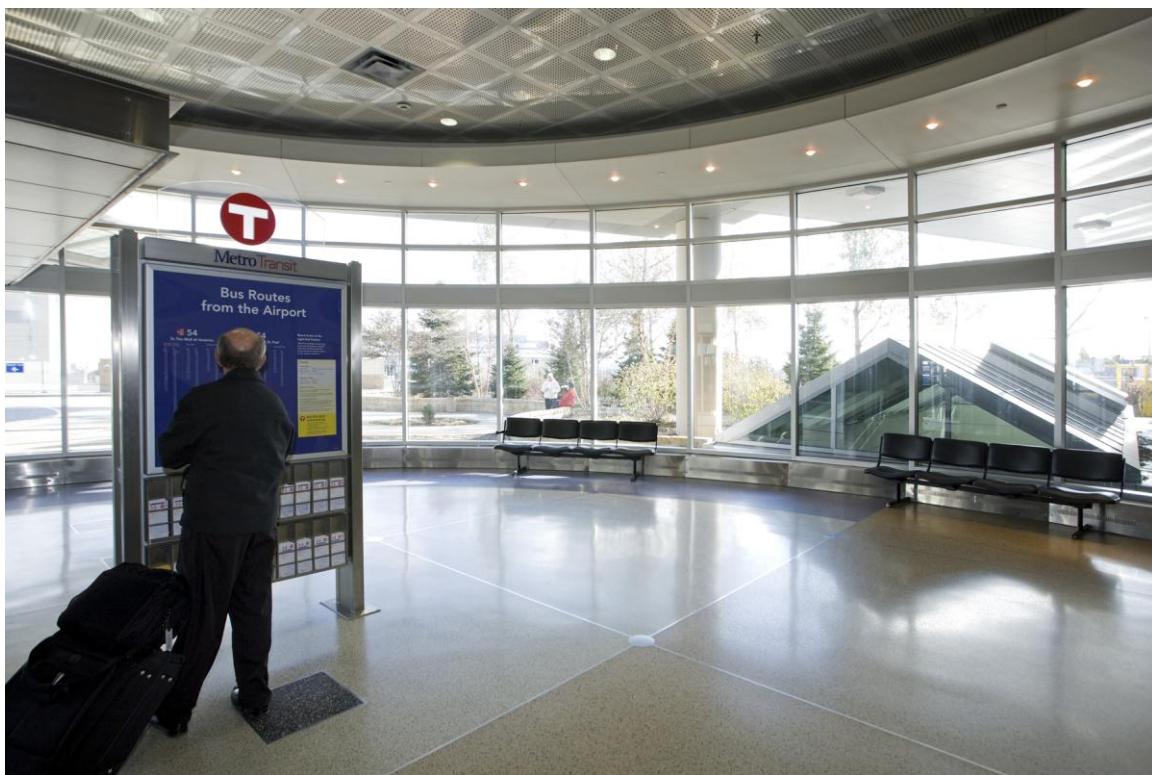
MAC's total Operating Expense of \$139.7 million is 1.5% above the 2011 estimate and excludes Depreciation and Airport Noise Amortization. Detailed explanations are provided in the Operating Budget Expense section.

**Non-Operating Revenue**

Non-Operating Revenue consists of interest income from investments and income from self-liquidating leases. (See Capital Budget)

**Non-Operating Expenses**

Non-Operating Expenses include Debt Service and Equipment. (See Capital Budget, Debt Service and Budget Message)



***Metro Transit Area - Terminal 1-Lindbergh***

**SUMMARY OF OPERATING REVENUE AND EXPENSE**

The following table is shown below for GAAP (General Accepted Accounting Principles) purposes.

**Metropolitan Airports Commission  
Operating & Non-Operating Summary  
GAAP Presentation Summary  
2012 Budget  
(\$ in 000)**

	2010 <u>Actual</u>	2011 <u>Budget</u>	2011 <u>Estimate</u>	2012 <u>Budget</u>	2011 Estimate vs 2012 Budget	
					Dollar Change	% Change
<b>OPERATING REVENUES</b>						
Airline Rates & Charges	\$ 90,376	\$ 95,667	\$ 98,350	\$ 99,530	\$ 1,180	1.20%
Concessions	112,503	114,645	117,900	124,794	6,894	5.85%
Rentals/Fees	29,609	25,091	26,150	26,903	753	2.88%
Utilities & Other Revenues	12,555	12,123	12,600	12,581	(19)	-0.15%
<b>Total Operating Revenues</b>	<b>\$ 245,043</b>	<b>\$ 247,526</b>	<b>\$ 255,000</b>	<b>\$ 263,808</b>	<b>\$ 8,808</b>	<b>3.45%</b>
<b>OPERATING EXPENSES</b>						
Personnel	\$ 63,412	\$ 65,423	\$ 66,575	\$ 68,133	\$ 1,558	2.34%
Administrative Expenses	1,271	1,326	1,350	1,372	22	1.63%
Professional Services	3,519	3,938	4,060	4,339	279	6.87%
Utilities	16,238	17,203	17,190	17,784	594	3.46%
Operating Services/Expenses	17,278	17,848	18,000	18,663	663	3.68%
Maintenance	27,088	25,873	26,925	26,670	(255)	-0.95%
Other	2,583	3,126	3,450	2,702	(748)	-21.68%
Depreciation	108,186	109,331	109,873	110,000	127	0.12%
Noise Amortization	13,369	11,669	11,127	11,000	(127)	-1.14%
<b>Total Operating Expenses</b>	<b>\$ 252,944</b>	<b>\$ 255,737</b>	<b>\$ 258,550</b>	<b>\$ 260,663</b>	<b>\$ 2,113</b>	<b>0.82%</b>
<b>Operating Loss</b>	<b>\$ (7,901)</b>	<b>\$ (8,211)</b>	<b>\$ (3,550)</b>	<b>\$ 3,145</b>	<b>\$ 6,695</b>	<b>188.59%</b>
<b>NON-OPERATING REVENUES (EXPENSES) &amp; CONTRIBUTIONS</b>						
Interest Income and Other	\$ 34,052	\$ 35,318	\$ 22,100	\$ 21,858	(242)	-1.10%
Passenger Facility Charges (PFC's)	\$ 59,453	\$ 58,500	\$ 60,000	\$ 60,750	750	1.25%
Interest Expense	\$ (85,141)	\$ (83,000)	\$ (75,931)	\$ (72,500)	3,431	-4.52%
Capital Contributions & Grants	\$ 24,723	\$ 8,540	\$ 17,000	\$ 10,000	\$ (7,000)	-41.18%
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$ 33,087</b>	<b>\$ 19,358</b>	<b>\$ 23,169</b>	<b>\$ 20,108</b>	<b>\$ (3,061)</b>	<b>-13.21%</b>
<b>Net Increase in Net Assets</b>	<b>\$ 25,186</b>	<b>\$ 11,147</b>	<b>\$ 19,619</b>	<b>\$ 23,253</b>	<b>\$ 3,634</b>	<b>18.52%</b>

**BUDGET TARGETS**

The targets for the 2012 Operating Budget were approved on June 20, 2011 at the Commission meeting. All four targets were met. Each target is discussed separately below.

**Target 1: Senior Debt Coverage Ratio maintained at not less than 1.4x**

<b>Debt Coverage Ratio</b>	<b>Estimate 2011</b>	<b>Target</b>	<b>Budget 2012</b>
(Without Transfer)	2.23x	1.40x	2.99x

**Target 2: Maintain a 6-month reserve in the Operating Fund**

	<b>Budget 2011</b>	<b>Budget 2012</b>
Operating Fund Reserve	\$67,368,373	\$69,831,628

**Target 3: Airline Cost/Enplaned Passenger will be in the lower third of Large Hub Airports**

<b>Budget 2012</b>
MSP ranked 7 <sup>th</sup> lowest out of the 24 large hub airports at \$6.46 Airline Cost/Enplaned Passenger.

**Target 4: The Commission will have a Balanced Budget**

<b>Budget 2012</b>		
Net Revenues available for designation:		
<b>Actual 2010</b>	<b>Estimate 2011</b>	<b>Budget 2012</b>
\$46,660,408	\$39,840,000	\$38,692,251

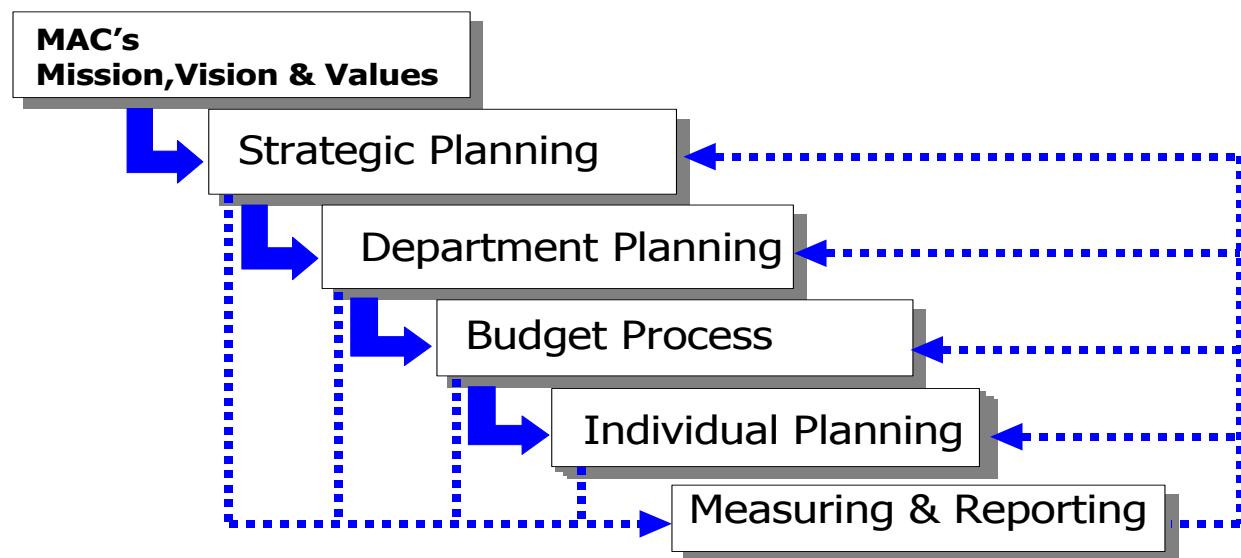
## STRATEGIC PLANNING - SCHEDULE

The Strategic Plan process is driven by MAC's Mission, Vision and Values. MAC's Strategic Plan is updated annually to establish organizational priorities.

Input is received from the Commissioners, senior staff, and various levels of management through planning sessions that identify critical issues, strategic goals and organizational key initiatives.

The draft Strategic Plan is presented to the Commission in conjunction with the proposed annual budget targets.

Following Commission approval, the Year Strategic Plan is communicated to the service centers along with guidelines and budget targets. The service centers link their objectives to the Organizational Key Initiatives, where applicable.



## BUDGETING PROCESS - SCHEDULE

The budget process is the third step in MAC's annual planning process.

The next step is to develop the budget requests for the resources to organizational priorities. Position requests are evaluated using the following criteria:

### **Full Time Equivalent (FTE) Requests**

First priority	Necessity to meet legal mandates and regulatory requirements.
Second priority	Ability to maintain a safe and secure airport system.
Third priority	General business need.

### **Other Costs**

First priority	Additional costs required to meet security requirements.
Second priority	Imbedded cost increases (i.e., scheduled increases in contracts, salary adjustments for organized labor, utility rate increases, etc.)
Third priority	Costs to maintain additional facilities completed in the past five years.

Preparation for the next year, effective in January, (MAC's fiscal year is January through December) the budget process begins in March with programming changes as necessary made to the budget database program. Each department assigns a Budget Specialist to input the budget and coordinate budget information for their service center. The database includes a 3-year history and the prior year actual data to assist the budget specialist in completing their budget. In coordination with Human Resources, the necessary training is assessed for both the planning database and the budgeting database.

In April, the Finance & Administration Committee provides direction to staff regarding growth and allocation of funds or budget targets. The direction provided by the Finance and Administration Committee is communicated to staff at various informational meetings and included in their budget packages. The Commission approves the targets in June after a 30-day public comment period.

The budget database is available for service centers in late May to input their data. 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, if any, from the Finance and Administration 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 revisions before presenting the draft to the Commission and revenue figures are compiled. Airline rates and charges are calculated. 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 to ensure the targets as established are met. In 2010, non-operating revenue and expenses were also taken into consideration as a result of various factors, including the new airline agreement and the general aviation economy. (See Budget Message)

During September, presentations and supporting documents are prepared for the Finance and Administration Committee, Senior Staff and airlines. In addition, a draft budget is sent to the Minnesota State Legislature. The airlines receive a formal budget presentation in October. The month of October is reserved for presentations to the Finance and Administration Committee and revisions prior to requesting final approval.

The Finance and Administration Committee will receive updates from staff during October and November. The recommendation from the Finance and Administration Committee for final approval is typically requested at the December Commission meeting. Final approval of the 2011 Operating Budget was given at the December Commission meeting. Rate changes are sent out at the beginning of December based upon assumed approval from the full Commission. (Changes, if necessary, are made and distributed.)

### **CAPITAL IMPROVEMENT PLAN - SCHEDULE**

Initial discussions of the Capital Improvement Plan (CIP) begin in January. All requests for projects, along with data regarding the proposed projects, are submitted. Airport Development analyzes the project scope, costs and priorities with a preliminary draft developed in June and July.

In September, approval of the preliminary CIP plan is requested from the Planning, Development and Environment Committee for environmental review with mailings sent to the affected communities and municipalities. In October, a 30-day notice of public hearing is published. A public hearing is held in November.

Recommendation for approval of the CIP from the Planning, Development and Environment Committee is requested at the December Commission meeting.

Distribution of the approved CIP is made to MAC Departments, Metropolitan Council, State Historical Society and affected communities in December.

**AMENDMENT PROCESS**

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

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

The Executive Director shall have the responsibility of securing adequate quantities of office, janitorial, maintenance and repair materials and supplies, and the rent of sufficient equipment necessary for the smooth, continuous operation of the Commission's system of airports and all facilities associated with the system of airports. The Executive Director's authority to secure these items shall be subject to the Commission's purchasing procedures and be subject to the line-item budget constraints of the annual budget.

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

The individual line-items will include the following:

<b>Personnel</b>	<b>Maintenance</b>
Salaries & Wages	Trades
Benefits	Building
Total Personnel	Field
	Equipment
	Cleaning
	Total Maintenance
<b>Administrative Expenses</b>	
<b>Professional Services</b>	
<b>Utilities</b>	
<b>Operating Services</b>	<b>Other</b>
Parking Management	General Insurance
Shuttle Bus Services	Other
Service Agreements	Minor Equipment
Storm Water Monitoring	
Other	Total Other
Total Operating Services	
<b>Non Operating Expenses</b>	
Debt Service	
Equipment Purchases	
Other	
Total Non Operating Expenses	

The following calendar provides an overview of the budget cycle beginning in January which is also the Metropolitan Airports Commission fiscal year.

## **JANUARY**

<b>Task:</b>	<b>Responsibility:</b>
➤ Initial CIP discussion	Airport Development
➤ Initial Strategic Planning	Full Commission

## **APRIL**

<b>Task:</b>	<b>Responsibility:</b>
➤ Provide direction to staff regarding growth and allocation of funds or budget targets.	F&A Committee
➤ Prepares Service Center historical information and updates data bases with programming changes as necessary.	Finance
➤ Approval of Strategic Plan	Full Commission

## **MAY**

<b>Task:</b>	<b>Responsibility:</b>
➤ Adoption of budget targets after 30-day public comment period.	Finance
➤ Opens budget databases and strategic planning databases for input (late May and/or early June). Begin training of budget specialists.	
➤ Recommends information regarding inflation factors, wage and contract adjustments to the Departments.	
➤ Prepares preliminary budget.	

## **JUNE**

<b>Task:</b>	<b>Responsibility:</b>
➤ Presents preliminary budget to F&A Committee (required in compliance with State Statutes – Taxing Purposes)	Finance
➤ Develops draft Preliminary CIP.	Airport Development

## **JULY**

<b>Task:</b>	<b>Responsibility:</b>
➤ Compiles positions and headcount requests summary.	Finance /Human Resources
➤ Compiles summary of capital assets requests.	Finance/MAC Staff
➤ Presents budget requests to Executive Director.	

## **AUGUST**

<b>Task:</b>	<b>Responsibility:</b>
➤ Approves preliminary position and headcount requests.	Senior Staff
➤ Approves preliminary summary of capital assets requests.	Executive Director
➤ Prepares summary of controllable expense requests and supporting schedules.	Finance
➤ Concurrently initiates budget revisions, as needed, for controllable expenses.	
➤ Compiles revenue analysis and projections.	
➤ Completes revenue forecast.	

**SEPTEMBER**

<b>Task:</b>	<b>Responsibility:</b>
➤ Compiles budget presentation information.	Finance
➤ Distributes budget packages to airlines, State Legislature and the F&A Committee.	MAC Staff/Finance/Senior Staff
➤ Presents draft budget to F&A Committee and the airlines.	Finance
➤ Implements budget revisions, as needed, to projected expenses.	Finance
➤ Presents budget to MAC Staff.	
➤ Airline presentation.	
➤ Presents preliminary CIP to PD&E Committee.	Airport Development
➤ Approves preliminary CIP for environmental purposes.	PD&E Committee
➤ Mails CIP to affected communities.	Airport Development

**OCTOBER**

<b>Task:</b>	<b>Responsibility:</b>
➤ Presents budget update to the F&A Committee.	Finance/Senior Staff
➤ Revise budget as required.	
➤ Publishes notice of CIP public hearing.	Airport Development

**NOVEMBER**

<b>Task:</b>	<b>Responsibility:</b>
➤ Presents budget update to F&A Committee.	Finance
➤ Revise budget as required.	
➤ Holds public hearing regarding CIP.	Airport Development

**DECEMBER**

<b>Task:</b>	<b>Responsibility:</b>
➤ Presents preliminary notice of rate changes to all tenants.	Finance
➤ Approves budget for recommendation to full Commission.	F&A Committee
➤ Approves budget.	Full Commission
➤ Notice of any changes in rates from preliminary information to all tenants.	Finance
➤ Presents final CIP to PD&E	Airport Development
➤ Approves final CIP	PD&E Committee
➤ Distributes CIP to MAC Departments, Metropolitan Council, State Historical Society and affected communities.	Airport Development

**FEBRUARY**

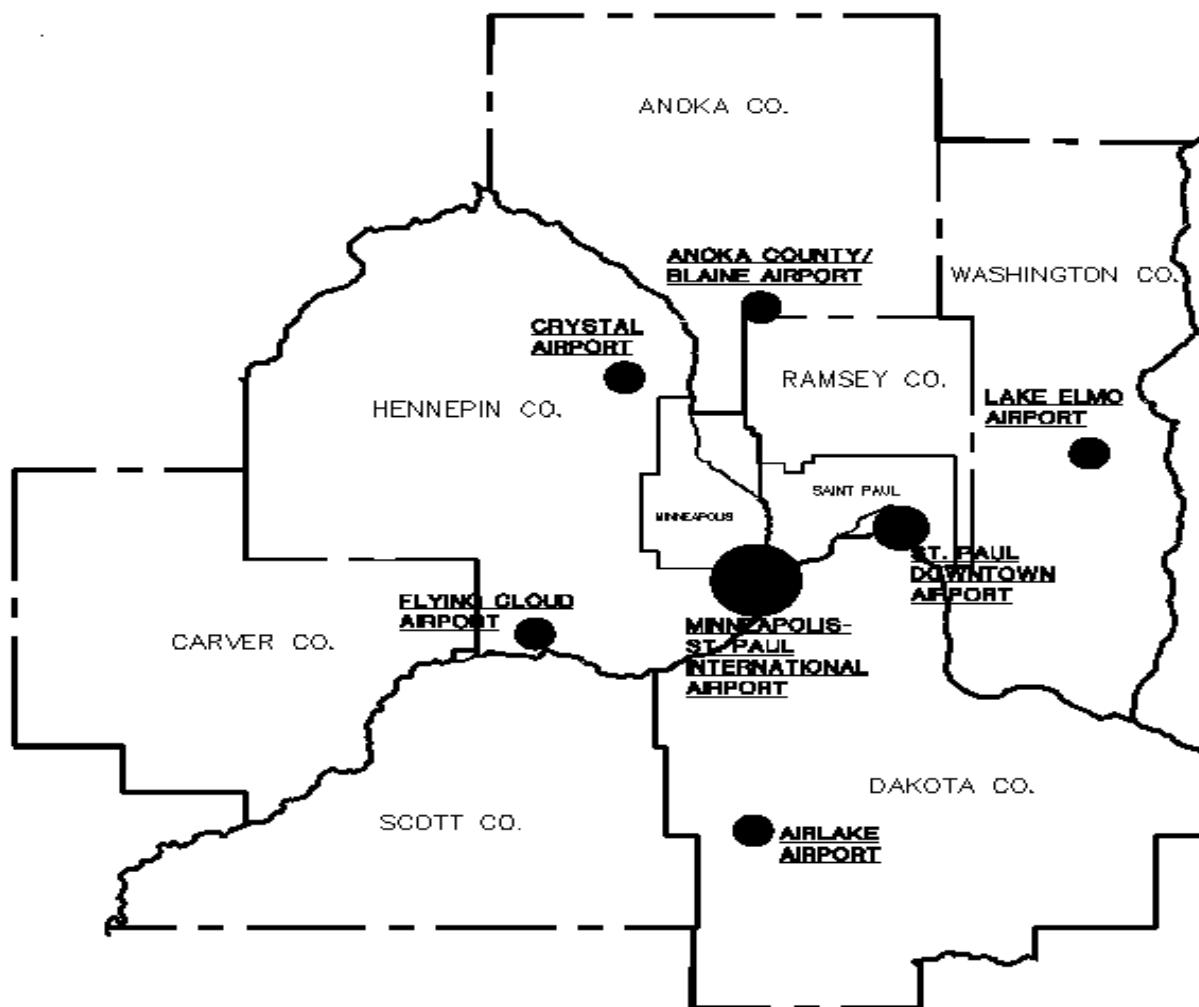
<b>Task:</b>	<b>Responsibility:</b>
➤ Complete Budget Book.	Finance



**Welcome Sign – Minneapolis St. Paul International Airport**

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. The purpose of the Commission is to:

- Promote air navigation and transportation (international, national and local) in and through the State of Minnesota.
- Promote the efficient, safe and economic handling of air commerce and to assure the inclusion of the state in national and international programs of air transportation. To those ends, develop the full potentialities of the metropolitan area as an aviation center.
- Assure minimum environmental impact from air navigation and transportation for residents of the metropolitan area, promote the overall goals of the state's environmental policies and minimize the public's exposure to noise and safety hazards around airports.



### Commission Jurisdiction 35 Mile Radius

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 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.

Fourteen Commissioners and a Chair govern the Metropolitan 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 outside of the metropolitan area. The Mayors of St. Paul and Minneapolis also have seats on the Commission with the option to appoint a surrogate to serve in their place. The Chair of the Commission is appointed by the Governor for a four-year term.

**Chair:**  
Daniel Boivin

**Commissioners:**

Carl Crimmins	District A
Rick King	District B
Lisa Peilen	District C
John Williams	District D
James Deal	District E
Michael Madigan	District F
John McClung	District G
Tammy Mencel	District H
Greg Foster	City of Minneapolis
Pat Harris	City of St. Paul

**Representing Greater Minnesota Area:**

Timothy Geisler  
Mike Landy  
Paul Rehkamp  
Donald Monaco

**Executive Director:**  
Jeffrey W. Hamiel

The Commission has established three committees. Each of the committees (Planning, Development & Environment Committee, Finance & Administration Committee and Management & Operations Committee) meets on a monthly 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. The full Commission also meets monthly.

This section provides information on the MAC's organizational structure. The organizational chart on the next page identifies the structure by division and departmental level. The overall 2012 budgeted FTEs are displayed as well as the 2012 budgeted FTEs for each division. Supporting detail for this chart is shown on the following pages including a table listing the divisions, associated departments and service center roll-up. The six divisions are: Executive, Human Resources, Finance & Administrative Services, Legal Affairs, Planning & Environment, and Operations.

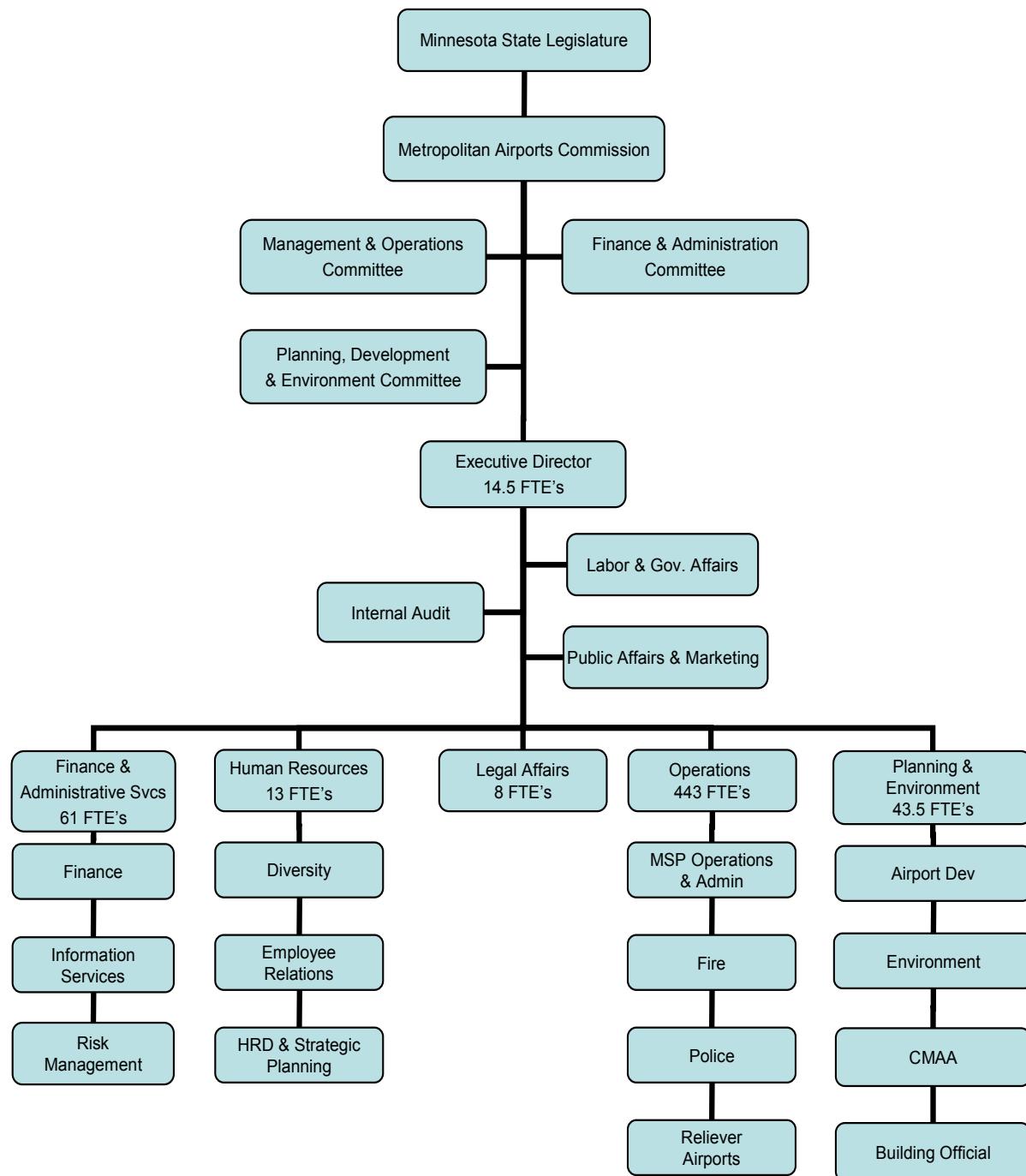
Two organizational changes were made in the past few years. In 2010, the Conference Center began reporting to Concessions & Business Development rather than the Operations Division. In 2012, the Call Center merged into the MSP Operations & Administration Department within the Operations Division. These changes were made to better reflect the service center responsibilities and reporting structure.

The six division summary sections shown later in this book contain the following information by department or service center

- Responsibility/Function
- Budget Summary
- Budget Highlights
- 2010 Results Report
- 2011 Results Report
- 2012 Service Center Objectives
- Service Center Results Indicators for Key Area of Performance



***Sun Country Airlines Serves Minneapolis St. Paul International Airport***



## Divisions

MAC services are provided through six divisions. The Executive Director and five Deputy Executive Directors lead, manage and integrate the business at MAC. The Deputy Executive Directors also lead the operations and staff for the departments and service centers within their respective divisions. The divisions and associated departmental structure are detailed on the next page.

## 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 provides department heads with an opportunity to review functions they manage by department. (Example: Finance includes Purchasing)

## Service Center

Service centers are the lowest levels of the department budget detail. All service centers have completed budgets with input from the department heads and managers.

## Subledgers

Rates and charges revenue collected from the airlines are governed by the Airline Use Agreement and corresponding amendments. Other revenue collections are dictated by either lease or ordinance. Expenses of the organization are key factors in revenue calculations. Expenses are budgeted to the appropriate subledger 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. The budget specialist acts as the department's budget expert and liaison to the Finance Department. 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.



***Moving Sidewalks Expedite Travelers at Minneapolis-St. Paul International Airport***

## Organizational Structure by Division, Department, and Service Center

Division	Department	Service Center	
		Number	Name
Executive Director / Commissioner	Executive / Commission Public Affairs & Marketing Internal Audit Labor & Governmental Affairs	75000 75100 76000 78300 79500	Executive – General / Special Projects Executive – Commissioners / Chair Public Affairs & Marketing Internal Audit Labor and Governmental Affairs
Human Resources	Human Resources HRD & Strategic Planning Diversity Employee Relations	75700 76600 80600 81500	Human Resources HRD & Strategic Planning Diversity Employee Relations
Finance & Administrative Services	Finance & Administrative Services Risk Management  Finance  Information Services	75600 76800 76700 78000 78100 78200 79000	Finance & Administrative Services Risk Management Wellness Finance MAC General Purchasing Information Services
Legal Affairs	General Counsel	81000	General Counsel
Planning & Environment	Planning Airport Development  Commercial Mgt/Airline Affairs  Environment	75500 77000 77100 80000 76100 80100 82050 85000 85100 85300	Planning Airport Development Building Official Commercial Mgt./Airline Affairs Air Service Business Development Concessions & Business Development Conference Center Environment – General Environment - Environmental Environment – Aviation Noise Program
Operations	Deputy – Operations MSP Operations & Administration  Fire Police  Reliever Airports	75800 82000 83400 83000 83300 85500 86100 86300 88400 88000 88100 88200 88300 89000 82600 83600 84200 82700 90000 90200 90300 90400 90500 90600 90700	Deputy – Operations MSP Operations & Administration Landside – Administration Landside – Operations Landside – Parking Facilities – Humphrey Terminal Facilities – Lindbergh Terminal Facilities – Energy Management Ctr. Trades – Administration Trades – Electricians Trades – Painters Trades – Carpenters Trades – Plumbers Field Maintenance Airside Operations Fire Police Emergency Communications Relievers – Administration Relievers – St. Paul Reliever – Lake Elmo Reliever – Air Lake Reliever – Flying Cloud Reliever – Crystal Reliever – Anoka

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**ORGANIZATIONAL PERSONNEL**

The following is information on MAC Full Time Equivalent (FTE) positions by:

- Actual, Authorized and Budgeted Count
- Service Center
- Position Classification

**Actual, Authorized and Budgeted Full Time Equivalent Positions**

The 2006 budgeted FTE position count was close to the 2005 actual count. The 2006 actual FTE count stayed the same as the budgeted count showing very little increase in actual FTEs in 2006.

The authorized and budgeted FTE position count for 2008 was 599.5 which was up twenty FTE positions from 2007.

The twenty 2008 FTE positions, along with five additional positions, were eliminated in 2009 as a result of budget constraints related to the downturn in the airline industry and the economic recession. Therefore, the 2009 budgeted position count shows 574.5 FTE positions for the full year.

The 2010 budget included 565.5 FTE positions. However; a mid-year adjustment in 2010 of 8.5 FTE positions increased the budget to 574.

The 2011 budget included four new FTE positions for a total count of 578.

In the 2012 budget, three new FTE positions are included. In addition, two trainees have been added to increase the position count to 583. Upon two anticipated retirements in 2012, the position count will be reduced to 581. The actual salary amount for the budgeted positions was adjusted to reflect a limited vacancy factor to account for time to fill open positions.

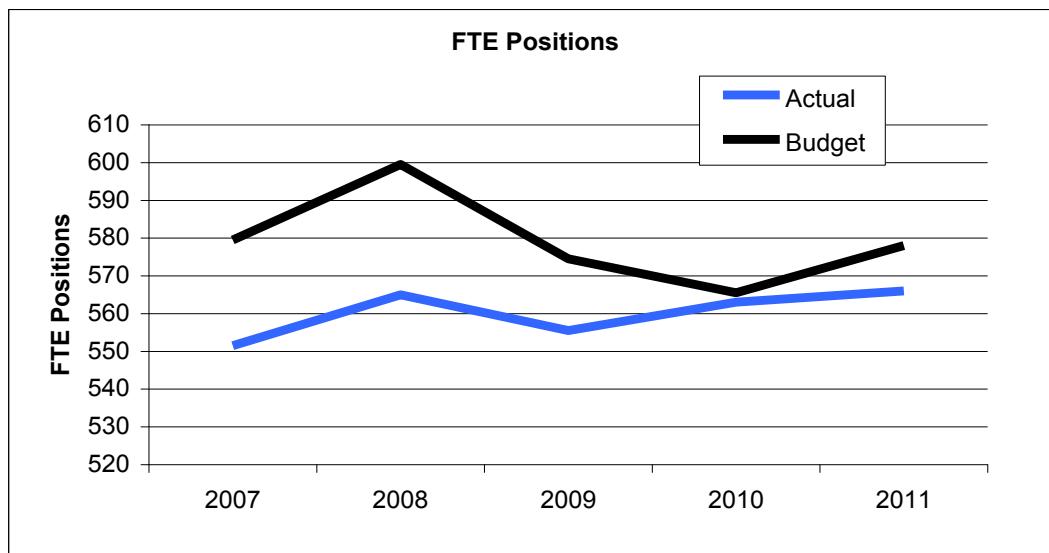
The following table shows actual FTE positions have been less than both authorized and budgeted.

FTE Positions	2005	2006	2007	2008	2009	2010	2011	2012
Budgeted	574.5	558.5	*579.5	599.5	574.5	**565.5	578	583
Authorized	593.5	575.5	579.5	599.5	574.5	574	578	583
Actual	557	558.5	551.5	565	555.5	563	566	-

\* Two mid-year adjustments were made to position counts in 2007, bringing the total authorized and budgeted FTE position count to 579.5. Funding was reinstated for fifteen previously authorized positions and four new positions were added.

\*\* 8.5 additional FTE positions were added mid-year in 2010.

The following graph compares budget and actual 2007 thru 2011 FTE positions.



**MAC/MSP team at the annual American Heart Association Heart Walk**

**Regular Status Full Time Equivalent Position Count  
by Service Center within Division**

Service Center	As of 12/16/08	As of 12/18/09	As of 12/17/10	As of 12/19/11		
	2008 Actual	2009 Actual	2010 Actual	2011 (1) Actual	2011 Budget	2012 Budget
<b>Executive</b>						
75000 Executive	2	2	2	2	2	2
75100 Executive - Commissioner	0.5	0.5	0.5	0.5	0.5	0.5
76000 Public Affairs & Marketing	3	3	4	5	4	5 (I)
78300 Internal Audit	4	3	4	4	4	4
79500 Labor and Governmental Affairs	3	3	3	3	3	3
<b>Total Executive</b>	<b>12.5</b>	<b>11.5</b>	<b>13.5</b>	<b>14.5</b>	<b>13.5</b>	<b>14.5</b>
<b>BUDGET</b>	<b>12.5</b>	<b>12.5</b>	<b>12.5</b>	<b>13.5</b>		<b>14.5</b>
<b>Human Resources</b>						
75700 Human Resources	2	2	2	2	2	2
76600 HRD & Strategic Planning	3	3	3	3	3	3
81500 Employee Relations	5.5	5.5	6	6	6	6
80600 Diversity	2	2	2	2	2	2
<b>Total Human Resources</b>	<b>12.5</b>	<b>12.5</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>
<b>BUDGET</b>	<b>15</b>	<b>12.5</b>	<b>12.5</b>	<b>13</b>		<b>13</b>
<b>Finance &amp; Administrative Services</b>						
75600 Finance & Admn. Services	2	4	4	2	4	3 (II)
76800 Risk Management	4	4.5	4.5	5	4.5	5.5 (III)
78000 Finance	19	16	16	16	16	16
78100 MAC General (2)					6	5 (IV)
78200 Purchasing	7.5	7.5	7.5	7.5	7.5	7.5
79000 Information Services	19	20	22	22	23	24 (V)
<b>Total Administrative Services</b>	<b>51.5</b>	<b>52</b>	<b>54</b>	<b>52.5</b>	<b>61</b>	<b>61</b>
<b>BUDGET</b>	<b>81</b>	<b>53</b>	<b>53</b>	<b>61</b>		<b>61</b>
<b>Legal Affairs</b>						
81000 General Counsel	8	8	8	8	8	8
<b>Total General Counsel</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b>BUDGET</b>	<b>9</b>	<b>8</b>	<b>8</b>	<b>8</b>		<b>8</b>
<b>Environment/Development</b>						
75500 Planning	2	2	2	2	2	2
76100 Air Service-Business Development	1.5	0.5	0.5	0.5	0.5	0.5
77000 Airport Development	15	15	15	15	15	15
77100 Airport Development -Building Official	2	2	2	2	2	2
80000 Commercial Mgmt & Airline Affairs	5	4	5	5	5	5
80100 Concessions & Business Development	4	4	4	3	4	4
82050 Conference Center	3	2	2	3	3	3
85000 Environment -General	2	2	2	2	2	2
85100 Environment-Environmental	3	3	3	3	3	3
85300 Environment-Aviation Noise Program	7	7	7	7	7	7
<b>Total Environment/Development</b>	<b>44.5</b>	<b>41.5</b>	<b>42.5</b>	<b>42.5</b>	<b>43.5</b>	<b>43.5</b>
<b>BUDGET</b>	<b>33</b>	<b>43.5</b>	<b>43.5</b>	<b>43.5</b>		<b>43.5</b>

Regular Status Full Time Equivalent Position Count  
by Service Center within Division

Service Center	As of 12/16/08		As of 12/18/09		As of 12/17/10		As of 12/19/11	
	2008 Actual	2009 Actual	2010 Actual	2011 (1) Actual	2011 Budget	2012 Budget		
<b>Operations</b>								
75800 Deputy - Operations	1	2	2	3	2	2		
82000 MSP Operations & Administration	4	4	4	4	4	4	6 (VI)	
82060 Call Center (3)	3	2	2	2	2	2	0 (VI)	
82600 Airside Operations	13	15	15	15	15	15	15	
82700 Emergency Communications	16	13	15	15	16	16		
83400 Landside - Administration	23.5	23.5	23.5	23.5	23.5	23.5	23.5	
83600 Fire	49	49	48	48	49	49	49	
84200 Police	113.5	111.5	113.5	114	115.5	117.5 (VII)		
85500 Facilities - Humphrey Terminal	2	2	3	3	3	3	3	
86100 Facilities - Lindbergh Terminal	10	10	10	10	10	10	10	
86300 Facilities - Energy Management Center	19	18	18	16	18	20 (VIII)		
88000 Electricians	17	17	17	18	17	17	17	
88100 Painter	7	8	7	8	8	8	8	
88200 Carpenter	9	9	9	9	9	9	9	
88300 Plumber	8	8	8	8	8	8	8	
88400 Trades-Administration	2	1	2	2	2	2	2	
89000 Maintenance	113	111	110	111	111	111	111	
90000 Reliever - Administration	8	8	8	8	8	8	8	
90200 Reliever - St. Paul	7	7	7	7	7	7	7	
90300 Reliever - Lake Elmo	1	1	0	1	1	1	1	
90400 Reliever - Airlake	1	1	1	1	1	1	1	
90500 Reliever - Flying Cloud	3	3	3	3	3	3	3	
90600 Reliever - Crystal	3	3	3	3	3	3	3	
90700 Reliever - Anoka	3	3	3	3	3	3	3	
<b>Total Operations</b>	<b>436</b>	<b>430</b>	<b>432</b>	<b>435.5</b>	<b>439</b>	<b>443</b>		
<b>BUDGET</b>	<b>449</b>	<b>436</b>	<b>436</b>	<b>439</b>	<b>439</b>	<b>443</b>		
<b>Total Actual FTEs</b>	<b>565</b>	<b>555.5</b>	<b>563</b>	<b>566</b>				
<b>TOTAL BUDGET FTEs</b>	<b>599.5</b>	<b>565.5 (4)</b>	<b>565.5</b>	<b>578</b>				

The difference in FTEs between the 2011 and 2012 budget is due to:

- (I) Hiring a Graphic Designer
- (II) One staff retirement
- (III) Hiring a Benefits Administrator
- (IV) One FTE moved to a department
- (V) Hiring an Information Systems Security Officer
- (VI) Two FTEs in the Call Center moved to the Airport Directors Office
- (VII) Hiring two Community Service Officers
- (VIII) Hiring two Emergency Management Trainees

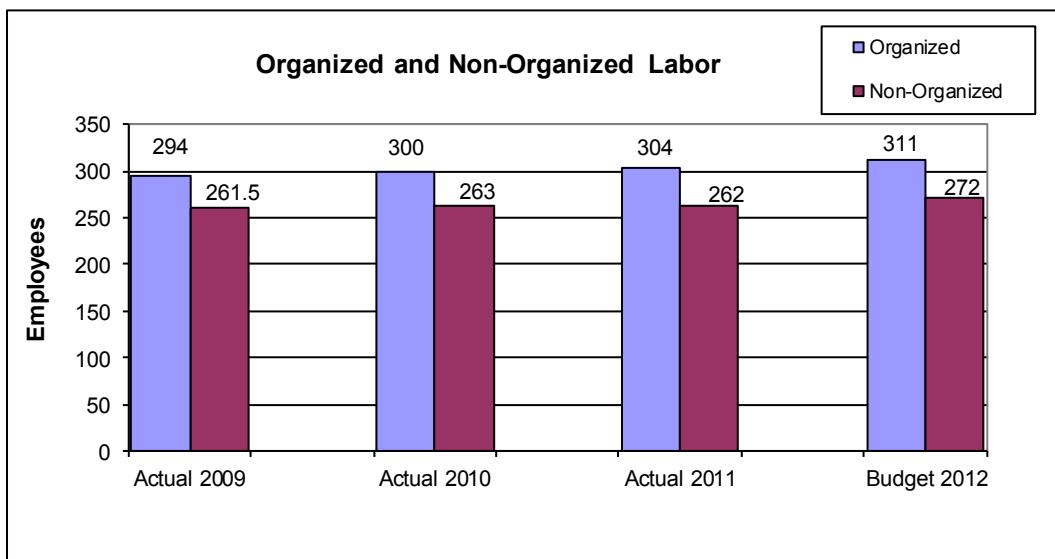
(1) *Service centers transferred open position to other service centers based upon need*  
 (2) *MAC General is a general service center for maintaining FTE count*  
 (3) *The Call Center moved to MSP Operations and Administration in 2012*  
 (4) *The FTE count was adjusted down from 574.5 to 565.5 in 2009*

**Regular Status Full Time Equivalent Position Count  
by Job Classification**

<b>Organized</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Budget</b>
Local 70 Operating Engineers	15	15	13	17
49er's Equipment Maintenance	22	22	22	22
320's - MSP Int'l - Field	75	75	75	75
320's - MSP Int'l - Lindbergh Terminal	2	2	2	2
320's - Reliever Airports	18	18	18	18
Painters -386	8	7	8	8
Carpenters - CAR	9	9	9	9
Plumbers -034	8	8	8	8
Electricians - 292	17	17	18	18
Emergency Communications Specialists*		11	11	12
Police Lieutenants/Sergeants - 307	16	18	18	18
Police Officers - 302	59	57	58	59
Firefighters - S6	36	32	35	36
Fire Captains - S6	9	9	9	9
<b>Total Organized</b>	<b>294</b>	<b>300</b>	<b>304</b>	<b>311</b>
<b>Non-Organized</b>				
Chairperson/Executive Director	1.5	1.5	1.5	1.5
Dep. Directors/Directors/Assistant Director	23	23	24	24
Managers/Assistant Managers/Supervisors	79.5	87	90	89.5
Police Chief/Fire Chief	2	2	2	2
Community Service Officers	12.5	12	13	16.5
Passenger Assistants	12.5	12.5	12.5	12.5
Fire Training/Marshall	2	2	2	2
Commanders/Deputy Chief/Police Training Coord	4	4	4	4
Administrative/Professional/Tech. Support	124.5	119	113	117
Unassigned	0	0	0	3
<b>Total Non-Organized</b>	<b>261.5</b>	<b>263</b>	<b>262</b>	<b>272</b>
<b>Total MAC</b>	<b>555.5</b>	<b>563</b>	<b>566</b>	<b>583</b>

\* New Labor Union in 2010

Organized refers to those work areas or employees which are represented by a union. All unions represented have specific contracts which dictate wages, benefits and work rules. Currently, the MAC has fourteen unions. Non-organized refers to all other employees not in a union. The following chart compares the number of Organized and Non-Organized FTE positions.



**Airside Operations Crew**

The Metropolitan Airports Commission Financial Policies are addressed as follows:

- Operating Budget
- Cash Management/Investment
- Capital Projects
- Purchasing
- Debt Service and Reserve Policies
- Compliance Statement

## **FINANCIAL POLICIES – OPERATING BUDGET**

The Metropolitan Airports Commission uses the budget process to help plan for the future, ensure customer service and satisfaction and maintain effective cost management and overall performance. The following represent the basic Operating Budget Policies under which the operating budget was prepared:

### **A. Operating Budget Policies**

1. The Commission will pay all current expenditures from current revenues.
2. The Operating Budget will be submitted with operating and non-operating revenue to exceed operating and non-operating expenses with a sufficient margin to provide for replacement of property, plant and equipment.
3. The budget will provide for adequate funding of all retirement systems.
4. The Finance Department will assist Service Centers in reviewing monthly variance reports comparing actual versus budget revenue and expense on the financial software system.
5. The budget will provide summary information regarding the Operating Fund, Construction Fund and Debt Service Fund projected for the next three years.
6. Where possible, the Commission will integrate performance measurement and/or efficiency indicators in the budget.
7. 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.

### **B. Budget Targets**

The Commission will adopt budget targets to provide direction to staff in the preparation of the annual Operating Budget for the upcoming year. Budget targets may be established in the areas of non-airline revenue, operating expense (less depreciation), total airline charges and debt service coverage ratios. Targets will be developed taking into account items such as the Capital Improvement Program, the rate of inflation, the state of the airline industry and existing labor and vendor contracts. To allow for public input into the Operating Budget, the following will occur:

1. Targets will be presented one month and final adoption will not occur until the following month, at the earliest. Targets will be presented no later than May of the preceding budget year.
2. A draft of the Operating Budget must be presented to the Commission and mailed to the appropriate legislative committees ninety days prior to anticipated budget approval.

### **C. Operating Reserve**

The Operating Reserve was established by the Finance and Administration Committee at six months of operating expenses. The Commission will maintain an operating reserve balance approximately six months of operating expenses less depreciation. If the Commission deems it appropriate to reduce the operating reserve for the portion above the formula amount, such reductions shall not exceed 50% of the excess in any one year.

In the event of a revenue shortfall in a current budget year, the Executive Director could freeze new hires, reduce temporary work force, defer cost of living wage increases, reduce discretionary spending, decrease capital and project expenditures and may recommend a transfer from the Commission's operating reserve.

#### **D. Revenue**

The Commission monitors revenues on a monthly basis to ensure revenue from each source is at the maximum with deviations from budget identified.

1. *One-Time Revenues* include, but are not limited to, grants and rebates. Grants are accounted for as contributing capital while rebates are accounted for as Miscellaneous operating revenue. This revenue generated will become available to the Construction Fund, Capital Equipment purchases or other one-time expenditures as approved by the Commissioners.
2. *Revenue Diversification* - The Commission maintains a diversified revenue system which is consistently monitored to help protect from possible short-term fluctuations.
3. Although 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, the Commission is not currently levying taxes for these purposes. Rentals, rates and charges and other fees will be sufficient to meet all operational and maintenance expenses.

#### **Basis of Budgeting**

Each year the Finance Department, with the assistance of Airport Development, Landside-Parking, Reliever Airports, Concessions and Commercial Management departments, projects revenue for the upcoming budget year. The annual Operating Budget is prepared based on targets established by the Commission.

The Commission operates as an Enterprise Fund with three segregated areas: Operating Fund (used for day to day operations), Debt Service Fund (used to pay required debt principal and interest payments) and Construction Fund (used to pay capital costs associated with the Capital Improvement Program).

An Enterprise Fund may be used to "report any activity for which a fee is charged to external users for goods or services." GASB-34 states that an Enterprise Fund *must* be used to account for an activity if any one of the following criteria is satisfied (GASB-34, par. 67):

- The activity is financed with debt that is secured *solely* by a pledge of the net revenues from fees and charges of the activity.
- Laws or regulations require that the activity's costs of providing services, including capital costs (such as depreciation or capital debt service) be recovered with fees and charges, rather than with taxes or similar revenues.
- The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

#### **Accrual Basis of Accounting**

The budgets for all three Segregated Funds identified above are prepared using the accrual basis of accounting in accordance with GAAP (Generally Accepted Accounting Principles) as this is the same method used for MAC accounting. 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. In addition, the audited fund financial statements are also produced using the same accrual method of accounting. Strictly speaking, the accrual basis of accounting is described as follows:

Accrual accounting attempts to record the financial effects on an enterprise of transactions and other events and circumstances which have cash consequences for an enterprise in the periods in which those transactions, events and circumstances occur, rather than only in the periods in which cash is received or paid by the enterprise. Accrual accounting is concerned with the process by which cash expended on resources and activities is returned as more (or perhaps less) cash to the enterprise, not just with the beginning and end of that process.

### **Balanced Budget**

Minnesota Statute 473.661, subd. 1 refers to the general law regarding expenditure of public funds for public purposes. The appropriate Minnesota Legislative committee and the public provide input prior to the budget approval. The Commission will annually, (by the end of December each year), adopt a balanced budget defined as all revenues and non-operating revenues exceeding expenses and non-operating expenditures in all funds. Year-end operating surpluses will be used in maintaining reserves and may be available to the Construction Fund for capital projects as approved by the Commission.

### **Use of Estimates**

The use of 2011 estimates in the reporting of the 2012 budget financial statements is based upon assumptions and estimates at the time of completion of the final budget draft. Actual results could differ from those estimates.

### **Budget Monitoring**

Throughout the year, the budget is monitored and compared to actual expenses. Various service centers utilize controls. For example, Purchasing verifies requisitions and budget amounts and Human Resources compares wages and hiring with the budgets along with managers responsible for their service center budgets. Reports are distributed monthly to the Commissioners.

## **FINANCIAL POLICIES – CASH MANAGEMENT/INVESTMENT**

The Cash Management/Investment Policies are as follows:

### **Investment/Cash Management Policies**

1. Cash Management
  - All securities are safekept at one institution.
  - All deposits must be insured or collateralized.
2. Investments
  - Investment purchases are made only from dealers with offices located in the State of Minnesota.
  - All investment purchases require bids to be taken from several different dealers.
  - Investments purchased will be diversified under legal requirements trying to maximize Rate of Return.
  - The average Rate of Return will exceed the six-month Treasury bill.
  - All repurchase agreements are required to be collateralized.
  - The maturity of any investment shall not exceed three years.
  - To the extent possible, the MAC will attempt to match its investments with anticipated cash flow requirements.
  - The MAC will have at least 98% of its cash funds earning interest.
  - The addition of new accounts shall require the written authorization of the Finance Director and Executive Director.

## 3. Collateral

- Collateral must always be held by an independent third party with whom the MAC has a custodial agreement.
- A clear marked evidence of ownership (safekeeping) must be supplied to the entity and retained.
- 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.



***Ticketing Level Roadway Activity - Terminal 1-Lindbergh***

#### **FINANCIAL POLICIES – CAPITAL PROJECTS**

Each year, the Commission reviews, revises and approves capital projects that will start within the next twelve months and adopts a Capital Improvement Program (“CIP”) which covers all projects which are to be started during the second calendar year. Commission approval authorizes staff to proceed with plans and specifications and to obtain bids for contract award by the Commission. In addition, a CIP which covers an additional five years is adopted. These serve as a basis for determining funding requirements and other operational planning decisions. The Commission’s policy is to include in the CIP projects which enable the Commission to maximize federal aid and enhance safety and those that are customer service oriented. 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 coordinating and planning certain governmental services for the metropolitan area.

## **Capital Projects**

Commission policies for Capital Projects are:

1. Safety and customer service oriented.
2. Maximize all federal aid.
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. Project priority categories in order of importance include:
  - Projects which the Commission has made a commitment to complete
  - Projects that enhance or ensure continued safety at each of the airports in the airport system
  - Projects that cannot be accomplished by Commission maintenance crews, but are essential for reasons of economics or continued operation
  - Projects that are necessitated by regulatory requirements, such as FAA regulations and local, state or federal laws
  - Projects which address various environmental issues ranging from asbestos abatement to wetland mitigation
  - Projects constituting preventative maintenance
  - Projects which improve customer service and/or convenience
  - Projects which have been identified as improving various operational aspects of the airport system, whether applicable to aircraft, tenants, Commission staff or off-airport service providers
  - Estimated useful life of a capital improvement project typically range from 5 to 40 years

## **Capital Equipment**

All equipment purchases for 2012 will be accounted for based on MAC's capital equipment guidelines:

1. The total cost of each piece of equipment is amortized over its useful life through depreciation charges.
2. Snow plowing equipment qualifies for state and federal aid. Total eligible aid is limited.
3. Aid for equipment purchases must compete with eligible construction projects.
4. All equipment purchases must follow MAC's purchasing policies.
5. All equipment or project costs must be greater than or equal to \$10,000.
6. Estimated useful life for capital equipment range from 3 to 15 years.

**FINANCIAL POLICIES – PURCHASING**

The Purchasing Department is responsible for the purchase, rental, sale, and disposal of equipment, supplies, minor construction, repair, or maintenance of real and or personal property for MAC. Its primary responsibility is to provide purchases that ensure: (1) availability, (2) quality, and (3) price consistency with the needs of MAC. The use of technology for making the system of purchasing more efficient will continuously be evaluated.

The Purchasing objective is to provide a foundation for effective, consistent and complete consideration of all aspects of purchasing including:

1. Ensuring fair and equitable treatment of all suppliers and persons who deal with the procurement system of MAC.
2. Fostering public confidence in the procurement procedures followed by MAC.
3. Ensuring compliance with applicable state and federal laws.
4. Securing the advantages and economies derived from a centralized and standardized purchasing system.
5. Promoting the use of modern, professional and ethical business methods when using public funds to secure supplies, materials, equipment (or the rental thereof), or the minor construction, alteration, repair or maintenance of real or personal property.



***Light Rail Station - Terminal 1-Lindbergh***

**FINANCIAL POLICIES – DEBT SERVICE AND RESERVE POLICIES**

The Debt Service and Reserve Policies are as follows:

**A. Debt**

1. Currently the Commission is able to issue 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 Fitch, Moodys and/or Standard and Poor's Rating Agencies.
4. Procedures/mechanisms will be developed and maintained to obtain the highest possible rating on the General Airport Revenue Bonds.
5. All refundings of General Obligation Revenue Bonds or Airport 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 remaining 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.
8. Regarding Special Facility Bonds, staff will adhere to Administrative Policy 2701 dealing with Special Facility Financing.
9. In December 2003, the Commission approved a policy to deal with derivative financing products. In July 2004, the Commission, along with its Financial Advisor and Bond Counsel, refined this policy further. The refinements include establishing separate savings criteria and efficiency criteria in dealing with derivative financing products. (The Commission currently does not have, nor has there ever been, any swap or derivative products.)

**B. Reserve** - The Commission is required to have a restricted cash and cash investment balance on October 10th 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 reserve is required.

**C. Debt Limits** - Currently the Commission has three forms of indebtedness: Revolving Line of Credit, General Airport Revenue Bonds (GARBs) and General Obligation Revenue Bonds (GORBs). The GORB instrument has the most straight forward legal limit. That is, the Commission must receive Legislative approval to authorize and issue this type of debt. Currently the Commission is authorized to issue up to \$55 million of additional GORB debt. With regard to Revolving Line of Credit, the total authorized limit is currently \$75 million. The legal limit for GARBs is based on the Commission's ability to generate sufficient revenues to pass the Additional Bonds test required under the Master Bond Indenture. As long as there are adequate revenues to pass the test, additional debt can be issued.

**COMPLIANCE STATEMENT**

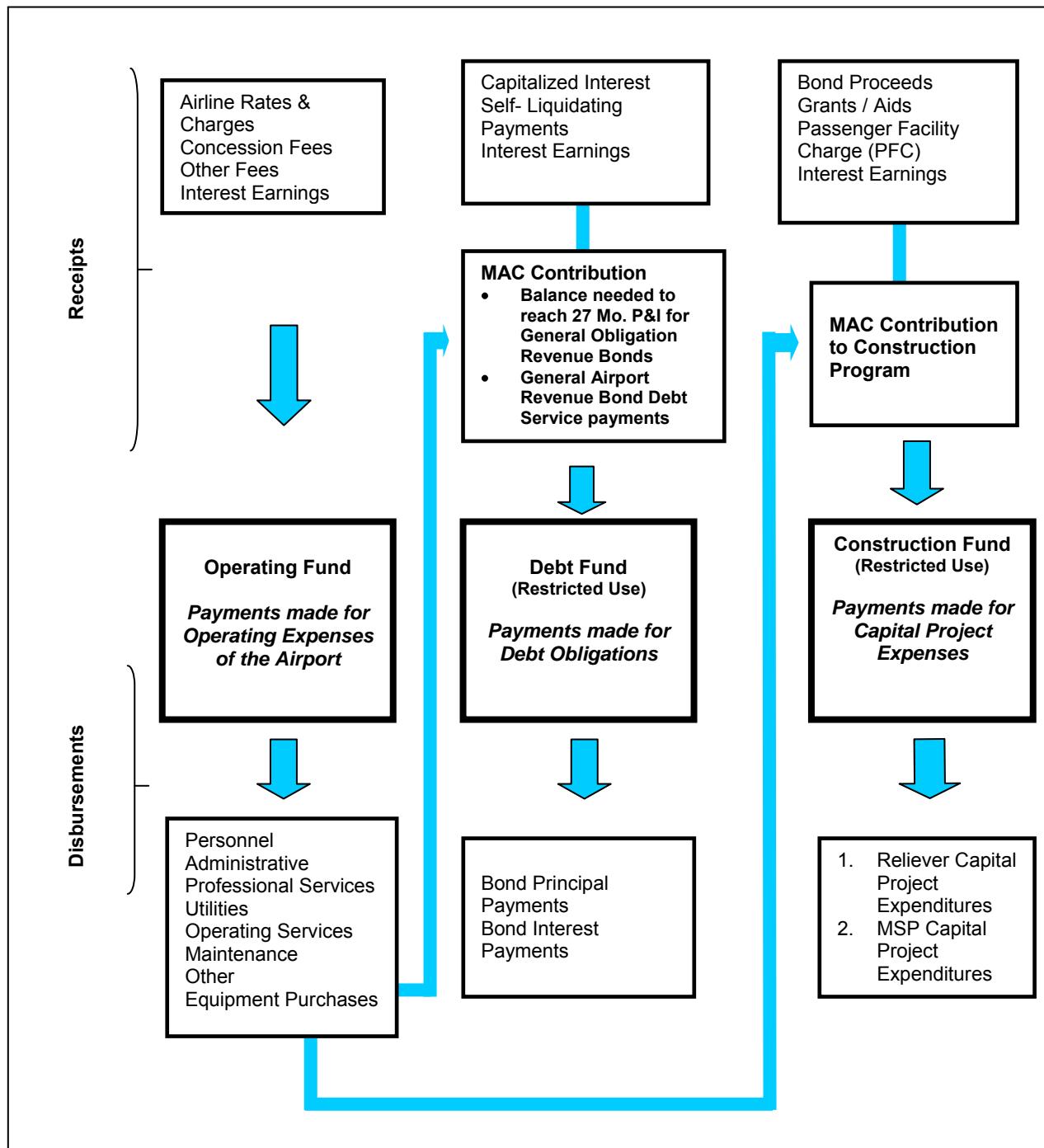
The Metropolitan Airports Commission is in compliance with all of the above stated policies.

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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 budgets for all three Segregated Funds identified above are prepared using the accrual basis of accounting in accordance with GAAP (Generally Accepted Accounting Principles) and is the same method used for MAC accounting.

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



The table below is presented to show the general overview of the 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.

<b>FUND BALANCE SUMMARY - 2012 BUDGET</b> (\$ = 000)						
	<b>2010 Actual</b>	<b>2011 Estimated</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>2013 Projection</b>	<b>2014 Projection</b>
<b>OPERATING FUND</b>						
1/1 Balance	\$ 120,504	\$ 110,877	\$ 106,721	\$ 106,796	\$ 108,112	\$ 111,231
Total Sources of Funds	258,286	266,568	260,052	276,413	282,713	288,438
Total Uses of Funds	(267,913)	(270,649)	(269,566)	(275,097)	(279,594)	(284,270)
Transfers	-	-	-	-	-	-
Ending Balance	<b>\$ 110,877</b>	<b>\$ 106,796</b>	<b>\$ 97,207</b>	<b>\$ 108,112</b>	<b>\$ 111,231</b>	<b>\$ 115,399</b>
<b>CONSTRUCTION FUND</b>						
1/1 Balance	\$ 195,718	\$ 310,291	\$ 320,081	\$ 304,367	\$ 289,753	\$ 297,003
Total Sources of Funds	272,232	125,808	115,414	135,247	158,045	111,456
Total Uses of Funds	(157,659)	(131,732)	(152,265)	(149,861)	(150,795)	(88,399)
Ending Balance	<b>\$ 310,291</b>	<b>\$ 304,367</b>	<b>\$ 283,230</b>	<b>\$ 289,753</b>	<b>\$ 297,003</b>	<b>\$ 320,060</b>
<b>DEBT SERVICE FUNDS</b>						
1/1 Balance	\$ 260,845	\$ 275,529	\$ 275,208	\$ 228,690	\$ 227,096	\$ 228,675
Total Sources of Funds	175,652	360,997	133,761	115,486	119,577	118,055
Total Uses of Funds	(160,968)	(407,836)	(123,305)	(117,080)	(117,998)	(120,053)
Ending Balance	<b>\$ 275,529</b>	<b>\$ 228,690</b>	<b>\$ 285,664</b>	<b>\$ 227,096</b>	<b>\$ 228,675</b>	<b>\$ 226,677</b>
<b>TOTAL ALL FUNDS</b>						
1/1 Balance	\$ 577,067	\$ 696,697	\$ 702,010	\$ 639,853	\$ 624,961	\$ 636,909
Total Sources of Funds	706,170	753,373	509,227	527,146	560,335	517,949
Total Uses of Funds	(586,540)	(810,217)	(545,136)	(542,038)	(548,387)	(492,722)
Transfers	-	-	-	-	-	-
Ending Balance	<b>\$ 696,697</b>	<b>\$ 639,853</b>	<b>\$ 666,101</b>	<b>\$ 624,961</b>	<b>\$ 636,909</b>	<b>\$ 662,136</b>
Funds are described in detail and show all sources/uses of funds in their respective section of the document.						

The major change in the total of all funds balance from estimated 2011 (\$640 million) to projected 2014 (\$662 million) can be attributed primarily to the building up of construction fund balances for anticipated capital improvement projects in the 2015-2018 date range.

**TAXING AUTHORITY**

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

1. The power to levy property taxes on land leased at the Airport for police and fire protection, operation, and maintenance of roadway systems.
2. The power to levy property taxes not in excess of .00806 percent in each year upon the taxable market value of all property in the Metropolitan Area for Airport operation and maintenance costs of Airport facilities, provided revenues are not otherwise available.

Although the Commission may levy property taxes for operation and maintenance expenses, the Commission is not currently levying taxes for these purposes. The Commission has entered into agreements in accordance with the Airport Law and the Resolution, whereby 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 2010/2011 taxable market value, the maximum amount available for maintenance and operations of the Commission would have been approximately \$25.0 million.



**Terminal 1-Lindbergh Tram Area**

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.

OPERATING FUND (\$ = 000)	2010 <u>Actual</u>	2011 <u>Estimated</u>	2011 <u>Budget</u>	2012 <u>Budget</u>	2013 <u>Projection</u>	2014 <u>Projection</u>
<u>Sources</u>						
1/1 Balance	\$ 120,504	\$ 110,877	\$ 106,721	\$ 106,796	\$ 108,112	\$ 111,231
Operating Revenues						
Airline Rates & Charges	90,376	98,350	95,666	99,530	101,521	103,551
Concessions	112,503	117,900	114,645	124,794	127,914	131,112
Other Operating Revenues	42,164	38,750	37,214	39,483	39,878	40,277
Subtotal Operating Revenues	\$ 245,043	\$ 255,000	\$ 247,525	\$ 263,807	\$ 269,313	\$ 274,940
Other/Non Operating Revenues						
Interest Earnings 1	6,788	6,000	7,000	7,000	7,100	7,200
Self-Liquating Revenue	3,946	4,145	4,996	3,606	3,800	3,800
Transfer from Construction Fund	-	-	-	-	-	-
Gain (Loss) on Assets and Other	-	-	-	-	-	-
Subtotal Other/Non Operating Revenue	10,734	10,145	11,996	10,606	10,900	11,000
Total Sources	\$ 255,777	\$ 265,145	\$ 259,521	\$ 274,413	\$ 280,213	\$ 285,940
<u>Uses</u>						
Operating Expenses						
Personnel	\$ 63,412	\$ 66,575	\$ 65,423	\$ 68,133	\$ 69,496	\$ 70,886
Administration	1,271	1,350	1,327	1,372	1,386	1,400
Professional Services	3,519	4,060	3,938	4,339	4,404	4,470
Utilities	16,238	17,190	17,203	17,784	18,140	18,502
Operating Services	17,278	18,000	17,848	18,663	19,036	19,417
Maintenance	27,088	26,925	25,873	26,670	27,203	27,747
Other/Insurance	2,583	3,450	3,126	2,701	2,728	2,755
Subtotal Operating Expenses	131,389	137,550	134,738	139,662	142,393	145,177
Non Operating Expenses						
Equipment						
Equipment Purchases/Capital Expend	(7,714)	(7,623)	(7,623)	(8,121)	(8,202)	(8,286)
Equipment Financing	2,509	1,423	1,382	2,000	2,500	2,500
Principal/Interest-Equip. Financing	(2,341)	(2,076)	(2,582)	(2,881)	(2,000)	(1,750)
Subtotal Equipment	(7,546)	(8,276)	(8,823)	(9,002)	(7,702)	(7,536)
Debt Service						
Commercial Paper Interest	-	-	-	-	-	-
Transfer Out - Debt Service	(71,169)	(76,700)	(82,100)	(84,593)	(88,307)	(89,024)
Subtotal Debt Service	(71,169)	(76,700)	(82,100)	(84,593)	(88,307)	(89,024)
Total Uses	\$ (210,104)	\$ (222,526)	\$ (225,661)	\$ (233,257)	\$ (238,402)	\$ (241,737)
Unrestricted Net Transfer Out-Constr.	(55,300)	(46,700)	(43,374)	(39,840)	(38,692)	(40,035)
Operating Fund Balance	\$ 110,877	\$ 106,796	\$ 97,207	\$ 108,112	\$ 111,231	\$ 115,399

1 Interest Rate Assumed 0.50% for 2012 - 2014

## SOURCES AND USES

### SOURCES

Generally, there are three sources of revenues within the Operating Fund.

1. The 1/1 Balance reflects the Operating Reserve established by the Commission plus the amount to be transferred to the Construction account in the following year. Prior to 2005, the operating reserve amount was four months of operating expenses. In early 2005, the Commission changed the operating reserve to five months of operating expenses and in late 2006 changed the reserve to six months of operating expenses. The operating reserve figure for 2012 is \$69.8 million.
2. Operating Revenues consist of Airline Rates and Charges, Concessions, Rentals/Fees and Utilities and Other Revenues. The changes in each of these areas are explained in detail in the Operating Budget Revenue Section. In general, Airline Rates and Charges increased from the 2011 estimate because of scheduled debt service increases as well as general inflation. Airline Rates and Charges are calculated based on expenses. Concessions rose in almost all areas as a result increased activity, higher parking rates or new lease agreements. Rentals/Fees, Utilities and other Revenues increases can be attributed to rent changes. Operating Revenues total \$263.8 million for 2012.
3. Other Non-Operating Revenues consist of Interest Earnings, Self-Liquidating Revenue and Gain/Loss on Disposal of Assets and Other. Interest Earning is assumed to be 0.5% for the period 2012-2014. Interest is earned on the balance in the Operating Fund which includes self-liquidating leases. Interest earnings are increasing slightly due to slightly higher investment balances. Self-liquidating leases are those facilities built by MAC and then leased to tenants. This area is down slightly as a result of certain leases that will be paid in full.



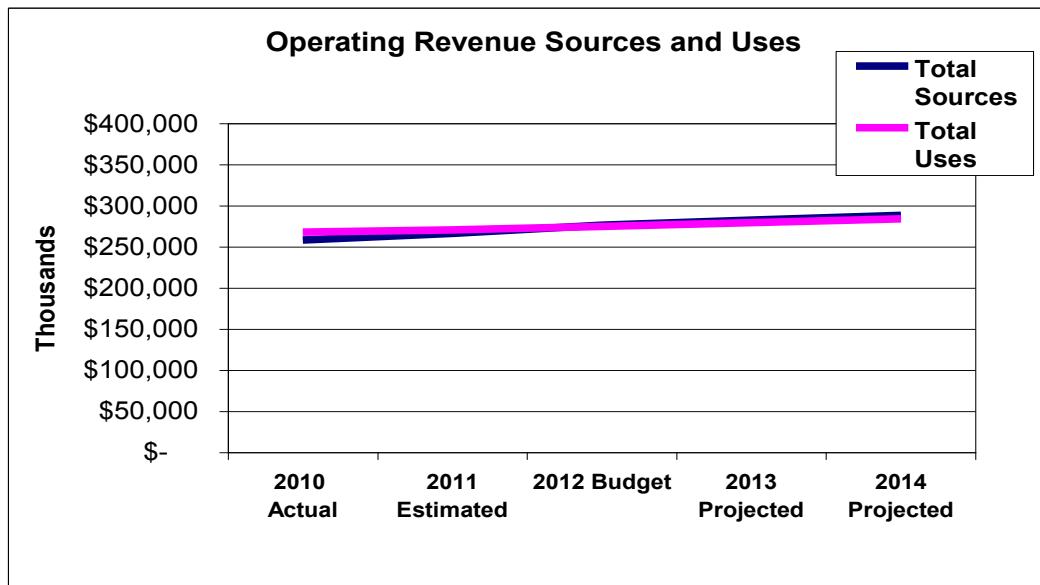
Terminal 1-Lindbergh Retail Shops on the F Concourse

## USES

In general, there are four uses of operating revenues.

1. Operating expenses consist of Personnel, Administration, Professional Services, Utilities, Operating Services, Maintenance and Other/Insurance. Details of changes for each of these areas are identified in the Operating Budget Expense section. The total for 2012 is \$139.7 million.
2. Non-Operating Expenses is comprised of an Equipment section (A) and Debt Service section (B).
  - A. Equipment category includes capital equipment (cost greater than \$10,000) to be purchased based on Commission approval. The anticipated amount for 2012 is \$8.1 million and includes other capital expenditures. A portion of this equipment will be leased. The offset to the equipment is shown as Equipment Financing (\$2.0 million). Finally, the actual lease financing cost and miscellaneous other capital expenditures are shown.
  - B. Debt Service – This is the required transfers that are made to cover all debt service. On October 10<sup>th</sup> 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). (See Debt Service Budget for complete details.) In June and December, the Commission must then transfer the required amount for the GARB (General Airport Revenue Bond) reserve. This transfer in 2012 is expected to be \$84.6 million.
3. Unrestricted Net Transfer Out - Construction represents the amount of internally generated funds that are transferred to the Construction Fund after payment of all operating expenses have been made, all debt service requirements accounted for and the Operating Reserve is funded at six months of Operating Expenses. \$34.3 million is anticipated for 2012 based on 2011 estimates.

The graph below illustrates the sources and uses of revenue.



	2011 Estimate vs 2012 Budget					
	2010 Actual	2011 Budget	2011 Estimate	2012 Budget	Dollar Change	% Change
<b>REVENUE</b>						
Airline Rates & Charges	90,365,182	95,666,492	98,350,000	99,530,397	1,180,397	1.2%
Concessions	112,503,260	114,645,222	117,900,000	124,794,231	6,894,231	5.8%
Rentals/Fees	29,608,776	25,091,328	26,150,000	26,902,408	752,408	2.9%
Utilities & Other Revenue	12,555,177	12,122,810	12,600,000	12,581,083	(18,917)	-0.2%
<b>Total Operating Revenue</b>	<b>245,032,395</b>	<b>247,525,852</b>	<b>255,000,000</b>	<b>263,808,119</b>	<b>8,808,119</b>	<b>3.5%</b>
<b>EXPENSE</b>						
Personnel	63,412,464	65,422,526	66,575,000	68,132,919	1,557,919	2.3%
Administrative Expenses	1,270,910	1,326,516	1,350,000	1,372,179	22,179	1.6%
Professional Services	3,518,876	3,938,108	4,060,000	4,339,212	279,212	6.9%
Utilities	16,238,494	17,202,701	17,190,000	17,783,931	593,931	3.5%
Operating Services/Expenses	17,278,465	17,847,714	18,000,000	18,662,844	662,844	3.7%
Maintenance	27,088,115	25,873,377	26,925,000	26,670,236	(254,764)	-0.9%
Other	2,582,664	3,125,803	3,450,000	2,701,934	(748,066)	-21.7%
<b>Total Operating Expense (Excludes Depreciation)</b>	<b>131,389,988</b>	<b>134,736,745</b>	<b>137,550,000</b>	<b>139,663,255</b>	<b>2,113,255</b>	<b>1.5%</b>
<b>Net Operating Revenues (Excludes Depreciation)</b>	<b>113,642,407</b>	<b>112,789,107</b>	<b>117,450,000</b>	<b>124,144,864</b>	<b>6,694,864</b>	

	2011 Estimate vs 2012 Budget					
	2010 Actual	2011 Budget	2011 Estimate	2012 Budget	Dollar Change	% Change
<b>Airline Rates &amp; Charges</b>						
Airline Agreement						
Landing Fees	\$48,056,653	49,981,665	50,600,000	52,578,170	1,978,170	3.91%
Ramp Fees	5,900,810	5,952,594	6,100,000	6,208,439	108,439	1.78%
Airline R&R	3,207,013	3,302,414	3,300,000	3,393,996	93,996	2.85%
Terminal 1 - Rentals	30,856,785	34,118,099	34,800,000	34,628,220	(171,780)	-0.49%
Terminal 1 - Other	3,945,902	4,195,183	4,050,000	4,068,289	18,289	0.45%
Concessions Rebate	(8,816,945)	(8,988,806)	(9,300,000)	(9,353,616)	(53,616)	0.58%
Total Airline Agreement	83,150,218	88,561,149	89,550,000	91,523,498	1,973,498	2.20%
Terminal 2 Lobby Fees	5,786,564	5,745,069	7,300,000	6,555,681	(744,319)	-10.20%
Terminal 2 Other / Passenger Fees	1,428,400	1,360,274	1,500,000	1,451,218	(48,782)	-3.25%
<b>Total Airline Rates &amp; Charges</b>	<b>\$90,365,182</b>	<b>95,666,492</b>	<b>98,350,000</b>	<b>99,530,397</b>	<b>1,180,397</b>	<b>1.20%</b>
<b>Concessions</b>						
Terminal						
Food & Beverage	\$12,902,699	13,453,294	13,500,000	13,357,189	(142,811)	-1.06%
News	3,214,505	3,439,774	3,350,000	3,435,911	85,911	2.56%
Retail Stores	4,812,730	5,157,075	4,950,000	4,855,671	(94,329)	-1.91%
Passenger Services	4,413,411	4,088,566	4,350,000	4,624,909	274,909	6.32%
Total Terminal/Other	25,343,345	26,138,709	26,150,000	26,273,680	123,680	0.47%
Parking/Grnd. Transport.						
Parking	63,682,464	64,900,000	66,800,000	72,957,395	6,157,395	9.22%
Ground Transportation	4,251,790	4,055,484	4,800,000	4,483,004	(316,996)	-6.60%
MSP Employee Parking	2,469,026	2,480,079	2,550,000	2,826,433	276,433	10.84%
Auto Rental - On Airport	15,363,655	15,666,100	16,300,000	16,785,919	485,919	2.98%
Total Parking/Grnd. Transport.	85,766,934	87,101,663	90,450,000	97,052,751	6,602,751	7.30%
Other Concessions	1,392,981	1,404,850	1,300,000	1,467,800	167,800	12.91%
<b>Total All Concessions</b>	<b>\$112,503,260</b>	<b>114,645,222</b>	<b>117,900,000</b>	<b>124,794,231</b>	<b>6,894,231</b>	<b>5.85%</b>
<b>Rentals/Fees</b>						
Buildings & Facilities	\$5,907,647	6,224,088	6,050,000	6,923,304	873,304	14.43%
Auto Rental CFC	9,511,289	5,200,000	5,700,000	5,900,000	200,000	3.51%
Ground Rentals	9,124,686	8,754,081	9,400,000	8,973,591	(426,409)	-4.54%
Reliever Airports	5,065,154	4,913,159	5,000,000	5,105,513	105,513	2.11%
<b>Total Rentals/Fees</b>	<b>\$29,608,776</b>	<b>25,091,328</b>	<b>26,150,000</b>	<b>26,902,408</b>	<b>752,408</b>	<b>2.88%</b>
<b>Utilities &amp; Other Revenue</b>						
Utilities	\$4,064,622	4,082,152	4,400,000	4,333,074	(66,926)	-1.52%
GA/Airside Fees	2,345,029	2,338,894	2,400,000	2,310,594	(89,406)	-3.73%
Consortium Fees	1,634,088	1,611,961	1,650,000	1,678,739	28,739	1.74%
Other Revenues	1,283,837	1,199,803	1,250,000	1,358,676	108,676	8.69%
Reimbursed Expense	3,227,601	2,890,000	2,900,000	2,900,000		0.00%
<b>Total Utilities &amp; Other Rev.</b>	<b>\$12,555,177</b>	<b>12,122,810</b>	<b>12,600,000</b>	<b>12,581,083</b>	<b>(18,917)</b>	<b>-0.15%</b>
<b>Total Operating Revenue</b>	<b>245,032,395</b>	<b>247,525,852</b>	<b>255,000,000</b>	<b>263,808,119</b>	<b>8,808,119</b>	<b>3.45%</b>

	2012 Budget		2011 Estimate vs 2012 Budget				
	Mpls.-St.Paul	Reliever Airports	2011 Budget	2011 Estimate	2012 Budget	Dollar Change	% Change
<b>Airline Rates &amp; Charges</b>							
Airline Agreement							
Landing Fees	52,578,170		49,981,665	50,600,000	52,578,170	1,978,170	3.91%
Ramp Fees	6,208,439		5,952,594	6,100,000	6,208,439	108,439	1.78%
Airline R&R	3,393,996		3,302,414	3,300,000	3,393,996	93,996	2.85%
Terminal 1 - Rentals	34,628,220		34,118,099	34,800,000	34,628,220	(171,780)	-0.49%
Terminal 1 - Other	4,068,289		4,195,183	4,050,000	4,068,289	18,289	0.45%
Concessions Rebate	(9,353,616)		(8,988,806)	(9,300,000)	(9,353,616)	(53,616)	0.58%
Total Airline Agreement	91,523,498		88,561,149	89,550,000	91,523,498	1,973,498	2.20%
Terminal 2 Lobby Fees	6,555,681		5,745,069	7,300,000	6,555,681	(744,319)	-10.20%
Terminal 2 Other / Passenger Fees	1,451,218		1,360,274	1,500,000	1,451,218	(48,782)	-3.25%
<b>Total Airline Rates &amp; Charges</b>	<b>99,530,397</b>		<b>95,666,492</b>	<b>98,350,000</b>	<b>99,530,397</b>	<b>1,180,397</b>	<b>1.20%</b>
<b>Concessions</b>							
Terminal							
Food & Beverage	13,357,189		13,453,294	13,500,000	13,357,189	(142,811)	-1.06%
News	3,435,911		3,439,774	3,350,000	3,435,911	85,911	2.56%
Retail Stores	4,855,671		5,157,075	4,950,000	4,855,671	(94,329)	-1.91%
Passenger Services	4,624,909		4,088,566	4,350,000	4,624,909	274,909	6.32%
Total Terminal/Other	26,273,680		26,138,709	26,150,000	26,273,680	123,680	0.47%
Parking/Grnd. Transport.							
Parking	72,957,395		64,900,000	66,800,000	72,957,395	6,157,395	9.22%
Ground Transportation	4,483,004		4,055,484	4,800,000	4,483,004	(316,996)	-6.60%
MSP Employee Parking	2,826,433		2,480,079	2,550,000	2,826,433	276,433	10.84%
Auto Rental - On Airport	16,785,919		15,666,100	16,300,000	16,785,919	485,919	2.98%
Total Parking/Grnd. Transport.	97,052,751		87,101,663	90,450,000	97,052,751	6,602,751	7.30%
Other Concessions	1,467,800		1,404,850	1,300,000	1,467,800	167,800	12.91%
<b>Total All Concessions</b>	<b>124,794,231</b>		<b>114,645,222</b>	<b>117,900,000</b>	<b>124,794,231</b>	<b>6,894,231</b>	<b>5.85%</b>
<b>Rentals/Fees</b>							
Buildings & Facilities	6,923,304		6,224,088	6,050,000	6,923,304	873,304	14.43%
Auto Rental CFC	5,900,000		5,200,000	5,700,000	5,900,000	200,000	3.51%
Ground Rentals	8,973,591		8,754,081	9,400,000	8,973,591	(426,409)	-4.54%
Reliever Airports		5,105,513	4,913,159	5,000,000	5,105,513	105,513	2.11%
<b>Total Rentals/Fees</b>	<b>21,796,895</b>	<b>5,105,513</b>	<b>25,091,328</b>	<b>26,150,000</b>	<b>26,902,408</b>	<b>752,408</b>	<b>2.88%</b>
<b>Utilities &amp; Other Revenue</b>							
Utilities	4,333,074		4,082,152	4,400,000	4,333,074	(66,926)	-1.52%
GA/Airside Fees	2,310,594		2,338,894	2,400,000	2,310,594	(89,406)	-3.73%
Consortium Fees	1,678,739		1,611,961	1,650,000	1,678,739	28,739	1.74%
Other Revenues	1,358,676		1,199,803	1,250,000	1,358,676	108,676	8.69%
Reimbursed Expense	2,900,000		2,890,000	2,900,000	2,900,000		0.00%
<b>Total Utilities &amp; Other Rev.</b>	<b>12,581,083</b>		<b>12,122,810</b>	<b>12,600,000</b>	<b>12,581,083</b>	<b>(18,917)</b>	<b>-0.15%</b>
<b>Total Operating Revenue</b>	<b>258,702,606</b>	<b>5,105,513</b>	<b>247,525,852</b>	<b>255,000,000</b>	<b>263,808,119</b>	<b>8,808,119</b>	<b>3.45%</b>

Total Operating Budget Revenue for 2012 is \$263.8 million which is an \$8.8 million or 3.5% increase compared to 2011 estimates. The detailed explanations for Airline Rates & Charges, along with other major changes in revenue, are included in this section.

(\$=000)	2011 Estimate vs 2012 Budget					
	<u>2010 Actual</u>	<u>2011 Budget</u>	<u>2011 Estimate</u>	<u>2012 Budget</u>	<u>Dollar Change</u>	<u>% Change</u>
<b>REVENUE</b>						
Airline Rates & Charges	\$90,365	\$95,666	\$98,350	\$99,530	\$1,180	1.2%
Concessions	112,503	114,645	117,900	124,794	6,894	5.9%
Rentals/Fees	29,609	25,091	26,150	26,902	752	2.9%
Utilities & Other Revenue	<u>12,555</u>	<u>12,123</u>	<u>12,600</u>	<u>12,581</u>	<u>(19)</u>	-0.2%
<b>Total Operating Revenue</b>	<b><u>\$245,032</u></b>	<b><u>\$247,526</u></b>	<b><u>\$255,000</u></b>	<b><u>\$263,808</u></b>	<b><u>\$8,808</u></b>	<b><u>3.5%</u></b>

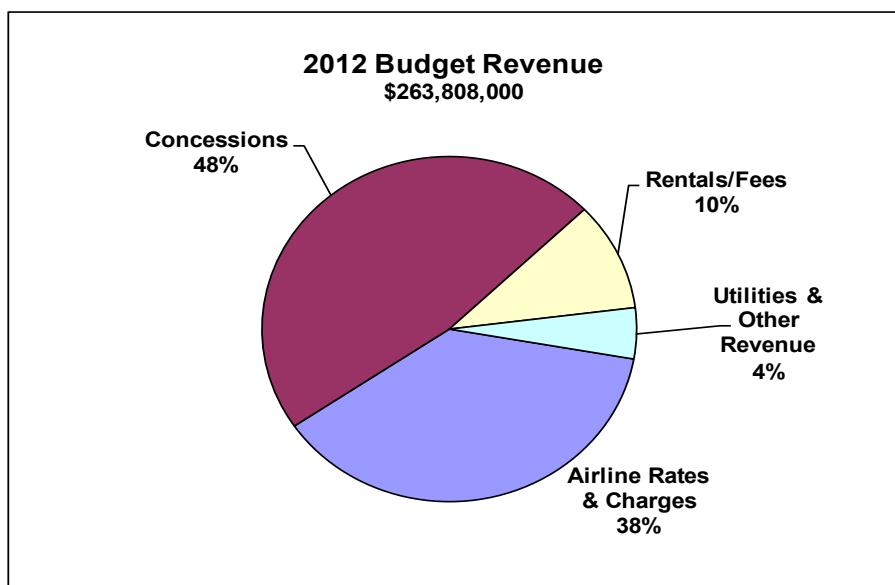
The operating revenue budget is divided into four categories: Airline Rates & Charges, Concessions, Rentals/Fees and Utilities & Other Revenue.

Airline Rates & Charges, which is \$99.5 million or 37.8% of MAC total operating revenue for 2012, consists primarily of revenue paid by the airlines for landing fees, ramp fees, Terminal 2 common use fees and Terminal 1 and 2 airline building rental rates. This category is projected to increase \$1,180,000 or 1.2% from the 2011 estimated levels.

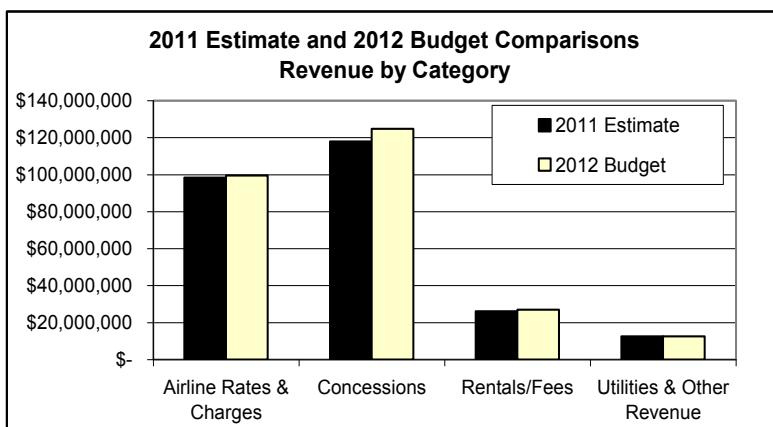
The Concessions category, which is \$124.8 million or 47.3% of total operating revenue for 2012, includes revenue from the following areas: Parking, Ground Transportation fees, MSP Employee Parking, Auto Rental – On Airport, Food & Beverage, News, Retail, Passenger Services and Other Concessions. The rates charged for parking are approved by the Commission while ground transportation fees are authorized according to MAC Ordinances. The revenues from auto rental, food & beverage, news, retail and passenger services are based on various lease agreements which allow the concessionaires to operate in MAC facilities. Concessions are projected to increase \$6,894,000 or 5.8% from estimated 2011 levels.

Rentals/Fees and Utilities & Other Revenue are \$39.5 million or 14.9% of total operating revenue for 2012 and are projected to increase \$733,000 or 1.9% from 2011 estimated levels. This revenue section consists of Auto Rental-Customer Facility Charge (CFC), building rentals (non-airline), ground space, utilities, general aviation fees, reimbursed expenses and reliever airport fees. Ground space revenues and a portion of reliever airport revenue are based on MAC Ordinances, while the remaining revenue items are based on leases and agreements.

The following chart shows the revenue sources:



The following chart compares 2011 estimate and 2012 budget revenue by category:



## Revenue Assumptions and Guidelines

The revenue projections for 2012 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
  - MAC Ordinances
- Airline Rates and Charges are based on the 2007 Third Amendment to the Airline Lease Agreement.

The explanations for revenue assumptions are based on a comparison of 2011 estimates versus 2012 budget figures.



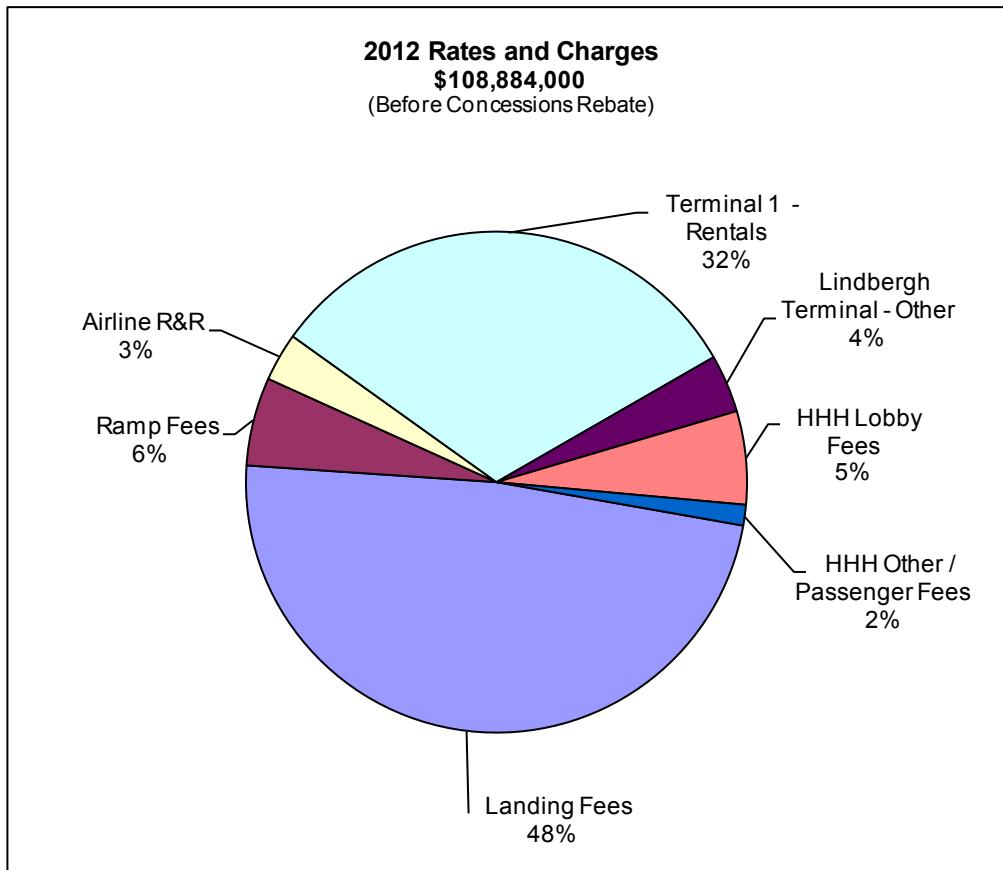
*Minneapolis-St. Paul International Airport – Delta Airlines Ticketing Area Signage*

#### **AIRLINE RATES AND CHARGES**

Approximately \$99.5 million or 38% of MAC's \$264 million in revenues is generated from rates charged to the airlines. The formulas for the rates (landing fee, ramp fee, airline Terminal 1 rental rates and the Terminal 1 IAF (International Arrivals Facility) Use Fees are established in the Airline Use Agreement as amended in 2007. This amendment incorporates using debt service in the calculation of rates and charges instead of depreciation and interest. In accordance with this Agreement, expenses from Police, Fire, Maintenance Labor, Maintenance Equipment and Administration service centers are allocated to the Field & Runway, Ramp, Terminal Building and International Arrival Facility service centers (detailed in the Operating Budget Expense section). Total costs, plus allocations, are then used to determine Airline Rates and Charges. Fluctuations in the allocated costs can cause a change in the airline rates. For 2012, rates for landing fees, ramp fees and airline Terminal 1 rentals rates are calculated as per the Airline Use Agreement and Third Amendment. Rates for Terminal 2 are set by ordinance, which is based on the recovery of budgeted operating and maintenance costs. The Concessions Rebate of \$9.4 million represents the revenue sharing found in the Third Amendment to the Airline Use Agreement.

(\$=000)	2011 Estimate vs 2012 Budget					
	<u>2010 Actual</u>	<u>2011 Budget</u>	<u>2011 Estimate</u>	<u>2012 Budget</u>	<u>Dollar Change</u>	<u>% Change</u>
<b>Airline Rates &amp; Charges</b>						
Landing Fees	\$48,057	\$49,982	\$50,600	\$52,578	\$1,978	3.9%
Ramp Fees	5,901	5,953	6,100	6,208	108	1.8%
Airline R&R	3,207	3,302	3,300	3,394	94	2.8%
Terminal 1 - Rentals	30,857	34,118	34,800	34,628	(172)	-0.5%
Terminal 1 - Other	3,946	4,195	4,050	4,068	18	0.5%
Concessions Rebate	(8,817)	(8,989)	(9,300)	(9,354)	(54)	0.6%
Terminal 2 Lobby Fees	5,787	5,745	7,300	6,556	(744)	-10.2%
Terminal 2 Other / Passenger Fees	1,428	1,360	1,500	1,451	(49)	-3.3%
<b>Total Airline Rates &amp; Charges</b>	<b><u>\$90,365</u></b>	<b><u>\$95,666</u></b>	<b><u>\$98,350</u></b>	<b><u>\$99,530</u></b>	<b><u>\$1,180</u></b>	<b><u>1.2%</u></b>

The following pie chart indicates the percentage of each revenue source in Airline Rates & Charges and compares it to the total Airline Rates & Charges revenue, excluding the Concessions Rebate:



## 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. This is a residual (breakeven) calculation.

- The landing fee is expected to remain the same for 2012 budget as it is estimated for 2011. Higher operating expenses were offset by higher landed weight.

<u>Landing Fee</u>	<u>2010</u>	<u>2011</u>	<u>2011</u>	<u>2012</u>
	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Budget</u>
Landing Fee	\$2.31	\$2.29	\$2.42	\$2.42
Landed Weight (000)	20,804	21,800	20,800	21,700
Revenue (000)	\$48,057	\$49,982	\$50,600	\$52,578



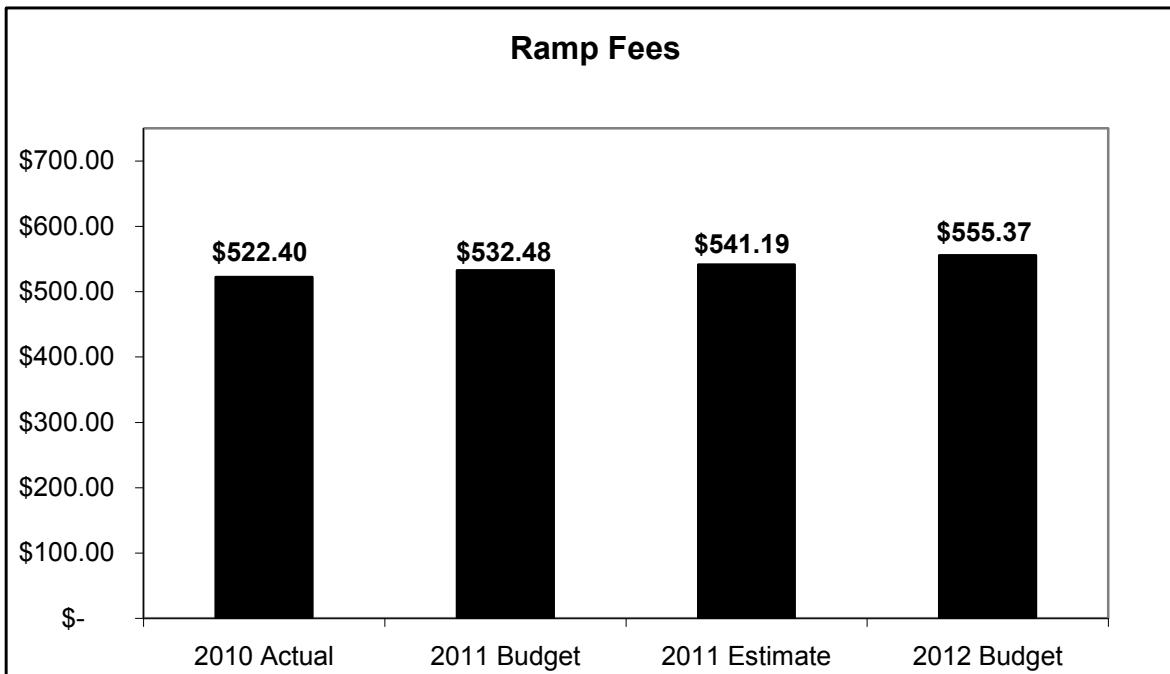
*Delta Air Lines B737*

## RAMP FEES

Aircraft parking ramp fees are calculated in the same manner as landing fees. Ramp fees are determined by dividing the total terminal ramp expenses by total lineal feet of ramp available. The ramp fee rate calculation is also residual (breakeven).

The major increase in ramp fees from 2011 estimated (\$541.19) to 2012 budget (\$555.37) per lineal foot can be attributed to an increase in debt service payments, fuel-gasoline costs and service agreements.

<b>Ramp Fee</b>				
	<b>2010</b> <u>Actual</u>	<b>2011</b> <u>Budget</u>	<b>2011</b> <u>Estimate</u>	<b>2012</b> <u>Budget</u>
Ramp Fee (Per Lineal Ft.)	\$522.40	\$532.48	\$541.19	\$555.37
Ramp Footage	11,176	11,179	11,179	11,179
Revenue (000)	\$5,901	\$5,953	\$6,100	\$6,208



**AIRLINE REPAIR AND REPLACEMENT SURCHARGE**

As per the Airline Lease Amendment approved in 2007, there is an additional surcharge for the airlines at Terminal 1 (Lindbergh). This surcharge increases annually at a rate of 3%. The rate for 2012 is \$6.14 per square foot for carriers occupying Terminal 1.

**TERMINAL 1-LINDBERGH - RENTALS**

Airline building rates are calculated by allocating terminal building expense over the total rentable square footage in Terminal 1- Lindbergh. Airlines are charged for the space they occupy. Unlike landing fees and ramp fees, which are residual calculations, airline Terminal 1-Lindbergh building rates are a compensatory calculation. Under this calculation method, costs are recovered from the airlines in proportion to the rentable space they occupy in the terminal building. This rate does not include a separate per square foot charge for the Airline Repair & Replacement (R&R) surcharge.

The Terminal 1-Lindbergh rate is increasing from \$59.27 to \$60.46. The primary reasons for the increase in the Exclusive rates (\$1.19) between 2011 estimate and 2012 budget are as follows:

- Increase of \$0.42 in debt service payments.
- Increase of \$0.32 per sq. ft. as a result of increased expenses for the people movers/moving walkways, temperature control maintenance contracts, steam and chilled water and electricity.
- Reduction in rentable square footage from 2011 resulted in a \$0.45 increase in the exclusive rate.

<b>Terminal 1-Lindbergh Rates</b>				
	<b>2010</b>	<b>2011</b>	<b>2011</b>	<b>2012</b>
	<b>Actual</b>	<b>Budget</b>	<b>Estimate</b>	<b>Budget</b>
Exclusive (Per Sq. Ft.)	\$52.64	\$58.55	\$59.27	\$60.46
Exclusive Janitored (Per Sq. Ft.)	\$59.77	\$65.35	\$66.07	\$67.09
Total Revenue (000)	\$30,857	\$34,118	\$34,800	\$34,628

**TERMINAL 1-LINDBERGH – OTHER**

The primary revenue source in this area is revenue generated from the International Arrival Facility (IAF). The agreement for this facility includes a fee calculation similar to the ramp and landing fees (residual). Users of the facility will be charged a passenger use fee based upon projected expenses. At year-end an adjustment will be made for any overage or shortage. Other revenue sources in this category include airline charges for the use of conveyors and carousels as well as rent from a portion of the G Concourse.

