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2020 Operating Budget

Metropolitan Airports Commission
Minneapolis St. Paul, Minnesota

TABLE OF CONTENTS

****The Table of Contents is hyperlinked****



Mission

Connecting you to your world

Vision

Providing your best airport experience

Focus Areas

- Develop new strategies to enhance financial strength
- Grow stakeholder & community engagement
- Deliver a seamless “one journey” experience for MSP Passengers



5 Executive Summary

- 5 Budget Targets
- 6 Fund Overview
- 7 Budget Development
- 10 Organizational Strategic Plan
- 11 Division Strategic Goals and Objectives
- 12 Performance Measures
- 15 GFOA Budget Award
- 15 Acknowledgement
- 16 Awards received by MAC during 2019

19 The Organization

- 19 The Commission
- 22 Organizational Chart
- 24 Full-Time Equivalent Positions (FTEs)

29 Budget Process & Financial Policies

- 29 Budget Process
- 30 Budget Schedule
- 31 Calendar
- 33 Approved Summary of Operating and Non-Operating Revenue and Expense
- 35 Summary of Operating Revenue and Expense (GAAP)
- 36 Financial Policies
- 40 Compliance Statement

41 Fund Structure

- 41 Fund Relationship
- 42 Fund Balance Summary
- 43 Taxing Authority
- 43 Sources and Uses of Funds

45 Operating Budget Revenue

- 47 Revenue Assumptions and Guidelines
- 47 Airline Rates and Charges
- 51 Concessions
- 52 Rentals/Fees
- 53 Utilities & Other Revenue

55 Operating Budget Expense

- 57 Expense Assumptions and Guidelines
- 58 Personnel
- 59 Administrative Expenses
- 60 Professional Services
- 62 Utilities
- 62 Operating Services/Expenses
- 63 Maintenance
- 64 Other
- 66 2020 Budget Expenses by Subledger

73 Construction Fund

- 73 Equipment and Technology-Related Expenditures
- 74 Capital Equipment Projects
- 81 Technology-Related Projects
- 83 Capital Improvement Program Expenditures
- 88 2020 Capital Improvement Projects
- 88 2020 Capital Improvement Program Narratives
- 96 2020 Capital Improvement Project Funding Sources
- 98 2021 Capital Improvement Program Narratives
- 106 2021 Capital Improvement Program Funding Sources
- 108 2022-2026 Capital Improvement Plan
- 112 Sources and Uses of Funds

115 Debt Service Fund

- 115 Debt Service Requirement
- 115 Long-Term Debt
- 120 Bond Ratings
- 120 Sources and Uses of Funds

123 Service Center Summaries

123 Executive Division

- 125 Executive – Commissioner
- 126 Executive – General
- 127 Executive – Operations
- 128 Internal Audit
- 129 Information Technology
- 131 Governmental Affairs
- 132 Legal Affairs

133 Strategy & Stakeholder Engagement Division

- 135 Strategy & Stakeholder Engagement
- 136 Strategic Communications
- 137 Air Service Business Development
- 139 Strategic Marketing
- 140 Stakeholder Engagement
- 141 Community Relations

143 Finance & Revenue Development Division

- 145 Finance & Administration
- 146 Live Well, Stay Well
- 147 Insurance/Risk Management
- 148 Finance
- 149 MAC General
- 150 Purchasing
- 151 Commercial Management & Airline Affairs
- 152 Concessions & Business Development
- 154 MSP Airport Conference Center

155 Human Resources & Labor Relations Division

- 157 Human Resources & Labor Relations
- 158 Employee Development & Engagement
- 159 Diversity
- 160 Employee Relations

161 Planning & Development Division

- 163 Planning & Development
- 164 Airport Development
- 165 Building Official
- 166 Environmental Affairs

167 Management & Operations Division

- 170 Management & Operations
- 171 Customer Experience
- 172 Landside-Administration
- 174 Facilities – Terminal 2
- 175 Facilities – Terminal 1
- 177 Facilities – Energy Management Center
- 178 Trades – Administration
- 179 Trades – Electricians
- 180 Trades – Painters
- 181 Trades – Carpenters
- 182 Trades – Plumbers
- 183 Field Maintenance
- 184 Airside Operations
- 185 Relievers – Administration
- 186 Relievers – St. Paul
- 187 Relievers – Lake Elmo
- 188 Relievers – Airlake
- 189 Relievers – Flying Cloud
- 190 Relievers – Crystal
- 191 Relievers – Anoka County-Blaine
- 192 Police
- 193 Fire

195 Statistics & Informative Facts

- 195 Historical Operating Revenue/Operating Expense and Facility Comparisons
- 197 Activity/Operations Statistics
- 199 National Comparisons
- 201 Informative Facts about Minnesota
- 202 Minnesota at a Glance
- 206 Interesting Facts about the Metropolitan Airports Commission

211 Glossary

Executive Summary

December 16, 2019

To The Public:

We are pleased to present the 2020 Metropolitan Airports Commission (MAC) Budget which was adopted by the Board of Commissioners (Commission) on December 16, 2019. Total Operating Revenue for 2020 is projected to be \$408,730,453 and Operating Expense is \$212,503,361, excluding depreciation and noise amortization. Non-operating expenses, including non-operating revenue, are budgeted to be \$118,411,188. The approved 2020 budget results in \$77,815,905 of Net Revenues Available for Designation.

The 2020 budget process commenced in May 2019. Some of the key short-term issues faced by the MAC in developing the overall targets for the 2020 Operating Budget included:

- The impact of Transportation Network Companies on the MAC's parking and auto rental revenues
- Changes in the state of the economy and the airline industry in 2019
- The impact of the 2019-2020 Capital Improvement Program, which totaled \$644.8 million
- A new long-term debt issue in late 2019
- Debt refunding that occurred in 2019

Details on how each of these critical issues were addressed in our development of the budget are noted later in the Fund Overview section of this summary.

Imbedded in this discussion is our Mission Statement and Vision Statement.

Mission Statement: Connecting you to your world

Vision Statement: Providing your best airport experience

Budget Targets

As a result of the key issues, the Commission identified four targets that were to be used in developing the 2020 Operating Budget. These targets and their respective budget results are listed below.

- Target 1:** Maintain a Coverage Ratio of 2.4x on Senior General Airport Revenue Bonds (GARB) and an overall Coverage of 1.4x (with transfer)
Result: 7.91x Senior GARB and 1.85x Total Coverage (with transfer)
- Target 2:** Maintain a Six Month Reserve in the Operating Fund
Result: A transfer of \$7.0 million will be made to the fund in January of 2020.
- Target 3:** Airline Cost/Enplaned Passenger will be in the lower one-third of large hub airports.
Result: MSP ranked sixth out of 28 large hub airports surveyed.
- Target 4:** The budget shall have the financial resources to operate the MAC's system of airports, meet its debt service obligations and fund its reserves and capital requirements of the MAC.
Result: The budget forecasts \$77.8 million in Net Revenues available for designation.

The remainder of this summary will cover:

- Fund Overview (Overall, Operating, Construction and Debt)
- Budget Development
- Organizational Strategic Plan
- Performance Measures
- GFOA Budget Award
- Acknowledgement
- Other Awards

Fund Overview

The MAC is accounted for as an Enterprise Fund. For internal purposes, three funds are maintained. Each fund relates to a specific function: 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 the Operating Fund to the Debt Fund are made in June and December of each year to make debt service payments and to 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 typically transferred to the Construction Fund.

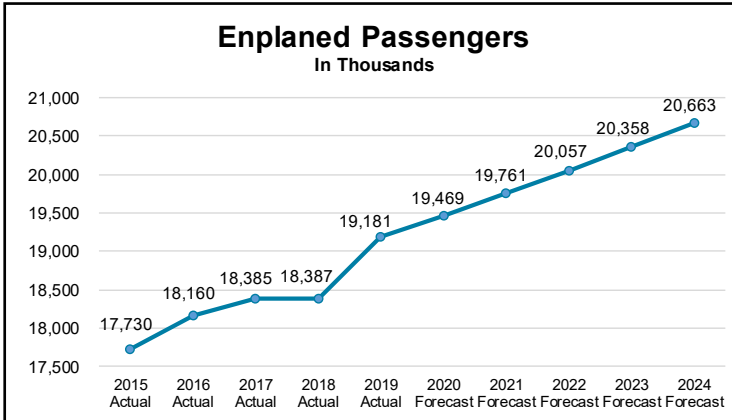
The table below shows a consolidated schedule of revenue and expenses for all funds. Descriptions and key issues for each of the three funds follow the summary table. The 2021-2022 projections identified in the table below are prepared using passenger growth and inflation estimates.

Summary Fund Table

Consolidated Enterprise Fund (\$ = 000)	2018	2019	2019	2020	2021	2022
	Actual	Budget	Estimate	Budget	Projection	Projection
Sources All Funds						
Total Beginning All Fund Balances ⁽¹⁾	\$ 989,256	\$ 926,949	\$ 972,929	\$ 977,513	\$ 956,773	\$ 740,424
Operating Fund Revenues						
Airline Rates & Charges	123,631	127,783	130,804	136,307	137,670	139,047
Concessions	177,375	181,058	187,828	194,280	196,223	198,185
Other Operating Revenues	72,252	71,876	75,080	78,143	78,924	79,714
Interest Earnings	6,602	4,094	5,000	4,500	4,700	4,900
Other & Self-Liquidating Revenue	24,666	2,601	2,687	3,318	3,550	3,650
Transfers in Equipment Financing	3,465	1,800	1,800	3,395	4,000	4,100
Working Capital/Other	-	-	300	-	-	-
Construction Fund Revenues						
PFC Funding	69,651	74,700	76,383	77,529	78,692	79,872
Federal & State Grants	4,367	28,530	7,301	60,820	14,100	21,430
Interest Income	9,740	7,500	11,989	8,050	5,900	4,700
Bond/Notes Proceeds	-	193,850	176,358	-	-	199,600
Short-Term Funding Program	43,400	18,900	-	39,800	-	18,100
Other Receipts	-	-	-	-	-	-
Transfers In	75,931	70,000	76,478	69,700	77,921	67,240
Debt Fund Revenues						
Interest Earnings	2,766	2,467	3,539	2,993	3,045	3,885
Bond Proceeds	-	35,347	32,973	-	-	50,940
Transfers In (PFCs and GARBs Requirement)	128,371	132,878	135,531	115,536	132,517	135,561
Total All Receipts	\$ 1,731,473	\$ 1,880,333	\$ 1,896,980	\$ 1,771,884	\$ 1,694,015	\$ 1,751,347
Uses All Funds						
Operating Fund Expenses						
Personnel	89,335	93,151	94,500	98,079	102,848	106,448
Administration	2,058	2,133	2,120	2,495	2,545	2,596
Professional Services	6,208	7,990	7,800	8,875	8,900	9,078
Utilities	19,930	19,584	19,480	20,164	20,578	20,900
Operating Services	28,282	30,494	31,450	32,893	33,880	34,557
Maintenance	42,576	40,927	45,135	44,465	45,799	46,715
Other	4,527	4,155	4,475	5,532	5,698	5,869
Equipment & Other Capital Expenditures	11,213	10,027	10,005	13,369	13,228	13,271
Transfers Out - Debt	102,127	112,470	106,641	87,750	104,774	107,146
Transfers Out - Equipment Financing	4,382	4,412	4,412	4,545	4,303	4,233
Transfers Out - Construction	75,931	70,000	76,478	69,700	77,921	67,240
Working Capital/Other	5,893	-	-	-	-	-
Construction Fund Expenses						
CIP Project Costs	216,938	373,394	315,247	288,713	373,170	298,378
Debt Service PFC Transfer	26,244	26,237	26,489	27,786	27,743	28,415
Debt Fund Expenses						
Bond Refundings	-	-	41,152	-	-	-
Bond Principal & Interest Payments	122,900	134,083	134,083	110,745	132,205	133,482
Total All Costs	\$ 758,544	\$ 929,057	\$ 919,467	\$ 815,111	\$ 953,592	\$ 878,328
Total Ending All Net Fund Balances	\$ 972,929	\$ 951,276	\$ 977,513	\$ 956,773	\$ 740,424	\$ 873,019

Budget Development

As previously indicated, the Commission’s process for developing targets and guidelines for the 2020 budget included a discussion of a number of critical issues to be addressed in the short term. Key to this discussion was maintaining a firm grip on expenses, looking for opportunities to derive new revenue and a competitive cost per enplaned passenger.



This graph shows historical as well as forecasted enplaned passenger counts. The MAC has experienced positive enplanement growth since 2015. The largest growth occurred in 2019, representing a 4% increase over 2018. The MAC carried a record 38.4 million passengers in 2019. However, in 2020, it took a conservative approach and budgeted enplaned passengers to grow 1.5% over 2019 estimated passengers as the surge in 2019 is not expected to continue. For the period 2020-2024, the estimated growth rate in enplaned passengers is also forecasted at 1.5% per year.

In 2019, the budget included funding for eight additional positions with two positions in Police, one in Information Technology, three in Fire, one in Strategic Communications and one in Airside Operations. In 2020, the MAC added seven new positions, eliminated one trainee position and still holds three of the unfunded positions promised to Information Technology in 2018 if it can prove long-term savings by hiring an employee, as opposed to continuing to pay for service agreements or professional services. New positions in the 2020 budget include two Part 139 Compliance Specialists, one Electrician, one Plumber, one Cyber Security Specialist, one Communications Manager and one Relievers position, resulting in an authorized headcount of 686.5 positions.

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

Operating Budget

The following table is a summary of 2018 Actual, 2019 Budget, 2019 Estimate, and 2020 Budget Revenue and Expenses. This table includes both operating and non-operating items.

2020 OPERATING BUDGET SUMMARY (\$ = 000)						
	2018 Actual	2019 Budget	2019 Estimate	2020 Budget	2020 Budget vs 2019 Estimate Comparison	
					Dollars	Percentage
OPERATING REVENUE						
Airline Rates and Charges	\$ 123,631	\$ 127,783	\$ 130,804	\$ 136,307	\$ 5,503	4.2%
Concessions	177,375	181,058	187,828	194,280	6,452	3.4%
Rentals/Fees	52,241	52,754	52,625	53,900	1,275	2.4%
Utilities & Other Revenues	20,011	19,122	22,455	24,243	1,788	8.0%
Total Operating Revenue	\$ 373,258	\$ 380,717	\$ 393,712	\$ 408,730	\$ 15,018	3.8%
OPERATING EXPENSES						
Personnel	\$ 89,335	\$ 93,151	\$ 94,500	\$ 98,079	\$ 3,579	3.8%
Administrative Expenses	2,058	2,133	2,120	2,495	375	17.7%
Professional Services	6,208	7,990	7,800	8,875	1,075	13.8%
Utilities	19,930	19,584	19,480	20,164	684	3.5%
Operating Services	28,282	30,494	31,450	32,893	1,443	4.6%
Maintenance	42,576	40,927	45,135	44,465	(670)	-1.5%
Other	4,527	4,155	4,475	5,532	1,057	23.6%
Total Operating Expenses (Excludes Depreciation)	\$ 192,916	\$ 198,434	\$ 204,960	\$ 212,503	\$ 7,543	3.7%
Net Operating Revenues	\$ 180,342	\$ 182,283	\$ 188,752	\$ 196,227	\$ 7,475	4.0%
Non-Operating Revenues (Expenses)						
Add: Other Non-operating Revenue	\$ 34,733	\$ 8,646	\$ 9,788	\$ 11,213	1,425	14.6%
Less: Debt Service/Equipment/Other	(137,197)	(131,628)	(129,697)	(129,624)	73	-0.1%
Total Non-Operating Revenues (Expenses)	\$ (102,464)	\$ (122,982)	\$ (119,909)	\$ (118,411)	\$ 1,498	-1.2%
Net Revenues	\$ 77,878	\$ 59,301	\$ 68,843	\$ 77,816	\$ 8,973	13.0%

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 (2019), the current three-year program (2020-2022), and funding summary.

CAPITAL IMPROVEMENT PLAN (CIP) SUMMARY (\$=000)				
	2019	2020	2021	2022
CIP				
Minneapolis-St. Paul International Airport				
End of Life/Replacement Projects	\$ 25,850	\$ 41,850	\$ 31,250	\$ 28,050
Information Technology	13,550	12,000	13,200	13,000
Long-Term Comprehensive Plan Projects	131,400	53,600	211,400	45,500
Maintenance Facility Upgrade Projects	21,458	142,560	22,140	48,450
Ongoing Maintenance Programs	24,600	20,050	36,400	47,320
Noise Mitigation Projects	13,500	10,300	1,000	18,100
Tenant Projects	9,300	89,800	200	2,600
Total Minneapolis-St. Paul International Airport	239,658	370,160	315,590	203,020
Reliever Airports	15,300	19,710	7,370	21,500
Total All Airports	\$ 254,958	\$ 389,870	\$ 322,960	\$ 224,520
Funding				
Passenger Facility Charges (PFCs)	\$ 101,800	\$ 69,300	\$ 115,400	\$ 51,300
Federal and State Grants	28,530	60,820	14,100	21,430
General Airport Revenue Bonds-Line of Credit	66,400	177,000	121,000	84,000
Internal/Airline Funds	58,228	82,750	72,460	67,790
Total Funding	\$ 254,958	\$ 389,870	\$ 322,960	\$ 224,520

Debt Service

The Commission issued new debt in 2019 to fund a new Safety and Security Center and various other projects in Terminal 1 from 2020-2022 as well as refund older long-term debt. In 2016, bonds were issued to finance projects in the 2016-2019 timeframe, primarily a new auto rental/public parking facility at MSP.

Refundings

Throughout the past 13 years, the Commission has aggressively pursued the refunding options of its outstanding debt. The following table illustrates the results of these actions.

Debt Service Summary (\$=000)				
Series Refunded	Refunding Year	Total Savings	Annual Savings	Present Value % Savings
1998A, 1999A, 2001A & 2001C ¹	2007	\$ 33,050	\$ 2,330	5.19%
1998B ¹	2008	2,440	365	3.32%
1999B & 2000B ¹	2009	8,140	990	4.95%
2001B & 2001D ¹	2010	9,640	1,150	8.94%
GO 13 ²	2010	633	214	4.50%
2003A ¹	2011	3,318	369	6.10%
2003A ¹	2012	5,272	293	12.50%
2005A, B & C ¹	2014	60,235	3,011	14.69%
2007A & B ¹	2016	164,340	10,956	25.74%
2009A & B & 2010A, B, C & D ¹	2019	39,489	2,468	14.70%
		\$ 326,557	\$ 22,146	
Average Present Value Savings				10.06%
Total Average Interest Rate Prior to Refundings			5.02%	
Total Average Interest Rate After Refundings			3.24%	
¹ General Airport Revenue Bond Refunding				
² General Obligation Revenue Bond Refunding				

Recent Debt

The Commission issued \$292.0 million in debt in 2019. Bond Series 2019A and 2019B Subordinate Airport Revenue and Revenue Refunding Bonds amounted to \$96.6 million and \$164.3 million, respectively. Bond Series 2019C Subordinate Airport Revenue Refunding Bonds amounted to \$31.0 million. The projects to be financed by this bond issue are the construction of a new Safety and Security Center that will house a number of critical airport partners to improve collaboration and coordination; the construction of space for a third Delta Sky Club and infill space to improve gatehold area and concessions on Terminal 1 Concourse G; the remodel of the Terminal 1 south security exit and facade expansion; and the remodel of Terminal 1 baggage claim and ticketing lobby to alleviate congestion.

Bond proceeds were also used to retire a portion of the Commission's older long-term debt. As the previous table shows, the Commission realized an average annual debt service savings of approximately \$22.1 million per year.

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. During 2017, the Commission increased its line of credit to \$150 million. The increase in the line of credit will enable the Commission to interim fund a number of MSP terminal building projects. The amounts utilized from the line of credit will be paid off with future PFC applications and bond issues. At December 31, 2019, the Commission had approximately \$47.0 million outstanding in its line of credit. The Commission estimates that by December 31, 2020 the Commission will have approximately \$37.6 million outstanding in its line of credit. This Short-Term Borrowing Program also allows the Commission some flexibility in financing unanticipated or unforeseen capital improvements.

Air Service

Maintaining and adding air service is important to the Commission. The Air Service Business Development service center is responsible for three primary areas: 1) developing air service by marketing MSP for new international passenger, cargo and low-fare domestic passenger flights; 2) promoting the facilities and services of MSP and the MAC's system of airports both domestically and internationally; and 3) building community relations by establishing partnerships with public and private sectors to increase their awareness of the importance of air service in the region, and to solicit their support for such services.



Aer Lingus Touching Down at MSP Airport

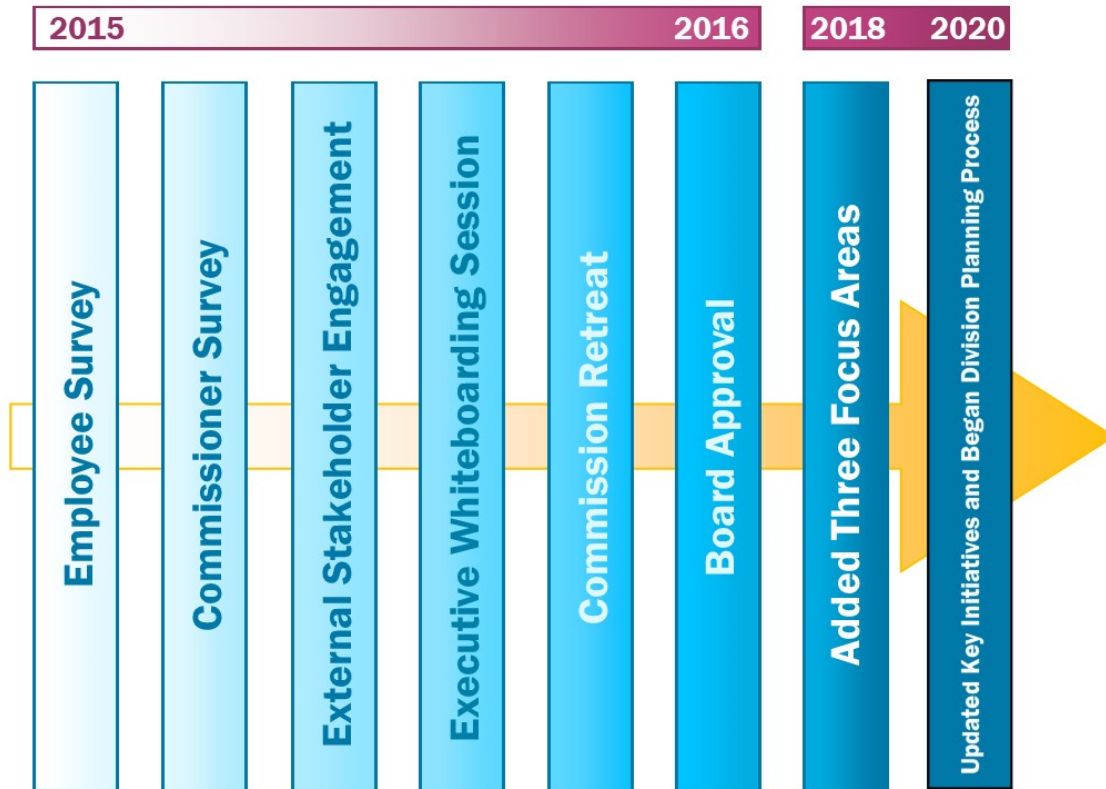
As of December 2019:

- MSP provides service to 136 domestic destinations and 31 international destinations, 167 in total.
- MSP has competitive service (at least two airlines providing service) to 59 destinations (44 domestic and 15 international).
- All of the top 20 domestic destinations are competitive destinations.
- Low-cost carriers (Frontier, JetBlue, Southwest, Spirit and Sun Country) serve 50 domestic destinations and 15 international destinations nonstop.

Organizational Strategic Plan

In 2016, the MAC Board of Commissioners approved a new, multi-year strategic plan for the organization. The 2017-2022 plan is an evolution from key initiatives to strategic goals and objectives. The plan’s structure is streamlined, increasing cross-departmental collaboration and creating stronger connections between its components and department plans.

Development of the MAC 2017-2022 Strategic Plan



To develop the 2017-2022 Strategic Plan, MAC Staff and the Board of Commissioners:

- Identified strategic priorities for the MAC over the course of the plan
- Determined challenges to these priorities and designed potential solutions to achieving them
- Interviewed representatives from key stakeholder groups
- Reviewed survey results, aligned priorities and set strategic plan framework
- Developed strategic plan mission, vision, goals and objectives
- Approved strategic plan mission, vision, goals and objectives
- Recommitted to strategic plan and added three focus areas

Strategic Plan Goals and Objectives

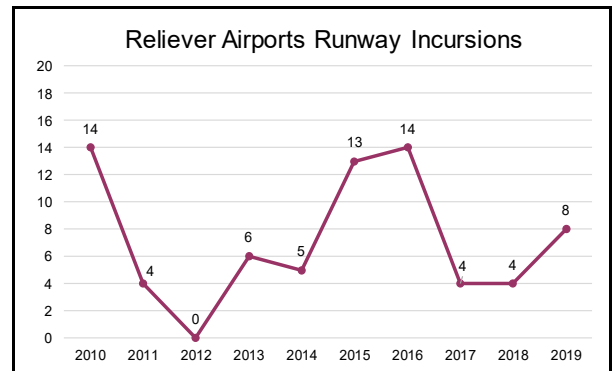
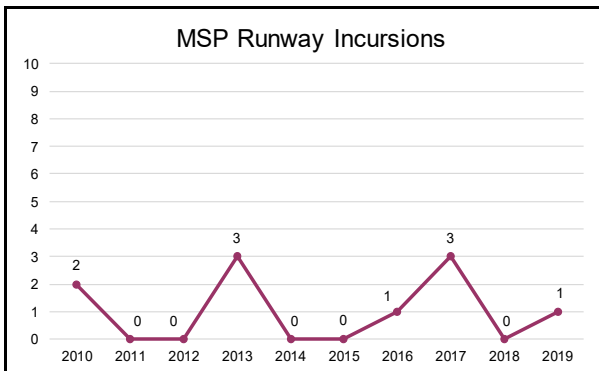
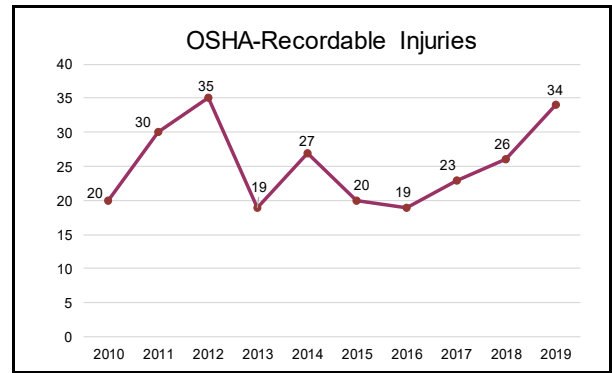
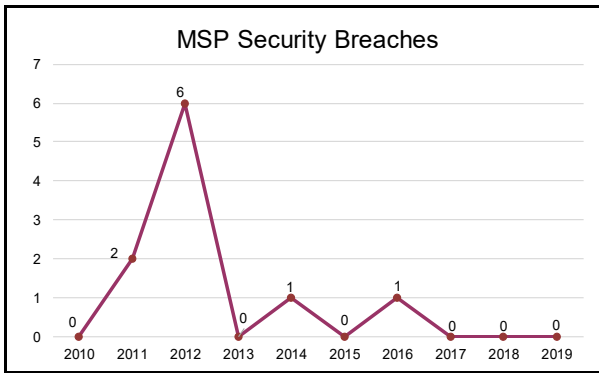
In 2017, the MAC implemented the Strategic Plan, which contains seven goals. These goals are listed on the matrix on the following page. During 2018 and 2019, the MAC’s leadership identified nine Priorities and three Focus Areas. These became the 12 objectives that are delineated on the matrix. Each objective is listed under the goal to which it corresponds.

The entire organization works towards all of its strategic goals and objectives. The following matrix indicates the Strategic Goals and Objectives for which each division has direct or indirect responsibility. In the Service Center Summaries, additional matrices will illustrate the connections between each service center’s performance measures and its divisional objectives.

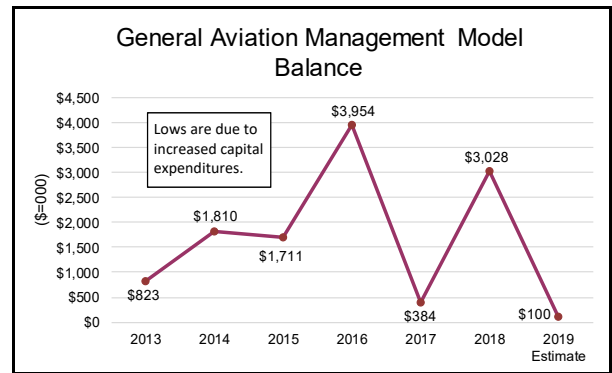
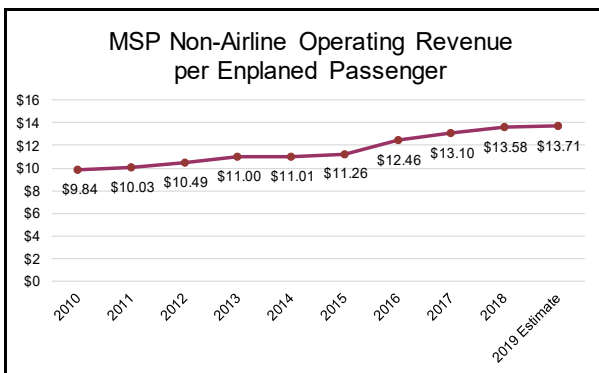
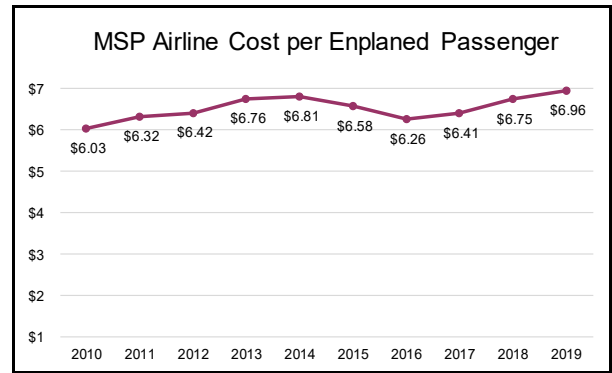
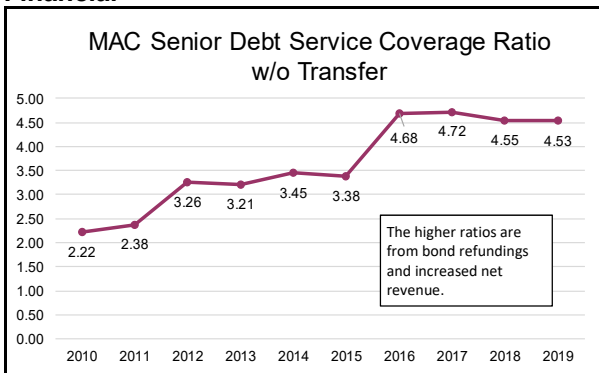
<h2 style="text-align: center;">Metropolitan Airports Commission</h2> <h3 style="text-align: center;">Division Strategic Goals and Objectives</h3> <p style="text-align: center;"><i>The Commission has developed seven Strategic Goals and 12 Objectives to meet those goals. The entire organization works towards all of the strategic goals and objectives. This table indicates the Strategic Goals and Objectives for which each division has direct or indirect responsibility.</i></p> <p style="text-align: center;">● Direct Responsibility ○ Indirect Responsibility</p>	Divisions					
	Executive	Strategy & Stakeholder Engagement	Finance & Revenue Development	Human Resources & Labor Relations	Planning & Development	Management & Operations
Organization Goal: Safety, Security and Preparedness						
Objective: Airport Operations Center and Concept of Operations Development Develop a new concept of operations approach and build a new Airport Operations Center as part of a new Safety and Security Center that advances airport safety and service delivery by leveraging data, technology, systems thinking and collaboration.	○	○	○	○	○	○
Objective: Part 139 Program Transformation Develop and implement new systems and practices related to Part 139 that emphasize data, technology and training. Proactively manage compliance.	○	○	○	○	○	●
Organization Goal: Customer Experience						
Objective: "One Journey" Experience Deliver a seamless "one journey" experience for MSP passengers.	●	○	●	○	●	●
Organization Goal: Talent						
Objective: Employee Development and Performance Management Provide training and resources to support managers and employees in acquiring needed skills, navigating our changing work environment and improving performance management practices.	●	○	●	●	●	●
Objective: EnterpriseOne Training and Leverage Increase EnterpriseOne adoption and utility to drive efficiency, self-service and data integrity.	○	○	○	○	○	●
Organization Goal: Engagement						
Objective: Stakeholder and Community Engagement Grow stakeholder and community engagement.	○	●	○	●	●	○
Objective: Messaging and Branding Grow awareness of the MAC brand by centralizing communication and engagement activities, ensuring we speak with a consistent voice and message.	○	●	○	○	●	●
Organization Goal: Air Service						
Objective: Air Service Development Grow and retain air service by enhancing partnerships, assessing strategic growth opportunities and investing more in business development.	○	●	●	○	○	○
Organization Goal: Economic						
Objective: Financial Strength Develop new strategies to enhance financial strength.	●	○	●	○	●	●
Objective: Real Estate Assessment and Implementation Assess and prioritize the full range of land development leasing options across MAC's seven airports. Engage with stakeholders to seek opportunities that align with both airport and community interests.	○	○	●	○	○	○
Organization Goal: Innovation						
Objective: Parking Yield Management Develop the new flexible pricing parking systems that adjust pricing based upon consumer demand and parking space availability. Leverage technology and data to price, market and manage parking spaces.	○	○	○	○	○	●
Objective: True Common Use Plan Assess and develop an approach for next generation of shared gates, check-in and baggage systems to drive efficiency, customer service and create capacity for more flights within existing gate footprints.	○	○	○	○	○	○

Performance Measures

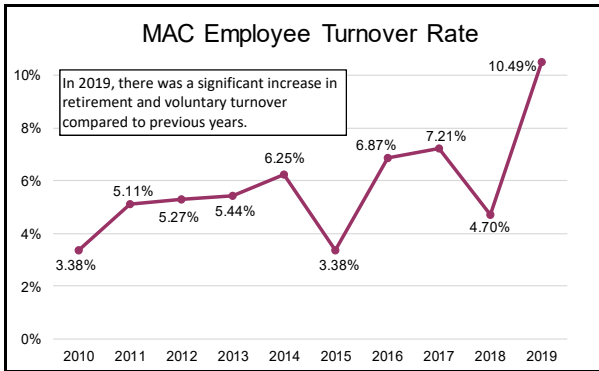
Safety and Security



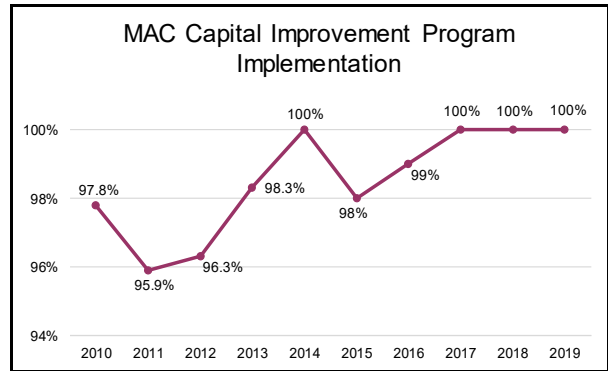
Financial



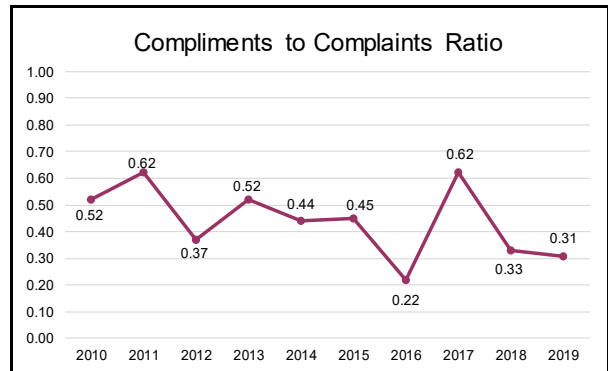
Employee Engagement



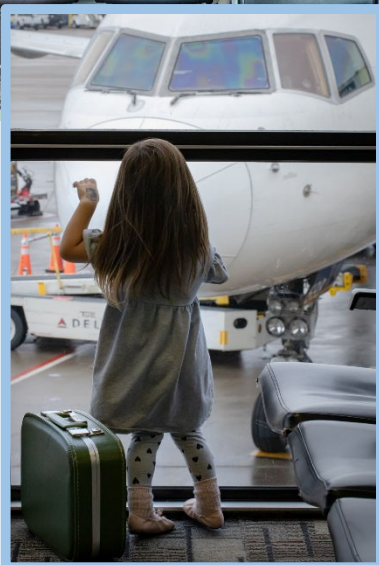
Development



Customer Experience

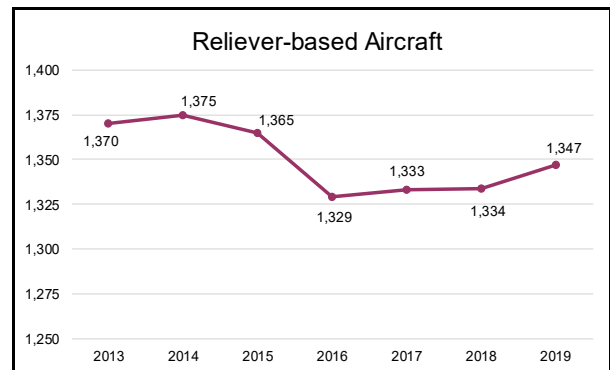
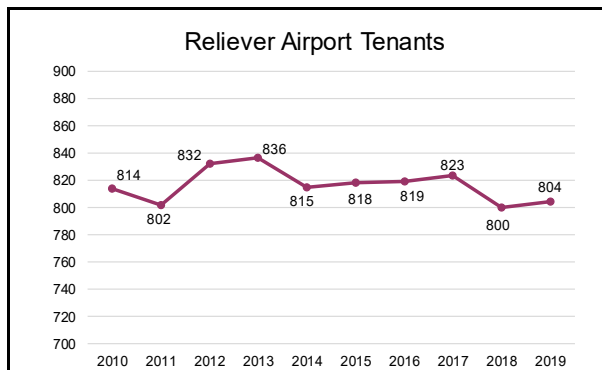
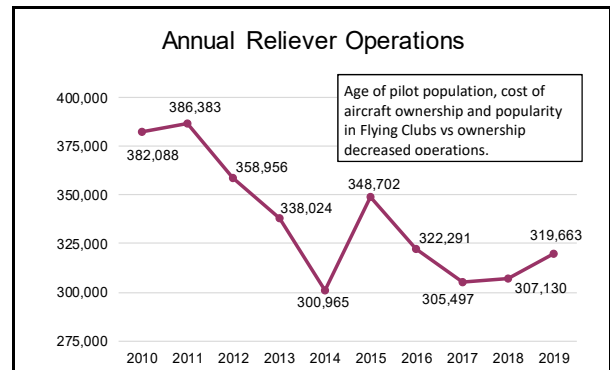
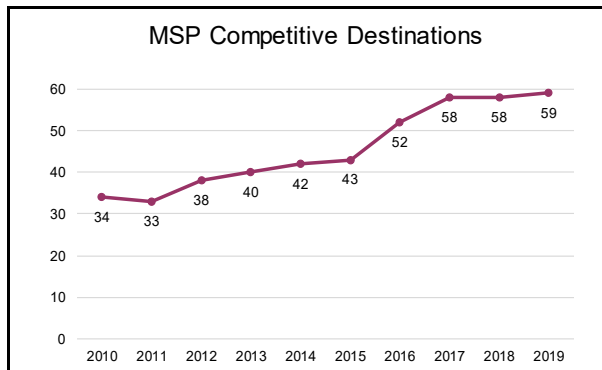
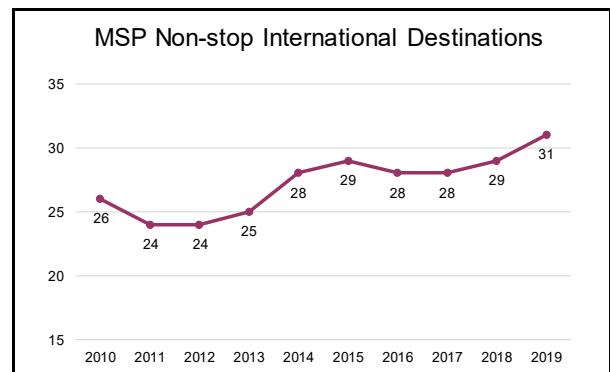
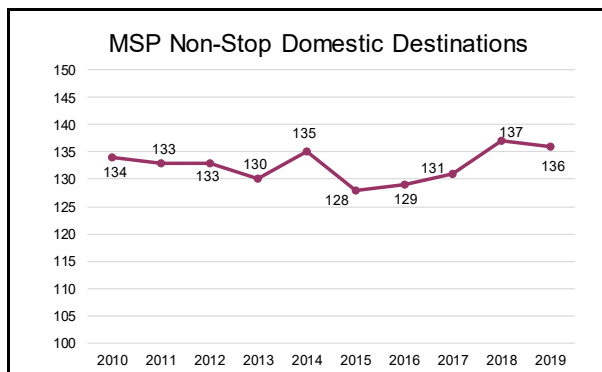
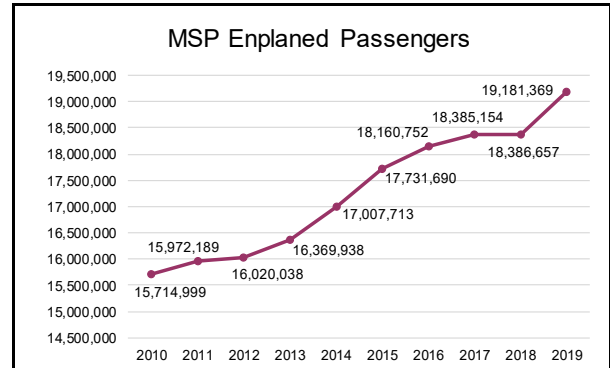
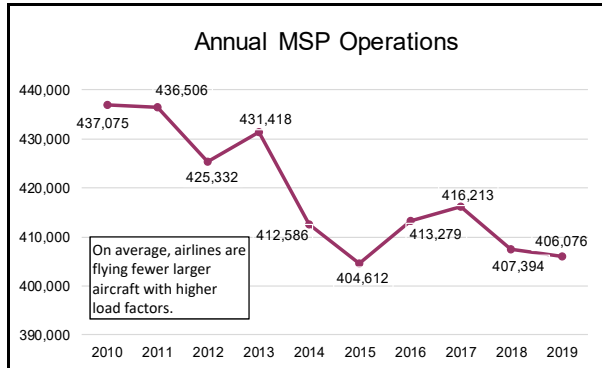


What Makes MSP Airport So Special are the Great People, Relaxing Atmosphere and Superb Service!



The following Performance Measures are common benchmark measures; however, the MAC has limited ability to impact these numbers directly.

Operations



GFOA Budget Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented the Distinguished Budget Presentation Award to the Metropolitan Airports Commission for its annual budget for the fiscal year beginning January 1, 2019. 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.

This 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 the 2020 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 Operations, Finance and Administration Committee. A very special thanks goes out to Strategy & Stakeholder Engagement and to all MAC staff who worked especially hard to develop the final 2020 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 the GFOA since 1985.

Respectfully submitted,



Brian Ryks
Executive Director/CEO



Atif Saeed
Chief Financial Officer



2019 Budget Award

Awards Received During 2019



*50 Over 50 Awards
Pollen Midwest and AARP Minnesota*

50 Over 50 Awards: Restroom Remakers – Pollen Midwest and AARP Minnesota

Award of Appreciation – Transportation Security Administration

Balchen/Post Award for Excellence for Snow and Ice Removal – American Association of Airport Executives

Bar of the Year, Stone Arch – Airport Experience News

Best “Green” Concessions Concept or Practice, Second Place, Loaves and Fishes – Airports Council International—North America

Best Airport Dining – USA Today Readers’ Choice

Best Airport in North America in Size Category, Third Consecutive Year – Airports Council International; shared with Detroit Metropolitan Wayne County Airport

Best Airport, Fourth Place – Conde’ Nast Traveler

Best Concessions Management Team – Airport Experience News

Best Design & Aesthetics Renovation/Remodel: Interior Retail Under 8,000 Square Feet, Concourse C Food Court – Minnesota Shopping Center Association Starr Awards

Best Food and Beverage Program—Large Airport, Third Place – Airports Council International—North America

Best New Food and Beverage—Quick-Serve, Second Place – Airports Council International—North America

Best New National Brand Concept – Airports Council International—North America

Best New Retail, Adventure North – Airport Experience News

Best Retail Program – Airports Council International—North America

Branded Content Craft-Editing Bronze Award, “Creating Food Truck Alley at MSP Airport” – The Telly Awards

Branded Content Craft-Motion Graphics/Design Bronze Award, “MSP Creating Momentum for Economic Growth” – The Telly Awards



*Best Design & Aesthetics Renovation/Remodel
Minnesota Shopping Center Association
Starr Awards*

Branded Content General-Food/Beverage Silver Award, “Creating Food Truck Alley at MSP Airport” – The Telly Awards

Branded Content General-Government Relations Bronze Award, “MSP Creating Momentum for Economic Growth” – The Telly Awards

Certificate of Achievement for Excellence in Financial Reporting, 35th Consecutive Year – Government Finance Officers Association

Distinguished Budget Presentation Award, 35th Consecutive Year – Government Finance Officers Association

Excellence in Communications, Responsive Communications Category – Airports Council International—North America

Interior Design: Full Service Restaurant, La Voya – Minnesota Shopping Center Association Starr Awards

Level 2 Airport Carbon Accreditation Program for Carbon Reduction Efforts, Third Consecutive Year – Airports Council International Airport Carbon Accreditation

Lifetime Achievement Award – Minnesota Association of Women Contractors

Most Efficient North American Airport in Class, Award of Excellence, Third Consecutive Year – Air Transport Research Society

Non-Aeronautical Business Development Award, Holman’s Table – Minnesota Council of Airports

North America Airport Satisfaction Survey, Second Place – J.D. Power

Outstanding Leadership in Airport Planning, Environment & Strategic Initiative for Community Engagement at Lake Elmo Airport – Minnesota Council of Airports

Regional Leadership Award – Minnesota Department of Public Safety & the Emergency Communication Network

Richard A. Griesbach Award of Excellence for Innovative and Outstanding Airport Concessions Programs – Airports Council International—North America

Wellness by Design, Platinum Level – Hennepin County

World’s Best Airport, Third Place – Travel & Leisure



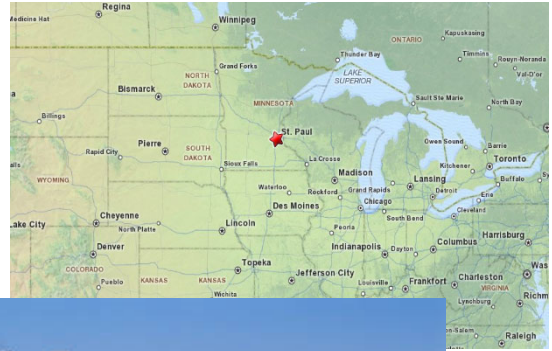
Wellness by Design Award

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The Organization



Overlooking Downtown St Paul



Overlooking Downtown Minneapolis

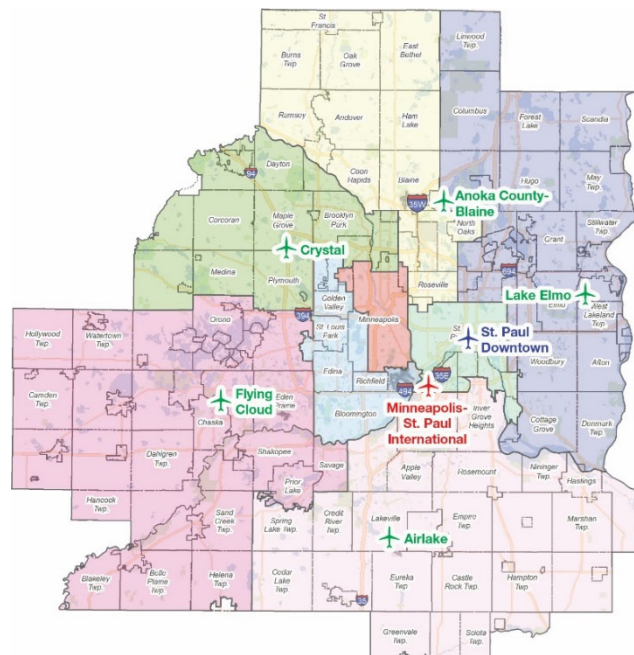
The Commission

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 the 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. Scheduled air carriers are served by the Minneapolis-St. Paul International Airport. Six Reliever Airports serve business and general aviation.



The Chair and fourteen Commissioners govern the Metropolitan Airports Commission. The Governor of the State of Minnesota appoints the Chair and 12 Commissioners. Of these 12 Commissioners, 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. While the Commissioners' terms are four years, the Chair serves at the pleasure of the Governor.



Rick King
Commission Chair



Brian Ryks
Executive Director/CEO



Carl Crimmins
District A



Braj Agrawal
District B



Katie Clark Sieben
District C



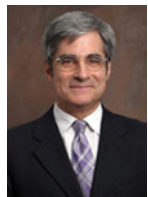
Steve Cramer
District D



James Deal
District E



Rodney Skoog
District F



Richard Ginsberg
District G



Yodit Bizen
District H



Leili Fatehi
City of Minneapolis



Ikram Koliso
City of St Paul



Patti Gartland
Outstate, St. Cloud



Donald Monaco
Outstate, Duluth



Dixie Hoard
Outstate, Thief River Falls



Randy Schubring
Outstate, Rochester

The Commission has two committees: Operations, Finance & Administration and Planning, Development & Environment. Each of the committees 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. Committee and Full Commission meetings take place in MSP's Terminal 1. Meetings are also livestreamed on the MAC's website, and video archives of meetings are available. Occasionally, the Full Commission meets outside the terminal to provide easier access for the general public.

Regular meeting times are as follows:

- Planning, Development & Environment Committee: 10:30 a.m., first Monday of the month
- Operations, Finance & Administration Committee: 1:00 p.m., first Monday of the month
- Full Commission: 1:00 p.m., third Monday of the month

All financial information is reported to and acted upon at the Operations, Finance & Administration Committee (OF&A) meeting and reported to the Full Commission. The following information summarizes the general financial areas that the OF&A Committee dealt with in 2019:

- | | |
|--|--|
| <ul style="list-style-type: none"> ➤ Audits <ul style="list-style-type: none"> • Annual Internal Audit Plan • Annual Financial Audit Plan • Continuous Audit Report • Internal Policy/Procedure Audits • Approval of Audit and Financial Statements • Revision of Internal Audit Charter ➤ Operating Budget <ul style="list-style-type: none"> • Monthly and Annual Reports • Ratification of 2018 Expenditures • Allocation of 2018 Net Revenues • 2020 Budget Targets • 2020 Preliminary and Final Budgets ➤ Financial Policies <ul style="list-style-type: none"> • Wage Policy | <ul style="list-style-type: none"> ➤ Bonds, Debt and Capital Funding <ul style="list-style-type: none"> • Bond Issues and Refinancing ➤ Human Resources and Affirmative Action <ul style="list-style-type: none"> • Human Resources and Affirmative Action Policies and Procedures • Employee Benefits and Compensation ➤ Leases and Agreements <ul style="list-style-type: none"> • Lease Actions • Property Leases and Agreements • Equipment Leases • Professional Services Agreements • RFPs/RFQs • Parking Rate Adjustments • Purchasing Actions and Agreements |
|--|--|

Divisions

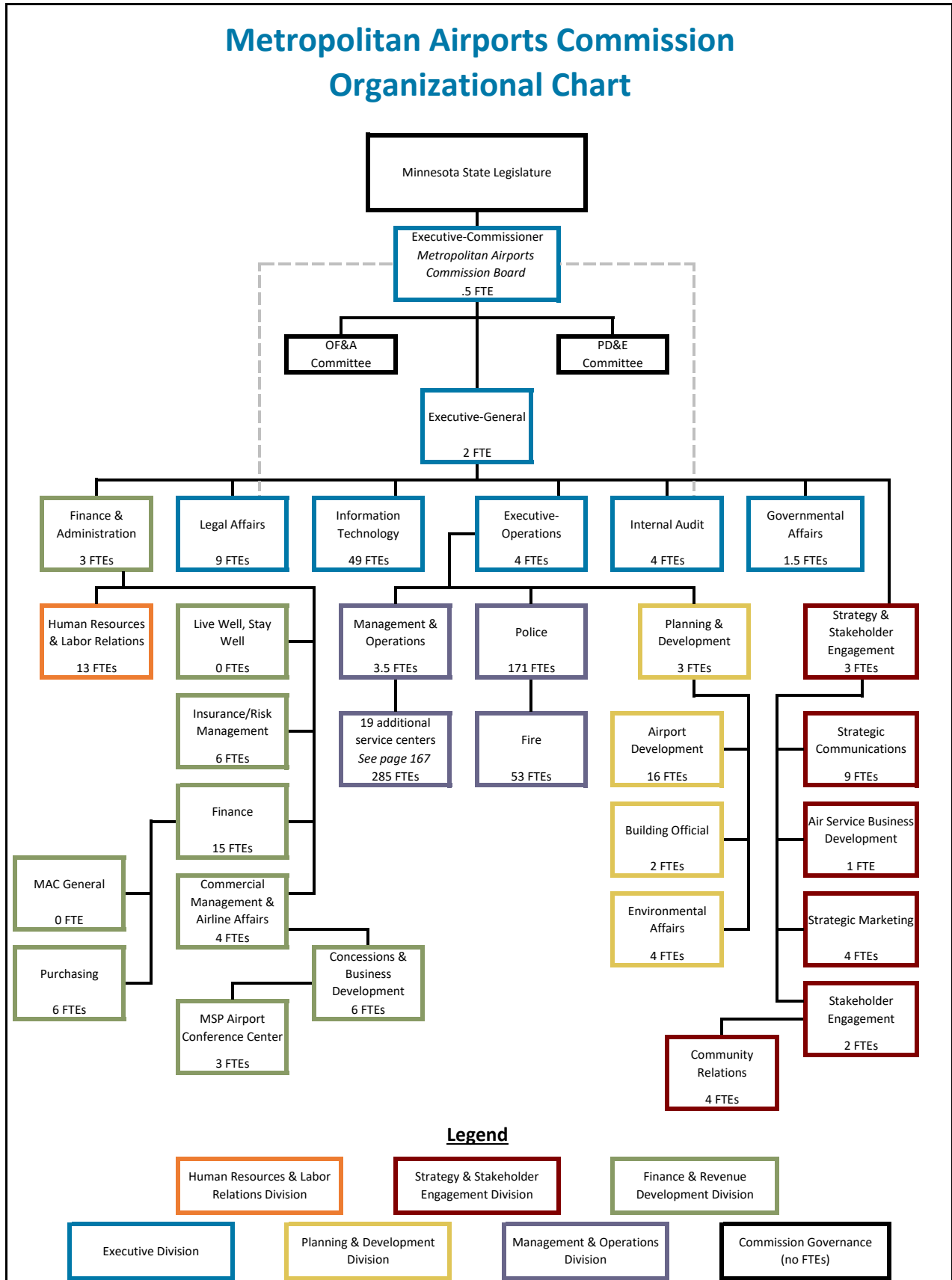
Under the direction of the Commission, the MAC's organizational structure consists of six divisions within the Operating Fund. The six divisions are:

- Executive
- Finance & Revenue Development
- Planning & Development
- Management & Operations
- Human Resources & Labor Relations
- Strategy & Stakeholder Engagement

The organization made the following changes in 2019 to reflect more appropriately the service center responsibilities and reporting structure:

- The Customer Data & Analytics service center became the Executive-Operations service center. Additionally, two FTEs transferred from the Executive-General service center. These changes improve the alignment of responsibilities and reporting structure that the Chief Operating Officer oversees.
- The Strategy & Stakeholder Engagement Division reorganized into a structure that fits the strategic plan. Several service centers were renamed to reflect changed responsibilities: Public Affairs & Marketing became Strategic Communications, Environment-General became Strategic Marketing and Aviation Noise Program became Community Relations. A new service center was formed, titled Stakeholder Engagement. FTEs moved from one service center to another to align with the priorities and tasks within the division. One additional FTE was added to the division, focusing on new priorities. The Air Service Business Development service center maintained its structure and FTE assignment.
- The Human Resources & Labor Relations service center absorbed the Employee Development & Engagement, Diversity and Employee Relations service centers. This created one service center for the entire division, which will facilitate a team approach to division responsibilities.
- The FTE for the Director of Public Safety remains in the Police service center. As the Fire Chief reports to the Director of Public Safety, the Police service center now oversees the Fire service center.

The Executive Division oversees all MAC business and is directly responsible to the MAC's Board of Commissioners. The chart below identifies the organizational structure by division.



Service Centers

Service centers are the lowest budget levels in the organization. Sometimes a combination of service centers is referred to as a department. 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 as one. For example, Finance includes Purchasing. The table below shows a listing of service centers and the divisions in which they reside.

Organizational Structure by Division and Service Center

Division	Service Center	
	Number	Name
Executive	75100	Executive-Commissioner
	75000	Executive-General
	76500	Executive-Operations
	78300	Internal Audit
	79000	Information Technology
	79500	Governmental Affairs
	81000	Legal Affairs
Strategy & Stakeholder Engagement	76200	Strategy & Stakeholder Engagement
	76000	Strategic Communications
	76100	Air Service Business Development
	85000	Strategic Marketing
	85200	Stakeholder Engagement
	85300	Community Relations
Finance & Revenue Development	75600	Finance & Administration
	76700	Live Well, Stay Well
	76800	Insurance/Risk Management
	78000	Finance
	78100	MAC General
	78200	Purchasing
	80000	Commercial Management & Airline Affairs
	80100	Concessions & Business Development
	82050	MSP Airport Conference Center
Human Resources & Labor Relations	75700	Human Resources & Labor Relations
Planning & Development	75500	Planning & Development
	77000	Airport Development
	77100	Building Official
	85100	Environmental Affairs
Management & Operations	75800	Management & Operations
	82000	Customer Experience
	83400	Landside-Administration
	85500	Facilities-Terminal 2
	86100	Facilities-Terminal 1
	86300	Facilities-Energy Management Center
	88400	Trades-Administration
	88000	Trades-Electricians
	88100	Trades-Painters
	88200	Trades-Carpenters
	88300	Trades-Plumbers
	89000	Field Maintenance
	82600	Airside Operations
	90000	Relievers-Administration
	90200	Relievers-St. Paul
	90300	Relievers-Lake Elmo
	90400	Relievers-Airlake
	90500	Relievers-Flying Cloud
	90600	Relievers-Crystal
	90700	Relievers-Anoka County-Blaine
84200	Police	
83600	Fire	

Full-Time Equivalent Positions (FTEs)

Seven FTEs were added and one FTE eliminated in 2020, yielding a total of 686.5 approved FTEs. One FTE was eliminated from the Fire Department, following the completion of a trainee program. New FTEs were added to shore up the organization’s cyber security efforts, bolster stakeholder communication and engagement initiatives, increase focus on Part 139 compliance, allow Trades staff to meet regular maintenance needs of MSP’s growing campus and to meet increased maintenance needs at the Anoka County-Blaine Airport.

The overall 2019 budgeted FTEs were 680.5, which was an increase of 35 FTEs over 2018. The additional positions were allocated between the service centers based on needs of the organization. The increased FTE count in 2019 was necessary to address increasing technology needs and airport security, reduce overtime costs within the Fire Department, bolster airside operations staff and address increased airport planning needs. Twenty-seven of the added FTEs were provisional traffic control agents who became full-time employees.

The 18 additional 2018 FTEs addressed enterprise technology needs, airport safety and security, succession planning for the Fire Department and provided flexibility in organization staffing needs. This brought the total approved FTEs in 2018 to 645.5.

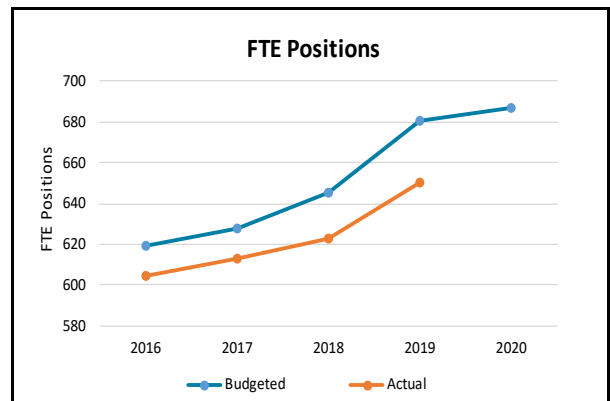
In 2017, eight FTEs were added to meet growing technology and airport safety needs. Total approved FTEs in 2017 were 627.5.

Nine FTEs were added in 2016 to meet legal mandates and regulatory requirements to ensure a safe and secure airport system and to stay current with information technology and systems. This created a total of 619.5 approved FTEs.

The following table and graph compares budgeted and actual FTEs. Although budgeted FTEs are authorized to meet legal mandates and regulatory requirements, the actual position counts are lower than budget each year because the MAC re-evaluates each vacated position to determine if it is needed, whether it should be changed or if duties can be merged into another position. This process is necessary to control costs. Also, as many staff members are reaching retirement age, a number of retirements occur each year.

The graph shows an overall increase in positions across the years as passenger counts increase and the MAC adds positions to cover areas in need of additional staffing.

FTE Positions	2016	2017	2018	2019	2020
Budgeted	619.5	627.5	645.5	680.5	686.5
Actual	604.5	613	623	650.5	TBD



MAC Staff Gather for the Second Annual MAC Bowling Night



Regular Status Full-Time Equivalent Position Count by Service Center within each Division						
Service Center	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2019 Budget	2020 Budget
	As of 12/19/16	As of 12/18/17	As of 12/31/2018	As of 12/31/2019		
Executive						
75000 Executive-General	3	3	3	2	4	2 ¹
75100 Executive-Commissioner	0.5	0.5	0.5	0.5	0.5	0.5
76500 Executive-Operations	0	0	0	4	2	4 ¹
78300 Internal Audit	4	4	4	4	4	4
79000 Information Technology	32	37	40	41	48	49 ²
79500 Governmental Affairs	1.5	1.5	1.5	1.5	1.5	1.5
81000 Legal Affairs	8.5	8	9	9	9	9
Total Executive	49.5	54	58	62	69	70
BUDGET	53	56	63	69	69	70
Strategy & Stakeholder Engagement						
76000 Strategic Communications	10	10	9	7	11	9 ^{3,4}
76100 Air Service Business Development	0	0	0	0	1	1
76200 Strategy & Stakeholder Engagement	2	1	1	2	4	3 ^{5,6,7}
85000 Strategic Marketing	3	3	2	2	1	4 ^{4,5,6}
85200 Stakeholder Engagement	0	0	0	2	0	2 ⁷
85300 Community Relations	5	5	4	4	5	4 ⁷
Total Strategy & Stakeholder Engagement	20	19	16	17	22	23
BUDGET	21	22	23	22	22	23
Finance & Revenue Development						
75600 Finance & Administration	2	3	3	2	3	3
76800 Insurance/Risk Management	6	6	6	6	6	6
78000 Finance	15	15	15	15	15	15
78100 MAC General	0	0	0	0	0	0
78200 Purchasing	6	6	6	6	6	6
80000 Commercial Management & Airline Affairs	5	5	4	4	5	4 ⁹
80100 Concessions & Business Development	5	4	5	6	5	6 ⁹
82050 MSP Airport Conference Center	2	3	3	3	3	3
Total Finance & Revenue Development	41	42	42	42	43	43
BUDGET	42.5	42.5	45.5	43	43	43
Human Resources & Labor Relations						
75700 Human Resources & Labor Relations	5	5	5	5	5	13 ¹⁰
76600 Employee Development & Engagement	3	3	1	1	1	0
80600 Diversity	2	2	2	2	2	0
81500 Employee Relations	3	3	5	5	5	0
Total Human Resources & Labor Relations	13	13	13	13	13	13
BUDGET	13	13	13	13	13	13
Planning & Development						
75500 Planning & Development	2	2	2	3	3	3
77000 Airport Development	16	15	14	13	16	16
77100 Building Official	2	1	2	2	2	2
85100 Environmental Affairs	3	3	3	4	4	4
Total Planning & Development	23	21	21	22	25	25
BUDGET	23	23	24	25	25	25



MAC Employees Gathered in Field Maintenance Bays for the Annual Employee Meeting & Celebration

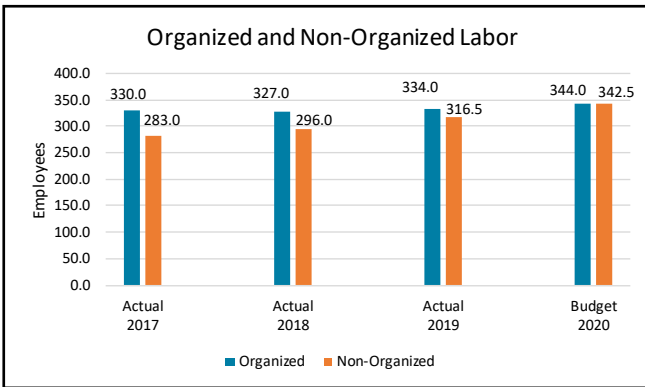
Regular Status Full-Time Equivalent Position Count by Service Center within each Division							
Service Center	2016	2017	2018	2019	2019	2020	
	Actual	Actual	Actual	Actual	Budget	Budget	
	As of 12/19/16	As of 12/18/17	As of 12/31/2018	As of 12/31/2019			
Management & Operations							
75800 Management & Operations	3.5	3.5	3.5	1.5	1.5	3.5	¹¹
82000 Customer Experience	3	3	3	2	2	2	
82600 Airside Operations	16	15	15	14	16	16	
83400 Landside-Administration	34.5	36.5	36.5	38	38	38	
83600 Fire	46	50	51	53	54	53	¹²
84200 Police	129	132	139	160	171	171	
85500 Facilities-Terminal 2	9	9	9	9	9	9	
86100 Facilities-Terminal 1	9	7	9	9	9	9	
86300 Facilities-Energy Management Center	23	22	22	22	22	22	
88000 Trades-Electricians	19	19	19	19	19	20	¹³
88100 Trades-Painters	10	10	10	10	9	9	
88200 Trades-Carpenters	10	10	10	10	10	10	
88300 Trades-Plumbers	10	10	10	10	9	10	¹⁴
88400 Trades-Administration	2	2	2	2	2	2	
89000 Field Maintenance	108	109	106	107	110	110	
90000 Relievers-Administration	7	7	8	8	8	8	
90200 Relievers-St. Paul	7	7	7	7	7	7	
90300 Relievers-Lake Elmo	1	1	1	1	1	1	
90400 Relievers-Airlake	1	1	1	1	1	1	
90500 Relievers-Flying Cloud	4	4	5	4	4	4	
90600 Relievers-Crystal	3	3	3	3	3	3	
90700 Relievers-Anoka County-Blaine	3	3	3	4	3	4	⁸
Total Management & Operations	458	464	473	494.5	508.5	512.5	
BUDGET	467	471	477	508.5	508.5	512.5	
TOTAL ACTUAL FTEs	604.5	613	623	650.5	NA	NA	
TOTAL BUDGET FTEs	619.5	627.5	645.5	680.5	680.5	686.5	
FTEs differ between the 2019 and 2020 budgets for the following reasons:							
¹ Two FTEs were transferred from 75000 to 76500. 76500 was renamed from Customer Data & Analytics to Executive-Operations. Changing these service centers accurately reflects the MAC's division and reporting structures.							
² IT continues to be an area of prioritized organizational growth. One Cyber Security FTE has been added to 79000.							
³ One FTE was added to 76000 to manage new responsibilities that align with the MAC's strategic plan.							
⁴ During 2019, three FTEs moved from 76000 to 85000 to realign service center personnel resources with organizational goals.							
⁵ One FTE coordinator position was transferred from 76200 to 85000. Reclassifying the position more accurately reflects organizational priorities and needs.							
⁶ One FTE assistant director position was transferred from 85000 to 76200. Reclassifying the position more accurately reflects organizational priorities and needs.							
⁷ One FTE was transferred from 76200 and one FTE was transferred from 85300, both to 85200, to create a new service center. The new service center will enable work related to stakeholder engagement goals.							
⁸ One new FTE was added to 90700 to meet increased demands at the Anoka County-Blaine Airport.							
⁹ One FTE was transferred from 80000 to 80100. Reclassifying the position more accurately reflects organizational priorities and needs.							
¹⁰ Beginning in 2020, all service centers in the Human Resources & Labor Relations division will budget within the 75700 service center. Therefore, all division FTEs were reclassified to this service center.							
¹¹ Two Part 139-related FTEs were added to 75800.							
¹² One FTE was removed due to the end of the Fire Trainee program.							
¹³ One FTE was added to 88000 to provide an additional electrician to meet increased demands on the MAC's Trades department.							
¹⁴ One FTE was added to 88300 to provide an additional plumber to meet increased demands on the MAC's Trades department.							



Pictured: Annual Fire Department Lunch

Each Year, Several Groups around the MAC Invite Their Colleagues for Lunch as an Opportunity to Connect with Colleagues Across the Organization and Learn About Each Other's Work. Like the Hot Dog Lunch, Several of These Events Are Also Fundraisers for a Variety of Charitable Organizations.

Regular Status Full-Time Equivalent Position Count by Job Classification				
	2017	2018	2019	2020
	Actual	Actual	Actual	Budget
Organized				
70 - Operating Engineers	22	22	23	22
49 - Equipment Maintenance	20	20	20	20
320 - MSP International - Field	76	72	71	73
320 - MSP International - Facilities	0	0	0	0
320 - Reliever Airports	22	22	20	20
386 - Painters	10	10	9	10
CAR - Carpenters	10	10	10	10
034 - Plumbers	10	10	9	10
292 - Electricians	19	19	19	20
Emergency Communications Specialists	12	12	10	14
307 - Police Lieutenants, Sergeants	19	19	18	18
302 - Police Officers	65	66	70	72
S6 - Firefighters	36	36	46	46
S6 - Fire Captains	9	9	9	9
Total Organized	330	327	334	344
Non-Organized				
Chairperson, Executive Director/CEO	1.5	1.5	1.5	1.5
Vice Presidents, Directors, Assistant Directors	30	29	35	37
Managers, Assistant Managers, Supervisors	68	69	95	102
Police Chief, Fire Chief	2	2	2	2
Community Service Officers	4	5	23	28
Passenger Service Assistants	22.5	22.5	22	22
Fire Marshall, Training Coordinator	2	2	2	2
Police Commander, Deputy Chief, Training Coordinator	3	3	2	2
Administrative, Professional, Technical Support	150	162	134	146
Total Non-Organized	283	296	316.5	342.5
Total MAC	613.0	623.0	650.5	686.5



The table above shows staff by job classification. “Organized” refers to those work areas or employees which are represented by a labor union contract. All unions represented have specific contracts which dictate wages, benefits and work rules. Currently, the MAC has 14 represented labor groups. “Non-Organized” refers to all other employees outside the labor unions. The graph to the left shows that Organized FTE positions and the Non-Organized FTE positions are almost equal in number.



Each Year, MAC Safety Personnel Spearhead an Airport-Wide “Night to Unite” at Terminal 1

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Budget Process & Financial Policies

Budget Process



The Metropolitan Airports Commission’s Mission, Vision & Values drive the Strategic Planning process to establish organizational priorities. The budget process is the third step in the MAC’s annual planning process. Every third year, the Strategic Plan is updated beginning in August. Input is received from the Commissioners, Senior Staff and various levels of management through planning sessions that identify organizational critical issues, strategic goals, priorities and focus areas. The Strategic Plan is approved by the Commission every third year in December.

The annual budget targets are presented to the Commission at the beginning of the budgeting process. The targets for the 2020 budget are presented in the Executive Summary section.

Strategic goals and priorities are communicated to the service centers along with guidelines and the budget targets. The service centers link their performance measures to the organizational priorities and focus areas which link to organizational strategic goals.

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

Full-Time Equivalent (FTE) Requests

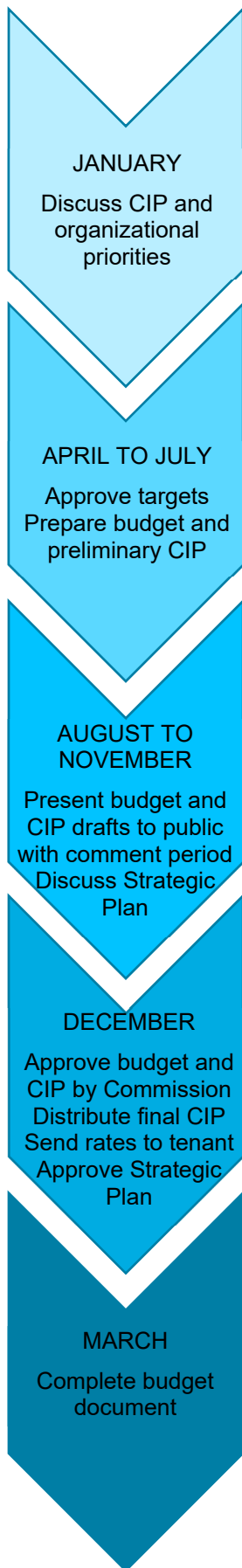
- | | |
|-----------------|--|
| First priority | Necessity to meet legal mandates and regulatory requirements |
| Second priority | Ability to maintain a safe and secure airport system |
| Third priority | General business need |

Other Costs

- | | |
|-----------------|--|
| First priority | Additional costs required to meet security requirements |
| Second priority | Embedded cost increases such as scheduled increases in contracts, salary adjustments for organized labor, utility rate increases, etc. |
| Third priority | Costs to maintain facilities |

Controllable Expenses

The MAC prepares a line item budget for each service center. Controllable expenses allow a service center to budget for those line items for which it has direct responsibility and control. In addition to the account number, expenses are also budgeted using the appropriate subledger, which is part of the account code. Expenses are budgeted to the appropriate subledger through either direct cost or allocation. Expenses of the organization are key factors in revenue calculations. 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. The summarized costs from the subledgers determine the calculation of various rates and charges. The Subledger Report is in the Operating Budget Expense section.



Budget Schedule

The MAC’s fiscal year is January through December. Preparation for the next year begins in January with discussions on the Capital Improvement Program (CIP) and organizational priorities. In April, the Operating, Finance & Administration Committee (OF&A) provides direction to staff with regard to growth and allocation of funds and budget targets. The direction provided by the OF&A is communicated to staff at various informational meetings. The Commission approves the targets in May after a 30-day public comment period.

Each service center assigns a budget specialist to coordinate budget information for the respective service center and input the budget into the database. The database contains history, which includes the prior year actual data. In June, the budget database is available to service center staff to input their data. Staff has four weeks to complete their expense budget. Finance summarizes and reviews this information in July. The staffing matrix is the first item reviewed by Senior Staff.

August is spent compiling summary reports and completing the revenue budget, with the exception of airline rates and charges. The expense budget must be complete in order to determine airline rates and charges. Once these rates are calculated and final revenue figures are available, total revenue and expense is completed. Non-operating revenue and expenses are also taken into consideration and become part of the budget documents. Staff revisions are made as required to ensure the targets as established are met. Discussion of the upcoming three-year strategic plan is initiated in August.

During September, presentations and supporting documents are prepared for the OF&A, 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. Also, the month of October is reserved for a first draft presentation to the OF&A. Further revisions are made prior to requesting final approval.

The OF&A receives a budget update by staff in November. Notifications of rate changes are sent at the beginning of December based upon assumed approval from the Full Commission. The recommendation from the OF&A for final approval is requested at the December Commission meeting. Changes, if necessary, are communicated upon final approval. Final approval of the 2020 Operating Budget was given at the December 16, 2019 Commission meeting. The strategic plan is revised and approved every three years.

Capital Improvement Program – Schedule

Initial discussions of the Capital Improvement Plan (CIP) begin in January. All requests for projects, along with data related to 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 & Environment Committee (PD&E) for environmental review. At this time, mailings are 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 PD&E 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.

Calendar

The following schedule provides additional details for the budget cycle, which begins in January. The Metropolitan Airports Commission fiscal year also begins in January.

JANUARY

Task	Responsibility
<ul style="list-style-type: none"> • Discuss initial CIP • Discuss organizational priorities 	Airport Development MAC Staff & Commission

APRIL

Task	Responsibility
<ul style="list-style-type: none"> • Provide direction to staff regarding growth and allocation of funds and budget targets • Prepare service center historical information and update databases 	OF&A Committee Finance

MAY

Task	Responsibility
<ul style="list-style-type: none"> • Provide direction to budget specialists • Provide information regarding inflation factors, wage and contract adjustments to the departments • Adopt budget targets after 30-day public comment period 	Finance Finance Finance

JUNE

Task	Responsibility
<ul style="list-style-type: none"> • Input budget information into budget • Present preliminary budget to OF&A Committee, a requirement to comply with State Statutes for taxing purposes • Develop draft preliminary CIP 	Finance Finance Airport Development

JULY

Task	Responsibility
<ul style="list-style-type: none"> • Compile positions and headcount requests summary • Compile summary of capital assets requests • Present budget requests to Executive Director/CEO • Initiate budget revisions as needed 	Finance & HR Finance & MAC Staff Finance Finance

AUGUST

Task	Responsibility
<ul style="list-style-type: none"> • Approve preliminary position and headcount requests • Approve preliminary summary of capital assets requests • Prepare summary of controllable expense requests and supporting schedules • Compile revenue analysis and projections and complete forecast • Discuss initial three-year strategic planning 	Executive Staff/HR Executive Director/CEO Finance Finance MAC staff & Commission

SEPTEMBER

Task	Responsibility
<ul style="list-style-type: none"> • Compile budget presentation information • Distribute budget packages to airlines, State Legislature and the OF&A Committee • Present draft budget to MAC staff, OF&A Committee and the airlines • Implement budget revisions to projected expenses • Present preliminary CIP to PD&E Committee • Approve preliminary CIP for environmental purposes • Mail CIP to affected communities 	Finance MAC Staff, Finance & Senior Staff Finance Finance Airport Development PD&E Committee Airport Development

OCTOBER

Task	Responsibility
<ul style="list-style-type: none"> • Present draft budget to the OF&A Committee • Revise budget as required • Present budget to airlines • Publish notice of CIP public hearing 	Finance & Senior Staff Finance Finance Airport Development

NOVEMBER

Task	Responsibility
<ul style="list-style-type: none"> • Present budget update to OF&A Committee • Revise budget as required • Hold public hearing regarding CIP 	Finance Finance Airport Development

DECEMBER

Task	Responsibility
<ul style="list-style-type: none"> • Present preliminary notice of rate changes to all tenants • Approve budget for recommendation to Full Commission • Approve budget • Approve final CIP • Distribute CIP to MAC departments, Metropolitan Council, State Historical Society and affected communities • Approve three-year Strategic Plan 	Finance OF&A Committee Full Commission PD&E Committee Airport Development Full Commission

MARCH

Task	Responsibility
<ul style="list-style-type: none"> • Complete Budget Document 	Finance

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 category and/or upward or downward revision of that budget in the course of the corporation's fiscal year shall constitute prior approval for each type of expenditure. Authorization by vote of the Commission is required for transfer of budgeted amounts between or among categories or to appropriate additional funds for each category. The Executive Director/Chief Executive Officer 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 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/Chief Executive Officer shall have the responsibility of securing adequate quantities of office, janitorial, maintenance/repair materials 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/Chief Executive Officer's authority to secure these items shall be subject to the Commission's purchasing procedures and be subject to the category budget constraints of the annual budget.

During the fiscal year the Commission shall be provided periodic updates of expenditures by category. At any time during the fiscal year, the Executive Director/Chief Executive Officer may recommend to the full Commission that all or any unencumbered appropriation balances of individual categories be transferred to those categories that require additional budgeted funds. In addition, the Executive Director/Chief Executive Officer may recommend to the full Commission the appropriation of additional funds above and beyond those approved at the time of budget adoption. After the fiscal year has concluded, a final accounting of expenditures shall be presented to the Commission for approval of the final expenditure amounts by category."

Approved Summary of Operating and Non-Operating Revenue and Expense

The Commission approved the 2020 budget in December 2019. The following tables summarize revenue and expense, including non-operating revenue and expense, and compare the 2020 budget to the 2019 year-end estimate.

Metropolitan Airports Commission Operating & Non-Operating Summary 2020 Budget				2020 Budget vs 2019 Estimate		
	2018 Actual	2019 Budget	2019 Estimate	2020 Budget	Dollar Change	% Change
OPERATING REVENUE						
Airline Rates & Charges						
Airline Agreement						
Landing Fees	\$ 68,702,189	\$ 70,201,016	\$ 73,400,000	\$ 76,936,069	\$ 3,536,069	4.8%
Ramp Fees	8,069,572	6,568,203	7,400,000	7,110,152	(289,848)	-3.9%
Airline R&R	4,857,261	4,814,528	5,003,772	5,153,885	150,113	3.0%
T1 Rentals	39,816,110	39,645,504	39,500,000	41,099,768	1,599,768	4.1%
T1 Other	6,903,317	8,506,376	8,500,000	9,246,668	746,668	8.8%
Concessions Rebate	(18,682,817)	(16,181,148)	(16,850,000)	(17,410,418)	(560,418)	3.3%
Total Airline Agreement	109,665,632	113,554,479	116,953,772	122,136,124	5,182,352	4.4%
T2 Lobby	10,793,806	10,992,739	11,000,000	11,240,000	240,000	2.2%
T2 Other/Passenger	3,171,781	3,235,128	2,850,000	2,931,540	81,540	2.9%
Total Airline Rates & Charges	\$ 123,631,219	\$ 127,782,346	\$ 130,803,772	\$ 136,307,664	\$ 5,503,892	4.2%
Concessions						
Terminal						
Food & Beverage	\$ 24,241,244	\$ 23,448,615	\$ 24,635,368	\$ 25,843,183	\$ 1,207,815	4.9%
News	4,886,604	4,750,000	5,098,871	5,353,368	254,497	5.0%
Retail Stores	6,169,527	5,600,000	5,642,848	5,906,500	263,652	4.7%
Passenger Services	7,160,900	6,986,539	6,800,000	7,478,222	678,222	10.0%
Total Terminal	42,458,275	40,785,154	42,177,087	44,581,273	2,404,186	5.7%
Parking/Ground Transport						
Parking	98,238,919	104,348,000	107,763,000	109,012,771	1,249,771	1.2%
Ground Transportation	13,513,582	13,950,000	14,846,741	17,247,890	2,401,149	16.2%
Auto Rental - On Airport	20,824,010	19,645,744	20,741,407	20,872,862	131,455	0.6%
Total Parking/Ground Transport	132,576,511	137,943,744	143,351,148	147,133,523	3,782,375	2.6%
Other Concessions	2,340,040	2,329,366	2,300,000	2,565,173	265,173	11.5%
Total All Concessions	\$ 177,374,826	\$ 181,058,264	\$ 187,828,235	\$ 194,279,969	\$ 6,451,734	3.4%
Rentals & Fees						
Buildings & Facilities	\$ 10,579,326	\$ 11,718,149	\$ 11,525,000	\$ 12,246,520	\$ 721,520	6.3%
Auto Rental CFC	22,398,365	22,000,000	22,100,000	22,308,000	208,000	0.9%
Ground Rentals	10,877,453	10,626,037	10,700,000	10,956,789	256,789	2.4%
Reliever Airports	8,386,333	8,409,968	8,300,000	8,388,792	88,792	1.1%
Total Rentals & Fees	\$ 52,241,477	\$ 52,754,154	\$ 52,625,000	\$ 53,900,101	\$ 1,275,101	2.4%
Utilities & Other Revenues						
Utilities	\$ 5,454,652	\$ 5,622,603	\$ 5,900,000	\$ 6,730,754	\$ 830,754	14.1%
General Aviation/Airside Fees	5,095,693	4,444,055	6,400,000	6,712,463	312,463	4.9%
Maintenance, Cleaning & Distribution Fees	3,962,230	4,100,775	4,155,087	4,556,364	401,277	9.7%
Other Revenues	1,815,811	2,023,806	2,700,000	2,800,138	100,138	3.7%
Reimbursed Expense	3,682,479	2,931,000	3,300,000	3,443,000	143,000	4.3%
Total Utilities & Other Revenue	\$ 20,010,865	\$ 19,122,239	\$ 22,455,087	\$ 24,242,719	\$ 1,787,632	8.0%
Total Operating Revenue	\$ 373,258,387	\$ 380,717,003	\$ 393,712,094	\$ 408,730,453	\$ 15,018,359	3.8%

Metropolitan Airports Commission Operating & Non-Operating Summary 2020 Budget						
					2020 Budget vs 2019 Estimate	
	2018 Actual	2019 Budget	2019 Estimate	2020 Budget	Dollar Change	% Change
<i>Total Operating Revenue</i>	\$ 373,258,387	\$ 380,717,003	\$ 393,712,094	\$ 408,730,453	\$ 15,018,359	3.8%
OPERATING EXPENSE						
Personnel	\$ 89,335,395	\$ 93,150,755	\$ 94,500,000	\$ 98,079,130	\$ 3,579,130	3.8%
Administrative Expenses	2,057,613	2,133,058	2,120,000	2,494,627	374,627	17.7%
Professional Services	6,207,894	7,989,865	7,800,000	8,874,944	1,074,944	13.8%
Utilities	19,930,037	19,583,666	19,480,000	20,164,196	684,196	3.5%
Operating Services/Expenses	28,281,549	30,494,252	31,450,000	32,893,216	1,443,216	4.6%
Maintenance	42,576,431	40,927,006	45,135,000	44,464,753	(670,247)	-1.5%
Other	4,527,479	4,154,784	4,475,000	5,532,495	1,057,495	23.6%
Total Operating Expense	\$ 192,916,398	\$ 198,433,386	\$ 204,960,000	\$ 212,503,361	\$ 7,543,361	3.7%
<i>(Excludes Depreciation and Noise Amortization)</i>						
Net Operating Revenue	\$ 180,341,989	\$ 182,283,617	\$ 188,752,094	\$ 196,227,092	\$ 7,474,998	4.0%
NON-OPERATING REVENUE (EXPENSE)						
Other Non-Operating Revenue						
Interest Income	\$ 6,602,000	\$ 4,094,000	\$ 5,000,000	\$ 4,500,000	\$ (500,000)	-10.0%
Self-Liquidating Income	24,532,000	2,601,000	2,626,000	3,168,000	542,000	20.6%
	\$ 31,134,000	\$ 6,695,000	\$ 7,626,000	\$ 7,668,000	\$ 42,000	0.6%
Debt Service						
Short Term Financing	\$ (11,193,000)	\$ (4,159,063)	\$ (4,400,000)	\$ (5,712,000)	\$ (1,312,000)	29.8%
Bond Principal/Int-Operating Fund Transfer	(101,618,000)	(108,311,000)	(106,161,000)	(98,963,000)	7,198,000	-6.8%
Equip Financing Principal/Int Pymts	(3,167,000)	(4,411,994)	(4,411,994)	(4,545,000)	(133,006)	3.0%
	\$ (115,978,000)	\$ (116,882,057)	\$ (114,972,994)	\$ (109,220,000)	\$ 5,752,994	-5.0%
Equipment						
Capital Expenditures	\$ (1,001,000)	\$ (1,132,000)	\$ (1,110,000)	\$ (1,186,000)	\$ (76,000)	6.8%
Equipment Purchases	(10,212,000)	(8,895,500)	(8,895,500)	(12,183,200)	(3,287,700)	37.0%
Baggage Handling System	-	-	-	-	-	-
Passenger Facility Charge Revenue	-	-	-	-	-	-
Equipment Financing	3,465,000	1,800,000	1,800,000	3,395,000	1,595,000	88.6%
	\$ (7,748,000)	\$ (8,227,500)	\$ (8,205,500)	\$ (9,974,200)	\$ (1,768,700)	21.6%
Other						
Six Month Reserve Transfer	\$ (4,113,000)	\$ (4,718,000)	\$ (4,718,000)	\$ (7,034,988)	(2,316,988)	49.1%
Medicare D	134,000	150,000	61,000	150,000	89,000	145.9%
TSA Reimbursement	(5,543,000)	-	-	-	-	-
Easement Receipt	-	-	-	-	-	-
Gain (Loss) on Equipment & Other	(350,000)	-	300,000	-	(300,000)	-
	\$ (9,872,000)	\$ (4,568,000)	\$ (4,357,000)	\$ (6,884,988)	\$ (2,527,988)	58.0%
Total Non-Operating Revenue (Expense)	\$ (102,464,000)	\$ (122,982,557)	\$ (119,909,494)	\$ (118,411,188)	\$ 1,498,307	-1.2%
Net Revenue Available for Designation	\$ 77,877,989	\$ 59,301,060	\$ 68,842,600	\$ 77,815,905	\$ 8,973,305	13.0%

Summary of Operating Revenue and Expense (GAAP)

The following table is shown below for Generally Accepted Accounting Principles (GAAP) purposes. The financial statements are issued in conformance with GAAP. The “Basis of Budgeting” in this section explains the differences in the approved budget and the GAAP statement.

Metropolitan Airports Commission						
Operating & Non-Operating Summary						
GAAP Presentation Summary						
2020 Budget						
(\$ in 000)						
					2020 Budget vs 2019 Estimate	
OPERATING REVENUE	2018	2019	2019	2020	Dollar	%
	Actual	Budget	Estimate	Budget	Change	Change
Airline Rates & Charges	\$ 123,631	\$ 127,783	\$ 130,804	\$ 136,308	\$ 5,504	4.2%
Concessions	177,375	181,058	187,828	194,280	6,452	3.4%
Rentals/Fees	52,241	52,754	52,625	53,900	1,275	2.4%
Utilities & Other Revenues	20,011	19,122	22,455	24,243	1,788	8.0%
Total Operating Revenue	\$ 373,258	\$ 380,717	\$ 393,712	\$ 408,730	\$ 15,018	3.8%
OPERATING EXPENSE						
Personnel ¹	\$ 86,151	\$ 98,151	\$ 99,500	\$ 103,079	\$ 3,579	3.6%
Administrative Expenses	2,058	2,133	2,120	2,495	375	17.7%
Professional Services	6,208	7,990	7,800	8,875	1,075	13.8%
Utilities	19,930	19,584	19,480	20,164	684	3.5%
Operating Services/Expenses	28,282	30,494	31,450	32,893	1,443	4.6%
Maintenance	42,576	40,927	45,135	44,465	(670)	-1.5%
Other	4,527	4,155	4,475	5,532	1,057	23.6%
Depreciation	147,299	155,000	149,000	169,432	20,432	13.7%
Total Operating Expense	\$ 337,031	\$ 358,434	\$ 358,960	\$ 386,935	\$ 27,975	7.8%
Operating Gain (Loss)	\$ 36,227	\$ 22,283	\$ 34,752	\$ 21,795	\$ (12,957)	-37.3%
NON-OPERATING REVENUE (EXPENSE) & CONTRIBUTIONS						
Interest Income and Other	\$ 18,739	\$ 18,000	\$ 13,063	\$ 13,500	\$ 437	3.3%
Passenger Facility Charges (PFCs)	\$ 69,651	\$ 74,700	\$ 76,383	\$ 77,529	\$ 1,146	1.5%
Interest Expense	\$ (42,810)	\$ (62,000)	\$ (68,576)	\$ (65,000)	\$ 3,576	-5.2%
Capital Contributions & Grants	\$ 8,042	\$ 28,530	\$ 9,430	\$ 34,925	\$ 25,495	270.4%
Total Non-Operating Revenue (Expense)	\$ 53,622	\$ 59,230	\$ 30,300	\$ 60,954	\$ 30,654	101.2%
Change in Net Position	\$ 89,849	\$ 81,513	\$ 65,052	\$ 82,749	\$ 17,697	27.2%

¹ Personnel includes GASB 68 Pension Adjustment

Financial Policies

The following categories contain the Metropolitan Airports Commission Financial Policies:

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

The Commission utilizes these policies to provide structure and to ensure the development of the budget meets its mission, vision and values.

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 budget shall be prepared under the accrual basis of accounting.
3. 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.
4. The budget will provide for adequate funding of all retirement systems.
5. The Finance Department will assist service centers in reviewing monthly variance reports comparing actual versus budget revenue and expense on the financial software system.
6. The budget will provide summary information using the Operating Fund, Construction Fund and Debt Service Fund projected for the next three years.
7. Where possible, the Commission will integrate performance measurement and/or efficiency indicators in the budget.
8. Department heads will review monthly reports comparing actual revenues and expenses to budgeted amounts. Any variance in expense (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/Chief Executive Officer.

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. When targets are presented to the Commission, final adoption will occur no earlier than the following month. 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 90 days prior to anticipated budget approval.

C. Operating Reserve

The Operating Reserve was established by the Operations, Finance & Administration Committee at six months of operating expenses less depreciation. The 2020 operating budget expenses are \$212.5 million with the reserve account reflecting a balance of \$106.3 million or six months of expenses. 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/Chief Executive Officer 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 contributions 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 Commission.
2. Revenue Diversification is a Commission policy. 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

The annual Operating Budget is prepared based on targets established by the Commission. The MAC uses the accrual basis of accounting for budgeting. The accrual basis of accounting in the operating budget contains certain elements that are not expensed under GAAP such as debt service and reserve requirements. In addition, the budget excludes depreciation, noise amortization and GASB 68 pension expense while these expenses are included on the financial statements.

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).

Each year the Finance Department projects revenue for the upcoming budget year with the assistance of Airport Development, Landside-Administration, Reliever Airports, Concessions and Commercial Management service centers.

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, 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. By December of each year, the Commission will adopt an annual 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 2019 estimates in the reporting of the 2020 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 MAC Board of 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
 - All investment purchases require bids to be taken from several different dealers.
 - Investments purchased will be diversified under legal requirements trying to maximize the rate of return.
 - The average rate of return on MAC managed investments will exceed the six-month Treasury Bill.
 - All repurchase agreements are required to be collateralized. The maturity of any investment shall not exceed four years (average portfolio life of no greater than 12 years for post-retirement medical funds).
 - To the extent possible, the MAC will attempt to match its investments with anticipated cash flow requirements.
 - The addition of new accounts shall require the written authorization of the Director of Finance and Executive Director/Chief Executive Officer.
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.

Financial Policies – Capital Projects

Each year, the Commission reviews, revises and approves capital projects that will start within the next 12 months and adopts a CIP, which covers all projects 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 that 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 those projects which enable the Commission to maximize federal aid and enhance safety, and those that are customer service-oriented. 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.

Projects

Commission policies for Capital Projects:

1. Capital projects are safety-and customer service-oriented.
2. The Commission will maximize all federal aid.
3. Metropolitan Council approval is required on Reliever Airport projects in excess of \$2 million and MSP projects in excess of \$5 million if they are viewed as having a metropolitan significance.
4. Projects follow priority categories, in order of importance:
 - 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
 - The estimated useful life of a capital improvement project typically ranges from 5 to 40 years

Capital Equipment

All equipment purchases for 2020 will be accounted for based on the 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 the 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 ranges 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 the MAC. Its primary responsibility is to provide purchases that ensure the following: 1) availability; 2) quality; and 3) price consistency with the needs of the MAC.

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

1. All purchases will ensure fair and equitable treatment of all suppliers and persons who deal with the MAC's procurement system.
2. The procurement procedures followed by the MAC should foster public confidence.
3. Purchases will comply with applicable state and federal laws.
4. Advantages and economies derived from a centralized and standardized purchasing system will be secured.
5. The Commission will promote 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.

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 GORBs and GARBs, both fixed and variable rate.
2. Funds will be managed to avoid any property tax levy.
3. The MAC will maintain the highest rating available from Fitch, Moody's 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 savings as specified in Minnesota Statute Section 475.67, Subdivision 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 principal 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. The Commission, along with its Financial Advisor and Bond Counsel, refined this policy further in February 2018. The refinements include establishing separate savings criteria and efficiency criteria in dealing with derivative financing products.
10. In February 2018, the Commission approved an updated Administrative Policy 2703 on Debt Issuance and Management. The policy defines the roles and responsibilities, types of debt, debt limits, investment of proceeds, compliance with Federal Tax law and market disclosure obligations, rating agencies and investor relations.

B. Reserve - The Commission is required to have a restricted investment balance on October 10 each year for General Obligation Revenue Bonds in an amount sufficient to cover debt service to the end of the second following year. For General Airport Revenue Bonds, a one-year maximum annual debt service reserve is required.

C. Debt Limits - Currently the Commission has three forms of indebtedness: Revolving Line of Credit, General Airport Revenue Bonds, and General Obligation Revenue Bonds. The GORB instrument has the most straightforward 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 policies.

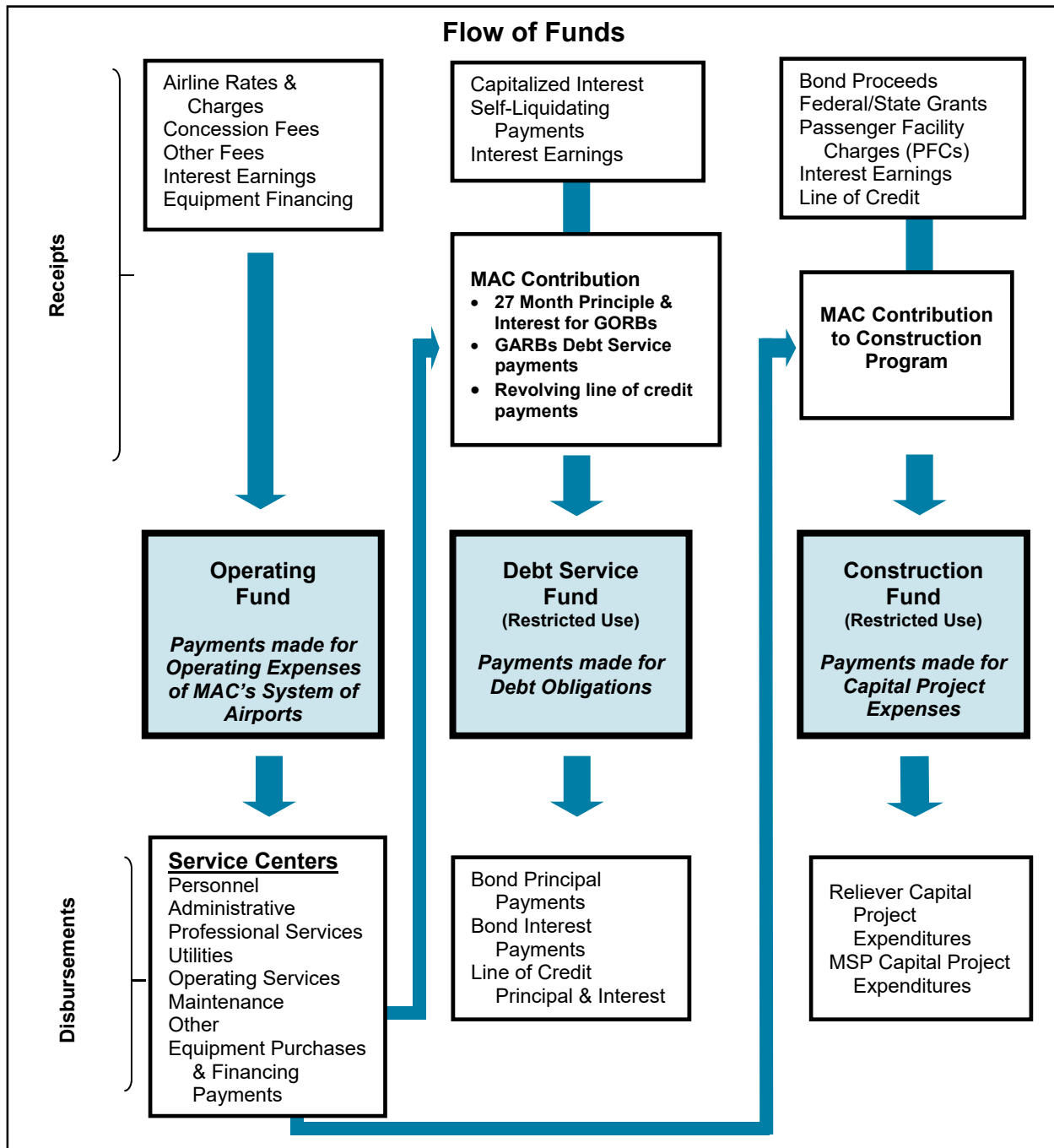
Fund Structure

The Metropolitan Airports Commission is accounted for as an Enterprise Fund. An Enterprise Fund reports any activity for which a fee is charged to external users for goods or services. Amounts are internally and externally restricted for construction and debt redemption. For internal purposes, the MAC maintains three funds corresponding to three major functions: Operating Fund, Construction Fund and Debt Service Fund. The budgets for all three Segregated Funds identified here are prepared using the accrual basis of accounting in accordance with Generally Accepted Accounting Principles (GAAP) and is the same method used for MAC accounting.

Service center expenses are within the Operating Fund as shown in the chart below.

Fund Relationship

This Flow of Funds Chart identifies the sources and uses of dollars within each fund and between funds.



Fund Balance Summary

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.

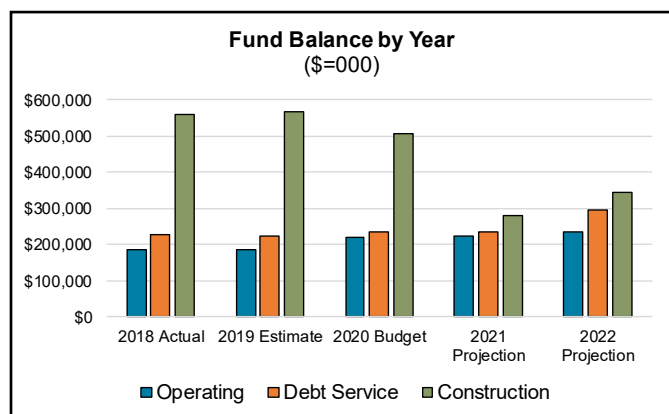
FUND BALANCE SUMMARY - 2020 BUDGET						
(\$=000)						
	2018	2019	2019	2020	2021	2022
	Actual	Budget	Estimate	Budget	Projection	Projection
OPERATING FUND						
1/1 Balance	\$ 170,430	\$ 168,617	\$ 185,959	\$ 186,962	\$ 219,038	\$ 223,631
Total Sources of Funds	407,991	389,211	403,499	419,943	425,067	429,595
Total Uses of Funds	(392,462)	(395,343)	(402,496)	(387,867)	(420,474)	(418,053)
Transfers	-	-	-	-	-	-
Ending Balance	\$ 185,959	\$ 162,485	\$ 186,962	\$ 219,038	\$ 223,631	\$ 235,173
CONSTRUCTION FUND						
1/1 Balance	\$ 599,050	\$ 530,399	\$ 558,957	\$ 565,730	\$ 505,130	\$ 280,829
Total Sources of Funds	203,089	393,480	348,509	255,899	176,613	390,942
Total Uses of Funds	(243,182)	(399,631)	(341,736)	(316,499)	(400,913)	(326,793)
Ending Balance	\$ 558,957	\$ 524,249	\$ 565,730	\$ 505,130	\$ 280,829	\$ 344,978
DEBT SERVICE FUND						
1/1 Balance	\$ 219,776	\$ 227,933	\$ 228,013	\$ 224,821	\$ 232,605	\$ 235,962
Total Sources of Funds	131,137	170,692	172,043	118,529	135,562	190,386
Total Uses of Funds	(122,900)	(134,083)	(175,235)	(110,745)	(132,205)	(133,482)
Ending Balance	\$ 228,013	\$ 264,542	\$ 224,821	\$ 232,605	\$ 235,962	\$ 292,866
TOTAL ALL FUNDS						
1/1 Balance	\$ 989,256	\$ 926,949	\$ 972,929	\$ 977,513	\$ 956,773	\$ 740,424
Total Sources of Funds	742,217	953,383	924,051	794,371	737,242	1,010,923
Total Uses of Funds	(758,544)	(929,057)	(919,467)	(815,111)	(953,592)	(878,328)
Transfers	-	-	-	-	-	-
Ending Balance	\$ 972,929	\$ 951,276	\$ 977,513	\$ 956,773	\$ 740,424	\$ 873,019

Funds are described in detail and show all sources/uses of funds in their respective sections of the document.

The overall change in the Operating Fund balance from estimated 2019 (\$187 million) to projected 2022 (\$235 million) increases by \$48 million. Increases in operating revenues, primarily concessions, are keeping up with increases in operating expenses as well as additional debt service requirements associated with the new debt issue in 2019.

The Construction Fund had a balance of \$559 million in 2018 and is projected to maintain a balance above \$500 million through 2020, with significant decreases the following years. In 2022, the projected balance is \$345 million. In order to implement a \$937 million Capital Improvement Program (CIP) from 2020-2022, the Commission anticipates selling approximately \$200 million bonds in 2022. The remainder of the CIP will be financed with PFCs, Federal grants, State grants, utilizing the Commission’s short-term borrowing program and funds generated from operations.

The Debt Service Fund is expected to reach an overall increase from a 2018 balance of \$228 million to a balance of \$293 million in 2022. The increase in fund balance in 2022 is a result projecting the new 2022 bond issue. For new money bond issues, the Commission typically borrows the capitalized interest portion of that bond issue to cover the interest payments due on the debt during the period of construction. The Commission will collect the debt service requirements from the users of MSP upon completion of the associated project.



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 operation, police and fire protection, and maintenance of roadway systems.
2. The power to levy property taxes not in excess of .00806% in each year upon the net tax capacity of all taxable 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 expenses of operation and maintenance of the Commission's property.

If the Commission were to have levied a tax based on recent values, the maximum amount available for maintenance and operation of the Commission would have been approximately \$25.0 million.

Sources and Uses of Funds

In this section, 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.

SOURCES AND USES OF FUNDS (\$ = 000)	2018 Actual	2019 Budget	2019 Estimate	2020 Budget	2021 Projection	2022 Projection
Sources						
1/1 Balance	\$ 170,430	\$ 168,617	\$ 185,959	\$ 186,962	\$ 219,038	\$ 223,631
Operating Revenues						
Airline Rates & Charges	123,631	127,782	130,804	136,307	137,670	139,047
Concessions	177,375	181,058	187,828	194,280	196,223	198,185
Other Operating Revenues	72,252	71,876	75,080	78,143	78,924	79,714
Subtotal Operating Revenues	\$ 373,258	\$ 380,716	\$ 393,712	\$ 408,730	\$ 412,817	\$ 416,946
Other/Non Operating Revenues						
Interest Earnings ¹	6,602	4,094	5,000	4,500	4,700	4,900
Self-Liquidating Revenue	24,666	2,601	2,687	3,318	3,550	3,650
Transfer from Construction Fund	-	-	-	-	-	-
Gain (Loss) on Assets and Other	(5,893)	-	300	-	-	-
Subtotal Other/Non Operating Revenue	25,375	6,695	7,987	7,818	8,250	8,550
Total Sources	\$ 398,633	\$ 387,411	\$ 401,699	\$ 416,548	\$ 421,067	\$ 425,496
Uses						
Operating Expenses						
Personnel	\$ (89,335)	\$ (93,151)	\$ (94,500)	\$ (98,079)	\$ (102,848)	\$ (106,448)
Administrative Expenses	(2,058)	(2,133)	(2,120)	(2,495)	(2,545)	(2,596)
Professional Services	(6,208)	(7,990)	(7,800)	(8,875)	(8,900)	(9,078)
Utilities	(19,930)	(19,584)	(19,480)	(20,164)	(20,578)	(20,900)
Operating Services	(28,282)	(30,494)	(31,450)	(32,893)	(33,880)	(34,557)
Maintenance	(42,576)	(40,927)	(45,135)	(44,465)	(45,799)	(46,715)
Other	(4,527)	(4,155)	(4,475)	(5,532)	(5,698)	(5,869)
Subtotal Operating Expenses	\$ (192,916)	\$ (198,434)	\$ (204,960)	\$ (212,503)	\$ (220,248)	\$ (226,163)
Non-Operating Expenses						
Equipment						
Equipment Purchases/Capital Expenditures	(11,213)	(10,027)	(10,005)	(13,369)	(13,228)	(13,271)
Equipment Financing	3,465	1,800	1,800	3,395	4,000	4,100
Principal/Interest-Equipment Financing	(4,382)	(4,412)	(4,412)	(4,545)	(4,303)	(4,233)
Subtotal Equipment	\$ (12,130)	\$ (12,639)	\$ (12,617)	\$ (14,519)	\$ (13,531)	\$ (13,404)
Debt Service						
Transfer Out - Debt Service	(102,127)	(112,470)	(106,641)	(87,750)	(104,774)	(107,146)
Subtotal Debt Service	(102,127)	(112,470)	(106,641)	(87,750)	(104,774)	(107,146)
Total Uses	\$ (307,173)	\$ (323,543)	\$ (324,218)	\$ (314,772)	\$ (338,553)	\$ (346,713)
Unrestricted Net Transfer Out-Construction	(75,931)	(70,000)	(76,478)	(69,700)	(77,921)	(67,240)
Operating Fund Balance	\$ 185,959	\$ 162,485	\$ 186,962	\$ 219,038	\$ 223,631	\$ 235,174

¹ Interest Rate Assumed 1.5%-2.0% for the period 2018 through 2022.

Sources of Funds

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

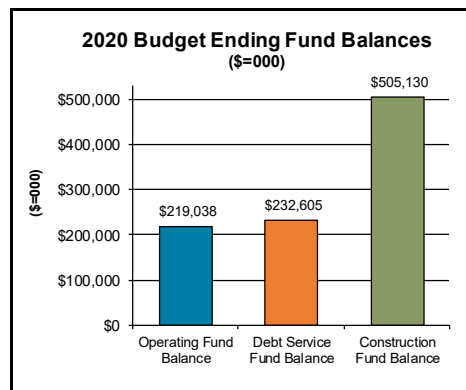
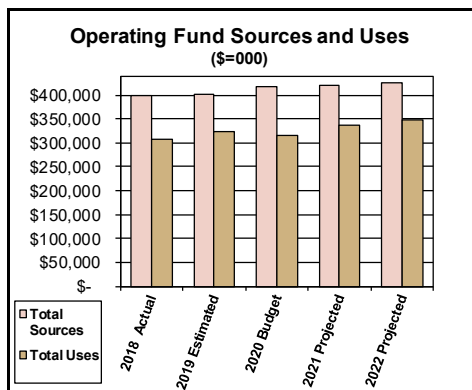
1. The 1/1 Balance reflects the Operating Reserve established by the Commission plus the amount to be transferred to the Construction Fund in the following year. In 2006, the Commission established a six-month reserve of operating expenses. The operating reserve figure for 2020 is \$106.3 million.
2. Operating Revenues consist of Airline Rates & Charges, Concessions, Rentals/Fees, 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 will increase in 2020 as a result of inflation, additional headcount and a new method of allocating Police, Fire, Maintenance Labor and Maintenance Equipment expenses. Concessions rose in most areas as a result of additional passenger activity, the opening of new concession concepts in 2020 and the opening of a new parking facility in mid-2020. Utilities and Other Revenues increases can be attributed to additional utilities and cleaning fees paid by concessionaires of newly opened stores, as well as an increase in rental rates for space leased to non-airline tenants. Operating Revenues total \$408.7 million for 2020.
3. Other Non-Operating Revenues consist of Interest Earnings, Self-Liquidating Revenue and Gain/Loss on Disposal of Assets and Other Sources. Interest Earnings is assumed to be 1.5-2.0% for the period 2020-2022. Interest is earned on the balance in the Operating Fund which includes self-liquidating leases. Interest earnings are increasing slightly due to a small increase in interest rates and larger cash balances. Self-liquidating leases are those facilities built by the MAC and then leased to tenants.

Uses of Funds

In general, there are three uses of revenues.

1. Operating Expenses consist of Personnel, Administrative Expenses, Professional Services, Utilities, Operating Services/Expenses, Maintenance and Other Expenses. Details of changes for each of these areas are identified in the Operating Budget Expense section. The total expense for 2020 is \$212.5 million.
2. Non-Operating Expenses is comprised of an Equipment section and Debt Service section.
 - A. Equipment includes capital equipment (cost greater than \$10,000) to be purchased based on Commission approval. The anticipated amount for 2020 is \$13.4 million and includes other capital expenditures. A portion of this equipment will be leased. The offset to the equipment is shown as Equipment Financing of \$3.4 million. Finally, the actual lease financing cost and miscellaneous other capital expenditures are included.
 - B. Debt Service – Transfers are required to cover all debt service. In June and December, the Commission must transfer the required amount for the General Airport Revenue Bond (GARBs) reserve. The debt service portion also includes payments on the Commission revolving line of credit. The total payments for the GARB's and the revolving line of credit are expected to be approximately \$87.8 million in 2020.
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. \$69.7 million is anticipated for 2020 based on 2019 estimates and \$77.9 million anticipated for 2021 based on 2020 budgeted amounts.

The graphs below illustrate the sources and uses of revenue and the three 2020 budgeted fund balances.

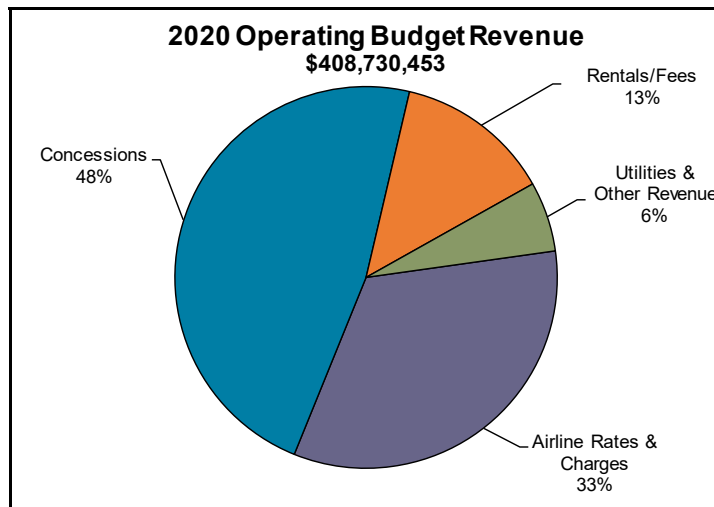


Operating Budget Revenue

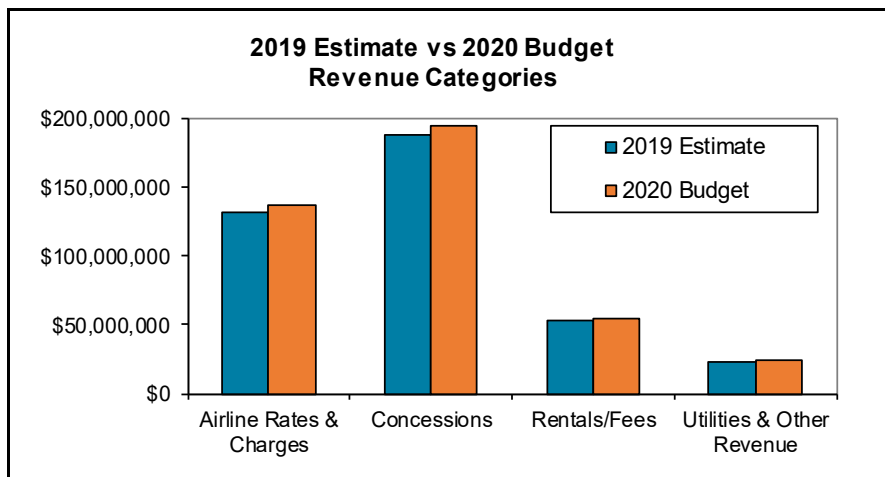
Total operating budget revenue for 2020 is \$408.7 million, which is a \$15.0 million or 3.8% increase compared to 2019 estimates. Operating budget revenue is divided into four categories: Airline Rates & Charges, Concessions, Rentals/Fees and Utilities & Other Revenue.

Revenue Summary (\$=000)	2018	2019	2019	2020	2020 Budget vs 2019 Estimate	
	Actual	Budget	Estimate	Budget	Dollar Change	% Change
REVENUE						
Airline Rates & Charges	\$123,631	\$127,782	\$130,804	\$136,308	\$5,504	4.2%
Concessions	177,375	181,058	187,828	194,280	6,452	3.4%
Rentals/Fees	52,241	52,754	52,625	53,900	1,275	2.4%
Utilities & Other Revenue	20,011	19,122	22,455	24,243	1,788	8.0%
Total Operating Revenue	\$373,258	\$380,717	\$393,712	\$408,730	\$15,018	3.8%

This pie chart shows revenue categories as a percent of the total. Concessions is the largest revenue source at MAC followed by Airline Rates & Charges.



The following chart compares 2020 budget to 2019 estimate revenue by category. All revenue categories are projected to increase in 2020.



Operating Budget Revenue

2020 Operating Revenue

2020 Budget vs 2019 Estimate

	2018 Actual	2019 Budget	2019 Estimate	2020 Budget	Dollar Change	% Change
Airline Rates & Charges						
Airline Agreement						
Landing Fees	68,702,189	70,201,016	73,400,000	76,936,069	3,536,069	4.8%
Ramp Fees	8,069,572	6,568,203	7,400,000	7,110,152	(289,848)	-3.9%
Airline R&R	4,857,261	4,814,528	5,003,772	5,153,885	150,113	3.0%
T1 Rentals	39,816,110	39,645,504	39,500,000	41,099,768	1,599,768	4.1%
T1 Other	6,903,317	8,506,376	8,500,000	9,246,668	746,668	8.8%
Concessions Rebate	(18,682,817)	(16,181,148)	(16,850,000)	(17,410,418)	(560,418)	3.3%
<i>Total Airline Agreement</i>	109,665,633	113,554,479	116,953,772	122,136,124	5,182,352	4.4%
Terminal 2 Fees						
T2 Lobby	10,793,806	10,992,739	11,000,000	11,240,000	240,000	2.2%
T2 Other/Passenger	3,171,781	3,235,128	2,850,000	2,931,540	81,540	2.9%
Total Airline Rates & Charges	123,631,219	127,782,346	130,803,772	136,307,664	5,503,892	4.2%
Concessions						
Terminal						
Food & Beverage	24,241,244	23,448,615	24,635,368	25,843,183	1,207,815	4.9%
News	4,886,604	4,750,000	5,098,871	5,353,368	254,497	5.0%
Retail Stores	6,169,527	5,600,000	5,642,848	5,906,500	263,652	4.7%
Passenger Services	7,160,900	6,986,539	6,800,000	7,478,222	678,222	10.0%
<i>Total Terminal</i>	42,458,275	40,785,154	42,177,087	44,581,273	2,404,186	5.7%
Parking/Grnd Transport						
Parking	98,238,919	104,348,000	107,763,000	109,012,771	1,249,771	1.2%
Ground Transportation	13,513,582	13,950,000	14,846,741	17,247,890	2,401,149	16.2%
Auto Rental - On Airport	20,824,010	19,645,744	20,741,407	20,872,862	131,455	0.6%
<i>Total Parking/Grnd Transport</i>	132,576,511	137,943,744	143,351,148	147,133,523	3,782,375	2.6%
Other						
Other Concessions	2,340,040	2,329,366	2,300,000	2,565,173	265,173	11.5%
Total Concessions	177,374,826	181,058,264	187,828,235	194,279,969	6,451,734	3.4%
Rentals/Fees						
Buildings & Facilities	10,579,326	11,718,149	11,525,000	12,246,520	721,520	6.3%
Auto Rental CFC	22,398,365	22,000,000	22,100,000	22,308,000	208,000	0.9%
Ground Rentals	10,877,453	10,626,037	10,700,000	10,956,789	256,789	2.4%
Reliever Airports	8,386,333	8,409,968	8,300,000	8,388,792	88,792	1.1%
Total Rentals/Fees	52,241,476	52,754,154	52,625,000	53,900,101	1,275,101	2.4%
Utilities & Other Revenue						
Utilities	5,454,652	5,622,603	5,900,000	6,730,754	830,754	14.1%
GA/Airside Fees	5,095,693	4,444,055	6,400,000	6,712,463	312,463	4.9%
MCD Fees	3,962,230	4,100,775	4,155,087	4,556,364	401,277	9.7%
Other Revenues	1,815,811	2,023,806	2,700,000	2,800,138	100,138	3.7%
Reimbursed Expense	3,682,479	2,931,000	3,300,000	3,443,000	143,000	4.3%
Total Utilities & Other Revenue	20,010,865	19,122,239	22,455,087	24,242,719	1,787,632	8.0%
Total Operating Revenue	373,258,387	380,717,003	393,712,094	408,730,453	15,018,359	3.8%

Revenue Assumptions and Guidelines

The revenue projections for 2020 are based on the following assumptions and guidelines:

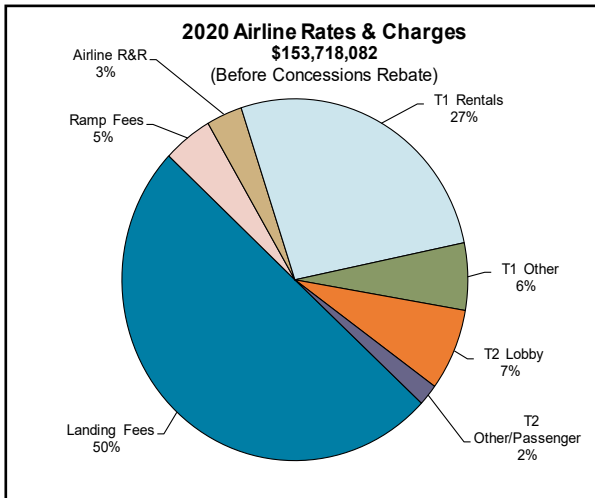
- Revenue will be prepared on an accrual basis. This basis of accounting attempts to record financial transactions in the period in which they occur, rather than recording them in the period in which they are received. The Commission uses this method for both accounting and budgeting.
- The revenue projections 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 Airline Rates & Charges
 - Historical trends
 - MAC Ordinances
- Airline Rates & Charges are based on the Airline Use Agreement.

The explanations for revenue assumptions are based on a comparison of the 2020 budget to the 2019 estimates.

Airline Rates & Charges

The Airline Rates & Charges category, which is approximately \$136.3 million or 33% of the MAC’s \$408.7 million in revenues, is generated from rates charged to the airlines. This category is projected to increase \$5.5 million or 4.2% from the 2019 estimate. The formulas for the rates are established in the Airline Use Agreement and are composed of landing fees, ramp fees, airline Terminal 1 rental rates and the Terminal 1 International Arrivals Facility (IAF) use fees. This agreement incorporates debt service in the calculation of rates and charges, instead of depreciation and interest, for the recovery of capital improvements. 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 Arrivals Facility service centers, as detailed in the Operating Budget Expense section. In 2020, the Commission changed the allocation percentages for Police, Fire, Maintenance Labor and Maintenance Equipment, which resulted in overall higher airline rates and charges. Total costs plus allocations are then used to determine Airline Rates & Charges. Fluctuations in allocated costs can cause a change in the airline rates. For 2020, rates for landing fees, ramp fees and airline Terminal 1 rental rates are calculated as per the Airline Use Agreement. Rates for Terminal 2 are set by ordinance, which is primarily based on the recovery of budgeted operating and maintenance costs. The Concessions Rebate of \$17.4 million represents the revenue sharing found in the Airline Use Agreement.

Airline Rates & Charges (\$=000)					2020 Budget vs 2019 Estimate	
	2018 Actual	2019 Budget	2019 Estimate	2020 Budget	Dollar Change	% Change
Airline Rates & Charges						
Landing Fees	\$68,702	\$70,201	\$73,400	\$76,936	\$3,536	4.8%
Ramp Fees	8,070	6,568	7,400	7,110	(290)	-3.9%
Airline R&R	4,857	4,815	5,004	5,153	149	3.0%
T1 Rentals	39,816	39,646	39,500	41,100	1,600	4.1%
T1 Other Revenue	6,903	8,506	8,500	9,247	747	8.8%
Concessions Rebate	(18,683)	(16,181)	(16,850)	(17,410)	(560)	3.3%
T2 Lobby	10,794	10,993	11,000	11,240	240	2.2%
T2 Other/Passenger	3,172	3,235	2,850	2,932	82	2.9%
Total Airline Rates & Charges	\$123,631	\$127,782	\$130,804	\$136,308	\$5,503	4.2%



The pie chart to the left 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.

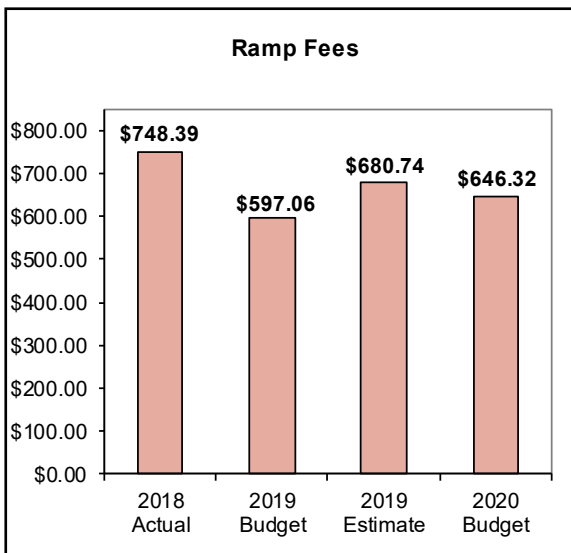
Landing Fees

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. At year-end, an adjustment will be made for any overage or shortage.

The landing fee is expected to increase \$0.14 in 2020 from the 2019 estimate. New allocation percentages for

Maintenance Labor, Maintenance Equipment and Police attributed to \$0.05 of the increase. Increases in field and runway debt service and airline lease contributions to field and runway repairs contributed to the remaining increase in the landing fee.

<u>Landing Fee</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Estimate</u>	<u>2020 Budget</u>
Landing Fee	\$3.03	\$3.03	\$3.18	\$3.32
Landed Weight (lbs. in 000)	22,674	23,169	23,082	23,174
Revenue (\$ in 000)	\$68,702	\$70,201	\$73,400	\$76,936



Ramp Fees

Aircraft parking ramp fees are calculated in the same manner as landing fees. Ramp fees are determined by dividing the total Terminal 1 ramp expenses by total lineal feet of ramp available. The ramp fee rate calculation is also residual (breakeven). At year-end, an adjustment will be made for any overage or shortage.

Ramp fees are decreasing \$34.42 from 2019 estimate to 2020 budget. During 2019, the Commission updated its allocation percentages of Police, Fire, Maintenance Equipment and Maintenance Labor costs based on where these departments allocated their resources. For 2020, based on the new allocations, the equipment allocation for 2020 was smaller than the 2019 allocation which resulted in a lower ramp fee.

<u>Ramp Fee</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Estimate</u>	<u>2020 Budget</u>
Ramp Fee (Per Lineal Ft.)	\$748.39	\$597.06	\$680.74	\$646.32
Ramp Footage (Per Lineal Ft.)	11,001	11,001	11,001	11,001
Revenue (\$=000)	\$8,070	\$6,568	\$7,400	\$7,110

Airline Repair and Replacement Surcharge

Per the Airline Lease Amendment, there is an additional Repair and Replacement surcharge (R&R) for the airlines leasing space at Terminal 1. This surcharge increases annually at a rate of 3%. The rate for 2020 is \$7.86 per square foot.

Terminal 1 Rentals

Airline Terminal 1 rental rates are calculated by allocating Terminal 1 building expense over the total rentable square footage in Terminal 1. Airlines are charged for the space they occupy. Unlike landing fees and ramp fees, which are residual calculations, airline Terminal 1 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. The Terminal 1 building rate does not include the R&R surcharge.

The Terminal 1 rental rate is increasing from \$62.55 to \$63.95 per square foot. The primary reasons for the increase in the exclusive rate of \$1.40 between the 2019 estimate and the 2020 budget are higher Maintenance expenses and a change in labor allocations for Police and Maintenance. These are offset by debt service savings resulting from bond refundings. In addition, the amount of rentable space used in the rate calculation decreased, which in turn causes the rental rate to increase.

Terminal 1 Rental Rates	2018 Actual	2019 Budget	2019 Estimate	2020 Budget
Exclusive (Per Sq. Ft.)	\$62.59	\$62.55	\$62.55	\$63.95
Exclusive Janitored (Per Sq. Ft.)	\$72.10	\$71.55	\$71.55	\$75.07
Total Revenue (\$ in 000)	\$39,816	\$39,646	\$39,500	\$41,100

Terminal 1 Other

Revenue from Terminal 1 Other is expected to increase \$747,000 or 8.8%. Revenues in this area are generated by International Arrival Fees (IAF), porter service fees, baggage claim maintenance fees, queue line management fees, employee screening fees, flight information displays maintenance, public address system maintenance and conveyors and carousels. The highest projected revenues in Terminal 1 Other are increases in baggage claim maintenance, IAF revenues and queue line management fees.

The airline agreement for the IAF includes a fee calculation *similar* to the residual calculation for ramp and landing fees. 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. The following table shows the IAF fees for actual 2018, budgeted 2019, estimated 2019 and budgeted 2020.

International Arrival Fee	2018 Actual	2019 Budget	2019 Estimate	2020 Budget
Total Cost (\$=000)	\$3,612	\$3,9 5	\$4,0 7	\$4,472
Passengers	820,909	819,215	820,000	821,186
Fee Per Passenger	\$4.40	\$4.84	\$4.96	\$5.43

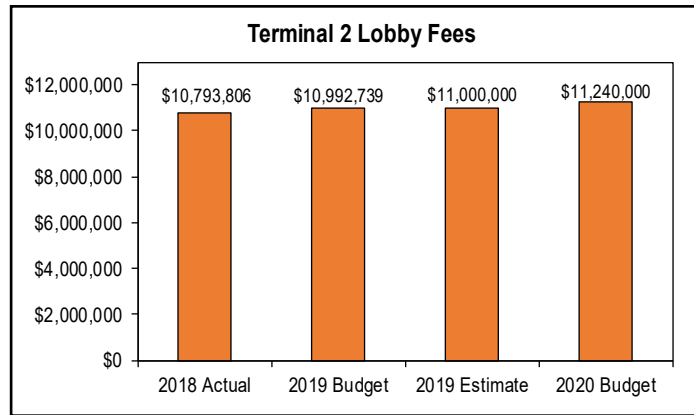
The \$0.47 increase in the IAF fee is due to increases in maintenance costs, service agreements and increases in Police and Maintenance labor allocations, offset partially by an increase in passengers.

Concessions Rebate

As part of the Airline Use Agreement, the airlines share selected concessions revenue from food and beverage, news, retail and on-airport auto rental revenues. The amount of concessions revenue shared is based upon a fixed percentage of 31% of selected revenues for 2020. The airlines are also entitled to share additional revenue based on passenger growth that exceeds 1%. For the 2020 budget, the concessions rebate is projected to be \$17.4 million. The increase of \$560,000 is due to increases in food and beverage, news, retail and auto rental revenues.

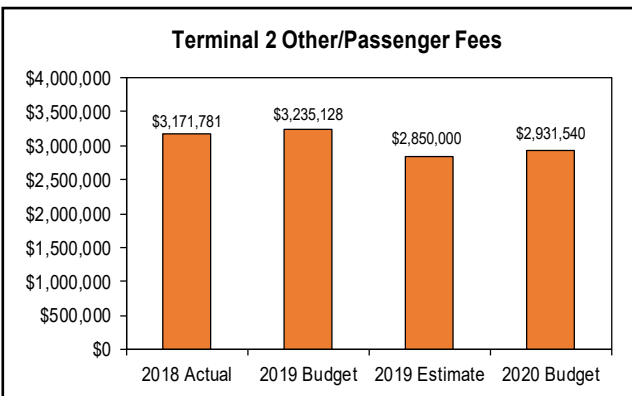
Terminal 2 Lobby Fees

Terminal 2 Lobby Fees are expected to increase \$240,000 or 2.2%. Lobby fees are set by a MAC Ordinance that sets rates on a budgetary basis, with no true-up based on actual expenses or year-end operational activity. The Commission opened four additional gates in October 2016 for a total of 14 gates at Terminal 2. Each gate at Terminal 2 has a revenue cap. For 2020, the gate cap is \$780,627 per airline associated with it, based upon the number of aircraft operations. The MAC assumes that 11 of these gates will reach the revenue cap and three will not. The MAC estimates the revenue from the non-capped gates based upon operational data obtained from historical sources and from the airlines. The 2020 budget increase in revenue from the 2019 estimate is due to an increase in operational activity on the uncapped gates.



In order to keep both Terminal 1 and Terminal 2 rates competitive for the respective airlines, the Terminal 2 rate calculation limits the increase or decrease in certain elements of the rates charged in Terminal 2 to the percentage increase or decrease in rates in Terminal 1. The Terminal 1 rates increased 2.2% on a budget to budget basis, and the Terminal 2 rates increased accordingly.

Terminal 2 Other/Passenger Fees



Terminal 2 Other/Passenger fee revenue is budgeted to increase \$82,000 or 2.9%. This category includes Federal Inspection Service (FIS) charges for international passengers, Terminal 2 building rentals, apron fees and non-signatory landing fees. As with Lobby Fees mentioned previously, the FIS charges are based on budgetary data with no year-end true up of actual expenses. The rates are tied to the budgetary increases in Terminal 1 rates. For 2020, increases in apron fee usage and Terminal 2 building rentals due to increased allocation percentages for Maintenance Labor and Police accounted for the majority of the increase in the budget.



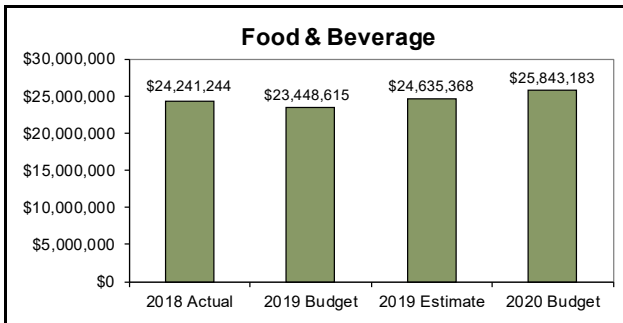
New Air Service Arrived in 2019

Concessions

The Concessions revenue category is \$194.3 million or 48% of total operating revenue for 2020. The rates charged for parking are approved by the Commission, while ground transportation fees are authorized according to MAC Ordinances. The revenues from food and beverage, news, retail, passenger services and auto rental are based on various lease agreements which allow the concessionaires to operate in MAC facilities. Concessions revenue is projected to increase \$6.5 million or 3.4% from estimated 2019 levels.

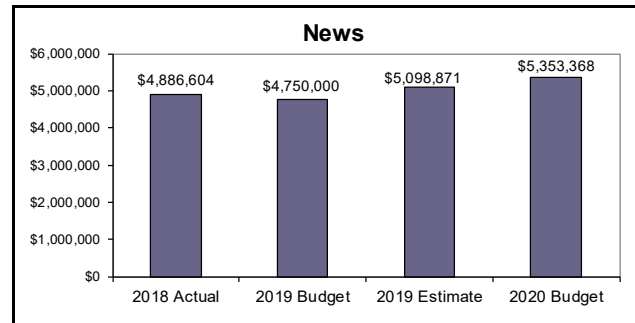
Concessions (\$=000)					2020 Budget vs 2019 Estimate	
	2018 Actual	2019 Budget	2019 Estimate	2020 Budget	Dollar Change	% Change
Concessions						
Food & Beverage	\$24,241	\$23,449	\$24,635	\$25,843	\$1,208	4.9%
News	4,887	4,750	5,099	5,353	254	5.0%
Retail Stores	6,170	5,600	5,643	5,907	264	4.7%
Passenger Services	7,161	6,987	6,800	7,478	678	10.0%
Parking	98,239	104,348	107,763	109,013	1,250	1.2%
Ground Transportation	13,514	13,950	14,847	17,248	2,401	16.2%
Auto Rental - On Airport	20,824	19,646	20,741	20,873	131	0.6%
Other Concessions	2,340	2,329	2,300	2,565	265	11.5%
Total All Concessions	\$177,375	\$181,058	\$187,828	\$194,280	\$6,452	3.4%

Food & Beverage



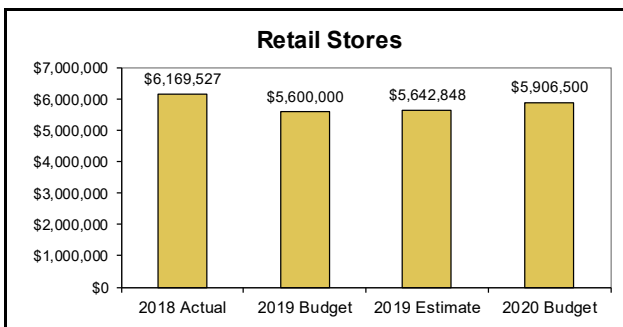
Food & Beverage is projected to increase by \$1,208,000 or 4.9% from the 2019 estimate. The remodeling of the food court as well as construction of new food and beverage units during 2019 limited the growth of revenue in 2019. All units are expected to be fully functional in 2020.

News



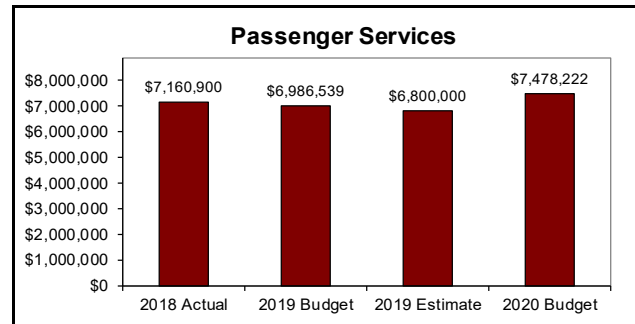
News is projected to increase \$254,000 or 5.0%, based upon the latest trends at the time the budget was prepared.

Retail Stores



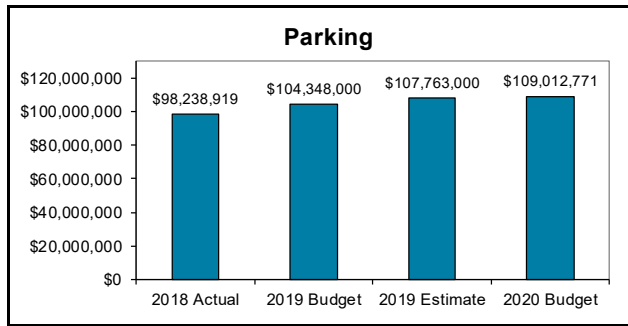
Retail is projected to increase by \$264,000 or 4.7% from the 2019 estimate based on trends at the time the budget was prepared.

Passenger Services



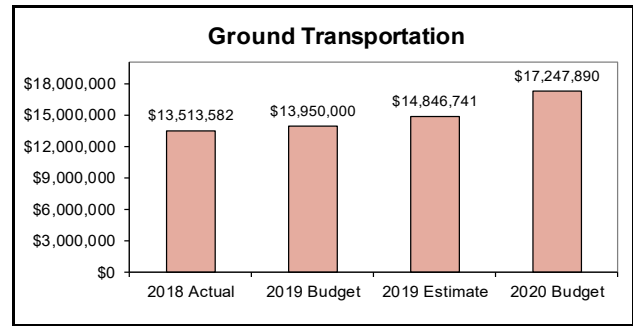
Passenger Services is budgeted to increase \$678,000 or 10.0% from the 2019 estimate based on increased revenue from Alclear and the common use lounge services.

Parking



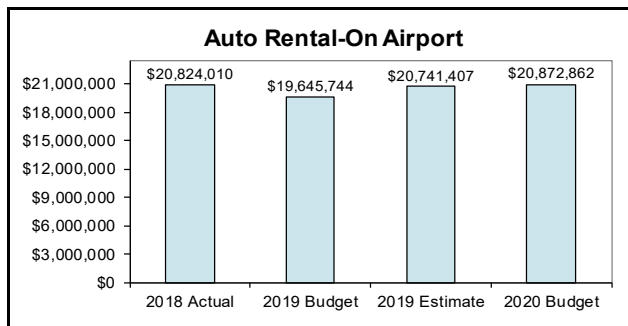
Parking is expected to increase from the 2019 estimate by \$1,250,000 or 1.2%. The increase in revenue is due to the opening of the Silver Parking Ramp at MSP.

Ground Transportation Fees



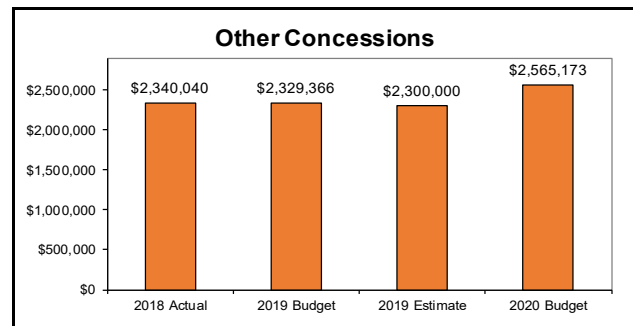
Ground Transportation fees are projected to increase \$2,401,000 or 16.2%. This increase is primarily a result of additional revenue from Transportation Network Companies such as Uber and Lyft.

On-Airport Auto Rental



Auto Rental revenues are projected to increase slightly by \$131,000 or 0.6% based on a conservative estimate of revenue.

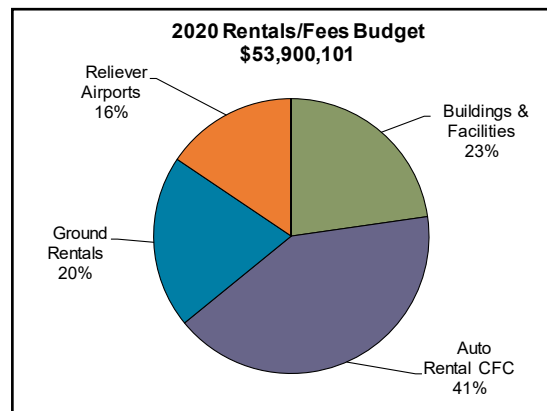
Other Concessions



Revenue in the Other Concessions category mainly consists of outdoor advertising, auto services, in-flight catering, a pet boarding facility and additional miscellaneous concessions. Outdoor advertising revenue is estimated to drive a budgeted \$265,000 or 11.5% increase in Other Concessions.

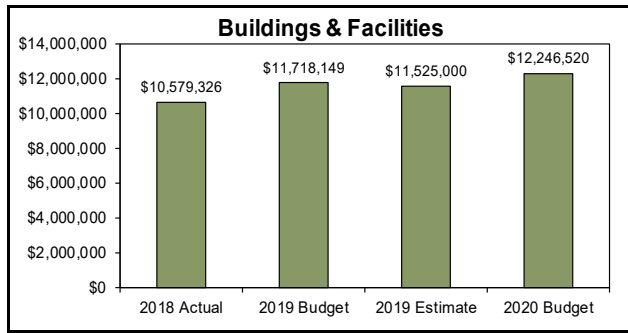
Rentals/Fees

Rentals/Fees is \$53.9 million or 13% of total operating revenue for 2020 and is projected to increase \$1.3 million or 2.4% from 2019 estimated levels. These revenue sources consist of the non-airline building rentals, Auto Rental-Customer Facility Charge, ground rental space and reliever airport fees. Ground rental 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 accompanying table and pie chart show the revenue sources.



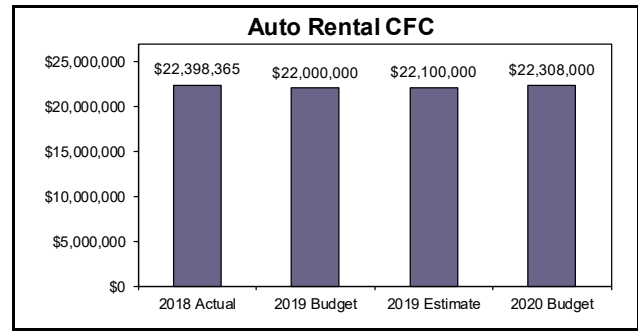
Rentals/Fees (\$=000)	2018 Actual	2019 Budget	2019 Estimate	2020 Budget	2020 Budget vs 2019 Estimate	
					Dollar Change	% Change
Rentals/Fees						
Buildings & Facilities	\$10,579	\$11,718	\$11,525	\$12,247	\$722	6.3%
Auto Rental CFC	22,398	22,000	22,100	22,308	208	0.9%
Ground Rentals	10,877	10,626	10,700	10,957	257	2.4%
Reliever Airports	8,386	8,410	8,300	8,389	89	1.1%
Total Rentals/Fees	\$52,241	\$52,754	\$52,625	\$53,900	\$1,275	2.4%

Buildings & Facilities



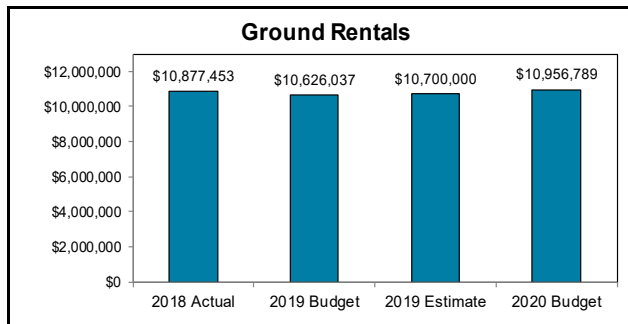
Buildings & Facilities is projected to increase \$722,000 or 6.3% over the 2019 estimate primarily due to new building leases that were signed in 2019.