The table below shows the IAF fees for actual 2010, budgeted 2011, estimated 2011 and budgeted 2012:

<b>International Arrival Fee (000)</b>				
	<b>2010</b>	<b>2011</b>	<b>2011</b>	<b>2012</b>
	<b>Actual</b>	<b>Budget</b>	<b>Estimate</b>	<b>Budget</b>
Total Cost	\$3,293	\$3,525	\$3,680	\$3,385
Passengers	654,747	754,641	680,000	674
Fee Per Passenger	\$5.03	\$4.69	\$5.41	\$5.02

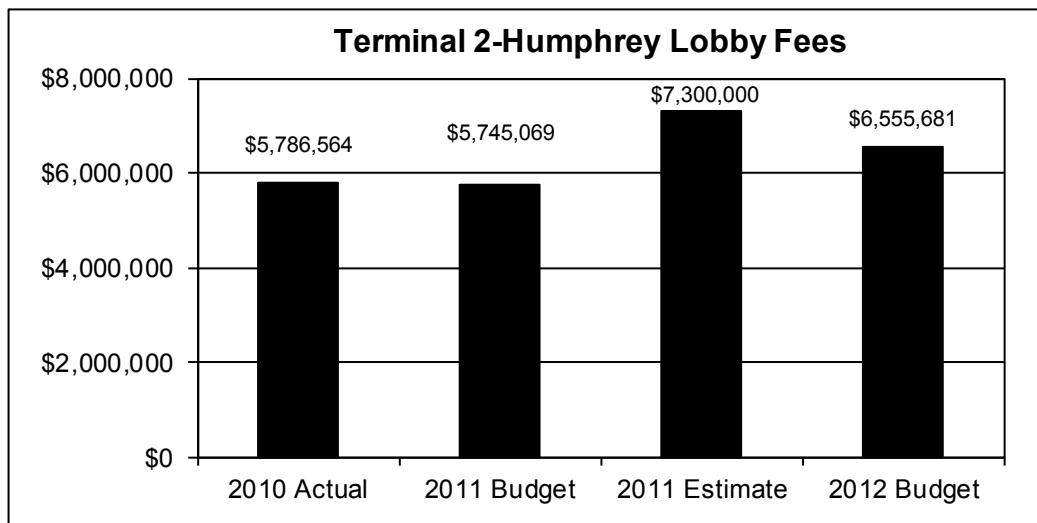
The \$0.39 decrease in the IAF fee is due to additional space in the G Concourse which decreases the amount of Police, Fire and Administrative and other operating expenses allocated to the IAF.

**CONCESSIONS REBATE**

As part of the Third Amendment to the Airline Use Agreement, a provision was added to rebate to the airlines a portion (25% up to \$41.007 million, 50% above the figure for 2012) of concessions revenue for Food & Beverage, News, Retail and Auto Rental – On Airport revenue. For the 2012 budget this rebate is projected to be \$9,354,000 and does not hit the 50% threshold. The increase of \$54,000 can be attributed to greater concessions revenue in the 2012 budget as well as a higher than normal 2011 due to a new auto rental agreement that was signed in 2011. The 2011 agreement included a rent adjustment which was put into effect in 2010.

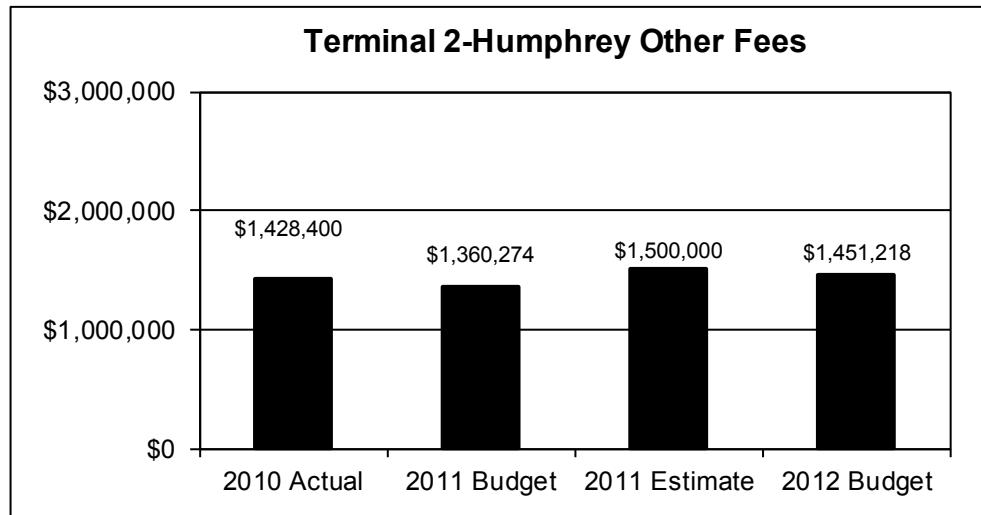
**TERMINAL 2-HUMPHREY - LOBBY FEES**

Terminal 2-Humphrey Lobby Fees are expected to decrease \$744,000 or 10.2%. Lobby fees are set by MAC Ordinance in which rates are set on a budgetary basis with no true-up based on actual expenses or year-end operational activity. Each gate at Terminal 2 has a revenue cap by airline associated with it based upon operations. MAC assumes that of the 10 gates at Terminal 2, six of those gates would reach the revenue cap and four gates would not. The MAC estimates the revenue derived in the non-capped gates based upon operational data obtained from historical data and from the airlines. For 2011, operational activity at Terminal 2 exceeded budgetary expectations resulting in higher than expected revenues in the four non-capped revenue gates. From a budget to budget basis, the increase in lobby fees are a result of higher utility, mechanical systems, temperature control and Police, Fire and Administration costs.



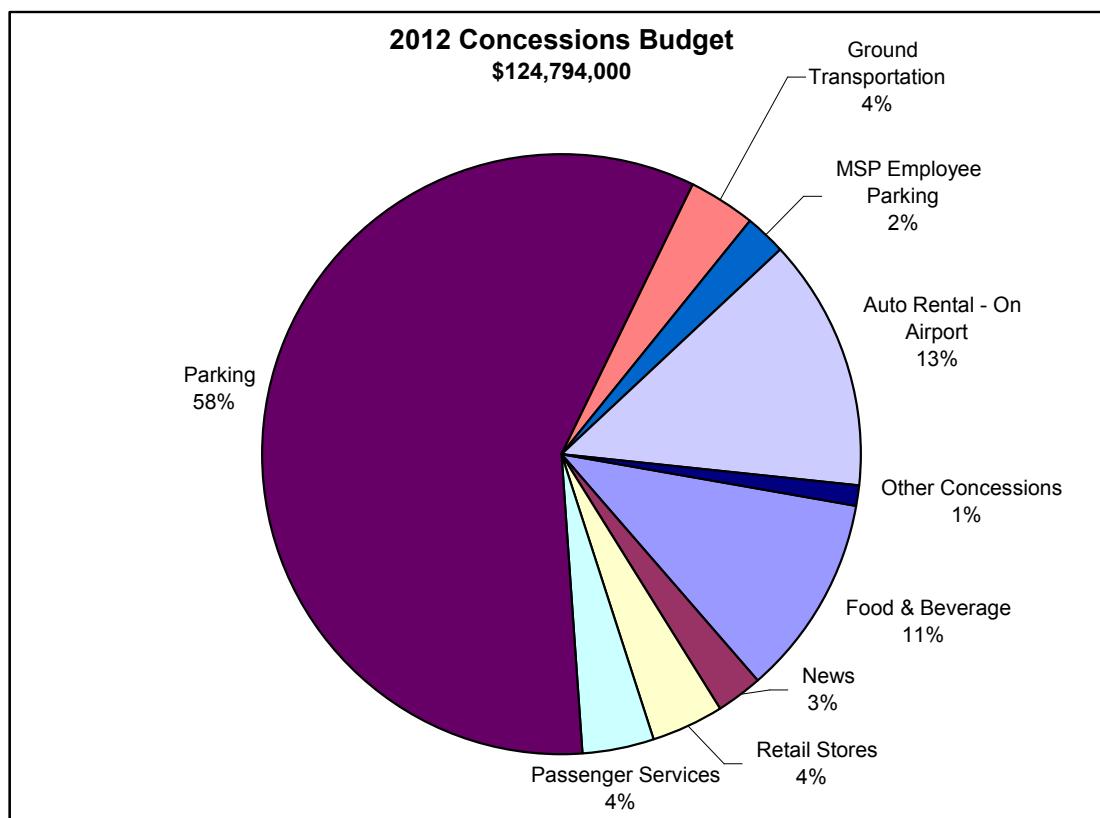
**TERMINAL 2-HUMPHREY - OTHER/PASSENGER FEES**

HHH Other/Passenger fee revenue is budgeted to decrease \$49,000 or 3.3%. This category includes Federal Inspection Service Charges for international passengers, Terminal 2 building rentals and non-signatory landing fees. As with Lobby Fees mentioned above, the rates are based on budgetary data with no year-end true up of actual expenses. For 2011, operational activity at Terminal 2 exceeded budgetary expectations resulting in higher than expected revenues.

**CONCESSIONS**

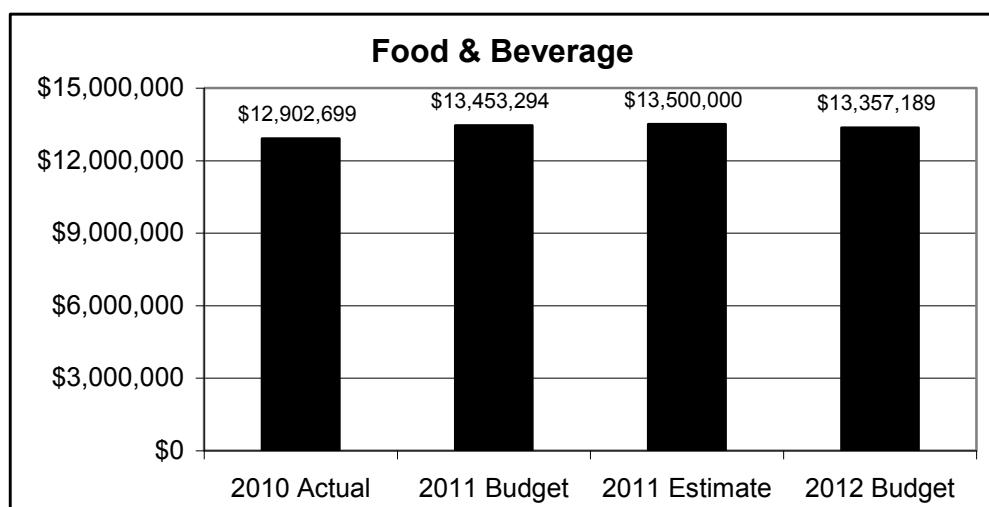
The 2012 budget for Concessions revenue is projected to increase \$6.9 million or 5.8% from the 2011 estimates. This increase is based upon the following: 1) Passenger increase; 2) Increase in average spending per passenger; 3) New concessions opening in 2012; 4) A new auto rental lease agreement; and 5) Parking rate increase. Concessions revenue consists of the following categories:

(\$=000)	2011 Estimate vs 2012 Budget					
	<u>2010 Actual</u>	<u>2011 Budget</u>	<u>2011 Estimate</u>	<u>2012 Budget</u>	<u>Dollar Change</u>	<u>% Change</u>
<b>Concessions</b>						
Food & Beverage	\$12,903	\$13,453	\$13,500	\$13,357	\$(143)	-1.1%
News	3,215	3,440	3,350	3,436	86	2.6%
Retail Stores	4,813	5,157	4,950	4,856	(94)	-1.9%
Passenger Services	4,413	4,089	4,350	4,625	275	6.3%
Parking	63,682	64,900	66,800	72,957	6,157	9.2%
Ground Transportation	4,252	4,055	4,800	4,483	(317)	-6.6%
MSP Employee Parking	2,469	2,480	2,550	2,826	276	10.8%
Auto Rental - On Airport	15,364	15,666	16,300	16,786	486	3.0%
Other Concessions	1,393	1,405	1,300	1,468	168	12.9%
<b>Total All Concessions</b>	<b><u>\$112,503</u></b>	<b><u>\$114,645</u></b>	<b><u>\$117,900</u></b>	<b><u>\$124,794</u></b>	<b><u>\$6,894</u></b>	<b><u>5.8%</u></b>



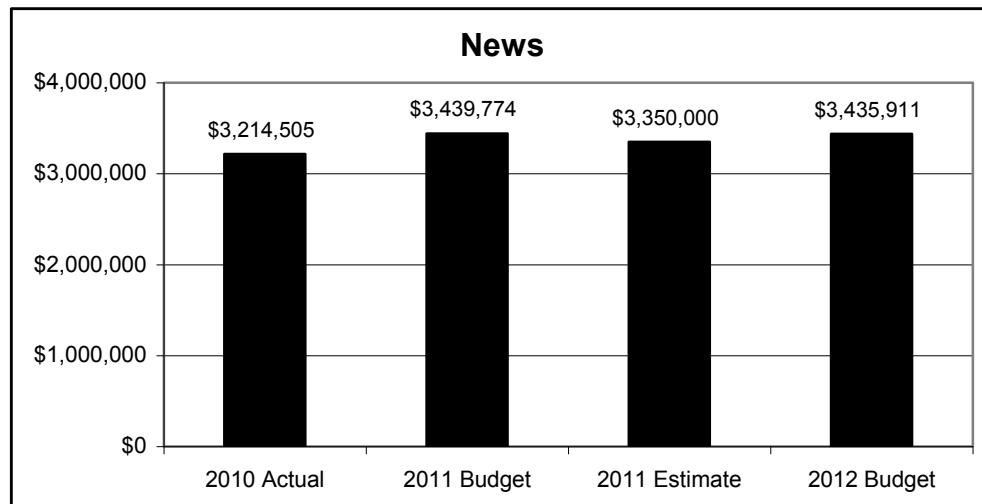
## FOOD & BEVERAGE

Food & Beverage is projected to decrease by \$143,000 or 1.1% from the 2011 estimate and is based upon the trends at the time the budget was completed.

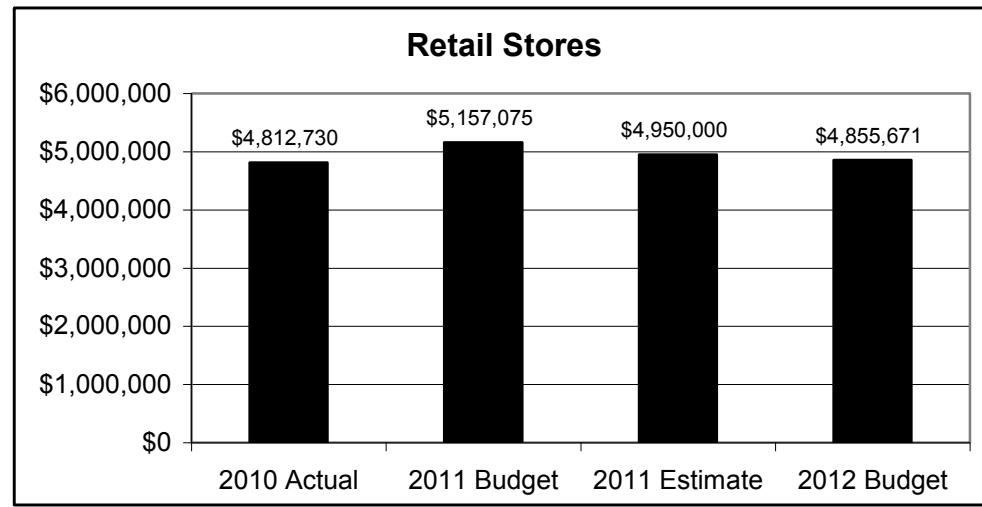


**NEWS**

News is projected to increase \$86,000 or 2.6% from the 2011 estimate and is based upon the trends at the time the budget was completed.

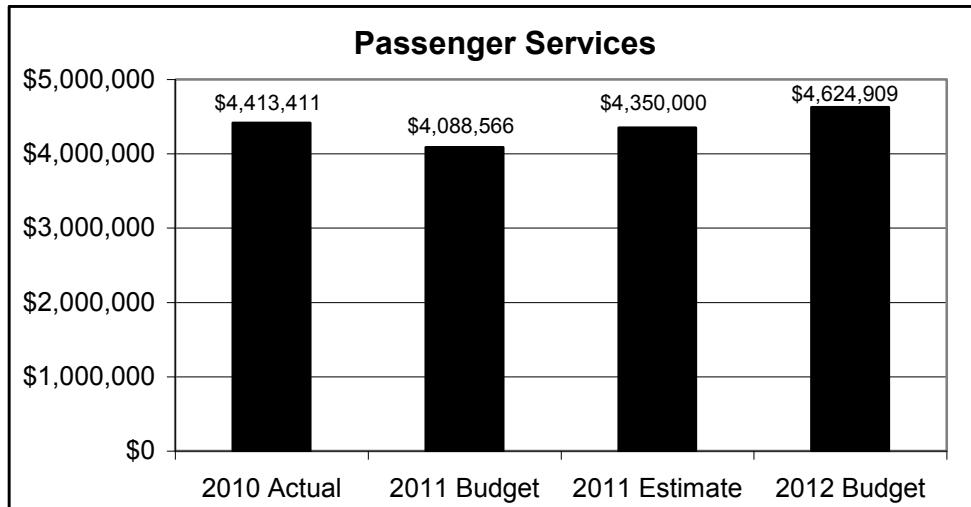
**RETAIL STORES**

Retail is projected to decrease by \$94,000 or 1.9% from the 2011 estimate and is based upon the trends at the time the budget was completed.

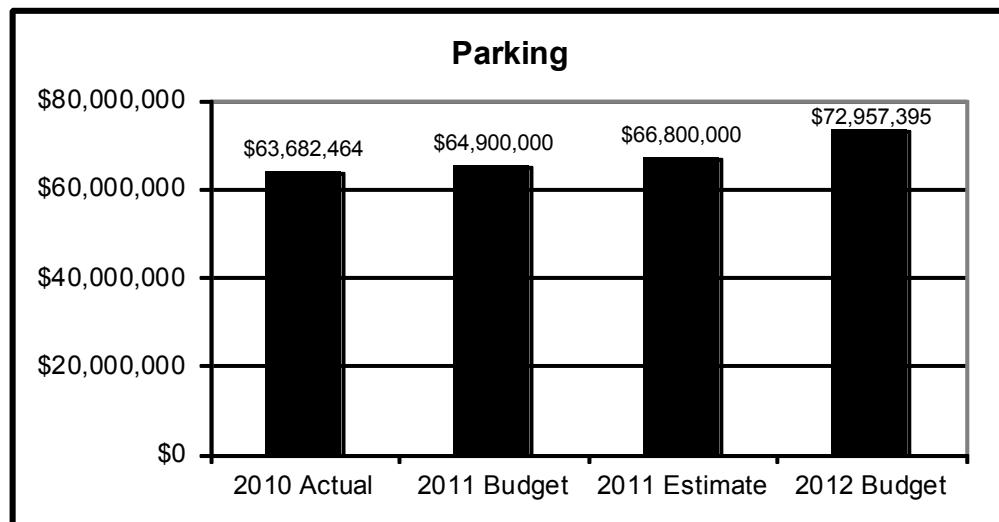


**PASSENGER SERVICES**

Passenger Services are budgeted to increase \$275,000 or 6.3% from the 2011 estimate and is based upon a full year's revenue from a new wellness center that opened in 2011 as well as trends at the time the budget was completed.

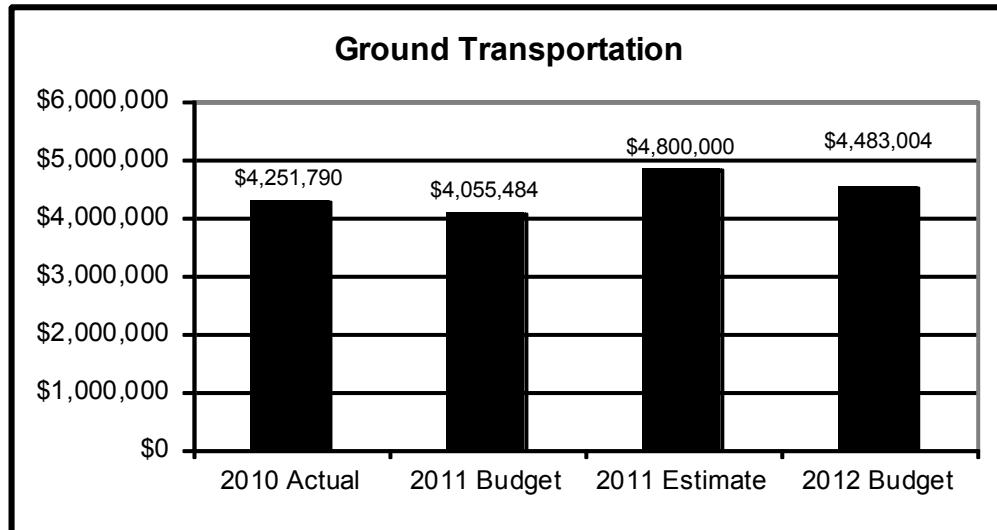
**PARKING**

Parking is expected to increase from 2011 estimates by \$6,157,000 or 9.2%. In September 2011, the Commission approved a \$2 public parking rate adjustment at the Terminal 1 General Parking ramp. This rate increase will be effective on January 1, 2012 and accounts for the majority of the increase in parking.



**GROUND TRANSPORTATION FEES**

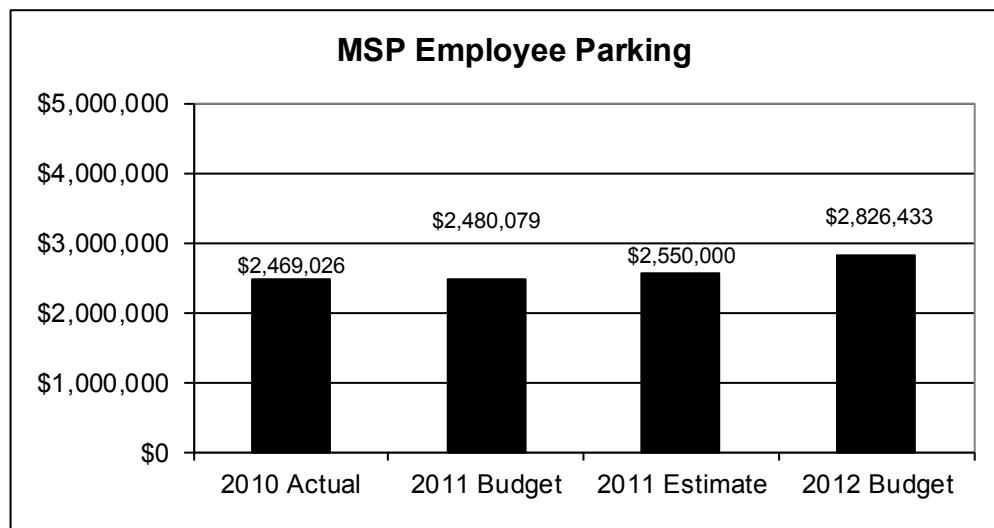
Ground Transportation fees are projected to decrease \$317,000 or 6.6%. This is primarily a result of fewer permits expected to be issued during 2012 and lower miscellaneous revenues based on trends when the budget was completed. (These fees are set by Ordinance with an increase in individual category fees due to a combination of costs and industry utilization.)



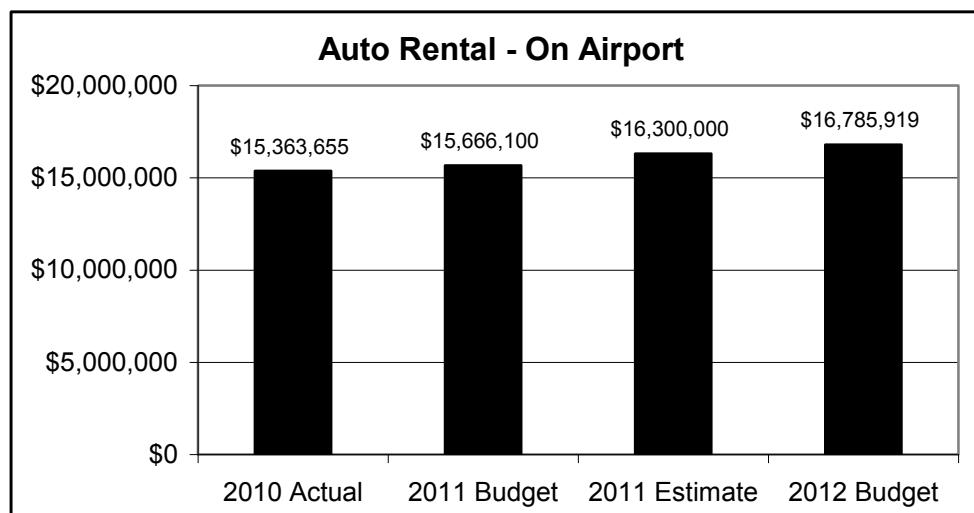
***Parking Facilities at Minneapolis-St. Paul International Airport***

**MSP EMPLOYEE PARKING**

MSP Employee Parking is budgeted to increase \$276,000 or 10.8% based upon a parking rate increase effective January 1, 2012.

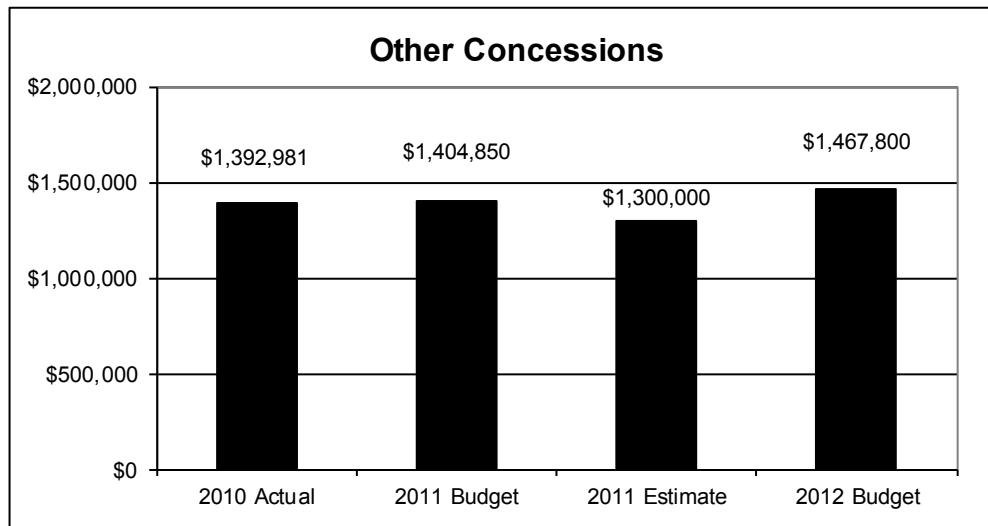
**AUTO RENTAL – ON AIRPORT**

Auto rental fees are projected to increase \$486,000 from the 2011 estimates. Based on the current 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. A new lease agreement was signed in 2011 that increases the revenue received from the auto rental firms. In addition, auto rental transactions and activity are anticipated to increase.



## OTHER CONCESSIONS

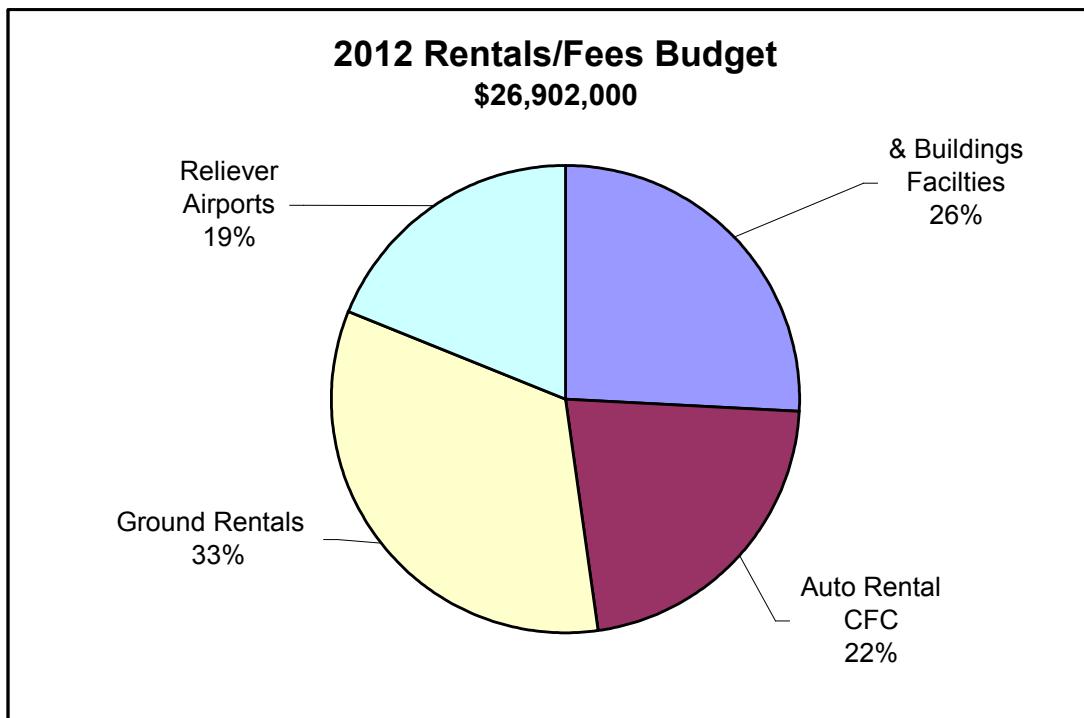
The majority of revenue in the Other Concessions category consists of Outdoor Advertising (88% of the total or \$1.3 million). Other items in this category include In-Flight Catering, auto services, a pet boarding facility and miscellaneous concessions. Other Concessions are budgeted to increase \$168,000 from 2011 estimated levels. This is primarily due to increases in Outdoor Advertising. Other revenue items in this category are expected to show minor changes from estimates.



## RENTALS/FEES

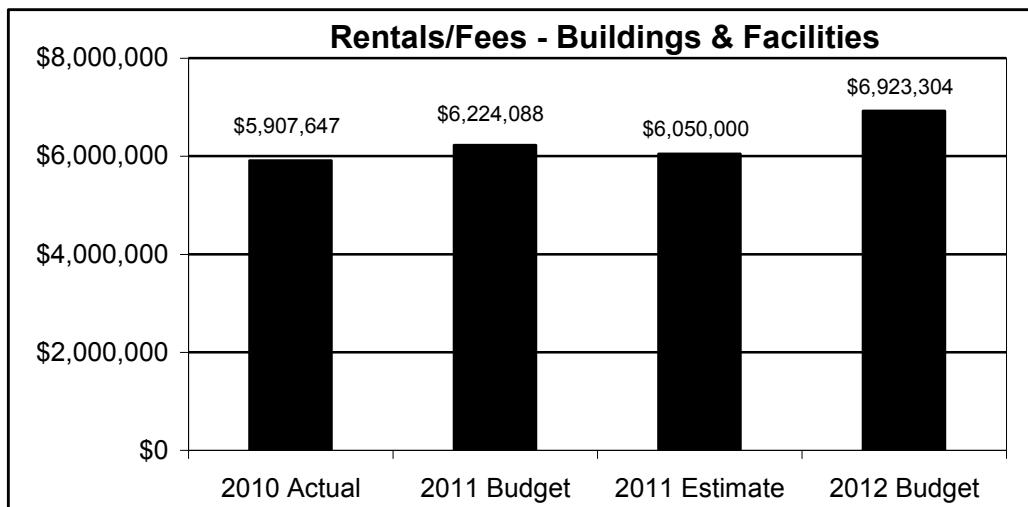
In total, this category is projected to increase \$752,000 or 2.9% from the 2011 estimates. Included in this category are building rentals, auto rental-CFC, ground rentals and reliever airports.

	(\$=000)		2011 Estimate vs 2012 Budget			
	<u>2010 Actual</u>	<u>2011 Budget</u>	<u>2011 Estimate</u>	<u>2012 Budget</u>	<u>Dollar Change</u>	<u>% Change</u>
<b>Rentals/Fees</b>						
Buildings & Facilities	\$5,908	\$6,224	\$6,050	\$6,923	\$873	14.4%
Auto Rental CFC	9,511	5,200	5,700	5,900	200	3.5%
Ground Rentals	9,125	8,754	9,400	8,974	(426)	-4.5%
Reliever Airports	5,065	4,913	5,000	5,106	106	2.1%
<b>Total Rentals/Fees</b>	<b><u>\$29,609</u></b>	<b><u>\$25,091</u></b>	<b><u>\$26,150</u></b>	<b><u>\$26,902</u></b>	<b><u>\$752</u></b>	<b><u>2.9%</u></b>



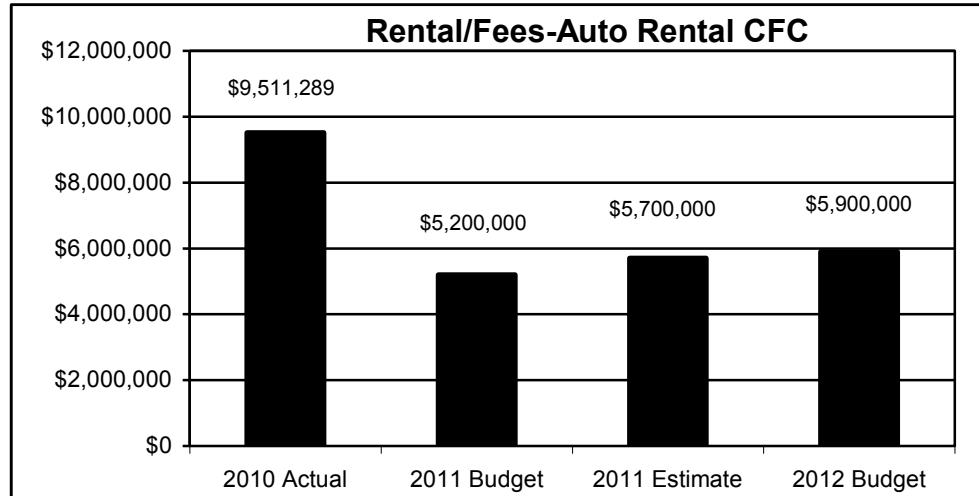
## BUILDING & FACILITIES

Building and facility rentals are projected to increase \$873,000 or 14.4% over 2011 estimates as a result of an increase in rental rates for non-airline tenants in the Lindbergh and Humphrey Terminals 1 & 2 as well as additional areas which are leased. (See Lindbergh and HHH Terminal rates above.)

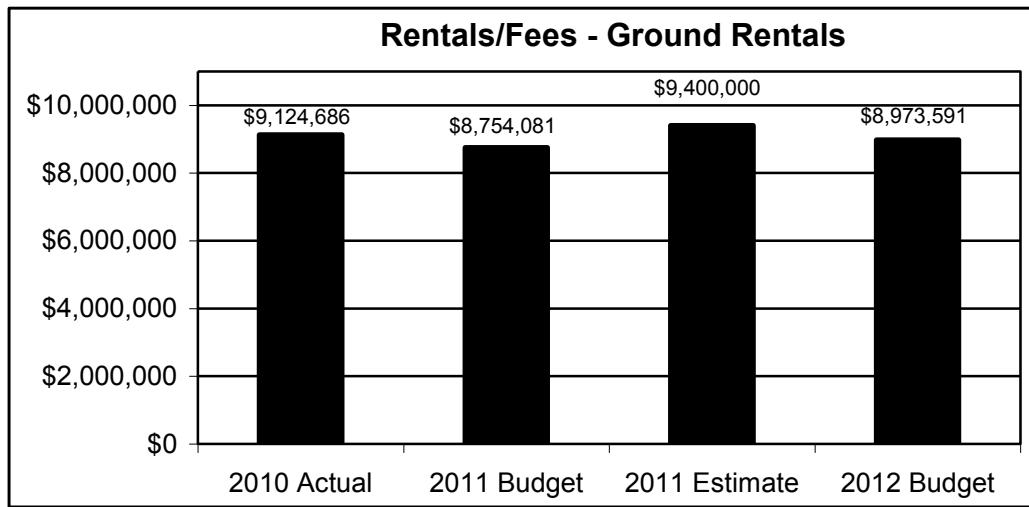


**AUTO RENTAL-CUSTOMER FACILITY CHARGE (CFC)**

Auto Rental CFCs are budgeted to increase \$200,000 or 3.5% from 2011 estimates which are based upon projections at the time the budget was completed.

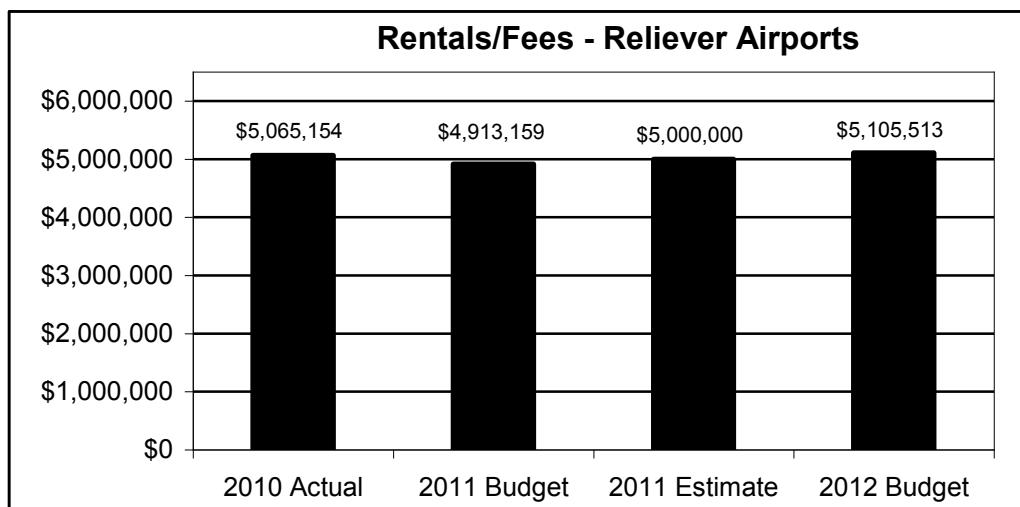
**GROUND RENTALS**

Ground Rentals are budgeted to decrease by \$426,000 or 4.5% over 2011 estimated levels. This is a result of certain leases that were not renewed and are currently vacant.



## RELIEVER AIRPORTS

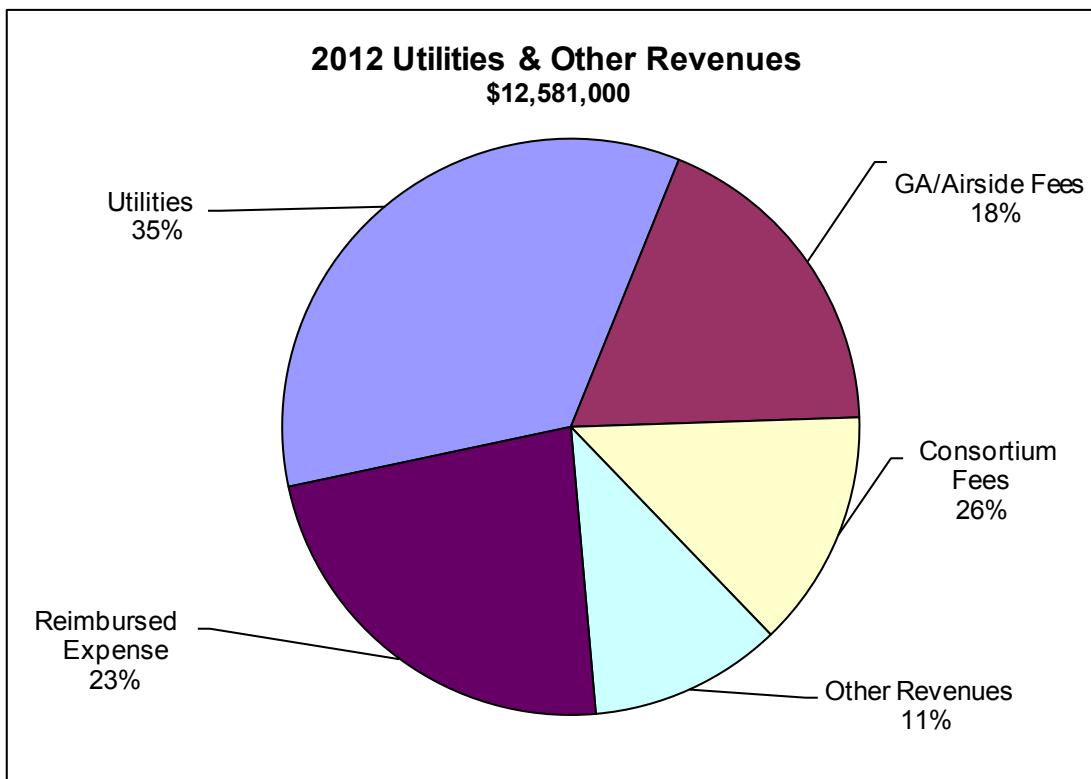
Reliever Airports are expected to increase \$106,000 from 2011 estimated levels due to an increase in the ordinance rate for storage and commercial ground rent.



## UTILITIES & OTHER REVENUES

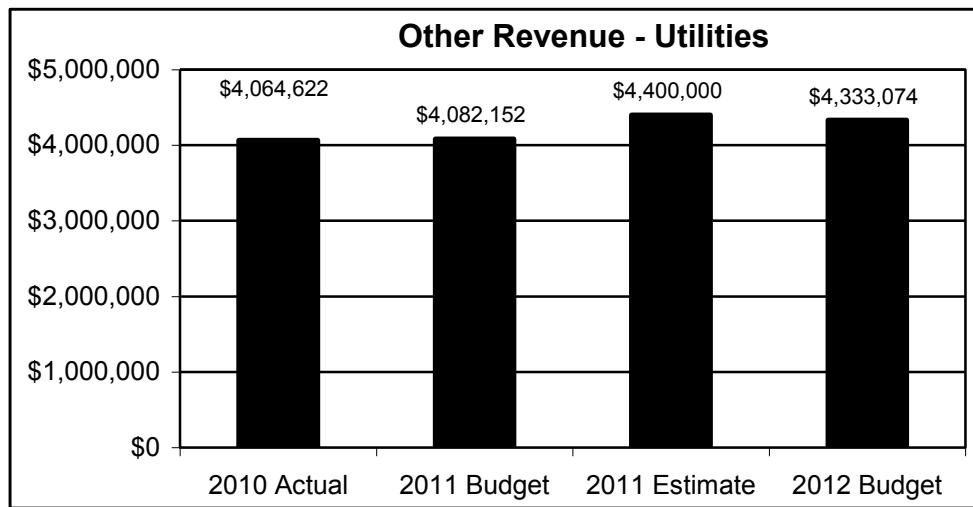
In total, Utilities & Other Revenues are budgeted to decrease \$18,000 or 0.2% from 2011 estimated levels. Included in the category are Utilities, General Aviation/Airside Fees, Consortium Fees, Other Revenues and Reimbursed Expense.

	(\$=000)		2011 Estimate vs 2012 Budget			
	2010 Actual	2011 Budget	2011 Estimate	2012 Budget	Dollar Change	% Change
<b>Utilities &amp; Other Revenue</b>						
Utilities	\$4,065	\$4,082	\$4,400	\$4,333	\$(67)	-1.5%
GA/Airside Fees	2,345	2,339	2,400	2,311	(89)	-3.7%
Consortium Fees	1,634	1,612	1,650	1,679	29	1.7%
Other Revenues	1,284	1,200	1,250	1,359	109	8.7%
Reimbursed Expense	<u>\$3,228</u>	<u>\$2,890</u>	<u>\$2,900</u>	<u>\$2,900</u>	<u>0</u>	<u>0.0%</u>
<b>Total Utilities &amp; Other Rev.</b>	<b><u>\$12,555</u></b>	<b><u>\$12,123</u></b>	<b><u>\$12,600</u></b>	<b><u>\$12,581</u></b>	<b><u>(18)</u></b>	<b><u>-0.2%</u></b>



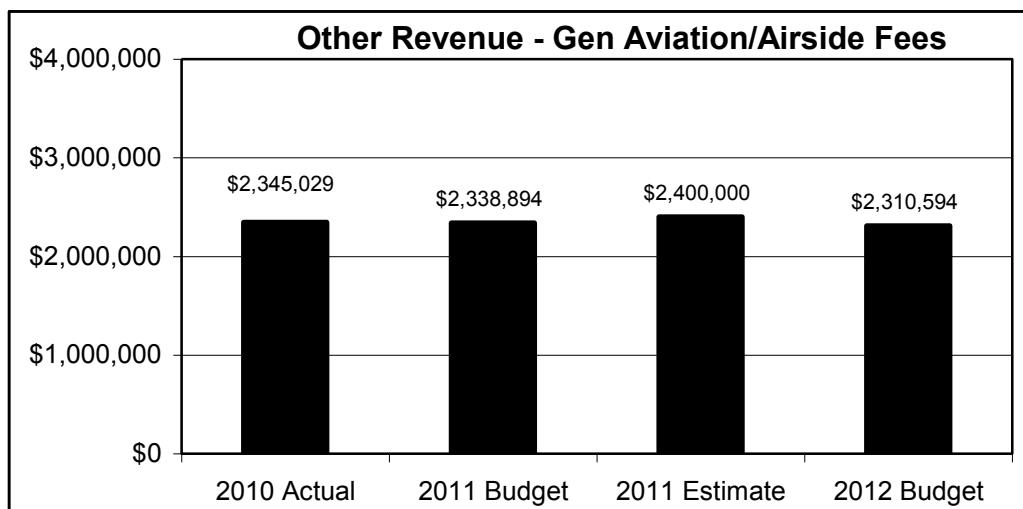
## UTILITIES

Included in this area is water, sewer, steam (heating), chilled water (air-conditioning) and ground power. The slight decrease in this category of \$67,000 is due to historical consumption patterns with 2011 having higher consumption usage than the average year.

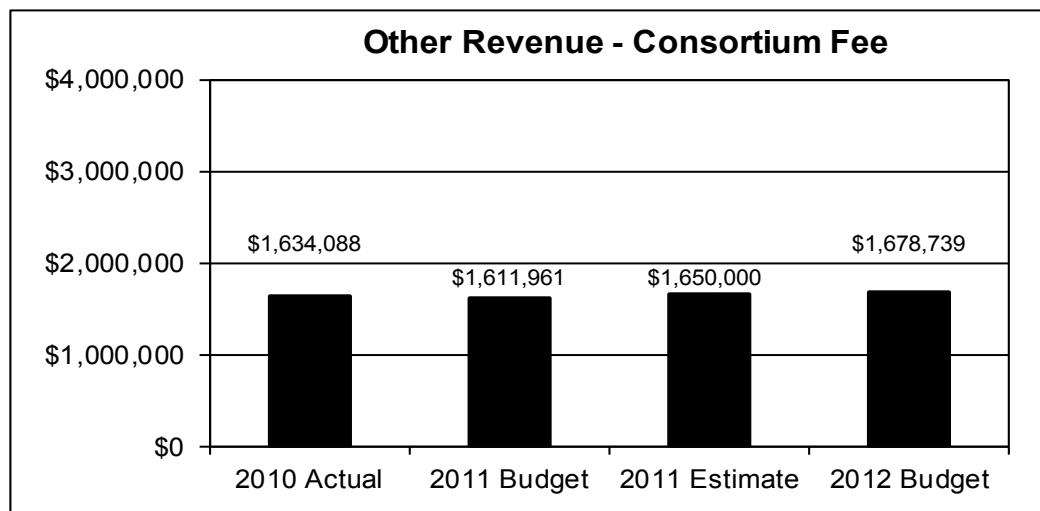


**GENERAL AVIATION/AIRSIDE FEES**

This category includes general aviation landing fees, ramp fees and apron services. This category is expected to decrease \$89,000 or 3.7% as a result of lower general aviation landing fees.

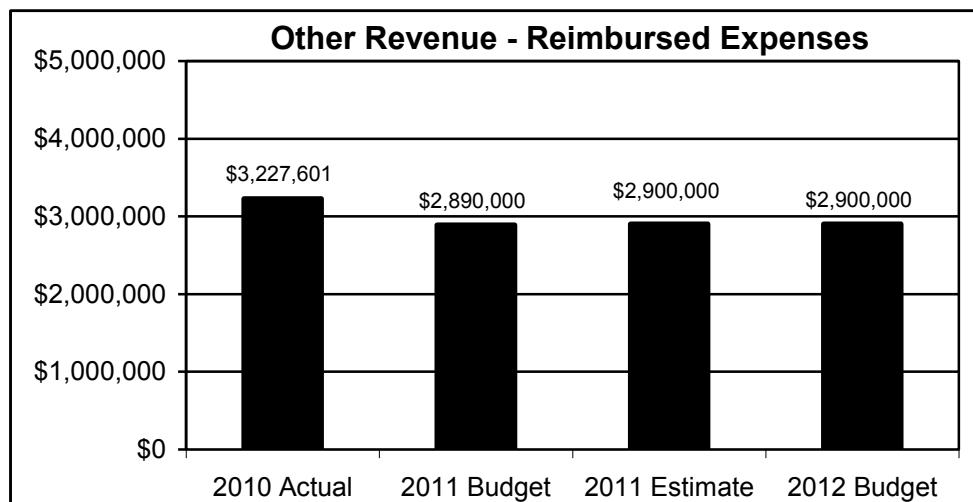
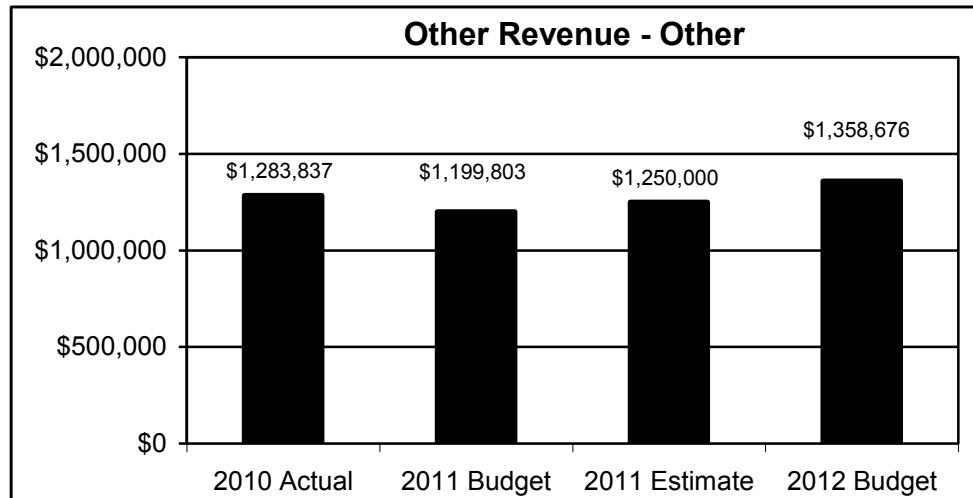
**CONSORTIUM FEE**

Consortium fees are expected to increase \$29,000 or 1.7% and are based on a percentage of concession sales. Thus, an increase in certain concessions will result in an increase in consortium fees.



**OTHER REVENUES AND REIMBURSED EXPENSES**

Included in this category are parking fines, auction revenue, security badges, miscellaneous revenues and expenses reimbursed by others. This category is expected to increase \$109,000 or 8.7% primarily related to an increase in environmental fees and historical averages.



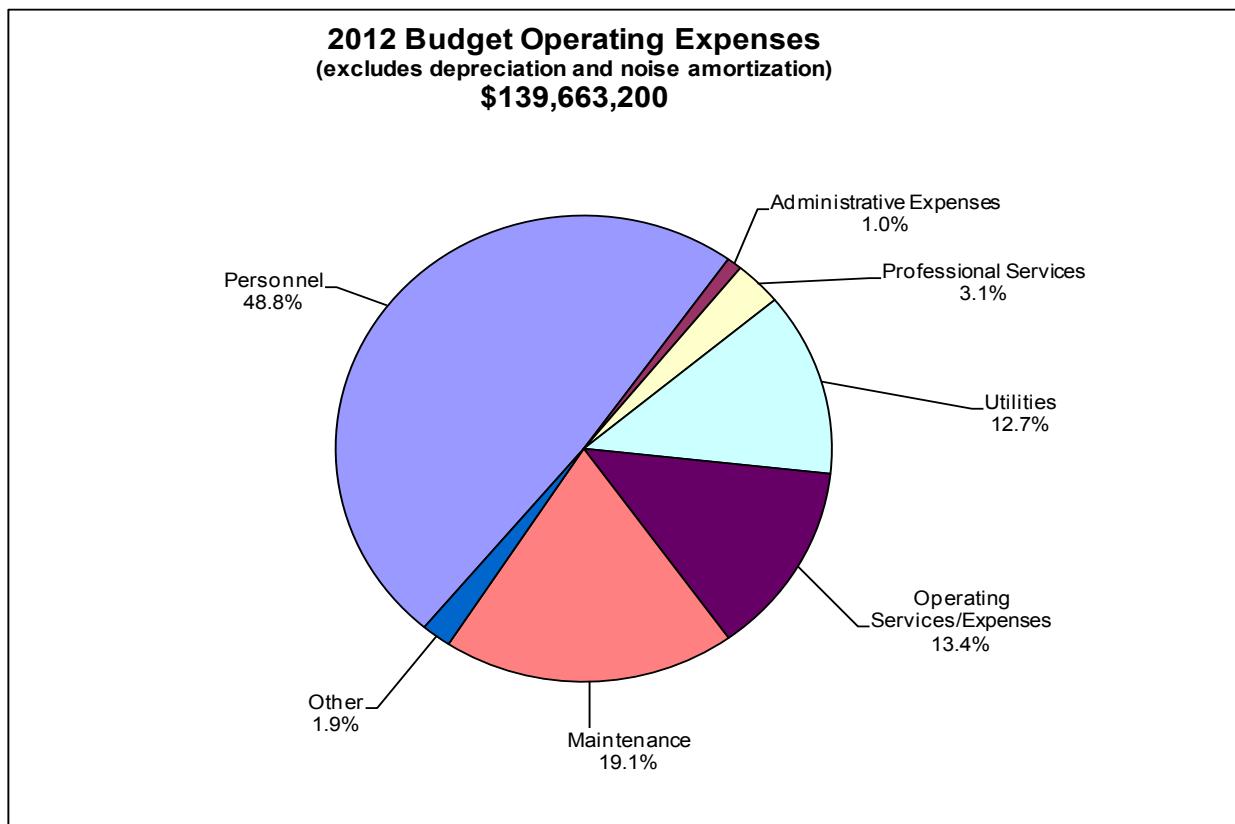
	2011 Estimate vs 2012 Budget					
	2010 Actual	2011 Budget	2011 Estimate	2012 Budget	Dollar Change	% Change
<b>Personnel</b>						
Salaries & Wages	44,208,394	45,164,614	44,875,000	46,711,732	1,836,732	4.09%
Benefits	19,204,069	20,257,912	21,700,000	21,421,187	(278,813)	-1.28%
<b>Total Personnel</b>	<b>63,412,464</b>	<b>65,422,526</b>	<b>66,575,000</b>	<b>68,132,919</b>	<b>1,557,919</b>	<b>2.34%</b>
<b>Administrative Expenses</b>	<b>1,270,910</b>	<b>1,326,516</b>	<b>1,350,000</b>	<b>1,372,179</b>	<b>22,179</b>	<b>1.64%</b>
<b>Professional Services</b>	<b>3,518,876</b>	<b>3,938,108</b>	<b>4,060,000</b>	<b>4,339,212</b>	<b>279,212</b>	<b>6.88%</b>
<b>Utilities</b>						
Electricity	10,634,131	11,194,691	11,500,000	11,860,142	360,142	3.13%
Heating Fuel	3,331,084	3,683,593	3,500,000	3,576,478	76,478	2.19%
Water & Sewer	1,757,002	1,804,305	1,700,000	1,827,501	127,501	7.50%
Telephones	516,277	520,112	490,000	519,810	29,810	6.08%
<b>Total Utilities</b>	<b>16,238,494</b>	<b>17,202,701</b>	<b>17,190,000</b>	<b>17,783,931</b>	<b>593,931</b>	<b>3.46%</b>
<b>Operating Services/Expenses</b>						
Parking Management	5,824,480	5,765,939	5,800,000	5,810,385	10,385	0.18%
Shuttle Bus Services	770,166	780,947	750,000	800,883	50,883	6.78%
Service Agreements	6,176,915	6,857,402	6,775,000	7,430,866	655,866	9.68%
Storm Water Monitoring	1,584,174	1,300,000	1,500,000	1,650,000	150,000	10.00%
Other	2,922,730	3,143,426	3,175,000	2,970,710	(204,290)	-6.43%
<b>Total Operating Services/Expenses</b>	<b>17,278,465</b>	<b>17,847,714</b>	<b>18,000,000</b>	<b>18,662,844</b>	<b>662,844</b>	<b>3.68%</b>
<b>Maintenance</b>						
Trades	1,549,243	1,702,841	1,950,000	1,836,435	(113,565)	-5.82%
Field	3,721,490	1,983,985	1,900,000	1,929,373	29,373	1.55%
Building	9,137,954	9,850,675	9,725,000	10,487,396	762,396	7.84%
Equipment	2,321,384	2,310,452	3,100,000	2,419,642	(680,358)	-21.95%
Cleaning	10,358,044	10,025,424	10,250,000	9,997,390	(252,610)	-2.46%
<b>Total Maintenance</b>	<b>27,088,115</b>	<b>25,873,377</b>	<b>26,925,000</b>	<b>26,670,236</b>	<b>(254,764)</b>	<b>-0.95%</b>
<b>Other</b>						
General Insurance	1,771,899	1,948,328	1,850,000	1,701,584	(148,416)	-8.02%
Minor Equipment	307,743	723,641	600,000	480,281	(119,719)	-19.95%
Other	503,022	453,834	1,000,000	520,069	(479,931)	-47.99%
<b>Total Other</b>	<b>2,582,664</b>	<b>3,125,803</b>	<b>3,450,000</b>	<b>2,701,934</b>	<b>(748,066)</b>	<b>-21.68%</b>
<b>Total Operating Expense (Excludes Depreciation)</b>	<b>131,389,988</b>	<b>134,736,745</b>	<b>137,550,000</b>	<b>139,663,255</b>	<b>2,113,255</b>	<b>1.54%</b>
Gross Depreciation (excludes Off Airport Noise)	120,809,999	109,330,794				
<b>Total Operating Expense (Excludes Off Airport Noise)</b>	<b>252,199,987</b>	<b>244,067,539</b>	<b>137,550,000</b>	<b>139,663,255</b>	<b>2,113,255</b>	<b>1.54%</b>
Airport Noise Amortization	745,454	11,669,206				
<b>Total Operating Expenses</b>	<b>252,945,441</b>	<b>255,736,745</b>	<b>137,550,000</b>	<b>139,663,255</b>	<b>2,113,255</b>	<b>1.54%</b>

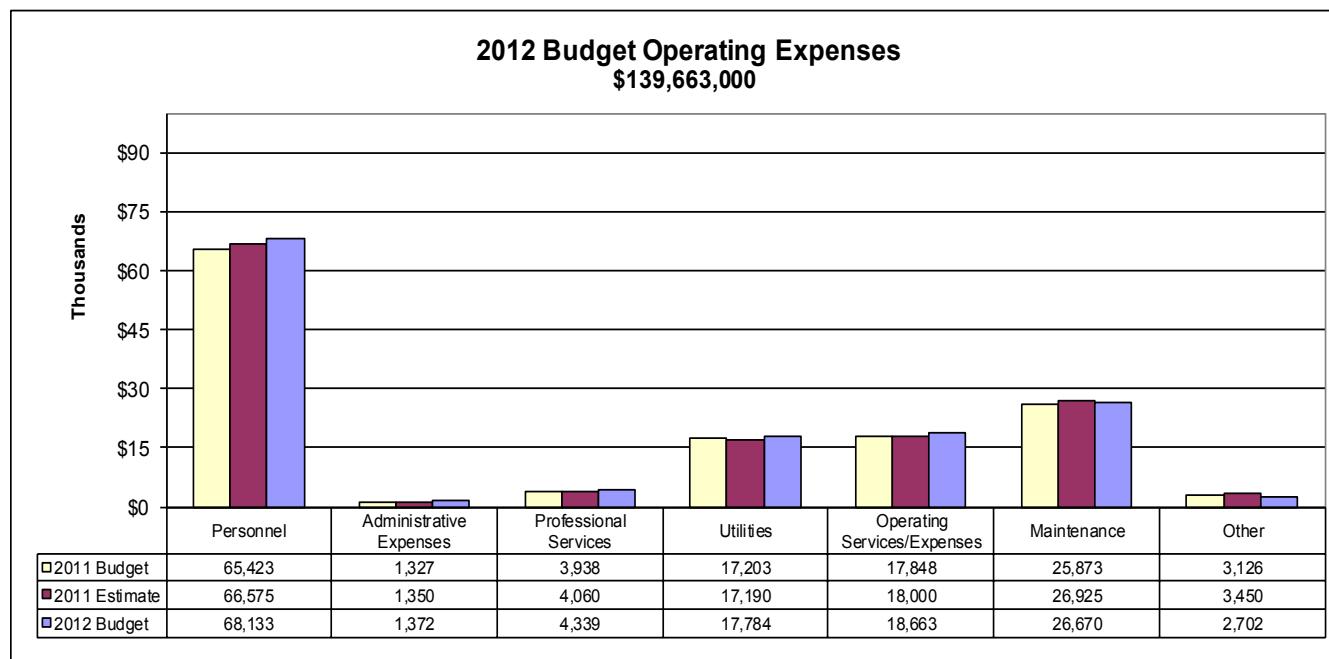
Total Operating Expense for 2012 is \$139.7 million (excluding depreciation and amortization) which is an increase of \$2.1 million or 1.5% over the 2011 estimate.

The explanations prepared below compare the 2011 estimate with the 2012 budget.

In the total Operating Expense, the largest increase in dollars is \$1.6 million or 2.3% in the Personnel category. The greatest percent increase, however, is 6.9% or \$279,000 in the Professional Services category. The Maintenance and Other expenses categories are lower than the estimate due to one-time expenses in the 2011 estimate.

	2011 Estimate vs 2012 Budget					
	2010 Actual	2011 Budget	2011 Estimate	2012 Budget	Dollar Change	% Change
<b>EXPENSE</b>						
Personnel	\$63,412	\$65,423	\$66,575	\$68,133	\$1,558	2.3%
Administrative Expenses	1,271	1,327	1,350	1,372	22	1.6%
Professional Services	3,519	3,938	4,060	4,339	279	6.9%
Utilities	16,238	17,203	17,190	17,784	594	3.5%
Operating Services/Expenses	17,278	17,848	18,000	18,663	663	3.7%
Maintenance	27,088	25,873	26,925	26,670	(255)	-1.0%
Other	2,583	3,126	3,450	2,702	(748)	-21.7%
<b>Total Operating Expense (Excludes Depreciation)</b>	<b><u>\$131,390</u></b>	<b><u>\$134,737</u></b>	<b><u>\$137,550</u></b>	<b><u>\$139,663</u></b>	<b><u>\$2,113</u></b>	<b>1.5%</b>



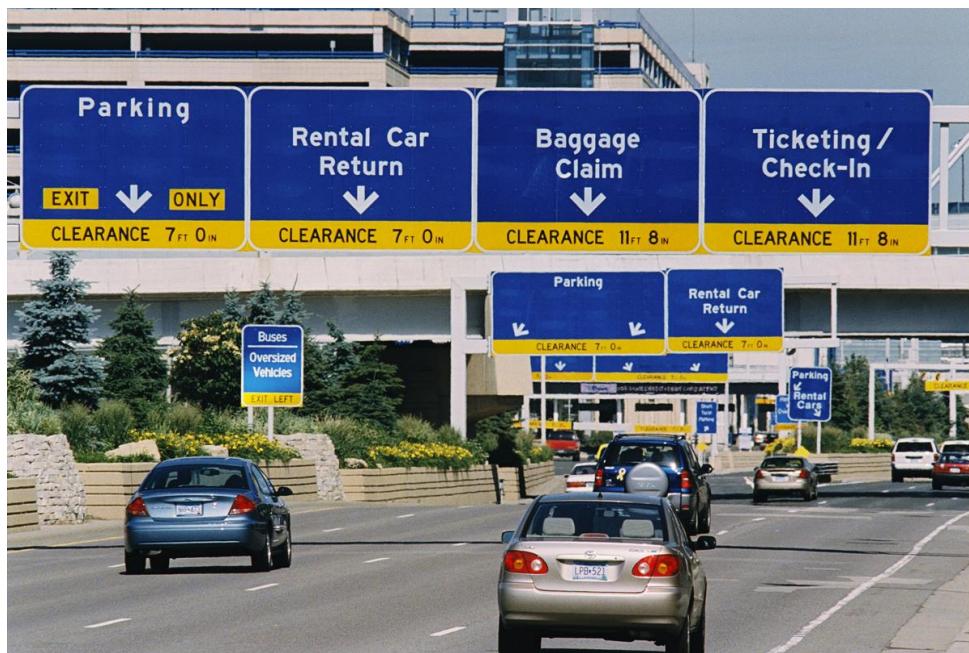


**Main Entrance to Terminal 1-Lindbergh**

## **Expense Assumptions and Guidelines**

The operating expense budget is based on information provided by MAC departments, utility companies, vendors and historical analysis. The expense budget projections for 2012 are based on the following assumptions and guidelines:

- MAC will continue to maintain all facilities at the standards established with our tenants and traveling public.
- MAC will provide a safe and secure airport.
- As positions in the organization become available due to retirement or separation, each vacant position will be reviewed for business need and prioritized based upon organization needs.
- The budget includes wages for 3 new requested FTE (Full Time Equivalents) positions effective the last quarter of 2012. In addition, two operating engineer trainee positions have been added to the Emergency Management Center (EMC) service center budget. The total FTE position count in the 2012 budget will temporarily be 583 until two retirements occur in EMC reducing the total FTE position count to 581.
- Cost increases, such as scheduled contract increases, salary adjustments for existing organized and non-organized workforce, utility rate changes, insurance rate adjustments, etc., have been included.
- Additional costs necessary to maintain existing and new facilities have been included.
- Discretionary cost increases were considered only if offset by corresponding annual reduction in expenses, an annual increase in revenue, or were necessary for the ongoing efficient operation of the airport.
- Limit spending to the lower of 2010 actual levels or 2011 budget with a 2.0% increase or below where possible.
- Expenses are prepared on an accrual basis.



***Signage Directs Travelers at Terminal 1-Lindbergh***

**Personnel**

Personnel costs will increase \$1.6 million or 2.3% over the 2011 estimates.

(\$=000)	2011 Estimate vs 2012 Budget					
	<u>2010 Actual</u>	<u>2011 Budget</u>	<u>2011 Estimate</u>	<u>2012 Budget</u>	<u>Dollar Change</u>	<u>% Change</u>
<b>Personnel</b>						
Salaries & Wages	\$44,208	\$45,165	\$44,875	\$46,712	\$1,837	4.1%
Benefits	<u>19,204</u>	<u>20,258</u>	<u>21,700</u>	<u>21,421</u>	<u>(279)</u>	-1.3%
<b>Total Personnel</b>	<b><u>\$63,412</u></b>	<b><u>\$65,423</u></b>	<b><u>\$66,575</u></b>	<b><u>\$68,133</u></b>	<b><u>\$1,558</u></b>	<b>2.3%</b>

Differences between the 2011 estimates and 2012 budgets:

**Wages – Regular** – 1.5% for wage increases effective 4/1/2012 are budgeted for non-organized and the effective contract dates for organized employees. Step increases for employees are also included in the 2012 budget.

The 2012 budget also includes the following:

- Three additional requested FTE positions are included in the 2012 budget due to increasing workload demands and complexity of issues facing MAC. These positions are effective the fourth quarter of 2012 and result in \$36,000 additional wages. A vacancy factor is also included in the budget.
- Two operating engineer trainee positions are included in the budget due to hiring difficulties in this specialized licensed work area and increased wages \$74,000.
- Other labor contract obligations, such as shift differentials, equipment premium pay and Labor Union 320 longevity pay, are included in the budget.
- Open positions in 2011 resulted in a lower 2011 estimate.

<u>2008 Actual</u>	<u>2009 Actual</u>	<u>2010 Actual</u>	<u>2011 Budget</u>	<u>2011 Estimate</u>	<u>2012 Budget</u>
565	555.5	563	578	566	583 *

\* includes 2 trainee positions

**Overtime – Regular** – This area is decreasing in the 2012 budget by \$120,000 or 6.0% from the 2011 estimates as the budget assumes the hiring of FTE positions thereby reducing the overtime expense.

**Double-time** – Double-time is increasing from the 2011 estimate to the 2012 budget by \$24,000 or 1.8% as a result of budgeting for average winter conditions along with increases in the Carpenters for weekend call-in emergencies and Electricians for maintenance of electrical equipment throughout the airport.

**Temps (Temporary employees)** – Temps are increasing in the 2012 budget when compared to the 2011 estimate by \$456,000 or 24.1% for the following:

- Police is increasing \$258,000 or 31.0% as unfilled positions are included in the 2011 estimate. Those positions, along with five additional CSO's (Community Service Officers) that are needed in front of the terminal buildings for traffic control, are included in the 2012 budget. The additional CSO coverage was identified in a 2010 consultant report on the Police Department.
- Information Services is increasing \$79,000 for the Help Desk position due to an employee on extended leave of absence.
- Painters increase \$71,000 to meet additional work requirements and to maintain facilities without an additional FTE position.
- Plumbers increase \$40,000 for an apprentice plumber. This position partners with the St. Paul Joint Apprenticeship Training Program and not only provides valuable training related to the plumbing service sector, but also assists with the daily work load and safety objectives of the department.
- Airside Operations increase \$40,000 to assist full-time staff in the completion of routine tasks and assignments to permit current personnel to configure, program and test new Airside technologies expected to be introduced in 2012.

**Benefits** – Included in benefits are employee insurance/post retirement healthcare, retirement plans, severance, workers compensation and other miscellaneous items. This category will decrease 1.3% or \$279,000 from 2011 estimates.

Major changes are as follows:

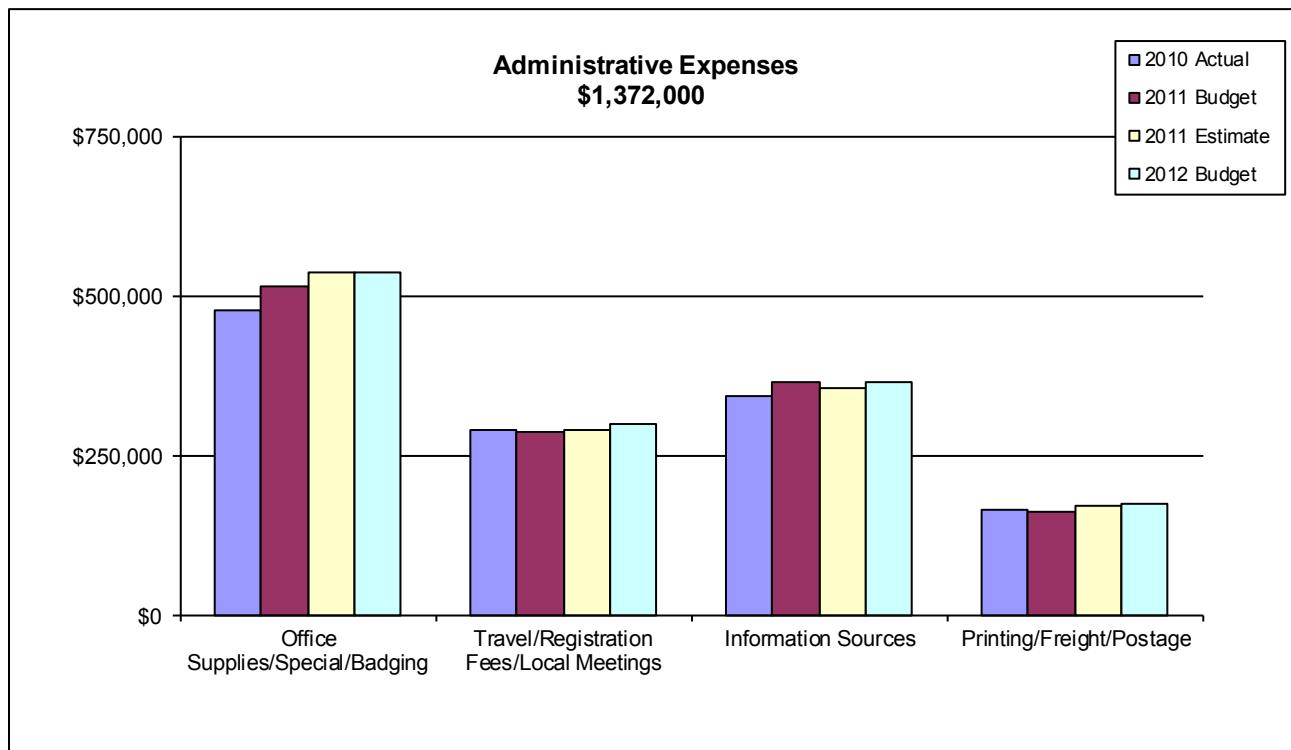
- Employee Insurance - Medical, Dental, Life and Disability. These areas are combined and account for all employee insurance with medical being the largest component. Employee insurance increased 3.6% over the 2011 budget. However, as MAC is self-insured for medical insurance, this growth rate is lower than the national average of 6.6% for medical inflation. The increase between the estimate 2011 and budget 2012 is 5.7% or \$434,000 and is due to the lower FTE count in 2011 and three additional FTE positions in the last quarter of 2012. This increase, however, is offset by a reduction in post retirement healthcare benefits of \$998,000 based upon an annual actuarial report.
- Pensions are expected to increase in 2012 compared to the 2011 estimates by \$237,000 or 2.8%. The employer contribution rate for Police and Fire Public Employees Retirement Association (PERA) is at 14.40% and the coordinated employers' contribution rate is budgeted at 7.25%. In addition, FICA and pensions related to increases in wages, doubletime and temps are included in the 2012 budget. The 2011 estimate also reflects a lower than budget FTE count.
- Worker's Compensation is projected to increase \$87,000 from 2011 estimates based upon an actuarial study.
- Trade Union Benefits increased \$46,000 as a result of contract negotiations and wage increases.

- Training increased \$23,000 over the 2011 estimate. HRD & Strategic Planning increased \$13,000 for technology training in upgraded software and Electricians increased \$11,000 for training to ensure renewal of licenses and certifications (due to retirements).

## Administrative Expenses

Administrative Expenses are increasing \$22,000 or 1.6% with the major expenses identified in the table below:

2011 Estimate vs 2012 Budget						
(\$=000)	2010 Actual	2011 Budget	2011 Estimate	2012 Budget	Dollar Change	% Change
Office Supplies/Special/Badging	\$ 476	\$ 514	\$ 535	\$ 537	\$ 2	0.4%
Travel/Registration Fees/Local Meetings	288	285	290	299	9	3.1%
Information Sources	343	365	355	363	8	2.2%
Printing/Freight/Postage	164	162	170	173	3	1.7%
<b>Total Administrative Expenses</b>	<b>\$ 1,271</b>	<b>\$ 1,327</b>	<b>\$ 1,350</b>	<b>\$ 1,372</b>	<b>\$ 22</b>	<b>1.6%</b>



- The major change in Administrative Expenses is related to an increase in travel of \$9,000 or 3.1% largely as a result of the higher costs to travel (airfare and mileage). Travel becomes necessary to keep informed of the changes in the industry and to maintain essential professional growth in the organization. The largest increase in travel is for Police (\$7,000) to attend conferences, seminars and background investigations.
- Information Sources increased 2.2% or \$8,000 primarily for Air Service Business Development professional service dues and fees.

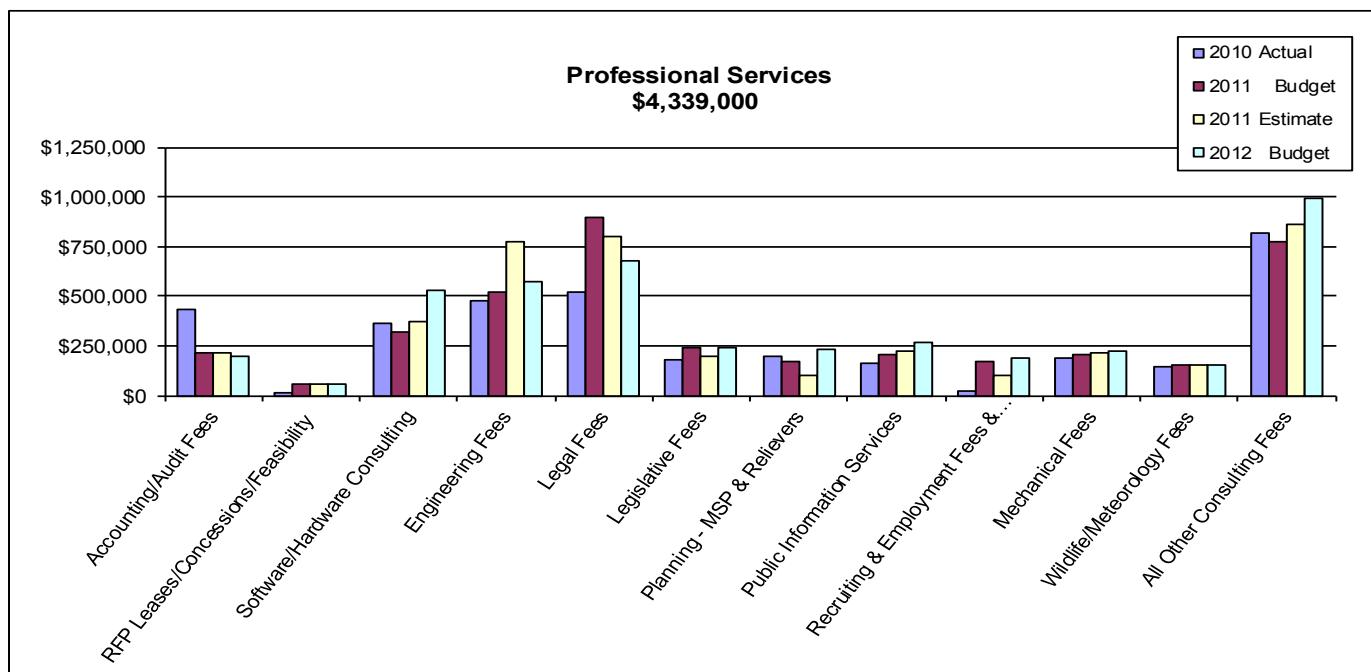


***Food Court – Terminal 1-Lindbergh***

## Professional Services

Professional Services have increased \$279,000 or 6.9% from 2011 estimates.

<b>Professional Services</b>	<b>2011 Estimate vs 2012 Budget</b>					
	<b>2010</b>	<b>2011</b>	<b>2011</b>	<b>2012</b>	<b>Dollar</b>	<b>%</b>
	<b>Actual</b>	<b>Budget</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>	<b>Change</b>
Accounting/Audit Fees	\$ 433	\$ 215	\$ 215	\$ 200	\$ (15)	-7.0%
RFP Leases/Concessions/Feasibility	14	59	59	56	(3)	-5.1%
Software/Hardware Consulting	361	321	370	530	160	43.2%
Engineering Fees	477	517	770	576	(194)	-25.2%
Legal Fees	521	900	800	680	(120)	-15.0%
Legislative Fees	179	243	200	243	43	21.5%
Planning - MSP & Relievers	199	170	100	233	133	132.6%
Public Information Services	164	205	225	269	44	19.6%
Recruiting & Employment Fees & Other	20	173	100	184	84	84.1%
Mechanical Fees	189	208	210	223	13	6.0%
Wildlife/Meteorology Fees	147	152	150	154	4	2.6%
All Other Consulting Fees	814	776	861	992	131	15.2%
<b>Total Professional Services</b>	<b>\$ 3,519</b>	<b>\$ 3,938</b>	<b>\$ 4,060</b>	<b>\$ 4,339</b>	<b>\$ 279</b>	<b>6.9%</b>



The following combination of changes in Professional Services explains the increase.

**Accounting/Audit Fees** – Accounting fees are expected to decrease \$15,000 or 7.0% in the 2012 budget.

**RFP Leases/Concessions/Feasibility Studies** – Decrease of \$3,000 or 5.1% as fewer RFP's (Request for Proposal) will be issued due to lease extensions.

**Software/Hardware Consulting Fees** – Increase of \$160,000 or 43.2% from the 2011 estimate is related to expanding and configuring the EnterpriseOne software (adding new functionality as well as revision of current processes). In addition, contract assistance is needed to move the GIS system forward by incorporating integration with other systems.

**Engineering Fees** – Projected to decrease \$194,000 or 25.2%. The 2011 estimate includes write-off expenses of \$256,000 for the closure of inactive projects. An increase of \$66,000 in Environment can be attributed to addressing continuing/additional water quality, air quality, hazardous waste issues and compliance efforts along with an Environmental Compliance database for MSP and the Reliever Airports

**Legal Fees** – Projected to decrease \$120,000 or 15.0% from the 2011 estimate based upon 3-year averages.

**Legislative Fees** – Increase of \$43,000 or 21.5% for anticipated work both federally and locally during the 2012 Legislative Session.

**Planning – MSP & Relievers** – An increase of \$133,000 between estimate 2011 and 2012 budget is a result of the need to begin the next update for the Reliever Long Term Comprehensive Plans (LTCP) which are on a 5-year cycle for review. Also included in the budget is the beginning of modification work at the Crystal Airport related to its LTCP. The 2011 estimate is lower due to the current Environmental Assessment Worksheet (EAW) expenses being performed through the capital budget.

**Public Information Services** – Increase \$44,000 primarily due to digital/Web professional service needs and for consolidation of existing Web sites and redevelopment of the MAC site, [www.metroairports.org](http://www.metroairports.org), which has not been substantially improved for several years.

**Recruiting & Employment Fees and Other Human Resources** – \$84,000 or 84.1% increase in employment and recruiting fees as the estimate reflects a lower cost for turnover of senior positions. The 2012 budget includes the costs associated with the anticipated turnover.

**Mechanical Fees** – Increase \$13,000 or 6.0% for roof surveys of all MAC owned buildings.

**Wildlife/Meteorology Fees** – Increase \$4,000 or 2.6% as a result of contract increases for meteorology and the USDA Wildlife Services.

**All Other Consulting Fees** – Increase of \$131,000 or 15.2% as a result of the following:

- \$75,000 – increase for Public Affairs Economic Impact Study which was last published based on 2004 data. That economic data is out of date.
- \$34,000 - increase in Risk Management based upon a 3% increase for insurance consultants and \$20,000 for a new program that coaches employees with unique circumstances considering retirement.
- \$10,000 - increase in Labor Relations as the potential exists for collective bargaining, grievances and other labor or employee issues that lead to arbitration.

- \$15,000 - increase in Environment-General to define and scope the EMS (Environmental Management System) for MAC.
- Reductions in various other service centers.

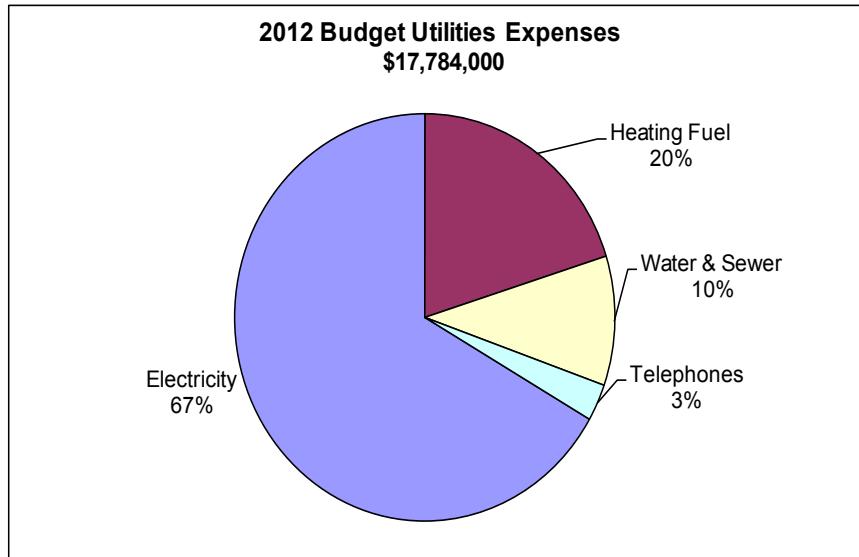


Terminal 2-Humphrey

## Utilities

Total Utilities are budgeted to increase \$594,000 or 3.5% over 2011 estimates and are explained as follows:

(\$=000)	2011 Estimate vs 2012 Budget					
	2010 <u>Actual</u>	2011 <u>Budget</u>	2011 <u>Estimate</u>	2012 <u>Budget</u>	Dollar <u>Change</u>	% <u>Change</u>
<b>Utilities</b>						
Electricity	\$10,634	\$11,195	\$11,500	\$11,860	\$360	3.1%
Heating Fuel	3,331	3,684	3,500	3,576	76	2.2%
Water & Sewer	1,757	1,804	1,700	1,828	128	7.5%
Telephones	516	520	490	520	30	6.1%
<b>Total Utilities</b>	<b>\$16,238</b>	<b>\$17,203</b>	<b>\$17,190</b>	<b>\$17,784</b>	<b>\$594</b>	<b>3.5%</b>



**Electricity** – The increase in electricity of \$360,000 or 3.1% is based upon the forecast provided by the utility company and an outside consultant. The 2012 budget includes a full year's rate increase which was set in 2011 as well as a slight increase in consumption.

**Heating Fuel** – The budget increased \$76,000 or 2.2% for natural gas and jet fuel. The 2011 budget contained \$105,000 for jet fuel which is an alternative source of energy used when Centerpoint Energy requests the Commission to move from natural gas when demand is high. In return, MAC receives a slightly discounted rate for natural gas. The budget includes a minimal amount of \$10,000 in the 2012 budget as actual jet fuel usage has not occurred in 2011. In addition, the budget represents current market conditions. Based on the uncertainty and constant fluctuations in the natural gas market, MAC locks in pricing as favorable market changes occur.

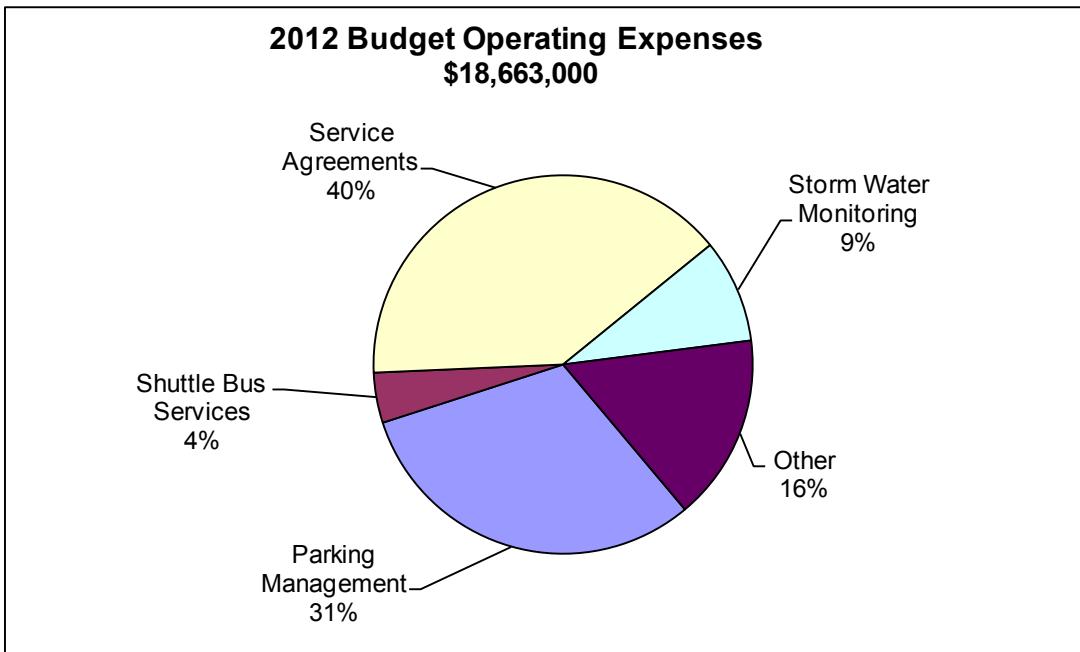
**Water & Sewer** – A projected increase of \$128,000 over 2011 estimates or 7.5% is based on consumption and rates.

**Telephones** – An increase in telephones of 6.1% or \$30,000 is a result of internet service costs.

## Operating Services

Operating Service expenses are increasing \$663,000 or 3.7%. The following chart lists the major components in this category.

	2011 Estimate vs 2012 Budget					
	(\$=000)	2010 <u>Actual</u>	2011 <u>Budget</u>	2011 <u>Estimate</u>	2012 <u>Budget</u>	Dollar <u>Change</u>
<b>Operating Services/Expenses</b>						
Parking Management	\$5,824	\$5,766	\$5,800	\$5,810	\$10	0.2%
Shuttle Bus Services	770	781	750	801	51	6.8%
Service Agreements	6,177	6,857	6,775	7,431	656	9.7%
Storm Water Monitoring	1,584	1,300	1,500	1,650	150	10.0%
Other	2,923	3,143	3,175	2,971	(204)	-6.4%
<b>Total Operating Services/Expenses</b>	<b>\$17,278</b>	<b>\$17,848</b>	<b>\$18,000</b>	<b>\$18,663</b>	<b>\$663</b>	<b>3.7%</b>



**Parking Management** – The estimate for 2011 contains a \$200,000 estimate for a contract labor settlement. This results in the 2012 budget reflecting a slight increase of 0.2% or \$10,000. The budget includes annual contract adjustments.

**Shuttle Bus** – The increase in shuttle bus services of \$51,000 or 6.8% is a result of contract Cost of Living Adjustment (COLA) and anticipated service adjustments.

**Service Agreements** – Service Agreements have increased by \$656,000 or 9.7%. This is a result of the following:

- Service – Computers increased \$410,000 primarily as a result of additional software with added maintenance and support costs along with scheduled and renewal price increases for software and hardware.
- Service – Ground Transportation Equipment – Increased \$54,000 for software enhancements and maintenance contract fees for MAC Automatic Vehicle Identification System (MAVIS) which operates employee parking, eparkElite, commercial vehicle and taxi revenue and access control.
- Service – Loading Dock decreased \$150,258 as a result of a renegotiated contract.
- Service – Other Equipment increased \$296,000. The Electricians' budget added \$100,000 for a service agreement to maintain the high voltage switchgear and Information Services increased \$171,000 for the on site contract support of MUFIDS (Multiple Users Flight Information Display) in Terminals 1 and 2 (the current contract expires in September 2011).

**Storm Water Monitoring** – The budget for storm water monitoring is based on historical amounts as well as capital improvements, which increase the amount of storm water that is collected and treated. The 2012 budget reflects an increase of \$150,000 as a result of additional monitoring and collecting of storm water associated with Runway 30R Deicing Sub Drain project.

**Other** – The budget includes a decrease of \$204,000 or 6.4% with \$100,000 related to the elimination of the incentives/marketing match for Delta Air Lines year-round service to Paris which occurred in 2011. A reduction of \$86,000 occurred in Public Affairs for Concession Marketing due to a one-time survey expense in 2011 and the hiring of a graphic designer. In addition, reductions have occurred in various service centers for cost containment.

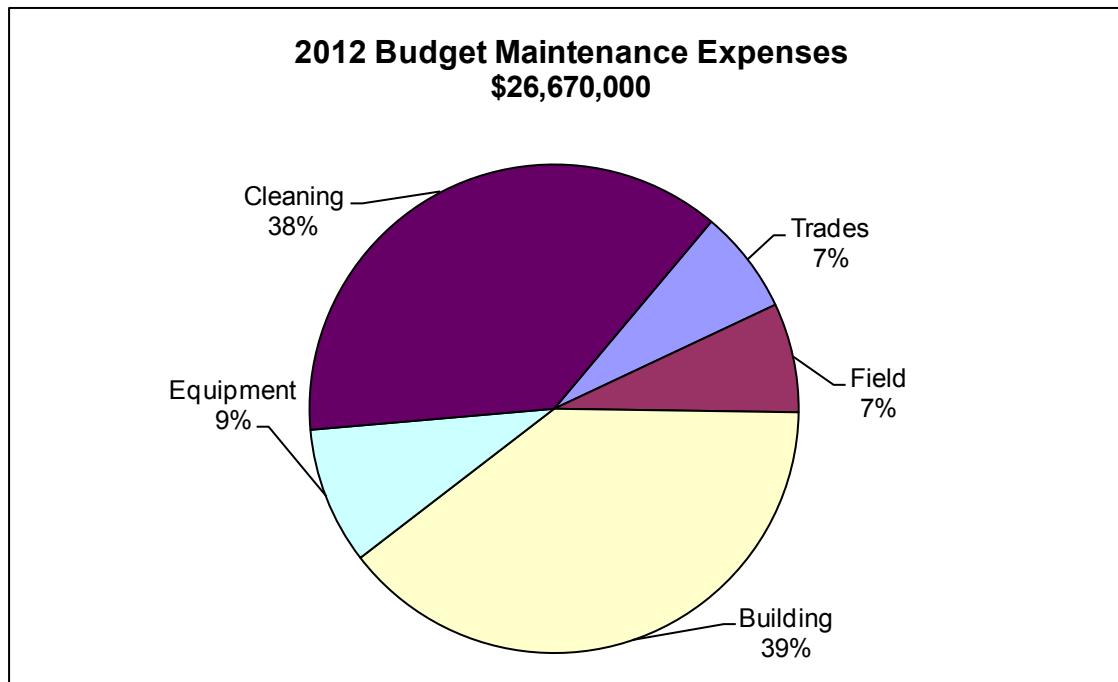


**C Concourse Moving Walks – Terminal 1-Lindbergh**

**Maintenance**

This category has five components: Trades (Painters, Carpenters, Electricians and Plumbers); Field (Snow Removal, Summer Maintenance and Landscaping); Building (Carousel/Conveyors, Elevators/Escalators, Moving Walks and Automated People Mover); Equipment (Parts, Shop Supplies and Gas); and Cleaning (Janitorial, Windows, Cleaning Supplies and Rubbish Removal). Total maintenance will decrease 0.9% or \$255,000 over 2011 estimates.

	(\$=000)		2011 Estimate vs 2012 Budget			
	2010 <u>Actual</u>	2011 <u>Budget</u>	2011 <u>Estimate</u>	2012 <u>Budget</u>	Dollar <u>Change</u>	% <u>Change</u>
<b>Maintenance</b>						
Trades	\$1,549	\$1,703	\$1,950	\$1,836	\$(-114)	-5.8%
Field	3,721	1,984	1,900	1,929	29	1.5%
Building	9,138	9,851	9,725	10,487	762	7.8%
Equipment	2,321	2,310	3,100	2,420	(680)	-21.9%
Cleaning	10,358	10,025	10,250	9,997	(253)	-2.5%
<b>Total Maintenance</b>	<b>\$27,088</b>	<b>\$25,873</b>	<b>\$26,925</b>	<b>\$26,670</b>	<b>\$ (255)</b>	<b>-0.9%</b>



**Trades** –Trades decreased \$114,000 or 5.8%. A decrease of \$90,000 in field lights and sensors expense reflects an average winter expense.

**Field** – As stated above, Field costs include Snow Removal, Summer Maintenance and Landscaping. Snow removal costs make up 85% of this \$2.0 million budget. Field maintenance expenses are budgeted for snow removal costs associated with an average winter.

**Building** – As indicated in the above table, Building expenses are forecast to increase \$762,000 or 7.8% and is due to a combination of the following:

- Decrease of \$485,000 for a one-time occurring expense due to the May power outage event.
- Increase of \$120,000 for existing temperature control contract and an additional technician for 8 hours per week as the OABA (Open Architectural Building Automation) has expanded the HVAC (Heating, Ventilating and Cooling) systems.
- The contract for the APM (Automated People Mover), escalators, moving walks and elevators increased \$917,000 in anticipation of the new contract costs along with increased scope.
- The fire control contract increased \$64,000 due to Honeywell guaranteed contract increase along with an increase in costs for parts associated with the fire alarm and sprinkler upgrades.
- Doors increased \$55,000 due to budgeting for average winter expenses and tug doors and public (non-tug) doors coming off of warranty in late 2011 (Orange Ramp, T2 Skyway, etc.).
- An \$86,000 increase in building systems for boiler chemicals, jet bridge repairs, sump/septic systems and other miscellaneous expenses are in the 2012 budget.

**Equipment** – This area is budgeted to decrease \$680,000 or 22.0% with the majority related to reduction in Field Maintenance for budgeting for an average winter in equipment parts and shop (reduction of \$251,000) and gas, primarily diesel (reduction of \$403,000). An increase of \$28,000 for shop tools in the Electrician budget is needed for the strategic placement of ladders in electrical vaults around the MSP campus increasing emergency response time and improving day-to-day efficiency. .

**Cleaning** – Cleaning expenses are budgeted to decrease \$253,000 or 2.5% and are primarily a result of a reduction in window cleaning.



*High Speed Plow in Operation at MSP International Airport*

**Other**

The Other expense category is projected to decrease \$748,000 or 21.7%. This category includes General Insurance, Minor Assets (those costing less than \$10,000) and miscellaneous items.

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

	<b>(\$=000)</b>	<b>2011 Estimate vs 2012 Budget</b>				
		<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Estimate</b>	<b>2012 Budget</b>	<b>Dollar Change</b>
<b>Other</b>						
General Insurance	\$1,772	\$1,948	\$1,850	\$1,702	\$148	-8.0%
Minor Equipment	308	724	600	480	(120)	-20.0%
Other	503	454	1,000	520	(480)	-48.0%
<b>Total Other</b>	<b>\$2,583</b>	<b>\$3,126</b>	<b>\$3,450</b>	<b>\$2,702</b>	<b>\$748</b>	<b>-21.7%</b>

**General Insurance** – General Insurance has decreased \$148,000 or 8.0%. The insurance market is based upon factors worldwide (losses under the deductible, litigation costs, history of cost and inflationary factors). Although the premium increased 5%, lower claims will cost less due to continued positive claims experience.

**Minor Equipment** – Minor Equipment (items under \$10,000) has decreased \$120,000 or 20.0%. All categories of minor equipment (tools, office furniture, computer and radio) are budgeted lower in 2012 when compared to the 2011 estimate and 2011 budget.

**Other** - Other expenses are decreasing by \$480,000 or 48.0% with the majority of the decrease related to a one-time occurring expense in 2011 for the airline incentive of providing new service. Also, a decrease of \$47,000 is budgeted for petroleum taxes due to less diesel fuel consumption. Other expenses include an increase of \$52,000 related to safety supplies/equipment in the Electricians budget for high voltage safety equipment (basic hand tool sets rated for 1000 volts, high voltage glove kits, hot sticks, etc).



**Terminal 2-Humphrey Facility**

	Total	Terminal 1	Terminal 1 Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>Personnel</b>									
<b>Wages</b>									
Regular	41,099,208	732,119	-	1,232,688	-	-	-	1,455,497	-
<b>Overtime/Doubletime</b>									
Doubletime - Regular	1,395,678	-	-	56,157	-	-	-	-	-
Overtime - Regular	1,881,872	7,943	-	23,298	-	-	-	29,463	-
<b>Total Overtime/Doubletime</b>	<b>3,277,551</b>	<b>7,943</b>	<b>-</b>	<b>79,455</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,463</b>	<b>-</b>
Commissioner Per Diem	15,000	-	-	-	-	-	-	-	-
Temps - Agency	16,640	-	-	-	-	-	-	-	-
Temps - Non Agency	2,303,333	53,298	-	-	-	136,168	-	147,452	-
<b>Total Wages</b>	<b>46,711,732</b>	<b>793,361</b>	<b>-</b>	<b>1,312,143</b>	<b>-</b>	<b>136,168</b>	<b>-</b>	<b>1,632,412</b>	<b>-</b>
<b>Benefits</b>									
<b>Employee Insurance</b>									
Employee Insurance Dental	472,362	7,993	-	14,387	-	-	-	20,781	-
Employee Insurance Disability	161,255	2,729	-	4,911	-	-	-	7,094	-
Employee Insurance Life	92,732	1,460	-	2,635	-	-	-	3,082	-
Employee Insurance Medical	4,674,132	79,088	-	142,359	-	-	-	205,630	-
Employee Insurance Retiree	2,625,001	60,364	-	82,232	-	-	-	103,644	-
<b>Total Employee Insurance</b>	<b>8,025,482</b>	<b>151,633</b>	<b>-</b>	<b>246,524</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>340,230</b>	<b>-</b>
<b>Pension</b>									
Fica (Social Security)Base	2,074,604	45,570	-	77,669	-	8,442	-	95,359	-
Fica(Social Security)Medic	642,829	10,838	-	18,373	-	1,702	-	22,491	-
Mpls Empl Retirement Fund	48,851	-	-	-	-	-	-	-	-
Public Empl - Coordinated	2,414,990	52,806	-	95,130	-	-	-	107,490	-
Public Empl - Police/Fire	1,530,529	-	-	-	-	-	-	-	-
Merf Unfunded Liability	1,977,501	89,886	-	38,523	-	-	-	12,841	-
<b>Total Pension</b>	<b>8,689,304</b>	<b>199,100</b>	<b>-</b>	<b>229,695</b>	<b>-</b>	<b>10,144</b>	<b>-</b>	<b>238,182</b>	<b>-</b>
<b>Training</b>									
Continuing Ed (College)	52,000	-	-	-	-	-	-	-	-
Executive Leadership Train	20,000	-	-	-	-	-	-	-	-
Management Requirement	9,233	-	-	-	-	-	-	-	-
Organizational Requirement	45,600	-	-	-	-	-	-	-	-
Regulatory Requirements	67,887	-	-	-	-	-	-	-	-
Local Seminars	78,420	-	-	159	-	-	-	9,869	-
<b>Total Training</b>	<b>273,140</b>	<b>-</b>	<b>-</b>	<b>159</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,869</b>	<b>-</b>
<b>Post Retirement Benefits</b>									
Workers Compensation	2,351,999	31,987	-	61,387	-	-	-	63,974	-
Post Employ Health Plan	537,090	12,836	-	15,630	-	-	-	26,640	-
Flex Spending	234,356	3,964	-	1,259	-	-	-	9,085	-
Unemployment Tax	17,500	-	-	-	-	17,500	-	-	-
<b>Uniforms</b>	<b>83,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Uniforms-Police/Fire Allow	147,940	-	-	-	-	-	-	-	-
Uniforms-Rental	80,806	700	-	3,679	-	-	-	4,190	-
Uniforms - Safety	27,506	300	-	1,291	-	-	-	-	-
<b>Total Uniforms</b>	<b>256,252</b>	<b>1,000</b>	<b>-</b>	<b>4,970</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,190</b>	<b>-</b>
<b>Severance</b>									
Contract Allowance	12,000	-	-	-	-	-	-	-	-
Regular Severance	265,383	3,100	-	5,950	-	-	-	9,525	-
<b>Total Severance</b>	<b>277,383</b>	<b>3,100</b>	<b>-</b>	<b>5,950</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,525</b>	<b>-</b>
Trade Union Benefits	675,682	-	-	-	-	-	-	-	-
<b>Total Benefits</b>	<b>21,421,187</b>	<b>403,621</b>	<b>-</b>	<b>565,573</b>	<b>-</b>	<b>27,644</b>	<b>-</b>	<b>701,696</b>	<b>-</b>
<b>Total Personnel</b>	<b>68,132,919</b>	<b>1,196,981</b>	<b>-</b>	<b>1,877,717</b>	<b>-</b>	<b>163,812</b>	<b>-</b>	<b>2,334,108</b>	<b>-</b>

	Total	Terminal 1	Terminal 1 Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>Administrative Expenses</b>									
<b>Supplies</b>									
Office Supplies Materials	125,266	2,040	-	1,655	-	4,300	-	11,626	-
<b>Computer Supplies</b>									
Computer Supplies-General	23,544	106	-	421	-	-	-	-	-
Computer Supplies-Software	227,035	-	-	-	-	-	-	-	1,965
Computer - Tools	350	-	-	-	-	-	-	-	-
<b>Total Computer Supplies</b>	<b>250,929</b>	<b>106</b>	<b>-</b>	<b>421</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,965</b>
<b>Special Supplies</b>									
Special Supplies-Badging	92,700	-	-	-	-	-	-	-	-
Special Supply-Film/Photo	17,993	-	-	-	-	-	-	-	-
Special Supplies-Other	58,556	-	-	1,444	-	500	-	-	-
<b>Total Special Supplies</b>	<b>169,249</b>	<b>-</b>	<b>-</b>	<b>1,444</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Supplies</b>	<b>545,444</b>	<b>2,146</b>	<b>-</b>	<b>3,520</b>	<b>-</b>	<b>4,800</b>	<b>-</b>	<b>11,626</b>	<b>1,965</b>
<b>Travel</b>									
Travel - Lodging	70,957	816	-	-	-	6,842	-	5,401	-
Travel - Meals	14,697	122	-	-	-	1,020	-	825	-
Travel - Miscellaneous	1,078	-	-	-	-	-	-	-	-
<b>Travel - Transportation</b>									
Travel - Transport/Airfare	87,167	301	-	-	-	4,594	-	2,948	-
Travel - Shuttle/Taxi/Auto	5,319	-	-	-	-	-	-	511	-
<b>Total Travel - Transportation</b>	<b>92,486</b>	<b>301</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,594</b>	<b>-</b>	<b>3,459</b>	<b>-</b>
Registration Fees	55,107	-	-	-	-	4,100	-	3,538	-
Mileage	39,700	240	-	-	-	-	-	-	-
<b>Total Travel</b>	<b>274,025</b>	<b>1,479</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,556</b>	<b>-</b>	<b>13,223</b>	<b>-</b>
<b>Other Administrative Expense</b>									
<b>Local Meetings</b>									
Local Mtgs - Off Airport	13,278	255	-	-	-	-	-	98	-
Local Mtgs - On Airport/GO	11,612	255	-	-	-	200	-	-	98
<b>Total Local Meetings</b>	<b>24,890</b>	<b>510</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>200</b>	<b>-</b>	<b>98</b>	<b>98</b>
<b>Information Sources</b>									
Memberships/Dues/Pro Assoc	223,775	444	-	-	-	225	-	1,932	-
Other Information Sources	98,167	-	-	-	-	-	-	-	-
Publications/Subscriptions	41,000	300	-	-	-	60	-	-	-
<b>Total Information Sources</b>	<b>362,942</b>	<b>744</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>285</b>	<b>-</b>	<b>1,932</b>	<b>-</b>
<b>Printing Costs</b>									
Printing-Publications	59,988	-	-	-	-	-	-	-	-
Printing - Color Charts	7,000	-	-	-	-	-	-	-	-
Printing - Forms	33,120	-	-	-	-	-	-	28,208	-
Printing-Stationary/Envel	10,571	-	-	-	-	-	-	-	-
<b>Total Printing Costs</b>	<b>110,679</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,208</b>	<b>-</b>
Delivery Services	8,431	-	-	164	-	-	-	-	-
Freight Charges	1,875	-	-	-	-	-	-	-	-
Postage	43,892	-	-	-	-	-	-	5,542	-
<b>Total Other Administrative Expense</b>	<b>552,710</b>	<b>1,254</b>	<b>-</b>	<b>164</b>	<b>-</b>	<b>485</b>	<b>-</b>	<b>35,780</b>	<b>98</b>
<b>Total Administrative Expenses</b>	<b>1,372,179</b>	<b>4,879</b>	<b>-</b>	<b>3,684</b>	<b>-</b>	<b>21,841</b>	<b>-</b>	<b>60,629</b>	<b>2,063</b>

	Total	Terminal 1	Terminal 1 Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>Professional Services</b>									
Accounting/Audit Fees	200,000	-	-	-	-	-	-	-	-
Affirmative Action Fees	10,000	-	-	-	-	-	-	-	-
<b>RFP/Leases</b>	28,000	-	-	-	-	-	-	-	-
<b>Concept Develop/Feasible</b>	28,000	-	-	-	-	-	-	-	-
Economic Impact Study	75,000	-	-	-	-	-	-	-	-
<b>Computer Services</b>									
<b>General</b>									
ANOMS Consulting	103,500	-	-	-	-	-	-	-	-
Software Consulting	426,500	-	-	-	-	-	-	-	-
<b>Total General</b>	530,000	-	-	-	-	-	-	-	-
<b>Total Computer Services</b>	530,000	-	-	-	-	-	-	-	-
Engineering Fees	576,119	30,000	-	42,141	-	350,000	-	-	-
Insurance Consultants	169,000	-	-	-	-	-	-	-	-
Labor Relations	10,000	-	-	-	-	-	-	-	-
<b>Legal Fees</b>									
Legal - Environmental	120,000	-	-	-	-	-	-	-	-
Legal - General	495,000	-	-	-	-	-	-	-	-
Legal - Relievers	65,000	-	-	-	-	-	-	-	-
<b>Total Legal Fees</b>	680,000	-	-	-	-	-	-	-	-
<b>Legislative</b>									
Legislative - Local	90,000	-	-	-	-	-	-	-	-
Legislative - National	153,000	-	-	-	-	-	-	-	-
<b>Total Legislative</b>	243,000	-	-	-	-	-	-	-	-
Medical Fees	43,074	-	-	-	-	-	-	-	-
<b>Planning</b>	232,554	-	-	-	-	37,554	-	-	-
Pollution/Environmental Fees	11,980	-	-	-	-	4,000	-	-	-
<b>Public Information Services</b>									
Public Infor Serv. - Pho	10,000	-	-	-	-	-	-	-	-
Public Infor Serv. - Web	50,000	-	-	-	-	-	-	-	-
Public Infor Serv. - Other	208,995	-	-	-	-	-	-	-	-
<b>Total Public Information Services</b>	268,995	-	-	-	-	-	-	-	-
<b>Recruiting Employment Fees</b>									
Executive Recruiting	75,000	-	-	-	-	-	-	-	-
<b>Total Recruiting Employment Fees</b>	131,000	-	-	-	-	-	-	-	-
<b>Safety Consultants</b>									
Safety - Training	26,323	-	-	-	-	-	-	-	-
Safety - General	3,500	-	-	-	-	-	-	-	-
<b>Total Safety Consultants</b>	29,823	-	-	-	-	-	-	-	-
Communications Consultant	50,000	-	-	-	-	-	-	-	-
<b>Other/Miscellaneous</b>									
Survey Expense	12,000	-	-	-	-	-	-	-	-
<b>Wildlife/Meteorology</b>									
Meteorology	17,000	-	-	-	-	-	-	-	-
Wildlife	136,860	-	-	-	-	-	-	-	-
<b>Total Wildlife/Meteorology</b>	153,860	-	-	-	-	-	-	-	-
Business Development	130,000	-	-	-	-	-	-	-	-
Environmental	45,400	-	-	-	-	-	-	-	-
<b>Mechanical</b>									
Mechanical Terminal	183,708	146,966	-	-	-	-	-	-	-
Mechanical Trades	38,931	-	-	-	-	-	-	-	-
<b>Total Mechanical</b>	222,639	146,966	-	-	-	-	-	-	-
Miscellaneous	371,408	-	-	-	-	14,500	-	10,000	-
<b>Total Other/Miscellaneous</b>	1,022,667	146,966	-	-	-	14,500	-	10,000	-
<b>Total Professional Services</b>	4,339,212	176,966	-	42,141	-	406,054	-	10,000	-
<b>Utilities</b>									
Electricity	11,860,142	7,162,717	-	-	-	750,930	-	851,278	713,576
<b>Heating Fuel</b>									
Heating - Natural Gas	3,566,478	325,848	-	2,243,028	-	87,989	-	28,556	-
Heating - Fuel Oil	10,000	-	-	10,000	-	-	-	-	-
<b>Total Heating Fuel</b>	3,576,478	325,848	-	2,253,028	-	87,989	-	28,556	-
Sewer	807,540	176,109	-	27,013	-	36,845	9	12	3,456
Water	1,019,961	289,554	-	85,347	-	14,470	-	14,889	10,040
<b>Telephone</b>									
Telephone - Regular	253,901	-	-	-	-	-	-	-	-
Telephone - Internet Service	104,915	-	-	-	-	-	-	-	-
Telephone - Cellular	160,994	5,619	-	3,304	-	7,800	-	6,471	-
<b>Total Telephone</b>	519,810	5,619	-	3,304	-	7,800	-	6,471	-
<b>Total Utilities</b>	17,783,931	7,959,847	-	2,368,692	-	898,034	9	901,206	727,072

	Total	Terminal 1	Terminal 1 Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b><u>Operating Services/Expenses</u></b>									
<b>Advertising</b>									
Advertising - Employment	3,173	-	-	-	-	-	-	-	-
<b>Advertising - General</b>	84,056	-	-	-	-	-	-	-	-
Advertising - Parking	350,823	-	-	-	-	-	-	350,823	
Advertising - Relievers	6,120	-	-	-	-	-	-	-	-
<b>Total Advertising</b>	444,172	-	-	-	-	-	-	-	350,823
<b>Environmental Control</b>									
<b>Hazardous Waste</b>									
Hazardous Waste - FLooresc	10,200	-	-	-	-	-	-	-	-
Hazardous Waste - General	4,200	-	-	-	-	-	-	-	-
<b>Total Hazardous Waste</b>	14,400	-	-	-	-	-	-	-	-
<b>Pollution Control</b>									
Pollution Ctrl-Booms	15,300	-	-	-	-	-	-	-	-
Pollution Ctrl-Corn Cobs	6,000	-	-	-	-	-	-	-	-
<b>Total Pollution Control</b>	21,300	-	-	-	-	-	-	-	-
Industrial Waste Mgmt	6,250	1,250	-	-	-	5,000	-	-	-
Laboratory Services	2,500	-	-	-	-	-	-	-	-
Solvent Reclamation Service	14,754	-	-	517	-	-	-	-	-
Tire Disposal	400	-	-	-	-	-	-	-	-
Other	128,970	-	-	-	-	1,000	-	-	-
<b>Total Environmental Control</b>	188,574	1,250	-	517	-	6,000	-	-	-
GISW Management	1,650,000	-	-	-	-	1,650,000	-	-	-
<b>Grd Transportation Services</b>	16,512	-	-	-	-	-	16,512	-	-
<b>Shuttle Services</b>	800,883	328,362	-	-	-	-	-	312,344	-
<b>Parking Lots</b>	5,810,385	-	-	-	-	-	-	-	5,810,385
<b>Met Council Fees</b>	183,001	-	-	-	-	183,001	-	-	-
<b>Employee Programs</b>									
<b>Recognition</b>	9,000	-	-	-	-	-	-	-	-
<b>Retirement</b>	1,200	-	-	-	-	-	-	-	-
<b>Wellness</b>									
Wellness - Fitness Program	124,260	-	-	-	-	-	-	-	-
Wellness-Health/Wellness	500	-	-	-	-	-	-	-	-
Wellness-Nutrition/Stress	6,464	-	-	-	-	-	-	-	-
<b>Total Wellness</b>	131,224	-	-	-	-	-	-	-	-
<b>Total Employee Programs</b>	141,424	-	-	-	-	-	-	-	-
<b>Events</b>									
<b>Conference Center</b>	35,000	-	-	-	-	-	-	-	-
<b>Emergency Response Exercise</b>	18,103	-	-	-	-	650	-	-	-
Other Programs/Events	1,115	-	-	-	-	-	-	-	-
Call Back Service	7,200	-	-	-	-	7,200	-	-	-
Major Events-Conventions	10,000	-	-	-	-	-	-	-	-
<b>Total Events</b>	71,418	-	-	-	-	7,850	-	-	-
<b>Other Charges/Fees</b>									
Bank Charges	393,695	-	-	-	-	750	-	-	218,945
IATA Contract Expense	70,000	-	-	-	-	-	-	-	-
<b>Security Services Regular</b>	527,976	-	-	-	-	-	-	-	-
Security Services Check Pt	250,000	-	-	-	-	250,000	-	-	-
Concessions Marketing	455,500	-	-	-	-	-	-	-	-
<b>Recycling</b>	500	-	-	-	-	-	-	-	-
<b>Recycling - Sand</b>	5,000	-	-	-	-	5,000	-	-	-
<b>Copy Agreement</b>	116,387	-	-	-	-	-	-	-	-
Mediation Fees	2,200	-	-	-	-	-	-	-	-
<b>Miscellaneous Charges/Fees</b>	92,351	-	-	-	-	-	-	36,654	889
Jail Fees	12,000	-	-	-	-	-	-	-	-
<b>Total Other Charges/Fees</b>	1,925,609	-	-	-	-	255,750	-	36,654	219,834
<b>Service Agreements</b>									
Service - Bldg Inspection	18,000	18,000	-	-	-	-	-	-	-
Service-Computers	2,328,782	320,126	-	8,900	-	94,800	-	-	193,498
Service-Fitness Equipment	4,500	-	-	-	-	-	-	-	-
Service-Grd Trans Equip	254,014	-	-	-	-	-	-	254,014	-
Service-Loading Dock	1,988,201	1,930,655	-	-	-	-	-	-	-
Service-Office Equipment	34,971	-	-	-	-	600	-	-	-
Service-Other Equipment	1,623,875	421,600	303,000	-	-	700	-	-	-
Service-Parking Equipment	669,084	-	-	-	-	-	-	-	669,084
Service-Telephone Systems	63,699	-	-	-	-	-	-	-	-
Service-Secured Access	206,494	-	-	-	-	206,494	-	-	-
Service-Radios	239,246	321	-	-	-	46,403	-	445	-
<b>Total Service Agreements</b>	7,430,866	2,690,702	303,000	8,900	-	348,997	-	254,459	862,582
<b>Total Operating Services/Expenses</b>	18,662,844	3,020,314	303,000	9,417	-	2,451,598	-	619,969	7,243,624

	Total	Terminal 1	Terminal 1 Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>Maintenance</b>									
<b>Trades - Painters</b>									
Paint									
Equipment - Paint	9,019	1,455	-	1,464	-	-	-	-	-
Exterior - Paint	14,924	3,518	-	-	-	-	-	-	1,643
Interior - Paint	14,477	10,969	-	645	-	-	-	-	-
Traffic Paint - Parking	9,000	-	-	-	-	-	-	-	9,000
Reliever Airport - Paint	4,500	-	-	-	-	-	-	-	-
Traffic Paint - Roads	4,299	-	-	-	-	-	-	-	-
Traffic Paint - Runways	92,417	-	-	-	-	90,112	-	-	-
<b>Total Paint</b>	<b>148,636</b>	<b>15,942</b>	<b>-</b>	<b>2,109</b>	<b>-</b>	<b>90,112</b>	<b>-</b>	<b>-</b>	<b>10,643</b>
<b>Signs</b>									
Exterior Sign Materials	9,974	-	-	-	-	-	-	-	-
Interior Sign Materials	14,525	6,487	-	-	-	-	-	-	-
Reliever Airport Signs	4,500	-	-	-	-	-	-	-	-
<b>Total Signs</b>	<b>28,999</b>	<b>6,487</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Supplies</b>									
Brushes -Supplies	292	-	-	-	-	-	-	-	-
Solvents	1,530	-	-	-	-	-	-	-	-
Equipment Spray	6,429	-	-	-	-	-	-	-	-
Paint Tools	11,075	-	-	-	-	-	-	-	-
<b>Total Supplies</b>	<b>19,326</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Trades - Painters</b>	<b>196,961</b>	<b>22,429</b>	<b>-</b>	<b>2,109</b>	<b>-</b>	<b>90,112</b>	<b>-</b>	<b>-</b>	<b>10,643</b>
<b>Trades - Carpenters</b>									
Locks									
Locks - Doors	112,260	71,638	-	-	-	-	-	-	-
Locks - Door Tags/ID	500	500	-	-	-	-	-	-	-
<b>Total Locks</b>	<b>112,760</b>	<b>72,138</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Flags	622	-	-	-	-	-	-	-	-
<b>Lumber</b>									
Lumber-Cabinets	19,278	19,278	-	-	-	-	-	-	-
Lumber-Furniture	3,957	3,657	-	-	-	-	-	-	-
Lumber-Remodeling	3,000	-	-	-	-	-	-	-	-
<b>Total Lumber</b>	<b>26,235</b>	<b>22,935</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other</b>									
Other - Attic Stock	5,000	5,000	-	-	-	-	-	-	-
Other - Ceilings	2,839	1,000	-	-	-	-	-	-	-
Other - Ceramics	3,030	2,000	-	-	-	-	-	-	-
Other - Doors	8,000	3,500	-	-	-	-	-	-	-
Other - Floor Coverings	67,359	50,829	-	-	-	-	-	-	-
Other - Hardware	8,000	1,000	-	-	-	-	-	-	-
Other - Miscellaneous	3,088	-	-	-	-	-	-	-	-
Other - Auto Door Supplis RPL	6,500	4,500	-	-	-	-	-	-	-
Other - Saw Blades	150	150	-	-	-	-	-	-	-
Other - Screws/Bolts	8,000	-	-	-	-	-	-	-	-
Other - Seating Replacement	18,000	15,000	-	-	-	-	-	-	-
Other - Tools	2,490	1,940	-	-	-	-	-	-	-
Other - Tug Door Repairs	3,600	3,100	-	-	-	-	-	-	-
Other - Tug Drive Floor Maint.	5,000	5,000	-	-	-	-	-	-	-
Other - Wall Protection	1,250	-	-	-	-	-	-	-	-
<b>Total Other</b>	<b>142,306</b>	<b>93,019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Trades - Carpenters</b>	<b>281,923</b>	<b>188,092</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Total	Terminal 1	Terminal 1 Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>Trades - Plumbers</b>									
Contractor Requirements	3,000	-	-	-	-	-	-	-	-
Fire Protection System	95,996	32,532	-	2,657	-	6,200	-	-	-
General Plumbing Supplies	71,800	30,000	-	1,000	-	-	-	-	-
Irrigation Supplies	11,500	-	-	-	-	-	-	3,000	-
Pumps	7,000	3,000	-	-	-	3,000	-	-	-
Underground Utilities	1,500	1,500	-	-	-	-	-	-	-
Water Distribution Systems	11,000	4,000	-	-	-	-	-	-	-
Water Meters	5,500	-	-	-	-	3,000	-	-	-
<b>Total Trades - Plumbers</b>	<b>207,296</b>	<b>71,032</b>		<b>3,657</b>		<b>12,200</b>		<b>3,000</b>	
<b>Trades - Electricians</b>									
Repairs									
Electrical _ Exterior	18,108	-	-	-	-	-	-	-	-
Generator Maint. Contract	41,400	37,000	-	-	-	-	-	-	-
Electrical - Interior	20,000	20,000	-	-	-	-	-	-	-
Unit Maint. Contract	375,000	75,000	-	-	-	250,000	-	-	-
Unit Maint Supplies	15,000	-	-	-	-	-	-	-	-
<b>Total Repairs</b>	<b>469,508</b>	<b>132,000</b>				<b>250,000</b>			
Other									
Other - Batteries	10,000	-	-	-	-	-	-	-	-
Other-Field Lights/Sensors	247,000	-	-	-	-	220,000	-	-	-
Other - Gate Supplies	29,047	-	-	-	-	9,547	-	-	-
Other - General Supplies	378,600	92,000	-	5,000	100	-	-	400	170,000
Other - Motor	16,100	12,600	-	-	-	-	-	-	-
<b>Total Other</b>	<b>680,747</b>	<b>104,600</b>		<b>5,000</b>	<b>100</b>	<b>229,547</b>		<b>400</b>	<b>170,000</b>
<b>Total Trades - Electricians</b>	<b>1,150,255</b>	<b>236,600</b>		<b>5,000</b>	<b>100</b>	<b>479,547</b>		<b>400</b>	<b>170,000</b>

	Total	Terminal 1	Terminal 1 Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>Maintenance - Field</b>									
<b>Snow Removal - Materials</b>									
Materials - Sodium Acetate	20,000	-	-	-	-	20,000	-	-	-
Materials-Liquid Anti Icer	615,000	-	-	-	15,000	600,000	-	-	-
Materials-Other Ice Ctrl	3,350	-	-	-	-	-	-	-	750
Materials - Salt	50,093	-	-	-	-	-	-	20,000	-
Materials - Sand	95,860	-	-	-	-	70,000	-	-	-
Materials - Urea	8,521	-	-	-	-	-	-	-	-
<b>Total Snow Removal - Materials</b>	<b>792,824</b>	-	-	-	15,000	690,000	-	20,000	750
<b>Snow Removal - Equipment</b>									
Equipment - Contract	565,000	-	-	-	-	-	-	-	520,000
Equipment - Other	7,000	-	-	-	-	7,000	-	-	-
Equip Rent-No Operator-5.5	37,200	-	-	-	-	32,000	-	-	-
Equipment-Rent-No Operator	18,539	-	-	-	-	10,500	-	-	-
<b>Total Snow Removal - Equipment</b>	<b>627,739</b>	-	-	-	-	49,500	-	-	520,000
<b>Snow Removal - Miscellan</b>									
Snow Removal - Meals	42,769	-	-	-	-	42,000	-	-	-
Snow Removal - Plow Blades	17,000	-	-	-	-	17,000	-	-	-
Snow Removal - Runway Brm	102,000	-	-	-	-	60,000	-	-	40,000
Snow Melters	55,000	-	-	-	-	25,000	-	-	15,000
<b>Total Snow Removal - Miscellan</b>	<b>216,769</b>	-	-	-	-	144,000	-	-	55,000
<b>Summer Maintenance-Surface</b>									
Surface Repair-Aggregate	5,489	-	-	-	-	-	-	-	-
Surface Repair-Asphalt	33,006	-	-	-	2,000	15,000	-	5,000	-
Surface Repair-Cement	2,750	-	-	-	1,000	1,200	-	-	-
Surface Repair-Other	2,500	-	-	-	-	2,500	-	-	-
Surface Rubber Removal	47,300	-	-	-	-	40,000	-	-	-
Surface Repair-Saw Blades	2,000	-	-	-	-	2,000	-	-	-
Surface Repair-Hot Sealant	25,000	-	-	-	-	25,000	-	-	-
<b>Total Summer Maintenance-Surface</b>	<b>118,045</b>	-	-	-	3,000	85,700	-	5,000	-
<b>Summer Maint-Landscape</b>									
Summer Maintenance-Fencing	11,486	-	-	-	-	5,000	-	-	-
Landscape/Turf-Materials	61,675	-	-	-	-	2,000	-	35,000	-
Summer Maint-Equip Rent No Op	26,500	-	-	-	-	6,500	-	-	-
Summer Maint-Equip Rent LT	25,400	-	-	-	-	-	-	-	-
<b>Total Summer Maint-Landscape</b>	<b>125,061</b>	-	-	-	-	13,500	-	35,000	-
<b>Maintenance Field-Other</b>									
Field Maint-Other-Garbage	5,000	-	-	-	-	-	-	-	-
Non Runway Brooms	20,000	-	-	-	-	-	-	20,000	-
Field Maint-Other-Material	3,600	-	-	-	-	1,600	-	-	1,000
Field Maint-Other-Supplies	14,335	-	-	-	-	9,655	-	-	-
Field Maint-Other-Tools	6,000	-	-	-	-	2,000	-	500	-
<b>Total Maintenance Field-Other</b>	<b>48,935</b>	-	-	-	-	13,255	-	20,500	1,000
<b>Total Maintenance - Field</b>	<b>1,929,373</b>	-	-	-	18,000	995,955	-	80,500	576,750
<b>Maintenance Building</b>									
<b>Building-Temp Control</b>									
Temp Control-Contracts	700,184	357,065	-	133,413	-	1,739	-	8,288	67,659
Temp Control-Filters	116,402	86,772	-	3,392	-	-	-	-	-
Fire Control Contract	371,066	316,315	-	-	-	-	-	-	-
<b>Total Building-Temp Control</b>	<b>1,187,652</b>	<b>760,152</b>	-	<b>136,805</b>	-	<b>1,739</b>	-	<b>8,288</b>	<b>67,659</b>
<b>Building-Mechanical Areas</b>									
Mechanical Areas-APM	5,445,763	3,812,034	-	-	-	-	-	1,361,441	272,288
Mechanical Areas-Conveyors	403,431	262,230	40,343	-	-	-	-	-	-
Mechanical Areas-Doors	11,330	-	-	-	-	-	-	-	-
Mechanical Areas-Doors/Pub	27,500	25,000	-	-	-	-	-	-	-
Mechanical Areas-Doors/Tug	140,000	140,000	-	-	-	-	-	-	-
Mechanical Areas-Elevators	602,762	536,838	-	-	-	-	-	-	-
Mechanical Areas-Escalator	835,081	751,573	-	-	-	-	-	-	-
Mechanical-Moving Walks	954,378	930,519	-	-	-	-	-	-	-
Mechanical Areas-Other	21,700	18,200	-	-	-	-	-	-	-
<b>Total Building-Mechanical Areas</b>	<b>8,441,945</b>	<b>6,476,394</b>	<b>40,343</b>	-	-	-	-	<b>1,361,441</b>	<b>272,288</b>
<b>Building-Other</b>									
Other-Building Systems	107,700	-	-	-	-	-	-	-	-
Other-Boiler Chemicals	74,249	5,683	-	62,963	-	-	-	-	-
Other-Floors/Repairs	1,500	-	-	-	-	-	-	-	-
Other-Jetbridge Repairs	220,000	-	-	-	-	-	-	-	-
Other-Outside Plumb/Sewer	6,000	-	-	-	-	-	-	-	-
Other-Paging System Contract	50,000	50,000	-	-	-	-	-	-	-
Other-Pest Control	227,000	227,000	-	-	-	-	-	-	-
Other-Roofing	14,825	10,000	-	-	-	-	-	-	-
Sump/Septic Pumping	65,500	-	-	-	-	-	-	-	-
Other-Supplies	23,746	1,212	-	5,703	-	-	-	-	-
Other-Tools	6,279	-	-	4,279	-	-	-	-	-
<b>Total Building-Other</b>	<b>796,799</b>	<b>293,895</b>	-	<b>72,945</b>	-	-	-	-	-
Minor Projects Expense	61,000	60,000	-	-	-	-	-	-	-
<b>Total Maintenance Building</b>	<b>10,487,396</b>	<b>7,590,441</b>	<b>40,343</b>	<b>209,750</b>	-	<b>1,739</b>	-	<b>1,369,729</b>	<b>339,947</b>

	Total	Terminal 1	Terminal 1 Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>Maintenance-Cleaning</b>									
<b>Cleaning Services</b>									
Cleaning Services-Janitor	7,565,949	5,347,744	136,784	-	-	-	-	-	154,666
Cleaning Services-Windows	971,650	608,776	15,493	-	-	-	-	-	129,194
<b>Total Cleaning Services</b>	<b>8,537,599</b>	<b>5,956,520</b>	<b>152,277</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>283,860</b>
<b>Cleaning Supplies</b>									
Cleaning Supplies-Bathroom	726,000	675,000	-	-	-	-	-	-	-
Cleaning Supplies-General	65,239	60,000	-	-	-	-	-	-	-
<b>Total Cleaning Supplies</b>	<b>791,239</b>	<b>735,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Rubbish Disposal</b>									
Rubbish Disposal-Recycle	24,000	24,000	-	-	-	-	-	-	-
Rubbish Disposal-Regular	633,800	600,000	-	-	-	-	-	-	-
<b>Total Rubbish Disposal</b>	<b>657,800</b>	<b>624,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Towel Laundry Services	6,827	-	-	-	-	-	-	-	-
Other Cleaning Expenses	3,925	-	-	-	-	-	-	-	-
<b>Total Maintenance-Cleaning</b>	<b>9,997,390</b>	<b>7,315,520</b>	<b>152,277</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>283,860</b>
<b>Maintenance-Equipment</b>									
<b>Equipment-Parts</b>									
Parts-Automobiles	108,056	-	-	-	-	-	-	-	-
Parts-Boilers Energy Mgmt	113,368	24,891	-	80,861	-	-	-	-	-
Parts-Chiller Energy Mgmt	117,257	24,871	-	59,291	-	-	-	28	-
Parts-Other Equipment	47,698	47,698	-	-	-	-	-	-	-
Parts-Equipment	661,467	-	-	-	-	-	-	-	203,617
Parts-Other Equipment	31,690	4,221	750	10,458	-	11,000	-	-	203,617
<b>Total Equipment-Parts</b>	<b>1,079,536</b>	<b>101,681</b>	<b>750</b>	<b>150,610</b>	<b>-</b>	<b>11,000</b>	<b>-</b>	<b>28</b>	<b>203,617</b>
<b>Equipment-Shop</b>									
Shop-Batteries	18,161	-	-	-	-	-	-	-	-
Shop-Cleaners/Degreasers	24,000	-	-	-	-	-	-	-	4,000
Shop-Oil Filters	86,720	-	-	-	-	-	-	-	-
Shop-Other Supplies	44,588	-	-	4,795	-	-	-	-	-
Shop-Tires	75,239	-	-	-	-	-	-	-	-
Shop - Tool Crib	30,000	-	-	-	-	-	-	-	-
Shop-Tools	45,636	-	-	33	-	-	-	-	-
Shop - Weld Shop	10,000	-	-	-	-	-	-	-	-
<b>Total Equipment-Shop</b>	<b>334,344</b>	<b>-</b>	<b>-</b>	<b>4,828</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,000</b>
<b>Equipment-Gas</b>									
Gas-Diesel	558,877	-	-	-	-	-	-	-	-
Gas-Ethanol	76,206	-	-	2,871	-	-	-	-	14,007
Gas-Propane	5,100	-	-	-	-	-	-	-	-
Gas-Unleaded	301,627	422	-	3,200	-	62	-	-	4,483
<b>Total Equipment-Gas</b>	<b>941,810</b>	<b>422</b>	<b>-</b>	<b>6,071</b>	<b>-</b>	<b>62</b>	<b>-</b>	<b>-</b>	<b>18,490</b>
<b>Equipment-Extinguishers</b>									
Equipment-Miscellaneous Exp	1,881	-	-	-	-	-	-	-	-
<b>Total Maintenance-Equipment</b>	<b>62,071</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,556</b>
<b>Total Maintenance</b>	<b>2,419,642</b>	<b>102,103</b>	<b>750</b>	<b>161,509</b>	<b>-</b>	<b>11,062</b>	<b>-</b>	<b>-</b>	<b>27,584</b>
									<b>226,107</b>
									<b>1,481,213</b>
									<b>1,607,307</b>

	Total	Terminal 1	Terminal 1 Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>Other</b>									
<b>General Insurance</b>									
Gen Ins-Airport Liability	585,474	132,721	-	28,775	18,508	31,180	-	10,766	37,511
Gen Ins-Property	861,132	195,210	-	42,324	27,221	45,860	-	15,836	55,173
Gen Ins-Crime	15,999	3,627	-	786	506	852	-	294	1,025
Gen Ins-Auto/Equipment	230,978	52,360	-	11,352	7,301	12,301	-	4,247	14,799
Gen Ins-Other	8,001	1,814	-	-	393	253	-	426	147
<b>Total General Insurance</b>	<b>1,701,584</b>	<b>385,732</b>	<b>-</b>	<b>83,237</b>	<b>53,929</b>	<b>90,446</b>	<b>-</b>	<b>31,569</b>	<b>108,655</b>
<b>Safety</b>									
Safety-Supplies	101,188	250	-	3,557	-	-	-	-	-
Safety-Equipment	9,000	-	-	-	-	500	-	-	-
<b>Total Safety</b>	<b>110,188</b>	<b>250</b>	<b>-</b>	<b>3,557</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Medical Information/Supply</b>									
Medical-Routine Supplies	15,861	500	-	494	-	1,200	-	-	-
Medical-Emergency Response	459	-	-	-	-	-	-	-	-
<b>Total Medical Information/Supply</b>	<b>16,320</b>	<b>500</b>	<b>-</b>	<b>494</b>	<b>-</b>	<b>1,200</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Rentals</b>									
Rental-Copier	61,400	2,000	-	-	-	3,000	-	6,088	-
Rental-Pagers	10,231	-	-	-	-	-	-	-	-
Rental-Other Equipment	31,089	2,000	-	-	-	-	-	1,290	-
<b>Total Rentals</b>	<b>102,720</b>	<b>4,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,000</b>	<b>-</b>	<b>7,378</b>	<b>-</b>
<b>Licenses/Permits</b>									
Licenses-Autos/Equipment	5,000	-	-	-	-	-	-	-	-
Licenses-Environmental	10,300	-	-	-	-	5,000	-	-	-
Licenses-Other	3,303	-	-	1,427	-	-	-	-	-
<b>Total Licenses/Permits</b>	<b>18,603</b>	<b>-</b>	<b>-</b>	<b>1,427</b>	<b>-</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Miscellaneous Expenses</b>									
Misc-Firearm/Equip/Supplies	89,148	-	-	-	-	-	-	-	-
Misc-Emergency Response	39,915	600	-	-	-	-	-	-	-
Misc-Other	74,286	-	-	-	-	20,000	-	-	-
Misc-Taxes(Petroleum/Use)	47,889	-	-	-	-	-	-	-	-
<b>Total Miscellaneous Expenses</b>	<b>251,238</b>	<b>600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Adjustments/Bad Debt</b>	<b>21,000</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Assets</b>									
<b>Minor Equipment/Assets</b>									
Minor Assets-Tools	82,551	6,206	-	-	-	-	-	-	-
Minor Assets-Office Furn	27,830	2,500	-	-	-	-	-	-	-
Minor Assets-Computers	324,878	-	-	4,600	-	-	-	-	4,913
Minor Assets-Radios	7,722	-	-	-	-	-	-	-	-
Minor Assets-Other	37,300	-	-	-	-	-	-	-	-
<b>Total Minor Equipment/Assets</b>	<b>480,281</b>	<b>8,706</b>	<b>-</b>	<b>4,600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,913</b>
<b>Total Capital Assets</b>	<b>480,281</b>	<b>8,706</b>	<b>-</b>	<b>4,600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,913</b>
<b>Total Other</b>	<b>2,701,934</b>	<b>409,788</b>	<b>-</b>	<b>93,315</b>	<b>53,929</b>	<b>123,146</b>	<b>-</b>	<b>38,947</b>	<b>113,568</b>
<b>Gross Depreciation</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total Excluding Depreciation</b>	<b>139,663,255</b>	<b>28,294,992</b>	<b>496,370</b>	<b>4,776,991</b>	<b>72,029</b>	<b>5,655,100</b>	<b>9</b>	<b>5,446,072</b>	<b>9,693,634</b>
<b>Grand Total With Depreciation</b>	<b>139,663,255</b>	<b>28,294,992</b>	<b>496,370</b>	<b>4,776,991</b>	<b>72,029</b>	<b>5,655,100</b>	<b>9</b>	<b>5,446,072</b>	<b>9,693,634</b>

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	Cargo Area	Terminal 2	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<b>Personnel</b>								
<b>Wages</b>								
Regular	-	301,236	-	-	-	10,322,484	-	-
<b>Overtime/Doubletime</b>								
Doubletime - Regular	-	-	-	-	-	1,144,892	-	-
Overtime - Regular	-	-	-	-	-	520,295	-	-
<b>Total Overtime/Doubletime</b>								
Commissioner PerDiem	-	-	-	-	-	-	-	-
Temps - Agency	-	-	-	-	-	16,640	-	-
Temps - Non Agency	-	188,671	-	-	-	572,259	-	-
<b>Total Wages</b>								
	-	489,907	-	-	-	12,576,570	-	-
<b>Benefits</b>								
<b>Employee Insurance</b>								
Employee Insurance Dental	-	2,398	-	-	-	123,885	-	-
Emply Insurance Disability	-	819	-	-	-	42,292	-	-
Employee Insurance Life	-	682	-	-	-	22,213	-	-
Employee Insurance Medical	-	23,727	-	-	-	1,225,872	-	-
Employee Insurance Retiree	-	9,018	-	-	-	704,834	-	-
<b>Total Employee Insurance</b>								
	-	36,643	-	-	-	2,119,096	-	-
<b>Pension</b>								
Fica (Social Security)Base	-	16,365	-	-	-	699,378	-	-
Fica(Social Security)Medic	-	4,101	-	-	-	164,688	-	-
Mpls Emply Retirement Fund	-	-	-	-	-	18,346	-	-
Public Empl - Coordinated	-	21,677	-	-	-	780,309	-	-
Public Empl - Police/Fire	-	-	-	-	-	-	-	-
Merf Unfunded Liability	-	-	-	-	-	372,386	-	-
<b>Total Pension</b>								
	-	42,143	-	-	-	2,035,107	-	-
<b>Training</b>								
Continuing Ed (College)	-	-	-	-	-	-	-	-
Executive Leadership Train	-	-	-	-	-	-	-	-
Management Requirement	-	-	-	-	-	-	-	-
Organizational Requirement	-	-	-	-	-	-	-	-
Regulatory Requirements	-	-	-	-	-	22,124	-	-
Local Seminars	-	2,500	-	-	-	1,080	-	-
<b>Total Training</b>								
	-	2,500	-	-	-	23,204	-	-
Post Retirement Benefits	-	4,939	-	-	-	538,138	-	-
Workers Compensation	-	2,739	-	-	-	153,338	-	-
Post Employ Health Plan	-	1,510	-	-	-	89,690	-	-
Flex Spending	-	-	-	-	-	-	-	-
Unemployment Tax	-	-	-	-	-	83,000	-	-
<b>Uniforms</b>								
Uniforms-Police/Fire Allow	-	-	-	-	-	-	-	-
Uniforms-Rental	-	-	-	-	-	46,582	-	-
Uniforms - Safety	-	-	-	-	-	19,205	-	3,600
<b>Total Uniforms</b>								
	-	-	-	-	-	65,787	-	3,600
<b>Severance</b>								
Contract Allowance	-	-	-	-	-	12,000	-	-
Regular Severance	-	2,653	-	-	-	49,647	-	-
<b>Total Severance</b>								
	-	2,653	-	-	-	61,647	-	-
Trade Union Benefits	-	-	-	-	-	675,682	-	-
<b>Total Benefits</b>								
	-	93,127	-	-	-	5,844,690	-	3,600
<b>Total Personnel</b>								
	-	583,034	-	-	-	18,421,260	-	3,600

	Cargo Area	Terminal 2	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<b>Administrative Expenses</b>								
<b>Supplies</b>								
Office Supplies Materials	-	500	-	-	-	-	100	5,207
<b>Computer Supplies</b>								
Computer Supplies-General	-	500	-	-	-	-	-	80
Computer Supplies-Software	-	-	-	-	-	-	8,570	850
Computer - Tools	-	-	-	-	-	-	-	350
<b>Total Computer Supplies</b>	-	500	-	-	-	-	8,570	1,280
<b>Special Supplies</b>								
Special Supplies-Badging	-	-	-	-	-	-	-	-
Special Supply-Film/Photo	-	-	-	-	-	-	-	700
Special Supplies-Other	-	550	-	-	-	-	100	148
<b>Total Special Supplies</b>	-	550	-	-	-	-	100	848
<b>Total Supplies</b>	-	1,550	-	-	-	-	8,770	7,335
<b>Travel</b>								
Travel - Lodging	-	1,500	-	-	-	-	-	-
Travel - Meals	-	-	-	-	-	75	-	-
Travel - Miscellaneous	-	-	-	-	-	-	-	-
<b>Travel - Transportation</b>								
Travel - Transport/Airfare	-	1,500	-	-	-	-	-	-
Travel - Shuttle/Taxi/Auto	-	-	-	-	-	-	-	-
<b>Total Travel - Transportation</b>	-	1,500	-	-	-	-	-	-
Registration Fees	-	600	-	-	-	-	-	-
Mileage	-	900	-	-	-	-	-	100
<b>Total Travel</b>	-	4,500	-	-	-	75	-	100
<b>Other Administrative Expense</b>								
<b>Local Meetings</b>								
Local Mtgs - Off Airport	-	-	-	-	-	-	300	-
Local Mtgs - On Airport/GO	-	-	-	-	-	-	-	-
<b>Total Local Meetings</b>	-	-	-	-	-	-	300	-
<b>Information Sources</b>								
Memberships/Dues/Pro Assoc	-	-	-	-	-	-	-	460
Other Information Sources	-	-	-	-	-	-	-	-
Publications/Subscriptions	-	-	-	-	-	-	-	642
<b>Total Information Sources</b>	-	-	-	-	-	-	-	1,102
<b>Printing Costs</b>								
Printing-Publications	-	-	-	-	-	-	-	-
Printing - Color Charts	-	-	-	-	-	-	-	-
Printing - Forms	-	-	-	-	-	-	-	-
Printing-Stationary/Envel	-	-	-	-	-	-	-	-
<b>Total Printing Costs</b>	-	-	-	-	-	-	-	-
Delivery Services	-	-	-	-	-	-	-	72
Freight Charges	-	1,500	-	-	-	-	-	250
Postage	-	-	-	-	-	-	-	-
<b>Total Other Administrative Expense</b>	-	1,500	-	-	-	-	300	1,424
<b>Total Administrative Expenses</b>	-	7,550	-	-	-	75	9,070	8,859

	Cargo Area	Terminal 2	Public Area/Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/Trades
<b>Professional Services</b>								
Accounting/Audit Fees	-	-	-	-	-	-	-	-
Affirmative Action Fees	-	-	-	-	-	-	-	-
<b>RFP/Leases</b>	-	-	-	-	-	-	-	-
<b>Concept Develop/Feasible</b>	-	-	-	-	-	-	-	-
Economic Impact Study	-	-	-	-	-	-	-	-
<b>Computer Services</b>								
<b>General</b>								
ANOMS Consulting	-	-	-	-	-	-	-	-
Software Consulting	-	-	-	-	-	-	-	-
<b>Total General</b>	-	-	-	-	-	-	-	-
<b>Total Computer Services</b>	-	-	-	-	-	-	-	-
Engineering Fees	-	2,000	-	-	-	-	-	-
Insurance Consultants	-	-	-	-	-	-	-	-
Labor Relations	-	-	-	-	-	-	-	-
<b>Legal Fees</b>								
Legal - Environmental	-	-	-	-	-	-	-	-
Legal - General	-	-	-	-	-	-	-	-
Legal - Relievers	-	-	-	-	-	-	-	-
<b>Total Legal Fees</b>	-	-	-	-	-	-	-	-
<b>Legislative</b>								
Legislative - Local	-	-	-	-	-	-	-	-
Legislative - National	-	-	-	-	-	-	-	-
<b>Total Legislative</b>	-	-	-	-	-	-	-	-
Medical Fees	-	-	-	-	-	-	-	-
<b>Planning</b>								
Pollution/Environmental Fees	-	-	-	-	-	-	450	-
<b>Public Information Services</b>								
Public Infor Serv. - Pho	-	-	-	-	-	-	-	-
Public Infor Serv. - Web	-	-	-	-	-	-	-	-
Public Infor Serv. - Other	-	-	-	-	-	-	-	-
<b>Total Public Information Services</b>	-	-	-	-	-	-	-	-
<b>Recruiting Employment Fees</b>								
Executive Recruiting	-	-	-	-	-	-	-	-
<b>Total Recruiting Employment Fees</b>	-	-	-	-	-	-	-	-
<b>Safety Consultants</b>								
Safety - Training	-	-	-	-	-	-	-	-
Safety - General	-	-	-	-	-	-	-	-
<b>Total Safety Consultants</b>	-	-	-	-	-	-	-	-
Communications Consultant	-	-	-	-	-	-	-	-
<b>Other/Miscellaneous</b>								
<b>Survey Expense</b>	-	-	-	-	-	-	-	-
<b>Wildlife/Meteorology</b>								
Meteorology	-	-	-	-	-	-	-	-
Wildlife	-	-	-	-	-	-	-	-
<b>Total Wildlife/Meteorology</b>	-	-	-	-	-	-	-	-
Business Development	-	-	-	-	-	-	-	-
Environmental	-	-	-	-	-	-	-	-
<b>Mechanical</b>								
Mechanical Terminal	-	21,931	-	-	-	-	-	-
Mechanical Trades	-	-	-	-	-	-	38,931	-
<b>Total Mechanical</b>	-	21,931	-	-	-	-	-	38,931
Miscellaneous	-	-	10,000	-	-	-	-	20,000
<b>Total Other/Miscellaneous</b>	-	21,931	10,000	-	-	-	-	146,291
<b>Total Professional Services</b>	-	23,931	10,000	-	-	-	450	146,291
<b>Utilities</b>								
Electricity	107,019	959,952	243,479	-	269,175	-	-	320,711
<b>Heating Fuel</b>								
Heating - Natural Gas	75,947	297,544	35,212	-	99,228	-	-	193,890
Heating - Fuel Oil	-	-	-	-	-	-	-	-
<b>Total Heating Fuel</b>	75,947	297,544	35,212	-	99,228	-	-	193,890
Sewer	685	1,124	521,133	-	9,424	-	-	8,859
Water	-	57,797	505,075	-	9,818	-	-	18,019
<b>Telephone</b>								
Telephone - Regular	-	-	-	-	-	-	-	-
Telephone - Internet Service	-	-	-	-	-	-	-	-
Telephone - Cellular	-	1,700	-	-	-	-	-	19,282
<b>Total Telephone</b>	-	1,700	-	-	-	-	-	19,282
<b>Total Utilities</b>	183,651	1,318,117	1,304,899	-	387,645	-	-	560,761

	Cargo Area	Terminal 2	Public Area/Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/Trades
<b><u>Operating Services/Expenses</u></b>								
<b>Advertising</b>								
Advertising - Employment	-	-	-	-	-	-	-	-
<b>Advertising - General</b>	-	-	-	-	-	-	-	-
Advertising - Parking	-	-	-	-	-	-	-	-
Advertising - Relievers	-	-	-	-	-	-	-	-
<b>Total Advertising</b>	-	-	-	-	-	-	-	-
<b>Environmental Control</b>								
<b>Hazardous Waste</b>								
Hazardous Waste - FLooresc	-	-	-	-	-	-	-	10,200
Hazardous Waste - General	-	-	-	-	-	-	-	4,000
<b>Total Hazardous Waste</b>	-	-	-	-	-	-	-	14,200
<b>Pollution Control</b>								
Pollution Ctrl-Booms	-	-	15,300	-	-	-	-	-
Pollution Ctrl-Corn Cobs	-	-	-	-	-	-	-	-
<b>Total Pollution Control</b>	-	-	15,300	-	-	-	-	-
Industrial Waste Mgmt	-	-	-	-	-	-	-	-
Laboratory Services	-	-	-	-	-	-	-	-
Solvent Reclamation Service	-	-	-	-	-	11,000	1,530	-
Tire Disposal	-	-	-	-	-	400	-	-
Other	-	-	-	-	-	-	-	2,000
<b>Total Environmental Control</b>	-	-	15,300	-	-	11,400	1,530	17,730
GISW Management	-	-	-	-	-	-	-	-
<b>Grd Transportation Services</b>								
Shuttle Services	-	160,177	-	-	-	-	-	-
<b>Parking Lots</b>	-	-	-	-	-	-	-	-
<b>Met Council Fees</b>	-	-	-	-	-	-	-	-
<b>Employee Programs</b>								
Recognition	-	-	-	-	-	-	-	-
Retirement	-	-	-	-	-	-	-	-
<b>Wellness</b>								
Wellness - Fitness Program	-	-	-	-	-	-	-	-
Wellness-Health/Wellness	-	-	-	-	-	-	-	-
Wellness-Nutrition/Stress	-	-	-	-	-	-	-	-
<b>Total Wellness</b>	-	-	-	-	-	-	-	-
<b>Total Employee Programs</b>	-	-	-	-	-	-	-	-
<b>Events</b>								
Conference Center	-	-	-	-	-	-	-	-
<b>Emergency Response Exercise</b>	-	-	-	-	-	-	-	-
Other Programs/Events	-	-	-	-	-	-	-	-
Call Back Service	-	-	-	-	-	-	-	-
Major Events-Conventions	-	-	-	-	-	-	-	-
<b>Total Events</b>	-	-	-	-	-	-	-	-
<b>Other Charges/Fees</b>								
Bank Charges	-	-	-	-	-	-	-	-
IATA Contract Expense	-	-	-	-	-	-	-	-
<b>Security Services Regular</b>								
Security Services Check Pt	-	-	-	-	-	-	-	-
Concessions Marketing	-	-	-	-	-	-	-	-
<b>Recycling</b>								
Recycling - Sand	-	-	-	-	-	-	-	-
<b>Copy Agreement</b>								
Mediation Fees	-	-	-	-	-	-	-	-
<b>Miscellaneous Charges/Fees</b>								
Jail Fees	-	-	-	-	-	-	-	-
<b>Total Other Charges/Fees</b>	-	-	-	-	-	-	-	-
<b>Service Agreements</b>								
Service - Bldg Inspection	-	-	-	-	-	-	-	-
Service-Computers	-	55,691	-	-	-	-	-	-
Service-Fitness Equipment	-	-	-	-	-	-	-	-
Service-Grd Trans Equip	-	-	-	-	-	-	-	-
Service-Loading Dock	-	57,546	-	-	-	-	-	-
Service-Office Equipment	-	250	-	-	-	-	-	-
Service-Other Equipment	-	646,400	-	-	-	14,550	3,000	-
Service-Parking Equipment	-	-	-	-	-	-	-	-
Service-Telephone Systems	-	-	-	-	-	-	-	-
Service-Secured Access	-	-	-	-	-	-	-	-
Service-Radios	-	-	-	-	-	-	-	11,328
<b>Total Service Agreements</b>	-	759,887	-	-	-	14,550	14,328	-
<b>Total Operating Services/Expenses</b>	-	920,064	15,300	-	-	25,950	32,058	-

	Cargo Area	Terminal 2	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<b>Maintenance</b>								
<b>Trades - Painters</b>								
<b>Paint</b>								
Equipment - Paint	-	-	-	-	-	-	-	6,100
Exterior - Paint	-	-	-	4,838	-	-	-	4,925
Interior - Paint	-	619	-	302	679	-	-	1,263
Traffic Paint - Parking	-	-	-	-	-	-	-	-
Reliever Airport - Paint	-	-	-	-	-	-	-	-
Traffic Paint - Roads	-	-	4,299	-	-	-	-	-
Traffic Paint - Runways	-	-	-	-	-	-	-	-
<b>Total Paint</b>	-	619	4,299	5,140	679	-	-	12,288
<b>Signs</b>								
Exterior Sign Materials	-	-	-	-	-	-	-	9,974
Interior Sign Materials	-	-	-	-	-	-	-	8,038
Reliever Airport Signs	-	-	-	-	-	-	-	-
<b>Total Signs</b>	-	-	-	-	-	-	-	18,012
<b>Supplies</b>								
Brushes -Supplies	-	-	-	-	-	-	-	292
Solvents	-	-	-	-	-	-	-	1,530
Equipment Spray	-	-	-	-	-	-	-	6,429
Paint Tools	-	-	-	-	-	-	-	11,075
<b>Total Supplies</b>	-	-	-	-	-	-	-	19,326
<b>Total Trades - Painters</b>	-	619	4,299	5,140	679	-	-	49,626
<b>Trades - Carpenters</b>								
<b>Locks</b>								
Locks - Doors	-	21,064	-	-	-	-	-	18,116
Locks - Door Tags/ID	-	-	-	-	-	-	-	-
<b>Total Locks</b>	-	21,064	-	-	-	-	-	18,116
<b>Flags</b>								
<b>Lumber</b>	-	-	-	-	-	-	-	500
Lumber-Cabinets	-	-	-	-	-	-	-	-
Lumber-Furniture	-	300	-	-	-	-	-	-
Lumber-Remodeling	-	-	-	-	-	-	-	-
<b>Total Lumber</b>	-	300	-	-	-	-	-	-
<b>Other</b>								
Other - Attic Stock	-	-	-	-	-	-	-	-
Other - Ceilings	-	-	-	-	-	-	-	1,339
Other - Ceramics	-	1,030	-	-	-	-	-	-
Other - Doors	-	1,500	-	-	-	-	-	1,500
Other - Floor Coverings	-	10,455	-	-	-	-	-	4,500
Other - Hardware	-	-	-	-	-	-	-	7,000
Other - Miscellaneous	-	-	-	-	-	-	-	-
Other - Auto Door Supplis RPL	-	-	-	-	-	-	-	2,000
Other - Saw Blades	-	-	-	-	-	-	-	-
Other - Screws/Bolts	-	-	-	-	-	-	-	8,000
Other - Seating Replacement	-	3,000	-	-	-	-	-	-
Other - Tools	-	250	-	-	-	-	-	300
Other - Tug Door Repairs	-	500	-	-	-	-	-	-
Other - Tug Drive Floor Maint.	-	-	-	-	-	-	-	-
Other - Wall Protection	-	-	-	-	-	-	-	1,250
<b>Total Other</b>	-	16,735	-	-	-	-	-	25,889
<b>Total Trades - Carpenters</b>	-	38,099	-	-	-	-	-	44,505

Cargo Area	Terminal 2	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<b>Trades - Plumbers</b>							
Contractor Requirements	-	-	-	-	-	-	3,000
Fire Protection System	-	11,000	-	8,657	-	-	6,000
General Plumbing Supplies	-	5,300	-	4,000	-	5,000	12,000
Irrigation Supplies	-	3,000	3,000	1,000	-	-	-
Pumps	-	-	-	1,000	-	-	-
Underground Utilities	-	-	-	-	-	-	-
Water Distribution Systems	-	-	-	-	-	-	7,000
Water Meters	-	-	-	-	-	-	2,500
<b>Total Trades - Plumbers</b>	-	19,300	3,000	14,657	-	5,000	30,500
<b>Trades - Electricians</b>							
Repairs	-	-	-	-	-	-	18,108
Electrical _ Exterior	-	-	-	-	-	-	-
Generator Maint. Contract	-	-	-	-	-	-	-
Electrical - Interior	-	-	-	-	-	-	-
Unit Maint. Contract	-	-	-	-	-	-	38,000
Unit Maint Supplies	-	-	-	-	-	-	15,000
<b>Total Repairs</b>	-	-	-	-	-	-	71,108
Other	-	-	-	-	-	-	-
Other - Batteries	-	-	-	-	-	-	10,000
Other-Field Lights/Sensors	-	-	-	-	-	-	-
Other - Gate Supplies	-	-	-	-	-	-	-
Other - General Supplies	-	23,000	1,600	10,000	-	500	41,000
Other - Motor	-	1,000	-	1,000	-	-	1,500
<b>Total Other</b>	-	24,000	1,600	11,000	-	500	52,500
<b>Total Trades - Electricians</b>	-	24,000	1,600	11,000	-	500	123,608

	Cargo Area	Terminal 2	Public Area/Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/Trades
<b>Maintenance - Field</b>								
<b>Snow Removal - Materials</b>								
Materials - Sodium Acetate	-	-	-	-	-	-	-	-
Materials-Liquid Anti Icer	-	-	-	-	-	-	-	-
Materials-Other Ice Ctrl	-	-	2,600	-	-	-	-	-
Materials - Salt	-	-	30,000	-	-	-	-	-
Materials - Sand	-	-	10,000	-	-	-	-	-
Materials - Urea	-	-	-	-	-	-	-	-
<b>Total Snow Removal - Materials</b>	-	-	42,600	-	-	-	-	-
<b>Snow Removal - Equipment</b>								
Equipment - Contract	45,000	-	-	-	-	-	-	-
Equipment - Other	-	-	-	-	-	-	-	-
Equip Rent-No Operator-5.5	-	-	-	-	-	-	-	-
Equipment-Rent-No Operator	-	-	-	-	-	-	7,600	-
<b>Total Snow Removal - Equipment</b>	45,000	-	-	-	-	-	7,600	-
<b>Snow Removal - Miscellan</b>								
Snow Removal - Meals	-	-	-	-	-	-	-	-
Snow Removal - Plow Blades	-	-	-	-	-	-	-	-
Snow Removal - Runway Brm	-	-	-	-	-	-	-	-
Snow Melters	15,000	-	-	-	-	-	-	-
<b>Total Snow Removal - Miscellan</b>	15,000	-	-	-	-	-	-	-
<b>Summer Maintenance-Surface</b>								
Surface Repair-Aggregate	-	-	1,000	-	-	-	-	-
Surface Repair-Asphalt	-	-	5,000	-	-	-	-	-
Surface Repair-Cement	-	-	250	-	-	-	-	-
Surface Repair-Other	-	-	-	-	-	-	-	-
Surface Rubber Removal	-	-	-	-	-	-	-	-
Surface Repair-Saw Blades	-	-	-	-	-	-	-	-
Surface Repair-Hot Sealant	-	-	-	-	-	-	-	-
<b>Total Summer Maintenance-Surface</b>	-	-	6,250	-	-	-	-	-
<b>Summer Maint-Landscape</b>								
Summer Maintenance-Fencing	-	-	-	-	-	-	1,000	-
Landscape/Turf-Materials	-	-	500	-	-	-	-	-
Summer Maint-Equip Rent No Op	-	-	20,000	-	-	-	-	-
Summer Maint-Equip Rent LT	-	-	-	-	-	-	25,400	-
<b>Total Summer Maint-Landscape</b>	-	-	20,500	-	-	-	26,400	-
<b>Maintenance Field-Other</b>								
Field Maint-Other-Garbage	-	-	5,000	-	-	-	-	-
Non Runway Brooms	-	-	-	-	-	-	-	-
Field Maint-Other-Material	-	-	-	-	-	-	1,000	-
Field Maint-Other-Supplies	-	-	-	-	-	-	1,500	-
Field Maint-Other-Tools	-	-	500	-	-	-	3,000	-
<b>Total Maintenance Field-Other</b>	-	-	5,500	-	-	-	5,500	-
<b>Total Maintenance - Field</b>	60,000	-	74,850	-	-	-	39,500	-
<b>Maintenance Building</b>								
<b>Building-Temp Control</b>								
Temp Control-Contracts	-	52,184	-	12,494	15,744	-	2,452	19,033
Temp Control-Filters	-	25,000	-	-	810	-	-	428
Fire Control Contract	-	27,468	-	-	27	-	-	18,569
<b>Total Building-Temp Control</b>	-	104,652	-	12,494	16,581	-	2,452	38,030
<b>Building-Mechanical Areas</b>								
Mechanical Areas-APM	-	-	-	-	-	-	-	-
Mechanical Areas-Conveyors	-	100,858	-	-	-	-	-	-
Mechanical Areas-Doors	-	-	-	-	-	-	-	-
Mechanical Areas-Doors/Pub	-	2,500	-	-	-	-	-	-
Mechanical Areas-Doors/Tug	-	-	-	-	-	-	-	-
Mechanical Areas-Elevators	-	59,649	-	-	2,400	-	-	-
Mechanical Areas-Escalator	-	83,508	-	-	-	-	-	-
Mechanical-Moving Walks	-	23,859	-	-	-	-	-	-
Mechanical Areas-Other	-	3,500	-	-	-	-	-	-
<b>Total Building-Mechanical Areas</b>	-	273,874	-	-	2,400	-	-	-
<b>Building-Other</b>								
Other-Building Systems	80,000	2,700	-	-	25,000	-	-	-
Other-Boiler Chemicals	-	5,603	-	-	-	-	-	-
Other-Floors/Repairs	-	-	-	-	-	-	-	1,500
Other-Jetbridge Repairs	-	220,000	-	-	-	-	-	-
Other-Outside Plumb/Sewer	-	-	-	-	-	-	-	6,000
Other-Paging System Contract	-	-	-	-	-	-	-	-
Other-Pest Control	-	-	-	-	-	-	-	-
Other-Roofing	-	-	-	-	-	-	-	-
Sump/Septic Pumping	-	-	-	-	-	-	-	50,000
Other-Supplies	-	-	-	-	-	-	-	5,000
Other-Tools	-	-	-	-	-	-	-	2,000
<b>Total Building-Other</b>	80,000	228,303	-	-	25,000	-	-	64,500
<b>Minor Projects Expense</b>	-	-	-	-	-	-	-	-
<b>Total Maintenance Building</b>	80,000	606,829	-	12,494	43,981	-	2,452	102,530

	Cargo Area	Terminal 2	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<b>Maintenance-Cleaning</b>								
<b>Cleaning Services</b>								
Cleaning Services-Janitor	22,569	1,068,951	-	-	54,563	-	-	135,410
Cleaning Services-Windows	675	191,773	-	-	9,263	-	-	3,674
<b>Total Cleaning Services</b>	<b>23,244</b>	<b>1,260,724</b>	-	-	<b>63,826</b>	-	-	<b>139,084</b>
<b>Cleaning Supplies</b>								
Cleaning Supplies-Bathroom	-	51,000	-	-	-	-	-	-
Cleaning Supplies-General	-	-	-	-	1,500	-	-	-
<b>Total Cleaning Supplies</b>	<b>-</b>	<b>51,000</b>	-	-	<b>1,500</b>	-	-	<b>-</b>
<b>Rubbish Disposal</b>								
Rubbish Disposal-Recycle	-	-	-	-	-	-	-	-
Rubbish Disposal-Regular	-	-	-	-	-	-	-	-
<b>Total Rubbish Disposal</b>	<b>-</b>	<b>-</b>	-	-	<b>-</b>	-	-	<b>-</b>
Towel Laundry Services	-	-	-	-	-	-	-	-
Other Cleaning Expenses	-	-	-	-	-	-	-	-
<b>Total Maintenance-Cleaning</b>	<b>23,244</b>	<b>1,311,724</b>	-	-	<b>65,326</b>	-	-	<b>139,084</b>
<b>Maintenance-Equipment</b>								
<b>Equipment-Parts</b>								
Parts-Automobiles	-	-	-	-	-	-	50,000	-
Parts-Boilers Energy Mgmt	-	6,061	-	-	626	-	-	-
Parts-Chiller Energy Mgmt	-	15,604	-	1,866	2,909	-	-	-
Parts-Other Equipment	-	-	-	-	-	-	-	-
Parts-Equipment	-	-	-	-	-	-	300,000	-
Parts-Other Equipment	-	2,348	-	126	-	-	-	2,500
<b>Total Equipment-Parts</b>	<b>-</b>	<b>24,013</b>	-	<b>1,992</b>	<b>3,535</b>	-	<b>350,000</b>	<b>2,500</b>
<b>Equipment-Shop</b>								
Shop-Batteries	-	-	-	-	-	-	17,000	-
Shop-Cleaners/Degreasers	-	-	-	-	-	-	20,000	-
Shop-Oil_Filters	-	-	-	-	-	-	80,000	-
Shop-Other Supplies	-	-	-	-	-	-	30,000	1,300
Shop-Tires	-	-	-	-	-	-	55,000	-
Shop - Tool Crib	-	-	-	-	-	-	30,000	-
Shop-Tools	-	-	-	-	-	-	10,000	33,325
Shop - Weld Shop	-	-	-	-	-	-	10,000	-
<b>Total Equipment-Shop</b>	<b>-</b>	<b>-</b>	-	<b>-</b>	<b>-</b>	-	<b>252,000</b>	<b>34,625</b>
<b>Equipment-Gas</b>								
Gas-Diesel	-	-	-	-	-	-	407,633	7,162
Gas-Ethanol	-	-	-	-	-	-	28,027	-
Gas-Propane	-	-	-	-	-	-	3,500	1,600
Gas-Unleaded	-	-	-	-	-	-	101,454	55,344
<b>Total Equipment-Gas</b>	<b>-</b>	<b>-</b>	-	<b>-</b>	<b>-</b>	-	<b>540,614</b>	<b>64,106</b>
<b>Equipment-Extinguishers</b>								
Equipment-Miscellaneous Exp	-	3,000	-	-	-	-	10,000	2,000
<b>Total Maintenance-Equipment</b>	<b>-</b>	<b>27,013</b>	-	<b>1,992</b>	<b>3,535</b>	-	<b>1,152,614</b>	<b>103,231</b>
<b>Total Maintenance</b>	<b>163,244</b>	<b>2,027,584</b>	<b>83,749</b>	<b>45,283</b>	<b>113,521</b>	-	<b>1,200,066</b>	<b>593,084</b>

	Cargo Area	Terminal 2	Public Area/Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/Trades
<b>Other</b>								
<b>General Insurance</b>								
Gen Ins-Airport Liability	-	18,993	10,625	-	9,688	-	59,851	3,177
Gen Ins-Property	-	27,935	15,627	-	14,250	-	88,030	4,672
Gen Ins-Crime	-	519	290	-	265	-	1,636	87
Gen Ins-Auto/Equipment	-	7,493	4,192	-	3,822	-	23,612	1,253
Gen Ins-Other	-	513	260	145	132	-	818	43
<b>Total General Insurance</b>	-	<b>55,453</b>	<b>30,994</b>	<b>145</b>	<b>28,157</b>	-	<b>173,947</b>	<b>9,232</b>
<b>Safety</b>								
Safety-Supplies	-	-	-	-	-	5,000	-	76,211
Safety-Equipment	-	-	-	-	-	-	-	-
<b>Total Safety</b>	-	-	-	-	-	5,000	-	76,211
<b>Medical Information/Supply</b>								
Medical-Routine Supplies	-	-	-	-	-	-	-	-
Medical-Emergency Response	-	-	-	-	-	-	-	-
<b>Total Medical Information/Supply</b>	-	-	-	-	-	-	-	-
<b>Rentals</b>								
Rental-Copier	-	-	-	-	-	-	3,000	9,812
Rental-Pagers	-	-	-	-	-	-	-	-
Rental-Other Equipment	-	1,600	-	-	-	-	-	13,273
<b>Total Rentals</b>	-	<b>1,600</b>	-	-	-	-	<b>3,000</b>	<b>23,085</b>
<b>Licenses/Permits</b>								
Licenses-Autos/Equipment	-	-	-	-	-	-	-	-
Licenses-Environmental	-	-	-	-	-	-	-	-
Licenses-Other	-	-	-	-	-	-	-	-
<b>Total Licenses/Permits</b>	-	-	-	-	-	-	-	-
<b>Miscellaneous Expenses</b>								
Misc-Firearm/Equip/Supplies	-	-	-	-	-	-	-	-
Misc-Emergency Response	-	-	-	-	-	-	-	-
Misc-Other	-	-	-	-	-	-	-	-
Misc-Taxes(Petroleum/Use)	-	-	-	-	-	46,000	-	-
<b>Total Miscellaneous Expenses</b>	-	-	-	-	-	-	<b>46,000</b>	-
<b>Adjustments/Bad Debt</b>								
<b>Capital Assets</b>								
<b>Minor Equipment/Assets</b>								
Minor Assets-Tools	-	-	-	-	-	-	40,560	31,000
Minor Assets-Office Furn	-	-	-	-	-	-	-	7,500
Minor Assets-Computers	-	-	-	-	-	-	5,120	5,200
Minor Assets-Radios	-	-	-	-	-	-	-	-
Minor Assets-Other	-	-	-	-	-	-	-	2,800
<b>Total Minor Equipment/Assets</b>	-	-	-	-	-	-	<b>45,680</b>	<b>46,500</b>
<b>Total Capital Assets</b>	-	-	-	-	-	-	<b>45,680</b>	<b>46,500</b>
<b>Total Other</b>	-	<b>57,053</b>	<b>30,994</b>	<b>145</b>	<b>28,157</b>	<b>5,000</b>	<b>268,627</b>	<b>155,028</b>
<b>Gross Depreciation</b>								
<b>Grand Total Excluding Depreciation</b>	346,895	4,937,333	1,444,942	45,428	529,323	18,426,335	1,504,163	1,499,681
<b>Grand Total With Depreciation</b>	346,895	4,937,333	1,444,942	45,428	529,323	18,426,335	1,504,163	1,499,681

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	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Personnel</b>								
<b>Wages</b>								
Regular	-	8,233,804	3,632,823	9,322,293	690,515	2,291,145	1,015,284	1,869,319
<b>Overtime/Doubletime</b>								
Doubletime - Regular	-	-	-	-	-	-	-	194,629
Overtime - Regular	-	472,576	491,265	11,931	-	206,476	-	118,625
<b>Total Overtime/Doubletime</b>	-	472,576	491,265	11,931	-	206,476	-	313,254
Commissioner Per Diem	-	-	-	15,000	-	-	-	-
Temps - Agency	-	-	-	-	-	-	-	-
Temps - Non Agency	-	1,054,164	-	79,197	-	39,936	-	32,188
<b>Total Wages</b>	-	9,760,544	4,124,088	9,428,422	690,515	2,537,557	1,015,284	2,214,761
<b>Benefits</b>								
<b>Employee Insurance</b>								
Employee Insurance Dental	-	94,313	39,164	107,101	7,193	24,777	9,591	20,781
Employee Insurance Disability	-	32,196	13,370	36,562	2,456	8,458	3,274	7,094
Employee Insurance Life	-	18,351	8,203	23,238	1,550	5,144	2,305	3,868
Employee Insurance Medical	-	933,244	387,534	1,059,786	71,180	245,174	94,906	205,632
Employee Insurance Retiree	-	509,681	212,238	608,203	35,029	121,945	52,514	125,299
<b>Total Employee Insurance</b>	-	1,587,785	660,509	1,834,890	117,408	405,499	162,590	362,674
<b>Pension</b>								
Fica (Social Security)Base	-	182,087	10,174	579,173	40,001	148,182	58,099	114,105
Fica(Social Security)Medic	-	133,703	57,598	143,098	9,536	34,983	14,147	27,571
Mpls Empl Retirement Fund	-	-	-	22,603	-	-	-	7,902
Public Empl - Coordinated	-	163,289	12,046	737,042	49,259	181,356	73,262	141,322
Public Empl - Police/Fire	-	963,923	566,605	-	-	-	-	-
Merf Unfunded Liability	-	449,432	256,818	449,432	38,523	12,841	-	256,819
<b>Total Pension</b>	-	1,892,434	903,240	1,931,349	137,319	377,363	145,508	547,719
<b>Training</b>								
Continuing Ed (College)	-	-	-	52,000	-	-	-	-
Executive Leadership Train	-	-	-	20,000	-	-	-	-
Management Requirement	-	-	-	7,600	-	1,633	-	-
Organizational Requirement	-	-	-	27,600	-	-	18,000	-
Regulatory Requirements	-	-	30,106	7,518	-	8,139	-	-
Local Seminars	-	23,320	-	38,916	-	1,576	1,000	-
<b>Total Training</b>	-	23,320	30,106	153,634	-	11,348	19,000	-
Post Retirement Benefits	-	395,606	191,688	798,739	19,757	66,326	29,400	150,058
Workers Compensation	-	89,049	42,216	123,960	-	27,553	14,662	28,467
Post Employ Health Plan	-	35,866	11,639	56,452	3,698	8,433	5,297	7,462
Flex Spending	-	-	-	-	-	-	-	-
Unemployment Tax	-	-	-	-	-	-	-	-
<b>Uniforms</b>								
Uniforms-Police/Fire Allow	-	108,340	39,600	-	-	-	-	-
Uniforms-Rental	-	-	-	-	-	3,200	-	22,455
Uniforms - Safety	-	-	-	-	-	-	-	3,110
<b>Total Uniforms</b>	-	108,340	39,600	-	-	3,200	-	25,565
<b>Severance</b>								
Contract Allowance	-	-	-	-	-	-	-	-
Regular Severance	-	33,002	33,264	91,371	2,228	11,505	6,929	16,209
<b>Total Severance</b>	-	33,002	33,264	91,371	2,228	11,505	6,929	16,209
Trade Union Benefits	-	-	-	-	-	-	-	-
<b>Total Benefits</b>	-	4,165,403	1,912,262	4,990,395	280,410	911,226	383,386	1,138,154
<b>Total Personnel</b>	-	13,925,946	6,036,350	14,418,817	970,925	3,448,783	1,398,670	3,352,915

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Administrative Expenses</b>								
<b>Supplies</b>								
Office Supplies Materials	-	20,130	4,600	46,985	2,250	13,174	8,338	4,361
<b>Computer Supplies</b>								
Computer Supplies-General	-	-	-	8,747	-	12,918	772	-
Computer Supplies-Software	-	1,170	10,000	173,607	-	26,163	4,710	-
Computer - Tools	-	-	-	-	-	-	-	-
<b>Total Computer Supplies</b>	-	1,170	10,000	182,354	-	39,081	5,482	-
<b>Special Supplies</b>								
Special Supplies-Badging	-	92,700	-	-	-	-	-	-
Special Supply-Film/Photo	-	3,198	-	12,595	-	1,500	-	-
Special Supplies-Other	-	42,300	349	5,851	2,059	5,000	255	-
<b>Total Special Supplies</b>	-	138,198	349	18,446	2,059	6,500	255	-
<b>Total Supplies</b>	-	159,498	14,949	247,785	4,309	58,755	14,075	4,361
<b>Travel</b>								
Travel - Lodging	-	5,800	2,500	41,239	2,167	3,353	410	929
Travel - Meals	-	2,519	500	7,696	100	595	1,044	200
Travel - Miscellaneous	-	600	-	458	-	20	-	-
<b>Travel - Transportation</b>								
Travel - Transport/Airfare	-	4,800	1,500	57,639	400	2,985	8,500	2,000
Travel - Shuttle/Taxi/Auto	-	600	200	3,643	-	65	-	300
<b>Total Travel - Transportation</b>	-	5,400	1,700	61,282	400	3,050	8,500	2,300
Registration Fees	-	2,115	700	31,080	2,465	1,995	6,000	2,514
Mileage	-	4,815	100	33,116	-	430	-	-
<b>Total Travel</b>	-	21,249	5,500	174,871	5,132	9,443	15,954	5,943
<b>Other Administrative Expense</b>								
<b>Local Meetings</b>								
Local Mtgs - Off Airport	-	3,750	-	5,089	-	36	250	3,500
Local Mtgs - On Airport/GO	-	1,000	-	6,315	-	3,587	-	157
<b>Total Local Meetings</b>	-	4,750	-	11,404	-	3,623	250	3,657
<b>Information Sources</b>								
Memberships/Dues/Pro Assoc	-	8,545	1,065	203,534	385	3,349	750	3,087
Other Information Sources	-	1,854	1,500	62,674	15,500	10,816	5,823	-
Publications/Subscriptions	-	2,762	160	32,954	910	2,712	500	-
<b>Total Information Sources</b>	-	13,161	2,725	299,162	16,795	16,877	7,073	3,087
<b>Printing Costs</b>								
Printing-Publications	-	6,000	-	19,388	-	27,000	7,600	-
Printing - Color Charts	-	-	-	7,000	-	-	-	-
Printing - Forms	-	2,000	600	2,312	-	-	-	-
Printing-Stationary/Envel	-	2,000	-	7,071	1,500	-	-	-
<b>Total Printing Costs</b>	-	10,000	600	35,771	1,500	27,000	7,600	-
Delivery Services	-	611	-	6,094	-	86	1,304	100
Freight Charges	-	125	-	-	-	-	-	-
Postage	-	350	-	38,000	-	-	-	-
<b>Total Other Administrative Expense</b>	-	28,997	3,325	390,431	18,295	47,586	16,227	6,844
<b>Total Administrative Expenses</b>	-	209,744	23,774	813,087	27,736	115,784	46,256	17,148

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Professional Services</b>								
Accounting/Audit Fees	-	-	-	200,000	-	-	-	-
Affirmative Action Fees	-	-	-	10,000	-	-	-	-
<b>RFP/Leases</b>	-	-	-	20,000	8,000	-	-	-
<b>Concept Develop/Feasible</b>	-	-	-	20,000	8,000	-	-	-
Economic Impact Study	-	-	-	75,000	-	-	-	-
<b>Computer Services</b>								
<b>General</b>								
ANOMS Consulting	-	-	-	-	-	-	103,500	-
Software Consulting	-	-	-	426,500	-	-	-	-
<b>Total General</b>	-	-	-	426,500	-	-	103,500	-
<b>Total Computer Services</b>	-	-	-	426,500	-	-	103,500	-
Engineering Fees	-	-	-	10,000	-	-	55,000	86,978
Insurance Consultants	-	-	-	169,000	-	-	-	-
Labor Relations	-	-	-	10,000	-	-	-	-
<b>Legal Fees</b>								
Legal - Environmental	-	-	-	-	-	-	120,000	-
Legal - General	-	-	-	495,000	-	-	-	-
Legal - Relievers	-	-	-	65,000	-	-	-	-
<b>Total Legal Fees</b>	-	-	-	560,000	-	-	120,000	-
<b>Legislative</b>								
Legislative - Local	-	-	-	90,000	-	-	-	-
Legislative - National	-	-	-	153,000	-	-	-	-
<b>Total Legislative</b>	-	-	-	243,000	-	-	-	-
Medical Fees	-	-	300	42,774	-	-	-	-
<b>Planning</b>	-	-	-	75,000	-	-	-	120,000
Pollution/Environmental Fees	-	-	-	-	-	-	1,530	6,000
<b>Public Information Services</b>								
Public Infor Serv. - Pho	-	-	-	10,000	-	-	-	-
Public Infor Serv. - Web	-	-	-	50,000	-	-	-	-
Public Infor Serv. - Other	-	-	-	207,200	-	-	-	1,795
<b>Total Public Information Services</b>	-	-	-	267,200	-	-	-	1,795
<b>Recruiting Employment Fees</b>								
Executive Recruiting	-	-	-	75,000	-	-	-	-
<b>Total Recruiting Employment Fees</b>	-	-	-	131,000	-	-	-	-
<b>Safety Consultants</b>								
Safety - Training	-	2,323	-	24,000	-	-	-	-
Safety - General	-	-	-	3,500	-	-	-	-
<b>Total Safety Consultants</b>	-	2,323	-	27,500	-	-	-	-
Communications Consultant	-	-	-	50,000	-	-	-	-
<b>Other/Miscellaneous</b>								
<b>Survey Expense</b>	-	-	-	12,000	-	-	-	-
<b>Wildlife/Meteorology</b>								
Meteorology	-	-	-	-	-	17,000	-	-
Wildlife	-	-	-	-	-	65,000	-	71,860
<b>Total Wildlife/Meteorology</b>	-	-	-	-	-	82,000	-	71,860
Business Development	-	-	-	130,000	-	-	-	-
Environmental	-	-	-	-	-	-	25,000	20,400
<b>Mechanical</b>								
Mechanical Terminal	-	-	-	7,311	-	-	-	7,500
Mechanical Trades	-	-	-	-	-	-	-	-
<b>Total Mechanical</b>	-	-	-	7,311	-	-	-	7,500
Miscellaneous	-	95,650	6,523	92,935	-	-	77,800	44,000
<b>Total Other/Miscellaneous</b>	-	95,650	6,523	242,246	-	82,000	102,800	143,760
<b>Total Professional Services</b>	-	97,973	6,823	2,579,220	16,000	82,000	382,830	358,533
<b>Utilities</b>								
Electricity	-	-	93,142	51,436	-	-	4,360	332,367
<b>Heating Fuel</b>								
Heating - Natural Gas	-	-	42,896	45,507	-	-	-	90,833
Heating - Fuel Oil	-	-	-	-	-	-	-	-
<b>Total Heating Fuel</b>	-	-	42,896	45,507	-	-	-	90,833
Sewer	-	370	1,228	1,548	-	-	-	19,725
Water	-	-	5,212	4,500	-	-	-	5,240
<b>Telephone</b>								
Telephone - Regular	-	-	-	192,721	-	339	19,982	40,859
Telephone - Internet Service	-	-	-	72,178	-	-	-	32,737
Telephone - Cellular	-	20,000	18,000	43,094	4,321	20,765	3,407	7,231
<b>Total Telephone</b>	-	20,000	18,000	307,993	4,321	21,104	23,389	80,827
<b>Total Utilities</b>	-	20,370	160,478	410,984	4,321	21,104	27,749	528,992

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b><u>Operating Services/Expenses</u></b>								
<b>Advertising</b>				3,173	-	-	-	-
Advertising - Employment	-	-	-	3,173	-	-	-	-
<b>Advertising - General</b>	-	-	-	82,056	2,000	-	-	-
Advertising - Parking	-	-	-	-	-	-	-	-
Advertising - Relievers	-	-	-	-	-	-	-	6,120
<b>Total Advertising</b>	-	-	-	85,229	2,000	-	-	6,120
<b>Environmental Control</b>								
<b>Hazardous Waste</b>								
Hazardous Waste - FLouresc	-	-	-	-	-	-	-	-
Hazardous Waste - General	-	-	-	200	-	-	-	-
<b>Total Hazardous Waste</b>	-	-	-	200	-	-	-	-
<b>Pollution Control</b>								
Pollution Ctrl-Booms	-	-	-	-	-	-	-	-
Pollution Ctrl-Corn Cobs	-	-	6,000	-	-	-	-	-
<b>Total Pollution Control</b>	-	-	6,000	-	-	-	-	-
Industrial Waste Mgmt	-	-	-	-	-	-	-	-
Laboratory Services	-	-	-	2,500	-	-	-	-
Solvent Reclamation Service	-	-	-	-	-	-	-	1,707
Tire Disposal	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	125,970
<b>Total Environmental Control</b>	-	-	6,000	2,700	-	-	-	127,677
GISW Management	-	-	-	-	-	-	-	-
<b>Grd Transportation Services</b>								
<b>Shuttle Services</b>	-	-	-	-	-	-	-	-
<b>Parking Lots</b>	-	-	-	-	-	-	-	-
<b>Met Council Fees</b>	-	-	-	-	-	-	-	-
<b>Employee Programs</b>								
<b>Recognition</b>	-	-	-	9,000	-	-	-	-
<b>Retirement</b>	-	-	-	1,200	-	-	-	-
<b>Wellness</b>								
Wellness - Fitness Program	-	-	-	124,260	-	-	-	-
Wellness-Health/Wellness	-	-	-	500	-	-	-	-
Wellness-Nutrition/Stress	-	-	-	6,464	-	-	-	-
<b>Total Wellness</b>	-	-	-	131,224	-	-	-	-
<b>Total Employee Programs</b>	-	-	-	141,424	-	-	-	-
<b>Events</b>								
<b>Conference Center</b>	-	-	-	-	35,000	-	-	-
<b>Emergency Response Exercise</b>	-	-	-	10,000	-	7,453	-	-
Other Programs/Events	-	-	-	-	-	-	-	1,115
Call Back Service	-	-	-	-	-	-	-	-
Major Events-Conventions	-	-	-	-	-	-	-	10,000
<b>Total Events</b>	-	-	-	10,000	35,000	7,453	-	11,115
<b>Other Charges/Fees</b>								
Bank Charges	-	-	-	174,000	-	-	-	-
IATA Contract Expense	-	-	-	70,000	-	-	-	-
<b>Security Services Regular</b>	527,976	-	-	-	-	-	-	-
Security Services Check Pt	-	-	-	-	-	-	-	-
Concessions Marketing	-	-	-	-	455,500	-	-	-
<b>Recycling</b>	-	-	-	-	-	-	500	-
<b>Recycling - Sand</b>	-	-	-	-	-	-	-	-
<b>Copy Agreement</b>	-	-	-	116,387	-	-	-	-
Mediation Fees	-	-	-	2,200	-	-	-	-
<b>Miscellaneous Charges/Fees</b>	25,522	-	-	6,720	-	-	-	22,566
Jail Fees	-	12,000	-	-	-	-	-	-
<b>Total Other Charges/Fees</b>	-	565,498	-	369,307	455,500	-	500	22,566
<b>Service Agreements</b>								
Service - Bldg Inspection	-	-	-	-	-	-	-	-
Service-Computers	-	236,896	-	1,046,787	-	275,539	93,900	2,645
Service-Fitness Equipment	-	-	3,500	1,000	-	-	-	-
Service-Grd Trans Equip	-	-	-	-	-	-	-	-
Service-Loading Dock	-	-	-	-	-	-	-	-
Service-Office Equipment	-	26,576	-	6,445	600	500	-	-
Service-Other Equipment	-	211,075	13,500	408	2,000	-	2,111	5,531
Service-Parking Equipment	-	-	-	-	-	-	-	-
Service-Telephone Systems	-	-	-	32,569	-	31,130	-	-
Service-Secured Access	-	-	-	-	-	-	-	-
Service-Radios	-	40,512	11,672	77,919	-	49,878	-	768
<b>Total Service Agreements</b>	-	515,059	28,672	1,165,128	2,600	357,047	96,011	8,944
<b>Total Operating Services/Expenses</b>	-	1,080,557	34,672	1,773,788	495,100	364,500	96,511	176,422

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Maintenance</b>								
<b>Trades - Painters</b>								
<b>Paint</b>								
Equipment - Paint	-	-	-	-	-	-	-	-
Exterior - Paint	-	-	-	-	-	-	-	-
Interior - Paint	-	-	-	-	-	-	-	-
Traffic Paint - Parking	-	-	-	-	-	-	-	-
Reliever Airport - Paint	-	-	-	-	-	-	-	4,500
Traffic Paint - Roads	-	-	-	-	-	-	-	-
Traffic Paint - Runways	-	-	-	-	-	-	-	2,305
<b>Total Paint</b>	-	-	-	-	-	-	-	6,805
<b>Signs</b>								
Exterior Sign Materials	-	-	-	-	-	-	-	-
Interior Sign Materials	-	-	-	-	-	-	-	-
Reliever Airport Signs	-	-	-	-	-	-	-	4,500
<b>Total Signs</b>	-	-	-	-	-	-	-	4,500
<b>Supplies</b>								
Brushes -Supplies	-	-	-	-	-	-	-	-
Solvents	-	-	-	-	-	-	-	-
Equipment Spray	-	-	-	-	-	-	-	-
Paint Tools	-	-	-	-	-	-	-	-
<b>Total Supplies</b>	-	-	-	-	-	-	-	-
<b>Total Trades - Painters</b>	-	-	-	-	-	-	-	11,305
<b>Trades - Carpenters</b>								
<b>Locks</b>								
Locks - Doors	-	-	-	-	-	-	-	1,442
Locks - Door Tags/ID	-	-	-	-	-	-	-	-
<b>Total Locks</b>	-	-	-	-	-	-	-	1,442
<b>Flags</b>	-	-	-	-	-	-	-	122
<b>Lumber</b>								
Lumber-Cabinets	-	-	-	-	-	-	-	-
Lumber-Furniture	-	-	-	-	-	-	-	-
Lumber-Remodeling	-	-	-	-	-	-	-	3,000
<b>Total Lumber</b>	-	-	-	-	-	-	-	3,000
<b>Other</b>								
Other - Attic Stock	-	-	-	-	-	-	-	-
Other - Ceilings	-	-	-	-	-	-	-	500
Other - Ceramics	-	-	-	-	-	-	-	-
Other - Doors	-	-	-	-	-	-	-	1,500
Other - Floor Coverings	-	-	-	-	-	-	-	1,575
Other - Hardware	-	-	-	-	-	-	-	-
Other - Miscellaneous	-	-	-	-	-	-	-	3,088
Other - Auto Door Supplis RPL	-	-	-	-	-	-	-	-
Other - Saw Blades	-	-	-	-	-	-	-	-
Other - Screws/Bolts	-	-	-	-	-	-	-	-
Other - Seating Replacement	-	-	-	-	-	-	-	-
Other - Tools	-	-	-	-	-	-	-	-
Other - Tug Door Repairs	-	-	-	-	-	-	-	-
Other - Tug Drive Floor Maint.	-	-	-	-	-	-	-	-
Other - Wall Protection	-	-	-	-	-	-	-	-
<b>Total Other</b>	-	-	-	-	-	-	-	6,663
<b>Total Trades - Carpenters</b>	-	-	-	-	-	-	-	11,227

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Trades - Plumbers</b>								
<b>Contractor Requirements</b>								
Fire Protection System	-	-	7,250	4,700	-	-	-	-
General Plumbing Supplies	-	-	1,000	1,500	-	-	-	12,000
Irrigation Supplies	-	-	-	1,500	-	-	-	-
Pumps	-	-	-	-	-	-	-	-
Underground Utilities	-	-	-	-	-	-	-	-
Water Distribution Systems	-	-	-	-	-	-	-	-
Water Meters	-	-	-	-	-	-	-	-
<b>Total Trades - Plumbers</b>	-	-	8,250	7,700	-	-	-	29,000
<b>Trades - Electricians</b>								
<b>Repairs</b>								
Electrical _ Exterior	-	-	-	-	-	-	-	-
Generator Maint. Contract	-	-	-	-	-	-	-	4,400
Electrical - Interior	-	-	-	-	-	-	-	-
Unit Maint. Contract	-	-	-	5,000	5,000	-	-	2,000
Unit Maint Supplies	-	-	-	-	-	-	-	-
<b>Total Repairs</b>	-	-	-	5,000	5,000	-	-	6,400
<b>Other</b>								
Other - Batteries	-	-	-	-	-	-	-	-
Other-Field Lights/Sensors	-	-	-	-	-	-	-	27,000
Other - Gate Supplies	-	-	-	-	-	-	-	19,500
Other - General Supplies	-	-	-	-	-	-	-	35,000
Other - Motor	-	-	-	-	-	-	-	-
<b>Total Other</b>	-	-	-	-	-	-	-	81,500
<b>Total Trades - Electricians</b>	-	-	-	5,000	5,000	-	-	87,900

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Maintenance - Field</b>								
<b>Snow Removal - Materials</b>								
Materials - Sodium Acetate	-	-	-	-	-	-	-	-
Materials-Liquid Anti Icer	-	-	-	-	-	-	-	-
Materials-Other Ice Ctrl	-	-	-	-	-	-	-	-
Materials - Salt	-	-	-	-	-	-	-	93
Materials - Sand	-	-	-	-	-	-	-	15,860
Materials - Urea	-	-	-	-	-	-	-	8,521
<b>Total Snow Removal - Materials</b>	-	-	-	-	-	-	-	24,474
<b>Snow Removal - Equipment</b>								
Equipment - Contract	-	-	-	-	-	-	-	-
Equipment - Other	-	-	-	-	-	-	-	-
Equip Rent-No Operator-5.5	-	-	-	-	-	-	-	5,200
Equipment-Rent-No Operator	-	-	-	-	-	-	-	439
<b>Total Snow Removal - Equipment</b>	-	-	-	-	-	-	-	5,639
<b>Snow Removal - Miscellan</b>								
Snow Removal - Meals	-	-	-	-	-	-	-	769
Snow Removal - Plow Blades	-	-	-	-	-	-	-	-
Snow Removal - Runway Brm	-	-	-	-	-	-	-	2,000
Snow Melters	-	-	-	-	-	-	-	-
<b>Total Snow Removal - Miscellan</b>	-	-	-	-	-	-	-	2,769
<b>Summer Maintenance-Surface</b>								
Surface Repair-Aggregate	-	-	-	-	-	-	-	4,489
Surface Repair-Asphalt	-	-	-	-	-	-	-	6,006
Surface Repair-Cement	-	-	-	-	-	-	-	300
Surface Repair-Other	-	-	-	-	-	-	-	-
Surface Rubber Removal	-	-	-	-	-	-	-	7,300
Surface Repair-Saw Blades	-	-	-	-	-	-	-	-
Surface Repair-Hot Sealant	-	-	-	-	-	-	-	-
<b>Total Summer Maintenance-Surface</b>	-	-	-	-	-	-	-	18,095
<b>Summer Maint-Landscape</b>								
Summer Maintenance-Fencing	-	-	-	-	-	-	-	5,486
Landscape/Turf-Materials	-	-	-	-	-	-	-	24,175
Summer Maint-Equip Rent No Op	-	-	-	-	-	-	-	-
Summer Maint-Equip Rent LT	-	-	-	-	-	-	-	-
<b>Total Summer Maint-Landscape</b>	-	-	-	-	-	-	-	29,661
<b>Maintenance Field-Other</b>								
Field Maint-Other-Garbage	-	-	-	-	-	-	-	-
Non Runway Brooms	-	-	-	-	-	-	-	-
Field Maint-Other-Material	-	-	-	-	-	-	-	-
Field Maint-Other-Supplies	-	-	-	-	-	-	-	3,180
Field Maint-Other-Tools	-	-	-	-	-	-	-	-
<b>Total Maintenance Field-Other</b>	-	-	-	-	-	-	-	3,180
<b>Total Maintenance - Field</b>	-	-	-	-	-	-	-	83,818
<b>Maintenance Building</b>								
<b>Building-Temp Control</b>								
Temp Control-Contracts	-	-	6,258	1,738	-	-	-	22,117
Temp Control-Filters	-	-	-	-	-	-	-	-
Fire Control Contract	-	-	4,946	3,714	-	-	27	-
<b>Total Building-Temp Control</b>	-	-	11,204	5,452	-	-	27	22,117
<b>Building-Mechanical Areas</b>								
Mechanical Areas-APM	-	-	-	-	-	-	-	-
Mechanical Areas-Conveyors	-	-	-	-	-	-	-	-
Mechanical Areas-Doors	-	-	-	-	-	-	-	11,330
Mechanical Areas-Doors/Pub	-	-	-	-	-	-	-	-
Mechanical Areas-Doors/Tug	-	-	-	-	-	-	-	-
Mechanical Areas-Elevators	-	-	-	-	-	-	-	3,875
Mechanical Areas-Escalator	-	-	-	-	-	-	-	-
Mechanical-Moving Walks	-	-	-	-	-	-	-	-
Mechanical Areas-Other	-	-	-	-	-	-	-	-
<b>Total Building-Mechanical Areas</b>	-	-	-	-	-	-	-	15,205
<b>Building-Other</b>								
Other-Building Systems	-	-	-	-	-	-	-	-
Other-Boiler Chemicals	-	-	-	-	-	-	-	-
Other-Floors/Repairs	-	-	-	-	-	-	-	-
Other-Jetbridge Repairs	-	-	-	-	-	-	-	-
Other-Outside Plumb/Sewer	-	-	-	-	-	-	-	-
Other-Paging System Contract	-	-	-	-	-	-	-	-
Other-Pest Control	-	-	-	-	-	-	-	-
Other-Roofing	-	-	-	-	-	-	-	4,825
Sump/Septic Pumping	-	-	-	-	-	-	-	15,500
Other-Supplies	-	-	-	-	-	6,000	-	5,831
Other-Tools	-	-	-	-	-	-	-	-
<b>Total Building-Other</b>	-	-	-	-	-	6,000	-	26,156
Minor Projects Expense	-	-	-	1,000	-	-	-	-
<b>Total Maintenance Building</b>	-	-	11,204	6,452	-	6,000	27	63,478

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Maintenance-Cleaning</b>								
<b>Cleaning Services</b>								
Cleaning Services-Janitor	-	-	26,350	40,347	537,054	12,727	-	28,784
Cleaning Services-Windows	-	-	-	9,838	-	-	-	2,964
<b>Total Cleaning Services</b>	-	-	26,350	50,185	537,054	12,727	-	31,748
<b>Cleaning Supplies</b>								
Cleaning Supplies-Bathroom	-	-	-	-	-	-	-	-
Cleaning Supplies-General	-	-	-	-	-	-	-	3,739
<b>Total Cleaning Supplies</b>	-	-	-	-	-	-	-	3,739
<b>Rubbish Disposal</b>								
Rubbish Disposal-Recycle	-	-	-	-	-	-	-	-
Rubbish Disposal-Regular	-	-	-	-	-	-	-	33,800
<b>Total Rubbish Disposal</b>	-	-	-	-	-	-	-	33,800
Towel Laundry Services	-	-	-	-	-	-	-	6,827
Other Cleaning Expenses	-	-	3,925	-	-	-	-	-
<b>Total Maintenance-Cleaning</b>	-	-	30,275	50,185	537,054	12,727	-	76,114
<b>Maintenance-Equipment</b>								
<b>Equipment-Parts</b>								
Parts-Automobiles	-	37,056	3,000	-	-	18,000	-	-
Parts-Boilers Energy Mgmt	-	-	-	-	-	-	-	929
Parts-Chiller Energy Mgmt	-	-	2,306	10,382	-	-	-	-
Parts-Other Equipment	-	-	-	-	-	-	-	-
Parts-Equipment	-	18,200	35,000	-	-	-	-	104,650
Parts-Other Equipment	-	-	-	-	-	-	-	287
<b>Total Equipment-Parts</b>	-	55,256	40,306	10,382	-	18,000	-	105,866
<b>Equipment-Shop</b>								
Shop-Batteries	-	-	-	-	-	-	-	1,161
Shop-Cleaners/Degreasers	-	-	-	-	-	-	-	-
Shop-Oil Filters	-	-	-	-	-	-	-	6,720
Shop-Other Supplies	-	-	-	-	-	-	-	8,493
Shop-Tires	-	-	12,000	-	-	-	-	8,239
Shop - Tool Crib	-	-	-	-	-	-	-	-
Shop-Tools	-	-	-	-	-	-	-	2,278
Shop - Weld Shop	-	-	-	-	-	-	-	-
<b>Total Equipment-Shop</b>	-	-	12,000	-	-	-	-	26,891
<b>Equipment-Gas</b>								
Gas-Diesel	-	3,825	23,103	-	-	24	-	117,130
Gas-Ethanol	-	15,871	1,267	5,288	-	6,641	1,676	558
Gas-Propane	-	-	-	-	-	-	-	-
Gas-Unleaded	-	87,752	4,485	4,917	-	11,566	3,031	24,911
<b>Total Equipment-Gas</b>	-	107,448	28,855	10,205	-	18,231	4,707	142,599
<b>Equipment-Extinguishers</b>								
Equipment-Miscellaneous Exp	-	-	1,881	-	-	-	-	-
<b>Total Maintenance-Equipment</b>	-	162,704	83,042	36,087	-	36,231	5,707	278,371
<b>Total Maintenance</b>	-	162,704	132,771	105,424	542,054	54,958	5,734	641,213

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Commu- nication/ Operations	Noise & Environment	Total Reliever Airports
<b>Other</b>								
<b>General Insurance</b>								
Gen Ins-Airport Liability	-	65,282	48,525	31,254	-	2,833	2,025	73,760
Gen Ins-Property	-	96,019	71,371	45,970	-	4,167	2,979	108,488
Gen Ins-Crime	-	1,784	1,326	854	-	77	55	2,016
Gen Ins-Auto/Equipment	-	25,755	19,144	12,330	-	1,118	799	29,100
Gen Ins-Other	-	892	663	427	-	39	28	1,008
<b>Total General Insurance</b>	-	189,732	141,029	90,835	-	8,234	5,886	214,372
<b>Safety</b>								
Safety-Supplies	-	9,750	-	5,500	-	-	-	920
Safety-Equipment	-	-	-	8,500	-	-	-	-
<b>Total Safety</b>	-	9,750	-	14,000	-	-	-	920
<b>Medical Information/Supply</b>								
Medical-Routine Supplies	-	10,000	2,683	800	-	10	-	174
Medical-Emergency Response	-	-	459	-	-	-	-	-
<b>Total Medical Information/Supply</b>	-	10,000	3,142	800	-	10	-	174
<b>Rentals</b>								
Rental-Copier	-	-	4,000	14,700	-	18,800	-	-
Rental-Pagers	-	-	-	10,231	-	-	-	-
Rental-Other Equipment	-	-	-	12,926	-	-	-	-
<b>Total Rentals</b>	-	-	4,000	37,857	-	18,800	-	-
<b>Licenses/Permits</b>								
Licenses-Autos/Equipment	-	-	-	5,000	-	-	-	-
Licenses-Environmental	-	-	-	-	-	-	400	4,900
Licenses-Other	-	-	-	-	1,000	-	-	876
<b>Total Licenses/Permits</b>	-	-	-	5,000	1,000	-	400	5,776
<b>Miscellaneous Expenses</b>								
Misc-Firearm/Equip/Supplies	-	49,900	23,248	-	-	16,000	-	-
Misc-Emergency Response	-	20,067	19,248	-	-	-	-	-
Misc-Other	-	42,586	-	11,700	-	-	-	-
Misc-Taxes(Petroleum/Use)	-	-	-	-	-	-	-	1,889
<b>Total Miscellaneous Expenses</b>	-	112,553	42,496	11,700	-	16,000	-	1,889
<b>Adjustments/Bad Debt</b>	-	-	-	8,000	-	-	-	-
<b>Capital Assets</b>								
<b>Minor Equipment/Assets</b>								
Minor Assets-Tools	-	-	-	-	-	4,785	-	-
Minor Assets-Office Furn	-	1,000	-	14,500	-	2,330	-	-
Minor Assets-Computers	-	-	-	207,380	-	57,300	40,365	-
Minor Assets-Radios	-	-	-	5,382	-	2,340	-	-
Minor Assets-Other	-	-	30,000	4,500	-	-	-	-
<b>Total Minor Equipment/Assets</b>	-	1,000	30,000	231,762	-	66,755	40,365	-
<b>Total Capital Assets</b>	-	1,000	30,000	231,762	-	66,755	40,365	-
<b>Total Other</b>	-	323,035	220,667	399,954	1,000	109,799	46,651	223,131
<b>Gross Depreciation</b>	-	-	-	-	-	-	-	-
<b>Grand Total Excluding Depreciation</b>	-	15,820,329	6,615,535	20,501,274	2,057,136	4,196,928	2,004,401	5,298,354
<b>Grand Total With Depreciation</b>	-	15,820,329	6,615,535	20,501,274	2,057,136	4,196,928	2,004,401	5,298,354

The capital budget is broken down into two sections which are:

- Equipment and technology related expenditures
- Capital Improvement Program expenditures

Capital asset expenditures relate to the acquisition of assets where the benefits of which extend over one or more accounting periods beyond the current period. It is the Commission's policy to amortize the carrying amount of the assets over their estimated useful lives on a straight-line basis by annual depreciation charges to income. Estimated useful lives on depreciable assets are as follows:

Airport improvements and buildings	10 - 40 years
Moveable equipment	3 - 15 years

Costs incurred for major improvements are carried in construction in progress until disposition or completion of the related projects. Costs relating to projects not pursued are expensed, while costs relating to completed projects are capitalized. The capitalization threshold for capital assets is \$10,000.