Auto Rental-Customer Facility Charge (CFC)



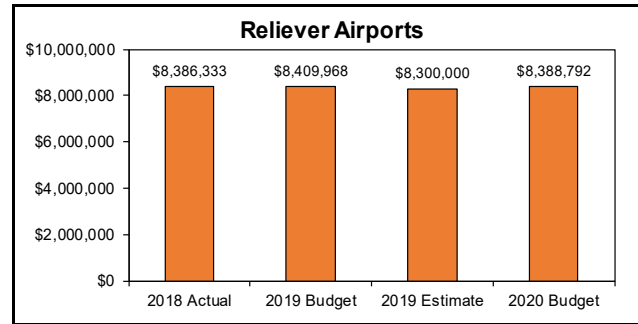
Auto Rental CFC is budgeted to increase slightly by \$208,000 or 0.9% due to a slight increase in transactions. The current CFC rate is \$5.90 per rental car transaction per day.

Ground Rentals



Ground Rentals are budgeted to increase by \$257,000 or 2.4% from 2019 estimated levels. This is due to a full year's revenues from new ground leases that were signed in 2019.

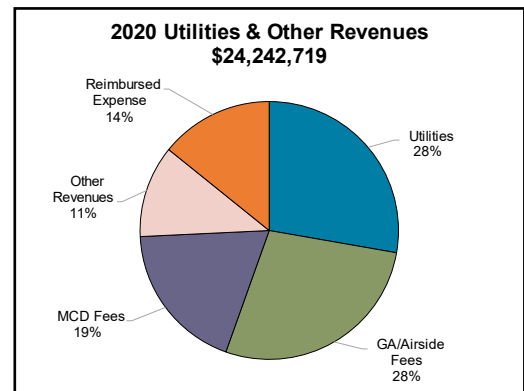
Reliever Airports



Reliever Airports revenue is expected to increase \$89,000 or 1.1% from 2019 estimated levels from trends based upon activity at the time of the budget completion.

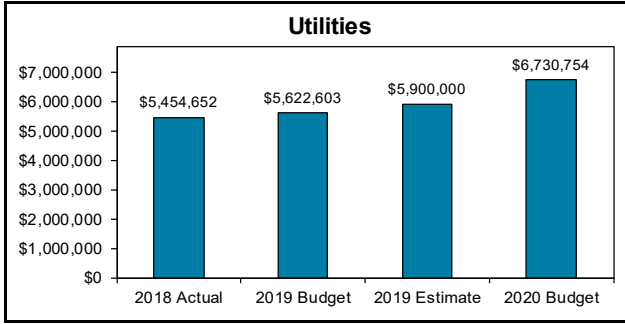
Utilities & Other Revenues

Utilities & Other Revenues is \$24.2 million or 6% of total operating revenue for 2020 and is projected to increase \$1,788,000 or 8.0% from 2019 estimated levels. Included in this category are Utilities, General Aviation/Airside Fees, Maintenance, Cleaning and Distribution (MCD) Fees, Other Revenues and Reimbursed Expense.



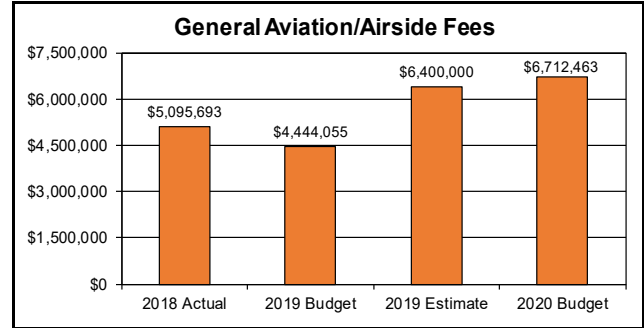
Utilities & Other Revenue (\$=000)	2020 Budget vs 2019 Estimate					
	2018 Actual	2019 Budget	2019 Estimate	2020 Budget	Dollar Change	% Change
Utilities & Other Revenue						
Utilities	\$5,455	\$5,623	\$5,900	\$6,731	\$831	14.1%
General Aviation/Airside Fees	5,096	4,444	6,400	6,712	312	4.9%
MCD Fees	3,962	4,101	4,155	4,556	401	9.7%
Other Revenues	1,816	2,024	2,700	2,800	100	3.7%
Reimbursed Expense	3,682	2,931	3,300	3,443	143	4.3%
Total Utilities & Other Revenue	\$20,011	\$19,122	\$22,455	\$24,243	\$1,788	8.0%

Utilities



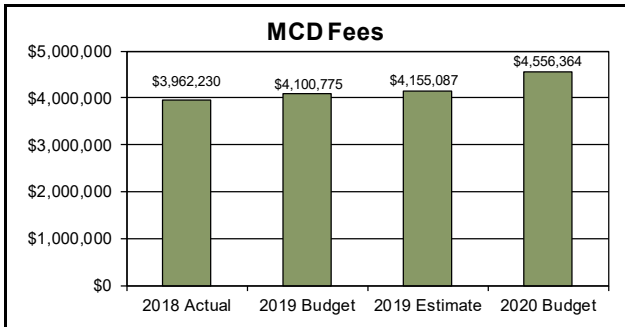
Included in Utilities are water, sewer, electricity, heating and ground power. The increase of \$831,000 or 14.1% in this category is due to higher consumption and rates for ground power and an increase in utilities paid by concessionaires based upon additional stores newly opened.

General Aviation/Airside Fees



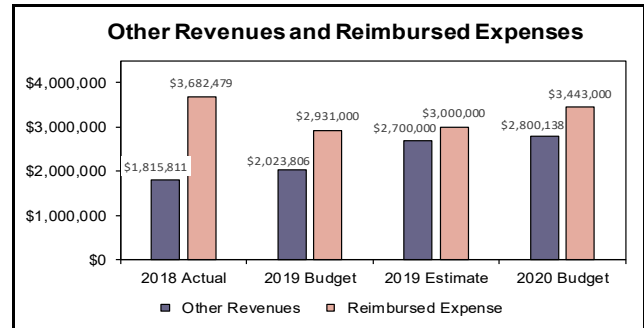
This category includes general aviation landing fees, ramp fees, fuel flowage fees and apron services. This category is expected to increase \$312,000 or 4.9% as a result of additional revenue from airside services, including aircraft cleaning, deicing and other services.

MCD Fees



Maintenance, Cleaning and Distribution (MCD) fees are expected to increase \$401,000 or 9.7%. These fees are based on a percent of concession sales and the increase is due to additional stores that opened in late 2019-early 2020.

Other Revenues and Reimbursed Expenses



Included in these categories are parking fines, auction revenue, building permits, security badges and miscellaneous revenues and expenses reimbursed by others. These categories combined are expected to increase \$243,000 or 4.1%. Building permits, badging revenue and airline billings for security costs account for the majority of the increase.



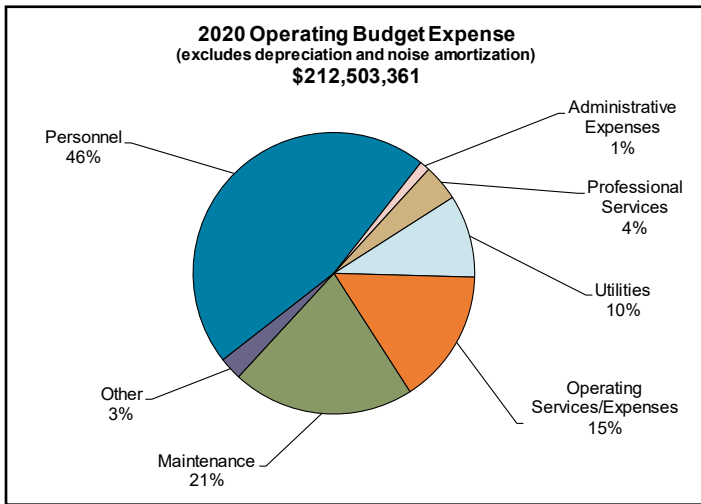
Concourse C Food Court at Terminal 1

Operating Budget Expense

Expenses that arise from daily operations are within the Operating Fund. Expenses are also key factors in determining revenue. For example, Rates & Charges revenue collected from the airlines is based on expenses and is governed by the Airline Use Agreement.

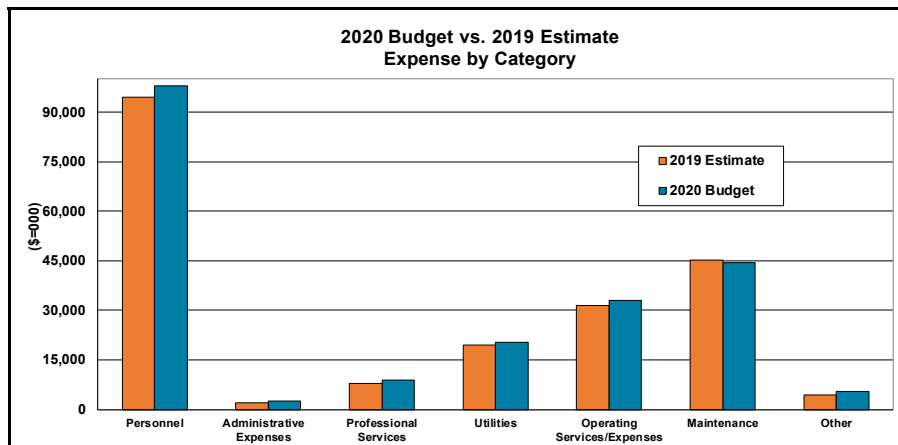
Total Operating Budget Expense for 2020 is \$212.5 million (excluding depreciation and amortization) which is an increase of \$7.5 million or 3.7% over the 2019 estimate. Operating Budget Expense is divided into seven categories: Personnel, Administrative Expenses, Professional Services, Utilities, Operating Services/Expenses, Maintenance and Other.

EXPENSE	2018	2019	2019	2020	2020 Budget vs 2019 Estimate	
	Actual	Budget	Estimate	Budget	Dollar Change	% Change
Personnel	\$89,335	\$93,151	\$94,500	\$98,079	\$3,579	3.8%
Administrative Expenses	2,058	2,133	2,120	2,495	375	17.7%
Professional Services	6,208	7,990	7,800	8,875	1,075	13.8%
Utilities	19,930	19,584	19,480	20,164	684	3.5%
Operating Services/Expenses	28,282	30,494	31,450	32,893	1,443	4.6%
Maintenance	42,576	40,927	45,135	44,465	(670)	-1.5%
Other	4,527	4,155	4,475	5,532	1,057	23.6%
Total Operating Expense	\$192,917	\$198,433	\$204,960	\$212,503	\$7,543	3.7%



The pie chart to the left shows that Personnel is the largest expense category with 46% of the total. Maintenance and Operating Services/Expenses follow with 21% and 15% respectively.

The bar chart below compares the 2020 budget with the 2019 estimate. Expenses are expected to increase in all categories except Maintenance with the largest dollar increase in Personnel.



Operating Budget Expense

2020 Operating Expense

2020 Budget vs 2019 Estimate

	2018 Actual	2019 Budget	2019 Estimate	2020 Budget	Dollar Change	% Change
Personnel						
Salaries & Wages	62,360,625	63,324,989	64,600,000	67,283,432	2,683,432	4.2%
Benefits	26,974,769	29,825,766	29,900,000	30,795,698	895,698	3.0%
Total Personnel	89,335,395	93,150,755	94,500,000	98,079,130	3,579,130	3.8%
Administrative Expenses	2,057,613	2,133,058	2,120,000	2,494,627	374,627	17.7%
Professional Services	6,207,894	7,989,865	7,800,000	8,874,944	1,074,944	13.8%
Utilities						
Electricity	13,895,934	13,669,215	13,200,000	14,223,931	1,023,931	7.8%
Heating Fuel	3,069,157	2,725,768	2,950,000	2,627,295	(322,705)	-10.9%
Water & Sewer	2,252,249	2,574,999	2,750,000	2,709,739	(40,261)	-1.5%
Telephones	712,697	613,684	580,000	603,231	23,231	4.0%
Total Utilities	19,930,037	19,583,666	19,480,000	20,164,196	684,196	3.5%
Operating Services/Expenses						
Storm Water Monitoring	1,699,309	1,625,000	1,550,000	1,640,000	90,000	5.8%
Shuttle Bus Services	2,060,780	2,342,852	2,300,000	2,376,835	76,835	3.3%
Parking Management	6,611,867	7,033,606	7,000,000	7,225,924	225,924	3.2%
Service Agreements	10,670,503	10,961,228	11,300,000	12,101,830	801,830	7.1%
Operating Services - Other	7,239,090	8,531,566	9,300,000	9,548,627	248,627	2.7%
Total Operating Services/Expenses	28,281,549	30,494,252	31,450,000	32,893,216	1,443,216	4.6%
Maintenance						
Trades	2,315,527	2,041,757	2,000,000	2,345,949	345,949	17.3%
Field	6,832,830	3,991,085	7,115,000	5,536,420	(1,578,580)	-22.2%
Building	15,659,803	16,182,935	17,000,000	16,541,923	(458,077)	-2.7%
Cleaning	14,861,889	15,923,375	15,820,000	17,089,859	1,269,859	8.0%
Equipment	2,906,382	2,787,854	3,200,000	2,950,602	(249,398)	-7.8%
Total Maintenance	42,576,431	40,927,006	45,135,000	44,464,753	(670,247)	-1.5%
Other						
General Insurance	1,944,953	2,144,999	2,075,000	2,215,999	140,999	6.8%
Minor Equipment	1,855,412	1,316,588	1,100,000	795,363	(304,637)	-27.7%
Other - Other	727,114	693,197	1,300,000	2,521,133	1,221,133	93.9%
Total Other	4,527,479	4,154,784	4,475,000	5,532,495	1,057,495	23.6%
Total Operating Expense	192,916,398	198,433,386	204,960,000	212,503,361	7,543,361	3.7%

Expense Assumptions and Guidelines

The operating expense budget is compiled with information provided by Metropolitan Airports Commission (MAC) departments, utility companies, vendors and historical analyses. The expense budget projections for 2020 are based on the following assumptions and guidelines:

- The MAC will continue to maintain all facilities at the standards established with its tenants and the traveling public.
- The MAC will provide a safe and secure airports system.
- 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 organizational requirements.
- The 2019 budget included eight additional FTE positions to meet workload demands and the increasing complexity of issues facing the MAC. The positions were:
 - 2 Badging Specialists in the Police Department
 - 1 Systems Analyst in Information Technology
 - 1 Marketing Specialist in Public Affairs and Marketing
 - 1 Assistant Manager in Airside Operations
 - 3 Firefighters in the Fire Department
- The 2019 budget also included 27 additional FTE positions due to reclassifying provisional Traffic Control Agents to the MAC's authorized headcount.
- The full year's expense impact for the 35 positions listed above is included in the 2020 budget.
- The 2020 budget includes seven additional FTE positions to meet workload demands and the increasing complexity of issues facing the MAC. The positions include:
 - 1 Electrician in the Trades Department
 - 1 Plumber in the Trades Department
 - 1 Cyber Security Specialist in Information Technology
 - 1 Communications Manager in Strategic Communications
 - 2 Part 139 Compliance Specialists in the Management & Operations Division
 - 1 Maintenance Personnel for Anoka County-Blaine Airport
- The 2020 budget also includes three unfunded positions for Information Technology that were approved in 2018. These additional positions will be added to the authorized headcount only if and when savings can be achieved in other areas of the service center's budget.
- Cost increases, such as scheduled contract increases, salary adjustments for existing organized and non-organized workforce, utility rate changes and insurance rate adjustments have been included.
- Discretionary cost increases were considered only if offset by a corresponding annual reduction in expenses, an annual increase in revenue, or were necessary for the ongoing efficient operation of the MAC's airports.
- Expenses are prepared on an 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. The Commission uses this method for both accounting and budgeting.

- The budget was prepared by thoroughly reviewing each line item to determine its need. Expenses were prioritized and funds were either moved to prioritized areas or were increased or decreased based on primacy. This review resulted in lower expenses in some areas in 2020.

Personnel

Personnel costs are projected to increase \$3.6 million or 3.8% over the 2019 estimates.

Personnel (\$=000)					2020 Budget vs 2019 Estimate	
	2018 Actual	2019 Budget	2019 Estimate	2020 Budget	Dollar Change	% Change
Personnel						
Salaries & Wages	\$62,361	\$63,325	\$64,600	\$67,105	\$2,505	3.9%
Benefits	26,975	29,826	29,900	30,974	1,074	3.6%
Total Personnel	\$89,335	\$93,151	\$94,500	\$98,079	\$3,579	3.8%

Major differences between the 2020 budget and 2019 estimate are as follows:

Salaries & Wages – The projected increase of \$2.5 million or 3.9% is due to the following:

- Wages – Effective January 2020, a 3.0% cost of living wage increase is included in the budget for non-organized and organized employees. In total, wages will increase approximately \$2.4 million for cost of living and step increases. The 2020 budget includes:
 - Two operating engineer trainee and two police officer trainee positions due to hiring difficulties in these specialized, licensed work areas
 - Other labor contract obligations such as shift differentials, equipment premium pay and Labor Union 320 longevity pay
 - An adjustment in wages to reflect a vacancy factor to account for the time necessary to review and fill open positions
 - Seven new positions for 2020, identified earlier, which added approximately \$485,000 to the budget
 - A full year’s impact for positions that were vacant for all or part of 2019, totaling \$784,000. Many of the open positions were in Information Technology, Police and Fire, which require a more intensive hiring process. Many of these positions are expected to be filled early in 2020.
 - Through the detailed review of expense budgeting, the lower temporary employees budget off-set the increase in salaries and wages.

Full-Time Equivalent Positions					
2016 Actual	2017 Actual	2018 Actual	2019 Budget	2019 Estimate	2020 Budget
604.5 [‡]	613 [^]	623 [^]	680.5 ^{^*∞}	652	686.5 ^{~!}
‡ includes 9 additional positions ^ includes 8 additional positions * includes 1 temporary Firefighter Cadet Trainee position ∞ includes 27 status change positions ~ includes 7 additional positions ! excludes 1 temporary Firefighter Cadet Trainee position					

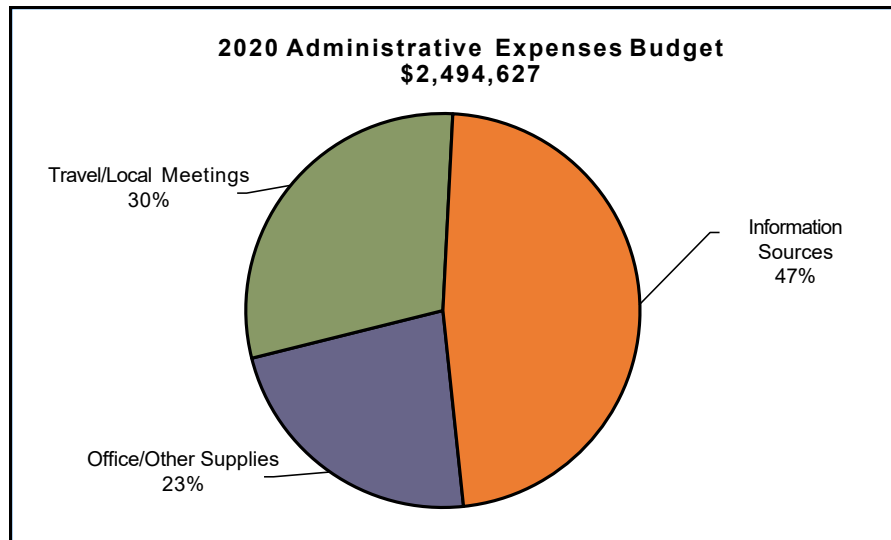
Benefits – Included in benefits are employee insurance/post-retirement healthcare, Social Security, Medicare, retirement plans, severance, workers’ compensation and other miscellaneous items. As shown on the prior page, an increase of \$1.1 million or 3.6% is projected over 2019 estimate for the following reasons:

- A projected growth of 7.2% over the 2019 estimate for employee insurance, due to new hires and medical inflation
- An estimated increase of \$355,000 for retirement plans, Social Security and Medicare contributions, due to a growth in wages and headcount

Administrative Expenses

Administrative Expenses are projected to increase \$375,000 or 17.7% as identified in the table below. Most of the increase from the 2019 estimate is in Information Sources.

Administrative Expenses (\$=000)	2018	2019	2019	2020	2020 Budget vs 2019 Estimate	
	Actual	Budget	Estimate	Budget	Dollar Change	% Change
	Office/Other Supplies	\$622	\$586	\$583	\$566	(\$17)
Travel/Local Meetings	627	706	702	743	41	5.8%
Information Sources	809	841	835	1,186	351	42.0%
Total Administrative Expenses	\$2,058	\$2,133	\$2,120	\$2,495	\$375	17.7%



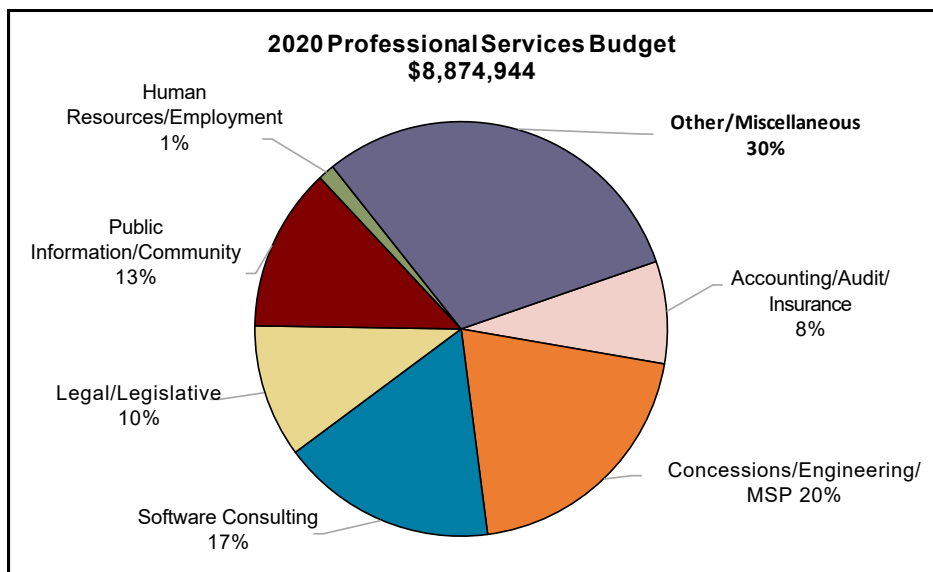
Travel/Local Meetings – The increase in the budget of \$41,000 or 5.8% is based on higher airfares, lodging costs, registration fees, mileage and meal costs for attending conferences and meetings. A number of staff serve on national committees that typically require out of state travel.

Information Sources – The budget increase of \$351,000 or 42.0% arises from advertising the new MSP Silver Parking Ramp and the new parking reservation option for customers. Also added to the budget are funds to support the messaging and branding strategic priority and subscriptions needed for data analytic services.

Professional Services

Professional Services are estimated to increase \$1.1 million or 13.8% over 2019 estimates.

Professional Services (\$=000)	2018	2019	2019	2020	2020 Budget vs 2019 Estimate	
	Actual	Budget	Estimate	Budget	Dollar Change	% Change
Accounting/Audit/Insurance	\$588	\$622	\$660	\$709	\$49	7.4%
Concessions/Engineering/MSP	1,508	2,301	2,188	1,796	(392)	-17.9%
Software Consulting	674	1,200	1,274	1,500	226	17.7%
Legal/Legislative	890	976	928	923	(5)	-0.5%
Public Information/Community	289	504	480	1,132	652	135.8%
Human Resources/Employment	91	81	76	115	39	51.3%
Other/Miscellaneous	2,168	2,306	2,194	2,700	506	23.1%
Total Professional Services	\$6,208	\$7,990	\$7,800	\$8,875	\$1,075	13.8%



The following combination of changes in Professional Services explains the larger variances:

Accounting/Audit/Insurance – The budget is increasing \$49,000 or 7.4%. To expand the Internal Audit service center into a new audit area, a partnership with an outside construction auditor is included in the 2020 budget.

Concessions/Engineering/MSP – The budget decrease of \$392,000 or 17.9% results from a land use real estate assessment study that was planned in 2019. Phase two of this assessment is budgeted in 2020 at a cost reduction of \$650,000 to assess and prioritize the full range of land development leasing options across the MAC’s seven airports and engage with stakeholders to seek opportunities that align with both airport and community interests. Various other expense increases minimized the budget dollar change from the estimate.

Software Consulting – The increase of \$226,000 or 17.7% in software consulting arises from a projected increase in consulting services for various MAC Information Technology systems.

Public Information/Community – This category is projected to increase \$652,000 or 135.8%. The MAC established nine strategic priorities for 2020 in addition to three focus areas and pre-existing strategic goals. The increase in this budget category is mainly a result of a number of strategic planning expenditures. The parking marketing budget moved from Landside Operations to Strategy and Stakeholder Engagement in 2020. Also, additional funds were added to meet an increased need for communications, marketing and engagement support for enterprise strategic goals, priorities and focus areas. Specific items causing the budget increase are:

- \$125,000 was added to the budget for internal communications to meet strategic initiatives.
- Advertising and branding services are requested in the budget for Parking Yield Management totaling \$150,000. The Parking Yield Management Program is new flexible pricing for parking that adjusts the pricing based on consumer demand.
- Professional services related to marketing research of \$100,000 are included in the budget.
- The 2020 budget is increased by \$80,000 to grow awareness of the MAC brand by centralizing communication and engagement activities in a consistent message.
- \$100,000 is included in the budget to design an employee training interface as part of the employee development program to provide training and resources to support employees in acquiring needed skills for the changing work environment and to improve performance management.
- \$40,000 of professional services are included in the budget for design and implementation of an MSP customer service survey program.

Human Resources/Employment – The 2020 budget will increase \$39,000 or 51.3% in this area for executive, employee and diversity recruitment based on current trends.

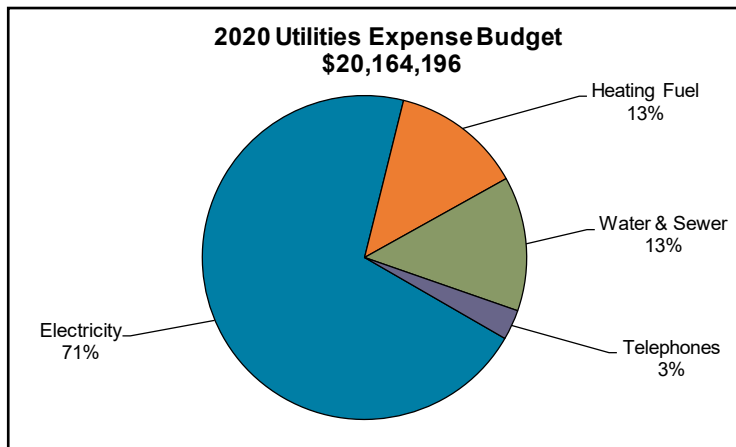
Other/Miscellaneous – Other/Miscellaneous contains safety, environmental and mechanical areas. The \$506,000 or 23.1% increase over the 2019 estimate is due to the following expenses included in the budget:

- As part of the Safety, Security and Preparedness strategic goal, \$40,000 is added to the budget to develop and implement new systems and practices related to Part 139 FAA regulations for airport certification that ensure safety in air transportation. These regulations emphasize data, technology, training and proactively managing compliance.
- \$80,000 is included in the budget to coordinate the master plan of the MSP irrigation system and for projected on-call electrical and plumbing needs.
- Guidance and technical expertise in relation to the MAC's strategic initiatives is projected to cost \$75,000 and is included in the budget.
- Marketing services are requested at \$100,000 to promote the growing areas of the organization.
- \$170,000 for a Geographic Information System (GIS) analyst contractor is included in the budget.

Utilities

Utilities is budgeted to increase \$684,000 or 3.5% over 2019 estimates and are explained as follows.

Utilities (\$=000)	2020 Budget vs 2019 Estimate					
	2018 Actual	2019 Budget	2019 Estimate	2020 Budget	Dollar Change	% Change
Utilities						
Electricity	\$13,896	\$13,669	\$13,200	\$14,224	\$1,024	7.8%
Heating Fuel	3,069	2,726	2,950	2,627	(323)	-10.9%
Water & Sewer	2,252	2,575	2,750	2,710	(40)	-1.5%
Telephones	713	614	580	603	23	4.0%
Total Utilities	\$19,930	\$19,584	\$19,480	\$20,164	\$684	3.5%



Electricity – The MAC received a utility rate rebate in 2019 causing a lower than budget estimate. The projected increase in electricity of \$1 million or 7.8% takes into account the low 2019 estimate along with the opening of the new Silver Parking Ramp.

Heating Fuel – Extreme weather conditions in the first quarter of 2019 are causing a higher than budget estimate. The decrease in heating fuel of \$323,000 or 10.9% is the result of budgeting an average winter’s expense.

Operating Services/Expenses

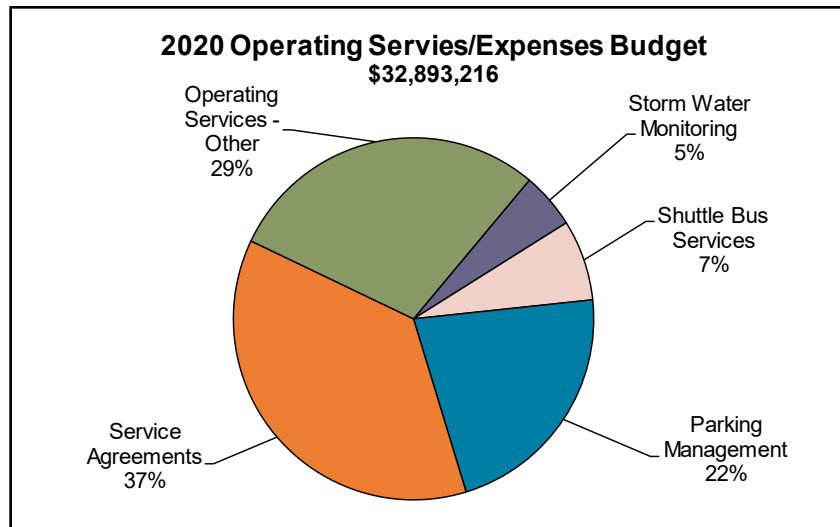
Operating Services/Expenses is projected to increase \$1.4 million or 4.6%. The following chart lists the major components in this category.

Operating Services/Expenses (\$=000)	2020 Budget vs 2019 Estimate					
	2018 Actual	2019 Budget	2019 Estimate	2020 Budget	Dollar Change	% Change
Parking Management	\$6,612	\$7,034	\$7,000	\$7,226	\$226	3.2%
Shuttle Bus Services	2,061	2,343	2,300	2,377	77	3.3%
Service Agreements	10,671	10,961	11,300	12,102	802	7.1%
Storm Water Monitoring	1,699	1,625	1,550	1,640	90	5.8%
Other	7,239	8,532	9,300	9,549	249	2.7%
Total Operating Services/Expenses	\$28,282	\$30,494	\$31,450	\$32,893	\$1,443	4.6%

Parking Management – Parking management costs are increasing \$226,000 or 3.2%. The 2019 year-end estimate is slightly below budget. The 2020 budget reflects contractual increases within the parking management contract.

Service Agreements – Service Agreements are projected to increase \$802,000 or 7.1% for the following areas:

- \$123,000 for parking-related cost increases
- Contractual increase for Terminal 1 loading dock services of \$147,000
- Additional frontline support services are needed for the ever-changing technology requirements for \$506,000.



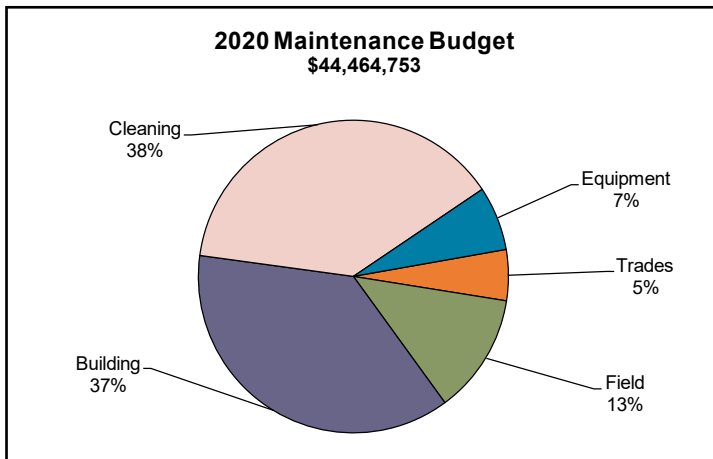
Other – Other is estimated to increase \$249,000 or 2.7%. Numerous items affected this line item in 2020. The major items are as follows:

- Security services are projected to increase \$425,000 due to contractual increases as well as additional security staffed at three gates around the MSP campus
- An increase of \$450,000 for parking yield management marketing as part of the strategic planning initiative
- A decrease of \$280,000 off-set the increase in this category as parking advertising moved to the Administrative expense category in 2020
- A decrease of \$75,000 for security at the MSP employee screening portal as well as various other expenses also off-set the increases in this category

Maintenance

The Maintenance 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 Movers); Equipment (Parts, Shop Supplies and Gas); and Cleaning (Janitorial, Windows, Cleaning Supplies and Refuse Removal). Total maintenance will decrease \$670,000 or 1.5% over 2019 estimates.

Maintenance (\$=000)	2018 Actual	2019 Budget	2019 Estimate	2020 Budget	2020 Budget vs 2019 Estimate	
					Dollar Change	% Change
Maintenance						
Trades	\$2,316	\$2,042	\$2,000	\$2,346	\$346	17.3%
Field	6,833	3,991	7,115	5,536	(1,579)	-22.2%
Building	15,660	16,183	17,000	16,542	(458)	-2.7%
Equipment	2,906	2,788	3,200	2,951	(249)	-7.8%
Cleaning	14,862	15,923	15,820	17,090	1,270	8.0%
Total Maintenance	\$42,576	\$40,927	\$45,135	\$44,465	(\$670)	-1.5%



Trades – Trades is projected to increase \$346,000 or 17.3%. The 2019 estimate is slightly lower than budget. Painting supplies and additional contractors for Part 139 compliance is expected to increase the 2020 budget \$190,000. Increases in general parts and supplies as well as generator contractual maintenance is based on estimated needs for 2020.

Field – Field costs include snow removal, summer maintenance and landscaping. Snow removal costs make up the majority of this \$5.5 million budget. Difficult winter conditions with many snow events in the first and fourth quarters of 2019 increased the need

for additional anti-ice materials and equipment and caused a much higher 2019 estimate. The budget for 2020 uses an average winter and average material and equipment costs to determine snow removal expenses, creating a decrease of \$1.6 million or 22.2%.

Building–The 2020 budget for Building is lower than the 2019 estimate due to higher expenses incurred in 2019 such as protecting St. Paul Downtown Airport from river flooding as well as extra costs associated with accommodating a new airline that began service at MSP in 2019.

Equipment –The 2020 Equipment projection is lower than the 2019 budget estimate by \$249,000 or 7.8%; the 2019 estimate is expected to exceed the budget due to the number of snow events in 2019. The decrease in 2020 is offset by anticipated minor increases in parts and supplies.

Cleaning – Cleaning is budgeted to increase \$1.3 million or 8.0%. This is a result of the contractual price increases as well as additional areas to be cleaned such as the new MSP Silver Parking Ramp and newly constructed concession areas at MSP.

Other

The Other expense category is projected to increase \$1,057,000 or 23.6%. This category includes General Insurance, Minor Equipment (less than \$10,000) and miscellaneous items.

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

Other (\$=000)	2020 Budget vs 2019 Estimate					
	2018 Actual	2019 Budget	2019 Estimate	2020 Budget	Dollar Change	% Change
Other						
General Insurance	\$1,945	\$2,145	\$2,075	\$2,216	\$141	6.8%
Minor Equipment	1,855	1,317	1,100	795	(305)	-27.7%
Other	727	693	1,300	2,521	1,221	93.9%
Total Other	\$4,527	\$4,155	\$4,475	\$5,532	\$1,057	23.6%

General Insurance – General Insurance is expected to increase \$141,000 or 6.8% over the 2019 estimate. The insurance market is based upon factors worldwide, including losses under the deductible, litigation costs, history of cost and inflationary factors. The auto insurance premium and airport liability claims are causing a lower 2019 year-end estimate. The 2020 budget increase reflects an expected rise in property insurance premiums.

Minor Equipment – Minor equipment is projected to decrease \$305,000 or 27.7% from the 2019 estimate. Fewer computers and radios are needed in 2020.

Other – The Other category consists of expenses for safety, medical and other equipment; license fees and other miscellaneous expenses. This budget category is projected to be \$1.2 million or 93.9% higher in 2020 compared to the prior year estimate. One of the strategic goals is to grow and retain air service by enhancing partnerships, assessing strategic growth opportunities and investing more in business development. The budget increase includes three airline service incentives providing international service to Seoul, Mexico City and Dublin projected to cost \$1.7 million. Offsetting this increase is that the 2019 estimate is \$600,000 higher than budget for airline incentives not expected in 2019.



Tribute to Airlines Serving Mexico City and Seoul as Part of the Metropolitan Airports Commission Incentive Program



2020 Budget Expenses by Subledger

	Total	Terminal 1	Terminal 1 Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
Personnel									
Wages	67,283,432	781,565	-	1,922,207	-	1,566,342	-	2,474,779	-
Benefits	30,795,698	501,526	-	997,171	-	166,780	-	1,041,871	-
Total Personnel	98,079,130	1,283,091	-	2,919,378	-	1,733,122	-	3,516,650	-
Administrative Expenses									
Supplies	566,332	3,000	28,750	3,491	-	14,546	-	15,104	-
Travel	684,797	5,350	-	-	-	21,000	-	26,928	-
Other Administrative Expenses	1,243,498	800	-	-	-	2,250	-	20,456	85,000
Total Administrative Expenses	2,494,627	9,150	28,750	3,491	-	37,796	-	62,488	85,000
Professional Services									
Accounting/Audit Fees	302,600	-	-	-	-	-	-	-	-
Appraisals	450,000	-	-	-	-	-	-	-	-
RFP/Leases	22,500	-	-	-	-	-	-	-	-
Computer Services	1,500,000	-	-	-	-	-	-	-	-
Engineering Fees	950,000	-	-	48,000	-	525,000	-	-	-
Graphic Design	30,000	-	-	-	-	-	-	-	-
Insurance Consultants	350,000	-	-	-	-	-	-	-	-
Legal Fees	725,000	-	-	-	-	-	-	-	-
Legislative	198,000	-	-	-	-	-	-	-	-
Medical Fees	56,500	-	-	-	-	-	-	-	-
Planning	198,000	-	-	-	-	1,000	-	-	-
Pollution/Environmental Fees	4,200	-	-	-	-	-	-	-	-
Public Information	509,600	-	-	-	-	-	-	-	-
Recruiting Expenses	115,000	-	-	-	-	-	-	-	-
Safety Consultants	47,204	-	-	-	-	-	-	-	-
Communications Consultant	24,000	-	-	-	-	24,000	-	-	-
Miscellaneous Expenses	3,392,340	464,569	-	-	-	-	-	-	146,000
Total Professional Services	8,874,944	464,569	-	48,000	-	550,000	-	-	146,000
Utilities									
Electricity	14,223,931	8,856,418	-	-	-	915,766	-	533,622	503,338
Heating Fuel	2,627,295	159,178	-	1,493,571	-	63,131	9,583	93,415	87,707
Sewer	1,349,845	275,589	-	53,249	-	62,048	-	10,792	11,972
Water	1,359,894	384,957	-	125,730	-	9,814	-	12,808	8,633
Telephone	603,231	7,500	-	10,646	-	6,000	-	6,600	-
Total Utilities	20,164,196	9,683,642	-	1,683,196	-	1,056,759	9,583	657,237	611,650

2020 Budget Expenses by Subledger

	Cargo Area	Terminal 2	Public Area/ Roads	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<u>Personnel</u>							
Wages	-	740,509	-	-	15,283,646	-	-
Benefits	-	241,254	-	-	7,768,453	30,000	3,550
Total Personnel	-	981,763	-	-	23,052,099	30,000	3,550
<u>Administrative Expenses</u>							
Supplies	-	27,750	-	-	7,500	2,500	12,000
Travel	-	6,500	-	-	500	-	2,804
Other Administrative Expenses	-	1,100	-	-	-	-	2,520
Total Administrative Expenses	-	35,350	-	-	8,000	2,500	17,324
<u>Professional Services</u>							
Accounting/Audit Fees	-	-	-	-	-	-	-
Appraisals	-	-	-	-	-	-	-
RFP/Leases	-	-	-	-	-	-	-
Computer Services	-	-	-	-	-	-	-
Engineering Fees	-	-	-	-	-	-	-
Graphic Design	-	-	-	-	-	-	-
Insurance Consultants	-	-	-	-	-	-	-
Legal Fees	-	-	-	-	-	-	-
Legislative	-	-	-	-	-	-	-
Medical Fees	-	-	-	-	-	-	-
Planning	-	-	-	-	-	-	-
Pollution/Environmental Fees	-	-	-	-	-	-	-
Public Information	-	-	-	-	-	-	-
Recruiting Expenses	-	-	-	-	-	-	-
Safety Consultants	-	-	-	-	-	-	-
Communications Consultant	-	-	-	-	-	-	-
Miscellaneous Expenses	-	44,450	-	-	20,500	-	420,000
Total Professional Services	-	44,450	-	-	20,500	-	420,000
<u>Utilities</u>							
Electricity	187,052	1,438,994	312,186	369,902	-	-	352,675
Heating Fuel	111,266	292,744	1,936	51,033	-	-	144,270
Sewer	13,785	-	872,873	948	-	-	9,916
Water	2,256	114,178	664,800	6,240	-	-	16,179
Telephone	-	1,750	-	-	13,600	-	38,729
Total Utilities	314,359	1,847,666	1,851,795	428,123	13,600	-	561,769

2020 Budget Expenses by Subledger

	Concourses A-D	Police	Fire	Administration	Building Official	Comm/ Operations	Noise & Environment	Total Reliever Airports
<u>Personnel</u>								
Wages	-	13,743,809	5,523,760	16,767,401	1,117,911	3,305,580	1,081,296	2,974,627
Benefits	-	6,438,408	2,879,810	6,974,490	328,876	1,524,878	485,420	1,413,209
Total Personnel	-	20,182,217	8,403,571	23,741,892	1,446,788	4,830,458	1,566,716	4,387,836
<u>Administrative Expenses</u>								
Supplies	-	150,252	2,000	256,036	4,350	29,437	2,100	7,516
Travel	-	54,917	7,990	449,605	19,360	40,268	27,200	22,375
Other Administrative Expenses	-	30,774	5,650	866,008	4,712	41,393	157,580	25,255
Total Administrative Expenses	-	235,943	15,640	1,571,649	28,422	111,098	186,880	55,146
<u>Professional Services</u>								
Accounting/Audit Fees	-	-	-	302,600	-	-	-	-
Appraisals	-	-	-	450,000	-	-	-	-
RFP/Leases	-	-	-	2,500	20,000	-	-	-
Computer Services	-	-	-	1,500,000	-	-	-	-
Engineering Fees	-	-	-	190,000	-	-	47,000	140,000
Graphic Design	-	-	-	30,000	-	-	-	-
Insurance Consultants	-	-	-	350,000	-	-	-	-
Legal Fees	-	-	-	618,000	-	-	92,000	15,000
Legislative	-	-	-	198,000	-	-	-	-
Medical Fees	-	-	-	56,500	-	-	-	-
Planning	-	-	-	125,000	-	-	-	72,000
Pollution/Environmental Fees	-	-	-	-	-	-	1,200	3,000
Public Information	-	-	-	509,600	-	-	-	-
Recruiting Expenses	-	-	-	115,000	-	-	-	-
Safety Consultants	-	2,954	-	44,250	-	-	-	-
Communications Consultant	-	-	-	-	-	-	-	-
Miscellaneous Expenses	-	105,164	103,840	1,277,517	-	140,000	365,000	305,300
Total Professional Services	-	108,118	103,840	5,768,967	20,000	140,000	505,200	535,300
<u>Utilities</u>								
Electricity	-	-	126,529	277,142	-	-	2,184	348,123
Heating Fuel	-	-	33,007	45,739	-	-	-	40,715
Sewer	-	-	1,961	2,084	-	-	-	34,628
Water	-	-	6,336	3,332	-	-	-	4,631
Telephone	-	43,402	18,050	329,771	4,740	28,602	29,960	63,881
Total Utilities	-	43,402	185,883	658,068	4,740	28,602	32,144	491,978

2020 Budget Expenses by Subledger

	Total	Terminal 1	Terminal 1 Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
Operating Services/Expenses									
Advertising	332,200	-	-	-	-	-	-	-	-
Environmental Control	266,598	-	-	300	-	22,000	-	-	-
GISW Management	1,640,000	-	-	-	-	1,500,000	-	-	-
Ground Transportation Services	30,000	-	-	-	-	-	-	30,000	-
Shuttle Services	2,376,835	969,471	-	-	-	-	-	930,398	423,206
Parking Lots	7,225,924	-	-	-	-	-	-	-	7,225,924
Met Council Fees	290,000	-	-	-	-	290,000	-	-	-
Employee Programs	252,647	-	-	-	-	-	-	-	-
Conference Center	30,000	-	-	-	-	-	-	-	-
Events & Exercises	338,455	15,000	-	-	-	500	-	-	-
Other Charges/Fees	8,008,727	2,709,920	-	-	-	1,225,330	-	16,600	1,019,820
Service Agreements	12,101,830	3,728,122	604,234	-	-	220,012	-	452,745	927,703
Total Operating Services/Expenses	32,893,216	7,422,513	604,234	300	-	3,257,842	-	1,429,743	9,596,653
Maintenance									
Trades - Painters	436,700	22,800	-	1,100	-	345,000	-	-	5,000
Trades - Carpenters	313,625	145,440	-	-	-	-	-	-	-
Trades - Plumbers	247,367	112,972	-	5,002	-	3,060	-	1,545	-
Trades - Electricians	1,348,257	421,500	-	11,000	-	325,000	-	5,000	142,000
Maintenance - Field	5,536,420	6,374	-	-	212,500	1,733,148	-	209,000	885,000
Maintenance Building	16,541,923	10,204,008	-	275,626	-	41,506	-	1,603,371	386,180
Maintenance-Cleaning	17,089,859	11,889,766	235,463	-	-	60,000	-	345,775	932,925
Maintenance-Equipment	2,950,602	159,991	2,000	260,099	-	-	-	26,429	127,285
Total Maintenance	44,464,753	22,962,851	237,463	552,827	212,500	2,507,714	-	2,191,120	2,478,390
Other									
General Insurance	2,215,999	618,579	-	100,951	65,004	109,513	-	37,814	131,753
Safety	102,199	-	-	4,420	-	13,000	-	-	-
Medical Information/Supply	15,003	500	-	233	-	1,500	-	-	-
Rentals	35,900	-	-	-	-	-	-	-	-
Licenses/Permits	19,752	-	-	1,454	-	4,000	-	-	-
Miscellaneous Expenses	2,348,279	500	1,500	-	-	10,000	-	-	-
Capital Assets	795,363	5,000	-	-	-	-	-	-	-
Other	5,532,495	624,579	1,500	107,058	65,004	138,013	-	37,814	131,753
Grand Total	212,503,361	42,450,395	871,947	5,314,250	277,504	9,281,246	9,583	7,895,052	13,049,446

2020 Budget Expenses by Subledger

	Cargo Area	Terminal 2	Public Area/ Roads	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<u>Operating Services/Expenses</u>							
Advertising	-	-	-	-	-	-	-
Environmental Control	-	-	29,000	-	-	23,500	16,000
GISW Management	-	-	-	-	-	-	-
Grd Transportation Services	-	-	-	-	-	-	-
Shuttle Services	-	53,760	-	-	-	-	-
Parking Lots	-	-	-	-	-	-	-
Met Council Fees	-	-	-	-	-	-	-
Employee Programs	-	-	-	-	-	-	-
Conference Center	-	-	-	-	-	-	-
Events & Exercises	-	-	-	-	-	-	-
Other Charges/Fees	-	842,014	-	-	-	-	-
Service Agreements	-	1,016,794	-	-	18,513	34,000	45,500
Total Operating Services/Expenses	-	1,912,568	29,000	-	18,513	57,500	61,500
<u>Maintenance</u>							
Trades - Painters	-	2,500	-	-	-	-	51,050
Trades - Carpenters	-	31,230	-	-	-	-	102,901
Trades - Plumbers	-	22,475	1,545	14,133	-	6,180	51,557
Trades - Electricians	-	89,000	50,000	24,000	-	-	53,750
Maintenance - Field	55,000	35,000	79,500	-	-	2,167,000	-
Maintenance Building	134,224	1,942,195	-	58,868	-	5,819	113,022
Maintenance-Cleaning	3,232	2,397,731	-	120,777	-	1,000	14,171
Maintenance-Equipment	-	44,322	-	8,886	-	1,447,817	79,344
Total Maintenance	192,456	4,564,453	131,045	226,664	-	3,627,816	465,795
<u>Other</u>							
General Insurance	-	66,711	37,316	34,030	-	210,219	11,157
Safety	-	-	-	-	26,000	3,000	20,180
Medical Information/Supply	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	26,500
Licenses/Permits	-	-	-	-	425	6,350	-
Miscellaneous Expenses	-	2,000	-	-	-	50,460	140,000
Capital Assets	-	4,125	-	-	-	48,450	59,198
Total Other	-	72,836	37,316	34,030	26,425	318,479	257,035
Grand Total	506,815	9,459,086	2,049,156	688,817	23,139,137	4,036,295	1,786,973

2020 Budget Expenses by Subledger

	Concourses A-D	Police	Fire	Administration	Building Official	Comm/ Operations	Noise & Environment	Total Reliever Airports
<u>Operating Services/Expenses</u>								
Advertising	-	-	-	310,200	2,000	-	-	20,000
Environmental Control	-	-	5,000	13,000	-	-	1,000	156,798
GISW Management	-	-	-	100,000	-	-	40,000	-
Ground Transportation Services	-	-	-	-	-	-	-	-
Shuttle Services	-	-	-	-	-	-	-	-
Parking Lots	-	-	-	-	-	-	-	-
Met Council Fees	-	-	-	-	-	-	-	-
Employee Programs	-	-	1,000	251,647	-	-	-	-
Conference Center	-	-	-	-	30,000	-	-	-
Events & Exercises	-	35,740	-	244,500	-	36,015	-	6,700
Other Charges/Fees	-	74,255	-	687,733	1,385,655	-	33,500	13,900
Service Agreements	-	405,031	53,016	3,851,891	3,800	414,595	306,633	19,241
Total Operating Services/Expenses	-	515,026	59,016	5,458,971	1,421,455	450,610	381,133	216,639
<u>Maintenance</u>								
Trades - Painters	-	-	750	-	-	-	-	8,500
Trades - Carpenters	-	-	-	1,000	-	-	-	33,054
Trades - Plumbers	-	-	9,785	5,253	-	-	-	13,860
Trades - Electricians	-	16,200	32,700	33,500	-	-	-	144,607
Maintenance - Field	-	-	-	-	-	-	-	153,898
Maintenance Building	-	-	21,051	15,783	1,600,000	-	-	140,270
Maintenance-Cleaning	-	-	76,409	36,379	839,461	20,345	-	116,425
Maintenance-Equipment	-	236,793	84,966	33,071	-	28,934	1,914	408,751
Total Maintenance	-	252,993	225,661	124,986	2,439,461	49,279	1,914	1,019,365
<u>Other</u>								
General Insurance	-	229,293	170,435	117,081	-	9,955	7,113	259,075
Safety	-	9,341	-	22,995	-	-	-	3,263
Medical Information/Supply	-	7,465	5,000	-	-	-	-	305
Rentals	-	-	-	9,400	-	-	-	-
Licenses/Permits	-	-	-	-	610	-	2,500	4,413
Miscellaneous Expenses	-	217,593	55,000	52,600	1,779,553	19,000	10,000	10,073
Capital Assets	-	33,304	100,500	500,250	10,000	24,536	10,000	-
Total Other	-	496,996	330,935	702,326	1,790,163	53,491	29,613	277,129
Grand Total	-	21,834,695	9,324,546	38,026,859	7,151,029	5,663,538	2,703,600	6,983,393

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Construction Fund

All capital asset expenditures are within the Construction Fund and are broken down into two categories:

- Equipment and Technology-Related Expenditures
- Capital Improvement Program Expenditures

Capital asset expenditures relate to the acquisition of assets in which the benefits extend over one or more accounting periods beyond the current period. It is the MAC'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 of all final payments, including any change orders, are reviewed and approved by the Commission.

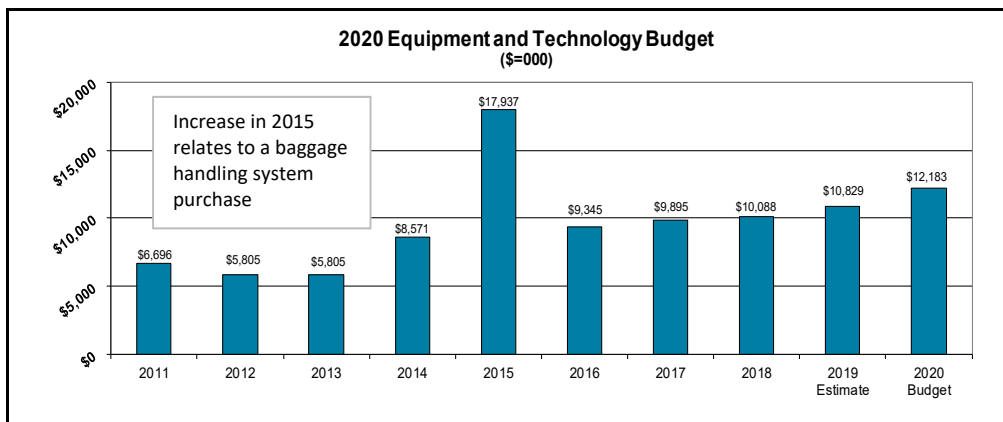
Equipment and Technology-Related Expenditures

The MAC completes its capital equipment requests for new and replacement equipment annually. All technology-related capital equipment is also reviewed by the Information Technology Department. The capital equipment requests in the 2020 budget increased by \$1.4 million or 12.5% from the 2019 estimate.

In 2008, the MAC 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 MAC 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 MSP tenants, particularly the airlines. In the Amendment, depreciation was eliminated as a calculation method. Instead, various types of debt are charged back to the tenants and airlines.

Currently, the \$12.2 million equipment and technology 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 equipment financing (i.e., Notes Payable). The amount of equipment financed for 2020 is approximately \$3.4 million. The term of these financings is 10 years. The principal and interest associated with these equipment financings will be charged back based on the appropriate percentage found in the Airline Use and Lease Agreement resulting in recovery of all or a portion of the total dollars. Lastly, the remaining value of capital equipment (approximately \$8.8 million) will be funded with internally-generated funds.

The chart below compares equipment and technology purchases for the past 10 years. In 2015, the MAC purchased the outbound baggage handling system from Delta Air Lines for approximately \$8 million.



Capital Equipment Projects

82600 Airside Operations

Polaris Ranger

Acquisition:	Replacement	This vehicle is used by Airside staff to conduct inspections of taxiway and runway safety areas, fence lines, object free areas, runway protection zones and areas where full size vehicles are unable to go. The current Polaris Ranger and John Deere Gator will be reallocated to Field Maintenance.
Individual Cost:	\$23,000	
Trade-in Value:	\$0	
Quantity:	1	
Total:	\$23,000	

Surface Friction Tester Computer and GPS Upgrade

Acquisition:	New	This upgrade will provide GPS capability, geospatial data and compatibility between two surface friction testing vehicles.
Individual Cost:	\$12,000	
Trade-in Value:		
Quantity:	1	
Total:	\$12,000	

Airside Operations Total: \$35,000

83600 Fire

Airport Rescue and Firefighting Vehicle

Acquisition:	Replacement	The current vehicle has reached the 12-year life expectancy recommended by the FAA in its Advisory Circulars. The replacement vehicle will have an increased capacity for water and foam, matching other vehicles in the existing fleet and providing an additional high reach extendable turret device for Aircraft Rescue and Firefighting responses.
Individual Cost:	\$1,330,000	
Trade-in Value:	\$30,000	
Quantity:	1	
Total:	\$1,300,000	

Utility Pick-Up Truck

Acquisition:	Replacement	This will replace a 2005 utility pickup truck. The vehicle will pull the airboat and other response trailers and transport personnel for various special events and training activities. The current pick-up will be kept by the MAC and reassigned to another department.
Individual Cost:	\$60,000	
Trade-in Value:	\$0	
Quantity:	1	
Total:	\$60,000	

Fire Total: \$1,360,000

84200 Police

K9 Vehicle

Acquisition:	Replacement	These K9 vehicles will replace units recommended for replacement by standards set by the Airport Police Department (APD) and the MAC's equipment superintendent. These vehicles are reimbursable through a TSA program.
Individual Cost:	\$55,000	
Trade-in Value:	\$4,000	
Quantity:	2	
Total:	\$106,000	

Patrol Vehicle

Acquisition:	Replacement	This patrol vehicle will replace a unit recommended for replacement by standards set by the APD and MAC's equipment superintendent. Patrol vehicles are attaining higher annual mileage due to the increase in required APD staffing levels.
Individual Cost:	\$55,000	
Trade-in Value:	\$2,000	
Quantity:	1	
Total:	\$53,000	

Patrol Vehicle

Acquisition:	Replacement	These patrol vehicles will replace units recommended for replacement by standards set by the APD and the MAC's equipment superintendent. Patrol vehicles are attaining higher annual mileage due to the increase in required APD staffing levels.
Individual Cost:	\$55,000	
Trade-in Value:	\$6,000	
Quantity:	3	
Total:	\$159,000	

Police Total: \$318,000

86100 Facilities - Terminal 1

Blast Mitigation Trash Containers

Acquisition:	New	New blast mitigation containers will be placed throughout the new Silver Parking Ramp to provide ramp users with necessary trash and recycling receptacles while complying with safety standards.
Individual Cost:	\$90,000	
Trade-in Value:		
Quantity:	1	
Total:	\$90,000	

Recycling Compactor

Acquisition:	New	A new auger-style recycling compactor with a cart dumper will process recycling materials generated by patrons of the Silver Parking Ramp.
Individual Cost:	\$70,000	
Trade-in Value:		
Quantity:	1	
Total:	\$70,000	

Smart Trash Collection Containers

Acquisition:	New	These smart trash collection units will communicate real-time status to janitorial crews. The units loosely compact trash and recycling, requiring them to be emptied less frequently than conventional bins. Staff estimates that these units will reduce the number of plastic bags used for trash and recycling by about 85% per unit.
Individual Cost:	\$100,000	
Trade-in Value:		
Quantity:	1	
Total:	\$100,000	

Trash Compactor

Acquisition:	New	A new auger-style trash compactor with a cart dumper will process trash generated by patrons of the Silver Parking Ramp.
Individual Cost:	\$70,000	
Trade-in Value:		
Quantity:	1	
Total:	\$70,000	

Facilities - Terminal 1

Total: \$330,000

88000 Trades - Electricians**Boom Truck**

Acquisition:	Replacement	The new boom truck will be used at the Reliever Airports to maintain airfield beacons and at MSP to set and maintain apron lights. It will replace an old unit that has a manual transmission and lacks power to complete necessary work.
Individual Cost:	\$390,000	
Trade-in Value:	\$30,000	
Quantity:	1	
Total:	\$360,000	

Field Van

Acquisition:	Replacement	The field van is used by MAC electricians to maintain the airfield lighting. The current van exceeds a safe noise level, making it dangerous to operate. The new van will be similar to the current unit while reducing noise to a safe level.
Individual Cost:	\$250,000	
Trade-in Value:	\$30,000	
Quantity:	1	
Total:	\$220,000	

Trades - Electricians

Total: \$580,000

88100 Trades - Painters**Drum Assembly for GrindLazer**

Acquisition:	New	This drum assembly will be used in equipment that removes markings from the airfield, parking ramps and parking lots.
Individual Cost:	\$13,000	
Trade-in Value:		
Quantity:	1	
Total:	\$13,000	

LineLazer 200HS

Acquisition:	New	This piece of equipment includes a pressurized bead system that is required to install airfield markings in compliance with FAA standards.
Individual Cost:	\$9,650	
Trade-in Value:		
Quantity:	2	
Total:	\$19,300	

LineLazer 250DC

Acquisition:	New	This piece of equipment will install airfield markings to meet FAA standards. It will also increase efficiency for crews marking the MSP airfield.
Individual Cost:	\$14,000	
Trade-in Value:		
Quantity:	1	
Total:	\$14,000	

Trades - Painters Total: \$46,300

88300 Trades - Plumbers**Vacon Vector Combination Machine**

Acquisition:	Replacement	This specialty truck will be used to maintain the sanitary and storm sewers for the Silver Parking Ramp. The truck uses suction and water jetting to clean and can capture waste in a debris box for proper disposal.
Individual Cost:	\$475,000	
Trade-in Value:	\$30,000	
Quantity:	1	
Total:	\$445,000	
Trades - Plumbers Total:	\$445,000	

89000 Field Maintenance**Field Sander**

Acquisition:	New	This field sander will add to the existing fleet. It is needed for the second runway team to respond to changing weather patterns.
Individual Cost:	\$210,000	
Trade-in Value:		
Quantity:	1	
Total:	\$210,000	

Flush Trailer Pumps and Hoses

Acquisition:	Replacement	Two flush trailer pumps and hoses will replace weathered units that are too old for which to obtain replacement parts.
Individual Cost:	\$12,000	
Trade-in Value:	\$0	
Quantity:	2	
Total:	\$24,000	

Light Plow Sprayer

Acquisition:	Replacement	The new sprayer will replace a unit that has increasing maintenance costs and lacks automatic steering.
Individual Cost:	\$600,000	
Trade-in Value:	\$0	
Quantity:	1	
Total:	\$600,000	

Lighted Runway Safety "X" Signs

Acquisition:	Replacement	These signs are required for regulatory compliance. The LED lights will be an upgrade of the current sign system.
Individual Cost:	\$27,000	
Trade-in Value:	\$0	
Quantity:	2	
Total:	\$54,000	

Liquid De-Icing Truck

Acquisition:	New	This de-icing truck will add to the existing fleet. It is needed for the second runway team to respond to changing weather patterns.
Individual Cost:	\$260,000	
Trade-in Value:		
Quantity:	1	
Total:	\$260,000	

Mobile Light Towers

Acquisition:	Replacement	Six mobile light towers will replace the aging fleet that is over 25
Individual Cost:	\$20,000	years old.
Trade-in Value:	\$0	
Quantity:	6	
Total:	\$120,000	

Runway De-Icer Flow Rate Controllers

Acquisition:	Replacement	Three new runway de-icer flow rate controllers will standardize
Individual Cost:	\$40,000	the fleet for consistency.
Trade-in Value:	\$0	
Quantity:	3	
Total:	\$120,000	

Skid Loader Blade/Pusher Attachment

Acquisition:	New	The new equipment will be used to respond to an increased
Individual Cost:	\$17,200	demand for ramp and gate cleaning.
Trade-in Value:		
Quantity:	1	
Total:	\$17,200	

Field Maintenance Total: \$1,405,200

90200 Relievers - St. Paul

Mechanic Shop Tools

Acquisition:	Replacement	New tools will replace an old pressure washer, air conditioner
Individual Cost:	\$20,500	refrigerant, wheel balancer and tire changer which have all
Trade-in Value:	\$500	reached end-of-life.
Quantity:	1	
Total:	\$20,000	

Rotary Mower

Acquisition:	Replacement	The new mower will maintain airside and landside grass areas.
Individual Cost:	\$127,000	
Trade-in Value:	\$12,000	
Quantity:	1	
Total:	\$115,000	

Toolcat and Attachments

Acquisition:	New	The new Toolcat is a versatile utility work machine. Along with
Individual Cost:	\$75,000	its attachments, it will be used to perform a myriad of airside and
Trade-in Value:		landside duties.
Quantity:	1	
Total:	\$75,000	

Relievers - St. Paul Total: \$210,000

90300 Relievers - Lake Elmo

Rotary Mower

Acquisition:	Replacement	The new rotary mower will maintain airside and landside grass areas. It will right-size equipment to one machine and allow the current two machines to be traded in. This will improve staff efficiency and maintenance costs.
Individual Cost:	\$143,500	
Trade-in Value:	\$28,500	
Quantity:	1	
Total:	\$115,000	

Toolcat and Attachments

Acquisition:	New	The new Toolcat is a versatile utility work machine. Along with its attachments, it will be used to perform a myriad of airside and landside duties.
Individual Cost:	\$100,000	
Trade-in Value:		
Quantity:	1	
Total:	\$100,000	

Relievers - Lake Elmo

Total: \$215,000

90400 Relievers - Airlake

Self-Propelled Mower

Acquisition:	Replacement	The new self-propelled mower will replace a mower that has exceeded its useful life.
Individual Cost:	\$87,000	
Trade-in Value:	\$2,000	
Quantity:	1	
Total:	\$85,000	

Toolcat Accessories

Acquisition:	New	These attachments will be used with the existing Toolcat equipment to perform a myriad of airside and landside duties.
Individual Cost:	\$18,000	
Trade-in Value:		
Quantity:	1	
Total:	\$18,000	

Relievers - Airlake Total: \$103,000

90500 Relievers - Flying Cloud

Material Spreader

Acquisition:	Replacement	This will replace an outdated tailgate-mounted material spreader. It will be used to apply solid runway de-icer during snow events.
Individual Cost:	\$10,000	
Trade-in Value:	\$0	
Quantity:	1	
Total:	\$10,000	

Truck Mounted Plow

Acquisition:	New	This plow will help cleanup smaller areas of the airport during and after snow events. Additionally, it will increase efficiency during airfield inspections.
Individual Cost:	\$10,000	
Trade-in Value:		
Quantity:	1	
Total:	\$10,000	

Wheel Loader

Acquisition:	Replacement	This will replace a wheel loader that has exceeded its useful life.
Individual Cost:	\$245,000	
Trade-in Value:	\$5,000	
Quantity:	1	
Total:	\$240,000	

Zero Turn Mower

Acquisition:	Replacement	This will replace a mower that has exceeded its useful life.
Individual Cost:	\$42,000	
Trade-in Value:	\$2,000	
Quantity:	1	
Total:	\$40,000	

Relievers - Flying Cloud

Total:	\$300,000
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Capital Equipment

Total:	\$5,347,500
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Technology-Related Projects

79000 Information Technology

Cybersecurity

Acquisition:	New	This project is part of a multi-year program. It will continue critical
Individual Cost:	\$890,000	work in response to the MAC's Cybersecurity Framework
Quantity:	1	scorecard from the U.S. Department of Commerce's National
Total:	\$890,000	Institute of Standards and Technology. This project bolsters
		protection of the MAC's most critical Information Technology
		assets, which impact the life, reputation and ability to operate as
		an airport. The MAC continues to develop a security program
		and processes to secure data and to assess, provide governance
		over and respond to incidents. Program funds will be used
		towards cybersecurity resources, data, disaster recovery and
		identity management security improvements.

Enterprise Hardware

Acquisition:	New	This project will include common use hardware, video equipment
Individual Cost:	\$175,000	and other hardware needed for MAC business areas.
Quantity:	1	
Total:	\$175,000	

Enterprise Resource Planning

Acquisition:	New	EnterpriseOne is a software product used by the MAC to handle
Individual Cost:	\$1,225,000	a wide range of administrative and financial functions. These
Quantity:	1	functions include accounting, general ledger, personnel,
Total:	\$1,225,000	purchasing and lease management. This program will continue
		the initiative to provide upgrades to accounts payable, hardware,
		software and other stakeholder priorities. It will also add other
		efforts, including integrating work orders and asset management
		systems with the Part 139 inspection application.

Geographical Information Systems

Acquisition:	New	These funds are part of a three-year plan to grow our
Individual Cost:	\$600,000	Geographic Information System (GIS) capabilities. GIS
Quantity:	1	capabilities are key to the MAC's ability to provide mapping and
Total:	\$600,000	location services for any software application. Nearly all MAC
		systems have a need for GIS. These funds are for program
		management, vendor staffing, technical support data
		management, GIS application development and data acquisition.

IT System and Process Improvements

Acquisition:	New	These projects will strengthen the technology foundation by
Individual Cost:	\$768,500	retiring legacy systems, and continue to mature Application
Quantity:	1	Governance, Project Management Office and Information
Total:	\$768,500	Technology Service Management.

IT Tech Upgrades and Refresh

Acquisition:	New	These projects will continue to enhance the technology footprint
Individual Cost:	\$570,200	in the areas of Customer Relationship Management, E-
Quantity:	1	Commerce, Fiber Tracking, Business Intelligence, Application
Total:	\$570,200	Development and Office 365.

New Systems

Acquisition:	New	New systems are required for firehouse station alerting, safety management, key audits, parking and availability, fleet management and remote noise monitoring management. The new systems will provide critical functionality, including improved analytics, tracking, monitoring and reporting.
Individual Cost:	\$1,585,000	
Quantity:	1	
Total:	\$1,585,000	

System Enhancements and Upgrades

Acquisition:	New	In order to meet demand for increased use of technology and new technology needs, system enhancements and upgrades are required to support the following MAC business areas: Human Relations, Customer Experience, Airport Operations and Facilities.
Individual Cost:	\$1,022,000	
Quantity:	1	
Total:	\$1,022,000	

Information Technology

Total:	\$6,835,700
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GRAND TOTAL: \$12,183,200

Capital Improvement Program Expenditures

On December 16, 2019, the Commission adopted the 2020-2026 Capital Improvement Program (CIP). The seven-year CIP forecasts construction projects in the MAC’s system of airports and consists of the following elements:

1. **2020 Capital Improvement Projects** – These are projects that have been reasonably defined for implementation in the upcoming calendar year, in this case 2020.
2. **2021 Capital Improvement Program** – 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. **2022-2026 Capital Improvement Plan** – This encompasses the last five years of the total program and consists of projects that appear 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.