For capital improvement program expenditures, a monthly report is given to the Commission for review and all final payments including any change orders are approved by the Commission.

### **Equipment and Technology Expenditures**

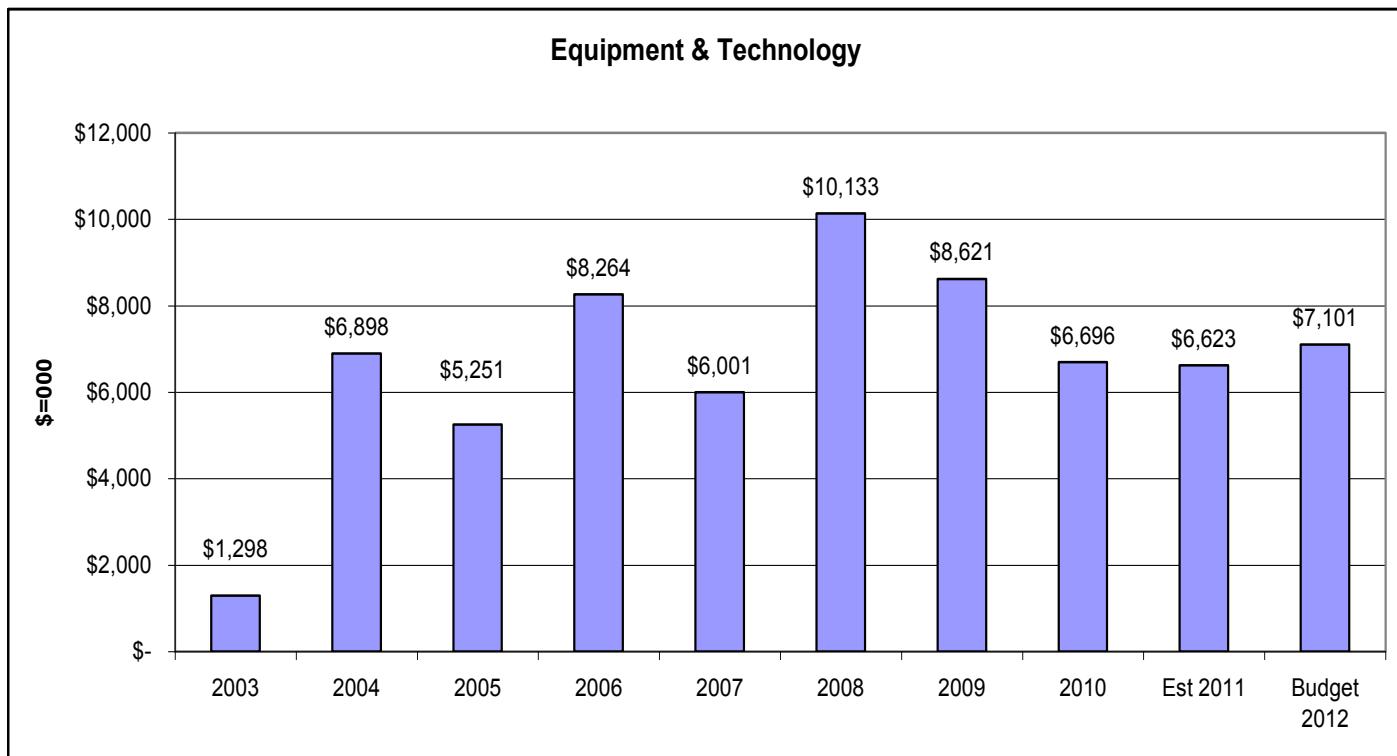
Annually MAC completes its capital equipment requests for new and replacement equipment. In the past eight years, only essential pieces of equipment requests were considered based upon cash flow and organizational requirements. The same criteria were in place for the 2012 budget. The capital equipment requests in the 2012 budget increased \$478,723 or 7.2%. All technology related capital equipment was also reviewed by the Information Services (IS) Department.

In 2008, the Commission fully incorporated the changes in the Amendment to the Airline Use and Lease Agreement. This change resulted in a significant modification to the way the Commission acquires capital equipment. In the past, internally generated funds were used to purchase all capital equipment and the resulting depreciation associated with that equipment was charged to the tenants, in particular, the airlines. In the Amendment, this process changed due to elimination of using depreciation and now incorporating the use of various types of debt as a chargeback to the tenants and airlines. Currently, the \$7.1 million capital equipment budget listed below is funded in two ways. First, those pieces of equipment which are chargeable to the tenants and airlines are now acquired through various lease terms. The amount of equipment financed by leasing for 2012 is approximately \$2.0 million. The terms of these leases range from one year to twelve years. The payments associated with these various leases will be charged back based on the appropriate percentage in the leases resulting in recovery of all or a portion of the total dollars. Second, the remaining value of capital equipment (approximately \$5.1 million) will be funded with internally generated funds.

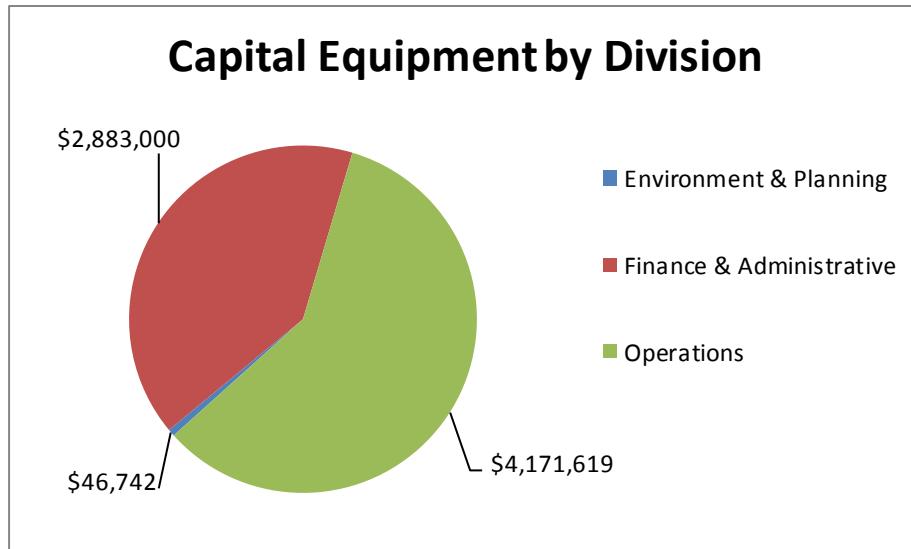
#### **2012 Equipment & Technology Budget**

	<b>2011</b>	<b>2012</b>		
	<b>Estimate</b>	<b>Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Equipment & Technology	\$ 6,623,000	\$ 7,101,361	\$ 478,361	7.2%

The following chart compares equipment and technology purchases for the past 10 years:



The following pages contain the capital equipment summary.



The above chart displays the 2012 capital equipment requests by division and shows that the Operations Division needs over half of the capital equipment to maintain the airport while Environment & Planning require very little.

**ENVIRONMENT & PLANNING DIVISION****Environment-Aviation Noise**

Equipment	Individual Price	Qty	Trade in Value	Total
<b>Upgrade Storage Area Network (SAN)</b>	\$46,742	1	\$0	\$46,742

This project is to replace outdated Overland Snap NAS servers. We require more network storage, better uptime and Mission critical support to facilitate our current VMware, and file server infrastructure. This project includes a Dell Equalologic PS4000xv (\$30,392) with installation and implementation, 2 Cisco switches (\$10,750) and a fiber run (\$5600) with 6 single mode fiber strands from the Telecom room to the ENV server room in order to facilitate connections to the existing macnet SAN network.

<b>Environment-Aviation Noise Total:</b>	<b>\$46,742</b>
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**FINANCE & ADMINISTRATIVE SERVICES DIVISION****Finance**

Equipment	Individual Price	Qty	Trade in Value	Total
<b>Auto Time Entry/Scheduler with interface to E1</b>	\$350,000	1	\$0	\$350,000

As of result of Internal and External auditor recommendations, staff was directed to explore the potential of utilizing an automated time entry/scheduler system that would also interface with MAC's accounting system. The time-entry/scheduler program would eliminate the manual rekeying of time (increased productivity) and also provide a better tracking of hours worked versus hours paid (stronger internal controls).

**Finance Total:** \$350,000

**FINANCE & ADMINISTRATIVE SERVICES DIVISION****Information Services**

Equipment	Individual Price	Qty	Trade in Value	Total
<b>Add network security firewalls and software</b>  Hardware includes firewalls to establish a test bed in order to validate network changes. Software includes network access control, which locks down the individual ports, which is where equipment is connected to the network. Software also includes file integrity control to verify that changes to data are approved as well as intrusion detection software to give the alarm if the network is attacked from the outside.	\$429,000	1		\$429,000
<b>Back office equipment upgrades</b>  A number of the servers have reached the end of life even with extended warranties. The data backup equipment, tape drive hardware, is also at end of life. A key strategy for the MAC is to move to virtualized servers whereby software enables one physical server to be split into several logical or virtual servers, reducing the number of actual servers to be purchased and maintained. This replacement includes licenses for the virtualization software along with Storage Area Network or SAN hardware to provide the disk data storage for the virtualized servers.	\$320,000	1		\$320,000
<b>Landside hardware and software replacements</b>  Key hardware and software components used by the Parking Revenue Control System and the Commercial Vehicle, Taci and Contract Parker system (Mavis) need to be replaced. These include backup tape drive hardware, database software licenses and server hardware and some infrastructure cabling for equipment locations in the valet garage.	\$125,000	1		\$125,000
<b>Replace MAC workstations, upgrade software</b>  MAC workstations are past the end of life for the hardware, The software is approaching the end of support. The software will be upgraded to Microsoft Windows 7 and Office 2010. In addition, virtualized workstations will be used where possible, reducing future maintenance and replacement costs. (If the desktop is virtualized, it is possible to replace a desktop PC with essentially a connection box while the software and data are handled remotely by a server.) Software upgrades also include web, collaborative and database product upgrades. This is to be rolled out over 2 years, with the total cost of \$1,194,000. FY 2012 budget is to be \$494,000, and FY 2013 budget is \$700,000.	\$494,000	1		\$494,000
<b>Replace network monitoring software</b>  With the advent of CCTV and upgraded telephone systems on the network, the current network monitoring product, HP OpenView, is inadequate to provide the level of detail required. The proposed monitoring software, NetFlow, will address the requirements effectively, replacing HP OpenView, which will be discarded.	\$200,000	1		\$200,000

**FINANCE & ADMINISTRATIVE SERVICES DIVISION****Information Services**

Equipment	Individual Price	Qty	Trade in Value	Total
<b>Upgrade common use hardware and software</b>	\$965,000	1		\$965,000

The Common Use hardware has reached the end of its useful life and needs to be replaced. This includes the workstations, printers and readers at the ticket counters and gates as well as the servers operating behind them. The Ultra software needs to be upgraded to the CUPPS-standard compliant version to accommodate Southwest Airlines. The upgrade is included under the maintenance agreement. The services to install and configure it are not. This request includes adding common use self service kiosks, which will adhere to the CUSS standard, again to meet Southwest Airline's requirements.

<b>Information Services Total:</b>	<b>\$2,533,000</b>
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**OPERATIONS DIVISION****Airside Operations**

Equipment	Individual Price	Qty	Trade in Value	Total
<b>Airside Operations Vehicle - dual fuel pickup</b> Replacement vehicle for high mileage, fully amortized Airside Operations vehicle - 2001 Chevy Suburban. More than half of the repairs done on this vehicle have been of an emergency or unscheduled nature. This vehicle is used daily by the department staff to ensure the safe, efficient and critical operation of MSP. Budgeted costs include all accessories necessary to equip the vehicle to effectively operate on the Air Operations Area similar to current Airside Operations' vehicles, i.e. light bar, radio, flood lights, decaling, LED message sign, bed mounted tool box, toughbook laptop, push bumper, radio console, GPS vehicle tracking unit, back rack, switch panel, etc..	\$48,819	1		\$48,819
<b>Airside Server Virtualization - Phase 2</b> The majority of the Airside Operations Center operates in a virtual server environment with two VM server hosts in the Ops Center on the E concourse and one fail-over server as backup in the Airside Backup Center at the MSP Driver's Training Center. This phase of the project will purchase a second fail-over VM host server and licenses to provide continuity of operations in the event the Ops Center site fails or becomes unusable. This project will also upgrade our Virtual Center and add VM's Site Recovery Manager licenses allowing for automated failover providing complete redundancy to all critical operational systems.	\$30,000	1		\$30,000
<b>MSP Driver's Simulator Visual Replacement</b> The visual projection system on the MSP Driver's Simulator is seven years old and no longer serviceable or compatible with the new wide screen, high definition visual world. This is the third and final phase to bring the original 2001 project up to date. Other phases have included a completely re-drawn virtual world, new computer hardware and a remodeled simulator facility to include one full-sized truck cab and three desktop stations. The four simulators are capable of operating collaboratively in any weather condition, day or night, under the watchful eye of an instructor. The visual replacement project will include an updated display processor to connect three overhead projectors in a seamless, high definition airport world. The higher update rate and high resolution projectors will reduce or eliminate eye strain and sim sickness experienced by many of our older drivers.	\$70,000	1		\$70,000

Airside Operations Total: **\$148,819**

**OPERATIONS DIVISION****Emergency Communications**

Equipment	Individual Price	Qty	Trade in Value	Total
<b>Upgrade to console design</b>	\$18,600	1		\$18,600

Console design in ECC dispatch room is ineffective. Unable to hear partners from all positions. Also can not visually see their partners to be able to determine if they are answering a call or acknowledging an alarm. The other concern is the acoustics. The current design and monitor walls at each position may be creating an environment that causes sound waves to deflect. Due to limited space, there are restricted options. One option is to take the fifth position, which is not a full functioning position, and redesign it to be a full position that curves into the center of the room. The cost would include a new console with a new monitor rack, additional licensing necessary for CCTV & SCA, additional monitors, and the cost of wiring and configuration.

**Emergency Communications Total:** \$18,600

**Facilities-Lindbergh Terminal**

Equipment	Individual Price	Qty	Trade in Value	Total
<b>ASSA Cliq key changeover - roof / CAC wall access</b>	\$130,000	1		\$130,000
This (security) project is for the changeout of the keyways on all roof access hatches and the CAC wall (divider between secure and non-secure sides of the terminal). The cost is strictly for parts and materials, as MAC Locksmiths will be accomplishing the labor.				
<b>Bomb-proof Trash Cans</b>	\$48,000	1		\$48,000
For the purchase of Blast Mitigation (bomb-proof) trash cans. This year's purchase (approx. 10) is intended to supplement needed areas on the non-secure side of Terminal 1.				
<b>Paging System Upgrade</b>	\$265,000	1		\$265,000
Upgrade to the existing paging system concentrating on the parking ramps and tram stations, audio routing and transport. Also included is amplifier upgrade.				
<b>Terminal Trash Receptacle and Recycling Containers</b>	\$15,000	1		\$15,000
Trash receptacles and recycling containers to supplement existing throughout Terminals 1 and 2 where needed in secured areas.				

**Facilities-Lindbergh Terminal Total:** \$458,000

**OPERATIONS DIVISION****Field Maintenance**

Equipment	Individual Price	Qty	Trade in Value	Total
<b>All-terrain vehicle</b> All-terrain vehicle used primarily for weed control and maintenance of unpaved areas, including the storm water detention ponds and the airport security fence.	\$15,000	1		\$15,000
<b>Attenuating utility vehicle</b> Replacement equipment for high-maintenance cost vehicle with no replacement parts support. Vehicle supports multiple attachments for routine summer and winter maintenance operations, of which, sidewalk snow removal is the most critical.	\$145,300	1	\$8,000	\$137,300
<b>Concrete joint saw</b> Equipment to increase the efficiency of pavement joint repairs, and necessary in order to meet aggressive aircraft deicing area pavement repair schedule.	\$39,300	1		\$39,300
<b>Crash attenuator</b> Safety device/truck attachment for the protection of work crews.	\$39,000	1		\$39,000
<b>Crew training/assembly room fixtures</b> Tables and chairs to replace heavily used equipment that can no longer be cleaned and repaired.	\$30,000	1		\$30,000
<b>Field tractor (large)</b> Replacement equipment for high-maintenance cost tractor used for routine summer and winter maintenance operations.	\$180,500	1	\$20,000	\$160,500
<b>Field tractor w/flail mower</b> Replacement equipment for high-maintenance cost tractors (mid-size) used for routine summer maintenance operations.	\$142,600	2	\$62,000	\$223,200
<b>Flex-fuel 4x4 quad cab pick-up truck</b> Replacement equipment for high-mileage, high-maintenance cost field supervisor vehicle. Alternative fuel vehicle replacement of standard combustion engine.	\$36,000	1	\$1,000	\$35,000
<b>High-speed multi-function vehicle</b> Multi-purpose vehicle to replace a high-speed plow and rotary runway broom, both of which have high-maintenance costs and are fully-amortized.	\$909,000	1	\$27,000	\$882,000
<b>Quad-cab 4x4 pick-up</b> Replacement of high-mileage, high-maintenance cost vehicles used 24/7 for routine maintenance operations. Upgrading vehicle size in order to meet DOT towing regulations.	\$30,500	2	\$2,000	\$59,000
<b>Quad-cab dump truck</b> Replacement equipment for high-mileage, high-maintenance cost vehicles used for routine summer and winter maintenance operations.	\$62,300	1	\$4,000	\$58,300

**OPERATIONS DIVISION****Field Maintenance**

Equipment	Individual Price	Qty	Trade in Value	Total
<b>Roll-back truck</b> Transport truck to replace existing vehicle that can no longer accommodate larger vehicles now in the fleet.	\$122,400	1	\$2,000	\$120,400
<b>Rubber-tracked skidsteer</b> Replacement equipment for the skidsteer acquired in 1999 that no longer has parts support. Vehicle is used to remove snow from the departure end runway 12R EMAS bed; specialty equipment needed due to EMAS bed weight limits.	\$75,000	1	\$3,000	\$72,000
<b>Snow blower attachment</b> Field tractor snow blower attachment to increase efficiency in removing snow from airfield navigational aids and ILS critical areas.	\$18,000	1		\$18,000
<b>Sweeper lease payments</b> Capitalized lease of airfield and street sweeper equipment. 2012 payments are reflected in this line item.	\$566,000	1		\$566,000

Field Maintenance Total: **\$2,455,000****Fire**

Equipment	Individual Price	Qty	Trade in Value	Total
<b>Mini pumper</b> This is our only fire fighting vehicle that fits in the parking ramps and the valet parking garage under Terminal #1. The vehicle was purchased in 2001 and has reached the end of its expected service life.	\$250,000	1		\$250,000

Fire Total: **\$250,000**

**OPERATIONS DIVISION****Landside-Operations**

Equipment	Individual Price	Qty	Trade in Value	Total
<b>Software enhancements to MAVIS</b>	\$21,000	1		\$21,000
Make changes to the MAVIS GUI and to MAVIS reports to replace Lindbergh (LBG) with Terminal 1 (T1), and Humphrey Terminal (HHH) with Terminal 2 (T2); add a database table to record commercial vehicle and employee parking zone counts at 15 minute intervals. These historical counts are used to determine peak and average capacity counts to plan future facility expansion. Taxi and commercial vehicle ordinances are currently under review and it is expected there will be some changes during 2012. MAVIS will need to be modified with these ordinance revisions.				
<b>Upgrade MAVIS SQL to SQL 2008</b>	\$50,000      1      \$50,000			
Replace 5 year old SQL software to provide enhanced levels of security, reliability and performance. 1. Install SQL 2008 R2 x64 onto the new hardware. 2. Setup the SQL for a clustered configuration. 3. Migrate the current MAVIS database over to the new SQL Server 2008 R2 cluster. 4. Verify MAVIS existing functionality. 5. Upgrade MAVIS reports to Crystal Reports 2008 Advanced Value Bundle 10 User Licenses				
<b>Landside-Operations Total:</b>				<b>\$71,000</b>

**OPERATIONS DIVISION****Landside-Parking**

Equipment	Individual Price	Qty	Trade in Value	Total
<b>2011 Nissan Leaf electric vehicle</b>  Landside vehicle to: 1. Promote public awareness and use of new Valet Electric Vehicle (EV) charging stations. It would charge at night and be visible to our customers, when not in use by Landside staff. 2. Replace Landside personal vehicles now used daily as Landside tests ZipPass operations (all entrance/exit gates to control both public and employee access to parking areas) and inspects employee parking areas. 3. Replace personal vehicles now used for field enforcement and to test access controls on T-1 and T-2 commercial vehicle lanes and taxi holding areas on Post Road. 4. Inform Landside staff of the public's vehicle charging and operational needs for this new vehicle type and its charging stations as EVs become popular with our customers in Valet and in the other parking areas.	\$40,000	1		\$40,000
<b>Install Special Call direct to T1 and T2</b>  Add a proximity card reader and a blank out sign to lane LC1 at T1 and to lane H114 at T2 to improve taxi thru-put and redundancy at both terminals. If a taxi using the Special Call direct feature encounters an entrance lane with out of service equipment, the driver could use the adjacent lane to enter.	\$50,000	1		\$50,000
<b>Safes to secure public parking cash payments</b>  These automated safes secure annually \$2.8 million in parking cash payments. Included in this purchase are two safes each for Terminal 1 and Terminal 2 parking management offices. One safe in each location handles parking payments (cash and checks). The other safe at each location handles the cashiers' change cash. Existing safes were initially leased and, after the lease expired, purchased by MAC. These safes are now technologically and physically obsolete and replacement parts are no longer available. The replacement safes compared to existing offer equal or better automated functions, security features, and tracking and reporting software. The replacement safes include new reports that were requested by MAC Internal Audit.	\$30,000	2	\$0	\$60,000

**Landside-Parking Total:** \$150,000

**OPERATIONS DIVISION****Police**

Equipment	Individual Price	Qty	Trade in Value	Total
<b>Automatic License Plate Recognition</b>	\$100,000	1		\$100,000
<p>License Plate Recognition software will allow the Police Department to better monitor traffic entering the airport community, specifically targeting the terminal entrances. It uses an intelligent neural network system that captures digital license plate images as they pass a mobile or fixed camera. It is capable of accurate high speed plat recognition across multiple lanes of high density traffic and is capable of processing 4 vehicles per second at speeds up to 110 miles per hour. License plates are automatically cross checked in real time against multiple local, regional, statewide and, if appropriate, national databases to identify vehicles/persons associated with auto theft, warrants, Bolo's parking violations, Amber alerts and terrorist hits.</p> <p>Vehicles/occupants matching terrorist/criminal hits are instantly reported to dispatch with location time and photo of the vehicle allowing an officer to take immediate action to eliminate the threat. This technology will be invaluable in the continuing effort of the Police Department to deter and monitor terrorist/criminal related activities. This system would include 6 fixed-color cameras covering Terminal 1 and 5 fixed-color cameras covering Terminal 2. It is expandable for future cameras and includes mobile capability to squad cars.</p>				
<p>The cost of the system would include 6 fixed-color cameras covering Terminal 1 and 5 fixed-color cameras covering Terminal 2 at a cost of \$11,000. Software licensing for the cameras is \$24,000 and engineering would be \$20,000. A server and SQL license is required with a cost of \$10,000. The System Data Management Back Office feature allows for storage of video feed and video management at a cost of \$5,000. Inflation potential and overage charges: \$15,000.</p>				
<b>Police Vehicle</b>	\$30,000	1		\$30,000
Replacement of 616-793 which has in excess of 100,000 miles. This vehicle is recommended for replacement by the police department and MAC's maintenance foreman.				
<b>Police Vehicles</b>	\$40,000	6		\$240,000
The following six police vehicles have in excess of 100,00 miles. They are recommended for replacement by the police department and MAC's maintenance foreman.				

**OPERATIONS DIVISION****Police**

Equipment	Individual Price	Qty	Trade in Value	Total
<b>Replacement of Card Access AVI System</b>	\$85,000	1		\$85,000
<b>Replacement of the card access AVI system used for perimeter gate access. This system is used by MAC oversized vehicles to safely access the AOA and Secured SIDA. The current system has many issues and is non-functional in many vehicles. The system must have tamper proof devices which deactivate the vehicle's access ability if it has been tampered with. The current technology installed is faulty in many of the applications and new technology will resolve this issue.</b>				
<b>Police Total:</b>				<b>\$455,000</b>

**Relievers - Anoka**

Equipment	Individual Price	Qty	Trade in Value	Total
<b>14 foot plow with carbide blades</b>	\$13,800	1	\$500	\$13,300
The existing snow plow is only 12 feet in length. The 14 foot plow with carbide blades is needed to more efficiently facilitate snow removal from pavements and to provide for continued safe aircraft operations during and after snow events. The bigger plow is needed as a result of the runway and taxiway improvements completed in 2007. These improvements have attracted additional airport operations during winter weather situations. Moreover, the public access roads need to be cleared in a timely fashion to allow airport employees and customers access. The existing plow is a bit twisted and does not possess the strength to remove large volumes of snow.				
<b>20 foot pusher w/extra bracing and carbide blades</b>	\$25,000	1	\$1,000	\$24,000
A snow pusher to remove snow in hangar building areas, aprons and public parking areas. This new pusher will allow for cleaner passes versus the existing 1990 pusher. The new pusher with extra bracing and carbide blades will allow for maximum operational efficiency in lending support and overall strength to remove snow rapidly.				
<b>Relievers - Anoka Total:</b>				<b>\$37,300</b>

**OPERATIONS DIVISION****Relievers - Lake Elmo**

Equipment	Individual Price	Qty	Trade in Value	Total
<b>15 foot batwing mower</b>	\$17,200	1	\$500	\$16,700

Maintain the 450+ acres of grass areas as well as removal of small brush. This mower will replace one that has been used since the early 1990s. A new mower would reduce the amount of time spent to mow the grass. The existing mower is out-of-service frequently, and it has become very difficult to find parts for repair. Often times, replacement parts have to be ordered from out-of-state dealers, because local stores no longer support these products. A new mower would improve the cutting performance and be able to handle the toughest conditions.

**Relievers - Lake Elmo Total:** \$16,700

**Trades - Painters**

Equipment	Individual Price	Qty	Trade in Value	Total
<b>19 x 30 sissor lift</b>	\$13,500	1	\$0	\$13,500
<b>HVLP reactor to spray 2 part rubber</b>	\$20,000	1	\$0	\$20,000

Spray machine to apply o voc rubber membrane. We have looked at purchasing a machine of this type for several years, its uses would include waterproofing of airhandlers, elect vaults, roofs, ceilings, walls. There have been several instances where we could have saved the MAC a lot of construction money if we had the capabilities we will gain with addition of this machine, very versatile.

**Trades - Painters Total:** \$33,500

**Trades - Plumbers**

Equipment	Individual Price	Qty	Trade in Value	Total
<b>New Pick-up to replace 616-621</b>	\$33,700	1		\$33,700
Replace flat bed 1 ton truck with new pick-up truck with lift gate and tool boxes to support the maintenance assignments of the plumbers. The payback would be close to one year. The hourly rate of \$33.58 plus 35% benefits would be \$45.33 a hour. It takes two and half hours each working day to shuttle different plumbers to their work location. If there is 240 work days in a year, the total loss of productivity would be \$27,198 of labor hours lost. The cost of a new truck will be \$33,700.				
<b>New Van to replace Van 616-666</b>	\$44,000	1		\$44,000
Replace old van with new van to support the maintenance assignments of the plumbers.				

**Trades - Plumbers Total:** \$77,700

## **Capital Improvement Program**

On December 19, 2011, the Commission adopted the 2012-2018 Capital Improvement Program (CIP). The 7-year CIP relating to construction projects on the Commission's airport system consists of the following elements:

1. **Capital Improvement Projects 2012** – these are projects that have been reasonably defined for implementation in the upcoming calendar year; in this case 2012.
2. **Capital Improvement Program 2013** – these are projects that have been identified in the second year of the program which have a need or potential need but require further study in order to properly determine the scope, feasibility and cost of the project.
3. **Capital Improvement Plan 2014-2018** – this encompasses the last five years of the total program and consists of projects that appear likely to be needed during the period. This portion of the program assists in financial planning and meets the requirements of the Metropolitan Council's Investment Framework.



***2011 Taxiway C Extension Construction – Minneapolis-St. Paul International Airport***

The projects identified for the Capital Improvement Programs are summarized by year and totaled as follows:

**Capital Improvement Projects**

Projects	Year			
	2012	2013	2014-2018	Total
	(\$ = 000)			
<b>Noise Mitigation Program</b>				
Noise Mitigation Settlement	\$ 3,600	\$ 1,300	\$ 3,420	\$ 8,320
<b>Terminal 1 - Lindbergh</b>				
<b>Safety/Security Projects</b>				
Checked Baggage Inspection System (CBIS ) Integration	\$ 16,100			\$ 16,100
Baggage Claim Fire Protection System		\$ 4,000		\$ 4,000
Automated External Defibrillator Notification System			\$ 550	\$ 550
Telecom Room Equipment Continuity and Security	\$ 2,300	\$ 2,350	\$ 2,000	\$ 6,650
Fall Protection Program	\$ 100	\$ 100	\$ 100	\$ 300
<b>Facility Rehabilitation</b>				
Skyway HVAC - South	\$ 1,500			\$ 1,500
Food Court Counter Upgrades	\$ 100			\$ 100
Folded Plate Drain and Roof Repair	\$ 6,400			\$ 6,400
Terminal Miscellaneous Modifications	\$ 2,000	\$ 1,000	\$ 15,000	\$ 18,000
C-G Connector Soffit Repair		\$ 200		\$ 200
Conference Center Upgrades		\$ 300		\$ 300
Emergency Power Upgrades		\$ 1,250	\$ 9,250	\$ 10,500
Lower Level Roadway/GTC Water Infiltration Mitigation			\$ 2,500	\$ 2,500
Passenger Boarding Bridge Replacements			\$ 14,000	\$ 14,000
CBP Carpet Replacement			\$ 350	\$ 350
Ticket Lobby/Mezzanine Operational Improvements			\$ 50,000	\$ 50,000
Folded Plate Roof Replacement			\$ 34,000	\$ 34,000
Way-Finding Sign Backlighting Replacement			\$ 4,800	\$ 4,800
Baggage Claim Operational Improvements			\$ 70,000	\$ 70,000
Restroom Upgrade Program	\$ 2,600	\$ 1,000	\$ 10,000	\$ 13,600
Air Handling Unit Replacement	\$ 2,100	\$ 1,500	\$ 11,500	\$ 15,100
Conveyance System Upgrades	\$ 2,700	\$ 1,000	\$ 1,200	\$ 4,900
Plumbing Infrastructure Upgrade Program	\$ 500	\$ 500	\$ 1,000	\$ 2,000
Electrical Infrastructure Rehabilitation Program	\$ 2,000	\$ 2,500	\$ 8,800	\$ 13,300
Terminal Curtainwall Repair	\$ 100	\$ 100	\$ 100	\$ 300
<b>Passenger Amenities</b>				
Art in the Terminal	\$ 250		\$ 750	\$ 1,000
Terminal Seating Improvements	\$ 1,000	\$ 800		\$ 1,800
Way-Finding Signage Improvements	\$ 450	\$ 300		\$ 750
MUFIDS/Electronic Video Information Display		\$ 600	\$ 2,000	\$ 2,600
Ticket Counter Upgrades to ADA			\$ 800	\$ 800
Meeter/Greeter/Freedom of Speech Booth Upgrades			\$ 225	\$ 225
Commission Chambers Telecoil Installation			\$ 160	\$ 160
Elevator Access to Observation Deck			\$ 750	\$ 750
Concessions Revenue Development/Upgrades	\$ 200	\$ 200	\$ 1,000	\$ 1,400
<b>Operational Improvements</b>				
IS Data Center Facilities	\$ 15,000			\$ 15,000
Open Architecture Building Automation (OABA)		\$ 2,250	\$ 3,250	\$ 5,500
Fiber Optic Cable Infrastructure Upgrade/Expansion	\$ 1,650	\$ 1,150	\$ 1,700	\$ 4,500
Wireless Network Control System	\$ 850	\$ 1,425	\$ 500	\$ 2,775
Concourse C Elevator to D Street			\$ 450	\$ 450
Southeast Mezzanine Office and Exit Stairs			\$ 1,600	\$ 1,600
Landside Operations Offices Upgrades			\$ 500	\$ 500
FIS Modifications			\$ 6,000	\$ 6,000

Projects	Year			
	2012 (\$ = 000)	2013	2014-2018	Total
<b>Concourse G Improvements</b>				
Concourse G Fire Protection System - FIS	\$ 650			\$ 650
Concourse G Roof Replacement		\$ 8,600		\$ 8,600
Energy Savings Projects		\$ 200		\$ 200
Concourse G Fire Protection System - Delta	\$ 7,400			\$ 7,400
Exterior Panel/Sealant/Replacement			\$ 5,100	\$ 5,100
<b>T-1 Lindbergh Demand Driven Projects</b>				
Concourse E Remodeling/Expansion			\$ 37,000	\$ 37,000
MAC Operations Center			\$ 1,250	\$ 1,250
Concourse G Expansion			\$ 504,000	\$ 504,000
Roadway and Parking Expansion			\$ 10,500	\$ 10,500
<b>Energy Management Center</b>				
Energy Savings Projects	\$ 3,000	\$ 2,000	\$ 15,000	\$ 20,000
Alternative Energy Projects	\$ 300		\$ 1,000	\$ 1,300
<b>Field and Runway</b>				
Airside Bituminous Rehabilitation/Electrical Construction	\$ 500	\$ 500	\$ 2,500	\$ 3,500
Pavement Joint Sealing/Repair	\$ 650	\$ 650	\$ 3,250	\$ 4,550
Pavement Rehabilitation - Aprons	\$ 2,200	\$ 1,900	\$ 10,500	\$ 14,600
Runway 30R MALSF	\$ 1,900			\$ 1,900
Miscellaneous Airfield Construction	\$ 400	\$ 400	\$ 2,000	\$ 2,800
Perimeter Gate Security Improvements	\$ 575			\$ 575
Runway 12R/30L Tunnel Rehabilitation - Mill and Overlay		\$ 275		\$ 275
Runway 12R/30L Tunnel Rehabilitation - Lighting and Pumping Station	\$ 1,425			\$ 1,425
Storm Water Ponds 3&4 Enhancements	\$ 5,000			\$ 5,000
Runway 30R Deicing Pad Subdrain	\$ 800			\$ 800
Pavement Reconstruction - Taxiway Delta (W toS)			\$ 7,000	\$ 7,000
Baggage Quarantine Building			\$ 1,225	\$ 1,225
SIDA Incursion Upgrades			\$ 800	\$ 800
ASR Shadow Mitigation			\$ 5,000	\$ 5,000
South Field Maintenance Building Wash Bay			\$ 1,300	\$ 1,300
Sanitary Sewers Replacements			\$ 5,450	\$ 5,450
<b>Terminal Roads/Landside</b>				
Tunnel/Bridge Rehabilitation	\$ 100	\$ 100	\$ 500	\$ 700
Upper Level Roadway Rehabilitation			\$ 1,800	\$ 1,800
Upper Level Roadway Electrical System Rehabilitation			\$ 400	\$ 400
<b>Parking</b>				
T1/T2 Parking Structure Rehabilitation	\$ 3,500	\$ 2,500	\$ 15,500	\$ 21,500
T2-Humphrey Helix Access Gates/Loops	\$ 350			\$ 350
T2-Humphrey Ramp VMS/Rev Control System Upgrade			\$ 2,250	\$ 2,250
T2-Humphrey GTC Core Building Modifications			\$ 850	\$ 850
T1-Lindbergh/T2-Humphrey Vehicle Detection/Counting			\$ 400	\$ 400
T1-Lindbergh Short Term Parking Redesignation			\$ 350	\$ 350
T1-Lindbergh Valet/Commercial Entrance Lanes Mods			\$ 1,000	\$ 1,000
T2-Humphrey Elevator to Mezzanine			\$ 3,600	\$ 3,600

Projects	Year			
	2012	2013	2014-2018	Total
	(\$ = 000)			
<b>Terminal 2 - Humphrey</b>				
<b>Safety/Security Projects</b>				
Security Check Point Renovations	\$ 2,100			\$ 2,100
Checked Baggage Inspections System (CBIS) Program		\$ 43,000		\$ 43,000
Three Gate Expansion - Design		\$ 4,000		\$ 4,000
Apron/Fueling Expansion		\$ 15,000		\$ 15,000
<b>Facility Rehabilitation</b>				
Curbside Canopy Repair	\$ 1,100		\$ 1,500	\$ 2,600
<b>Passenger Amenities</b>				
Concessions Revenue Development/Upgrades	\$ 150			\$ 150
Skyway to LRT Flooring Installation			\$ 800	\$ 800
<b>Design Fees</b>				
Environmental Assessment (EA)	\$ 100			\$ 100
Airport Layout Plan (ALP)	\$ 1,000			\$ 1,000
<b>T-2 Humphrey Demand Driven Projects</b>				
Terminal-2 Humphrey North Expansion			\$ 94,900	\$ 94,900
Terminal-2 Humphrey South Expansion			\$ 200,000	\$ 200,000
Terminal-2 Humphrey Parking			\$ 161,000	\$ 161,000
<b>Public Areas/Roads</b>				
Landside Pavement Rehabilitation	\$ 400	\$ 400	\$ 3,600	\$ 4,400
Roadway Fixture Refurbishment	\$ 100	\$ 100	\$ 100	\$ 300
I-494/34th Ave Interchange Enhancements-Diverging Diamond Interchange		\$ 6,000		\$ 6,000
Taxicab Break Room Expansion			\$ 800	\$ 800
<b>Hangars and other Buildings</b>				
Building F Tower Demolition	\$ 1,500			\$ 1,500
Building H Upgrades	\$ 100			\$ 100
Roof Replacements		\$ 2,200	\$ 2,000	\$ 4,200
Zantop Hangar			\$ 100	\$ 100
Navy Bldg./Old Motor Pool Buildings			\$ 100	\$ 100
Impark Building Rehabilitation			\$ 600	\$ 600
Drivers Training Facility Rehabilitation			\$ 530	\$ 530
FAA Building Parking Lot Upgrades			\$ 1,050	\$ 1,050
<b>Trades/Maintenance Buildings</b>				
Trades Building Cooling System Improvements		\$ 600		\$ 600
<b>Police</b>				
Perimeter Fence Intrusion Detection System	\$ 200		\$ 3,000	\$ 3,200
CCTV Improvements	\$ 9,100	\$ 4,000	\$ 5,500	\$ 18,600
Public Safety Facility			\$ 17,500	\$ 17,500
<b>Fire</b>				
Post Road Fuel Farm Fire Protection Improvements	\$ 3,500			\$ 3,500
MSP Campus Fire Alarm System Upgrade			\$ 1,700	\$ 1,700

Projects	Year			
	2012	2013	2014-2018	Total
(\$ = 000)				
<b>Environment</b>				
Storm Water Pond Dredging	\$ 3,000			\$ 3,000
North Fuel Island Oil/Water Separator	\$ 1,000			\$ 1,000
MACNOMS Noise Monitoring Tower Upgrades	\$ 900			\$ 900
Ponds 1 and 2 Access Control	\$ 100			\$ 100
Concourse D Organic Waste Compactor	\$ 350			\$ 350
Storm Sewer Rehabilitation - Deicing Areas		\$ 2,600		\$ 2,600
Mother Lake Stormwater Diversion			\$ 850	\$ 850
Runway 12R/30L Glycol Forecemain			\$ 1,000	\$ 1,000
MAC Multilateration System			\$ 1,300	\$ 1,300
Concourse C Compactor Canopy			\$ 160	\$ 160
Concourse G Compactor Canopy			\$ 250	\$ 250
<b>Reliever Airports</b>				
<b>St. Paul</b>				
Joint and Crack Repairs	\$ 100		\$ 300	\$ 400
MAC Building Maintenance	\$ 200		\$ 650	\$ 850
Pavement Rehabilitation	\$ 1,000		\$ 2,000	\$ 3,000
Storm Sewer Improvements		\$ 500		\$ 500
Holman Terminal Subdrain			\$ 600	\$ 600
Electrical Vault Improvements			\$ 700	\$ 700
Compensatory Excavation Mitigation			\$ 1,000	\$ 1,000
Airfield Signage/Wind Cone Upgrade			\$ 500	\$ 500
Cold Equipment Storage Building			\$ 750	\$ 750
<b>Lake Elmo</b>				
Runway 14/32 Reconstruction	\$ 500		\$ 5,000	\$ 5,500
Pavement Rehabilitation		\$ 300		\$ 300
Airport Layout Plan (ALP)		\$ 200		\$ 200
East Building Area Development			\$ 2,800	\$ 2,800
East Side Parallel Taxiway			\$ 1,200	\$ 1,200
Alleyway Rehabilitation			\$ 900	\$ 900
Materials Storage Building			\$ 600	\$ 600
<b>Airlake</b>				
Pavement Rehabilitation		\$ 200	\$ 400	\$ 600
Airport Layout Plan (ALP)		\$ 200		\$ 200
South Building Area Development			\$ 2,700	\$ 2,700
Runway 12/30 Extension			\$ 8,000	\$ 8,000
South Building Area Alleyway Development			\$ 1,000	\$ 1,000
Maintenance Building Improvements			\$ 50	\$ 50
Materials Storage Building			\$ 600	\$ 600
<b>Flying Cloud</b>				
Alleyway Rehabilitation	\$ 300			\$ 300
East/West Perimeter Road	\$ 50	\$ 250		\$ 300
South Building Area Development	\$ 1,500		\$ 600	\$ 2,100
Commercial Development - All Relievers	\$ 100			\$ 100
Airport Layout Plan (ALP)	\$ 150			\$ 150
Runway 18/36 Safety Improvements		\$ 1,700		\$ 1,700
Pavement Rehabilitation - Taxiway A Phase 1			\$ 800	\$ 800
Pavement Rehabilitation - Taxiway A Phase 2			\$ 900	\$ 900
Equipment Storage Building			\$ 2,500	\$ 2,500

Projects	Year			
	2012	2013	2014-2018	Total
(\$ = 000)				
<b>Crystal</b>				
Pavement Rehabilitation	\$ 200		\$ 700	\$ 900
Airfield Signage/Electrical Improvements	\$ 300			\$ 300
Airport Layout Plan (ALP)		\$ 200		\$ 200
Alley Rehabilitation			\$ 550	\$ 550
Obstruction Removals			\$ 300	\$ 300
Runway 14R/32L Modifications			\$ 1,000	\$ 1,000
Materials Storage Building			\$ 600	\$ 600
<b>Anoka County - Blaine</b>				
Pavement Rehabilitation - Runways	\$ 200			\$ 200
Pavement Rehabilitation - Alleyways		\$ 800		\$ 800
Building Area Development - East Annex			\$ 2,400	\$ 2,400
Building Area Development - Xylite			\$ 1,000	\$ 1,000
Building Area Development - West Annex			\$ 850	\$ 850
Taxiway Charlie - A2/C2 Extension			\$ 900	\$ 900
Materials Storage Building			\$ 600	\$ 600
Airfield Signage/Electrical Improvements			\$ 500	\$ 500

## Capital Improvement Projects 2012

As stated above, these are projects that have been reasonably defined for implementation in the upcoming calendar year; in this case 2012. ***The vast majority of capital projects in the CIP are considered routine projects for a major airport and do not affect the annual operating budget. Any project with a 2012 operating budget impact will be disclosed as part of the project description below.*** A description of 2012 capital improvement projects, along with a table with their funding sources, is as follows:

### *Minneapolis-St. Paul International Airport*

#### ***Noise Mitigation Program***

#### ***Noise Mitigation Settlement***

**\$3,600,000**

This project is a continuation of the implementation of the noise mitigation program based on the Noise Exposure Map contained in the court ordered Consent Decree, including the construction and administrative costs associated with noise mitigation in the 2007 60-62 DNL contours. The 2012 project budget will reimburse homeowners in the 2005 60-64 DNL contours for approved noise mitigation work (Phase 3).

#### ***Terminal 1- Lindbergh***

#### ***Safety/Security Projects***

#### ***Checked Baggage Inspection System (CBIS) Integration***

**\$16,100,000**

MAC, in concert with the Transportation Security Administration (TSA) and the airlines, has developed a plan for the installation of a CBIS for Terminal 1-Lindbergh.

Phase 1 (West CBIS) provides 100% checked bag screening of all Delta Air Line passengers' bags. Phase 1 also included Explosive Detection System (EDS) equipment which was installed in the north ticket lobby of Terminal 1-Lindbergh for the other airlines. This system was operational in August 2007 and satisfied the initial TSA and MAC goal of 100% EDS-screening of all T-1 baggage.

Phase 2 (The Old Bus Stop) is currently under construction and replaces the semi-automated CBIS placed in service following the events of September 11, 2001. In March of 2010, MAC received a grant from the TSA for reimbursement of 90% of the eligible project costs of this \$33.5 million project. Phase 2 replaces nine CTX 5500s with three high-throughput CTX 9800 devices, and is being constructed below the Concourse G pod. The temporary bus-stop building which housed this facility will be demolished as part of the plan. All Terminal 1 – Lindbergh ticket counters will feed both CBIS systems and all bag belt devices located in the bag room. This project is currently under construction and will be operational by February 2013.

Phase 3 Integration of the program is the final Terminal 1-Lindbergh phase and will integrate all EDS installations at Terminal 1-Lindbergh to a fully automated “in-line” CBIS system that will meet all current TSA guidelines. This project will also require modifications to Check Points 7 and 3.

*All operating costs associated with this project will be paid by the TSA.*

**Telecommunications Room Equipment Continuity and Security** **\$2,300,000**  
 The MAC Network (MACNet) carries credit card data from the Landside Parking Revenue Control System. The credit card industry has created security standards which merchants, like the MAC, are required to meet to protect card holder data. Among these requirements are security standards for the physical locations where MACNet equipment is located. Additionally the network equipment itself must have added security features to prevent unauthorized network access. This program will address these standards by providing security equipment and relevant network hardware for the 150 telecommunications rooms on the MAC campus. This program is being coordinated with related projects including Closed Circuit Television (CCTV), fiber upgrade, and the Data Center projects to avoid duplication of effort and cost. This is a three-year program.

**Fall Protection Program** **\$100,000**  
 The Occupational Safety and Health Administration (OSHA) requires that employers protect their employees who work on roof tops, next to roof edges, and other locations where there could be the potential for injuries due to falls. Options range from warning signage and spotters to guardrail and tie-off systems. A Roof Fall Protection Committee has been reviewing roof areas around the MSP campus to determine potential hazards and mitigation options. This program is being implemented to address those roof areas deemed to present an imminent fall hazard which are not being addressed in other roof repair projects.

#### **Facilities Rehabilitation**

**Skyway HVAC - South** **\$1,500,000**  
 The skyways from Terminal 1-Lindbergh that connect to the parking structures utilize 24 individual units for heating and cooling the skyways. These heating, ventilating and cooling system (HVAC) units have been failing over the years and repair parts have been increasingly difficult to find. This project would replace the units with a new HVAC system. The north skyway was completed in 2011 and this year's project will provide a new HVAC system on the south skyway.

**Electrical Infrastructure Rehabilitation Program** **\$2,000,000**  
 There are fifty-three electrical substations that serve the Terminal 1-Lindbergh complex. It is imperative that these substations be inspected, cleaned and upgraded in order to ensure their continued performance. This is a continuation of a multi-phase program that began in 2009.

**Terminal Miscellaneous Modifications** **\$2,000,000**  
 Each year, there is a list of “maintenance” projects that are beyond the capability of MAC’s maintenance staff and trades to accomplish. These projects are prioritized and completed either as a series of contracts or as purchase orders. The list of potential projects will be compiled and prioritized in early 2012.

Summarized below are the categories of the projects which are included in the Terminal Miscellaneous Modifications program:

**Building Exterior Rehabilitation\***

A continuation of the program to rehabilitate the exterior of the terminals and other MAC buildings including roof and curtain wall rehabilitation.

**Terminal Electrical Modifications\***

An ongoing program to address electrical issues in the terminals due to age and deterioration of the existing systems or modifications necessary for improved reliability.

**Terminal Mechanical Modifications\***

An ongoing program to address mechanical issues in the terminals due to age and deterioration of the existing systems or modifications necessary for improved reliability.

**Terminal Miscellaneous Modifications\***

An ongoing program to update and remodel areas within the terminals to keep abreast with changing requirements. This may be accomplished through a series of small individual projects to meet the requirements of the various tenants or may be consolidated into a single project.

**MSP Campus Modifications\***

An ongoing program to modify or remodel areas within other facilities around the MSP Campus to meet the needs of the various tenants/general public/MAC departments utilizing the facilities.

\*Historically, projects have been defined for each of these five categories and the highest priority projects within any of these project categories included in the program.

**Restroom Upgrade Program****\$2,600,000**

A study of all restrooms in Terminal 1-Lindbergh was completed in 2010 and a program developed to upgrade/modernize the restrooms at Terminal 1-Lindbergh. From this study, each restroom was prioritized as to its condition. This program will provide for the phased modernization of the T-1 Lindbergh restrooms to include upgraded finishes, lighting, air quality, energy saving upgrades and Americans with Disabilities Act (ADA) compliance.

**Air Handling Unit Replacement****\$2,100,000**

There are existing air handling units serving Terminal 1-Lindbergh that were installed with the original terminal construction in 1958-60 and are over 40 years old. A study of these units has been completed that evaluated each unit's age, condition, and its ability to adequately heat or cool the spaces it serves. A multi-year program to provide for the replacement of the units that have been identified as needing replacement will be implemented. The project costs include modifications to building walls to facilitate the removal of existing equipment and installation of the new units, upgraded electrical and temperature controls and asbestos abatement.

**Conveyance System Upgrades****\$2,700,000**

A study of the MSP campus conveyance systems including elevators, escalators, moving walks, dumbwaiters and material lifts was recently completed by the Facilities Department's conveyance consultant. The study evaluated the useful life of each system including the availability of replacement parts and technical support of the equipment. Many of the systems are being operated by outdated technology that is generally less efficient than modern control equipment. Some of the systems do not include safety devices or features that are commonly installed on modern equipment. A multi-year program is recommended to "modernize" and replace outdated elements of the conveyance systems.

**Folded Plate Drain and Roof Repair****\$6,400,000**

The Terminal 1-Lindbergh folded plate roof structure consists of light weight concrete that was constructed in 1958-60. Faulty roof drains, drain pans, and pits are allowing water to penetrate the concrete resulting in structural deterioration, concrete spalling, and water leakage into the building at multiple locations. A pilot project that modified the roof drain and pit drain at one location was completed in 2010. Based on the success of the pilot project, a program is being implemented starting in 2011 to modify roof drains and pit drains at 33 locations. In addition, catwalk access and stairs, lightning protection, fall arresting systems, and leak and heat detection will be installed.

**Plumbing Infrastructure Upgrade Program****\$500,000**

In 2010, MAC staff prepared a preliminary study of the reliability and maintainability of the existing plumbing infrastructure. Portions of the existing plumbing infrastructure serving Terminal 1-Lindbergh are over 40 years old, have systems that are undersized for today's demands, contain isolation valves that are either inaccessible or no longer functional, and utilize aging water meter systems. There are also deteriorated sections of the existing sanitary and storm water systems. A four year program will be implemented in 2012 to upgrade the plumbing infrastructure system to meet current code requirements and MAC standards.

**Food Court Counter Upgrades****\$100,000**

The main food court in Terminal 1-Lindbergh was renovated in 2005/2006 and incorporated the installation of wooden counters. Subsequent to this installation, the remaining food courts in Terminal 1 Lindbergh have been renovated utilizing an engineered quartz product. This product has proven to be much more durable and easier to clean than the wood counters. This project will provide for the installation of new engineered quartz counters including required structural supports.

**Terminal Curtainwall Repair****\$100,000**

The rubber gaskets that are integral to sealing the perimeter curtainwall system from air infiltration heating and cooling loss and water intrusion have been failing and require replacement in many locations. The gasket failures result in increased heating and cooling costs and repair costs resulting from water damage to the building wall assembly. This three-year program will provide for the replacement of failing gaskets and related repairs to the curtainwall system.

**Passenger Amenities****Art in the Terminal****\$250,000**

This project is a continuation of the partnership with the Airport Foundation to provide a gallery-type space on Concourse C for the display of permanent and temporary/rotating art exhibits. This project also includes lighting and finish upgrades in the baggage claim area to support art installations. The Concourse C location was identified as an art location with the adoption of the Public Art standards in 1999 and has demonstrated its usefulness with a number of recent exhibits.

**Concessions Revenue Development/Upgrades****\$200,000**

This is an annual program to fund miscellaneous upgrades such as finishes, furniture, condiment stations, signage, and/or modified connections to utilities for the concession programs at Terminal 1-Lindbergh.



**2011 Taxiway C Extension Under Construction at Minneapolis-St. Paul International Airport**

**Terminal Seating Improvements** **\$1,000,000**  
 The existing beam-type seating at Terminal 1- Lindbergh is a mixture of the original Humphrey Terminal seating, older bucket style seating and some former airline gate lobby seating that is in poor condition. A selection process to test several replacement beam-type seating systems, including the existing Terminal 2-Humphrey seating was completed in 2011. Multiple manufacturers and suppliers will be involved in the test selection and procurement to provide the most durable and functional upgrade in a seating system. This project will then purchase the new seating system for installation within the terminal.

**Way-Finding Signage Improvements** **\$450,000**  
 With the change in terminal designation from Lindbergh Terminal to Terminal 1-Lindbergh, there is a need to update additional interior and exterior signage. In addition, there is also a need to add LRT signage to improve access/visibility to the public, add elevator signs, and modify overhead illuminated and non-illuminated signage to improve passenger way-finding. Replacement and relocation of the monument sign located on the inbound/outbound roadway will also be included with this project.

### **Operational Improvements**

**IS Data Center Facilities** **\$15,000,000**  
 MAC is currently supporting one hundred and twenty-five (125) rooms used as data centers located throughout the MSP campus. Most of these rooms are telecommunications closets designed to hold telephone cabling and termination equipment. Each of these rooms contains rack mounted IT equipment that serves various functions including airport security, landside operations (parking operations), credit card processing, accounting, human resources, payroll and life safety systems (fire alarm). Many of these rooms are running out of power and cooling capacity. Several of the rooms do not have emergency power, redundant cooling, security features or environmental monitoring. Maintenance and construction work regularly requires power shutdowns which also shut down IT systems in these rooms. In addition, the "hub and spoke" configuration of network cabling among the various IT locations has created a single point of failure that could affect all systems severely.

A study was completed in 2010 that recommends that the majority of the 125 rooms used as data centers be consolidated into one data center. This data center and four hub rooms are being connected using a new network dual fiber ring configuration that began in 2011 that will enhance system reliability.

*There is no impact on the 2012 operating budget for this project since the completion date of the project will occur after 2012. Operating budget impacts are currently being developed.*

**Fiber Optic Cable Infrastructure Upgrade/Expansion** **\$1,650,000**  
 Fiber optic cable infrastructure is the basic vehicle that allows for broader use of both new and existing communications and computer-based technologies. The cable infrastructure requires ongoing upgrade, replacement and expansion. This multi-year project will provide for the expansion of cabling infrastructure including replacing materials that don't meet current MAC standards and adding capacity between locations where existing capacity has been used up.

**Wireless Network Control System** **\$850,000**  
 This project will provide a campus-wide wireless network to be implemented over a three year period. This system will allow remote wireless access to the MAC Facilities Intelligent Monitoring and Control System (IMACS). The system will allow access to data and drawings from the MAC network as well as from remote vehicles on the airfield.

### **Concourse G Improvements**

**Concourse G Fire Protection System - Delta** **\$7,400,000**  
 As required by the MAC Building Official and Fire Marshal, this project will install and upgrade existing fire suppression and visual and auditory (voice evacuation) notification systems on Concourse G to meet current code including additional exit and security signage and new exit doors with windows. Delta Air Lines is responsible for maintaining Concourse G and has requested that MAC undertake this project with reimbursement to be made to the MAC in accordance with the agreements being negotiated as part of the Delta Air Lines/OTG Management concessions upgrade project.

**Concourse G Fire Protection System - FIS** **\$650,000**  
As required by the MAC Building Official and Fire Marshal, this project will upgrade the existing fire suppression and visual and auditory notification systems in the Federal Inspection Services (FIS) area on Concourse G to meet current code requirements. Work will include installing additional smoke detection, voice evacuation, and sprinkler and fire alarm devices in the FIS secure corridor along the exterior of the building. The work within the FIS area is not part of the Delta Air Lines/OTG concessions upgrade project but will be completed in conjunction with the Concourse G Fire Protection project described above.

***Energy Management Center***

**Energy Savings Projects** **\$3,000,000**  
A program was initiated in 2002 to provide for the implementation of projects that would save the Commission energy costs in its operating budget. Discussions with both Xcel Energy and Centerpoint Energy have identified additional projects that are eligible for energy saving rebates and will save the Commission additional energy costs. In order to qualify, projects must provide at least a five year pay back.

**Alternative Energy Projects** **\$300,000**  
This project will evaluate potential alternative energy projects including wind power, solar power and the use of geothermal technology for heating and cooling of new buildings.

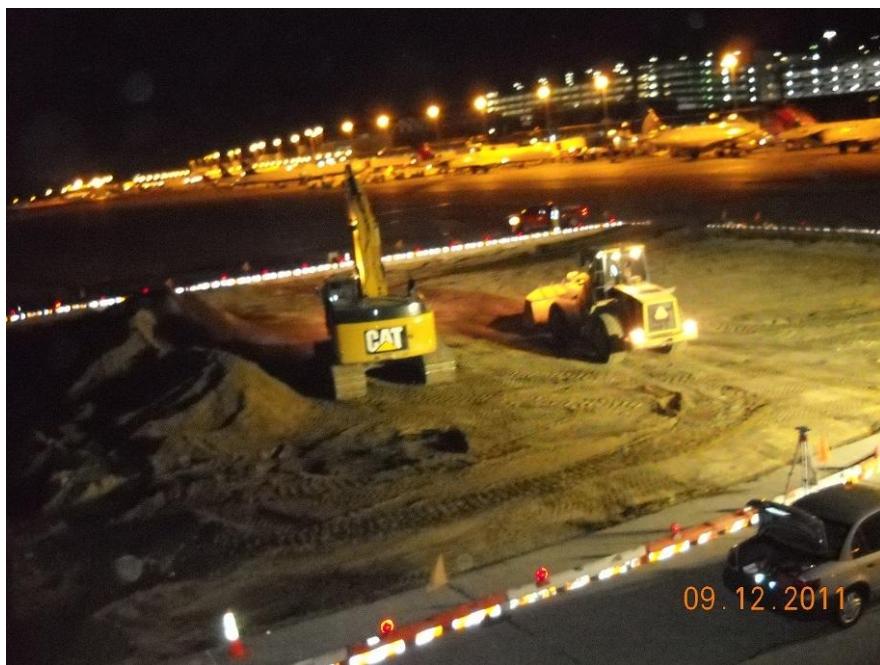
***Field and Runway***

**Airside Bituminous Rehabilitation/Electrical Construction** **\$500,000**  
This is an ongoing program to construct or reconstruct bituminous pavements and airfield electrical or lighting within the Air Operations Area. Inspection of taxiway pavements, lighting and electrical circuits determines what areas are to be prioritized for rehabilitation under each year's project.

**Pavement Joint Sealing/Repair** **\$650,000**  
This is an ongoing program to provide for the re-sealing of joints in existing concrete pavements. The areas scheduled for sealing will be as defined in the overall joint sealing program. This project will also provide for limited crack and surface repairs.

**Pavement Rehabilitation – Aprons** **\$2,200,000**  
This is an ongoing program to replace sections of concrete pavement in the aircraft operational areas that have deteriorated to a point where routine maintenance is no longer a viable option. The first year's project will replace approximately 6,400 square yards of concrete apron located adjacent to Concourse C between Gates C4 and C6. The second year project will replace approximately 6,000 square yards of concrete apron located adjacent to Concourse C between Gates C7 and C9

**Runway 30R MALSF** **\$1,900,000**  
A MALSF system is a medium-intensity Approach Lighting System with flashers spaced along the extended runway centerline from the threshold to a distance of 1,400 feet. Currently all of the available arrival runways at MSP are equipped with approach lighting systems (ALS) except for Runway 30R. Lack of an ALS limits the throughput of the airport during conditions requiring an instrument approach to Runway 30R. Important visual clues for crews are not available, resulting in more missed approaches and loss of capacity for 30R resulting in reduced airport capacity. The airlines and the FAA Air Traffic Control Tower staff strongly support the installation of the 30R MALSF.



**2011 Terminal 1 Apron Reconstruction at Minneapolis-St. Paul International Airport**

**Miscellaneous Airfield Construction**

**\$400,000**

This is an ongoing program to consolidate various incidental repairs beyond the work load capabilities of the Field Maintenance personnel or to handle airfield problems requiring repair which come up unexpectedly.

**Perimeter Gate Security Improvements**

**\$575,000**

This project is a continuation of the 2011 perimeter gate security improvements project that provides for hardening airfield security gates and includes gates 435, 269, 222 and 122.

**Runway 12R/30L Tunnel Rehabilitation - Lighting & Pumping Station**

**\$1,425,000**

This project provides for the rehabilitation of the storm water lift station serving the vehicular tunnel located beneath the south parallel runway (12R/30L) along with improvements to the subdrain system and replacement/enhancements to the tunnel lighting.

**Storm Water Ponds 3 & 4 Enhancements**

**\$5,000,000**

This project provides for modifications to storm water detention ponds 3 and 4 to reduce overflows into Snelling Lake. The pond 4 outlet control structure will be replaced and a 60-inch storm sewer pipe installed to increase the discharge capacity of the pond. The pond 3 spillway will be reconstructed to prevent future washouts and the outlet structure will be replaced. A parallel 72-inch storm sewer will be installed to increase the discharge capacity from pond 3.

**Runway 30R Deicing Pad Subdrain**

**\$800,000**

This project provides for the installation of a lift station and subdrain system to capture glycol impacted drainage from beneath the 30R deicing pad and route it to the sanitary sewer system for treatment. 2012 operating budget impact of this project is an increase in expenses of approximately \$100,000.

**Terminal Roads/Landside**

**Tunnel/Bridge Rehabilitation**

**\$100,000**

The MSP campus has MAC owned bridges and tunnels. Bridge and tunnel inspections are conducted each year and maintenance repairs are then implemented.

**Parking****T1/T2 Parking Structure Rehabilitation****\$3,500,000**

This is an annual program to maintain the integrity of the airport's multi-level parking structures. Projects typically include concrete repair, joint sealant replacement, expansion joint repairs, concrete sealing and lighting improvements. This project will implement recommendations made in the "Condition Assessment and Management Program Report" completed in 2007 and updated in 2011.



*Aerial View of T2 –Humphrey Terminal*

**Terminal 2-Humphrey Helix Access Gates/Loops****\$350,000**

Customers that are diverted to Terminal 2- Humphrey when parking is at capacity at Terminal 1- Lindbergh or who choose to take advantage of MSP Value Parking enter the Orange parking ramp utilizing helixes and then park on either the Mezzanine Level or level 2. To exit from these levels, customers must take a speed ramp down to the ground level or up to level 3 to exit. This movement can be confusing to customers. In order to improve on the customer's experience, this project will add count loops, gates and signage to existing portals at the helixes at these levels such that entering and existing movements will both be through the helixes.

***Terminal 2 – Humphrey*****Safety/Security Projects****Security Check Point Renovations****\$2,100,000**

A new security check point is being constructed in 2012 adjacent to the new north skyway. This check will be operational by the end of 2012. The existing checkpoint will then be remodeled and reconfigured in a north-south direction in order to accommodate the current TSA equipment guidelines. An open area directly north of the queue area for the check point will also be in-filled to add an additional 130 feet lineal feet of queuing.

**Facility Rehabilitation****Curbside Canopy Repair****\$1,100,000**

The existing curbside canopy and drain system is in need of replacement/repair due to deterioration of the canopy roofing panels and freezing problems within the drain system. The south half of the canopy was repaired in 2011. This project will provide for the repair of the north portion of the canopy including some required repairs to the east roadway lights.

**Passenger Amenities****Concessions Revenue Development/Upgrades****\$150,000**

This project funds miscellaneous upgrades such as finishes, furniture, condiment stations, signage and/or modified connections to utilities for the concession programs at Terminal 2-Humphrey.

**Design Fees****Environmental Assessment (EA)****\$100,000**

MAC is working with the FAA to complete a Federal Environmental Assessment (EA) for Phases 1 and 2 of the adopted Long Term Comprehensive Plan (LTCP) for MSP. Approval of the EA will then allow MAC to participate in funding through the Federal Airport Improvement Program (AIP) or the Passenger Facility Charge (PFC) program for eligible airport development. This process is required to be completed prior to the commencement of construction of expansion projects. This year's program is a continuation of the 2011 efforts towards completing the EA document.

**Airport Layout Plan (ALP)****\$1,000,000**

In conjunction with the recently adopted LTCP for MSP and the planned Federal EA process, MAC must complete an update to the overall Airport Layout Plan (ALP) that will identify the locations of proposed expansion projects. A project must be shown on an FAA approved ALP in order to receive funding through the AIP or Passenger Facility Charge (PFC) programs. The efforts required to update the ALP to meet the new FAA electronic format standards include the need for extensive airfield ground surveys, data collection via aerial photogrammetry, data compilation/verification and coordination with the National Geodetic Surveys for enhanced survey control points.

**Public Areas/Roads****Landside Pavement Rehabilitation****\$400,000**

This project provides for the mill and overlay of 28<sup>th</sup> Avenue from approximately Trunk Highway 62 south to E. 62<sup>nd</sup> Street in front of the MAC General Offices. This roadway has been used as a haul route for many MAC projects over the years that have caused the roadway to deteriorate. In addition, there have been many utility repairs requiring cutting and patching of the roadway. Due to the deterioration and the many roadway patches, resurfacing is required.

**Roadway Fixture Refurbishment****\$100,000**

Many of the light poles, clearance restriction bars, sign units, fence sections and canopies on the airport, roadways are in need of repainting and maintenance. This program provides for refurbishment of these fixtures utilizing both MAC staff and temporary seasonal staff as available.

**Hangars and Other Buildings****Building F Tower Demolition****\$1,500,000**

Building F is located on 34<sup>th</sup> Avenue south of Terminal 2-Humphrey and consists of a cargo/warehouse building and a three story office tower. The building was formally leased by Northwest and then Delta Air Lines. As of January 1, 2011 the lease expired. Delta would like to retain the cargo/warehouse portion of the building along with an amount of landside parking space on the east side for the cargo building and airside parking for cargo coordination and overflow aircraft parking. A study was completed in 2010 that considered the options of mothballing the office tower portion of the building for future demolition or to proceed with demolition now. The cost to demolish the office tower now was the most cost effective option.

**Building H Upgrades****\$100,000**

Building H house's MAC's Driver License Center as well as other airport tenants. The exterior of this facility, including the concrete block wall structure and windows, require repair and replacement. This project will include tuck pointing of the concrete block, repair/replacement of existing windows and re-painting of the building's exterior.

**Police****Perimeter Fence Intrusion Detection System****\$200,000**

This project provides the design and installation of a system that will detect if a person breaches the perimeter security fence. The system will be a combination of cables, fiber optics, cameras, and sensors that will detect and identify an intrusion of the perimeter fence at MSP.

**CCTV Improvements****\$9,100,000**

This is an ongoing program to add new and upgrade existing CCTV systems to ensure the safety and security of MSP. An analysis of the existing CCTV system was completed in 2010. The existing system consists of a mix of old and new technology with some equipment in excess of 16 years old. The consensus of the CCTV working group was to replace and upgrade the existing CCTV system to a fully digital system. Initially, a CCTV Systems Integrator will be selected to assist in the development and installation of new Video Management System (VMS) and Physical Security Information System (PISM) software. New Internet protocol (IP) cameras will also be installed and evaluated. A program to systematically replace and integrate the approximately 1800 existing cameras will begin. MAC is working with TSA on an Other Transaction Agreement (OTA) to provide funding for eligible project costs.

**Fire****Post Road Fuel Farm Fire Protection Improvements****\$3,500,000**

The Post Road Fuel Farm provides jet A fuel to the gates at Terminal 1-Lindbergh and Terminal 2-Humphrey. It has storage capacity for up to 9.3 million gallons of jet A. In order to enhance fire protection capabilities at the fuel storage facility, a series of improvements need to be implemented. These include the installation of a 30 foot by 50 foot pump house with foam proportioning equipment and associated piping and electric motor operated nozzles. This project also includes Emergency Fuel Shutoff (EFSO) System monitoring upgrades, heat sensors, and additional controls to monitor drain valves.

**Environment****Storm Water Pond Dredging****\$3,000,000**

This project provides for the removal and proper disposal of accumulated sediments in storm water detention ponds 3 and 4 to increase the storm water runoff storage volume.

**North Fuel Island Oil/Water Separator****\$1,000,000**

This project provides for the installation of an Oil/Water Separator (OWS) and modification of pavements at the MAC North Fueling Facility. The OWS provides storm water protection from spills and releases during vehicle fueling and fuel transfer activities. The current fuel island directs storm water flows to a grass retention basin where, in the event of a release, impacted soils are removed and disposed of at an approved facility. This project will bring MAC controlled facilities up to MSP recommended water quality best management practices.

**MACNOMS Upgrades****\$900,000**

The Metropolitan Airports Commission's system of thirty-nine permanent noise monitoring sensors, located in the surrounding communities, provides high quality, reliable noise data for correlation with aircraft flight track data and also provides verification of modeled noise contours produced per the requirements of the noise Consent Decree. The noise sensors are comprised of an environmental noise analyzer, outdoor preamplifier and microphone mounted on a tilting tower. Ancillary components include a modem to provide a means of system communications and equipment for providing backup power.

The system's components, installed in three phases beginning in 1992, currently average over fifteen years of usage, with over sixty percent of the components over eighteen years of usage. The system's main component, the analyzer which was designed in the 1980's, is no longer sold or supported. Its interoperability with current technology is restricted by its unsupported, non-standard communication protocol. In addition, conditions affecting sensitivity, reliability, and appearance are also becoming more prevalent as a result of component age and continued exposure to environmental factors. New hardware would address these concerns and present the option of new functionality such as real-time data, audio of events and frequency analysis.

**Ponds 1 and 2 Access Control****\$100,000**

This project provides for the installation of a motorized access control gate at the entrance to MSP ponds 1 and 2 which is located within an expanded cab staging site along Post Road. The pond area is accessed numerous times on a daily basis by various MAC departments, tenants and consultants. While not a secured area as defined by TSA, an automatically closing gate would minimize the potential for access by unauthorized individuals and the associated safety and liability concerns. There would be a reduced likelihood of littering and vandalism.

**Concourse D Organic Waste Compactor****\$350,000**

The MAC currently owns a compactor suitable for containing the organic materials diverted from the solid waste stream from the terminal. The Organics Project Team is recommending the installation of the compactor on a site on Concourse D to accommodate the increasing volumes of material generated by the organics program. The program's potential to expand is severely limited by the storage capacity afforded by 90 gallon carts currently being utilized. There are also no storage options available for the number of additional carts that would otherwise be needed.

To facilitate the planned expansion of the organics composting program, it is necessary to provide a permanent location for the compactor. This will enable the program to expand by providing adequate capacity and the capability to safely and efficiently handle organic materials on a daily basis. The containers that are used to transport the diverted organic materials, occasionally through public areas, need to be washed on a regular basis to remove residue, prevent odors and deter pests. This project also includes an indoor space, near the compactor, to allow for container wash down that will help maintain acceptable sanitation standards.

***Reliever Airports*****St. Paul****Joint and Crack Repairs****\$100,000**

Given the extremely poor subgrade materials at this airport, the need for crack repair and joint sealing is critical to maintain pavement strength and pavement life. An inspection of the pavement will be completed to determine the areas most in need of repair.

**MAC Building Maintenance****\$200,000**

This is an ongoing program to provide for facility modifications to ensure continued efficient operation of MAC buildings or modifications necessary to meet the requirements of the tenants.

**Pavement Rehabilitation****\$1,000,000**

This is an ongoing program to rehabilitate aircraft operational areas (runways, taxiways, aprons) through bituminous overlays, seal coats, or in some instances, reconstruction, to restore the surfaces to a smooth, even condition and improve overall operating conditions. This project will include the reconstruction of portions of Taxiway Alpha north of Runway 9-27, along with necessary subgrade rehabilitation and electrical system upgrades. This pavement is exhibiting deterioration and major transverse cracks have developed.

**Lake Elmo****Runway 14/32 Reconstruction****\$500,000**

Runway 14/32 has poor subgrade soils and cracks are difficult to keep under control from year to year. The long term plan for the airport discusses potential relocation of this runway at some point, so a complete reconstruction in its existing location does not make financial sense. If the runway were to be relocated, this existing runway pavement would become a taxiway, which by MAC standards should be 40-feet wide. This project includes reconstruction of the center 40-foot section of the primary runway, including any necessary subgrade work and overall joint/pavement sealing. This will provide a reconstructed more stable pavement surface for the runway and is not a throw-away cost given its future use as a taxiway. One of the runway connectors will also be reconstructed under this project.

**Flying Cloud****Alleyway Rehabilitation****\$300,000**

This is an ongoing program to rehabilitate aircraft operational areas (runways, taxiways, aprons) through bituminous overlays, seal coats, or in some instances, reconstruction, to restore the surfaces to a smooth, even condition and improve overall operating conditions. This project includes rehabilitation of the remaining alleyways in the north building area.

**East/West Perimeter Road****\$50,000**

As part of the runway incursion reduction steps MAC is taking at Flying Cloud, an east/west perimeter road will be constructed to allow for tenants, fueling trucks and maintenance vehicles access across the north end of the airfield without direct access to the taxiways or runways. This year's project includes funds needed for the construction of the portion of perimeter road that coincides with the Thunderbird Fixed Base Operator (FBO) expansion and proposed parking lot.

**South Building Area Development****\$1,500,000**

This project includes installation of a portion of the sanitary sewer and water system as well as installation of other utilities necessary for hangar construction in the south building area. MAC funds expended for this project beyond State funding are proposed to be assessed to new tenants building in the hangar area.

**Commercial Development – All Relievers****\$100,000**

Similar to the costs expended in 2011 for a revenue generating parcel at Flying Cloud, these costs allow for MAC to research and/or prepare sites at the Reliever Airports for potential development. The costs for each parcel will be assessed to the developer who ultimately takes on the commercial development. Funding for this project will be provided by others.

**Airport Layout Plan (ALP)****\$150,000**

In accordance with FAA and MnDOT requirements for obtaining AIP or state funds, MAC must update the Flying Cloud Airport Layout Plan (ALP). This project will include the preparation of an update to the ALP to match the long term comprehensive plans for the airport, reflect the existing configuration and any proposed future changes for the airfield, and be in compliance with FAA/MnDOT requirements for ALP preparation.

**Crystal****Pavement Rehabilitation****\$200,000**

This is an ongoing program to rehabilitate aircraft operational areas (runways, taxiways, aprons) through bituminous overlays, seal coats, or in some instances, reconstruction, to restore the surfaces to a smooth, even condition and improve overall operating conditions. This project includes rehabilitation of portions of Taxiway A and Taxiway C along with pavement crack sealing.

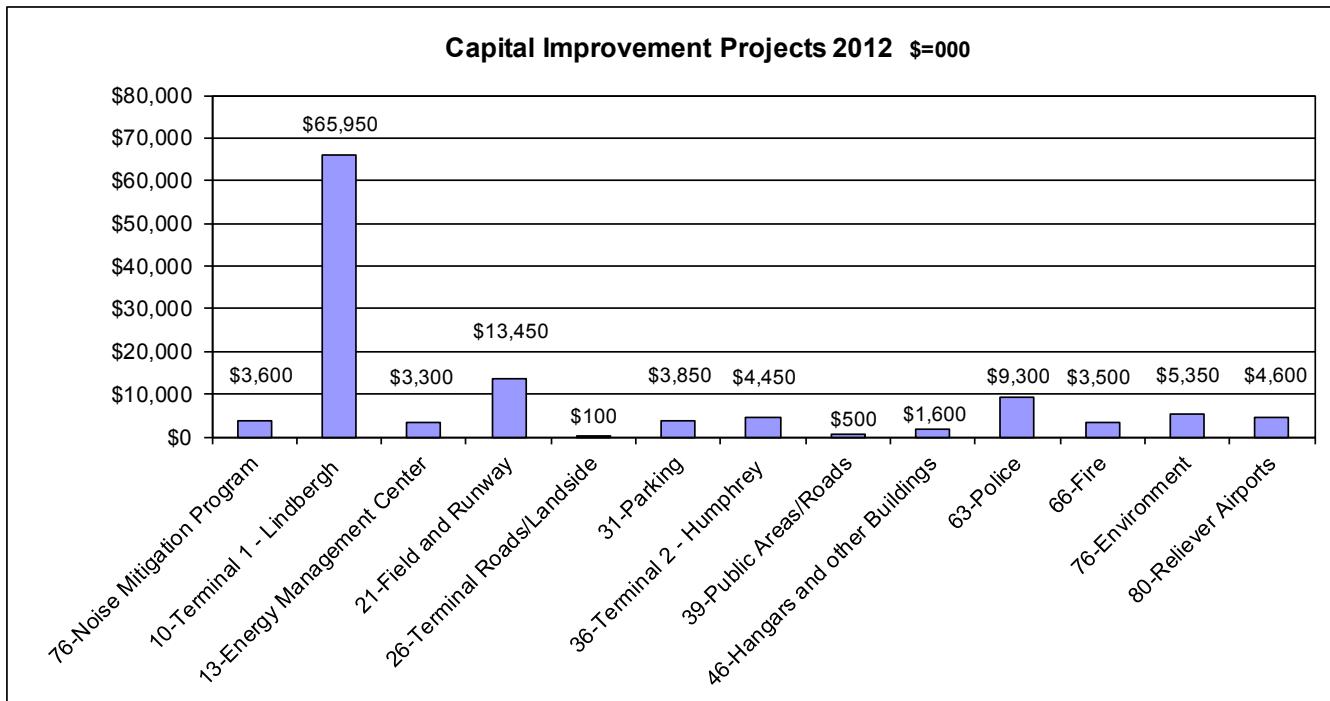
**Airfield Signage/Electrical Improvements****\$300,000**

Through the Runway Safety Action Team (RSAT), the FAA, MAC and tenants have identified improvements that can be made to the existing airfield signage to improve operations and reduce the potential for runway incursions. This project includes the installation of new signs, modifications to existing sign faces and the removal of some signs. Improvements are also necessary with the airfield electrical circuitry and vaults to accommodate the new signs. This project also includes modifications to two of the airfield power-operated security gates.

**Anoka County - Blaine****Pavement Rehabilitation – Runways****\$200,000**

This is an ongoing program to rehabilitate aircraft operational areas (runways, taxiways, aprons) through bituminous overlays, seal coats, or in some instances, reconstruction, to restore the surfaces to a smooth, even condition and improve overall operating conditions. This project includes Runway 9/27 grooving and full depth crack repairs and crack sealing for that same runway and the full length parallel taxiway pavement.

The following chart summarizes the 2012 capital improvement projects by various areas of the airport:



2012 Capital Improvement Project Funding Source

Below is a table of funding sources of the 2012 capital improvement projects. A cash flow summary of the CIP will appear later in this section.

**2012 Capital Improvement Projects**

Projects (\$ in 000)	Project Cost	Funding Source					
		Federal/State Grants	GARBS	PFC's	Line of Credit	MAC Funds	Other
<b>Noise Mitigation Program</b>							
Noise Mitigation Settlement	\$3,600					\$ 3,600	\$ -
Subtotal Noise Mitigation Program	\$3,600	\$ -	\$ -	\$ -	\$ -	\$ 3,600	\$ -
<b>10 - Terminal 1 - Lindbergh</b>							
<b>Safety/Security Projects</b>							
Checked Baggage Inspection System (CBIS ) Integration	\$16,100	\$ 12,800		\$ 2,800		\$ 500	
Telecom Room Equipment Continuity and Security	\$2,300					\$ 2,300	
Fall Protection Program	\$100					\$ 100	
Subtotal Safety/Security Projects	\$18,500	\$ 12,800	\$ -	\$ 2,800	\$ -	\$ 2,900	\$ -
<b>Facility Rehabilitation</b>							
Skyway HVAC - South	\$1,500					\$ 1,500	
Electrical Infrastructure Rehabilitation Program	\$2,000		\$ 2,000				
Terminal Miscellaneous Modifications	\$2,000		\$ 2,000				
Restroom Upgrade Program	\$2,600		\$ 2,600				
Air Handling Unit Replacement	\$2,100		\$ 2,100				
Conveyance System Upgrades	\$2,700		\$ 2,700				
Folded Plate Drain and Roof Repair	\$6,400		\$ 2,700	\$ 3,700			
Plumbing Infrastructure Upgrade Program	\$500					\$ 500	
Food Court Counter Upgrades	\$100					\$ 100	
Terminal Curtainwall Repair	\$100					\$ 100	
Subtotal Facility Rehabilitation	\$20,000	\$ -	\$ 14,100	\$ 3,700	\$ -	\$ 2,200	\$ -
<b>Passenger Amenities</b>							
Art in the Terminal	\$250					\$ 250	
Concessions Revenue Development/Upgrades	\$200					\$ 200	
Terminal Seating Improvements	\$1,000					\$ 1,000	
Way-Finding Signage Improvements	\$450					\$ 450	
Subtotal Passenger Amenities	\$1,900	\$ -	\$ -	\$ -	\$ -	\$ 1,900	\$ -
<b>Operational Improvements</b>							
IS Data Center Facilities	\$15,000		\$ 15,000				
Fiber Optic Cable Infrastructure Upgrade/Expansion	\$1,650		\$ 1,650				
Wireless Network Control System	\$850					\$ 850	
Subtotal Operational Improvements	\$17,500	\$ -	\$ 16,650	\$ -	\$ -	\$ 850	\$ -
<b>Concourse G Improvements</b>							
Concourse G Fire Protection System - Delta	\$7,400					\$ 7,400	
Concourse G Fire Protection System - FIS	\$650					\$ 650	
Subtotal Concourse G Improvements	\$8,050	\$ -	\$ -	\$ -	\$ -	\$ 7,400	\$ 650
Subtotal Terminal 1-Lindbergh	\$65,950	\$ 12,800	\$ 30,750	\$ 6,500	\$ 7,400	\$ 8,500	\$ -

**2012 Capital Improvement Projects**

<b>Projects</b> (\$ in 000)	<b>Project Cost</b>	<b>Funding Source</b>				
		<b>Federal/State Grants</b>	<b>GARBS</b>	<b>PFC's</b>	<b>Line of Credit</b>	<b>MAC Funds</b>
<b>13 - Energy Management Center</b>						
Energy Savings Projects	\$3,000		\$ 3,000			
Alternative Energy Projects	\$300					\$ 300
<b>Subtotal Energy Management Center</b>	<b>\$3,300</b>	<b>\$ -</b>	<b>\$ 3,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 300</b>
<b>21 - Field and Runway</b>						
Airside Bituminous Rehabilitation/Electrical Construction	\$500		\$ 500			
Pavement Joint Sealing/Repair	\$650					\$ 650
Pavement Rehabilitation - Aprons	\$2,200	\$ 1,500	\$ 700			
Runway 30R MALSF	\$1,900		\$ 1,900			
Miscellaneous Airfield Construction	\$400		\$ 400			
Perimeter Gate Security Improvements	\$575					\$ 575
Runway 12R/30L Tunnel Rehabilitation						
Lighting and Pumping Station	\$1,425					\$ 1,425
Storm Water Ponds 3&4 Enhancements	\$5,000	\$ 3,500	\$ 1,500			
Runway 30R Deicing Pad Subdrain	\$800				\$ 800	
<b>Subtotal Field and Runway</b>	<b>\$13,450</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ -</b>	<b>\$ 800</b>	<b>\$ 2,650</b>
<b>26 - Terminal Roads/Landside</b>						
Tunnel/Bridge Rehabilitation	\$100					\$ 100
<b>Subtotal Terminal Roads/Landside</b>	<b>\$100</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 100</b>
<b>31 - Parking</b>						
T1/T2 Parking Structure Rehabilitation	\$3,500		\$ 3,500			
T2-Humphrey Helix Access Gates/Loops	\$350					\$ 350
<b>Subtotal Parking</b>	<b>\$3,850</b>	<b>\$ -</b>	<b>\$ 3,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 350</b>
<b>36 - Terminal 2 - Humphrey</b>						
<b>Safety/Security Projects</b>						
Security Check Point Renovations	\$2,100					\$ 2,100
<b>Subtotal Safety/Security Projects</b>	<b>\$2,100</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,100</b>
<b>Facility Rehabilitation</b>						
Curbside Canopy Repair	\$1,100					\$ 1,100
<b>Subtotal Facility Rehabilitation</b>	<b>\$1,100</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,100</b>
<b>Passenger Amenities</b>						
Concessions Revenue Development/Upgrades	\$150					\$ 150
<b>Subtotal Passenger Amenities</b>	<b>\$150</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 150</b>
<b>Design Fees</b>						
Environmental Assessment (EA)	\$100					\$ 100
Airport Layout Plan (ALP)	\$1,000	\$ 700				\$ 300
<b>Subtotal Design Fees</b>	<b>\$1,100</b>	<b>\$ 700</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 400</b>
<b>Subtotal Terminal 2 - Humphrey</b>	<b>\$4,450</b>	<b>\$ 700</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,750</b>

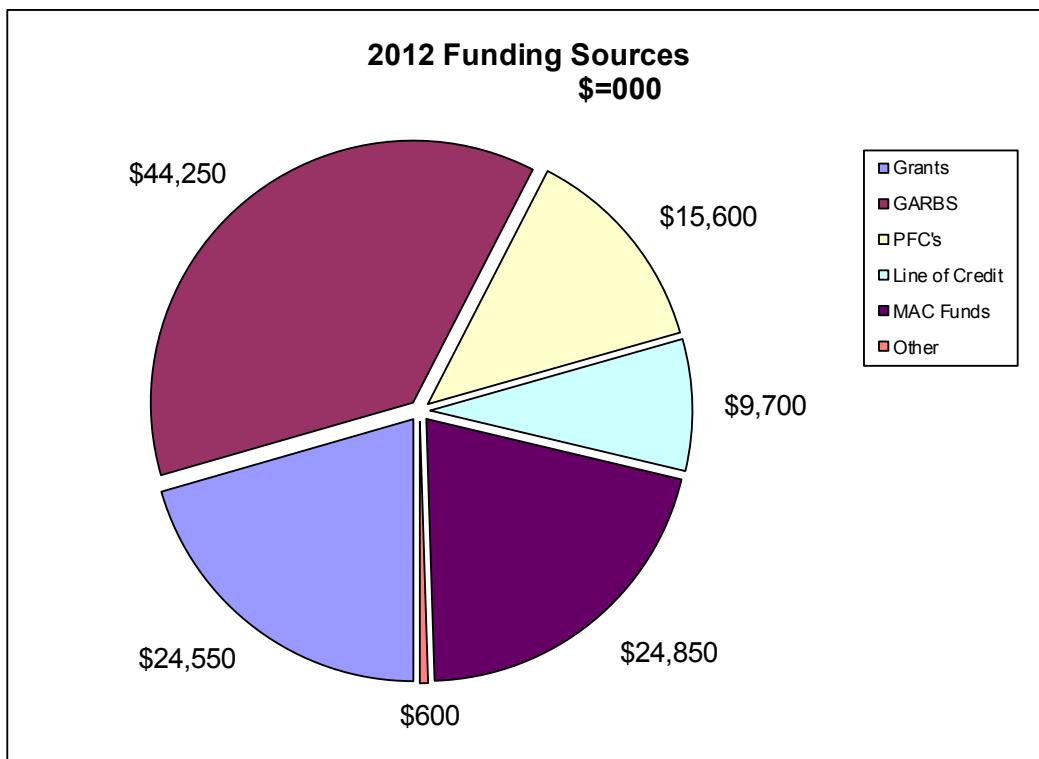
**2012 Capital Improvement Projects**

(\$ in 000) <b>Projects</b>		<b>Funding Source</b>					
		<b>Federal/State Grants</b>	<b>GARBS</b>	<b>PFC's</b>	<b>Line of Credit</b>	<b>MAC Funds</b>	<b>Other</b>
<b>39 - Public Areas/Roads</b>							
Landside Pavement Rehabilitation	\$400					\$ 400	
Roadway Fixture Refurbishment	\$100					\$ 100	
<b>Subtotal Public Areas/Roads</b>	<b>\$500</b>	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ -
<b>46 - Hangars and other Buildings</b>							
Building F Tower Demolition	\$1,500					\$ 1,500	
Building H Upgrades	\$100					\$ 100	
<b>Subtotal Hangars and other Buildings</b>	<b>\$1,600</b>	\$ -	\$ -	\$ -	\$ 1,500	\$ 100	\$ -
<b>63 - Police</b>							
Perimeter Fence Intrusion Detection System	\$200					\$ 200	
CCTV Improvements	\$9,100	\$ 3,000		\$ 6,100			
<b>Subtotal Police</b>	<b>\$9,300</b>	\$ 3,000	\$ -	\$ 6,100	\$ -	\$ 200	\$ -
<b>66 - Fire</b>							
Post Road Fuel Farm Fire Protection Improvements	\$3,500		\$ 2,000			\$ 1,500	
<b>Subtotal Fire</b>	<b>\$3,500</b>	\$ -	\$ 2,000	\$ -	\$ -	\$ 1,500	\$ -
<b>76 - Environment</b>							
Storm Water Pond Dredging	\$3,000			\$ 3,000			
North Fuel Island Oil/Water Separator	\$1,000					\$ 1,000	
MACNOMS Noise Monitoring Tower Upgrades	\$900					\$ 900	
Ponds 1 and 2 Access Control	\$100					\$ 100	
Concourse D Organic Waste Compactor	\$350					\$ 350	
<b>Subtotal Environment</b>	<b>\$5,350</b>	\$ -	\$ -	\$ 3,000	\$ -	\$ 2,350	\$ -
<b>Reliever Airports</b>							
<b>81 - St. Paul</b>							
Joint and Crack Repairs	\$100					\$ 100	
MAC Building Maintenance	\$200					\$ 200	
Pavement Rehabilitation	\$1,000	\$ 900				\$ 100	
<b>Subtotal St. Paul</b>	<b>\$1,300</b>	\$ 900	\$ -	\$ -	\$ -	\$ 400	\$ -
<b>82- Lake Elmo</b>							
Runway 14/32 Reconstruction	\$500	\$ 450				\$ 50	
<b>Subtotal Lake Elmo</b>	<b>\$500</b>	\$ 450	\$ -	\$ -	\$ -	\$ 50	\$ -
<b>84 - Flying Cloud</b>							
Alleyway Rehabilitation	\$300	\$ 250				\$ 50	
East/West Perimeter Road	\$50					\$ 50	
South Building Area Development	\$1,500	\$ 1,000				\$ 500	
Commercial Development All Relievers	\$100					\$ 100	
Airport Layout Plan (ALP)	\$150					\$ 150	
<b>Subtotal Flying Cloud</b>	<b>\$2,100</b>	\$ 1,250	\$ -	\$ -	\$ -	\$ 250	\$ 600

**2012 Capital Improvement Projects**

Projects (\$ in 000)	Project Cost	Funding Source				
		Federal/State Grants	GARBS	PFC's	Line of Credit	MAC Funds
<b>85 - Crystal</b>						
Pavement Rehabilitation	\$200	\$ 150				\$ 50
Airfield Signage/Electrical Improvements	\$300	\$ 150				\$ 150
Subtotal Crystal	\$500	\$ 300	\$ -	\$ -	\$ -	\$ 200
<b>86 - Anoka County - Blaine</b>						
Pavement Rehabilitation						
Runways	\$200	\$ 150				\$ 50
Subtotal Anoka County - Blaine	\$200	\$ 150	\$ -	\$ -	\$ -	\$ 50
Subtotal Reliever Airports	\$4,600	\$ 3,050	\$ -	\$ -	\$ -	\$ 950
Total 2012 Capital Improvement Projects	\$119,550	\$ 24,550	\$ 44,250	\$ 15,600	\$ 9,700	\$ 24,850

The following pie chart indicates the funding sources for 2012:



**Capital Improvement Program 2013**

These are projects that have been identified in the second year of the program which have a need or potential need but require further study in order to properly determine the scope, feasibility and cost of the project. ***The vast majority of capital projects in the CIP are considered routine projects for a major airport and do not affect the annual operating budget.*** A description of 2013 Capital Improvement Program projects, along with a table with their funding sources, is as follows:

***Minneapolis-St. Paul International Airport******Noise Mitigation Program*****Noise Mitigation Settlement**

Year 2 - Described above in 2012 CIP Program

**\$1,300,000**

***Terminal 1- Lindbergh*****Safety/Security Projects****Telecommunications Room Equipment Continuity and Security**

**\$2,350,000**

Year 2 - Described above in 2012 CIP Program

**Fall Protection Program**

**\$100,000**

Year 2 - Described above in 2012 CIP Program

**Baggage Claim Fire Protection System**

**\$4,000,000**

As required by the MAC Building Official and Fire Marshal, this project will install fire suppression and visual and auditory (voice evacuation) notification systems in the Baggage Claim area to meet current codes.

***Facilities Rehabilitation*****Electrical Infrastructure Rehabilitation Program**

**\$2,500,000**

Year 2 - Described above in 2012 CIP Program

**Terminal Miscellaneous Modifications**

**\$1,000,000**

Each year there is a list of "maintenance" projects that are beyond the capability of MAC's maintenance staff and trades to accomplish. These projects are prioritized and completed either as a series of contracts or as purchase orders. The list of potential projects will be compiled and prioritized in early 2013.

Summarized below are the categories of the projects, which are included in the Terminal Miscellaneous Modifications program:

**Building Exterior Rehabilitation\***

Year 2 - Described above in 2012 CIP Program

**Terminal Electrical Modifications\***

Year 2 - Described above in 2012 CIP Program

**Terminal Mechanical Modifications\***

Year 2 - Described above in 2012 CIP Program

**Terminal Miscellaneous Modifications\***

Year 2 - Described above in 2012 CIP Program.

**MSP Campus Modifications\***

Year 2 - Described above in 2012 CIP Program

\*Historically, projects have been defined for each of these five categories and the highest priority projects within any of these project categories included in the program.

<b><u>Emergency Power Upgrades</u></b>	<b>\$1,250,000</b>
Studies and surveys of Terminal 1-Lindbergh transfer switches and emergency lighting were completed in 2008. This year's project will continue the design and implementation of emergency power and lighting corrective work previously identified.	
<b><u>Restroom Upgrade Program</u></b>	<b>\$1,000,000</b>
Year 2 - Described above in 2012 CIP Program	
<b><u>Air Handling Unit Replacement</u></b>	<b>\$1,500,000</b>
Year 2 - Described above in 2012 CIP Program.	
<b><u>Conveyance System Upgrades</u></b>	<b>\$1,000,000</b>
Year 2 - Described above in 2012 CIP Program	
<b><u>Plumbing Infrastructure Upgrade Program</u></b>	<b>\$500,000</b>
Year 2 - Described above in 2012 CIP Program.	
<b><u>Conference Center Upgrades</u></b>	<b>\$300,000</b>
The Airport Conference Center was constructed in 1998. This project will upgrade the conference center with new carpeting as the existing carpeting is failing and in need of replacement. New electrical and data outlets will also be installed in the floor and tables to improve access around the conference tables.	
<b><u>Terminal Curtainwall Repair</u></b>	<b>\$100,000</b>
Year 2 - Described above in 2012 CIP Program.	
<b><u>C-G Connector Soffit Repair</u></b>	<b>\$200,000</b>
The soffit under the Concourse C-G connector is constructed of individual insulated panels fastened to the connector structure. A number of these panels have been damaged by high winds over the years. Additional panels have been damaged by leaking oil pans related to the moving walkway belts. This project would remove and replace the damaged panels as well as provide an opportunity for the inspection of the structure supporting the panels to determine if additional repair is required.	
<b><u>Passenger Amenities</u></b>	
<b><u>Concessions Revenue Development/Upgrades</u></b>	<b>\$200,000</b>
Year 2 - Described above in 2012 CIP Program	
<b><u>Terminal Seating Improvements</u></b>	<b>\$800,000</b>
Year 2 - Described above in 2012 CIP Program	
<b><u>Way-Finding Signage Improvements</u></b>	<b>\$300,000</b>
Year 2 - Described above in 2012 CIP Program	
<b><u>MUFIDS/Electronic Video Information Display</u></b>	<b>\$600,000</b>
The installation of Multi-User Flight Information Display (MUFIDS) and Electronic Video Information Display Systems (EVIDS) throughout T1-Lindbergh and T2-Humphrey has been so successful that there have been requests for the installation of these electronic information tools in other areas in the terminal complex. These areas include the Custom Border Patrol (CBP)/Federal Inspection Services (FIS) areas in both terminals and the T2-Humphrey baggage claim area. This project would also provide for the replacement of monitors that were installed in 2009 with newer LED backlit technology.	

**Operational Improvements**

**Open Architecture Building Automation (OABA)** **\$2,250,000**  
 This is a continuation of a multi-year program that began in 2008 to upgrade all MAC building automation systems to the LonMark open architecture protocol so that MAC can bid maintenance and construction contracts more competitively. This project will replace sole-source controllers such as Siemens and Legacy Honeywell with LonMark controllers from Honeywell, Circon, Distech or TAC systems that are all LonMark certified product lines.

**Fiber Optic Cable Infrastructure Upgrade/Expansion** **\$1,150,000**  
 Year 2 - Described above in 2012 CIP Program

**Wireless Network Control System** **\$1,425,000**  
 Year 2 - Described above in 2012 CIP Program

**Concourse G Improvements**

**Concourse G Roof Replacement** **\$8,600,000**  
 An inspection of the Concourse G roof by the MAC's roofing consultant indicates that a complete re-roofing of the concourse with the exception of the roof over the FIS facility is required. The project would include upgrading the insulation to MAC energy standards and the repair/replacement of the clerstory curtain wall system that is failing. Required drains, roof hatch guardrails and removal and reattachment of roof top units would also be included. Delta Air Lines is responsible for maintaining Concourse G and has requested that MAC undertake this project with reimbursement to be made to the MAC in accordance with the agreements being negotiated as part of the Delta Air Lines/OTG concessions upgrade project.

**Energy Savings Projects** **\$200,000**  
 A program was initiated in 2002 to provide for the implementation of projects that would save the Commission energy costs in its operating budget. Discussions with both Xcel and Centerpoint have identified additional projects that are eligible for energy saving rebates and will save the Commission additional energy costs. In order to qualify, projects must provide a five year pay back. Delta Air Lines is responsible for maintaining Concourse G and has requested that MAC undertake this project with reimbursement to be made to the MAC in accordance with the agreements being negotiated as part of the Delta Air Lines/OTG concessions upgrade project.