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

2020-2026 Capital Improvement Program Funding				
	Year			Total
Projects	2020	2021	2022-2026	
MSP END OF LIFE/REPLACEMENT PROJECTS				
10 - Terminal 1				
Concourse and Hub Tram Replacement			\$ 600,500,000	\$ 600,500,000
Passenger Boarding Bridge Replacements	\$ 4,000,000	\$ 8,000,000	\$ 20,000,000	\$ 32,000,000
Recarpeting Program			\$ 21,000,000	\$ 21,000,000
Tram Systems Retrofit and Equipment	\$ 1,750,000			\$ 1,750,000
TSA Recapitalization	\$ 12,000,000			\$ 12,000,000
13 - Energy Management Center				
Elastometric Pump Expansion Fitting Replacement		\$ 900,000		\$ 900,000
Ground Transit Center Dual Temperature Pump Improvements			\$ 1,800,000	\$ 1,800,000
Variable Air Volume Box Replacement		\$ 750,000	\$ 2,250,000	\$ 3,000,000
21 - Field and Runways				
Runway 12L-30R Bituminous Shoulder Reconstruction			\$ 27,500,000	\$ 27,500,000
Runway 12R-30L Bituminous Shoulder Reconstruction		\$ 5,000,000	\$ 7,500,000	\$ 12,500,000
Runway 12R-30L Tunnel Storm Sewer Reconstruction	\$ 900,000			\$ 900,000
Runway 30L Engineered Materials Arresting System Replacement			\$ 19,000,000	\$ 19,000,000
Sanitary Sewer Replacement Taxiway R	\$ 3,300,000			\$ 3,300,000
Service Road M Reconstruction	\$ 700,000			\$ 700,000
Taxiway A/B Pavement Reconstruction			\$ 16,000,000	\$ 16,000,000
Taxiway D Reconstruction	\$ 15,000,000			\$ 15,000,000
Taxiway P Reconstruction		\$ 12,000,000		\$ 12,000,000
Terminal 1 Apron Pavement Reconstruction			\$ 36,000,000	\$ 36,000,000
26 - Terminal Roads/Landside				
Lower Level Roadway Rehabilitation		\$ 1,100,000		\$ 1,100,000
Outbound Roadway Rehabilitation	\$ 1,600,000			\$ 1,600,000
Uninterruptible Power Supply Loop Pavement Reconstruction			\$ 1,600,000	\$ 1,600,000
Upper Level Roadway Electrical System Rehabilitation		\$ 1,000,000		\$ 1,000,000
Upper Level Roadway Rehabilitation		\$ 2,000,000		\$ 2,000,000
Variable Message Signs Replacement - Phase 3	\$ 1,600,000			\$ 1,600,000
36 - Terminal 2				
Recarpeting Program		\$ 500,000	\$ 1,500,000	\$ 2,000,000
39 - Public Areas/Roads				
28th Avenue South Reconstruction			\$ 2,270,000	\$ 2,270,000
East 62nd Street Reconstruction			\$ 2,400,000	\$ 2,400,000
66 - Fire				
MSP Campus Fire Alarm System Upgrade/Transition	\$ 1,000,000			\$ 1,000,000
MSP END OF LIFE/REPLACEMENT PROJECTS SUBTOTAL	\$ 41,850,000	\$ 31,250,000	\$ 759,320,000	\$ 832,420,000

2020-2026 Capital Improvement Program Funding - Continued				
Projects	Year			Total
	2020	2021	2022-2026	
MSP IT PROJECTS				
10 - Terminal 1				
Concourses C and G Digital Directory Replacement		\$ 200,000		\$ 200,000
Intelligent Monitoring and Control Systems (IMACS)	\$ 1,500,000	\$ 1,500,000		\$ 3,000,000
IT Miscellaneous Modifications	\$ 5,500,000	\$ 9,000,000	\$ 50,500,000	\$ 65,000,000
Telecom Room Equipment Continuity (TREC)	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 4,500,000
63 - Police				
Card Access Modifications	\$ 3,500,000	\$ 1,000,000	\$ 1,000,000	\$ 5,500,000
MSP IT PROJECTS SUBTOTAL	\$ 12,000,000	\$ 13,200,000	\$ 53,000,000	\$ 78,200,000
MSP LONG-TERM COMPREHENSIVE PLAN PROJECTS				
10 - Terminal 1				
Baggage Claim/Ticket Lobby Operational Improvements	\$ 52,000,000	\$ 71,100,000	\$ 52,800,000	\$ 175,900,000
Baggage Handling System		\$ 39,500,000		\$ 39,500,000
Checkpoint Expansion			\$ 11,000,000	\$ 11,000,000
D-Pod Outbound Baggage System			\$ 5,000,000	\$ 5,000,000
Expand and Remodel International Arrivals Facility			\$ 5,000,000	\$ 5,000,000
MSP Airport Layout Plan		\$ 800,000		\$ 800,000
MSP Long-Term Comprehensive Plan	\$ 1,000,000			\$ 1,000,000
Unstaffed Exit Lanes	\$ 600,000		\$ 2,500,000	\$ 3,100,000
21 - Field and Runways				
Runway 30R Parallel Taxiway			\$ 36,000,000	\$ 36,000,000
36 - Terminal 2				
Terminal 2 Expansion		\$ 100,000,000		\$ 100,000,000
MSP LONG-TERM COMPREHENSIVE PLAN PROJECTS SUBTOTAL	\$ 53,600,000	\$ 211,400,000	\$ 112,300,000	\$ 377,300,000
MSP MAINTENANCE/FACILITY UPGRADE PROJECTS				
10 - Terminal 1				
Airport Director's Office Expansion		\$ 500,000		\$ 500,000
Art Master Plan	\$ 1,560,000	\$ 900,000	\$ 3,900,000	\$ 6,360,000
Arts Display Areas	\$ 250,000	\$ 250,000	\$ 250,000	\$ 750,000
Concourse G Moving Walks			\$ 6,000,000	\$ 6,000,000
Delivery Node Redevelopment		\$ 500,000	\$ 19,770,000	\$ 20,270,000
Employee Breakroom		\$ 225,000		\$ 225,000
Folded Plate Repairs			\$ 26,700,000	\$ 26,700,000
Lighting Infrastructure Technology and Equipment			\$ 7,250,000	\$ 7,250,000
Mechanical Room C-1043			\$ 5,500,000	\$ 5,500,000
Public Walk Aisle Terrazzo Floor Installation			\$ 17,800,000	\$ 17,800,000
Redundant Power	\$ 3,500,000			\$ 3,500,000
Restroom Upgrade Program			\$ 10,000,000	\$ 10,000,000
Tug Door Replacement		\$ 540,000		\$ 540,000
Tug Drive Heater Replacement			\$ 900,000	\$ 900,000
Way-Finding Sign Backlighting Replacement	\$ 1,600,000		\$ 1,600,000	\$ 3,200,000
13 - Energy Management Center				
Air Handling Unit Safety Upgrades	\$ 550,000			\$ 550,000
Concourse B Heating System Upgrades		\$ 925,000	\$ 2,050,000	\$ 2,975,000
Concourse G Energy Efficiency Projects	\$ 2,000,000			\$ 2,000,000
Energy Savings Program	\$ 2,000,000		\$ 6,000,000	\$ 8,000,000
Indoor Air Quality Monitoring	\$ 700,000			\$ 700,000
LED Lighting Conversion in Valet Parking	\$ 500,000			\$ 500,000
Materials Storage - Boiler Room Addition			\$ 1,000,000	\$ 1,000,000
Roof Replacement and Breakroom Remodel		\$ 8,300,000		\$ 8,300,000
Victaulic Piping Replacement	\$ 1,000,000	\$ 1,000,000	\$ 4,000,000	\$ 6,000,000
21 - Field and Runways				
Apron Lighting LED Upgrade			\$ 10,000,000	\$ 10,000,000
Glycol Lift Station			\$ 1,100,000	\$ 1,100,000
Runway LED Lighting Upgrade	\$ 1,000,000		\$ 5,900,000	\$ 6,900,000
Taxiway T Centerline Lights		\$ 600,000		\$ 600,000
Tunnel Lighting LED Upgrade			\$ 3,400,000	\$ 3,400,000
31 - Parking				
Orange Parking Ramp Metal Panel Replacement		\$ 500,000		\$ 500,000
Parking Guidance System			\$ 6,500,000	\$ 6,500,000
Parking Ramp Railing Refinishing	\$ 1,000,000	\$ 1,000,000		\$ 2,000,000

2020-2026 Capital Improvement Program Funding - Continued				
Projects	Year			Total
	2020	2021	2022-2026	
36 - Terminal 2				
Employee Breakroom	\$ 350,000			\$ 350,000
Gate Area Passenger Amenities			\$ 1,000,000	\$ 1,000,000
Gate Podium Replacement			\$ 450,000	\$ 450,000
Multi-User Flight Information Display System/Electronic Visual Information Display System Millwork Upgrades			\$ 350,000	\$ 350,000
Pre-Conditioned Air Replacement	\$ 2,000,000			\$ 2,000,000
Rentable Space Build-Out		\$ 700,000		\$ 700,000
Shuttle Waiting Area Expansion		\$ 400,000		\$ 400,000
Skyway to Light Rail Transit Flooring Installation			\$ 800,000	\$ 800,000
39 - Public Areas/Roads				
Diverging Diamond Intersection Rehabilitation			\$ 340,000	\$ 340,000
Terminal 1 Ground Transportation Modifications	\$ 600,000			\$ 600,000
Tunnel Fan Replacement	\$ 300,000		\$ 11,500,000	\$ 11,800,000
46 - Hangars and Other Buildings				
MAC Storage Facility			\$ 10,000,000	\$ 10,000,000
Safety and Security Center	\$ 115,000,000			\$ 115,000,000
56 - Trades/Maintenance Buildings				
South Field Maintenance Building Wash Bay			\$ 3,500,000	\$ 3,500,000
63 - Police				
Badging Office Relocation	\$ 3,300,000			\$ 3,300,000
Perimeter Fence Intrusion Detection System			\$ 1,000,000	\$ 1,000,000
Perimeter Gate Security Improvements	\$ 3,000,000	\$ 1,000,000	\$ 13,000,000	\$ 17,000,000
Public Safety Modifications	\$ 1,500,000		\$ 2,000,000	\$ 3,500,000
66 - Fire				
Campus Fire Protection		\$ 2,800,000	\$ 5,800,000	\$ 8,600,000
70 - General Office/Administration				
General Office Building Improvements		\$ 500,000		\$ 500,000
76 - Environment				
Glycol Sewer and Storm Sewer Inspection Rehabilitation			\$ 1,900,000	\$ 1,900,000
Ground Service Equipment Electrical Charging Stations			\$ 3,000,000	\$ 3,000,000
Lift Stations at Ponds 1 and 2	\$ 850,000			\$ 850,000
Runway 12R-30L Glycol Force Main Environmental Improvements		\$ 1,500,000		\$ 1,500,000
Terminal 2 Remote Ramp Lot/Drainage Improvements			\$ 2,000,000	\$ 2,000,000
MSP MAINTENANCE/FACILITY UPGRADE PROJECTS SUBTOTAL	\$ 142,560,000	\$ 22,140,000	\$ 196,260,000	\$ 360,960,000
MSP ONGOING MAINTENANCE PROGRAMS				
10 - Terminal 1				
Air Handling Unit Replacement		\$ 6,500,000	\$ 29,000,000	\$ 35,500,000
Baggage System Upgrades	\$ 500,000	\$ 500,000	\$ 1,500,000	\$ 2,500,000
Concourse G Rehabilitation	\$ 4,000,000	\$ 4,000,000	\$ 25,000,000	\$ 33,000,000
Conveyance System Upgrades		\$ 3,000,000	\$ 3,000,000	\$ 6,000,000
Electrical Infrastructure Program	\$ 2,000,000	\$ 2,000,000	\$ 10,000,000	\$ 14,000,000
Electrical Substation Replacement		\$ 1,400,000	\$ 6,600,000	\$ 8,000,000
Emergency Power Upgrades		\$ 2,000,000	\$ 10,000,000	\$ 12,000,000
Plumbing Infrastructure Upgrade Program	\$ 500,000	\$ 600,000	\$ 1,900,000	\$ 3,000,000
Terminal Building Remediation Program		\$ 2,000,000	\$ 15,000,000	\$ 17,000,000
Terminal Miscellaneous Modifications	\$ 2,400,000	\$ 2,400,000	\$ 12,500,000	\$ 17,300,000
13 - Energy Management Center				
Energy Management Center Plant Upgrades	\$ 1,500,000	\$ 1,500,000	\$ 2,800,000	\$ 5,800,000
21 - Field and Runways				
Airside Bituminous Rehabilitation/Electrical Construction	\$ 1,100,000		\$ 11,300,000	\$ 12,400,000
Glycol Tank Repairs	\$ 500,000			\$ 500,000
Miscellaneous Airfield Construction	\$ 3,000,000	\$ 3,000,000	\$ 7,500,000	\$ 13,500,000
Pavement Joint Sealing/Repair	\$ 800,000	\$ 800,000	\$ 4,000,000	\$ 5,600,000
26 - Terminal Roads/Landside				
Glumack Drive Reconstruction			\$ 9,300,000	\$ 9,300,000
Tunnel Approaches Reconstruction			\$ 2,370,000	\$ 2,370,000
Tunnel/Bridge Rehabilitation	\$ 100,000	\$ 100,000	\$ 520,000	\$ 720,000
31 - Parking				
Parking Structure Rehabilitation	\$ 2,500,000	\$ 3,000,000	\$ 9,000,000	\$ 14,500,000

2020-2026 Capital Improvement Program Funding - Continued				
Projects	Year			Total
	2020	2021	2022-2026	
39 - Public Areas/Roads				
34th Avenue Bus Area Reconstruction			\$ 700,000	\$ 700,000
34th Avenue Reconstruction			\$ 13,000,000	\$ 13,000,000
34th Avenue Sanitary Sewer Replacement			\$ 2,200,000	\$ 2,200,000
Concrete Joint Repair		\$ 400,000	\$ 6,100,000	\$ 6,500,000
Landside Pavement Rehabilitation		\$ 500,000	\$ 2,000,000	\$ 2,500,000
Landside Utility Rehabilitation		\$ 750,000	\$ 3,000,000	\$ 3,750,000
Roadway Fixture Refurbishment	\$ 150,000	\$ 150,000	\$ 300,000	\$ 600,000
46 - Hangars and Other Buildings				
Campus Building Demolition			\$ 800,000	\$ 800,000
Campus Building Rehabilitation Program		\$ 500,000	\$ 6,000,000	\$ 6,500,000
Campus Parking Lot Reconstructions			\$ 1,300,000	\$ 1,300,000
MSP Campus Building Roof Replacements	\$ 1,000,000	\$ 1,300,000	\$ 6,900,000	\$ 9,200,000
MSP ONGOING MAINTENANCE PROGRAMS SUBTOTAL	\$ 20,050,000	\$ 36,400,000	\$ 203,590,000	\$ 260,040,000
MSP NOISE MITIGATION PROJECTS				
76 - Environment				
Noise Mitigation Consent Decree Amendment	\$ 10,300,000	\$ 1,000,000	\$ 20,100,000	\$ 31,400,000
MSP NOISE MITIGATION PROJECTS SUBTOTAL	\$ 10,300,000	\$ 1,000,000	\$ 20,100,000	\$ 31,400,000
MSP TENANT PROJECTS				
10 - Terminal 1				
Concession Upgrades/Revenue Development	\$ 200,000	\$ 200,000	\$ 1,000,000	\$ 1,400,000
Concourse G Infill and Delta Sky Club	\$ 82,500,000			\$ 82,500,000
Elevator and Concourse Improvements-United Club Relocation			\$ 200,000	\$ 200,000
Federal Inspection Services Global Entry Kiosks Relocation	\$ 100,000			\$ 100,000
Pre-Conditioned Air	\$ 2,000,000		\$ 2,000,000	\$ 4,000,000
Rental Car Facility Relocation	\$ 5,000,000			\$ 5,000,000
46 - Hangars and Other Buildings				
Ground Service Equipment Maintenance Facility			\$ 200,000	\$ 200,000
MSP TENANT PROJECTS SUBTOTAL	\$ 89,800,000	\$ 200,000	\$ 3,400,000	\$ 93,400,000
RELIEVER AIRPORTS LONG-TERM COMPREHENSIVE PLAN PROJECTS				
81 - St. Paul				
Airport Geographic Information System and Airport Layout Plan			\$ 400,000	\$ 400,000
82 - Lake Elmo				
Airfield Modifications	\$ 3,000,000			\$ 3,000,000
Long-Term Comprehensive Plan			\$ 100,000	\$ 100,000
Runway 14-32 Replacement	\$ 5,000,000	\$ 3,000,000		\$ 8,000,000
83 - Airlake				
Long-Term Comprehensive Plan			\$ 100,000	\$ 100,000
Runway 20-30 Improvements			\$ 3,500,000	\$ 3,500,000
84 - Flying Cloud				
Airport Geographic Information System and Airport Layout Plan		\$ 300,000		\$ 300,000
Purchase and Demolition of Hangars			\$ 1,300,000	\$ 1,300,000
South Building Area Utilities			\$ 600,000	\$ 600,000
85 - Crystal				
Long-Term Comprehensive Plan			\$ 100,000	\$ 100,000
Runway 14R-32L and Taxiway E Modifications	\$ 5,600,000			\$ 5,600,000
86 - Anoka County - Blaine				
Airport Geographic Information System and Airport Layout Plan		\$ 400,000		\$ 400,000
Building Area Development - Xylite Street Relocation			\$ 1,000,000	\$ 1,000,000
RELIEVER AIRPORTS LONG-TERM COMPREHENSIVE PLAN PROJECTS SUBTOTAL	\$ 13,600,000	\$ 3,700,000	\$ 7,100,000	\$ 24,400,000
RELIEVER AIRPORTS MAINTENANCE/FACILITY UPGRADE PROJECTS				
80 - Reliever Airports Miscellaneous				
Reliever Building Miscellaneous Modifications	\$ 400,000	\$ 400,000	\$ 2,000,000	\$ 2,800,000
Reliever Pavement Rehabilitation Miscellaneous Modifications	\$ 300,000	\$ 300,000	\$ 1,500,000	\$ 2,100,000

2020-2026 Capital Improvement Program Funding - Continued				
Projects	Year			Total
	2020	2021	2022-2026	
81 - St. Paul				
Airport Perimeter Roads	\$ 550,000		\$ 500,000	\$ 1,050,000
Cold Equipment Storage Building			\$ 750,000	\$ 750,000
Customs and Border Patrol General Aviation Facility			\$ 2,000,000	\$ 2,000,000
LED Edge Lighting Upgrades			\$ 2,500,000	\$ 2,500,000
MAC Building Improvements		\$ 850,000	\$ 600,000	\$ 1,450,000
Pavement Rehabilitation-Taxilanes/Tower Road			\$ 500,000	\$ 500,000
Runway 13-31 Pavement Reconstruction			\$ 5,000,000	\$ 5,000,000
Runway 14-32 Engineered Materials Arresting System Replacement			\$ 10,000,000	\$ 10,000,000
Runway 14-32 Reconstruction			\$ 10,000,000	\$ 10,000,000
Storm Sewer Improvements - Phase 2			\$ 1,500,000	\$ 1,500,000
Taxiway B Rehabilitation			\$ 800,000	\$ 800,000
Taxiway Lima Rehabilitation			\$ 200,000	\$ 200,000
82 - Lake Elmo				
North Building Area Pavement Rehabilitation			\$ 900,000	\$ 900,000
North Service Roads Rehabilitation			\$ 500,000	\$ 500,000
Parallel Taxiways Reconstruction			\$ 600,000	\$ 600,000
Runway 4-22 Pavement Rehabilitation			\$ 4,000,000	\$ 4,000,000
83 - Airlake				
Joint and Crack Repairs		\$ 150,000		\$ 150,000
LED Edge Lighting	\$ 500,000		\$ 200,000	\$ 700,000
North Service Roads Rehabilitation			\$ 400,000	\$ 400,000
North Taxilanes Pavement Rehabilitation			\$ 1,000,000	\$ 1,000,000
Runway 12-30 Reconstruction			\$ 3,500,000	\$ 3,500,000
84 - Flying Cloud				
Airfield Electrical Improvements-Taxiway D and E Lights		\$ 300,000		\$ 300,000
Airport Access Roads and Tango Lane			\$ 500,000	\$ 500,000
Electrical Vault Modifications			\$ 500,000	\$ 500,000
MAC Building Improvements		\$ 520,000	\$ 200,000	\$ 720,000
Runway 10R-28L Pavement Rehabilitation			\$ 1,500,000	\$ 1,500,000
Taxiways A1, A2 and F Pavement Rehabilitation	\$ 550,000			\$ 550,000
Underground Fuel Storage Tank Replacement	\$ 400,000			\$ 400,000
85 - Crystal				
LED Edge Lighting Upgrades		\$ 400,000	\$ 400,000	\$ 800,000
Service Roads			\$ 1,200,000	\$ 1,200,000
Taxilane Pavement Rehabilitation	\$ 550,000		\$ 1,600,000	\$ 2,150,000
Underground Fuel Storage Tank Replacement	\$ 400,000			\$ 400,000
86 - Anoka County-Blaine				
Air Traffic Control Tower Equipment Upgrades	\$ 100,000			\$ 100,000
Electrical Vault Improvements			\$ 750,000	\$ 750,000
LED Edge Lighting Upgrades	\$ 800,000		\$ 1,700,000	\$ 2,500,000
Lift Station Improvements	\$ 410,000			\$ 410,000
Runway 18-36 Pavement Rehabilitation			\$ 2,500,000	\$ 2,500,000
Taxilane Pavement Rehabilitation	\$ 750,000	\$ 750,000		\$ 1,500,000
Taxiway A Pavement Rehabilitation and Edge Lights			\$ 1,800,000	\$ 1,800,000
Underground Fuel Storage Tank Replacement	\$ 400,000			\$ 400,000
West Perimeter Road			\$ 700,000	\$ 700,000
RELIEVER AIRPORTS MAINTENANCE/FACILITY UPGRADE PROJECTS SUBTOTAL				
	\$ 6,110,000	\$ 3,670,000	\$ 62,300,000	\$ 72,080,000
MSP Subtotal				
	\$ 370,160,000	\$ 315,590,000	\$ 1,347,970,000	\$ 2,033,720,000
Reliever Subtotal				
	\$ 19,710,000	\$ 7,370,000	\$ 69,400,000	\$ 96,480,000
TOTAL				
	\$ 389,870,000	\$ 322,960,000	\$ 1,417,370,000	\$ 2,130,200,000

2020 Capital Improvement Projects

As stated previously, these are projects that have been reasonably defined for implementation in the upcoming calendar year, in this case 2020. **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 2020 operating budget impact will be disclosed in the 2020 narratives section. The operating expenses affected by these improvements include labor, operating services, maintenance, utilities, janitorial services and debt service costs.** The following describes the 2020 Capital Improvement Projects, along with a table of their funding sources.

2020 Capital Improvement Program Narratives**MSP END OF LIFE/REPLACEMENT PROJECTS**

End of Life/Replacement projects include systems, components and pavements that can no longer be economically or feasibly maintained and must be replaced.

10 – Terminal 1**Passenger Boarding Bridge Replacements \$4,000,000**

This program provides for the replacement of jet bridges at Terminal 1. Bridges to be replaced will be determined based on a condition assessment and input from the airlines. Aircraft parking positions will be optimized at the impacted gates and fuel pits adjusted as necessary. Podiums and door openings may be adjusted to optimize gate hold area. Fixed walkways may need to be replaced or added to meet the Americans with Disabilities Act (ADA) slope requirements. All gate hold areas will be upgraded with security doors, card readers and cameras. In 2020, the scope addresses Gates C10 and F3.

Tram Systems Retrofit and Equipment \$1,750,000

This project is the final phase of the multi-year program that extends the life of the Concourse C and Hub Trams by updating the electrical, mechanical and structural components. This phase includes replacement of both trams' guideway lighting.

TSA Recapitalization \$12,000,000

In 2005 the Commission approved construction of the West Checked Baggage Inspection System, which included a TSA contribution of seven Computer Tomography X-Ray (CTX) devices, staff and supporting technologies and equipment. The CTX devices are approaching end-of-life status based on current required maintenance cost, as determined by the TSA. The TSA has offered for negotiation a 100% TSA-funded "Other Transaction Agreement" for design and construction services for device replacement and other required upgrades to accommodate the new technology. There will be two agreements, one for the design phase and one for the construction phase. This project will provide for the design and installation of TSA-furnished devices and other required equipment at no cost to the MAC.

21 – Field and Runways**Runway 12R-30L Tunnel Storm Sewer Reconstruction \$900,000**

This project will construct a new storm sewer main inside the existing Runway 12R-30L vehicular tunnel. It will replace the existing storm sewer, which is not functional due to deterioration and accumulated sediment. The estimated 2020 operating impact is approximately \$60,000 in debt service expense and \$60,000 in airline rates and charges revenues.

Sanitary Sewer Replacement Taxiway R \$3,300,000

This project will reconstruct the sanitary sewer located beneath the U.S. Air Force apron. The project will relocate the sewer between Taxiway R and the apron. New lateral sewers will be constructed to connect Air Force sewers to the new sewer main. Abandoned sewers will be filled with sand. The project will require replacement of portions of the apron pavement and connecting taxiways.

Service Road M Reconstruction \$700,000

Due to deteriorating conditions and increased traffic from the new Receiving and Distribution Center, Service Road M from Taxiway T to Service Road W needs to be reconstructed. A new alignment near Service Road W will allow for future building construction.

Taxiway D Reconstruction

\$15,000,000

This project provides for reconstruction of a portion of Taxiway D between Taxiway W and Connector C1. The existing concrete pavement was constructed in 1972. Major items of work include pavement removals, excavation and backfill, concrete taxiway pavement, bituminous shoulder pavement and airfield lighting and signing.



Aerial View of Terminal 1

26 – Terminal Roads/Landside

Outbound Roadway Rehabilitation

\$1,600,000

This project will reconstruct the existing asphalt portion of the outbound roadway. The work will include concrete pavement, minor utility work and other improvements. Construction will take place during Minnesota Department of Transportation’s Hwy 5 project closures of the same lanes.

Variable Message Signs Replacement – Phase 3

\$1,600,000

This project will replace approximately 26 variable message signs across the MSP campus and install five new signs to assist with parking diversions.

66 – Fire

MSP Campus Fire Alarm System Upgrade/Transition

\$1,000,000

This multi-year project will improve monitoring reliability and eliminate the existing single point of failure configuration. The project will include database redundant systems, device controller upgrades and the decentralization of the fire alarm master control equipment.

MSP IT PROJECTS

MSP IT Projects include those that have a significant amount, if not all, technology-related enhancements, maintenance or restructuring.

10 – Terminal 1

Intelligent Monitoring and Control Systems (IMACS)

\$1,500,000

This continues a multi-year program to upgrade all MAC building automation systems to an open architecture protocol. This will allow the MAC to bid maintenance and construction contracts more competitively.

IT Miscellaneous Modifications

\$5,500,000

This is a multi-year program to install, upgrade and refresh the MAC’s technology infrastructure across the MSP campus. Efforts include end of life storage, network and server refresh needs, maintenance and upgrades, fiber installation or rerouting, new telecommunication rooms, improvements on public address systems, digital signs and content management, wireless capabilities, distributed antenna systems, security camera systems and other technology systems and equipment.

Telecom Room Equipment Continuity (TREC)

\$1,500,000

Merchants are required to meet credit card security standards created to protect cardholder data. The MAC is required to comply with these requirements because the MAC network carries credit card data collected from the landside parking revenue control system. Among the requirements are security standards for the physical locations where network equipment is located. Additionally, the equipment itself must have added security features to prevent unauthorized network access. This multi-year program addresses these standards by providing security equipment and relevant network hardware for the 150 telecommunications rooms on the MSP campus.

63 – Police

Card Access Modifications

\$3,500,000

This is a multi-year program to refresh the inventory of card access security readers as they reach end of life. The project will add outdoor biometric readers, mobile card readers and other readers as needed throughout the campus, as well as align card access control with other surveillance technology.



Blue, the APD Mascot

MSP LONG-TERM COMPREHENSIVE PLAN PROJECTS

MSP Long-Term Comprehensive Plan projects include projects that enhance or expand the airport facilities in order to meet existing or forecasted passenger needs.

10 – Terminal 1**Baggage Claim/Ticket Lobby Operational Improvements \$52,000,000**

This project continues a program that will provide the level of service requirements for short-term and medium-term growth of the origin and destination passengers, addressing issues of congestion and functionality in the Terminal 1 Arrivals and Departures areas. This program will complete the expansion of the east terminal façade, including walkways that meet required codes, public seating areas, curtain wall replacement, improved lighting and sight lines, east mezzanine removal/reduction, structural enhancements, improved vestibules and curbside enhancements. In the Departures Hall, this program will increase the depth of the check-in area and include airline check-in facilities, ticket offices and TSA space. The South Security Checkpoint will expand to eight lanes and add an employee screening portal. The Center Mezzanine will expand with a cantilevered corridor, allowing security observation and facilitating future remodeling. On the Arrivals Level, baggage claim capacity will be increased. The estimated 2020 operational impact is approximately \$600,000 in debt service expense and \$360,000 in airline rates and charges revenue.

MSP Long-Term Comprehensive Plan \$1,000,000

The MSP 2030 Long-Term Comprehensive Plan, previously completed in April 2010, is scheduled to be updated in 2020. The work in 2020 will include preparation of the document for public review and Commission approval.

Unstaffed Exit Lanes \$600,000

This project will add a pair of three-door unstaffed exit lanes at the Terminal 1 Skyway Security Checkpoint, allowing the C-G Connector to remain open 24 hours per day and freeing security personnel from having to monitor the exit.

MSP MAINTENANCE/FACILITY UPGRADE PROJECTS

MSP Maintenance/Facility Upgrade projects include those that provide improvements to individual buildings or systems across the campus on a one-time or short-term basis.

10 – Terminal 1**Art Display Areas \$250,000**

This program is a continuation of the existing program, in partnership with the Airport Foundation MSP, to provide opportunities and space for the display of permanent, temporary and rotating art exhibits.

Arts Master Plan \$1,560,000

This program supports procurement of commissioned art and rotating exhibits as part of the Percent for Arts program.

Redundant Power \$3,500,000

In order to perform electrical modifications at Terminal 1, electrical contractors utilize the Terminal 1 generators to provide continuous power for emergency, life safety, fire alarm, communication and security systems and other operations deemed critical to MAC operations. Due to issues with run time for the Terminal 1 generators, this project will install a redundant power source.

Way-Finding Sign Backlighting Replacement \$1,600,000

This is the third phase of the multi-year program to replace failing cold-cathode lighting with LED lighting and update signage, remove signs, relocate and combine signs and modify verbiage and symbols on signs to be more consistent with international signage norms. The cold-cathode lighting maintenance requires significant staff and material costs. New signage standards update the lighting and allow for easier, less costly signage face changes. These standards have been implemented within the Operational Improvements Program, Silver Parking Ramp and other projects. The 2020 operating budget anticipates this project will partially offset the budgeted overall electricity cost increases.

13 – Energy Management Center**Air Handling Unit Safety Upgrades \$550,000**

This project will assess the wiring of safety sensors of the air handling units at MSP and update the wiring as needed.

Concourse G Energy Efficiency Projects **\$2,000,000**

This project will improve the energy efficiency of mechanical and electrical systems in Concourse G. The 2020 operating budget anticipates this project will partially offset the budgeted overall utility cost increases.

Energy Savings Program **\$2,000,000**

The scope of this year's project involves work at both Terminal 1 and Terminal 2. It includes the replacement of valves, boilers, lighting controls and motors with high efficiency models. The 2020 operating budget anticipates this project will partially offset the budgeted overall utility cost increases.

Indoor Air Quality Monitoring **\$700,000**

This project will install needed carbon dioxide sensors in common return air ducts and tie all new and existing sensors into IMACS for remote monitoring and automatic safety ventilation. It will also provide the EMC with advanced modular indoor air quality sensors to install temporarily at any location that has IMACS. This will allow the EMC to accurately assess and respond to indoor air quality complaints by detecting ultra-fine particles, volatile organic compounds, carbon dioxide, carbon monoxide, nitrogen dioxide and other gasses in the area. The project will also upgrade controls wiring for the post-fire smoke evacuation systems.

LED Lighting Conversion in Valet Parking **\$500,000**

This project replaces light fixtures in the valet parking area with LED fixtures for improved energy efficiency in support of the MAC's Carbon Management Plan. The 2020 operating budget anticipates this project will partially offset the budgeted overall electricity cost increases.

Victaulic Piping Replacement **\$1,000,000**

This five-year program will replace the Victaulic piping and valves in Terminal 1 Concourse E, Concourse F, Concourse C, the Concourse C tunnel and Terminal 2. The MAC discovered that the joints in Victaulic piping leak as the seals shrink when cooled due to shut downs and service disruptions. The seals then do not hold tight when the system is restored to normal operation. Shut downs and disruptions occur frequently at MSP. This is the first year of work under this program.

21 – Field and Runways**Runway LED Lighting Upgrade** **\$1,000,000**

This project provides for runway edge lights, centerline lights and touchdown zone lights to be replaced with LED lights. In 2020, lights will be replaced on Runway 12L-30R. The 2020 operating budget anticipates this project will partially offset the budgeted overall electricity cost increases.

31 – Parking**Parking Ramp Railing Refinishing** **\$1,000,000**

This multi-year project will address the parking ramp metal railings that have weathered and degraded over time. The paint has chipped and peeled away, which caused the exposed metal rail to rust and corrode. If not repaired, the degraded metal railings could become at risk for detachment. The rust has stained the concrete walls and concrete slabs, creating an unsightly appearance for airport customers and resulting in concrete repair work in the surrounding areas.

36 – Terminal 2**Employee Breakroom** **\$350,000**

This project will provide an employee breakroom that will have a quiet area for employees who work multiple shifts on the campus to eat, read and rest. By providing this quality work support area, frontline and other employees will be able to take their break out of view of the public.

Pre-Conditioned Air Replacement **\$2,000,000**

This project will replace the existing refrigerant pre-conditioned air units at Terminal 2 Gates H1-H10 with units that meet the MAC's updated standards. The units will be able to meet the needs of B737 and larger aircraft.

39 – Public Areas/Roads**Terminal 1 Ground Transportation Modifications** **\$600,000**

This project will relocate the taxi, Transportation Network Companies and other transportation services at the Terminal 1 Ground Transportation Center. Configuration of existing east and west commercial areas will be revised. Anticipated work includes relocation of variable message signs, pavement marking, signage and related items.

Tunnel Fan Replacement

\$300,000

This project will replace failing fans in the 12R-30L tunnel.

46 – Hangars and Other Buildings

Safety and Security Center

\$115,000,000

This project will construct a building to house a new Airport Operations Center. It will include Airside Operations, the Emergency Communications Center, a dedicated primary Emergency Operations Center, consolidated Airport Police Department facilities and a replacement fire station for Aircraft Rescue Fire Fighting Station #2. This combined facility will bring together airport entities that are stakeholders in daily operations, improving collaboration and coordination.



Annual Night to Unite at Terminal 1

63 – Police

Badging Office Relocation

\$3,300,000

This project will co-locate all Airport Police Badging Office functions to the spaces currently occupied by the rental car agencies in the Red/Blue parking ramp core. The move will follow relocation of the rental car agencies to the new Customer Service Building in the Silver Ramp.

Perimeter Gate Security Improvements

\$3,000,000

The guard house and canopy at Gate 269 will be improved to provide a restroom and other accommodations for security staff. This project will also add a canopy at the gate over the vehicle inspection area.

Public Safety Modifications

\$1,500,000

This program enhances the safety of the MSP campus through door hardware, signage, security controls and other equipment. These enhancements will provide for egress requirements, code compliance, security conformity and emergency responder access.

76 – Environment

Lift Stations at Ponds 1 and 2

\$850,000

This project provides for construction of two stormwater lift stations adjacent to MSP Ponds 1 and 2. The lift stations will utilize the existing eight-inch force main to divert water from one pond to the other, facilitating pond cleaning and maintenance.

MSP ONGOING MAINTENANCE PROGRAMS

MSP Ongoing Maintenance projects include buildings, systems, pavements and other infrastructure that require improvements on an annual basis in order to maintain the facilities and manage MAC assets.

10 – Terminal 1

Baggage System Upgrades

\$500,000

This multi-year program will provide necessary upgrades to the inbound and outbound baggage system that are not covered by general system maintenance funds.

Concourse G Rehabilitation

\$4,000,000

This multi-year program will provide operational improvements to the existing concourse over time, including replacing elevators and modifying or replacing structural, electrical and mechanical systems.

Electrical Infrastructure Program

\$2,000,000

There are 53 electrical substations that serve the Terminal 1 complex. These substations will be inspected, cleaned and upgraded in order to ensure their continued performance.

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 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 stormwater systems. This program was implemented in 2012 to upgrade the plumbing infrastructure system to meet current code requirements and MAC standards. The focus of the 2020 project is to continue the replacement of aging plumbing systems.

Terminal Miscellaneous Modifications **\$2,400,000**

Each year, there is a list of maintenance projects that are beyond the resources of the MAC's maintenance and trades staff to accomplish. These projects are prioritized and completed either as a series of contracts or as purchase orders. Typical work includes projects such as door replacements, emergency upgrades to mechanical, electrical, plumbing or heating, ventilation and air conditioning systems, and loading dock work. The list of potential projects will be compiled and prioritized in early 2020.

13 – Energy Management Center**Energy Management Center Plant Upgrades** **\$1,500,000**

This multi-year program provides upgrades to the MAC's Energy Management Center (EMC) boiler and chiller plants at both Terminal 1 and Terminal 2. The work includes upgrades to the aging chilled water and heating water systems throughout both terminals. The pumping and piping systems on both the heating and cooling systems are aging and in need of repair work beyond regular maintenance.

21 – Field and Runways**Airside Bituminous Rehabilitation/Electrical Construction** **\$1,100,000**

This project provides for taxiway edge lights to be replaced with LED lights on Taxiway P and a portion of the west end of Taxiway Q. This location aligns with the Runway LED Lighting Upgrades to be completed at Runway 12L-30R this year. The 2020 operating budget anticipates this project will partially offset the budgeted overall electricity cost increases.

Glycol Tank Repairs **\$500,000**

This project repairs leaking construction joints and cracks in concrete walls and floors of the glycol tanks located at the MSP Glycol Management Facility. The project will include repairs to the west wall of tank No. 3.

Miscellaneous Airfield Construction **\$3,000,000**

This program supports Part 139 Airport Certification through grading and drainage improvements within runway safety areas, airfield pavement marking modifications and electrical upgrades to airfield signs and runway guard lights.

Pavement Joint Sealing/Repair **\$800,000**

This is an ongoing program to provide for the resealing of joints, sealing of cracks and limited surface repairs on existing concrete pavements. The areas scheduled for sealing will be as defined in the overall joint sealing program or as identified by staff inspection in the early spring of each year.

26 – 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 to identify maintenance and repairs, which are then implemented in a timely fashion.

31 – Parking**Parking Structure Rehabilitation** **\$2,500,000**

This annual program maintains the integrity of MSP's multi-level parking structures. Projects typically include concrete repair, joint sealant replacement, expansion joint repairs, concrete sealing and lighting improvements.



An Airplane Taxes from the Runway to the Terminal at MSP

39 – Public Areas/Roads**Roadway Fixture Refurbishment** **\$150,000**

Many of the light poles, clearance restriction boards, sign units, fence sections and canopies on the airport roadways are in need of repainting and maintenance. This project provides for refurbishment of these fixtures.

46 – Hangars and Other Buildings**MSP Campus Building Roof Replacements** **\$1,000,000**

The MAC evaluates one-half of the MSP roofs every other year. This ongoing program allows these roofs to be prioritized and programmed for repair. In 2020, the roof of the Field Maintenance building will be replaced. This program will also provide for emergency repairs throughout the campus, if needed.

MSP NOISE MITIGATION PROJECTS

Noise Mitigation Projects are completed in compliance with the Consent Decree First Amendment. This residential noise mitigation program began in March 2014 under the terms of an amended legal agreement between the MAC and the cities of Richfield, Minneapolis and Eagan, and approved by the Hennepin County District Court. The agreement is effective until December 31, 2024.

76 – Environment**Noise Mitigation Consent Decree Amendment \$10,300,000**

Under this program, eligibility of single-family and multi-family homes will be determined annually based upon actual noise contours developed for the preceding calendar year. This project will provide noise mitigation for those homes meeting the eligibility requirements of the program. The estimated 2020 impact is approximately \$900,000 each in debt service expense and airline rates and charges revenues.

MSP TENANT PROJECTS

MSP Tenant projects include those that enhance or expand tenant or leasehold facilities that the MAC supports, with the tenants reimbursing the costs to the MAC for work within leasehold spaces.

10 – Terminal 1**Concession Upgrades/Revenue Development \$200,000**

This is an annual program to fund miscellaneous upgrades such as finishes, furniture, signage and modified connections to utilities for the concession programs or other revenue-generating programs at the airport.

Concourse G Infill and Delta Sky Club \$82,500,000

This project will infill the space between Pods Four and Five on Concourse G, improving the gate hold space on the concourse level and constructing shell space for Delta Air Lines to build a Sky Club above. The project will also make adjustments to concessions spaces as required for the construction.

Federal Inspection Services Global Entry Kiosks Relocation \$100,000

This project will provide electrical and data utilities in the Terminal 1 Federal Inspection Service primary queue area to support additional and relocated U.S. Customs and Border Protection Global Entry Kiosks.

Pre-Conditioned Air \$2,000,000

This program will upgrade electrical feeds and add or replace pre-conditioned air units on passenger boarding bridges to reduce the use of jet fuel to condition the air on the boarding bridges and parked aircraft.

Rental Car Facility Relocation \$5,000,000

This project reimburses moving expenses to the Silver Parking Ramp for rental car agencies, up to a budgeted limit noted in the lease agreement.

RELIEVER AIRPORTS LONG-TERM COMPREHENSIVE PLAN PROJECTS

Reliever Airport Long-Term Comprehensive Plan projects include projects that enhance or expand the airport facilities in order to meet existing or forecasted operational needs.

82 – Lake Elmo**Airfield Modifications \$3,000,000**

The updated Long-Term Comprehensive Plan for this airport proposes relocating and extending the primary runway northeast of its current alignment. The scope for this project includes taxiway construction and airfield modifications associated with the construction of the replacement Runway 14- 32.

Runway 14-32 Replacement \$5,000,000

The updated Long-Term Comprehensive Plan for this airport proposes relocating and extending the primary runway northeast of its current alignment. This project includes wetland mitigation, earthwork grading, subgrade improvements, electrical lighting system and bituminous pavement installation.

85 – Crystal**Runway 14R-32L and Taxiway E Modifications \$5,600,000**

The updated Long-Term Comprehensive Plan for this airport proposes “right-sizing” the airport infrastructure, including decommissioning Runway 14R-32L. This project includes converting Runway 14R-32L into a parallel taxiway and rehabilitating portions of Taxiway Echo. The project also includes electrical vault improvements triggered by associated runway lighting modifications, as well as hold bays, mill and overlay of the existing runway pavement, runway grooving and the construction of an FAA-requested south service road. The project costs also include fees related to reimbursable agreements with the FAA.

RELIEVER AIRPORTS MAINTENANCE/FACILITY UPGRADE PROJECTS

Reliever Airport Maintenance/Facility Upgrade projects include improvements to buildings, systems, pavements and other infrastructure across the Reliever Airport system on a one-time or short-term basis.

80 – Reliever Airports**Reliever Building Miscellaneous Modifications \$400,000**

This program will address ongoing needs for repairs and modifications of MAC-owned buildings at five of the reliever airports, excluding St. Paul. These items may include crew rest areas, heating, air conditioning, structural repairs and aesthetic updates. The list of potential projects will be compiled and prioritized in early 2020.

Reliever Pavement Rehabilitation Miscellaneous Modifications \$300,000

This program will address ongoing needs for crack sealing, joint repairs, pavement rejuvenation and pavement repairs at the six reliever airports. The list of potential projects will be compiled and prioritized in early 2020.

81 – St. Paul**Airport Perimeter Roads \$550,000**

This is an ongoing effort to rehabilitate airport pavements through bituminous overlays, seal coats or reconstruction to restore the surfaces to a smooth, even condition and improve overall operating conditions. This project includes the rehabilitation of the airport access road along Airport Road and Eaton Street.

83 – Airlake**LED Edge Lighting \$500,000**

This project includes the installation of the taxiway edge lighting system, including LED lighting. The 2020 operating budget anticipates this project will partially offset the budgeted overall electricity cost increases.

84 – Flying Cloud**Taxiways A1, A2 and F Pavement Rehabilitation \$550,000**

This project is part of an ongoing effort to rehabilitate aircraft operational areas, including runways, taxiways and aprons, through bituminous overlays, seal coats or reconstruction. Rehabilitation will restore the surfaces to a smooth, even condition and improve overall operating conditions. This project includes rehabilitation of Taxiways A1, A2 and Foxtrot.

Underground Fuel Storage Tank Replacement \$400,000

This project will replace aging underground storage tanks that are owned and maintained by the MAC.

85 – Crystal**Taxilane Pavement Rehabilitation \$550,000**

This project is part of an ongoing effort to rehabilitate aircraft operational areas, including runways, taxiways and aprons, through bituminous overlays, seal coats or reconstruction. Rehabilitation will restore the surfaces to a smooth, even condition and improve overall operating conditions. The pavement condition index report and a pavement inspection will determine the area most in need of repair.

Underground Fuel Storage Tank Replacement \$400,000

This project will replace aging underground storage tanks that are owned and maintained by the MAC.

86 – Anoka County-Blaine**Air Traffic Control Tower Equipment Upgrades \$100,000**

The Anoka County-Blaine Airport control tower is owned by the MAC. The equipment used by the air traffic controllers has been in service for over 20 years and needs to be replaced or updated to ensure continued reliability.

LED Edge Lighting Upgrades \$800,000

This project includes replacement of the existing taxiway edge lighting system with an LED lighting system. The 2020 operating budget anticipates this project will partially offset the budgeted overall electricity cost increases.

Lift Station Improvements \$410,000

The City of Blaine is upgrading its sanitary sewer system throughout the city. Per the existing Airport Sewer and Water Maintenance Joint Powers Agreement, the MAC is responsible to fund the improvement of three lift stations at the airport. This project will reimburse the city for the MAC's share of the contract.

Taxilane Pavement Reconstruction

\$750,000

This project is part of an ongoing effort to rehabilitate aircraft operational areas, including runways, taxiways and aprons, through bituminous overlays, seal coats or reconstruction. Rehabilitation will restore the surfaces to a smooth, even condition and improve overall operating conditions. The pavement condition index report and a pavement inspection will determine the area most in need of repair.

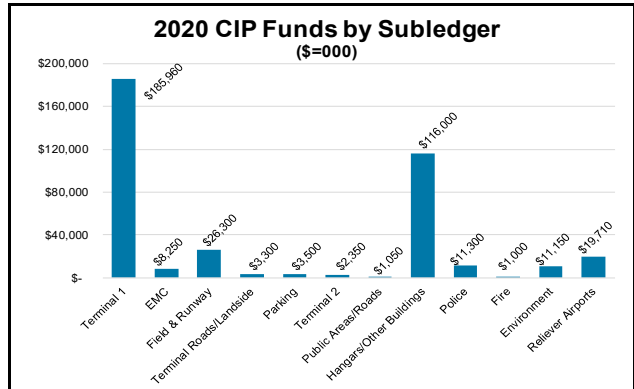
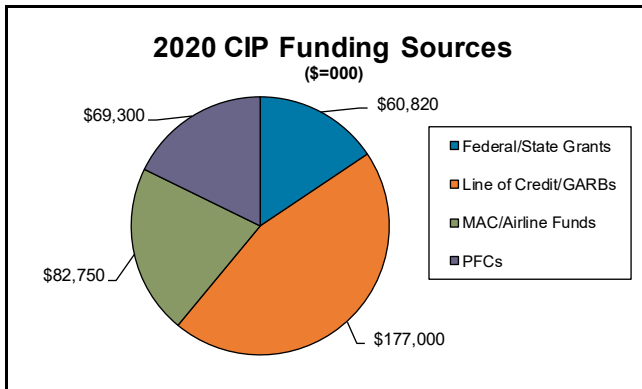
Underground Fuel Storage Tank Replacement

\$400,000

This project will replace aging underground storage tanks that are owned and maintained by the MAC.

2020 Capital Improvement Project Funding Sources

The following pie chart indicates the funding sources for the 2020 Capital Improvement Projects. The largest contributors to the project funding is the MAC's line of credit and its General Airport Revenue Bonds (GARBs). The table summarizes the distribution of 2020 CIP funds by subledger. A cash flow summary of the CIP will appear later in this section.



2020 Capital Improvement Program Funding					
Projects	Funding Sources				Total
	PFCs	Federal/State Grants	Line of Credit/GARBs	MAC/Airline Funds	
MSP END OF LIFE/REPLACEMENT PROJECTS					
10 - Terminal 1					
Passenger Boarding Bridge Replacements	\$ 4,000,000				\$ 4,000,000
Tram Systems Retrofit & Equipment				\$ 1,750,000	\$ 1,750,000
TSA Recapitalization		\$ 12,000,000			\$ 12,000,000
21 - Field and Runways					
Runway 12R-30L Tunnel Storm Sewer Reconstruction			\$ 900,000		\$ 900,000
Sanitary Sewer Replacement Taxiway R			\$ 3,300,000		\$ 3,300,000
Service Road M Reconstruction		\$ 420,000		\$ 280,000	\$ 700,000
Taxiway D Reconstruction	\$ 6,000,000	\$ 9,000,000			\$ 15,000,000
26 - Terminal Roads/Landside					
Outbound Roadway Rehabilitation				\$ 1,600,000	\$ 1,600,000
Variable Message Signs Replacements - Phase 3				\$ 1,600,000	\$ 1,600,000
66 - Fire					
MSP Campus Fire Alarm System Upgrade/Transition				\$ 1,000,000	\$ 1,000,000
MSP END OF LIFE/REPLACEMENT PROJECTS SUBTOTAL	\$ 10,000,000	\$ 21,420,000	\$ 4,200,000	\$ 6,230,000	\$ 41,850,000
MSP IT PROJECTS					
10 - Terminal 1					
Intelligent Monitoring and Control Systems (IMACS)				\$ 1,500,000	\$ 1,500,000
IT Miscellaneous Modifications				\$ 5,500,000	\$ 5,500,000
Telecom Room Equipment Continuity (TREC)				\$ 1,500,000	\$ 1,500,000
63 - Police					
Card Access Modifications	\$ 3,500,000				\$ 3,500,000
MSP IT PROJECTS SUBTOTAL	\$ 3,500,000	\$ -	\$ -	\$ 8,500,000	\$ 12,000,000

2020 Capital Improvement Program Funding - Continued					
Projects	Funding Sources				Total
	PFCs	Federal/State Grants	Line of Credit/GARBs	MAC/Airline Funds	
MSP LONG-TERM COMPREHENSIVE PLAN PROJECTS					
10 - Terminal 1					
Baggage Claim/Ticket Lobby Operational Improvements	\$ 42,700,000		\$ 9,300,000		\$ 52,000,000
MSP Long-Term Comprehensive Plan				\$ 1,000,000	\$ 1,000,000
Unstaffed Exit Lanes				\$ 600,000	\$ 600,000
MSP LONG-TERM COMPREHENSIVE PLAN PROJECTS SUBTOTAL					
	\$ 42,700,000	\$ -	\$ 9,300,000	\$ 1,600,000	\$ 53,600,000
MSP MAINTENANCE/FACILITY UPGRADE PROJECTS					
10 - Terminal 1					
Art Display Areas				\$ 250,000	\$ 250,000
Art Master Plan				\$ 1,560,000	\$ 1,560,000
Redundant Power				\$ 3,500,000	\$ 3,500,000
Way-Finding Sign Backlighting Replacement				\$ 1,600,000	\$ 1,600,000
13 - Energy Management Center					
Air Handling Unit Safety Upgrade				\$ 550,000	\$ 550,000
Concourse G Energy Efficiency Projects				\$ 2,000,000	\$ 2,000,000
Energy Savings Program				\$ 2,000,000	\$ 2,000,000
Indoor Air Quality Monitoring				\$ 700,000	\$ 700,000
LED Lighting Conversion in Valet Parking				\$ 500,000	\$ 500,000
Victaulic Piping Replacement				\$ 1,000,000	\$ 1,000,000
21 - Field and Runways					
Runway LED Lighting Upgrade	\$ 400,000	\$ 600,000			\$ 1,000,000
31 - Parking					
Parking Ramp Railing Refinishing			\$ 1,000,000		\$ 1,000,000
36 - Terminal 2					
Employee Breakroom				\$ 350,000	\$ 350,000
Pre-Conditioned Air Replacement				\$ 2,000,000	\$ 2,000,000
39 - Terminal Roads/Landside					
Terminal 1 Ground Transportation Modifications				\$ 600,000	\$ 600,000
Tunnel Fan Replacement				\$ 300,000	\$ 300,000
46 - Hangars and Other Buildings					
Safety and Security Center	\$ 10,000,000	\$ 26,200,000	\$ 78,800,000		\$ 115,000,000
63 - Police					
Badging Office Relocation				\$ 3,300,000	\$ 3,300,000
Perimeter Gate Security Improvements	\$ 1,200,000	\$ 1,800,000			\$ 3,000,000
Public Safety Modifications	\$ 1,500,000				\$ 1,500,000
76 - Environment					
Lift Stations at Pond 1 and 2				\$ 850,000	\$ 850,000
MSP MAINTENANCE/FACILITY UPGRADE PROJECTS SUBTOTAL					
	\$ 13,100,000	\$ 28,600,000	\$ 79,800,000	\$ 21,060,000	\$ 142,560,000
MSP ONGOING MAINTENANCE PROGRAMS					
10 - Terminal 1					
Baggage System Upgrades				\$ 500,000	\$ 500,000
Concourse G Rehabilitation				\$ 4,000,000	\$ 4,000,000
Electrical Infrastructure Program				\$ 2,000,000	\$ 2,000,000
Plumbing Infrastructure Upgrade Program				\$ 500,000	\$ 500,000
Terminal Miscellaneous Modifications				\$ 2,400,000	\$ 2,400,000
13 - Energy Management Center					
EMC Plant Upgrades				\$ 1,500,000	\$ 1,500,000
21 - Field and Runways					
Airside Bituminous Rehabilitation/Electrical Construction				\$ 1,100,000	\$ 1,100,000
Glycol Tank Repairs				\$ 500,000	\$ 500,000
Miscellaneous Airfield Construction			\$ 1,500,000	\$ 1,500,000	\$ 3,000,000
Pavement Joint Sealing/Repair				\$ 800,000	\$ 800,000
26 - Terminal Roads/Landside					
Tunnel/Bridge Rehabilitation				\$ 100,000	\$ 100,000
31 - Parking					
Parking Structure Rehabilitation			\$ 2,500,000		\$ 2,500,000
39 - Public Areas/Roads					
Roadway Fixture Refurbishment				\$ 150,000	\$ 150,000
46 - Hangars & Other Buildings					
MSP Campus Building Roof Replacements				\$ 1,000,000	\$ 1,000,000
MSP ONGOING MAINTENANCE PROGRAMS SUBTOTAL					
	\$ -	\$ -	\$ 4,000,000	\$ 16,050,000	\$ 20,050,000

2020 Capital Improvement Program Funding - Continued					
Projects	Funding Sources				Total
	PFCs	Federal/State Grants	Line of Credit/GARBs	MAC/Airline Funds	
MSP NOISE MITIGATION PROJECTS					
76 - Environment					
Noise Mitigation Consent Decree Amendment			\$ 10,300,000		\$ 10,300,000
MSP NOISE MITIGATION PROJECTS SUBTOTAL	\$ -	\$ -	\$ 10,300,000	\$ -	\$ 10,300,000
MSP TENANT PROJECTS					
10 - Terminal 1					
Concession Upgrades/Revenue Development				\$ 200,000	\$ 200,000
Concourse G Infill and Delta Sky Club			\$ 62,400,000	\$ 20,100,000	\$ 82,500,000
Federal Inspection Services Global Entry Kiosks Relocation				\$ 100,000	\$ 100,000
Pre-Conditioned Air			\$ 2,000,000		\$ 2,000,000
Rental Car Facility Relocation			\$ 5,000,000		\$ 5,000,000
MSP TENANT PROJECTS SUBTOTAL	\$ -	\$ -	\$ 69,400,000	\$ 20,400,000	\$ 89,800,000
RELIEVER AIRPORTS LONG-TERM COMPREHENSIVE PLAN PROJECTS					
82 - Lake Elmo					
Airfield Modifications		\$ 2,150,000		\$ 850,000	\$ 3,000,000
Runway 14-32 Replacement		\$ 3,400,000		\$ 1,600,000	\$ 5,000,000
85 - Crystal					
Runway 14R-32L & Taxiway E Modifications		\$ 3,700,000		\$ 1,900,000	\$ 5,600,000
RELIEVER AIRPORTS LONG-TERM COMPREHENSIVE PLAN PROJECTS SUBTOTAL	\$ -	\$ 9,250,000	\$ -	\$ 4,350,000	\$ 13,600,000
RELIEVER AIRPORTS MAINTENANCE/FACILITY UPGRADE PROJECTS					
80 - Reliever Airports					
Reliever Building Miscellaneous Modifications				\$ 400,000	\$ 400,000
Reliever Pavement Rehabilitation Miscellaneous Modifications				\$ 300,000	\$ 300,000
81 - St. Paul					
Airport Perimeter Roads		\$ 400,000		\$ 150,000	\$ 550,000
83 - Airlake					
LED Edge Lighting		\$ 300,000		\$ 200,000	\$ 500,000
84 - Flying Cloud					
Taxiways A1, A2 and F Improvements		\$ 275,000		\$ 275,000	\$ 550,000
Underground Fuel Storage Tank Replacement				\$ 400,000	\$ 400,000
85 - Crystal					
Taxilane Pavement Reconstruction				\$ 550,000	\$ 550,000
Underground Fuel Storage Tank Replacement				\$ 400,000	\$ 400,000
86 - Anoka County - Blaine					
Air Traffic Control Tower Equipment Upgrades				\$ 100,000	\$ 100,000
LED Edge Lighting Upgrades		\$ 575,000		\$ 225,000	\$ 800,000
Lift Station Improvements				\$ 410,000	\$ 410,000
Taxilane Pavement Reconstruction				\$ 750,000	\$ 750,000
Underground Fuel Storage Tank Replacement				\$ 400,000	\$ 400,000
RELIEVER AIRPORTS MAINTENANCE/FACILITY UPGRADE PROJECTS SUBTOTAL	\$ -	\$ 1,550,000	\$ -	\$ 4,560,000	\$ 6,110,000
MSP Subtotal	\$ 69,300,000	\$ 50,020,000	\$ 177,000,000	\$ 73,840,000	\$ 370,160,000
Reliever Subtotal	\$ -	\$ 10,800,000	\$ -	\$ 8,910,000	\$ 19,710,000
TOTAL	\$ 69,300,000	\$ 60,820,000	\$ 177,000,000	\$ 82,750,000	\$ 389,870,000

2021 Capital Improvement Program Narratives

MSP END OF LIFE/REPLACEMENT PROJECTS

End of Life/Replacement projects include systems, components and pavements that can no longer be economically or feasibly maintained and must be replaced.

10 – Terminal 1

Passenger Boarding Bridge Replacements

\$8,000,000

This program provides for the replacement of jet bridges at Terminal 1. Bridges to be replaced will be determined based on a condition assessment and input from the airlines. Aircraft parking positions will be optimized at the impacted gates and fuel pits adjusted as necessary. Podiums and door openings may be adjusted to optimize gate hold areas. Fixed walkways may need to be replaced or added to meet ADA slope requirements. All gate hold areas will be upgraded with security doors, card readers and cameras.

13 – Energy Management Center

Elastometric Pump Expansion Fitting Replacement \$900,000

The elastometric fittings have a life expectancy of 15-20 years and are at or past the end of their useful lives. The proposed project includes removal and replacement of over 100 fittings of this type.

Variable Air Volume Box Replacement \$750,000

This program will replace Variable Air Volume boxes throughout Terminal 1 with more efficient equipment connected to the IMACS system and located for maintenance accessibility.

21 – Field and Runways

Runway 12R-30L Bituminous Shoulder Reconstruction

\$5,000,000 This project provides for the reconstruction of full-depth bituminous shoulder at the end of Runway 30R from Taxiway P1 to Taxiway P3. Work will include removal of the current bituminous shoulder, crushed aggregate base, bituminous pavement, pavement marking and electrical construction.

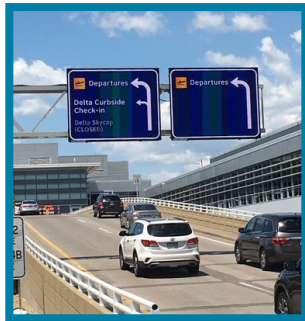
Taxiway P Reconstruction \$12,000,000

This project provides for the reconstruction of concrete pavement along Taxiway P between Taxiway M and Taxiway P10 and from Taxiway P1 to Taxiway P3. Work will include removal of current pavement, concrete pavement, pavement markings and electrical construction.

26 – Terminal Roads/Landside

Lower Level Roadway Rehabilitation \$1,100,000

This project provides for retrofit of the connection detail between the two-line pipe railing and the concrete parapet base at the valet parking entrance and exit ramps, as well as reconditioning of the steel bridge members for the elevated roadway bridge adjacent to Terminal 1. Work includes removal of existing connection, concrete repairs, retrofit connection utilizing epoxy anchors and painting steel bridge members.



Terminal 1 Upper Roadway

Upper Level Roadway Electrical System Rehabilitation \$1,000,000

This project provides for the reconstruction of the upper level roadway electrical system. The project includes electrical removals and the installation of electrical devices, conduit and cabling.

Upper Level Roadway Rehabilitation \$2,000,000

This project provides for mill and concrete overlay for the elevated roadway bridge adjacent to Terminal 1.

36 – Terminal 2

Recarpeting Program \$500,000

This project will replace carpet in the gate hold areas that has exceeded its useful life.

MSP IT PROJECTS

MSP IT Projects include those that have a significant amount, if not all, technology-related enhancements, maintenance or restructuring.

10 – Terminal 1

Concourses C and G Digital Directory Replacement \$200,000

The six digital displays on Concourses C and G will be replaced with displays similar to those in the Terminal 1 mall. This will provide a consistent customer experience throughout the terminal.

Intelligent Monitoring and Control Systems (IMACS) \$1,500,000

This continues a multi-year program to upgrade all MAC building automation systems to an open architecture protocol. This will allow the MAC to bid maintenance and construction contracts more competitively.

IT Miscellaneous Modifications \$9,000,000

This is a multi-year program to install, upgrade and refresh the MAC technology infrastructure across the MSP campus. Efforts include end of life storage, network and server refresh needs, maintenance and upgrades, fiber installation or rerouting, new telecommunication rooms, improvements on public address systems, digital signs and content management, wireless capabilities, distributed antenna systems, security camera systems and other technology systems and equipment.

Telecom Room Equipment Continuity (TREC) \$1,500,000

Merchants are required to meet credit card security standards created to protect cardholder data. The MAC is required to comply with these requirements because the MAC network carries credit card data collected from the landside parking revenue control system. Among the requirements are security standards for the physical locations where network equipment is located. Additionally, the equipment itself must have added security features to prevent unauthorized network access. This multiyear program addresses these standards by providing security equipment and relevant network hardware for the 150 telecommunications rooms on the MSP campus.

36 – Police**Card Access Modifications \$1,000,000**

This is a multi-year program to refresh the inventory of card access security readers as they reach end of life. The project will add outdoor biometric readers, mobile card readers and other readers as needed throughout the campus, as well as align card access control with other surveillance technology.

MSP LONG-TERM COMPREHENSIVE PLAN PROJECTS

MSP Long-Term Comprehensive Plan projects include projects that enhance or expand the airport facilities in order to meet existing or forecasted passenger needs.

10 – Terminal 1**Baggage Claim/Ticket Lobby Operational Improvements \$71,100,000**

This program addresses issues of congestion and functionality in the Baggage Claim and Ticket Lobby. It will provide the level of service requirements for short-term and medium-term growth of the origination and destination passengers, including walkways that meet required codes, public seating areas, centralized meet and greet space, unclaimed baggage storage, baggage service offices, concessions, improved lighting, fire protection throughout the space, structural enhancements, improved sight lines, curbside lighting and access, ticket counter consolidations, airline ticket offices, improved vestibules and access, east mezzanine removal and reduction, structural enhancements, curtain wall replacement and other operational improvements.

Baggage Handling System \$39,500,000

This project is part of a multi-phase program supporting the Operational Improvements Program. The 2020 phase of work begins the multiple phase installation of new inbound claim devices and ticket counter changes for the north departures and arrivals halls, matching the work of the south departures and arrivals halls. The work is coordinated with the Operational Improvements multi-phase projects including the façade expansion, ticket lobby and baggage claim phased projects. It also replaces ticket counter belts and other conveyors that have reached their end-of-life and are not controlled by the baggage handling system.

MSP Airport Layout Plan \$800,000

This project will prepare a new Airport Layout Plan and Exhibit A Property Map using updated Airport Geographic Information System survey data.

36 – Terminal 2**Terminal 2 Expansion \$100,000,000**

This project will add gates to the north end of Terminal 2. It addresses support space additions and changes to facilitate this expansion and future growth at the terminal. This project will impact the 2021 operating budget with increased utility and janitorial expenses and increased airline rates and charges revenue.

MSP MAINTENANCE/FACILITY UPGRADE PROJECTS

MSP Maintenance/Facility Upgrade projects include those that provide improvements to individual buildings or systems across the campus on a one-time or short-term basis.

10 – Terminal 1**Airport Director's Office Expansion \$500,000**

Additional office and meeting spaces are needed in the vicinity of the Airport Director's Office at Terminal 1. New space will accommodate new hires and reorganizations within the Strategy and Stakeholder Engagement Division and the Commercial Management & Airline Affairs service center. This project will convert vacated mechanical space into appropriate staff space.

Art Display Areas \$250,000

This program is a continuation of the existing program, in partnership with the Airport Foundation MSP, to provide opportunities and space for the display of permanent, temporary and rotating art exhibits.

Arts Master Plan **\$900,000**

This program supports procurement of commissioned art and rotating exhibits as part of the Percent for Arts program.

Delivery Node Redevelopment **\$500,000**

The MAC's existing node delivery and storage system requires long-term improvements at Terminal 1 and Terminal 2 to provide for safe and efficient delivery of goods by the contracted logistics company to MAC and airport tenants. This program will improve or replace existing nodes with more centralized locations that may include loading docks, elevators, adjacent storage, trash and recycling. This first year of the program will plan the strategy to achieve this work and examine the reuse of the vacated main dock, which will be replaced by the MAC Receiving and Distribution Center.

Employee Breakroom **\$225,000**

This project will provide a third employee breakroom that will have a quiet area for employees who work multiple shifts on the campus to eat, read and rest. By providing this quality work support area, front line and other employees will be able to take their break out of view of the public.

Tug Door Replacement **\$540,000**

This project includes the removal and replacement of high-speed rolling doors at Terminal 1 in the main tug drive area and in Concourse D. It will also include the addition of new door controls, sensors and ground loops. Also included in this project is the installation of new bollards, guardrails, speedbumps and miscellaneous signage. Several existing high-speed rolling doors will be connected to IMACS monitoring as part of this work.

13 – Energy Management Center**Concourse B Heating System Upgrades** **\$925,000**

This project will upgrade Concourse B fin tube radiation and variable air volume boxes as they are inefficient, expensive to operate and at the end of their expected life. The 2021 operating budget anticipates this project will partially offset the budgeted overall heating cost increases.

Roof Replacement and Breakroom Remodel **\$8,300,000**

This project will upgrade and rebuild portions of the Energy Management Center, including replacing the entire roof, replacing the narrow curtain wall system at the north exit and building an addition to house new locker room facilities and a new workshop.

Victaulic Piping Replacement **\$1,000,000**

This five-year program will replace the Victaulic piping and valves in Terminal 1 Concourse E, Concourse F, Concourse C, the Concourse C tunnel and Terminal 2. The MAC discovered that the joints in Victaulic piping leak as the seals shrink when cooled due to shut downs and service disruptions. The seals then do not hold tight when the system is restored to normal operation. Shut downs and disruptions occur frequently at MSP.

21 – Field and Runways**Taxiway T Centerline Lights** **\$600,000**

This project provides for the construction of taxiway centerline lighting systems for Taxiway T through the infield apron between the connectors from Taxiway M and Taxiway Y. Work includes installation of taxiway centerline lights and conductors, as well as modifications at the airfield lighting electrical center north building.

31 – Parking**Orange Parking Ramp Metal Panel Replacement** **\$500,000**

Following a high wind event in December 2017, the most damaged metal panels on the upper level of the Orange Parking Ramp core were stabilized with temporary repairs. This project will conduct a full removal and replacement of the metal panels, sub-framing system, copings and insulation to achieve a permanent improvement.

Parking Ramp Railing Refinishing **\$1,000,000**

This multi-year project will address the parking ramp metal railings that have weathered and degraded over time. The paint has chipped and peeled away, which caused the exposed metal rail to rust and corrode. If not repaired, the degraded metal railings could become at risk for detachment. The rust has stained the concrete walls and concrete slabs creating an unsightly appearance for airport customers and resulting in concrete repair work in the surrounding areas.



MAC Created Additional Rentable Space by Expanding the Terminal 1 Food Court

36 – Terminal 2

Rentable Space Build-Out \$700,000

This project will buildout and finish additional rentable spaces in Terminal 2 to support existing tenant growth and provide appropriate spaces for tenant occupancy. The 2021 operating budget anticipates increased terminal rent revenue from the additional rentable spaces.

Shuttle Waiting Area Expansion \$400,000

This project will expand the Transportation Network Company and shuttle customer waiting area in the Terminal 2 Ground Transportation Center.

63 – Police

Perimeter Gate Security Improvements \$1,000,000

Program priorities will be considered during the planning process in 2020. Preliminary project plans are to add canopies over the vehicle inspection area at Gates 101 and 222.

66 – Fire

Campus Fire Protection \$2,800,000

This project is part of a new multi-year program to upgrade fire protection systems in various MAC-owned buildings on the MSP campus.

70 – General Office

General Office Building Improvements \$1,500,000

Continual maintenance of MAC buildings is necessary for comfort and safety, as well as sustainability of the MAC asset. Age and weather contribute to building deterioration, mold and other health issues. The General Office Building, built in the 1960s, has recently experienced a number of window and building issues that need to be corrected. These include window sealing or replacements, curtain wall sealing and roof repairs. Building modifications will also accommodate additional staff.

76 – Environment

Runway 12R-30L Glycol Force Main Environmental Improvements \$1,500,000

This project provides for construction of glycol pumping stations and force mains to convey glycol-impacted stormwater from the Runway 30R and 30L deicing pads to the existing glycol sewers west of Runway 4-22 and the glycol management facility.

MSP ONGOING MAINTENANCE PROGRAMS

MSP Ongoing Maintenance projects include buildings, systems, pavements and other infrastructure that require improvements on an annual basis in order to maintain the facilities and manage MAC assets.

10 – Terminal 1

Air Handling Unit Replacement \$6,500,000

There are existing air handling units serving Terminal 1 that were installed with the original terminal construction and are over 50 years old. A study of these units evaluated each unit's age, condition and ability to adequately heat or cool the spaces it serves. This project continues a multi-year program that provides for the replacement of inadequate units. Work will include modifications to building walls to facilitate removal and installation, upgraded electrical controls, upgraded temperature controls and asbestos abatement. The 2021 operating budget anticipates this project will partially offset the budgeted overall heating cost increases.

Baggage System Upgrades \$500,000

This multi-year program will provide necessary upgrades to the inbound and outbound baggage system that are not covered by the operating maintenance budget.

Concourse G Rehabilitation \$4,000,000

This multi-year program will provide operational improvements to the existing concourse over time, including replacing elevators and modifying or replacing structural, electrical and mechanical systems.

Conveyance System Upgrades **\$3,000,000**

A facilities consultant completed a study of the MSP campus conveyance systems including elevators, escalators, moving walks, dumbwaiters and material lifts. 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 utilize outdated technology that is generally less efficient than modern control equipment. Some of the systems do not include safety devices or features that are common to modern equipment. This multi-year program modernizes and replaces elements of the conveyance systems and may install new conveyance systems.

Electrical Infrastructure Program **\$2,000,000**

There are 53 electrical substations that serve the Terminal 1 complex. These substations will be inspected, cleaned and upgraded in order to ensure their continued performance.

Electrical Substation Replacement **\$1,400,000**

This is the first of a multi-year program to replace electrical substations which are at or very near their end-of-life. This program will also improve redundancy.

Emergency Power Upgrades **\$2,000,000**

This year's project is part of a multi-year program that will continue the design and implementation of emergency power and lighting corrective work identified in a 2008 study.

Plumbing Infrastructure Upgrade Program **\$600,000**

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 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 stormwater systems. This ongoing program upgrades the plumbing infrastructure system to meet current code requirements and MAC standards.

Terminal Building Remediation Program **\$2,000,000**

Continual maintenance of the terminal buildings is imperative to passenger comfort and safety as well as sustainability of the MAC asset. Age and weather contribute to building deterioration, mold and other health issues. Building and concourse envelope issues include curtain wall systems, glazing, sealant repair/replacement, louver repair/replacement, metal panel repair/replacement, soffit repair/replacement and insulation systems.

Terminal Miscellaneous Modifications **\$2,400,000**

Each year, there is a list of maintenance projects that are beyond the resources of the MAC's Maintenance and Trades staff to accomplish. These projects are prioritized and completed either as a series of contracts or as purchase orders. Typical work includes door replacements, emergency upgrades to mechanical, electrical, plumbing or heating, ventilation and air conditioning systems, loading dock work, and the like. The list of potential projects will be compiled and prioritized in early 2021.

13 – Energy Management Center**Plant Upgrades** **\$1,500,000**

This multi-year program provides upgrades to the MAC's Energy Management Center boiler and chiller plants at both Terminal 1 and Terminal 2. The work includes upgrades to the aging chilled water and heated water systems. The 2021 operating budget anticipates this project will partially offset the budgeted overall heating and utility cost increases.

21 – Field and Runways**Miscellaneous Airfield Construction** **\$3,000,000**

This is an ongoing program to consolidate various items beyond the capabilities of the maintenance personnel, projects too small to be accomplished independently or to handle unexpected airside repair needs.

Pavement Joint Sealing/Repair **\$800,000**

This is an ongoing program to provide for the resealing of joints, sealing of cracks and limited surface repairs on existing concrete pavements. The areas scheduled for sealing will be as defined in the overall joint sealing program or as identified by staff inspection in the early spring of each year.

**26 – 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 to identify maintenance and repairs, which are then implemented in a timely fashion.

31 – Parking

Parking Structure Rehabilitation

\$3,000,000

This annual program maintains the integrity of MSP’s multi-level parking structures. Projects typically include concrete repair, joint sealant replacement, expansion joint repairs, concrete sealing and lighting improvements.

39 – Public Areas/Roads

Concrete Joint Repair

\$400,000

This project will complete landside pavement joint repair on MSP campus roadways. This preventative maintenance activity will prolong the existing pavement’s useful life.

Landside Pavement Rehabilitation

\$500,000

This is an ongoing program to construct or reconstruct bituminous pavements outside of the Air Operations Area. Inspection of pavements and appurtenances determines which areas are prioritized for rehabilitation.

Landside Utility Rehabilitation

\$750,000

Each year there are a number of landside utility projects that are beyond the resources of the MAC’s staff and operating budget to accomplish. These projects are prioritized annually and completed with either a series of contracts or purchase orders. Electric power, sanitary sewer, storm sewer and water main improvements will be addressed with this program. A study will be conducted as part of this year’s project to identify future potential projects. The study will be updated annually to reflect current priorities.

Roadway Fixture Refurbishment

\$150,000

This project provides for the refurbishment of light poles, clearance restriction boards, sign units, fence sections and canopies on the airport roadways that need repainting and maintenance.

46 – Hangars and Other Buildings

Campus Building Rehabilitation Program

\$500,000

Continual maintenance of non-terminal buildings is imperative in providing a stable infrastructure and meeting the MAC’s sustainability goals. Age and weather contribute to building deterioration, mold and other health issues. Building envelope issues include curtain wall systems, glazing, sealant repair/replacement, louver repair/replacement, metal panel replacement and/or painting/tuck-pointing, structural repair and insulation systems. This program will also include repair/replacement related to interior issues. This is part of an ongoing program to maintain MAC buildings as assets.

MSP Campus Building Roof Replacements

\$1,300,000

The MAC evaluates one-half of the MSP roofs every other year. This ongoing program allows these roofs to be prioritized and programmed for repair. This project will provide for the 2021 scheduled repairs and for emergency repairs throughout campus.



MAC Continues to Reach Out to Local Communities to Share Information and Hear from Residents & Stakeholders

MSP NOISE MITIGATION PROJECTS

Noise Mitigation Projects are completed in compliance with the Consent Decree First Amendment. This residential noise mitigation program began in March 2014 under the terms of an amended legal agreement between the MAC and the cities of Richfield, Minneapolis and Eagan, and approved by the Hennepin County District Court. The agreement is effective until December 31, 2024.

76 – Environment

Noise Mitigation Consent Decree Amendment **\$1,000,000**

Under this program, eligibility of single-family and multi-family homes will be determined annually, based upon actual noise contours developed for the preceding calendar year. This project will provide noise mitigation for those single-family and multi-family homes meeting the eligibility requirements of the program. The estimated 2021 expense impact is approximately \$1,000,000 in internally generated funds.

MSP TENANT PROJECTS

MSP tenant projects include those that enhance or expand tenant or leasehold facilities that the MAC supports, with the tenants reimbursing the costs to the MAC for work within leasehold spaces.

10 – Terminal 1**Concessions Upgrades/Revenue Development \$200,000**

This is an annual program to fund miscellaneous upgrades such as finishes, furniture, signage and modified connections to utilities for the concession programs or other revenue generating programs at the airport.

RELIEVER AIRPORTS LONG-TERM COMPREHENSIVE PLAN PROJECTS

Reliever Airport Long-Term Comprehensive Plan projects include projects that enhance or expand the airport facilities in order to meet existing or forecasted operational needs.

82 – Lake Elmo**Runway 14-32 Replacement \$3,000,000**

This project will be the third phase of the Runway 14-32 Replacement project, which relocates and extends the primary runway northeast of its current alignment. This project includes all wetland mitigation, earthwork grading, subgrade improvements, electrical lighting system and bituminous pavement installation.

84 – Flying Cloud**Airport Geographic Information System and Airport Layout Plan \$300,000**

This project provides for a new Airport Layout Plan and Exhibit A Property Map using updated Airport Geographic Information System survey data.

86 – Anoka County-Blaine**Airport Geographic Information System and Airport Layout Plan \$400,000**

This project provides for a new Airport Layout Plan and Exhibit A Property Map using updated Airport Geographic Information System survey data.

RELIEVER AIRPORTS MAINTENANCE/FACILITY UPGRADE PROJECTS

Reliever Airport Maintenance/Facility Upgrade projects include improvements to buildings, systems, pavements and other infrastructure across the Reliever Airport system on a one-time or short-term basis.

80 – Reliever Airports**Reliever Building Miscellaneous Modifications \$400,000**

This program will address ongoing needs for repairs and modifications of MAC-owned buildings at five of the Reliever Airports, excluding St. Paul. These items may include: crew rest areas, heating, air conditioning, structural repairs and aesthetic updates. The list of potential projects will be compiled and prioritized in early 2021.

Reliever Pavement Rehabilitation Miscellaneous Modifications \$300,000

This program will address ongoing needs for crack sealing, joint repairs, pavement rejuvenation and pavement repairs at the six reliever airports. The list of potential projects will be compiled and prioritized in early 2021.

81 – St. Paul**MAC Building Improvements \$850,000**

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.

83 – Airlake**Joint and Crack Repairs \$150,000**

This project provides for the resealing of joints, sealing of cracks and limited surface repairs on existing concrete pavements. The areas scheduled for sealing will be identified by staff inspection in the early spring of 2021.

84 – Flying Cloud**Airfield Electrical Improvements-Taxiway D and E Lights \$300,000**

This project will provide LED taxiway edge lights along Taxiway D and E south of Taxiway B. The 2021 operating budget anticipates this project will partially offset the budgeted overall electricity cost increases.

MAC Building Improvements **\$520,000**

There is a hangar door on the Executive Aviation building which is unusable in its current configuration. This project will remove the hangar door, infill a portion of the opening and install an overhead door for ingress and egress of equipment.

85 – Crystal

LED Edge Lighting Upgrades **\$400,000**

This project includes replacement of the existing medium intensity runway edge lighting system. New edge lighting will include LED lighting. The 2021 operating budget anticipates this project will partially offset the budgeted overall electricity cost increases.

86 – Anoka County-Blaine

Taxilane Pavement Rehabilitation **\$750,000**

This program will address ongoing needs for crack sealing, joint repairs, pavement rejuvenation and pavement repairs at the six reliever airports. This project includes rehabilitation of alleyways in the West Building area.

2021 Capital Improvement Program Funding Sources

The following table shows the funding sources for the 2021 Capital Improvement Program projects. A cash flow summary appears later in the section.

2021 Capital Improvement Program Funding					
Projects	Funding Sources				Total
	PFCs	Federal/State Grants	Line of Credit/GARBs	MAC/Airline Funds	
MSP END OF LIFE/REPLACEMENT PROJECTS					
10 - Terminal 1					
Passenger Boarding Bridge Replacements	\$ 8,000,000				\$ 8,000,000
13 - Energy Management Center					
Elastometric Pump Expansion Fitting Replacement				\$ 900,000	\$ 900,000
Variable Air Volume Box Replacement				\$ 750,000	\$ 750,000
21 - Field and Runways					
Runway 12R-30L Bituminous Shoulder Reconstruction	\$ 2,000,000	\$ 3,000,000			\$ 5,000,000
Taxiway P Reconstruction	\$ 4,800,000	\$ 7,200,000			\$ 12,000,000
26 - Terminal Roads/Landside					
Lower Level Roadway Rehabilitation				\$ 1,100,000	\$ 1,100,000
Upper Level Roadway Electrical System Rehabilitation				\$ 1,000,000	\$ 1,000,000
Upper Level Roadway Rehabilitation				\$ 2,000,000	\$ 2,000,000
36 - Terminal 2					
Recarpeting Program				\$ 500,000	\$ 500,000
MSP END OF LIFE/REPLACEMENT PROJECTS SUBTOTAL	\$ 14,800,000	\$ 10,200,000	\$ -	\$ 6,250,000	\$ 31,250,000
MSP IT PROJECTS					
10 - Terminal 1					
Concourses C and G Digital Directory Replacement				\$ 200,000	\$ 200,000
Intelligent Monitoring and Control Systems (IMACS)				\$ 1,500,000	\$ 1,500,000
IT Miscellaneous Modifications				\$ 9,000,000	\$ 9,000,000
Telecom Room Equipment Continuity (TREC)				\$ 1,500,000	\$ 1,500,000
63 - Police					
Card Access Modifications	\$ 1,000,000				\$ 1,000,000
MSP IT SUBTOTAL	\$ 1,000,000	\$ -	\$ -	\$ 12,200,000	\$ 13,200,000
MSP LONG-TERM COMPREHENSIVE PLAN PROJECTS					
10 - Terminal 1					
Baggage Claim/Ticket Lobby Operational Improvements	\$ 60,100,000		\$ 11,000,000		\$ 71,100,000
Baggage Handling System	\$ 39,500,000				\$ 39,500,000
MSP Airport Layout Plan				\$ 800,000	\$ 800,000
36 - Terminal 2					
Terminal 2 Expansion			\$ 100,000,000		\$ 100,000,000
MSP LONG-TERM COMPREHENSIVE PLAN PROJECTS SUBTOTAL	\$ 99,600,000		\$ 111,000,000	\$ 800,000	\$ 211,400,000

2021 Capital Improvement Program Funding - Continued					
Projects	Funding Sources				Total
	PFCs	Federal/State Grants	Line of Credit/GARBs	MAC/Airline Funds	
MSP MAINTENANCE/FACILITY UPGRADE PROJECTS					
10 - Terminal 1					
Airport Director's Office Expansion				\$ 500,000	\$ 500,000
Art Display Areas				\$ 250,000	\$ 250,000
Art Master Plan				\$ 900,000	\$ 900,000
Delivery Node Redevelopment				\$ 500,000	\$ 500,000
Employee Breakroom				\$ 225,000	\$ 225,000
Tug Door Replacement				\$ 540,000	\$ 540,000
13 - Energy Management Center					
Concourse B Heating System Upgrades				\$ 925,000	\$ 925,000
EMC Roof Replacement and Breakroom Remodel				\$ 8,300,000	\$ 8,300,000
Victaulic Piping Replacement				\$ 1,000,000	\$ 1,000,000
21 - Field and Runways					
Taxiway T Centerline Lights		\$ 350,000		\$ 250,000	\$ 600,000
31 - Parking					
Orange Parking Ramp Metal Panel Replacement			\$ 500,000		\$ 500,000
Parking Ramp Railing Refinishing			\$ 1,000,000		\$ 1,000,000
36 - Terminal 2					
Rentable Space Build-Out				\$ 700,000	\$ 700,000
Shuttle Waiting Area Expansion				\$ 400,000	\$ 400,000
63 - Police					
Perimeter Gate Security Improvements				\$ 1,000,000	\$ 1,000,000
66 - Fire					
Campus Fire Protection				\$ 2,800,000	\$ 2,800,000
70 - General Office					
General Office Building Improvements			\$ 500,000		\$ 500,000
76 - Environment					
Runway 12R-30L Glycol Force Main Environmental Improvements			\$ 1,500,000		\$ 1,500,000
MSP MAINTENANCE/FACILITY UPGRADE PROJECTS SUBTOTAL	\$ -	\$ 350,000	\$ 3,500,000	\$ 18,290,000	\$ 22,140,000
MSP ONGOING MAINTENANCE PROGRAMS					
10 - Terminal 1					
Air Handling Unit Replacement			\$ 6,500,000		\$ 6,500,000
Baggage System Upgrades				\$ 500,000	\$ 500,000
Concourse G Rehabilitation				\$ 4,000,000	\$ 4,000,000
Conveyance System Upgrades				\$ 3,000,000	\$ 3,000,000
Electrical Infrastructure Program				\$ 2,000,000	\$ 2,000,000
Electrical Substation Replacement				\$ 1,400,000	\$ 1,400,000
Emergency Power Upgrades				\$ 2,000,000	\$ 2,000,000
Plumbing Infrastructure Upgrade Program				\$ 600,000	\$ 600,000
Terminal Building Remediation Program				\$ 2,000,000	\$ 2,000,000
Terminal Miscellaneous Modifications				\$ 2,400,000	\$ 2,400,000
13 - Energy Management Center					
Plant Upgrades				\$ 1,500,000	\$ 1,500,000
21 - Field and Runways					
Miscellaneous Airfield Construction				\$ 3,000,000	\$ 3,000,000
Pavement Joint Sealing/Repair				\$ 800,000	\$ 800,000
26 - Terminal Roads/Landside					
Tunnel/Bridge Rehabilitation				\$ 100,000	\$ 100,000
31 - Parking					
Parking Structure Rehabilitation				\$ 3,000,000	\$ 3,000,000
39 - Public Areas/Roads					
Concrete Joint Repair				\$ 400,000	\$ 400,000
Landside Pavement Rehabilitation				\$ 500,000	\$ 500,000
Landside Utility Rehabilitation				\$ 750,000	\$ 750,000
Roadway Fixture Refurbishment				\$ 150,000	\$ 150,000
46 - Hangars and Other Buildings					
Campus Building Rehabilitation Program				\$ 500,000	\$ 500,000
Campus Building Roof Replacements				\$ 1,300,000	\$ 1,300,000
MSP ONGOING MAINTENANCE PROGRAMS SUBTOTAL	\$ -	\$ -	\$ 6,500,000	\$ 29,900,000	\$ 36,400,000
MSP NOISE MITIGATION PROJECTS					
76 - Environment					
Noise Mitigation Consent Decree Amendment				\$ 1,000,000	\$ 1,000,000
MSP NOISE MITIGATION PROJECTS SUBTOTAL	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000

2021 Capital Improvement Program Funding - Continued					
Projects	Funding Sources				Total
	PFCs	Federal/State Grants	Line of Credit/GARBs	MAC/Airline Funds	
MSP TENANT PROJECTS					
10 - Terminal 1					
Concession Upgrades/Revenue Development				\$ 200,000	\$ 200,000
MSP TENANT PROJECTS SUBTOTAL	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000
RELIEVER AIRPORTS LONG-TERM COMPREHENSIVE PLAN PROJECTS					
82 - Lake Elmo					
Runway 14-32 Replacement		\$ 2,550,000		\$ 450,000	\$ 3,000,000
84 - Flying Cloud					
Airport Geographic Information System and Airport Layout Plan		\$ 150,000		\$ 150,000	\$ 300,000
86 - Anoka County-Blaine					
Airport Geographic Information System and Airport Layout Plan		\$ 200,000		\$ 200,000	\$ 400,000
RELIEVER AIRPORTS LONG-TERM COMPREHENSIVE PLAN PROJECTS SUBTOTAL	\$ -	\$ 2,900,000	\$ -	\$ 800,000	\$ 3,700,000
RELIEVER AIRPORTS MAINTENANCE/FACILITY UPGRADE PROJECTS					
80 - Reliever Airports					
Reliever Building Miscellaneous Modifications				\$ 400,000	\$ 400,000
Reliever Pavement Rehabilitation Miscellaneous Modifications				\$ 300,000	\$ 300,000
81 - St. Paul					
MAC Building Improvements				\$ 850,000	\$ 850,000
83 - Airlake					
Joint and Crack Repairs				\$ 150,000	\$ 150,000
84 - Flying Cloud					
Airfield Electrical Improvements-Taxiway D and E Lights		\$ 225,000		\$ 75,000	\$ 300,000
MAC Building Improvements				\$ 520,000	\$ 520,000
85 - Crystal					
LED Edge Lighting Upgrades		\$ 275,000		\$ 125,000	\$ 400,000
86 - Anoka County-Blaine					
Taxilane Pavement Rehabilitation		\$ 150,000		\$ 600,000	\$ 750,000
RELIEVER AIRPORTS MAINTENANCE/FACILITY UPGRADE PROJECTS SUBTOTAL	\$ -	\$ 650,000		\$ 3,020,000	\$ 3,670,000
MSP Subtotal	\$ 115,400,000	\$ 10,550,000	\$ 121,000,000	\$ 68,640,000	\$ 315,590,000
Reliever Subtotal	\$ -	\$ 3,550,000	\$ -	\$ 3,820,000	\$ 7,370,000
TOTAL	\$ 115,400,000	\$ 14,100,000	\$ 121,000,000	\$ 72,460,000	\$ 322,960,000

2022-2026 Capital Improvement Plan

This encompasses the last five years of the total program and consists of projects that appear likely to be needed during the period.

2022-2026 Capital Improvement Program Funding					
Projects	Funding Sources				Total
	PFCs	Federal/State Grants	Line of Credit/GARBs	MAC/Airline Funds	
MSP END OF LIFE/REPLACEMENT PROJECTS					
10 - Terminal 1					
Concourse & Hub Tram Replacement				\$ 600,000,000	\$ 500,000
Passenger Boarding Bridge Replacements	\$ 14,000,000	\$ 6,000,000			\$ 20,000,000
Recarpeting Program				\$ 21,000,000	\$ 21,000,000
13 - Energy Management Center					
Ground Transportation Center Dual Temperature Pump Improvements				\$ 1,800,000	\$ 1,800,000
Variable Air Volume Box Replacement				\$ 2,250,000	\$ 2,250,000
21 - Field and Runways					
Apron Paving Reconstruction	\$ 2,750,000	\$ 8,250,000			\$ 11,000,000
Bituminous Shoulder Reconstruction	\$ 9,800,000	\$ 25,200,000			\$ 35,000,000
Runway 30L Engineered Materials Arrestor System Replacement	\$ 4,750,000	\$ 14,250,000			\$ 19,000,000
Taxiway A/B Pavement Reconstruction	\$ 4,000,000	\$ 12,000,000			\$ 16,000,000
Terminal 1 Apron Pavement Reconstruction	\$ 8,375,000	\$ 16,625,000			\$ 25,000,000

2022-2026 Capital Improvement Program Funding - Continued						
Projects	Funding Sources					Total
	PFCs	Federal/State Grants	Line of Credit/GARBs	Unfunded	MAC/Airline Funds	
26 - Terminal Roads/Landside						
United Parcel Service Loop Pavement Reconstruction					\$ 1,600,000	\$ 1,600,000
36 - Terminal 2						
Recarpeting Program					\$ 1,500,000	\$ 1,500,000
39 - Public Areas Roads						
28th Avenue South Reconstruction					\$ 2,270,000	\$ 2,270,000
East 62nd Street Reconstruction					\$ 2,400,000	\$ 2,400,000
MSP END OF LIFE/REPLACEMENT PROJECTS						
SUBTOTAL	\$ 43,675,000	\$ 82,325,000	\$ -	\$ 600,000,000	\$ 33,320,000	\$ 759,320,000
MSP IT PROJECTS						
10 - Terminal 1						
IT Miscellaneous Modifications					\$ 50,500,000	\$ 50,500,000
Telecom Room Equipment Continuity (TREC)					\$ 1,500,000	\$ 1,500,000
63 - Police						
Card Access Modifications	\$ 1,000,000					\$ 1,000,000
MSP IT PROJECTS SUBTOTAL	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 52,000,000	\$ 53,000,000
MSP LONG TERM COMPREHENSIVE PLAN PROJECTS						
10 - Terminal 1						
Baggage Claim/Ticket Lobby Operational Improvements	\$ 49,300,000		\$ 3,500,000			\$ 52,800,000
Checkpoint Expansion	\$ 11,000,000					\$ 11,000,000
D-Pod Outbound Baggage System	\$ 5,000,000					\$ 5,000,000
Expand and Remodel International Arrivals Facility			\$ 5,000,000			\$ 5,000,000
Unstaffed Exit Lanes					\$ 2,500,000	\$ 2,500,000
21 - Field and Runways						
Runway 30R Parallel Taxiway	\$ 9,000,000	\$ 27,000,000				\$ 36,000,000
MSP LONG TERM COMPREHENSIVE PLAN PROJECTS SUBTOTAL	\$ 74,300,000	\$ 27,000,000	\$ 8,500,000	\$ -	\$ 2,500,000	\$ 112,300,000
MSP MAINTENANCE/FACILITY UPGRADE PROJECTS						
10 - Terminal 1						
Art Display Areas					\$ 250,000	\$ 250,000
Arts Master Plan					\$ 3,900,000	\$ 3,900,000
Delivery Node Development					\$ 19,770,000	\$ 19,770,000
Folded Plate Repairs	\$ 6,200,000		\$ 8,900,000		\$ 11,600,000	\$ 26,700,000
G Concourse Moving Walks			\$ 6,000,000			\$ 6,000,000
Lighting Infrastructure Technology and Equipment					\$ 7,250,000	\$ 7,250,000
Mechanical Room C-1043			\$ 5,500,000			\$ 5,500,000
Public Walk Aisle Terrazzo Floor Installation			\$ 4,400,000		\$ 13,400,000	\$ 17,800,000
Restroom Upgrade Program	\$ 8,000,000		\$ 2,000,000			\$ 10,000,000
Tug Drive Heater Replacement					\$ 900,000	\$ 900,000
Way-Finding Sign Backlighting Replacement					\$ 1,600,000	\$ 1,600,000
13 - Energy Management Center						
Boiler Room Addition					\$ 1,000,000	\$ 1,000,000
Concourse B Heating System Upgrades					\$ 2,050,000	\$ 2,050,000
Energy Savings Program					\$ 6,000,000	\$ 6,000,000
Victaulic Piping Replacement			\$ 2,000,000		\$ 2,000,000	\$ 4,000,000
21 - Field and Runways						
Apron Lighting LED Upgrade	\$ 2,250,000	\$ 7,500,000			\$ 250,000	\$ 10,000,000
Glycol Lift Station/Force Main					\$ 1,100,000	\$ 1,100,000
Runway LED Lighting Upgrade	\$ 700,000	\$ 3,500,000	\$ 600,000		\$ 1,100,000	\$ 5,900,000
Tunnel Lighting LED Upgrade	\$ 600,000	\$ 2,550,000			\$ 250,000	\$ 3,400,000
31 - Parking						
Parking Guidance System					\$ 6,500,000	\$ 6,500,000
36 - Terminal 2						
Gate Area Passenger Amenities					\$ 1,000,000	\$ 1,000,000
Gate/Desk Podium Replacement					\$ 450,000	\$ 450,000
Multi-User Flight Information Display/Electronic Visual Information Display Systems Millwork Upgrades					\$ 350,000	\$ 350,000
Skyway to Light Rail Transit Flooring Installation					\$ 800,000	\$ 800,000
39 - Public Areas/Roads						
Diverging Diamond Intersection					\$ 340,000	\$ 340,000
Tunnel Fan Replacement			\$ 4,700,000		\$ 6,800,000	\$ 11,500,000
46 - Hangars & Other Buildings						
MAC Storage Building			\$ 10,000,000			\$ 10,000,000
56 - Trades/Maintenance Buildings						
South Field Maintenance Building Wash Bay			\$ 3,500,000			\$ 3,500,000

2022-2026 Capital Improvement Program Funding - Continued						
Projects	Funding Sources					Total
	PFCs	Federal/State Grants	Line of Credit/GARBs	Unfunded	MAC/Airline Funds	
63 - Police						
Card Access Modifications					\$ 1,000,000	\$ 1,000,000
Perimeter Fence Intrusion Detection System		\$ 600,000			\$ 400,000	\$ 1,000,000
Perimeter Gate Security Improvements	\$ 3,250,000	\$ 9,750,000				\$ 13,000,000
Public Safety Modifications	\$ 1,000,000					\$ 1,000,000
66 - Fire						
Campus Fire Protection					\$ 5,800,000	\$ 5,800,000
76 - Environment						
Glycol Sewer & Storm Sewer Inspection and Rehabilitation					\$ 1,900,000	\$ 1,900,000
Ground Service Equipment Electrical Charging Stations					\$ 3,000,000	\$ 3,000,000
Terminal 2 Remote Ramp Lot and Drainage Improvements			\$ 2,000,000			\$ 2,000,000
MSP MAINTENANCE/FACILITY UPGRADE PROJECTS SUBTOTAL	\$ 22,000,000	\$ 23,900,000	\$ 49,600,000	\$ -	\$ 100,760,000	\$ 196,260,000
MSP ONGOING MAINTENANCE PROGRAMS						
10 - Terminal 1						
Air Handling Unit Replacement			\$ 13,000,000		\$ 16,000,000	\$ 29,000,000
Baggage System Upgrades					\$ 1,500,000	\$ 1,500,000
Concourse G Rehabilitation			\$ 10,000,000		\$ 15,000,000	\$ 25,000,000
Conveyance System Upgrades					\$ 3,000,000	\$ 3,000,000
Electrical Infrastructure Program			\$ 2,500,000		\$ 7,500,000	\$ 10,000,000
Electrical Substation Replacement			\$ 2,800,000		\$ 3,800,000	\$ 6,600,000
Emergency Power Upgrades			\$ 2,500,000		\$ 7,500,000	\$ 10,000,000
Plumbing Infrastructure Upgrade Program					\$ 1,900,000	\$ 1,900,000
Terminal Building Remediation Program			\$ 6,000,000		\$ 9,000,000	\$ 15,000,000
Terminal Miscellaneous Modifications					\$ 12,500,000	\$ 12,500,000
13 - Energy Management Center						
EMC Plant Upgrades					\$ 2,800,000	\$ 2,800,000
21 - Field and Runways						
Airside Bituminous Rehabilitation/Electrical Construction			\$ 8,800,000		\$ 2,500,000	\$ 11,300,000
Miscellaneous Airfield Construction			\$ 7,500,000			\$ 7,500,000
Pavement Joint Sealing/Repair					\$ 4,000,000	\$ 4,000,000
26 - Terminal Roads/Landside						
Glumack Drive Reconstruction					\$ 9,300,000	\$ 9,300,000
Tunnel Approaches Reconstruction					\$ 2,370,000	\$ 2,370,000
Tunnel/Bridge Rehabilitation					\$ 520,000	\$ 520,000
31 - Parking						
Parking Structure Rehabilitation			\$ 3,000,000		\$ 6,000,000	\$ 9,000,000
39 - Public Areas/Roads						
34th Avenue Bus Area Reconstruction					\$ 700,000	\$ 700,000
34th Avenue Reconstruction					\$ 13,000,000	\$ 13,000,000
34th Avenue Sanitary Sewer Replacement					\$ 2,200,000	\$ 2,200,000
Concrete Joint Repair					\$ 6,100,000	\$ 6,100,000
Landside Pavement Rehabilitation					\$ 2,000,000	\$ 2,000,000
Landside Utility Rehabilitation					\$ 3,000,000	\$ 3,000,000
Roadway Fixture Refurbishment					\$ 300,000	\$ 300,000
46 - Hangars & Other Buildings						
Campus Building Demolition					\$ 800,000	\$ 800,000
Campus Building Rehabilitation Program					\$ 6,000,000	\$ 6,000,000
Campus Building Roof Replacements					\$ 6,900,000	\$ 6,900,000
Campus Parking Lot Reconstructions					\$ 1,300,000	\$ 1,300,000
MSP ONGOING MAINTENANCE PROGRAMS SUBTOTAL	\$ -	\$ -	\$ 56,100,000	\$ -	\$ 147,490,000	\$ 203,590,000
MSP NOISE MITIGATION PROJECTS						
76 - Environment						
Noise Mitigation Consent Decree Amendment			\$ 19,100,000		\$ 1,000,000	\$ 20,100,000
MSP NOISE MITIGATION PROJECTS SUBTOTAL	\$ -	\$ -	\$ 19,100,000	\$ -	\$ 1,000,000	\$ 20,100,000
MSP TENANT PROJECTS						
10 - Terminal 1						
Concession Upgrades/Revenue Development					\$ 1,000,000	\$ 1,000,000
Elevator & Concourse Improvements-United Club					\$ 200,000	\$ 200,000
Pre-Conditioned Air					\$ 2,000,000	\$ 2,000,000
46 - Hangars & Other Buildings						
Ground Service Equipment Maintenance Facility					\$ 200,000	\$ 200,000
MSP TENANT PROJECTS SUBTOTAL	\$ -	\$ -	\$ -	\$ -	\$ 3,400,000	\$ 3,400,000

2022-2026 Capital Improvement Program Funding - Continued						
Projects	Funding Sources					Total
	PFCs	Federal/State Grants	Line of Credit/GARBs	Unfunded	MAC/Airline Funds	
RELIEVER AIRPORTS LONG TERM COMPREHENSIVE PLAN PROJECTS						
81 - St. Paul						
Airport Geographic Information System & Airport Layout Plan		\$ 200,000			\$ 200,000	\$ 400,000
82 - Lake Elmo						
Long Term Comprehensive Plan					\$ 100,000	\$ 100,000
83 - Airlake						
Long Term Comprehensive Plan					\$ 100,000	\$ 100,000
Runway 20-30 Improvements		\$ 2,500,000			\$ 1,000,000	\$ 3,500,000
84 - Flying Cloud						
Purchase & Demolition of Hangars					\$ 1,300,000	\$ 1,300,000
South Building Area Utilities					\$ 600,000	\$ 600,000
85 - Crystal						
Long Term Comprehensive Plan					\$ 100,000	\$ 100,000
86 - Anoka County - Blaine						
Building Area Development - Xylite Street Relocation					\$ 1,000,000	\$ 1,000,000
RELIEVER AIRPORTS LONG TERM COMPREHENSIVE PLAN PROJECTS SUBTOTAL	\$ -	\$ 2,700,000	\$ -	\$ -	\$ 4,400,000	\$ 7,100,000
RELIEVER AIRPORTS MAINTENANCE/FACILITY UPGRADE PROJECTS						
80 - Reliever Miscellaneous						
Reliever Building Miscellaneous Modifications					\$ 2,000,000	\$ 2,000,000
Reliever Pavement Rehabilitation Miscellaneous Modifications					\$ 1,500,000	\$ 1,500,000
81 - St. Paul						
Airport Perimeter Roads					\$ 500,000	\$ 500,000
Cold Equipment Storage Building					\$ 750,000	\$ 750,000
Customs and Border Protection General Aviation					\$ 2,000,000	\$ 2,000,000
LED Edge Lighting Upgrades		\$ 1,775,000			\$ 725,000	\$ 2,500,000
MAC Building Improvements					\$ 600,000	\$ 600,000
Pavement Rehabilitation-Taxilanes/Tower Road					\$ 500,000	\$ 500,000
Runway 13-31 Pavement Reconstruction					\$ 5,000,000	\$ 5,000,000
Runway 14-32 Engineered Materials Arrestor System Replacement		\$ 8,000,000			\$ 2,000,000	\$ 10,000,000
Runway 14-32 Reconstruction		\$ 7,200,000			\$ 2,800,000	\$ 10,000,000
Storm Sewer Improvements					\$ 1,500,000	\$ 1,500,000
Taxiway B Rehabilitation		\$ 575,000			\$ 225,000	\$ 800,000
Taxiway Lima Rehabilitation		\$ -			\$ 200,000	\$ 200,000
82 - Lake Elmo						
North Building Area Pavement Rehabilitation					\$ 1,400,000	\$ 1,400,000
Parallel Taxiway Reconstruction					\$ 600,000	\$ 600,000
Runway 4-22 Pavement Rehabilitation		\$ 2,875,000			\$ 1,125,000	\$ 4,000,000
83 - Airlake						
LED Edge Lighting		\$ 125,000			\$ 75,000	\$ 200,000
North Service Road Pavement Rehabilitation					\$ 400,000	\$ 400,000
North Taxilanes Pavement Rehabilitation					\$ 1,000,000	\$ 1,000,000
Runway 12-30 Reconstruction		\$ 2,500,000			\$ 1,000,000	\$ 3,500,000
84 - Flying Cloud						
Airport Access Roads and Tango Lane		\$ 350,000			\$ 150,000	\$ 500,000
Electrical Vault Modifications					\$ 500,000	\$ 500,000
MAC Building Improvements					\$ 200,000	\$ 200,000
Runway 10R-28L Pavement Rehabilitation		\$ 1,075,000			\$ 425,000	\$ 1,500,000
85 - Crystal						
LED Edge Lighting Upgrades		\$ 225,000			\$ 175,000	\$ 400,000
Service Roads					\$ 1,200,000	\$ 1,200,000
Taxilane Pavement Rehabilitation		\$ 350,000			\$ 1,250,000	\$ 1,600,000
86 - Anoka County - Blaine						
Electrical Vault Improvements					\$ 750,000	\$ 750,000
LED Edge Lighting Upgrades		\$ 1,000,000			\$ 700,000	\$ 1,700,000
Pavement Rehabilitation-Taxiway A & Edge Lights		\$ 1,080,000			\$ 720,000	\$ 1,800,000
Runway 18-36 Pavement Rehabilitation		\$ 1,875,000			\$ 625,000	\$ 2,500,000
West Perimeter Road		\$ 475,000			\$ 225,000	\$ 700,000
RELIEVER AIRPORTS MAINTENANCE/FACILITY UPGRADE PROJECTS SUBTOTAL	\$ -	\$ 29,480,000	\$ -	\$ -	\$ 32,820,000	\$ 62,300,000
MSP Subtotal	\$ 140,975,000	\$ 133,225,000	\$ 133,300,000	\$ 600,000,000	\$ 340,470,000	\$ 1,347,970,000
Reliever Subtotal	\$ -	\$ 32,180,000	\$ -	\$ -	\$ 37,220,000	\$ 69,400,000
TOTAL	\$ 140,975,000	\$ 165,405,000	\$ 133,300,000	\$ 600,000,000	\$ 377,690,000	\$ 1,417,370,000

Sources and Uses of Funds

From December 31, 2017 through 2022, the MAC has identified eight funding sources totaling \$1.4 billion, in addition to a beginning balance of \$599.1 million in funds. During this period, the MAC will expend \$1.629 billion, leaving a net balance of \$345.0 million at the end of 2022. This balance represents a portion of the 2020, 2021 and 2022 CIP projects that were started but not completed by December 31, 2022 and Passenger Facility Charges (PFCs) to pay future debt service.

The Construction Fund Budget below represents anticipated sources and uses of funds during the years 2018-2022. The information for 2019 estimate includes expected transactions during the fourth quarter.

2020 CONSTRUCTION FUND BUDGET (\$ = 000)							
	2018 <u>Actual</u>	2019 <u>Estimated</u>	2019 <u>Budget</u>	2020 <u>Budget</u>	2021 <u>Projected</u>	2022 <u>Projected</u>	Total <u>Projected</u>
Sources of Funds							
Balance 12/31/17	\$ 599,050						\$ 599,050
Balance Carried Forward 1/1		\$ 558,957	\$ 530,399	\$ 565,730	\$ 505,130	\$ 280,829	
Transfer From Operating Fund	75,931	76,478	70,000	69,700	77,921	67,240	367,270
PFC Funding	69,651	76,383	74,700	77,529	78,692	79,872	382,126
Federal/State Grants	4,367	7,301	28,530	60,820	14,100	21,430	108,018
Interest Income ¹	9,740	11,989	7,500	8,050	5,900	4,700	40,379
Short-Term Line of Credit	43,400	-	18,900	39,800	-	18,100	101,300
Principal Amount of Bonds/Notes	-	176,358	193,850	-	-	199,600	375,958
Other Receipts	-	-	-	-	-	-	-
Total Sources of Funds	\$ 203,089	\$ 348,509	\$ 393,480	\$ 255,899	\$ 176,613	\$ 390,942	\$ 1,375,051
Uses of Funds							
CIP Project Costs	\$ (216,938)	\$ (315,247)	(373,394)	(288,713)	(373,170)	(298,378)	\$ (1,492,446)
Debt Service PFC Transfer	(26,244)	(26,489)	(26,237)	(27,786)	(27,743)	(28,415)	(136,677)
Total Use of Funds	\$ (243,182)	\$ (341,736)	\$ (399,631)	\$ (316,499)	\$ (400,913)	\$ (326,793)	\$ (1,629,123)
Balance to Carry Forward 12/31	\$ 558,957	\$ 565,730	\$ 524,249	\$ 505,130	\$ 280,829	\$ 344,978	\$ 344,978

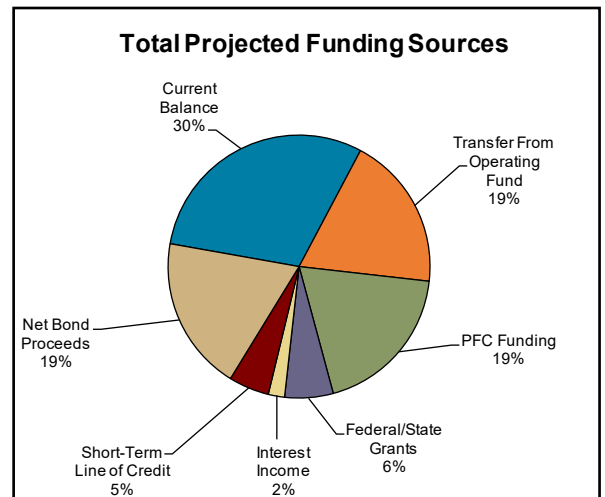
¹ Interest Rate Assumed 1.5%-2.0% for the period 2018 through 2022.

Excluding the current balance, the accompanying chart shows that transfers from the Operating Fund, bond proceeds and funds from PFCs are the main funding sources for construction projects.

Sources of Funds

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 requirements and working capital balance have been funded. For 2020, a transfer of \$69.7 million is anticipated based on 2020 estimated net revenues. The transfer for 2020 decreases due to the increased debt service payments associated with the 2016 bond issue. In 2021, the transfer increases due to the opening of the new Silver Parking Ramp as well as the opening of the Phase 2 concession program. The decrease in 2022 is anticipated due to debt service payments related to the 2019 bond issue. The balance to be transferred for the period is estimated at \$367.3 million or 19%.



Passenger Facility Charge (PFC) funding is one of the largest funding sources at \$382.1 million or 19% of the total. PFCs were authorized by Congress to allow proprietors of commercial service airports, such as the 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 MAC's first application began collecting PFCs on June 1, 1992.

Including this first application, the MAC has received approval from the Federal Aviation Administration (FAA) for 15 separate applications. The table below shows the status of all applications.

Application Number	Amended Approval Amount (\$=000)	Collection as of 12/31/2019 (\$=000)	Status
1	\$ 92,714	\$ 92,714	Closed
2	140,717	140,717	Closed
3	36,377	36,377	Closed
4	47,801	47,801	Closed
5	112,533	112,533	Closed
6	759,735	523,520	Open
7	14,479	14,479	Open
8	147,986	95,033	Open
9	8,659	8,659	Closed
10	80,577	80,577	Closed
11	52,722	52,722	Closed
12	55,422	55,422	Closed
13	65,212	23,640	Open
14	126,557	118,637	Open
15	\$ 268,942	\$ 58,295	Open
	\$ 2,010,433	\$ 1,461,126	

In conjunction with filing these applications/amendments, the MAC 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 MAC received approval to increase the PFC level to \$4.50 in January, 2001. An updated Competition Plan was submitted in September 2016. Approval of the updated Plan was granted in 2017.

Federal and State Grants

Federal Grants are funds which are used for FAA-approved projects including field and runways and certain terminal building security projects at the various MAC airports. Certain criteria must be met when an application for a project is submitted to the FAA. If the criteria are met, the grant money may be issued. State Grants are similar to Federal Grants. The dollars are on a much smaller scale, but each application must meet the required criteria in order to receive the grant. Total grants are \$108.0 million or 6% of total funding.

Interest Income is based on the balance in the fund. As noted earlier, a 1.5-2.0% rate is assumed for 2020 through 2022. This figure can vary significantly depending upon approval of projects and their starting dates. Interest Income of \$40.4 million or 2% of sources is projected.

Short-Term Line of Credit

In 2017, the MAC increased its short-term line of credit from \$75 million to \$150 million. Short-term funding allows the MAC to interim fund certain projects until the receipt of grants or PFCs. The MAC also uses short-term funding to interim fund a project until the time it can be replaced with a future long-term debt issue. The MAC expects to issue \$101.3 million from its line of credit from 2018-2022.

Long-Term Debt

In 2019, the Commission issued GARBs, which netted approximately \$176.4 million in construction proceeds. The bond proceeds are expected to be used in the Terminal 1 baggage claim and ticket lobby improvements, the building of a new safety and security center, and a remodeled space on Concourse G. In 2022, the Commission expects to issue General Airport Revenue Bonds with an anticipated net of approximately \$199.6 million in construction proceeds. The bond proceeds would be used to fund various projects around MSP with the majority of the work to be done in Terminal 1.

Uses of Funds

There are two general categories of uses listed. The first, CIP project costs of \$1.5 billion, represents 92% of the total. The Debt Service Transfer of \$136.7 million, or 8% 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 such as architectural or engineering fees 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 with project costs in excess of \$3 million. *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, 2019)							
(\$ = 000)							
Project Description	Estimated Project Cost	Payments To Date	% Completion	Project Description	Estimated Project Cost	Payments To Date	% Completion
2017 Vertical Circulation Improvements Phase 2	\$40,700	\$34,177	84.0%	Intelligent Monitoring and Control Systems (IMACS)	\$6,000	\$2,739	45.7%
2019 Miscellaneous Airfield Construction	\$3,050	\$1,823	59.8%	IT Miscellaneous Modifications	\$18,000	\$5,379	29.9%
2019 Taxiway B-Q Centerline Lights	\$6,800	\$3,638	53.5%	iVISON Projects: CCTV Improvements	\$8,200	\$6,479	79.0%
2019 Taxiway C1 Construction	\$4,000	\$3,033	75.8%	Mezzanine HVAC/AHU Replacements & Penthouses	\$17,000	\$15,631	91.9%
All Other Projects in Process	\$285,817	\$90,156	31.5%	Noise Mitigation Consent Decree Amendment	\$26,700	\$15,343	57.5%
Baggage Claim-Ticket Lobby Improvements	\$154,000	\$28,281	18.4%	Parking Structure Rehabilitations	\$5,000	\$4,187	83.7%
Baggage Handling Systems	\$71,700	\$18,843	26.3%	Passenger Boarding Bridges	\$15,000	\$6,659	44.4%
Concessions Rebid Programs	\$7,700	\$6,686	86.8%	Public Address System	\$3,100	\$2,815	90.8%
Concourse G Concessions Storage	\$6,555	\$5,927	90.4%	South Security Exit and Façade Expansion	\$46,300	\$31,731	68.5%
Concourse G Exterior Panel Replacement: Terminal Building Remediation-Phase 2	\$2,500	\$2,291	91.6%	Sun Country Hangar/Headquarters	\$5,400	\$4,682	86.7%
Concourse G Moving Walks	\$5,150	\$4,733	91.9%	Terminal 1 Main Mall Food Court Expansion	\$18,350	\$16,695	91.0%
Concourse G Rehabilitations	\$12,000	\$4,581	38.2%	Terminal 1 Parking Ramp Modifications	\$14,500	\$1,786	12.3%
Consolidated Loading Dock Facility	\$12,250	\$11,228	91.7%	Terminal 1 Parking Ramp Projects	\$427,500	\$331,141	77.5%
Delta Baggage Handling System Acquisition	\$11,500	\$8,268	71.9%	Terminal 1 Restroom Upgrades Program	\$9,100	\$7,956	87.4%
Distributed Antenna System	\$3,130	\$1,722	55.0%	Terminal 1 Tram System Retrofit & Equipment	\$3,150	\$2,299	73.0%
East Curbside Check-In	\$10,400	\$8,969	86.2%	Terminal Building Remediations	\$3,500	\$1,785	51.0%
Electrical Infrastructures Phases 10, 11, 12	\$4,500	\$1,743	38.7%	Ticket Lobby Operational Improvements	\$15,700	\$1,826	11.6%
Freight Building Remodel for DHL	\$7,350	\$6,761	92.0%	Valet Parking Lobby and Restroom Upgrade	\$5,000	\$3,106	62.1%
				Totals:	\$1,296,602	\$705,099	

Debt Service Fund

The Debt Service Fund discussion covers four areas: Debt Service Requirement, Long-Term Debt, Bond Ratings and Sources and Uses of Funds.

Debt Service Requirement

The Metropolitan Airports Commission has issued two forms of long-term indebtedness in the recent past: 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 valorem taxing power. Additionally, the Commission has agreed (pursuant to the terms of the Master Trust Indenture entered into by the Commission in connection with its issuance of GARBs) to collect rates, tolls, fees, 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.

With regard to GORBs, the MAC is required by law to maintain Debt Service funds sufficient to bring the balance on hand in the Debt Service Account on October 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. The Commission currently has no outstanding GORBs debt.

The following is the annual actual debt service funding requirements for the next five years for the GARB issues, excluding future bond issues:

January 1, 2020	\$ 121,069,803
January 1, 2021	\$ 132,205,363
January 1, 2022	\$ 133,481,549
January 1, 2023	\$ 136,464,978
January 1, 2024	\$ 137,467,918

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 and GORBs (all of which have been defeased), Notes Payable, a revolving line of credit 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 of GORBs.

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 2020 on Senior Debt Obligations is 7.66x. With the optional coverage transfer, this figure is 7.91x. The overall projected coverage ratio is expected to be 1.80x and 1.85x with the optional coverage transfer.

Notes Payable

From time to time, the Commission has financed certain pieces of equipment and certain capital improvement projects 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. As of December 31, 2019, the Commission has \$44,873,000 notes payable outstanding.

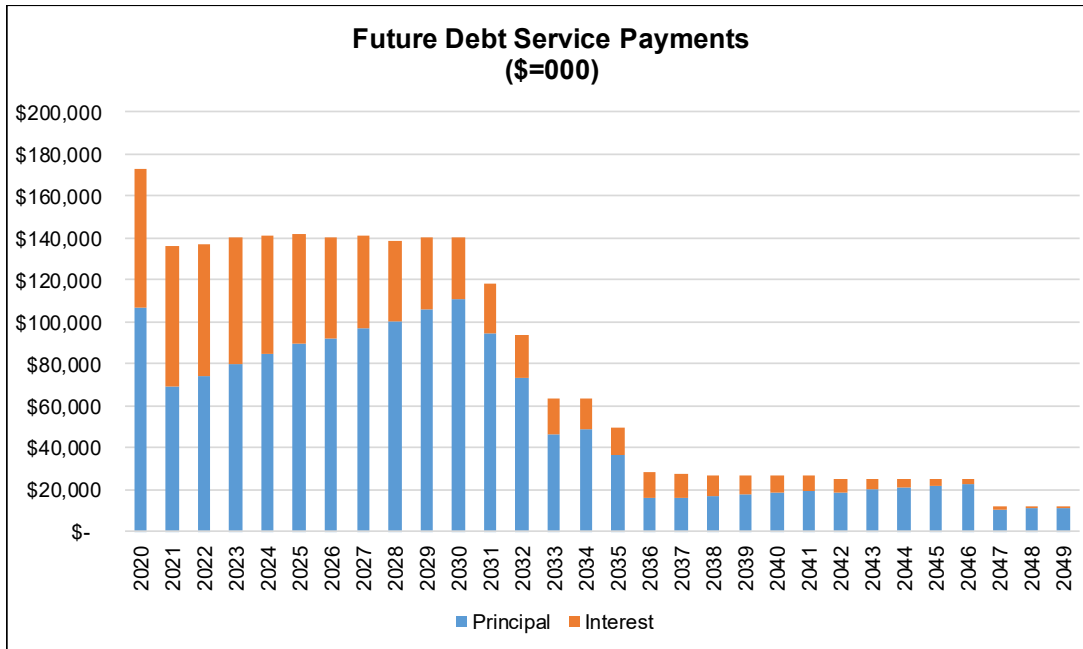
Revolving Line of Credit

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 2017, the Commission entered into a \$150 million Revolving Line of Credit to interim fund certain capital improvement projects. As of December 31, 2019, the Commission has utilized \$47,294,000 of the line of credit.

The table below shows future debt requirements for existing debt on an annual calendar year basis after December 31, 2019 for the remaining terms. The following chart does not take into consideration any future bond issues or notes payable issued after 2019.

Debt Requirements					
(\$ = 000)		General Airport Revenue Bonds	Total Outstanding Principal	Total All Interest	Total Principal & Interest
<u>Year</u>	<u>Notes/Line of Credit (Principal)</u>	<u>(Principal)</u>	<u>Principal</u>	<u>Interest</u>	<u>& Interest</u>
2020	50,979	56,150	107,129	65,495	172,624
2021	3,545	65,960	69,505	66,753	136,258
2022	3,536	70,350	73,886	63,579	137,465
2023	3,137	76,775	79,912	60,077	139,989
2024	3,270	81,420	84,690	56,384	141,074
2025	2,903	86,940	89,843	52,407	142,250
2026	2,639	89,670	92,309	48,177	140,486
2027	2,228	95,150	97,378	43,728	141,106
2028	2,038	97,945	99,983	39,016	138,999
2029	1,996	103,955	105,951	34,085	140,036
2030	2,125	109,010	111,135	28,878	140,013
2031	2,258	92,320	94,578	23,954	118,532
2032	2,400	71,130	73,530	19,967	93,497
2033	2,547	43,875	46,422	17,183	63,605
2034	2,702	45,955	48,657	15,022	63,679
2035	2,866	33,690	36,556	13,059	49,615
2036	997	15,495	16,492	11,807	28,299
2037	-	16,270	16,270	11,005	27,275
2038	-	17,085	17,085	10,171	27,256
2039	-	17,950	17,950	9,295	27,245
2040	-	18,840	18,840	8,376	27,216
2041	-	19,790	19,790	7,410	27,200
2042	-	19,075	19,075	6,438	25,513
2043	-	20,015	20,015	5,461	25,476
2044	-	21,030	21,030	4,435	25,465
2045	-	22,080	22,080	3,357	25,437
2046	-	23,180	23,180	2,226	25,406
2047	-	10,440	10,440	1,385	11,825
2048	-	10,965	10,965	850	11,815

The following chart shows expected future debt principal and interest:



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

Current Long-Term Debt					
(\$ = 000)	Issue Date	Original Amount	Final Payment Year	Outstanding as of Year End	
				2019	2020
General Airport Revenue Bonds					
2010 Series A - 4.00-5.00%	08/10/10	62,210	2035	62,210	-
2010 Series B - 3.00-5.00%	08/10/10	73,475	2028	47,115	-
2010 Series C - 3.00-5.00%	11/10/10	21,600	2024	3,115	-
2010 Series D - 4.00-5.00%	11/10/10	68,790	2024	22,205	-
2011 Series A - 3.50-5.00%	11/02/11	52,015	2025	34,150	29,115
2012 Series A - 0.46-2.755%	11/20/12	39,770	2020	6,025	-
2012 Series B - 5.00%	11/20/12	42,015	2031	42,015	42,015
2014 Series A - 2.00-5.00%	10/08/14	217,790	2035	203,765	202,370
2014 Series B - 2.00-5.00%	10/08/14	46,590	2026	31,425	27,160
2016 Series A - 3.00-5.00%	10/04/16	330,690	2032	330,690	330,690
2016 Series B - 3.00-5.00%	10/04/16	152,190	2024	124,790	108,620
2016 Series C - 2.00-5.00%	12/20/16	207,250	2046	203,600	199,805
2016 Series D - 2.00-5.00%	12/20/16	23,410	2041	22,355	21,775
2016 Series E - 2.00-5.00%	12/20/16	171,690	2034	163,095	154,355
2019 Series A - 4.00-5.00%	10/03/19	96,615	2049	96,615	96,615
2019 Series B - 5.00%	10/03/19	164,320	2049	164,320	164,320
2019 Series C - 5.00%	10/03/19	31,035	2028	31,035	31,035
Total General Airport Revenue Bonds				\$ 1,588,525	\$ 1,407,875
TOTAL BONDS OUTSTANDING				\$ 1,588,525	\$ 1,407,875
NOTES PAYABLE & REVOLVING LINE OF CREDIT				\$ 92,166	\$ 103,639

Bond Refundings and New Issues

On October 3, 2019, the Commission issued \$291,970,000 of General Airport Revenue and Revenue Refunding Bonds Series 2019A, 2019B and General Airport Revenue Refunding Bond Series 2019C to refund the General Airport Revenue Bonds Series 2009A, 2009B, 2010A, 2010B, 2010C and 2010D. The Bond Series 2009A and 2009B were called on October 4, 2019 and the Bond Series 2010A, 2010B, 2010C and 2010D were called on January 1, 2020.

As a result of the October 4, 2019 refunding, the Commission reduced its total debt service requirements by \$39,488,600, 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 \$25,282,707.

The Commission, along with its financial advisors, regularly reviews the Commission debt structure to look for refunding candidates provided that they meet a minimum of 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.

As part of the above mentioned bond issue, the Commission also used a portion of the proceeds to repay \$20,650,000 of the revolving line of credit used to fund various Terminal 1 projects and approximately \$176.4 million to fund projects contained in the 2019-2021 Capital Improvement Program.

Some of the projects funded with the 2019 bond proceeds include the following:

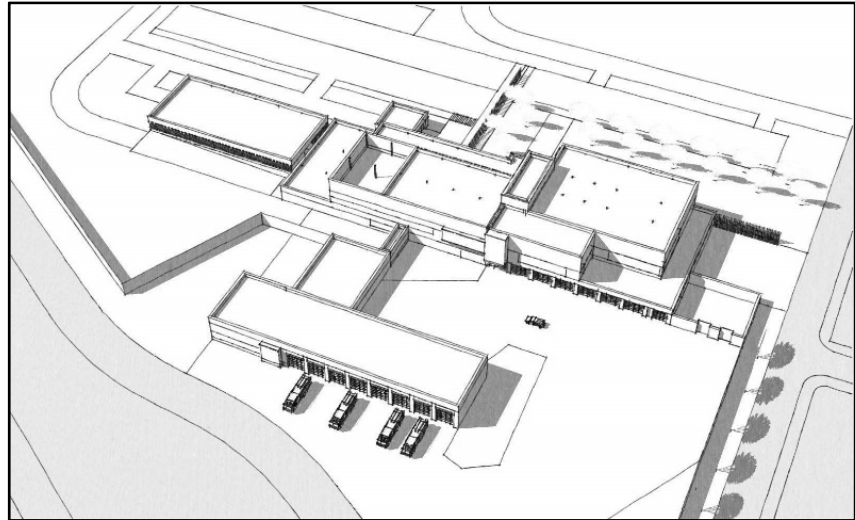
South Security Exit and Facade Expansion - This project replaces the existing curtain wall system with a new system to match the north end of the building, including additional queue area for the South Security Checkpoint. The total cost of this project is \$34.5 million.

Baggage Claim/Ticket Lobby Operational Improvements - This is a multi-year project to provide the level of service required for growth of passengers to alleviate congestion in the Terminal 1 arrivals and departures area. The project includes increased baggage carousel frontage, expanded walkways and seating areas, curbside enhancements, increased check-in and security checkpoint areas, as well as an airline check-in facility, ticket offices and TSA space. The estimated total cost is \$192.4 million.



Rendering of the Remodeled Baggage Carousel Frontage

Safety & Security Center - The MAC will construct a building to bring together airport entities that are stakeholders in daily operations, improving collaboration and coordination. It will include Airside Operations, the Emergency Communications Center, a dedicated primary Emergency Operations Center, consolidated Airport Police Department facilities and a replacement fire station. This building is estimated to cost \$115 million.



Preliminary Sketch of the New Safety & Security Center

Concourse G Delta Sky Club - The commission will infill space to improve the gatehold area on Concourse G and construct shell space for Delta’s Sky Club above. The project will also make adjustments to concessions spaces as needed for the construction. The estimated cost is \$82.5 million.



Rendering of the Concourse G Remodel

The Series 2019A/B Projects are expected to be completed by late 2022.

The Capital Improvement Program approved by the Commission in December 2019 for the period 2020-2026 does include funding of projects with a new long-term debt issue. The MAC anticipates a new long-term debt issue in 2022 in the range of \$200 million, primarily for the Terminal 2 gate expansion and various Terminal 1 projects.

Bond Ratings

The Commission has maintained excellent ratings for many years. The MAC is one of the few airport authorities with an AA- rating. Most airports are in the A rating category. The Commission’s bond ratings as of December 31, 2019 are as follows:

	<u>Moody’s</u>	<u>Standard & Poors</u>	<u>Fitch Ratings</u>
General Obligation Bonds	Aaa	AAA	AAA
General Airport Revenue Bonds	N/A	AA-	AA-

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 Aaa to C.

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 are 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 ‘AAA’ to ‘CCC’ may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. The bond rating process is a comprehensive analysis of the MAC’s financial practices and performance. Forecasts of future performance and projected long-term planning practices are also reviewed. The following data are 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

The Statistics & Informative Facts section shows statistics commonly analyzed by the rating agencies.

Sources and Uses of Funds

The Debt Service Budget is shown below.

2020 DEBT SERVICE BUDGET						
(\$=000)						
	2018	2019	2019	2020	2021	2022
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>	<u>Budget</u>	<u>Projected</u>	<u>Projected</u>
January 1 Balance	\$ 219,776	\$ 228,013	\$ 227,933	\$ 224,821	\$ 232,605	\$ 235,962
Source Of Funds:						
Transfer from Operating Fund	102,127	109,042	106,641	87,750	104,774	107,146
Transfer from PFCs ¹	26,244	26,489	26,237	27,786	27,743	28,415
Interest Earnings ²	2,766	3,539	2,467	2,993	3,045	3,885
Bond Proceeds ³	-	32,973	35,347	-	-	50,940
Total Sources Of Funds	\$ 131,137	\$ 172,043	\$ 170,692	\$ 118,529	\$ 135,562	\$ 190,386
Uses Of Funds						
Bond Refundings	\$ -	\$ (41,152)	\$ -	\$ -	\$ -	\$ -
Total Principal/Interest Paid	(122,900)	(134,083)	(134,083)	(110,745)	(132,205)	(133,482)
Ending Balance	<u>\$ 228,013</u>	<u>\$ 224,821</u>	<u>\$ 264,542</u>	<u>\$ 232,605</u>	<u>\$ 235,962</u>	<u>\$ 292,866</u>

¹ Used to pay existing debt which was formerly paid for with operating funds.
² Interest Rate Assumed 1.5-2.0% for the entire period.
³ Includes Debt Reserve and Capitalized Interest.

Sources of Funds

Each source of funding is discussed below.

The transfer from the operating fund occurs each October 10th for General Obligation Revenue Bonds. The Commission currently has no GORBs outstanding; therefore, there is no funding requirement during 2018-2022. For General Airport Revenue Bonds, transfers occur in late June and December each year. These transfers will fluctuate due to interest earnings, refundings and new issues.

The Passenger Facility Charge (PFC) transfer represents the use of PFCs to pay a portion of existing debt beginning in 2003 for various GARBS 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 1.5% to 2.0% for 2020-2022. In projecting interest income, the MAC typically takes a conservative approach.

Bond proceeds are made up of reserves, issuance costs and capitalized interest. The proceeds in 2019 and 2022 represent new bond issues, which represents the required debt service reserve and capitalized interest.

Uses of Funds

Disbursements represent principal and interest payments made during the year by bond series. In 2021-2022, increases in principal and interest payments are primarily due to principal payments starting from the new money 2019 bond issue.

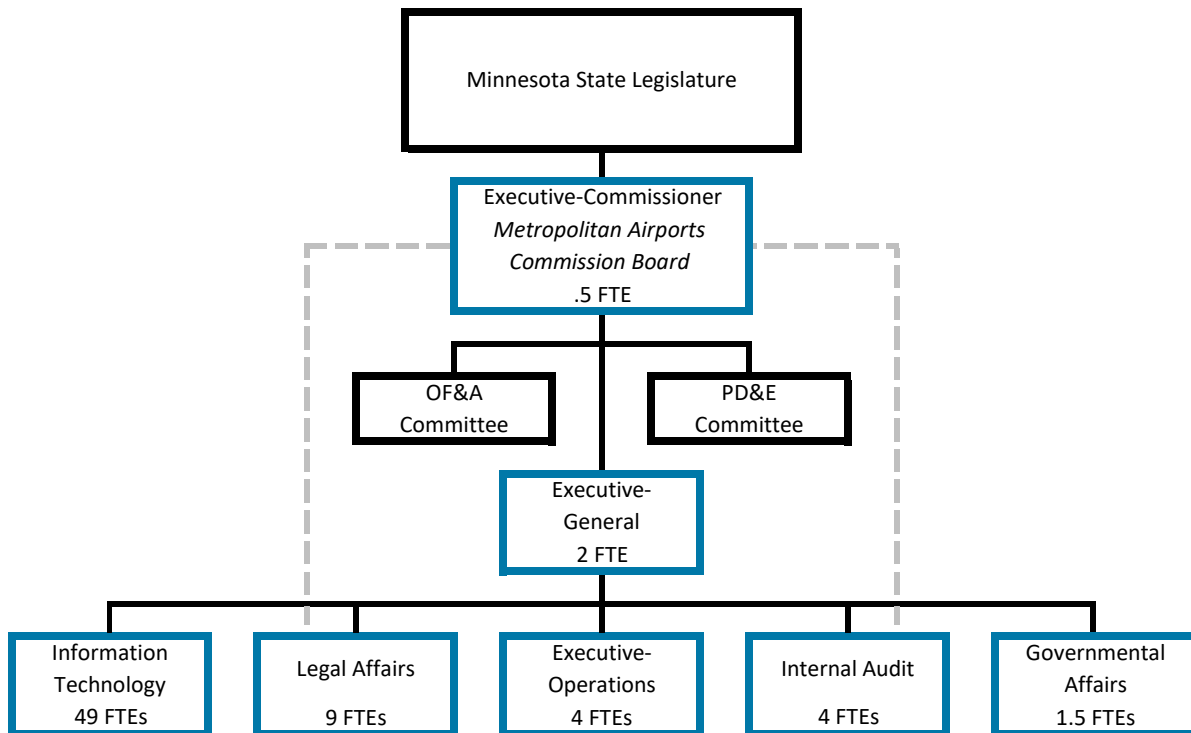


Rendering of Delta's New Sky Club Above Remodeled Concourse G

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Executive Division

Division Organizational Chart



Legend



<h2 style="text-align: center;">Executive Division</h2> <h3 style="text-align: center;">Service Center Goals & Objectives</h3> <p><i>As discussed in the Executive Summary section, each division has direct responsibility for one or more of the objectives outlined in MAC's Strategic Plan. The service centers within each division have developed Performance Measures to track progress towards one or more of its division's direct Objectives. This table lists the service centers within the Executive Division and indicates the Objectives that each service center's Performance Measures track.</i></p>	Service Centers						
	75100 Executive - Commissioner	75000 Executive - General	76500 Executive - Operations	78300 Internal Audit	79000 Information Technology	79500 Governmental Affairs	81000 Legal Affairs
Organization Goal: Safety, Security and Preparedness							
Objective: Airport Operations Center and Concept of Operations Development Develop a new concept of operations approach and build a new Airport Operations Center as part of a new Safety and Security Center that advances airport safety and service delivery by leveraging data, technology, systems thinking and collaboration.							
Objective: Part 139 Program Transformation Develop and implement new systems and practices related to Part 139 that emphasize data, technology and training. Proactively manage compliance.							
Organization Goal: Customer Experience							
Objective: "One Journey" Experience Deliver a seamless "one journey" experience for MSP passengers.	●	●	●				
Organization Goal: Talent							
Objective: Employee Development and Performance Management Provide training and resources to support managers and employees in acquiring needed skills, navigating our changing work environment and improving performance management practices.				●	●	●	●
Objective: EnterpriseOne Training and Leverage Increase EnterpriseOne adoption and utility to drive efficiency, self-service and data integrity.							
Organization Goal: Engagement							
Objective: Stakeholder and Community Engagement Grow stakeholder and community engagement.							
Objective: Messaging and Branding Grow awareness of the MAC brand by centralizing communication and engagement activities, ensuring we speak with a consistent voice and message.							
Organization Goal: Air Service							
Objective: Air Service Development Grow and retain air service by enhancing partnerships, assessing strategic growth opportunities and investing more in business development							
Organization Goal: Economic							
Objective: Financial Strength Develop new strategies to enhance financial strength.				●	●		
Objective: Real Estate Assessment and Implementation Assess and prioritize the full range of land development leasing options across MAC's seven airports. Engage with stakeholders to seek opportunities that align with both airport and community interests.							
Organization Goal: Innovation							
Objective: Parking Yield Management Develop the new flexible pricing parking systems that adjust pricing based upon consumer demand and parking space availability. Leverage technology and data to price, market and manage parking spaces.							
Objective: True Common Use Plan Assess and develop an approach for next generation of shared gates, check-in and baggage systems to drive efficiency, customer service and create capacity for more flights within existing gate footprints.							

EXECUTIVE - COMMISSIONER

The responsibilities of the Board of Commissioners are: 1) promoting public welfare; 2) promoting national, international, state and local air transportation; 3) promoting the safe, efficient and economical handling of air commerce both nationally and internationally, and developing 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) assuring metropolitan area residents that the environmental impact from air transportation will be minimized 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

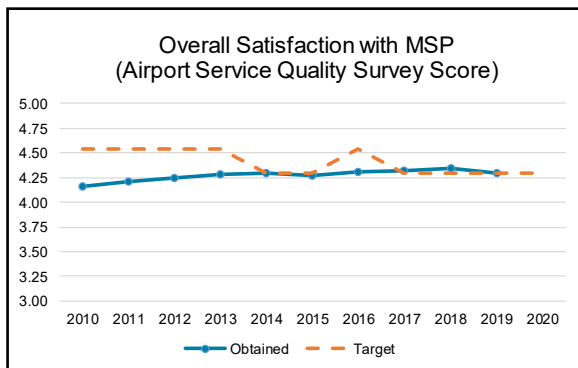
	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	45,969	49,900	48,900	(1,000)	-2.0%
Administrative Expenses	35,254	38,996	40,370	1,374	3.5%
Professional Services	30,000				
Utilities	640	600	600		
Operating Services/Expenses					
Maintenance					
Other					
Total Budget	111,863	89,496	89,870	374	0.4%

Full-time Equivalent (FTE) Total 0.5 0.5 0.5

BUDGET HIGHLIGHTS

- Personnel The decrease in Personnel is due to using the average over the past three years for Commission per deim.

PERFORMANCE MEASURES



*Airport Service Quality Survey Score:
5-point scale (5 = excellent, 1 = poor)*

EXECUTIVE - OPERATIONS

The Executive - Operations service center is responsible for and provides strategic alignment across the following major areas of the MAC: Management & Operations; Public Safety; Planning & Development; Safety Management Systems and Customer Data & Analytics. The Chief Operating Officer is directly responsible to the Executive Director/CEO and is responsible for the strategic coordination and implementation of the MAC policies related to the planning, development, public safety and daily operations and maintenance of MAC airports. This service center also chairs and supports the Customer Service Action Council, which focuses on developing, recognizing and motivating airport community personnel. Finally, the service center manages the Safety Management System, which systematically mitigates operational risk elements for MAC airports.

BUDGET SUMMARY

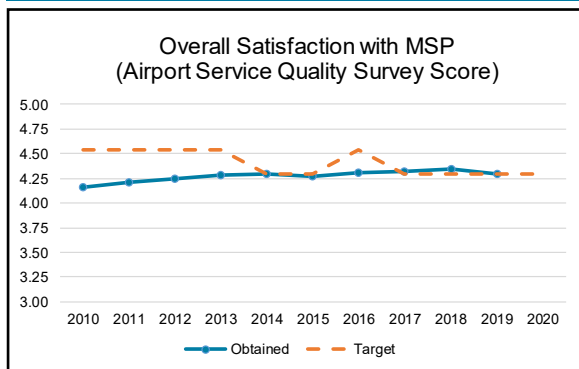
	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	10,418	166,417	492,683	326,266	196.1%
Administrative Expenses		29,847	29,877	30	0.1%
Professional Services	70	18,000	53,000	35,000	194.4%
Utilities			1,200	1,200	100.0%
Operating Services/Expenses	42	78,565	118,860	40,295	51.3%
Maintenance					
Other			1,100	1,100	100.0%
Total Budget	10,529	292,829	696,720	403,891	137.9%

Full-time Equivalent (FTE) Total 0 2 4

BUDGET HIGHLIGHTS

- Personnel** The increase in Personnel is attributable to the transfer of two FTEs from the Executive-General service center, wage structure adjustments and step increases.
- Professional Services** The increase in Professional Services is driven by three factors: 1) consultant services to audit safety programs and assist in developing the Safety Management System; 2) hiring a contract fieldwork provider for surveys previously conducted by volunteers; and 3) additional fieldwork requirements in the survey process.
- Operating Services/Expenses** The increase in Operating Services/Expenses is driven by an increase in the award amount for the MSP Nice Award winners, who receive the award in recognition of exceptional customer service. Additional increases result from expanding the English language program for MSP employees and taking on job fair costs previously funded by Strategic Communications.

PERFORMANCE MEASURES



Airport Service Quality Survey Score:
5-point scale (5 = excellent, 1 = poor)

INTERNAL AUDIT

Internal Audit provides an independent and objective assurance and consulting service that is guided by a philosophy of adding value by improving the operations of the MAC. The service center assists the MAC in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization’s risk management, internal control and governance processes.

BUDGET SUMMARY

	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	461,543	484,497	501,286	16,789	3.5%
Administrative Expenses	11,417	32,300	11,135	(21,165)	-65.5%
Professional Services			91,000	91,000	100.0%
Utilities	590	540	660	120	22.2%
Operating Services/Expenses					
Maintenance					
Other					
Total Budget	473,550	517,337	604,081	86,744	16.8%

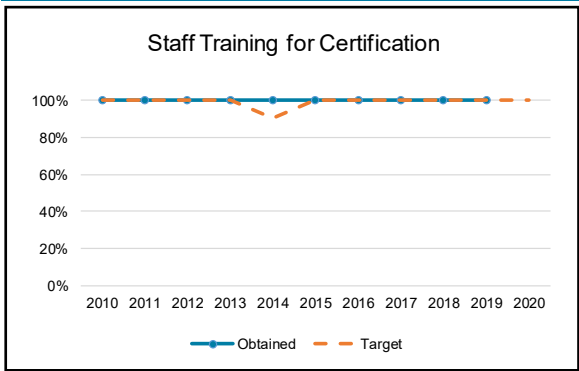
Full-time Equivalent (FTE) Total

4 4 4

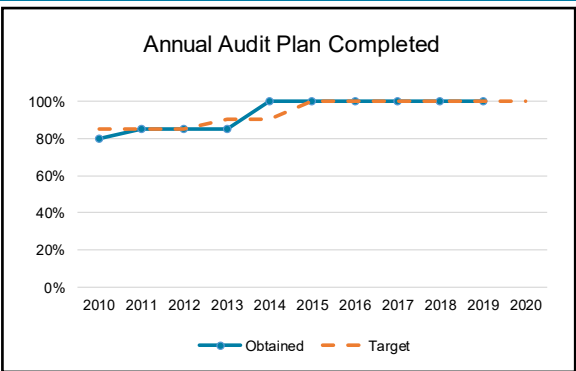
BUDGET HIGHLIGHTS

- Personnel The increase in Personnel is attributable to wage structure adjustments and step increases.
- Administrative Expenses The decrease in Administrative Expenses is attributable to elimination of a one-time contribution of \$25,000 to host the Association of Airport Internal Auditors conference.
- Professional Services The increase in Professional Services results from consultant costs for the design and implementation of a new construction auditing practice.
- Utilities The increase in Utilities expense is due to additional cell phone stipend costs.

PERFORMANCE MEASURES



Percentage of required staff training completed for certification maintenance



Percentage of projects in plan completed

INFORMATION TECHNOLOGY

Information Technology (IT) provides leadership and direction to the MAC in the areas of information systems and technology. Responsibilities include reviewing and approving systems, technology plans, budgets and purchases. IT works with all MAC service centers, airport partners and airport customers in analyzing needs and implementing business solutions. The work includes analysis, design, selection, acquisition, installation, documentation and support of hardware, applications, infrastructure systems and technologies.