**Energy Management Center**

**Energy Savings Projects** **\$2,000,000**  
 Year 2 - Described above in 2012 CIP Program

**Field and Runway**

**Airside Bituminous Rehabilitation/Electrical Construction** **\$500,000**  
 Year 2 - Described above in 2012 CIP Program

**Pavement Joint Sealing/Repair** **\$650,000**  
 Year 2 - Described above in 2012 CIP Program

**Pavement Rehabilitation – Aprons** **\$1,900,000**  
 Year 2 - Described above in 2012 CIP Program

**Miscellaneous Airfield Construction** **\$400,000**  
 Year 2 - Described above in 2012 CIP Program



**2011 Taxiway C Extension – Minneapolis-St. Paul International Airport**

<b>Runway 12R/30L Tunnel Rehabilitation – Mill and Overlay</b>	<b>\$275,000</b>
This project includes the mill and overlay of the tunnel approach pavements as well as the section of pavement within the Runway 12R/30L 9south parallel) tunnel.	
<b>Terminal Roads/Landside</b>	
<b>Tunnel/Bridge Rehabilitation</b>	<b>\$100,000</b>
Year 2 - Described above in 2012 CIP Program	
<b>Parking</b>	
<b>T1/T2 Parking Structure Rehabilitation</b>	<b>\$2,500,000</b>
Year 2 - Described above in 2012 CIP Program	
<b>Terminal 2 – Humphrey</b>	
<b>Safety/Security Projects</b>	
<b>Checked Baggage Inspection System (CBIS) Program</b>	<b>\$43,000,000</b>
In 2004, MAC began planning and design efforts for an automated, in-line Explosives Detection System (EDS) baggage screening system for Terminal 2-Humphrey, based upon plans to expand the terminal to accommodate additional airline capacity. The original concepts and plans have been redesigned to meet the new TSA furnished high-speed screening equipment with the TSA funding 90 percent of the eligible design efforts through an Other Transaction Agreement (OTA) for Design Services. MAC has now received an OTA to provide funding for 90% of the eligible construction costs. Once this project is complete, the existing screening process located in the ticketing lobby will be moved behind the scenes. The removal of the EDS equipment from the lobby will provide additional customer queuing space and area to install additional ticket counters as required. This project will also expand the baggage make-up area and upgrade the existing paging system at T2-Humphrey to comply with current codes for emergency evacuation.	

**Design Fees****Three Gate Expansion - Design****\$4,000,000**

This program includes design fees only for work related to the proposed 3-gate expansion at T2 – Humphrey. It is proposed that design of the facility expansion, companion apron expansion and associated airside and landside utility work be completed concurrent with the environmental review so that upon completion of the environmental document, MAC could move forward with advertising, bidding and award of the projects as soon as possible should demand require it.

**Terminal 2-Humphrey North Expansion****Apron/Fueling Expansion****\$15,000,000**

The expansion of Terminal 2-Humphrey will require the expansion of the terminal apron. This project will provide for the apron expansion and installation of aircraft fueling pits to the north of the terminal to accommodate future gate expansion.

**Public Areas/Roads****Landside Pavement Rehabilitation****\$400,000**

Year 2 - Described above in 2012 CIP Program

**Roadway Fixture Refurbishment****\$100,000**

Year 2 - Described above in 2012 CIP Program

**I-494/34<sup>th</sup> Ave Interchange Enhancements****Diverging Diamond Interchange (DDI)****\$6,000,000**

The I-494 and 34<sup>th</sup> Avenue South interchange is located at the border of MSP and the City of Bloomington, between Airport Lane and American Boulevard East. During peak hours of traffic movement, the eastbound exit ramp from I-494 to northbound 34<sup>th</sup> Avenue results in traffic queues that extend two-thirds the length of the ramp. As traffic demand increases, the existing interchange will be unable to safely and efficiently handle the traffic. As this interchange is critical to both MSP's and the City of Bloomington's long range plans, MAC and the City have partnered to apply for a grant through the Transportation Economic Development (TED) pilot program. This program provides state funding for a share of the costs for projects that will improve the statewide transportation network while promoting economic growth. The proposed interchange improvements will convert the existing diamond interchange to a Diverging Diamond Interchange (DDI), increasing capacity and decreasing queue lengths and conflict points at a cost far below that of completely replacing the existing interchange. Approximately 85% of this project will be funded by a combination of a TED grant (70%) and reimbursement by the City of Bloomington (15%).

**Hangars and other Buildings****Roof Replacements****\$2,200,000**

MAC's roofing consultant has completed a study that assessed the condition of the roof systems of the buildings on the MAC campus and developed a roof management program. Buildings that require either repairs or replacements include the Green/Gold Parking Ramp Core building, the Red/Blue Hub building, and Concourse F.

**Trades/Maintenance Buildings****Trades Building Cooling System Improvements****\$600,000**

The Trades building was constructed in 1997 and included an air-cooled chiller that provides cooling to the administrative offices area. The existing chiller has been subject to frequent service and repair due to short cycling of the two reciprocating compressors. This short cycling wastes energy and accelerates the wear on the compressors. Options to improve the cooling system have been evaluated with the following goals: (1) improve the efficiency and reliability of the central cooling plant; (2) add cooling to other areas within the Trades Building; and (3) add an air handler to the records retention trailer adjacent to the Trades Building to improve dehumidification. A new split chiller comprised of an air cooled condensing unit (outdoors) connected to an indoor evaporator utilizing six compressors was the system that provided for the best energy payback.

**Police****CCTV Improvements****\$4,000,000**

Year 2 - Described above in 2012 CIP Program

**Environment****Storm Sewer Rehabilitation – Deicing Areas****\$2,600,000**

This project provides for rehabilitation of storm sewer pipes and manholes at various locations where aircraft deicing occurs to enhance the collection and storage of glycol-impacted storm water resulting from deicing operations.

***Reliever Airports*****St. Paul****Storm Sewer Improvements****\$500,000**

This project will investigate and correct poor storm drainage in the oldest and lowest portion of the airport. The old storm sewer system infrastructure is not removing storm water from the site as effectively as it should. Improvements will also aid in fighting floods by insuring no ground water is infiltrating the old system and backing up into the airfield requiring additional groundwater pumping capacity to keep up.

**Lake Elmo****Pavement Rehabilitation****\$300,000**

This is an ongoing program to rehabilitate aircraft operational areas (runways, taxiways, aprons) through bituminous overlays, seal coats, or in some instances, reconstruction, to restore the surfaces to a smooth, even condition and improve overall operating conditions. This project includes rehabilitation of the Runway 4/22 pavements and portions of the parallel taxiway.



**2011 Taxiway C Extension – Minneapolis-St. Paul International Airport**

**Airport Layout Plan (ALP)****\$200,000**

In accordance with FAA and MnDOT requirements for obtaining AIP or state funds, MAC must update the Lake Elmo Airport Layout Plan (ALP). This project will include the preparation of an update to the ALP to match the long term comprehensive plans for the airport, reflect the existing configuration and any proposed future changes for the airfield, and be in compliance with FAA/MnDOT requirements for ALP preparation.

**Airlake****Pavement Rehabilitation****\$200,000**

This is an ongoing program to rehabilitate aircraft operational areas (runways, taxiways, aprons) through bituminous overlays, seal coats, or in some instances, reconstruction, to restore the surfaces to a smooth, even condition and improve overall operating conditions. This project includes rehabilitation of the runway and taxiway pavements, full depth crack repairs and crack sealing.

**Airport Layout Plan (ALP)****\$200,000**

In accordance with FAA and MnDOT requirements for obtaining AIP or state funds, MAC must update the Airlake Airport Layout Plan (ALP). This project will include the preparation of an update to the ALP to match the long term comprehensive plans for the airport, reflect the existing configuration and any proposed future changes for the airfield, and be in compliance with FAA/MnDOT requirements for ALP preparation.

**Flying Cloud****Runway 18/36 Safety Improvements****\$1,700,000**

Segment 3 of Runway 18/36 includes Runway end 36 to the Runway 10R/28L safety area boundary and lighting cable replacement for the Runway 18/36 parallel taxiway. In addition, the runway safety area deficiency will be corrected and the runway extended to 2,800-feet as recommended in the Long Term Comprehensive Plan. This project will also include a supplemental wind cone on the airfield, necessary updates to the Airport Layout Plan (ALP) and Pavement grooving of Runway 10R/28L.

**East/West Perimeter Road****\$250,000**

Year 2 - Described above in 2012 CIP Program

**Crystal****Airport Layout Plan (ALP)****\$200,000**

In accordance with FAA and MnDOT requirements for obtaining AIP or state funds, MAC must update the Crystal Airport Layout Plan (ALP). This project will include the preparation of an update to the ALP to match the long term comprehensive plans for the airport, reflect the existing configuration and any proposed future changes for the airfield, and be in compliance with FAA/MnDOT requirements for ALP preparation.

**Anoka County – Blaine****Pavement Rehabilitation - Alleyways****\$800,000**

This is an ongoing program to rehabilitate aircraft operational areas (runways, taxiways, aprons) through bituminous overlays, seal coats, or in some instances, reconstruction, to restore the surfaces to a smooth, even condition and improve overall operating conditions. This project includes rehabilitation of the alleyways in the east building area.



**2011 Taxiway C Extension – Minneapolis-St. Paul International Airport**

2013 Capital Improvement Program Funding Sources

Below is a table of funding sources of the 2013 capital improvement program projects. A cash flow summary of the CIP will appear later in this section.

**2013 Capital Improvement Program**

(\$ in 000)

<b>Projects</b>	<b>Project Cost</b>	<b>Funding Source</b>				
		<b>Federal/State Grants</b>	<b>GARBS</b>	<b>PFC's</b>	<b>Line of Credit</b>	<b>MAC Funds</b>
<b>Noise Mitigation Program</b>						
Noise Mitigation Settlement	\$1,300					\$ 1,300
Subtotal Noise Mitigation Program	\$1,300	\$ -	\$ -	\$ -	\$ -	\$ 1,300
<b>10 - Terminal 1 - Lindbergh</b>						
<b>Safety/Security Projects</b>						
Telecom Room Equipment Continuity and Security	\$2,350					\$ 2,350
Fall Protection Program	\$100					\$ 100
Baggage Claim Fire Protection System	\$4,000					\$ 4,000
Subtotal Safety/Security Projects	\$6,450	\$ -	\$ -	\$ -	\$ -	\$ 6,450
<b>Facility Rehabilitation</b>						
Electrical Infrastructure Rehabilitation Program	\$2,500		\$ 2,500			
Terminal Miscellaneous Modifications	\$1,000					\$ 1,000
Emergency Power Upgrades	\$1,250					\$ 1,250
Restroom Upgrade Program	\$1,000					\$ 1,000
Air Handling Unit Replacement	\$1,500		\$ 1,500			
Conveyance System Upgrades	\$1,000					\$ 1,000
Plumbing Infrastructure Upgrade Program	\$500		\$ 500			
Conference Center Upgrades	\$300					\$ 300
Terminal Curtainwall Repair	\$100					\$ 100
C-G Connector Soffit Repair	\$200					\$ 200
Subtotal Facility Rehabilitation	\$9,350	\$ -	\$ 4,000	\$ 500	\$ -	\$ 4,850
<b>Passenger Amenities</b>						
Concessions Revenue Development/Upgrades	\$200					\$ 200
Terminal Seating Improvements	\$800					\$ 800
Way-Finding Signage Improvements	\$300					\$ 300
MUFIDS/Electronic Video Information Display	\$600					\$ 600
Subtotal Passenger Amenities	\$1,900	\$ -	\$ -	\$ -	\$ -	\$ 1,900
<b>Operational Improvements</b>						
Open Architecture Building Automation (OABA)	\$2,250					\$ 2,250
Fiber Optic Cable Infrastructure Upgrade/Expansion	\$1,150					\$ 1,150
Wireless Network Control System	\$1,425					\$ 1,425
Subtotal Operational Improvements	\$4,825	\$ -	\$ -	\$ -	\$ -	\$ 4,825
<b>Concourse G Improvements</b>						
Concourse G Roof Replacement	\$8,600					\$ 8,600
Energy Savings Projects	\$200					\$ 200
Subtotal Concourse G Improvements	\$8,800	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Terminal 1-Lindbergh	\$31,325	\$ -	\$ 4,000	\$ 500	\$ -	\$ 18,025

**2013 Capital Improvement Program**

(\$ in 000)		Funding Source				
		Federal/State Grants	GARBS	PFC's	Line of Credit	MAC Funds
<b>Projects</b>	<b>Project Cost</b>					
<b>13 - Energy Management Center</b>						
Energy Savings Projects	\$2,000					\$ 2,000
Subtotal Energy Management Center	\$2,000					\$ 2,000
<b>21 - Field and Runway</b>						
Airside Bituminous Rehabilitation/Electrical Construction	\$500					\$ 500
Pavement Joint Sealing/Repair	\$650					\$ 650
Pavement Rehabilitation - Aprons	\$1,900	\$ 1,400		\$ 500		
Miscellaneous Airfield Construction	\$400					\$ 400
Runway 12R/30L Tunnel Rehabilitation						
Mill and Overlay	\$275					\$ 275
Subtotal Field and Runway	\$3,725	\$ 1,400	\$ -	\$ 500	\$ -	\$ 1,825
<b>26 - Terminal Roads/Landside</b>						
Tunnel/Bridge Rehabilitation	\$100					\$ 100
Subtotal Terminal Roads/Landside	\$100					\$ 100
<b>31 - Parking</b>						
T1/T2 Parking Structure Rehabilitation	\$2,500					\$ 2,500
Subtotal Parking	\$2,500					\$ 2,500
<b>36 - Terminal 2 - Humphrey Safety/Security Projects</b>						
Checked Baggage Inspection System (CBIS) Program	\$43,000	\$ 18,900	\$ 5,100	\$ 1,850		\$ 17,150
Subtotal Safety/Security Projects	\$43,000	\$ 18,900	\$ 5,100	\$ 1,850	\$ -	\$ 17,150
<b>Design Fees</b>						
Three Gate Expansion - Design	\$4,000				\$ 4,000	
Subtotal Design Fees	\$4,000				\$ 4,000	\$ -
<b>Terminal 2 - Humphrey North Expansion</b>						
Apron/Fueling Expansion - North	\$15,000	\$ 11,100				\$ 3,900
Subtotal Terminal 2 -Humphrey North Expansion	\$15,000	\$ 11,100	\$ -	\$ -	\$ -	\$ 3,900
Subtotal Terminal 2-Humphrey	\$62,000	\$ 30,000	\$ 5,100	\$ 1,850	\$ 4,000	\$ 21,050
<b>39 - Public Areas/Roads</b>						
Landside Pavement Rehabilitation	\$400					\$ 400
Roadway Fixture Refurbishment	\$100					\$ 100
I-494/34th Ave. Interchange Enhancements						
Diverging Diamond Interchange (DDI)	\$6,000	\$ 5,100				\$ 900
Subtotal Public Areas/Roads	\$6,500	\$ 5,100	\$ -	\$ -	\$ -	\$ 1,400
<b>46 - Hangars and other Buildings</b>						
Roof Replacements	\$2,200					\$ 2,200
Subtotal Hangars and other Buildings	\$2,200					\$ 2,200
<b>56 - Trades/Maintenance Buildings</b>						
Trades Building Cooling System Improvements	\$600					\$ 600
Subtotal Trades/Maintenance Buildings	\$600					\$ 600

**2013 Capital Improvement Program**

(\$ in 000)

<b>Projects</b>	<b>Project Cost</b>	<b>Funding Source</b>				
		<b>Federal/State Grants</b>	<b>GARBS</b>	<b>PFC's</b>	<b>Line of Credit</b>	<b>MAC Funds</b>
<b>63 - Police</b>						
CCTV Improvements	\$4,000			\$ 4,000		
Subtotal Police	\$4,000	\$ -	\$ -	\$ 4,000	\$ -	\$ -
<b>76 - Environment</b>						
Environmental Improvements						
Storm Sewer Rehabilitation - Deicing Areas	\$2,600			\$ 2,600		
Subtotal Environment	\$2,600	\$ -	\$ -	\$ 2,600	\$ -	\$ -
<b>Reliever Airports</b>						
<b>81 - St. Paul</b>						
Storm Sewer Improvements	\$500	\$ 300				\$ 200
Subtotal St. Paul	\$500	\$ 300	\$ -	\$ -	\$ -	\$ 200
<b>82- Lake Elmo</b>						
Pavement Rehabilitation	\$300	\$ 150				\$ 150
Airport Layout Plan (ALP)	\$200					\$ 200
Subtotal Lake Elmo	\$500	\$ 150	\$ -	\$ -	\$ -	\$ 350
<b>83 - Airlake</b>						
Pavement Rehabilitation	\$200	\$ 150				\$ 50
Airport Layout Plan (ALP)	\$200					\$ 200
Subtotal Airlake	\$400	\$ 150	\$ -	\$ -	\$ -	\$ 250
<b>84 - Flying Cloud</b>						
Runway 18/36 Safety Improvements	\$1,700	\$ 1,250				\$ 450
East/West Perimeter Road	\$250	\$ 150				\$ 100
Subtotal Flying Cloud	\$1,950	\$ 1,400	\$ -	\$ -	\$ -	\$ 550
<b>85 - Crystal</b>						
Airport Layout Plan (ALP)	\$200					\$ 200
Subtotal Crystal	\$200	\$ -	\$ -	\$ -	\$ -	\$ 200
<b>86 - Anoka County - Blaine</b>						
Pavement Rehabilitation						
Alleyways	\$800	\$ 550				\$ 250
Subtotal Anoka County - Blaine	\$800	\$ 550	\$ -	\$ -	\$ -	\$ 250
Subtotal Reliever Airports	\$4,350	\$ 2,550	\$ -	\$ -	\$ -	\$ 1,800
Total 2013 Capital Improvement Program	\$123,200	\$ 39,050	\$ 9,100	\$ 9,450	\$ 12,800	\$ 52,800

**Capital Improvement Plan 2014-2018**

This encompasses the last five years of the total program and consists of projects that appear likely to be needed during the period. The Commission only funds the CIP only out to 2014. A large number of unfunded projects exist in the following table. These projects are labeled as "Demand Driven" projects. These types of projects will only be undertaken if demand exists for such projects.

**2014-2018 Capital Improvement Plan**

(\$ in 000)

Projects	Project Cost	Funding Source				
		Federal/State Grants	GARBS	PFC's Line of Credit	MAC Funds	Unfunded
<b>Noise Mitigation Program</b>						
Noise Mitigation Settlement	\$ 3,420				\$ 3,420	
<b>Subtotal Noise Mitigation Program</b>	<b>\$ 3,420</b>				<b>\$ 3,420</b>	<b>\$ -</b>
<b>10 - Terminal 1 - Lindbergh Safety/Security Projects</b>						
Automated External Defibrillator Notification System	\$ 550				\$ 550	
Telecom Room Equipment Continuity and Security	\$ 2,000				\$ 1,000	\$ 1,000
Fall Protection Program	\$ 100				\$ 100	
<b>Subtotal Safety/Security Projects</b>	<b>\$ 2,650</b>				<b>\$ 1,100</b>	<b>\$ 1,550</b>
<b>Facility Rehabilitation</b>						
Electrical Infrastructure Rehabilitation Program	\$ 8,800				\$ 2,150	\$ 6,650
Terminal Miscellaneous Modifications	\$ 15,000				\$ 2,000	\$ 13,000
Emergency Power Upgrades	\$ 9,250				\$ 2,300	\$ 6,950
Lower Level Roadway/GTC Water Infiltration Mitigation	\$ 2,500				\$ 2,500	
Restroom Upgrade Program	\$ 10,000				\$ 2,000	\$ 8,000
Air Handling Unit Replacement	\$ 11,500				\$ 1,500	\$ 10,000
Conveyance System Upgrades	\$ 1,200					\$ 1,200
Passenger Boarding Bridge Replacements	\$ 14,000					\$ 14,000
Plumbing Infrastructure Upgrade Program	\$ 1,000				\$ 500	\$ 500
Baggage Claim Operational Improvements	\$ 70,000					\$ 70,000
Ticket Lobby/Mezzanine Operational Improvements	\$ 50,000					\$ 50,000
Folded Plate Roof Replacement	\$ 34,000					\$ 34,000
Way-Finding Sign Backlighting Replacement	\$ 4,800					\$ 4,800
Terminal Curtainwall Repair	\$ 100				\$ 100	
CBP Carpet Replacement	\$ 350				\$ 350	
<b>Subtotal Facility Rehabilitation Projects</b>	<b>\$ 232,500</b>				<b>\$ 13,400</b>	<b>\$ 219,100</b>
<b>Passenger Amenities</b>						
Art in the Terminal	\$ 750				\$ 250	\$ 500
Meeter/Greeter/Freedom of Speech Booth Upgrades	\$ 225				\$ 225	
Concessions Revenue Development/Upgrades	\$ 1,000				\$ 200	\$ 800
Ticket Counter Upgrades to ADA	\$ 800				\$ 800	
Commission Chambers Telecoil Installation	\$ 160				\$ 160	
Elevator Access to Observation Deck	\$ 750					\$ 750
MUFIDS/Electronic Video Information Display	\$ 2,000					\$ 2,000
<b>Subtotal Passenger Amenities</b>	<b>\$ 5,685</b>				<b>\$ 1,635</b>	<b>\$ 4,050</b>

## 2014-2018 Capital Improvement Plan

(\$ in 000)

Projects	Project Cost	Funding Source				
		Federal/State Grants	GARBS	PFC's	Line of Credit	MAC Funds
<b><u>Operational Improvements</u></b>						
Concourse C Elevator to D Street	\$ 450					\$ 450
Open Architecture Building Automation (OABA)	\$ 3,250					\$ 1,250 \$ 2,000
Fiber Optic Cable Infrastructure Upgrade/Expansion	\$ 1,700					\$ 1,200 \$ 500
Wireless Network Control System	\$ 500					\$ 500
Southeast Mezzanine Office and Exit Stairs	\$ 1,600					\$ 1,600
Landside Operations Offices Upgrades	\$ 500					\$ 500
FIS Modifications	\$ 6,000					\$ 6,000
<b>Subtotal Operational Improvements</b>	<b>\$ 14,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,400 \$ 10,600</b>
<b><u>Concourse G Improvements</u></b>						
Exterior Panel/Sealant/Replacement	\$ 5,100					\$ 5,100
<b>Subtotal Concourse G Improvements</b>	<b>\$ 5,100</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,100</b>
<b><u>T-1 Lindbergh Demand Driven Projects</u></b>						
<b>Terminal Remodeling</b>						
Concourse E Remodeling/Expansion	\$ 37,000					\$ 37,000
MAC Operations Center	\$ 1,250					\$ 1,250
<b>Subtotal Terminal Remodeling</b>	<b>\$ 38,250</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 38,250</b>
<b><u>Concourse G Expansion</u></b>						
Concourse G Tram - Equipment Procurement	\$ 50,000					\$ 50,000
Concourse G Tram - Guideawy Installation	\$ 76,000					\$ 76,000
Concourse G Tram - Stations	\$ 33,000					\$ 33,000
Gate Hold Expansion-10 Gates	\$ 306,000					\$ 306,000
FIS Curbside Roadway	\$ 2,000					\$ 2,000
Apron Improvements	\$ 17,000					\$ 17,000
Airside Tunnel Expansion	\$ 20,000					\$ 20,000
<b>Subtotal Concourse G Expansion</b>	<b>\$ 504,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 504,000</b>
<b><u>Roadway and Parking Expansion</u></b>						
Lower Level Curbside Expansion	\$ 10,500					\$ 10,500
<b>Subtotal Roadway and Parking Expansion</b>	<b>\$ 10,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,500</b>
<b>Subtotal Terminal 1-Lindbergh</b>	<b>\$ 812,685</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,535 \$ 793,150</b>
<b><u>13 - Energy Management Center</u></b>						
Energy Savings Projects	\$ 15,000					\$ 2,000 \$ 13,000
Alternative Energy Projects	\$ 1,000					\$ 1,000
<b>Subtotal Energy Management Center</b>	<b>\$ 16,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,000 \$ 14,000</b>
<b><u>21 - Field and Runway</u></b>						
Airside Bituminous Rehabilitation/Electrical Construction	\$ 2,500					\$ 500 \$ 2,000
Pavement Joint Sealing/Repair	\$ 3,250	\$ 650				\$ 2,600
Pavement Rehabilitation - Aprons	\$ 10,500					\$ 10,500
Pavement Reconstruction-Taxiway Delta (W toS)	\$ 7,000					\$ 7,000
Miscellaneous Airfield Construction	\$ 2,000					\$ 400 \$ 1,600
Baggage Quarantine Building	\$ 1,225					\$ 1,225
SIDA Incursion Upgrades	\$ 800					\$ 800
ASR Shadow Mitigation	\$ 5,000					\$ 5,000
South Field Maintenance Building Wash Bay	\$ 1,300					\$ 1,300
Sanitary Sewer Replacements						
USAF Apron	\$ 2,250					\$ 2,250
USAF Campus	\$ 700					\$ 700
Delta Buildings C and G	\$ 1,500					\$ 1,500
<b>Subtotal Field and Runway</b>	<b>\$ 38,025</b>	<b>\$ 650 \$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 900 \$ 36,475</b>

**2014-2018 Capital Improvement Plan**

(\$ in 000)

Projects	Project Cost	Funding Source				
		Federal/State Grants	GARBS	PFC's Line of Credit	MAC Funds	Unfunded
<b>26 - Terminal Roads/Landside</b>						
Tunnel/Bridge Rehabilitation	\$ 500				\$ 100	\$ 400
Upper Level Roadway Rehabilitation	\$ 1,800					\$ 1,800
Upper Level Roadway Electrical System Rehabilitation	\$ 400				\$ 400	
<b>Subtotal Terminal Roads/Landside</b>	<b>\$ 2,700</b>					<b>\$ 2,200</b>
<b>31 - Parking</b>						
T1/T2 Parking Structure Rehabilitation	\$ 15,500				\$ 2,500	\$ 13,000
T2-Humphrey Ramp VMS/Rev. Control System Upgrade	\$ 2,250					\$ 2,250
T2-Humphrey GTC Core Building Modifications	\$ 850					\$ 850
T1-Lindbergh/T2-Humphrey Vehicle Detection/Counting	\$ 400					\$ 400
T1-Lindbergh Short Term Parking Redesignation	\$ 350					\$ 350
T1-Lindbergh Valet/Commercial Entrance Lanes Mods	\$ 1,000					\$ 1,000
T2-Humphrey Elevator to Mezzanine	\$ 3,600					\$ 3,600
<b>Subtotal Parking</b>	<b>\$ 23,950</b>					<b>\$ 21,450</b>
<b>36 - Terminal 2 - Humphrey</b>						
<b>Passenger Amenities</b>						
Skyway to LRT Flooring Installation	\$ 800					\$ 800
Curbside Canopy Extension	\$ 1,500					\$ 1,500
<b>Subtotal Passenger Amenities</b>	<b>\$ 2,300</b>					<b>\$ 2,300</b>
<b>Terminal 2 - Humphrey Demand Driven Projects</b>						
<b>Terminal 2 - Humphrey North Expansion</b>						
Gates 11 - 13	\$ 29,000					\$ 29,000
Gates 14 - 17	\$ 65,000					\$ 65,000
Terminal Utilities Relocation	\$ 900					\$ 900
<b>Subtotal Terminal 2 - Humphrey North Expansion</b>	<b>\$ 94,900</b>					<b>\$ 94,900</b>
<b>Terminal 2 - Humphrey South Expansion</b>						
Apron/Fueling Expansion - South	\$ 77,000					\$ 77,000
Taxiway D Extension	\$ 18,000					\$ 18,000
Gates 18 - 27	\$ 100,000					\$ 100,000
Terminal Utilities Relocation	\$ 5,000					\$ 5,000
<b>Subtotal Terminal 2 - Humphrey South Expansion</b>	<b>\$ 200,000</b>					<b>\$ 200,000</b>
<b>Auto Rental Facilities/QTA</b>						
Roadway Realignment	\$ 6,000					\$ 6,000
Purple Ramp Outrigger Addition	\$ 32,000					\$ 32,000
Orange Ramp Outrigger Addition/Levels 9&10	\$ 60,000					\$ 60,000
<b>Subtotal Terminal 2 - Humphrey Parking</b>	<b>\$ 161,000</b>					<b>\$ 161,000</b>
<b>Subtotal Terminal 2-Humphrey</b>	<b>\$ 458,200</b>					<b>\$ 458,200</b>

## 2014-2018 Capital Improvement Plan

Projects (\$ in 000)	Project Cost	Funding Source				
		Federal/State Grants	GARBS	PFC's Line of Credit	MAC Funds	Unfunded
<b>39 - Public Areas/Roads</b>						
Landside Pavement Rehabilitation	\$ 3,600				\$ 400	\$ 3,200
Roadway Future Refurbishment	\$ 100				\$ 100	
Taxicab Break Room Expansion	\$ 800					\$ 800
<b>Subtotal Public Areas/Roads</b>	<b>\$ 4,500</b>					<b>\$ 500</b>
		\$ -	\$ -	\$ -	\$ -	\$ 4,000
<b>46 - Hangars and Other Buildings</b>						
Zantop Hangar	\$ 100					\$ 100
Navy Bldg./Old Motor Pool Buildings	\$ 100					\$ 100
Roof Replacements	\$ 2,000					\$ 2,000
Impark Building Rehabilitation	\$ 600				\$ 600	
Drivers Training Facility Rehabilitation	\$ 530				\$ 530	
FAA Building Parking Lot Upgrades	\$ 1,050					\$ 1,050
<b>Subtotal Hangars and Other Buildings</b>	<b>\$ 4,380</b>					<b>\$ 1,130</b>
		\$ -	\$ -	\$ -	\$ -	\$ 3,250
<b>63 - Police</b>						
Public Safety Facility	\$ 17,500				\$ 300	\$ 17,200
Perimeter Fence Intrusion Detection System	\$ 3,000				\$ -	\$ 3,000
CCTV Improvements	\$ 5,500				\$ 2,000	\$ 3,500
<b>Subtotal Police</b>	<b>\$ 26,000</b>					<b>\$ 2,300</b>
		\$ -	\$ -	\$ -	\$ -	\$ 23,700
<b>66 - Fire</b>						
MSP Campus Fire Alarm System Upgrade	\$ 1,700					\$ 1,700
<b>Subtotal Fire</b>	<b>\$ 1,700</b>					<b>\$ 1,700</b>
		\$ -	\$ -	\$ -	\$ -	\$ 1,700
<b>76 - Environment</b>						
Mother Lake Stormwater Diversion	\$ 850					\$ 850
Runway 12R/30L Glycol Forcemain	\$ 1,000					\$ 1,000
MAC Multilateration System	\$ 1,300					\$ 1,300
Concourse C Compactor Canopy	\$ 160				\$ 160	
Concourse G Compactor Canopy	\$ 250				\$ 250	
<b>Subtotal Environment</b>	<b>\$ 3,560</b>					<b>\$ 410</b>
		\$ -	\$ -	\$ -	\$ -	\$ 3,150
<b>Reliever Airports</b>						
<b>81 - St. Paul</b>						
Holman Terminal Subdrain	\$ 600					\$ 600
Joint and Crack Repairs	\$ 300				\$ 100	\$ 200
MAC Building Maintenance	\$ 650				\$ 250	\$ 400
Pavement Rehabilitation	\$ 2,000	\$ 1,100			\$ 400	\$ 500
Electrical Vault Improvements	\$ 700					\$ 700
Compensatory Excavation Mitigation	\$ 1,000					\$ 1,000
Airfield Signage/Wind Cone Upgrade	\$ 500					\$ 500
Cold Equipment Storage Building	\$ 750					\$ 750
<b>Subtotal St. Paul</b>	<b>\$ 6,500</b>					<b>\$ 750</b>
		\$ 1,100	\$ -	\$ -	\$ -	\$ 4,650

## 2014-2018 Capital Improvement Plan

(\$ in 000)

Projects	Project Cost	Funding Source				
		Federal/State Grants	GARBS	PFC's Line of Credit	MAC Funds	Unfunded
<b>82 - Lake Elmo</b>						
East Building Area Development	\$ 2,800					\$ 2,800
East Side Parallel Taxiway	\$ 1,200					\$ 1,200
Runway 14/32 Reconstruction	\$ 5,000					\$ 5,000
Alleyway Rehabilitation	\$ 900					\$ 900
Materials Storage Building	\$ 600					\$ 600
<b>Subtotal Lake Elmo</b>	<b>\$ 10,500</b>					<b>\$ 10,500</b>
<b>83 - Airlake</b>						
Pavement Rehabilitation	\$ 400					\$ 400
South Building Area Development	\$ 2,700					\$ 2,700
Runway 12/30 Extension	\$ 8,000					\$ 8,000
South Building Area Alleyway Development	\$ 1,000					\$ 1,000
Maintenance Building Improvements	\$ 50					\$ 50
Materials Storage Building	\$ 600					\$ 600
<b>Subtotal Flying Cloud</b>	<b>\$ 12,750</b>					<b>\$ 12,700</b>
<b>84 - Flying Cloud</b>						
Pavement Rehabilitation - Taxiway A-Phase 1	\$ 800					\$ 800
Pavement Rehabilitation - Taxiway A-Phase 2	\$ 900					\$ 900
South Building Area Development	\$ 600					\$ 600
Equipment Storage Building	\$ 2,500					\$ 2,500
<b>Subtotal Flying Cloud</b>	<b>\$ 4,800</b>					<b>\$ 4,800</b>
<b>85 - Crystal</b>						
Alleyway Rehabilitation	\$ 550					\$ 550
Obstruction Removals	\$ 300					\$ 300
Pavement Rehabilitation	\$ 700					\$ 150
Runway 14R/32L Modifications	\$ 1,000					\$ 350
Materials Storage Building	\$ 600					\$ 600
<b>Subtotal Crystal</b>	<b>\$ 3,150</b>					<b>\$ 1,450</b>
<b>86 - Anoka County - Blaine</b>						
Building Area Development - East Annex	\$ 2,400					\$ 2,400
Building Area Development - Xylite St. Relocation	\$ 1,000					\$ 1,000
Building Area Development - West Annex	\$ 850					\$ 850
Taxiway Charlie - A2/C2 Extension	\$ 900					\$ 900
Materials Storage Building	\$ 600					\$ 600
Airfield Signage/Electrical Improvements	\$ 500					\$ 500
<b>Subtotal Anoka County - Blaine</b>	<b>\$ 6,250</b>					<b>\$ 6,250</b>
<b>Subtotal Reliever Airports</b>	<b>\$ 43,950</b>					<b>\$ 40,350</b>
<b>Total 2014-2018 Capital Improvement Plan</b>	<b>\$ 1,439,070</b>					<b>\$ 1,401,625</b>

**SOURCES AND USES OF FUNDS**

From December 31, 2009 through 2014, MAC has identified nine funding sources totaling \$808,578,000 including a beginning balance of \$195,718,000. During this period, MAC will expend \$680,101,000 leaving a net balance of \$324,195,000 at the end of 2014. This balance represents a portion of the 2013 and 2014 CIP projects that were started but not completed by December 31, 2014.

The Construction Fund Budget below represents anticipated sources and uses of funds during the years 2010-2014. The information for 2011 indicates expected transactions during the fourth quarter.

<b>CONSTRUCTION FUND BUDGET 2012</b> (\$ = 000)							
	<b>Actual 2010</b>	<b>Estimated 2011</b>	<b>Budget 2011</b>	<b>Budget 2012</b>	<b>Projected 2013</b>	<b>Projected 2014</b>	<b>Projected Total</b>
<b>Sources of Funds</b>							
Balance 12/31/09	\$ 195,718						\$ 195,718
Balance Carried Forward		\$ 310,291	\$ 320,081	\$ 304,367	\$ 289,753	\$ 297,003	
Transfer From Operating Fund	55,300	46,700	43,374	34,347	38,692	40,035	215,074
PFC Funding	57,262	62,000	58,500	63,550	64,503	65,471	312,786
Federal Grants	22,710	14,000	7,040	24,550	32,650	1,250	95,160
State Grants	4,107	1,000	1,500	-	6,400	1,700	13,207
Interest Income (1)	3,847	2,108	5,000	2,500	3,000	3,000	14,455
Short-term line of credit	-	-	-	9,700	12,800	-	22,500
Principal Amount of Bonds	124,006	-	-	-	-	-	124,006
Federal Letter Of Intent (LOI)	5,000	-	-	-	-	-	5,000
Other Receipts	-	-	-	600	-	-	600
<b>Total Sources of Funds</b>	<b>\$ 272,232</b>	<b>\$ 125,808</b>	<b>\$ 115,414</b>	<b>\$ 135,247</b>	<b>\$ 158,045</b>	<b>\$ 111,456</b>	<b>\$ 802,788</b>
<b>Uses of Funds</b>							
CIP Project Costs	\$ (100,269)	\$ (105,814)	(125,468)	(121,400)	(122,400)	(60,000)	\$ (509,883)
Transfer to Operating Fund	-	-	-	-	-	-	-
Commercial Paper Retired	(30,587)	-	-	-	-	-	(30,587)
Debt Service Reserve Transfer	(26,803)	(25,918)	(26,798)	(28,461)	(28,395)	(28,399)	(137,976)
<b>Total Use of Funds</b>	<b>\$ (157,659)</b>	<b>\$ (131,732)</b>	<b>\$ (152,266)</b>	<b>\$ (149,861)</b>	<b>\$ (150,795)</b>	<b>\$ (88,399)</b>	<b>\$ (678,446)</b>
<b>Balance Carried Forward</b>	<b>\$ 310,291</b>	<b>\$ 304,367</b>	<b>\$ 283,230</b>	<b>\$ 289,753</b>	<b>\$ 297,003</b>	<b>\$ 320,060</b>	<b>\$ 320,060</b>

1 Interest Rate Assumed 0.75% for the period 2012 through 2014.

<b>Funding Source Summary</b>	
Current Balance	19.60%
Transfer From Operating Fund	21.54%
PFC Funding	31.33%
Federal Grants	9.53%
State Grants	1.32%
Interest Income	1.45%
Short-Term Line of Credit	2.25%
Net Bond Proceeds-(See Current)	12.42%
Federal Letter Of Intent (LOI)	0.50%
Other Receipts	<u>0.06%</u>
<b>Total Sources of Funds</b>	<b>100.00%</b>

**SOURCES**

Each source of funding is discussed below.

The Transfer from the Operating Fund is made at the end of each year after the debt service requirement and working capital balance have been funded. For 2012, a transfer of \$34.5 million is anticipated based on 2011 estimated net revenues. The transfers for the period 2013 through 2014 are increasing slightly due to slightly higher interest rates and the addition of MAC funded self-liquidating projects. The balance to be transferred for the period is estimated at \$215.1 million or 21.42%.

PFC funding or Passenger Facility Charge funding is the largest funding source at \$312.8 million or 31.14% 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. The maximum allowed was changed from \$3.00 to \$4.50 in 2001. 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.

Including this first application, the Commission has received approval from the Federal Aviation Administration for ten separate applications. The table below shows the status of all applications.

**PFC Summary Table**

(\$ in 000)

<b>Application Number</b>	<b>Amended Approval Amount</b>	<b>Est. Collections</b>		<b>Status</b>
		<b>12/31/2011 est.</b>	<b>\$</b>	
1	\$ 92,714	\$ 92,714		Closed
2	140,717	140,707		Closed
3	36,377	36,377		Closed
4	47,801	47,801		Closed
5	112,533	112,533		Closed
6 (a)	779,146	365,062		Open
7	14,109	1,855		Open
8 (a)	191,380	125,876		Open
9 (b)	8,659	8,602		Open
10 (a)	128,448	63,593		Open
	<b>\$ 1,551,884</b>	<b>\$ 995,120</b>		

(a) PFC applications are currently in the process of being amended

(b) PFC application is currently being finalized for closure

In conjunction with filing these applications/amendments, the Commission was required to file a Competition Plan. Before any approval/consideration could be given to these applications/amendments, the FAA needed to approve this Plan. Approval from the FAA regarding the original 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 to increase the PFC level to \$4.50 in January, 2001. An updated Competition Plan was submitted in December 2008. Approval of the updated Plan was granted in 2009.

Federal Grants are funds which are used for FAA approved projects including Field and Runway projects at the various Commission airports. These funds are estimated at \$101 million or 10.1% 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. Federal grants also include money received from the TSA for checked baggage screening capital improvements.

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 \$13.2 million or 1.32% of the total funding through 2014.

Interest Income is based on the balance in the fund. As noted above, a 0.75% rate is assumed for 2012 through 2014. This figure can vary significantly depending upon approval of projects and their starting dates. Interest Income of \$14.5 million or 1.4% of sources is projected.

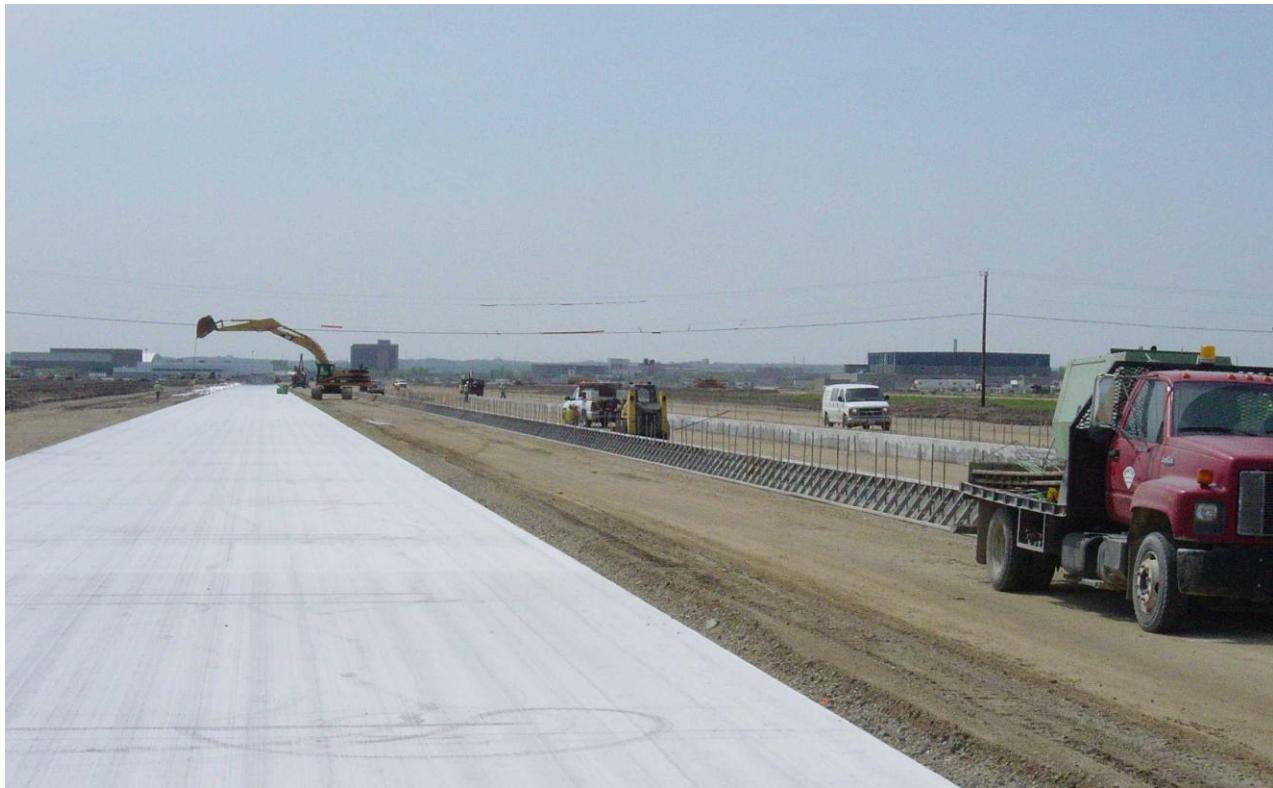
#### Short-Term Line of Credit

In 2011, the Commission entered into a \$75 million revolving line of credit. This program replaces the Commercial Paper program the Commission previously participated in. Short-term funding allows the Commission to interim fund certain projects until either the receipt of grants or to be taken out with a future long-term debt issue.

Long-Term Debt – Currently there are no plans to issue any long-term debt, but that may change due to the demand driven CIP projects mentioned earlier in this section.

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 has received the \$95 million with the last installment received in 2010. LOI funding for the period is at \$5.0 million or 0.5%.

Other Receipts are funds received by MAC from various tenants and/or government entities that are paid to MAC for project expenditures incurred by the Commission on behalf of the tenant/entity. This amount is estimated at \$600,000 or 0.1%.



**2011 Taxiway C Extension – Minneapolis-St. Paul International Airport**

**USES**

There are four general categories of uses listed. The first, CIP project costs (\$507.1 million) represent 74.5% of the total. The second area is Commercial Paper Retired (\$30.6 million) and represents 4.5% of the total. This retirement was taken out with the 2010 issuance of long term debt. The Debt Service Transfer of \$142.4 million, or 21% of this total, represents the transfer of PFC funding to pay a portion of PFC projects funded by long-term debt.

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 parking facilities, Reliever Airports and other field and terminal projects.

The balance carried forward can be attributed to a number of projects scheduled to begin the next year. 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.

The table below indicates the amount of projects currently in process. The vast majority of capital projects in the Commission's Capital Improvement Program are considered routine projects for a major airport and do not affect the annual operating budget.

**Projects in Process (As of November 30, 2011)**

(\$ = 000)

<b>Project Description</b>	<u>Estimated</u>	<u>Payments</u>	<u>%</u>
	<u>Project Cost</u>	<u>To Date</u>	<u>Completion</u>
2011 Perimeter Gates Security Improvement	\$3,000	\$1,760	58.7%
Twy C Extension -Humphrey Remote	\$4,900	\$3,850	78.6%
Rwy 12R/30L Tunnel Fans-Dampers	\$2,100	\$1,529	72.8%
2011 Apron-Pavement Reconstruction C Concourse	\$2,000	\$705	35.3%
LT Sprinkler System Phase 4-Concourse C & D	\$12,100	\$10,480	86.6%
LT In-line Baggage Screening (TSA) - Phase 2	\$25,075	\$15,513	61.9%
Electrical Infrastructure Rehabilitation Phase II	\$1,000	\$850	85.0%
2010 Miscellaneous Modifications	\$1,450	\$1,344	92.7%
LT Tug Drive Floor Repair - Phase 4	\$1,050	\$935	89.0%
Energy:Ph 14/15/16 Heat Recovery Ltg, Environment	\$3,000	\$2,268	75.6%
Card Access/CCTV Improvement	\$2,850	\$765	26.8%
Electrical Infrastructure Rehabilitation Phase 3	\$1,000	\$645	64.5%
Emergency Power Upgrades - Phase 2	\$1,000	\$683	68.3%
Open Arch. Bldg Automation (OABA) Phase 3	\$1,650	\$935	56.7%
Air Handling Unit (AHU) Replacement	\$1,150	\$888	77.2%
IS Data Center Facility - Phase 1 [Dual ring FOC]	\$5,000	\$2,437	48.7%
T1 Jet Bridge Replacement - Phase 1	\$9,700	\$4,957	51.1%
Folded Plate Drain-Roof Repair	\$4,700	\$1,938	41.2%
FAA Bldg Upgrades	\$4,400	\$3,957	89.9%
Multiple Bldgs Roof Replace: Bldgs H & I	\$1,600	\$1,344	84.0%
Multiple Bldgs Roof Replace: Trades Bldg	\$1,500	\$1,396	93.1%
2011 Parking Structure Rehabilitation	\$3,000	\$1,780	59.3%
Part 150 Sound Insulation Projects (Homes, Multi-Family)	\$128,900	\$78,906	61.2%
2011 Pavement Rehabilitation-Twy A	\$1,500	\$1,343	89.5%
Upgrade Revenue Control System	\$2,600	\$1,833	70.5%
Concourse G Expansion Site Prep. Projects - 2020 Vision Phase 1	\$20,400	\$11,942	58.5%
Humphrey Terminal Expansion Projects - 2020 Vision Phase 1	\$51,372	\$6,754	13.1%
2020 Vision Remaining Projects - Phase One	\$62,910	\$6,809	10.8%
All Other Projects in Process	\$209,228	\$21,109	10.1%
 Totals:	 \$570,135	 \$189,655	 33.3%

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This budget section is divided into four areas: Debt Service Requirement, Long Term Debt, Bond Ratings and the Debt Service Budget.

### **DEBT SERVICE REQUIREMENT**

The Metropolitan Airports Commission, in the recent past, has issued two forms of long-term indebtedness: General Airport Revenue Bonds (GARBs) and General Obligation Revenue Bonds (GORBs). Since 1976, GORBs 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. In 1998, the Commission began to issue GARBs which are not backed by the Commission's ad volerum 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 Senior Lien GARBs and 110% for outstanding Subordinate Lien GARBs. (See Long Term Debt Section below.)

With regard to GORBs, MAC is required by law to maintain Debt Service funds sufficient to bring the balance on hand in the Debt Service Account on October 10th of each year, to an amount equal to all principal and interest, to become due and payable from there to the end of the second following year. After October 10, 2014, the Commission will have fully funded all outstanding GORBs, therefore no further deposits will be necessary. The required balance as of October 10 in this Debt Service Account for the next four years is as follows (in thousands):

October 10, 2012	\$ 6,885
October 10, 2013	6,310
October 10, 2014	2,897
October 10, 2015	0

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

The annual actual debt service requirement for the next five years for the GARB issues:

January 1, 2012	\$ 113,600
January 1, 2013	114,526
January 1, 2014	116,639
January 1, 2015	116,559
January 1, 2016	116,491

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



***Light Rail Transit Station – Terminal 2-Humphrey***

**LONG TERM DEBT****GENERAL OBLIGATION REVENUE BONDS AND GENERAL AIRPORT REVENUE BONDS**

The acquisition and construction of facilities at the airports operated by the Commission have been substantially financed by the issuance of Airport Improvement Bonds (all of which have been defeased), Notes Payable, a revolving line of credit, GORBs and GARBS.

GORBs 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 GORBs. (These taxes, if levied, must be re-paid.)

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 GORBs. The Commission currently has available for issuance under the existing legislative authorization approximately \$55 million.

The 1996 Minnesota State Legislature authorized the Commission to issue GARBS. These bonds may 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 test for future issuance of either its Senior Lien or Subordinate Lien GARBS (the additional bonds test is designed to demonstrate that the Commission will have the current and future ability to repay its debt). For Senior Lien GARBS, the additional bonds test requires the Commission to either show that historical revenues are at least equal to 1.1 times total expected Senior Lien debt service or that projected net revenues are expected to exceed 1.25 times total expected Senior Lien debt service. For Subordinate Lien GARBS, the additional bonds test requires the Commission to either show that historical revenues are at least equal to 1.1 times total expected debt service or that projected net revenues are expected to exceed 1.1 times total expected debt service. These coverage ratios include debt service on the GORBs.

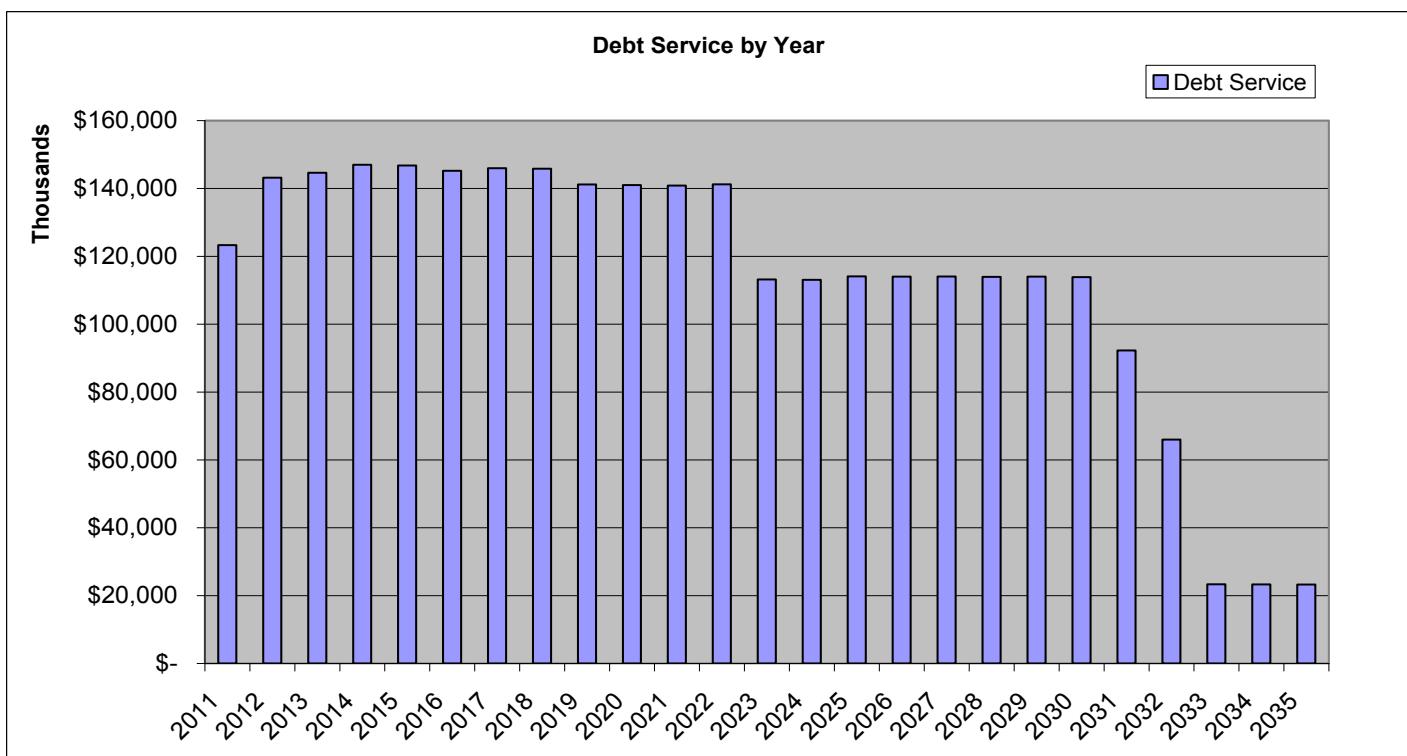
The projected coverage ratio for 2012 on Senior Debt Obligations is 2.99x. With the optional coverage transfer this figure is 3.22x.

**NOTES PAYABLE**

The Commission from time to time has financed certain pieces of equipment through the issuance of notes payable. The Commission utilizes this type of financing in order to recover a portion of the debt service via airline rates and charges.

The table below shows future debt requirements for existing debt on an annual calendar year basis after December 31, 2011 for the next five years, as well as a cumulative total for the period 2017-2035. The chart below does not take into consideration any future bond issues after 2011. The dollars shown are in thousands.

(\$ = 000) <u>Year(s)</u>	General		General Airport		Total Outstanding Principal	Total All Interest	Total Principal & Interest
	Notes Payable (Principal)	Obligation Bonds (Principal)	Revenue Bonds (Principal)	Total Principal			
2012	\$ 1,895	\$ 2,965	\$ 41,815	\$ 46,675	\$ 72,460	\$ 119,135	
2013	1,435	3,165	44,870	49,470	70,142	119,612	
2014	559	3,235	49,205	52,999	67,751	120,750	
2015	535	2,840	51,515	54,890	65,216	120,106	
2016	510	-	53,995	54,505	62,590	117,095	
2017-2035	1,846	-	1,269,560	1,271,406	550,349	1,821,755	
	\$ 6,780	\$ 12,205	\$ 1,510,960	\$ 1,529,945	\$ 888,508	\$ 2,418,453	
Notes Payable-Equipment Financing							



(The October 10, 2010 listing prior to the above chart will not, nor is it intended to, tie out due to timing of payments and period covered. The information used to calculate the tables above is the same. The tables above do not include any future bond issues.)

The table below provides summary information for all current long-term debt.

Bonds Payable, due serially (\$ = 000):	Issue Date	Original Amount	Final Payment In	Outstanding as of Year End	
				2012	2011
<b>General Obligation Revenue Bonds:</b>					
Series 16 - 4.0%	11/17/10	12,205	2015	\$ 9,240	\$ 12,205
Total General Obligation Revenue Bonds				\$ 9,240	\$ 12,205
<b>General Airport Revenue Bonds:</b>					
2003 Series A - 4.5 to 5.00%	06/01/03	102,690	2031	48,255	48,255
2005 Series A - 4.25 to 5.00%	06/02/05	136,110	2035	136,110	136,110
2005 Series B - 5.00%	06/02/05	113,155	2026	86,695	97,845
2005 Series C - 3.00 to 5.00%	06/02/05	123,750	2032	121,700	122,070
2007 Series A - 4.50 to 5.00%	01/09/07	440,985	2032	440,985	440,985
2007 Series B - 4.50 to 5.00%	01/09/07	197,360	2032	197,360	197,360
2008 Series A - 5.00%	01/10/08	72,035	2016	39,355	48,075
2009 Series A - 2.0-5.0%	11/10/09	23,075	2022	19,595	21,415
2009 Series B - 4.0-5.0%	11/10/09	128,835	2022	111,455	120,755
2010 Series A - 4.00-5.00%	08/10/10	62,210	2035	62,210	62,210
2010 Series B - 3.00-5.00%	08/10/10	73,475	2028	72,575	73,475
2010 Series C - 3.00-5.00%	11/10/10	21,600	2024	18,190	21,600
2010 Series D - 4.00-5.00%	11/10/10	68,790	2024	62,645	68,790
2011 Series A - 3.50-5.00%	11/02/11	52,015	2025	52,015	52,015
Total General Airport Revenue Bonds				\$ 1,469,145	\$ 1,510,960
<b>TOTAL BONDS OUTSTANDING</b>					
NOTES PAYABLE				4,885	6,780
<b>TOTAL LONG TERM BONDS AND NOTES PAYABLE</b>					
General Obligation Bond (2 years) and General Airport Revenue Bond (1 year) Balances reflect reserves on hand as of the end of the year.					

**BOND REFUNDINGS**

On November 2, 2011, the Commission issued \$52,015,000 of General Airport Revenue Bonds, Series 2011A to partially advance refund the General Airport Revenue Bonds Series 2003A and 2001D will be called on January 1, 2013.

As a result of the November 2, 2011 refunding, the Commission reduced its total debt service requirements by \$4,771,597, which resulted in an economic gain (the difference between the present values of the debt service payments on the old and new debt) in the amount of \$3,709,864.

In addition, in October 2011, Delta airlines paid off the remaining debt service associated with General Obligation Revenue Bond Series 15. Delta paid the remaining \$227.5 million (including a reserve balance of approximately \$52 million) needed to defease the bond issue.

The Commission, along with its financial advisors, regularly reviews the Commission debt structure to look for refunding candidates provided that they meet the 3% net present value savings.

(The Commission has no Derivative/Swap debt nor has there ever been any instrument of this type in the Debt Portfolio.)

**NEW ISSUES**

The last bond issue the Commission issued was on August 10, 2010. The MAC issued \$135,685,000 Series 2010A and 2010B General Airport Revenue Bonds to finance certain improvements at the airport; to reimburse the MAC for its previous purchase of commercial paper notes; to make a deposit to the Reserve Fund and to pay costs of issuance.

The Capital Improvement Program approved by the Commission in December 2011 for the period 2012-2018 does not include funding of projects with a new long-term debt issue. Only "Demand Driven" (those tied to passenger and activity growth) projects will be earmarked by a new Long Term debt issue.

**SHORT-TERM DEBT**

The Commission previously utilized a Commercial Paper program to interim fund certain capital improvement projects. In May 2010, the direct pay letters of credit expired and the renewal cost was very expensive. In 2011, the Commission entered into a \$75 million Revolving Line of Credit to interim fund certain capital improvement projects. As of December 31, 2011, the Commission has yet to draw on this line of credit.



***Flight Activity at Minneapolis-St. Paul International Airport***

### **BOND RATINGS**

The Commission has maintained excellent ratings for many years. The Commission is one of the few airports with a AA- rating, most airports are in the A rating category. The Commission's bond ratings as of December 31, 2011 are as follows:

	Moody's	Standard & Poors	Fitch Ratings
General Obligation Bonds	Aaa	AAA	AAA
General Airport Revenue Bonds	N/A	AA-	AA-

Standard & Poors bond ratings range from AAA (highest quality) to C (lowest quality) for long term obligations. Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. The ratings for the Commission's long term debt is defined below:

- 'AAA' - Extremely strong capacity to meet financial commitments. Highest Rating.
- 'AA' - Very strong capacity to meet financial commitments.

Fitch Ratings also uses a rating system similar to that of Standard & Poors. Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Moody's bond ratings range from Aaa (highest quality) to C (lowest quality) for long term obligations. Moody's applies numerical modifiers 1-high, 2-mid, and 3-low in each generic rating classification from Aa to Caa.

The bond rating process is a comprehensive analysis of the Commission's financial practices and performance. Forecasts of future performance and projected long-term planning practices are also reviewed. The following data is typically requested and analyzed by the rating agencies:

- Trends of demographic/economic information
- Capital Improvement Program
- Budget documents/Performance to Budget
- Financial audits/Performance
- Airline industry
- Major employers in the area
- Diversity of local economy
- Financial policies and practices

See Statistical section for statistics commonly analyzed by the rating agencies.



*Inbound Roadway – Terminal 1-Lindbergh*

**DEBT SERVICE BUDGET**

The Debt Service Budget is shown below.

<b>2012 DEBT SERVICE BUDGET</b> (\$=000)						
	<b>Actual 2010</b>	<b>Estimated 2011</b>	<b>Budget 2011</b>	<b>Budget 2012</b>	<b>Projected 2013</b>	<b>Projected 2014</b>
January 1 Balance	\$ 260,845	\$ 275,529	\$ 275,208	\$ 228,690	\$ 227,096	\$ 228,675
Source Of Funds:						
Transfer from Operating Fund	65,302	76,330	77,904	83,504	87,632	88,995
Transfer from PFCs <sup>3</sup>	26,803	25,918	26,798	28,461	28,395	28,399
Interest earnings <sup>1</sup>	10,661	2,279	1,308	620	714	661
Bond Proceeds <sup>2</sup>	44,167	57,901	-	-	-	-
Delta Airline payments	28,719	198,569	27,751	2,901	2,836	-
Total Sources Of Funds	\$ 175,652	\$ 360,997	\$ 133,761	\$ 115,486	\$ 119,577	\$ 118,055
Uses Of Funds						
Bond Refundings	\$ (36,875)	\$ (284,531)	\$ -	\$ -	\$ -	\$ -
Rebate Payment		(3,043)	-			
Total Principal/Interest Paid <sup>2</sup>	(121,050)	(123,305)	(123,305)	(117,080)	(117,998)	(120,053)
Ending Balance	<u>\$ 275,529</u>	<u>\$ 228,690</u>	<u>\$ 285,664</u>	<u>\$ 227,096</u>	<u>\$ 228,675</u>	<u>\$ 226,677</u>

1 Interest Rate Assumed 0.50% for the entire period.

2 Includes Debt Reserve, Capitalized Interest & Issuance Costs.

3 Used to pay in existing debt which was formerly paid for with operating funds.

**SOURCES OF FUNDS**

Each source of funding is discussed below.

The transfer from the operating fund occurs each October 10<sup>th</sup> for General Obligation Revenue Bonds. For General Airport Revenue Bonds the transfer occurs in late June and December each year. This transfer will fluctuate due to interest earnings, refundings and new issues.

The PFC transfer represents the use of PFCs to pay a portion of existing debt beginning in 2003 for various general airport revenue bonds instead of operating funds. This transfer will fluctuate due to interest earnings, scheduled increases in annual debt service amounts, refundings and new issues.

Interest earnings are assumed at 0.50% for 2012-14. In projecting interest income, the Commission typically takes a conservative approach.

Bond proceeds are made up of reserves, issuances costs and capitalized interest. The proceeds in 2010 represent a new General Airport Revenue Bond Series 2010A and B along with the refunding of General Airport Revenue Bonds Series 2001C and D (Series 2010C and D) as well as General Obligation Revenue Bond Series 16 (Series 13). The proceeds in 2011 represent a partial refunding of General Airport Revenue Bond Series 2003A.

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

General Obligation Series 15 (2011)  
General Obligation Series 16 (2015)

In October 2011, Delta paid all of its obligations associated with General Obligation Series 15 as a result of this prepayment, the Commission retired or defeased the bonds on January 1, 2012.

## **USES OF FUNDS**

Disbursements represent principal and interest payments made during the year by bond series as well as rebate payments due on excess investment interest earnings on bond issues. The increase from 2010 actual to 2011 estimate is due to a result of a new bond issue that was issued in 2010 as well as an expected increase in scheduled debt service payments. Also contributing to the increase was the partial advance refunding of the GARB Series 2003A as well as the retirement of General Obligation Series 15.



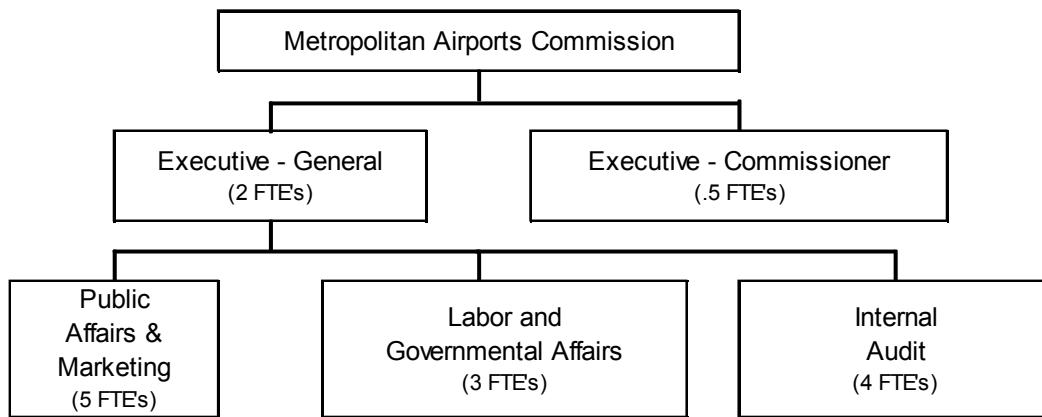
*U.S. Airways Aircraft in Operation at Minneapolis-St. Paul International Airport*

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## Executive Division



**Notations to Service Center Summaries:**

- \* Variance (dollars and %) is computed between 2011 Budget and 2012 Budget
- \* The explanation for the variances is based upon the 2011 Budget and 2012 Budget
- \* Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

**EXECUTIVE - GENERAL**

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.

**BUDGET SUMMARY**

	2010 <u>Actual</u>	2011 <u>Budget</u>	2012 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	257,401	258,611	258,693	82	0.03%
Administrative Expenses	170,007	179,800	167,266	-12,534	-6.97%
Professional Services	46,025	0	40,000	40,000	100.00%
Utilities	945	800	816	16	2.00%
Operating Services/Expenses	607	600	612	12	2.00%
Other	2,626	0	2,626	2,626	100.00%
<b>Total Budget</b>	<b>477,611</b>	<b>439,811</b>	<b>470,013</b>	<b>30,202</b>	<b>6.87%</b>
<b>FTE Total</b>	<b>2</b>	<b>2</b>	<b>2</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increased slightly due to increases attributable to wage structure adjustments and step increases as well as lower seminar fees to reflect actual spending.
Professional Services	The increase between the 2011 budget and the 2012 budget is based on actual costs incurred in 2011 for professional services.

**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Oversee the implementation of the 2010 organizational key initiatives.	2010 key initiatives are completed on time and within budget.	MAC had eleven organizational key initiatives for 2010. A member of senior staff was assigned to lead each 2010 organizational key initiative and track the progress with quarterly updates throughout the year. Significant progress was made on each initiative.
Establish long range 2011-2015 goals for the organization.	Identify long range organizational goals that advance MAC toward the achievement of its vision.	MAC's strategic planning process in 2010 included discussions to identify long range goals. The Long Term Comp Plan for MSP and the Reliever Airports represent key goals that will drive the organization toward the achievement of our vision "to give our customers the best airport experience in North America".
Establish, maintain and strengthen key partnerships and relationships that are critical to the organization's success.	Mutually beneficial relationships are in place that support the accomplishment of MAC's mission for the benefit of the region.	Numerous meetings with key stakeholders and partners were conducted throughout the year resulting in productive collaboration that contributes to the accomplishment of MAC's mission.

**EXECUTIVE - GENERAL****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Transition the Commission Board as Governor appointments are put into place.	MAC's Board of Commissioners are provided with an orientation to their role and the organization as they begin to serve on the Commission.	New commissioners were appointed and received an orientation from members of senior staff. A change to MAC bylaws regarding the committee structure and meeting times was drafted and approved by the board.
Complete a review of the Reliever Airports financial model.	Financial model in place that sustains the Reliever Airports.	Staff is in the final stages of drafting a revised financial model for consideration by the board. Policies have been modified to give MAC greater control over future airport development, environmental issues, future capital projects and changes in airport management. New lease terms have been developed and new revenue opportunities identified. The model revisions are part of a larger effort to strengthen the MAC's general aviation system.
Work with the Commission to address environmental issues that concern the surrounding communities.	MAC's positive relationships with surrounding communities are preserved.	Implementation of the noise mitigation settlement continues on schedule. In addition, the MAC continues to engage communities and industry partners through the Noise Oversight Committee. The NOC has continued to explore ways of reducing noise impacts through measures such as RNAV, which was successfully piloted at MSP.
Oversee the strategies to implement MAC's Long Term Comprehensive Plans.	Initial strategies move forward with phased implementation of plans.	The MAC has begun design and environmental assessment work for the first two phases of the MSP 2030 long term comprehensive plan and continues to review plans for long term reliever projects based on finances and demand.
Direct the transition of organizational changes as turnover of key leadership positions occur.	Organizational changes and transitions are implemented effectively to maintain MAC as a high performing organization.	The MAC has developed and implemented a Management Forum initiative to help prepare the next generation of MAC leaders for success. In addition, MAC is in the process of developing a shadowing program to establish mentoring relationships and broaden the organizational knowledge of existing staff. An HR Department assessment was conducted that resulted in a change in a transition in leadership and a more functional department.

**EXECUTIVE - GENERAL****2012 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Assure Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
Ensure the continued financial viability of the reliever airport system by completing new business plans for each of the reliever airports.	New business plans in place for each of the reliever airports.	Continued financial viability for the reliever airport system.

<b>Organizational Strategic Goal: <i>Enhance Air Service at MSP</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
Enhance and expand MSP's air service incentive program.	Enhance and expand MAC's air service incentive program and business promotion efforts to airlines.	Competitive air service incentive program in place.

<b>Organizational Strategic Goal: <i>Match Employee Talent with Changing Business Needs</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
Expand knowledge transfer and leadership development programs	Champion expanded knowledge transfer and leadership development programs for MAC's emerging leaders.	Processes in place to build a strong leadership pipeline across the entire organization.
NA	Direct the transition of organizational changes as turnover of key leadership positions occur.	Organizational changes and transitions are implemented effectively to maintain MAC as a high performing organization.

<b>Organizational Strategic Goal: <i>Strengthen Partnerships and Relationships</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
Strengthen our partnership with Greater MSP.	Promote regional economic growth by strengthening our partnership with Greater MSP.	Strong working partnership established with Greater MSP.

**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Est.</b>	<b>Goal</b>
Employee Engagement	NA	NA	NA	NA	TBD	TBD

**SC Performance Indicator:** Employee Engagement Index

**Comments:** This results indicator replaces the Job Satisfaction performance indicator. Job satisfaction is included in the index. Baseline will be set in 2012.

**EXECUTIVE - GENERAL****SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Est.	Goal
Finance	2.11x	2.12x	2.22x	2.23x est.	TBD	=>2 x
<b>SC Performance Indicator:</b> Debt service coverage						
<b>Comments:</b>						
Employee Engagement	64%	69%	75%	TBD	TBD	100%
<b>SC Performance Indicator:</b> Annual employee performance reviews completed throughout the organization						
<b>Comments:</b>						
Employee Engagement	4.95	4.9	4.9	NA	NA	=>4.5 of 6
<b>SC Performance Indicator:</b> Job satisfaction rating						
<b>Comments:</b> This performance indicator was replace in 2011 with the Employee Engagement Index.						
Customer Experience	4.17	4.18	4.16	4.20	TBD	=>4.0 of 5
<b>SC Performance Indicator:</b> Airport service performance rating (ACI survey)						
<b>Comments:</b>						

**EXECUTIVE - COMMISSIONERS/CHAIR**

The responsibility of the Board is to: 1) promote 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; and 4) assure residents of the metropolitan area that the environmental impact will be minimized 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 level of safety at all Commission airports.

**BUDGET SUMMARY**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	35,783	35,833	36,062	228	0.64%
Administrative Expenses	29,052	29,300	29,478	178	0.61%
Professional Services	0	0	0		
Utilities	0	0	0		
Other	0	0	0		
<b>Total Budget</b>	<b>64,835</b>	<b>65,133</b>	<b>65,540</b>	<b>406</b>	<b>0.62%</b>
<b>FTE Total</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>		

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**PUBLIC AFFAIRS & MARKETING**

The Public Affairs and Marketing Department builds public support for the MAC and its airports through media relations, public information, outreach programs, marketing and advertising. The department enhances the airport experience by providing information to travelers and increases MAC revenues through marketing of MAC facilities, parking, and food and retail concessions. In addition, Public Affairs and Marketing identifies, monitors and helps address issues which may impact the MAC, communicates airport benefits and issues to surrounding communities and enhances customer service and the MSP brand by communicating with travelers and tenants. The department provides information to MAC staff and Commissioners for their use in working to achieve organizational goals, conducts advertising and marketing campaigns aimed at increasing MAC revenues, and continually promotes airport services.

**BUDGET SUMMARY**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	258,002	324,364	395,886	71,522	22.05%
Administrative Expenses	73,134	82,894	87,648	4,754	5.74%
Professional Services	185,891	226,400	343,995	117,595	51.94%
Utilities	2,562	2,700	2,613	-87	-3.22%
Operating Services/Expenses	560,085	569,700	513,070	-56,630	-9.94%
Maintenance	26,471	15,000	15,300	300	2.00%
Other	244	4,947	10,500	5,553	112.25%
<b>Total Budget</b>	<b>1,106,389</b>	<b>1,226,005</b>	<b>1,369,012</b>	<b>143,007</b>	<b>11.66%</b>
<b>FTE Total</b>	<b>4</b>	<b>4</b>	<b>5</b>		

**BUDGET HIGHLIGHTS**

Personnel	The increase in Personnel is due to one additional FTE in 2012, additional overtime needed, and wage structure adjustments and step increases.
Administrative Expenses	The increase reflects costs of subscription services for OAG flight data (used for MUFIDS), Web link monitoring, digital directory maintenance, and project management software licensing.
Professional Services	The increase in professional services includes funds for an updated MSP economic impact study, brochure distribution formerly handled by a volunteer and Call Center staff, Web site consolidation and metroairports.org redevelopment, State of the Airport luncheon planning and improvements to the MSP touch-screen digital directories.
Operating Services/Expenses	Consolidated advertising subledgers and added \$25,000 for phone listings in DEX Minneapolis and St. Paul print and on-line directories. The I.S. Department transferred responsibility for phone listing advertising to Public Affairs and Marketing in early 2011.
Maintenance	Maintenance includes updates to static directories in both MSP terminals.
Other	Other includes additional equipment rental for the State of the Airport luncheon and MSP arts and culture activities.

**2010 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Expand and enhance use of social media and mobile communications to reach customers.	Expanded and enhanced use of social media as well as development of MSP's first mobile Web site.	Increased Facebook friends/likes to 1,300, up from 500 when the year began, and Twitter followers to 2,150, up from 650. During the year, also launched an MSP (continued on next page)

**PUBLIC AFFAIRS & MARKETING****2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
		YouTube site, the goHow Airport mobile app for iPhones and BlackBerrys, a Foursquare outreach program recognizing the "mayor" of MSP, and made the Forbes list of Top 10 Tweeting airports.
Develop a Web site for sharing information with tenants and increasing efficiencies.	MSP community Web site developed and operating.	Completed development of myMSPconnect.com.
Develop and implement low-cost educational program to help MSP users associate Terminal 1 with Lindbergh and Terminal 2 with Humphrey.	Implement educational campaign.	Educational campaign completed.

**2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Overhaul metro airports Website to improve navigation, streamline content and better reflect the MAC's mission and vision.	Revamp Website look, feel and experience.	Conducted an audit of the existing www.metroairports.org Web site and met with representatives from various MAC departments to identify functional needs and scope of a new site. Actual development of the revamped site will occur in 2012.
Develop and implement Phase 2 of the Digital Concierge program, expanding and refining content and programming of the digital directories and expanding the program to other areas of MSP.	Additional digital directory locations and enhanced content and search capabilities.	Deferred improvements to existing interactive directories and expansion of the program until 2012 due to Phase 3 MUFIDS timing and internal resource considerations.
Develop and conduct a market research survey to provide information key to planning rebidding of MSP's concessions as well as to developing effective concessions marketing strategies.	A completed concessions market research survey.	Conducted a smaller scale survey than originally planned following Commission actions to extend some existing concession agreements and to enter into an agreement with OTG and Delta Air Lines for new concessions on Concourse G.
Market the newly launched Web portal to MSP tenants and enhance the site based on user feedback and operational needs.	Documented marketing materials and activities as well as revisions to the site.	Marketed the Web portal and the MSP-wide employee health fair at MAC and tenant meetings and in MAC and tenant newsletters.

**PUBLIC AFFAIRS & MARKETING****2012 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Leverage Resources and Technology</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
Increase the use of existing technology internally at the MAC and externally with customers.	Enhance the use of social media to provide real time customer interaction.	Increased real-time interactions with customers via Twitter, Facebook other social media.

<b>Organizational Strategic Goal: <i>N/A</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
N/A	Update and test the MAC's disaster communications plan.	Plan has been updated, tested, and reassessed as necessary based on lessons learned.

<b>Organizational Strategic Goal: <i>Strengthen Partnerships and Relationships</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
Assess the contribution of MSP to the local, state and regional economy by conducting an economic impact	Assess the contribution of MSP to the local, state and regional economy and communicate that information to stakeholders.	Updated MSP economic impacts study available and key results communicated to stakeholders.
Strengthen our partnership with Greater MSP.	Work with Greater MSP to promote the Twin Cities as a travel destination and a place to live, work, study and enjoy.	Promotional materials reflecting the mutual interests of Greater MSP and the MAC are created and disseminated.

**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Est.</b>	<b>Goal</b>
Customer Experience	NA	NA	NA	NA	TBD	TBD
<b>SC Performance Indicator:</b> Number of followers on Twitter						
<b>Comments:</b> New results indicator starting in 2012.						
Customer Experience	NA	NA	NA	NA	TBD	TBD
<b>SC Performance Indicator:</b> Number of Facebook 'Likes'						
<b>Comments:</b> New results indicator starting in 2012.						
Customer Experience	NA	NA	NA	NA	TBD	TBD
<b>SC Performance Indicator:</b> Number of new YouTube videos						
<b>Comments:</b> New results indicator starting in 2012.						

**PUBLIC AFFAIRS & MARKETING****SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Est.	Goal
Customer Experience	NA	NA	NA	NA	TBD	TBD
<b>SC Performance Indicator:</b> Number of news releases issued						
<b>Comments:</b> New results indicator starting in 2012.						
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Annual employee performance reviews completed						
<b>Comments:</b> Percent completed.						

**INTERNAL AUDIT**

The Internal Audit Department is responsible for conducting audits in accordance with the International Standards for the Professional Practice of Internal Auditing and for serving as financial consultants assisting management in developing and maintaining strong financial controls. The audit scope includes, but is not limited to, evaluation of internal controls, verification of revenues and expenditures, and the evaluation of organizational compliance with MAC policies and procedures. Audit topics include MAC internal functions, tenants, concessionaires, consultants and vendors. Audit results are communicated to the appropriate department heads and to the Commission.

**BUDGET SUMMARY**

	2010 <u>Actual</u>	2011 <u>Budget</u>	2012 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	334,885	359,545	376,786	17,242	4.80%
Administrative Expenses	2,668	4,800	14,080	9,280	193.33%
Professional Services	0	5,000	5,000	0	0.00%
Utilities	0	0	0		
Operating Services/Expenses	4,406	5,100	5,080	-20	-0.39%
Maintenance	0	0	0		
Other	0	0	0		
<b>Total Budget</b>	<b>341,959</b>	<b>374,445</b>	<b>400,946</b>	<b>26,502</b>	<b>7.08%</b>
<b>FTE Total</b>	<b>4</b>	<b>4</b>	<b>4</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	The additional purchase is for data analysis software used to analyze and test accounting data files provided by tenants to show compliance with MAC leases. In addition, travel expenditures increased to educate staff in technology related audit techniques.

**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Complete 2010 Internal Audit Plan Projects that were approved by the Commission.	Audit work papers are completed, audit reports are issued and audit recommendations are approved by the Commission.	Twelve Internal Audit projects were completed in 2010.
Implement computerized risk based model to analyze Commission financial risks and incorporate results in the 2011 Internal Audit Annual Plan.	Computerized Risk Analysis is completed and incorporated into the selection of audit projects for the 2011 Internal Audit Plan.	The computerized risk-based model is complete and was used to develop the 2011 audit plan which was approved by the Commission. The risk model will be updated on an ongoing basis.
Perform a comprehensive Fraud Risk Assessment concerning material MAC financial processes and controls in compliance with criteria established by the International Association of Certified Fraud Examiners.	Fraud Risk Analysis is completed with a report of results presented to the Commission and Senior	The Fraud Risk Assessment is 50% complete. The Assessment will be completed in the First Quarter of 2011.

**INTERNAL AUDIT****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Complete 2011 Internal Audit Plan Projects that were approved by the Commission.	Audit work papers are completed, audit reports are issued and audit recommendations are approved by the Commission.	Two audit projects were completed and one project was presented to the Commission for approval. The 2012 Annual Audit Plan was also presented to the Commission for approval.
Complete an Internal Audit Department Quality Assurance Review and have an independent validation performed in order to comply with Internal Audit Standards.	Quality Assurance review and validation are complete and a report of results is presented to the Commission.	The Internal Quality Assurance Review was completed. The Institute of Internal Auditors has been contacted to schedule an Independent Validation of the Quality Assurance Review.
Develop new ways to use financial data analysis software to perform continuous analysis of relevant financial data to identify key risk factors for further study and incorporation into future audit plans.	New computer analysis routines are developed and incorporated into ongoing audit procedures related to key financial processes.	Automated programs to analyze data generated by the Enterprise One System have been developed and are being enhanced and expanded to incorporate a review of Enterprise One subledgers.

**2012 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Complete the 2012 Internal Audit Plan Projects that were approved by the Commission	Audit work papers are completed, audit reports are issued and audit recommendations are approved by the Commission.

Organizational Strategic Goal: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Increase the use of existing technology internally at the MAC and externally with customers.	Enhance and expand on our efforts to further automate the audit process. Develop automated programs to review and analyze MAC financial data in order to make our audit efforts more timely and thorough.	New automated data analysis scripts are developed and put into regular use. Results of analytics are reviewed and used as a basis for further audit testing.

**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Est.	Goal
Finance	75%	80%	80%	85%	85%	85%

**SC Performance Indicator:** Percentage of Audit Projects Completed that were scheduled in the Annual Audit Plan

**Comments:** Scheduled Audit Projects are presented to the Commission annually for their approval. Actual audits begun and completed frequently differ from planned projects due to changing organizational

**INTERNAL AUDIT****SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Est.	Goal
priorities and new direction from Commissioners and Senior Management. Any planned projects that are not completed in a given timeframe, are replaced by other audit projects that have assumed a higher priority than those originally planned.						
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Complete required staff training to maintain certifications						
<b>Comments:</b> Staff training is critical both to maintain professional certifications and to enhance employee knowledge related to audit testing and determination of risk areas.						
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Complete staff performance reviews						
<b>Comments:</b> Annual performance reviews are required by policy and give employees feedback on their strengths, weaknesses and areas of possible improvement.						

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**LABOR AND GOVERNMENTAL AFFAIRS**

The Labor and Governmental Affairs department is responsible for two main areas. The Labor Relations area negotiates and administers the contracts of the twelve labor unions at the Commission. Labor Relations also interacts with and mediates disputes between outside unions and contractors which could jeopardize Commission operations. The Governmental Affairs area coordinates relationships with Congress and the Administration, the State Legislature, federal and state agencies, the Governor's office, counties and municipalities. Governmental Affairs is responsible for assessing, monitoring and influencing legislation involving or having the potential to impact the Commission.

**BUDGET SUMMARY**

	2010 Actual	2011 Budget	2012 Budget	\$ Variance	% Variance
Personnel	286,234	290,148	268,754	-21,393	-7.37%
Administrative Expenses	23,103	23,516	24,175	659	2.80%
Professional Services	178,751	253,450	253,000	-450	-0.18%
Utilities	1,012	1,034	1,040	6	0.56%
Operating Services/Expenses	604	3,505	3,400	-105	-3.00%
Maintenance	0	0	0		
Other	755	1,400	1,400	0	0.00%
<b>Total Budget</b>	<b>490,459</b>	<b>573,053</b>	<b>551,769</b>	<b>-21,283</b>	<b>-3.71%</b>
<b>FTE Total</b>	<b>3</b>	<b>3</b>	<b>3</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel decreased because one full time staff member in this department decreased working hours. However, personnel also increased due to wage structure adjustments and step increases.
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**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Represent MAC on outside boards, commissions and task forces directly relating to and bringing visibility and influence to MAC's efforts.	Visibility and influence to MAC's efforts.	Chaired meetings of SCSU Industry Advisory Board and worked with aviation industry representatives on reorganization plan for SCSU aviation program. Attended Foreign Trade Zone meetings and National Foreign Trade Zone seminar/conference. Participated in ACI-NA Governmental Affairs Committee and Steering Group meetings.
Educate appropriate political bodies and government units on airports (MSP and Relievers) and present MAC's position on issues including airport security, airport capacity and economic viability of the airport system.	Educated and supportive stakeholders.	Briefed legislators and presented MAC positions on legislation during 2010 State Legislative Session and interim. Briefed congressional staff, state legislative staff, Minnesota Chamber of Commerce Transportation Committee, University Aviation Association and MnDOT executive staff during MSP site visits.
Participate in formulating airport trade group positions on aviation related legislation.	Airport trade positions closely aligned with MAC strategy and goals.	Served on ACI-NA Governmental Affairs Steering Committee.

**LABOR AND GOVERNMENTAL AFFAIRS****2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Assist managers and supervisors in contract interpretation, grievances and labor/management cooperation issues including training as needed.	Supervisors of union employees are satisfied with labor relations support and service.	Met with MAC managers and supervisors as needed to advise them on grievance and contract issues.
Represent MAC on outside boards and organizations to bring visibility and influence to MAC's labor relations efforts and coordinate Labor Management Committee activity.	Effective labor relations representation and participation with an improved labor/management environment.	Acted as General Counsel for Minnesota Public Employer Labor Relations Association, presented at MPELRA conference and attended National NPELRA conference. Served on Board of Directors for Twin City Area Labor Management Council. Participated in meetings of MAC labor management committees.
Finalize 2009 contract negotiations with Police Supervisor and new Fire Captain bargaining units. Negotiate labor agreements with Local 70 and Local 49 whose contracts expire end of 2009 and with Teamsters and four Trade unions expiring mid-year 2010.	Terms and conditions of employment consistent with Commission goals. Union salaries on average are competitive with market.	Successfully concluded negotiations with Local 49, four trade unions, Teamsters, Police Supervisors, Local 70 and Fire Captains bargaining units and labor agreements approved by Commission. Negotiations with new Emergency Communications Specialists bargaining unit continued into next year.
Process and hear grievances/disputes on behalf of Executive Director and represent MAC in mediation, arbitration, veterans preference hearings, SIDA badge hearings and taxi hearings.	Terms and conditions of employment consistent with Commission goals.	Represented MAC in contract mediation (Police Supervisors, Fire Captains and Emergency Communications Specialists) and in grievances. Participated in Taxi Advisory Committee meetings. Served as Hearing Officer for SIDA badge suspension and Taxi hearings.
Mediate disputes between outside unions, contractors, and airport tenants and negotiate construction project labor agreements when beneficial to MAC.	Efficient airport operations and construction projects free of labor disruptions for the traveling public.	Assisted in resolving labor issues relating to construction projects.
Respond to Legislators' questions regarding constituent concerns.	Issues resolved without legislative action.	Coordinated responses to many constituent issues during state legislative session and interim.
Monitor legislation and present MAC positions on issues to state political bodies and/or persons in an effort to modify and/or initiate legislation that supports MAC's goals.	Effective aviation legislation.	Monitored legislation and presented MAC positions supporting or opposing issues in Washington and at State Legislature. Coordinated state push for passage of federal FAA Reauthorization Bill by Congress.

**LABOR AND GOVERNMENTAL AFFAIRS****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Represent MAC on outside boards, commissions and task forces, directly relating to and bringing visibility and influence to MAC's efforts.	Visibility and influence to MAC's efforts.	Active member of The Greater Metropolitan Area Foreign Trade Zone Commission. Attended meetings as member of Minnesota Governmental Relations Council. Participated in ACI-NA Governmental Affairs group discussions.
Educate appropriate political bodies and government units on airports (MSP and Relievers) and present MAC's position on issues including airport security, airport capacity and economic viability of the airport system.	Educated and supportive stakeholders.	Monitored legislation and presented MAC positions supporting or opposing issues in Washington and at State Legislature. Briefed congressional and legislative staff during MSP airport site visits.
Participate in formulating airport trade group positions on aviation related legislation.	Airport trade group positions closely aligned with MAC strategy and goals.	Monitored AAAE and ACI-NA airport finance policy discussion. Frequent communication with ACI-NA staff.
Monitor legislation and present MAC positions on issues to state political bodies and/or persons in an effort to modify and/or initiate legislation that supports MAC's goals.	Effective aviation legislation.	Briefed legislators and presented MAC positions during 2011 State Legislative Session and interim.
Respond to Legislators' questions regarding constituent concerns.	Issues resolved.	Coordinated responses to state legislators on constituent issues including noise, reliever airport funding and taxi operations.
Represent MAC on outside boards and organizations to bring visibility and influence to MAC's labor relations efforts and coordinate Labor Management Committee activity.	Effective labor relations representation and participation with an improved labor/management environment.	Acted as General Counsel for Minnesota Public Employer Labor Relations Association. Served on Board of Directors for Twin City Area Labor Management Council. Member of Twin Cities Area Negotiators Roundtable. Participated in meetings of MAC labor management committees.
Assist managers and supervisors with contract interpretation, grievances and labor/management cooperation issues including training as needed.	Supervisors of organized (union) employees are satisfied with labor relations support and service.	Met with MAC managers and supervisors as needed to advise them on grievance and contract issues.
Process and hear grievances/disputes on behalf of Executive Director and represent MAC in mediation, arbitration, veterans preference hearings, SIDA badge hearings and taxi hearings.	Terms and conditions of employment consistent with Commission goals.	Represented MAC in grievance hearings and contract mediation. Served as Hearing Officer for Taxi and Security hearings.

**LABOR AND GOVERNMENTAL AFFAIRS****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Complete 2010 contract negotiations with new Emergency Communication Specialists bargaining unit. Research market data and negotiate new labor agreements with all twelve MAC bargaining units whose contracts expire at end of 2010 or mid-year 2011.	Terms and conditions of employment consistent with Commission goals. Union salaries on average are competitive with market.	Completed Collective Bargaining Agreements for eleven of the twelve MAC union bargaining units. Successfully concluded negotiations with LELS Local 302 Police Officers, LELS Local 307 Police Supervisors, LELS Local 358 Emergency Communication Specialists, IBEW Local 292 Electricians, North Central States Regional Council of Carpenters, Plumbers Local 34, Painters Local 386, IAFF Local S-6 Fire Fighters and Fire Captains, and Local 70 and Local 49 Operating Engineers. Commenced negotiations with Teamsters Local 320 to be continued into 2012.
Mediate disputes between outside unions, contractors, and airport tenants and negotiate construction project labor agreements when beneficial to MAC.	Efficient airport operations and construction projects free of labor disruptions for the traveling public.	Assisted in resolving numerous labor issues relating to construction projects.

**2012 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Match Employee Talent with Changing Business Needs</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Conclude negotiations with Teamsters Local 320 for 2011-2014 Collective Bargaining Agreement. Research market data, labor laws and current issues and develop strategies for next round of bargaining.	Terms and conditions of employment consistent with Commission goals. Union salaries on average are competitive with market.
NA	Process and hear grievances/disputes on behalf of Executive Director and represent MAC in mediation, arbitration, veterans preference hearings, SIDA badge hearings and taxi hearings.	Terms and conditions of employment consistent with Commission goals.
Expand knowledge transfer and leadership development programs	Assist managers and supervisors with contract interpretation, grievances and labor/management cooperation issues including training as needed.	Supervisors of organized (union) employees are satisfied with labor relations support and services.

**LABOR AND GOVERNMENTAL AFFAIRS****2012 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Provide a Great Customer Experience</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Mediate disputes between outside unions, contractors and airports tenants; and negotiate construction project labor agreements when beneficial to MAC.	Efficient airport operations and construction projects free of labor disruptions for the traveling public.

<b>Organizational Strategic Goal: <i>Strengthen Partnerships and Relationships</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Represent MAC on outside boards and organizations to bring visibility and influence to MAC's labor relations efforts and coordinate Labor Management Committee activity.	Effective labor relations representation and participation with an improved labor/management environment.
NA	Respond to Legislators' questions regarding constituent concerns including MSP's Environmental Assessment, Reliever Airport policies, taxi ordinances and other airport related issues.	Issues resolved / concerns addressed.
NA	Monitor legislation and present MAC positions on issues to state political bodies and/or persons in an effort to modify and/or initiate legislation that supports MAC's goals.	Effective aviation legislation.
NA	Educate appropriate political bodies and government units on airports (MSP and relievers) and present MAC's views on issues.	Educated and supportive stakeholders.

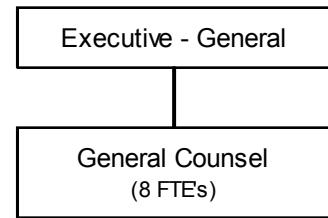
**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Est.</b>	<b>Goal</b>
Employee Engagement	N/A	N/A	100%	0	100%	100%
<b>SC Performance Indicator:</b> Completion of employee performance evaluations.						
<b>Comments:</b> Employee retirement, staffing shortage and department reorganization adversely impacted this initiative.						
Finance	N/A	N/A	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Completion of evaluations for continuing consultants for legislative services.						
<b>Comments:</b> All evaluations completed in conjunction with Professional Services Authorization process.						

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**Legal Affairs Division**



**Notations to Service Center Summaries:**

- \* Variance (dollars and %) is computed between 2011 Budget and 2012 Budget
- \* The explanation for the variances is based upon the 2011 Budget and 2012 Budget
- \* Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

**GENERAL COUNSEL**

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.

**BUDGET SUMMARY**

	2010 Actual	2011 Budget	2012 Budget	\$ Variance	% Variance
Personnel	819,134	838,574	812,007	-26,567	-3.17%
Administrative Expenses	34,388	21,350	35,501	14,151	66.28%
Professional Services	521,022	900,000	680,000	-220,000	-24.44%
Utilities	1,854	1,200	1,224	24	2.00%
Operating Services/Expenses	1,275	1,200	1,222	22	1.83%
Other	0	0	500	500	100.00%
<b>Total Budget</b>	<b>1,377,673</b>	<b>1,762,324</b>	<b>1,530,454</b>	<b>-231,870</b>	<b>-13.16%</b>
<b>FTE Total</b>	<b>8</b>	<b>8</b>	<b>8</b>		

**BUDGET HIGHLIGHTS**

Personnel	The decrease in Personnel is attributable to hiring temporary staff in 2011 but not in 2012. However, Personnel also increased due to wage structure adjustments and step increases.
Administrative Expenses	The increase in administrative expenses is a more accurate estimate for publications and subscriptions.
Professional Services	The decrease in professional services is due to an anticipated decrease in legal costs this year.

**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Provide legal advice to all MAC management employees (supervisors, managers, directors, senior staff) and MAC Commissioners.	Provide research and advice when requested. Complete in timely manner. Decrease reliance on outside legal counsel.	Researched legal issues as requested by MAC Departments and MAC Commissioners.  Provided advice on issues such as Flying Cloud Airport Joint Airport Zoning Board, St. Paul Airport Joint Airport Zoning Board, Xpress Spa, Credit Card Processing and Taxi Policy.

**GENERAL COUNSEL****2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Draft, negotiate and/or review documents (e.g., leases, ordinances) for all MAC management employees, especially CMAA, Relievers, Airport Development, Police, Fire, Purchasing, Landside, MAC Commissioners, ACI.	Complete in timely manner. Decrease reliance on outside legal counsel.	Completed revision of MAC's Consultant Policies.  Worked on various RFPs.  Drafted and assisted in negotiation of various leases and agreements. Drafted and assisted in negotiation of various non-aeronautical leases.  Completed acquisition of Grace Church parcel.  Completed Rental Auto Facility Charge Ordinance process, Commercial Vehicles, Ordinance process, and Reliever Airports Maintenance Standards Ordinance process.
Represent (actual or potential litigation, administrative hearings, proposed legislation or regulations, miscellaneous commercial or other legal claims) MAC and all MAC employees and MAC Commissioners.	Provide representation when needed.  Complete in timely manner. Decrease reliance on outside legal counsel.	Provided representation and monitoring of the following litigation/potential litigation.  Completed legal consultant selection processes for Bond Counsel, Federal Aviation Counsel and General/Labor & Employment Law Counsel.
Data Practices Legislation/Data Requests.	Respond in timely manner. Decrease reliance on outside legal counsel.	Updated Data Practices Policy.  Responded to numerous data requests.  Attended Data Practices Committee meetings.
Represent MAC on outside boards, commissions and task forces directly relating to and bringing visibility and influence to MAC's efforts.	Visibility and influence to MAC's efforts.	Attended Airport Foundation Minnesota meetings.
Maintain proficiency in all areas of airport, municipal and other areas of law through attendance at seminars and participation in appropriate trade organizations.	Proficiency in all areas of airport law.  Meet Continuing Legal Education requirements.	Attended ACI seminars and other trade organization seminars.

**GENERAL COUNSEL****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Represent MAC on outside boards, commissions and task forces, directly relating to and bringing visibility and influence to MAC's efforts.	Visibility and influence to MAC's efforts.	Attended Airport Foundation Minnesota meetings.
Maintain proficiency in all areas of airport, municipal and other areas of law through attendance at seminars and participation in appropriate trade organizations.	Proficiency in all areas of airport law. Meet Continuing Legal Education requirements.	Attended ACI conferences and seminars and other trade organization seminars.
Provide legal advice to all MAC management employees (supervisors, managers, directors, senior staff) and MAC Commissioners.	Provide research and advice when requested. Complete in timely manner. Decrease reliance on outside legal counsel.	Researched legal issues as requested by MAC departments and MAC Commissioners. Provided advice on issues such as Taxicab regulation, administrative policies, including DBE and TGB policies, police practices and compliance with Federal regulations, FAA Civil Rights Audit, and numerous employment matters. Drafted and proposed Commission Bylaws.
Draft, negotiate and/or review documents (e.g., leases, ordinances) for all MAC management employees, especially CMAA, Relievers, Airport Development, Police, Fire, Purchasing, Landside, MAC Commissioners, ACI.	Complete in timely manner. Decrease reliance on outside legal counsel.	Worked on various RFPs, including loading document management RFP. Drafted and assisted in negotiation of various leases and agreements. Drafted and assisted in negotiation of OTG Term Sheet, OTG Concession Agreement; and Airline Agreement Amendment. Worked on Minimum Standards Ordinance revision; Reliever Rates and Charges Ordinance revision, and Reliever tenant financial workouts. Drafted and assisted in various non-aeronautical leases.
Represent (actual or potential litigation, administrative hearings, proposed legislation or regulations, miscellaneous commercial or other legal claims) MAC and all MAC employees (primarily management employees) and MAC Commissioners.	Provide representation when needed. Complete in timely manner. Decrease reliance on outside legal counsel.	Provided representation and monitoring of litigation/potential litigation.
Data Practices Legislation/Data Requests	Respond in timely manner.	Responded to numerous data requests. Attended Data Practices Committee meetings.

## **GENERAL COUNSEL**

### **2012 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: N/A</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
N/A	Represent (actual or potential litigation, administrative hearings, proposed legislation or regulations, miscellaneous commercial or other legal claims) MAC and all MAC employees (primarily management employees) and MAC Commissioners.	Provide representation when needed. Complete in timely manner. Decrease reliance on outside legal counsel.
N/A	Draft, negotiate and/or review documents (e.g., leases, ordinances) for all MAC management employees, especially CMAA, Relievers, Airport Development, Police, Fire, Purchasing, Landside, MAC Commissioners, ACI).	Complete in timely manner. Decrease reliance on outside legal counsel.
N/A	Provide legal advice to all MAC management employees and MAC Commissioners.	Provide research and advice when requested. Complete in a timely manner. Decrease reliance on outside legal counsel.
N/A	Maintain proficiency in all areas of airport, municipal and other areas of law through attendance at seminars and participation in appropriate trade organizations.	Proficiency in all areas of airport law. Meet Continuing Legal Education requirements.
N/A	Represent MAC on outside boards, commissions and task forces, directly relating to and bringing visibility and influence to MAC's efforts.	Visibility and influence to MAC's efforts.
N/A	Data Practices Legislation/Data Requests.	Respond in timely manner.

### **SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Est.</b>	<b>Goal</b>
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Percentage completion of employee performance evaluations						
<b>Comments:</b> Complete performance evaluations of all employees.						
Finance	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Percentage completion of continuing consultant evaluations						
<b>Comments:</b> Complete evaluations for all continuing consultants.						
Employee Engagement	15	15	15	15	15	15
<b>SC Performance Indicator:</b> Completion of an average of 15 Continuing Legal Education (CLE) hours per attorney						
<b>Comments:</b> Complete an average of 15 CLE hours per attorney.						

**GENERAL COUNSEL****SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

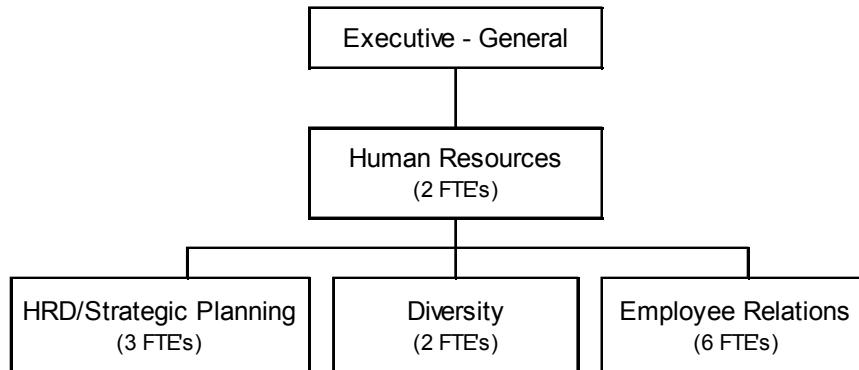
Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Est.	Goal
Employee Engagement	Yes	Yes	Yes	Yes	Yes	Yes

**SC Performance Indicator:** Completion of annual update of Data Practices Policy  
**Comments:** Complete annual update of Data Practices Policy.

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## Human Resources Division



**Notations to Service Center Summaries:**

- \* Variance (dollars and %) is computed between 2011 Budget and 2012 Budget
- \* The explanation for the variances is based upon the 2011 Budget and 2012 Budget
- \* Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

## **HUMAN RESOURCES**

MAC's Human Resources Division facilitates the continuation of MAC as a high performing organization where employees experience excellence in leadership, challenging work, opportunities for growth and development while being rewarded competitively. This area is responsible for the oversight and management of human resources, products and services delivered by Employee Relations, Human Resource Development and the Office of Diversity. This division facilitates MAC's strategic planning and departmental planning processes. Each of these areas has a separate budget and is detailed later in this section.

### **BUDGET SUMMARY**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	199,197	196,143	202,664	6,520	3.32%
Administrative Expenses	12,286	11,629	10,855	-774	-6.66%
Professional Services	2,150	113,000	113,000	0	0.00%
Utilities	1,238	1,000	1,000	0	0.00%
Operating Services/Expenses	0	0	0		
Maintenance	0	0	0		
Other	247	0	0		
<b>Total Budget</b>	<b>215,117</b>	<b>321,772</b>	<b>327,519</b>	<b>5,746</b>	<b>1.79%</b>
<b>FTE Total</b>	<b>2</b>	<b>2</b>	<b>2</b>		

### **BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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### **2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Continue to work with the Executive Director to transition the organization's leadership as necessary.	The MAC continues to be a high performing organization through the transition of leadership and key positions, with a review of business and organizational structure, as needed.	Alternatives were discussed with the Executive Director as needed throughout 2010.
Oversee the implementation of a Talent Management and Review process that supports organizational goals.	MAC Divisions are engaged with key discussions on future work, departmental structure, knowledge transfer, cross training, development needs, etc. to address the changing needs of the organization.	Workforce planning and talent review discussions were conducted with each division within the organization and covered business trends, future needs, cross training opportunities, preparing for knowledge transfer where needed, employee development needs and other anticipated changes within the division. These discussions will continue throughout 2011.
Oversee the next phase of HR's integration of E1 for increased Human Resources Information Systems (HRIS) capability.	E1 technology is leveraged for employee self-service, as feasible.	Employee self service was put into place for basic tasks. HR will work to expand self service for both employees and managers in 2011.
Oversee and direct an integrated strategic planning process.	Facilitated discussions occur to identify both long and short range goals that support MAC's strategies through 2015.	MAC's strategic planning process was more inclusive with management staff in 2010 which resulted in more broad based buy-in and support for the organizational key initiatives identified for the upcoming year.

**HUMAN RESOURCES****2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Design new Commissioner Orientation process & materials.	New Commissioners receive orientation to the organization and their role to ensure their success.	The Commissioner Handbook was updated, an educational toolkit was also developed and an executive briefing presentation is 90% complete.
Oversee the development of a plan designed to increase MAC's workforce diversity.	A multi-point plan is in place to incrementally increase MAC's employee diversity demographics over the next five years.	A Multi-Point Plan was developed and presented to the organization and Commission in April 2010. The plan is being worked on in phases, with 2010's work being focused on recruitment, hiring, and retention, inclusion and partnerships.
Develop and distribute a monthly HR communication tool for MAC management.	An "HR Management Link" is developed and rolled out to cover such leadership, management and supervisory topics such as policy interpretation, goal setting, skills development, training opportunities, workforce demographics, case studies, etc. The target for the first issue is February 2010.	Four issues of "SMART" Management have been released to provide MAC's "people managers" with key HR information. Positive comments continue. As requests and suggestions are received, that information will be included in future issues. The regular HR information has been successfully transitioned to the weekly MAC Update for publication.
Continue to streamline hiring processing with the use of technology.	Hiring processes are 95% electronic to reduce paper and increase efficiencies of staff time.	Hiring processes in 2010 were completed using NEOgov technology; improvements continue to be made to enhance efficiencies as they are identified.

**2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Work with the Executive Director to transition the organization's leadership as necessary.	The MAC continues to be a high performing organization through the transition of leadership and key positions, with a review of business and organizational structure, as needed.	HR facilitated discussions on leadership development with the Executive Director and the Deputy Executive Directors resulting in the design and development of a MAC Management Forum which began to transfer knowledge about various leadership success factors which have contributed to MAC's high performance; the first two rounds of the Forum were completed in 2011. A third and final forum will be held 1st Qtr. of 2012.
Oversee the enhanced integration and implementation of MAC's Talent Management and Review process.	MAC Divisions are engaged with key discussions on future work, departmental structure, knowledge transfer, cross training, development needs, etc. to address the changing business needs of the organization.	Talent review discussions were completed with all Deputy Executive Directors.

**HUMAN RESOURCES****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Oversee the next phase of HR's integration of E1 for increased HRIS capability.	E1 technology is leveraged for employee and manager self service and other work flow processes related to the management of MAC's workforce.	The utilization of the E1 employee self-service and manager self-service was expanded greatly in 2011. Additional efforts to communicate and market the functionality of these tools will be continue in 2012.
Oversee the expanded use of NEOgov to enhance the hiring and performance review processes for streamlining and integration with E1.	The feasibility of NEOgov is evaluated for additional changes that could benefit the organization.	A feasibility study was completed to determine if NEOgov would be an appropriate tool to manage the performance review process. It was determined that NEOgov is not the appropriate tool at this time.
Implement the New Commissioner Orientation Process.	New Commissioners receive orientation to the organization and their role.	New Commissioner Orientation was delivered in April 2011.
Oversee and facilitate employee development strategies to address MAC's critical issues as related to talent management and leadership turnover.	Development programs and processes are in place to address organizational needs.	Work on leadership profiles and competencies were developed for two levels of management. Additional profile and competencies will continue to be developed throughout 2012.

**2012 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Match Employee Talent with Changing Business Needs</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Expand knowledge transfer and leadership development programs	Support transition of organization through leadership change by expanding development opportunity via expanded marketing of tuition reimbursement, individual development planning relative to defined competencies, and shadowing/mobility assignments.	Increased utilization of individual development plans as a measurable objective.

Organizational Strategic Goal: <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Expand workforce planning discussions with Director-level staff throughout MAC organization	Workforce planning discussions completed with each director and an increased number of individual development plans initiated

**HUMAN RESOURCES****2012 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Strengthen Partnerships and Relationships</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Define, communicate and implement Human Resources service standards.	Discuss and establish agreement of defined Human Resources service standards. Meet with management staff for feedback. Complete survey of service delivery. Conduct Human Resources training regarding service standards. Execute work process based upon standards. Assess service through performance feedback process.
NA	Deliver new manager orientation sessions to newly hired or new managers/supervisors.	Completed orientation sessions on schedule.

**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Est.</b>	<b>Goal</b>
Employee Engagement	NA	NA	NA	NA	TBD	TBD
<b>SC Performance Indicator:</b> Employee Engagement Index						
<b>Comments:</b> The Employee Engagement Index is a new performance indication for 2012.						
Employee Engagement	4.96%	3.36%	3.38%	5.11%	5%	<10% Turnover.
<b>SC Performance Indicator:</b> Employee Turnover Rate						
<b>Comments:</b> Our goal is to monitor employee turnover and identify the factors that lead employees to leave the organization.						
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Performance reviews completed within department						
<b>Comments:</b> Our goal is to complete 100% of employee performance reviews within the department annually.						

**HRD & STRATEGIC PLANNING**

Employees in the HRD & Strategic Planning Department facilitate high performance in the organization by facilitating the organizational strategic planning process, influencing the development of policies and systems, and facilitating process improvement initiatives. This department also assesses learning and development needs, identifies resources that positively impact performance, provides training that addresses organization-wide needs, facilitates talent management processes, aids in career development, and enhances performance leadership.

**BUDGET SUMMARY**

	2010 Actual	2011 Budget	2012 Budget	\$ Variance	% Variance
Personnel	351,174	346,766	377,637	30,870	8.90%
Administrative Expenses	2,962	2,750	1,300	-1,450	-52.73%
Professional Services	19,405	12,000	20,000	8,000	66.67%
Utilities	0	0	0		
Operating Services/Expenses	1,844	4,968	7,200	2,232	44.93%
Maintenance	0	0	0		
Other	0	10,000	0	-10,000	-100.00%
<b>Total Budget</b>	<b>375,385</b>	<b>376,484</b>	<b>406,137</b>	<b>29,652</b>	<b>7.88%</b>
<b>FTE Total</b>	<b>3</b>	<b>3</b>	<b>3</b>		

**BUDGET HIGHLIGHTS**

Personnel	The increase in Personnel is attributable to wage structure adjustments and step increases. Also, additional monies are needed in personnel to develop the Emerging Leaders Program as well as additional training needed upon the update to Windows and Office 2010.
Professional Services	The increase in Professional Services is for additional consultants used for program development.

**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Complete initial phase of talent review and development process with all Deputies and Directors.	Review process complete and development plans in place for key positions within each division.	We completed the review process at the Deputy level with four divisions. Next year we will continue to expand this process to other divisions and other levels within the divisions.
Produce a video for use in new employee and new commissioner orientation programs.	Updated video completed on time and within budget.	Draft script has been completed and bids are being reviewed from three video production companies. We will complete the script, select a vendor and hopefully complete shooting by the end of third qtr.
A more fully integrated strategic planning process that guides the organization.	The scope of Strategic Plan expanded to include: - 2011 -2015 Key Initiatives. - Revised performance measures. - Action plans for critical issues.	Planning was expanded to include more involvement by Directors and Assistant Directors. The completed plan was approved by the Commission in December. We were unable to make major revisions in performance measures this year but that will be an area of focus in 2011.

**HRD & STRATEGIC PLANNING****2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Expand the use of Org Publisher as a planning and communication tool.	Online org charts available as a planning tool.	This objective was partially achieved. Data has been cleaned up and charts are now available to HR staff. We have not expanded access to charts to managers for use in planning yet. That part of the goal will move to 2011.
Migrate to the new Learning Management System (LMS) in coordination with IS, Airside Operations and the APD.	Migration complete from Pinical Learning Manager to Learn.com with current capabilities to track and report training maintained.	We were unable to complete the migration to the new system due to technical delays.

**2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Facilitate development and implementation of emerging leaders development program.	- Emerging leaders program developed and implemented. - On the job application of class content as reported by participants and their managers.	MAC's Management Forum designed to transfer knowledge and wisdom of senior leaders was delivered in two -eight session programs in 2011. Sixty managers attended the two programs. A third and final forum will be conducted in the first quarter of 2012
Expand the use of Org Publisher as a planning and communication tool.	Published chart available to managers on demand.	Org publisher training was cut so this project is on hold until 2nd quarter of 2012.
Migrate to the new Learning Management System (LMS) in coordination with IS, Airside Operations and the APD.	Migration complete from Pinical Learning Manager to Learn.com with current capabilities to track and report training maintained.	IS is developing a RFP for a new learning management system, learning content management system, assessment, and elearning authoring tool.
Expand the use of individual development plans throughout the organization in coordination with HR's Talent Management process.	Individual development plans implemented in every division.	Employee Relations has taken the lead in this process. Individual development plans will expand in the first half of 2012 as part of our leadership development process.
Integrate new video into New Employee Orientation and New Commissioner Orientation processes.	Video distributed to new employees and Commissioners.	This objective has been completed. The new Employee Orientation video has been incorporated into new employee and new Commissioner orientations.
Integrate emerging leaders into the 2012 Strategic Planning Process.	Emerging leaders actively participate in: - The environmental scan. - ID critical issues. - Improve performance indicators. - Initial development of key initiatives.	Emerging leaders developed and presented the external environmental scan to Senior Staff. Directors and a team of thirty-two emerging leaders reviewed the current performance indicators in the strategic plan. They will present recommended changes to the measures to Senior Staff in the third quarter.

**HRD & STRATEGIC PLANNING****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Determine the feasibility of moving to all electronic performance reviews using either NEO Gov or E1.	Determination if either NEO Gov or E1 performance review capabilities meet the needs of the organization. Recommendation developed and presented.	It was determined that neither NEO Gov or E1 have the capabilities needed for our performance review process. We will continue to look for systems that may meet our needs.

**2012 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Fully incorporating three year operations and capital equipment planning into our budgeting process starting with the 2013 budget cycle.	Partner with IS and Finance to develop a redesigned planning software capable of incorporating three year capital equipment and operating plans.	Planning program redesigned and ready to implement in 2013.

**HRD & STRATEGIC PLANNING****2012 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Match Employee Talent with Changing Business Needs</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Work with departments to develop job specific performance review forms.	Performance review form that are more reflective of job content.
Expand knowledge transfer and leadership development programs	Expand tuition reimbursement marketing with the goal of increasing use of the program by 10% in 2012.	10% increase in the number of employees participating in MAC's tuition reimbursement of 2011 levels.
NA	Provide training classes and elearning opportunities in support of the migration to Windows 7 and Office 2010.	Needs based computer training made available to all MAC employees and a smooth transition to the new programs.
Expand knowledge transfer and leadership development programs	Increase the use of Individual Development Plans (IDPs) within the organization by 10%.	10% increase achieved.
NA	Expand the use of Org Publisher as a planning and communication tool.	Published chart available to managers on demand.
NA	Participate in the selection and implementation of a new Learning Management System.	LMS selected and employee training records migrated to the new system.
Expand knowledge transfer and leadership development programs	Facilitate the third and final session of MAC's Management Forum.	Third knowledge and wisdom transfer program completed.
Expand knowledge transfer and leadership development programs	Develop and pilot a shadowing program. HRD and Diversity will be working together to develop a pilot program in 2012.	Pilot shadowing program developed and implemented.
Expand knowledge transfer and leadership development programs	Expand competency model to include managers and supervisors.	Competencies identified for manager and supervisory level positions.

**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Est.</b>	<b>Goal</b>
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> % of new supervisors, foremen, and leads receiving basic management training within first six months on the job.						
<b>Comments:</b>						
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Employee Performance Reviews Completed						
<b>Comments:</b> Our goal is to complete 100% of employee performance reviews annually.						

**DIVERSITY**

The Metropolitan Airports Commission Office of Diversity is responsible for contract compliance with the Targeted Group Business (TGB) and the Disadvantaged Business Enterprise (DBE) Programs including: contract compliance administration, state and federal reporting, DBE certifications and community relations. These two programs provide business opportunities for firms owned by women, minorities and persons with disabilities. The Manager of Diversity and Equal Employment Opportunity, who also serves as MAC's Affirmative Action Officer, is responsible for monitoring Affirmative Action Policies and equal employment opportunities.

**BUDGET SUMMARY**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	169,730	173,075	179,697	6,622	3.83%
Administrative Expenses	13,730	14,295	14,245	-50	-0.35%
Professional Services	708	13,000	10,000	-3,000	-23.08%
Utilities	864	1,000	885	-115	-11.50%
Operating Services/Expenses	0	2,000	2,000	0	0.00%
Other	0	0	0		
<b>Total Budget</b>	<b>185,032</b>	<b>203,370</b>	<b>206,827</b>	<b>3,457</b>	<b>1.70%</b>
<b>FTE Total</b>	<b>2</b>	<b>2</b>	<b>2</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**2010 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Enhance knowledge to better deliver customer service for terminal departments.	Training programs are identified and scheduled in 2010.	Training programs for staff included Americans with Disabilities Act (ADA), Religious Differences, Multi-Cultural Forum and YMCA Race relations training.
Develop and implement an auditable DBE tracking system.	Database is established and all DBE files are in compliance with standards.	Database is completed and in ACCESS.
Develop a multi-point plan to increase MAC's diversity of employees.	Plan is in place which will support and increase MAC's employee demographics in the next five years.	Multi-Point Diversity Plan has been submitted to the Commission and update quarterly to Senior Staff and the HR/AA Committee.
Recommend best practices for inclusion of small, protected class businesses.	Commission approves best practices for implementation by staff.	Submitted to HR/AA Committee and adopted by the Commission on October 18, 2010.
Develop an Affirmative Action reporting tool.	Information is reported to Commission and staff on a regular basis.	Completed October 2010.

**DIVERSITY****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Research, review and recommend a mentoring and/or coaching process for employees.	Recommend a process for mentoring or coaching. Be a part of the roll out of the process. Evaluate successes and challenges	The process will roll out in first quarter of 2012. The challenges has been the change in leadership in HR.
Develop next steps for the Multi-Point Diversity Plan.	Focus on getting additional involvement across the organization. Have several first attempts at new initiatives.	The Multi-Point Plan has went to Senior Staff and the Commission several times. The issue of Diversity in the organization has been discussed with several groups of management.

**2012 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Complete an on line process for disadvantaged business enterprise to submit an online application.  Start an electronic process for DBE applications	The on line process is available to the business customer.  On line applications are accepted and filed electronically.

Organizational Strategic Goal: <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Complete an ADA employee survey	Distribute survey to employees and report results.

**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Est.	Goal
Customer Experience		10%	8%	7.7%	11%	12%
<b>SC Performance Indicator:</b> Disadvantaged Business Enterprise (DBE) Construction goal						
<b>Comments:</b>						
Customer Experience		10%	10.9%	?	11%	11%
<b>SC Performance Indicator:</b> Disadvantaged Business Enterprise (DBE) Concessions goal						
<b>Comments:</b> The calendar year for this indicator is March 2012						
Employee Engagement		N/A	25%	25%	27%	27%
<b>SC Performance Indicator:</b> Percentage of female employees						
<b>Comments:</b>						

**DIVERSITY****SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Est.	Goal
Employee Engagement		N/A	8.8%	9%	10%	10%
<b>SC Performance Indicator:</b> Percentage of minority employees						
<b>Comments:</b>						
Employee Engagement		100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Internal EEO complaints resolved internally						
<b>Comments:</b> The MAC has an internal EEO complaint policy and procedures administered by the MAC Affirmative Action Officer. The objective is to minimize the external complaints and resolve complaints internally.						
Customer Experience		1.8%	2%	?	5%	3%
<b>SC Performance Indicator:</b> Targeted Group Business annual participation						
<b>Comments:</b> The calendar year for this program is July 2012						

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**EMPLOYEE RELATIONS**

Employee Relations staff are responsible for: 1) administering compensation and benefits services for employees and retirees; 2) maintaining all personnel data, files and the HRIS system; 3) developing, maintaining and distributing personnel policies and management reports; 4) counseling employees with regard to benefit options and HR policies and practices; and 5) working with supervisors and leaders to strengthen skills related to employee relations issues.

**BUDGET SUMMARY**

	2010 Actual	2011 Budget	2012 Budget	\$ Variance	% Variance
Personnel	466,530	487,578	477,508	-10,070	-2.07%
Administrative Expenses	12,349	8,358	4,756	-3,602	-43.10%
Professional Services	66,448	35,000	52,814	17,814	50.90%
Utilities	75	28	29	1	3.57%
Operating Services/Expenses	1,150	5,000	1,173	-3,827	-76.54%
Maintenance	0	0	0		
Other	0	0	0		
<b>Total Budget</b>	<b>546,552</b>	<b>535,964</b>	<b>536,280</b>	<b>316</b>	<b>0.06%</b>
<b>FTE Total</b>	<b>6</b>	<b>6</b>	<b>6</b>		

**BUDGET HIGHLIGHTS**

Personnel	Training fees are lower to reflect actual spending. Also included in Personnel are increases attributable to wage structure adjustments and step increases.
Professional Services	Required for recruitment expenses for both anticipated staffing and recruiting activity but also for unanticipated employee turnover and replacement activity.

**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Initiate and complete the Phase III review of HR policies contained in sections 9, 11, 14, 18, 19 and 20 in order to continuously establish HR policy that supports MAC business requirements.	Commission review and approval of all policy modifications by year-end.	Selected policies in sections 9, 11 and 14 were modified and approved. Selected policies within sections 19 and 20 will be reviewed in 2011.
Convert all terminated employee HR files from M-Z, reclassification and equity adjustment documentation to electronic storage format in order to easily expand accessibility of information.	All documentation is scanned and stored electronically and is accessible by HR staff members.	An additional twenty-five former employee files will be converted to electronic storage by year-end. Modification of goal necessary due to work demands associated with increased staffing and selection activity. Equity adjustment files storage is on schedule to be completed by 12/31/10.
Conduct HR planning meeting with all Deputy Executive Directors and Directors in order to plan and execute HR initiatives that better support the division work plan in 2010/2011.	Demonstrated completion of planned initiatives within the agreed-upon timeline in 2010.	HR planning discussions occurred with all Deputy Executive Directors in 2010 with planning initiatives and actions executed and continuing in 2011.

**EMPLOYEE RELATIONS****2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
With assistance from Information Systems Department, develop the E1 self-service module to enable employees to inquire about personal profile information as well as establish independent ability to input limited changes to profile.	Employees have the ability to have real-time access/input ability to their personal data that reduces processing and data-entry activity now required by the Senior HR Generalists.	Capability for employee access completed in 2010. The marketing/training initiatives to expand employee self service and use of E1 to access data will occur in 2011.

**2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Expand utilization of E1 to increase electronic processing of HR data and information to include management reports and step increase administration. Market the self-service initiative to MAC users.	Minimize document transaction time spent in order to expand time available for HR planning processes. Increase the number of automated transactions.	A processing option to administer step increases was rolled out and is being utilized on a regular basis. The creation of this functionality in E1 eliminates the risk of human error when calculating step increases.
Deliver training to all managers regarding performance review/performance management process and disciplinary action/due process.	Strengthen support activity for broad talent management philosophy.	Work on development of presentations is continuing for both offerings.
Coordinate with HRD Department to identify and deliver a conflict management education experience for all managers.	Strengthen knowledge base of managers required to effectively resolve employee work conflict.	Course outline and presentation material completed. Delivery of training to occur in first half of 2012.
Expand and further institutionalize the HR planning process with all MAC divisions.	Complete follow-up HR planning discussions and develop action plans with all MAC divisions in order to further develop human resource talent and resolve organizational problems and issues.	Discussions completed with all division heads with follow-up action plans executed.
Define and complete a compensation plan that further recognizes critical work project/work product accomplishments.	Recognize work accomplishments that more directly relate to department plans linked to strategic planning goals and initiatives.	Work on the objective is continuing.
Complete review of Human Resources policies within Sections 4 and 10 and within Sections 16 - 20.	New and existing policies are reviewed/revised and approved by the Commission.	Review and approval of all policies within Section 4 completed, including approval by the Commission. Work on policies within Sections 10 and 16 - 20 now beginning.
Complete electronic conversion of all terminated employee files and reclassification documentation.	Reduce time spent with document retrieval and apply more time to HR planning process.	Work on this objective is continuing. Electronic conversion complete on nearly two-thirds of employee files.

**EMPLOYEE RELATIONS****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Document detailed procedures for all department processes in order to use for knowledge transfer and training purposes	Availability of detailed procedures as an instructive guide for consistent administration of processes	Immediate availability of procedures manual for all HR employees that provides administration guidance

**2012 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Increase the use of existing technology internally at the MAC and externally with customers.	Create a storage and retention plan for employment background files completed by the Airport Police Department.	Employment background files for Emergency Communications and Fire candidates will be stored in the Human Resources Division. A retention schedule will be developed and maintained.
Increase the use of existing technology internally at the MAC and externally with customers.	Complete the electronic scanning and storage project of terminated employee files.	Scan all terminated employee files and store electronically.

Organizational Strategic Goal: <i>Match Employee Talent with Changing Business Needs</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Formulate a recruitment brand for hiring and soliciting new employees.	Identify a recruitment brand, design materials, publish and disseminate as applicable throughout the hiring process.
Expand knowledge transfer and leadership development programs	Work with the Diversity Manager and MAC Staff to identify shadowing or mobility opportunities as staffing needs or vacancies become available.	Employees will assume a shadowing or mobility assignment.
Expand knowledge transfer and leadership development programs	Deliver training regarding performance management process, disciplinary action/due process and conflict management	Complete all training offerings toward further development of management staff

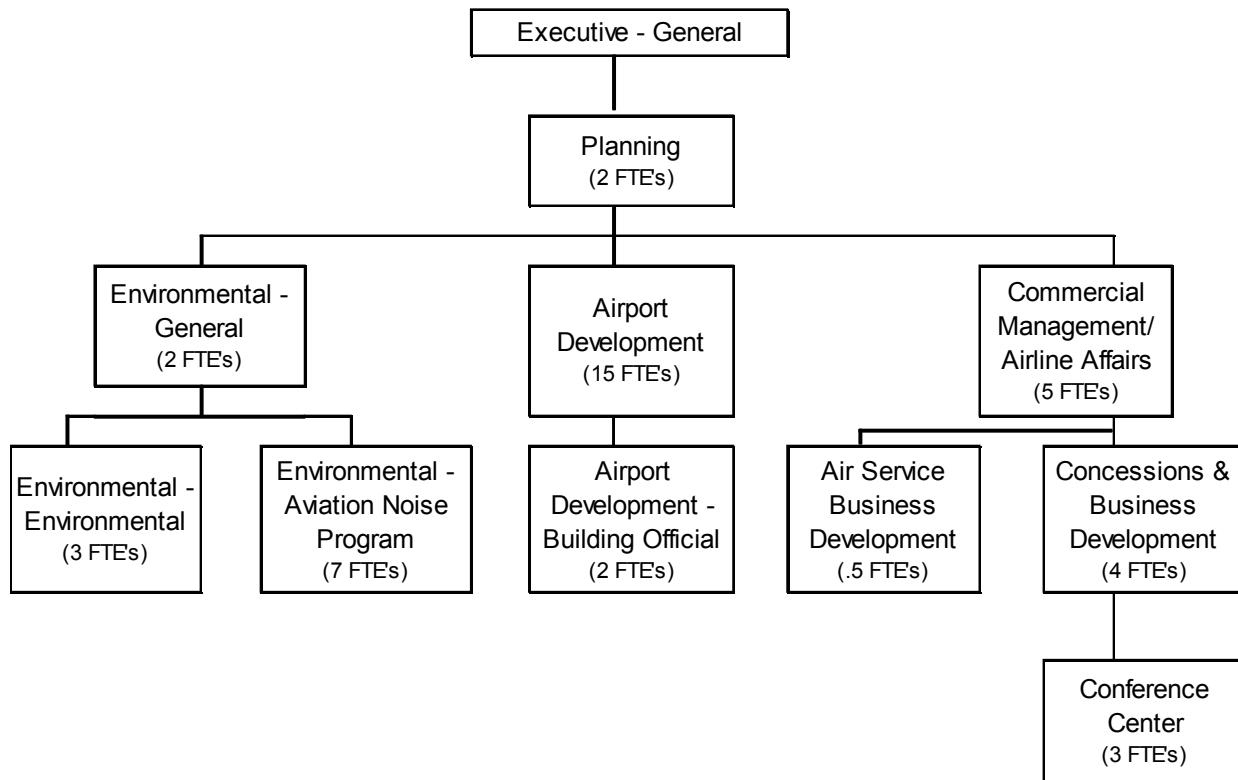
Organizational Strategic Goal: <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Survey MAC departments regarding Human Resources service needs that best support achieving business objectives	Execute action plans that address desired service level of Human Resources services

**EMPLOYEE RELATIONS****2012 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Provide a Great Customer Experience</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Implement a new employee orientation program for temporary employees.	A program is put in place and delivered to all newly hired temporary employees.
NA	Implement a survey to collect information on the performance of the hiring process.	A survey is sent to the Hiring Authority upon the completion of each hiring process. The results are collected and utilized to improve the hiring process.

**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Est.</b>	<b>Goal</b>
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Employee separation completions according to policies, procedures and law						
<b>Comments:</b> Employee separation administration process completed in timely manner.						
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Leaves of absence according to policy						
<b>Comments:</b> Return employees to active employment status upon receipt of medical clearance.						
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Annual employee performance reviews completed						
<b>Comments:</b>						

**Environment and Planning Division**

**Notations to Service Center Summaries:**

- \* Variance (dollars and %) is computed between 2011 Budget and 2012 Budget
- \* The explanation for the variances is based upon the 2011 Budget and 2012 Budget
- \* Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

**PLANNING**

The Planning Department supervises property acquisition, planning, design, engineering, architecture, construction of all Commission facilities, along with Commercial Management and Airline Affairs, Concessions, as well as all Commission related environmental issues including noise, air quality and water quality. In addition, the Planning Department is responsible for maintaining a good relationship with local, state, and federal government partners.

**BUDGET SUMMARY**

	2010 Actual	2011 Budget	2012 Budget	\$ Variance	% Variance
Personnel	208,457	210,282	213,029	2,747	1.31%
Administrative Expenses	11,758	16,688	10,160	-6,528	-39.12%
Professional Services	198,741	170,000	232,554	62,554	36.80%
Utilities	843	230	1,020	790	344.35%
Operating Services/Expenses	26,634	42,622	27,167	-15,455	-36.26%
Maintenance	0	0	0		
Other	0	0	0		
<b>Total Budget</b>	<b>446,433</b>	<b>439,821</b>	<b>483,930</b>	<b>44,109</b>	<b>10.03%</b>
<b>FTE Total</b>	<b>2</b>	<b>2</b>	<b>2</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Professional Services	Ongoing MSP Planning, initiation of Reliever Airport Long Term Comprehensive Plan Updates and preparation for future modifications at Crystal Airport.

**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Complete Long Term Comprehensive Plan (LTCP) for MSP.	Commission adoption of Plan.	The MSP Long Term Comprehensive Plan (LTCP) has been approved by the Commission.
Oversee implementation of Part 150 Consent Decree.	Completion of steps necessary to meet the milestones set forth on established schedule.	Implementation of the Noise Mitigation work required by the Consent Decrees continues on schedule and all required deadlines were met.
Complete Met Council review and MAC adoption of Reliever Airport Long Term Comprehensive Plans for Anoka County-Blaine Airport, Flying Cloud Airport and St. Paul Downtown Airport.	Commission adoption of Plans.	All Reliever LTCPs have been approved by the Commission.
Continue Reliever Airport Safety Zoning at STP and FCM and initiate Safety Zoning Process for Lake Elmo Airport.	Adoption of STP JAZB Ordinance, continuation of Flying Cloud Airport Joing Airport Zoning Board ((FCM JAZB) process, establishment of JAZB for Lake Elmo.	Submitted St. Paul (STP) Draft Airport Zoning Ordinance to Minnesota Department of Transportation (MnDOT) Commissioner. Completed FCM Draft Airport Zoning Ordinance in preparation for submission to MnDOT Commissioner.

**PLANNING****2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Begin active investigation of alternative energy options for MSP for the 2010 Stewards of Tomorrow's Airport Resources (STAR) Program.	Study results and recommendations for future alternative energy initiatives.	Investigation and preliminary evaluation of alternative energy options have been completed. There are no recommendations for projects at this time.
Oversee CMAA development of non-aeronautical business opportunities at the Reliever Airports.	Develop a program which identifies development opportunities, initiates land release and develop a process for third party assistance with marketing of MAC properties.	Work on this effort has been initiated and continues and is and will be coordinated with the efforts of the "Team Relievers" work group. Specific actions for zoning are underway with the City of Eden Prairie for FCM.

**2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Oversee implementation of Part 150 Consent Decree.	Completion of steps necessary to meet the milestones set forth on established schedule.	All elements continue on schedule for the 2014 completion.
Continue active investigation of alternative energy options for MSP for the 2010 STAR Program.	Evaluate the results and make recommendations for future alternative energy initiatives.	Efforts are continuing. Staff continues to pursue new leads for a solar application at MSP.
Oversee CMAA development of non-aeronautical business opportunities at the Reliever Airports.	Develop a program which identifies development opportunities, initiates land release, and develop a process for third party assistance with marketing of MAC properties.	Staff is preparing for a presentation to the Commission (which will occur at the January Commission meeting).
Continue Reliever Airport Safety Zoning at STP and FCM and initiate safety zoning process for the Lake Elmo and Anoka County-Blaine Airport.	Adoption of STP and FCM JAZB Ordinances and establishment of JAZB for Lake Elmo and Anoka County-Blaine.	This work is on hold pending resolution of legal matters that affect this effort.
Progress the Environmental Assessment for the Long Term Comprehensive Plan for MSP for eventual adoption by the Commission in 2012.	Commission Progress Reports.	The Environmental Assessment work continues on track for a 3rd Quarter 2012 completion.

**PLANNING****2012 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Assure Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
Develop and deliver a plan for dealing with excess real estate at MSP.	Focus on the four Reliever Airport parcels, which the commission approved for a lease development program with a third party developer.	Provide additional revenue in the form of a long term development agreement for the Reliever Airport financial model by years end.

<b>Organizational Strategic Goal: <i>Enhance Air Service at MSP</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
Complete the environmental documentation associated with MSP 2020 Improvements that will allow for terminal development necessary to accommodate new air service.	Complete the MSP 2020 Improvements Environmental Assessment/Environmental Assessment Worksheet.	Approval by the Commission and the FAA and obtain the Record of Decision.

<b>Organizational Strategic Goal: <i>Provide a Great Customer Experience</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Develop the 2013-2019 Capital Improvement Program with input from all stakeholders and Finance.	Present draft of the 2013-2019 CIP to the Commission and Metropolitan Council and surrounding communities in September for environmental review. Adopt the 2013-2019 Capital Improvement Program at the December 17, 2012 Commission Meeting.
Improve the traveling public's experience by expanding the arts and culture program at MSP.	Expand the arts and culture program at MSP.	Improve Airport Service Quality (ASQ) score for Airport Environment: Ambience of the airport.

**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Est.</b>	<b>Goal</b>
Employee Engagement	100%	100%	100%	100%	100%	100%

**SC Performance Indicator:** Performance reviews completed**Comments:** Our goal is to complete annual performance reviews with 100% of our employees every year.

Environment	100%	100%	100%	100%	100%	100%
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**SC Performance Indicator:** Compliance with Consent Decree Deadlines**Comments:**

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**AIR SERVICE BUSINESS DEVELOPMENT**

The Air Service Business Development Department is responsible for three primary areas: 1) Developing air service - marketing MSP for new international passenger and cargo flights and for new low fare domestic passenger flights; 2) Promoting the facilities and services of MSP and MAC's system of airports both domestically and internationally; 3) Building 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.

**BUDGET SUMMARY**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	73,868	65,704	66,541	837	1.27%
Administrative Expenses	20,178	53,282	40,374	-12,908	-24.23%
Professional Services	115,252	130,000	130,000	0	0.00%
Utilities	78	864	0	-864	-100.00%
Operating Services/Expenses	0	100,000	0	-100,000	-100.00%
Other	0	0	0		
<b>Total Budget</b>	<b>209,377</b>	<b>349,850</b>	<b>236,915</b>	<b>-112,935</b>	<b>-32.28%</b>
<b>FTE Total</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Operating Services/Expenses	No international air service marketing incentives are planned for payment in 2012 due to Delta's decision to terminate Mexico City service.

**2010 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Effectively manage MAC's air service business development efforts through participation in various industry conferences.	Attendance/participation in 3 main industry conferences:  Routes Americas. Jumpstart. Routes World.  Participation at these conferences involves 20-25 minute meetings with 7-10 carriers at each conference. The meetings communicate information regarding MSP and the Twin Cities metropolitan area that the airlines may find useful for evaluating whether or not to initiate or increase air service. Results vary and are difficult to measure. The ultimate goal is for the quick 20 minute meetings to lead to more in-depth discussions with the carriers.	Participation in all conferences were completed. This item will carry over as an objective for 2011.

**AIR SERVICE BUSINESS DEVELOPMENT****2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Complete headquarter visit with both incumbent and potential new entrant airlines to discuss new and expanded air service opportunities for MSP.	For 2010, headquarter visits are planned with at least two airlines and potentially more depending on the outcome of meetings at the industry conferences. Purpose of the meetings will be to provide more in-depth detail and data regarding the potential to provide air service at MSP. It is not realistic to expect that headquarter visits result in the introduction of new service. Rather, the visits are more intended to keep the carriers familiar with MSP and the Twin Cities to ensure our opportunity is properly evaluated against all other options airlines have when making air service decisions.	All headquarters meeting were completed.

**2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Complete meetings with corporate travel managers of each of Minnesota's 20 Fortune 500 companies and 7-8 largest private companies for the purpose of achieving a more thorough understanding of corporate travel requirements.	A completed database of contacts who can be reached out to at any moment for a range of information requests regarding corporate travel needs for not only air service purposes but overall MSP/MAC partnership building purposes.	This item has converted to working with the Greater MSP organization for access to corporations throughout the area.
Engage the network planning members of Delta Air Lines in a strategic planning discussion regarding MSP air service to identify areas of service deficiency for Delta; work to assist Delta's consideration of new or expanded air service for MSP.	Meeting with Delta representatives in Atlanta.	Meeting with Delta Air Lines completed February 15, 2011.

**AIR SERVICE BUSINESS DEVELOPMENT****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Market MSP to both incumbent and new entrant airlines through participation in industry conferences.	<p>Attendance/participation in 3 main industry conferences:</p> <p>Network USA Jumpstart Routes World</p> <p>Participation in these conferences allows for 20-25 minute meetings with 7-10 airlines at each conference. The meetings communicate information regarding MSP and the Twin Cities that airlines may find useful for evaluating options to initiate or expand air service. The goal of these meetings is to lead to more in-depth discussions with the airlines</p>	Attendance at Network USA, Jumpstart, and Routes World completed in Q1, Q2, and Q3 respectively
Complete airline headquarters visits with both incumbent and new entrant airlines to review new or expanded air service opportunities for MSP.	Completion of meetings with 2-4 incumbent and new entrant airlines to review in detail air service data that supports new or expanded air service for MSP. It is not realistic to expect the headquarters visits directly result in the introduction of new service. Rather, the visits are intended to keep the airlines familiar with MSP and the Twin Cities to ensure MSP is properly evaluated against other options airlines have when making air service decisions.	Based on meetings with the airlines at industry conferences in 2011, more detailed headquarters meetings were not necessary in 2011, but will be in 2012.

**2012 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Enhance Air Service at MSP</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Enhance and expand MSP's air service incentive program.	Research, analyze, and recommend to the Commission an enhanced and more broad air service incentive program.	Commission approval

**AIR SERVICE BUSINESS DEVELOPMENT****2012 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal:</b> <i>N/A</i>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
N/A	Market MSP to incumbent and new entrant airlines through airline headquarter meetings	At least 2 airline headquarters meetings in 2012
N/A	Market MSP to incumbent and new entrant airlines through participation in air service forums	Attendance and participation at the following air service forums:  Network USA - March 2012 Jumpstart - June 2012 Routes World - October 2012

**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Est.</b>	<b>Goal</b>
Customer Experience	N/A	2	3	3	3	3 per year
<b>SC Performance Indicator:</b> Airline Meetings - Conferences						
<b>Comments:</b> Plan to meet with 7-10 airlines at each conference.						
Customer Experience	N/A	0	3	1	3	3 per year
<b>SC Performance Indicator:</b> Airline Meetings - Headquarters						
<b>Comments:</b> Meetings with both incumbent and new entrant carriers at their headquarters.						
Customer Experience	N/A	1	2	2	2	2 per year
<b>SC Performance Indicator:</b> LASAC Meetings						
<b>Comments:</b> Meetings are with outstate airports to discuss air service related issues for the smaller communities in the state of Minnesota.						

**AIRPORT DEVELOPMENT**

Airport Development supervises preparation of the Commission's Capital Improvement Program and the, planning, design, engineering, architecture, and construction of all Commission facilities at MSP and the Commission's six Reliever Airports.

**BUDGET SUMMARY**

	2010 <u>Actual</u>	2011 <u>Budget</u>	2012 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	385,416	435,856	451,819	15,963	3.66%
Administrative Expenses	35,225	30,620	43,625	13,005	42.47%
Professional Services	178,200	242,500	242,500	0	0.00%
Utilities	495	600	4,000	3,400	566.67%
Operating Services/Expenses	2,273	7,700	2,500	-5,200	-67.53%
Maintenance	0	900	1,000	100	11.11%
Other	173	0	7,500	7,500	100.00%
<b>Total Budget</b>	<b>601,782</b>	<b>718,176</b>	<b>752,944</b>	<b>34,768</b>	<b>4.84%</b>
<b>FTE Total</b>	<b>15</b>	<b>15</b>	<b>15</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	New software and upgraded licensure as well as long overdue aerial photography of the Reliever Airports increased administrative expenses for 2012.
Other	Expenses in the Other category consist of new workstations for technicians and new office furniture to replace 30 year old furniture in the department.

**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Direct the ongoing review and development of the 2010 Capital Improvement Program.	Assign project managers and key team members for all 2010 CIP projects. Conduct project development meetings with stakeholders to solidify project scopes for design. Schedule projects for bid and award in 2010.	All 2010 CIP projects were assigned by January 31st and bid schedules developed for all of 2010.
Implement the 2010 Capital Improvement Program.	Design, bid, award and have under construction all projects in the approved 2010 CIP by December 31, 2010.	100% of projects planned for implementation in 2010 were awarded. Bids received were very favorable at 1/3rd below CIP estimate on average.
Develop the 2011- 2017 Capital Improvement Program.	Present draft of the 2011 - 2017 CIP to the Commission in September for environmental review. Commission adoption of the 2011 - 2017 Capital Improvement Program Dec. 20, 2010.	2011-2017 CIP was adopted by the Commission on December 20, 2010.

**AIRPORT DEVELOPMENT****2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Manage Architectural/Engineering/Construction Coordinator services.	Perform annual performance evaluations on all continuing consultants. Manage Professional Service Authorizations (PSAs) and invoice processing in accordance with MAC policies. Conduct competitive selection process for expiring continuing consultant services.	All consultant performance reviews were completed by Dec. 20, 2010. Completed the reselection process for MSP Construction Coordinator and MSP Landside Transportation Engineer.
Manage property acquisitions/disposal.	Property management administration.	Acquired FCM RPZ property that was formally part of Grace Church; FAA grant reimbursement applied for. Provided analytical data to MAC legal regarding Bloomington Land acquisition. Prepared and distributed for comment the first draft of MSP and Reliever redevelopment sites for consideration.
Obtain federal and state aid to the extent possible on eligible capital improvement projects.	All MSP Entitlement funds and Non-Primary entitlement funds are utilized. Identify and solicit "Discretionary" funding on all high priority eligible projects. Report to the Commission annually on the number and total value of federal and state aid funds applied for and received.	Grants received: MSP - FAA Entitlement = \$5,783,340; FAA LOI = \$5M, ANE - FAA Non-Primary Entitlement = \$441,396; TSA = \$31,893,666; STP - MnDOT = \$4M.

**2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Implement the 2011 Capital Improvement Program.	Design, bid, award and have under construction all projects in the approved 2011 CIP by December 31, 2011.	95.9% of projects approved by the Commission were implemented in 2011.
Direct the ongoing scope refinement and development of the 2011 Capital Improvement Program projects.	Assign project managers and key team members for all 2011 CIP projects. Conduct project development meetings with stakeholders to solidify project scopes for design. Schedule projects for bid and award in 2011.	Projects authorized for construction in 2011 have been awarded to date. A few projects including the T1 public seating replacement project, the CCTV system Integrator selection and the T1 roadway documentation project have been deferred to first qtr of 2012 to allow sufficient time to properly scope these projects.

**AIRPORT DEVELOPMENT****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Develop the 2012-2018 Capital Improvement Program with input from all stakeholders and Finance.	Present draft of the 2012-2018 CIP to the Commission and Metropolitan Council and surrounding communities in September for environmental review. Adopt the 2012-2018 Capital Improvement Program at the December 19, 2011 Commission meeting.	Commission approved a \$119,550,000 2012 CIP on Dec 19, 2011.
Administer consultant service contracts and Professional Service Authorizations (PSA) in accordance with all applicable MAC policies.	No substantive external or internal audit findings.	Accomplished with minor recommendations for PSA processing improvements.
Manage Project and Continuing Consultant services in accordance with all applicable MAC policies.	Consultant fees negotiated within industry standards, i.e. 20-25% of construction cost. Consultant performance reviews completed annually.	Consultant fees negotiated within acceptable standards. All consultant annual reviews completed prior to year end.
Obtain and utilize federal and state aid to the extent possible on eligible capital improvement projects. Identify and solicit "Discretionary" funding for highly-eligible projects.	All MSP Entitlement funds and Reliever Non-Primary Entitlement funds are programmed and utilized. Annually report to the Commission the status of all aid solicited and received.	Currently FAA is working with 23rd continuing resolution without US Congress approving reauthorization/allocation of AIP funding. Annual report provided to the Commission in October 2011.
Manage property acquisition/disposition in conformance with all MAC and agency requirements.	No substantive external or internal audit findings.	Accomplished.

**2012 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Obtain and utilize federal and state aid to the extent possible on eligible capital improvement projects. Identify and solicit "Discretionary" funding for highly eligible projects.	All MSP Entitlement funds and Reliever Non-Primary Entitlement funds are programmed and utilized. Annually report to the Commission the status of all aid solicited and received.

**AIRPORT DEVELOPMENT****2012 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>N/A</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
N/A	Manage Project and Continuing Consultant services in accordance with all applicable MAC policies.	Consultant fees negotiated within industry standards, i.e. 20-25% of construction cost. Consultant performance reviews completed annually.
N/A	Administer consultant service contracts and Professional Service Authorizations (PSAs) in accordance with all applicable MAC policies.	No substantive external or internal audit findings
N/A	Implement the 2012 Capital Improvement Program.	Design, bid, award and have under construction all projects in the approved 2012 CIP by December 31, 2012.
N/A	Manage property acquisition/disposition in conformance with all MAC and agency requirements.	No substantive external or internal audit findings.

<b>Organizational Strategic Goal: <i>Provide a Great Customer Experience</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Develop the 2013-2019 Capital Improvement Program with input from all stakeholders and Finance.	Present draft of the 2013-2019 CIP to the Commission and Metropolitan Council and surrounding communities in September for environmental review. Adopt the 2013-2019 Capital Improvement Program at the December 17, 2012 Commission meeting.
NA	Direct the ongoing scope refinement and development of the 2012 Capital Improvement Program projects.	Assign project managers and key team members for all 2012 CIP projects. Conduct project development meetings with stakeholders to solidify project scopes for design. Schedule projects for bid and award for 2012.

**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Est.</b>	<b>Goal</b>
Employee Engagement	80%	80%	85%	100%	100%	100%
<b>SC Performance Indicator:</b> Complete performance reviews on Airport Development staff						
<b>Comments:</b>						
Development	3.3%	2.2%	1.6%	2.8%	TBD	<5%
<b>SC Performance Indicator:</b> Manage CIP construction projects within historic change order parameters						
<b>Comments:</b>						

**BUILDING OFFICIAL**

The Building Official/Office of Permits and Inspections is responsible for the overall administration of the Metropolitan Airports Commission Building Code Ordinance and is directly accountable to the Deputy Executive Director - Planning and Environment. Responsibilities include the application, administration, implementation and enforcement of the State of Minnesota Building Code and the Metropolitan Airports Commission Construction Standards and Procedures and Design Standards and Guidelines. Duties include plan review, issuance of permits, inspections and retention of inspection history and building construction plans. In addition, the department staff provides Construction Management responsibilities for retail and food and beverage construction build outs and remodeling of existing tenant spaces within Terminal 1 and Terminal 2.

**BUDGET SUMMARY**

	2010 Actual	2011 Budget	2012 Budget	\$ Variance	% Variance
Personnel	157,886	155,948	157,988	2,040	1.31%
Administrative Expenses	18,341	16,527	18,500	1,973	11.94%
Professional Services	0	0	0		
Utilities	0	0	0		
Operating Services/Expenses	0	100	100	0	0.00%
Maintenance	0	0	0		
Other	0	0	0		
<b>Total Budget</b>	<b>176,227</b>	<b>172,575</b>	<b>176,588</b>	<b>4,013</b>	<b>2.33%</b>
<b>FTE Total</b>	<b>2</b>	<b>2</b>	<b>2</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Issue construction permits in accordance with the MN State Building Code and the MAC Construction Standards.	To issue permits within ten to fourteen business days from the application date.	In 2010 we issued 524 total permits and collected \$280,550.00 in permit fees. Projects that were permitted and/or completed include; T-2 Expansion and Pedestrian Bridge, T-1Delta Sky Club, Delta Building C Café, 2010 Misc. Mods., Valet Waiting Area, BlackBerry Wireless, Surdyks Café, TravelEx-US Banks, Check Point Security, LaBrea Café, United Red Carpet Club, Police Training RM, MUFIDS, South Baggage Screening, Phase 3 and Phase 4 Fire Protection.
Charge and collect fees for plan reviews and permits in accordance with the MN State Building Code and the MAC ordinance.	Review individual permits, monthly, quarterly and year end reports.	Collected \$280,000.00 in permit revenue and issued 524 permits. Quarterly reports were submitted on time.
Conduct inspections in accordance with the MN State Building Code and the MAC Design and Construction Standards.	Inspections shall be conducted within twenty fours of the request.	All inspections requested to our department were conducted within the 24 hour time period.

**BUILDING OFFICIAL****2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Conduct plan reviews in accordance with the MN State Building Code and the MAC Design and Construction Standards.	Initial plan reviews shall be conducted within 10 to 14 days of the permit application. Comments shall be given back to the design professional in charge of the project.	All initial and preliminary plan reviews were completed within the required 10 to 14 day period and comments were submitted either verbally or in writing to the project design professional.
Permit requests shall be routed to individuals and departments shown on the division's distribution routing list.	Allow 10 to 14 days for response from contacts on distribution list.	Routing of required permits was completed and we allowed the required 10 to 14 day response period to take place.
Update the MAC Design and Construction Standards.	Annually.	The 2011 amendments to the MAC Design and Construction Standards were completed.
Complete the Phase 4 sprinkler and fire alarm project in the Lindbergh Terminal.	Issue permits and complete final inspections and acceptance.	Permits and inspections for the phase 4 fire alarm and sprinkler upgrades to T-1 are underway and the work is approximately 40% complete.

**2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Complete an Airport ADA Compliance Report for Terminal 1 and Terminal 2.	Conduct the reviews using the Americans with Disabilities Act checklist for existing facilities.	Completed approx. 80% review of T-1 and 90% review of T-2. Remodel of customer restrooms in T-1 began late in the fourth quarter of 2011. These upgrades include ADA compliance issues.
Provide the G Concourse with sprinklers and smoke detection.	Work with Delta Airlines staff and their consultants to complete the task.	All design and engineering was completed in the fourth quarter of 2011 and construction will begin in the first quarter of 2012.
Complete review of the MAC Design and Construction Standards.	Work with various MAC staff and consultants to make recommendations on specific changes to the document.	Completed approx. 1/2 of the document review in 2011 and will continue the review in 2012.
Purge the department's plans and permits files.	Follow the Department's Record Retention Plan.	Permit files have been purged and sent over to the retention storage building.
Complete Phase 4 Fire Sprinkler and Alarm upgrades at T-1 and T-2.	Rough Inspections and Final Inspections are completed.	Project is complete and final acceptance testing to be completed in the first quarter of 2012.

**BUILDING OFFICIAL****2012 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: N/A</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
N/A	Conduct inspections in accordance with the Building Code and MAC Construction Standards.	Inspections shall be conducted within 24 hours of the request.
N/A	Charge and collect fees for plan reviews and permits in accordance with the MAC Ordinances. Charge and collect SAC (Sewer Availability Charge) fees in accordance with the Met Council fee schedule.	Review individual permits and determine the required fee amounts from adopted fee schedules.
N/A	Issue construction permits in accordance with the MN State building code and the MAC design and Construction Standards. Route all permit requests to individuals and departments shown on the division's distribution routing list.	To issue permits within ten to fourteen business days from the application date.
N/A	Complete the design work for the Fire protection within the bag claim area at T-1.	Work with the staff within Airport Development and MAC Consultants.
N/A	Construct new MAC Data Center Building	Complete the plan review, issue permits and conduct inspections for the new Data Center building.
N/A	Complete the construction of the Check Points and terminal expansion of T-2	Provide the required inspections and complete final inspections.
N/A	Conduct plan reviews in accordance with the Building code and MAC Design and Construction Standards.	Initial plan reviews shall be completed within 10 to 14 days after receiving the plans into our office. Comments shall be given back to the design professional in charge of the project.
N/A	Complete ADA compliance review of T-1	Complete the inspections and provide findings to Airport Development
N/A	Provide construction management to all retail and food and beverage tenant buildouts within T-1 and T-2	As new or remodel projects complete the design review, we will be responsible to initiate and complete the construction management responsibilities for all the work in each tenant space.
N/A	Complete G concourse fire protection project	Project is broken into several phases. As each phase is completed, final commissioning and testing will be conducted.

**BUILDING OFFICIAL****SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Est.	Goal
Development	N/A	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Construction Management/Tenant Buildouts						
<b>Comments:</b> Provide construction management responsibilities for all retail/food and beverage tenant buildouts within T-1 and T-2						
Development	N/A	98.5%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Issue construction permits						
<b>Comments:</b> Issue construction permits in a timely manner and in accordance with state codes.						
Safety & Security	N/A	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Conduct inspections						
<b>Comments:</b> Conduct inspections within 24 hours of the request.						
Development	N/A	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Update Design and Construction Standards						
<b>Comments:</b> Update the MAC Design and Construction Standards annually or as needed.						
Development	N/A	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Conduct Plan Reviews						
<b>Comments:</b> Conduct plan reviews on construction plans within 10 to 14 days of submittals to ensure compliance with state codes and MAC requirements.						

**COMMERCIAL MANAGEMENT/AIRLINE AFFAIRS**

Commercial Management/Airline Affairs is responsible for revenue generation at all MAC airports, property/real estate management, concession/business development and air service recruitment.

**BUDGET SUMMARY**

	2010 Actual	2011 Budget	2012 Budget	\$ Variance	% Variance
Personnel	378,129	362,580	424,254	61,674	17.01%
Administrative Expenses	11,882	14,000	13,800	-200	-1.43%
Professional Services	6,912	39,000	40,000	1,000	2.56%
Utilities	2,359	2,592	3,456	864	33.33%
Operating Services/Expenses	1,797	9,400	700	-8,700	-92.55%
Maintenance	183,160	283,450	157,275	-126,175	-44.51%
Other	0	0	0	0	0.00%
<b>Total Budget</b>	<b>584,239</b>	<b>711,022</b>	<b>639,485</b>	<b>-71,537</b>	<b>-10.06%</b>
<b>FTE Total</b>	<b>5</b>	<b>5</b>	<b>5</b>		

**BUDGET HIGHLIGHTS**

Personnel	The 2011 budget included a vacancy for a retirement while the 2012 budget includes a full year of wages. Also, wage structure adjustments and step increases increased Personnel.
Maintenance	Costs in the Maintenance area were over budgeted in 2011 which resulted in a decrease for the 2012 budget. Also, some janitorial cleaning services were moved to Facilities.

**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Complete extension of airline agreement through 2014 with airlines whose airline agreement term does not extend to 2020.	Execution of documents by both MAC and the airlines.	Agreements have been completed through 2011 instead of 2014 as a result of issues associated with the United/Continental merger. This same objective will carry over to 2011.
Establish a plan agreeable to airline tenants for either purchasing all or replacing select jet bridges throughout the Lindbergh Terminal.	Memorandum of Understanding (MOU) or other documents with Delta outlining the details.	Much progress has been made. \$13.5M is in the 2011 CIP to complete replacements. Details regarding what bridges will be replaced are still being determined.
Issue RFPs for NEW concepts that meet passenger needs.	Complete RFPs and award Commission approved contracts.	Successful RFPs were issued and awarded for the following new concepts: BlackBerry and Natural Element. Surdyk's was also opened by Delaware North Company (DNC).

**COMMERCIAL MANAGEMENT/AIRLINE AFFAIRS****2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
<p>Initiate Concession Releasing Long Range Planning with all affected MAC departments.</p> <p>Create criteria that identifies batches or locations that warrant lease extensions, versus new RFPs.</p>	<p>Complete initial kick-off discussion on January 13, 2010. Collect specific feedback from Finance, Airport Development, Facilities and Legal by January 30, 2010.</p> <p>Collect specific feedback by department regarding:</p> <ul style="list-style-type: none"> <li>- Issues to correct in future RFPs and leases</li> <li>- Issues/concepts which worked well and should be retained</li> </ul>	<p>Currently working with HMSHost and all other tenants on lease extensions that will tie in with the Long Term Comp Plan. Resolving what should be extended and for what time period.</p>
<p>Develop Concession Releasing Plan for next round of opportunities before leases near expiration.</p>	<p>Develop timeline for blending of LTCP with concession releasing by July 2010. Conduct consumer research in fall 2010.</p>	<p>Due to the change of direction in seeking extensions for the current leases, the consumer research project has been delayed. Currently working with our tenants to determine lease extension timelines and business terms. This recommendation will be taken back to the Commission and will need approval.</p>
<p>Rebid/renegotiate the Rental Auto Concession Agreement.</p>	<p>Develop a new rent structure that will help stabilize the rental auto revenue stream to MAC.</p>	<p>Staff has just completed all the changes to the new agreement and is in the process of providing the documents to the industry. At the end of 2010 the remaining debt associated with the T1 rental auto facility was retired. This allowed staff to incorporate additional revenue collection for this lease improving rent to MAC by approximately \$500k per year over the old agreement.</p>
<p>Establish a new strategy and action plan for marketing all the available non-aeronautical land at the Reliever Airports.</p>	<p>Increase the general revenue account for the Reliever Airports by contracting for at least one land development project in 2010.</p>	<p>Staff completed the MOU negotiation with Eden Prairie and is now moving forward to get FAA approval of a land release. Additionally, staff has also had discussions with two developers interested in the site and is reviewing what type of action staff should bring to the Commission regarding a development plan for the site.</p>

**COMMERCIAL MANAGEMENT/AIRLINE AFFAIRS****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Complete extension of the Airline Agreement through 2014 or 2015 based on the status of the LTCP.	Completion of execution documents.	Execution documents have been forwarded to the applicable airlines extending the Term of the Airline Agreement to December 31, 2015
Reach agreement with the airlines and MAC senior staff with regard to either implementing or not implementing a debt service charge to terminal rent based upon Lindbergh Terminal vacancies.	Completion of meetings with the airlines and MAC senior staff to determine the appropriate direction based on the results of space vacancy associated with the United/Continental merger.	\$1.00 per square foot vacancy surcharge to be implemented in 2012 and possibly 2013.
Expand the rental auto operating facility at T2 to accommodate passenger growth.	Working with the rental car industry, staff will strive to reduce customer complaints associated with long lines and wait time to get a car during peak business hours.	Staff is working with the industry as well as a consultant to make the necessary changes to the T2 facility to accommodate the customer growth. The first phase of this project should be done by July.
Focus on finding a developer for new commercial development site located along Pioneer Trail at the Flying Cloud (FCM) Airport.	Develop a new revenue source for the Reliever Airports financial model with a goal to exceed \$60k of annual revenue.	Staff will present an action plan for land development in 2012 at the January 2012 Commission meeting.

**2012 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Develop and deliver a plan for dealing with excess real estate at MSP.	Focus on the four Reliever Airport parcels, which the Commission approved for a lease/development program with a third party developer.	Provide additional revenue in the form of a long term development agreement for the Reliever Airport financial model by years end.

Organizational Strategic Goal: <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Hire a commercial land appraisal company via RFP process in 2012 to appraise MSP ground rental rates in 2013.	Commission approval to hire a land appraisal company
N/A	Implement a fuel flowage fee at MSP applicable to general aviation users through revision of Ordinance No. 96.	Commission approval of Ordinance revision

**COMMERCIAL MANAGEMENT/AIRLINE AFFAIRS****2012 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Provide a Great Customer Experience</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Begin working with the Rental Auto industry to establish the either the interim or long term fix for the Terminal 2 consolidated facility.	Improve the rental auto operations by developing a quick turn facility which will include wash bays, fueling and fluid top off stations. This development will reduce roadway traffic and increase the industries ability to process returned rental cars at the T2 facility. Additionally, develop additional or larger counter space areas to improve passenger flow.

**2013 - 2016 LONG TERM OBJECTIVES**

<b>Objective</b>	<b>Expected Results</b>
Conduct a ground rent appraisal for the MSP campus and implement the findings of that appraisal by updating the ground rent ordinance.	Conduct an appraisal of MSP property to see how our rates compare to the local real estate market as well as the rental rates set at other comparable large airports.

**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Est.</b>	<b>Goal</b>
Operations	NA	NA	NA	NA	100%	100%
<b>SC Performance Indicator:</b> Write new leases for leases currently in holdover						
<b>Comments:</b> This is a new target in 2012.						
Employee Engagement	NA	NA	NA	NA	100%	100%
<b>SC Performance Indicator:</b> Staff performance evaluations completed timely						
<b>Comments:</b> This is a new target in 2012.						

**CONCESSIONS & BUSINESS DEVELOPMENT**

The Concessions and Business Development Department is responsible for the management of all current concessions and passenger services leases throughout the terminals. The department is also responsible for the development of new revenue generating ideas within these categories.

**BUDGET SUMMARY**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	405,146	453,993	383,022	-70,971	-15.63%
Administrative Expenses	10,705	5,301	8,136	2,835	53.48%
Professional Services	7,328	20,000	16,000	-4,000	-20.00%
Utilities	3,530	4,320	3,456	-864	-20.00%
Operating Services/Expenses	0	7,900	3,500	-4,400	-55.70%
Maintenance	0	0	0		
Other	0	0	0		
<b>Total Budget</b>	<b>426,709</b>	<b>491,514</b>	<b>414,114</b>	<b>-77,400</b>	<b>-15.75%</b>
<b>FTE Total</b>	<b>4</b>	<b>4</b>	<b>4</b>		

**BUDGET HIGHLIGHTS**

Personnel	Due to an open position that has not yet been filled, we were under budget in 2011 which resulted in a reduction in the 2012 budget. Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	We have an increase in administrative expenses to allow for the Concessions Managers to travel to national conferences for industry exposure and new business development.
Utilities	We had allocated additional funds for a cell phone which we were later able to eliminate.
Operating Services/Expenses	To add additional funds to the Administrative Expenses for travel we reduced our operating expenses.

**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Increased customer service levels at all units within the terminals.	Utilize Bestmark shop reports to evaluate service levels. Achieve an increase of 3% over scores for 2010 from 2009.	Mystery Shop scores increased 3.5% over the previous year.
Look for additional revenue generating opportunities with leases that are currently month to month or are ending in 2010.	Successful new contracts with the following leases: SmarteCarte, Amusement, Tie Rack.	The SmarteCarte contract will remain on month to month until further notice, due to the strong current business terms. The Amusement contract has been moved to the list of opportunities for 2011. Tie Rack has been reconcepted and a new store Natural Element has opened in its place.
Begin process of developing concessions RFP for 2012.	A completed plan for the rebidding of the concessions program.	Currently working towards a lease extension plan with our current tenants and concessionaires.

**CONCESSIONS & BUSINESS DEVELOPMENT****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Extend the current concession leases to match up with the timing associated with the LTCP. This action will lock in the existing MAG and percent rents as well as provide some additional concession development.	Provide for approximately \$800k of additional concession sales over the 2010 sales numbers mainly in the area of food and beverage sales.	Taco Bell, La Tapenade, and Pei Wei all opened in fourth quarter and are performing up to projections. XpresSpa's first location is doing extremely well and the 2nd location will open in January of 2012. Chick-fil-A is scheduled for a May 1st opening date.
Look for additional revenue generating opportunities with leases that are currently in holdover status or are ending in 2011, as well as out of the box new ideas.	Successful new contracts with the following leases: XpresSpa, possible additional retail offerings for T2, expansion of the Retail Cart program.	A consultant has been hired for designing additional concessions space at T2 to tie into our new security checkpoint opening date of September 2012. XpresSpa is under construction in the second location.
To improve the customer experience at MSP in order to make MSP the airport of choice for travelers.	Utilize Bestmark shop reports to evaluate service levels. Achieve an increase in average score of 2% over 2010. Work with CSAC to roll out airport-wide training video and track results of progress of getting people through the program.	The Freeman Group's PSA has been signed and approved, and they have begun work on creating new templates for the revised mystery shopping program. They are scheduled to begin shopping the concession units by the end of 1st quarter 2012 with a more challenging program designed to raise customer service levels.

**2012 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Look for additional revenue generating opportunities with both current leases and new out of the box ideas.	Successful new contracts with: XpresSpa on F concourse, BluWire (replacing Bijoux Terner), Tumi (replacing Tumi/Brics), Aveda (replacing Hugo Boss), Minute Suites, Chick-fil-A (replacing Godfather's and A&W on C), Hot Dish (replacing Houlihan's), replacing the Natural Element concept with something TBD, roll out RFP for Terminal 2 concession expansion, and determine best use of space for the mezzanine level above French Meadow Main.
NA	Evaluate all current concession leases to look for opportunities to either extend or begin making plans for an upcoming RFP process. Evaluate all real estate to ensure the best concept is in the appropriate location.	An increase in sales for those particular unit locations, as well as positive feedback from the traveling public and internal customers.

**CONCESSIONS & BUSINESS DEVELOPMENT****2012 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Provide a Great Customer Experience</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
Remove a major source of customer dissatisfaction by providing free Wi-Fi throughout both MSP terminals.	Conduct an RFP for both Wi-Fi and Distributed Antenna System and award a contract(s) for these services.	Provide a free option for the traveling public to access Wi-Fi.
NA	Improve the customer experience at MSP in order to make MSP the airport of choice for travelers.	Utilize The Freeman Group, a new company who won the RFQ issued in 2011, to evaluate service levels. Achieve an increase in average unit score of 2% over 2011. Continue working with CSAC to roll out airport-wide training program for all airport and airline employees. Track results of getting people through the program.

**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Est.</b>	<b>Goal</b>
Customer Experience	80%	80%	82.2%	82.8%	83%	85%

**SC Performance Indicator:** Mystery Shop Scores

**Comments:** A new company, Freeman Group, will be used to mystery shop all units once per month to ensure a high level of customer service is happening in all concessions units. Scores are evaluated and rewards are given to associates who score a 100%, whereas corrective action is taken by MAC and managers for any associates receiving a failing score.

Finance	-.08%	-5.7%	+.9%	+1.7%	+2%	2%
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**SC Performance Indicator:** Food & Beverage & Retail Revenues

**Comments:** Look for additional opportunities to increase concessions revenue for the MAC. Results should be measured by total rent received to rent for 2012 compared to rent received for 2011 in Retail and News and Food and Beverage.

Finance	+2.2%	+11.5%	+30.33%	+.98%	+5%	7%
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**SC Performance Indicator:** Passenger Services Revenue

**Comments:** Look for additional opportunities to increase concessions revenue for the MAC. Results should be measured by total rent received to rent for 2012 compared to rent received for 2011 in Passenger Services.

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## **CONFERENCE CENTER**

The Conference Center provides first class customer service to the external and internal customer. This department is responsible for the management and promotion of the MSP Airport Conference Center. Food and beverage service is provided as requested by our clients. The Center is responsible for providing catering services, maintaining audio-visual equipment, and invoicing internal/external clients.

### **BUDGET SUMMARY**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	119,933	127,453	149,506	22,053	17.30%
Administrative Expenses	6,818	10,500	10,550	50	0.48%
Professional Services	0	0	0		
Utilities	288	70	865	795	1135.71%
Operating Services/Expenses	31,895	31,600	37,500	5,900	18.67%
Maintenance	0	100	0	-100	-100.00%
Other	5,016	4,000	5,200	1,200	30.00%
<b>Total Budget</b>	<b>163,950</b>	<b>173,723</b>	<b>203,621</b>	<b>29,898</b>	<b>17.21%</b>
<b>FTE Total</b>	<b>2</b>	<b>3</b>	<b>3</b>		

### **BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Utilities	The addition of a cell phone stipend for the Managing Supervisor of the Conference Center.
Operating Services/Expenses	Increase in expenses as a result in expected increase in catering events.

### **2010 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Continue to provide a first class customer experience to the internal and external customer without compromising revenue generation.	Try to meet every clients needs by searching for solutions to all special requests. If we don't offer the service, find someone who can. Based on client requests, add new catering options to our current menu.	Many new and improved items have been added to the Conference Center's menu.
Train in new employees in the Conference Center and develop their skills so they may provide the best customer service possible.	Strategically place employees in positions where their greatest strength will be matched to the tasks of the position. Continually work with employees to ensure they are challenged in their positions.	Employees have been trained and assigned duties based on their strengths. Team is currently operating at a highly efficient level.
To increase financial stability by increasing the revenue profit margins.	Watch expenditures and ensure that we are providing good quality catering in a cost effective manner. Increase catering rates which will provide an appropriate profit margin.	Profits are up in the Conference Center due to the installation of the in-house kitchen and catering options. Cost of goods sold decreased over 10% for the year, with the kitchen only being in operation for a few of those months.

**CONFERENCE CENTER****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
To increase financial stability by increasing the revenue profit margin.	Watch expenditures and ensure that we are providing good quality catering in a cost effective manner. Increase catering rates which will provide an appropriate profit margin.	The conference center has provided good quality catering in a cost effective manner without compromising safety standards. Catering rates have been adjusted as food costs rise. With the addition of a seasonal menu, the conference center has had the opportunity to increase profit margins while reducing the amount of staff time to prepare food items.
Ongoing development of current conference center staff to achieve even higher levels of customer service.	Strategically place employees in positions where their greatest strengths will be matched to the tasks of the position. Continually work with employees to ensure they are challenged in their positions.	The ACC staff is positioned based on their greatest strengths and has the ability to stand in for either position as necessary. The Managing Supervisor has implemented a quarterly change in position duties to ensure that in an emergency all staff has the ability to stand in for one another, or if necessary, run the entire operation seamlessly.

**2012 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Increase financial stability by increasing the revenue profit margin.	Monitor expenditures to ensure the 1/3 cost, 1/3 prep, and 1/3 profit margins are being met or exceeded.

Organizational Strategic Goal: <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Continue to provide a first class customer experience to the internal and external customer without compromising revenue generation.	Attempt to meet every client needs by searching for solutions to all special requests. If we don't offer the service, assist them in finding a viable solution. Use compliments and complaints to judge success.
N/A	Ensure that client information is being properly received, stored, and transmitted. Protect the safety of the traveling public regarding conference center and kitchen equipment.	Double check client data and oversee installation of new credit card processing system. Properly store kitchen and conference center equipment and double check security of the items.

**CONFERENCE CENTER****SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Est.	Goal
Finance	310,384	200,400	260,185	286673	315000	330000
<b>SC Performance Indicator:</b> ACC Gross Revenues						
Comments:						
Safety & Security	0	0	0	0	0	0 offenses
<b>SC Performance Indicator:</b> Secure area offenses						
Comments:						

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**ENVIRONMENT-GENERAL**

The Department of Environment is responsible for maintaining environmental compliance with state and federal environmental regulations at Commission-owned facilities. The Environmental Affairs and Aviation Noise and Satellite Program areas ensure compliance with policies that include: documenting environmental impact for construction projects; assessing noise impacts and corrective measures; complying with storm water and soil management programs; underground and aboveground storage tank administration; air quality monitoring; hazardous waste management; pollution prevention programs; and environmental investigations and audits. This department understands and is experienced with federal, state and local environmental regulations, rules, and ordinances. The Department of Environment maintains an effective working relationship with state and local units of government and generates activities to establish sound strategies to reduce environmental impacts.

**BUDGET SUMMARY**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	175,442	181,213	180,014	-1,199	-0.66%
Administrative Expenses	16,552	13,680	13,610	-70	-0.51%
Professional Services	7,544	10,712	25,000	14,288	133.38%
Utilities	587	1,127	1,200	73	6.48%
Operating Services/Expenses	4,093	0	0		
Other	3,973	3,000	3,000	0	0.00%
<b>Total Budget</b>	<b>208,191</b>	<b>209,732</b>	<b>222,824</b>	<b>13,092</b>	<b>6.24%</b>
<b>FTE Total</b>	<b>2</b>	<b>2</b>	<b>2</b>		

**BUDGET HIGHLIGHTS**

Personnel	Although Personnel increased due to wage structure adjustments and step increases, it decreased due to lower costs in regulatory requirements.
Professional Services	Define and scope Environmental Management System (EMS) for the MAC to establish an institutional process across MAC departments to ensure compliance with federal and state environmental regulations.

**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Implement air, water and noise programs to meet regulations.	Implement noise mitigation program elements consistent with Consent Decree. Develop program to meet new air and storm water regulations	Completed annual requirements of the noise mitigation Consent Decree; Implemented new storm water management plan to meet new Multi-Sector General Permit (MSGP) regulations at all MAC airports. Completed Green House Gas (GHG) inventory report and complete new air quality reporting requirements.
Implement elements of Environmental Management System.	Draft process for Environmental Management System.	Objective delayed due to financial limitations and organizational priorities.
Identify environmentally sustainable management programs.	Develop sustainable programs that improve the environment at the MAC's system of airports.	Completed bi-monthly STAR meetings that identified sustainable management programs. Incorporated, where appropriate, programs into both CIP and operational budgets.

**ENVIRONMENT-GENERAL****2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Support Reliever Advisory Safety Zoning initiatives.	Adopt St. Paul (STP) Joint Airport Zoning Board (JAZB) ordinance; continue FCM JAZB process; and establish 21D JAZB.	Submitted STP Draft Airport Zoning Ordinance to MnDOT Commissioner. Completed FCM Draft Airport Zoning Ordinance in preparation for submission to MnDOT Commissioner.

**2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Implement air, water and noise programs to meet regulations.	Implement Noise Mitigation Program elements consistent with Consent Decree. Develop program to meet new air and storm water regulations.	Completed the 2011 Annual Noise Contour Report and met Consent Decree requirements. A storm water monitoring program was implemented at all seven MAC airports to meet new MPCA regulations. A reporting process was also developed to meet new EPA requirements.
Implement elements of Environmental Management System.	Draft process for Environmental Management System	Completed fifty percent of the EMS definition and scoping process for MAC
Identify environmentally sustainable management programs.	Continuous improvement process to plan and implement sustainable programs that improve the environment at the MAC's system of airports.	MAC worked through the STAR program to identify and consider sustainability initiatives. These activities evaluated potential geothermal applicability, potential partnerships with outside entities for teaming opportunities, implementation of Phase 2 of the recycling and composting program at the terminals.
Develop environmental documents to support CIP priorities.	Submit annual Assessment of Environmental Effects (AOEE) and Environmental review documents to support MAC's development goals.	Completed the annual AOEE in December and completed the preliminary technical analysis for the MSP 2020 Improvements Environmental Assessment/Environmental Assessment Worksheet (EA/EAW).

**2012 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <b>N/A</b>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Define and scope an Environmental Management System for the MAC system of airports.	Completion of the definition and scoping process to identify the various elements of an EMS.
N/A	Complete the MSP 2020 Improvements EA/EAW	The MSP 2020 Improvements EA/EAW is submitted to the FAA and MAC for environmental determination.

**ENVIRONMENT-GENERAL****SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Est.	Goal
Environment	N/A	2	3	3	3	3
<b>SC Performance Indicator:</b> Develop environmental documents to support CIP priorities						
<b>Comments:</b>						
Customer Experience	N/A	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Complete airport and community advisory commission work plans						
<b>Comments:</b>						
Environment	N/A	0	0	0	0	0
<b>SC Performance Indicator:</b> Violations identified by a Regulatory Agency						
<b>Comments:</b>						
Environment	N/A	N/A	34.1%	TBD	50%	50%
<b>SC Performance Indicator:</b> Reduce on-road gas consumption						
<b>Comments:</b> 50% by 2015.						
Environment	N/A	N/A	5.2%	TBD	25%	25%
<b>SC Performance Indicator:</b> Reduce petroleum-based diesel fuel use						
<b>Comments:</b> 25% by 2015.						

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**ENVIRONMENT-ENVIRONMENTAL**

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

These responsibilities require an ongoing understanding of and experience with federal, state and local environmental regulations, rules and ordinances. It is also essential that this office maintain an effective working relationship with state and local units of government. This office aids in establishing sound environmental strategies and helps reduce impacts on surrounding communities.

**BUDGET SUMMARY**

	2010 Actual	2011 Budget	2012 Budget	\$ Variance	% Variance
Personnel	256,798	263,950	273,414	9,463	3.59%
Administrative Expenses	2,523	2,292	3,207	915	39.92%
Professional Services	249,786	243,180	304,958	61,778	25.40%
Utilities	972	575	587	12	2.09%
Operating Services/Expenses	28,221	37,765	1,686,704	1,648,939	4366.32%
Maintenance	0	0	0		
Other	9,230	31,700	30,300	-1,400	-4.42%
<b>Total Budget</b>	<b>547,529</b>	<b>579,462</b>	<b>2,299,170</b>	<b>1,719,707</b>	<b>296.78%</b>
<b>FTE Total</b>	<b>3</b>	<b>3</b>	<b>3</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increase are attributable to wage structure adjustments and step increases.
Professional Services	The increase will address continuing and new water quality, air quality and hazardous waste requirements and compliance efforts. The increase will also allow for a consultant to update, modify and maintain the Environmental Compliance database for the Relievers and MSP.
Operating Services/Expenses	The increase in Operating Services/Expenses is due to the transfer of funds from the MAC General Service Center to Environment-Environmental Affairs for Stormwater Management and Compliance.

**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Continue permit negotiations with the MPCA and respective stakeholders for a MSP National Pollutant Discharge Elimination System (NPDES) permit.	Negotiate and establish a workable permit for all stakeholders. A mutually agreed to and achievable draft permit is the end goal.	MSP National Pollutant Discharge Elimination System (NPDES) stakeholders and MPCA staff met twice in the 4th quarter 2010. Discussions continue on proposed water quality and technology based limits. A mutually agreed to draft permit was not drafted in 2010.
Implement final Above Ground Storage Tank (AST) permit requirements.	Develop procedures to implement negotiated compliance programs. Implement procedures in cooperation with other named Permittees.	MPCA did not issue a final AST permit in 2010. Permittees will continue to operate in accordance with the expired permit.

**ENVIRONMENT-ENVIRONMENTAL****2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Engage in general NPDES permit development with the MPCA.	Develop and implement monitoring requirements and best management practices when the permit is issued.	EAO staff implemented the required Multi-Sector General Permit (MSGP) storm water monitoring at the Reliever Airports and MSP. Staff has also worked on training the affected MAC staff to assist with compliance requirements of the general permit. Best management practices are reviewed and modified as needed.
Comply with annual regulatory reporting requirements.	Complete all required annual reports (e.g., Comprehensive Well Network (CWN), Hazardous waste, Storm water) in the allotted time. Reduce CWN monitoring and reporting requirements.	All monthly reports were submitted to the MPCA on or before mandatory submittal date. Miscellaneous reports were also completed although not required to be submitted to a specific regulatory entity (just available for review upon request).

**2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Continue re-permitting negotiations with the MPCA and airport stakeholders for a MSP NPDES permit.	Continue monthly meetings with regulators to establish a practicable permit for all stakeholders. The goal is to have a mutually agreed-to draft NPDES permit.	This objective is a carry over from 2010. The end goal of a mutually agreeable draft permit is a long-term objective. Therefore, it was included in 2011. This objective involves many stakeholders with varying approaches that continue to cause unanticipated obstacles to obtaining completion. At the end of 2011, no MPCA draft permit has been shared with the stakeholders.
Implement Final AST Permit requirements	Develop procedures to implement negotiated compliance programs. Implementation of permit procedures in cooperation with other named Permittees.	This objective is a carry over from 2010. The Final AST permit was not issued by the regulatory entity in the anticipated timeframe. At the end of 2011, no MPCA draft permit has been shared with co-permittees for review and comment.  At the end of 2011, no MPCA draft permit has been shared with co-permittees for review and comment.

**ENVIRONMENT-ENVIRONMENTAL****2012 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: N/A</b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
N/A	Continue re-permitting negotiations with the MPCA and airport stakeholders for a MSP NPDES permit.	Conduct monthly meetings with regulators to establish a practicable permit for all stakeholders. The goal is to have a mutually agreed to draft NPDES permit issued by MPCA.
N/A	Implement Final AST Permit requirements.	Develop procedures to implement negotiated compliance programs. Implementation of permit procedures in cooperation with other named Permittees.

**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Est.</b>	<b>Goal</b>
Environment	N/A	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Submit regularly scheduled reports						
<b>Comments:</b> 42 reports must be submitted either monthly, quarterly or annually to regulatory entities.						
Environment	N/A	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Implement elements of AST permit						
<b>Comments:</b> Continuing to perform requirements of the expired permit. To date, final AST permit has not been issued by MPCA.						
Environment	N/A	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Conduct monitoring activities						
<b>Comments:</b> Stormwater sampling at each airport (per quarter). UST/AST, OWS and stormwater inspection at the 7 airports.						
Environment	N/A	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Conduct compliance assistance inspections						
<b>Comments:</b> Reliever inspections are performed on a as needed basis (i.e. lease transfers) or at regularly scheduled times for commercial and/or storage based tenants.						

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**ENVIRONMENT-AVIATION NOISE**

The Aviation Noise and Satellite Programs area is dedicated to addressing airport noise issues around the MAC's system of airports, including Minneapolis-St. Paul International Airport. Through the implementation and use of available technologies, the MAC Aviation Noise and Satellite Programs office focuses on conducting technical application development, computer network maintenance, and in-house analysis and report development, reducing the need for outside consultants and related costs. Through coordinated efforts with communities and airport users via the MSP Noise Oversight Committee (NOC), the MAC Aviation Noise and Satellite Programs office strives to develop effective noise reduction solutions. This is made possible by providing pertinent, understandable information and analyses in support of program implementation and ongoing program monitoring.

**BUDGET SUMMARY**

	2010 Actual	2011 Budget	2012 Budget	\$ Variance	% Variance
Personnel	521,575	555,102	580,857	25,755	4.64%
Administrative Expenses	31,941	28,024	30,489	2,465	8.80%
Professional Services	81,953	181,300	181,300	0	0.00%
Utilities	1,620	275	1,620	1,345	489.09%
Operating Services/Expenses	79,293	102,161	96,011	-6,150	-6.02%
Maintenance	0	0	0		
Other	0	0	0	0	0.00%
<b>Total Budget</b>	<b>716,382</b>	<b>866,862</b>	<b>890,277</b>	<b>23,414</b>	<b>2.70%</b>
<b>FTE Total</b>	<b>7</b>	<b>7</b>	<b>7</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Enhance flight track data availability to the public.	Deploy real-time flight tracking application on the MACNOISE.COM website for MSP, STP and FCM, allowing users to view and replay flight tracks in a given location within 10 minutes of an aircraft operation occurring. Strengthens community and elected official relationships.	Task completed.
Compliance with noise litigation Consent Decree.	Completion/implementation of all elements in 2010 as required by the noise litigation Consent Decree. Provides compliance with court ordered requirements.	Task completed.
Complete FCM Residential Noise Monitoring Program.	Conduct noise monitoring in homes around FCM in compliance with the final agreement between the MAC and City of Eden Prairie and the Operational Implementation Plan.	Task completed.

**ENVIRONMENT-AVIATION NOISE****2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Provide effective and efficient technical support and guidance to the Reliever Airport Joint Airport Zoning Boards.	Completion of St. Paul Downtown Airport Zoning Ordinance, submission of Flying Cloud Airport Zoning Ordinance to MnDOT for approval and commencement of Lake Elmo Airport Zoning Board activities. This provides compliance with State required zoning regulations in a cost effective manner.	Submitted STP Draft Airport Zoning Ordinance to MnDOT Commissioner. Completed FCM Draft Airport Zoning Ordinance in preparation of submission to MnDOT Commissioner.

**2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Airspace-wide Required Area Navigation (RNAV)/Required Navigation Procedure (RNP) implementation at MSP.	Complete National Environmental Policy Act (NEPA) environmental analysis necessary for procedure implementations.	Start of the NEPA environmental analysis is awaiting FAA finalization of procedure tracks.
Completion of MSP 2020 development environmental analysis.	Complete noise and land use analysis for the MSP 2020 Development Environmental Assessment (EA).	Drafting of the MSP 2020 Developments EA noise and land use chapters is complete.
Enhance the experience of visitors to the MACNOISE.COM website.	Redesign the entire MACNOISE.COM website.	MACNOISE.COM website redesign has been completed.
Provide effective and efficient technical support and guidance to the Reliever Airport Joint Airport Zoning Boards.	Completion of St. Paul Downtown Airport Zoning Ordinance and Flying Cloud Airport Zoning Ordinance JAZB processes and commencement of Lake Elmo Airport Zoning Board Activities. This provides compliance with State required zoning regulations in a cost effective manner.	The St. Paul and Flying Cloud Zoning Boards are awaiting further legal determinations that will help establish the appropriate way forward for the Boards. It is anticipated this consideration will be significantly influenced by the ongoing litigation in the Interstate Companies, Inc. v. City of Bloomington, et. al and O'Neill v. City of Bloomington, et. al cases, and by further developments in the DeCook case. These findings will help determine the future course of actions by the Boards.
Compliance with noise litigation consent decree.	Completion/implementation of all elements in 2011 as required by the noise litigation Consent Decree. Provides compliance with court ordered requirements.	Completed all required work in support of MAC's Consent Decree compliance.

**ENVIRONMENT-AVIATION NOISE****2012 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Leverage Resources and Technology</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
Increase the use of existing technology internally at the MAC and externally with customers.	Airspace-wide RNAV/RNP procedure implementation at MSP.	Complete NEPA environmental analysis necessary for procedure implementation.

<b>Organizational Strategic Goal: <i>Provide a Great Customer Experience</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Completion of MSP 2020 Improvements Environmental Assessment.	Finalize noise and land use chapters/analysis and respond to public comments related to these topics.

<b>Organizational Strategic Goal: <i>Strengthen Partnerships and Relationships</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Compliance with noise litigation Consent Decree	Completion/implementation of all elements in 2012 as required by the noise litigation Consent Decree. Provides compliance with court-ordered requirements.

**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Est.</b>	<b>Goal</b>
Customer Experience	4	4	4	4	4	4

**SC Performance Indicator:** Conduct 4 Quarterly Noise Public Input Meetings**Comments:**

Environment	Annual NOC Work Plan Completed	Annual NOC Work Plan Completed	Annual NOC Work Plan Completed	Annual Work Plan Completed	Annual NOC Work Plan Completed	Completion of Annual NOC Work Plan
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**SC Performance Indicator:** Complete all required activities in support of the MSP Noise Oversight Committee**Comments:**

Environment	100%	100%	100%	100%	100%	100%
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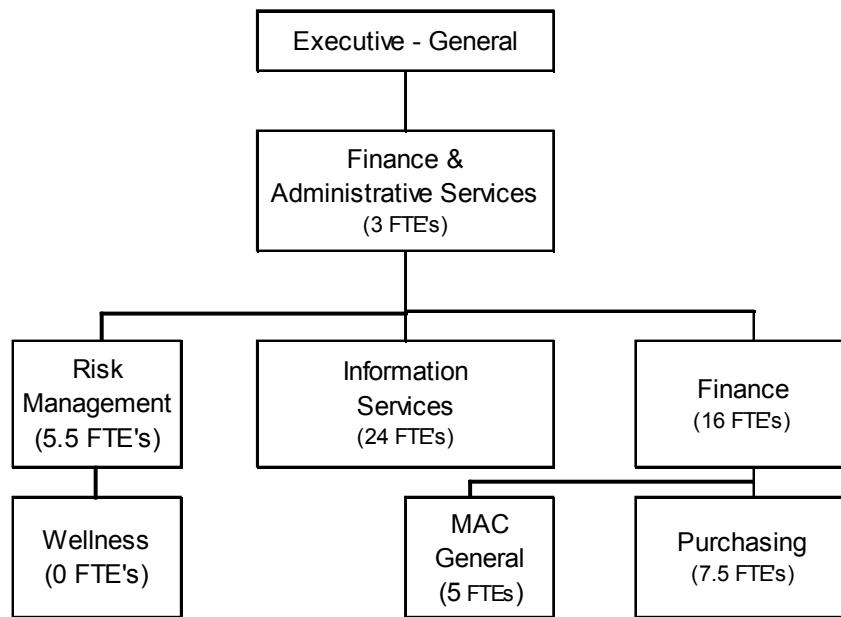
**SC Performance Indicator:** Complete all required activities in support of the Relievers Airport Advisory Commission**Comments:**

Customer Experience	3 Days					
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**SC Performance Indicator:** Answer, document and respond to noise complaints**Comments:** Respond to complaints within 3 business days.

**ENVIRONMENT-AVIATION NOISE****SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Est.	Goal
Environment	Completed	Completed	Completed	Completed	Complete	Complete
<b>SC Performance Indicator:</b> Conduct GIS Spatial Analysis and Map development in support of Noise Office and organization projects						
<b>Comments:</b> Conduct all required GIS activities.						
Finance	Completed	Completed	Completed	Completed	Complete	Complete
<b>SC Performance Indicator:</b> Complete Annual Noise Contour Report						
<b>Comments:</b> Complete Annual MSP Noise Contour Report.						
Finance	Completed	Completed	Completed	Completed	Complete	Complete
<b>SC Performance Indicator:</b> Complete annual CIP AOEE documentation						
<b>Comments:</b>						
Customer Experience	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Effective operation and maintenance of MACNOISE.COM website						
<b>Comments:</b> Ensure site availability.						
Customer Experience	Completed	Completed	Completed	Completed	Complete	Complete
<b>SC Performance Indicator:</b> Maintain accurate and clean flight track and noise data						
<b>Comments:</b> Ensure clean and accurate data.						
Finance	Zero	Zero	Zero	Zero	Zero	Zero
<b>SC Performance Indicator:</b> Maintain and develop TIN in support of Noise Office activities						
<b>Comments:</b> Percentage of downtime. TIN functionality meets office needs.						
Finance	Completed	Completed	Completed	Completed	Complete	Complete
<b>SC Performance Indicator:</b> Maintain and calibrate noise and flight track monitoring units						
<b>Comments:</b> Conduct system calibration and maintenance.						
Environment	4	4	4	4	4	4
<b>SC Performance Indicator:</b> Publish 4 Quarterly MSP Noise News Newsletters						
<b>Comments:</b>						

**Finance & Administrative Services Division**

**Notations to Service Center Summaries:**

- \* Variance (dollars and %) is computed between 2011 Budget and 2012 Budget
- \* The explanation for the variances is based upon the 2011 Budget and 2012 Budget
- \* Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

**FINANCE & ADMINISTRATIVE SERVICES**

The Finance and Administrative Services Division is responsible for overseeing the implementation of the Commission's financial policies, strategic financial planning and analysis, and the establishment of good fiscal and budgetary practices. Achievement in these areas provides funding as required for operating and capital expenditures of the airports system and the establishment of good business practices to optimize the generation of revenues. This division also oversees and guides the strategic implementation of technology solutions and information management as well as the management of the organization's Wellness, Risk and Insurance programs.

**BUDGET SUMMARY**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	354,674	360,219	311,989	-48,231	-13.39%
Administrative Expenses	9,611	5,895	6,000	105	1.78%
Professional Services	0	2,500	1,000	-1,500	-60.00%
Utilities	45	0	540	540	100.00%
Operating Services/Expenses	0	0	0		
Maintenance	247	0	200	200	100.00%
Other	0	1,000	600	-400	-40.00%
<b>Total Budget</b>	<b>364,577</b>	<b>369,614</b>	<b>320,329</b>	<b>-49,286</b>	<b>-13.33%</b>
<b>FTE Total</b>	<b>4</b>	<b>4</b>	<b>3</b>		

**BUDGET HIGHLIGHTS**

Personnel	The decrease in Personnel is attributable to a reallocation of FTEs upon a staff retirement. However, Personnel also increased due to wage structure adjustments and step increases.
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**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Complete the RFQ (Request For Qualifications) for the Airport Consultant, Financial Consultant and Bond Counsel, all of which are related to issuing debt and Financial Forecasting.	Complete the RFQ's.	All RFQs have been completed. Bond Counsel RFQ completed August 2010 - Kutak Rock Airport Consultant RFQ completed October 2010 - Leigh Fisher Financial Advisor RFQ completed December 2010 - Springsted (G.O. services) and Jefferies (all other services)
Review the viability of the Reliever Airport Financial model and make recommendations for change.	Work with Airport Development and the Reliever Airports to complete a thorough review and analysis of the model. Make recommendations to Senior Staff with regard to any modifications or changes that may be required.	Staff has been reviewing the whole reliever airport system in terms of both a business plan and the financial model. Identified areas will be evaluated during the first quarter of 2011 to determine the impact on financial model. In addition, public processes regarding ordinances may require revision.
Complete reconciliation of the 2010 Plan Financing.	All elements of financing the plan are completed and reconciled.	This has been completed.

**FINANCE & ADMINISTRATIVE SERVICES****2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Complete a review of the Closed Circuit TV continuing CIP project.	Work with IS, Airport Development and Police to review the overall goal and outcome of the project and determine if there are other financial and operational alternatives.	Based on the analysis provided by the consulting firm, staff is moving forward with a complete overhaul of the CCTV system. Part of this process involves identifying a governance group which will oversee both the implementation and the ongoing CCTV program. The complete implementation process of the CCTV system, a three-year period, was started in late 2010.
Complete the Bond issuance process for funding a portion of the 2010 through 2012 CIP. Included in this process will be a review of the Commercial Paper Program and potential replacement alternatives.	Bonds issued in May 2010. Short term funding alternatives are reviewed and a recommendation made for a new Commercial Paper Program or an alternative is identified.	New debt issued in August 2010. Refunded Series 2001B and 2001D GARB Bonds in September 2010. Refunded GO Series 13 Bonds in October 2010. Short Term Borrowing Program deferred until first half of 2011. Canceled GO Series 15 refunding based on discussions with Delta.
Complete an analysis of the lease for non Delta (Sky Team) airline lease extension.	Work with CMAA and Legal to analyze, review and recommend the best option for the renewal/extension of leases for the non Sky Team airlines.	It was determined that all carriers whose lease expired on 12/31/10 be given a one-year extension. Completed.

**2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Evaluate and analyze rate structure at T1 and T2.	A rate structure of both terminals together or individually is proposed.	Based on the current status of the economy and passenger data, this process has been delayed until 2012.
Analyze and propose funding for the 2012-2014 portion of the Capital Improvement Plan.	Funding is developed for the 2012-2014 portion of the Capital Improvement Plan.	Final funding for the 2012 - 2014 Capital Improvement Program was presented to the Commission in December, 2011. There were no comments.
Analyze the type and viability of a Short Term Borrowing Program.	Based on analysis, a new Short Term Borrowing Program is in place.	An analysis of the Short Term Borrowing Program was completed. There were two alternatives: Commercial Paper and Short Term Direct/Direct Loan. The Evaluation Team determined that the Direct Loan Program was the most cost effective for the Commission. A 3-year agreement was signed with Wells Fargo during the 4th Quarter of 2011.
Enhance the lease development process.	To identify the process involved with a new lease or amended lease working with CMAA and Legal.	Process has been completed.
Aid in the restructuring of the Finance Department based upon management report by BKD.	Improved processes and internal controls within the Finance Department.	Staff is making final adjustments to various controls and processes. This will be complete by the end of February 2012.

**FINANCE & ADMINISTRATIVE SERVICES****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Participate in development and review of leases associated with those airlines that do not have a 2020 lease.	Leases are revised and/or extended.	A lease extension through 2015 will be offered to the carriers in October, 2011. This extension includes a surcharge for space returned so that MAC may be made whole. Lease document was completed in October, 2011. Airlines are in the process of returning their signed leases.

**2012 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Incorporate forecasted additional billings for Delta agreements into the billing and budget process.	Delta billings for the G Concourse (roof, sprinkler and energy), Bldg F tower and CCTV have all been incorporated into our systems.
Ensure the continued financial viability of the reliever airport system by completing new business plans for each of the reliever airports.	Finalize the updated Reliever Airport Financial model.	The updated model shows sustainability for the reliever airport system and is incorporated into the required Ordinances.
NA	Evaluate and update the Commission's Investment Policy	The Investment Policy, whether changed or unchanged, is approved by the full Commission.
NA	Provide an updated financial model forecast of the current operating environment and provide alternatives associated with Demand Driven Projects.	The financial model is updated to provide a view of the future based on the current operating environment. Alternatives will be developed to show the potential impact of various portions of the 2020 plan.
NA	Complete 2013 - 2015 Capital Improvement Program funding with no new long term debt or additional passenger facility charges.	Funding for the 2013 - 2015 Capital Improvement Program is complete and does not require any new long term debt or additional passenger facility charges.
Fully incorporating three year operations and capital equipment planning into our budgeting process starting with the 2013 budget cycle.	Prepare to incorporate three year operations and capital equipment planning into our budgeting process starting with the 2013 budget cycle.	Process in place to incorporate both three-year operating budget plan and a three-year capital equipment plan starting with the 2013 budget cycle.

**FINANCE & ADMINISTRATIVE SERVICES****2012 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Leverage Resources and Technology</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
Increase the use of existing technology internally at the MAC and externally with customers.	Work with Airport Development to redesign the annual Capital Improvement Program presentation to aid Finance in other reporting requirements.	The Capital Improvement Program is presented to show "Ongoing" capital projects and "Demand Driven" projects in separate tables.

**2013 - 2016 LONG TERM OBJECTIVES**

<b>Objective</b>	<b>Expected Results</b>
Complete Continuing Consultant request for qualifications for the Commission's team of Underwriters, Financial Consultant, Airport Consultant and Bond Counsel.	All required Continuing Consultant requirements are completed.
Evaluate current T1 and T2 rate structure to determine next steps regarding the existing rate structures.	An analysis of the two rate structures is completed and a presentation of alternatives is presented to the airlines and the Commission.
Evaluate various options for funding all or portions of the 2020 plan.	"Demand Driven" projects are evaluated and funded based on need.

**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Est.</b>	<b>Goal</b>
Finance	10th	8th	7th	TBD	8th	Our large hub rank will be 8th or less
<b>SC Performance Indicator:</b> Airline Cost Per Enplaned Passenger						
<b>Comments:</b> Our goal is to maintain airline cost per enplaned passenger in the lower third of large hub airports.						
Finance	Received	Received	Received	Received	Receive	Receive
<b>SC Performance Indicator:</b> GFOA's Budget Presentation Award						
<b>Comments:</b>						
Finance	Received	Received	Received	TBD	Receive	Receive
<b>SC Performance Indicator:</b> GFOA's Comprehensive Annual Financial Reporting Award						
<b>Comments:</b>						
Finance	2.11	2.06	2.22	2.23 est.	2.0	2.0
<b>SC Performance Indicator:</b> Sr. Debt Service Coverage						
<b>Comments:</b> Our goal is to maintain senior debt service coverage above 2.0.						
Employee Engagement	100%	100%	100%	TBD	100%	100%
<b>SC Performance Indicator:</b> Performance reviews completed						
<b>Comments:</b> Our goal is to complete annual performance reviews with 100% of our employees every year.						

**WELLNESS**

The MAC Wellness Program works to educate, encourage and support employees in making healthier lifestyle choices, to create a positive impact on employee morale and productivity, as well as to reduce healthcare costs.

**BUDGET SUMMARY**

	2010 Actual	2011 Budget	2012 Budget	\$ Variance	% Variance
Personnel	25	145	145	0	0.00%
Administrative Expenses	417	300	735	435	145.00%
Professional Services	0	0	0		
Operating Services/Expenses	124,823	127,270	132,224	4,954	3.89%
Other	520	4,645	5,000	355	7.64%
<b>Total Budget</b>	<b>125,784</b>	<b>132,360</b>	<b>138,104</b>	<b>5,744</b>	<b>4.34%</b>
<b>FTE Total</b>					

**BUDGET HIGHLIGHTS**

Operating Services/Expenses	The increase is based on current enrollment in the Move to Improve program projected into 2012. Participation has steadily increased and reached 61% in 2011.
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**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Maintain participation of employees in Wellness programming at about 60%; by keeping participation in the Move-To-Improve program $\geq$ 58% while increasing the exercise requirement from 12 to 15 times per month.	Percentage of employees having participated in a facet of the 2010 Wellness Program with a target $\geq$ 58%.	Percentage of employees participating in the 2010 Wellness Program exceeded 60% with participation in the Move-To-Improve Program averaging 60.28% over the four quarters of 2010.
Provide an opportunity for nutrition counseling to MAC employees and successfully promote it to achieve maximum participation in counseling sessions.	72 counseling sessions with 24 new employees participating.	The Wellness Nutrition Counseling Program was successfully promoted. As of 12/31/2010, 85 MAC employees have received nutrition counseling with 20 new employees initiating counseling in 2010.
Successfully transition our Wellness Program promoting completion of Health Risk Assessments to the BlueLink/tpa HRA program.	Successful transition with the percent of benefit eligible employees completing Health Risk Assessments $\geq$ 42%.	The Wellness Health Risk Assessment Program was transitioned to the Risk Management Department in 2010 with 47% of employees completing Health Risk Assessments.
Deliver, together with Delta Airlines and the larger airport business community, a Health Expo (and Flu Shot Clinic) as well or better received than 2009.	Successfully deliver with >250 MAC employees receiving Flu Shots.	The Wellness Program successfully delivered, working with Delta Air Lines and the larger airport business community, its largest annual Health Expo (October, 2010) featuring 56 Health Service vendors. While Flu Shots were provided at the Health Expo, the MAC 2010 Flu Shot Clinics were separated from the Expo and delivered by Risk Insurance.