BUDGET SUMMARY

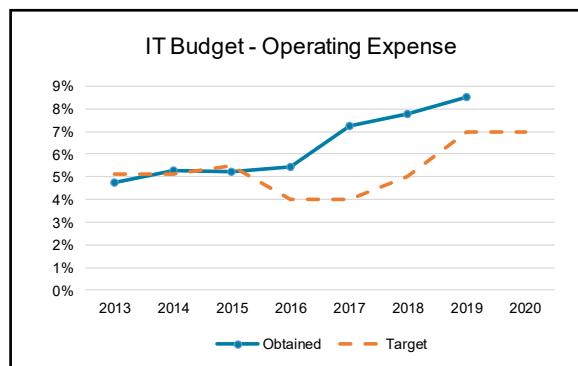
	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	4,472,661	5,175,940	5,478,052	302,112	5.8%
Administrative Expenses	297,450	314,000	316,500	2,500	0.8%
Professional Services	1,109,089	1,200,000	1,500,000	300,000	25.0%
Utilities	450,438	348,050	340,000	(8,050)	-2.3%
Operating Services/Expenses	6,714,382	7,735,633	8,701,598	965,965	12.5%
Maintenance	20,061				
Other	1,614,968	1,100,000	450,000	(650,000)	-59.1%
Total Budget	14,679,049	15,873,623	16,786,150	912,527	5.7%

Full-time Equivalent (FTE) Total 40 48 49

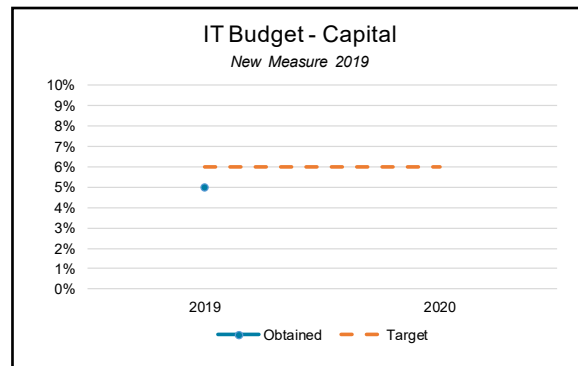
BUDGET HIGHLIGHTS

- **Personnel** The increase in Personnel is attributable to one additional FTE, wage structure adjustments and step increases.
- **Professional Services** The increase in Professional Services is attributable to additional software consulting needs, including enterprise resource planning application upgrades, cloud migration, payment card industry requirements and enterprise architecture.
- **Utilities** The Utilities decrease is attributable to a discontinuation of WebEx and a shift to Skype for conferencing services.
- **Operating Services/Expenses** The Operating Service/Expenses increase is attributable to service agreement cost increases as projects progress from implementation to production.
- **Other** Other expenses decreased due to the radio refresh project having a smaller scope in 2020 and a decrease in standard minor IT hardware purchases.

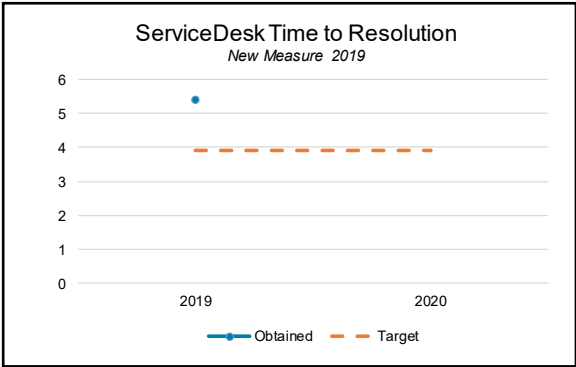
PERFORMANCE MEASURES



Percent of the MAC's total operating expense represented by the IT budget
*Target is the maximum desired result



Percent of the MAC's total capital program devoted to new IT systems and refresh



Average time, in minutes, to resolution per ticket category
*Target is the maximum desired result

GOVERNMENTAL AFFAIRS

Governmental Affairs provides oversight and management of all MAC state and federal legislative issues. The service center monitors and assists in the development of legislative policies that may have an impact on the MAC's goals and objectives. Governmental Affairs staff serves as a first point of contact for federal, state and local elected officials when they are working on MAC-related issues. Governmental Affairs staff also assists the Executive Director/CEO and the MAC on many internal policy development issues.

BUDGET SUMMARY

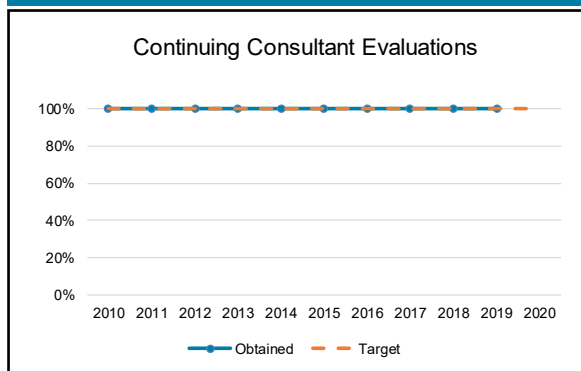
	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	171,148	166,394	216,804	50,410	30.3%
Administrative Expenses	57,977	68,815	72,500	3,685	5.4%
Professional Services	150,545	201,000	198,000	(3,000)	-1.5%
Utilities	1,060	1,200	1,200		
Operating Services/Expenses					
Maintenance					
Other	3,981	4,300	4,400	100	2.3%
Total Budget	384,712	441,709	492,904	51,195	11.6%

Full-time Equivalent (FTE) Total 1.5 1.5 1.5

BUDGET HIGHLIGHTS

- Personnel The increase in Personnel is attributable to the transfer of the cost for .5 FTE from the Management & Operations service center, with which it shares an administrative specialist. This shared cost was not reflected in the 2019 budget. The increase also includes wage structure adjustments and step increases.
- Administrative Expenses The increase in Administrative Expenses is based on estimated dues for professional organizational memberships.
- Professional Services The decrease in Professional Services more accurately reflects actual costs for legal consulting.

PERFORMANCE MEASURES



Percentage of evaluations for legislative services consultants completed

LEGAL AFFAIRS

Legal Affairs is responsible for providing legal advice and representation to the MAC, preparing legal documents and monitoring/coordinating outside legal counsel.

BUDGET SUMMARY

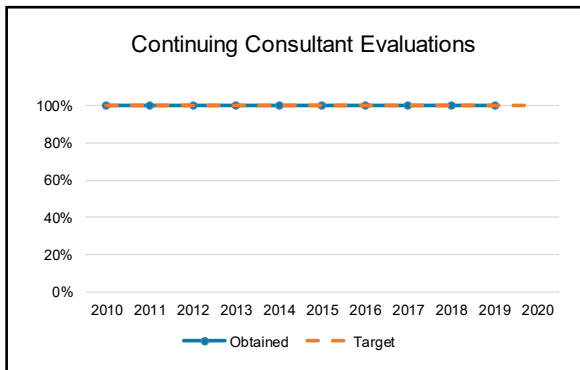
	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	987,987	1,084,970	1,110,851	25,881	2.4%
Administrative Expenses	76,889	64,000	93,000	29,000	45.3%
Professional Services	741,409	775,000	725,000	(50,000)	-6.5%
Utilities	4,410	4,800	4,800		
Operating Services/Expenses	150	420	420		
Maintenance					
Other	18,144				
Total Budget	1,828,989	1,929,190	1,934,071	4,881	0.3%

Full-time Equivalent (FTE) Total 9 9 9

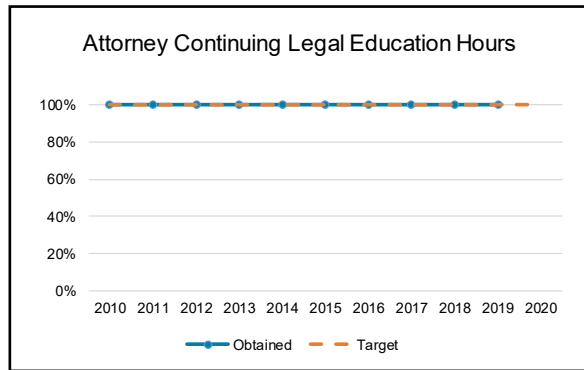
BUDGET HIGHLIGHTS

- **Personnel** The increase in Personnel is attributable to wage structure adjustments and step increases.
- **Administrative Expenses** The increase to Administrative Expenses is a result of consulting services to be used for legal benchmarking services and best practices assessment and development.
- **Professional Services** The decrease in Professional Services results from anticipating fewer general legal consulting service needs.

PERFORMANCE MEASURES



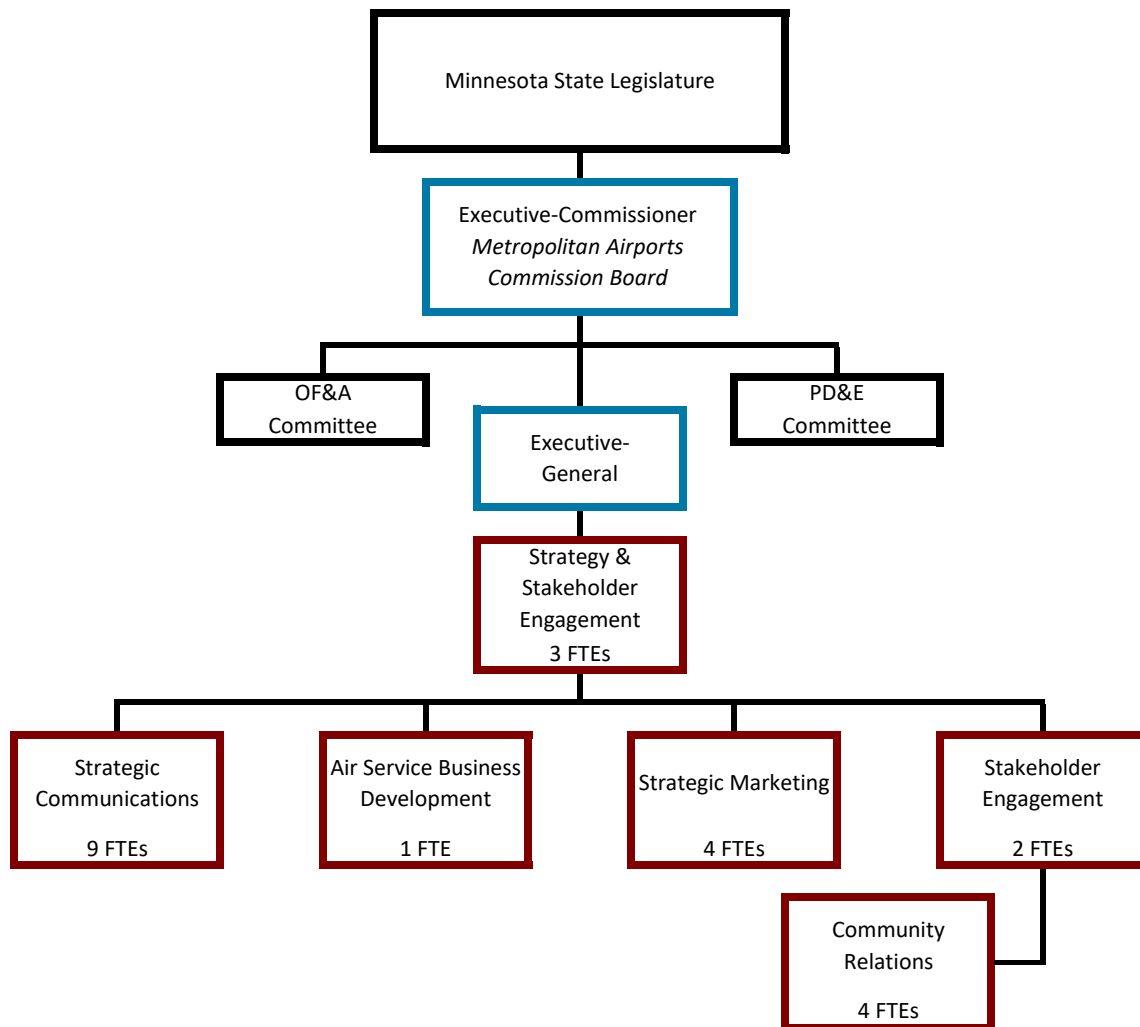
Percentage of continuing consultant evaluations completed



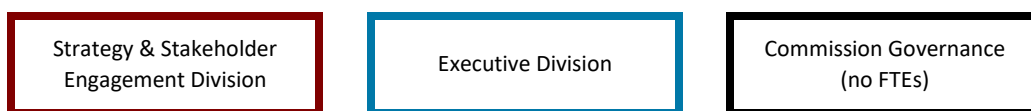
Percent of attorneys completing an average of 15 Continuing Legal Education hours

Strategy & Stakeholder Engagement Division

Division Organizational Chart



Legend



<h2 style="text-align: center;">Strategy & Stakeholder Engagement Service Center Goals & Objectives</h2> <p><i>As discussed in the Executive Summary section, each division has direct responsibility for one or more of the objectives outlined in the MAC's Strategic Plan. The service centers within each division have developed Performance Measures to track progress towards one or more of its division's direct Objectives. This table lists the service centers within the Strategy & Stakeholder Engagement Division and indicates the Objectives that each service center's Performance Measures track.</i></p>	Service Centers					
	76200 Strategy & Stakeholder Engagement	76000 Strategic Communications	76100 Air Service Business Development	85000 Strategic Marketing	85200 Stakeholder Engagement	85000 Community Relations
Organization Goal: Safety, Security and Preparedness						
Objective: Airport Operations Center and Concept of Operations Development Develop a new concept of operations approach and build a new Airport Operations Center as part of a new Safety and Security Center that advances airport safety and service delivery by leveraging data, technology, systems thinking and collaboration.						
Objective: Part 139 Program Transformation Develop and implement new systems and practices related to Part 139 that emphasize data, technology and training. Proactively manage compliance.						
Organization Goal: Customer Experience						
Objective: "One Journey" Experience Deliver a seamless "one journey" experience for MSP passengers.						
Organization Goal: Talent						
Objective: Employee Development and Performance Management Provide training and resources to support managers and employees in acquiring needed skills, navigating our changing work environment and improving performance management practices.						
Objective: EnterpriseOne Training and Leverage Increase EnterpriseOne adoption and utility to drive efficiency, self-service and data integrity.						
Organization Goal: Engagement						
Objective: Stakeholder and Community Engagement Grow stakeholder and community engagement.	●	●			●	●
Objective: Messaging and Branding Grow awareness of the MAC brand by centralizing communication and engagement activities, ensuring we speak with a consistent voice and message.				●		
Organization Goal: Air Service						
Objective: Air Service Development Grow and retain air service by enhancing partnerships, assessing strategic growth opportunities and investing more in business development.			●			
Organization Goal: Economic						
Objective: Financial Strength Develop new strategies to enhance financial strength.						
Objective: Real Estate Assessment and Implementation Assess and prioritize the full range of land development leasing options across MAC's seven airports. Engage with stakeholders to seek opportunities that align with both airport and community interests.						
Organization Goal: Innovation						
Objective: Parking Yield Management Develop the new flexible pricing parking systems that adjust pricing based upon consumer demand and parking space availability. Leverage technology and data to price, market and manage parking spaces.						
Objective: True Common Use Plan Assess and develop an approach for next generation of shared gates, check-in and baggage systems to drive efficiency, customer service and create capacity for more flights within existing gate footprints.						

STRATEGY & STAKEHOLDER ENGAGEMENT

Strategy & Stakeholder Engagement operates as an in-house team serving as stewards of strategy, developing strategic communications and creating stakeholder champions to ensure the MAC delivers on its mission, vision and strategic goals. This service center includes strategic planning, sustainability and division-wide activities.

BUDGET SUMMARY

	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	77,149	446,671	331,636	(115,035)	-25.8%
Administrative Expenses	26,981	67,370	52,578	(14,792)	-22.0%
Professional Services	9,947	470,560	543,500	72,940	15.5%
Utilities		1,200	600	(600)	-50.0%
Operating Services/Expenses					
Maintenance					
Other		4,500	30,000	25,500	566.7%
Total Budget	114,077	990,301	958,314	(31,987)	-3.2%

Full-time Equivalent (FTE) Total	1	4	3
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BUDGET HIGHLIGHTS

- Personnel**

The decrease in Personnel is a result of transferring one FTE to Stakeholder Engagement. This was offset partially by wage structure adjustments and step increases.
- Administrative Expenses**

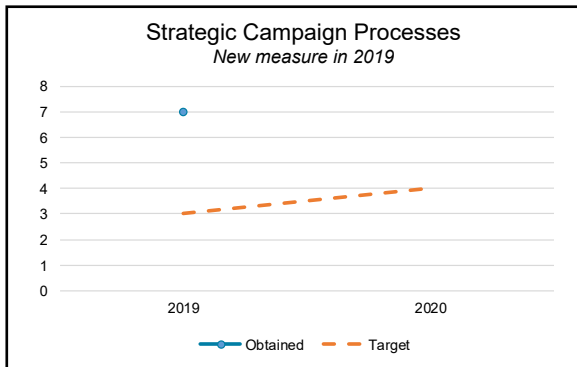
The decrease in Administrative Expenses is attributable to a decrease in expected travel.
- Professional Services**

The increase in Professional Services is the result of implementing projects identified in the November 2019 MAC Sustainability Assessment project and funding divisional strategic planning processes for the MAC. This was partially offset by moving funds for waste management training to the Other expense category.
- Utilities**

The decrease in Utilities is a result of reducing the number of cell phone stipends for this service center from two staff members to one.
- Other**

The increase in Other expenses is due to moving funds for training MSP tenants about waste management expectations from Professional Services.

PERFORMANCE MEASURES



Total number of division-level strategic planning pilots completed to enhance organizational strategic planning capabilities and practices

STRATEGIC COMMUNICATIONS

The Strategic Communications service center activates the voice of the MAC and its airports through media relations, corporate communications and by creating strategic solutions to deliver internal and external marketing campaigns. The service center enhances the airport experience by providing information to travelers and increases MAC revenues by executing marketing of MAC facilities; parking; and food, retail and passenger service concessions. In addition, the service center provides paging services at MSP and responds to public inquiries about the MAC and its airports via phone, email, text and live chat.

BUDGET SUMMARY

	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	973,536	1,114,223	906,696	(207,527)	-18.6%
Administrative Expenses	295,266	313,860	404,850	90,990	29.0%
Professional Services	214,115	462,000	744,600	282,600	61.2%
Utilities	7,973	7,200	7,200		
Operating Services/Expenses	444,830	619,200	1,240,000	620,800	100.3%
Maintenance	9,681	18,600	19,200	600	3.2%
Other	1,219	9,500	5,700	(3,800)	-40.0%
Total Budget	1,946,620	2,544,583	3,328,246	783,663	30.8%

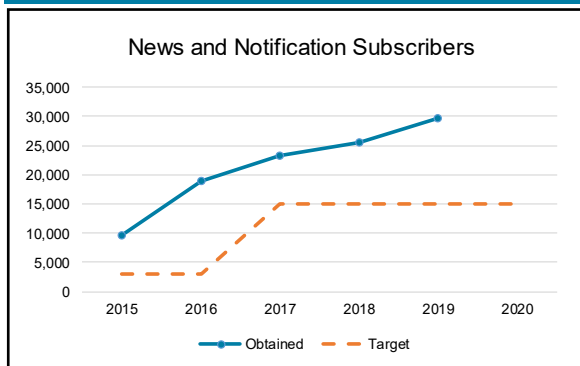
Full-time Equivalent (FTE) Total

9 11 9

BUDGET HIGHLIGHTS

- Personnel The decrease in Personnel is a result of transferring two FTEs to Strategic Marketing. This was offset partially by the addition of one new FTE, as well as wage structure adjustments and step increases.
- Administrative Expenses Administrative Expenses increased as a result of several inherited or new marketing initiatives. These include taking over the parking marketing budget from Landside-Administration, a new MAC brochure, creating exhibits for engagement events and an international traveler marketing campaign in partnership with Delta Air Lines. The increase also includes additional subscription service costs.
- Professional Services Increases in the Professional Services category are driven by additional consultant resources to support the MAC's strategic priorities, proactive media relations and growing communication responsibilities.
- Operating Services/Expenses Increases in Operating Services/Expenses are a result of a communications campaign regarding Highway 5 reconstruction during 2020. It is also driven by expenditures in support of the MAC's strategic goals and objectives, particularly parking and yield management marketing.
- Other The decrease in Other expenses is due to reduced expenses for minor equipment and furniture.

PERFORMANCE MEASURES



Number of people subscribing for notices and information through the MAC's subscription news and notification service, in thousands

AIR SERVICE BUSINESS DEVELOPMENT

Air Service Business Development is responsible for three primary areas: 1) developing air service by 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 the MAC's system of airports both domestically and internationally; and 3) building community relations by establishing partnerships with public and private sectors to increase their awareness of the importance of air service in the region and to solicit their support.

BUDGET SUMMARY

	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel		142,643	142,643		
Administrative Expenses	39,837	48,110	81,018	32,908	68.4%
Professional Services	71,705	100,000	175,000	75,000	75.0%
Utilities			600	600	100.0%
Operating Services/Expenses		200,000	30,000	(170,000)	-85.0%
Maintenance					
Other					
Total Budget	111,542	490,753	429,261	(61,492)	-12.5%

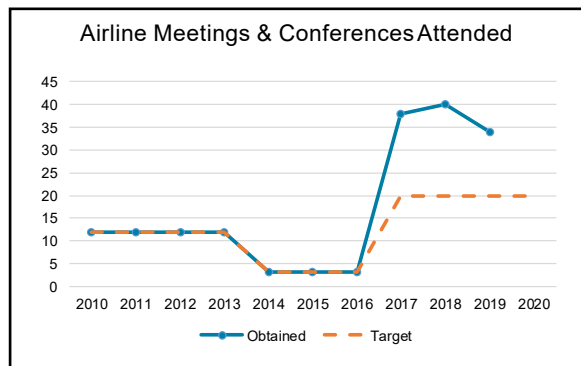
Full-time Equivalent (FTE) Total

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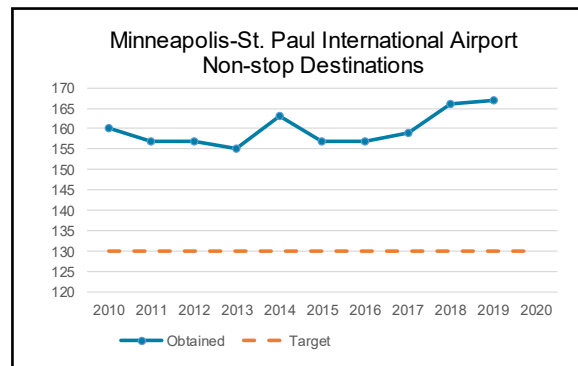
BUDGET HIGHLIGHTS

- Administrative Expenses The increase in Administrative Expenses is a result of planning for staff to attend twice as many air service development conferences and twice as many airline headquarters meetings. Additionally, the increase includes a travel or trade show with the MAC's tourism partners.
- Professional Services The increase in Professional Services is attributable to additional use of consultants for a deeper study of air service growth.
- Utilities The increase in Utilities is the result of adding a cell phone stipend for one staff member.
- Operating Services/Expenses The decrease in Operating Services/Expenses is a result of reduced commitments for marketing new air service. It is partially offset by additional participation in marketing with the MAC's tourism partners.

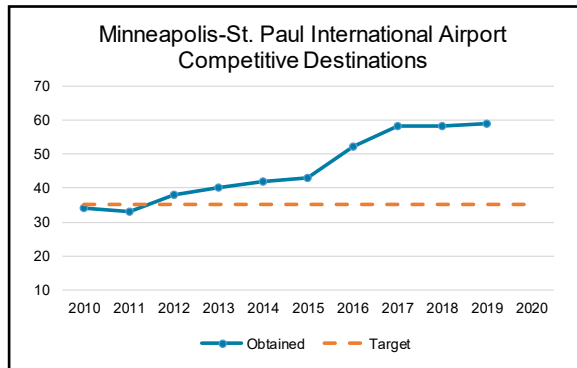
PERFORMANCE MEASURES



Number of airline meetings and conferences attended



Total number of non-stop destinations offered



Total number of competitive destinations offered

STRATEGIC MARKETING

Strategic Marketing serves as stewards of the MAC and MSP brands. The service center drives revenue through the development of marketing strategy grounded in research, analytics and results tracking. Strategic Marketing collaborates across the Strategy and Stakeholder Engagement Division to ensure all campaigns are executed according to the strategic plan.

BUDGET SUMMARY

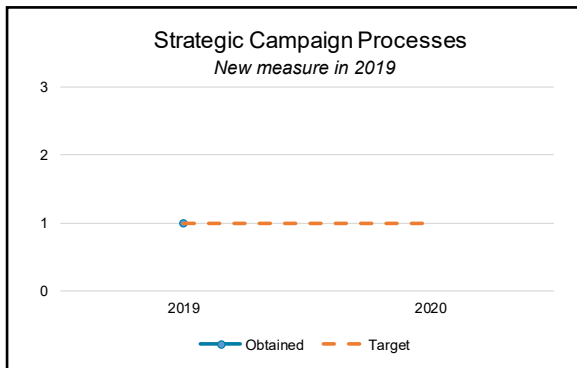
	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	253,504	68,380	433,582	365,202	534.1%
Administrative Expenses	15,283	16,800	165,400	148,600	884.5%
Professional Services	103,389		250,000	250,000	100.0%
Utilities	830	600	2,160	1,560	260.0%
Operating Services/Expenses			30,000	30,000	100.0%
Maintenance					
Other			32,000	32,000	100.0%
Total Budget	373,005	85,780	913,142	827,362	964.5%

Full-time Equivalent (FTE) Total 2 1 4

BUDGET HIGHLIGHTS

- Personnel Strategic Marketing replaced the former Environment-General service center; Environment-General FTEs and responsibilities were assumed by service centers in the Planning & Development and Strategy & Stakeholder Engagement divisions. Strategic Marketing includes new and transferred-in FTEs, as well as completely different responsibilities. Therefore, comparisons to 2019 are not applicable.

PERFORMANCE MEASURES



Number of strategic campaigning processes developed

STAKEHOLDER ENGAGEMENT

Stakeholder Engagement connects the MAC to the community by designing and implementing best-in-class engagements and serving as the personal connection of the organization across communities. The service center exists to grow stakeholder and community engagement, one of the MAC's strategic focus areas. The Stakeholder Engagement strategic priorities include team development, strategic approach development, engagement execution and engagement measurement.

BUDGET SUMMARY

	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel			222,114	222,114	100.0%
Administrative Expenses			69,600	69,600	100.0%
Professional Services			50,000	50,000	100.0%
Utilities					
Operating Services/Expenses			40,000	40,000	100.0%
Maintenance					
Other					
Total Budget			381,714	381,714	100.0%

Full-time Equivalent (FTE) Total

0

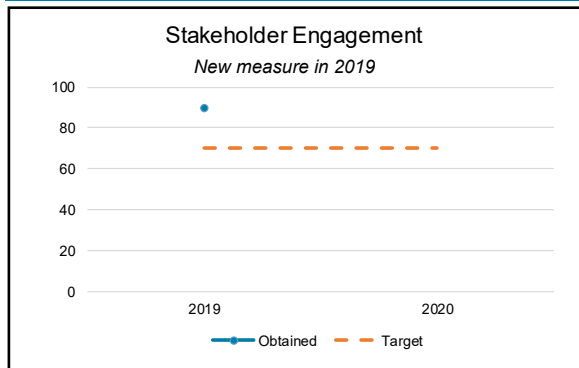
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BUDGET HIGHLIGHTS

- Personnel

Stakeholder Engagement is a new service center that was created as a result of the MAC's strategic plan. Budgeted items for this service center are new costs for the organization, with no applicable comparison to 2019.

PERFORMANCE MEASURES



Total number of stakeholder engagement events, across divisions, supported or managed by Stakeholder Engagement staff

COMMUNITY RELATIONS

Community Relations manages aircraft noise issues and navigation programs through an industry-leading noise program built on extensive technology and collaborative efforts with community and aviation stakeholders. This service center ensures compliance related to assessing noise impacts and corrective measures that includes management of one of the largest community outreach programs at the MAC and the development and operation of sophisticated technical systems in support of the service center's mission.

BUDGET SUMMARY

	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	469,773	574,444	454,091	(120,353)	-21.0%
Administrative Expenses	28,766	19,150	17,400	(1,750)	-9.1%
Professional Services	374,852	327,000	165,000	(162,000)	-49.5%
Utilities	19,687	24,600	24,000	(600)	-2.4%
Operating Services/Expenses	110,263	101,000	80,000	(21,000)	-20.8%
Maintenance					
Other					
Total Budget	1,003,341	1,046,194	740,491	(305,703)	-29.2%

Full-time Equivalent (FTE) Total

4

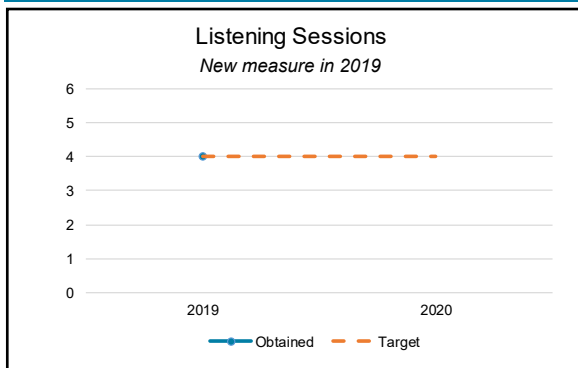
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4

BUDGET HIGHLIGHTS

- **Personnel** The decrease in Personnel is a result of transferring one FTE to Stakeholder Engagement. This was offset partially by wage structure adjustments and step increases.
- **Administrative Expenses** Administrative Expenses decreased as a result of eliminating printing expenses for a Crystal Airport environmental project that was completed in 2019. This was offset partially by an increase in travel expenses to accommodate longer durations of conferences.
- **Professional Services** Professional Services decreased as a result of removing 2019 website redesign project expenses from the budget.
- **Operating Services/Expenses** Operating Services/Expenses decreased due to eliminating a 2019 noise monitoring equipment replacement project from the budget. This was offset partially by an increase in equipment maintenance costs and noise level reduction testing for Crystal Airport.

PERFORMANCE MEASURES

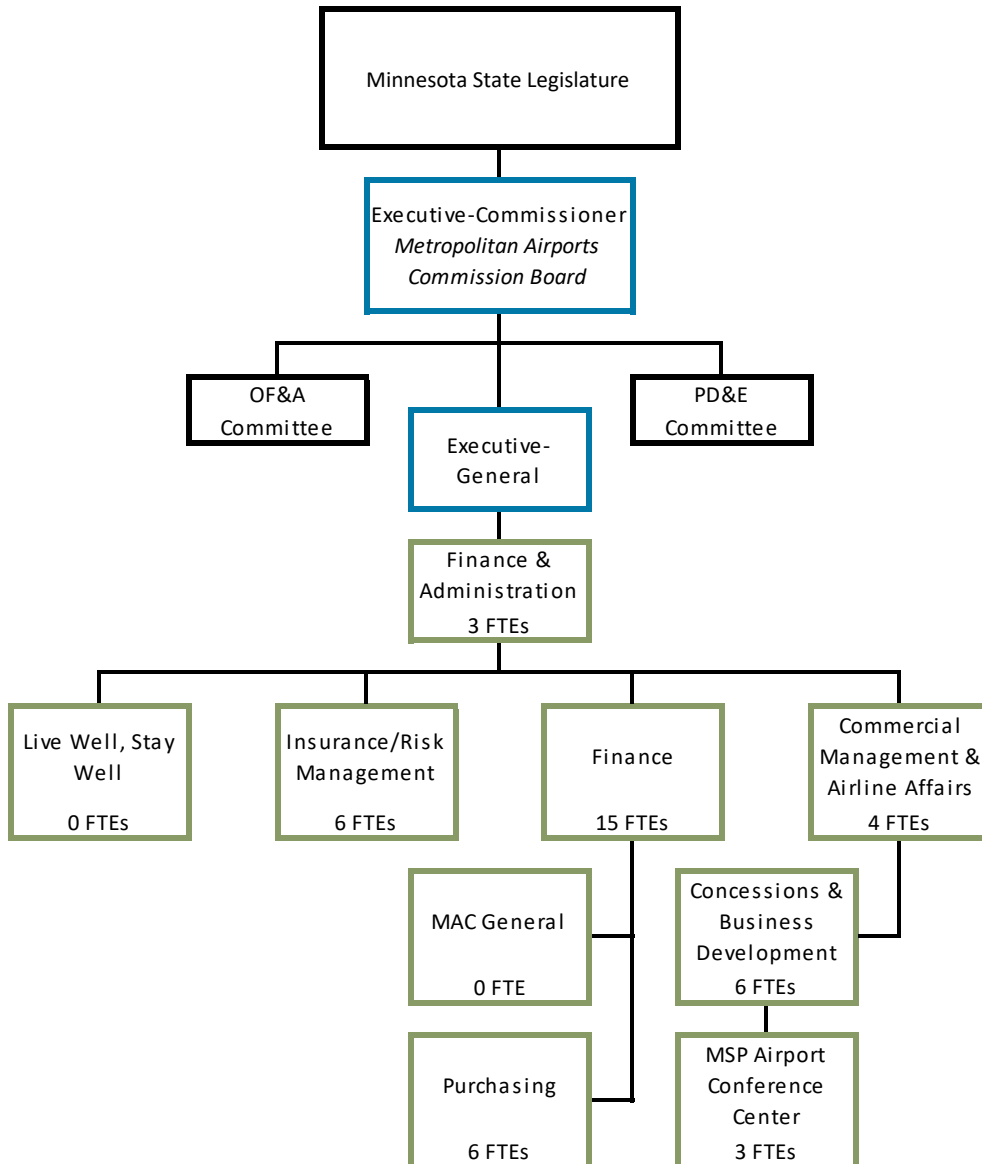


Total number of public listening sessions held per year

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Finance & Revenue Development Division

Division Organizational Chart



Legend

Finance & Revenue
Development Division

Executive Division

Commission
Governance
(no FTEs)

<h2 style="text-align: center;">Finance & Revenue Development Service Center Goals & Objectives</h2> <p><i>As discussed in the Executive Summary section, each division has direct responsibility for one or more of the objectives outlined in the MAC's Strategic Plan. The service centers within each division have developed Performance Measures to track progress towards one or more of its division's direct Objectives. This table lists the service centers within the Finance & Revenue Development Division and indicates the Objectives that each service center's Performance Measures track.</i></p>	Service Centers							
	75600 Finance & Administration	76700 Live Well Stay Well	76800 Insurance/Risk Management	78000 Finance	78100 MAC General	78200 Purchasing	80000 Commercial Management & Airline Affairs	80100 Concessions & Business Development
Organization Goal: Safety, Security and Preparedness								
Objective: Airport Operations Center and Concept of Operations Development Develop a new concept of operations approach and build a new Airport Operations Center as part of a new Safety and Security Center that advances airport safety and service delivery by leveraging data, technology, systems thinking and collaboration.								
Objective: Part 139 Program Transformation Develop and implement new systems and practices related to Part 139 that emphasize data, technology and training. Proactively manage compliance.								
Organization Goal: Customer Experience								
Objective: "One Journey" Experience Deliver a seamless "one journey" experience for MSP passengers.			●				●	
Organization Goal: Talent								
Objective: Employee Development and Performance Management Provide training and resources to support managers and employees in acquiring needed skills, navigating our changing work environment and improving performance management practices.		●				●		
Objective: EnterpriseOne Training and Leverage Increase EnterpriseOne adoption and utility to drive efficiency, self-service and data integrity.								
Organization Goal: Engagement								
Objective: Stakeholder and Community Engagement Grow stakeholder and community engagement.								
Objective: Messaging and Branding Grow awareness of the MAC brand by centralizing communication and engagement activities, ensuring we speak with a consistent voice and message.								
Organization Goal: Air Service								
Objective: Air Service Development Grow and retain air service by enhancing partnerships, assessing strategic growth opportunities and investing more in business development.	●							
Organization Goal: Economic								
Objective: Financial Strength Develop new strategies to enhance financial strength.	●			●			●	●
Objective: Real Estate Assessment and Implementation Assess and prioritize the full range of land development leasing options across MAC's seven airports. Engage with stakeholders to seek opportunities that align with both airport and community interests.						●		
Organization Goal: Innovation								
Objective: Parking Yield Management Develop the new flexible pricing parking systems that adjust pricing based upon consumer demand and parking space availability. Leverage technology and data to price, market and manage parking spaces.								
Objective: True Common Use Plan Assess and develop an approach for next generation of shared gates, check-in and baggage systems to drive efficiency, customer service and create capacity for more flights within existing gate footprints.								

FINANCE & ADMINISTRATION

Finance & Administration is responsible for overseeing the implementation of the MAC’s financial policies, strategic financial planning and analysis, revenue development, commercial management, airline affairs and the establishment of good fiscal and budgetary practices. The MAC’s conservative fiscal policies provide funding as required for operating and capital expenditures for its system of airports. The policy also allows for the establishment of good business practices to optimize the generation of revenues, both aeronautical and non-aeronautical. This division also oversees and guides the strategic implementation and management of the organization’s Live Well, Stay Well program and Insurance/Risk Management service centers. The Vice President - Finance and Revenue Development is a staff liaison to the Commission’s Operations, Finance & Administration Committee.

BUDGET SUMMARY

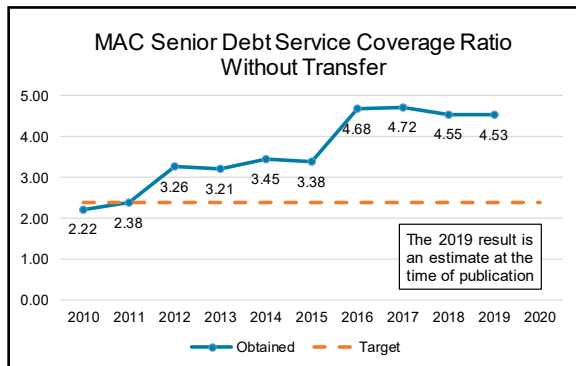
	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	409,209	404,910	434,505	29,595	7.3%
Administrative Expenses	18,233	16,610	15,485	(1,125)	-6.8%
Professional Services	80,845	21,000		(21,000)	-100.0%
Utilities	1,230	1,200	1,200		
Operating Services/Expenses					
Maintenance					
Other	7,091	700	700		
Total Budget	516,608	444,420	451,890	7,470	1.7%

Full-time Equivalent (FTE) Total	3	3	3
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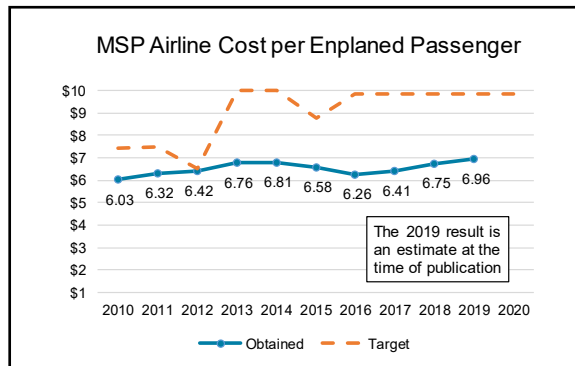
BUDGET HIGHLIGHTS

- Personnel The increase in Personnel is attributable to wage structure adjustments and step increases.
- Professional Services The Professional Services budget is lower in 2020 as the budget for 2019 held a one-time consultant fee for airline rates and charges.

PERFORMANCE MEASURES



Net revenues divided by debt



Airline cost per enplaned passenger
 *Target is the maximum desired result

LIVE WELL, STAY WELL

Live Well, Stay Well works to encourage, educate and support MAC employees in making healthier lifestyle choices and strives to create a positive impact on employee morale and productivity. By achieving these goals, it is also instrumental in reducing healthcare costs.

BUDGET SUMMARY

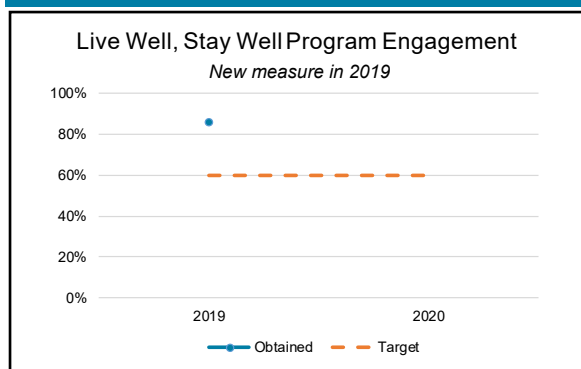
	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	710	350	350		
Administrative Expenses	6,181	8,600	9,795	1,195	13.9%
Professional Services	2,800	5,000	6,000	1,000	20.0%
Utilities		425	840	415	97.6%
Operating Services/Expenses	137,720	130,000	179,550	49,550	38.1%
Maintenance					
Other	5,933	10,000	5,000	(5,000)	-50.0%
Total Budget	153,343	154,375	201,535	47,160	30.5%

Full-time Equivalent (FTE) Total 0 0 0

BUDGET HIGHLIGHTS

- Administrative Expenses This increase in Administrative Expenses is attributable to greater costs for the annual wellness conference and additional water service for the fitness center.
- Professional Services The Professional Services increase is driven by an uptick in participation in the personal training program.
- Utilities The increase in Utilities expenses resulted from correctly assigning internet charges for the fitness center and adding service for the Fitness Studio.
- Operating Services/Expenses The Operating Services/Expenses increase is a result of greater participation in the Move to Improve program.
- Other The Other expense category decreased as a result of temporarily cutting back on new equipment purchases while plans for a new fitness center are finalized.

PERFORMANCE MEASURES



Percentage of all MAC employees who engaged with the Live Well, Stay Well Program during the year

INSURANCE/RISK MANAGEMENT

Insurance/Risk Management is responsible for the planning, organizing and administering 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 and measurement; preventative strategies; claims administration; purchase of insurance coverage; and evaluation of financing alternatives. Areas of responsibility also include employee benefit program administration, workers' compensation, the MAC's health engagement program, liability and property insurance coverage, employee and fleet safety and maintaining a safe airports system.

BUDGET SUMMARY

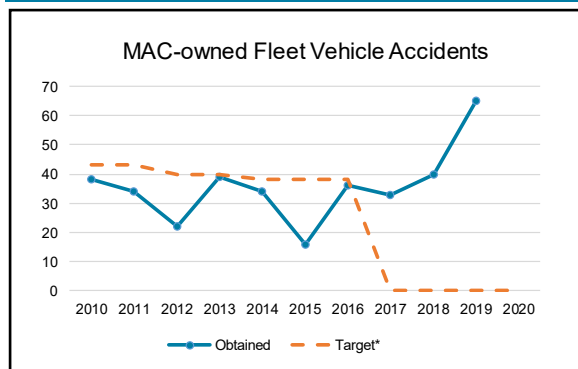
	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	13,483,414	14,808,388	15,453,192	644,804	4.4%
Administrative Expenses	11,881	19,350	24,000	4,650	24.0%
Professional Services	364,190	389,000	396,750	7,750	2.0%
Utilities	1,600	1,700	1,800	100	5.9%
Operating Services/Expenses	36,815	11,000	18,000	7,000	63.6%
Maintenance	720		2,358	2,358	100.0%
Other	1,947,750	2,179,499	2,238,994	59,495	2.7%
Total Budget	15,846,372	17,408,937	18,135,094	726,157	4.2%

Full-time Equivalent (FTE) Total 6 6 6

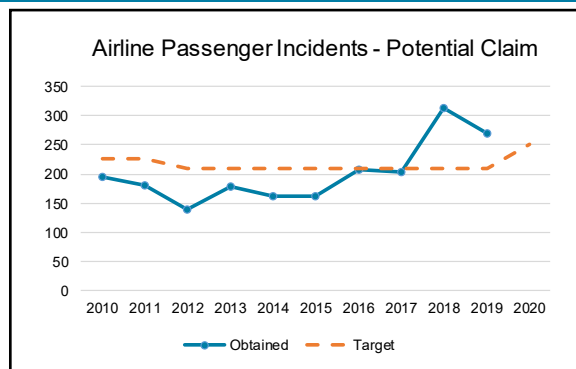
BUDGET HIGHLIGHTS

- Personnel** The increase in Personnel is attributable to wage structure adjustments and step increases.
- Administrative Expenses** Administrative Expenses increased as Insurance/Risk Management added \$1000 to the budget to take over maintaining the first aid kit at the General Offices. Funds were added to the budget for additional travel planned in 2020.
- Professional Services** Professional Services increased as insurance consulting is expected to be higher in 2020.
- Operating Services/Expenses** Operating Expenses increased to accommodate onsite testing as well as lab testing of harmful contaminants.
- Other** Other Expenses increased as property, airport liability and auto/equipment insurance fees are forecasted to rise in 2020.

PERFORMANCE MEASURES



Total number of accidents involving MAC-owned fleet vehicles
*Target is the maximum desired result



Total incidents with potential for damage claim
*Target is the maximum desired result

FINANCE

Finance is responsible for the MAC's accounting and cash management functions, the preparation of the annual operating budget and the Comprehensive Annual Financial Report. Finance oversees financial planning which includes, but is not limited to, issuance of all debt, development of tenant rates and charges, cost-benefit analysis, financial analysis and request for proposal assistance.

BUDGET SUMMARY

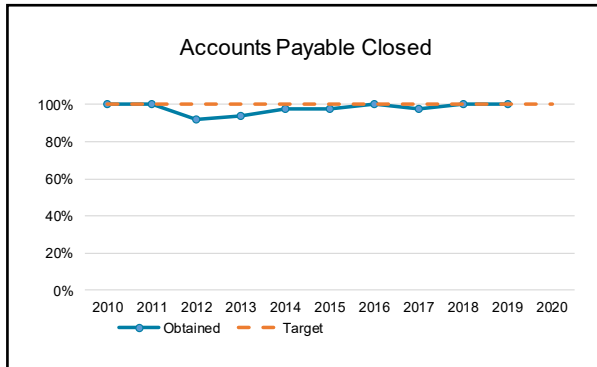
	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	1,507,308	1,562,222	1,575,275	13,053	0.8%
Administrative Expenses	24,403	22,170	21,620	(550)	-2.5%
Professional Services	195,505	225,100	234,800	9,700	4.3%
Utilities	2,950	3,000	3,000		
Operating Services/Expenses	207,855	221,700	235,175	13,475	6.1%
Maintenance					
Other		900	900		
Total Budget	1,938,020	2,035,092	2,070,770	35,678	1.8%

Full-time Equivalent (FTE) Total 15 15 15

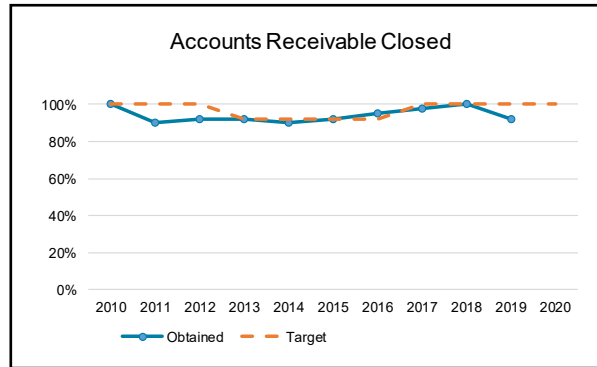
BUDGET HIGHLIGHTS

- Personnel** The increase in Personnel is attributable to wage structure adjustments and step increases.
- Professional Services** The Professional Services budget increased as an actuarial study is scheduled in 2020.
- Operating Services/Expenses** Operating Services/Expenses increased in 2020. Bank fees are expected to be higher as accounts receivable shifts to an automated process.

PERFORMANCE MEASURES



Percentage of Accounts Payable closed by the Friday before General Ledger closing



Percentage of Accounts Receivable closed within two business days

MAC GENERAL

The MAC General service center contains expenses that are not specific to any one service center such as FICA/Medicare taxes, retirement plans, utilities and gas and diesel for MAC vehicles. Open positions that have not been allocated to a specific service center reside in this service center. Finance is responsible for the budgeting of the MAC General service center.

BUDGET SUMMARY

	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Gross Depreciation					
Personnel	12,417,034	13,285,127	13,846,184	561,057	4.2%
Administrative Expenses	7,141				
Professional Services	193,218				
Utilities	19,217,340	18,969,982	19,560,965	590,983	3.1%
Operating Services/Expenses	879,332	904,074	940,655	36,581	4.0%
Maintenance	2,391,268	2,350,777	2,513,156	162,379	6.9%
Other	437,929	33,793	1,866,336	1,832,543	5422.8%
Total Budget	35,543,262	35,543,753	38,727,296	3,183,543	9.0%

Full-time Equivalent (FTE) Total

0 0 0

BUDGET HIGHLIGHTS

- Personnel The increase in Personnel stems from higher benefit costs expectations and for additional benefits for new FTEs.
- Utilities Utilities expenses are expected to increase overall in 2020.
- Operating Services/Expenses Operating Services/Expenses increased as a result of additional funds for the Percent for Arts program.
- Maintenance Maintenance increased as a result of forecasted fuel prices and additional baggage claim maintenance.
- Other The budget for Other expenses increased to include three airline incentives. Also, the advertising and marketing for the incentives moved to this service center for accurate reporting.

PURCHASING

Purchasing oversees the acquisition of materials, equipment and supplies; coordination of minor construction; and repair or performance of minor maintenance to meet the needs of end-users by using the method that results in the most efficient use of MAC resources. Purchasing administers the Commercial Card Program for the MAC and maintains blanket orders, including insurance certificates, for contracts generated by Purchasing. Purchasing's responsibilities also include disposing of surplus property by distributing items between MAC service centers, selling items on the open market and donating items to various charities.

BUDGET SUMMARY

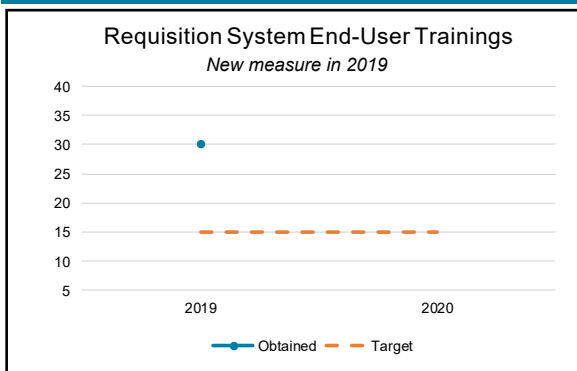
	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	469,023	487,717	504,339	16,622	3.4%
Administrative Expenses	38,653	42,200	40,975	(1,225)	-2.9%
Professional Services					
Utilities					
Operating Services/Expenses	169,682	194,900	200,200	5,300	2.7%
Maintenance					
Other	4,605	3,500	7,500	4,000	114.3%
Total Budget	681,962	728,317	753,014	24,697	3.4%

Full-time Equivalent (FTE) Total 6 6 6

BUDGET HIGHLIGHTS

- Personnel The increase in Personnel is attributable to wage structure adjustments and step increases.
- Operating Services/Expenses The increase in Operating Services/Expenses results in the addition of color printing to the multi-functional device agreement. This addition will eliminate many stand-alone printers throughout MAC buildings and facilities.
- Other The increase in Other expenses is a result of MAC-wide vehicle registration renewals, which are primarily due in even-numbered years.

PERFORMANCE MEASURES



Number of trainings for end-users on the MAC's Purchasing requisition system to support employees' use of the system

COMMERCIAL MANAGEMENT & AIRLINE AFFAIRS

Commercial Management & Airline Affairs (CMAA) oversees revenue generation from airline and airport concession agreements, MSP leases and system-wide non-aeronautical leases. CMAA manages MAC property and real estate.

BUDGET SUMMARY

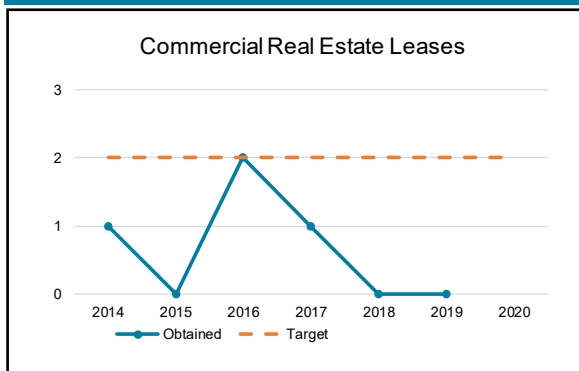
	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	516,390	589,080	540,345	(48,735)	-8.3%
Administrative Expenses	25,004	28,555	29,370	815	2.9%
Professional Services	56,282	1,105,000	452,500	(652,500)	-59.0%
Utilities	2,980	2,400	2,400		
Operating Services/Expenses	48	1,200	800	(400)	-33.3%
Maintenance	213,393	268,850	271,700	2,850	1.1%
Other					
Total Budget	814,097	1,995,085	1,297,115	(697,970)	-35.0%

Full-time Equivalent (FTE) Total 4 5 4

BUDGET HIGHLIGHTS

- Personnel The decrease in Personnel is a result of transferring one FTE to Concessions & Business Development. This was offset partially by wage structure adjustments and step increases.
- Professional Services The Professional Services decrease is due to a lower cost for the Land Assessment Project consultants during 2020.

PERFORMANCE MEASURES



Number of real estate leases entered into at MAC Reliever Airports

CONCESSIONS & BUSINESS DEVELOPMENT

Concessions & Business Development oversees revenue generation from airport concession agreements and implements new concepts to improve the customer experience and revenue generation at MSP. Concessions & Business Development manages MAC property and real estate within the terminals.

BUDGET SUMMARY

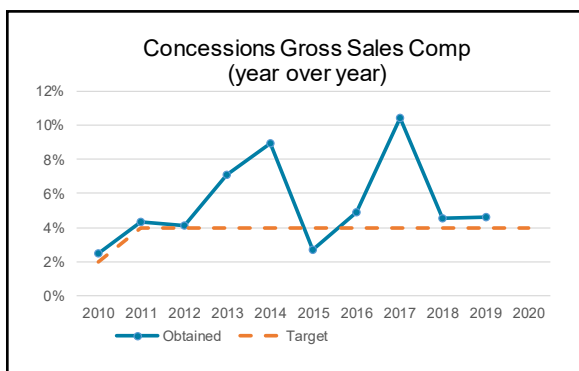
	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	470,302	531,883	666,264	134,381	25.3%
Administrative Expenses	11,767	17,355	20,212	2,857	16.5%
Professional Services	96,250	25,000	20,000	(5,000)	-20.0%
Utilities	2,310	2,820	3,240	420	14.9%
Operating Services/Expenses	114	2,000	2,000		
Maintenance					
Other		10,000	5,000	(5,000)	-50.0%
Total Budget	580,743	589,058	716,716	127,658	21.7%

Full-time Equivalent (FTE) Total 5 5 6

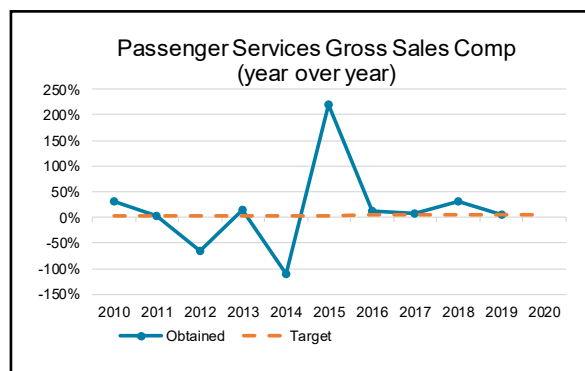
BUDGET HIGHLIGHTS

- **Personnel** The personnel increase is a result of an additional FTE from Commercial Management & Airlines Affairs, wage structure adjustments and step increases.
- **Administrative Expenses** The increase in Administrative Expenses reflects the addition of travel to an industry conference for an additional staff member.
- **Professional Services** The decrease in Professional Services is a result of the elimination of a professional coaching consultant that is no longer needed.
- **Utilities** Utilities expenses increased as a result of adding cellular service for an additional staff member.
- **Other** Other expenses were reduced as new team members will utilize current office furniture during 2020 and assess additional needs in future budget years.

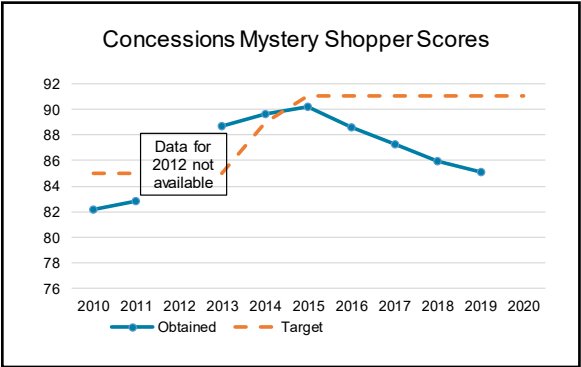
PERFORMANCE MEASURES



Percentage increase or decrease in concessions gross sales (n/a passenger services)



Percent change in passenger services gross sales



Annual average mystery shopper score observed by third party

MSP AIRPORT CONFERENCE CENTER

The MSP Airport Conference Center provides first-class customer service to the external and internal customer. Staff are responsible for the management and promotion of the conference center, providing catering services, maintaining audio-visual equipment and invoicing internal/external clients.

BUDGET SUMMARY

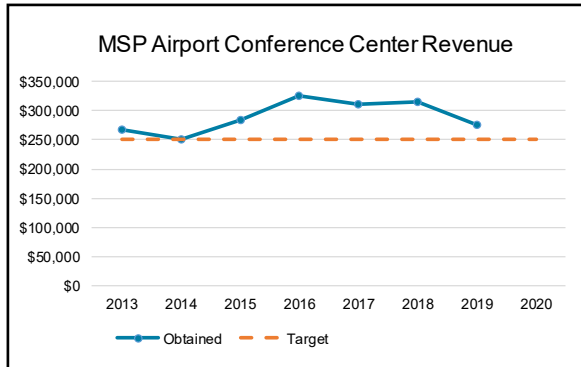
	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	193,769	266,558	265,969	(589)	-0.2%
Administrative Expenses	5,430	7,500	7,500		
Professional Services					
Utilities	640	600	600		
Operating Services/Expenses	33,738	33,700	33,700		
Maintenance					
Other	8,843	4,600	9,610	5,010	108.9%
Total Budget	242,420	312,958	317,379	4,421	1.4%

Full-time Equivalent (FTE) Total 3 3 3

BUDGET HIGHLIGHTS

- Personnel The decrease in Personnel is a result of reduced temporary staffing needs. This is partially offset by wage structure adjustments and step increases.
- Other Other expense increases are driven by plans to replace outdated blinds in the Conference Center office and lobby and replace a malfunctioning freezer in the catering kitchen.

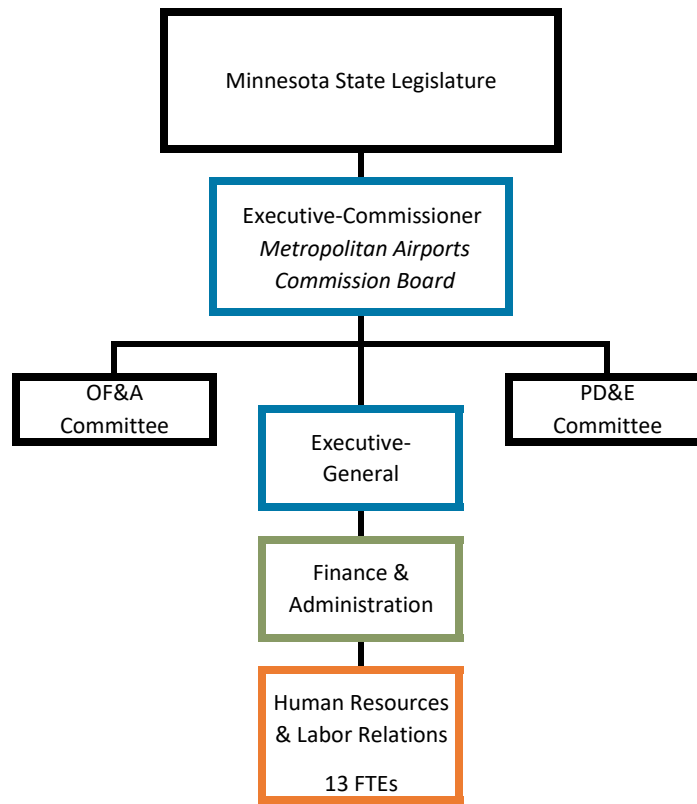
PERFORMANCE MEASURES



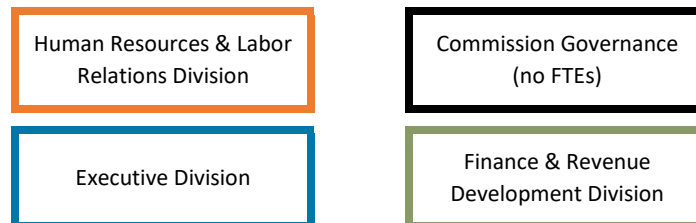
Gross revenue generated

Human Resources & Labor Relations Division

Division Organizational Chart



Legend



<h2 style="text-align: center;">Human Resources & Labor Relations Service Center Goals & Objectives</h2> <p><i>As discussed in the Executive Summary section, each division has direct responsibility for one or more of the objectives outlined in the MAC's Strategic Plan. The service centers within each division have developed Performance Measures to track progress towards one or more of its division's direct Objectives. This table lists the service centers within the Human Resources & Labor Relations Division and indicates the Objectives that each service center's Performance Measures track.</i></p>	Service Centers			
	75700 Human Resources & Labor Relations	76600 Employee Development & Engagement*	80600 Diversity*	81500 Employee Relations*
Organization Goal: Safety, Security and Preparedness				
Objective: Airport Operations Center and Concept of Operations Development Develop a new concept of operations approach and build a new Airport Operations Center as part of a new Safety and Security Center that advances airport safety and service delivery by leveraging data, technology, systems thinking and collaboration.				
Objective: Part 139 Program Transformation Develop and implement new systems and practices related to Part 139 that emphasize data, technology and training. Proactively manage compliance.				
Organization Goal: Customer Experience				
Objective: "One Journey" Experience Deliver a seamless "one journey" experience for MSP passengers.				
Organization Goal: Talent				
Objective: Employee Development and Performance Management Provide training and resources to support managers and employees in acquiring needed skills, navigating our changing work environment and improving performance management practices.	●	●	●	●
Objective: EnterpriseOne Training and Leverage Increase EnterpriseOne adoption and utility to drive efficiency, self-service and data integrity.				
Organization Goal: Engagement				
Objective: Stakeholder and Community Engagement Grow stakeholder and community engagement.			●	
Objective: Messaging and Branding Grow awareness of the MAC brand by centralizing communication and engagement activities, ensuring we speak with a consistent voice and message.				
Organization Goal: Air Service				
Objective: Air Service Development Grow and retain air service by enhancing partnerships, assessing strategic growth opportunities and investing more in business development.				
Organization Goal: Economic				
Objective: Financial Strength Develop new strategies to enhance financial strength.				
Objective: Real Estate Assessment and Implementation Assess and prioritize the full range of land development leasing options across MAC's seven airports. Engage with stakeholders to seek opportunities that align with both airport and community interests.				
Organization Goal: Innovation				
Objective: Parking Yield Management Develop the new flexible pricing parking systems that adjust pricing based upon consumer demand and parking space availability. Leverage technology and data to price, market and manage parking spaces.				
Objective: True Common Use Plan Assess and develop an approach for next generation of shared gates, check-in and baggage systems to drive efficiency, customer service and create capacity for more flights within existing gate footprints.				

*These service centers merged into 75700 Human Resources and Labor Relations on 1/1/2020. Objectives and Performance Measures listed in this section indicate results from 2019. All future Performance Measures will be tracked in 75700 Human Relations and Labor Relations.

HUMAN RESOURCES & LABOR RELATIONS

Human Resources & Labor Relations is responsible for various functions that enable the MAC to remain a high-performing organization where employees experience excellence in leadership, inclusiveness for all, challenging work and opportunities for growth and development while being rewarded competitively. This service center is responsible for all traditional human resource functions including but not limited to policy development and enforcement; compensation management and hiring; employee development and engagement; labor relations; and diversity, equity and inclusion functions. These functions also include responsibility for the Affirmative Action/ Equal Opportunity plan; compliance with obligations relating to the Americans with Disabilities Act, Title VI, the Minnesota Human Rights Act and Title VII; contract compliance, community outreach/relations and the Target Group Business/Disadvantaged Business Enterprise programs.

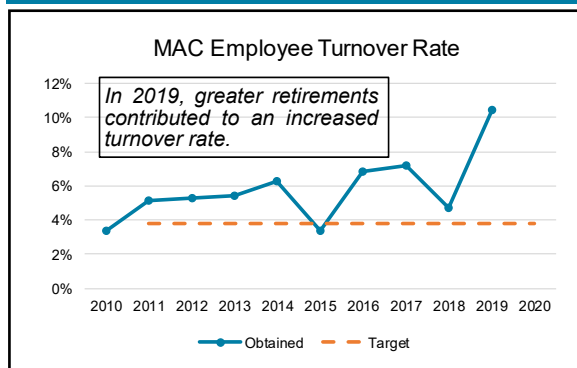
BUDGET SUMMARY

	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	494,720	490,751	1,934,268	1,443,517	294.1%
Administrative Expenses	16,936	15,250	58,695	43,445	284.9%
Professional Services	88,545	33,000	182,000	149,000	451.5%
Utilities	640	600	3,600	3,000	500.0%
Operating Services/Expenses	8,034	61,500	71,500	10,000	16.3%
Maintenance					
Other			6,000	6,000	100.0%
Total Budget	608,874	601,101	2,256,063	1,654,962	275.3%
Full-time Equivalent (FTE) Total	5	5	13		

BUDGET HIGHLIGHTS

- Personnel** The Diversity, Employee Relations and Employee Development & Engagement service centers merged into Human Resources & Labor Relations in 2020. Therefore, their budgets are included in Human Resources & Labor Relations in 2020. In addition, Personnel increased for wage structure adjustments and step increases.
- Administrative Expenses** The increase in Administrative Expenses is a result of merging the Diversity, Employee Relations and Employee Development & Engagement service centers into Human Resources & Labor Relations in 2020.
- Professional Services** The increase in Professional Services is a result of merging the Diversity, Employee Relations and Employee Development & Engagement service centers into Human Resources & Labor Relations in 2020.
- Utilities** The increase in Utilities expenses is a result of merging the Diversity, Employee Relations and Employee Development & Engagement service centers into Human Resources & Labor Relations in 2020.
- Operating Services/Expenses** The increase in Operating Services/Expenses is a result of merging the Diversity, Employee Relations and Employee Development & Engagement service centers into Human Resources & Labor Relations in 2020.
- Other** The increase in Other expenses is a result of merging the Diversity, Employee Relations and Employee Development & Engagement service centers into Human Resources & Labor Relations in 2020.

PERFORMANCE MEASURES



Percentage rate of employee turnover

*Target is the maximum desired result

EMPLOYEE DEVELOPMENT & ENGAGEMENT

Employee Development & Engagement merged into Human Resources & Labor Relations, which absorbed all of the service center's responsibilities.

BUDGET SUMMARY

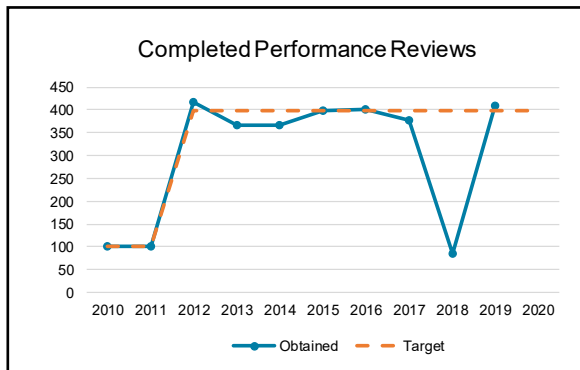
	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	214,665	268,297		(268,297)	-100.0%
Administrative Expenses	1,500	12,650		(12,650)	-100.0%
Professional Services	35,200	15,000		(15,000)	-100.0%
Utilities					
Operating Services/Expenses	2,028				
Maintenance					
Other					
Total Budget	253,394	295,947		(295,947)	-100.0%

Full-time Equivalent (FTE) Total 1 1 0

BUDGET HIGHLIGHTS

- Personnel Employee Development & Engagement merged into Human Resources and Labor Relations in 2020; therefore, the respective budgets have moved to that service center.

PERFORMANCE MEASURES



Number of employee performance reviews completed across the MAC

DIVERSITY

Diversity merged into Human Resources & Labor Relations, which absorbed all of the service center's responsibilities.

BUDGET SUMMARY

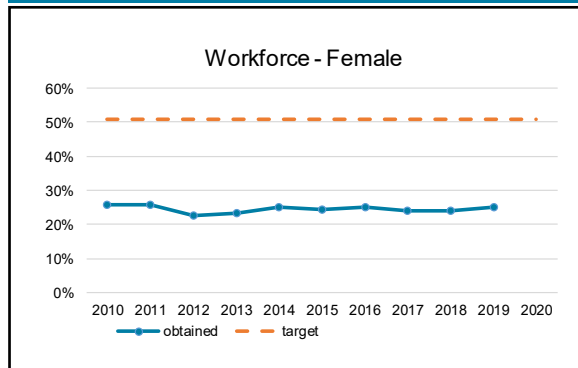
	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	215,119	296,654		(296,654)	-100.0%
Administrative Expenses	17,711	15,460		(15,460)	-100.0%
Professional Services					
Utilities	640	600		(600)	-100.0%
Operating Services/Expenses	3,026	1,500		(1,500)	-100.0%
Maintenance					
Other					
Total Budget	236,496	314,214		(314,214)	-100.0%

Full-time Equivalent (FTE) Total 2 2 0

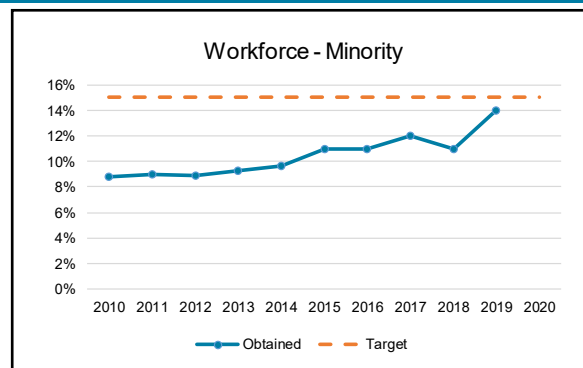
BUDGET HIGHLIGHTS

- Personnel Diversity merged into Human Resources and Labor Relations in 2020; therefore, the respective budgets have moved to that service center.

PERFORMANCE MEASURES



Percentage of MAC workforce that is female



Percentage of MAC workforce that is minority

EMPLOYEE RELATIONS

Employee Relations merged into Human Resources & Labor Relations, which absorbed all of the service center's responsibilities.

BUDGET SUMMARY

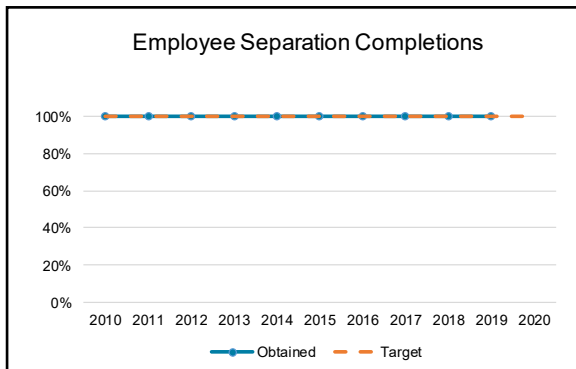
	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	554,197	713,492		(713,492)	-100.0%
Administrative Expenses	9,413	12,770		(12,770)	-100.0%
Professional Services	67,212	104,000		(104,000)	-100.0%
Utilities	750	1,200		(1,200)	-100.0%
Operating Services/Expenses	5,544	8,500		(8,500)	-100.0%
Maintenance					
Other					
Total Budget	637,116	839,962		(839,962)	-100.0%

Full-time Equivalent (FTE) Total	5	5	0
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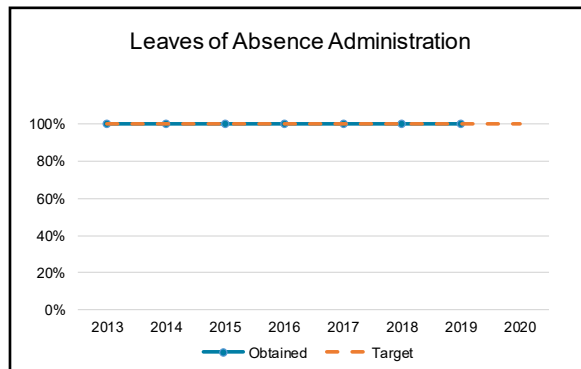
BUDGET HIGHLIGHTS

- Personnel Employee Relations merged into Human Resources and Labor Relations in 2020; therefore, the respective budgets have moved to that service center.