**WELLNESS****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Maintain participation of employees in Wellness programming at 60% by keeping participation in the Move-To-Improve program ≥60% while holding the exercise requirement at 30 minutes for at least 15 separate days of each month.	Percentage of employees who have participated in a facet of the 2011 Wellness program, specifically Move-to-Improve, with a target of ≥60%.	We met the goal in all four quarters in 2011 for at least one month per quarter, and will encourage participation to continue.
Provide an opportunity for nutrition counseling to MAC employees and successfully promote it so that maximum possible (12) counseling sessions are completed.	12 (one/month) counseling sessions with 24 new employees participating.	New candidates for nutrition counseling continue to contact us. Over 30 participants received initial or follow-up counseling in 2011.
Deliver, together with Delta Air Lines and the larger airport business community, a Health Expo as well received as in 2010.	Qualitative assessment of successful delivery.	New programs and vendors were introduced at the Health Expo in 2011, with positive reviews from both employees, management and vendor participants.
Maintain the viability of the MAC Wellness Fitness Center by updating equipment.	Successfully acquire a new Treadmill.	We did not acquire adequate funding for a treadmill, but did purchase a new seated elliptical machine and additional hand weights. We will strive to purchase a treadmill to replace the oldest of the present equipment in 2012.

**2012 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Sponsor quarterly educational opportunities for health and wellness workshops.	At least 20 employees attending each workshop.
N/A	Provide an opportunity for nutrition counseling to MAC employees and successfully promote it so that maximum possible (6) counseling sessions are completed.	Six (one/every other month) counseling sessions with 10 new employees participating.
N/A	Maintain participation of employees in Wellness programming at 60% by keeping participation in the Move-To-Improve program ≥60% while holding the exercise requirement at 30 minutes for at least 15 separate days of each month.	Percentage of employees who have participated in a facet of the 2011 Wellness program, specifically Move-to-Improve, with a target of ≥60%.
N/A	Maintain the viability of the MAC Wellness Fitness Center by updating equipment	Successfully acquire a new treadmill.

**WELLNESS****2012 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Strengthen Partnerships and Relationships</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Deliver, together with Delta Air Lines and the larger airport business community, a Health Expo as well received as in 2011.	Qualitative assessment of successful delivery.

**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Est.</b>	<b>Goal</b>
Employee Engagement	53%	58%	61%	61%	60%	60%
<b>SC Performance Indicator:</b> % employees participating in Wellness						
<b>Comments:</b> 60% organizational participation is a marker for meaningful impact on Health care costs.						
Employee Engagement	67%	68%	69%	62%	75%	75%
<b>SC Performance Indicator:</b> Wellness Team meeting attendance						
<b>Comments:</b> Wellness Team members shall be present at monthly wellness meeting at least once per quarter.						
Employee Engagement	28	31	31	31	20	18%
<b>SC Performance Indicator:</b> # employees receiving nutrition counseling						
<b>Comments:</b> The nutrition counseling program is presently budgeted and designed to address 20 new and follow-up employees for the year.						

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**RISK MANAGEMENT**

Insurance Risk Management is responsible for the planning, organizing and administration of risk and insurance programs to safeguard the MAC's assets from the risk of accidental loss through the use of recognized risk management techniques. Responsibilities include risk identification, evaluation, measurement, preventative strategies, claims administration, purchase of coverage and evaluation of financing alternatives. Areas of responsibility also include employee benefit programs and administration, workers' compensation, wellness, liability and property insurance coverage, employee safety, fleet safety, along with the responsibility to maintain a safe airport system.

**BUDGET SUMMARY**

	2010 Actual	2011 Budget	2012 Budget	\$ Variance	% Variance
Personnel	7,684,292	8,746,519	9,044,886	298,366	3.41%
Administrative Expenses	16,589	15,150	20,800	5,650	37.29%
Professional Services	182,721	172,940	206,500	33,560	19.41%
Utilities	0	1,000	4,000	3,000	300.00%
Operating Services/Expenses	0	5,631	5,700	69	1.23%
Maintenance	0	1,000	1,000	0	0.00%
Other	1,774,370	1,959,928	1,713,384	-246,544	-12.58%
<b>Total Budget</b>	<b>9,657,972</b>	<b>10,902,168</b>	<b>10,996,270</b>	<b>94,101</b>	<b>0.86%</b>
<b>FTE Total</b>	<b>4.5</b>	<b>4.5</b>	<b>5.5</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to health and dental insurance increases, flexible spending, as well as wage structure adjustments and step increases.
Administrative Expenses	A computer and supplies are needed for additional staff.
Professional Services	Professional Services increased by 3 % as well as an additional \$20,000 for the retiree program.
Utilities	Utilities increased due the need to purchase 2 emergency radios.
Other	The budgeted amount in the Other category decreased substantially because lower claim amounts over the past year decreased insurance premium costs.

**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Provide the resources so the individuals covered by our medical and dental plans have an understanding of their benefits and how to be wise users of the benefits.	Feedback from providers and the team involved.	This quarter we have developed a mailing (Getting to Know Your BlueLink Benefits) which will be going out to all members on the medical plan with various resources. We are working on developing educational material for disease mgt., coaching, HRA/HSA benefits, and the Health Care Reform legislation.

**RISK MANAGEMENT****2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Evaluate costs for benefits and work with vendor team to control costs through plan design and communication. This will include cutting edge benefits and compliance with new government regulations.	Keeping medical and dental costs down while plan members appreciate the benefits provided.	We have looked at utilization from various resources and are developing programs. We are looking at a very innovative tool called Medical Advocate Program (MAP) which will allow our members with elective surgery to find a provider at the lowest cost and the best outcome. We have made our application for the Early Retirement Reinsurance Program under the new Health Reform. When our PSA is approved by the Commission we will complete our study of Health Reform for 2011.
Develop a chargeback system for cost centers to identify and mitigate risks within their processes. The system will be based upon an Enterprise Risk Management process.	Measure past losses and costs to current year. Provide feedback to cost centers.	The Department provides feedback on loss data and costs to the organization and cost centers. This process has been effective as the organization works toward a common goal of controlling costs. The Department is working on implementing ISO 31000, which will enhance this process.
Build and enhance a team working relationship between departments to mitigate risks. This will promote positive relationships so that we can work cooperatively toward organizational goals.	Success of programs.	The Safety Staff has been attending multi-functional meetings to improve this process. An interdepartmental team has been developed to work on fire protection/life safety issues with our insurance carrier. The Department works through several management and labor benefits committees to add value and control costs. This method has been very effective based on benchmarking of trend rates.

**2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Audit past benefit entry into E1 compared to insurance company information to ensure integrity of the data.	Following each audit, goals will be set to reduce level of errors and improve the process.	MAC Audit Dept. has been asked to conduct an audit in Feb.-March 2012.
Implement ISO 31000 into MAC organization to enhance risk management efforts to reduce losses and control costs.	A risk assessment and mitigation matrix process will be developed to reduce losses and costs related to the traveling public, property, fleet and workers. The process will include internal performance measurements and benchmarking with other airports.	ACRP 01-18 will be completed in first qtr. of 2012 which will be introduced in step to MAC. We have introduced the matrix and it is in use.
Improve MAC's confined space entry program/policy through identification, education and rescue teams.	An audit will be periodically conducted to ensure employees, contractors, etc. are following the program/policy.	Staff continues to refine and improve this program.

**RISK MANAGEMENT****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Review tenant leased spaces to identify potential hazards which could subject MAC to loss.	Number of inspections, recommendations and action taken will be measured.	Staff continues this action.
Develop a system to track construction activities with Risk/Insurance Management Department. This will allow staff to minimize potential risk to the MAC, tenants and employees.	Implementation of the system to audit compliance with contracts and assess actions taken.	This will be integrated into a 2012 objective.
Enhance the communication of employee benefits through meetings, publications and interactions with employees, dependents and retirees. Participants will become better consumers, have input into benefits and appreciate the value.	Satisfaction survey at the end of the year to members.	This is an ongoing process. A survey at the end of 2011 indicated very good progress and input for future objectives in 2012.

**2012 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Improve accident investigation process to improve safety for employees, fleet, liability and property.	Review the current process, identify and initiate action and review results.
NA	Investigate with other U.S. Airports the formation of an insurance program similar to the Canadian Airports Reciprocal Insurance Exchange (CARI) to improve coverage and reduce costs.	Work with various ACI-NA Committees and assess the progress.

Organizational Strategic Goal: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Increase the use of existing technology internally at the MAC and externally with customers.	Expand the use of E1 by employees for benefits and updates.	Survey employees and measure to previous years. Goal 100% of active staff use E1 for open enrollment.

**RISK MANAGEMENT****2012 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Provide a Great Customer Experience</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Introduce an Outcome Based Health Assessment/Biometrics program to active employees.	Solicit feedback and measure participation in the program.
NA	Enhance and add employee benefits offerings. Communicate to employees the value of these benefits to them and obtain their feedback.	Several new benefits are scheduled for introduction at different times. Solicit employee feedback on the new offerings, determine % participating and what could be enhanced or added.

**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Est.</b>	<b>Goal</b>
Customer Experience	200	150	195	181	175	=<200
<b>SC Performance Indicator:</b> Injuries per Passenger						
<b>Comments:</b> Identify problem areas and take action to control the loss potential.						
Finance	35	28	38	34	35	=<30
<b>SC Performance Indicator:</b> Fleet Accidents						
<b>Comments:</b> Continue to work within the organization to control fleet accidents.						
Finance	\$387,250	\$260,000	\$335,495	\$267,638	\$400,000	=<\$700,000
<b>SC Performance Indicator:</b> Workers' Comp Costs						
<b>Comments:</b> Loss prevention and control once a loss occurs.						
Employee Engagement	3.6	4.3	5.2	2.1	4.0	=<5.0
<b>SC Performance Indicator:</b> Medical Benefits Cost Trend						
<b>Comments:</b> National trend is approximately 8% which we want to remain below. Current MSP 5 year trend is a 3.8% average.						
Safety & Security	0.97	0.92	0.70	0.72	0.60	1.0
<b>SC Performance Indicator:</b> Experience Modification Factor						
<b>Comments:</b> Our goal is to remain below 1.0.						
Employee Engagement	N/A	96%	95%	95%	90%	>90%
<b>SC Performance Indicator:</b> Percent of employee on MAC benefits plans						
<b>Comments:</b> Our goal is 90% or better employee participation in MAC's medical/dental benefits plans.						
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Annual employee performance reviews						
<b>Comments:</b> Always 100% but also daily feedback.						

**FINANCE**

Finance is responsible for the Commission's accounting functions, cash management functions and preparation of the annual operating budget as well as the Comprehensive Annual Financial Report (CAFR). Financial planning includes, but is not limited to, issuance of all debt (new and refunded), development of tenant rates and charges, cost benefit analysis, financial analysis and Request for Proposal (RFP) analysis.

**BUDGET SUMMARY**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	1,241,155	1,282,710	1,320,070	37,360	2.91%
Administrative Expenses	21,190	20,420	19,006	-1,414	-6.92%
Professional Services	434,125	210,760	195,775	-14,985	-7.11%
Utilities	1,050	1,100	1,080	-20	-1.82%
Operating Services/Expenses	173,012	207,836	184,018	-23,818	-11.46%
Maintenance	0	0	0		
Other	1,529	5,400	1,500	-3,900	-72.22%
<b>Total Budget</b>	<b>1,872,061</b>	<b>1,728,226</b>	<b>1,721,449</b>	<b>-6,777</b>	<b>-0.39%</b>
<b>FTE Total</b>	<b>16</b>	<b>16</b>	<b>16</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**2010 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Three-year CIP Funding (2011-2013).	The Capital Plans for 2011-2013 have funding developed based on the information database.	Completed and obtained Commission approval.
Provide support for any rates and charges modeling as well as RFP assistance on any concession or lease agreements.	Lease agreements approved by the Commission.	Assisted on RFP for Janitorial contract and participated in rent amendment for Now Boarding and Houlihans. Also, worked on the Reliever model, Flying Cloud development, Ford Dam energy analysis and concessions manager report development.
Make software improvements.	1) Make improvements to information shown on employee paychecks. 2) Complete ACH project for Accounts Receivable. 3) Roll out ACH payments for Accounts Payable. 4) Improve financial reporting process. 5) Roll out water and sewer invoicing. 6) Solve E1 software issues in Finance areas.	1) Improvements were made to make paychecks more informative. 2) The project is currently on hold while work is being performed in other areas. 3) Successfully tested sample vendors and implemented project in December 2010. 4) Completion is expected in March 2011. 5) Water & Sewer invoicing process works, but it requires a lot of man hours to complete. We continue to look for a smoother process for invoicing. 6) Employee self-service with W-4 changes, pay stub inquiries, auto deposit changes and a link to employee W-2's is in progress.

**FINANCE****2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Monitor key success measures.	1) Senior Debt coverage ratio maintained at not less than 1.4x. 2) Maintain 6-month operating fund reserve. 3) Airline cost per enplaned passenger will be in the lower half of large hub airports. 4) Construction fund transfer of \$26 million.	All four criteria were met.
Complete RFP's in process.	RFP is finalized for an Investment Custodian.	The Investment Custodian RFP was deferred as we completed RFQ's for a Financial Consultant, Financial Advisor and Bond Counsel instead.

**2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Make software improvements.	Streamline the financial reporting process to improve productivity.	Completed
Within the Reliever team, assist with evaluating options for new or revised aspects of reliever airport business components. As new business plan is developed create the new financial model.	New Reliever Airport Model.	Proposed new reliever model complete. This is the basis for Ordinance 107's amendment. Reliever model may be further adjusted based on Ordinance 107 final approval.
Three Year CIP Funding (2012-2014).	The CIP for 2012-2014 will identify a funding source for each project and have an element, if necessary of life cycle operating costs associated with certain projects.	Completed funding source, but not all projects with life cycle operating costs have yet to be identified.
Pursue new MSP & Reliever Airport revenue opportunities.	Lease agreements approved by the Commission.	Continue to assist overall team pursuing reliever airport non-aero revenue.
Monitor Key Success measures.	Senior debt coverage > 1.4x. Maintain 6 month Operating reserve. Airline Cost per enplaned passenger will be in lower 1/3 of all large hub airports. Construction fund transfer of \$29 million.	2011 debt Coverage 2.23x. 6-month transfer completed. Cost per enplaned passenger 7th out of 24; Construction transfer of \$40 million.
Review, prioritize and implement recommendations found in the BKD management report.	1. Improved departmental efficiency. 2. Improved Internal controls	Completed all work that was schedule for 2011. Process will continue into 2012.
Make software Improvements.	Improve fixed asset reporting to improve productivity.	Complete

**FINANCE****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Make software Improvements.	Improve the payroll process with time entry, paycheck efficiency, customer service, and internal controls.	Improved the time entry screen in order for managers/supervisors to see employee leave balances. Staff was able to develop reports that enable PR to determine what PR changes had occurred from the last payday. Responded to the PR internal audit in which staff will be asking for 2012 funding for an automated time entry system. With the assistance of IS and IS consultants we were able to document an AR reconciliation process.
Make software Improvements.	Improve utility billing by defining who is billed, defining the method to bill each tenant, and optimizing the billing method (calculation and E1 process).	Established the current data set for utility billings with MAC Environment staff. Documentation has started for gas, electric documentation has started and will complete in the 2012 time frame.

**2012 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Monitor Key success measures.	Senior Debt coverage > 1.4x revenues. Maintain 6 month operating reserve. Airline cost per enplaned passenger will be in the lower 1/3 of all large hub airports. Construction fund transfer of at least \$38.7 million.
NA	Given the various types of debt issued by MAC, a debt compliance manual/spreadsheet is needed to ensure that MAC is in compliance with its debt covenants.	A completed document available to all Finance employees.
NA	Determine whether any current bond issues are eligible for refunding.	At least 3% or greater Net Present Value Savings.
NA	Review Investment Policy.	To be on the same investment compliance criteria as other governmental entities in Minnesota.

**FINANCE****2012 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Leverage Resources and Technology</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
Increase the use of existing technology internally at the MAC and externally with customers.	Implement automated time and pay system for certain MAC departments.	Increased productivity, accuracy and stronger internal controls

**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Est.</b>	<b>Goal</b>
Finance	N/A	N/A	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Close Accounts Payable by the Friday before the General Ledger close						
<b>Comments:</b>						
Finance	N/A	N/A	100%	90%	100%	100%
<b>SC Performance Indicator:</b> Close Accounts Receivable within 2 business days						
<b>Comments:</b>						
Customer Experience	N/A	2	3	3	3	3
<b>SC Performance Indicator:</b> Include at least 3 informational items in the MAC Update publication						
<b>Comments:</b>						
Finance	90%	90%	90%	90%	100%	100%
<b>SC Performance Indicator:</b> Monthly general ledger close by the 2nd Monday of each month						
<b>Comments:</b>						
Finance	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Percentage of time operating bank reconciliation completed by 20th of following month						
<b>Comments:</b>						
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Completed performance reviews						
<b>Comments:</b>						

**MAC GENERAL**

The MAC General Service Center contains expenses that are not specific to any one service center such as employer FICA taxes, retirement plans, utilities (electric, heating, sewer and water), copy agreement, unleaded gas and diesel fuel. The Finance Department is responsible for the budgeting of MAC General.

**BUDGET SUMMARY**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	10,823,567	10,852,481	11,299,432	446,951	4.12%
Administrative Expenses	32,729	25,000	0	-25,000	-100.00%
Professional Services	13,238	0	0		
Utilities	15,741,889	16,682,589	17,264,121	581,532	3.49%
Operating Services/Expenses	1,937,130	1,610,000	183,001	-1,426,999	-88.63%
Maintenance	1,263,017	1,325,820	936,710	-389,110	-29.35%
Other	139,255	57,125	68,889	11,764	20.59%
<b>Total Budget</b>	<b>29,950,824</b>	<b>30,553,015</b>	<b>29,752,153</b>	<b>-800,862</b>	<b>-2.62%</b>
<b>FTE Total</b>		<b>6</b>	<b>5</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to five unassigned positions, pensions, wage structure adjustments, step increases, and legislative pension increases.
Utilities	The electricity rate increased as well as consumption from last year. Also, the sewer rate increased.
Operating Services/Expenses	The operating expense for GISW management was moved to the Environment Department.
Maintenance	The rubbish expense was moved to the Facilities and Reliever Airports Service Centers.
Other	The increase in the Other category is related to petroleum/use taxes and greater consumption.

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**PURCHASING**

The Purchasing Department oversees the acquisition of materials, services and equipment to meet the needs of end users by using the method which will result in the most efficient use of MAC resources. Purchasing's responsibilities include disposing of surplus property by selling items on the open market, donating items to various charities and coordinating the distribution of surplus items between MAC departments. Purchasing also supervises the Lost and Found Office located in Terminal 1-Lindbergh and Central Services in the General Office building. Purchasing administers the Commercial Card program for MAC and maintains blanket order spreadsheets, including insurance certificates, for contracts generated by this department.

**BUDGET SUMMARY**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	485,330	482,801	483,594	793	0.16%
Administrative Expenses	13,974	12,785	41,575	28,790	225.19%
Professional Services	0	0	0		
Utilities	0	0	0		
Operating Services/Expenses	4,063	2,330	119,887	117,557	5045.36%
Maintenance	0	150	0	-150	-100.00%
Other	5,261	1,500	5,000	3,500	233.33%
<b>Total Budget</b>	<b>508,628</b>	<b>499,566</b>	<b>650,056</b>	<b>150,490</b>	<b>30.12%</b>
<b>FTE Total</b>	<b>7.5</b>	<b>7.5</b>	<b>7.5</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. However, seminar expenses decreased.
Administrative Expenses	The increase in Administrative Expense is due to postage moving from the Finance budget to the Purchasing budget.
Operating Services/Expenses	Our monthly lease amount for the mailing machine in the Service Center is \$270/month so we need \$3,240 annually just to cover the charges for that machine.  The Copy Agreement expense was moved from the Finance budget to the Purchasing budget. The increase of 2% from \$114,105 (2010 actual expenses) to \$116,387 is to cover the annual contractual increase.
Other	Vehicle license tab renewals are cyclical; 2012 should be much higher than 2011 due to scheduled renewals.

**2010 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Continue to revise and update the policy and procedure documents covering all aspects of purchasing.	Update the Purchasing Policy and write a Voyager Fuel Card Process document.	The Purchasing Policy has been revised and approved by Senior Staff. A Voyager Fuel Card Process document has also been written. This objective has been met for 2010.
Continue to improve customer service to external and internal customers.	After the Requisitioning Self Service (RSS) system is implemented, agency-wide internal and external customer satisfaction surveys will be mailed (2nd quarter 2010).	Internal and external customer satisfaction surveys are being delayed indefinitely.

**PURCHASING****2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Continue to implement the Enterprise One requisitioning module.	A pilot group has been trained and we went live 11/30/09. RSS will be rolled out MAC-wide during the first quarter of 2010.	This objective has been met and we will implement a Receiver process to E1 RSS January 2011.
Work with IS Department to improve the MAC Web site that will enable our buyers to communicate directly with vendors via email through the MAC bid and RFP download process. Explore allowing vendors the ability to submit their responses electronically.	An estimated 30 such bids and RFPs are advertised and available to vendors using this site. Our buyers need to be able to communicate directly from this site. It would also improve efficiency if vendors were able to submit their responses electronically.	Currently we post formal solicitations to the MAC Web site but we would like our Buyers to communicate directly with Vendors through this site and Vendors should be able to submit their responses through this site also. This is a long-term project which IS is exploring.

**2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Work with IS Department to improve the MAC Web site that will enable our buyers to communicate directly with Vendors via email through the MAC bid and RFP download process. Explore allowing Vendors the ability to submit their responses electronically.	An estimated 30 such bids and RFPs are advertised and available to Vendors using this site and our buyers need to be able to communicate directly from this site. It would also improve efficiency if vendors were able to submit their responses electronically.	The email functionality is up and running but IS has indicated that they will not be able to work on allowing vendors the ability to submit responses electronically until a later date.
Continue to improve customer service to external and internal customers.	Issue internal and external customer satisfaction surveys.	Surveys will be issued in 2012.
Continue to revise and update the policy and procedure documents covering all aspects of purchasing.	The Pcard Policy and other Purchasing Department related policies and processes will be reviewed and revised during 2011.	Ordinance 45, relating to Lost and Found Processes, has been drafted and we are awaiting approval. All Purchasing policies have been updated over the past couple of years.
Move towards making the Purchasing Department paperless.	Move away from hard-copy files and attach more project backup documents in E1 RSS.	Progress is ongoing and almost 100% of our E1 RSS requisitions and purchase orders now have supporting documentation attached online eliminating the need for hard-copy files.
Continue to implement the Enterprise One requisitioning module, specifically to include cleaning up the Vendor Address Book and moving towards ACH vs. check payments.	Eliminate unnecessary duplicate Vendors in E1 RSS and add ACH payment information to the Vendor Address Book.	The Vendor Address Book clean-up project has been completed and a 'purge' process has begun for 'old' vendor files. ACH payment (electronic transfer) account information is being added for interested Vendors.

## PURCHASING

### 2012 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	A long term objective (it will not happen during 2012) is to increase the Pcard and one quote threshold from \$2,500 to \$3,500.	Reduce the time and effort spent on lower dollar purchase orders.

Organizational Strategic Goal: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Increase the use of existing technology internally at the MAC and externally with customers.	Move towards making the Purchasing Department paperless.	Move away from hard-copy files and attach more project backup documents in E1 RSS. Also, be able to receive proposals electronically.

Organizational Strategic Goal: <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Continue to revise and update the policy and procedure documents covering all aspects of purchasing, specifically to revise Ordinance 45 related to our Lost & Found processes.	Ordinance 45 related to our Lost & Found processes has been revised and is awaiting review and approval.

Organizational Strategic Goal: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Continue to improve customer service to external and internal customers.	Issue an internal customer satisfaction survey.

### SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Est.	Goal
Customer Experience	Survey 100%	Postponed	Postponed	Postponed	Issue Survey	=>9.0

**SC Performance Indicator:** Customer Service Rating

**Comments:** The goal is to improve our customer service to external and internal customers. Surveys will be issued.

Employee Engagement	100%	100%	100%	100%	100%	100%
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**SC Performance Indicator:** Completed performance reviews

**Comments:**

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**INFORMATION SERVICES**

The Information Services (IS) Department provides leadership and direction to the MAC in the area of technology. The responsibilities include reviewing and approving technology plans, budgets, and purchases. The IS Department works with MAC departments and other airport customers in analyzing needs and implementing business solutions that employ technology. This work includes analysis, design, selection, acquisition, installation, documentation and support of hardware, software, network and telecommunications technologies.

**BUDGET SUMMARY**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	1,880,862	2,151,895	2,465,538	313,643	14.58%
Administrative Expenses	94,778	104,570	131,494	26,924	25.75%
Professional Services	418,942	326,000	475,000	149,000	45.71%
Utilities	365,581	393,155	376,753	-16,402	-4.17%
Operating Services/Expenses	1,788,578	1,987,796	2,926,270	938,474	47.21%
Maintenance	41	0	0		
Other	185,461	555,585	344,231	-211,354	-38.04%
<b>Total Budget</b>	<b>4,734,242</b>	<b>5,519,001</b>	<b>6,719,286</b>	<b>1,200,285</b>	<b>21.75%</b>
<b>FTE Total</b>	<b>22</b>	<b>23</b>	<b>24</b>		

**BUDGET HIGHLIGHTS**

Personnel	Two temporary positions were included in the 2012 budget which increased Personnel expense. In addition, the budget includes one additional FTE position along with wage structure adjustments and step increases.
Administrative Expenses	The increase is caused in large part by three software upgrades: database software, the MAC web site and Microsoft SharePoint.
Professional Services	The increase in professional services reflects the need for continuing work on the MAC Geographic Information System, EnterpriseOne projects, network design and development, SharePoint implementation and staff training as part of the upgrade to Office 2010.
Operating Services/Expenses	Increase in operating services expense stems from software and hardware maintenance agreements.

**2010 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Implement Multiuser Flight Information Displays, Baggage Information displays and Public Information displays in the Lindbergh Terminal, replacing airline proprietary systems. Visual paging is included.	Display systems are operational.	Flight displays in T1 were completed in August. Traveler's Assistance booths with new technology were completed in the third quarter. The Delta data feed, which contains the Baggage Claim data needed for the Baggage Claim displays, is in place.

**INFORMATION SERVICES****2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Complete the implementation and integration of EnterpriseOne and GIS elements.	EnterpriseOne implementation will be completed including: employee self service, time tracking for Police and Field Maintenance as well as various accounting open items. GIS integration with E1 will be completed and include lease data, concession data and other financial data.	EnterpriseOne features that have been implemented include: employee self service, purchasing requisition self service, work orders and various accounting items. The MAC Geographic Information System (GIS) is linked to E1 for lease data including concession lease data.
Complete implementation of Public Safety systems including Computer Aided Dispatch (CAD), Police Records Management System (RMS), Fire links to CAD, Public Safety mobile data terminals, upgraded radio system and upgraded 911 phone system.	Implementation is completed.	All work is completed except Police Records Management System. The vendor withdrew their product for this system. A new Request for Proposals will be issued for this system in early 2011.
Upgrade Landside Parking Revenue Control System to help achieve PCI compliance.	50% of the project will be completed in 2010.	More than 50% of the project is complete.
Implement Learning Management System so that computer based recurrent SIDA training can be delivered and AOA driver's license records can be maintained.	The system will be operational in 2010.	Delays caused by extended contract re-negotiations with the vendor have pushed completion of this system to the end of Q1 2011.
Upgrade Secured Area Access Control System so that biometric readers can be used and streamline the exchanges of data required for background checks for badge applicants.	Biometric readers are selected, processes and procedures are established for data exchange with the AAAE Clearinghouse and conversion to new biometric data format is underway by year end 2010.	The biometric reader finalists have been selected. Testing will occur in Q1 2011. Data format conversion is underway, and electronic exchange of personnel clearance data for badging will be in place by the end of Q2 2011.

**INFORMATION SERVICES****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Expand Multi-User Flight Information Displays and Interactive information kiosks in both Terminals 1 and 2.	Displays are installed and operational.	Installation is underway with completion Q1 2012.
Extend use of EnterpriseOne system in maintenance management by adding inventory data and strengthening maintenance processes. Extend employee and manager self service portal for time entry to all staff except Field Maintenance.	Asset management and inventory processes established. All staff time entry except Field Maintenance staff occurs using E1.	Asset management and inventory processes are completed and under review for needed inclusion in the MAC Design and Construction Standards. Time entry via E1 is in place except for Field Maintenance.
Select and implement a Police Records Management System (RMS).	Records Management System (RMS) is implemented and operational.	System is implemented and operational.
Upgrade MSP courtesy telephone system. Upgrade MAC telephone system.	Both system upgrades are complete.	MAC phone upgrade is complete. Courtesy phone system upgrade was delayed by construction of a needed telecomm room; upgrade will be done Q1 2012.
Upgrade MSP closed circuit TV system - Phase I.	Governance mechanisms and policies have been created. Target coverage has been identified. Preliminary design is complete.	The governance method, the MAC-wide CCTV Governance Group, has been established and chartered along with the CCTV Working Group. Complete analysis of campus coverage requirements has been completed. The procurement of the headend or main video management system hardware and software will occur Q1 2012. An application for TSA grant funding for some of the system will be submitted to the Department of Homeland Security Q1 2012.
Complete initial phases of network upgrades and design for the MAC Data Center.	MAC backbone network fiber additions complete; high speed routers and switches are in place and site selection and programming for the structure are complete.	Backbone fiber work has been completed building to building. Mechanical, fire and electrical upgrades to the four key network node locations are underway with completion expected Q1 2012. Purchase of core switches/routers has been deferred until 2012. The Data Center bid package will be issued in 2012.
Complete upgrade of Landside Parking Revenue Control System.	System is operational.	Progress has been slower than planned because of software issues. Initial system rollout has been completed at T2 during December 2011. Completion is expected Q3 2012.

**INFORMATION SERVICES****2012 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Maintain Payment Card Industry (PCI) credit card security compliance.	MAC assessment confirms compliance as a Level 2 merchant and service provider.
NA	Design and implement a campus-wide operational wireless system enabling staff access to data both in buildings and on the field.	Network design is completed. Vendor has been selected, and installation is underway.
NA	Complete the upgrade of the MSP courtesy phones, replacing central equipment that is obsolete by adding the courtesy phones to the MAC PBX phone system.	Cutover was completed successfully.
Increase the use of existing technology internally at the MAC and externally with customers.	Upgrade MAC desktop software to Windows version 7 and Microsoft Office 2010.	Software upgrades and training are completed.
NA	Capture asset data as equipment is installed, label assets, and link asset data with the maintenance management system for ongoing corrective and preventative maintenance.	MAC Design and Construction Standards include the project closeout procedures to capture the data. Field verification and labeling are completed for the next segment of the campus.
Increase the use of existing technology internally at the MAC and externally with customers.	Expand the use of EnterpriseOne to CIP budgeting, time entry for Fire, Police and Field Maintenance; improving employee self-service portal and extending the maintenance management functions to resource scheduling.	CIP budget reports are available from E1, electronic time entry is available for all MAC departments, the self service portal has additional functions and resource scheduling will be in use.
NA	Upgrade MAC's network that carries voice, video and data to meet present and future needs. The demands for capacity coming from the iVISN (CCTV) upgrade are driving this effort.	Phase I will be completed in 2012 including network design and implementation planning. The backbone portion of the network will be installed, configured and tested in 2012.
NA	Select and implement a Learning Management System that will provide computer-based training for recurrent security training as well as provide testing and record keeping for required FAA Rules Part 139 training for airport workers.	The System will be operational for ongoing SIDA training as well as required Movement Area drivers training.
NA	Complete iVISN project Phase I - CCTV upgrade, which includes selecting the system integrator, the video management system, Physical Security Information Management system, a test network and environment and cameras to evaluate.	Phase I installation and configuration will be completed, and camera evaluation underway.

**INFORMATION SERVICES****SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Est.	Goal
Operations	99%	99.9%	99.9%	99.99%	99.99%	99.99%

**SC Performance Indicator:** System availability

**Comments:** 99.99% uptime translates to 4 minutes of downtime per year. 99.9% equals 44 minutes of downtime per year. 99% equals 7 hours of downtime per year.

Finance	3.5%	3.77%	3.57%	4.10%	4.81%	< 5%
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**SC Performance Indicator:** IS budget as percent of total expense

**Comments:** Maintain appropriate investment in information systems resources.

Employee Engagement	2.00	1.55	.75	.77	.77	>1:1,000,000
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**SC Performance Indicator:** IS staff per million passengers

**Comments:** Ratio of 1 IS staff person to 1million passengers.

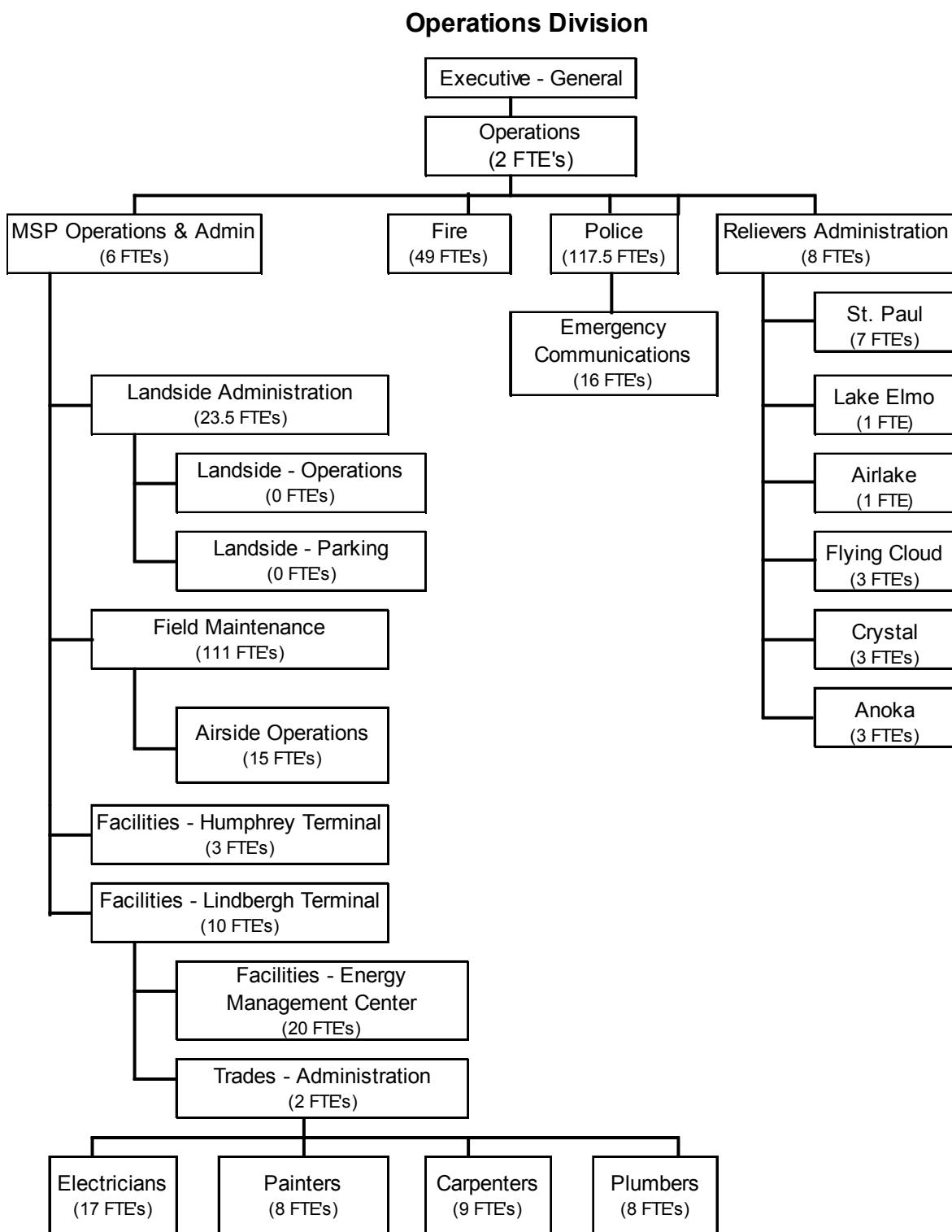
Employee Engagement	100%	100%	100%	100%	100%	100%
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**SC Performance Indicator:** Completed performance reviews

**Comments:** Our goal is to complete annual performance reviews with 100% of our employees every year.

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**Notations to Service Center Summaries:**

- \* Variance (dollars and %) is computed between 2011 Budget and 2012 Budget
- \* The explanation for the variances is based upon the 2011 Budget and 2012 Budget
- \* Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

**DEPUTY-OPERATIONS**

The Deputy-Operations Division is responsible for oversight and administration of the departments that manage the day to day operations of MAC's system of airports. These departments incorporate Police, Fire, Landside and Airside Operations, Maintenance, Reliever Airports, and administration of the Customer Service Action Council (CSAC). A primary role of this division is that of staff liaison to 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, this position involves substantial participation at the senior staff level in policy development, strategic planning and interdepartmental coordination.

**BUDGET SUMMARY**

	2010 Actual	2011 Budget	2012 Budget	\$ Variance	% Variance
Personnel	200,406	206,702	210,563	3,862	1.87%
Administrative Expenses	7,632	7,291	6,759	-532	-7.30%
Professional Services	26,463	6,000	6,120	120	2.00%
Utilities	864	739	754	15	2.00%
Operating Services/Expenses	604	0	0		
Maintenance	0	0	0		
Other	0	0	0		
<b>Total Budget</b>	<b>235,969</b>	<b>220,732</b>	<b>224,196</b>	<b>3,464</b>	<b>1.57%</b>
<b>FTE Total</b>	<b>2</b>	<b>2</b>	<b>2</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Working within the CSPI with CSAC, oversee the creation of training programs to train the MSP employee workforce on the MSP Vision Statement and Brand Promise, to develop consistently outstanding "one of a kind" Customer Service to the traveling public.	Training on the Vision and Brand Promise and the Standardized customer service traits and culture is being conducted by MAC and the tenants at MSP.	Training video is completed and being distributed to tenants and for MAC staff use. Training facilitators (Customer Experience Officer-"CEOs") are being identified and will be performing responsibilities in first quarter 2011.
Implementation of CSAC CS improvement projects regarding Airport ambiance, employee courtesy and helpfulness, restroom cleanliness and comfortable waiting areas.	Improvements in the ASQ scores on all associated elements year over year.	A four person "Benchmarking team" visited 11 airports this quarter and a report from that work is complete and work on the recommendations has been taken. On the issue of comfortable waiting areas, CSAC and MAC staff is working to identify areas that can accommodate the type of furniture that will serve the two purposes of creating comfortable lounging sites while providing convenient handheld devices and laptop charging/work areas.

**DEPUTY-OPERATIONS****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Develop and deploy a customer service training program for appropriate MAC staff on the theme of our Brand Promise; "MSP Nice, one experience at a time".	Program in place and training in progress.	Training program has been created and training will begin February 2012 with employees of HMS Host.
Complete the work of the Reliever Task Force.	Business Plans in place for each Reliever Airport.	Six of seven work plans are completed with action items being accomplished. Work plans will now be used to guide staff in development of separate business plans for each Reliever.

**2012 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Ensure the continued financial viability of the reliever airport system by completing new business plans for each of the reliever airports.	Complete the development of a revised financial model for the MAC General Aviation system	Model in place and functioning

Organizational Strategic Goal: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Finalize the Customer Service Brand Promise training program for MSP	Training being regularly conducted for MAC employees and tenant employees

**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Est.	Goal
Customer Experience	4.17	4.18	4.16	4.20	TBD	5 Rating

**SC Performance Indicator:** ASQ performance rating (1-5 scale)

**Comments:** Customer Service Training on the standards for the MSP Brand Promise "MSP Nice: once experience at a time" will be initiated in January 2012 and rolled out to the entire MSP community throughout the year. The goal of this training is to improve the experience for our traveling public at MSP and this should raise this ASQ score in the coming year.

**MSP OPERATIONS & ADMINISTRATION**

The MSP Operations & Administration service center 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.

For the 2012 Budget, the Call Center service center has been merged into MSP Operations & Administration and is responsible for answering the airport general information line and two incoming lines on the Airport Assistance phone system.

**BUDGET SUMMARY**

	2010 Actual	2011 Budget	2012 Budget	\$ Variance	% Variance
Personnel	242,958	333,571	488,975	155,403	46.59%
Administrative Expenses	20,423	27,394	74,455	47,061	171.79%
Professional Services	32,310	13,500	35,000	21,500	159.26%
Utilities	1,962	2,000	2,700	700	35.00%
Operating Services/Expenses	31,889	63,900	80,408	16,508	25.83%
Maintenance	5	0	0		
Other	28,986	20,200	20,100	-100	-0.50%
<b>Total Budget</b>	<b>358,534</b>	<b>460,566</b>	<b>701,638</b>	<b>241,072</b>	<b>52.34%</b>
<b>FTE Total</b>	<b>4</b>	<b>4</b>	<b>6</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. The primary increase in this category is the inclusion of the Call Center Service Center.
Administrative Expenses	Primary increase in this category is the budgeted monies for the emergency operations center software platform (\$50,000).
Professional Services	The primary increase in this category is additional budgeted monies for emergency evacuation planning consultant (\$25,000).
Utilities	The primary increase in this category is the inclusion of the stipend for emergency manager cell phone.
Operating Services/Expenses	The primary increases in this category are the inclusion of budget monies for marketing Customer Service Partnership Initiative (CSPI) and gauging customer service satisfaction surveys (+25,000).

**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Adjust to new Delta HQ focus on operational activities.	Cost effective procedures identified in snow removal that enhance MAC's ability to function during snow events and cost benefit analysis on delays, etc. tied to staffing levels.	Gained Delta's & Commission's support and hired several new temporaries to expand snow removal capabilities to include Runway 17/35.

**MSP OPERATIONS & ADMINISTRATION****2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Facilitate good communication and open relationships among airline, TSA, airport tenant and MAC staff.	MSP Director weekly airline manager breakfasts, sponsor 3 all airport luncheons, provide administrative support for monthly Airline Manager Council and Security Consortium and host monthly informal TSA / MAC brown bag lunches. Develop new initiative in 2010 to compliment current operations.	Follow-up work on checkpoints. Fueling changes, etc. among airlines and involved airport community in FAA Civil Rights ADA audit.
Become best airport in the U.S. (and perhaps the world) for services offered to deaf community.	Roll out full visual paging program including live website, Public Access Videophone (PAV), to tie in to Federal Inspection Services(FIDS) JC Decaux and Cable News Network (CNN).	Progress seen 3rd quarter through MUFIDS project. Visual paging startup in December.
Ensure FAA certification retained.	All 2010 inspections passed and problems addressed.	Passed annual certification review with flying colors in September 2010.
Continue to bring awareness of airport emergency preparedness to MAC staff.	Build-out Emergency Management Department. Hire new manager in 2010. Better develop National Incident Management System (NIMS) standard implementation at MSP.	Emergency Manager hiring process complete.

**2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Facilitate good communication and open relationships among airline, TSA, airport tenants and MAC staff.	MSP Director weekly airline manager breakfasts, sponsor 3 all airport luncheons, provide administrative support for monthly Airline Managers Council and Security Consortium and host monthly informal TSA/MAC brown bag luncheon and other initiatives as needed.	Held 3 lunches including 9/11 Commemorative with Tom Burnett family. All other activities as planned.
Continue to bring awareness of airport emergency preparedness to MAC staff.	Orient Emergency Manager to MAC and MSP Airport Community. Better develop NIMS standard implementation at MSP.	The MAC Emergency Manager has brought NIMS training for many MAC employees including Senior Staff allowing greater grant eligibility.
Ensure FAA certification retained.	All 2011 inspections passed and problems addressed.	Snowy first quarter. Formal winter evaluation is done and hiring recommendation (same as 2010/2011 season) forwarded through budget process.

**MSP OPERATIONS & ADMINISTRATION****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Become best airport in the U.S. (and perhaps the world) for services offered to deaf community.	As noted by benchmarking.	To our knowledge, we are #1 in this area!

**2012 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Enhance Air Service at MSP</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Ensure FAA certification retained and safety issues addressed.	All 2011 inspections passed and all problems other than record related issues addressed. Training record problems are being addressed with MAC IT partnership.

Organizational Strategic Goal: <i>Match Employee Talent with Changing Business Needs</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Expand knowledge transfer and leadership development programs	Continue to offer the National Incident Management System (NIMS) training to all MAC employees who have a response role in the airport emergency plan.	Conduct 2 offerings of the ICS 300 and ICS 400 class in 2012.

Organizational Strategic Goal: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Become best airport in the U.S. (and perhaps the world) for services offered to deaf community.	Complete FIDs tasks of paging option on CNN & JCDecaux digital signage.

**MSP OPERATIONS & ADMINISTRATION****2012 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Strengthen Partnerships and Relationships</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
Strengthen our partnership with Greater MSP.	Conduct a triennial exercise that successfully meets the FAA CFR Part 139 requirement.	FAA certified exercise to be held May 16-17, 2012.
Strengthen our partnership with Greater MSP.	Facilitate good communication and open relationships among airline, TSA, airport tenants & MAC staff.	MSP Director weekly airline manager breakfasts, sponsor 3 all airport luncheons, provide administration support for monthly Airline Managers Council and Security Consortium and host monthly informal TSA/MAC brown bag luncheon and other initiatives as needed. Work to transition OTG staff into airport community. Involvement in CSAC Forum planning.

**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Est.</b>	<b>Goal</b>
Employee Engagement	100%	100%	100%	TBD	100%	100%
<b>SC Performance Indicator:</b> Annual Employee Performance Reviews Complete						
<b>Comments:</b> All MSP Operational groups included.						
Operations	N/A	N/A	50%	TBD	TBD	Completed
<b>SC Performance Indicator:</b> Continuous improvement of MSP winter operations						
<b>Comments:</b> Additional seasonal Field Maintenance crew additions approach enhanced for safety & service reliability reasons.						
Customer Experience	N/A	20%	60%	TBD	TBD	Completed
<b>SC Performance Indicator:</b> 2011 goals of the MSP Accessibility Plan implemented						
<b>Comments:</b> Visual paging approach completed and 2011 phases planned.						

**CALL CENTER**

For the 2012 Budget, the Call Center service center has been merged into MSP Operations & Administration and is responsible for answering the airport general information line and two incoming lines on the Airport Assistance phone system. One line is for information and paging services and the second line provides ground transportation information which includes taxis, shuttles, buses and parking. In addition, the Office also handles other calls regarding MAC departments outside their operational hours. There are 275 courtesy phones in T-1 Lindbergh and T-2 Humphrey combined. The Information & Paging Office is also responsible for performing a large portion of the paging function in both terminals. The Office is open 7 days a week, 14 hours a day, 365 days a year.

**BUDGET SUMMARY**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	197,023	168,944	0	-168,944	-100.00%
Administrative Expenses	0	435	0	-435	-100.00%
Professional Services	0	0	0		
Utilities	0	0	0		
Operating Services/Expenses	0	0	0		
Maintenance	0	0	0		
Other	0	0	0		
<b>Total Budget</b>	<b>197,023</b>	<b>169,379</b>	<b>0</b>	<b>-169,379</b>	<b>-100.00%</b>
<b>FTE Total</b>	<b>2</b>	<b>2</b>			

**2010 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Develop effective Humphrey model to cover "lost" ASIG terminal management duties.	Model developed and implemented that results in improved service levels and lower costs.	Hiring process brought in 1 more great temporary employee.
Provide great service to Deaf & Hard of Hearing and Blind community in project partnership with Development.	Meeting officially and unofficially to set goals with Minnesota Council on the Deaf and Hard of Hearing (MCDHH) and American Federation of the Blind (AFB).	MSP accessibility update given 2010 at Open Doors Conference in Houston TX November 2010. FAA Civil Rights Audit team work 11/30-12/3/10. Attended MCDHH 25th anniversary party 11/10.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Improve service levels and lower costs through greater use of labor.	Better balance permanent schedules with new hire replacement for retiring employee in 2011.	Training of all employees to better respond to customer social media questions.
Provide great service to Deaf & Hard of Hearing & Blind community in project partnership.	Continue to set "stretch" goals with MCDHH and AFB.	Visual paging on-line 3rd quarter.
Research to find an upgrade or replacement to the telephone system in the Call Center.	The system currently being used was purchased in 1999 with very limited upgrades. A new system would enhance our customer service.	Working with IS to determine needs and dollar amount required.

**CALL CENTER****SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Est.	Goal
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Annual employee performance reviews completed						
<b>Comments:</b> All Call Center staff have performance reviews documented in 2011.						
Customer Experience	N/A	20%	60%	TBD	100%	100%
<b>SC Performance Indicator:</b> Visual paging developed and completed in Call Center						
<b>Comments:</b> Live website and MUFIDS, CNN and JCDecaux to display key pages.						

**AIRSIDE OPERATIONS**

The Airside Operations Department is responsible for ensuring that Minneapolis-Saint Paul International Airport is in compliance with federal and state regulations, particularly FAR Part 139-Airport Certification. The department conducts safety inspections and determines the operating status of the airfield. Airside coordinates airfield activities with FAA Air Traffic Control facilities and air carrier tenants. The department is responsible for managing the snow and ice control plan, the wildlife control program, construction safety and the airfield drivers training/testing program. Airside Operations is also the 24/7 non-emergency contact for all airport tenants.

**BUDGET SUMMARY**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	1,272,245	1,253,642	1,318,335	64,692	5.16%
Administrative Expenses	78,700	87,713	95,655	7,942	9.05%
Professional Services	74,955	81,659	82,000	341	0.42%
Utilities	16,262	10,560	16,262	5,702	54.00%
Operating Services/Expenses	84,930	156,023	124,090	-31,933	-20.47%
Maintenance	9,311	19,274	19,000	-274	-1.42%
Other	28,099	30,000	30,000	0	0.00%
<b>Total Budget</b>	<b>1,564,503</b>	<b>1,638,871</b>	<b>1,685,342</b>	<b>46,470</b>	<b>2.84%</b>
<b>FTE Total</b>	<b>15</b>	<b>15</b>	<b>15</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	Expenses associated with printing of regulatory and non-regulatory training materials. Examples include AOA Driver's Guides, Airport Certification Manuals, wildlife training manuals and airport maps.
Professional Services	Contracted vendor support providing technical services to configure and maintain Airside technology assets.
Utilities	Increase in cellular telephone charges as identified by MAC IS.

**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Expand Airport Operations Area driver's training program from those only required by current FAA Advisory Circular standards to all AOA drivers.	Partner with APD-Badging to identify AOA vehicle operators at time of security badge application, and distribute AOA driver's training materials to applicable personnel.	Driver's Training guides printed and available for distribution.
Reduce Airside Operations overtime as a percentage of wages.	2010 Airside OT percentage of total wages less than 11%.	Airside overtime as a percentage of total wages FY 2010 at 10%

**AIRSIDE OPERATIONS****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Manage controllable overtime expenses as a percentage of total wages.	Airside Operations overtime costs less than 11% of total wages.	FY'11 performance at 11.3%; target missed largely in part due to the above average snowfall during the first quarter of the year.
In advance of expected FAA regulatory requirements, establish the groundwork for an airport Safety Management System (SMS) program.	Identify "Responsible Executive" per FAA Advisory Circular guidelines; establish MSP SMS committee; create outline of MSP SMS Plan.	FY'11 ended without further guidance from the FAA. The airport industry successfully lobbied the FAA to reevaluate proposed SMS implementation parameters. The FAA is expected to release revised rulemaking during 1Q 2012.

**2012 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Manage controllable overtime expenses as a percentage of total wages.	Airside Operations overtime expenses less than 11% of total wages.

Organizational Strategic Goal: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Increase the use of existing technology internally at the MAC and externally with customers.	Enhance record-keeping to ensure compliance with FAR Part 139.303 (personnel-training).	In partnership with MAC Information Services, install Learning Management System (LMS) software and have program available for demonstration to the FAA Airport Certification Inspector.
Increase the use of existing technology internally at the MAC and externally with customers.	Implement an electronic logging system for required documentation under FAR Part 139	Installation of selected vendor software during 1Q; training completed and system operational in 3Q.

**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Est.	Goal
Employee Engagement	N/A	11.7	10.0	11.3	11.0	11.0%
<b>SC Performance Indicator:</b> Overtime as a % of total wages						
<b>Comments:</b> 2007 MAC overtime as a % of total wages.						
Safety & Security	2	0	0	0	0	0
<b>SC Performance Indicator:</b> AOA violation						
<b>Comments:</b>						

**AIRSIDE OPERATIONS****SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Est.	Goal
Safety & Security	0	1	2	0	0	0

**SC Performance Indicator:** Vehicle/pedestrian runway incursions

**Comments:** Goal represents all MSP vehicle operations; MAC and tenant drivers.

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**EMERGENCY COMMUNICATIONS**

Emergency Communications is the 911 center for the airport community, operating 24 hours a day, 7 days a week. The staff makes critical decisions to ensure the safety of the passengers, police officers and firefighters. We are responsible for dispatching and coordinating police, fire and emergency responses and are the operators of the secured card access system. Over 64,000 calls for service were generated in 2010. This center also houses the Honeywell fire alarm system which has over 35,000 logical devices. We operate the CCTV camera system which houses 1600+ cameras. This department controls the audio recording for 60 plus channels of phone and radio traffic. We make terminal announcements regarding security issues and weather and provide the only airport-wide paging service from 10 PM to 7 AM.

**BUDGET SUMMARY**

	2010 Actual	2011 Budget	2012 Budget	\$ Variance	% Variance
Personnel	1,104,383	1,212,814	1,213,770	956	0.08%
Administrative Expenses	17,700	13,614	20,129	6,515	47.86%
Professional Services	0	0	0		
Utilities	4,600	4,415	4,503	88	1.99%
Operating Services/Expenses	5,076	160,429	201,201	40,772	25.41%
Maintenance	0	0	0		
Other	13,635	10,429	11,925	1,496	14.34%
<b>Total Budget</b>	<b>1,145,393</b>	<b>1,401,702</b>	<b>1,451,528</b>	<b>49,827</b>	<b>3.55%</b>
<b>FTE Total</b>	<b>15</b>	<b>16</b>	<b>16</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	Computer supplies software makes up most of the cost increases in this category. They are covered under technology requests.
Operating Services/Expenses	This category is higher due to maintenance contracts that have either gone up in cost or are now figured for full year contracts as opposed to partial year contracts in 2011. The Computer Aided Design (CAD) maintenance contract supports 24 X 7 coverage for critical equipment for dispatching and tracking police and fire units. This cost went up \$6072. The radio and voice logging recorder repair service went up \$3261. The annual telephone hardware maintenance now covers 12 months, as opposed to 2 months in 2011 and the cost went up \$13,931. In addition, we now have annual telephone software maintenance of \$14,510, a cost we did not incur in 2011.
Other	Minor assets and the appropriate cost of copier rental make up the increase in costs in this category.

**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Implement and maintain quality control program.	Operating consistency, reduction of liability.	Working on developing program with quality software through the new voice recording system. This project will carry over into next year.

**EMERGENCY COMMUNICATIONS****2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Provide appropriate training on high priority systems including computer aided dispatch, secured card access system, CCTV, and the Honeywell alarm system as well as position specific job requirements.	Maintain performance levels. Industry standards are met.	Concentrating on basic training program for new hires. This project will carry over into next year.

**2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Implement and maintain quality control program.	Operating consistency, reduction of liability.	Work on this has not yet formally started. Working with vendors and staff to find solutions for current voice recording systems.
Provide appropriate training on high priority systems including computer aided dispatch, secured card access system, CCTV, and the Honeywell alarm system as well as position specific requirements.	Maintain performance levels. Industry standards are met.	During the last quarter staff has received some on-going training for dispatching protocols. Due to staffing shortages and new employee training program work, this training will need to be worked on in 2012.

**2012 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Match Employee Talent with Changing Business Needs</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Provide appropriate training on high priority systems including computer aided dispatch, secured card access system, CCTV, and the Honeywell alarm system as well as position specific requirements.	Maintain performance levels. Industry standards are met.

**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Est.	Goal
Customer Experience	85%	83%	87%	88%		=>90%
<b>SC Performance Indicator:</b> Answer 911 calls in appropriate time frame						
<b>Comments:</b> Answering 90% or more of 911 calls in less than 10 seconds is attainable only with appropriate staffing levels. The 90% standard is currently an informal standard mandated in many states. Increases in job duties and calls for service reveal the need to have two more emergency communications specialists to increase the level of staffing at key times in this 24 hour per day department. Additional staffing requests will be made in the 2013 budget.						

**EMERGENCY COMMUNICATIONS****SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Est.	Goal
Employee Engagement	3%	4%	3%	3%		0-5%
<b>SC Performance Indicator:</b> Call handling standards on all shifts are met						
<b>Comments:</b> Rate of customer complaints. Appropriate staffing levels. Adequate working positions filled to cover calls for service. Maintain performance levels. Increase training on high priority systems. Incorporate staffing plan that ensures call-answering standards are met along with ability to optimize training opportunities and cover for time off requests.						

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**LANDSIDE-OPERATIONS**

Landside oversees the operation, maintenance, and design of the Commission's commercial vehicle roadways and the automated system which provides vehicle access and revenue control. It also governs the revenues generated by these roadways and the vehicles and operators utilizing them. Landside-Operations has national and international business relationships with other airports, municipal governing entities, and local and national commercial vehicle operators.

**BUDGET SUMMARY**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	0	0	0	0	0.00%
Administrative Expenses	25,500	19,176	19,605	429	2.24%
Professional Services	0	0	0		
Utilities	0	0	0		
Operating Services/Expenses	190,618	217,962	307,180	89,218	40.93%
Maintenance	45,545	45,173	35,579	-9,594	-21.24%
Other	0	0	0		
<b>Total Budget</b>	<b>261,663</b>	<b>282,312</b>	<b>362,364</b>	<b>80,052</b>	<b>28.36%</b>
<b>FTE Total</b>					

**BUDGET HIGHLIGHTS**

Administrative Expenses	Information brochures line item has decreased by \$5,500 compared to 2010.
Operating Services/Expenses	\$35,000 cost to hire a Secret Shopper to shop commercial vehicle and taxi trips during 2012. The three-year (\$54,000) MAVIS maintenance contract expires June 2012. Because of additions to MAVIS in the past three years, Landside anticipates a significant increase in cost.

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**LANDSIDE-PARKING**

This cost center oversees the operation, maintenance, marketing, and design of the Commission's public and employee parking facilities and the automated system that provides access and revenue control to these parking facilities. It also governs the revenues generated by these parking facilities, and inter-terminal transportation services provided by light rail and/or shuttle bus service. Landside-Parking has business relationships with the Metropolitan Council, national and international airports, municipal governing entities and parking operators, a wide variety of parking supply and service vendors, and parking management operators.

**BUDGET SUMMARY**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	0	0	0		
Administrative Expenses	0	0	0		
Professional Services	-6,000	6,242	0	-6,242	-100.00%
Operating Services/Expenses	7,828,790	7,839,330	7,861,818	22,488	0.29%
Maintenance	160,384	193,141	193,594	453	0.23%
Other	0	0	0	0	0.00%
<b>Total Budget</b>	<b>7,983,174</b>	<b>8,038,714</b>	<b>8,055,412</b>	<b>16,698</b>	<b>0.21%</b>
<b>FTE Total</b>					

**BUDGET HIGHLIGHTS**

Operating Services/Expenses	\$44,000 parking management expenses due to a new labor agreement; \$20,000 shuttle services (2011 was under budgeted for the T2 disability shuttle).
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**LANDSIDE-ADMINISTRATION**

The Landside-Administration cost center oversees the operation, maintenance, marketing, and design of the Commission's public and employee parking facilities as well as commercial vehicle and taxi programs and the automated system that provides access and revenue control to the parking facilities. It also governs the revenues generated by these parking facilities, and inter-terminal transportation services provided by light rail and/or shuttle bus service. Landside-Administration has business relationships with the Metropolitan Council, national and international airports, municipal governing entities and parking operators.

Service Center Objectives and Results and Performance Indicators for Landside-Operations and Landside-Parking are incorporated into the Landside-Administration area.

**BUDGET SUMMARY**

	2010 Actual	2011 Budget	2012 Budget	\$ Variance	% Variance
Personnel	1,527,737	1,535,931	1,544,109	8,177	0.53%
Administrative Expenses	43,918	49,385	47,837	-1,548	-3.13%
Professional Services	0	0	0		
Utilities	6,329	7,230	6,471	-759	-10.50%
Operating Services/Expenses	0	0	0		
Maintenance	0	0	0		
Other	7,275	8,400	7,378	-1,022	-12.17%
<b>Total Budget</b>	<b>1,585,259</b>	<b>1,600,947</b>	<b>1,605,795</b>	<b>4,848</b>	<b>0.30%</b>
<b>FTE Total</b>	<b>23.5</b>	<b>23.5</b>	<b>23.5</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Improve the management of commercial transportation services through increased staff field presence.	Landside Agents each spend two hours per day performing field enforcement of taxi, commercial vehicle and parking operations.	Objective achieved through increased physical field presence and increased use of Closed Circuit TV (CCTV) equipment to remotely and historically monitor commercial vehicle and taxi areas.
Restructure taxicab operations at MSP to improve the efficiency of operations and improve the level of customer service delivered.	Customer complaints decrease by 10%. Customer compliments increase by 15%. The role of day to day managing taxi operations shifts from Landside staff to the taxi industry.	A series of well-attended meetings between MAC staff, taxicab industry members, and Commission members produced no consensus on how to restructure taxicab operations. This objective will continue to be a focus during 2011.
Introduce eParkElite parking (guaranteed parking at Terminal 1 and Terminal 2).	eParkElite generates \$300,000 additional revenue during 2010.	Customers currently using eParkElite are very satisfied with the service. Because of the down turn in the economy, the T1 General Lot has not filled as often, lowering the desirability of a Guaranteed Parking product in 2010.
Activate revenue control at the Terminal 1 Transit Center.	Revenue from charter buses and vehicles using the Terminal 1 Transit Center increase 500%.	Objective was accomplished during the 2nd Quarter. T1 Transit Center revenues continue to exceed 2010 goals.

**LANDSIDE-ADMINISTRATION****2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Migrate the parking revenue control system from Zeag FCMS to Zeag Orion.	Two year process. Improve MAC compliance to PCI requirements. Add electronic coupons to RCS (such as bar codes on smart phones for ePark® customers).	During the 4th Quarter software development continued. All eTrip® lanes were converted over to the new system. This allows MAC to test and refine advanced interfaces (the interface between the MSP Orion revenue controls system and Heartland Payment Systems for credit card processing) in a low volume and low risk environment. The next area to be converted will be Valet parking revenue control. We upgraded our web-based reporting platform, and file servers were upgraded to increase levels of failover, redundancy and security.
Improve response times for public parking customer issues.	Ampco response to customers on-site issues in under five minutes per incident.	4th Quarter reports demonstrate that Ampco's response time is just under six minutes and improving. Additional training and evaluations are in process.

**2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Complete the parking revenue control system upgrade from Zeag-FCMS to Zeag MSP Orion-ZMS.	Improve MAC Payment Card Industry (PCI) Compliance requirements. Electronic coupons and barcode validations are available in all parking exit lanes.	The software development phase continued during Q4. MSP Orion has been installed on all entrances and all exits at T2 MSP Value and T2 Short-Term. Landside is monitoring performance to verify that speed, accuracy and reliability are operating at or above 99.97%
Prepare a Request For Proposal for parking management of MSP parking facilities.	Landside is prepared to issue a RFP for management of parking facilities during the first quarter of 2012.	Updating the RFP is underway.
Identify issues, analyze possible solutions and present an improved method of managing and delivering taxicab service at MSP.	Process completed and a recommendation is presented.	Process completed and a recommendation was presented.
Develop and issue a Request for Proposal for shared ride service. Evaluate responses and make a recommendation to the Commission.	Process is completed and a recommendation is made to the Commission.	Process is completed and a recommendation was made to the Commission.
Use new features of the public parking revenue control system upgrade in the overall parking marketing strategy.	Marketing concepts are developed and delivered.	Marketing concepts were developed and delivered.

**LANDSIDE-ADMINISTRATION**  
**2012 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Operate an electric vehicle for parking management to gain experience that will be used to make recommendations regarding the design of our parking facilities for accommodation of electric vehicles.	<ol style="list-style-type: none"> <li>1. Gather input from operators, maintenance and facilities staff regarding their experience using an electric vehicle and required accommodations.</li> <li>2. Gather similar input from peers in the industry, manufacturers and suppliers.</li> <li>3. Proposing a design including location, quantity and operational procedures for accommodating electric vehicles that will be operated by public parkers.</li> </ol>
NA	Complete the parking revenue control system upgrade from Zeag-FCMS to Zeag MSP Orion-ZMS	<ol style="list-style-type: none"> <li>1. Less than 10 customer complaints during cutover to the new system.</li> <li>2. Bar code validations are available for use by ePark® customers by 3rd Quarter 2012</li> </ol>

Organizational Strategic Goal: <i>Match Employee Talent with Changing Business Needs</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Expand knowledge transfer and leadership development programs	Encourage career development of Landside staff.	Each Landside staff member attends and completes eight hours of professional growth career training.

**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Est.	Goal
Customer Experience	N/A	3.80	3.93	3.94	3.96	3.96
<b>SC Performance Indicator:</b> ASQ survey score for "Quarterly Parking Availability".						
<b>Comments:</b> Our goal is to achieve an average Airport Service Quality (ASQ) quarterly survey score above 3.96 for Quarterly Parking Availability.						
Customer Experience	N/A	4.15	4.23	4.23	4.25	4.25
<b>SC Performance Indicator:</b> ASQ survey score for "Ground Transportation".						
<b>Comments:</b> Our goal is to achieve an average Airport Service Quality (ASQ) ASQ quarterly survey score above 4.25 for Ground Transportation.						

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**FIRE**

The Fire Department is responsible for providing aircraft rescue and firefighting, structural firefighting and first response emergency medical services. The department investigates all fires that occur within our service area, determining the origin and cause and ensuring proper documentation for state and federal reporting requirements. The department also provides a number of public education opportunities including fire extinguisher, Automated External Defibrillator (AED) and first aid training to airport tenants, staff and the public.

**BUDGET SUMMARY**

	2010 Actual	2011 Budget	2012 Budget	\$ Variance	% Variance
Personnel	3,983,647	4,013,163	4,193,794	180,631	4.50%
Administrative Expenses	15,800	12,707	23,774	11,067	87.09%
Professional Services	8,511	10,530	6,823	-3,707	-35.20%
Utilities	11,366	17,400	18,000	600	3.45%
Operating Services/Expenses	21,151	26,983	23,000	-3,983	-14.76%
Maintenance	8,092	10,366	5,806	-4,560	-43.99%
Other	117,120	102,389	79,638	-22,751	-22.22%
<b>Total Budget</b>	<b>4,165,688</b>	<b>4,193,538</b>	<b>4,350,835</b>	<b>157,297</b>	<b>3.75%</b>
<b>FTE Total</b>	<b>48</b>	<b>49</b>	<b>49</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	Annual service agreement for our records management system.

**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Reduce response times based on data analysis from the new CAD system. Along with the implementation of dynamic dispatching allowing a properly staffed and equipped unit to be sent to the call if it happens to be closer than one at the station.	Analysis of our records management system in July and December 2010 will give us high quality data and should help us better manage emergency response activities.	Able to get some data but still completing some areas of the software, i.e., CAD to CAD with Allina and automatic downloading from Fire House.
Go live with new Computer Aided Dispatch System.	System operates and provides improved resources for personnel responding to emergency calls. In addition, provides quality data for management analysis.	100% complete.
Look for alternative funding sources to help provide the services and support we need at MSP, such as vehicle replacement funding for the long term.	Funding available to replace equipment in a more timely manner allowing for better department planning.	Work on this project will continue throughout 2011.

**FIRE****2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Move to computer based records for inspections and EMS reporting.	All records reviewable and department is able to conduct successful analysis related to department response activities.	Ongoing changing to e-records is taking longer than anticipated. Our goal is to have EMS records computer based by 12/31/10.

**2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Conduct a complete review and revision of all Fire Department policies and procedures.	All procedures have been fully reviewed and rewritten when required. All documents should have a 2011 date.	We have reviewed our policies and selected the new format but are still revising some of the current policies and writing a large number of new administrative policies. We expect to have this project all completed by the end of the 3rd quarter 2012.
Conduct a full review of the departmental vehicle fleet, prioritizing a vehicle replacement schedule.	Schedule reviewed by MAC Maintenance Shop Management and the Deputy Executive Director of Operations.	Completed. A replacement will be requested in our 2013 budget for Crash # 17. We also be requesting funding to purchase a replacement reserve structural truck as the Air Force for unknown reasons pulled both vehicles we were using under the joint use agreement for 25+ years.
Develop a five-year Fire Department response plan addressing department facilities, personnel, apparatus and response routes.	Plan presented to the Deputy Executive Director of Operations	Ongoing
Review the following Fire Code enforcement programs: 1. MAC Ordinance #99 including permit fees. 2. MAC Construction Standards. 3. Confirm building/facility ownership at MSP. 4. Other items as determined by the Fire Marshal.	Present results to Fire Chief with recommendations, updates, and changes.	Ongoing and will continue into 2Q 2012
Review the Fire Department Training Program with a focus on department needs for the next five years. The review shall include the following: 1. FAA requirements. 2. OSHA requirements. 3. State requirements. 4. 2012-2016 budget requirements.	Present results to Fire Chief with recommendations, updates and changes.	Completed in 3rd Q

**FIRE****2012 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Leverage Resources and Technology</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
Increase the use of existing technology internally at the MAC and externally with customers.	Review effectiveness of fire department records management system.	Evaluate current system against other systems currently available and develop written report with recommendations.

<b>Organizational Strategic Goal: <i>N/A</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
N/A	Write or revise fire department standard operating procedures.	All procedures to be written in or show a revised date in 2012.
N/A	Improve the delivery of daily training to all shift personnel.	An overall increase in the documented hours of training for each employee with all training being connected to national standards and using standard curriculum including related evaluation tools for each chapter.
N/A	Complete the International Fire Service Accreditation Congress (IFSAC) Aircraft Rescue and Fire Fighting for employees not currently certified.	Employees pass both the written and practice exams and have receive IFSAC Certification.

**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Est.</b>	<b>Goal</b>
Safety & Security	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Complete FAR 139 required training						
<b>Comments:</b>						
Employee Engagement	98%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Complete performance reviews						
<b>Comments:</b>						

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**POLICE**

With customer service as our foundation, the Airport Police Department is committed to the prevention and detection of crime, the protection of life and property, and the preservation of peace, order and safety. We are driven by our values of vigilance, integrity and pride to reduce fear and foster a sense of security at MSP.

**BUDGET SUMMARY**

	2010 <u>Actual</u>	2011 <u>Budget</u>	2012 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	9,102,754	9,172,985	9,791,264	618,278	6.74%
Administrative Expenses	251,331	291,713	220,800	-70,913	-24.31%
Professional Services	84,614	84,375	97,973	13,598	16.12%
Utilities	23,425	20,000	20,000	0	0.00%
Operating Services/Expenses	1,142,289	1,125,987	948,075	-177,912	-15.80%
Maintenance	163,884	36,856	31,256	-5,600	-15.19%
Other	129,488	133,494	133,303	-191	-0.14%
<b>Total Budget</b>	<b>10,897,787</b>	<b>10,865,410</b>	<b>11,242,671</b>	<b>377,260</b>	<b>3.47%</b>
<b>FTE Total</b>	<b>113.5</b>	<b>115.5</b>	<b>117.5</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to 2 additional FTEs, five additional temporary CSO positions, overtime costs for dignitary protection during the 2012 Presidential campaign, as well as wage structure adjustments and step increases.
Administrative Expenses	Decrease associated with reduction in cost of card stock for badges.
Professional Services	Increase related to expenses of one additional EOD K-9 team (TSA reimbursement).
Operating Services/Expenses	Decrease related to costs for CCTV maintenance shifting to IS Service Center budget.
Maintenance	Decrease in replacement/repair costs of security system components.
Other	Decrease in medical and safety supplies.

**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Improve curbside customer service.	Distribution of a minimum of 50 informational flyers per day to persons utilizing the terminal roadways. Reduce the complaints by a minimum of 10%.	Community Service Officers (CSO) continue to hand out informational flyers to help reduce terminal roadway congestion and increase customer service. A 40% decrease in CSO complaints was realized in 2010 due to ongoing customer service training and awareness efforts in the CSO Program.
Review and improve practices related to incident command procedures.	Airport Police supervisors and managers will receive updated NIMS Training. Establishment of operational protocols and understandings of the incident command structure.	APD Sergeants, Lieutenants and all command staff completed the 24 hour NIMS 300 course in October 2010. NIMS 400, the last required training course, has been scheduled for completion in January, 2011.

**POLICE****2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Seek grant funding to assist in offsetting the overtime costs for federally mandated security initiatives.	Procurement of grant funds.	Another \$57,811 grant was procured in November for high visibility deterrent activities at the Lindbergh T1 and Humphrey T2 Terminals. This grant must be expended by June 30, 2011. A total of \$187,394 in high visibility deterrent grant monies was received in 2010.

**2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Review and improve practices related to incident command procedures.	Airport police supervisors and managers will receive NIMS 400 training which will complete the series. Tabletop scenarios will be initiated at the roll call level to continue ongoing learning.	Tabletop scenarios started in the 4th quarter of 2011 were completed.
Work collaboratively with MAC Emergency Manager to seek grant funding to assist in offsetting the overtime cost for federally mandated security initiatives.	Procurement of grant funds.	Continuing to work with MAC Emergency Manager to identify potential grants to procure for 2012. No available funding was identified in 2011.
Enhance curbside customer service by providing additional training to Community Service Officers.	Community Service Officers will complete additional customer service training.	Customer service training for CSOs has been completed.
Complete a comprehensive review of MAC Ordinance 91.	Commission approval of Ordinance 91.	Review process with MAC Legal is ongoing. Legal has been working closely with APD staff to complete this process by the 2nd quarter of 2012.
Adaptation of the Lexipol standardized Minnesota Law Enforcement Policy and Procedures Manual and incorporated into daily training.	Implementation of Policy and Procedure Manual to include daily roll call training.	Policies continue to be reviewed by contracted legal staff. Policies are being converted to Lexipol format. Completion end of first quarter 2012. Original target was overly optimistic.
Familiarize MAC employees with the MSP Airport Police Department to provide a greater level of knowledge with regard to security mandates and general police functions.	Interested employees will complete ride/walk alongs for an 8-hour day with a member of the police department. They will also complete a structured information program.	Anticipated program start up 2nd quarter 2012. Other departmental priorities took precedence.

**POLICE****2012 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Assure Financial Viability</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Work collaboratively with MAC Emergency Manager to seek grant funding to assist in off-setting the overtime cost for federally mandated security initiatives.	Procurement of grant funds.

<b>Organizational Strategic Goal: <i>Match Employee Talent with Changing Business Needs</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Adaptation of the Lexipol standardized Minnesota Law Enforcement Policy and Procedures Manual and incorporated into daily training.	Implementation of Policy and Procedure Manual to include daily roll call training.

<b>Organizational Strategic Goal: <i>N/A</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
N/A	Complete a comprehensive review of MAC Ordinance 91.	Commission approval of Ordinance 91.

<b>Organizational Strategic Goal: <i>Strengthen Partnerships and Relationships</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Familiarize MAC employees with the MSP Airport Police Department to provide a greater level of knowledge with regard to security mandates and general police functions.	Interested employees will complete ride/walk alongs for an 8-hour day with a member of the Police Department. They will also complete a structured information program.

**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Est.</b>	<b>Goal</b>
Customer Experience	N/A	7	5	3	2	0

**SC Performance Indicator:** Number of sustained CSO complaints

**Comments:** Continued use of audio and video recordings to verify accuracy and validity of customer complaints. Implemented a customer service informational flyer and 24/7 comment line to address terminal roadway concerns.

Safety & Security	6	9	5	3	2	0
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**SC Performance Indicator:** Training related accidents

**Comments:** Utilize acceptable forms of stretching and warmup prior to engaging in physically demanding training.

**POLICE****SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Est.	Goal
Employee Engagement	60	74	46	72	85	100
<b>SC Performance Indicator:</b> Participation in Wellness activities						
<b>Comments:</b> Encourage department staff to pursue healthy living through participation in wellness activities.						
Customer Experience	N/A	N/A	N/A	N/A	25	50
<b>SC Performance Indicator:</b> Number of comments						
<b>Comments:</b> Track comments related to the APD through a variety of media streams including social media.						

**FACILITIES-HUMPHREY TERMINAL**

The Facilities-Humphrey Terminal Department is responsible for all operations and maintenance activities at Terminal 2 (Humphrey) and all other common-use facilities on the airport including Terminal 1 (Lindbergh) and Terminal 2 FIS Facilities, fueling operations, Terminal 2 remote ramp and shared airline systems in both terminals. Facilities works directly with user/tenant airlines to provide and maintain all essential airline operating facilities and equipment. Department routinely participates in airport facilities planning activities and airline lease negotiations. The department also serves as the liaison to Federal Inspection Services (Customs) and other federal agencies that oversee international airline/airport operations.

**BUDGET SUMMARY**

	2010 Actual	2011 Budget	2012 Budget	\$ Variance	% Variance
Personnel	442,368	518,258	492,407	-25,851	-4.99%
Administrative Expenses	6,304	7,000	7,550	550	7.86%
Professional Services	0	0	0		
Utilities	2,140	1,625	1,700	75	4.62%
Operating Services/Expenses	3,707	22,500	26,250	3,750	16.67%
Maintenance	211,516	221,000	228,500	7,500	3.39%
Other	9,719	3,797	1,600	-2,197	-57.86%
<b>Total Budget</b>	<b>675,754</b>	<b>774,180</b>	<b>758,007</b>	<b>-16,173</b>	<b>-2.09%</b>
<b>FTE Total</b>	<b>3</b>	<b>3</b>	<b>3</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increase are attributable to wage structure adjustments and step increases. However, the decrease in Personnel is due to a decrease in temporary staff.
Operating Services/Expenses	The Operating Services increase is for necessary repairs and replacement of sign equipment.
Maintenance	Increase in maintenance expenses (3%) primarily related to additional jetbridge maintenance associated with the increase in operations by Southwest airlines at Terminal 2 - Humphrey and aging bridges.

**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Bring essential operations duties in-house (from ASIG contract). Restructure job and duties to be more efficient, provide better service and lower costs. Convert temporary positions to full-time permanent by December 2010.	Lower annual cost to MAC to perform duties in-house with MAC Staff compared to contracted staffing costs (ASIG contract).	Decision to make the T2 Operations Agent positions permanent has been postponed until 2011.
Re-design EVIDS display pages (Humphrey T2) to provide more public information (PIDS) which will assist passengers at the airport or provide other useful information to improve their experience at MSP.	Completion of new page layouts and begin routinely displaying information on new pages.	95% complete. Construction punch list items and final install of BIDS displays in T2 expected by end December.

**FACILITIES-HUMPHREY TERMINAL****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Develop master plan for CCTV and EVIDS systems. These systems have expanded significantly in recent years. Master plans are needed to effectively guide decision making related to the ongoing management and use of these critical systems.	Completed plans for both systems adopted into MAC Policies & Procedures. 2011 CIP and operating budgets to support the action plans for these systems over the next 3-5 years.	Final drafts of CCTV (iVISN) documents are being reviewed by MAC Legal Dept. Additional revisions to these documents were required. Adoption of new iVISN Policy will go to the Commission for approval in 1st Qtr. 2012. RFP for Phase I will be issued in February 2012. Agreements with TSA and Delta will come to the Commission in 2nd Quarter 2012 after the RFP has been awarded (known costs).
Revise Ordinance 96 RON aircraft parking fees for T2. Create new fee for RON "on gate" that is a higher rate than RON "off gate". "On gate" RON should be a higher rate to cover costs of available additional services such as PCAir and Ground Power.	Evaluate cost(s) to MAC for use of PC Air and GPU equipment (per hour). New Rates adopted by Commission in revised Ord. 96.	Deferred to 2012.

**2012 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Increase the use of existing technology internally at the MAC and externally with customers.	Implementation of Global Entry Program - a registered traveler program by U.S. Customs & Border Protection.	Installation of kiosks in both terminal FIS facilities and start of program at MSP by Q1 2012.

Organizational Strategic Goal: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Reduce average security checkpoint wait times by improving checkpoint facilities and information given to passengers about the screening requirements.	Reduced average checkpoint wait times compared to same month previous year.

**FACILITIES-HUMPHREY TERMINAL****2013 - 2016 LONG TERM OBJECTIVES**

Objective	Expected Results
Additional gates and other critical capacity at Terminal 2 - Humphrey to support continued growth of T2 carriers and maintain available capacity for seasonal travel and new entrant carriers. Work with MAC Airport Development Department and Design Team.	Completed 3-6 gate expansion plan of Terminal 2 - Humphrey. Approval in 2013 CIP.

**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Est.	Goal
Customer Experience	NA	NA	NA	NA	< 20 minutes	Average less than 20 minutes.
<b>SC Performance Indicator:</b> Security checkpoint wait time						
<b>Comments:</b> Track the amount of time passengers wait in checkpoint queue lines. Work with TSA to identify checkpoint process improvements and efficiency.						
Customer Experience	NA	35	10	TBD	9	Less than previous year.
<b>SC Performance Indicator:</b> Passenger/public complaints						
<b>Comments:</b> Number of complaints received per "X"/passengers.						

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**FACILITIES-LINDBERGH TERMINAL**

Facilities Management is responsible for the operation, maintenance, and cleaning of the terminal facilities and all of the MAC campus buildings with oversight responsibility for the Energy Management Center as well as the Trades work groups. Facilities Management also provides management oversight for various service, operation and management contracts as well as responding to both immediate and long term tenant and public concerns. The department works with Airport Development staff to ensure that Capital Improvement Projects are completed with the least amount of disruption to the traveling public and the terminal building operations. Our goal is to maintain the MSP Airport at a level consistent with the expectations of our internal and external customers and tenants.

**BUDGET SUMMARY**

	2010 Actual	2011 Budget	2012 Budget	\$ Variance	% Variance
Personnel	631,137	637,421	649,304	11,882	1.86%
Administrative Expenses	23,639	4,530	4,773	243	5.36%
Professional Services	158,601	169,987	183,708	13,721	8.07%
Utilities	5,619	4,020	5,619	1,599	39.78%
Operating Services/Expenses	3,016,093	3,193,297	2,842,201	-351,096	-10.99%
Maintenance	17,165,673	17,597,426	18,746,016	1,148,590	6.53%
Other	20,656	14,715	8,600	-6,115	-41.56%
<b>Total Budget</b>	<b>21,021,418</b>	<b>21,621,396</b>	<b>22,440,220</b>	<b>818,824</b>	<b>3.79%</b>
<b>FTE Total</b>	<b>10</b>	<b>10</b>	<b>10</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Professional Services	Primary increase in this category is the expansion in scope for the PSA - Consulting Services for roofing. Additional Terminal 1 roofs and the Reliever Airports roofs are being added.
Utilities	Per MAC I.S. - Sole increase in this category is the accurate reflection of cellular costs for the department.
Operating Services/Expenses	Primary decreases in this category are the rebid and subsequent reductions to the Loading Dock Management Contract, and the Security Checkpoint Support Services Contract (bin-runners). The savings account for almost 100% of this category's reductions.
Maintenance	Primary increases in this category are contractual increases to the Tram Operation & Maintenance Contract, Carrousel & Conveyor Maintenance Contract, Elevator / Escalator / Moving Walk Operation & Maintenance Contract (new contract and increased scope).  Per MAC Finance and Environment Departments, Recycling and Rubbish transferred from general Ledger to MAC Facilities account (+\$624,000).
Other	Primary reduction in this category is the decrease in copier rental services.

**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Improve tram availability.	Availability % goes up.	Hub Tram - 4th qtr 09 - 99.77%, 4th qtr 10 - 99.90%; C Tram - 4th qtr 09 - 97.13%, 4th qtr 10 - 99.11%.

**FACILITIES-LINDBERGH TERMINAL****2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Reduce elevator/escalator/moving walk repair callbacks.	Callbacks analyzed year-over-year.	Callbacks for 4th qtr 09 - 189, callbacks for 4th qtr 10 - 191.
Improve Terminal Cleanliness ASQ scores.	ASQ scores analyzed year-over-year.	Restroom cleanliness ASQ score 3rd qtr 09 - 4.01, 3rd qtr 10 - 3.98; Terminal Cleanliness ASQ score for 3rd qtr 09 - 4.22, 3rd qtr 10 - 4.28.

**2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Improve tram availability.	Availability % analyzed year-over-year.	Hub Tram - 4th qtr 10 - 99.90, 4th qtr 11 - 99.86; C Tram - 4th qtr 10 - 99.11, 4th qtr 11 - 99.52
Reduce elevator/escalator/moving walk repair callbacks.	Callbacks analyzed year-over-year.	Callbacks for 4th qtr 10 - 191, callbacks for 4th qtr 11 - 201
Improve Terminal Cleanliness and Restroom Cleanliness Airport Service Quality Scores.	ASQ scores analyzed year-over-year.	Restroom cleanliness ASQ score 3rd qtr 10 - 3.98., 3rd qtr 11 - 4.10; Terminal Cleanliness ASQ score for 3rd qtr 10 - 4.28, 3rd qtr 11 - 4.40  Restroom cleanliness ASQ score 4th qtr 10 - 4.11, 4th qtr 11 - 4.10; Terminal Cleanliness ASQ score for 4th qtr 10 - 4.32, 4th qtr 11 - 4.33

**2012 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <b>N/A</b>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Complete 100% of Staff Performance Reviews.	Number of staff reviewed.

**FACILITIES-LINDBERGH TERMINAL****2012 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Provide a Great Customer Experience</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Reduce material delivery visibility within terminals.	Identify and track deliveries going to main node. Develop baseline first then set targets for improvement.
NA	Improve Terminal Cleanliness and Restroom Cleanliness Airport Service Quality Scores.	ASQ scores analyzed year-over-year.
NA	Reduce elevator/escalator/moving walk repair callbacks.	Callbacks analyzed year-over-year.
NA	Improve tram availability.	Availability % analyzed year-over-year.

**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Est.</b>	<b>Goal</b>
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Annual employee performance reviews completed.						
<b>Comments:</b>						
Safety & Security	0	0	0	TBD	0	0
<b>SC Performance Indicator:</b> Lost time work accidents						
<b>Comments:</b>						
Operations	98%	98%	99%	TBD	99%	99%
<b>SC Performance Indicator:</b> C Tram availability						
<b>Comments:</b> The C Concourse Tram experienced its first (since start-up) perfect 100% month and its average still continues to rise from 99.00 up to 99.59 year over year.						
Operations	120	76.5	70	TBD	70	70
<b>SC Performance Indicator:</b> Elevator/escalator/moving walk callbacks						
<b>Comments:</b>						

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**FACILITIES-ENERGY MANAGEMENT CENTER**

The Energy Management Center (EMC) is responsible for the heating, ventilation and air conditioning (HVAC) of all MAC facilities utilizing a staff of 15 operating engineers who provide 24-hour service. They operate and maintain boilers with jet fuel backup, chillers and cooling towers and numerous miscellaneous components to provide a comfortable environment for all customers, tenants and staff at MSP.

EMC utilizes three advanced computerized building management systems to operate and maintain the large, complex HVAC system. EMC monitors 200 CO sensors spread around the MSP Campus.

EMC responds to all incoming HVAC-related calls and keeps detailed records of gas, oil, water and steam usage as well as all repair work and preventative maintenance.

**BUDGET SUMMARY**

	2010 Actual	2011 Budget	2012 Budget	\$ Variance	% Variance
Personnel	1,230,748	1,224,732	1,317,272	92,540	7.56%
Administrative Expenses	5,570	8,838	3,870	-4,968	-56.21%
Professional Services	42,141	42,505	42,141	-364	-0.86%
Utilities	3,304	4,190	3,304	-886	-21.15%
Operating Services/Expenses	454	0	0		
Maintenance	1,510,005	1,566,145	1,571,936	5,791	0.37%
Other	5,183	5,719	5,478	-241	-4.21%
<b>Total Budget</b>	<b>2,797,404</b>	<b>2,852,129</b>	<b>2,944,001</b>	<b>91,872</b>	<b>3.22%</b>
<b>FTE Total</b>	<b>18</b>	<b>18</b>	<b>20</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increase are attributable to wage structure adjustments and step increases. In addition, two trainee positions are included in the 2012 budget.
Maintenance	There has been an increase in maintenance due to expanded responsibilities within MAC facilities. In addition, the existing contract includes guaranteed increases, including an additional full-time technician. Chemical control in Terminals 1 and 2 increased.

**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Smooth transition to new OABA system.	EMC continues to run smoothly.	Excellent results, OABA 1 is 100 % complete.
Reduce time to respond to customer complaints.	Increase customer satisfaction and decreased customer complaints.	EMC has expanded capacity and efficiency making it more comfortable for the customer.

**2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Install OABA three HVAC controls.	Complete 100% building automation controls OABA three.	OABA three is 83 % done.

**FACILITIES-ENERGY MANAGEMENT CENTER****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Increase capacity of boilers and chillers to meet the needs of Terminal 2 expansion.	No delays, meet the demands of additional terminal space.	We have expansion plans ready; also boiler and chillers have been through their state inspection.

**2012 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Ensure the continued financial viability of the reliever airport system by completing new business plans for each of the reliever airports.	Keep within EMC's approved operating budget	Actual to budget dollars.
NA	No work related injuries.	Number of days from last injury.

Organizational Strategic Goal: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Increase the use of existing technology internally at the MAC and externally with customers.	Eliminate non-OABA computer system.	Zero sole-sourced computer systems.
Increase the use of existing technology internally at the MAC and externally with customers.	Meet all new state and federal fuel, exhaust requirements.	Number of citations issued.

Organizational Strategic Goal: <i>Match Employee Talent with Changing Business Needs</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Implement Operating Engineer trainee position.	Number of licenses dependent upon level of experience of hirees.

Organizational Strategic Goal: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Reduce customer HVAC complaints.	Reduce number of complaints down from 2011.

**FACILITIES-ENERGY MANAGEMENT CENTER**  
**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Est.	Goal
Customer Experience		4	2	0	0	0
<b>SC Performance Indicator:</b> Customer complaints						
<b>Comments:</b>						
Safety & Security		1	1	0	0	0
<b>SC Performance Indicator:</b> Employee accidents						
<b>Comments:</b> Our goal is to remain accident free every year.						
Development		phase 1 & 2	phase 3	phase 4	phase 5	100% completion of all approved OABA phases
<b>SC Performance Indicator:</b> Continual with OABA phases						
<b>Comments:</b>						
Finance	N/A	1-100%				Complete
<b>SC Performance Indicator:</b> Complete OABA 3, reliable HVAC controls						
<b>Comments:</b> OABA 1 2 and 3 complete.						
Environment		NA	NA	TBD	0	No environmental issues
<b>SC Performance Indicator:</b> Minnesota environmental guide lines						
<b>Comments:</b> Less false alarms than prior year.						

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**TRADES - ELECTRICIANS**

The Electrical Department provides maintenance and repairs of all electrical equipment and lighting fixtures throughout all terminal buildings at MSP and MAC Reliever Airports. Electricians are responsible for the maintenance and repair of all directional signage and runway/taxiway lighting to comply with specific FAA regulations throughout all MAC airports. They also maintain and test all airfield lighting regulators, all emergency generator buildings and all associated lighting and electrical work within MAC parking facilities. Responsibilities include all security gates and electronic card readers throughout MAC's airport system and oversight and repair responsibility for the LRT Platform.

**BUDGET SUMMARY**

	2010 <u>Actual</u>	2011 <u>Budget</u>	2012 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	1,693,881	1,611,141	1,734,215	123,074	7.64%
Administrative Expenses	2,115	0	1,000	1,000	100.00%
Professional Services	0	0	0		
Utilities	7,243	6,885	9,000	2,115	30.72%
Operating Services/Expenses	1,840	911	114,550	113,639	12474.09%
Maintenance	931,671	984,953	1,175,255	190,302	19.32%
Other	17,991	42,652	91,400	48,748	114.29%
<b>Total Budget</b>	<b>2,654,740</b>	<b>2,646,542</b>	<b>3,125,420</b>	<b>478,878</b>	<b>18.09%</b>
<b>FTE Total</b>	<b>17</b>	<b>17</b>	<b>17</b>		

**BUDGET HIGHLIGHTS**

Personnel	Overtime increases Personnel in 2012 and is needed to maintain the electrical equipment. Also, Personnel includes wage structure adjustments and step increases.
Operating Services/Expenses	Operating Services/Expenses increased due to UPS replacement costs.
Maintenance	This amount is needed to provide the proper amount of material for the airfields and the terminals throughout all MAC campuses.
Other	This amount is needed to provide the proper amount of safety gear at a one time cost and to provide the equipment needed for ramp lighting.

**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Improve staff productivity through improved technology.	Time spent by individuals inputting information into CMMS.	The electric shop has been working on refining day to day operations by adding administrative level training and office organization. There has been a tremendous amount of positive changes in this area. We are moving forward with more training in 2011 and are pleased with the progress we have made.
Reduce runway downtime due to airfield lighting issues and continue to look into better security gate operations.	Runway downtime related to airfield lighting.	We are presently setting up HySecurity gate training for 2 more electricians.

**TRADES - ELECTRICIANS****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Cross train the crew to familiarize them with all electrical systems in place on the MSP Campus.	Create an Excel spreadsheet with areas of training, all crew members, and dates training is to be conducted/completed and by whom. Have quarterly meetings to discuss the progress and content area of the cross training spreadsheet.	We did not get our 18th crew member to assist in this process until November 2011. Therefore we are continuing this effort into 2012.
Create a complete re-lamping schedule in Excel for the entire MSP campus.	Having a completed plan in place and ready to implement.	Harris Controls has helped us to get a basic T1 Blueprint started and it will be elaborated through MAC projects becoming more detailed and helpful as time goes on.

**2012 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Increase the use of existing technology internally at the MAC and externally with customers.	Document work performed and time spent on E1 (CMMS) work orders.	Higher volume of work orders being completed yearly.

Organizational Strategic Goal: <i>Match Employee Talent with Changing Business Needs</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Cross train the crew to familiarize them with all electrical systems in place on the MSP Campus.	Have different personnel rotated into the positions of Relievers, Locating, T2, and additional Fire Alarm Security Support.

Organizational Strategic Goal: <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Create a complete re-lamping schedule in Excel for the entire MSP campus.	Having a completed plan in place and ready to implement.

**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Est.	Goal
Safety & Security	0	0	0	TBD	0	0
<b>SC Performance Indicator:</b> Lost time work accidents						
Comments:						

**TRADES - ELECTRICIANS****SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Est.	Goal
Employee Engagement	100%	100%	100%	100%	100%	100% annually

**SC Performance Indicator:** Employee performance reviews completed

**Comments:**

Finance	\$100,000	\$300,000	\$23,000	\$100,0000	\$70,000	\$0
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**SC Performance Indicator:** UPS contract oversight

**Comments:** Multiple UPS were added in 2011 and older UPS needed to be replaced causing an increase in the budget by \$100,000 plus.

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**TRADES - PAINTERS**

The primary role of the MAC Painters (Paint Shop) is to protect a multitude of surfaces from corrosion and deterioration to ensure a full service life to the surface. Additionally, MAC Painters maintain a clean, comfortable, visually pleasing and safe environment for the traveling public and meet all FAA mandated AOA markings at MSP and the reliever airport system.

The Paint Shop is responsible for all paint maintenance on all buildings interiors and exteriors at MSP and the Reliever Airports system. The Paint Shop is also responsible for the correct markings used on public roadways and for the maintenance of runways, taxiways in accordance with FAA regulations, all parking lot/ramp striping (30,000 plus stalls) and ramp markings. The paint shop runs a sand/steel blasting operation and spray booth to finish old and new parts from small to XXXL. The Paint Shop insures that the most appropriate and safest materials are utilized and disposed of to accomplish these tasks and be environmentally responsible.

The sign shop is responsible for accurate and complete signage, way finding signage, and Minnesota Department of Transportation regulatory signage, throughout the airport facilities including terminals, roadways, all parking areas, security fencing, vehicle logos and reflective tape, name plates etc at MSP and the reliever system.

**BUDGET SUMMARY**

	2010 Actual	2011 Budget	2012 Budget	\$ Variance	% Variance
Personnel	654,068	703,930	817,642	113,712	16.15%
Administrative Expenses	0	0	0		
Professional Services	0	0	0		
Utilities	1,017	1,271	1,000	-271	-21.32%
Operating Services/Expenses	0	0	0		
Maintenance	169,841	204,579	198,961	-5,618	-2.75%
Other	1,375	24,408	10,500	-13,908	-56.98%
<b>Total Budget</b>	<b>826,301</b>	<b>934,188</b>	<b>1,028,103</b>	<b>93,915</b>	<b>10.05%</b>
<b>FTE Total</b>	<b>7</b>	<b>8</b>	<b>8</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increase are attributable to wage structure adjustments and step increases. In addition, four temporary painters are requested for 2012.
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**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Reduce hazardous waste/nonhazardous waste disposal costs.	Compare to 2009 disposal levels.	Hazardous solvent/oil based paints increased from 250 gallons to 290 gallons. 2010 saw a large increase in industrial type projects i.e. light poles, fence panels, structural metal booth work.
Work with Safety to ensure paint/sign staff are receiving proper and timely safety training including respirator and hearing tests.	Amount of training completed.	All training completed.
Complex equipment cross-training for paint staff.	Cross training completion rate.	By the time exterior projects were completed, there was not enough time to schedule cross training. Cross training will be an objective in 2011.

**TRADES - PAINTERS****2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Control sign making material costs by seeking other vendors with more competitive material costs.	Decrease costs.	After many hours there does not seem to be a better purchasing avenue than the one currently in use.

**2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Complex cross training for paint staff.	Achieve training.	Busy schedule did not allow time for cross training, we will put a greater effort in 2012
Reduce hazardous/non-hazardous waste disposal costs.	Track disposal rates to past years.	2011 has had a substantial reduction in haz materials but this is mainly due to the sand blast operation being sidelined until the new enclosure is built. Freshly blasted metals usually require a more high tech coating which generates some hazardous waste. The new solvent recycler is working as advertised.
Maintain zero lost days to work injuries.	Zero lost days.	Zero lost days to injury in 2011

**2012 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Match Employee Talent with Changing Business Needs</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Cross train paint staff on complex striping equipment.	Complete cross training.

Organizational Strategic Goal: <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Reduce hazardous and non-hazardous waste in the following ways- 1 Recycle solvents as much as possible. 2 Explore alternatives media in the blasting operation. 3 Keep current with other government agencies current practices.	Reduce waste

**TRADES - PAINTERS****2012 SERVICE CENTER OBJECTIVES**

<b>Organizational Strategic Goal: <i>Provide a Great Customer Experience</i></b>		
<b>Organizational Key Initiative</b>	<b>Service Center Objective</b>	<b>Measurement</b>
NA	Complete a customer feed back survey from 50% of departments we are producing work for.	Analyze customer feed back and to insure they are satisfied with work we are producing and job completion.

**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

<b>Organizational Key Areas of Performance</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Est.</b>	<b>Goal</b>
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Annual performance reviews completed						
<b>Comments:</b> Our goal is to complete annual performance reviews with 100% of our employees every year.						
Environment	135 - 275	250 - 385	220 - 400	165 - 275	150 - 275	Zero increase
<b>SC Performance Indicator:</b> Hazardous waste disposal costs						
<b>Comments:</b> Hazardous costs and Non Hazardous costs. There was a 40 gallon increase in the hazardous waste stream but this increase fits in with the increase in industrial type projects that were performed by the Paintshop.						
Safety & Security	0	0	0	0	0	0
<b>SC Performance Indicator:</b> Lost days to work accidents						
<b>Comments:</b> Accidents resulting in lost work days.						

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**TRADES - CARPENTERS**

The Carpenter Shop ensures that all of MAC's terminals and other owned facilities are safe, secure and aesthetically pleasing for MAC, its tenants and the traveling public. We are able to provide a high quality service to our own MAC departments and the airport tenants in a cost effective and timely manner. Services include maintenance from floor to roof, wall to wall repairs consisting of the following: a locksmith service that separates the "secured areas from the non-secured" areas; along with securing the needs of our various tenants, the installation and repair of a wide variety of the facility finishes, along with special and varied projects. The Carpenter Shop is in close partnership with Airport Development in the naming/numbering of doors and concession spaces with identification tags and they also maintain this numbering system to reflect the tenants' growing needs.

**BUDGET SUMMARY**

	2010 Actual	2011 Budget	2012 Budget	\$ Variance	% Variance
Personnel	760,492	781,924	840,948	59,023	7.55%
Administrative Expenses	781	1,298	1,355	57	4.39%
Professional Services	0	0	0		
Utilities	2,685	2,988	3,900	912	30.52%
Operating Services/Expenses	306	340	350	10	2.94%
Maintenance	153,266	231,630	223,993	-7,637	-3.30%
Other	4,842	8,644	13,209	4,565	52.81%
<b>Total Budget</b>	<b>922,372</b>	<b>1,026,824</b>	<b>1,083,755</b>	<b>56,930</b>	<b>5.54%</b>
<b>FTE Total</b>	<b>9</b>	<b>9</b>	<b>9</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increase are attributable to wage structure adjustments and step increases. The increase is also due to hiring a temporary carpenter for two six-month sessions to replace carpeting at both terminals and maintain doors, ceramic flooring, wall tile and general maintenance of jetway door tug doors.
Other	New computer, printer and laptop setup for the locksmith due to TSA requirement to better control the locks throughout the terminals.  Pure sign inverter to be purchased and installed by vehicle maintenance in Locksmith full size van. This van needs to have a power source to run lights, lock equipment and laptop computer. This is for emergency pinning of cores on site.