PERFORMANCE MEASURES



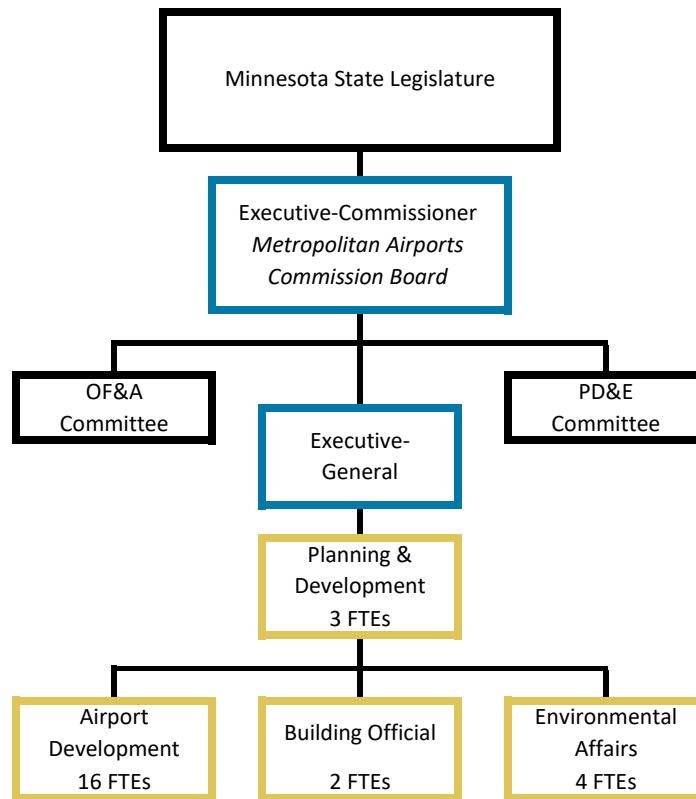
Percentage of employee separations completed according to policies, procedures, and law



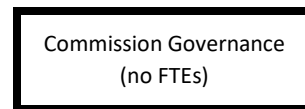
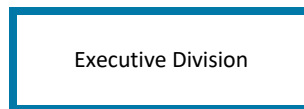
Return rate for employees with a medical clearance that the MAC can accommodate in an existing position

Planning & Development Division

Division Organizational Chart



Legend



<h2 style="text-align: center;">Planning & Development</h2> <h3 style="text-align: center;">Service Center Goals & Objectives</h3>	Service Centers			
	75500 Planning & Development	77000 Airport Development	77100 Building Official	85100 Environmental Affairs
<p><i>As discussed in the Executive Summary section, each division has direct responsibility for one or more of the objectives outlined in the MAC's Strategic Plan. The service centers within each division have developed Performance Measures to track progress towards one or more of its division's direct Objectives. This table lists the service centers within the Planning & Development Division and indicates the Objectives that each service center's Performance Measures track.</i></p>				
Organization Goal: Safety, Security and Preparedness				
Objective: Airport Operations Center and Concept of Operations Development Develop a new concept of operations approach and build a new Airport Operations Center as part of a new Safety and Security Center that advances airport safety and service delivery by leveraging data, technology, systems thinking and collaboration.				
Objective: Part 139 Program Transformation Develop and implement new systems and practices related to Part 139 that emphasize data, technology and training. Proactively manage compliance.				
Organization Goal: Customer Experience				
Objective: "One Journey" Experience Deliver a seamless "one journey" experience for MSP passengers.	●			
Organization Goal: Talent				
Objective: Employee Development and Performance Management Provide training and resources to support managers and employees in acquiring needed skills, navigating our changing work environment and improving performance management practices.		●		
Objective: EnterpriseOne Training and Leverage Increase EnterpriseOne adoption and utility to drive efficiency, self-service and data integrity.				
Organization Goal: Engagement				
Objective: Stakeholder and Community Engagement Grow stakeholder and community engagement.				●
Objective: Messaging and Branding Grow awareness of the MAC brand by centralizing communication and engagement activities, ensuring we speak with a consistent voice and message.			●	
Organization Goal: Air Service				
Objective: Air Service Development Grow and retain air service by enhancing partnerships, assessing strategic growth opportunities and investing more in business development.				
Organization Goal: Economic				
Objective: Financial Strength Develop new strategies to enhance financial strength.		●		
Objective: Real Estate Assessment and Implementation Assess and prioritize the full range of land development leasing options across MAC's seven airports. Engage with stakeholders to seek opportunities that align with both airport and community interests.				
Organization Goal: Innovation				
Objective: Parking Yield Management Develop the new flexible pricing parking systems that adjust pricing based upon consumer demand and parking space availability. Leverage technology and data to price, market and manage parking spaces.				
Objective: True Common Use Plan Assess and develop an approach for next generation of shared gates, check-in and baggage systems to drive efficiency, customer service and create capacity for more flights within existing gate footprints.				

PLANNING & DEVELOPMENT

Planning & Development supervises property acquisition, planning, design, engineering, architecture, construction of all MAC facilities and grants management. Planning & Development also supervises the Building Official and Environmental Affairs service centers and is responsible for maintaining good relationships with local, state and federal government partners and airport stakeholders. The Vice President - Planning & Development is the staff liaison to the Commission's Planning, Development & Environment Committee.

BUDGET SUMMARY

	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	240,759	353,477	379,689	26,212	7.4%
Administrative Expenses	11,295	13,200	13,550	350	2.7%
Professional Services	208,852	195,500	198,000	2,500	1.3%
Utilities	640	1,200	1,200		
Operating Services/Expenses	246,596	274,000	334,000	60,000	21.9%
Maintenance					
Other	5,957				
Total Budget	714,100	837,377	926,439	89,062	10.6%

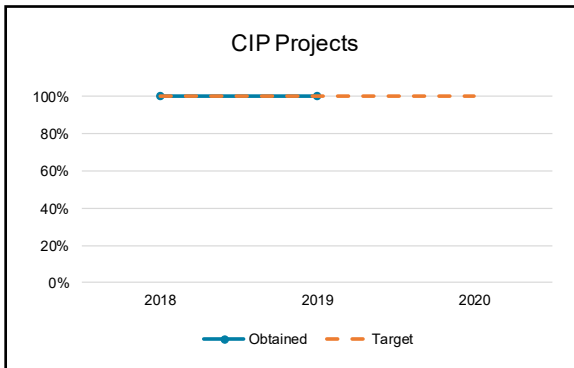
Full-time Equivalent (FTE) Total

2 3 3

BUDGET HIGHLIGHTS

- Personnel The increase in Personnel is attributable to wage structure adjustments and step increases.
- Operating Services/Expenses The increase in Operating Services/Expenses is a result of increased Metropolitan Council fees.

PERFORMANCE MEASURES



Percentage of Capital Improvement Program projects with a design and/or bid award by year-end

AIRPORT DEVELOPMENT

Airport Development develops and implements the MAC's Capital Improvement Program (CIP). Within the CIP, the service center supervises the planning, design, engineering, architecture and construction of all MAC facilities at MSP and the MAC's six reliever airports.

BUDGET SUMMARY

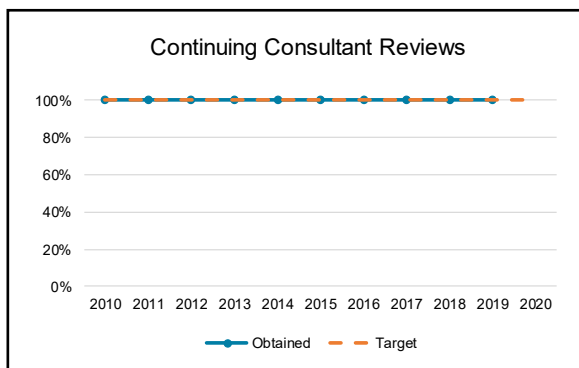
	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	634,630	657,389	780,806	123,417	18.8%
Administrative Expenses	51,110	39,300	42,800	3,500	8.9%
Professional Services	454,649	400,000	475,000	75,000	18.8%
Utilities	4,899	3,600	5,550	1,950	54.2%
Operating Services/Expenses	14,676	10,000		(10,000)	-100.0%
Maintenance					
Other	27,965		2,700	2,700	100.0%
Total Budget	1,187,929	1,110,289	1,306,856	196,567	17.7%

Full-time Equivalent (FTE) Total 14 16 16

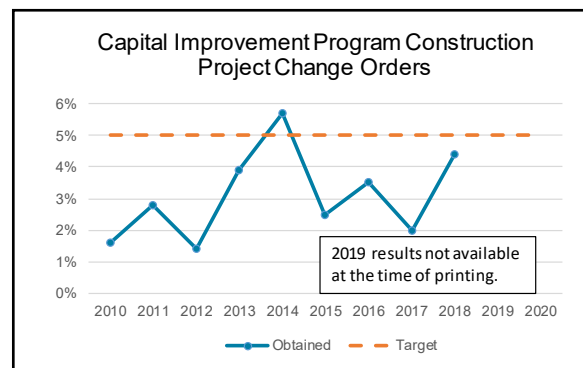
BUDGET HIGHLIGHTS

- Personnel The increase in Personnel is attributable to wage structure adjustments, step increases and changes to staff training, licensure and certification requirements.
- Administrative Expenses The increase to Administrative Expenses is attributable to increased costs for annual aerial photo updates, document scanning and additional staff travel and professional association requirements.
- Professional Services The increase to Professional Services reflects actual consultant usage in 2019 as well as consultant work for a significant overhaul and update of the Design and Construction Standards.
- Utilities Utilities expenses increased as a result of adding cellular service for service center employees.
- Operating Services/Expenses The decrease to Operating Services/Expenses is due to the elimination of a one-time project for document scanning that was completed in 2019.
- Other The increase to Other expense is due to a one-time furniture replacement project.

PERFORMANCE MEASURES



Percentage of annual performance reviews completed by year-end



Percentage of CIP construction projects within historic change order parameters

BUILDING OFFICIAL

The Building Official is responsible for the overall administration of the MAC's building code ordinance. Service center responsibilities include the application, administration, implementation and enforcement of the State of Minnesota building code and MAC construction standards, procedures and guidelines. Duties include plan review, issuance of permits, inspections and retention of inspection history and building construction plans. In addition, the service center provides construction coordination for retail, food and beverage construction build-outs and remodeling of existing tenant spaces within MSP's Terminal 1 and Terminal 2.

BUDGET SUMMARY

	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	125,960	179,189	186,879	7,690	4.3%
Administrative Expenses	2,214	4,710	5,060	350	7.4%
Professional Services					
Utilities	1,777	900	900		
Operating Services/Expenses		100	100		
Maintenance					
Other					
Total Budget	129,951	184,899	192,939	8,040	4.3%

Full-time Equivalent (FTE) Total

2

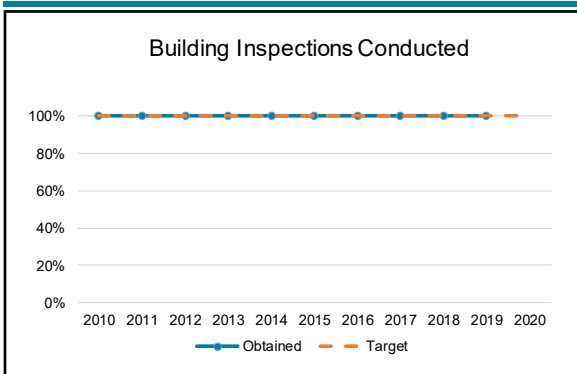
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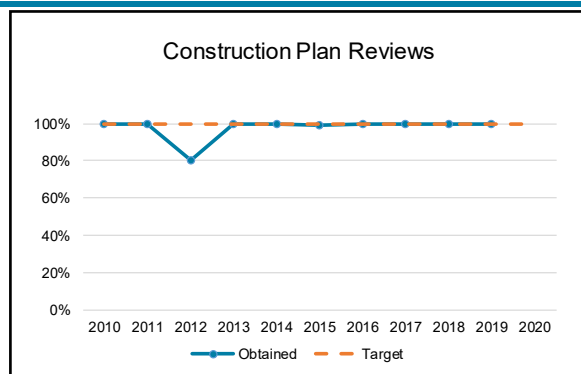
BUDGET HIGHLIGHTS

- Personnel** The increase in Personnel is attributable to wage structure adjustments and step increases.
- Administrative Expenses** Administrative Expenses increased in 2020 as safety equipment that was previously purchased by Insurance/Risk Management will now be purchased through this service center.

PERFORMANCE MEASURES



Percentage of inspections that are conducted within 24 hours of request



Percentage of reviews conducted on construction plans within 14 days of submission

ENVIRONMENTAL AFFAIRS

Environmental Affairs facilitates compliance with local, state and federal environmental regulations at MAC-owned facilities. Environmental Affairs maintains programs that document environmental impacts related to construction projects, complies with stormwater and soil management requirements, administers underground and aboveground storage tank rules, monitors and reports on air quality and hazardous waste management, implements pollution prevention programs and performs environmental investigations and audits.

BUDGET SUMMARY

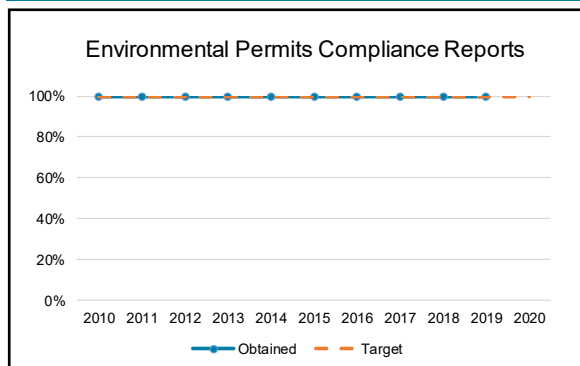
	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	332,243	415,162	418,741	3,579	0.9%
Administrative Expenses	5,480	10,805	10,280	(525)	-4.9%
Professional Services	517,044	661,600	631,200	(30,400)	-4.6%
Utilities	2,861	3,200	3,500	300	9.4%
Operating Services/Expenses	1,726,950	1,659,100	1,697,000	37,900	2.3%
Maintenance					
Other	5,513	19,850	19,850		
Total Budget	2,590,089	2,769,717	2,780,571	10,854	0.4%

Full-time Equivalent (FTE) Total 3 4 4

BUDGET HIGHLIGHTS

- Personnel The increase in Personnel is attributable to wage structure adjustments and step increases.
- Administrative Expenses Administrative Expenses decreased due to reducing travel and seminar expenses. These reductions were partially offset by increases that resulted from duties assumed from the former Environment-General service center.
- Professional Services The Professional Services decrease was a result of transitioning responsibility for overseeing solid waste and recycling efforts from a consultant to MAC staff.
- Utilities The increase in Utilities is due to the addition of cellular service for one staff member.
- Operating Services/Expenses Operating Services/Expenses increased due to the transfer of industrial waste disposal costs from Facilities-Terminal 1, which better aligns the budget with each service center's responsibilities. Minor increases in disposal of regulated waste also contribute.

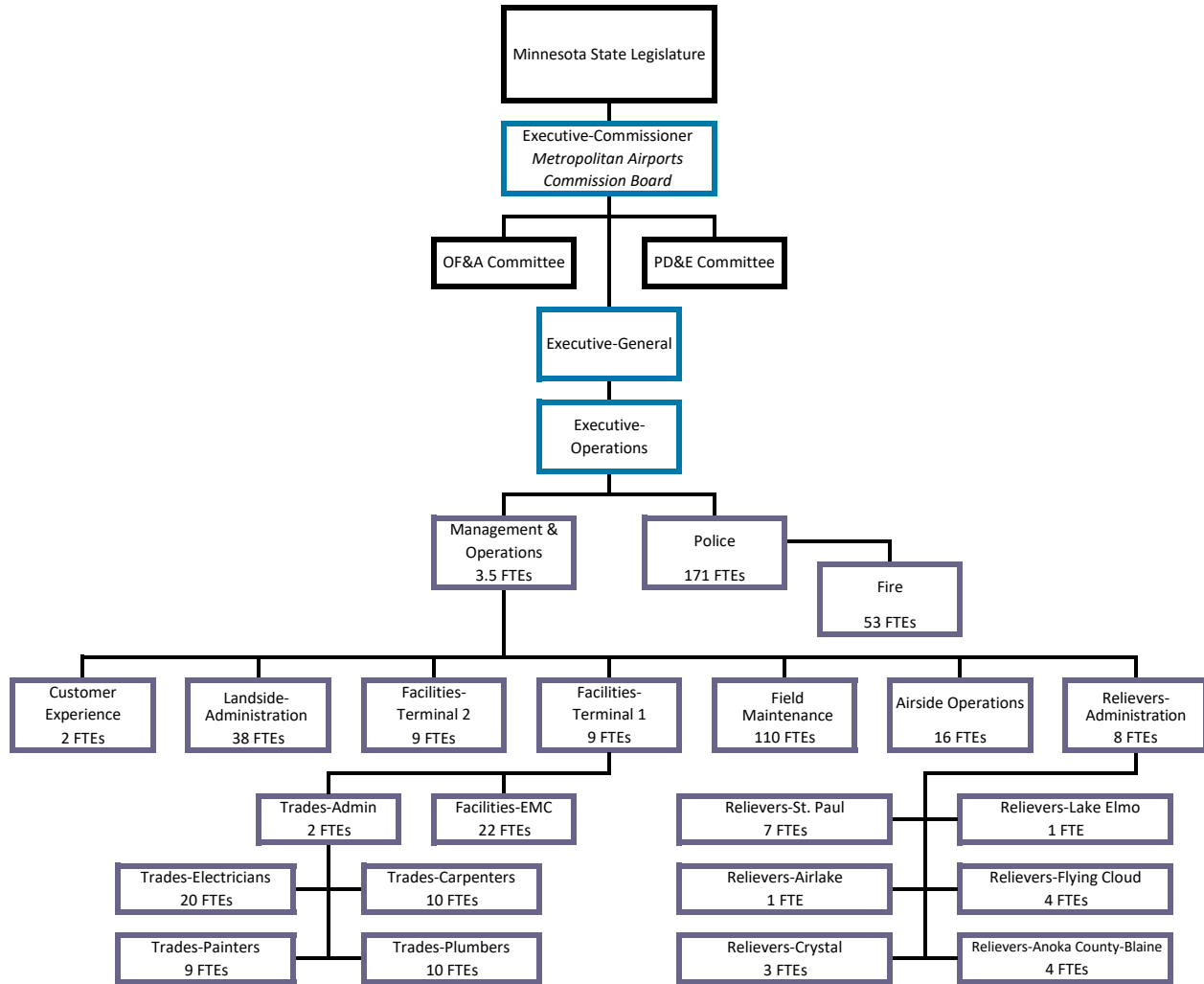
PERFORMANCE MEASURES



Percentage of regularly-scheduled compliance reports submitted to regulating agencies

Management & Operations Division

Division Organizational Chart



Legend



<h2 style="text-align: center;">Management & Operations Service Center Goals & Objectives</h2> <p><i>As discussed in the Executive Summary section, each division has direct responsibility for one or more of the objectives outlined in the MAC's Strategic Plan. The service centers within each division have developed Performance Measures to track progress towards one or more of its division's direct Objectives. This table lists the service centers within the Management & Operations Division and indicates the Objectives that each service center's Performance Measures track.</i></p>	Service Centers									
	75800 Management & Operations	82000 Customer Experience	83400 Landside-Administration	85500 Facilities-Terminal 2	86100 Facilities-Terminal 1	86300 Facilities-Energy Management Center	88400 Trades-Administration	88000 Trades-Electricians	88100 Trades-Painters	88200 Trades-Carpenters
Organization Goal: Safety, Security and Preparedness										
Objective: Airport Operations Center and Concept of Operations Development Develop a new concept of operations approach and build a new Airport Operations Center as part of a new Safety and Security Center that advances airport safety and service delivery by leveraging data, technology, systems thinking and collaboration.										
Objective: Part 139 Program Transformation Develop and implement new systems and practices related to Part 139 that emphasize data, technology and training. Proactively manage compliance.										
Organization Goal: Customer Experience										
Objective: "One Journey" Experience Deliver a seamless "one journey" experience for MSP passengers.	●	●	●	●	●					
Organization Goal: Talent										
Objective: Employee Development and Performance Management Provide training and resources to support managers and employees in acquiring needed skills, navigating our changing work environment and improving performance management practices.						●	●	●	●	
Objective: EnterpriseOne Training and Leverage Increase EnterpriseOne adoption and utility to drive efficiency, self-service and data integrity.							●			
Organization Goal: Engagement										
Objective: Stakeholder and Community Engagement Grow stakeholder and community engagement.										
Objective: Messaging and Branding Grow awareness of the MAC brand by centralizing communication and engagement activities, ensuring we speak with a consistent voice and message.										
Organization Goal: Air Service										
Objective: Air Service Development Grow and retain air service by enhancing partnerships, assessing strategic growth opportunities and investing more in business development.										
Organization Goal: Economic										
Objective: Financial Strength Develop new strategies to enhance financial strength.	●							●		●
Objective: Real Estate Assessment and Implementation Assess and prioritize the full range of land development leasing options across MAC's seven airports. Engage with stakeholders to seek opportunities that align with both airport and community interests.										
Organization Goal: Innovation										
Objective: Parking Yield Management Develop the new flexible pricing parking systems that adjust pricing based upon consumer demand and parking space availability. Leverage technology and data to price, market and manage parking spaces.			●							
Objective: True Common Use Plan Assess and develop an approach for next generation of shared gates, check-in and baggage systems to drive efficiency, customer service and create capacity for more flights within existing gate footprints.										

Management & Operations Service Center Goals & Objectives <i>Continued</i>	Service Centers										
	89000 Field Maintenance	82600 Airside Operations	90000 Relievers-Administration	90200 Relievers-St. Paul	90300 Relievers-Lake Elmo	90400 Relievers-AirLake	90500 Relievers-Flying Cloud	90600 Relievers-Crystal	90700 Relievers-Anoka County-Blaine	84200 Police	83600 Fire
Organization Goal: Safety, Security and Preparedness											
Objective: Airport Operations Center and Concept of Operations Development Develop a new concept of operations approach and build a new Airport Operations Center as part of a new Safety and Security Center that advances airport safety and service delivery by leveraging data, technology, systems thinking and collaboration.											
Objective: Part 139 Program Transformation Develop and implement new systems and practices related to Part 139 that emphasize data, technology and training. Proactively manage compliance.		●									●
Organization Goal: Customer Experience											
Objective: "One Journey" Experience Deliver a seamless "one journey" experience for MSP passengers.											
Organization Goal: Talent											
Objective: Employee Development and Performance Management Provide training and resources to support managers and employees in acquiring needed skills, navigating our changing work environment and improving performance management practices.	●										●
Objective: EnterpriseOne Training and Leverage Increase EnterpriseOne adoption and utility to drive efficiency, self-service and data integrity.											
Organization Goal: Engagement											
Objective: Stakeholder and Community Engagement Grow stakeholder and community engagement.											
Objective: Messaging and Branding Grow awareness of the MAC brand by centralizing communication and engagement activities, ensuring we speak with a consistent voice and message.			●	●	●	●	●	●	●		
Organization Goal: Air Service											
Objective: Air Service Development Grow and retain air service by enhancing partnerships, assessing strategic growth opportunities and investing more in business development.											
Organization Goal: Economic											
Objective: Financial Strength Develop new strategies to enhance financial strength.											
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Objective: True Common Use Plan Assess and develop an approach for next generation of shared gates, check-in and baggage systems to drive efficiency, customer service and create capacity for more flights within existing gate footprints.											

MANAGEMENT & OPERATIONS

Management & Operations is responsible for oversight and administration of the service centers that manage the day-to-day operations of the MAC's system of airports. This service center oversees and is responsible for all operations-related issues and for participating at the senior staff level in policy development, strategic planning and interdepartmental coordination. The Vice President - Management & Operations is a staff liaison to the Commission's Operations, Finance & Administration Committee.

BUDGET SUMMARY

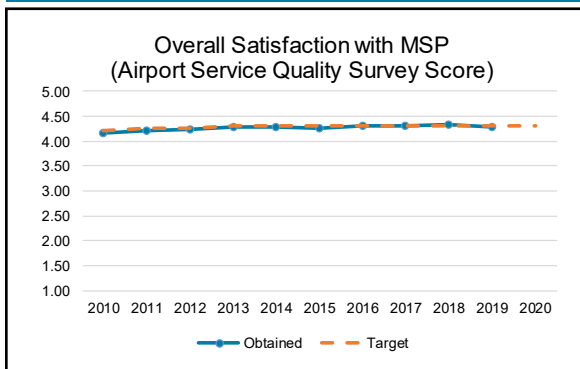
	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	292,076	236,534	239,657	3,123	1.3%
Administrative Expenses	18,154	10,050	10,050		
Professional Services	22,500	24,000	24,000		
Utilities	1,060	1,700	1,700		
Operating Services/Expenses					
Maintenance					
Other					
Total Budget	333,790	272,284	275,407	3,123	1.1%

Full-time Equivalent (FTE) Total	3.5	1.5	3.5
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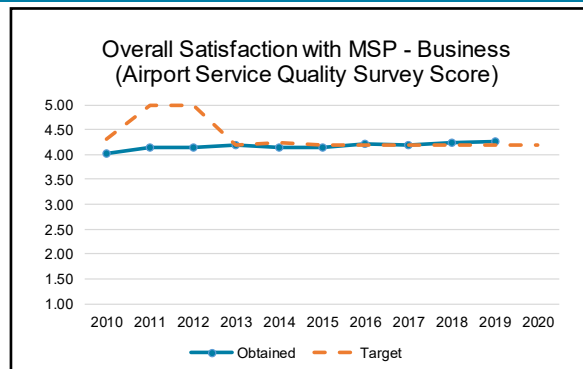
BUDGET HIGHLIGHTS

- Personnel The increase in Personnel is attributable to partial-year salaries for two new FTEs to be hired during the year, as well as wage structure adjustments and step increases. These are offset by the transfer of the cost for .5 FTE to the Governmental Affairs service center, with which it shares an administrative specialist. This shared cost was not reflected in the 2019 budget.

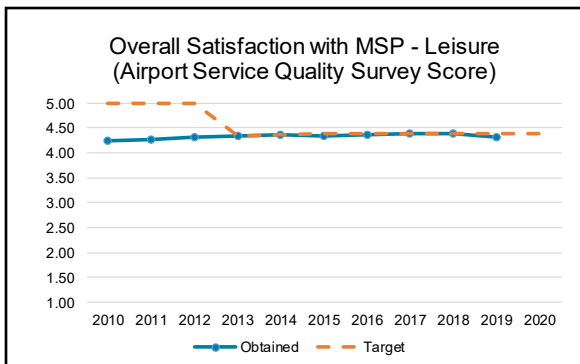
PERFORMANCE MEASURES



Airport Service Quality Survey Score: 5-point scale (5 = excellent, 1 = poor)



Airport Service Quality Survey Score: 5-point scale (5 = excellent, 1 = poor)



Airport Service Quality Survey Score: 5-point scale (5 = excellent, 1 = poor)

CUSTOMER EXPERIENCE

Customer Experience develops, implements and improves customer experience programs at MSP. This service center serves as the primary contact at the MAC for customer experience initiatives with airlines, tenants, government agencies and the Airport Foundation MSP. It acts as an operational liaison to the MSP Customer Service Action Council, facilitating the integration of customer experience initiatives into the operation of MSP.

BUDGET SUMMARY

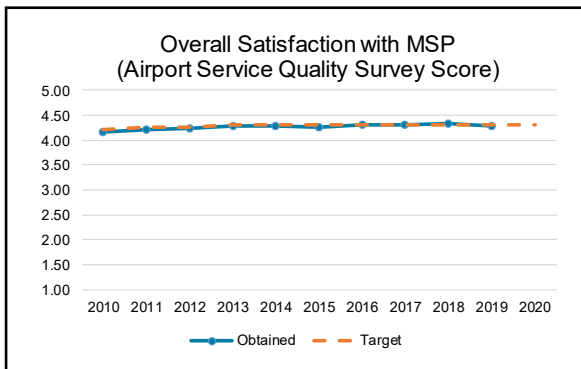
	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	381,678	281,578	245,010	(36,568)	-13.0%
Administrative Expenses	74,234	48,400	41,450	(6,950)	-14.4%
Professional Services	44,517	15,000	90,000	75,000	500.0%
Utilities	5,521	4,250	1,200	(3,050)	-71.8%
Operating Services/Expenses	218,946	87,940	209,500	121,560	138.2%
Maintenance					
Other	3,882	12,000	12,000		
Total Budget	728,778	449,168	599,160	149,992	33.4%

Full-time Equivalent (FTE) Total 3 2 2

BUDGET HIGHLIGHTS

- Personnel The decrease in Personnel is a result of reduced temporary staffing needs. This is partially offset by wage structure adjustments and step increases.
- Administrative Expenses The decrease in Administrative Expenses is driven by a reduction in travel and postage.
- Professional Services The increase in Professional Services is due to new or enhanced customer service training for MSP employees and design of a new MSP survey program.
- Utilities The decrease in Utilities is a result of moving emergency phone expenses to Police.
- Operating Services/Expenses The increase in Operating Services/Expenses is a result of new Customer Experience initiatives for the Navigating MSP program and a new customer feedback system.

PERFORMANCE MEASURES



Airport Service Quality Survey Score: 5-point scale (5 = excellent, 1 = poor)

LANDSIDE - ADMINISTRATION

Landside - Administration is responsible for managing and operating public and employee parking, revenue control systems and associated parking and transportation infrastructure at MSP. The service center also oversees the permitting and regulatory requirements of charter buses, shuttles, limousines, taxicabs and Transportation Network Companies. Landside - Administration includes passenger service assistance personnel, who answer customer questions and assist with the onboarding of taxicabs and transportation network companies at MSP, and MSP's lost and found office.

BUDGET SUMMARY

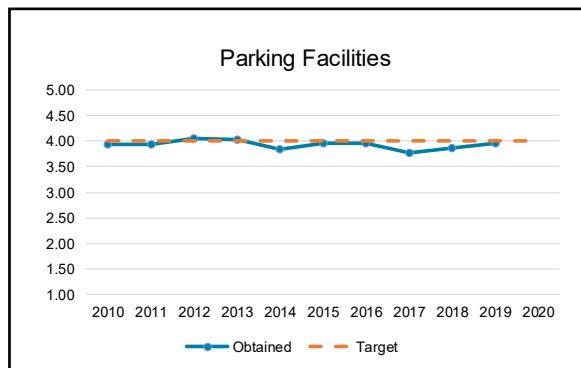
	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	2,248,841	2,369,984	2,494,039	124,055	5.2%
Administrative Expenses	72,161	63,440	62,488	(952)	-1.5%
Professional Services		25,000		(25,000)	-100.0%
Utilities	7,156	8,000	6,600	(1,400)	-17.5%
Operating Services/Expenses	10,330,842	10,218,050	10,164,679	(53,371)	-0.5%
Maintenance	(14,140)	219,810	109,810	(110,000)	-50.0%
Other	879	26,485		(26,485)	-100.0%
Total Budget	12,645,739	12,930,769	12,837,616	(93,153)	-0.7%

Full-time Equivalent (FTE) Total 36.5 38 38

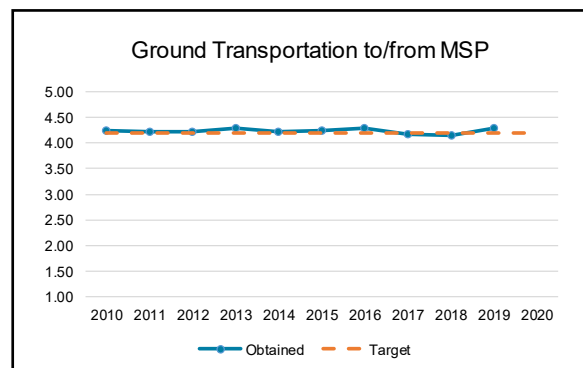
BUDGET HIGHLIGHTS

- Personnel The increase in Personnel is attributable to wage structure adjustments, step increases, greater overtime expenses and additional professional development.
- Professional Services The reduction in Professional Services is a result of eliminating parking consultant expenses that were utilized for a 2019 project.
- Utilities Utilities expenses decreased as a result of fewer staff members requiring cell phone stipends.
- Operating Services/Expenses The decrease in Operating Services/Expenses is driven by the transfer of the parking advertising budget to Strategic Communications. It is partially offset by an increase to the annual parking management contract.
- Maintenance Maintenance expenses decreased with the transfer of the hub maintenance budget to Information Technology.
- Other Other expenses decreased as a result of eliminating the budget for the office remodel project that was completed in 2019.

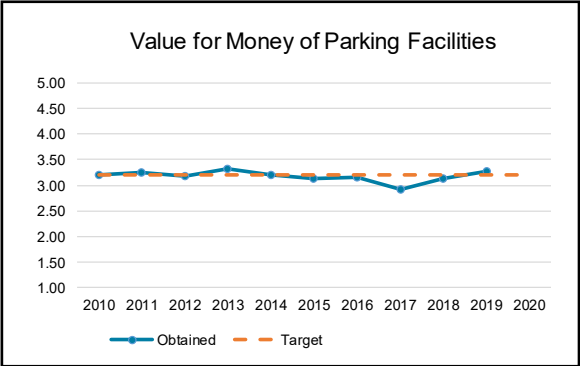
PERFORMANCE MEASURES



Airport Service Quality Survey Score:
5-point scale (5 = excellent, 1 = poor)



Airport Service Quality Survey Score:
5-point scale (5 = excellent, 1 = poor)



Airport Service Quality Survey Score:
5-point scale (5 = excellent, 1 = poor)

FACILITIES - TERMINAL 2

Facilities - Terminal 2 is responsible for daily operations management, maintenance and planning of all MSP common-use facilities and related equipment. These responsibilities include all of Terminal 2, common use gates and ticket counters at Terminal 1 and U.S. Customs inspections facilities in both Terminal 1 and Terminal 2. The service center shares responsibility with the MAC Information Technology Department for planning, implementing, operating and supporting several critical common-use and shared-use computer systems and equipment.

BUDGET SUMMARY

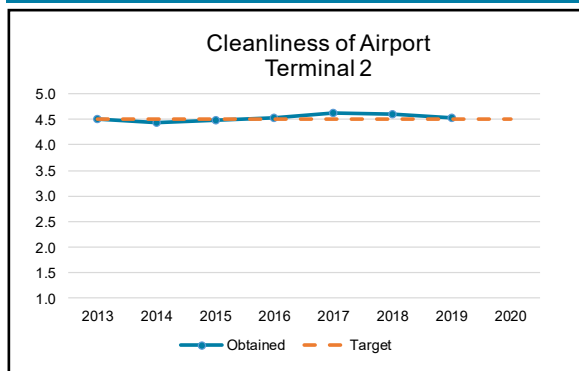
	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	635,946	680,214	751,309	71,095	10.5%
Administrative Expenses	2,642	11,584	9,100	(2,484)	-21.4%
Professional Services					
Utilities	1,660	1,800	1,750	(50)	-2.8%
Operating Services/Expenses	2,145	5,746	5,650	(96)	-1.7%
Maintenance	1,133,361	1,284,750	1,294,500	9,750	0.8%
Other	8,384	6,150	7,625	1,475	24.0%
Total Budget	1,784,139	1,990,244	2,069,934	79,690	4.0%

Full-time Equivalent (FTE) Total 9 9 9

BUDGET HIGHLIGHTS

- **Personnel** The increase in Personnel is attributable to wage structure adjustments, step increases, anticipated overtime and additional staff training related to the MAC's strategic plan.
- **Administrative Expenses** The decrease in Administrative Expenses is a result of reduced travel.
- **Maintenance** Maintenance expenses increased due to contracted cost increases and additional parts expenses for increased activity and aging equipment.
- **Other** The Other expense increase is attributable to a replacement office chair and stand-up work station.

PERFORMANCE MEASURES



Airport Service Quality Survey Score:
5-point scale (5 = excellent, 1 = poor)

FACILITIES - TERMINAL 1

Facilities - Terminal 1 is responsible for the operation, maintenance and cleaning of the Terminal 1 facilities and all MAC campus buildings, with oversight responsibility for the Energy Management Center and the Trades work groups. The service center also provides management oversight for various service, operation and management contracts and responds to both immediate and long-term tenant and public concerns. Facilities - Terminal 1 works with Airport Development staff to ensure that Capital Improvement Projects are completed with the least amount of disruption to the traveling public and terminal building operations in order to maintain MSP at a level consistent with the expectations of its internal and external customers and partners.

BUDGET SUMMARY

	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	729,338	761,443	797,265	35,822	4.7%
Administrative Expenses	4,850	10,650	9,150	(1,500)	-14.1%
Professional Services	286,093	346,414	534,336	187,922	54.2%
Utilities	5,948	7,500	7,500		
Operating Services/Expenses	3,994,909	4,237,761	4,469,666	231,905	5.5%
Maintenance	25,391,877	26,425,345	27,817,624	1,392,279	5.3%
Other		5,400	3,500	(1,900)	-35.2%
Total Budget	30,413,014	31,794,513	33,639,041	1,844,528	5.8%

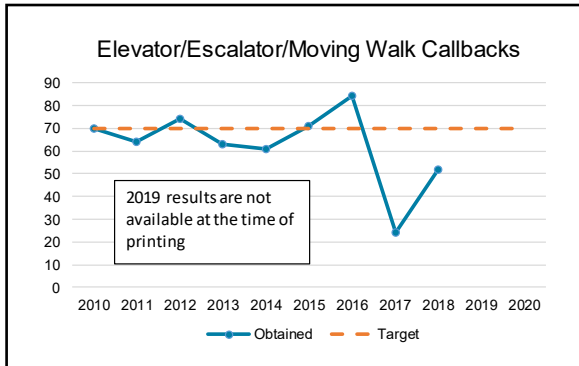
Full-time Equivalent (FTE) Total

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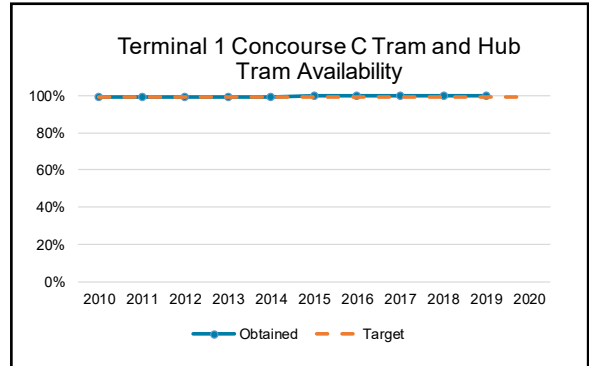
BUDGET HIGHLIGHTS

- Personnel The increase in Personnel is attributable to wage structure adjustments and step increases.
- Administrative Expenses The decrease in Administrative Expenses is a result of reduced travel.
- Professional Services Professional Services increases are driven by the addition of a contracted GIS analyst and additional consulting for new people movers.
- Operating Services/Expenses Operating Services/Expenses increased due to contractual increases for porter and queue line management services and the new Receiving and Distribution Center management services contract. The increase was offset by one-time expenses in 2019 for the NCAA Final Four.
- Maintenance Maintenance expenses increases are the result of scheduled contractual increases for janitorial service and people movers. Additional janitorial services will be needed with the opening of the Silver Parking Ramp, the Receiving & Distribution Center, the Main Food Court, new concessions spaces and new windows throughout Terminal 1. Eleven elevators are no longer covered by warranty, adding licensing and maintenance costs.
- Other Other expenses decrease as a result of lower costs for first aid supplies in Facilities, the Trades Break Room and the Pest Control Office.

PERFORMANCE MEASURES



Average number of times per year the vendor is called back to a unit for service for equipment-related failures



Average percent availability of both the Concourse C and Hub trams

FACILITIES - ENERGY MANAGEMENT CENTER

The Energy Management Center (EMC) is responsible for the heating, ventilation and air conditioning (HVAC) of all MAC facilities. A staff of 22 provide 24/7 service. Staff operate and maintain boilers with jet fuel backup, chillers, cooling towers and numerous miscellaneous components to provide a comfortable environment for all MSP customers, tenants and staff. The EMC utilizes an Intelligent Monitoring and Control System to operate and maintain the complex and growing airport HVAC systems; monitors 200 carbon monoxide sensors spread around the MSP campus; responds to all incoming HVAC-related calls; keeps detailed records of gas, oil, water and steam usage; and tracks all repair work and preventative maintenance.

BUDGET SUMMARY

	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	1,804,895	1,839,251	1,930,145	90,894	4.9%
Administrative Expenses	6,491	3,491	3,491		
Professional Services	88,490	48,000	48,000		
Utilities	10,646	7,531	10,646	3,115	41.4%
Operating Services/Expenses					
Maintenance	2,099,115	1,877,441	1,907,904	30,463	1.6%
Other	10,992	6,477	6,107	(370)	-5.7%
Total Budget	4,020,629	3,782,191	3,906,293	124,102	3.3%

Full-time Equivalent (FTE) Total

22

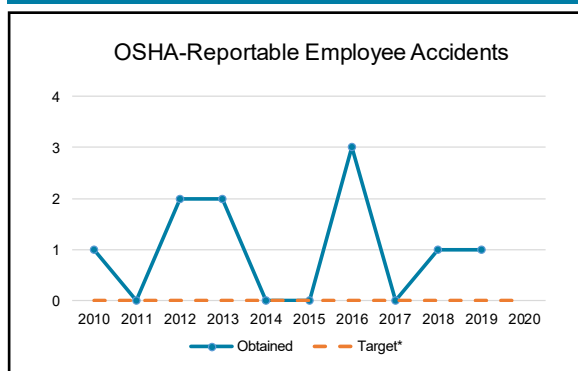
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22

BUDGET HIGHLIGHTS

- Personnel The increase in Personnel is attributable to wage structure adjustments and step increases.
- Utilities Utilities expenses increased due to additional cellular equipment for crew usage.
- Maintenance Maintenance expenses increased as a result of scheduled contract increases.

PERFORMANCE MEASURES



Total number of OSHA-reportable employee accidents

*Target is the maximum desired result

TRADES - ADMINISTRATION

Trades - Administration is responsible for the administration and coordination of the carpenters, electricians, painters and plumbers. The service center works on construction projects, enforces the construction standards, conducts construction inspections and oversees the computerized maintenance management system. Trades - Administration represents the Trades in the Capital Improvement Plan process and interfaces with consultants and vendors on behalf of the Trades group. It is also responsible for the oversight of the MSP Terminal 1 and Terminal 2 emergency generators and uninterruptible power supply contracts.

BUDGET SUMMARY

	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	185,099	182,691	188,173	5,482	3.0%
Administrative Expenses	6,868	7,720	10,875	3,155	40.9%
Professional Services	55,907	282,600	420,000	137,400	48.6%
Utilities	1,564	600	1,100	500	83.3%
Operating Services/Expenses	20,804	40,327	41,000	673	1.7%
Maintenance	614,143	900,625	900,625		
Other	15,649	31,500	31,500		
Total Budget	900,035	1,446,063	1,593,273	147,210	10.2%

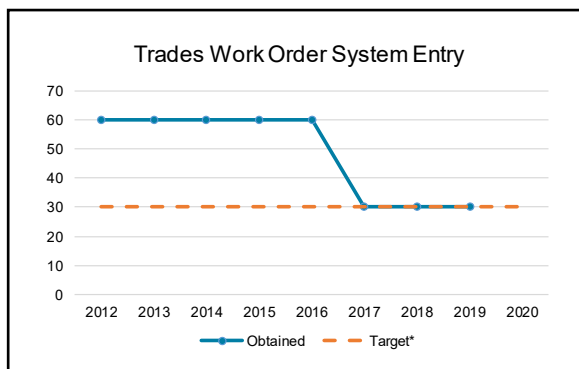
Full-time Equivalent (FTE) Total

2 2 2

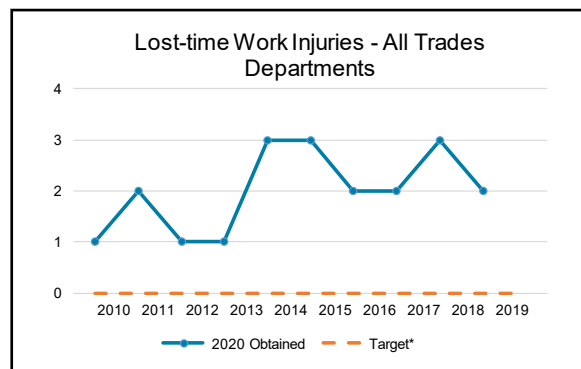
BUDGET HIGHLIGHTS

- Personnel The increase in Personnel is attributable to wage structure adjustments and step increases.
- Administrative Expenses The Administrative Expenses increase is a result of assuming the printer/copier paper cost for all Trades service centers.
- Professional Services The Professional Services increase is attributable to adding a consultant to assist with MAC Plumbing Master Plans and on-call needs, a consultant for irrigation master planning and a consultant to assist with Part 139 needs for MAC Trades.
- Utilities The Utilities expense increase is due to the purchase of cell phone accessories including chargers, cords, cases, screen protectors and holders.

PERFORMANCE MEASURES



Total number of minutes per day spent by a Foreperson entering data into the Work Order
*Target is the maximum desired result



Total number of on-the-job injuries sustained by all Trades departments combined
*Target is the maximum desired result

TRADES - ELECTRICIANS

Trades - Electricians provides maintenance and repairs of electrical equipment and lighting fixtures throughout the MSP campus and Reliever Airports system. Electricians are responsible for the maintenance and repair of all directional signage and runway/taxiway lighting throughout MAC airports to comply with specific Federal Aviation Administration regulations. The service center also maintains and tests airfield lighting regulators, emergency generator buildings and associated lighting and electrical work within MAC parking facilities. Additional responsibilities include security gates and electronic card readers throughout the MAC's airports system, fire alarms and oversight and repair responsibility for the Light Rail Transit Platform.

BUDGET SUMMARY

	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	2,288,416	2,252,383	2,313,935	61,553	2.7%
Administrative Expenses	1,517	250	300	50	20.0%
Professional Services					
Utilities	15,120	17,500	16,000	(1,500)	-8.6%
Operating Services/Expenses	359,837	250,069	259,000	8,931	3.6%
Maintenance	1,492,621	1,296,767	1,348,612	51,845	4.0%
Other	18,550	26,900	24,500	(2,400)	-8.9%
Total Budget	4,176,061	3,843,869	3,962,347	118,479	3.1%

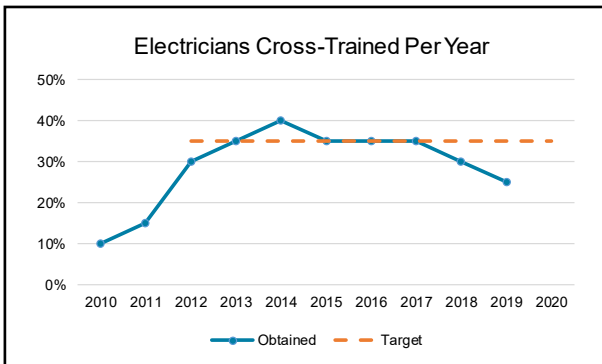
Full-time Equivalent (FTE) Total

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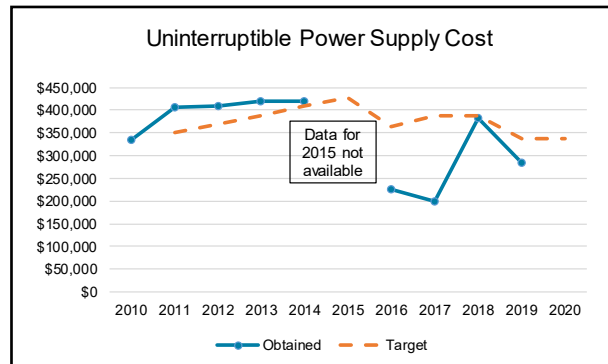
BUDGET HIGHLIGHTS

- **Personnel** The increase in Personnel is attributable to one new FTE, wage structure adjustments and step increases.
- **Administrative Expenses** The Administrative Expenses increase is based on the three-year average for the Delivery Services line.
- **Utilities** The Utilities expense decrease resulted from aligning the budgeted amount with a three-year average actual amount.
- **Operating Services/Expenses** The Operating Services/Expenses increase is due to electrical switch gear work that is scheduled in 2020 to ensure the safe operation of the MAC's electrical distribution infrastructure.
- **Maintenance** The Maintenance increase is due to aligning budgeted amounts with the three-year average actual costs.
- **Other** The decrease in Other expenses is attributable to eliminating electrical permitting expenses, as MAC Electricians have taken over the inspection function.

PERFORMANCE MEASURES



Percentage of MAC Electricians cross-trained on a discipline or task they normally don't encounter



Total amount of the annual contract target spent on maintenance

**Target is the maximum desired result*

TRADES - PAINTERS

The primary role of Trades - Painters is to ensure a full service life to a multitude of surfaces by protecting them from corrosion and deterioration. Additionally, MAC Painters maintain a clean, comfortable, visually pleasing and safe environment for the traveling public and meet all Federal Aviation Administration (FAA)-mandated Airport Operations Area markings at MSP and the Reliever Airports. The Painters are responsible for all paint maintenance on buildings, correct markings used on public roadways and parking ramps and maintenance of runways/taxiways in accordance with FAA regulations. The Painters ensure that the most appropriate and safest materials are utilized and subsequently disposed of in an environmentally responsible manner. The sign shop within this service center is responsible for regulatory roadway, interior and exterior signage; vehicle graphics; and security and directional signage at MSP and the Reliever Airports.

BUDGET SUMMARY

	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	993,692	1,042,988	1,086,648	43,661	4.2%
Administrative Expenses					
Professional Services					
Utilities	1,580	1,300	1,300		
Operating Services/Expenses					
Maintenance	236,034	249,460	432,700	183,240	73.5%
Other	4,009	13,900		(13,900)	-100.0%
Total Budget	1,235,315	1,307,648	1,520,648	213,001	16.3%

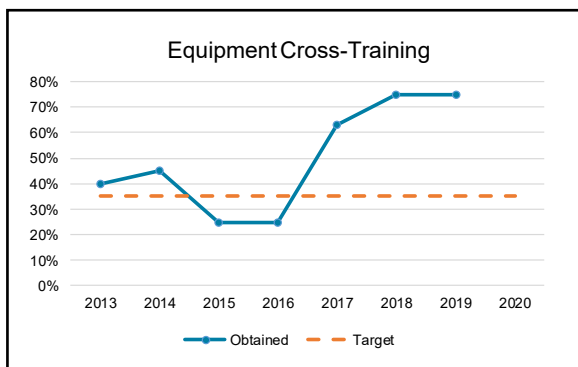
Full-time Equivalent (FTE) Total

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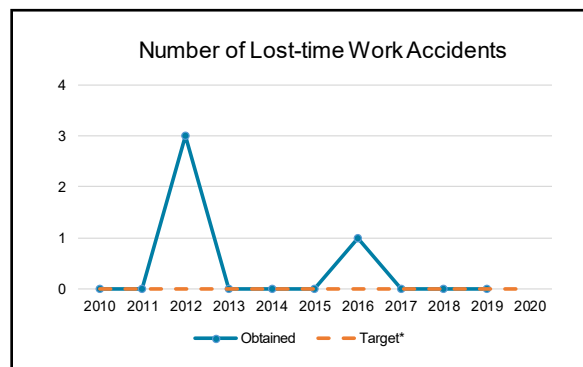
BUDGET HIGHLIGHTS

- Personnel The increase in Personnel is attributable to one additional FTE, wage structure adjustments and step increases.
- Maintenance Maintenance expenses increased as a result of hiring a contractor to supplement the annual MSP airfield painting program. This will ensure timely completion of the painting and maintain Part 139 compliance.
- Other Other expenses decreased as paint striping and paint removal equipment were recategorized as capital equipment. This is a result of the increased cost of this specialized equipment for the MSP airfield.

PERFORMANCE MEASURES



Percentage of MAC Painters receiving equipment cross-training



Total number of lost-time work accidents
*Target is the maximum desired result

TRADES - CARPENTERS

Trades - Carpenters ensures that all of the MAC's terminals and facilities are safe, secure and aesthetically pleasing for the MAC, its tenants and the traveling public. This service center provides high-quality service to all MAC service centers and airport tenants in a timely manner and at a cost savings. Responsibilities include repair and maintenance of a wide variety of facility finishes; securing and separating "non-secured" areas from "secured" areas; and specialty projects such as upholstery, cabinet making, office remodeling and naming/ numbering doors and concession spaces with identification tags.

BUDGET SUMMARY

	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	1,061,763	1,098,428	1,148,291	49,863	4.5%
Administrative Expenses	1,710	4,320	4,149	(171)	-4.0%
Professional Services					
Utilities	8,898	8,686	9,529	843	9.7%
Operating Services/Expenses	92,401	33,000		(33,000)	-100.0%
Maintenance	326,929	299,161	375,329	76,168	25.5%
Other	9,996	27,698	27,698		
Total Budget	1,501,696	1,471,293	1,564,996	93,703	6.4%

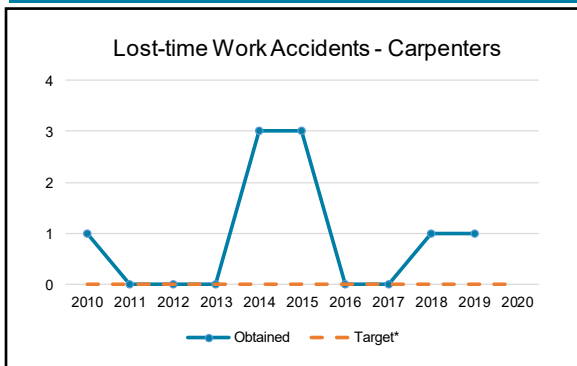
Full-time Equivalent (FTE) Total

10 10 10

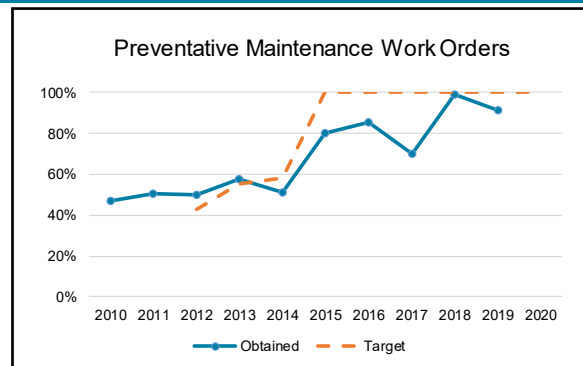
BUDGET HIGHLIGHTS

- **Personnel** The increase in Personnel is attributable to wage structure adjustments and step increases.
- **Utilities** Utilities expense increased as a result of better aligning budgeted expenses with prior years' actual spending.
- **Operating Services/Expenses** Operating Services/Expenses decreased as a result of one-time expenses in 2019 for the NCAA Final Four.
- **Maintenance** Maintenance expenses increased due to maintenance in newly constructed infrastructure and as a result of a one-time expense for the replacement of carpet throughout the Trades Building.

PERFORMANCE MEASURES



Total number of lost-time work accidents
*Target is the maximum desired result



Percentage of submitted work orders completed

TRADES - PLUMBERS

Trades - Plumbers is responsible for the water supply available to MSP users, tenants and MAC personnel. This is accomplished through the maintenance, repair and ongoing preventive measures 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 reviewing plumbing schematics for new projects.

BUDGET SUMMARY

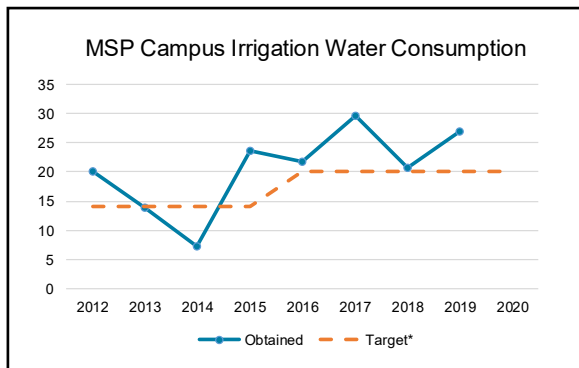
	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	1,650,608	1,728,201	1,758,028	29,827	1.7%
Administrative Expenses	1,386	500	2,000	1,500	300.0%
Professional Services	207,886				
Utilities	9,049	9,300	11,400	2,100	22.6%
Operating Services/Expenses	10,675	6,000	6,000		
Maintenance	328,144	403,937	407,493	3,556	0.9%
Other	9,492	19,425	25,105	5,680	29.2%
Total Budget	2,217,240	2,167,363	2,210,026	42,663	2.0%

Full-time Equivalent (FTE) Total 10 9 10

BUDGET HIGHLIGHTS

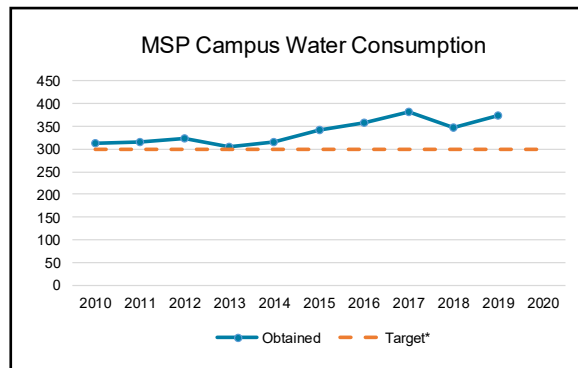
- Personnel The increase in Personnel is attributable to one new FTE, wage structure adjustments and step increases.
- Administrative Expenses Administrative Expenses increased in order to purchase a large aerial picture of Terminal 1 and Terminal 2 for maintenance referencing.
- Utilities Utilities expenses increased as a result of adding phone modems to the new irrigation control system to provide greater efficiencies in water use. Additionally, cell phone costs increased for a new FTE.
- Maintenance The Maintenance increase is attributable to the sanitary lift station pumps at Reliever Airports and replacement of old, failing equipment.
- Other Other expenses increased for safer power tools and the addition of a specialty tool for joining copper pipe together during emergency repairs.

PERFORMANCE MEASURES



Total gallons, in millions, of irrigation water usage on the MSP campus

*Target is the maximum desired result



Total gallons, in millions, of water consumed on the MSP campus

*Target is the maximum desired result

FIELD MAINTENANCE

Field Maintenance is responsible for pavement maintenance, pollution control, landscape/grounds maintenance, security fence and access gate maintenance, traffic control installation, signage installation, parking ramp maintenance and refuse removal. Winter responsibilities include the removal of snow from 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 parking ramps and landside parking areas. Field Maintenance maintains and repairs a fleet of more than 500 vehicles and partners with other MAC service centers to procure vehicles and related equipment.

BUDGET SUMMARY

	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	11,573,397	9,673,121	9,591,019	(82,102)	-0.8%
Administrative Expenses	44,328	64,050	45,000	(19,050)	-29.7%
Professional Services	35,340	20,500	20,500		
Utilities	15,839	18,750	19,000	250	1.3%
Operating Services/Expenses	225,039	93,700	104,000	10,300	11.0%
Maintenance	7,654,318	4,717,156	6,357,148	1,639,992	34.8%
Other	52,318	217,060	231,950	14,890	6.9%
Total Budget	19,600,579	14,804,337	16,368,617	1,564,280	10.6%

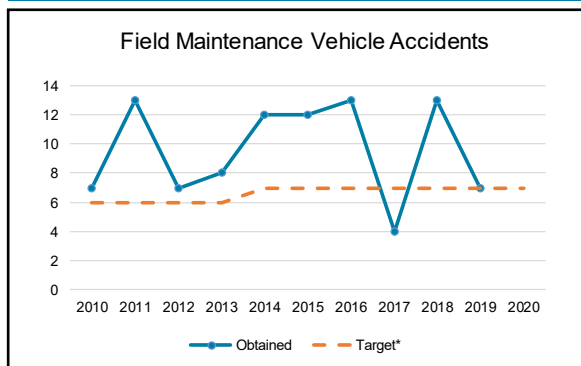
Full-time Equivalent (FTE) Total

106 110 110

BUDGET HIGHLIGHTS

- Personnel The decrease in Personnel is attributable to decreased overtime expenses. It is partially offset by wage structure adjustments, step increases and additional staff training for Part 139 compliance.
- Administrative Expenses Administrative Expenses decreased as a result of reduced staff travel.
- Operating Services/Expenses Operating Services/Expenses increased as a result of higher costs for equipment leases for snow removal.
- Maintenance Maintenance increases are the result of utilizing three-year historical average costs for winter chemicals and equipment.
- Other Other expense increases are attributable to an efficiency study to consider renovating the current Field Maintenance building. This will accommodate new, specialized snow removal equipment in a building designed over 35 years ago. Break room, vehicle bays and vehicle door painting also contribute to the increase.

PERFORMANCE MEASURES



Total number of preventable vehicle accidents involving Field Maintenance vehicles
 *Target is the maximum desired result

AIRSIDE OPERATIONS

Airside Operations' three primary tenets are regulatory compliance, safety and operational efficiency. Airside Operations is responsible for ensuring that MSP is in compliance with federal and state regulations, particularly Federal Aviation Regulations Part 139-Airport Certification; conducts airfield safety inspections to determine the operating status of MSP; and coordinates airfield activities with Federal Aviation Administration Air Traffic Control facilities and air carrier tenants. Airside Operations is responsible for managing the snow and ice control plan, the wildlife control program, construction safety and the airfield driver's training/testing program. Airside Operations is the 24/7 non-emergency point-of-contact for MSP tenants.

BUDGET SUMMARY

	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	1,706,942	1,599,841	1,708,105	108,264	6.8%
Administrative Expenses	56,514	100,189	92,430	(7,759)	-7.7%
Professional Services	40,099	119,657	135,500	15,843	13.2%
Utilities	16,074	20,202	20,202		
Operating Services/Expenses	89,660	10,000	35,500	25,500	255.0%
Maintenance	7,260	12,000	11,500	(500)	-4.2%
Other	14,437	25,000	25,000		
Total Budget	1,930,985	1,886,889	2,028,237	141,348	7.5%

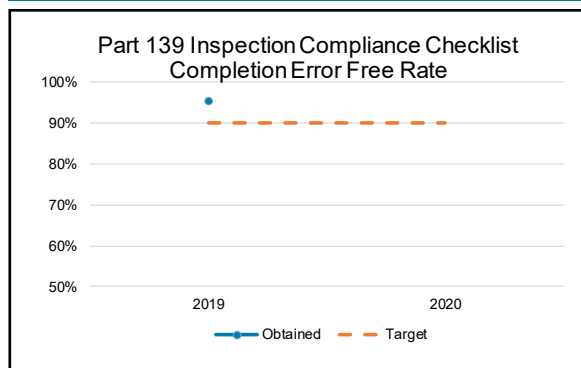
Full-time Equivalent (FTE) Total

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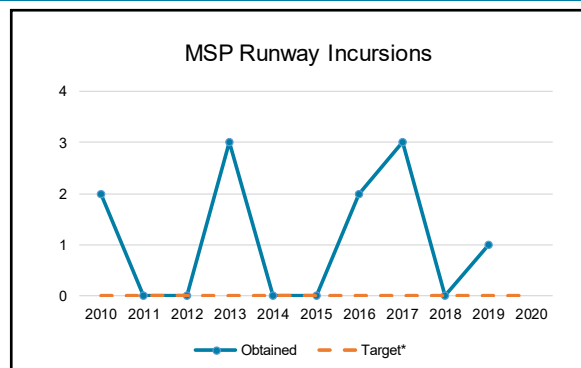
BUDGET HIGHLIGHTS

- Personnel The increase in Personnel is attributable to wage structure adjustments, step increases and additional staff training for Part 139 compliance.
- Administrative Expenses The decrease in Administrative Expenses is a result of reduced travel and printing costs.
- Professional Services The Professional Services increase is due to the annual contract increase for wildlife management and weather services.
- Operating Services/Expenses The Operating Services/Expenses increase is attributable to costs associated with hosting the 2020 Bird Strike Conference. It has been 20 years since MSP last hosted the conference. The conference will showcase improvements to MSP and enhancements to its award-winning wildlife management program.
- Maintenance The decrease in Maintenance is a result of aligning the safety friction tester maintenance budget with historical costs.

PERFORMANCE MEASURES



Completion error free rate of >90% of the Part 139 Inspection Compliance Checklist by Airside Operations



Total number of vehicle/pedestrian runway incursions over which the MAC has control
*Target is the maximum desired result

RELIEVERS - ADMINISTRATION

Relievers - Administration is responsible for the operation, management and maintenance of the MAC's six Reliever Airports. The service center is also responsible for the administration of over 800 tenant leases and contracts on the airport properties.

BUDGET SUMMARY

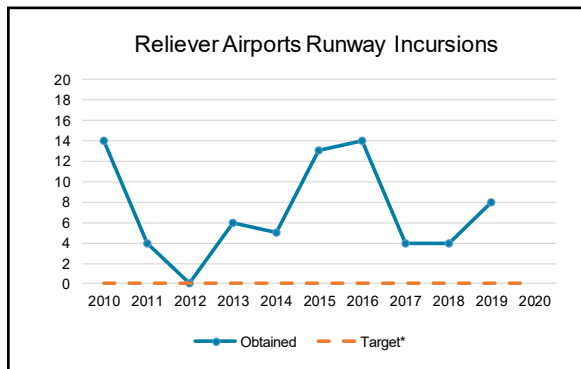
	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	820,417	840,885	949,276	108,391	12.9%
Administrative Expenses	15,128	23,125	23,065	(60)	-0.3%
Professional Services	21,325	45,000	145,000	100,000	222.2%
Utilities	6,299	5,700	5,700		
Operating Services/Expenses	1,500	1,700	1,700		
Maintenance					
Other					
Total Budget	864,669	916,410	1,124,741	208,331	22.7%

Full-time Equivalent (FTE) Total 8 8 8

BUDGET HIGHLIGHTS

- Personnel The increase in Personnel is attributable to wage structure adjustments and step increases.
- Professional Services Professional Services increased for a Strategic Plan initiative to engage consultant services to design a customer service interface for the Reliever Airports.

PERFORMANCE MEASURES



Total number of vehicle/pedestrian runway incursions, across all MAC-owned Reliever Airports with FAA towers

*Target is the maximum desired result

RELIEVERS - ST. PAUL

Relievers - St. Paul is responsible for the operation, maintenance and administration of the St. Paul Downtown Airport. The service center staff manage the properties, including the administration of leases. They also respond to tenant, airport user and community issues and concerns.

BUDGET SUMMARY

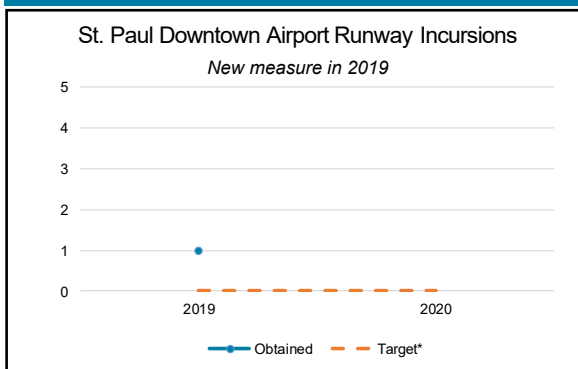
	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	741,159	742,562	707,764	(34,798)	-4.7%
Administrative Expenses	6,581	7,400	9,900	2,500	33.8%
Professional Services	14,569	12,500	22,300	9,800	78.4%
Utilities	2,290	1,800	1,800		
Operating Services/Expenses	50,369	9,000	7,000	(2,000)	-22.2%
Maintenance	277,179	183,850	202,400	18,550	10.1%
Other	1,859	2,150	2,150		
Total Budget	1,094,005	959,262	953,314	(5,948)	-0.6%

Full-time Equivalent (FTE) Total 7 7 7

BUDGET HIGHLIGHTS

- Personnel The decrease in Personnel is attributable to employee turnover. It is offset by wage structure adjustments and step increases.
- Administrative Expenses Administrative Expenses increases are attributable to strategic planning initiatives, including messaging and branding to establish and execute leadership strategy on effective participation in business communities.
- Professional Services The Professional Service increase is due to contract increases for wildlife control at the airport.
- Operating Services/Expenses Operating Services/Expenses decreased was a result of one-time expenses in 2019 for the NCAA Final Four.
- Maintenance Maintenance increases are due to the rise of raw material costs for airfield and landside maintenance and facility management.

PERFORMANCE MEASURES



Total number of vehicle/pedestrian runway incursions at St. Paul Downtown Airport
*Target is the maximum desired result

RELIEVERS - LAKE ELMO

Relievers - Lake Elmo is responsible for the operation, maintenance and administration of the Lake Elmo Airport. The service center staff manage the properties, including the administration of leases. They also respond to tenant, airport user and community issues and concerns.

BUDGET SUMMARY

	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	127,263	122,245	127,092	4,847	4.0%
Administrative Expenses	405	320	2,820	2,500	781.2%
Professional Services	14,569	12,500	22,300	9,800	78.4%
Utilities	762	620	620		
Operating Services/Expenses					
Maintenance	23,487	42,500	41,400	(1,100)	-2.6%
Other	151	500	500		
Total Budget	166,637	178,685	194,732	16,047	9.0%

Full-time Equivalent (FTE) Total

1 1 1

BUDGET HIGHLIGHTS

- Personnel The increase in Personnel is attributable to wage structure adjustments and step increases.
- Administrative Expenses Administrative Expenses increases are attributable to strategic planning initiatives, including messaging and branding to establish and execute leadership strategy on effective participation in business communities.
- Professional Services The Professional Service increase is due to contract increases for wildlife control at the airport.

PERFORMANCE MEASURES

Lake Elmo Airport does not have an Air Traffic Control Tower. Therefore, incursions are not tracked.

RELIEVERS - AIRLAKE

Relievers - Airlake is responsible for the operation, maintenance and administration of the Airlake Airport. The service center staff manage the properties, including the administration of leases. They also respond to tenant, airport user and community issues and concerns.

BUDGET SUMMARY

	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	134,042	123,033	143,571	20,538	16.7%
Administrative Expenses	312	362	3,112	2,750	759.7%
Professional Services	14,690	19,500	22,300	2,800	14.4%
Utilities	767	617	636	19	3.1%
Operating Services/Expenses					
Maintenance	31,727	27,029	31,564	4,535	16.8%
Other	107	462	476	14	3.0%
Total Budget	181,645	171,003	201,659	30,656	17.9%

Full-time Equivalent (FTE) Total

1 1 1

BUDGET HIGHLIGHTS

- Personnel The increase in Personnel is attributable to wage structure adjustments, step increases and historical overtime costs.
- Administrative Expenses Administrative Expenses increases are attributable to strategic planning initiatives, including messaging and branding to establish and execute leadership strategy on effective participation in business communities.
- Professional Services The Professional Service increase is due to contract increases for wildlife control at the airport.
- Maintenance Maintenance increases are due to the rise of raw material costs for airfield and landside maintenance and facility management.

PERFORMANCE MEASURES

Airlake Airport does not have an Air Traffic Control Tower. Therefore, incursions are not tracked.

RELIEVERS - FLYING CLOUD

Relievers - Flying Cloud is responsible for the operation, maintenance and administration of the Flying Cloud Airport. The service center staff manage the properties, including the administration of leases. They also respond to tenant, airport user and community issues and concerns.

BUDGET SUMMARY

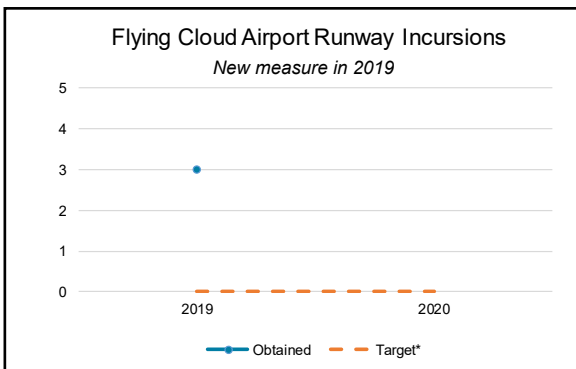
	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	450,209	404,930	421,613	16,683	4.1%
Administrative Expenses	4,228	3,375	7,914	4,539	134.5%
Professional Services	14,569	19,500	22,300	2,800	14.4%
Utilities	757	1,210	1,210		
Operating Services/Expenses	19,063				
Maintenance	185,713	103,035	118,353	15,318	14.9%
Other	273	515	530	15	2.9%
Total Budget	674,813	532,565	571,920	39,355	7.4%

Full-time Equivalent (FTE) Total 5 4 4

BUDGET HIGHLIGHTS

- Personnel The increase in Personnel is attributable to wage structure adjustments and step increases.
- Administrative Expenses Administrative Expenses increases are attributable to additional travel expenses for a general aviation conference and strategic planning initiatives, including messaging and branding to establish and execute leadership strategy on effective participation in business communities.
- Professional Services The Professional Service increase is due to contract increases for wildlife control at the airport.
- Maintenance Maintenance increases are due to the rise of raw material costs for airfield and landside maintenance and facility management.

PERFORMANCE MEASURES



Total number of vehicle/pedestrian runway incursions at Flying Cloud Airport
 *Target is the maximum desired result

RELIEVERS - CRYSTAL

Relievers - Crystal is responsible for the operation, maintenance and administration of the Crystal Airport. The service center staff manage the properties, including the administration of leases. They also respond to tenant, airport user and community issues and concerns.