**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Improve staff productivity through new and improved technology.	Reduced downtime of specific terminal functions (facilities monitoring) and additional maintenance performed (computerized maintenance management system).	Same documentation as listed in Q2. New pre-maintenance programs have been added in both the carpentry and locksmith sections of our department. Stated goals were given to the IS Department who are assisting in the development of the CMMS aspect of the E1 Program. The goal is to look at capturing inventory and assets.

**TRADES - CARPENTERS****2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Minimize passenger disruptions during maintenance in public spaces.	Passenger complaints decrease.	The primary goal is to minimize disruptions to our passengers relative to flooring problems. MAC PM has been asked to address these issues. This is an example of how different departments work together to achieve a positive experience for airport travelers and customers.

**2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Improve staff productivity through new and improved technology. This would be accomplished by completing the integrating Enterprise One and the GIS elements.	Reduced downtime of specific terminal functions (facility monitoring) and additional maintenance performed (computerized maintenance management system).	MAC IS was waiting for the E1 updates to be downloaded before proceeding with the demo of RESOURCE ASSIGNMENTS.
Minimize passenger disruptions during maintenance in public spaces.	Passenger complaints decrease.	We have minimized passenger disruptions by addressing safety concerns as a top priority. Extended repairs will be scheduled to take place during late evening/early morning hours .

**2012 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Leverage Resources and Technology</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Improve staff productivity through new and improved technology. This would be accomplished by completing the integrating Enterprise One and the GIS elements.	Reduced downtime of specific terminal functions (facility monitoring) and additional maintenance performed (computerized maintenance management system). This will be accomplished by the number of work orders completed.

Organizational Strategic Goal: <i>Match Employee Talent with Changing Business Needs</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Cross training in the upholstery division of our department. General Foreman (GF) to select one/two carpenters to get trained in the basics and assist our most experienced carpenter with upholstery tasks.	Two carpenters were selected. Every quarter we will monitor their time spent on projects and set goals on what improvements are to be made.

**TRADES - CARPENTERS****2012 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Provide a Great Customer Experience</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Minimize passenger disruptions during maintenance in public spaces.	Passenger complaints decrease.
NA	Customer service calls to be placed by the GF to the department managers on specific, large projects that are beyond our normal scope of work. Questions to them would be, was the Project completed on time, is it what they expected and are they satisfied.	Measurements would be the number of calls placed.

**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Est.	Goal
Safety & Security	0	0	1	TBD	0	0
<b>SC Performance Indicator:</b> Lost time work accidents						
<b>Comments:</b>						
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Annual performance reviews						
<b>Comments:</b> Our goal is to complete annual performance reviews with 100% of our employees every year.						
Finance	N/A	41.5%	47%	TBD	TBD	43.25%
<b>SC Performance Indicator:</b> Preventative maintenance workorders						
<b>Comments:</b> By increasing the number/percentage of preventative maintenance work orders, we will move from reactive to planned proactive work orders; therefore increasing time and financial effectiveness.						

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**TRADES - PLUMBERS**

The Plumbers are responsible for all of the water available for our customers, tenants and MAC personnel. They accomplish this through the maintenance, repair and ongoing preventive maintenance of the potable water systems, sanitary and storm sewer systems, building plumbing systems, irrigation systems and fire sprinkler systems. The Plumbers are also responsible for completing plumbing inspections, locating appropriate utility lines and are a valuable resource to Airport Development by reviewing plumbing schematics for new projects. To stay current with new plumbing technologies, processes and efficiencies, they attend training seminars and new equipment and tooling demonstrations throughout the year.

**BUDGET SUMMARY**

	2010 <u>Actual</u>	2011 <u>Budget</u>	2012 <u>Budget</u>	\$ <u>Variance</u>	% <u>Variance</u>
Personnel	1,144,421	1,301,475	1,349,916	48,442	3.72%
Administrative Expenses	1,075	608	1,125	517	85.03%
Professional Services	1,891	20,000	20,000	0	0.00%
Utilities	3,515	4,658	4,500	-158	-3.39%
Operating Services/Expenses	2,958	2,854	3,000	146	5.12%
Maintenance	194,882	281,055	294,196	13,141	4.68%
Other	10,337	22,195	20,800	-1,395	-6.29%
<b>Total Budget</b>	<b>1,359,080</b>	<b>1,632,845</b>	<b>1,693,537</b>	<b>60,693</b>	<b>3.72%</b>
<b>FTE Total</b>	<b>8</b>	<b>8</b>	<b>8</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Maintain levels of service of the collection system.	Increased useful life of the system and equipment. Reduction or elimination of sewer overflows and backups. Regulatory requirements met.	MAC plumbing reported no sewer overflows in 2010. Sanitary sewers were cleaned as per schedule.
Reduce water consumption by promoting water conservation.	Measure reduction through metering.	Water consumption was decreased by approximately 18% from the end of 2009 to the end of 2010. This decrease was realized through tighter irrigation management practices, more rainfall which lessened the amount of irrigation water used, water meter testing and replacement of meters, leak detection and lower passenger counts resulting in less water being used.

**TRADES - PLUMBERS****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
To maintain the collection system and lift stations on a preventive maintenance schedule to our industry standards.	Through reductions in sewer overflows and minimizing downtime and replacement cost of pumps and control equipment resulting in the protection of public health, safety and the environment.	We cleaned approximately 6000 feet of sanitary sewer and lift two lift station sumps in 2011. We report that we accomplished zero sanitary sewer overflows, no lost time due to sanitary sewer backups and zero pump replacements at our lift stations.
To reduce water consumption by promoting water conservation and identify unaccounted for water loss.	Measurement can be achieved by water meter accuracy testing and replacement, irrigation water management and incorporating water saving fixtures in CIP design.	Irrigation water consumption was up from last year. We saw more irrigation water consumed towards the later part of 2011 which was needed to compensate for the lack of rain. Overall MACs water consumption (domestic use and irrigation) was up slightly from the 2010 water usage measuring in for less than a 1% increase.

**2012 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <b>N/A</b>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	To maintain the collection system and lift stations on a preventive maintenance schedule to our industry standards.	Through reductions in sewer overflows and minimizing downtime and replacement cost of pumps and control equipment resulting in the protection of public health, safety and the environment.  Quarterly review.
N/A	To reduce water consumption by promoting water conservation and identify unaccounted for water loss.	Measurement can be achieved by water meter accuracy testing and replacement, irrigation water management and incorporating water saving fixtures in CIP design.  Quarterly review.

**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Est.	Goal
Safety & Security	0	0	0	TBD	0	0
<b>SC Performance Indicator:</b> Lost time work accidents						
<b>Comments:</b>						
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Employee performance reviews completed						
<b>Comments:</b>						

**TRADES - PLUMBERS****SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Est.	Goal
Finance	-10%	-2%	-18%	.71%	-10%	-10%

**SC Performance Indicator:** Water consumption

**Comments:** 2010 water consumption was decreased by 18% partly due to lower consumption with irrigation systems (more rain), lower passenger count, and water meter management and leak detection.

2011 water consumption increased approximately .71% over the 2010 consumption. The increase in water consumption was directly related to irrigation consumption. 2011 proved to have weather that allowed a longer growing season with drought conditions.

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**TRADES - ADMINISTRATION**

Trades-Administration has the responsibility for the administration and coordination of the carpenters, electricians, painters and plumbing divisions. Trades Administration works with Airport Development on construction projects, enforces the construction standards, conducts construction inspections and oversees the computerized maintenance management system. Trades Administration represents the Trades in the CIP process and interfaces with consultants and vendors on behalf of the Trades group. This department is also responsible for the oversight of the Terminal 1-Lindbergh and Terminal 2-Humphrey emergency generators and UPS (Uninterruptible Power Supply) contracts.

**BUDGET SUMMARY**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	148,705	213,688	167,996	-45,693	-21.38%
Administrative Expenses	7,391	4,862	4,949	87	1.78%
Professional Services	41,569	38,167	126,291	88,124	230.89%
Utilities	864	882	882	0	0.00%
Operating Services/Expenses	195	5,000	2,000	-3,000	-60.00%
Other	3,215	8,650	13,143	4,493	51.94%
<b>Total Budget</b>	<b>201,940</b>	<b>271,250</b>	<b>315,261</b>	<b>44,011</b>	<b>16.23%</b>
<b>FTE Total</b>	<b>2</b>	<b>2</b>	<b>2</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel expense decreased because one temporary staff salary was reclassified to Professional Services. However, Personnel also contained wage structure adjustments and step increases.
Professional Services	A contractor position is needed to maintain our current CMMS system through E1. This position is considered a maintenance planner/scheduler to maintain our maintenance records and PM schedules.
Other	Costs for maintaining all safety cables and straps for on-site cranes and hoists as well as costs to replace old chairs.

**2010 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Improve staff productivity through improved technology.	Time spent by individuals inputting information into CMMS.	We continue improve staff productivity. Reduced steps needed to complete a work order.
Establish relationships with key internal/external customers.	Relationships established.	Continue to meet with internal/external customers on goals and expectations. It has come a long way in a year.

**2011 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Reduce injuries by 5%.	Based on 2010 actuals	
Improve Training in all admin areas.	Compare to 2010.	We are continuing our reduction in all admin duties in streamlining our CMMS system and related functions.

## TRADES - ADMINISTRATION

### 2012 SERVICE CENTER OBJECTIVES

Organizational Strategic Goal: <b>Leverage Resources and Technology</b>		
Organizational Key Initiative	Service Center Objective	Measurement
Increase the use of existing technology internally at the MAC and externally with customers.	Create a OSHA required training matrix for each Trade and follow through with all required training.	Excel Spreadsheet with training matrix. Set up and record required training dates.
Increase the use of existing technology internally at the MAC and externally with customers.	Progress on Asset Labeling pilot project 100% complete. Automated upload procedure for populating E1 database 100% complete.	Label equipment approved and purchased. Portable handheld work order device purchased and implemented. Identify assets in 2 additional MAC buildings.
Increase the use of existing technology internally at the MAC and externally with customers.	Archive trailer 100% put away/filed. Project spreadsheet up to date. Laser fiche of O & M Manuals 30% complete.	Quarterly Inspections

Organizational Strategic Goal: <b>N/A</b>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Locate and record ( in PIMS) all RPZs on MAC property to the point where yearly letters can be mailed out.	PIMS updated and letters sent out
N/A	100% performance reviews completed.	Annual Review

### SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Est.	Goal
Employee Engagement	NA	NA	NA	50% improvement	100% improvement	30 min/day

**SC Performance Indicator:** Foreman Time in WO System to 30 min/Day

**Comments:**

Safety & Security	NA	NA	22%	13%	5%	0%
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**SC Performance Indicator:** On the job Injuries all Trades Depts.

**Comments:**

Employee Engagement	NA	NA	NA	TBD	100%	100%
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**SC Performance Indicator:** Employee performance reviews completed all Trades Depts.

**Comments:**

Employee Engagement	NA	NA	NA	TBD	100%	100%
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## **FIELD MAINTENANCE**

The MAC Field Maintenance Department is world-renown for snow removal, but has year-round responsibilities including pavement maintenance, pollution control, landscaping/grounds maintenance, security fence and access gate maintenance, traffic control signage installation, maintenance and cleaning of the parking ramps and refuse removal from non-terminal areas. Snow removal responsibilities include runways, taxiways, ramps, aircraft parking areas, airside roadways, public roadways, terminal sidewalks and around MAC buildings. Maintenance personnel supervise contracted snow removal operators who remove snow from landside parking areas. The department repairs and maintains MAC's fleet of over 500 vehicles and partners with Purchasing to procure all MAC vehicles and related equipment.

### **BUDGET SUMMARY**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	8,600,592	8,384,908	8,573,096	188,188	2.24%
Administrative Expenses	21,195	19,485	20,030	545	2.80%
Professional Services	20,000	24,400	34,500	10,100	41.39%
Utilities	11,823	7,800	7,800	0	0.00%
Operating Services/Expenses	26,551	29,765	29,500	-265	-0.89%
Maintenance	4,459,704	2,527,900	2,504,600	-23,300	-0.92%
Other	53,561	47,490	53,260	5,770	12.15%
<b>Total Budget</b>	<b>13,193,426</b>	<b>11,041,748</b>	<b>11,222,786</b>	<b>181,038</b>	<b>1.64%</b>
<b>FTE Total</b>	<b>110</b>	<b>111</b>	<b>111</b>		

### **BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Professional Services	Increase due to costs associated with the programming and preventative maintenance of a GPS-based vehicle tracking system that offers multiple applications, but primarily for airfield safety and runway incursion prevention.
Other	Increase associated with computer hardware and minor equipment expenses. A change in company budgeting policy moved items from the capital equipment list to the minor equipment category of the operating budget.

### **2010 RESULTS REPORT**

Service Center Objective	Measurement	Results
Implement the inventory control module on EnterpriseOne.	Module fully operational by mid year 2011.	Capital resources identified and a CFA inventory control module was purchased. Software installation and training through 2Q 2011.
Maintain runway environment safety through movement area driver's training.	Zero vehicle/pedestrian runway incursions.	MAC personnel responsible for two runway incursions during FY 2010, both in December.
Reduce the number of preventable motor vehicle accidents. Enhance and increase safe driving technique training opportunities.	Fewer than 10 preventable accidents.	Field Maintenance experienced seven preventable accidents in FY 2010.

**FIELD MAINTENANCE****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Integrate applicable elements of EnterpriseOne into Field Maintenance Equipment Repair Shop operations.	Install and run parts and inventory control modules prior to 3Q 2011	Parts and inventory control modules installed; hardware installed for wireless operations; awaiting software installation and training.
Maintain runway environment safety and aircraft movement area safety.	Zero vehicle/pedestrian runway incursions; zero movement area incursions	No vehicle/pedestrian runway incursions during FY'11.
Maximize airport capacity during snow and ice control events through effective and efficient snow removal operations.	No occurrence of a runway opening later than the time coordinated with air traffic control; no associated aircraft missed approaches.	No late surface openings; no known missed approaches during FY'11.
Reduce the number of preventable accidents and associated costs through enhanced safe driving techniques training.	Less than seven preventable accidents.	Ten preventable accidents during FY'11.

**2012 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Reduce the number of preventable vehicle accidents and associated costs through safe driving techniques training.	Less than seven preventable motor vehicle accidents.

Organizational Strategic Goal: <i>N/A</i>		
Organizational Key Initiative	Service Center Objective	Measurement
N/A	Maintain runway environment safety and aircraft movement area safety.	Zero vehicle/pedestrian runway incursions; no movement area incursions.

Organizational Strategic Goal: <i>Strengthen Partnerships and Relationships</i>		
Organizational Key Initiative	Service Center Objective	Measurement
NA	Strengthen inter-departmental relationships and internal customer service performance.	Designation of an employee to participate in the 2012 MAC Shadowing Program, and issuance of inter-department familiarization assignments at a rate of at least two per month.

## FIELD MAINTENANCE

### SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Est.	Goal
Employee Engagement	100%	100%	100%	100%	100%	100%
<b>SC Performance Indicator:</b> Annual performance reviews completed						
<b>Comments:</b> Our goal is to complete annual performance reviews with 100% of our employees every year.						
Safety & Security	1	1	1	TBD	0	0
<b>SC Performance Indicator:</b> Lost time work accidents						
<b>Comments:</b>						
Safety & Security	0	1	2	0	0	0
<b>SC Performance Indicator:</b> Vehicle/pedestrian runway incursions						
<b>Comments:</b> Zero runway incursions by MAC staff.						
Safety & Security	17	12	7	13	7	6
<b>SC Performance Indicator:</b> Field Maintenance vehicle accidents						
<b>Comments:</b> Figures represent Field Maintenance Department only.						

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**RELIEVERS - ADMINISTRATION**

The Reliever Airport staff is responsible for the maintenance and safe operation of the MAC's six Reliever Airports. The staff is also responsible for the administration of over 800 leases on the Reliever Airport properties, which includes responding to tenant requests and monitoring tenant compliance with leases.

The Service Center Objectives and Results and the Performance Indicators for all Reliever Airports are incorporated into the Relievers-Administration area.

**BUDGET SUMMARY**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	653,880	716,696	739,814	23,118	3.23%
Administrative Expenses	7,854	12,450	13,204	754	6.06%
Professional Services	21,431	44,000	44,000	0	0.00%
Utilities	3,162	1,800	1,836	36	2.00%
Operating Services/Expenses	1,074	1,115	1,115	0	0.00%
Other	0	0	0		
<b>Total Budget</b>	<b>687,402</b>	<b>776,061</b>	<b>799,969</b>	<b>23,908</b>	<b>3.08%</b>
<b>FTE Total</b>	<b>8</b>	<b>8</b>	<b>8</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**2010 RESULTS REPORT**

<b>Service Center Objective</b>	<b>Measurement</b>	<b>Results</b>
Revise and update the Minimum Standards Ordinance for commercial operators on the Reliever Airports.	Adoption of new MAC ordinance.	
Negotiate new lease agreements with Blaine and Eden Prairie for athletic fields on MAC property.	Approval and execution of new lease agreements.	Agreements are in place for the Eden Prairie athletic fields. Staff continues to negotiate the athletic field leases with the City of Blaine.
Complete the public meeting process for implementation of new Reliever lease policies and forms.	Commission adoption and approval of new lease policies and lease forms for the Reliever Airports.	Staff continues the review process, with completion expected in 2011.
Complete the process for adoption and implementation of a hangar aesthetics ordinance for the Reliever Airports.	Commission adoption of a new aesthetics ordinance.	The Commission adopted the ordinance in December with an effective date of January 1, 2011. Implementation of the ordinance will begin in 2011.

**RELIEVERS - ADMINISTRATION****2011 RESULTS REPORT**

Service Center Objective	Measurement	Results
Complete development and implementation of new lease policies and lease forms for the Reliever Airports.	A Commission adopted lease policy, aircraft storage lease and commercial lease.	Completed RAAC review and have tenant meetings planned for January 2012

**2012 SERVICE CENTER OBJECTIVES**

Organizational Strategic Goal: <i>Assure Financial Viability</i>		
Organizational Key Initiative	Service Center Objective	Measurement
Ensure the continued financial viability of the reliever airport system by completing new business plans for each of the reliever airports.	Amend MAC Ordinance No. 78 (minimum standards for Reliever Airports) to reflect recommendations in the Commission adopted report entitled Operational Practices and Capital Funding of MAC's General Aviation System.	Proposed ordinance accepted by the Commission.
Ensure the continued financial viability of the reliever airport system by completing new business plans for each of the reliever airports.	Complete the approval process and begin executing new leases with over 600 tenants.	Proposed leases accepted by the Commission and new leases issued to tenants.
Ensure the continued financial viability of the reliever airport system by completing new business plans for each of the reliever airports.	Amend Ord. 107 (Rates and Charges for Reliever Airports) to reflect recommendations in the Commission adopted report entitled "Operational Practices and Capital Funding of MAC's General Aviation System."	Proposed ordinance accepted by the Commission.

**SERVICE CENTER RESULTS INDICATORS FOR KEY AREA OF PERFORMANCE**

Organizational Key Areas of Performance	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Est.	Goal
Safety & Security	6	0	5	0	0	0
<b>SC Performance Indicator:</b> Vehicle and Pedestrian Incursions						
Comments:						
Employee Engagement	50%	37%	80%	88%	100%	100%
<b>SC Performance Indicator:</b> Performance reviews successfully completed						
Comments:						

**RELIEVERS - ST. PAUL**

The Reliever Airport staff is responsible for the operation, maintenance, and administration of the six Reliever Airports. The department staff manages the properties, including the administration of over 800 leases. The staff also responds to tenant, airport user and community issues and concerns.

**BUDGET SUMMARY**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	587,588	548,405	563,086	14,681	2.68%
Administrative Expenses	1,850	1,699	1,705	6	0.35%
Professional Services	12,000	15,000	15,000	0	0.00%
Utilities	1,669	2,051	1,702	-349	-17.02%
Operating Services/Expenses	682	521	10,531	10,010	1921.31%
Maintenance	131,988	118,728	145,528	26,800	22.57%
Other	941	1,344	1,200	-144	-10.71%
<b>Total Budget</b>	<b>736,717</b>	<b>687,748</b>	<b>738,752</b>	<b>51,004</b>	<b>7.42%</b>
<b>FTE Total</b>	<b>7</b>	<b>7</b>	<b>7</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Operating Services/Expenses	In 2012, a St. Paul Downtown Airport Public open house is planned. This event is identified in the St. Paul Business Plan adopted by the Commission in July, 2011. An open house event was also recommended by the Downtown Airport Advisory Commission at a meeting held in the fall of 2010.
Maintenance	Maintenance increased due to rubbish expense transfer from the MAC General Service Center.

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**RELIEVERS - LAKE ELMO**

The Reliever Airport staff is responsible for the operation, maintenance, and administration of the six Reliever Airports. The department staff manages the properties, including the administration of over 800 leases. The staff also responds to tenant, airport user and community issues and concerns.

**BUDGET SUMMARY**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	94,083	79,212	97,536	18,325	23.13%
Administrative Expenses	236	315	250	-65	-20.63%
Professional Services	12,000	11,000	11,220	220	2.00%
Utilities	375	580	375	-205	-35.34%
Operating Services/Expenses	0	0	0		
Maintenance	28,116	24,862	23,590	-1,272	-5.12%
Other	175	191	200	9	4.71%
<b>Total Budget</b>	<b>134,985</b>	<b>116,160</b>	<b>133,171</b>	<b>17,012</b>	<b>14.65%</b>
<b>FTE Total</b>	<b>0</b>	<b>1</b>	<b>1</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. In addition, a temporary employee is hired to perform routine airfield maintenance during winter months.
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**RELIEVERS - AIRLAKE**

The Reliever Airport staff is responsible for the operation, maintenance, and administration of the six Reliever Airports. The department staff manages the properties, including the administration of over 800 leases. The staff also responds to tenant, airport user and community issues and concerns.

**BUDGET SUMMARY**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	99,158	84,779	94,448	9,668	11.40%
Administrative Expenses	366	314	366	52	16.56%
Professional Services	12,000	11,000	12,000	1,000	9.09%
Utilities	324	388	330	-58	-14.95%
Operating Services/Expenses	2,238	0	0		
Maintenance	21,332	21,519	22,233	714	3.32%
Other	230	352	300	-52	-14.77%
<b>Total Budget</b>	<b>135,647</b>	<b>118,352</b>	<b>129,677</b>	<b>11,324</b>	<b>9.57%</b>
<b>FTE Total</b>	<b>1</b>	<b>1</b>	<b>1</b>		

**BUDGET HIGHLIGHTS**

Personnel	The increase in personnel is for additional seasonal temp positions as well as wage structure adjustments and step increases.
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**RELIEVERS - FLYING CLOUD**

The Reliever Airport staff is responsible for the operation, maintenance, and administration of the six Reliever Airports. The department staff manages the properties, including the administration of over 800 leases. The staff also responds to tenant, airport user and community issues and concerns.

**BUDGET SUMMARY**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	229,623	231,125	241,250	10,125	4.38%
Administrative Expenses	391	320	326	6	1.88%
Professional Services	13,716	11,000	11,220	220	2.00%
Utilities	656	824	669	-155	-18.81%
Operating Services/Expenses	0	0	0		
Maintenance	79,105	58,887	46,950	-11,937	-20.27%
Other	425	118	120	2	1.69%
<b>Total Budget</b>	<b>323,916</b>	<b>302,274</b>	<b>300,535</b>	<b>-1,739</b>	<b>-0.58%</b>
<b>FTE Total</b>	<b>3</b>	<b>3</b>	<b>3</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**RELIEVERS - CRYSTAL**

The Reliever Airport staff is responsible for the operation, maintenance, and administration of the six Reliever Airports. The department staff manages the properties, including the administration of over 800 leases. The staff also responds to tenant, airport user and community issues and concerns.

**BUDGET SUMMARY**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	243,371	248,579	257,763	9,184	3.69%
Administrative Expenses	1,442	563	247	-316	-56.13%
Professional Services	13,276	11,000	11,220	220	2.00%
Utilities	1,027	2,330	1,939	-391	-16.78%
Operating Services/Expenses	2,025	2,112	2,066	-46	-2.18%
Maintenance	50,257	40,868	30,758	-10,110	-24.74%
Other	185	226	0	-226	-100.00%
<b>Total Budget</b>	<b>311,582</b>	<b>305,678</b>	<b>303,993</b>	<b>-1,685</b>	<b>-0.55%</b>
<b>FTE Total</b>	<b>3</b>	<b>3</b>	<b>3</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**RELIEVERS - ANOKA**

The Reliever Airport staff is responsible for the operation, maintenance, and administration of the six Reliever Airports. The department staff manages the properties, including the administration of over 800 leases. The staff also responds to tenant, airport user and community issues and concerns.

**BUDGET SUMMARY**

	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2012 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	236,572	239,011	243,628	4,617	1.93%
Administrative Expenses	809	1,080	1,050	-30	-2.78%
Professional Services	34,256	31,000	31,600	600	1.94%
Utilities	377	1,806	380	-1,426	-78.96%
Operating Services/Expenses	143,214	126,500	146,470	19,970	15.79%
Maintenance	120,600	62,595	61,000	-1,595	-2.55%
Other	566	160	150	-10	-6.25%
<b>Total Budget</b>	<b>536,393</b>	<b>462,152</b>	<b>484,278</b>	<b>22,126</b>	<b>4.79%</b>
<b>FTE Total</b>	<b>3</b>	<b>3</b>	<b>3</b>		

**BUDGET HIGHLIGHTS**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Operating Services/Expenses	Annual maintenance services to maintain the 5.9 miles of the sewer and water main system at the Anoka County/Blaine Airport per a joint powers agreement with the City of Blaine. The City of Blaine is responsible for all operational and maintenance activities involving the airport's water and sanitary sewer system. A sampling of these activities include: lift station and booster station maintenance, hydrant flushing, valve operation and maintenance, sewer system jet cleaning, televising and general maintenance.

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The Statistical section is divided into four parts:

1. Historical Operating Revenue/Operating 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 following table compares revenue and expense changes (excludes depreciation, noise amortization and non-operating revenue/expense) between 2001 and 2010. The second table compares major facilities as increases affect MAC in all areas.

See Budget Message, Budget Process, Capital Budget and Debt Service sections for non-operating revenue and expense budget approval.

<b>HISTORICAL OPERATING REVENUE &amp; OPERATING EXPENSE SUMMARY 2001 VS 2010</b>						
	<b>2001</b>		<b>2010</b>		<b>2001-2010 Change</b>	<b>Annual % Change</b>
	<b>\$</b>	<b>% of Total</b>	<b>\$</b>	<b>% of Total</b>	<b>\$</b>	
Operating Revenue						
Airline Rates & Charges	\$ 70,361	41.4%	\$ 90,365	36.9%	\$ 20,004	2.8%
Concessions	69,707	41.0%	112,503	45.9%	42,796	5.5%
Rentals/Fees	0	0.0%	29,609	12.1%	29,609	
Utilities & Other Revenue	0	0.0%	12,555	5.1%	12,555	
Other	29,998	17.6%	0	0.0%	(29,998)	-100.0%
Total Operating Revenue	\$ 170,066	100.0%	\$ 245,032	100.0%	\$ 104,964	4.1%
Operating Expenses						
Personnel	\$ 42,627	47.0%	\$ 63,412	48.3%	\$ 20,785	4.5%
Administrative Expenses	1,708	1.9%	1,271	1.0%	(437)	-3.2%
Professional Services	5,177	5.7%	3,519	2.7%	(1,658)	-4.2%
Utilities	11,208	12.4%	16,238	12.4%	5,030	4.2%
Operating Services	13,634	15.0%	17,278	13.2%	3,644	2.7%
Maintenance	15,250	16.8%	27,088	20.6%	11,838	6.6%
Other	1,000	1.1%	2,583	2.0%	1,583	11.1%
Total Operating Expenses (excludes depreciation and noise amortization)	\$ 90,604	100.0%	\$ 131,390	100.0%	40,786	4.2%
<b>Operating Income (Loss)</b> (excludes non operating)	<b>\$ 79,462</b>		<b>\$ 113,642</b>		<b>\$ 34,180</b>	<b>4.1%</b>

The above table is a comparison of the years 2001 versus 2010 and emphasizes the changes that occur when comparing the percentage in categories to the total. The average annual percentage increase in revenue from 2001 to 2010 (4.1%) is slightly less than the annual percentage increase in expenses from 2001 to 2010 (4.2%). Over this ten-year period, revenue and expenses grew at about the same rate. The spread between 2001 and 2010 revenue to expense is 0.1%. This percentage difference is due to the economic conditions of the industry that resulted in airline rates and charges being held constant for the years 2002, 2003 and 2004. New and remodeled facilities under construction restricted the revenue growth in 2005. In addition, bankruptcy negotiations resulted in airline amendments to the Airline Use and Lease Agreement. This provided credits and rebates reflected in 2006 through 2010. In 2009, passengers and activity were declining due to the economic recession with a slight increase in 2010. (See Operating Budget Revenue.)

## Operating Revenue

In 2008, a major upgrade in the financial software program provided an opportunity to improve revenue reporting. This affected the various individual lines of revenue being reclassified into new categories and the reclassifications are not reflected in the data for 2001 (although the total is accurate). The following explanations for the changes in revenue are general in the categories represented. Changes in revenue are as follows:

- ◆ The largest growth occurred is in the Concessions category (5.5%). This is a result of increasing auto parking fees, facilities, 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, along with a new ATM contract and banking facility also contribute to the increase. (See Operating Budget Revenue.)
- ◆ The second average annual percentage increase of 3.9% is in the Other Revenue category (combines Rentals/Fees and Utilities & Other Revenue). In 2008 the Other Category was separated into two new components, Rentals/Fees and Utilities and Other Revenue. Due to the conversion of data in the new financial software system, the breakout of this revenue for the years prior to 2008 would be difficult therefore, for purposes of this explanation has been combined. The increase is attributable to building rentals including the Federal Express and UPS building/facilities, Terminal 2 (Hubert H. Humphrey-HHH) common use rates and other fees associated with non-signatory airline landing and ramp fees that were included in this category in 2001 through 2007. However, 2008 reporting revenue is included in Airline Rates and Charges. In 2002, Reimbursed Expense was reclassified from the Other Expense category to the Other Revenue category, also accounting for part of the increase. (See Operating Budget Revenue.)
- ◆ The average annual percentage increase for Airline Rates and Charges is 2.8% between the years of 2001 and 2010. This is due in part to landing fees and expanded terminal facilities necessary to accommodate the growth in passenger activity between 2001 and 2010. 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 2001 and 2010 also results from changes in the 2007 Amendment to the Airline Use Agreement and new facilities that have become operational. In the past, this category had maintained the largest growth. However, due to airline lease and use renegotiations, growth has become less than Concessions and Other Revenue. In addition, as stated in Other Revenue, since 2008 Terminal 2 common use rates and other fees associated with non-signatory airline landing and ramp fees are included in Airline Rates and Charges. (See Operating Budget Revenue.)



***Minneapolis-St. Paul International Airport – Terminal 1-Lindbergh***

### **Operating Expenses**

Expense changes are as follows:

- ◆ Personnel expenses have increased from 2001 to 2010 by \$20.8 million. This equates to an average annual increase of 4.5%. Full Time Equivalents (FTEs) in 2001 were at 537.5 while actual FTE positions in 2010 totaled 563. This is a direct result of the 2010 Expansion which includes a new runway, new Humphrey Terminal, expanded Lindbergh Terminal as well as a number of other facilities.
- ◆ Administrative Expenses decreased from 1.9% to 1.0% and Professional Services decreased from 5.7% to 2.7% when comparing 2001 actual expenses to the total expenses for 2010. This is a direct result of cost cutting measures that were implemented in response to the economic conditions of the industry. Reductions were made in consulting fees, supplies, travel and various other areas. The addition of FTE positions also reduced the expense amounts paid in Professional Services.
- ◆ Utilities increased 4.2% between 2001 and 2010, and reflect the higher costs of natural gas and electricity along with an increase in facilities.
- ◆ Operating Services accounted for 15.0% of total expenses in 2001 however, was reduced in 2010 to 13.2% in response to economic conditions and contract reductions. The overall increase between 2001 and 2010 is 2.7%.
- ◆ Maintenance increased 11.1% between 2001 and 2010 as a result of additional facilities including Runway 17/35. Contracted maintenance also increased for building mechanical areas, including automated people mover, elevator, escalator and moving walks.

- ◆ The greatest increase between 2001 and 2010 is in Other expenses at 11.1%. General Insurance is included in this category and accounts for the largest part of the increase. The insurance market is based upon factors worldwide. Losses under the deductible, litigation costs, history of costs and inflationary factors have increased the premium. In addition, insurance costs have increased as a result of the expanded facilities associated with the 2010 Plan completion. In 2002, Reimbursed Expense was reclassified from the Other Expense category to the Other Revenue category also accounting for part of the increase.



**Minneapolis-St. Paul International Airport - Terminal Building – 1963**

Facility Expansion Lindbergh and HHH					
	2001	2011*	Increase	% Increase	
Lindbergh & Regional					
Terminal Square Footage	2,313,061	2,833,847	520,786	22.5%	
Number of Gates (Aircraft Loading Positions)	74	117	43	58.1%	
Ramp Lineal Footage	9,376	11,302	1,926	20.5%	
Humphrey Terminal					
Square Footage	80,000	421,151	341,151	426.4%	
Number of Gates	4	10	6	150.0%	
Parking (All Facilities)	15,110	25,428	10,318	68.3%	

\*Actual as of 4/10 (the last drawing date)

The above chart in this section compares the development and expansion of the major facilities at MSP International between 2001 and 2011. The significance of this growth impacts both revenue and expenses. New facilities occupied by tenants will continue to generate additional income. Expenses include maintenance (both labor and materials), repairs, utilities, security and administrative costs. All sections of MAC are impacted by changes in facilities.



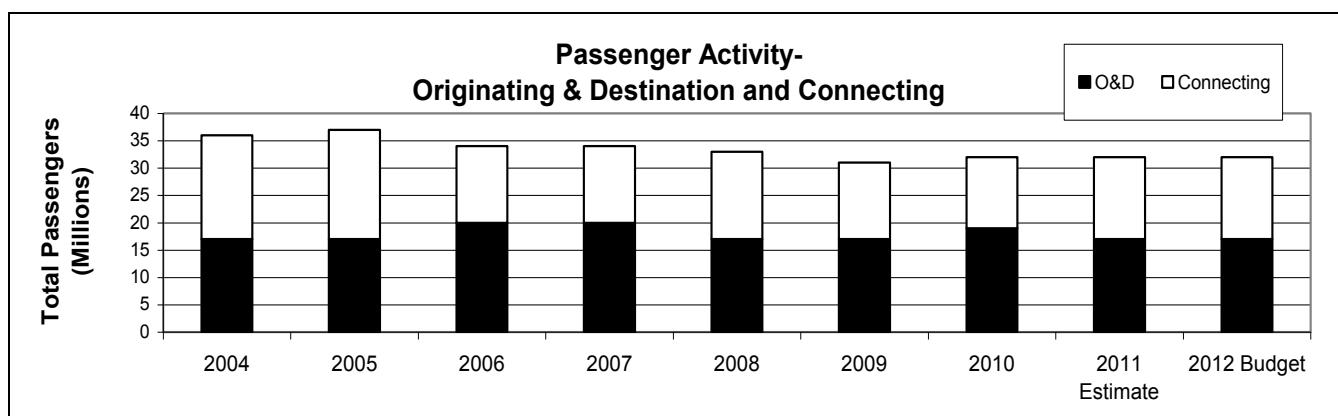
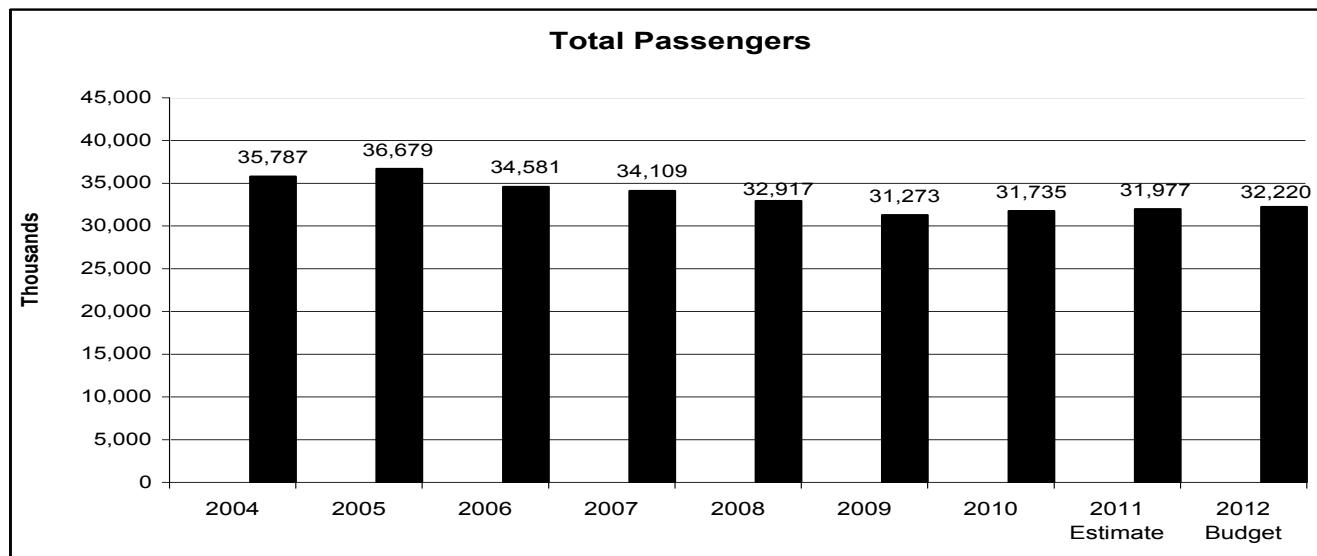
### **Terminal 1—Lindbergh Transit Center**

The following table identifies major new facilities that have been completed since 2001.

<b>Major New Facilities Completed 2001 through 2011</b>			
<b>New Facilities</b>	<b>Closing Date</b>	<b>New Facilities</b>	<b>Closing Date</b>
MSP Air Mail Center	2001	St. Paul Airport Runway Safety Area	2008
Hubert H. Humphrey (HHH) Replacement Terminal Developments	2001	Perimeter Fence/Gate Barrier System	2008
A,B,C Concourse Apron Expansion	2002	St. Paul Airport-Dike Excavation	2008
HHH Parking Ramp	2003	Runway 12L/30R Reconstruction - Segment	2009
Runway 12R Deicing Pad	2004	North/South Runway-Bloomington Land Ac	2009
LRT (Light Rail Transit) Tunnel/Stations	2004	HHH Terminal Parking Facility Expansion	2009
A,B,C Concourse -- Moving Walks, People Mover & Expansion	2004	St. Paul Airport - Flood Protection:Perimet	2009
17/35 Runway	2005	LT Sprinkle System - Phase 3	2009
Fire Station No. 1	2005	MUFIDS Phase 2	2010
North Terminal Expansion	2006	Lindbergh Terminal Carpet	2010
Runway 4/22 Tunnel	2006	HHH Skyway Expansion	2010
Trinity School Acquisition	2006	Flying Cloud Airport -	2010
HHH Terminal Projects	2006	Runway 10R/28L Extension	
Lindbergh Terminal EDS Bldg. Shell	2006	2008/2009 Part 150 Noise Sound	
Taxiway CD Phase 3	2007	Insulation Programs	2010
In-line Baggage Screening System	2007	Concourse G Expansion Site Preparation	2011
Runway 12R/30L Reconstruction Segment 2	2007	Taxiway C Extension to HHH Remote	2011
St. Paul Airport Runway Improvements	2008	LT Sprinkle System - Phase 4	2011
Humphrey Terminal Parking Expansion	2008	FAA Building Upgrades	2011
		2008/2012 Part 150 Noise Sound Insulation	
		Program	2011

**ACTIVITY/OPERATIONS STATISTICS**

This section contains the historical and forecasted levels of activity for the period 2004 through 2012 in the MAC's system of airports.



The above charts illustrate passenger activity that occurred at MSP International Airport during the time period 2004 to 2012.

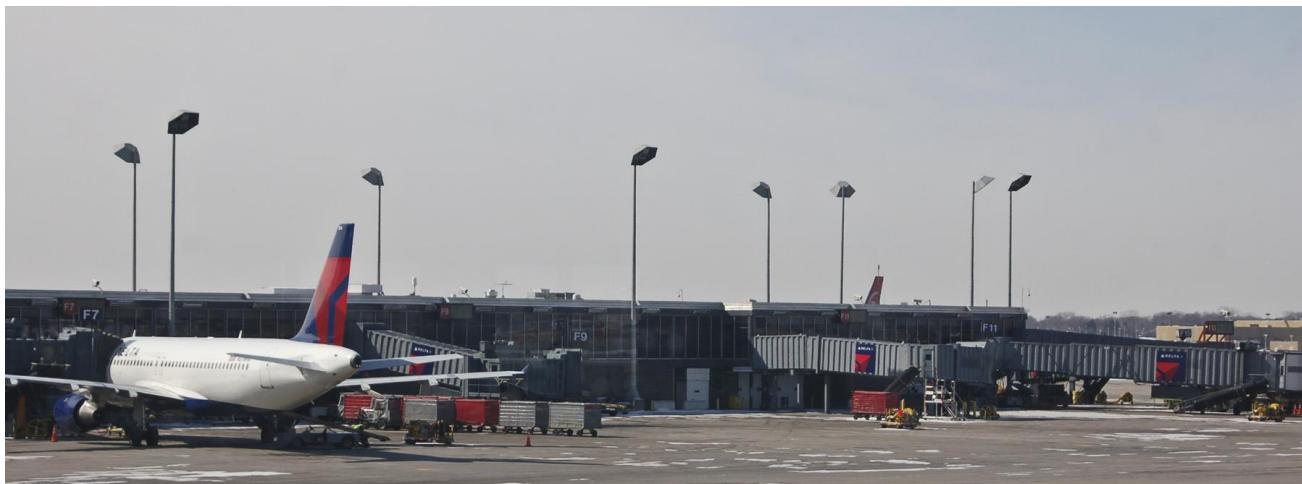
- 2005 - Record high of 36.7 million passengers
- 2006 - Decline in passenger activity of 2.1 million as a result of a reduction in flights by MAC's major carrier due to bankruptcy.
- 2007 - Passenger activity was 1% less than 2006 with the impact of bankruptcy
- 2008 - 1.1 million decline in passengers as Northwest, the major carrier merged with Delta
- 2009 - Worst recession since the Great Depression yielded 1.6 million less passengers

- 2010 - Minor increase in passengers (Southwest Airline activity)
- 2011 Estimate - Minor increase in passengers
- 2012 Budget - projecting a slight increase in passenger activity based upon airline projections and a recovering economy
- Approximately 50% of passengers were connecting passengers (those transferring directly to another flight) during the time period 2003 and 2004 and in 2008.

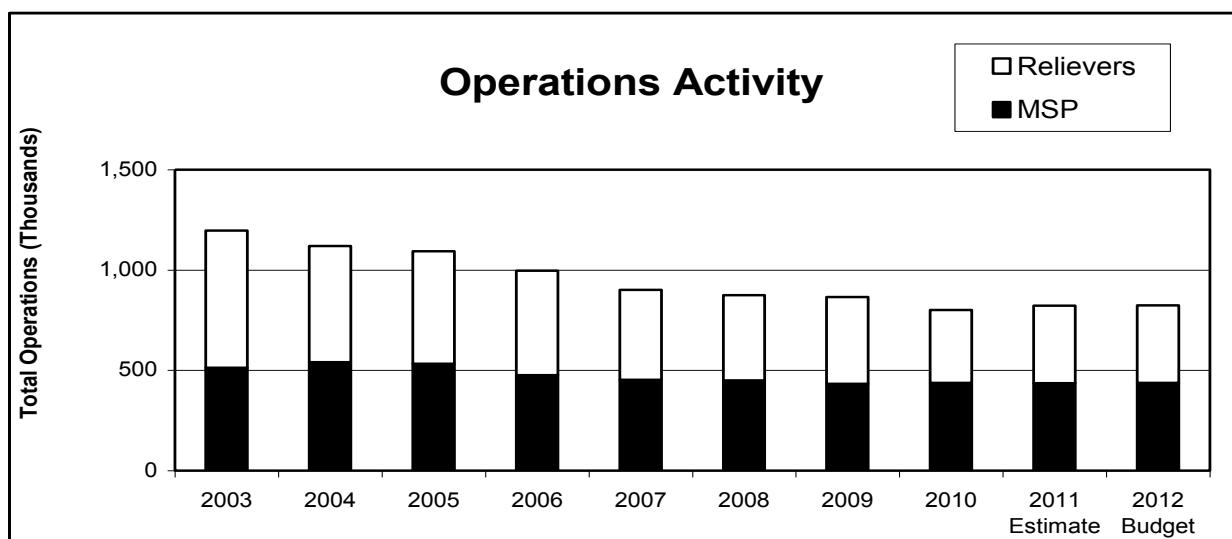
<b>Passenger Type Comparisons 2008 to 2012</b>					
Passenger Type	2008	2009	2010	2011	2012
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Enplaned	8,355,979	8,318,949	9,147,140	8,676,764	8,732,100
Deplaned	8,504,915	8,489,905	9,452,236	8,709,549	8,825,312
Connecting	<u>16,056,586</u>	<u>14,464,370</u>	<u>13,135,338</u>	<u>14,590,850</u>	<u>14,662,588</u>
Total Passengers	<u>32,917,480</u>	<u>31,273,224</u>	<u>31,734,714</u>	<u>31,977,163</u>	<u>32,220,000</u>

Estimates of passenger activity form an important element in forecasting revenue each year. The above chart represents actual passenger statistics for 2008, 2009 and 2010 with estimates for 2011 and budget 2012. The following categories are each used in a specific manner when calculating revenue:

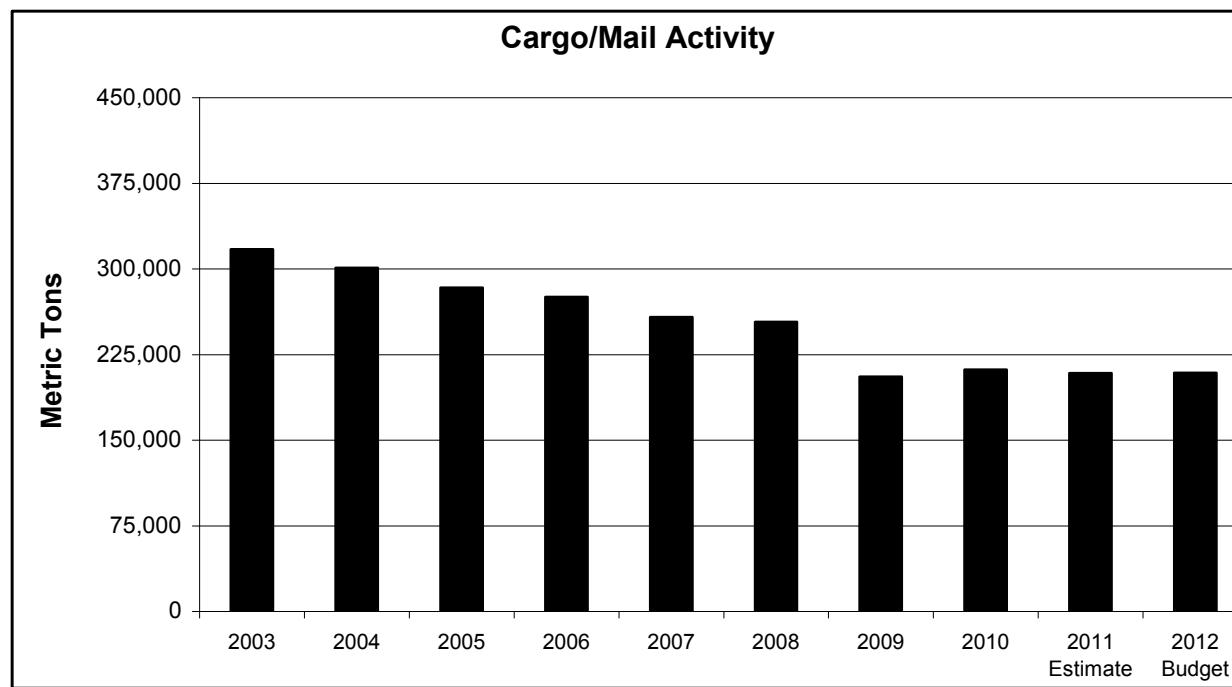
- ◆ Enplaned (originating) passengers plus connecting passengers are used in forecasting most concession revenue.
- ◆ Deplaned (final destination) passengers are used in the process of estimating auto rental revenue.
- ◆ Enplaned (originating) passengers, excluding connecting, are used in estimating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



***Delta Air Lines Operations at Terminal 1-Lindbergh***



The Operations Activity chart depicts the total Operations Activity for both the Reliever Airports and MSP International. An operation represents one takeoff or landing. MSP operations have steadily declined between 2003 and 2008 as shown above as a result of airline bankruptcies, acquisitions and the recession. 2010 through budget 2012 remain about the same.



The Cargo/Mail Activity Chart points to a steady decrease in activity from 2003 through 2009. Construction of Runway 17/35 required the acquisition of a number of freight facilities. This held down cargo traffic in 2004 while new expanded facilities for Federal Express and UPS were being constructed. 2005 activity is less than the actual for 2004 due to Northwest Airlines' loss of the USPS contract in the last quarter of 2003. For the years of 2007 and 2008, the trend had been for decreasing activity as a result of shipments made via truck or rail due to costs and security, bankruptcy issues and the economy. 2009 activity is lower than 2008 due to economic conditions. The 2010 is slightly greater than 2009 due to an increase of activity in the 4<sup>th</sup> quarter of 2010. The 2011 estimate and 2012 budget are expected to remain consistent with 2010 activity.

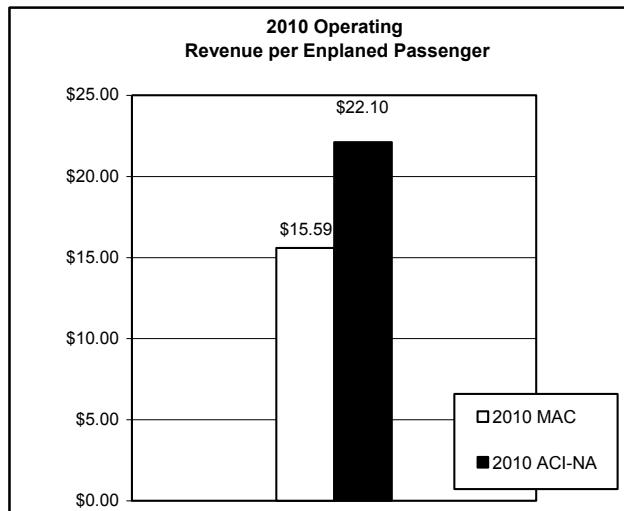
## NATIONAL COMPARISONS

The information presented in this section was obtained from the national airport survey prepared by Airports Council International – North American (ACI - NA) dated October 2011. This survey grouped hub airports into three categories: large, medium, and small. MSP is considered a large hub airport.

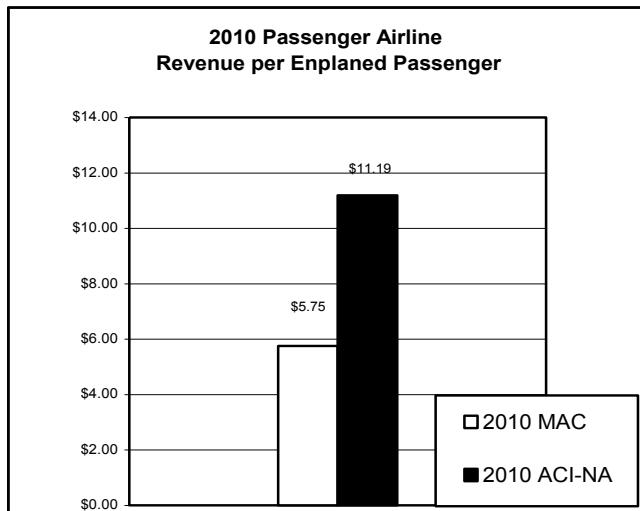
The following two subjects are addressed:      **Industry Revenue Comparisons**  
**Industry Comparisons - Other**

### **Industry Revenue Comparisons**

Revenue per Enplaned Passenger and Concessions Revenue are reviewed in this segment. The following charts compare MAC's Revenue with ACI-NA survey results for 2010:



Operating Revenue per Enplaned Passenger compares MAC's revenue of \$15.59 per enplaned passenger to other large hub airports of \$22.10. The difference is primarily attributable to MAC's lower operating costs as these costs are used to calculate airline rates and charges.



Passenger Airline Revenue per Enplanement Passenger in the above chart measures how much airlines pay the airport on a per enplaned passenger basis. Cargo revenue is not included. This ratio is below the median by \$5.44/enplanement (\$11.19 ACI-NA survey less \$5.44-MAC). The primary reason for this difference is MAC's lower operating costs. In addition, the Third Amendment for the airlines established a concessions credit which also lowers the airline cost. The amended Airline Use Agreement (due to airline bankruptcies) allows for a change in rate methodology, lease adjustments, etc. (See Budget Process and Budget Message sections for details.)

**Concession Revenues**

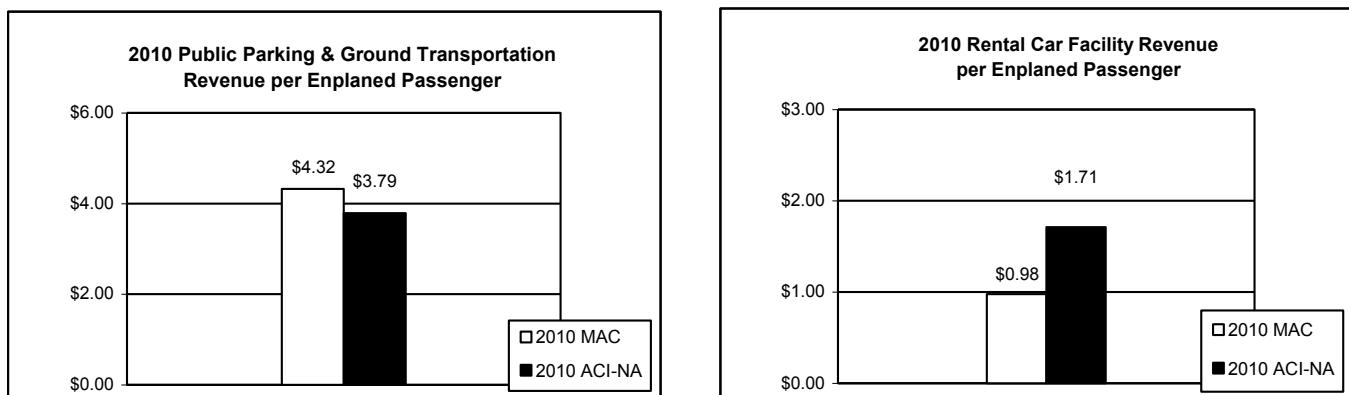
(in thousands of dollars)

Year	Rental Car		MSP			Other	Total
	Parking	& Ground Transportation	Food & Beverage	General Merchandise	Employee Parking *		
2003	\$ 41,330	\$ 16,870	\$ 4,864	\$ 5,219		\$ 4,055	\$ 72,338
2004	50,466	17,958	7,311	6,038		4,198	85,971
2005	60,213	18,979	9,790	6,313		4,178	99,473
2006	64,266	20,255	11,552	8,516		3,792	108,381
2007	66,765	21,373	12,645	8,577		4,435	113,795
2008	62,748	21,409	12,807	8,553	2,424	4,942	112,883
2009	61,546	19,429	13,052	8,082	2,586	2,685	107,380
2010	63,682	19,616	12,957	8,028	2,469	5,752	112,504
2011 Est	66,612	22,246	13,423	8,306	2,578	5,560	118,725
2012 Budget	72,957	21,269	13,357	8,293	2,826	6,093	124,795

\* Beginning in 2008, MSP Employee Shuttle was reclassified to Concessions Revenue from Other Revenue

The above table presents historical concession revenues from 2003 to 2011 estimate including the 2012 budget. (Please see Operating Budget Revenue for additional details.)

- ◆ Parking revenues are related to the level of originating traffic at MSP. A continued rise in patrons and revenue is reflected in the time period 2003 through 2007. An increase in parking fees in November 2004 and May 2005 accounts for the higher revenue in those years. The economic recession in 2008 reduced parking revenue and although 2009 reflects a rate increase in January the continued economic recession decreased revenue. The 2010 and 2011 reflects an increase in passengers along with more passengers choosing to park at the airport. The 2012 budget reflects a slight increase in activity along with a price increase effective January 2012.
- ◆ Rental car revenue can be associated with the level of destination traffic and rental car agreements. For the years 2007 and 2008 auto rental and ground transportation revenue remained about the same, however the decrease in 2009 is a reflection of the economic recession. The 2011 estimate increase is attributable to greater transactions and activity for Auto Rental – On Airport as well as a new auto rental agreement. Rental car revenue, however, is anticipated to decrease in the 2012 budget from the 2011 estimate as a result of prior year adjustments included in the revenue for 2011.
- ◆ Food and Beverage had been steadily increasing due to the expanded facilities and an increase in dwell time through 2009. 2010 reflects a decrease in Food and Beverage revenue attributable to the decrease in passengers. The 2011 estimate reflects a slight increase with the 2012 budget remaining about the same.
- ◆ The 2009 and 2010 revenue for General Merchandise was lower than 2008 revenue as a result of economic conditions. The 2011 estimate for General Merchandise reflects an increase in revenue as retail kiosks will open on the Concourse along with additional space available for retail opportunities. The 2012 budget is remaining about the same as the 2011 estimate.
- ◆ Other revenue consists of advertising both indoor and outdoor, telephones, vending and miscellaneous concessions revenue including in flight catering and auto services. The decrease in 2009 is a result of lower demand due to the economy. The increases in 2010, 2011 estimate and 2012 budget is primarily due to Outdoor Advertising , a new wellness center that opened in 2011, new concessions opening in 2012 as well as an increase in average spending per passenger.



The above two charts represent MAC's comparison with other large hub airports for Parking and Ground Transportation and Rental Car Facility. MAC in 2010 is higher than the national average for parking and ground transportation by \$0.53. However, MAC is lower in generating revenue from rental car facilities by \$0.73. Rental car leases have been in place for over six years. Contract re-bidding and finalized in 2011 will generate additional revenue.



*Parking Rules Were Enforced at Wold-Chamberlain Field in 1951*

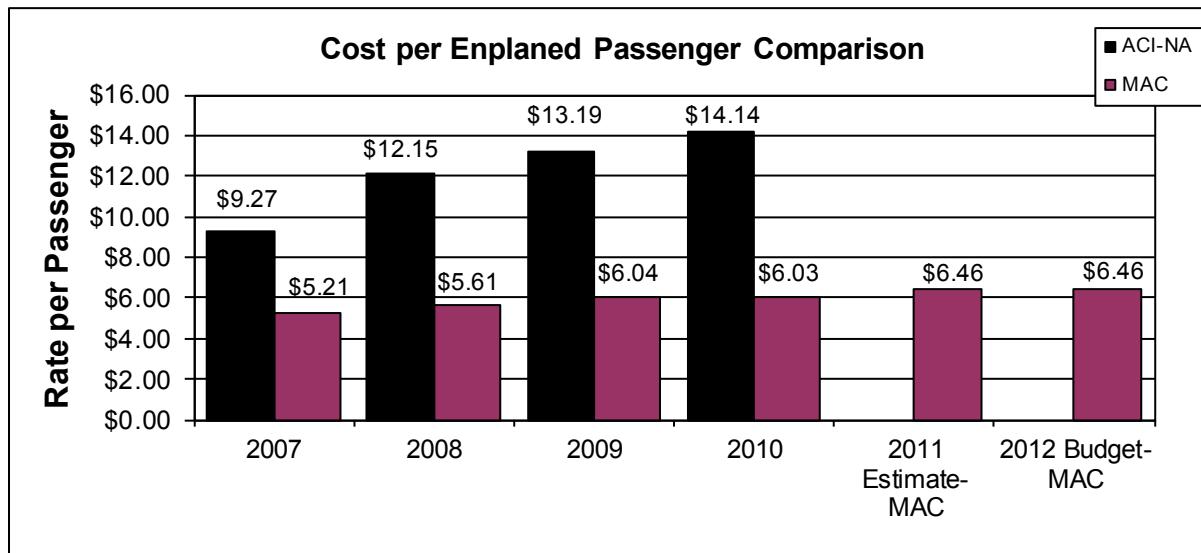
## Industry Comparisons - Other

Four charts presented in this section compare MAC to the following industry performance ratios:

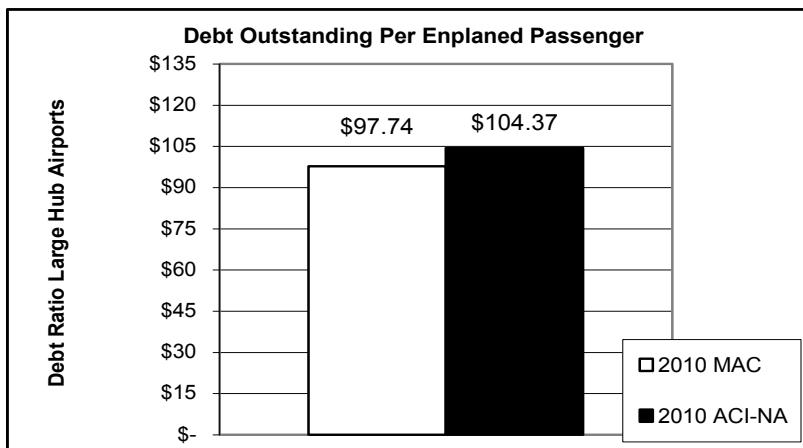
- Cost Per Enplaned Passenger Comparison
- Debt Outstanding Per Enplaned Passenger
- 2010 Operating Ratios
- MAC Operating Ratio – Hub Airports

These ratios are based on 2010 financial and operating data (the most recent available) and have been used for purposes of comparison. All MAC data is based upon actual 2010 information.

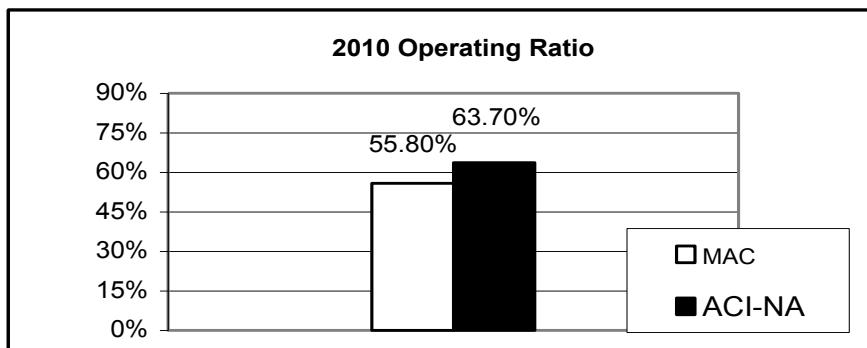
Cost per Enplaned Passenger comparison reviewed as follows:



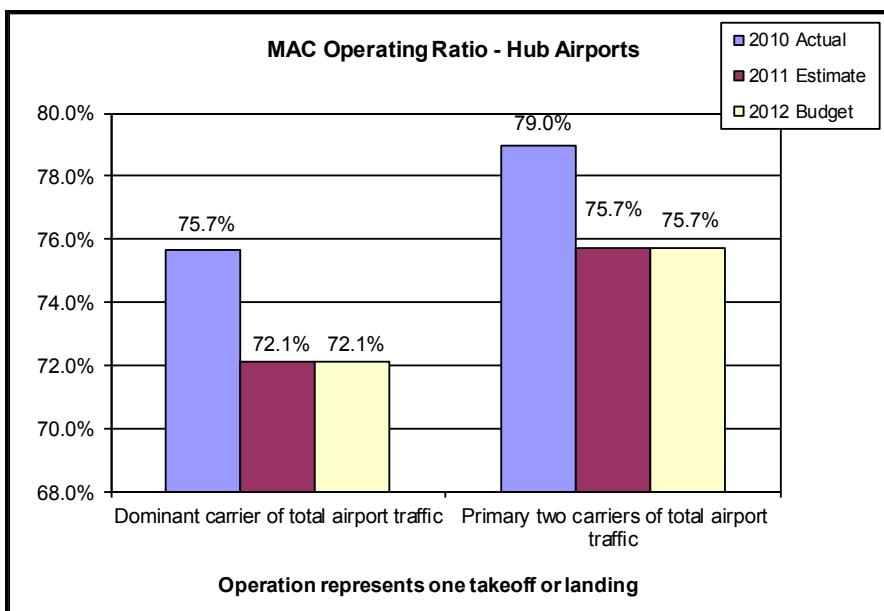
This chart, Cost per Enplaned Passenger Comparison, historically compares MSP's operating expenses for airlines in the airfield, ramp, terminal buildings and international facilities per enplaned passenger to the average cost per enplaned passenger as indicated in the ACI-NA report. In 2010, MAC's expense of \$6.03 per passenger (which is in the lower half of large hub airports) is less than the 2010 national average of \$14.14 and is attributable to MAC's lower operating costs.



Debt per enplaned passenger is calculated by dividing total outstanding General Airport Revenue Bond (GARB) debt by the number of enplaned passengers. The above chart uses the mean for Debt per Enplaned Passenger as published by the ACI - NA for large hub airports. MAC's ratio of debt/enplaned passenger is below the industry average (\$6.63) due to bond refundings.



The 2010 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 higher percentage of the total operating revenue than the mean. This difference is partly attributable to the manner, in which other airports account for long-term leases with the airport tenants. Ratios derived from the income statement provide measures of profitability.



The dominant carrier at MSP is Northwest Airlines/Delta. Delta acquired Northwest in 2009. The 2012 budget, is projecting no change in Delta percentages from 2011. The second largest carrier in 2010 was United Airlines with 2.8% of total airport traffic.

## **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 discussed:

Population/Employers/Tourism  
Airport Activity



***Field Maintenance Crews Work 24/7 to Keep Runways Operational***

## POPULATION

POPULATION (\$ = 000)					
Calendar	United	Minneapolis-St. Paul	MSA*	MSA as % of	MSA as % of
<u>Year</u>	<u>States</u>	<u>Minnesota</u>	<u>MSA</u>	<u>U.S.</u>	<u>Minnesota</u>
1999	272,691	4,776	2,872	1.1%	60.1%
2000	282,172	4,934	2,981	1.1%	60.4%
2001	285,082	4,983	3,025	1.1%	60.7%
2002	287,804	5,017	3,055	1.1%	60.8%
2003	290,211	5,048	3,082	0.9%	60.9%
2004	293,046	5,079	3,112	1.0%	61.0%
2005	295,753	5,107	3,141	1.0%	61.2%
2006	298,593	5,148	3,175	1.0%	61.6%
2007	301,580	5,191	3,172	1.1%	61.1%
2008	304,375	5,231	3,238	1.1%	61.9%
2009	307,007	5,266	3,270	1.1%	62.1%
2010	309,330	5,311	3,280	1.1%	61.8%
2011	311,592	5,345	NA	NA	NA

Source: U.S. Depart. of Commerce, Bureau of the Census accessed 2/7/2012  
\*MSA = Metropolitan Statistical Area

The above table presents the population for the USA, the State of Minnesota and the Metropolitan Statistical Area (MSA). Minnesota, in terms of 2011 population estimates, was the 21<sup>st</sup> largest state in the nation and has the second largest increase in population in the 12-state Midwest region between 2000 and 2010 according to the U.S. Census Bureau. The MSA is composed of 11 counties located in the east-central region of the State and 2 counties in the western portion of Wisconsin. Most of the historical population growth is attributed to births outnumbering deaths. Immigration accounted for the remainder.

Minneapolis-St. Paul International Airport is the only large hub airport in the MSA serving schedule air commerce.

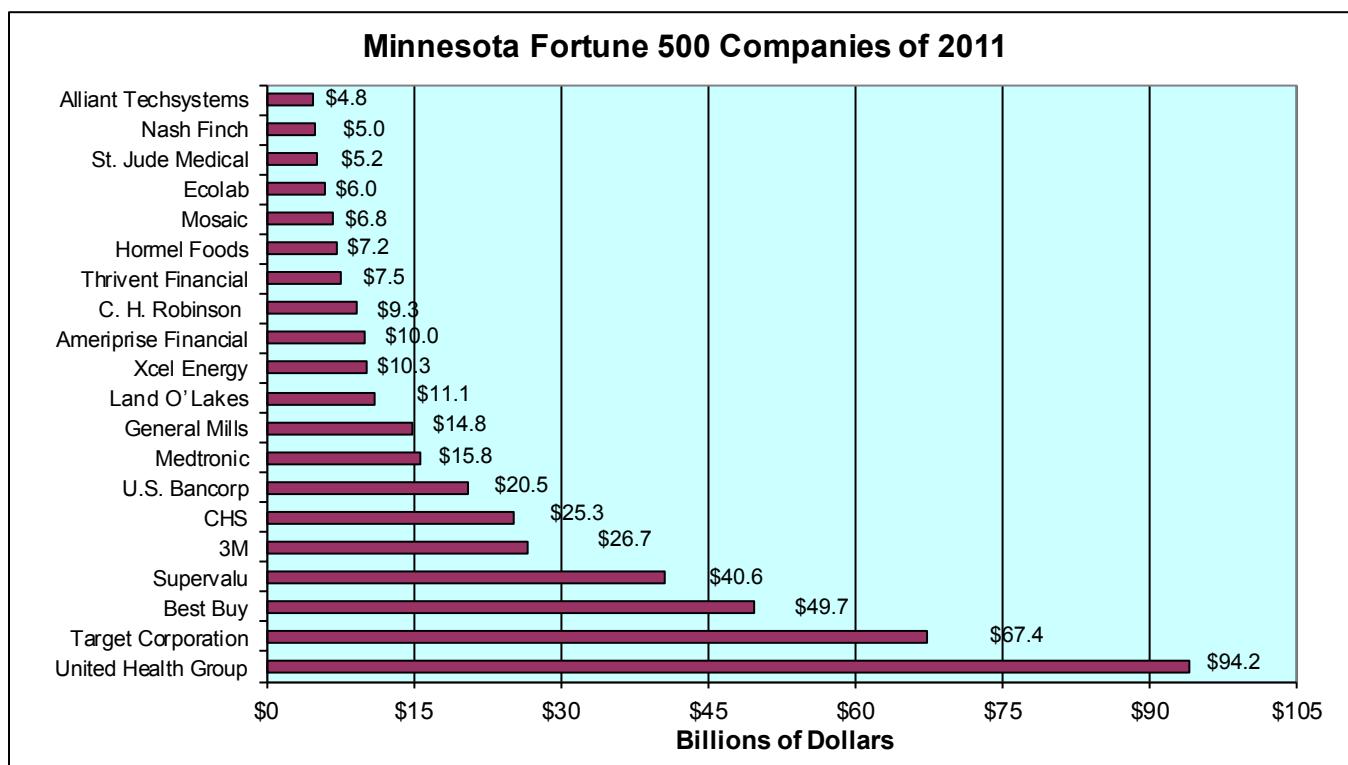
## EMPLOYERS

Many large private companies are based in Minnesota and reap the benefits of its economy. In 2009, Target Corporation was at the top with over 30,000 employees when ranked by in-state employees. Minnesota has also hosted many *Fortune 500* companies and has more companies per capita than any other state. Overall, the State is home to 20 Fortune 500 companies, representing a wide variety of industries including insurance, banking, health care, manufacturing and food processing.

<b><u>Minnesota Top 20 Private Companies</u></b>		
<b>2009</b>		
<b><u>Company Name</u></b>	<b><u>Number of Employees</u></b>	<b><u>Industry</u></b>
Target Corporation	30,500	Retail Trade
Allina Health System	23,302	Health Services
Wal-Mart Stores	20,434	Retail Trade
Fairview Health Services	20,178	Health Services
Wells Fargo Bank	20,000	Financial Services
3 M Company	15,000	Manufacturer
Delta Airlines	13,000	Commercial
Health Partners	12,000	Health Services
U.S. Bancorp	10,655	Financial Services
United Health Group	10,000	Health Services
Essentia Health	9,100	Health Services
Medtronic Incorporated	9,000	Manufacturer
Supervalu Incorporated	8,578	Retail Trade
Park Nicollet Health Services	8,274	Health Services
Hormel Foods Corporation	7,800	Manufacturer
Best Buy Company	7,527	Retail Trade
HealthEast Care System	7,345	Health Services
Thompson Reuters	7,100	Services
CenraCare Health System	6,624	Health Services
Cargill Incorporated	6,555	Manufacturer

Source: Minneapolis-St. Paul Business Journal 2012 Book of Lists

The following chart recognizes the Minnesota Fortune 500 Companies of 2011:



Source: Minnesota Department of Employment and Economic Development website accessed 2/7/2012



**Check Point #4 – Terminal 1-Lindbergh**

**EMPLOYMENT**

The following 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. The unemployment rates began to increase in 2001 through 2003 and again from 2007 through 2009 with 2009 and 2010 rates being the highest in decades for the United States, Minnesota and the Minneapolis-St. Paul MSA. In 2010, the unemployment rate decreased for Minnesota and the MSA but did not decrease for the United States until 2011. The MSA continues to remain lower than the national average.

CIVILIAN UNEMPLOYMENT RATE			
Calendar Year	United States	Minnesota	Minneapolis-St. Paul MSA**
1980	7.1%	5.9%	4.5%
*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%	3.2%	2.6%
*2001	4.7%	3.8%	3.5%
2002	5.8%	4.5%	4.4%
2003	6.0%	4.9%	4.7%
2004	5.5%	4.6%	4.4%
2005	5.1%	4.2%	3.9%
2006	4.6%	4.1%	3.8%
2007	4.6%	4.6%	4.3%
2008	5.8%	5.4%	5.2%
2009	9.3%	8.0%	7.8%
2010	9.6%	7.1%	6.9%
2011	8.9%	5.7%	5.1%

Sources: U.S. Department of Labor, Bureau of Labor Statistics  
Minnesota Department of Employment and Economic Development

\*Indicates national recession during all or part of year

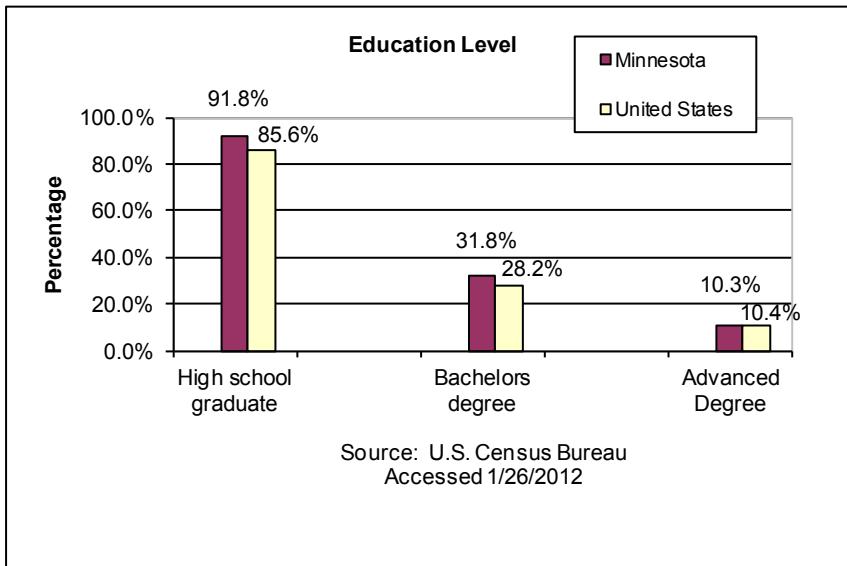
\*\*The MSA consisted of 9 counties in 1980, 11 counties in 1990-1992 and 13 counties in 1993 and beyond.

The following charts depict per capita personal income and education level.

Per Capita Personal Income			
Year	United States	Minnesota	MSA
2004	\$ 33,157	\$ 36,199	\$ 41,071
2005	35,424	37,978	42,721
2006	37,698	39,975	44,975
2007	39,392	41,693	46,870
2008	40,166	42,953	47,779
2009	39,138	41,552	45,928
2010	40,584	42,843	47,008

Source: U.S. Department of Commerce, Bureau of Economic Analysis

In every year shown in the chart, the MSA's amount of per capita personal income has been higher than the per capita personal income amount for the nation and the State. This is in conjunction with a moderate cost of living which leads to higher discretionary disposable income, on average, than others throughout the State and the United States and relates positively to the demand for air travel. In addition, the MSA ranks as the 24<sup>th</sup> highest metropolitan statistical area nationwide in terms of per capita personal income.



In addition, Minnesota has a well-educated workforce with 91.8 percent high school graduates, compared to 85.6 percent in the United States and almost a third with bachelor's degrees compared to 28.2 percent for the United States. Furthermore, the number of Minnesotans with advanced degrees is close to the national average. Post secondary education opportunities in the MSA include a variety of institutions including a number of public universities, private colleges and universities, community colleges, technical colleges and post-graduate schools. In addition, several proprietary schools offer trade and technical training in the MSA.

## TOURISM AND ATTRACTIONS

The Minneapolis-St Paul area has numerous tourist attractions as well as local activities as described below:

- Home to the nation's largest shopping center and entertainment complex, the Mall of America (MOA), receives approximately 40 million visitors per year.
- Nationally renowned cultural organizations including the Guthrie Theater, Children's Theater Company, Minnesota Orchestra, St. Paul Chamber Orchestra, Minnesota Opera, Walker Art Center, Minneapolis Institute of Arts and Minnesota Museum of Art.
- The State Theater, Orpheum Theatre and Ordway Music Theatre are host to Broadway shows as well as other cultural events.
- Six major professional sports teams include: Minnesota Twins baseball team, Minnesota Vikings football team, Timberwolves basketball team, Minnesota Lynx women's basketball team, Minnesota Thunder soccer team and Minnesota Wild hockey team.
- University of Minnesota Gophers participate in the Big Ten Conference in a number of sports including basketball, hockey, football and soccer.
- Minnesota, with its more than 10,000 lakes and 136,000 acres of parks, trails and wildlife management areas, is known for its wide variety of outdoor activities such as sailing, fishing, skiing and hunting.
- Popular local activities in Minnesota include the following annual events: Minnesota State Fair, Taste of Minnesota, Minneapolis Aquatennial and St. Paul Winter Carnival.



*Minneapolis-St. Paul International Airport Terminal Building - 1960*

**INTERESTING FACTS ABOUT MINNEAPOLIS-ST. PAUL INTERNATIONAL AIRPORT****Historical Facts**

- Runway 12R-30L is 10,000 feet long by 200 feet wide, which equates to two million square feet of concrete. The MAC runway snow removal team can clear the runway of snow in less than ten minutes.
- In 1914, Snelling Speedway, an auto racing venue, was an unsuccessful venture. The Minneapolis Aero Club acquired the property which became what is known as today, Minneapolis-St. Paul International Airport.
- In 1920, the first hangar, a wooden structure, was constructed to accommodate air mail service. The 160-acre property became known as Speedway Field.
- In 1923, Speedway Field was re-named Wold-Chamberlain Field in honor of two local pilots, Ernest Wold and Cyrus Chamberlain, who lost their lives in combat during World War I.



***St. Paul Downtown Airport Terminal Building – Year 1939***

**Current MSP Information**

- The MSP Airport Surveillance radar sweeps the sky once every 4.8 seconds.
- Runway 17/35 and its taxiways contain enough concrete to build a sidewalk from Minneapolis to New Orleans.
- MSP operates one of the nation's most extensive airport noise mitigation programs. Between 1992 to the present, the Commission has insulated over 13,000 single-family homes and multi-family units at a total cost of approximately \$307 million.
- The 53,000 miles of fiber cable installed on the property of the Commission could circle the world just over two times.
- Minneapolis-St. Paul International Airport encompasses approximately 3,300 acres. Turf areas, which account for more than one-third of that total, require extensive maintenance by the Field Maintenance crew.

**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.

**2010 Ranking of U.S. Airports**  
**(for the 12 months ended December 31, 2010)**

Rank	Total Passengers <sup>1</sup>		Total Cargo			Total Operations		
	(in thousands)		(Freight and Mail, in thousands of metric tons)			(in thousands)		Operations
	Airport	Passengers	Rank	Airport	Cargo	Rank	Airport	
1	Atlanta	89,332	1	Memphis	3,916.8	1	Atlanta	950.1
2	Chicago-O'Hare	66,775	2	Anchorage	2,646.7	2	Chicago-Hare	882.6
3	Los Angeles	59,070	3	Louisville	2,166.7	3	Los Angeles	666.9
11	Charlotte	38,254	20	Boston	259.5	8	Las Vegas	505.6
12	Miami	35,698	21	Toledo	254.8	9	Philadelphia	460.8
13	Orlando	34,878	22	Denver	251.8	10	Detroit	452.6
14	Newark	33,107	23	Phoenix	250.7	11	Phoenix	449.4
<b>15</b>	<b>Mpls.-St. Paul</b>	<b>32,839</b>	<b>24</b>	<b>Mpls.-St. Paul</b>	<b>211.7</b>	<b>12</b>	<b>Mpls.-St. Paul</b>	<b>436.6</b>
16	Detroit	32,377	25	Detroit	193.3	13	Newark	403.9
17	Seattle	31,553	26	Portland	190.1	14	New York	399.6
18	Philadelphia	30,776	27	Salt Lake City	145.4	15	San Francisco	387.2

1 Sum of enplaned and deplaned volume.

Source: ACI, 2010 North American Traffic Report.

MSP is one of the highest-activity airports in the United States. Approximately 50% of the passengers were connecting while the other 50% were origin-destination. International travelers and a strong demand for charter services also contribute to providing MSP with a strong and diverse passenger base. MSP was in 9<sup>th</sup> place in 2002 thru 2004. However, the 2005 statistics indicate MSP is 10<sup>th</sup> when ranking the U.S. airports for passengers. For 2006, MSP is at 12<sup>th</sup> and 14<sup>th</sup> in 2007 as a result of airline bankruptcies and reduced passenger levels. Due to a decline in air travel along with the merger of Northwest and Delta Airlines, MSP was ranked 16<sup>th</sup> in 2008. In 2009 as well as 2010, MSP is in the 15<sup>th</sup> ranking.

When ranked with total cargo, MSP placed 24th in the U.S for 2010. The cargo volume is expected to remain the same for 2011 estimated and 2012 budget, a trend similar at other airports. 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 number of Operations (based upon one takeoff or landing) indicates that MSP is the 12<sup>th</sup> most active airport when compared with other airports in the United States.

The following table presented indicates the Air Carriers providing service at the airport. As of January 1, 2011, the airport was served by 36 air carriers, including 21 U.S.-flag carriers providing scheduled service, one U.S.-flag carrier providing charter service, six all-cargo service carriers and two foreign-flag carriers.

**Minneapolis-St. Paul International Airport**  
**Air Carriers Serving the Airport<sup>1</sup>**

**As of January 1, 2011**

**U.S. - Flag Carriers**

**Scheduled Service**

Air Tran <sup>2</sup>	Compass <sup>**4</sup>	Republic Airlines <sup>*8, 9</sup>
Alaska <sup>*</sup>	Continental <sup>**6</sup>	Shuttle America <sup>**5, 10</sup>
American <sup>*</sup>	Continental Express <sup>**7</sup>	SkyWest <sup>*4, 9</sup>
American Eagle <sup>*3</sup>	Delta <sup>**</sup>	Southwest <sup>*2</sup>
Atlantic Southeast <sup>**4</sup>	Frontier <sup>*</sup>	Sun Country <sup>*</sup>
Chautauqua <sup>**5</sup>	Mesaba <sup>**4</sup>	United <sup>**6</sup>
Comair <sup>**4</sup>	Pinnacle <sup>**4</sup>	US Airways <sup>*</sup>

**Non-scheduled (Charter) Service**

Omni International<sup>\*</sup>

**All-Cargo Services**

ATI <sup>**11</sup>	ASTAR Air Cargo <sup>*</sup>	FedEx <sup>**</sup>
ABX Air <sup>**12</sup>	Bemidji <sup>**</sup>	UPS <sup>**</sup>

**Foreign-Flag Carriers**

Air Canada Jazz <sup>**</sup>	Icelandair <sup>*</sup>
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\* Signatory to Airline Lease Agreement that expires on December 31, 2011.

\*\* Signatory to Airline Lease Agreement that expires on December 31, 2020.

<sup>1</sup> Excludes carriers reporting fewer than 1,000 enplaned passengers per annum. Does not indicate which major air carriers codeshare with each other.

<sup>2</sup> On May 2, 2011, Southwest acquired Air Tran. Southwest and Air Tran are currently operating as Separate airlines and are expected to begin operating as a single airline (under the Southwest brand) some time in the first quarter of 2012.

<sup>3</sup> Codeshare with American.

<sup>4</sup> Codeshare with Delta.

<sup>5</sup> Codeshare with American and Continental

<sup>6</sup> On October 1, 2010, United Airlines and Continental Airlines merged. United Airlines and Continental Airlines expect to continue to operate as separate airlines until their operations have been fully integrated, which is expected to occur in 2012.

<sup>7</sup> Codeshare with Continental.

<sup>8</sup> Codeshare with US Airways.

<sup>9</sup> Codeshare with Midwest Airlines.

<sup>10</sup> Codeshare with United.

<sup>11</sup> Provides air service to BAX Global.

<sup>12</sup> Provides air service to DHL.

Source: Metropolitan Airports Commission

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**AA** – Affirmative Action

**AAAE** – American Association of Airport Executives

**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 Council International

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

**ADASP** - Aviation Direct Access Program

**ADA** – American with Disabilities Act

**ADO** – Airport Director's Office

**AED** - Automated External Defibrillator

**AETRA** – An airport customer satisfaction benchmarking program. (Not an acronym – derived from the Latin word for clear sky, upper sky.)

**Agreement (The)** – The Airline Agreement which expires on 12/31/10 for most airlines (Northwest/Delta, Mesaba and Air Canada expires 2020.) This Agreement is the basis for airline rates and charges primarily the landing fee, ramp fee, carousels and conveyors, terminal building rates and the noise surcharge.

**Agreement (The) Third Amendment** – This was an amendment to the Airline Agreement approved in 2007 by all carriers. Major components of this amendment include converting the rate methodology from Depreciation and Interest to Debt Service and also incorporating a portion of the concessions (25% of Food & Beverage, Retail, News and On Airport Auto Rental revenues to MAC up to a maximum of \$32.3 million escalated annually) as a rebate to Lindbergh and Humphrey Terminal tenants.

**AIP Entitlements** – Funding available under the FAA's Airport Improvement Program (AIP). Entitlement grants are based on the number of enplaning passengers and landed cargo weight.

**AIP Grants – Noise** – Funding available under the FAA's Airport Improvement Program (AIP). Environmental Mitigation Projects are discretionary grants that are approved on a project by project basis.

**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 and carousels and conveyors) plus other airline terminal rents.

**ALEAN** - Airport Law Enforcement Agency Network

**AFB** – American Federation of the Blind

**AMSS** – Airport Message Sending System

**ANOMS** – Airport Noise and Operations Monitoring System

**AOA** – Airport Operations Area

**AOEE** - Assessment of Environmental Effects

**APD** – Airport Police Department

**APM** - Automated People Mover

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

**ARFF** - Aircraft Rescue Fire Fighting

**ASIG** – Aircraft Service International Group

**ASQ** - Airport Service Quality Program

**AST** - Above Ground Storage Tank

**AVI** – Automated Vehicle Identification. Relates to Landside Operations.

**Balanced Budget** – Refers to Budgeted Operating Revenue equal to Budgeted Operating Expense plus depreciation.

**BDO** - Behavioral Detection Officer

**BIDS** – Baggage Information Display System

**BMI** – Body Mass Index

**Bonds** – A formal promise to pay a specified principal at a certain date in the future along with periodic interest on that principal at a specified rate per period.

**CAD** – Computer Aided Design

**Capital Equipment** – Represents equipment with a cost of at least \$10,000 that will be depreciated.

**Capital Expenditure** – Refers to a project or piece of equipment that will be depreciated over its useful life (\$10,000 minimum cost).

**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.

**Capitalized Interest** – Interest costs incurred from date of capital project commencement through date of beneficial occupancy (substantial completion).

**CCTV** - Close Circuit Television

**CFC** - Customer Facility Charge

**CFR** – Code of Federal Regulations

**CMAA** – Commercial Management and Airline Affairs

**CMMS** – Computerized Maintenance Management System

**CMS** - Content Management System

**CNN** – Cable News Network

**Commission** – Metropolitan Airports Commission

**Commercial Paper** – Short-term debt obligation sold with maturity dates of 270 days or less.

**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.)

**CSAC** – Customer Service Action Council

**CSOs** – Community Service Officers

**CSPI** - Customer Service Partnership Initiative

**CUPPS** – Common Use Passenger Processing System

**C.U.S.E.** - Common Use System Equipment - used for ticketing and gate use.

**C.U.T.E.** - Common Use Terminal Equipment - used for ticketing and gate use.

**CWN** - Comprehensive Well Network

**DBE** - Disadvantaged Business Enterprise

**Debt Service** – Represents issuer's obligation to repay the principal and interest.

**Debt Service Account** – An account which MAC is required by law to maintain whereby the balance on hand on October 10<sup>th</sup> of each year is equal to all principal and interest due on all Airport Improvement Bonds and General Obligation Revenue Bonds payable to the end of the second following year.

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

**Defeased** – Refers to Bond Refundings where the old debt is replaced by a new debt schedule - in most cases at a lower interest rate.

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

**Depreciation** – The accounting process of allocating against periodic revenue the cost expiration of tangible plant, property and equipment over their useful lives.

**Derivative Financing Products** – A transaction or contact whose value depends on or, as the name implies, derives from the value of underlying assets such as stock, bonds, or mortgages. One party with exposure to unwanted risk can pass some or all of the risk to a second party. The first party can assume a different risk from a second party, pay the second party to assume the risk, or as is often the case, create a combination. Derivatives are normally used to control exposure or risk.

**DHS** - Department of Homeland Security

**DNL** - Day Night Noise Level

**DOG** – Department Operating Guidelines

**DOT** – Department of Transportation – FY05 Omnibus DOT Appropriation

**DCS** – Departure Control Systems

**DTN** – Data Transmission Network Corporation

**Dual Track Process** – The path designated by the Legislature that MAC and the Metropolitan 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.

**E-1** – Enterprise One

**EA** – Environmental Assessment

**ECC** – Emergency Communications Center

**ECP** – Environmental Compliance Program

**EDS** – Explosive Detection Systems - Machine that scans baggage for explosives.

**EMS** – Emergency Medical Services

**Encumbered** – Refers to the fact that funds have been committed for payment for goods or services.

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

**Enterprise Fund** – The cost (expenses including depreciation) of providing goods or services to the general public on a continuing basis is to be financed or recovered primarily through user charges. That is, operating and capital expenses are paid from revenues generated by users.

**EOD** – Explosive Ordnance Disposal

**sparkElite** –Voluntary program offering public parkers at MSP Airport a guaranteed parking space no matter the availability status of airport parking facilities.

**EPA** – Environmental Protection Agency

**EVIDS** – Electrical Visual Information Display System

**Exclusive Use** – Space rented to a specific airline.

**Exclusive Use–Janitored** – With this space the Commission furnishes janitorial cleaning.

**FAA** – Federal Aviation Administration

**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.

**F&A Committee** – Finance and Administration Committee composed of Commissioners meeting on a monthly basis. (This Committee is one of the three standing Committees under the Committee restructuring which occurred in August, 2011.)

**F&AS** – Finance & Administrative Services

**FCM** – Flying Cloud Airport

**FCMS** – FlexiPark Central Management System

**FIDS** – Flight Information Display System

**FIS** – Federal Inspection Services

**FOD** – Foreign Objects/Debris

**FTE** – Full Time Equivalent – term referring to employee headcount

**Fuel Storage Facility** – Operated by Airline Consortium and used to provide fuel to the airlines.

**Funds** – Refers to the Commission's three funds segregated for accounting purposes – Operating, Debt and Construction.

**Fund Balance** – A fund balance is the assets minus the liabilities in a fund at a given point in time. A positive fund balance means there are more assets than liabilities; a negative fund balance means just the opposite. Fund balance can be complicated by the fact that part of the fund balance is reserved and part unreserved. The difference between reserved and unreserved is that the unreserved can potentially be authorized for future expenditures while the reserved cannot. Additionally, the fund balance is a residual and not necessarily a cash amount.

**Fund Equity** – Fund equity is a generic term referring to what is left after all the liabilities have been taken care of or paid with all the assets. In government, the term fund balance is more often used. Fund equity, while conceptually the same as fund balance, is usually reserved for funds in government that are operated on a business or accrual basis.

**GA** – General Aviation

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

**GASB 34 – Basis of Account** – Effective January 1, 2002, the Commission adopted GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*; Statement No. 37, *Basic Financial Statements – Management's Discussion and Analysis for State and Local Governments: Omnibus*; and Statement No. 38, *Certain Financial Statement Note Disclosures* (GASB Statement No. 34). These statements establish comprehensive, new financial reporting requirements for governmental units. Under GASB Statement No. 34, the Commission is considered to be a special purpose government unit engaged primarily in business type activities (BTA). As a BTA, the Commission prepares its financial statements using the accrual basis of accounting and the economic resources measurement focus.

**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 (GORBs)** – 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.

**GHG** – Green House Gas

**GIS** – Geographic Information System

**GISW** – Glycol Impacted Storm Water management

**GPS** – Global Positioning System

**GPU** – Ground Power Unit

**HHH Terminal** – Hubert H. Humphrey Terminal – The Commission's Common Use Terminal housing international, domestic scheduled and charter flight activity.

**HQ** - Headquarters

**HRD** – Human Resource Development

**HRIS** – Human Resources Information Systems

**HT** – Humphrey Terminal

**HVAC** – Heating, Ventilating and Cooling System

**IATA** – International Air Transport Association

**ICAO** – International Civil Aviation Organization

**IMLA** – International Municipal Lawyers Association

**Imputed Interest** – This rate is essentially a weighted average of all outstanding bond issue interest rates. It is used in the determination of various rates.

**Infield Area** – An area constructed for parking or maintenance by cargo companies. Currently occupied by Federal Express and UPS.

**IS** – Information Services

**Issuance Costs** – Represents costs associated with issuing debt. These include, but are not limited to, underwriter fees, consultant fees and bond insurance.

**JAZB** – Joint Airport Zoning Board

**JDE** – J. D. Edwards

**K-9** – Unit of the Airport Police Department which uses trained dogs as part of its Narcotics Program.

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

**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.)

**Lindbergh Terminal** – The main terminal where most of the scheduled flights arrive and depart. Also referred to as the "Terminal Building". (This facility was named after Charles Lindbergh.)

**Line Items** – Refers to specific accounts (line items) within the Commission's accounting system.

**LMS** – Learning Management System

**Lobby Fees** – These fees are a per passenger fee charged to airlines when they use the HHH Terminal.

**LOI** – Letter of Intent – Grant program by the FAA. Used for major projects and requires a separate application.

**LRT** – Light Rail Transit

**LTCP** – Long Term Comprehensive Plan – Global look at the expansion requirements for Minneapolis-St. Paul International Airport.

**M & O Committee** - Management and Operations Committee composed of Commissioners meeting on a monthly basis. (This Committee is one of the three standing Committees.)

**MAC** – Metropolitan Airports Commission

**MAC Funds** – Amounts generated from operations that the Commission intends to apply toward the cost of the Capital Plan after payment of all operating expenses, debt service and other payment obligations.

**MACANOMS** – Metropolitan Airports Commission Airport Noise and Operations Monitoring System

**Maintenance Expense** – One of the main expense categories and includes five subdivisions: Trades building, field, equipment and cleaning.

**Major Carriers** – Those airlines which participate in the Airline Agreement. As of January 1, 2009, these include American, Air Tran, America West/USAir, Air Canada, Continental, Delta, Frontier, Northwest, Sun Country and United. In addition to these, there are several freight carriers, charter carriers, and commuter carriers that participate in the airline agreement.

**MALSR** – Medium Approach Lighting System with a Rail (Runway alignment indicator lights)

**MCDDH** – Minnesota Commission on the Deaf, Deaf-Blind and Hard-of-Hearing

**MCOA** – Minnesota Council of Airports

**MERF** – Minneapolis Employees Retirement Fund

**Metropolitan Council** – (Met Council) – Metropolitan regional planning agency

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

**MnDOT** – Minnesota Department of Transportation

**MOU** – Memorandum of Understanding

**MPCA** - Minnesota Pollution Control Agency

**MSA** – Metropolitan Statistical Area

**MSGP** - Multi-Sector General Permit

**MSP or MSP International** – Minneapolis/St. Paul International Airport. Refers to the total airport facility.

**MUFIDS** – Multiple Users Flight Information Display

**NIGP** – National Institute of Governmental Purchasing

**NIMS** - National Incident Management System

**NOC** - Noise Oversight Committee

**NOTAMS** – Notice to Airmen System

**NPDES** – National Pollutant Discharge Elimination System

**NTSB** – National Transportation Safety Board

**NWA** – Northwest Airlines

**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

**OABA** - Open Architecture Building Automation

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

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

**Operation** – The aircraft operation which represents a takeoff or landing.

**OSHA** – Occupational Safety and Health Administration

**OTG** – On the Go concession

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

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

**PAV** – Public Access Videophone

**PC Air** – Pre-Conditioned Air

**PCI** - Payment Card Industry

**PD&E Committee** – Planning, Development and Environment Committee composed of Commissioners meeting on a monthly basis. (This Committee is one of the three standing Committees under the Committee restructuring which occurred in August, 2011.)

**PERA** – Public Employees Retirement Association

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

**PFC - Passenger Facility Charge** – 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. Early 2001 the level of PFC's charged by MAC will go to \$4.50. The Commission currently has ten approved applications, three of which remain open.

**PIDS** - Public Information Display Screens

**PLM** - Pinnacle Learning Manager

**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.

**PSS** – Public Safety and Security

**RAAC** – Reliever Airports Advisory Council

**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.

**RCS** - Revenue Control System

**RDC** – Regional Distribution Center

**Reimbursed Expense** – Costs paid by the Commission initially and then billed back to tenants or paid to MAC from other outside sources. (This is recorded in "Other Revenue".)

**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.

**Revenue Bonds** – Represent bonds which are paid with an entity's operating revenue generated from rents, fees and charges. (See GARBs.)

**RFB** – Request for Bid

**RFP** – Request for Proposals

**RFQ** – Request for Qualifications

**RNAV** – Runway Area Navigation

**RNP** – Required Navigation Performance

**RON** – Remain Over Night (aircraft parking)

**RPZ** – Runway Protection Zone

**RSS** - Requisition Self Service

**SAAC** – Secured Area Access Control System

**SCAN** – Spot, Challenge and Notify – An airport employee watch guard program

**SCSU** – St. Cloud State University

**Scope** – Non-traditional or derivative financial products are those products other than traditional long-term fixed rate debt obligations and traditional short-term variable rate products (including variable rate demand obligations, commercial paper and auction rate notes). Such non-traditional financial products include, but are not limited to, "swaps", "swaptions", "municipal warrants" and "interest rate caps".

**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.

**SIDA** – Security Identification Display Area

**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.

**SMP** - Soil Management Plan

**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.

**SOC** – System Operations Control

**Southwest Cargo Area** – An area constructed for parking or maintenance by cargo and airline companies. Currently occupied by Sun Country and various cargo companies.

**STAR Program** - Steward of Tomorrow's Airport Resources Program

**STP** – St. Paul Downtown Airport

**Subledger** - Commission terminology for grouping expenses from various service centers to determine rates and charges for tenants and users of the MAC facilities.

**Subordinated Debt** – Debt that is paid after Senior Debt obligations have been met.

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

**SWOT** – An analysis that provides information that is helpful in matching the firm's resources and capabilities to the competition.

**TBD** – To be determined

**Terminal 1 (T1)** – Charles Lindbergh Terminal Building has been designated Terminal 1 to provide further direction/information.

**Terminal 2 (T2)** – Hubert H. Humphrey Terminal Building has been designated Terminal 2 to provide further direction/information.

**TGB** – Targeted Group Business

**TSA** – Transportation Security Administration

**Taxiway** – Paved areas on the airfield to be primarily used for ground movements of aircraft to, from and between runways, ramp and apron space and storage areas.

**Unencumbered** – Funds not yet committed for purchase of goods or services.

**UPS** – Uninterruptible Power supply

**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.)

**VALE** – Voluntary Airports Low Emission

**VFD** – Variable Frequency Drive – Equipment for facilities monitoring

**VIPR** - Visual Intermodal Prevention and Response

**VOR** – Visual Omni-Directional Radio

**WMD** – Weapons of Mass Destruction

**Wold–Chamberlain Field (WCF)** – The airfield itself excluding the Terminal Building. (Named after two local pilots, Ernest Wold and Cyrus Chamberlain, who lost their lives in combat during World War I.)

**Working Capital** – Changes in current assets minus changes in current liabilities.