BUDGET SUMMARY

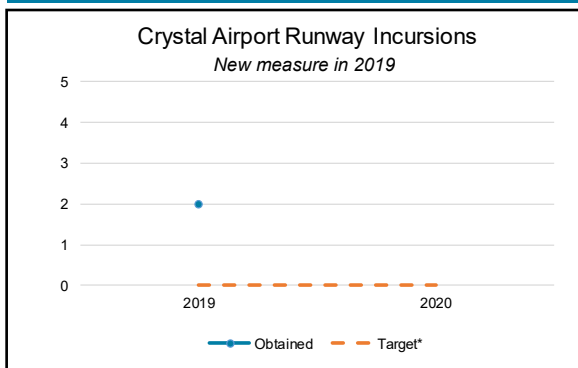
	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	344,127	328,791	352,060	23,269	7.1%
Administrative Expenses	2,006	1,385	3,890	2,505	180.9%
Professional Services	14,721	19,500	22,300	2,800	14.4%
Utilities	1,514	1,200	1,200		
Operating Services/Expenses	127				
Maintenance	57,375	103,940	108,205	4,265	4.1%
Other	1,143	500	500		
Total Budget	421,013	455,316	488,155	32,839	7.2%

Full-time Equivalent (FTE) Total	3	3	3
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BUDGET HIGHLIGHTS

- **Personnel** The increase in Personnel is attributable to wage structure adjustments and step increases.
- **Administrative Expenses** Administrative Expenses increases are attributable to strategic planning initiatives, including messaging and branding to establish and execute leadership strategy on effective participation in business communities.
- **Professional Services** The Professional Service increase is due to contract increases for wildlife control at the airport.
- **Maintenance** Maintenance increases reflect changes to meet the three-year average for miscellaneous items and cleaning supplies.

PERFORMANCE MEASURES



Total number of vehicle/pedestrian runway incursions at Crystal Airport
 *Target is the maximum desired result

RELIEVERS - ANOKA COUNTY-BLAINE

Relievers - Anoka County-Blaine is responsible for the operation, maintenance and administration of the Anoka County-Blaine Airport. The service center staff manage the properties, including the administration of leases. They also respond to tenant, airport user and community issues and concerns.

BUDGET SUMMARY

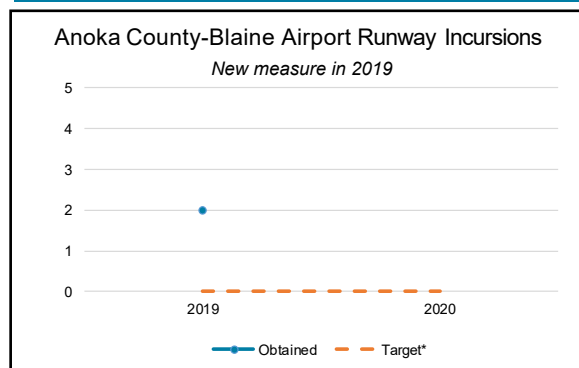
	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	326,359	317,951	290,978	(26,973)	-8.5%
Administrative Expenses	2,965	1,900	4,445	2,545	133.9%
Professional Services	14,569	35,500	38,300	2,800	7.9%
Utilities	756	600	615	15	2.5%
Operating Services/Expenses	200,758	164,077	168,498	4,421	2.7%
Maintenance	71,694	99,465	101,190	1,725	1.7%
Other	1,182	800	825	25	3.1%
Total Budget	618,282	620,293	604,851	(15,442)	-2.5%

Full-time Equivalent (FTE) Total 3 3 4

BUDGET HIGHLIGHTS

- **Personnel** The decrease in Personnel is attributable to employee turnover. It is offset by an additional FTE, wage structure adjustments and step increases.
- **Administrative Expenses** Administrative Expenses increases are attributable to strategic planning initiatives, including messaging and branding to establish and execute leadership strategy on effective participation in business communities.
- **Professional Services** The Professional Service increase is due to contract increases for wildlife control at the airport.
- **Maintenance** Maintenance increases reflect changes to meet the three-year average for miscellaneous items and cleaning supplies and reflects adjustments to maintenance contracts.

PERFORMANCE MEASURES



Total number of vehicle/pedestrian runway incursions at Anoka County-Blaine Airport
*Target is the maximum desired result

POLICE

With public service as the foundation, every member of the Airport Police Department is committed to the preservation of peace, order and safety. Police personnel are dedicated to the protection of life and property, the prevention of crime and the deterrence of terrorism. The Emergency Communications Center (ECC) is the 911 center for the MSP airport community. ECC staff make critical decisions to ensure the safety of the traveling public, MSP employees and public safety personnel. The department's vision is to be the standard of excellence in aviation policing throughout North America.

BUDGET SUMMARY

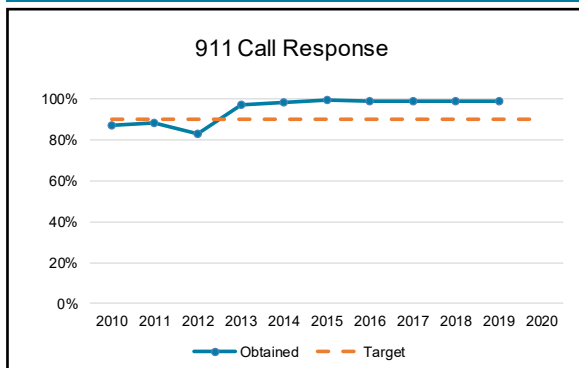
	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	14,991,638	15,795,901	16,861,305	1,065,404	6.7%
Administrative Expenses	336,845	251,991	257,657	5,666	2.2%
Professional Services	64,257	110,074	112,618	2,544	2.3%
Utilities	68,485	62,030	51,692	(10,338)	-16.7%
Operating Services/Expenses	1,907,315	3,057,790	3,438,465	380,675	12.4%
Maintenance	17,196	36,208	84,682	48,474	133.9%
Other	180,816	238,420	286,239	47,819	20.1%
Total Budget	17,566,552	19,552,414	21,092,658	1,540,244	7.9%

Full-time Equivalent (FTE) Total 139 171 171

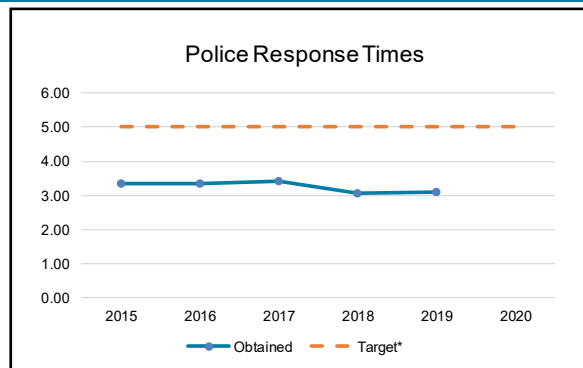
BUDGET HIGHLIGHTS

- Personnel The increase in Personnel is attributable to wage structure adjustments, step increases and additional overtime.
- Administrative Expenses The increase in Administrative Expenses is a result of additional aviation security signage, court parking fees, public outreach supplies and emergency preparedness printed materials.
- Utilities The decrease in Utilities is due to eliminating cellular and data services that are no longer required.
- Operating Services/Expenses The increase in Operating Services/Expenses is a result of anticipated costs for security services, jail and towing. Additionally, the Everbridge Emergency Notification System has been transferred in from the Customer Experience service center.
- Maintenance The Maintenance increase is driven by the Airport Police Department's share of an Explosive Ordnance Disposal robot to be purchased and shared with the Bloomington Police Department, Automated External Defibrillators for squad cars, maintenance or replacement of patrol bikes and maintenance or purchase of equipment for the Police fitness facility.
- Other The Other expense increase is attributable to repair or replacement of office chairs, South Metro Training Facility improvements and the addition of radio accessories no longer included in the Information Technology budget.

PERFORMANCE MEASURES



Percentage of 911 calls answered in 10 seconds or fewer



Response times, in minutes, from dispatch to arrival for Priority 1 and Priority 2 calls
*Target is the maximum desired result

FIRE

The MSP Airport Fire Department is responsible for providing aircraft rescue and firefighting (ARFF), structural firefighting and first response emergency medical services to the MSP campus and some adjacent areas under agreement. The department is also responsible for fire code enforcement; investigation of all fires that occur within the service area; and maintenance of Federal Aviation Administration ARFF training, response requirements and proper documentation for state and federal reporting requirements.

BUDGET SUMMARY

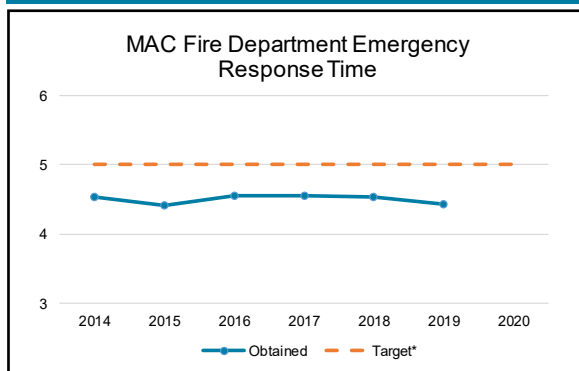
	2018 Actual	2019 Budget	2020 Budget	\$ Variance	% Variance
Personnel	5,079,956	5,399,497	5,622,060	222,564	4.1%
Administrative Expenses	36,860	15,640	15,640		
Professional Services	76,251	101,860	103,840	1,980	1.9%
Utilities	17,877	17,800	18,050	250	1.4%
Operating Services/Expenses	15,334	31,000	29,000	(2,000)	-6.5%
Maintenance	7,277	6,300	7,300	1,000	15.9%
Other	93,334	112,300	160,500	48,200	42.9%
Total Budget	5,326,890	5,684,397	5,956,390	271,994	4.8%

Full-time Equivalent (FTE) Total 51 54 53

BUDGET HIGHLIGHTS

- Personnel The increase in Personnel is attributable to wage structure adjustments and step increases. This is offset by the reduction of one trainee FTE.
- Professional Services The increase is due to additional personnel added in 2019 and costs associated with physicals and OSHA-required fit testing.
- Maintenance Maintenance increases are due to additional cleaning supplies for the fire station.
- Other Other expense increases are the result of planned replacement of aging Automated External Defibrillator units and specialized tools.

PERFORMANCE MEASURES



Average response time to all emergencies from time of dispatch to arrival on scene, in minutes
 *Target is the maximum desired result

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Statistics & Informative Facts

To show off MAC, MSP and Minnesota, statistics and informative facts are shared in the following categories:

1. Historical Operating Revenue/Operating Expense and Facility Comparisons
2. Activity/Operations Statistics
3. National Comparisons
4. Informative Facts about Minnesota

Historical Operating Revenue/Operating Expense and Facility Comparisons

The table below compares the years 2009 and 2018 and emphasizes the changes that occurred when comparing the percentage in each category to the total. The average annual percentage increase in Total Operating Expenses from 2009 to 2018 of 5.1% is slightly greater than the annual percentage increase in Total Operating Revenue of 5.0% from 2009 to 2018.

HISTORICAL OPERATING REVENUE & OPERATING EXPENSE SUMMARY 2009 VS 2018 (\$ = 000)						
	2009		2018		2009-2018 Change \$	Average Annual % Change
	\$	% of Total	\$	% of Total		
Operating Revenue						
Airline Rates & Charges	\$ 89,867	37.3%	\$ 123,631	33.1%	\$ 33,764	3.6%
Concessions	107,382	44.6%	177,375	47.5%	69,993	5.7%
Rentals/Fees	28,435	11.8%	52,241	14.0%	23,806	7.0%
Utilities & Other Revenue	15,191	6.3%	20,011	5.4%	4,820	3.1%
Total Operating Revenue	\$ 240,875	100.0%	\$ 373,258	100.0%	\$ 132,383	5.0%
Operating Expenses						
Personnel	\$ 59,304	48.0%	\$ 89,335	46.3%	\$ 30,031	4.7%
Administrative Expenses	1,301	1.1%	2,058	1.1%	757	5.2%
Professional Services	4,004	3.2%	6,208	3.2%	2,204	5.0%
Utilities	16,553	13.4%	19,930	10.3%	3,377	2.1%
Operating Services/Expenses	16,043	13.0%	28,282	14.7%	12,239	6.5%
Maintenance	23,718	19.2%	42,576	22.1%	18,858	6.7%
Other	2,507	2.0%	4,527	2.3%	2,020	6.8%
Total Operating Expenses (excludes depreciation and noise amortization)	\$ 123,430	100.0%	\$ 192,916	100.0%	69,486	5.1%
Operating Income (Loss) (excludes non operating)	\$ 117,445		\$ 180,342		\$ 62,897	4.9%

Operating Revenue

The following explanations for the changes in revenue are general in the categories represented. Changes in revenue are as follows:

- The average annual percentage increase for Airline Rates & Charges is 3.6% between the years of 2009 and 2018. This is due in part to landing fees and expanded terminal facilities necessary to accommodate the growth in passenger activity between 2009 and 2018. Landing fees are calculated on a breakeven basis with revenue and expense being equal. The increase between 2009 and 2018 also results from changes in the 2007 and 2019 Amendments to the Airline Use Agreement and new facilities that have become operational.
- The Concessions category increase of 5.7% resulted from increased auto parking fees and new revenue from Transportation Network Companies. In addition, the growth in passengers and the wide variety of new and improved concessions in the terminal buildings also increased revenue.
- The average annual percentage increase for Rentals/Fees is 7.0% between the years of 2009 and 2018. This growth is attributable to increased building rentals, including the Federal Express and UPS building/facilities and additional hangar and lot rent at Reliever Airports.
- In Utilities & Other Revenue, the annual average percentage increase is 3.1%. Concession Utility revenue and Maintenance Cleaning Distribution fees have grown with the expansion of facilities and concession stores. Climbing miscellaneous revenue and reimbursed expenses also played a part in the increase.

Operating Expenses

Expense changes are as follows:

- Personnel expenses increased from 2009 to 2018 by \$30.0 million. This equates to an average annual increase of 4.7%. Full Time Equivalents (FTEs) in 2009 were at 574.5 while FTE positions in 2018 were at 645.5. This is a direct result of Terminal 1 and Terminal 2 expansions as well as the addition of a number of other facilities. Information Technology staff has increased substantially in recent years to stay ahead of new and emerging technology. In addition, more Fire and Police FTEs have been hired for emergencies and safety throughout the MSP campus. Also, additional staff has been hired to champion the MAC’s new, robust strategic plan.
- Administrative Expenses had an average annual increase of 5.2%, resulting from the higher costs related to business-related travel expenses and information sources for communications. Additionally, computer software increased for the growing technology needs of the MAC’s airports system.
- Professional Services increased 5.0% when comparing 2009 actual expenses to the total expenses for 2018. The majority of the increase relates to consulting for technology requirements, general legal services and construction and environmental engineering.
- Utilities increased 2.1% between 2009 and 2018, reflecting the addition of facilities and the higher costs of natural gas and electricity.
- Operating Services/Expenses increased 6.5% between the years 2009 and 2018 due to additional contracts. This included expenses for management of shuttle buses, queue lines and employee screening as well as increases in security and other services requested by airlines.
- Maintenance increased 6.7% between 2009 and 2018 due to additional facilities and runway surfaces. Contracted maintenance also increased for building mechanical areas including automated people movers, elevators, escalators and moving walks.
- Other Expenses increased 6.8%, primarily the result of increasing costs for general insurance and minor assets, such as computers.

The chart below compares the development and expansion of the major facilities at MSP between 2010 and 2019. The significance of this growth affects 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 the MAC are impacted by changes in facilities.

	Facility Expansion			
	Terminal 1 and Terminal 2		Increase	% Increase
	2010	2019		
Terminal 1				
Terminal Square Footage	2,841,143	2,854,339	13,196	0.5%
Number of Gates	117	117	-	0.0%
Ramp Lineal Footage	11,302	11,001	(301)	-2.7%
Terminal 2				
Terminal Square Footage	398,742	626,165	227,423	57.0%
Number of Gates	10	14	4	40.0%
Parking (All Facilities)	25,532	23,017	(2,515)	-9.9%

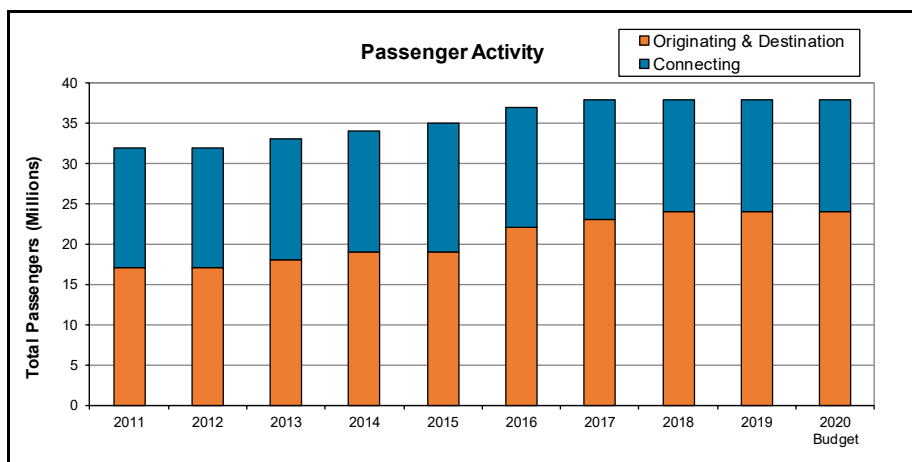
The following table identifies major new facilities completed since 2010.

Major New Facilities Completed 2010 through 2019			
<u>New Facilities</u>	<u>Closing Date</u>	<u>New Facilities</u>	<u>Closing Date</u>
MUFIDS Phase 2	2010	Solar Panels on Blue/Red Parking Ramp	2015
Terminal 1 Carpet	2010	Terminal 1 FIS Expansion Gate 8 Holding Room	2015
Terminal 2 Skyway Expansion	2010	2014 Airline Accommodations	2015
Flying Cloud Airport-Runway 10R/289L Extension	2010	2014 iVSN-CCTV Improvements	2015
2008/2009 Part 150 Noise Sound Insulation Program	2010	2015 Terminal 1 Modular Cooling Tower Installment	2015
Concourse G Expansion Site Preparation	2011	Terminal 2 Checked Baggage Inspection System	2016
Taxiway C Extension to Terminal 2 Remote	2011	Terminal 2 Gate Expansion	2016
Terminal 1 Sprinkle System - Phase 4	2011	Terminal 1 Checkpoint Consolidation	2016
FAA Building Upgrades	2011	Terminal 1 2014/2015 Restrooms Upgrade	2016
2008/2012 Part 150 Noise Sound Insulation Program	2012	Solar Panels on Terminal 2 Parking Ramp	2016
Terminal 2 Phase A Security Checkpoint	2012	2015 Pavement Rehabilitation-Aprons	2016
Terminal 2 Fuel Facility Relocation	2012	2016 Passenger Boarding Bridge-Phase 2	2017
Terminal 1 Folded Plate Drain Roof Repair	2012	2016 Terminal 1 Restrooms Upgrade	2017
Perimeter Fence Security Improvement	2012	2016 iVSN (CCTV) Improvements	2017
Terminal 1 Jet Bridge Replacements	2012	2016 Concourse A/B Pre-Conditioned Air Upgrades	2017
Terminal 1 South Baggage Screening – Phase 2	2013	2016 Food Court Service Elevator Replacement	2017
IT Data Center Facility – Phase 1 & 2	2013	2017 Automated Security Lanes	2017
Terminal 2 Apron Expansion	2013	2017 Parking Structure Rehabilitation	2017
I-494/34 th Ave. Interchange (Diverging Diamond)	2013	2016 Vertical Circulation Improvements	2018
Concourse G Roof Replacements	2013	2016 Concourse A-G Connector Bridge Phase 1	2018
North Side Storm Sewer (Ponds 3 & 4)	2013	2016 Mezzanine HVAC/AHU Replacements & Penthouses	2018
Post Road Fuel Farm Fire Protection Improvement	2013	2018 Taxiway S Reconstruction	2018
Conveyance System Upgrades	2013	2017 Concourse G Rehabilitation	2018
2014 Pavement Rehabilitation-Aprons	2014	2018 Terminal 1 Main Mall Food Court Expansion	2019
Terminal 1 Checked Baggage Inspection System	2014	2018 Mezzanine HVAC/AHU Replacements & Penthouses (North)	2019
Terminal 1 Bag Claim Fire Protection System	2014	2018 Consolidated Loading Dock Facility	2019
Terminal 2 Auto Rental Facility	2014	Delta Baggage Handling Acquisition/BHS Recontrols	2019
2012 iVSN Projects (CCTV) Phase 1&2, Camera Replacements	2014	2017 Baggage Handling System	2019

Activity/Operations Statistics

This section contains the historical and forecasted levels of activity for the period 2011 through 2020 in the MAC’s system of airports.

The chart below illustrates passenger activity MSP during the period 2011 through projected 2020.



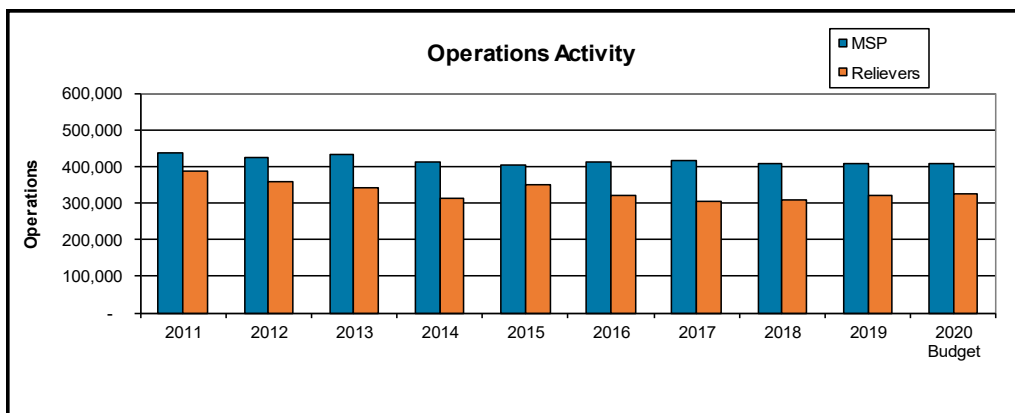
The following highlights recent activity affecting passenger activity.

- 2013-2017 - Increase in passengers due to a strengthening economy after the recession in 2009
- 2020 - Budget projects an increase in passenger activity of 1% over 2019 actual based upon airline projections and a slowing economy

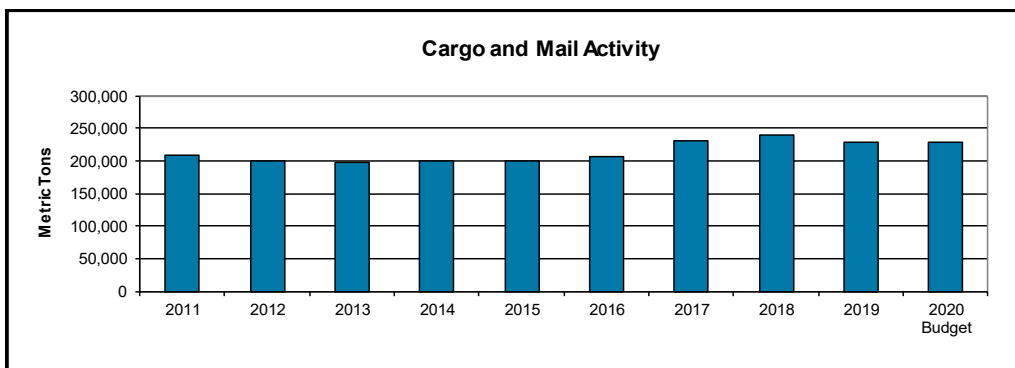
Passenger activity is an important element in forecasting revenue sources such as concession revenue, auto rental revenue, common use, carousel/conveyor, porter services and queue line management percentages for airline billing. The following chart represents actual passenger statistics for 2016 through 2019 and includes an estimate for the 2020 budget.

Revenue Passenger Activity 2016 to 2020					
	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Budget
Passenger Activity					
Enplaned Originating	10,500,930	11,032,337	11,528,009	12,145,688	11,991,000
Enplaned Connecting	7,659,822	7,352,817	6,858,648	7,035,681	7,035,000
Total Enplaned	18,160,752	18,385,154	18,386,657	19,181,369	19,026,000
Total Deplaned	18,186,107	18,414,824	18,400,491	19,172,044	19,710,947
Total Passengers	<u>36,346,859</u>	<u>36,799,978</u>	<u>36,787,148</u>	<u>38,353,413</u>	<u>38,736,947</u>

The following Operations Activity chart depicts the total operations activity for both MSP and the Reliever Airports. Airlines continue to manage their fleets to operate close to capacity and use larger aircraft on certain routes. This contributes to the number of operations forecast for 2020 being substantially similar to the number of operations conducted in 2019.



The Cargo and Mail Activity chart shows a mild decline in activity through 2015 resulting from the shipping industry turning to trucks or rail for cost savings and security, airline bankruptcy issues and the economy. Cargo and mail delivery then remained flat through 2019 and is expected to remain flat in 2020 also.

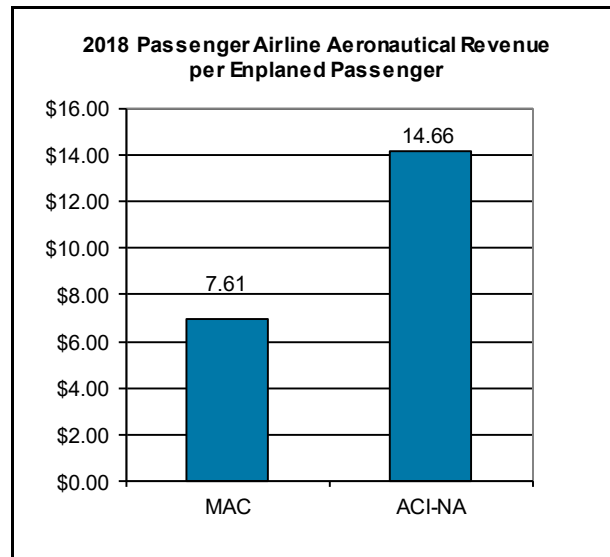
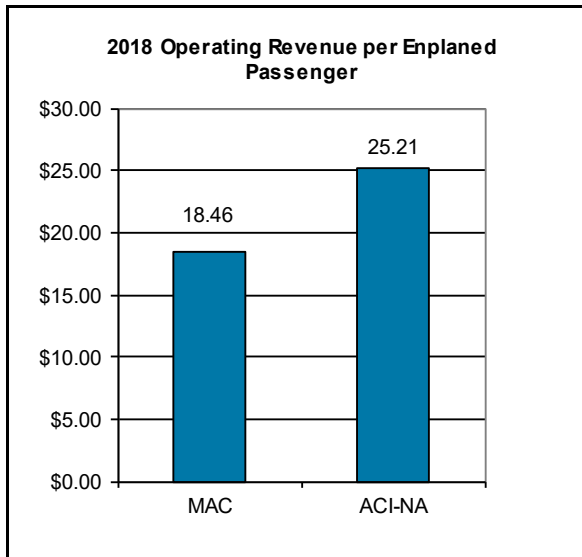


National Comparisons

The national comparisons below will be in revenue and other areas. The information presented is from the most recent National Airport Survey prepared by Airports Council International-North America (ACI-NA) and provides 2018 data. This survey grouped hub airports into three categories: large, medium and small; MSP is a large hub airport.

Industry Revenue Comparisons

Illustrated below are Revenue per Enplaned Passenger and Airline Aeronautical Revenue. The following charts compare the MAC's revenue with ACI-NA survey results for 2018:



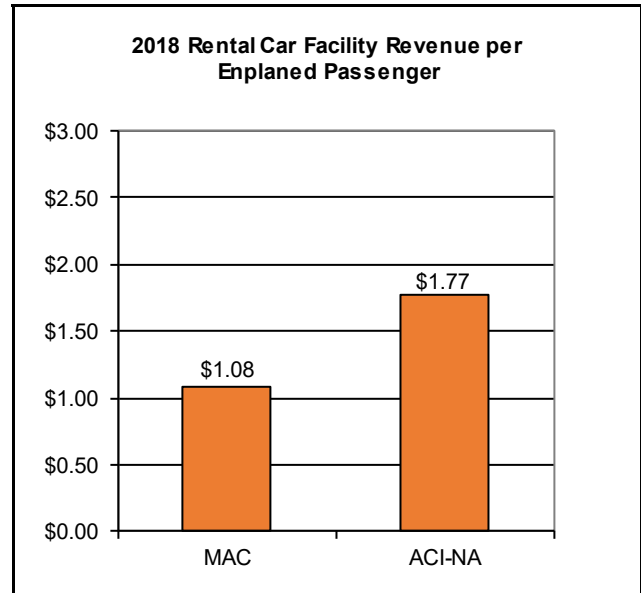
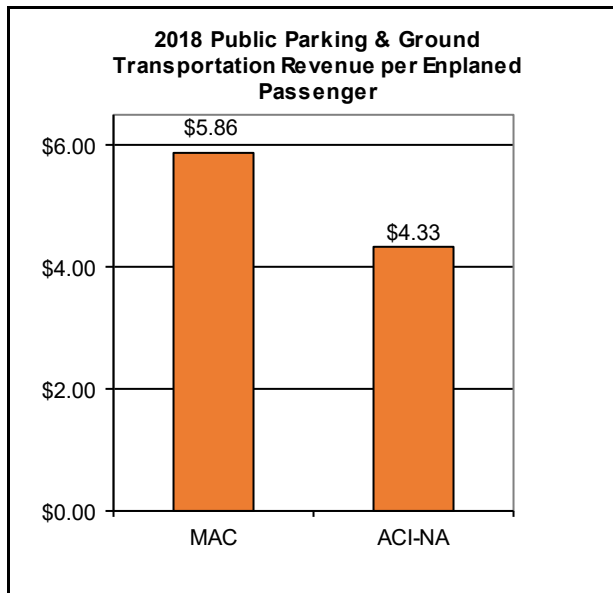
Operating Revenue per Enplaned Passenger compares the MAC's revenue of \$18.46 per enplaned passenger at MSP to other large hub airports of \$25.21. The difference is primarily attributable to the MAC's lower operating costs, as these costs are used to calculate airline rates and charges.

Passenger Airline Aeronautical Revenue per Enplaned Passenger in the chart above measures how much airlines pay the airport operator on a per enplaned passenger basis. Cargo revenue is not included. The MAC's ratio is less than the median by \$7.05/enplanement, primarily because the MAC strives to keep operating costs low. In addition, the airline agreement contains a concession revenue-sharing provision, lowering the airline cost.

The following table presents historical concession revenues from 2011 to 2018, estimates for 2019 and budgeted revenue for 2020. The largest categories of concession revenue are Parking, Rental Car & Ground Transportation and Food & Beverage. See Operating Budget Revenue for additional details.

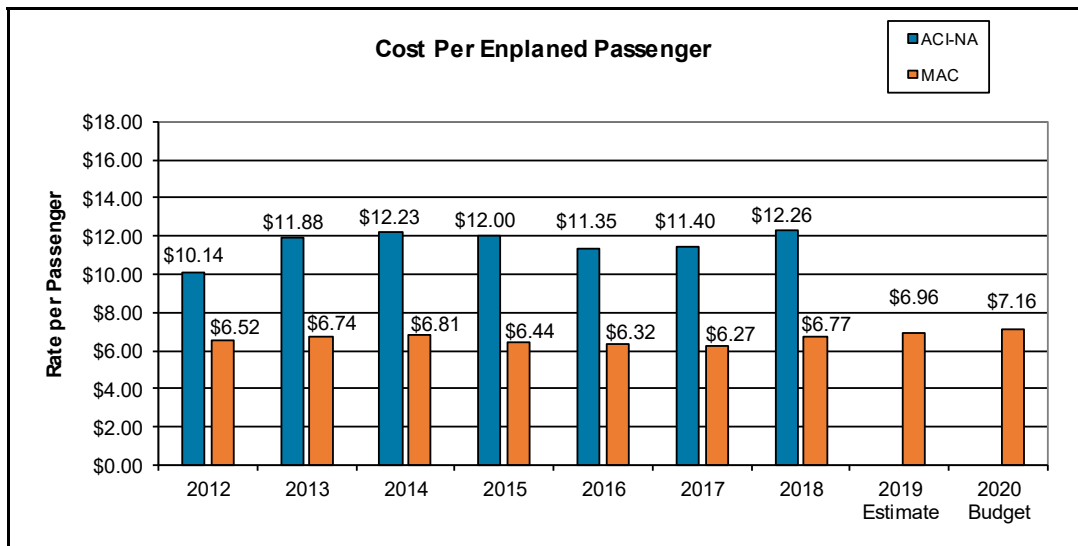
Year	Parking	Rental Car & Ground Transportation	Food & Beverage	News & Retail	Other	Total
2011	69,190	22,246	13,398	8,373	5,585	118,792
2012	75,550	22,574	13,808	8,607	5,860	126,399
2013	78,983	23,133	14,743	8,489	5,973	131,321
2014	83,575	23,751	16,128	8,245	4,745	136,444
2015	90,906	24,694	16,836	8,191	6,266	146,893
2016	94,888	27,783	21,044	8,702	8,274	160,691
2017	99,332	30,907	23,137	10,171	8,929	172,476
2018	98,239	34,338	24,241	11,057	9,501	177,376
2019 Estimate	107,763	35,588	24,635	10,742	9,100	187,828
2020 Budget	109,013	38,121	25,843	11,260	10,043	194,280

The following two charts represent MAC's comparison of revenue per enplaned passenger with other large hub airports for Parking & Ground Transportation and Rental Car Facility. In 2018, MAC was higher than the national average for parking and ground transportation by \$1.53. However, MAC is lower than average for generating revenue from rental car facilities by \$0.69.



Industry Comparisons – Other

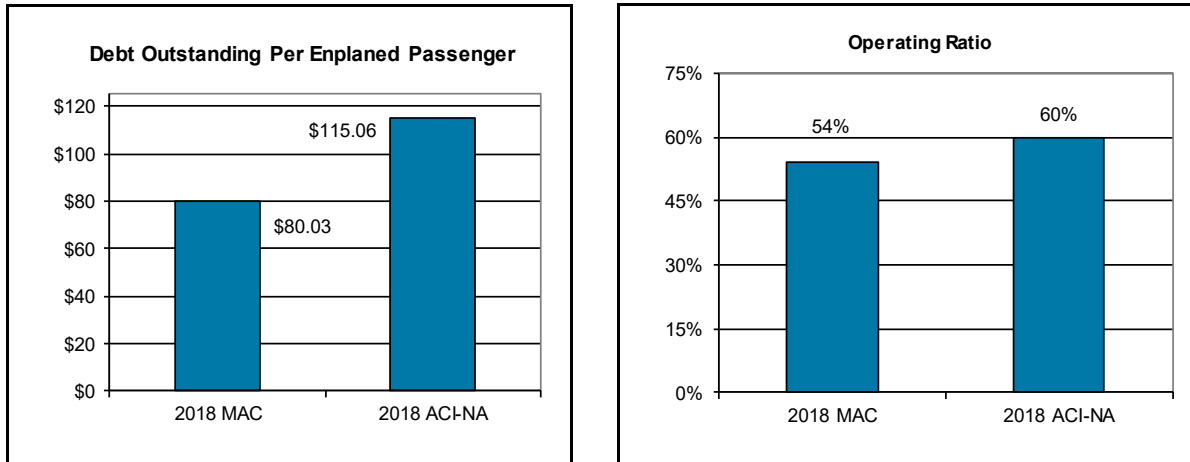
The following section compares the MAC to industry performance ratios. These ratios are based on 2018 industry financial and operating data, the most recent available and is used for purposes of comparison. All MAC data are based upon actual 2018 information.



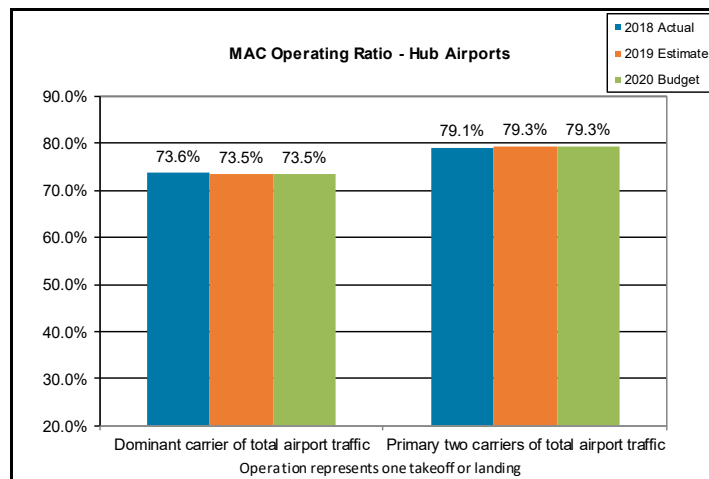
The chart above, Cost per Enplaned Passenger, compares historical operating expenses per enplaned passenger for airlines at MSP to the average cost as indicated in the ACI-NA report. The rate includes airline costs for airfield, ramp, terminal buildings and international facilities. The MAC's 2018 expense of \$6.77 per passenger is in the lower third of large hub airports. It is less than the national average of \$12.26 for large hub airports in 2018 and is attributable to the MAC's lower operating costs.

Debt Outstanding per Enplaned Passenger for 2018 is calculated by dividing total outstanding General Airport Revenue Bond (GARB) debt by the number of enplaned passengers. The chart below uses the average for Debt per Enplaned Passenger as published by the ACI-NA for large hub airports. Due to bond refundings, the MAC's ratio of debt per enplaned passenger is below the industry average.

The 2018 Operating Ratio is calculated by dividing total operating expenses, excluding depreciation, by total operating revenues. As shown below, the MAC's operating ratio indicates that operating expenses are a slightly lower percentage of the total operating revenue than the national average. The MAC strives to keep costs low.



The dominant carrier at MSP is Delta Air Lines. As shown below, the 2020 budget is projecting no change in the Delta Air Lines percentage from the 2019 estimate. The second largest carrier in 2019 was Sun Country Airlines with 5.7% of total airport traffic.



Informative Facts about Minnesota

Minnesota is a dynamic and flourishing state for a variety of reasons. The state's culture promotes financial prosperity, as evidenced by the seventeen Fortune 500 companies located within Minnesota. Education rates in the state exceed the national average. This, in turn, reduces the state unemployment rate, increases per capita income and provides the opportunity to choose from many large employers for employment. The Minneapolis-St. Paul International Airport is the only large hub airport serving scheduled air commerce in the eleven counties of the Minneapolis-St. Paul-Bloomington/MN-WI Metropolitan Statistical Area (MSA). Furthermore, MSP ranks among the top airports in key areas.

To gain a better understanding of Minnesota, the following information is presented in this section.

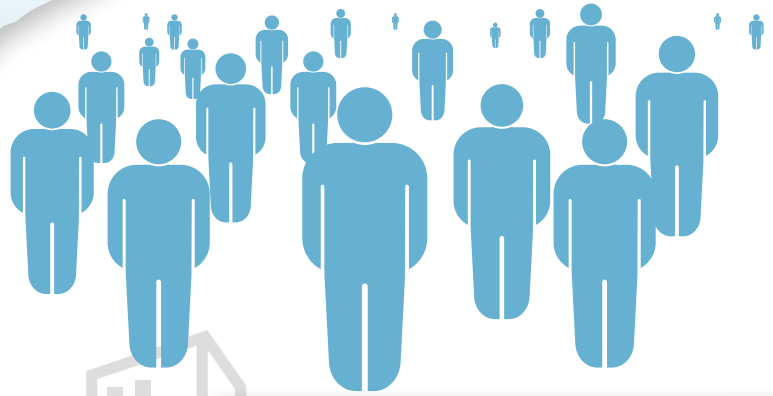
- Population
- Employers
- Employment
- Income and Education
- Tourism and Attractions
- Interesting Facts about Minneapolis-St Paul International Airport

Minnesota AT A GLANCE



POPULATION
5.6 MILLION

Source: U.S. Census Bureau



FORTUNE 500 COMPANIES

17 generating
\$571.7 billion
in revenue

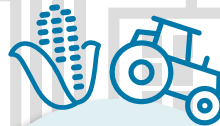
Source: Fortune.com

SMALL BUSINESSES

513K



Source: U.S. Small Business Administration



FARMS
68,500

Source: U.S. Department of
Agriculture

PER CAPITA
INCOME
\$57,515



Source: U.S. Bureau of
Economic Analysis

36%
of adults hold a
Bachelors Degree
or higher

Source: U.S. Census Bureau

93%
of adults hold a
High School Diploma
or higher

Source: U.S. Census Bureau



Population

Minnesota’s population continues to grow each year. The table below presents the population for the United States, Minnesota and the MSA. According to the U.S. Census Bureau, Minnesota is the 22nd most populous state in the nation, with a 6.3% increase since 2010. The Minnesota Department of Natural Resources website states a population density of 68.5 persons per square mile. Much of the recent population growth is attributable to immigration, births and new residents. According to the U.S. Census Bureau, the state population consist of 79.5% White Non-Hispanic, 6.8% African American, 5.5% Hispanic or Latino, 5.1% Asian and 1.4% American Indian and Alaska Native people, with the remaining 1.7% of the population representing a variety of other peoples. As indicated in the table below, approximately 65% of Minnesota’s population lives in the MSA.

POPULATION (In thousands)					
Calendar Year	United States	Minnesota	Minneapolis St. Paul MSA	MSA* as % of US	MSA as % of Minnesota
2008	304,375	5,231	3,238	1.1%	61.9%
2009	307,007	5,266	3,270	1.1%	62.1%
2010	309,326	5,303	3,349	1.1%	63.2%
2011	311,583	5,347	3,389	1.1%	63.4%
2012	313,874	5,380	3,422	1.1%	63.6%
2013	316,129	5,420	3,459	1.1%	63.8%
2014	318,857	5,457	3,428	1.1%	62.8%
2015	322,871	5,490	3,495	1.1%	63.7%
2016	324,304	5,520	3,551	1.1%	64.3%
2017	326,971	5,577	3,601	1.1%	64.6%
2018	328,227	5,611	3,629	1.1%	64.7%
2019	329,213	5,640	**	**	**

Source: United States Census Bureau
 *MSA=Metropolitan Statistical Area, Minneapolis-St. Paul-Bloomington, MN-WI Metro Area
 ** Data not available at time of printing

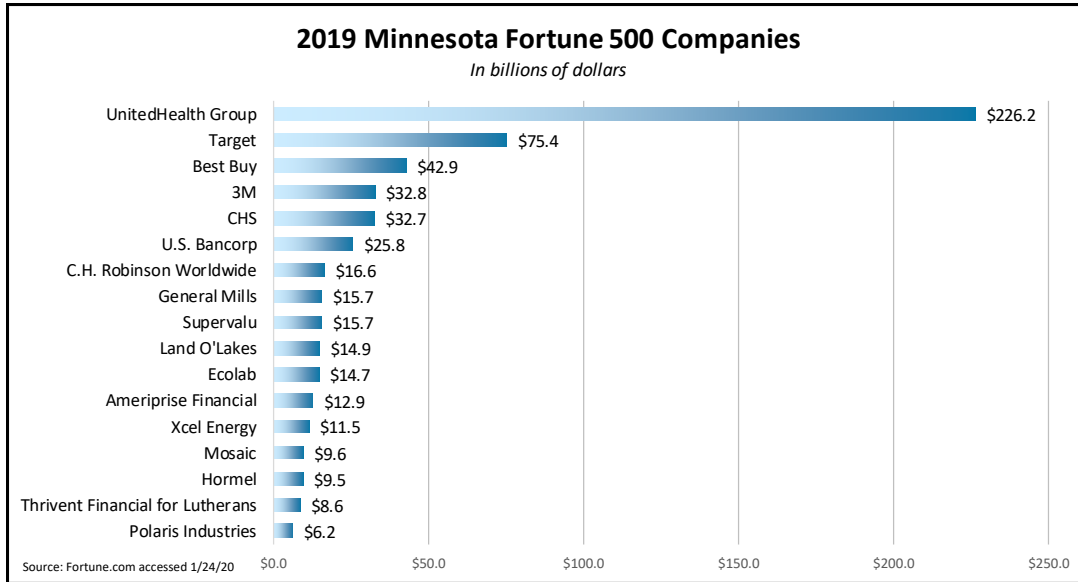
Employers

Many large, prominent companies are based in Minnesota and reap the benefits of the state’s talent, innovation and trade. In 2019, Mayo Clinic was at the top of the Largest Minnesota Employer listing with 43,247 in-state employees. State and Federal Governments are close behind in the ranking with 40,906 and 35,114 Minnesota employees, respectively. Target Corporation is still holding strong as one of the top employers. Although not on the list, Delta Air Lines. is the largest aviation-related employer with 7,224 in-state employees.

Minnesota Top 20 Largest Employers for 2019 Ranked by in-state employees		
Employer	Number of Minnesota Employees	Industry
Mayo Clinic	43,247	Health Services
State of Minnesota	40,906	Governmental Services
US Federal Government	35,114	Governmental Services
Fairview Health Services	34,000	Health Services
Allina Health System	29,335	Health Services
Target Corporation	29,000	Retail
University of Minnesota	26,000	Education
HealthPartners Inc.	25,092	Health Services
UnitedHealth Group	18,500	Health Services
Wells Fargo Minnesota	18,000	Financial Services
Minnesota State	16,000	Education
U.S. Bancorp	13,914	Financial Services
CentraCare Health	12,735	Health Services
3M Company	12,217	Manufacturing
United States Postal Service	11,581	Postal Service
Essentia Health	10,404	Health Services
Medtronic	10,400	Health Services
Hennepin County	9,015	Governmental Services
United Natural Foods Inc.	8,912	Retail
Hormel Foods Corp.	8,754	Food Manufacturing

Source: Minneapolis/St. Paul Business Journal

The companies on the Fortune 500 list total \$13.7 trillion in revenues and 28.7 million worldwide employees. Minnesota is home to seventeen Fortune 500 companies, representing a wide variety of industries including health services, financial services, retail sales, manufacturing, distribution and food processing. These companies brought in \$571.7 billion in revenue in 2019. The following chart recognizes the 2019 Minnesota Fortune 500 Companies ranked by revenue. UnitedHealth Group tops the chart with \$226.2 billion in revenue, followed by Target Corporation with \$75.4 billion. Best Buy and 3M are next in line with \$42.9 and \$32.8 billion, respectively. In addition, Minnesota is home to more than 513,000 small businesses and 68,500 farms.



Employment

The civilian unemployment table reveals that Minnesota and the MSA have historically low unemployment rates. The Minnesota rate has been below the national rate for all but three years displayed in the accompanying table. The recession that began in 2007 resulted in the state's 2009 rate reaching the highest unemployment rate in Minnesota in 22 years. In 2010, the unemployment rate began to decline in Minnesota and the MSA, but it did not decline for the United States until the following year. In 2019, although the Minnesota rate is above the national rate, the difference in the two rates is only .1 percent. According to the Bureau of Labor Statistics, Minnesota's current 3.5% unemployment rate was the 20th lowest in the nation. Unemployment continues to remain low for the United States, Minnesota and the MSA.

Calendar Year	United States	Minnesota	Minneapolis-St Paul MSA**
2005	5.1%	4.2%	3.9%
2006	4.6%	4.4%	3.8%
*2007	4.6%	4.8%	4.0%
*2008	5.8%	6.5%	5.1%
2009	9.3%	7.7%	7.9%
2010	9.6%	7.0%	7.3%
2011	8.9%	5.8%	6.3%
2012	8.1%	5.4%	5.5%
2013	7.4%	4.7%	4.8%
2014	6.2%	3.6%	3.0%
2015	5.0%	3.5%	2.7%
2016	4.7%	3.8%	3.0%
2017	4.1%	3.1%	2.4%
2018	3.9%	2.8%	2.8%
2019	3.4%	3.5%	3.0%

*Indicates national recession during all or part of the year
 **The MSA=Metropolitan Statistical Area
 Sources: US Department of Labor, Bureau of Labor Statistics accessed 1/24/20, Minnesota Department of Employment and Economic Development accessed 1/24/20

The Minnesota Department of Employment and Economic Development (DEED) statistics show that the state continues to add jobs annually. According to DEED projections, Minnesota will reach almost 3.3 million jobs by 2026. With the Fortune 500 companies, the large number of employers in the state and new jobs added annually, Minnesota remains economically strong and vibrant.

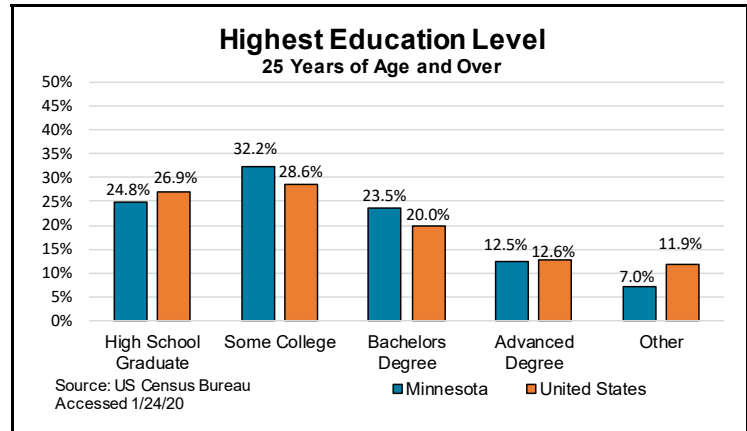
Income and Education

In 2017, Minnesota ranked 13th in the U.S. for per capita personal income. According to the US Department of Commerce, the Minnesota rate increased 5.8% from 2017 to 2018, compared to the national average of 5.3%. Minnesota’s \$57,515 per capita personal income was 105.7% of the national average of \$54,420. For every year listed in the following personal income chart, the MSA’s per capita personal income has been higher than the per capita personal income amount for both the nation and the state. This leads to an average higher discretionary disposable income than others throughout Minnesota and the nation and relates positively to the demand for air travel.

The following two charts depict comparisons of per capita personal income and the highest attained education levels.

Year	Minnesota	United States	MSA
2009	40,860	39,284	44,977
2010	42,479	40,545	46,498
2011	45,162	42,727	48,657
2012	47,666	44,582	50,260
2013	47,695	44,826	51,183
2014	49,938	47,025	53,166
2015	51,929	48,940	55,599
2016	52,735	49,831	56,723
2017	54,359	51,640	59,736
2018	57,515	54,420	62,889

Sources: Bureau of Economic Analysis, US Department of Commerce & The Federal Reserve Bank of St. Louis, both accessed 1/24/20



Education is important to Minnesotans. As depicted in the education chart above, the state has a well-educated workforce. For adults 25 years of age and over, the percentage of Minnesotans with bachelor and advanced degrees is 3.4% greater than the percentage of the United States population as a whole. Including high school graduates and people with some college education, Minnesota exceeds the nation by 4.9%. Post-secondary education opportunities in the MSA include a variety of institutions: 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. These educational opportunities help situate Minnesota in a competitive economic position.

Tourism and Attractions

The Minneapolis-St Paul area has numerous tourist attractions and local activities:

- The nation’s largest shopping center and entertainment complex, the Mall of America receives 40 million visitors per year, 40% of whom are tourists. The 4.2 million square foot facility generates \$2 billion of annual economic activity.
- Nationally renowned cultural organizations include the Guthrie Theater, Children’s Theater Company, Minnesota Orchestra, St. Paul Chamber Orchestra, Minnesota Opera, Walker Art Center and Minneapolis Institute of Art.
- Broadway shows and other cultural events are hosted by the State Theater, Orpheum Theatre and Ordway Theatre.
- Six major teams play professional sports in the Twin Cities: the Minnesota Twins (baseball), Minnesota Vikings (football), Minnesota Timberwolves (men’s basketball), Minnesota Lynx (women’s basketball), Minnesota United (men’s soccer) and Minnesota Wild (hockey). In 2016, the brand new U.S. Bank Stadium in downtown Minneapolis hosted its first Minnesota Vikings game. It also hosted the NFL’s Super Bowl LII game in 2018 and the NCAA Men’s Final Four basketball tournament in 2019. Minnesota United opened the 2019 season at the new Allianz Field in St. Paul.
- University of Minnesota Gophers participate in the Big Ten Conference in a number of sports including basketball, hockey, football and soccer.
- Minnesota boasts more than 10,000 lakes and 136,000 acres of parks, trails and wildlife management areas. The state is renowned for its wide variety of outdoor activities, including sailing, fishing, skiing and hunting.
- Popular local activities in Minnesota include the following annual events: Minnesota State Fair, Minneapolis Aquatennial and St. Paul Winter Carnival.

Interesting Facts about the Metropolitan Airports Commission

1917

A landing strip for airmail service is built on the site of the bankrupt Twin Cities Motor Speedway. It is later renamed Wold-Chamberlain Field.



Aerial View of the Speedway

1927

Northwest Airways' first passenger flight occurs. The \$50 flight to Chicago includes stops in La Crosse, Madison and Milwaukee.

1926

Northwest Airways wins the contract for airmail service to Chicago and bases operations at Wold-Chamberlain Field.

St. Paul develops Holman Field in an effort to give its businesses a competitive edge.

1928

The Minneapolis Park Board buys Wold-Chamberlain Field.



The First U.S. Air Mail Building at Wold-Chamberlain Field

1943

Minnesota passes legislation to form the Minneapolis-St. Paul Metropolitan Airports Commission (MAC)

1949

The MAC acquires 160 acres for the Lake Elmo Airport.

1950

The MAC acquires 1,200 acres of farmland in Anoka County, which later becomes the Anoka County-Blaine Airport.

1958

The MAC breaks ground on a \$47 million expansion at MSP that includes a new terminal, control tower, access roads and upgrades to runways and taxiways.

1962

The MAC begins construction of its first fire station at MSP.



The Blockbuster Movie "Airport" is Filmed at MSP in 1969

1948

Wold-Chamberlain gets a new name, becoming the Minneapolis-St. Paul International Airport.

The MAC acquires Crystal Airport and Flying Cloud Airport.

1955

MSP reaches the 1 million annual passenger milestone.



The New Terminal, Including Its Iconic Sawtooth Roof, Opens at MSP in 1962

1966

Flying Cloud Airport is second only to Chicago's O'Hare Airport as the busiest airfield in the central United States.

1969

Community activism leads to the formation of the Metropolitan Aircraft Sound Abatement Council. The council is comprised of public and airline representatives who work collaboratively to reduce aircraft noise near MSP.

1976

The Hubert H. Humphrey Charter Terminal opens at MSP and serves around 60 international charter flights per month.



The Original Hubert H. Humphrey Charter Terminal in the Late 1970s

1981

The MAC completes the first of 19 school noise mitigation projects.

1979

The MAC acquires Airlake Airport in Lakeville, adding a second airport with an instrument landing system.

1989

The Minnesota Legislature directs the MAC to take on a “dual track” review of growth strategies, studying both expanding MSP’s existing capacity and building a new airport beyond existing suburban development.

1984

A new seven-level, \$20 million parking ramp opens at Terminal 1 with 2,000 spaces.



MAC's Executive Director Jeff Hamiel (Right) Meets with U.S. Secretary of Transportation Sam Skinner in the Early 1990s

1991

Minnesota approves a \$761 million financial assistance package for Northwest Airlines.

1996

MAC Board of Commissioners votes 11-3 on the Dual Track study to recommend expansion of the existing MSP airport.

2001

The Hubert H. Humphrey Charter Terminal is replaced by the modern and spacious Terminal 2 building.

2004

The new LRT opens and provides transportation between Terminal 1 and Terminal 2 at MSP.

2005

The MAC, FAA, Delta Air Lines and other partners collaborate to reduce fuel usage during landing procedures.

Runway 17-35 opens at MSP.

2007-2008

The new floodwall at the St. Paul Downtown Airport provides reliable year-round operations.



The 2016 Terminal 2 Expansion Includes Four New Gates, a Lactation Room, an Indoor Pet-Relief Area and a Green Roof



In 2014, the MAC and Ameresco Announce the World's Largest Structure-Mounted Solar Power Installation, Which is Constructed Atop MSP Parking Ramps

2018

Minneapolis hosts Super Bowl LII. On "Getaway Day," there are 60,455 screenings at MSP checkpoints, making it the busiest day ever at MSP. More than 1,100 private planes utilize the MAC's seven airports during the week of events.

2017

38 million passengers are served at MSP.

2019

MSP is named the best airport in North America by Airports Council International for the 3rd consecutive year.

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.
- 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 fewer than 10 minutes.
- The MAC operates one of the nation’s most extensive airport noise mitigation programs around MSP. Since 1992, the Commission has spent approximately \$488 million on noise mitigation programs, including insulating over 18,600 single-family and multi-family homes and 19 schools.
- MSP encompasses approximately 3,300 acres. Turf areas, accounting for more than one-third of the campus, require extensive maintenance by the Field Maintenance crew.

MSP Airport Activity

The region’s economic profile affects passenger traffic at MSP. For example, the amount and type of commerce in the region may affect the level of business travel to and from MSP or the average regional personal income may affect the level of discretionary travel from MSP.

Total Passengers ¹ (in thousands)		Total Cargo ² (Freight and mail, in thousands of metric tons)			
Rank	Airport	Passengers	Rank	Airport	Cargo
1	Atlanta (ATL)	107,394	1	Memphis (MEM)	4,470
2	Los Angeles (LAX)	87,534	2	Anchorage (ANC)	2,807
3	Chicago (ORD)	83,245	3	Louisville (SDF)	2,623
4	Dallas/Fort Worth (DFW)	69,113	4	Los Angeles (LAX)	2,210
5	Denver (DEN)	64,495	5	Miami (MIA)	2,130
6	New York (JFK)	61,624	6	Chicago (ORD)	1,807
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15	Phoenix (PHX)	44,944	27	Orlando (MCO)	256
16	Houston (IAH)	43,808	28	Portland (PDX)	247
17	Boston (BOS)	41,014	29	Minneapolis (MSP)	239
18	Minneapolis (MSP)	38,107	30	Detroit (DTW)	230
19	Fort Lauderdale (FLL)	35,963	31	Charlotte (CLT)	211
20	Detroit (DTW)	35,237	32	Tampa (TPA)	203

¹ arriving and departing passengers and direct transit passengers counted once
² loaded and unloaded freight and mail in metric ton
 Source: ACI 2018 North American Airport Traffic Summary, accessed 1/24/20

MSP is one of the highest activity airports in the United States. Approximately 35% of its passengers are connecting while the other 65% are origin-destination. In 2002, MSP held 9th place for U.S. airport passenger activity. Several airline bankruptcies and mergers subsequently occurred, as well as a general decline in air travel. This resulted in a drop in rank to 18th place, where MSP stood in 2018.

When ranked by total cargo, MSP placed 29th in the U.S. for 2018. MSP dropped from the 2017 ranking of 27th place, although cargo tonnage increased. The Amazon Fulfillment Center located in Minnesota has been open since 2016, which contributes to the increase in cargo at MSP.

The table below indicates which air carriers provide service at MSP. Since January 1, 2018, the airport has added 32 routes by seven airlines. As of January 1, 2020, MSP was served by 40 air carriers, including 21 U.S. Flag carriers providing scheduled service, 12 all-cargo service carriers, and seven foreign-flag carriers. Additionally, 59 of the 167 routes served by the airport are competitive, which means at least two airlines offer scheduled service on the route.

U.S. Flag Carriers			Foreign Flag Carriers		All Cargo Service	
Air Choice One*	Endeavor*	Horizon*	Sky West*	Aer Lingus*	ABX Air*	FedEx*
Air Wisconsin*	Envoy*	JetBlue*	Southwest*	Air Canada*	Air Transport International*	IFL
Alaska*	ExpressJet*	Mesa*	Spirit*	Air France*	Atlas Air Cargo*	Kalitta*
American*	Frontier*	PSA*	Sun Country*	Condor*	Bemidji*	Mountain Air Cargo
Boutique Air*	Go Jet*	Republic Airlines*	United*	Icelandair*	CSA Air	Suburban
Delta*				KLM*	Encore Air Cargo*	UPS*
				Sky Regional*		

* Air carriers that are signatory airlines to the Airline Lease Agreement.
¹ Excludes carriers reporting fewer than 1,000 enplaned passengers per annum.
 Source: Metropolitan Airports Commission

Additionally, three branches of the U.S. Armed Forces are represented at MSP: the Air Force Reserve 934th Tactical Airlift Group, the Marine Air Reserve Training Detachment and the Naval Air Reserve-Twin Cities Center. The Minnesota Air National Guard 133rd Tactical Airlift Group is also located at MSP.

Glossary

21D: Lake Elmo Airport

The Lake Elmo Airport is east of St. Paul. It is one of six reliever airports operated by the MAC.

accrual basis

The accrual basis of accounting attempts to record financial transactions during the period in which they occur rather than recording them during the period in which they are paid.

ACI-NA: Airports Council International-North America

ACI-NA represents local, regional and state governing bodies that own and operate commercial airports in the United States and Canada.

ADA: Americans with Disabilities Act

The ADA prohibits discrimination against people with disabilities in employment, transportation, public accommodation, communications and governmental activities. The ADA also establishes requirements for telecommunications relay services.

AHU: Air Handling Unit**amortization**

Amortization is the systematic allocation of a balance sheet item to expense or revenue on the income statement.

ANE: Anoka County-Blaine Airport

Situated in the north metro near the National Sports Center, Anoka County-Blaine Airport is also known as Jane's Field. It is one of six reliever airports operated by the MAC.

APD: Airport Police Department**ARFF: Aircraft Rescue Fire Fighting****balanced budget**

In this budget approach, operating revenue is equal to budgeted operating expense plus depreciation.

bonds

Bonds are formal promises to pay a specified principal at a future date along with periodic interest on that principal at a specified rate per period.

budget

A budget is an itemized summary of projected income and expenditure over a specified period.

capital equipment

Equipment with a cost of at least \$10,000 will be capitalized and depreciated.

capital expenditure

See "capital equipment"

CCTV: Closed Circuit Television**CEO: Chief Executive Officer****CFC: Customer Facility Charge**

A CFC is an on-airport rental car assessment. The assessment allows the MAC to recover the rental car portion of capital costs associate with the construction of the auto rental/public parking garage adjacent to Terminal 1, as well as certain maintenance costs related to the auto rental facilities.

CIP: Capital Improvement Program

The CIP is a seven-year plan relating to construction projects in the MAC's system of airports. The CIP's current budget year includes projects that are reasonably defined for implementation during that year. The next budget year includes projects identified as a need or potential need in that year of the program, but require further study in order to properly determine the scope, feasibility and cost of the project. The final five years consist of projects that appear to be needed during that period. This portion assists in financial planning and meets the requirements of the Metropolitan Council's Investment Framework.

CMAA: Commercial Management and Airline Affairs

Commission: Metropolitan Airports Commission

commercial paper

Commercial paper is a short-term debt obligation sold with maturity dates of 270 days or less.

concourse

A concourse is the long hallway-like structure where loading and unloading of passengers takes place.

connecting passengers

Connecting passengers fly to MSP and transfer to another flight in order to reach their final destination.

CTX: Computer Tomography X-Ray

debt service

Debt service is an issuer's obligation to repay the principal and interest.

debt service account

The MAC is required by law to maintain a debt service account. The balance on hand on October 10th of each year must equal all principal and interest due on all Airport Improvement Bonds and General Obligation Revenue Bonds payable through the end of the second following year.

DEED: Department of Employment and Economic Development

department

Departments are usually combinations of service centers. The term is sometimes used interchangeably with the term "service center."

depreciation

This accounting process allocates the cost expiration of tangible plant, property and equipment. The cost is allocated against periodic revenue over the useful life of the asset.

destination passengers

Destination passengers arrive at MSP and do not transfer to another flight.

ECC: Emergency Communications Center

EMC: Energy Management Center

enplaned passengers

Enplaned passengers are the number of passengers boarding an aircraft, including originating and connecting passengers.

enterprise fund

"Enterprise fund" is a governmental accounting term referring to a fund that provides goods or services to the public for a fee, similar to a commercial enterprise. The MAC uses enterprise fund accounting. The MAC's cost of providing goods or services to the general public on a continuing basis includes expenses and depreciation. These costs are to be financed or recovered primarily through user charges so operating and capital expenses are paid from revenues generated by users.

FAA: Federal Aviation Administration

The FAA's mission is to provide the safest, most efficient aerospace system in the world. This translates into a variety of roles, including regulating civil aviation; developing and operating a system of air traffic control and navigation; developing and carrying out programs to control environmental effects of civil aviation.

FAA Regulation Part 139

FAA Regulation Part 139 requires FAA to issue airport operating certificates to airports that serve scheduled and unscheduled air carrier aircraft with more than 30 seats, serve scheduled air carrier operations in aircraft with more than 9 seats but less than 31 seats and those that the FAA Administrator requires to have a certificate. Airport Operating Certificates serve to ensure safety in air transportation. To obtain a certificate, an airport must agree to certain operational and safety standards and provide for such things as firefighting and rescue equipment.

FAA Regulation Part 150

This regulation establishes a uniform nationwide system of describing aircraft noise and noise exposure on different communities, describes land-use compatibility for the guidance of local communities and provides technical assistance to airport operators and other governmental agencies to prepare and execute noise compatibility planning.

FCM: Flying Cloud Airport

Flying Cloud Airport is situated in the southwestern corner of the Twin Cities in Eden Prairie. It is the home base for many corporate business jets and turbo-prop planes. It is one of six reliever airports operated by the MAC.

FICA: Federal Insurance Contributions Act**FIS: Federal Inspection Services****FTE: full-time equivalent**

The MAC allocates employee headcount in terms of the equivalent number of full-time employees.

Funds

The Commission segregates its accounting into three funds: Operating, Debt and Construction.

fund balance

In a fund at a given point in time, the fund's assets less its liabilities is equal to the fund balance. The fund balance is positive when its assets exceed liabilities. The balance is negative when its liabilities exceed assets. Additionally, a fund balance may be designated as unreserved or reserved. Unreserved fund balances are free to be authorized for future expenditures, while reserved balances may not be designated for future expenditures. Fund balances are residual amounts and may not be a cash amount.

fund equity

In government accounting, the term "fund equity" is typically reserved for funds that are operated on a business or accrual basis. See also "fund balance."

GA: General Aviation**GAAP: Generally Accepted Accounting Principles**

Generally Accepted Accounting Principles are a set of rules that encompass the details, complexities and legalities of accounting. The Financial Accounting Standards Board uses GAAP as the foundation for its comprehensive set of approved accounting methods and practices.

GASB: Governmental Accounting Standards Board**GASB 34**

GASB 34 established comprehensive, new financial reporting requirements for governmental units. Under GASB Statement No. 34, the Commission is a special purpose government unit engaged primarily in business type activities. As a result, the Commission prepares its financial statements using the accrual basis of accounting and the economic resources measurement focus.

GASB 68

GASB 68 revised and established new financial reporting requirements for most state and local governments that provide their employees with pension benefits. In compliance with GASB 68, the MAC recognizes its long-term obligation for pension benefits as a liability and takes a more comprehensive measurement of the MAC's annual costs of pension benefits.

GARBs: General Airport Revenue Bonds

GARBs are bonds secured by the pledge of all operating revenues of the Commission. These bonds are subject to the prior pledges of such revenues for payment of GORBs.

GFOA: Government Finance Officers Association**GIS: Geographic Information System**

GORBs: General Obligation Revenue Bonds

GORBs are 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 GORBs.

GPS: Global Positioning System**HR: Human Resources****HVAC: Heating, Ventilation and Air Conditioning****IAF: International Arrivals Facility****IMACS: Intelligent Monitoring and Control Systems****IT: Information Technology****iViSN: Integrated Video and Information System Network**

This project is a major upgrade of all CCTV network, cameras and systems across MSP and will provide enhanced situational awareness for the airport community.

LED: Light-Emitting Diode**LRT: Light-Rail Transit****LVN: Airlake Airport**

The Airlake Airport is located south of the Twin Cities near Lakeville and Farmington, Minnesota. It is one of six reliever airports operated by the MAC.

MAC: Metropolitan Airports Commission

Created in 1943 by Minnesota state law, the MAC is a public corporation providing coordinated aviation services throughout the Twin Cities metropolitan area. The MAC operates one of the largest airport systems in the nation, which includes MSP and six general aviation airports. A 15-member Board of Commissioners appointed by Minnesota's Governor and the Mayors of Minneapolis and Saint Paul establishes the Commission's policies. These policies are implemented by the Commission's senior leadership and staff.

MCD: Maintenance, Cleaning and Distribution

The MAC provides maintenance and holds the contracts for cleaning and distribution services utilized by food, beverage and retail concessions and airline clubs. These concessionaires pay MCD fees to the MAC in lieu of individually contracting these services.

Metropolitan Council

Also known as the Met Council, it is the metropolitan regional planning agency.

MIC: Crystal Airport

Located in Crystal, MIC is also adjacent to Brooklyn Park and Brooklyn Center. It is one of six reliever airports operated by the MAC.

MSA: Metropolitan Statistical Area

A Metropolitan Statistical Area is a core area delineated by the United States Office of Management and Budget and contain substantial population centers. In conjunction with adjacent communities, they have high degrees of economic and social integration with those population centers.

MSP: Minneapolis-St. Paul International Airport

MSP refers to the total airport facility.

MUFIDs: Multi-User Flight Information Display systems**NCAA: National Collegiate Athletic Association****OF&A Committee: Operations, Finance & Administration Committee**

The OF&A Committee is composed of Commissioners meeting on a monthly basis. This Committee is one of the two standing Committees of the Metropolitan Airports Commission. All financial information is reported to the committee and acted upon at this meeting.

OPEB: Other Post Employment Benefit Trust

Operating Fund

A fund used to pay all operating expenses such as personnel, maintenance, utilities, supplies, insurance, miscellaneous and equipment purchases.

operation

An operation is an aircraft takeoff or landing.

originating passenger

An originating passenger is a passenger initiating travel from MSP.

OSHA: Occupational Safety and Health Administration

OSHA was created by Congress in 1970 to assure safe and healthful working conditions for workers. OSHA sets and enforces standards and provides training, outreach, education and assistance.

PD&E Committee: Planning, Development & Environment Committee

The PD&E Committee is composed of Commissioners meeting on a monthly basis. This Committee is one of the two standing Committees of the Metropolitan Airports Commission.

PFC: Passenger Facility Charge

A PFC is an authorization by Congress which allows proprietors of commercial service airports, such as the MAC, to impose a passenger facility charge upon revenue passengers enplaning at those airports. 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.

R & R: Repair and Replacement Surcharges

Repair and Replacement Surcharges are a component of airline rates and charges.

ramp fees

Ramp fees are charged to a particular airline for exclusive use of a specific area of ramp, calculated by dividing the total estimated costs by the number of lineal feet of ramp space.

reimbursed expense

Reimbursed expenses are costs paid by the Commission which are billed back to tenants or paid to the MAC by outside sources. Reimbursement receipts are recorded in "Other Revenue."

reliever airports

These airports provide facilities for general aviation activity and reduce traffic and congestion at large airports. The MAC owns six reliever airports: St. Paul Downtown, Flying Cloud, Crystal, Anoka County-Blaine, Lake Elmo, and Airlake Airports.

RFP: request for proposal

A request for proposal is a business document that announces and provides details about a project, as well as solicits bids from companies interested in completing the project.

RFQ: request for qualifications

A request for qualifications is a pre-qualification stage of the procurement process. Interested parties submit their qualifications, and only those who successfully respond to the RFQ and meet the criteria will be included in the selection process.

self-liquidating

Self-liquidating fees are received for rental 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 MAC.

service center

A service center is the MAC's terminology for a cost center used to track revenue or expenses.

Seven County Metropolitan Area

The counties surrounding MSP: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties. The area includes the cities of Minneapolis and St. Paul.

signatory carriers/airlines

Carriers and airlines who have signed the Airline Agreement. They include major, commuter, charter and cargo or freight carrier categories.

STP: St. Paul Downtown Airport

STP is the metro area's primary facility for private business aviation. Also known as Holman Field, it is one of six reliever airports operated by the MAC.

subledger

A subledger is a term used by the MAC to group expenses from various service centers to determine rates and charges for tenants and users of the MAC facilities.

subordinated debt

Subordinated debt is paid after senior debt obligations have been met.

taxiway

Taxiways are paved airfield areas primarily used for ground movements of aircraft to, from and between runways, ramps and storage areas.

T1: Terminal 1**T2: Terminal 2****TBD: To be determined****TREC: Telecommunications Room Equipment Continuity****TSA: Transportation Security Administration****working capital**

Working capital is the change in current assets minus the change in current liabilities.

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